

**STATE OF VERMONT
PUBLIC SERVICE BOARD**

Petition of Champlain VT, LLC d/b/a TDI New England)
 for a Certificate of Public Good, pursuant to 30 V.S.A. § 248,)
 authorizing the installation and operation of a high voltage)
 direct current (HVDC) underwater and underground electric)
 transmission line with a capacity of 1,000 MW, a converter)
 station, and other associated facilities, to be located in Lake)
 Champlain and in the Counties of Grand Isle, Chittenden,)
 Addison, Rutland, and Windsor, Vermont, and to be known)
 as the New England Clean Power Link Project (“NECPL”))

Docket No. 8400

**SUPPLEMENTAL PREFILED DIRECT TESTIMONY OF
DONALD JESSOME, EUGENE MARTIN AND JOSHUA BAGNATO**

ON BEHALF OF CHAMPLAIN VT, LLC

August 26, 2015

Summary:

The testimony of Messrs. Jessome, Bagnato and Martin summarizes the various stipulation and agreements reached by TDI-NE concerning the Project, and provides an update on several issues covered in their original testimony based on those stipulations/agreements, and based on TDI-NE’s refinements to the design of the Project.

| Exhibit Number | Superseded Exhibit (if applicable) | Name of Exhibit |
|-----------------------|---|---|
| TDI-JMB-4(Rev.) | JMB-4 | Project Plans – Lake Route |
| TDI-JMB-5(Rev.) | JMB-5 | Construction Typicals - Lake |
| TDI-JMB-6(Rev.) | JMB-6 | Summary of Public Benefits |
| TDI-JMB-7a | N/A | First Amendment to VELCO Agreement |
| TDI-JMB-8b(Rev.) | JMB-8b | Converter Station Civil Plan |
| TDI-JMB-10a | N/A | Blasting Plan Appendix – BMPs |
| TDI-JMB-11(Rev.) | JMB-11 | Permitting and Construction Schedule |
| TDI-JMB-14(Rev.) | JMB-14 | Mitigation Impacts Summary |
| TDI-JMB-19a,b | N/A | DPS/ANR/DHP Stipulation and First Amendment |
| TDI-JMB-20 | N/A | CLF Agreement |
| TDI-JMB-21 | N/A | VELCO Stipulation |
| TDI-JMB-22 | N/A | GMP Stipulation |
| TDI-JMB-23 | N/A | BED Stipulation |
| TDI-JMB-24a-c | N/A | Host Town Agreements: Alburgh, Benson, Ludlow |
| TDI-JMB-25 | N/A | VTrans Lease Option Agreement |
| TDI-JMB-26 | N/A | License for Fish & Wildlife Access Area |

1 **Q. Please state your names, occupations and business addresses.**

2 Response: My name is Donald Jessome. I am co-founder and chief executive officer of
3 Transmission Developers Inc. and TDI-USA Holdings Corp. (“TDI”). My business address
4 is 600 Broadway, Albany, NY 12207. TDI and its parent company, the Blackstone Group,
5 are developing the Project through an affiliate, Champlain VT, LLC, d/b/a TDI New
6 England (“TDI-NE”).

7 My name is Gene Martin. I am president and chief operating officer of TDI. My
8 business address is 1301 Avenue of the Americas, New York, NY 10019.

9 My name is Josh Bagnato. I am employed by TDI-NE as the project manager for
10 the New England Clean Power Link Project (“NECPL” or “Project”) that is the subject of
11 this proceeding. My business address is P.O. Box 155, Charlotte, Vermont 05445.

12

13 **Q. Have you previously filed testimony in this proceeding?**

14 Response: Yes, we submitted prefiled direct testimony on behalf of TDI-NE concerning the
15 Project on December 8, 2014.

16

17 **Q. What is the purpose of your supplemental testimony?**

18 Response: The purpose of our testimony is to summarize the settlement agreements
19 reached with parties in the docket, and provide an update on several issues covered in our
20 original testimony in light of the settlements and refinements to the design of the Project.

21

1 **Q. Since the filing of your previous testimony, has TDI-NE entered into agreements**
2 **with any other parties? If so, please identify those agreements and provide a general**
3 **summary of each.**

4 **Response:** Yes, since the filing of the 248 Petition in December 2014, TDI-NE has entered
5 into the following additional stipulations and agreements, which we are providing as
6 supplemental exhibits:¹

- 7 ■ DPS/ANR/DHP Stipulation (July 17, 2015) and First Amendment (July 29, 2015) - *Exhibit*
8 *TDI-JMB-19a, b.*
- 9 ■ CLF Agreement (May 28, 2015) -- *Exhibit TDI-JMB-20.*
- 10 ■ VELCO Stipulation (July 24, 2015) -- *Exhibit TDI-JMB-21.*
- 11 ■ VELCO Agreement,² First Amendment (August 22, 2015) -- *Exhibit TDI-JMB-7a.*
- 12 ■ GMP Stipulation (July 17, 2015) -- *Exhibit TDI-JMB-22.*
- 13 ■ BED Stipulation (July 28, 2015) -- *Exhibit TDI-JMB-23.*
- 14 ■ Host Town Agreements: Town of Alburgh (June 1, 2015), Town of Benson (June 10, 2015), and
15 Town of Ludlow (July 2, 2015) -- *Exhibit TDI-JMB-24a-c.*
- 16 ■ VTrans Lease Option Agreement (July 17, 2015) -- *Exhibit TDI-JMB-25.*
- 17 ■ License for Fish & Wildlife Access Area (March 17, 2015) -- *Exhibit TDI-JMB-26.*

