

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
TRANSMISSION COST ADJUSTMENT MECHANISM (TCAM) CALCULATION
TRANSMISSION RATES PROPOSED FOR EFFECT ON AUGUST 1, 2009

			(1) Current Rates Effective 07/01/2008	(2) 08/01/2009 Proposed Rates
	<u>Rate</u>	<u>Blocks</u>		
1				
2				
3				
4				
5				
6				
7	R	All KWH	\$ 0.01035	\$ 0.01307
8				
9				
10	Uncontrolled Water Heating	All KWH	\$ 0.00800	\$ 0.01010
11				
12				
13	Controlled Water Heating	All KWH	\$ 0.00800	\$ 0.01010
14				
15				
16	R-OTOD	On-peak KWH	\$ 0.01035	\$ 0.01307
17		Off-peak KWH	\$ 0.00676	\$ 0.00853
18				
19				
20	G	Load charge (over 5 KW)	\$ 2.68	\$ 3.38
21				
22		First 500 KWH	\$ 0.00964	\$ 0.01217
23		Next 1,000 KWH	\$ 0.00363	\$ 0.00458
24		All additional KWH	\$ 0.00195	\$ 0.00246
25				
26				
27	Space Heating	All KWH	\$ 0.00964	\$ 0.01217
28				
29				
30	G-OTOD	Load charge	\$ 1.77	\$ 2.23
31				
32				
33	LCS	Radio-controlled option	\$ 0.00800	\$ 0.01010
34		8-hour option	\$ 0.00800	\$ 0.01010
35		10 or 11-hour option	\$ 0.00800	\$ 0.01010
36				
37				
38	GV	First 100 KW	\$ 3.58	\$ 4.52
39		All additional KW	\$ 3.58	\$ 4.52
40				
41				
42	LG	Demand charge	\$ 3.52	\$ 4.44
43				
44				
45	B	Demand charge	\$ 0.25	\$ 0.88
46				
47				
48	OL, EOL	All KWH	\$ 0.00708	\$ 0.00894

Notes:

- (1) Current rates are based on a retail average transmission rate of 0.940 ¢/KWH.
(2) Proposed rates are based on a retail average transmission rate of 1.195 ¢/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.

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

1	Base Component Revenue Requirement		
2			
3	Total Transmission Revenue Requirement	\$ 85,216,000	RAB-1, Page 1, Line 13
4			
5	Times Base Component Ratio	<u>0.49542%</u>	SRH-2, Page 2
6			
7	Base Component Forecasted Revenue Requirement	\$ 422,177	
8			
9	Base Component Reconciliation	<u>\$ 171,316</u>	SRH-2 Page 3
10			
11	Base Component Revenue Requirement	\$ 593,493	
12			
13	Rate B Projected Billing Demand	1,011,268	
14			
15	Rate B Base Component (L11/L13)	\$ 0.59	per kW or kVA

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

1	Contribution to NU System Peak (KW)			
2	Period Ending 7/31/09			
3				Ratio of
4				Rate B to
5				<u>Total PSNH</u>
6	<u>Rate B</u>	<u>Total PSNH</u>		
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19	Average			0.49542%

(1) Estimated data

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

1	Estimated Base Component Reconciliation, 13 months ending July 31, 2009		
2			
3	Prior Period Transmission Revenue Requirement:		
4			
5	Retail Transmision Operating Costs	\$ 83,342,000	RAB-1, Pages 4 & 5, line 17
6	(Over)/Underrecovery, period ending 6/30/08	\$ 2,006,000	RAB-1, Page 4, line 21
7	Return on monthly (over)/underrecovery, period ending 6/30/09	\$ <u>77,000</u>	RAB-1, Pages 4 & 5, line 36
8			
9	Prior Period Transmission Revenue Requirement	\$ 85,425,000	
10			
11	Times Base Component Ratio	<u>0.49542%</u>	SRH-2, Page 2
12			
13	Prior Period Base Component Revenue Requirement	\$ 423,213	
14			
15	Base Component Reconciliation for 12-Month Period Ending 6/30/08	\$ <u>(227,971)</u>	SRH-2, Page 5
16			
17	Total Base Component Revenue Requirement	\$ 195,242	
18			
19	Base Component Revenue (actual through 5/09; 6 - 7/09 estimated)	\$ 23,926	
20			
21	Estimated Base Component Reconciliation, 13 months ending 7/31/09	\$ 171,316	

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

1 Actual Contribution to NU System Peak (KW)			
2 Period Ending 6/30/08			Ratio of
3			Rate B to
4	<u>Rate B</u>	<u>Total PSNH</u>	<u>Total PSNH</u>
5			
6 Jul '07	8,112	1,362,821	
7 Aug	5,219	1,670,761	
8 Sep	3,996	1,449,552	
9 Oct	265	1,117,594	
10 Nov	7,536	1,253,042	
11 Dec	449	1,408,513	
12 Jan '08	7,009	1,423,900	
13 Feb	-	1,318,645	
14 Mar	1,801	1,217,368	
15 Apr	20,340	1,130,794	
16 May	8,720	1,190,783	
17 Jun	9,338	1,689,904	
18			
19 Average	6,065	1,352,806	0.44836%

