

STATE OF CONNECTICUT

SITING COUNCIL

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CONNECTICUT LIGHT & POWER COMPANY
AND UNITED ILLUMINATING COMPANY

MARCH 24, 2004
(10:00 A.M.)

APPLICATION FOR A CERTIFICATE OF
ENVIRONMENTAL COMPATIBILITY AND
PUBLIC NEED FOR THE CONSTRUCTION
OF A NEW 345-kV ELECTRIC
TRANSMISSION LINE AND ASSOCIATED
FACILITIES BETWEEN THE SCOVILL ROCK
SWITCHING STATION IN MIDDLETOWN
AND THE NORWALK SUBSTATION IN
NORWALK, CONNECTICUT

DOCKET NO. 272

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CONNECTICUT
SITING COUNCIL

* * * * *

BEFORE: PAMELA B. KATZ, CHAIRMAN

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Fred O. Cunliffe, Siting Analyst
Robert L. Marconi, AAG

APPEARANCES:

FOR THE APPLICANT, CONNECTICUT LIGHT & POWER
COMPANY:

CARMODY & TORRANCE, LLP
195 Church Street
P.O. Box 1950
New Haven, Connecticut
BY: ANTHONY M. FITZGERALD, ESQUIRE

FOR THE APPLICANT, UNITED ILLUMINATING COMPANY:

WIGGIN & DANA, LLP
One Century Tower
P.O. Box 1832
New Haven, Connecticut 06508-1832
BY: LINDA L. RANDELL, ATTORNEY

FOR THE PARTY, THE CITY OF MERIDEN:

DEBORAH L. MOORE, ATTORNEY
142 East Main Street
Room 239
Meriden, Connecticut 06450

FOR THE PARTIES, THE TOWN OF WESTON AND
THE TOWN OF WOODBRIDGE:

COHEN & WOLF
1115 Broad Street
Bridgeport, Connecticut 06604
BY: DAVID BALL, ESQUIRE

FOR THE PARTY, THE TOWN OF MILFORD:

HURWITZ & SAGARIN
147 North Broad Street
Box 112
Milford, Connecticut 06460
By: JULIE DONALDSON KOHLER, ATTORNEY

FOR THE PARTIES, THE TOWN OF WALLINGFORD AND
THE TOWN OF DURHAM:

HALLORAN & SAGE
One Goodwin Square
225 Asylum Street
Hartford, Connecticut 06103
BY: PETER BOUCHER, ESQUIRE

FOR THE PARTY, THE TOWN OF ORANGE:

SOUSA, STONE & D'AGOSTO
375 Bridgeport Avenue
Box 805
Shelton, Connecticut 06084
BY: BRIAN M. STONE, ESQUIRE

POST REPORTING SERVICE
HAMDEN, CT (800) 262-4102

FOR THE PARTY, THE TOWN OF WILTON:

COHEN & WOLF
158 Deer Hill Avenue
Danbury, Connecticut 06810
BY: MONTE E. FRANK, ESQUIRE

FOR THE PARTY, ATTORNEY GENERAL BLUMENTHAL:

MICHAEL WERTHEIMER
Assistant Attorney General
Ten Franklin Square
New Britain, Connecticut 06051

FOR THE PARTY, THE OFFICE OF CONSUMER COUNSEL:

BRUCE C. JOHNSON, ESQUIRE
Office of Consumer Counsel
Ten Franklin Square
New Britain, Connecticut 06051

FOR THE PARTY, THE TOWN OF NORTH HAVEN:

UPDIKE, KELLY & SPELLACY
One State Street
Box 231277
Hartford, Connecticut 06123
BY: BENJAMIN J. BERGER, ESQUIRE

FOR THE PARTY, THE WOODLANDS COALITION FOR
RESPONSIBLE ENERGY:

PULLMAN & COMLEY
90 State House Square
Hartford, Connecticut 06103
BY: LAWRENCE J. GOLDEN, ESQUIRE

FOR THE PARTY, PSEG POWER CONNECTICUT LLC:

MCCARTER & ENGLISH
CityPlace I
185 Asylum Street
Hartford, Connecticut 06103
BY: DAVID REIF, ESQUIRE

FOR THE INTERVENOR, ISO NEW ENGLAND:

WHITMAN, BREED, ABBOTT & MORGAN
100 Field Point Road
Greenwich, Connecticut 06830
BY: ANTHONY MacLEOD, ESQUIRE

FOR THE INTERVENOR, WOODBRIDGE JEWISH
ORGANIZATIONS:

BRENNER, SALTZMAN & WALLMAN
271 Whitney Avenue
New Haven, Connecticut 06511
BY: DAVID R. SCHAEFER, ESQUIRE

FOR THE INTERVENOR CONNECTICUT BUSINESS & INDUSTRY
ASSOCIATION:

ROBERT E. EARLEY, ESQUIRE
350 Church Street
Hartford, Connecticut 06103

POST REPORTING SERVICE
HAMDEN, CT (800) 262-4102

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1 . . .Verbatim proceedings of a hearing
2 before the State of Connecticut Siting Council in the
3 matter of an application by Connecticut Light & Power
4 Company and United Illuminating Company, held at Central
5 Connecticut State University Institute of Technology &
6 Business, 185 Main Street, New Britain, Connecticut, on
7 March 24, 2004 at 10:00 a.m., at which time the parties
8 were represented as hereinbefore set forth . . .

9
10
11 CHAIRMAN PAMELA B. KATZ: Good morning.
12 We are resuming an evidentiary hearing, which we opened
13 yesterday.

14 This morning our first order of business
15 is the case by the Office of Consumer Counsel. Mr.
16 Johnson, if you want to introduce your witness and have
17 him spell his name and we'll have him sworn.

18 MR. BRUCE JOHNSON: Thank you. Good
19 morning, Chairman Katz and members of the Council.

20 Mr. Montalvo, would you state your name
21 and business address for the record, spelling it for the
22 court reporter.

23 MR. MARC MONTALVO: Yes. My name is Marc
24 Montalvo, M-a-r-c, M-o-n-t-a-l-v-o. My business address

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1 is LaCapra Associates, 20 Winthrop Square, Boston,
2 Massachusetts 02110.

3 MR. ROBERT MARCONI: And sir, could you
4 please rise and raise your right hand.

5 (Whereupon, Marc Montalvo was duly sworn
6 in.)

7 MR. MARCONI: Please be seated.

8 CHAIRMAN KATZ: Thank you. Mr. Johnson,
9 if you could have your witness identify and verify his
10 exhibit.

11 MR. JOHNSON: I will. Mr. Montalvo, are
12 you familiar with a document filed in this proceeding on
13 March 9th labeled as the Direct Testimony of Marc Montalvo
14 on behalf of the OCC, a document around 28 pages in
15 length exclusive of attachments?

16 MR. MONTALVO: I am.

17 MR. JOHNSON: Did you prepare or supervise
18 the preparation of this document?

19 MR. MONTALVO: I did.

20 MR. JOHNSON: Do you have any corrections
21 or changes to that filing at this time?

22 MR. MONTALVO: I do not.

23 MR. JOHNSON: Do you affirm that this
24 testimony we just referenced here is true and correct to

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1 the best of your information and belief?

2 MR. MONTALVO: I do.

3 MR. JOHNSON: And you adopt it as your
4 testimony in this case?

5 MR. MONTALVO: I do.

6 MR. JOHNSON: Chairman Katz, the OCC
7 witness, Mr. Montalvo, is available for cross-
8 examination.

9 CHAIRMAN KATZ: Thank you. Is there any
10 objection to making Exhibit OCC 1 a full exhibit?
11 Hearing none, it will be a full exhibit.

12 (Whereupon, OCC Exhibit No. 1 was received
13 into evidence as a full exhibit.)

14 CHAIRMAN KATZ: And we'll start off with
15 the Applicants. Who is taking the lead this morning?

16 MS. LINDA RANDELL: That would be me.

17 CHAIRMAN KATZ: Miss Randell.

18 MS. RANDELL: Thank you. Good morning,
19 Mr. Montalvo.

20 MR. MONTALVO: Good morning.

21 MS. RANDELL: Are you familiar with the
22 regional planning process in New England?

23 MR. MONTALVO: Broadly, yes.

24 MS. RANDELL: And the Office of Consumer

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1 Counsel, on whose behalf you're testifying this morning,
2 participates in that process, doesn't it?

3 MR. MONTALVO: I do believe so.

4 MS. RANDELL: And you were here yesterday
5 I believe when Mr. Whitley testified?

6 MR. MONTALVO: I was.

7 MS. RANDELL: And he talked about the
8 market response aspect of the regional planning process.
9 Do you recall that?

10 MR. MONTALVO: Yes, he did.

11 MS. RANDELL: And the idea is that
12 generally after need is identified, the process is open -
13 - well, it's open throughout, isn't it? Let me start
14 there.

15 MR. MONTALVO: The process is open to all
16 market participants, yes.

17 MS. RANDELL: And then the market response
18 aspect is to see what the market will produce by way of a
19 response to meet the identified need?

20 MR. MONTALVO: That is correct.

21 MS. RANDELL: Now, are you familiar with
22 the regulatory and statutory framework regarding electric
23 utilities in the State of Connecticut?

24 MR. MONTALVO: I am broadly familiar.

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1 MS. RANDELL: So you're aware that in
2 connection with Public Act 98-28, the Electric Industry
3 Restructuring legislation, that Connecticut's electric
4 distribution companies, United Illuminating and
5 Connecticut Light and Power, divested their generation?

6 MR. MONTALVO: Yes.

7 MS. RANDELL: And are you also aware that
8 as a result of legislation in the 2003 legislative
9 session that UI and CL&P are prohibited from owning,
10 operating, controlling, leasing, or essentially doing
11 much of anything with respect to generation?

12 MR. MONTALVO: I'm not familiar with all
13 the details, but I think that's broadly correct, yes.

14 MS. RANDELL: And Connecticut's
15 legislative framework and regulatory framework are
16 different than Vermont's, correct?

17 MR. MONTALVO: Yes, it is.

18 MS. RANDELL: Now in your testimony you
19 speak about work you've done for VELCO in connection with
20 the Vermont Electric Northwest Reliability Project?

21 MR. JOHNSON: Attorney Randell, do you
22 have a page reference or -- and/or line reference in
23 mind?

24 MS. RANDELL: I think it's throughout his

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1 testimony, Mr. Johnson, but we'll try again --

2 CHAIRMAN KATZ: And remember the rule on
3 acronyms.

4 MS. RANDELL: Yes. I was going to get
5 there. Let me start there, Chairman Katz. You mentioned
6 VELCO in your written testimony. What is VELCO?

7 MR. MONTALVO: VELCO is the Vermont
8 Electric Power Company. They own -- well, they operate
9 the transmission grid in Vermont.

