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October 24, 2011

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Ms. Linda Roberts
Executive Director
Connecticut Siting Council
Ten Franklin Square
New Britain, CT 06051

CONNECTICUT
SITING COUNCIL

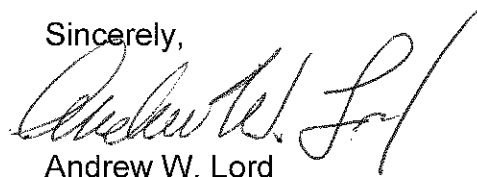
Re: Docket No. 189; Lake Road Generating Company, L.P.

Dear Ms. Roberts:

I write on behalf of Lake Road Generating Company, L.P. ("Lake Road") to provide you with an original and 20 copies of Lake Road's Motion to Reopen in connection with the above-referenced proceeding.

Please contact me with any questions or requests for additional information.

Sincerely,



Andrew W. Lord

Enclosure

cc: Cynthia Vodopivec
Christopher Curtis

STATE OF CONNECTICUT
CONNECTICUT SITING COUNCIL

RECEIVED
OCT 24 2011

LAKE ROAD GENERATING COMPANY, L.P. : DOCKET NO. 189
CERTIFICATE OF ENVIRONMENTAL :
COMPATIBILITY AND PUBLIC NEED FOR :
THE LAKE ROAD GENERATING PROJECT :
LOCATED OFF OF LAKE ROAD IN :
KILLINGLY, CONNECTICUT : OCTOBER 24, 2011

CONNECTICUT
SITING COUNCIL

MOTION TO REOPEN DOCKET NO. 189

Pursuant to Connecticut General Statutes § 4-181a(b), Lake Road Generating Company, L.P. ("Lake Road") hereby requests that the Connecticut Siting Council ("Council") reopen and modify the Decision and Order in Docket No. 189 based on significant changes that have occurred since the Decision and Order was issued on December 7, 1998. Specifically, based on the changed conditions described herein, Lake Road requests that the Council modify the Decision and Order to allow Lake Road to decommission Unit 1 such that it could not immediately operate on fuel oil. Connecticut General Statutes § 4-181a(b) authorizes an administrative agency to modify a final decision on a showing of changed conditions.

INTRODUCTION

At the time that Lake Road's application for a Certificate of Environmental Compatibility and Public Need ("Certificate") was before the Council, the Council was concerned about the reliability of the natural gas supply in Connecticut and that on occasion, there may be times when natural gas may not be available for extended periods of time. As a condition of approval of the Certificate, the facility

was constructed with the capability to operate on fuel oil during such gas curtailments. However, since the plant was constructed, there has never been a prolonged curtailment of natural gas and the facility has never operated on fuel oil for reliability purposes. Further, because the supply of natural gas and natural gas pipeline capacity has expanded significantly in the intervening years, the likelihood of a natural gas curtailment that would necessitate operation on fuel oil is remote, and, the price of operating on fuel oil is currently more than five times the price of operating on natural gas. Accordingly, these significant changes in the availability and economy of natural gas constitutes changed conditions that justifies a modification of the Decision and Order to allow Lake Road to decommission Unit 1 for immediate operation on fuel oil.

PROCEDURAL BACKGROUND

As mentioned, the Council issued the Certificate for the Lake Road project on December 7, 1998. Condition 1(c) of the Decision and Order stated that, “[t]he project shall operate on natural gas, except during curtailment of natural gas when the project may operate on low sulfur (0.05 percent) distillate fuel oil as permitted by DEP.” In accordance with Condition 2(c) of the Decision and Order, the facility was constructed with the capacity to unload and store sufficient fuel oil to operate for up to thirty days (720 hours) during a gas curtailment.

Following construction and prior to the original commissioning of Unit 1 on fuel oil, Lake Road was informed by its turbine manufacturer that there were performance problems with the burner lances that would delay and complicate commissioning on fuel oil. Accordingly, on January 17, 2003, Lake Road

requested a declaratory ruling (Petition No. 603) that would modify the Decision and Order to allow Lake Road to commission only Unit 1 on fuel oil and defer commissioning of Unit 2 and Unit 3 on fuel oil until such action was warranted by natural gas curtailments lasting longer than thirty (30) days or sixty (60) days, respectively. The Council approved the request on January 28, 2003. Lake Road is currently configured in accordance with the approved fuel oil implementation plan. Unit 1 is commissioned to operate on fuel oil and Units 2 and 3 could be capable of operating on fuel oil in the event of extended curtailments of natural gas.

