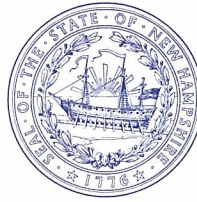


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November 17, 2009

Debra A. Howland
Executive Director
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, New Hampshire 03301



Re: DE 09-158 PSNH - PeakSmartPlus Demand Response Proposal

Dear Ms. Howland:

During the October 27, 2009 technical session held in the above-captioned docket, parties agreed to a second round of discovery with responses due on Friday, November 6, 2009, and a second technical session to be held Monday, November 16, 2009. Staff conducted the second technical session as scheduled yesterday. Representatives from PSNH, National Grid, the Office of Consumer Advocate and Staff participated.

Participants reached consensus on the following points with respect to PSNH's proposal:


- CORE funds are not an appropriate source of support for the PeakSmartPlus program, in light of existing demand response options in energy markets and the limited financial resources available for the CORE programs.
- PSNH has explored alternative sources of funding, including through the existing Energy Service (ES) rate and transmission cost adjustment mechanism (TCAM). These options were discussed at the parties at the November 16 technical session; neither is supported by the parties or Staff.
- Competitive demand response options exist for industrial and commercial customers such as the customers currently enrolled in PSNH's PeakSmartPlus program.
- PSNH will assist existing PeakSmartPlus customers in their transition to demand response market options. PSNH has agreed to release any existing enrolled customers from the program if requested, to allow customers to participate in another program.
- PSNH's rate VIP, a price-response and peak reduction program, will remain available to customers. PSNH will review the program to adjust as appropriate in light of recent and continuing energy market developments.

- PSNH will continue to explore demand response options as energy markets continue to evolve and will provide information on those options to customers.

Parties anticipate addressing the above points at next Tuesday's hearing through PSNH's witness. National Grid has agreed to provide a witness, as well, to discuss the company's approach to providing information on demand response programs to its customers. Attached for your background information is a sample presentation on demand response options that National Grid prepared for its customers.

Thank you for your consideration of this matter. Please do not hesitate to contact me at 603.271.6030 if you should have any questions.

Sincerely,


Lynn Fabrizio
Staff Attorney

Attachment