

State of New Hampshire
Before the
Public Utilities Commission

**Public Service Company of New Hampshire
Transmission Cost Adjustment Mechanism**

Prepared Technical Statement of Robert A. Baumann

Docket No. DE 08-069

June 6, 2008

1. Purpose of Technical Statement:

This Technical Statement is being submitted to explain the changes to Public Service Company's proposed annual Transmission Cost Adjustment Mechanism (TCAM) rate effective July 1, 2008. This filing updates the Company's initial TCAM filing on May 13, 2008.

Rate Impact:

On May 13, 2008, PSNH filed a proposed annual TCAM rate to be effective July 1, 2008, based on the most recent budget and forecast data available and actual cost data through March 2008. This filing contains updated FERC RNS rates recently received from ISO-NE that went into effect June 1, 2008, a \$4.5 million estimated true up for 2007 LNS billing, as well as an additional month of actual cost data through April 2008. The updated LNS rates effective June 1, 2008 were unavailable at the time of this filing but should be available within a week. The actual true up for 2007 LNS billing will be completed by June 30, 2008 as required by the ISO-NE OATT, Schedule 21-NU. The updated values contained in this filing produce a proposed TCAM rate of 1.007 cents/kWh which is an increase from the current rate in effect of 0.752 cents/kWh. The increase in rates reflects the ongoing investment in regional transmission reliability projects. This proposed increase in the TCAM rate is an overall average increase of approximately 1.9 % to PSNH customers.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
TRANSMISSION COST ADJUSTMENT MECHANISM (TCAM) CALCULATION

Page **Attachment RAB - 1**

- 1 TCAM Rate Calculation - July 2008 through June 2009
- 1a TCAM Rate Calculation - Comparison of Forecast to Currently Allowed TCAM
- 2 Forecasted Costs - July 2008 through June 2009
- 3 Actual Costs - January 2007 through June 2007
- 4 Actual Costs - July 2007 through December 2007
- 5 Actual and Forecasted Costs - January 2008 through June 2008
- 6 Actual Revenues - January 2007 through June 2007
- 7 Actual Revenues - July 2007 through December 2007
- 8 Actual and Forecasted Revenues - January 2008 through June 2008

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
TRANSMISSION COST ADJUSTMENT MECHANISM (TCAM) CALCULATION**

(Dollars in 000's)

	TCAM Rate Calculation July 2008 Through June 2009	Forecasted Summary	Reference: Attachment RAB-1
1			
2			
3	Regional Network Service, includes Scheduling and Dispatch	\$ 60,158	Page 2
4	Local Network Service (LNS)	17,296	Page 2
5	Reliability	3,853	Page 2
6	Amortization of Recoupment Asset	-	Page 2
7	Revenue Credits	(1,478)	Page 2
8			
9	Total Forecasted Costs	\$ 79,829	
10			
11	Cumulative Estimated (Over) / Under Recovery	3,247	Page 5
12			
13	Total Costs	\$ 83,076	
14			
15	Forecasted Retail MWH Sales	8,249,774	Page 2
16			
17	Forecasted TCAM Rate--cents per kWh	1.007	
18			
19			
20	Amounts shown above may not add due to rounding.		

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
TRANSMISSION COST ADJUSTMENT MECHANISM (TCAM) CALCULATION**

(Dollars in 000's)

TCAM Rate Calculation		Forecasted	Currently	
Comparison of Forecast to Previously Allowed		12 mths-06/2009	Allowed (1)	Delta
1				
2				
3	Regional Network Service, includes Scheduling and Dispatch	\$ 60,158	\$ 41,214	\$ 18,944
4	Local Network Service (LNS)	17,296	12,026	5,270
5	Reliability	3,853	3,113	740
6	Amortization of Recoupment Asset	-	5,723	(5,723)
7	Revenue Credits	(1,478)	(857)	(621)
8				
9	Sub-total	\$ 79,829	\$ 61,219	\$ 18,610
10				
11	Prior Period (Over) / Under Recovery	3,247	1,309	1,938
12				
13	Total	\$ 83,076	\$ 62,528	\$ 20,548
14				
15	Retail MWH Sales	8,249,774	8,313,979	(64,205)
16				
17	Comparison -TCAM Rate--cents per kWh	1.007	0.752	0.255
18				
19				
20	Amounts shown above may not add due to rounding.			
21				
22	(1) DE 07-068; Order 24,770 dated June 29, 2007			

