

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
2008 ENERGY SERVICE RATE CALCULATION  
(Dollars in 000's)

10	<b>Summary of Forecasted Energy Service</b>		
11	<b>Cost For January 2008 Through December 2008</b>	<b>TOTAL COST</b>	<b>Reference</b>
12			
13	Fossil energy costs	\$ 153,117	Attachment RAB-2, page 2
14	F/H O&M, Depreciation & Taxes	140,462	Attachment RAB-2, page 2
15	Return on rate base	40,797	Attachment RAB-2, page 2
16	Ancillary, ISO-NE, Uplift, RPS & Capacity Costs	47,673	Attachment RAB-2, page 2
17	Vermont Yankee	6,878	Attachment RAB-2, page 2
18	IPP costs (1)	45,128	Attachment RAB-2, page 2
19	Purchases and Sales	301,946	Attachment RAB-2, page 2
20	Return on ES Deferral	(883)	Attachment RAB-2, page 2
21	ES Uncollectible Expense	<u>2,088</u>	Attachment RAB-2, page 2
22			
23	Total Forecasted Energy Service Cost	\$ 737,205	
24			
25	2007 ES Over/Under Recovery	<u>(18,875)</u>	Attachment RAB-3, page 1
26			
27	Net Forecasted Energy Service Cost	\$ 718,330	
28			
29	Forecasted Retail MWH Sales	<u>8,148,202</u>	
30			
31			
32	Forecasted Energy Service Rate -		
33	cents Per KWH (line 27 / Line 29)	<u>8.82</u>	

33 (1) The IPP costs represent the forecasted Market Value of IPP generation.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
2008 ENERGY SERVICE RATE CALCULATION  
(Dollars in 000's)

	January 2008 Estimate	February 2008 Estimate	March 2008 Estimate	April 2008 Estimate	May 2008 Estimate	June 2008 Estimate	Reference
<b>10 Energy Service Cost</b>							
<b>12 Fossil Energy Costs</b>	\$ 18,105	\$ 16,504	\$ 12,994	\$ 5,029	\$ 4,942	\$ 12,831	RAB-2, P3
<b>13 F/H O&amp;M, Depreciation &amp; Taxes</b>	10,047	9,156	12,058	18,718	13,386	9,443	RAB-2, P5
<b>14 Return on Rate Base</b>	3,278	3,255	3,241	3,264	3,314	3,406	RAB-2, P6
<b>15 Ancillary, ISO-NE, Uplift, RPS &amp; Capacity Costs</b>	3,933	3,856	3,635	3,062	3,079	4,154	RAB-2, P3
<b>16 Vermont Yankee</b>	627	587	627	607	627	607	RAB-2, P3
<b>17 IPP Costs</b>	5,163	4,964	5,097	3,794	3,709	3,158	RAB-2, P4
<b>18 Purchases and Sales</b>	21,241	20,364	21,790	33,552	31,616	20,947	RAB-2, P3
<b>19 Return on ES Deferral</b>	(116)	(117)	(120)	(99)	(68)	(63)	
<b>20 ES Uncollectible Expense</b>	174	174	174	174	174	174	
<b>22 Total Energy Service Cost</b>	\$ 62,452	\$ 58,742	\$ 59,496	\$ 68,100	\$ 60,778	\$ 54,657	
<b>24 Forecasted Retail MWH Sales</b>	712,384	671,236	683,821	641,272	632,979	648,069	
<b>26 Energy Service Cost - cents per kwh</b>	8.77	8.75	8.70	10.62	9.60	8.43	

Amounts shown above may not add due to rounding.

	PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE							
	2008 ENERGY SERVICE RATE CALCULATION							
	(Dollars in 000's)							
	July	August	September	October	November	December		
	2008	2008	2008	2008	2008	2008		
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Total	Reference
10 <b>Energy Service Cost</b>								
12 Fossil Energy Costs	\$ 18,160	\$ 16,424	\$ 10,937	\$ 10,647	\$ 13,005	\$ 13,537	\$ 153,117	RAB-2, P3
13 F/H O&M, Depreciation & Taxes	10,523	9,836	13,948	14,293	9,252	9,802	140,462	RAB-2, P5
14 Return on Rate Base	3,460	3,488	3,516	3,521	3,524	3,530	40,797	RAB-2, P6
15 Ancillary, ISO-NE, Uplift, RPS & Capacity Costs	4,145	4,035	3,869	4,298	4,693	4,915	47,673	RAB-2, P3
16 Vermont Yankee	627	627	607	344	364	627	6,878	RAB-2, P3
17 IPP Costs	3,025	2,868	2,592	3,030	3,541	4,187	45,128	RAB-2, P4
18 Purchases and Sales	25,913	27,867	26,646	26,529	21,459	24,021	301,946	RAB-2, P3
19 Return on ES Deferral	(67)	(64)	(55)	(38)	(34)	(42)	(883)	
20 ES Uncollectible Expense	174	174	174	174	174	174	2,088	
22 <b>Total Energy Service Cost</b>	\$ 65,961	\$ 65,255	\$ 62,233	\$ 62,799	\$ 55,978	\$ 60,752	\$ 737,205	
24 <b>Forecasted Retail MWH Sales</b>	740,153	733,717	655,814	656,657	664,916	707,184	8,148,202	
26 <b>Energy Service Cost - cents per kwh</b>	8.91	8.89	9.49	9.56	8.42	8.59	9.05	

Amounts shown above may not add due to rounding.

