

Lake Road Generating Company, L.P.

56 Alexander Parkway
Dayville, CT 06241

Phone: 860.779.8300
Fax: 860.779.8360

File No. _____



Lake Road Generating

May 31, 2006

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

RECEIVED
MAY 31 2006

**CONNECTICUT
SITING COUNCIL**

RE: Docket No. F-2006 – CT Siting Council Review of the Ten-Year Forecast of Connecticut Electric Loads and Resources

LAKE ROAD GENERATING COMPANY, L.P.

Dear Mr. Phelps:

Lake Road Generating Company, LP (“Lake Road”) hereby submits the attached pre-filed testimony (“Exhibit No. Lake Road-1”). Lake Road’s testimony is limited to comments on certain information regarding Lake Road that Northeast Utilities Service Company, on behalf of The Connecticut Light and Power Company, provided to the Connecticut Siting Council (the “Council”) on May 15, 2006, in response to requests for information from the Council.

James T. Carlton Jr., President and COO of Lake Road will attend and participate in the public hearing in this proceeding on Thursday, June 1, 2006.

Please call me at (860) 779-8350 if further information is required.

Sincerely,

James T. Carlton Jr.
President and COO
Lake Road Generating Company, LP

Cc: Service List

STATE OF CONNECTICUT
CONNECTICUT SITING COUNCIL

IN RE: : DOCKET NO. F-2006
REVIEW OF THE TEN-YEAR FORECAST :
OF CONNECTICUT ELECTRIC LOADS :
AND RESOURCES : MAY 31, 2006

PRE-FILED TESTIMONY OF JAMES T. CARLTON JR.
ON BEHALF OF LAKE ROAD GENERATING COMPANY, L.P.

My name is James T. Carlton Jr. I am President and Chief Operating Officer of Lake Road Generating Company, L.P. ("Lake Road") and I appreciate the opportunity to testify before the Connecticut Siting Council ("the Council") on behalf of Lake Road. Lake Road owns an electric generating facility located in Dayville, Connecticut with a nominal capacity of 792 MW, which began commercial operation in May 2002. My testimony is limited to commenting on certain information provided to the Council by Northeast Utilities Service Company on behalf of The Connecticut Light and Power Company ("CL&P") on May 15, 2006, in response to requests for information from the Council.

Specifically, my testimony will address the response of CL&P witness Allen W. Scarfone to the Connecticut Energy Advisory Board ("CEAB") question:

Is the Company [CL&P] performing or participating in (i.e., as a project manager or team project member, by providing data and information, or by performing analyses and technical assistance) any study of potential transmission improvements that would allow the capacity from Lake Road generating facility to be recognized by ISO New England as firm capacity in Connecticut? If so, please describe the Company's role in each such study.

This response was captioned "Q-CEAB-004" in CL&P's May 15, 2006, submittal to the Council.

First, Lake Road commends CL&P for their cooperation and flexibility as we work together to evaluate the removal of the Special Protection System ("SPS") installed at Lake Road. The SPS must be removed for ISO New England to recognize Lake Road as a firm capacity resource in Connecticut. When

CL&P places its new Killingly Substation autotransformer in-service in December 2006 as planned, Lake Road should be able to remove the SPS. Removal of the SPS should allow some portion of Lake Road's capacity to flow to the 115 KV transmission system. ISO-NE should begin an immediate study to determine the exact amount of capacity that would be dedicated to meet Connecticut's resource requirements.

Second, with respect to the transmission system upgrades addressed by CL&P, Lake Road strongly believes that constructing a new 345 kV line in the existing 30-mile transmission corridor between the Lake Road and Card Street substations (the "Lake Road-Card 345 kV Solution") is the most complete, cost-effective, environmentally sound, and timely solution to help Connecticut resolve its resource adequacy problems. As addressed in my testimony below, this option is superior to any other under consideration and should be evaluated independent of the Southern New England Transmission Reinforcement Analysis ("SNETRA"). Should SNETRA ultimately determine that a multi-state transmission line should be constructed in the region, the Lake Road-Card 345 kV Solution will only facilitate and strengthen that project.

To further assist the Council, Lake Road is providing the following comments to the three courses of action detailed by CL&P in their response, beginning with Special Protection System Modifications.