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
TRANSMISSION COST ADJUSTMENT MECHANISM (TCAM) CALCULATION
July 2008 through June 2009

(Dollars in 000's)

Forecasted

	July 2008	August 2008	September 2008	October 2008	November 2008	December 2008	Six Months July-December Subtotal
1 Retail Transmission Cost							
2							
3 Regional Network Service (RNS), incl S&D	5,478	6,069	5,831	5,452	4,336	4,621	31,787
4							
5 Scheduling and Dispatch (S&D)	-	-	-	-	-	-	-
6							
7 Local Network Service (LNS)	1,179	1,180	1,182	1,183	1,183	1,182	7,088
8							
9 Reliability	316	316	316	316	316	316	1,897
10							
11 Amortization of Recoupment Asset	-	-	-	-	-	-	-
12							
13 Under-recovery TCAM, previous TCAM Year	3,247	-	-	-	-	-	3,247
14							
15 Revenue Credits (Note 1)	(122)	(122)	(122)	(122)	(122)	(122)	(733)
16							
17 Retail Transmission Operating Costs	\$ 10,098	\$ 7,443	\$ 7,207	\$ 6,829	\$ 5,713	\$ 5,997	\$ 43,286
18							
19 Estimated Retail MWH Sales	755,458	746,900	659,042	673,819	668,683	718,085	4,221,987
20							
21							
22							

Forecasted

	January 2009	February 2009	March 2009	April 2009	May 2009	June 2009	Six Months Jan-June Subtotal	Twelve Months July 07-June 08 Total
25 Retail Transmission Cost								
26								
27 Regional Network Service (RNS), incl S&D	4,955	5,179	5,079	4,812	4,341	4,005	28,371	60,158
28								
29 Scheduling and Dispatch (S&D)	-	-	-	-	-	-	-	-
30								
31 Local Network Service (LNS)	1,702	1,702	1,701	1,701	1,701	1,701	10,208	17,296
32								
33 Reliability	321	321	321	321	350	321	1,956	3,853
34								
35 Amortization of Recoupment Asset	-	-	-	-	-	-	-	-
36								
37 Under-recovery TCAM, previous TCAM Year	-	-	-	-	-	-	-	3,247
38								
39 Revenue Credits (Note 1)	(124)	(124)	(124)	(124)	(124)	(124)	(745)	(1,478)
40								
41 Retail Transmission Operating Costs	\$ 6,854	\$ 7,078	\$ 6,977	\$ 6,710	\$ 6,268	\$ 5,903	\$ 39,790	\$ 83,076
42								
43 Estimated Retail MWH Sales	736,824	659,504	690,488	632,567	638,966	669,438	4,027,787	8,249,774
44								
45								

46 Note 1--ISO-NE Credits and NOATT Schedule 2 revenues

47
48 Amounts shown above may not add due to rounding.

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**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
TRANSMISSION COST ADJUSTMENT MECHANISM (TCAM) CALCULATION
July-December 2007**

(Dollars in 000's)

