

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Northeast Utilities Service Company)	Docket Nos. EC90-10-000,
(Re Public Service Company of New)	ER90-143-000, ER90-144-000
Hampshire)) ER90-145-000, and EL90-9-000

MOTION REQUESTING LIMITED ORAL ARGUMENT BEFORE THE COMMISSION OF
CITY OF HOLYOKE GAS & ELECTRIC DEPARTMENT
NEW HAMPSHIRE ELECTRIC COOPERATIVE
MACT TOWNS

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Pursuant to Rule 711(c)(1) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.711(c)(1), the City of Holyoke Gas & Electric Department ("HG&E"), the New Hampshire Electric Cooperative ("NHEC"), and the MACT Towns (comprising the City of Chicopee, Massachusetts, Municipal Lighting Plant, Town of South Hadley, Massachusetts, Electric Light Department, City of Westfield, Massachusetts Gas & Electric Department, and Town of Wallingford, Connecticut), collectively "Movants," respectfully request the opportunity to present oral argument before the Commission limited to matters raised in the following briefs (and responses thereto) which involve only two-sided disputes between these intervenors and Applicant, Northeast Utilities Service Company ("NU"):

Joint Brief of the Transmission Dependent Utilities ("TDUs") on Exceptions
Brief of HG&E on Exceptions
Brief on Exceptions on Behalf of the NHEC
Brief of MACT Towns on Exceptions

The motion should be granted to assure that Commission may adequately and efficiently consider Movants' distinct and unique concerns consistently with its overall timetable for expedited review of this merger application.

ISSUES ON WHICH ORAL ARGUMENT IS SOUGHT

The Initial Decision held that these TDUs were "uniquely vulnerable to possible anti-competitive conduct" by a merged and expanded NU's exercise of market power. I.D. at 51. Yet, inexplicably, the Initial Decision denied them any relief in fact. Movants believe that oral argument will enable the Commission to focus, as

the Initial Decision did not, on the detriments of the merger to Movants and the people they serve as well as the total inadequacy of the relief relating to Movants in the Initial Decision.

TDU Issue. The Initial Decision recognized that these TDUs were totally dependent on NU or PSNH for transmission access to the rest of the electrical world; and agreed that "[a]bsent economic" transmission access "the TDU cannot survive." I.D. at 51. It found that "[t]he TDUs compete with NU and PSNH in the wholesale bulk power market; each TDU, like NU/PSNH, seeks out attractive sources of supply." *Id.* However, the only actual relief implemented by the Initial Decision is no relief, treating TDUs in fact as if they were no different from non-TDU transmission customers. Despite un rebutted TDU evidence of distinctive vulnerability of TDUs to the anticompetitive impacts of this merger, and despite NU promises on the record to afford distinctive treatment, the Initial Decision (perhaps inadvertently) fails to adopt any merger condition to protect the TDUs, relegating the TDUs to their "pre-existing contracts" and settlement negotiations, without imposing on NU any binding obligation to honor its own promises. Moreover, by adopting (with modifications not here relevant) NU's General Transmission Commitments, the Initial Decision would actually worsen TDUs' priority positions and competitive posture. The Initial Decision failed to recognize that the unique circumstances of the TDUs involve competitive and policy concerns not presented by non-TDU transmission customers. These TDU concerns require specific TDU-related remedies.

HG&E Issue. HG&E is a TDU of NU. It is also a direct, head-to-head competitor of NU's for retail industrial sales within the City of Holyoke. NU has, therefore, an extra competitive interest to disadvantage HG&E, increase its costs, and weaken its retail competitive posture -- an interest not shared by an independent Public Service Company of New Hampshire ("PSNH"). However, HG&E

