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August 26, 2005

BY OVERNIGHT AND ELECTRONIC MAIL

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

Re: **Docket No. F-2005 – 2005 Ten Year Forecast of Electric Loads and Resources**

Dear Mr. Phelps:

On behalf of ISO New England Inc. ("ISO"), I am enclosing herewith an original and twenty copies of ISO's responses to interrogatories propounded to ISO by the Connecticut Attorney General in the above-referenced proceeding on both August 15, 2005 (First Set, consisting of interrogatories AG-1 through AG-42) and August 16, 2005 (Second Set, consisting of interrogatories AG-43 through AG-49).

The enclosed materials are also being filed with the Siting Council and distributed to the Service List electronically.

Please contact me if you have any questions or need additional information.

Sincerely,

s/Anthony M. Macleod

Anthony M. Macleod

Enclosures

cc: Matthew Goldberg, Esq.
Mr. David Ehrlich
Mr. Eric Johnson
Service List

CERTIFICATE OF SERVICE

This is to certify that a copy of the foregoing has been sent via email or first class mail, postage prepaid, on August 26, 2005, to:

Status Granted	Status Holder (name, address & phone number)	Representative (name, address & phone number)
Party	Northeast Utilities Service Company	Stephen Gibelli, Counsel Northeast Utilities Service Company P.O. Box 270 Hartford, CT 06141-0270 (860) 665-5513 (860) 665-5504 - fax gibels@nu.com Chris Bernard Senior Regulatory Planning Analyst Northeast Utilities Service Company P.O. Box 270 Hartford, CT 06141-0270 (860) 665-5957 (860) 665-3314 - fax bernacr@nu.com
Party	The United Illuminating Company	Michael Coretto Director – Regulatory Strategy & Retail Access The United Illuminating Company 157 Church Street New Haven, CT 06506-0901 (203) 499-2000 (203) 499-3664 – fax mike.coretto@uinet.com Linda L. Randell, Esq. Wiggin & Dana LLP One Century Tower New Haven, CT 06508-1832 (203) 498-4322 (203) 782-2889 - fax lrlandell@wiggin.com
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Party	Bridgeport Energy LLC	Brad Porlier General Manager Bridgeport Energy LLC 10 Atlantic Street Bridgeport, CT 06604 (203) 332-8694 (713) 627-5992 - fax bkporlier@duke-energy.com
Party	PSEG Power LLC	Harold W. Borden Vice President and General Counsel PSEG Power LLC 80 Park Plaza Newark, NJ 07102-4194 (973) 430-6968 (973) 643-6026 – fax h.borden@pseg.com
Party	NRG Energy, Inc.	Judith E. Lagano NRG Energy, Inc. P. O. Box 1001 1866 River Road Middletown, CT 06457 (203) 854-3626 (203) 854-3658 - fax judith.lagano@nrgenergy.com
Party	Northeast Generation Company (NGC)	Frederic Lee Klein, Esq. Assistant General Counsel Select Energy 107 Selden Street Berlin, CT 06037 (860) 665-2926 (860) 665-2330 – fax kleinfl@nu.com
Party	Department of Public Utility Control	-INTERDEPARTMENTAL- Cindy Jacobs, Research Department of Public Utility Control Ten Franklin Square New Britain, CT 06051 cindy.jacobs@po.state.ct.us
Party	Lake Road Generating Company, L. P	James T. Carlton, General Manager Lake Road Generating Company, L. P. 56 Alexander Parkway Dayville, CT 06241 (860) 779-8300 (860) 779-8360– fax jim.carlton@lrgclp.com
Party	PPL Wallingford Energy LLC	Lee Hoffman, Esq. Pullman & Comley, LLC 90 State House Square Hartford, CT 06103-3702 (860) 424-4346 (860) 424-4370 - fax lhoffman@pullcom.com

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Intervenor	Connecticut Center for Advanced Technology (CCAT)	Joel M. Rinebold Connecticut Center for Advanced Technology 111 Founders Plaza, Suite 1002 East Hartford, CT 06108 (860) 291-8832 (860) 291-8874 - fax jrinebold@ccat.us paresta@ccat.us
Intervenor	Connecticut Energy Advisory Board (CEAB) Office of Policy and Management 450 Capitol Avenue ATTN: CEAB Hartford, CT 06106	Mary J. Healey Consumer Counsel Ten Franklin Square New Britain, CT 06051 (860) 827-2900 (860) 827-2929 – fax occ.efile@po.state.ct.us Heather Hunt, Esq. 242 Whipporwill Lane Stratford, CT 06614 (203) 380-1477 hfhunt@optonline.net Mr. Brian Abbanat LaCapra Associates 20 Winthrop Square Boston, MA 02110 (617) 367-6500 babbanat@lacapra.com Mr. John Hutts GDS Associates, Inc. 1850 Parkway Place, Suite 800 Marietta, GA 30067 (770) 425-8100 x 112 john.hutts@gdsassociates.com
Intervenor	Attorney General Richard Blumenthal	Michael C. Wertheimer Assistant Attorney General Office of the Attorney General 10 Franklin Square New Britain, CT 06051 (860) 827-2603 (860) 827-2893 michael.wertheimer@po.state.ct.us

s/Anthony M. Macleod
Anthony M. Macleod

ISO Responses to Attorney General's First Set of Interrogatories

- AG-1: As an entity that from time to time conducts forecasts of electric loads and resources, please identify the qualities and characteristics that contribute to a reliable and useful forecast of electric loads and resources. Please explain your answer in detail.
- Response:** See ISO-NE Response to CEAB-1 for documentation of ISO-NE forecasts of electric loads. With respect to resources, ISO identifies resources expected in the future based on known projects.

ISO Responses to Attorney General's First Set of Interrogatories

AG-2: Does the relative usefulness of a forecast of electric loads and resources depend, at least in part, upon the reliability and accuracy of the information that is used when formulating those forecasts? Please explain your answer in detail.