Actuals

	Balance 06/30/2007	July 2007	August 2007	September 2007	October 2007	November 2007	December 2007	Total	Reference
1 Retail Transmission Costs									
2									
3 Retail Transmission Operating Revenues		\$ (5,617)	\$ (5,658)	\$ (4,932)	\$ (5,095)	\$ (4,866)	\$ (5,310)	\$ (31,478)	RAB-1, Pg 7
4									
5 Regional Network Service (RNS)		3,839	3,139	3,831	3,307	2,533	2,880	19,529	
6									
7 Scheduling and Dispatch		184	151	184	159	124	138	938	
8									
9 Local Network Service (LNS)		715	535	354	632	544	491	3,271	
10									
11 Reliability		224	317	265	316	308	265	1,694	
12									
13 Amortization of Recoupment Asset, and Return		477	477	477	477	477	477	2,862	
14									
15 Revenue Credits		(87)	(114)	(113)	(112)	(112)	(121)	(660)	
16									
17 Retail Transmission Operating Costs		\$ 5,352	\$ 4,505	\$ 4,997	\$ 4,778	\$ 3,872	\$ 4,130	\$ 27,634	
18									
19 (Over) / Under-Recovery		\$ (265)	\$ (1,153)	\$ 65	\$ (317)	\$ (993)	\$ (1,180)	\$ (3,844)	
20									
21 Cumulative (Over) / Under-Recovery		\$ 2,036	\$ 1,771	\$ 618	\$ 683	\$ 365	\$ (628)	\$ (1,808)	
22									
23 Calculation of Return/Deferral									
24									
25 Average Balance		1,903	1,194	650	524	(131)	(1,218)		
26									
27 Deferred tax calculation--									
28 Deferred tax rate		39.550%	39.550%	39.550%	39.550%	39.550%	39.550%		
29									
30 ADIT on the average balance		\$ (753)	\$ (472)	\$ (257)	\$ (207)	\$ 52	\$ 482		
31									
32 Average Balance, Net of ADIT		\$ 1,150	\$ 722	\$ 393	\$ 317	\$ (79)	\$ (736)		
33									
34 x Return at Prime Rate		0.6875%	0.6875%	0.6875%	0.6458%	0.6250%	0.6250%		
35									
36 Return-Monthly		\$ 8	\$ 5	\$ 3	\$ 2	\$ (0)	\$ (5)	\$ 13	
37									
38 Cumulative Return		\$ 8	\$ 13	\$ 16	\$ 18	\$ 17	\$ 13		
39									
40 Cumulative (Over) / Under Recovery, Including Return		\$ 1,778	\$ 631	\$ 698	\$ 383	\$ (611)	\$ (1,796)		
41									

(1) Effective July 1, 2007, PSNH began to recover the \$5.5M TCAM Recoupment Asset and a return of \$0.2M consistent with the requirements of dockets DE 06-028 and DE 07-068

Amounts shown above may not add due to rounding.

45 Amounts shown above may not add due to rounding

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
TRANSMISSION COST ADJUSTMENT MECHANISM (TCAM) CALCULATION
January - June 2007

(Dollars in 000's)

	Actuals						
	January 2007	February 2007	March 2007	April 2007	May 2007	June 2007	Total
1 Retail Transmission Revenues							
2							
3 Transmission Revenue - Billed	\$ (3,304)	\$ (3,383)	\$ (3,225)	\$ (3,079)	\$ (2,884)	\$ (3,126)	\$ (19,001)
4							
5 Transmission Revenue - Unbilled	(108)	229	41	207	(329)	(1,063)	(1,023)
6							
7 Total	<u>\$ (3,412)</u>	<u>\$ (3,153)</u>	<u>\$ (3,184)</u>	<u>\$ (2,872)</u>	<u>\$ (3,214)</u>	<u>\$ (4,188)</u>	<u>\$ (20,024)</u>

8
9
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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
TRANSMISSION COST ADJUSTMENT MECHANISM (TCAM) CALCULATION
July-December 2007

(Dollars in 000's)

Actuals							
	July	August	September	October	November	December	Total
1 <u>Retail Transmission Revenues</u>	2007	2007	2007	2007	2007	2007	
2							
3 Transmission Revenue - Billed	\$ (5,407)	\$ (5,692)	\$ (5,449)	\$ (5,007)	\$ (4,861)	\$ (5,185)	\$ (31,601)
4							
5 Transmission Revenue - Unbilled	(209)	34	517	(89)	(5)	(125)	123
6							
7 Total	<u>\$ (5,617)</u>	<u>\$ (5,658)</u>	<u>\$ (4,932)</u>	<u>\$ (5,095)</u>	<u>\$ (4,866)</u>	<u>\$ (5,310)</u>	<u>\$ (31,478)</u>
8							

