



April 30, 2009

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



Re: National Grid's Annual Long-Range Plans for Bulk Power Supply

Dear Ms. Howland:

Pursuant to RSA 162-H:17, PUC 309 and the Commission's guidelines, I have enclosed seven (7) copies of the annual report of National Grid setting forth long-range plans for bulk power supply facilities. The attached report covers the current plans of Granite State Electric Company d/b/a National Grid ("Granite State"), as well as New England Power Company ("NEP"), New England Electric Transmission Corporation and New England Hydro-Transmission Corporation (collectively, "National Grid"). In addition to the attached documentation, the narrative contained in this letter constitutes an integral part of our long-range report.

#### Form A – Load Forecast and Capability

Under the Commission's guidelines, Form A requests information relating to projections of system capability, generation additions, system purchases, sales to other systems, capacity requirements, total capability reserves, and load forecasts. Effective July 1, 1998, Granite State terminated its all-requirements power contract with its wholesale supplier, NEP, pursuant to the comprehensive restructuring settlement approved by the Commission in Docket No. DR 98-012. On September 1, 1998, NEP divested ownership of essentially all of its non-nuclear generating assets. In March 2001, NEP sold its minority interest in the Millstone No. 3 nuclear generating plant. On July 30, 2002, Vermont Yankee Nuclear Power Corporation, of which NEP was a stockholder, sold substantially all of the assets of the Corporation, including the Vermont Yankee Nuclear Power Station, to Entergy Nuclear Vermont Yankee, LLC. On November 1, 2002, NEP sold its minority interest in the Seabrook nuclear power station to FPL Energy Seabrook, LLC. Thus, NEP has effectively exited the power generation and supply business, and has become primarily a transmission utility.<sup>1</sup>

<sup>1</sup> As a result of the 2005 USGen New England, Inc. bankruptcy settlement, several power purchase agreements returned to NEP. Subsequently, one of those contracts has expired and another was terminated in 2007 in advance of the termination date. National Grid is continually evaluating options for buying out or otherwise transferring or terminating the remaining contracts. In addition, NEP sold its interest in Wyman IV in 2007.

Subsequent to divestiture, the obligation to meet the power supply needs of Granite State customers who do not directly contract with competitive suppliers was transferred to unaffiliated third-party suppliers. These third-party suppliers provide load-following, all-requirements service for those customers of Granite State that receive Default Service, and are responsible for assuring sufficient energy and capacity to serve those customers of Granite State. As a result of the restructuring and divestiture of generation within National Grid, NEP no longer retains its traditional electric supply obligation; rather, those responsibilities, including the supply, planning and development of generating assets necessary to serve the region's power needs, will be met by the competitive marketplace. Accordingly, NEP has no information to submit under Form A.<sup>2</sup>

#### Form B – Generation

National Grid does not anticipate developing any generation capacity installation of 30 megawatts or greater in New Hampshire in the next ten years.

#### Form C – Transmission

The construction of bulk power electric transmission facilities is coordinated through the Independent System Operator of New England's ("ISO-NE") regional system planning process. ISO-NE is responsible for taking a coordinated approach for transmission planning and the interconnection of generation capacity in cooperation with the Transmission Owners. National Grid is a Transmission Owner in New England, and currently has no plans to build new transmission lines in New Hampshire. As Form C requires, we would notify the Commission if additional installed capacity is needed to interconnect to the National Grid footprint.

Through the ISO-NE regional system planning process, National Grid is continuing to consider the Scobie-Tewksbury line. A projected in-service date for the 345 kV Scobie-Tewksbury line is still to be determined, and the line is considered to be conceptual project. ISO-NE is currently undertaking further analysis of the need for this line in conjunction with regional needs identified in the Northeastern Massachusetts and Greater Boston region.

Neither National Grid nor ISO-NE have yet identified any additional expansions for the New Hampshire area as part of this study.

Very truly yours,



Carol A. Sedewitz  
Director of Transmission Planning

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<sup>2</sup>This disclosure is consistent with the statutory exemption to the bulk power facilities reporting requirements. Under RSA 162-H:17, III, "[a]ny utility in whose portion of the state competition has been certified to exist pursuant to RSA 38:36 shall be exempt from the requirements of this section [162-H:17] with respect to electric generating plants." By letter dated May 1, 2001, the Chairman of the Commission made such certification with respect to Granite State.