

**ATTACHMENT 1**

**CSC Objections**



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**Please respond to the Portsmouth office**

January 3, 2011

**Via Electronic and U.S. Mail**

Robert A. Bersak  
Assistant Secretary & Assistant General Counsel  
Public Service Co. of New Hampshire  
780 N. Commercial Street  
PO Box 330  
Manchester, NH 03105-0330

Re: Petition for Approval of Power Purchase Agreement between  
Public Service Company of New Hampshire and Laidlaw  
Berlin BioPower, LLC; DE 10-195

Dear Attorney Bersak:

Enclosed please find Objections to First Set of Data Requests by PSNH to  
Concord Steam Corporation.

If you have any questions, please contact me.

Very truly yours,

Justin C. Richardson  
jrichardson@upton-hatfield.com

JCR/sem

Enclosure(s)

cc: Service List (w/ enclosure)

**THE STATE OF NEW HAMPSHIRE**  
**before the**  
**PUBLIC UTILITIES COMMISSION**

**DE 10-195**

Petition for Approval of Power Purchase Agreement with  
Laidlaw Berlin BioPower, LLC

**Objections to First Set of Data Requests by PSNH to Concord Steam Corporation**

December 30, 2010

NOW COMES Concord Steam Corporation and Objects to the following data requests pursuant to Puc 203.09.

MR. DALTON

1. Ref. pg. 1, line 15, you stated that CSC has “secured financing commitments for the vast majority of the required investment capital.” What percentage of the required investment capital has been secured? Provide all documents related to the financing of the purchase or construction of CSC’s facility. Please provide details concerning the financing commitments that have been obtained, specifying the sources of the financing, any conditions that must be met for such financing to be provided, the dates that such financing commitments end.

OBJECTION: Concord Steam objects to this data request on the grounds that:

- A. Concord Power and Steam, LLC is not a party to this proceeding under Puc 203.09 (b) and therefore not subject to discovery. Concord Steam Corporation is a separate entity and does not have legal authority to disclose Concord Power and Steam, LLC’s confidential financial information.
- B. The “details concerning the financing commitments” of Concord Power and Steam, LLC and other information requested is confidential financial information that is not subject to disclosure under RSA 91-A:5, Puc 203.08, and Order No. 25,174.
- C. The information requested concerning Concord Power and Steam, LLC is not reasonably calculated to lead to the discovery of admissible evidence in this proceeding.
- D. The information requested concerning Concord Power and Steam, LLC is immaterial to this proceeding within the meaning of RSA 541-A:33, II.

2. Ref. pg. 2, line 9, you stated that your professional experience includes “Development and oversight of numerous electricity market price forecasts across North America, including forecasts for the Independent System Operator of New England (ISO-NE) market in which PSNH participates.” Please provide copies of all such market price forecasts you have developed since 2007 that include the New England market and/or ISO-NE.

OBJECTION: Concord Steam objects to this data request on the grounds that:

- A. The requested market price forecasts are confidential and proprietary information belonging to third parties that are not a party to this proceeding under Puc 203.09 (b) and therefore not subject to discovery.
  - B. The market price forecasts belonging to third parties that have not been publicly disclosed are confidential financial information that is not subject to disclosure under RSA 91-A:5, Puc 203.08, and Order No. 25,174.
  - C. Subject to the foregoing, Mr. Dalton will provide publicly disclosed market price forecasts developed since 2007 that include the New England market and/or ISO-NE.
3. Ref. pg. 2, line 11, you stated that your “price forecasts were used to support generation project development efforts, project financings, regulatory policies, and power procurement efforts.” Please identify the project development efforts, project financing, regulatory policies and power procurement efforts you referenced, from 2005 to present.
  4. Ref. pg. 2, line 14, you stated, “have reviewed numerous electric utility avoided cost estimates and advised clients on the reasonableness of these estimates and the methodologies for developing them.” Please identify the electric utilities and clients referenced in this statement.

OBJECTION: See Concord Steam’s Objection to Request 2, above.

5. Ref. pg. 1, line 12, you stated you have developed “detailed financial pro formas for numerous generation projects.” Please identify the referenced generation projects.

