



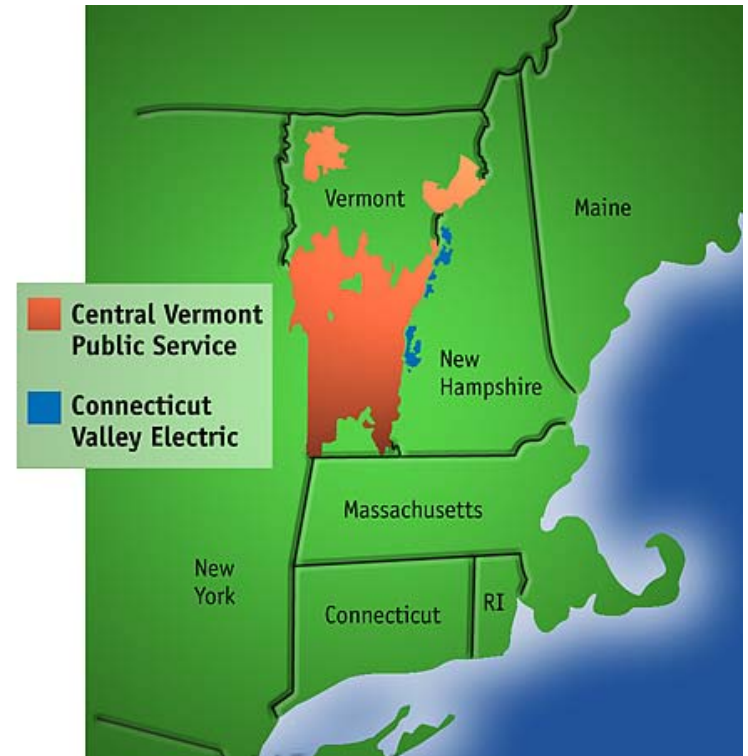
Creating
Value through
Performance &
Stability

Presentation Agenda

- **CVPS overview**
 - **Who we are**
 - **Corporate structure**
 - **2002 financial snapshot**
- **Third quarter financial highlights**
- **CVPS growth strategy**
- **Wrap-up**

Who We Are

- CVPS is Vermont's largest electric utility.
- CVPS serves 145,000 customers in Vermont in 136 towns.
- Rural service territory of 19 customers per mile of line.
- 85% of purchased power comes from long-term contracts.
(Appendix 2)
- Core utility provides stable, solid income.
- Subsidiaries offer growth potential.



Corporate Structure



- Parent company
- Operates as regulated electric distribution utility
- Allowed return of 10.5%
- Wholly owns all subsidiaries

CVPS



Independent Power Producer company focusing exclusively on wind energy opportunities



Residential rental water heating company



**New Hampshire electric distribution company
(sale 1/1/04 appendix 3)**



CVPS

Central Vermont Public Service

2002 Financial Snapshot



(Dollars in thousands, except per share amounts)

Revenues, net	\$ 384	\$ 2,168	\$20,039
Equity in Earnings	\$11,651	-	-
Operating Expenses	\$10,494	\$ 2,640	\$19,890
Net Income	\$ 1,541	\$ (472)	\$ 149
Assets	\$60,743	\$ 3,177	\$12,411
Liabilities	\$21,611	\$ 538	\$ 4,583
Earnings/Share	\$0.13	(\$0.04)	\$0.01

(Consolidated)



CVPS

Operating Revenues	\$303,389
Operating Expenses	\$276,440
Net Income	\$ 19,767
Assets	\$526,865
Liabilities & Other	\$161,533
Capitalization	\$365,332
Cash	\$ 60,364
Earnings per Basic Share	\$1.56

Central Vermont Public Service

2003 vs. 2002 Year-to-date Financial Data

	Nine Months Ended September 30	Nine Months Ended September 30
<i>(Dollars in thousands, except per share amounts)</i>	2003	2002
Operating revenues	\$226,903	\$217,358
Operating expenses	<u>\$208,357</u>	<u>\$196,403</u>
Operating income	\$ 18,546	\$ 20,955
Total other income and deductions, net	\$ 4,254	\$ 2,028
Total interest expense	\$ 8,855	\$ 9,403
Net income from continuing operations	\$ 13,945	\$ 13,580
Net income from discontinued operations	<u>\$ 1,034</u>	<u>\$ 1,035</u>
Net income	<u>\$ 14,979</u>	<u>\$ 14,615</u>
Preferred stock dividend requirements	<u>\$ 899</u>	<u>\$ 1,187</u>
Earnings available for common stock	\$ 14,080	\$ 13,428
Earnings per basic share of common stock (a)	\$1.19	\$1.15
Average shares of basic common stock outstanding	11,856,742	11,660,792
Earnings per diluted share of common stock (a)	\$1.17	\$1.13
Average shares of diluted common stock outstanding	12,083,766	11,909,428
Cash dividends paid per share of common stock	\$0.66	\$0.66

(a) Includes discontinued operations of \$.09 per basic and diluted share of common stock in 2003 and 2002.

