

THE STATE OF NEW HAMPSHIRE



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**PUBLIC UTILITIES COMMISSION**  
21 S. Fruit Street, Suite 10  
Concord, N.H. 03301-2429

NHPUC 30SEP'16 PM 12:33

September 30, 2016

Ms. Debra A. Howland  
Executive Director  
New Hampshire Public Utilities Commission  
21 Fruit Street, Suite 10  
Concord, NH 03301

Re: Docket No. DE 16-817, Public Service Company of New Hampshire d/b/a Eversource Energy  
Auction of Electric Generation Facilities

Dear Director Howland:

Enclosed for filing in the above noted docket, pursuant to Puc 203.02, is an original and six copies of a response by the auction advisor, J.P. Morgan, to a process question. This response to a question from the Town of New Hampton, is submitted to supplement the auction process summary filed with the Commission on September 12, 2016. These documents will also be transmitted electronically to you and to the service list in the above noted docket, pursuant to Puc 203.03 and 203.11.

If you have any questions please do not hesitate to contact me at 271-6005.

Very truly yours,

A handwritten signature in cursive script, appearing to read "F. Anne Ross".

F. Anne Ross, Esq.  
General Counsel

Enclosure  
cc: Service List

**From:** Davids, Neil E <[neil.e.davids@jpmorgan.com](mailto:neil.e.davids@jpmorgan.com)>  
**Date:** Thursday, Sep 29, 2016, 9:11 PM  
**To:** [jae@mitchellmunigroup.com](mailto:jae@mitchellmunigroup.com) <[jae@mitchellmunigroup.com](mailto:jae@mitchellmunigroup.com)>  
**Cc:** Kelly, Peter A <[peter.a.kelly@jpmorgan.com](mailto:peter.a.kelly@jpmorgan.com)>, Desai, Tara J <[tara.j.desai@jpmorgan.com](mailto:tara.j.desai@jpmorgan.com)>  
**Subject:** PUC DE 16-817 response

Jae,

I received your inbound question on process. J.P. Morgan would not have an issue receiving such "Requests for Information" at the time that "soft" (i.e., indicative, non-binding) bids are received from other parties. J.P. Morgan may also be willing to provide some guidance to the town representatives on the values indicated by the soft bids in response to the "Requests for Information" to help them determine whether to move forward. However, it should be made clear that J.P. Morgan will not be willing to provide information on specific values, the specific nature of the "soft" bids received nor the parties submitting "soft" bids. That competitively sensitive information will be kept confidential. Furthermore, any information, like any information provided as part of the process, would be subject to the non-disclosure agreement signed by the towns with Eversource at the beginning of the process. Furthermore, whether J.P. Morgan will be in a position to provide the requested information will depend on the nature of the "soft" bids received. For example, if Potential Bidders only submit proposals for the entire portfolio of assets (or all of the hydroelectric facilities as one group) without allocating specific value to specific hydroelectric facilities, J.P. Morgan may not be in a position to provide the requested information. In that case, the town would need to determine whether to proceed with pursuing a "hard" bid without this information.

J.P. Morgan will ask Potential Bidders to allocate value to the various assets on which they provide "soft" bids. However, in the event Potential Bidders choose not to comply with this request, it will be difficult for J.P. Morgan to compel them to do so.

Neil Davids  
J.P. Morgan  
O: 212 622 6835  
C: 914 522 8060

This email is confidential and subject to important disclaimers and conditions including on offers for the purchase or sale of securities, accuracy and completeness of information, viruses, confidentiality, legal privilege, and legal entity disclaimers, available at <http://www.jpmorgan.com/pages/disclosures/email>

## Ross, F. Anne

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**From:** Jae Whitelaw <jae@mitchellmunigroup.com>  
**Sent:** Wednesday, September 21, 2016 2:45 PM  
**To:** Ross, F. Anne  
**Cc:** 'Shawn Tanguay'; 'Barbara Lucas'  
**Subject:** PUC DE 16-817

Anne -

As you know, I represent the town of New Hampton and Shawn Tanguay represents the town of Bristol, the host communities for Ayers Dam. We have been discussing how best to provide our communities a full and fair opportunity to participate in the auction process as bidders, should they decide to do so, while also taking into consideration JP Morgan's desire for an expedited schedule. We have a question for Neil; would you please pass it on for us.

Neil, you confirmed on Monday that the municipalities are eligible to participate in the Phase II "hard bid" process without having to first participate in the Phase I soft bidding. However, you also indicated that it would benefit the municipalities to submit a "soft bid" in Phase I because you would be able to let them know, generally, where their bids were in relation to the other soft bids. This in turn would assist the selectmen in deciding whether to move forward to Phase II. We concur that this information would be very helpful, and that it would be in the best interests of both the municipalities and an expedited auction process. However, our clients are unable to submit a soft bid.

The "Comments" we file next week will provide a more detailed explanation of the procedural issues the towns face in getting to Phase II. The short version is that after the selectmen and their expert review the information provided in the CIM, the selectmen must determine whether it is in the best interests of their towns to move forward. If so, they will schedule a town meeting and hold several "informational" sessions with the public prior to the town meeting. New Hampton has a two-phase town meeting; the first session is for discussion and the second for voting by ballot. Due to statutory requirements for notice and spacing between the meetings, the special town meeting process cannot be accomplished in less than two months. Bristol has one town meeting for both deliberation and voting so its time frame is somewhat shorter. The selectmen's statutory authority to actively participate in the formal bidding process, which we believe would include submitting a "soft bid," is dependent upon the town meeting voting in the affirmative. It is simply not possible to submit a soft bid within the current time frame.

We believe there is a viable alternative: those municipalities that wish to could submit a "Request for Information" letter instead of a soft bid. The letter would state that due to mandatory statutory procedures the governing board is unable to obtain the authority to submit a soft bid within the time frame set forth in the auction schedule. However, the board is in the process of obtaining information to present to the voters, and has received an opinion that the value should be approximately \$xx. The relationship of this value to the sales prices indicated by the soft bids would be helpful to the board in making the determination of whether to proceed to town meeting to obtain authority to engage in the Phase II bidding process. The letter and JP Morgan's response would be confidential.

Please let us know whether this approach is acceptable. While this would not resolve all of the timing issues that exist if a municipality moves forward to Phase II bidding, it may very well result in one or more municipalities deciding not to do so. Thank you for your consideration.

Jae  
Jae Whitelaw  
Mitchell Municipal Group, P.A.  
25 Beacon Street East  
Laconia, NH 03246

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**SERVICE LIST - EMAIL ADDRESSES- DOCKET RELATED**

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**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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Docket #: 16-817-1      Printed: September 30, 2016

**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  
NHPUC  
21 S. FRUIT ST, SUITE 10  
CONCORD NH 03301-2429
- 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.**