

AUG 13 2018

Electricity Delivery and  
Energy Reliability

UNITED STATES OF AMERICA  
BEFORE THE  
DEPARTMENT OF ENERGY

OFFICE OF ELECTRICITY DELIVERY AND ENERGY RELIABILITY

Vermont Electric Power Company, Inc. )  
Vermont Transco LLC )  
and )  
Highgate Joint Owners )

Docket No. PP-82-5

PP-82-6

**Application to Amend Presidential Permit No. PP-82-5**

Pursuant to 10 C.F.R. § 205.323(b) (2018), Vermont Electric Power Company, Inc. (“VELCO”), a Vermont corporation that serves as project manager for the three Vermont utilities that jointly own undivided ownership interests (“Highgate Joint Owners”) in the Highgate Interconnection Facilities (also referred to as the “Highgate Transmission Facility”), hereby applies to the Office of Electric Delivery and Energy Reliability of the Department of Energy (“Department”) to amend Presidential Permit No. PP-82-5 (“PP-82-5”), issued by the Department on May 14, 1985, as amended March 1, 1994, September 3, 2003, February 7, 2005, May 3, 2016, and January 8, 2018.

VELCO is applying to amend PP-82-5 to reflect a change in ownership interests and to authorize the transfer of the undivided ownership interests in the Highgate Transmission Facility from two of the Highgate Joint Owners, the Town of Stowe Electric Department (“Stowe”) and City of Burlington Electric Department (“BED”) to the third Highgate Joint Owner, Vermont Transco LLC (“Transco”). The transfer in ownership results from Transco’s exercise of its right of first refusal to purchase the ownership shares of Stowe and BED as provided under Section 19 of the Agreement for Joint Ownership, Construction and Operation of the Highgate Transmission Interconnection, as amended. As a result of this transaction, Transco will become the sole owner of the Highgate Interconnection Facilities.

## I. Overview

Presidential Permit No. PP-82-5 authorizes the Highgate Joint Owners to construct, connect, maintain and operate at the United States border, at Franklin, Vermont, and Saint-Armand, Quebec, the United States portion of facilities that interconnect the bulk-transmission systems of Hydro-Quebec and Transco, between a Hydro-Quebec substation located in Bedford, Quebec, and a Transco substation located in Highgate, Vermont. The Highgate Transmission Facility is authorized to transfer up to 250 megawatts of energy between the Hydro-Quebec and Transco systems, and its facilities include a 345-kV transmission line, presently operated at 120kV, located in Franklin and Highgate, Vermont, and a back-to-back, AC-DC-AC converter terminal, located in Highgate, Vermont, and include associated land, rights-of-way, transmission lines, termination structures, transformers, capacitors, switches, relays, controls, buildings, yard facilities, including a warehouse, and other tangible ( and intangible) equipment and systems.

Currently, the undivided ownership shares of Stowe, BED and Transco in the Highgate Transmission Facility are 5.27% 7.7%, and 87.03% respectively. As provided under section 19 of the Agreement for Joint Ownership, Construction and Operation of the Highgate Transmission Interconnection, as amended, Transco has exercised its right of first refusal to acquire the ownership shares of Stowe and BED. The Highgate Joint Owners will enter into a transaction with Transco acting by and through its manager, VELCO, under which Transco will acquire from each Highgate Joint Owner its undivided ownership interest in the Highgate Transmission Facility (“Transaction”).

Under the existing Highgate Operating and Management Agreement, as amended, VELCO, as project manager, operates and manages the Highgate Transmission Facility for the Highgate Joint Owners. VELCO also manages and operates the bulk-transmission facilities of

Transco which owns most of the bulk-transmission facilities in Vermont. The effect of the Transaction will be to change ownership of the Highgate Transmission Facility by transferring all of the undivided ownership interests in the Highgate Transmission Facility to Transco. The Transaction will not affect the operation and management of the Highgate Transmission Facility because VELCO will continue to operate and manage the Highgate Transmission Facility pursuant to the terms of the Highgate Operating and Management Agreement, as amended.

## II.

### Section 205.322(a) Information About Applicant

In support of this application and pursuant to section 205.322(a), 10 C.F.R. § 205.322(a), VELCO hereby amends and updates the information required by the specific paragraphs in subsection (a), listed below, as follows:

(1) The exact legal name of the applicants are the “Joint Owners of the Highgate Interconnection Facilities” Vermont Transco LLC, and Vermont Electric Power Company, Inc.

(2) The legal name of all current “partners” (*i.e.*, Joint Owners of the Highgate Interconnection Facilities) and their current respective ownership shares are:

BED	7.7%
Stowe	5.27%
Transco	87.03%

VELCO requests that the Department amend PP-82-5 to reflect that Transco will own 100% of the ownership shares in the Highgate Interconnection Facilities.

(3) The person to whom correspondence in regard to this application should be sent is:

Colin Owyang  
Vice President, General Counsel and Corporate Secretary  
Vermont Electric Power Company, Inc.  
366 Pinnacle Ridge Road  
Rutland, VT 05701  
(802) 770-6312  
[cowyang@velco.com](mailto:cowyang@velco.com)

with a copy of all such correspondence and other communications sent to:

Margaret H. Claybour, Esq.  
Van Ness Feldman, LLP  
1050 Thomas Jefferson Str., N.W.  
Suite 700  
Washington, D.C. 20007-3877  
(202) 298-1800  
[mhc@vnf.com](mailto:mhc@vnf.com)

- (4) No change.
- (5) This application hereby incorporates by reference all contracts previously filed with the Department, including the Agreement for Joint Ownership, Construction and Operation of the Highgate Transmission Interconnection, as amended through Amendment No. 7, and the Highgate Operating and Management Agreement, as amended through Amendment No. 5.
- (6) No change.

