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Attachment CJG-1

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Changes to PSNH Tariff, Terms and Conditions,

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Paragraph 27, Stranded Cost Recovery Charge

ILLUSTRATIVE TARIFF PAGE

NHPUC NO. 9 - ELECTRICITY DELIVERY
PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
DBA EVERSOURCE ENERGY

Original Page 8
Terms and Conditions

ISO-NE: The Independent System Operator of New England, the NEPOOL operating center that centrally dispatches the electric generating and transmission facilities owned or controlled by NEPOOL participants to achieve the objectives of the NEPOOL Agreement.

Local Network: The transmission and distribution facilities which are owned, leased and maintained by the Company, which are located in the states of New Hampshire and Maine and that are used to provide Delivery Service under this Tariff. The Local Network does not include any capacity or transmission or distribution facilities owned, leased or supported by the Eversource Energy System Companies.

NEPOOL: The New England Power Pool.

Parties or Party: The Company and/or one or more Customers under this Tariff.

Payment Agent: Any third-party authorized by a Customer to receive and pay the bills rendered by the Company for service under this Tariff.

PTF Facilities: All pool transmission facilities included in the NEPOOL Open Access Transmission Tariff on file with the FERC.

Rate Schedule: The Rate Schedules included as part of this Tariff.

Restated NEPOOL Agreement (“NEPOOL Agreement”): An agreement between the NEPOOL participants dated September 1, 1971 and restated December 31, 1996, as amended from time to time.

Requirements for Electric Service Connections: The booklet prepared by the Company to establish standardized rules and regulations for the installation of electric service connections within the Company’s Service Area.

Self-Supply Service: Electric energy and capacity purchased by a Customer directly from the Independent System Operator of New England or the New England Power Pool.

Settlement Agreement: The 2015 Public Service Company of New Hampshire Restructuring and Rate Stabilization Agreement as approved by the Commission in Order No. 25,920. The Settlement Agreement by and between the state of New Hampshire, Northeast Utilities and Public Service Company of New Hampshire dated June 23, 2000, and conformed as of September 22, 2000.

Supplier-Rendered Energy Service (“Supplier Service”): The sale of energy and capacity including ancillary services to a Customer by a Supplier.

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26. Underground Service

Underground electric distribution facilities will be provided by the Company, in accordance with the provisions of the Company's "Requirements for Electric Service Connections" and this Tariff, when feasible and practicable and when consistent with the normal availability of Company personnel, the orderly scheduling of construction projects, and all as reasonably determined by the Company. Subject to the above-stated limitations on the availability of underground facilities, such facilities will be provided by the Company on a consistent and equitable basis to all who qualify.

27. Stranded Cost Recovery Charge

The Stranded Cost Recovery Charge (SCRC) is the portion of the unbundled retail delivery service bill that is a non-bypassable charge as provided by RSA 369-B:4, IV and RSA 374-F:3, XII to recover the portion of the Company's Part 1 and Part 2 Stranded Costs that are allowed by the Settlement Agreement. The SCRC includes the RRB Charge defined in RSA Chapter 369-B, over-market or under-market IPP and Power Purchase Agreement costs, Non-Securitized Stranded Costs, and other costs and expenses allowed or as authorized by the Commission.

Part 1 of the SCRC is the RRB Charge, and is the source of payment for Rate Reduction Bonds issued pursuant to RSA Chapter 369-B. The right to receive all collections in respect of the Part I charge has been sold to one or more special purpose financing entities. The Company will collect the RRB Charge in Part 1 of the SCRC on behalf of such special purpose financing entities. The special purpose financing entities' ownership of the RRB Charge recovered via Part I of the SCRC will be reflected by an appropriate notation on customers' bills. Part 1 of the SCRC will be billed until the rate reduction bonds issued by the special purpose financing entities and all on-going RRB Costs are paid in full.

Part 1 of the SCRC shall be adjusted as necessary via the True-Up mechanism approved by the Commission in its Order No. _____ in Docket No. DE _____, and such changes in Part 1 shall become effective as set forth in that Order.

