



**Public Service  
of New Hampshire**

**CONFIDENTIAL  
MATERIAL  
IN COMM FILE**

PSNH Energy Park  
780 North Commercial Street, Manchester, NH 03101

Public Service Company of New Hampshire  
P.O. Box 330  
Manchester, NH 03105-0330  
(603) 669-4000  
www.psnh.com

The Northeast Utilities System

November 4, 2010

Ms. Debra A. Howland  
Executive Director & Secretary  
State of New Hampshire  
Public Utilities Commission  
21 S. Fruit Street, Suite 10  
Concord, NH 03301-2429

Re: Docket No. DE 10-195 - Laidlaw PPA

Dear Ms. Howland:

Enclosed for filing with the Commission pursuant to Puc 203.08(d) are PSNH's responses and attachments to the following discovery requests from the NHPUC Staff:

Q-STAFF-03-011

PSNH has a good faith basis for seeking confidential treatment of the attachments to these responses and will be filing a Motion for Confidentiality of such attachments prior to the commencement of the hearing in this proceeding. PSNH is filing both the responses (which are not confidential) and the attachments (for which confidential treatment will be sought), and has marked "Confidential" on those pages for which confidential treatment will be sought.

In accordance with Puc 203.08(f), PSNH is providing seven copies of the attached documents.

Very truly yours,

Richard C. Labrecque  
Manager  
Supplemental Energy Sources

cc: Suzanne Amidon  
Ken E. Traum



Witness: Richard C. Labrecque  
Request from: New Hampshire Public Utilities Commission Staff

**Question:**  
Ref. PSNH Confidential Response to Staff 1-15. Did PSNH update its cash flow analysis to reflect alternative pricing proposals including the prices in the proposed PPA? If the answer is yes, please provide copies of those analyses and state the conclusion that PSNH reached based on the results of each analysis. If the answer is no, explain why not.

**Response:**  
Pursuant to Rule Puc 203.08(d), PSNH has a good faith basis for seeking confidential treatment of the attachment to this response, and, intends to submit a motion for confidential treatment regarding such document at or before the commencement of the hearing in this proceeding.

The attachment to this response contains two additional cash flow analyses. Pages 2 and 3 relate to the final pricing terms in the proposed PPA. Pages 4 and 5 relate to an interim proposal in which the REC prices in years 16 - 20 were different than in the final PPA. The analyses were not the basis for any conclusions, but were used to inform additional PPA negotiations.

Note: PSNH would like to point out a potentially misleading statement in the response to STAFF-01, Q-STAFF-015. The attachment to that response contains two cash flow analyses, neither of which relate to a pricing scenario that "ultimately became what was presented in the final PPA". The analysis on Page 2 of 9 to Q-STAFF-015 relates to a purely hypothetical pricing structure that was never an actual proposal for either party to consider in the negotiations. The analysis on page 8 of 9 is very similar to the final PPA pricing structure, but includes different REC prices in years 16 - 20.

PSNH also notes that the analyses attached hereto differ from those attached to STAFF-01, Q-STAFF-015 in regard to the assumed wood prices. The STAFF-015 analyses escalated the assumed Year 1 wood price by an assumed CPI. The analyses attached to this response index the Year 1 wood price by the year-to-year change in the NYMEX natural gas forward market prices from Aug 14, 2008 (shown below).

NYMEX (\$/Mbtu)	
2009	9.11
2010	9.17
2011	8.89
2012	8.64
2013	8.45
2014	8.43
2015	8.56
2016	8.67
2017	8.78
2018	8.90
2019	9.04
2020	9.22