

GREEN MOUNTAIN POWER CORP
Form DEF 14A
April 18, 2006

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934
(Amendment No.)

Filed by the Registrant ☒

Filed by a Party other than the Registrant ☐

Check the appropriate box:

- ☐ Preliminary Proxy Statement
- ☐ Confidential, for Use of the Commission Only
(as permitted by Rule 14a-6(e)(2))
- ☒ Definitive Proxy Statement
- ☐ Definitive Additional Materials
- ☐ Soliciting Material Pursuant to ss.240.14a-12

Green Mountain Power Corporation

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- ☒ No fee required.
- ☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:
 - (2) Aggregate number of securities to which transaction applies:
 - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
 - (4) Proposed maximum aggregate value of transaction:
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- ☐ Fee paid previously with preliminary materials.
- ☐ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
 - (1) Amount Previously Paid:
 - (2) Form, Schedule or Registration Statement No.:
 - (3) Filing Party:
 - (4) Date Filed:

Green Mountain Power Corporation

2006

Notice of Annual Meeting of Shareholders

and

Proxy Statement

Monday, May 22, 2006
1:00 p.m. local time
Green Mountain Power Corporation
163 Acorn Lane
Colchester VT 05446

**Green Mountain Power Corporation
163 Acorn Lane
Colchester Vermont 05446**

April 18, 2006

To Our Shareholders:

You are cordially invited to attend the 2006 Annual Meeting of Shareholders. The meeting will be held at 1:00 p.m. on Monday, May 22, 2006, at Green Mountain Power Corporation, 163 Acorn Lane, Colchester, Vermont 05446.

[Directions to Green Mountain Power Corporation: From I89 North, take Exit 16. Turn right at light, after 3rd traffic light, take left onto Rathe Road. Take first right onto South Oak Circle, then first left onto Acorn Lane. Green Mountain Power is the last building. From I89 South, take Exit 16. Turn left at light, after 4th light, turn left onto Rathe Road. Take first right onto South Oak Circle then first left onto Acorn Lane. Green Mountain Power is the last building.]

Directors and Officers are expected to be available before and after the meeting to speak with you. During the meeting, we will answer your questions regarding our business affairs and will consider the matters explained in the notice and proxy statement that follows.

Please fill in your vote, sign and return the enclosed proxy as soon as possible, whether or not you plan to attend the meeting. Your vote is important.

Thank you for your continued interest in and support of Green Mountain Power Corporation.

Sincerely,

Nordahl L. Brue
Chair,
Board of Directors

Christopher L. Dutton
President and
Chief Executive Officer

**Green Mountain Power Corporation
163 Acorn Lane
Colchester Vermont 05446**

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

**To the Shareholders of
Green Mountain Power Corporation**

Date and Time Monday, May 22, 2006 at 1:00 p.m.

Place	Green Mountain Power Corporation 163 Acorn Lane Colchester, Vermont 05446
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Items of Business The purpose of the meeting is to:

- (1) Elect nine Directors;
- (2) Ratify the selection of independent accountants for the fiscal year ending December 31, 2006; and
- (3) Consider any other matters which may properly come before the meeting and any adjournments thereof.

Record Date	March 27, 2006
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Annual Report Our 2005 Annual Report, which is not a part of the proxy soliciting materials, is enclosed.

Proxy Voting	Only shareholders of record of Common Stock at the close of business on March 27, 2006, are entitled to receive notice of and to vote at the meeting. A list of the shareholders entitled to vote will be available at the meeting for examination by any shareholder. The list will also be available for any purpose germane to the meeting beginning April 20, 2006 and through the meeting, at our principal office, 163 Acorn Lane, Colchester, Vermont 05446.
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To assure your representation at the meeting, please fill in your vote, sign and mail the enclosed proxy as soon as possible. We have enclosed a return envelope, which requires no postage if mailed in the United States. Your proxy is being solicited by the Board of Directors.

