



Public Service
of New Hampshire

PSNH Energy Park
780 North Commercial Street, Manchester, NH 03101

Public Service Company of New Hampshire
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www.psnh.com

The Northeast Utilities System

ORIGINAL	
N.H.P.U.C. Case No.	DE 07-122
Exhibit No.	4
Witness	Panel
DO NOT REMOVE FROM FILE	

November 9, 2007

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

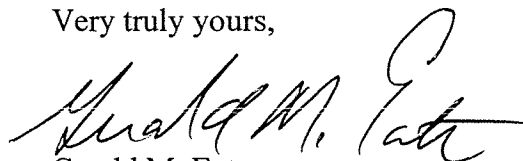
Re: Petition for Clarification and Interpretation of Commission Orders Regarding
Hemphill Power and Light Company
Docket No. DE 07-

Dear Secretary Howland:

Enclosed please find original and six copies of a Petition for Clarification and Interpretation of Commission Orders Regarding Hemphill Power and Light Company. Public Service Company is filing a Motion to Stay Proceedings with the Superior Court in the action of *Hemphill Power and Light Company v. PSNH*, Hillsborough County Superior Court, Northern District Docket No. 07- C-0294 requesting that the court stay its proceedings while the Public Utilities Commission adjudicates this dispute.

Copies have been provided by mail to attorneys for Hemphill Power and Light Company or hand delivered to the persons on the attached service list.

Very truly yours,


Gerald M. Eaton
Senior Counsel

Enclosures

cc: Service List

Service List
Docket

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THE STATE OF NEW HAMPSHIRE
before the
PUBLIC UTILITIES COMMISSION

Docket No. DE 07-

PUBLIC SERVICE COMPANY'S PETITION FOR CLARIFICATION AND
INTERPRETATION OF COMMISSION ORDERS REGARDING HEMPHILL POWER AND
LIGHT COMPANY

Public Service Company of New Hampshire ("PSNH" or "the Company") hereby petitions the New Hampshire Public Utilities Commission ("Commission") pursuant to RSA 362-A:5, to adjudicate a dispute between PSNH and Hemphill Power and Light Company ("Hemphill") and to interpret and clarify as necessary certain orders issued by the Commission. In particular, the issue is whether PSNH correctly administered its obligations under a Rate Order issued to Hemphill in light of the Commission's 1984 Generic Order No. 17,104 in DE 83-062. It is PSNH's position that no rate was applicable to purchases from Hemphill for the period after October 27, 2006 other than the short term rate. In support of its Petition, PSNH says the following:

1. The Commission, under the authority of the federal Public Utility Regulatory Policies Act of 1978 ("PURPA") (16 U.S. Code 2601 *et seq.*) and/or the state Limited Electric Energy Producers Act ("LEEPA") (RSA Chapter 362-A) issued orders requiring PSNH to purchase the electric energy output from several Qualifying Facilities under PURPA and Limited Electrical Energy Producers under LEEPA.

2. On January 24, 1985, Hemphill filed a Long Term Rate Filing requesting the Commission to approve long term rates contained in a worksheet attached to the filing. Hemphill proposed to build a 12.5 megawatt generator expected to begin supplying power to PSNH in January 1987. Copies of the Long Term Rate Filing and its amendments of February 4, 1985 and March 11, 1985 are provided as Attachment A. The rates requested were for the years 1987 through 2006. The order approving the long term rates for Hemphill was Order *Nisi* No. 17,524.

Docket No. DR 85-25, 70 NH PUC 142 (April 2, 1985) (“Rate Order”). The Rate Order approved Hemphill’s petition, an interconnection agreement with PSNH and “the rates set forth on the long term work sheet.” *Id.*

3. In May 2007, PSNH was served with a Writ of Summons and Declaration by Hemphill which had previously been filed in Hillsborough County Superior Court, Northern Division. A copy of said Court Filing is attached as Attachment B. Hemphill alleges in their Declaration that PSNH unjustly ceased paying Rate Order rates for output from the Hemphill facility in October of 2006.

4. In Docket DE 83-062 concerning Small Power Producers and Cogenerators, the Commission issued Order No. 17,104 (“the 1984 Generic Order”) which provided:

For facilities on line before September 1, the year in which the facility first supplies power under the long-term rate is considered to be the initial year for rate calculations. For facilities on line after September 1, the following year will be considered as the initial year. All facilities will receive annual rate changes (if any) of their elected rate schedule in the month of their anniversary date (the date on which the SPP supplied power under the long-term rate). 69 NH PUC Rep. 352, 365 (July 5, 1984).

5. Hemphill began selling power to PSNH on October 27, 1987, nearly ten months after the originally proposed completion date of January, 1987 set forth in Hemphill’s Long Term Rate Filing. Thus, under the terms of the 1984 Generic Order, Hemphill first began supplying power after the 1987 rate year had ended and the 1988 rate year had begun. Pursuant to the “explicit Commission instruction”¹ quoted above, the prices for energy and capacity purchased from rates first paid Hemphill were the 1988 rates in Hemphill’s rate schedule. PSNH made all the scheduled changes to the rates on the anniversaries of the date when Hemphill first began supplying power to PSNH. Throughout the 19-year history of receiving payments under the Rate Order, Hemphill never disagreed with the selection of the underlying Rate Order rate, nor with the timing and application of annual changes to those rates. The final rate year in Hemphill’s rate schedule was 2006 (October 2005 through September 2006). As a result, per the 1984

¹ *In re: Petition for Clarification and Interpretation of Commission Orders*, (Pinetree Bridgewater) Docket No. DE 05-153, Order No. 24,679 at 33 (October 16, 2006).

Generic Order, the rates established by the Commission for Hemphill in its rate order came to an end in September 2006. PSNH paid the last bill under the Rate Order following a meter reading taken on October 26, 2006 for power supplied in the last month of the final rate year in Hemphill's approved schedule of rates. There were no more rates approved in the Rate Order by which PSNH could pay Hemphill; therefore, pursuant to the Commission's decision in the PSNH Restructuring Settlement Docket No. DE 99-099, PSNH has paid the short term rate for power supplied from Hemphill beginning October 27, 2006. PSNH now purchases the output from the facility from Springfield Power, L.L.C.

6. PSNH believes Hemphill desires to have an additional year of payments for delivery of power under Rate Order rates; however, Hemphill has not specified what rate ought to be paid for the additional year, nor why retail customers should pay additional above-market rates beyond the expiration of the rate schedule approved in Hemphill's Rate Order. If the Commission determines that PSNH incorrectly followed the directive of the 1984 Generic Order by beginning to pay Hemphill under the 1988 rates, then PSNH implemented all of the energy and capacity price changes under the Rate Order one year too early. If the Commission finds that Hemphill is entitled to be paid for an additional year of deliveries at some rate to be determined, the Commission must also find that Hemphill has been enriched by the increases in energy and capacity rates realized one year earlier. PSNH customers should be compensated for the time value of these early payments to Hemphill.

7. The Commission unquestionably has jurisdiction to hear this matter.

- A. First and foremost, this matter involves the meaning and interpretation of Orders issued by this Commission. "The law appears to be settled that when a judgment is ambiguous the task of clarifying the ambiguity falls to the tribunal that entered the judgment" Docket No. DE 05-153, Order No. 24,679 at 30. Hemphill's entitlement to long term rates, and PSNH's duty to purchase power at those long term rates are established solely by

Commission Order. PSNH has no independent contractual obligation to purchase the output of the Wood Plants.

- B. As Hemphill's facility is a Limited Electrical Energy Producer as defined by RSA Chapter 362-A, the Commission has jurisdiction to resolve this dispute. Under RSA 362-A:5, "Any dispute arising under the provisions of this chapter may be referred by any party to the commission for adjudication." Hemphill affirmatively consented to the Commission's jurisdiction in its original Long Term Rate Filing stating that "Petitioner [Hemphill] will abide by all applicable rules, regulations and orders of this Commission and will obey the Commission's directives in the case of any disputes with PSNH". Attachment A. Long Term Rate Filing at 2.
- C. The Commission has primary jurisdiction over this matter as the Commission is the specialized agency created by the Legislature to determine rates and charges and to administer the LEEPA and PURPA statutes. *N.H. Division of Human Services v. Allard*, 138 N.H. 604, 606-607 (1994).
- D. The Commission has held that small power producers are utilities subject to its jurisdiction, although exempt from certain kinds of regulation. *In re: Bridgewater Steam*, Docket No. DR 85-262, Order No. 17,976 (1986); *In re: Briar Hydro*, Docket No. DR 86-209, Order No. 18,383 (1986).
- E. The Commission has authority under RSA 363:5 on its own motion or upon petition of a public utility (such as PSNH) to investigate any rate charged by a public utility (Hemphill).
- F. The Commission may investigate any charge demanded by a public utility to determine if it is just and reasonable or more than what is allowed by law or order of the Commission (RSA 374:2)

The Commission has previously accepted jurisdiction of virtually identical disputes involving PSNH in the cases of Franklin Power L.L.C. (DE 02-169) and Pinetree Power-Tamworth and Bridgewater Power (DE 05-153).

