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PUBLIC UTILITIES COMMISSION
242 State Street, State House Station 18
Augusta, Maine 04333

July 14, 2006

Stephen G. Whitley, Senior Vice President
and Chief Operating Officer
ISO New England
One Sullivan Road
Holyoke M 01040-2841

Re: TCA Application #NU-04-TCA-04 Draft Determination Letter

Dear Mr. Whitley

The Maine PUC commends ISO New England for its in-depth, principled and comprehensive analysis of NU's TCA application. We support the ISO's analysis and its determination of localized costs. Specifically, we believe that ISO has correctly interpreted and applied the relevant provisions of Schedule 12C and Planning Procedure Four (PP4).

We support the right of any state or locality to impose design criteria on a project to increase local acceptance of it. However, ISO-NE has properly followed the letter and spirit of the tariff provisions and the planning procedure adopted by ISO-NE to implement the tariff in ensuring that the costs of measures that are not necessary from an engineering perspective are not shouldered by ratepayers in the other states.

We note that an addition error exists in Table 1. The \$4.0 million cost for the shunt reactor and associated equipment did not get included in the column G total. Inclusion of this cost will reduce the regional cost share to \$233.3 million.

We are authorized to convey that the Rhode Island Public Utilities Commission, the New Hampshire Public Utilities Commission, the Vermont Public Service Board and the Vermont Department of Public Service all are in agreement with this letter.

Sincerely,

Kurt Adams, Chairman

Sharon Reishus, Commissioner

