



January 30, 2018

VIA ELECTRONIC FILING

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

**Re: ISO New England Inc. and Eversource Energy Service Company – Original Service Agreement under Schedule 21-ES of ISO New England Inc.’s Open Access Transmission Tariff
Docket No. ER18-____-000**

Dear Secretary Bose:

Pursuant to Section 205 of the Federal Power Act (“FPA”)¹ and Part 35 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission² (the “Commission”), ISO New England Inc. (the “ISO”)³ and Public Service Company of New Hampshire (“PSNH”), by its agent Eversource Energy Service Company (“Eversource”) (together, the “Filing Parties”) hereby submit for filing a fully executed non-conforming Local Service Agreement (“LSA”) by and among Eversource, Vermont Electric Cooperative, Inc. (“VEC”), and the ISO for Non-Firm Local Point-To-Point Service under Schedule 21-ES of the ISO’s OATT.⁴

The LSA is based on the form agreement contained in Schedule 21-Common of the ISO’s OATT. While the LSA does not reflect revisions to the form agreement contained in Schedule 21-Common, its filing is warranted because it contains certain non-conforming provisions in order to reflect a long-standing agreement between Eversource and VEC to provide each other back-up transmission service to one another. The LSA is executed by all Parties and contains rate provisions that are mutually satisfactory to them. The Filing Parties, with VEC’s

¹ 16 U.S.C. § 824d (2006).

² 18 C.F.R. Part 35 (2011).

³ Eversource, and not ISO, has the FPA section 205 rights over Schedule 21-ES of the ISO Open Access Transmission Tariff (“OATT”), pursuant to which Eversource offers and administers Local Service. ISO does not offer or administer Local Service. ISO joins this filing solely to fulfill its obligations to file non-conforming Local Service Agreements on behalf of the applicable Participating Transmission Owner (“PTO”), in accordance with Article 3.03(d)(ii) of the Transmission Operating Agreement (“TOA”) between the ISO and the PTOs. *See ISO New England Inc.*, 124 FERC ¶ 61,297 (2008).

⁴ The LSA is filed under Schedule 21-Common of the OATT that applies to Local Service provided by New England utilities and Schedule 21-ES of the OATT that applies to the provision of Local Service by PSNH and certain of its other transmission owning affiliates. The LSA has been designated as Service Agreement No. TSA-PSNH-001 under Schedule 21-ES of the OATT.

concurrence, respectfully ask the Commission to accept the LSA for filing and grant a **January 1, 2018** effective date, which is less than 30 days before the date of this filing.

1. The Filing Parties

a. ISO

The ISO is the private, non-profit entity that serves as the regional transmission organization (“RTO”) for New England. The ISO plans and operates the New England bulk power system and administers New England’s organized wholesale electricity market pursuant to the ISO’s Transmission, Markets and Services Tariff (“Tariff”) and the TOA with its member PTOs. In its capacity as an RTO, the ISO has the responsibility to protect the short-term reliability of the New England Control Area and to operate the system according to reliability standards established by the Northeast Power Coordinating Council and the North American Electric Reliability Corporation.

b. Eversource

Eversource, on behalf of its subsidiary PSNH, is engaged primarily in the transmission and distribution of electricity to retail and wholesale electric service customers in New Hampshire. PSNH owns “pool transmission facilities” or “PTF,” access to which and the rates for which are subject to the OATT. Eversource, on behalf of PSNH and certain of its transmission owning affiliates,⁵ also offers non-discriminatory Local Service over non-PTF facilities pursuant to the aforesaid Schedule 21-Common and Schedule 21-ES.

2. Background and Agreement

Under the terms of an August 2, 1990 letter agreement (“Agreement”) accepted by the Commission,⁶ PSNH provided standby or “backup” transmission service to VEC at a mutually agreed upon rate. The parties anticipated that, at some point in the future, VEC’s system also would be capable of providing standby assistance to PSNH. Thus, the Agreement also required that, at such time when VEC (formerly Citizens Utilities Company) could provide essentially the same support services to PSNH, the parties would enter into an interconnection agreement.⁷ In such circumstance, the Agreement requires that “neither Citizens nor PSNH will bill each other for providing backup services.”⁸

⁵ Local Service under Schedule 21-ES is offered by Eversource on behalf of PSNH, The Connecticut Light and Power Company, and NSTAR Electric Company (West), which acquired through merger the transmission assets of Western Massachusetts Electric Company.

