

SCHEDULE 20A – VEC

PHASE I/II HVDC-TF SERVICE SCHEDULE

OF

VERMONT ELECTRIC COOPERATIVE, INC.

Issued by: David C. Hallquist
Chief Executive Officer
Vermont Electric Cooperative, Inc.
Issued on: June 6, 2008

Effective: October 11, 2007

SCHEDULE 20A – VEC

PHASE I/II HVDC-TF SERVICE SCHEDULE

Vermont Electric Cooperative, Inc. (VEC) holds certain Use Rights and is an IRH of the Phase I/II HVDC-TF (VEC's Use Rights). VEC is providing open access to its portion of the HVDC-TF. This Schedule functions in conjunction with the Tariff, in particular Section II and the Common Provisions of Schedule 20A, to offer Transmission Services and Ancillary Services not otherwise provided pursuant to the Tariff. Consequently, VEC offers transmission service over its portion of the HVDC-TF to transmit power on the HVDC-TF that VEC has the authority to broker on behalf of such rights holders pursuant to this Schedule. The Transmission Customer shall be billed monthly in accordance with Schedule 20A and this Service Schedule.

In the event that Transmission Customer exceeds its reserved capacity for any transmission service pursuant to this Schedule 20A-VEC, it shall be subject to the penalties set forth in Schedule 20A of the Tariff.

VEC's Creditworthiness procedures are specified in Attachment L to Schedule 21-VEC, located at First Revised Sheet No. 4482 of the Tariff. Information supporting Attachment L may be posted on VEC's OASIS and/or corporate website.

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Terms not defined in this Schedule have the meaning as defined in Section II and Schedule 20A of the Tariff.

A. Firm Point-to-Point Transmission Service Over the Phase I/II HVDC-TF

The Transmission Customer shall compensate VEC each month for Reserved Capacity which is transmitted over the Phase I/II HVDC-TF at the embedded cost charge set out below.

Embedded Cost Charge: The sum of the applicable charges set forth below.

- (1) **Yearly Delivery:** Yearly Delivery Charge as set forth in Section 5 below, divided by 12, applied monthly.
- (2) **Monthly Delivery:** Yearly Delivery Charge divided by 12.
- (3) **Weekly Delivery:** Yearly Delivery Charge divided by 52.
- (4) **Daily Delivery:** The charge for daily delivery on Monday through Friday shall be derived by dividing the Yearly Delivery Charge by 260; the charge for daily delivery on Saturday and Sunday shall be derived by dividing the Yearly Delivery Charge by 365.

The total demand charge in any one week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.

(5) Yearly Delivery Charge:

The Yearly Delivery Charge for Firm Point-to-Point Transmission Service over Phase I/II HVDC-TF shall be the Adjusted Cost of Service divided by the Average Monthly Load.

(A) The Adjusted Cost of Service shall be (i) the annual cost assessed to VEC for the Phase I/II HVDC-TF, as appropriate; less (ii) revenues from Transmission Customers taking Non-Firm Point-to-Point Transmission Service over the Phase I/II HVDC-TF; less (iii) revenues or credits received from NEPOOL through the Phase I Quebec Savings Fund or the Phase II Quebec Savings Fund pursuant to the September 1, 1985 Phase I/Phase II Use Agreement.

(B) The Average Monthly Load shall be (i) the average of VEC's monthly peak loads on its share of the Phase I/II HVDC-TF for the calendar year; less (ii) the average of the monthly loads for the calendar year of Transmission Customers taking Firm and Non-Firm Point-to-Point Transmission Service over VEC's share of the Phase I/II HVDC-TF, measured at the times of VEC's monthly peak loads on the Facilities for the calendar year; plus (iii)

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the average Reserved Capacity of Transmission Customers taking Firm Point-to-Point Transmission Service over VEC's share of the Phase I/II HVDC-TF at embedded cost rates, measured at the time of VEC's monthly peak loads on the Facilities for the calendar year.

Charges shall be revised each July 1 to reflect the costs and loads recorded in VEC's most recently-filed FERC Form No. 1. On or before May 1 of each year, VEC shall post or otherwise supply to its customers a detailed information package setting forth the charges under this Schedule 20-A. Billing determinants are the Customer's Reserved Capacity on the Phase I/II HVDC-TF.

B. Non-Firm Point-to-Point Transmission Service Over the Phase I/II HVDC-TF

The Transmission Customer shall compensate VEC for Non-Firm Point-to-Point Transmission Service over the Phase I/II HVDC-TF at a rate that is no greater than the sum of the applicable charges set forth below.

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(1) **Monthly delivery:** Monthly Delivery Charge as set forth in subsection A, Section (2).

(2) **Weekly delivery:** Yearly Delivery Charge as set forth in subsection A, Section (5), divided by 52.

(3) **Daily delivery:** The maximum charge for daily delivery on Monday through Friday shall be derived by dividing the Yearly Delivery Charge as set out in subsection A, Section (5) by 260 and the maximum charge for daily delivery on Saturday and Sunday shall be derived by dividing the Yearly Delivery Charge by 365.

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.

(4) **Hourly delivery:** The charge for hourly service during on-peak hours (defined, for purposes of this section, as the hours 7:00 a.m. to 11:00 p.m., Monday through Friday) shall be derived by dividing the Yearly Delivery Charge as set out in subsection A, Section (5) by 4,160, and the charge for hourly service during off-peak hours (defined,

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for purposes of this section, as any hour that is not an on-peak hour) shall be derived by dividing the Yearly Delivery Charge by 8,760.

The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any hour during such day. In addition, the total demand charge in any week, pursuant to a reservation for Hourly or Daily Delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any hour during such week.

Charges shall be revised each July 1 to reflect the costs and loads recorded in VEC's most recently-filed FERC Form No. 1. On or before May 1 of each year, VEC shall post or otherwise supply to its customers a detailed information package setting forth the charges under this Schedule 20-A. Billing determinants are the Customer's Reserved Capacity on the Phase I/II HVDC-TF.

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