



STATE OF CONNECTICUT

DEPARTMENT OF PUBLIC UTILITY CONTROL
TEN FRANKLIN SQUARE
NEW BRITAIN, CT 06051

**DOCKET NO. 06-01-08RE03 DEVELOPMENT AND REVIEW OF STANDARD
SERVICE AND LAST RESORT SERVICE – LONG-
TERM CONTRACT REVIEW**

September 30, 2009

By the following Commissioners:

Kevin M. DelGobbo
John W. Betkoski, III
Anthony J. Palermino

DECISION

DECISION

I. INTRODUCTION

A. SUMMARY

In this Decision, the Department of Public Utility Control provides further details as to the approval process that will be utilized to consider proposed long-term bilateral contract procurements for Standard Service.

B. BACKGROUND TO THE PROCEEDING

On April 8, 2009, the Department of Public Utility Control (Department) reopened the instant proceeding to: 1) further define the approval process; 2) if necessary, establish parameters to guide the selection process; and 3) to consider any proposed contracts that may result from the electric distribution companies' long-term bilateral contract procurement efforts.

C. CONDUCT OF THE PROCEEDING

On April 24, 2009, the Department conducted a technical meeting with the Office of Consumer Counsel (OCC), The Connecticut Light and Power Company (CL&P), The United Illuminating Company (UI), and Levitan & Associates, Inc. (LAI), and other participants to discuss the above issues. On June 18, 2009, the Department issued a Draft Procedural Order and Request for Comments. On July 7, 2009, the Department received comments.

Subsequent to issuing its Draft Procedural Order and Request for Comments, the Department decided to finalize this reopened proceeding by issuing a final Decision, rather than a final Procedural Order.

D. PARTICIPANTS

The Connecticut Light and Power Company, P.O. Box 270, Hartford, Connecticut 06141-0270; The United Illuminating Company, 157 Church Street, P.O. Box 1564, New Haven, CT 06506-0901; and the Office of Consumer Counsel, Ten Franklin Square, New Britain, Connecticut 06051; Constellation Energy Commodities Group, Inc., 111 Market Place, Suite 500, Baltimore, MD 21202; Pinpoint Power, LLC, 105 Chestnut Street Ste 37, Needham, MA 02492-2520; Waterside Power, LLC, 105 Chestnut Street, Suite 37, Needham, MA 02492; Brookfield Energy Marketing Inc., 480 de la Cite Blvd., Gatineau, Quebec J8T 8R3; Lake Road Generating Company, LP, 56 Alexander Parkway, Dayville, CT 06241; Dominion Resources Services, Inc., 120 Tredegar Street, RS-2, Richmond, VA 23219; Bridgeport Energy LLC, 992-994 River Road, Newburgh, NY 12550; Constellation Energy Group, 810 7th Ave., Suite 400, New York, NY 10019; Waterside Power, LLC, 50 Rowes Wharf, Boston, MA 02110; EnerNoc, Inc., , 50 Rowes Wharf, Boston, MA 02110; Direct Energy, LP, 12 Greenway Plaza, Suite 600, Houston, TX 77046; Constellation Energy Resources LLC, 100 Constellation Way, Suite 500C, Baltimore, MD 21202; Connecticut Resources Recovery

