

ORIGINAL	
N.H.P.U.L. Case No.	DE 11-250
Exhibit No.	# 74
Witness	DR. Ranajit Sahu

New Hampshire PUC Docket DE 11-250

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Data Request PSNH-SC-001

Dated: January 16, 2014

Q-PSNH-SC-020

Witness: Ranajit Sahu

Request from: Public Service Company of New Hampshire

Question 20:

20. Page 9: – you testify that “PSNH faces the situation that its already over-capitalized coal plants face further large future regulatory costs, making them likely unviable for future generation.”
- a. Explain to which coal plants you refer and why you refer to them as “over-capitalized.”
 - b. Please provide the basis for your statement that PSNH's coal plants are "over-capitalized". Identify any generally accepted standard of capitalization you rely upon, and provide any and all documents you rely upon to support your assertion.
 - c. Regarding PSNH's coal plants facing “further large future regulatory costs”, describe and quantify these certain costs.
 - d. Explain why PSNH's coal plants are “likely unviable for future generation.” Provide any analysis that supports this conclusion.

Response to Question 20:

As to subparts (a) and (b), PSNH only operates two coal-fired power plants in New Hampshire: Merrimack Station and Schiller Station. They are over-capitalized because they are producing relatively little energy in a competitive market and yet have large book values; by installing the scrubber at Merrimack, Merrimack is even more capitalized than it would have been. As to subpart (c), the testimony discusses at length the further large future regulatory costs facing PSNH's coal plants. One such is Mercury and Air Toxics Standards compliance at Schiller Station, for example. Another is the installation of cooling towers at Merrimack Station. As to subpart (d), please see the report filed in docket IR 13-020, available at <http://www.puc.state.nh.us/regulatory/Docketbk/2013/13-020/LETTERS-MEMOS-TARIFFS/13-020%202013-06-07%20STAFF%20REPORT%20ON%20INVESTIGATION%20INTO%20MARKET%20CONDITIONS.PDF>. Also, see comparisons of PSNH default service rates to prevailing market rates in New Hampshire.