9
10 Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
TRANSMISSION COST ADJUSTMENT MECHANISM (TCAM) CALCULATION
January-June 2008

(Dollars in 000's)

	Actuals				Forecasted		
	January 2008	February 2008	March 2008	April 2008	May 2008	June 2008	Total
1 Retail Transmission Revenues							
2							
3 Transmission Revenue - Billed	\$ (5,285)	\$ (5,169)	\$ (4,890)	\$ (4,748)	\$ (4,936)	\$ (5,119)	\$ (30,147)
4							
5 Transmission Revenue - Unbilled	(148)	474	(186)	263	-	-	403
6							
7 Total	<u>\$ (5,433)</u>	<u>\$ (4,696)</u>	<u>\$ (5,076)</u>	<u>\$ (4,484)</u>	<u>\$ (4,936)</u>	<u>\$ (5,119)</u>	<u>\$ (29,743)</u>
8							
9							

10 Amounts shown above may not add due to rounding.

**STATE OF NEW HAMPSHIRE
BEFORE THE PUBLIC UTILITY COMMISSION**

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
TRANSMISSION COST ADJUSTMENT MECHANISM**

**PREPARED TESTIMONY OF
STEPHEN R. HALL**

1 Q. Please state your name, business address and your present position.

2 A. My name is Stephen R. Hall. My business address is PSNH Energy Park, 780 North
3 Commercial Street, Manchester, New Hampshire. I am Rate and Regulatory Services
4 Manager for Public Service Company of New Hampshire ("PSNH").

5 Q. Have you previously testified before the Commission?

6 A. Yes, I have testified on numerous occasions before the Commission over the past
7 twenty-seven years.

8 Q. What is the purpose of your testimony?

9 A. The purpose of my testimony is to propose transmission prices for effect July 1, 2008 under
10 the Transmission Cost Adjustment Mechanism (TCAM). My testimony proposes specific
11 rates and charges for transmission based on the transmission revenue requirement contained
12 in the attachments to Mr. Baumann's June 6, 2008 technical statement.

13 Q. Have you calculated specific rates and charges for transmission for all rate classes?

14 A. Yes, we have. The proposed rates and charges are included in Attachment SRH-1.

15 Q. Please describe generally the transmission pricing rate design contained in Attachment
16 SRH-1.

1 A. The design of transmission prices was contained in the settlement agreement in Docket No.
2 DE 06-028. The settlement describes the design of transmission pricing for Backup
3 Delivery Service Rate B specifically, and for under all other rate classes in general. For
4 Rate B, the settlement provides that transmission costs be recovered through a demand
5 charge, and it splits the demand charge into two components for rate calculation purposes:
6 a base component and an incremental component. (For billing purposes, the two
7 components are summed so only one demand charge is billed.) The settlement agreement
8 describes the cost allocation for the base component, and it also states that other
9 transmission prices will be calculated through an equi-proportional adjustment.

10 Q. Please describe how the base component of the Rate B demand charge was determined.

11 A. First, the ratio of average Rate B demands to average total PSNH demands at the time of
12 the monthly NU system peaks was calculated. The calculation of that ratio is shown on
13 Page 2 of Attachment SRH-2. Once the ratio was calculated, the Rate B base component
14 revenue requirement for the forecast period was determined by multiplying the ratio by the
15 total transmission revenue requirement for the forecast period included in Mr. Baumann's
16 June 6, 2008 Attachment RAB-1. The Rate B base component forecasted revenue
17 requirement is shown on line 7 of Page 1 of Attachment SRH-2. The base component
18 reconciliation from the prior period was then added to the base component forecasted
19 revenue requirement to determine the total base component revenue requirement (line 11 of
20 Page 1 of Attachment SRH-2). The Rate B base component rate was then determined by
21 dividing the total base component revenue requirement by projected billing demand. As
22 shown on Page 1 of Attachment SRH-2, that calculation produces a Rate B base component
23 rate of \$0.30 per kW or kVA per month.

