

THE STATE OF NEW HAMPSHIRE
before the
NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

Docket No. DE 10-121

Public Service Company of New Hampshire

Reconciliation of 2009 Energy Service and Stranded Cost Recovery Charges

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE'S
OBJECTION TO
NEW HAMPSHIRE CHAPTER OF SIERRA CLUB'S
MOTION TO COMPEL RESPONSES TO DATA REQUESTS

August 2, 2010

Pursuant to N.H. Code Admin. Rule Puc §203.07(e), Public Service Company of New Hampshire (hereinafter "PSNH" or "the Company") hereby objects to the "Motion to Compel" (the "Motion") filed by the New Hampshire Chapter of the Sierra Club ("NHSC"). The information objected to by PSNH and now sought via the Motion by NHSC is outside of the scope of this proceeding as set forth in Order No. 25,132 issued in this docket on July 20, 2010. In addition, some of the NHSC requests require speculation on the part of PSNH or seek information related to Docket No. DE 10-122, the on-going PSNH long-term financing proceeding.

In support of this Objection, PSNH says the following:

"The subject of this docket is the annual filing by PSNH to reconcile the revenues and expenses associated with its stranded cost recovery and the power generation and supplemental power purchases for 2009." Order No. 25,132 at 5. In that Order, the Commission expressly set limits on the scope of matters that fall within the stated subject matter: "...2009 plant performance, plant outages, replacement power purchases, and

other purchases of power and capacity and stranded cost recovery are included in the scope of this docket.” *Id.* at 6; “The environmental issues associated with PSNH’s generation fleet raised by parties at the prehearing conference are beyond the scope of this docket.” *Id.*; Issues regarding PSNH’s planning process or forecasts of power needs, costs or related factors will be considered in the LCIRP docket or in a future energy service rate setting docket, as appropriate, and are beyond the scope of the instant proceeding, which is a retrospective analysis of revenues and expenses associated with PSNH’s stranded cost recovery and the power generation and supplemental power purchases for 2009.” *Id.* at 7.

In contemplation of this very discovery contest, the Commission noted in Order No. 25,132: “We understand that the proposed procedural schedule contemplates that discovery will be issued on July 16, 2010. To the extent that discovery exceeds the scope of this proceeding as defined in this Order and PSNH files an objection, we will promptly act on such objections.” *Id.* at 8.

Pursuant to the procedural schedule adopted in Order No. 25,132, on July 16, 2010, NHSC propounded 13 numbered data requests on PSNH. Those data requests are attached hereto as Attachment 1. Each of the 13 data requests is composed of up to ten separate questions.

Per N.H. Code Admin. Rule Puc §203.09(g), PSNH objected to certain of NHSC’s data requests. A copy of PSNH’s Objection is attached hereto as Attachment 2. Rather than repeat the detailed bases that PSNH set forth therein for each of the objectionable data requests, PSNH incorporates those objections herein by reference. In accordance with this docket’s procedural schedule, PSNH has responded to all or portions of the data requests of NHSC to which it did not object.

NHSC’s Motion does not provide any basis to overcome PSNH’s objections. In fact, that Motion does quite the opposite - - it sets forth arguments regarding relevance that the Commission has expressly determined are outside the scope of this proceeding.

The Motion begins with a litany of environmental issues NHSC claims are associated with PSNH's Merrimack Station. These are the very same issues identified by the Commission in Order No. 25,132 when it said, "The environmental issues associated with PSNH's generation fleet raised by parties at the prehearing conference are beyond the scope of this docket."

The Motion then asserts that there will be "costs in the future" due to "future legislative, administrative and judicial decisions." The Motion continues by saying that the instant reconciliation proceeding "must also include a careful assessment of future costs." Such "future" costs due to "future decisions" are not only speculative, but are also outside the scope of this proceeding. The Commission clearly stated in Order No. 25,132 that, "...2009 plant performance, plant outages, replacement power purchases, and other purchases of power and capacity and stranded cost recovery are included in the scope of this docket."

