

STATE OF NEW HAMPSHIRE

before the

PUBLIC UTILITIES COMMISSION

Docket No. DE 14-238

**Public Service Company of New Hampshire
Determination Regarding PSNH's Generation Assets**

**SETTLING STAFF MOTION FOR LEAVE TO CONTRACT WITH
LACAPRA ASSOCIATES INC. TO PROVIDE REBUTTAL TESTIMONY
AND REQUEST FOR EXPEDITED DECISION**

Now come, Thomas C. Frantz and F. Anne Ross (Settling Staff) and request that the Commission grant us leave to contract with La Capra Associates, Inc. (La Capra) in order to provide expert testimony in rebuttal to testimony recently filed by Non-Advocate Staff and their experts on Friday, September 18, 2015. We believe that this testimony will be important to the Commission's decision making in this docket. As we will explain below, La Capra is a necessary witness in order to develop a thorough technical record in this proceeding.

I. Staff Report with LaCapra April 1, 2014

As part of the Commission's proceeding, IR 13-020, "Investigation into Market Conditions Affecting PSNH and its Default Service Customers and the Impact of PSNH's Ownership of Generation on the Competitive Electric Market" the consulting firms of La Capra and ESS Group, Inc. (ESS) were retained by the Commission to conduct an economic valuation of the PSNH generating assets as well as the market value of the two PSNH purchased power agreements (PPAs). The work of La Capra and ESS resulted in the April 1, 2014 Staff report,

“Preliminary Status Report Addressing the Economic Interest of PSNH’s Retail Customers as it Relates to the Potential Divestiture of PSNH’s Generating Plants.”

That report, a follow-up to the report conducted earlier by Staff with the consulting firm, The Liberty Consulting Group, estimated the value of PSNH’s generating assets to be \$225 million and the value of the two PPAs to be negative \$120 million. The La Capra analysis contributed to the passage of both, HB 1602 in 2014, and SB 221 in 2015, as well as the Settlement Agreement. Likewise, the savings levels contained in the testimony of Mr. Eric Chung on behalf of PSNH, and in support of the Settlement, are rooted in the La Capra analysis.

II. Non-Advocate Staff Expert Testimony filed on September 18, 2015

Staff witness, Michael D. Cannata, Jr., P.E. filed testimony challenging Settling Staff and PSNH testimony concerning projected customers savings in the event of a divestiture of PSNH’s generation assets in the 2016-2017 time period. Mr. Cannata disputes the assumptions and applicability of the La Capra analysis as a basis for Settling Staff and PSNH’s projected customer savings, and Mr. Cannata directly refutes the conclusions of the La Capra analysis that divestiture is in the economic interest of PSNH customers.

Specifically, Mr. Cannata makes two adjustments to change the results of the underlying 2014 La Capra Report that add \$789.3 million in projected customer costs based upon changing assumptions in the La Capra Report, without a separate analysis to replace or update the La Capra Report. Mr. Cannata’s assertions are material to the economic impact analysis performed by La Capra and relied upon by the Settling Staff, and we believe that they require review and analysis by La Capra to present a full record to the Commission in this proceeding.

III. Settling Staff Need to use LaCapra in Rebuttal

Settling Staff did not learn until Non-Advocate Staff filed testimony on September 18, 2015, that La Capra would not be used as an expert witness for Non-Advocate Staff. Having now learned that Non-Advocate Staff challenges the underlying analysis and assumptions of the La Capra Report, Settling Staff believe that it will be necessary to examine, through testimony by La Capra, the underlying analysis and assumptions in order to rebut the testimony filed by Mr. Cannata. Settling Staff realize that this is late in the process and will make every effort to work expeditiously with La Capra so that rebuttal testimony can be filed on November 5, 2015, the date provided in the Commission approved procedural schedule for this docket.

IV. Conclusion

For all of these reasons the Settling Staff respectfully request that the Commission grant us leave to contract with La Capra Associates, Inc. for assistance with rebuttal testimony in this docket. Given the tight schedule for rebuttal testimony we ask that the Commission expedite its decision on this motion.

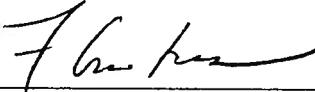
The following parties assent to this motion: Office of Energy and Planning, Senators Bradley and Feltes, Public Service Company of New Hampshire d/b/a Eversource Energy, Conservation Law Foundation, the New Hampshire Sustainable Energy Association, the Office of Consumer Advocate, Terry Cronin, New England Power Generators Association, the Retail Energy Supply Association, TransCanada Power Marketing, Ltd., and the Sierra Club. The following parties take no position on this motion: North American Power & Gas, and the City of Berlin. The Non-Advocate Staff object to this motion. Other parties have not responded.

Respectfully Submitted,

SETTLING STAFF,

THOMAS C. FRANTZ and F. ANNE ROSS

Dated: October 1, 2015

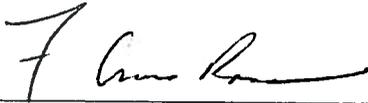
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cc: Service List

Certificate of Service

I hereby certify that a copy of this motion has been served electronically on the persons on the Commission's service list in this docket in accordance with Puc 203.11 this 1st day of October, 2015.



F. Anne Ross, Esq.

SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

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FILING INSTRUCTIONS:

- a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with: DEBRA A HOWLAND
EXEC DIRECTOR
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- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.
- c) Serve a written copy on each person on the service list not able to receive electronic mail.

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