Authority, 100 Constitution Plaza, 17th Floor, Hartford, CT 06103-1722; GE Energy Financial Services, 800 Long Ridge Road, Stamford, CT 06927; Liberty Energy Interest, LLC, 31 Birch Road, West Hartford, CT 061119-1009; NRG Energy, Inc., 211 Carnegie Center, Princeton, NJ 08540-6213; Green Mountain Energy Company, Box 689008, Austin, TX 78768; Mirant, 9 Freezer Road, Sandwich, MA 02563; Community Energy, Inc., 201 King of Prussia Road, Suite 505, Radnor, PA 19087; ISO New England Inc., One Sullivan Road, Holyoke, MA 01040-2841; Kleen Energy Systems, LLC; 90 State House Square, Hartford, CT 06103; Comverge, Inc., 90 State House Square, Hartford, CT 06103; CT Energy Advisory Board, 242 Whippoorwill Lane, Stratford, CT 06614; Dominion Retail, Inc., 501 Martindale Street, Suite 400, Pittsburgh, PA 15212; Millstone Power Station, Rope Ferry Road, Waterford, CT 06385; Direct Energy Services, LLC, 162 Cypress Street, Brookline, MA 02445; Evergreen Power LLC, 135 Fulton Street, Lawrence, NY 11550; Milford Power, LLC, 255 Cemetery Road, Canterbury, CT 06331; CIEC, 540 Broadway, P.O. Box 22222, Albany, NY 12201; Levco Tech, Inc., P.O. Box 3640, Stamford, CT 06905; SUEZ Energy Resources NA, Inc., 1990 Post Oak Blvd., Suite 1900, Houston, TX 77056; Sterling Planet, 3295 River Exchange Drive, Suite 300, Norcross, GA 30092; Energy East Solutions, 218 N. Lee Street, Suite 300, Alexandria, VA 22314; Constellation Power Source, Inc., CityPlace I, 185 Asylum Street, 29th Floor, Hartford, CT 06103-3469; North East Energy Partners, LLC, 111A West Dudley Town Road, Bloomfield, CT 06002; Retail Energy Supply Assoc., 99 High Street, 20th Floor, Boston, MA 02110; New England Power Generators Association, Inc., 9 West Broadway, Unit 204, Boston, MA 02127; TransCanada Power Marketing, Ltd., 110 Turnpike Road, Suite 203, Westborough, MA 01581; Turriss Associates LLC, 2 Meadows Edge, Redding, CT 06896; Chamber Energy Coalition, Inc., 125 Meadowbrook Road, Longmeadow, MA 01106; Market Direct Energy, LLC, One Stamford Landing, 62 Southfield Avenue, Suite 001, Stamford, CT 06902; PSEG Power Connecticut LLC, 185 Asylum Street, 38th Floor, Hartford, CT 06103; ABCD Electric, 1070 Park Avenue, Bridgeport, CT 06604; Ansonia Generation LLC, 75 Sasco River Lane, Southport, CT 06890; Dominion Resources Services, Inc., Rope Ferry Road (Route 156), Waterford, CT 06385; Attorney General for the State of Connecticut, 10 Franklin Square, New Britain, CT 06051.

II. DEPARTMENT ANALYSIS

A. DOCKETS TO CONSIDER PROPOSED CONTRACTS

When reopening this proceeding, the Department anticipated that this docket would be used to consider any proposed contracts that may result from the electric distribution companies' long-term bilateral contract procurement efforts. However, the Department will instead require that each proposed procurement be considered in a separate docket. Electric distribution companies (EDCs) should prepare filings accordingly.

B. MARKET ANALYSIS

In the Draft Procedural Order, the Department stated that it would not require analysis to be performed with regard to Standard Service migration risk. The

Department hereby reiterates its earlier conclusion. The purpose of a migration study would be to allow the Department to reject proposed long-term contracts if their adoption would cause ingress to Standard Service from competitive load. However, the language of Conn. Gen. Stat. § 16-244c(n) permits EDCs to enter into long-term contracts, but does not condition their procurement upon the presence or absence of migration. Imposing a migration study requirement would effectively place the Department in the role of reconsidering policy conclusions already reached by the General Assembly. Therefore, the Department will not require a migration study.

C. PROJECT BENEFITS

NRG recommends that every project should be evaluated on the benefits provided to ratepayers, rather than limiting the analysis to renewable contracts and projects. NRG also requests that the Department avoid awarding to a single provider the entire 20% of SSLR that EDCs have been authorized to procure under a long-term contract. NRG Written Comments, pp. 3-5.