10 MS. RANDELL: My --

11 COURT REPORTER: V-e-l-c-o?

12 MS. RANDELL: V-E-L-C-O --

13 MR. MONTALVO: V-E-L-C-O --

14 MS. RANDELL: -- all caps.

15 MR. MONTALVO: Yeah.

16 MS. RANDELL: And VELCO, as I understand
17 it, entered into a stipulation with the Vermont consumer
18 advocate with respect to the Northwest Reliability
19 Project?

20 MR. MONTALVO: The stipulation was entered
21 into with the Vermont Department of Public Utilities or
22 Department of Public Service. It's not a consumer
23 advocacy office as such, but they entered into a
24 stipulation with that organization, yes.

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1 MS. RANDELL: That department is not the
2 regulatory body that adjudicates siting, correct?

3 MR. MONTALVO: That's correct. That's the
4 -- the board does that.

5 MS. RANDELL: The Public Service Board of
6 Vermont?

7 MR. MONTALVO: That's correct.

8 MS. RANDELL: And in essence, whether you
9 call it the consumer advocate, that's the role, it's to -
10 - the department --

11 MR. MONTALVO: They often play a role
12 similar to the consumer advocate office for example in
13 Connecticut.

14 MS. RANDELL: And the stipulation provided
15 for, in essence, an integrated resource planning
16 analysis?

17 MR. MONTALVO: Yeah, in essence, that's
18 correct.

19 MS. RANDELL: And that stipulation was
20 entered into by the company in May of 2001, is that
21 correct?

22 MR. MONTALVO: I do believe so.

23 MS. RANDELL: And LaCapra Associates, your
24 employer, was retained to perform studies pursuant to

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1 that stipulation?

2 MR. MONTALVO: That is correct.

3 MS. RANDELL: And the LaCapra Report, as I
4 understand it, was submitted in 2003?

5 MR. MONTALVO: Yes.

6 MS. RANDELL: And as I understand it, the
7 Public Service Board, the siting entity in Vermont held
8 hearings in February of '04?

9 MR. MONTALVO: That is correct.

10 MS. RANDELL: And --

11 MR. MONTALVO: And -- but -- yes, that's
12 when --

13 MS. RANDELL: And you testified at those
14 hearings?

15 MR. MONTALVO: I did.

16 MS. RANDELL: Has the Public Service Board
17 in Vermont yet issued a decision with respect to the
18 Northwest Reliability Transmission Project?

19 MR. MONTALVO: It has not.

20 MS. RANDELL: And when is that decision
21 expected?

22 MR. MONTALVO: I think it's not expected
23 before the end of the summer. The exact schedule I'm not
24 sure about.

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1 MS. RANDELL: Are you familiar with the
2 expenditures and affects of conservation programs in the
3 State of Connecticut?

4 MR. MONTALVO: Again broadly I am, not all
5 the specific details.

6 MS. RANDELL: Are you aware that since
7 January 1 of the year 2000 as a result of legislative
8 mandate, Connecticut's electric distribution companies,
9 UI and CL&P, have collected 3 mills per kilowatt hour
10 from retail customers to be used in conservation
11 programs?

12 MR. MONTALVO: I don't know the exact
13 amount, I'll take your word for it, but I do know there
14 has been a charge assessed on customers for that purpose,
15 yes.

16 MS. RANDELL: And subject to check, 3
17 mills per kilowatt hour comes up to -- upwards of about
18 80 million dollars a year?

19 MR. MONTALVO: Okay. Subject to check,
20 yes.

21 MS. RANDELL: And are you familiar with
22 the success of conservation programs in the State of
23 Connecticut?

24 MR. MONTALVO: It's my understanding that

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1 there has been a fair amount of success, yes.

2 MS. RANDELL: In fact, hasn't the Office
3 of Consumer Counsel, your employer, developed a chart
4 that shows that Connecticut is No. 1 in the northeast
5 region with respect to conservation fund programs and
6 operations?

7 MR. MONTALVO: I haven't seen this chart,
8 but subject to check, yes.

9 MS. RANDELL: Are you familiar with a
10 report of the Energy Conservation Management Board
11 regarding year 2003 programs and operations dated January
12 31, 2004?

13 MR. MONTALVO: No, I am not.

14 MS. RANDELL: We did take administrative
15 notice of this document, Chairman Katz.

16 MR. MONTALVO: Okay.

17 MS. RANDELL: And you are aware that the
18 Energy Conservation Management Board by statute in
19 Connecticut is the entity that assures that Connecticut's
20 conservation programs are well designed and implemented?

21 MR. MONTALVO: That is my understanding,
22 yes.

23 MS. RANDELL: And the Office of Consumer
24 Counsel, the entity on whose behalf you're appearing

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1 today, is a member of that Board?

2 MR. MONTALVO: Yes.

3 MS. RANDELL: And would you agree with me
4 that Connecticut, in fact, has been most successful in
5 conservation programs compared to other New England
6 states?

7 MR. MONTALVO: I think that their programs
8 have been successful, yes.

9 MS. RANDELL: More successful when you
10 look at the numbers than other states?

11 MR. MONTALVO: Without reviewing the
12 numbers, I can't say more successful or less successful,
13 but they have definitely experienced success.

14 MS. RANDELL: And if the Office of
15 Consumer Counsel has determined that Connecticut is most
16 successful, you wouldn't dispute that, would you?

17 MR. MONTALVO: Again, without reviewing
18 the numbers, I can't render an opinion.

19 MS. RANDELL: You were here yesterday you
20 said when Mr. Whitley testified. Would you agree that
21 there are violations of reliability criteria existing
22 today in Southwest Connecticut?

23 MR. MONTALVO: Yes, I do.

24 MS. RANDELL: And to the extent that the

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1 market response -- Mr. Fitzgerald will just take this one
2 question.

3 MR. MONTALVO: Okay.

4 MR. ANTHONY FITZGERALD: Actually a
5 couple.

6 MS. RANDELL: I didn't mean to limit --

7 MR. FITZGERALD: Mr. --

8 MR. PHILIP T. ASHTON: He -- he can have
9 all he wants.

10 MR. FITZGERALD: Mr. Montalvo, have you
11 been shown the first set of interrogatories that CL&P
12 directed to the Office of Consumer Counsel dated March 8th
13 in which it asked for a listing of the documents, data,
14 or information that you relied upon for the opinions
15 expressed in your testimony?

16 MR. JOHNSON: He has been shown that, I
17 can say that. The -- we -- and I will say that OCC's
18 answers to those interrogatories are under preparation.
19 I -- in reading the document over, I didn't see a due
20 date. And we will diligently attempt to prepare answers
21 to those questions we don't object to.

22 MR. FITZGERALD: Well --

23 CHAIRMAN KATZ: But -- stop right there --

24 MR. FITZGERALD: Yeah.

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1 CHAIRMAN KATZ: -- you were under the
2 impression that the response to interrogatories -- the
3 due date was open-ended?

4 MR. JOHNSON: Not at all. The due -- I
5 just said that a due date was stated in the -- in CL&P's
6 submission.

7 MR. FITZGERALD: That's quite true. We
8 asked the same interrogatory to everybody and we didn't
9 want to put an arbitrary due date on it. I thought that
10 the reader would understand that the reason that we
11 wanted the information was to have it for cross-examining
12 the witness so that at sometime before the witness
13 testified, we would get that information. I guess I
14 should have stated that explicitly, but we didn't.

15 MR. JOHNSON: We -- Chairman Katz, I will
16 say that our agency by no means has declined to answer
17 those interrogatories. We will have them in place as
18 soon as we can, the answers. And should the utility
19 applicants in this proceeding or the Siting Council
20 perceive that it needs to have the opportunity to cross-
21 examine Mr. Montalvo at a later time after those answers
22 are in, we would provide that opportunity.

23 CHAIRMAN KATZ: I'm just troubled because
24 the way this was laid out and it's been well known for

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1 awhile is yesterday and today were the days that we were
2 going to be covering this topic, and now you're
3 indicating that we might need to bring this witness back
4 because of --

5 MR. JOHNSON: No, I didn't indicate --

6 CHAIRMAN KATZ: -- or depending on the
7 response to the interrogatories --

8 MR. JOHNSON: I didn't --

9 COURT REPORTER: One at a time please.

10 MR. JOHNSON: I didn't indicate that you
11 might need to bring him back. I was offering that he
12 could be brought back. We --

13 MR. FITZGERALD: I think we can --

14 CHAIRMAN KATZ: We'll leave this for now -
15 -

16 MR. FITZGERALD: -- we can work around it.

17 CHAIRMAN KATZ: -- we'll leave this for
18 now.

19 MR. FITZGERALD: It's not -- it's not a
20 big issue --

21 CHAIRMAN KATZ: Okay --

22 MR. FITZGERALD: -- for this witness.

23 Well, we know that you -- you did not review the most
24 recent report of the Energy Conservation and Management

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1 Board, correct?

2 MR. MONTALVO: That is correct.

3 MR. FITZGERALD: And you -- you discuss
4 distributed generation in your testimony, right?

5 MR. MONTALVO: Yes.

6 MR. FITZGERALD: Have you reviewed the
7 Xenergy report concerning the potential for distributed
8 generation in Southwest Connecticut that has been
9 administratively noticed and which was included in Volume
10 6 of the company's municipal consultation filing?

11 MR. MONTALVO: Yes, I had reviewed that
12 filing -- or that report, excuse me.

13 MR. FITZGERALD: Okay. And have you
14 reviewed the report of the Working Group on Southwest
15 Connecticut that was published in January of '03?

16 MR. MONTALVO: Yes.

17 MR. FITZGERALD: Okay. Did those
18 documents tell you that there has been considerable study
19 devoted to the subject of the potential of distributed
20 generation in Southwest Connecticut?

21 MR. MONTALVO: Yes.

22 MR. FITZGERALD: Okay. And it's true,
23 isn't it, sir, that a market solution sufficient to
24 ensure that Connecticut consumers enjoy proper levels of

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1 reliability has not materialized?

2 MR. MONTALVO: That is correct.

3 MR. FITZGERALD: And in your testimony you
4 suggest that what the companies should be doing is trying
5 to find a set of technically and economically feasible
6 alternatives to the project that involve distributed
7 generation, more conservation, and generation and
8 transmission, is that right?

9 MR. MONTALVO: That is correct. I'm
10 suggesting an integrated solution may prove to be a
11 preferable alternative.

12 MR. FITZGERALD: Notwithstanding the
13 opportunities that have been provided to the market to
14 come up with a generation response, correct?

15 MR. MONTALVO: Yes, I'm of the opinion
16 that the market as construed here is probably too
17 narrowly construed. And as has been done for other
18 purposes, for example the GAP RFPs, a more proactive
19 approach towards soliciting a market response may be the
20 preferred approach.