8. PSNH requests that the Commission review, clarify, and interpret Hemphill's Rate Order in light of the 1984 Generic Order and PSNH's actions with respect thereto.

WHEREFORE PSNH respectfully requests this Commission to open a proceeding, issue an order of notice and adjudicate the dispute between Hemphill Power and Light Company and Public Service Company of New Hampshire, and order such further relief as may be just and equitable.

Respectfully submitted,

Public Service Company of New Hampshire

November 9 2007
Date

By: Gerald M. Eaton
Gerald M. Eaton
Senior Counsel
Energy Park, 780 North Commercial Street
Post Office Box 330
Manchester, New Hampshire 03105-0330
(603) 634-2961

CERTIFICATE OF SERVICE

I hereby certify that, on the date written below, I caused the attached Petition for Adjudication of Dispute to be hand delivered or sent by First Class U.S. Mail, postage prepaid, to Attorneys Brian K. Gould and David J. Shulock, Counsel for Hemphill Power and Light Company and the persons on the attached service list.

November 9 2007
Date

Gerald M. Eaton
Gerald M. Eaton

The State of New Hampshire

SUPERIOR COURT

HILLSBOROUGH COUNTY
NORTHERN DISTRICT

() COURT

(X) JURY

WRIT OF SUMMONS

Hemphill Power & Light Company
34 Fisher Corner Road
Springfield, NH 03284

v. Public Service Company of
New Hampshire
780 North Commercial Street
Manchester, NH 03105

The Sheriff or Deputy of any County is ordered to summon each defendant to file a written appearance with the Superior Court at the address listed below by the return day of this writ which is the first Tuesday of June, 2007,
YEAR MONTH

The PLAINTIFF(S) state(s):

See attached Declaration.

and the Plaintiff(s) claim(s) damages within the jurisdictional limits of this Court.

INDORSER (sign and print name)

DATE OF WRIT

NOTICE TO THE DEFENDANT

The Plaintiff listed above has begun legal action against you. You do not have to physically appear in Court on the return day listed above since there will be no hearing on that day. However, if you intend to contest this matter, you or your attorney must file a written appearance form with the Clerk's Office by that date. (Appearance forms may be obtained from the Clerk's Office.) You will then receive notice from the Court of all proceedings concerning this case. If you fail to file an appearance by the return day, judgment will be entered against you for a sum of money which you will then be obligated to pay.

Robert J. Lynn
Witness, ~~Walter X. Murphy~~, Chief Justice, Superior Court.

Bryan K. Gould
SIGNATURE OF PLAINTIFF/ATTORNEY

Bryan K. Gould, Esq.
PRINTED/TYPED NAME

Brown, Olson & Gould, P.C.
ADDRESS

2 Delta Drive, Suite 301 / (603)225-9716
Concord, NH 03301 PHONE

John M. Safford
John M. Safford, Clerk
NH Superior Court Hillsborough County
Northern District
300 Chestnut St
Manchester NH 03101-2490
(603) 669-7410
213-003-3

DECLARATION

COUNT I

1. Petitioner, Hemphill Power & Light Company ("Hemphill") is a New Hampshire general partnership with a principal place of business at 54 Fisher Corner Road, Springfield, New Hampshire.

2. Public Service Company of New Hampshire ("PSNH") is a New Hampshire corporation with a principal place of business at 780 North Commercial Street, Manchester, New Hampshire.

3. Hemphill operates a facility that burns wood chips to generate electricity. Hemphill sells its output of electricity to PSNH.

4. PSNH is required by federal law to purchase the electricity generated by Hemphill. Under the Public Utility Regulatory Policies Act of 1978 ("PURPA") each state was required to implement PURPA in accordance with rules promulgated by the Federal Energy Regulatory Commission.

5. PURPA required each state to encourage the development of power plants that use renewable fuels and that are independent of regulated utilities like PSNH. To create certainty and enable developers of these power plants to obtain financing for their projects, federal law required the states to create "legally enforceable obligations" under which public utilities would be committed to purchase the power produced by these plants over a prescribed period of time.

6. In New Hampshire, the general court delegated to the New Hampshire Public Utilities Commission ("NHPUC") the responsibility to implement the requirements of PURPA. The NHPUC chose to create "legally enforceable obligations" on the part of PSNH by entering

orders setting both the rates PSNH was to pay and the duration of PSNH's purchase obligations. The NHPUC entered an order regarding the on-peak energy, off-peak energy, and capacity rates to be paid to Hemphill by PSNH for a period of 20 years (the "Hemphill Rate Order").

7. Under the Hemphill Rate Order, Hemphill is entitled to sell, and PSNH is required to buy, Hemphill's on-peak energy, off-peak energy, and capacity for twenty years at rates that were determined in accordance with federal law by the NHPUC before the financing and construction of the Hemphill facility ("Long-Term Rates").

8. Hemphill began selling electricity to PSNH at the Long-Term Rates set by its Rate Order on October 26, 1987.

9. The twenty-year term of the Rate Order began on the date when Hemphill first began selling PSNH power under the Hemphill Rate Order at the Long-Term Rates, and for seventeen years PSNH conducted itself accordingly.

10. In late 2004, however, after more than a decade and a half of conduct to the contrary, PSNH suggested for the first time that the twenty-year term of the Hemphill Rate Order would expire nineteen years and not twenty years after Hemphill first sold its power to PSNH under the Hemphill Rate Order at the Long-Term Rates.

11. PSNH unilaterally stopped paying Hemphill at the Long-Term Rates on October 25, 2006, only nineteen years after Hemphill first sold its power to PSNH under the Hemphill Rate Order at the Long-Term Rates.

12. The Hemphill Rate Order approved rates for a period of twenty years. The twenty-year term began on October 27, 1987, the first day that Hemphill delivered power under its Long-Term Rates, and ends on October 26, 2007.

13. PSNH, however, paid Hemphill its Long-Term Rates for only nineteen years instead of the required twenty years. PSNH has not paid the full value it is required to pay under the Hemphill Rate Order and is in breach of its obligations to Hemphill. Consequently, Hemphill has suffered economic damages within the jurisdiction of this court and is entitled to recover those damages from PSNH.

COUNT II

14. Hemphill repeats and realleges the allegations of Paragraphs 1 through 13 of this petition as if set forth herein.

15. Hemphill is entitled to a declaration that the term of the Hemphill Rate Order expires on October 26, 2007.

COUNT III

16. Hemphill repeats and realleges the allegations of Paragraphs 1 through 15 of this petition as if set forth herein.

17. Hemphill is legally entitled to deliver its output of electricity to, and receive payment from, PSNH for the full term of the Hemphill Rate Order at the Long-Term Rates.

18. Since October 25, 2006, PSNH has refused to pay to Hemphill the rates approved by the Hemphill Rate Order, placing PSNH in breach of its obligations to Hemphill. PSNH has instead paid a significantly lower short-term market price for Hemphill's power.

19. Hemphill leases its facility from BancBoston Leasing Services, Inc. ("BancBoston"). As a result of PSNH's breach of its obligations under the Hemphill Rate Order, Hemphill's revenues are significantly less than they would be under the Hemphill Rate Order, and Hemphill cannot afford to pay the rent BancBoston would expect to receive from a facility with a long-term rate order. BancBoston agreed to extend the lease of the Hemphill facility for a

minimum monthly payment and defer collection of a higher rent while Hemphill seeks payment of its twentieth year of rates from PSNH. However, Hemphill's lease extension agreement gives BancBoston the unilateral right to terminate the lease, beginning March 1, 2007, unless payment of the higher rent is made. PSNH's breach of its obligations has therefore placed Hemphill at risk of termination of the lease and the resulting loss of the facility altogether. Additionally, if BancBoston were to terminate Hemphill's lease, Hemphill would no longer need the twenty-three workers at the facility and would be forced to terminate their employment.

20. An injunction directing PSNH to honor its obligations would avert this irreparable harm to Hemphill and its employees. An injunction would not cause any harm to PSNH.

