

**STATE OF NEW HAMPSHIRE**  
**PUBLIC UTILITIES COMMISSION**

DE 14-238

**Determination Regarding PSNH's Generation Assets**

**Motion to Compel Public Service Company of New Hampshire (Eversource Energy)**

**to Answer the Supplemental Data Requests of Intervener Terry Cronin**

**Procedural History**

Intervener, Terry Cronin, attended the August 20, 2015, Technical Session/Settlement Conference. Following the session, Intervener Cronin timely filed Supplemental Data Requests on Public Service Company of New Hampshire (Eversource Energy) witnesses William Smagula, Eric H. Chung and Christopher J. Goulding and on Commission Staff Advocate Tom Frantz. (Exhibit 1 attached hereto.) Mr. Frantz provided his responses, although the responses appear to have errors.<sup>1</sup> Eversource Energy objected to the Data Request directed to William Smagula and to Data Requests 2, 3, 4 and 5 directed to Eric H. Chung and Christopher J. Goulding. Eversource Energy adequately answered Data Request 1. (Exhibit 2 attached hereto). After a good faith discovery exchange between the attorney for Eversource Energy and Terry Cronin, Mr. Cronin is satisfied with the supplemented responses to Data Requests 2, 3, 4, and 5 which requested details regarding the Merrimack Scrubber Under-Recovery Summary provided in response to an earlier Cronin Data Request.(Exhibit 3 attached hereto). Counsel did not agree on the adequacy of the Data Request to Mr. Smagula, the subject of this Motion to Compel.

---

<sup>1</sup> For example, Staff Advocate Tom Frantz, in his response to a Cronin Data Request, stated that the final scrubber project cost was \$409,010,492 (citing DE 11-250, Mullen testimony filed on 12/23/2013, Attachment SEM-11, pages 282-284). The correct number appears to be \$417,518,291 (SEM-11, page 252, PUC Audit Staff Updated Cost Review as of December 31, 2012).

## Motion

Intervener Terry Cronin respectfully moves the Commission for an Order requiring Eversource Energy to promptly and fully answer Supplemental Data Request directed to William Smagula.

### Memorandum in Support of Motion to Compel

*The inadequately answered and objected to Data Request to William Smagula (Exhibit 1, page 2, Exhibit 2, Cronin TS 1-001) is directed to the critical issue that must be decided by the Commission before the Commission can grant recovery of stranded costs for Merrimack Station:*

*When did Merrimack Station become uneconomic to operate in relation to the construction of the scrubber?*

*Commission examination of this issue is required by SB 221, RSA 125-O: 18 and RSA 374-F, XII. The prudence of the scrubber project costs and the public interest cannot be adjudicated without an examination of the issues raised by the Cronin Data Request to William Smagula.<sup>2</sup>*

Intervener Cronin squarely presented the issue of the economic viability of Merrimack Station in relation to the scrubber project in his Petition for Intervention. The Petition implicates each of the statutory mandates imposed by SB 221, RSA 125-O and RSA 374-F.

At paragraph 6 of his Petition, Intervener Cronin reminds the Commission that in 2008, PSNH promised the Commission "...that following the installation of the scrubber, Merrimack Station will continue to be a vital base-load source for reliable and affordable power to our customers..." The record demonstrates that this promise has not been kept and was made following the discovery in the Northeast Utilities SEC 10-K that the estimated cost of the project had jumped from \$250 million to \$457 million.

---

<sup>2</sup> Eversource Energy objected to the Data Request because it was not timely arguing that the Procedural Schedule barred new requests. Nothing in the Procedural Schedule bars follow up questions from a Technical Session nor should an intervener have to confront procedural obstacles in the search for evidence going to the merits of a case. It is Eversource Energy that has the burden of proof in this docket. RSA 374-F: 4.

At paragraph 7 of his Petition, Intervener Cronin reminds the Commission that the “Settling Parties” have “ignored PSNH’s management failures”, particularly the failure “to account for federal regulatory trends with regard to the costs to public health and the environment.”<sup>3</sup>

Intervener Cronin points out that the scrubber legislation was instituted at the behest of PSNH itself, that the project “was fraught with foreseeable trouble and that PSNH failed to use ordinary skill in the management of Merrimack Station”.

The data Request to William Smagula must be fully answered. Rate payers need to know when Merrimack Station became uneconomic to operate and when Eversource Energy management decided it would publically confront that reality.

The Eversource Energy Supplemental Response to the Data Request to William Smagula is inadequate.

The company Supplemental Response makes six arguments, none of which *completely and forthrightly* answer the Cronin Data Request:

1. The Company was asked when the decision was made to avoid final disposition of the prudence issue pending in DE 11-250. The Company response referred only to its Motion to Stay Proceedings which does not answer the question.

The decision to avoid Commission adjudication of the prudence issue most certainly took considered executive analysis over time. Intervener Cronin as a ratepayer is entitled to know when the decision to abandon DE 11-250 was made.

2. The Company was asked who made the decision to avoid the final adjudication of the prudence issue. The answer was “PSNH management”.

---

<sup>3</sup> Intervener Cronin’s point is under-scored by the fact that Eversource Energy has not filed an IRP since September 30, 2010 in DE 10-261. That IRP was characterized by its PSNH presenter and executive Terry Large as done only to comply with RSA 378:38 and was not used internally by PSNH for planning purposes. The NH Sierra Club, in DE 10-261, forced PSNH to publically confront the public health and environmental regulatory climate and the cost implications of the regulatory regimen.

Intervener Cronin is entitled to know the names and contact information of these persons.<sup>4</sup>

These persons should appear as witnesses in this docket to provide sworn testimony. *The company would not have wanted to avoid adjudication of the prudence issue and to seek divestiture of its generating assets if the assets, particularly Merrimack Station, were economic to run.*

3. The Company was asked if the decision to avoid the prudence adjudication was part of Company planning.

The Supplemental Response completely evaded this question. The question calls for a yes or no answer. *The decision was either made as part of a Company planning process or it was a spur of the moment decision.*

4. The Company was asked to produce all internal documents referring to the decision to avoid the prudence adjudication.

The Company referred only to monthly updates on file in DE 11-250. This is an evasion. The Company must be required to produce the documents.

5. The Company was asked to provide its planning documents dating back to January 1, 2008, prior to the IRP filed in DE 10-250 or to the commencement of the scrubber project, whichever was earlier.

The Company did not provide *any* of the internal documents requested, except to refer to the “Plans” filed in DE 10-261 and DE 07-108. The DE 10-261 filing was discredited on the record by Company executive Terry Large. The Large testimony shreds any Company claim that its IRP filings can be relied upon as credible.

The key question that must be answered before rate payers such as Intervener Cronin can be assured that an order allowing Eversource Energy to recover the costs of the scrubber project is lawful. RSA 374-F: 3, XII (d). “Lawful” means that rate payers have the right to demand

---

<sup>4</sup> Neither intervener Cronin nor his attorney will contact these witnesses directly, but will go through Company counsel.

proof by Eversource Energy that the costs of the scrubber project were lawfully incurred, compliant with RSA 369-B:3a, RSA 125-O:13, IV and were prudently incurred. RSA 125-O: 18.

The lawfulness of the claim to recover the costs of the scrubber project as stranded costs cannot be established without evidence of record when Merrimack Station became uneconomic to operate in relation to the scrubber project. Further, it is not only important to know the date that Merrimack Station became uneconomic to operate, the Company had the affirmative duty to take all reasonable measures to mitigate stranded costs, including by the reduction of expenses and the renegotiation of existing contracts.. RSA 374-F: XII (c) (1)-(2). Eversource Energy has the burden of proof on each of these issues in stranded cost recovery cases. RSA 374-F: 4, V.

Therefore, the Company must be ordered to produce the requested planning documents.

Wherefore, Intervener Cronin respectfully demands that this Motion to Compel be granted together with such other relief proper in the matter including relief under RSA365:38-a.

9/8/15

Respectfully submitted,

Arthur B. Cunningham

Bar # 18301

PO Box 511, 79 Checkerberry Lane, Hopkinton, NH 03229

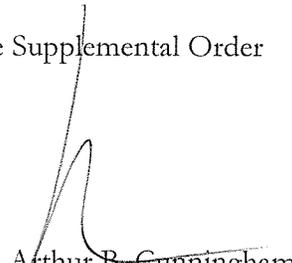
603-746-2196 (O); 603-219-6991 (C)

gildfavor@comcast.net

Certificate of Service

I filed and served notice of this Motion pursuant to Puc 203.11 and the Supplemental Order of Notice.

