

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

Exhibit No. # 92

Witness Michael E. Hachey

new
Exhibit

Question:

34. Page 13, Line 18 – You testify about assumptions regarding the forecast price of natural gas.
- a. Please provide all fuel price forecasts relating to the price of coal, oil and natural gas produced by or available to TransCanada from 2005 through 2012.

Answer:

Objection for the reasons set forth in the General Objections above. More specifically, the Companies object to the request on the basis that it is beyond the scope of and not related to the testimony that Mr. Hachey filed in this docket, Mr. Hachey has no knowledge of the information being requested, and providing a response to the data request would either require Mr. Hachey to conduct further research than what he did to prepare and proffer his testimony or it would require the Companies to put forth another witness to respond and substantiate a response. The Companies therefore object to the request as beyond the scope of this proceeding and this witness's testimony in this proceeding; the Companies object to the request on the basis that it is overly broad, unduly burdensome and are not reasonably calculated to lead to the discovery of information that is relevant and admissible in this proceeding; the Companies object to the request on the basis that it seeks confidential and proprietary information from entities that are not a party to the docket. Confidential and proprietary information is protected under RSA 91-A:5 and Commission rules and precedent. The Companies' witness, Mr. Hachey, has no knowledge of the information being requested; the Companies' witness, Mr. Hachey, is asked questions he may not even seek the answer to due to regulated codes of conduct that prevent him from having any access to or knowledge of the information being requested; the Companies object to the request on the basis that it is to an entity that is not a party to the docket; the Companies object to the request on the basis that it seeks information that is irrelevant to this proceeding—a proceeding to determine whether PSNH's actions with regard to a specific investment in a scrubber project in a specific geographic region and market were prudent; and the Companies object to the request on the basis that it is not relevant to the determination of the prudence of PSNH's investment in the scrubber at Merrimack Station and is not relevant to the policy aspects of this docket. (See *Re Investigation into Whether Certain Calls are Local*, 86 NH PUC 167, 168-169 (2001) (where the Commission, based on a recommendation from Staff, required answers to some but not all discovery questions, following an analysis that denied questions that were too narrow or too broad because they were "not relevant to the policy aspect of the docket."))

Question:

34. Page 13, Line 18 – You testify about assumptions regarding the forecast price of natural gas.
- d. Provide any after-the-fact assessment or analyses prepared by TransCanada or consultants for TransCanada that contain an evaluation of such forecasts, including assessments or commentary about their accuracy and methodologies.

Answer:

Objection for the reasons set forth in the General Objections above. More specifically, the Companies object to the request on the basis that it is beyond the scope of and not related to the testimony that Mr. Hachey filed in this docket, Mr. Hachey has no knowledge of the information being requested, and providing a response to the data request would either require Mr. Hachey to conduct further research than what he did to prepare and proffer his testimony or it would require the Companies to put forth another witness to respond and substantiate a response. The Companies therefore object to the request as beyond the scope of this proceeding and this witness's testimony in this proceeding; the Companies object to the request on the basis that it is overly broad, unduly burdensome and are not reasonably calculated to lead to the discovery of information that is relevant and admissible in this proceeding; the Companies object to the request on the basis that it seeks confidential and proprietary information from entities that are not a party to the docket. Confidential and proprietary information is protected under RSA 91-A:5 and Commission rules and precedent. The Companies' witness, Mr. Hachey, has no knowledge of the information being requested; the Companies' witness, Mr. Hachey, is asked questions he may not even seek the answer to due to regulated codes of conduct that prevent him from having any access to or knowledge of the information being requested; the Companies object to the request on the basis that it is to an entity that is not a party to the docket; the Companies object to the request on the basis that it seeks information that is irrelevant to this proceeding—a proceeding to determine whether PSNH's actions with regard to a specific investment in a scrubber project in a specific geographic region and market were prudent; and the Companies object to the request on the basis that it is not relevant to the determination of the prudence of PSNH's investment in the scrubber at Merrimack Station and is not relevant to the policy aspects of this docket. (See *Re Investigation into Whether Certain Calls are Local*, 86 NH PUC 167, 168-169 (2001) (where the Commission, based on a recommendation from Staff, required answers to some but not all discovery questions, following an analysis that denied questions that were too narrow or too broad because they were "not relevant to the policy aspect of the docket."))

Question:

34. Page 13, Line 18 – You testify about assumptions regarding the forecast price of natural gas.
- e. Provide any documents pertaining to how TransCanada believes such forecasts should be conducted.

Answer:

