

**Public Service Company of New Hampshire
Determination Regarding PSNH's Generation Assets
Docket No. DE 14-238**

**Record Request: 2/2/2016
Request from: Commissioner Bailey**

**Date of Response: 2/3/2016
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Witnesses: John Antonuk, Thomas Frantz, James Brennan & Eric Chung

Request:

What impact does a failed auction and retirement of a generating asset have on the property tax stabilization payments set out in Section IV, Paragraph H of the Settlement Agreement?

Response:

The property tax stabilization payments set forth in Section IV, Paragraph H of the Settlement Agreement (Ex. A at page 22) are contingent upon the divestiture of PSNH's generating assets. Specifically, the property tax stabilization payments for each asset are calculated based on the purchase price of the asset; if there is no sale, there is no purchase price and no tax stabilization payment.

Under Section IV, Paragraph G of the Settlement Agreement (Ex. A at page 22), in the event of a failed auction after a second divestiture process, "the retirement option for any such unsold generating assets will be pursued in an economic manner overseen by the Commission as quickly as reasonably possible." Ex. A at lines 585-87. At all times during a failed auction process, and continuing until retirement of the asset is completed, "PSNH shall retain the assets" and continue to "operate them prudently." Ex. A at lines 587-88. During PSNH's continued ownership of the asset PSNH would be obligated to continue to pay property taxes. No property tax stabilization payments would apply under the Settlement Agreement at the conclusion of an asset retirement process.