

ATTACHMENT INDEX  
PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
INVESTIGATION OF MERRIMACK STATION SCRUBBER PROJECT  
AND COST RECOVERY  
DOCKET NO. DE 11-250

**Attachmet**    **Attachment RAB - 1**

- 1        Energy Service Rate (No Scrubber Costs):
  - As proposed in DE 11-215
  - As projected for 2013
- 2        Scrubber Rates and Cost Recovery Scenarios
- 3        Combined ES Rate and Cost Recovery Scenarios
- 4        Calculations Supporting Projected Rates
- 5        Calculations Supporting \$33.4 Million Projected PPA
- 6        DE 11-250, Attachment SEM-2, page 23

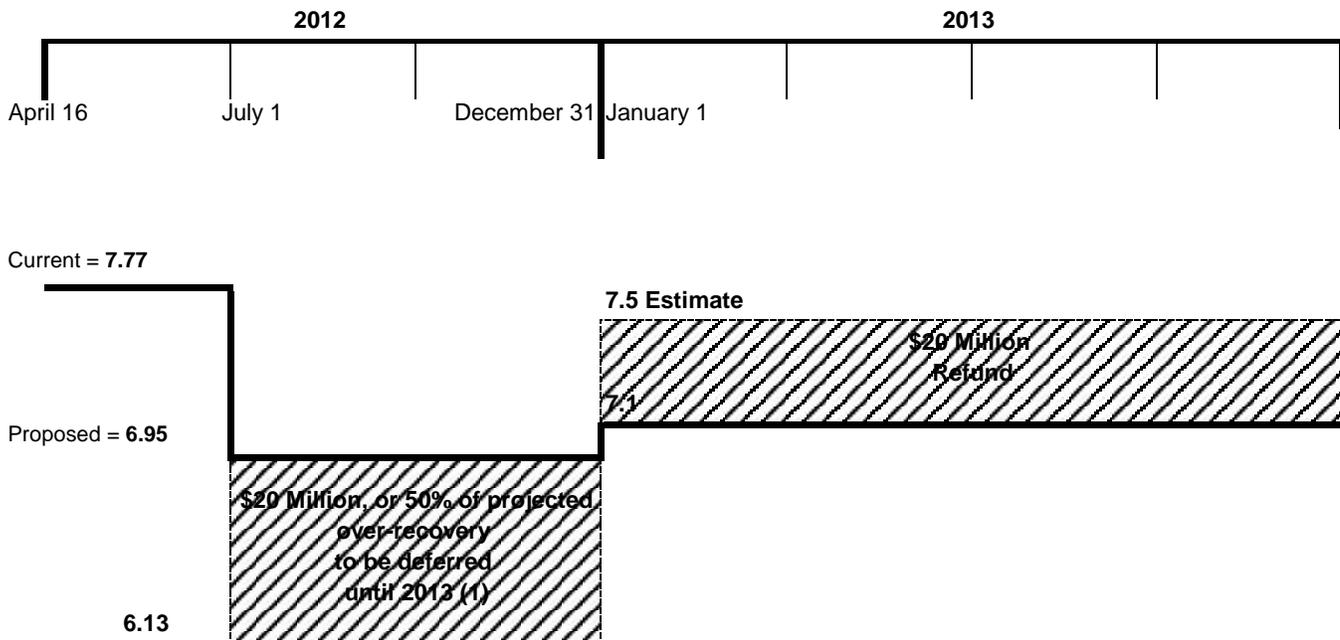
**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE**  
**INVESTIGATION OF MERRIMACK STATION SCRUBBER PROJECT**  
**AND COST RECOVERY**

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**Energy Service Rate as proposed in DE 11-215**

**(No Scrubber Costs)**

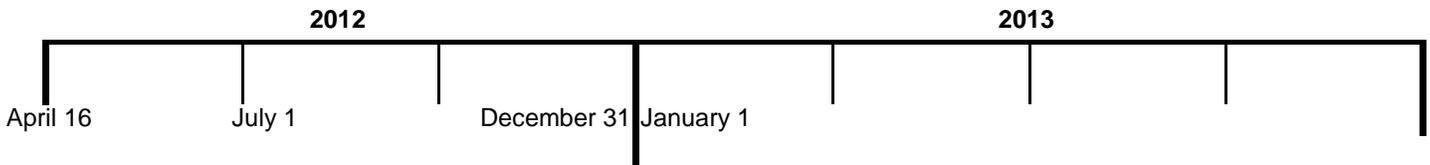
**(cents per kWh)**



(1) Attachment RAB-1, pg. 1, line 29, \$40,301.