Special Protection System Modifications

As indicated by CL&P, to address certain torsional-related issues that could damage Lake Road's gas turbines, the Lake Road facility currently has installed a Type III SPS. Removal of the SPS is necessary for Lake Road to be recognized by ISO New England as a firm capacity resource in Connecticut. We commend CL&P for their cooperation and flexibility in working with Lake Road to evaluate options for removal of the SPS when the autotransformer at the Killingly Substation is operational.

Lake Road, CL&P and Alstom Power, Inc., the original equipment manufacturer for the Lake Road generating units ("OEM"), have performed detailed engineering studies of the electrical system with the Killingly Substation in place. The results of this study have led us to conclude that the SPS can be removed

from an electrical perspective. Lake Road is obligated to complete an evaluation of the torsional-related effects from a mechanical perspective. The study by the OEM on this issue is to be complete in August 2006. Based on the aforementioned electrical study Lake Road is confident that the SPS can be removed upon the Killingly Substation being placed into service in December 2006 as planned. Upon removal of the SPS, some portion of Lake Road capacity, limited only by the capacity of the transmission system in proximity to Lake Road, should qualify to meet the Connecticut Local Source Requirement. Removal of the SPS will bring significant benefits to the ratepayers of Connecticut. However, to maximize the benefits of Lake Road, i.e., qualifying all 792 MW of output as a Connecticut Local Source Requirement, the transmission constraints that are limiting Lake Road's value to Connecticut must be eliminated. As explained below, we believe the Lake Road-Card 345 kV Solution is the best option with the greatest benefit for Connecticut ratepayers.

Lake Road Interconnection Modifications

CL&P responded they are evaluating two options to interconnect the Lake Road facility to its 115 kV system, each employing two 115 kV underground cables from the Lake Road Substation to the Killingly Substation. Under Option A, CL&P envisions directly interconnecting two of Lake Road's three units to the 115 kV system by replacing two of Lake Road's 21/345 kV step-up transformers with 21/115 kV transformers. Option B envisions a new 345/115 kV autotransformer at the Lake Road Substation that would direct output from two of Lake Road's three units to either the 345 kV or 115 kV systems. Because the Lake Road-Card 345 kV Solution is plainly superior to either 115 kV option from both an operational and performance point-of-view, Lake Road is surprised that CL&P is studying these options.

Plainly, the Lake Road-Card 345 kV Solution would be a better choice due to its simplicity and lower impedance path between the Lake Road machines and the bulk power system. Only the Lake Road-Card 345 kV Solution assures that the entire 792 MW output of the Lake Road facility may be counted as a Connecticut Local Source Requirement. Because of the capacity limitations of the 115 kV

system, even under best case assumptions, CL&P's proposal to connect only two of the three Lake Road units and does not allow the full benefits of Lake Road to be available to Connecticut consumers.

Lake Road and CL&P have only discussed the 115 kV options once and then only briefly at a meeting on October 17, 2005. Because of the operational and technical shortcomings of the 115 kV options, it was agreed at the conclusion of this meeting that these options would be evaluated further if the SPS could not be removed. Construction of the Lake Road-Card 345 kV Solution will allow the entire 792 MW of dual fuel output of the Lake Road facility to qualify to meet the Connecticut Local Source Requirement as soon as January 1, 2009. Counting this additional Lake Road capacity, Connecticut would substantially reduce its projected 2010 operable capacity gap of about 800 MW. Not only will this solution provide much needed capacity to Connecticut, it does so without further degradation of the air quality standards. Because of the significant benefits it offers, we believe that the Lake Road-Card 345 kV Solution is the most cost-effective, environmentally sound, and timely solution to mitigating Connecticut's resource adequacy problem. Furthermore, because of the clear benefits that it offers to Connecticut ratepayers alone, it should be developed independent of SNETRA.

Southern New England Transmission Reinforcement Analysis


CL&P briefly mentions the Lake Road-Card 345 kV Solution in its response, but only in the context of SNETRA. However, we believe that SNETRA is irrelevant to construction of the Lake Road-Card 345 kV Solution. Because of the tangible benefits that the Lake Road-Card 345 kV Solution offers to Connecticut ratepayers independent of its likely benefit to the New England region as a whole, this project should be considered on a stand alone basis. Should SNETRA ultimately conclude that a multi-state transmission project is needed to mitigate transmission congestion in the region, the Lake Road-Card 345 kV Solution will only help to facilitate that larger

project. However, independent of SNETRA, the Lake Road-Card 345 kV Solution will provide real benefits to Connecticut ratepayers now. Recognizing these benefits to Connecticut, the Council and other Connecticut regulators should encourage CL&P to move ahead with the Lake Road-Card 345 kV Solution now, independent of SNETRA.

