

VIA HAND DELIVERY AND EMAIL

March 6, 2014

Debra Howland
Executive Director & Secretary
New Hampshire Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, New Hampshire 03301-7319

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**Re: Docket IR 13-020, Public Service Company of New Hampshire
Investigation into Market Conditions, Default Service Rate, Generation Ownership
and Impacts on the Competitive Electricity Market
*Update of Schiller Coal Unit Economic Analysis***

Dear Ms. Howland:

Enclosed for the Commission's consideration is an update to "Economic Analysis of Schiller Station Coal Units," a July 2011 Synapse Energy Economics report on the economics of the coal units at PSNH's Schiller Station. Conservation Law Foundation filed the original report with accompanying testimony in Docket No. DE 10-261 and again for the Commission's consideration in this docket by letter dated June 28, 2013. The Commission has indicated that, while it did not specifically consider the economics of the Schiller coal units in DE 10-261 and waived certain least-cost planning requirements that apply to PSNH generation assets, it would consider such economic matters in this docket. *See* Order 25,459 (Jan. 29, 2013), at 21; Order 25,545 (July 15, 2013), at 5; Letter Accepting Newington CUO Study, DE 10-261 (Jan. 10, 2014).

The enclosed update further confirms the conclusions of the June 2013 Staff Report and highlights the economic impact of upcoming air emissions requirements on the Schiller coal units. Using the most recent data and a range of conservative assumptions, Synapse projects substantial financial losses from continued operation of the Schiller coal units.

Thank you for your attention to this matter.

Sincerely,



N. Jonathan Peress

Enclosure

cc: Service List

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