Objection for the reasons set forth in the General Objections above. More specifically, the Companies object to the request on the basis that it is beyond the scope of and not related to the testimony that Mr. Hachey filed in this docket, Mr. Hachey has no knowledge of the information being requested, and providing a response to the data request would either require Mr. Hachey to conduct further research than what he did to prepare and proffer his testimony or it would require the Companies to put forth another witness to respond and substantiate a response. The Companies therefore object to the request as beyond the scope of this proceeding and this witness's testimony in this proceeding; the Companies object to the request on the basis that it is overly broad, unduly burdensome and are not reasonably calculated to lead to the discovery of information that is relevant and admissible in this proceeding; the Companies object to the request on the basis that it seeks confidential and proprietary information from entities that are not a party to the docket. Confidential and proprietary information is protected under RSA 91-A:5 and Commission rules and precedent. The Companies' witness, Mr. Hachey, has no knowledge of the information being requested; the Companies' witness, Mr. Hachey, is asked questions he may not even seek the answer to due to regulated codes of conduct that prevent him from having any access to or knowledge of the information being requested; the Companies object to the request on the basis that it is to an entity that is not a party to the docket; the Companies object to the request on the basis that it seeks information that is irrelevant to this proceeding—a proceeding to determine whether PSNH's actions with regard to a specific investment in a scrubber project in a specific geographic region and market were prudent; and the Companies object to the request on the basis that it is not relevant to the determination of the prudence of PSNH's investment in the scrubber at Merrimack Station and is not relevant to the policy aspects of this docket. (See *Re Investigation into Whether Certain Calls are Local*, 86 NH PUC 167, 168-169 (2001) (where the Commission, based on a recommendation from Staff, required answers to some but not all discovery questions, following an analysis that denied questions that were too narrow or too broad because they were "not relevant to the policy aspect of the docket."))

Question:

34. Page 13, Line 18 – You testify about assumptions regarding the forecast price of natural gas.
- f. Provide any documents pertaining to how methodologies for such forecasts should be revised after-the-fact when predictions are compared to actual prices.

Answer:

Objection for the reasons set forth in the General Objections above. More specifically, the Companies object to the request on the basis that it is beyond the scope of and not related to the testimony that Mr. Hachey filed in this docket, Mr. Hachey has no knowledge of the information being requested, and providing a response to the data request would either require Mr. Hachey to conduct further research than what he did to prepare and proffer his testimony or it would require the Companies to put forth another witness to respond and substantiate a response. The Companies therefore object to the request as beyond the scope of this proceeding and this witness's testimony in this proceeding; the Companies object to the request on the basis that it is overly broad, unduly burdensome and are not reasonably calculated to lead to the discovery of information that is relevant and admissible in this proceeding; the Companies object to the request on the basis that it seeks confidential and proprietary information from entities that are not a party to the docket. Confidential and proprietary information is protected under RSA 91-A:5 and Commission rules and precedent. The Companies' witness, Mr. Hachey, has no knowledge of the information being requested; the Companies' witness, Mr. Hachey, is asked questions he may not even seek the answer to due to regulated codes of conduct that prevent him from having any access to or knowledge of the information being requested; the Companies object to the request on the basis that it is to an entity that is not a party to the docket; the Companies object to the request on the basis that it seeks information that is irrelevant to this proceeding—a proceeding to determine whether PSNH's actions with regard to a specific investment in a scrubber project in a specific geographic region and market were prudent; and the Companies object to the request on the basis that it is not relevant to the determination of the prudence of PSNH's investment in the scrubber at Merrimack Station and is not relevant to the policy aspects of this docket. (See *Re Investigation into Whether Certain Calls are Local*, 86 NH PUC 167, 168-169 (2001) (where the Commission, based on a recommendation from Staff, required answers to some but not all discovery questions, following an analysis that denied questions that were too narrow or too broad because they were "not relevant to the policy aspect of the docket."))

Question:

66. In 2007, was it reasonable to expect gas production across North America to remain flat, demand for gas to grow, and therefore, for gas prices to rise?

Answer:

Objection for the reasons set forth in the General Objections above. More specifically, the Companies object to the request on the basis that it is beyond the scope of and not related to the testimony that Mr. Hachey filed in this docket, Mr. Hachey has no knowledge of the information being requested, and providing a response to the data request would either require Mr. Hachey to conduct further research than what he did to prepare and proffer his testimony or it would require the Companies to put forth another witness to respond and substantiate a response. The Companies therefore object to the request as beyond the scope of this proceeding and this witness's testimony in this proceeding; the Companies object to the request on the basis that it is overly broad, unduly burdensome and are not reasonably calculated to lead to the discovery of information that is relevant and admissible in this proceeding; the Companies object to the request on the basis that it seeks information that is irrelevant to this proceeding—a proceeding to determine whether PSNH's actions with regard to a specific investment in a scrubber project in a specific geographic region and market were prudent; and the Companies object to the request on the basis that it is not relevant to the determination of the prudence of PSNH's investment in the scrubber at Merrimack Station and is not relevant to the policy aspects of this docket. (See *Re Investigation into Whether Certain Calls are Local*, 86 NH PUC 167, 168-169 (2001) (where the Commission, based on a recommendation from Staff, required answers to some but not all discovery questions, following an analysis that denied questions that were too narrow or too broad because they were "not relevant to the policy aspect of the docket."))

Question:

68. In February 2009, was it reasonable to assume that the natural gas supply bubble could last another 12 to 18 months and that prices would probably not drop much lower?