Response: Yes. The usefulness of reliable and accurate information is self-evident.

ISO Responses to Attorney General's First Set of Interrogatories

AG-3: Can the Connecticut Siting Council's ("CSC") forecast of electric loads and resources provide a basis upon which it, and other policy making entities in the State of Connecticut, can assess the adequacy of the state's electric supply system and make policy decisions related thereto? Please explain your answer in detail.

Response: ISO objects to this question as it seeks both the opinion of policy making entities in the State of Connecticut as to whether the report to be produced by the CSC will be a basis for those entities carrying out their responsibilities, and a judgment on a forecast that the CSC has not yet finalized.

ISO Responses to Attorney General's First Set of Interrogatories

AG-4: ISO-NE submitted a report entitled *Connecticut Energy Plan Framework –Recommended Solutions and Actions for the State of Connecticut* (“Report”) and dated January 4, 2005 to the Connecticut Energy Advisory Board (“CEAB”). Please explain the reasons that ISO-NE submitted this report to the CEAB.

Response: See Report, pp. 4-5.

Because the New England bulk power system is tightly interconnected, a problem in one area of the New England system can impact other areas. RTEP04 has identified serious bulk power system problems in Connecticut that pose risks not only for reliable electric service in the state, but also in the entire New England region. Southwest Connecticut is one of the most severely transmission constrained electrical regions in New England and has been recognized by FERC as an area in urgent need of energy infrastructure improvements. Given the critical and widespread nature of these risks, and to aid Connecticut policy makers in managing those risks, ISO-NE provided the report as a summary discussion of critical energy issues and the RTEP04 findings relative to Connecticut.

a. Does ISO-NE still agree that the Report was submitted, in part, to “aid Connecticut policy makers” in managing the risks facing both Connecticut’s and New England’s bulk power systems. Report, 5.

Response: Yes

b. Does ISO-NE still agree that “[t]imely review and action by Connecticut Officials on projects that are proposed to address identified reliability risks is necessary to successfully implement a comprehensive state action plan.” Report, 23.

Response: Yes

c. Does ISO-NE still agree that ISO-NE further stated that “[a]n effective action plan for Connecticut must fully resolve all of the state’s electric system reliability problems” Report, 24.

Response: Yes

ISO Responses to Attorney General's First Set of Interrogatories

AG-5: In the Report, ISO-NE referred to and described LICAP, Report, 20, and recommended “[t]he development of a well-functioning locational capacity market . . . to create the correct market incentives for increased investment in demand response resources and activities.” Report, 21, 22. ISO-NE also projected the Capacity Situation in Southwest Connecticut and in Connecticut for the years 2004 through 2013. Report, 8-10. In projecting these capacity levels, did ISO-NE consider or include its Locational Installed Capacity (“LICAP”) proposal, as submitted to the Federal Energy Regulatory Commission (“FERC”) or as approved by a FERC administrative law judge in an initial decision dated June 15, 2005, in any manner?

Response: No

a. If so, how?

b. If not, why not?

Response: The information was not intended to show the impact of LICAP.

ISO Responses to Attorney General's First Set of Interrogatories

AG-6: On July 14, 2005, in this proceeding, counsel for ISO-NE stated that ISO-NE would not respond to questions concerning LICAP issues. See transcript, July 14, 2005, 189-192. Explain in detail why ISO-NE was willing to submit the Report to "aid Connecticut policy makers" in managing the risks facing both Connecticut's and New England's bulk power systems, and in that report recommended the development of a well functioning capacity market, but in this proceeding refused to discuss the impact that LICAP may or may not have on future electric loads and resources?

Response: ISO-NE continues to object to questions addressing the substance or merits of LICAP as beyond the scope of this proceeding and beyond ISO-NE's intended intervention for the purpose of providing of witnesses to aid the Council in its preparation of its Load forecast. FERC has jurisdiction to determine LICAP matters, and ISO is addressing the merits and substance of LICAP in that forum at this time. ISO-NE, without waiving its objections to such questions, will respond herein to those questions relating to the consideration of LICAP in ISO's load forecast.

ISO Responses to Attorney General's First Set Interrogatories

AG-7: On August 1, 2005, ISO-NE issued its *First Draft Regional System Plan 2005*, ("Draft RSC05"). This report "is a comprehensive assessment of the needs for generating and transmitting power in New England. Studies conducted for RSP05 projected energy use and load growth and investigated the adequacy of installed and operable capacity in New England in terms of the amount and types of resources that will be needed and where and when they will be needed to ensure the reliability of the system." Draft RSC05, 3.

Response: ISO objects to questions pertaining to the Draft RSC05 [sic] (hereinafter referred to as the "Draft RSP05") because it is only a draft report which is in the process of receiving comment from New England stakeholders and is subject to further modification. Without waiving such objection, ISO-NE responds as follows to AG-7:

a. Does ISO-NE agree that one possible purpose for, or use of, the RSC05 is to allow states to review forecasts of electric loads and resources? Please explain the reasons for this response in detail.

Response: The Regional System Plan ("RSP"), like its predecessor RTEP plans, will present a regional "system" plan that examines on an annual basis the bulk electric power system throughout New England and will discuss and describe system performance and planning concerns both on a regional basis and on a Sub-area basis. As a "state of the system" report, it will reflect the latest changes to the bulk power system, including additions and retirements of generating units, the latest transmission upgrades, and enrollment in demand response programs. It will provide a 10-year forecast of the demand for electricity in New England, its 13 Sub-areas, and the individual states, taking into account state-sponsored energy efficiency and conservation measures. By identifying system needs and publishing an annual system plan, ISO-NE will provide information to the wholesale electricity marketplace so that efficient market-based solutions can be developed to solve power system problems. Such market-based responses may be investment in generating units, merchant transmission facilities, or demand response. ISO-NE believes that the Plan will be useful to stakeholders generally, including state officials involved in the Planning Advisory Committee process, but ISO-NE cannot know what use any given state will actually make of the RSP.

