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*Admitted in: ME, CA, D.C.*

June 4, 2009

Ms. Karen Geraghty  
Administrative Director  
Maine Public Utilities Commission  
242 State Street, 18 SHS  
Augusta, ME 04333-0018

Re: CENTRAL MAINE POWER COMPANY,  
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:

On June 3, 2009, the Commission issued its order denying the motion filed by Public Service of New Hampshire (“PSNH”) in this proceeding to dismiss PSNH as a petitioner. In that order, the Commission concluded that, except where a substation is built as a “stand-alone” project, approval by the MPUC is required for construction.

This letter is intended to ensure that the Commission is fully apprised of CMP’s activities with respect to its substation in South Gorham. In particular, consistent with and relying on the Commission’s clear prior precedent in Central Maine Power Co., Re: Application for Certificate of Public Convenience and Necessity to Erect a Transmission Line Carrying 100 kV or More in York County, Docket No. 93-147, Order (Me. P.U.C. Dec. 14, 1993) (“York County”), where the Commission stated that “only the line requires approval” in a project that included substations, and which the Commission has now modified, CMP began construction of the modifications to the substation in South Gorham as described below.<sup>1</sup> The modifications to the substation, which will add a second autotransformer to the South Gorham facility, are included in the description of the MPRP submitted to the Commission in this case. In light of the Commission’s departure from the rule in York County, those modifications would apparently be

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<sup>1</sup> In its June 3 Order, the Commission discounts its prior decision on the grounds that the issue had not been “placed in controversy.” While this may be the case, and while the Commission is free to reach a different conclusion today, CMP had no reason to believe that the language in *York County* was no longer operative.

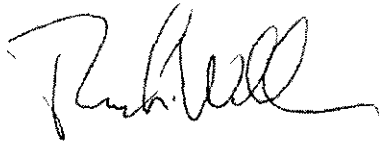
subject to the approval requirements of 35-A M.R.S.A. § 3132 as the Commission now interprets that provision.

CMP began construction on the South Gorham autotransformer to ensure its timely completion consistent with CMP's view of the immediate needs of the system in that area. In particular, all of York and Cumberland counties, two of Maine's most populated and commercially thriving regions, depend for transmission support on a single 345/115 kV autotransformer at South Gorham. Without the support of the South Gorham autotransformer, power flow studies have shown an increased dependency on Portland area generation for reliable support of CMP's customer load in these communities and cities of Maine. As the studies conducted for the MPRP (and submitted in this case) demonstrated, the loss of the existing South Gorham 345/115 kV autotransformer under normal and emergency operation created a wide range of criteria violations, including voltage collapse that would lead to widespread blackouts in Cumberland and York counties. These results are consistent with a 2001 assessment of the impacts of an extended autotransformer outage.

Significantly, the value of the new South Gorham autotransformer is not dependent on the construction of the new transmission facilities for which CMP seeks a CPCN in this case: the South Gorham substation is already connected to 345 kV facilities, and the addition of a second autotransformer to the substation will provide important incremental reliability benefits whether or not other elements of MPRP are built. Of course, as the evidence presented by CMP in this case clearly shows, all the elements of MPRP are required to ensure the requisite level of reliability.

Construction of the addition to the South Gorham substation began in April of 2008. Since that date, CMP and its contractors have moved forward with detailed design engineering, materials purchase, and substantial work on the foundations and control house expansions. CMP has already spent over \$6 million in these improvements, and expects to spend a total of approximately \$22 million in 2009 and \$7.5 million in 2010. Outages of existing facilities to permit the installation of the new equipment are scheduled for September and November 2009, and April 2010. Final completion of the substation project at South Gorham is expected in the spring or early summer of 2010.

Sincerely,



Thomas L. Welch

cc: Service List, Docket No. 2008-255