

THE STATE OF NEW HAMPSHIRE
BEFORE THE NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION
PREPARED TESTIMONY OF ROBERT A. BAUMANN
2011 STRANDED COST RECOVERY CHARGE RATE CHANGE
Docket No. DE 10-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,
3 Connecticut. I am Director, Revenue Regulation & Load Resources for Northeast
4 Utilities Service Company (NUSCO). NUSCO provides centralized services to the
5 Northeast Utilities (NU) operating subsidiaries, including Public Service Company of
6 New Hampshire (PSNH), The Connecticut Light and Power Company, Yankee Gas
7 Services Company and Western Massachusetts Electric 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
12 the necessary approvals to set the average Stranded Cost Recovery Charge (SCRC)
13 rate that will take effect January 1, 2011.

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

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

15 On June 11, 2010, PSNH filed testimony and schedules requesting a mid-term
16 adjustment to its average SCRC rate effective July 1, 2010 through December 31, 2010
17 as \$0.0121 per kWh. A hearing was held, as noticed, on June 23, 2010. At the hearing,
18 PSNH stated that certain credits related to a RRB financing reserve were inadvertently
19 omitted from the calculation of the SCRC rate. The inclusion of these credits in the
20 calculation resulted in new proposed rate of \$0.0120 per kWh. Order No. 25,120 issued
21 in Docket No. DE 09-179, granted PSNH's request for a new SCRC rate of 1.20 ¢/kWh
22 for the period July 1, 2010 through December 31, 2010.

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

3 A. Attachment RAB-1, pages 1 through 3, provides a summary of 2011 cost information
4 related to Part 1 and Part 2 costs, amortization of securitized assets and ongoing cost
5 activity. Pages 4 through 7 provide the detailed cost information by month related to
6 Part 1, amortization of securitized assets and Part 2, ongoing costs. Attachment RAB-2,
7 Pages 1 through 7 provide the detailed cost and revenue components relating to the
8 2010 SCRC reconciliation.

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

10 A. No, we are not. Attachment RAB-1 provides a preliminary rate calculation; however,
11 prior to the anticipated hearing in December 2010, PSNH plans to update the SCRC rate
12 for changes attributable to IPP over-market costs and will include an update of 2010
13 actual data. This update will be consistent with the market price assumptions embedded
14 in the Energy Service (ES) update and will be filed at the same time as the 2011 ES rate
15 update. The preliminary 2011 SCRC rate provided in this filing is 1.18 cents per kWh
16 and is 0.02 cents per kWh lower than the current rate of 1.20 cents per kWh.

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

18 A. The primary reason for the SCRC rate decrease effective January 1, 2011 is the
19 decrease in the prior year under-recovery, partially offset by lower market prices which in
20 turn increased the over-market portion of purchases from the IPPs.

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

3 A. If a rate adjustment is deemed necessary, PSNH could file a petition for such a
4 change in a manner and on schedule consistent with the modifications to the Energy
5 Service Rate. The Commission could revisit the SCRC rate in an abbreviated
6 investigation. PSNH would submit actual and estimated data on a date specified by the
7 Commission to allow the parties and Staff sufficient time to address the need for an
8 interim adjustment during the 2011 SCRC year.

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

10 A. Yes, PSNH would need final approval of the proposed SCRC rate by December 30,
11 2010, in order to implement the new rate for service rendered on and after January 1,
12 2011. Therefore, PSNH requests that the Commission commence a proceeding so that
13 the procedural schedule can be set to review this filing and approve the SCRC rate in a
14 timely manner.

