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Article published on October 24, 2008

Bow

Utility backs PUC scrubber decision PSNH responds to motions asking for 2nd look

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October 24, 2008

The Public Utilities Commission was right to say that it has no authority to decide whether Public Service of New Hampshire should move forward with a \$457 million plan to clean up emissions from its coal-fired plant in Bow, according to documents the utility company filed yesterday.

The filings were in response to motions made last week by commercial and residential ratepayers and a PSNH competitor asking the commission to take a second look at the plan. The motions said the high-priced project has implications for ratepayers, competitors and the environment and should be fully vetted.

In 2006, the Legislature mandated that a scrubber be added to the plant to capture most of the emissions of sulfur dioxide and mercury, a neurotoxin. But the cost of the project since then has jumped 83 percent, from \$250 million.

The Public Utilities Commission ruled in September that it did not have the authority to open an investigation into whether the project, with its higher cost, was in the public interest because the Legislature had already determined it to be.

Gary Hirshberg, president and CEO of organic yogurt producer Stonyfield Farm, is leading an effort to ask the commission to reconsider. He says the state should look at whether the scrubber is the best use of money for New Hampshire's energy future.

While PSNH maintained yesterday that the project must go forward, President Gary Long has agreed to have a meeting with Hirshberg next week.

A filing made yesterday by PSNH's Assistant General Counsel Robert Bersak called the Legislature's mandate for the scrubber "clear and unequivocal."

"There is no basis for the commission to assert authority in a matter where the law plainly does not call for it and where the commission itself has correctly determined that it lacks such authority," Bersak wrote.

Three motions for reconsideration were filed last week. One is from TransCanada Hydro Northeast, a hydroelectric generator firm in New Hampshire, Vermont and Massachusetts and a PSNH competitor. In another, Stonyfield is joined by the managing entity of the Common Man restaurants and H&L Instruments of North Hampton, a manufacturer of electro-optical equipment. Residential ratepayer Edward Rolfe of Franconia filed the third.

PSNH's objections questioned the motives of those parties. Bersak wrote that TransCanada's cause for filing was "suspect" and that the generator is trying to manipulate the commission's proceedings. The scrubber will increase the cost of PSNH's electricity.

"How are they hurt by the fact that our price will go up?" asked PSNH spokesman Martin Murray.

Murray said some of the filings may be motivated by a desire to close the plant. He said, even with the increase, PSNH electricity will remain the cheapest in the region.

Construction of the scrubber would add 0.5 cents to the cost of one kilowatt hour in the first year and 0.31 cents per kilowatt hour averaged over 15 years, according to PSNH's analysis. Residential customers who use 500 kilowatt hours a month could see their monthly bill go up \$2.50 in the first year and \$1.55 averaged over 15 years. The company now charges 9.57 cents per kilowatt hour.

Hirshberg, in an interview last week, questioned whether the cost of the scrubber could be more than \$457 million once the project is complete and online.

The company's filings also questioned whether the commercial ratepayers have standing to appeal the commission's decision because they can choose to buy electricity from the open market rather than from PSNH if they don't want to pay the surcharge that will fund the scrubber. That argument would effectively prevent any ratepayer from having standing with the commission.

Bersak wrote that Rolfe did not serve PSNH with a copy of his filing, and, therefore, Rolfe's motion must be discounted.

TransCanada and the three commercial ratepayers have also asked the commission to suspend its September order while the other motions are being considered in order to prevent PSNH from beginning construction on Nov. 3 as planned.

PSNH has not yet filed an objection to that request. The commission has 10 days in which to respond to the original motions.

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