Beyond these generalities, which do not directly identify any of the questions objected to by PSNH, NHSC has provided specific bases for its Motion to Compel in only two instances. In the first, NHSC asserts that because PSNH made 5-year and 10-year capital and O&M budget information available to Commission Staff for review at PSNH's Manchester office, PSNH should now "be ordered to make the same 5 and 10 year information, including the environmental compliance cost information requested in the NHSC Data Requests, available to NHSC." NHSC's argument does not hold water. The decision not to object to one potentially objectionable question does not waive the ability to object to subsequent inquiries. Moreover, Staff's first set of data requests was propounded on June 16, 2010, and responded to on July 2, 2010, before the Commission issued its scoping order on July 20, 2010. It would have been impossible to cite to and rely upon the Commission's scoping decision weeks before that decision was issued. Furthermore, the Staff of the Commission occupies a different position and performs a different role than the intervenors in that the Commission may inspect the books and records of the Company at any time. RSA 374:18.

NHSC supports its questions seeking long-term data by stating “NHSC choose [sic] the 40 year time frame based upon the PSNH Petition in DE 10-122 for authorization to issue long term bonds with a 40 year maturity secured by mortgages on the plant.” The Commission denied NHSC’s petition to intervene in Docket No. DE 10-122, finding that “NHSC has not stated a right, duty, privilege, immunity or other substantial interest that would be affected by the outcome of this proceeding.” Order No. 25,131 dated July 20, 2010 at 5. In that Order, the Commission continued by stating, “NHSC’s petition to intervene appears as well to be an attempt to acquire discovery from PSNH that it has not been able to obtain through the ARC or EPA proceedings. Granting a petition to intervene to allow NHSC to conduct discovery for materials that were not provided in another forum, and which relate to issues beyond the scope of this proceeding as described below, would impair the prompt and orderly conduct of this proceeding.” *Id.* at 6. NHSC is now expressly attempting to acquire discovery from PSNH in this proceeding relating to issues beyond the scope of the proceeding which it is now not able to obtain in the DE 10-122 financing proceeding because the Commission denied its intervention request. Such conduct clearly “would impair the prompt and orderly conduct of this proceeding” as noted by the Commission..


In conclusion, PSNH renews its objections to the NHSC data requests enumerated in Attachment 2. PSNH has been judicious and circumspect in its objection to discovery in this proceeding. The Company has diligently responded to over 100 discovery questions – many with multiple subparts -- submitted by Commission Staff, OCA, CLF, TransCanda, and NHSC. PSNH’s responses, and supplements thereto, total hundreds of pages. The NHSC questions objected to by PSNH seek discovery responses regarding matters that are outside of the scope of this proceeding as set forth in Order No. 25,131; that are neither relevant nor material to this proceeding; that are not reasonably calculated to lead to evidence admissible in this proceeding; that require speculation; or that seek information pertaining to Docket No. DE 10-122 and not to this proceeding. PSNH urges

the Commission to DENY the "Motion to Compel" filed by NHSC and to grant such other relief as the Commission deems appropriate.

Respectf

ully submitted this 2nd day of August, 2010.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

By:  _____

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ATTACHMENT 1

NHSC DATA REQUESTS

STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

DE 10-121

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
RECONCILIATION OF ENERGY SERVICE AND STRANDED COSTS FOR
CALENDAR YEAR 2009

NEW HAMPSHIRE SIERRA CLUB DATA REQUESTS

New Hampshire Sierra Club [NHSC] submits the following Data Requests to Public Service Company of New Hampshire [PSNH].

1. At Attachment RAB-3, appended to the testimony of Robert A. Baumann, PSNH 2009 Energy Service Reconciliation, For the 12 Months Ended December 31, 2009, at line 39, it states that the NH-RPS costs totaled \$9,358,000. What amount of those costs is attributable to Merrimack Station? What cost did the NH-RPS purchases add to the Merrimack Station energy service [ES] rate per kWh in 2009? What cost is budgeted for NH-RPS purchases add to Merrimack Station ES rate for the next 5 years? The next 10 years. The next 40 years?

2. At Attachment RAB-3, appended to the testimony of Robert A. Baumann, PSNH 2009 Energy Service Reconciliation, For the 12 Months Ended December 31, 2009, at line 40, it states that the RGGI costs totaled \$6,983,000. What amount of those costs is attributable to Merrimack Station? What cost did the RGGI purchases add to the Merrimack Station energy service [ES] rate per kWh in 2009? What cost is budgeted for RGGI purchases add to Merrimack Station ES rate for the next 5 years? The next 10 years. The next 40 years?

