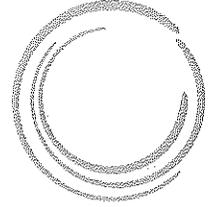


3225 MAIN STREET • P.O. BOX 226
BARNSTABLE, MASSACHUSETTS 02630



CAPE COD
COMMISSION

(508) 362-3828 • Fax (508) 362-3136 • www.capecodcommission.org

Minutes
Meeting of
Cape Cod Commission

January 19, 2012

The meeting was convened at 3:00 p.m., and the Roll Call was recorded as follows:

Town	Member	Present
Barnstable	Royden Richardson	✓
Bourne	Michael Blanton	✓
Brewster	Elizabeth Taylor	✓
Chatham	Lynne Pleffner	Absent
Dennis	Richard Roy	✓
Eastham	Joy Brookshire	✓
Falmouth	Vacant	Vacant
Harwich	Robert Bradley	✓ (left at 5:00 p.m.)
Mashpee	Ernest Virgilio	✓
Orleans	Leonard Short	✓
Provincetown	Austin Knight	✓
Sandwich	Joanne O'Keefe	Absent
Truro	Peter Graham	✓
Wellfleet	Roger Putnam	✓ (left at 4:15 p.m.)
Yarmouth	John McCormack, Jr.	✓
County Commissioner	Mary Pat Flynn	Absent
Minority Representative	John Harris	✓
Native American Rep.	Mark Harding	Absent
Governor's Appointee	Herb Olsen	Absent

The meeting of the Cape Cod Commission was called to order on Thursday, January 19, 2012 at 3:00 p.m. in the Assembly of Delegates Chambers in Barnstable, MA. Roll was called and a quorum established.

■ EXECUTIVE DIRECTOR'S REPORT

Executive Director Paul Niedzwiecki said yesterday morning he met with the Water Protection Collaborative about wastewater issues regionally here on the Cape. He said yesterday afternoon he had the opportunity to speak to the entire Cape Cod Delegation and with the Commissioner of the Department of Environmental Affairs about the same issue. He said it's good see so many decision-makers engaged in this issue and believes there is a consensus about ways to solve this problem. He said he will update Commission members as that moves forward.

■ MINUTES

The minutes of the December 15, 2011 Commission meeting were reviewed. Len Short moved to approve the minutes. Roy Richardson seconded the motion. The motion passed with three abstentions.

The minutes of the January 5, 2012 Commission meeting were reviewed. Austin Knight moved to approve the minutes. Roy Richardson seconded the motion. The motion passed with one abstention.

■ NSTAR LOWER SEMA 345KV TRANSMISSION LINE

Vice-chair Michael Blanton read the continued hearing notice from December 15, 2011 and opened the hearing at 3:07 p.m.

Kristy Senatori, chief regulatory officer at the Commission, using PowerPoint slides said the proposed project consists of 1.5 miles of the new 345kV transmission line proposed on existing rights of way (ROWs) in the town of Bourne; separation of the existing double-circuit 345kV transmission line crossing the Cape Cod Canal, including the demolition of the existing double circuit structure and the construction of three new single-circuit structures; increase voltage from 115kV to 345kV on approximately 7.6 miles of an existing transmission line located in the towns of Sandwich and Barnstable; and a new 345kV substation proposed on Oak Street in West Barnstable. She said the proposed development was required to prepare an Environmental Impact Report (EIR) for MEPA and as such, qualifies as a Development of Regional Impact (DRI). She said the Energy Facilities Siting Board (EFSB) has jurisdiction to review this proposed energy related facility and therefore the Commission's review process follows the adjudicatory hearing procedures outlined in the Commission's Enabling Regulations. She said this allows the Commission's adjudicatory findings of fact, on appeal, to be reviewed on the basis of the record before the Commission as opposed to other DRI decisions that are reviewed de novo when appealed to Land Court or Superior Court. She noted that the NSTAR project has already proceeded through review before the EFSB and on January 12, 2012 the EFSB voted unanimously to approve the project. Ms. Senatori provided a procedural history on the project and said during the adjudicatory hearing procedure she acted as a Commission hearing officer to assemble the record and present a staff recommendation to the Commission. She said pursuant to the regulations there are four Parties to the proceedings—NSTAR and the towns of Barnstable, Bourne and Sandwich (the towns in which the development is located). She said the decision that is before the Commission today encompasses staff's review of the proposed development. She said staff is recommending that the proposed project complies with the applicable Minimum Performance Standards (MPSs) in the Regional Policy Plan (RPP), that upon receiving a Special Permit from the Towns of Barnstable and Bourne or upon approval of the zoning exemptions that have been applied for by NSTAR, the proposed project is consistent with the Barnstable, Bourne, and Sandwich's local development bylaws (and noted that on January 12, 2012 the EFSB approved the zoning exemptions that NSTAR applied for), that the project complies with the Local Comprehensive Plans (LCPs) in the three towns, and that the proposed development is consistent with all applicable Districts of Critical Planning Concern (DCPCs). She explained the findings and conditions in the draft decision for issue areas for natural resources, open space, heritage preservation and community character, water resources/hazardous materials, and economic development. She said the remaining approval criteria is the benefits and detriments and the Commission will need to deliberate on probable benefits and detriments of the proposed development and determine whether the probable benefits of the proposed development are greater than the probable detriments. Ms. Senatori noted revisions to the draft written decision in the procedural history section, materials list, and edits to the transportation and water resources sections.

