

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
2013 ALTERNATE ENERGY SERVICE RATE CALCULATION  
(Dollars in 000's)

Summary of Forecasted Alternate Energy Service  
Cost For July 2013 Through December 2013

Reference

**Scrubber Cost**

Merrimack Scrubber Depreciation Expense	\$	7,782	Page 2
Merrimack Scrubber Property Tax Expense		108	Page 2
Merrimack Scrubber Return on Rate Base		18,268	Page 3

Total Forecasted Merrimack Scrubber Non-Operating Cost \$ 26,158

Forecasted Retail MWH Sales 2,166,286 MWh

Forecasted Energy Service Merrimack Scrubber Rate Impact  
cents Per KWH (Line 19 / Line 22) 1.21 ¢/kWh

**Marginal Cost**

Marginal Cost of Serving Energy Service 6.62 ¢/kWh Attachment 2

**Alternate Default Energy Service Rate ADE** 7.83 ¢/kWh

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
2013 ALTERNATE ENERGY SERVICE RATE CALCULATION  
MERRIMACK SCRUBBER DEPRECIATION AND PROPERTY TAXES  
JULY-DECEMBER 2013  
(Dollars in 000's)

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**Merrimack Scrubber Depreciation & Property Taxes**

	July 2013 Estimate	August 2013 Estimate	September 2013 Estimate	October 2013 Estimate	November 2013 Estimate	December 2013 Estimate	Total
Merrimack Scrubber Depreciation Cost	1,297	1,297	1,297	1,297	1,297	1,297	7,782
Merrimack Scrubber Property Taxes (1)	18	18	18	18	18	18	108
Total Merrimack Scrubber Depreciation and Property Taxes	\$ 1,315	\$ 1,315	\$ 1,315	\$ 1,315	\$ 1,315	\$ 1,315	\$ 7,890

(1) Merrimack Scrubber related property tax impact represents the projection of the non-exempt portion of the project  
Amounts shown above may not add due to rounding.

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
2013 ALTERNATE ENERGY SERVICE RATE CALCULATION  
MERRIMACK SCRUBBER RETURN ON RATE BASE  
JULY - DECEMBER 2013  
(Dollars in 000's)**

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	July 2013 Estimate	August 2013 Estimate	September 2013 Estimate	October 2013 Estimate	November 2013 Estimate	December 2013 Estimate	Total
<b>Merrimack Scrubber</b>							
<b>Return on Rate Base</b>							
<b>Rate base</b>							
Net Plant	\$ 389,469	\$ 388,171	\$ 386,874	\$ 385,576	\$ 384,279	\$ 382,981	
Working Capital Allow. (45 days of O&M)	1,110	1,110	1,110	1,110	1,110	1,110	
Deferred Taxes	(55,175)	(60,676)	(61,373)	(59,801)	(61,186)	(62,157)	
Total Rate Base (L16 thru L19)	335,404	328,605	326,611	326,885	324,203	321,934	
Average Rate Base ( prev + curr month)	338,269	332,005	327,608	326,748	325,544	323,069	
x Return	0.9258%	0.9258%	0.9258%	0.9258%	0.9258%	0.9258%	
Merrimack Scrubber Return (L22 x L23)	\$ 3,132	\$ 3,074	\$ 3,033	\$ 3,025	\$ 3,014	\$ 2,991	\$ 18,268

Amounts shown above may not add due to rounding.

**PSNH Rate ADE - Docket DE 11-216**  
**Marginal Cost to Serve Incremental Sales - July thru December, 2013**

	<u>MWh</u>	<u>c/kWh</u>	<u>Notes</u>
Sales Increment	422,107		(1)
<u>Marginal Costs to Serve Incremental Sales:</u>			(2)
	<u>\$(000)</u>		
Energy	\$ 22,035	5.22	(3)
Capacity	3,969	0.94	(4)
Ancillaries	355	0.08	(5)
RPS	1,255	0.30	(6)
ISO Expenses	<u>344</u>	0.08	
Total	\$ 27,958		
	<u>¢/kWh</u>		
Marginal cost to serve incremental sales	6.62	6.62	(7)

Notes:

- 1) Sales at the customer meter (6 months). The incremental annual peak at the meter is 167 MW.
- 2) Marginal costs are consistent with the modeling and assumptions used in PSNH's May 2, 2013 ES rate filing in Docket DE 12-292.
- 3) As per note 2), based on NYMEX 3/28/13 forward energy market prices.
- 4) Forecasted costs associated with 1,345 MW-months of capacity in ISO-NE's forward capacity market.
- 5) Ancillaries include regulation and reserves.
- 6) Based on July thru December, 2013 REC volume requirements and price quotations.
- 7) The marginal cost does not include any costs/adders for the coverage of risk or for profit.