

## HYDRO MANAGEMENT GROUP, LLC

C/O ESSEX HYDRO ASSOCIATES, LLC  
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November 5, 2012

Ms. Debra A. Howland  
Executive Director and Secretary  
State of New Hampshire  
Public Utilities Commission  
21 S. Fruit St, Suite 10  
Concord, NH 03301-2429  
Attn: Executive Director and Secretary Howland

Re: DE 12-210 Spaulding Ave Industrial Complex

Dear Ms. Howland,



In support of its application for qualification as a NH Class I Resource, Spaulding Ave Industrial Complex LLC is pleased to provide the following responses to Ms. Barabara Bernstein requests for further information regarding Spaulding Ave Industrial Complex LLC's application for Class I eligibility under DE 12-210:

- (1) Section 362-F:4 of the NH Electric Renewable Portfolio Standard offers two alternative paths. 362-F:4 (i) and 362-F:4 (j) for Class I qualification, which will the project seek qualification under?

*The Spaulding Pond hydroelectric facility qualifies as a New Hampshire Class 1 RPS Resource for based on 362-F:4(j) of Section 362-F:4 of the New Hampshire Electric Renewable Portfolio Standard.*

- (2) Demonstration that 80 percent of its resulting tax basis of the source's plant & equipment, but not its property and intangible assets, be derived from capital investment directly related to restoring generation or increasing capacity including department permitting requirements for new plants.

*Please see the attached Appendix A-1 which includes a breakdown of capital investments directly related to restoring generation and increasing capacity as required to demonstrate that 80 percent of the resulting tax basis of the source's plant & equipment is derived from such investments.*

- (3) What is the historical baseline generation of the project?

*100% of the facility's output should qualify for Class I treatment under PUC rule 2502.07(d) given the facility was inoperable from 2000 and required significant capital investment for the facility to begin generation on August 17, 2010. Prior to Spaulding Ave Industrial Complex's restoration the hydro had not been run for 10 to 15 years. When Spaulding Ave purchased the property in 2004 there were very little records kept for the hydro. Prior to Spaulding Ave's restoration the*

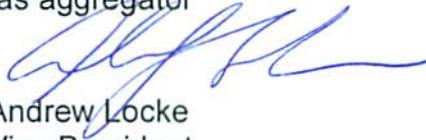
*hydro system had no operated for 10 years and PSNH required that all operating and safety systems be done to current requirements as it had been out of service so long PSNH considered it a new generator.*

An electronic copy of this filing was emailed to you at executive.director@puc.nh.gov and Barbara Bernstein at barbara.bernstein@puc.nh.gov on Monday November 5, 2012 and three hard copies were delivered to your attention at the New Hampshire PUC via overnight mail on Tuesday, November 6, 2012.

Thank you in advance for review of this application and please contact me at 617-367-0032 or al@essexhydro.com with any questions

Sincerely,

Spaulding Ave. Industrial Complex, LLC  
by Hydro Management Group, its agent  
as aggregator

A handwritten signature in blue ink, appearing to read 'Andrew Locke', is positioned above the printed name and title.

Andrew Locke  
Vice President

## APPENDIX A-1

### Spaulding Pond Capital Improvements DE 12-210

Attached is the breakdown of the repairs and restoration work done to the Spaulding Pond hydroelectric system. The repairs are broken down by contractor and vendor and total \$205,802 over a period of four years. Additional repairs totaling \$403,420 were made to the dam. A culvert project was recently completed for a cost of \$230,180.00. Spaulding Ave received a grant for \$165,000 and the balance of \$65,180 was out of pocket.

Spaulding Pond Capital Improvements  
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<u>vendor</u>	<u>work done</u>	<u>date</u>	<u>amount</u>	<u>totals</u>
Southern NH Hydro	turbine	7/8/2004	\$ 298.00	
	turbine	12/24/2004	\$ 3,800.00	
	turbine	2/15/2005	\$ 3,100.00	
	turbine	2/24/2005	\$ 1,630.00	
	turbine	3/11/2005	\$ 3,800.00	
	turbine	4/20/2005	\$ 600.00	
	turbine	5/1/2007	\$ 1,600.00	
	turbine	5/29/2007	\$ 1,600.00	
	turbine	6/21/2007	\$ 559.56	
			\$ 16,987.56	\$ 16,987.56
Christy Machine	turbine parts	1/24/2005	\$ 6,797.79	
		2/19/2005	\$ 290.00	
		3/5/2005	\$ 1,253.12	
		5/19/2005	\$ 5,911.74	
		9/21/2005	\$ 3,000.00	
		1/1/2007	\$ 1,543.12	
		8/8/2007	\$ 5,994.52	
		\$ 24,790.29	\$ 24,790.29	
Home Depot Milton Hardware Fastenal Wayne bolt co	nuts and bolts	6/13/2005	\$ 30.30	
		8/31/2005	\$ 28.70	
		10/27/2005	\$ 5.43	
		11/1/2005	\$ 14.98	
		11/1/2005	\$ 19.57	
		11/1/2006	\$ 56.74	
		4/2/2009	\$ 96.93	
		4/6/2009	\$ 169.55	
		4/7/2009	\$ 30.45	
		4/20/2009	\$ 65.94	
		4/29/2009	\$ 63.75	
		6/4/2009	\$ 17.05	
		6/12/2009	\$ 23.53	
		7/16/2009	\$ 14.33	
		7/23/2009	\$ 57.78	
		8/4/2009	\$ 71.11	
		8/12/2009	\$ 197.25	
		8/13/2009	\$ 22.19	
		8/12/2009	\$ 34.05	
		8/21/2009	\$ 36.72	
		8/31/2009	\$ 139.80	
9/16/2009	\$ 15.60			
9/17/2009	\$ 59.37			
9/21/2009	\$ 150.99			
9/23/2009	\$ 228.18			
9/24/2009	\$ 24.84			
10/1/2009	\$ 20.00			
10/1/2009	\$ 7.00			
10/6/2009	\$ 73.08			
10/12/2009	\$ 8.60			

