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

DE 11-250

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

INVESTIGATION OF MERRIMACK STATION SCRUBBER PROJECT AND COST RECOVERY

SIERRA CLUB'S POST-HEARING BRIEF

I. INTRODUCTION

Public Service Company of New Hampshire ("PSNH") has failed to carry its burden in establishing that this Commission should allow PSNH to recover from ratepayers nearly one-half billion dollars for a scrubber system originally projected to cost less than $250 million. Rather, PSNH's decision to move forward with the scrubber project after costs had ballooned, after the power market had drastically changed, and without consideration of either future environmental compliance costs or less costly alternatives, was plainly imprudent. Accordingly, the PUC should not allow recovery in ratebase.

II. ARGUMENT

As this Commission has ordered previously, this docket is "to judge what a reasonable utility manger would do under circumstances existing at the time of the challenged decision[s]," namely, the decision made by PSNH to proceed with the installation of a scrubber at Merrimack station. Order No. 25,714 (Sept. 8, 2014); *see also* Order No. 23,549 (Sept. 8, 2000) at 37-38, 40; Appeal of Conservation Law Foundation, 127 N.H. 606, 638 (1986) ("prudence judges an investment or expenditure in

the light of what due care required at the time an investment or expenditure was planned and made"). In order to recover for costs for construction of the scrubber in ratebase, PSNH must carry its burden of establishing that its decision to build the scrubber, and its execution of the construction process, was prudent. New Hampshire RSA 125-O:18; Order No. 25,565 at 7 (Aug. 27, 2013) ("No utility may proceed blindly with the management of its assets or act irrationally with ratepayer funds; PSNH had a duty to its ratepayers to consider the appropriate response, possibly even including a decision to no longer own and operate Merrimack Station, when facing changing circumstances.") PSNH has not met this burden, however; nor could it. In electing to build its scrubber, PSNH failed to consider other forthcoming environmental compliance costs, failed to consider dramatic changes in the U.S. economy and power market that rendered its nearly half-billion dollar investment in its aging Merrimack station dubious at best, and indeed failed to consider alternatives to proceeding at all. Accordingly, this Commission should not allow recovery by PSNH, and should instead shield ratepayers from the ill effects of PSNH's poor planning.

A. PSNH Failed to Consider Forthcoming Environmental Costs When it Decided to Move Forward with the Scrubber Project.

A prudent utility in PSNH's position would have, in the summer and fall of 2008, after receiving a single qualifying bid for scrubber construction that was wildly higher than the prior projected cost of $250 million, paused and reanalyzed the wisdom of proceeding with the project. This reanalysis would have necessarily included a thorough examination of likely forthcoming environmental compliance costs for the fossil-fired generating stations in PSNH's portfolio. But PSNH did not do this.

As Dr. Ranajit Sahu testified, "prudence should have dictated that prior to making the decision to incur the significantly increased costs via continued implementation of the Scrubber Project, that any entity, including PSNH, had an obligation to determine if it made sense to proceed with the project." Ex. 19 (Sahu Prefiled Testimony) at 4.

For example, among the many capital-intensive environmental compliance costs for aging fossil-fired power plants that a prudent utility manager in the fall of 2008 would have been considering, one that should have been of chief concern to PSNH was cooling water intake structure controls under Clean Water Act section 316. PSNH's coal-fired Merrimack and Schiller Station plants both use "once-through" cooling, which means that vast quantities of water are withdrawn from a nearby source, run through the station's system for cooling, and then discharged back into the watersource, at a greatly elevated temperature. Certainly by 2008, EPA had begun regulating such systems "to reduce injury and death of other aquatic life caused by cooling water intake structures . . . require[ing] closed-loop systems such as cooling towers" in which the same water is cycled within the facility and cooled in towers. *Id.* at 8. Such systems dramatically reduce the amount of aquatic life killed by power plants and can reduce the amount of water withdrawn from adjoining rivers to negligible amounts. In 2008, PSNH should have been aware of the very real risk of being required to install such cooling towers at Merrimack station and its other fossil-fired units, as EPA, the Clean Water Act permitting authority for Merrimack "was actively engaged in the 2002-2007 time frame in a permitting decision . . . [at] the Brayton Point plant in MA . . . requiring a closed cycle cooling system." *Id.* at 8-9. In fact, EPA ultimately has issued "a draft NPDES permit

for Merrimack station that would require closed-cycle cooling" and thus PSNH "will likely have to install cooling towers at Merrimack," *id.* at 9, at considerable expense.[1]