9/18/15

  
Arthur B. Cunningham

STATE OF NEW HAMPSHIRE  
PUBLIC UTILITIES COMMISSION

DE 14-238

**Determination Regarding PSNH's Generation Assets**

**Supplemental Data Requests**

**Procedural History**

Intervener, Terry Cronin, attended the August 20, 2015, Technical session/ Settlement Conference conducted by Commission Staff. The Session largely involved Data Request follow up by Commission Staff and Staff consultants and Interveners to Eversource Energy witnesses and company consultant witnesses. Substantial testimony and argument was also provided by Tom Frantz<sup>1</sup>, designated Commission Advocate for the "Settlement Agreement".

**Additional Data Requests as Follow Up to Technical Session Responses**

**Thomas Frantz**

Mr. Frantz was referred to DE 11-250, Commission Order No. 25,346, page 25 where the Commission discussed the testimony of then Commission Staff Mr. Mullen. Mr. Mullen had provided testimony of his recommended methodology to establish temporary rates for the scrubber project. Mr. Mullen recommended that the costs originally estimated for the scrubber of \$250,000,000 divided by the average of the actual gross plant balances of \$378,773,000 be used to establish a cost recovery temporary rate.

Data Request 1. What amount of the scrubber project costs upon which Eversource Energy claims an equity return have been deferred beyond those recommended by Mr. Mullen? (Mr. Frantz was asked, but did not forthrightly answer this question.)

---

<sup>1</sup> Mr. Frantz heads the Commission Electric Division.

Data Request 2. Was the Mullen number of \$378,773,000 accurate amount of scrubber project costs as of the date of Order 25,346? If no, what is the correct number?

Data Request 3. Is Eversource Energy collecting an equity return from the proceeds of the temporary rate bump? If yes, what is the rate? If yes, how much in dollars has Eversource Energy received? Has the Commission audited the receipts? What is the legal basis for the Eversource Energy collection of an equity return prior to Commission determination that the project costs were prudently incurred as required by RSA 125-O:18?

**William Smagula**

Eversource Energy witness William Smagula was asked when Eversource Energy filed its last IRP. It was established that the last company IRP was filed in docket DE 10-261. It was also noted that Terry Large, an Eversource Energy witness admitted to the Commission in testimony that the “planning” presented by the company in DE 10-261 was not the planning that the company used for its operations.

Data Request 4. When did Eversource Energy decide that it wanted to avoid final disposition of the prudence determination of the scrubber project in DE 11-250 by settlement? Who made the decision? Please provide the contact information for those parties. Was the decision part of company planning processes? Please provide each and every document, including electronic documents, referring to the decision to ask the Commission to defer disposition of the prudence determination. Please also provide all Merrimack Station planning documents dating back to January 1, 2008, prior to the “Plan” filed in DE 10-261 or to the commencement of the construction of the scrubber project, whichever was earlier.

Respectfully submitted,

Arthur B. Cunningham, Attorney for Intervener Terry Cronin

Bar # 18301

PO Box 511, 79 Checkerberry Lane, Hopkinton, NH 03229

603-746-2196 (O); 603-219-6991 (C)

gilfavor@comcast.net

Certificate of Service

I served notice of these Supplemental Data Requests pursuant to Commission rules.

Arthur B. Cunningham



780 N. Commercial Street, Manchester, NH  
03101

Eversource Energy  
P.O. Box 330  
Manchester, NH 03105-0330  
(603) 634-2701  
Fax (603) 634-2449

**Christopher J. Goulding**  
Manager, NH Revenue Requirements

E-Mail: [Christopher.goulding@eversource.com](mailto:Christopher.goulding@eversource.com)

September 1, 2015

*By Electronic Mail Only*

Terry Cronin  
[terry.cronin@tds.net](mailto:terry.cronin@tds.net)

**DE 14-238 Determination Regarding PSNH's Generation Assets**

Dear Mr. Cronin:

I enclose Public Service Company of New Hampshire's responses to requests from you at the August 20, 2015 technical session in the above-captioned proceeding. If you have any questions, please do not hesitate to contact me.

Very truly yours,

Christopher J. Goulding  
Manager  
NH Revenue Requirements

CJG:kd  
Enclosures  
cc : Discovery Service List (by electronic mail only)

**EXHIBIT** 2

**Public Service of New Hampshire d/b/a Eversource Energy**  
**Docket No. DE 14-238**

**Date Request Received: 08/26/2015**  
**Request No. CRONIN TS 1-001**  
**Request from: Terry Cronin**

**Date of Response: 09/01/2015**  
**Page 1 of 1**

**Witness: Eric H. Chung**

---

**Request:**

When did Eversource Energy decide that it wanted to avoid final disposition of the prudence determination of the scrubber project in DE 11-250 by settlement? Who made the decision? Please provide the contact information for those parties. Was the decision part of company planning processes? Please provide each and every document, including electronic documents, referring to the decision to ask the Commission to defer disposition of the prudence determination. Please also provide all Merrimack Station planning documents dating back to January 1, 2008, prior to the "Plan" filed in DE 10-261 or to the commencement of the construction of the scrubber project, whichever was earlier.

**Response:**

PSNH objects to this question on multiple bases. The information requested is neither relevant nor material to the issue before the Commission in this proceeding. The question is untimely as it is not related to any relevant questions posed by Mr. Cronin on or before the July 29, 2015, date set in the procedural schedule for "Data Requests to Settling Parties." The procedural schedule, which Mr. Cronin concurred with, does not call for a second round of data requests to settling parties. Instead, that agreed-upon schedule called for a Technical Session, an informal proceeding wherein parties can seek clarifications or additional detail in response to questions that have already been asked and answered. The question also seeks to obtain information that is part of the confidential settlement process.

Notwithstanding this objection, to the extent it is responsive to this question, please see PSNH's "Motion to Stay Proceedings" dated December 26, 2014, docketed in Docket No. DE 11-250.

Public Service of New Hampshire d/b/a Eversource Energy  
Docket No. DE 14-238

Date Request Received: 08/26/2015  
Request No. CRONIN TS 1-002  
Request from: Terry Cronin

Date of Response: 09/01/2015  
Page 1 of 1

Witness: Eric H. Chung, Christopher J. Goulding

---

**Request:**

On Request No. CRONIN 1-004, page 2, line 14, please define "Avoided SO2 Cost" and confirm that this contra account reduces expenses?

**Response:**

Avoided SO2 Cost refers to the fact that SO2 emissions compliance costs are reduced due to operation of the scrubber. The Avoided SO2 Cost component of line 14 on page 2 is an estimate of the difference between SO2 compliance costs with and without the scrubber. Yes, this component reduces scrubber expenses.

Public Service of New Hampshire d/b/a Eversource Energy  
Docket No. DE 14-238

Date Request Received: 08/26/2015  
Request No. CRONIN TS 1-003  
Request from: Terry Cronin

Date of Response: 09/01/2015  
Page 1 of 1

Witness: Eric H. Chung, Christopher J. Goulding

---

**Request:**

On Request No. CRONIN 1-004, page 2, line 15, please show how the annual depreciation costs from 2011-2015 are calculated on a monthly basis. Please show how this expense is calculated and explain the flow of accounting entries that impact the calculation of depreciation expense, i.e., month-end (or average monthly) balance of the asset and accumulated depreciation, estimated average life, depreciation method and any other variables that are factored into the depreciation expense calculation.

**Response:**

PSNH objects to questions on multiple bases. The information requested is neither relevant nor material to the issue before the Commission in this proceeding. The questions are untimely as they are not related to any relevant questions posed by Mr. Cronin on or before the July 29, 2015, date set in the procedural schedule for "Data Requests to Settling Parties." The procedural schedule, which Mr. Cronin concurred with, does not call for a second round of data requests to settling parties. Instead, that agreed-upon schedule called for a Technical Session, an informal proceeding wherein parties can seek clarifications or additional detail in response to questions that have already been asked and answered. The questions are burdensome to respond to, especially when considered in light of the other objections stated above.

Notwithstanding these objections, the Company is willing to have a representative with the necessary background meet with Mr. Cronin and his attorney to discuss these questions in person at the Company's headquarters in Manchester. Please contact Christopher Goulding at 603-634-2701 to arrange such a meeting if one is desired.

