

ORIGINAL	
N.H.P.D.C. Case No.	DE 11-250
Exhibit No.	#133
Witness	Eric H. Chung
DO NOT REMOVE FROM FILE	

Dated: 12/2/08
Attachment RAB-1
Page 1

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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
2009 ENERGY SERVICE RATE CALCULATION
(Dollars in 000's)

10 Summary of Forecasted Energy Service			
11	Cost For January 2009 Through December 2009	TOTAL COST	Reference
12			
13	Fossil energy costs	\$ 175,110	Attachment RAB-2, page 2
14	F/H O&M, Depreciation & Taxes	136,486	Attachment RAB-2, page 2
15	Return on rate base	40,396	Attachment RAB-2, page 2
16	ISO-NE Ancillary	7,326	Attachment RAB-2, page 2
17	Capacity	42,303	Attachment RAB-2, page 2
18	NH RPS	10,770	Attachment RAB-2, page 2
19	RGGI Costs	7,632	Attachment RAB-2, page 2
20	Vermont Yankee	7,582	Attachment RAB-2, page 2
21	IPP costs (1)	29,465	Attachment RAB-2, page 2
22	Purchases and Sales	320,906	Attachment RAB-2, page 2
23	SO2 Proceeds	(124)	Attachment RAB-2, page 2
24	Merrimack Inventory Adjustment	(10,000)	Attachment RAB-2, page 2
25	Merrimack Incremental O&M Costs, net of proj. insurance proceeds	5,480	Attachment RAB-2, page 2
26	Merrimack Projected RPC Insurance Proceeds	(9,062)	Attachment RAB-2, page 2
27	Return on ES Deferral	(665)	Attachment RAB-2, page 2
28			
29	Total Forecasted Energy Service Cost	\$ 763,603	
30			
31	2008 ES Over/Under Recovery	(25,437)	Attachment RAB-3, page 1
32			
33	Net Forecasted Energy Service Cost	\$ 738,166	
34			
35	Forecasted Retail MWH Sales	7,443,795	
36			
37			
38	Forecasted Energy Service Rate -		
39	cents Per KWH (line 33 / Line 35)	9.92	

40 (1) The IPP costs represent the forecasted Market Value of IPP generation.

	PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE						
	2009 ENERGY SERVICE RATE CALCULATION						
	(Dollars in 000's)						
	January	February	March	April	May	June	
	2009	2009	2009	2009	2009	2009	
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Reference
10 <u>Energy Service Cost</u>							
12 Fossil Energy Costs	\$ 22,084	\$ 19,340	\$ 16,302	\$ 15,543	\$ 16,569	\$ 16,014	RAB-2, P3
13 F/H O&M, Depreciation & Taxes	9,902	9,257	10,933	10,767	10,268	10,265	RAB-2, P5
14 Return on Rate Base	3,369	3,353	3,331	3,309	3,316	3,343	RAB-2, P6
15 ISO-NE Ancillary	982	959	862	1,154	1,092	773	RAB-2, P3
16 Capacity	3,568	3,568	3,358	3,358	3,358	3,156	RAB-2, P3
17 NH RPS	987	879	896	772	786	864	RAB-2, P3
18 RGGI Costs	636	636	636	636	636	636	RAB-2, P3
19 Vermont Yankee	644	582	644	623	644	623	RAB-2, P3
20 IPP Costs	2,829	2,687	2,723	2,893	2,714	2,242	RAB-2, P4
21 Purchases and Sales	24,440	21,162	21,406	19,613	16,467	22,507	RAB-2, P3
22 SO2 Proceeds	-	-	-	-	(124)	-	
23 Merrimack Inventory Adjustment	(10,000)	-	-	-	-	-	
24 Merrimack Incremental O&M Cost,							
25 net of projected insurance proceeds	-	-	-	-	-	-	
26 Merrimack Projected RPC Insurance Proceeds	-	-	-	-	-	-	
27 Return on ES Deferral	(74)	(81)	(79)	(77)	(74)	(73)	
29 Total Energy Service Cost	\$ 59,366	\$ 62,342	\$ 61,013	\$ 58,591	\$ 55,652	\$ 60,350	
31 Forecasted Retail MWH Sales	680,206	604,140	625,000	564,633	567,084	596,596	
33 Energy Service Cost - cents per kwh	8.73	10.32	9.76	10.38	9.81	10.12	

Amounts shown above may not add due to rounding.

	PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE							
	2009 ENERGY SERVICE RATE CALCULATION							
	(Dollars in 000's)							
	July	August	September	October	November	December		
	2009	2009	2009	2009	2009	2009		
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Total	Reference
10 Energy Service Cost								
12 Fossil Energy Costs	\$ 22,823	\$ 11,124	\$ 7,368	\$ 6,614	\$ 6,019	\$ 15,311	\$ 175,110	RAB-2, P3
13 F/H O&M, Depreciation & Taxes	10,466	9,763	13,977	14,688	13,160	13,040	136,486	RAB-2, P5
14 Return on Rate Base	3,343	3,345	3,362	3,392	3,423	3,508	40,396	RAB-2, P6
15 ISO-NE Ancillary	786	56	112	7	2	541	7,326	RAB-2, P3
16 Capacity	3,156	4,382	3,156	3,671	3,671	3,901	42,303	RAB-2, P3
17 NH RPS	1,031	1,016	872	867	854	946	10,770	RAB-2, P3
18 RGGI Costs	636	636	636	636	636	636	7,632	RAB-2, P3
19 Vermont Yankee	644	644	623	644	623	644	7,582	RAB-2, P3
20 IPP Costs	2,131	1,841	1,682	1,992	2,548	3,183	29,465	RAB-2, P4
21 Purchases and Sales	23,998	39,001	35,486	34,351	35,237	27,238	320,906	RAB-2, P3
22 SO2 Proceeds	-	-	-	-	-	-	(124)	
23 Merrimack Inventory Adjustment	-	-	-	-	-	-	(10,000)	
24 Merrimack Incremental O&M Cost,	-	-	-	-	-	-	-	
25 net of projected insurance proceeds	-	-	-	-	-	5,480	5,480	
26 Merrimack Projected RPC Insurance Proceeds	-	-	-	-	-	(9,062)	(9,062)	
27 Return on ES Deferral	(70)	(62)	(45)	(24)	(7)	1	(665)	
29 Total Energy Service Cost	\$ 68,944	\$ 71,746	\$ 67,228	\$ 66,838	\$ 66,166	\$ 65,367	\$ 763,603	
31 Forecasted Retail MWH Sales	681,857	674,130	588,345	600,784	603,192	657,828	7,443,795	
33 Energy Service Cost - cents per kwh	10.11	10.64	11.43	11.13	10.97	9.94	10.26	

Amounts shown above may not add due to rounding.

Dated: 12/2/08
Attachment RAB-2
Page 3

PUBLIC SERVICE RATE COMPANY OF NEW HAMPSHIRE
2009 ENERGY SERVICE RATE CALCULATION

PSNH Generation (GWh) and Expense (\$000)
IPP's Priced at Market Rate

		Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Total	
1															
2	Hydro:	Energy	31.316	26.686	34.621	40.125	38.111	28.669	20.989	18.776	16.679	23.443	32.325	31.009	342,749
3															
4	Coal:	Energy	333.906	301.592	326.601	323.135	333.906	321.531	332.249	129.881	125.691	117.606	104.959	305.133	3,056.190
5		Energy Expense	\$ 16,000	14,452	15,666	15,484	16,000	15,398	15,912	6,977	6,752	6,171	5,403	14,675	148,890
6															
7	Wood:	Energy	28.458	25.704	28.458	2.639	25.475	27.540	28.458	28.458	27.540	19.814	27.540	28.458	298.542
8		Energy Expense	\$ 1,687	1,524	1,687	156	1,510	1,633	1,687	1,687	1,633	1,175	1,633	1,687	17,698
9		Revenue Credit	\$ (1,051)	(949)	(1,051)	(97)	(941)	(1,017)	(1,051)	(1,051)	(1,017)	(732)	(1,017)	(1,051)	(11,025)
10															
11	Nuclear:	Energy	15.177	13.708	15.177	14.687	15.177	14.687	15.177	15.177	14.687	15.177	14.687	15.177	178.695
12		Energy Expense	\$ 644	582	644	623	644	623	644	644	623	644	623	644	7,582
13															
14	Newington:	Energy	66.527	57.977	0.000	0.000	0.000	0.000	72.550	45.050	0.000	0.000	0.000	0.000	242.104
15		Energy Expense	\$ 5,448	4,313	-	-	-	-	6,275	3,511	-	-	-	-	19,547
16															
17	IPP's:	Energy	32.627	33.052	38.602	42.752	40.427	31.627	25.853	23.728	23.628	27.877	34.052	38.403	392.628
18		Energy Expense	\$ 2,569	2,427	2,463	2,633	2,454	2,046	1,935	1,645	1,486	1,708	2,264	2,899	26,529
19		ICAP	\$ 260	260	260	260	260	196	196	196	196	284	284	284	2,936
20															
21	Peak Purchase:	Energy	23.460	19.441	41.360	1.511	5.774	40.908	37.110	121.669	143.572	138.376	133.173	79.151	785.505
22		Expense	\$ 2,171	1,572	3,014	107	406	3,045	3,295	9,400	10,288	9,587	10,046	6,890	59,821
23															
24	Known Purchases	Energy	162.312	146.007	157.634	239.941	151.667	187.792	174.955	170.155	184.592	155.632	151.336	158.973	2,040.996
25		Expense	\$ 19,947	18,166	16,985	23,125	16,432	20,152	19,312	18,752	19,757	16,938	16,365	17,209	223,140
26															
27	Offpeak Purchase:	Energy	34.600	23.984	28.788	2.064	8.101	22.570	34.132	162.019	88.580	139.248	141.580	44.414	730.080
28		Expense	\$ 2,759	1,899	1,855	129	502	1,505	2,450	10,849	5,487	7,826	8,826	3,326	47,413
29															
30	Surplus Energy Sales	Energy	(7.132)	(7.551)	(8.474)	(68.042)	(17.204)	(42.573)	(18.346)	0.000	(0.993)	0.000	0.000	(3.162)	(173.477)
31		(Credit)	\$ (437)	(475)	(448)	(3,748)	(873)	(2,195)	(1,059)	0	(46)	0	0	(187)	(9,468)
32															
33	Congestion and Loss Adjustment		\$ 158	135	(7)	91	107	12	84	(646)	(590)	(638)	(643)	(104)	(2,040)
34															
35	Total Energy GWH		721.251	640.600	662.767	598.812	601.434	632.751	723.127	714.913	623.976	637.173	639.652	697.556	7,894.012
36	Total Energy Expense		\$ 50,155	43,906	41,068	38,764	36,501	41,398	49,680	51,964	44,568	42,963	43,784	46,272	531,022
37															
38															
39	ISO-NE Ancillary (Including Congestion and Loss Adj.)		\$ 982	959	862	1,154	1,092	773	786	56	112	7	2	541	7,326
40	NH RPS		\$ 987	879	896	772	786	864	1,031	1,016	872	867	854	946	10,770
41	RGGI Costs		\$ 636	636	636	636	636	636	636	636	636	636	636	636	7,632
42	Capacity (sold)/bought MW-mo		951	951	895	895	895	770	770	1,069	770	895	895	951	10,710
43	Capacity (sold)/bought Cost (\$000)		\$ 3,568	3,568	3,358	3,358	3,358	3,156	3,156	4,382	3,156	3,671	3,671	3,901	42,303

Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
2009 ENERGY SERVICE RATE CALCULATION

1 **Forecasted PSNH IPP Market Value**

2							
3		IPP at					
4		IPP	Mkt Value	Capacity	ICAP Value	ICAP	Total
5	Month	GWh	(\$000)	MW	\$/kw-mo	(\$000)	(\$000)
6	January 2009	32.627	2,569	69.2	3.75	260.0	2,829
7	February	33.052	2,427	69.2	3.75	260.0	2,687
8	March	38.602	2,463	69.2	3.75	260.0	2,723
9	April	42.752	2,633	69.2	3.75	260.0	2,893
10	May	40.427	2,454	69.2	3.75	260.0	2,714
11	June	31.627	2,046	47.9	4.10	196.0	2,242
12	July	25.853	1,935	47.9	4.10	196.0	2,131
13	August	23.728	1,645	47.9	4.10	196.0	1,841
14	September	23.628	1,486	47.9	4.10	196.0	1,682
15	October	27.877	1,708	69.2	4.10	284.0	1,992
16	November	34.052	2,264	69.2	4.10	284.0	2,548
17	December 2009	38.403	2,899	69.2	4.10	284.0	3,183
18	Total	392.628	26,529			2,936	29,465
							75.05

Amounts shown above may not add due to rounding.

Dated: 12/2/08
Attachment RAB-2
Page 5

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
2009 ENERGY SERVICE RATE CALCULATION
Fossil / Hydro O&M, Depreciation & Taxes Detail
(Dollars in 000's)

	January 2009	February 2009	March 2009	April 2009	May 2009	June 2009	July 2009	August 2009	September 2009	October 2009	November 2009	December 2009	Total
<u>Fossil / Hydro O&M, Depr. & Taxes</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	
F/H Operation & Maintenance Cost	\$ 7,450	\$ 6,803	\$ 8,229	\$ 8,319	\$ 7,824	\$ 7,695	\$ 7,898	\$ 7,302	\$ 11,394	\$ 12,121	\$ 10,679	\$ 10,427	\$ 106,141
F/H Depreciation Cost	1,725	1,725	1,726	1,726	1,728	1,736	1,737	1,739	1,744	1,751	1,758	1,767	20,862
F/H Property Taxes	605	610	610	617	617	617	617	617	617	617	617	617	7,378
F/H Payroll Taxes	122	119	257	105	99	104	214	105	107	199	106	112	1,649
Amort. of Asset Retirement Obligation	-	-	111	-	-	113	-	-	115	-	-	117	456
Total F/H O&M, Depr. and Taxes	\$ 9,902	\$ 9,257	\$ 10,933	\$ 10,767	\$ 10,268	\$ 10,265	\$ 10,466	\$ 9,763	\$ 13,977	\$ 14,688	\$ 13,160	\$ 13,040	\$ 136,486

Amounts shown above may not add due to rounding.

