

THE STATE OF NEW HAMPSHIRE
BEFORE THE NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION
PREPARED TESTIMONY OF ROBERT A. BAUMANN
2010 STRANDED COST RECOVERY CHARGE RATE CHANGE
Docket No. DE 09-XXX

1 **Q. Please state your name, business address and position.**

2 A. My name is Robert A. Baumann. My business address is 107 Selden Street, Berlin, Connecticut.
3 I am Director, Revenue Regulation & Load Resources for Northeast Utilities Service Company
4 (NUSCO). NUSCO provides centralized services to the Northeast Utilities (NU) operating
5 subsidiaries, including Public Service Company of New Hampshire (PSNH), The Connecticut
6 Light and Power Company, Yankee Gas Services Company and Western Massachusetts Electric
7 Company.

8 **Q. Have you previously testified before the Commission?**

9 A. Yes. I have testified on numerous occasions before the Commission.

10 **Q. What is the purpose of your testimony?**

11 A. The purpose of my testimony is: (1) to provide an overview of this filing; and (2) to seek the
12 necessary approvals to set the average Stranded Cost Recovery Charge (SCRC) rate that will take
13 effect January 1, 2010.

1 **Q. Please describe the components of the SCRC and their application to this rate request.**

2 A. The SCRC recovers certain costs under the authorities contained in RSA Chapters 374-F and
3 369-B. The PSNH Restructuring Settlement, approved in Order No. 23,549, defined PSNH's
4 stranded costs and categorized them into three different parts (i.e., Part 1, 2 and 3). Part 1 is
5 composed of the RRB Charge which is calculated to recover the principal, net interest, and fees
6 related to Rate Reduction Bonds. Part 2 costs are "ongoing" stranded costs consisting primarily
7 of the over-market value of energy purchased from independent power producers (IPPs) and the
8 amortization of payments previously made for IPP buy-downs and buy-outs as approved by the
9 Commission. In addition, the SCRC has a return component, consisting primarily of the
10 stipulated return on deferred taxes related to securitized stranded costs. The return is a credit to
11 customers which reduces the overall SCRC level. Part 3 costs, which were primarily the
12 amortization of non-securitized stranded costs, were recovered in June 2006.

13 On May 20, 2009, PSNH filed a petition with supporting testimony and schedules requesting a
14 mid-term adjustment to its average SCRC rate effective July 1, 2009 through December 31, 2009.
15 Pursuant to Order No. 24,987 issued in Docket No. DE 08-114, PSNH is currently billing an
16 average SCRC rate of 1.14 ¢/kWh for the period August 1, 2009 through December 31, 2009.

17 **Q. Please describe the detailed support for the calculation of the average SCRC rate provided**
18 **in Attachments RAB-1 and RAB-2.**

1 A. Attachment RAB-1, pages 1 through 3, provides a summary of 2010 cost information related to
2 Part 1 and Part 2 costs, amortization of securitized assets and ongoing cost activity. Pages 4
3 through 7 provide the detailed cost information by month related to Part 1, amortization of
4 securitized assets and Part 2, ongoing costs. Attachment RAB-2, Pages 1 through 7 provide the
5 detailed cost and revenue components relating to the 2009 SCRC reconciliation.

6 **Q. Is PSNH currently proposing a specific SCRC rate at this time?**

7 A. No, we are not. Attachment RAB-1 provides a preliminary rate calculation; however, prior to the
8 anticipated hearing in December 2009, PSNH plans to update the SCRC rate for changes
9 attributable to IPP over-market costs and will include an update of 2009 actual data. This update
10 will be consistent with the market price assumptions embedded in the Energy Service (ES) update
11 and will be filed at the same time as the 2010 ES rate update. The preliminary 2010 SCRC rate
12 provided in this filing is 1.02 cents per kWh and is 0.12 cents per kWh lower than the current rate
13 of 1.14 cents per kWh.

