

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
TRANSMISSION COST ADJUSTMENT MECHANISM (TCAM) CALCULATION
TRANSMISSION RATES PROPOSED FOR EFFECT ON JULY 1, 2014**

			(1) Current Rates Effective 07/01/2013	(2) Proposed Rates Effective 07/01/2014
	<u>Rate</u>	<u>Blocks</u>		
	R	All KWH	\$ 0.01863	\$ 0.01786
	Uncontrolled Water Heating	All KWH	\$ 0.01440	\$ 0.01381
	Controlled Water Heating	All KWH	\$ 0.01440	\$ 0.01381
	R-OTOD	On-peak KWH	\$ 0.01863	\$ 0.01786
		Off-peak KWH	\$ 0.01215	\$ 0.01165
	G	Load charge (over 5 KW)	\$ 4.81	\$ 4.61
		First 500 KWH	\$ 0.01734	\$ 0.01663
		Next 1,000 KWH	\$ 0.00653	\$ 0.00626
		All additional KWH	\$ 0.00350	\$ 0.00336
	Space Heating	All KWH	\$ 0.01734	\$ 0.01663
	G-OTOD	Load charge	\$ 3.17	\$ 3.04
	LCS	Radio-controlled option	\$ 0.01440	\$ 0.01381
		8-hour option	\$ 0.01440	\$ 0.01381
		10 or 11-hour option	\$ 0.01440	\$ 0.01381
	GV	First 100 KW	\$ 6.44	\$ 6.17
		All additional KW	\$ 6.44	\$ 6.17
	LG	Demand charge	\$ 6.33	\$ 6.07
	B	Demand charge	\$ 0.95	\$ 0.81
	OL, EOL	All KWH	\$ 0.01274	\$ 0.01221

Notes:

(1) Current rates are based on a retail average transmission rate of 1.714 ¢/KWH.

(2) Proposed rates are based on a retail average transmission rate of 1.642 ¢/KWH.

The calculation of the Rate B charge is shown on Attachment LBJ-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)	\$	0.41	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)			
2 Period Ending 6/30/14			
3			Ratio of
4	<u>Rate B</u>	<u>Total PSNH</u>	<u>Rate B to</u>
5			<u>Total PSNH</u>
6 Jul '13	327	1,695,212	
7 Aug	1,701	1,430,468	
8 Sep	4,233	1,577,157	
9 Oct	4,314	1,121,522	
10 Nov	8,494	1,296,481	
11 Dec	3,595	1,457,952	
12 Jan '14	10,485	1,424,113	
13 Feb	5,374	1,323,639	
14 Mar	6,662	1,309,132	
15 Apr	21,048	1,060,678	
16 May	6,736	1,014,447	
17 Jun (1)	1,056	1,391,187	
18 Average	6,169	1,341,832	0.45973%

(1) Estimated data

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

1 Estimated Base Component Reconciliation, 12 months ending June 30, 2014

2			
3	Prior Period Transmission Revenue Requirement:		
4			
5	Retail Transmission Operating Costs	\$ 126,983,000	MLS-1, Pages 4 & 5, line 21
6	(Over)/Underrecovery, period ending 6/30/13	\$ (2,107,000)	MLS-1, Page 3, line 44
7	Return on monthly (over)/underrecovery, period ending 6/30/14	\$ <u>(30,000)</u>	MLS-1, Pages 4 & 5, line 40
8			
9	Prior Period Transmission Revenue Requirement	\$ 124,846,000	
10			
11	Times Base Component Ratio	<u>0.45973%</u>	LBJ-2, Page 2
12			
13	Prior Period Base Component Revenue Requirement	\$ 573,957	
14			
15	Base Component Reconciliation for 12-Month Period Ending 6/30/13	\$ <u>(124,432)</u>	LBJ-2, Page 5, line 21
16			
17	Total Base Component Revenue Requirement	\$ 449,525	
18			
19	Base Component Revenue (actual through 5/14; 6/14 estimated)	\$ <u>559,848</u>	
20			
21	Estimated Base Component Reconciliation, 12 months ending 6/30/14	\$ (110,323)	

**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 6/30/13		
3			Ratio of
4	<u>Rate B</u>	<u>Total PSNH</u>	<u>Rate B to</u>
5			<u>Total PSNH</u>
6	Jul '12	34,734	1,501,059
7	Aug	1,249	1,555,614
8	Sep	1,080	1,313,386
9	Oct	12,565	1,103,716
10	Nov	2,563	1,233,108
11	Dec	6,749	1,251,569
12	Jan '13	5,817	1,391,898
13	Feb	367	1,294,568
14	Mar	437	1,203,971
15	Apr	2,830	1,117,563
16	May	1,128	1,406,175
17	Jun	885	1,614,323
18			
19	Average	5,867	1,332,246
			0.44039%