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

16 A. Yes, it does.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
PROJECTED JANUARY THROUGH DECEMBER 2011 SCRC RATE CALCULATION

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	<u>Total 2011 Stranded Cost</u>	<u>Source</u>
1 Part 1 - Rate Recovery Bonds (RRB)	\$ 61,203	Attachment RAB-1, Page 3
2 Part 2 - Ongoing SCRC Costs	31,167	Attachment RAB-1, Page 3
3 Part 2 - 2010 Estimated SCRC under/(over) Recovery	<u>(656)</u>	Attachment RAB-2, Page 1
4 Total Updated SCRC Cost (L1+L2+L3)	\$ 91,713	
5 Forecasted Retail MWH Sales	7,776,698	
6 Forecasted SCRC Rate - cents per kWh	<u><u>1.18</u></u>	

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
PROJECTED JANUARY THROUGH DECEMBER 2011 SCRC RATE CALCULATION

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<u>SCRC Cost</u>	<u>January 2011</u>	<u>February 2011</u>	<u>March 2011</u>	<u>April 2011</u>	<u>May 2011</u>	<u>June 2011</u>	<u>Total for the six months ended 6/30/11</u>	<u>Source</u>
1 SCRC Part 1 Costs	\$ 5,036	\$ 5,186	\$ 5,186	\$ 5,186	\$ 4,939	\$ 4,939	\$ 30,474	Attachment RAB-1, Page 4
2 SCRC Part 2 Costs	2,326	2,330	2,514	2,577	2,598	2,735	15,081	Attachment RAB-1, Page 6
3 2010 estimated SCRC under(over) Recovery	(656)	-	-	-	-	-	(656)	Attachment RAB-2, Page 1
4 Total SCRC Cost	\$ 6,706	\$ 7,517	\$ 7,701	\$ 7,763	\$ 7,537	\$ 7,675	\$ 44,898	
5 Total SCRC Revenue @ 1.18 cents/kwh	8,480	7,477	7,636	7,015	7,103	7,388	45,099	
6 SCRC under/(over) Recovery	\$ (1,774)	\$ 40	\$ 64	\$ 749	\$ 434	\$ 287	\$ (201)	
7 Retail MWH Sales	718,620	633,627	647,148	594,453	601,981	626,085	3,821,914	

8 Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
PROJECTED JANUARY THROUGH DECEMBER 2011 SCRC RATE CALCULATION

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<u>SCRC Cost</u>	<u>July 2011</u>	<u>August 2011</u>	<u>September 2011</u>	<u>October 2011</u>	<u>November 2011</u>	<u>December 2011</u>	<u>Total for the twelve months ended 12/31/11</u>	<u>Source</u>
1 SCRC Part 1 Costs	\$ 4,939	\$ 5,260	\$ 5,260	\$ 5,260	\$ 5,006	\$ 5,006	\$ 61,203	Attachment RAB-1, Page 5
2 SCRC Part 2 Costs	2,610	2,605	2,767	2,765	2,723	2,616	31,167	Attachment RAB-1, Page 7
3 2010 estimated SCRC under(over) Recovery	-	-	-	-	-	-	(656)	Attachment RAB-2, Page 1
4 Total SCRC Cost	\$ 7,549	\$ 7,864	\$ 8,027	\$ 8,025	\$ 7,728	\$ 7,622	\$ 91,713	
5 Total SCRC Revenue @ 1.18 cents/kwh	8,482	8,409	7,327	7,249	7,191	8,008	91,765	
6 SCRC under/(over) Recovery	\$ (933)	\$ (545)	\$ 700	\$ 776	\$ 537	\$ (386)	\$ (52)	
7 Retail MWH Sales	718,851	712,663	620,893	614,287	609,435	678,655	7,776,698	

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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
PROJECTED JANUARY THROUGH DECEMBER 2011 SCRC RATE CALCULATION

SECURITIZED COSTS

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SCRC Part 1 Amortization of Securitized Assets	January 2011	February 2011	March 2011	April 2011	May 2011	June 2011	Total for the six months ended 6/30/11
1 Principal							
2 Amortization of Seabrook cost	\$ 4,011	\$ 4,218	\$ 4,218	\$ 4,218	\$ 4,052	\$ 4,052	\$ 24,771
3 Amortization of MP 3	127	134	134	134	129	129	786
4 Amortization of RRB1 financing cost	94	99	99	99	95	95	583
5 Total	4,232	4,451	4,451	4,451	4,276	4,276	26,139
6 Interest and Fees							
7 RRB1 Interest	747	678	678	678	606	606	3,992
8 RRB fees	57	57	57	57	57	57	342
9 Total	804	735	735	735	663	663	4,334
10 Total SCRC Part 1 cost	\$ 5,036	\$ 5,186	\$ 5,186	\$ 5,186	\$ 4,939	\$ 4,939	\$ 30,474

