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**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE**  
**2014 ENERGY SERVICE RATE CALCULATION**  
**RATE EFFECTIVE JULY 1, 2014**  
(Dollars in 000's)

9 **Summary of Forecasted Energy Service**

10 <b>Cost For January 2014 Through December 2014</b>	TOTAL COST	Cents per KWH	Reference
11			
12 Fossil energy costs	\$ 140,769	\$ 3.51	Attachment CJK-2, page 2
13 Fossil RPC adjustment (*)	(31)	(0.00)	Attachment CJK-2, page 2
14 F/H O&M, depreciation & taxes	110,856	2.76	Attachment CJK-2, page 2
15 Return on rate base	39,251	0.98	Attachment CJK-2, page 2
16 ISO-NE ancillary	2,198	0.05	Attachment CJK-2, page 2
17 Capacity	(1,706)	(0.04)	Attachment CJK-2, page 2
18 NH RPS	9,633	0.24	Attachment CJK-2, page 2
19 Seabrook costs / (credits)	(126)	(0.00)	Attachment CJK-2, page 2
20 Vermont Yankee	(22)	(0.00)	Attachment CJK-2, page 2
21 RGGI costs	3,913	0.10	Attachment CJK-2, page 2
22 RGGI auction refunds	(2,303)	(0.06)	Attachment CJK-2, page 2
23 IPP costs (**)	26,495	0.66	Attachment CJK-2, page 2
24 Wood IPP costs (**)	1,613	0.04	Attachment CJK-2, page 2
25 Burgess BioPower	20,661	0.51	Attachment CJK-2, page 2
26 Purchases and sales	(20,476)	(0.51)	Attachment CJK-2, page 2
27 Return on ES Deferral	126	0.00	Attachment CJK-2, page 2
28 2013 Actual ES under recovery	<u>13,332</u>		
29			
30 Total Updated Energy Service Cost	\$ 344,182		
31 Total Updated Revenue	<u>331,306</u>		
32 2014 ES (Over)/Under Recovery	12,876		
33			
34 Forecasted Retail MWH Sales July - December 2014	2,023,680		
35			
36 Change to Energy Service Rate - cents per kwh	0.64		
37			
38 Energy Service Rate as approved in DE 13-275 - cents per kwh	<u>8.25</u>		
39			
40 Updated Energy Service Rate w/o Scrubber - cents per kwh	8.89		
41			
42 Plus Scrubber ES Rate cents per kwh per DE 11-250	<u>0.98</u>		
43			
44 Total Updated Energy Service Rate Effective 7/1/14 - cents per kwh	<u><u>9.87</u></u>		

(\*) Per Docket 13-108, write-off of Replacement Power Costs.  
(\*\*) The IPP costs represent the forecasted market value of IPP generation.

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**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE**  
**2014 ENERGY SERVICE RATE CALCULATION**  
**RATE EFFECTIVE JULY 1, 2014**  
**(Dollars in 000's)**

