

Public Service Company of New  
Hampshire  
Docket No. DE 11-215

Data Request OCA-01

Dated: 10/28/2011

Q-OCA-002

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ORIGINAL	
N.E.P.S.C. Case No.	DE 11-215
Exhibit No.	118
Witnesses	R. Baumann & E. White
DO NOT REMOVE FROM FILE	

Witness: William H. Smagula  
Request from: Office of Consumer Advocate

**Question:**

The response to Staff 1-37 in DE 11-094 indicated that there was still an outstanding balance related to insurance reimbursement for replacement power costs in the amount of \$5,812,161. Please provide an update on the status of that reimbursement.

**Response:**

As reported earlier, PSNH submitted the insurance claim for the property damage and the replacement power associated with the foreign material damage to the Merrimack Unit 2 turbine incident. The net claim amount was \$33.9M as shown below.

	(M)
Property damage portion	\$21.0
Replacement power claim	\$13.9
Total Claim	\$34.9
Less deductible	\$1.0
Net Claim	\$33.9

To date PSNH and its customers have received \$28.1 million leaving an outstanding balance of \$5.8 million associated with the replacement power portion of the claim as originally submitted. The property damage claim has been fully reimbursed. Discussions with the insurance companies, their consultants, as well as Northeast Utilities (NU) Insurance and Claims Department and others in NU have taken place in September and October of this year to bring final resolution to this claim. During those discussions, insurance representatives raised questions regarding assumptions and calculations associated with the replacement power claim and based on their review of all the information exchanged and discussions held, the insurers put forth counter reimbursements. After lengthy discussions and negotiations, a settlement amount of \$12.5 million for the replacement power claim was reached among all involved. This settlement amount was deemed appropriate by NU personnel in the Insurance and Claims Department, Treasury, as well as PSNH Generation. This settlement results in a final total reimbursement to PSNH and its customers of \$32.5 million. With \$28.1 million previously received, the final payment of \$4.4 million is expected before the end of 2011.