Thank you for the opportunity to present this information.

The statements above are true and accurate to the best of my knowledge.

5/31/06
Date


James T. Carlton Jr.
President and Chief Operating Officer
Lake Road Generating Company, L.P.
56 Alexander Parkway
Dayville, CT 06241
Phone: (860) 779-8350
Fax: (860) 779-8360
e-mail: jim.carlton@lrgclp.com

F-2006

Connecticut Ten-Year Forecast of Electric Loads and Resources

Date: May 18, 2006

Docket No.: F-2006

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SERVICE LIST
LIST OF PARTICIPANTS

Status	Status Holder (name, address, & phone number)	Representative (name, address, & phone number)
<p>Party (approved 03/22/06)</p>	<p>The Connecticut Light and Power Company</p>	<p>Stephen Gibelli, Counsel Northeast Utilities Service Company 107 Selden Street Berlin, CT 06037 (860) 665-5513 (860) 665-5504 - fax gibels@nu.com</p> <p>Christopher R. Bernard Senior Regulatory Planning Analyst Northeast Utilities Service Company 107 Selden Street Berlin, CT 06037 (860) 665-5957 (860) 665-3314 - fax bernacr@nu.com</p>
<p>Party (approved 03/22/06)</p>	<p>United Illuminating Company</p>	<p>Michael A. Coretto Director-Regulatory Strategy & Retail Access United Illuminating Company 157 Church Street, P.O. Box 1564 New Haven, CT 06506-0901 (203) 499-2629 (203) 499-3625 fax uiregulatory@uinet.com</p> <p>Linda L. Randell, Esq. Wiggin & Dana LLP One Century Tower P.O. Box 1832 New Haven, CT 06508-1832 (203) 498-4322 (203) 782-2889 - fax randell@wiggin.com bmcdermott@wiggin.com</p>

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LIST OF PARTICIPANTS

Status	Status Holder (name, address, & phone number)	Representative (name, address, & phone number)
Party (approved 03/22/06)	Connecticut Municipal Electric Energy Cooperative	Maurice R. Scully, Executive Director Connecticut Municipal Electric Energy Cooperative 30 Stott Avenue Norwich, CT 06360-1526 (860) 889-4088 (860) 889-8158 -- fax
Intervenor (approved 03/22/06)	Bridgeport Energy LLC	Brad Porlier General Manager Bridgeport Energy LLC 10 Atlantic Street Bridgeport, CT 06604 (713) 627-4600 (713) 627-5992 fax bkporlier@duke-energy.com
	PSEG Power LLC	Harold W. Borden Vice President and General Counsel PSEG Power LLC 80 Park Plaza Newark, NJ 07102-4194 (973) 430-6968 (973) 643-6026 – fax h.borden@pseg.com
Party (approved 03/22/06)	NRG Energy, Inc.	Judith E. Lagano NRG Energy, Inc. P.O. Box 1001 1866 River Road Middletown, CT 06457 (203) 854-3626 (203) 854-3658 – fax Raymond G. Long NRG Energy, Inc. P.O. Box 1001 1866 River Road Middletown, CT 06457 Andrew W. Lord, Esq. Murtha Cullina LLP CityPlace I, 29 th Floor 185 Asylum Street Hartford, CT 06103-3469 (860) 240-6000 alord@murthalaw.com

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Status	Status Holder (name, address, & phone number)	Representative (name, address, & phone number)
<p>Party (approved 03/22/06)</p>	<p>Northeast Generation Company (NGC)</p>	<p>Joseph J. Staszowski Director – External Affairs Northeast Generation Company 107 Selden Street Berlin, CT 06037 (860) 665-2361 (860) 665-2980 – fax staszjj@selectenergy.com</p> <p>John R. Morissette Manager – Asset Analysis & Reporting Northeast Generation Company 107 Selden Street Berlin, CT 06037 (860) 665-2036 (860) 665-2611 – fax morisjr@selectenergy.com</p>
<p>Party (approved 03/22/06)</p>	<p>Dominion Nuclear Connecticut, Inc.</p>	<p>Daniel A. Weekley Director Northeast Government Affairs Dominion Resources Services, Inc. Rope Ferry Road (Route 156) Waterford, CT 06385 (860) 444-5271 (860) 440-2065 fax Daniel_A_Weekley@dom.com</p> <p>Lillian M. Cuoco, Senior Counsel Dominion Resources Services, Inc. Millstone Power Station Rope Ferry Road Waterford, CT 06385 (860) 444-5316 (860) 444-4278 - fax Lillian_Cuoco@dom.com</p> <p>Kenneth C. Baldwin, Esq. Robinson & Cole LLP 280 Trumbull Street Hartford, CT 06103-3597 kbaldwin@rc.com</p>