Donald J. Rendall, Jr.
Secretary

April 18, 2006

Please Vote - Your Vote is Important

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Proxy Statement

**Green Mountain Power Corporation
163 Acorn Lane
Colchester Vermont 05446**

**Annual Meeting of Shareholders
May 22, 2006**

April 18, 2006

PROXY AND SOLICITATION

The accompanying proxy is solicited on behalf of the Board of Directors of Green Mountain Power Corporation (the **Company** or **GMP**) for use at the Annual Meeting of Shareholders of the Company to be held on Monday, May 22, 2006, and at any and all adjournments thereof. This proxy statement and the accompanying form of proxy are being sent to shareholders on or about April 18, 2006.

The cost of soliciting proxies by the Board of Directors will be borne by the Company, including the charges and expenses of brokers and others for sending proxy materials to beneficial owners of Common Stock. In addition to the use of the mails, proxies may be solicited by personal interview, by telephone, by facsimile, by telegraph, or by certain of the Company's employees, without compensation therefor.

A proxy may be revoked at any time before it has been voted at the meeting by submitting a later-dated proxy or by giving written notice to the Secretary of the Company. Unless the proxy is revoked or there is a direction to abstain on one or more proposals, it will be voted on each proposal and, if a choice is made with respect to any matter to be acted upon, in accordance with such choice. If no choice is specified, the proxy will be voted as recommended by the Board of Directors.

STOCK OUTSTANDING AND VOTING RIGHTS

On March 27, 2006, the record date for the Annual Meeting, the Company had 5,251,658 outstanding shares of Common Stock. The Common Stock is the only outstanding class of voting securities of the Company. Each holder of record of Common Stock on the record date is entitled to one vote for each share of Common Stock so held.

A majority of the votes entitled to be cast on matters to be considered at the meeting constitutes a quorum. If a share is represented for any purpose at the meeting, it is deemed to be present for all other matters. Abstentions and shares held of record by a broker or its nominee that are voted on any matter are included in determining the number of votes present. Broker shares that are not voted on any matter at the meeting will not be included in determining whether a quorum is present.

The election of each nominee for director requires a plurality of the votes cast. In order to be approved, the votes cast for the selection of independent accountants must exceed the votes cast opposing such matter.

In the absence of your voting instructions, your broker may or may not vote your shares in its discretion depending on the proposals before the meeting. Your broker may vote your shares in its discretion and your shares will count toward the quorum requirement on routine matters. However, your broker may not be able to vote your shares on proposals that are not considered routine. When a proposal is not a routine matter and your broker has not received your voting instructions with respect to that proposal, your broker cannot vote your shares on that proposal. This is called a broker non-vote. The Company believes that the election of directors and the ratification of the selection of independent accountants are routine matters on which brokers will be permitted to vote on behalf of their clients if no voting instructions are furnished. The Company may also vote, in the discretion of the proxies, upon such other matters that may properly come before the meeting or any adjournments thereof.

SECURITIES OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table lists, as of December 31, 2005, information relating to the ownership of the Company's Common Stock by each person (including any group as that term is used in Section 13(d)(3) of the Securities Act of 1934) known by the Company to be the beneficial owner of more than 5% of the Company's Common Stock outstanding as of December 31, 2005.

Name and Address of Beneficial Owners	Amount and Nature of Beneficial Ownership	Percent Of Class
Dalton, Greiner, Hartman Maher Co LLC 565 Fifth Avenue, Suite 2101 New York, NY 10017	373,310 ⁽¹⁾	7.15% ⁽²⁾

(1) Based solely on the disclosures made in the report on Schedules 13G filed with the Securities and Exchange Commission by Dalton, Greiner, Hartman & Maher Co LLC on February 14, 2006.

(2) Based on the number of shares outstanding as of December 31, 2005.

The following table lists, as of February 28, 2006, information relating to the ownership of the Company's Common Stock by each Director, Director Nominee and each Executive Officer and by all Directors and Executive Officers as a group. Each individual exercises sole voting and investment power over all of the shares of Common Stock beneficially owned, except as noted below.