21. Hemphill is entitled to an injunction requiring PSNH to accept the electricity produced by Hemphill through October 26, 2007, and to pay for that electricity at the rates approved by the Hemphill Rate Order.

STATE OF NEW HAMPSHIRE

BEFORE THE
NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

LONG-TERM RATE FILING OF
HEMPHILL POWER AND LIGHT COMPANY
FOR THE HEMPHILL COGENERATION PROJECT
PURSUANT TO COMMISSION ORDER NO. 17,104
IN DOCKET NO. DE 83-62

Date: January 24, 1985

STATE OF NEW HAMPSHIRE
BEFORE THE
NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

Long-Term Rate Filing)
of Hemphill Power and Light)
Company for the Hemphill)
Cogeneration Project)
Pursuant to Order)
No. 17,104 in)
Docket No. DE 83-62)

Pursuant to New Hampshire Public Utilities Commission (Commission) Order No. 17,104 in Docket No. DE 83-62, Re Small Energy Producers and Cogenerators, Hemphill Power and Light Company (hereinafter Petitioner) hereby makes the following long-term rate filing and requests that the Commission approve said long term rate filing as being in compliance with the above cited Order.

Petitioner provides the following information:

I. Brief Description of Facility

Petitioner will construct a 12,500 kw wood-fired cogeneration facility (facility) to be located in the Town of Springfield, New Hampshire. The facility will utilize an extraction turbine to produce electricity for sale and to produce steam for use in kilns to dry lumber products. There is no planned usage of natural gas, oil or coal by the facility. No electric utility, electric utility holding company or any combination thereof has any ownership interest in the facility. The facility was granted certification as a Qualifying Facility by the Federal Energy Regulatory Commission. Hemphill Power & Light Company, 29 FERC ¶ 62,042 (1984).

Petitioner will sell the electrical output of the facility to Public Service Company of New Hampshire (PSNH).

II. Representations of Petitioner

Petitioner states that:

1. Unless Petitioner elects the termination option set forth at paragraph 5 below, Petitioner will sell its entire output to PSNH at the specified rates over the entire applicable time period. Petitioner understands that termination under

paragraph 5 may be had from the energy component of its rate only and that it is required to re-file with PSNH for another rate for a period of time at least as long as the time remaining in the terminated rate;

2. Petitioner will abide by all applicable rules, regulations and orders of this Commission and will obey the Commission's directives in the case of any disputes with PSNH;
3. Petitioner will make all reasonable efforts to provide reliable service to PSNH over the life of the obligation;
4. In the event Petitioner opts for a rate above avoided costs in any year, Petitioner agrees to pay PSNH the net of excess payments over avoided costs, in net present value, actually experienced, in the event of a service termination prior to the end of the obligation period;
5. Service may be terminated on 60 days notice at the option of Petitioner;
6. Petitioner agrees to appear before this Commission with such documents as may be requested upon reasonable notice, to the extent required by this Commission to fulfill its statutory obligations;
7. In all respects not otherwise provided herein or in Commission orders, Petitioner will adhere to the non-pricing terms in the PSNH standard long term contract referred to at Tr. 4-14 in Docket No. DE 83-62 and set forth herein as Exhibit A, and
8. The Commission's final order and report in Docket No. DE 83-62 at page 17 requires that PSNH be contacted for an interconnection study at least 45 days prior to the filing for a rate with the Commission. PSNH was first contacted for the facility's interconnection study on March 12, 1984. The PSNH interconnection study was completed on October 4, 1984. Revisions to the interconnection study and the interconnection voltage are currently in process with PSNH.

III. Written Interconnection Agreement

Attached to this filing as Exhibit A is the written interconnection agreement between Petitioner and PSNH as required by Order No. 17,104 in Docket No. DE 83-62.

IV. Long-Term Rate

Attached to this filing as Exhibit B is the long-term rate worksheet from Report and Order No. 17,104 in Docket No. DE 83-62. This worksheet sets forth the long-term rate of Petitioner for the sale of its electrical output to PSNH. Per Order 17,104 the rate worksheet consists of three parts. The first two worksheets are the energy rates which are calculated as on-peak and off-peak rates and stated in cents per kwh. The third worksheet is for the capacity rate and is stated in dollars per kw.

The term of the rate is twenty years commencing after September 1, 1986 and ending with the year 2006. Per the discussion in the Docket No. DE 83-62 Report at page 25, the rates are based upon the present value for a 1987 start date. As noted on the worksheets the twenty year sum of a rate commencing in 1987 must not exceed a cumulative present value of: 71.126 for energy on-peak; 53.426 for energy off-peak, and 487.598 for capacity. Furthermore, the rate is subject to a ceiling provision of 90% of the levelized rate (for both energy and capacity components) for the first three years of the rate. The 90% ceiling for on-peak energy rates is 12.03¢/kwh, for off-peak energy rates is 9.04¢/kwh, and for capacity is \$82.46 per kw.

The rate in Exhibit B meets these requirements. The twenty year sums for energy and capacity are equal to the above-noted cumulative present values. The rates for the first three years are all less than the above noted 90% of level value rates.

The expected on-line date of the facility is January 1987.

V. Statement of Commission Action Sought

Petitioner respectfully requests that the Commission approve this long-term rate filing as being consistent with its Orders in Docket No. DE 83-62 and that Petitioner be permitted to receive the rates set forth in this filing for the sale of its electrical output to PSNH. Petitioner

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further requests that the Commission take such other and further action as would be appropriate under the circumstances.

Respectfully submitted,

HEMPHILL POWER AND LIGHT
COMPANY

By Its Attorney

Robert A. Olson

Robert A. Olson, Esq.
21 Green Street
Concord, New Hampshire 03301
(603) 225-7530

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EXHIBIT A

WRITTEN INTERCONNECTION AGREEMENT

HEMPHILL POWER AND LIGHT COMPANY

INTERCONNECTION AGREEMENT

AGREEMENT, dated January 24 , 1985, by and between Hemphill
Power and Light Company

_____ (hereinafter referred to as INTERCONNECTOR), and PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE, a New Hampshire corporation having its principal place of business in Manchester, New Hampshire (hereinafter referred to as PUBLIC SERVICE).

WHEREAS, INTERCONNECTOR desires to interconnect their 12,500 kw
wood-fired generating facility, located in Springfield,
New Hampshire (, on the xxxxxxxxxxxxxxxxxxxx River,) with the electric system
of PUBLIC SERVICE in accordance with applicable New Hampshire Public Utilities
Commission (hereinafter referred to as NHPUC) Orders; and

WHEREAS, the NHPUC requires that a written interconnection agreement be executed between the parties; and

WHEREAS, it is necessary that certain agreements be made prior to interconnection and the commencement of sales of electricity to insure the safety, reliability and integrity of PUBLIC SERVICE's electric system, and to establish a mechanism of payment of the rate established by the NHPUC, the parties hereby agree as follows:

Article 1. Interconnection and Voltage Characteristics.

The interconnection point shall be that point at which INTERCONNECTOR's generating facility interconnects with the 34.5 KV electric system of PUBLIC SERVICE.

Unless PUBLIC SERVICE converts its interconnection circuit, all electric energy interconnected with PUBLIC SERVICE's system shall be 34.5 KV, three-phase, sixty hertz.

Article 2. Metering.

The metering shall be configured so as to represent the generation delivered to PUBLIC SERVICE. The metering may be installed on the generation side of the transformer provided that transformer losses are subtracted from the measured generation by a suitable method.

INTERCONNECTOR will install, own, and maintain all metering equipment

as referenced in Article 4, to measure the flow of electrical energy from INTERCONNECTOR to PUBLIC SERVICE. If at any time, the meter is found to be in error by more than two percent fast or slow (+ or - 2%), INTERCONNECTOR shall cause such meter to be corrected and the meter readings for the period of inaccuracy shall be adjusted to correct such inaccuracy so far as the same can be reasonably ascertained, but no adjustment prior to the beginning of the preceding month shall be made except by agreement of the parties. All tests and calibrations shall be made in accordance with Section V-14 of the NHPUC Rules and Regulations Prescribing Standards for Electric Utilities in effect as of September 8, 1972, as amended. The meter shall be tested as prescribed in said Rules and Regulations.

In addition to the regular routine tests, INTERCONNECTOR shall cause the meter to be tested at any time upon request of and in the presence of a representative of PUBLIC SERVICE. If such equipment proves accurate within two percent fast or slow (+ or - 2%), the expense of the test shall be borne by PUBLIC SERVICE.