Answer:

Objection for the reasons set forth in the General Objections above. More specifically, the Companies object to the request on the basis that it is beyond the scope of and not related to the testimony that Mr. Hachey filed in this docket, Mr. Hachey has no knowledge of the information being requested, and providing a response to the data request would either require Mr. Hachey to conduct further research than what he did to prepare and proffer his testimony or it would require the Companies to put forth another witness to respond and substantiate a response. The Companies therefore object to the request as beyond the scope of this proceeding and this witness's testimony in this proceeding; the Companies object to the request on the basis that it is overly broad, unduly burdensome and are not reasonably calculated to lead to the discovery of information that is relevant and admissible in this proceeding; the Companies object to the request on the basis that it seeks information that is irrelevant to this proceeding—a proceeding to determine whether PSNH's actions with regard to a specific investment in a scrubber project in a specific geographic region and market were prudent; and the Companies object to the request on the basis that it is not relevant to the determination of the prudence of PSNH's investment in the scrubber at Merrimack Station and is not relevant to the policy aspects of this docket. (See *Re Investigation into Whether Certain Calls are Local*, 86 NH PUC 167, 168-169 (2001) (where the Commission, based on a recommendation from Staff, required answers to some but not all discovery questions, following an analysis that denied questions that were too narrow or too broad because they were "not relevant to the policy aspect of the docket."))

Question:

70. Page 20 - You indicate that "I am aware of four different forecasts available to PSNH as of September 2, 2008. These four forecasts were prepared by EVA, Synapse, EIA, and Brattle. For each of these forecasts, could you indicate the following:
- b. whether NYMEX futures prices were used and, if so, how?;

Answer:

Objection for the reasons set forth in the General Objections above. More specifically, the Companies object to the request on the basis that it is beyond the scope of and not related to the testimony that Mr. Hachey filed in this docket, Mr. Hachey has no knowledge of the information being requested, and providing a response to the data request would either require Mr. Hachey to conduct further research than what he did to prepare and proffer his testimony or it would require the Companies to put forth another witness to respond and substantiate a response. The Companies therefore object to the request as beyond the scope of this proceeding and this witness's testimony in this proceeding; and the Companies object to the request on the basis that it seeks information that is readily available from publicly available sources and PSNH is asking the Companies to find information and conduct research for it.

Question:

70. Page 20 - You indicate that "I am aware of four different forecasts available to PSNH as of September 2, 2008. These four forecasts were prepared by EVA, Synapse, EIA, and Brattle. For each of these forecasts, could you indicate the following:
- c. whether "engineering analysis of future supply and demand" were used in the forecast and if so, how;

Answer:

Objection for the reasons set forth in the General Objections above. More specifically, the Companies object to the request on the basis that it is beyond the scope of and not related to the testimony that Mr. Hachey filed in this docket, Mr. Hachey has no knowledge of the information being requested, and providing a response to the data request would either require Mr. Hachey to conduct further research than what he did to prepare and proffer his testimony or it would require the Companies to put forth another witness to respond and substantiate a response. The Companies therefore object to the request as beyond the scope of this proceeding and this witness's testimony in this proceeding; and the Companies object to the request on the basis that it seeks information that is readily available from publicly available sources and PSNH is asking the Companies to find information and conduct research for it.

Question:

70. Page 20 - You indicate that "I am aware of four different forecasts available to PSNH as of September 2, 2008. These four forecasts were prepared by EVA, Synapse, EIA, and Brattle. For each of these forecasts, could you indicate the following:
- e. whether "historical analysis" was used in the forecast and, if so, how?,

Answer:

Objection for the reasons set forth in the General Objections above. More specifically, the Companies object to the request on the basis that it is beyond the scope of and not related to the testimony that Mr. Hachey filed in this docket, Mr. Hachey has no knowledge of the information being requested, and providing a response to the data request would either require Mr. Hachey to conduct further research than what he did to prepare and proffer his testimony or it would require the Companies to put forth another witness to respond and substantiate a response. The Companies therefore object to the request as beyond the scope of this proceeding and this witness's testimony in this proceeding; and the Companies object to the request on the basis that it seeks information that is readily available from publicly available sources and PSNH is asking the Companies to find information and conduct research for it.

Question:

71. Page 21, Line 9 – You testify that “PSNH appears to have ignored supply-related information that contradicted their internal assessment of natural gas prices. The combinations of technological advancements in horizontal drilling and hydraulic fracturing have led to surges in U.S.-based natural gas production and significant increases in proven natural gas reserves” and “Clear documentation existed as early as 2006 indicating that production of unconventional natural gas was exceeding production from conventional natural gas sources.”

On May 1, 2009, during the “Q1 2009 TransCanada Corporation Earnings Conference Call,” discussing Marcellus shale gas, Mr. Kvisle stated: “I’ve looked back over the last 15 years and if people --there have been many interesting new sources of gas come along. That at the time they come along, people proclaim that they’re going to change the world. And they get pretty significant, some of them, but in the grand scheme of things, they’re just one more source of supply. And I would particularly highlight coal bed methane. Coal bed methane was really going to have a dramatic effect and a lot of us thought it would never exceed 1 Bcf a day in western Canada. And it struggles to maintain 700 million a day. So, that in fact, has turned out to be the case. Looking broadly across North America, there’s clearly some shale plays that are going to generate very impressive volumes. But I would argue that they are just the latest place that industry looks to replace declining production.”

- a. Since you testify that the impacts of shale gas production were documented as early as 2006, was Mr. Kvisle’s statement to investors “flawed or outdated” as you used those terms on Page 19, Line 5 of your testimony?