Likewise, Dr. Sahu highlighted "New and Updated National Ambient Air Quality Standards" (*id.* at 5), Regional Haze rules requiring "reduction of the emission rates for NOx, SO_2, and/or [particulate matter]" (*id.* at 6), regulations for "greenhouse gases, which are emitted in extremely large quantities by coal-fired units" such as those at Merrimack (*id.* at 6),[2] and "comprehensive air toxics" regulation (*id.* at 7), all as being forthcoming regulatory developments a prudent utility in 2008 would have folded into evaluation of any large capital expenditure. Nonetheless, there is "no evidence that PSNH properly considered" any of these developments "in its decision to proceed with the Scrubber Project, its cost escalation notwithstanding." *Id.* at 9; *see also* Ex. 27 (Deposition of Gary Long) at 217:5-7 (answering "No" to the question of "would it have been possible for the [Northeast Utilities oversight committee] to reject the" $457 million scrubber project proposal).

Accordingly, "[a]s a result of its imprudent decision to implement the Scrubber Project, PSNH faces the situation that its already over-capitalized coal plants face further

[1] Indeed, in internal documents, PSNH only assigned a low likelihood of being required to spend as much as $30 million on cooling towers. *See* Ex. 42 (PSNH Clean Air Project Capital Project Review and Approval) at 8. However, EPA estimated the cost of cooling towers at Merrimack station alone (and thus, excluding potential costs for cooling water controls at Schiller and Newington Stations) at $112 million, including both up-front capital costs and ongoing operation costs. *See* Ex. 89 (PSNH EPA NE Region 1 Fact Sheet - Permit to Discharge to waters pursuant to the Clean Water Act) at 11. Dr. Sahu likewise described this $30 million figure as "ludicrously low." Hearing Trans. Day 3 Afternoon Session at 53:19 (Sahu).

[2] PSNH's witness William Smagula testified that older coal-fired power plants like Merrimack emit significantly more greenhouse gases than do similarly-sized gas plants, and that many energy sources do not emit greenhouse gases at all. *See* Hearing Trans. Day 1 Afternoon Session at 10:22-11:6 (Smagula) (admitting that a gas plant would emit only "50 to 60 percent the amount" of carbon dioxide as a similar coal plant); *id.* at 9:6-21 (testifying that sources such solar, wind, hydroelectric, and nuclear generators would not emit carbon dioxide "if they don't have a carbon-based fuel for their primary purposes of generating electricity"). Greenhouse gas regulations are thus particularly significant issues for coal burners like Merrimack, even vis-à-vis the rest of the electric generating sector.

large future regulatory costs, making them likely unviable for future generation." Ex. 19 (Sahu Prefiled Testimony) at 9. Dr. Sahu testified additionally that these forthcoming environmental control costs

> . . .will make the currently costly Merrimack and Schiller units even less viable as power producers in the future. A prudent utility would have recognized this reality in the summer of 2008; PSNH, by failing to engage in prudent planning and evaluation of likely forthcoming environmental compliance costs and risks, irresponsibly incurred the hundreds of millions of dollars now sunk in the Merrimack Scrubber Project.

Id. at 10.

Although PSNH did not submit testimony rebutting its failure to consider these environmental compliance costs as part of its decision to install a scrubber at Merrimack, throughout PSNH's cross-examination of Dr. Sahu, PSNH advanced the arguments that it was, in 2008, in fact, aware of various likely forthcoming environmental regulations, and that many environmental regulations have not yet been fully finalized. *See* Hearing Trans. Day 3 Afternoon Session at 7:19-21 (Sahu) ("[PSNH] took the view that, because the future was not known with precision, they didn't have to include it in the planning process"). However, as Dr. Sahu testified, merely being *aware* of forthcoming environmental regulations is insufficient: a prudent utility would necessarily apply that awareness to estimate future compliance costs while weighing whether to proceed with a capital investment as massive as PSNH's investment in the scrubber project. *See id.* at 53:5-11 ("We're in agreement that the Company spent resources tracking regulations, transcribing the regulations in its various plans, and, in general, being aware of the

regulations. I think we have a disagreement, I want to make it very pointed, disagreement of how all that benefited this go/no go decision-making when there are real financial risks."). But PSNH did not do this. *See* Ex. 27 (Deposition of Gary Long) at 219:4-220:12 (testifying that PSNH considers non-final regulations to be, at most, "risk factors" and stating such "risk factors" do not "go into the budget").

