

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

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
RECONCILIATION OF ENERGY SERVICE AND STRANDED COSTS FOR
CALENDAR YEAR 2008**

**DIRECT TESTIMONY OF
RICHARD C. LABRECQUE**

1 **I. INTRODUCTION**

2 **Q. Please state your name.**

3 A. My name is Richard C. Labrecque.

4 **Q. Mr. Labrecque, please provide your business address and title.**

5 A. My business address is PSNH Energy Park, 780 N. Commercial St., Manchester, New
6 Hampshire. I am the Manager of the Supplemental Energy Sources department of
7 PSNH. Prior to May 1, 2009 I was employed as a Principal Engineer in the Regulated
8 Wholesale Power Contracts department of Northeast Utilities Service Company
9 (NUSCO). My testimony addresses responsibilities related to my prior position.

10 **Q. Mr. Labrecque, please describe your previous responsibilities at NUSCO.**

11 A. NUSCO provides centralized administrative services to Northeast Utilities' principal
12 subsidiaries, including Public Service Company of New Hampshire (PSNH or the
13 Company), The Connecticut Light and Power Company (CL&P), and Western
14 Massachusetts Electric Company (WMECO). I primarily provided analytical support
15 required to fulfill the supply requirement obligations of PSNH, CL&P and WMECO.
16 For CL&P and WMECO, I assisted in the design and execution of the power supply
17 sourcing contracts associated with these companies' versions of energy service. For
18 PSNH, I assisted in the development of the Energy Service rates, the strategy used to

1 procure energy and capacity needed to supplement PSNH's resources for the provision of
2 Energy Service, and the strategy used to acquire Financial Transmission Rights (FTR) to
3 manage congestion. I participated in ISO-NE stakeholder meetings and monitor ISO-NE,
4 NEPOOL and FERC activities to ensure that our operations were up to date.

5 II. PURPOSE

6 **Q. What is the purpose of your testimony?**

7 A. The purpose of my testimony is to report on how PSNH's generation resources and
8 supplemental purchases were used to meet the energy and capacity requirements of
9 PSNH over the period January 1, 2008 through December 31, 2008. As a load-holding
10 entity, PSNH is responsible for having sufficient energy to meet the hourly needs of its
11 customers and is also required to have sufficient capacity available to satisfy its share of
12 the ISO-NE capacity requirement. PSNH meets its requirements through its owned
13 generation, PURPA-mandated purchases under short term rates and long term rate
14 orders, and through supplemental purchases of energy and capacity from the market. I
15 will also discuss PSNH's participation in the Financial Transmission Rights (FTR)
16 auction process.

17 III. ENERGY REQUIREMENTS

18 **Q. Please summarize the generating resources that were available to meet PSNH's**
19 **energy requirements.**

20 A. Attachment RCL-1 lists the generating resource portfolio PSNH has used to meet its
21 customers' energy requirements. As shown on that Attachment, PSNH's generation
22 during this time period was about 1,210 MW for the summer months. The portfolio is
23 comprised of the following resource groups: hydroelectric (65 MW from nine stations),
24 nuclear (20 MW from the Vermont Yankee purchased power arrangement), coal and
25 wood (571 MW from Merrimack and Schiller Stations), oil (419 MW from Newington
26 and Wyman 4), combustion turbines (83 MW from five units), and non-utility generation
27 (42 MW from numerous PURPA-mandated purchases and 10 MW from one IPP buyout
28 replacement contract). PSNH's resource portfolio can also be categorized as Baseload
29 (708 MW from hydroelectric, nuclear, coal, wood, non-utility IPPs, and the buyout

1 replacement contract), Intermediate (419 MW from oil resources), and Peaking (83 MW
2 from combustion turbines). PSNH also served a portion of its customers' energy
3 requirements via three (3) unit-contingent purchase power arrangements (Bethlehem,
4 Tamworth and Lempster Wind).

