

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
TRANSMISSION COST ADJUSTMENT MECHANISM (TCAM) CALCULATION

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- 1 TCAM Rate Calculation - July 2011 through June 2012
- 1a TCAM Rate Calculation - Comparison of Forecast to Currently Allowed TCAM
- 2 Forecasted Costs - July 2011 through June 2012
- 3 Actual Costs - January 2010 through June 2010
- 4 Actual Costs - July 2010 through December 2010
- 5 Actual and Forecasted Costs - January 2011 through June 2011
- 6 Actual Revenues - January 2010 through June 2010
- 7 Actual Revenues - July 2010 through December 2010
- 8 Actual and Forecasted Revenues - January 2011 through June 2011

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
TRANSMISSION COST ADJUSTMENT MECHANISM (TCAM) CALCULATION**

(Dollars in 000's)

	TCAM Rate Calculation	Forecasted	Reference:
	July 2011 Through June 2012	Summary	Attachment RAB-1
1			
2			
3	Regional Network Service (RNS)	\$ 84,966	Page 2
4	Scheduling and Dispatch (S&D)	2,102	Page 2
5	Local Network Service (LNS)	7,787	Page 2
6	Reliability	4,344	Page 2
7	Hydro-Quebec Support Costs	5,288	Page 2
8	NHPUC Assessment	312	Page 2
9	Return on TCAM Working Capital	1,417	Page 2
10	Revenue Credits	(3,510)	Page 2
11			
12	Total Forecasted Costs	\$ 102,705	
13			
14	Cumulative Estimated (Over) / Under Recovery	(9,516) (1)	Page 5
15			
16	Total Costs	\$ 93,189	
17			
18	Forecasted Retail MWH Sales	7,835,286	Page 2
19			
20	Forecasted TCAM Rate--cents per kWh	<u>1.189</u>	
21			

22 (1) - The \$(9.5)M includes \$8.7M of refund rebilling for the 2010 FY Schedule 21 true-up.

23

24 Amounts shown above may not add due to rounding.

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
TRANSMISSION COST ADJUSTMENT MECHANISM (TCAM) CALCULATION**

(Dollars in 000's)

Note: This schedule is provided as an aid to analysis and is not part of the rate calculation

TCAM Rate Calculation	(A)	(B)	(C)
	Forecasted 12 mths- 06/2012	Currently Allowed (1) 12 mths- 06/2011	(A)-(B)=(C) Delta
1 Comparison of Forecast to Currently Allowed			
2			
3 Regional Network Service (RNS)	\$ 84,966	\$ 84,246	\$ 720
4 Scheduling and Dispatch (S&D)	2,102	2,142	(41)
5 Local Network Service (LNS)	7,787	10,270	(2,484)
6 Reliability	4,344	4,839	(495)
7 Hydro-Quebec Support Costs	5,288	5,499	(211)
8 NHPUC Assessment	312	313	(1)
9 Return on TCAM Working Capital	1,417	1,451	(34)
10 Revenue Credits	(3,510)	(1,389)	(2,121)
11			
12 Sub-total	\$ 102,705	\$ 107,371	\$ (4,666)
13			
14 Prior Period (Over) / Under Recovery	(9,516)	9,552	(19,067)
15			
16 Total	\$ 93,189	\$ 116,922	\$ (23,733)
17			
18 Retail MWH Sales	7,835,286	7,788,871	
19			
20 TCAM Rate--cents per kWh	<u>1.189</u>	<u>1.501</u>	

21
22 (1) DE 10-158; Order # 25,122 dated June 28, 2010

23
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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
TRANSMISSION COST ADJUSTMENT MECHANISM (TCAM) CALCULATION
July 2011 through June 2012

(Dollars in 000's)