### **III.**

#### **Section 205.322(b)(1)-(4) Information About the Transmission Line Covered by Presidential Permit**

The Transaction requires no update of the information previously filed under section 205.322(b)(1)-(4) because the Transaction will not affect the operation of the Highgate Transmission Facility. The operating procedures and practices relied upon by VELCO when operating and managing the Highgate Transmission Facility will remain unchanged after the change in ownership. Accordingly, information previously filed by VELCO concerning the reliability of the Highgate Transmission Facility will continue to apply to the facility's operation after the Transaction closes.

**IV.**  
**Section 205.322(c)-(d) Information Regarding Environmental Impacts  
and Alternatives**

VELCO does not propose any physical modifications to the Highgate Transmission Facility as a result of the change in the ownership interest. Because no physical modifications are proposed, VELCO is not submitting an Environmental Report or any alternative analysis, as provided under sections 205.322(c) and (d) of the Department's Regulations. In considering the Amendment sought by this application, VELCO asks the Department to find, only if necessary and by categorical exclusion, that the Amendment's modification of the names and ownership interests of the Highgate Joint Owners and the transfer of the Highgate Transmission Facility does not have the potential to result in a significant, adverse environmental impact within the meaning of the National Environmental Policy Act of 1969 because the modification will involve no physical change to the Highgate Transmission Facility.

**V.**  
**Section 205.326 Requirements**

In accordance with the requirements of section 205.326 of the Department's regulations, VELCO has supplied copies of this application to the following:

Ms. Kimberly D. Bose  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, D.C. 20426

Honorable Anthony Z. Roisman  
Chairman  
Vermont Public Service Board  
112 State Street, 4<sup>th</sup> Floor  
Montpelier, VT 05620-2701

Honorable June Tierney  
Commissioner  
Vermont Department of Public Service  
112 State Street, Third Floor  
Montpelier, VT 05620-2601

VELCO also submits a check in the amount of \$150.00, made payable to the Treasurer of the United States, in payment of the fee required by 10 C.F.R § 205.326.

**VI.**  
**Section 205.322(e) Opinions and Verifications**

VELCO incorporates by reference the opinions of counsel previously provided with respect to the Highgate Transmission Facility. VELCO represents that no material change has occurred with respect to the corporate powers of VELCO, itself or as agent for the Highgate Joint Owners.

VELCO hereby also submits a verification executed by the officer of VELCO having knowledge of the matters set forth in this application, as required by section 205.322(e) of the Department's regulations (Attachment 1).

**VII.  
Request for Action**

VELCO, on behalf of itself, Transco, and the Highgate Joint Owners, requests that the Department amend Presidential Permit PP-82-5 to reflect the change in ownership of the Highgate Transmission Facility as set forth in Part II(2) of this application and to authorize the transfer of the Highgate Transmission Facility to Transco.

Respectfully submitted,

Vermont Electric Power Company, Inc.  
For itself and as agent for the Joint Owners of the Highgate  
Interconnection Facilities

By: /s/ Colin Owyang

Colin Owyang  
Vice President, General Counsel and Corporate Secretary  
Vermont Electric Power Company, Inc.  
366 Pinnacle Ridge Road  
Rutland, VT 05701  
(802) 770-6312  
[cowyang@velco.com](mailto:cowyang@velco.com)

Margaret H. Claybour, Esq.  
Kelsey Bagot, Esq.  
Van Ness Feldman, LLP  
1050 Thomas Jefferson Str., N.W.  
Suite 700  
Washington, D.C. 20007-3877  
(202) 298-1800  
[mhc@vnf.com](mailto:mhc@vnf.com)  
[kbagot@vnf.com](mailto:kbagot@vnf.com)

August 10, 2018

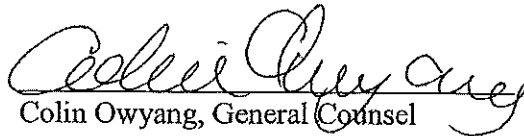
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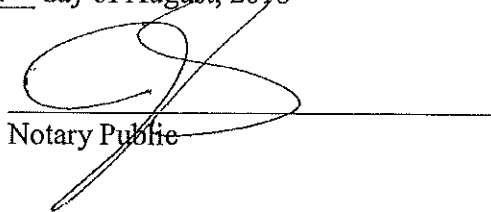
**VERIFICATION**

County of Rutland                        )  
  )  
State of Vermont                         )

Colin Owyang being duly sworn, deposes and says that he is General Counsel of Vermont Electric Power Company, Inc., and has the authority to verify the foregoing Application on behalf of Vermont Electric Power Company, Inc., acting as agent for the Joint Owners of the Highgate Interconnection Facilities. He has read the Application and, to the best of his knowledge, information, and belief, all of the statements contained therein are true and accurate.

  
Colin Owyang, General Counsel

Subscribed and sworn to before me on this 10<sup>th</sup> day of August, 2018

  
\_\_\_\_\_  
Notary Public

My Commission expires 2/2019