

**Steels Pond Hydro, Inc.**  
**c/o William P. Short III**  
**44 West 62<sup>nd</sup> Street**  
**P.O. Box 237173**  
**New York, New York 10023-7173**  
**(917) 206-0001; (201) 970-3707**  
[w.shortiii@verizon.net](mailto:w.shortiii@verizon.net)

NH-PUC 18FEB'16AM11:21

February 15, 2016

**Via E-Mail and U.S. Mail**

**CONFIDENTIAL  
MATERIAL  
IN COMM FILE**

Debra A. Howland  
Executive Director & Secretary  
New Hampshire Public Utilities Commission  
21 South Fruit Street, Suite 10  
Concord, New Hampshire 03301-2429

Re: DE 15-107; Steels Pond Hydro, Inc. Application For Certification as REC Eligible Facility -- Request for Further Information Supporting Class I Eligibility Determination (the "Request")

Dear Ms. Howland:

Per New Hampshire Public Utilities Commission's letter, dated February 3, 2016, Steels Pond Hydro, Inc. ("Steels Pond" or the "Applicant") submits an analysis and supporting information that demonstrates that at least 80 percent of the federal income tax basis of the facility's plant and equipment, but not its property and intangible assets, is derived from capital investment directly related to restoring generation or increasing capacity of the Steels Ponds Hydro (the "Project" or the "Facility").

For purposes of responding to inquiries regarding this matter, persons should contact the following:

**Primary Contact**

William P. Short III<sup>1</sup>  
Consultant  
44 West 62nd Street  
P.O. Box 237173  
New York, New York 10023-7173  
(917) 206-0001 (Office)  
(201) 970-3707 (Cell)  
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**Secondary Contact**

Lori D. Barg  
President  
Steels Pond Hydro, Inc.  
581 Quaker Street  
Henniker, New Hampshire 03242  
(802) 454-8458 (Cell)  
[lori@communityhydro.biz](mailto:lori@communityhydro.biz)

<sup>1</sup> Steels Pond Hydro has already appointed William P. Short III as its authorized representative.

The attached analysis shows that through year-end 2014 at least 94 percent of the federal income tax basis of the Facility's plant and equipment, but not its property and intangible assets, is derived from capital investment directly related to restoring generation or increasing capacity. These funds were used to increase the Facility's generating capacity from zero to 300 KW as of year-end 2014.

This analysis does not include any funds expended during 2015 by the Applicant. These 2015 funds increased the generating capacity of the Facility from 300 KW as of year-end 2014 to 600 KW as of year-end 2015. Nor does this analysis include any funds to be expended during 2016 by the Applicant. These funds will be used to increase further the generating capacity of the Facility from 600 KW as of year-end 2015 to 900 KW as of year-end 2016. The Applicant believes that, if all of these funds were included in the attached analysis, it would only increase the preceding percentage of the federal income tax basis of the Facility's plant and equipment, but not its property and intangible assets, derived from capital investment directly related to restoring generation or increasing capacity.

Since this information is commercially sensitive to the Applicant and its release to the public will harm its ability to compete against its numerous competitors, we request that the Commission treat this information with confidentiality.

Upon your review of our reply to your request, if you have any questions or comments, please do not hesitate to contact either Lori D. Barg or myself.

Sincerely yours,



enclosure

cc: Lori D. Barg (e-mail only)  
Barbara Bernstein (e-mail only)

## **LIST OF ENCLOSURES**

Discussion of the Tax Basis of Steels Pond Hydro