⁶ PSNH FERC Electric Rate Schedule No. 178, FERC Docket No. ER94-662-000 (Letter order Nov. 14, 1994).

⁷ *See id.* at Section 5 (“Once Citizens has completed the construction of three-phase service to support its interconnections with PSNH and can demonstrate to PSNH’s satisfaction that it can provide essentially the same support services to PSNH as PSNH can provide to Citizens, within 120 days Citizens and PSNH shall enter into an interconnection agreement.”).

⁸ *Id.* (“Thereafter, for the term of the interconnection agreement, neither Citizens nor PSNH will bill each other for providing backup service.”)

The parties have now ascertained that VEC's system is capable of supplying backup assistance to PSNH under certain conditions. To implement the Agreement, the Filing Parties and VEC determined that an interconnection agreement is no longer the appropriate form of arrangement to provide this service, but non-firm point to point transmission service under Schedule 21 would provide the negotiated mutual backup assistance. PSNH has entered into the LSA with VEC and the ISO reflecting no charge for back-up service. *See* LSA, Part III.4.j. Additionally, VEC will file a Local Service Agreement among the same parties with mutual terms. Eversource commits to publish the discounted rates for this service at the agreed upon delivery points on its OASIS.

3. Miscellaneous

The Filing Parties, with VEC's concurrence, request waiver of any provisions of the Commission's regulations, in particular, Sections 35.12 and 35.13, 18 C.F.R. §§ 35.12 and 35.13, that may be needed in order for the Commission to accept the LSA for filing and allow it to become effective as of the date requested above, without suspension or refund obligation. This filing includes no expenses or costs that have been alleged or judged in any administrative proceeding to be illegal, duplicative, or unnecessary costs that are demonstrably the product of discriminatory employment practices as defined in 18 C.F.R. §35.13(b)(7). This filing has been sent to VEC.

This filing includes following:

- This transmittal letter; and,
- The LSA as executed by the ISO, Eversource and VEC

All correspondence and communications in this proceeding should be addressed to the undersigned for the **ISO** as follows:

Monica Gonzalez
Senior Regulatory Counsel
ISO New England Inc.
One Sullivan Road
Holyoke, MA 01040
Tel: (413) 535-4000
Fax: (413) 535-4379
E-mail: mgonzalez@iso-ne.com

And to **Eversource** as follows:

Lisa B. Luftig, Esq.
Eversource Energy
107 Selden Street
Berlin, CT 06037
Tel: (860) 665-3394
E-mail: lisa.luftig@eversource.com

4. Conclusion

For the foregoing reasons, the Filing Parties respectfully request that the Commission accept the LSA for filing, without suspension or refund requirements, and grant an effective date of **January 1, 2018**.

Respectfully submitted,

ISO NEW ENGLAND INC.

By: Monica Gonzalez
Monica Gonzalez
Senior Regulatory Counsel
ISO New England Inc.
One Sullivan Road
Holyoke, MA 01040
Tel: (413) 535-4000
Fax: (413) 535-4379
E-mail: mgonzalez@iso-ne.com

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE, by its agent

EVERSOURCE ENERGY SERVICE COMPANY

By: Lisa B. Luftig
Lisa B. Luftig
Senior Counsel
Eversource Energy Service Company
107 Selden Street
Berlin, CT 06037
Tel: (860) 665-3394
Fax: (860) 665-5504

Attachment

ISO New England Inc. Transmission, Markets and Services Tariff

LOCAL SERVICE AGREEMENT

BY AND AMONG

ISO NEW ENGLAND INC.

AND

VERMONT ELECTRIC COOPERATIVE, INC.

AND

EVERSOURCE ENERGY SERVICE COMPANY

SCHEDULE 21
ATTACHMENT A
LOCAL SERVICE AGREEMENT

This LOCAL SERVICE AGREEMENT, dated as of Jan 3 201⁸, is entered into, by and between Eversource Energy Service Company, ("ES"), a corporation organized and existing under the laws of the State of Connecticut ("Transmission Owner"), Vermont Electric Cooperative, Inc a company organized and existing under the laws of the State of Vermont ("Transmission Customer") and ISO New England Inc., a non-stock corporation organized and existing under the laws of the State of Delaware ("ISO"). Under this Agreement the Transmission Owner, Transmission Customer and the ISO each may be referred to as a "Party" or collectively as the "Parties."

