

CENTRAL VERMONT PUBLIC SERVICE CORPORATION
CORPORATE GOVERNANCE GUIDELINES

1. Board Issues:

I. Membership:

1. Size of Board.

The Board believes that the optimum size of the Board is 9-13 members.

2. Independence Requirement.

All non-employee Directors shall satisfy the independence requirements of Section 10A of the Securities Exchange Act of 1934, the New York Stock Exchange and any other regulatory authority. The responsibility for ensuring compliance with this requirement shall reside with the Corporate Governance Committee

In addition, the Board's historic policy and practice is to not have more than one management Director although it may vary from this practice if it believes to do so is in the best interest of the Company.

A director who is also affiliated with a company that has a business relationship with Central Vermont Public Service Corporation that is not significant to the Company or the director is immaterial for the purposes of determining independence.

3. Board Membership Criteria.

The Board seeks members from diverse professional backgrounds who combine a broad spectrum of experience and expertise with a reputation for integrity and who will be able to serve at least five (5) years as a Director prior to reaching the age of 72. Directors should have experience in positions with a high degree of responsibility, be leaders in the companies or institutions with which they are affiliated, and be selected based upon contributions they can make. Directors should plan to make a significant time commitment to the Company.

Recognizing that the contribution of the Board will depend not only on the character and capacities of the Directors taken individually but also on their collective strengths, the Board should be composed of:

- (A) Directors who will form a central core of business executives with demonstrated successful senior management leadership, operating and financial experience, and accomplishments;
- (B) Directors who have substantial experience outside the business community -- in the public, academic or scientific communities, for example;
- (C) Directors who will represent the balanced, best interests of the shareholders as a whole rather than special interest groups or constituencies;
- (D) Directors that enhance the diversity of perspective, experience and background of the Board; and
- (E) a majority of directors who are not employees or former employees of the Corporation.

A. Selection Criteria

In considering possible candidates for election as a Director, the Committee and the other Directors should be guided in general by the composition guidelines established above and in particular by the following:

- (1) each Director should be chosen without regard to sex, race, religion or national origin;
- (2) each Director should be an individual of the highest character and integrity and have an inquiring mind, vision and the ability to work well with others;
- (3) each Director should be free of any conflict of interest which would violate any applicable law or regulation or interfere with the proper performance of the responsibilities of a Director;
- (4) each Director should possess substantial and significant experience which would be of particular importance to the Corporation in the performance of the duties of a Director;
- (5) the number of boards on which a candidate serves will be taken into consideration when they are evaluated for Directorship. Directors should not serve on more than five (5) public companies and no more than three (3) audit committees. The Board may make individual exceptions taking into account Board attendance, participation, and effectiveness.
- (6) each Director should have the capacity and desire to represent the balanced, best interests of the shareholders as a whole and not primarily a special interest group or constituency.

Retirement; Resignation

Term Limits.

The Board does not favor term limits for Directors, but believes that it is important to monitor overall Board performance.

Retirement Policy.

According to the By-Laws of the Company "[n]o person shall be eligible for election or re-election as a Director after his/her seventy-second birthday, and the term of any Director which extends beyond his/her seventy-second birthday shall expire on the date of the annual meeting of the Company next following his/her seventy-second birthday."

Directors Changing Their Present Job Responsibilities.

The Board believes that an individual Director who retires from his or her employment, whose position of employment materially changes, must volunteer to resign from the Board. It is not the intention of the Board to mandate the resignation of a Director whose responsibility has changed, but rather to provide an opportunity for the Board to review the continued appropriateness of Board membership under the changed circumstance. In advance of accepting an invitation to serve on another board or audit committee of a public company, the director shall notify the Chair of the Corporate Governance Committee and seek approval.

Conduct:

Board Meetings.

Selection of Agenda Items and Executive Sessions.

The Chairman and Chief Executive Officer should establish the agenda for Board meetings. All Board members have the right to suggest items for inclusion in the agenda.

Distribution of Materials.

The Company shall distribute, sufficiently in advance of meetings to permit meaningful review, written materials for use at Board meetings by posting on the Board of Director's Website, facsimile transmission, or electronic transmission.

Number of Meetings; Attendance and Preparation.

