


STATE OF NEW HAMPSHIRE

Inter-Department Communication

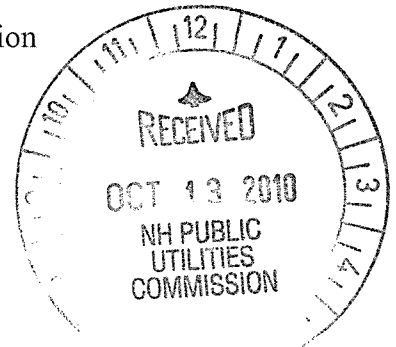
DATE: October 13, 2010

AT (OFFICE): NHPUC

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

SUBJECT: DA 10-123, PSNH – Affiliate Contract Filing

TO: Commissioners
Debra A. Howland, Executive Director



On May 3, 2010, Public Service Company of New Hampshire (PSNH) filed, pursuant to RSA 366:3, a copy of a contract with an affiliated company, E.S. Boulos Company (E.S. Boulos). Accompanying the filing was a Motion for Confidential Treatment wherein PSNH requested confidential treatment and the issuance of a protective order for certain confidential, commercial or financial information contained in the contract.¹ The contract is dated April 23, 2010 and, consistent with its Motion for Confidential Treatment, PSNH filed both redacted and unredacted versions of the contract. On June 9, 2010, the Office of Consumer Advocate (OCA) filed a notice of participation in the docket.

According to PSNH, it entered into a contract with E.S. Boulos entitled “Balance of Plant Electrical Installation Agreement for the Merrimack Station Clean Air Project” for the furnishing of construction services as part of the ongoing project to install a wet flue gas desulfurization system (a/k/a the “scrubber project”) at its Merrimack Station generating plant. PSNH stated that the contract was awarded through the use of a standard competitive procurement process: PSNH issued a Request for Proposals; five bidders submitted proposals for the contract work; and the bids were reviewed and scored based upon technical, commercial and financial attributes. PSNH said that E.S. Boulos was awarded the contract as its proposal was determined to have the lowest total evaluated cost as well as having the highest overall technical evaluation score.

Considering the nature of the contract as well as to ensure that PSNH’s procurement process in the awarding of this contract treated all potential contractors fairly, Staff intends to further investigate the contract and the procurement process pursuant to RSA 366:5.

¹ This memorandum deals only with procedural recommendations and does not cover the specifics or the merits of PSNH’s Motion for Confidential Treatment.

On a related note, subsequent to the May 3, 2010 filing of the contract, I received a phone call from PSNH on June 7, 2010 notifying me that, in the process of internal discussions at PSNH related to the filing of the E.S. Boulos contract, PSNH legal and regulatory personnel discovered that copies of contracts for work performed in the past by E.S. Boulos had not been filed with the Commission. Later that day, I sent PSNH some questions requesting additional information. Since that time, PSNH has been assembling the relevant information and it is my understanding that PSNH plans to separately submit copies of the contracts along with information responsive to my questions in the near future. Any recommendation about how to proceed with those submittals will be provided subsequent to the review of those documents.

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

cc: Service List
Thomas Frantz
Suzanne Amidon