

A green-tinted photograph of a city skyline, likely New England, viewed from across a body of water. The sky is filled with white clouds. The buildings are of various heights and styles, including a prominent clock tower on the right. The water in the foreground is calm with some small boats visible.

New England Independent Transmission Company, LLC

Green Line Project

Presentation to the NEPOOL Participants Committee

January 5, 2007

Introduction to New England Independent Transmission Company, LLC (NE-ITC)

- Introductory Remarks
- Green Line Project Overview
- NE-ITC FERC Filing
- Project Principals and Team Members
- Project Investors
- Transmission Project Experience
- Conclusion

Introduction

- Green Line responds to ISO-NE reliability needs forecast for 2013. Addresses:
 - Resource Adequacy
 - Fuel Diversity
 - Transmission Congestion
- NE-ITC has petitioned FERC for a Declaratory Order on:
 - Its independence
 - Its capability

Green Line Description

- NE-ITC proposes the Green Line for review by ISO-NE
 - 500 kV Direct Current submarine cable ~140 miles.
 - AC/DC converter stations constructed at each end.
 - Transmits up to 660 MW of power.
 - Northern connection is to Maine Yankee 345 kV substation in Wiscasset.
 - Southern connection is to the K Street 345 kV substation in South Boston.

NE-ITC FERC Filing

- Filed Petition for Declaratory Order December 4, 2006.
- FERC Docket No. EL07-21-000.
- Request finding on independence criteria and capabilities.
- Comment Period extended per NEPOOL request and NE-ITC agreement until January 10, 2007.

NE-ITC Managers and Investors

- NE-ITC Principals

- Ed Stern, CEO and Ed Krapels, Chairman

- Stern is CEO of Neptune RTS, Krapels is founding partner of Neptune

- NE-ITC Investors

- EIF Green Line, LLC, is an affiliate of the Energy Investors Funds, founded in 1987. Over \$2.5 billion in capital deployed in five private equity funds focused primarily on the U.S. power market... offices in Massachusetts, New York, and California.

- Starwood Energy Investors IV, LLC ...affiliate of Starwood Capital .. over 300 transactions investing ~\$5 billion of equity capital in transactions representing approximately \$14 billion.

- Catamount Management Corporation represents the John A. Kaneb Family, whose strong ties to New England include ownership of HP Hood and partnership in the Boston Red Sox.

Capabilities

- Project principals bring innovation and competition to transmission development
 - Stern and Krapels principals in the Neptune HVDC project
 - Krapels is founding partner and Stern is CEO of Neptune RTS
 - Stern, Krapels and partners were selected in November 2006 by the New York Power Authority (NYPA) for a second HVDC project – the Hudson Transmission Project – between New Jersey and W49th St in New York City.
- Green Line team members
 - Equipment: Siemens (converter stations); Prysmian (cable manufacturing and installation).
 - Legal team: Curtis Thaxter (Maine), Keegan Werlin (Massachusetts), Skadden Arps (corporate), Pillsbury Winthrop (FERC).
 - Financial advisors: Wachovia.
 - Environmental permitting: ESS.
 - Other Green Line team members to be selected as project moves forward

Experience

- Experience in Project Development
 - Neptune Project
 - 660 MW HVDC Project with 65 miles of cable between AC/DC converter stations in New Jersey and Long Island, including 51 miles of cable under the Atlantic Ocean.
 - Hudson Transmission Project
 - Back-to-back HVDC converter in Ridgefield New Jersey with 345 kV AC line running under the Hudson River to Con Edison's West 49th Street Substation.
- Experience in Project Management
 - Neptune RTS has negotiated Neptune project protocols for integration into PJM and NYISO grids
 - The transmission line itself will be operated by the RTO
- Experience in Transmission Operations
 - Neptune Project Manager, Ernie Griggs, former manager of 2,000 MW Hydro-Quebec NE Intertie (Sandy Pond Project)
 - Neptune RTS will commence operation in Summer 2007
 - Green Line to operate pursuant to operational control of ISO-NE

The Neptune Project

- The Problem

- Long Island electrical isolation...
- Growing load and difficulty/cost siting power plants created an impending reliability crisis
- PJM had ample power but no connection to Long Island

- The Solution

- LIPA conducted a competitive RFP for solutions
- Of more than 20 responses, LIPA chose Neptune to maintain reliable delivery of power to its customers
- LIPA has stated Neptune will save LI ratepayers more than \$1.3 Billion



Neptune Project – Current Status

- Construction commenced Summer 2005 -- currently on schedule and on budget. Operational Summer 2007.
- Simultaneous construction of HVDC converter stations and installation of cable in-ground and undersea.
- Technology and construction by consortium of Siemens Power Transmission and Distribution (converter stations) and Prysmian Cables & Systems (power cable).