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

1	Actual Base Component Reconciliation, 12 months ending June 30, 2008	
2		
3	Prior Period Transmission Revenue Requirement:	
4		
5	Retail Transmission Operating Costs	\$ 62,004,000
6	(Over)/Underrecovery, period ending 6/30/07	\$ 2,036,000
7	Return on monthly (over)/underrecovery, period ending 6/30/08	\$ <u>(14,000)</u>
8		
9	Prior Period Transmission Revenue Requirement	\$ 64,026,000
10		
11	Times Base Component Ratio	<u>0.44836%</u> SRH-2, Page 4
12		
13	Prior Period Base Component Revenue Requirement	\$ 287,066
14		
15	Base Component Reconciliation for 12-Month Period Ending 6/30/07	\$ <u>-</u>
16		
17	Total Base Component Revenue Requirement	\$ 287,066
18		
19	Actual Base Component Revenue, Period Ending 6/30/08	\$ 515,037
20		
21	Actual Base Component Reconciliation, 12 months ending 6/30/08	\$ (227,971)

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
TRANSMISSION COST ADJUSTMENT MECHANISM (TCAM) CALCULATION
ALLOCATION OF AUGUST 1, 2009 TRANSMISSION REVENUE TO CLASS
BASED ON BILLING DETERMINANTS FOR THE 2008 TEST YEAR

1	Retail delivery sales for the 2008 test year			7,970,952	MWH
2	Forecasted TCAM Rate (from Attachment RAB-1, Page 1, Line 17)			\$ 0.01195	per KWH
3	Target transmission revenue based on the test year: Line (1) x Line (2)			\$ 95,253	(000)
4	Special pricing delivery sales included in Line (1)			12,982	MWH
5	Transmission revenue from special pricing at proposed rate level: Line (2) x Line (4)			\$ 155	(000)
6	Rate B Base Component Revenue, based on the test year (from Attachment SRH-4)			\$ 730	(000)
7	Transmission revenue to be recovered from all other classes: Line (3) - Line (5) - Line (6)			\$ 94,368	(000)
8					
9					
10					
11		(1)	(2)	(3)	(4)
12					
13		Revenue at	08/01/2009		
14	Standard Tariff Customers	07/01/2008	Revenue		<u>Increase</u>
15	excluding Rate B Base Component	<u>Rate Level</u>	<u>Target</u>	\$	%
16					
17	Residential Rates R, R-OTOD	\$ 31,883	\$ 40,250	\$ 8,366	26.24%
18					
19	General Service Rates G, G-OTOD	16,903	21,338	4,435	26.24%
20					
21	Primary General Service Rate GV	15,709	19,832	4,122	26.24%
22	GV Rate B - incremental component only	7	9	2	26.24%
23					
24	Large General Service Rate LG	9,669	12,206	2,537	26.24%
25	LG Rate B - incremental component only	277	350	73	26.24%
26					
27	Outdoor Lighting Rates OL, EOL	<u>304</u>	<u>384</u>	<u>80</u>	<u>26.24%</u>
28					
29	Total	\$ 74,753	\$ 94,368	\$ 19,615	26.24%
30					
31					
32	Special Pricing Customers, at Retail Average Rate				
33	Rate LG (12,982 MWH)	122	155	33	27.13%
34					
35					
36	Rate B Base Component				
37	GV Rate B - base component	\$ 1	\$ 19	\$ 18	2850.00%
38	LG Rate B - base component	<u>24</u>	<u>711</u>	<u>687</u>	<u>2850.00%</u>
39	Total	\$ 25	\$ 730	\$ 705	2850.00%
40					
41					
42	Total, all customers	\$ 74,900	\$ 95,253	\$ 20,353	27.17%
43					
44					
45	Total Rate B, incremental plus base:				
46	Rate GV	\$ 8	\$ 28	\$ 20	252.13%
47	Rate LG	<u>301</u>	<u>1,061</u>	<u>759</u>	<u>252.14%</u>
48	Total	\$ 309	\$ 1,089	\$ 779	252.14%

Notes:

- (1) The result of applying rates effective July 1, 2008 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 2008 TEST YEAR

	(1)	(2)	(3)	(4)	(5)	(6)
	Test Year	Base	Revenue from	Allocated	Incremental	Total Base
	Billing	Component	Base	Revenue from	Component	Plus
	<u>Demand</u>	<u>of Rate</u>	<u>Component</u>	<u>Incremental</u>	<u>of Rate</u>	<u>Incremental</u>
				<u>Component</u>		<u>Rate</u>
7 Rate B customers on Rate GV	31,735	\$ 0.59	\$ 18,723.65	\$ 9,214.67	\$ 0.29	\$ 0.88
10 Rate B customers on Rate LG	<u>1,204,724</u>	\$ 0.59	<u>710,787.16</u>	<u>349,795.33</u>	\$ 0.29	\$ 0.88
13 Total Rate B customers	1,236,459		\$ 729,510.81	\$ 359,010.00		

- (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).