21 MR. FITZGERALD: And notwithstanding the
22 response of the private sector to distributed generation
23 opportunities?

24 MR. MONTALVO: I don't think I follow what

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1 --

2 MR. FITZGERALD: Okay --

3 MR. MONTALVO: -- your question there --

4 MR. FITZGERALD: Fine. Well, tell me
5 this, suppose -- suppose that somebody were to do the
6 study that you have in mind --

7 MR. MONTALVO: Um-hmm.

8 MR. FITZGERALD: -- and they were to
9 conclude that, well, you could do this project a little
10 bit cheaper if you built 300 megawatts of generation in
11 Greenwich and invested more money in conservation and
12 load management than the legislature has appropriated or
13 has been established through the funding mechanism than
14 the legislature has set up, and by spotting some DG in a
15 couple of specific locations, what -- what does the
16 company and the Siting Council do then?

17 MR. MONTALVO: Okay, well --

18 CHAIRMAN KATZ: Answer that in two parts.
19 First what the transmission owner should do. And then
20 secondly --

21 MR. MONTALVO: What the Siting Council --

22 CHAIRMAN KATZ: -- what the Siting Council
23 should do?

24 MR. MONTALVO: Yes. I think that, as has

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1 been pointed out, you know, under the existing statutory
2 framework what the utility can do with respect to the
3 siting and construction of generation, since some of
4 these other alternatives is limited, so what they can do
5 in particular if they were to determine that an
6 integrated solution that involves some combination of
7 transmission upgrades, the strategic siting of generation
8 and the use of -- or expanded use of conservation
9 measures and energy efficiency measures provides a
10 solution that over, you know, the study period is a more
11 cost-effective means of providing power to Southwest
12 Connecticut and also perhaps allows a more -- allows for
13 more efficient and kind of rational expansion of the
14 system into the future as a means of meeting future power
15 supply needs of the region, I think then it would be
16 incumbent on the utility to bring that solution forward,
17 and in the NEPOOL process, the ISO process, to see if
18 there isn't in fact a way through.

19 I think the Siting Council should be -- as
20 far as the Siting -- what the Siting Council can do, I
21 think that being made aware of such information, that a
22 solution of that type might exist would give them the
23 opportunity then I think to determine whether or not
24 there is a means through policy and other things to

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1 attempt to implement a solution.

2 I think that the -- the big challenges
3 that we have right now are the fact that clearly, you
4 know, absent -- at this time, you know, absent -- absent
5 special emergency RFP powers that the PUC has, you know,
6 to issue emergency RFPs for generation, the ability to
7 get generation in the ground without a, quote/unquote,
8 "pure market response", that is generation developers
9 looking at market prices and saying okay I think I'm
10 going to site generation here now, things are limited.
11 But I think that to the extent one were to find a
12 solution that had clear cost benefits and -- I think then
13 the political will and I think the -- kind of the
14 incumbent obligations of the Siting Council and also the
15 various statutory bodies inside Connecticut could be
16 brought to bear on the problem and a solution could be
17 found. This is all within obviously the context of, you
18 know, weighing the -- kind of the -- weighing the risks
19 of such a solution not being found that, you know, in
20 point of fact perhaps the political will doesn't exist,
21 these kinds of things. We need to -- we need to consider
22 those things obviously. But you know, if we have a, you
23 know, six to eight hundred million dollar project and --
24 you know, which is going to cost something far in excess

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1 of six to eight hundred million dollars when total power
2 supply across the region are considered over the next
3 decade, and to the extent that an alternative solution
4 that involves some generation and an integrated approach
5 say on capital cost basis costs less or just on a total
6 power supply basis costs less and that difference is
7 material, then, you know, it stands to reason that folks
8 aren't going to ignore that information and that people
9 are going to use that to make decisions and statutes can
10 be changed and policies can change.

11 MR. FITZGERALD: No further questions.

12 CHAIRMAN KATZ: Does that complete the --
13 both for the Applicants?

14 MS. RANDELL: Just a quick correction.
15 You mentioned the special emergency power of the public
16 utility commission here in Connecticut to issue an RFP
17 for emergency generation, correct?

18 MR. MONTALVO: Yes.

19 MS. RANDELL: And as an explicit part of
20 the legislation, Public Act 031-35, you mentioned that
21 that's not a market response, correct, in your view?

22 MR. MONTALVO: The issuance of an RFP is -
23 - in my mind would be the response of the statutory body
24 to an experienced market failure and that they will seek

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1 to interject themselves into the market and that a
2 competitive solicitation is a market response in and of
3 itself.

4 MS. RANDELL: My point exactly, a
5 competitive solicitation is a market response. And as
6 part of Public Act 031-35 aren't the electric
7 distribution companies precluded from owning, operating,
8 leasing, or controlling any facility or asset that
9 generates electricity or retaining any interests in such
10 facility or asset as part of any transaction that may
11 result from the Public Utility Commission's competitive
12 solicitation?

13 MR. MONTALVO: I believe that is correct.

14 MR. JOHNSON: Attorney Randell, could you
15 provide for the record a statutory citation.

16 MS. RANDELL: Oh, certainly, Mr. Johnson.
17 It's Public Act No. 031-35, Section 17(d).

18 MR. JOHNSON: Thank you.

19 CHAIRMAN KATZ: No further questions?

20 MS. RANDELL: Chairman Katz, we have no
21 further questions of this witness at this time, but the -
22 - we are concerned as are you obviously with respect to
23 obtaining answers regarding the consultants from other
24 participants in this proceeding. And we would just like

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1 to make sure that we will be getting those answers to
2 CL&P's interrogatories before the witnesses testify.

3 CHAIRMAN KATZ: Before which witnesses
4 testify? You mean this witness?

5 MR. FITZGERALD: No --

6 MS. RANDELL: No, not this witness --

7 CHAIRMAN KATZ: Oh --

8 MS. RANDELL: -- but in the future from
9 other parties --

10 CHAIRMAN KATZ: Yes --

11 MS. RANDELL: -- other participants.

12 CHAIRMAN KATZ: Yes.

13 MS. RANDELL: I mean we've managed to get
14 through it today, but we'd like not to have to address
15 that in the future.

16 CHAIRMAN KATZ: That is fine. We'll be
17 addressing deadlines at the prehearing conference
18 tomorrow.

19 Next on the list is the Norwalk
20 Association of Silvermine Owners. Let the record show
21 not present.

22 State Representative Al Adinolfi. Let the
23 record show not present.

24 The Towns of Wallingford, Durham,

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1 etcetera.

2 MR. DAVID BALL: No questions.

3 CHAIRMAN KATZ: Mr. Ball says no
4 questions. The City of Norwalk. Let the record show not
5 present.

6 The City of Meriden. Let the record show
7 not present.

8 Assistant Attorney General Michael
9 Wertheimer.

10 MR. MICHAEL WERTHEIMER: No questions.

11 CHAIRMAN KATZ: Mr. Wertheimer says no
12 questions. The Communities for Responsible Energy. Let
13 the record show not present.

14 The Woodlands Coalition for Responsible
15 Energy. Mr. Golden. Let the --

16 A VOICE: (Indiscernible) --

17 CHAIRMAN KATZ: The Woodlands Coalition
18 says no questions. ISO New England, Mr. MacLeod.

19 MR. ANTHONY MacLEOD: No questions, thank
20 you.

21 CHAIRMAN KATZ: Mr. MacLeod says no
22 questions. PSEG Power Connecticut, Attorneys Reif,
23 Warren and Casey.

24 MR. DAVID REIF: No questions.

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1 CHAIRMAN KATZ: Mr. Reif says no
2 questions. Mr. Ball, is your answer the same for the
3 Towns of Wilton and Weston?

4 MR. BALL: It is.

5 CHAIRMAN KATZ: Thank you, Mr. Ball.
6 CBIA, Mr. Earley. Let the record show not present.

7 The Town of Bethany, First Selectman,
8 Derrylyn Gorski. Let the record show not present.

9 The First District Water Department of
10 Norwalk. Let the record show not present. At this
11 point, Mr. Cunliffe.

12 MR. CUNLIFFE: Thank you, Chairman Katz.
13 Page 16 of your prefiled testimony a question was asked
14 which resource planning principles apply and you stated
15 them in bulleted items. If you were to turn to page 17,
16 you offer a final principle. Could you expound more on
17 that particular item?

18 MR. MONTALVO: Sure. As I -- as I see the
19 problem in Southwest Connecticut, as was discussed at
20 some length yesterday, we're dealing with a load pocket.

21 And the question is how best to bring resources into the
22 load pocket to serve the growing demand inside the load
23 pocket. And it has -- it has been mentioned several
24 times, and I don't disagree with this, that to date with

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1 the exception of a couple of facilities that currently
2 find themselves in some financial distress, the market
3 prices in Southwest Connecticut, the energy pricing, the
4 capacity pricing, all these other things that were
5 intended to be the means of encouraging incremental
6 generation investment have not actually brought that
7 investment to bear, so that investment hasn't occurred.
8 So when -- one could consider that, you know, where we
9 have a situation where we need additional resources,
10 additional resources and upcoming -- and so from that
11 perspective what we can consider is that the market is
12 not providing sufficient information. It's just not
13 providing the information needed either through the
14 expectations of future revenues and whatever to encourage
15 investment. So some kind of administrative, if you will,
16 intervention is required. And that administrative
17 intervention could be -- as proposed by CL&P and UI be a
18 transmission project or it could be some kind of
19 integrated solution that involves other things in
20 addition to transmission, such as generation, where under
21 powers which as I understand do not currently exist but,
22 you know, conceivably could exist. People can get
23 creative under tough times. An RFP could be issued for
24 the construction of the kind of generation located in a

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1 particular location, that when integrated with a modified
2 transmission solution and other things, results in an
3 integrated solution that works for the region.

4 Where I say that this kind of activity
5 would have to be cognizant of its implications, you know,
6 on the market and what happens is if power plants are
7 being built pursuant to some kind of administered RFP
8 process, competitive solicitation with an RFP process, we
9 wouldn't want that facility to be built and the
10 consequences of its being built, the way it dispatches
11 itself, how it bids its energy into the market, these
12 kinds of things to result in disruptions to the overall
13 pricing that the market generally produces. We wouldn't
14 want to have a circumstance where we have built the
15 facility, we need the facility, and it ends up in an
16 integrated hole that is cost-effective but as a
17 consequence we've disrupted the information that we ever
18 hoped the market would provide through locational
19 marginal prices and capacity prices, resulting in a
20 situation where generation absent some kind of RFP
21 process might never get built.