ISO Responses to Attorney General's First Set Interrogatories

b. Does ISO-NE agree that the information and data contained in the RSC05 would be useful to a New England state that is seeking to generate its own forecast of electric loads and resources? Please explain the reasons for this response in detail.

Response: See response to AG-7.a.

c. Does ISO-NE agree that RSC05 would be useful to a New England state that is seeking to assess its electrical energy needs and plan to meet those needs? Please explain the reasons for this response in detail.

Response: See response to AG-7.a.

ISO Responses to Attorney General's First Set Interrogatories

AG-8: In the Draft RSC05, ISO-NE stated that “[t]o estimate the demand that will need to be served, the ISO conducted energy and load-growth studies that forecasted energy and peak load needs for 2005 – 2014. These forecasts considered data on historical demand, economic and demographic factors, weather, and projected reductions in peak energy use and peak loads based on conservation and peak-load management (C&LM) programs.” Draft RSC05, 3-4. In conducting its forecasts and analysis, did ISO-NE consider or include its Locational Installed Capacity (“LICAP”) proposal, as submitted to the Federal Energy Regulatory Commission (“FERC”) or as approved by a FERC administrative law judge in an initial decision dated June 15, 2005, in any manner?

Response: ISO-NE objects to questions pertaining to the Draft RSP05 for the reasons set forth in response to AG-7. ISO-NE objects to questions pertaining to LICAP for the reasons set forth in response to AG-6. Without waiving its foregoing objection, ISO-NE did not consider its LICAP proposal in its forecast.

a. If so, how?

b. If not, why not?

Response: ISO-NE did not consider its LICAP proposal, just as it did not consider the impacts of cost or potential future cost of RMR contracts or prices or potential future Locational Marginal Prices under Standard Market Design, as such factors have not appeared in the past to affect peak loads.

ISO Responses to Attorney General's First Set Interrogatories

AG-9: In the Draft RSC05, ISO-NE provided a Summary of System Needs, Solutions, and Associated Market Mechanisms. Table ES-1, 8. A locational capacity market was specifically referred to five times as an "associated market mechanism" in this summary. Does the "associated market mechanism" relate or refer to the LICAP proposal, as submitted to the FERC or as approved by a FERC administrative law judge in an initial decision dated June 15, 2005, in any manner?

Response: Objection. See response to AG-8.

a. If so, how?

b. If not, why not?

ISO Responses to Attorney General's First Set Interrogatories

AG-10: The concept of a locational capacity market is mentioned a number of times in the Draft RSC05. See, e.g., Draft RSC05, 9, 11, 14, 15. Did ISO-NE analyze the impact that its LICAP proposal, as submitted to the FERC or as approved by a FERC administrative law judge in an initial decision dated June 15, 2005, would have on energy capacity or load in Connecticut and/or New England from 2005 through 2014?

Response: **Objection. See response to AG-8. Without waiving such objection, no.**

a. If so, how?

b. If not, why not?

Response: **See ISO Response to AG-1 for documentation on ISO-NE forecasts of electric loads. With regard to capacity, the CELT Report is an identification of known projects. Please see http://www.iso-ne.com/trans/celt/fsct_detail/index.html**

ISO Responses to Attorney General's First Set Interrogatories

AG-11: The pre-filed testimony of David Ehrlich submitted in this proceeding and dated July 7, 2005 refers to an ISO-NE report entitled 2005-2014 Forecast Report of Capacity, Energy, Loads and Transmission ("2005-2014 CELT Report") which is dated April 29, 2005. Does the 2005-2014 CELT Report constitute ISO-NE's capacity and load forecast for 2005 through 2014?

Response: **As of the date submitted, the CELT Report contains ISO-NE's load forecast for the period indicated. ISO's load forecast and supporting documentation can be found on ISO's website. Please see http://www.iso-ne.com/trans/celt/fsct_detail/index.html. The CELT Report is also an identification of capacity based on known resources.**

ISO Responses to Attorney General's First Set Interrogatories

AG-12: Please describe in detail whether and how ISO-NE believes that its LICAP proposal, if implemented as approved by a FERC administrative law judge in an initial decision dated June 15, 2005, will impact capacity, energy, loads, transmission and resources in New England over the next ten years.

Response: Objection. See response to AG-8. Without waiving such objection, ISO-NE has not conducted an assessment of how LICAP will impact capacity, energy, loads, transmission and resources in New England over the next ten years, but LICAP is intended to incent the location of new capacity in generation-deficient areas.

ISO Responses to Attorney General's First Set Interrogatories

AG-13: On page 3 of Mr. Ehrlich's pre-filed testimony, he states that "ISO forecasts energy and seasonal peak loads, based on an assumed set of economic and demographic conditions." Was ISO-NE's LICAP proposal, as submitted to the FERC or as approved by a FERC administrative law judge in an initial decision dated June 15, 2005, considered or included in any manner when generating the 2005-2014 CELT Report?

Response: Objection. See response to AG-8. Without waiving such objection, the CELT Report did not consider the LICAP proposal.

a. If the response to AG-02 is affirmative, please describe in detail the manner in which LICAP was considered or included and the impact that LICAP had on capacity, energy, loads, transmission and resources in New England.

b. If the response to AG-02 is affirmative, please provide ISO-NE's ten year forecast of capacity, energy, loads, transmission and resources in New England assuming that LICAP is not approved or implemented.

Response: See response to AG-1 with respect to ISO-NE's load forecast. ISO-NE's load forecast does not consider LICAP. The CELT Report generally identifies known projects, and it does not consider LICAP.

c. If the response to AG-02 is negative, please describe in detail the reasons that ISO-NE did not consider or include the impact of LICAP on capacity, energy, loads, transmission and resources in New England.

d. If the response to AG-02 is negative, please provide ISO-NE's ten year forecast of capacity, energy, loads, transmission and resources assuming that LICAP is approved and implemented in 2006.