Answer:

Objection for the reasons set forth in the General Objections above. More specifically, the Companies object to the request on the basis that it is beyond the scope of and not related to the testimony that Mr. Hachey filed in this docket, Mr. Hachey has no knowledge of the information being requested, and providing a response to the data request would either require Mr. Hachey to conduct further research than what he did to prepare and proffer his testimony or it would require the Companies to put forth another witness to respond and substantiate a response. The Companies therefore object to the request as beyond the scope of this proceeding and this witness’s testimony in this proceeding; the Companies object to the request on the basis that it is overly broad, unduly burdensome and are not reasonably calculated to lead to the discovery of information that is relevant and admissible in this proceeding; the Companies object to the request on the basis that it seeks confidential and proprietary information from entities that are not a party to the docket. Confidential and proprietary information is protected under RSA 91-A:5 and Commission rules and precedent. The Companies’ witness, Mr. Hachey, has no knowledge of the information being requested; the Companies’ witness, Mr. Hachey, is asked questions he may not even seek the answer to due to regulated codes of conduct that prevent him from having

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Question:

71. Page 21, Line 9 – You testify that “PSNH appears to have ignored supply-related information that contradicted their internal assessment of natural gas prices. The combinations of technological advancements in horizontal drilling and hydraulic fracturing have led to surges in U.S.-based natural gas production and significant increases in proven natural gas reserves” and “Clear documentation existed as early as 2006 indicating that production of unconventional natural gas was exceeding production from conventional natural gas sources.”

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- b. Similarly, did Mr. Kvisle “fail[] to disclose,” as you used those terms on Page 19, Line 6 of your testimony, information that was reasonably known to him at the time he made that statement?

Answer:

Objection for the reasons set forth in the General Objections above. More specifically, the Companies object to the request on the basis that it is beyond the scope of and not related to the testimony that Mr. Hachey filed in this docket, Mr. Hachey has no knowledge of the information being requested, and providing a response to the data request would either require Mr. Hachey to conduct further research than what he did to prepare and proffer his testimony or it would require the Companies to put forth another witness to respond and substantiate a response. The Companies therefore object to the request as beyond the scope of this proceeding and this witness’s testimony in this proceeding; the Companies object to the request on the basis that it is overly broad, unduly burdensome and are not reasonably calculated to lead to the discovery of information that is relevant and admissible in this proceeding; the Companies object to the request on the basis that it seeks confidential and proprietary information from entities that are not a party to the docket. Confidential and proprietary information is protected under RSA 91-A:5 and Commission rules and precedent. The Companies’ witness, Mr. Hachey, has no knowledge of the information being requested; the Companies’ witness, Mr. Hachey, is asked questions he may not even seek the answer to due to regulated codes of conduct that prevent him from having

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Question:

71. Page 21, Line 9 – You testify that “PSNH appears to have ignored supply-related information that contradicted their internal assessment of natural gas prices. The combinations of technological advancements in horizontal drilling and hydraulic fracturing have led to surges in U.S.-based natural gas production and significant increases in proven natural gas reserves” and “Clear documentation existed as early as 2006 indicating that production of unconventional natural gas was exceeding production from conventional natural gas sources.”

On May 1, 2009, during the “Q1 2009 TransCanada Corporation Earnings Conference Call,” discussing Marcellus shale gas, Mr. Kvisle stated: “I’ve looked back over the last 15 years and if people --there have been many interesting new sources of gas come along. That at the time they come along, people proclaim that they’re going to change the world. And they get pretty significant, some of them, but in the grand scheme of things, they’re just one more source of supply. And I would particularly highlight coal bed methane. Coal bed methane was really going to have a dramatic effect and a lot of us thought it would never exceed 1 Bcf a day in western Canada. And it struggles to maintain 700 million a day. So, that in fact, has turned out to be the case. Looking broadly across North America, there’s clearly some shale plays that are going to generate very impressive volumes. But I would argue that they are just the latest place that industry looks to replace declining production.”

- c. Was Mr. Kvisle’s statement made “for the sole purpose of economically justifying... construction” of TransCanada projects such as, but not limited to, the Mackenzie and Alaska pipeline projects?

Answer:

Objection for the reasons set forth in the General Objections above. More specifically, the Companies object to the request on the basis that it is beyond the scope of and not related to the testimony that Mr. Hachey filed in this docket, Mr. Hachey has no knowledge of the information being requested, and providing a response to the data request would either require Mr. Hachey to conduct further research than what he did to prepare and proffer his testimony or it would require the Companies to put forth another witness to respond and substantiate a response. The Companies therefore object to the request as beyond the scope of this proceeding and this witness’s testimony in this proceeding; the Companies object to the request on the basis that it is overly broad, unduly burdensome and are not reasonably calculated to lead to the discovery of information that is relevant and admissible in this proceeding; the Companies object to the request on the basis that it seeks confidential and proprietary information from entities that are not a party to the docket. Confidential and proprietary information is protected under RSA 91-A:5 and Commission rules and precedent. The Companies’ witness, Mr. Hachey, has no knowledge of the information being requested; the Companies’ witness, Mr. Hachey, is asked questions he may not

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- d. Do you consider Mr. Kvisle’s statement to be “at odds with contemporaneous forecasts available” to him as you used that term at Page 19, Line 12 of your testimony?

