

**THE STATE OF NEW HAMPSHIRE
BEFORE THE
NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 10-261

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
2010 Least Cost Integrated Resource Plan**

**Objection to PSNH's Motion for Protective Order
Re: Five Year Capital Budgets**

NOW COMES TransCanada Power Marketing Ltd. and TransCanada Hydro Northeast Inc. ("TransCanada"), an intervenor in this docket, and objects to Public Service Company of New Hampshire's ("PSNH") April 8, 2011 Motion for Protective Order re Five Year Capital Budgets ("Motion") regarding the attachments to the response to a data request from the Office of Consumer Advocate, OCA Set No.1, Q-OCA-033 in the above-captioned docket. In support of this objection to the Commission providing protective treatment for the response to this data request TransCanada states as follows:

1. As the Commission noted in the Order of Notice, this filing raises "issues related to whether PSNH's planning process is adequate as defined by the requirements set forth in RSA 378:38 and 39 and Order No. 24,945 and whether it is consistent with RSA Chap. 374-F and RSA 369-B:3a." Order No. 24,945, the order that the Commission issued in PSNH's 2007 LCIRP, required that PSNH "include in future LCIRPs an economic analysis of retirement for any unit in which the alternative is the investment of significant sums to meet new emissions standards and/or enhance or maintain plant performance." 94 NH PUC 103, 111 (2009).

2. On April 8, 2011 PSNH filed the Motion, asking the Commission to issue an order preventing the public disclosure of the response to OCA Set No. 1, Q-OCA-033. By letter dated April 14, 2011 PSNH asked that the revised attachment submitted in response to Data Request Q-TECH-003 be included with the Motion. OCA-033 asked for the annual capital budget for each of PSNH's owned generating stations for each of the next five years and how the budget was derived and the process for determining which investments to make. In support of the Motion PSNH cited the balancing test the Commission must use and argued that "the magnitude of changes from year to year may inform certain sophisticated market participants to predict the type of overhaul or equipment replacement that may be performed in a particular year" and said that the information would "provide an advantage for power suppliers in negotiating arrangements for supplemental power supplies to replace the generation from the PSNH-owned plants." Motion, page 1.

3. The requested information regarding the proposed capital budgets of PSNH's generating stations goes to the very heart of one of the issues that the Commission has indicated is a critical part of this docket, i.e. evaluating the retirement of any generating unit in which the alternative is the investment of significant sums to meet new emissions standards and/or enhance or maintain plant performance. The benefit of making this information available for review by intervenors who have the expertise and experience to assist the Commission in evaluating these issues is of prime importance to this docket. Denying intervenors access to this information precludes their ability to evaluate whether the retirement of any generating units makes economic sense. The inability to review this critical information thus significantly inhibits the meaningfulness of TransCanada's

intervention and its ability to protect its “rights, duties, privileges, immunities or other substantial interests” that may be affected by this proceeding. See RSA 541-A:32; Admin. Rule Puc 203.17.

4. The NH Supreme Court has held that the right to know law gives to any member of the general public as much right to disclosure as one with a special interest in a particular document. *Lamy v. New Hampshire Public Utilities Commission*, 152 N.H. 106, 109 (2005). Thus whether it is ratepayers or intervenors like TransCanada, what is at issue here is the release of information that is essential to a meaningful evaluation of the alternatives of retirement versus the investment of significant sums to meet new emissions standards and/or enhance or maintain plant performance.

5. TransCanada submits that PSNH’s claim that revealing the capital budget information would provide some sort of advantage for competitors has little basis in reality. It is difficult to conceive of how any particular supplier could utilize the information from such a capital budget that would be available to all suppliers to obtain an advantage.¹ PSNH argues that disclosing capital budgets “is equivalent to disclosing future maintenance schedules at specific PSNH generating plants.” Motion p. 2. It is important that the Commission critically evaluate such a broad statement; how could a capital budget actually be the same as disclosing a maintenance schedule? All that a capital budget would show is a particular year during which an investment is likely to be made; it would not provide detail about the specific dates when such a generating facility was to be closed for maintenance or the work needed to implement a capital investment.

¹ The same would be the case if PSNH were to use an RFP process to obtain supplemental power purchases, as TransCanada and others have argued to this Commission in other dockets; if the information were to be made public it makes no sense that one particular power supplier would obtain an advantage over any other supplier because it was aware of what investments were likely to be made in certain generating facilities during a particular year.