3. The United States Congress is working on cap and trade legislation that, if enacted, will impose costs on the emission of carbon dioxide [CO₂]. What position has PNSH and its parent company Northeast Utilities taken on this legislation? Please detail the position. Has PSNH done budget projections regarding the costs to Merrimack Station that may result from federal cap and trade legislation? If yes, please provide the budget projections and the data that supports the projections. If PSNH has not done such budget projections, please explain why not.

4. A review of Attachment RAB-3, appended to the Baumann testimony, does not provide any detail regarding the costs for emission control equipment at Merrimack Station, including the costs of the MK1 and MK2 selective catalytic recovery systems [SCR] for the reduction of nitrogen oxides [NO_x]. Please provide the 2009 operating and maintenance costs [O&M] and capital costs for NO_x compliance for each MK1

and MK2. Please specifically detail the basis of the costs. What did these costs add to the ES rate? What O&M and capital costs are budgeted for the next 5 years? The next 10 years? The next 40 years? Please provide the data that supports these budget projections. Does PSNH anticipate future, more stringent, NO_x compliance costs because of administrative or judicial orders and state and federal regulation and programs?¹ Has PSNH budgeted for these anticipated costs? If not, why not?

5. Have the heat rate and efficiency projects described by the William H. Smagula response to Data Request Q-STAFF-059 caused the Merrimack Station firing rate to increase? Have the projects caused NO_x emission rates to increase in tons per year [TPY]? By how much? Will the increases require increased O&M and capital budget costs? Please specifically detail the basis of the costs. Are other heat rate and efficiency projects planned? What effect will these projects have on budgeting?

6. A review of Attachment RAB-3, appended to the Baumann testimony, does not provide any detail regarding the costs for emission control equipment at Merrimack Station, including the costs of the MK1 and MK2 electrostatic precipitator systems [ESP] for the reduction of particulate matter [PM]. Please provide the 2009 operating and maintenance costs [O&M] and capital costs for PM for each MK1 and MK2. Please specifically detail the basis of the costs. What did these costs add to the ES rate? What O&M and capital costs are budgeted for PM the next 5 years? The next 10 years? The next 40 years? Please provide the data that supports these budget projections. Does PSNH anticipate future, more stringent, PM compliance costs because of administrative or judicial orders or state and federal regulation and programs? [see footnote 1] Has PSNH budgeted for these anticipated costs? If not, why not?

7. Have the heat rate and efficiency projects described by the William H. Smagula response to Data Request Q-STAFF-059 caused the Merrimack Station firing rate to increase? Have the projects caused PM emission rates to increase in TPY? By how much? Will the increases require increased O&M and capital budget costs? Please specifically detail the basis of the costs. Are other heat rate and efficiency projects planned? What effect will these projects have on budgeting?

8. A review of Attachment RAB-3, appended to the Baumann testimony, does not provide any detail regarding the costs for the purchase of SO₂ credits and other SO₂ environmental compliance costs at Merrimack Station. Please provide the operating and maintenance costs [O&M] and capital costs for SO₂ for each MK1 and MK2. Please detail the basis of the costs. What did these costs add to the ES rate? What O&M and capital costs are budgeted for SO₂ the next 5 years, including the cost of the wet flue gas desulphurization system, balance of plant equipment, turbine-generator systems and

¹For example, New Source Performance Standards [NSPS], New Source Review [NSR], NO_x RACT modification and the pending Regional Haze SIP. MK2 is a BART eligible Targeted EGU in the NH Regional Haze SIP. MK2 is the largest NH contributor to regional haze.

site work²? The next 10 years? The next 40 years? Please provide the data that supports these budget projections. Does PSNH anticipate future, more stringent, SO₂ compliance costs because of administrative or judicial order or state and federal regulation?³ Has PSNH budgeted for these anticipated costs? If not, why not?