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LIST OF PARTICIPANTS

Status	Status Holder (name, address, & phone number)	Representative (name, address, & phone number)
Party (approved 05/17/06)	Department of Public Utility Control	~INTERDEPARTMENTAL~ Ginger Teubner Department of Public Utility Control Ten Franklin Square New Britain, CT 06051 (860) 827-2630 ginger.teubner@po.state.ct.us
Party (approved 03/22/06)	Lake Road Generating Company, L.P.	James T. Carlton, Jr., General Manager Lake Road Generating Company, LP 56 Alexander Parkway Dayville, CT 06241 (860) 779-8300 (860) 779-8360 – fax Mark R. Sussman, Esq. Murtha Cullina LLP CityPlace I, 29 th Floor 185 Asylum Street Hartford, CT 06103-3469 (860) 240-6000
	Connecticut Resources Recovery Authority	Christopher J. Fancher Facilities Engineer Connecticut Resources Recovery Authority 100 Constitution Plaza, 17 th floor Hartford, CT 06103-1722 (860) 757-7700 (860) 727-4141 – fax
Intervenor (approved 03/22/06)	Connecticut Center for Advanced Technology (CCAT)	Joel M. Rinebold Connecticut Center for Advanced Technology 111 Founders Plaza, Suite 1002 East Hartford, CT 06108 (860) 291-8832 (860) 291-8874 - fax jrinebold@ccat.us paresta@ccat.us

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Status	Status Holder (name, address, & phone number)	Representative (name, address, & phone number)
Intervenor (approved 03/22/06)	Connecticut Energy Advisory Board c/o Gretchen Deans CERC 805 Brook Street, Bldg. 4 Rocky Hill, CT 06067 860-571-7147 860-571-7150 – fax gdeans@cerc.com	Mary J. Healey, Esq. Consumer Counsel Office of Consumer Counsel Ten Franklin Square New Britain, CT 06051 (860) 827-2900 (860) 827-2929 - fax occ.efile@po.state.ct.us Ms. Heather Hunt, Esq. 242 Whipporwill Lane Stratford, CT 06614 (203) 380-1477 hfhunt@optonline.net Mr. Brian Abbanat La Capra Associates 20 Winthrop Square Boston, MA 02110 (617) 367-6500 babbanat@lacapra.com Mr. John Hutts GDS Associates, Inc. 1850 Parkway Place, Suite 800 Marietta, GA 30067 (770) 425-8100 x112
Intervenor (approved 3/22/06)	ISO New England Inc. One Sullivan Road Holyoke, Massachusetts 01040	Anthony M. Macleod, Esq. Whitman Breed Abbott & Morgan LLC 100 Field Point Road Greenwich, CT 06830 (203) 869-3800 (203) 869-1951 - fax amacleod@wbamct.com Matthew F. Goldberg, Esq. Senior Regulatory Counsel ISO New England Inc. One Sullivan Road Holyoke, MA 01040 Eric Johnson External Affairs ISO New England Inc. One Sullivan Road Holyoke, MA 01040

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Status	Status Holder (name, address, & phone number)	Representative (name, address, & phone number)
Party (approved 03/22/06)	Environment Northeast (ENE)	Roger E. Koontz, Senior Attorney Environment Northeast 15 High Street Chester, CT 06412 (860) 526-485 (860) 227-6004 - fax rkooontz@env-ne.org
Party (approved 03/22/06)	Richard Blumenthal Attorney General for the State of Connecticut	Michael C. Wertheimer Assistant Attorney General Ten Franklin Square New Britain, CT 06051 (860) 827-2620 (860) 827-2893 – fax
	Milford Power	Michael Cartney General Manager Milford Power 55 Shelland Street Milford, CT 06461
Party (approved 03/22/06)	AES Thames, LLC	Robert Price Plant Manager AES Thames, LLC 141 Depot Road Uncasville, CT 06382 (860) 848-9223 (860) 848-3814 - fax bob.price@aes.com Mark R. Sussman, Esq. Murtha Cullina, LLP 185 Asylum Street Hartford, CT 06103-3469 (860) 240-6000