

STATE OF NEW HAMPSHIRE

Inter-Department Communication

DATE: January 12, 2008

AT (OFFICE): NHPUC

FROM: Maureen L. Reno ^{MLR}
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Utility Analysts III

SUBJECT: DE 08-139, Public Service Company of New Hampshire's "Agreed To Petition For Permission To Serve A Single Customer Within New Hampshire Electric Cooperative's Franchise Area in Lempster"

TO: The Commissioners and
Debra A. Howland, Executive Director and Secretary

CC: Tom Frantz, Director of the Electric Division
Steve Mullen, Assistant Director of the Electric Division
Suzanne Amidon, Staff Attorney

On October 29, 2008, Public Service Company of New Hampshire (PSNH) filed with the Commission its Agreed To Petition For Permission To Serve A Single Customer Within New Hampshire Electric Cooperative's Franchise Area In Lempster (Petition). This customer is Lempster Wind L.L.C. (Lempster Wind), a 24 megawatt wind powered generation project located in Lempster, New Hampshire. Lempster Wind will receive service from the New Hampshire Electric Cooperative (NHEC) under Basic Service Rate B2. In order to provide the auxiliary power that Lempster Wind will need for initial startup or whenever the turbines are restarted after having been shut down due to wind conditions, NHEC would have to extend its current 12 kilovolt (kV) circuit, upgrade the line to three phase, and step up the voltage at the site to 34.5kV. Since PSNH is interconnected to the wind project to receive the power generated by the project, PSNH can supply this auxiliary power directly at the 34.5kV level with no added investment in infrastructure.

Based on data requests from Staff, PSNH stated it will provide Lempster Wind with electric service under General Delivery Service Rate G as the maximum demand for the facility's station service is estimated to be below 100 kilowatts, on average, over a twelve month period. Further, once PSNH has twelve months of billing history, PSNH will review Lempster's usage to determine if its usage is consistently greater than 100 kilowatts. If Lempster's usage exceeds 100 kilowatts, then Lempster would be moved to

PSNH's Primary General Delivery Service Rate GV, which is required in order to receive Backup Service Rate B. PSNH's Backup Service Rate B is a backup rate for customers with their own generation who are eligible customers under either Rate GV or Rate LG.

Where only one portion of the service provided to a single customer, Lempster Wind, will be served by PSNH if this petition is granted, and because the location of the wind project is not contiguous to the small franchise area that PSNH currently serves in the Town of Lempster, PSNH suggests that there is no need to redraw the franchise boundary between PSNH and NHEC.

Staff has reviewed the petition and believes that allowing PSNH to provide the needed auxiliary power without requiring any additional infrastructure is in the public interest. Staff further believes that there is no need to redraw the franchise boundary between PSNH and NHEC. Staff agrees that PSNH can provide the auxiliary service more cost effectively and efficiently than NHEC because PSNH can supply auxiliary power with no additional investment in infrastructure. Therefore, Staff recommends the Commission approve PSNH's petition.