OBJECTION: Concord Steam objects to this request on the grounds that it is overbroad and unduly burdensome. As noted in Mr. Dalton’s testimony, he has provided consulting services to the electric industry in the United States for over twenty five years.

See also Concord Steam’s Objection to Request 2, above.

6. Ref. pg. 3, line 1, you stated that you “have assisted clients in drafting long-term power purchase agreements.” Please identify all such clients.

OBJECTION: See Concord Steam’s Objection to Requests 2 & 5, above.

7. Ref. pg. 3, line 4, you stated that you “have led the negotiations of power purchase agreements.” Please identify the parties involved in all such negotiations.

OBJECTION: See Concord Steam’s Objection to Requests 2 & 5, above.

8. Ref. pg. 4, line 1, you stated that you “testified on behalf of the Vermont Public Service Board (Board) as an independent expert.” Please provide a copy of that testimony, including all exhibits/attachments thereto.

9. Ref. pg. 4, line 20. You refer to “a term sheet submitted by Concord Steam and Power to PSNH.” Would Concord Steam be supplying the energy, RECs and capacity under that term sheet from its existing generating facility, or from its proposed new generating facility? If any of the products to be supplied would be from the proposed new facility, please provide copies of all contracts, agreements, or other arrangements that Concord Steam Corporation has to sell energy, capacity or RECs from that proposed new facility.

OBJECTION: Concord Steam objects to this requests on the grounds that:

- A. Concord Power and Steam, LLC is not a party to this proceeding under Puc 203.09 (b) and therefore not subject to discovery. Concord Steam Corporation is a separate entity and does not have legal authority to disclose Concord Power and Steam, LLC’s confidential financial information.
  - B. The information requested of Concord Power and Steam, LLC is confidential financial information that is not subject to disclosure under RSA 91-A:5, Puc 203.08, and Order No. 25,174.
10. Ref. pg. 5 line 2. Using the same analytical model, what would the after tax return on equity be for the for the Concord Steam and Power proposal. Please prepare and provide a version of Exhibit JCD-4 that models the Concord Steam proposal.

OBJECTION: Concord Steam objects to this request on the grounds that:

- A. This request seeks information from Concord Power and Steam, LLC. Concord Power and Steam, LLC is not a party to this proceeding under Puc 203.09 (b) and therefore not subject to discovery. Concord Steam Corporation is a separate entity and does not have legal authority to

disclose Concord Power and Steam, LLC's confidential financial information.

- B. This request seeks confidential financial information that is not subject to disclosure under RSA 91-A:5, Puc 203.08, and Order No. 25,174.
- C. Concord Steam has already provided public documents responsive to this request

11. Ref. pg 7, line 12. Please provide an electronic version of Exhibit JCD-2 with all formulas intact.

12. Ref. pg. 7, line 18, you stated that "Schiller paid suppliers \$30/ton which was then more than 20% above the then market price for wood fuel." Please provide a listing of what all other biomass generators have paid for wood fuel since Schiller began operation to present.

OBJECTION: Concord Steam objects on the grounds that:

- A. The quotation is not contained in Mr. Dalton's testimony.
- B. The request is overly broad and unduly burdensome as he cannot produce a "listing of what all other biomass generators have paid for wood fuel since Schiller began operation to present."
- C. See Concord Steam's Objection to Request 2.

13. Ref. pg. 8, lines 8-11, please provide support for the statement that a competitive bid process is the most efficient and cost effective process.

14. Ref. pg. 8 lines 9 through 18. Please list any currently operating renewable generation or renewable generation under construction that have PPAs resulting from a competitive RFP solicitation.

OBJECTION: Concord Steam objects on the grounds that this request is overly broad and unduly burdensome and to the extent it calls for information outside of Concord Steam's control.

15. Ref. pg. 8, line 19, you sated, "In a market with significant demand and limited supply, PSNH's customers will be best served by a competitive bidding process where renewable project developers compete for the right to enter into a long-term PPA with PSNH." Does your statement imply that such a competitive bidding process would be less important in a market with limited demand and significant supply? If so, please explain why. If not, why not?

