



National Grid USA Service Company, Inc.

Laura S. Olton
Associate Counsel

BY OVERNIGHT MAIL & ELECTRONIC FILING

April 13, 2004

Debra A. Howland
Executive Director and Secretary
New Hampshire Public Utilities Commission
8 Old Suncook Road
Concord, NH 03301

Re: National Grid's Annual Report on Long Range Plans for Bulk Power Facilities

Dear Ms. Howland:

Pursuant to RSA 162-H:17 and the Commission's guidelines, enclosed please find the 2004 Annual Report on Long Range Plans for Bulk Power Facilities in New Hampshire submitted by National Grid on behalf of Granite State Electric Company, New England Power Company, New England Electric Transmission Corporation and New England Hydro-Transmission Corporation.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink that reads "Laura S. Olton".
Laura S. Olton

Enclosures

cc: Anne Ross, OCA

**ANNUAL REPORT ON
LONG RANGE PLANS
FOR
BULK POWER SUPPLY FACILITIES
IN
NEW HAMPSHIRE**

April 2004



**Granite State Electric
New England Power
New England Electric Transmission
New England Hydro Transmission**

Granite State Electric

A **National Grid** Company



Cheryl A. LaFleur
President and Chief Executive Officer

April 13, 2004

Ms. Debra A. Howland
Executive Director and Secretary
New Hampshire Public Utilities Commission
8 Old Suncook Road
Concord, New Hampshire 03301

Subject: National Grid's Annual Long-Range Plans for Bulk Power Supply Facilities

Dear Ms. Howland:

Pursuant to RSA 162-H:17 and the Commission's guidelines, the following is the annual report of the National Grid Companies setting forth long-range plans for bulk power supply facilities. This report covers the current plans of Granite State Electric Company (GSE or Granite State), as well as New England Power Company (NEP), New England Electric Transmission Corporation (NEET) and New England Hydro-Transmission Corporation (NEH) (together the "National Grid Companies"). In addition to the attached documentation, the narrative contained in this letter constitutes an integral part of our long-range report.

Form A - Load Forecasts and Capability

Under the Commission's guidelines, Form A requests information relating to projections of system capability, generation additions, system purchases, sales to other systems, capacity requirements, total capability reserves, and load forecasts. Effective July 1, 1998, Granite State terminated its all-requirements power contract with its wholesale supplier, NEP, pursuant to the comprehensive restructuring settlement approved by the Commission in Docket No. DR 98-012. On September 1, 1998, NEP divested ownership of essentially all of its non-nuclear generating assets. In March 2001, NEP sold its minority interest in the Millstone No. 3 nuclear generating plant. On July 30, 2002, Vermont Yankee Nuclear Power Corporation, of which NEP is a stockholder, sold substantially all of the assets of the Corporation, including the Vermont Yankee Nuclear Power Station, to Entergy Nuclear Vermont Yankee, LLC. On November 1, 2002, NEP sold its minority interest in the Seabrook nuclear power station to FPL Energy Seabrook, LLC. Thus, NEP has effectively exited the power generation and supply business, and has become primarily a transmission utility.

As of the divestiture date, the obligation to meet the power supply needs of Granite State customers who do not directly contract with competitive suppliers was transferred to unaffiliated third-party suppliers. These third-party suppliers provide load-following, all-requirements service for those customers of Granite State that receive Transition Service or Default Service, and are responsible for assuring sufficient energy and capacity to serve those customers of Granite State. As a result of the restructuring and divestiture of generation within National Grid USA, NEP no longer retains its traditional electric supply obligation; rather, those responsibilities, including the supply, planning and development of generating assets necessary to serve the region's power needs, will be met by the competitive marketplace. Accordingly, NEP has no information to submit under Form A.¹

Form B - Generation

NEP does not anticipate developing any generation capacity installation of 30 megawatts or greater in New Hampshire in the next ten years.

Form C - Transmission

The Scobie Pond transmission line described on Form C is not associated with development of any particular generating site. If plans to construct new generation at a New Hampshire site were to be developed in the future which trigger bulk power supply facilities reporting under Form C, we would so notify the Commission. Whether such reporting is triggered will depend upon the amount, if any, of additional installed generating capacity, and the configuration of the high voltage transmission system in the area (e.g., if the transmission line routing is to be along new or pre-existing transmission corridors).

Scobie Pond Substation to Massachusetts State Line

This 345 kV transmission line from PSNH's Scobie Pond substation in Londonderry, NH, would follow existing transmission routes owned by PSNH and NEP to the state line at Pelham, NH/Dracut, MA. Construction in New Hampshire would be a joint PSNH-NEP project. NEP would extend the line from Dracut, MA, to its Tewksbury substation in Tewksbury, MA.

