

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
2011 ENERGY SERVICE RATE CALCULATION
(Dollars in 000s)

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9				
10	Summary of Forecasted Energy Service			
11	Cost For January 2011 Through December 2011	TOTAL COST	Cents per KWH	Reference
12				
13	Fossil energy costs	\$ 131,573	2.47	Attachment RAB-2, page 2
14	F/H O&M, depreciation & taxes	149,339	2.81	Attachment RAB-2, page 2
15	Return on rate base	43,430	0.82	Attachment RAB-2, page 2
16	ISO-NE ancillary	6,672	0.13	Attachment RAB-2, page 2
17	Capacity	13,075	0.25	Attachment RAB-2, page 2
18	NH RPS	10,602	0.20	Attachment RAB-2, page 2
19	RGGI costs	3,303	0.06	Attachment RAB-2, page 2
20	Vermont Yankee	7,603	0.14	Attachment RAB-2, page 2
21	IPP costs (1)	29,518	0.55	Attachment RAB-2, page 2
22	Purchases and sales	60,291	1.13	Attachment RAB-2, page 2
23	Return on ES Deferral	(124)	(0.00)	Attachment RAB-2, page 2
24				
25	Total Forecasted Energy Service Cost	\$ 455,282	8.56	
26				
27	2010 ES Over/Under Recovery	6,041	0.11	Attachment RAB-3, page 1
28				
29	Net Forecasted Energy Service Cost	\$ 461,323		
30				
31	Forecasted Retail MWH Sales	5,318,921	8.67	
32				
33				
34	Forecasted Energy Service Rate -			
35	cents Per KWH (line 29 / Line 31)	8.67		

(1) 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						
	2011 ENERGY SERVICE RATE CALCULATION						
	(Dollars in 000s)						
	January	February	March	April	May	June	
	2011	2011	2011	2011	2011	2011	
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Reference
10 Energy Service Cost							
11							
12 Fossil energy costs	\$ 14,547	\$ 12,730	\$ 11,797	\$ 9,394	\$ 7,395	\$ 11,868	RAB-2, P3
13 F/H O&M, depreciation & taxes	10,302	9,718	16,041	12,660	10,445	10,613	RAB-2, P5
14 Return on rate base	3,656	3,646	3,588	3,544	3,568	3,615	RAB-2, P6
15 ISO-NE ancillary (inc. Congestion and Loss Adj.)	653	584	495	441	295	786	RAB-2, P3
16 Capacity	993	1,070	783	815	816	1,253	RAB-2, P3
17 NH RPS	987	874	881	810	813	858	RAB-2, P3
18 RGGI costs	358	319	292	257	196	296	RAB-2, P3
19 Vermont Yankee	693	649	692	669	683	645	RAB-2, P3
20 IPP costs (1)	3,201	2,902	2,727	2,460	2,165	1,897	RAB-2, P4
21 Purchases and sales	2,924	2,692	3,185	4,316	6,767	3,750	RAB-2, P3
22 Return on ES Deferral	(5)	(10)	(10)	(9)	(10)	(14)	
23							
24 Total Energy Service Cost	\$ 38,307	\$ 35,174	\$ 40,472	\$ 35,359	\$ 33,132	\$ 35,567	
25							
26 Forecasted Retail MWH Sales	495,069	438,570	441,944	406,564	407,751	430,440	
27							
28 Energy Service Cost - cents per kwh	7.74	8.02	9.16	8.70	8.13	8.26	

(1) The IPP costs represent the forecasted market value of IPP generation.

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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
2011 ENERGY SERVICE RATE CALCULATION
(Dollars in 000s)

	July 2011 Estimate	August 2011 Estimate	September 2011 Estimate	October 2011 Estimate	November 2011 Estimate	December 2011 Estimate	Total	Reference
10 <u>Energy Service Cost</u>								
11								
12 Fossil energy costs	\$ 13,585	\$ 13,233	\$ 9,756	\$ 6,161	\$ 7,278	\$ 13,829	\$ 131,573	RAB-2, P3
13 F/H O&M, depreciation & taxes	11,532	11,248	17,708	18,286	10,251	10,534	149,339	RAB-2, P5
14 Return on rate base	3,639	3,629	3,621	3,611	3,637	3,676	43,430	RAB-2, P6
15 ISO-NE ancillary (inc. Congestion and Loss Adj.)	855	856	690	174	261	582	6,672	RAB-2, P3
16 Capacity	1,259	1,259	1,259	1,190	1,190	1,190	13,075	RAB-2, P3
17 NH RPS	973	943	850	837	839	937	10,602	RAB-2, P3
18 RGGI costs	331	327	248	151	180	348	3,303	RAB-2, P3
19 Vermont Yankee	679	662	646	221	670	693	7,603	RAB-2, P3
20 IPP costs (1)	2,332	2,304	1,875	2,171	2,550	2,934	29,518	RAB-2, P4
21 Purchases and sales	5,148	5,073	6,273	9,515	8,032	2,616	60,291	RAB-2, P3
22 Return on ES Deferral	(17)	(19)	(16)	(6)	(2)	(7)	(124)	
23								
24 Total Energy Service Cost	\$ 40,316	\$ 39,514	\$ 42,911	\$ 42,312	\$ 34,886	\$ 37,332	\$ 455,282	
25								
26 Forecasted Retail MWH Sales	488,398	472,894	426,477	419,674	420,876	470,266	5,318,921	
27								
28 Energy Service Cost - cents per kwh	8.25	8.36	10.06	10.08	8.29	7.94	8.56	