Answer:

Objection for the reasons set forth in the General Objections above. More specifically, the Companies object to the request on the basis that it is beyond the scope of and not related to the testimony that Mr. Hachey filed in this docket, Mr. Hachey has no knowledge of the information being requested, and providing a response to the data request would either require Mr. Hachey to conduct further research than what he did to prepare and proffer his testimony or it would require the Companies to put forth another witness to respond and substantiate a response. The Companies therefore object to the request as beyond the scope of this proceeding and this witness’s testimony in this proceeding; the Companies object to the request on the basis that it is overly broad, unduly burdensome and are not reasonably calculated to lead to the discovery of information that is relevant and admissible in this proceeding; the Companies object to the request on the basis that it seeks confidential and proprietary information from entities that are not a party to the docket. Confidential and proprietary information is protected under RSA 91-A:5 and Commission rules and precedent. The Companies’ witness, Mr. Hachey, has no knowledge of the information being requested; the Companies’ witness, Mr. Hachey, is asked questions he may not

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71. Page 21, Line 9 – You testify that “PSNH appears to have ignored supply-related information that contradicted their internal assessment of natural gas prices. The combinations of technological advancements in horizontal drilling and hydraulic fracturing have led to surges in U.S.-based natural gas production and significant increases in proven natural gas reserves” and “Clear documentation existed as early as 2006 indicating that production of unconventional natural gas was exceeding production from conventional natural gas sources.”

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- e. Is it your opinion that Mr. Kvisle’s statement did “not realistically reflect actual pricing seen in the market” as you used that term on Page 19, Line 13?

Answer:

Objection for the reasons set forth in the General Objections above. More specifically, the Companies object to the request on the basis that it is beyond the scope of and not related to the testimony that Mr. Hachey filed in this docket, Mr. Hachey has no knowledge of the information being requested, and providing a response to the data request would either require Mr. Hachey to conduct further research than what he did to prepare and proffer his testimony or it would require the Companies to put forth another witness to respond and substantiate a response. The Companies therefore object to the request as beyond the scope of this proceeding and this witness’s testimony in this proceeding; the Companies object to the request on the basis that it is overly broad, unduly burdensome and are not reasonably calculated to lead to the discovery of information that is relevant and admissible in this proceeding; the Companies object to the request on the basis that it seeks confidential and proprietary information from entities that are not a party to the docket. Confidential and proprietary information is protected under RSA 91-A:5 and Commission rules and precedent. The Companies’ witness, Mr. Hachey, has no knowledge of the information being requested; the Companies’ witness, Mr. Hachey, is asked questions he may not even seek the answer to due to regulated codes of conduct that prevent him from having

any access to or knowledge of the information being requested; the Companies object to the request on the basis that it seeks information that is irrelevant to this proceeding—a proceeding to determine whether PSNH’s actions with regard to a specific investment in a scrubber project in a specific geographic region and market were prudent; the Companies object to the request on the basis that it is not relevant to the determination of the prudence of PSNH’s investment in the scrubber at Merrimack Station and is not relevant to the policy aspects of this docket. (See *Re Investigation into Whether Certain Calls are Local*, 86 NH PUC 167, 168-169 (2001) (where the Commission, based on a recommendation from Staff, required answers to some but not all discovery questions, following an analysis that denied questions that were too narrow or too broad because they were “not relevant to the policy aspect of the docket.”)); and the Companies object to the request on the basis that it is unnecessarily argumentative; it is seeking an admission on an issue that is contested in the docket, which will be decided by the Commission.

Question:

72. Page 21 - You contend that PSNH did not rely on any particular forecast for its gas prices estimate, but instead relied on the \$11 per MMBtu assumption that was based on actual reported Natural Gas Prices for dispatch at PSNH generating units.
- a. Has TransCanada ever used futures market prices to forecast the price of natural gas?

Answer:

Objection for the reasons set forth in the General Objections above. More specifically, the Companies object to the request on the basis that it is overly broad, unduly burdensome and are not reasonably calculated to lead to the discovery of information that is relevant and admissible in this proceeding; the Companies object to the request on the basis that it seeks confidential and proprietary information from entities that are not a party to the docket. Confidential and proprietary information is protected under RSA 91-A:5 and Commission rules and precedent. The Companies' witness, Mr. Hachey, has no knowledge of the information being requested; the Companies' witness, Mr. Hachey, is asked questions he may not even seek the answer to due to regulated codes of conduct that prevent him from having any access to or knowledge of the information being requested; the Companies object to the request on the basis that it seeks information that is irrelevant to this proceeding—a proceeding to determine whether PSNH's actions with regard to a specific investment in a scrubber project in a specific geographic region and market were prudent; and the Companies object to the request on the basis that it is not relevant to the determination of the prudence of PSNH's investment in the scrubber at Merrimack Station and is not relevant to the policy aspects of this docket. (See *Re Investigation into Whether Certain Calls are Local*, 86 NH PUC 167, 168-169 (2001) (where the Commission, based on a recommendation from Staff, required answers to some but not all discovery questions, following an analysis that denied questions that were too narrow or too broad because they were "not relevant to the policy aspect of the docket."))