ISO Responses to Attorney General's First Set Interrogatories

AG-14: ISO-NE's LICAP proposal, if implemented as approved by a FERC administrative law judge in an initial decision dated June 15, 2005, could cost the New England region's electric rate payers as much as \$13 billion over the next five years, roughly \$4 billion of which will be paid by Connecticut's ratepayers. Please describe in detail:

Response: Objection. See response to AG-8 and AG-13. Without waiving such objection, ISO-NE responds as follows:

a. whether ISO-NE considered how a rate increase on the order of \$13 billion over the next five years would impact ISO-NE's forecast of capacity, energy, loads, transmission and resources in New England, including whether such an increase would reduce demand or would reduce the rate of increase in demand for electricity in New England.

Response: No, nor does ISO know that LICAP will cost \$13 billion over the next 5 years.

b. the impact that ISO-NE believes that a rate increase on the order of \$13 billion over the next five years would impact ISO-NE's forecast of capacity, energy, loads, transmission and resources in New England, including whether such an increase would reduce demand or reduce the rate of increase in demand for electricity in New England.

Response: See response to AG-14.a

ISO Responses to Attorney General's First Set Interrogatories

AG-15: Please describe in detail whether and how a reduction in demand for electricity in New England, or a reduction in the rate of increase in demand for electricity in New England, will or may impact the construction of new generation facilities in New England.

Response: Objection. See response to AG-8.

ISO Responses to Attorney General's First Set Interrogatories

AG-16: Does ISO-NE agree that projected reductions in demand for electricity in New England, or reductions in the rate of increase in demand for electricity in New England, could or would discourage the development of additional generation resources in New England? Please explain your answer in detail.

Response: ISO-NE objects as the question is unduly vague and calls for a speculative answer.

ISO Responses to Attorney General's First Set Interrogatories

AG-17: According to ISO-NE, LICAP is necessary to create incentives for energy companies to develop new power plants in New England. Please describe in detail the impact or effect that ISO-NE's LICAP proposal, if implemented as approved by a FERC administrative law judge in an initial decision dated June 15, 2005, will have on the number, type and location of electric generation facilities in Connecticut and New England over the next ten years as follows:

Response: Objection. See response to AG-8. Notwithstanding such objection, ISO-NE has not conducted such an assessment.

- a. The total number of megawatts added in Connecticut.
- b. The timing of when the additional megawatts will be added in Connecticut.
- c. The specific locations or load zone in which the additional megawatts will be added.
- d. Whether any additional megawatts will be added in southwest Connecticut before the completion of the 345 kV loop in southwest Connecticut.
- e. Whether the addition of any megawatts in Connecticut will be offset by the retirement of existing generation facilities in the State.

ISO Responses to Attorney General's First Set Interrogatories

AG-18: With respect to the Bethel to Norwalk, or Phase I, 345 kV line that has been approved by the Connecticut Siting Council:

a. Describe whether and how it was considered and impacted ISO-NE's analysis and findings in its 2005-2014 CELT Report.

Response: The CELT report provides a description, ownership and expected in-service date for the Bethel – Norwalk project. The 2005-2014 CELT report is a summary of NEPOOL transmission, load, and capacity for the specified period. It is not a system study report and does not have conclusions or findings with respect to transmission and capacity.

b. In the event that it was not considered or did not impact ISO-NE's analysis or findings in its 2005-2014 CELT Report, please fully describe how the addition of this 345 kV line to the grid will impact Connecticut's capacity, energy, loads, transmission and resources and resources over the next ten years.

Response: The addition of the Bethel – Norwalk 345kV line will have no impact on Connecticut (excluding SWCT)'s capacity, load, energy or resources over the next ten years. However, it is expected to increase the ability to transfer power into the Norwalk-Stamford area and SWCT. Therefore, it is also expected to increase the amount of capacity and resources available to these areas after its expected in-service date of 2006.

ISO Responses to Attorney General's First Set Interrogatories

AG-19: With respect to the Middletown to Norwalk, or Phase II, 345 kV line that has been approved by the Connecticut Siting Council:

a. Describe whether and how it was considered and impacted ISO-NE's analysis and findings in its 2005-2014 CELT Report.

Response: **The CELT report provides a description of, and expected in-service date for, the Bethel – Norwalk project, as well as ownership information. See ISO-NE Response to AG-18 for description of CELT Report.**

b. In the event that it was not considered or did not impact ISO-NE's analysis or findings in its 2005-2014 CELT Report, please fully describe how the addition of this 345 kV line to the grid will impact Connecticut's capacity, energy, loads, transmission and resources and resources over the next ten years.

Response: **The addition of the Middletown – Norwalk 345kV project will have no impact on Connecticut (excluding SWCT)'s capacity, load, energy or resources over the next ten years. However, it is expected to further increase the ability to transfer power into SWCT. Therefore it is also expected to further increase the amount of capacity and resources available to SWCT after its expected in-service date prior to the 2010 summer season. The project should facilitate the interconnection of larger amounts of resources in the area; the specific amounts would need to be the subject of studies of individual generation interconnection requests.**

ISO Responses to Attorney General's First Set Interrogatories

Demand

AG-20: Please provide the ISO-NE's "base" (so-called, 50/50 and 90/10) forecast of peak load and annual energy consumption, respectively, for each of the next ten years beginning with 2006, for, respectively, southwest Connecticut ("SWCT"), Connecticut (excluding SWCT) and New England. Identify all assumptions utilized in preparing the "base" forecast (e.g., temperature assumptions, probabilities of occurrence, price elasticities, wholesale price of electricity).

Response: See ISO-NE response to CEAB -1 for information regarding ISO-NE's forecast for the years 2005-2014. ISO has not yet completed its ten-year forecast for the year beginning 2006. ISO's most recent load forecast is attached to the pre-filed testimony of David Ehrlich. The forecast and supporting documentation can be found on ISO's website. Please see http://www.iso-ne.com/trans/celt/fsct_detail/index.html.

a. Please provide your response with respect to the most recent such forecast completed by ISO-NE (and, if not already provided, provide the forecast utilized in RTEP04 and the Draft RSC05, respectively). Identify the report or study (and provide copy of same) issued by ISO-NE in which the forecast(s) was utilized.