**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, 2013

2		
3	Prior Period Transmission Revenue Requirement:	
4		
5	Retail Transmission Operating Costs	\$ 118,002,000 MLS-1, P3, L21 & 2013 MLS-1 P4, L21
6	(Over)/Underrecovery, period ending 6/30/12	\$ (13,472,000) 2013 MLS-1, P3, L44
7	Return on monthly (over)/underrecovery, period ending 6/30/13	\$ (143,000) MLS-1, P3, L40 & 2013 MLS-1, P4, L40
8		
9	Prior Period Transmission Revenue Requirement	\$ 104,387,000
10		
11	Times Base Component Ratio	<u>0.44039%</u> LBJ-2, Page 4
12		
13	Prior Period Base Component Revenue Requirement	\$ 459,705
14		
15	Base Component Reconciliation for 12-Month Period Ending 6/30/12	\$ (314,222) 2013 SRH-2, P5, L21
16		
17	Total Base Component Revenue Requirement	\$ 145,483
18		
19	Actual Base Component Revenue, Period Ending 6/30/13	\$ <u>269,915</u>
20		
21	Actual Base Component Reconciliation, 12 months ending 6/30/13	\$ (124,432)

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
TRANSMISSION COST ADJUSTMENT MECHANISM (TCAM) CALCULATION
ALLOCATION OF JULY 1, 2014 TRANSMISSION REVENUE TO CLASS
BASED ON BILLING DETERMINANTS FOR THE 2009 TEST YEAR**

1	Retail delivery sales for the 2009 test year			7,657,472	MWH
2	Forecasted TCAM Rate (from Attachment MLS-1, Page 1, Line 20)			\$ 0.01642	per KWH
3	Target transmission revenue based on the test year: Line (1) x Line (2)			\$ 125,736	(000)
4	Rate B Base Component Revenue, based on the test year (from Attachment LBJ-4)			\$ 399	(000)
5	Transmission revenue to be recovered from all other classes: Line (3) - Line (4)			\$ 125,336	(000)
6					
7					
8					
9		(1)	(2)	(3)	(4)
10					
11		Revenue at	07/01/2014		
12	Transmission revenue	07/01/2013	Revenue		<u>Increase</u>
13	excluding Rate B Base Component	<u>Rate Level</u>	<u>Target</u>	\$	%
14					
15	Residential Rates R, R-OTOD	\$ 56,330	\$ 54,008	\$ (2,322)	-4.12%
16					
17	General Service Rates G, G-OTOD	29,704	28,480	(1,224)	-4.12%
18					
19	Primary General Service Rate GV	27,331	26,204	(1,127)	-4.12%
20	GV Rate B - incremental component only	13	12	(1)	-4.12%
21					
22	Large General Service Rate LG	16,425	15,748	(677)	-4.12%
23	LG Rate B - incremental component only	396	380	(16)	-4.12%
24					
25	Outdoor Lighting Rates OL, EOL	<u>526</u>	<u>504</u>	<u>(22)</u>	<u>-4.12%</u>
26					
27	Total	\$ 130,725	\$ 125,336	\$ (5,389)	-4.12%
28					
29					
30	Rate B Base Component				
31	GV Rate B - base component	\$ 16	\$ 12	\$ (4)	-22.64%
32	LG Rate B - base component	<u>500</u>	<u>387</u>	<u>(113)</u>	<u>-22.64%</u>
33	Total	\$ 516	\$ 399	\$ (117)	-22.64%
34					
35					
36	Total, all customers	\$ 131,241	\$ 125,736	\$ (5,506)	-4.20%
37					
38					
39	Total Rate B, incremental plus base:				
40	Rate GV: Line (20) + Line (31)	\$ 29	\$ 25	\$ (4)	-14.45%
41	Rate LG: Line (23) + Line (32)	<u>\$ 896</u>	<u>767</u>	<u>(130)</u>	<u>-14.45%</u>
42	Total	<u>\$ 925</u>	<u>\$ 792</u>	<u>\$ (134)</u>	<u>-14.45%</u>

Notes:

- (1) The result of applying rates effective July 1, 2013 to test year billing determinants.
- (2) The Rate B base component was taken from Attachment LBJ-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 DE 06-028 SETTLEMENT AGREEMENT ARTICLE V, SECTION 5.1.1. AND
BILLING DETERMINANTS FOR THE 2009 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	30,468	\$ 0.41	\$ 12,491.88	\$ 12,269.06	\$ 0.40	\$ 0.81
10 Rate B customers on Rate LG	<u>943,642</u>	\$ 0.41	<u>386,893.22</u>	<u>379,992.00</u>	\$ 0.40	\$ 0.81
13 Total Rate B customers	974,110		\$ 399,385.10	\$ 392,261.06		

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

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

(4) From Attachment LBJ-3, Column (2), Lines 20 and 23.

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

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