9. PSNH has abandoned its testing and experimentation with activated carbon injection [ACI] to reduce the emissions of the hazardous air pollutant mercury [Hg] at Merrimack Station.⁴ A review of Attachment RAB-3, appended to the Baumann testimony, does not provide any detail regarding the costs for Hg emission control equipment at Merrimack Station. Please provide the 2009 operating and maintenance costs [O&M] and capital costs for Hg for each MK1 and MK2. Please specifically detail the basis of the costs. What do these costs add to the ES rate? What O&M and capital costs are budgeted for the next 5 years? The next 10 years? The next 40 years? Please provide the data that supports these budget projections. Does PSNH anticipate future, more stringent, Hg compliance costs because of state and federal regulation, including compliance with RSA 125-O 11-18 and the maximum achievable control technology [MACT] required by the Clean Air Act? Has PSNH budgeted for these anticipated costs? If not, why not?

10. RSA 125-O:14 contains prescriptive language specific to determining baseline Hg input based on the sum of annual input pound averages derived from average mercury content of monthly samples of the coal combusted traditionally and average annual coal throughput for certain baseline years. Merrimack 1 has traditionally used a 2/1/1 blend of 50% high sulfur, 25% Bailey [mid-sulfur], and, 25% South American [low sulfur]. MK2 has traditionally used 100% Bailey [mid-sulfur]. Schiller uses 100% South American [low sulfur]. The total Hg baseline input, including Schiller, is 326 pounds per year.⁵ Should Merrimack Station not be able to achieve the 80% Hg reduction required by RSA 125-O: 1-18, what coal blend will PSNH be required to use to reduce Hg on the input side? Will a changed coal blend increase fuel costs? By how much? Has PSNH made budget calculations for increased fuel costs? If not, why not?

11. RSA 125-O: 11-18 requires that SO₂ emissions be reduced 90%. Referring to Data Request 10 above regarding the coal blends traditionally used at Merrimack Station, if the SO₂ removal rate is not achieved by the FGD system or if a state or federal

² See June 7, 2006, letter of William H. Smagula, Director-Generation, PSNH, to NHDES-ARD which describes these projects as FGD related.

³ For example, if Merrimack Station is subject to NSPS, the SO₂ removal rate may be as high as 97%. The application of BART to MK2, in the Regional Haze program, may increase the SO₂ removal rate to well above 90%.

⁴ ACI was expected to be a significantly less expensive mercury reduction system. The program was apparently abandoned because the MK2 SCR catalyst promotes the conversion of SO₂ to SO₃. SO₃ limits the effectiveness of ACI.

⁵ PSNH and NHDES-ARD have not yet reached agreement on the Hg baseline.

regulation or program requires a higher removal rate and a lower sulfur coal blend, will the change increase fuel costs? By how much? Has PSNH made budget calculations for increased fuel costs? If not, why not?

12. The Stipulated Settlement Agreement in Docket DE 09-091, provided that there would be an opportunity, during the 2009 reconciliation process, to review the investigation of third party liability for costs of the foreign material outage. \$13,200,000 of purchased power costs were passed on to ratepayers in the 2008 reconciliation process. What is the status of that investigation? Why wasn't a report of the investigation part of the filing and testimony in the current docket?? What proposed adjustments, if any, were made in the 2009 reconciliation presentation to account for any recovery of the 2008 purchased power costs from third parties? The reconciliation testimony and Attachments of William H. Smagula, MK2-Unit Outage List, state that MK2 was down from August 1, 2009, until December 6, 2009, as a "Planned Annual Outage". The reconciliation testimony and Attachments presented by Robert A. Baumann provide no specific detail of the costs attributable to the foreign material outage. Was the August 1, 2009, to December 6, 2009, outage attributable to the foreign material damage? If yes, please specifically detail the work done; who did the work; the total cost of the work; and, any costs that are included in the reconciliation presentation intended for ratepayer recovery, including damage replacement and repair, purchased power costs and all other costs caused by or attributable to the foreign material damage, including PSNH personnel and overhead costs.

13. Please provide an explanation of how the continuing payment of substantial O&M and capital costs for this 50 year old coal fired power plant for environmental compliance, as detailed in response to Data Requests 1-10 above, financed by first mortgage bonds with up to a 40 year maturity, is in the public good. Docket DE 10-112. See RSA 369:1 Coal fired power plants have substantial environmental consequences as compared to other, cleaner sources of generation, therefore, please specifically address the environmental costs of Merrimack Station in your discussion of PSNH compliance with RSA 369:1 and the public good.