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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
PROJECTED JANUARY THROUGH DECEMBER 2011 SCRC RATE CALCULATION

SECURITIZED COSTS

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SCRC Part 1 Amortization of Securitized Assets	July 2011	August 2011	September 2011	October 2011	November 2011	December 2011	Total for the twelve months ended 12/31/11
1 Principal							
2 Amortization of Seabrook cost	\$ 4,052	\$ 4,422	\$ 4,422	\$ 4,422	\$ 4,253	\$ 4,253	\$ 50,593
3 Amortization of MP 3	129	140	140	140	135	135	1,606
4 Amortization of RRB1 financing cost	95	104	104	104	100	100	1,190
5 Total	4,276	4,666	4,666	4,666	4,488	4,488	53,389
6 Interest and Fees							
7 RRB1 Interest	606	537	537	537	461	461	7,130
8 RRB fees	57	57	57	57	57	57	684
9 Total	663	594	594	594	518	518	7,814
10 Total SCRC Part 1 cost	\$ 4,939	\$ 5,260	\$ 5,260	\$ 5,260	\$ 5,006	\$ 5,006	\$ 61,203

11 Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
PROJECTED JANUARY THROUGH DECEMBER 2011 SCRC RATE CALCULATION

PART 2 ONGOING COSTS

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SCRC Part 2 Ongoing Costs	January 2011	February 2011	March 2011	April 2011	May 2011	June 2011	Total for the six months ended 06/30/11
Ongoing Costs - IPP							
1 Amortization and return on IPP	\$ 221	\$ 221	\$ 221	\$ 221	\$ 221	\$ 221	\$ 1,328
2 Buydown/Buyout Savings							
3 IPP Ongoing costs:							
4 Total IPP Cost	5,210	5,216	5,038	4,988	4,981	5,035	30,468
5 less: IPP at Market Cost	2,714	2,725	2,375	2,276	2,262	2,191	14,543
6 Above Market IPP Cost	2,496	2,491	2,663	2,712	2,719	2,844	15,925
7 Total Part 2 Costs	<u>\$ 2,717</u>	<u>\$ 2,712</u>	<u>\$ 2,884</u>	<u>\$ 2,933</u>	<u>\$ 2,940</u>	<u>\$ 3,065</u>	<u>\$ 17,253</u>
Ongoing Costs - Return							
8 Return on ADIT - Securitized							
9 Stranded Costs	(352)	(341)	(329)	(318)	(306)	(295)	(1,941)
10 Return on Yankee Decommissioning							
11 Obligations and CVEC, net of deferred taxes	(34)	(34)	(34)	(34)	(34)	(34)	(206)
12 Return on SCRC deferred balance	(5)	(7)	(7)	(5)	(2)	(1)	(26)
13 Total Part 2 Return	<u>\$ (391)</u>	<u>\$ (382)</u>	<u>\$ (370)</u>	<u>\$ (357)</u>	<u>\$ (343)</u>	<u>\$ (330)</u>	<u>\$ (2,172)</u>
14 Total Part 2 Ongoing Costs and Return	<u>\$ 2,326</u>	<u>\$ 2,330</u>	<u>\$ 2,514</u>	<u>\$ 2,577</u>	<u>\$ 2,598</u>	<u>\$ 2,735</u>	<u>\$ 15,081</u>
15 Amounts shown above may not add due to rounding.							

