

STATE OF NEW HAMPSHIRE  
BEFORE THE  
PUBLIC UTILITIES COMMISSION

RE: CONCORD STEAM CORPORATION

DOCKET NO. DG 11-\_\_\_

**VERIFIED PETITION FOR APPROVAL OF SPECIAL CONTRACT  
WITH THE STATE OF NEW HAMPSHIRE**

Concord Steam Corporation ("Concord Steam" or the "Company") hereby petitions the Public Utilities Commission for authority, pursuant to RSA 378:18, to provide service to the State of New Hampshire pursuant to the terms of a contract entered into by Concord Steam and the State of New Hampshire as of June 1, 2011, a copy of which is attached as Exhibit A ("Special Contract"). In support of this Verified Petition, Concord Steam states as follows:

1. Concord Steam is engaged in business as a public utility providing steam service to approximately 110 commercial customers in the City of Concord. To ensure that it has a long term supply of steam at reasonable cost in order to be able to serve its customers at reasonable rates, Concord Steam has entered into a Steam Supply Agreement with Concord Power and Steam, LLC ("Concord Power"), an affiliate of Concord Steam. (The Steam Supply Agreement was previously the subject of Docket DG 08-107).

2. Concord Power is developing an 18 MW wood-fired electric generating unit (the "Unit") at 291 South Main Street, Concord, New Hampshire, which will be the source of the steam supply to be provided by Concord Power. Concord Power's ability to provide steam at wholesale to Concord Steam under the terms of the Steam Supply Agreement is dependent on Concord Power's ability to construct and operate the Unit. The financing needed by Concord Power in order to construct the Unit cannot be obtained unless the output of the Unit has been

fully or nearly fully subscribed. To date, Concord Power has entered into agreements to sell the output of approximately 73% of the Unit's capacity.

3. As the Commission is aware from DG 08-107, Concord Steam currently provides retail steam service from its plant located on Pleasant Street in Concord, New Hampshire. The Company leases the plant from the State of New Hampshire. The lease for the Pleasant Street location expired on August 31, 2010, and the Company has been operating under lease extensions since that date. In DG 08-107, the Company presented to the Commission its plan for the relocation of the Concord Steam plant in association with the development of the Concord Power facility. Under the proposed configuration, Concord Steam would continue to own and operate its current steam distribution system, and would make upgrades to interconnect the system to the Unit. Thus, the State's agreement to enter into this Special Contract provides the critical last piece which will allow Concord Power construct its new facility.

4. The State is Concord Steam's largest customer, taking steam supply from Concord Steam at multiple office space, facilities, and buildings currently owned or leased by the State in the City of Concord. The State desires to support the development of the Unit because it is expected to result in lower steam costs for the State and for all customers of Concord Steam than if the Unit were not constructed, and because construction and operation of the Unit will advance the State's environmental and energy policies related to renewable energy.

5. In exchange for receiving the benefits from the availability of steam to be purchased from Concord Power, the State is willing to commit to purchase its electric supply requirements from a supplier that obligates itself to purchase substantially all of the remaining net electrical output of the Unit. The State's willingness to enter into such an electric supply

arrangement, however, is dependent on Concord Steam's willingness to sell steam to the State at a negotiated rate that would apply to all of the State's accounts with Concord Steam.

6. Under the terms of the Special Contract, all of the State's accounts with Concord Steam would be consolidated under a single negotiated rate, and the State would remain a customer of Concord Steam for a term of ten (10) years with two additional five (5) year renewal options. See Exhibit A, Section 4.

7. The rate established by the Special Contract is sufficient to cover Concord Steam's marginal cost of providing service to the State and contribute a significant amount toward the Company's fixed costs as well. In addition, given that the State is Concord Steam's single largest customer, retention of the State's steam load is critically important to the Company and its ability to provide service to its other customers at reasonable rates.

WHEREFORE, Concord Steam Corporation respectfully requests that the Commission:

- A. Issue an Order *Nisi* approving the Special Contract; and
- B. Grant such other and further relief as may be just and reasonable.

Respectfully submitted,

CONCORD STEAM CORPORATION

By its Attorneys,

McLANE, GRAF, RAULERSON MIDDLETON,  
PROFESSIONAL ASSOCIATION

Date: June 10, 2011

By: 

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I, Peter Bloomfield, President of Concord Steam, being first duly sworn, hereby depose and say that I have read the forgoing Verified Petition, and the facts alleged therein are true to the best of my knowledge and belief.

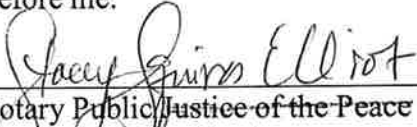
Dated: June 10, 2011

  
Name: Peter Bloomfield

STATE OF NEW HAMPSHIRE  
COUNTY OF MERRIMACK

Personally appeared the above-named Peter Bloomfield this 10<sup>th</sup> day of June, 2011, known to me (or satisfactory proven) to be the person whose name is subscribed to the foregoing instrument for the purposes therein contained.


Before me:

  
Notary Public/Justice of the Peace  
My Commission Expires \_\_\_\_\_

**STACEY SQUIRES ELLIOT**  
NOTARY PUBLIC - NEW HAMPSHIRE  
My Commission Expires January 24, 2012

Certificate of Service

I hereby certify that a copy of the foregoing Verified Petition has been forwarded this 10<sup>th</sup> day of June, 2011 to Meredith Hatfield, Esq., Consumer Advocate, and Michael Brown, Esq., Senior Assistant Attorney General.

  
Steven V. Camerino