Public Service of New Hampshire d/b/a Eversource Energy  
Docket No. DE 14-238

Date Request Received: 08/26/2015  
Request No. CRONIN TS 1-004  
Request from: Terry Cronin

Date of Response: 09/01/2015  
Page 1 of 1

Witness: Eric H. Chung, Christopher J. Goulding

---

**Request:**

On Request No. CRONIN 1-004, page 2, line 17, please show how the annual return on rate base costs from 2011 to 2015 are calculated on a monthly basis. Please show how this expense is calculated and explain the flow of accounting entries that impact the calculation of return on rate base expense, i.e., month-end (or average monthly) balance of the asset or accumulated depreciation, rate of return earned (percentage) and any other variables that are factored into the return on rate base calculation.

**Response:**

PSNH objects to questions on multiple bases. The information requested is neither relevant nor material to the issue before the Commission in this proceeding. The questions are untimely as they are not related to any relevant questions posed by Mr. Cronin on or before the July 29, 2015, date set in the procedural schedule for "Data Requests to Settling Parties." The procedural schedule, which Mr. Cronin concurred with, does not call for a second round of data requests to settling parties. Instead, that agreed-upon schedule called for a Technical Session, an informal proceeding wherein parties can seek clarifications or additional detail in response to questions that have already been asked and answered. The questions are burdensome to respond to, especially when considered in light of the other objections stated above.

Notwithstanding these objections, the Company is willing to have a representative with the necessary background meet with Mr. Cronin and his attorney to discuss these questions in person at the Company's headquarters in Manchester. Please contact Christopher Goulding at 603-634-2701 to arrange such a meeting if one is desired.

**Public Service of New Hampshire d/b/a Eversource Energy**  
**Docket No. DE 14-238**

**Date Request Received: 08/26/2015**

**Request No. CRONIN TS 1-005**

**Request from: Terry Cronin**

**Date of Response: 09/01/2015**

**Page 1 of 1**

**Witness: Eric H. Chung, Christopher J. Goulding**

---

**Request:**

On Request No. CRONIN 1-004, page 2, line 25, please show how the annual carrying cost on under-recovery from 2011 to 2015 are calculated on a monthly basis. Please show how this expense is calculated and explain the flow of accounting entries that impact the calculation of the carrying cost on under-recovery, i.e, month-end (or average monthly) balance of all under-recovered costs, rate of return earned (percentage), estimated number of years to amortize and any other variables that are factored into the carrying costs on under-recovery calculation.

**Response:**

PSNH objects to questions on multiple bases. The information requested is neither relevant nor material to the issue before the Commission in this proceeding. The questions are untimely as they are not related to any relevant questions posed by Mr. Cronin on or before the July 29, 2015, date set in the procedural schedule for "Data Requests to Settling Parties." The procedural schedule, which Mr. Cronin concurred with, does not call for a second round of data requests to settling parties. Instead, that agreed-upon schedule called for a Technical Session, an informal proceeding wherein parties can seek clarifications or additional detail in response to questions that have already been asked and answered. The questions are burdensome to respond to, especially when considered in light of the other objections stated above.

Notwithstanding these objections, the Company is willing to have a representative with the necessary background meet with Mr. Cronin and his attorney to discuss these questions in person at the Company's headquarters in Manchester. Please contact Christopher Goulding at 603-634-2701 to arrange such a meeting if one is desired.

Public Service of New Hampshire d/b/a Eversource Energy  
Docket No. DE 14-238

Date Request Received: 08/26/2015  
Request No. CRONIN TS 1-006  
Request from: Terry Cronin

Date of Response: 09/01/2015  
Page 1 of 1

Witness: Eric H. Chung, Christopher J. Goulding

---

**Request:**

On Request No. CRONIN 1-004, page 2, line 21, please show how the actual Merrimack scrubber revenue from 2011-2015 impacts the various scrubber costs on a monthly basis: explain the flow of accounting entries and how scrubber revenue is allocated to recovery of deferred expenses, return on rate base, etc.?

**Response:**

PSNH objects to questions on multiple bases. The information requested is neither relevant nor material to the issue before the Commission in this proceeding. The questions are untimely as they are not related to any relevant questions posed by Mr. Cronin on or before the July 29, 2015, date set in the procedural schedule for "Data Requests to Settling Parties." The procedural schedule, which Mr. Cronin concurred with, does not call for a second round of data requests to settling parties. Instead, that agreed-upon schedule called for a Technical Session, an informal proceeding wherein parties can seek clarifications or additional detail in response to questions that have already been asked and answered. The questions are burdensome to respond to, especially when considered in light of the other objections stated above.

Notwithstanding these objections, the Company is willing to have a representative with the necessary background meet with Mr. Cronin and his attorney to discuss these questions in person at the Company's headquarters in Manchester. Please contact Christopher Goulding at 603-634-2701 to arrange such a meeting if one is desired.



780 N. Commercial Street  
P.O. Box 330  
Manchester, NH 03105-0330

**Robert A. Bersak**  
Chief Regulatory Counsel

603-634-3355  
robert.bersak@eversource.com

September 10, 2015

**Via e-mail only**

Arthur B. Cunningham Esq.  
P. O. Box 511  
Hopkinton, NH 03229

**Re: Docket No. DE 14-238, Determination Regarding PSNH's Generation Assets  
Supplemental Responses to Data Request Questions of Mr. Terry Cronin**

Dear Attorney Cunningham:

On August 26, 2015, you submitted Supplemental Data Requests to PSNH and other Settling Parties in this proceeding on behalf of Intervenor Terry Cronin. On September 1, 2015, PSNH responded to those questions, interposing a number of objections thereto.

Pursuant to Rule Puc 203.09(i)(4), on September 9, 2015, you contacted me to discuss the possibility of resolving the issues in dispute regarding the supplemental questions objected to by PSNH. As a result of that communication, PSNH is providing the attached supplemental responses to Mr. Cronin's supplemental data requests as a good-faith effort to resolve the outstanding objections.

Please let me know if you have any questions.

Sincerely,

Robert A. Bersak  
Chief Regulatory Counsel

Attachment

cc: Discovery Service List, Docket No. DE 14-238

**EXHIBIT** 3

Public Service of New Hampshire d/b/a Eversource Energy  
Docket No. DE 14-238

Date Request Received: 08/20/2015

Date of Response: 09/01/2015

Date Supplement Request Received: 09/10/2015

Date of Supplement Response: 09/10/2015

Request No. CRONIN TS 1-001-SP01

Page 1 of 2

Request from: Terry Cronin

Witness: Eric H. Chung, William H. Smagula

---

**Request:**

When did Eversource Energy decide that it wanted to avoid final disposition of the prudence determination of the scrubber project in DE 11-250 by settlement? Who made the decision? Please provide the contact information for those parties. Was the decision part of company planning processes? Please provide each and every document, including electronic documents, referring to the decision to ask the Commission to defer disposition of the prudence determination. Please also provide all Merrimack Station planning documents dating back to January 1, 2008, prior to the "Plan" filed in DE 10-261 or to the commencement of the construction of the scrubber project, whichever was earlier.

**Response:**

Notwithstanding, and without waiving the Company's prior objections to the questions contained in Q-CRONIN-TS 1-001, PSNH provides this supplemental response as a good-faith effort to resolve those objections per the requirement of Rule Puc 203.09(i)(4).

***When did Eversource Energy decide that it wanted to avoid final disposition of the prudence determination of the scrubber project in DE 11-250 by settlement?*** Please see PSNH's "Motion to Stay Proceedings" dated December 26, 2014, docketed in Docket No. DE 11-250.

***Who made the decision?*** The decision to request the opportunity to seek a collaborative resolution to the myriad issues that are under consideration in the Dockets identified in PSNH's referenced "Motion to Stay Proceeding" was made by PSNH management.

***Please provide the contact information for those parties.*** PSNH's attorneys of record for this proceeding are Robert A. Bersak and Matthew J. Fossum. Any contact with the Company should be initiated through such counsel.

***Was the decision part of company planning processes?*** The reference to "company planning processes" is vague. The bases for the Company's request to stay the proceedings are set forth in the referenced "Motion to Stay Proceedings."

***Please provide each and every document, including electronic documents, referring to the decision to ask the Commission to defer disposition of the prudence determination.*** Please refer to the monthly updates filed with the Commission by PSNH pursuant to PUC Order No. 25,755 dated January 15, 2015, available from the NHPUC's web docket book for Docket Nos. DE 11-250

***Please also provide all Merrimack Station planning documents dating back to January 1, 2008, prior to the "Plan" filed in DE 10-261 or to the commencement of the construction of the scrubber project, whichever was earlier.*** The reference to "planning documents" is vague. "Plan[s]" filed prior to the referenced DE 10-261 filing are available from the NHPUC web docket book. The Company's most recent filing prior to the one in DE 10-261 was made on September 28, 2007, and was docketed as DE 07-108.