5 **Q. Please summarize how PSNH's generation resources met PSNH's energy**
6 **requirements during 2008.**

7 A. Attachment RCL-2 summarizes how PSNH's energy requirements were met and how
8 PSNH's generation resources were utilized by month by on-peak and off-peak periods.
9 On average, 56% of on-peak period energy requirements and 71% of off-peak period
10 energy requirements were met with the generation resources listed on RCL-1. These
11 figures also include the energy produced by Lempster Wind, which came on-line late in
12 2008. The remaining energy needs were met through spot market or bilateral market
13 energy purchases. As noted on Attachment RCL-2, the energy procured via the
14 Bethlehem and Tamworth PPAs is included in the bilateral purchase category.

15 **Q. Why was PSNH's generation insufficient to meet PSNH's energy requirements in**
16 **every month?**

17 A. PSNH does not own sufficient generation capability to meet its customers' energy
18 requirements and, therefore, must purchase a portion of its customers' needs. The
19 purchase requirement changes hourly and can range from zero to a significant portion,
20 depending on the availability of PSNH's resources, the level of demand, the migration of
21 customers to competitive energy service options, and the relative economics of PSNH's
22 generation versus purchase alternatives. PSNH's supplemental purchase requirement is
23 heavily influenced by the economics of Newington. When Newington's fuel expense is
24 lower than the cost of purchasing power, the unit is dispatched and PSNH's
25 supplemental need is significantly reduced. During on-peak hours, when PSNH's
26 baseload and intermediate resources (including Newington) are dispatched, PSNH
27 requires supplemental purchases that range from zero (during low load months) to
28 approximately 400 MW (during high load months). Typically, Newington is not
29 economic for dispatch during the off-peak hours (weekends, holidays, and weekdays
30 during hours 1-7 and 24). The resulting off-peak purchase requirement will range from
31 zero to 400 MW during the overnight hours and from zero to 600 MW during weekend
32 days. Forced and planned outages increase the need for supplemental purchases.

1 **Q. Please summarize how supplemental purchases were used to meet PSNH's energy**
2 **requirements.**

3 A. Attachment RCL-3 summarizes the purchases made to supplement PSNH's generating
4 resources. Approximately 1,795 GWh of on-peak energy were purchased bilaterally at
5 an average cost of \$85.67 per MWh (a total expense of \$153.8 million). Eighty-seven
6 percent (87%) of the on-peak bilateral energy was procured via fixed-price monthly
7 contracts in order to address the forecasted supplemental requirements and planned unit
8 outages. Six percent (6%) was procured via fixed-price, unit-contingent contracts with
9 the Bethlehem and Tamworth Generating Plants. The remaining bilateral energy (7%)
10 was procured via fixed-price short-term arrangements (e.g. daily, weekly) to address
11 unplanned outages and higher load periods. In addition, approximately 252 GWh of on-
12 peak energy were procured via the ISO-NE hourly spot market at an average cost of
13 \$94.45 per MWh (a total expense of \$23.8 million).

14 Approximately 831 GWh of off-peak energy were purchased bilaterally at an average
15 cost of \$71.67 per MWh (a total expense of \$59.5 million). Seventy-nine percent (79%)
16 of the off-peak bilateral energy was procured via fixed-price monthly contracts. Fifteen
17 percent (15%) was procured via fixed-price, unit-contingent contracts with the
18 Bethlehem and Tamworth Generating Plants. The remaining bilateral energy (7%) was
19 procured via fixed-price short-term arrangements (e.g. daily, weekly). In addition,
20 approximately 380 GWh of off-peak energy were procured via the ISO-NE hourly spot
21 market at an average cost of \$79.70 per MWh (a total expense of \$30.3 million). The
22 combined expense for all supplemental energy purchases was \$267 million.

23 **Q. Were there any hours in which PSNH's supply resources exceeded PSNH's energy**
24 **needs?**

25 A. Yes. Attachment RCL-3 summarizes the hours in which supply resources, including
26 supplemental bilateral purchases, exceeded energy requirements resulting in sales to the
27 ISO-NE spot market. Approximately 169 GWh of on-peak energy were sold at an
28 average price of \$86.64 (total revenues of \$14.6 million). In addition, approximately 145
29 GWh of off-peak energy were sold at an average price of \$62.83 (total revenues of \$9.1
30 million). The combined revenue for all surplus energy sales was \$23.7 million.

