

**CENTRAL MAINE POWER COMPANY
RESPONSE TO EXAMINER'S DATA REQUEST NO. 7
DOCKET No. 2008-255**

October 6, 2008

**CONFIDENTIAL
MATERIALS
ENCLOSED**

EX-07-38

- Q.** What steps have been taken to assure that the La Capra Associates Northeast Market Model adequately models the regional market? Please provide any analyses that validate the accuracy of the model versus actual observed data.
- A.** During the construction of the reference case used as the basis for the economic analysis of the transmission solution and the non-transmission alternatives, La Capra benchmarked the results of its model against recent actual market results. For each zone in New England, we used the most recently available three years of actual data (January 2004 through December 2006) to depict the market heat rate over that time. We then extended our analysis to include the results of our 2008 reference case to ensure that our results were within a reasonable range of past data. See Attachment 1 for a CONFIDENTIAL spreadsheet containing the results of this analysis.

In addition to the market heat rate analysis, we also reviewed LMP spreads from North to South within New England and within Maine, as well as spreads between CT and NYC and from East to West within New York as further indicators of robustness of the model. See Attachment 2 for a CONFIDENTIAL spreadsheet containing the results of this analysis. **Please note that due to the size of the electronic files, CDs of the confidential attachments will be provided only to the Commission and Public Advocate. Copies will be provided only upon request and subject to Protective Order No. 4.**

The attachments to this response are confidential and are being provided under the terms and conditions of Protective Order No. 4, Confidential and Proprietary Information of La Capra Associates, Inc., dated September 11, 2008.

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EX-07-38 (continued):

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Attachments:

1. Reference Case MHR Check CONFIDENTIAL.xls
2. Reference Case LMP Spread Check CONFIDENTIAL.xls