AB

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February 3, 2009

Susan M. Hudson, Clerk
Vermont Public Service Board
112 State Street - Drawer 20
Montpelier, VT 05620-2701

Re: Docket No. 7336 – CVPS Motion to Amend Alternative Regulation Plan

Dear Mrs. Hudson:

I write to provide the comments of the Public Service Department on the *Motion for Approval to Amend Alternative Regulation Plan* (Motion) filed by Central Vermont Public Service Corp. As indicated in Mr. Rocheleau's cover letter, the filing was shared and discussed with the DPS prior to filing.

The Department supports CV's main request, amendment of the Alternative Regulation Plan (ARP). The DPS believes that the treatment proposed by CVPS for the costs of the extraordinary December 2008 storm is fair to the Company and to its ratepayers. DPS also agrees with the Company that addressing these costs through amendment of the ARP is appropriate. While these costs may qualify for deferral by a traditional accounting order (as CVPS requests in the alternative), the ARP includes a mechanism for handling such exogenous costs. The ARP has been reviewed and approved under statutory criteria, and the parties are living by its terms; in this posture, the Department believes that adapting it to deal with the particular situation at hand is preferable to issuance of an accounting order allowing deferral.

Thank you for your attention to this matter. Please let me know if any additional information would be helpful.

Sincerely,

Geoff Commons

Geoffrey Commons
Special Counsel

cc: Service List