1 **Q. Please summarize how commodity prices (oil, natural gas, and energy) varied**
2 **during 2008.**

3 A. Attachment RCL-4 is a chart of the 2008 daily prices for residual oil (1% sulfur at New
4 York Harbor), natural gas (delivered to Algonquin Gate), and bilateral energy (peak
5 hours at the Mass. HUB). The chart shows both the significant volatility of the gas and
6 energy markets in 2008 and the elevated price levels across all commodities that
7 persisted throughout much of the year. The chart also shows a clear correlation between
8 natural gas prices and bilateral energy purchase prices.

9 **Q. Please summarize the impact of the commodity market volatility on the cost of**
10 **serving PSNH's energy requirement.**

11 A. During 2008, approximately fifty-four percent (54%) of PSNH's energy requirements
12 were met with coal, wood, hydro, and nuclear resources. PSNH also owns Newington
13 Station, a 400 MW generator capable of operating on either residual fuel oil or natural
14 gas. Because of the diversity of its supply portfolio, PSNH is largely insulated from the
15 extreme volatility of the natural gas market. Even during periods of high and volatile
16 natural gas prices, PSNH's resource mix provides price stability.

17 **IV. CAPACITY REQUIREMENTS**

18 **Q. Please summarize the supply resources that were used to meet PSNH's capacity**
19 **requirements?**

20 A. Attachment RCL-5 summarizes PSNH's monthly capacity activity. Approximately 59%
21 of PSNH's capacity needs were met with generation resources (including PSNH-owned
22 assets, non-utility IPPs, the Vermont Yankee PPA, and the Hydro-Quebec
23 Interconnection Capacity Credits). The remaining 41% was procured via ISO-NE at a
24 total cost of \$37.8 million (an average of \$3.46 per kw-mo).

25 **Q. Please summarize the ISO-NE capacity market rules that were in effect during**
26 **2008.**

27 A. The Forward Capacity Market (FCM) Settlement Agreement, which was approved by the
28 Federal Energy Regulatory Commission (FERC) on June 16, 2006, included an
29 "Installed Capacity Transition Period" during which all qualified capacity resources are

1 paid a negotiated fixed rate (the "Installed Capacity Transition Rate") according to the
2 schedule below. The total payments to capacity resources in each month are charged to
3 ISO-NE load serving entities based on their relative share of the prior year's peak
4 demand.

December 1, 2006 to May 31, 2007	\$3.05/kW-month
June 1, 2007 to May 31, 2008	\$3.05/kW-month
June 1, 2008 to May 31, 2009	\$3.75/kW-month
June 1, 2009 to May 31, 2010	\$4.10/kW-month

5 **Q. Please describe the cost impact to PSNH's customers associated with the Installed**
6 **Capacity Transition Period during 2008.**

7 A. During 2008, a total of 435,811 MW-months of capacity qualified for the ISO-NE
8 transition payments (this equates to a monthly average of 36,318 MWs). PSNH was
9 allocated 6.17% (26,893 MW-months) of this capacity obligation. PSNH supply
10 resources qualified for 15,953 MW-months of capacity, comprised of owned generation
11 (13,351 MW-months), non-utility IPPs (1,208 MW-months), the Vermont Yankee
12 purchase agreement (234 MW-months), and the Hydro-Quebec Interconnection Capacity
13 Credits (1,160 MW-months). ISO-NE invoiced PSNH for the net capacity obligation of
14 10,940 MW-months, or approximately \$37.8 million (based on the rates in effect).
15 Attachment RCL-5 provides additional details

16 **Q. Can you estimate the customer capacity savings associated with PSNH's owned**
17 **generation resources during 2008?**

1 A. Yes. As noted above, PSNH's owned resources, including the Hydro-Quebec
2 Interconnection credits, provided 14,511 MW-months of capacity to ISO-NE. This
3 created over \$50.2 million in revenue which reduced the net charge to customers.