**Public Service of New Hampshire d/b/a Eversource Energy**  
**Docket No. DE 14-238**

**Date Request Received: 08/20/2015**

**Date of Response: 09/01/2015**

**Date Supplement Request Received: 09/10/2015**

**Date of Supplement Response: 09/10/2015**

**Request No. CRONIN TS 1-003-SP01**

**Page 1 of 1**

**Request from: Terry Cronin**

**Witness: Eric H. Chung, Christopher J. Goulding**

---

**Request:**

On Request No. CRONIN 1-004, page 2, line 15, please show how the annual depreciation costs from 2011-2015 are calculated on a monthly basis. Please show how this expense is calculated and explain the flow of accounting entries that impact the calculation of depreciation expense, i.e., month-end (or average monthly) balance of the asset and accumulated depreciation, estimated average life, depreciation method and any other variables that are factored into the depreciation expense calculation.

**Response:**

Notwithstanding, and without waiving the Company's prior objections to these questions, PSNH provides this supplemental response as a good-faith effort to resolve those objections per the requirement of Rule Puc 203.09(i)(4).

Attachment Cronin TS 1-003, 004, 005, 006 provides detailed information and calculations regarding the deferral, carrying charge, O&M, property taxes, depreciation, revenues, and return on rate base related to the scrubber at Merrimack Station for the period 2011 through June 2015.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE DBA EVERSOURCE ENERGY  
 MERRIMACK SCRUBBER UNDER-RECOVERY SUMMARY  
 (Dollars in 000s)

1  
 2  
 3  
 4  
 5  
 6  
 7  
 8  
 9  
 10  
 11  
 12  
 13  
 14  
 15  
 16  
 17  
 18  
 19  
 20  
 21  
 22  
 23  
 24  
 25  
 26  
 27  
 28  
 29  
 30  
 31  
 32  
 33  
 34  
 35

	Merrimack Scrubber Total Cost/Revenues For the Year Ended December 31, 2011	Merrimack Scrubber Total Cost/Revenues For the Year Ended December 31, 2012	Merrimack Scrubber Total Cost/Revenues For the Year Ended December 31, 2013	Merrimack Scrubber Total Cost/Revenues For the Year Ended December 31, 2014	Merrimack Scrubber Total Cost/Revenues For the 6 Months Endec June 30, 2016	Merrimack Scrubber Total Cost/Revenues Totals Through June 30, 2016	Source
12 Summary of Actual Energy Service Costs							
14 Merrimack Scrubber O&M, Fuel and Avoided SO2 Cost	\$ 1,369	\$ 8,778	\$ 6,877	\$ 9,071	\$ 3,342	\$ 29,437	Line 1 + Line 2 + Line 3; Page 2, Page 5, Page 8, Page 11, Page 14
15 Merrimack Scrubber Depreciation Expense	3,100	16,077	15,546	15,529	7,767	57,020	Line 4; Page 2, Page 5, Page 8, Page 11, Page 14
16 Merrimack Scrubber Property Tax Expense	51	267	215	215	107	855	Line 5; Page 2, Page 5, Page 8, Page 11, Page 14
17 Merrimack Scrubber Return on Rate Base	8,581	41,715	40,107	31,957	14,614	136,974	Line 10; Page 3, Page 6, Page 9, Page 12, Page 15
19 Merrimack Scrubber Costs	\$ 13,101	\$ 65,837	\$ 62,746	\$ 56,772	\$ 25,830	\$ 224,286	Line 14 + Line 15 + Line 16 + Line 17
21 Actual Merrimack Scrubber Revenue	\$ -	\$ 31,263	\$ 36,972	\$ 37,230	\$ 20,918	\$ 126,383	Line 2; Page 4, Page 7, Page 10, Page 13, Page 16
23 Under-Recovery before Carrying Cost	\$ 13,101	\$ 34,575	\$ 25,774	\$ 19,541	\$ 4,913	\$ 97,903	Line 19 - Line 21
25 Carrying Cost on Under-Recovery	\$ 109	\$ 2,342	\$ 4,048	\$ 5,537	\$ 3,087	\$ 15,123	Line 9; Page 4, Page 7, Page 10, Page 13, Page 16
27 Total Merrimack Scrubber Under-Recovery	\$ 13,210	\$ 36,917	\$ 29,822	\$ 25,078	\$ 8,000	\$ 113,026	Line 23 + Line 25

35 Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE DBA EVERSOURCE ENERGY  
 ACTUAL 2011 MERRIMACK SCRUBBER O&M, DEPRECIATION AND PROPERTY TAXES  
 (Dollars in 000s)

Line	Merrimack Scrubber O&M, Depr. & Taxes	January 2011 Actual	February 2011 Actual	March 2011 Actual	April 2011 Actual	May 2011 Actual	June 2011 Actual	July 2011 Actual	August 2011 Actual	September 2011 Actual	October 2011 Actual	November 2011 Actual	December 2011 Actual	Total
1	Merrimack Scrubber Operation & Maintenance Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150	\$ 150	\$ 300	\$ 600
2	Merrimack Scrubber Fuel-Related Cost	-	-	-	-	-	-	-	-	-	230	400	864	1,494
3	Merrimack Scrubber Avoided SO2 Cost	-	-	-	-	-	-	-	-	-	(140)	(140)	(445)	(725)
4	Merrimack Scrubber Depreciation Cost	-	-	-	-	-	-	-	-	100	1,000	1,000	1,000	3,100
5	Merrimack Scrubber Property Taxes (1)	-	-	-	-	-	-	-	-	-	17	17	17	51
6	Total Merrimack Scrubber O&M, Fuel, SO2, Depr. and Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100	\$ 1,257	\$ 1,427	\$ 1,736	\$ 4,520

7 (1) Merrimack Scrubber related property tax impact represents the projection of the non-exempt portion of the projec

Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE DBA EVERSOURCE ENERGY  
 2011 ACTUAL MERRIMACK SCRUBBER RETURN ON RATE BASE  
 (Dollars in 000s)

Merrimack Scrubber Line Return on Rate Base	January 2011 Actual	February 2011 Actual	March 2011 Actual	April 2011 Actual	May 2011 Actual	June 2011 Actual	July 2011 Actual	August 2011 Actual	September 2011 Actual	October 2011 Actual	November 2011 Actual	December 2011 Actual	Total
1 Gross Plant									\$ -	\$ 324,516	\$ 323,516	\$ 322,516	
2 Plant Adds									324,616	-	-	-	28,836
3 Less: Depreciation									(100)	(1,000)	(1,000)	(1,000)	(1,000)
4 Net Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 324,516	\$ 323,516	\$ 322,516	\$ 322,516	\$ 350,352
5 Working Capital Allow. (45 days of O&M)									\$ 74	\$ 74	\$ 74	\$ 74	74
6 Deferred Taxes									(15,843)	(15,843)	(15,843)	(15,843)	(18,833)
7 Total Rate Base (L4 thru L6)									\$ 308,747	\$ 307,747	\$ 306,747	\$ 311,910	\$ 330,593
8 Average Rate Base ( prev + curr month)									\$ 308,747	\$ 308,247	\$ 307,247	\$ 318,670	
9 x Return									0.93222%	0.8878%	0.8878%	0.8878%	0.8878%
10 Merrimack Scrubber Return (L8 x L9)									\$ 287	\$ 2,737	\$ 2,728	\$ 2,829	\$ 8,581

Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE DBA EVERSOURCE ENERGY  
 2011 MERRIMACK SCRUBBER DEFERRAL & CARRYING CHARGE  
 (Dollars in 000s)

Merrimack Scrubber Line Deferral & Carrying Charge	Year End 2010	January 2011 Actual	February 2011 Actual	March 2011 Actual	April 2011 Actual	May 2011 Actual	June 2011 Actual	July 2011 Actual	August 2011 Actual	September 2011 Actual	October 2011 Actual	November 2011 Actual	December 2011 Actual	Total
1 Scrubber Cost										\$ 387	\$ 3,994	\$ 4,155	\$ 4,565	13,101
2 Scrubber Revenues										\$ 387	\$ 3,994	\$ 4,155	\$ 4,565	13,101
3 Current Month Deferred Scrubber Cost														
4 Cumulative Deferred Scrubber Cost (Excluding Carrying Charges)										\$ 387	\$ 4,381	\$ 8,536	\$ 13,101	
5 Cumulative Average Deferral Balance										\$ 194	\$ 2,384	\$ 6,456	\$ 10,818	
6 Deferred Taxes										\$ (79)	\$ (966)	\$ (2,617)	\$ (4,384)	
7 Net Average Deferral Balance										115	1,418	3,841	6,434	
x Carrying Charge										0.9322%	0.8878%	0.8878%	0.8878%	
9 Scrubber Deferral Carrying Charge										\$ 2	\$ 14	\$ 35	\$ 58	\$ 109
10 Cumulative Carrying Charge										\$ 2	\$ 16	\$ 51	\$ 109	
11 Total Scrubber Deferral (Including Carrying Charges)										\$ 389	\$ 4,397	\$ 8,586	\$ 13,210	