24 Q. How did you calculate the base component reconciliation?

25 A. The base component reconciliation calculation is shown on Page 3 of Attachment SRH-2.
26 It was calculated by multiplying the prior period transmission revenue requirement by the
27 base component ratio for the prior period. The base component revenue for the prior period
28 was then subtracted from the base component revenue requirement to determine the base
29 component reconciliation (in this case, an over-recovery).

1 Q. How did you forecast the data to perform the calculations described above?

2 A. For the contribution to the monthly NU system peaks, we used historical data as a proxy for
3 what will occur in the prospective period because there is no reasonable way to forecast
4 Rate B contributions to peak load. The projected billing demand for Rate B was based on
5 actual data for the reconciliation period, with adjustments that could reasonably be
6 anticipated. For total transmission revenue requirements, we used the data provided in
7 Mr. Baumann's testimony.

8 Q. How did you calculate all other transmission rates and charges?

9 A. The transmission rate calculations were based on billing determinants for the 2005 test
10 year, as proformed in Docket No. DE 06-028. On Attachment SRH-3, we multiplied the
11 forecasted TCAM rate provided in Mr. Baumann's attachment by test year MWH sales to
12 produce the target transmission revenue for the test year. From that test year revenue
13 requirement, we subtracted special pricing revenue imputed at the average transmission rate
14 level and the Rate B base component revenue which was calculated based on test year
15 billing determinants on Attachment SRH-4. The result of this subtraction is the amount to
16 be recovered from all other customers. Revenue and the resulting rates and charges were
17 determined by proportionally adjusting all currently-effective revenue and rates to the level
18 necessary to recover the transmission revenue requirement net of the Rate B base amount.
19 The allocation of transmission revenue to class under this methodology is shown on
20 Attachment SRH-3.

21 Q. Does this complete your testimony?

22 A. Yes, it does.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
TRANSMISSION COST ADJUSTMENT MECHANISM (TCAM) CALCULATION
TRANSMISSION RATES PROPOSED FOR EFFECT ON JULY 1, 2008

			(1) Current Rates Effective 07/01/2007	(2) 07/01/2008 Proposed Rates
	<u>Rate</u>	<u>Blocks</u>		
1				
2				
3				
4				
5	R	All KWH	\$ 0.00826	\$ 0.01110
6				
7				
8				
9				
10	Uncontrolled Water Heating	All KWH	\$ 0.00639	\$ 0.00859
11				
12				
13	Controlled Water Heating	All KWH	\$ 0.00639	\$ 0.00859
14				
15				
16	R-OTOD	On-peak KWH	\$ 0.00826	\$ 0.01110
17		Off-peak KWH	\$ 0.00540	\$ 0.00726
18				
19				
20	G	Load charge (over 5 KW)	\$ 2.14	\$ 2.88
21				
22		First 500 KWH	\$ 0.00770	\$ 0.01035
23		Next 1,000 KWH	\$ 0.00290	\$ 0.00390
24		All additional KWH	\$ 0.00156	\$ 0.00210
25				
26				
27	Space Heating	All KWH	\$ 0.00770	\$ 0.01035
28				
29				
30	G-OTOD	Load charge	\$ 1.41	\$ 1.90
31				
32				
33	LCS	Radio-controlled option	\$ 0.00639	\$ 0.00859
34		8-hour option	\$ 0.00639	\$ 0.00859
35		10 or 11-hour option	\$ 0.00639	\$ 0.00859
36				
37				
38	GV	First 100 KW	\$ 2.86	\$ 3.84
39		All additional KW	\$ 2.86	\$ 3.84
40				
41				
42	LG	Demand charge	\$ 2.81	\$ 3.78
43				
44				
45	B	Demand charge	\$ 0.61	\$ 0.54
46				
47				
48	OL, EOL	All KWH	\$ 0.00565	\$ 0.00759

Notes:

(1) Current rates are based on a retail average transmission rate of 0.752 ¢/KWH.