(1) The IPP costs represent the forecasted market value of IPP generation.

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PUBLIC SERVICE RATE COMPANY OF NEW HAMPSHIRE
2011 ENERGY SERVICE RATE CALCULATION

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

		Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Total	
1															
2	Hydro:	Energy	31.124	26.488	34.815	39.686	37.382	28.327	22.178	19.888	16.457	23.078	32.32	31.206	342.949
3															
4	Coal:	Energy	344.472	311.136	284.155	258.208	197.071	288.175	307.882	312.629	248.642	151.112	180.398	344.472	3,228.354
5		Energy Expense	\$ 12.623	11.361	10.401	9,369	6,979	10,592	11,292	11,457	9,008	5,339	6,483	12,623	117,528
6															
7	Wood:	Energy	27.951	25.246	27.951	0.827	14.164	25.436	26.283	26.283	25.436	27.951	27.050	27.951	282.530
8		Energy Expense	\$ 1,353	1,222	1,353	40	686	1,232	1,273	1,273	1,232	1,353	1,310	1,353	13,680
9		Revenue Credit	\$ (531)	(480)	(531)	(16)	(269)	(483)	(499)	(499)	(483)	(531)	(514)	(531)	(5,368)
10															
11	Nuclear:	Energy	15.3487	14.37408	15.33384	14.8176	15.12552	14.2848	15.0288	14.66424	14.3136	4.9056	14.8464	15.34872	168.392
12		Energy Expense	\$ 693	649	692	669	683	645	679	662	646	221	670	693	7,603
13															
14	Newington:	Energy	15.113	8.463	9.068	0.000	0.000	8.463	24.180	15.717	0.000	0.000	0.000	4.836	85.839
15		Energy Expense	\$ 1,102	626	574	-	-	528	1,520	1,002	-	-	-	383	5,733
16															
17	IPP's:	Energy	56.640	50.537	58.117	52.328	46.705	42.718	46.731	45.667	42.349	48.492	51.180	54.130	595.594
18		Energy Expense	\$ 3,013	2,699	2,507	2,230	1,935	1,794	2,229	2,201	1,772	2,000	2,378	2,763	27,522
19		ICAP	\$ 188	203	220	229	229	103	103	103	103	171	171	171	1,996
20															
21	Peak Purchase:	Energy	11.857	9.846	4.101	14.904	40.906	13.397	30.474	28.770	39.855	71.804	54.201	10.718	330.834
22		Expense	\$ 728	627	216	728	1,983	690	1,725	1,703	2,034	3,311	2,833	716	17,293
23															
24	Known Purchases	Energy	41.635	38.048	42.157	39.432	38.287	39.088	34.678	39.478	37.488	37.618	39.432	40.296	467.638
25		Expense	\$ 3,328	3,086	3,464	3,213	3,152	3,249	2,909	3,324	3,111	3,117	3,213	3,258	38,423
26															
27	Offpeak Purchase:	Energy	10.900	7.547	12.693	18.121	41.523	13.093	23.566	21.266	30.381	79.268	56.217	7.622	322.196
28		Expense	\$ 639	444	553	736	1,636	522	1,103	1,033	1,262	3,108	2,440	442	13,918
29															
30	Surplus Energy Sales	Energy	(31.704)	(28.073)	(21.212)	(8.545)	(0.129)	(17.964)	(14.716)	(24.467)	(4.093)	(0.592)	(10.737)	(39.462)	(201.694)
31		(Credit)	\$ (1,771)	(1,465)	(1,048)	(359)	(4)	(711)	(589)	(988)	(134)	(20)	(453)	(1,800)	(9,342)
32															
33	Congestion and Loss Adjustment		\$ 356	320	215	147	49	181	217	227	88	(53)	48	341	2,135
34															
35	Total Energy GWH		523.337	463.612	467.179	429.778	431.033	455.018	516.285	499.896	450.829	443.638	444.908	497.118	5,622.632
36	Total Energy Expense	\$	21,720	19,293	18,616	16,986	17,059	18,341	21,960	21,498	18,638	18,016	18,579	20,412	231,120
37															
38															
39	ISO-NE Ancillary	\$	297	264	281	294	246	605	638	629	602	227	213	242	4,538
40	NH RPS	\$	987	874	881	810	813	858	973	943	850	837	839	937	10,602
41	RGGI Costs	\$	358	319	292	257	196	296	331	327	248	151	180	348	3,303
42															
43	Capacity (sold)/bought MW-mo		271	271	182	182	182	350	350	350	350	331	331	331	3,479
44	Capacity (sold)/bought Cost (\$000)	\$	993	1,070	783	815	816	1,253	1,259	1,259	1,259	1,190	1,190	1,190	13,075

Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
2011 ENERGY SERVICE RATE CALCULATION

1 **Forecasted PSNH IPP Market Value - January - December 2011**

IPP Energy at							
Month	IPP GWh	Mkt Value (\$000)	Capacity MW	ICAP Value \$/kw-mo	ICAP (\$000)	Total (\$000)	Total \$/MWh
January	56.640	3,013	51.3	3.67	188	3,201	56.51
February	50.537	2,699	51.3	3.95	203	2,902	57.42
March	58.117	2,507	51.3	4.30	220	2,727	46.93
April	52.328	2,230	51.3	4.47	229	2,460	47.00
May	46.705	1,935	51.3	4.48	229	2,165	46.35
June	42.718	1,794	28.7	3.58	103	1,897	44.41
July	46.731	2,229	28.7	3.60	103	2,332	49.90
August	45.667	2,201	28.7	3.60	103	2,304	50.46
September	42.349	1,772	28.7	3.60	103	1,875	44.28
October	48.492	2,000	47.6	3.60	171	2,171	44.78
November	51.180	2,378	47.6	3.60	171	2,550	49.82
December	54.130	2,763	47.6	3.60	171	2,934	54.20
Total	595.594	27,522			1,996	29,518	49.56

Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
2011 ENERGY SERVICE RATE CALCULATION
Fossil / Hydro O&M, Depreciation & Taxes Detail
(Dollars in 000s)

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	January 2011 Estimate	February 2011 Estimate	March 2011 Estimate	April 2011 Estimate	May 2011 Estimate	June 2011 Estimate	July 2011 Estimate	August 2011 Estimate	September 2011 Estimate	October 2011 Estimate	November 2011 Estimate	December 2011 Estimate	Total
Fossil / Hydro O&M, Depr. & Taxes													
F/H Operation & Maintenance Cost	\$ 7,486	\$ 6,888	\$ 13,093	\$ 9,641	\$ 7,445	\$ 7,450	\$ 8,398	\$ 8,227	\$ 14,538	\$ 15,274	\$ 7,271	\$ 7,349	\$ 113,060
F/H Depreciation Cost	1,862	1,862	1,863	1,863	1,870	1,885	1,887	1,889	1,889	1,898	1,902	1,933	22,603
F/H Property Taxes	762	762	762	962	962	962	962	962	962	962	962	962	10,941
F/H Payroll Taxes	191	205	177	195	169	168	286	172	169	153	117	137	2,137
Amort. of Asset Retirement Obligation	-	-	145	-	-	148	-	-	151	-	-	153	597
Total F/H O&M, Depr. and Taxes	\$ 10,302	\$ 9,718	\$ 16,041	\$ 12,660	\$ 10,445	\$ 10,613	\$ 11,532	\$ 11,248	\$ 17,708	\$ 18,286	\$ 10,251	\$ 10,534	\$ 149,339

Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
2011 ENERGY SERVICE RATE CALCULATION
FOSSIL/HYDRO RETURN ON RATE BASE
(Dollars in 000s)