Response: See ISO-NE response to CEAB-1. ISO-NE objects to the provision of the Draft RSP05 on the basis provided in response to AG-7.

b. With respect to all inquiries below, please provide documentation regarding all forecasts utilized in connection with RTEP04, the Report and the Draft RSP05 (to the extent possible).

Response: Objection. Providing all documentation of all forecasts utilized in connection with RTEP04 and the Draft RSP05 would be duplicative of the information contained in RTEP04 and the Draft RSP05, would be overly burdensome to produce, and would be unlikely to reveal substantive information that would not otherwise be contained in RTEP04 or the Draft RSP05.

ISO Responses to Attorney General's First Set Interrogatories

AG-21: Provide the Connecticut per capita income and/or the Connecticut domestic product levels, growth rates and other related assumptions utilized in preparing the forecast inquired of in question AG-20. What was the source of such data and how did ISO-NE determine what data to use?

Response: See ISO-NE response to AG-20. At the referenced website see the **Forecast Data 2005, State Long-Run Energy Model Economic/Demographic Variables 1980-2018.**

ISO Responses to Attorney General's First Set Interrogatories

AG-22: Explain all assumptions and calculations regarding the price elasticity(ies) of demand utilized in the demand forecasts inquired of in question D.1.

Response: ISO-NE does not understand the reference to "D.1" in the question and cannot respond.

ISO Responses to Attorney General's First Set Interrogatories

AG-23: Explain and describe all assumptions regarding demand-side conservation and load management measures and/or demand-side response incorporated in the forecast(s) provided in response to D.1.

Response: ISO-NE does not understand the reference to "D.1" in the question and cannot respond.

ISO Responses to Attorney General's First Set Interrogatories

AG-24: Has ISO-NE initiated an investigation or evaluation of the impact on its demand forecast(s) resulting from the measures to be implemented under Connecticut P.A. 05-01, An Act Concerning Energy Independence. If so, please provide the results and workpapers related to any such investigation or evaluation.

Response: No.

ISO Responses to Attorney General's First Set Interrogatories

AG-25: Has ISO-NE conducted any investigation or evaluation of the impact on peak load or energy consumption resulting from the imposition of LICAP charges on Connecticut electric consumers beginning in at any point during 2006 if approved by FERC? If so, please provide all results and workpapers relating to any such investigation or evaluation.

Response: Objection. See response to AG-8. Without waiving such objection, ISO-NE has not considered the impact of LICAP, if any, in its load forecast.

ISO Responses to Attorney General's First Set Interrogatories

AG-26: Has ISO-NE conducted any investigation or evaluation of the impact on peak load or energy consumption of Connecticut electric consumers resulting from recent changes in the price of natural gas or fuel oil delivered into New England and their impact on wholesale electric energy prices in New England? Is so, please provide all results and workpapers relating to any such investigation or evaluation.

Response: No, such impacts will be implicit in the Economic/Demographic forecast used in the upcoming forecast cycle.

ISO Responses to Attorney General's First Set Interrogatories

AG-27: Has ISO-NE conducted any investigation or evaluation of the impact on Connecticut state domestic product and growth rates resulting from the imposition of LICAP charges beginning at any point in 2006 if approved by FERC? If so, please provide all results and workpapers relating to any such investigation or evaluation.

Response: Objection. See response to AG-8.

ISO Responses to Attorney General's First Set Interrogatories

AG-28: Has ISO-NE conducted any investigation or evaluation of the impact on Connecticut state domestic product and growth rates and electric consumption (peak and aggregate) resulting from the implementation of locational forward reserve requirements or other ancillary service market enhancements? If so, please identify the specific such requirement or enhancement, its anticipated commencement date and provide all results and workpapers relating to any such investigation or evaluation.

Response: No.

ISO Responses to Attorney General's First Set Interrogatories

AG-29: Has ISO-NE conducted a cost/benefit analysis for its LICAP proposal, its proposals for locational forward reserve or other ancillary service market enhancements? If so, please provide any such analysis and all workpapers relating to any such analysis.

Response: **Objection. See response to AG-8.**

ISO Responses to Attorney General's First Set Interrogatories

AG-30: Has ISO-NE analyzed the impact on peak load and energy consumption in Connecticut resulting from utilization of the Cross Sound Cable or the 1385 line under current usage arrangements, or as they may be modified pursuant to seams elimination agreements with New York? If so, provide such analysis and all workpapers related to such analysis.

Response: No. Such utilization is not relevant to peak load and energy consumption.

ISO Responses to Attorney General's First Set Interrogatories

Supply

Responses to the following questions should provide information as utilized by ISO-NE in RTEP04, the Report and the Draft RSP05 (to the extent available) or other forecast completed by ISO-NE or under its direction since the completion of RTEP04.

AG-31: Provide ISO-NE's forecast of installed generation capacity located and connected to the transmission grid in each of SWCT, Connecticut (excluding SWCT) and New England beginning with 2006 and for each of the next ten years.

Response: ISO does not forecast future additions to installed generation capacity. ISO assumes that existing generation will continue to exist in the future, together with known generation projects as included in the regional system plan ("RSP").

ISO Responses to Attorney General's First Set Interrogatories

AG-32: Provide the assumptions regarding available generation (including levels of assumed forced and scheduled outage rates and availability) for generation capacity in SWCT, Connecticut (excluding SWCT) and New England, respectively, utilized in response to question AG-31. What was assumed about changes in forced and scheduled outage rates, if any, resulting from RMR contracts and/or LICAP (utilizing the method approved by a FERC administrative law judge in an initial decision dated June 15, 2005).

Response: See response to AG-31 regarding forecast of generation capacity. ISO objects to inquiry regarding LICAP. See response to AG-8. Without waiving such objection, no changes in forced or scheduled outage rates were assumed as a result of RMR contracts or LICAP.