18 Among other things, these agreements: (i) substantially increase the public benefits
19 to Vermont and its ratepayers; (ii) provide for mitigation of potential environmental impacts;
20 (iii) address potential transmission and/or subtransmission upgrades that may be required in
21 Vermont as a result of the Project; and (iv) secure the rights-of-way necessary for the entire

¹ TDI-NE has also entered into an agreement with the Combes-Farrs and Combes, both of whom are parties in this docket. That agreement is confidential and is not being filed in this matter.

² The original VELCO Agreement was filed with the 248 Petition in December 2014 as Exh. TDI-JMB-7.

1 overland segment of the Project. These Agreements resolve all issues presented by all
2 parties who prefiled direct testimony.

3 A summary of the material provisions of each stipulation/agreement is as follows:

4 **1. Stipulation between TDI-NE, the Department of Public Service (“DPS”), the**
5 **Agency of Natural Resources (“ANR”), and the Division for Historic**
6 **Preservation (“DHP”), dated 7/17/15 (“DPS/ANR/DHP Stipulation”).**

7 a. Section 1. The Parties agree that the Project satisfies the Section 248 criteria, and
8 should be issued a CPG, provided that TDI-NE fulfills its obligations under the
9 terms of the Stipulation.

10 b. Section 3: Public Benefits - Substantially increases funding for three funds
11 proposed by TDI-NE in the original Petition - Vermont Renewables Programs
12 (through the Clean Energy Development Fund), Lake Champlain Pollution
13 Abatement and Restoration Fund; and Lake Champlain Enhancement and
14 Restoration Trust Fund. The DPS/ANR/DHP Stipulation addresses the uses of
15 the Fund monies, the administration of the funds, and payment schedules. TDI-
16 NE’s funding commitment to these three funds increased from a total of \$162
17 million to \$371.8 million over 40 years. After 40 years of operations, the
18 DPS/ANR/DHP Stipulation provides that the parties will negotiate additional
19 payments, subject to Board approval. See also the supplemental prefiled
20 testimony of Todd Singer for further accounting of the funds.

21 c. Section 4: Electric System – Addresses the process for: (i) the review of the final
22 System Impact Study once it is final (whether before or after the CPG is issued);
23 and (ii) the review, through separate 248 proceedings, of any transmission

1 and/or subtransmission upgrades owned by Vermont utilities that would be
2 required due to the Project. The Stipulation also states that TDI-NE is
3 responsible for the costs associated with any required transmission or sub-
4 transmission upgrades as determined by ISO-NE or by the affected Vermont
5 utilities and TDI-NE, subject to Board approval.

6 d. Section 5: Environmental – Addresses ANR’s collateral permits, and addresses
7 issues raised by ANR concerning: RTE wildlife and plant species (including bats),
8 fisheries, invasive plant species, floodplains and river corridors, construction and
9 operation in Lake Champlain, blasting BMPs, greenhouse gases, and waste
10 management/hazardous materials. See Attachment II of the Stipulation. These
11 issues have been addressed via revised or new environmental plans, Project
12 design modifications, new or revised ANR permit applications, seasonal
13 restrictions for construction, revised construction techniques, and GHG
14 reporting. In addition, Attachment II provides a process for ANR to review
15 changes to the Project plans, as well as a process for ANR’s review of any plans
16 or other documents required under the Stipulation.

17 e. Section 6: Historic and Archaeological Resources: Establishes certain
18 conditions regarding historic resources, as outlined in Attachment III and
19 concludes that if these conditions are met, the Project will not have an undue
20 adverse effect on historic or archaeological sites.

21 f. Section 7. Proposed CPG Conditions: The parties stipulated to proposed CPG
22 conditions concerning: (i) submission of final design plans; (ii) submission of
23 other state and federal permits; (iii) the System Impact Study and ISO-NE’s I.39

1 approval, and transmission/subtransmission upgrades; (iv) construction
2 schedule; (v) noise limits; (vi) blasting plan; (vii) decommissioning; (viii)
3 enforcement of the Stipulation and its Attachments; (ix) enforcement of host
4 town agreements; (x) Dig Safe; (xi) the potential future sale of transmission
5 service on the NECPL to Vermont utilities; (xii) confirmation of renewable
6 energy; (xiii) aesthetics; and (xiv) additional public good payments after year 40
7 of Project operations. In addition, through a First Amendment to the
8 DPS/ANR/DHP Stipulation (*Exhibit TDI-JMB-19b*), the parties agreed to an
9 additional proposed CPG condition in the event the Project is funded through a
10 regional cost sharing mechanism.