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**Scrubber Rates and Cost Recovery Scenarios**  
**Recovery of \$33.4 Million Projected PPA**  
**Scrubber Costs Only**  
**(cents per kWh)**



**Reference**

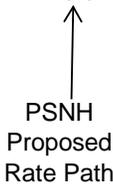
|                            |     |               |
|----------------------------|-----|---------------|
| 1 year PPA                 | 1.8 | Attach. RAB-4 |
| 2 year PPA                 | 1.4 | Attach. RAB-4 |
| Normal Scrubber Rate Level | 1.1 | Attach. RAB-4 |
| Current = .98              |     |               |

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**Combined ES Rate and Cost Recovery Scenarios**  
**ES Rate Including Scrubber Costs**  
(cents per kWh)

|  | Scenarios |     |     |     | Reference     |
|--|-----------|-----|-----|-----|---------------|
|  | A         | B   | C   | D   |               |
| Projected 2013<br>ES Rates - no Scrubber               | 7.1       | 7.1 | 7.5 | 7.5 | Attach. RAB-1 |
| <u>Recover Scrubber \$33M<br/>under-recovery over:</u> |           |     |     |     |               |
| 1. 2 Year PPA  | 1.4       |     | 1.4 |     | Attach. RAB-2 |
| 2. 1 Year PPA  |           | 1.8 |     | 1.8 | Attach. RAB-2 |
| Total ES Rate  | 8.5       | 8.9 | 8.9 | 9.3 |               |


  
PSNH  
Proposed  
Rate Path

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE**  
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**DOCKET NO. DE 11-250**

**Calculations Supporting Projected Rates**

|                                   |                  |                  |
|-----------------------------------|------------------|------------------|
| Annual level of Scrubber costs    | \$ 55,500        | Attachment RAB-6 |
| Total 2012 forecasted sales (mWh) | <u>5,093,934</u> |                  |
| Normal Scrubber rate level        | <u>1.1</u>       | cents / kWh      |

\$33.4 million PPA Rate Impact :

|        |   |
|--------|---|
| 1 year | $\$33.4\text{M} / 5,093,934 \text{ mWh} = .7 \text{ cents / kWh}$     |
| 2 year | $\$33.4\text{M} / 2 / 5,093,934 \text{ mWh} = .3 \text{ cents / kWh}$ |

Projected Scrubber rate impact - 2013 :

|            |                 |
|------------|-----------------|
| 1 year PPA | 1.8 cents / kWh |
| 2 year PPA | 1.4 cents / kWh |

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Calculations Supporting \$33.4 Million Projected PPA

|  |                  |                  |
|--|------------------|------------------|
| Annual level of Scrubber costs                   | \$ 55,500        | Attachment RAB-6 |
| 2011 Scrubber under-recovery                     | <u>13,101</u>    | Attachment RAB-6 |
| Total costs to be recovered                      | \$ 68,601        |                  |
| Current Scrubber Rate                            |                  | 0.98 cents/kWh   |
| Projected GWH sales April 16 - December 31, 2012 |                  | <u>3,592</u> (A) |
| Total projected recoveries in 2012               | <u>35,201</u>    | <u>35,201</u>    |
| Total projected under-recovery as of 12/31/12    | <u>\$ 33,400</u> |                  |

(A) Total 2012 forecasted sales for April - December 2012 from Attachment RAB-6: 3,784,328 MWH less April 1 - 15 sales of 192,788 MWH (385,586 (1) x 50%) for a total sales of 3,591,540 MWH.