ISO Responses to Attorney General's First Set Interrogatories

AG-33: Provide the forecasted transfer capacity of the transmission grids for imports and exports, respectively, into Connecticut (excluding SWCT) and SWCT from/to the rest of New England and from/to the New York ISO control area (each provided separately) for 2006 and for each of the next ten years.

Response: The estimated transfer limits, based on summer conditions and transmission projects known at this time, are listed below. ISO has not yet completed its ten-year forecast for the year beginning 2006, and estimates for 2015 are not available.

CT import										
Year		2006	2007	2008	2009	2010	2011	2012	2013	2014
MW		2300	2300	2300	2300	2300	2300	3300	3300	3300

SWCT import										
Year		2006	2007	2008	2009	2010	2011	2012	2013	2014
MW		2300	2575	2575	2575	3400	3400	3400	3400	3400

NY-NE (excl. Cross Sound cable)										
Year		2006	2007	2008	2009	2010	2011	2012	2013	2014
MW(sum)		925	925	925	925	925	925	925	925	925
MW(win)		1475	1475	1475	1475	1475	1475	1475	1475	1475

NE-NY (excl. Cross Sound cable)										
Year		2006	2007	2008	2009	2010	2011	2012	2013	2014
MW(sum)		1225	1225	1225	1225	1225	1225	1225	1225	1225
MW(win)		1475	1475	1475	1475	1475	1475	1475	1475	1475

Cross Sound cable (NY-NE)										
Year		2006	2007	2008	2009	2010	2011	2012	2013	2014
MW		300	300	300	300	300	300	300	300	300

Cross Sound cable (NE-NY)										
Year		2006	2007	2008	2009	2010	2011	2012	2013	2014
MW		330	330	330	330	330	330	330	330	330

ISO Responses to Attorney General's First Set Interrogatories

AG-34: Provide the assumptions regarding increases in transfer capacity into SWCT and Connecticut (excluding SWCT) (in volume and over what periods), respectively, which will result from completion of CL&P 345 kV Phase I (Bethel to Norwalk) project and from completion of the Phase II line (Norwalk to Middletown), respectively.

Response: See response to AG-33. SWCT import capacity will be increased by approximately 275MW upon completion of the Bethel - Norwalk project, which is anticipated to occur by the end of 2006, and it will increase by approximately an additional 825 MW upon completion of the Middletown - Norwalk project, which is anticipated to occur before the 2010 summer peak period.

With respect to CT import capacity (excluding SWCT), the Phase I and Phase II projects make no significant contribution to Connecticut's import capability.

ISO Responses to Attorney General's First Set Interrogatories

AG-35: Describe all transmission upgrade projects (expected in-service date, cost, configuration) which are planned or under consideration over the next ten years which are anticipated to increase the transfer capacity into SWCT or Connecticut (excluding SWCT), respectively.

Response: See response to AG-34.

Project	Expected In-service Date	Cost (\$) (From July 05 Project Listing)
Bethel – Norwalk 345kV project	2006	357,000,000
Middletown-Norwalk 345kV project	2010	990,000,000
Southern New England Reinforcement	2011	Study work in progress

ISO Responses to Attorney General's First Set Interrogatories

AG-36: What are the anticipated impacts of the Southern New England Reliability Project ("SNERP")¹ on transmission transfer limits into Connecticut? What is the estimated cost of the SNERP project and its anticipated in-service date? What is the priority between completing SNERP and the Phase I and Phase II 345 kV CL&P Projects and the rationale for such priority?

Response: The Southern New England Reliability Project is a conceptual project. There are multiple transmission design options that are still being evaluated. It is presently anticipated that the options under consideration should enable CT import capability to be increased to approximately 3300MW.

The study work for the SNERP project is currently in progress and not expected to be completed before July 2006. The project is anticipated to be in-service date before the 2012 summer peak, but is subject to revision. No accurate cost estimates are available today.

Project priority order for Connecticut is (1) Phase I, (2) Phase II, (3) SNERP. This order is based on need for reliability of service to increasing load in the SWCT area and then in the rest of Connecticut outside SWCT. Reliability concerns in the SWCT area exist today and will increase over time. The inadequacy of the SWCT transmission system inhibits both the efficient movement of power through the area and the interconnection significant amounts of new resources. Connecticut's need for the reinforcements anticipated in SNERP are driven by general CT resource needs.

¹ SNERP is the terminology which has been used to describe an enhancement to the 345 kV line from Rhode Island to Lake Road (Killingly, CT) to the Card (Lebanon, CT) substation. It is anticipated to cost a little over \$100MM and to integrate the 750 MW Lake Road generating station into Connecticut, with substantial beneficial impacts on LICAP charges (possibly greater than the Phase I and Phase II Projects).

ISO Responses to Attorney General's First Set Interrogatories

AG-37: What is ISO-NE's estimate of the amount of installed generation capacity which can be connected to the transmission grid in SWCT, prior to completion of the Phase I and/or Phase II projects? Provide volumes of capacity, costs of interconnection, operating limits, if any on such capacity. Provide the same answers for the period following completion of the Phase I and Phase II projects.

Response: To determine the volumes of capacity, costs of interconnection and operating limits, if any, on such capacity at any point in time, ISO would need to do individual studies in response to individual applications from parties proposing to add specific generation projects to the grid in SWCT. ISO does not conduct such studies until it is asked to do so based on the specific characteristics of each proposed project, and ISO has not been asked to perform such studies as would enable it to respond to the foregoing interrogatory.

ISO Responses to Attorney General's First Set Interrogatories

AG-38: What has ISO-NE assumed regarding the export or import of capacity utilizing the Cross Sound Cable and the 1385 line during each of the next ten years (beginning with 2006)?

Response: See response to AG-33. For LOLE and operable capacity analyses, ISO-NE assumed 0 MW of export or import of capacity utilizing the Cross Sound Cable and the 1385 line.