11 g. Section 8. Other Provisions: The Stipulation contains other standard legal
12 provisions concerning the parties' conduct in this proceeding and other permit
13 proceedings, reservation of rights, resolution of disputes, and the like.

14
15 **2. Agreement between TDI-NE and the Conservation Law Foundation, dated**
16 **5/28/15 ("CLF Agreement"):**

17 a. Section 1. The Parties agree that the Project satisfies the Section 248 criteria, and
18 should be issued a CPG, provided that TDI-NE fulfills its obligations under the
19 terms of the agreement.

20 b. Section 2. Public Benefits: Increased the combined value of the Vermont
21 Renewables fund and the two Lake funds from \$162 million to at least \$283.5

1 million over the 40 year life of the Project.³ The agreement also addresses the
2 schedule of payments of certain funds. See also the supplemental prefiled
3 testimony of Todd Singer for further accounting of the funds.

4 c. Section 3. Renewables Integration: Establishes an NECPL Renewables
5 Integration Advisory Committee which will seek to optimize renewable
6 development via the NECPL. The Committee currently includes TDI-NE and
7 CLF and the following parties will be invited to participate in the Committee:
8 TDI-NE's supplier(s), other renewable energy developers in Vermont and New
9 England, RENEW, DPS, VELCO, other VT Utilities, and ISO-NE.⁴

10 d. Section 4. Oversight and Management of Lake Champlain Funds: Establishes
11 that payments to the Lake Champlain Phosphorus Cleanup Fund will be
12 managed by the State of Vermont Clean Water Fund and the Lake Champlain
13 Enhancement and Restoration Trust Fund will be managed by a new advisory
14 board including representation from TDI-NE and CLF.⁵

15 e. Section 5. Oversight of Management of Electric Ratepayer Payment: Requires
16 TDI-NE to seek an amendment of its December 4, 2014 agreement with
17 VELCO to provide further details on the administration of TDI-NE's payments
18 to VELCO that are to be directed to the Vermont distribution utilities for the
19 benefit of ratepayers. *See Exhibit TDI-JMB-7a.*

³ Note that these Fund amounts have now been superseded by the higher payments called for in the later-executed DPS/ANR/DHP Stipulation.

⁴ Since the filing of the execution of this Stipulation, GMP has also agreed to serve on this Committee.

⁵ These issues are addressed more fully in the later-executed DPS/ANR/DHP Stipulation. *See Exhibit TDI-JMB-19a.*

- 1 f. Section 6. Renewable Energy Attributes: Requires that TDI-NE file all contracts
2 with the Board as post-CPG compliance filings and endeavor to obtain facility-
3 specific information from shippers to track NECPL energy sources.
- 4 g. Section 7. Enforcement of Agreement: Establishes the enforceability of this
5 agreement by the Board, and separate enforcement regarding public benefit
6 funds (Section 2) in court.
- 7 h. Section 9. Other Provisions: The Stipulation contains other standard legal
8 provisions concerning the parties' conduct in this proceeding and other permit
9 proceedings, reservation of rights, resolution of disputes, and the like.

10
11 3. **Stipulation Between TDI-NE and Vermont Electric Power Company**
12 **(“VELCO”), dated 7/24/15:**⁶

- 13 a. Section 1. System Impacts: The Parties agree that so long as the terms and
14 conditions in the DPS/ANR/DHP Stipulation and GMP Stipulation regarding
15 the SIS process are incorporated into a CPG, VELCO's issues are satisfactorily
16 addressed.
- 17 b. Section 2. PV 20 Conditions: The parties stipulated to a number of CPG
18 conditions regarding VELCO's PV20 Project and steps to be taken by TDI-NE
19 to coordinate and minimize impacts to the PV20 during construction and
20 operation of the NECPL.

⁶ The VELCO Stipulation (7/24/15) is a separate and distinct agreement from the VELCO Agreement (12/4/14).

1 c. Section 3. Other Provisions: The Stipulation contains other standard legal
2 provisions concerning the parties' conduct in this proceeding and other permit
3 proceedings, reservation of rights, resolution of disputes, and the like.
4

5 4. **First Amendment to VELCO Agreement, dated 8/20/15**:

6 a. New paragraph 16: In the event the Project were to be funded through a
7 regional cost sharing mechanism, TDI-NE will be required to indemnify
8 Vermont's regionally allocated share of Project costs to maintain the net benefits
9 that were to accrue to Vermont's retail electric customers under the Agreement.

10 b. New paragraph 17: Provides the manner in which VELCO will transfer TDI-
11 NE's payments under the Agreement to Vermont's distribution utilities, for the
12 benefit of their ratepayers.
13

14 5. **Stipulation between TDI-NE and Green Mountain Power Corporation ("GMP"),**
15 **dated 7/17/15 ("GMP Stipulation")**:

16 a. Section 1. The Parties agree that the Project satisfies the Section 248 criteria and
17 should be issued a CPG, provided that TDI-NE fulfills its obligations under the
18 terms of the stipulation.