The Board of Directors shall hold a minimum of six (6) meetings per year. Directors are expected to attend all Board meetings, appropriate Committee meetings, and the Company's Annual Meeting of Stockholders and to have, prior to the meetings, reviewed all written meeting materials distributed to them in advance.

Conflicts of Interest.

Directors are expected to avoid any action, position or interest that conflicts with an interest of the Company, or gives the appearance of a conflict. The Company annually solicits information from Directors in order to monitor potential conflicts of interest and Directors are expected to be mindful of their fiduciary obligations to the Company.

Consulting Agreements with Directors.

The Board believes that the Company must not enter into paid consulting arrangements with outside Directors or their employers, without obtaining the Board's approval.

Share Ownership by Directors.

Directors are required to own at least 6,000 shares of the Company's Common Stock within five (5) years of election.

Compensation Review.

The Compensation Committee will annually review Board compensation, benefits, share ownership guidelines and other matters and recommend to the full Board appropriate changes.

Assessing Board and Committee Performance.

The Board shall conduct an annual self-evaluation with the assistance of the Corporate Governance Committee to determine whether it and its committees are functioning effectively. Each Committee Charter provides for self-assessment and the Board shall review the annual self-assessment of each Committee.

The evaluation process is designed to facilitate ongoing, systematic examination of the Board's effectiveness and accountability, and to identify opportunities for improving its operations and procedures.

CEO Assessment.

The Compensation Committee shall annually assess the performance of the CEO in collaboration with the Chair of the Board. The Compensation Committee shall ensure that the evaluation process includes an opportunity for input of all members of the Board. This evaluation shall be used by the Compensation Committee when it develops its compensation recommendations for the CEO.

Access to Senior Management.

Board members shall have complete access to Company management. To the extent practicable, Board members should inform the Chair of communications with officers in those circumstances where the Chief Executive Officer is unaware of the communications. Furthermore, the Board encourages management to, from time to time, bring managers into Board meetings who: (a) can provide additional insight into the items being discussed because of personal involvement in these areas, and (b) represent managers with future potential that senior management believes should be given exposure to the Board.

Confidentiality.

The Board believes maintaining confidentiality of information and deliberations is an imperative.

Selection of Chair.

The Board shall select the Chair of the Board and may select the Chair of the Committees. If the Board does not appoint the Committee Chair, the Committee members shall elect a Chair by a vote of a majority of the full Committee.

II. Committee Issues:

Board Committees; Committee Charters.

The Board currently has the following four Committees: the Audit Committee; the Compensation Committee; the Corporate Governance Committee; and the Executive Committee. The Audit Committee, the Compensation Committee and the Corporate Governance Committee shall each consist of three or more Directors, each of whom shall satisfy the independence (and, in the case of the Audit Committee, the financial literacy and experience) requirements of Section 10A of the Securities Exchange Act of 1934, the New York Stock Exchange and any other regulatory requirements.

The Audit Committee, the Compensation Committee and the Corporate Governance Committee shall each have appropriate written charters. These committee charters will be made available on the Company's web site at: "www.cvps.com".

Assignment of Committee Members and Chairs.

The Corporate Governance Committee is responsible, after consulting with the Chair and Chief Executive Officer, for recommending Committee members and their Chairs. Committee assignments and the designation of Committee Chairs should be based on the Director's knowledge, interests and areas of expertise. The Board believes experience and continuity are important. As such, Committee members and Chairs should be rotated every five (5) years, unless it is determined that a longer term is in the best interests of the Board or Company.

Frequency of Committee Meetings; Attendance.

Committees meet as frequently as is necessary. Currently the Audit Committee has six (6) regularly scheduled meetings each year. The Compensation Committee has four (4) regularly scheduled meetings each year. The Executive Committee meets as needed. The Corporate Governance Committee has four (4) regularly scheduled meetings each year.

III. Duties and Responsibilities of the Committees:

Executive Committee.

During the intervals between Board meetings, the Executive Committee shall, except as otherwise provided in Section 2 of the By-Laws, have and may exercise all the powers and authority of the Board in the management of the Company's business.

Audit, Compensation, and Corporate Governance Committees .

These Committees shall have the powers and responsibilities set forth in their respective Charters (which are available on the Company's web site at www.cvps.com).

IV. Other Principles:

Board Requirements of Management.

