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of New Hampshire

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BY EMAIL AND OVERNIGHT FEDERAL EXPRESS DELIVERY

Ms. Sharon DeMeo, Environmental Engineer
U.S. Environmental Protection Agency – Region 1
Office of Ecosystem Protection
5 Post Office Square, Suite 100 (CIP)
Boston, Massachusetts 02109-3912

**Comments of Public Service Company of New Hampshire on Merrimack Station
NPDES Permit No. NH0001465**

Dear Ms. DeMeo:

Public Service Company of New Hampshire ("PSNH") is providing the enclosed comments pertaining to the draft National Pollutant Discharge Elimination System Permit ("NPDES") (NPDES Permit No. NH0001465) for Merrimack Station, in Bow, New Hampshire, in accordance with Section 10.0 of the Fact Sheet dated April 18, 2014, issued by the U.S. Environmental Protection Agency ("EPA" or "the agency"), Region 1, and the letter of David M. Webster, Director, Water Permits Branch of the Office of Ecosystem Protection, dated May 22, 2014, extending the initial comment period until August 18, 2014, and the follow-up comment period until October 22, 2014.

We hope that our comments provided to EPA on August 18, 2014, clarified the challenges involved in the treatment of the wastewater from the wet flue gas desulfurization ("FGD") system mandated by New Hampshire state law (RSA 125-O:11-18) as well as highlighted the significant engineering and environmental accomplishments achieved by the work of our station engineers. We are extremely proud of Merrimack Station, and we are pleased it was such an important asset for our customers and for the State of New Hampshire during this past winter. Please keep in mind that the Station could not have operated beyond the deadline set out in both the state law (July 1, 2013) and the air permit issued by the New Hampshire Department of Environmental Services without the FGD constructed and operating. This past winter season alone, the operation of Merrimack and Schiller Stations created over \$119 million in savings for PSNH's customers when compared to the costs of purchasing an equivalent amount of energy at market prices. In addition, Merrimack Station provides critical energy diversity and reliability as constraints in the delivery of natural gas to the region continue unabated.

It has now been over three years since the original draft NPDES permit was issued for Merrimack Station. During that time, much has changed, including, on the national front, regulatory changes (Rule 316(b) finalized) and technology innovations, and, specific to Merrimack Station, new biological monitoring data, additional evaluation of the Merrimack River ecosystem by one of the foremost experts in the country, and plant-specific operational adjustments. Although EPA's original intention in issuing the revised draft permit may have

been to limit reconsideration to one discrete area of the plant, this is just not feasible simply because all plant operations are inextricably linked and integrated into one carefully balanced, functioning whole by skilled engineers. In brief, plant operations are not readily severable despite the best intentions or goals of regulatory agencies. As a simple example, the chemical content of the coal and coal blends burned has operational ramifications throughout the plant, well beyond the heat content and fusion temperature, impacting pollution control equipment and its optimization, and finally, emissions up the stack and wastewater treatment. Thus, the draft NPDES permit must be reconsidered in its entirety, rather than dissected piece by piece.

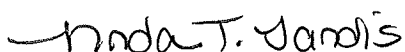
During the intervening three years since the original draft permit, PSNH has received no feedback from EPA on comments submitted or any input on agency direction. As a result, PSNH filed a Freedom of Information request with EPA in March 2014 specific to interagency communications (including work papers) covering the previous two years (March 2012-March 2014) on the Merrimack Station NPDES permitting process. The FOIA response is still not complete and thus our review of the almost one thousand documents is just preliminary. However, given that the majority of documents disclosed to date appear to focus on Sections 316(a) and (b) issues, as well as the extent of information and potentially new issues raised, the administrative record needs to remain open to allow PSNH the opportunity to review and provide comments.

We thus think it is appropriate at this time to request EPA's consideration of the new information relevant to Sections 316(a) and (b) issues that PSNH will be submitting to the agency in the next month or two and that we believe the agency will find directly relevant to the key issues and extremely helpful in finalizing the Merrimack Station NPDES permit.

PSNH appreciates the opportunity to respond to initial comments submitted on August 18, 2014. In order to provide detailed information, some of the information provided is labeled as Confidential Business Information, including two pages of the PSNH response, Section IIC, describing the analysis by NERA, and two attachments, the NERA report and the Enercon report.

Please do not hesitate to call with any questions or concerns.

Yours truly,



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