Vern Oheim, Project Director for NSTAR and the Lower SEMA project, using PowerPoint slides said SEMA is an acronym for Southeastern Massachusetts. He said Lower SEMA/Cape Cod is supplied by two 345kV and two 115kV transmission lines crossing the Cape Cod Canal. He said NSTAR is required by industry standards to plan for loss of the two most significant transmission elements in the area—the two 345kV transmission lines to Cape

Cod. He said under peak load conditions an event could cause blackout of Cape Cod and referred to the event that occurred in December 2003. He said one unit at the Canal Generating Station was required to run 24/7 for system reliability and said the requirement was reduced by short-term upgrades. He said the Canal run costs were assessed to customers in Southeastern Massachusetts by increased oil prices and said from 2006 to 2008 total uplift was \$316 million. He said the solution is to provide a third 345kV transmission source to Cape Cod. He said the line of the proposed project would originate in the Carver substation, would be routed overhead to the Cape Cod Canal on existing rights of way, cross the Canal and end in West Barnstable. He said during construction NSTAR would separate two existing 345kV lines crossing the Canal onto separate structures for additional reliability improvement. Mr. Oheim referred to PowerPoint slides showing the line route in the Commission's jurisdictional area, the current Canal crossing on the north side, north crossing using monopoles, the Oak Street station site, a simulated substation layout, simulated view from Route 6 of the Oak Street substation and provided an overview of the project schedule.

Attorney David Rosenzweig, representing NSTAR, using PowerPoint slides said the only area of dispute is whether the project benefits outweigh the probable detriments. He said NSTAR's proposed project is needed for critical electric system reliability purposes and is the superior alternative for addressing that need. He said the benefits of the project far outweigh any arguable detriments. He said at the January 12, 2012 EFSB meeting, the Siting Board found that the project is needed to meet the reliability needs of NSTAR's customers on the Cape and beyond and that the project is the superior alternative; transmission planning and need determinations are highly technical and specialized matters; and the Commission's previous deference to the Siting Board on issues of need is appropriate and should be maintained. He noted key findings in the draft decision and discussed GF#3 and EDF#1, 2, and 3. He noted project benefits and said the project resolves an electric system reliability need; the project minimizes the chances of widespread blackouts such as the December 2003 outage event; customers would benefit because the project will eliminate once and for all the need to pay approximately \$316 million in uplift charges associated with operation of the Canal units for second contingency protection; the project protects the system against the risk of blackouts that were present on the system for about 50 days in 2010; and regional transmission system improvement means costs are allocated to transmission system owners of all six New England states and the average 750 kw-hour/month customer cost is 10 cents/month. Attorney Rosenzweig noted additional benefits and said the project minimizes environmental impacts by using existing rights of way and existing facilities; the company will be making local purchases of certain construction materials and services; the project will lead to avoided area emissions from generation; and the project is the lowest cost solution to resolve the reliability need. He said the benefits substantially outweigh the arguable detriments of the project and potential environmental detriments are minimal, temporary and will be properly mitigated. He addressed the Town of Sandwich's concern for loss of revenue in the town and said the town's concern is misdirected. He said the Canal's future economics are unaffected by the project; the project does not affect the key drivers that will determine the economic value of Canal units or future tax revenue provided to the Town. He said one potential resource to the Town if Canal Station were to shut down, is that the state offers "Reimbursement for Communities Affected by RGGI." He said the RGGI program reimburses towns for decommissioning and said the town could apply for this state reimbursement program. He asked that the Commission vote to approve the project.

Joy Brookshire asked how the project would increase reliability of electric power to the outer/lower Cape area.

Attorney Rosenzweig said it would provide a third 345kV line serving the Cape from the north and it's designed to address a contingency where both the other 345kV lines are, for some reason, out of service.

Joy Brookshire asked if that meant that power would be restored faster if it goes out.

Attorney Rosenzweig said there should be less expectation of power ever going out. He said it would provide another route for power to be restored if there were an outage but the baseline requirement for the project should eliminate that type of outage in the future.

John Harris referred to the issues raised by the Town of Sandwich and asked if NSTAR had conveyed to the Town all of the rebuttals that they just outlined or are they just now being presented.

Attorney Rosenzweig said they were part of the record at the Siting Board and said it's part of the record here. He said they did express those and the town was still concerned because the GenOn Units are a major portion of its overall tax base. He said they are sensitive and aware of that and said it was their testimony as well as GenOn's

testimony that this project would not affect the future operation of the Canal Units therefore it should not affect what the tax base is from those units over time.