Additionally, such an argument fails to address the issue of *prudency*—a prudent utility does not wait until it is confronted with specific costs before weighing the wisdom of proceeding with, say, a nearly half-billion dollar scrubber project, in light of other likely significant future costs. As Dr. Sahu put it:

> Q. In your opinion, is it prudent planning by a utility to wait until a regulation is finalized on the books, realized, and applicable to a facility to begin planning for costs that might stem from that sort of regulation?
>
> A. No. In my opinion, that's -- that's not right from a planning perspective.

Hearing Trans. Day 3 Afternoon Session at 90:1-7 (Sahu).[3] The crux of the matter is that PSNH appears to believe that prudency requires nothing more of PSNH than to ignore likely environmental compliance costs up to the moment at which those costs are finally applicable, even when PSNH itself invests resources in understanding and assessing what those potential compliance rules and regulations are likely to be. This is fundamentally imprudent, and PSNH's election to construct a scrubber without considering the

[3] PSNH also appears to know how to fold some potential environmental compliance costs into its capital expenditure decisionmaking, when it so chooses. As PSNH witness William Smagula testified concerning wastewater treatment systems built as part of the scrubber project, construction of such systems was necessary because "pending federal regulations" such as the "Steam Electric Generation Effluent Limitation Guidelines" were "in discussion at the federal level," and that "while no specific action has taken place at the federal level, we expect that that will take place over the next few years, which creates a significant risk in the long run . . ." Hearing Trans. Day 7 at 57:20-58:10 (Smagula). PSNH's failure to consider other looming capital expenditures for environmental controls in the context of its decision to construct the scrubber is thus all the more glaring in the face of it apparently making just such considerations in deciding to build a wastewater treatment system.

additional significant capital costs facing its fossil fleet as part of that decision accordingly cannot be described as prudent and warranting rate recovery.

B. PSNH Failed to Consider Obvious and Dramatic Changes in Fuel Prices and the Economy Generally When it Decided to Move Forward with Its Scrubber Project.

In addition to failing to consider significant forthcoming environmental compliance costs when it decided to move forward with its scrubber project, PSNH in the fall of 2008 imprudently ignored information as to the extremely significant changes underway in the markets for electricity and for natural gas in particular. A prudent utility would have paid heed to such changes and paused to reconsider committing hundreds of millions of dollars to a large capital project at an aging coal plant.

As an example, PSNH's affiliated company and fellow Northeast Utilities subsidiary Yankee Gas, in the fall of 2008, just when PSNH was deciding to proceed with construction of its scrubber, requested extra time from its regulatory authority to file an updated forecast of the market for natural gas. *See* Ex. 37 (NU DPUC Gas Forecast). Specifically, in November of 2008, Yankee Gas noted that, while it had earlier committed to providing the Connecticut Department of Public Utility Control an updated forecast by December 19, 2008, because of "the significant economic and energy price market changes and outlooks" then occurring, Yankee Gas required more time to assess the those changes and "integrate the results" into its "planning process, and complete the detailed supporting materials" required by the Department. *Id.* at 3. Thus, Yankee Gas correctly identified the need to reassess planning in the wake of the severe economic downturn occurring in fall of 2008 and the contemporaneous natural gas price collapse. PSNH, imprudently, did not.

