

VERBATIM PROCEEDINGS

CONNECTICUT ENERGY ADVISORY BOARD

BIDDERS CONFERENCE

For

REQUEST FOR PROPOSALS

SEEKING ALTERNATIVES

TO

THE CONNECTICUT LIGHT AND POWER COMPANY'S

PROPOSED

GREATER SPRINGFIELD RELIABILITY PROJECT

AND

MANCHESTER TO MEEKVILLE PROJECT

NOVEMBER 21, 2008

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CEAB RFP Bidders' Conference
NOVEMBER 21, 2008

1 . . .Verbatim proceedings of the
2 Connecticut Energy Advisory Board Bidders Conference for
3 its Request for Proposals Seeking Alternatives to The
4 Connecticut Light and Power Company's proposed Greater
5 Springfield Reliability Project and Manchester to
6 Meekville Project, held November 21, 2008 at 9:09 a.m. at
7 805 Brook Street, Rocky Hill, Connecticut. . .

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10

11 CHAIRPERSON JEFF GAUDIOSI: First, I'd just
12 like to thank everybody for coming and point out that we
13 are being recorded, but what we're going to ask everyone
14 to do first, we can just go around and identify yourself
15 and the organization you belong with, so we can have that
16 on the record, and then we'll kick it off with the LaCapra
17 folks to get started. I'm Jeff Gaudiosi with the CEAB.

18 MS. TAREN O'CONNOR: Taren O'Connor with
19 the Office of Consumer Council.

20 MS. MELISSA OZOLS: Melissa Ozols with the
21 CEAB.

22 MR. DAN PEACO: Dan Peaco, LaCapra
23 Associates, working for CEAB.

24 MR. RICHARD HAHN: Dick Hahn for LaCapra

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1 Associates working for the CEAB.
2 MR. JON GORDON: Jon Gordon, NRG Energy.
3 MR. JONATHAN MILLEY: Jonathan Milley, NRG
4 Energy, as well.
5 MR. PETE FULLER: Pete Fuller, NRG Energy.
6 MR. MICHAEL KIRKWOOD: Michael Kirkwood, BG
7 Americas & Global LNG.
8 MR. JIM KOONTZ: Jim Koontz, Source One.
9 MR. DON DiCRISTOFARO: Don DiCristofaro,
10 Pinpoint Power.
11 MR. GARY PETERSON: Gary Peterson,
12 Converse.
13 MR. HUMPHREY WONG: Humphrey Wong, C.
14 Power.
15 MR. JOE EATTO: Joe Eatto, C. Power.
16 MR. VIMAL CHAUHAN: Vimal Chauhan, General
17 Electric.
18 MR. PANKAJ: Pankaj, General Electric.
19 MR. JOHN MENGACCI: John Mengacci with the
20 CEAB.
21 MR. BOB CARBERRY: Bob Carberry from CL&P.
22 MR. KEVIN PRESTAGE: Kevin Prestage from
23 Northeast Utility.
24 MR. RAY LONG: Ray Long with NRG Energy.

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1 CHAIRPERSON GAUDIOSI: Folks on the phone,
2 if you could identify yourself and your affiliation?

3 MS. CINDY FITZGERALD: Cindy Fitzgerald,
4 speaking on behalf of --

5 MS. AMY FISHER: Amy Fisher, G.E.

6 CHAIRPERSON GAUDIOSI: Okay, thank you.
7 Dan?

8 MR. PEACO: We have a sign-up sheet for
9 name and contact information. Be sure you sign that, so
10 we can put you on the distribution list for any further
11 communication on the RFP. Thank you, all, for coming. I
12 think this was the first CEAB RFP bidders conference we
13 had with folks in attendance. Bear with us as we work
14 through this.

15 The CEAB RFP process is probably unique in
16 any of your experiences, in terms of RFP processes. The
17 CEAB has been established to actively solicit alternatives
18 to projects as projects are proposed before the Siting
19 Council, and this process is one that has been initiated
20 in response to Connecticut Light and Power's application
21 for the Greater Springfield Reliability Project with the
22 Siting Council, and there are sort of statutory
23 requirements and provisions that govern what the RFP is to
24 accomplish and the timeline under which it's to be done,

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1 and those are built into the package, and we'll talk about
2 those as we go through the discussion a little bit today.

3 What we want to do this morning basically
4 is to walk you through the highlights of what's in the
5 RFP, the timelines, the requirements and the process that
6 will be carried out, and answer any questions you have
7 today, and talk a little bit about the process of notices
8 and bidding and further requests for information that you
9 may have and how we will handle those requests.

10 I don't know if you all have a copy of the
11 RFP document that was distributed, but I'm just going to
12 walk through that at a high level and talk about a few of
13 the features of the RFP, and then we will turn it over and
14 answer any questions that folks may have about the process
15 or any of the questions about the substance of the RFP
16 document, itself.

17 I believe there are some extra copies
18 available if folks need them, and, if we need more, we can
19 have more produced.

20 I think what I'd like to do first is to
21 sort of jump to sort of the schedule of events. Let me go
22 over that. I just want to make sure the mechanics of the
23 process that we have are clear to everyone. If you have
24 the RFP document, I'm referring to page 12 of the

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1 document, which has the key milestones, and I'm just going
2 to walk through those and explain what those are, and that
3 will give us an overview of the process and the process,
4 itself.

5 The company filed its application for the
6 Greater Springfield Reliability Project with the Siting
7 Council on Monday, October 20. That triggered a statutory
8 time clock for the CEAB's process on this RFP and for any
9 project that is subject to the RFP. The RFP must be on
10 the street within 15 days of that application, so the
11 November 4th date, actually, when we issued this RFP, was
12 the 15-day threshold for that response.

13 We have sort of the next statutory
14 milestone in this process is that the RFP must be -- bids
15 must be received in response to the RFP that we issue no
16 later than January 2nd, which is, I believe, 60 days from
17 the date of issuance, so that's, again, is a timeframe
18 that's established by the statute, so we've set this up to
19 have bids, any bids received in response to this RFP to be
20 received by the CEAB no later than the close of business
21 on January 2nd.

22 In the intervening time, we obviously have
23 the bidders' conference here today to explain the RFP to
24 you all. We have built into this RFP a request or sort of

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1 a mandatory requirement for a Notice of Intent to respond
2 by December 2nd.

3 We're very interested in making sure that
4 this process moves along, and we want to have an
5 indication by the 2nd whether there will be -- whether
6 there's interest in participating in this further or not,
7 so that's an important milestone that we've implemented in
8 this process to make sure that we have identified any
9 bidders to consider.

10 It's not an obligation to bid at that
11 point, but anyone who has not expressed an intent to bid
12 by December 2nd will not be considered further in the
13 process.

14 We will entertain questions. If you could
15 deliver those via e-mail to Gretchen Deans here at CERC,
16 and we will take questions, written questions, in that
17 process through December 9, and we'll respond to those,
18 and we'll distribute those to -- the answers to those to
19 everyone, and then we take the bids on January 2nd.

20 Again, from the date of receipt of the
21 bids, we, again, have a statutory timeline to review those
22 bids in 45 days, so by Tuesday, February 17, we must
23 review the bids that are in and prepare a report on the
24 evaluation of those bids to be delivered to the Siting

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1 Council. That's the timeline for the process we have
2 here.

3 At that point, on February 17, the report
4 to the Siting Council provides CEAB's assessment of the
5 bids received, the assessment of each of those against
6 CEAB's preferential criteria, which are mentioned in the
7 package, and the assessment of the potential for
8 alternatives to be considered relative to the Greater
9 Springfield Project that's part of the application.

10 So that's kind of the overview on the
11 timeline, and let me stop there and ask if there's any
12 questions about that before we go into the details.

13 Just walk through the pieces on page 12 and
14 13. For this conference today, obviously it's here just
15 as informational to explain the bid and answer any
16 questions you have today.

17 Again, we're requiring a Notice of Intent
18 to bid. It is mandatory, and we clearly just want an
19 expression of, particularly for those who are intending or
20 considering bidding, should identify themselves by that
21 date to the Board in writing to be considered further.

22 We've also included in this RFP in item
23 three on page 13 a separate or a parallel sort of request
24 for written comments. Clearly, the Board wants to

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1 consider any other relevant information that might be
2 germane as it considers the proposals and the issue of
3 alternatives for the project, and, so, we will accept
4 written comments at that date, as well, to be considered
5 in the evaluation.

6 Pre-bid question process, as I mentioned,
7 will run through the close of business on December 9. Any
8 questions you have that you want to submit and receive
9 responses, submit them to us through CERC by December 9,
10 and we'll prepare responses to them as quickly as
11 possible. Question? Yes?

12 MR. DiCRISTOFARO: Dan, the Notice of
13 Intent, do you have a form, or is just a simple e-mail
14 acceptable?

15 MR. PEACO: Just an e-mail or a letter.

16 MR. DiCRISTOFARO: Okay.

17 MR. PEACO: Indicating the entity and your
18 intention.

19 MR. DiCRISTOFARO: Thank you.

20 MR. PEACO: And during the -- I guess item
21 five here talks about post-bid. The Board reserves the
22 right to sort of follow-up with bidders and clarify
23 information in the bid, obviously through the evaluation
24 process. The evaluation process is a 45-day process.

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1 It's a very tight timeline, and, so, we will probably be
2 working very quickly to look at any bids that come in, but
3 we will endeavor to make sure that we understand the bids
4 that we receive as best as possible given the time
5 constraints that the process has put -- that the statutes
6 have put on the process.