Amounts shown above may not add due to rounding

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE DBA EVERSOURCE ENERGY  
 ACTUAL 2012 MERRIMACK SCRUBBER O&M, DEPRECIATION AND PROPERTY TAXES  
 (Dollars in 000s)

Line	Merrimack Scrubber O&M, Depr. & Taxes	January* 2012 Actual	February 2012 Actual	March 2012 Actual	April 2012 Actual	May 2012 Actual	June 2012 Actual	July 2012 Actual	August 2012 Actual	September 2012 Actual	October 2012 Actual	November 2012 Actual	December 2012 Actual	Total
1	Merrimack Scrubber Operation & Maintenance Cost	\$ 194	\$ 291	\$ 78	\$ 109	\$ 153	\$ 197	\$ 226	\$ 234	\$ 487	\$ (59)	\$ 134	\$ 386	\$ 2,430
2	Merrimack Scrubber Fuel-Related Cost	(67)	2,594	1,421	268	214	246	429	359	63	407	320	406	6,661
3	Merrimack Scrubber Avoided SO2 Cost	159	4	2	(2)	-	(19)	(109)	(50)	-	-	(85)	(212)	(313)
4	Merrimack Scrubber Depreciation Cost	1,220	1,147	1,156	1,252	1,260	1,265	1,296	1,295	1,296	1,296	1,297	1,297	15,077
5	Merrimack Scrubber Property Taxes (1)	17	17	17	24	24	24	24	24	24	24	24	24	267
6	Total Merrimack Scrubber O&M, Fuel, SO2, Depr. and Taxes	\$ 1,523	\$ 4,053	\$ 2,675	\$ 1,651	\$ 1,651	\$ 1,713	\$ 1,866	\$ 1,861	\$ 1,870	\$ 1,668	\$ 1,690	\$ 1,902	\$ 24,122

7 (1) Merrimack Scrubber related property tax impact represents the projection of the non-exempt portion of the project  
 \*Includes 2011 True Up Amounts  
 Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE DBA EVERSOURCE ENERGY  
 2012 ACTUAL MERRIMACK SCRUBBER RETURN ON RATE BASE  
 (Dollars in 000s)

Merrimack Scrubber Line Return on Rate Base	January* 2012 Actual	February 2012 Actual	March 2012 Actual	April 2012 Actual	May 2012 Actual	June 2012 Actual	July 2012 Actual	August 2012 Actual	September 2012 Actual	October 2012 Actual	November 2012 Actual	December 2012 Actual	Total
1 Gross Plant	\$ 364,228	\$ 363,085	\$ 361,937	\$ 394,840	\$ 393,589	\$ 392,329	\$ 404,848	\$ 403,552	\$ 402,257	\$ 401,880	\$ 400,584	\$ 399,287	
2 Plant Adds			34,059	-	-	13,784	-	-	919	-	-	(289)	
3 Less: Depreciation	(1,143)	(1,147)	(1,156)	(1,252)	(1,260)	(1,265)	(1,296)	(1,295)	(1,296)	(1,296)	(1,297)	(1,297)	
4 Net Plant	\$ 363,085	\$ 361,937	\$ 394,840	\$ 393,589	\$ 392,329	\$ 404,848	\$ 403,552	\$ 402,257	\$ 401,880	\$ 400,584	\$ 399,287	\$ 397,701	
5 Working Capital Allow. (45 days of O&M)	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300
6 Deferred Taxes	(9,642)	(9,642)	(14,469)	(14,469)	(14,469)	(20,781)	(20,781)	(20,781)	(18,237)	(18,237)	(18,237)	(32,486)	
7 Total Rate Base (L4 thru L6)	\$ 353,742	\$ 352,595	\$ 380,671	\$ 379,419	\$ 378,160	\$ 384,366	\$ 383,071	\$ 381,775	\$ 383,943	\$ 382,646	\$ 381,350	\$ 365,515	
8 Average Rate Base (prev + curr month)	\$ 354,201	\$ 353,169	\$ 366,633	\$ 380,045	\$ 378,789	\$ 381,263	\$ 383,719	\$ 382,423	\$ 382,859	\$ 383,294	\$ 381,998	\$ 373,432	
9 x Return	0.9235%	0.9235%	0.9235%	0.9186%	0.9186%	0.9186%	0.9196%	0.9196%	0.9196%	0.9217%	0.9217%	0.9217%	
10 Merrimack Scrubber Return (L8 x L9)	\$ 3,533	\$ 3,262	\$ 3,386	\$ 3,491	\$ 3,480	\$ 3,502	\$ 3,529	\$ 3,517	\$ 3,521	\$ 3,533	\$ 3,521	\$ 3,442	\$ 41,715

\*Includes 2011 True Up Amounts  
 Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE DBA EVERSOURCE ENERGY  
 2012 MERRIMACK SCRUBBER DEFERRAL & CARRYING CHARGE  
 (Dollars in 000s)

Merrimack Scrubber Line Deferral & Carrying Charge	Year End 2011	January 2012 Actual	February 2012 Actual	March 2012 Actual	April 2012 Actual	May 2012 Actual	June 2012 Actual	July 2012 Actual	August 2012 Actual	September 2012 Actual	October 2012 Actual	November 2012 Actual	December 2012 Actual	Total
1 Scrubber Cost		\$ 5,056	\$ 7,314	\$ 6,060	\$ 5,142	\$ 5,131	\$ 5,218	\$ 5,394	\$ 5,378	\$ 5,391	\$ 5,201	\$ 5,211	\$ 5,344	65,837
2 Scrubber Revenues		-	-	-	(1,629)	(3,468)	(3,642)	(4,550)	(4,378)	(3,224)	(3,169)	(3,354)	(3,850)	(31,263)
3 Current Month Deferred Scrubber Cost		\$ 5,056	\$ 7,314	\$ 6,060	\$ 3,513	\$ 1,663	\$ 1,574	\$ 844	\$ 1,001	\$ 2,167	\$ 2,032	\$ 1,857	\$ 1,494	34,574
4 Cumulative Deferred Scrubber Cost (Excluding Carrying Charges)	\$ 13,101	\$ 18,157	\$ 25,471	\$ 31,531	\$ 35,044	\$ 36,708	\$ 38,281	\$ 39,125	\$ 40,126	\$ 42,293	\$ 44,325	\$ 46,182	\$ 47,676	
5 Cumulative Average Deferral Balance		\$ 15,629	\$ 21,814	\$ 28,501	\$ 33,280	\$ 35,876	\$ 37,494	\$ 38,703	\$ 39,626	\$ 41,209	\$ 43,309	\$ 45,253	\$ 46,929	
6 Deferred Taxes		\$ (6,334)	\$ (8,840)	\$ (11,550)	\$ (13,490)	\$ (14,539)	\$ (15,195)	\$ (15,685)	\$ (16,058)	\$ (16,700)	\$ (17,651)	\$ (18,339)	\$ (19,018)	
7 Net Average Deferral Balance		9,295	12,974	16,951	19,798	21,337	22,300	23,019	23,567	24,509	25,758	26,915	27,911	
8 % Carrying Charge		0.9235%	0.9235%	0.9235%	0.9186%	0.9186%	0.9186%	0.9186%	0.9190%	0.9196%	0.9217%	0.9217%	0.9217%	
9 Scrubber Deferral Carrying Charge		\$ 87	\$ 120	\$ 157	\$ 182	\$ 198	\$ 205	\$ 212	\$ 217	\$ 225	\$ 237	\$ 248	\$ 257	2,342
10 Cumulative Carrying Charge	\$ 109	\$ 195	\$ 315	\$ 472	\$ 654	\$ 850	\$ 1,055	\$ 1,266	\$ 1,483	\$ 1,708	\$ 1,946	\$ 2,194	\$ 2,451	
11 Total Scrubber Deferral (Including Carrying Charges)	\$ 13,210	\$ 18,352	\$ 25,786	\$ 32,003	\$ 35,696	\$ 37,557	\$ 39,336	\$ 40,392	\$ 41,609	\$ 44,001	\$ 46,271	\$ 48,376	\$ 50,127	
12 Actual Retail MWH Sales					332,495	353,851	371,597	404,326	446,688	328,956	323,326	342,200	392,873	3,356,313