Instead, PSNH filed a document with the PUC supporting its decision to construct a scrubber at Merrimack, in part purporting to state that the costs of the scrubber PSNH wished to install were comparable to those of other recent scrubber projects. *See* Ex. 23 attachment 5 (Bates 000486). Although PowerAdvocate had in June 2008 stated to PSNSH that the cost of wet scrubbers ranged between "$250/kW and $654/kW (median $467/kw)," Ex. 20 attachment 9 (Bates 000069), PSNH claimed in its September 2008 filing before the PUC that the projected cost of the scrubber at Merrimack Station of $1,054 per kilowatt of installed capacity at Merrimack was "in-line" with other scrubber installations occurring around the country. *Id.* at Bates 000493. However, the only example that PSNH listed as being more expensive than the Merrimack scrubber was an installation of scrubbers and selective catalytic reduction controls ("SCR") at "Oak Creek units 5-8" at a cost of $774 million, or $1,474 per kilowatt of capacity, as, according to PSNH, Oak Creek units 5-8 had a combined capacity of 525 megawatts. *Id.* Not only is this an improper comparison (listing the costs for scrubbers and SCRs in comparison to the scrubber cost alone at Merrimack), but PSNH also undercounted the Oak Creek capacity by half, thereby making the controls appear to be dramatically more expensive. *See* Ex. 124 (We Energies Generating System-Oak Creek Power Plant, dated March 2014) (listing the generating capacity of Oak Creek units 5-8, according to its operator Wisconsin Energies, totaling 1,135 megawatts); Hearing Trans. Day 6 Early Afternoon at 72:19-73:1 (Large & Vancho) (using Wisconsin Energies's listed capacities for Oak Creek units 5-8, instead of the capacities PSNH conveyed to the PUC, the cost of the scrubber and SCR installation is only $681 per kilowatt—significantly less than the cost of the Merrimack scrubber).

Thus, rather than undertake the sort of reanalysis of the rapidly changing market that its affiliate Yankee Gas did in the fall of 2008, PSNH instead incorrectly attempted to justify the cost of its scrubber as being comparable to that of other scrubber projects, while ignoring the information recently given to it from PowerAdvocate. PSNH's behavior, and election to construct the scrubber, was imprudent.

C. PSNH Imprudently Failed to Consider Alternatives to the Expensive Wet Scrubber Design It Selected in the 2008 Bidding Process.

A prudent utility manager, confronted with the vastly increased costs of the scrubber project, would have examined alternatives to proceeding to determine if there was an alternative option or set of options to its chosen scrubber design that would prove less costly to ratepayers. PSNH, however, did not do this.

Tellingly, PSNH throughout its testimony, refers to a requirement by the Legislature that it build "the" scrubber. However, the law in question certainly does not specify the exact design and configuration of any scrubber to be installed at Merrimack station—nor could it. In fact, "there are hundreds of different types of scrubbers, wet scrubbers, literally." Hearing Trans. Day 3 Afternoon Session at 26:20-22 (Sahu). And despite the fact that PSNH's chosen specific design was at a price far higher than expected, PSNH never once considered an alternative design that may have been cheaper. PSNH's failure to do so is baffling, as plenty of time remained to rebid the project, and PSNH had only received a single bid that included a performance guarantee.[4] *See* Ex. 26 (Jacobs Report) at 10. Nor did PSNH apparently consider combining a less expensive

[4] PSNH has argued that it was prudent to rush ahead with scrubber construction without pausing to reanalyze, because reducing mercury emissions earlier than the July 2013 compliance date could garner PSNH potentially lucrative sulfur dioxide ("SO_2") emission credits. But by the fall of 2008, the price for those credits had continued their two-year long steep crash—owing to federal rules like the Clean Air Insterstate Rule, or CAIR—from a historically aberrant peak price, rendering them of negligible value. *See* Ex. 117 (SO2 Allowance Prices and the Regulatory Environment 1994-2012).

wet scrubber design with some other low-cost mercury reduction technique—such as activated carbon injection or switching to lower-mercury coals—to achieve the mercury reduction specified by the Legislature at a lower potential cost to ratepayers.[5]

Additionally, PSNH does not appear to have at any point seriously considered simply retiring Merrimack station, rather than running up hundreds of millions of dollars in scrubber costs for a facility whose longevity was, in 2008, increasingly in question. As this Commission has repeatedly ruled, the passage of the Scrubber Law did not preclude PSNH from retiring Merrimack. *See* Order No. 25,506 (May 9, 2013) at 17, (determining that PSNH maintained management discretion to retire Merrimack prior to installing a scrubber, noting that "PSNH, like any other utility owner, maintained the obligation to engage in good utility management at all times."); Order No. 25,546 (July 15, 2013) at 8, 10 ("PSNH retained the management discretion to retire Merrimack Station" under RSA 369-B:3-a, and that the Scrubber Law did not mandate that PSNH to continue to install a scrubber if doing so would be poor or imprudent management of its generation fleet); Order No. 25,565 (Aug. 27, 2013) at 15-19 (affirming prior rulings that PSNH retained the management discretion to retire or divest Merrimack Station prior to completing installation of a scrubber); Order No. 25,640 (March 26, 2014) at 13 (denying PSNH motions seeking to strike testimony on the issue of the possibility of retiring Merrimack, again affirming that the Scrubber Law did not remove from PSNH the management discretion to divest or retire Merrimack).

