

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
TRANSMISSION COST ADJUSTMENT MECHANISM (TCAM) CALCULATION
TRANSMISSION RATES PROPOSED FOR EFFECT ON JULY 1, 2013

		(1) Current Rates Effective 07/01/2012	(2) Proposed Rates Effective 07/01/2013
	<u>Rate</u>	<u>Blocks</u>	
1			
2			
3			
4			
5			
6			
7	R	All KWH	\$ 0.01480
8			\$ 0.01863
9			
10	Uncontrolled Water Heating	All KWH	\$ 0.01144
11			\$ 0.01440
12			
13	Controlled Water Heating	All KWH	\$ 0.01144
14			\$ 0.01440
15			
16	R-OTOD	On-peak KWH	\$ 0.01480
17		Off-peak KWH	\$ 0.00965
18			\$ 0.01215
19			
20	G	Load charge (over 5 KW)	\$ 3.82
21			\$ 4.81
22		First 500 KWH	\$ 0.01378
23		Next 1,000 KWH	\$ 0.00519
24		All additional KWH	\$ 0.00278
25			\$ 0.00350
26			
27	Space Heating	All KWH	\$ 0.01378
28			\$ 0.01734
29			
30	G-OTOD	Load charge	\$ 2.52
31			\$ 3.17
32			
33	LCS	Radio-controlled option	\$ 0.01144
34		8-hour option	\$ 0.01144
35		10 or 11-hour option	\$ 0.01144
36			\$ 0.01440
37			
38	GV	First 100 KW	\$ 5.12
39		All additional KW	\$ 5.12
40			\$ 6.44
41			\$ 6.44
42	LG	Demand charge	\$ 5.03
43			\$ 6.33
44			
45	B	Demand charge	\$ 0.54
46			\$ 0.95
47			
48	OL, EOL	All KWH	\$ 0.01012
			\$ 0.01274

Notes:

- (1) Current rates are based on a retail average transmission rate of 1.359 ¢/KWH.
- (2) Proposed rates are based on a retail average transmission rate of 1.714 ¢/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	\$ 134,376,000	MLS-1, Page 1, Line 16
4			
5	Times Base Component Ratio	<u>0.45763%</u>	SRH-2, Page 2
6			
7	Base Component Forecasted Revenue Requirement	\$ 614,942	
8			
9	Base Component Reconciliation	\$ <u>(116,436)</u>	SRH-2 Page 3
10			
11	Base Component Revenue Requirement	\$ 498,506	
12			
13	Rate B Projected Billing Demand	940,126	
14			
15	Rate B Base Component (L11/L13)	\$ 0.53	per kW or kVA

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

1 Contribution to NU System Peak (KW)			
2 Period Ending 6/30/13			Ratio of
3			Rate B to
4	<u>Rate B</u>	<u>Total PSNH</u>	<u>Total PSNH</u>
5			
6 Jul '12	34,734	1,501,059	
7 Aug	1,249	1,555,614	
8 Sep	1,080	1,313,386	
9 Oct	12,565	1,103,716	
10 Nov	2,563	1,233,108	
11 Dec	6,749	1,251,569	
12 Jan '13	5,817	1,391,898	
13 Feb	367	1,294,568	
14 Mar	437	1,203,971	
15 Apr	2,830	1,117,563	
16 May (1)	834	1,405,765	
17 Jun (1)	3,659	1,554,211	
18 Average	6,074	1,327,202	0.45763%

(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, 2013	
2		
3	Prior Period Transmission Revenue Requirement:	
4		
5	Retail Transmission Operating Costs	\$ 116,078,000 MLS-1, Pages 4 & 5, line 21
6	(Over)/Underrecovery, period ending 6/30/12	\$ (13,472,000) MLS-1, Page 3, line 44
7	Return on monthly (over)/underrecovery, period ending 6/30/13	\$ <u>(144,000)</u> MLS-1, Pages 4 & 5, line 40
8		
9	Prior Period Transmission Revenue Requirement	\$ 102,462,000
10		
11	Times Base Component Ratio	<u>0.45763%</u> SRH-2, Page 2
12		
13	Prior Period Base Component Revenue Requirement	\$ 468,895
14		
15	Base Component Reconciliation for 12-Month Period Ending 6/30/12	\$ <u>(314,222)</u> SRH-2, Page 5, line 21
16		
17	Total Base Component Revenue Requirement	\$ 154,673
18		
19	Base Component Revenue (actual through 5/13; 6/13 estimated)	\$ <u>271,109</u>
20		
21	Estimated Base Component Reconciliation, 12 months ending 6/30/13	\$ (116,436)