	January 2011 Estimate	February 2011 Estimate	March 2011 Estimate	April 2011 Estimate	May 2011 Estimate	June 2011 Estimate	July 2011 Estimate	August 2011 Estimate	September 2011 Estimate	October 2011 Estimate	November 2011 Estimate	December 2011 Estimate	Total
Return on Rate Base													
Rate base													
Net Plant	304,337	302,924	301,512	303,316	307,464	306,320	305,437	304,437	306,740	308,994	316,113	315,713	
Working Capital Allow. (45 days of O&M)	13,939	13,939	13,939	13,939	13,939	13,939	13,939	13,939	13,939	13,939	13,939	13,939	
Fossil Fuel Inventory	55,326	54,628	47,108	47,141	47,178	47,216	47,253	47,291	47,321	47,353	47,396	47,446	
Mat'ls and Supplies	55,501	55,552	55,677	55,823	56,037	56,427	56,520	56,635	56,927	57,029	57,355	58,198	
Prepayments	2,428	2,428	2,428	2,428	2,428	2,428	2,428	2,428	2,428	2,428	2,428	2,428	
Deferred Taxes	(17,123)	(15,961)	(16,020)	(15,918)	(14,905)	(18,194)	(17,048)	(15,788)	(17,418)	(20,177)	(19,210)	(17,099)	
Other Regulatory Obligations	(17,551)	(18,844)	(20,337)	(21,549)	(22,778)	(12,567)	(14,034)	(15,487)	(17,158)	(18,411)	(19,653)	(20,936)	
Total Rate Base (L15 thru L22)	396,856	394,665	384,306	385,179	389,363	395,568	394,495	393,454	392,779	391,154	398,366	399,688	
Average Rate Base (prev + curr month)	396,856	395,761	389,486	384,743	387,271	392,465	395,032	393,975	393,116	391,967	394,760	399,027	
x Return	0.9212%	0.9212%	0.9212%	0.9212%	0.9212%	0.9212%	0.9212%	0.9212%	0.9212%	0.9212%	0.9212%	0.9212%	
Return (L25 x L26)	\$ 3,656	\$ 3,646	\$ 3,588	\$ 3,544	\$ 3,568	\$ 3,615	\$ 3,639	\$ 3,629	\$ 3,621	\$ 3,611	\$ 3,637	\$ 3,676	\$ 43,430

Amounts shown above may not add due to rounding.

1	PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE			
2	ENERGY SERVICE RATE CALCULATION			
3	(Dollars in 000s)			
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9				
10	Summary of Actual and Forecasted Energy Service			
11	Cost For January 2010 Through December 2010	TOTAL COST	Cents per KWH	Reference
12				
13	Fossil energy costs	\$ 167,219	3.09	Attachment RAB-3, page 2
14	F/H O&M, depreciation & taxes	136,047	2.51	Attachment RAB-3, page 2
15	Return on rate base	41,499	0.77	Attachment RAB-3, page 2
16	ISO-NE ancillary	1,168	0.02	Attachment RAB-3, page 2
17	Capacity	13,162	0.24	Attachment RAB-3, page 2
18	NH RPS	9,849	0.18	Attachment RAB-3, page 2
19	RGGI costs	4,814	0.09	Attachment RAB-3, page 2
20	Vermont Yankee	6,739	0.12	Attachment RAB-3, page 2
21	IPP costs	28,267	0.52	Attachment RAB-3, page 2
22	Purchases and sales	87,630	1.62	Attachment RAB-3, page 2
23	Return on ES Deferral	387	0.01	Attachment RAB-3, page 2
24	Merrimack projected O&M insurance proceeds	(6,500)	(0.12)	Attachment RAB-3, page 2
25	Merrimack projected RPC insurance proceeds	(8,700)	(0.16)	Attachment RAB-3, page 2
26	2009 Actual ES under/(over) recovery	4,442	0.08	Attachment RAB-3, page 2
27				
28	Total Updated Energy Service Cost	\$ 486,021	8.98	
29	Total Updated Revenue	479,980		
30	Energy Service (Over)/Under Recovery	<u>\$ 6,041</u>		
31				

Amounts shown above may not add due to rounding.

	PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE						
	ENERGY SERVICE RATE CALCULATION						
	(Dollars in 000s)						
	January	February	March	April	May	June	
	2010	2010	2010	2010	2010	2010	
	Actual	Actual	Actual	Actual	Actual	Actual	Reference
10 Energy Service Cost							
12 Fossil energy costs	\$ 17,469	\$ 16,634	\$ 16,341	\$ 12,032	\$ 12,358	\$ 15,498	RAB-3, P3
13 F/H O&M, depreciation & taxes	10,525	9,974	10,983	12,916	12,943	13,037	RAB-3, P5
14 Return on rate base	3,517	3,519	3,206	3,348	3,348	3,433	RAB-3, P6
15 ISO-NE ancillary (inc. Congestion and Loss Adj.)	(591)	124	154	(142)	109	(79)	RAB-3, P3
16 Capacity	2,290	1,673	1,779	1,086	1,264	1,092	RAB-3, P3
17 NH RPS	994	994	994	994	994	(609)	RAB-3, P3
18 RGGI costs	550	528	538	493	466	523	RAB-3, P3
19 Vermont Yankee	646	563	655	485	46	636	RAB-3, P3
20 IPP costs (1)	3,743	2,244	2,089	2,315	2,340	2,146	RAB-3, P4
21 Purchases and sales (2)	9,062	5,537	4,264	6,501	8,400	5,527	RAB-3, P3
22 Return on ES Deferral	15	18	22	26	32	38	
23 Merrimack projected O&M insurance proceeds	-	-	-	-	-	-	
24 Merrimack projected RPC insurance proceeds	-	-	-	-	-	-	
25 2009 Actual ES under/(over) recovery	4,442	-	-	-	-	-	
27 Total Energy Service Cost Re-estimate	\$ 52,662	\$ 41,808	\$ 41,025	\$ 40,054	\$ 42,300	\$ 41,242	
29 Total Energy Service Revenue	47,803	39,681	39,333	34,987	37,497	40,506	
31 ES Under/(Over) Recovery	4,859	2,127	1,692	5,067	4,803	736	
33 Retail MWH Sales	533,440	442,851	438,928	390,467	418,512	452,042	
35 Energy Service Cost - cents per kwh	9.87	9.44	9.35	10.26	10.11	9.12	

(1) January 2010 IPP costs include \$305k of ES true-up to actual.

(2) Includes Seabrook Credits of \$77K in September 2010.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
2010 ENERGY SERVICE RATE CALCULATION
(Dollars in 000s)

	July 2010 Actual	August 2010 Actual	September 2010 Actual	October 2010 Actual	November 2010 Actual	December 2010 Re-Estimate	Total	Reference
10 Energy Service Cost								
12 Fossil energy costs	\$ 18,532	\$ 16,838	\$ 12,694	\$ 4,447	\$ 8,301	\$ 16,075	\$ 167,219	RAB-3, P3
13 F/H O&M, depreciation & taxes	10,988	10,453	10,497	13,680	10,928	9,122	136,047	RAB-3, P5
14 Return on rate base	3,517	3,517	3,504	3,531	3,531	3,528	41,499	RAB-3, P6
15 ISO-NE ancillary (inc. Congestion and Loss Adj.)	162	460	797	191	(465)	448	1,168	RAB-3, P3
16 Capacity	366	801	701	560	531	1,019	13,162	RAB-3, P3
17 NH RPS	828	828	1,239	874	874	845	9,849	RAB-3, P3
18 RGGI costs	578	550	(324)	261	305	346	4,814	RAB-3, P3
19 Vermont Yankee	634	653	605	595	551	670	6,739	RAB-3, P3
20 IPP costs	2,133	1,610	1,949	1,613	3,002	3,083	28,267	RAB-3, P4
21 Purchases and sales	9,113	7,608	7,088	11,235	9,666	3,629	87,630	RAB-3, P3
22 Return on ES Deferral	37	35	37	41	43	43	387	
23 Merrimack projected O&M insurance proceeds	-	-	-	-	-	(6,500)	(6,500)	
24 Merrimack projected RPC insurance proceeds	-	-	-	-	-	(8,700)	(8,700)	
25 2009 Actual ES under/(over) recovery	-	-	-	-	-	-	4,442	
27 Total Energy Service Cost Re-estimate	\$ 46,888	\$ 43,353	\$ 38,786	\$ 37,028	\$ 37,267	\$ 23,608	\$ 486,021	
29 Total Energy Service Revenue at 8.78	\$ 48,875	\$ 43,978	\$ 36,517	\$ 34,252	\$ 35,463	\$ 41,088	\$ 479,980	
31 ES Under/(Over) Recovery	\$ (1,987)	\$ (625)	\$ 2,269	\$ 2,776	\$ 1,804	\$ (17,480)	\$ 6,041	
33 Retail MWH Sales	556,540	501,151	415,809	390,077	404,285	467,975	5,412,077	
35 Energy Service Cost - cents per kwh	8.42	8.65	9.33	9.49	9.22	5.04	8.98	

Amounts shown above may not add due to rounding.