Dated: 12/2/08
Attachment RAB-2
Page 6

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
2009 ENERGY SERVICE RATE CALCULATION
FOSSIL/HYDRO RETURN ON RATE BASE
(Dollars in 000's)

	January 2009 Estimate	February 2009 Estimate	March 2009 Estimate	April 2009 Estimate	May 2009 Estimate	June 2009 Estimate	July 2009 Estimate	August 2009 Estimate	September 2009 Estimate	October 2009 Estimate	November 2009 Estimate	December 2009 Estimate	Total
Return on Rate Base													
Rate base													
Net Plant	278,408	276,893	275,393	274,482	278,870	278,493	277,591	278,444	280,349	283,720	285,100	298,873	
Working Capital Allow. (45 days of O&M)	13,086	13,086	13,086	13,086	13,086	13,086	13,086	13,086	13,086	13,086	13,086	13,086	
Fossil Fuel Inventory	47,121	47,121	47,121	47,121	47,121	47,121	47,121	47,121	47,121	47,121	47,121	47,121	
Mat'ls and Supplies	44,144	44,194	44,277	44,365	44,488	44,701	44,772	44,861	44,964	45,066	45,174	45,426	
Prepayments	250	250	250	250	250	250	250	250	250	250	250	250	
Deferred Taxes	(13,768)	(15,751)	(15,548)	(18,264)	(17,778)	(16,491)	(16,669)	(16,290)	(15,689)	(15,260)	(13,831)	(12,183)	
Other Regulatory Obligations	(2,901)	(2,901)	(3,013)	(3,013)	(3,013)	(3,126)	(3,126)	(3,126)	(3,241)	(3,241)	(3,241)	(3,358)	
Total Rate Base (L15 thru L22)	366,340	362,892	361,566	358,027	363,024	364,034	363,025	364,346	366,840	370,742	373,659	389,215	
Average Rate Base (prev + curr month)	366,340	364,616	362,229	359,796	360,525	363,529	363,529	363,685	365,593	368,791	372,200	381,437	
x Return	0.9197%	0.9197%	0.9197%	0.9197%	0.9197%	0.9197%	0.9197%	0.9197%	0.9197%	0.9197%	0.9197%	0.9197%	
Return (L25 x L26)	\$ 3,369	\$ 3,353	\$ 3,331	\$ 3,309	\$ 3,316	\$ 3,343	\$ 3,343	\$ 3,345	\$ 3,362	\$ 3,392	\$ 3,423	\$ 3,508	\$ 40,396

Amounts shown above may not add due to rounding

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

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9			
10	Summary of Forecasted Energy Service		
11	Cost For January 2008 Through December 2008	TOTAL COST	Reference
12			
13	Fossil energy costs	\$ 168,473	Attachment RAB-3, page 2B
14	F/H O&M, Depreciation & Taxes	137,073	Attachment RAB-3, page 2B
15	Return on rate base	37,147	Attachment RAB-3, page 2B
16	ISO-NE Ancillary	9,057	Attachment RAB-3, page 2B
17	Capacity	36,103	Attachment RAB-3, page 2B
18	NH RPS	8,456	Attachment RAB-3, page 2B
19	RGGI Costs	-	Attachment RAB-3, page 2B
20	Vermont Yankee	6,623	Attachment RAB-3, page 2B
21	IPP costs	42,496	Attachment RAB-3, page 2B
22	Purchases and Sales	260,610	Attachment RAB-3, page 2B
23	Return on ES deferral	(413)	Attachment RAB-3, page 2B
24	ES Uncollectible Expense	338	Attachment RAB-3, page 2B
25	Stipulation and Settlement Agreement in De 08-066	(8)	
26	2007 actual ES under/(over) recovery	(20,800)	Attachment RAB-3, page 2B
27	Total Estimated Energy Service Cost	\$ 685,156	Attachment RAB-3, page 2B
28	Total Estimated Revenue	710,593	Attachment RAB-3, page 2B
29	2008 Energy Service Estimated Under/(Over) Recovery	\$ (25,437)	

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
ENERGY SERVICE RATE CALCULATION
(Dollars In 000's)

	Actual January 2008	Actual February 2008	Actual March 2008	Actual April 2008	Actual May 2008	Actual June 2008	Reference
Energy Service Cost							
Fossil Energy Costs (1)	\$ 16,691	\$ 13,704	\$ 13,998	\$ 7,265	\$ 9,070	\$ 14,272	RAB-3, P3
F/H O&M, Depreciation & Taxes	8,945	8,942	9,973	15,079	10,249	11,093	RAB-3, P5
Return on Rate Base	2,974	2,986	2,883	2,912	2,912	3,488	RAB-3, P6
ISO-NE Ancillary	565	880	1,389	976	976	(779)	RAB-3, P3
Capacity	3,171	2,636	2,729	2,690	2,614	2,870	RAB-3, P3
NH RPS	-	-	2,361	787	787	711	RAB-3, P3
RGGI Costs	-	-	-	-	-	-	RAB-3, P3
Vermont Yankee	655	605	567	573	650	582	RAB-3, P3
IPP Costs (2)	5,647	5,352	4,984	4,366	5,049	2,139	RAB-3, P4
Purchases and Sales	18,070	17,691	16,556	27,416	20,828	26,729	RAB-3, P3
Return on ES deferral	(70)	(62)	(68)	(48)	(30)	(26)	
ES Uncollectible Expense (3)	-	-	-	-	-	-	
Stipulation and Settlement Agreement in De 08-056	-	-	-	-	-	-	
2007 actual ES under/(over) recovery (4)	(20,800)	-	-	-	-	-	
Total Energy Service Cost Re-estimate	\$ 35,847	\$ 52,734	\$ 55,372	\$ 62,016	\$ 53,106	\$ 61,080	
Total Energy Service Revenue @ 8.82 Rate	\$ 61,543	\$ 56,104	\$ 57,537	\$ 50,355	\$ 51,472	\$ 59,851	
ES Under/ (Over) Recovery	\$ (25,696)	\$ (3,371)	\$ (2,165)	\$ 11,661	\$ 1,634	\$ 1,228	
Retail MWH Sales	697,877	636,122	652,440	570,922	583,589	648,919	

