

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
TRANSMISSION COST ADJUSTMENT MECHANISM (TCAM) CALCULATION  
TRANSMISSION RATES PROPOSED FOR EFFECT ON JULY 1, 2012

			(1) Current Rates Effective 07/01/2011	(2) Proposed Rates Effective 07/01/2012
	<u>Rate</u>	<u>Blocks</u>		
	R	All KWH	\$ 0.01293	\$ 0.01480
	Uncontrolled Water Heating	All KWH	\$ 0.00999	\$ 0.01144
	Controlled Water Heating	All KWH	\$ 0.00999	\$ 0.01144
	R-OTOD	On-peak KWH	\$ 0.01293	\$ 0.01480
		Off-peak KWH	\$ 0.00843	\$ 0.00965
	G	Load charge (over 5 KW)	\$ 3.34	\$ 3.82
		First 500 KWH	\$ 0.01204	\$ 0.01378
		Next 1,000 KWH	\$ 0.00453	\$ 0.00519
		All additional KWH	\$ 0.00243	\$ 0.00278
	Space Heating	All KWH	\$ 0.01204	\$ 0.01378
	G-OTOD	Load charge	\$ 2.20	\$ 2.52
	LCS	Radio-controlled option	\$ 0.00999	\$ 0.01144
		8-hour option	\$ 0.00999	\$ 0.01144
		10 or 11-hour option	\$ 0.00999	\$ 0.01144
	GV	First 100 KW	\$ 4.47	\$ 5.12
		All additional KW	\$ 4.47	\$ 5.12
	LG	Demand charge	\$ 4.39	\$ 5.03
	B	Demand charge	\$ 0.60	\$ 0.54
	OL, EOL	All KWH	\$ 0.00884	\$ 0.01012

Notes:

(1) Current rates are based on a retail average transmission rate of 1.189 ¢/KWH.

(2) Proposed rates are based on a retail average transmission rate of 1.359 ¢/KWH.

The calculation of the Rate B charge is shown on Attachment SRH-4. All other rates have been calculated by equi-proportionally adjusting current rates by the ratio necessary to recover the remaining transmission revenue requirement.

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

**1 Base Component Revenue Requirement**

2

3 Total Transmission Revenue Requirement \$ 104,946,000 RAB-1, Page 1, Line 16

4

5 Times Base Component Ratio 0.52188% SRH-2, Page 2

6

7 Base Component Forecasted Revenue Requirement \$ 547,692

8

9 Base Component Reconciliation \$ (283,990) SRH-2 Page 3

10

11 Base Component Revenue Requirement \$ 263,702

12

13 Rate B Projected Billing Demand 1,235,119

14

15 Rate B Base Component (L11/L13) \$ 0.21 per kW or kVA

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

<b>1 Contribution to NU System Peak (KW)</b>			
<b>2 Period Ending 6/30/12</b>			
<b>3</b>			Ratio of
<b>4</b>	<u>Rate B</u>	<u>Total PSNH</u>	<u>Rate B to</u>
<b>5</b>			<u>Total PSNH</u>
6 Jul '11	3,857	1,747,051	
7 Aug	3,542	1,461,768	
8 Sep	3,479	1,233,512	
9 Oct	43,430	1,184,213	
10 Nov	1,916	1,175,964	
11 Dec	1,859	1,280,832	
12 Jan '12	1,957	1,326,655	
13 Feb	1,884	1,191,305	
14 Mar	1,926	1,206,580	
15 Apr	3,105	1,119,037	
16 May (1)	7,522	1,077,806	
17 Jun (1)	6,596	1,530,124	
18 Average	6,756	1,294,571	0.52188%

(1) Estimated data based on average of each month's contribution to peak during last three years.