Towantic requests that the Department affirmatively require the EDCs to favor resources which:

- Reduce the cost of electricity to Connecticut ratepayers
- Can begin construction within six months of contract approval
- If using natural gas, is dual fueled and has the ability to convert natural gas at a lower rate than average
- Use less water and meets Best Available Control technology
- Can operate baseload power
- Will not increase concentration of market power in NEPOOL
- Will assist Connecticut in meeting environmental goals: renewable generation, energy efficiency and reduction of greenhouse gases.

Towantic Written Comments, p. 5.

In recent years, procurements have been conducted to fulfill needs identified in legislation, such as Conn. Gen. Stat. § 16-244c(j)(2) (Project 150) and § 16-243u (peaking generation). The instant procurement, however, is not focused on developing resources. The Department recently found, in Docket No. 08-07-01, DPUC Review of the Integrated Resource Plan, at page 3, that there is no need for additional capacity in the near future. Instead, the instant procurement is intended to lower the cost of Standard Service power over the term of the contract when compared to the forecasted cost of Standard Service absent the procurement.

The Department is primarily concerned with energy, capacity and REC costs in the long-term Standard Service contract procurements. The Department might consider other benefits if proposed by the EDCs, but these would be considered more as a tie breaker between alternative proposals.

D. NATURAL GAS PASS THROUGH

Towantic requested that contracts be allowed to pass through changes in natural gas prices, especially for contracts in excess of three to five years in length. The Department anticipates that a variety of non-uniform bids will be received, and thus has resisted specifying in great detail how bids will be analyzed. However, the Department can state at this point that, to the extent Conn. Gen. Stat. § 16-244c(n) encourages diversity in Standard Service supply, natural gas passthroughs provide very little benefit. The pricing of full requirements Standard Service contracts is heavily influenced by natural gas prices; therefore, each time the EDCs go to market and procure full requirements Standard Service contracts, natural gas is essentially being passed through to customers. The Department does not expect that such contracts would provide meaningful benefits but will not preclude them from the procurement.

E. BUY AND SELL TEAMS

In the Draft Procedural Order, the Department stated that because of the possibility of an EDC affiliate offering long-term proposals, and because the statutory Conn. Gen. Stat. § 16-244h, and its implementing regulations cannot prohibit communications necessary for Standard Service, it is necessary to supplement the Code of Conduct for purposes of preventing preferential treatment of affiliates in the procurement process. The Draft Procedural Order concluded that each electricity distribution company would be required to establish a buy team to solicit long term contracts. If an affiliate forms a sell team, members of the buy team could not become part of the sell team without prior Department approval. Further, communication between the buy team and any member of management that communicates with the sell team would be strongly discouraged, and would be disclosed.

CL&P requests that the Draft Order be modified to require a separate “buy” and “sell” team only if an affiliate of an EDC participates in an RFP for bilateral contracts or otherwise sells power to an EDC. CL&P Written Comments, pp. 10-11.

OCC opposes CL&P’s request not to use buy and sell teams under limited circumstances. OCC believes that the use of separate teams enhances the public perception that the procurement has been conducted in accordance with the public interest. OCC Written Comments, p. 4.

CNE requested that the Department not allow either the EDC or its affiliates to bid on any of the long-term contracts; in the alternative if the Department allows affiliate bids, only those purely merchant affiliates should be allowed to submit bids. CNE Written Comments, pp. 5-6. PSEG and NRG requested that the Department require separate “buy” and “sell” teams if it allows EDC affiliates to offer long-term contract proposals. PSEG Written Comments, p. 2; NRG Written Comments, p. 6.

The Department will not prohibit affiliate bidding. However, an EDC can only entertain bids from an unregulated affiliate if it first seeks approval of the Department, at which time the EDC will be required to demonstrate that adequate safeguards have

been, and will be, implemented to ensure against favoritism, and that all FERC requirements will be met. In the absence of any such request and approval, affiliate bids cannot be entertained.

