



Stephen J. Rourke
Vice President, System Planning

July 20, 2010

Mr. James P. DiLuca
Transmission Planning Department
Northeast Utilities Service Company
107 Selden Street
Berlin, CT 06037

Mr. Mark A. Stevens
New England Power
40 Sylvan Rd.
Waltham, MA 02451

Re: TCA Application NU-09-TCA-02/NEP-09-TCA-03 dated December 1, 2009

Dear Messrs. DiLuca and Stevens:

ISO New England Inc. ("ISO-NE") is reviewing the subject Transmission Cost Allocation ("TCA") applications for the Monadnock Region Project (the "Project") submitted by Northeast Utilities System and New England Power ("NU" and "NEP" respectively). To assist us in completing our review, please provide ISO-NE the following additional clarifications:

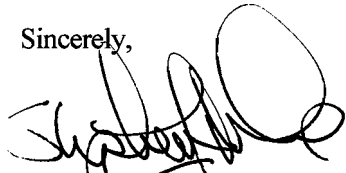
1. Explain how the Project will fit within the 10-year, two-phase study of the New Hampshire areas that is outlined in the 2009 Regional System Plan.
2. The 2003 cost estimate for the Project was approximately \$34M. Explain the estimation methodology for determining the original estimate and the differences, if any, in which the 2009 estimate was determined.
3. At the December 15, 2009 Reliability Committee ("RC") meeting, it was reported that there were approximately \$20 million in scope changes for the Project. Describe these scope changes and provide a cost breakdown for them using the Project Cost Estimation Sheet that is found in Attachment D of Planning Procedure No. 4 ("PP4"). Cite any instances, as associated cost, where facilities were replaced due to age/condition of the asset rather than a requirement of the Project.
4. The alternatives that were presented are in 2003 dollars while the Project is shown in actual cost (2009 dollars). PP4 states *"All dollar amounts shall be expressed in year of expenditure dollars and based on the project anticipated schedule. Escalation shall be included and be clearly identified with the assumption stated (escalation rate applied to the project). Alternatives and preferred Project shall be stated in the same valuation year."* In order to compare the alternatives to the preferred project, please provide costs estimates that are in the same year as the Project. Specifically, provide a detailed narrative explaining how the costs of the Project and alternatives had changed from 2003 to 2009.

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5. Slide 13 of the December 15, 2009 RC presentation states "Estimate done prior to 2005." Provide an explanation of the significance of this date, specifically addressing if new cost estimates were prepared in 2005, why they were prepared and with whom they were shared.
6. Provide a one-line for the Fitzwilliam 345/115 kV Substation illustrating the configuration after the completion of the Project. Also, provide pictures of the new substation and associated buildings.
7. While not an objective on the Project, cite any significant changes in the East-West transfer limits in association with the Project.

ISO-NE would appreciate a response to these questions within 30 calendar days, as the requested information will facilitate our rendering a final determination under Schedule 12C of the ISO-NE Tariff. If you have any further questions about this matter, please do not hesitate to contact Michael Drzewianowski at 413.540.4419 or via e-mail at mdrzewianowski@iso-ne.com.

Sincerely,



Stephen J. Rourke
Vice President, System Planning

cc: TCApps
Reliability Committee