14 **Q. What are the major reasons for the SCRC rate decrease?**

15 A. The primary reason for the SCRC rate decrease effective January 1, 2010 is lower above-market
16 IPP costs due to higher market IPP costs.

17 **Q. Does PSNH plan to minimize cost deferrals for the SCRC through a mid-term adjustment?**

18 A. Yes, if a rate adjustment is deemed necessary, PSNH could file a petition for such a change in a
19 manner and on schedule consistent with the modifications to the Energy Service Rate. The

1 Commission could revisit the SCRC rate in an abbreviated investigation. PSNH will submit
2 actual and estimated data on a date specified by the Commission to allow the parties and Staff
3 sufficient time to address the need for an interim adjustment during the 2010 SCRC year.

4 **Q. Does PSNH require Commission approval of this rate by a specific date?**

5 A. Yes, PSNH would needs final approval of the proposed SCRC rate by late December 2009, in
6 order to implement the new rate for service rendered on and after January 1, 2010. Therefore,
7 PSNH requests that the Commission commence a proceeding so that the procedural schedule can
8 be set to review this filing and approve the SCRC rate in a timely manner.

9 **Q. Does this conclude your testimony?**

10 A. Yes, it does.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
PROJECTED JANUARY THROUGH DECEMBER 2010 SCRC RATE CALCULATION
000's

| | | Total 2010 Stranded Cost | Source |
|---|--|-------------------------------------|--------------------------|
| 1 | Part 1 - Rate Recovery Bonds (RRB) | \$ 61,624 | Attachment RAB-1, Page 3 |
| 2 | Part 2 - Ongoing SCRC Costs | 13,007 | Attachment RAB-1, Page 3 |
| 3 | Part 2 - 2009 Estimated SCRC under/(over) Recovery | <u>5,145</u> | Attachment RAB-2, Page 1 |
| 4 | Total Updated SCRC Cost (L1+L2+L3) | \$ 79,775 | |
| 5 | Forecasted Retail MWH Sales | 7,858,041 | |
| 6 | Forecasted SCRC Rate - cents per kWh | <u><u>1.02</u></u> | |

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
PROJECTED JANUARY THROUGH DECEMBER 2010 SCRC RATE CALCULATION

000's

| <u>SCRC Cost</u> | <u>January 2010</u> | <u>February 2010</u> | <u>March 2010</u> | <u>April 2010</u> | <u>May 2010</u> | <u>June 2010</u> | <u>Total for the six months ended 6/30/10</u> | <u>Source</u> |
|--|-------------------------|--------------------------|-----------------------|-----------------------|---------------------|----------------------|---|--------------------------|
| 1 SCRC Part 1 Costs | \$ 5,070 | \$ 5,220 | \$ 5,220 | \$ 5,220 | \$ 4,972 | \$ 4,972 | \$ 30,674 | Attachment RAB-1, Page 4 |
| 2 SCRC Part 2 Costs | 1,192 | 895 | 1,337 | 1,385 | 1,391 | 992 | 7,191 | Attachment RAB-1, Page 6 |
| 3 2009 estimated SCRC under(over) Recovery | 5,145 | - | - | - | - | - | 5,145 | Attachment RAB-2, Page 1 |
| 4 Total SCRC Cost | \$ 11,406 | \$ 6,115 | \$ 6,557 | \$ 6,605 | \$ 6,363 | \$ 5,964 | \$ 43,010 | |
| 5 Total SCRC Revenue @ 1.02 cents/kwh | 7,198 | 6,274 | 6,685 | 6,065 | 6,193 | 6,557 | 38,972 | |
| 6 SCRC under/(over) Recovery | \$ 4,208 | \$ (159) | \$ (128) | \$ 540 | \$ 170 | \$ (592) | \$ 4,038 | |
| 7 Retail MWH Sales | 705,731 | 615,124 | 655,370 | 594,594 | 607,185 | 642,797 | 3,820,801 | |

