



**Public Service
of New Hampshire**

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

ORIGINAL	
N.H.P.U.C. Case No.	DE 10-261
Exhibit No.	PSNH # 2
Witness	Panel #1
DO NOT REMOVE FROM FILE	

April 26, 2011



Debra A. Howland
Executive Director and Secretary
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, New Hampshire 03310-2429

Re: Docket No. DE 10-261 – PSNH 2010 Least Cost Integrated Resource Plan

Dear Secretary Howland:

During the course of discovery in PSNH's Least Cost Integrated Resource Plan proceeding, several errors in PSNH's September 30, 2010 initial filing in the docket were brought to PSNH's attention. In order to correct these errors, PSNH is filing seven copies of corrected pages to the initial filing along with "redlined" pages showing the changes that were made. PSNH is also providing a CD containing an electronic version of this filing.

The changes to the filing are as follows:

- Pages 44, 49, 54, 56, 57, 60 and 80 from Section IV – Demand Side Management: Several editing changes were made to correct references to section numbers and to correct other typographical errors. Copies of these revised pages were previously provided to all of the parties at the March 30, 2011 technical session.
- Pages 187, 188, 218, 224, 226 – 232 and 235 from Appendix G – Newington Station CUO Study: Levitan identified and corrected three issues. Levitan discovered two problems in model calculations and one incorrect input assumption that resulted in incorrect energy prices. First, the function for translating daily spot gas prices into energy prices lacked calibration to control for prediction errors based solely on the statistical market heat rate elasticity parameters. This problem resulted in spark spreads that were too small or too large as the stochastic gas prices departed farther above or below the initial forward prices. Second, incorrect implementation of the specified method for calculation of historical hourly shaping factors to apply to the daily index energy prices also resulted in spark spreads that were too

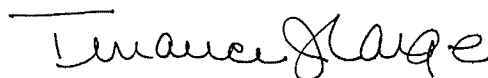
Debra A. Howland
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small at times and too large at other times. Third, Newington's heat rates were under-estimated. One reason for this error was that PSNH's cubic polynomial data underestimated heat rates with Newington burning oil by up to 6% at low operating levels and up to 3% at high operating levels. A second reason was that Levitan had not included 1% higher heat rates for Newington operating on gas. To correct these errors, Levitan revised the model to linearly interpolate the heat rate table values for operation on oil and gas provided in response to a Technical Session question. To correct these errors, Levitan revised its model to include the correct calculations. The revised pages indicate the results due to the model revisions.

Please replace the existing pages from the September 30, 2010 filing with the corrected pages attached hereto.

Electronic copies of this filing have been provided to the Office of Consumer Advocate and to the persons on the attached service list, pursuant to Puc 203.02.

Very truly yours,

A handwritten signature in black ink, reading "Terrance J. Large". The signature is written in a cursive, flowing style with a horizontal line extending from the top of the first letter.

Terrance J. Large, Director
Business Planning and
Customer Support Services

Enclosures
cc: Service List

EDWARD ARNOLD
JACOBS CONSULTANCY
525 WEST MONROE STE 1350
CHICAGO IL 60661
edward.arnold@jacobs.com

RACHEL A GOLDWASSER
ORR & RENO PA
PO BOX 3550
CONCORD NH 03302-3550
rgoldwasser@orr-reno.com

CHRISTINA MARTIN
OFFICE OF CONSUMER ADVOCATE
21 SOUTH FRUIT ST STE 18
CONCORD NH 03301
christina.martin@oca.nh.gov

CATHERINE CORKERY
NH SIERRA CLUB
40 N MAIN ST 2ND FLR
CONCORD NH 03301
catherine.corkery@sierraclub.org

DORENE HARTFORD
CONSERVATION LAW FOUNDATION
27 NORTH MAIN ST
CONCORD NH 03301
dhartford@clf.org

HOWARD M MOFFETT
ORR & RENO PA
1 EAGLE SQ
PO BOX 3550
CONCORD NH 03302
hmoффett@orr-reno.com

ARTHUR B CUNNINGHAM
LAW OFFICES OF ARTHUR B CUNNINGHAM
PO BOX 511
HOPKINTON NH 03229
gilfavor@comcast.net

MEREDITH A HATFIELD
OFFICE OF CONSUMER ADVOCATE
21 SOUTH FRUIT ST STE 18
CONCORD NH 03301
meredith.a.hatfield@oca.nh.gov

ANGELA O'CONNOR
NEW ENGLAND POWER GENERATORS ASS
141 TREMONT ST 6TH FLR
BOSTON MA 02111
aoconnor@nepga.org

KRISTI L DAVIE
PUBLIC SERVICE COMPANY OF NEW HAMF
PO BOX 330
MANCHESTER NH 03105
daviekl@nu.com

SANDI HENNEQUIN
NEW ENGLAND POWER GENERATORS ASS
141 TREMONT ST
BOSTON MA 02111
shennequin@nepga.org

DOUGLAS L PATCH
ORR & RENO PA
ONE EAGLE SQ PO BOX 3550
CONCORD NH 03302
dpatch@orr-reno.com

ALLEN DESBIENS
PUBLIC SERVICE COMPANY OF NEW HAMF
780 N COMMERCIAL ST
PO BOX 330
MANCHESTER NH 03105-0330
desbiam@psnh.com

MELISSA HOFFER
CONSERVATION LAW FOUNDATION
27 N MAIN ST
CONCORD NH 03302
mhoffer@clf.org

N JONATHAN PERESS
CONSERVATION LAW FOUNDATION
27 NORTH MAIN ST
CONCORD NH 03301-4930
njperess@clf.org

GERALD M EATON
PUBLIC SERVICE COMPANY OF NEW HAMF
780 N COMMERCIAL ST
PO BOX 330
MANCHESTER NH 03105-0330
eatongm@nu.com

TERRANCE J LARGE
PUBLIC SERVICE COMPANY OF NEW HAMF
PO BOX 330
MANCHESTER NH 03105-0330
largetj@psnh.com

JAMES T RODIER
ATTORNEY-AT-LAW
1500 A LAFAYETTE RD NO 112
PORTSMOUTH NH 03801-5918
jrodier@freedomenergy.com

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FILING INSTRUCTIONS:

- a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with:**

DEBRA A HOWLAND
EXEC DIRECTOR & SECRETARY
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429

- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.**

- c) Serve a written copy on each person on the service list not able to receive electronic mail.**

MAUREEN SMITH
ORR & RENO PC
PO BOX 3550
CONCORD NH 03302
msmith@orr-reno.com

ERIC STELTZER
OFFICE OF ENERGY AND PLANNING
4 CHENELL DRIVE
CONCORD NH 03301
eric.steltzer@nh.gov

KEN E TRAUM
OFFICE OF CONSUMER ADVOCATE
21 SOUTH FRUIT ST STE 18
CONCORD NH 03301-2429
ken.e.traum@oca.nh.gov

PURSUANT TO N.H. ADMIN RULE PUC 203.09 (d), FILE DISCOVERY

DIRECTLY WITH THE FOLLOWING STAFF

RATHER THAN WITH THE EXECUTIVE DIRECTOR

LIBRARIAN - DISCOVERY
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429

BULK MATERIALS:

Upon request, Staff may waive receipt of some of its multiple copies of bulk materials filed as data responses. Staff cannot waive other parties' right to receive bulk materials.

EDWARD DAMON
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429

THOMAS FRANTZ
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429

GEORGE MCCLUSKEY
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429

STEVE MULLEN
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429

ALEXANDER SPEIDEL
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429

AMANDA NOONAN
CONSUMER AFFAIRS DIRECTOR
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429