depends on PSNH for transmission of economical nuclear power from Point Lepreau, in New Brunswick, Canada, HG&E's largest resource which accounts for 36 percent of HG&E's total energy supply. HG&E's transmission contract with PSNH will expire in 1994, and the record shows that a merged NU/PSNH plans to reallocate such PSNH capacity. When HG&E's favorable transmission contract with PSNH expires, HG&E will be denied all grandfather rights under the New Hampshire Corridor Plan as approved by the Initial Decision, receiving only a small fraction of its present entitlement. A reorganized, stand-alone PSNH would have no incentive to use its Point Lepreau transmission to advance NU's retail competition with HG&E. A merged NU/PSNH would have that incentive. Absent the merger, HG&E could play off a reorganized, stand-alone PSNH against NU and other utilities (as it has done in the past). Thus, the merger would join NU's present incentive to put HG&E at a disadvantage with increased power to do so. Because the merged NU/PSNH will have intolerable power over HG&E and the clearest incentive to abuse it, HG&E asks for disapproval of the merger; alternatively, HG&E favors set aside of 12 MW of NU/PSNH's New Hampshire Corridor capacity for extended transmission of Canadian power to HG&E and transfer by NU of its retail business in the City of Holyoke to a utility without market power.

NHEC Issue. NHEC is a TDU of PSNH and the second largest utility in New Hampshire. Financial harm threatened by the merger may precipitate NHEC's bankruptcy. NU's actions, taken in control of PSNH, are inconsistent with representations to the Commission in the merger application that PSNH either would not reject its buy-back obligations to NHEC or that it would comply with the obligations in its Term Sheet. Instead, PSNH is taking NHEC's power with no payments whatever. NHEC asks that as a condition to any merger the Commission compel NU/PSNH to abide by NU's commitments to NHEC and to this Commission.

MACT Towns Issue. MACT Towns are TDUs of NU. In addition, three of the MACT Towns purchase wholesale partial requirements or contract demand service under long-term power purchase contracts with NU. NU represented that the merger would not adversely affect wholesale rates to MACT Towns, but NU provided no evidence to support that representation. The Initial Decision provides no meaningful analysis of MACT Towns' concerns, or the Commission's legal obligations with respect to those concerns under Section 203 of the Federal Power Act. MACT Towns ask that the merger be conditioned, consistent with NU's representations, to prevent the merger from adversely affecting the wholesale rates of existing NU wholesale customers.

DISCUSSION

Movants, like NU, NU's supporters, other intervenors, and the Commission's Trial Staff, have addressed numerous issues as to impacts of the proposed merger on competition, costs and rates. The Initial Decision ("I.D.") addressed most of these complex issues and Movants do not suggest that a multiple-sided oral argument would assist the Commission.

However, as we have explained, Movants presented a few issues uniquely impacting themselves which received short shrift (and, indeed, were virtually ignored) in the press of fashioning a 59-page Initial Decision: The TDU issue received one page (I.D. at 50-51); the HG&E issue nine lines (I.D. at 50, ¶ (c)); the NHEC issue half a page (I.D. at 47-48); the MACT Towns Issue eleven lines (I.D. at 58, ¶ C.(1)).

Movants' distinct issues also involve impacts of the merger, albeit impacts on only a handful of small, vulnerable utility systems. However, these issues concern only two-party disputes, between NU and these intervenors, rather than multiple-sided gradations of view. Accordingly, these issues lend themselves to cogent and succinct oral argument (in contrast to other complex and multi-faceted issues).

Movants suggest that a total of 45 minutes be allotted to them and an equal time to NU together with any party aligned with NU that may take a position as to such issues.

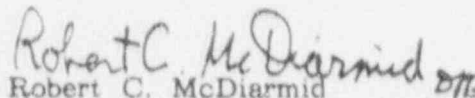
CONCLUSION

For the foregoing reasons this Motion for Limited Oral Argument before the Commission should be granted.

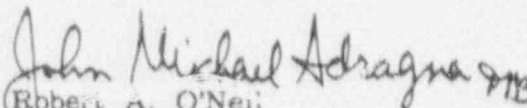
Respectfully submitted,



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Dated: January 24, 1991

CERTIFICATE OF SERVICE

I hereby certify that I have this day caused to be served the foregoing
MOTION REQUESTING LIMITED ORAL ARGUMENT BEFORE THE COMMISSION OF
CITY OF HOLYOKE GAS & ELECTRIC DEPARTMENT, NEW HAMPSHIRE ELECTRIC
COOPERATIVE and MACT TOWNS upon all persons on the Restricted Service List in
accordance with the requirements of Rule 2010 of the Commission's Rules of Practice
and Procedure (18 C.F.R. § 385.2010).

Dated at Washington, D.C., this 24th day of January 1991.



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