F. DISCLOSURE REQUIREMENTS

In the Draft Procedural Order, the Department tentatively concluded that disclosure procedures in the instant proceeding will be more akin to those followed in the Project 150 dockets. The Department stated that it is in the ratepayers' interest to provide the maximum public disclosure as possible, and that it would do so in this proceeding. The Department would allow a description of the bids, except for the name of the bidder, to be disclosed to the public during the course of the proceeding. When the procurement is completed, the Department would release the name(s) of the winning bidder(s), contract price and other terms and conditions of the contract/project. The names of unsuccessful bidders and contracts/project details would not be released.

Parties were unanimous in their opinion that the contract price, terms and counterparties should not be immediately disclosed. Unlike bidders in the Project 150 procurements, bidders are unlikely to supply all of their resource to the EDCs. Public disclosure of the terms of the procurement could put bidders at a competitive disadvantage when selling the remaining portion in the Independent System Operator of New England, Inc. (ISO-NE) market. Disclosure of procurement terms may discourage some bidders from participating, which would conflict with the Department objective to receive a broad response to attract the lowest priced bids. Information on losing bids should not be released. Towantic Written Comments, pp. 6-7. CNE Written Comments, pp. 3-4. BEMI Written Comments. CNE Written Comments, pp. 3-4. NRG Written Comments. UI Written Comments, pp. 2-3; 6-8.

LAI recommends that the contract pricing, size, and other commercial terms be protected from public disclosure for at least one year after the award of the contracts. The names of the selected bidders should be confidential for at least 30 days after the Department's approval of the recommended contracts. LAI Written Comments, pp. 9-10.

Constellation encourages the Department to release the bid data in similar fashion to the Standard Offer Service (SOS) procurement: post-procurement release of the winning bidder and redacted bid release of pertinent data, but no release of the confidential, trade secret pricing, bid strategy or other terms or conditions of the contract. CNE Written Comments, pp. 3-4. NRG proposes that either the names or the winning bidders or the contract prices and other terms, but not both, should be released at the conclusion of the evaluation process. NRG Written Comments, p. 3.

UI proposes a minimum six month period, or perhaps indefinitely, until the price and terms/conditions of the long-term contracts are disclosed. UI suggests that the disclosure process in Docket No. 07-04-27, DPUC Review of Energy Independence Act Capacity Contracts, in which prices and other pertinent information are still confidential, three years after the contracts were executed. UI Written Comments, pp. 2-3, 8.

For 2 to 5-year energy only contracts, the Department will adopt the same confidentiality provisions as currently established for full requirements Standard Service procurements. For broader procurements that may take up to six weeks to approve, the Department will allow a general description of the bids, except for the name of the bidder, to be disclosed to the public during the course of the proceeding. One year after the procurement is completed, the Department will release the name(s) of the winning bidder(s). Contract price and other terms and conditions of the winning contract(s)/project(s) will not be protected. The names of unsuccessful bidders will not be released.

G. PRE-BID REVIEW, TECHNICAL SESSIONS

CNE requested that the Department provide clarity on how it will compare bids. Greater clarity in providing bid requests will enable bidders to be responsive to the bid request. CNE suggested that the EDCs work proactively with Department staff and potential bidders to state market preferences, e.g., contract terms or projects, in advance of seeking binding bids. The Department should structure its procurement to seek and receive input on terms such as desired length of contract; fuel type; existing vs. newly built resources; in-state versus out-of-state; allocation of construction, fuel and operational risk; location, etc. The Department should require the EDCs to submit the form of the proposed long-term contract (with all non-rate bid data) to the Department for approval prior to receiving binding bids, to be open for public comment. According to CNE, allowing for pre-bid review will eliminate the risk premium of bidders having to speculate on market changes during the review. CNE Written Comments, pp. 2-3, 7, 9.