22 And so that's -- that is a for instance of
23 what I mean by that, that one just needs to be mindful
24 that when intervening in the market in an instance of

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1 perceived market failure that your actions if not
2 carefully considered, could in fact be more damaging than
3 corrective.

4 MR. CUNLIFFE: Thank you.

5 MR. GERALD J. HEFFERNAN: Are you talking
6 about subsidizing somebody to come into the market? In
7 other words, say we have a free market now and no one
8 comes in that we know of and -- and so the question is
9 you put out an RFP, but how are we going to force people
10 to come in? And then how long would this whole thing
11 take if we went to the -- if we looked and said we're
12 going to do a combination of things? What are we talking
13 about time-wise do you feel?

14 MR. MONTALVO: Alright, there are -- there
15 are a couple of pieces of that. First to the subsidy
16 issue. I mean currently we're subsidizing a lot of
17 generation in Southwest Connecticut through the use of
18 RMR contracts. These are facilities that are otherwise
19 not economic to operate. And in New England given the
20 price levels that they receive, and it's been determined
21 that they are required for reliability purposes, so deals
22 have been struck between the ISO and between the
23 facilities for the payment of subsidies essentially, okay
24 --

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1 MR. HEFFERNAN: Okay --

2 MR. MONTALVO: -- and so the idea of
3 subsidizing a generator in order to maintain reliability
4 or serve a purpose that's beyond the economic provision
5 of energy is not a new one.

6 What I suggest here might work is
7 something on the nature of kind of a minimum subsidy RFP,
8 if you will, where if in response to pricing those
9 generations not coming either because of structural
10 barriers, alright, that is the perception that given the
11 geographic congestion within Southwest Connecticut, and
12 it's a fairly developed area, siting concerns, issues
13 regarding environmental compliance, these kinds of
14 things, in addition to market that is price concerns,
15 developers believe that their investment dollars have a
16 better chance of getting returns if invested elsewhere in
17 other parts of either New England or the nation, what one
18 might do then is issue an RFP which says look we need a
19 generator or a set of generators which have these kinds
20 of characteristics, provide this many megawatts, this is
21 the site where we think they should go, and open it up
22 for competition. And what would be bid then would be
23 essentially the minimum subsidy. So what I mean by that
24 is the winner would be the one who requires the lowest --

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1 MR. HEFFERNAN: Amount of money, thank you

2 --

3 MR. MONTALVO: -- amount of money. And it
4 could work that way, alright. Such a -- such a program,
5 such a process has actually been proposed and filed with
6 FERC down in PJM, the mid-Atlantic states.

7 MR. EDWARD S. WILENSKY: Are you saying
8 that new generation should be built in Southwest
9 Connecticut, is that the end of your long dissertation?

10 MR. MONTALVO: Well, I think ultimately
11 new generation should be built in Southwest Connecticut.
12 What -- what has been proposed here is to essentially
13 bring a source to Southwest Connecticut via a
14 transmission line. What I'm suggesting an alternative
15 might be as opposed to bringing the source in with a
16 transmission line, one might think about actually siting
17 the source.

18 MR. WILENSKY: Are you familiar with
19 Southwest Connecticut?

20 MR. MONTALVO: Yes.

21 MR. WILENSKY: Could you give us a town
22 where a new generation could be sited in Southwest
23 Connecticut?

24 MR. MONTALVO: Well --

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1 MR. WILENSKY: Do you think it would be an
2 easy task?

3 MR. MONTALVO: I don't think it will be an
4 easy task. However, I think that several of the existing
5 generator sites actually might provide locations where
6 generation could be put. I'm not talking about extremely
7 large scale facilities. I think the strategic siting of
8 turbines, 50-megawatt size for example, at several of the
9 locations, for example at New Haven Harbor or at
10 Bridgeport, might actually not be a bad idea and could
11 work out. Obviously a study needs to be done.

12 CHAIRMAN KATZ: Why don't you think the
13 free market has responded to these existing generation
14 sites for adding new generation perhaps to these
15 brownfields? Why do we need a subsidy? Why isn't the
16 free market thinking that this is a good investment to
17 inject new generation into Southwest Connecticut?

18 MR. MONTALVO: Well, there's a -- that's a
19 complicated question actually, but the -- the price
20 levels that have been observed in Southwest Connecticut
21 to date I think have not been sufficiently high to
22 encourage the investment of generation dollars into the
23 region. And it's not just the energy prices. The energy
24 prices through L&P for example have gone up quite

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1 significantly since the introduction of the standard
2 market design in March, but the capacity prices, which is
3 suppose to reflect the amount of adequacy if you will,
4 generation adequacy, have been extremely low, and that in
5 part is as a consequence of the market design, the
6 capacity market design in New England, which heretofore
7 has only -- has reflected the aggregate capacity position
8 of New England relative to the aggregate capacity
9 requirements of New England. And in the aggregate there
10 is surplus capacity even though there are locations such
11 as Southwest Connecticut, Northwest Vermont, areas in
12 Boston, where there is inadequate capacity. And -- but
13 the price -- there's been no mechanism for the prices to
14 reflect that. As you may be aware, ISO New England and
15 NEPOOL have filed a proposal for a locational ICAP
16 (phonetic) system and it is the hope that that system
17 might actually result in locational prices which will
18 encourage the construction of facilities. People will
19 see the prices are higher in certain locations. But the
20 phase-in of that pricing system, particularly in
21 Connecticut because of the perceived impact on overall
22 costs you know, leaves me to doubt that in the next
23 several years anyway generator developers are going to be
24 interested in putting capacity here. So you have a

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1 situation where it is quite likely that generation, you
2 know, should go here, can go here, but there is really no
3 market price signal to allow the market to see.

4 And as was pointed out by Mr. Wilensky,
5 the number of sites are not great. There's not a huge
6 number of sites and so that presents a structural
7 barrier. And so if I'm a developer with the amount of
8 money I want to develop in generation, I look around and
9 where do I want to put my money, I look at essentially
10 the location where the development costs are lowest so I
11 can put my money in, get my machine in the ground as fast
12 as possible and start generating revenues. And I think
13 that many generation developers, particularly over the
14 last couple of years where many have become distressed,
15 you know, poor investment decisions or market prices not
16 being as high as expected on a broad level, have limited
17 the number of generator developers and also made their
18 wallets a little tighter.

19 MR. DANIEL P. LYNCH, JR.: Madam Chair.

20 CHAIRMAN KATZ: Mr. Lynch.

21 MR. LYNCH: Bear with me, I have a cold,
22 so -- under your scenario if we do allow some new
23 generation in Southwestern Connecticut even to the one or
24 two or three or -- or two or three smaller 50-megawatt

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1 plants, my question to you would be do you feel that the
2 infrastructure that is going to dispatch this new
3 generation is going to be reliable?

4 MR. MONTALVO: The existing infrastructure
5 I don't think would allow for the integration of the
6 facilities that I'm suggesting.

7 What I am suggesting is that when
8 considering a transmission project and the upgrading of
9 the transmission facilities into the region, that one
10 consider an integrated solution that involves the
11 parallel construction of upgraded transmission facilities
12 and the siting and construction of generating facilities
13 so that you have a combined solution ultimately. The --
14 so for example -- you know, it has been mentioned that
15 there's a lot of short-circuit issues and problems of
16 that nature, and clearly those would need to be resolved.

17 And I think that there are transmission alternatives
18 that would take advantage of construction of transmission
19 with an eye to as part of the solution integrating
20 generation that on a total basis is actually kind of less
21 costly, you know, that is not relying on Northeast
22 Connecticut and outside sources for a hundred percent of
23 that strong source but siting part of that strong source
24 actually inside Southwest Connecticut.

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1 CHAIRMAN KATZ: Mr. Cunliffe.

2 MR. CUNLIFFE: Page 27 of your testimony
3 you are of the opinion that an appropriately sized
4 generation could be placed at East Shore or some other
5 location in Southwest Connecticut in conjunction with the
6 upgrade of the East Shore alternative. What is the basis
7 for that opinion?

8 MR. MONTALVO: I reviewed the materials
9 provided in -- I think it was the supplemental -- the
10 supplemental load flow analysis that was done by the
11 companies and also in their application. And my
12 observation was that under normal operating conditions --
13 well under -- under the study conditions where New Haven
14 Harbor was in service, looking at their contingency list
15 and what the thermal overloads on the various facilities
16 were subject to the contingencies studied, there was not
17 -- there was not a really big difference between the two
18 cases. And this is just looking at the thermal
19 overloads. There might be other issues that are
20 different, but at least on the thermal side. However,
21 when New Haven Harbor was taken out, there was a thermal
22 overload on the 387 line. And my recollection is
23 approximately 17 percent above its normal operating
24 rating, which is probably about its emergency operating

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1 rating, and it seemed to me then that if about 150, 160
2 megawatts of quick start generation were put at New Haven
3 Harbor, that one would be able to bring the system back
4 into compliance, that is within the 30 minutes allowed,
5 and resolve at least that thermal contingency. And so it
6 was just that observation. And that case hadn't been
7 studied as far as I understood, and so this is what I'm
8 suggesting here.

9 MR. CUNLIFFE: Thank you. Those are my
10 questions.

11 CHAIRMAN KATZ: Thank you. Mr. Heffernan.

12 MR. HEFFERNAN: No further questions.

13 CHAIRMAN KATZ: Mr. Emerick.

14 MR. BRIAN EMERICK: No questions, thank
15 you.

16 CHAIRMAN KATZ: Mr. O'Neill.

17 MR. BRIAN O'NEILL: Yes. Sir, you brought
18 up a number of theoretical questions. First and
19 foremost, you suggested that an integrated approach is
20 needed. I'm curious what leads you to believe that
21 there's not an integrated approach that's presently being
22 taken? And what agencies do you think are not taking the
23 appropriate course of action?

24 MR. MONTALVO: Yeah, right -- right now I

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1 think -- I think the basis of my opinion is that we have
2 -- I think we have a situation where we have loads
3 growing in Southwest Connecticut. The idea circumstance
4 would be for generation to be sited close to the load as
5 an ultimate solution. In the meanwhile before that can -
6 - because the market has not shown up as it were, the
7 powers to be, ISO New England and the utilities, have
8 turned to the option that is immediately available, that
9 is the construction of transmission. And so I think
10 they've sought to find within that -- within those
11 constraints, that is transmission is available to us,
12 let's see what we can do, let's see if we can find a good
13 solution using transmission. And I -- as I state in my
14 testimony, I think given the transmission alternative
15 study, that this is -- this is a reasonable transmission
16 alternative, and I think they've studied it well.

