



July 9, 2009

VIA HAND DELIVERY

The Honorable Kimberly D. Bose, Secretary
The Honorable Nathaniel J. Davis, Sr., Deputy Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

**Re: ISO New England Inc. and Bangor Hydro-Electric Company, Notice of
Cancellation of Original Service Agreement No. LGIA-ISONE/BHE-05-01
Under ISO New England Inc. Transmission, Markets and Services Tariff,
FERC Electric Tariff No. 3
Docket No. ER09- -000**

Dear Secretary Bose and Deputy Secretary Davis:

Pursuant to Section 205 of the Federal Power Act, 16 U.S.C. § 824d, and the Federal Energy Regulatory Commission (the "Commission" or "FERC") regulations, 18 C.F.R. § 35.3, ISO New England Inc. ("ISO") and Bangor Hydro-Electric Company ("BHE") (collectively, the "Filing Parties") hereby submit six (6) copies of this notice canceling the Standard Large Generator Interconnection Agreement¹ by and among ISO, BHE and Georgia Pacific Corporation ("Georgia Pacific"),² which had been designated as Original Service Agreement No. LGIA-ISONE/BHE-05-01 (the "Original Service Agreement") under the ISO Tariff.

¹ Capitalized terms used but not otherwise defined in this filing have the meaning ascribed thereto in the ISO's Transmission, Markets and Services Tariff, FERC Electric Tariff No. 3 ("ISO Tariff"). Section II of the Tariff is the Open Access Transmission Tariff ("ISO OATT"). The OATT contains Schedules 22 which sets forth the Standard Large Generator Interconnection Procedures and the Standard Large Generator Interconnection Agreement ("*pro forma* LGIA").

² Effective November 3, 2006, Red Shield Environmental, LLC ("Red Shield Environmental") became the owner and operator of the generating facility governed by the Original Service Agreement. Two years later, on
(continued...)

As discussed in more detail below, the ISO, BHE and Red Shield Acquisition (collectively, the “Parties”) have entered into a new, conforming Standard Large Interconnection Agreement, with an effective date of July 10, 2009 (the “New LGIA”), that supersedes the Original Service Agreement. Consequently, the Filing Parties are filing this notice to cancel the Original Service Agreement and respectfully requests the cancellation be effective as of **July 10, 2009**, to coincide with the effective date of the New LGIA.

I. BACKGROUND

On November 1, 2005, the Filing Parties filed the Original Service Agreement in Docket No. ER06-121-000. The Original Service Agreement governed the interconnection of Georgia Pacific’s generating facility to the Administered Transmission System. Georgia Pacific’s generating facility consisted of a sixteen (16) megawatt steam driven turbine generator supplied by a biomass boiler located at the Georgia Pacific Mill in Old Town, Maine (the “Generating Facility”). The Commission accepted the Original Service Agreement by letter order dated December 22, 2005, with an effective date of June 1, 2005.

On November 3, 2008, Red Shield Acquisition acquired the Generating Facility from Georgia Pacific’s successor, Red Shield Environmental. Red Shield Acquisition elected to increase the sixteen- (16) megawatt output of the Generating Facility by five (5) megawatts to account for eleven (11) hydro generating units that are tied to Red Shield Acquisition’s Generating Facility, its internal protection and electric system. The ISO determined that this increase in output constituted a new “Interconnection Request” under Schedule 22 of the ISO OATT, requiring a new three-party *pro forma* LGIA. Accordingly, the Parties have entered into the New LGIA, and have agreed to terminate the Original Service Agreement as of the effective date of the New LGIA.³

The New LGIA was issued on July 9, 2009, and has been designated as Original Service Agreement No. LGIA-ISONE/BHE-09-01 under the ISO Tariff. Because the New LGIA fully conforms to most recent Commission-approved *pro forma* LGIA set forth in Schedule 22 of the ISO OATT, the Filing Parties are not required to file the New LGIA with the Commission. *See*

(...continued)

November 3, 2008, Red Shield Acquisition LLC acquired the generating facility from Red Shield Environmental, becoming its owner and operator.

³ Although the Original Service Agreement was a three-party Standard Large Generator Interconnection Agreement, the Original Service Agreement did not fully conform to the then-effective *pro forma* LGIA. *See* ISO New England Inc. and Bangor Hydro Original Service Agreement No. LGIA-ISONE/BH-05-01 under Schedule 22 of ISO New England Inc.’s Transmission, Markets and Services Tariff, FERC Electric Tariff No. 3, Transmittal Letter at 3-4; Docket No. ER06-121-000 (Nov. 1, 2005).

