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## Lines of power

The official who represents Vermont ratepayers in utility cases has thrown her support behind a plan that would diminish the control of a new merged utility over Vermont's transmission infrastructure.

The proposed takeover of Central Vermont Public Service Corp. by Green Mountain Power has raised concerns in some quarters that the new, larger GMP would have excessive control over the state's transmission system. The grid is owned and operated by Vermont Electric Power Co., or VELCO, which is owned by the state's utilities; with GMP assuming a dominant place among the utilities, its control of the transmission system has become an issue in the minds of some politicians and others.

GMP's merger proposal, which still must be approved by the Public Service Board, contains a provision calling for the new GMP to cede one-third of its ownership stake in VELCO to a public benefits trust. Doing so would reduce GMP's share of VELCO to 45 percent, from 78 percent.

But Liz Miller, state public service commissioner, supports a plan to reduce GMP's share of VELCO even further and to include on the governing board of the new public trust not just utility officials, but representatives of the public. It is a way of protecting the public interest.

The plan represents one of the first bumps in the road for GMP as it pursues its merger plans. The company has enjoyed significant support from the Shumlin administration — for its merger, as well as for the wind project on the Lowell Mountains and for the extension of gas lines owned by GMP's parent, Gaz Metro. Moreover, officials from state government have continued to filter into the offices of GMP, and GMP-connected advisers have continued to provide counsel to Shumlin. In the eyes of critics, it is all on the cozy side.

Part of the concern is that GMP is no longer really a Vermont company. Thus, the question arises: If Gaz Metro were to gain control over Vermont's transmission system, would it use Vermont as a corridor for the construction of massive new lines to transmit power to lucrative markets in urban areas to the south? Would the interests of Vermont's ratepayers be served?

Lurking in the background are other concerns. As Shay Totten of Seven Days has reported, Gaz Metro, a Quebec-based company, is a wholly owned subsidiary of a Quebec holding company called Noverco. Noverco is controlled by two other companies: the Caisse de depot et placement du Quebec and Enbridge.

Caisse, which owns a majority of Noverco and a part of Enbridge, is an investment firm with \$151.7 billion in assets. Enbridge is a major Canadian pipeline developer that is involved in tar sands production in Alberta. In August, according to Totten, Enbridge said it wanted to revive a pipeline from the Alberta tar sands to Montreal. From there it could move oil to

Portland, Maine, through a pipeline that crosses through the Northeast Kingdom.

In other words, GMP is owned by entities involved in one of the most damaging fossil fuel operations on the planet. But do the investments of Caisse or Enbridge have anything to do with GMP?

Vermont energy policy cannot be based on dark suspicions of nefarious corporate conspiracies. Rather, regulators need to look at specific proposals before them, at the law, and at the interests of Vermont.

At the same time it's useful to remember that, as friendly as individual policymakers are with individual company spokesmen, GMP is not our friend. It is a company in business to make money. It has served the state well, and it has mounted a promising campaign to pursue sustainable, diversified energy sources. Its merger with CVPS has much to recommend it, including its commitment to develop solar power.

But in the long history of the utility business it has been vitally important for the state to take a role in defending the public interest. It required government intervention to ensure that utilities extended service to rural regions, where profits were not as plentiful as in urban areas. And the state has had an important role in keeping in check the monopoly power of utilities by, among other things, regulating rates.

For the state to require an enhanced public voice on the board of the company controlling the state's transmission lines seems like a reasonable guarantee against the overweening power of unaccountable companies north of the border. GMP and VELCO have not been keen on the idea, but there are larger interests at stake.

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