(1) Fossil Energy Costs for May include a credit of (\$218K) from the 2008 EPA SO2 auction.

(2) The IPP costs represent the actual and forecasted market value of IPP generation.
January 2008 also reflects the 2007 annual ES true up credit of \$151 thousand.

(3) Per the Settlement Agreement in Docket No. DE 06-028, PSNH began recovering the ES portion of uncollectible expense through the ES Rate effective 7/1/07. Actual uncollectible expense is reflected in the F/H O&M, line 12.

(4) See PSNH August 8, 2008 Quarterly Reconciliation ES filing in DE 07-096, Page 6.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE ENERGY SERVICE RATE CALCULATION (Dollars in 000's)									
	Actual July 2008	Actual August 2008	Actual September 2008	Actual October 2008	Re-estimate November 2008	Re-estimate December 2008	Total	Reference	
9 Energy Service Cost									
11 Fossil Energy Costs (1)	\$ 19,905	\$ 17,491	\$ 12,064	\$ 13,493	\$ 14,963	\$ 15,556	\$ 168,473	RAB-3, P3	
12 F/H O&M, Depreciation & Taxes	11,424	9,957	14,586	17,771	9,252	9,802	137,073	RAB-3, P5	
13 Return on Rate Base	3,216	3,216	3,035	3,123	3,123	3,280	37,147	RAB-3, P6	
14 ISO-NE Ancillary	843	777	689	880	958	902	9,057	RAB-3, P3	
15 Capacity	2,769	3,230	3,239	3,154	3,396	3,605	36,103		
16 NH RPS	711	711	729	729	443	485	8,456		
17 RGGI Costs	-	-	-	-	-	-	-		
18 Vermont Yankee	472	616	572	341	364	627	6,623	RAB-3, P3	
19 IPP Costs (2)	2,907	2,421	2,045	2,265	2,370	2,951	42,496	RAB-3, P4	
20 Purchases and Sales	34,614	21,714	22,142	18,111	16,729	20,011	260,610	RAB-3, P3	
21 Return on ES deferral	(15)	(12)	(19)	(15)	(17)	(32)	(413)		
22 ES Uncollectible Expense (3)	-	-	-	-	169	169	338		
23 Stipulation and Settlement Agreement in De 08-066	-	-	-	-	-	(8)	(8)		
24 2007 actual ES under/(over) recovery (4)							(20,800)		
25 Total Energy Service Cost Re-estimate	\$ 76,847	\$ 60,122	\$ 59,081	\$ 59,853	\$ 51,750	\$ 57,348	\$ 685,156		
26 Total Energy Service Revenue @ 9.57 Rate	\$ 70,708	\$ 65,804	\$ 59,761	\$ 56,619	\$ 57,660	\$ 63,178	\$ 710,593		
27 Total Energy Service Under/ (Over) Recovery	\$ 6,139	\$ (5,682)	\$ (680)	\$ 3,234	\$ (5,910)	\$ (5,830)	\$ (25,437)		
28 Retail MWH Sales	738,450	687,542	624,404	591,973	602,510	660,162	7,694,910		

29 (1) Fossil Energy Costs for May include a credit of (\$218K) from the 2008 EPA SO2 auction.

30 (2) The IPP costs represent the actual and forecasted market value of IPP generation.

31 January 2008 also reflects the 2007 annual ES true up credit of \$151 thousand.

32 (3) Per the Settlement Agreement in Docket No. DE 06-028, PSNH began recovering the ES portion of
33 uncollectible expense through the ES Rate effective 7/1/07. Actual uncollectible
34 expense is reflected in the F/H O&M, line 12.

