



**Public Service
of New Hampshire**

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The Northeast Utilities System

ORIGINAL

March 18, 2011

N.H.P.U.C. Case No. DE 10-261

Exhibit No. NHSC #1

Witness Panel #1

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Attorney Arthur B. Cunningham
Attorney for the NH Sierra Club
PO Box 511
Hopkinton, NH 03229

Catherine Corkery
NH Sierra Club
40 North Main Street, 2nd Floor
Concord, NH 03301

Re: Docket No. DE 10-261 - PSNH 2010 Least Cost Integrated Resource Plan

Dear Attorney Cunningham and Ms. Corkery:

This letter provides responses to the requests for information listed below.

Response to NHSC-01 Interrogatories dated 02/23/2011
NHSC-004, 005, 006, 007, 008, 009, 010, 011, 012

The remaining responses will be provided when completed.

Very truly yours,

Stephen R. Hall, Manager
Rate & Regulatory Services

cc: Service List - Electronic Copies Only

PURSUANT TO N.H. ADMIN RULE PUC 203.09 (d), FILE DISCOVERY

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Docket #: 10-261-1 Printed: March 18, 2011

FILING INSTRUCTIONS:

- a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with:

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- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.

- c) Serve a written copy on each person on the service list not able to receive electronic mail.

Witness: William H. Smagula
Request from: Sierra Club, New Hampshire Chapter

Question:

The proposed Regional Haze BART NOx limit of .30#/mmBTU for MK2 as described in the Introduction above is three times higher than the presumptive reduction norm of .10#/mmBTU in EPA Guidance at 40 CFR 51, Appendix Y. Please provide detailed calculations of the costs necessary to satisfy the .10 #/mmBTU emission reduction;

(NHDES-ARD submitted the revised Regional Haze SIP to EPA Region 1 on January 14, 2011.)

Response:

As part of its Least Cost Integrated Resource planning process, PSNH does not prepare analyses or scenarios based upon possible regulatory rules or outcomes, such as proposed limits, nor has PSNH otherwise performed the requested calculations. Therefore, no such analyses were contained in the Integrated Least Cost Resource Plan filed by PSNH on September 30, 2010, and PSNH does not have information responsive to the question posed.

Witness: William H. Smagula
Request from: Sierra Club, New Hampshire Chapter

Question:

On March 17, 2008, EPA issued a finding that New Hampshire missed the Clean Air Act deadline for submitting complete plans showing how the state will meet the 1997 ozone standards. The plan was to include an attainment demonstration; a reasonable progress plan; and, a reasonably available control technology plan [RACT]. On January 19, 2010, determined that the states must submit their attainment designations to EPA by January 7, 2011, for the primary ozone standard [1 hour] and August 31, 2011, for the secondary standard. F. Reg., Vol. 75, No. 11. Has PSNH planned for compliance with these deadlines for Merrimack Station? For Schiller? For Newington? Has PSNH done a cost analysis for compliance for Merrimack Station? For Schiller? For Newington? If yes, please provide the analyses. If no, please provide such analyses;

(A large part of southern New Hampshire has not attained the NAAQS for ozone and a substantial portion of the non-attainment area is in serious non-attainment. The ozone NAAQS are required to provide protection of the public health against an array of ozone related adverse health effects that range from decreased lung function and respiratory symptoms to serious indicators of respiratory morbidity including emergency room visits and hospital admissions for respiratory causes; cardiovascular related morbidity; and, cardiopulmonary mortality.)

Response:

As part of its Least Cost Integrated Resource planning process, PSNH does not prepare analyses or scenarios based upon possible regulatory rules or outcomes, nor has PSNH otherwise performed the requested calculations. Therefore, no such analyses were contained in the Integrated Least Cost Resource Plan filed by PSNH on September 30, 2010, and PSNH does not have information responsive to the question posed.

Witness: William H. Smagula
Request from: Sierra Club, New Hampshire Chapter

Question:

EPA is expected to issue a final ozone air quality standard in July, 2011. Has PSNH done any examination or studies of the anticipated new ozone rule, including the costs of compliance? If yes, please provide such information. If no, please provide a detailed explanation why such information should not be made part of this Least Cost Integrated Resource Plan;

Response:

As part of its Least Cost Integrated Resource planning process, PSNH does not prepare analyses or scenarios based upon possible regulatory rules or outcomes, nor has PSNH otherwise performed the requested calculations. Therefore, no such analyses were contained in the Integrated Least Cost Resource Plan filed by PSNH on September 30, 2010, and PSNH does not have information responsive to the question posed.

Witness: William H. Smagula
Request from: Sierra Club, New Hampshire Chapter

Question:

EPA is expected to issue a proposed power plant Maximum Achievable Control Technology [MACT] standard for air toxics including mercury in March, 2011, and, the final rule in November, 2011. Has PSNH done any examination or studies of the anticipated MACT standard, including the costs of compliance? If yes, please provide such information. If no, please provide a detailed explanation why such information should not be made part of this Least Cost Integrated Resource Plan;

Response:

As part of its Least Cost Integrated Resource planning process, PSNH does not prepare analyses or scenarios based upon possible regulatory rules or outcomes, nor has PSNH otherwise performed the requested calculations. Therefore, no such analyses were contained in the Integrated Least Cost Resource Plan filed by PSNH on September 30, 2010, and PSNH does not have information responsive to the question posed.

