

STATE OF VERMONT  
PUBLIC SERVICE BOARD

Amended Joint Petition of Central Vermont Public Service Corporation, Danaus Vermont Corp., Gaz Métro Limited Partnership, Gaz Métro inc., Northern New England Energy Corporation for itself and as agent for Gaz Métro Limited Partnership's parents, Green Mountain Power Corporation and Vermont Low Income Trust for Electricity, Inc. for approval of: (1) the merger of Danaus into and with Central Vermont, (2) the acquisition by Northern New England of the common stock of Central Vermont, (3) the amendment to Central Vermont's Articles of Association, (4) the merger of Central Vermont into and with Green Mountain, and (5) the acquisition by VLITE of a controlling interest in Vermont Electric Power Company, Inc. ) Docket No. 7770

**PETITIONERS' RESPONSES TO PUBLIC SERVICE BOARD RECORD REQUESTS**  
**ISSUED APRIL 3, 2012**

Petitioners<sup>1</sup> respond as follows to the Public Service Board's ("Board") Record Requests, made at technical hearings on April 3, 2012:

**Q1:** Please provide the nominal and net present value of the savings to be split between customers and the company under the March 26, 2012 Memorandum of Understanding between Petitioners and the Vermont Department of Public Service. Tr. of 4/3/2012 at 94:25-95:6 (Bang-Jensen).

**A1:** Please see Attachment 1.

Person Responsible for Response: Robert J. Griffin  
Title: Vice President of Power Supply and Risk Management, GMP  
Date: April 6, 2012

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<sup>1</sup> Central Vermont Public Service Corporation ("CVPS"), Danaus Vermont Corp., Gaz Métro Limited Partnership ("Gaz Métro"), Gaz Métro inc., Northern New England Energy Corporation for itself and as agent for Gaz Métro's parents, Green Mountain Power Corporation ("GMP") and Vermont Low Income Trust for Electricity, Inc. ("VLITE").

**Q2:** Please update Petitioners' response to Question 16 of the Board's March 19, 2012 Memorandum (i.e., approximate net present value of the total merger savings over a ten-year period that would be realized by a CVPS and a GMP residential customer with an average monthly electric usage of 600 kwh per month). Tr. of 4/3/2012 at 109:5-8 (Bang-Jensen).

**A2:** The net present value ("NPV") of an individual residential customer's cumulative savings, pursuant to the savings sharing plan set forth in the March 26, 2012 Memorandum of Understanding between Petitioners and the Department of Public Service—and based solely on FERC Form 1 data for revenue per kwh sold for CVPS and GMP residential customers using 7,200 kwh per year or 600 kwh per month—is estimated as to be at least the following amounts:

GMP Estimated NPV	\$184.14
CVPS Estimated NPV	\$176.63

Person Responsible for Response: Robert J. Griffin  
Title: Vice President of Power Supply and Risk Management, GMP  
Date: April 6, 2012

**Q3.** Please confirm that the amount being paid for common equity is determined by multiplying the price of \$35.25 by the number of shares of common stock outstanding at the time of the merger, and identify the number of shares that will be outstanding at time of the merger. Tr. of 4-3-12 at 113:17-18, 114:4-6 (Bang-Jensen).

**A3:** The amount paid for common equity is determined by multiplying \$35.25 times the number of fully diluted shares outstanding. The number of shares outstanding is approximately 13,400,000. We have calculated an additional approximate 362,000 shares coming from share performance program and options that will vest at closing.

Person Responsible for Response: Mathieu Lepage  
Title: Manager, Finance and Special Projects at Gaz Métro  
Date: April 6, 2012

**Q4.** Why is the \$8.4 million in preferred shares redemption an outlay if it will be made by CVPS before the closing? Tr. of 4-3-12 at 114:18-115:2 (Bang-Jensen).

**A4.** CVPS will be making the \$8.4 million payment before closing. This means, however, that Gaz Métro is acquiring a company that has \$8.4 million less cash on hand or, put another way, more debt. Accordingly, the \$8.4 million is a cash outlay for Gaz Métro since it will need to refund that cash back to CVPS to maintain its capital structure.