PUBLIC SERVICE RATE COMPANY OF NEW HAMPSHIRE  
2008 ENERGY SERVICE RATE CALCULATION

PSNH Generation (GWh) and Expense (\$000)  
IPP's Priced at Market Rate

		Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Total
1														
2	Hydro:	Energy	29.886	26.147	33.843	39.032	37.121	28.043	20.382	18.664	16.544	23.186	31.518	334.721
3														
4	Coal:	Energy	338.667	316.818	325.929	121.822	116.455	321.389	340.894	327.280	271.526	267.065	339.890	3,413.757
5		Energy Expense	\$ 13,045	12,203	12,531	4,866	4,646	12,382	13,123	12,614	10,488	10,324	12,556	131,852
6														
7	Wood:	Energy	30.132	28.188	30.132	10.571	19.197	29.160	30.132	30.132	29.160	21.020	29.160	317.116
8		Energy Expense	\$ 1,501	1,405	1,501	527	957	1,453	1,501	1,501	1,453	1,047	1,453	15,802
9		Revenue Credit	(1,038)	(971)	(1,038)	(364)	(661)	(1,004)	(1,038)	(1,038)	(1,004)	(724)	(1,004)	(10,922)
10														
11	Nuclear:	Energy	15.128	14.152	15.128	14.64	15.128	14.64	15.128	15.128	14.64	8.296	8.784	165.920
12		Energy Expense	\$ 627	587	627	607	627	607	627	627	607	344	364	6,878
13														
14	Newington:	Energy	47.110	39.990	0.000	0.000	0.000	0.000	46.281	33.943	0.000	0.000	0.000	167.324
15		Energy Expense	\$ 4,597	3,867	-	-	-	-	4,574	3,347	-	-	-	16,385
16														
17	IPP's:	Energy	58.226	56.672	64.067	51.160	51.413	42.225	36.385	34.538	34.137	38.731	44.672	561.593
18		Energy Expense	\$ 4,870	4,671	4,804	3,564	3,479	2,968	2,835	2,678	2,402	2,747	3,258	42,180
19		ICAP	\$ 293	293	293	230	230	190	190	190	190	283	283	2,948
20														
21	Peak Purchase:	Energy	50.295	50.596	70.750	61.346	50.879	47.936	82.287	72.527	78.132	101.384	59.111	801.094
22		Expense	\$ 4,890	4,773	5,921	4,808	3,932	3,801	7,253	6,625	6,313	8,186	4,960	68,228
23														
24	Known Purchases	Energy	138.587	130.724	134.007	323.488	316.277	180.704	169.877	167.477	197.504	153.877	143.904	2,208.703
25		Expense	\$ 12,191	11,554	11,847	24,825	23,490	15,166	14,967	14,709	16,197	12,813	11,913	182,323
26														
27	Offpeak Purchase:	Energy	50.843	50.641	54.011	60.948	66.207	40.301	52.452	85.812	63.633	84.202	63.389	730.967
28		Expense	\$ 4,288	4,085	4,101	4,030	4,198	2,857	4,125	6,866	4,584	5,530	4,591	53,871
29														
30	Surplus Energy Sales	Energy	(1.958)	(0.728)	(1.301)	(1.625)	(0.068)	(15.777)	(7.372)	(5.893)	(8.408)	0.000	(0.063)	(43.356)
31		(Credit)	\$ (128)	(48)	(79)	(111)	(4)	(877)	(432)	(333)	(448)	0	(5)	(2,476)
32														
33	Congestion and Loss Adjustment		\$ 155	119	24	(554)	(499)	72	(9)	(113)	(202)	(276)	4	(1,301)
34														
35	Total Energy GWH		756.916	713.200	726.566	681.382	672.609	688.621	786.446	779.608	696.868	697.761	706.497	8,657.839
36	Total Energy Expense		\$ 45,291	42,537	40,532	42,428	40,394	37,615	47,717	47,674	40,580	40,274	38,373	505,768
37														
38	Other Expense & Capacity													
39	ISO-NE, Uplift, Reserve & Regulation,		\$ 1,279	1,238	1,280	1,225	1,187	1,532	1,604	1,598	1,521	1,602	1,611	17,329
40	RPS and Ancillary													
41	Newington Capacity Revenue		\$ (142)	(142)	(142)	(142)	(142)	(142)	(142)	(142)	(142)	(142)	-	(1,420)
42														
43	Capacity (sold)/bought MW-mo		866	866	811	830	830	718	718	718	718	830	821	9,602
44	Capacity (sold)/bought Cost (\$000)		\$ 2,641	2,641	2,473	2,533	2,533	2,692	2,692	2,692	2,692	3,114	3,078	33,065

Amounts shown above may not add due to rounding.