Respectfully submitted,

Arthur B. Cunningham
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Certificate of Service

NHSC served these Data Requests pursuant to Puc 203.09.

Arthur B. Cunningham

ATTACHMENT 2

PSNH's OBJECTION TO DATA REQUESTS



**Public Service
of New Hampshire**

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The Northeast Utilities System

Gerald M. Eaton
Senior Counsel

July 23, 2010

Arthur B. Cunningham, Esq.
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P.O. Box 511
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Catherine Corkery
N. H. Sierra Club
40 North Main St 2nd Floor
Concord, New Hampshire 03301

Re: DE 10-121 Reconciliation of Stranded Costs and Energy Service for 2009

Dear Attorney Cunningham and Ms. Corkery:

Enclosed please find Public Service Company of New Hampshire's (PSNH) Objections to Sierra Club's Data Requests. Pursuant to N.H. Code Admin. Rules Puc § 203.09(g), objections to data requests should be served on the propounder.

Copies of the Objection were sent to the parties by electronic mail on July 23, 2010

Very truly yours,

Gerald M. Eaton
Senior Counsel

cc: Service List
Enclosures

THE STATE OF NEW HAMPSHIRE
before the
PUBLIC UTILITIES COMMISSION

Public Service Company of New Hampshire
Reconciliation of Stranded Cost Recovery Charge and
Energy Service Costs for 2009

Docket No. DE 10-121

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE'S
OBJECTIONS TO SIERRA CLUB'S DATA REQUESTS

Pursuant to N. H. Code Admin. Rule Puc §203.09(g), Public Service Company of New Hampshire ("PSNH") hereby objects to certain data requests propounded by the Sierra Club. In particular, PSNH objects to Requests 3, 7 and 13 in their entirety and portions of Requests Nos. 1, 2, 4, 5, 6, 8, 9, 10, and 11.

On July 20, 2010, the Commission issued Order No 25,132, "**Order Defining Scope of the Proceeding**" in this docket. In that order, the Commission defined the scope of the proceeding as the prudence of costs incurred during 2009 for stranded costs and energy service.

...2009 plant performance, plant outages, replacement power purchases, and other purchases of power and capacity and stranded cost recovery are included in the scope of this docket.

The environmental issues associated with PSNH's generation fleet raised by parties at the prehearing conference are beyond the scope of this docket.

Order No. 25,132, at 6

Order No. 25, 132 also noted, "To the extent that discovery exceeds the scope of the proceeding as defined in this Order and PSNH files an objection, we will promptly act on such objections." *Id.* at 8.

The Sierra Club's data requests seek information beyond calendar year 2009; therefore, they are beyond the scope of the proceeding and will not lead to the discovery of admissible evidence. Specifically PSNH objects as follows:

Request 1. What cost is budgeted for NH-RPS purchases add to Merrimack Station ES rate for the next 5 years? The next 10 years. The next 40 years?

Objection: This Request is beyond the scope of the proceeding as defined in Order No. 25,132. This proceeding addresses PSNH's costs incurred in 2009. This Request is neither relevant to the proceeding nor is it reasonably calculated to lead to the discovery of admissible concerning PSNH's Stranded Cost Recovery Charge ("SCRC") or Default Energy Service ("ES") costs in 2009.

In addition, this Request misses the mark. PSNH's renewable portfolio standard (RPS) requirements are based upon total Energy Service sales, not on the output of any particular generating station.

Request 2. What cost is budgeted for RGGI purchases add to [sic] Merrimack Station ES rate for the next 5 years? The next 10 years. The next 40 years?

Objection: This Request is beyond the scope of the proceeding as defined in Order No. 25,132. This proceeding addresses PSNH's costs incurred in 2009. This Request is neither relevant to the proceeding nor is it reasonably calculated to lead to the discovery of admissible concerning PSNH's SCRC or ES costs in 2009.

Request 3. The United States Congress is working on cap and trade legislation that, if enacted, will impose costs on the emission of carbon dioxide [CO2]. What position has PNSH [sic] and its parent company Northeast Utilities taken on this legislation? Please detail the position. Has PSNH done budget projections regarding the costs to Merrimack Station that may result from federal cap and trade legislation? If yes, please provide the budget projections and the data that supports the projections. If PSNH has not done such budget projections, please explain why not.

