From: Gerald M. Eaton/NUS
To: RLC@levitan.com
Cc: Erica L. Menard/NUS@NU, Stephen R. Hall/NUS@NU, Terrance J. Large/NUS@NU

Date: Wednesday, June 01, 2011 11:08AM
Subject: Levitan Discussion Agenda

History: This message has been forwarded.

Richard:

Enclosed is the proposed agenda supplied by Ed Arnold and George McCluskey. As the cover note surmises, you should understand their "shorthand". Please be in touch with me or Erica if the attachment doesn't makes sense.

Please also confirm your address is at 100 Summer Street. What floor are you on, and what time will you be ready to receive our visitors?

I will communicate separately about the Confidentiality and Non-Disclosure Agreement.

Jerry Eaton, Senior Counsel
Public Service Company of New Hampshire
Energy Park, 780 North Commercial Street
P. O. Box 330
Manchester, New Hampshire 03105-0330
Tel. (603) 634-2961
Fax. (603) 634-2438
eatongm@nu.com

----- Forwarded by Gerald M. Eaton/NUS on 06/01/2011 11:01 AM -----

From: "Speidel, Alexander" <Alexander.Speidel@puc.nh.gov>
To: Gerald M. Eaton/NUS@NU, Stephen R. Hall/NUS@NU
Cc: <edward.arnold@jacobs.com>, "McCluskey, George" <George.McCluskey@puc.nh.gov>
Date: 06/01/2011 10:14 AM
Subject: Levitan Discussion Agenda

Jerry and Steve,

I have attached our Agenda for the Friday meeting at Levitan's in Boston, with Ed Arnold, George McCluskey, and myself in attendance on behalf of NHPUC. The items are in shorthand that should be understood by Levitan's people when you send it along today, please let me know if there any ambiguities that need resolution.

Also, the top of the Agenda indicates the time needs estimates for our tasks for the day. **Please let us know as to what time that morning we can arrive at Levitan's offices. Also, please note that we aren't bringing any data files of our own for analysis; instead, as you can see in the Agenda points, George and Ed want to have access to Levitan's own actual data inputs used in the analysis.**

Please confirm these items, and let us know about the progress in getting the outstanding data-request-response items to us in advance of Friday.

Many thanks, Alex

Alexander F. Speidel, Esq.
Staff Attorney/Hearings Examiner
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, New Hampshire 03301-2429
(603) 271-6016
Alexander.Speidel@puc.nh.gov

(See attached file: Levitan Agenda.Staff.docx)

Attachments:

Levitan Agenda.Staff.docx

Agenda for Friday, June 3rd

1. **A brief Q&A on basic Model Structure and Function: 60 minutes**
2. **Some Questions on Model Inputs: 2 to 3 hours**
3. **Setting up for a Model Back-casting Run (see list below): 1 to 2 hours**

Model Back-Casting Exercise (checklist)

Goal: See if the model will arrive near 2010 actuals using 2010 actual data for prices, etc. Use the existing probability shaping philosophy. The mean of a P-dist should be the historical yearly average value.

1. Ensure current version of model and inputs produces the results reflected in April 26, 2011, in revised filing.
2. We will conduct back-casting exercise for 2010. We will run only one year
3. We want to go all the way through to financial model (to evaluate the Monte Carlo function that is part of the Financial Model).
4. **All the following inputs to be developed by LAI or PSNH**:
    a. Average historical monthly fuel prices for natural gas, RFO and 2FO for the period in question
    b. The natural gas prices should be based on Henry Hub prices, but adjusted using the calculated monthly basis differentials for Dracut.
    c. The RFO and 2FO prices, however, should be at NYH. (Although we feel that the NYH prices should be adjusted to Portsmouth, the backcasting exercise should be based on LAI's assumptions not Staff's.)
    d. Set up ST and LT stochastic parameters as per 2010 actuals.
    e. Use actual average monthly energy prices at MassHub (probably from ISO-NE). These prices would be adjusted by shaping factors to create on-peak and off-peak monthly prices. These prices are then adjusted by the historical basis differentials between MassHub and the Newington node. Basis differential are calculated separately for on-peak and off-peak products by month. This is the so-called NYMEX method.
    f. Use actual Monthly Elasticity parameters
    g. Use actual emissions allowance prices for SO_2, NO_x and CO_2 for the period in question.
    h. Use the heat rates that are currently in the Dispatch Simulation Model (to be discussed).
    i. Use actual outages (to be discussed).
    j. Use actual capacity prices

Use of output

We will compare expected *yearly average* to back-casted yearly average, for

a. energy expense
b. energy , capacity revenues
c. dispatch hours
d. generation
e. number id starts
f. fuel consumption
g. emissions levels
h. capacity factor
i. service factor