7 In terms of submitting proposals, the
8 timing is very odd, because the statutory timeline falls
9 on the weekend right after New Year's, and, so, it's a
10 very complicated time, but in order to comply with the
11 statute, we have set January 2nd as the deadline for
12 submissions.

13 We will accept electronic submissions that
14 are delivered to CERC no later than 4:00 p.m. on the 2nd,
15 and we require that that be followed with a written or a
16 hard copy of that to be delivered to CERC no later than
17 4:00 on the following Monday, so that will at least allow
18 -- you can submit this electronically the day after New
19 Year's and actually get the hard copy Fed Ex over the
20 weekend and get it here Monday, and that will suffice for
21 a response.

22 I'll just point out the address on page 15,
23 the address to deliver things to. Gretchen Deans is the
24 focal point here at CERC for all communications, both to

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1 questions and particularly for submitting any proposals
2 that you'd like us to consider. Any questions on the
3 process at this point?

4 MS. FISHER: Yes, one question. Is early
5 submission acceptable?

6 MR. PEACO: Early submission?

7 MS. FISHER: Yeah, or does it have to be
8 January 2nd?

9 MR. PEACO: No, it does not have to be
10 January 2nd. It just has to be no later than January 2nd.

11 MS. FISHER: Okay. Thank you.

12 MR. CHAUHAN: So the majority of --

13 MR. PEACO: The statute is very
14 prescriptive on timeline.

15 MR. CHAUHAN: -- any kind of delaying the
16 submission?

17 MR. PEACO: No, not that I'm aware of. I
18 mean the statute, in the statute, it describes from the
19 day of application to the Siting Council to the date of
20 our report to the Siting Council specific timelines that
21 we must adhere to.

22 I guess a couple of other things that I
23 will mention, in terms of background on the RFP, we have,
24 and you can find these at the CEAB's, at CERC's website.

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1 Let me give you a website reference, and this will be
2 where documents are posted, responses to questions and so
3 forth.

4 The CEAB's website is www.ctenergy.org, and
5 if you go to that site and go to backslash energy,
6 underscore, rfps.html, there's a page that deals
7 specifically with the RFP process. On that page, we'll
8 have information about this particular RFP process.

9 MR. KIRKWOOD: Could you repeat after the
10 backslash again?

11 MR. PEACO: Sure. Energy, E-N-E-R-G-Y,
12 underscore, rfps.html.

13 MR. KIRKWOOD: Thank you.

14 MR. PEACO: And that's a page on the CEAB
15 website. You can find it probably if you get to the home
16 page, as well, that deals with the RFP. Yes?

17 MS. DEANS: There are links from the home
18 page, too, to make it easier.

19 MR. PEACO: Yeah. Okay, but, anyway, if
20 you go to that site, you'll find information about this
21 RFP process. There's also two documents that, as I
22 reviewed them, they are somewhat dated, because some other
23 statutes passed, but when this RFP process was first
24 instituted, the Board put out two volumes to sort of

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1 explain the particular issues associated with this RFP
2 process, so there's a Volume I guide to the Request for
3 Proposals process that's on that link, that's linked on
4 there, that gives sort of a broad overview of the
5 statutory foundation, some of the requirements, you know,
6 how this came to be and so forth, and then there's a
7 Volume II, which has more specifics on the process,
8 itself.

9 So if you want more background on the
10 CEAB/RFP process and the statutory requirements that drive
11 it, those two documents are there on the website, and you
12 can go refer to those, and they will explain a lot about
13 the particular construct within which we're conducting
14 this RFP.

15 I guess the other information that would be
16 available, obviously, the company's application filed with
17 the Siting Council, and that's available to everyone to
18 review. Beyond that --

19 MR. GORDON: Dan?

20 MR. PEACO: Yes.

21 MR. GORDON: You talked about what the CEAB
22 will ultimately pass on to the Siting Council, you know,
23 what happens at the end of this process, assuming there is
24 a project or more than one project potentially that meets

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1 the threshold requirements. What, then, happens at the
2 end of the process?

3 MR. PEACO: Sure. You mean after the
4 report is submitted?

5 MR. HAHN: No, no. I think he wants to
6 talk about after bids.

7 MR. PEACO: The question was, after bids
8 come in, what happens?

9 MR. GORDON: Well, actually, I was taking
10 it a little further. Assuming the bids have come in, you
11 reviewed them, and two of them look like viable
12 alternatives and meet your threshold criteria, and, so,
13 you're charged then with I think the next step in the
14 process is passing information to the Siting Council.

15 MR. HAHN: We're required 45 days after the
16 due date for bids to file a report, but the Board is
17 required to file a report with the Siting Council,
18 summarizing the results of what they did. So if bids are
19 received, LaCapra will analyze them, we'll make a
20 suggestion, as to what the Board does, and the Board can
21 either decide that that's a good suggestion, but,
22 ultimately, the Board files a report with the Council.

23 MR. GORDON: I guess I'm trying to
24 understand if it's an analysis for the Siting Council's

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1 benefit, or is it a specific recommendation the Siting
2 Council is required to accept?

3 MR. MENGACCI: This is just sort of the
4 body of evidence in their deliberations, so at least my
5 understanding is that this is going to be an objective
6 analysis of the proposals that have come in and to what
7 degree they meet the preferential criteria.

8 MR. PEACO: One way to think about this,
9 and I think you'll find a little bit more information on
10 that in these cover documents that I've referred to, the
11 totality, if you look at the statute, there's a setup in
12 the timeline. It flows all the way through the Siting
13 Council process.

14 This RFP process is designed as what I
15 would call as a front end to the Siting Council's review
16 of the application, the primary objective of which is to
17 assure that, to the extent that there are alternatives,
18 that they're brought forward so the Siting Council can
19 consider them on a simultaneous basis, so there are some
20 provisions in the statute.

21 To the extent that you offer a proposal to
22 the CEAB, there's a requirement to follow through and to
23 make a filing with the Siting Council within a certain
24 period of time, so that it's before the Siting Council as

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1 it considers those things, so you should look at sort of
2 the downstream requirements.

3 The proposal of the CEAB, to be effective,
4 needs to be followed with the filing of the Siting
5 Council, so this anticipates a process, where the Siting
6 Council will then take all that information as input, and
7 it will give it whatever weight it determines it needs to
8 give it in determining the suitability of the application,
9 in this case the Greater Springfield Transmission Project,
10 as the proper solution to the problem at hand.

11 All of this is basically to tee up the
12 Siting Council process and review, so that's where this
13 goes, and the Siting Council, as John says, will give it
14 weight in the record as it deems appropriate.

15 MR. GORDON: So, again, if there are
16 multiple projects in this process, would they be ranked in
17 some way? Would there be a compilation of ratepayer
18 benefits, some kind of ranking? Would that kind of
19 analysis move to the Siting Council?

20 MR. PEACO: We will be looking at, to the
21 extent that we have -- yeah, we will attempt to look at
22 both technical and economic factors. There is a specific
23 provision in the statute for the CEAB to evaluate these
24 against what's called preferential criteria, and those

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1 preferential criteria have been established by the Board.

2 Those are also on the website, and there is
3 a dimension of reliability and economic and environmental
4 aspects of that, so we'll be looking at the projects from
5 those dimensions and addressing those issues in the report
6 to the Siting Council.

7 Obviously, to the extent that we can
8 address, at least in a preliminary way, economic tradeoff,
9 we will attempt to do that.

10 MR. KIRKWOOD: Could I follow-up on that? I
11 wasn't sure I heard the answer. Will there be a ranking
12 of the project, so that you can actually -- like if one
13 falls out, as just happened in one of the DPUC
14 proceedings, will there be ranking such that the next
15 project would be able to come in?

16 MR. MENGACCI: I don't know. I don't think
17 so.

18 MR. PEACO: It will be a little different
19 than that.

20 MR. MENGACCI: I think all of the
21 alternatives will get proposed.

22 MR. PEACO: Yeah.

23 MR. MENGACCI: To the Siting Council, so I
24 don't necessarily think there will be a ranking. I mean

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1 they will be vetted through our preferential criteria
2 process, and through that process the Board may possibly
3 give guidance to the Siting Council, as to which ones we
4 think most closely adhere to the preferential criteria,
5 but as far as ranking one project over another or not
6 submitting all of them, I don't think that would occur.

7 MR. GORDON: Well I guess what I'm curious
8 about is, you know, I assume some entity, ultimately,
9 before these projects get approved are going to be charged
10 with determining which one provides the greatest benefit.

11 Now I don't know if that's the CEAB and the RFP process,
12 the Siting Council.

13 Typically, that's not something the Siting
14 Council looks at, so I'm just trying to figure out how
15 that -- where that happens in the process.

16 MR. MENGACCI: Well to some degree, Jon,
17 were going to have to feel our way through it. Not having
18 done this before, I'm not certain. I can only speak for
19 myself and what I believe intuitively is going to occur.
20 There are certainly other Board members here today that
21 can chime in, but there's also a number who are not here,
22 so I'm not certain if that's the form in which the report
23 would turn out.

24 MR. KIRKWOOD: Although you'll have like a

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1 number one recommendation, right?

2 MR. MENGACCI: Well I guess it would be
3 against our preferential criteria.

4 MR. PEACO: The odd thing about this
5 process to understand is there is no contract to offer
6 anyone at the end of this. This is a -- this process is
7 intended to solicit expressions of interests and proposals
8 to bring forward to be considered parallel with the
9 alternative.