John Harris asked if that had persuaded NSTAR's budget or the Town's concern.

Attorney Rosenzweig said the Town's concern is a fiscal concern and it's unrelated to this project. He said they do not think there is anything about this project that exacerbates that problem or makes it any less unmanageable.

Ernest Virgilio asked what the anticipated extension of this line beyond the Oak Street substation is.

Attorney Rosenzweig said there are no plans at this time for an extension beyond the new Oak Street substation and said that is the termination point for the proposed facility. He said there may be other projects that are not related to the Oak Street substation over time but there is no proposal pending to extend the 345kV service beyond the Oak Street substation.

Ernest Virgilio said so this line or extension of service is for Cape Cod only.

Attorney Rosenzweig said the transmission line begins in Carver and would come into the Cape by uprating an existing 115kV line that is already on the Cape so that that line can operate at 345kV.

Ernest Virgilio asked if that was exclusively for towns on Cape Cod.

Attorney Rosenzweig said it would provide more reliable service for Tremont east customers that are served primarily on the Cape but not exclusive to the Cape. He said it would include Nantucket, Martha's Vineyard, and it would include a few communities that are north of the Canal.

Vern Oheim said the line is to bring a source of power onto Cape Cod and the termination is in West Barnstable. He said it doesn't serve any other areas other than that area.

Ernest Virgilio said his primary concern is that it's for Cape Cod.

Vern Oheim said that is correct.

Austin Knight asked what the life of the project would be on Cape Cod and its expansion through the years.

Vern Oheim said it's dependent on how quickly the Cape grows in load. He said right now if projects follow history, the line will more than handle the next 10, probably 20-25 years or maybe longer.

Austin Knight asked if there was a direct plan for maintaining landscaping in regard to trimming vs. chemical spraying. He said he is concerned with herbicide spraying.

Vern Oheim said they are required to do tree trimming; he said it's a federal requirement. He asked Kevin McCune of NSTAR to address the issue of herbicide spraying.

Kevin McCune, Environmental Engineer with NSTAR, said currently they are on the third year of a moratorium that's been continued for the last three years. He said during that time the Cape Cod Commission has been doing work on this and said NSTAR has been in touch periodically with the Commission over directions to proceed in future years. He said at this point NSTAR still has not sprayed on the Cape.

Austin Knight asked if the moratorium was in negotiations at this time.

Kevin McCune said it's not so much in negotiations as much as there's discussions on how to proceed with that internally. He said there have been discussions on that with the Commission.

Paul Niedzwiecki said the Commission has undertaken several studies associated with the potential use of herbicides as part of an integrated vegetation management plan along the rights-of-way. He said the Commission is still in the process of collecting information and putting those reports together.

Austin Knight said he brought up the issue of herbicide spraying because there has been a lot of discussion at the town level. He said it's important to look to the future regarding blackouts and said it's a necessary use both for public, private, and all the institutions.

Len Short said as a resident of the lower Cape he has lost power on a number of occasions recently and fortunately he owns a generator. He said he doesn't see where a 345kV is going to solve his problem so that they don't lose their power as frequently.

Vern Oheim said think of transmission lines as interstate highways on the highway system and then the secondary roads in neighborhoods as a lesser traveled road. He said transmission lines bring power to load centers and then to homes. He said when we have a significant storm and lose power typically it's from trees that fall on distribution lines rather than power from the substations. He said regarding trees falling he can't say that these lines would prevent that from happening and said the lines would provide more reliability of service to the area.

Len Short said it takes care of the problem as far as Barnstable is concerned. He said the problem is from Barnstable to the lower Cape.

Vern Oheim said the 115kV to 345kV line would provide an alternate power source to Mashpee and Falmouth areas that we don't currently have today. He said it's a reliability improvement to parts of the lower Cape as well.

Chair Peter Graham inquired about the height of the monopoles.

Vern Oheim said about 200 feet which is the height of the existing structure. He said the key issue is that they have to span the Canal and the sag of the line over the Canal cannot be less than 165 feet. He said that is required by the Army Corps of Engineers.

John Harris referred to the quantifiable benefits listed on page 17 of Attorney Rosenzweig's presentation and asked if it applies to everyone in the SEMA area.

Attorney Rosenzweig said it applies to all customers in Barnstable County; it's a Barnstable County framework.

John Harris asked if the \$73.6 million applied.

Attorney Rosenzweig the yes the \$73.6 million of benefits applies.

John Harris asked if they were required to provide the quantifiable benefits or would they go away or disappear. He questioned whether there were any performance reports that would say that they were actually achieved or not achieved or are they just numbers that are being stated.

