



**Public Service
of New Hampshire**

AR-013

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The Northeast Utilities System

Linda T. Landis
Senior Counsel

May 20, 2010

Stephen S. Perkins, Director
Office of Ecosystem Protection
USEPA
5 Post Office Square - Suite 100
Boston, MA 02109-3012

Dear Mr. Perkins:

On May 7, 2010, Public Service Company of New Hampshire ("PSNH") received a supplemental Information Request (the "Supplemental Request") from the Environmental Protection Agency ("EPA") pursuant to Section 308 of the Clean Water Act related to the draft NPDES Permit No. NH0001473 for Schiller Station located in Portsmouth, New Hampshire. This Supplemental Request followed PSNH's timely response -- in October 2008 -- to EPA's original Section 308 Information Request (the "Original Request") specific to Schiller Station.

As you are aware, much of the Supplemental Request seeks information requiring the expertise of professional consultants. We have reviewed the Supplemental Request with our consultants, including Normandeau Associates, Inc. and Enercon Services, Inc., both of whom have provided information and analysis responsive to the Original Request. As a result of their expertise and familiarity with Schiller Station, the efforts of these professional engineering and environmental firms will be necessary, along with our limited internal resources, in responding to the Supplemental Request. These consultants, working with PSNH staff, are currently engaged in the preparation of the response to the Section 308 supplemental Request for Information for Merrimack Station (received January 25, 2010). The due date for the Merrimack Station response is June 24, 2010. As a result of the Merrimack Station effort, we request that the 45 day timeframe in which to provide the Schiller response not begin until the completion of the Merrimack Station response. In addition, we request that timeframe be appropriately extended to allow for our retention of an economics firm reasonably able to complete the cost-benefit analysis requested as well as to allow our consultants the necessary time to collect and compile the wedgewire screen site-specific information, both as discussed below (i.e., 120 days).

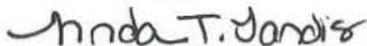
Additionally, as a point of clarification, there are statements in Section III of the Information Request that merit clarification. Specifically, while EPA now suggests that closed cycle cooling is a presumptive technology, EPA itself issued a determination (reflected in Appendix A of EPA's now suspended 2004 "Phase II" regulations implementing Section 316(b)) that there is no adverse environmental impact

reasonably attributed to the Station's existing configuration and operation of its cooling water intake structures.¹ Likewise, in that Rule, EPA rejected closed cycle cooling on a nationwide basis. As a result, we do not understand the basis for EPA's suggestion that closed cycle cooling is now a presumptive technology. Thus, to the extent that an adverse environmental impact is demonstrated (contrary to EPA's conclusion in Appendix A of the Phase II rule), we believe, based on the opinion of our consultants and their extensive field experience, that wedgewire screens are likely to represent the best technology available at Schiller Station. To that end, we hereby request an extension to provide technical information regarding the performance of wedgewire screen at other comparable sites by August 8, 2010, with additional site specific information, which will require longer to prepare, but is critical to a fair and equitable permitting process, provided as set forth on the requested schedule above, i.e., 120 days after the submission of the Merrimack response.

In addition, and as requested in your letter, we will be submitting a cost-benefit analysis. We appreciate your acknowledgement that such an assessment would have been premature prior to the decision of the United States Supreme Court in the *Riverkeeper II* case, but that in light of that ruling, and your request, now is appropriate. We anticipate having this information to you on the schedule requested above, i.e., 120 days after the submission of the Merrimack response.

We appreciate your consideration of this request for an extension, and we look forward to providing this important technical information to EPA. Further, while we are respectful of deadlines, it bears mention that PSNH's renewal application for Schiller Station has been pending for approximately 15 years, and also that EPA is in the process of reconsidering its Phase II rulemaking. Thus, while PSNH is committed to responsiveness to its federal and state regulators, we see no reason that a 45-day schedule should control at this time (and particularly while an effort is ongoing to complete the Merrimack response). Please do not hesitate to call me or Allan Palmer (603-634-2439) if you would like to discuss this further.

Yours truly,



Linda T. Landis
Senior Counsel

cc: Damien Houlihan, EPA
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¹ The fact that EPA has since suspended the Rule does not, and should not, change its underlying technical conclusions that (1) there is no adverse environmental impact at Schiller Station that warrants the installation of new technology or implementation of new operational measures, and (2) that closed cycle cooling was not appropriate on a nationwide basis and therefore is not a presumptive technology.