

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, 2010 - June 30, 2011		
TPA	Acc.350-359	\$6,804,361
	less depreciation	(\$1,534,635)
	Total	\$5,269,725
CC		16.610%
TPE	Acc. 560-564, 566-567	652,372
	Acc. 568-576	549,126
	Acc. 565: High O&M (SC 808) and Local Transmission for TSPL Other Loads	720,712
	Acc. 565: VELCO Bill Back	378,712
	Total	\$2,300,922
TC	Special Contracts 805 & 808 (Former FERC Rate Sch 3 & 8)	200,109
	short-term firm service	
	non-firm service	-
	other service	
	Total	\$200,109
TSPL (kW) 1/15/2009 18:00	HQ Interconnection C140, C100	39,900
	VELCO Highgate Interconnection H240/250, H200/210, H230/220	21,300
	VELCO Irasburg Interconnection H15, H16	0
	plus Distr. Level Generation	2,333
	less Firm P-P peak	0
	less BLFTA peak	(6,376)
	plus Firm Contract Demand	0
	plus BLFTA Contract Demand	22,676
	plus Other VEC Transmission (included in TPA and not in TC)	18,997
	Total	98,830
Schedule 8 Long-Term and Short-Term Firm Point-to-Point Transmission Service:		
<u>FTR = ((TPA x CC) + TPE - TC)/(TSPL times 12)</u>		
Yearly delivery: FTR, payable on a monthly basis (\$/MW-Mo)		\$2,509.46
Monthly delivery: FTR (\$/MW-Mo)		\$2,509.46
Weekly delivery: [12 x FTR] / 52 (\$/MW-Wk)		\$579.11
Daily delivery on peak*: [12xFTR] / 52 / 5 (\$/MW-Day)		\$115.82
Daily delivery off peak**: [12xFTR] / 52 / 7 (\$/MW-Day)		\$82.73
		\$82.73
Schedule 9 Non-Firm Point-to-Point Transmission Service:		
<u>NFTR = ((TPA x CC) + TPE - TC)/(TSPL times 12)</u>		
Yearly delivery: NFTR, payable on a monthly basis (\$/MW-Mo)		\$2,509.46
Monthly delivery: NFTR (\$/MW-Mo)		\$2,509.46
Weekly delivery: [12 x NFTR] / 52 (\$/MW-Wk)		\$579.11
Daily delivery on peak*: [12 x NFTR] / 52 / 5 (\$/MW-Day)		\$115.82
Daily delivery off peak**: [12 x NFTR] / 52 / 7 (\$/MW-Day)		\$82.73
Hourly delivery on peak***: [12 x NFTR] / 52 / 5 / 16 (\$/MWH)		\$7.24
Hourly delivery off peak****: [12 x NFTR] / 52 / 7 / 24 (\$/MWH)		\$3.45
Schedule 10 Network Integration Transmission Service:		
<u>TR = [(CNL/TSPL) x ((TPA x CC) + TPE - TC)]/12 = (CNL/TSPL) x \$248,009.50</u>		
Where: TR = Monthly monthly transmission rate per MW of CNL (\$/MW-Mo.) =		\$2,509.46
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 12/31/2009		
	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	\$2,308.20	\$249,426.70
352.30	\$4,637.00	\$773.70	\$3,863.30
353.00	\$257,178.08	\$34,156.84	\$223,021.24
353.10	\$2,706,605.81	\$197,687.97	\$2,508,917.84
353.30	\$29,158.00	\$4,863.57	\$24,294.43
355.00	\$978,902.88	\$572,676.92	\$406,225.96
355.10	\$301,291.17	\$46,494.10	\$254,797.07
355.30	\$1,491.00	\$248.33	\$1,242.67
356.00	\$1,000,304.01	\$500,515.28	\$499,788.73
356.10	\$1,033,322.78	\$151,718.86	\$881,603.92
356.30	\$828.00	\$68.70	\$759.30
357.00	\$5,613.56	\$4,712.93	\$900.63
358.00	\$21,450.75	\$18,410.05	\$3,040.70
TPA	\$6,804,360.62	\$1,534,635.44	\$5,269,725.18

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.

	\$	%
<u>Cost of Equity and Cost of Debt</u>		
From Schedule 1 - Cost of Equity and Cost of Debt % = Schedule 1 \$ / TPA	\$ 535,897.61	10.17%
<u>Taxes</u>		
From Schedule 2 - Vermont Gross Revenue Tax % = Schedule 2 \$ / TPA	\$ 3,766.10	0.07%
<u>Depreciation</u>		
From Schedule 3 - Depreciation Expense % = Schedule 3 \$ / TPA	\$ 169,633.31	3.22%
<u>Administrative and General Expenses.</u>		
Fixed percentage agreed upon by the Parties		3.15%
TPA \$ 5,269,725.18	CC =	16.61%

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)	\$51,115,376		
2	Interest on Long-Term Debt Form 1, Pg 257 Ln 33 (i)		\$2,746,764	
3	Cost of Debt Rate (Interest Expense/Debt)	\$51,115,376	\$2,746,764	5.37%

Capitalization

Line No.	Component	Capitalization	Percent Capitalization	Cost	Weighted Cost
1	Equity - Form 1, Pg 112, Ln 16 (c)	\$39,181,967	43.39%	11.14%	4.83%
2	Debt - Form 1, Pg 112, Ln 24 (c)	\$51,115,376	56.61%	5.37%	3.04%
3	Total	<u>\$90,297,343</u>	<u>100.00%</u>		<u>7.88%</u>

Cost of Equity and Cost of Debt

Transmission Plant	Weighted Rate	Combined Cost of Equity and Debt
\$ 6,804,360.62	7.88%	<u><u>\$ 535,897.61</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)	\$753,219	0.5%	\$ 3,766.10
	Vermont Gross Revenue Tax			<u>\$ 3,766.10</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			
Depreciable Plant	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	\$257,178.08	\$257,178.08	\$257,178.08	\$257,178.08		
	353.10	\$2,706,605.81	\$2,706,605.81	\$2,706,605.81	\$2,706,605.81		
	353.30	\$29,158.00	\$29,158.00	\$29,158.00	\$29,158.00		
	355.00	\$978,902.88	\$978,902.88	\$978,902.88	\$978,902.88		
	355.10	\$301,291.17	\$301,291.17	\$301,291.17	\$301,291.17		
	355.30	\$1,491.00	\$1,491.00	\$1,491.00	\$1,491.00		
	356.00	\$1,000,304.01	\$1,000,304.01	\$1,000,304.01	\$1,000,304.01		
	356.10	\$1,033,322.78	\$1,033,322.78	\$1,033,322.78	\$1,033,322.78		
	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		\$5,613.56			
	358.00	\$21,450.75		\$21,450.75			
		\$7,304,169.36	\$7,065,262.37	\$6,804,360.62	\$6,565,453.63	2.58%	<u>\$ 169,633.31</u>

Form 1, Pg 207 Ln 58 (g) \$7,304,169
 Depreciation Expense: Form 1, Pg 336 Ln 7(f) \$182,547
 Depreciation Rate (Expense/Plant) 2.58%