**PUBLIC SERVICE RATE COMPANY OF NEW HAMPSHIRE
ENERGY SERVICE RATE CALCULATION**

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

			Dec-10	Total
1				
2	Hydro:	Energy	31.206	31.206
3				
4	Coal:	Energy	344.813	344.813
5		Energy Expense	\$ 14,631	14,631
6				
7	Wood:	Energy	27.951	27.951
8		Energy Expense	\$ 1,388	1,388
9		Revenue Credit	\$ (412)	(412)
10				
11	Nuclear:	Energy	15.349	15.349
12		Energy Expense	\$ 670	670
13				
14	Newington:	Energy	6.400	6.400
15		Energy Expense	\$ 469	469
16				
17	IPP's:	Energy	56.294	56.294
18		Energy Expense	\$ 2,883	2,883
19		ICAP	\$ 200	200
20				
21	Peak Purchase:	Energy	1.237	1.237
22		Expense	\$ 92	92
23				
24	Known Purchases	Energy	86.612	86.612
25		Expense	\$ 7,167	7,167
26				
27	Offpeak Purchase:	Energy	2.854	2.854
28		Expense	\$ 176	176
29				
30	Surplus Energy Sales	Energy	(78.019)	(78.019)
31		(Credit)	\$ (3,806)	(3,806)
32				
33	Congestion and Loss Adjustment		\$ 168	168
34				
35	Total Energy GWH		494.697	494.697
36	Total Energy Expense	\$	23,625	23,625
37				
38				
39	ISO-NE Ancillary	\$	280	280
40	NH RPS	\$	845	845
41	RGGI Costs	\$	346	346
42				
43	Capacity (sold)/bought MW-mo		262	262
44	Capacity (sold)/bought Cost (\$000)	\$	1,019	1,019

Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
ENERGY SERVICE RATE CALCULATION

1 **Forecasted PSNH IPP Market Value - December 2010**

2							
3		IPP Energy at					
4		IPP	Mkt Value	Capacity	ICAP Value	ICAP	Total
5	Month	GWh	(\$000)	MW	\$/kw-mo	(\$000)	(\$000) \$/MWh
6	December	56.294	2,883	51.3	3.893	200	3,083 54.77
7	Total	56.294	2,883			200	3,083 54.77

Amounts shown above may not add due to rounding.

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

1
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	January 2010 Actual	February 2010 Actual	March 2010 Actual	April 2010 Actual	May 2010 Actual	June 2010 Actual	July 2010 Actual	August 2010 Actual	September 2010 Actual	October 2010 Actual	November 2010 Actual	December 2010 Estimate	Total
Fossil / Hydro O&M, Depr. & Taxes													
F/H Operation & Maintenance Cost	\$ 7,812	\$ 7,297	\$ 8,200	\$ 10,262	\$ 10,218	\$ 10,314	\$ 8,130	\$ 7,690	\$ 7,727	\$ 10,908	\$ 8,037	\$ 6,311	\$ 102,907
F/H Depreciation Cost	1,752	1,750	1,753	1,748	1,748	1,765	1,799	1,811	1,808	1,806	1,981	1,831	21,552
F/H Property Taxes	720	720	773	687	795	751	751	751	751	788	751	723	8,961
F/H Payroll Taxes	205	171	194	173	136	161	262	155	165	178	159	139	2,098
Amort. of Asset Retirement Obligation	36	36	63	46	46	46	46	46	46	-	-	118	529
Total F/H O&M, Depr. and Taxes	\$ 10,525	\$ 9,974	\$ 10,983	\$ 12,916	\$ 12,943	\$ 13,037	\$ 10,988	\$ 10,453	\$ 10,497	\$ 13,680	\$ 10,928	\$ 9,122	\$ 136,047

Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
ENERGY SERVICE RATE CALCULATION
FOSSIL/HYDRO RETURN ON RATE BASE
(Dollars in 000s)

	January 2010	February 2010	March 2010	April 2010	May 2010	June 2010	July 2010	August 2010	September 2010	October 2010	November 2010	December 2010	Total
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Estimate	
Return on Rate Base													
Rate base													
Net Plant	283,340	283,340	277,517	277,517	277,517	295,754	295,754	295,754	294,967	294,967	294,967	294,967	
Working Capital Allow. (45 days of O&M)	13,175	13,175	13,175	13,175	13,175	13,175	13,175	13,175	13,175	13,175	13,175	12,605	
Fossil Fuel Inventory	81,748	81,748	65,480	65,480	65,480	55,298	55,298	55,298	59,630	59,630	59,630	59,630	
Mat'ls and Supplies	53,616	53,616	53,762	53,762	53,762	48,299	48,299	48,299	49,328	49,328	49,328	49,328	
Prepayments	2,428	2,428	2,292	2,292	2,292	1,755	1,755	1,755	880	880	880	880	
Deferred Taxes	(20,454)	(20,454)	(18,780)	(18,780)	(18,780)	(21,295)	(21,295)	(21,295)	(24,224)	(24,224)	(24,224)	(24,224)	
Other Regulatory Obligations	(12,409)	(12,409)	(15,521)	(15,521)	(15,521)	(8,696)	(8,696)	(8,696)	(10,453)	(10,453)	(10,453)	(10,453)	
Total Rate Base (L15 thru L22)	401,444	401,444	377,925	377,925	377,925	384,290	384,290	384,290	383,303	383,303	383,303	382,733	
Average Rate Base (prev + curr month)	401,240	401,444	389,685	377,925	377,925	381,108	384,290	384,290	383,797	383,303	383,303	383,018	
x Return	0.8765%	0.8765%	0.8765%	0.8860%	0.8860%	0.8860%	0.9152%	0.9152%	0.9152%	0.9212%	0.9212%	0.9212%	
Return (L25 x L26)	\$ 3,517	\$ 3,519	\$ 3,206	\$ 3,348	\$ 3,348	\$ 3,433	\$ 3,517	\$ 3,517	\$ 3,504	\$ 3,531	\$ 3,531	\$ 3,528	\$ 41,499