**Forecasted PSNH IPP Market Value**

Month	IPP GWh	IPP at Mkt Value (\$000)	Capacity MW	ICAP Value \$/kw-mo	ICAP (\$000)	Total (\$000)	Total \$/MWh
January	58.226	4,870	96.1	3.05	293.0	5,163	88.67
February	56.672	4,671	96.1	3.05	293.0	4,964	87.59
March	64.067	4,804	96.1	3.05	293.0	5,097	79.56
April	51.160	3,564	75.5	3.05	230.0	3,794	74.16
May	51.413	3,479	75.5	3.05	230.0	3,709	72.14
June	42.225	2,968	50.8	3.75	190.0	3,158	74.79
July	36.385	2,835	50.8	3.75	190.0	3,025	83.14
August	34.538	2,678	50.8	3.75	190.0	2,868	83.04
September	34.137	2,402	50.8	3.75	190.0	2,592	75.93
October	38.731	2,747	75.5	3.75	283.0	3,030	78.23
November	44.672	3,258	75.5	3.75	283.0	3,541	79.27
December	49.367	3,904	75.5	3.75	283.0	4,187	84.81
Total	561.593	42,180			2,948	45,128	80.36

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
2008 ENERGY SERVICE RATE CALCULATION  
Fossil / Hydro O&M, Depreciation & Taxes Detail  
(Dollars in 000's)

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	January 2008	February 2008	March 2008	April 2008	May 2008	June 2008	July 2008	August 2008	September 2008	October 2008	November 2008	December 2007	Total
<u>Fossil / Hydro O&amp;M, Depr. &amp; Taxes</u>	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	
F/H Operation & Maintenance Cost	\$ 7,427	\$ 6,646	\$ 9,289	\$ 16,175	\$ 10,841	\$ 7,064	\$ 7,850	\$ 7,220	\$ 11,213	\$ 11,675	\$ 6,642	\$ 7,043	\$ 109,085
F/H Depreciation Cost	1,756	1,756	1,761	1,770	1,785	1,786	1,815	1,828	1,840	1,846	1,850	1,855	21,648
F/H Property Taxes	636	636	636	668	668	668	668	668	668	668	668	668	7,920
F/H Payroll Taxes	228	118	251	105	92	102	190	120	102	104	92	109	1,613
Amort. of Asset Retirement Obligation	-	-	121	-	-	123	-	-	125	-	-	127	496
2008 SO2 Auction Proceeds	-	-	-	-	-	(300)	-	-	-	-	-	-	(300)
Total F/H O&M, Depr. and Taxes	\$ 10,047	\$ 9,156	\$ 12,058	\$ 18,718	\$ 13,386	\$ 9,443	\$ 10,523	\$ 9,836	\$ 13,948	\$ 14,293	\$ 9,252	\$ 9,802	\$ 140,462

Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
2008 ENERGY SERVICE RATE CALCULATION  
FOSSIL/HYDRO RETURN ON RATE BASE  
(Dollars in 000's)

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	January 2008 Estimate	February 2008 Estimate	March 2008 Estimate	April 2008 Estimate	May 2008 Estimate	June 2008 Estimate	July 2008 Estimate	August 2008 Estimate	September 2008 Estimate	October 2008 Estimate	November 2008 Estimate	December 2007 Estimate	Total
11 <b>Return on Rate Base</b>													
14 <b>Rate base</b>													
15 Net Plant (1)	244,255	242,980	245,014	246,445	253,844	266,994	266,747	273,591	272,548	274,528	275,114	274,802	
17 Working Capital Allow. (45 days of O&M)	13,449	13,449	13,449	13,449	13,449	13,449	13,449	13,449	13,449	13,449	13,449	13,449	
18 Fossil Fuel Inventory	54,270	54,270	54,270	54,270	54,270	54,270	54,270	54,270	54,270	54,270	54,270	54,270	
19 Mat'ls and Supplies	44,901	40,929	40,701	40,210	40,358	40,267	40,031	39,758	39,449	38,875	39,109	42,986	
20 Prepaid Property Taxes	2,028	2,028	2,028	2,028	2,028	2,028	2,028	2,028	2,028	2,028	2,028	2,028	
21 Deferred Taxes	(6,455)	(6,134)	(6,089)	(3,952)	(3,689)	(4,858)	(4,821)	(4,819)	(4,070)	(3,726)	(5,689)	(6,767)	
22 Other Regulatory Obligations	(972)	(972)	(972)	(972)	(972)	(972)	(972)	(972)	(972)	(972)	(972)	(972)	
23 Total Rate Base (L15 thru L22)	351,476	346,550	348,401	351,478	359,288	371,177	370,732	377,305	376,702	378,452	377,309	379,796	
24													
25 Average Rate Base ( prev + curr month)	351,476	349,013	347,475	349,939	355,383	365,233	370,954	374,018	377,003	377,577	377,881	378,553	
26 x Return (2)	0.9326%	0.9326%	0.9326%	0.9326%	0.9326%	0.9326%	0.9326%	0.9326%	0.9326%	0.9326%	0.9326%	0.9326%	
27 Return (L25 x L26)	\$ 3,278	\$ 3,255	\$ 3,241	\$ 3,264	\$ 3,314	\$ 3,406	\$ 3,460	\$ 3,488	\$ 3,516	\$ 3,521	\$ 3,524	\$ 3,530	\$ 40,797

(1) Increased \$943K - Adjustment to Net Plant per Docket DE 07-057 audit report, page 11 due to reclassification of O&M and elimination of \$150K insurance reserve.