Such broad and cursory statements are not sufficient to justify the relief that PSNH has requested. Moreover, as the redacted version of the response to Q-OCA-033 which was filed with the Commission on April 8, 2011 shows, attached as Exhibit A to this Objection, PSNH has provided information about Newington; the information it is not willing to provide is for Schiller and Merrimack. There is no justification for providing the information for one of their generating facilities and not the others. PSNH also provides far more detailed information about construction costs in the periodic filings which it makes with the Commission pursuant to Order No. 23,122 and in the E-22 filings that it makes with the Commission, all of which is public information. Finally, PSNH provided far more detailed information about forecasted capital addition costs in response to a data request in the most recent energy service rate docket, DE 10-257. See the attached response to Q-STAFF-014, marked as Exhibit B.

6. As the Commission noted in the Re *EnergyNorth Natural Gas, Inc. dba KeySpan Energy Delivery of New England*, 88 NH PUC 221, 226 (2003), the NH Supreme Court has instructed state agencies that they should “construe this exemption narrowly”. RSA 91-A:1 provides: “Openness in the conduct of public business is essential to a democratic society. The purpose of this chapter is to ensure both the greatest possible public access to the actions, discussions and records of all public bodies, and their accountability to the people.” Because PSNH is a regulated utility, ratepayers should be able to follow the trail of and see sufficient detail about the money that the utility collects from ratepayers and then invests in its power plants. The release of the information requested will serve the important function of informing the public, including PSNH’s ratepayers, of the Company’s plans for its generating facilities. The benefits of

keeping such information transparent and open to the public in a planning docket clearly outweigh PSNH's self-serving and facially inadequate claim of "harm" that might be caused by making such information available. Given the lack of detailed substantiation by PSNH to support its contention that this will harm PSNH, TransCanada submits that the benefit of releasing the information at issue far outweighs the claim of purported harm that could result from the release of the information.

7. The burden of proving the necessity of providing protective treatment to all of the information included in these responses falls on PSNH. TransCanada submits that PSNH has not met that burden. As noted above, the justification it has provided for keeping the information confidential is illogical and its position in this docket is inconsistent with other filings it has made and routinely makes with the Commission. By asking to keep the capital budgets for some of the generating facilities that it owns confidential PSNH is seeking to obscure from the parties facts needed to evaluate its least cost planning as if it were a merchant owner of generation, while at the same time continuing to insulate itself and its investors from risk while seeking the financial protection of having ratepayers pay the costs of those capital budgets. If PSNH wishes to maintain the essentially risk-free protection of ratepayer backing for the continued operation of its generating facilities, then it is only fair that it make capital investment information transparent. Ratepayers deserve the full knowledge of the extent and nature of those investments they have made operating as "public utilities".

8. For the reasons cited above TransCanada believes that the right to know law as applied to the facts of this case requires that the Commission reject PSNH's Motion.

TransCanada believes that the information that the OCA is seeking through this data request should be made available to the intervenors and to the public.

9. Staff, the Office of Consumer Advocate, the Conservation Law Foundation, the New England Power Generators Association, Inc., and Granite Ridge Energy, LLC concur with this Objection.

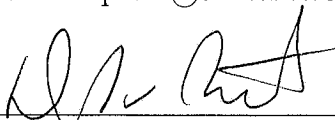
WHEREFORE, TransCanada respectfully requests that this honorable Commission:

A. Deny PSNH's request for protective treatment of the response to the Office of Consumer Advocate, OCA Set. No.1, Q-OCA-033 and the attachment to Q-TECH-003 in the above-captioned docket; and

B. Grant such further relief as it deems appropriate.

Respectfully submitted,

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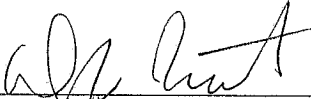


Douglas L. Patch

April 18, 2011

Certificate of Service

I hereby certify that on this 18th day of April, 2011 a copy of the foregoing motion was sent by electronic mail to the Service List.



Douglas L. Patch

755260_1.DOC



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

Question:

Section V starting on page 84 is an Assessment of Supply Resources. For each of PSNH's owned generating units, please provide the annual capital budget for each of the next 5 years, how the budget was derived, and the process PSNH undertakes in determining which investments to make.

Response:

Attached* is the forecasted annual capital budget for each of PSNH's owned generating units for the next 5 years.