Ownership of Common Stock by Directors, Director Nominees and Officers of the Company Name	Amount and Nature of Beneficial Ownership (1)	Percent of Common Stock
Elizabeth A. Bankowski (Director)	5,663	*
Nordahl L. Brue (Chair of the Board)	20,128	*
William H. Bruett (Director)	11,200	*
Merrill O. Burns (Director)	10,101	*
David R. Coates (Director)	14,377	*
Christopher L. Dutton (President, Chief Executive Officer and Director)	64,368(2)	1.22%
Robert J. Griffin (Vice President, Power Supply & Risk Management) (6)	18,497(3)	*
Kathleen C. Hoyt (Director)	2,700	*
Euclid A. Irving (Director)	7,151	*
Mary G. Powell (Senior Vice President and Chief Operating Officer)	12,767	*
Donald J. Rendall, Jr. (Vice President, General Counsel and Secretary)	8,931	*
Stephen C. Terry (Senior Vice President, Corporate and Legal Affairs) (5)	24,046(4)	*
Marc A. vanderHeyden (Director)	3,200	*
All Directors and Executive Officers as a Group	197,466	3.76%

- (1) Includes shares that may be acquired within 60 days under the Company's 2000 Stock Incentive Plan and 2004 Stock Incentive Plan as follows: Directors Brue, Coates and Irving 4,000 shares each; Directors Bankowski, Bruett and Burns 2,000 shares each; Mr. Dutton 48,500 shares; Mr. Griffin 3,000 shares; Ms. Powell 5,000 shares; Mr. Rendall 3,000 shares; and Mr. Terry 14,000 shares. Total: 91,500 shares. Also includes stock units awarded under the Company's 2000 Stock Incentive Plan that have been deferred and not yet received pursuant to deferral agreements with the Company as follows: Ms. Bankowski 2,200 shares; Mr. Burns and Mr. Coates 1,100 shares each; and Mr. Terry 2,450 shares.
- (2) Mr. Dutton owns 15,746 of these shares directly or in his 401(k) plan. Of the remaining shares, 122 are owned by Mr. Dutton's children for whom Mr. Dutton's wife serves as custodian; Mr. Dutton disclaims any beneficial interest in the 122 shares owned by his children.
- (3) Mr. Griffin owns 14,984 of these shares directly or in his 401(k) plan. Of the remaining shares, 513 are owned by Mr. Griffin's children; Mr. Griffin disclaims any beneficial interest in the 513 shares owned by his children.
- (4) Mr. Terry owns 9,036 of these shares directly or in his 401(k) plan. His wife owns 10 of these shares; Mr. Terry disclaims any beneficial interest in the 10 shares owned by his wife.
- (5) Mr. Terry retired from Green Mountain Power Corporation on January 6, 2006.
- (6) Mr. Griffin was appointed Vice President, Power Supply & Risk Management, effective March 20, 2006. Prior to such time, Mr. Griffin was Chief Financial Officer and Treasurer.
- * Less than 1%.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

The Company's Directors and Executive Officers are required under Section 16(a) of the Securities Exchange Act of 1934 to file reports of ownership (Form 5) and changes in ownership (Form 4) of the Company's Common Stock with the Securities and Exchange Commission and the New York Stock Exchange. Based solely on a review of those reports and written representations from the Directors and Executive Officers, the Company believes that during 2005, all such reporting requirements have been complied with.

ELECTION OF DIRECTORS

The Board of Directors currently consists of nine members. At the 2006 Annual Meeting of Shareholders, shareholders will elect all nine members of the Board of Directors. All nominees are current members of the Board of Directors. All nominees have been selected by the Board of Directors on the recommendation of the Governance Committee.

Directors will be elected by a plurality of the votes cast at the Annual Meeting. If elected, all nominees are expected to serve until the next annual meeting and until their successors are duly elected and qualified.