(2) The Return was updated to reflect 9.81% ROE.

Amounts shown above may not add due to rounding.

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE**  
**2007 ENERGY SERVICE RECONCILIATION**  
(Dollars in 000's)

10 Summary of Forecasted Energy Service			
11 Cost For January 2007 Through December 2007	TOTAL COST	Reference	
12			
13 Fossil energy costs	\$ 168,740	Attachment RAB-3, page 2B	
14 F/H O&M, Depreciation & Taxes	115,074	Attachment RAB-3, page 2B	
15 Return on rate base	35,367	Attachment RAB-3, page 2B	
16 Ancillary, ISO-NE, Uplift & Capacity Costs	34,505	Attachment RAB-3, page 2B	
17 Vermont Yankee	6,394	Attachment RAB-3, page 2B	
18 IPP costs	52,159	Attachment RAB-3, page 2B	
19 Purchases and Sales	206,686	Attachment RAB-3, page 2B	
20 Return on ES deferral	(829)	Attachment RAB-3, page 2B	
21 ES Uncollectible Expense	338	Attachment RAB-3, page 2B	
22 2006 actual ES under/(over) recovery	(19,445)	Attachment RAB-3, page 2B	
23 Total Estimated Energy Service Cost	\$ 598,989	Attachment RAB-3, page 2B	
24 2006 RPC Credit per Settlement in DE 07-057	(4)	DE 07-057 Settlement	
25 2006 NWPP O&M Credit per Settlement in DE 07-057	(1,101)	DE 07-057 Settlement	
26 Coal Procurement Credit per Settlement in DE 07-057	(70)	DE 07-057 Settlement	
Net Estimated Energy Service Cost	\$ 597,814		
24 Total Estimated Revenue	616,689	Attachment RAB-3, page 2B	
25 2007 Energy Service Estimated Under/(Over) Recovery	\$ (18,875)		



	PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE						
	2007 ENERGY SERVICE RECONCILIATION						
	(Dollars in 000's)						
	Actual	Actual	Actual	Actual	Actual	Actual	Reference
	January	February	March	April	May	June	
	2007	2007	2007	2007	2007	2007	
<b>Energy Service Cost</b>							
Fossil Energy Costs	\$ 21,284	\$ 26,340	\$ 13,720	\$ 10,418	\$ 7,056	\$ 13,718	RAB-3, P3
F/H O&M, Depreciation & Taxes	8,599	7,965	11,630	12,128	11,902	9,091	RAB-3, P5
Return on Rate Base	2,951	2,952	2,677	2,788	2,788	3,132	RAB-3, P6
Ancillary, ISO-NE, Uplift & Capacity Costs	1,774	4,845	2,923	2,658	3,106	3,131	RAB-3, P3
Vermont Yankee	638	566	570	567	247	463	RAB-3, P3
IPP Costs (1)	4,992	5,279	4,229	5,757	5,622	4,273	RAB-3, P4
Purchases and Sales	11,749	9,056	14,006	15,070	22,316	16,630	RAB-3, P3
Return on ES deferral	(91)	(101)	(97)	(94)	(78)	(65)	
ES Uncollectible Expense (2)	-	-	-	-	-	-	
2006 actual ES under/(over) recovery (3)	(19,445)	-	-	-	-	-	
<b>Total Energy Service Cost Re-estimate</b>	<b>\$ 32,451</b>	<b>\$ 56,903</b>	<b>\$ 49,658</b>	<b>\$ 49,291</b>	<b>\$ 52,959</b>	<b>\$ 50,373</b>	
<b>Total Energy Service Revenue @ 8.59 Rate</b>	<b>\$ 60,480</b>	<b>\$ 54,896</b>	<b>\$ 52,348</b>	<b>\$ 47,421</b>	<b>\$ 49,882</b>	<b>\$ 49,403</b>	
<b>ES Under/ (Over) Recovery</b>	<b>\$ (28,029)</b>	<b>\$ 2,007</b>	<b>\$ (2,690)</b>	<b>\$ 1,870</b>	<b>\$ 3,077</b>	<b>\$ 970</b>	
<b>Retail MWH Sales</b>	<b>704,095</b>	<b>639,076</b>	<b>609,575</b>	<b>552,066</b>	<b>580,711</b>	<b>603,833</b>	

- (1) The IPP costs represent the actual and forecasted market value of IPP generation.  
January 2007 also reflects a 2006 ES true up credit of \$48 thousand.
- (2) Per the Settlement Agreement in Docket No. DE 06-028, PSNH will begin recovering the ES portion of uncollectible expense through the ES Rate effective 7/1/07 (\$2,030/12). Actual uncollectible expense beginning July 2007 is reflected in the F/H O&M, line 12.
- (3) See PSNH SCRC filing in DE 07-057, Attachment RAB-4, page 2b.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
2007 ENERGY SERVICE RECONCILIATION  
(Dollars in 000's)

