



September 23, 2014

Ms. Debra Howland
Executive Director
New Hampshire Public Utilities Commission
21 Fruit Street, Suite 10
Concord, NH 03301-2429

NHPUC SEP23'14 PM 4:10

RE: Preliminary Comments of Appalachian Mountain Club, Conservation Law Foundation, and Society for the Protection of New Hampshire Forests

Request for Rulemaking Pursuant to Puc 205.03 of the Rules of the New Hampshire Public Utilities Commission, DRM 14-234

Dear Ms. Howland:

We write on behalf of our respective organizations in support of the request for rulemaking filed by the New England Power Generators Association ("NEPGA"), dated September 15, 2014, with respect to affiliate issues presented by the relationship and activities of Public Service of New Hampshire ("PSNH") and Northern Pass Transmission LLC ("NPT").

Over the past four years, our organizations have actively participated in the pending federal review of the proposed Northern Pass transmission project to help inform consideration of the many important environmental, energy, and economic issues presented by the project. As the largest energy infrastructure project proposed for New Hampshire in many years, the project will have major impacts on the state's environment and natural resources. Given its large capacity, the project also has the potential to have profound and long-lasting effects on New England's and New Hampshire's energy markets.

Since the project's inception, PSNH has used its unique advantages as an incumbent electric utility to benefit the Northern Pass project, offering the use of its regulated rate-base assets and serving as the project's lead public proponent. Many of our organizations' members are customers of PSNH and therefore are directly and financially affected by PSNH's activities and expenditures.

Like NEPGA, our organizations are concerned that PSNH, on behalf of its parent company Northeast Utilities, has abused its position as the state's largest regulated electric utility in ways that provide unfair subsidies to its unregulated affiliate NPT, at PSNH customer expense, and crowd out competition from potential transmission (and non-transmission) alternatives to the project.

As identified in NEPGA's submission, the problems extend beyond the accounting issues that Commission staff have examined, to include PSNH's promotion of the project by PSNH officials and

lobbyists, the provision of services to NPT at cost, and the use of PSNH right-of-ways for project siting. All of these arrangements should be fully disclosed and appropriately restricted to ensure a level playing field for energy projects and to avoid undue costs to PSNH customers.

While it appears that there is cause for a more comprehensive investigation of PSNH's activities in support of NPT and its Northern Pass transmission proposal, it is essential that the Commission act swiftly to initiate the rulemaking requested by NEPGA to make PSNH's responsibilities and obligations clear *before* the project and its federal and state permitting processes move forward.

Thank you for your consideration of our organizations' preliminary comments on NEPGA's request.

Respectfully,

/s/ Susan Arnold
Susan Arnold
Vice-President of Conservation
Appalachian Mountain Club
5 Joy Street
Boston, MA 02108
(603) 664-2050 or (617) 391-6595
sarnold@outdoors.org

/s/ Christophe G. Courchesne
Christophe G. Courchesne
Senior Attorney
Conservation Law Foundation
27 North Main Street
Concord, NH 03301
(603) 225-3060
ccourchesne@clf.org

/s/ Will Abbott
Will Abbott
Vice-President for Policy and Land Management
Society for the Protection of New Hampshire
Forests
54 Portsmouth Street
Concord, NH 03301
(603) 224-9945
wabbott@forestsociety.org