STATE OF NEW HAMPSHIRE

BEFORE THE

NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

DOCKET NO. DE 19-057

REQUEST FOR PERMANENT RATES

DIRECT TESTIMONY OF

ERIC H. CHUNG AND TROY M. DIXON

Revenue Requirements

On behalf of Public Service Company of New Hampshire
d/b/a Eversource Energy

May 28, 2019

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d/b/a EVERSOURCE ENERGY
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I. INTRODUCTION

Q. Please state your name, position and business address.

A. My name is Eric H. Chung. I am employed by Eversource Energy Service Company as Director, Revenue Requirements (New Hampshire) and Regulatory Projects. My business address is 247 Station Drive, Westwood, Massachusetts 02090.

Q. What are your principal responsibilities in this position?

A. I am currently responsible for all regulatory activity affecting the financial requirements of Public Service Company of New Hampshire ("PSNH" or the "Company"). I am also responsible for certain enterprise-wide regulatory initiatives for the Eversource Energy operating businesses in the states of Connecticut, Massachusetts and New Hampshire.

Q. Please summarize your professional experience.

A. I was appointed to my current position in February 2015. From August 2013 to January 2015, I was Director of Revenue Requirements for the Eversource Energy operating companies in Massachusetts and New Hampshire, including PSNH.

Prior to joining Eversource, from 2011 to 2013, I was a Senior Manager in the Power Utilities Advisory practice at Ernst and Young LLP. From 2009 to 2011, I worked for PacifiCorp, a vertically-integrated electric utility serving approximately 1.7 million customers across six states in the Western United States, where my primary role was Director of Environmental Policy and Strategy. I also served as an Associate Partner in the Utilities practice at Oliver Wyman, a Senior Engagement Manager in the Power practice at Strategic Decisions Group, and a Senior Programmer Analyst at Goldman Sachs. I have over 20 years of relevant management consulting and industry experience, with most of my career dedicated to the power and utilities sectors.

Q. Please summarize your educational background.

A. I received a Bachelor of Arts degree in physics with honors from Harvard College, as well as a Master of Business Administration in finance and economics from the University of Chicago Booth School of Business.

Q. Have you previously testified before the New Hampshire Public Utilities Commission?

A. Yes, I have previously testified before the New Hampshire Public Utilities Commission (the "Commission") in many proceedings, including Docket No. DE 11-250 (Investigation of Merrimack Station Scrubber Project and Cost Recovery); Docket No. DE 13-274 (2014 Stranded Cost Recovery Charge Rate Change); Docket No. DE 13-275 (2014 Default Energy Service Rate Change); Docket No. DE 13-108 (Reconciliation of Energy Service and Stranded Costs for Calendar Year 2012); Docket DE 14-238 (2015 Public Service Company of New Hampshire Restructuring and Rate Stabilization Agreement); Docket No. DE 15-464 (Lease Agreement Between Public Service Company of New Hampshire and Northern Pass Transmission); Docket No. DE 16-693 (Public Service Company of New Hampshire Power Purchase Agreement with Hydro-Renewable Resources); Docket No. DE 17-096 (Petition for Finding of Fact and Issuance of Financial Order); Docket No. DE 17-105 (Sale of Wyman 4 Interest); and Docket No. DE 17-124 (sale of generating assets).

Q. Mr. Dixon, please state your name, position and business address.

A. My name is Troy M. Dixon and I am employed by Eversource Energy Service Company as the Director of Revenue Requirements. My business address is 107 Selden Street, Berlin, Connecticut 06037.

Q. What are your principal responsibilities in this position?

A. As Director of Revenue Requirements, I am responsible for the preparation and presentation of distribution rate cases and various other regulatory filings.

Q. Please summarize your professional experience.

A. In 2003, I accepted a position with Aquarion Water Company of Connecticut ("AWC-CT") as Regulatory Compliance Specialist. Through 2009, I worked for AWC-CT in various roles with increasing responsibility. In October 2009, I was promoted to Director of Rates and Regulation for AWC-CT where I was responsible for the preparation and presentation of distribution rate cases and other various regulatory filings. In March 2018, I transitioned to my current position.

Q. Please summarize your educational background.

A. I received a Bachelor of Arts Degree in economics and accounting from the College of the Holy Cross in Worcester, Massachusetts. I also have a Master of Business Administration from the New York University Stern School of Business.

Q. Have you previously testified before the Commission?

A. Yes, I have previously testified before the Commission in various proceedings for Aquarion Water Company of New Hampshire ("AWC-NH") in Dockets DW 08-098 and DW 12-085, which were the most recent rate cases for AWC-NH. I also testified in Dockets DW 10-293, DW 11-238, DW 12-325, DW 13-314, DW 14-300, and DW 16-828, which were Water Infrastructure and Conservation Adjustment filings for AWC-NH.