Question:

74. Page 21 - You provide a quote from a Wall Street Journal article from November 2009 stating that the potential of unconventional gas supply “became clear around 2007.”
- a. Please provide any studies or statements made by TransCanada in the 2008/2009 timeframe on the effects of horizontal drilling and hydraulic fracturing on future gas supply and prices

Answer:

Objection for the reasons set forth in the General Objections above. More specifically, the Companies object to the request on the basis that it is beyond the scope of and not related to the testimony that Mr. Hachey filed in this docket, Mr. Hachey has no knowledge of the information being requested, and providing a response to the data request would either require Mr. Hachey to conduct further research than what he did to prepare and proffer his testimony or it would require the Companies to put forth another witness to respond and substantiate a response. The Companies therefore object to the request as beyond the scope of this proceeding and this witness’s testimony in this proceeding; the Companies object to the request on the basis that it is overly broad, unduly burdensome and are not reasonably calculated to lead to the discovery of information that is relevant and admissible in this proceeding; the Companies object to the request on the basis that it seeks confidential and proprietary information from entities that are not a party to the docket. Confidential and proprietary information is protected under RSA 91-A:5 and Commission rules and precedent. The Companies’ witness, Mr. Hachey, has no knowledge of the information being requested; the Companies’ witness, Mr. Hachey, is asked questions he may not even seek the answer to due to regulated codes of conduct that prevent him from having any access to or knowledge of the information being requested; the Companies object to the request on the basis that it seeks information that is irrelevant to this proceeding—a proceeding to determine whether PSNH’s actions with regard to a specific investment in a scrubber project in a specific geographic region and market were prudent; and the Companies object to the request on the basis that it is not relevant to the determination of the prudence of PSNH’s investment in the scrubber at Merrimack Station and is not relevant to the policy aspects of this docket. (See *Re Investigation into Whether Certain Calls are Local*, 86 NH PUC 167, 168-169 (2001) (where the Commission, based on a recommendation from Staff, required answers to some but not all discovery questions, following an analysis that denied questions that were too narrow or too broad because they were “not relevant to the policy aspect of the docket.”))

Question:

75. Page 21, Line 20 – You testify that “the potential of the unconventional gas supply ‘became clear around 2007’”.

During the “Q1 2009 TransCanada Corporation Earnings Conference Call,” the following discourse occurred:

OPERATOR: Thank you. The next question is from Andrew Kuske from Credit Suisse. Please go ahead.

ANDREW KUSKE, ANALYST, CREDIT SUISSE: Thank you. Good afternoon. Hal, if you could just give us some commentary on your thoughts on the value of long haul pipelines? And in particular, when you start to think about some of the shale plays, and things like the Marcellus and the Utica that are close to essentially big demand centers. And what does that mean for the longer term viability of pipelines like TransCo and really things heading up from the Gulf into those regions?

HAL KVISLE: I would say, we don't know, at this point, How aggressively people will develop the Marcellus, how sustainable the production is, what kind of decline rates will occur? Emphatically, we don't know what kind of local opposition people are going to run into as they try to get drilling locations. I'm not trying to be pessimistic on it but these are some of the things that we have to see unfold over time. And

ANDREW KUSKE: Now, if you see very aggressive development of the shale plays in the US and we do see some of the higher end numbers like the 5 B's out of the Marcellus actually come to fruition. In the North American context, what are your thoughts on what does that mean for plays like Horn River and Monteny? Do you see that essentially wind up being -- since it is the end of the pipe in a North American context, essentially not being developed or the base is blowing our pretty wide from an Alberta market perspective?

HAL KVISLE: I've looked back over the last 15 years and if people --there have been many interesting new sources of gas come along. That at the time they come along, people proclaim that they're going to change the world. And they get pretty significant, some of them, but in the grand scheme of things, they're just one more source of supply.

- c. When did TransCanada first acknowledge the impact of Marcellus gas on gas prices? Please provide all documents evidencing that acknowledgment.

Answer:

Objection for the reasons set forth in the General Objections above. More specifically, the Companies object to the request on the basis that it is beyond the scope of and not related to the testimony that Mr. Hachey filed in this docket, Mr. Hachey has no knowledge of the information being requested, and providing a response to the data request would either require Mr. Hachey to conduct further research than what he did to

prepare and proffer his testimony or it would require the Companies to put forth another witness to respond and substantiate a response. The Companies therefore object to the request as beyond the scope of this proceeding and this witness's testimony in this proceeding; the Companies object to the request on the basis that it is overly broad, unduly burdensome and are not reasonably calculated to lead to the discovery of information that is relevant and admissible in this proceeding; the Companies object to the request on the basis that it is to an entity that is not a party to the docket; the Companies object to the request on the basis that it is asking Mr. Hachey to speculate about the motives or reasons others have for taking a particular action or for expressing a particular opinion (See Order No. 25,445 in this docket, at 29, denying a motion to compel on the basis that "it would require discovery into the thought process of elected representatives") or to speculate about information that he does not possess and that was not the basis of his testimony; the Companies object to the request on the basis that it seeks information that is irrelevant to this proceeding—a proceeding to determine whether PSNH's actions with regard to a specific investment in a scrubber project in a specific geographic region and market were prudent; the Companies object to the request on the basis that it is not relevant to the determination of the prudence of PSNH's investment in the scrubber at Merrimack Station and is not relevant to the policy aspects of this docket. (See *Re Investigation into Whether Certain Calls are Local*, 86 NH PUC 167, 168-169 (2001) (where the Commission, based on a recommendation from Staff, required answers to some but not all discovery questions, following an analysis that denied questions that were too narrow or too broad because they were "not relevant to the policy aspect of the docket.")); and the Companies object to the request on the basis that it is unnecessarily argumentative; it is seeking an admission on an issue that is contested in the docket, which will be decided by the Commission.