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
PROJECTED JANUARY THROUGH DECEMBER 2011 SCRC RATE CALCULATION

PART 2 ONGOING COSTS

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SCRC Part 2 Ongoing Costs	July 2011	August 2011	September 2011	October 2011	November 2011	December 2011	Total for the twelve months ended 12/31/11
Ongoing Costs - IPP							
1 Amortization and return on IPP							
2 Buydown/Buyout Savings	\$ 221	\$ 221	\$ 221	\$ 221	\$ 221	\$ 221	\$ 2,656
3 IPP Ongoing costs:							
4 Total IPP Cost	5,175	5,190	5,035	5,051	5,110	5,231	61,260
5 less: IPP at Market Cost	2,466	2,495	2,190	2,223	2,339	2,578	28,834
6 Above Market IPP Cost	2,709	2,695	2,845	2,828	2,771	2,653	32,426
7 Total Part 2 Costs	<u>\$ 2,930</u>	<u>\$ 2,916</u>	<u>\$ 3,066</u>	<u>\$ 3,049</u>	<u>\$ 2,992</u>	<u>\$ 2,874</u>	<u>\$ 35,082</u>
Ongoing Costs - Return							
8 Return on ADIT - Securitized							
9 Stranded Costs	(284)	(272)	(260)	(248)	(236)	(225)	(3,466)
10 Return on Yankee Decommissioning							
11 Obligations and CVEC, net of deferred taxes	(34)	(34)	(34)	(34)	(34)	(34)	(411)
12 Return on SCRC deferred balance	(2)	(5)	(5)	(2)	1	1	(38)
13 Total Part 2 Return	<u>\$ (320)</u>	<u>\$ (312)</u>	<u>\$ (299)</u>	<u>\$ (284)</u>	<u>\$ (270)</u>	<u>\$ (258)</u>	<u>\$ (3,915)</u>
14 Total Part 2 Ongoing Costs and Return	<u>\$ 2,610</u>	<u>\$ 2,605</u>	<u>\$ 2,767</u>	<u>\$ 2,765</u>	<u>\$ 2,723</u>	<u>\$ 2,616</u>	<u>\$ 31,167</u>

15 Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

2010 SCRC RECONCILIATION

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	<u>Stranded Cost</u>	<u>Source</u>
1 Part 1 - Rate Recovery Bonds (RRB)	\$ 61,063	Attachment RAB-2, Page 3
2 Part 2 - Ongoing SCRC Costs	27,640	Attachment RAB-2, Page 3
3 Part 2 - 2009 Actual SCRC under/(over) Recovery	<u>3,883</u>	Attachment RAB-2, Page 3
4 Total Updated SCRC Cost (L1+L2+L3)	\$ 92,586	
5 Total Updated SCRC Revenue	<u>93,242</u>	Attachment RAB-2, Page 3
6 Total 2010 Estimated SCRC under/(over) Recovery (L4 - L5)	<u>(656)</u>	

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

2010 SCRC RECONCILIATION

000s

<u>SCRC Cost</u>	<u>Actual January 2010</u>	<u>Actual February 2010</u>	<u>Actual March 2010</u>	<u>Actual April 2010</u>	<u>Actual May 2010</u>	<u>Actual June 2010</u>	<u>Total for the six months ended 6/30/10</u>	<u>Source</u>
1 SCRC Part 1 Costs	\$ 4,999	\$ 5,149	\$ 5,149	\$ 5,171	\$ 4,896	\$ 4,896	\$ 30,261	Attachment RAB-2, Page 4
2 SCRC Part 2 Costs	1,721	1,975	3,150	2,702	2,229	2,206	13,984	Attachment RAB-2, Page 6
3 2009 Actual SCRC under(over) Recovery	<u>3,883</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,883</u>	
4 Total SCRC Cost	\$ 10,603	\$ 7,124	\$ 8,300	\$ 7,874	\$ 7,125	\$ 7,102	\$ 48,127	
5 Total SCRC Revenue @ 1.18 cents/kwh	<u>8,303</u>	<u>7,125</u>	<u>7,344</u>	<u>6,777</u>	<u>7,353</u>	<u>7,928</u>	<u>44,830</u>	
6 SCRC under/(over) Recovery	\$ 2,300	\$ (1)	\$ 956	\$ 1,097	\$ (229)	\$ (827)	\$ 3,297	
7 Retail MWH Sales	696,711	611,006	623,942	572,907	620,617	661,878	3,787,060	