19 b. Sections 2 to 5. Transmission System Impacts and Upgrades: The Parties are to
20 collaborate in, and GMP will be involved in, the SIS process regarding review of
21 appropriate components of Vermont's subtransmission system. The Stipulation
22 also outlines "SIS Mitigation Measures" to avoid adverse effects on the reliability

1 and stability of GMP's electric system and conditions under which a
2 "Supplemental Subtransmission Study" will be required.

- 3 c. Section 6. Regulatory Approval for Transmission Upgrades. TDI-NE agrees to
4 prepare, on GMP's behalf, all necessary application materials that may be
5 required under state or federal regulatory programs for subtransmission or
6 transmission upgrades and to be responsible for all reasonable costs incurred by
7 these regulatory proceedings. The parties further agree that construction of the
8 NECPL cannot commence until collateral Section 248 approvals are obtained for
9 transmission and subtransmission upgrades and that the Project will not be
10 commissioned until all SIS Mitigation Measures or Supplemental
11 Subtransmission Mitigation Measures are implemented at TDI-NE's cost.
- 12 d. Section 7. Costs. The parties agree that TDI-NE will pay for all reasonable costs
13 incurred by GMP to implement the Stipulation.
- 14 e. Section 8. Collaboration between GMP and TDI-NE. The parties agree to
15 collaborate on a role for GMP in the implementation of the Project's Public
16 Benefit Funds and that GMP will serve on the NECPL Renewables Integration
17 Advisory Committee.
- 18 f. Section 9. CPG Conditions. The parties stipulate to a number of conditions to be
19 included in a CPG related to terms agreed upon in the above sections.
- 20 g. Section 10. Other Provisions. The Stipulation contains other standard legal
21 provisions concerning the parties' conduct in this proceeding and other permit
22 proceedings, reservation of rights, resolution of disputes, and the like.

1 **6. Stipulation between TDI-NE and Burlington Electric Department (“BED”),**
2 **dated 7/28/15 (“BED Stipulation”):**

- 3 a. Section 1. The Parties agree that the Project satisfies the Section 248 criteria, and
4 should be issued a CPG, provided that TDI-NE fulfills its obligations under the
5 terms of the BED Stipulation and TDI-NE’s stipulation agreements with GMP,
6 DPS, and VELCO.
- 7 b. Section 2. System Impacts. The parties agree that BED will participate in the SIS
8 process and that BED’s concerns with regard to system impacts are satisfied so
9 long as the terms and conditions of TDI-NE’s stipulations with GMP and DPS
10 are incorporated in a CPG. The parties further agree that the protections
11 extended to GMP in Section 5 of the GMP Stipulation will apply to all electric
12 load-serving utilities in Vermont.
- 13 c. Section 3. Renewable Energy – Lake Cleanup Project. The Stipulation establishes
14 that TDI-NE will provide matching funding of up to \$750,000 to BED, subject
15 to City of Burlington approval of such matching funds. These funds will be used
16 for the study and/or development of a commercially viable renewable energy
17 project in BED’s service territory that aids in the cleanup of Lake Champlain.
- 18 d. Section 4. Transmission Capacity. Establishes that subject to FERC
19 requirements, at the end of the open solicitation process for NECPL
20 transmission capacity, BED may negotiate for up to 30 MW of transmission
21 service for a term of up to 20 years.

1 e. Section 5. TDI-NE will appoint a person recommended by the City of
2 Burlington to one of the two available seats on the Lake Champlain
3 Enhancement and Restoration Trust Advisory Board for one term.

4 f. Section 6. Other Provisions. The Stipulation contains other standard legal
5 provisions concerning the parties' conduct in this proceeding and other permit
6 proceedings, reservation of rights, resolution of disputes, and the like.

7
8 7. **Host Town Agreement with Town of Alburgh, dated 6/1/15:** The Agreement
9 includes the following provisions:

10 a. TDI-NE may use and occupy the right of way of Town Highway 7 (Bay Road);

11 b. TDI-NE will pay property taxes on the Project's transmission cables and
12 associated equipment and real property in Alburgh during the time the NECPL
13 is commercially operating;

14 c. TDI-NE will maintain contact during construction via a Vermont office and a
15 24/hour day telephone number for emergencies; and

16 d. Other standard legal provisions concerning the parties' conduct in this
17 proceeding and other permit proceedings, reservation of rights, resolution of
18 disputes, and the like.