Q. What is the purpose of your testimony?

A. Our testimony provides the revenue-requirement calculation and existing revenue deficiency for PSNH. We are submitting this testimony regarding PSNH's distribution revenue requirement in support of PSNH's request that the Commission approve new permanent distribution rates effective July 1, 2020. On April 26, 2019, we also filed separate testimony in support of PSNH's request for temporary rates effective July 1, 2019.

Our testimony also provides support for several other ratemaking proposals, which are: (1) the Company's proposal to recover the cost of its proposed Fee Free Program through base rates; (2) the Company's proposal for post-test year Step Adjustments to recover the additional revenue requirements associated with significant post-test year capital investments; and (3) implementation of a new distribution recovery adjustment mechanism to recover the costs associated with five programs. The five programs and associated cost recovery include: (a) a redesigned Major Storm Cost Recovery ("MSCR") mechanism that would reconcile annual storm cost above or below the level set in base rates; (b) a Vegetation Management Program reconciling mechanism; (c) a Regulatory Reconciliation Adjustment mechanism; (d) the "New Start" Arrearage Forgiveness Program; and (e) the Grid Transformation and Enablement Program ("GTEP"). The GTEP would provide post-rate case support for capital expenditures, undertaken to accelerate capital work targeted at upgrading the condition of the distribution system for resiliency and the integration of advanced clean energy technologies, and for two demonstration projects designed to provide important learning opportunities as the Company prepares to meet customer demand for increased system integration of clean energy technologies in the future.

Q. Are you presenting any Attachments in support of your testimony?

A. Yes, we are presenting the following Attachments in support of the Company's filing:

Exhibit Designation	Schedule Designation	Purpose/Description
Attachment EHC/TMD-1 (Perm)	Schedules EHC/TMD-1 (Perm) through EHC/TMD-41 (Perm)	Computation of Revenue Requirement
Attachment EHC/TMD-2 (Perm)	Schedules EHC/TMD-1 (Perm) through EHC/TMD-12 (Perm)	Lead Lag Study Analysis
Attachment EHC/TMD-3 (Perm)		Computation of Illustrative Step Adjustments
Attachment EHC/TMD-4 (Perm)		Five-Year Storm Average Costs
Attachment EHC/TMD-5 (Perm)		Net Benefits Analysis
Attachment EHC/TMD-6 (Perm)		Proportional Share of Merger Savings
Attachment EHC/TMD-7 (Perm)		Merger-related O&M savings
Attachment EHC/TMD-8 (Perm)	Schedules EHC/TMD-1 (Perm) through EHC/TMD-3 (Perm)	Excess Accumulated Deferred Income Taxes
Attachment EHC/TMD-9 (Perm)	Schedules EHC/TMD-1 (Perm) through EHC/TMD-4 (Perm)	Illustrative GTEP Revenue Requirement

Q. Has PSNH submitted other documentation as required by Puc 1604?

A. Yes. The documentation required by Puc 1604 is included with this filing in a separate volume.

Q. How is your testimony organized?

A. Our testimony is organized into the following sections:

- **Section I** - provides the introduction to our testimony.
- **Section II** - provides an overview of the revenue requirement analysis.

- **Section III** – provides a comprehensive discussion of the Company's calculation of the test year revenue requirement, including a discussion of the normalizations and adjustments to test year operating expenses, depreciation, amortization of deferred assets, and tax issues.
- **Section IV** – describes the Company's computations of Rate Base and Rate of Return.
- **Section V** – summarizes the Lead Lag analysis.
- **Section VI** – presents the Company's proposal for post-test year Step Adjustments.
- **Section VII** – presents the Company's calculations of Excess Accumulated Deferred Income Taxes ("EDIT").
- **Section VIII** – presents the Company's proposal for a new distribution cost recovery mechanism.
- **Section IX** – provides the conclusion to our testimony.

