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July 7, 2016

RE: DE 11-250 and DE 14-238; Public Service Company of New Hampshire d/b/a Eversource Energy, Order No. 25,920

To the Parties:

Enclosed is revised page 73 of Order No. 25,920 (July 1, 2016). On line 5, "Exh. At 4. See also Tr. 2/3/6 A.M. at 28-29" has been changed to "Id. at 4; see also Tr. 2/3/16 A.M. at 28-29."

All other portions of this order remain unchanged. Please substitute the enclosed revised page to your copy of Order No. 25,920.

Very truly yours,

D. L. A. Landa L

Debra A. Howland Executive Director

Enclosure

cc: Service List Docket File DE 11-250 DE 14-238 Revised 07/07/16

energy market for some portion of its daily energy transactions does not mean that real-time market prices constitute its avoided costs for purposes of PURPA purchases. Exh. L at 3. Mr. Norman testified that at a minimum, because QF purchases are being used to offset Eversource's default service load, 90 percent of the market price should be set at the day-ahead price and 10 percent at the real-time price. *Id.* at 4; *see also* Tr. 2/3/16 A.M. at 28-29.

At hearing, Mr. Norman testified that for the full calendar year 2015, the average ISO-NE real-time energy prices were 4.51 percent less than the average day-ahead energy prices.

Tr. 2/3/16 A.M. at 13-14; Exh. YY. He also supplemented his testimony, pointing out that "[Eversource's] average generating costs in 2015 were 6.71 cents/kWh, while the average [real-time New Hampshire] energy price for the same period was 4.02 cents/kWh." *Id.* at 14-16; Exh. YY. Under cross-examination, Mr. Norman admitted that the 6.71 cents/kWh 2015 average generating costs for Eversource represents the arithmetic average of the values shown on Exh. II for Eversource's "Total Self Generating Costs" during the first and second six-month periods of the year, as opposed to the arithmetic average of its "Fossil Energy Costs" for those periods, which would be 2.775 cents/kWh. *Id.* at 36-38.

Mr. Norman also drew a distinction between two different time periods, both of which would be covered by the relevant 2015 Settlement Agreement sections, the hybrid period and the period following divestiture which he referred to as the "generic period." Exh. K at 5-6.

Mr. Norman maintained that Section III.C. of the 2015 Settlement Agreement does not limit the use of ISO-NE market prices as Eversource's avoided costs to just the hybrid period, but would apply to both time periods and result in QF power purchases made at ISO-NE market prices during the generic period as well. *Id.* at 13. Mr. Norman noted that Section III.B. of the 2015 Settlement Agreement specifies that Eversource will acquire power to meet its default service

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Docket #: 14-238-1 Printed: July 08, 2016

DE 14-238

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