DPU Data Request 1.1

In its July 30, 2012 Order Suspending Proposed Schedule 37 Rates, the Commission indicated that it was concerned with the apparent deferral of a new resource until 2020 even though the Company's 2011 IRP Update indicated the need for an additional resource in 2016.

(a) Please explain in detail why there is no apparent need for an additional resource until 2020 based upon a resource surplus until 2020. Please refer to, the average annual surplus deficit line on Table 1, filed with the Company's Schedule 37 application).

(b) Please explain why the Company's IRP Update indicates a different result.

Response to DPU Data Request 1.1

(a) The Schedule 37 Loads and Resource study (L&R) included in Table 1 is not intended to determine the selection or deferral of new resources. The L&R is intended to make the determination between the Company's resource sufficiency and resource deficiency periods. In Docket No. 09-035-T14 the Commission mentions this difference:

The Company's load and resource plan developed in conjunction with the Company's IRP, and updated for known changes, is the basis for determining the periods of resource sufficiency and deficiency.

The Company is deemed to be resource deficient when the L&R study shows that the Company does not have sufficient energy to meet the Company's load obligation. Thus the L&R is primarily an energy study.

The integrated resource plan (IRP) process, on the other hand, is driven by a need to meet summer peak capacity. New resources, including gas-fired resources, are selected based upon least cost and least risk analysis.

(b) As discussed in the Company's response to subpart (a) above, the purpose of the studies are different and are not expected to produce the same results. It should also be noted that the L&R is updated for known changes including in the current case the update from the December 2011 Official Forward Price Curve (OFPC) to the June 2012 OFPC. The June 2012 OFPC had lower gas prices relative to power prices which makes the operation of existing gas-fired generation more economical. The Company explained this issue in the filing:

The Commission has acknowledged that the Schedule No. 37 methodology can result in different L&R calculations than the IRP. One driver of this difference is how the Company accounts for the energy available from its natural gas-fired resources in the IRP as compared to the Schedule 37 methodology. In the IRP, the annual energy contribution of natural gas-fired plants is based on their full capability after adjusting for planned and unplanned outages. Using the Commission-approved Schedule No. 37 methodology, the annual energy contribution of natural gas-fired plants is based on the level they are forecast to be operationally committed in the GRID model. These two approaches result in a different energy contribution from natural gas-fired plants in the Schedule No. 37 method than what is reflected in the IRP and represent one of the methodological differences that contribute to a different L&R result than the IRP.

DPU Data Request 1.2

Please explain in detail where the load forecasts come from found on Table 1 filed with the Company's Schedule 37 application, and why they differ from the load forecasts in the Company's 2011 IRP Update, Table 3.6.

Response to DPU Data Request 1.2

The load forecast used in the Company's Schedule 37 application and the load forecast used in the 2011 IRP Update are the same forecast. The version used for the Schedule 37 application included the load reduction impact of dispatchable load control and interruptible load contract peak capacity. In the 2011 IRP Update, dispatchable load control and interruptible load contracts are included as resources. The following table reconciles the calendar year 2013 loads cited in the IRP with the loads cited in Avoided Cost Table 1.

Item	**Source**	**2013**
2011 IRP Update Load	Table 3.2	10,418
Class 1 DSM	Table 3.6	(329)
Interruptible	Table 3.6	(281)
Other		2
Avoided Cost	Table 1	9,810