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Mark A. Stein, Esq.
Senior Assistant Regional Counsel
U.S. Environmental Protection Agency – Region 1
Office of Regional Counsel, Region 1
5 Post Office Square, Suite 100 (CIP)
Mail Code: ORA18-1
Boston, MA 02109-3912

Re: Transfer of NPDES Permits for Merrimack Station (Permit No. NH0001465), Newington Station (Permit No. NH0001601), and Schiller Station (Permit No. NH0001473)

Dear Attorney Stein:

In RSA 369-B:3-a (2015), the New Hampshire Legislature found that divestiture of Public Service Company of New Hampshire's ("PSNH") generation plants is in the public interest, subject to the New Hampshire Public Utilities Commission ("NHPUC") finding that it is in the economic interest of retail customers of PSNH. In 2015, PSNH and numerous other parties[1] entered into a comprehensive settlement agreement (the "2015 Settlement Agreement") resolving myriad issues and setting forth the requirement and methodology for PSNH to divest all of its electric generating assets. By its Order No. 25,920 dated July 1, 2016, the NHPUC approved the 2015 Settlement Agreement. In that Order, the NHPUC also approved a companion "2016 Litigation Settlement" which held that "The Settling Parties and [NHPUC] Staff agree that in light of the economic benefits reasonably expected from divestiture, the prompt divestiture of PSNH's generation assets is in the economic interest of retail customers of PSNH." In its Order No. 25,920, the NHPUC specifically stated that "the 2015 Settlement Agreement and 2016 Litigation Settlement serve the public interest…." Order No. 25,920 at 67.

On October 11, 2017, Public Service Company of New Hampshire ("PSNH") entered into a purchase and sale agreement ("PSA") with Granite Shore Power LLC ("Granite Shore")[2]

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[1] The Settling Parties include: the Conservation Law Foundation, the New Hampshire Sustainable Energy Association d/b/a NH Clean Tech Council, the N.H. Office of Energy and Planning, Staff of the N.H. Public Utilities Commission, the N.H. Office of Consumer Advocate, Senator Jeb Bradley, Senator Dan Feltes, the City of Berlin, Local No. 1837 of the International Brotherhood of Electrical Workers, TransCanada, and PSNH together with its corporate parent, Eversource Energy.

[2] The PSA filed with the New Hampshire Public Utilities Commission is available from the NHPUC website at: https://www.puc.nh.gov/Regulatory/Docketbk/2017/17-124/LETTERS-MEMOS-TARIFFS/17-124_2017-10-12_EVERSOURCE_THERMAL_PSA.PDF or http://tinyurl.com/y9jh53wz.

for the purchase of PSNH's thermal generating plants[3] as part of the NHPUC's divestiture process.[4] The purpose of this letter is to both notify you, in accordance with 40 C.F.R. § 122.61(b), of PSNH's intent to transfer to Granite Shore the National Pollutant Discharge Elimination System ("NPDES") permits for Merrimack Station (Permit No. NH0001465), Newington Station (Permit No. NH0001601), and Schiller Station (Permit No. NH0001473), and to request that EPA automatically transfer these NPDES permits to Granite Shore effective upon closing of this divestiture transaction.

Under 40 C.F.R. § 122.61(b), NPDES permits may be automatically transferred to a new permittee if: (1) the current permittee notifies EPA at least 30 days in advance of the proposed transfer date; (2) "[t]he notice includes a written agreement between the existing and new permittees containing a specific date for transfer of permit responsibility, coverage, and liability between them;" and (3) EPA does not notify the existing permittee and the proposed new permittee of its intent to modify or revoke and reissue the permit in lieu of this automatic transfer process.

The PSA (a link is provided in footnote 2) explains and allocates permit responsibility, coverage, and liability between PSNH and Granite Shore during and upon completion of this divestiture process. Under the PSA, the date for transfer of the NPDES permits is tied to the PSA "Closing Date," and although not currently known (due to the need to obtain certain pre-closing approvals from other regulatory authorities, such as the Federal Energy Regulatory Commission ("FERC"), the Department of Justice/Federal Trade Commission under the Hart-Scott-Rodino Antitrust Act, the Federal Communications Commission, the Massachusetts Department of Public Utilities, and the Connecticut Public Utilities Regulatory Authority), PSNH and Granite Shore anticipate the closing will likely occur the end of December 2017.

PSNH and Granite Shore will provide notice of the exact date for transfer of the Merrimack, Newington, and Schiller Station permits as soon as it is known. To the extent EPA requires further information to effect the permit transfer, we respectfully request that you provide both PSNH and Granite Shore with prompt notice to allow the parties to timely respond in light of the anticipated end-of-year closing timeframe.

The transaction as currently structured will involve the purchase of these three facilities via wholly owned subsidiaries of Granite Shore, specifically:

- Merrimack Station – GSP Merrimack LLC;
- Newington Station – GSP Newington LLC; and
- Schiller Station – GSP Schiller LLC.

Hence, transfer of the respective permits will need to be to those specific separate entities.

Last, Granite Shore has informed PSNH that there are no current plans to change either the operations of these facilities or the specific operational personnel with regard to management of environmental matters following the closing.

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[3] The plants being purchased by Granite Shore are: Schiller Station, Newington Station, Merrimack Station, White Lake Station, and Lost Nation Station.

[4] A second contract for the sale of PSNH's hydroelectric generating stations was entered into with HSE Hydro NH AC, LLC, an affiliate of Hull Street Energy and subsidiary of certain investment funds which it controls.

Please give me or Robert Bersak (603-634-3355) (on behalf of Eversource) or David Van Slyke (207-791-3221) (on behalf of Granite Shore) a call if you would like to discuss this request further. Thank you for your attention to this matter.

Sincerely,

Linda T. Landis

Linda T. Landis
Senior Counsel
Eversource Energy

Enclosure

cc: Robert A. Bersak, Chief Regulatory Counsel, Eversource Energy
David B. Van Slyke, Counsel for Granite Shore, Preti Flaherty
Tim Tracy, Counsel for Eversource Energy, Balch & Bingham,
Eugene J. Forbes, Director-Water Division, NHDES