4 **Q. What capacity market changes will take place following the Transition Period and**
5 **how might the cost to PSNH's customers be affected?**

6 A. Starting in June 2010, capacity payments to qualified resources will no longer be based
7 on the negotiated fixed transition rates listed above. Instead, market-based auctions will
8 be used to determine capacity clearing prices. ISO-NE will conduct periodic competitive
9 auctions to solicit a quantity of new capacity resources that is sufficient to satisfy
10 reliability standards. The initial auction for the year beginning June 2010 was conducted
11 in February 2008 and yielded a final clearing price of \$4.50/kw-month. The initial
12 auction for the year beginning June 2011 was conducted in December 2008 and yielded a
13 final clearing price of \$3.60/kw-month. It is not possible to estimate the outcome of
14 future auctions, as they will be based on supplier bidding behavior. Under this market
15 design, PSNH's generation resources will continue to provide significant customer
16 savings and a valuable hedge against uncertain auction clearing prices.

17 **V. FINANCIAL TRANSMISSION RIGHTS**

18 **Q. What is a Financial Transmission Right (FTR)?**

19 A. An FTR is a financial instrument available to participants seeking to manage congestion
20 costs or those wishing to speculate on the difference in congestion costs between two
21 locations. These instruments have been available since the introduction of the ISO-NE
22 Standard Market Design. All FTRs are defined by a MW amount, a source location and
23 a sink location (e.g. a participant may own 100 MW of FTRs that are sourced at the
24 Merrimack node and sink at the New Hampshire load zone). For each MW of FTR, the
25 owner will receive a credit or a charge from ISO-NE equal to the difference in the
26 congestion component of the hourly LMP between the sink and the source. If the sink
27 location congestion price exceeds the source location price, the FTR will have a positive

1 value, i.e. a credit to that participants' ISO-NE settlement in that hour. Similarly, if the
2 sink location price is less than the source location price, the owner will be charged the
3 difference. For additional discussion of FTRs, please see my testimony in Docket No.
4 DE 04-071.

5 **Q. Please summarize PSNH's participation in the ISO-NE FTR auction process.**

6 A. PSNH has participated in these auctions as a method of hedging the congestion price
7 differential between the major fossil stations (Merrimack, Schiller, and Newington) and
8 the New Hampshire load zone. PSNH has also procured FTRs to hedge the differential
9 between the source location of bilateral purchases (e.g. the Massachusetts HUB) and the
10 New Hampshire load zone. PSNH's generation resources and bilateral purchases
11 provide an effective hedge against the energy component of the zonal LMP, but they do
12 not guard against a congestion component differential. Therefore, even in an hour in
13 which PSNH had sufficient resources to serve its energy requirement, it would be
14 exposed to potential congestion charges. By owning an FTR, PSNH can exchange a
15 fixed, known payment (i.e. the cost of the FTR) for a variable, unknown expense (i.e. the
16 hour-by-hour difference in the applicable LMP congestion components). During 2008,
17 PSNH procured via auction 4,776 GWh of FTRs at a net cost of \$827,127. The FTRs
18 eliminated \$236,974 of congestion charges. Thus, the net impact was a \$590,153
19 increase in Energy Service expense.

20 **Q. Will PSNH continue to participate in the FTR auction process in order to hedge**
21 **against unpredictable congestion costs?**

22 A. Yes. FTRs serve as an "insurance policy" against unanticipated congestion costs. If
23 PSNH did not purchase FTRs and there was a problem on the system that resulted in
24 congestion, the cost could be several times the cost of the FTR. Therefore, it makes
25 sense to continue to purchase FTRs to manage the potentially large downside exposure to
26 congestion costs.

