

**Public Service Company of New Hampshire
2012 Energy Service/Stranded Cost Recovery Charge Reconciliation
OCA's Responses to Staff's Data Requests – Set #1**

**Date Received: November 25, 2012
Request No.: Staff 1-5**

**Date of Response: December 9, 2012
Witness: Stephen R. Eckberg**

Request: Reference page 11, line 23 through page 12, line 1. Do you consider a generating asset that is available for service but not actually running to be “used and useful?” Please explain the reasoning for your response.

Response: It depends on the factual circumstances. A generating asset that is available for service but not actually running could be considered as used and useful. The OCA did not intend to convey that a generating asset must demonstrate a capacity factor of 100% in order to be considered used and useful. The OCA's use of the average capacity factor from 1993-2001 was intended to represent full usage of the assets as they were intended to be used and as they were actually used historically. The information provided in Table 1 on page 10 of Mr. Eckberg's testimony shows, for example, that the “Average Capacity Factor 1993-2001” for MK1 was 80.1%. This value would be considered the full extent to which this asset would provide service.

**Public Service Company of New Hampshire
2012 Energy Service/Stranded Cost Recovery Charge Reconciliation
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**Date Received: November 25, 2012
Request No.: Staff 1-6**

**Date of Response: December 9, 2012
Witness: Stephen R. Eckberg**

Request: Reference page 11, line 23 through page 12, line 1. Do you consider a generating asset that is in operation but running at a reduced load to be “used and useful?” Please explain the reasoning for your response.

Response: Yes. A generating asset that is in operation but running at a reduced load could be considered used and useful. In the information presented in my testimony in Table 1 on page 10 it is shown, for example, that Schiller 4's average capacity factor from 1993 – 2001 was 56%. One should not conclude based on this information that the asset was generating at full capacity for an average of 56% of the hours during that time period. The asset could have been operating at reduced load for more than 56% of the hours resulting in a calculated average capacity factor over the time period of 56%.