8 Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

2010 SCRC RECONCILIATION

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<u>SCRC Cost</u>	Actual July 2010	Actual August 2010	Estimate				Total for the twelve months ended 12/31/10	Source
			September 2010	October 2010	November 2010	December 2010		
1 SCRC Part 1 Costs	\$ 4,896	\$ 5,224	\$ 5,295	\$ 5,295	\$ 5,046	\$ 5,046	\$ 61,063	Attachment RAB-2, Page 5
2 SCRC Part 2 Costs	2,109	2,046	1,957	2,319	2,647	2,578	27,640	Attachment RAB-2, Page 7
3 2009 Actual SCRC under(over) Recovery	-	-	-	-	-	-	3,883	
4 Total SCRC Cost	\$ 7,004	\$ 7,271	\$ 7,252	\$ 7,615	\$ 7,693	\$ 7,624	\$ 92,586	
5 Total SCRC Revenue @ 1.20 cents/kwh	9,446	8,711	7,457	7,345	7,279	8,174	93,242	
6 SCRC under/(over) Recovery	\$ (2,442)	\$ (1,441)	\$ (205)	\$ 270	\$ 415	\$ (550)	\$ (656)	
7 Retail MWH Sales	787,573	724,536	621,452	612,071	606,545	681,194	7,820,431	

8 Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

2010 SCRC RECONCILIATION

SECURITIZED COSTS

000s

SCRC Part 1 Amortization of Securitized Assets	Actual January 2010	Actual February 2010	Actual March 2010	Actual April 2010	Actual May 2010	Actual June 2010	Total for the six months ended 6/30/10
1 <u>Principal</u>							
2 Amortization of Seabrook cost	\$ 3,778	\$ 3,982	\$ 3,982	\$ 3,982	\$ 3,812	\$ 3,812	\$ 23,346
3 Amortization of MP 3	120	126	126	126	121	121	742
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	948	886	887	887	815	815	5,237
8 RRB fees	64	61	61	83	59	59	386
9 Total	1,012	947	948	970	873	873	5,623
10 Total SCRC Part 1 cost	<u>\$ 4,999</u>	<u>\$ 5,149</u>	<u>\$ 5,149</u>	<u>\$ 5,171</u>	<u>\$ 4,896</u>	<u>\$ 4,896</u>	<u>\$ 30,261</u>

11 Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

2010 SCRC RECONCILIATION

SECURITIZED COSTS

000s

SCRC Part 1 Amortization of Securitized Assets	Actual July 2010	Actual August 2010	Estimate				Total for the twelve months ended 12/31/10
			September 2010	October 2010	November 2010	December 2010	
1 Principal							
2 Amortization of Seabrook cost	\$ 3,812	\$ 4,180	\$ 4,180	\$ 4,180	\$ 4,011	\$ 4,011	\$ 47,718
3 Amortization of MP 3	121	133	133	133	127	127	1,516
4 Amortization of RRB1 financing cost	90	98	98	98	94	94	1,123
5 Total	4,022	4,411	4,411	4,411	4,232	4,232	50,357
6 Interest and Fees							
7 RRB1 Interest	815	753	818	818	747	747	9,934
8 RRB fees	59	61	67	67	67	67	773
9 Total	873	814	885	885	813	813	10,707
10 Total SCRC Part 1 cost	\$ 4,896	\$ 5,224	\$ 5,295	\$ 5,295	\$ 5,046	\$ 5,046	\$ 61,063