10 Where this would be different than, say,
11 the DPUC's process, we're not necessarily picking winners
12 and losers. We're just providing information and perhaps
13 providing a ranking relative to these criteria, but we
14 wouldn't set one aside because it fails some test. We
15 would introduce all the information to the Siting Council
16 and offer our report as some assessment of the response.

17 The ability of individual or collective
18 groups of the response is to be meaningful alternatives to
19 be considered by the Siting Council, so it's a matter of,
20 I would say, sort of priming the record for the Siting
21 Council to consider.

22 At that point, there isn't any reason to
23 pick winners and losers, but to provide -- it's mostly to
24 provide information and to get the information lined up on

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1 a schedule, so that everybody -- so the Siting Council has
2 hopefully a complete set of options in front of it at one
3 time. Yes?

4 MR. WONG: I'm Humphrey Wong, C. Power. So
5 I guess what I'm trying to get clear, myself, is, what is
6 the decision making power of the Siting Council after they
7 receive the recommendation, so that the evaluation should
8 say add possible recommendations, is it possible that they
9 would then issue a secondary RFP, or could they decide,
10 right then and there, to say, oh, this alternative,
11 according to what we see in front of us, seems like a
12 really good alternative, let's immediately write it in the
13 contract?

14 In other words, I'm trying to get an idea
15 of the spectrum of possible actions that the Siting
16 Council can take.

17 MR. PEACO: I'm not familiar with any
18 authority that the Siting Council has to issue RFPs, so if
19 an RFP would be issued, it would not be from the Siting
20 Council. I'll just say that the Department of Public
21 Utility Control has certain RFP authority, and they could
22 consider this information, and that would probably be, if
23 there were to be a subsequent RFP for capacity contracts
24 or other such measures, it would be probably through some

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1 authority that the Department of Public Utility Control
2 would have, but I wouldn't expect that that would be
3 within the purview of the Siting Council.

4 MR. WONG: So the Siting Council also
5 doesn't really have the capacity to then just write a
6 contract?

7 MR. PEACO: What the Siting Council could
8 do is, to the extent that they have multiple siting
9 applications addressing the same need, they can make a
10 determination of which of those alternatives to issue
11 permits to within their authority, and I think that's the
12 primary issue contemplated by the statute, is to have
13 enough applications in front of them, one, so they can
14 make some determination, as to whether there is a better
15 solution that they should permit than one that's been
16 proposed, so that would be the action that the Siting
17 Council could take as a result of this.

18 That would be apart from what actions
19 might, you know, the Department of Public Utility Control
20 or other agencies within the State that have some
21 contracting authority could do with respect to the
22 proponents in this process.

23 MR. EATTO: Going back to the questions
24 that were raised earlier, would it be part of the analysis

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1 process, when you're looking at the projects, to, if there
2 are complimentary projects from separate bidders that
3 present as one, or two, or three together, present a good
4 alternative, would that come out of the analysis?

5 MR. PEACO: Yes. We would look, and I
6 think we talk about this in the package, we would look at
7 the totality of the response to see whether -- I mean the
8 fundamental question would be, looking at the response to
9 this, is it the CEAB's judgment, based on its review of
10 the bids, whether there are meaningful alternatives to be
11 considered to the project that's been proposed and whether
12 that's an individual project or collection of responses?
13 Those will all be considered in the evaluation.

14 COURT REPORTER: Can I just ask that -- I
15 didn't get everyone's name the first time around. Can you
16 just state your name the next time you speak, please?

17 MR. PEACO: Do you want to just go around
18 again and get names?

19 COURT REPORTER: If they just before they
20 speak say their name, that might be easier.

21 MR. PEACO: But everyone might not speak.

22 COURT REPORTER: That's fine. Then if you
23 want to go around again, I'll try and take you all down
24 again.

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1 MR. PEACO: Okay. Why don't we do that?
2 COURT REPORTER: Sure.
3 MR. PEACO: Jon, you want to start?
4 MR. GORDON: Sure. Jon Gordon, NRG.
5 MR. PEACO: We also have a list here.
6 COURT REPORTER: Oh, great.
7 MR. PEACO: I believe everybody has signed,
8 right? Chris, I don't think you signed, right?
9 MR. FULLER: Pete Fuller, NRG.
10 MR. KIRKWOOD: Mike Kirkwood, BG.
11 MR. KOONTZ: Jim Koontz, Source One.
12 MR. DiCRISTOFARO: Don DiCristofaro,
13 Pinpoint Power.
14 MR. PETERSON: Gary Peterson, Converse.
15 MR. PEACO: Do you need them to slow down?
16 COURT REPORTER: If there's a sign-in sheet
17 with everyone's name, I'll get the spellings off that, but
18 that's fine. That was working.
19 MR. WONG: Humphrey Wong, C. Power.
20 MR. EATTO: Joe Eatto, C. Power.
21 MR. CHAUHAN: Vimal Chauhan, G.E.
22 MR. PANKAJ: Pankaj, G.E.
23 MR. MENGACCI: John Mengacci.
24 CHAIRPERSON GAUDIOSI: Jeff Gaudiosi, CEAB.

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1 MS. O'CONNOR: Taren O'Connor, Office of
2 Consumer Council.

3 MS. OZOLS: Melissa Ozols, CEAB.

4 MR. PEACO: Dan Peaco, LaCapra Associates.

5 MR. LONG: Ray Long with NRG Energy.

6 MR. PRESTAGE: Kevin Prestige, Northeast
7 Utilities.

8 MR. CHRIS BERNARD: Chris Bernard,
9 Northeast Utilities.

10 MR. CARBERRY: Bob Carberry, CL&P.

11 COURT REPORTER: Okay, thanks.

12 MR. FULLER: Back to the analysis part of
13 this, proposals come in, and the criteria the CEAB has to
14 work with is the preferential criteria, so they're all
15 spelled out, and they're, as I've seen them, fairly --
16 some are fairly qualitative. In any event, if you can
17 measure them, they're sort of all different directions.

18 MR. PEACO: Right.

19 MR. FULLER: So there's no combined score.
20 There's no restructure. It's sort of a, you know, the
21 project is really good environmentally. It does this. It
22 does that. That's sort of how you gauge the goodness of
23 these things, I guess.

24 A couple of questions. Is the project

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1 that's been proposed to the Siting Council by the Greater
2 Springfield Project, is that also evaluated along those
3 same criteria, and then how do you determine whether or
4 not some or all of the alternatives are, in fact,
5 alternatives that could take the place? How is that
6 analysis captured in the preferential criteria or is it?

7 MR. PEACO: Let me try to break that into
8 at least two pieces.

9 MR. MENGACCI: I had three.

10 MR. PEACO: So the first question is how do
11 we actually score the various attributes that are set
12 forth in the preferential criteria?

13 MR. FULLER: Right.

14 MR. PEACO: And because we're not reducing
15 this to a sort of winner and losers, we will look at each
16 of the projects from the attributes in the preferential
17 criteria, particularly to look at things that are
18 discriminating projects, so that we can ultimately see if
19 the report will attempt to characterize along these
20 various dimensions the responses and how alternatives may
21 compare to one another, but it will be as a matter of
22 information and comparison, as opposed to indicating best
23 or worst.

24 The second question would be does the

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1 transmission line, itself, fit in there, and that's
2 obviously -- that's the one proposal we have in front of
3 us so far, so that will also be -- today is the only one
4 we have, but that will be evaluated, along with any other
5 proposal we have, in terms of all of the criteria.

6 To the extent that we have other proposals,
7 we'll have the transmission proposal and any other
8 proposals, and those will all be addressed in the report.

9 MR. FULLER: Can I just stop you there?

10 MR. PEACO: Yes.

11 MR. FULLER: Let me make sure I understood.

12 If there were no responses to this RFP, then would the
13 CEAB perform an analysis of the project, as proposed,
14 against the preferential criteria?

15 MR. MENGACCI: I don't believe so.

16 MR. FULLER: Okay.

17 MR. MENGACCI: We don't have a statutory
18 requirement to do that.

19 MR. PEACO: Yeah. If we have nothing to
20 compare it to, I think that it becomes a -- the Siting
21 Council will be reviewing that project for all of its
22 attributes anyway. The question would be whether, I think
23 to the extent that there are alternatives and how to think
24 about comparing those along these various dimensions, that

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1 would be where CEAB's report would attempt to lay that
2 open for the Siting Council.

3 CHAIRPERSON GAUDIOSI: Our requirement is
4 to find any alternatives. It's the Siting Council's
5 requirement to look at that proposal.

6 MR. FULLER: So the report to the -- the
7 report coming out of the CEAB will only evaluate the
8 alternatives, but will not evaluate them compared to the
9 proposed project?

10 MR. PEACO: I don't think that's what we
11 said.

12 MR. FULLER: Okay.

13 MR. PEACO: I guess the question would be -
14 - I think one question you asked was, if there are no
15 alternatives, would we evaluate the project?

16 MR. FULLER: And you said no.

17 MR. PEACO: And the answer is there really
18 isn't a need to do that, because the Siting Council, if
19 that's the only application, then the Siting Council can
20 proceed with its process with the one alternative in front
21 of it.

22 If we have responses to the RFP, we then
23 have the alternatives and the responses, and we have the
24 transmission project, and those are all sort of

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1 alternatives to address the need, so we would look at all
2 those.

3 MR. FULLER: So all of them would be
4 included in the CEAB analysis and report, as to how each
5 performs against the preferential criteria?