Attorney Rosenzweig said the company is subject to fines and sanctions if it has reliability issues and it doesn't follow Established Planning Standards. He said the implementation of this project creates compliance with those Transmission Planning Standards. He said in the absence of this project, history would suggest that about \$20 million a year under current load and system conditions could be expected to be incurred for out-of-market costs to pay for the Canal's operation for those hours when the existing system doesn't have enough capability to meet peak load. He said all the numbers are reflective of those benefits occurring through 2020 as well as the costs.

John Harris inquired about the Canal Units.

Attorney Rosenzweig said there are two Canal Units at about 1,100 megawatts. He said their generating facility is located in Sandwich and they operate largely on residual fuel oil. He said they have some natural gas capability but they have not operated on natural gas for several years. He said they are among the largest emitters in the state in terms of hourly emission rates. He said it's a 35-40 year old facility.

John Harris said the reason he asked is because he wasn't clear if it would be a monetary benefit to the towns in the area and if, in fact, a monetary benefit is NSTAR required to perform according to this.

Attorney Rosenzweig said aside from the uplift charges some of the other areas of benefit include increased property tax payments to the Towns of Bourne and Barnstable. He said those are estimates of what the additional

asset value is within those communities that would be added by this project times the rate in those communities, so the company will have to pay its property tax bills to the towns.

John Harris asked if the asset value is reduced when taxes are paid based on that.

Attorney Rosenzweig said the facilities do depreciate and this is reflective of those types of phenomena.

John Harris said he doesn't see a clear light and said he is trying to figure out what towns can expect.

Attorney Rosenzweig said these numbers are very conservative, and given the benefits exceed the detriments, he would not suggest that there should be grave concern about the benefits not accruing. He said certainly the company has to pay their tax bills.

John Harris said if a town is expecting money and it doesn't go to the town then there is a gap in revenue and it has to be filled so perhaps a service level agreement is needed. He said it's interesting that we make these numbers, present them, and then we don't really hear how we can, in fact, go back and confirm that these things are being accomplished and the people who are supposed to benefit from it are, in fact, benefiting from it.

Attorney Rosenzweig said he won't speak for the Town of Sandwich and said they are a party to the proceeding. He said they worked diligently with the Town of Barnstable and entered into a Memorandum of Understanding (MOU) to agree to make certain improvements at the location at the substation to mitigate impacts. He said on that basis the Town of Barnstable has agreed that this project should be going forward and be approved by the Commission.

Jo Anne Miller Buntich, Director of Growth Management for the Town of Barnstable and DRI Liaison, said Barnstable has a signed MOU with NSTAR Corporation and it mainly addresses issues at the West Barnstable substation which is redevelopment of an existing site. She said some of those conditions are incorporated into the Commission's draft decision. She said the Town of Barnstable's lines are in the same shape as the lower Cape. She said the town is fine with the draft decision and the town appreciates the efforts by the Commission regarding right-of-way herbicide spraying.

Elizabeth Taylor moved to close the hearing and the record. Roy Richardson seconded the motion. The motion passed with a unanimous vote.

Kristy Senatori, chief regulatory officer at the Commission, said she would suggest that the Commission have a discussion and enumerate benefits and detriments.

Jack McCormack said he doesn't see any immediate in hand monetary benefits to the Town of Yarmouth but believes reliability of service is a need on Cape Cod. He said reducing uplifting cost is a big item. He said the use of monopoles is good as a safety measure and it's something that has been expressed as a desire of the Commission for aesthetics.

Roy Richardson said he is very pleased that the company is thinking ahead to continue and improve their reliability of service and said he is impressed with this push for reliability. He said loss of electricity can be life threatening to some people. He complimented the company and the subcommittee for their efforts and thought the staff had performed a very clear and thoughtful presentation.

Elizabeth Taylor asked if there was a list of probable benefits and detriments from the subcommittee that could be used to format their discussion or do Commission members have to come up with these themselves.

Paul Niedzwiecki referred to the KeySpan project that was previously before the Commission and the adjudicatory proceedings that the Commission adopted subsequent to loss on appeal on that case. He said the adjudicatory proceedings have a provision for a Hearing Officer. He said this case had several dimensions to it and yesterday the EFSB issued an approval of the project. He said for that reason, the Commission decided to use a Hearing Officer for the hearings and it was decided that the Hearing Officer not hear the benefits and detriments so that the full Commission could participate and augment the Hearing Officer's review of the Minimum Performance Standards with a full deliberation here today. He said today the full Commission is doing what a subcommittee normally does.

Roger Putnam said probable benefits are that those of us who live on the lower Cape probably have a better chance of getting power when the power would otherwise have gone down. He said it's a good thing to have and said it should go forward.

Joy Brookshire said she believes reliability needs to increase because the Cape is increasing and she does have concerns about servicing. She said she thinks that the project will provide more power and said the Canal Plant gives her concern because of its age and its reliability and anything we can do to keep it not working so hard she believes is a benefit to the residents of Cape Cod and over the bridge.

