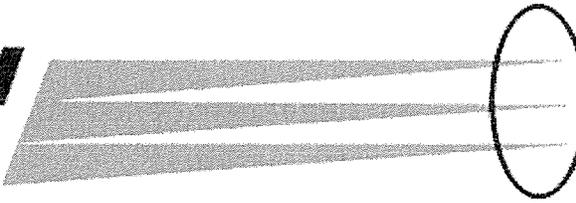


Concord Steam



Steam and Power Generation

Redacted
Concord Steam
P.O. Box 2520
Concord, NH 03302-2520
Fax: 603. 224. 7816
Tel: 603. 224. 1461

September 24, 2015

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 14 - 233 Report on status of Repowering Concord Steam

Dear Ms. Howland:

As ordered in 25-728, Concord is providing this status report.

New Plant/Repowering –

We continue to work with TD Bank Securities on financing the construction of the rebuilt plant with a combination of taxable and tax free bonds. TD Securities has been selected to be the underwriter for the bonds. Two weeks ago they confirmed that the expected terms for the debt will be 5.8% on the tax free portion with a 20 year amortization and that there is still a strong market for the private placement of these bonds. There will be a small portion (10-15%) that will either be taxable bonds or bank debt, but the specific percentage has not been determined yet. The primary issue continues to be whether the State will stay with steam or not. This will delay financing until it is resolved.

We are finalizing some of the details of the PPA with NHEC about the sale of the excess electricity and RECs from the facility. NHEC has committed to moving forward with the purchase of the power that we would generate. The contract still has to have some details worked out.

The State issued an RFP last spring to determine the cost/saving resulting from the conversion of the State buildings from steam to gas, and the response due date was September 23. Concord Steam submitted a proposal for a 10 year contract at a significantly reduce price from the present steam price. The State has indicated that they will consider any proposal we bring them, but one of the State's major concerns is that they not be the only entity that commits to a long term (10 yr) contract. To offset their concerns, we have been working with the School board, the City and several downtown building owners to develop long term contracts, contingent on the State staying a customer and the upgrades to the plant being completed. We have a signed long term contract with the Concord School District, which is our second largest customer, and are working with the City to



do the same. We will be submitting the contract with the School District to the Commission for approval in the next few days.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Current Operations -

Our annual summer maintenance season is almost over and heating season is approaching and we are preparing for that.

Yours Truly,

A handwritten signature in cursive script that reads "Peter Bloomfield".

Peter Bloomfield, PE
President