

ORIGINAL	
N.H.P.U.C. Case No.	DE 10-257
Exhibit No.	#8
Witness	Page 12
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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
2011 ENERGY SERVICE RATE CALCULATION
(Dollars in 000s)

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10	Summary of Actual and Forecasted Energy Service			
11	Cost For January 2011 Through December 2011	TOTAL COST	Cents per KWH	Reference
12				
13	Fossil energy costs	\$ 136,252	2.66	Attachment RAB-2, page 2
14	F/H O&M, depreciation & taxes	144,163	2.82	Attachment RAB-2, page 2
15	Return on rate base	42,804	0.84	Attachment RAB-2, page 2
16	ISO-NE ancillary (inc. Congestion and Loss Adj.)	2,469	0.05	Attachment RAB-2, page 2
17	Capacity	10,797	0.21	Attachment RAB-2, page 2
18	NH RPS	10,331	0.20	Attachment RAB-2, page 2
19	RGGI costs	3,221	0.06	Attachment RAB-2, page 2
20	Vermont Yankee	7,498	0.15	Attachment RAB-2, page 2
21	IPP costs (1)	30,572	0.60	Attachment RAB-2, page 2
22	Purchases and sales	54,155	1.06	Attachment RAB-2, page 2
23	Return on ES Deferral	216	0.00	Attachment RAB-2, page 2
24	Merrimack projected RPC insurance proceeds	(3,200)	(0.06)	Attachment RAB-2, page 3
25	2010 Actual ES under-recovery	10,366	0.20	Attachment RAB-2, page 2
26				
27	Total Updated Energy Service Cost	\$ 449,644	8.78	
28	Total Updated Revenue	443,842		
29	2011 ES (Over)/Under-Recovery	5,802		
30				
31	Forecasted Retail MWH Sales July - December 2011	2,589,820		
32				
33	Increase in Energy Service Rate - cents per kwh (L29/L31)	0.22		
34				
35	Energy Service Rate as approved in DE 10-257 - cents per kwh	8.67		
36				
37	Updated Energy Service Rate - cents per kwh	\$ 8.89		

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

Amounts shown above may not add due to rounding.

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

	January 2011 Actual	February 2011 Actual	March 2011 Actual	April 2011 Actual	May 2011 Actual	June 2011 Estimate	Reference
Energy Service Cost							
Fossil energy costs	\$ 19,112	\$ 14,554	\$ 13,176	\$ 7,745	\$ 5,086	\$ 11,535	RAB-2, P3
F/H O&M, depreciation & taxes	9,386	8,886	10,808	14,989	13,334	11,769	RAB-2, P5
Return on rate base	3,631	3,636	3,476	3,573	3,573	3,583	RAB-2, P6
ISO-NE ancillary (inc. Congestion and Loss Adj.)	(561)	184	(798)	165	245	457	RAB-2, P3
Capacity	1,200	1,085	1,049	257	601	889	RAB-2, P3
NH RPS	873	864	869	869	869	826	RAB-2, P3
RGGI costs	567	115	279	202	114	296	RAB-2, P3
Vermont Yankee	688	623	648	668	655	645	RAB-2, P3
IPP costs (1)	4,115	2,090	2,341	2,638	2,232	2,018	RAB-2, P4
Purchases and sales	495	2,505	3,655	5,670	11,350	2,882	RAB-2, P3
Return on ES Deferral	22	17	13	14	23	25	
Merrimack projected RPC insurance proceeds	-	-	-	-	-	-	
2010 Actual ES under-recovery	10,366	-	-	-	-	-	
Total Energy Service Cost	\$ 49,894	\$ 34,559	\$ 35,516	\$ 36,790	\$ 38,082	\$ 34,925	
Total Energy Service Revenue at 8.67	43,283	37,414	38,054	32,084	32,551	35,920	
ES Under/(Over) Recovery	6,612	(2,855)	(2,538)	4,706	5,531	(994)	
Retail MWH Sales	499,353	431,507	438,899	370,023	375,429	414,297	
Energy Service Cost - cents per kwh	9.99	8.01	8.09	9.94	10.14	8.43	