Objection: This Request is beyond the scope of the proceeding as defined in Order No. 25,132. This proceeding addresses PSNH's costs incurred in 2009. This Request is neither relevant to the proceeding nor is it reasonably

calculated to lead to the discovery of admissible concerning PSNH's SCRC or ES costs in 2009.

In addition, this Request call for speculation on the part of PSNH. Unless and until legislation is actually enacted, it is impossible to determine what the impact of any such future law might require.

Request 4. [NOx compliance costs] What O&M and capital costs are budgeted for the next 5 years? The next 10 years? The next 40 years? Please provide the data that supports these budget projections. Does PSNH anticipate future, more stringent, NOx compliance costs because of administrative or judicial orders and state and federal regulation and programs?¹ Has PSNH budgeted for these anticipated costs? If not, why not?

Objection: This Request is beyond the scope of the proceeding as defined in Order No. 25,132. This proceeding addresses PSNH's costs incurred in 2009. This Request is neither relevant to the proceeding nor is it reasonably calculated to lead to the discovery of admissible concerning PSNH's SCRC or ES costs in 2009.

Request 5. [Heat and efficiency projects affecting NOx emission] Have the projects caused NOx emission rates to increase in tons per year [TPY]? By how much? Will the increases require increased O&M and capital budget costs? Please specifically detail the basis of the costs. Are other heat rate and efficiency projects planned? What effect will these projects have on budgeting?

Objection: This Request is beyond the scope of the proceeding as defined in Order No. 25,132. This proceeding addresses PSNH's costs incurred in 2009. This Request is neither relevant to the proceeding nor is it reasonably calculated to lead to the discovery of admissible concerning PSNH's SCRC or ES costs in 2009.

Request 6. [Reduction of Particulate Matter through Electrostatic Precipitators] What O&M and capital costs are budgeted for PM the next 5 years? The next 10 years? The next 40 years? Please provide the data that supports these budget projections. Does PSNH anticipate future, more stringent, PM compliance costs because of administrative or judicial orders or state and federal regulation and programs? [see footnote 1] Has PSNH budgeted for these anticipated costs? If not, why not?

Objection: This Request is beyond the scope of the proceeding as defined in Order No. 25,132. This proceeding addresses PSNH's costs incurred in 2009. This Request is neither relevant to the proceeding nor is it reasonably calculated to lead to the discovery of admissible concerning PSNH's SCRC or ES costs in 2009.

In addition, this Request call for speculation on the part of PSNH. Unless and until legislation is actually enacted, it is impossible to determine what the impact of any such future law might require.

Request 7. Have the heat rate and efficiency projects described by the William H. Smagula response to Data Request Q-STAFF-059 caused the Merrimack Station firing rate to increase? Have the projects caused PM emission rates to increase in TPY? By how much? Will the increases require increased O&M and capital budget costs? Please specifically detail the basis of the costs. Are other heat rate and efficiency projects planned? What effect will these projects have on budgeting?

Objection: This Request is beyond the scope of the proceeding as defined in Order No. 25,132. This proceeding addresses PSNH's costs incurred in 2009. This Request is neither relevant to the proceeding nor is it reasonably calculated to lead to the discovery of admissible concerning PSNH's SCRC or ES costs in 2009.

Request 8. [SO2 credits and compliance] What O&M and capital costs are budgeted for SO2 the next 5 years, including the cost of the wet flue gas desulphurization system, balance of plant equipment, turbine-generator systems and these budget projections. Does PSNH anticipate future, more stringent, SO2 compliance costs because of administrative or judicial order or state and federal regulation? Has PSNH budgeted for these anticipated costs? If not, why not?

Objection: This Request is beyond the scope of the proceeding as defined in Order No. 25,132. This proceeding addresses PSNH's costs incurred in 2009. This Request is neither relevant to the proceeding nor is it reasonably calculated to lead to the discovery of admissible concerning PSNH's SCRC or ES costs in 2009.

In addition, this Request call for speculation on the part of PSNH. Unless and until legislation is actually enacted, it is impossible to determine what the impact of any such future law might require.