Ernest Virgilio said he is the Emergency Management Director in Mashpee and has been for many years. He said in the past there were problems in communication as there was never an individual to talk to or a number to call. He said with the new lines going up and the new modern stage equipment being used it will be more protective than what we have now. He said please continue with the program that has been started. He said it's great to have an individual to talk to and in his case it's Dennis Galvin. He said it's a good program.

Len Short said even though he has expressed his concern about other areas, he does endorse that more power will be brought in. He said the wholesale part of it is well worked out but the retail part of it also needs to be addressed.

John Harris asked if the Commission members were supposed to articulate what the benefits are.

Chair Peter Graham said Commission members are being asked to come up with benefits and Michael Blanton and Elizabeth Enos are writing those down. He said at the end of Commission member comments, the Commission will deliberate on the benefits and then do the same for the detriments.

Roger Putnam left the Commission meeting at 4:15 p.m.

John Harris said the Commission has respected the fact that we need to develop power access or availability that meets the needs of the Cape and it's a standard process. He said on the other hand without the proposed project in place, overloads will occur and the project will rectify existing reliability problems. He said he would have to go along with the project eliminating future uplift charges and hopes that it will be seen in electric bills.

Chair Peter Graham said he believes it will make economic development infrastructure more robust and the environment that it can grow in more robust.

Roy Richardson said the company has said they will be shopping locally so that is good for business in the area.

Michael Blanton summarized the benefits enumerated by the Commission members, by testimony from Commission staff, and from the applicant themselves. He noted the benefits as: cost of the project will be spread throughout the New England states; consistency with MPSs and Commission standards; consistency with the RPP, development bylaws, LCPs and DCPCS; the project will receive the EFSB approval and said he wasn't sure that's a benefit or not.

Joy Brookshire said the applicant gets that before they come here anyway.

Michael Blanton said he is inclined to agree with Ms. Brookshire but it was listed as a benefit and perhaps it could be removed. He continued with noting benefits as: avoidance of blackouts; avoids significant uplift charges; tax benefits specifically to the Towns of Bourne and Barnstable; improvements to economic development infrastructure; the monopole design; environmental impacts are minimal and temporary; improvements with regard to communications noted by Mr. Virgilio; provides alternative transmission—alternative to the aging Canal Plant in Sandwich; and infrastructural improvements could lead to improved access to the lower Cape communities.

Austin Knight noted an additional benefit as the upgrade would have a 10-20 year horizon to stabilize the full needs of electricity to the Cape and to consumers.

Joy Brookshire noted that they are also donating 2.3 acres to the Town of Barnstable for open space in perpetuity which is adjacent to the already open space owned by the Town of Barnstable.

Elizabeth Taylor referred to Mr. Harris' comment and said she noticed in the economic development section that there is no proof of the economics required as a condition and said aren't we asking that this benefit be shown to actually occur that they are buying products on the Cape. She said hopefully they are using local labor which she hasn't seen listed anywhere and that these actual property taxes accrue and the quantifiable benefits that they list on page 17 actually occur. She said normally that would be a condition if we had gone through the subcommittee process and there aren't conditions like that in the draft decision.

Kristy Senatori said perhaps the applicant could show where that is in the record if there is evidence in the record.

Elizabeth said the record isn't the point. She said the point is that it's going to happen in the future and we need to see proof. She said there aren't any conditions like that and said that is a very obvious benefit whether we have work done of this volume on the Cape. She said this is a standard condition in DRIs.

Paul Niedzwiecki said he doesn't recall that we've ever required that of an applicant in the past.

Elizabeth Taylor said we have required local labor before; she said we have asked for that.

Kristy Senatori said perhaps it should be taken off your benefits list if there isn't evidence in the record that you're comfortable with.

John Harris said perhaps we should consider using a "best effort" to utilize professions that are available on the Cape. He said it isn't necessary that we have the kind of expertise that's actually required to build this facility here.

Paul Niedzwiecki, Executive Director of the Cape Cod Commission, said given the staff caucus we cannot recall a time when we've ever required that kind of post-approval checkup, certainly not part of the benefits and detriments analysis. He said if Commission members are not comfortable with this, then he would suggest that it be removed from the potential benefits list.

Roy Richardson said we are dealing with a company with a long history. He said it doesn't sound to him like it's something that the Commission asked them to say or to do. He said they stood here on their own saying that they were going to help in the economic side of things by using local people and buying local products. He said they said it and he believes that's a statement that they would want to live up to.

Paul Niedzwiecki said a point to consider is that the EFSB has given a tentative approval to the project. He said the draft decision contains several conditions that NSTAR has agreed to that make this project a better project.

Jack McCormack said we need to keep in mind that it may not be possible to use Cape people exclusively because some things may need to be sought off Cape because of expertise that can't be found on the Cape.

Paul Niedzwiecki said detailed requirements of enforcing local labor purchase contracts are the reason why the Commission has never required that in the past other than a statement by the Applicant that they would make every best effort to do so.

Chair Peter Graham said that could be removed from the list of benefits.

