

CONNECTICUT
MUNICIPAL ELECTRIC
ENERGY COOPERATIVE

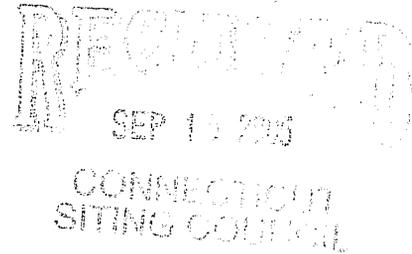


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September 15, 2005

Mr. S. Derek Phelps
Executive Director
Connecticut Siting Council
Ten Franklin Square
New Britain, CT 06051

Ms. Louise E. Rickard
Acting Executive Director
Department of Public Utility Control
Ten Franklin Square
New Britain, CT 06051



Dear Mr. Phelps/Ms Rickard:

The Connecticut Municipal Electric Energy Cooperative (CMEEC) herewith submits an original copy to the Connecticut Siting Council and one copy to the Department of Public Utility Control of responses to the late file exhibits concerning the LICAP presentation made by Maurice Scully, Executive Director on September 1, 2005 and CMEEC's recommendations for improvements in the procedures for review and adoption of the annual forecast electric demand and supply by the Connecticut Siting Council. Both responses are in conjunction with Docket No. F-2005 Connecticut Siting Council Review of Connecticut Electric Loads and Resources.

Should you require any additional information, please advise us.

Very truly yours,

CONNECTICUT MUNICIPAL ELECTRIC
ENERGY COOPERATIVE

A handwritten signature in black ink that reads "Charles J. Carpinella". The signature is written in a cursive style with a large initial "C".

Charles J Carpinella
Load & Generation Analyst

CJC/

Enclosures

* Due the bulk nature of the material requested, the Siting Council and the Department of Public Utility Control are being provided one copy of the enclosed material.

Serving Public Power in Connecticut

Groton
Utilities

Jewett City
Dept. of Public Utilities

Norwich Public
Utilities

Norwalk Third Taxing
District Electrical
Department

South Norwalk
Electric and Water

Town of Wallingford
Department of Public
Utilities

Connecticut Siting Council
2005 Electric Supply and Demand Forecast Proceeding
Docket F-2005
September 15, 2005

Response of the Connecticut Municipal Electric Energy Cooperative (“CMEEC”) to Data Request of the Connecticut Energy Advisory Board (“CEAB”).

During the hearing held on September 1, 2005 by the Connecticut Siting Council, Attorney H. Salgo, of La Capra Associates on behalf of the CEAB requested that CMEEC provide the workpapers supporting its estimates of the future cost of locational installed capacity (“LICAP”).

Attached are the requested workpapers, estimating the costs of LICAP for CMEEC. Three attachments (in excel format) are provided:

1. Attachment A. Estimating the “net” cost of LICAP with ISO-NE’s initial projections of objective capability (for the years 2006-2010).
2. Attachment B. Estimating the “net” cost of LICAP with ISO-NE’s revised projections of objective capability (for the years 2006-2010).

Note the following with respect to these workpapers: (a) they present estimates for CMEEC’s loads only; (b) they assume that LICAP replaces RMR contract fixed payments; (c) they incorporate ISO-NE’s initial assumptions about unavailability payments. Given the FERC ALJ’s decision to revert to a EFORD adjustment in measuring the LICAP product, this adjustment may not be warranted, if the ALJ decision is ultimately adopted by the FERC; (d) they do not include a peak energy rent (“PER”) offset; and (e) they project costs for 2006, so they do not accommodate the extension in the LICAP implementation date resulting from FERC’s decision in *Devon Power LLC et al.*, 112 FERC ¶61,179 (Aug. 10, 2005).

Connecticut Siting Council
2005 Forecast Proceeding
Docket F-2005
September 15, 2005

Response of the Connecticut Municipal Electric Energy Cooperative (“CMEEC”) to request for suggestions regarding possible improvements in the procedures for review and adoption of an annual forecast for electric demand and supply by the Connecticut Siting Council (“CSC”).

CMEEC provides the following in response to the request by Council member Ashton requesting suggestions regarding possible improvements in the procedures for review and adoption of an annual forecast for electric demand and supply by the CSC.

Recent initiatives of the Federal Energy Regulatory Commission (“FERC”), implemented by the Independent System Operator – New England, Inc. (“ISO-NE”), in part in response to these considerations, put significant stress on accurate load forecasting to make determinations with very significant rate impacts on Connecticut consumers (*e.g.*, the determination of objective capability and its impact on the calculation of prices for locational installed capacity (“LICAP”)). The CSC’s annual forecast can play an important and shaping role in these policy deliberations which can be enhanced to the extent that the Council’s forecast itself is reasonable and reliable.

In light of the foregoing, CMEEC suggests that the CSC pursue further the initiatives it has begun in this proceeding during the hearing in the next forecast cycle. These include an independent assessment and evaluation of the historical accuracy of the ISO-NE forecasts and the forecasts of the Connecticut utilities and analysis and assessment of the extent to which the ISO-NE forecasts properly incorporate assumptions embedded in the forecasts of the individual reporting utilities providing forecasts directly to the CSC. This independent assessment might also determine what are the factors which have the greatest influence on the ISO forecast in comparison to the utility forecasts and how the ISO factors in overall economic trends within the state.

CMEEC is mindful that CSC may not have or have limited legal authority to direct ISO-NE to conform its forecast to determinations made by the CSC. However, CMEEC believes that the CSC, consistent with its legal authorities, can play a salutary and beneficial role in the planning process by seeking ISO-NE’s cooperation in the annual forecast proceeding and undertaking the analysis and assessment called for above.