



**Public Service
of New Hampshire**

PSNH Energy Park
780 North Commercial Street, Manchester, NH 03101

Public Service Company of New Hampshire
P.O. Box 330
Manchester, NH 03105-0330
(603) 669-4000
www.psnh.com

The Northeast Utilities System

May 16, 2011

Debra A. Howland
Executive Director and Secretary
State of New Hampshire
Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, New Hampshire 03301-2429



Re: Docket No DE 11-070 – Exogenous Events

Dear Secretary Howland:

On March 28, 2011, PSNH filed a Certification of Exogenous Events with the Commission stating that two exogenous events had occurred in 2010. As described in its filing, PSNH stated that the net impact of the exogenous events was an annual revenue increase of \$2.93 million.

On May 13, 2011, the Commission’s Staff filed a letter with the Commission stating that Staff proposed an alternative 5 ½-year recovery period, and that PSNH agreed with Staff’s proposal.

Enclosed with this letter are revised spreadsheets showing the calculation of the Medicare subsidy credit using the Staff’s recommended 5 ½-year recovery period. That impact, \$2.664 million annually, when offset by the impact of the bonus tax depreciation of \$0.234 million annually, results in a net annual revenue impact of \$2.43 million.

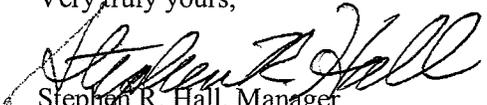
Staff’s May 13, 2011 letter also stated that PSNH would file information on the estimated impact of all of adjustments to distribution rates scheduled to take effect on July 1, 2011. The net rate impact of all of the distribution rate changes proposed by PSNH for effect on July 1, 2011 is shown below:

<u>Item</u>	<u>Annual Revenue Impact (Millions)</u>
Exogenous events	\$ 2.430
Step 1 of REP	1.500
Step Increase – Net Plant	4.400
Storm Expense	3.056
Termination of Recoupment	<u>(13.696)</u>
Net July 1, 2011 Rate Change	\$ (2.310)

Debra A. Howland
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New Hampshire Public Utilities Commission
May 16, 2011
Page 2

PSNH will respond promptly to any questions the Commission or its Staff may have on this filing.

Very truly yours,


Stephen R. Hall, Manager
Rate & Regulatory Services

SRH:kd
Enclosures
cc: Service List

ROBERT BAUMANN
NORTHEAST UTILITIES SVC CO
PO BOX 270
HARTFORD CT 06141-0270
baumara@nu.com

GARY EPLER
UNITIL ENERGY SYSTEMS INC
6 LIBERTY LANE WEST
HAMPTON NH 03842-1720
epler@unitil.com

RORIE HOLLENBERG
OFFICE OF CONSUMER ADVOCATE
21 SOUTH FRUIT ST STE 18
CONCORD NH 03301-2429
rorie.e.p.hollenberg@oca.nh.gov

ROBERT BERSAK
PUBLIC SVC OF NEW HAMPSHIRE
780 N COMMERCIAL ST
PO BOX 330
MANCHESTER NH 03105-0330
bersara@psnh.com

DAN FELTES
NEW HAMPSHIRE LEGAL ASSISTANCE
117 N STATE ST
CONCORD NH 03301-4407
dfeltes@nhla.org

NANCY KYLE
RETAIL MERCHANTS ASSOCIATION OF NE'
35A SOUTH MAIN ST
CONCORD NH 03301
rmanh@rmanh.com

KRISTI L DAVIE
PUBLIC SERVICE COMPANY OF NEW HAMF
PO BOX 330
MANCHESTER NH 03105
daviekl@nu.com

STEPHEN R HALL
PSNH
780 N COMMERCIAL ST
PO BOX 330
MANCHESTER NH 03105-0330
hallsr@nu.com

MICHAEL LICATA
BUSINESS & INDUSTRY ASSOC
122 N MAIN ST
CONCORD NH 03301
mlicata@nhbia.org

ALLEN DESBIENS
PUBLIC SERVICE COMPANY OF NEW HAMF
780 N COMMERCIAL ST
PO BOX 330
MANCHESTER NH 03105-0330
desbiam@psnh.com

DORENE HARTFORD
CONSERVATION LAW FOUNDATION
27 NORTH MAIN ST
CONCORD NH 03301
dhartford@clf.org

ALAN LINDER
NH LEGAL ASSISTANCE
117 N STATE ST
CONCORD NH 03301-4407
alinder@nhla.org

GERALD M EATON
PUBLIC SERVICE COMPANY OF NEW HAMF
780 N COMMERCIAL ST
PO BOX 330
MANCHESTER NH 03105-0330
eatongm@nu.com

MEREDITH A HATFIELD
OFFICE OF CONSUMER ADVOCATE
21 SOUTH FRUIT ST STE 18
CONCORD NH 03301
meredith.a.hatfield@oca.nh.gov

CHRISTINA MARTIN
OFFICE OF CONSUMER ADVOCATE
21 SOUTH FRUIT ST STE 18
CONCORD NH 03301
christina.martin@oca.nh.gov

STEPHEN R ECKBERG
OFFICE OF CONSUMER ADVOCATE
21 SOUTH FRUIT ST STE 18
CONCORD NH 03301
stephen.r.eckberg@oca.nh.gov

MELISSA HOFFER
CONSERVATION LAW FOUNDATION
27 N MAIN ST
CONCORD NH 03302
mhoffer@clf.org

JAMES MONAHAN
THE DUPONT GROUP
114 NORTH MAIN ST STE 401
CONCORD NH 03301
jmonahan@dupontgroup.com

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FILING INSTRUCTIONS:

a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with:

DEBRA A HOWLAND
EXEC DIRECTOR & SECRETARY
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429

b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.

c) Serve a written copy on each person on the service list not able to receive electronic mail.

DOUGLAS L PATCH
ORR & RENO PA
1 EAGLE SQ
PO BOX 3550
CONCORD NH 03302-3550
dpatch@orr-reno.com

MELISSA L PRICE
PUBLIC SERVICE COMPANY OF NEW HAMF
780 COMMERCIAL ST
MANCHESTER NH 03101
priceml@nu.com

KEN E TRAUM
OFFICE OF CONSUMER ADVOCATE
21 SOUTH FRUIT ST STE 18
CONCORD NH 03301-2429
ken.e.traum@oca.nh.gov

PURSUANT TO N.H. ADMIN RULE PUC 203.09 (d), FILE DISCOVERY

DIRECTLY WITH THE FOLLOWING STAFF

RATHER THAN WITH THE EXECUTIVE DIRECTOR

LIBRARIAN - DISCOVERY
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429

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SUZANNE AMIDON
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429

EDWARD DAMON
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429

MATTHEW FOSSUM
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429

THOMAS FRANTZ
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429

GEORGE MCCLUSKEY
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429

STEVE MULLEN
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429

F ANNE ROSS
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429

AMANDA NOONAN
CONSUMER AFFAIRS DIRECTOR
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429