STATE OF VERMONT
PUBLIC SERVICE BOARD

Docket No. 6045

Petition of Citizens Utilities Company for a certificate of public good for approval of the construction of the 46/12.47 kV substation located at the H.K. Webster Plant in Richford, Vermont	))))	Hearing at Montpelier, Vermont September 25, 1998

Order entered: 1/6/99

PRESENT: Wayne L. Foster, Hearing Officer

APPEARANCES: Victoria J. Brown, Esq.
Martin K. Miller, Esq.[1]
for Citizens Utilities Company

Aaron Adler, Esq.
Geoffrey Commons, Esq.[2]
for Vermont Department of Public Service

Andrew Raubvogel, Esq.[3]
for Agency of Natural Resources

I. INTRODUCTION

This case concerns a petition filed by Citizens Utilities Company ("Citizens") on December 12, 1997, requesting a certificate of public good ("CPG") pursuant to 30 V.S.A. § 248 for construction of a 46/12.47 kv substation at the Blue Seal Feeds Company (formerly the H.K. Webster plant) in Richford, Vermont (the "H.K. Webster Substation"). The petition was filed pursuant to the Public Service Board ("Board") Order issued on June 16, 1997, in Docket Nos. 5841/5859 ("June 16 Order").

On May 12, 1998, a public hearing was held in Richford, Vermont. Notice of the public hearing was sent to all parties and interested persons on April 22, 1998. In addition, notice of the

1. Did not appear at the hearing.
2. See Footnote 1.
3. No Notice of Appearance filed and did not attend hearing.

public hearing was published in The County Courier on April 23, 1998, and April 30, 1998. The public hearing was held as scheduled at the Richford Town Hall, on Main Street in Richford, Vermont. Also on May 12, 1998, a site visit was held at the H.K. Webster Substation in Richford, Vermont.

On July 17, 1998, Citizens and the Department of Public Service ("DPS") submitted a Stipulation ("July 17 Stipulation") in which the two parties agreed that the Board should issue a CPG with conditions requiring Citizens to undertake certain actions and perform certain studies and analyses as described in the July 17 Stipulation. The July 17 Stipulation is conditioned on Board approval.

Notice of the technical hearing was sent on September 1, 1998, to all parties specified in 30 V.S.A. § 248 and all other interested parties. A technical hearing was held as scheduled on September 25, 1998, at 9:30 a.m. at the Public Service Board Hearing Room, Third Floor, Chittenden Bank Building, 112 State Street, Montpelier, Vermont. No one appeared in opposition to the petition and substantial evidence was presented in support of the petition.

II. FINDINGS

Based on the substantial evidence of record and the testimony presented at the hearing, I hereby report the following findings to the Board in accordance with 30 V.S.A. § 8.

1. Citizens is a company as defined in 30 V.S.A. Section 201. Pet. at 1.

2. In its June 16 Order in Docket Nos. 5841/5859, the Board found that a CPG is required for the reconstruction and relocation of the H.K. Webster Substation, and ordered Citizens to apply for a CPG within 180 days of the June 16 Order. Board Order, dated June 16, 1997, in Docket Nos. 5841/5859.

3. Citizens submitted a petition for a CPG on December 12, 1997, supported by prefiled testimony.

4. On July 17, 1998, Citizens and the DPS submitted a stipulation which resolves all issues between the two parties and sets forth the parties' agreement that the Board should issue a CPG with conditions requiring Citizens to undertake all actions and perform all studies, evaluations, and analyses required in the July 17 Stipulation. Exh. Joint-1 at 4-5.

Orderly development of the Region

[30 V.S.A. § 248(b)(1)]

5. The reconstructed H. K. Webster Substation project has not and will not unduly interfere with the orderly development of the region, with due consideration having been given to the

recommendations of the municipal and regional planning commissions, the recommendations of municipal legislative bodies, and the land conservation measures contained in the plan of any affected municipality. This finding is supported by findings 6 through 8 below.

6. Citizens' reconstruction of the H. K. Webster Substation project has enabled Citizens to provide better service to Blue Seal Feeds Company ("Blue Seal"). The presence of Blue Seal supports the regional economy. Citizens' application for a CPG for the subject substation was and is integral to Blue Seal's intention to modernize the mill and improve the performance of its internal power distribution system. Continuation of poor quality service could have thwarted Blue Seal's objectives with regard to modernizing the mill. Shlatz pf. at 13-14.

7. Citizens sent a letter summarizing the substation rebuild to the Northwestern Vermont Development Association and the Richford Town Planning Board and Zoning Commission. Shlatz pf. at 14.

8. After sending the letter, Citizens contacted both agencies. No objections to or concerns about the subject substation were received by Citizens. Shlatz pf. at 14.