The following table lists each nominee, his or her principal occupation for the last five years, age and length of service as Director.

NOMINEES FOR ELECTION TO THE BOARD OF DIRECTORS

Elizabeth A. Bankowski	58	Self-employed business consultant in the area of corporate social responsibility; Senior Director of Ben and Jerry's Homemade, Inc. from January 1991 to June 2001; Member of President Clinton's Transition Team (in Economics Cluster) in 1992; Chief of Staff for Governor Madeleine M. Kunin from 1984 to 1990; Trustee of The Windham Foundation; Director of The Trust Company of Vermont; Trustee of the Ben and Jerry's Foundation. Director since 2002
Nordahl L. Brue	61	Chair of Franklin Foods Inc., a food processing company, since 1989; Chair of PKC Corporation, a health care software developer, since 1997; Principal, Howard Opera House Associates and other real estate entities, since 1991; Chair and Chief Executive Officer of Bruegger's Corp. (restaurants) from 1997 to 2002; Principal, Champlain Management Services, Inc. (real estate development and management services) from 1985 to 2002; Director of Vermont Electric Power Company, Inc., Vermont Broadband Council, and Vermont Public Radio; Member, Vermont Governor's Council of Environmental Advisors; Chair of the Board of Trustees of Grinnell College. Director since 1992
William H. Bruett	62	Senior Vice President, The ESOP Advisory Group, UBS Financial Services, Inc., a financial services company, since 2003; Group Product Manager of UBS PaineWebber, Inc., a financial services company, from 1990 to 2001; Director of PaineWebber Trust Co. and Chair of PaineWebber International Bank Ltd., London, subsidiaries of UBS AG, from 1990 to 2001; President of Chittenden Corporation from 1983 to 1990; Director of Shelburne Farms, Inc.; Trustee of The Windham Foundation; Trustee of Upper Rariton Watershed Association. Director since 1986
Merrill O. Burns	59	Principal, Leavenworth Lewis, LLC, a business and management consulting firm, since 2004; President and Chief Executive Officer of The Simpata Group, a human resources and benefits administration services company, from 2002 to 2004; Self-employed business consultant in the areas of financial services and technology, from 2001 to 2002; Group Executive, MarchFirst (internet professional services) and predecessor companies USWEB/CKS and Mitchell Madison Group, from 1996 to 2001; Senior Vice President and Executive Corporate Development Officer, BankAmerica Corporation from 1991 to 1996. Director since 1988

David R. Coates	68	Executive Vice President of New England Culinary Institute, a culinary education institution, since 2002; Retired Partner, KPMG Peat Marwick; Partner KPMG Peat Marwick from 1987 to 1993; Business Consultant and Advisor; Chair of the Key Bank District Advisory Board since 1995; Director of National Life of Vermont and of Union Mutual Fire Insurance Company; Member of the Governor's Council of Economic Advisors, the State of Vermont Debt Affordability Advisory Committee and Vermont Municipal Bond Bank. Director since 1999
Christopher L. Dutton	57	President, Chief Executive Officer and Chair of the Executive Committee of the Company since August 1997; Vice President, Finance and Administration, Chief Financial Officer and Treasurer from 1995 to 1997; Vice President and General Counsel from 1993 to 1995; Vice President, General Counsel and Corporate Secretary from 1989 to 1993; Director of Vermont Electric Power Company, Inc., Fletcher Allen Health Care, Inc. and Vermont Business Roundtable. Director since 1997
Kathleen C. Hoyt	63	Self-employed financial and organizational consultant; Secretary, Vermont Agency of Administration, from May 1997 to November 2002; Chief of Staff and Secretary of Civil and Military Affairs to Governor Howard Dean, from August 1991 to May 1997; Chief of Staff and Secretary of Civil and Military Affairs to Governor Madeleine Kunin, from August 1989 to January 1991; Director, Mascoma Savings Bank; Trustee, Mascoma Savings Bank Foundation; Director, Vermont Community Foundation; Trustee, University of Vermont; Member, Governor's Council of Economic Advisors. Director since 2004
Euclid A. Irving	53	Managing Principal, Odysseus Energy LLC, merchant power company, since February 2005; Partner, Paul, Hastings, Janofsky & Walker, LLP, Attorneys, New York, New York, from 1990 to 2005; Member of the Board of Trustees of the University of Virginia Law School Foundation. Director since 1993
Marc A. vanderHeyden	67	President, Saint Michael's College, independent Catholic liberal arts residential college located in Colchester, Vermont, since 1996. Director of Vermont Business Roundtable, Vermont Health Foundation, Vermont Higher Education Council, Association of Vermont Independent Colleges, and Eleanor Roosevelt Center at Val-Kill. Director since 2004

