

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
2013 ENERGY SERVICE RATE CALCULATION
RATE EFFECTIVE JULY 1, 2013
(Dollars in 000's)

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9 **Summary of Forecasted Energy Service**

10 Cost For January 2013 Through December 2013	TOTAL COST	Cents per KWH	Reference
11			
12 Fossil energy costs	\$ 89,501	\$ 2.09	Attachment MLS-2, page 2
13 Fossil RPC adjustment (*)	(2)	(0.00)	Attachment MLS-2, page 2
14 F/H O&M, depreciation & taxes	116,475	2.73	Attachment MLS-2, page 2
15 Return on rate base	39,978	0.94	Attachment MLS-2, page 2
16 ISO-NE ancillary	2,541	0.06	Attachment MLS-2, page 2
17 Capacity	1,497	0.04	Attachment MLS-2, page 2
18 NH RPS	10,212	0.24	Attachment MLS-2, page 2
19 NH RPS 2012 adjustment	(9,299)	(0.22)	Attachment MLS-2, page 2
20 RGGI costs	1,194	0.03	Attachment MLS-2, page 2
21 RGGI Auction Refunds	(8,818)	(0.21)	Attachment MLS-2, page 2
22 IPP costs (**)	25,617	0.60	Attachment MLS-2, page 2
23 Wood IPPs (**)	22,569	0.53	Attachment MLS-2, page 2
24 Berlin Station	4,256	0.10	Attachment MLS-2, page 2
25 Purchases and sales	41,229	0.97	Attachment MLS-2, page 2
26 Return on ES Deferral	132	0.00	Attachment MLS-2, page 2
27 2012 Actual ES under recovery	<u>16,488</u>	0.39	Attachment MLS-2, page 2
28			
29 Total Updated Energy Service Cost	\$ 353,572		
30 Total Updated Revenue	<u>365,719</u>		
31 2013 ES (Over)/Under Recovery	\$ (12,147)		
32			
33 Forecasted Retail MWH Sales July - December 2013	2,166,286		
34			
35 Change to Energy Service Rate - cents per kwh (L32/L34)	(0.56)		
36			
37 Energy Service Rate as approved in DE 12-292 - cents per kwh	<u>8.56</u>		
38			
39 Updated Energy Service Rate w/o Scrubber - cents per kwh	8.00		
40			
41 Plus Scrubber ES Rate cents per kwh per DE 11-250	<u>0.98</u>		
42			
43 Total Updated Energy Service Rate Effective 7/1/13 - cents per kwh	<u><u>8.98</u></u>		
44			

45 (*) Per Docket 12-116, write-off of Replacement Power Costs.
46 (**) The IPP costs represent the forecasted market value of IPP generation.

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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
2013 ENERGY SERVICE RATE CALCULATION
RATE EFFECTIVE JULY 1, 2013
(Dollars in 000's)

	January 2013 Actual	February 2013 Actual	March 2013 Actual	April 2013 Estimate	May 2013 Estimate	June 2013 Estimate	Reference
Energy Service Cost							
Fossil energy costs	\$ 17,014	\$ 18,895	\$ 14,138	\$ 151	\$ 313	\$ 6,328	MLS-2, P3
Fossil RPC adjustment (*)	-	-	-	(2)	-	-	
F/H O&M, depreciation & taxes	8,719	7,921	8,040	19,940	12,464	5,349	MLS-2, P5
Return on rate base	3,345	3,317	3,343	3,338	3,300	3,326	MLS-2, P6
ISO-NE ancillary	233	(497)	(736)	337	328	414	MLS-2, P3
Capacity	276	156	153	58	58	160	MLS-2, P3
NH RPS	1,521	1,521	1,521	568	580	630	MLS-2, P3
NH RPS 2012 adjustment	-	-	-	-	(9,299)	-	
RGGI costs	149	144	137	-	-	118	MLS-2, P3
RGGI Auction Refunds	-	-	-	(2,205)	-	(2,205)	
IPP costs (**)	2,837	3,873	2,122	1,966	1,703	1,640	MLS-2, P3
Wood IPPs (**)	4,552	5,260	3,027	2,227	2,167	958	MLS-2, P3
Berlin Station	-	-	-	-	-	-	MLS-2, P3
Purchases and sales (inc. Congestion and Loss Adj.)	(6,191)	(13,284)	(2,849)	8,506	7,886	5,878	MLS-2, P3
Return on ES Deferral	27	22	18	23	22	9	
2012 Actual ES under-recovery	16,488						
Total Energy Service Cost	\$ 48,969	\$ 27,330	\$ 28,914	\$ 34,906	\$ 19,522	\$ 22,606	
Total Energy Service Revenue at 8.56 ¢/kwh	\$ 33,027	\$ 31,817	\$ 30,232	\$ 27,209	\$ 27,809	\$ 30,190	
ES Under/(Over) Recovery	15,942	(4,487)	(1,318)	7,696	(8,287)	(7,584)	
Forecasted Retail MWH Sales	417,688	339,872	353,140	317,867	324,871	352,690	
Energy Service Cost - cents per kwh	11.72	8.04	8.19	10.98	6.01	6.41	

(*) Per Docket 12-116, write-off of Replacement Power Costs.
(**) The IPP costs represent the forecasted market value of IPP generation.

Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
2013 ENERGY SERVICE RATE CALCULATION
RATE EFFECTIVE JULY 1, 2013
(Dollars in 000's)

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	July 2013 Estimate	August 2013 Estimate	September 2013 Estimate	October 2013 Estimate	November 2013 Estimate	December 2013 Estimate	Total	Reference
Energy Service Cost								
Fossil energy costs	\$ 8,771	\$ 7,553	\$ 343	\$ 377	\$ 365	\$ 15,252	\$ 89,501	MLS-2, P3
Fossil RPC adjustment (*)	-	-	-	-	-	-	(2)	
F/H O&M, depreciation & taxes	8,438	9,320	7,997	12,950	7,735	7,603	116,475	MLS-2, P5
Return on rate base	3,355	3,339	3,325	3,304	3,318	3,369	39,978	MLS-2, P6
ISO-NE ancillary	476	451	399	366	369	401	2,541	MLS-2, P3
Capacity	160	160	160	101	101	(47)	1,497	MLS-2, P3
NH RPS	735	693	603	592	597	651	10,212	MLS-2, P3
NH RPS 2012 adjustment							(9,299)	
RGGI costs	157	145	-	-	-	343	1,194	MLS-2, P3
RGGI Auction Refunds	-	-	(2,205)	-	-	(2,205)	(8,818)	
IPP costs (**)	1,718	1,578	1,408	1,682	2,060	3,030	25,617	MLS-2, P3
Wood IPPs (**)	1,048	974	668	452	494	741	22,569	MLS-2, P3
Berlin Station	-	-	-	-	1,206	3,050	4,256	MLS-2, P3
Purchases and sales (inc. Congestion and Loss Adj.)	7,603	7,422	11,054	9,979	10,157	(4,932)	41,229	MLS-2, P3
Return on ES Deferral	3	3	1	1	3	1	132	
2012 Actual ES under recovery	-	-	-	-	-	-	16,488	
Total Energy Service Cost	\$ 32,464	\$ 31,639	\$ 23,753	\$ 29,804	\$ 26,405	\$ 27,260	\$ 353,572	
Total Energy Service Revenue at 8.56 ¢/kwh	\$ 35,206	\$ 33,184	\$ 28,906	\$ 28,363	\$ 28,582	\$ 31,194	365,719	
ES Under/(Over) Recovery	(2,742)	(1,544)	(5,153)	1,441	(2,177)	(3,934)	(12,147)	
Forecasted Retail MWH Sales	411,280	387,658	337,689	331,340	333,904	364,415	4,272,414	
Energy Service Cost - cents per kwh	7.89	8.16	7.03	8.99	7.91	7.48	8.28	

(*) Per Docket 12-116, write-off of Replacement Power Costs.
(**) The IPP costs represent the forecasted market value of IPP generation.

Amounts shown above may not add due to rounding.