Need for Present and Future Demand for Service

[30 V.S.A. § 248(b)(2)]

9. The subject facility meets the need for present and future demand for service which could not otherwise be provided in a more cost-effective manner through energy conservation programs and measures and energy efficiency and load management measures. The subject substation was and continues to be needed to improve the reliability and performance of power delivery facilities serving the Blue Seal mill. Key equipment in the previous substation performed inadequately and the facility obstructed vehicular access. When Blue Seal brought these issues to Citizens' attention, Citizens needed to take corrective action in order to better serve Blue Seal over the near and long-term. Shlatz pf. at 15.

System Stability and Reliability

[30 V.S.A. §248(b)(3)]

10. The reconstruction of the substation has enhanced system reliability. Among other benefits, the installation of a larger transformer has allowed Citizens to carry additional load without violating transformer loading criteria. Shlatz pf. at 22.

11. System stability with respect to area generator performance remains unchanged. System voltage performance and stability are improved as a result of the reconstruction. Shlatz pf. at 23.

Economic Benefit to the State

[30 V.S.A. § 248(b)(4)]

12. The least-cost planning studies conducted by Stone & Webster indicate the subject substation reconstruction is justified on the basis of least-cost integrated planning. Shlatz pf. at 23-24.

13. Reconstruction of the subject substation is integral to Citizen's long-term plan to convert Richford area circuits to operate at 12.47kV. Shlatz pf. at 24.

Aesthetics, Historic Sites, Air and Water Purity, the Natural Environment and Public Health and Safety

[30 V.S.A. § 248(b)(5)]

14. The subject facility does not and will not have an undue adverse effect on aesthetics, historic sites, air and water purity, the natural environment and the public health and safety. This finding is supported by findings 15 through 39 below, which are based on the criteria specified in 10 V.S.A. § 1424(d) and 6086(a)(1) through (8), 8(A) and (9)(K).

Outstanding Resource Waters

[10 V.S.A. § 1424a(d)]

15. The substation facility as built will not affect any outstanding resource waters of the state as identified by the Water Resources Board. Shlatz pf. at 30.

Water and Air Pollution

[10 V.S.A. § 6086(a)(1)]

16. The subject project has not and will not result in undue air pollution. There are no incremental impacts to air quality at the subject substation, and there are no areas of dust from exposure of soils. Any impacts associated with this criterion would have been minor, temporary in nature, and associated with construction. Countryman pf. at 2-3.

17. The only potential source of water pollution appears to be accidental spilling or leaking of transformer oil at the subject site. Citizens has agreed to propose a spill containment facility for the subject substation, as noted in finding 22 below. Countryman pf. at 3; Exh. Joint-1 at 3.

Headwaters

[10 V.S.A. § 6086(a)(1)(A)]

18. The subject facility is not in a headwater area; hence, there are no impacts to this resource resulting from the construction of the subject substation. Countryman pf. at 3.

Waste Disposal

[10 V.S.A. § 6086(a)(1)(B)]

19. The subject facility does not produce waste which must be disposed, nor does it involve injection of waste materials or any harmful or toxic substance into ground water or wells. Countryman pf. at 3.

20. To assess whether any contamination has occurred in the past at the subject site, Citizens will inspect and test the site of the subject substation for the presence of contamination due to oil and other hazardous substances. Within 30 days of issuance of a CPG by the Board, Citizens has agreed to submit the results of such inspection and testing to the Board, the DPS and the Agency of Natural Resources ("ANR"). Exh. Joint-1 at 2.

21. If contamination is found, Citizens will work with ANR to determine if remediation is necessary, develop any necessary corrective action plan, and carry out any necessary remediation. The Board and the DPS will be notified at each step in this process. Exh. Joint-1 at 3.

22. The July 17 Stipulation requires that any CPG for the subject facility shall be contingent upon the creation and implementation by Citizens of a plan for the construction of spill containment for the subject substation. Citizens will submit such proposed plan to the Board, the DPS and the ANR within 45 days of issuance of a CPG. The DPS and ANR will have an opportunity to review and comment on the proposed plan, which will be subject to Board approval. Any disputes concerning the plan will be resolved by the Board. Exh. Joint-1 at 3.

Water Conservation

[10 V.S.A. § 6086(a)(1)(C)]

23. There is no requirement for water use at the subject site. Countryman pf. at 3.

Floodways

[10 V.S.A. § 6086(a)(1)(D)]

24. The subject substation is not located in or near a floodway, and no impacts on floodways are evident. Countryman pf. at 4.

Streams

[10 V.S.A. § 6086(a)(1)(E)]

25. No streams are associated with the subject H.K. Webster Substation. The North Branch of the Missisquoi River passes the area some 3,000 feet to the west, and the Missisquoi River itself flows by the south in downtown Richford. Countryman pf. at 4.