II. SUMMARY OF REVENUE REQUIREMENTS ANALYSIS

Q. What is the test year period that PSNH used for the revenue requirement analyses presented in this case?

A. The test year is the 12-month period ending December 31, 2018 ("Test Year").

Q. What is the "Rate Year" in this this case?

A. The term "Rate Year" for purposes of this permanent rate case filing refers to the first 12 months during which the rates established in this proceeding will be in effect (July 1, 2020 to June 30, 2021). The Company is also proposing to implement four annual Step

Adjustments to base rates to recover the revenue requirement associated with capital investments and certain information systems infrastructure expense changes in 2019 ("Investment Year 1"), 2020 ("Investment Year 2"), 2021 ("Investment Year 3"), and 2022 ("Investment Year 4") (collectively the "Investment Years"). The proposed Step Adjustments would be effective July 1, 2020 to June 30, 2021 ("Step Year 1"); July 1, 2021 to June 30, 2022 ("Step Year 2"); July 1, 2022 to June 30, 2023 ("Step Year 3"); and July 1, 2023 to June 30, 2024 ("Step Year 4").[1]

Q. Would you please summarize the PSNH distribution cost of service and resulting revenue requirement?

A. Yes. Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-3 (Perm) presents the revenue-requirement summary for PSNH, computing a total cost of service of $436,202,680. For the Test Year, the calculated distribution revenue deficiency is $69,912,696, based on adjusted Test Year revenues of $366,289,983. The computation of the PSNH revenue deficiency reflects total adjusted rate base of $1,215,667,897 and assumes a weighted average cost of capital of 7.62 percent as supported by the testimony of Company Witness Ann E. Bulkley of Concentric Energy Advisors, Inc.

As noted above, in addition to the permanent base rate increase, the Company is seeking approval to implement four annual Step Adjustments to recover the revenue requirement

[1] The costs for Investment Year 1 (2019) would be recovered in Step Year 1; the costs for Investment Year 2 (2020) would be recovered in Step Year 2; the costs for Investment Year 3 (2021) would be recovered in Step Year 3; and the costs for Investment Year 4 (2022) would be recovered in Step Year 4.

associated with significant capital investments and certain discrete expenses between 2019 and 2022. Without annual revenue Step Adjustments, the Company will under-earn when permanent rates go into effect. As shown in Attachment EHC/TMD-3 (Perm), the illustrative revenue requirements presented for the Step Adjustments for the four Investment Years are as follows:

Total Estimated Revenue Requirement Investment Years 2019 - 2022			
Investment Year 1 (2019)	**Investment Year 2 (2020)**	**Investment Year 3 (2021)**	**Investment Year 4 (2022)**
$15 million	$21 million	$14 million	$16 million

The revenue requirement amounts presented in the table above are illustrative based on current estimates of plant additions and expenses in the Investment Years. The actual annual step adjustments that will go into effect on July 1 annually 2020 through 2023 will be calculated based on actual plant additions and expenses in the prior Investment Year. The Company's proposal for post-Test Year Step Adjustments is presented in full detail in Section VI below.

Q. Did the Company make any normalizing or post-test year adjustments to the cost of service in this filing?

A. Yes. To identify the appropriate normalizing and post-test year adjustments to test year revenues or expenses, the Company first reviewed the Test Year activity to identify any cost or revenue elements that are non-recurring, out-of-period, or otherwise not appropriate to be reflected in the revenue requirement. Similarly, to the extent that the Test Year excludes certain known and measurable cost or revenue changes that will be incurred on a continuing basis, those elements are appropriate for inclusion in the revenue requirement. Where the Company has identified such elements, it has reflected the elements as normalizing adjustments to the cost of service in this filing to establish a "normalized" revenue requirement from which to make pro-forma or post-Test Year adjustments.

Q. Please describe the process for identifying normalizing adjustments.

A. In order to remove out-of-period or non-recurring items from the Test Year level of expense activity, the Company performed a detailed review of account activity to normalize out-of-period or non-recurring activity. As a supplement to this review, the Company's Accounting Department identified any accounting entries that were recorded on PSNH's books that were "out-of-period," meaning the entries were booked during the Test Year but are related to a different time period. In addition, the Company's Accounting Department identified entries that were recorded outside of the 12-month test year but that should have been recorded within the Test Year. This exercise has resulted in the Company's proposal for an adjusted Test Year that is reflected in the various schedules of Attachment EHC/TMD-1 (Perm). All of the normalizing adjustments in the Company's permanent rate filing and described below are consistent with those made in the April 26, 2019 temporary rate filing.

Q. Did the Company make any normalizing adjustments to Test Year Operating Revenues?

A. Yes. As shown on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-5 (Perm), page 1, line 21, Column (E), the Company made normalizing adjustments to operating revenues totaling $13,289,292. The largest normalizing adjustment reflected in this amount is related to the accrued regulatory liability associated with the 2017 Tax Cuts and Jobs Act ("TCJA"). As discussed in the Company's temporary rate filing, the accrued regulatory liability associated with the TCJA is equal to $12,276,000. The accrued regulatory liability was recorded as a reduction to revenues during the Test Year. Because new rates resulting from this case will reflect currently prevailing income tax rates, the Company will cease to accrue this regulatory liability after new rates are set. Therefore, the Company has made this normalizing adjustment to its recorded Test Year revenues to reverse the effect of this accounting treatment during the Test Year. This normalizing adjustment increases the level of per-book revenues recorded during the Test Year, which has the effect of lowering the revenue deficiency and requested rate increase in this proceeding.