Elizabeth Taylor said she is asking that we have something in the decision that states that they have said that they would try to do local purchasing and use local labor. She said we are also talking about a number of financial benefits as well and there is no economic development section in the conditions and she questioned if there was some way of making sure that we actually see these benefits just as Mr. Harris mentioned.

Paul Niedzwiecki said we could list NSTAR's agreement to look for local labor as a Best Development Practice and have it as a finding but that is not going to be an enforceable condition.

Elizabeth Taylor asked if there would be any follow up.

Paul Niedzwiecki said the evidence in the record suggests that those numbers are based on the existing situation, the history that leads up to the existing situation, and the proposed capital investment that they are going to make. He said they are projections. He said he wouldn't want to have them commit to meeting those exact numbers.

Elizabeth Taylor said she is asking that we see some results somewhere so that there is some sort of follow up because there is going to be a Certificate of Occupancy (CO) somewhere along the line. She said she would assume that somewhere there would be information in these towns that these things actually happened. She said the towns are being promised that there is going to be some sort of monetary tax benefit too.

Paul Niedzwiecki said the Town of Barnstable has a MOU. He said there is no CO for the project to move forward. He said a decision as to whether the Commission is going to condition that today, especially something that you may want enforceable or have a report back on if NSTAR disagreed with, would lead to an appeal with potential overturn by the EFSB and then all the conditions that we already negotiated would go away.

Elizabeth Taylor said she meant to say a Certificate of Compliance not a CO.

Austin Knight said regarding reducing or eliminating blackouts would the Commission receive a report after to know that it is true or that has occurred.

Kristy Senatori said the evidence is in the record and it should be enough to support that. She said there wouldn't be an MPS to tie it back to so there would be no applicable condition.

Austin Knight said he would like to see a report in a year or so afterwards to make sure these benefits that had been listed are really going along as been stated that are in the record.

Paul Niedzwiecki said the Commission can't require a report to come back. He said what would happen if they came back with a report and they didn't meet the expectations, what action would be taken by the Commission at that point. He said there is no enforceability on that.

Austin Knight said it goes along with other reports or findings the Commission has asked for—a review of what has happened.

Paul Niedzwiecki said to keep in mind that members are sitting now as a quasi judicial board to review an individual project that has to do with transmission lines, not distribution lines. He said, again, in order to have NSTAR come back and require a report as a quasi judicial board what enforcement action is the Commission going to take if somehow it's not what the Commission thought it would be. He said to put conditions and require reports that have no enforceability and put "teeth" in them he believes is not good regulatory practice for a quasi judicial board but that is the opinion of the Executive Director.

Joy Brookshire said there are three grades of benefits—reliability in its transmission of electricity to the NSTAR customers on Cape Cod and said that is the most important thing. She said the next is cost cutting—getting our bills down, getting the Canal Plant out of use as much as possible making it more cost effective and the last one is financial benefits. She said we have to trust that these things are going to happen for the towns. She said they may or may not, but if there's improvement to reliability, if there is some cost-cutting taking place and if there are some financial benefits to us and to the towns, she believes that is all they can ask for.

Jack McCormack said they need to take into consideration that NSTAR is trying to establish what is known as industry standards and said this will bring the project up to industry standard.

Kristy Senatori said for clarification Mr. Blanton had written down that compliance with the RPP, DCPCs and LCPs as benefits and said those are actually separate DRI approval criteria so they are not on the list that Elizabeth Enos has. She suggested that Commission members take a moment to review the list and have a motion that these are probable benefits of the project.

Elizabeth Enos noted lists of benefits as: increased reliability to the Cape; reducing uplifting costs; use of monopoles; continue to improve reliability, cooperation with towns regarding maintenance programs; increased reliability to the lower Cape, decrease reliance on Canal Station; ability to bring in more power reducing

overloads; improve responsiveness; improve economic development infrastructure; local labor services; costs spread throughout New England states, EFSB approval; avoidance of blackouts; tax benefits to Bourne and Barnstable; minimal and temporary environmental impacts; improves communications; stabilize full electricity needs of the Cape; and establishing industry standards.

Elizabeth Taylor questioned improvement and responsiveness. She said she believes responsiveness is more of a local issue and does not affect that at all. She said there wouldn't be improvement in responsiveness.

John Harris agreed with Ms. Taylor and said perhaps there should be a motion to remove it from the benefits list.

Jack McCormack moved that responsiveness be removed from the list of benefits. Elizabeth Taylor seconded the motion.

Joy Brookshire suggested that the benefits be grouped together rather than going through the whole list with duplications. She said they could be grouped in categories such as reliability, cost cutting, and financial benefits.

John Harris said he would support that they just go through the entire document and duplications not be repeated.

A vote called on the motion to remove responsiveness from the benefits list passed with a unanimous vote.

Elizabeth Enos continued noting benefits as: increased reliability to the Cape; elimination of uplift cost; use of monopole; cooperation with towns regarding maintenance; decrease reliance on the Canal Station; ability to bring in more power; reducing overloads; improve economic development infrastructure; local labor services.

