Eli Shakun
Associate Analyst

NERA Economic Consulting
11th Floor, 200 Clarendon Street
Boston, Massachusetts 02116
Tel: +1 617 927 4590
eli.shakun@nera.com
www.nera.com

NERA
ECONOMIC CONSULTING

October 20, 2017
Ms. Sharon DeMeo
U.S. Environmental Protection Agency – Region 1
5 Post Office Square, Suite 100 (OEP06-1)
Boston, MA 02109-3912

Subject: EPA Administrative Costs for Merrimack Station 316(b) Analysis

Dear Ms. DeMeo,

NERA Economic Consulting is working with PSNH to develop analyses of alternative cooling water intake structures at Merrimack Station in Bow, NH in compliance with EPA's Final Regulations to Establish Requirements for Cooling Water Intake Structures at Existing Facilities ("Final Rule") in relation to the Merrimack Station NPDES Permit. To develop social costs consistent with the Final Rule, we need to obtain information on projected annual administrative costs over the period from 2020 to 2060 that would be incurred by EPA. We are developing social costs—and thus need estimates of EPA administrative costs--for the following two entrainment reduction technologies at Merrimack Station, as well as for the baseline scenario:

1. Closed Cycle Cooling Towers;
2. Wedgewire Half-Screens; and
3. No New Technology, Baseline Scenario (i.e. costs incurred by EPA should Merrimack continue its current operations)

We believe that administrative costs for the above technologies would include costs incurred by EPA related to the following general categories:

- Permitting costs for the current permit cycle;
- Ongoing costs (i.e., costs that would be incurred each year even if no permit is being processed); and
- Subsequent permitting costs (e.g., 10 years after the initial permitting activities begin and then recurring every five years after that).

You should of course feel free to develop cost information that you think is appropriate.

When you provide the information, could you please indicate the year dollars (e.g., 2017$), so we can translate the values into the year dollars for the other costs.

Please do not hesitate to contact me or David Harrison (David.Harrison@nera.com, 617-927-4512) for any additional information on this request.

Thank you very much for your help.

Sincerely,

Eli Shakun
Associate Analyst