		Forecasted								
		July 2011	August 2011	September 2011	October 2011	November 2011	December 2011	Six Months July-December Subtotal		
1	Retail Transmission Cost									
2										
3	Regional Network Service (RNS)	7,889	8,603	8,219	7,330	5,999	6,436	44,476		
4										
5	Scheduling and Dispatch (S&D)	195	213	203	181	148	159	1,100		
6										
7	Local Network Service (LNS)	519	516	516	516	516	516	3,100		
8										
9	Reliability	357	357	357	357	357	357	2,142		
10										
11	Hydro-Quebec Support Costs	444	444	444	444	444	444	2,666		
12										
13	NHPUC Assessment	26	26	26	26	26	26	156		
14										
15	Return on TCAM Working Capital Allowance (1)	128	137	132	120	101	107	725		
16										
17	Under-recovery TCAM, previous TCAM Year	(9,516)	-	-	-	-	-	(9,516)		
18										
19	Revenue Credits (2)	(460)	(460)	(460)	(460)	(460)	(460)	(2,760)		
20										
21	Retail Transmission Operating Costs	\$ (417)	\$ 9,836	\$ 9,437	\$ 8,515	\$ 7,133	\$ 7,586	\$	42,090	
22										
23	Estimated Retail MWH Sales	733,877	702,242	616,633	610,046	619,469	689,850	3,972,117		
24										
25										
26										
27										
28										
29	Retail Transmission Cost							Six Months Jan-June Subtotal	Twelve Months July 11 - June 12 Total	
30										
31	Regional Network Service (RNS)	7,128	7,394	7,101	6,809	5,989	6,069	40,489	84,966	
32										
33	Scheduling and Dispatch (S&D)	176	183	176	168	148	150	1,001	2,102	
34										
35	Local Network Service (LNS)	782	782	781	781	781	781	4,687	7,787	
36										
37	Reliability	367	367	367	367	367	367	2,202	4,344	
38										
39	Hydro-Quebec Support Costs	437	437	437	437	437	437	2,622	5,288	
40										
41	NHPUC Assessment	26	26	26	26	26	26	156	312	
42										
43	Return on TCAM Working Capital Allowance (1)	121	124	120	116	105	106	692	1,417	
44										
45	Under-recovery TCAM, previous TCAM Year	-	-	-	-	-	-	-	(9,516)	
46										
47	Revenue Credits (2)	(125)	(125)	(125)	(125)	(125)	(125)	(750)	(3,510)	
48										
49	Retail Transmission Operating Costs	\$ 8,911	\$ 9,188	\$ 8,883	\$ 8,579	\$ 7,728	\$ 7,810	\$ 51,100	\$ 93,189	
50										
51	Estimated Retail MWH Sales	729,066	633,438	654,788	602,762	604,988	638,127	3,863,169	7,835,286	
52										
53	Note 1-- The return on the working capital allowance is monthly O&M x (45 days/365 days) x 10.9656% (allowed 7.513% incl tax gross-up)									
54										
55	Note 2--Revenue credits include Hydro-Quebec (H-Q) revenues associated with the H-Q support contract through December 2011, ISO-NE Credits, and NOATT Schedule									
56										
57	Amounts shown above may not add due to rounding.									

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
TRANSMISSION COST ADJUSTMENT MECHANISM (TCAM) CALCULATION
January-June 2010

(Dollars in 000's)