16. Ref. pg. 14, please provide support for the claim that the Laidlaw PPA will increase overall fuel prices and decrease REC prices.
17. Ref. pg. 8, line 9. Please provide an electronic version of Exhibit JCD-3 with all formulas intact.
18. Ref. JCD-4, please provide the same analysis using Concord Power and Steam's pricing structure and project assumptions and resulting IRR.

OBJECTION: See Concord Steam's Objection to Request 10.

19. Ref. pg. 13, line 8. Please provide an electronic version of Exhibit JCD-4 with all formulas intact.
20. Ref. pg 15, line 10. Please provide an electronic version of Exhibit JCD-5 with all formulas intact.
21. Ref. pg. 15, lines 17 – 18. Please provide all studies, documents and analysis you relied on in concluding that the output from Schiller is unlikely to qualify as a Class I REC in Massachusetts.

MR. SALTSMAN

22. Ref. pg. 1, line 12, you stated that the Laidlaw PPA "could cause significant harm to Concord Steam Corporation's ratepayers." Does PSNH provide electric service to the locations of any of the CSC ratepayers referred to?
23. Ref. pg. 2, line 17, you state that the Laidlaw PPA would violate Part II, Article 83 of the New Hampshire Constitution. Did CSC or any of its agents or attorneys prepare a legal brief or other document to substantiate this statement? If so, please provide copies of all such studies.
24. Did CSC petition to intervene in Site Evaluation Committee Docket No. 2009-02?
25. Ref. pg. 3, line 20. How much wood does Concord Steam expect its proposed new facility to use each year?
26. Ref. pg. 4, lines 17-18, what is the reason for the decrease in wood fuel prices paid at the facilities noted?
27. Ref. pg. 4 line 22 through pg. 5 line 6. Please provide the basis and all supporting evidence for the numerous fuel prices noted.
28. Ref. pg. 6, lines 8 – 9. Please provide all documents, studies or analyses you relied on in reaching your conclusion that wood prices will increase to over \$40 per ton as soon as Laidlaw begins stockpiling wood.

29. Ref. pg. 6 line 16, you testify that “Concord Steam expects that the increase in fuel demand caused by Laidlaw will increase the cost of wood to Concord Steam by at least 50% and possibly as much as 100%.” Did CSC prepare, or have prepared on it behalf, any studies that support these expected price increases? If so, please supply copies of all such studies.

OBJECTION: See Concord Steam’s Objection to Request 10.

30. Please provide any and all wholesale market energy price projections and natural gas price projections in the possession of CSC that are not older than 1/1/2008.

OBJECTION: See Concord Steam’s Objection to Request 10.

31. Please provide any and all Forward Capacity Market (FCM) price projections in the possession of CSC that are not older than 1/1/2008.

OBJECTION: See Concord Steam’s Objection to Request 10.

32. Please provide any and all renewable energy certificate (REC) price projections in the possession of CSC that are not older than 1/1/2008.

OBJECTION: See Concord Steam’s Objection to Request 10.

33. Please provide copies of all offers, counter offers, proposals, bids, etc. that are not older than 1/1/2008 made by CSC for the sale of energy, capacity and RECs from its present facility, or from its proposed new facility.

OBJECTION: See Concord Steam’s Objection to Request 10.

34. Please provide on a quarterly or monthly basis the average price of wood (in \$/ton) consumed by CSC since 1/1/2008.

35. Please provide any and all wood price projections in the possession of CSC that are not older than 1/1/2008.

OBJECTION: See Concord Steam’s Objection to Request 10.

36. Please provide any estimates or forecast prices of Massachusetts, Connecticut or Rhode Island Class I RECs in the possession of CSC that are not older than 1/1/2008.

OBJECTION: See Concord Steam’s Objection to Request 10.

37. Provide copies of the models or other analyses or studies and all documents utilized or relied upon by CSC in development of its offer to PSNH contained in

the term sheet referenced and attached to Mr. Dalton's testimony, including but not limited to, models, forecasts and analyses of the electric, capacity, fuel and REC markets.

OBJECTION: See Concord Steam's Objection to Request 10.