Amounts shown above may not add due to rounding.

THE STATE OF NEW HAMPSHIRE
BEFORE THE
NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

**Public Service Company of New Hampshire
Energy Service Rate – Revised Estimate**

Docket No. DE 10-257

**Joint Technical Statement of
Robert A. Baumann and Frederick B. White**

December 16, 2010

A. Purpose of Technical Statement

This Technical Statement is being submitted to explain the changes to Public Service Company's proposed Default Energy Service (ES) Rate effective January 1, 2011. This filing updates the Company's ES filing that was submitted on September 21, 2010.

B. Proposed Rate

On September 21, 2010, PSNH filed a preliminary 2011 ES rate of 8.68 cents/kWh to be effective for the 12 month period January 1 through December 31, 2011. In this filing, PSNH is proposing an ES rate of 8.67 cents/kWh to be effective January 1, 2011, which is a decrease of 0.11 cents/kWh from the currently effective ES rate of 8.78 cents/kWh.

The slight decrease in the ES rate from the September 21, 2010 filing to this December 16, 2010 filing is attributable to a net decrease in actual and forecasted costs of \$0.5 million [a decrease of \$12.6 million in expense, net of a revenue decrease of \$12.1 million] which is contained in Attachment RAB-1.

The forecasted cost changes are contained in Attachment RAB-2, page 3, and are specifically referenced below. The forecasted cost and revenue changes are attributable to a slight change in forward electricity prices as of November 30, 2010, loss of load due to lower sales due to customer migration and other changes as noted below.

C. Changes from September 21, 2010 Filing

Attachment RAB-2, Page 3:

For the forecast period January through December 2011, the impact of updated forward electricity prices, coal prices, oil prices, migration, RPS compliance, RGGI, etc. is to lower the overall ES costs by \$11.2 million. Following is a line by line discussion of what changed and why.

1. Lines 4 and 5 – Projected coal generation decreased by 194 GWh (5.7%) to 3,228 GWh due to greater dispatch flexibility at Merrimack station and reserve shutdowns modeled during portions of May and October at Schiller 4 & 6 and Merrimack 1. Additionally, there are increased planned outage hours at Merrimack 1. Coal fuel expense decreased \$15.0 million reflecting lower generation, lower dispatch prices, and an estimated \$5 million of benefit from the planned sale of coal.
2. Lines 7 through 9 – Wood generation remained the same but net costs were reduced by \$0.2 million due to higher REC revenue credits.
3. Lines 14 and 15 – Newington fuel expense increased by net \$1.0 million reflecting increased operation of 18 GWh and lower dispatch prices.
4. Lines 18 and 19 – IPP Energy Expense increased by \$0.7 million due to forward electricity price changes and the distribution of energy in varying monthly amounts. A table showing forecasted forward electricity prices is provided in Item 12 below.
5. Lines 21 and 22, 27 and 28, and 30 & 31 – Peak Purchases increased by 32 GWh increasing expenses by \$1.5 million. Off peak Purchases increased by 46 GWh increasing expenses by \$2.0 million. Surplus sales decreased 18 GWh and revenues increased \$0.03 million. Net increased purchases are due to lower coal generation, lower loads, and increased Newington generation.
6. Line 33 – Congestion and Loss Adjustment decreased by \$0.3 million due to updated price assumptions, generation and purchases volume changes, and load forecast and migration updates.
7. Line 35 – Total Energy GWh decreased 80 GWh which is the net of load forecast and migration updates. Total ES sales are lower by 70 GWh. The table below shows the forecasted sales and migration (Non-ES sales) used for calculating the preliminary ES rate filed in September, 2010, and for this filing. For consistency with rate setting values are shown as measured at the customer meter. The amount of migration modeled in this update is as of November, 2010 and is 31.8% of forecasted total PSNH sales. Overall, ES sales are lower by 1.3% from the estimates used in the September, 2010 preliminary ES rate filing.

