

THE STATE OF NEW HAMPSHIRE

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October 25, 2013

Representative David A. Borden, Chairman  
Electric Restructuring Legislative Oversight Committee  
State of New Hampshire General Court  
Concord, NH 03301

Re: Public Service Company of New Hampshire  
Electric Generation Ownership

Dear Representative Borden and Members of the Committee:

We have considered your letter of October 16, 2013 and wish to clarify the type of process and outcome the Commission might provide the Electric Restructuring Legislative Oversight Committee (Committee) given both the February 15 and April 1, 2014 deadlines put forth in that letter.

As a follow-up to the Staff investigation and report on June 7, 2013 in Docket IR 13-020 and the Commission's July 15, 2013 order accepting that report, the Commission is finalizing selection of an outside valuation expert to provide a current valuation of PSNH's electric generation assets. Although it would be a very compressed process, we believe that we could have a third-party valuation of the PSNH assets and a Staff report on an economic interest determination with respect to divestiture of those assets by April 1, 2014, depending on the results of contract negotiations with the valuation contractor.

What we cannot accomplish before April 1, 2014, is to conduct the adjudication required to make a Commission finding concerning whether it is in customers' economic interest for PSNH to divest its generation assets. That adjudicatory process requires time for parties to submit competing expert testimony and evidence, to have discovery on those facts, to rule on discovery disputes, to hold evidentiary hearings and to issue a Commission order. This litigated phase would typically follow the initial staff report and would take six months or more, barring appeals or other similar judicial remedies.

With the above in mind, please provide us with further guidance as to the end product you wish to receive so we can ensure that we fully meet your expectations. In the meantime we will continue to finalize the selection of a valuation expert so that Staff and the consultant can commence the valuation analysis and economic interest analysis.

We appreciate your interest in the Commission's analysis of these matters and are willing to work with you to develop an alternate plan if neither of the options set forth above meet your needs.

Very truly yours,

A handwritten signature in blue ink that reads "Amy Ignatius".

Amy L. Ignatius  
Chairman