

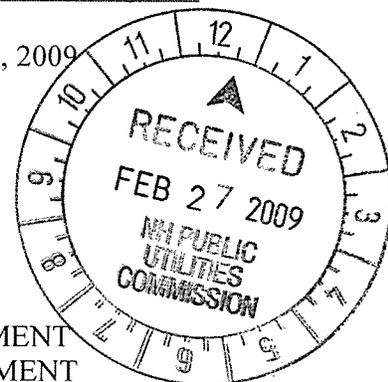
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February 23, 2009

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



PETITION FOR APPROVAL OF POWER PURCHASE AGREEMENT  
AND RENEWABLE ENERGY CERTIFICATE OPTION AGREEMENT  
BETWEEN PSNH AND LEMPSTER WIND, LLC

**DE 08-077**

Dear Ms. Howland:

I am writing to briefly reply to PSNH's Response to Freedom Energy Partners' Closing Statement submitted on February 19 in this proceeding.

**1. PSNH has no authority to enter into the Agreements without Commission authorization.**

In its Response, PSNH contends that "RSA 362-F:9 is entirely permissive..." and signifies nothing more than an "incentive to obtain a prudence finding from the Commission before entering into a long term agreement" with REC producers. In other words, PSNH is now contending that PSNH does not need Commission authorization to enter into the Agreements with Lempster.

PSNH's position in its Response is entirely at odds with its testimony during the proceeding. PSNH unequivocally testified that "[b]ecause the agreements have terms of 15 years, Commission approval of the arrangements is required under RSA 362-F:9." Exhibit 1 at 1. (Emphasis added.) Moreover, the commission has ruled that "RSA 362:F-9 allows electric distribution companies to enter into multi-year purchase agreements for RECs, subject to

Commission approval, as one method of obtaining the necessary certificates.” Order No. 24,839 (April 4, 2008) at 8. (Emphasis added.)

**2. REC’s purchased by PSNH pursuant to RSA 362-F:9,I may be used only to meet reasonably projected renewable portfolio requirements in New Hampshire, not sold off to other New England states.**

In its Response, PSNH completely misses the issue raised in Freedom Partners’ closing argument. The issue before the Commission is not whether PSNH needs an amount of REC’s equal to the amount to be produced by Lempster to meet its New Hampshire portfolio requirement. The point is that PSNH has declared that it will not use the Lempster REC’s to fulfill its New Hampshire portfolio requirement unless the value for the New Hampshire REC’s is greater than the corresponding REC value in Maine, Massachusetts, Connecticut, Rhode Island or Vermont.

RSA 362-F:9,I unambiguously requires that the Lempster REC’s be used to meet reasonably projected renewable portfolio requirements in New Hampshire, not sold off. “We first interpret legislative intent from the statute as written and will not consider what the legislature might have said or add language that the legislature did not see fit to include.” State v. Langill, 157 NH 77, 84 (2008) (citations omitted).

**3. During 2009, PSNH’s customers are likely to pay higher bills if the Commission authorizes PSNH to enter into the Lempster Agreements.**

PSNH appears to be indignant that evidence adduced through cross-examination of the PSNH witness leads to the conclusion that PSNH’s customers are likely to pay higher bills during 2009 if the Commission authorizes PSNH to enter into the Lempster Agreements. ( It is not necessary to mark as exhibits the documents used in the cross-examination of PSNH’s witness. The testimony itself is more than sufficient.)

This is an important circumstance for the Commission to be aware of, notwithstanding PSNH’s protestations. Taken by itself, however, this is not a basis for the Commission to reject the Lempster Agreements.

**4. Treatment of transmission costs.**

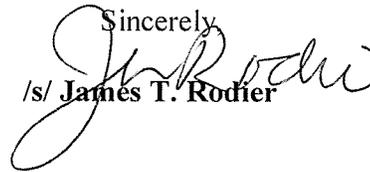
In its Response, PSNH points out that all generators in New England that connect to the New England transmission system at the PTF asset level can sell/deliver their output to any load or entity in New England without paying for additional transmission service. Based upon this

Response, Freedom Partners withdraws the comment on this point contained in its Closing Argument.

**5. In order to negotiate with PSNH, there should be no litmus tests and every developer should be treated objectively.**

It appears from PSNH's Response that it does not establish any pre-conditions for negotiations with third party developers of renewable energy resources and all are treated "evenly and fairly." On this basis, Freedom Partners withdraws the comment on this point contained in its Closing Argument.

Thank you for considering these reply comments. I have complied with the filing requirements set out in Puc 203.02.

Sincerely,  
  
/s/ James T. Rodier