

Docket No. 7156
Exhibit UPC Cross-SL1
Admitted: _____

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From: Johnson, Gregory [gjohnson@Greatwood-LLC.com]
Sent: Friday, January 26, 2007 12:34 PM
To: araubvogel@sdkslaw.com
Subject: FW: Sheffield Wind Project

FYI

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From: Forrest, David [mailto:dforrest@iso-ne.com]
Sent: Friday, January 26, 2007 12:25 PM
To: Johnson, Gregory
Subject: Sheffield Wind Project

The attached document is an accurate summary of the System Impact Study of the Sheffield Wind project.
<<Sheffield Summary012207.doc>>

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Sheffield Wind Farm – Status of Electrical System Issues (January 22, 2007)

1. The project will not adversely affect system stability and reliability.

ISO-NE has completed a draft study of the Sheffield Wind Farm. A number of single and double contingency faults were evaluated to assess the impact of this Project on the reliability and stability of the electrical transmission system. In review of this report, it was determined by ISO-NE and VELCO that results of only one contingency condition were significant enough to warrant further assessment. With the Project in operation, modeling indicates occurrence of this contingency condition forces an already marginal voltage condition to exceed acceptable limits on the 34.5 kV bus at the Berlin (NH) substation.

Further evaluation is under way to determine if corrective measures would be necessary and, if so, what they would entail. The potential corrective measures being considered include: adjust the turbines at the Sheffield Wind Farm to operate in a lagging configuration (to absorb excess VARs from the system), change or adjust the tap on the transformers at the Berlin (NH) substation, or install a capacitor bank at either the Sheffield Substation or the Berlin (NH) substation.

2. The project can be served economically by existing or planned transmission facilities without undue adverse effect on Vermont utilities or customers.

The potential modifications being reviewed to address the Berlin (NH) substation contingency, if necessary, can readily be accomplished with commercially available equipment. All costs for the modifications that may be needed on the Sheffield Substation design or the Berlin Substation as a result of the Project will be borne by UPC Vermont Wind, hence no adverse impacts to VT utilities or ratepayers will result from these modifications. Substation design can be finalized once ISO, VELCO, and UPC agree on a final course of action regarding voltage support (if deemed necessary) for the potential Berlin (NH) substation fault.

Timing of next steps

ISO will reach a final determination after a review of the System Impact Study report by two NEPOOL Task Forces and the NEPOOL Reliability Committee. This will occur over the next three months. According to ISO-NE we can expect a “no impact letter” by sometime in mid to late March.

VELCO will continue its review concurrent with ISO-NE, and will provide its final signoff once the ISO-NE Report becomes final.