35 (4) See PSNH August 8, 2008 Quarterly Reconciliation ES filing in DE 07-096, Page 6

**PUBLIC SERVICE RATE COMPANY OF NEW HAMPSHIRE
ENERGY SERVICE RATE CALCULATION**

**PSNH Generation (GWh) and Expense (\$000)
IPP's Priced at Market Rate**

			Nov 08	Dec 08	Total
8	Hydro:	Energy	31.518	30.355	61.873
10	Coal:	Energy	322.264	336.006	658.270
11		Energy Expense	\$ 14,401	14,963	29,364
13	Wood:	Energy	29.160	30.132	59.292
14		Energy Expense	\$ 1,729	1,786	3,515
15		Revenue Credit	\$ (1,166)	(1,193)	(2,360)
17	Nuclear:	Energy	8.784	15.128	23.912
18		Energy Expense	\$ 364	627	991
20	Newington:	Energy	0.000	0.000	0.000
21		Energy Expense	\$ -	-	-
23	IPP's:	Energy	34.672	39.067	73.739
24		Energy Expense	\$ 2,110	2,691	4,801
25		ICAP	\$ 260	260	520
27	Peak Purchase:	Energy	41.575	58.694	100.269
28		Expense	\$ 2,929	4,575	7,504
30	Known Purchases	Energy	143.904	152.277	296.181
31		Expense	\$ 11,913	12,651	24,564
33	Offpeak Purchase:	Energy	32.596	40.850	73.446
34		Expense	\$ 2,159	2,925	5,084
36	Surplus Energy Sales	Energy	(5.547)	(2.483)	(8.030)
37		(Credit)	\$ (272)	(140)	(412)
39	Congestion and Loss Adjustment		\$ 134	79	213
41	Total Energy GWH		638.926	700.026	1,338.952
42	Total Energy Expense	\$	34,560	39,224	73,784
45	ISO-NE Ancillary (includes Congestion & Loss Adj	\$	958	902	1,860
46	NH RPS		443	485	928
47	RGGI		0	0	0
49	Capacity (sold)/bought MW-mo		905	961	1,866
50	Capacity (sold)/bought Cost (\$000)	\$	3,396	3,605	7,001

53 Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
ENERGY SERVICE RATE CALCULATION

1 Forecasted PSNH IPP Market Value

2			IPP at				
3							
4		IPP	Mkt Value	Capacity	ICAP Value	ICAP	Total
5	Month	GWh	(\$000)	MW	\$/kw-mo	(\$000)	(\$000) \$/MWh
6	November	34.672	2,110	69.2	3.75	260.0	2,370 68.35
7	December	39.067	2,691	69.2	3.75	260.0	2,951 75.54
8	Total	73.739	4,801			520.0	5,321 72.16

9 Amounts shown above may not add due to rounding.

Dated: 12/2/08
Attachment RAB-3
Page 5

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
ENERGY SERVICE RATE CALCULATION
Fossil / Hydro O&M, Depreciation & Taxes Detail
(Dollars in 000's)

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	January 2008 Actual	February 2008 Actual	March 2008 Actual	April 2008 Actual	May 2008 Actual	June 2008 Actual	July 2008 Actual	August 2008 Actual	September 2008 Actual	October 2008 Actual	November 2008 Estimate	December 2008 Estimate	Total
<u>Fossil / Hydro O&M, Depr. & Taxes</u>													
F/H Operation & Maintenance Cost	\$ 6,444	\$ 6,527	\$ 7,457	\$ 12,659	\$ 8,509	\$ 7,875	\$ 8,889	\$ 7,495	\$ 11,906	\$ 15,243	\$ 6,642	\$ 7,043	\$ 106,690
F/H Depreciation Cost	1,648	1,657	1,658	1,658	1,655	1,682	1,692	1,685	1,696	1,695	1,850	1,855	20,433
F/H Property Taxes	612	617	663	616	(2)	1,237	620	649	649	694	668	668	7,692
F/H Payroll Taxes	240	141	91	145	87	192	223	128	227	139	92	109	1,814
Amortization of Asset Retirement Obligation	-	-	104	-	-	106	-	-	108	-	-	127	444
Total F/H O&M, Depr. and Taxes	\$ 8,945	\$ 8,942	\$ 9,973	\$ 15,079	\$ 10,249	\$ 11,093	\$ 11,424	\$ 9,957	\$ 14,586	\$ 17,771	\$ 9,252	\$ 9,802	\$ 137,073

Amounts shown above may not add due to rounding.

Dated: 12/2/08
Attachment RAB-3
Page 6

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
ENERGY SERVICE RATE CALCULATION
FOSSIL/HYDRO RETURN ON RATE BASE
(Dollars in 000's)

