

**Vermont Electric Cooperative, Inc.**  
**ISO-NE FERC Tariff No. 3 - Section II - OATT Schedule 21-VEC**

**Transmission Rates for Open Access Transmission**

Rates Effective: July 1, 2011 - June 30, 2012		
<b>TPA</b>	Acc.350-359	\$6,904,120
	less depreciation	(\$1,716,850)
	<b>Total</b>	<b>\$5,187,270</b>
<b>CC</b>		<b>17.720%</b>
<b>TPE</b>	Acc. 560-564, 566-567	707,812
	Acc. 568-576	654,520
	Acc. 565: High O&M (SC 808) and Local Transmission for TSPL Other Loads	608,094
	Acc. 565: VELCO Bill Back	404,899
	<b>Total</b>	<b>\$2,375,326</b>
<b>TC</b>	Special Contracts 805 & 808 (Former FERC Rate Sch 3 & 8)	227,478
	short-term firm service	
	non-firm service	152
	other service	
	<b>Total</b>	<b>\$227,630</b>
<b>TSPL (kW)</b>  12/27/2010 19:00	HQ Interconnection C140, C100	34,200
	VELCO Highgate Interconnection H240/250, H200/210, H230/220	23,600
	VELCO Irasburg Interconnection H15, H16	0
	plus Distr. Level Generation	2,690
	less Firm P-P peak	0
	less BLFTA peak	(6,576)
	plus Firm Contract Demand	0
	plus BLFTA Contract Demand	22,676
	plus Other VEC Transmission (included in TPA and not in TC)	24,742
	<b>Total</b>	<b>101,332</b>
<b>Schedule 8 Long-Term and Short-Term Firm Point-to-Point Transmission Service:</b>		
<b><u>FTR = ((TPA x CC) + TPE - TC)/(TSPL times 12)</u></b>		
Yearly delivery: FTR, payable on a monthly basis (\$/MW-Mo)		\$2,522.14
Monthly delivery: FTR (\$/MW-Mo)		\$2,522.14
Weekly delivery: [12 x FTR] / 52 (\$/MW-Wk)		\$582.03
Daily delivery on peak*: [12xFTR] / 52 / 5 (\$/MW-Day)		\$116.41
Daily delivery off peak**: [12xFTR] / 52 / 7 (\$/MW-Day)		\$83.15
<b>Schedule 9 Non-Firm Point-to-Point Transmission Service:</b>		
<b><u>NFTR = ((TPA x CC) + TPE - TC)/(TSPL times 12)</u></b>		
Yearly delivery: NFTR, payable on a monthly basis (\$/MW-Mo)		\$2,522.14
Monthly delivery: NFTR (\$/MW-Mo)		\$2,522.14
Weekly delivery: [12 x NFTR] / 52 (\$/MW-Wk)		\$582.03
Daily delivery on peak*: [12 x NFTR] / 52 / 5 (\$/MW-Day)		\$116.41
Daily delivery off peak**: [12 x NFTR] / 52 / 7 (\$/MW-Day)		\$83.15
Hourly delivery on peak***: [12 x NFTR] / 52 / 5 / 16 (\$/MWH)		\$7.28
Hourly delivery off peak****: [12 x NFTR] / 52 / 7 / 24 (\$/MWH)		\$3.46
<b>Schedule 10 Network Integration Transmission Service:</b>		
<b><u>TR = [(CNL/TSPL) x ((TPA x CC) + TPE - TC)]/12 = (CNL/TSPL) x \$255,573.30</u></b>		
Where: TR = Monthly monthly transmission rate per MW of CNL (\$/MW-Mo.) =		\$2,522.14
CNL = The Network Customer's hourly Network Load during the previous calendar year (KW).		

\* all days except Saturday and Sunday

\*\* Saturday and Sunday

\*\*\* Hours 7:00 AM to 11:00 PM, Monday through Friday

\*\*\*\* Any hour that is not an on-peak hour

**Vermont Electric Cooperative, Inc.**  
**ISO New England Inc.**  
**FERC Electric Tariff No. 3**  
**Section II - Open Access Transmission Tariff**  
**Schedule 21-VEC**

**Transmission Plant Accounts Worksheet**

TPA - shall be the sum of the Transmission Plant Accounts as reported under the Uniform System of Accounts (Accounts 350 to 359), less applicable depreciation, TPA shall not include the cost of the Phase I/Phase II HVDC Facilities between Des Cantons, Quebec and Tewksbury, Massachusetts.

FERC Account	VEC - Account Balances 12/31/2010		
	Original Cost	Accumulated Depreciation	Net Book
350.00	\$26,000.00		\$26,000.00
350.01	\$29,716.59		\$29,716.59
350.10	\$154,516.09		\$154,516.09
350.30	\$1,610.00		\$1,610.00
352.10	\$251,734.90	\$9,225.92	\$242,508.98
352.30	\$4,637.00	\$904.11	\$3,732.89
353.00	\$277,207.25	\$41,301.42	\$235,905.83
353.10	\$2,712,356.03	\$272,065.99	\$2,440,290.04
353.30	\$29,158.00	\$5,683.62	\$23,474.38
355.00	\$1,031,215.66	\$600,531.79	\$430,683.87
355.10	\$301,114.38	\$54,770.83	\$246,343.55
355.30	\$1,491.00	\$290.26	\$1,200.74
356.00	\$1,005,501.48	\$528,418.46	\$477,083.02
356.10	\$1,049,968.84	\$180,356.24	\$869,612.60
356.30	\$828.00	\$68.70	\$759.30
357.00	\$5,613.56	\$4,737.95	\$875.61
358.00	\$21,450.75	\$18,494.52	\$2,956.23
TPA	\$6,904,119.53	\$1,716,849.81	\$5,187,269.72

## Vermont Electric Cooperative

### CC Calculation - ISO-NE FERC Tariff No. 3 - OATT Schedule 21-VEC

**CC** A percentage rate to cover such costs as cost of equity and cost of debt, applied to the net investment, plus income and other taxes, depreciation, insurance, and other allowable administrative and general expenses.