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

1 Estimated Base Component Reconciliation, 12 months ending June 30, 2012

2

3 Prior Period Transmission Revenue Requirement:

4

5 Retail Transmission Operating Costs \$ 88,606,000 RAB-1, Pages 4 & 5, line 21

6 (Over)/Underrecovery, period ending 6/30/11 \$ (9,472,000) RAB-1, Page 3, line 44

7 Return on monthly (over)/underrecovery, period ending 6/30/12 \$ (147,000) RAB-1, Pages 4 & 5, line 40

8

9 Prior Period Transmission Revenue Requirement \$ 78,987,000

10

11 Times Base Component Ratio 0.52188% SRH-2, Page 2

12

13 Prior Period Base Component Revenue Requirement \$ 412,217

14

15 Base Component Reconciliation for 12-Month Period Ending 6/30/11 \$ (265,930) SRH-2, Page 5, line 21

16

17 Total Base Component Revenue Requirement \$ 146,287

18

19 Base Component Revenue (actual through 5/12; 6/12 estimated) \$ 430,278

20

21 Estimated Base Component Reconciliation, 12 months ending 6/30/12 \$ (283,990)

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

1	<b>Actual Contribution to NU System Peak (KW)</b>		
2	<b>Period Ending 6/30/11</b>		
3			Ratio of
4	<u>Rate B</u>	<u>Total PSNH</u>	<u>Rate B to</u>
5			<u>Total PSNH</u>
6	Jul '10	7,108	1,726,147
7	Aug	3,975	1,618,185
8	Sep	3,274	1,644,490
9	Oct	2,815	1,137,214
10	Nov	2,259	1,210,291
11	Dec	1,784	1,357,380
12	Jan '11	2,925	1,389,597
13	Feb	2,003	1,300,448
14	Mar	1,505	1,218,783
15	Apr	35,092	1,080,579
16	May	5,638	1,252,213
17	Jun	4,162	1,438,668
18			
19	Average	6,045	1,364,500
			0.44303%

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

1	<b>Actual Base Component Reconciliation, 12 months ending June 30, 2011</b>		
2			
3	Prior Period Transmission Revenue Requirement:		
4			
5	Retail Transmission Operating Costs	\$ 97,221,000	RAB-1, P3, L21 & 2011 RAB-1 P4, L21
6	(Over)/Underrecovery, period ending 6/30/10	\$ 11,177,000	2011 RAB-1, P3, L44
7	Return on monthly (over)/underrecovery, period ending 6/30/11	<u>\$ 118,000</u>	RAB-1, P3, L40 & 2011 RAB-1, P4, L40
8			
9	Prior Period Transmission Revenue Requirement	\$ 108,516,000	
10			
11	Times Base Component Ratio	<u>0.44303%</u>	SRH-2, Page 4
12			
13	Prior Period Base Component Revenue Requirement	\$ 480,754	
14			
15	Base Component Reconciliation for 12-Month Period Ending 6/30/10	<u>\$ 235,442</u>	2011 SRH-2, P5, L21
16			
17	Total Base Component Revenue Requirement	\$ 716,196	
18			
19	Actual Base Component Revenue, Period Ending 6/30/11	<u>\$ 982,126</u>	
20			
21	Actual Base Component Reconciliation, 12 months ending 6/30/11	\$ (265,930)	

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
TRANSMISSION COST ADJUSTMENT MECHANISM (TCAM) CALCULATION  
ALLOCATION OF JULY 1, 2012 TRANSMISSION REVENUE TO CLASS  
BASED ON BILLING DETERMINANTS FOR THE 2009 TEST YEAR**