38. Ref. pg. 7,. Please provide the monthly average delivered cost of wood at the Concord Steam facility from 2004 through the present.
39. Ref. pg. 8, line 19. Please provide a list of the wood-fired IPPs in New Hampshire who have a power sale contract in place for 2011.

OBJECTION: Concord Steam objects to this request on the grounds that this request calls for documents or information beyond Concord Steam's knowledge or control.

40. Ref. pg. 8, line 19. For the IPPs identified in response to question 4, please describe why those IPPs were able to find a buyer for their output, while others have not.

OBJECTION: See Concord Steam's Objection to Request 39.

41. Ref. pg. 8, line 21, please provide the analysis to support the assumption that many of the IPPs will close their doors as a result of the Laidlaw facility starting up operations.
42. Ref. pg. 10, line 12. Please explain why you consider that Schiller's fuel cost recovery "is not significantly affected by their biomass purchasing practices."
43. Ref. pg. 12, line 8, the testimony describes a price level in which it is uneconomical for Concord Steam to run on wood. What are the assumptions on future wood pricing used to assess the decision to expand the size of the current facility?

OBJECTION: See Concord Steam's Objection to Request 10.

44. Ref. pg. 13, lines 2 – 4. Please provide all documents, studies or analyses you relied on in reaching your conclusion that IPPs will close operations between 2 and 5 years after Laidlaw begins operation.
45. Ref. pg. 13 lines 6 -11. Please provide supporting evidence for you assertion that it is "highly unlikely that any other facility will be built in the near future to help recover this loss".
46. Ref. pg. 13, lines 14 – 18. Please provide copies of the analysis of anticipated net margins for typical IPP biomass projects that you reference, including all

documents you relied on in reaching your conclusion. Please provide hard copies as well as electronic copies of the analysis with formulas intact.

47. Ref. pg. 13, line 21, is it your assumption that PSNH is the only purchaser of Class I RECs in New England?
48. Ref. pg. 13, line 21. Please provide your analysis for the REC demand in New Hampshire as it relates to the quantity produced by the proposed Laidlaw facility. Please show how the Laidlaw facility represents “a majority of the RECs that will be required in the NH REC market place”.
49. Ref. pg. 13, line 21, did Concord Steam look at the projected need for Class I RECs within New England?
50. Ref. pg. 13, line 23, testimony states that the contract with Laidlaw for RECs makes it difficult, if not impossible, for others to compete in the marketplace. Please provide the support for this statement.
51. Ref. .pg. 14, line 4. Please list the renewable projects that have proposed contract “in the range of \$110 - \$115 per MWh”. Please provide copies of the proposals.
52. Why does Concord Power and Steam seek a 20 year fixed price long-term PPA from PSNH?

OBJECTION: See Concord Steam’s Objection to Request 10.

53. Referencing the Term Sheet for Purchase of Power for Concord Power & Steam provided in John Dalton’s testimony, did Concord Power and Steam have any knowledge of the Laidlaw PPA at the time it submitted its proposal?

OBJECTION: See Concord Steam’s Objection to Request 10.

54. Referencing the Term Sheet for Purchase of Power for Concord Power & Steam provided in John Dalton’s testimony, did Concord Power and Steam have any knowledge of any other proposals being submitted to PSNH at the time it submitted its proposal? If so, what level of knowledge was known?

OBJECTION: See Concord Steam’s Objection to Request 10.

55. Referencing the Term Sheet for Purchase of Power for Concord Power & Steam provided in John Dalton’s testimony, please provide the names of companies that Concord Power and Steam provided bids to between 2008 and 2010 and the status of each of the bids.

OBJECTION: See Concord Steam’s Objection to Request 10.

56. Referencing the Term Sheet for Purchase of Power for Concord Power & Steam provided in John Dalton’s testimony, why does Concord Power and Steam seek a 20 year fixed price long-term PPA from PSNH?

OBJECTION: See Concord Steam’s Objection to Request 10.

57. Referencing the Term Sheet for Purchase of Power for Concord Power & Steam provided in John Dalton’s testimony, please provide the wood price forecast and assumptions used to develop the PPA proposal.

OBJECTION: See Concord Steam’s Objection to Request 10.