[5] Indeed, PSNH's own prudency expert admitted that other options, in conjunction with installation of some sort of scrubber, were available to PSNH to reduce mercury emissions. *See* Hearing Trans. Day 7 Morning Session at 165:2-7 (Reed) (noting that PNSH could "supplement the Scrubber with a fuel substitution"). PSNH would seem to agree, as it apparently felt that the passage of the Scrubber Law was no bar to converting one of Schiller Station's coal-fired units to instead burn mercury-free biomass. Yet PSNH did not consider additional fuel-switching options as a method of reducing mercury in conjunction with construction of a smaller, less expensive scrubber.

Instead, PSNH has maintained that the Legislature, in failing to act on a proposed bill to cap recovery for scrubber expenses, somehow sanctioned not only the dramatically increased price of the scrubber PSNH planned to build, but also the recovery of the entirety of that price from ratepayers. But PSNH's logic here is inherently flawed. First, it is textbook law that the non-passage of legislation is no real evidence of anything (particularly where, as here, the bill in question was never presented to the entire legislature). Indeed, any number of reasons could explain a legislature not enacting this or that statute, such as a faith in the traditional ability and function of the PUC to ascertain prudently incurred costs versus imprudently incurred costs without legislative input. Second, PSNH's argument would reverse the burden of proof in a prudency determination: according to PSNH's theory, if the legislature was aware of the costs of a capital project, and nonetheless did not pass legislation forbidding the recovery for some or all of that capital project, PSNH would always be prudent in proceeding to make the investment. Put another way, PSNH's theory would replace the requirement that utilities be prudent protectors of ratepayer money with a standard whereby ratepayers are on the hook for expenses the legislature failed to affirmatively step in and block the utility from incurring. Such an argument is unsupported by statute, and should not be countenanced here.

PSNH's failure to pause and consider alternatives to building its desired scrubber was accordingly imprudent, and a further demonstration of how PSNH has failed to carry its burden in establishing that recovery is warranted.

D. Any Recovery for the Secondary Wastewater Treatment System Must Be Accompanied by a Requirement that PSNH Permanently Operate the System.

Unlike some of the forthcoming environmental compliance costs discussed above—such as cooling towers to address thermal pollution and fishkills—that flow from the existence and operation of PSNH's fossil-fleet, the decision to install the scrubber also entailed the generation of entirely new waste streams.[6] PSNH failed to obtain a permit for such discharges, and failed to ensure that its primary wastewater treatment system would be able to adequately address the new pollution. Instead, PSNH elected to build a Secondary Wastewater Treatment System (the "SWWTS") at a cost of roughly $33 million, and now seeks recovery for the costs of that system. However, PSNH is simultaneously arguing before EPA that it should not be required to actually operate the SWWTS. While PSNH has failed to establish that recovery for the costs of the scrubber project as a whole are warranted, if the Commission nonetheless grants recovery for the SWWTS without conditioning recovery on continued operation of the system, PSNH may end up forcing ratepayers to pay for a water treatment system that PSNH does not intend to operate.

While constructing the scrubber, PSNH told the Commission Staff, through Jacobs Consultancy, that, by installation of the SWWTS, Merrimack would achieve "zero liquid discharge," or "ZLD," meaning that Merrimack station would no longer need to discharge any liquid waste associated with the scrubber. *See* Ex. 16 (Prefiled Testimony of F. DiPalma and C. Dalton (Jacobs)) at 34:734-735 (because of the SWWTS "the liquid effluent is reduced to zero, resulting in no liquids being discharged into the river"); *id.* at

[6] A classic and well-understood problem with addressing air pollution is the water pollution waste stream that often results: scrubbing pollutants from the air can mean, without proper controls on water discharges, that those pollutants just end up in the local river.

36:772-775 (same); *id.* at 36:779 (the SWWTS "eliminated the need for the discharge portion to the river"); *id.* at 37:793-795 (the scrubber project wastewater treatment systems "are providing the immediate benefits of eliminating the discharge of metals, especially mercury and arsenic, into the Merrimack river"); *see also* Hearing Trans. Day 2 Morning Session at 67:14-69:9 (discussing how Jacobs Consultancy collected information from PSNH for its report and testimony). Jacobs Consultancy concluded that installation of the SWWTS was prudent on the basis of its ability to prevent pollutant discharges into the water. *See* Ex. 16 (Prefiled Testimony of F. DiPalma and C. Dalton (Jacobs)) at 37:804-805.