	Actual July 2007	Actual August 2007	Actual September 2007	Actual October 2007	Re-estimate November 2007	Re-estimate December 2007	Total	Reference
<b>Energy Service Cost</b>								
Fossil Energy Costs	\$ 13,698	\$ 15,347	\$ 11,186	\$ 12,464	\$ 11,431	\$ 12,078	\$ 168,740	RAB-3, P3
F/H O&M, Depreciation & Taxes	8,464	9,335	9,149	9,900	8,489	8,422	115,074	RAB-3, P5
Return on Rate Base	3,054	3,054	3,021	2,980	2,967	3,004	35,367	RAB-3, P6
Ancillary, ISO-NE, Uplift & Capacity Costs	2,173	3,002	2,422	2,483	2,922	3,067	34,505	RAB-3, P3
Vermont Yankee	616	474	421	595	608	629	6,394	RAB-3, P3
IPP Costs (1)	3,549	4,287	2,436	2,872	4,000	4,863	52,159	RAB-3, P4
Purchases and Sales	21,134	22,840	23,665	11,583	18,241	20,396	206,686	RAB-3, P3
Return on ES deferral	(62)	(59)	(38)	(25)	(44)	(75)	(829)	
ES Uncollectible Expense (2)	-	-	-	-	169	169	338	
2006 actual ES under/(over) recovery (3)	-	-	-	-	-	-	(19,445)	
<b>Total Energy Service Cost Re-estimate</b>	\$ 52,626	\$ 58,280	\$ 52,262	\$ 42,852	\$ 48,783	\$ 52,552	\$ 598,989	
<b>Total Energy Service Revenue @ 7.83 Rate</b>	\$ 54,267	\$ 57,914	\$ 45,795	\$ 45,040	\$ 47,820	\$ 51,422	\$ 616,689	
<b>Total Energy Service Under/ (Over) Recovery</b>	\$ (1,641)	\$ 366	\$ 6,467	\$ (2,188)	\$ 963	\$ 1,130	\$ (17,700)	
<b>Retail MWH Sales</b>	693,087	739,613	584,873	575,234	610,495	656,485	7,549,123	

(1) The IPP costs represent the actual and forecasted market value of IPP generation.  
January 2007 also reflects a 2006 ES true up credit of \$48 thousand

(2) Per the Settlement Agreement in Docket No. DE 06-028, PSNH will begin recovering the ES portion of uncollectible expense through the ES Rate effective 7/1/07 (\$2,030/12). Actual uncollectible expense beginning July 2007 is reflected in the F/H O&M, line 12.

(3) See PSNH SCRC filing in DE 07-057, Attachment RAB-4, page 2b

**PUBLIC SERVICE RATE COMPANY OF NEW HAMPSHIRE  
2007 ENERGY SERVICE RECONCILIATION**

**PSNH Generation (GWh) and Expense (\$000)  
IPP's Priced at Market Rate**

			Nov 07	Dec 07	Total
8	Hydro:	Energy	31,505	30,417	61,922
10	Coal:	Energy	318,535	329,153	647,688
11		Energy Expense	\$ 11,266	11,642	22,908
13	Wood:	Energy	11,421	30,132	41,553
14		Energy Expense	\$ 556	1,467	2,023
15		Revenue Credit	\$ (391)	(1,031)	(1,422)
17	Nuclear:	Energy	14,707	15,197	29,904
18		Energy Expense	\$ 608	629	1,237
20	Newington:	Energy	0.000	0.000	0.000
21		Energy Expense	\$ -	-	-
23	IPP's:	Energy	58,591	63,785	122,376
24		Energy Expense	\$ 3,676	4,539	8,215
25		ICAP	\$ 324	324	648
27	Peak Purchase:	Energy	48,624	63,605	112,229
28		Expense	\$ 3,642	5,375	9,017
30	Known Purchases	Energy	141,056	144,187	285,243
31		Expense	\$ 13,057	13,216	26,273
33	Offpeak Purchase:	Energy	26,186	31,099	57,285
34		Expense	\$ 1,656	2,381	4,037
36	Surplus Energy Sales	Energy	(2,273)	(10,397)	(12,670)
37		(Credit)	\$ (114)	(576)	(690)
39	Congestion and Loss Adjustment		\$ 342	377	719
41	Total Energy GWH		648,352	697,178	1,345,530
42	Total Energy Expense	\$	34,622	38,343	72,965
44	Other Expense & Capacity				
45	ISO-NE, Uplift, Reserve & Regulation	\$	642	581	1,223
46	and Ancillary				
47	Newington Capacity Revenue	\$	(142)	(142)	(284)
49	Capacity (sold)/bought MW-mo		682	738	1,420
50	Capacity (sold)/bought Cost (\$000)	\$	2,080	2,251	4,330

53 Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
2007 ENERGY SERVICE RECONCILIATION

1 **Forecasted PSNH IPP Market Value**

2							
3		IPP at					
4		IPP	Mkt Value	Capacity	ICAP Value	ICAP	Total
5	Month	GWh	(\$000)	MW	\$/kw-mo	(\$000)	Total
6	November	58.591	3,676	106.3	3.05	324.0	4,000
7	December	63.785	4,539	106.3	3.05	324.0	4,863
8	Total	122.376	8,215			648.0	8,863
							72.42