- Develop strategies and build shareowner value over the long term.
- Recommend appropriate strategic and operating plans.
- Maintain effective control of operations.
- Provide strong, principled, and ethical leadership.
- Assure sound succession planning and management development.
- Maintain sound organization structure.
- Inform the Board regularly regarding the status of key initiatives -- No surprises.
- Organize Board meetings that are well planned, allow meaningful participation, and provide for

- timely resolution of issues.
- Provide Board materials that contain the right amount of information and are received sufficiently in advance of meetings.

Requirements of Directors.

- Act in the best interest of all shareowners and in so doing may consider related factors as set forth in the Vermont Business Corporation Act Title 11A, Section 8.30.
<http://www.leg.state.vt.us/statutes/fullsection.cfm?Title=11A&Chapter=008&Section=00030>
- Critique and approve strategic and operating plans.
- Select, motivate, evaluate, and compensate the Chief Executive Officer.
- Develop and maintain a sound understanding of Central Vermont's strategies and businesses.
- Review succession planning and management development.
- Approve the appointment of officers upon the recommendation of the CEO.
- Advise and consult on key organizational changes.
- Carefully study Board materials and issues.
- Provide active, objective, and constructive participation at meetings of the Board and Committees.
- Provide assistance in representing Central Vermont to the outside world.
- Counsel on corporate issues.
- Develop and maintain a good understanding of general economic trends and corporate governance.
- Maintain a Delegation of Authority that sets forth the Authority of the Board and its various Officers.

Confidential Voting.

The Board has adopted a policy whereby stockholders' proxies are received by the Company's independent tabulators and the vote is certified by independent inspectors of election. Proxies and ballots that identify the vote of individual stockholders will be kept confidential from the Company's management and Directors, except as necessary to meet legal requirements, in cases where stockholders request disclosure, or in a contested election.

Disclosure of Corporate Governance Guidelines.

These Corporate Governance Guidelines will be made available on the Company's web site at www.cvps.com.

Reviewed by the Corporate Governance Committee on 1/10/11

Adopted by the Corporate Governance Committee on 1/10/11

Adopted by the Central Vermont Public Service Corporation Board of Directors on 1/10/11

CORPORATE GOVERNANCE GUIDELINES - ADDENDUM A:
Director Communication Policy and Process

The Board of Directors of Central Vermont Public Service Corporation has adopted a revision to its Guidelines by adding a formalized process for shareholders and other interested parties to send communications to the Board of Directors. Subject to the requirements of Securities and Exchange Commission Rule 14A-8 as applicable, shareholders and other interested parties can also send communications to the Board as provided below:

- Parties may write to the Board of Directors as follows:

Central Vermont Public Service Corporation
Attn: Board of Directors - Communications
c/o Corporate Secretary's Department
77 Grove Street
Rutland, VT 05701

- Parties may email the Board of Directors at the Corporate Secretary's email address and subject description as follows:

corpscty@cvps.com
SUBJECT: Communications

Routine correspondence will be handled by the Corporate Secretary's Department, or forwarded to the appropriate functional department head for response. Other matters will be forwarded to the Chief Executive Officer, the Chair or the full Board as may be appropriate. Communications regarding accounting, internal accounting controls or auditing matters may also be processed according to the Company's Corporate Ethics and Conflict of Interest Policy 1-11, Section VIII. Reporting of Concerns, which states in pertinent part:

"Anyone who has a concern about the Company's accounting, internal accounting controls or auditing matters, may communicate that concern directly to the Chair of the non-management executive session, to non-employee directors, or to the Audit Committee. Such communication may be confidentially or anonymously reported by telephone by calling the special number posted on the Company's web site. Such concerns will be forwarded to the appropriate directors for their review and will simultaneously be reviewed by the Corporate Compliance Oversight Committee the same way that other concerns are addressed by the Company. The status of all outstanding concerns addressed to the presiding director, the non-employee directors, or to the Audit Committee will be reported to the directors on a quarterly basis, or as appropriate. The Chair of the Board, non-employee directors, or the Audit Committee may retain outside advisors or counsel, for any concern addressed to them."

The web site address is <http://www.cvps.com/AboutUs/CorpGov.shtml>.

Reviewed by the Corporate Governance Committee on 11/7/10

Adopted by the Corporate Governance Committee on 1/11/04

Adopted by the Central Vermont Public Service Corporation Board of Directors on 1/12/04.