Question:

75. Page 21, Line 20 – You testify that “the potential of the unconventional gas supply ‘became clear around 2007’”.

During the “Q1 2009 TransCanada Corporation Earnings Conference Call,” the following discourse occurred:

OPERATOR: Thank you. The next question is from Andrew Kuske from Credit Suisse. Please go ahead.

ANDREW KUSKE, ANALYST, CREDIT SUISSE: Thank you. Good afternoon. Hal, if you could just give us some commentary on your thoughts on the value of long haul pipelines? And in particular, when you start to think about some of the shale plays, and things like the Marcellus and the Utica that are close to essentially big demand centers. And what does that mean for the longer term viability of pipelines like TransCo and really things heading up from the Gulf into those regions?

HAL KVISLE: I would say, we don't know, at this point, How aggressively people will develop the Marcellus, how sustainable the production is, what kind of decline rates will occur? Emphatically, we don't know what kind of local opposition people are going to run into as they try to get drilling locations. I'm not trying to be pessimistic on it but these are some of the things that we have to see unfold over time. And

ANDREW KUSKE: Now, if you see very aggressive development of the shale plays in the US and we do see some of the higher end numbers like the 5 B's out of the Marcellus actually come to fruition. In the North American context, what are your thoughts on what does that mean for plays like Horn River and Monteny? Do you see that essentially wind up being -- since it is the end of the pipe in a North American context, essentially not being developed or the base is blowing our pretty wide from an Alberta market perspective?

HAL KVISLE: I've looked back over the last 15 years and if people --there have been many interesting new sources of gas come along. That at the time they come along, people proclaim that they're going to change the world. And they get pretty significant, some of them, but in the grand scheme of things, they're just one more source of supply.

d. Regarding your statement that “the potential of the unconventional gas supply became clear around 2007, is it your view that the only prudent position would be to alter a resource plan based on this “potential”? Is it your view that Attachment 23 supports a view to which no reasonable person would take a contrary view as of 2007[?]

Answer:

Objection for the reasons set forth in the General Objections above. More specifically, the Companies object to the request on the basis that it is beyond the scope of and not

related to the testimony that Mr. Hachey filed in this docket, Mr. Hachey has no knowledge of the information being requested, and providing a response to the data request would either require Mr. Hachey to conduct further research than what he did to prepare and proffer his testimony or it would require the Companies to put forth another witness to respond and substantiate a response. The Companies therefore object to the request as beyond the scope of this proceeding and this witness's testimony in this proceeding; the Companies object to the request on the basis that it is overly broad, unduly burdensome and are not reasonably calculated to lead to the discovery of information that is relevant and admissible in this proceeding; the Companies object to the request on the basis that it is asking Mr. Hachey to speculate about the motives or reasons others have for taking a particular action or for expressing a particular opinion (See Order No. 25,445 in this docket, at 29, denying a motion to compel on the basis that "it would require discovery into the thought process of elected representatives") or to speculate about information that he does not possess and that was not the basis of his testimony; the Companies object to the request on the basis that it seeks information that is irrelevant to this proceeding—a proceeding to determine whether PSNH's actions with regard to a specific investment in a scrubber project in a specific geographic region and market were prudent; the Companies object to the request on the basis that it is not relevant to the determination of the prudence of PSNH's investment in the scrubber at Merrimack Station and is not relevant to the policy aspects of this docket. (See *Re Investigation into Whether Certain Calls are Local*, 86 NH PUC 167, 168-169 (2001) (where the Commission, based on a recommendation from Staff, required answers to some but not all discovery questions, following an analysis that denied questions that were too narrow or too broad because they were "not relevant to the policy aspect of the docket.")); and the Companies object to the request on the basis that it is unnecessarily argumentative; it is seeking an admission on an issue that is contested in the docket, which will be decided by the Commission.

Question:

85. Since 2006, has TransCanada used gas price forecasts as an input into economic analyses for new facilities?

Answer:

Objection for the reasons set forth in the General Objections above. More specifically, the Companies object to the request on the basis that it is beyond the scope of and not related to the testimony that Mr. Hachey filed in this docket, Mr. Hachey has no knowledge of the information being requested, and providing a response to the data request would either require Mr. Hachey to conduct further research than what he did to prepare and proffer his testimony or it would require the Companies to put forth another witness to respond and substantiate a response. The Companies therefore object to the request as beyond the scope of this proceeding and this witness's testimony in this proceeding; the Companies object to the request on the basis that it is overly broad, unduly burdensome and are not reasonably calculated to lead to the discovery of information that is relevant and admissible in this proceeding; the Companies object to the request on the basis that it seeks confidential and proprietary information from entities that are not a party to the docket. Confidential and proprietary information is protected under RSA 91-A:5 and Commission rules and precedent. The Companies' witness, Mr. Hachey, has no knowledge of the information being requested; the Companies' witness, Mr. Hachey, is asked questions he may not even seek the answer to due to regulated codes of conduct that prevent him from having any access to or knowledge of the information being requested; the Companies object to the request on the basis that it seeks information that is irrelevant to this proceeding—a proceeding to determine whether PSNH's actions with regard to a specific investment in a scrubber project in a specific geographic region and market were prudent; the Companies object to the request on the basis that it is not relevant to the determination of the prudence of PSNH's investment in the scrubber at Merrimack Station and is not relevant to the policy aspects of this docket. (See *Re Investigation into Whether Certain Calls are Local*, 86 NH PUC 167, 168-169 (2001) (where the Commission, based on a recommendation from Staff, required answers to some but not all discovery questions, following an analysis that denied questions that were too narrow or too broad because they were "not relevant to the policy aspect of the docket.")); and the Companies object to the request on the basis that it is unnecessarily argumentative; it is seeking an admission on an issue that is contested in the docket, which will be decided by the Commission.

