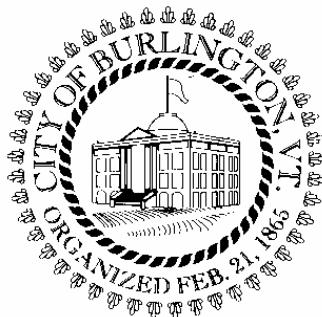


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**PRESS RELEASE  
FOR IMMEDIATE RELEASE**

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**CITY SAYS THAT LARKIN REPORT“LACKS CREDIBILITY”**

*Mayor Kiss to Call Special Council Meeting on BT*

Burlington, VT – December 17, 2010. The City of Burlington today said it was continuing to review the Larkin Report, anticipating a further response next week. The report was initiated by the Vermont Public Service Department in the Fall of 2009 and released just last week, on December 10, 2010. So far, the City has identified several gaps and omissions in the report, including but not limited to:

- Larkin staff never contacted or interviewed City officials or the City’s consultant Dorman & Fawcett;
- Larkin never interviewed the City’s independent auditors, Sullivan, Powers & Co. (“SPC”);
- Larkin’s analysis fails to include recent developments with CitiCapital; and
- Larkin failed to account for BT’s current financial status and improvements implemented since Dorman & Fawcett took over interim management of BT nearly 4 months ago

The City’s ongoing review of Larkin’s accounting claims about BT also shows that almost every issue cited from the City’s management letters, in section L of the report, had been addressed by the City by the end of FY10, at least six months before Larkin completed its report. In addition, a formal process for monitoring the Certificate of Public Good (“CPG”) was addressed in September 2009 prior to initiation of the Larkin report; however Larkin failed to note this significant development.

“Our review shows that Larkin failed to understand how and when the City addressed issues identified in auditor management letters, causing the report to be misleading,” said Chief Administrative Officer Jonathan P.A. Leopold.

The Larkin Report does not discuss or address in any way recent developments related to the work of Dorman & Fawcett. The City has terminated its lease agreement with CitiCapital and, through Dorman & Fawcett, is in advanced discussions with several interested strategic and financial partners to procure replacement equipment. Dorman & Fawcett assumed interim management of BT in August 2010, implementing several changes, showing revenue levels above last year’s, and reaching a cash flow position well above operational costs. Larkin failed to contact Dorman & Fawcett about these or any other issues.

“The Larkin Report lacks credibility,” said Mayor Bob Kiss. “Larkin praises the Blue Ribbon Committee but fails to observe that the City has been implementing the Committee’s primary recommendations. With the assistance of Dorman & Fawcett, the City has sought to address the CitiCapital lease while improving BT’s cashflow and the efficiency of BT’s operations. BT’s viability is of paramount importance. It is a major mistake to rely on the Larkin report. It is dated, incomplete, and contains numerous omissions.”

Mayor Kiss added “this report has been characterized as independent, which is not true. In reality, it was prepared for the Department of Public Service and David O’Brien in the context of an adversarial proceeding.” Larkin has been involved with the City and Public Service Department in prior proceedings late last year related to a Burlington Electric Department rate increase. Larkin’s analysis in that case was ultimately rejected by the parties in favor of the City’s position.

Mayor Kiss said the City will respond in more detail next week, after additional time to review the report. The City will also consider whether to formally respond to the report to the Public Service Board.

In related news, Mayor Kiss announced today he will call a special City Council meeting on BT sometime in early January.