Q. Did the Company make any normalizing adjustments to Test Year Operating and Maintenance Expenses?

A. Yes. As shown on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-5 (Perm), page 1, line 29, Column (E), the Company made adjustments to operations and maintenance ("O&M") expenses totaling $17,941,149 to reflect a number of increases and decreases to operating expenses, but principally to account for a $16,800,000 increase associated with the reclassification of Enhanced Tree Trimming ("ETT"), Hazard Tree Removal, and right-of-way clearing costs as O&M expense consistent with annual amounts approved by the Commission for the 2019 Reliability Enhancement Program ("REP") in Docket No. DE 18-177.

Q. Did the Company make any normalizing adjustments to Test Year Other Operating Expenses?

A. Yes. As shown on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-5 (Perm), page 1, line 33, Column (E), the Company made adjustments to amortizations totaling $14,746,439 to reflect certain increases and decreases to Other Operating Expenses. The primary driver of this total is a $15,512,608 increase to account for the amortization of deferred storm costs related to events through 2018.

Q. Did the Company make any normalizing adjustments to Test Year Taxes Other than Income?

A. Yes. As shown on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-5 (Perm), page 1, line 38, Column (E), the Company made normalization adjustments totaling $3,120,992 to reflect a number of increases and decreases to Other Operating Expenses. The primary driver of this total is a $3,058,417 increase to account for the 2018 decision of the Supreme Court of New Hampshire ("Supreme Court") upholding a tax abatement on PSNH property, which is described in more detail below.

Q. Please describe the indirect cost reallocation included in Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-5 (Perm), page 1, Column (C).

A. The indirect cost reallocation in Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-5 (Perm), page 1, Column (C) is a two-step process designed to provide a more simplified cost of service presentation by aligning net credits for capitalization with total direct costs from PSNH and total allocated costs from Eversource Energy Service Company related to the following six cost of service expense adjustments: (1) Employee Benefits; (2) Insurance; (3) Payroll Taxes; (4) Enterprise IT Projects Expense; (5) Enterprise IT Projects Depreciation; and (6) Lease Expense.

The first step is to reverse in total the Test Year activity recorded using cost elements ZPB (Payroll Benefit Loader) and ZGS (General Service Company Benefit Loader). The second step is to develop composite Test Year capitalization percentages for PSNH and Eversource Energy Service Company in order that the ZPB and ZGS indirect costs will follow where the actual test year PSNH and Eversource Energy Service Company employee labor was charged (i.e., either O&M or capital). When the total Test Year PSNH direct costs and Eversource Energy Service Company allocated costs (for the six expense items listed above) are multiplied by these capitalization percentages, it aligns credits for capitalization with the precise accounts where Test Year labor is charged.

As shown on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-5 (Perm), page 1, line 49, Column (C), the net effect of this reallocation on the cost of service for ratemaking purposes is zero. In short, the Company performed the indirect cost allocation to better align capitalization credits with total direct costs to provide a more transparent presentation of the cost of service.

Q. Have you computed rate base for purposes of the revenue requirement analysis?

A. Yes. The Company has calculated rate base incorporating plant in service through December 31, 2018. The rate-base computation is summarized in Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-36 (Perm).

Q. The Company's filing encompasses other rate-related proposals. Do these proposals affect the computation of the revenue requirement?

A. Most of the new rate-related proposals presented by the Company in this proceeding do not affect the base distribution revenue requirement computation, because PSNH is proposing to recover the costs associated with the majority of these proposals outside of base rates through a new distribution recovery adjustment mechanism ("DRAM"). We discuss the DRAM in more detail in Section VIII below. The Company is also proposing to continue the Lost Base Revenue ("LBR") Adjustment mechanism already in place to recover lost revenues associated with energy efficiency programs and investments. The Company's LBR proposal does not affect the computation of the revenue requirement or the revenue deficiency in this case and is discussed in more detail in the testimony of Company Witness Edward A. Davis.