8 Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
PROJECTED JANUARY THROUGH DECEMBER 2010 SCRC RATE CALCULATION

000's

| <u>SCRC Cost</u> | <u>July 2010</u> | <u>August 2010</u> | <u>September 2010</u> | <u>October 2010</u> | <u>November 2010</u> | <u>December 2010</u> | <u>Total for the twelve months ended 12/31/10</u> | <u>Source</u> |
|--|----------------------|------------------------|---------------------------|-------------------------|--------------------------|--------------------------|---|--------------------------|
| 1 SCRC Part 1 Costs | \$ 4,972 | \$ 5,295 | \$ 5,295 | \$ 5,295 | \$ 5,046 | \$ 5,046 | \$ 61,624 | Attachment RAB-1, Page 5 |
| 2 SCRC Part 2 Costs | 930 | 800 | 714 | 971 | 1,208 | 1,193 | 13,007 | Attachment RAB-1, Page 7 |
| 3 2009 estimated SCRC under(over) Recovery | - | - | - | - | - | - | 5,145 | Attachment RAB-2, Page 1 |
| 4 Total SCRC Cost | \$ 5,902 | \$ 6,095 | \$ 6,009 | \$ 6,267 | \$ 6,254 | \$ 6,238 | \$ 79,775 | |
| 5 Total SCRC Revenue @ 1.02 cents/kwh | 7,590 | 7,358 | 6,237 | 6,462 | 6,482 | 7,050 | 80,152 | |
| 6 SCRC under/(over) Recovery | \$ (1,688) | \$ (1,263) | \$ (228) | \$ (196) | \$ (228) | \$ (811) | \$ (377) | |
| 7 Retail MWH Sales | 744,131 | 721,402 | 611,497 | 633,555 | 635,483 | 691,172 | 7,858,041 | |

8 Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
PROJECTED JANUARY THROUGH DECEMBER 2010 SCRC RATE CALCULATION

SECURITIZED COSTS

000's

| SCRC Part 1 Amortization of Securitized Assets | | January 2010 | February 2010 | March 2010 | April 2010 | May 2010 | June 2010 | Total for the six months ended 6/30/10 |
|---|-------------------------------------|-----------------|------------------|-----------------|-----------------|-----------------|-----------------|---|
| 1 | <u>Principal</u> | | | | | | | |
| 2 | Amortization of Seabrook cost | \$ 3,779 | \$ 3,982 | \$ 3,982 | \$ 3,982 | \$ 3,812 | \$ 3,812 | \$ 23,347 |
| 3 | Amortization of MP 3 | 120 | 126 | 126 | 126 | 121 | 121 | 741 |
| 4 | Amortization of RRB1 financing cost | 89 | 94 | 94 | 94 | 90 | 90 | 549 |
| 5 | Total | 3,987 | 4,202 | 4,202 | 4,202 | 4,022 | 4,022 | 24,637 |
| 6 | <u>Interest and Fees</u> | | | | | | | |
| 7 | RRB1 Interest | 1,016 | 951 | 951 | 951 | 883 | 883 | 5,636 |
| 8 | RRB fees | 67 | 67 | 67 | 67 | 67 | 67 | 401 |
| 9 | Total | 1,083 | 1,018 | 1,018 | 1,018 | 950 | 950 | 6,036 |
| 10 | Total SCRC Part 1 cost | <u>\$ 5,070</u> | <u>\$ 5,220</u> | <u>\$ 5,220</u> | <u>\$ 5,220</u> | <u>\$ 4,972</u> | <u>\$ 4,972</u> | <u>\$ 30,674</u> |