58. Referencing the Term Sheet for Purchase of Power for Concord Power & Steam provided in John Dalton’s testimony, please provide the Class I REC market forecast and assumptions used to develop the PPA proposal.

OBJECTION: See Concord Steam’s Objection to Request 10.

59. Referencing the Term Sheet for Purchase of Power for Concord Power & Steam provided in John Dalton’s testimony, please provide the Forward Capacity Market forecast and assumptions used to develop the PPA proposal.

OBJECTION: See Concord Steam’s Objection to Request 10.

60. What level of return on equity and internal rate of return is acceptable to Concord Power and Steam?

OBJECTION: See Concord Steam’s Objection to Request 10.

MSSRS. BERTI and DAMMANN

61. Ref. pg. 5, lines 7 – 9. Please provide documentation for your claim that “Schiller almost always pays substantially more for its wood than the other existing wood burning facilities in NH.” Please include any studies, documents or analysis you used in reaching this conclusion.

OBJECTION: Concord Steam objects to this data request on the grounds that:

- A. To the extent that this request asks for confidential and proprietary information belonging to third parties, such as documents related to the prices paid for biomass fuel, Concord Steam does not have the legal authority to disclose information belonging to third parties.
- B. To the extent that this request asks for “studies, documents or analysis” related to the prices paid for biomass fuel that have not been publicly disclosed, the information is confidential financial information that is not

subject to disclosure under RSA 91-A:5, Puc 203.08, and Order No. 25,174.

C. Subject to the foregoing, Concord Steam will provide responses based on public information and the experience of the witnesses.

62. Ref. pg. 5, lines 17 – 20. Please provide copies of any studies, documents or analysis you used in developing your rule of thumb regarding wood procurement.

OBJECTION: See Concord Steam’s Objection to Request 61.

63. Ref. pg. 6, lines 5 – 8. Please provide copies of any studies, documents or analysis you used in reaching your conclusion that existing IPPs had to pay an additional 15% on average for their fuel in 2006 due to Schiller.

OBJECTION: See Concord Steam’s Objection to Request 61.

64. Ref. pg. 7. Please provide the support for the assertion that Schiller paid 20% above the market price for wood during the first year of operation. Provide your assessment of the price Schiller paid in that year, along with all supporting evidence. Please also provide your assessment of the market price in that year, including all supporting evidence.

OBJECTION: See Concord Steam’s Objection to Request 61.

65. Ref. pg. 7. Provide all supporting evidence, calculations, etc. for your assertion that PSNH could have saved “about \$1,000,000 by participating in BCAP”. Explain how loggers could have also “benefited by at least \$1,000,000”.

66. Ref. pg. 8. The testimony refers to “a net burn rate of 1.8 tons/MWh” for the Laidlaw facility. Is it your understanding that this is the actual burn rate for the facility or an estimate?

67. Please provide the “net burn rate” for all wood-fired power plants that are your clients.

OBJECTION: Concord Steam objects to this data request on the grounds that:

A. The information requested is confidential and proprietary information belonging to third parties, including third parties that are not a party to this proceeding under Puc 203.09 (b) and therefore not subject to discovery.

B. The information requested is confidential financial information that is not subject to disclosure under RSA 91-A:5, Puc 203.08, and Order No. 25,174.

68. Please provide, on a quarterly basis since 2006, the average fuel prices paid by each of the wood-fired power plants that are your clients.

OBJECTION: See Concord Steam's Objection to Request 67.

Respectfully submitted,

**CONCORD STEAM CORPORATION,**

By its Attorneys,

**UPTON & HATFIELD, LLP**

Date: January 3, 2010



Robert Upton, II (NHBA #2599)

Justin C. Richardson (NHBA #12148)

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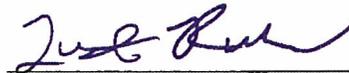
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#### **CERTIFICATE OF SERVICE**

I hereby certify that on this day, a copy of the foregoing was forwarded to all counsel or parties of record for discovery in this proceeding by Electronic Mail.



Justin C. Richardson

**CERTIFICATE OF SERVICE**

I hereby certify that I served an electronic or written copy of this filing to parties on each person identified on the Commission's service list for this docket pursuant to Rule Puc 203.11.



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