	January 2008	February 2008	March 2008	April 2008	May 2008	June 2008	July 2008	August 2008	September 2008	October 2008	November 2008	December 2008	Total
Return on Rate Base	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Estimate	Estimate	
Net Plant	238,148	238,148	237,797	237,797	237,797	264,457	264,457	264,457	263,618	263,618	263,618	274,802	
Working Capital Allow. (45 days of O&M)	13,630	13,630	13,630	13,630	13,630	13,630	13,630	13,630	13,630	13,630	13,630	12,733	
Fossil Fuel Inventory	43,067	43,067	37,073	37,073	37,073	49,268	49,268	49,268	36,245	36,245	36,245	54,270	
Mat'ls and Supplies	42,426	42,426	44,438	44,438	44,438	49,305	49,305	49,305	52,468	52,468	52,468	42,986	
Prepaid Property Taxes	250	250	164	164	164	151	151	151	4,368	4,368	4,368	2,028	
Deferred Taxes	(14,225)	(14,225)	(13,049)	(13,049)	(13,049)	(12,700)	(12,700)	(12,700)	(17,422)	(17,422)	(17,422)	(6,767)	
Other Regulatory Obligations	(1,373)	(1,373)	(3,833)	(3,833)	(3,833)	(6,220)	(6,220)	(6,220)	(8,476)	(8,476)	(8,476)	(972)	
Total Rate Base-Adjusted (sum L15 thru L22)	321,924	321,924	316,221	316,221	316,221	357,891	357,891	357,891	344,430	344,430	344,430	379,080	
Average Rate Base (prev + curr month)	320,614	321,924	319,072	316,221	316,221	337,056	357,891	357,891	351,160	344,430	344,430	361,755	
x Return	0.9276%	0.9276%	0.9276%	0.9209%	0.9209%	0.9209%	0.8986%	0.8986%	0.8986%	0.9067%	0.9067%	0.9067%	
Return-Adjusted (L25 x L26)	\$ 2,974	\$ 2,986	\$ 2,883	\$ 2,912	\$ 2,912	\$ 3,488	\$ 3,216	\$ 3,216	\$ 3,035	\$ 3,123	\$ 3,123	\$ 3,280	\$ 37,147

Amounts shown above may not add due to rounding.

Public Service Company of New Hampshire

Technical Statement of Richard C. Labrecque and Robert A. Baumann
Regarding the 12/02/08 ES update for 2009

This Technical Statement is submitted to explain the difference between the requested rate of 9.92 cents per kilowatt-hour and the rate previously estimated in PSNH's September 12, 2008 filing of 10.51 cents per kilowatt-hour. Technical Statement Table 1 (Page 3) and the Notes to Technical Statement Table 1 (Page 4) provide detailed information on the volume and dollar changes in Attachment RAB-2, Page 3 from the September 12, 2008 rate filing to the December 2, 2008 updated rate filing.

The most significant contributors to the overall decrease of \$115.3 million in forecasted costs for January 2009 through December 2009 are:

- 1) A \$12.7 million increase in Newington fuel oil expense resulting from an increased forecast of economic operation.
- 2) A \$5.5 million net increase related to projected Merrimack Unit 2 O&M cost, partially offset by estimated insurance claim payments. This relates to the anticipated decision to repair the HP/IP turbine damage during an 18 week outage in Fall 2009.

The two increases in forecasted costs were completely offset by the decreases in forecasted costs described below:

- 1) A \$44.3 million decrease in supplemental purchase expense, primarily related to a 301 GWh reduction in the forecasted volume of supplemental purchases. The reduced purchase volume is a result of the following modeling changes: 1) a lower energy requirement caused by the incorporation of more current, lower sales forecast and a higher estimate of customer migration to retail suppliers (720 GWh), 2) increased economic operation of Newington (175 GWh) and Smith Hydro (8 GWh), and 3) lower forecasted generation from Merrimack Unit 2 (602 GWh) which partially offset the two prior factors.
- 2) A \$38.8 million decrease in coal generation expenses, primarily related to forecasted transportation fuel adjustment surcharges, lower forecasted SO2 allowance expense and a revised Merrimack Unit 2 outage schedule.
- 3) A \$14.1 million total decrease in forecasted ISO-NE capacity costs, New Hampshire RPS compliance costs, and RGGI compliance costs.
- 4) A \$10.0 million decrease related to a physical coal inventory adjustment.
- 5) A \$9.1 million decrease related to estimated insurance claim payments for the replacement power cost associated with the Merrimack Unit 2 HP/IP turbine damage
- 6) A \$7.1 million decrease related to Fossil-Hydro O&M expenses that were erroneously double-counted in the Sep 12, 2008 filing.
- 7) A \$4.5 million decrease in IPP costs due to lower forward market prices.

Public Service Company of New Hampshire

Technical Statement of Richard C. Labrecque and Robert A. Baumann
Regarding the 12/02/08 ES update for 2009

8) A \$4.3 million decrease related to the true-up to actual of August-October 2008 (\$2.8 million) and re-forecast of November & December 2008 (\$1.5 million).

9) A \$1.3 million decrease related to other minor cost changes.