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		10/15/2009	\$ 44.39	
		10/15/2009	\$ 14.48	
		11/19/2009	\$ 13.78	
			\$ 1,856.46	\$ 1,856.46
Henry Hodil	Turbine work	8/23/2008	\$ 1,170.00	
		8/31/2008	\$ 910.00	
		9/13/2008	\$ 1,365.00	
		9/20/2008	\$ 1,007.50	
		10/6/2008	\$ 682.50	
		10/22/2008	\$ 1,527.50	
		11/10/2008	\$ 455.00	
		11/21/2008	\$ 1,040.00	
		12/15/2008	\$ 1,202.50	
		2/13/2009	\$ 3,282.50	
		2/20/2009	\$ 2,015.00	
		3/13/2009	\$ 3,315.00	
		4/11/2009	\$ 2,500.00	
		5/1/2009	\$ 2,700.00	
		6/1/2009	\$ 2,600.00	
		6/30/2009	\$ 2,860.00	
		8/1/2009	\$ 3,250.00	
		9/3/2009	\$ 2,600.00	
		9/18/2009	\$ 2,535.00	
		9/25/2009	\$ 2,405.00	
		10/2/2009	\$ 1,000.00	
		10/9/2009	\$ 2,600.00	
		10/16/2009	\$ 1,820.00	
		10/23/2009	\$ 1,560.00	
			\$ 46,402.50	\$ 46,402.50
Strafford Machine	turbine Parts	11/3/2008	\$ 1,500.00	
		11/8/2008	\$ 500.00	
		11/20/2008	\$ 200.00	
		12/6/2008	\$ 1,856.00	
		1/23/2009	\$ 150.00	
		4/28/2009	\$ 2,088.00	
		5/1/2009	\$ 1,700.00	
		7/10/2009	\$ 480.00	
		7/31/2009	\$ 838.00	
		8/6/2009	\$ 1,620.00	
		8/25/2009	\$ 840.00	
		9/15/2009	\$ 525.00	
		10/20/2009	\$ 150.00	
			\$ 12,447.00	\$ 12,447.00
Smith alternative energy	generator controls electrical engineers	9/16/2008	\$ 4,401.22	
		2/1/2009	\$ 11,280.41	
		6/14/2009	\$ 1,487.30	
		6/30/2009	\$ 2,134.54	
		6/30/2009	\$ 1,895.84	
		6/5/2010	\$ 16,795.87	

Spaulding Pond Capital Improvements

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		8/21/2010	\$ 3,305.60	
		3/31/2011	\$ 2,250.00	
			\$ 43,550.78	\$ 43,550.78
W.C. Colbabth	Electrician	8/1/2009	\$ 13,737.48	
		9/18/2009	\$ 405.04	
		9/18/2009	\$ 162.50	
			\$ 14,305.02	\$ 14,305.02
Gomez and Sullivan	engineers	1/19/2007	\$ 1,016.37	
		2/17/2007	\$ 1,388.29	
		7/19/2007	\$ 1,680.34	
			\$ 4,085.00	\$ 4,085.00
Mobbs Repair Service	welding	4/30/2008	\$ 270.00	
	fabricating	6/25/2008	\$ 100.64	
	heavy equip	10/28/2008	\$ 190.00	
		11/10/2008	\$ 1,400.00	
		12/6/2008	\$ 2,930.00	
		5/2/2009	\$ 1,700.00	
		5/9/2009	\$ 1,500.00	
		6/2/2009	\$ 2,300.00	
		6/13/2009	\$ 1,500.00	
		6/27/2009	\$ 600.00	
		7/3/2009	\$ 2,700.00	
		7/18/2009	\$ 1,500.00	
		8/7/2009	\$ 1,500.00	
		8/21/2009	\$ 1,000.00	
		8/28/2009	\$ 400.00	
		9/3/2009	\$ 2,500.00	
		9/18/2009	\$ 900.00	
		9/25/2009	\$ 600.00	
		10/9/2009	\$ 2,000.00	
		2/2/2010	\$ 500.00	
			\$ 26,090.64	\$ 26,090.64
William Clewes	electrical Eng.	4/22/2010	\$ 1,461.00	
A.C. Electric	testing	5/31/2010	\$ 1,700.00	
northeast utilities	engineering	9/3/2010	\$ 2,875.88	
			\$ 6,036.88	\$ 6,036.88
F.W. Webb	parts	5/6/2009	\$ 109.59	
Robbins Auto	parts	6/16/2009	\$ 37.95	
Everett Prescott	wood bearings	10/16/2009	\$ 792.40	
Porland Rubber Co	generator belt	9/3/2010	\$ 5,822.00	
Cavallaro and Son	hauling	9/9/2011	\$ 1,792.00	
McMaster- Carr	prts	10/8/2009	\$ 696.50	
			\$ 9,250.44	\$ 9,250.44
				<u>\$ 205,802.57</u>