

ORIGINAL	
N.H.P.U.C. Case No.	DG 14-380
Exhibit No.	54
Witness	Panel 1
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1 A simple breakeven analysis of the NED Project can be used to demonstrate the
 2 conditions under which the NED Project would be cost effective. This analysis is based
 3 on the actual volumes purchased and prices paid by EnergyNorth at Dracut or the
 4 EnergyNorth citygate in 2013/14 and 2014/15. As shown in Table 8 below, this analysis
 5 demonstrates that the NED capacity would have been cost effective at an average natural
 6 gas price at Wright of \$14.79 per Dth in 2013/14 and \$8.08 per Dth in 2014/15.

Table 8: NED Production Area Purchases Breakeven Price

	NED Demand Charges	Dracut Purchases (Dths)	Dracut Purchases (\$)	TGP Demand Charges	Average Cost of Supply (\$/Dth)	Prod. Area Breakeven Price (\$/Dth)
Winter 2013/14			\$54,290,437	\$5,475,000		\$ 14.79
Winter 2014/15			\$39,783,909	\$5,475,000		\$ 8.08

7 Neither of these calculations account for capacity mitigation revenues which would only
 8 increase the breakeven price by reducing the net cost of the NED capacity. Even so, the
 9 large spike in basis to the New England market can quickly overwhelm the breakeven
 10 prices. As shown in Figure 5 below, the Dracut price in each of the last three winters has
 11 experienced large price increases that exceeded historical expectations.