

DE 02-087

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

Integrated Least Cost Transmission Plan for 2002

Order Approving 2002 Integrated Least Cost Transmission Plan

ORDER NO. 24,398

November 12, 2004

On April 30, 2002, Public Service Company of New Hampshire (PSNH) filed with the New Hampshire Public Utilities Commission (Commission), pursuant to RSA 378:38, its “2002 PSNH Integrated Least Cost Transmission Plan” (2002 ILCTP). RSA 378:38 requires each utility to file a least cost resource plan with the Commission at least biennially. PSNH also requested a waiver, pursuant to RSA 378:38-a, of the least cost plan filing requirements concerning generation. By Secretarial Letter dated July 14, 2004, the Commission granted, pursuant to RSA 378:38-a, a waiver of the generation-related provisions of RSA 378:38.

PSNH’s 2002 ILCTP was made at a time of increasing competition in the electric industry and numerous regulatory and structural changes at the state, regional and national level. The 2002 ILCTP incorporates significant changes from the 2000 ILCTP based on important changes occurring in transmission planning, operations and policies in New England including the development of a regional transmission expansion plan (RTEP) by the Independent System Operator – New England (ISO-NE) as ISO-NE assumed the responsibility for transmission planning in New England. On November 5, 2004, Staff submitted a review and recommendation regarding the 2002 ILCTP.

Staff’s review led to the conclusion that PSNH understood the changes that were occurring at the time of the 2002 ILCTP, such as the creation of RTEP by ISO-NE and the

effects that increasing competitive generation would have on siting and reliability. Staff concluded that PSNH had addressed those changes adequately and appropriately in this 2002 ILCTP. In particular, transmission planning, which historically had been a responsibility of PSNH for much of New Hampshire under a vertically integrated electric utility model, has been transferred to ISO-NE, which is now responsible for long-range system assessment of the New England transmission grid as well as the plans necessary to meet its reliability responsibilities.

ISO-NE issued its 2001 Regional Transmission Expansion Plan (RTEP01) on October 19, 2001. RTEP01 is intended to identify regional transmission problems and solicit possible solutions to those problems using a mix of market and traditional transmission projects. Those market solutions may include installation of new generation or distributed generation, implementation of demand-side management or use of merchant transmission. A number of ISO-NE transmission projects and studies affect PSNH and New Hampshire. They include voltage regulation on the Maine-New Hampshire 345 kV transmission line, enhancements on New Hampshire's 345 kV interfaces, improving import capability in southern and central New Hampshire and low voltage problems in the southeastern Vermont/Monadnock region.

We have reviewed the 2002 ILCTP and Staff's analysis of the filing. Significant changes have occurred at the regional and national level since the 2002 ILCTP filing, including the development of a comprehensive transmission planning process managed by ISO-NE. Inasmuch as PSNH has actively participated in the RTEP process and otherwise reasonably responded to and anticipated changes in the industry, we find that PSNH's planning process was adequate at the time it filed its 2002 ILCTP.

Based upon the foregoing, it is hereby

ORDERED, the filing demonstrated that PSNH's 2002 planning process was adequate.

By order of the Public Utilities Commission of New Hampshire this twelfth day of November, 2004.

Thomas B. Getz
Chairman

Graham J. Morrison
Commissioner

Attested by:

Kimberly Nolin Smith
Assistant Secretary