PUBLIC SERVICE reserves the right to secure or seal the metering installation, to require INTERCONNECTOR to measure electrical energy sold to PUBLIC SERVICE on an hour-by-hour basis, and to require INTERCONNECTOR to notify PUBLIC SERVICE once each day of INTERCONNECTOR's generation in kilowatthours for each hour during the prior 24 hours.

Article 3. Billing and Payment.

PUBLIC SERVICE shall read the meter on or about the end of each month and shall promptly send INTERCONNECTOR a form showing the month's beginning and ending meter readings and net kwh generation. INTERCONNECTOR shall then transmit to PUBLIC SERVICE a bill showing the amount due for the sale of energy to PUBLIC SERVICE, which amount shall be determined by multiplying the number of kWh's of energy delivered to PUBLIC SERVICE since the prior reading of the meter times the energy rate per kwh (or times the appropriate time-of-day rates, as applicable) set forth in INTERCONNECTOR's rate filing approved by the NHPUC and attached hereto as Attachment A.

INTERCONNECTOR shall also include on said bill the appropriate capacity payment, if any, to be made by PUBLIC SERVICE, as approved by the

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NHPUC. PUBLIC SERVICE will send to INTERCONNECTOR a payment for that amount within 20 days of receipt of INTERCONNECTOR's bill. The foregoing is intended to provide a procedure for the payment of rates established by the NHPUC, and shall not be construed as creating a separate contractual obligation on the part of PUBLIC SERVICE to pay the rate(s) approved by the NHPUC.

INTERCONNECTOR understands that any capacity payments are contingent upon an audit of the generating facility performed by the NHPUC and that Interconnector must request the NHPUC to perform said audit.

Article 4. Interconnection & Protection Requirements.

The INTERCONNECTOR shall install all interconnection, protection, metering, and control equipment as specified in PUBLIC SERVICE's study of the INTERCONNECTOR's electric generating facility, which study is, or will be upon mutual consent of both parties, attached hereto as Attachment B and any other such equipment which may be necessary to ensure the safe and reliable operation of INTERCONNECTOR's generating unit in parallel with PUBLIC SERVICE's system. INTERCONNECTOR shall bear all costs associated with said equipment and its installation, including those costs associated with PUBLIC SERVICE's study of the INTERCONNECTOR's electric generating facility. Prior to the aforementioned study, one half of PUBLIC SERVICE's estimated costs of the study shall be paid to PUBLIC SERVICE prior to beginning the study. The balance, based on actual costs incurred, shall be due upon completion of the study.

Up to the interconnection point, all said interconnection, protection, metering, and control equipment including, but not limited to, line extensions, transformers, meters, relays, breakers, and appurtenant equipment shall remain the sole property of INTERCONNECTOR.

INTERCONNECTOR shall have sole responsibility for the operation, maintenance, and repair of its generating unit, including the interconnection, protection, metering, and control equipment. INTERCONNECTOR shall maintain, repair, or replace said generating unit including said equipment whenever necessary for the safe and reliable operation of INTERCONNECTOR's electric facility in parallel with PUBLIC SERVICE's system.

In addition to the above, upon the effective date of this Agreement,

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and every twelve months thereafter, the INTERCONNECTOR shall test, or cause to be tested, all protection devices including verification of calibration and tripping functions; and the INTERCONNECTOR shall notify PUBLIC SERVICE in writing that said tests have been conducted. INTERCONNECTOR shall notify PUBLIC SERVICE of any defect affecting the safety or reliability of said equipment not later than two hours after its discovery of the same.

If either party reasonably determines that the operation or use of any portion of the protection system, as required in this Article, will or may not perform its protective function, including but not limited to opening the interconnecting tie, INTERCONNECTOR shall open the interconnection between PUBLIC SERVICE's system and INTERCONNECTOR's facility. INTERCONNECTOR shall notify PUBLIC SERVICE not more than two days after it has opened said interconnection. PUBLIC SERVICE shall not be obligated to receive electrical energy from INTERCONNECTOR and the interconnection shall remain open, until INTERCONNECTOR has satisfactorily cured said defect at no cost to PUBLIC SERVICE.

Article 5. Right of Access.

Upon prior written or oral notice to INTERCONNECTOR, PUBLIC SERVICE shall have the right to enter the property of INTERCONNECTOR at reasonable times and shall be provided access to INTERCONNECTOR's metering, protection, control, and interconnection equipment.

Article 6. Modification of Facility.

If INTERCONNECTOR plans any modifications to its electric facility, INTERCONNECTOR shall give PUBLIC SERVICE prior written notice of its intentions. In the event that PUBLIC SERVICE reasonably determines that said modifications would necessitate changes to the interconnection, protection, control, or metering equipment or would cause PUBLIC SERVICE to incur additional expenses associated therewith, the INTERCONNECTOR shall make such changes as reasonably required by PUBLIC SERVICE and reimburse PUBLIC SERVICE for said expenses before PUBLIC SERVICE is obligated to purchase any increased output.

If the PUBLIC SERVICE interconnecting circuit is converted to a higher voltage in the future, the INTERCONNECTOR shall be responsible for all intercon-

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nection changes necessitated by the conversion and shall bear all costs associated with said conversion.

Article 7. Liability & Insurance.

- a. Each party will be responsible for its facilities and the operation thereof and will indemnify and save the other harmless from any and all loss by reason of property damage, bodily injury, including death resulting therefrom suffered by any person or persons including the parties hereto, employees thereof or members of the public, (and all expenses in connection therewith, including attorney's fees) whether arising in agreement, warranty, tort (including negligence), strict liability or otherwise, caused by or sustained on, or alleged to be caused by or sustained on, equipment or facilities, or the operation or use thereof, owned or controlled by such party, except that each party shall be solely responsible for and shall bear all costs of claims by its own employees or contractors growing out of any workmen's compensation law.
- b. INTERCONNECTOR hereby agrees to maintain in force and effect, for the duration of this Agreement, Workmen's Compensation Insurance, as required by statute, and Comprehensive General Liability Insurance for bodily injury and property damage at minimum limits of three million (\$ 3,000,000). At least sixty days prior to the actual, physical interconnection of the facility, the INTERCONNECTOR agrees to provide PUBLIC SERVICE with a certificate of insurance evidencing such coverage.
- c. In no event shall INTERCONNECTOR or PUBLIC SERVICE be liable, whether in agreement, tort (including negligence), strict liability, warranty, or otherwise, for any special, indirect, incidental, or consequential loss or damage, including but not limited to cost of capital, cost of replacement power, loss of profits or revenues or the loss of the use thereof. This provision, Article 7, subsection c, shall apply notwithstanding any other provision of this Agreement.

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Article 8. Force Majeure.

Either party shall not be considered to be in default hereunder and shall be excused from interchanging electricity hereunder if and to the extent that it shall be prevented from doing so by storm, flood, lightning, earthquake, explosion, equipment failure, civil disturbance, labor dispute, act of God or the public enemy, action of a court or public authority, withdrawal of facilities from operation for necessary maintenance and repair, or any cause beyond the reasonable control of either party.

Article 9. Termination.

PUBLIC SERVICE may not terminate this Agreement during such time as its obligations as set forth in the Limited Electrical Energy Producers Act or Public Utility Regulatory Policies Act remains unchanged and in force, except that PUBLIC SERVICE may terminate this Agreement should INTERCONNECTOR fail to substantially perform in accordance with the terms of this Agreement.

The INTERCONNECTOR may terminate this Interconnection Agreement in accordance with the provisions established by the New Hampshire Public Utilities Commission in their applicable orders.

After termination, both parties shall be discharged from all further obligation under the term of this Agreement, excepting any liability which may have been incurred before the date of such termination.

Article 10. Modification of Agreement..

In order for any modification to this Agreement to be binding upon the parties, said modification must be in writing and signed by both parties.

Article 11. Prior Agreements Superseded.

This Agreement with Attachments A and B represents the entire agreement between the parties hereto relating to the subject matter hereof, and all previous agreements, discussion, communications, and correspondence with respect to the said subject matter are superseded by the execution of this Agreement.

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Article 12. Waiver of Terms or Conditions.

The failure of either party to enforce or insist upon compliance with any of the terms or conditions of this Agreement shall not constitute a general waiver or relinquishment of any such terms or conditions, but the same shall be and remain at all times in full force and effect.

Article 13. General.