Alternatively, the Company is proposing to collect the costs of its proposed Fee Free Program through base rates. More specifically, the Company is proposing to recover a four-year estimate of costs, net of offsetting savings, through base rates. Due to the uncertainty in the timing or magnitude of customer utilization of credit/debit cards without an associated fee for doing so, the Company cannot incorporate the cost of the Fee Free Program into base rates as a typical known and measurable post-Test Year adjustment to base rates. As a result, the Company is proposing to incorporate an estimate of costs into base rates, and any actual expenses that exceed or are below the amount included in base rates will be deferred for future credit or recovery. We discuss the adjustment to the revenue requirement to account for this program in Section III below. The details of the Fee Free Program are discussed in the testimony of Company Witness Penelope McLean-Conner.

Q. Does PSNH's cost of service include costs incurred by a centralized service company on behalf of PSNH?

A. Yes. In the Test Year, service company charges were billed to PSNH by Eversource Energy Service Company.

Q. Please explain the service company structure during the Test Year.

A. Beginning with the effective date of the merger of Northeast Utilities and NSTAR, April 10, 2012, Northeast Utilities Service Company ("NUSCO") and NSTAR Electric & Gas Service Company ("NE&G") operated as a single service company organization despite being separate legal entities. Effective January 1, 2014, NE&G was legally merged into NUSCO, with NUSCO as the surviving entity. Effective February 2, 2015, Northeast Utilities and all of its subsidiaries began doing business as Eversource Energy, and NUSCO was renamed as Eversource Energy Service Company.

Eversource Energy Service Company provides administrative, corporate, and management services to PSNH and other operating subsidiaries of Eversource Energy. The cost of service for PSNH reflects charges from Eversource Energy Service Company in the Test Year.

Q. How are Eversource Energy Service Company costs incorporated into the PSNH revenue requirement calculations?

A. Eversource Energy Service Company charges to PSNH are recorded on the PSNH books and then incorporated into the appropriate expense categories used in the cost of service. Service-company charges fall into two categories: (1) “direct charges” billed for costs incurred and work performed by service-company personnel directly related to PSNH; and (2) “common costs” that are allocated among the respective subsidiaries receiving service based on the appropriate allocation factors.

Q. Are charges billed to PSNH in conformance with a service agreement?

A. Yes. During the Test Year, there were operating agreements in effect between Eversource Energy Service Company and PSNH. These agreements identify the services that are provided to PSNH and reference the billing methods that are applied to calculate the charges presented each month to PSNH.

Q. Does PSNH's cost of service include costs associated with the generation business recently divested by the Company?

A. There are no costs in the distribution cost of service in the Test Year associated with the New Hampshire electric generation business, which was divested in 2018. In anticipation of the completion of the divestiture, and the use of 2018 as a Test Year, pro rata corporate allocations from the generation business were no longer allocated to PSNH Distribution as of January 1, 2018. Additionally, no transaction costs related to the electric generation divestiture are contained in the Test Year or pro forma cost of service.

Q. Is there any other analysis that you have relied upon to prepare the PSNH revenue requirement?

A. Yes. We have used the recommended cost of capital presented by Company Witness Ann E. Bulkley from Concentric Energy Advisors, Inc. to compute the PNSH revenue requirement. The PSNH revenue requirement also includes depreciation expense derived from the depreciation studies prepared by Company Witness John J. Spanos of Gannett Fleming Valuation and Rate Consultants, LLC. Lastly, the revenue requirement also relies on the results of the working capital Lead Lag study performed by the Company in support of this proceeding and described later in this testimony.

III. REVENUE REQUIREMENTS ANALYSIS

Q. What post-test year adjustments have you made to PSNH's revenue requirements calculation?

A. The PSNH revenue requirement includes post-Test year adjustments to Operating Revenues, O&M and Administrative and General ("A&G") Expenses, Depreciation, Amortization, and Taxes. We discuss the revenue requirement analysis and specific adjustments in the subsections that follow.

A. Operating Revenues

Q. Which schedules show the adjustment to Operating Revenues?

A. Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-4 (Perm), page 1 shows the Test Year revenue per books in Column (B). Non-distribution revenues of ($694,676,467) that were recognized in the Test Year as distribution revenue have been removed from Test Year revenues as shown in Column (C). More specifically, as shown in lines 27 through 32, Column (C), the non-distribution revenues of ($603,842,286) that have been removed from the Test Year are recovered through other reconciling rate mechanisms established by the Commission, including transmission, Energy Efficiency, retail, electric assistance program, and Energy Service. Other Revenues shown in lines 38 through 44, Column (C) totaling ($90,834,181) were also removed from Test Year revenues. Adjustments to account for the TCJA benefit and other revenues are shown in Column (E). Lastly, adjusted Test Year revenues are shown in Column (F).

