

STATE OF NEW HAMPSHIRE

Inter-Department Communication

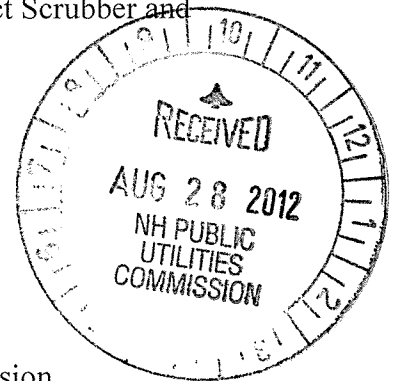
DATE: August 28, 2012

AT (OFFICE): NHPUC

FROM: *SEM*
Steven E. Mullen, Assistant Director – Electric Division

SUBJECT: **DE 08-103** – Investigation of PSNH's Installation of Scrubber Technology at Merrimack Station
DE 11-250 - Investigation of Merrimack Station Project Scrubber and Cost Recovery
Staff Recommendation to Close DE 08-103

TO: Chairman Amy Ignatius
Commissioner Michael Harrington
Executive Director Debra Howland



On August 22, 2008, the New Hampshire Public Utilities Commission (Commission) opened Docket No. DE 08-103 to investigate PSNH's ongoing installation of a wet flue gas desulfurization scrubber system (Scrubber) at its Merrimack Station coal-fired electric generating plant located in Bow, New Hampshire. The purpose of the Scrubber, as described in RSA 125-O:11, et seq., is to reduce mercury emissions. After some initial inquiries and other filings, the Commission issued Order No. 24,898 setting forth its statutory authority with respect to the Scrubber project. As part of that order, the Commission stated,

The Commission has only those powers delegated to it by the Legislature. See, *Appeal of Public Service Co. of N.H.*, 122 N.H. 1062, 1066 (1982). RSA 369-B:3-a delegated to the Commission, in 2003, the authority to determine whether to pre-approve modifications to PSNH's fossil and hydro generating plants. Subsequently, in 2006, the Legislature enacted RSA 125-O:11, overriding its grant of pre-approval authority for a specific modification to the Merrimack Station. Accordingly, the Commission's authority is limited to determining at a later time the prudence of the costs of complying with the requirements of RSA 125-O:11-18 and the manner of recovery for prudent costs. *In order to meet our obligations in that regard, we will continue our review of the documents already provided by PSNH, require additional documentation as necessary, and keep this docket open to monitor PSNH's actions as it proceeds with installation of the scrubber technology.* (Order No. 24,898 at 13.) (emphasis added)

Since the opening of DE 08-103, the docket file now contains numerous documents including status reports, motions and other pleadings and filings.

On November 18, 2011, Docket No. DE 11-250 was opened to consider PSNH's request for the establishment of temporary rates to begin recovery of costs incurred in the Scrubber installations. DE 11-250 also serves as the docket for investigating the prudence of the costs incurred by PSNH in installing the Scrubber as well as determining the appropriate cost recovery. As directed by the Commission,¹ on March 15, 2012, Staff submitted voluminous material from DE 08-103 in DE 11-250 as the information is all relevant to the ongoing investigation being performed in DE 11-250 and would be beneficial to those parties included in DE 11-250 who are not also parties to DE 08-103. Subsequent to Staff's submission of those documents, all filings in DE 08-103 (consisting of two status reports filed by PSNH) have simultaneously been filed in DE 11-250. With that in mind, Staff questions the need to keep DE 08-103 open as all documents in the ongoing investigation into the Scrubber project are being included in DE 11-250. Further, there are no parties in DE 08-103 who are not also parties in DE 11-250.

In summary, Staff recommends the closure of DE 08-103 as it is now duplicative of DE 11-250. All documents that would normally be filed in DE 08-103 have been, and will continue to be, filed in DE 11-250. Closure of DE 08-103 will be administratively efficient as it will eliminate unnecessary duplication of materials.

Please let me know if you have any questions or if you would like to discuss this matter further.

cc: Service list in DE 08-103
Service list in DE 11-250

¹ See Order No. 25,332 (February 6, 2012) in DE 11-250 at 21-22.