**PUBLIC SERVICE RATE COMPANY OF NEW HAMPSHIRE
2013 ENERGY SERVICE RATE CALCULATION
RATE EFFECTIVE JULY 1, 2013**

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

		Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Total	
1															
2	Hydro:	Energy	32.150	29.409	36.561	39.184	37.828	28.548	21.440	19.249	15.899	24.245	32.160	31.993	348.666
3															
4	Coal:	Energy	311.200	317.760	253.291	0.000	0.000	100.497	124.537	123.183	0.000	0.000	0.000	317.523	1,547.991
5		Energy Expense	\$ 14,755	15,640	12,558	0	0	4,802	6,036	5,823	0	0	0	14,875	74,488
6															
7	Wood:	Energy	29.658	27.438	29.802	11.430	23.746	26.056	26.925	26.925	26.056	28.633	27.710	28.633	313.011
8		Energy Expense	\$ 1,710	1,616	1,762	652	1,354	1,485	1,535	1,535	1,485	1,632	1,580	1,632	17,979
9		Revenue Credit	\$ (1,088)	(1,027)	(1,092)	(501)	(1,041)	(1,142)	(1,180)	(1,180)	(1,142)	(1,255)	(1,215)	(1,255)	(13,120)
10															
11	IC/Jets	Energy	0.067	(0.076)	(0.000)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	(0.009)
12		Energy Expense	\$ 37	3	8	0	0	0	0	0	0	0	0	0	49
13															
14	Newington:	Energy	18.438	2.797	3.652	0.000	0.000	16.322	36.875	22.367	0.000	0.000	0.000	0.000	100.450
15		Energy Expense	\$ 1,600	2,663	902	0	0	1,183	2,381	1,376	0	0	0	0	10,105
16															
17	IPP's:	Energy	32.462	31.823	40.739	43.982	40.012	34.114	33.829	33.292	33.940	40.156	44.258	45.806	454.412
18		Energy Expense	\$ 2,698	3,735	1,984	1,832	1,569	1,552	1,630	1,490	1,320	1,549	1,928	2,898	24,184
19		ICAP	\$ 139	139	138	134	134	88	88	88	88	132	132	132	1,433
20															
21	Wood IPPs:	Energy	55.336	49.825	57.415	53.460	55.242	21.060	21.762	21.762	17.172	11.718	11.340	11.718	387.811
22		Energy Expense	\$ 4,552	5,260	3,027	2,227	2,167	958	1,048	974	688	452	494	741	22,569
23		ICAP	\$ -	-	-	0	0	0	0	0	0	0	0	0	-
24															
25	Berlin Station	Energy	0	0	0	0	0	0	0	0	0	17.690	42.185	59.875	
26		Energy Expense	\$ 0	0	0	0	0	0	0	0	0	1,206	2,877	4,083	
27		ICAP	\$ 0	0	0	0	0	0	0	0	0	0	173	173	
28															
29	Peak Purchase:	Energy	0.000	0.000	0.000	49.173	44.721	75.257	84.866	87.937	147.004	143.482	118.867	0.669	751.977
30		Expense	\$ -	-	-	2,389	2,092	3,463	4,412	4,507	6,796	6,376	6,118	63	36,216
31															
32	Known Purchases	Energy	16.529	6.931	28.258	76.503	74.576	3.814	2.897	2.995	4.216	6.179	5.555	7.125	235.579
33		Expense	\$ 1,044	1,605	2,772	3,777	3,456	200	152	157	221	324	292	406	14,407
34		ICAP	\$ -	-	-	0	0	0	0	0	0	0	24	24	
35															
36	Offpeak Purchase:	Energy	0.000	0.000	0.000	62.293	67.298	79.690	90.153	80.369	112.684	95.846	95.390	0.058	683.780
37		Expense	\$ 0	0	0	2,405	2,409	3,116	3,600	3,182	4,161	3,387	3,813	4	26,077
38															
39	Surplus Energy Sales	Energy	(72.087)	(130.198)	(95.250)	(0.007)	0.000	(12.530)	(8.518)	(8.285)	0.000	0.000	0.000	(100.487)	(427.362)
40		(Credit)	\$ (7,235)	(14,890)	(5,621)	(0)	0	(936)	(619)	(454)	0	0	0	(5,965)	(35,720)
41															
42	Congestion and Loss Adjustment		0	0	0	(65)	(71)	35	58	30	(124)	(108)	(65)	537	226
43															
44	Total Energy GWH		423.753	335.710	354.469	336.017	343.422	372.828	434.764	409.793	356.971	350.260	352.970	385.223	4456.179
45	Total Energy Expense	\$	18,212	14,744	16,438	12,849	12,069	14,804	19,141	17,528	13,473	12,490	14,283	17,141	183,172
46															
47															
48	ISO-NE Ancillary	\$	233	(497)	(736)	337	328	414	476	451	399	366	369	401	2,541
49	NH RPS	\$	1,521	1,521	1,521	568	580	630	735	693	603	592	597	651	10,212
50	RGCI Costs	\$	149	144	137	0	0	118	157	145	0	0	0	343	1,194
51															
52	Capacity (sold)/bought MW-mo		78	65	35	20	20	54	54	54	54	34	34	(16)	487
53	Capacity (sold)/bought Cost (\$000)	\$	276	156	153	58	58	160	160	160	160	101	101	(47)	1,497

Amounts shown above may not add due to rounding.