ISO Responses to Attorney General's First Set Interrogatories

AG-39: What is the requirement for locational forward reserves in Connecticut and each region of New England? Provide estimates for 2006 and each year thereafter to 2015.

Response: ISO does not have a locational forward reserve market at this time and therefore does not have locational forward reserve estimates for 2006 or beyond.

ISO Responses to Attorney General's First Set Interrogatories

LICAP

AG-40: Provide all forecasts of LICAP costs (on a \$/kw-month and in aggregate) for SWCT and CT (excl. SWCT), respectively, prepared by ISO-NE for 2006 (beginning in Jan. 1, 2006 or October 1, 2006 or such later date as may be approved by FERC). Identify the assumed local sourcing requirement, local sourced generation and generation capacity transfers assumed for each such period, utilized in calculating the cost forecast.

Response: **Objection. See response to AG-8.**

ISO Responses to Attorney General's First Set Interrogatories

AG-41: Provide all forecasts of RMR fixed costs recovery (with and without estimated inframarginal net offsets) for SWCT and Connecticut (excluding SWCT), respectively, prepared by ISO-NE for 2005 and each subsequent year to 2015, with and without LICAP. Identify the annual fixed cost recovery, and separately the anticipated annual inframarginal net revenue offset, by specific generating plant for each such period and in aggregate for each of SWCT and Connecticut (excluding SWCT).

Response: **Objection. See response to AG-8.**

ISO Responses to Attorney General's First Set of Interrogatories

AG-42: Provide the basis for removing RMR fixed costs (and the amount removed and specific generating plants affected) upon the advent and following the same of LICAP.

Response: ISO-NE objects as the foregoing interrogatory calls for a legal response. Notwithstanding that objection, the basis for removing RMR fixed costs would be a FERC order directing the removal of such costs.

ISO Responses to Attorney General's Second Set of Interrogatories

AG-43: ISO-NE submitted a report entitled *Connecticut Energy Plan Framework – Recommended Solutions and Actions for the State of Connecticut* (“Report”) and dated January 4, 2005 to the Connecticut Energy Advisory Board (“CEAB”). According to this Report, the completion of Phase I of the Southwest Connecticut Reliability Project “will increase the import capacity into Southwest Connecticut by approximately 550 MW.” Report, 18. According to ISO-NE’s *2005 Resource Adequacy Analysis*, August 10, 2005 Draft (“Draft RAA”), however, the completion of Phase I of the Southwest Connecticut Reliability Project will increase the Southwest Connecticut import limit by 275 MW. Draft RAA, 24, Table 6.4.

Response: ISO objects to questions pertaining to the Draft RAA because it is only a draft report which is in the process of receiving comment from New England stakeholders and is subject to further modification. Without waiving such objection, ISO-NE responds as follows to AG-43:

a. Please fully describe the difference between ISO-NE’s projection of the impact that the completion of the Phase I line would have on the import capacity into Southwest Connecticut in the Report and in the Draft RAA.

Response: The “CEAB” analysis was conducted in accordance with the study assumptions of RTEP04 and the “RAA” analysis was conducted in accordance with the study assumptions from RSP05. The change in the incremental impact of the Phase I line was due to the change in the initial reference baseline SWCT import limit between 2004 and 2005. The absolute impact of the Phase I line remained almost unchanged: the “CEAB” analysis was based on an import capacity into SWCT of 2550 MW after the Phase I line; the “RAA” analysis was based on an import capacity into SWCT of 2575 MW after the Phase I line. The 25 MW difference is due to some refinement in the import capacity determination methodology.

b. Please fully describe what caused ISO-NE to change its analysis and conclusions regarding the impact that the completion of the Phase I line would have on the import capacity into Southwest Connecticut between January 4, 2005 and August 10, 2005.

Response: Changes in the initial reference baseline SWCT import limit reflect recent transfer limit improvements in the existing system, due to the recently improved reactive performance of the system.

ISO Responses to Attorney General's Second Set of Interrogatories

c. Provide all documents concerning the analysis that led to, or supports, ISO-NE's change in position.

Response: ISO has objected to examination regarding the Draft RAA because, as indicated above, it is only a draft. It is similarly based on other draft documents distributed for comment by NEPOOL participants. ISO objects to production of such drafts because they are still subject to modification, do not represent final positions and are not finally approved. ISO would be able to produce such documents once they have become final.

d. Please describe ISO-NE's present position regarding the impact that the completion of the Phase I line would have on the import capacity into Southwest Connecticut.

Response: The completion of the Phase I line will increase the import capacity into Southwest Connecticut to 2575 MW. The relative increase is dependent on the initial reference transfer limit.

e. Please fully describe the practical impact to Connecticut and New England from this change.

Response: ISO-NE objects to the question as unduly vague. Without waiving such objection, ISO responds as follows: the 25 MW change in the SWCT import limit as a result of the Phase I project has no practical impact on Connecticut (excluding SWCT) or New England.

ISO Responses to Attorney General's Second Set of Interrogatories

AG-44: In its Report, ISO-NE states that “[r]esults of operable capacity analyses conducted during RTEP04 projected a shortfall of 130 MW in Southwest Connecticut in 2004 to meet the 90/10 summer peak load forecast plus operating reserve requirements, which increases to approximately 270 MW by year 2007.” Report, 7 (Footnote omitted). In the Draft RAA, however, the shortfall of operable capacity in Southwest Connecticut falls from 143 MW in 2006 to 88 MW in 2007 and declines each year thereafter. Draft RAA, 25, Table 6.5.

Response: ISO objects to questions pertaining to the Draft RAA because it is only a draft report which is in the process of receiving comment from New England stakeholders and is subject to further modification. Without waiving such objection, ISO-NE responds as follows to AG-44:

a. Please explain the differences in these amounts and provide all documents relating thereto.

Response: The differences in operable capacity results are due to assumption changes between the RTEP04 and RSP05. All assumptions used in these two reports are documented in RTEP04 and RSP05.

b. Did ISO-NE consider the impact of the so-called “gap” RFP resources in the Report and/or the Draft RAA?