19
20 8. **Host Town Agreement with Town of Benson, dated June 10, 2015:** The Agreement
21 includes the following provisions:

- 1 a. TDI-NE may use and occupy a utility right-of-way within town highways TH 30
2 (Stony Point Road), TH 6 (North Lake Road – Glenn Road) and TH 1 (Stage
3 Road – Hulett Hill Road);
- 4 b. TDI-NE will make payments of \$550,000 at the time of the Project’s financial
5 closing and \$550,000 at the time the Project commences commercial operation,
6 to assist the Town in the maintenance of its roads and emergency services;
- 7 c. TDI-NE will pay property taxes on Project equipment and real property starting
8 in the year construction commences in Benson, in accordance with the valuation
9 methodology utilized by the Vermont Department of Taxes;
- 10 d. TDI-NE will communicate with the town during construction, maintain a
11 Vermont office and emergency telephone number, and apprise the town of site
12 work taking place;
- 13 e. TDI-NE will submit work plans and improvement plans to the Town for
14 approval before submitting plans to the Board, and will repair or correct any
15 damage to town highways during construction with Project inspections being
16 conducted by VTrans on behalf of the Town;
- 17 f. TDI-NE will obtain certificates of insurance prior to construction, and will
18 communicate with private property owners regarding construction, monitoring
19 of conditions, and reports of damage; and
- 20 g. The agreement also covers changes to the Project, warranties and
21 representations, transferees, successors and assigns, maintenance and fire
22 protection, and cooperation of the parties. The Agreement states that the terms
23 should be incorporated by reference or otherwise into a CPG.

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9. **Host Town Agreement with Town of Ludlow, dated July 6, 2015.** The Agreement contains the following provisions:

- a. TDI-NE may use and occupy a utility right of way within portions of town highways 4 (East Lake Road), 6 (Pettiner Hill Road), and 9 (Nelson Road).
- b. TDI-NE will pay property taxes on Project equipment and real property starting in the year construction commences in Ludlow, with the fair market value of equipment based on the Replacement Cost New Less Depreciation method as outlined in the agreement;
- c. TDI-NE will communicate with the town during construction, maintain a Vermont office and emergency telephone number, and apprise the town of site work taking place;
- d. TDI-NE will submit work plans and improvement plans to the Town for approval before submitting plans to the Board, and will repair or correct any damage to town highways during construction; and
- e. TDI-NE will obtain certificates of insurance prior to construction, and will communicate with private property owners regarding construction, monitoring of conditions, and reports of damage. The agreement also covers changes to the Project, warranties and representations, transferees, successors and assigns, maintenance and fire protection, and cooperation of the parties.

10. **Lease Option Agreement Between TDI-NE and the Vermont Agency of Transportation (“VTrans”), dated July 17, 2015.** This agreement provides TDI-NE

1 with a 3-year option to execute a lease (Exhibit A of the Agreement) that would allow
2 TDI-NE to use and occupy rights-of-way and corridors within certain State rights-of-
3 way. The Lease appended to the Lease Option Agreement contains the following
4 material provisions:

- 5 a. Section 2. Subject Matter. Covers utility rights-of-ways and corridors within:
6 portions of VT 22A, US 4, US 7, VT 103, VT 100, and a 3.5 mile segment of
7 State-owned railroad for a total of approximately 46.5 miles of State road and
8 railroad rights from Benson to Ludlow.
- 9 b. Section 3. Term/Renewal. Establishes a term of forty years, beginning on the
10 date TDI-NE exercises the Lease Option, with an option for a lease extension of
11 9.5 years.
- 12 c. Section 6. Fiber Optic Cable. Allows for utilization by the State of any excess
13 dark fiber installed as part of the Project and creates a process that TDI-NE and
14 the State will implement for the design, construction, and operation of the excess
15 fiber facilities.
- 16 d. Attachment A. Description of Premises and Uses. Further defines the applicable
17 rights-of-way and approximate distances under the lease, and terms of use by
18 TDI-NE
- 19 e. Attachment B. Annual Rent. Establishes schedule of annual lease payments.
20 The total payments required under the option and lease during 40 years of

1 Project operations will amount to \$211.8 million (\$4 million per year, with
2 escalators).⁷

3 f. Attachment C-D. Standard State and Other Contract Provisions. Contains
4 standard clauses for State Contracts and other contractual events such as default,
5 transfer, succession or assignment, and other provisions for insurance, remedies,
6 waiver, and environmental covenants.

7
8 11. License from Vermont Fish and Wildlife Department, dated March 17, 2015. This
9 license allows TDI-NE to use the Korean War Veterans Access Area located in Alburgh,
10 Vermont to perform part of the HDD installation of the Project in Lake Champlain.
11 The License contains a number of conditions on use, including the receipt of a CPG,
12 and other legal provisions concerning the parties' conduct, liability, maintenance, and the
13 like. In addition, under license TDI-NE will pay \$350,000 towards the construction of a
14 public boat ramp at this access area.

