

NH PUC Docket No. DE 10-261
Conservation Law Foundation Responses to
PSNH Data Requests, Set 1

ORIGINAL	
N.H.P.U.C. Case No.	DE 10-261
Exhibit No.	PSNH #7
Witness	Panel #3
Date of Response: September 2, 2011 / FROM FILE	

Date of Request: August 15, 2011

Date of Response: September 2, 2011 / FROM FILE

Q-PSNH-2. Please provide all workpapers and other supporting information for the testimony of witness Douglas Hurley, and the attached report "Economic Analysis of Schiller Station Coal Units" authored by David White, Douglas Hurley, and Jeremy Fisher, relied on in support of that testimony. Please describe the methodologies used to conduct the analyses in the Synapse report and any other methodologies you considered using. To the extent that the material exists in electronic form, please provide electronically, and to the extent that any spreadsheets or other models are used, please provide executable versions with all formulas intact.

Witness: Douglas Hurley

Response: CLF objects to this data request on the grounds that the model used by Synapse Energy Economics in producing the study, "Economic Analysis of Schiller Coal Station Units" is proprietary confidential business information (CBI) which, if released, would cause significant financial harm to the company. Thus, the request for an executable version of the model requests CBI.

Subject to and without waiving this objection, the outputs from that model are provided in the report pages 11-14. The sources for the inputs to that model are detailed in section 2, pages 4-6 and section 4, page 10 and, as indicated, were obtained from publicly available sources. Generally, the model used for the study can be described as a discounted cash flow model based on fixed and variable costs for the units using FERC Form 1 Schedule 402 data filed by PSNH, and with expected wholesale market revenues based on the publicly available 2011 Avoided Energy Supply Costs in New England Report. Undepreciated plant values were derived from PSNH's responses to data requests in this docket and we assumed a return on rate base as provided in Exhibit 5. We then varied those costs for scenarios as described in the report. As set forth in the report, one of our sensitivities used the same market revenue assumptions relied upon by PSNH in the Newington CUO.

As can be seen in Exhibits 3-5 of that report, our methodology was to compute the sum of numerous standard expenses, include an estimate of annual return on rate base, and compare against expected revenues to produce a net cash flow. All values were projected out over a reasonable planning period; in this case, ten years. The changes to the reference case shown in Exhibit 5 for various sensitivities are described in Section 1, pages 3-4.