17 However, my concern is that if this
18 project is constructed, load continues to grow, upon
19 completion of this project, NRG retires its generation,
20 within a couple of years, we're kind of back where we are
21 right now, and it's again hoping that the market brings
22 the generation that's needed to support future load
23 growth in Southwest Connecticut is brought to bear
24 actually shows up. And we have no -- we have no -- we

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1 just don't know if that's going to happen. So --

2 COURT REPORTER: One moment -- one moment
3 please. (Pause). Thank you.

4 MR. MONTALVO: Okay. So clearly there --
5 there are certain things being taken on faith I think
6 that, you know, if the transmission project is built and
7 the various interconnection problems in Southwest
8 Connecticut resolve the generators -- the market is being
9 revised a bit, that generation developers in the next
10 five, six, seven years will actually find Southwest
11 Connecticut to be a better place to locate their
12 generator, it will happen, and load can be served
13 successfully out into the future, and the small
14 incremental upgrades that were discussed yesterday by the
15 planning panel will be sufficient on the transmission
16 side to reliably serve the system.

17 My concern is if that doesn't happen, we
18 haven't in the meanwhile created a process instead -- you
19 know for actually engaging the problem more head on,
20 saying okay, well, what if that doesn't happen, is there
21 a backstop mechanism, is there a means for the State of
22 Connecticut to actually take in hand the problem of the
23 siting of generation in a location where generation is
24 needed. And this is an opportunity in my mind for this -

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1 - for the various state agencies in coordination with the
2 ISO and the utilities to think about the problem more
3 broadly and think about the problem of providing reliable
4 resources to Southwest Connecticut out into the future
5 now.

6 And so that if -- if a process were -- you
7 know, if the alternative that I just described briefly
8 were to actually upon study look like it had legs, you
9 know, it actually was feasible and it looked like it had
10 some economic merit, then it would seem to me that it
11 would be an opportunity for the State to go back and look
12 and see well maybe it is actually the prudent thing to do
13 to determine whether or not we can come up with a set of
14 procedures and policies that allow the State to be more
15 proactive in the issuances -- in the issuance of RFPs to
16 get generation where we think it's needed and necessary
17 to most cost effectively serve the population as opposed
18 to we will always turn to generation -- or transmission
19 as the stop gap alternative even if it's not necessarily
20 the most cost-effective stop gap alternative.

21 MR. O'NEILL: You may know we often depend
22 on hard data and real projections, not the least of which
23 is a document forecasting loads and resources that
24 projects 20 years into the future. Don't you think that

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1 that is an adequate mechanism to project what future
2 needs would be?

3 MR. MONTALVO: Yeah. There's a -- one of
4 the -- one of the things that I have suggested here in my
5 testimony is that where load forecasts are being produced
6 and views of the future -- what the load needs, load
7 requirements, distribution of loads in Southwest
8 Connecticut are being studied and understood, that taking
9 that information and combining that information with what
10 peoples' reasonable expectations are of future
11 conservation, savings, and load management initiatives
12 and savings, these things that are kind of ongoing, and
13 the expectations about expenditures in those area, and
14 then also thinking about the ability of any
15 infrastructure proposed to successfully serve that load
16 going forward and where does that infrastructure stop
17 being adequate, when is incremental infrastructure
18 needed, and if at the time incremental infrastructure is
19 needed, do we have both physical and kind of what I will
20 call policy infrastructure necessary to ensure that the
21 next thing done is the most economic and the most cost
22 effective. So, I think that these long-range studies
23 that you described are exactly what is needed and I think
24 it's -- it is what should be done. And I think there is

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1 a lot of information available. I looked at the
2 information that CL&P and UI have presented in this case,
3 and the myriad of studies that ISO New England has done,
4 and they have prepared a fantastic amount of information.

5 And I think this information provides a very good
6 foundation from which to do the additional studies which
7 I suggest.

8 MR. O'NEILL: How do you respond to not
9 only the economic questions you've raised, but the
10 environmental consequences --

11 MR. MONTALVO: Um-hmm --

12 MR. O'NEILL: -- and by that I mean if we
13 are in an environment where air pollution is a
14 consideration, as we have in Southwest Connecticut,
15 wouldn't more generation necessarily produce more
16 pollution, which would be a concern? And when we have
17 the possibility to receive power over transmission lines,
18 surplus power from existing generation sources, wouldn't
19 that be a preferred alternative to building new power
20 plants?

21 MR. MONTALVO: As a short-term approach, I
22 think perhaps, but loads are growing elsewhere in New
23 England, and what is surplus generation today, five years
24 from now will not be surplus generation. So as a long-

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1 term solution, I don't think that's the case.

2 You know, ultimately generation that's
3 local to the load in Southwest Connecticut is going to
4 have to be run, some portion of it anyway. And the
5 existing generation in Southwest Connecticut, you know,
6 burns a variety of fuels, oil, coal, gas. And future
7 fuel infrastructure and environmental restrictions will
8 definitely -- and the availability of that infrastructure
9 will definitely color the kind of facilities that are
10 built. But I think as -- ultimately from a power -- from
11 a power system planning perspective, as I think -- oops,
12 excuse me -- globally, it is, you know, having a strong
13 interconnected transmission grid, alright, which allows
14 you access to economic power from across the region, plus
15 a kind of robust set of resources in your own
16 neighborhood you know, it allows you to most securely
17 serve your load.

18 I think it would not be prudent to have
19 Southwest -- just drawing on my experience from Vermont,
20 and obviously it's a little different, okay, the loads
21 are much smaller, but there's a circumstance in Vermont
22 right now where essentially Northwest Vermont is entirely
23 transmission dependent, so if they don't keep building
24 new transmission, they can't serve the load, and --

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1 because it's very difficult to site generation, but also
2 I mean geographically it's quite small. And it makes it
3 very difficult for the system operators to actually deal
4 with that and it becomes more and more costly through
5 time. And the solutions -- the incremental solutions
6 become more and more costly through time. And I look at
7 Southwest Connecticut and right now there's a pretty good
8 set of generators down here, some of them are very old
9 and are likely to be retired for economic or
10 environmental reason. And not replacing them with
11 anything, leaving Southwest Connecticut completely
12 transmission dependent, it would seem to me would result
13 in kind of a cycle of more and more incrementally
14 expensive transmission expansions in order to make sure
15 that the load is reliably served down here.

16 And so -- you know, I mean I think that's
17 -- that's one of the -- so obviously we want to make sure
18 that we don't, you know, spoil the environment by siting
19 facilities that are going belch soot into the atmosphere,
20 I don't think that's what we're hoping to do, but I think
21 if we're strategic and careful about the types of
22 generation, the locations of the generation, the use of
23 other resources, such as, you know, load management and
24 energy efficiency, that that in combination with a

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1 transmission project can result in an outcome which
2 respects the environment but also is more economic
3 through time.

4 MR. O'NEILL: That's all my questions,
5 Madam Chairman.

6 CHAIRMAN KATZ: Thank you. I've been
7 jotting down some of your -- the terms you've used, and
8 it's long-term studies, subsidies, new processes, maybe
9 changes in legislation. You had an opportunity to sort
10 of get familiar with how things work in Connecticut. And
11 as a Siting Council, an application comes in and we
12 basically have three choices, approve it as proposed,
13 deny it, or somehow change its form or route. If you
14 were a sitting member of this Siting Council and you
15 wanted to so this integrated approach, how would you do
16 this under the Connecticut system of those choices?

17 MR. MONTALVO: I think that given those
18 three fairly stark choices, that the project as proposed
19 should probably not be rejected with the caveat that --
20 you know, all the technical details regarding under-
21 grounding and, you know, its actual route and all those
22 things I am not speaking to, I haven't -- I haven't
23 examined -- but as a general concept the transmission
24 project is not a bad project.

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1 As a general concept I think that the
2 project does achieve the goals which -- that CL&P and UI
3 have set out to solve. But I would hope that -- and it
4 may not be within your discretion, but I would hope that
5 a parallel process, that is the examination in parallel
6 of a more integrated solution could also be entertained.

7 So that while scrutiny of this project is going forward,
8 that as are coming in almost on a daily basis are
9 additional supplemental analyses -- a supplemental
10 analysis of a more integrated solution could also be
11 entertained. And so that that information could
12 ultimately be before you before you make a ruling one way
13 or the other. And you know, that way that you can have
14 the -- you can have the benefit of that information,
15 alright.

16 So -- you know, based on what I've said
17 today, I don't think you want to go okay, well, forget
18 it, we're not going to do this project and now go study
19 this alternative. It would -- it would I think -- what
20 would make more sense to me anyway is that the study of a
21 more integrated alternative be entertained as a parallel
22 process, kind of in the spirit of a lot of the
23 supplemental analyses that are currently undergone --
24 undergoing.

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1 CHAIRMAN KATZ: So your short -- your
2 short answer is that you would approve some type of
3 transmission line from Middletown to Norwalk with the
4 understanding there would be some parallel studies and
5 other processes going on?

6 MR. MONTALVO: Well, I don't know that the
7 line from Middletown to Norwalk ultimately is the best
8 line. You know, if -- if the -- if the example that I
9 gave earlier actually turns out to be viable, that is the
10 -- kind of the modified East Shore alternative, utilizing
11 the siting of generation at New Haven Harbor turns out to
12 be a technically feasible alternative and more economic,
13 then routing a line from East Shore to Norwalk might be
14 the line --

15 CHAIRMAN KATZ: So would it be possible
16 that you would -- if you were sitting on this Council,
17 you would want to deny this application while a
18 feasibility study of whether generation could be added to
19 East Shore would be done? I -- I'm trying to see what --
20 how you visualize the sequence of events?

21 MR. MONTALVO: Well, the -- I'm just
22 thinking about the application that's been made, alright.
23 And in the application it's described several
24 alternatives, you know. We looked at a couple of

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1 different ways the routes might go, we looked at the
2 availability of generation alone to solve some problems,
3 DSM alone to solve some problems, DG alone to solve some
4 problems. And it's been -- it's been said that those
5 things alone can't solve these problems, and the
6 alternatives to the -- and as a consequence any
7 alternative to the project as described is inferior. And
8 what I'm suggesting is that an alternative that might
9 actually work hasn't been studied. And so as part of the
10 application, perhaps as a supplement to the application,
11 the study of such an alternative should be made so that
12 you can also have that information before you for review.
13 And then with that additional information available, you
14 can make a decision as to whether or not this project as
15 proposed is something that you should approve or not.

16 CHAIRMAN KATZ: You indicated that siting
17 of new generation at East Shore would help the thermal
18 issues. Is it also going to help some of the other
19 issues that have been identified as perhaps problematic
20 of doing an East Shore alternative or is it just the
21 thermal issues it helps?

