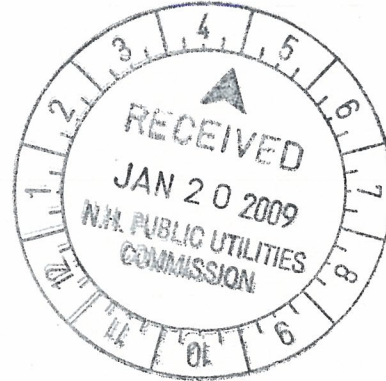


January 16, 2009

Mr. Thomas Frantz, Director
Electric Division
NH Public Utilities Commission
21 S. Fruit Street # 10
Concord, NH 03301



Re: Independent Monitoring Application - Puc 2502.09

Dear Mr. Frantz:

As a follow up to the meeting held with your staff on Wednesday, January 7, 2009, New Hampshire Electric Cooperative (NHEC) is making application to be designated an Independent Monitor.

NHEC seeks to become an Independent Monitor pursuant to Puc 2505.09. The purpose is to provide monitoring services for members installing Customer Sited Sources (CSS) in NHEC's territory so that these members can comply with requirements to receive Renewable Energy Credits (RECs) from the Public Utilities Commission (PUC). NHEC will concentrate on monitoring its own members' CSS at this time but may seek to offer these services to non-members at a later date. NHEC will contact the PUC if it determines that offering these services to non-members would be appropriate.

Qualification

NHEC qualifies as an Independent Monitor pursuant to Puc 2505.09 (b) "A public utility that is a distribution company pursuant to RSA 362-F:2, XIV ...". Additionally, pursuant to 2505.09 (c), NHEC currently employs several professionals in each category below that allow NHEC to qualify:

- An electrician licensed by the state of New Hampshire and in good standing;
- A professional engineer licensed by the state of New Hampshire and in good standing; and
- A home rater as certified by Residential Energy Services Network (RESNET).

NHEC routinely employs, and will continue to employ, individuals who meet the qualifications of 2505.09 (c). A copy of sample licenses is attached.

CSS Monitored

Pursuant to Puc 2505.08, NHEC will monitor solar PV, solar hot water, wind turbine systems, and other renewable electric generating sources of 100 kW or less. NHEC will

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conduct monitoring services for a fee based on a predetermined schedule. As a distribution electric cooperative, NHEC is in a unique position to offer this service at its estimated cost. The fee will be waived if NHEC receives RECs from the member installing the CSS.

NHEC Acquiring RECs from CSS Monitored

NHEC plans to procure RECs from its members via purchase, as gifts, or in exchange for other good consideration (i.e., a rebate). NHEC has already obtained legal rights to some RECs generated at members' sites for rebate projects installed during 2008, will attempt to obtain legal rights for more rebate projects that were installed in 2008, plans to obtain legal rights to members' RECs for future rebate projects, and may obtain RECs from other members for their CSS in the future.

For these CSS, NHEC plans to provide monitoring services. NHEC will use the same meter reading and REC calculation methodology for CSS regardless of who acquires the RECs. NHEC will continue to follow standard industry procedures for ensuring meter accuracy.

Application

The NHEC member will file its own CSS Application pursuant to Puc 2505.08 (b) unless NHEC procures the RECs. In these cases, NHEC will file the CSS Application.

Metering for Electricity Generating CSS

Pursuant to Puc 2505.09 (h)(1), NHEC will install and own a Revenue Quality Meter as defined in Puc 2502.32 at each CSS. For each CSS, a meter reading will be taken on or about the date the CSS Application is submitted to the PUC by the member or NHEC, as applicable. All other readings will be taken annually plus or minus 30 days of the end of the calendar year in accordance with Puc 2505.10. Readings will be taken by NHEC Independent Monitors and/or NHEC meter readers in conjunction with routine meter reading at the members' locations. It is common knowledge that NHEC's (and all public utilities) meter readers have a long trusted history of taking accurate readings for our nearly 80,000 members for billing purposes. Pursuant to 2505.09 (h)(4), NHEC will conduct an inspection of each CSS.

Calculating RECs and Reporting

For the purpose of calculating RECs, NHEC will calculate on an annual basis the MWh production or displacement for each CSS as stated in Puc 2505.09 (h)(2). NHEC will submit an Independent Monitor report for each CSS by January 31 for the preceding year (Puc 2505.09 (h)(3)). NHEC will use its Customer Information System to accumulate data from the meter readings for the electric generators.

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Solar Hot Water Heater Electricity Displacement

In accordance with PUC 2505.11, NHEC will calculate the annual displacement of electricity by comparing the member's monthly billed usage before the installation of the solar hot water heater to the member's monthly billed usage after the installation. This calculation will be adjusted for any known changes at the member's location.

Solar Hot Water with Fossil Fuel Water Heaters

NHEC will use engineering analysis methodology to calculate fossil fuel Btus saved and convert this amount to MWhs for solar hot water systems that use a fossil fuel water heater (PUC 2505.08 (a)). Current calculations indicate that 13% of a home's fossil fuel usage is dedicated for domestic hot water.

In order to expedite our Independent Monitoring application, NHEC is submitting this application to the PUC and seeking our Board of Directors approval for the program (contingent on PUC approval of our application).

I hope you will look favorably upon our application. Should you have any questions, please do not hesitate to contact us.

Sincerely,



Dena Lee DeLucca
VP of Corporate and Member Services/CFO

cc: Steve Mullen, NHPUC
✓ Maureen Reno, NHPUC
Jack Ruderman, NHPUC
Henry Bergeron, NHPUC
Bob Dunn, DeVine, Millimet & Branch
Mark Dean, Attorney
Steve Kaminski, NHEC
Heather Manypenny, NHEC
Thomas Palma, NHEC