A projected in-service date for the Scobie-Tewksbury line has not been determined at this
Page 3

¹This is consistent with the statutory exemption to the bulk power facilities reporting requirements. Under RSA 162-H:17, III, "[a]ny utility in whose portion of the state competition has been certified to exist pursuant to RSA 38:36 shall be exempt from the requirements of this section [162-H:17] with respect to electric generating plants." By letter dated May 1, 2001, the Chairman of the Commission made such certification with respect to Granite State.


Ms. Debra A. Howland
April 19, 2004

time. The need for the line is contingent upon system generation, load, and imports from outside of New England, and is currently under study. As supply sources change, either due to the addition of new facilities or changes in operation of existing sources under industry restructuring, the existing transmission system may not be adequate to avoid restrictions on reliable or economic operation. The Scobie-Tewksbury line may be necessary to remove these restrictions. It should be noted that the Scobie-Tewksbury line is included in the NEPOOL Transmission System Project Listing, which is an appendix to ISO New England's 2003 Regional Transmission Expansion Plan.

We would be pleased to discuss this report and provide further details to you and your staff if you should so desire.

Very truly yours,

GRANITE STATE ELECTRIC COMPANY

A handwritten signature in black ink that reads "Cheryl A. LaFleur". The signature is written in a cursive style with a prominent initial "C".

Cheryl A. LaFleur
President and Chief Executive Officer

Attachments

NEW ENGLAND POWER COMPANY
NEW ENGLAND ELECTRIC TRANSMISSION CORPORATION
NEW ENGLAND HYDRO-TRANSMISSION CORPORATION

In addition to the preceding letter, this filing consists of the following:

FORM A

Long-range plans for bulk power supply -- load and capability forecasts: As indicated in the preceding letter, NEP submits no information with respect to Form A.

FORM B

Long-range plans for bulk power supply -- generation 30 MW or more: NEP does not anticipate developing any generation facility of 30 megawatts or more in New Hampshire in the next ten years.

FORM C

Long-range plans for bulk power supply -- transmission lines of 100 kV or more:

Attachment 1 Scobie Pond Substation to NH/MA state line.

Attachment 2 Description of Transmission Lines.

Attachment 3 Transmission Planning Statement.

NEW ENGLAND POWER COMPANY
NEW ENGLAND ELECTRIC TRANSMISSION CORPORATION
NEW ENGLAND HYDRO-TRANSMISSION CORPORATION

PROPOSED BULK POWER SUPPLY GENERATION FACILITIES
OF 30 MW OR MORE

<u>Name of Unit</u> <u>(If Available)</u>	<u>Unit</u> <u>No.</u>	<u>Size</u> <u>MW</u>	<u>Type</u>	<u>Location</u>	<u>Construction</u> <u>Schedule</u> <u>Start</u> <u>Comp.</u>	<u>Retirement</u> <u>Schedule</u> <u>Unit Date</u>	<u>Units Scheduled</u> <u>For Construction</u> <u>To Start</u> <u>Within 5 Years</u>
----------------------------------------------	---------------------------	--------------------------	-------------	-----------------	---------------------------------------------------------------------	----------------------------------------------------------	-----------------------------------------------------------------------------------------------

*

*NEP does not anticipate development of any generation site of 30 MW or greater within the next ten years.

NEW ENGLAND POWER COMPANY
 LONG-RANGE PLANS FOR BULK POWER SUPPLY
 Transmission Lines of 100 kV or More

Att. No.	FROM		TO		Voltage (kV)	Length of Line (Miles)	New Route (Miles)	Along Existing Route (Miles)	Start	Comp.
	Terminal Point	City or Town	Terminal Point	City or Town						
1	Scobie Pond Substation	Londonderry, NH	MA state line	Pelham, MA	345	18	0	18	*1 Indef.	*1 Indef.

*1 This line would be constructed and owned partially by NEP and partially by Public Service Company of New Hampshire (PSNH). The start and completion dates will be coordinated with PSNH.

LINE DESCRIPTION

1. Scobie Pond to Massachusetts State Line

The entire line would be constructed adjacent to existing transmission lines for a distance of approximately 18 miles in New Hampshire. Approximately six (6) miles of the 18 miles would be along PSNH's right-of-way from Scobie Pond Substation to Scobie Junction. From there, the line would extend approximately four miles south on PSNH right-of-way, adjacent to NEP's 230 kV right-of-way, and then enter NEP's right-of-way. There presently are two 230 kV lines on the entire length of NEP's right-of-way and one 115 kV line from Hudson, NH to the Massachusetts state line on the same right-of-way. The 115 kV line would be relocated on the same right-of-way, and the new 345 kV line, from the point it enters the right-of-way to the Massachusetts state line (approximately 8 miles), would be constructed between the two existing 230 kV lines. It is not anticipated that construction of this line along the existing right-of-way will have any significant adverse environmental impact.

TRANSMISSION PLANNING STATEMENT

The Company will actively consult all appropriate federal, municipal, regional, and state agencies during the planning and engineering stages of the transmission line design to insure minimal environmental effects and that best use of the land will be achieved consistent with the electrical requirements.