22 MR. MONTALVO: Well, putting the
23 generation at East Shore I think can resolve some of the
24 thermal overload issues that have been identified on the

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1 387 line. As the line -- as the 345 line is routed from
2 East Shore over to Norwalk, then, you know, that
3 configuration would essentially -- you know, there are
4 issues I guess about routing that line in and around New
5 Haven and how that gets from New Haven to East Devon and
6 whether or not parts of it should go under water, over
7 land, and several different things have been studied.
8 But it's my understanding that a detailed study of that
9 has not been undertaken because based on the initial
10 analysis that showed that the thermal violations on the
11 387 line just at -- you know, upon first examination were
12 so severe that no further analysis of that alternative as
13 a transmission project were necessary, you know, how one
14 might actually practically resolve some of these other
15 issues wasn't actually investigated in a lot of detail.
16 So that's my understanding. So it seems to me then, you
17 know, a bit of additional work would then be called for
18 to determine whether or not those issues are show
19 stoppers or whether or not they can be worked out, you
20 know.

21 I think the proposed project uses a lot of
22 creative -- is fairly creative in the way it's planned to
23 bring the line down from Middletown down to Norwalk, the
24 reconfiguration of several substations and switching

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1 stations and these kinds of things, some creative things
2 have been done there. And I think similar creativity
3 might be able to be brought to bear in this instance.

4 CHAIRMAN KATZ: Thank you. Mr. Tait.

5 MR. COLIN C. TAIT: No questions.

6 CHAIRMAN KATZ: Mr. Ashton.

7 MR. ASHTON: You don't know whether there
8 is any -- or was any creativity applied in examining and
9 discarding other solutions that you're not aware of?

10 MR. MONTALVO: No. The -- the -- my
11 opinions here are based on the information provided in
12 the application and some of the supplemental information
13 I have looked at --

14 MR. ASHTON: Okay --

15 MR. MONTALVO: -- so if other analysis was
16 done and not included in the materials, then I don't know
17 about it, no.

18 MR. ASHTON: You've performed no studies
19 yourself to test any of the theory that you've
20 propounded, is that fair to say?

21 MR. MONTALVO: No, the analysis that I've
22 done is somewhat back of the envelop based on the
23 information provided given the timeframe between the
24 receipt of the -- I guess -- given the timeframe it was

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1 very difficult to do those studies. Also the amount of
2 information required to do those studies is extensive.
3 And the folks best able to do that probably are the ISO
4 folks or the CL&P folks.

5 MR. ASHTON: In your testimony, if I
6 recall, you do indicate that two to three months would be
7 adequate to test some of these alternatives. Isn't what
8 you just said sort of contradictory to that --

9 MR. MONTALVO: It would be --

10 MR. ASHTON: -- is that a realistic
11 expectation that two -- that studies could be set up and
12 evaluated and -- performed and evaluated in two to three
13 months?

14 MR. MONTALVO: It would be three pretty
15 busy months --

16 MR. ASHTON: Yeah --

17 MR. MONTALVO: -- okay --

18 MR. ASHTON: -- I would agree on that --

19 MR. MONTALVO: I'm not -- I have no
20 elusions about that, I mean that would be three pretty
21 busy months. The planning folks who would be doing these
22 studies would have their hands full. But what I do
23 observe is that a tremendous amount of information has
24 already been generated, which creates a lot of baseline

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1 and so it's not like starting from scratch.

2 MR. ASHTON: You mentioned a 50-megawatt
3 installation and you mentioned specifically the
4 possibility of a 150 megawatts at -- of quick start
5 generation at East Shore. Do you have any feel for
6 whether that generation -- or what that generation would
7 be and whether it would be an optimal solution to the
8 future generation needs of the State, visa vie peaking,
9 intermediate and base load, or is it just a shot in the
10 dark, you know, to patch up a thermal problem as you
11 characterized it?

12 MR. MONTALVO: Well, that -- that example
13 that I had given is -- that's what I would -- on its face
14 looks like to be the adequate solution. Whether it is
15 the optimal solution, I don't know. So if you were to
16 say put 150 megawatts there, it seems to me that that
17 would resolve the problem. Whether or not it would be
18 better to -- forget that, let's not have 150 megawatts of
19 quick start, let's put a larger facility, maybe a base
20 load facility, let's do something that has -- that's more
21 flexible and site it closer to Bridgeport, something like
22 that ultimately might be a more optimal solution. All I
23 was doing there was identifying a piece of generating
24 equipment or a generating option that appeared to be at

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1 least minimally adequate.

2 MR. ASHTON: Could -- could -- would you
3 believe that the transmission solution could be avoided
4 by incremental blocks of 50-megawatt generators scattered
5 along the coast somewhere in this load pocket?

6 MR. MONTALVO: Do I believe that by
7 installing -- I just want to make sure I understand your
8 question -- that by installing only generation, that is
9 no transmission upgrades at all, we can solve this
10 problem?

11 MR. ASHTON: Well, no 345 upgrade anyway.

12 MR. MONTALVO: No, I don't think that's
13 possible.

14 MR. ASHTON: So you think a 345 upgrade is
15 inevitable?

16 MR. MONTALVO: I do.

17 MR. ASHTON: And would it be fair to say
18 that a 345 upgrade -- a 345-kV upgrade would allow for
19 vastly different options of generation in Southwest
20 Connecticut over what now exists --

21 MR. MONTALVO: Vastly different options?

22 MR. ASHTON: Yes.

23 MR. MONTALVO: Well, the --

24 MR. ASHTON: Are you not constrained by

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1 the present system in that it cannot allow for large
2 blocks of generation to go on?

3 MR. MONTALVO: Yeah, the existing system
4 provides a tremendous constraint, so -- I mean what I am
5 suggesting is that as part of -- as part of the plan to
6 improve the power supply situation in Southwest
7 Connecticut, while building a transmission line, like say
8 a 345 link between New Haven and Norwalk, one also builds
9 generation. And that is part of that solution as opposed
10 to one or the other.

11 MR. ASHTON: Well, is it possible to build
12 a large block of generation until the 345-kV loop is
13 complete?

14 MR. MONTALVO: Well, if -- if they're
15 interconnected and put in service, you know, essentially
16 at the same time, it's fine.

17 MR. ASHTON: But you can't have the large
18 block before the 345-kV is available, is that fair to
19 say?

20 MR. MONTALVO: Its dispatch probably would
21 be very difficult and its interconnection might actually
22 not be possible.

23 MR. ASHTON: Okay. Would it be reasonable
24 to expect that you -- that unless a 345-kV loop is

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1 available -- and I'm not specifying the type of
2 construction or details of the physical connection of
3 Norwalk through to Devon to Middletown or thereabouts --
4 until that connection is made that such things as
5 removing or repowering the Norwalk Harbor 334-megawatt
6 plant would not be possible?

7 MR. MONTALVO: Interconnection of a re-
8 powered Norwalk Harbor would probably not be possible.

9 MR. ASHTON: Could you take Norwalk Harbor
10 out of service without that loop being present?

11 MR. MONTALVO: No. As I understand it
12 right now all generation in Southwest Connecticut is
13 required --

14 MR. ASHTON: So --

15 MR. MONTALVO: -- in order to serve the
16 load. So the removal of any generation from the system
17 would create problems.

18 MR. ASHTON: Any sizable generation
19 certainly --

20 MR. MONTALVO: Yeah --

21 MR. ASHTON: -- is that fair to say?

22 MR. MONTALVO: Yeah.

23 MR. ASHTON: So really is your testimony
24 this -- and I'm going to make a statement and see if you

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1 agree with me, yes or no -- you have espoused or are
2 promoting a philosophical concept of the optimal type of
3 transmission and generation planning, that it's
4 integrated, it includes CL&M, distributed generation,
5 conservation, transmission and generation. That's the
6 philosophical position that you've espoused, is that fair
7 to say, that's the ideal arrangement?

8 MR. MONTALVO: yes.

9 MR. ASHTON: And are -- are you also
10 saying that the reliability of the power system of
11 Southwest Connecticut is now severely constrained and
12 that warrants the -- justifies the major interconnection
13 that is proposed in this application?

14 MR. MONTALVO: The -- I will say that it
15 justifies major investment in infrastructure. Whether or
16 not it is ultimately this project or something else --

17 MR. ASHTON: How --

18 MR. MONTALVO: -- has to be determined.

19 MR. ASHTON: Okay. How long, seriously,
20 would you suggest that an optimal study would take to
21 find the best answer for this problem in Southwest
22 Connecticut given what I heard -- what I think I heard
23 you say that you're cognizant of the report on
24 conservation that has been provided, given the fact that,

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1 subject to your check, the State has diverted -- I forget
2 the number, but it's approximately 70 million dollars out
3 of the conservation budget for general fund purposes,
4 given the fact that siting of generation takes years just
5 to get approvals, given the total lack of interest
6 response by the generation market, and given the
7 disconnect or the prohibition against any regulated
8 utility from building generation, how long do you think
9 that a realistic answer would be -- what would be a
10 realistic timeframe to accomplish this study given those
11 constraints?

12 MR. MONTALVO: To accomplish this study?

13 MR. ASHTON: Yeah, and get approval for
14 it. Document it, circulate it, review it --

15 A VOICE: Build it.

16 MR. MONTALVO: Well, I think the studies
17 can be done, as I say, you know, with about three months
18 of diligent work. The rest of it is a matter almost of
19 the -- kind of the speed at which the political process,
20 if you will, within the state can move. I really have no
21 sense of that, but I'm sure we're talking, you know, at a
22 minimum half a year, but I'm just stabbing in the dark,
23 it could be longer.

24 MR. ASHTON: How long did it take in

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1 Vermont?

2 MR. MONTALVO: To get generation sited?

3 MR. ASHTON: Yeah, or transmission --
4 major transmission.

5 MR. MONTALVO: Well from the time of the
6 application to the time the siting process is going to be
7 done, it's probably going to be about a year and a half.

8 MR. ASHTON: Do you think it's materially
9 different anywhere in New England?

10 MR. MONTALVO: It's probably not, no.

11 MR. ASHTON: So you're approaching two
12 years by your own words, is that not true?

13 MR. MONTALVO: Yeah. However, I do -- I
14 do want to say that we're not starting from scratch. I
15 mean this is -- alright --

16 MR. ASHTON: A new application starts the
17 process over, doesn't it?

18 MR. MONTALVO: Well, I suppose it does. I
19 -- you know, I --

20 MR. ASHTON: Have you made any allowance
21 for appeals of a decision in your timeframe?

22 MR. MONTALVO: No, my timeframe only was
23 speaking to the study itself, the analysis. I was not
24 saying okay from start to finish how long would it take

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1 to go through the entire process inside the State of
2 Connecticut. You know as far as this Phase 2 application
3 is concerned, you know, I have no sense whether or not
4 this will be all wrapped up and approved, you know, by
5 August of this year or by, you know, March of the
6 following year. I just don't know, I don't have a sense
7 of that.

