



northern
maine
medical
center

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OLRS RECEIVED

DEC 30 2014

December 23, 2014

Larry Carbonneau
Licensing and Regulatory Services
State House Station # 11
41 Anthony Avenue
Augusta, Maine 04333

Dear Larry:

Forest Hill wishes to tie into Northern Maine Medical Center's (NMMC) biomass boiler system to reduce its heating and domestic hot water costs by utilizing energy from wood burning boilers rather than its current oil dependent heating system. NMMC has excess capacity in its new biomass system sufficient to heat and provide domestic hot water to all owned buildings in close proximity to its main hospital. NMMC is contemplating connecting all of its nearby buildings to the main hospital boiler plant and Forest Hill is located furthest.

In accordance with Principles of Reimbursement for Nursing Facilities 44.2.4, we believe this project is a reasonable Energy Efficient Improvement and are seeking prior approval for this Forest Hill expenditure in writing from the Department since the total expenditures to connect Forest Hill to NMMC will exceed \$25,000.

The total project costs to connect all buildings are preliminarily estimated at \$476,964 with total annual energy savings costs at \$70,000. We are working with engineers to obtain a more detailed project estimate that will further identify costs by building connection.

It is our intent to finance this project with a 7 year loan either provided by or guaranteed by Rural Development. We would also like permission to accelerate the depreciation related to Forest Hill's portion of this project over a 7 year life.

Our ability to move forward with this project is dependent on your approval that the project is a Forest Hill energy efficient improvement and that we could accelerate the related depreciation over 7 years, which would also be the term of our financing.

Larry Carbonneau
December 23, 2014
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Please contact me at 207-834-1820 or cindy.daigle@nmmc.org if you require any additional clarification or information in order to respond to our request. Thank you in advance for your consideration.

Respectfully,

A handwritten signature in cursive script that reads "Cindy Daigle".

Cindy Daigle
Chief Financial Officer

cc: Herb Downs