

ENGAGEMENT N° 1

Question: An intervenor has requested that Mr. Oliver calculate the real levelized costs for the three projects contained in Table 2 of Mr. Oliver's response to Question 10.1 of the Regie under two alternative cases. Mr Oliver was requested to conduct the analysis based on (a) a 16% return on equity and (2) a 9.4 % return on equity. The results of the analysis are provided in the revised Table 2 below.

Table 2

Analysis Results

Real Levelized Cost (c/Kwh) 2007)

Case	20% ROE	16% ROE	9.4% ROE
New England (Dawn Gas Supply)	7.2 cents	7.0 cents	6.7 cents
New England (NY Gas Supply)	7.8 cents	7.6 cents	7.3 cents
New York (Dawn Gas Supply)	7.55 cents	7.34 cents	7.0 cents