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October 9, 2008

Debra A. Howland  
Executive Director and Secretary  
State of New Hampshire  
Public Utilities Commission  
21 South Fruit Street, Suite 10  
Concord, NH 03301-2429

**DE 07-108**  
**PSNH 2007 LCIRP**



Dear Ms. Howland:

I am writing on behalf of Intervenor Freedom Logistics, LLC (Freedom), and Halifax-American Energy Company, LLC ("HAEC") in regard to the Partial Settlement Agreement filed in this proceeding on October 7, 2008. Freedom and HAEC are signatories to the Agreement.

The Agreement states that "[o]ne unresolved issue is summarized herein and will be among those presented to the Commission for its consideration at the hearing scheduled for October 14, 2008." (Emphasis added.)

Pursuant to the express terms of the Agreement, Freedom and HAEC will present the following issue to the Commission for its consideration:

PSNH should conduct an analysis to determine whether continued operation of the Merrimack Station is economic relative to market purchases when the costs of installing and operating the scrubber are taken into account.

This recommendation regarding an analysis of the continued operation of Merrimack Station was contained in the Staff's direct testimony filed earlier in the proceeding. Notwithstanding the express terms of the Agreement, PSNH has indicated that it will object to the presentation of this issue to the Commission because it is not "appropriate" for this proceeding.

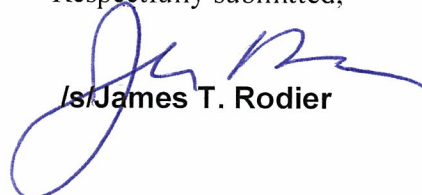
Accordingly, I hereby request that the Commission determine at the outset of the hearing on October 14 whether it will allow Freedom and HAEC to present this issue to the Commission

for its consideration. What we are looking for is an opportunity to scrutinize the merits of PSNH's analysis in a docketed proceeding with the right to conduct discovery and cross-examination.

The objective of Least Cost Integrated Resource Planning is to develop and implement an integrated supply and demand resource plan that satisfies customer energy service needs at the lowest overall cost consistent with maintaining supply reliability. If Freedom and HAEC are allowed to go forward with its presentation on the Merrimack Station issue at subsequent point in the proceeding, I plan on conducting brief cross-examination of the PSNH witnesses, and possibly Staff as well. Additionally, if PSNH contends that the Commission lacks the legal authority to investigate this issue, I plan on submitting a memorandum of law.<sup>1</sup>

I have sent a copy of this letter to all parties of record in this proceeding.

Respectfully submitted,



**/s/James T. Rodier**

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<sup>1</sup> The Commission is authorized by RSA 369-B:3 to allow PSNH to retire generation assets if it would be in the public interest. Indeed, the day must come, sooner or later as with all generating plants, when Merrimack must discontinue its operation and be retired.