	\$	%
<b><u>Cost of Equity and Cost of Debt</u></b>		
From Schedule 1 - Cost of Equity and Cost of Debt % = Schedule 1 \$ / TPA	\$ 541,791.00	10.44%
<b><u>Taxes</u></b>		
From Schedule 2 - Vermont Gross Revenue Tax % = Schedule 2 \$ / TPA	\$ 4,993.24	0.10%
<b><u>Depreciation</u></b>		
From Schedule 3 - Depreciation Expense % = Schedule 3 \$ / TPA	\$ 208,790.70	4.03%
<b><u>Administrative and General Expenses.</u></b>		
Fixed percentage agreed upon by the Parties		3.15%
<b>TPA</b> \$ 5,187,269.72	<b>CC =</b>	<b>17.72%</b>

## Vermont Electric Cooperative

### CC Calculation - ISO-NE FERC Tariff No. 3 - OATT Schedule 21-VEC

#### Schedule 1 - Cost of Equity and Cost of Debt

##### Cost of Equity

Return on equity specified for all local service tariffs in the ISO-NE RTO tariff: 11.14%

##### Cost of Debt Rate

Line No.	Component	Debt	Interest Expense	Rate
1	LT Debt - Form 1, Pg 257 Ln 33 (h)	\$58,047,218		
2	Interest on Long-Term Debt Form 1, Pg 257 Ln 33 (i)		\$2,908,213	
3	Cost of Debt Rate (Interest Expense/Debt)	\$58,047,218	\$2,908,213	5.01%

##### Capitalization

Line No.	Component	Capitalization	Percent Capitalization	Cost	Weighted Cost
1	Equity - Form 1, Pg 112, Ln 16 (c)	\$44,046,246	46.29%	11.14%	5.16%
2	Debt - Form 1, Pg 112, Ln 24 (c)	\$51,115,376	53.71%	5.01%	2.69%
3	Total	<u>\$95,161,622</u>	<u>100.00%</u>		<u>7.85%</u>

##### Cost of Equity and Cost of Debt

Transmission Plant	Weighted Rate	Combined Cost of Equity and Debt
\$ 6,904,119.53	7.85%	<u><u>\$ 541,791.00</u></u>

**Vermont Electric Cooperative**

**CC Calculation - ISO-NE FERC Tariff No. 3 - OATT Schedule 21-VEC**

**Schedule 2 - Taxes**

Vermont Gross Revenue Tax

Line

No.	Component	Revenues	Tax Rate	
1	Transmission for Others - Form 1, Pg 330 Total(n)	\$998,648	0.5%	\$ 4,993.24
	Vermont Gross Revenue Tax			<u>\$ 4,993.24</u>

**Schedule 3 - Depreciation**

	FERC Account	Total Transmission Plant		OATT Transmission Plant		Deprec Rate	Deprec Expense
	350.00	\$26,000.00		\$26,000.00			
	350.01	\$29,716.59		\$29,716.59			
	350.10	\$154,516.09		\$154,516.09			
	350.30	\$1,610.00		\$1,610.00			
<b>Depreciable Plant</b>	352.10	\$251,734.90	\$251,734.90	\$251,734.90	\$251,734.90		
	352.30	\$4,637.00	\$4,637.00	\$4,637.00	\$4,637.00		
	353.00	\$277,207.25	\$277,207.25	\$277,207.25	\$277,207.25		
	353.10	\$2,712,356.03	\$2,712,356.03	\$2,712,356.03	\$2,712,356.03		
	353.30	\$29,158.00	\$29,158.00	\$29,158.00	\$29,158.00		
	355.00	\$1,031,215.66	\$1,031,215.66	\$1,031,215.66	\$1,031,215.66		
	355.10	\$301,114.38	\$301,114.38	\$301,114.38	\$301,114.38		
	355.30	\$1,491.00	\$1,491.00	\$1,491.00	\$1,491.00		
	356.00	\$1,005,501.48	\$1,005,501.48	\$1,005,501.48	\$1,005,501.48		
	356.10	\$1,049,968.84	\$1,049,968.84	\$1,049,968.84	\$1,049,968.84		
	356.30	\$828.00	\$828.00	\$828.00	\$828.00		
	356.40	\$499,808.74	\$499,808.74	\$499,808.74	\$499,808.74		
	357.00	\$5,613.56	\$900.66	\$5,613.56	\$900.66		
	358.00	\$21,450.75	\$3,040.73	\$21,450.75	\$3,040.73		
		\$7,403,928.27	\$7,168,962.67	\$6,904,119.53	\$6,669,153.93	3.13%	<u>\$ 208,790.70</u>

Form 1, Pg 207 Ln 58 (g)                      \$7,403,927  
 Depreciation Expense: Form 1, Pg 336 Ln 7(f)                      \$224,438  
 Depreciation Rate (Expense/Plant)                      3.13%