(1) April 2012 sales - Attachment SEM-1, page 18 in Docket No. DE 11-250.

## Temporary Rate Calculation

DE 11-250  
Attachment SEM-2

|  | Per<br>PSNH<br>1/28/2012 | Staff<br>Proposal |
|--|--------------------------|-------------------|
| <u>PSNH Forecasted 2012 Costs:</u>                     |                          |                   |
| 1 Scrubber O&M, Fuel & Avoided SO <sub>2</sub> cost    | \$ 6,671                 | \$ 6,671          |
| 2 Scrubber Depreciation Expense                        | 13,761                   | 13,761            |
| 3 Scrubber Property Tax Expense                        | 267                      | 267               |
| 4 Scrubber Return on Rate Base                         | 34,801                   | 34,801            |
| 5 Subtotal   | 55,500                   | 55,500            |
| 6 Amortization of 2011 Scrubber Under-recovery         |                          |                   |
| 7 (13,101 / 3 years)                                   | 4,367                    |                   |
| 8 Net Forecasted Scrubber Cost (PSNH)                  | \$ 59,867                |                   |
| 9 Temporary Rate Cost Percentage (see below)           |                          | 66.00%            |
| 10 2012 Costs for Temporary Rate Purposes              |                          | 36,631            |
| 11 2011 Scrubber Under-recovery                        |                          | 13,101            |
| 12 Net Scrubber Costs for Temp. Rates (Staff)          |                          | \$ 49,732         |
| 13 Forecasted April - December 2012 MWh Sales          | 3,784,328                | 3,784,328         |
| 14 ES Rate Attributable to Scrubber (4/2012 - 12/2012) | 1.58 ¢/kWh               | 1.31 ¢/kWh        |
| 15 Total 2012 Forecasted Sales                         | 5,093,934                | 5,093,934         |
| 16 ES Rate Attributable to Scrubber (12 mo. Rate)      | 1.18 ¢/kWh               | 0.98 ¢/kWh        |

|  | (\$000)                  |                 |                         |
|--|--------------------------|-----------------|-------------------------|
|  | DE 11-215<br>Staff #1-17 | Accum.<br>Depr. | Adjusted<br>Gross Plant |
| 17   |                          |                 |                         |
| 18 <u>Calculation of Temporary Rate Cost Percentage:</u> |                          |                 |                         |
| 19 13-month average of Gross Plant                       |                          |                 |                         |
| 20 December 31, 2011                                     | 350,358                  | 3,100           | 353,458                 |
| 21 January 31, 2012                                      | 349,288                  | 4,170           | 353,458                 |
| 22 February 29, 2012                                     | 348,218                  | 5,240           | 353,458                 |
| 23 March 31, 2012  | 356,348                  | 6,310           | 362,658                 |
| 24 April 30, 2012  | 355,249                  | 7,409           | 362,658                 |
| 25 May 31, 2012  | 354,150                  | 8,508           | 362,658                 |
| 26 June 30, 2012   | 385,351                  | 9,607           | 394,958                 |
| 27 July 31, 2012   | 384,148                  | 10,810          | 394,958                 |
| 28 August 31, 2012                                       | 382,945                  | 12,013          | 394,958                 |
| 29 September 30, 2012                                    | 383,742                  | 13,216          | 396,958                 |
| 30 October 31, 2012                                      | 382,527                  | 14,431          | 396,958                 |
| 31 November 30, 2012                                     | 381,312                  | 15,646          | 396,958                 |
| 32 December 31, 2012                                     | 383,097                  | 16,861          | 399,958                 |
| 33   |                          |                 | 4,924,054               |
| 34   | Divide by 13             |                 | 13                      |
| 35   | 13-mo average            |                 | 378,773                 |

|    |  |     |         |
|----|--|-----|---------|
| 36 | Original Scrubber Project Cost Estimate          | (a) | 250,000 |
| 37 | Divide by: 13-month average gross plant for 2012 | (b) | 378,773 |
| 38 |  |     |         |
| 39 | Temporary Rate Cost Percentage (a/b)             |     | 66.00%  |