8 MR. ASHTON: Are you aware of the impact
9 of the August 14, 2003 blackout in New England?

10 MR. MONTALVO: I am.

11 MR. ASHTON: Are you aware of what
12 happened in Connecticut?

13 MR. MONTALVO: Yes, I am.

14 MR. ASHTON: Would you believe that a 345-
15 kV line would provide a significantly improved chance to
16 avoid the problems that were posed by the August 14th
17 blackout in Connecticut?

18 MR. MONTALVO: Uh --

19 MR. ASHTON: And when I say line, the loop
20 through Southwest Connecticut.

21 MR. MONTALVO: Based on testimony
22 yesterday given by the transmission folks, the
23 transmission planners of CL&P and UI, and also the
24 representatives of ISO New England, I think that -- I

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1 concur with their opinions that it would have improved
2 the resilience of Southwest Connecticut's system.
3 However, I'm not a transmission operator and so I can't
4 speak to whether or not it -- you know, its magnitude or
5 what --

6 MR. ASHTON: Have you ever run any
7 transmission planning studies?

8 MR. MONTALVO: Have I run transmission
9 planning studies?

10 MR. ASHTON: Yeah.

11 MR. MONTALVO: I have not done
12 transmission planning studies. I've done integrated
13 resource planning.

14 MR. ASHTON: Thank you. No further
15 questions.

16 CHAIRMAN KATZ: Mr. Wilensky.

17 MR. WILENSKY: No questions, Madam
18 Chairman.

19 CHAIRMAN KATZ: Mr. Murphy.

20 MR. JAMES J. MURPHY, JR.: No questions.

21 CHAIRMAN KATZ: Mr. Lynch.

22 MR. LYNCH: No questions.

23 CHAIRMAN KATZ: I'm going to allow the
24 parties and intervenors to ask further questions of this

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1 witness based on new information only please and I'll
2 start with the Applicant. Any questions?

3 MS. RANDELL: Just a real quick follow-up
4 on the timeline you just created for Mr. Ashton. In
5 Vermont you said it took one and a half years from
6 application?

7 MR. MONTALVO: From the time of the
8 application, it will probably be about a year and a half,
9 yeah.

10 MS. RANDELL: But the whole process will
11 have taken four or five years, correct?

12 MR. MONTALVO: When you -- I just want to
13 make sure I understand exactly what you mean by whole
14 process. From --

15 MS. RANDELL: I can rephrase. The
16 stipulation that caused the studies to occur that you
17 undertook was May 2001?

18 MR. MONTALVO: Yes. That stipulation,
19 however, was in response to a project that was proposed,
20 however never filed or billed. And the terms and
21 conditions of the stipulation were just adopted for the
22 purpose of the application made. So it's not exactly a
23 one for one.

24 MS. RANDELL: It was a discussion of

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1 transmission to serve reliability purposes in Northwest
2 Vermont, right?

3 MR. MONTALVO: Right, but it was a
4 different project. And that project was ultimately not
5 pursued. And so from the time -- from the time for
6 example that we were retained and we started our work and
7 we went through that process, I would say it was probably
8 about two and a half years.

9 MS. RANDELL: To date?

10 MR. MONTALVO: To date -- no, until -- we
11 -- no, it's been about a year and a half right now. And
12 it will be probably another year before the board issues
13 a decision. So it will be about two and a half years
14 from the time we started our studies to the end.

15 I do -- I do just want to make one small
16 statement however that many of the -- one of the reasons
17 why it took us as long as it did to do our work is that
18 the analysis of what the solution would look like and the
19 load flow analysis and a lot of this was happening in
20 parallel and there wasn't a good sense of what a good
21 project was, and so there was a lot of stuff happening at
22 the same time. It's my observation based on the corpus
23 of material developed to date that a lot of what was a
24 work in process during our study is work already done in

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1 this instance.

2 MS. RANDELL: Not to beat a dead horse
3 untimely, but my understanding from your testimony in
4 Vermont is that you started your work in 2002, correct?

5 MR. MONTALVO: We were retained in 2002 --
6 in November of 2002.

7 MS. RANDELL: Thank you. No further
8 questions.

9 CHAIRMAN KATZ: Thank you. Is there any
10 other party or intervenor who wishes to have cross-
11 examination of this witness on new material only, please
12 come down to the center mic. Let the record show none.

13 Mr. Johnson, do you have any redirect of
14 your witness?

15 MR. JOHNSON: I believe we would have
16 redirect. I would respectfully request a five or ten-
17 minute break where I can discuss, you know, in private,
18 and then we'll --

19 CHAIRMAN KATZ: You've got it. We're --
20 five minutes.

21 MR. JOHNSON: Thank you.

22 (Whereupon, a short recess was taken.)

23 CHAIRMAN KATZ: (Indiscernible) -- your
24 witness.

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1 MR. JOHNSON: I do, Chairman Katz, thank
2 you.

3 Mr. Montalvo, do you recall discussion
4 this morning from various docket participants and
5 yourself about the broader approach that you recommend?

6 MR. MONTALVO: Yes --

7 MR. JOHNSON: And --

8 MR. MONTALVO: -- yes, I do.

9 MR. JOHNSON: And do you have any further
10 comments about the ways in which that broader approach
11 might be pursued right now in this docket?

12 MR. MONTALVO: Yes. On -- I just direct
13 folks to look at perhaps page 15 and 16 of my --

14 CHAIRMAN KATZ: Yeah, I'm going to ask --
15 I'm sorry, I was multi-tasking up here -- Mr. Johnson,
16 could you just ask the question again because I
17 definitely want to hear what your witness has to say.

18 MR. JOHNSON: I'll try to start from the
19 beginning if I can reproduce my own words, I'll try. I
20 asked Mr. Montalvo whether he recalled the discussion
21 this morning about the broader approach, which he does
22 recommend that the Applicants and the Council take, and
23 then he said yes. And then my next question was do you
24 have any thoughts to provide about how that broader

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1 approach could be pursued right now in this docket.

2 CHAIRMAN KATZ: Yeah, thank you for
3 repeating that.

4 MR. MONTALVO: Yes. And just referencing
5 pages 15 and 16 of my testimony where I discuss Public
6 Act 03-140 and the requirements or new rules governing
7 the actions of the Connecticut Energy Advisory Board, and
8 it seems to me under the hospices of this act and the
9 obligations of the CEAB and the consequent obligations or
10 relationship -- interrelationship between the CEAB and
11 the Siting Council, that there's an opportunity for the
12 Siting Council to -- and perhaps even a responsibility to
13 examine all feasible and prudent alternatives as
14 specified in that act. And as part of carrying that out,
15 examining alternatives to the project that seem to meet
16 the need in different ways and examining what the
17 economics look like, what the environmental impacts look
18 like, what the land use impacts are. You know, just the
19 litany of things that must be examined. And to the
20 extent that the alternative -- the alternative is
21 something which seems to be preferable, then there are
22 rules there for the issuances of RFPs in order to secure
23 the various components of the solution.

24 So it seems to me that there is at least

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1 in part a mechanism that has been established. And where
2 it might not be complete in all aspects and all of the
3 procedures might not be laid out, that the legislature
4 has at least expressed through this act its desire to see
5 a more integrated -- a more integrated investigation into
6 how the energy infrastructure in Connecticut gets
7 expanded is done.

8 CHAIRMAN KATZ: Is it -- may I?

9 MR. JOHNSON: Of course.

10 CHAIRMAN KATZ: Is it your understanding
11 that new legislation that you just indicated had a start
12 date and that dockets filed before or after that start
13 date would be affected?

14 MR. MONTALVO: Yeah, as -- as I understand
15 it, it does have a start date and that dockets filed
16 before are not necessarily subject to the rules of that
17 act. However, it's -- it's -- I'm of the view that the
18 legislature has essentially expressed kind of a
19 preference for an approach and that if the Siting Council
20 were to adopt at least in part, you know, some aspects of
21 that approach, that that wouldn't necessarily be
22 problematic and would be kind of consistent with their
23 expressed views.

24 CHAIRMAN KATZ: Thank you.

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1 MR. JOHNSON: Mr. Montalvo, do you recall
2 the discussion this morning from various docket
3 participants about the -- how in the restructuring --
4 given the restructuring of the Connecticut electric
5 service, that market response is in one way or another
6 the essential mechanism for bringing generation solutions
7 to bear on reliability problems?

8 MR. MONTALVO: Yes.

9 MR. JOHNSON: Do you have any further
10 comments about what you would recommend as the way in
11 which that could and should work again in the near future
12 in this docket or other near future?

13 MR. MONTALVO: Right. Yeah, given the
14 fact that, you know, the market is still a work in
15 progress to a certain extent, rules are being changed,
16 you know, ISO New England has recently filed for changes,
17 and certain rules as far as the ICAP market goes, you
18 know, this is a work in progress, and so response of
19 developers and investors in the case of, you know,
20 regulatory uncertainty and market uncertainty, equitable
21 design of the market, how they might get paid is
22 uncertain, it stands to reason that some kind of -- I
23 referred to it earlier I suppose as kind of an
24 administrative intervention, but basically what it is is

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1 those folks who know what is needed and where it's needed
2 actually issuing RFPs for the purchase through a
3 competitive process of what's needed. So this is not
4 really an extra market process so much as it's the folks
5 who need to buy certain products, making sure they get
6 the products they need, where they need it, and when they
7 need it, as opposed to leaving it up to the chance of the
8 market. And I don't think that's dissimilar in any
9 material way from how a lot of things are procured.

10 There are restrictions on the distribution
11 utilities from the ownership, you know, and operation of
12 generating facilities that has been pointed out.
13 However, the affiliates are not necessarily so
14 restricted, and so I think there's a potential way
15 through. Also, special purpose entities might be
16 established for this purpose.

17 So, I think that -- I think that, you
18 know, this is -- the use of -- the use of RFPs, perhaps
19 the establishment of special purpose entities, or the use
20 of -- or having, you know, the generation affiliates of
21 existing utilities actually seek to bid in these RFPs is
22 a way that one might actually bring the needed generation
23 in locations that have been identified to bear.

24 One of the other benefits of course is

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1 that to the extent a solution is identified which
2 includes generation and the location has been identified
3 and the siting and permitting of the facility has been
4 lubricated by the fact that, you know, the plan has been
5 given approval, a big component of risk and development
6 costs has been -- will be avoided by any of the
7 competitors that bid for the project. I think one of the
8 big risks that market developers -- or project developers
9 see right now in looking at any region, particularly
10 constrained regions is the costs, legal, etcetera, of
11 actually siting machines inside such areas and the
12 avoidance of those costs because we have a plan that's
13 approved would be a big deal.