**The Board of Directors Unanimously Recommends
That You Vote FOR the Election of All Nominees Named Above.**

INFORMATION ABOUT OUR BOARD OF DIRECTORS

Governance

The Company is managed under the direction of the Board of Directors. The Board of Directors has adopted Corporate Governance Guidelines to set forth certain corporate governance practices. The Company's Corporate Governance Guidelines are published on the Company's Internet website at www.greenmountainpower.biz: Who We Are, Investors, Corporate Governance.

Board of Directors Meetings

The Board of Directors meets on a regularly scheduled basis during the year to review significant developments affecting the Company and to act on matters requiring Board of Directors approval and may hold special meetings between scheduled meetings. In 2005, the Board of Directors held ten meetings. Each Director attended no less than 75 percent of his or her Board of Directors and committee meetings.

Independence of Directors

The Board of Directors has determined that the following members are independent, as that term is defined under the general independence standards in the listing standards of the New York Stock Exchange: Elizabeth A. Bankowski, Nordahl L. Brue, William H. Bruett, Merrill O. Burns, David R. Coates, Kathleen C. Hoyt, Euclid A. Irving and Marc A. vanderHeyden. The Board of Directors has adopted categorical standards to assist it in making determinations of independence. The Company's Amended Director Independence Standards are published on the Company's internet website at www.greenmountainpower.biz, Who We Are, Investors, Corporate Governance and are attached as Appendix A to this proxy statement. All directors identified as independent in this proxy statement meet these standards.

Meetings of Independent Directors

The New York Stock Exchange requires that all non-management directors meet regularly and that all independent directors meet at least once annually. The Board of Directors has determined that all non-management directors of the Company are also independent. The Board of Directors has appointed Nordahl L. Brue, the Chair, to chair meetings of independent directors, as provided in the Company's Corporate Governance Guidelines. During these meetings, the Chair leads the meeting, sets the agenda and determines the information to be provided. The independent directors met in executive session without the CEO present at all regular meetings of the Board of Directors in 2005.

Board of Directors Committees and Their Functions

The table below provides membership and meeting information for each standing committee of the Board of Directors.

Name	Audit	Governance	Compensation	Executive
Elizabeth A. Bankowski		X	X	
Nordahl L. Brue		X		X
William H. Bruett	X	X*		X
Merrill O. Burns	X		X*	
David R. Coates	X		X	X
Christopher L. Dutton				X*
Kathleen C. Hoyt	X	X		
Euclid A. Irving	X*		X	
Marc A. vanderHeyden		X	X	
2005 Meetings	13	3	7	1
*Chair				

The Audit Committee has the responsibilities set forth in its Charter to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing the integrity of the financial statements and other financial information provided by the Company to the Securities and

Exchange Commission and/or the New York Stock Exchange or the public, the Company's systems of internal controls regarding finance and accounting that management has established, the Company's compliance with legal and regulatory requirements, and the Company's auditing, accounting and financial reporting processes generally. In addition, the Audit Committee prepares the report required to be included by the Securities and Exchange Commission in the annual proxy statement. The Board of Directors has determined that all Audit Committee members are independent, as that term is defined under the enhanced independence standards for audit committee members in the Securities Exchange Act of 1934 and rules thereunder, as incorporated into the listing standards of the New York Stock Exchange. The Audit Committee Charter provides that no member of the Audit Committee may serve simultaneously on the audit committees of more than three public companies.

