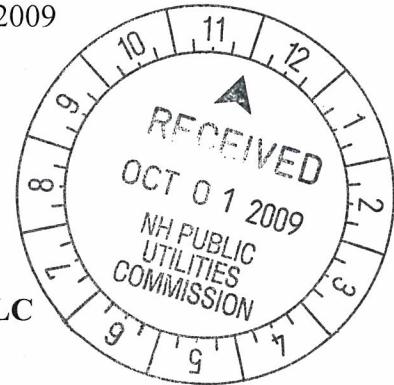


*Steam and Power Generation*

October 1, 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

**Re: COMPLAINT OF CLEAN POWER DEVELOPMENT, LLC  
AGAINST PUBLIC SERVICE OF NEW HAMPSHIRE  
Docket No. DE 09-067**



Dear Ms. Howland:

I am writing on behalf of Concord Steam Corporation to briefly respond to PSNH's letter to the Commission dated September 24, 2009.

PSNH states in its letter that it has ceased its review of Concord Steam's proposal without offering any reason other than the fact that I happen to also be an officer of CPD. This serves to bolster our contention that PSNH has no objective process for determining which renewable energy projects it is willing to talk to. PSNH has stopped consideration of the Concord Steam proposal without any apparent analysis as to whether the cost of the proposed renewable energy is cost effective. This action does not follow least cost planning for power costs.

Concord Steam is not affiliated with CPD in any way. Concord Steam is one of a few wood-fired district-heating plants in the world and has been in existence since 1938. It provides District Heating service to the downtown Concord, New Hampshire area. Concord Steam has been developing a wood-fired combined heat and power plant in Concord since 2007.

PSNH also has repeatedly represented to the Commission that "[t]here is no longer any obligation (other than PURPA) requiring PSNH (or any other utility) to purchase the output from any particular generating project." We have a different opinion.

The Public Utilities Regulatory Policies Act of 1978 ("PURPA")<sup>1</sup> entitles qualifying facilities ("QFs") to sell their output pursuant to legally enforceable obligations with rates based on avoided costs calculated at the time the obligation is incurred. The Federal Energy

<sup>1</sup> Pub. L. No. 95-617, 92 Stat. 3117, as amended, codified in relevant part at 16 U.S.C. §§ 796(17)-(18) & 824a-3.



Regulatory Commission's Rules in 18 C.F.R. § 292.304(d)(1) and (d)(2) provide every QF with two separate options to sell their output either: (1) "as the [QF] determines such energy to be available"; or (2) "pursuant to a legally enforceable obligation ... over a specified term." Section 292.304(d)(2) provides a further option for the QF that obligates itself to sell to the utility over a specified term to select rates for such purchases based on either: (i) avoided costs calculated at the time of delivery; or (ii) avoided costs calculated at the time the obligation is incurred (i.e. "forecast avoided cost pricing").

In 2005, Congress revised PURPA to allow certain electric utilities to be relieved of their purchase obligation only if they could meet certain requirements. We do not believe that PSNH has sought to be relieved of the foregoing PURPA purchase obligation pursuant to section 210(m) of the Public Utility Regulatory Policies Act of 1978(PURPA) and section 292.310 of the Commission's regulations. Accordingly, PSNH's PURPA purchase obligation continues.

Concord Steam respectfully requests the Commission to expeditiously take such enforcement action as may be lawful and equitable.

Sincerely,

A handwritten signature in black ink that reads "Peter Bloomfield". The signature is fluid and cursive, with "Peter" on top and "Bloomfield" below it.

Peter Bloomfield  
President