

Exhibit 1

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) Docket No. 7770
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.)

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (the "MOU"), dated as of January 19, 2012, is entered into between the "Petitioners"¹ and the City of Rutland ("City") (collectively, the "Parties") in the above-captioned docket.

RECITALS

¹ 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.

On September 2, 2011, Petitioners filed a Joint Petition in this docket seeking Vermont Public Service Board ("Board") approval of the acquisition of CVPS by Gaz Métro and the merger of CVPS and GMP into one company ("Merger").

The City has intervened in the docket on the issue of how the Merger will impact the City and its economy.

Petitioners believe that Rutland will play a critical role in the future of the post-Merger combined GMP/CVPS company ("Combined Company"), and that the post-Merger Combined Company should continue to play a prominent role in Rutland as well, much as CVPS has done.

The Parties have engaged in discussion and review of the City's concerns in the docket. As a result, the Parties to this MOU agree to the following terms:

AGREEMENT

1. In connection with the proposed Merger that is the subject of the above-captioned docket, Petitioners agree to request Board approval of the following proposals ("Proposals"), as further described in Petitioners' filings with the Board, and to include these Proposals as conditions of approval of their Joint Petition:

- a. Provision of \$144 million in cost savings to customers of the Combined Company over the first ten years following the Merger;
- b. Other than with respect to some executive officers, no layoffs or mandatory relocations of employees;
- c. While the Parties agree that the Combined Company cannot control natural turnover or retirements, the Combined Company expects and intends to maintain proportional levels of its employee base headquartered in the Rutland area. The base

figure shall be determined by calculating the percentage of Rutland area jobs in the Combined Company on the effective date of the Merger and will be stated in a side letter between the Parties on the effective date of the Merger. To implement this provision, the Combined Company shall report to the City on the levels five (5), eight (8) and ten (10) years from the effective date of the Merger. The Parties also agree that they will jointly pursue efforts to create opportunities, develop partnerships and attract new business to add additional jobs in the Rutland area exclusive of the Combined Company.

d. Location of the Combined Company's Headquarters for Operations in Rutland City or Rutland Town. The Headquarters for Operations shall direct activities consistent with, but not limited to, operations currently conducted out of CVPS' Post Road facility;

e. Location of the Combined Company's Energy Innovation Center in Rutland City or Rutland Town. The Energy Innovation Center will serve as a catalyst for innovative programs related to renewable energy, efficiency, customer service options, smart grid technology, and new product offerings. This could include significant new partnerships with state and federal entities, local schools and colleges, renewable energy companies and others;

f. Following a collaborative, stakeholder-based engagement process with Rutland community leadership, the Combined Company will identify a suitable and appropriate site in downtown Rutland for construction or redevelopment of a new Combined Company facility. The engagement process will begin at the effective date of Merger, if not sooner. The Combined Company will work with local leaders on a plan to repurpose existing CVPS facilities.

g. Establishment of a solar city program in Rutland County resulting in the Rutland area becoming the leading solar generation center in Vermont;

h. Creation of a \$100,000 "Open for Business" fund to be administered by the Downtown Rutland Partnership and a \$100,000 "Green Growth" fund to be administered by the Rutland Economic Development Corporation, funded by the Combined Company; and

i. Continuation of CVPS's historic level of leadership and participation in the community.

2. The City agrees to support the Merger, including the Proposals identified above.

3. The Parties agree to submit this MOU to the Board as a part of the resolution of the issues before the Board in Docket No. 7770.

4. The Parties agree that this MOU relates only to these Parties and should not be construed by any party or tribunal as having precedential or any other impact on future proceedings involving the Parties, except as necessary to ensure implementation of this MOU or to enforce an order of the Board resulting from this MOU. The Parties reserve the right in future proceedings to advocate positions that differ from those set forth in this MOU, and this MOU and any order of the Board resulting from this MOU may not be used in any future proceeding against any Party except as necessary to enforce rights and obligations under this MOU or to enforce an order of the Board resulting from this MOU.

5. This MOU is governed by Vermont law and any disputes under this MOU shall be decided by the Board.


DATED this 19th day of January, 2012.

PETITIONERS CENTRAL VERMONT PUBLIC SERVICE CORPORATION, NORTHERN NEW ENGLAND ENERGY 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.

By: _____

DATED this 19th day of January, 2012.

CITY OF RUTLAND

By: _____