

**STATE OF NEW HAMPSHIRE  
PUBLIC UTILITIES COMMISSION**

**DE 07-108**

**REPLY TO PSNH'S OBJECTION TO MOTION FOR RECONSIDERATION**

NOW COME Intervenors Freedom Logistics, LLC (Freedom) and Halifax American Energy Company, LLC (Halifax), by and through their undersigned counsel, and hereby reply to PSNH's Objection to Freedom/Halifax Motion for Reconsideration and Rehearing, and in support hereof say as follows:

**1. PSNH's objection that "the issue of requiring a Continued Unit Operation Study for Merrimack Station was not reserved as an issue" is way out of line and is directly contradicted by PSNH's own words:**

MR. EATON: We will address the Partial Settlement Agreement, and then offer the witnesses for cross-examination. There is an additional settlement issue, the one we -- the disputed issue that was in the Partial Settlement Agreement has been resolved between PSNH and the Staff, and we will present an exhibit that outlines that. Then, there will be cross-examination on that. And, then, following that, there are some disputed issues, which Mr. Rodier and Mr. Patch have submitted letters concerning, and we could go onto that after the settlement discussion is offer.

Transcript, DE 07-108 (October 14, 2008) at 8.

2. Moreover, the Commission's Order could not be clearer that the issue was not only reserved for litigation but that it was actually litigated.<sup>1</sup> At no time during the hearing did PSNH object to the Freedom/Halifax cross-examination or closing statement regarding the need for a Unit Operation Study for Merrimack Station.

**3. PSNH does not object to the Commission's order that PSNH file the "Merrimack Continued Unit Operation Study" no later than February 28, 2010. PSNH simply does not**

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<sup>1</sup> TransCanada, Freedom and Halifax questioned PSNH witnesses concerning PSNH's decision not to include divestiture and retirement of the Merrimack Station generating facility as options in its supply-side assessment. PSNH stated that such issues are governed by RSA 369-B:3-a and are not required as part of an LCIRP based upon Order No. 24,695. Nevertheless, TransCanada, Freedom and Halifax recommended in their closing statements that the Commission require PSNH to do a continuing operation study as well as analysis of divestiture in the next LCIRP. The intervenors argued that requiring PSNH to analyze new generation options without also looking at retirement or divestiture of existing generation was contrary to the basic principles of least cost planning.

**want to conduct and make public the results of the economic analysis until the current legislative session is over.**

4. In essence, PSNH is claiming that advancing the date for completing an economic analysis of Merrimack operation by 9 months would be “unlawful.” There is absolutely no provision of law that can bar the Commission from ordering a utility to conduct an economic analysis of any aspect of its utility operations at any time. PSNH concedes that the Commission can require it to complete the analysis by February 28, 2010. It simply does not want to make public the results of the analysis until the current legislative session is over.

WHEREFORE, for all of the foregoing reasons, Freedom Logistics, LLC (Freedom) and Halifax American Energy Company, LLC respectfully request the Commission to:

- A. Reconsider its decision in this proceeding to not require PSNH to file the “Merrimack Continued Unit Operation Study” until February 28, 2010;
- B. Bring forward the date for PSNH to file the “Merrimack Continued Unit Operation Study” to June 1, 2009;
- C. Grants such other and further relief as may be just and equitable.

Respectfully submitted,  
FREEDOM LOGISTICS LLC  
HALIFAX-AMERICAN ENERGY  
COMPANY, LLC

By their Attorneys

  
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Dated: March 11, 2009

CERTIFICATION OF SERVICE

Pursuant to Rules Puc 203.02(2) and Puc 203.11, I have served copy of this petition on each person identified on the commission's service list for this docket.

/s/ James T. Rodier