This Agreement shall be binding upon, and inure to the benefit of the respective successors and assigns of the parties hereto, provided that INTERCONNECTOR shall not assign this Agreement except to an affiliated company, without the prior written consent of PUBLIC SERVICE, which consent shall not be unreasonably withheld. The term "affiliated company" shall include any partnership in which INTERCONNECTOR or one of INTERCONNECTOR's subsidiaries, affiliates, principals, or owners is a general partner or any corporation in which INTERCONNECTOR or one of its subsidiaries, affiliates, principals, or owners owns or controls more than 50 percent of the voting stock or otherwise has operating control. In the event of an assignment to an affiliate, INTERCONNECTOR shall notify PUBLIC SERVICE within five (5) days of the effective date of the assignment.

Article 14. Applicable Law.

This Agreement is made under the laws of The State of New Hampshire and the interpretation and performance hereof shall be in accordance with and controlled by the laws of that State.

Article 15. Mailing Addresses.

The mailing addresses of the parties are as follows:

INTERCONNECTOR: Hemphill Power & Light Company
c/o Peter Crowell
Durgin and Crowell Lumber Co., Inc.
RR 1, Box 800
New London, NH 03257

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PUBLIC SERVICE: Public Service Company of New Hampshire
1000 Elm Street
P.O. Box 330
Manchester, New Hampshire 03105
Attn: Roy G. Barbour, Vice President

Article 16. Effective Date.

This Agreement shall become effective between the parties as of the effective date of the Commission order approving the long term rate, although PUBLIC SERVICE shall not be obligated to make any payments to INTERCONNECTOR, as referred to in Article 3, until INTERCONNECTOR has satisfactorily installed all metering, interconnection and protective equipment as specified in Attachment B.

IN WITNESS WHEREOF, the parties each by its duly authorized representatives have hereunto caused their names to be subscribed, as of the day and year first above written.

HEMPHILL POWER & LIGHT COMPANY

Arthur J. [Signature]
(Witness)

By: Peter A. [Signature]

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

(Witness)

By: _____

EXHIBIT B

LONG-TERM RATE WORKSHEET

HEMPHILL POWER AND LIGHT COMPANY

Year	Avoided Energy Cost c/KWH	Present Value Divisor	Present Value of Avoided Energy Costs 1984 \$	Contract Price c/KWH 7	Present Value of Contract Price		Cumulative P.V. Avoided Energy Costs 1984 Start	Cumulative P.V. Contract Price 1984 Start	Cumulative P.V. Avoided Energy Costs 1985 Start	Cumulative P.V. Contract Price 1985 Start	Cumulative P.V. Avoided Energy Costs 1986 Start	Cumulative P.V. Contract Price 1986 Start	Cumulative P.V. Avoided Energy Costs 1987 Start	Cumulative P.V. Contract Price 1987 Start
1979	7.21	1.0000	7.210				7.210							
80	7.30	1.1341	6.436				13.646							
81	6.58	1.2806	5.114				18.760		6.436					
82	6.21	1.4524	4.735	12.00	8.223		23.495		11.550		5.114			
83	7.48	1.6551	4.519	12.00	7.249		28.013		16.285		9.849		4.735	8.
84	7.87	1.8778	4.191	12.01	6.396		32.204		20.803		14.368		9.251	15.
85	8.65	2.1292	4.061	12.40	5.822		36.266		24.994		18.559		13.514	21.
86	9.25	2.4160	3.829	12.50	5.174		40.094		29.056		22.620		17.526	27.
87	10.53	2.7405	3.842	12.60	4.598		43.937		32.884		26.449		21.334	32.
88	11.73	3.1055	3.774	12.61	4.057		47.710		36.727		30.291		25.122	37.
89	13.17	3.5260	3.735	13.13	3.724		51.445		40.500		34.064		28.950	41.
90	15.26	3.9775	3.815	13.59	3.398		55.261		44.235		37.800		32.635	45.
91	16.49	4.5366	3.635	14.07	3.101		58.896		48.051		41.615		36.501	48.
92	18.43	5.1459	3.581	14.56	2.829		62.477		51.686		45.250		40.136	51.
93	19.99	5.8370	3.425	15.07	2.582		65.982		55.267		48.831		43.717	54.
94	23.31	6.6209	3.521	15.60	2.356		69.422		58.692		52.256		47.142	57.
95	24.99	7.5101	3.320	16.14	2.149		72.750		62.212		55.777		50.263	59.
96	25.32	8.5187	2.972	16.70	1.960		75.722		65.560		59.104		53.250	61.
97	29.42	9.6628	3.045	17.28	1.788		78.757		68.512		62.077		56.952	63.
98	32.98	10.9605	3.009	17.88	1.631		81.776		71.557		65.121		60.607	65.
99	33.88	12.4325	2.725	18.52	1.490		84.501		74.566		68.130		63.016	67.
00	38.24	14.1022	2.712	19.17	1.359		87.213		77.291		70.855		65.741	68.
01	42.76	15.9961	2.673	19.84	1.240		89.886		80.603		73.567		68.453	69.
02	45.96	18.1414	2.533				92.419		82.676		76.240		71.126	71.
03	54.31	20.5812	2.639				95.058		85.209		78.773		73.659	
04	55.45	23.3452	2.375				97.433		87.848		81.412		76.298	
05	57.61	26.4835	2.176				99.608		90.223		83.787		78.673	
06	62.36	30.0368	2.076				101.685		92.398		85.963		80.649	
07	66.13	34.0708	1.941				103.626		94.475		88.079		82.325	
08	74.93	38.6465	1.939				105.564		96.416		89.980		84.566	
09	79.95	43.8367	1.824				107.388		98.354		91.919		86.804	
10	85.31	49.7240	1.716				109.104		100.178		93.743		88.628	
									101.894		95.458		90.344	

Handwritten signature

	Avoided Energy Cost c/kWh	Present Value Divisor	Present Value of Avoided Energy Costs 1984 \$	Contract Price c/kWh	Present Value of Contract Price		Cumulative P.V. Avoided Energy Costs 1984 Start	Cumulative P.V. Contract Price 1984 Start	Cumulative P.V. Avoided Energy Costs 1985 Start	Cumulative P.V. Contract Price 1985 Start	Cumulative P.V. Avoided Energy Costs 1986 Start	Cumulative P.V. Contract Price 1986 Start	Cumulative P.V. Avoided Energy Costs 1987 Start	Cumulative P.V. Contract Price 1987 Start
196.1	5.46	1.0600	5.460				5.460							
85	5.46	1.1343	4.814				10.274							
86	5.25	1.2866	4.081				14.354		4.814					
87	5.25	1.4594	3.597	9.00	6.167		17.951		8.824		4.081			
88	5.57	1.6554	3.365	9.00	5.437		21.316		12.491		7.678		3.597	6.167
89	6.27	1.8778	3.339	9.00	4.793		24.655		15.856		11.043		6.962	11.60
193	6.88	2.1299	3.230	9.50	4.460		27.885		19.195		14.382		10.391	16.39
91	7.17	2.4160	2.968	9.50	3.932		30.853		22.425		17.612		11.531	20.89
	8.21	2.7405	2.996	9.52	3.474		33.849		25.393		20.580		16.499	24.78
	9.06	3.1005	2.915	9.55	3.072		36.763		28.389		23.575		19.495	28.2
	10.30	3.5260	2.921	9.80	2.779		39.685		31.303		26.490		22.403	31.2
	11.03	3.9255	2.758	10.15	2.538		42.443		34.225		29.411		25.331	34.1
96	11.87	4.5366	2.616	10.49	2.312		45.059		36.983		32.169		28.088	36.6
97	13.32	5.1457	2.568	10.86	2.110		47.647		39.599		34.785		30.765	38.6
98	14.60	5.8370	2.501	11.24	1.926		50.149		42.187		37.374		33.293	41.0
99	16.63	6.6269	2.512	11.63	1.757		52.660		44.689		39.875		35.795	43.6
200	18.29	7.5101	2.435	12.04	1.603		55.096		47.200		42.387		38.306	46.2
01	19.45	8.5187	2.283	12.46	1.463		57.379		49.636		44.822		40.742	48.8
02	21.86	9.6628	2.262	12.90	1.335		59.641		51.919		47.106		43.025	51.4
03	24.67	10.9605	2.251	13.35	1.218		61.892		54.181		49.368		45.287	54.0
04	24.41	12.4325	1.963	13.82	1.112		63.856		56.432		51.619		47.523	56.6
05	28.30	14.1022	2.007	14.29	1.013		65.862		58.396		53.582		49.502	59.2
06	30.68	15.9361	1.918	14.79	0.925		67.780		60.402		55.589		51.508	61.8
07	32.83	18.1444	1.809				69.550		62.320		57.507		53.426	64.4
08	38.23	20.5812	1.858				71.447		64.130		59.316		55.236	67.0
	39.71	23.3452	1.701				73.148		65.987		61.174		57.053	69.6
	43.93	26.4805	1.546				74.894		67.688		62.875		58.794	72.2
	44.79	30.0368	1.491				76.185		69.234		64.420		60.340	74.8
12	47.86	34.0768	1.405				77.590		70.725		65.912		61.831	77.4
13	53.84	38.6465	1.393				78.903		72.130		67.316		63.236	80.0
14	57.45	43.8367	1.311				80.293		73.523		68.709		64.649	82.6
15	61.30	49.7240	1.233				81.526		74.833		70.020		65.933	85.2
									76.066		71.253		67.172	87.8

