



Central Maine Power

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May 5, 2009

Karen Geraghty
Administrative Director
Maine Public Utilities Commission
State House Station #18
242 State Street
Augusta, Maine 04333-0018

Re: CENTRAL MAINE POWER COMPANY and PUBLIC SERVICE COMPANY OF
NEW HAMPSHIRE, Request for Certificate of Public Convenience and Necessity for
Maine Power Reliability Program Consisting of Construction of Approximately 350
miles of 345 kV and 115 kV Transmission Lines
Docket No. 2008-255

Dear Ms. Geraghty:

Enclosed for filing in the above-captioned proceeding please find Central Maine Power
Company's Request for Settlement Conference.

Sincerely,

Debra J. Mills
Analyst, Regulatory & Tariffs

Enclosure

cc: All Parties

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STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 2008-255

May 5, 2009

CENTRAL MAINE POWER COMPANY and)
PUBLIC SERVICE OF NEW HAMPSHIRE)
Request for Certificate of Public Convenience)
and Necessity for the Maine Power Reliability)
Program Consisting of the Construction of)
Approximately 350 Miles of 345 kV and 115 kV)
Transmission Lines ("MPRP"))

REQUEST FOR SETTLEMENT
CONFERENCE

INTRODUCTION

Central Maine Power Company ("CMP") hereby respectfully requests that the Hearing Examiner schedule a settlement conference in this matter for as soon as practical following May 31, 2009. As described below, CMP has discussed the possibility of a settlement to resolve some or all the issues presented in this case with, among others, the Office of the Public Advocate. While no agreement has been reached on the substance of a stipulated resolution to the issues in this case, CMP believes the time is ripe to involve Commission Staff and all other parties in settlement discussions.

CMP recognizes that the Commission has asked CMP to perform additional analyses concerning the need for MPRP. CMP is fully committed to completing that analysis and expects to be in a position to present the results to the Commission and other parties by May 31, 2009. CMP believes the parties, and the Commission, should promptly consider whether the analyses already presented in this case, together with the analyses requested by Staff now underway to evaluate the system under N-1-1 conditions, sufficiently reveal pressing bulk power system needs to warrant the approval of a stipulated result. CMP, in particular, believes that the results

of studies done to date and those underway warrant prompt consideration of whether the Commission should in the near term award a CPCN for a significant portion of the MPRP. CMP also believes that all the parties, and the Commission and its Staff, should have the opportunity to consider whether the benefits to Maine's economy, described in CMP's recent testimony, that would flow from beginning construction of MPRP warrant a decision in the near term, rather than at the conclusion of the elongated schedule that the Commission Staff's various requests for analyses portends.

This request is in full conformity with §§ 740 – 744 of Chapter 110 of the Commission's rules, which encourage parties engaged in settlement discussions to ensure that all parties be given a meaningful opportunity to participate.

OUTLINE OF PROPOSAL

In the context of the discussions between CMP and the OPA, CMP outlined a proposal that could serve as the subject for initial settlement discussions, and has offered the reasons why CMP believes that the proposal warrants prompt consideration by the parties, Staff and the Commission. The CMP proposal and reasons in support follow:

I. The Outline of a Stipulated CPCN

- MPUC should grant a certificate for the backbone components of MPRP immediately. The backbone is comprised of the 345 kV elements of MPRP, together with one major 115 kV line.
- A CPCN awarded pursuant to such a stipulation would be conditioned on the inclusion of the costs of the backbone elements in the ISO-NE Regional Network Service Tariff ("RNS") substantially as proposed by CMP to ISO-NE. CMP expects that virtually all of

the project will be accorded RNS treatment. CMP recognizes that, in the event that the Company is compelled to withdraw from ISO-NE, RNS treatment of such costs would be unlikely. Because the decision concerning continued CMP participation in ISO-NE, and thus the continued availability of RNS treatment, is likely to be made prior to the date when all permits required for construction are issued, the Commission would have the ability to re-evaluate the granting of the CPCN in light of changed ISO-NE circumstances should that prove necessary.

- Provisions to address other specific concerns raised by parties in the case
- Elements of MPRP outside the backbone would be subject to continued study and analysis in the current docket, and the Commission will there determine whether or not to grant a CPCN for these other elements.

II. Support for Elements of Stipulated CPCN

CMP believes that the following factors weigh in favor of prompt and favorable consideration of the proposal outlined above:

- Analyses already complete and additional analysis underway just to N-1 shows significant needs across wide range of load forecasts, dispatch and intertie cases. Planning to N-1-1 is mandatory, and testing the Staff cases to this level will show additional violations.
- Needs relating to the inadequacy of the current 345 kV backbone appear repeatedly across a wide range of analyses. Reinforcing the bulk power system backbone in Maine with new major transmission lines and associated substations will address these reliability needs.

- Financial analyses show the superiority of building the MPRP backbone to the NTAs, and the MPRP backbone provides for a far higher level of certainty of achieving long-term reliability at predictable (and, on Maine-wide basis, negative) cost.
- Moving forward with substantial portion of project immediately will provide important benefits to Maine during difficult economic times, including near term construction and related jobs, as well as obtaining the persistent property tax and transmission tariff cost shifting benefits sooner.

AGENDA FOR INITIAL SETTLEMENT CONFERENCE

The load flow analyses requested by the Commission Staff at the February 24, 2009 case conference will be completed and submitted to the Commission and the parties in this case on or before May 31, 2009. CMP suggests that the Hearing Examiner schedule a technical conference on those results immediately thereafter, and schedule the Settlement Conference requested herein for the next available day.

CMP proposes that, in the initial Settlement Conference, CMP at the beginning of the conference describe the results of its analyses to date, and present in broad outline the underlying rationale for focusing on the backbone elements of MPRP as a solution to the identified system needs. In addition, CMP would articulate the benefits and advantages from a wide range of policy objectives of moving forward quickly with the backbone, and describe other elements that could be included as part of a stipulation. The presentations would be followed by questions and discussion by Commission Staff and all parties. A proposed agenda is set forth below:

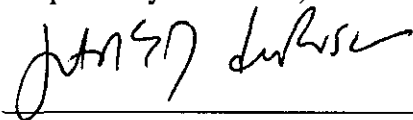
1. Presentation by CMP

- a. Results of Load Flow cases, including results of analyses performed at the request of OPA and Staff. In the event that CMP has already presented these results in a technical conference, this portion would be a summary presentation.
 - b. The relationship between the needs identified in the Load Flow cases and the MPRP backbone.
 - c. An assessment of the degree to which MPRP, compared to alternative approaches, achieves a variety of requirements and policy objectives under a variety of future conditions.
 - d. Outline of the structure of CMP's proposed stipulation.
2. Questions from Commission Staff and other Parties
3. Discussion and Next Steps

CONCLUSION

For the reasons stated herein, CMP requests that the Hearing Examiner schedule a settlement conference, together with an opportunity for CMP to present the results of the load flow cases requested by the Commission Staff, as described above.

Respectfully submitted,



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Company*