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
2007 ENERGY SERVICE RECONCILIATION  
Fossil / Hydro O&M, Depreciation & Taxes Detail  
(Dollars in 000's)

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**Fossil / Hydro O&M, Depr. & Taxes**

January 2007 Actual	February 2007 Actual	March 2007 Actual	April 2007 Actual	May 2007 Actual	June 2007 Actual	July 2007 Actual	August 2007 Actual	September 2007 Actual	October 2007 Actual	November 2007 Estimate	December 2007 Estimate	Total
\$ 6,026	\$ 5,383	\$ 8,813	\$ 9,598	\$ 9,309	\$ 6,311	\$ 5,842	\$ 6,661	\$ 6,381	\$ 7,250	\$ 5,778	\$ 5,585	\$ 82,937
1,824	1,825	1,830	1,827	1,830	1,834	1,841	1,845	1,847	1,845	1,974	1,980	22,303
608	608	608	553	628	673	628	628	628	673	639	639	7,512
141	149	265	150	135	157	153	201	175	132	98	78	1,833
-	-	114	-	-	116	-	-	118	-	-	141	489
\$ 8,599	\$ 7,965	\$ 11,630	\$ 12,128	\$ 11,902	\$ 9,091	\$ 8,464	\$ 9,335	\$ 9,149	\$ 9,900	\$ 8,489	\$ 8,422	\$ 115,074

Amounts shown above may not add due to rounding.

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE**  
**2007 ENERGY SERVICE RECONCILIATION**  
**FOSSIL/HYDRO RETURN ON RATE BASE**  
**(Dollars in 000's)**

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	January 2007 Actual	February 2007 Actual	March 2007 Actual	April 2007 Actual	May 2007 Actual	June 2007 Actual	July 2007 Actual	August 2007 Actual	September 2007 Actual	October 2007 Actual	November 2007 Estimate	December 2007 Estimate	Total
Return on Rate Base													
Net Plant	240,663	240,663	236,586	236,586	236,586	244,522	244,522	244,522	240,266	240,266	255,086	254,861	
Working Capital Allow. (45 days of O&M)	11,083	11,083	11,083	11,083	11,083	11,083	11,083	11,083	11,083	11,083	10,637	10,637	
Fossil Fuel Inventory	57,145	57,145	42,293	42,293	42,293	50,822	50,822	50,822	54,209	54,209	42,550	42,550	
Mat's and Supplies	38,840	38,840	39,099	39,099	39,099	41,043	41,043	41,043	41,477	41,477	35,943	46,953	
Prepaid Property Taxes	2,028	2,028	403	403	403	5,982	5,982	5,982	3,873	3,873	2,672	2,672	
Deferred Taxes	(8,387)	(8,387)	(7,817)	(7,817)	(7,817)	(7,598)	(7,598)	(7,598)	(7,017)	(7,017)	(7,759)	(7,759)	
Other Regulatory Obligations	(13,086)	(13,086)	(13,552)	(13,552)	(13,552)	(13,567)	(13,567)	(13,567)	(14,034)	(14,034)	(12,011)	(12,011)	
Total Rate Base-Adjusted (sum L20 thru L27)	328,286	328,286	308,095	308,095	308,095	332,287	332,287	332,287	329,857	329,857	327,118	337,903	
Average Rate Base ( prev + curr month)	328,164	328,286	318,190	308,095	308,095	320,191	332,287	332,287	331,072	329,857	328,488	332,511	
x Return	0.8993%	0.8993%	0.8993%	0.9048%	0.9048%	0.9048%	0.9190%	0.9190%	0.9190%	0.9033%	0.9033%	0.9033%	
Return-Adjusted (L30 x L31)	\$ 2,951	\$ 2,952	\$ 2,677	\$ 2,788	\$ 2,788	\$ 3,116	\$ 3,054	\$ 3,054	\$ 3,021	\$ 2,980	\$ 2,967	\$ 3,004	\$ 35,351

Amounts shown above may not add due to rounding.

Public Service Company of New Hampshire  
Technical Statement of Richard C. Labrecque and Robert A. Baumann  
Energy Service and Stranded Cost Recovery Charges  
Rate Effective January 1, 2008  
DE 07-096 (ES) and DE 07-097 (SCRC)  
November 21, 2007

This Technical Statement is submitted to explain the difference between the final requested Energy Service (ES) rate of 8.82 cents per kilowatt-hour and the rate previously estimated in PSNH's September 7, 2007 filing of 8.56 cents per kilowatt-hour. Technical Statement Table 1 (Page 2) and the Notes to Technical Statement Table 1 (Page 3) provide detailed information on the volume and dollar changes in Attachment RAB-2, Page 3 from the September 7, 2007 rate filing to the November 21, 2007 updated rate filing. The November 21, 2007 filing reflects a number of refinements to the forecast as described in the notes to Table 1.