Shorelines

[10 V.S.A. § 6086(a)(1)(F)]

26. There are no shorelines at or near the subject H.K. Webster Substation. Countryman pf. at 4.

Wetlands

[10 V.S.A. § 6086(a)(1)(G)]

27. The subject H.K. Webster Substation is located in an area with a long history of residential, commercial, and industrial development. Countryman pf. at 5.

28. No impacts on any wetlands have been identified in connection with this subject substation. Countryman pf. at 2-6.

Sufficiency of Water and Burden on Existing Water Supply

[10 V.S.A. § 6086(a)(2) and (3)]

29. There is no requirement at the subject site for water supply. Countryman pf. at 4.

Soil Erosion

[10 V.S.A. § 6086(a)(4)]

30. There has not been a significant reduction in the capacity of the land to hold water as a result of the reconstruction of this subject substation. Land preparation to accommodate the subject facility was minor in nature, and the general lay of the land at the subject site has not been changed significantly. Furthermore, there is no evidence of erosion at the subject site as a result of the relocation of the subject substation from near the Blue Seal mill buildings. Countryman pf. at 4-5.

Traffic

[10 V.S.A. § 6086(a)(5)]

31. There are no current impacts associated with traffic. If there were any such impacts at the time of actual construction, these would have all been short-term and temporary. Ongoing operation of the subject site does not contribute to traffic congestion on the highway which passes the subject site. Countryman pf. at 5.

Educational Services

[10 V.S.A. § 6086(a)(6)]

32. The subject facility exerts no demands on educational services. Countryman pf. at 5.

Municipal Services

[10 V.S.A. § 6086(a)(7)]

33. The subject facility exerts no demands on municipal services. Countryman pf. at 5.

Aesthetics, Historic Sites or Rare

And Irreplaceable Natural Areas

[10 V.S.A. § 6086(a)(8)]

34. The subject facility has not had and will not have an undue adverse effect on the scenic and natural beauty of the area, aesthetics, historic sites, or rare and irreparable natural areas. This finding is supported by findings 35 to 39, below.

35. The subject facility is aesthetically well sited. The pine tree screen planted by Citizens several years ago was providing an excellent screen until the lower branches were removed by Blue Seal, thus affording views into the substation. Citizens has proposed a planting plan to correct the problem and received assurances from Blue Seal that it will no longer trim trees planted to screen the subject facility. Boyle pf. at 3; Exh. TJB-1, 2.

36. No later than July 1 of the first growing season following the Board's issuance of a CPG for the subject substation, Citizens will implement the proposed planting plan for aesthetic mitigation of the subject substation attached as Exhibit A to the July 17 Stipulation. The proposed aesthetic mitigation includes planting evergreen and deciduous trees and shrubs around the subject substation, planting shade trees along the southwestern edge of the property to screen the view of the subject substation from the south, and planting a mix of deciduous and coniferous trees between the subject substation and Province Street to the north and east of the subject substation on the H.K. Webster property in order to screen the views of the subject substation from the east and north. Exhibit Joint-1 at 2.

37. Citizens will keep in a healthy, growing condition all plant material installed as aesthetic mitigation of the subject substation. Should any of this plant material die or fail to thrive sufficiently to provide the intended aesthetic mitigation, Citizens will replace it with the same material, or similar material that accomplishes the same mitigation if the original material is unavailable or determined not to be suited to the particular location within which it was planted. Any such replacement shall occur as soon as seasonably practical. Exhibit Joint-1 at 2.

38. Because the subject substation is located in an area with a long history of residential, commercial, and industrial development, the potential for rare or irreplaceable natural areas is low. Field investigation confirmed that the probability of any of these natural resource values being found in the subject area before reconstruction was remote. Countryman pf. at 5.

39. Citizens is not aware of any known historic sites which are impacted by the subject facility. Boyle pf. at 5.

Necessary Wildlife Habitat and Endangered Species

[10 V.S.A. § 6086(a)(8)(A)]

40. Because the subject substation is located in an area with a long history of residential, commercial, and industrial development, the potential for necessary wildlife habitat or the occurrences of rare, threatened or endangered species is low. Field investigation confirmed that the probability of any of these natural resource values being found in the area before reconstruction was remote. Countryman pf. at 5.

Public Health and Safety

41. The subject facility was constructed in accordance with the requirements of the National Electrical Safety Code. Public Service Board Rule No. 3.500.

Development Affecting Public Investments

[10 V.S.A. § 6086(a)(9)(K)]

42. The impact on public investments is indirect but positive, since the subject substation is necessary to supply power to support the Richford community's largest employer, which is Blue Seal. Blue Seal generates substantial public and private investment. Additionally, the subject substation site requires screening and that screening, represented by the mass of evergreens, contributes to a park-like foreground and partially screens the Blue Seal industrial buildings. Boyle pf. at 5.