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
2013 ENERGY SERVICE RATE CALCULATION
RATE EFFECTIVE JULY 1, 2013**

1 **Forecasted PSNH IPP Market Value - April - December 2013**

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Month	IPP GWh	IPP Energy at Mkt Value (\$000)	Capacity MW	ICAP Value \$/kw-mo	ICAP (\$000)	Total (\$000)	Total \$/MWh
April	43.982	1,832	45.2	2.95	134	1,966	44.70
May	40.012	1,569	45.2	2.95	134	1,703	42.56
June	34.114	1,552	29.9	2.95	88	1,640	48.07
July	33.829	1,630	29.9	2.95	88	1,718	50.79
August	33.292	1,490	29.9	2.95	88	1,578	47.41
September	33.940	1,320	29.9	2.95	88	1,408	41.49
October	40.156	1,549	44.9	2.95	132	1,682	41.88
November	44.258	1,928	44.9	2.95	132	2,060	46.55
December	45.806	2,898	44.9	2.95	132	3,030	66.15
Total	349.388	15,768			1,018	16,786	48.04

Amounts shown above may not add due to rounding.

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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
2013 ENERGY SERVICE RATE CALCULATION
RATE EFFECTIVE JULY 1, 2013
Fossil / Hydro O&M, Depreciation & Taxes Detail
(Dollars in 000's)

	January 2013	February 2013	March 2013	April 2013	May 2013	June 2013	July 2013	August 2013	September 2013	October 2013	November 2013	December 2013	Total
Fossil / Hydro O&M, Depr. & Taxes	Actual	Actual	Actual	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	
F/H Operation & Maintenance Cost	\$ 5,860	\$ 5,118	\$ 5,357	\$ 17,087	\$ 9,532	\$ 2,497	\$ 5,589	\$ 6,486	\$ 5,149	\$ 10,027	\$ 4,898	\$ 4,767	\$ 82,367
F/H Depreciation Cost	1,539	1,535	1,535	1,525	1,526	1,527	1,527	1,529	1,530	1,530	1,530	1,537	18,370
F/H Property Taxes	1,023	1,023	1,023	1,094	1,094	1,094	1,094	1,094	1,094	1,094	1,094	1,094	12,912
F/H Payroll and Other Taxes	256	204	84	192	270	189	185	169	181	255	169	162	2,315
Amort. of Asset Retirement Obligation	41	41	41	42	42	42	43	43	43	44	44	44	510
Total F/H O&M, Depr. and Taxes	\$ 8,719	\$ 7,921	\$ 8,040	\$ 19,940	\$ 12,464	\$ 5,349	\$ 8,438	\$ 9,320	\$ 7,997	\$ 12,950	\$ 7,735	\$ 7,603	\$ 116,475

Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
2013 ENERGY SERVICE RATE CALCULATION
RATE EFFECTIVE JULY 1, 2013
FOSSIL/HYDRO RETURN ON RATE BASE
(Dollars in 000's)

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	January 2013 Actual	February 2013 Actual	March 2013 Actual	April 2013 Estimate	May 2013 Estimate	June 2013 Estimate	July 2013 Estimate	August 2013 Estimate	September 2013 Estimate	October 2013 Estimate	November 2013 Estimate	December 2013 Estimate	Total
Return on Rate Base													
Rate base													
Net Plant	293,028	294,485	295,771	289,333	285,750	284,386	283,605	282,670	281,647	281,293	283,769	286,444	
Working Capital Allow. (45 days of O&M)	10,155	10,155	10,155	10,155	10,155	10,155	10,155	10,155	10,155	10,155	10,155	10,155	
Fossil Fuel Inventory	39,590	39,590	39,590	46,240	46,190	46,140	44,332	44,332	44,242	44,197	47,672	51,681	
Mat'ls and Supplies	51,273	51,273	51,273	51,328	51,351	51,357	51,384	51,404	51,415	51,437	51,575	51,723	
Prepayments	2,609	2,609	2,609	2,622	2,622	2,622	2,622	2,622	2,622	2,622	2,622	2,622	
Deferred Taxes	(17,614)	(16,193)	(14,772)	(16,528)	(14,684)	(18,819)	(17,211)	(16,440)	(14,117)	(15,579)	(15,233)	(13,932)	
Other Regulatory Obligations	(21,392)	(21,392)	(21,392)	(25,349)	(26,295)	(12,444)	(13,625)	(14,692)	(17,772)	(18,568)	(19,376)	(22,037)	
Total Rate Base (L15 thru L22)	357,648	360,526	363,233	357,801	355,089	363,397	361,262	360,051	358,192	355,557	361,184	366,656	
Average Rate Base (prev + curr month)	362,163	359,087	361,879	360,517	356,445	359,243	362,330	360,657	359,122	356,874	358,370	363,920	
x Return	0.9237%	0.9237%	0.9237%	0.9258%	0.9258%	0.9258%	0.9258%	0.9258%	0.9258%	0.9258%	0.9258%	0.9258%	
Return (L25 x L26)	\$ 3,345	\$ 3,317	\$ 3,343	\$ 3,338	\$ 3,300	\$ 3,326	\$ 3,355	\$ 3,339	\$ 3,325	\$ 3,304	\$ 3,318	\$ 3,369	\$ 39,978

Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
2013 ENERGY SERVICE RATE CALCULATION
RATE EFFECTIVE JULY 1, 2013
DETAIL OF WOOD IPP PURCHASES
(000s)

	Actual January 2013	Actual February 2013	Actual March 2013	Estimate April 2013	Estimate May 2013	Estimate June 2013	Estimate July 2013	Estimate August 2013	Estimate September 2013	Estimate October 2013	Estimate November 2013	Estimate December 2013	Total 2013
1 Detail of Wood IPP Purchases													
2 Generation - MWH													
3 Alexandria	8,258	6,654	10,097	9,720	10,044	0	0	0	0	0	0	0	44,772
4 Bethlehem	11,480	10,369	11,431	9,720	10,044	0	0	0	0	0	0	0	53,044
5 Bridgewater	11,090	10,003	10,999	9,720	10,044	9,720	10,044	10,044	5,832	0	0	0	87,496
6 Springfield	11,445	10,572	11,934	11,340	11,718	11,340	11,718	11,718	11,340	11,718	11,340	11,718	137,901
7 Tamworth	13,063	12,228	12,954	12,960	13,392	0	0	0	0	0	0	0	64,598
8	55,336	49,825	57,415	53,460	55,242	21,060	21,762	21,762	17,172	11,718	11,340	11,718	387,811
9 Contract Price Incl. Fuel Price Adj.													
10 Alexandria	\$ 567	\$ 459	\$ 771	\$ 710	\$ 734	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	3,241
11 Bethlehem	792	715	871	683	706	0	0	0	0	0	0	0	3,767
12 Bridgewater	765	690	907	718	742	718	742	742	431	0	0	0	6,455
13 Springfield	798	729	813	807	834	807	834	834	807	834	807	834	9,738
14 Tamworth	901	844	971	911	941	0	0	0	0	0	0	0	4,568
15	\$ 3,824	\$ 3,438	\$ 4,334	\$ 3,828	\$ 3,956	\$ 1,525	\$ 1,576	\$ 1,576	\$ 1,238	\$ 834	\$ 807	\$ 834	\$ 27,769
16 Contract Nodal Market Value													
17 Alexandria	\$ 695	\$ 754	\$ 535	\$ 405	\$ 394	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2,783
18 Bethlehem	928	1,067	594	405	394	0	0	0	0	0	0	0	3,387
19 Bridgewater	923	1,057	584	405	394	442	484	450	227	0	0	0	4,965
20 Springfield	951	1,124	644	472	460	516	565	524	441	452	494	741	7,384
21 Tamworth	1,056	1,258	670	540	525	0	0	0	0	0	0	0	4,050
22	\$ 4,552	\$ 5,260	\$ 3,027	\$ 2,227	\$ 2,167	\$ 958	\$ 1,048	\$ 974	\$ 668	\$ 452	\$ 494	\$ 741	\$ 22,570
23 Fuel Price Adjustment													
24 Alexandria	\$ (3)	\$ -	\$ 75	\$ 39	\$ 41	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	152
25 Bethlehem	-	-	83	12	13	-	-	-	-	-	-	-	107
26 Bridgewater	-	-	148	47	49	47	49	49	28	-	-	-	417
27 Springfield	8	-	(10)	24	25	24	25	25	24	25	24	25	222
28 Tamworth	(0)	-	78	16	17	-	-	-	-	-	-	-	111
29	\$ 5	\$ -	\$ 372	\$ 140	\$ 144	\$ 72	\$ 74	\$ 74	\$ 53	\$ 25	\$ 24	\$ 25	1,010
30 Over-Market													
31 Alexandria	\$ (128)	\$ (295)	\$ 236	\$ 305	\$ 340	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	458
32 Bethlehem	(136)	(351)	278	278	312	-	-	-	-	-	-	-	380
33 Bridgewater	(158)	(367)	323	313	348	276	258	292	204	-	-	-	1,489
34 Springfield	(153)	(394)	169	335	374	291	269	309	366	382	313	93	2,353
35 Tamworth	(155)	(415)	301	371	416	-	-	-	-	-	-	-	518
	\$ (729)	\$ (1,822)	\$ 1,307	\$ 1,602	\$ 1,789	\$ 567	\$ 527	\$ 602	\$ 570	\$ 382	\$ 313	\$ 93	\$ 5,200