PART I – General Terms and Conditions

1. Service Provided (Check applicable):

- Local Network Service
- Local Point-To-Point Service
 - Firm
 - Non-Firm

Regional Network Service customers must take either Local Network Service or Local Point-To-Point Service.

- 2. The Transmission Customer is an Eligible Customer under the Tariff and is a party to either a Market Participant Service Agreement or a Transmission Service Agreement.
- 3. The Transmission Customer has submitted a Completed Application and the required deposit, if applicable, for service under this Local Service Agreement and the Tariff.
- 4. The Transmission Customer agrees to supply information to the Transmission Owner that the Transmission Owner deems reasonably necessary in accordance with Schedule 21 and Good Utility Practice in order for it to receive the requested service.
- 5. The Transmission Owner agrees to provide and the Transmission Customer agrees to take and pay for service in accordance with the provisions of the Tariff and this Local Service Agreement.

6. Service may be subject to some combination of the charges detailed in Schedule 21 of the OATT. The appropriate charges will be determined in accordance with the terms and conditions of Schedule 21.

7. Any notice or request made to or by either party regarding this Local Service Agreement shall be made to the representative of the other party as indicated below.

Transmission Customer:

Vermont Electric Cooperative, Inc.
Attn: Katie L Orost
42 Wescom Road
Johnson, VT 05656

Transmission Owner:

Nancy Richardson, Analyst Transmission Interconnections and Services
56 Prospect Street
Hartford, CT 06103
Telephone: 860-728-4519
Email: Nancy.richardson@eversource.com

The ISO:

Cheryl Ruell
Manager, Transmission Services
ISO New England Inc.
1 Sullivan Road
Holyoke, MA 01040
Tel: 413-540-4219
Email: cruell@iso-ne.com

8. The ISO New England Inc. Transmission, Markets and Services Tariff (the "Tariff") is incorporated herein and made a part hereof. Capitalized terms used in this Local Service Agreement shall have the meanings ascribed in the Tariff.

9. Nothing contained in this Local Service Agreement shall be construed as affecting in any way the right of the Transmission Owner to file with the Commission under Section 205 of the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder for a change in any rates, terms and conditions of this Local Service Agreement. Nothing contained in this Local Service Agreement shall be construed as affecting in any way the ability of the

Transmission Customer to file with the Commission under Section 206 of the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder for a change in any rates, terms and conditions of this Local Service Agreement.

10. Nothing contained in this Local Service Agreement shall be construed as affecting or enlarging, in whole or in part, the limited responsibility of the ISO under the Transmission Operating Agreement ("TOA") to coordinate the Transmission Owner's provision of Local Service and to determine whether the provision of Local Service would have an impact on facilities used for the provision of Regional Transmission Service.

PART II – Local Network Service

1. The Transmission Customer has been determined by the Transmission Owner and the ISO to have a Completed Application for Local Network Service under the Tariff.
2. Service shall commence on the later of: (1) _____, or (2) the date on which construction of all interconnection equipment, any Direct Assignment Facilities and/or facility or Local Network Upgrades are completed, or (3) such other date as it is permitted to become effective by the Commission. Service shall terminate on _____.
3. Specifications for Local Network Service.
 - a. Term of Service:
 - b. List of Network Resources and Point(s) of Receipt:
 - c. Description of capacity and energy to be transmitted:
 - d. Description of Local Network Load:
 - e. List of Point(s) of Delivery and metering point(s) when they differ from Point(s) of Delivery:
 - f. List of non-Network Resource(s), to the extent known:

g. Ancillary Services requested or proof of satisfactory arrangements for Ancillary Services:

h. Identity of Designated Agent:

Authority of Designated Agent:

Term of Designated Agent's authority:

Division of responsibilities and obligations between Transmission
Customer and Designated Agent:

i. Interconnection facilities and associated equipment:

j. Project name:

k. Interconnecting Transmission Customer:

l. Location:

m. Transformer nameplate rating:

n. Interconnection point:

o. Additional facilities and/or associated equipment:

p. Service under this Local Service Agreement shall be subject to the following charges:

-

q. Additional terms and conditions:

4. Planned work schedule.

Estimated Time

Milestone

(Activity)

Period For Completion

(# of months)

5. Payment schedule and costs.

(Study grade estimate, +__% accuracy, year \$s)

Milestone	Amount (\$)
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6. Policy and practices for protection requirements for new or modified load interconnections.