Person Responsible for Response: Mathieu Lepage  
Title: Manager, Finance and Special Projects at Gaz Métro  
Date: April 6, 2012

**Q5.** Please provide a short one paragraph description of the material terms of the private placement, amount of proceeds, the interest rate, and any other material terms similar to what you might find in a press release by a public company. Tr. of 4/3/2012 at 118:19-119:1 (Bang-Jensen).

**A5.** Petitioners refer to Gaz Métro's November 11, 2011 press release (attached hereto as Attachment 5):

Gaz Métro inc. ("GMi") announced today that it has entered into an agreement to sell to certain institutional investors in the United States and Canada on a private placement basis U.S.\$260 million aggregate principal amount of 3.86% senior secured notes due in 2022 and 5.06% senior secured notes due in 2042 (together, the "Notes"). The Notes will be secured by a guarantee as to payment of principal and interest by Gaz Métro Limited Partnership ("Gaz Métro"), together with collateral security backed by the assets of GMi and Gaz Métro.

Proceeds from the private placement will be loaned by GMi to Gaz Métro on substantially similar terms as to interest rate and maturity, and will be used by Gaz Métro to partially fund its acquisition of Central Vermont Public Service Corporation (NYSE-CV, "CVPS"). In the event that the CVPS acquisition does not occur, proceeds will be used for general corporate purposes. The acquisition of CVPS was approved by a very strong majority of CVPS's common shareholders at a meeting held on September 29, 2011. The acquisition is also subject to the approval of U.S. federal and state regulators, and is expected to be completed between May and July 2012. Therefore, the funding of the Notes is not anticipated to occur until such time, through a delayed funding, but in any event prior to October 1st, 2012.

Person Responsible for Response: Mathieu Lepage  
Title: Manager, Finance and Special Projects at Gaz Métro  
Date: April 6, 2012

**Q6.** Please provide the following with respect to Petitioners' Response to Question 19 of the Board's March 19, 2012 Memorandum: (1) an accounting of the \$5 million executive severance; (2) whether the \$10 million transaction fees are dependent on the closing of the transaction; and (3) an accounting of the \$21 million break-up fee and related merger costs. Tr. of 4/3/2012 at 115:1-117:6 (Bang-Jensen).

**A6.**

- (1) To estimate the \$5 million executive severance payment, Petitioners used 75% of the total severance payment obligation (excluding one executive due to a voluntary resignation) stated by CVPS on page 51 of the August 29, 2011 Proxy Statement.
- (2) With respect to the \$10 million in transaction fees and expenses, about a third is dependent on the closing of the transaction.
- (3) As to the break-up fee and related merger costs, Petitioners estimate these costs to be approximately \$19.5 million, instead of the \$21 million previously identified. Specifically: the \$17.5 million break-up fee payable to Fortis under the Fortis agreement; and \$2 million in expenses reimbursable under the Fortis agreement.

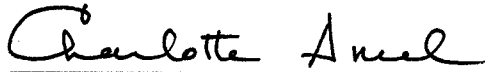
Person Responsible for Response: Mathieu Lepage  
Title: Manager, Finance and Special Projects at Gaz Métro  
Date: April 6, 2012

**Q7.** Please explain at a high level the difference between CVPS's Net Book Value of approximately \$277 million and its Rate base of approximately \$454 million. Tr. of 4/3/2012 at 243:2-10 (Bishop).

**A7.** The net book value represents CVPS's consolidated common equity at a specific point in time. Rate base is an annual average of net utility assets (net book value of utility assets less certain liabilities such as accumulated deferred income taxes) which is funded by both debt and equity.

Person Responsible for Response: Lawrence J. Reilly  
Title: Chief Executive Officer, CVPS  
Date: April 6, 2012

DATED at Burlington, Vermont, this 6<sup>th</sup> day of April 2012.



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Corporation, for itself and as agent for Gaz Métro

Limited Partnership's parents, Gaz Métro Limited

Partnership, Gaz Métro inc., Danaus Vermont

Corp., Green Mountain Power Corporation and

Vermont Low Income Trust for Electricity, Inc.

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