Request 9. [Active Carbon Injection] What O&M and capital costs are budgeted for the next 5 years? The next 10 years? The next 40 years? Please provide the data that supports these budget projections. Does PSNH anticipate future, more stringent, Hg compliance costs because of state and federal regulation, including compliance with RSA 125-O 11-18 and the maximum achievable control technology [MACT] required by the Clean Air Act? Has PSNH budgeted for these anticipated costs? If not, why not?

Objection: This Request is beyond the scope of the proceeding as defined in Order No. 25,132. This proceeding addresses PSNH's costs incurred in 2009. This Request is neither relevant to the proceeding nor is it reasonably calculated to lead to the discovery of admissible concerning PSNH's SCRC or ES costs in 2009.

In addition, this Request call for speculation on the part of PSNH. Unless and until legislation is actually enacted, it is impossible to determine what the impact of any such future law might require.

Request 10. [Mercury reduction in the future] Should Merrimack Station not be able to achieve the 80% Hg reduction required by RSA 125-O: 1-18, what coal blend will PSNH be required to use to reduce Hg on the input side? Will a changed coal blend increase fuel costs? By how much? Has PSNH made budget calculations for increased fuel costs? If not, why not?

Objection: This Request is beyond the scope of the proceeding as defined in Order No. 25,132. This proceeding addresses PSNH's costs incurred in 2009. This Request is neither relevant to the proceeding nor is it reasonably calculated to lead to the discovery of admissible concerning PSNH's SCRC or ES costs in 2009.

In addition, this Request call for speculation on the part of PSNH. Unless and until the scrubber has been completed and tested, it is not possible to determine the most economical fuel composition for Merrimack Station.

Request 11. RSA 125-O: 11-18 requires that SO₂ emissions be reduced 90%. Referring to Data Request 10 above regarding the coal blends traditionally used at Merrimack Station, if the SO₂ removal rate is not achieved by the FGD system or if a state or federal the change increase fuel costs? By how much? Has PSNH made budget calculations for increased fuel costs? If not, why not?

Objection: This Request is beyond the scope of the proceeding as defined in Order No. 25,132. This proceeding addresses PSNH's costs incurred in 2009. This Request is neither relevant to the proceeding nor is it reasonably calculated to lead to the discovery of admissible concerning PSNH's SCRC or ES costs in 2009.

In addition, this Request call for speculation on the part of PSNH. Unless and until the scrubber has been completed and tested, it is not possible to determine the most economical fuel composition for Merrimack Station.

Request 13. Please provide an explanation of how the continuing payment of substantial O&M and capital costs for this 50 year old coal fired power plant for environmental compliance, as detailed in response to Data Requests 1-10 above, financed by first mortgage bonds with up to a 40 year maturity, is in the public good. Docket DE 10-121. See RSA 369:1 Coal fired power plants have substantial environmental consequences as compared to other, cleaner sources of generation, therefore, please specifically address the environmental costs of Merrimack Station.

Objection: This Request is beyond the scope of the proceeding as defined in Order No. 25,132. This proceeding addresses PSNH's costs incurred in 2009. This Request is neither relevant to the proceeding nor is it reasonably calculated to lead to the discovery of admissible concerning PSNH's SCRC or ES costs in 2009.

In addition, this Request references Docket No. DE 10-121. In Order No. 25,131 dated July 20, 2010 in that docket, the Commission found Sierra Club did not state a right, duty, privilege, immunity or other substantial interest that would be affected by the outcome of that proceeding. Sierra Club may not use this proceeding to seek information for another proceeding where its intervention request was denied.

Respectfully submitted,

Public Service Company of New Hampshire

July 23 2010
Date

By: Gerald M. Eaton

Gerald M. Eaton

Senior Counsel

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CERTIFICATE OF SERVICE

I hereby certify that, on the date written below, I caused the attached
Objections to Sierra Club's Data Request to be served pursuant to N.H. Code
Admin. Rule Puc §203.11.

July 23, 2010
Date

Gerald M. Eaton
Gerald M. Eaton

CERTIFICATE OF SERVICE

I certify that I caused the attached Objection to be served pursuant to
N.H. Code Admin. Rule Puc 203.11.



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SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

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Docket #: 10-121-1 Printed: July 28, 2010

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:
- DEBRA A HOWLAND
EXEC DIRECTOR & SECRETARY
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429
- 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.