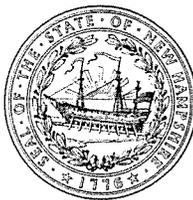


THE STATE OF NEW HAMPSHIRE

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June 16, 2014

Robert Bersak  
Public Service Company of New Hampshire  
P.O. Box 330  
Manchester, NH 03105

Re: DA 10-123, Public Service Company of New Hampshire  
DA 11-091, Public Service Company of New Hampshire  
Affiliate Contracts

Dear Mr. Bersak:

On May 3, 2010, Public Service Company of New Hampshire (PSNH) filed a contract with an affiliate, E.S. Boulos Company (E.S. Boulos) along with a motion for confidential treatment. The Commission opened Docket DA 10-123 in response to this filing. According to PSNH, the contract with E.S. Boulos was for the furnishing of construction services as part of the ongoing project to install a wet flue gas desulphurization (Scrubber) system at its Merrimack Station generating plant. PSNH stated that the contract was awarded through a competitive procurement process and that E.S. Boulos was not only the lowest cost bidder but its proposal had the highest overall technical score.

During the course of Staff's investigation of the E.S. Boulos contract, Staff discovered that PSNH had not filed a number of affiliate contracts with the Commission. Staff asked PSNH to provide information on those contracts. In response, PSNH filed various contracts and agreements with Northeast Generation Services (NGS), NGS Mechanical, Inc., and Woods Network Services, Inc. PSNH requested that the Commission waive the requirement in Puc 203.02 that PSNH file seven copies of all these materials, due to the voluminous nature of the filing. PSNH acknowledged that the filing was not timely made "because these transactions took place in the normal course of business, without any awareness of participation of PSNH's legal or regulatory personnel, and those personnel involved in these transactions were unaware of the requirements of RSA 336.3." PSNH also requested confidential treatment. The Commission opened Docket DA 11-091 in response to this filing.

After completing its review of the various affiliate contracts, Staff filed a recommendation to close DA 10-123 and DA 11-091. Staff represented that it found no evidence of preferential treatment of the affiliated companies with respect to the products and services covered by the contracts. Of the aforementioned contracts, only E.S. Boulos still provides services to PSNH. Staff noted that the bidding procedures for the E.S. Boulos contract were thoroughly reviewed by Staff and its

June 16, 2014

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consultant in DE 11-250, the Commission's investigation into the Scrubber costs and cost recovery, and no issues were noted or raised by other parties participating in that proceeding. According to Staff, other than costs paid to E.S. Boulos, the disposition which will be determined in DE 11-250, all costs arising out of the other affiliate contracts have already been included in rate components approved by the Commission.

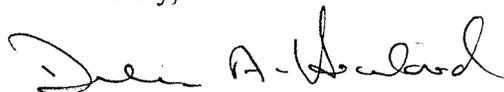
Staff reported that PSNH no longer seeks confidential treatment of its filings in Docket DA 10-123 and Docket DA 11-091. Accordingly, the Commission denied PSNH's motions for confidential treatment in both dockets.

Based on Staff's recommendation and given the voluminous nature of the submittal, the Commission waived Puc 203.02 with respect to the number of copies of documents to be filed in Docket DA 11-091.

The Commission decided not to impose a penalty under RSA 366:4 in Docket DA 11-091 for PSNH's failure to file affiliate contracts as required by RSA 366:3 until after Staff discovered the contracts and requested information. The Commission's decision not to impose a penalty was based upon two considerations: 1) Northeast Utilities and PSNH have already undertaken remedial measures to ensure that PSNH will comply with statute and 2) Staff reported no evidence of preferential treatment by PSNH of its affiliates. In future, the Commission will expect full compliance by PSNH with RSA 366:3 and Commission rules regarding affiliate agreements.

Lastly, based upon Staff's recommendation, the Commission closed both Docket DA 10-123 and Docket DA 11-091.

Sincerely,



Debra A. Howland  
Executive Director

cc: Docket File

**SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED**

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**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 #: 10-123-1 Printed: June 16, 2014

**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  
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.