Question:

93. Page 26, Line 10 – You testify that migration “was an important issue because the more customers migrated the fewer customers from whom the scrubber costs could be recovered and the more costs would increase for that dwindling base of customers.” Do you characterize having to recover set fixed costs over a dwindling base of customer to be a “death spiral”?

Answer:

Objection for the reasons set forth in the General Objections above. More specifically, the Companies object to the request on the basis that it is beyond the scope of and not related to the testimony that Mr. Hachey filed in this docket, Mr. Hachey has no knowledge of the information being requested, and providing a response to the data request would either require Mr. Hachey to conduct further research than what he did to prepare and proffer his testimony or it would require the Companies to put forth another witness to respond and substantiate a response. The Companies therefore object to the request as beyond the scope of this proceeding and this witness’s testimony in this proceeding; the Companies object to the request on the basis that it is overly broad, unduly burdensome and are not reasonably calculated to lead to the discovery of information that is relevant and admissible in this proceeding; the Companies object to the request on the basis that it seeks information that is irrelevant to this proceeding—a proceeding to determine whether PSNH’s actions with regard to a specific investment in a scrubber project in a specific geographic region and market were prudent; the Companies object to the request on the basis that it is not relevant to the determination of the prudence of PSNH’s investment in the scrubber at Merrimack Station and is not relevant to the policy aspects of this docket. (See *Re Investigation into Whether Certain Calls are Local*, 86 NH PUC 167, 168-169 (2001) (where the Commission, based on a recommendation from Staff, required answers to some but not all discovery questions, following an analysis that denied questions that were too narrow or too broad because they were “not relevant to the policy aspect of the docket.”)); and the Companies object to the request on the basis that it is unnecessarily argumentative; it is seeking an admission on an issue that is contested in the docket, which will be decided by the Commission.

Question:

171. Is TransCanada intending to challenge in any manner the final reports produced by Jacobs Consultancy Inc. which was retained by the NHPUC to monitor and report on PSNH's Clean Air Project at Merrimack Station? If so, please explain and identify in detail all areas of the Jacobs' reports you are challenging.

Answer:

Objection for the reasons set forth in the General Objections above. More specifically, the Companies object to the request on the basis that it is beyond the scope of and not related to the testimony that Mr. Hachey filed in this docket, Mr. Hachey has no knowledge of the information being requested, and providing a response to the data request would either require Mr. Hachey to conduct further research than what he did to prepare and proffer his testimony or it would require the Companies to put forth another witness to respond and substantiate a response. The Companies therefore object to the request as beyond the scope of this proceeding and this witness's testimony in this proceeding; the Companies object to the request on the basis that it is overly broad, unduly burdensome and are not reasonably calculated to lead to the discovery of information that is relevant and admissible in this proceeding; the Companies object to the request on the basis that it seeks confidential and proprietary information from entities that are not a party to the docket. Confidential and proprietary information is protected under RSA 91-A:5 and Commission rules and precedent. The Companies' witness, Mr. Hachey, has no knowledge of the information being requested; the Companies' witness, Mr. Hachey, is asked questions he may not even seek the answer to due to regulated codes of conduct that prevent him from having any access to or knowledge of the information being requested; the Companies object to the request on the basis that it seeks information that is irrelevant to this proceeding—a proceeding to determine whether PSNH's actions with regard to a specific investment in a scrubber project in a specific geographic region and market were prudent; the Companies object to the request on the basis that it is not relevant to the determination of the prudence of PSNH's investment in the scrubber at Merrimack Station and is not relevant to the policy aspects of this docket. (See *Re Investigation into Whether Certain Calls are Local*, 86 NH PUC 167, 168-169 (2001) (where the Commission, based on a recommendation from Staff, required answers to some but not all discovery questions, following an analysis that denied questions that were too narrow or too broad because they were "not relevant to the policy aspect of the docket.")); the Companies object to the request on the basis that it is unnecessarily argumentative; it is seeking an admission on an issue that is contested in the docket, which will be decided by the Commission; and the Companies object to the request on the basis that it is asking Mr. Hachey, who is not an attorney, to provide a legal conclusion. While Mr. Hachey is able to read the law and to provide a lay person's understanding of what the law says, he is not qualified to provide a legal conclusion. In addition, a response to this request is unnecessary in that PSNH can and has argued to the Commission how it thinks the Commission should interpret the law and the final

Public Service Company of New Hampshire
Docket No. DE 11-250

Data Request PSNH
Dated: 01/16/2014

determination on how to interpret the law in this docket will be made by the Commission and, if appealed, by the Supreme Court.