6 MR. PEACO: Right.

7 MR. FULLER: Okay.

8 CHAIRPERSON GAUDIOSI: I think it would
9 have to.

10 MR. FULLER: And then what was the last
11 question?

12 MR. PEACO: I don't remember. I know
13 there's another one. I can't remember what it was.

14 MR. FULLER: This was the really good
15 question. What was it?

16 MR. MENGACCI: I told you there were three.

17 MR. GORDON: While he's thinking, I'm just
18 going to make not a question, but an observation. I mean
19 I just think, if there are multiple, more than one
20 alternative to get evaluated and passes to the Siting
21 Council, it would be unusual for the Siting Council to be
22 in a position to have to evaluate multiple competing
23 proposals for a given need.

24 Typically, they'd make a go, no go decision

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1 on a specific proposal. I mean just an observation.

2 MR. PEACO: That's what the law says.

3 MR. GORDON: Then that's what they're going
4 to have to do, I guess, right?

5 MR. PEACO: Yeah. And I would let you go
6 read the statute. That's exactly what it contemplates.

7 MR. GORDON: Okay.

8 MR. EATTO: And then a little bit more from
9 what Jon said. If those alternatives are in front of the
10 Siting Council and the Siting Council looks at an
11 alternative that is not permissible, so to speak, in other
12 words, it's an energy efficiency project, something else
13 behind the meter, what is their mechanism, or is there a
14 mechanism for that to go forward?

15 MR. MENGACCI: Well I think it's a little
16 dangerous to start speculating on what the Siting Council
17 is going to do. I mean I appreciate your question, and I
18 appreciate the fact that this is new ground, but I think
19 we really need to stay focused on the RFP process.

20 To spin out and begin to speculate on what
21 they may do or may not do, I don't necessarily think it's
22 appropriate.

23 MR. EATTO: Well I guess I wasn't looking
24 for opinions. I guess I was looking for what the statute

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1 might say in that regard, and I appreciate it's out of
2 your purview. If you can't answer, that's fine.

3 MR. PEACO: Well I think that there are
4 some provisions in the statute, and I would invite you to
5 go and look at that. I think it could be read to broaden
6 the requirements of what's applied here, if there are some
7 limits to what that is, and I think that you raise an
8 interesting question that we spent some time talking about
9 ourselves, what happens with projects or an issue that
10 might fall outside of the bounds typically of the Siting
11 Council.

12 I think I would just invite you to sort of,
13 you know, figure out how to do this. If you can't figure
14 it out, send us in a question. We'll try to address it as
15 best we can. This, as I said, this process is new. This
16 is the first time we've actually run this process.

17 One of these has never actually run through
18 to the Siting Council with alternatives presented, so this
19 is the first time through on everything, so it's something
20 that we'll have to sort of work through as we go along.

21 MR. MENGACCI: But we have another one
22 coming very soon, so a lot of it will be explained.

23 MR. CHAUHAN: You may have answered that
24 part of the question. When you look at the alternatives

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1 and complimentary projects or competing projects, whatever
2 set of alternatives or set of projects you get, do you
3 make a specific recommendation to the CSC?

4 MR. PEACO: To the extent that we can.
5 We'll make our best assessment of the response.

6 MR. CHAUHAN: I mean it's not a data
7 download that you get all this data and you look at this
8 data, okay, here is all the data, do whatever you want to
9 do with this. You are going to make a specific
10 recommendation, as to, okay, here is one project for your
11 consideration, and there is a host of alternatives, and
12 you think that either this project or set projects present
13 reliable alternative to this project and that's our
14 opinion. Is that in the statute, or that's not in the
15 statute?

16 MR. PEACO: The statute contemplates that
17 there's a 45-day process, where the CEAB would review
18 these bids, evaluate them against the preferential
19 criteria, and make an assessment of that in a report to
20 the Siting Council, so it wouldn't simply, as you were
21 alluding to, as a data dump. We're not going to take the
22 bids and take 45 days to sort of put the bids together and
23 say here you go, Siting Council, go sort through them.
24 There is an evaluation process the Board will go through.

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1 MR. CHAUHAN: No. I understand the
2 assessment and evaluation. I'm looking for the
3 recommendation. At the end of your analysis and
4 assessment will there be a simple recommendation, saying,
5 yes, we have found, or we have not found reliable
6 alternatives?

7 MR. MENGACCI: I think it will be more in
8 the nature of a finding, as opposed to a recommendation,
9 and I know I may be splitting hairs.

10 MR. CHAUHAN: Yeah. I mean I'm looking for
11 (multiple conversations).

12 MR. PEACO: Our finding is going to be that
13 we believe there are alternatives, reliable alternatives
14 to this project. I don't think we're going to be
15 recommending which ones we think are best.

16 I think we're going to stop maybe just a
17 little bit short with that, but through the information
18 that's received, we may find that there is, so I guess, in
19 that way, it is in the nature of a recommendation, but I
20 don't think we're going to be in our report saying we
21 recommend this.

22 We may take the pieces and say, well, if
23 you take this submission, or if you take parts of this one
24 and parts of that one, then there is a potential

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1 alternative to this project.

2 MR. MENGACCI: We're in shades of gray
3 here, but, again, it's going to be more in the nature of a
4 finding or a conclusion, as opposed to a recommendation.
5 Our conclusion may very well be that we believe there are
6 alternatives to this.

7 MR. CHAUHAN: But the Board doesn't make a
8 specific recommendation?

9 MR. MENGACCI: I'm not anticipating that
10 we're going to. Again, not having gone through this
11 process, and I can only speak for myself and what I
12 believe the process is. The Board may decide that they
13 may want to make a recommendation, but with not having all
14 of them here having this discussion, it's a little bit
15 dangerous for me to speculate on what they might or might
16 not do.

17 MR. WONG: It sounds like you have or the
18 CEAB has the power to make all the way up to
19 recommendation, but all the way down as low as just a
20 finding.

21 MR. MENGACCI: Yes. I think that whole
22 strata is within our statutory abilities, and depending on
23 how far the Board would like to go along that continuum
24 from finding to recommendation, I think is still --

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1 MR. CHAUHAN: -- spectrum is finding is
2 probably the lowest (multiple conversations). How far are
3 you going to go with this?

4 MR. MENGACCI: As you can see, because
5 we're in the first few steps of this process, we haven't
6 had a chance to engage the Board in this discussion, so I
7 don't know where along that continuum they would fall or
8 want to fall.

9 CHAIRPERSON GAUDIOSI: And I think there's
10 a lot of factors, too, depending on how many projects meet
11 the criteria, you know, how different they are from each
12 other. If we get five projects that are all essentially
13 the same, it will probably just be a finding.

14 If we get one or two projects and one is
15 clearly a good alternative, then maybe the Board will
16 decide, well, that's the one we would recommend. That's
17 why I don't think we can answer that until we see how many
18 responses we get and what they are.

19 MR. PEACO: Bob, you had a question?

20 MR. CARBERRY: Yes. The Greater
21 Springfield Reliability Project and the Interstate
22 Transmission Project, and as you might guess from the
23 title, a large portion of it, almost three-quarters of it,
24 is in Massachusetts, and a large portion of the need is in

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1 Massachusetts, the Siting Council application is only
2 about the Connecticut portion of this project.

3 Is the CEAB or RFP process only about
4 alternatives for the Connecticut portion of the need in
5 the project, and how do you figure that out? The
6 resources that you have proposed, are they only in
7 Connecticut, can they only be in Connecticut?

8 MR. PEACO: Obviously, the only ones that
9 the Siting Council can permit are the ones in Connecticut,
10 but we've had a lot of discussion about that on the
11 project at issue, and I think that part of the reason we
12 included the comment piece in here is we realized that
13 there may be information about projects that may be part
14 of the solution that may reside in Massachusetts as
15 opposed to Connecticut, and that information clearly is
16 helpful to the Board in considering the alternatives, but
17 clearly not something that's directly actionable by the
18 Siting Council.

19 That's one of the many puzzling aspects of
20 how to implement this process and make it work for
21 everyone.

22 MR. GORDON: As a follow-up to that, I
23 think one of the preferential criteria is costs and
24 benefits to Connecticut electricity consumers, and, to

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1 that point, to the extent that there's only a small piece
2 of this project in Connecticut, I'm not sure the new
3 filing contains an isolated calculation of benefit to
4 Connecticut consumers.

5 Arguably, another project could provide
6 significantly higher benefits to Connecticut consumers,
7 given the multi-state nature of this thing. I know this
8 is extremely complicated for you guys, but how is that
9 going to go, sorted out?

10 MR. HAHN: If I might? In the company's
11 filing with the Siting Council, they included a report
12 from a consulting company, called ICF, and ICF was
13 retained to do an analysis of non-transmission
14 alternatives to the Greater Springfield Reliability
15 Project.

16 A lot of that document is critical energy
17 infrastructure information confidential, so we can't talk
18 about it here, but I believe that if you execute the
19 confidentiality agreement with the company, the
20 confidential, full confidential study will be available.
21 That's my assumption. I'm not a lawyer, but that's my
22 assumption.

23 If you look at that study, it does consider
24 alternatives in Western Massachusetts and in Connecticut,

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1 and you can see from the study what the relative impacts
2 of those alternatives are, so that will give you an idea.

3 It's not necessarily a hard and fast answer of where and
4 what type of non-transmission alternatives could work.

5 I would encourage everyone to do their own
6 due diligence on that particular document.

7 MR. GORDON: But this confidential report
8 doesn't break down benefit by Massachusetts and
9 Connecticut.

10 MR. PEACO: So your question is how do we
11 look at the specific --

12 MR. GORDON: -- criteria is cost and
13 benefits to Connecticut consumers. If that's one of the
14 key criteria, how do you look at that? Is that data
15 available?