11 Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
PROJECTED JANUARY THROUGH DECEMBER 2010 SCRC RATE CALCULATION

SECURITIZED COSTS

000's

| SCRC Part 1 Amortization of Securitized Assets | July 2010 | August 2010 | September 2010 | October 2010 | November 2010 | December 2010 | Total for the twelve months ended 12/31/10 |
|---|-----------------|-----------------|-------------------|-----------------|------------------|------------------|---|
| 1 Principal | | | | | | | |
| 2 Amortization of Seabrook cost | \$ 3,812 | \$ 4,180 | \$ 4,180 | \$ 4,180 | \$ 4,011 | \$ 4,011 | \$ 47,720 |
| 3 Amortization of MP 3 | 121 | 133 | 133 | 133 | 127 | 127 | 1,515 |
| 4 Amortization of RRB1 financing cost | 90 | 98 | 98 | 98 | 94 | 94 | 1,122 |
| 5 Total | 4,022 | 4,411 | 4,411 | 4,411 | 4,232 | 4,232 | 50,357 |
| 6 Interest and Fees | | | | | | | |
| 7 RRB1 Interest | 883 | 818 | 818 | 818 | 747 | 747 | 10,466 |
| 8 RRB fees | 67 | 67 | 67 | 67 | 67 | 67 | 801 |
| 9 Total | 950 | 885 | 885 | 885 | 813 | 813 | 11,267 |
| 10 Total SCRC Part 1 cost | <u>\$ 4,972</u> | <u>\$ 5,295</u> | <u>\$ 5,295</u> | <u>\$ 5,295</u> | <u>\$ 5,046</u> | <u>\$ 5,046</u> | <u>\$ 61,624</u> |

11 Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
PROJECTED JANUARY THROUGH DECEMBER 2010 SCRC RATE CALCULATION

PART 2 ONGOING COSTS

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| SCRC Part 2 <u>Ongoing Costs</u> | January 2010 | February 2010 | March 2010 | April 2010 | May 2010 | June 2010 | Total for the six months ended 06/30/10 |
|-------------------------------------|-----------------|------------------|---------------|---------------|-------------|--------------|--|
| Ongoing Costs - IPP | | | | | | | |
| 1 Amortization and return on IPP | | | | | | | |
| 2 Buydown/Buyout Savings | \$ 232 | \$ 237 | \$ 259 | \$ 271 | \$ 267 | \$ 238 | \$ 1,505 |
| 3 IPP Ongoing costs: | | | | | | | |
| 4 Total IPP Cost | 5,146 | 3,746 | 4,367 | 4,434 | 4,314 | 3,231 | 25,238 |
| 5 less: IPP at Market Cost | 3,659 | 2,570 | 2,783 | 2,828 | 2,712 | 2,010 | 16,562 |
| 6 Above Market IPP Cost | 1,487 | 1,176 | 1,584 | 1,606 | 1,602 | 1,221 | 8,676 |
| 7 Total Part 2 Costs | \$ 1,719 | \$ 1,413 | \$ 1,843 | \$ 1,877 | \$ 1,869 | \$ 1,459 | \$ 10,181 |

Ongoing Costs - Return

| | | | | | | | |
|--|----------|----------|----------|----------|----------|----------|------------|
| 8 Return on ADIT - Securitized | | | | | | | |
| 9 Stranded Costs | (495) | (484) | (472) | (460) | (449) | (438) | (2,797) |
| 10 Return on Yankee Decommissioning | | | | | | | |
| 11 Obligations and CVEC, net of deferred taxes | (53) | (52) | (51) | (50) | (49) | (48) | (302) |
| 12 Return on SCRC deferred balance | 20 | 18 | 17 | 18 | 19 | 18 | 110 |
| 13 Total Part 2 Return | \$ (528) | \$ (518) | \$ (506) | \$ (492) | \$ (478) | \$ (467) | \$ (2,989) |
| 14 Total Part 2 Ongoing Costs and Return | \$ 1,192 | \$ 895 | \$ 1,337 | \$ 1,385 | \$ 1,391 | \$ 992 | \$ 7,191 |

