



**Public Service
of New Hampshire**

A Northeast Utilities Company

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The Northeast Utilities System

ORIGINAL	
N.H.P.U.C. Case No.	DE 10-261
Exhibit No.	PSNH-12
Witness	Pans/b
DO NOT REMOVE FROM FILE	

July 8, 2011

Debra A. Howland
Executive Director and Secretary
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, New Hampshire 03301-2429



Re: Docket No. DE 10-261 – PSNH 2010 Least Cost Integrated Resource Plan

Dear Secretary Howland:

During the course of recent discovery in PSNH’s Least Cost Integrated Resource Plan proceeding, two issues have arisen that warrant identification to the parties in the docket. The first issue is the realization that New Hampshire Renewable Portfolio Standard (RPS) costs have been allocated to PSNH’s generating units, including Newington, for accounting purposes since the program’s inception in 2008. While RPS costs are clearly an expense associated with providing energy service, RPS costs are a function of load served and have nothing to do with the operation or dispatch of specific generating units. The allocation occurred because at the outset of the RPS program, RPS costs were accounted for in the same fashion as air emissions costs and were therefore allocated to the generating units. As a result, section G (Newington Station Continued Unit Operation Study) of PSNH’s September 30, 2010 filing requires revision to tables G.1 and G.2 and text on pages 14 and 18 (Bates pages 000197 and 000201, respectively) that referenced the tables. PSNH is filing seven copies of revised pages to the filing along with “redlined” pages showing the changes that were made. In addition, data responses to Staff 1-061, OCA 2-033, and OCA 2-039 which referenced the tables required modification and those modified responses are being provided to the parties.

The second issue relates to the computation of 2010 energy revenues for the months of August and September 2010 in three data responses previously filed. PSNH has determined that generation in those two months had been valued in both the day ahead and the real time energy markets and resulted in an overstatement of 2010 energy revenues. As a result, PSNH is providing the parties with revised data responses to Staff 1-060, Staff 1-068 and OCA 2-033.

The changes to the filing are as follows:

- Pages 13, 14, 18, and 19 (Bates pages 000196, 000197, 000201, and 000202) from Section G, Newington Station CUO Study: As noted above, in the calculation of expenses in the historical revenue requirements, Newington Station was being allocated NH Renewable Portfolio Standard (RPS) costs in 2008-2010. These costs were being

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included in the line item shown as Emissions Expense. As a result, PSNH modified tables G.1 and G.2, text in the report that referred to the figures.

Please replace the existing pages from the September 30, 2010 filing with the revised pages attached hereto.

Electronic copies of this filing have been provided to the Office of Consumer Advocate and to the persons on the attached service list, pursuant to Puc 203.02.

Very truly yours,

A handwritten signature in black ink that reads "Terrance J. Large". The signature is written in a cursive style with a horizontal line above the first name.

Terrance J. Large, Director
Business Planning and
Customer Support Services

Enclosures
cc: Service List