Part 2 will recover all other non-securitized stranded costs and charges as approved by the Commission and will continue for as long as there are such costs to be recovered by the Company.

The SCRC shall be non-bypassable per RSA 369-B:4, IV and RSA 374-F:3, XII, and shall be collected from each retail customer of the Company. If a retail customer located in the Company's service territory purchases or otherwise obtains retail electric service from any person other than the Company, including, without limitation, any successor referred to in RSA 369-B:8, the servicer or such new electricity service provider or successor shall collect the SCRC, from the retail customer by or on behalf of the Company and remit those revenues to the Company as a condition to the provision of retail electric service to such retail customer. Any retail customer that fails to pay the SCRC shall be subject to disconnection of service to the same extent that such customer would, under applicable law and regulations, be subject to disconnection of service for failure to pay any other charge payable to the Company.

The revenue requirement necessary to recover all Part 1 and Part 2 stranded costs will be allocated among rate classes as follows:

<u>Rate Class</u>	<u>Percentage of Total Revenue Requirement</u>
<u>Residential Service (R, R-OTOD)</u>	<u>48.75</u>
<u>General Service (G, G-OTOD)</u>	<u>25.00</u>
<u>Primary General Service (GV, B*)</u>	<u>20.00</u>
<u>Large General Service (LG, B**)</u>	<u>5.75</u>
<u>Outdoor Lighting Service (OL, EOL)</u>	<u>0.50</u>

*Rate B customers who would qualify for Rate GV except for their own generation.

**Rate B customers who would qualify for Rate LG except for their own generation.

The actual SCRC charges will vary by the rate schedule, may vary by separately metered rate options contained in certain rate schedules, may vary by time of use, and may include demand- as well as kWh-based charges. The Company, every six months, shall compare the amount to be recovered through the SCRC, as defined under the Settlement Agreement with the revenue received from the billing of the SCRC. Any difference between the amount to be recovered by Part 2 of the SCRC during any six month period and the actual revenue received during that period shall be refunded or recovered by PSNH with a return during the subsequent six month period by reducing or increasing Part 2 of the SCRC for the subsequent six month period. The return will be calculated using the Stipulated Rate of Return set forth in the Settlement Agreement.

If any customer class is materially reduced or consolidated to zero, its applicable allocation factor will be reallocated on a pro-rata basis between remaining rate classes based on the then current allocation responsibility.

~~The overall average level of the Stranded Cost Recovery Charge (SCRC) will be 3.4 cents per kilowatt hour for the period from the Customer Choice Date until the earlier of the date that the non-securitized assets are fully amortized or the Recovery End Date as defined under the Settlement Agreement. The actual SCRC may vary among the different Rate Schedules and within separately metered rate options contained in certain Rate Schedules. During that time, the Company, every six months, shall compare the amount to be recovered through Parts 1, 2 and 3 of the SCRC, as defined under the Settlement Agreement with the revenue received from the billing of the SCRC. If the amount to be recovered exceeds the amount of revenue received through the billing of the SCRC, the difference will be deferred and recovered with a return as a Part 3 amount during the next six month period. The return shall equal the Stipulated Rate of Return set forth in the Settlement Agreement. If the amount to be recovered is less than the amount of revenue received through the billing of the SCRC, the difference will be used to accelerate the amortization of non-securitized stranded assets, thereby shortening the recovery period for such assets.~~

~~Subsequent to the time period described above, the Company shall calculate the SCRC to be billed during each prospective six month period. Any difference between the amount to be recovered through the SCRC during any six month period and the revenue received through the application of the SCRC during that period shall be refunded or recovered with a return during the subsequent six month period by reducing or increasing the SCRC for the subsequent six month period. The return will be calculated using the Stipulated Rate of Return set forth in the Settlement Agreement.~~

28. Transmission Cost Adjustment Mechanism

The Transmission Cost Adjustment Mechanism (“TCAM”) will recover, on a fully reconciling basis, the costs incurred by the Company for transmission related services. These costs include charges under the ISO-NE Tariff; charges billed to the Company by Other Transmission Providers; third party charges billed to the Company for transmission related

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