	Balance 12/31/2009	January 2010	February 2010	March 2010	April 2010	May 2010	June 2010	Total	Reference
1 Retail Transmission Costs									
2									
3 Retail Transmission Operating Revenues		\$ (8,199)	\$ (7,206)	\$ (7,437)	\$ (6,918)	\$ (7,638)	\$ (8,516)	\$ (45,913)	RAB-1, Pg 6
4									
5 Regional Network Service (RNS)		7,129	6,415	6,346	5,860	5,211	7,477	38,438	
6									
7 Scheduling and Dispatch		180	162	161	148	132	190	973	
8									
9 Local Network Service (LNS) (1)		418	475	423	427	8,823	824	11,390	
10									
11 Reliability		309	335	354	356	341	319	2,013	
12									
13 Hydro-Quebec Support Costs		465	207	400	372	376	382	2,201	
14									
15 NHPUC Assessment		26	26	26	26	26	26	156	
16									
17 Return on TCAM Working Capital Allowance (2)		115	103	104	97	202	125	746	
18									
19 Revenue Credits		(116)	(116)	(117)	(117)	(117)	(117)	(700)	
20									
21 Retail Transmission Operating Costs		\$ 8,526	\$ 7,607	\$ 7,697	\$ 7,171	\$ 14,992	\$ 9,225	\$ 55,218	
22									
23 (Over) / Under-Recovery		\$ 326	\$ 402	\$ 261	\$ 253	\$ 7,354	\$ 709	\$ 9,305	
24									
25 Cumulative (Over) / Under-Recovery		\$ 1,827	\$ 2,153	\$ 2,555	\$ 2,816	\$ 10,422	\$ 11,132		
26									
27 Calculation of Return/Deferral									
28									
29 Average Balance		1,990	2,354	2,685	2,942	6,745	10,777		
30									
31 Deferred tax calculation--									
32 Deferred tax rate		39.550%	39.550%	39.550%	39.550%	39.550%	39.550%		
33									
34 ADIT on the average balance		\$ (787)	\$ (931)	\$ (1,062)	\$ (1,164)	\$ (2,668)	\$ (4,262)		
35									
36 Average Balance, Net of ADIT		\$ 1,203	\$ 1,423	\$ 1,623	\$ 1,778	\$ 4,078	\$ 6,515		
37									
38 x Return at Prime Rate		0.2708%	0.2708%	0.2708%	0.2708%	0.2708%	0.2708%		
39									
40 Return-Monthly		\$ 3	\$ 4	\$ 4	\$ 5	\$ 11	\$ 18	\$ 45	
41									
42 Cumulative Return		\$ 3	\$ 7	\$ 12	\$ 16	\$ 27	\$ 45		
43									
44 Cumulative (Over) / Under Recovery, Including Return		\$ 2,157	\$ 2,562	\$ 2,827	\$ 3,085	\$ 10,450	\$ 11,177		
45									

46 Note 1--May 2010 LNS includes \$8.5M of rebilling for the FY 2009 Schedule 21 true-up.

47
48 Note 2-- The return on the working capital allowance is monthly O&M x (45 days/365 days) x 10.9656% (allowed 7.513% incl tax gross-up)

49
50 Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
TRANSMISSION COST ADJUSTMENT MECHANISM (TCAM) CALCULATION
January-June 2011

(Dollars in 000's)

	Balance 12/31/2010	Actuals					Forecasted June 2011	Total	Reference
1 <u>Retail Transmission Costs</u>		January 2011	February 2011	March 2011	April 2011	May 2011			
2									
3 Retail Transmission Operating Revenues		\$ (10,254)	\$ (9,121)	\$ (9,648)	\$ (8,453)	\$ (9,507)	\$ (9,538)	\$ (56,521)	RAB-1, Pg 8
4									
5 Regional Network Service (RNS)		7,310	7,488	7,007	6,568	5,824	6,099	40,296	
6									
7 Scheduling and Dispatch (S&D)		187	191	179	168	149	155	1,028	
8									
9 Local Network Service (LNS) (1)		685	671	666	674	(8,061)	477	(4,889)	
10									
11 Reliability		318	375	474	351	342	357	2,216	
12									
13 Hydro-Quebec Support Costs		398	346	474	497	402	444	2,561	
14									
15 NHPUC Assessment		30	30	30	30	30	26	176	
16									
17 Return on TCAM Working Capital (2)		121	123	119	112	(18)	102	560	
18									
19 Revenue Credits (3)		(415)	(440)	(431)	(442)	(503)	(460)	(2,692)	
20									
21 Retail Transmission Operating Costs		\$ 8,632	\$ 8,784	\$ 8,517	\$ 7,956	\$ (1,836)	\$ 7,201	\$ 39,255	
22									
23 (Over) / Under-Recovery		\$ (1,622)	\$ (337)	\$ (1,130)	\$ (497)	\$ (11,343)	\$ (2,337)	\$ (17,266)	
24									
25 Cumulative (Over) / Under-Recovery	\$ 7,729	\$ 6,107	\$ 5,770	\$ 4,640	\$ 4,143	\$ (7,199)	\$ (9,536)		
26									
27 <u>Calculation of Return/Deferral</u>									
28									
29 Average Balance		6,918	5,939	5,205	4,391	(1,528)	(8,368)		
30									
31 Deferred tax calculation--									
32 Deferred tax rate		39.550%	39.550%	39.550%	39.550%	39.550%	39.550%		
33									
34 ADIT on the average balance		\$ (2,736)	\$ (2,349)	\$ (2,059)	\$ (1,737)	\$ 604	\$ 3,310		
35									
36 Average Balance, Net of Accum. Def. Income Taxes		\$ 4,182	\$ 3,590	\$ 3,146	\$ 2,655	\$ (924)	\$ (5,058)		
37									
38 x Return at Prime Rate		0.2708%	0.2708%	0.2708%	0.2708%	0.2708%	0.2708%		
39									
40 Return-Monthly		\$ 11	\$ 10	\$ 9	\$ 7	\$ (3)	\$ (14)	\$ 21	
41									
42 Cumulative Return		\$ 11	\$ 21	\$ 30	\$ 37	\$ 34	\$ 21		
43									
44 Cumulative (Over) / Under Recovery, Including Return		\$ 6,119	\$ 5,791	\$ 4,669	\$ 4,180	\$ (7,165)	\$ (9,516)		

