

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

April 9, 2004

In Reply Refer To:
Northeast Utilities Service Company
Docket No. ER04-537-000

Northeast Utilities Service Company
Attn: Andrew S. Katz, Esq.
Senior Counsel for Northeast Utilities Service Company
601 Pennsylvania Avenue NW Suite 600
Washington, DC 20004

Dear Mr. Katz:

1. On February 9, 2004, Northeast Utilities Service Company (NUSCO) filed on behalf of its affiliates, Connecticut Light and Power Company, Public Service Company of New Hampshire and Select Energy, Inc., a Letter Agreement to amend the System Power Sales Agreement (SPSA) with Littleton Electric Light Department. The parties agree to several changes to the SPSA to reflect Market Rule 1, commonly referred to as New England Standard Market Design (NE-SMD). NUSCO's submittal is accepted for filing, effective March 1, 2003, as requested. Your designations are listed on the Enclosure.
2. The changes to the SPSA reflect the following NE-SMD implementation issues: (1) a multi-settlement system consisting of day-ahead and real-time markets for energy as well as locational marginal price; (2) the elimination of NEPOOL operating reserves products (*i.e.*, ten minute spinning reserves, ten minute non-spinning reserves, and thirty minute operating reserves); and (3) the introduction of unforced capacity for satisfying capacity obligations.
3. The changes to the SPSA also include language pertaining to the standard of review for future proposed changes. Specifically, the changes include the following:

If this letter and/or any of the clarifications hereunder are required to be filed with FERC, each party shall support acceptance of such filing without change and take such other action (including, without limitation the supply and execution of documents) as may be reasonably required to cause FERC

approval of such filing without change. Absent the agreement of the parties to any proposed changes, the standard of review for changes to the Agreement proposed by a party, a non-party or FERC acting sua sponte shall be the "public interest" standard of review set forth in United Gas Pipe Line Co. v. Mobile Gas Service Corp. 350 U.S. 332 (1956) and Federal Power Commission v. Sierra Pacific Power Co. 350 U.S. 348 (1956).

4. Notice of the filing was published in the Federal Register, 69 Fed. Reg. 7745 (February 11, 2004) with comments, protests, or interventions due on or before March 1, 2004. No interventions, adverse comments or protests were filed.

By direction of the Commission. Commissioner Kelly dissenting in part with a separate statement.

Linda Mitry,
Acting Secretary.

Enclosure

Rate Schedule Designations
Effective Date: March 1, 2003

Connecticut Light & Power Company

<u>Designation</u>	<u>Description</u>
First Revised Rate Schedule FERC No. 545	Power Sales Agreement with Littleton Electric Light Department
<u>Public Service Company of New Hampshire</u>	
First Revised Rate Schedule FERC No. 176	Power Sales Agreement with Littleton Electric Light Department

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Northeast Utilities Service Company

Docket No. ER04-537-000

(Issued April 9, 2004)

KELLY, Commissioner, dissenting in part:

For the reasons I have previously set forth in Wisconsin Power & Light Co., 106 FERC ¶ 61,112 (2004), I do not believe that the Commission should depart from its precedent of not approving settlement provisions that preclude the Commission, acting *sua sponte* on behalf of a non-party, or pursuant to a complaint by a non-party, from investigating rates, terms and conditions under the “just and reasonable” standard of section 206 of the Federal Power Act at such times and under such circumstances as the Commission deems appropriate.

Therefore, I dissent from this order to the extent it accepts for filing an agreement that provides, in relevant part: “Absent agreement of the parties to any proposed changes, the standard of review for changes to the Agreement proposed by a party, a non-party or FERC acting *sua sponte* shall be the ‘public interest’ standard of review set forth in United Gas Pipe Line Co. v. Mobile Gas Service Corp., 350 U.S. 332 (1956) and Federal Power Commission v. Sierra Pacific Power Co., 350 U.S. 348 (1956).”

Suedeen G. Kelly