LAI recommends that technical sessions be scheduled throughout the procurement process, at which the EDCs can present the types of products solicited by the RFP, screening criteria, financial requirements, contract terms, market models and assumptions, risk factors, evaluation metrics and other salient features of the solicitation process. Protected sessions could provide the Department of summaries of bids received. LAI Written Comments, pp. 6-8.

UI proposes that the Department develop a process whereby OCC, Department consultants and Department staff have access to confidential RFP information (under protective order) so that the Department is kept current on the RFP process, bid proposals and evaluation methodologies. Reviewing parties would review all written materials exchanged by the EDCs and suppliers, monitor scheduled conference calls between EDCs and suppliers, and conduct their own independent evaluations of proposals submitted.

UI proposes holding a technical meeting so that UI and the reviewing parties would discuss pertinent topics prior to UI issuing its bid request. UI Written Comments, pp. 2, 5, Appendix 1. OCC supports UI's proposal to have technical sessions prior to presenting bilateral contracts for approval. OCC opposes CL&P's suggestion that the Department approve the long-term contract bids within one day of filing with the Department.

The Department will not conduct a pre-bid review of long-term contract bids, or conduct technical sessions throughout the procurement process. The Department views the Standard Service long-term contract procurement as optional; an EDC can opt to procure no long-term resources. Given the optional nature of this procurement, the Department believes that extensive involvement by the Department and its staff throughout the procurement is unnecessary. As stated in the draft Procedural Order, the Department believes that the primary responsibility for conducting the procurement of long-term bilateral Standard Service contracts lies with the EDCs. The Department invites OCC to participate in each long-term contract procurement under this Docket. It is the Department's role to review the evaluation performed by the EDCs to ensure that the decisions reached are reasonable and consistent with prior Department decisions and the public interest. The Department is aware that pre-review and technical sessions could potentially speed its approval process, and that bidders would prefer a quick review process. Bidders should, however, recall that neither the EDCs nor the Department is under any obligation to accept any bid.

H. APPROVAL TIMEFRAMES

In its draft Procedural Order, the Department observed that bids received in the long-term contract solicitation may be non-uniform, which can lend complexity to the required analysis. Therefore, the Department stated that it could not commit to any particular timeline for any such non-uniform procurement.

PSEG and NRG recommend that the Department determine a defined time period to complete the review process to avoid bidders incorporating a risk premium into their offers. PSEG Written Comments, p. 2; NRG Written Comments, pp. 6-7. NRG proposes that the Department adopt a review process that will be completed within a five day period; if the Department is unable to complete its review within five days, the Department should allow winning bidders to adjust their prices based upon an appropriate adjustment mechanism to reduce market risks associated with open-ended bids. NRG Written Comments, pp. 6-7.

With respect to broader solicitations (which can be distinguished from benchmarked products discussed below), the Department reiterates the conclusions reached in its draft Procedural Order, and emphasizes that it will take the time it deems necessary to conduct a thorough review process of highly complex contracts and electric products. The Department anticipates conducting an expedited, yet full review of the evidentiary record, which includes hearings, late filed hearings, briefs, reply briefs and written exceptions. Upon receipt of the filings in this proceeding, the Department will establish an expedited schedule that corresponds to the comprehensiveness and complexity of the proposals submitted.

In response to NRG's proposal that the Department allow winning bidders to adjust their prices based upon an appropriate mechanism to reduce market risks associated with open-ended bids, the Department would allow consideration of a mechanism that adjusts for risks only in the event the approval process takes longer than six weeks.

CL&P would like to seek bilateral energy-only contracts, two to five years in length to provide rate stability for the immediate years beyond the SS contract period. These types of contracts resemble full requirements Standard Service procurements in that they are benchmarked against forward energy prices. In order to avoid significant risk premiums on these types of contracts, CL&P proposes that these types of contracts be accepted or rejected by the Department on the same day they are filed with the Department. CL&P proposes an RFP process as a collaborative effort between the EDC, OCC and the Department's consultant. The Department would receive recommendations from its consultant, OCC and the EDC, in a filing submitted to the Department. CL&P believes that a two-to-five year contract submission would be a straight-forward calculation for the Department to evaluate. CL&P Written Comments, pp. 7-8. With respect to these types of contracts only, the Department can commit to approval the same day the application is filed, provided the solicitation is for energy only, is benchmarked against forward prices, and is received before 9:00 a.m.