46 Note 1--May 2011 LNS includes \$8.7M of refund rebilling for the FY 2010 Schedule 21 true-up.

48 Note 2-- The return on the working capital allowance is monthly O&M x (45 days/365 days) x 10.9656% (allowed 7.513% incl tax gross-up)

50 Note 3--Hydro-Quebec (H-Q) revenues associated with the H-Q support contract have been credited to TCAM costs effective July 1, 2010 (NHPUC Order #25,122). These revenues are included with the ISO-NE and NOATT Schedule 2 revenue credits.

53 Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
TRANSMISSION COST ADJUSTMENT MECHANISM (TCAM) CALCULATION
January - June 2010

(Dollars in 000's)

		Actuals						
		January	February	March	April	May	June	Total
	Retail Transmission Revenues	2010	2010	2010	2010	2010	2010	
3	Transmission Revenue - Billed	\$ (8,384)	\$ (7,861)	\$ (7,383)	\$ (7,218)	\$ (7,252)	\$ (7,723)	\$ (45,822)
5	Transmission Revenue - Unbilled	\$ 185	\$ 656	\$ (54)	\$ 300	\$ (386)	\$ (793)	(91)
7	Total	\$ (8,199)	\$ (7,206)	\$ (7,437)	\$ (6,918)	\$ (7,638)	\$ (8,516)	\$ (45,913)

10 Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
TRANSMISSION COST ADJUSTMENT MECHANISM (TCAM) CALCULATION
July-December 2010

(Dollars in 000's)

		Actuals						
		July	August	September	October	November	December	
	<u>Retail Transmission Revenues</u>	<u>2010</u>	<u>2010</u>	<u>2010</u>	<u>2010</u>	<u>2010</u>	<u>2010</u>	<u>Total</u>
3	Transmission Revenue - Billed	\$ (10,062)	\$ (11,154)	\$ (10,627)	\$ (9,594)	\$ (8,977)	\$ (9,646)	\$ (60,061)
5	Transmission Revenue - Unbilled	\$ (1,544)	\$ 483	\$ 879	\$ 291	\$ (427)	\$ (540)	(858)
7	Total	<u>\$ (11,606)</u>	<u>\$ (10,672)</u>	<u>\$ (9,748)</u>	<u>\$ (9,304)</u>	<u>\$ (9,405)</u>	<u>\$ (10,186)</u>	<u>\$ (60,920)</u>

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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
TRANSMISSION COST ADJUSTMENT MECHANISM (TCAM) CALCULATION
January-June 2011

(Dollars in 000's)

	Actuals					Forecasted	Total
	January 2011	February 2011	March 2011	April 2011	May 2011	June 2011	
Retail Transmission Revenues							
Transmission Revenue - Billed	\$ (10,323)	\$ (9,974)	\$ (9,408)	\$ (9,166)	\$ (8,555)	\$ (9,538)	\$ (56,963)
Transmission Revenue - Unbilled	\$ 69	\$ 853	\$ (240)	\$ 713	(952)		443
Total	<u>\$ (10,254)</u>	<u>\$ (9,121)</u>	<u>\$ (9,648)</u>	<u>\$ (8,453)</u>	<u>\$ (9,507)</u>	<u>\$ (9,538)</u>	<u>\$ (56,521)</u>

Amounts shown above may not add due to rounding.