

STATE OF NEW HAMPSHIRE  
BEFORE THE  
PUBLIC UTILITIES COMMISSION

RE: CONCORD STEAM CORPORATION

DOCKET NO. DG 11-\_\_\_

**VERIFIED PETITION FOR APPROVAL OF SPECIAL CONTRACT  
WITH THE CITY OF CONCORD**

Concord Steam Corporation ("Concord Steam" or the "Company") hereby petitions the Public Utilities Commission for authority, pursuant to RSA 378:18, to provide service to the City of Concord pursuant to the terms of a contract, a copy of which is attached as Exhibit A ("Special Contract"). In support of this Verified Petition, Concord Steam states as follows:

1. Concord Steam is engaged in business as a public utility providing steam service to approximately 110 commercial customers in the City of Concord. To ensure that it has a long term supply of steam at reasonable cost in order to be able to serve its customers at reasonable rates, Concord Steam has entered into a Steam Supply Agreement with Concord Power and Steam, LLC ("Concord Power"), an affiliate of Concord Steam. (The Steam Supply Agreement was previously the subject of Docket DG 08-107.)

2. Concord Power is developing an 18 MW wood-fired electric generating unit (the "Unit") at 291 South Main Street, Concord, New Hampshire, which will be the source of the steam supply to be provided by Concord Power. Concord Power's ability to provide steam at wholesale to Concord Steam under the terms of the Steam Supply Agreement is dependent on Concord Power's ability to construct and operate the Unit. The financing needed by Concord Power in order to construct the Unit cannot be obtained unless the output of the Unit has been fully or nearly fully subscribed. To date, Concord Power has entered into agreements to sell the output of approximately 73% of the Unit's capacity.

3. As the Commission is aware from DG 08-107, Concord Steam currently provides retail steam service from its plant located on Pleasant Street in Concord, New Hampshire, facilities it leases from the State of New Hampshire. The lease for the Pleasant Street location expired on August 31, 2010, and the Company has been operating under lease extensions since that date. In DG 08-107, the Company presented to the Commission its plan for the relocation of the Concord Steam plant in association with the development of the Concord Power facility. Under the proposed configuration, Concord Steam would continue to own and operate its current steam distribution system, and would make upgrades to interconnect the system to the Unit.

4. The City takes steam supply from Concord Steam at multiple office locations owned by the City in and around the City Hall complex. A list of those buildings is set forth in Appendix A to the Special Contract. The City desires to support the development of the Unit because its construction and operation is expected to result in lower steam costs for the City and for all customers of Concord Steam than if the Unit were not constructed, and because construction and operation of the Unit will advance sound environmental and energy policies related to renewable energy.

5. In exchange for receiving the benefits from the availability of steam to be purchased from Concord Power, the City is willing to commit to purchase its electric supply requirements from a supplier that has obligated itself or agrees to obligate itself to purchase a portion (approximately 4,300 MWH) of the remaining net electrical output of the Unit. The City's willingness to enter into such an electric supply arrangement, however, is dependent on Concord Steam's willingness to sell steam to the City at a negotiated rate that would apply to all of the City's accounts with Concord Steam.

6. Under the terms of the Special Contract, the City would remain a customer of Concord Steam for a term of ten (10) years with two additional five (5) year renewal options. See Exhibit A, Paragraph 3.

7. The rate established by the Special Contract is sufficient to cover Concord Steam's marginal cost of providing service to the City and contribute toward the Company's fixed costs as well. In addition, retention of the City's steam load is important to the Company and its ability to provide service to its other customers at reasonable rates.

8. As the Commission is aware, the Company has entered into a Special Contract with the State of New Hampshire, which is similarly dependent on the State's purchasing electricity from a third party supplier who agrees to purchase a portion of the output of the Unit. The State is entering into these agreements on the understanding that the City will also be agreeing to purchase electricity from a supplier who purchases a portion of the Unit's output and will be entering into a special contract with the Company on terms that are similar to those being received by the State. Thus, the Special Contract between the City and Concord Steam is a critical piece that will allow Concord Power to construct the Unit.

9. The City's participation in purchasing a portion of the Unit's output and entering into the Special Contract is a relatively recent development in the efforts to develop the Unit, and therefore the City is still in the process of obtaining final approval of the Special Contract by the Concord City Council. The Special Contract, which was negotiated on behalf of the City by the Concord City Manager, is expected to be voted upon by the City Council at a full meeting of the City Council on July 13, 2011. Because of the need to obtain Commission approval of the Special Contract in order to close on the financing of the Unit and commence construction during the current construction season, the Company is submitting the Special Contract prior to

the City Council's July 13 vote. The Company will submit the executed contract as soon as it has been voted upon. In the unexpected event that changes to the Special Contract are required as a result of any action by the City Council, the Company will submit an appropriate amendment to this Verified Petition.

WHEREFORE, Concord Steam Corporation respectfully requests that the Commission:

- A. Issue an Order *Nisi* approving the Special Contract; and
- B. Grant such other and further relief as may be just and reasonable.

Respectfully submitted,

CONCORD STEAM CORPORATION

By its Attorneys,

McLANE, GRAF, RAULERSON MIDDLETON,  
PROFESSIONAL ASSOCIATION

Date: June 28, 2011

By: 

Steven V. Camerino  
Carol J. Holahan  
11 South Main Street, Suite 500  
Concord, New Hampshire 03301  
Telephone (603) 226-0400  
Email: [steven.camerino@mclane.com](mailto:steven.camerino@mclane.com)  
[carol.holahan@mclane.com](mailto:carol.holahan@mclane.com)

I, Peter Bloomfield, President of Concord Steam, being first duly sworn, hereby depose and say that I have read the forgoing Verified Petition, and the facts alleged therein are true to the best of my knowledge and belief.

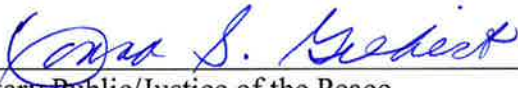
Dated: June 28, 2011

  
Name: Peter Bloomfield

STATE OF NEW HAMPSHIRE  
COUNTY OF MERRIMACK

Personally appeared the above-named Peter Bloomfield this 28th<sup>th</sup> day of June, 2011, known to me (or satisfactory proven) to be the person whose name is subscribed to the foregoing instrument for the purposes therein contained.


Before me:

  
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Notary Public/Justice of the Peace  
My Commission Expires \_\_\_\_\_

DONNA S. GILBERT, Notary Public  
My Commission Expires December 11, 2012

Certificate of Service

I hereby certify that a copy of the foregoing Verified Petition has been forwarded this 28th<sup>th</sup> day of June, 2011 to Meredith Hatfield, Esq., Consumer Advocate, and Carlos Baia, Assistant City Manager.

  
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Steven V. Camerino