I. BILATERAL CONTRACTS OUTSIDE OF RFPs

CL&P requests that the Department relax its requirement in its Draft Order that each EDC bilateral contract be procured through an RFP process. CL&P believes that it could encounter opportunities, favorable to the ratepayer, outside of an RFP process; the absence of an RFP should not disqualify a contract from Department approval. CL&P suggests that an approval process be developed commensurate with the complexity of the contract, not to exceed four months. CL&P Written Comments, pp. 9-10. CL&P believes that bilateral contract arrangements, negotiated outside of an RFP process, are not appropriate for initial disclosure to the OCC or to the Department's consultants, at least in the early phases of the contract exploration. CL&P maintains that the appropriate time for OCC and Department consultant review is at the time that the proposed contract is presented to the Department for review. CL&P Supplemental Written Comments.

OCC emphasized that the Department should not permit either CL&P or UI to exclude both the Department's consultant and OCC from "off-camera" analysis and preparation of the bid solicitations that will take place before filing the bid proposals with the Department. The Department's consultant should be fully informed and engaged during the bid preparation process. When it finalizes its draft decision in this proceeding, the Department should invite the OCC to participate as it has in the SS and LRS procurement processes. OCC supports UI's proposal to have technical sessions prior to presenting bilateral contracts for approval. OCC opposes CL&P's suggestion that the Department approve the long-term contract bids within one day of filing with the Department. OCC Written Comments, pp. 2-3.

Standard Service long-term procurements are new processes which will hopefully prove to be beneficial; however, little is known at this time as to whether the initiative will succeed in lowering Standard Service prices, or in distancing Standard Service pricing from the influences of ISO-NE day-ahead markets. Conn. Gen. Stat. § 16-244c provides latitude to the Department with respect to the manner in which long-term contracts are procured; issues related to the frequency of long-term contract procurement and the methodology used, (RFP or bilateral), are within the Department's

discretion. While the Department believes that an RFP is the most appropriate procurement option, other offers could provide benefits to customers, and should not be excluded at this point. However, the EDCs will be required to meet a high standard to ensure that long-term contracts recommended outside of an RFP process will provide benefits to customers that generally exceed those of other available options. Because of the required evidentiary burden and concomitant review required by the Department in any such proposal, and given the impending review of this procurement, the EDCs should investigate options outside of RFPs after initial long-term contract proposals have been reviewed.

Further, if an EDC affiliate will bid into an RFP process, or will be the counterparty to a bilateral contract negotiated outside an RFP, the EDC shall ensure that separate buy and sell teams are utilized throughout the process. Before soliciting affiliate bids, an EDC must first seek approval of the Department, and will be required to demonstrate that safeguards will be implemented to ensure against favoritism.

J. TWENTY PER CENT PROCUREMENT CAP

AnGen requested that the maximum procurement be allowed to exceed 20% of each EDC's SS load obligation. AnGen indicated that it is interested in securing a bilateral contract for a fully permitted combined cycle gas-fired generating plant in Ansonia, CT. Obtaining financing for this project would require a 20-year contract with one or both EDCs. AnGen seeks a contractual arrangement whereby it does not assume all of the commodity risk over the 20-year period. AnGen Written Comments, p. 1-2.

CL&P states that Conn. Gen. Stat. § 16-244c nor any other statutory provision sets a 20% cap on Department-approved bilateral procurements, and requests that the Department allow the EDCs to procure resources in excess of 20%. CL&P Written Comments, pp. 11-12.