	January 2014 Actual	February 2014 Actual	March 2014 Actual	April 2014 Actual	May 2014 Estimate	June 2014 Estimate	Reference
<b>Energy Service Cost</b>							
Fossil energy costs	\$ 30,481	\$ 16,754	\$ 22,831	\$ 4,497	\$ 696	\$ 7,768	CJG-2, P3
Fossil RPC adjustment (*)	-	-	-	(31)	-	-	
F/H O&M, depreciation & taxes	8,438	7,930	9,089	12,666	8,761	9,310	CJG-2, P5
Return on rate base	3,513	3,557	2,654	3,134	3,196	3,287	CJG-2, P6
ISO-NE ancillary	1,024	304	(1,058)	(1,014)	552	515	CJG-2, P3
Capacity	704	(386)	34	(54)	(147)	(173)	CJG-2, P3
NH RPS	989	989	962	980	793	(333)	CJG-2, P3
Seabrook costs / (credits)	-	-	(126)	-	-	-	
Vermont Yankee	1	(0)	(29)	6	-	-	
RGGI costs	233	228	231	852	9	266	CJG-2, P3
RGGI auction refunds	-	(2,303)	-	-	-	-	
IPP costs (**)	4,030	3,912	2,981	1,218	1,369	1,496	CJG-2, P3
Wood IPP costs (**)	854	759	-	-	-	-	CJG-2, P3
Burgess BioPower	923	337	1,151	1,323	450	1,425	CJG-2, P3
Purchases and sales (inc. Congestion and Loss Adj.)	(29,083)	(769)	(13,400)	6,630	8,060	3,565	CJG-2, P3
Return on ES Deferral	14	8	8	11	16	14	
2013 Actual ES under recovery	13,332						
<b>Total Energy Service Cost</b>	<b>\$ 35,454</b>	<b>\$ 31,321</b>	<b>\$ 25,329</b>	<b>\$ 30,219</b>	<b>\$ 23,754</b>	<b>\$ 27,141</b>	
<b>Total Energy Service Revenue at 8.25 cents/kwh</b>	<b>\$ 31,747</b>	<b>\$ 28,345</b>	<b>\$ 29,050</b>	<b>\$ 22,615</b>	<b>\$ 25,191</b>	<b>\$ 27,404</b>	
<b>ES Under/(Over) Recovery</b>	<b>3,707</b>	<b>2,976</b>	<b>(3,721)</b>	<b>7,604</b>	<b>(1,437)</b>	<b>(263)</b>	
<b>Forecasted Retail MWH Sales</b>	<b>393,552</b>	<b>330,563</b>	<b>352,722</b>	<b>274,927</b>	<b>305,349</b>	<b>332,171</b>	
<b>Energy Service Cost - cents per kwh</b>	<b>9.01</b>	<b>9.47</b>	<b>7.18</b>	<b>10.99</b>	<b>7.78</b>	<b>8.17</b>	

(\*) Per Docket 13-108, 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  
2014 ENERGY SERVICE RATE CALCULATION  
