

STATE OF VERMONT
PUBLIC SERVICE BOARD

Docket No. 7770

Joint Petition of Central Vermont Public Service)
Corporation ("CVPS"), Danaus Vermont Corp.,)
Northern New England Energy Corporation ("NNEEC"))
for itself and as agent for Gaz) Metro Limited Partnership)
and its parents, Green Mountain Power Corporation)
("GMP") and Vermont Low Income Trust for Electricity,)
Inc. ("VLITE"), for approval of: (1) the merger of Danaus)
into and with CVPS; (2) the acquisition by NNEEC of)
CVPS and certain other Vermont companies; (3) the)
amendment to CVPS's Articles of Association; (4) the)
merger of CVPS into and with GMP; and (5) the)
acquisition by VLITE of a controlling interest in Vermont)
Electric Power Company, Inc.)

PREFILED TESTIMONY OF MAYOR CHRISTOPHER LOURAS

ON BEHALF OF

THE CITY OF RUTLAND, VERMONT

January 20, 2012

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SUMMARY OF TESTIMONY

In his prefiled testimony, Rutland Mayor Christopher Louras discusses the City of Rutland's concerns about the proposed merger of Green Mountain Power and Central Vermont Public Service. He also relates how the City supports the merger since these concerns have been addressed by the memorandum of understanding entered into by the parties. Finally, Mayor Louras requests that the Public Service Board incorporate the provisions of the MOU as conditions of approval in this matter.

EXHIBITS

Exhibit 1 - Memorandum of Understanding between City of Rutland and Petitioners, January 19, 2012.

1 Q: Please state your name, occupation and address.

2 A: My name is Christopher Louras. I am the Mayor of the City of Rutland, Vermont. My
3 business address is 1 Strongs Avenue in Rutland, Vermont. My home address is 24 North Street in
4 Rutland, Vermont.

5 Q: How long have you been Mayor of Rutland?

6 A: I have been Mayor of Rutland since March of 2007.

7 Q: What was your professional background prior to becoming Mayor?

8 A: I am a 1982 graduate of the University of Vermont. After graduating from UVM, I served
9 10 years active duty in the United States Army. Upon leaving the military, I returned to Rutland
10 and assisted in operating my family's business, Sam Frank Incorporated, from 1994 to 2007.

11 Q: What was your political experience prior to being elected Mayor?

12 A: I served in the Vermont Legislature as a representative for the 2005-2006 session. I served
13 on the Rutland Board of Aldermen from 1995 to 2002 and 2004-2007, and was President of the
14 Board of Aldermen from 1999 to 2002.

15 Q: Why did the City of Rutland seek intervenor status in this matter?

16 A: The City of Rutland sought intervenor status in this matter because the merger of Central
17 Vermont Public Service and Green Mountain Power presents many potential risks for the City of
18 Rutland and the Rutland region as a whole. Rutland has been home to CVPS and the lion's share
19 of its employees for over 75 years. When we learned that GMP had made an offer to acquire
20 CVPS we were concerned that CVPS' jobs and corporate presence would simply move northward
21 to Chittenden County, where GMP is headquartered. This obviously concerned us.

1 Q: Why would this have been problematic for the City of Rutland?

2 A: Rutland City and the Rutland region have continuously lagged behind other parts of
3 Vermont in terms of economic development and job creation. For example, as of August 2011,
4 Rutland County's unemployment rate was 6.5%. This is nearly 50% higher than that of Chittenden
5 County, which was at 4.6% at that time. In addition to the potential loss of jobs, we were also
6 concerned about what a significantly diminished CVPS presence would mean for civic life in
7 Rutland. Many of our community organizations, from the Rotary Club to Little League Baseball to
8 church councils, rely on service from CVPS employees. I was also concerned that the loss of
9 CVPS employees would have a detrimental impact on the city's tax base through reduction of
10 property values and the shrinking of disposable income within the community.

11 Q: What did the City of Rutland do to address these concerns?

12 A: After the announcement I met on numerous occasions with Mary Powell, President and
13 Chief Executive Officer of Green Mountain Power. Ms. Powell and I discussed my concerns, and
14 talked about ways that the combined company could mitigate them.

15 Q: What specific concerns did you express to Ms. Powell?

16 A: My conversations with Ms. Powell centered around two main topics – jobs and facilities.
17 In relation to jobs, I was concerned about an exodus of workers from Rutland if any merger was
18 approved. As to facilities, I told Ms. Powell that I was concerned that the combined company
19 would abandon the buildings it currently occupies in Rutland, adding to our already large list of
20 vacant commercial property.

1 Q: Did Ms. Powell address your concerns?

2 A: She did. Ms. Powell told me that the combined company would maintain the commitment
3 to Rutland that CVPS always had, and that the City and region would not be abandoned, in terms
4 of jobs or facilities, should the merger be approved.

5 Q: Were there any specific representations made to you about jobs and facilities?

6 A: Yes. I was told that if the merger was approved the combined company would maintain the
7 same proportional level of employees in Rutland as existed previously. I was also told that the
8 combined company's Headquarters for Operations would be placed in the Rutland area, and that
9 the combined company would establish an "Energy Innovation Center" in the area where the
10 company's renewable energy, smart grid, energy efficiency and customer service operations
11 would be headquartered. In addition, Ms. Powell assured me that the combined company would
12 locate a facility in downtown Rutland.

13 Q: Were these promises codified?

14 A: Yes. Since meeting with Ms. Powell numerous times in the days and weeks following the
15 merger announcement, my staff and I have continued to have discussions with CVPS and GMP
16 representatives. The outcome of these discussions is a memorandum of understanding dated
17 January 19, 2012. *See Exhibit 1 attached hereto.* The MOU confirms that the assurances made to
18 the City will be upheld by the combined company.

19 Q: In light of the provisions in the MOU, does the City of Rutland support the proposed
20 merger?

1 A: Yes.

2 Q: What are you requesting of the Public Service Board?

3 A: I am requesting that the Public Service Board include the provisions of the MOU as
4 conditions of approval in this matter.

5 Q: Does this conclude your testimony?

6 A: Yes.