16 MR. HAHN: We're going to figure that out
17 after the bids come in, but I would just point out, for
18 example, that transmission facilities in, particularly PTF
19 transmission facilities in Western Massachusetts will be
20 borne partially by Connecticut ratepayers.

21 Again, I'm not a lawyer, but it's possible
22 for obligations in Connecticut on renewable energy to be
23 fulfilled from purchases outside of the State, so we are a
24 little bit on plowing virgin ground here, but I think you

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1 can analyze these projects, both transmission and non-
2 transmission alternatives, with the impact on the region
3 and on Connecticut ratepayers.

4 MR. WONG: -- application.

5 MR. PEACO: Yes, it is.

6 MR. WONG: Does it go into any detail about
7 how the Greater Springfield Project has an impact on
8 federally mandated charges, and would looking at the
9 confidential report or the full text of the application
10 give insight into how alternatives would have a greater or
11 lesser impact on these same charges?

12 MR. HAHN: I am not aware that the
13 company's filing for the Greater Springfield Project
14 specifically addresses FMCCs, which is what your question
15 is, but, clearly, projects that are proposed, either the
16 transmission or non-transmission alternatives, can be
17 evaluated against those.

18 Probably the best answer I can give you may
19 not be the one you're looking for, but it's the best
20 answer I can give you.

21 MR. MILLEY: You used the word needs
22 several times in this discussion. We're inferring that
23 there is a need, a benchmark, or something that is
24 required. Has that need been identified?

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1 MR. HAHN: The ISO New England and the
2 transmission owners have been evaluating the reliability
3 of the transmission system for a number of years. I won't
4 specify how many, but I think the origin of the NEEWS
5 process probably goes back four years. Is that about
6 right, Bob?

7 MR. CARBERRY: Yes.

8 MR. HAHN: Okay, so, there are numerous
9 reports that have been filed at ISO. Some have been filed
10 --

11 (Off the record)

12 MR. HAHN: We have the numerous reports
13 evaluating the reliability needs. Those are available at
14 ISO. Some of them have been filed with the Siting Council
15 application in this particular case, along with the
16 evaluation of the transmission alternatives that ISO looks
17 at, so I don't know whether, you know, all of the
18 processes at ISO have been concluded, but you can
19 certainly read those reports, see the needs that are
20 identified.

21 You can look at the ICF and TA study and
22 see the needs and the non-transmission alternatives, and
23 that would be the good idea.

24 MR. MILLEY: Is that the benchmark that

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1 you'll use to evaluate the alternatives?

2 MR. PEACO: I think, clearly, the needs
3 assessment that's been done at ISO is the basis upon which
4 the company is bringing the application, so that's the
5 starting point. We're reviewing that.

6 I'm sure the Siting Council will review
7 that, so I don't know that that's necessarily the final
8 word from the Siting Council determination, but that's
9 clearly the starting point for the application and the
10 starting point for our review.

11 MR. HAHN: Yeah. I mean, clearly, well, my
12 view is clear that the Greater Springfield Project is
13 being proposed as a reliability project. It's not being
14 proposed as an economic project, or a market efficiency
15 project. If you look at the applications, it says it's a
16 reliability project.

17 Any alternatives that surface would need to
18 address those same needs that are articulated in those
19 reports.

20 MR. GORDON: My understanding of the need
21 and the benefit in fulfilling that need is more
22 Massachusetts-based, and then it gets back to the
23 Connecticut ratepayer benefit test. You know, how does
24 one sort that out?

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1 MR. HAHN: Well it will be a challenge,
2 because the whole concept behind reliability projects on
3 the bulk power supply system represents a regional
4 benefit, and those costs are socialized regionally, so you
5 can look at non-transmission alternatives and make similar
6 allegations of cost, depending on the types of projects
7 that are bid.

8 I won't submit to you that that's an easy
9 task, but that's the task that we are faced with and that,
10 ultimately, the Siting Council is being faced with.

11 MR. MENGACCI: It's also not our
12 responsibility as part of this process to question that
13 need. That was determined many, many years ago, and this
14 is the result of that decision, that there was this need
15 and now they're finding an alternative, or finding a
16 solution to that need.

17 So as part of our RFP process, it is not
18 our responsibility, nor will we go down that road, to
19 assess whether the original decision of the need was
20 correct.

21 MR. GORDON: Yeah. I'm not arguing with
22 that. I'm just say, hypothetically, if it's a
23 Massachusetts-based need, then, accordingly, then the
24 benefit flows to Massachusetts.

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1 We're in this strange process, where we're
2 looking at preferential criteria, one of which benefits
3 Connecticut ratepayers. It puts the whole thing in an
4 awkward position when you're trying to compare, you know,
5 a Connecticut-based generation alternative, let's say, to
6 a transmission alternative that's benefiting
7 Massachusetts.

8 MR. MENGACCI: This project clearly
9 identifies some of the clumsiness of the construct, the
10 statutory construct in which we're operating, and we
11 recognize that.

12 MR. GORDON: I understand.

13 MR. KIRKWOOD: Yeah, because you have these
14 two jurisdictions, it raises that jurisdictional issue.
15 You have a Massachusetts Siting Council reviewing the
16 Springfield reliability project, you know, as Connecticut
17 is reviewing the Connecticut facilities, so I'm trying to
18 fathom how, if you have a generation resource that sort of
19 obviates the need for Massachusetts jurisdictional
20 transmission facility, how do those two things jive?

21 The ultimate recommendation might be in
22 Connecticut to go forward with the generation project, but
23 the Mass. Siting Council says go forward with the
24 reliability project in Massachusetts. What's the end

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1 result?

2 MR. MENGACCI: Probably Don Downes.

3 (Laughter).

4 MR. PEACO: You're right.

5 MR. HAHN: Let me put it this way. It is
6 true that the Greater Springfield Project addresses
7 reliability concerns on transmission facilities in both
8 Connecticut and in Massachusetts. Now it's theoretically
9 possible to find a solution in Connecticut for the
10 violations or the reliability concerns in Connecticut and
11 still have a transmission or non-transmission solution
12 implemented in Massachusetts. That is a possibility.
13 Without seeing what projects we may or may not get, it's
14 pretty hard to speculate any further than that.

15 All I'm saying is that if you look at the
16 ISO needs assessment, which was actually done by a grid in
17 Connecticut Light and Power, you can see where the
18 facilities, where the reliability concerns are. You're a
19 smart guy. You can probably make some judgment about what
20 types of facilities would mitigate those concerns, other
21 than transmission consumers.

22 MR. KIRKWOOD: And, again, the thing I'm
23 wrestling with, Dick, is that jurisdiction, not knowing
24 what the end result of the studies will be. If it is

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1 truly a generation project in Connecticut, obviates the
2 need for a transmission project in Massachusetts, how do
3 you get to the answer of which one gets built?

4 You can have Connecticut say it makes all
5 the sense in the world to go forward with the generation
6 project, yet Massachusetts say the Siting Council give the
7 permits for the Massachusetts reliability project, so, at
8 the end of the day, you don't get the result that you're
9 looking for, which is the lowest cost, you know, solution
10 to the problem.

11 Maybe I'm not seeing it clearly, but I just
12 don't understand what the process is to try and get to
13 that final answer, unless it's a negotiation between, you
14 know, at some State level, between Connecticut and
15 Massachusetts on this issue.

16 MR. PEACO: I think it's fair to say that
17 none of us really know what that process is. It's not a
18 standard process, but we realize that we need to proceed
19 with this and sort this out, and that's part of the reason
20 that we -- I mean to the extent that there's -- I mean
21 there's many imponderables about this situation and trying
22 to sort through this process the CEAB has to do and
23 looking at the alternatives.

24 I invite you to sort of, in addition to

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1 whatever proposals you might want to submit, if there's
2 questions, or concerns, or comments about what happens in
3 Massachusetts that we ought to consider in our evaluation,
4 you know, put that in some comments and send it to us, as
5 well.

6 MR. KIRKWOOD: Good point.

7 MR. PEACO: Clearly, as you well
8 articulated, this is not necessarily a straightforward
9 evaluation process we're going to be conducting here, so
10 the perspective on that would be useful to have.

11 MR. MENGACCI: And keep in mind that the
12 questions that have been asked and if you want to submit
13 them again in writing, those could be part and probably
14 will be part of our final report. We will raise some of
15 these issues to the Siting Council, saying we believe that
16 there are alternatives out there, but these are the issues
17 that come associated with that.

18 Correct me if I'm wrong, but I think we
19 would be remiss and not fulfilling our responsibility
20 properly if we didn't raise the issues that came along
21 with the alternatives.

22 MR. HAHN: Mike, I would suggest, again,
23 that you look at the unredacted ICF report, because that
24 provides a good insight into where solutions would be

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1 effective to specific problems.

2 MR. KIRKWOOD: Yeah, I hear what you're
3 saying, Dick. You're saying that what I just proffered
4 out there is a possibility. It may not be the primary
5 possibility that -- I think what you're saying is that, if
6 I looked at the data, maybe I'd see that the generation
7 and transmission issues are centered around Connecticut.

8 MR. HAHN: I would say that there are
9 identified reliability concerns in both Connecticut and
10 Massachusetts, but it's not absolute that a solution in
11 Massachusetts is required to solve a Connecticut problem.
12 All I'm saying is, if you look at the report, you'll get
13 some idea about where solutions might be useful.