Q. Please describe in more detail how the adjusted Test Year amount on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-4 (Perm), page 1, Column (E) is derived.

A. As shown on Schedule EHC/TMD-4 (Perm), page 1, line 24, Column (E), the Company has included $23,000 related to an adjustment to reflect billed retail revenue at the January 1, 2018 distribution rate level for the entire Test Year and a streetlighting revenue adjustment related to an out of period adjustment during the year. The other adjustments to operating revenues are principally to account for the TCJA credit in the amount of $12,276,000 (line 39), described previously, and a $999,432 (line 40) normalizing adjustment to account for certain late payment charges in the Test Year.

With respect to the TCJA adjustment, in Docket No. DE 18-049 the Company proposed to address the TCJA-related accrued refunds due to customers in the context of the Company's 2019 base-rate case.[2] The Company's temporary rate filing set that process in motion, so that PSNH customers can realize the benefits of the tax savings beginning with the effective date of temporary rates on July 1, 2019.[3]

In Docket No. DE 18-049, the Company estimated a monthly tax benefit due to the change in the tax gross-up of $1.023 million, which is equivalent to the annualized amount of $12.3 million.[4] This amount was recorded in the Test Year as a reduction in revenues, but needs to be added back to revenues going forward because new distribution rates will properly reflect changes in Federal and State tax rates that were effective as of January 1, 2018. Accordingly, as shown on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-4 (Perm), page 1, line 39, Column (E) the Company has increased its revenues and lowered

[2] *See* March 30, 2018 Technical Statement of Christopher J. Goulding, Bates Pages 3-4, in Docket No. DE 18-049.

[3] *See* Order No. 26,177 (Sept. 27, 2018) at 1 (directing the Company to "address the rate effects of the tax reductions by March 31, 2019, and request a rate for effect July 1, 2019, that is designed to provide customers with the full benefit of the tax reductions when Eversource files its certification of 2018 Exogenous Events, if, by that time, Eversource has not already done so in a rate case filing.").

[4] *See* March 30, 2018 Technical Statement of Christopher J. Goulding, Attachment CJG-1, Bates Page 5, in Docket No. DE 18-049.

its revenue deficiency to reverse the annual credit associated with the total TCJA benefit amount of $12.3 million.

The $999,423 adjustment relates to the Commission's suspension of the Company's ability to collect late-payment charges from customers who pay their bills by mail in Docket No. DE 17-171.[5] After making the transition to a payment processing vendor located in Boston, Massachusetts, the Company made a filing on December 13, 2018, requesting an amendment to its tariff to reinstitute late payment charges. On January 24, 2019, the Commission approved the Company's proposed tariff changes.[6] Therefore, the Company included a normalizing adjustment to increase Test Year revenues in the amount of $999,432 to reflect a representative amount that would have been billed for late charges in the Test Year, calculated using a historical, three-year average. This has the effect of lowering the revenue deficiency associated with the temporary rate request in this proceeding by the same amount.

Q. Please describe in more detail how the pro forma adjustments on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-4 (Perm), page 1, Column (G) are derived.

A. The Company has included in other revenues: (1) $608,221 in miscellaneous service revenues, as detailed further on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-4 (Perm), page 2, Column (D); and (2) $59,526 in additional Rent from Electric Property as

5 *See* Order No. 26,110 (March 7, 2018).

6 Secretary Letter Approving Tariff Changes, Docket No. DE 17-171 (Jan. 24, 2019).

detailed on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-4 (Perm), page 3, Column (D).

Q. Please elaborate on the adjustments to Miscellaneous Service Revenues.

A. The increase in Miscellaneous Service Revenues of $608,221 is detailed on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-4 (Perm), page 2. As shown therein, there are five underlying adjustments to update decade-old fees to reflect the current costs of customer-service related charges:

- An increase of $119,493 to reflect updated Reconnection and Reactivation Fees that are charged when the Company first establishes or re-establishes a Delivery Service account for a customer at a meter location.

- An increase of $337,318 to reflect updated service fees related to dispatching a Company employee to a customer location to collect a delinquent bill when necessary.

- An increase of $1,172 to reflect updated service fees for Rate Maintenance and Error Correction provided by the Company in support of Billing and Payment Service to Suppliers.

- An increase of $18,490 to reflect updated Meter Diversion Fees that are levied when interference with the proper registration of an electric service meter has been established.

- An increase of $131,748 to reflect updated Returned Check Fees that are levied when a customer makes a payment to the Company for service with a check or draft that is not accepted by the institution on which it is written.

