

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

**Public Service Company of New Hampshire  
Determination Regarding PSNH's Generation Assets**

Docket No. DE 14-238

Generation's Capital and Operation & Maintenance Plan for 2016

February 12, 2016

**A. Purpose of this annual Capital and Operation and Maintenance Plan**

This Capital and Operation and Maintenance (O&M) plan is being submitted as required by the 2015 PSNH Restructuring and Rate Stabilization Agreement.

**VI. MARKETING OF ENERGY**

**A. Prudent Operation of PSNH Generating Assets**

Notwithstanding any other provisions of this Agreement, PSNH will be responsible for prudently operating its fossil/hydro generating assets, and for prudently managing the generation-related entitlements and purchase obligations in which it retains an interest until such time as they are sold or transferred to another entity, retired, or a purchase obligation terminates. **Within 45 days of the Commission's approval of this Settlement Agreement, but no later than February 15, 2016, PSNH shall file with the Commission a plan for its generation related capital and maintenance expenditures for the subsequent one-year period.** PSNH shall file a new plan annually until the sale or retirement of PSNH's final generation asset. PSNH shall not increase or decrease expenditures by more than 20% from the plan as filed without prior Commission approval.

## **B. Generation's 2016 Capital expenditure plan**

**2016 Capital Total Budget (\$000):** **\$19,578**

<b><u>By Location</u></b>	<b><u>\$(000)*</u></b>
Merrimack	10,959
Schiller	2,301
Newington	516
Hydro	5,800
Other	4

\*numbers may not add due to rounding

### **Major Capital Projects by Location:**

- Merrimack
  - Replace two cyclone burners on Merrimack #2
  - Replace Merrimack #2 Gas Recirculation Fan
  - Coal Crusher Replacement
  - Replace multiple key boiler expansion joints
  - Capital Annual
- Schiller
  - Fuel Handling Front Loader
  - Replace Unit 4 Voltage Regulator
  - Capital Annual
- Newington
  - Station Adds/Changes/Tools
- Hydro
  - Replace selected electrical breakers
  - Gorham Generator step-up transformer
  - Gorham Electrical upgrades – selected equipment
  - Canaan Electrical Upgrades – selected equipment
  - Capital Annual
- Combustion Turbines
  - Lost Nation - Fuel Forwarding System and Controls upgrade

### **C. Generation's 2016 Operation & Maintenance (O&M) expenditure plan**

**2016 O&M<sup>1</sup> Total Budget (\$000):** **\$63,863**

<b><u>By Location</u></b>	<b><u>\$(000)*</u></b>
Merrimack	25,641
Schiller	19,419
Newington	7,096
Hydro	7,833
Other <sup>2</sup>	3,875

\*numbers may not add due to rounding

Note 1- Direct O&M

Note 2- Staff/Wyman \$3,041 and Generation Maintenance \$834

#### **O&M Projects by Location:**

- Merrimack 1
  - No Planned Overhaul Scheduled
  - Boiler inspection, NDE and maintenance during low energy price periods
- Merrimack 2
  - Planned Overhaul Scheduled for Fall
    - Boiler Maintenance
    - Replace portions of primary superheater
    - Routine corrective and preventative maintenance on boiler, turbine auxiliaries and balance of plant
  - Boiler inspection, NDE and maintenance during low energy price periods
- Schiller 4
  - Planned Overhaul Scheduled for Fall
    - Routine corrective and preventative maintenance on boiler, turbine auxiliaries and balance of plant
- Schiller 5
  - Planned Overhaul Scheduled for Spring
    - Five Year Cycle Major Turbine/Generator Overhaul
    - Routine corrective and preventative maintenance on boiler, turbine auxiliaries and balance of plant
- Schiller 6
  - No Planned Overhaul Scheduled
  - Boiler inspection, NDE and maintenance during low energy price periods

- Newington
  - Planned Overhaul Scheduled for Spring
    - Routine corrective and preventative maintenance on boiler, turbine auxiliaries and balance of plant
  
- Hydro
  - Tainter Gate repair at Canaan
  - Dam repairs at Hooksett and Gorham Stations
  - Traditional station maintenance inspections – all sites
  - Eastman Falls - FERC relicensing activities
  
- Combustion Turbines (CT)
  - Schiller CT - Hot Section overhaul
  - White Lake CT - Hot Section inspection

#### **D. Additional Discussion**

- With the filing of the settlement in support of divestiture, some generation employees have left Generation for other Eversource opportunities, or positions outside the company. Management continues to adjust and realign remaining personnel and resources with a focus on reliability and efficient operation.
  
- Generation will continue to review work plans and budgets throughout the year considering inspections and actual conditions found. Plans will maintain a focus on high reliability as well as safe, prudent and compliant operations.