14 MR. PEACO: Other questions?

15 MR. MENGACCI: He remembered his one from
16 earlier. Did that one come back yet?

17 MR. FULLER: I think, actually, it was
18 captured in that discussion. In the preferential
19 criteria, one of the categories is system reliability,
20 and, so, the question, I think the threshold question is,
21 you know, will a generation or a demand response project
22 meet or partially meet, I guess, the reliability needs
23 that the transmission is asserted to meet.

24 I don't know how well you can describe, but

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1 how -- what tools and how will that be done, and is the
2 criteria that you must find a project or a set of projects
3 that fully meets the reliability needs, or just things
4 that contribute towards making the situation better?

5 In other words, does it become binary in
6 some sense, or, if I have a small generation project that
7 makes the world better, but doesn't obviate the need for
8 transmission, does that meet the threshold, if you will,
9 and the system reliability criteria? Have you thought
10 about how you do that?

11 MR. PEACO: We have two things we thought
12 out. One is, we thought about the notion that we don't
13 want to limit this only to bids that, in total, address
14 the entire stated need.

15 I mean, to the extent that there are
16 specific projects that may be pieces of an alternative
17 solution, then, clearly, we want to encourage them to come
18 stand along, and we'll look at those to the extent we can.

19 Clearly, in the 45 days, we have to look at
20 the bids. We're not going to be able to conduct
21 reliability assessments on individual or aggregate
22 impacts. We're going to have to make some inferences
23 about what should be looked at, based upon our own review
24 of what the companies have done to date, and where likely

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1 further studies would warrant, you know, sort of testing
2 some of these configurations, so it's going to be a, you
3 know, we'll make the best finding we can, but, clearly,
4 we're not going to be, in 45 days, be conducting a series
5 of reliability studies to determine definitively which
6 solutions and what combination would produce changes and
7 timing, or configuration, or obviating the need for the
8 transmission project, as proposed.

9 MR. FULLER: Okay. We'll see how that
10 plays out. Another element of all of this stuff, and I
11 think the RFP makes reference to this, obviously, we know
12 that there are more pieces of news yet to come, and I
13 think the RFP invites project proponents to talk about
14 those and how their project might address those needs, as
15 well as the needs addressed by the Greater Springfield
16 Project, which is specifically in front.

17 I'm asking, I guess, for a little -- if you
18 guys know anything, or if the N.U. representatives here
19 can share anything about when we will have further
20 information on those parts of the project.

21 In the event we don't have information at
22 this point, how well do you think you'll be able to
23 evaluate projects that, say, you know, a lot of the reason
24 that this is a good project is because of this other

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1 piece, or my generator only really makes sense if you take
2 into account the Greater Springfield and the other parts
3 of NEEWS. How will you address that in going to the
4 Siting Council?

5 MR. PEACO: Well I think absent any further
6 information on any of the projects, I think we would
7 address it in terms of to the extent that that appears to
8 be something we need to look at. Clearly -- here now,
9 because these are coming in sequence. I don't know the
10 exact timing involved. I don't know if you're prepared to
11 speak about timing or any other pieces at this point.

12 MR. CARBERRY: I can say that the next
13 project is the Interstate Reliability Project, connecting
14 Connecticut to Rhode Island and Central Massachusetts.
15 The municipal consultation process was started in August,
16 so you have that document and should be in the midst of
17 preparing I think for your RFP for that.

18 Application to the Siting Council at this
19 point probably the first month or two of 2009.

20 MR. HAHN: The other thing I'll point out
21 is that a lot of the ISO New England needs assessment and
22 analysis of transmission alternatives did include the in
23 state and the Central Connecticut Reliability Project, and
24 there's also a Rhode Island Reliability Project, which was

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1 assumed as an implemented project for the purposes of
2 Greater Springfield.

3 There is some information out there in
4 these reports that give you some guidance, as to what the
5 impact of the next two projects would be after
6 Springfield.

7 MR. FULLER: To the extent that -- I guess
8 to the extent that someone brings in those other portions,
9 in terms of why their alternative makes sense, will you be
10 able to evaluate the preferential criteria of those other
11 portions, or is that statutorily, you know, prohibited, or
12 is it just prohibited by lack of information, I guess is
13 the question?

14 MR. PEACO: Well there's no statutory
15 alternative for us to consider those, and, clearly, we
16 want to consider those. How exactly we weave these
17 together is not so clear, but the starting point here
18 clearly is the --

19 To the extent that there are
20 interrelationships, we want to identify those, because,
21 clearly, we'll have other, you know, these other
22 applications coming to deal with, and to the extent that
23 there are some strong interrelationships between those, we
24 identify that, we'll then have to figure out how to

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1 address that and how we proceed forward, but there are
2 things to consider in how the CEAB proceeds, depending
3 upon whether there seems to be evidence that there's
4 strong interrelationships or not.

5 MR. MENGACCI: I think a lot of it,
6 interestingly enough, is going to depend on what comes in.

7 MR. FULLER: Sure. I understand.

8 MR. MENGACCI: I think a large degree is
9 going to depend, you know, how narrow or how much broader
10 our evaluation or our assessment needs to be.

11 MR. PEACO: You know, just one example, for
12 example. In the CEAB's statutory authority due to RFPs,
13 there is, and it's described in these documents, the CEAB
14 is not limited to doing RFPs only in reaction to a
15 specific application.

16 For example, to the extent we know a
17 project is coming, we can initiate an RFP sooner, so
18 that's something that we might consider, you know, a
19 consideration if we say, gee, we really need to be looking
20 at these together. Maybe that's the way we would go.

21 That's not saying that we'll do that, but
22 that's at least within the rails of the statute allows the
23 CEAB to pursue what's called a proactive approach to the
24 RFP, as opposed to reactive.

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1 MR. FULLER: Okay. Thank you. And I think
2 my last point at the moment, on process, I think, earlier,
3 as we were talking about, you know, the CEAB does its
4 work, prepares a report, sends that onto the Siting
5 Council, and then to the extent you're familiar with it or
6 understand it, the Siting Council, in order to do its
7 evaluation, or the simultaneous consideration, or whatever
8 it's called, is it the understanding that any project that
9 they want to consider would make it (ringing noise) Siting
10 Council application at that point, or can they evaluate on
11 the basis of the these templates, or what would that
12 process look like? Can you say anything about that?

13 MR. MENGACCI: Well I don't know.

14 MR. FULLER: Oh, yeah. Mr. Phelps.

15 MR. MENGACCI: Only to the extent that
16 Derek would like to answer that. He's certainly much more
17 qualified to speak.

18 MR. FULLER: Derek, clearly, you have an
19 application from CL&P for the transmission project. We're
20 discussing here proposals that would come to the CEAB for
21 alternatives. They're going to do some analysis and
22 present their findings, results, conclusions, what have
23 you, to you folks.

24 What is the Siting Council process at that

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1 point, because you have a, presumably, a full and complete
2 application from one project, and then you have potential
3 alternatives that have been identified that have not made
4 formal application to you for permits?

5 Would you require that formal application
6 before you can continue to evaluate alternatives, or can
7 you work on the basis of the information that you get from
8 the CEAB?

9 MR. PHELPS: I don't think we're entitled
10 to require that another application be assembled before we
11 do our statutory job of taking up the application that's
12 in front of us when it is submitted.

13 The process requires that we take an
14 application that's in front of us and evaluate it. Our
15 statutory charge is to compare need against adverse
16 environmental effect.

17 This is going to be our first venture at
18 receiving something of this scope and magnitude and
19 importance with comments from the CEAB. I think what
20 we're expecting to receive is a report from the CEAB, as
21 to what the CEAB -- I'm sorry. I thought I had this dumb
22 thing turned off.

23 I think we're expecting to receive a report
24 from the CEAB, as to the apparent merit of need with

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1 respect to the Greater Springfield Project and the first
2 iteration of the NEEWS projects, based on the CEAB's
3 experience, testing the question of whether or not there
4 are alternatives available.

5 If CEAB decided to issue an RFP, gets some
6 results from the RFP, assembles a report, sends that over.

7 That information goes directly to the question of whether
8 or not the purported need is, in fact, so great as to
9 outweigh the adverse environmental effect of the project.

10
11 I don't think we've got any right to
12 require that some other project that may have been evoked
13 or come to the surface as a result of the CEAB process
14 that is then made aware, that we are then made aware of,
15 is, in fact, developed as a formal application, so that
16 we're then comparing applications.

17 If that were to happen, we'd be back to
18 where we were several years ago, where it becomes a race
19 to the Siting Council's door, and that was exactly what
20 kind of spawned all of this. Is that responsive to your
21 question?

22 MR. FULLER: I'm not sure, because if --
23 can you help me understand a scenario of a result coming
24 out of this process with the CEAB and their analysis, in

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1 which you would look at the application before you and
2 say, you know what, while this does the job that they, you
3 know, fills their reliability need and so forth, it's not
4 as good as we could do, so we're going to deny it, and we
5 want to do this instead, or we'll deny it, because we
6 think there's something better out there that might come
7 to us, can you help me through that and whether there's
8 light at the end of this tunnel?

9 MR. PHELPS: I think I have to say that,
10 conceivably, potentially, yes, sure. Were it not for the
11 possibility that that might happen, none of this process
12 would have any merit at all.

13 On the other hand, I can't go so far as to
14 say to you what hypothetical situation and draw out a
15 picture, because that would be way too speculative.

16 MR. PEACO: Peter, if I just might add?

17 MR. FULLER: I appreciate it, Derek. I
18 understand this is new for all of us, and we're trying to
19 feel our way in the dark here.