15
16 **Q. Based on these stipulations and agreements, have your estimates of the public**
17 **benefits of this Project for Vermont changed, and if so, how?**

18 Response: Yes, the public benefits for the State of Vermont have increased substantially.
19 The cumulative public good benefits package due to constructing and operating the Project
20 (not including taxes, lease payments, ratepayer savings, or economic impacts) has increased
21 by 71%. The table below summarizes the revised public good benefits (in millions).
22

⁷ A more complete description of the lease payments is provided in the supplemental prefiled testimony of Todd Singer.

| | Annual Average | | Life of Project | | Variance |
|-----------------------|----------------|-----------|-----------------|-----------|----------|
| | Dec. 2014 | Aug. 2015 | Dec. 2014 | Aug. 2015 | |
| VT Ratepayer Benefit | \$3.4 | \$3.4 | \$135.7 | \$135.7 | \$0.0 |
| VT Renewable Programs | \$1.0 | \$2.7 | \$40.0 | \$108.9 | \$68.9 |
| LC Pollution Fund | \$2.0 | \$5.0 | \$82.0 | \$202.0 | \$120.0 |
| LC Trust Fund | \$1.0 | \$1.5 | \$40.0 | \$61.0 | \$21.0 |
| T. of Benson Payments | N/A | N/A | \$0.0 | \$1.1 | \$1.1 |
| F&W Boat Ramp Payment | N/A | N/A | \$0.0 | \$0.4 | \$0.4 |
| | | | \$297.7 | \$509.0 | \$211.3 |

1

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See *Exh. TDI-JMB-6(Rev.)* and supplemental prefiled testimony of Todd Singer.

3

4 **Q. Aside from these Public Good Benefit payments, have other economic benefits of the**
 5 **Project changed?**

6

Response: Yes they have increased positively with respect to income tax payments, lease payments, and increases in Gross State Product. The estimates for property taxes as well as savings to Vermont electric ratepayers have decreased, due to adjustments made to the computation of those figures. See *Exhibit TDI-JMB-6(Rev.)* for a summary of all economic and public good benefits, and the supplemental prefiled testimonies of Todd Singer, Seth Parker, and Thomas Kavet.

12

13 **Q. With respect to the VTrans Lease Option Agreement, are there other benefits that**
 14 **will accrue to the State of Vermont in addition to the lease payments?**

15

Response: Yes, with respect to the State' fiber optic capacity.

1 As discussed in our initial prefiled direct testimony at page 28, a fiber optic cable
2 system will be installed alongside the transmission cable for its entire route in order to
3 facilitate operation of the Project between the Canadian and Ludlow converter stations. The
4 fiber optic cable system will consist of a single fiber optic bundle containing separate,
5 armored multi-strand fiber optic cable, approximately one inch in diameter.

6 The VTrans Lease Option Agreement provides additional detail on this fiber optic
7 system and for the benefit of the State confirms that TDI-NE will convey to VTrans
8 ownership of all dark fiber strands within the cable bundle that TDI-NE does not need to
9 utilize to operate its facility. Thus TDI-NE will no longer own or have any commercial
10 interest in the excess dark fiber that it does not use for the Project. The Agreement specifies
11 that some of the excess fiber will be conveyed to VELCO and Green Mountain Railroad
12 Corporation. The Agreement also addresses the manner in which the fiber optic cable will be
13 installed and the responsibilities of the parties with respect to costs.

14 TDI-NE understands that the State agencies (DPS, VTrans) intend to develop this
15 surplus fiber to help meet the telecommunications needs of the State. *See Exhibit TDI-*
16 *JMB-25, Exhibit A, Section 6)*

17
18 **Q. In your previous testimony, you identified the collateral permits TDI-NE would be**
19 **seeking for this Project. Can you please provide an update?**

20 Response: Since the original petition was filed significant progress has been made on both
21 federal and state permitting processes.

22 On the federal side, the Department of Energy (“DOE”) released the Draft
23 Environmental Impact Statement (“DEIS”) in May 2015. The DOE conducted a 60 day

1 public comment period on the DEIS that ended on August 11, 2015. DOE held two public
2 hearings in Vermont regarding the DEIS in July 2015 which resulted in no public comments.
3 TDI-NE understand that there have been a total of six comments submitted to the DOE on
4 the DEIS.⁸ These comments received during the public comment period will be addressed
5 in the Final Environmental Impact Statement. According to the DOE's publically available
6 schedule, the FEIS is expected to be issued in October 2015 and the Record of Decision is
7 expected in November 2015.

8 The U.S. Army Corps of Engineers ("USACE") deemed the Section 404 and Section
9 10 applications submitted by TDI-NE complete and noticed the Project on July 21, 2015.
10 According to this Notice, the comment period for the Project ended on August 21, 2015.
11 TDI-NE understands the USACE has all the information they require to issue Section 404
12 and 10 permits for the Project.

13 With respect to State of Vermont permitting, based on changes with ANR's
14 regulatory authority earlier this year, a Floodplain Permit is now required for the Project.
15 Further, based on consultation with ANR, it was determined that a Discharge Permit will
16 not be required for the Project as any lake-related discharges from the Project will be
17 regulated under the Section 401 Water Quality Certificate program. The Floodplain Permit
18 application and all other ANR applications previously identified in *Exhibit TDI-JMB-11*
19 (i.e. 401 Water Quality Certificate, Lake Encroachment Permits, Stream Alteration Permit,
20 Wetland Permit, Construction Stormwater Permit, Operational Stormwater Permit) have
21 been submitted to ANR. All these applications are being reviewed by ANR and specific
22 ANR comments on various applications have been addressed by TDI-NE. TDI-NE expects

⁸ <http://energy.gov/nepa/downloads/schedules-key-environmental-impact-statements-0>.

