



News Release

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FOR IMMEDIATE RELEASE

Regulators Asked to Modify Wood Project Approval

Manchester****The New Hampshire Public Utilities Commission (NHPUC) has been asked to modify its February 6, 2004 order approving a plan to replace a coal-burning boiler with a wood-burning boiler at Public Service of New Hampshire's (PSNH) Schiller Station in Portsmouth. PSNH and other parties have asked the commission to modify its risk and reward sharing mechanism.

The "Joint Motion for Reconsideration" was filed March 3, 2004 by PSNH, the NH Office of Consumer Advocate, the NH Office of Energy and Planning and the NH Timberland Owner's Association. The proposed modification to the commission order is also supported by the NHPUC Staff.

"We are very eager to proceed with the wood conversion project and we are hopeful that the commission will be open and receptive to the proposed modifications," said Gary Long, PSNH president and chief operating officer. "They effectively and fairly address, in our opinion, issues of cost and risk sharing between our customers and the company."

The motion asks the NHPUC to modify certain provisions of its order, which approved the "Northern Wood Power Project" but contained financial conditions that PSNH said would make it difficult to proceed. The proposed modifications include a simple and effective cost recovery mechanism aimed at eliminating uncertainty by effectively balancing potential risks and rewards. The proposal would not alter the other benefits of the project, which include: supporting the state's forest economy; environmental gains; job creation; and, the addition of a significant new renewable energy source.

The Northern Wood Power Project is a plan to replace a 50 megawatt coal burning boiler at Schiller Station with a highly efficient wood-burning boiler of the same size. PSNH plans to offset the cost of the project through the sale of Renewable Energy Certificates (RECs) in states that require energy suppliers to purchase RECs. The Northern Wood Power Project has already been certified as an approved REC producer by the states of Massachusetts and Connecticut. The project is in the process of securing the necessary zoning permits and building permits from the City of Portsmouth.

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