

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
DE 09-035
CERTIFICATION OF EXOGENOUS EVENTS COMPLIANCE FILING

FEDERALLY INITIATED COST CHANGE
HEALTH CARE REFORM ACT--CHANGE IN TAXES- MEDICARE SUBSIDY CREDIT

(Thousands of Dollars)

	<u>Total PSNH Dist</u>	
1		
2		
3	1,331	RAB-1 ; Pge 2
4		
5	<u>1,333</u>	RAB-1 ; Pge 3
6	<u><u>2,664</u></u>	
7		

Amounts shown above may not add due to rounding.

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1 Impact on the Test Year (TY) ended December 31, 2008:

<u>PSNH</u>	<u>PSNH Allocated. to Dist. Segment</u>
4 Total PSNH Medicare subsidy --TY 12 months ended 12/31/2008 per books	2,307
5 Credit portion allocated to segment 6D (70.82%)	1,634
6 X PSNH deferred tax rate of 39.55%	39.55%
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7 Medicare subsidy credited to PSNH distribution deferred taxes in TY	646
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<u>NUSCO</u>	<u>NUSCO Share to PSNH Dist.</u>
9 PSNH Dist. Share of NUSCO tax billing (credited to acct 409.PM)	222
10 Total NUSCO billed tax credit in TY	1,820
11 PSNH Dist Share of NUSCO tax bill as a percentage of total NUSCO	12.21%
12 NUSCO Medicare subsidy benefit --12 mths 12/31/2008 per books	2,999
13 Allocated based on NUSCO tax allocation--12.21%	366
14 X NUSCO deferred tax rate of 39.77%	39.77%
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15 NUSCO portion Medicare subsidy credited to PSNH in TY (acct 409.PM)	146
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<u>Total--PSNH/NUSCO</u>	<u>Total PSNH Dist.</u>
17 Medicare subsidy credited to PSNH deferred taxes in TY--from above	646
18 NUSCO portion Medicare subsidy credited to PSNH in TY--from above	146
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19 Total--Loss of PSNH tax benefits related to the Medicare subsidy in TY	792
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20 X the tax gross revenue conversion factor (GRCF)	1.6814
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21 Increase in Revenues required	<u><u>1,331</u></u>

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1 Calculation and recovery of the Medicare Subsidy Credit deferral:

2 **1. Write-off and deferral of the existing**
 3 **Medicare subsidy asset from 2006 through**
 4 **2009 in March 2010.**

5 Tax asset written off re Medicare as calculated by Tax
 6 X the tax GRCF

PSNH Dist-Total Tax	NUSCO Allocated to Dist	Total PSNH Dist
2,664	857	3,521
1,6814	N/A (1)	
4,478	857	5,336

7 Estimated balance to be recovered

8 **2. Deferral of the Medicare subsidy based**
 9 **on the TY for January 2010 through December 2010**

10 Medicare subsidy deferred in 2010 based on the TY calculation
 11 X the tax GRCF

PSNH Dist-Total Tax	NUSCO Allocated to Dist	Total PSNH Dist
646	146	792
1,6814	1,6814	1,6814
1,086	245	1,331

12 Estimated balance to be recovered

13 **3. Deferral of the Medicare subsidy based**
 14 **on the TY for January 2011 through June 2011**

15 Medicare subsidy deferred in 2011 based on the TY calculation
 16 X the tax GRCF

PSNH Dist-Total Tax	NUSCO Allocated to Dist	Total PSNH Dist
323	73	396
1,6814	1,6814	1,6814
543	122	666

17 Estimated balance to be recovered

18 Sum of deferrals 1, 2, and 3--Total balance to be recovered beginning July 1, 2011

7,333

19 Annual increase in Revenues required over a sixty-six month period beginning July 1, 2011

1,333

20 (1) Excludes NUSCO, amount already grossed up by Tax

21 Amounts shown above may not add due to rounding.