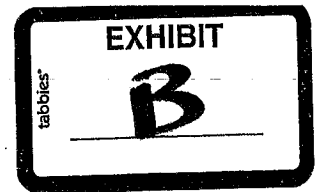
To establish the annual budgets, PSNH Generation has goals that are consistent with providing customers low cost generation from reliable plants that are operated safely, efficiently and meet environmental requirements. An appropriate balance of these efforts is maintained by establishing not only cost goals, but also goals related to reliability, availability and other performance goals. If projects are delayed to meet cost goals, the reliability and availability goals can be negatively impacted. Therefore, PSNH maintains an appropriate focus on the collective goal of maximizing customer value.

PSNH Generation management reviews budget requests in the third quarter of each year for the upcoming calendar year as well as projections for future years. Budget requests associated with the repair or replacement of critical components are typically planned well in advance to the start of the project and are included in the 5 year plan. Budgeted expenditures are developed with the intent to cover the cost of the project as it is originally defined. Actual expenditures refer to the actual cost which may often vary from the budgeted value. The variances could be greater than or less than the original budgeted value due to updated pricing, change in scope, etc. When considering replacement or repair options for critical components a review is completed to determine which option is in the best interests of PSNH's customers. PSNH Generation makes budget determinations based on maintenance records, test data, consulting experts, past experiences, and other generating facilities' experiences. This process is a balanced approach and designed to maximize the use and value of each component. As the review and work plans are finalized, budget estimates get updated with vendor quotes and more refined details. Late in the year, budgets are finalized with the latest available information. During the following calendar year, planned work can still change if/when new information is obtained, or there is a change in priority as new work becomes identified, or other dynamics require the work plan to be updated. Also, refinement takes place on actual versus planned scope to focus on expending only what is needed to meet customer needs and goals.

*The information contained in the documents included in this response is highly confidential. The information is being supplied to the OCA pursuant to the general confidentiality agreement between PSNH and the OCA. Should the OCA intend to include this information in any future discovery requests, testimony or any other communication or document in this proceeding, please inform PSNH in advance. PSNH will file a motion for confidential treatment before the commencement of hearings on the merits, pursuant to Puc §203.08 (d). We trust the information will be kept confidential pursuant to Puc § 203.08(e).

Capital Expenses (000)
2011 - 2015

<u>Unit</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Schiller	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Newington	\$500	\$500	\$500	\$500	\$500
Merrimack	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Sub Total	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]



**Public Service Company of New
Hampshire**
Docket No. DE 10-257

Data Request STAFF-01

**Dated: 10/21/2010
Q-STAFF-014
Page 1 of 1**

Witness: William H. Smagula
Request from: New Hampshire Public Utilities Commission Staff

Question:

Reference Attachment RAB-2, page 6. Please provide, by generating unit, a detailed list of expected capital additions and their respective dollar amounts.

Response:

Attached is a detailed list of the current expected capital additions and their respective dollar amounts.

Hydro - Capital

		2011
Amoskeag	Replace doors & Windows	45,000
	Replace station service circuitry	555,000
	Bld Ventilation Improvements	45,000
	Fish ladder access walkway	60,000
	Instrument & Control Replacements	5,000
	Eel passage	55,000
Hooksett	Replace Windows	45,000
	Instrument & Control Replacements	1,000
Garvins	Replace fall protection	37,000
	New Well	20,000
	Instrument & Control Replacements	3,500
	Replace septic system	35,000
	Replace G3 & G4 switchgear assemblies	180,000
Jackman Ayers	Eel Passage	35,000
	Instrument & Control Replacements	1,000
	FERC Part 12 earthquake remediation	4,800,000
	Improve recreational provisions	3,000
	Instrument & Control Replacements	1,500
Eastman	Instrument & Control replacement	3,000
	Improve Hydro site recreational provisions	2,000
White Lake Smith	Instrument & Control replacements	8,000
	Replace Station (Brake) Air Compressor	5,500
	Dam safety equipment	35,000
	Peninsula Park interpretive trails	2,000
	Instrument & Control replacements	5,000
Gorham	Replace G1/G2 Rectifiers	42,000
	Repl. Station Windows	15,000
	Replace Unit 3&4 trash rack	75,000
	Replace main Transformers	450,000
	Instrument & Control replacements	2,000
Canaan	Instrument & Control replacements	1,000
	Install Recreational provisions	15,000
Lost Nation General Hydro	Instrument & Control replacements	1,000
	Working Equipment	45,000
	Substation device replacement program	40,000
Hydro Total		6,673,500