\*Temp rate was in effect for 1/2 the month.  
 Amounts shown above may not add due to rounding

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE DBA EVERSOURCE ENERGY  
 ACTUAL 2013 MERRIMACK SCRUBBER O&M, DEPRECIATION AND PROPERTY TAXES  
 (Dollars in 000s)

Line	Merrimack Scrubber O&M, Depr. & Taxes	January 2013 Actual	February 2013 Actual	March 2013 Actual	April 2013 Actual	May 2013 Actual	June 2013 Actual	July 2013 Actual	August 2013 Actual	September 2013 Actual	October 2013 Actual	November 2013 Actual	December 2013 Actual	Total
1	Merrimack Scrubber Operation & Maintenance Cost	\$ 274	\$ 347	\$ 396	\$ 171	\$ 317	\$ 234	\$ 201	\$ 152	\$ 161	\$ 151	\$ 252	\$ 85	\$ 2,741
2	Merrimack Scrubber Fuel-Related Cost	804	989	627	464	244	239	515	601	147	694	165	997	6,486
3	Merrimack Scrubber Avoided SO2 Cost	(378)	(389)	(319)	(11)	(35)	(154)	(400)	1	(32)	-	(57)	(575)	(2,350)
4	Merrimack Scrubber Depreciation Cost	1,295	1,296	1,295	1,295	1,295	1,295	1,295	1,295	1,295	1,295	1,294	1,300	15,546
5	Merrimack Scrubber Property Taxes (1)	18	18	18	18	18	18	18	18	18	18	18	18	215
6	Total Merrimack Scrubber O&M, Fuel, SO2, Depr. and Taxes	\$ 2,013	\$ 2,261	\$ 2,017	\$ 1,937	\$ 1,839	\$ 1,632	\$ 1,630	\$ 2,067	\$ 1,589	\$ 2,157	\$ 1,672	\$ 1,825	\$ 22,638

7 (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 DBA EVERSOURCE ENERGY  
 2013 ACTUAL MERRIMACK SCRUBBER RETURN ON RATE BASE  
 (Dollars in 000s)

Merrimack Scrubber Return on Rate Base	January 2013 Actual	February 2013 Actual	March 2013 Actual	April 2013 Actual	May 2013 Actual	June 2013 Actual	July 2013 Actual	August 2013 Actual	September 2013 Actual	October 2013 Actual	November 2013 Actual	December 2013 Actual	Total
1 Gross Plant	\$ 397,701	\$ 396,291	\$ 394,834	\$ 393,548	\$ 392,338	\$ 391,209	\$ 389,783	\$ 388,493	\$ 387,199	\$ 385,899	\$ 384,432	\$ 384,754	\$ 384,754
2 Plant Adds	(116)	(161)	9	86	166	(130)	5	1	(5)	(173)	1,616	(3,205)	(3,205)
3 Less: Depreciation	(1,295)	(1,296)	(1,295)	(1,295)	(1,295)	(1,295)	(1,295)	(1,295)	(1,295)	(1,295)	(1,294)	(1,300)	(1,300)
4 Net Plant	\$ 396,291	\$ 394,834	\$ 393,548	\$ 392,338	\$ 391,209	\$ 389,783	\$ 388,493	\$ 387,199	\$ 385,899	\$ 384,432	\$ 384,754	\$ 380,249	\$ 380,249
5 Working Capital Allow. (45 days of O&M)	\$ 338	\$ 338	\$ 338	\$ 338	\$ 338	\$ 338	\$ 338	\$ 338	\$ 338	\$ 338	\$ 338	\$ 338	\$ 338
6 Deferred Taxes	(25,383)	(27,095)	(28,808)	(30,520)	(32,233)	(33,945)	(35,658)	(37,370)	(39,083)	(40,795)	(42,508)	(44,220)	(44,220)
7 Total Rate Base (L4 thru L6)	\$ 371,246	\$ 368,077	\$ 365,078	\$ 362,156	\$ 359,314	\$ 356,176	\$ 353,174	\$ 350,167	\$ 347,155	\$ 343,974	\$ 342,584	\$ 336,366	\$ 336,366
8 Average Rate Base (prev + curr month)	\$ 368,380	\$ 369,861	\$ 366,577	\$ 363,617	\$ 360,735	\$ 357,745	\$ 354,675	\$ 351,671	\$ 348,661	\$ 345,585	\$ 343,279	\$ 339,475	\$ 339,475
9 x Return	0.9237%	0.9237%	0.9237%	0.9258%	0.9258%	0.9258%	0.9536%	0.9536%	0.9536%	0.9554%	0.9554%	0.9554%	0.9554%
10 Merrimack Scrubber Return (L8 x L9)	\$ 3,403	\$ 3,415	\$ 3,386	\$ 3,366	\$ 3,340	\$ 3,312	\$ 3,382	\$ 3,354	\$ 3,325	\$ 3,302	\$ 3,280	\$ 3,243	\$ 40,107

Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE DBA EVERSOURCE ENERGY  
 2013 MERRIMACK SCRUBBER DEFERRAL & CARRYING CHARGE  
 (Dollars in 000s)

Merrimack Scrubber Line Deferral & Carrying Charge	Year End 2012	January 2013 Actual	February 2013 Actual	March 2013 Actual	April 2013 Actual	May 2013 Actual	June 2013 Actual	July 2013 Actual	August 2013 Actual	September 2013 Actual	October 2013 Actual	November 2013 Actual	December 2013 Actual	Total
1 Scrubber Cost	\$	5,416	\$ 5,675	\$ 5,403	\$ 5,304	\$ 5,179	\$ 4,944	\$ 5,012	\$ 5,420	\$ 4,914	\$ 5,459	\$ 4,951	\$ 5,068	62,746
2 Scrubber Revenues		(4,093)	(3,331)	(3,461)	(2,645)	(2,637)	(2,860)	(3,720)	(3,155)	(2,560)	(2,468)	(2,684)	(3,352)	(36,972)
3 Current Month Deferred Scrubber Cost	\$	1,323	\$ 2,345	\$ 1,942	\$ 2,659	\$ 2,543	\$ 2,084	\$ 1,292	\$ 2,265	\$ 2,347	\$ 2,991	\$ 2,268	\$ 1,716	25,773
4 Cumulative Deferred Scrubber Cost (Excluding Carrying Charges)	\$	47,676	\$ 48,998	\$ 51,343	\$ 53,285	\$ 55,944	\$ 58,486	\$ 60,571	\$ 61,862	\$ 64,127	\$ 66,475	\$ 69,466	\$ 71,733	\$ 73,449
5 Cumulative Average Deferral Balance	\$	48,337	\$ 50,171	\$ 52,314	\$ 54,614	\$ 57,215	\$ 59,528	\$ 61,216	\$ 62,995	\$ 65,301	\$ 67,970	\$ 70,600	\$ 72,591	
6 Deferred Taxes	\$	(19,589)	\$ (20,332)	\$ (21,200)	\$ (22,133)	\$ (23,186)	\$ (24,124)	\$ (24,808)	\$ (25,529)	\$ (26,463)	\$ (27,545)	\$ (28,610)	\$ (29,418)	
7 Net Average Deferral Balance		28,748	29,839	31,114	32,482	34,029	35,405	36,408	37,466	38,838	40,425	41,989	43,174	
8 x Carrying Charge		0.9237%	0.9237%	0.9237%	0.9258%	0.9258%	0.9258%	0.9263%	0.9263%	0.9263%	0.9264%	0.9264%	0.9264%	
9 Scrubber Deferral Carrying Charge	\$	267	\$ 276	\$ 287	\$ 301	\$ 315	\$ 328	\$ 347	\$ 357	\$ 370	\$ 385	\$ 401	\$ 412	4,048
10 Cumulative Carrying Charge	\$	2,451	\$ 2,718	\$ 2,994	\$ 3,281	\$ 3,582	\$ 3,897	\$ 4,224	\$ 4,572	\$ 4,929	\$ 5,299	\$ 5,686	\$ 6,087	6,489
11 Total Scrubber Deferral (Including Carrying Charges)	\$	50,127	\$ 51,716	\$ 54,337	\$ 56,566	\$ 59,525	\$ 62,383	\$ 64,795	\$ 66,434	\$ 69,056	\$ 71,774	\$ 75,151	\$ 77,820	\$ 79,948
12 Actual Retail MWH Sales		417,688	339,872	353,140	269,910	269,045	291,798	379,640	321,863	261,876	251,824	273,860	342,045	3,772,661