Q. Please elaborate on the adjustments to Rent from Electric Property.

A. The increase in Rent from Electric Property of $59,526 is detailed on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-4 (Perm), page 3.

As shown on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-4 (Perm), page 3, line 21, Column (D), the adjustment is driven primarily by an increase of $75,823 in Pole Attachment Fees to reflect the most up-to-date pole attachment rates. Pursuant to Puc 1300 and R.S.A. 374:34-a, the Company charges third-parties (e.g., telecommunications companies, cable providers, etc.) fees to attach to the Company's utility poles in accordance with pole attachment agreements entered into between the Company and third-party pole attachers. Each pole attachment agreement contains a section on fees and specifies that attachment fees are updated annually.

As shown on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-4 (Perm), page 3, lines 23, 25, 27, 31, and 33, Column (D), the remainder of the Rent from Electric Property adjustment is a reduction of ($16,928) reflecting updated rates related to lease revenue received from third-party use of Eversource property and facilities. The specific adjustments making up this ($16,928) reduction are as follows:

- An increase in rent revenues of $1,111 relating to a land lease for a fiber optics shelter located in Manchester, New Hampshire. These facilities are owned by PSNH, which charges rent to Crown Castle Fiber for the use of the property. This increase reflects the most up to date costs to be charged to Crown Castle Fiber.

- An increase in rent revenues of $1,969 relating to a lease for a parcel of land owned by PSNH, which allows Sprint Nextel (the lessee) to utilize a communications tower owned by the Company. This increase reflects the most up to date costs to be charged to Sprint Nextel.

- An increase in rent revenues of $1,838 relating to a lease for a parcel of land owned by PSNH, which allows T-Mobile (the lessee) to utilize a communications tower owned by the Company. This increase reflects the most up to date costs to be charged to T-Mobile.

- An increase in rent revenues of $2,567 relating to a lease which allows Northeast Optical Network to occupy space in an underground fiber optics duct. This increase reflects the most up to date costs to be charged to Northeast Optical Network.

- A decrease of ($23,783) relating to leases for floor space located at Eversource's Westwood, Massachusetts office.

B. Adjustments to Test Year O&M Expense

Q. What is the amount of per-book Test Year O&M Expense?

A. In the Test Year, PSNH incurred $588,239,267 in O&M expense as shown on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-5 (Perm), page 3, line 85, Column (C).

Q. Has the Company removed non-distribution expenses, such as those associated with purchased power and transmission?

A. Yes. The Company conducted a rigorous process to identify and remove non-base distribution expenses. First, the Company matched total Test Year expenses per books to the equivalent expenses by account reflected on pages 320-323 in the FERC Form 1 Report. Those audited expense balances, totaling $588,239,267, are the starting point for the adjustment calculation and are shown on Schedule EHC/TMD-5 (Perm), page 5, Column C. Next, as shown on Schedule EHC/TMD-5 (Perm), page 5, line 85, Column N, the Company identified $438,263,245 related to non-base distribution expenses recovered through other rate mechanisms established by the Commission including default service, energy efficiency, electric assistance program, transmission, and generation charges. Then, the Company adjusted the Test Year by removing the non-base distribution expenses of $438,263,245 as shown on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-5 (Perm), page 3 Column (D) for an adjusted Test Year expense of $149,976,022.

Q. Did the Company make any other adjustments to the Test Year level of expenses?

A. Yes. In order to account for out-of-period or non-recurring items from the Test Year level of expense, the Company undertook a detailed review of account activity to normalize out-of-period or non-recurring activity. The normalizing adjustments reflected in the permanent rate filing and described below are the same as those included in the Company's temporary rate filing submitted on April 26, 2019 for effect July 1, 2019.

Q. Please describe the normalizing adjustments to O&M Expense presented on Schedule EHC/TMD-5 (Perm), page 2.

A. The normalizing adjustments presented on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-5 (Perm), page 2, line 45, Column (E), result in a net increase to Test Year O&M Expense of $17,941,149. This net increase is primarily driven by one item, which is a $16,800,000 adjustment associated with the reclassification of ETT, Hazard Tree Removal, and right-of-way clearing costs as O&M expense.