Architect's rendering, Sayreville, NJ Converter Station



Prysmian cable installation vessel Giulio Verne



Cable reel off-loading, September 2006



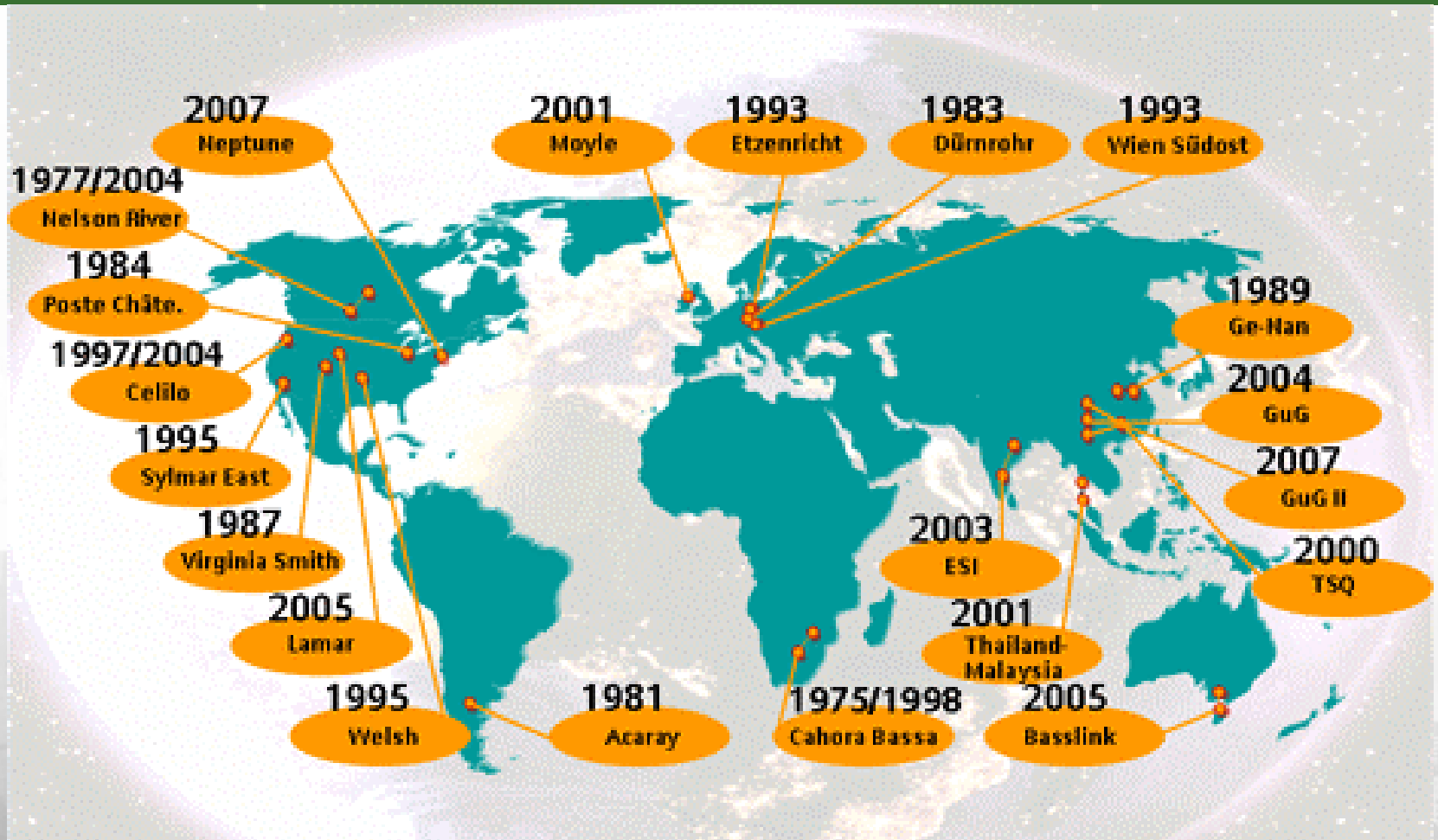
Long Island converter station under construction, August 2006

The Hudson Transmission Project

- The Problem
 - NY City electrical isolation...
 - Growing load and difficulty/cost siting power plants created an impending reliability crisis
 - PJM had ample power but limited transmission to NYC
- The Solution
 - NYPA conducted a competitive RFP for solutions
 - Of more than 20 responses, NYPA chose Hudson to maintain reliable delivery of power to its customers (NY Metro, public housing, port authority)
- Transmission solutions for urban reliability problems



Siemens HVDC Projects



Conclusions

- Green Line will improve reliability in New England
- NE-ITC's FERC Petition: Declaratory Order on its independence and capability
- NE-ITC Principals and Investors are independent
- NE-ITC Principals and Associates have Transmission Project Planning, Finance, Development, Construction, Market Integration and Operational Experience
- Green Line Project Overview: Evaluation of how Green Line meets New England reliability requirements to be determined by ISO-NE's RSP process