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Debra Howland
Executive Director
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301-2429

RE: Docket No. DE 14-238
Public Service Company of New Hampshire d/b/a Eversource Energy
Generation Related Expenditures

Dear Director Howland:

Pursuant to section VI.A. of the June 10, 2015 Restructuring and Rate Stabilization Agreement relating to Public Service Company of New Hampshire d/b/a Eversource Energy ("PSNH"), PSNH is to annually file a plan for its generation related capital and maintenance expenditures for the coming one-year period. Enclosed please find the plan as required by the Agreement.

If you have any questions, please do not hesitate to contact me. Thank you for your assistance with this matter.

Very truly yours,



Matthew J. Fossum
Senior Counsel

Enclosure
CC: Service List

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

**Public Service Company of New Hampshire
Determination Regarding PSNH's Generation Assets**

Docket No. DE 14-238

Generation's Capital and Operation & Maintenance Plan for 2017

February 2017

A. Purpose of this annual Capital and Operation and Maintenance Plan

This Capital and Operation and Maintenance (O&M) plan is being submitted as required by the 2015 PSNH Restructuring and Rate Stabilization Agreement.

VI. MARKETING OF ENERGY

A. Prudent Operation of PSNH Generating Assets

Notwithstanding any other provisions of this Agreement, PSNH will be responsible for prudently operating its fossil/hydro generating assets, and for prudently managing the generation-related entitlements and purchase obligations in which it retains an interest until such time as they are sold or transferred to another entity, retired, or a purchase obligation terminates. **Within 45 days of the Commission's approval of this Settlement Agreement, but no later than February 15, 2016, PSNH shall file with the Commission a plan for its generation related capital and maintenance expenditures for the subsequent one-year period.** PSNH shall file a new plan annually until the sale or retirement of PSNH's final generation asset. PSNH shall not increase or decrease expenditures by more than 20% from the plan as filed without prior Commission approval.

B. Generation's 2017 Capital expenditure plan

2017 Capital Total Budget (\$000): **\$8,558.3**

<u>By Location</u>	<u>\$(000)*</u>
Merrimack	2,339.8
Schiller	3,729.7
Newington	532.4
Hydro	583.9
Other ⁽¹⁾	1,372.5 ⁽²⁾

*numbers may not add due to rounding

Note 1- Staff/Wyman and Generation Maintenance

Note 2 - Generation's capital contingency included in Staff Budget

Major Capital Projects by Location:

- Merrimack
 - Replace Unit 1 Fan Coils
 - Replace Unit 1 Precipitator Plates and Wires
 - Install Fire Suppression System improvements
 - Replace multiple key boiler expansion joints
 - Capital Annual

- Schiller
 - Replace Unit 5 Voltage Regulator
 - Replace Unit 6 Voltage Regulator
 - Replace Ovation DCS Hardware
 - Replace Unit 5 Baghouse Filters
 - Capital Annual

- Newington
 - Station Adds/Changes/Tools

- Hydro
 - Garvins - Replace Voltage Controls
 - Canaan Generator step-up transformer
 - Capital Annual

- Combustion Turbines
 - Schiller CT - Rewind Generator Stator
 - White Lake – Replace Battery Charger

C. Generation's 2017 Operation & Maintenance (O&M) expenditure plan

2017 O&M¹ Total Budget (\$000): **\$56,615.8**

<u>By Location</u>	<u>\$(000)*</u>
Merrimack	22,853.3
Schiller	15,868.2
Newington	6,796.1
Hydro	6,071.1
Other ²	5,027.2

*numbers may not add due to rounding

Note 1- Direct O&M

Note 2- Staff/Wyman and Generation Maintenance

O&M Projects by Location:

- Merrimack 1
 - Planned Overhaul Scheduled for Fall
 - Boiler Maintenance
 - Routine corrective and preventative maintenance on boiler, turbine auxiliaries and balance of plant
 - Boiler inspection, NDE and maintenance during low energy price periods

- Merrimack 2
 - No Planned Overhaul Scheduled
 - Boiler inspection, NDE and maintenance during low energy price periods

- Schiller 4
 - No Planned Overhaul Scheduled
 - Boiler inspection, NDE and maintenance during low energy price periods

- Schiller 5
 - Planned Overhaul Scheduled for Spring
 - Routine corrective and preventative maintenance on boiler, turbine auxiliaries and balance of plant

- Schiller 6
 - Planned Overhaul Scheduled for Fall
 - Routine corrective and preventative maintenance on boiler, turbine auxiliaries and balance of plant

- Newington
 - Planned Overhaul Scheduled for Spring
 - Routine corrective and preventative maintenance on boiler, turbine auxiliaries and balance of plant

- Hydro
 - Concrete repairs at Amoskeag, Hooksett, Garvins, Eastman and Gorham Stations
 - Traditional station maintenance inspections – all sites
 - Eastman Falls - FERC relicensing activities

- Combustion Turbines (CT)
 - Schiller CT - Hot Section overhaul

D. Additional Discussion

- With the filing of the settlement in support of divestiture, some generation employees have left Generation for other Eversource opportunities, or positions outside the company. Management continues to adjust and realign remaining personnel and resources with a focus on reliability and efficient operation.

- Generation will continue to review work plans and budgets throughout the year considering inspections and actual conditions found. Plans will maintain a focus on high reliability as well as safe, prudent and compliant operations.

E. 2016 Status

- Generation's Capital and Operation & Maintenance Plan for 2016 filed February 12, 2016 did not increase or decrease by more than 20%; and no additional Commission approval was necessary.