

ORIGINAL

N.H.P.U.C. Case No. DE 11-250

Exhibit No. # 59

Witness Frank T Di Palm

Harry Dalton

DO NOT REMOVE FROM FILE

DE 11-250

Public Service Company of New Hampshire
Investigation of Scrubber Costs & Cost Recovery
OCA's Responses to PSNH's Data Requests - Set #1

Date Received: January 16, 2014

Request No.: PSNH 1-23

Date of Response: February 7, 2014

Witness: Matthew Kahal

Request: Page 11, line 16 – You testify “Most important, the electric utility industry at that time was experiencing very rapid cost escalation for major construction projects, particularly those pertaining to coal-fired generation, as the Company noted in its September 2, 2008 status report. For that reason, I believe that PSNH, at a minimum, understood that the \$250 million cost estimate was very uncertain and subject to a potentially large upward revision.” Please specify the time period when you believe that PSNH “understood that the \$250 million cost estimate was very uncertain.”

Response: PSNH either knew or should have known that the original cost estimate was uncertain from the time when the original cost estimate of \$250 million was first determined until the time the much more detailed and precise estimate of \$457 million was developed in early to mid-2008. Moreover, PSNH regarded even the far more carefully prepared \$457 million cost figure as uncertain since it conducted sensitivity case studies using alternative cost estimates.