27 **Q. Does that complete your testimony?**

28 A. Yes it does.

Attachment RCL-1

PSNH Resource Portfolio (2008)

<u>Resource</u>	<u>Winter Rating MW</u>	<u>Summer Rating MW</u>	<u>Interest</u>	<u>Winter Entitlement MW</u>	<u>Summer Entitlement MW</u>
Amoskeag	17.50	17.50	100%	17.50	17.50
Ayers	9.08	9.08	100%	9.08	9.08
Canaan	1.10	1.10	100%	1.10	1.10
Eastman	6.47	6.47	100%	6.47	6.47
Garvins / Hookset	14.00	14.00	100%	14.00	14.00
Gorham	2.05	2.05	100%	2.05	2.05
Jackman	3.46	2.36	100%	3.46	2.36
Smith	16.17	12.77	100%	16.17	12.77
VT Yankee (note 1)	628.00	604.25	3.33%	20.88	20.09
Merrimack 1	114.00	112.50	100%	114.00	112.50
Merrimack 2	321.75	320.00	100%	321.75	320.00
Schiller 4	48.00	47.50	100%	48.00	47.50
Schiller 5	45.82	43.08	100%	45.82	43.08
Schiller 6	48.58	47.94	100%	48.58	47.94
Newington	400.20	400.20	100.00%	400.20	400.20
Wyman 4	610.38	603.49	3.14%	19.19	18.97
Lost Nation	18.08	14.07	100%	18.08	14.07
Merrimack J1	21.68	16.83	100%	21.68	16.83
Merrimack J2	21.30	16.80	100%	21.30	16.80
Schiller J	19.50	17.62	100%	19.50	17.62
Whitelake	22.40	17.45	100%	22.40	17.45
IPP Total	75.45	41.97	100.0000%	75.45	41.97
Bio Energy (buyout, note 2)	10.00	10.00	100.0000%	10.00	10.00
Total				1,276.65	1,210.36

Notes:

- 1) Vermont Yankee entitlement contract expires March 2012.
- 2) Bio Energy contract is for energy only (no capacity) and expires July 2015.
- 3) Hydro-Quebec firm energy contract (not shown) ended August 31, 2001 but interconnection rights and capacity credits continue.
- 4) IPP Total does not include Bethlehem, Tamworth, or Lempster Wind PPAs.

Attachment RCL-2
PSNH Supply Resources Used to Serve Energy Requirement (2008)

On-Peak

	<u>Energy Requirement</u>	<u>PSNH Resource</u>	<u>Portion of Requirement Served by...</u>								
	<u>MWhr</u>	<u>Subtotal</u>	<u>IPP</u>	<u>Buyout Contracts</u>	<u>Vermont Yankee</u>	<u>Hydro</u>	<u>Merrimack and Schiller</u>	<u>Newington and Wyman</u>	<u>Bilateral Purchase</u>	<u>ISO-NE Spot Purchases</u>	<u>Combustion Turbines</u>
Jan	391,615	64%	8%	1%	2%	4%	45%	4%	30%	5%	0.03%
Feb	364,528	64%	9%	0%	2%	5%	48%	0%	30%	6%	0.04%
Mar	347,295	63%	8%	1%	2%	6%	46%	1%	34%	3%	0.02%
Apr	337,827	37%	6%	1%	2%	6%	21%	1%	62%	0%	0.00%
May	320,488	44%	5%	1%	2%	5%	31%	0%	55%	1%	0.00%
Jun	374,450	51%	3%	1%	2%	3%	39%	3%	47%	3%	0.03%
Jul	438,297	53%	3%	1%	1%	3%	34%	10%	39%	8%	0.00%
Aug	375,717	62%	4%	1%	2%	4%	48%	3%	34%	4%	0.07%
Sep	348,268	50%	4%	1%	2%	3%	39%	0%	40%	10%	0.01%
Oct	355,340	56%	5%	1%	1%	4%	45%	0%	29%	15%	0.02%
Nov	299,481	61%	6%	1%	1%	5%	48%	0%	30%	9%	0.02%
Dec	354,119	69%	7%	1%	2%	6%	52%	2%	25%	6%	0.04%
Totals	4,307,426	56%	6%	1%	2%	5%	41%	2%	38%	6%	0.02%