(2) Proposed rates are based on a retail average transmission rate of 1.007 ¢/KWH.

The calculation of the Rate B charge is shown on Attachment SRH-4. All other rates have been calculated by equi-proportionally adjusting current rates by the ratio necessary to recover the remaining transmission revenue requirement.

15 Rate B Base Component (L11/L13)	\$	0.30 per kW or kVA
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**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
TRANSMISSION COST ADJUSTMENT MECHANISM (TCAM) CALCULATION
RATE B CUSTOMERS**

1 Contribution to NU System Peak (KW)			Ratio of
2			Rate B to
3	<u>Rate B</u>	<u>Total PSNH</u>	<u>Total PSNH</u>
4			
5 Jul '07	8,112	1,362,821	
6 Aug	5,219	1,670,761	
7 Sep	3,996	1,449,552	
8 Oct	265	1,117,594	
9 Nov	7,536	1,253,042	
10 Dec	449	1,408,513	
11 Jan '08	7,009	1,423,900	
12 Feb	-	1,318,645	
13 Mar (1)	1,886	1,217,368	
14 Apr (1)	20,215	1,130,794	
15 May (1)	31,082	1,117,110	
16 Jun (1)	3,915	1,572,349	
17			
18 Average	7,474	1,336,871	0.55904%

(1) Estimated data

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
TRANSMISSION COST ADJUSTMENT MECHANISM (TCAM) CALCULATION
RATE B CUSTOMERS

1 Base Component Reconciliation, 12 months ending June 30, 2008

2

3 Prior Period Transmission Revenue Requirement:

4

5	Retail Transmission Operating Costs	\$ 62,452,000	RAB-1, Pages 4 & 5, line 17
6	(Over)/Underrecovery for period ending 6/30/07	\$ 2,036,000	RAB-1, Page 4, line 21
7	Return on monthly (over)/underrecovery	\$ (18,000)	RAB-1, Pages 4 & 5, line 36

8

9	Prior Period Transmission Revenue Requirement	\$ 64,470,000
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10

11	Times Base Component Ratio	<u>0.55904%</u>	SRH-2, Page 2
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12

13	Prior Period Base Component Revenue Requirement	\$ 360,414
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14

15	Base Component Reconciliation for 12-Month Period Ending 6/30/07	\$ -
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16

17	Total Base Component Revenue Requirement	\$ 360,414
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18

19	Base Component Revenue (actual through 5/08; 6/08 estimated)	\$ 515,037
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20

21	Base Component Reconciliation	\$ (154,623)
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**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
TRANSMISSION COST ADJUSTMENT MECHANISM (TCAM) CALCULATION
ALLOCATION OF JULY 1, 2008 TRANSMISSION REVENUE TO CLASS
BASED ON BILLING DETERMINANTS FOR THE 2005 TEST YEAR, AS PROFORMED**

