

ORIGINAL	
N.H.P.U.C. Case No.	<u>DE 10-261</u>
Exhibit No.	<u>Staff 13</u>
Witness	
DO NOT REMOVE FROM FILE	

**NHPUC Staff
Response to Record Request**

**Public Service Company of New Hampshire
Docket No. DE 10-261**

**Exhibit Staff 13
Dated 05/09/2012**

**Witness: George McCluskey
From: Commission**

Question:

Please update the calculation of the offsetting customer savings at page 29 of Staff's testimony assuming the current market value of the fuel oil inventory is double the book value at the end of 2010.

Response:

The \$17 million of offsetting customer savings at page 29, line 4 of Staff's testimony was calculated based on the assumption that the fuel oil inventory is drawn down uniformly over the 10 year analysis period and the product sold at average book cost. The resulting annual revenues were then expressed in present value terms and summed. If the fuel oil inventory had been drawn down completely in 2011 and sold at a market price equal to twice the average book cost in 2010, the offsetting customer savings would rise to almost \$47 million in NPV terms.