

# COM Electric

Commonwealth Electric Company  
2421 Cranberry Highway  
Wareham, Massachusetts 02571  
Telephone (508) 291-0950

September 17, 1992

Honorable Rosemary S. Tierney  
Mayor of New Bedford  
City of New Bedford  
133 William Street  
New Bedford, MA 02740

Dear Mayor Tierney:

This is in reply to your letter of September 3, 1992 and our meeting on September 14 in your office.

As of October 1, 1992, the Company is planning to put the Cannon Street Station in the Deactivated Reserve Status meaning the plant in New Bedford will be shut down until further notice. A number of factors have led to the closing of Cannon Street. The Cannon Street generating units have operated minimally in recent years and from January 1, 1992 to August 31, 1992, each of these generating units has not run more than 476 hours or more than 35 days. It is likely that the need for these units will not increase in the next few years as the electricity demand in the region, resulting from the economic recession, has been reduced. The closing of the plant will significantly reduce Commonwealth Electric Company's operating and maintenance costs which helps delay the need for any rate increases.

As part of a continuing effort to reduce costs and maintain optimum staffing levels, we have eliminated a total of eighty-six positions across the System which have affected both bargaining unit and non-union employees. It was a very difficult decision. The Company realizes the traumatic effect this has on employees; however, through our open job posting process, every attempt will be made to offer qualified employees an opportunity to be reassigned in the System, including our Canal Electric Company Plant.

Under normal conditions, the City of New Bedford enjoys highly reliable service. The two 115 kilovolt cables, encased in steel pipes, that supply electricity to the city have never failed. The reliability of electric supply to the City of New Bedford is typical of or better than the reliability to the load supplied to other areas of the Commonwealth Electric Company and, in fact, similar to the reliability provided by electric companies across the nation. Two 115 kilovolt supply sources, each capable of carrying the City of New Bedford's load, are considered an adequate reliability of supply. In the information supplied to you by some of our Union personnel, there was a glaring omission. They evidently didn't realize that we can supply over 40 megawatts of New Bedford load even without both 115 kV cables. We can do this via seven 13 kV lines.

The New Bedford load at its peak, in the next few years, can approach 75 megawatts. We can easily supply this with the loss of one of the 115 kV cables. In the case of a highly unlikely double contingency, i.e. the loss of both steel encased 115 kV cables, procedures have been developed to supply electricity to all essential services in the City of New Bedford and a major portion of the residential and commercial load. We would have to drop certain industrial customers until repairs can be made.

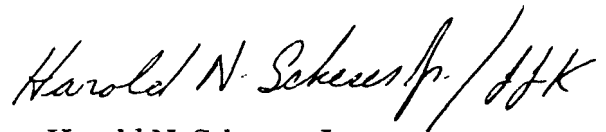
Electrical systems are designed on the basis of the probable occurrence of a problem. For example, the industry can not guarantee that all of New England will never suffer a blackout. However, the probability is very low that that would happen.

I have worked for three companies in the industry in my career, and the electrical service to New Bedford is consistent with the reliability I have seen provided in similar situations in all those companies. I don't see New Bedford as unfavorably compared to other communities in terms of electric supply reliability.

I have attached a sketch showing the situation in a pictorial fashion and I hope this information is helpful to you.

Please be assured that we are equally concerned about the quality and reliability of electric service to the New Bedford area since our Company's future is in large part tied to the area. Of course, our people also live and work in the community.

Sincerely,



Harold N. Scherer, Jr.  
President and  
Chief Operating Officer

HNS:lc

Attachment

cc: William G. Poist  
Robert E. Healey  
Senator William Q. MacLean, Jr.  
Representative Joseph B. McIntyre  
Representative Antonio F.D. Cabral  
Representative Robert M. Koczera  
John Moore - Moore & Isherwood