Finally, in 2004, Lake Road asked the Council in Petition No. 664, to revise Condition 1(c) of the Decision and Order to allow operation on oil at any time, not just during a natural gas curtailment, within the limits of its air permit. The Council approved that request on May 17, 2004. The request was made at a time when oil and gas prices were much closer together, making it economical to have the ability to run on fuel oil.

DISCUSSION

In accordance with its Siting Council approvals, Lake Road has been commercially available and capable of operating Unit 1 on distillate fuel oil since 2004. Since then, there have been no instances in which natural gas was curtailed such that there was a need to operate on distillate fuel oil for reliability purposes. Further, there have been very few occasions where the price of fuel oil versus the price of natural gas warranted operating on fuel oil for economic purposes, and these instances have not occurred in the past two and a half

years. Since commissioning on fuel oil in 2004, the facility has only operated a total of 459 hours on fuel oil. More than ninety percent of these hours have been for initial and re-commissioning on fuel oil and for exhaust stack compliance testing as required per the DEEP air permit, and only 45 hours of operation occurred due to economic reasons. In addition, stack testing for regulatory requirements results in unnecessary costs and does not increase reliability of the plant.

The likelihood that Unit 1 will need to be dispatched for operation on fuel oil in the near future is minimal. As documented in Milford Power Company LLC's recent Motion to Reopen Docket No. 187 requesting the Council's permission to decommission its oil-firing capability, there have been significant changed conditions since the original Decision and Order in Docket Nos. 187 and 189.¹

Specifically, there have been a number of developments that have increased the reliability of the natural gas supply in Connecticut and New England, including the demonstrated viability of the Marcellus Shale Formation to produce significant new quantities of natural gas in close proximity to New England load centers. In addition, pipeline expansions, new liquefied natural gas facilities and improved pipeline transmission capacity have removed the supply

¹ See Petition of Milford Power Company, LLC to Modify the Decision and Order in Docket No. 187 to Allow Milford Power, LLC to Suspend its Back-up Fuel System, dated July 29, 2010 and the attached "Final Report, Connecticut and New England Natural Gas and Power Infrastructure Supply Changes 1991-Present," prepared by R.W. Beck for Milford Power Company, LLC, dated July 28, 2010.

constraints that existed in the late 1990's. The Council recognized these developments and others in its Finding of Fact No. 17 in Docket No. 187A:

Specific developments relating to natural gas since 1999 include: new supplies of shale gas, an increase in liquefied natural gas ("LNG"); maximum availability send-out capacity because of three new regasification terminals; locations of the shale gas and LNG supplies near the new England market areas; improvements in natural gas delivery infrastructure; increased electrical transmission capacity; and construction of local generation in Connecticut.

The Council concluded that these specified changes constituted "changed conditions" and supported a conclusion that the ability to operate on fuel oil was no longer needed for reliability or economic reasons. See Findings of Fact and Opinion in Docket 187A.

In summary, Lake Road, in its decade of operation, has not commercially operated on distillate fuel oil for reliability reasons. There have been rare occasions where the unit ran on fuel oil for economic purposes. Currently, fuel oil is approximately five times the price of natural gas delivered to the plant. Given current conditions and projections for the natural gas supply and price, Lake Road does not foresee operating on fuel oil anytime in the near future.

Decommissioning Unit 1 for operation on fuel oil will allow Unit 1 to operate more reliably on natural gas and will significantly reduce operating costs. However, Lake Road will not be removing any of the oil-firing infrastructure from the facility. Unloading equipment, storage tanks and piping will remain in place. Turbine components and software that facilitate oil-firing will be kept on-site and the air permits will be maintained to allow for operation on fuel oil. Lake Road

anticipates that if it became necessary to operate on fuel oil for either reliability or economic purposes, at our discretion, Unit 1 could be readied to do so in approximately fifteen (15) days.

Based on the foregoing and pursuant to Conn. Gen. Stat. § 4-181a(b), Lake Road respectfully requests that the Council approve the decommissioning of Unit 1 for immediate operation on fuel oil and revise Condition 1(c) in the Decision and Order in Docket No. 189 to read as follows:

(c) The project shall operate on natural gas. Lake Road may recommission the backup distillate fuel oil system if warranted by future conditions.”

Finally, the names, addresses and telephone numbers of the persons to whom correspondence or communications in regard to this proceeding are:

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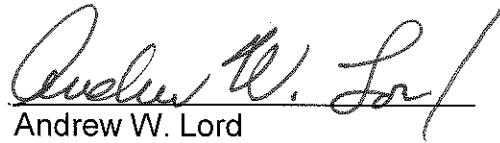
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Respectfully submitted,

Lake Road Generating Company, L.P.

By:


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