Michael Blanton moved that local labor services be removed from the list of benefits. John Harris seconded the motion.

Joy Brookshire said for the projects that she has been involved in as a member of a subcommittee when they talk about economic benefits they say they will try to do the best they can to hire local labor. She said she agrees with Mr. Niedzwiecki that we can't mandate that but we hope that they'll try their best to employ locally whenever possible.

John Harris said it could be a "best effort".

A vote called on the motion to remove local labor serves from the list of benefits passed with 10 votes in favor and 2 opposed.

Joy Brookshire questioned whether it should be amended as "to try to hire local labor".

Elizabeth Enos continued noting benefits as: cost spread throughout New England states; EFSB approval; avoidance of blackouts; tax benefits to the Towns of Bourne and Barnstable; minimal and temporary environmental impacts; improves communication.

Joy Brookshire said EFSB approval should not be a benefit.

John Harris moved that improved communications be removed from the list of benefits. Joy Brookshire seconded the motion.

Michael Blanton said that was added to the list because of Mr. Virgilio's reference to the improved communications that he had experienced with one of the staff people with regard to the project.

A vote called on the motion to remove improved communications passed with 8 votes in favor and 4 opposed.

Elizabeth Enos continued noting benefits as: stabilize full electricity needs of the Cape; establishing industry standards.

John Harris questioned whether it was establishing industry standards or is it complying. He said he reads it as compliance. He said they are not establishing industry standards; they already exist.

Elizabeth Taylor moved to remove establishing industry standards from the list of benefits. Joy Brookshire seconded the motion.

Michael Blanton said this was in regard to Mr. McCormack's comment and asked Mr. McCormack to clarify.

Jack McCormack said he believes what he meant was striving towards industry standards rather than establishing industry standards.

A vote called on the motion to remove industry standards from the list of benefits passed with a unanimous vote.

Robert Bradley left the meeting at 4:57 p.m.

Chair Peter Graham said we now have a list benefits that is ready for new additions.

Joy Brookshire suggested adding "will try to hire local labor whenever possible".

Paul Niedzwiecki reminded Commission members again that they are just focusing on benefits of the project that's in front of them and said these are not conditions. He said they can't be conditioned and things cannot be requested at this point. He said it's just an evaluation of the project that's in front of the Commission and what the Commission perceives to be the beneficial aspects of that and the detrimental aspects of that. He asked that their focus be narrowed to that.

There was discussion by Commission members whether the intent of the project to hire local labor should be considered.

Ernest Virgilio said he agrees to disagree. He said all the regulations that the applicant has to follow are in the applicant's materials that Commission members received. He said the Commission is going through a process that he personally feels has been pretty well covered.

Chair Peter Graham said they would move onto the detriments.

Paul Niedzwiecki reminded Commission members that they need to maintain a quorum of 10 members and said if members continue to leave they may run into a problem.

Chair Peter Graham questioned whether there should be motion to approve the benefits list at this point.

Kristy Senatori said it would be appropriate to do so.

Jack McCormack moved to approve the list of benefits. Ernest Virgilio seconded the motion. The motion passed with a unanimous vote.

Michael Blanton presented the list of detriments as: the Town of Sandwich has concerns with regard to the proposal that this improvement could lead to the closure of the Canal Plant and loss of tax revenue to the town; although transmission infrastructure would improve, it would not necessarily improve the distribution infrastructure specifically in regard to the lower Cape; environmental impacts and herbicides but they were also instructed that this might a little bit too far a field for the parameters that the Commission is deliberating on for this project.

Roy Richardson moved to approve the list of detriments for members consideration and discussion. Michael Blanton seconded the motion. The motion passed with a unanimous vote.

Elizabeth Enos was asked to read the list of detriments again for discussion by Commission members. She noted detriments as: concerns of the town of Sandwich regarding closing of the Canal Station and loss of tax revenue.

John Harris said he doesn't agree that it should be there as he does not believe it's a detriment. He said this is an issue that the Town has and said it's not a detriment as far as the purpose of this project.

Roy Richardson moved to remove concerns of the Town of Sandwich regarding closing of the Canal Station and loss of tax revenue from the list of detriments. Michael Blanton seconded the motion.

John Harris had questions regarding the motion.

Joy Brookshire said each one should be considered separately and then vote on each one of them.

Chair Peter Graham said there's been a request that they take each one separately and said they would take the first one up.

John Harris said the motion on the floor would need to be reversed.

Roy Richardson withdrew his motion to remove concerns of the Town of Sandwich regarding closing of the Canal Station and loss of tax revenue from the list of detriments. Michael Blanton withdrew his second.

Chair Peter Graham asked that the first one be considered.

John Harris moved to remove the concerns of the Town of Sandwich regarding closing of the Canal Station and loss of tax revenue from the list of detriments. Joy Brookshire seconded the motion.