15 Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
PROJECTED JANUARY THROUGH DECEMBER 2010 SCRC RATE CALCULATION

PART 2 ONGOING COSTS

000's

| SCRC Part 2 Ongoing Costs | July 2010 | August 2010 | September 2010 | October 2010 | November 2010 | December 2010 | Total for the twelve months ended 12/31/10 |
|---|--------------|----------------|-------------------|-----------------|------------------|------------------|---|
| Ongoing Costs - IPP | | | | | | | |
| 1 Amortization and return on IPP | \$ 216 | \$ 209 | \$ 211 | \$ 221 | \$ 238 | \$ 250 | \$ 2,849 |
| 2 Buydown/Buyout Savings | | | | | | | |
| 3 IPP Ongoing costs: | | | | | | | |
| 4 Total IPP Cost | 3,387 | 2,834 | 2,423 | 3,265 | 4,161 | 4,544 | 45,852 |
| 5 less: IPP at Market Cost | 2,213 | 1,790 | 1,476 | 2,083 | 2,772 | 3,192 | 30,088 |
| 6 Above Market IPP Cost | 1,174 | 1,044 | 947 | 1,182 | 1,389 | 1,352 | 15,764 |
| 7 Total Part 2 Costs | \$ 1,390 | \$ 1,253 | \$ 1,158 | \$ 1,403 | \$ 1,627 | \$ 1,602 | \$ 18,613 |
| Ongoing Costs - Return | | | | | | | |
| 8 Return on ADIT - Securitized | | | | | | | |
| 9 Stranded Costs | (427) | (415) | (403) | (390) | (378) | (367) | (5,176) |
| 10 Return on Yankee Decommissioning | | | | | | | |
| 11 Obligations and CVEC, net of deferred taxes | (47) | (46) | (45) | (44) | (43) | (42) | (569) |
| 12 Return on SCRC deferred balance | 13 | 7 | 4 | 3 | 2 | (0) | 138 |
| 13 Total Part 2 Return | \$ (460) | \$ (454) | \$ (444) | \$ (432) | \$ (419) | \$ (409) | \$ (5,607) |
| 14 Total Part 2 Ongoing Costs and Return | \$ 930 | \$ 800 | \$ 714 | \$ 971 | \$ 1,208 | \$ 1,193 | \$ 13,007 |
| 15 Amounts shown above may not add due to rounding. | | | | | | | |

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

2009 SCRC RECONCILIATION

000's

| | <u>Stranded Cost</u> | <u>Source</u> |
|---|----------------------|--------------------------|
| 1 Part 1 - Rate Recovery Bonds (RRB) | \$ 61,405 | Attachment RAB-2, Page 3 |
| 2 Part 2 - Ongoing SCRC Costs | 15,120 | Attachment RAB-2, Page 3 |
| 3 Part 2 - 2008 Actual SCRC under/(over) Recovery | <u>10,269</u> | Attachment RAB-2, Page 3 |
| 4 Total Updated SCRC Cost (L1+L2+L3) | \$ 86,795 | |
| 5 Total Updated SCRC Revenue | <u>81,650</u> | Attachment RAB-2, Page 3 |
| 6 Total 2009 Estimated SCRC under/(over) Recovery (L4 - L5) | <u><u>5,145</u></u> | |