RATE EFFECTIVE JULY 1, 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	Reference
<b>Energy Service Cost</b>								
Fossil energy costs	\$ 14,189	\$ 9,954	\$ 1,314	\$ 484	\$ 14,154	\$ 17,646	\$ 140,769	CJG-2, P3
Fossil RPC adjustment (*)	-	-	-	-	-	-	(31)	
F/H O&M, depreciation & taxes	9,480	9,484	9,557	8,471	7,994	9,672	110,856	CJG-2, P5
Return on rate base	3,329	3,325	3,295	3,280	3,343	3,337	39,251	CJG-2, P6
ISO-NE ancillary	400	385	320	238	237	295	2,198	CJG-2, P3
Capacity	(173)	(176)	(176)	(386)	(386)	(387)	(1,706)	CJG-2, P3
NH RPS	974	943	815	803	801	918	9,633	CJG-2, P3
Seabrook costs / (credits)	-	-	-	-	-	-	(126)	
Vermont Yankee	-	-	-	-	-	-	(22)	
RGGI costs	478	338	20	-	567	691	3,913	CJG-2, P3
RGGI auction refunds	-	-	-	-	-	-	(2,303)	
IPP costs (**)	1,291	1,191	1,026	1,405	2,337	4,239	26,495	CJG-2, P4
Wood IPP costs (**)	-	-	-	-	-	-	1,613	CJG-2, P3
Burgess BioPower	1,472	2,944	2,850	1,645	3,023	3,118	20,661	CJG-2, P3
Purchases and sales (inc. Congestion and Loss Adj.)	1,083	3,073	8,317	9,683	(6,063)	(11,573)	(20,476)	CJG-2, P3
Return on ES Deferral	14	12	11	9	6	2	126	
2013 Actual ES under recovery							13,332	
<b>Total Energy Service Cost</b>	<b>\$ 32,537</b>	<b>\$ 31,472</b>	<b>\$ 27,349</b>	<b>\$ 25,634</b>	<b>\$ 26,014</b>	<b>\$ 27,959</b>	<b>\$ 344,182</b>	
<b>Total Energy Service Revenue at 8.25 cents/kwh</b>	<b>\$ 30,942</b>	<b>\$ 29,959</b>	<b>\$ 25,888</b>	<b>\$ 25,525</b>	<b>\$ 25,460</b>	<b>\$ 29,180</b>	<b>\$ 331,306</b>	
<b>ES Under/(Over) Recovery</b>	<b>1,595</b>	<b>1,513</b>	<b>1,461</b>	<b>108</b>	<b>554</b>	<b>(1,221)</b>	<b>\$ 12,876</b>	
<b>Forecasted Retail MWH Sales</b>	<b>375,053</b>	<b>363,139</b>	<b>313,792</b>	<b>309,397</b>	<b>308,603</b>	<b>353,696</b>	<b>4,012,965</b>	
<b>Energy Service Cost - cents per kwh</b>	<b>8.68</b>	<b>8.67</b>	<b>8.72</b>	<b>8.29</b>	<b>8.43</b>	<b>7.90</b>	<b>8.58</b>	