OCC requests that the Department retain the 20% procurement cap. Since the long-term bilateral contract process is new, OCC reasons that all parties need additional experience before committing additional resources under this type of contract. OCC Written Comments, p. 4.

The Department believes it is premature at this point to exceed the 20% cap on long-term contracts, and will retain the cap until it can gauge the effects of long-term contract procurements. The 20% cap will apply to all load eligible for Standard Service, rather than remaining Standard Service load at the time of procurement.

K. JOINT PROCUREMENT PROCESS

Towantic and Ansonia favor a joint procurement process for both EDCs, arguing that it would be advantageous for bidders and more favorable to ratepayers that bidders know the total resource needs of both EDCs, unless there is a compelling case for

separate procurements. Towantic Written Comments, p. 6; AnGen Written Comments, p. 1.

The Department will not require a joint procurement process, but will instead allow each EDC to enter the market in a manner each determines to be beneficial based upon the resources it seeks to procure.

L. OTHER CONTRACT TERMS

The Department clarifies that all long term contracts, including 2 to 5-year energy-only contracts, may be either physical or financial, and the start date for these contracts may be as far out as 2012.

All counterparties to the long-term contracts shall be required to provide performance assurances and adequate credit support to back those assurances. The Department expects the EDCs to include commercially reasonable performance requirements and security provisions in the contracts in any long-term contracts selected in this solicitation.

III. CONCLUSION

Since there is no need for additional capacity in the near future, the instant procurement is intended to lower the cost of Standard Service power rather than to develop resources. Specifically, the Department is concerned with lowering energy and capacity and REC costs in the long-term Standard Service contract procurements; other non-price benefits may be considered as a tie breaker between alternative proposals. With regard to natural gas passthrough contracts, the Department does not expect such contracts to provide meaningful benefits but will not preclude them from the procurement. The Department will not require analysis to be performed with regard to Standard Service migration risk.

The Department will not prohibit affiliate bidding. However, an EDC must first seek approval of the Department, at which time the EDC will be required to demonstrate that safeguards will be implemented to ensure against favoritism.

For 2 to 5-year energy only contracts, the Department will adopt the same confidentiality provisions a currently established for full requirements Standard Service procurements. The Department will allow a general description of the bids, except for the name of the bidder, to be disclosed to the public during the course of the proceeding. One year after the procurement is completed, the Department will release the name(s) of the winning bidder(s). However, the contract price and other terms and conditions of the winning contract(s)/project(s) will be not be protected. The names of unsuccessful bidders will not be released.

The Department will not conduct a pre-bid review of long-term contract bids, or conduct technical sessions throughout the procurement process. The Department will take the time it deems necessary to conduct a thorough review process of highly

complex contracts and electric products. The Department will establish an expedited schedule that corresponds to the comprehensiveness and complexity of the proposals submitted. With respect to bilateral energy-only contracts, two to five years in length, the Department can commit to approval the same day the application is filed, provided the solicitation is for energy only, is benchmarked against forward prices, and is received before 9:00 a.m. The Department will require that each EDC bilateral contract be procured through an RFP process. The Department establishes a 20% cap (applied to all eligible Standard Service Load) on long-term contracts, and will retain the cap until it can gauge the effects of long-term contract procurements. The Department will not require the EDCs to conduct a joint procurement process.

DOCKET NO. 06-01-08RE03 DEVELOPMENT AND REVIEW OF STANDARD SERVICE AND LAST RESORT SERVICE – LONG-TERM CONTRACT REVIEW

This Decision is adopted by the following Commissioners:

Kevin M. DeIGobbo

John W. Betkoski, III

Anthony J. Palermino

CERTIFICATE OF SERVICE

The foregoing is a true and correct copy of the Decision issued by the Department of Public Utility Control, State of Connecticut, and was forwarded by Certified Mail to all parties of record in this proceeding on the date indicated.



Kimberley J. Santopietro
Executive Secretary
Department of Public Utility Control

October 1, 2009

Date