Witness: William H. Smagula
Request from: Sierra Club, New Hampshire Chapter

Question:

On February 17, 2011, NHDES-ARD published a Preliminary Determination of Baseline Mercury Input pursuant to RSA 125-O:14, I. The preliminary determination for baseline mercury input for Merrimack Station and Schiller is 228 pounds of mercury per year. The 80% reduction shall require that mercury emissions be 46 pounds per year, beginning July 1, 2013. Has PSNH planned for compliance with this mercury baseline for Merrimack Station? For Schiller? Has PSNH done a cost analysis for compliance for Merrimack Station? For Schiller? If yes, please provide the analyses. If no, please provide such a cost analyses. EPA will likely propose a MACT standard for mercury that is more stringent than the 80% reduction required by RSA 125-O:14, I. Has PSNH done any examination or studies of the anticipated more stringent MACT standard, including the costs of compliance? If yes, please provide such information. If no, please provide a detailed explanation why such information should not be made part of this Least Cost Integrated Resource Plan;

Response:

As the question points out, NHDES-ARD published its preliminary determination on February 17, 2011, well after the Least Cost Integrated Resource Plan was issued on September 30, 2010. As a result, PSNH has no information in the plan that is pertinent to the question posed. Additionally, PSNH notes that the determination is preliminary, and subject to review and appeal, and therefore is not final. As part of its Least Cost Integrated Resource planning process, PSNH does not prepare analyses or scenarios based upon possible regulatory rules or outcomes, such as proposed limits, nor has PSNH otherwise performed the requested calculations. Therefore, no such analyses were contained in the Least Cost Integrated Resource Plan filed by PSNH on September 30, 2010, and as a result PSNH does not have information responsive to the question posed.

Witness: William H. Smagula
Request from: Sierra Club, New Hampshire Chapter

Question:

EPA is expected to issue proposed rule for cooling water intake in March, 2011. Has PSNH done any examination or studies of the anticipated rule, including the costs of compliance? If yes, please provide such information. If no, please provide a detailed explanation why such information should not be made part of this Least Cost Integrated Resource Plan;

Response:

As part of its Least Cost Integrated Resource planning process, PSNH does not prepare analyses or scenarios based upon possible regulatory rules or outcomes, nor has PSNH otherwise performed the requested calculations. Therefore, no such analyses were contained in the Integrated Least Cost Resource Plan filed by PSNH on September 30, 2010, and PSNH does not have information responsive to the question posed.

Witness: William H. Smagula
Request from: Sierra Club, New Hampshire Chapter

Question:

EPA is expected to issue a final rule for the disposal of coal ash in late 2011. Has PSNH done any examination or studies of the anticipated rule, including the costs of compliance? If yes, please provide such information. If no, please provide a detailed explanation why such information should not be made part of this Least Cost Integrated Resource Plan;

Response:

As part of its Least Cost Integrated Resource planning process, PSNH does not prepare analyses or scenarios based upon possible regulatory rules or outcomes, nor has PSNH otherwise performed the requested calculations. Therefore, no such analyses were contained in the Integrated Least Cost Resource Plan filed by PSNH on September 30, 2010, and PSNH does not have information responsive to the question posed.

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Data Request NHSC-01
Dated: 02/23/2011
Q-NHSC-011
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Witness: William H. Smagula
Request from: Sierra Club, New Hampshire Chapter

Question:

EPA is expected to issue a proposed rule establishing effluent guidelines for ash/scrubber wastewater discharges in mid-year 2012. Has PSNH done any examination or studies of the anticipated rule, including the costs of compliance? If yes, please provide such information. If no, please provide a detailed explanation why such information should not be made part of this Least Cost Integrated Resource Plan;

Response:

As part of its Least Cost Integrated Resource planning process, PSNH does not prepare analyses or scenarios based upon possible regulatory rules or outcomes, nor has PSNH otherwise performed the requested calculations. Therefore, no such analyses were contained in the Integrated Least Cost Resource Plan filed by PSNH on September 30, 2010, and PSNH does not have information responsive to the question posed.

Witness: Terrance J. Large, William H. Smagula
Request from: Sierra Club, New Hampshire Chapter

Question:

In order for the public to ensure that the PSNH fossil generating units are providing safe and reliable service as required by RSA 369:1 and Appeal of Easton, 125 N.H. 205 [1984], please detail the portion of the capital and operating costs of Merrimack Station that is attributable to pollution control compliance because of the emissions of criteria pollutants, including, but not limited to, SO₂, NO_x, particulates and the hazardous air pollutant mercury from the combustion of coal? Please fully detail the accounting basis of how these costs are booked. Please detail how these costs are recovered. Please describe each and every anticipated pollution control compliance obligation, including, but not limited to those detailed at 1-11 above. Please detail the projected capital and operating costs of those obligations. Please fully detail the cost accounting basis of how these costs will be booked. Please detail how these costs will be recovered. If PSNH has not booked current pollution control compliance costs as a line item in its books and records, please explain why not. If PSNH has not projected anticipated pollution control compliance costs, please explain why not.

Response:

PSNH does not have the information requested by NHSC. Environmental compliance costs are included in the total capital and operating expenditures made by a facility. It would be overly burdensome and likely inaccurate to attempt to define each dollar spent as either pollution control compliance or not, since PSNH has no requirement nor business need to uniquely allocate each dollar spent. PSNH is required to provide data in its possession; however, it is not required to perform studies to make the case for an intervenor.

In general, operating and maintenance expenses associated with PSNH's fossil generating units are booked on a monthly basis and recovered from customers through the Energy Service rate. Capital investments are added to rate base once a project is in service and are recovered through the Energy Service rate. See CLF-01, Q-CLF-023 for further discussion on investments in emission control equipment.