

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
2014 ALTERNATE ENERGY SERVICE RATE CALCULATION  
(Dollars in 000's)

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**Summary of Forecasted Alternate Energy Service  
Cost For July 2014 Through December 2014**

Reference

**Scrubber Cost**

Merrimack Scrubber Depreciation Expense	\$	7,827	Page 2
Merrimack Scrubber Property Tax Expense		108	Page 2
Merrimack Scrubber Return on Rate Base		15,031	Page 3

Total Forecasted Merrimack Scrubber Non-Operating Cost \$ 22,966

Forecasted Retail MWH Sales 2,023,680 MWh

Forecasted Energy Service Merrimack Scrubber Rate Impact  
cents Per KWH (Line 19 / Line 22) 1.13 ¢/kWh

**Marginal Cost**

Marginal Cost of Serving Energy Service 8.62 ¢/kWh Attachment 2

**Alternate Default Energy Service Rate ADE** 9.75 ¢/kWh

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
2014 ENERGY SERVICE RATE CALCULATION  
MERRIMACK SCRUBBER DEPRECIATION AND PROPERTY TAXES  
JULY 2014 - DECEMBER 2014  
(Dollars in 000's)

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	July 2014 Estimate	August 2014 Estimate	September 2014 Estimate	October 2014 Estimate	November 2014 Estimate	December 2014 Estimate	Total
<b>Merrimack Scrubber Depreciation &amp; Property Taxes</b>							
Merrimack Scrubber Depreciation Cost	1,303	1,304	1,304	1,305	1,305	1,306	7,827
Merrimack Scrubber Property Taxes (1)	18	18	18	18	18	18	108
Total Merrimack Scrubber Depreciation and Property Taxes	\$ 1,321	\$ 1,322	\$ 1,322	\$ 1,323	\$ 1,323	\$ 1,324	\$ 7,935

(1) Merrimack Scrubber related property tax impact represents the projection of the non-exempt portion of the project

Amounts shown above may not add due to rounding.

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
ENERGY SERVICE RATE CALCULATION  
MERRIMACK SCRUBBER RETURN ON RATE BASE  
JULY 2014 - DECEMBER 2014  
(Dollars in 000's)**

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<b>Merrimack Scrubber Return on Rate Base</b>	July 2014 Estimate	August 2014 Estimate	September 2014 Estimate	October 2014 Estimate	November 2014 Estimate	December 2014 Estimate	Total
<b>Rate base</b>							
Net Plant	\$ 372,249	\$ 371,104	\$ 369,959	\$ 368,813	\$ 367,667	\$ 366,520	
Working Capital Allow. (45 days of O&M)	482	482	482	482	482	482	
Deferred Taxes	(90,687)	(93,527)	(96,367)	(97,057)	(97,747)	(98,437)	
Total Rate Base (L15 thru L18)	282,044	278,059	274,074	272,238	270,402	268,565	
Average Rate Base ( prev + curr month)	284,036	280,052	276,067	273,156	271,320	269,484	
x Return	0.9087%	0.9087%	0.9087%	0.9087%	0.9087%	0.9087%	
Merrimack Scrubber Return (L21 x L22)	\$ 2,581	\$ 2,545	\$ 2,509	\$ 2,482	\$ 2,465	\$ 2,449	\$ 15,031

Amounts shown above may not add due to rounding.

PSNH Proposed Rate ADE - Docket DE 11-216  
Marginal Cost to Serve Incremental Sales - July thru December, 2014

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5		<u>MWh</u>	<u>c/kWh</u>	<u>Notes</u>
6	Sales Increment	406,361		(1)
7				
8	<u>Marginal Costs to Serve Incremental Sales:</u>			(2)
9		<u>\$(000)</u>		
10	Energy	\$ 28,232	6.95	(3)
11	Capacity	4,160	1.02	(4)
12	Ancillaries	574	0.14	(5)
13	RPS	1,584	0.39	(6)
14	ISO Expenses	<u>479</u>	0.12	
15	Total	\$ 35,029		
16				
17		<u>c/kWh</u>		
18	Marginal cost to serve incremental sales	8.62	8.62	(7)
19				
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21 Notes:

- 22 1) The incremental peak at the meter is 170 MW.  
23 2) Marginal costs are consistent with the modeling and assumptions used in PSNH's  
24 June, 2014 ES rate filing in Docket DE 13-275.  
25 3) As per note 2), based on NYMEX 5/28/14 forward energy market prices.  
26 4) Forecasted costs associated with 1,318 MW-months of capacity in ISO-NE's  
27 forward capacity market.  
28 5) Ancillaries include regulation and reserves.  
29 6) Based on July thru December, 2014 REC volume requirements and price quotations.  
30 7) The marginal cost does not include any costs/adders for the coverage of risk  
31 or for profit.