11 Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

2010 SCRC RECONCILIATION

PART 2 ONGOING COSTS

000s

SCRC Part 2 Ongoing Costs	Actual January 2010	Actual February 2010	Actual March 2010	Actual April 2010	Actual May 2010	Actual June 2010	Total for the six months ended 06/30/10
Ongoing Costs - IPP							
1 Amortization and return on IPP							
2 Buydown/Buyout Savings	\$ 237	\$ 249	\$ 274	\$ 292	\$ 272	\$ 241	\$ 1,566
3 IPP Ongoing costs:							
4 Total IPP Cost	5,441	4,488	5,470	5,214	4,772	4,570	29,955
5 less: IPP at Market Cost	3,439	2,244	2,089	2,315	2,340	2,146	14,573
6 Above Market IPP Cost	2,002	2,245	3,381	2,899	2,432	2,424	15,382
7 Total Part 2 Costs	<u>\$ 2,239</u>	<u>\$ 2,494</u>	<u>\$ 3,654</u>	<u>\$ 3,191</u>	<u>\$ 2,704</u>	<u>\$ 2,666</u>	<u>\$ 16,948</u>
Ongoing Costs - Return							
8 2009 Adjustment	11	-	-	-	-	-	11
9 Return on ADIT - Securitized							
10 Stranded Costs	(490)	(478)	(467)	(456)	(445)	(428)	(2,764)
11 Return on Yankee Decommissioning							
12 Obligations and CVEC, net of deferred taxes	(51)	(50)	(49)	(49)	(48)	(47)	(294)
13 Yankee Contract Obligations Adjustment (1)	(2)	-	-	-	-	-	(2)
14 Return on SCRC deferred balance	13	10	12	16	18	16	84
15 Total Part 2 Return	<u>\$ (518)</u>	<u>\$ (519)</u>	<u>\$ (504)</u>	<u>\$ (489)</u>	<u>\$ (475)</u>	<u>\$ (460)</u>	<u>\$ (2,965)</u>
16 Total Part 2 Ongoing Costs and Return	<u>\$ 1,721</u>	<u>\$ 1,975</u>	<u>\$ 3,150</u>	<u>\$ 2,702</u>	<u>\$ 2,229</u>	<u>\$ 2,206</u>	<u>\$ 13,984</u>

17 (1) Reflects an adjustment to the amortization balance associated with a funding obligation under the Maine Yankee FERC settlement.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

2010 SCRC RECONCILIATION

PART 2 ONGOING COSTS

000s

SCRC Part 2 Ongoing Costs	Actual July 2010	Actual August 2010	Estimate				Total for the twelve months ended 12/31/10
			September 2010	October 2010	November 2010	December 2010	
Ongoing Costs - IPP							
1 Amortization and return on IPP	\$ 216	\$ 211	\$ 211	\$ 221	\$ 238	\$ 250	\$ 2,913
2 Buydown/Buyout Savings							
3 IPP Ongoing costs:							
4 Total IPP Cost	4,486	3,902	3,671	4,379	5,119	5,486	56,998
5 less: IPP at Market Cost	2,133	1,610	1,474	1,843	2,287	2,747	26,667
6 Above Market IPP Cost	2,353	2,292	2,197	2,536	2,832	2,739	30,331
7 Total Part 2 Costs	\$ 2,569	\$ 2,502	\$ 2,408	\$ 2,757	\$ 3,070	\$ 2,989	\$ 33,243
Ongoing Costs - Return							
8 2009 Adjustment	-	-	-	-	-	-	11
9 Return on ADIT - Securitized							
10 Stranded Costs	(423)	(411)	(403)	(390)	(378)	(367)	(5,136)
11 Return on Yankee Decommissioning							
12 Obligations and CVEC, net of deferred taxes	(46)	(45)	(45)	(44)	(43)	(42)	(560)
13 Yankee Contract Obligations Adjustment	-	-	-	-	-	-	(2)
14 Return on SCRC deferred balance	9	0	(3)	(3)	(2)	(2)	83
15 Total Part 2 Return	\$ (460)	\$ (456)	\$ (451)	\$ (437)	\$ (423)	\$ (411)	\$ (5,603)
16 Total Part 2 Ongoing Costs and Return	\$ 2,109	\$ 2,046	\$ 1,957	\$ 2,319	\$ 2,647	\$ 2,578	\$ 27,640

17 Amounts shown above may not add due to rounding.