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Avoided Capacity Cost c/kwh	Present Value Divisor	Present Value of Avoided Capacity Cost 1984 \$	Contract Price c/kwh	Present Value of Contract Price		Cumulative P.V. Avoided Capacity Costs 1984 Start	Cumulative P.V. Contract Price 1984 Start	Cumulative P.V. Avoided Capacity Costs 1985 Start	Cumulative P.V. Contract Price 1985 Start	Cumulative P.V. Avoided Capacity Cost 1986 Start	Cumulative P.V. Contract Price 1986 Start	Cumulative P.V. Avoided Capacity Costs 1987 Start	Cumulative P.V. Contract Price 1987 Start
52.25	1.0000	49.250				49.250							
52.55	1.1343	46.328				95.579		46.328					
56.07	1.2866	43.580				139.153							
59.83	1.4524	40.996	78.06	53.488		180.151		89.908		43.580			
63.83	1.6554	38.559	79.60	48.085		218.713		130.304		84.576		40.996	53.488
68.11	1.8778	36.271	81.09	43.184		254.904		169.463		123.135		79.555	101.57
72.67	2.1299	34.119	88.06	41.345		289.103		205.734		159.406		115.826	144.79
77.54	2.4160	32.094	89.82	37.177		321.190		239.853		193.525		149.945	186.10
82.74	2.7405	30.192	91.62	33.432		351.389		271.948		225.619		182.039	223.27
88.28	3.1085	28.400	93.45	30.063		379.789		302.139		255.811		212.231	256.71
94.20	3.5260	26.716	95.32	27.033		406.505		330.539		284.211		240.631	286.77
100.51	3.9995	25.131	97.23	24.311		431.635		357.255		310.926		267.346	313.80
107.24	4.5366	23.639	99.17	21.860		455.274		382.385		336.057		292.477	338.11
114.43	5.1459	22.237	101.15	19.656		477.511		406.024		359.696		316.116	359.97
122.10	5.8370	20.918	103.17	17.675		498.429		428.261		381.933		338.353	379.63
130.28	6.6209	19.677	105.23	15.894		518.106		449.179		402.851		359.271	397.30
139.00	7.5101	18.508	107.33	14.291		536.615		468.856		422.528		378.948	413.20
148.32	8.5187	17.411	109.48	12.852		554.026		487.365		441.037		397.457	427.49
158.25	9.6628	16.377	111.67	11.557		570.403		504.776		458.448		414.868	440.37
168.86	10.9605	15.406	113.90	10.392		585.809		521.153		474.825		431.245	451.90
180.17	12.4325	14.492	116.18	9.345		600.301		536.559		490.231		446.651	462.29
192.24	14.1022	13.632	118.49	8.402		613.933		551.051		504.723		461.143	471.67
205.12	15.9961	12.823	120.86	7.556		626.756		564.683		518.355		474.775	480.07
218.87	18.1444	12.063				638.819		577.506		531.178		487.598	487.59
233.53	20.5812	11.347				650.166		589.569		543.241		499.661	
249.18	23.3452	10.674				660.840		600.916		554.588		511.008	
265.87	26.4805	10.040				670.080		611.590		565.261		521.681	
283.69	30.0368	9.445				680.325		621.630		575.302		531.722	
302.69	34.0708	8.894				689.209		631.075		584.746		541.166	
322.97	38.6465	8.357				697.566		639.959		593.631		550.051	
344.61	43.8367	7.861				705.427		648.316		601.988		558.408	
367.70	49.7240	7.395				712.822		656.177		609.849		566.269	
								663.572		617.244		573.664	

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing Long Term Rate Filing upon the following parties, by first class mail postage prepaid:

Wynn E. Arnold
Executive Director and Secretary
Public Utilities Commission
8 Old Suncook Road
Concord, New Hampshire 03301

Catherine Shiveley, Esquire
Public Service Company of NH
1000 Elm Street
Manchester, New Hampshire 03101

Melinda Butler
Public Utilities Commission
8 Old Suncook Road
Concord, New Hampshire 03301

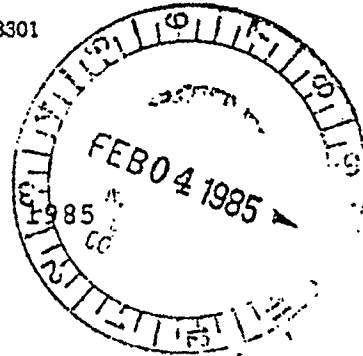
Executed at Concord, New Hampshire this 24th day of January, 1985.

By: Robert A. Olson

PETER W. BROWN
ROBERT A. OLSON
WILLIAM H. WILSON

ATTORNEYS AT LAW
21 GREEN STREET
CONCORD, NEW HAMPSHIRE 03301
TELEPHONE (603) 225-7530

file



February 1, 1985

Mr. Wynn E. Arnold
Executive Director and Secretary
Public Utilities Commission
8 Old Suncook Road
Concord, New Hampshire 03301

Re: Amendment No. 1 to the Long-Term Rate Filing of
Hemphill Power and Light Company

Dear Mr. Arnold:

Q On January 24, 1985 Hemphill Power and Light Company (Hemphill) submitted a long-term rate filing for the Hemphill Cogeneration Project to the Commission. By this letter, Hemphill amends that filing to adjust the calculations for the on-peak energy, off-peak energy and capacity worksheets of the filing's Exhibit B.

Enclosed for filing and Commission action are an original and nine copies of the amended Exhibit B worksheets. Also enclosed is an original and nine copies of the amended Section IV of the long-term rate filing which describes the rate requested. The revised Section IV indicates that the rates in the first three years equal the initial three year ceiling rate and the subsequent rates equal the remaining level value. These amendments supersede the noted pages of the January 24 filing.

Thank you for your cooperation in this matter.

Sincerely,

A handwritten signature in dark ink, appearing to read "Robert A. Olson".

Robert A. Olson, Esq.

RAO/te
Enclosure

cc: Catherine Shiveley, Esquire
Ms. Melinda Butler

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IV. Long-Term Rate

Attached to this filing as Exhibit B is the long-term rate worksheet from Report and Order No. 17,104 in Docket No. DE 83-62. This worksheet sets forth the long-term rate of Petitioner for the sale of its electrical output to PSNH. Per Order 17,104 the rate worksheet consists of three parts. The first two worksheets are the energy rates which are calculated as on-peak and off-peak rates and stated in cents per kwh. The third worksheet is for the capacity rate and is stated in dollars per kw.

The term of the rate is twenty years commencing after September 1, 1986 and ending with the year 2006. Per the discussion in the Docket No. DE 83-62 Report at page 25, the rates are based upon the present value for a 1987 start date. As noted on the worksheets the twenty year sum of a rate commencing in 1987 must not exceed a cumulative present value of: 71.126 for energy on-peak; 53.426 for energy off-peak, and 487.598 for capacity. Furthermore, the rate is subject to a ceiling provision of 90% of the levelized rate (for both energy and capacity components) for the first three years of the rate. The 90% ceiling for on-peak energy rates is 12.03¢/kwh, for off-peak energy rates is 9.04¢/kwh, and for capacity is \$82.46 per kw.

Q The rate in Exhibit B meets these requirements. The twenty year sums for energy and capacity are equal to the above-noted cumulative present values. The rates for the first three years are all equal to above noted 90% of level value rates. The remaining seventeen years of rates are a levelized rate with slight escalation to equal the 20 year cumulative present value price.

The expected on-line date of the facility is January 1987.