Amounts shown above may not add due to rounding

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE DBA EVERSOURCE ENERGY  
 ACTUAL 2014 MERRIMACK SCRUBBER O&M, DEPRECIATION AND PROPERTY TAXES  
 (Dollars in 000s)

Line	January 2014 Actual	February 2014 Actual	March 2014 Actual	April 2014 Actual	May 2014 Actual	June 2014 Actual	July 2014 Actual	August 2014 Actual	September 2014 Actual	October 2014 Actual	November 2014 Actual	December 2014 Actual	Total
1 Merrimack Scrubber Operation & Maintenance Cost	\$ 122	\$ 230	\$ 411	\$ 268	\$ 191	\$ 334	\$ 182	\$ 87	\$ 100	\$ 68	\$ 116	\$ 230	\$ 2,339
2 Merrimack Scrubber Fuel-Related Cost	2,039	1,684	2,221	515	125	2	1,420	132	133	120	511	437	9,341
3 Merrimack Scrubber Avoided SO2 Cost	(554)	(610)	(730)	(96)	-	-	(127)	-	(13)	(5)	(321)	(154)	(2,609)
4 Merrimack Scrubber Depreciation Cost	1,289	1,295	1,294	1,294	1,295	1,295	1,295	1,295	1,295	1,295	1,295	1,295	15,529
5 Merrimack Scrubber Property Taxes (1)	18	18	18	18	18	18	18	18	18	18	18	18	215
6 Total Merrimack Scrubber O&M, Fuel, SO2, Depr. and Taxes	\$ 2,914	\$ 2,617	\$ 3,215	\$ 1,999	\$ 1,629	\$ 1,649	\$ 2,788	\$ 1,532	\$ 1,532	\$ 1,496	\$ 1,619	\$ 1,825	\$ 24,815

7 (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 DBA EVERSOURCE ENERGY  
 2014 ACTUAL MERRIMACK SCRUBBER RETURN ON RATE BASE  
 (Dollars in 000s)

Merrimack Scrubber Line Return on Rate Base	January 2014 Actual	February 2014 Actual	March 2014 Actual	April 2014 Actual	May 2014 Actual	June 2014 Actual	July 2014 Actual	August 2014 Actual	September 2014 Actual	October 2014 Actual	November 2014 Actual	December 2014 Actual	Total
1 Gross Plant	\$ 380,249	\$ 380,557	\$ 379,232	\$ 377,962	\$ 376,670	\$ 375,377	\$ 374,077	\$ 372,807	\$ 371,515	\$ 370,224	\$ 368,931	\$ 367,639	
2 Plant Adds	1,597	(30)	24	2	2	(6)	25	2	4	2	2	(79)	
3 Less: Depreciation	(1,289)	(1,295)	(1,294)	(1,294)	(1,295)	(1,295)	(1,295)	(1,295)	(1,295)	(1,295)	(1,295)	(1,295)	
4 Net Plant	\$ 380,557	\$ 379,232	\$ 377,962	\$ 376,670	\$ 375,377	\$ 374,077	\$ 372,807	\$ 371,515	\$ 370,224	\$ 368,931	\$ 367,639	\$ 366,265	
5 Working Capital Allow. (45 days of O&M)	\$ 288	\$ 288	\$ 288	\$ 288	\$ 288	\$ 288	\$ 288	\$ 288	\$ 288	\$ 288	\$ 288	\$ 288	
6 Deferred Taxes	(46,740)	(53,258)	(74,300)	(78,820)	(83,340)	(94,299)	(94,983)	(95,676)	(96,370)	(97,063)	(97,756)	(98,450)	
7 Total Rate Base (L4 thru L6)	\$ 332,105	\$ 326,263	\$ 303,950	\$ 298,138	\$ 292,326	\$ 280,066	\$ 278,113	\$ 276,127	\$ 274,142	\$ 272,157	\$ 270,171	\$ 268,103	
8 Average Rate Base (prev + curr month)	\$ 334,236	\$ 329,184	\$ 315,107	\$ 301,044	\$ 295,232	\$ 286,196	\$ 279,089	\$ 277,120	\$ 275,135	\$ 273,150	\$ 271,164	\$ 269,137	
9 x Return	0.9058%	0.9058%	0.9058%	0.9087%	0.9087%	0.9087%	0.9100%	0.9100%	0.9100%	0.9231%	0.9231%	0.9231%	
10 Merrimack Scrubber Return (L8 x L9)	\$ 3,027	\$ 2,982	\$ 2,854	\$ 2,736	\$ 2,683	\$ 2,601	\$ 2,540	\$ 2,522	\$ 2,504	\$ 2,522	\$ 2,503	\$ 2,484	\$ 31,957

Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE DBA EVERSOURCE ENERGY  
 2014 MERRIMACK SCRUBBER DEFERRAL & CARRYING CHARGE  
 (Dollars in 000s)

Merrimack Scrubber Line Deferral & Carrying Charge	Year End 2013	January 2014 Actual	February 2014 Actual	March 2014 Actual	April 2014 Actual	May 2014 Actual	June 2014 Actual	July 2014 Actual	August 2014 Actual	September 2014 Actual	October 2014 Actual	November 2014 Actual	December 2014 Actual	Total
1 Scrubber Cost		\$ 5,942	\$ 5,598	\$ 6,069	\$ 4,734	\$ 4,312	\$ 4,249	\$ 5,328	\$ 4,054	\$ 4,036	\$ 4,017	\$ 4,122	\$ 4,310	\$ 56,772
2 Scrubber Revenues		(3,857)	(3,249)	(3,457)	(2,659)	(2,525)	(2,755)	(3,425)	(3,105)	(2,157)	(2,583)	(2,865)	(3,952)	(37,239)
3 Current Month Deferred Scrubber Cost		\$ 2,085	\$ 2,359	\$ 2,613	\$ 2,040	\$ 1,787	\$ 1,493	\$ 1,903	\$ 945	\$ 1,269	\$ 1,434	\$ 1,256	\$ 355	19,540
4 Cumulative Deferred Scrubber Cost (Excluding Carrying Charges)	\$ 73,449	\$ 75,534	\$ 77,893	\$ 80,505	\$ 82,545	\$ 84,332	\$ 85,825	\$ 87,728	\$ 88,673	\$ 89,942	\$ 91,376	\$ 92,632	\$ 92,980	
5 Cumulative Average Deferral Balance		\$ 74,492	\$ 76,713	\$ 79,199	\$ 81,525	\$ 83,439	\$ 85,079	\$ 86,777	\$ 88,201	\$ 89,307	\$ 90,659	\$ 92,004	\$ 92,811	
6 Deferred Taxes		\$ (30,188)	\$ (31,088)	\$ (32,095)	\$ (33,038)	\$ (33,814)	\$ (34,478)	\$ (35,166)	\$ (35,743)	\$ (36,192)	\$ (36,740)	\$ (37,285)	\$ (37,612)	
7 Net Average Deferral Balance		44,304	45,625	47,104	48,487	49,625	50,601	51,610	52,457	53,116	53,919	54,719	55,200	
8 % Carrying Charge		0.9058%	0.9058%	0.9058%	0.9087%	0.9087%	0.9087%	0.9100%	0.9100%	0.9100%	0.9231%	0.9231%	0.9231%	
9 Scrubber Deferral Carrying Charge		\$ 403	\$ 413	\$ 427	\$ 441	\$ 451	\$ 460	\$ 470	\$ 477	\$ 483	\$ 498	\$ 505	\$ 510	\$ 5,537
10 Cumulative Carrying Charge	\$ 6,499	\$ 6,902	\$ 7,315	\$ 7,742	\$ 8,182	\$ 8,633	\$ 9,093	\$ 9,563	\$ 10,040	\$ 10,523	\$ 11,021	\$ 11,526	\$ 12,036	
11 Total Scrubber Deferral (Including Carrying Charges)	\$ 79,948	\$ 82,436	\$ 85,208	\$ 88,247	\$ 90,727	\$ 92,965	\$ 94,918	\$ 97,291	\$ 98,713	\$ 100,466	\$ 102,397	\$ 104,159	\$ 105,026	
12 Actual Retail MWh Sales		393,552	330,563	352,722	274,927	257,656	281,250	348,490	317,255	282,347	263,613	292,433	403,219	3,789,029

Amounts shown above may not add due to rounding

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE DBA EVERSOURCE ENERGY  
 ACTUAL 2015 MERRIMACK SCRUBBER O&M, DEPRECIATION AND PROPERTY TAXES  
 (Dollars in 000s)