14 MR. JOHNSON: And one final question, Mr.
15 Montalvo, in the context of the proactive or more
16 comprehensive, or whatever adjectives might be
17 appropriate, the recommendations you are giving to the
18 Council about how to proceed, you are not here
19 recommending this application that's before the Council
20 should be denied as such, are you?

21 MR. MONTALVO: No, I'm not recommending
22 that.

23 MR. JOHNSON: That's all we have by way of
24 redirect.

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1 MR. TAIT: Since you're not -- since
2 you're not recommending that, let's assume without
3 deciding it that this application gets approved, what
4 concrete recommendations do you have that we should put
5 in our decision to further the things that you've been
6 talking about that's within our power to order? What
7 things would you specify should go in a decision and
8 order that you think would be beneficial to the State of
9 Connecticut that we have the power to order and would be
10 feasible for us to order? You can think about that one
11 if you want to?

12 MR. MONTALVO: Yeah, I'd prefer to think
13 about that before answering it. I think --

14 MR. TAIT: I don't want generalities.

15 MR. MONTALVO: Right, right. You want
16 concrete things, so I can write something up for you.

17 MR. TAIT: Homework.

18 MR. MONTALVO: Yes.

19 MR. JOHNSON: Council Member Tait, if you
20 would, you know, like Mr. Montalvo to prepare a written
21 answer and mail it in and serve it to the service list
22 and so forth -- is that what you're -- where you're
23 headed with this --

24 MR. TAIT: No -- or you can do it in your

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1 briefing. I just want to make sure it gets into the
2 record. If it's for testimony, it should go into the
3 record and everybody can comment on it.

4 MR. JOHNSON: Understood.

5 CHAIRMAN KATZ: Are there any others
6 before we excuse this witness? Mr. Emerick.

7 MR. EMERICK: Just to follow up. With
8 respect to taking the uncertainty of siting a facility
9 and not making a market condition but rather some entity,
10 some state or governmental entity approving a site and
11 therefore I guess taking that uncertainty out, I guess
12 I'm unclear as to how that would work in terms of a
13 governmental entity saying we have selected X-site and we
14 can guarantee that you're going to get your air permit,
15 your water permit, or any other regulatory permits that
16 are essential to develop that site. I mean there's a due
17 process involved in all those judgments and decisions.
18 So how could one guarantee that in fact that could be
19 accomplished?

20 MR. MONTALVO: Well, I think as part of
21 the -- as part of the approval of an infrastructure plan,
22 if you will, that includes the siting of generation in
23 addition to transmission upgrades and other things, just
24 as with transmission it's -- the -- this body will make

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1 decisions as to whether, you know, the project can be
2 sited in the locations where, you know, towers can be
3 placed where they want to place them and various things
4 can be done, a decision can be made about whether or not,
5 as far as siting is concerned, a generator can be located
6 in a particular location. In point of fact as part of
7 the plan, you know, what that location is will be part of
8 the plan, alright. So as far as air permits and those
9 kind of other regulatory approvals, clearly, you know,
10 you guys, as I understand it, are not authorized to issue
11 air permits, so you wouldn't be able to authorize the
12 issuance of air permits. However, the -- because it is
13 an integrated plan and it will have received kind of the
14 approval of this body and presumably other bodies, the
15 issuance of -- or the risk that an air permit would not
16 be issued, you know, along with the siting of this
17 project would be lessened, it might not go away. And so
18 perhaps it's just, you know, the proper term is not the
19 erasure of risk, but it's the mitigation of a certain
20 risk factor. And so, you know, I think that's where it
21 stands ultimately. And the details about how that works
22 and what's the proper process, how do you see the entire
23 procedure to work through, I think -- in response to Mr.
24 Tait, I think those are some of the things I might put

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1 together in that concrete response. You know, off the --
2 of the cuff it's difficult to know because there are, as
3 you point out, a lot of interacting regulatory approvals
4 that are required.

5 COURT REPORTER: One moment please.

6 (Pause). Thank you.

7 CHAIRMAN KATZ: Mr. O'Neill.

8 MR. O'NEILL: Yes -- excuse me -- while
9 you're formulating your response to Mr. Tait's question,
10 perhaps you could let us know what municipalities in
11 Southwestern Connecticut you feel would welcome a new
12 power plant. (Laughter). Thank you.

13 MR. TAIT: That will be a short answer I
14 think. (Laughter).

15 CHAIRMAN KATZ: I'm going to ask Mr.
16 Marconi to comment on the best way of getting the
17 witness's response to Mr. Tait's assignment into the
18 record.

19 MR. MARCONI: Okay. Unless you wanted to
20 answer first the question on what community would welcome
21 a power plant, but -- (laughter) -- but first what I was
22 thinking of doing is requesting that Attorney Johnson
23 file an affidavit of Mr. Montalvo if he has additional
24 comments on Mr. Tait's comment and question --

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1 MR. MONTALVO: Okay --

2 MR. MARCONI: -- and if the affidavit then
3 gets circulated to everybody on the service list and if
4 anybody on the service list feels the need to cross-
5 examine you on it, Mr. Montalvo, then we could request
6 Mr. Johnson to provide you here to make you available for
7 cross-examination. Otherwise if nobody has any need for
8 cross-examining you, the affidavit can come in and simply
9 be considered by the Council. Would that be acceptable
10 to all counsel?

11 MR. JOHNSON: We would like to provide,
12 you know, any information the Council wants in the form
13 it finds most convenient. I'm a little apprehensive
14 about the word affidavit. Mr. Montalvo, you know, was
15 here today, as you heard, as with the other witnesses,
16 saying that, you know, to the best of his information and
17 belief he's giving the soundest advice he can imagine.
18 And he would adopt that testimony if he came back as
19 such. But it's not an affidavit in the sense that, you
20 know, I'm certifying that I live here or I live there and
21 so forth.

22 MR. TAIT: No, it's sworn testimony --

23 MR. JOHNSON: Yes --

24 MR. TAIT: -- we just want it --

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1 MR. MARCONI: We want to make sure it's
2 sworn --
3 MR. JOHNSON: We -- absolutely.
4 MR. TAIT: Post-filed testimony that --
5 MR. JOHNSON: Okay, now I understand, yes
6 --
7 MR. TAIT: Yes --
8 MR. JOHNSON: -- we would file that
9 testimony and attached to it would be an affidavit saying
10 that, you know --
11 MR. TAIT: I swear to --
12 MR. JOHNSON: -- the same kind of recital
13 that begins a hearing like this. Thank you. Yes, I
14 understand that --
15 MR. MARCONI: That's correct. And so --
16 and so then basically if anybody does feel the need to
17 cross-examine him, they could inform you and then you
18 would have him here in person. If there's no need to
19 cross-examine, then we could expedite matters.
20 MR. JOHNSON: Understood. Thank you.
21 CHAIRMAN KATZ: Thank you. Anything else
22 for this witness? Seeing none, thank you, Mr. Montalvo.
23 MR. MONTALVO: Thank you.
24 CHAIRMAN KATZ: And you're excused for

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1 today. At this time, I'd like to call up the NU/UI panel
2 on need. We're going to take any final questions on new
3 information only. And then after that before we adjourn,
4 I'm just going to go over some procedural matters and
5 exhort you people to take care of certain things.

6 MS. RANDELL: (Indiscernible) -- one
7 witness today who was not here yesterday, Mr. Goodwin --

8 CHAIRMAN KATZ: Oh, okay --

9 COURT REPORTER: Could you start again
10 please.

11 MS. RANDELL: Oh, certainly. Mr. Goodwin
12 is here today. He was not sworn.

13 CHAIRMAN KATZ: Okay.

14 MS. RANDELL: I don't know if you want to
15 swear him --

16 CHAIRMAN KATZ: We'll do that --

17 MS. RANDELL: -- before determining if
18 anyone has any questions for him.

19 CHAIRMAN KATZ: Does he have any testimony
20 he needs to adopt?

21 MS. RANDELL: He does not.

22 CHAIRMAN KATZ: Okay. Well, we'll wait
23 then I guess and see if we need to do that. We'll just
24 take a minute while we let them get settled in.

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1 COURT REPORTER: Gentlemen, the first time
2 you speak, if you could just give your name to make sure
3 I've got the right name with the right face.

4 (Pause)

5 CHAIRMAN KATZ: Okay, what I -- I wanted
6 to just have an opportunity to see if there are any
7 parties and intervenors who had questions for this panel
8 and then also I was going to give the Applicants a chance
9 to do any final redirect if necessary. And I'd like
10 people to confine themselves to new information only.
11 Why don't I start off by asking if there is any party or
12 intervenor who wishes to have further questions, come
13 down to the center mic. Okay, let the record -- are you
14 stretching, Mr. Johnson, or are you coming down --
15 (laughter) --

16 MR. TAIT: Or saying no?

17 MR. JOHNSON: I disrupted the proceeding
18 anyway. If I fall on the floor -- (laughter) --

19 CHAIRMAN KATZ: Mr. Johnson is indicating
20 he has no questions. Mr. Fitzgerald and Miss Randell, do
21 you have any final redirect?

22 MS. RANDELL: We do not.

23 CHAIRMAN KATZ: Great. At this time we
24 are going to -- before we adjourn today, I just want to

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1 talk about some administrative matters. What I'd like to
2 do is have -- encourage all parties and intervenors to
3 have a full discussion today with each other on coming up
4 with dates -- where there have not been responses to
5 interrogatories, to come up with dates that all parties
6 and intervenors can find acceptable so that we can move
7 this hearing along in an efficient manner. And what I'd
8 like to do is have you decide on as many of those issues
9 as possible before 9:30 tomorrow morning.

10 At 9:30 tomorrow morning we are having a
11 prehearing conference. At that prehearing conference
12 we'll ask people to identify issues that are not
13 resolved. I'm exhorting you to have that to be a short
14 list. I think a lot of these things can be worked out,
15 but it's going to determine some willingness and the
16 ability to work and talk with each other in plain English
17 and -- so it will require the minimum beating up by the
18 Siting Council on these issues. Is there -- do you want
19 to offer anything else on that subject?

20 MR. TAIT: No.

21 CHAIRMAN KATZ: Okay. So we are going to
22 adjourn until tomorrow morning at 9:30 for the prehearing
23 conference. And I hope you --

24 MR. MARCONI: 10:00 o'clock --

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1 CHAIRMAN KATZ: Hmm?

2 MR. MARCONI: 10:00 o'clock for the
3 hearing.

4 CHAIRMAN KATZ: Ten -- and the hearing
5 will start at 10:00 o'clock. And tomorrow is going to be
6 a very busy day. We are adjourned.

7

8 (Whereupon, the hearing adjourned at 11:50
9 a.m.)

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CERTIFICATE

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