Elizabeth Taylor said she is curious about that removal because it's a possibility. She said it could be a very real issue if that happens and it would have quite a detrimental effect on the Town of Sandwich. She said there is no guarantee that the Canal Plant won't close down.

Joy Brookshire said as was presented by the applicant it is not their intent to close the Canal Plant. She said they see the Plant going on for as long as whenever and said she believes that does not pertain to this project.

Royden Richardson agreed with Ms. Brookshire and said there was no one here today from the Town of Sandwich to make that kind of statement or comment and said he doesn't believe it has validity.

A vote called on the motion to remove the concerns of the Town of Sandwich regarding closing of the Canal Station and loss of tax revenue from the list of detriments passed with 8 votes in favor and 3 opposed.

Elizabeth Enos continued noting detriments as: it would not improve distribution infrastructure.

John Harris said that's incorrect. He said by installing the facility and putting in additional lines, they broadened the infrastructure and he's not sure that was put down on list correctly. He said it would improve it because of the fact that there's a reliability backbone and he does not see that as a detriment.

John Harris moved to remove that the project would not improve distribution infrastructure. Joy Brookshire seconded the motion.

Michael Blanton said that was his addition to the list based on the comments made by other Commission members and said it focuses specifically on the word "distribution" and the definition that had been used by the applicant and staff to differentiate it from "transmission" not distribution of electricity.

John Harris said the stated purposed of this project is to improve the infrastructure. He said it has nothing to do with distribution so why would it be on a list of detriments.

Elizabeth Taylor said the issue is that they had gone halfway.

Royden Richardson said it seems to him that the project is taking place in order to improve the existing conditions and that there are some conditions in the future that might need improving.

Joy Brookshire said she asked that question at the beginning of the hearing and was told it has to do with service and reliability of electricity and said it doesn't deal with distribution. She said she believes the issue is service which is not relevant to this discussion therefore she believes it needs to be removed.

Jack McCormack said he thinks realistically they could probably eliminate all the detriments. He said he doesn't know how many of them are pertinent and how many aren't. He said he would move that all the detriments be removed from the list and then move whether the benefits outweigh the detriments and get on with it.

John Harris withdrew his motion. Joy Brookshire withdrew her second.

Commission members discussed whether to approve or remove the list of detriments. They decided to remove the list of detriments.

Jack McCormack moved to remove all remaining items from the list of detriments. Ernest Virgilio seconded the motion. The motion passed 9 votes in favor and 2 opposed.

Roy Richardson moved that the Commission finds that the probable benefits outweigh any probable detriments. Austin Knight seconded the motion. The motion passed with a unanimous vote.

Elizabeth Taylor moved to approve the draft written decision as amended. Roy Richardson seconded the motion.

Joy Brookshire said for future use of this document, could they end the potential probable detriments by saying that there were none to be found.

Kristy Senatori said that would be a finding.

A vote called on the motion to approve the draft written decision as amended passed with a unanimous vote.

Chair Peter Graham moved to approve NSTAR Lower SEMA 345kV Transmission Line project as a DRI. Ernest Virgilio seconded the motion. The motion passed with a unanimous vote.

Jessica Wielgus, Commission counsel, said a motion should be made to amend the draft decision to include the probable benefits and detriments analysis as discussed today. She said it's not included in the decision as it is now written.

Chair Peter Graham moved to approve amendments to the draft written decision to include the probable benefits and detriments analysis as discussed today. Ernest Virgilio seconded the motion. A vote called on the motion passed with a unanimous vote.

Elizabeth Taylor said it would have been helpful if they had been some sort of write up in Commission member packets since this was the first time they've ever done this and obviously they were not prepared to do what needed to be done.

Paul Niedzwiecki said it was the first time and he thanked Commission members for their patience. He said staff has been taking notes.

John Harris said he thinks every member of the Commission has served on a subcommittee and this is the same process that they go through when serving on a subcommittee. He said it isn't anything new.

Ernest Virgilio agreed with Mr. Harris and said he didn't see anything done differently. He said he thinks staff did a great job.

Michael Blanton said he agrees with both and said it's what they normally do at subcommittee hearings but this is the first time that the Commission has tried to do this in an open Commission meeting. He thanked the applicants for their patience during today's process and also staff for trying to do their level best to shepherd Commission members in a focused direction.

A motion was made to adjourn at 5:20 p.m. The motion was seconded and voted unanimously.

Respectfully submitted,

Elizabeth Taylor, Secretary

LIST OF DOCUMENTS PRESENTED AT THE JANUARY 19, 2012 COMMISSION MEETING

- Handout material: January 19, 2012 meeting agenda.
- Handout material: NSTAR SEMA Transmission Line project draft written decision.
- PowerPoint slide presentation on the NSTAR SEMA Transmission Line project prepared by the CCC.
- PowerPoint slide presentation on the NSTAR SEMA Transmission Line project prepared by NSTAR.