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

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 Energy Service Cost								
12 Fossil energy costs	\$ 13,799	\$ 13,300	\$ 9,927	\$ 6,695	\$ 6,765	\$ 14,558	\$ 136,252	RAB-2, P3
13 F/H O&M, depreciation & taxes	11,129	11,297	19,296	13,014	10,214	10,041	144,163	RAB-2, P5
14 Return on rate base	3,569	3,526	3,486	3,483	3,577	3,690	42,804	RAB-2, P6
15 ISO-NE ancillary (inc. Congestion and Loss Adj.)	547	542	434	232	287	735	2,469	RAB-2, P3
16 Capacity	907	948	997	954	954	956	10,797	RAB-2, P3
17 NH RPS	954	913	801	793	805	896	10,331	RAB-2, P3
18 RGGI costs	342	334	261	173	176	362	3,221	RAB-2, P3
19 Vermont Yankee	679	662	646	221	670	693	7,498	RAB-2, P3
20 IPP costs (1)	2,431	2,407	1,978	2,345	2,629	3,348	30,572	RAB-2, P4
21 Purchases and sales	3,927	3,780	4,672	7,877	7,392	(50)	54,155	RAB-2, P3
22 Return on ES Deferral	19	13	16	22	20	12	216	
23 Merrimack projected RPC insurance proceeds	-	-	-	-	-	(3,200)	(3,200)	
24 2010 Actual ES under-recovery	-	-	-	-	-	-	10,366	
26 Total Energy Service Cost	\$ 38,303	\$ 37,721	\$ 42,514	\$ 35,810	\$ 33,490	\$ 32,041	\$ 449,644	
28 Total Energy Service Revenue at 8.67	41,485	39,697	34,857	34,485	35,018	38,996	443,842	
30 ES Under/(Over) Recovery	(3,182)	(1,975)	7,657	1,325	(1,528)	(6,955)	5,802	
32 Retail MWH Sales	478,488	457,862	402,045	397,750	403,894	449,782	5,119,328	
34 Energy Service Cost - cents per kwh	8.01	8.24	10.57	9.00	8.29	7.12	8.78	

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

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

			Actual					Estimate							
			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	31.741	24.119	40.788	42.160	43.359	27.954	21.994	19.476	15.922	23.576	32.825	31.697	355.611
3															
4	Coal:	Energy	331.457	326.273	280.045	185.219	76.663	287.342	310.496	311.528	260.612	173.439	175.707	344.472	3,063.255
5		Energy Expense	\$ 14,253	12,069	12,266	7,899	4,584	10,366	11,210	11,246	9,281	5,984	6,078	12,468	117,703
6															
7	Wood:	Energy	30.013	26.223	26.449	0.859	12.252	25.436	26.283	26.283	25.436	27.951	27.050	27.951	282.187
8		Energy Expense	\$ 1,546	1,294	1,350	49	390	1,232	1,273	1,273	1,232	1,353	1,310	1,353	13,654
9		Revenue Credit (1)	\$ (749)	(694)	(698)	(327)	50	(585)	(605)	(605)	(585)	(643)	(622)	(643)	(6,705)
10															
11	Nuclear:	Energy	15.523	13.875	15.487	14.959	14.980	14.285	15.029	14.664	14.314	4.906	14.846	15.349	168.216
12		Energy Expense	\$ 688	623	648	668	655	645	679	662	646	221	670	693	7,498
13															
14	IC/Jets	Energy	0.174	0.033	(0.056)	0.080	0.042	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.273
15		Energy Expense	\$ 55	16	4	29	10	-	-	-	-	-	-	-	114
16															
17	Newington:	Energy	43.646	14.348	1.433	0.000	0.000	9.068	31.434	22.367	0.000	0.000	0.000	17.531	139.826
18		Energy Expense	\$ 4,007	1,869	254	95	52	522	1,921	1,386	-	-	-	1,379	11,486
19															
20	IPP's:	Energy	53.858	35.862	51.296	55.585	48.494	42.718	46.731	45.667	42.349	48.492	51.180	54.130	576.362
21		Energy Expense	\$ 3,853	1,885	2,136	2,432	2,026	1,929	2,340	2,311	1,877	2,174	2,458	3,176	28,597
22		ICAP	\$ 262	205	205	206	206	90	91	95	100	171	171	171	1,974
23															
24	Peak Purchase:	Energy	0.000	0.000	0.000	0.000	0.000	8.763	19.128	17.801	24.106	51.656	48.942	3.651	174.047
25		Expense	\$ -	-	-	-	-	492	1,097	1,094	1,345	2,607	2,649	278	9,563
26															
27	Known Purchases	Energy	55.906	43.997	51.050	86.658	184.299	39.088	34.678	39.478	37.488	37.618	39.432	40.296	689.988
28		Expense	\$ 3,964	4,009	4,466	4,645	10,251	3,249	2,909	3,324	3,111	3,117	3,213	3,260	49,517
29															
30	Offpeak Purchase:	Energy	0.000	0.000	0.000	0.000	0.000	9.490	18.150	17.611	17.691	56.897	50.760	4.099	174.698
31		Expense	\$ 0	0	0	0	0	407	907	904	790	2,421	2,268	279	7,975
32															
33	ISO-NE Net	Energy	(42.974)	(28.000)	(9.809)	25.133	31.859	(28.861)	(21.199)	(33.823)	(15.508)	(6.638)	(16.390)	(66.611)	(212.821)
34		(Credit)	\$ (3,469)	(1,504)	(811)	1,025	1,099	(1,266)	(984)	(1,542)	(575)	(268)	(737)	(3,867)	(12,900)
35															
36	Congestion and Loss Adjustment		\$ 0	0	0	0	0	226	277	285	151	22	73	493	1,528
37															
38	Total Energy GWH		519.344	456.730	456.683	410.653	411.948	435.282	502.724	481.054	422.409	417.897	424.352	472.565	5,411.642
39	Total Energy Expense	\$	24,410	19,772	19,820	16,721	19,323	17,306	21,113	20,433	17,374	17,161	17,530	19,041	230,004
40															
41															
42	ISO-NE Ancillary	\$	(561)	184	(798)	165	245	231	270	257	283	210	214	242	942
43	NH RPS	\$	873	864	869	869	869	826	954	913	801	793	805	896	10,331
44	RGGI Costs	\$	567	115	279	202	114	296	342	334	261	173	176	362	3,221
45															
46	Capacity (sold)/bought MW		262	262	174	174	174	285	285	285	285	266	266	266	2,981
47	Capacity (sold)/bought Cost (\$000)	\$	1,200	1,085	1,049	257	601	889	907	948	997	954	954	956	10,797