Off-Peak

	<u>Energy</u>										
	<u>Requirement</u>	<u>PSNH Resource</u>		<u>Buyout</u>	<u>Vermont</u>		<u>Merrimack</u>	<u>Newington</u>	<u>Bilateral</u>	<u>ISO-NE Spot</u>	<u>Combustion</u>
	<u>MWhr</u>	<u>Subtotal</u>	<u>IPP</u>	<u>Contracts</u>	<u>Yankee</u>	<u>Hydro</u>	<u>and Schiller</u>	<u>and Wyman</u>	<u>Purchase</u>	<u>Purchases</u>	<u>Turbines</u>
Jan	342,691	81%	10%	1%	2%	6%	60%	2%	10%	9%	0.03%
Feb	307,333	77%	11%	1%	2%	6%	56%	0%	13%	10%	0.01%
Mar	335,029	81%	10%	1%	3%	7%	60%	0%	13%	6%	0.00%
Apr	270,386	46%	8%	1%	3%	8%	26%	0%	45%	9%	0.00%
May	294,591	62%	7%	1%	3%	7%	45%	0%	35%	3%	0.02%
Jun	315,614	65%	4%	1%	2%	4%	49%	3%	22%	13%	0.00%
Jul	350,226	57%	4%	1%	2%	4%	44%	2%	23%	19%	0.00%
Aug	342,947	79%	5%	1%	2%	6%	65%	0%	16%	5%	0.00%
Sep	302,040	64%	5%	1%	2%	5%	51%	0%	15%	22%	0.00%
Oct	270,495	72%	6%	1%	1%	6%	58%	0%	15%	13%	0.00%
Nov	318,884	81%	7%	1%	2%	7%	64%	0%	12%	7%	0.00%
<u>Dec</u>	<u>304,090</u>	<u>85%</u>	<u>9%</u>	<u>1%</u>	<u>3%</u>	<u>7%</u>	<u>66%</u>	<u>0%</u>	<u>9%</u>	<u>5%</u>	<u>0.00%</u>
Totals	3,754,325	71%	7%	1%	2%	6%	54%	1%	19%	10%	0.01%

Note: "Buyout Contracts" refers to IPP Replacement Purchases (BioEnergy).

Note: "PSNH Resource Subtotal" is the sum of all columns except Bilateral and Spot purchases.

Note: Lempster PPA is included in "IPPs". Bethlehem & Tamworth PPAs are in "Bilateral Purchases".

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Attachment RCL-3
Summary of 2008 PSNH Bilateral and ISO-NE Spot Purchases and Sales