Consistency with Resource Selection

Integrated Resource Plan

[30 V.S.A. § 248(b)(6)]

43. The subject substation as built and the proposed enhancements are consistent with Citizens' least-cost integrated plan. Shlatz pf. at 23-28; 29-30.

44. Citizens' IRP supports its decision to reconstruct the subject substation, as none of the recommendations presented in the IRP would have caused Citizens to have taken a different course of action. Citizens plans to expand the Richford substation in 2006 or some other date as necessary, depending on load growth and other potential changes in the system over the next twenty years. Citizens will file for a CPG with the Board at that time. Shlatz pf. at 29-30.

Compliance With Electric Energy Plan

[30 V.S.A. § 248(b)(7)]

45. The subject facility is consistent with the Vermont Twenty-Year Electric Plan. Schlatz pf. at 30. The DPS has determined, in a letter dated July 29, 1998, that the subject facility is consistent with the Vermont Twenty-Year Electric Plan in accordance with 30 V.S.A. § 202(f), provided that Citizens complies with the conditions contained in the stipulation between the DPS and Citizens that was filed with the Board on July 17, 1998, in this docket.

Outstanding Water Resources

[30 V.S.A. § 248(b)(8)]

46. The subject substation, as built, does not affect and is not located on any segment of waters designated an outstanding resource waters. Shlatz pf. at 30.

Existing or Planned Transmission Facilities

[30 V.S.A. § 248(b)(10)]

47. The existing substation facility was unable to serve the Blue Seal load in a manner that would provide acceptable voltage to the customer. Of the options considered, the reconstruction of the subject H. K. Webster Substation was prudent and the most cost-effective choice. Shlatz pf. at 31.

III. CONCLUSIONS

Based upon all the above evidence, the H.K. Webster Substation facility:

(a) will not unduly interfere with the orderly development of the region with due consideration having been given to the recommendations of the municipal and regional planning commissions, and the recommendations of the municipal legislative bodies;

(b) is required to meet the need for present and future demand for service which could not otherwise be provided in a more cost-effective manner through energy conservation programs and measures and energy-efficiency and land management measures;

(c) will not adversely affect system stability and reliability;

(d) will result in an economic benefit to the state and its residents;

(e) will not have an undue adverse effect on aesthetics, historic sites, air and water purity, the natural environment and the public health and safety, with due consideration having been given to the criteria specified in 10 V.S.A. § 1424a(d) and § 6086(a)(1) through (8) and (9)(K);

(f) is consistent with the principles for resource selection expressed by Citizens' least-cost integrated plan;

(g) is in compliance with the electric energy plan approved by the DPS under §202 of Title 30 V.S.A.;

(h) does not involve a facility affecting or located on any segment of the waters of the State that has been designated as outstanding resource waters by the Water Resources Board; and

(i) can be served economically by existing or planned transmission facilities without undue adverse effect on Vermont utilities or customers.

To the extent these findings are inconsistent with any proposed findings, such proposed findings are denied.

The parties have waived the opportunity to comment on this Proposal for Decision in accordance with 3 V.S.A. § 811.

DATED at Montpelier, Vermont, this 5th day of January, 1999.

s/ Wayne L. Foster
Wayne L. Foster

Hearing Officer

ORDER

IT IS HEREBY ORDERED, ADJUDGED AND DECREED by the Public Service Board of the State of Vermont that:

1. The construction of a 46/12.47 kV substation at the Blue Seal Feeds Company (formerly H.K. Webster) in Richford, Vermont, by Citizens Utilities Company, in accordance with the evidence and plans submitted in this proceeding, will promote the general good of the State of Vermont, in accordance with 30 V.S.A. § 248, and a certificate of public good to that effect shall be issued in this matter.

2. The Stipulation, filed by Citizens Utilities Company and the Department of Public Service on July 17, 1998, concerning the substation facility is accepted and approved.

DATED at Montpelier, Vermont, this 6th day of January, 1999.

s/ Richard H. Cowart	)	
	)	PUBLIC SERVICE
	)	
s/ Suzanne D. Rude	)	BOARD
	)	
	)	OF VERMONT
s/ David C. Coen	)	

OFFICE OF THE CLERK

Filed: January 6, 1999

Attest: s/ Susan M. Hudson
Clerk of the Board

NOTICE TO READERS: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Board of any technical errors, in order that any necessary corrections may be made.

Appeal of this decision to the Supreme Court of Vermont must be filed with the Clerk of the Board within thirty days. Appeal will not stay the effect of this Order, absent further Order by this Board or appropriate action by the Supreme Court of Vermont. Motions for reconsideration or stay, if any, must be filed with the Clerk of the Board within ten days of the date of this decision and order.