The most significant contributors to the overall increase in forecasted costs for January 2008 through December 2008 are:

- 1) A \$7.8 million increase in coal expenses, primarily related to forecasted transportation fuel adjustment surcharges.
- 2) A \$24.1 million increase in net purchase expense, primarily related to the execution of purchase power agreements (PPA) with two IPP projects that were previously forecasted to be on short-term rates during 2008 and the impact of higher forward market prices.
- 3) A transfer of \$12.2 million in credits from the ES to the SCRC charge related to various regulatory liabilities as described in detail in the Technical Statement of Stephen R. Hall and Robert A. Baumann, which is also being filed concurrent to this Technical Statement.

These three items were partially offset by the following:

- 4) A \$17.6 million net decrease in IPP energy and capacity purchase expenses, primarily related to the PPAs noted above.

**Technical Statement Table 1**  
**Volume and Dollar Changes in Attachment RAB -2 , Page 3**

<u>Line #(s) *</u>	<u>Category</u>	<u>Jan '08 - Dec '08</u>		<u>Note</u>
		<u>GWh Change</u>	<u>\$000 Change</u>	
4, 5	Coal	0	7,813	A
7, 8	Wood	(16)	(793)	B
14, 15	Newington	0	104	C
17 - 19	IPP's	(255)	(17,593)	D
21 - 31	Net Purchases	271	24,108	E
33	Congestion & Loss		(2,056)	F
35, 36	Total Energy	0	11,584	Sum of A thru F
39	ISO-NE & RPS		(2,097)	G
43	Capacity (MW-mo)	362		H
44	Capacity Costs		1,271	H
	Overall Change	0	10,757	Sum of A thru H

\* line numbers refer to November 21, 2007 filing.



**Notes to Technical Statement Table 1**  
**Volume and Dollar Changes in Attachment RAB-2, Page 3**

**Note:**

- A** Coal expense increase relates to the signing of additional contracts and incorporates an updated estimate of fuel surcharge adjustments
- B** The Schiller 5 planned maintenance schedule was revised. The reduced wood expense is commensurate with the GHW reduction
- C** The forecasted per unit cost of Newington start-up fuel (No. 2 oil) was adjusted
- D** The 255 GWh decrease relates to two IPPs projects whose output is now being purchased via a fixed-price PPA. The \$17,593K expense decrease is due to the 255 GWh reduction, as offset by an increase in forward market prices (see table below).

Month	9/07/07 Filing				11/21/07 Filing				Changes			
	Peak (M-F: 8-23) \$/MWh	Weekend Peak Only (Sa-Su: 8-23) \$/MWh	Offpeak (M-F: 1-7, 24 Sa-Su: 1-24) \$/MWh	Capacity \$/kW - mo	Peak (M-F: 8-23) \$/MWh	Weekend Peak Only (Sa-Su: 8-23) \$/MWh	Offpeak (M-F: 1-7, 24 Sa-Su: 1-24) \$/MWh	Capacity \$/kW-mo	Peak (M-F: 8-23) \$/MWh	Weekend Peak Only (Sa-Su: 8-23) \$/MWh	Offpeak (M-F: 1-7, 24 Sa-Su: 1-24) \$/MWh	Capacity \$/kW - mo
Jan-08	92.08	82.50	73.85	3.05	93.33	83.90	75.10	3.05	1.25	1.40	1.25	0.00
Feb-08	89.91	80.77	72.11	3.05	91.80	82.74	73.87	3.05	1.89	1.97	1.76	0.00
Mar-08	81.75	72.59	64.25	3.05	84.20	75.41	66.75	3.05	2.45	2.82	2.50	0.00
Apr-08	74.75	66.02	57.38	3.05	78.70	70.65	61.40	3.05	3.95	4.63	4.03	0.00
May-08	72.88	65.37	55.00	3.05	77.60	70.18	59.05	3.05	4.72	4.81	4.05	0.00
Jun-08	76.63	64.68	56.00	3.75	81.63	69.36	60.05	3.75	5.00	4.68	4.05	0.00
Jul-08	88.48	63.12	59.99	3.75	92.25	67.33	63.99	3.75	3.77	4.21	4.00	0.00
Aug-08	89.20	69.92	60.48	3.75	92.98	74.56	64.49	3.75	3.78	4.64	4.01	0.00
Sep-08	76.13	65.71	57.00	3.75	81.35	69.22	60.05	3.75	5.22	3.52	3.05	0.00
Oct-08	73.80	67.56	56.93	3.75	81.65	72.45	61.05	3.75	7.85	4.89	4.12	0.00
Nov-08	78.35	68.54	60.44	3.75	83.80	72.69	64.10	3.75	5.45	4.15	3.66	0.00
Dec-08	91.59	82.25	70.66	3.75	87.65	82.64	71.00	3.75	(3.94)	0.40	0.34	0.00

- E** Total purchase requirements net of surplus sales changed as a result of the generation changes from Notes B and D (Wood and IPP). Purchase expenses changed as a result of making additional bilateral purchases at fixed prices and modeling the remaining purchases at the increased market prices shown in the table in Note D. In the draft filing (Sep 7th) net purchase activity was 3,225 GWh at an average cost of \$86.15 per MWh (\$277,837K total). In this updated filing, the net purchase activity forecast is 3,480 GWh at an average cost of \$86.77 per MWh (\$301,946K total). As a result of bilateral purchase activity, PSNH has secured 60% of its forecasted energy purchase needs.