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

2009 SCRC RECONCILIATION

000's

| <u>SCRC Cost</u> | <u>Actual January 2009</u> | <u>Actual February 2009</u> | <u>Actual March 2009</u> | <u>Actual April 2009</u> | <u>Actual May 2009</u> | <u>Actual June 2009</u> | <u>Total for the six months ended 6/30/09</u> | <u>Source</u> |
|--|------------------------------------|-------------------------------------|----------------------------------|----------------------------------|--------------------------------|---------------------------------|---|--------------------------|
| 1 SCRC Part 1 Costs | \$ 5,089 | \$ 5,243 | \$ 5,243 | \$ 5,242 | \$ 4,994 | \$ 4,912 | \$ 30,723 | Attachment RAB-2, Page 4 |
| 2 SCRC Part 2 Costs | 370 | 1,249 | 1,193 | 1,665 | 1,095 | 1,516 | 7,088 | Attachment RAB-2, Page 6 |
| 3 2008 Actual SCRC under(over) Recovery | 10,269 | - | - | - | - | - | 10,269 | |
| 4 Total SCRC Cost | \$ 15,728 | \$ 6,493 | \$ 6,435 | \$ 6,907 | \$ 6,088 | \$ 6,429 | \$ 48,080 | |
| 5 Total SCRC Revenue @ .98 cents/kwh (1) | 6,721 | 6,760 | 6,415 | 5,713 | 5,816 | 5,980 | 37,404 | |
| 6 SCRC under/(over) Recovery | \$ 9,007 | \$ (267) | \$ 21 | \$ 1,194 | \$ 273 | \$ 448 | \$ 10,676 | |
| 7 Retail MWH Sales | 763,436 | 626,629 | 650,293 | 583,837 | 586,453 | 603,086 | 3,813,734 | |

8 (1) The rate of .98 cent/kwh was charged from January through July. The updated rate of 1.14 cents per kwh took effect on August 1st.

9 Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

2009 SCRC RECONCILIATION

000's

| <u>SCRC Cost</u> | Actual | Actual | Estimate | | | | Total | <u>Source</u> |
|---|--------------|----------------|-------------------|-----------------|------------------|------------------|--|--------------------------|
| | July 2009 | August 2009 | September 2009 | October 2009 | November 2009 | December 2009 | for the twelve months ended 12/31/09 | |
| 1 SCRC Part 1 Costs | \$ 4,589 | \$ 5,258 | \$ 5,334 | \$ 5,334 | \$ 5,083 | \$ 5,083 | \$ 61,405 | Attachment RAB-2, Page 5 |
| 2 SCRC Part 2 Costs | 1,825 | 1,488 | 1,106 | 1,137 | 1,252 | 1,225 | 15,120 | Attachment RAB-2, Page 7 |
| 3 2008 Actual SCRC under(over) Recovery | - | - | - | - | - | - | 10,269 | |
| 4 Total SCRC Cost | \$ 6,414 | \$ 6,746 | \$ 6,440 | \$ 6,470 | \$ 6,335 | \$ 6,308 | \$ 86,795 | |
| 5 Total SCRC Revenue @ 1.14 cents/kwh (1) | 6,587 | 8,125 | 6,975 | 7,340 | 7,299 | 7,921 | 81,650 | |
| 6 SCRC under/(over) Recovery | \$ (173) | \$ (1,378) | \$ (535) | \$ (869) | \$ (963) | \$ (1,613) | \$ 5,145 | |
| 7 Retail MWH Sales | 668,061 | 743,737 | 611,816 | 643,836 | 640,221 | 694,788 | 7,816,193 | |

8 (1) The rate of .98 cent/kwh was charged from January through July. The updated rate of 1.14 cents per kwh took effect on August 1st.

9 Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

2009 SCRC RECONCILIATION

SECURITIZED COSTS

000's

| SCRC Part 1 Amortization of Securitized Assets | Actual January 2009 | Actual February 2009 | Actual March 2009 | Actual April 2009 | Actual May 2009 | Actual June 2009 | Total for the six months ended 6/30/09 |
|---|---------------------------|----------------------------|-------------------------|-------------------------|-----------------------|------------------------|---|
| 1 Principal | | | | | | | |
| 2 Amortization of Seabrook cost | \$ 3,562 | \$ 3,756 | \$ 3,756 | \$ 3,756 | \$ 3,584 | \$ 3,584 | \$ 21,998 |
| 3 Amortization of MP 3 | 113 | 119 | 119 | 119 | 114 | 114 | 698 |
| 4 Amortization of RRB1 financing cost | 84 | 88 | 88 | 88 | 84 | 84 | 517 |
| 5 Total | 3,759 | 3,963 | 3,963 | 3,963 | 3,782 | 3,782 | 23,214 |
| 6 Interest and Fees | | | | | | | |
| 7 RRB1 Interest | 1,255 | 1,197 | 1,207 | 1,206 | 1,141 | 1,060 | 7,066 |
| 8 RRB2 Interest-Whitefield | (1) | (0) | (0) | (0) | (0) | (0) | (1) |
| 9 RRB fees | 75 | 83 | 73 | 73 | 71 | 70 | 445 |
| 10 Total | 1,330 | 1,280 | 1,279 | 1,279 | 1,211 | 1,130 | 7,509 |
| 11 Total SCRC Part 1 cost | \$ 5,089 | \$ 5,243 | \$ 5,243 | \$ 5,242 | \$ 4,994 | \$ 4,912 | \$ 30,723 |