7. Insurance requirements.

PART III – Local Point-To-Point Service

1. The Transmission Customer has been determined by the Transmission Owner and the ISO to have a Completed Application for Local Point-To-Point Service under the Tariff.

2. Service shall commence on the later of: (1) 01/01/2018, or (2) the date on which construction of any Direct Assignment Facilities and/or Local Network Upgrades are completed, or (3) such other date as it is permitted to become effective by the Commission. Service shall terminate upon delivering written notice to ISO and Transmission Owner of its intent to terminate at least 60-days prior to its proposed termination date.

3. Non-firm Local Point-To-Point Service shall be provided by the Transmission Owner upon request by an authorized representative of the Transmission Customer.

4. Specifications for Local Point-To-Point Service.

a. Term of Transaction: See Item 2 above.

b. Description of capacity and energy to be transmitted by the Transmission Owner including the electric Control Area in which the transaction originates:
This is for delivery of backup service only.

c. Point(s) of Receipt: PSNH and VEC:

- West Stewartown NH/Canaan-Beecher Falls VT
- North Stratford NH/Bloomfield VT
- Northumberland NH/Guildhall VT

- d. Delivering Party: PSNH

- e. Point(s) of Delivery: PSNH and VEC:
 - West Stewartown NH/Canaan-Beecher Falls VT
 - North Stratford NH/Bloomfield VT
 - Northumberland NH/Guildhall VT

- f. Receiving Party: VEC

- g. Maximum amount of capacity and energy to be transmitted (Reserved Capacity): N/A

- h. Designation of party(ies) subject to reciprocal service obligation: N/A

- i. Name(s) of any intervening Control Areas providing transmission service: N/A

- j. Service under this Local Service Agreement shall be subject to the following charges: No charge for this back-up service, as per subsection r. below.

- k. Interconnection facilities and associated equipment: N/A

- l. Project name: N/A

- m. Interconnecting Transmission Customer: VEC

- n. Location: VT

- o. Transformer nameplate rating: NA

- p. Interconnection point: N/A

- q. Additional facilities and/or associated equipment: N/A

- r. Additional terms and conditions:

- This Agreement is associated with, and consistent with, the terms of back-up service provided for in an Agreement between Northeast Utilities Service Company, on behalf of PSNH, and Citizens Utilities (now VEC) in 1990, and accepted by FERC in Docket No. ER94-662 on November 14, 1994 as PSNH FERC Electric Rate Schedule No. 178.

5. Planned work schedule. N/A

Estimated Time

Milestone

(Activity)

Period For Completion

(# of months)

6. Payment schedule and costs. N/A

(Study grade estimate, +___% accuracy, year \$s)

Milestone

Amount (\$)

7. Policy and practices for protection requirements for new or modified load interconnections. N/A

8. Insurance requirements. N/A

IN WITNESS WHEREOF, the Parties have caused this Local Service Agreement to be executed by their respective authorized officials.

Transmission Customer:

By: _____ Date _____
Michael Bursell
CFO - VEC

Transmission Owner:

By: Paul Ramsey Date December 28, 2017
Paul Ramsey
VP Operations - Eversource

The ISO:

By: Stephen J. Rourke Date 1/3/2018
Stephen J. Rourke
VP System Planning

IN WITNESS WHEREOF, the Parties have caused this Local Service Agreement to be executed by their respective authorized officials.

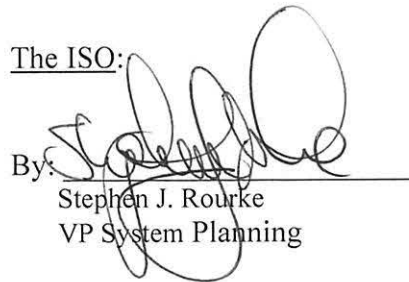
Transmission Customer:

By:  _____ Date 12/28/17
Michael Bursell
CFO - VEC

Transmission Owner:

By: _____ Date _____
Paul Ramsey
VP Operations - Eversource

The ISO:

By:  _____ Date 1/3/2018
Stephen J. Rourke
VP System Planning