V. Statement of Commission Action Sought

Petitioner respectfully requests that the Commission approve this long-term rate filing as being consistent with its Orders in Docket No. DE 83-62 and that Petitioner be permitted to receive the rates set forth in this filing for the sale of its electrical output to PSNH. Petitioner

13 Amended February 1, 1985

EXHIBIT B

LONG-TERM RATE WORKSHEET

HEMPHILL POWER AND LIGHT COMPANY

Amended February 1, 1985

Avoided Energy Cost c/kwh	Present Value Divisor	Present Value of Avoided Energy Costs 1924 \$	Contract Price c/kwh	Present Value of Contract Price	Cumulative P.V. Avoided Energy Costs 1924 Start	Cumulative P.V. Contract Price 1924 Start	Cumulative P.V. Avoided Energy Costs 1925 Start	Cumulative P.V. Contract Price 1925 Start	Cumulative P.V. Avoided Energy Costs 1926 Start	Cumulative P.V. Contract Price 1926 Start	Cumulative P.V. Avoided Energy Costs 1927 Start	Cumulative P.V. Contract Price 1927 Start
7.21	1.0500	7.210			7.210							
7.30	1.1343	6.436			13.646							
6.58	1.2866	5.114			18.760		6.436					
6.91	1.4574	4.735	12.03	8.243	23.495		11.569		5.114			
7.48	1.6554	4.519	12.03	7.267	28.013		16.255		9.847		4.735	8.
7.87	1.8778	4.191	12.03	6.406	32.204		20.003		14.368		1.251	15.
8.65	2.1253	4.061	14.06	6.601	36.266		24.974		13.522		13.511	21.
9.25	2.4160	3.829	14.06	5.820	40.074		29.056		22.620		17.575	
10.53	2.7505	3.842	14.06	5.130	43.937		32.864		26.447		21.334	
11.73	3.1085	3.774	14.06	4.523	47.710		36.727		30.291		25.177	
13.17	3.5259	3.735	14.06	3.988	51.445		40.550		34.064		29.250	43.
15.26	3.9775	3.815	14.06	3.515	55.261		44.235		37.800		32.635	47.
16.42	4.5366	3.635	14.06	3.099	58.836		48.651		41.615		36.571	51.
18.43	5.1559	3.581	14.06	2.732	62.477		51.006		45.250		40.135	54.
19.99	5.8370	3.425	14.06	2.409	65.932		55.267		48.831		43.717	57.
21.31	6.6209	3.521	14.06	2.124	69.422		58.692		52.256		47.142	59.
24.99	7.5101	3.320	14.06	1.872	72.750		62.712		55.777		50.661	61.
25.32	8.5187	2.972	14.06	1.650	75.722		65.560		59.104		53.753	63.
29.42	9.6628	3.045	14.06	1.455	78.757		68.512		62.077		56.952	65.
32.98	10.9605	3.007	14.06	1.283	81.776		71.557		65.121		60.207	66.
33.88	12.4325	2.725	14.06	1.131	84.501		74.566		68.130		63.016	68.
38.24	14.1022	2.712	14.07	0.998	87.213		80.603		70.855		65.741	69.
42.76	15.9961	2.673	14.07	0.880	89.866		82.676		73.567		68.453	70.
45.96	18.1414	2.533			92.413		85.207		76.240		71.126	
54.31	20.5812	2.639			95.058		87.648		78.773		73.653	
55.45	23.3452	2.375			97.433		90.223		81.712		76.298	
57.81	26.4235	2.176			99.668		92.378		83.787		78.673	
62.36	30.0368	2.076			101.685		94.475		85.563		80.843	
66.13	34.0760	1.941			103.626		96.416		88.037		82.525	
74.33	38.6465	1.939			105.564		98.354		90.317		84.366	
79.95	43.8367	1.824			107.388		100.178		93.743		86.628	
85.31	49.7240	1.716			109.104		101.854		95.458		88.734	

	Avoided Capacity Cost /KWH	Present Value Divisor	Present Value of Avoided Capacity Cost 1984 \$	Contract Price \$/KWH	Present Value of Contract Price		Cumulative P.V. Avoided Capacity Costs 1984 Start	Cumulative P.V. Contract Price 1984 Start	Cumulative P.V. Avoided Capacity Costs 1985 Start	Cumulative P.V. Contract Price 1985 Start	Cumulative P.V. Avoided Capacity Cost 1986 Start	Cumulative P.V. Contract Price 1986 Start	Cumulative P.V. Avoided Capacity Costs 1987 Start	Cumulative P.V. Con Price 1987 Start
84	42.25	1.0000	42.250				42.250							
85	52.55	1.1343	45.328				95.572		46.328					
86	56.07	1.2866	43.500				139.153							
87	59.83	1.4594	40.926	82.46	56.503		180.151		89.908		43.580			
88	63.83	1.6554	38.559	82.46	49.813		218.713		130.904		84.576		40.996	56.9
89	68.11	1.8778	36.271	82.46	43.913		254.901		169.463		123.135		79.555	106.9
90	72.67	2.1299	34.119	96.39	45.256		289.103		205.734		159.406		115.826	150.9
91	77.54	2.4160	32.094	96.39	39.897		321.193		239.853		193.525		149.945	199.9
92	82.74	2.7405	30.192	96.39	35.172		351.389		271.948		225.619		182.039	249.9
93	88.28	3.1085	28.400	96.39	31.009		379.789		302.139		255.811		212.231	309.9
94	94.20	3.5260	26.716	96.39	27.337		406.505		330.539		284.211		240.631	389.9
95	100.51	3.9995	25.131	96.39	24.101		431.635		357.255		310.926		267.346	489.9
96	107.24	4.5366	23.639	96.40	21.249		455.274		382.385		336.057		292.477	589.9
97	114.43	5.1459	22.237	96.40	18.733		477.511		406.024		359.696		316.116	689.9
98	122.10	5.8370	20.918	96.40	16.515		498.429		428.261		381.933		338.353	789.9
99	130.28	6.6209	19.677	96.40	14.560		518.106		449.179		402.851		359.271	889.9
00	139.00	7.5101	18.508	96.40	12.836		536.615		468.856		422.528		378.948	989.9
01	148.32	8.5187	17.411	96.40	11.316		554.026		487.365		441.037		397.457	1089.9
02	158.25	9.6628	16.377	96.40	9.976		570.403		504.776		458.448		414.868	1189.9
03	168.86	10.9605	15.406	96.40	8.795		585.809		521.153		474.825		431.245	1289.9
04	180.17	12.4325	14.492	96.40	7.754		600.301		536.559		490.231		446.651	1389.9
05	192.24	14.1022	13.632	96.40	6.836		613.933		551.051		504.723		461.143	1489.9
06	205.12	15.9961	12.823	96.41	6.027		626.756		564.683		518.355		474.775	1589.9
07	218.87	18.1444	12.063				638.819		577.506		531.178		487.538	1689.9
08	233.53	20.5812	11.347				650.166		589.569		543.241		499.661	1789.9
09	249.18	23.3452	10.674				660.840		600.916		554.588		511.008	1889.9
10	265.87	26.4805	10.040				670.880		611.590		565.261		521.621	1989.9
11	283.69	30.0368	9.445				680.325		621.630		575.302		531.722	2089.9
12	302.69	34.0708	8.884				689.209		631.075		584.746		541.166	2189.9
13	322.97	38.6465	8.357				697.566		639.959		593.631		550.051	2289.9
14	344.61	43.8367	7.861				705.427		648.316		601.988		558.488	2389.9
15	367.70	49.7240	7.395				712.822		656.177		609.649		566.269	2489.9
									663.572		617.244		573.664	2589.9

