LIST OF ENCLOUSES

Responses from Contoocook Hydro, LLC to Requests for Additional Information

Request For Information No. 1

Provide additional detailed information demonstrating that the improvements made to the Hopkinton Hydro project are capital investments rather than needed operational and maintenance improvements.

Response to Information Request No. 1

Under GAAP, renewals and betterments that increase the useful lives of the assets are capitalized. Repair and maintenance expenditures are expensed as incurred.

Assuming that a protective order is issued by the Commission, the Applicant will file with the Commission under seal a report of the improvements stating whether these improvements are efficiency improvements, operating and maintenance items or some other type of improvement. To summarize, that report will show that each claimed improvement was an efficiency improvement and, in most cases, increased plant availability by reducing downtime. In turn, these resulted in increased amounts of generation on a composite basis.

In addition, the Applicant has already filed with the Commission a report, partly under seal, that shows that each improvement materially extended the life of the replaced item and generally replaced an item which had reached the end of its previous useful life.

Given the size of the operations,[1] the Applicant does not prepare any financial statements. Thus, there is no independent accountant's report on the accounting treatment of these improvements. In addition, given that the cost of the capital improvements in any one year did not exceed $175,000,[2] the Applicant has elected to expense all improvements for tax purposes.

[1] In fact, the Applicant's annual power sales revenues have never exceeded $100,000.

[2] Businesses may annually expense for tax purposes expenditures for depreciable capital assets up to $175.000. In addition, in 2009 and 2010, all capital expenditures were allowed to be expensed for tax purposes.

Request For Information No. #2

Describe in detail how individual capital investments have increased production in KWh and the causal connection between these investments and the increased electricity production.

Response to Information Request No. #2

The Applicant has done no analysis of how ***individual*** capital investments have increased production and the causal connection between these investments and the increased electricity production.

What the Applicant has done is a composite analysis of the increased production from all capital improvements. The Applicant has filed under seal with the Commission annual[3] and monthly[4] generation of the Project. While it is not possible to determine any causal connection between any one improvement and any specific increase in production, it is possible to determine an increase in production from the collective capital improvements made after April 2008. That increase in production indicates that a 69% increase in annual production can be attributed to these improvements above the historical generation baseline.

Although not covering the same time period of the generation history of the Facility filed under seal in this proceeding, in the Rhode Island PUC matter, the Applicant filed an analysis of the Facility that demonstrated a 70% increase in generation due to capital improvements arising from efficiency improvements made after 2007. That analysis may be found on the Rhode Island PUC website under Docket No. 4357. The period that this analysis covers is from January 2009 through December 2012 and was compared against a generation baseline from January 1995 to December 2007.

[3] Annual generation for the period of 1986 through 1994.
[4] Monthly generation for the period of 1995 to the present.

Request For Information No. #3

Explain how each capital investment has increased production and by what amount; quantify the percentage increase per month due to the capital investments.

Response to Information Request No. #3

The Applicant has done no analysis of how ***each*** capital investment has increased production and by what percentage per month due to the capital investments.

Despite not having completed such an analysis, the Applicant believes that it would have been impossible to comply with such a request given the sheer number of improvements[5] made in such a brief period of time.[6]

What the Applicant has done is a composite analysis of the increased production from all capital improvements. The Applicant has filed under seal with the Commission annual and monthly generation of the Project. While it is not possible to determine any causal connection between any one improvement and any specific increase in production, it is possible to determine an increase in production from the collective capital improvements made after April 2008. That increase in production indicates that a 69% increase in annual production can be attributed to these improvements above the historical generation baseline.

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[5] Approximately 70 improvements were made.
[6] Over the five-year period of 2008 through 2012.

Request For Information No. #4

Provide a copy of all information submitted to the Rhode Island Public Utilities Commission and/or its consultant in support of the Hopkinton Hydro application in Docket No. 4357, and furnish a copy of any report or recommendation prepared by the Rhode Island PUC staff or consultant.

Response to Information Request No. #4

A copy of the **public** information submitted to the Rhode Island Public Utilities Commission and/or its consultant in support of the Hopkinton Hydro application in Docket No. 4357 may be found on the Rhode Island Public Utilities Commission website at http://www.ripuc.org/eventsactions/docket/4357-HopkintonHydro-Application(9-23-12).pdf.

A copy of all **non-public** information submitted to the Rhode Island Public Utilities Commission and/or its consultant in support of the Hopkinton Hydro application in Docket No. 4357 will be supplied to the Commission upon the issuance of a protective order for such information.

The Applicant does not have a copy of any report or recommendation prepared by the Rhode Island PUC staff or consultant; thus, the Applicant cannot furnish a copy of such report to the Commission. The Applicant's only knowledge of such a report is the reference to such a report in the Rhode Island Public Utilities Commission order in the matter of Docket No. 4357.[7]

In conjunction with this proceeding, the Applicant's consultant has requested such a report from the consultant of Rhode Island Public Utilities Commission. The Applicant's consultant has been told that such reports are not available to applicants or their consultants.

While the Applicant has no problem with the Commission requesting such report or recommendation from the Rhode Island Public Utilities Commission, it insists that any report received by the Commission be provided to the Applicant and that

[7] A copy of this order was submitted to the Commission attached to the Application.

the Rhode Island Public Utilities Commission be informed that its consultant's report will most likely be made available to the Applicant or its consultant.

Request For Information No. #5

Provide a detailed analysis that clearly demonstrates any increases in MW generation capacity of the Hopkinton Hydro project.

Response to Information Request No. #5

The Applicant did not increase the Project's generation capacity. However, the Applicant did increase the Project's annual generation of electricity from an average of 780 MWh for the period of 1986 through 2005 to an average over 1,120 MWh after 2008 through 2012. Monthly and annual generation amounts have previously been filed under seal with Commission. At 780 MWh of annual generation, the facility's capacity factor is 35.8% while at 1,120 MWh of annual generation; the facility's capacity factor is 51.1%.

It is expected that over time, as the Applicant invests more money into its Facility by making additional capital improvements that increase plant efficiencies, the annual generation amounts should average 1,300 MWh, the design annual output of the Facility.[8] At 1,300 MWh of annual generation, the Facility's capacity factor would be 59.4%.

[8] This annual generation number may be found in the Project's FERC Exemption From License.