The Board of Directors has determined that William H. Bruett and David R. Coates are audit committee financial experts, as that term is defined in the rules promulgated by the Securities and Exchange Commission pursuant to the Sarbanes-Oxley Act of 2002.

The Governance Committee has the responsibilities set forth in its Charter to develop and recommend to the Board of Directors appropriate corporate governance guidelines and policies, to monitor and evaluate the implementation of such guidelines and policies, to identify individuals qualified to act as directors and to recommend director candidates to the Board of Directors for nomination by the Board of Directors.

The Compensation Committee has the responsibilities set forth in its Charter to assist the Board of Directors in discharging its responsibilities relating to compensation of the Company's executive officers and to produce an annual report on executive compensation for inclusion in the Company's annual proxy statement, in accordance with applicable rules and regulations.

The Executive Committee exercises all the powers of the Board of Directors in the management of current and ordinary business of the Company, except as otherwise provided by law.

The Company's Corporate Governance Guidelines, Code of Ethics and Business Conduct and the Charters of the Audit, Compensation and Governance Committees are available on the Company's Internet website at www.greenmountainpower.biz: Who We Are, Investors, Corporate Governance, and are available in print to any shareholder upon request by writing to 163 Acorn Lane, Colchester, Vermont 05446, Attention: Assistant Corporate Secretary.

Director Nominating Process

The Governance Committee. The Governance Committee performs the functions of a nominating committee. The Governance Committee Charter describes the Committee's responsibilities, including seeking, screening and recommending director candidates for nomination by the Board of Directors. The Company's Corporate Governance Guidelines also contain important information concerning the responsibilities of the Governance Committee with respect to identifying and evaluating director candidates. The Governance Committee Charter and the Company's Corporate Governance Guidelines are published on the Company's Internet website at www.greenmountainpower.biz: Who We Are, Investors, Corporate Governance. All members of the Governance Committee are independent, as defined under the general independence standards of the listing standards of the New York Stock Exchange and, further,

the Corporate Governance Guidelines require that all members of the Governance Committee be independent.

Director Candidate Recommendations and Nominations By Shareholders. The Governance Committee Charter provides that the Governance Committee will consider director candidate recommendations by shareholders. Shareholders should submit any such recommendations to the Governance Committee through the method described under *Communications With The Board of Directors* below. In addition, in accordance with the Company's Bylaws, any shareholder of record entitled to vote for the election of directors at the applicable meeting of shareholders may nominate persons for election to the Board of Directors if such shareholder complies with the notice procedures set forth in the Bylaws and summarized in *SUBMISSION OF SHAREHOLDER PROPOSALS* below.

Governance Committee Process For Identifying and Evaluating Director Candidates. The Governance Committee evaluates all director candidates in accordance with the director qualification standards described in the Corporate Governance Guidelines. The Governance Committee evaluates any candidate's qualifications to serve as a member of the Board of Directors based on the skills and characteristics of individual Board members as well as the composition of the Board of Directors as a whole. In addition, the Governance Committee will evaluate a candidate's independence and diversity, skills and experience in the context of the Board of Directors' needs.

Director Nominees. Elizabeth A. Bankowski, Nordahl L. Brue, William H. Bruett, Merrill O. Burns, David R. Coates, Christopher L. Dutton, Kathleen C. Hoyt, Euclid A. Irving and Marc A. vanderHeyden are incumbent directors standing for re-election.

Communications With The Board of Directors

The Board of Directors has unanimously approved a process for shareholders to send communications to the Board of Directors. Shareholders can send communications to the Board of Directors and, if applicable, to a committee or to specified individual directors in writing c/o Green Mountain Power Corporation, 163 Acorn Lane, Colchester, Vermont 05446, Attention Secretary. The Company does not screen mail and all such letters will be forwarded to the Board of Directors, a committee or any such specified individual directors.