However, despite what PSNH told Jacobs Consultancy, PSNH has also argued strenuously to EPA that the SWWTS does not, in fact, reduce discharges to zero. In comments on a proposal by EPA to require PSNH to run the SWWTS at Merrimack Station and thereby eschew discharges of pollutants into the Merrimack River, PSNH stated that "[t]he SWWTS installed at Merrimack Station does not and cannot at this time reduce [scrubber] waste water to zero liquid." Ex. 56 (Comments of PSNH on EPA rev Draft National Pollutant Discharge Elimination System) at Executive Summary. Furthermore, PSNH argued in the same document that the SWWTS was not required best available technology or "BAT" and that any action by EPA to require PSNH to use the SWWTS would thus impermissibly be "arbitrary and capricious." *Id.* at iii. In fact, PSNH witness William Smagula answered "yes" to the question of whether it was asking EPA for a permit that would allow it to discharge wastewater directly form the "primary wastewater treatment plant"—thereby bypassing entirely the SWWTS—because PSNH

wanted the "operational flexibility" to run the scrubber without using the SWWTS. Hearing Trans. Day 7 at 61:16-19 (Smagula).

Reviewing PSNH's statements to Jacobs in the context of its comments to EPA, it appears clear that, while PSNH desires ratepayers to pay for its SWWTS, it intends to fight vigorously any requirement that it actually operate the system. Ultimately, if the PUC allows recovery for costs attributable to the SWWTS, such recovery should be dependent on PSNH continually operating that system—PSNH should not be allowed to recover in ratebase for an expensive wastewater treatment system that PSNH intends to mothball if it gets the permit it desires from EPA. Eliminating discharges of scrubber waste into the Merrimack River is an excellent goal, but only if PSNH actually follows through.[7]

II. CONCLUSION

PSNH's decision to move forward with the scrubber project, without analysis of alternatives, without reconsidering or rebidding when costs ballooned, and without paying attention to the dramatic changes in the power market occurring literally at the same time as it was committing resources to the scrubber, is the definition of imprudent. PSNH has failed to carry its burden in establishing that it should be allowed to recover the nearly half-billion dollars sunk into a scrubber on a 60-year old coal plant. Instead,

[7] PSNH appears to have not prudently managed permitting around the new liquid waste stream generated by its scrubber, either. *See* U.S. EPA, 2011 Draft Merrimack NPDES Permit Fact Sheet Attachment E, http://www.epa.gov/region1/npdes/merrimackstation/pdfs/MerrimackStationAttachE.pdf, at 4 ("It was not until May 5, 2010, that PSNH submitted to EPA an addendum to its previously filed NPDES permit application for Merrimack Station in order to identify the company's plan for discharging treated FGD effluent to the Merrimack River"); *see also id.* at 5 ("PSNH designed, financed and, for the most part, constructed the Merrimack Station FGD WWTS system without first discussing with EPA whether this WWTS would satisfy technology-based and water quality-based standards."). This is consistent with PSNH's election to build a SWWTS, claim that it would achieve zero liquid discharge to the Commission Staff, and then later argue to EPA that the SWWTS does nothing of the sort and that EPA may not legally require PSNH to actually use it.

PSNH argues that it could not have predicted or reacted to the collapse in demand for Merrimack's power, or the dramatic decrease in the cost of competing fuels (although a fellow Northeast Utilities subsidiary did just that), and thus its decision to proceed with a wildly expensive scrubber is just something that its ratepayers will have to deal with.

PSNH's argument fall flat, and this Commission should accordingly reject PSNH's request for rate recovery.[8]

Respectfully submitted,

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[8] PSNH's request for recovery of some $422 million from ratepayers is perhaps all the more inappropriate given its engagement in legal action with the city of Bow, arguing that Bow's 2012 assessment of the value of Merrimack Station at $143.5 million is too high. *See* Ex. 38 (Concord Monitor Article - Assessed value of Bow Power Plant drops nearly $50 million; tax tares to spike) at 2.

CERTIFICATE OF SERVICE

I hereby certify that on the 14th day of November 2014, a copy of the foregoing Objection was sent electronically to the service list for the above-captioned docketed proceedings.

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