

1 **Q. Please state your name and business address.**

2 A. My name is Mark Saltsman. My business address is 123 Pleasant Street,
3 Concord, New Hampshire.

4 **Q. Please summarize your professional and educational background.**

5 A. I am Vice President and General Manager of Concord Steam Corporation
6 ("Concord Steam" or the "Company"). I have been employed by Concord Steam
7 since 1991. I have a Bachelor of Science degree in Business Management from
8 Franklin Pierce College, Rindge, New Hampshire where I graduated Summa Cum
9 Laude and a member of the Alpha Sigma Lambda National Honor Society. My
10 educational achievements have been supplemented by additional coursework at
11 various technical schools in subjects directly related to operations and
12 maintenance of central heat plants and associated equipment. My professional
13 activities in the community include having served on the Concord School board
14 and the Governor's office of energy task force to study renewable energy credit
15 opportunities in thermal energy.

16 **Q. Please describe your role with regard to the negotiation of the special**
17 **contract with D. McLeod Florist, LLC ("McLeod") that is the subject of this**
18 **proceeding.**

19 A. I played the lead role on behalf of Concord Steam in negotiating the contract that
20 is being submitted to the Commission in this docket.

21 **Q. What is the purpose of your testimony?**

22 A. I will summarize the terms of and reasons for the Company's decision to enter
23 into a special contract with McLeod.

24 **Q. Please describe why Concord Steam is seeking a special contract with**

1 **McLeod.**

2 A. This Contract has been designed to meet the specific needs of the D. McLeod
3 Florist while at the same time providing benefits for Concord Steam and its other
4 customers. The parties agree that steam supply is a vital element to the D.
5 McLeod Florist mission, in that it is crucial to supply reliable heat from a
6 renewable resource that provides energy at stabilized pricing to the greenhouses.

7 **Q. Has Concord Steam ever provided steam service to McLeod in the past?**

8 A. No. McLeod will act as an entirely new load for Concord Steam

9 **Q. Please describe the terms of the contract between Concord Steam and**
10 **McLeod.**

11 A. A copy of the contract between Concord Steam and McLeod is attached to my
12 testimony as MS-1. Pursuant to this contract, McLeod has committed to remain a
13 customer of the Company for five years, beginning on October 6, 2010. McLeod
14 will pay a rate that is based on the current lowest tier base rate and the current
15 energy rate, as approved by the Commission. In addition, if there is any change to
16 the Company's lowest tier base rate, that new rate will be applied to McLeod's
17 payments under the contract. The contract assumes that McLeod's annual steam
18 usage will be 550 Mlbs/year.

19 **Q. Is this contract beneficial to the Company and in the public interest?**

20 A. Yes. As explained in the special circumstances statement attached to the front of
21 the contract, the inclusion of the D. McLeod Florist steam load is important to
22 Concord steam, because it adds to Concord Steam's annual steam sales. Thus,
23 this Contract enables the D. McLeod Florist to make use of a local renewable
24 energy source while reducing the pricing risks that are inherent with using fossil

1 fuels and also providing a regular revenue stream from the D. McLeod Florist to
2 Concord Steam for services provided. In turn, this will contribute significantly to
3 holding down rates for Concord Steam's other customers by aiding in spreading
4 the fixed cost over a wider base without additional investment in assets.

5 **Q. What happens if McLeod defaults under the contract?**

6 A. Pursuant to Section 5 of the contract, McLeod has agreed to pay all service
7 connection charges related to the restoration of steam service and associated costs
8 to supply steam service if its service is disconnected as a result of McLeod's
9 default under the contract. Further, McLeod would be obligated to repay Concord
10 Steam for any base rate discounts applied to its account if McLeod is in default of
11 the contract or is disconnected. This provision creates an incentive for McLeod to
12 remain in good standing and to avoid any disconnection of its steam service.

13 **Q. Did the company file a petition for approval of this special contract by the**
14 **NHPUC in a timely manner?**

15 A. No. Concord Steam originally had planned to petition the PUC prior to the
16 execution of the contract if it was going to be executed. Providing service to
17 McLeod was going to require an extension of the main steam line in order to have
18 steam available at McLeod. I had discussed with McLeod the option of having
19 McLeod pay for the cost of any necessary steam line extensions to service its
20 business in exchange for a special contract. The extension of the main steam line
21 was originally to be installed by Concord Steam, with Concord Steam paying for
22 the cost of the extension and McLeod's was to pay normal tariff rates for the
23 steam it used, therefore requiring no special contract. Subsequently McLeod
24 elected to pay the cost of the service in exchange for the special contract. As a

1 result of the last minute change, the company forgot to file a timely petition to the
2 NHPUC seeking approval of the special contract.

3 **Q. Does that complete your testimony?**

4 **A. Yes.**