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July 21, 2011

Mrs. Susan Hudson, Clerk
VERMONT PUBLIC SERVICE BOARD
Chittenden Bank Building, 4th Floor
112 State Street, Drawer 20
Montpelier, VT 05620-2701

Re: Docket No. 7628
Petition of Green Mountain Power Corp. et al. re Kingdom Community Wind Project

Dear Mrs. Hudson:

I write on behalf of Green Mountain Power Corporation ("GMP") to provide the Public Service Board ("Board") and parties with a report on certain field observations and activities relating to the Kingdom Community Wind project that were noted during a site visit conducted with ANR. GMP is submitting this report after consultation with ANR in our continuing efforts to keep the Board and the parties informed of relevant facts and issues relating to the project.

1. GMP and ANR discovered on July 18, 2011, and GMP confirmed on July 19, that the landowner on which the project will be located, Ben C. Wileman III, had recently undertaken earthwork on a portion of his land not included in the Project site, but located within one of the Agency of Natural Resources ("ANR") conservation easement areas (Conservation Easement Parcel 3) to be established pursuant to the Board's Order of May 31, 2011 (the "CPG"). Based on GMP's field investigation completed on July 20, GMP and ANR determined that the work undertaken by Mr. Wileman appears to have included placement of fill within a portion of a Class II wetland and earth disturbance to the edge of an existing beaver pond, inside of an applicable 50-foot Class II wetland buffer. Immediately upon discovering Mr. Wileman's work, GMP requested Mr. Wileman to cease and desist all activities within the conservation easement areas until further notice. At GMP's request, Mr. Wileman has provided the attached affidavit stating his unequivocal commitment not to enter or conduct any activity within the conservation easement areas until further notice.

2. GMP and ANR discovered on July 18, 2011 that a GMP contractor performing pre-construction survey work on the Project access road cut trees using hand tools (including a hand-held chain saw), in violation of a clear directive from GMP that the contractor not cut any trees while performing such survey work. GMP had authorized customary pre-construction survey work, limited to incidental vegetation removal along the centerline of the project access road, but had prohibited cutting down trees. GMP conducted a thorough investigation on July 19-20 and

determined that the contractor cut down what we estimate to be approximately 10 mature (10-14-inch diameter) trees over a heavily wooded area up to 6 feet in width and approximately 2500 feet in length along the centerline of the Project access road. All trees cut were within the limits of clearing associated with road construction for the Project. Based on his inspection, GMP's wetlands ecologist, Jeff Nelson, verified that there has been no adverse effect on wetlands or streams as a result of this activity, and no earth disturbance has occurred. ANR has not yet made a determination of the impact of this activity.

3. On July 19, prior to completing its investigation, GMP ordered the contractor to leave the Project site and ordered all pre-construction activity at the Project site to immediately cease until further notice. In accordance with GMP's directive, no contractors are present or working on the site (except GMP's environmental consultants and others assisting GMP in its investigation). GMP will not permit any pre-construction activity on behalf of GMP at the site until it determines that construction may commence in accordance with the CPG. GMP will take appropriate steps to ensure that all GMP contractors and their personnel abide by this prohibition.

4. During their investigation, representatives from GMP and ANR also observed activity on the landowner's logging road on Conservation Easement Parcels 1 and 2, which appear to have been made within the last several months. The landowner has installed ditches, some of which have not been stabilized. In addition, it is unclear whether the installed culverts in their current condition will be sufficient to handle large volumes of water. The construction and maintenance of logging roads is permitted under the terms of the Parcel 1 and 2 Conservation Easements as currently drafted and this work is not related to the Project. GMP will assist ANR in determining whether the activity conform to forestry accepted management practices ("AMPs") and to Mr. Wileman's current forestry plan, whether they may have any implications for GMP's stormwater or other water quality permits, and whether further restrictions in the conservation easements are necessary.

5. GMP learned of the above actions as a result of a site visit conducted with ANR. GMP has been working, and will continue to work, cooperatively with ANR concerning these issues.

6. GMP is continuing its negotiations with ANR over final language to be included in the Conservation Easements. GMP is committed to finalizing these easements as expeditiously as possible, and to include all appropriate safeguards to ensure compliance with the terms and objectives of the easements. GMP requests that the Board not rule on the forms of Conservation Easements and the Wildlife & Habitat Management Plan for the mitigation parcels until negotiations with ANR are complete. GMP will also work with the landowner and ANR to ensure that any and all appropriate remediation and/or restoration activities are undertaken and completed within the Conservation Easement areas.

7. GMP remains committed to secure the appropriate approvals and permits to allow construction of the project to begin as soon as possible, and in accordance with all permits and approvals, in GMP's continuing commitment to commission the entire Project by December 31, 2012, to avail GMP and Vermont Electric Coop customers of the important customer benefits of

Ms. Susan Hudson

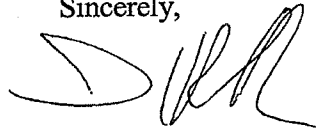
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the current federal production tax credit. Other than as referenced herein, the Conservation Easements, and a Board-ordered amendment to the blasting plan, there are no filings with the Board required prior to construction except for the draft System Impact Study, and the INDC, INDS permits and VELCO Jay Tap 248 permits.¹

8. GMP also remains committed to completing the project in compliance with all permits and approvals, and to keep the board and parties informed of all relevant compliance matters as the Project proceeds.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'DR', is written over the word 'Sincerely,'.

Donald J. Rendall, Jr.

cc: Service list

¹ GMP cannot construct in certain areas until the Board approves a demonstration that remaining archeological studies have been completed in accordance with the results of any Phase I studies and if needed, Phase II study. In addition, there are other collateral permits that GMP must obtain prior to construction, including the Vermont 401 Water Quality Certification, USACE 404 permit and Vermont wetlands permit (formerly called a "Conditional Use Determination").

PSB Docket No. 7628 - SERVICE LIST

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