

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
2014 ALTERNATE ENERGY SERVICE RATE CALCULATION
(Dollars in 000's)

Summary of Forecasted Alternate Energy Service
Cost For January 2014 Through December 2014

Reference

Scrubber Cost

Merrimack Scrubber Depreciation Expense	\$	15,606	Page 2
Merrimack Scrubber Property Tax Expense		216	Page 2
Merrimack Scrubber Return on Rate Base		35,350	Page 3

Total Forecasted Merrimack Scrubber Non-Operating Cost \$ 51,172

Forecasted Retail MWH Sales 3,682,376 MWh

Forecasted Energy Service Merrimack Scrubber Rate Impact
cents Per KWH (Line 19 / Line 22) 1.39 ¢/kWh

Marginal Cost

Marginal Cost of Serving Energy Service 7.78 ¢/kWh Attachment 2

Alternate Default Energy Service Rate ADE 9.17 ¢/kWh

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
2014 ENERGY SERVICE RATE CALCULATION
MERRIMACK SCRUBBER DEPRECIATION AND PROPERTY TAXES
JANUARY 2014 - DECEMBER 2014
(Dollars in 000's)

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Merrimack Scrubber Depreciation & Property Taxes

January 2014 Estimate	February 2014 Estimate	March 2014 Estimate	April 2014 Estimate	May 2014 Estimate	June 2014 Estimate	July 2014 Estimate	August 2014 Estimate	September 2014 Estimate	October 2014 Estimate	November 2014 Estimate	December 2014 Estimate	Total
1,298	1,298	1,299	1,299	1,300	1,300	1,301	1,301	1,302	1,302	1,303	1,303	15,606
18	18	18	18	18	18	18	18	18	18	18	18	216
\$ 1,316	\$ 1,316	\$ 1,317	\$ 1,317	\$ 1,318	\$ 1,318	\$ 1,319	\$ 1,319	\$ 1,320	\$ 1,320	\$ 1,321	\$ 1,321	\$ 15,822

(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
ENERGY SERVICE RATE CALCULATION
MERRIMACK SCRUBBER RETURN ON RATE BASE
JANAURY 2014 - DECEMBER 2014
(Dollars in 000's)

1														
2														
3														
4														
5														
6														
7														
8														
9		January	February	March	April	May	June	July	August	September	October	November	December	
10	Merrimack Scrubber	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	Total
11	Return on Rate Base	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	
12														
13														
14	Rate base													
15	Net Plant	\$ 381,842	\$ 380,703	\$ 379,563	\$ 378,423	\$ 377,282	\$ 376,141	\$ 374,999	\$ 373,857	\$ 372,714	\$ 371,570	\$ 370,427	\$ 369,282	
16														
17	Working Capital Allow. (45 days of O&M)	616	616	616	616	616	616	616	616	616	616	616	616	
18	Deferred Taxes	(43,395)	(48,400)	(53,405)	(58,410)	(63,415)	(68,420)	(73,425)	(78,430)	(83,435)	(88,440)	(93,445)	(98,450)	
19	Total Rate Base (L15 thru L18)	339,063	332,919	326,774	320,629	314,483	308,337	302,190	296,043	289,895	283,746	277,598	271,448	
20														
21	Average Rate Base (prev + curr month)	342,135	335,991	329,847	323,702	317,556	311,410	305,264	299,117	292,969	286,821	280,672	274,523	
22	x Return	0.9554%	0.9554%	0.9554%	0.9554%	0.9554%	0.9554%	0.9554%	0.9554%	0.9554%	0.9554%	0.9554%	0.9554%	
23	Merrimack Scrubber Return (L21 x L22)	\$ 3,269	\$ 3,210	\$ 3,151	\$ 3,093	\$ 3,034	\$ 2,975	\$ 2,917	\$ 2,858	\$ 2,799	\$ 2,740	\$ 2,682	\$ 2,623	\$ 35,350

Amounts shown above may not add due to rounding.

PSNH Proposed Rate ADE - Docket DE 11-216
Marginal Cost to Serve Incremental Sales - January thru December, 2014

	<u>MWh</u>	<u>c/kWh</u>	<u>Notes</u>
Sales Increment	795,330		(1)
<u>Marginal Costs to Serve Incremental Sales:</u>			(2)
	<u>\$(000)</u>		
Energy	\$ 48,719	6.13	(3)
Capacity	7,984	1.00	(4)
Ancillaries	1,063	0.13	(5)
RPS	3,108	0.39	(6)
ISO Expenses	<u>1,010</u>	0.13	
Total	\$ 61,884		
	<u>¢/kWh</u>		
Marginal cost to serve incremental sales	7.78	7.78	(7)

Notes:

- 1) The incremental annual peak at the meter is 170 MW.
- 2) Marginal costs are consistent with the modeling and assumptions used in PSNH's December, 2013 ES rate filing in Docket DE 13-275.
- 3) As per note 2), based on NYMEX 11/20/13 forward energy market prices.
- 4) Forecasted costs associated with 2,602 MW-months of capacity in ISO-NE's forward capacity market.
- 5) Ancillaries include regulation and reserves.
- 6) Based on January thru December, 2014 REC volume requirements and price quotations.
- 7) The marginal cost does not include any costs/adders for the coverage of risk or for profit.