



**Public Service
of New Hampshire**

Admin # 250

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The Northeast Utilities System

November 3, 2006

By Overnight Mail

David Webster
Office of Ecosystem Protection
United States Environmental Protection Agency
One Congress Street, Suite 1100, Mail Code CMA
Boston, MA 02114-2023

**Re: Public Service Company of New Hampshire
Merrimack Station
National Pollutant Discharge Elimination System Permit No. NH0001465**

Dear Mr. Webster:

Public Service Company of New Hampshire ("PSNH") wishes to express its appreciation to the United States Environmental Protection Agency ("EPA" or "the agency") for convening the October 5, 2006 meeting to discuss the draft National Pollutant Discharge Elimination System permit for PSNH's Merrimack Station (the "Station") in Bow, New Hampshire (the "Permit") and PSNH's pending request for renewal of the Station's existing Clean Water Act §316(a) variance. PSNH is hopeful the October 5th meeting represents the beginning of an informative dialogue and we welcome any opportunities for continued communications since such dialogue is essential to reaching a consensus and a defensible permitting process and outcome. Pursuant to your request at the meeting, we are herewith providing a finalized Powerpoint presentation that PSNH and Normandeau Associates, Inc. ("Normandeau") presented at the October 5, 2006 meeting.

In addition, as discussed at the meeting, to ensure that the Permit is based on a complete and accurate administrative record, PSNH will be providing the following documents to EPA and the New Hampshire Department of Environmental Services:

- The CWA §316(a) variance renewal summary report (the "Summary Report") for the Station will be submitted later this month, as EPA has requested.
- The final versions of the following reports prepared by Normandeau in support of PSNH's §316(a) variance renewal request will be submitted soon thereafter. (EPA previously received draft versions of the first two of these reports in June 2006, but those

drafts were incomplete and have been superseded by the final reports. The third report which contains new information directly bearing on the thermal limits to be contained in the Station's Permit, constitutes, along with the other newly finalized reports, critical information that the agency must take into account prior to issuance of the draft Permit):

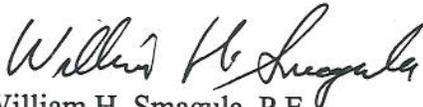
- "Merrimack Station Fisheries Survey Results of 2004 and 2005 and Historical Trends Analysis of 1967 to 2005 Surveys"
- "Merrimack Station Thermal Discharge Effects On Downstream Salmon Smolt Migration"
- "A Probabilistic Thermal Model of the Merrimack River Downstream of Merrimack Station"

PSNH is hopeful that this additional data will contribute to a more meaningful dialogue. While recognizing that the NPDES permitting process is a long, heavily data-driven one, PSNH believes that agency guidance and feedback is critical as the process unfolds in order for PSNH to cooperate to the fullest extent in providing complete responses to agency concerns. As you know, PSNH can only respond fully and effectively to agency concerns if those concerns are raised in a clear and timely manner that allows for the development and assembling of frequently challenging and complicated data/information. Both PSNH and the agency benefit if this communication takes place. As a case in point, concerns were voiced at the meeting on October 5th regarding the Representative Important Species ("RIS") that Normandeau has used as the basis of its studies over the past decade. The RIS, however, as you may be aware, was prepared under the supervision of, and reviewed and approved by, the Technical Advisory Committee ("TAC"), which consisted of numerous federal and state regulators with fisheries expertise, to coordinate and approve technical investigations regarding aquatic populations in the Merrimack River. The TAC – which from its inception has included EPA, the United States Fish and Wildlife Service, the New Hampshire Department of Environmental Services, and New Hampshire Fish and Game – expressly approved these specific RIS in 1992 (*see* Minutes of August 31, 1992 TAC meeting, submitted by PSNH to EPA on September 10, 1992) and has never indicated, formally or otherwise, to PSNH that the list should be reconsidered. Consequently, all monitoring over the last 13 years has been keyed to these TAC-approved RIS. PSNH has cooperated fully in this effort and conducted all studies as directed. As a result, any suggestion that the current RIS is incomplete not only contradicts the TAC findings but represents a breakdown in the dialogue that, at this point, would require substantial additional time and expense to develop an appropriate permitting record. Aside from our concern regarding timely and appropriate communication, and in response to this issue itself, PSNH would like to emphasize that the data does not seem to indicate any historic basis or scientific justification for the concerns raised by agency biologists at the meeting regarding either fallfish or white sucker. A preliminary review of the historical data demonstrate electrofishing catch per unit effort data analyzed for these two species do not show any significant decreasing ($p < 0.05$) trends anywhere in Hooksett Pool.

We are looking forward to continuing this dialogue on any issues related to the Permit. However, with all due respect, PSNH does reserve its rights to challenge any aspect of the Permit that EPA ultimately issues for the Station.

Please do not hesitate to call me if you have any questions.

Very truly yours,



William H. Smagula, P.E.
Director—PSNH Generation

cc: Linda T. Landis, Esq., PSNH
Elise N. Zoli, Esq., Goodwin Procter
Harry Stewart, NHDES