Merrimack - Capital

2011	
MK1, Replace Catalyst Layer	850,000
MK1, Replace DA Start Up By-Pass Valve	30,000
MK1, Replace Flame Scanner	15,000
MK1, Rep. Misc. Valves	144,000
MK1, SCR Exp Joints	91,000
MK1, Non SCR Exp Joints Other	15,000
MK1, 5KV Calvert Buss P70 to CMT-7	195,000
MK1, Asbestos Abatement	50,000
MK1 Total	1,390,000
MK2, SCR Reactor Inlet #1	115,000
MK2, D01 North & South #2	120,000
MK2, D0-4-B Horizontal Duct, DO-5 Duct Internal	132,000
MK2, SCR Reactor Outlet #5 Internal	80,000
MK2, DO-5 Duct South #8 Internal '11 & '15 & DO5 Duct North #9 '13	55,000
MK2, Replace Loadcenters 2A & 2B & 2C & 2D	700,000
MK2, Boiler Pipe Hangers	50,000
MK2, Replace U2 Generator PT Drawers	65,000
MK2, Replace Misc. Valves	224,000
MK2, GRF Expansion Jts. (4) (metal)	240,000
MK2, SCR Hopper Downcomer Lines (3)	17,000
MK2, Asbestos Abatement	50,000
MK2, G2 Breaker Replacement	350,000
MK2, Wastewater Treatment Plant Control, PLC	60,000
MK2, Condensate polisher Upgrade	150,000
MK2 Total	2,408,000
MK, Replace Coal Belts	67,000
MK, Cap Flyash Cell	78,000
MK, Lab Analytical Equip.	33,000
MK, Replace Reclaim Hoppers	400,000
MK, Sample Water Enclosure Replacement	60,000
MK, Install Reverse Osmosis System	100,000
MK, Rivert Monitoring System	75,000
MK, 316B Compliance	100,000
CT1, Voltage Regulator	65,000
MT3, New Gas Breaker	750,000
Total Common	1,728,000
Capital Annual Projects	
MK1, Replace Ammonia Sensors (so. Yard)	3,000
MK1, Replace Boiler Transmitter	15,000
MK2, Replace 201's Actuators (2)	21,000
MK1, Replace Annunciator Panel	30,000
MK2, Replace Boiler Transmitters 4-20 MA	12,000
MK1, Replace Turbine Transmitters	10,000
PC's	10,000
2 way Radios for Operators	10,000
MK1, Replace CRT's	2,000
MK, Portable WTF Sump Pumps	3,000
MK, Replace Leachate pumps (5 year cycle)	5,000
MK, WTF Caustic Tank Replacement	40,000
MK, WTF Storage Shed	10,000
MK1, Replace PC Monitors	1,000
MK2, Replace CRT's & PC's	1,000
CT1 Intake Filter Replacement	12,000
CT2 Intake Filter Replacement	12,000
MK, Capital Contingency	1,000,000
MK, Large Capital Annual	470,000
Total Capital Annual Projects	1,667,000

2011

Total Merrimack

7,192,000

Newington - Capital

[illegible]

Schiller - Capital

	2011
Replace Coal Conveyor Belts	33,000
Replace Wood Conveyor Belts	45,000
Roof Replacements	425,000
Front Loader Replacement	250,000
Purchase Monitoring Test Equipment	20,000
Purchase PC's	15,000
Retube Cold End Airheater - SR5	1,100,000
Replace Start-Up Fuel Oil Pump	23,000
#7 Pit Replacement / Removal	500,000
Replace 5B LP Drip Receiver pump	9,000
Red building Renovations	80,000
Replace PB1 conveyor Belt	350,000
Replace SR4 Waterwall Sootblowers	55,000
Replace Air Ejectors - SR5	135,000
Replace Control System - SR4	800,000
Replace Control System - SR6	425,000
DCS Room / Office Construction	85,000
Unit 5 DCS Upgrades	100,000
Alternative Fuel Handling System	500,000
Purchase Bobcat	65,000
Smoke Detection system - Electrical rooms	25,000
SR4 Arc Flash Switchgear Replacement	675,000
SR6 Arc Flash Switchgear Replacement	675,000
SR5 HP Turbine Bode Replacement	650,000
Replace 6A Circulating Water Pump Motor	81,000
Replace Sulfuric Acid Storage Tank	25,000
Plant Improvements	
Chem/I&C Window Replacement	60,000
Control Room Bathroom Replacement	6,000
Warehouse Workstation Replacement	9,000
Admin Bathroom Replacement	35,000
Replace U4 Moly Cooler Tube Bundle	36,000
P & I Hydrogen Generator	90,000
Station Adds and Equipment	800,000
	8,182,000