12 Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

2009 SCRC RECONCILIATION

SECURITIZED COSTS

000's

| SCRC Part 1 Amortization of Securitized Assets | Actual July 2009 | Actual August 2009 | Estimate | | | | Total for the twelve months ended 12/31/09 |
|---|------------------------|--------------------------|-------------------|-----------------|------------------|------------------|---|
| | | | September 2009 | October 2009 | November 2009 | December 2009 | |
| 1 Principal | | | | | | | |
| 2 Amortization of Seabrook cost | \$ 3,584 | \$ 3,952 | \$ 3,952 | \$ 3,952 | \$ 3,779 | \$ 3,779 | \$ 44,996 |
| 3 Amortization of MP 3 | 114 | 125 | 125 | 125 | 120 | 120 | 1,428 |
| 4 Amortization of RRB1 financing cost | 84 | 93 | 93 | 93 | 89 | 89 | 1,058 |
| 5 Total | 3,782 | 4,170 | 4,170 | 4,170 | 3,987 | 3,987 | 47,482 |
| 6 Interest and Fees | | | | | | | |
| 7 RRB1 Interest | 1,102 | 1,022 | 1,083 | 1,083 | 1,016 | 1,016 | 13,388 |
| 8 RRB2 Interest-Whitefield | (0) | (0) | - | - | - | - | (1) |
| 9 RRB fees (1) | (295) | 66 | 80 | 80 | 80 | 80 | 537 |
| 10 Total | 807 | 1,088 | 1,164 | 1,164 | 1,096 | 1,096 | 13,923 |
| 11 Total SCRC Part 1 cost | \$ 4,589 | \$ 5,258 | \$ 5,334 | \$ 5,334 | \$ 5,083 | \$ 5,083 | \$ 61,405 |

12 (1) July, 2009 activity reflects credits from the overcollection of issuance and redemption costs of rate reduction bonds resulting from the closing of PSNH's Limited Liability Corporation for RRB 2.