Attendance At Annual Meeting

The Company's policy is that Directors attend the annual meeting of shareholders. All nine Directors attended the 2005 annual meeting of shareholders.

Compensation of Directors

Non-employee Directors receive an annual fee of \$20,000. In addition to the annual fee, the Chair of the Board of Directors receives an annual fee of \$30,000. In addition to the annual fee, the Chairs of the Audit, Governance and Compensation Committees each receive an annual fee of \$5,000. Directors also receive \$1,000 for each Board of Directors, committee or other meeting attended except that Directors receive \$850 for attending a committee meeting held on the same day as a Board of Directors meeting. For each meeting scheduled as a meeting by teleconference, Directors receive one-half of the regular fee. We reimburse Directors for reasonable expenses related to their Board of Directors service. Directors may defer all or part of their annual fees and meeting fees under the Directors Deferred Compensation Plan. Deferred amounts earn interest and the Director may determine at the time of the deferral when the funds

are to be paid. Each non-employee Director was awarded 1,100 Stock Units on July 26, 2005. Each Stock Unit awarded to non-employee Directors represented the right to receive one share of the Company's Common Stock on December 31, 2005, the date of vesting. In accordance with the terms of the Stock Units, each of Elizabeth A. Bankowski, Nordahl L. Brue, William H. Bruett, Merrill O. Burns, David R. Coates, Kathleen C. Hoyt, Euclid A. Irving and Marc A. vanderHeyden received 1,100 shares of the Company's Common Stock on December 31, 2005.

Stock Ownership Guidelines

In 2004, the Board of Directors adopted stock ownership guidelines for non-employee Directors. According to such guidelines, non-employee Directors should own beneficially Common Stock approximately equal in value to three times the Director's annual fee and the Chair of the Board should own beneficially Common Stock approximately equal in value to five times the Chair's annual fee. Current Directors have until October 6, 2008 to satisfy this guideline. New Directors will have five years from the date of election to the Board of Directors to satisfy this guideline.

EXECUTIVE COMPENSATION AND OTHER INFORMATION

The following table summarizes the compensation the Company paid the President and Chief Executive Officer and each of the four other most highly compensated Executive Officers as of the end of 2005, 2004 and 2003.

Name and Principal Position	Year	<u>Annual Compensation (1)</u>		Other Annual Comp (\$)(3)	<u>Long Term Compensation Awards</u>		All Other Compensation \$(5)
		Salary (\$)	Bonus \$(2)		Restricted Stock Awards \$(4)	Stock Option No. of Shares	
Christopher L. Dutton President and Chief Executive Officer	2005	369,931	168,256	488	459,780	0	12,199
	2004	355,349	170,592	686	284,380	0	10,574
	2003	339,521	123,480	479	0	0	10,201
Mary G. Powell Senior Vice President and Chief Operating Officer	2005	262,999	119,728	0	203,700	0	10,081
	2004	235,200	113,280	0	190,390	0	8,722
	2003	226,347	82,320	0	0	0	8,487
Stephen C. Terry (6) Senior Vice President Corporate and Legal Affairs	2005	210,999	64,037	0	113,490	0	11,570
	2004	195,601	62,592	0	118,090	0	9,590
	2003	195,736	44,597	0	0	0	9,281
Robert J. Griffin (7) Vice President, Power Supply and Risk Management	2005	184,999	56,146	175	61,110	0	8,706
	2004	161,600	51,712	365	106,040	0	6,774
	2003	127,827	36,708	177	0	0	3,867
Donald J. Rendall, Jr. Vice President, General Counsel and Secretary	2005	183,001	55,539	0	101,850	0	8,638
	2004	175,665	56,224	0	106,040	0	7,389
	2003	174,004	39,649	0	0	0	7,160

- (1) Amounts shown include base salary earned by the Executive Officers, as well as amounts earned but deferred at the election of the Executive Officers.