

Town on the hook for \$14m tax bill

Abatement for Eversource: Bow loses court battle over assessments of utility's Merrimack Station power plant.

By MICHAEL COUSINEAU - New Hampshire Union Leader

CONCORD — A loss for Bow taxpayers is a gain for Eversource customers.

Bow is on the hook for up to \$14 million after losing its court fight against Eversource over how much to value Eversource's Merrimack Station power plant.

Any money Eversource receives from Bow would mean less it would need to recover from ratepayers.

"If our taxes are reduced, customers pay less in taxes, because they pay the taxes," Eversource spokesman Martin Murray said Thursday.

The state Public Utilities Commission ultimately approves electric rates, he said.

Individual ratepayers wouldn't see a huge windfall.

If all customers used the same amount of energy and split the upper savings estimate of \$14 million equally, Eversource's more than half-million customers would receive around \$27. Murray said he couldn't provide an estimate on how much customers might benefit from Thursday's court ruling.



Merrimack Station power plant is one of the biggest taxpayers for the town of Bow. UNION LEADER FILE

The \$14 million represents more than the town's \$11.1 million annual budget.

"Now that we have a decision and know what the obligation is, we will be formulating a plan and part of that will include PSNH in the discussion," said Selectmen Chairman Harold Judd, referring to Public Service of New Hampshire, now Eversource.

"It's a town obligation, and at the end of the day, we'll be looking at how we adjust the tax rate to address whatever amount we have to refund," Judd said in an interview.

The town has set aside about \$1 million in case it lost, he said.

The state Supreme Court sided with a lower court decision that ruled for Eversource in determining the proper value for Merrimack Station, which includes two coal-fired units that produce steam to rotate turbines and generators to produce electricity.

"The trial court's lengthy order reveals a careful and thorough consideration of each of the valuation methods, and its ultimate decision reflects this," read the Supreme Court's five-page decision.

"Accordingly, we cannot say that the trial court erred by granting PSNH an abatement of taxes on its property in the town for tax years 2012 and 2013."

Judd's estimate of the town's liability covers the years 2012 through 2016.

For 2012, the town's assessment was more than double what Eversource valued the plant, he said. Eversource has challenged assessments at least through 2016, Murray said.

"We pay our taxes in full and on time but have a responsibility to our customers to challenge those assessments we believe are excessive," he said. "Moving forward, we will work closely with the town of Bow to determine the appropriate manner to implement the court's decision — that an abatement of taxes is appropriate," he said.

Eversource completed a \$175 million deal Wednesday in selling Merrimack Station, two other fossil-fuel plants as well as some combustion turbines.

"Even with the recent sale of Merrimack Station, we continue to have customers, property and infrastructure in Bow and look forward to maintaining a close and positive relationship with the community for many years to come," Murray said.

Judd said he was disappointed with the ruling.

"We wouldn't have taken the respondent to the appeal if we didn't believe in our position, but the court has ruled and frankly, we're happy to have it resolved," Judd said. "This has been hanging over us for a long time."

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