1 that public meetings on these permit applications will be held by ANR in September 2015,
2 and final permit decisions will be issued in October-November 2015.

3 In addition, during the development of the DPS/ANR/DHP Stipulation, ANR
4 recommended that a Takings Permits be obtained prior to construction along discrete
5 sections of the Project route where threatened or endangered reptiles may be present. TDI-
6 NE expects to apply for this permit in September 2015.

7 As indicated in prior testimony TDI-NE requires Section 1111 permits from
8 VTrans, Ludlow, Alburgh, and Benson to install the cables in public highways. TDI-NE
9 received a Letter of Intent for the Section 1111 permit from VTrans in December 2014
10 (prior *Exhibit TDI-JMB-13a*), and signed the Lease Option Agreement with VTrans in July
11 2015 (*Exhibit TDI-JMB-25*). TDI-NE will continue to consult with VTrans on the
12 Project and, as is customary with VTrans' process, expects the Section 1111 Permit will be
13 granted after a CPG is issued for the Project.

14 With respect to Section 1111 approval by the towns, the Host Town Agreements for
15 Alburgh, Benson, and Ludlow provide TDI-NE with authorization to utilize the town roads,
16 subject to certain conditions and subsequent approvals contained in the agreements. See
17 *Exhibit TDI-JMB-24a-c*.

18 A revised list of permits is provided in *Exhibit TDI-JMB-11(Rev.)*.

19
20 **Q. Have there been any material changes to the expected permitting and overall**
21 **construction schedules since your previous testimony? If so, please explain.**

22 Response: The only material change to the permitting schedule beyond the new
23 Takings Permit is the extension of the I.39 process from Q3, 2015 to Q2, 2016. This change

1 occurred because the ISO-NE process for reviewing ETU projects was changed in Spring
2 2015 as described in Larry Eng's supplemental testimony. All other aspects of the
3 permitting process are on schedule and are currently in the advanced stages. TDI-NE is
4 optimistic that decisions on all permits will occur in 2015. In turn, the anticipated
5 construction schedule remains largely unchanged. A revised schedule is provided in
6 *Exhibit TDI-JMB-11(Rev.)*.

7
8 **Q. Since the filing of your previous testimony and exhibits, have there been changes to**
9 **the NECPL design? If so, please identify and explain those changes.**

10 Response: Yes, since the initial filing there have been several important changes to the
11 Project design which are detailed below. There have also been other very minor changes
12 that do not impact the route and are further explained in Alan Wironen's supplemental
13 testimony and detailed in the revised Site Plans (including new EPSC details). See *Exhibit*
14 *TDI-AW-2(Rev.)*.

15 1. Lake route: Two material changes have been made to the lake route (see *Exhibit TDI-*
16 *JMB-4 (Rev.)*):

- 17 a. Between approximately milepost ("MP") 0.5 and MP 1.5 the transmission line is now
18 proposed to enter the Lake south of the Route 2 Bridge via horizontal direction
19 drilling ("HDD") from the Department of Fish and Wildlife's Korean War Veterans
20 Access Area ("F&W Access Area) off the Route 2 causeway in Alburgh rather than
21 from TDI-NE's property in Alburgh. There will also be an HDD from TDI-NE's
22 property in Alburgh to the F&W Access Area, but this segment is proposed entirely
23 under the lake. Among other things, the change to use the F&W Access Area was

1 made to reduce installing the cables in shallow water via diver lay at the northern end
2 of Lake Champlain near TDI-NE's Alburgh property. A License has been executed
3 with the Vermont Fish and Wildlife Department to allow use of the access area for
4 these HDDs. *Exhibit TDI-JMB-26*. Drawing L-1 included in *Exhibit TDI-JMB-*
5 *4(Rev.)* has been revised to reflect this change.

- 6 b. Between MP 24.3 and 25, the transmission line has been relocated 300' west of the
7 deep water intake for the Ed Weed Fish Culture Station. This change was the result
8 of consultations with ANR to address concerns regarding the potential for increased
9 turbidity during installation that could impact the water quality at Fish Culture
10 Station. Drawing L-5 included in *Exhibit TDI-JMB-4(Rev.)* has been revised to
11 reflect this change. Measures to be taken to protect the fish hatchery are further
12 addressed in the DPS/ANR/DHP Stipulation, *Exhibit TDI-JMB-19a*, at
13 Attachment II conditions 11-13.

- 14 2. Overland Route: Four material changes have been made along the overland route and
15 can be found in the revised *Exhibit TDI-AW-2(Rev.)*.

- 16 a. From the U.S.–Canada border, the first 0.1 mile of the cable route was moved from
17 the east to the west side of Bay Road at the request of Alburgh village officials. See
18 sheet TR-1.
- 19 b. At MP 103.1 on VT Route 22A in Benson, the stream crossing type was changed
20 from “over culvert” to HDD. This change addressed ANR’s concerns with an “over
21 culvert” crossing at this location. See sheet T-10.
- 22 c. At MP 126.9 along US Route 4 in Rutland, the planned HDD under Otter Creek was
23 extended approximately 600’ to a location outside of the fluvial erosion hazard zone

1 for Otter Creek. This change was done in consultation with and at the request of the
2 ANR Rivers Program. See sheet T-52.