20 MR. PEACO: Peter, I just wanted to add to
21 that the statute that creates the CEAB process has in it,
22 and this is described in this permit that I mentioned,
23 that you ought to take a look at, and you ought to have
24 your lawyers kind of go through the statutory process

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1 here, but there's a specific timeline set forth from when
2 you would submit a proposal to the CEAB and when you
3 follow-up and prepare an application to submit to the
4 Siting Council if you wanted to be considered in parallel
5 with this, and, so, you have a certain amount of time, and
6 I believe it's -- I think their language is 30 days after
7 the evaluation is done, parties submitting proposals are
8 required to file an application to the Siting Council if
9 they wish to be considered in parallel of the process, so
10 there's a timeline involved, where if you meet the
11 timeline, then the Siting Council has that it can do that
12 in parallel to the process.

13 It's not that the Siting Council can't sort
14 of require anybody to do that, but if you want to be
15 considered -- a timeline is specified for that
16 application, to do that, so that's contemplated as a
17 follow-up by the project proponent after they submit a
18 proposal to the CEAB.

19 MR. FULLER: Okay.

20 MR. PEACO: Which you ought to just take a
21 look at that and read the statute for yourself.

22 MR. FULLER: Okay.

23 MR. LONG: I just have one question to
24 Pete's questions here. Forgive me if I'm making you all

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1 speculate on this, but following the Siting Council
2 process, if an alternative was to come to light at the
3 Siting Council and the Siting Council decided that it
4 wanted to proceed with that alternative or alternatives
5 over, what next?

6 MR. PEACO: I don't know. That's more
7 speculation than I can do.

8 MR. MENGACCI: Yeah.

9 MR. PHELPS: I'm treading very lightly
10 here. You know that we have jurisdiction over energy
11 projects, as well as some other areas, including
12 telecommunications, and they're worlds apart, but for the
13 sake of trying to be helpful to that question, when we
14 have an application before us on a telecommunications
15 facility and we are persuaded that the project is not
16 worthy of approval, it's generally because we believe that
17 although there is not perhaps sufficient record to develop
18 the viability of an alternative site, over the course of
19 the proceeding we've learned that some other site or
20 project is potentially out there in play, and, so, what we
21 do is we deny, without prejudice, the project that is in
22 front of us and develop language in our decision and
23 especially our opinion that explains that we invite the
24 proponents of the project to explore other ways, as to how

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1 that need might be built by some alternative project.

2 In the case of a telecommunications
3 facility, we're talking about a tower in a different
4 location, or some alternative to the tower that's
5 proposed.

6 Now the obvious difference there is that it
7 would be the same company or applicant that would then go
8 back to the drawing board and find an alternative project
9 that they would then develop and bring back to us.

10 I'm not sure that has great commonality to
11 this situation, but over the course of the life of the
12 proceeding, the contested case, our understanding is
13 developed to such a point that we are persuaded that the
14 project ultimately should be denied, in order to entertain
15 other options, and we develop our decision in such a way
16 as to reflect that.

17 MR. CHAUHAN: So along the same lines, if
18 you have a project that they've already approved
19 previously and that appears as a viable alternative to the
20 project, would that change the way you proceed?

21 MR. PHELPS: If the project is approved --

22 MR. CHAUHAN: Yes.

23 MR. PHELPS: -- it is approved. If a
24 project is approved, it's, I mean --

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1 MR. CHAUHAN: The point I'm making is that
2 would that -- and that is a viable alternative to the
3 current transmission projects.

4 MR. PHELPS: I'm trying here, but I'm not
5 understanding --

6 MR. CHAUHAN: -- these projects and there's
7 a project that was previously approved by the Siting
8 Council and that project is a viable alternative to the
9 future projects, then you don't need to really consider
10 another project. You've already approved that project.

11 MR. PHELPS: Oh. Are you asking are we
12 looking at the whole world as we know it to exist,
13 including all of our past approvals, when evaluating
14 whether a project that is pending before us is necessary?

15 MR. CHAUHAN: Yes.

16 MR. PHELPS: Yes. Sure, because, if
17 nothing else, what we do is take administrative notice of
18 anything that might be relevant. Previously approved
19 generation projects and so on and transmission projects,
20 that's all part of our record. We're pretty good at that.

21 MR. CHAUHAN: No. I was just the follow
22 onto a question, that the question, I believe the question
23 was that, if there is a viable alternative, but you have
24 not yet considered that, it has not come in front of

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1 Siting Council.

2 MR. PHELPS: Sure, but that's not something
3 that's approved, right? I'm sorry. I understood this
4 question to be, if we have an application in front of us
5 for NEEWS and we have information given to us by the CEAB
6 about the potential viability of an alternative project
7 that may, in some way, alleviate or otherwise overcome or
8 set aside the purported need of the NEEWS project, how
9 might that affect our decision making process?

10 I attempted to explain that one outcome,
11 one conceivable hypothetical outcome of the Siting
12 Council's process and review might be, underscore
13 conceivably here, denied, without prejudice, if, in fact,
14 we think that some other project needs to be better
15 considered. Possibility, but that is with respect to
16 something that isn't yet built or approved, only
17 information that is available, as to the viability of
18 other projects.

19 I understood your question to be how might
20 we consider past approvals of Siting Council projects in
21 the scope of our consideration?

22 MR. CHAUHAN: But not yet built.

23 MR. PHELPS: But not yet built. Oh, there
24 are a few generation projects that are approved by the

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1 Siting Council that -- generation projects that are
2 approved by the Siting Council that aren't yet built, so
3 that gets to the question of how serious should we weigh
4 the understanding or knowledge of an approved project for,
5 you know, Meriden gas turbines.

6 You know, there's a couple of big ones out
7 there that aren't operational yet. That's the discretion
8 of the Siting Council. There are nine members of the
9 Council, and each one of them has a different point of
10 view about the viability of these projects.

11 Now I'm really getting into the merits of
12 knowledge and information and what the Council would
13 attach in the way of importance to specific elements of
14 evidence, and I'm not comfortable with that.

15 I certainly will tell you that any
16 participant in the Siting Council proceeding who wants to
17 point to that and invite that the Council take that into
18 consideration would certainly be free to do so and we
19 would.

20 MR. CHAUHAN: Sorry to belabor the point
21 here, but the point of this exercise is to help the Siting
22 Council not independently, thankfully by the efforts of
23 its own members --

24 MR. PHELPS: Thank you.

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1 MR. CHAUHAN: -- specifically identifies
2 the alternatives.

3 MR. PHELPS: Sure.

4 MR. CHAUHAN: Then you have the
5 alternatives, and some of the alternatives, as you
6 identified some generation projects may already -- have
7 already been approved by the Siting Council, they don't
8 need any further record or any further consideration by
9 the Siting Council. They have been approved and
10 previously gone through an exhaustive process.

11 MR. PHELPS: Sure. Great point.

12 MR. CHAUHAN: So then you have that record,
13 and you have the CEAB not recommendation, but CEAB report
14 --

15 MR. PHELPS: Sure.

16 MR. CHAUHAN: -- gets presented to the
17 Siting Council. So, in that case, would you be thinking
18 that, okay, we have these alternatives, and there's this
19 environmental impact of these new projects, would that
20 change in some way the decision making that goes on?

21 MR. PHELPS: The only thing I can tell you
22 is potentially, and I know that's not real helpful to you,
23 but this isn't the first time we've also had very
24 important, substantial transmission projects in front of

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1 us either.

2 With phase two, Middletown to Norwalk, the
3 Meriden Gas Turbines Project in Meriden was approved, and
4 there was a great deal of study and discussion about the
5 viability and usefulness of the transmission with respect
6 to that generation, but it was approved by the Council,
7 but it wasn't approved yet, and is it going to get built,
8 and clean energy in Middletown, that was approved. It
9 wasn't built yet. It's almost built today, but that was
10 all a part of the record, so yes.

11 What I would try to encapsulate here in the
12 way of some summary to this point is, prior to the newly
13 expanded role of the Connecticut Energy Advisory Board,
14 the Siting Council's role, which was to propose need
15 against adverse environmental affect, we had a lot of
16 tools at our disposal to evaluate the impact of adverse
17 environmental affect.

18 We have information coming to us from
19 Shippo(phonetic) and agriculture and DEP, Council on
20 Environmental Quality, and a great deal of information
21 about adverse environmental affect.

22 With respect to need, we did not have the
23 kind of engaged process that we have today with the CEAB,
24 and, so, this is really helpful and very important, and

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1 you're going to help us better develop the evidentiary
2 record, so that we have complete resources at our disposal
3 for need against adverse environmental affect.

4 I can't bite down on just what piece of
5 information is going to turn the worm, but it's all good,
6 because we appreciate the information.

7 MR. MENGACCI: I know that we're being
8 vague here, gentlemen. We're trying to answer the
9 questions as best we can, but never having gone through
10 this process yet, I think you're asking us to speculate on
11 what may happen.

12 You're getting the sense that we're trying
13 to do our best to give you some idea, but until this
14 process actually plays itself out to completion, we won't
15 know, because as dangerous as it is for me to speak on for
16 what I think the CEAB is going to do in this process, I
17 think it's equally as dangerous for Derek to say what the
18 Siting Council may do.

19 The next piece of news that comes forward,
20 a lot of these questions will be answered, unfortunately,
21 but I think it's going to take us through this entire
22 process before some of these things are known.

23 You have two deliberative bodies that have
24 never gone through this before and are not certain what

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1 the members are going to do. Is it going to be in the
2 form of a recommendation? Is it going to be a finding?
3 We don't know.

4 And I'm sorry you folks are looking for
5 definitive answers here this morning, and, unfortunately,
6 we just can't supply them yet.