The bilateral purchases quantities and prices are summarized below.

Month	Peak (M-F: 8-23)		Weekend Peak Only (Sa-Su: 8-23)		Offpeak (M-F: 1-7, 24 Sa-Su: 1-24)	
	MW	\$/MWh	MW	\$/MWh	MW	\$/MWh
Jan-08	250	88.17	150	76.33	50	69.40
Feb-08	250	88.17	150	76.33	50	69.40
Mar-08	250	89.52	150	76.33	50	69.40
Apr-08	550	80.77	350	67.89	250	63.13
May-08	500	79.52	350	66.07	250	60.58
Jun-08	350	84.86	150	76.33	50	69.40
Jul-08	300	89.62	150	76.33	50	69.40
Aug-08	300	89.62	150	76.33	50	69.40
Sep-08	400	81.92	150	76.33	50	69.40
Oct-08	250	83.92	150	76.33	50	69.40
Nov-08	250	83.92	150	76.33	50	69.40
Dec-08	250	83.92	150	76.33	50	69.40

- F** The forecast of congestion and loss costs decreased as the net result of additional bilateral purchases and a model correction.
- G** This decrease relates to reduced ISO-NE forward reserve market charges and reduced Class III NH RPS compliance costs.
- H** Capacity purchases (MW-months and expense) increased due primarily to the recently completed PPA with two IPP projects. The result is to transfer the IPP capacity purchase expense from line 19 to line 44.

Public Service Company of New Hampshire  
Technical Statement of Stephen R. Hall and Robert A. Baumann  
Energy Service and Stranded Cost Recovery Charges  
Rate Effective January 1, 2008  
DE 07-096 (ES) and DE 07-097 (SCRC)  
November 21, 2007

This Technical Statement is submitted to explain the update in the proposed Energy Service (ES) and Stranded Cost Recovery Charge (SCRC) rates effective January 1, 2008. PSNH initially filed preliminary ES and SCRC rates on September 7, 2007. As is customary in these proceedings, PSNH is now filing revised updates to those initial filings which seek Commission approval of rates effective January 1, 2008. PSNH's updated ES rate is 8.82 cents/kwh versus the 8.56 cents/kwh initially filed on 9/7/07. The updated SCRC rate is 0.72 cents/kwh versus the 0.88 cents/kwh rate initially filed on 9/7/07. The total average overall rate impact of the updated ES and SCRC rates is an increase of 2.1% to PSNH's current average rate level.

The increase to the ES rate is attributable to an increase in overall market prices which translate into higher fuel prices and higher costs associated with purchased power for 2008, compared to 2007. In addition, the proposed rates have a lower over-recovery credit balance to be refunded in 2008 (as compared to the amount refunded during 2007), which adds to the increase in the rate. The technical statement of Richard C. Labrecque explains in detail the overall impact of higher market prices.

The ES rate proposed in this updated filing includes costs associated with two power purchase agreements with Pinetree Power, Inc. and Pinetree Power– Tamworth, Inc. PSNH filed those agreements with the Commission on November 20, 2007 requesting approval pursuant to Chapter RSA 362-F Electric Renewable Portfolio Standard (2007 NH Laws 26).

On November 16, 2007, the parties met in a noticed Technical Session/Settlement Conference to discuss the subject filings. In that session, there was discussion of PSNH's September 7, 2007 filing in which PSNH proposed to refund approximately \$12.2 million in credits associated with past regulatory liabilities through the 2008 ES rate. The parties agreed that \$11.7 million of those credits should be refunded through the SCRC rate and the remaining \$0.540 million should be added to the Home Energy Assistance program. As a result of that discussion and agreement, these credits have been removed from the proposed ES rate and included in the SCRC rate and added to the C&LM budget for the Home Energy Assistance Program. This adjustment accounts for a large portion of the decrease in the proposed SCRC rate from the rate proposed in PSNH's September 7, 2007 filing.

The parties also discussed PSNH's proposal to recover \$147,000 associated with mercury mitigation legislation costs. PSNH has agreed to exclude those costs from the proposed ES rate and will not seek future recovery of this item.

The parties also discussed PSNH's proposal to increase the currently allowed ROE on generating assets from 9.62 % to 9.99% to reflect a continued differential from the currently allowed distribution ROE of 9.67%. As a compromise solution, the parties agreed to increase the ROE on generating assets to 9.81% effective January 1, 2008.

Finally, PSNH's revised filing reflects the agreed upon adjustments related to 2006 contained in the approved Stipulation and Settlement Agreement in the 2006 reconciliation proceeding, Docket No. DE 07-057. That settlement reflects a reclassification of \$1,101,000 of O&M costs related to the Schiller 5 conversion (NWPP) to the appropriate plant accounts, the removal of approximately \$4,000 associated with replacement power costs for three small outages in 2006, and a reduction of \$70,000 associated with the recent coal procurement audit findings. These adjustments were reflected in the 2007 ES reconciliation (Attachment RAB-3, page 1) and are contained in the updated 2008 ES rate. PSNH agreed that it will not seek recovery of the replacement power costs and the coal procurement audit costs.