



Stephen J. Rourke  
Vice President, System Planning

April 13, 2010

Mr. Robert J. Russo  
Transmission Planning Department  
Northeast Utilities Service Company  
107 Selden Street  
Berlin, CT 06037-1651

**Re: NU-06-TCA-02 Rev-1: Request for Revision to Pool-Supported PTF Cost Treatment for the Stepstone Substation Project; ISO New England Written Finding and Determination**

Dear Mr. Russo:

This letter is being sent in accordance with Section 2 of Schedule 12C of Part II of the ISO New England Inc. ("ISO") Transmission, Markets and Services Tariff (the "Tariff") and ISO Planning Procedure No. 4 ("PP4").<sup>1</sup>

On September 30, 2009, Northeast Utilities Service Company ("NU") filed an updated Transmission Cost Allocation ("TCA") application pursuant to Schedule 12C of the ISO Tariff. The TCA application requested a \$1,615,716 increase in Pool-Supported Pool Transmission Facility ("PTF") costs associated with the installation of a terminal structure, a 115 kV circuit breaker, associated disconnects, circuit switchers, wave traps and other equipment associated with the new 115/23 kV Stepstone Substation to serve a new 60 MVA, 115/23 kV distribution transformer. This additional review under Schedule 12C was conducted because the actual project costs were exceeded by more than 10% the original estimated costs previously approved by the ISO as Pool-Supported PTF costs.

On October 20, 2009, the Reliability Committee ("RC") reviewed the updated TCA application and recommended that the ISO include the additional \$1,615,716 for a total project cost of \$6,082,044 as Pool-Supported PTF costs.

Section 2 of Schedule 12C of Part II of the ISO Tariff provides that "If the costs associated with a Transmission Upgrade exceed the estimated Pool-Supported PTF costs determined in the original Localized Costs review by ten percent ... then the applicant for Pool-Supported

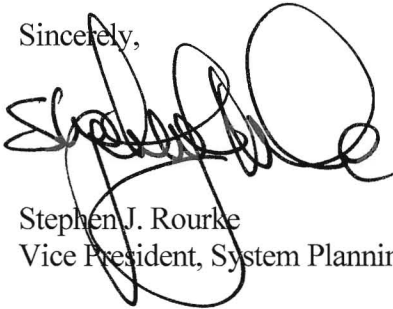
---

<sup>1</sup> Capitalized terms not defined in this letter have the meanings ascribed thereto in the ISO Tariff.

Mr. Robert J. Russo  
April 13, 2010  
Page 2 of 2

PTF costs shall be required to submit its Transmission Upgrade again to a review by the ISO to determine if any of the incremental costs ... are Localized Costs.” In the case of NU’s request, the cost increase was due to increases in engineering and materials, as well as the need for large amounts of rock removal and the installation of a well system. The ISO reviewed the details of the cost increases as submitted in the revised TCA application and RC presentations. Consequently, the ISO has not identified Localized Costs among any of the incremental costs represented by the \$1,615,756 increase. Therefore, the ISO concurs with the RC’s vote in favor of including the additional \$1,615,756 as Pool-Supported PTF costs.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen J. Rourke", written over a large, stylized circular scribble.

Stephen J. Rourke  
Vice President, System Planning

cc: TCApps  
Reliability Committee