1	Retail delivery sales for the 2005 test year, as proformed		8,106,833	MWH	
2	Forecasted TCAM Rate (from Attachment RAB-1, Page 1, Line 17)		\$ 0.01007	per KWH	
3	Target transmission revenue based on the test year: Line (1) x Line (2)		\$ 81,636	(000)	
4	Special pricing delivery sales included in Line (1)		23,032	MWH	
5	Transmission revenue from special pricing at proposed rate level: Line (2) x Line (4)		\$ 232	(000)	
6	Rate B Base Component Revenue, based on the test year (from Attachment SRH-4)		\$ 314	(000)	
7	Transmission revenue to be recovered from all other classes: Line (3) - Line (5) - Line (6)		\$ 81,090	(000)	
8					
9					
10					
11		(1)	(2)	(3)	(4)
12					
13		Revenue at	07/01/2008		
14	Standard Tariff Customers	Revenue at	Revenue		<u>Increase</u>
15	excluding Rate B Base Component	<u>Rate Level</u>	<u>Target</u>	\$	%
16					
17	Residential Rates R, R-OTOD	\$ 25,823	\$ 34,709	\$ 8,886	34.41%
18					
19	General Service Rates G, G-OTOD	13,908	18,694	4,786	34.41%
20					
21	Primary General Service Rate GV	11,858	15,939	4,081	34.41%
22	GV Rate B - incremental component only	4	5	1	34.41%
23					
24	Large General Service Rate LG	8,311	11,170	2,860	34.41%
25	LG Rate B - incremental component only	185	248	64	34.41%
26					
27	Outdoor Lighting Rates OL, EOL	<u>242</u>	<u>325</u>	<u>83</u>	<u>34.41%</u>
28					
29	Total	\$ 60,329	\$ 81,090	\$ 20,761	34.41%
30					
31					
32	Special Pricing Customers, at Retail Average Rate				
33	Rate G (1,266 MWH)	\$ 10	\$ 13	\$ 3	33.91%
34	Rate GV (14,130 MWH)	106	142	36	33.91%
35	Rate LG (7,636 MWH)	<u>57</u>	<u>77</u>	<u>19</u>	<u>33.91%</u>
36	Total	\$ 173	\$ 232	\$ 59	33.91%
37					
38					
39	Rate B Base Component, from Attachment SRH-4				
40	GV Rate B - base component	\$ 8	\$ 6	\$ (3)	-30.23%
41	LG Rate B - base component	<u>441</u>	<u>308</u>	<u>(133)</u>	<u>-30.23%</u>
42	Total	\$ 450	\$ 314	\$ (136)	-30.23%
43					
44					
45	Total, all customers	\$ 60,952	\$ 81,636	\$ 20,684	33.93%
46					
47					
48	Total Rate B, incremental plus base:				
49	Rate GV	\$ 12	\$ 11	\$ (1)	-11.16%
50	Rate LG	<u>626</u>	<u>556</u>	<u>(70)</u>	<u>-11.16%</u>
51	Total	\$ 638	\$ 567	\$ (71)	-11.16%

Notes:

- (1) The result of applying rates effective July 1, 2007 to test year billing determinants.
- (2) Special pricing revenue was imputed at the overall average rate. The Rate B base component was taken from Attachment SRH-4. Revenue targets for all other classes were calculated by equi-proportionally adjusting current revenues.
- (3) Column (2) - Column (1).
- (4) Column (3) / Column (1).

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
TRANSMISSION COST ADJUSTMENT MECHANISM (TCAM) CALCULATION
CALCULATION OF TRANSMISSION REVENUE AND RATES FOR RATE B CUSTOMERS
BASED ON SETTLEMENT AGREEMENT ARTICLE V, SECTION 5.1.1. AND
BILLING DETERMINANTS FOR THE 2005 TEST YEAR, AS PROFORMED**

	(1)	(2)	(3)	(4)	(5)	(6)
				Allocated		Total Base
	Test Year	Base	Revenue from	Revenue from	Incremental	Plus
	Billing	Component	Base	Incremental	Component	Incremental
	<u>Demand</u>	<u>of Rate</u>	<u>Component</u>	<u>Component</u>	<u>of Rate</u>	<u>Rate</u>
7 Rate B customers on Rate GV	19,734	\$ 0.30	\$ 5,920.20	\$ 4,774.85	\$ 0.24	\$ 0.54
10 Rate B customers on Rate LG	<u>1,025,954</u>	\$ 0.30	<u>307,786.20</u>	<u>248,222.58</u>	\$ 0.24	\$ 0.54
13 Total Rate B customers	1,045,688		\$ 313,706.40	\$ 252,997.44		

(1) From the settlement agreement in DE 06-028, Attachment 3, Page 9.

(2) From Attachment SRH-2, Page 1.

(3) Column (1) x Column (2).

(4) From Attachment SRH-3, Column (2), Lines 22 and 25.

(5) Column (4) / Column (1).

(6) Column (2) + Column (5).