PSNH ES Sales Forecast

MWh

Filing Dates

<u>2011</u>	<u>September 21, 2010</u>			<u>December 16, 2010</u>			<u>Change</u>			
	<u>Total</u>	<u>Non-ES</u>	<u>ES</u>	<u>Total</u>	<u>Non-ES</u>	<u>ES</u>	<u>Total</u>	<u>Non-ES</u>	<u>ES</u>	<u>ES %</u>
Jan	718,620	220,616	498,004	725,907	230,838	495,069	7,287	10,222	(2,935)	-0.6%
Feb	633,627	194,523	439,104	643,064	204,494	438,570	9,437	9,971	(534)	-0.1%
Mar	647,148	198,674	448,474	648,012	206,068	441,944	864	7,393	(6,529)	-1.5%
Apr	594,453	182,497	411,956	596,134	189,571	406,564	1,681	7,074	(5,393)	-1.3%
May	601,981	184,808	417,173	597,875	190,124	407,751	(4,106)	5,316	(9,422)	-2.3%
Jun	626,085	192,208	433,877	631,143	200,703	430,440	5,058	8,495	(3,437)	-0.8%
Jul	718,851	220,687	498,164	716,126	227,728	488,398	(2,725)	7,041	(9,766)	-2.0%
Aug	712,663	218,788	493,875	693,393	220,499	472,894	(19,270)	1,711	(20,981)	-4.2%
Sep	620,893	190,614	430,279	625,333	198,856	426,477	4,440	8,242	(3,802)	-0.9%
Oct	614,287	188,586	425,701	615,358	195,684	419,674	1,071	7,098	(6,027)	-1.4%
Nov	609,435	187,097	422,338	617,120	196,244	420,876	7,685	9,148	(1,463)	-0.3%
Dec	678,655	208,347	470,308	689,540	219,274	470,266	10,885	10,927	(42)	0.0%
Total	7,776,698	2,387,446	5,389,252	7,799,005	2,480,084	5,318,921	22,307	92,637	(70,330)	-1.3%

8. Line 39 – ISO-NE Ancillary costs increased \$0.4 million due to updated price assumptions and updated load and migration assumptions.
9. Line 40 – New Hampshire RPS expense decreased by \$0.2 million. This change encompasses the impact of reduced sales requirements (sales forecast and migration), and REC portfolio and price changes.
10. Line 41 – RGGI costs decreased \$0.4 million consistent with lower generation amounts.
11. Line 43 and 44 – Capacity costs decreased by \$0.7 million due to increased migration and capacity market updates.

12. The following table compares forward electricity prices used in the September 21, 2010 filing to those used in this update. The updated prices were as of November 30, 2010.

<u>Forward Electricity Prices for Delivery at Massachusetts Hub</u>					
All Hours - \$/MWh					
<u>Filing Dates</u>					
<u>2011</u>	September 21, 2010	December 16, 2010	<u>Change</u>		
	<u>(8/30/10 Closing Prices)</u>	<u>(11/30/10 Closing Prices)</u>	<u>\$/MWh</u>	<u>%</u>	
Jan	50.3	53.2	2.9	5.8%	
Feb	50.5	53.4	2.9	5.8%	
Mar	43.4	43.1	(0.3)	-0.7%	
Apr	41.4	42.6	1.2	2.9%	
May	41.2	41.4	0.3	0.7%	
Jun	42.2	42.0	(0.2)	-0.4%	
Jul	47.7	47.7	(0.0)	-0.1%	
Aug	48.3	48.2	(0.1)	-0.2%	
Sep	42.2	41.8	(0.3)	-0.8%	
Oct	41.5	41.2	(0.3)	-0.7%	
Nov	43.9	46.5	2.6	5.9%	
Dec	48.7	51.0	2.3	4.8%	
Total	45.1	46.0	0.9	2.0%	

D. Other Cost Changes (\$1.4 million costs decrease)

13. All other actual and forecasted costs decreased by \$1.4 million. Therefore, the total decrease of all of the expenses changes noted in items 1-12 total \$11.2 million plus the other cost decrease of \$1.4 million result in a total expense decrease of \$12.6 million.

E. Revenue Changes (\$12.1 million decrease)

14. The updated ES revenues for 2010 and 2011 decreased by \$12.1 million, primarily due to lower sales caused by additional customer migration. The updated 2010 sales are lower by 69 GWH and 2011 sales are lower by 70 GWH.