

STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

DE 08-103

INVESTIGATION OF PSNH'S INSTALLATION OF SCRUBBER TECHNOLOGY
AT MERRIMACK STATION

MOTION

New Hampshire Sierra Club [NHSC] moves the Public Utilities Commission for an Order requiring that the reports filed by NHSC in the captioned docket on April 9, 2010, specifically, the "Merrimack Station Unit 2 Boiler Replacement Feasibility Study, dated November, 2004, prepared by Burns & McDonnell; "Preliminary Permit Plan Analysis-Critical Path Issues, Multi-Pollutant Control Strategy Options', dated July 26, 2005, prepared by GZA GeoEnvironmental, Inc.; and, "Merrimack Boiler Study", dated February 1, 2007, prepared by Sargent & Lundy, LLC, be entered into the public record in this case.¹ The reports establish that PSNH has engaged in a comprehensive review of life extension and generation upgrade projects at Merrimack Station;

MEMORANDUM

On March 31, 2010, Public Service Company of New Hampshire made a presentation entitled "Clean Air Project, Merrimack Station" as requested on February 19, 2010, by Debra A. Howland, Executive Director, Public Utilities Commission. The Howland request was consistent with the continuing review provided for in Order No. 24,898, issued September 19, 2008, in the captioned docket.

The information presented by Public Service Company of New Hampshire was insufficient to ensure that Public Service Company of New Hampshire is complying with RSA 125-O: 13, I and III. The information presented does not satisfy the terms of the Howland letter sent to the parties on February 19, 2010.

The need for additional information is manifest. The "Clean Air Project" presentation provided only general information; describes broad categories of contracts, without specific detail. The much discussed \$457,000,000, cast as hard costs for the scrubber, has become a "budget".

¹ PUC staff improperly sequestered the reports and marked them "confidential" without the permission of NHSC. The reports are not confidential. The Burns & McDonnell report and the GZA report were obtained by NHSC pursuant to a Freedom of Information [FOIA] request filed on Region 1, EPA. The Sargent & Lundy report was obtained from PSNH pursuant to an Order of the Air Resources Council in Docket Nos. 09-10, 09-11. PUC staff should be compelled to explain by what authority it redacted the NHSC filing.

Petitioner, New Hampshire Sierra Club has reason to believe that Public Service Company of New Hampshire is engaged in a major life extension project at the 50 year old Merrimack Station; a project that exceeds the ambit of RSA 125-O, which requires only that Public Service Company of New Hampshire install flue gas desulphurization equipment.² New Hampshire Sierra Club believes that Public Service Company of New Hampshire is in the process of upgrading the plant generation capacity and incrementally de- bottlenecking the balance of plant equipment, all under the guise of the scrubber legislation.

New Hampshire Sierra Club is engaged in Clean Air Act litigation with Public Service Company of New Hampshire before the New Hampshire Department of Environmental Services, Air Resources Council.³ During the course of that litigation, New Hampshire Sierra Club obtained the documents referred to at paragraph 1 above. The documents prove that Public Service Company of New Hampshire engaged in a comprehensive study of life extension and generation upgrade projects for Merrimack Station.

The studies thoroughly examine the engineering, capital costs, operation and maintenance costs, and, environmental permitting requirements for various life extension options for Merrimack Station, including replacement of the boiler, projects that are substantially more extensive than the scrubber project.⁴

These engineering and planning studies were available at the time of the opening of the captioned docket.⁵ The studies should have been posted in the captioned docket because they strongly suggest that Public Service Company of New Hampshire is engaged in more than the installation of the pollution control equipment contemplated by RSA 125-O. ⁶

Wherefore, New Hampshire Sierra Club demands that the Public Utilities Commission enter the Burns & McDonnell, GZA and Sargent & Lundy studies to the public record in this case; together with whatever other relief proper in the premises.

Respectfully submitted,

² PSNH recently opened docket DE-10-22, Public Service Company of New Hampshire, Petition for Approval of Long and Short Term Debt of \$600,000,000. The docket filing requests PUC permission to issue long term debt instruments of up to 40 years, secured by mortgages on the plant.

³ See Docket No. 09-10, Air Resources Council. NHSC has also filed a challenge to the Merrimack Station Title V permit in the Air Resources Council. Docket No. 10-06.

⁴ The Burns & McDonnell study, at page 5.2, projects the capital cost of replacing the MK2 boiler, in 2008\$, with APC [scrubber], to be \$413,683,000 and the cost of adding just the APC [scrubber], in 2006\$ at \$139,476,000. Both options include the MK2 turbine replacement.

⁵ The Burns & McDonnell study was in the possession of PUC staff and PUC staff at least knew about the Sargent & Lundy study as early as June, 2006. See DE 06-097, Data Request LIBERTY-01, dated June 30, 2006.

⁶ RSA 369-B:3-a requires the PUC make a public interest finding for plant modifications.

May , 2010

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No.18301

Certificate of Service

I hereby certify that service was made in accordance with Puc 203.02 and
203.11 this day of May, 2010.

Arthur B. Cunningham