13 Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

2009 SCRC RECONCILIATION

PART 2 ONGOING COSTS

000's

| SCRC Part 2 Ongoing Costs | Actual January 2009 | Actual February 2009 | Actual March 2009 | Actual April 2009 | Actual May 2009 | Actual June 2009 | Total for the six months ended 06/30/09 |
|--|---------------------------|----------------------------|-------------------------|-------------------------|-----------------------|------------------------|--|
| Ongoing Costs - IPP | | | | | | | |
| 1 Amortization and return on IPP | | | | | | | |
| 2 Buydown/Buyout Savings | \$ 241 | \$ 259 | \$ 280 | \$ 300 | \$ 290 | \$ 258 | \$ 1,628 |
| 3 IPP Ongoing costs: | | | | | | | |
| 4 Total IPP Cost | 4,270 | 3,044 | 3,994 | 4,135 | 3,159 | 3,105 | 21,707 |
| 5 less: IPP at Market Cost | 3,498 | 1,410 | 2,137 | 2,154 | 1,754 | 1,258 | 12,211 |
| 6 Above Market IPP Cost | 772 | 1,634 | 1,857 | 1,981 | 1,406 | 1,847 | 9,496 |
| 7 Total Part 2 Costs | \$ 1,013 | \$ 1,892 | \$ 2,137 | \$ 2,281 | \$ 1,696 | \$ 2,105 | \$ 11,123 |
| Ongoing Costs - Return | | | | | | | |
| 8 2008 Adjustment | 9 | - | - | - | - | - | 9 |
| 9 Return on ADIT - Securitized | | | | | | | |
| 10 Stranded Costs | (629) | (618) | (607) | (596) | (585) | (574) | (3,609) |
| 11 Return on Yankee Decommissioning | | | | | | | |
| 12 Obligations and CVEC, net of deferred taxes | (64) | (63) | (62) | (60) | (59) | (58) | (366) |
| 13 Yankee Contract Obligations Adjustment (1) | | - | (313) | - | - | - | (313) |
| 14 Return on SCRC deferred balance | 42 | 38 | 38 | 40 | 43 | 44 | 245 |
| 15 Total Part 2 Return | \$ (643) | \$ (643) | \$ (944) | \$ (616) | \$ (601) | \$ (589) | \$ (4,035) |
| 16 Total Part 2 Ongoing Costs and Return | \$ 370 | \$ 1,249 | \$ 1,193 | \$ 1,665 | \$ 1,095 | \$ 1,516 | \$ 7,088 |

17 (1) Reflects adjustments to decommissioning funding obligations under FERC-approved contracts for MYAPC.

| SCRC Part 2 Ongoing Costs | Actual July 2009 | Actual August 2009 | Estimate | | | | Total for the twelve months ended 12/31/09 |
|---|------------------------|--------------------------|-------------------|-----------------|------------------|------------------|---|
| | | | September 2009 | October 2009 | November 2009 | December 2009 | |
| Ongoing Costs - IPP | | | | | | | |
| 1 Amortization and return on IPP | | | | | | | |
| 2 Buydown/Buyout Savings | \$ 234 | \$ 223 | \$ 225 | \$ 224 | \$ 224 | \$ 223 | \$ 2,981 |
| 3 IPP Ongoing costs: | | | | | | | |
| 4 Total IPP Cost | 3,963 | 3,601 | 2,278 | 2,718 | 3,236 | 3,735 | 41,237 |
| 5 less: IPP at Market Cost | 1,796 | 1,769 | 837 | 1,254 | 1,664 | 2,196 | 21,727 |
| 6 Above Market IPP Cost | 2,167 | 1,832 | 1,441 | 1,464 | 1,572 | 1,539 | 19,511 |
| 7 Total Part 2 Costs | \$ 2,401 | \$ 2,055 | \$ 1,666 | \$ 1,688 | \$ 1,796 | \$ 1,762 | \$ 22,491 |
| Ongoing Costs - Return | | | | | | | |
| 8 2008 Adjustment | - | - | - | - | - | - | 9 |
| 9 Return on ADIT - Securitized | | | | | | | |
| 10 Stranded Costs | (563) | (552) | (540) | (530) | (519) | (508) | (6,820) |
| 11 Return on Yankee Decommissioning | | | | | | | |
| 12 Obligations and CVEC, net of deferred taxes | (58) | (57) | (56) | (55) | (55) | (54) | (701) |
| 13 Yankee Contract Obligations Adjustment | - | - | - | - | - | - | (313) |
| 14 Return on SCRC deferred balance | 45 | 41 | 37 | 34 | 30 | 24 | 454 |
| 15 Total Part 2 Return | \$ (576) | \$ (567) | \$ (559) | \$ (552) | \$ (544) | \$ (538) | \$ (7,371) |
| 16 Total Part 2 Ongoing Costs and Return | \$ 1,825 | \$ 1,488 | \$ 1,106 | \$ 1,137 | \$ 1,252 | \$ 1,225 | \$ 15,120 |
| 17 Amounts shown above may not add due to rounding. | | | | | | | |