



**Public Service  
of New Hampshire**

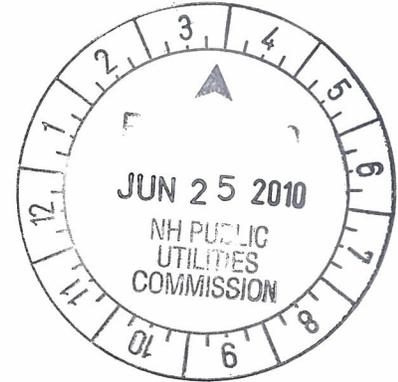
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The Northeast Utilities System

June 25, 2010

Debra A. Howland  
Executive Director  
New Hampshire Public Utilities Commission  
21 South Fruit Street, Suite 10  
Concord, New Hampshire 03301



Re: DE 09-180 – Proposed Default Energy Service Rate - 2010

Dear Ms. Howland:

At the hearing on June 23, 2010, the Commission requested that PSNH provide an update regarding whether the \$1.764 million insurance claim shown in Exhibit 25 (Response to OCA Request 2 in Set No. 2) had been submitted to PSNH's insurance carriers. The claim has not yet been submitted for the reasons specified below:

- The expenses are predominantly for PSNH's labor, overheads and other direct costs. This cost data includes many smaller items and internal costs that were incurred through the end of 2009. Extracting and compiling this data takes more time to review fully to insure completeness and accuracy, as compared to a few larger contractor invoices.
- The financial analyst at Merrimack Station who extracts and compiles the appropriate data retired in early 2010. Her replacement is now becoming more familiar with the detailed work involved to gather and compile this type of information in addition to the many other tasks to which he has been assigned.
- PSNH's turbine engineer responsible for the technical work and contract execution of the entire turbine project was required to oversee turbine and generator spring overhaul inspections and repairs that were completed at Schiller Station (two unit outages), and other locations. This individual must review all of the information in any claims sent to the insurance carriers in order to ensure that such information is accurate and complete. The high priority outage activities prevented the turbine engineer from focusing full attention to the effort of reviewing all claims information.

If you have any further questions regarding this update, please contact me.

Very truly yours,

A handwritten signature in black ink that reads "Gerald M. Eaton". The signature is written in a cursive style with a large, prominent "E" at the end.

Gerald M. Eaton  
Senior Counsel

cc: Service List

**Service List**  
**Docket DE 09-180**

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