

Working on Waste
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State of Vermont Public Service Board, Docket #6140
Investigation into the Reform of Vermont's Electric Power Supply

October 16, 1998

In early October Working on Waste submitted a position paper to the Public Service Board on the issue of a buy-out of the power purchase agreement between CVPS/CVEC and Wheelabrator Claremont Company, L.P. Representatives of the citizens' organization attended the technical conference held in Montpelier last week. These brief comments are in response to Chairman Cowart's request for supplementary filings by the parties submitting proposals in this docket.

We believe that the CVEC/WCC contract does impact Vermont's largest electric utility and Vermont ratepayers. Furthermore air pollution from the waste incinerator has economic, environmental and health impacts over a large region of the state of Vermont.

We would like to request that the board convene a workshop to discuss the steps which would be necessary to facilitate voluntary buy-outs of power purchase agreements such as the one between CVEC, a wholly owned "off-shore" subsidiary of CVPS, and Wheelabrator Claremont Company, L.P., a small independent power producer.

CVEC's solvency and economic viability in a deregulated marketplace is in question. It is indisputable that CVPS is affected by CVEC's business operations in New Hampshire, particularly as the New Hampshire subsidiary purchases most of its power from its parent. The high cost of power purchased from Wheelabrator Claremont Co. is a drain on CVEC and may result in lost opportunity for CVPS. The external costs associated with generating electricity at facilities with a high ratio of pollution to kilowatt hours produced needs to be examined as the State of Vermont plans to reduce costs and risks to its power portfolio.

The Board is urged to read Working on Waste's proposal carefully. We look forward to your response.

Sincerely,

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