(\*) Per Docket 13-108, 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**  
**2014 ENERGY SERVICE RATE CALCULATION**  
**RATE EFFECTIVE JULY 1, 2014**

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

		Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Total
1														
2	Hydro:													
3	Energy	31.831	25.464	25.480	34.057	38.159	29.383	22.991	19.419	16.129	23.846	31.570	31.253	329.584
4	Coal:													
5	Energy	324.140	295.988	332.079	46.993	2.673	127.437	216.111	151.374	1.186	0.000	291.072	344.472	2,133.524
6	Energy Expense	\$ 15,138	14,136	15,945	3,215	175	6,023	10,147	6,992	80	0	13,686	16,194	101,730
7	Wood:													
8	Energy	28.162	25.896	29.110	6.388	30.815	26.056	26.925	26.925	26.056	28.633	27.710	28.633	311.308
9	Energy Expense	\$ 1,809	1,646	1,769	730	1,806	1,527	1,578	1,578	1,527	1,678	1,624	1,678	18,949
10	Revenue Credit	\$ (1,170)	(1,096)	(1,201)	(460)	(1,285)	(1,086)	(1,123)	(1,123)	(1,086)	(1,194)	(1,155)	(1,194)	(13,174)
11	IC/Jets													
12	Energy	2.907	1.231	0.526	0.023	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4.687
13	Energy Expense	\$ 1,012	496	206	11	0	0	0	0	0	0	0	0	1,725
14	Newington:													
15	Energy	67.693	2.864	27.175	5.592	0.000	17.531	53.801	41.711	14.508	0.000	0.000	5.441	236.314
16	Energy Expense	\$ 13,691	1,572	6,112	1,002	0	1,305	3,587	2,507	794	0	0	968	31,539
17	IPP's:													
18	Energy	28.045	25.406	27.652	31.265	35.379	29.219	21.591	22.685	23.823	31.385	34.109	35.038	345.597
19	Energy Expense	\$ 3,925	3,800	2,883	1,122	1,275	1,419	1,214	1,112	947	1,295	2,227	4,129	25,349
20	ICAP	\$ 105	112	99	96	94	77	77	79	79	110	110	110	1,146
21	Wood IPPs:													
22	Energy	12.341	11.004	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	23.344
23	Energy Expense	\$ 854	759	-	-	-	-	-	-	-	-	-	-	1,613
24	Burgess BioPower													
25	Energy	13.207	4.819	16.473	18.958	6.445	20.412	21.092	42.185	40.824	21.092	40.824	42.185	288.516
26	Expense	\$ 923	337	1,151	1,323	450	1,425	1,472	2,944	2,850	1,472	2,850	2,944	20,141
27	ICAP	\$ 0	0	0	0	0	0	0	0	0	173	173	173	519
28	Contract Purchases													
29	Energy	16.266	7.519	6.267	65.494	4.241	3.863	2.671	2.800	3.660	5.325	6.124	6.701	130.931
30	Expense	\$ 1,886	950	535	3,095	223	203	140	147	192	280	360	711	8,722
31	ICAP	\$ 3	30	25	27	20	8	9	9	9	20	20	20	199
32	Energy Purchases													
33	Energy	58.951	40.899	20.957	144.169	206.094	122.141	69.391	116.707	206.573	217.816	10.778	0.086	1,214.562
34	Expense	\$ 8,109	8,850	1,941	5,648	8,012	5,385	3,412	5,613	8,302	9,575	640	18	65,505
35	Energy Sales													
36	Energy	(196.769)	(87.302)	(115.817)	(53.488)	0.000	(23.793)	(36.849)	(38.717)	0.000	0.000	(114.930)	(118.734)	(786.398)
37	(Credit)	\$ (39,081)	(10,600)	(15,901)	(2,140)	0	(1,983)	(2,563)	(2,676)	0	0	(7,390)	(13,221)	(95,556)
38	Congestion and Loss Adjustment													
39		\$ 0	0	0	0	(194)	(48)	85	(20)	(186)	(191)	308	899	654
40	Total Energy GWH	386.774	353.787	369.902	299.450	323.806	352.249	397.724	385.089	332.759	328.098	327.257	375.075	4231.969
41	Total Energy Expense	\$ 7,205	20,993	13,563	13,669	10,574	14,254	18,035	17,162	13,506	13,218	13,452	13,430	169,061
42														
43														
44	ISO-NE Ancillary	\$ 1,024	304	(1,058)	(1,014)	552	515	400	385	320	238	237	295	2,198
45	NH RPS	\$ 989	989	962	980	793	(333)	974	943	815	803	801	918	9,633
46	RGGI Costs	\$ 233	228	231	852	9	266	478	338	20	0	567	691	3,913
47														
48	Capacity (sold)/bought MW-mo	(5)	18	10	(17)	(52)	(56)	(56)	(56)	(56)	(122)	(122)	(122)	(634)
49	Capacity (sold)/bought Cost (\$000)	\$ 704	(386)	34	(54)	(147)	(173)	(173)	(176)	(176)	(386)	(386)	(387)	(1,706)

Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
2014 ENERGY SERVICE RATE CALCULATION  
RATE EFFECTIVE JULY 1, 2014

1 **Forecasted PSNH IPP Market Value - April - December 2014**

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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
7 May	35.379	1,275	32.9	2.84	94	1,369	38.68
8 June	29.219	1,419	24.9	3.10	77	1,496	51.21
9 July	21.591	1,214	24.9	3.11	77	1,291	59.79
10 August	22.685	1,112	24.9	3.16	79	1,191	52.48
11 September	23.823	947	24.9	3.16	79	1,026	43.05
12 October	31.385	1,295	34.7	3.17	110	1,405	44.78
13 November	34.109	2,227	34.7	3.17	110	2,337	68.53
14 December	35.038	4,129	34.7	3.18	110	4,239	121.00
15 Total	233.230	13,619			736	14,354	61.55

Amounts shown above may not add due to rounding.

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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
2014 ENERGY SERVICE RATE CALCULATION  
Fossil / Hydro O&M, Depreciation & Taxes Detail  
RATE EFFECTIVE JULY 1, 2014  
(Dollars in 000's)

	January 2014 Actual	February 2014 Actual	March 2014 Actual	April 2014 Actual	May 2014 Estimate	June 2014 Estimate	July 2014 Estimate	August 2014 Estimate	September 2014 Estimate	October 2014 Estimate	November 2014 Estimate	December 2014 Estimate	Total
<b>Fossil / Hydro O&amp;M, Depr. &amp; Taxes</b>													
F/H Operation & Maintenance Cost	\$ 5,719	\$ 5,209	\$ 6,432	\$ 10,286	\$ 5,953	\$ 6,579	\$ 6,747	\$ 6,765	\$ 6,823	\$ 5,659	\$ 5,265	\$ 6,945	\$ 78,381
F/H Depreciation Cost	1,599	1,601	1,601	1,602	1,566	1,570	1,574	1,576	1,581	1,582	1,586	1,591	19,030
F/H Property Taxes	853	853	853	556	923	923	923	923	923	923	923	923	10,501
F/H Payroll and Other Taxes	223	223	158	177	274	192	188	173	184	259	172	165	2,387
Amort. of Asset Retirement Obligation	45	45	45	46	46	46	47	47	47	48	48	48	557
<b>Total F/H O&amp;M, Depr. and Taxes</b>	<b>\$ 8,438</b>	<b>\$ 7,930</b>	<b>\$ 9,089</b>	<b>\$ 12,666</b>	<b>\$ 8,761</b>	<b>\$ 9,310</b>	<b>\$ 9,480</b>	<b>\$ 9,484</b>	<b>\$ 9,557</b>	<b>\$ 8,471</b>	<b>\$ 7,994</b>	<b>\$ 9,672</b>	<b>\$ 110,856</b>

Amounts shown above may not add due to rounding.

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE**  
**2014 ENERGY SERVICE RATE CALCULATION**  
**FOSSIL/HYDRO RETURN ON RATE BASE**  
**RATE EFFECTIVE JULY 1, 2014**  
(Dollars in 000's)

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	January 2014 Actual	February 2014 Actual	March 2014 Actual	April 2014 Actual	May 2014 Estimate	June 2014 Estimate	July 2014 Estimate	August 2014 Estimate	September 2014 Estimate	October 2014 Estimate	November 2014 Estimate	December 2014 Estimate	Total
<b>Return on Rate Base</b>													
<b>Rate base</b>													
Net Plant	287,122	288,446	283,808	285,100	285,108	284,911	284,651	284,416	284,209	284,022	283,632	283,287	
Working Capital Allow. (45 days of O&M)	9,663	9,663	9,663	9,663	9,663	9,663	9,663	9,663	9,663	9,663	9,663	9,663	
Fossil Fuel Inventory	74,165	74,165	41,192	41,192	41,759	41,759	38,100	38,098	41,292	46,606	56,550	58,810	
Mat'ls and Supplies	53,978	53,978	52,715	52,715	53,978	53,978	53,978	53,978	53,978	53,978	53,978	53,978	
Prepayments	2,458	2,458	1,888	1,888	2,458	2,458	2,458	2,458	2,458	2,458	2,458	2,458	
Deferred Taxes	(24,188)	(19,669)	(30,801)	(26,282)	(21,763)	(18,097)	(16,300)	(14,100)	(24,573)	(24,754)	(24,723)	(36,576)	
Other Regulatory Obligations	(13,416)	(13,416)	(16,486)	(16,486)	(15,470)	(6,976)	(7,449)	(7,910)	(8,314)	(8,714)	(9,113)	(9,564)	
<b>Total Rate Base (L15 thru L22)</b>	<b>389,782</b>	<b>395,625</b>	<b>341,979</b>	<b>347,790</b>	<b>355,733</b>	<b>367,696</b>	<b>365,101</b>	<b>366,603</b>	<b>358,713</b>	<b>363,259</b>	<b>372,445</b>	<b>362,056</b>	
Average Rate Base ( prev + curr month)	387,867	392,703	368,802	344,885	351,762	361,715	366,399	365,852	362,658	360,986	367,852	367,251	
x Return	0.9058%	0.9058%	0.9058%	0.9087%	0.9087%	0.9087%	0.9087%	0.9087%	0.9087%	0.9087%	0.9087%	0.9087%	
<b>Return (L25 x L26)</b>	<b>\$ 3,513</b>	<b>\$ 3,557</b>	<b>\$ 2,654</b>	<b>\$ 3,134</b>	<b>\$ 3,196</b>	<b>\$ 3,287</b>	<b>\$ 3,329</b>	<b>\$ 3,325</b>	<b>\$ 3,295</b>	<b>\$ 3,280</b>	<b>\$ 3,343</b>	<b>\$ 3,337</b>	<b>\$ 39,251</b>

Amounts shown above may not add due to rounding.