Technical Statement Table 1
Volume and Dollar Changes in Attachment RAB -2 , Page 3

<u>Line #(s) *</u>	<u>Category</u>	Jan '09 - Dec '09		<u>Note</u>
		<u>GWh Change</u>	<u>\$000 Change</u>	
2	Hydro	8	0	A
4, 5	Coal	(602)	(38,808)	B
9	NWP Revenue	n/a	(722)	C
14, 15	Newington	175	12,672	D
17, 18	IPP's	0	(4,546)	E
21 thru 31	Net Purchases	(301)	(44,291)	F
33	Congestion & Loss	n/a	(216)	G
35, 36	Total Energy	(720)	(75,911)	Sum of A thru G
39	ISO-NE & Ancillary	n/a	274	H
42	Capacity (MW-mo)	(985)	n/a	I
43	Capacity Costs	n/a	(3,846)	I
40	NH RPS	n/a	(2,436)	J
41	RGGI	n/a	(7,770)	K
Total RAB-2, pg 3 change		(720)	(89,690)	Sum of A thru K

* line numbers refer to Attachment RAB-2, page 3 from December 2, 2008 filing.

Notes to Technical Statement Table 1
Volume and Dollar Changes in Attachment RAB-2, Page 3

Note:

- A Hydro production increased due to modeling of the Smith runner replacement.
- B Coal generation expense decrease is due to an updated estimate of fuel surcharge adjustments, a lower estimate of SO₂ allowance expense, and a revised Merrimack Unit 2 outage schedule.
- C For uncommitted NWP RECs, the estimated sales price (\$ per REC) was adjusted to be consistent with the current bilateral market.
- D Newington's forecasted operation has increased due to the procurement of economic fuel oil.
- E The IPP expense decrease is due to the revised forward market energy prices (see table below).

Month	9/12/08 Filing			12/02/08 Filing			Changes		
	Peak (M-F: 8-23)	Offpeak (M-F: 1-7, 24 Sa-Su: 1-24)	Capacity	Peak (M-F: 8-23)	Offpeak (M-F: 1-7, 24 Sa-Su: 1-24)	Capacity	Peak (M-F: 8-23)	Offpeak (M-F: 1-7, 24 Sa-Su: 1-24)	Capacity
	\$/MWh	\$/MWh	\$/kW - mo	\$/MWh	\$/MWh	\$/kW - mo	\$/MWh	\$/MWh	\$/kW - mo
Jan-09	102.50	83.00	3.75	84.00	70.38	3.75	(18.50)	(12.63)	0.00
Feb-09	102.50	83.00	3.75	84.00	70.38	3.75	(18.50)	(12.63)	0.00
Mar-09	86.13	68.75	3.75	70.50	58.00	3.75	(15.63)	(10.75)	0.00
Apr-09	83.00	64.25	3.75	69.00	55.50	3.75	(14.00)	(8.75)	0.00
May-09	81.63	62.50	3.75	69.00	55.00	3.75	(12.63)	(7.50)	0.00
Jun-09	85.63	63.25	4.10	73.40	56.00	4.10	(12.23)	(7.25)	0.00
Jul-09	98.50	70.00	4.10	81.25	61.75	4.10	(17.25)	(8.25)	0.00
Aug-09	98.50	70.00	4.10	81.25	61.75	4.10	(17.25)	(8.25)	0.00
Sep-09	84.25	65.00	4.10	70.67	56.17	4.10	(13.58)	(8.83)	0.00
Oct-09	85.29	65.83	4.10	68.80	56.10	4.10	(16.49)	(9.73)	0.00
Nov-09	88.68	68.45	4.10	74.29	60.57	4.10	(14.39)	(7.88)	0.00
Dec-09	92.28	71.22	4.10	84.45	68.86	4.10	(7.83)	(2.36)	0.00

- F Total purchase requirements net of surplus sales changed as a result of the 420 GWh net reduction in generation from Hydro, Merrimack Unit 2 and Newington (see Notes A, B and D). In addition, the total energy requirement decreased by 720 GWh as a result of a lower sales forecast and an increased forecast of customer migration to competitive supply options. In the draft filing (Sep 12th) net purchase activity was 3,684 GWh at an average cost of \$99.14 per MWh (\$365,197K total). In this updated filing, the net purchase activity forecast is 3,383 GWh at an average cost of \$94.86 per MWh (\$320,906K total). Committed purchases (RAB-2, pg 3 line 24) decreased by 96 GWh due to the net effect of additional bilateral purchases for April and the resale of a prior purchase for January and February. Remaining net spot market exposure (RAB-2, pg 3, lines 21, 27, 30) decreased by 205 GWh and now amounts to approximately 1342 GWh, or 18% of the total ES energy requirement.
- G The forecast of congestion and loss costs decreased as the net result of additional bilateral transactions, reduced spot market activity and revised generation.
- H This increase relates to a revised estimates of ISO-NE forward reserve market charges.
- I Capacity purchases (MW-months and expense) decreased consistent with the reduced ES energy requirement.
- J Renewable Portfolio Standard expense decreased consistent with the reduced ES energy requirement and the modeling of certain Class IV eligible PSNH hydro facilities.
- K The forecast of required RGGI allowances has decreased from approx. 4.0 million to 3.65 million based on the net decrease in generation (Newington generation increased by 175 GWh and Merrimack Unit 2 decreased by 602 GWh). The forecasted average cost per allowance has decreased from approx. \$3.85 in the draft filing to \$2.09 in this final filing.