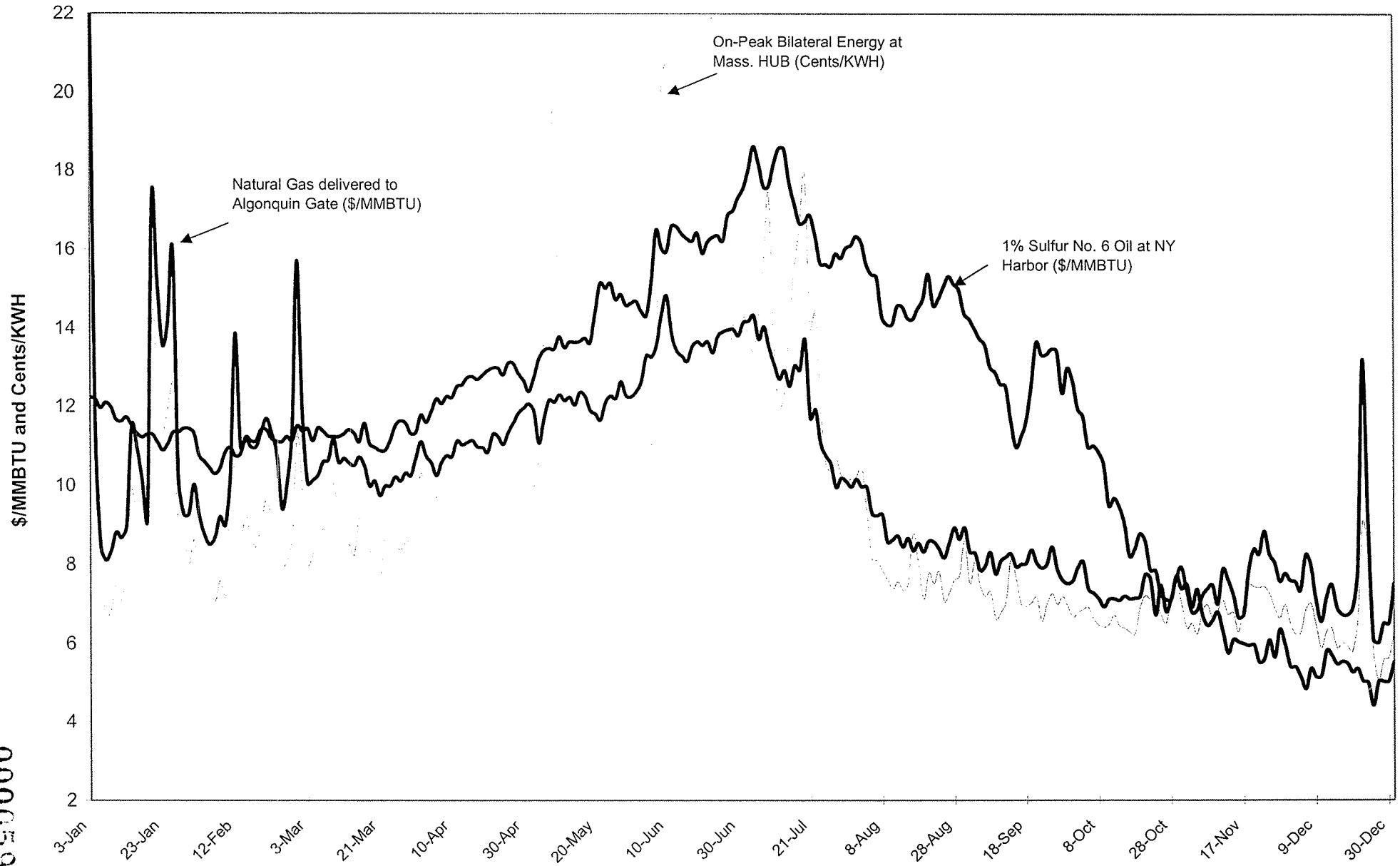
On-Peak

	<u>Total Bilateral</u>			<u>Total ISO-NE Spot</u>			<u>Total ISO-NE Spot</u>		
	<u>Purchases</u>	<u>Purchases</u>	<u>Avg Price</u>	<u>Purchases</u>	<u>Purchases</u>	<u>Avg Price</u>	<u>Sales</u>	<u>Sales</u>	<u>Avg Price</u>
	<u>MWh</u>	<u>\$000</u>	<u>\$/MWh</u>	<u>MWh</u>	<u>\$000</u>	<u>\$/MWh</u>	<u>MWh</u>	<u>\$000</u>	<u>\$/MWh</u>
Jan	128,564	11,451	89.06	20,123	1,987	98.73	9,480	866	91.31
Feb	113,926	10,065	88.35	20,244	1,986	98.12	4,647	287	61.72
Mar	135,394	11,894	87.85	10,967	1,236	112.71	18,819	1,350	71.72
Apr	237,456	19,069	80.30	1,024	258	252.45	26,783	2,589	96.66
May	212,692	16,810	79.03	1,669	168	100.45	35,981	3,846	106.88
Jun	191,420	17,195	89.83	10,147	1,407	138.62	16,441	1,743	106.04
Jul	179,645	17,354	96.60	36,271	5,255	144.89	9,699	1,064	109.74
Aug	148,319	13,407	90.39	16,490	1,532	92.90	21,161	1,484	70.14
Sep	145,429	11,809	81.20	34,898	2,709	77.63	4,466	285	63.81
Oct	104,414	8,611	82.47	53,569	3,708	69.22	915	51	56.24
Nov	95,099	7,716	81.14	26,264	1,983	75.50	5,817	313	53.89
Dec	102,535	8,393	81.85	19,923	1,534	77.01	14,985	780	52.08
Totals	1,794,893	153,773	85.67	251,589	23,764	94.45	169,193	14,659	86.64

