

MEMORANDUM

To: Parties in PSB Docket No. 7770

From: Susan M. Hudson, Clerk of the Board

Re: Joint Petition of Central Vermont Public Service Corporation, Danaus Vermont Corp., Northern New England Energy Corporation for itself and as agent Gaz Métro Limited Partnership and its parents, Green Mountain Power Corporation and Vermont Low Income Trust for Electricity, Inc. filed on September 2, 2011

Date: September 9, 2011

On September 2, 2011, a joint petition was filed with the Public Service Board ("Board") in connection with the proposed acquisition by Gaz Métro Limited Partnership ("GMLP") of Central Vermont Public Service Corporation ("CVPS"), the merger of CVPS with an indirect subsidiary of GMLP with CVPS as the surviving company, the subsequent merger of CVPS with Green Mountain Power Corporation ("GMP") with GMP as the surviving company and certain related transactions.

The petition was filed by five Vermont Corporations, including CVPS, GMP and Northern New England Energy Corporation ("NNEEC"). NNEEC, a holding company which is a subsidiary of GMLP and the direct owner of the merger subsidiary, petitioned the Board "for itself and as agent for Gaz Métro Limited Partnership and the direct and indirect upstream parents of Gaz Métro" for an Order, among other things, approving the acquisition of a controlling interest in CVPS and certain other Vermont companies.

As the Board discussed in an Order three months ago in connection with another petition by NNEEC,¹ the Vermont statute (30 V.S.A. § 107) related to the acquisition of a controlling interest in any company subject to the jurisdiction of the Board is broad and extensive in its reach and requires any company seeking to acquire a direct or indirect controlling interest in a Vermont utility (or in any company that has such a controlling

¹Docket 7734, Order of 6/10/11 (hereinafter, "Docket 7734 Order") at 6.

interest) to file a petition with the Board. In its Docket 7734 Order, the Board advised NNEEC that any future filings related to the direct or indirect acquisitions of controlling interests should be made by any companies acquiring such interests.²

In a footnote to their current petition, petitioners indicate that they understand the Board's directive in the Docket 7734 Order as applying only to a company that "actively (rather than only derivatively) acquires a direct or indirect interest in a Vermont utility."³ The petitioners are mistaken in their understanding as the Board did not intend to make a distinction between "active" and "derivative" acquirers of controlling interests in that Order.⁴

If and to the extent there are objections to adding GMLP and the other companies identified in footnote 2 to the Petition as petitioners in this proceeding, the Board requests that the petitioners explain the reasons why the Board should not require the amendment of the Petition to add such companies as petitioners. Any such explanation should be filed with the Board by Monday, September 19. If it so wishes, the Department of Public Service may also provide comments with respect to this matter by the same date.

²Docket 7734 Order at 10 and 11.

³Petition at 2 (footnote 1).

⁴Even if the Board were to accept the petitioners' distinction between active and derivative acquirers, it is not clear why GMLP and its general partner, Gaz Métro inc., should be viewed as derivative rather than active acquirers of CVPS.