3 d. At MP 144.8 along VT Route 103 in Mount Holly, the stream crossing type was
4 changed from “over culvert” to “open trench”. This change was the result of site
5 specific information and to address ANR’s concerns with an “over culvert” crossing
6 at this location. See sheet T-83.

7 3. Converter Station Site: Subsequent to the filing of the Petition, additional design
8 refinements to the converter station site plan have been made (*Exhibit TDI-JMB-*
9 *8b*). In particular, since this component of the Project requires an operational phase
10 stormwater permit from VT DEC, the design includes stormwater treatment practices
11 that meet the applicable permitting requirements. These refinements include
12 incorporating swales within the grading plan and the creation of a permanent stormwater
13 basin. All of these refinements are included in the design plans and calculations
14 presented to VT DEC as part of the operational phase stormwater permit application for
15 the site in March 2015, which has been deemed complete by the Agency.

16
17 **Q. Have there been any changes to the construction plans or techniques previously**
18 **identified in your testimony and exhibits? If so, please explain.**

19 Response: The design of the Project has been advanced from the previous filing for five
20 primary reasons:

21 1. Availability of additional site-specific information, such as stream data and survey
22 data, that was not available at the time of the original filing;

- 1 2. Preparation of the Erosion Prevention and Sediment Control Plan (“EPSC”)
- 2 required as part of the ANR environmental permitting process;
- 3 3. Input from Project stakeholders, such as towns along the route;
- 4 4. Consultation with and input from ANR during the permit application review and
- 5 development of the DPS/ANR/DHP Stipulation; and
- 6 5. Requests by ANR that certain “typical” details be more project specific.

7 As a result of the above, several minor construction method and typical detail drawings
8 have been revised. See *Exhibits TDI-JMB-5(Rev) and TDI-AW-3(Rev)*. Additional
9 detail on these changes can be found in the testimony of Al Wironen.

10
11 **Q. Have there been any changes to the expected removal of bedrock or ledge or the**
12 **methods for rock removal since your previous testimony and exhibits? If so, please explain.**

13 Response: There have been no changes to the expected removal of bedrock or ledge or the
14 methods for rock removal. However, at the request of ANR, TDI-NE agreed to comply
15 with ANR blasting Best Management Practices (BMPs), submitted as an appendix to the
16 Project Blasting Plan. See new *Exhibit TDI-JMB-10a*. These BMPs will supplement the
17 existing blasting plan that was filed in the original testimony.

18
19 **Q. Have there been changes to the proposed mitigation measures TDI-NE plans to**
20 **undertake for the Project? If so, please explain.**

21 Response: Yes, as part of the Agreement with DPS, ANR, and DHP, a number of new
22 environmental mitigation measures were agreed to by TDI-NE, as reflected in the revised
23 mitigation summary, *Exhibit TDI-JMB-14(Rev)*.

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Q. Have there been any changes to the plans for decommissioning the Project at the end of its useful life? If so, please explain.

Response: Yes, as part of the DPS/ANR/DHP Stipulation, a more specific decommissioning plan has been advanced. See *Exhibit TDI-JMB-19a, section 7h*. Under the Stipulation TDI-NE has agreed as a CPG Condition to submit a decommissioning plan and cost estimate for the Converter Station for Board review and approval prior to construction. This plan will require TDI-NE to file all contracts related to shipping power on the line with the Board as evidence that the transmission line is and remains in service. In the event that the contracts reveal that use of the transmission line will fall below 50% of its capacity for a two year period, TDI-NE will notify the Board and a proceeding will occur to determine if a decommissioning fund is warranted. If the Board determines a fund is warranted, TDI-NE will provide an updated cost estimate and establish a financial mechanism that funds the removal of the Converter Station in the event the Project requires decommissioning and TDI-NE is unable or unwilling to do so. In addition, if the Converter Station is not operating for a period of 18 months (other than planned or unplanned outages or repairs), the Board can initiate a review of whether it should be decommissioned.

In other respects TDI-NE's original decommissioning plan remains as before (see prefiled direct testimony at pages 57-58); that is, after the Project is no longer operating, the cables will remain in place for both the Lake route and the overland route. With respect to the Lake route, TDI-NE has proposed this plan as part of its Lake Encroachment permit application. For the overland route, TDI-NE has obtained the permission of the rights-of-way owners to leave the cable in place. See *Exhibit TDI-JMB-25* (VTrans Lease,

1 Attachment A of Exhibit A); *Exhibit TDI-JMB-24a* (Town of Alburgh Agreement, Section
2 1f.), *Exhibit TDI-JMB-24b* (Town of Benson Agreement, Section 1c.), and *Exhibit TDI-*
3 *JMB-24c* (Town of Ludlow Agreement, Section 1c.).
4

5 **Q. Does this conclude your testimony at this time?**

6 Response: Yes, it does.