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

1	Actual Contribution to NU System Peak (KW)		
2	Period Ending 6/30/12		
3			Ratio of
4	<u>Rate B</u>	<u>Total PSNH</u>	<u>Rate B to</u>
5			<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	6,511	1,077,806
17	Jun	2,672	1,635,425
18			
19	Average	6,345	1,303,346
			0.48681%

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

1	Actual Base Component Reconciliation, 12 months ending June 30, 2012	
2		
3	Prior Period Transmission Revenue Requirement:	
4		
5	Retail Transmission Operating Costs	\$ 88,152,000 MLS-1, P3, L21 & 2012 RAB-1 P4, L21
6	(Over)/Underrecovery, period ending 6/30/11	\$ (9,472,000) 2012 RAB-1, P3, L44
7	Return on monthly (over)/underrecovery, period ending 6/30/12	\$ <u>(148,000)</u> MLS-1, P3, L40 & 2012 RAB-1, P4, L40
8		
9	Prior Period Transmission Revenue Requirement	\$ 78,532,000
10		
11	Times Base Component Ratio	<u>0.48681%</u> SRH-2, Page 4
12		
13	Prior Period Base Component Revenue Requirement	\$ 382,304
14		
15	Base Component Reconciliation for 12-Month Period Ending 6/30/11	\$ <u>(265,930)</u> 2012 SRH-2, P5, L21
16		
17	Total Base Component Revenue Requirement	\$ 116,374
18		
19	Actual Base Component Revenue, Period Ending 6/30/12	\$ <u>430,596</u>
20		
21	Actual Base Component Reconciliation, 12 months ending 6/30/12	\$ (314,222)

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
TRANSMISSION COST ADJUSTMENT MECHANISM (TCAM) CALCULATION
ALLOCATION OF JULY 1, 2013 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 MLS-1, Page 1, Line 20)			\$ 0.01714	per KWH
3	Target transmission revenue based on the test year: Line (1) x Line (2)			\$ 131,249	(000)
4	Rate B Base Component Revenue, based on the test year (from Attachment SRH-4)			\$ 516	(000)
5	Transmission revenue to be recovered from all other classes: Line (3) - Line (4)			\$ 130,733	(000)
6					
7					
8					
9		(1)	(2)	(3)	(4)
10					
11		Revenue at	07/01/2013		
12	Transmission revenue	07/01/2012	Revenue	<u>Increase</u>	
13	excluding Rate B Base Component	<u>Rate Level</u>	<u>Target</u>	<u>\$</u>	<u>%</u>
14					
15	Residential Rates R, R-OTOD	\$ 44,750	\$ 56,326	\$ 11,576	25.87%
16					
17	General Service Rates G, G-OTOD	23,595	29,698	6,104	25.87%
18					
19	Primary General Service Rate GV	21,729	27,350	5,621	25.87%
20	GV Rate B - incremental component only	10	13	3	25.87%
21					
22	Large General Service Rate LG	13,051	16,428	3,376	25.87%
23	LG Rate B - incremental component only	311	392	81	25.87%
24					
25	Outdoor Lighting Rates OL, EOL	<u>418</u>	<u>526</u>	<u>108</u>	<u>25.87%</u>
26					
27	Total	\$ 103,864	\$ 130,733	\$ 26,869	25.87%
28					
29					
30	Rate B Base Component				
31	GV Rate B - base component	\$ 6	\$ 16	\$ 10	152.38%
32	LG Rate B - base component	<u>198</u>	<u>500</u>	<u>302</u>	<u>152.38%</u>
33	Total	\$ 205	\$ 516	\$ 312	152.38%
34					
35					
36	Total, all customers	\$ 104,069	\$ 131,249	\$ 27,181	26.12%
37					
38					
39	Total Rate B, incremental plus base:				
40	Rate GV: Line (20) + Line (31)	\$ 16	\$ 29	\$ 12	75.07%
41	Rate LG: Line (23) + Line (32)	<u>\$ 510</u>	<u>892</u>	<u>383</u>	<u>75.07%</u>
42	Total	\$ 526	\$ 921	\$ 395	75.07%

Notes:

- (1) The result of applying rates effective July 1, 2012 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	\$ 0.53	\$ 16,148.04	\$ 12,655.45	\$ 0.42	\$ 0.95
10 Rate B customers on Rate LG	<u>943,642</u>	\$ 0.53	<u>500,130.26</u>	<u>391,959.15</u>	\$ 0.42	\$ 0.95
13 Total Rate B customers	974,110		\$ 516,278.30	\$ 404,614.60		

- (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).