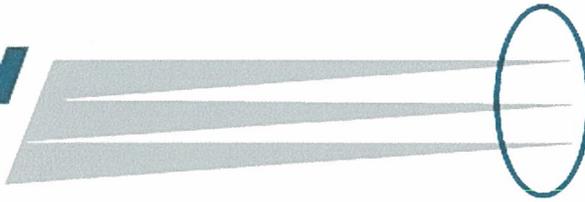


# Concord Steam



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*Steam and Power Generation*

November 19, 2010

NHPUC NOV22'10 AM11:30

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

**Re: DG 10-116      Amendment to special contract with YMCA**

Dear Ms. Howland:

This is a revised re-submittal of this letter with the final signed contract attached.

On April 28, 2010, the company filed a petition for approval of proposed amendments to the special contract with the Concord Family YMCA.<sup>1</sup> On September 9, 2010, the Staff filed its recommendation with the Commission, in which Staff recommended that the Commission reject the revised amendment agreement absent provisions. Since that time Staff and company, and the company and the YMCA, have held numerous discussions regarding the proposed amendments. As a result of those discussions, the company and the YMCA have revised the special contract amendment agreement to satisfy Staff's concerns. Each of the proposals contained in Staff's recommendation is discussed below.

Staff Proposal 1 –

*The special contract amendment agreement should not have a fixed donation amount, but that a donation could be earned based on a formula designed to encourage conservation.*

The revised amendment agreement uses a formula to determine the donation amount, calculated using a declining discount on volumes up to 5,000 Mlbs and no donation on usage above 5,000 Mlbs. Whereas the original amendment provided for an annual donation of \$18,000 the maximum donation under the revised amendment is \$15,840.

Staff Proposal 2 –

*The donation amount be placed in an escrow account and paid to YMCA when certain conditions are fulfilled.*

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<sup>1</sup>The current special contract was approved by Order No. 24,776 (docket no. DG 06-139) issued July 12, 2007.



Because the YMCA has been meeting the proposed conditions over the past three years, since a change in management, the Company and Staff have agreed that an escrow account is unnecessary. Furthermore, providing the donation on a timely basis will assist the YMCA in funding its conservation measures.

Staff Proposal 3 –

*The annual rate under the proposed special contract amendment agreement should be set November 1 to coincide with the effective annual cost of energy.*

The revised amendment agreement will synchronize the contract year with the Cost of Energy year to better capture the annual change in the Cost of energy rate.

Staff Proposal 4 –

*Estimated annual usage should be set based on historical use.*

The revised amendment agreement will set the estimated usage based on average usage over the previous three years. This will determine the actual monthly budget payment and the YMCA account will be reviewed, and adjusted if needed, at least quarterly so as to minimize any under or over recovery of the difference between actual and estimated annual usage. The running total of the under/over recovery of actual versus budget will be shown on every months billing to the YMCA.

Enclosed is the revised special contract amendment agreement, signed by both parties, which Staff has reviewed and supports.

Yours Truly,

A handwritten signature in blue ink that reads "Peter Bloomfield". The signature is fluid and cursive, with the first letters of each word being capitalized and prominent.

Peter Bloomfield,  
President