The Honorable Kimberly D. Bose
The Honorable Nathaniel J. Davis
July 9, 2009
Page 3 of 7

18 C.F.R. § 35.1(g). The ISO, in coordination with BHE, will report the required contract data in its next Electric Quarterly Report to be submitted to the Commission.

II. CONTENTS OF THIS FILING

1. This transmittal letter; and
2. Revised Tariff Sheet to the Original Service Agreement under the ISO Tariff (Attachment A).

III. EFFECTIVE DATE

The Filing Parties respectfully request acceptance of this filing by the Commission with an effective date of **July 10, 2009**. The Filing Parties respectfully request any waivers of the Commission's regulations, including but not limited to 18 C.F.R. §§ 35.3, 35.11, and 35.15, that may be necessary to permit such an effective date.

Such a waiver will have no adverse effect on Red Shield Acquisition, which has executed the New LGIA and consents to this filing. The Commission has granted waiver when "all affected parties have had sufficient notice that [the] change will be incorporated into the [Tariff]."⁴ This filing and the requested effective date have the support of Red Shield Acquisition; thus, granting the requested waiver will not be prejudicial. Further, such waiver is necessary in order to ensure that termination of the Original Service Agreement coincides with effective date of the New LGIA. Therefore, the Filing Parties respectfully submit that good cause exists to grant waiver of the 60-day prior notice requirement pursuant to 18 C.F.R. § 35.11. To the extent the Commission finds otherwise, the Filing Parties respectfully request as early an effective date as the Commission may allow.

⁴ California Independent System Operator Corp., 111 FERC ¶ 61,073 at P 26 (2005).

IV. COMMUNICATION

All correspondence and communications concerning this filing should be sent to the following persons, who should be added to the official service list, at the addresses shown:

For the ISO:

Monica Gonzalez, Esq.
Regulatory Counsel
ISO New England Inc.
One Sullivan Road
Holyoke, MA 01040

Daniel R. Simon, Esq.
Ballard Spahr Andrews & Ingersoll, LLP
601 13th Street NW
Suite 1000 South
Washington, DC 20005-3807

For BHE:

Jeffrey A. Jones
Manager of Transmission Services
Bangor Hydro-Electric Company
P.O. Box 932
Bangor, ME 04402-0932
(207) 973-2899
(207) 973-2980 (fax)

Karen M. Redford
Vice President of Legal and Regulatory
Affairs
Bangor Hydro Electric Company
970 Illinois Avenue
Bangor, ME 04401
(207) 973-2819
(207) 973-2980 (fax)

The Filing Parties have sent a copy of this filing to the following Red Shield representatives:

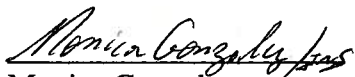
Kevin R. Paradis
Maintenance Manager
Red Shield Acquisition LLC
24 Portland St.
P.O. Box 564
Old Town, ME. 04468
(207) 827-0626
(207) 827-8260 (fax)
kevin.paradis@redshieldenv.com

The Honorable Kimberly D. Bose
The Honorable Nathaniel J. Davis
July 9, 2009
Page 5 of 7

V. CONCLUSION

For the foregoing reasons, the Filing Parties respectfully request that the Commission accept this filing, without modification or condition, with an effective date of July 10, 2009, and grant any waivers it deems appropriate.

Respectfully submitted,



Monica Gonzalez
Regulatory Counsel
ISO New England, Inc.
One Sullivan Road
Holyoke, MA 01040
(413) 535-4178
(413) 535-4379
mgonzalez@iso-ne.com

Counsel for ISO New England Inc.



Karen M. Redford
Vice President of Legal and Regulatory Affairs
Bangor Hydro Electric Company
970 Illinois Avenue
Bangor, ME 04401
(207) 973-2819
(207) 973-2980 (fax)
kredford@bhe.com

Counsel for Bangor Hydro-Electric Company

ATTACHMENT A

**REVISED TARIFF SHEET TO ORIGINAL SERVICE AGREEMENT NO.
LGIA/ISONE-BHE-05-01 UNDER THE ISO TARIFF**

NOTICE OF CANCELLATION

CANCELS

ORIGINAL SERVICE AGREEMENT NO. LGIA-ISONE/BHE-05-01

ISO NEW ENGLAND INC.

**(Originally filed under Schedule 22 of the ISO New England Inc.'s
Transmission, Markets and Services Tariff,
FERC Electric Tariff No. 3)**

Issued by: Raymond W. Hepper
Vice President and General Counsel
Issued on: July 9, 2009

Effective: July 10, 2009