7 MR. LONG: Jon, thank you. I think you
8 guys are doing a fine job, given the clarity we've got in
9 the legislation. (Laughter)

10 MR. MENGACCI: That's the first time
11 anybody has said there was clarity in it.

12 MR. LONG: One other quick question for
13 you. One of the criteria that you're looking at is, you
14 know, costs and benefits to consumers, and I'm sure that's
15 going to pose an additional challenge for how you're going
16 to balance transmission line projects against potential
17 alternatives, but in that vein, will a cost to service
18 transmission line project be evaluated against cost to
19 service alternatives?

20 In other words, will you take the
21 alternatives and try to compare them on an apples-to-apple
22 basis and balance them on a cost to service playing field,
23 if you will?

24 MR. HAHN: Let me try and answer that as

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1 best I can. Once we get bids, we have a statutory 45-day
2 requirement. That's all we got. I could use a lot more,
3 and if we had more time, we could do a more thorough job,
4 but we've got 45 days.

5 I think it's pretty well known how
6 transmission costs are recovered, whether they're PTF
7 facilities or non-PTF facilities. There is a cost of
8 service formula for approves, and CL&P charges it, or
9 Western Mass. Electric charges it, or Boston Edison
10 charges it, or something.

11 What we have asked for in this RFP, in
12 order to facilitate an economic comparison, is for
13 perspective bidders to give us an indicative value of any
14 additional revenue streams they would need over and above
15 what they would get from the marketplace.

16 Let me give you an example. Let's suppose
17 that a viable non-transmission alternative is a peaking
18 generating unit located in site X. I'm not going to have
19 time to figure out, even if could do a cost to service, I
20 don't want to do a forecast of what you might get for
21 market revenues, so we're asking you.

22 You're all smart people. You know whether
23 you're a demand response provider, or an energy efficiency
24 provider, or a generation provider. You have a good idea

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1 of what revenues you're going to get from the capacity
2 market, the energy market and the services market.

3 You may or may not need additional revenue
4 streams above that to make your project viable. What
5 we're asking you to give is an indicative value of that.
6 We, then, believe within 45 days that we can compare that
7 incremental revenue value, that indicative value over
8 time, with the Connecticut share of the transmission
9 projects, be they PTF or non-PTF, and that's really all
10 we're going to have time for.

11 We believe that will give us a very valid
12 comparison and give us some basis, some factual,
13 defensible basis upon which to say which projects have
14 greater economic benefit to Connecticut ratepayers than
15 just any other process we could think of. That's about as
16 specific as I can be until I see the bids. (Multiple
17 conversations)

18 Now if someone says, hey, I can build a
19 generator project in site X, it will mitigate the
20 reliability problems and, by the way, I don't need any
21 incremental revenues, the marketplace will support my
22 project, you can submit that bid, and you will look
23 economically more attractive than a project that says I
24 need more. That's the only comparative basis we have.

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1 MR. LONG: Thank you. I appreciate that.
2 One of the things that we're hearing repeatedly is the
3 benefits of the transmission line project of Connecticut
4 are socialized across six New England states. They aren't
5 just borne by Connecticut customers.

6 By comparison, an alternative that is
7 Connecticut-based and might be a generation project would
8 be borne by Connecticut consumers, Connecticut ratepayers
9 only, and that's a very nice argument to make for a
10 transmission line company, but for those of us who are in
11 the business, we know that that's not completely true,
12 that Connecticut ratepayers won't wind up paying the full
13 rate on a Connecticut specific generation project
14 alternative.

15 I guess what I'm coming at is, this is an
16 extremely complex analysis that you guys have to do, and I
17 appreciate you've only got 45 days to do it, but I hope
18 that, as you get into it, that sort of the rhetoric is put
19 aside quite a bit and there's more analysis that's done to
20 truly try to balance these things out.

21 MR. HAHN: We fully understand the issue
22 you're raising, and in our bid, as we invite you to sort
23 of lay the information out that you think we ought to
24 consider as best you can, so to help us sort of evaluate

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1 that, to the extent that you can facilitate the process of
2 CEAB reviewing those issues through the information you
3 provide, that would be very helpful.

4 MR. LONG: Thank you.

5 MR. MENGACCI: I would say take a lot of
6 time.

7 MR. HAHN: Which I don't have a lot of.

8 MR. PEACO: And I guess there's kind of two
9 ways to do that. I think that to the extent that you can
10 address it in any bid that you offer, I mean, clearly,
11 that's the most helpful, but to the extent that it doesn't
12 fit within the boundaries of that and you want to offer
13 something else, this comment process that we've built
14 would be a place to sort of further elaborate that, so
15 that I think that this is -- I mean all the discussion
16 here is laid open, the issue that this is going to be a
17 very complex and tricky issue to sort through in a short
18 period of time, given the first time through the process.

19 Part of the comment imputation here is
20 really to make sure that we have enough information from
21 the market to sort of help the CEAB make the best of the
22 information we get. Even if things sort of fall outside
23 of the rails of what goes into a bid, if there's other
24 information you think we should consider, put it in a

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1 comment and submit that and we'll consider that, you know,
2 as we construct the evaluation.

3 MR. MENGACCI: We're going to do the best
4 that we can to try to give the Siting Council the best
5 information we can get them in the time that we have,
6 because they're the ultimate deliberative body on this,
7 and I look at us as just working for them right now.
8 We're doing some of the downfield blocking for them that
9 hopefully will help them in their process.

10 Anymore hypothetical questions that we can
11 answer with hypothetical answers? (Laughter)

12 MR. WONG: I have a question. I'm not
13 familiar with what the CSC does, but if demand response,
14 for example, is regarded as a viable alternative, what
15 happens? I mean I don't know that necessarily it requires
16 much permitting, or maybe it does. I don't know if the
17 CSC gets involved in demand response.

18 MR. PHELPS: Not per se. The best I can do
19 is reflect back on our past dockets on transmission
20 projects and tell you that transmission projects have
21 often developed lengthy arguments on the record about the
22 viability of demand response, different forms of demand
23 side management conservation measures and how they're
24 underutilized and undeveloped and how improved usage of

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1 those technologies that serve to alleviate the need that
2 is being articulated by the (coughing) proponents.

3 I'm probably not speaking too far out of
4 school by saying that if the need of the project that is
5 being persuasively argued by the project developers is
6 related to improved import capability, improved
7 reliability, or improved access to renewable power
8 sources, demand side management measures are not going to
9 do an awful lot to overcome that argument.

10 To answer your question correctly, approval
11 of DSM measures is not the purview of the Siting Council.

12

13 MR. MENGACCI: If you could take the price
14 of the project that's proposed and show how you can do
15 demand side things, that would drop the load to the point
16 where this would no longer be necessary.

17 MR. WONG: Or even delay the --

18 MR. MENGACCI: I know the Energy Efficiency
19 Fund and Clean Energy Fund could use a hell of a lot more
20 money.

21 MR. PEACO: Okay. I think we've exhausted
22 us all here with that, unless there's any last questions
23 or comments. John?

24 MR. MENGACCI: Not from myself, no.

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1 MR. EATTO: I could ask one more. Does the
2 ICF tell in more detail about the actual need in terms of
3 the load and the actual geography in detail?

4 MR. PEACO: Well the study looks at some
5 scenarios and tests, certain changes to load, and
6 introduces some generation, so you can infer from the
7 cases they've run, given the cases they've tested, normal
8 cases that they've tested, will give you some ideas about
9 what they're looking at.

10 MR. HAHN: And I should point out that we
11 did request from the company an additional scenario that
12 was not in the ICF report. Again, that's been provided to
13 us under the same confidentiality agreement.

14 That will shed some additional light, maybe
15 not all the light you'd like to see, but that will shed
16 some additional light, and, so, if you asked for that
17 analysis, along with the ICF study and all the backup to
18 it, I think there's a lot of information, and you can sort
19 of do your own due diligence there.

20 COURT REPORTER: One second.

21 MR. WONG: I was just wondering, who would
22 be, like is there a particular contact that you can
23 recommend to initiate the process of confidentiality
24 agreement?

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1 MR. HAHN: I believe that the project
2 manager for the Greater Springfield Project at Northeast
3 Utilities is Cathy Shea. Is that right, Bob?

4 MR. CARBERRY: Yes.

5 MR. HAHN: Okay.

6 MR. PEACO: The contact point for --

7 MR. HAHN: Oh, well, apparently, Bob
8 Carberry has offered himself as a sacrificial lamb, so his
9 phone number -- can I read this, Bob?

10 MR. CARBERRY: Sure.

11 MR. HAHN: 860-665-6774, and his e-mail is
12 carbere@nu.com. So you can do that approach, or I believe
13 that Cathy Shea's name is well published on the project
14 website. You can direct your question to her, as well.

15 MR. PEACO: Any other questions?

16 MR. MENGACCI: December 2nd, mandatory
17 notice for intent to bid.

18 MR. PEACO: We should introduce Gretchen
19 Dean. She's the focal point for all information flow
20 here. We gave out the website earlier. Is there any
21 other information about information contacting you?

22 MS. DEAN: I think, if you go to the
23 website, all the information is on there.

24 MR. PEACO: Okay.

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1 MR. MENGACCI: And I believe that the
2 transcript of today's process will make it up to the
3 website, as well.

4 MR. PEACO: Okay.

5 MR. MENGACCI: All right, gentlemen. Thank
6 you.

7 MR. HAHN: To those of you on the phone,
8 the meeting is adjourned, and we're going to be signing
9 off.

10 (Whereupon, the meeting adjourned at 10:47
11 a.m.)