Response: Yes.

ISO Responses to Attorney General's Second Set of Interrogatories

AG-45: According to the Draft RAA, "the required amount of required reserve in Greater Southwest Connecticut increases with the addition of the Phase II transmission improvements." Draft RAA, 32. In addition, "[o]nce Phase II of the Southwest Connecticut Reliability Project is in-service, currently assumed to be December 2009, another 350 MW of quick-start resources would be required in this area to meet the increase in operating reserve requirements." Draft RAA, 32.

Response: ISO objects to questions pertaining to the Draft RAA because it is only a draft report which is in the process of receiving comment from New England stakeholders and is subject to further modification. Without waiving such objection, ISO-NE responds as follows to AG-45:

a. Please explain in detail the basis for this conclusion.

Response: The amount of operating reserve is expected to increase to protect for the loss of the largest contingency in SWCT. It is expected that the largest contingency loss in SWCT post in-service of Phase II of the Southwest Connecticut Reliability Project would be the loss of a transmission element, which would result in the loss of 800 MW of import capability into SWCT.

b. Please explain in detail whether the addition of the Phase II line in Connecticut have the practical effect of increasing the amount of generating capacity that will be required in Connecticut? If so, explain how and why.

Response: The addition of the Phase II line will not increase the amount of generating capacity required in Connecticut. The increase in import capability is much larger than the increase in operating reserve requirement. The need for additional 350 MW of quick-start resources is to possibly eliminate the inefficient use of inflexible units for providing operating reserve.

c. Please explain in detail whether the addition of the Phase II line in Connecticut will have the practical effect of increasing costs in Connecticut, other than the cost of the transmission lines themselves, including costs associated with LICAP, as submitted to the Federal Energy Regulatory Commission or as approved by a FERC administrative law judge in an initial decision dated June 15, 2005.

ISO Responses to Attorney General's Second Set of Interrogatories

Response: Objection. See response to AG-8.

d. Please provide documents concerning this conclusion, including planning studies.

Response: Objection. See response to AG-8.

e. Please describe the net benefit from Phase II during peak hour operating conditions on operable capacity (after accounting for both the increase in transfer capacity and the impact of the required increase in operating reserves)?

Response: If it is assumed that SWCT loads up its transmission system for imports, then the net benefit is equal to the increase in transfer capability less the increase in operating reserve requirement. In this case, it is 825 MW minus 350 MW or 475 MW.

ISO Responses to Attorney General's Second Set of Interrogatories

AG-46: Please define "Greater Southwest Connecticut" as it is used in the Draft RAA. See, e.g. Draft RAA, 23-25; Figure 6.8; Tables 6.4 and 6.5. Please also explain any difference between Greater Southwest Connecticut as it is used in the Draft RAA and "Southwest Connecticut" as it is used in the Report. See, e.g. Report, 7.

Response: ISO objects to questions pertaining to the Draft RAA because it is only a draft report which is in the process of receiving comment from New England stakeholders and is subject to further modification. Without waiving such objection, ISO-NE responds as follows to AG-46:

Greater Southwest Connecticut is the combined load and resources of sub-areas of NOR and SWCT. Southwest Connecticut is the sub-area SWCT which does not include the sub-area of NOR (Norwalk/Stamford).

ISO Responses to Attorney General's Second Set of Interrogatories

AG-47: Please define "Greater Connecticut" as it is used in the Draft RAA. See, e.g. Draft RAA 26; Figure 6.9; Tables 6.6 and 6.7.

Response: ISO objects to questions pertaining to the Draft RAA because it is only a draft report which is in the process of receiving comment from New England stakeholders and is subject to further modification. It has not been approved by ISO-NE's Board of Directors and is therefore neither final nor official. Without waiving such objection, ISO-NE responds as follows to AG-47:

Greater Connecticut refers to the combination of the sub-areas of NOR, SWCT and CT.

ISO Responses to Attorney General's Second Set of Interrogatories

AG-48: Compare the projected operable capacity margins shown in Tables 6.4 and 6.5 of the Draft RAA for Greater Southwest Connecticut with the projected operable capacity margins shown in Tables 6.6 and 6.7. for Greater Connecticut.

Response: ISO objects to questions pertaining to the Draft RAA because it is only a draft report which is in the process of receiving comment from New England stakeholders and is subject to further modification. Without waiving such objection, ISO-NE responds as follows to AG-48:

a. Please fully describe the basis for concluding that the capacity margins in Greater Connecticut are greater (proportionate to peak load) than for Greater Southwest Connecticut in each year of the forecast, and provide all documents relating thereto?

ISO does not understand the question and does not know the source of the conclusion asserted therein.

b. Please fully describe the assumptions concerning the generating resources and transfer capacity into Greater Southwest Connecticut and Greater Connecticut that were applied in these analyses, and provide all documents relating thereto.

Response: The assumptions are described in Draft RSP05.

ISO Responses to Attorney General's Second Set of Interrogatories

AG-49: According to the Report, the Southern New England Reinforcement Project is projected to go into service in 2008. Report, 18. According to the Draft RAA, however, the Southern New England Reinforcement Project is "targeted for completion by the summer of 2012." Draft RAA, 26.

Response: ISO objects to questions pertaining to the Draft RAA because it is only a draft report which is in the process of receiving comment from New England stakeholders and is subject to further modification. Without waiving such objection, ISO-NE responds as follows to AG-49:

a. Please explain in detail the difference in these projections.

Response: The study work for the SNERP project is currently in progress. See ISO-NE Response to AG-36.

b. Please explain in detail all reasons for the apparent delay of this project.

Response: See ISO-NE Response to AG-36.

c. Please provide ISO-NE's current projected in-service date for this project.

Response: The projected in-service date for the SNERP project is the result of ISO-NE consultation with the responsible Transmission Owners. Currently, the projected in-service date is late 2011.