Line	Merrimack Scrubber O&M, Depr. & Taxes	January 2015 Actual	February 2015 Actual	March 2015 Actual	April 2015 Actual	May 2015 Actual	June 2015 Actual	July 2015	August 2015	September 2015	October 2015	November 2015	December 2015	Total
1	Merrimack Scrubber Operation & Maintenance Cost	\$ 116	\$ 157	\$ 233	\$ 295	\$ 132	\$ 176							\$ 1,110
2	Merrimack Scrubber Fuel-Related Cost	1,207	1,569	806	123	155	128							3,988
3	Merrimack Scrubber Avoided SO2 Cost	(681)	(684)	(379)	(6)	-	(6)							(1,756)
4	Merrimack Scrubber Depreciation Cost	1,294	1,294	1,294	1,294	1,295	1,295							7,767
5	Merrimack Scrubber Property Taxes (1)	18	18	18	18	18	18							107
6	Total Merrimack Scrubber O&M, Fuel, SO2, Depr. and Taxes	\$ 1,953	\$ 2,354	\$ 1,973	\$ 1,725	\$ 1,600	\$ 1,611	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,217

7 (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 DBA EVERSOURCE ENERGY  
 2015 ACTUAL MERRIMACK SCRUBBER RETURN ON RATE BASE  
 (Dollars in 000s)

Merrimack Scrubber Line Return on Rate Base	January 2015 Actual	February 2015 Actual	March 2015 Actual	April 2015 Actual	May 2015 Actual	June 2015 Actual	July 2015	August 2015	September 2015	October 2015	November 2015	December 2015	Total
1 Gross Plant	\$ 366,265	\$ 364,973	\$ 363,702	\$ 362,411	\$ 361,150	\$ 359,856							
2 Plant Adds	2	24	3	34	-	-							
3 Less: Depreciation	(1,294)	(1,294)	(1,294)	(1,294)	(1,295)	(1,295)							
4 Net Plant	\$ 364,973	\$ 363,702	\$ 362,411	\$ 361,150	\$ 359,856	\$ 358,561							
5 Working Capital Allow. (45 days of O&M)	\$ 274	\$ 274	\$ 274	\$ 274	\$ 274	\$ 274							
6 Deferred Taxes	(81,972)	(91,234)	(100,496)	(101,179)	(101,881)	(102,544)							
7 Total Rate Base (L4 thru L6)	\$ 283,274	\$ 272,742	\$ 262,188	\$ 260,245	\$ 258,268	\$ 256,291							
8 Average Rate Base (prev + curr month)	\$ 275,689	\$ 278,008	\$ 267,465	\$ 261,217	\$ 259,257	\$ 257,279							
9 x Return	0.9135%	0.9135%	0.9135%	0.9145%	0.9145%	0.9145%							
10 Merrimack Scrubber Return (L8 x L9)	\$ 2,518	\$ 2,540	\$ 2,443	\$ 2,389	\$ 2,371	\$ 2,353							\$ 14,614

Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE DBA EVERSOURCE ENERGY  
 2015 MERRIMACK SCRUBBER DEFERRAL & CARRYING CHARGE  
 (Dollars in 000s)

Merrimack Scrubber Line Deferral & Carrying Charge	Year End 2014	January 2015 Actual	February 2015 Actual	March 2015 Actual	April 2015 Actual	May 2015 Actual	June 2015 Actual	July 2015	August 2015	September 2015	October 2015	November 2015	December 2015	Total
1 Scrubber Cost		\$ 4,472	\$ 4,894	\$ 4,416	\$ 4,114	\$ 3,971	\$ 3,964							
2 Scrubber Revenues		(4,731)	(4,112)	(3,953)	(2,690)	(2,648)	(2,783)							\$ 25,830
3 Current Month Deferred Scrubber Cost		\$ (259)	\$ 782	\$ 463	\$ 1,424	\$ 1,323	\$ 1,181							(20,918)
4 Cumulative Deferred Scrubber Cost (Excluding Carrying Charges)	\$ 92,990	\$ 92,731	\$ 93,513	\$ 93,976	\$ 95,400	\$ 96,723	\$ 97,903							\$ 4,913
5 Cumulative Average Deferral Balance		\$ 92,861	\$ 93,122	\$ 93,745	\$ 94,688	\$ 96,061	\$ 97,313							
6 Deferred Taxes		\$ (37,632)	\$ (37,738)	\$ (37,990)	\$ (38,372)	\$ (38,929)	\$ (39,436)							
7 Net Average Deferral Balance		\$ 55,229	\$ 55,384	\$ 55,755	\$ 56,316	\$ 57,132	\$ 57,877							
8 x Carrying Charge		0.9135%	0.9135%	0.9135%	0.9145%	0.9145%	0.9145%							
9 Scrubber Deferral Carrying Charge		\$ 505	\$ 509	\$ 509	\$ 515	\$ 522	\$ 529							
10 Cumulative Carrying Charge	\$ 12,036	\$ 12,541	\$ 13,047	\$ 13,556	\$ 14,071	\$ 14,584	\$ 15,123							\$ 3,087
11 Total Scrubber Deferral (including Carrying Charges)	\$ 105,026	\$ 105,272	\$ 106,560	\$ 107,532	\$ 108,471	\$ 111,316	\$ 113,026							
12 Actual Retail MWh Sales		482,767	419,590	403,418	274,474	270,209	284,008							2,134,466

Amounts shown above may not add due to rounding

Public Service of New Hampshire d/b/a Eversource Energy  
Docket No. DE 14-238

Date Request Received: 08/20/2015

Date of Response: 09/01/2015

Date Supplement Request Received: 09/10/2015

Date of Supplement Response: 09/10/2015

Request No. CRONIN TS 1-004-SP01

Page 1 of 1

Request from: Terry Cronin

Witness: Eric H. Chung, Christopher J. Goulding

---

**Request:**

On Request No. CRONIN 1-004, page 2, line 17, please show how the annual return on rate base costs from 2011 to 2015 are calculated on a monthly basis. Please show how this expense is calculated and explain the flow of accounting entries that impact the calculation of return on rate base expense, i.e., month-end (or average monthly) balance of the asset or accumulated depreciation, rate of return earned (percentage) and any other variables that are factored into the return on rate base calculation.

**Response:**

Notwithstanding, and without waiving the Company's prior objections to these questions, PSNH provides this supplemental response as a good-faith effort to resolve those objections per the requirement of Rule Puc 203.09(i)(4).

Please refer to the response to Cronin TS 1-003-SP01.

Public Service of New Hampshire d/b/a Eversource Energy  
Docket No. DE 14-238

Date Request Received: 08/20/2015

Date of Response: 09/01/2015

Date Supplement Request Received: 09/10/2015

Date of Supplement Response: 09/10/2015

Request No. CRONIN TS 1-005-SP01

Page 1 of 1

Request from: Terry Cronin

Witness: Eric H. Chung, Christopher J. Goulding

---

**Request:**

On Request No. CRONIN 1-004, page 2, line 25, please show how the annual carrying cost on under-recovery from 2011 to 2015 are calculated on a monthly basis. Please show how this expense is calculated and explain the flow of accounting entries that impact the calculation of the carrying cost on under-recovery, i.e, month-end (or average monthly) balance of all under-recovered costs, rate of return earned (percentage), estimated number of years to amortize and any other variables that are factored into the carrying costs on under-recovery calculation.

**Response:**

Notwithstanding, and without waiving the Company's prior objections to these questions, PSNH provides this supplemental response as a good-faith effort to resolve those objections per the requirement of Rule Puc 203.09(i)(4).

Please refer to the response to Cronin TS 1-003-SP01.

Public Service of New Hampshire d/b/a Eversource Energy  
Docket No. DE 14-238

Date Request Received: 08/20/2015

Date of Response: 09/01/2015

Date Supplement Request Received: 09/10/2015

Date of Supplement Response: 09/10/2015

Request No. CRONIN TS 1-006-SP01

Page 1 of 1

Request from: Terry Cronin

Witness: Eric H. Chung, Christopher J. Goulding

---

**Request:**

On Request No. CRONIN 1-004, page 2, line 21, please show how the actual Merrimack scrubber revenue from 2011-2015 impacts the various scrubber costs on a monthly basis: explain the flow of accounting entries and how scrubber revenue is allocated to recovery of deferred expenses, return on rate base, etc.?

**Response:**

Notwithstanding, and without waiving the Company's prior objections to these questions, PSNH provides this supplemental response as a good-faith effort to resolve those objections per the requirement of Rule Puc 203.09(i)(4).

Please refer to the response to Cronin TS 1-003-SP01.