

THE STATE OF NEW HAMPSHIRE

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March 4, 2014

Robert A. Bersak  
Assistant Secretary and Associate General Counsel  
Public Service Company of New Hampshire  
P.O. Box 330  
Manchester, NH 03105

Re: Northern Pass

Dear Mr. Bersak:

On August 2, 2013, Senator Jeanie Forrester filed a letter with the Commission inquiring into the relationship between Public Service Company of New Hampshire (PSNH) and Northern Pass Transmission LLC (Northern Pass). The Commission treated the letter as a complaint pursuant to RSA 365:1 and directed Commission Staff to conduct an investigation. On November 5, 2013, Steven E. Mullen, Assistant Director of the Electric Division filed a report of Staff's investigation. In response to questions posed by Staff regarding the relationship between PSNH and Northern Pass, PSNH stated that:

Northern Pass and PSNH are affiliated entities under the definition of 366:1, II and Rule Puc 2102.01. However, Northern Pass is not a "competitive affiliate" as defined in Rule Puc 2102.03, nor is it a "competitive energy affiliate" as defined in Rule Puc 2102.04. As a result, the following substantive portions of PUC chapter 2100 appear to apply to the relationship between PSNH and Northern Pass: 2103.01, 2103.02, 2105.01 and 2105.09.

In that report, Mr. Mullen opined that Northern Pass is a PSNH affiliate but not a "competitive affiliate" or "competitive energy affiliate." Mr. Mullen recognized that this issue might be viewed differently by others, and suggested that the Commission accept comment on the subject. No comments have been filed.

Based upon its review of Staff's November 5, 2013 report and the relevant law, the Commission has determined that Northern Pass is an affiliate of PSNH pursuant to RSA 366:1, II and Rule Puc 2102.01. The Commission has also determined that the issues of whether Northern Pass is a competitive

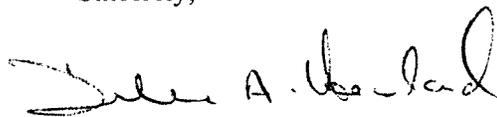
affiliate or competitive energy affiliate are not ripe for determination. Accordingly, the Commission has deferred decision on those issues.

Pursuant to RSA 366:3, PSNH is required to file with the Commission any affiliate contract or arrangement or a verified summary of any unwritten contract or arrangement, the consideration of which exceeds \$500. Staff reported that it requested that PSNH "...provide a written description of any agreements or other arrangements between PSNH and Northern Pass providing details of how the costs and any reimbursements are accounted for." Staff reported that PSNH provided the following answer to Staff's request:

There are no written agreements between PSNH and Northern Pass responsive to this question. RSA 366:3 does not require a continuing contract or arrangement between a public utility and an affiliate. All services provided by PSNH to any affiliated entity, whether as part of general operations (such as storm assistance) or for Northern Pass, is (sic) charged directly to the affiliate and no charges occur for these costs to the originating company.

The Commission views this answer to be only partially responsive to Staff's request and inadequate with regard to PSNH's responsibilities under RSA 366:3. Consequently, the Commission directs PSNH to file the original or a verified copy of any written contract or arrangement and of any modification thereof, or a verified summary of any unwritten contract or arrangement that it had, currently has, or enters into with Northern Pass, either directly or through affiliates, the consideration of which exceeds \$500. PSNH's filing shall describe or contain any contracts or arrangements whether continuing or completed, including but not limited to the furnishing of managerial, supervisory, construction, engineering, accounting, purchasing, financial, or any other services (including marketing, lobbying or legal), or any purchase from or sale to Northern Pass. PSNH is also directed to furnish originals, verified copies, or verified statements regarding the use or lease of real property interests to or from Northern Pass. For contracts, arrangements, or modifications thereof made prior to the date of this Secretarial Letter, PSNH shall complete its filing no later than March 17, 2014. For those made on or after the date of this Secretarial Letter, PSNH is directed to complete its filing within the 10 day period required by statute. If any document responsive to this request is already on file with the Commission, PSNH is directed to identify the document by name, and state the date and circumstances of filing.

Sincerely,

A handwritten signature in black ink, appearing to read "Debra A. Howland". The signature is fluid and cursive, with a large loop at the end.

Debra A. Howland  
Executive Director