CVPS Growth Strategy

- Maintain positive relations with regulators to ensure core business stability.
- Develop wind energy opportunities through Catamount Energy.
- Take advantage of transmission investment opportunities through Vermont Electric Power Company.

Vermont Regulatory Climate

- Republican governor elected November 2002.
- State economic development a priority.
- Relationship with Department of Public Service staff is cooperative and productive.
- Importance of stable energy policy to attract and retain business is recognized.
- Enhanced stability, including approval of Vermont Yankee sale, helped to earn ratings upgrade from Fitch.



CATAMOUNT
ENERGY CORPORATION

Wind Strategy

- Repositioned Catamount's business strategy to focus on wind generation.
 - Highest growth sector in power industry.
 - Projects require modest capital investment.
 - Attractive opportunities in U.S. and U.K.
- Assembled new management team.
- Reduced corporate debt.



Central Vermont Public Service



CATAMOUNT
ENERGY CORPORATION

Wind Energy

U.S. Project Pipeline

- Sweetwater, Texas project.
 - Partner with equity investors. Catamount retains rights to project build-out.
 - Potential to develop 400 MW.
 - First phase of 37.5 MW under construction.
 - 20-year fixed price PPA secured with regulated utility; 5-year option to extend.
 - Phase II build out of 60 to 125 MW.
- Four other U.S. projects under development totaling 125-250 MW.





CATAMOUNT
ENERGY CORPORATION

Wind Energy

U.K. Project Pipeline

- Renewables mandate to U.K. electric utilities makes wind market attractive to developers.
- U.K. among best wind resources in the world.
- Eight sights under development for total of 200-250 MW.
- Estimated project closing dates in 2005-2006.





Transmission Investments

- ▶ Owner and operator of Vermont's high voltage transmission system.
- ▶ CVPS maintains 50% equity ownership in VELCO.
- ▶ Opportunity to invest in approximately \$200 million in transmission upgrades at 13% ROI.
- ▶ FERC allowed return is not capped at 10.5% by Vermont regulators.



Transmission Investments

- ▶ Current capitalization structure of 90%-10% debt/equity.
- ▶ Potential to increase equity component from 10% to 25%.
- ▶ CVPS may invest up to \$40 million incrementally from 2004-2008 in projected in-state transmission upgrades.

Vision for Long-term Growth and Stability

- Cost-effectively improve core business service.
- Continue to improve financial position and balance sheet strength.
- Invest prudently in energy businesses to increase shareholder value.
 - Wind energy
 - Transmission investments



CVPS Operating Revenues 2002 Results

	MWh	Revenues (000's)
<u>Retail sales:</u>		
Residential	971,941	\$129,692
Commerical	937,919	\$112,547
Industrial	428,238	\$ 36,076
Other retail	6,239	\$ 1,795
Total retail sales	2,344,337	\$280,110
<u>Resale sales:</u>		
Firm	2,392	\$ 137
Other	442,187	\$ 15,806
Total resale sales	444,579	\$ 15,943
Other revenues		\$ 7,336
Total	2,788,916	\$303,389



CVPS 2002 Power Supply Statistics

<u>Purchased Power</u>	<u>Unit</u>	<u>Amount</u>
Capacity	435	\$ 69,572
Energy	2,627,117	\$ 77,193
<u>Total purchased power</u>	<u>2,627,552</u>	<u>\$146,765</u>
Less purchases for resale	(442,187)	(\$ 15,806)
<u>Net purchased power</u>	<u>2,185,365</u>	<u>\$130,959</u>
<u>Production fuel</u>	<u>378,232</u>	<u>\$ 2,732</u>
<u>Net purchased power & production fuel costs</u>		<u>\$133,691</u>

Power Sources

Nuclear generating companies <i>(purchased)</i>	45%
Canadian hydro contract <i>(purchased)</i>	30%
Company-owned hydro	6%
Jointly owned units	6%
Independent power producers <i>(purchased)</i>	7%
Other	6%
<u>Total</u>	<u>100%</u>



CVEC

Sale Components

- ▶ Sale of franchise and plant assets for approximately \$9 million (book value).
- ▶ Receipt of \$21 million stranded cost payment for termination of RS-2 power contract.
 - Resulting gain or loss will be calculated as of date of sale (Jan. 1, 2004) and will be highly dependent on forward power prices.
- ▶ CVPS will bear risk of selling power in the wholesale market previously contracted to CVEC.
- ▶ Opportunity for potential upside on resale of power.

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