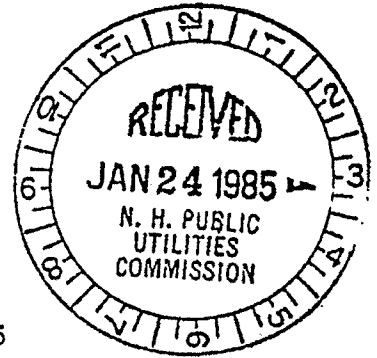
Name: **HILL POWER AND LIGHT COMPANY**

Long Date Worksheet
1984 Present Value Calculation
Energy of Peak

Year	Avoided Energy Cost c/kWh	Present Value Divisor	Present Value of Avoided Energy Costs 1984 \$	Contract Price c/kWh	Present Value of Contract Price	Cumulative P.V. Avoided Energy Costs 1984 Start	Cumulative P.V. Contract Price 1984 Start	Cumulative P.V. Avoided Energy Costs 1985 Start	Cumulative P.V. Contract Price 1985 Start	Cumulative P.V. Avoided Energy Costs 1986 Start	Cumulative P.V. Contract Price 1986 Start	Cumulative P.V. Avoided Energy Costs 1987 Start	Cumulative P.V. Contract Price 1987 Start
1981	5.46	1.0600	5.460			5.460							
85	5.46	1.1343	4.814			10.274							
86	5.25	1.2866	4.081			14.354		4.814					
87	5.25	1.4594	3.597	9.04	6.194	17.951		8.824		4.081			
88	5.57	1.6554	3.365	9.04	5.461	21.316		12.421		7.678		3.597	6
89	6.27	1.8778	3.339	9.04	4.814	24.655		15.856		11.043		6.262	11
1993	6.88	2.1299	3.230	10.55	4.953	27.885		19.195		14.362		10.371	16
91	7.17	2.4160	2.968	10.56	4.371	30.853		22.425		17.612		13.531	
92	8.21	2.7405	2.996	10.56	3.853	33.849		25.393		20.580		16.429	5
93	9.06	3.1085	2.915	10.56	3.397	36.763		28.389		23.575		19.495	
94	10.30	3.5260	2.921	10.56	2.995	39.665		31.303		26.490		22.457	3
95	11.03	3.9955	2.758	10.56	2.640	42.443		34.225		29.411		25.331	36
96	11.87	4.5266	2.616	10.56	2.328	45.059		36.983		32.169		28.048	38
97	13.32	5.1457	2.568	10.56	2.052	47.647		39.559		34.785		30.765	41
98	14.60	5.8370	2.501	10.56	1.809	50.149		42.187		37.374		33.293	43
99	16.63	6.6269	2.512	10.56	1.595	52.660		44.689		39.875		35.795	44
2000	18.29	7.5101	2.435	10.56	1.406	55.096		47.200		42.387		38.366	46
01	19.45	8.5187	2.283	10.56	1.240	57.379		49.636		44.822		40.742	47
02	21.86	9.6628	2.262	10.56	1.093	59.641		51.919		47.106		43.025	49
03	24.67	10.9605	2.251	10.57	0.964	61.892		54.181		49.368		45.287	50
04	24.41	12.4325	1.963	10.57	0.850	63.856		56.432		51.619		47.533	51
05	28.30	14.1022	2.007	10.57	0.750	65.862		58.396		53.582		49.562	52
06	30.68	15.9361	1.918	10.57	0.661	67.780		60.402		55.589		51.568	52
07	32.83	18.1444	1.809			69.590		62.320		57.507		53.426	53
08	38.23	20.5812	1.858			71.447		64.130		59.316		55.235	
09	39.71	23.3452	1.701			73.148		65.987		61.174		57.053	
2010	40.93	26.4805	1.546			74.694		67.668		62.875		58.794	
11	44.79	30.0368	1.491			76.185		69.234		64.420		60.343	
12	47.86	34.0768	1.405			77.590		70.725		65.912		61.811	
13	53.84	38.6465	1.393			78.983		72.130		67.316		63.216	
14	57.45	43.8367	1.311			80.293		73.523		68.709		64.649	
15	61.30	49.7240	1.233			81.526		74.833		70.020		65.933	
								76.066		71.253		67.172	

PETER W. BROWN
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ATTORNEYS AT LAW
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CONCORD, NEW HAMPSHIRE 03301
TELEPHONE (603) 225-7530



January 24, 1985

Mr. Wynn E. Arnold
Executive Director and Secretary
Public Utilities Commission
8 Old Suncook Road
Concord, New Hampshire 03301

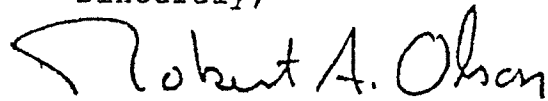
Re: Long-Term Rate Filing of Hemphill Power and
Light Company for the Hemphill Cogeneration
Project Pursuant to Docket No. DE 83-62

Dear Mr. Arnold:

Enclosed for filing and Commission action is an original and nine copies of the long-term rate filing of Hemphill Power and Light Company pursuant to the Commission's requirements in Report and Order Number 17,104 in Docket DE 83-62, Re Small Energy Producers and Cogenerators.

If you have any questions pertaining to this matter, please feel free to contact me.

Sincerely,



Robert A. Olson, Esq.

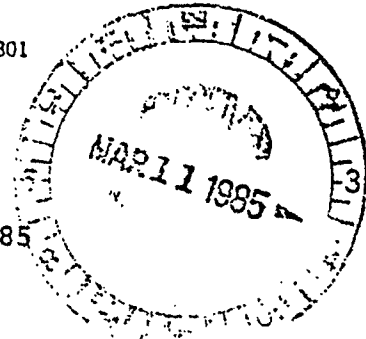
RAO/rw
Enclosure

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21 GREEN STREET
CONCORD, NEW HAMPSHIRE 03301
TELEPHONE (603) 225-7530

DR 15-2



March 11, 1985

Mr. Wynn Arnold
Executive Director and Secretary
Public Utilities Commission
8 Old Suncook Road
Concord, New Hampshire 03301

Re: Amendment No. 2 to the Long-Term Rate Petition of
Hemphill Power & Light Company

Dear Mr. Arnold:

I enclose for filing an original and nine copies of Amendment No. 2 to the long-term rate filing of Hemphill Power & Light Company. This amendment consists of revised pages 1 and 2 of the filing of January 24, 1985. It updates the language in Section II concerning petitioner's representations regarding the 60 day buy-out provision.

Thank you for your consideration of this matter.

Sincerely,

A handwritten signature in dark ink that reads 'Robert A. Olson'.

Robert A. Olson, Esq.

RAO/te
Enclosure

cc: Catherine Shiveley, Esq.
Ms. Melinda Butler

STATE OF NEW HAMPSHIRE
BEFORE THE
NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

Long-Term Rate Filing)
of Hemphill Power and Light)
Company for the Hemphill)
Cogeneration Project)
Pursuant to Order)
No. 17,104 in)
Docket No. DE 83-62)

Pursuant to New Hampshire Public Utilities Commission (Commission) Order No. 17,104 in Docket No. DE 83-62, Re Small Energy Producers and Cogenerators, Hemphill Power and Light Company (hereinafter Petitioner) hereby makes the following long-term rate filing and requests that the Commission approve said long term rate filing as being in compliance with the above cited Order.

Petitioner provides the following information:

I. Brief Description of Facility

Petitioner will construct a 12,500 kw wood-fired cogeneration facility (facility) to be located in the Town of Springfield, New Hampshire. The facility will utilize an extraction turbine to produce electricity for sale and to produce steam for use in kilns to dry lumber products. There is no planned usage of natural gas, oil or coal by the facility. No electric utility, electric utility holding company or any combination thereof has any ownership interest in the facility. The facility was granted certification as a Qualifying Facility by the Federal Energy Regulatory Commission. Hemphill Power & Light Company, 29 FERC ¶ 62,042 (1984).

Petitioner will sell the electrical output of the facility to Public Service Company of New Hampshire (PSNH).

II. Representations of Petitioner

Petitioner states that:

1. Unless Petitioner elects the termination option set forth at paragraph 5 below, Petitioner will sell its entire output to PSNH at the specified rates over the entire applicable time period;

2. Petitioner will abide by all applicable rules, regulations and orders of this Commission and will obey the Commission's directives in the case of any disputes with PSNH;
3. Petitioner will make all reasonable efforts to provide reliable service to PSNH over the life of the obligation;
4. In the event Petitioner opts for a rate above avoided costs in any year, Petitioner agrees to pay PSNH the net of excess payments over avoided costs, in net present value, actually experienced, in the event of a service termination prior to the end of the obligation period;
5. Petitioner at its option and upon 60 days notice, may terminate the energy component of its rate. Petitioner understands that it is required to re-file with PSNH for another rate for a period of time at least as long as the time remaining in the terminated rate;
6. Petitioner agrees to appear before this Commission with such documents as may be requested upon reasonable notice, to the extent required by this Commission to fulfill its statutory obligations;
7. In all respects not otherwise provided herein or in Commission orders, Petitioner will adhere to the non-pricing terms in the PSNH standard long term contract referred to at Tr. 4-14 in Docket No. DE 83-62 and set forth herein as Exhibit A, and ..
8. The Commission's final order and report in Docket No. DE 83-62 at page 17 requires that PSNH be contacted for an interconnection study at least 45 days prior to the filing for a rate with the Commission. PSNH was first contacted for the facility's interconnection study on March 12, 1984. The PSNH interconnection study was completed on October 4, 1984. Revisions to the interconnection study and the interconnection voltage are currently in process with PSNH.

III. Written Interconnection Agreement

Attached to this filing as Exhibit A is the written interconnection agreement between Petitioner and PSNH as required by Order No. 17,104 in Docket No. DE 83-62.