Off-Peak

	<u>Total Bilateral</u>			<u>Total ISO-NE Spot</u>			<u>Total ISO-NE Spot</u>		
	<u>Purchases</u>	<u>Purchases</u>	<u>Avg Price</u>	<u>Purchases</u>	<u>Purchases</u>	<u>Avg Price</u>	<u>Sales</u>	<u>Sales</u>	<u>Avg Price</u>
	<u>MWh</u>	<u>\$000</u>	<u>\$/MWh</u>	<u>MWh</u>	<u>\$000</u>	<u>\$/MWh</u>	<u>MWh</u>	<u>\$000</u>	<u>\$/MWh</u>
Jan	40,802	2,937	71.98	30,653	2,282	74.46	5,869	485	82.65
Feb	45,456	3,282	72.19	30,350	2,414	79.53	5,362	269	50.16
Mar	58,081	4,267	73.47	20,744	1,622	78.18	17,083	1,130	66.13
Apr	126,716	8,254	65.14	23,593	2,042	86.54	4,385	326	74.27
May	145,654	9,204	63.19	7,478	704	94.17	42,582	3,414	80.16
Jun	76,744	6,257	81.53	41,298	3,986	96.51	6,850	416	60.67
Jul	84,630	7,523	88.89	67,282	6,574	97.72	2,938	210	71.44
Aug	65,384	4,917	75.21	18,796	1,384	73.65	11,837	676	57.15
Sep	46,565	3,188	68.47	64,962	4,314	66.40	2,941	167	56.94
Oct	44,052	3,005	68.21	34,559	2,120	61.35	2,789	130	46.67
Nov	50,997	3,562	69.85	23,484	1,476	62.85	17,455	845	48.43
Dec	45,530	3,138	68.92	16,523	1,345	81.38	24,503	1,017	41.49
Totals	830,611	59,534	71.67	379,721	30,263	79.70	144,593	9,084	62.83

Exhibit 2 Attachment RCL-4
2008 Daily Prices (Natural Gas, 1% Oil, Bilateral On-Peak Energy)



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Attachment RCL-5
Summary of 2008 PSNH Capacity Position and Purchase Activity

	Total ISO-NE Capacity Resources (MW)	PSNH Share of ISO-NE Obligation (%)	PSNH Share of ISO-NE Obligation (MW)	Transition Period Payment Rate (\$/MW· mo)	PSNH Capacity Expense (\$000)	PSNH Capacity Resources (MW)	PSNH Capacity Revenues (\$000)	PSNH Net Capacity Expense (\$000)
Jan	35,846	6.12%	2,193	3,050	6,689	1,253	3,821	2,868
Feb	35,925	6.12%	2,197	3,050	6,702	1,256	3,830	2,871
Mar	38,212	6.08%	2,324	3,050	7,088	1,385	4,224	2,864
Apr	38,125	6.06%	2,309	3,050	7,042	1,387	4,229	2,813
May	37,088	6.07%	2,252	3,050	6,870	1,383	4,219	2,651
Jun	34,427	6.29%	2,164	3,750	8,116	1,338	5,017	3,098
Jul	34,586	6.34%	2,192	3,750	8,219	1,318	4,943	3,275
Aug	34,634	6.37%	2,205	3,750	8,270	1,314	4,926	3,344
Sep	34,676	6.34%	2,197	3,750	8,240	1,312	4,918	3,322
Oct	37,941	6.23%	2,366	3,750	8,871	1,353	5,075	3,796
Nov	37,690	6.09%	2,295	3,750	8,607	1,379	5,171	3,436
Dec	36,660	6.00%	2,198	3,750	8,243	1,276	4,785	3,458
Totals	435,811	6.17%	26,893		92,956	15,953	55,158	37,798

Note: PSNH Resources include Fossil-Hydro Assets, non-utility IPPs, Vermont Yankee and Hydro-Quebec Interconnection Credits

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