(1) May 2011 reflects a \$541K true-up adjustment for 2010 NWPP lower REC revenues than reflected in 2010 SCRC/ES reconciliation filing in DE 11-094.

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 - June - December 2011**

IPP Energy at							
Month	IPP GWh	Mkt Value (\$000)	Capacity MW	ICAP Value \$/kw-mo	ICAP (\$000)	Total (\$000)	Total \$/MWh
June	42.718	1,929	28.7	3.12	90	2,018	47.25
July	46.731	2,340	28.7	3.19	91	2,431	52.03
August	45.667	2,311	28.7	3.33	95	2,407	52.70
September	42.349	1,877	28.7	3.50	100	1,978	46.70
October	48.492	2,174	47.6	3.59	171	2,345	48.36
November	51.180	2,458	47.6	3.59	171	2,629	51.36
December	54.130	3,176	47.6	3.60	171	3,348	61.85
13 Total	331.267	16,265			890	17,156	51.79

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	February 2011	March 2011	April 2011	May 2011	June 2011	July 2011	August 2011	September 2011	October 2011	November 2011	December 2011	Total
<u>Fossil / Hydro O&M, Depr. & Taxes</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	
F/H Operation & Maintenance Cost	\$ 6,646	\$ 6,098	\$ 8,022	\$ 12,102	\$ 10,422	\$ 8,788	\$ 8,147	\$ 8,305	\$ 16,311	\$ 9,970	\$ 7,246	\$ 7,051	\$ 109,108
F/H Depreciation Cost	1,812	1,814	1,841	1,839	1,851	1,850	1,851	1,854	1,855	1,856	1,856	1,891	22,170
F/H Property Taxes	666	744	661	862	847	916	916	916	915	915	915	915	10,188
F/H Payroll Taxes	213	182	236	137	165	166	165	172	165	222	146	133	2,102
Amort. of Asset Retirement Obligation	48	48	48	49	49	49	50	50	50	51	51	51	594
Total F/H O&M, Depr. and Taxes	\$ 9,386	\$ 8,886	\$ 10,808	\$ 14,989	\$ 13,334	\$ 11,769	\$ 11,129	\$ 11,297	\$ 19,296	\$ 13,014	\$ 10,214	\$ 10,041	\$ 144,163

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 Actual	February 2011 Actual	March 2011 Actual	April 2011 Actual	May 2011 Actual	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	301,381	301,381	310,157	310,157	310,157	301,745	301,496	300,371	299,922	300,971	313,246	313,311	
Working Capital Allow. (45 days of O&M)	13,452	13,452	13,452	13,452	13,452	13,452	13,452	13,452	13,452	13,452	13,452	13,452	
Fossil Fuel Inventory	57,962	57,962	41,641	41,641	41,641	50,201	46,856	45,043	46,156	49,221	51,802	59,442	
Materials and Supplies	51,799	51,799	53,325	53,325	53,325	52,817	52,911	53,026	53,318	53,420	53,746	54,589	
Prepayments incl. Insur. & RGGI	2,563	2,563	2,235	2,235	2,235	2,575	2,575	2,575	2,575	2,575	2,575	2,575	
Deferred Taxes	(25,536)	(25,536)	(26,090)	(26,090)	(26,090)	(31,557)	(32,552)	(33,334)	(37,460)	(37,386)	(36,192)	(35,401)	
Other Regulatory Obligations incl. ARO, RPS	(12,303)	(12,303)	(15,050)	(15,050)	(15,050)	(7,432)	(7,983)	(8,509)	(9,782)	(10,143)	(10,507)	(11,792)	
Total Rate Base (L15 thru L22)	389,318	389,318	379,670	379,670	379,670	381,801	376,755	372,624	368,181	372,110	388,122	396,176	
Average Rate Base (prev + curr month)	388,797	389,318	384,494	379,670	379,670	380,736	379,278	374,690	370,403	370,146	380,116	392,149	
x Return	0.9339%	0.9339%	0.9339%	0.9411%	0.9411%	0.9411%	0.9411%	0.9411%	0.9411%	0.9411%	0.9411%	0.9411%	
Return (L25 x L26) (1)	\$ 3,631	\$ 3,636	\$ 3,476	\$ 3,573	\$ 3,573	\$ 3,583	\$ 3,569	\$ 3,526	\$ 3,486	\$ 3,483	\$ 3,577	\$ 3,690	\$ 42,804

(1) Actual includes quarterly true-up adjustment.

Amounts shown above may not add due to rounding.