1	Retail delivery sales for the 2009 test year			7,657,472	MWH
2	Forecasted TCAM Rate (from Attachment RAB-1, Page 1, Line 20)			\$ 0.01359	per KWH
3	Target transmission revenue based on the test year: Line (1) x Line (2)			\$ 104,065	(000)
4	Rate B Base Component Revenue, based on the test year (from Attachment SRH-4)			\$ 205	(000)
5	Transmission revenue to be recovered from all other classes: Line (3) - Line (4)			\$ 103,860	(000)
6					
7					
8					
9		(1)	(2)	(3)	(4)
10					
11		Revenue at	07/01/2012		
12	<b>Transmission revenue</b>	07/01/2011	Revenue		
13	<b>excluding Rate B Base Component</b>	<u>Rate Level</u>	<u>Target</u>	<u>Increase</u>	
14				\$	%
15	Residential Rates R, R-OTOD	\$ 39,095	\$ 44,754	\$ 5,659	14.47%
16					
17	General Service Rates G, G-OTOD	20,624	23,610	2,985	14.47%
18					
19	Primary General Service Rate GV	18,970	21,716	2,746	14.47%
20	GV Rate B - incremental component only	9	10	1	14.47%
21					
22	Large General Service Rate LG	11,391	13,040	1,649	14.47%
23	LG Rate B - incremental component only	274	313	40	14.47%
24					
25	Outdoor Lighting Rates OL, EOL	<u>365</u>	<u>418</u>	<u>53</u>	<u>14.47%</u>
26					
27	<b>Total</b>	<b>\$ 90,728</b>	<b>\$ 103,860</b>	<b>\$ 13,133</b>	<b>14.47%</b>
28					
29					
30	<b>Rate B Base Component</b>				
31	GV Rate B - base component	\$ 9	\$ 6	\$ (3)	-32.26%
32	LG Rate B - base component	<u>293</u>	<u>198</u>	<u>(94)</u>	<u>-32.26%</u>
33	<b>Total</b>	<b>\$ 302</b>	<b>\$ 205</b>	<b>\$ (97)</b>	<b>-32.26%</b>
34					
35					
36	<b>Total, all customers</b>	<b>\$ 91,030</b>	<b>\$ 104,065</b>	<b>\$ 13,035</b>	<b>14.32%</b>
37					
38					
39	Total Rate B, incremental plus base:				
40	Rate GV: Line (20) + Line (31)	\$ 18	\$ 17	\$ (2)	-9.67%
41	Rate LG: Line (23) + Line (32)	<u>566</u>	<u>511</u>	<u>(55)</u>	<u>-9.67%</u>
42	Total	<u>\$ 584</u>	<u>\$ 528</u>	<u>\$ (57)</u>	<u>-9.67%</u>

Notes:

- (1) The result of applying rates effective July 1, 2011 to test year billing determinants.
- (2) The Rate B base component was taken from Attachment SRH-4. Revenue targets for all other classes were calculated by equi-proportionally adjusting current revenues.
- (3) Column (2) - Column (1).
- (4) Column (3) / Column (1).

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
TRANSMISSION COST ADJUSTMENT MECHANISM (TCAM) CALCULATION  
CALCULATION OF TRANSMISSION REVENUE AND RATES FOR RATE B CUSTOMERS  
BASED ON SETTLEMENT AGREEMENT ARTICLE V, SECTION 5.1.1. AND  
BILLING DETERMINANTS FOR THE 2009 TEST YEAR**

	(1)	(2)	(3)	(4)	(5)	(6)
	Test Year	Base	Revenue from	Allocated	Incremental	Total Base
	Billing	Component	Base	Revenue from	Component	Plus
	<u>Demand</u>	<u>of Rate</u>	<u>Component</u>	<u>Incremental</u>	<u>of Rate</u>	<u>Incremental</u>
				<u>Component</u>		<u>Rate</u>
7 Rate B customers on Rate GV	30,468	\$ 0.21	\$ 6,398.28	\$ 10,114.67	\$ 0.33	\$ 0.54
10 Rate B customers on Rate LG	<u>943,642</u>	\$ 0.21	<u>198,164.82</u>	<u>313,267.40</u>	\$ 0.33	\$ 0.54
13 Total Rate B customers	974,110		\$ 204,563.10	\$ 323,382.07		

(2) From Attachment SRH-2, Page 1.

(3) Column (1) x Column (2).

(4) From Attachment SRH-3, Column (2), Lines 20 and 23.

(5) Column (4) / Column (1).

(6) Column (2) + Column (5).