Q. Please provide more detail with respect to the adjustment to account for vegetation-management expense.

A. In Docket No. DE 17-196, the Commission examined the Company's accounting treatment for vegetation management costs in the REP in 2018, which covered ETT, hazard tree removal, and full-width right-of-way clearing. The Commission approved a change to discontinue the accounting practice of recording these costs as capital and to treat such costs as O&M expense beginning in 2019.[7]

In Docket No. DE 18-177, the Commission authorized the continuation of the Company's REP for calendar year 2019 in a manner that accounted for certain changes in vegetation

[7] Order No. 26,112 (March 12, 2018) at 3, 5.

maintenance activities and the continuation of the Company's Troubleshooter program. As described therein, the Company estimated the continuation of the vegetation management activities in the REP to require an incremental annual revenue requirement of $16,800,000 in 2019.[8] As approved, that deficiency was to be deferred until July 1, 2019, and was to be offset by a portion of the customer tax deferral to mitigate any rate change at that time.[9] As shown on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-20 (Perm), page 2, line 33, Column (C), the Company has adjusted O&M expenses by $16,800,000 to account for the reclassification of vegetation-management costs from capital to O&M expense.

In addition, as shown on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-20 (Perm), page 2, line 22, Column (C), the Company made an adjustment of $1,213,743 to account for tree-trimming maintenance services that the Company performs on behalf of a third-party pole owner. These services are critical to maintain the reliability of the electric distribution system. The amount of $1,213,743 is an actual expense incurred in the Test Year and represents the balance of billings to the third-party pole owner that currently remain unpaid.

Q. Please describe any other significant normalizing adjustments that were made to O&M Expense.

A. The Company made an additional normalizing adjustment to O&M Expense as itemized

8 *See* November 16, 2018 Technical Statement of Christopher J. Goulding, Bates page 10, in Docket No. DE 18-177.

9 *See* Order No. 26,206 (December 28, 2018) at 4-5.

on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-5 (Perm), page 6. The principal adjustments are summarized as follows:

- As shown on Attachment EHC/TMD-1 (Temp), Schedule EHC/TMD-5 (Temp), page 6, line 75, the Company made an adjustment of ($724,870) to reduce expenses to reflect actual amounts invoiced by the Commission for Fiscal Year ("FY") 2019 regulatory assessments. More specifically the reduction of ($724,870) reflects the difference between the amount booked for regulatory assessments in the Test Year of $5,501,189 and the actual invoiced amount in FY 2019 of $4,776,319. During the course of this proceeding, the Company expects to receive updated regulatory assessments from the Commission—with the next invoice expected in August 2019—and will update its revenue requirement accordingly to reflect this known and measurable change.

- As shown on Attachment EHC/TMD-1 (Temp), Schedule EHC/TMD-5 (Temp), page 6, line 62, the Company made an adjustment of ($760,111) to reduce expenses to remove certain non-recurring consulting costs for which the Company is not requesting recovery in this proceeding.

- As shown on Attachment EHC/TMD-1 (Temp), Schedule EHC/TMD-5 (Temp), page 6, line 54, the Company made a normalizing adjustment of $547,623 to account for a credit related to Test Year employee overhead expenses. Specifically, the Company uses a historical rate (developed based on prior year actual experience) to allocate non-productive time (i.e., vacation, sick time, jury duty, etc.) to where an employee's productive time was charged (e.g., O&M, capital, etc.). Since the rate used to allocate non-productive time was based on historical data, it did not match the actual Test Year non-productive amounts. The discrepancy caused by using a historical rate versus actual activity caused a net credit in Account 920 in the amount of ($547,623). In order to resolve this discrepancy, the Company is adding back this net credit as a normalizing adjustment to bring the Test Year balance in this account back to zero, or what a normal Test Year would reflect.

- As shown on Attachment EHC/TMD-1 (Temp), Schedule EHC/TMD-5 (Temp), page 6, line 77, the Company made an adjustment of $351,238 to reclassify interest charged on customer deposits from FERC Account 431 to FERC Account 930. Customer deposits are shown as a liability on a utility's balance sheet and represent a source of non-investor supplied capital. As explained in the NARUC Rate Case and Audit Manual ("NARUC Manual"), customer deposits are generally treated in one of three ways:

> The first method does not reduce rate base by the customer deposits balance and classifies any interest accrued or paid on those deposits as a below-the-line (or non-operating) expense.
>
> The second method reduces rate base by the customer deposits balance, and classifies any interest accrued or paid on those deposits as an above-the-line (or operating) expense that is included in the revenue requirement computation.

> The third method includes the liability for customer deposits in the utility's capital structure at a zero cost, reducing the overall rate of return.[10]

The Company employs the second method described in the NARUC Manual. Therefore, the adjustment in the amount of $351,238 is necessary to reflect the fact that the Company reduces rate base by the customer deposits balance, and classifies any interest accrued or paid on those deposits as an expense that is included in the revenue requirement.

- As shown on Attachment EHCTMD-1 (Temp), Schedule EHC/TMD-5 (Temp), page 6, line 48, the Company made an adjustment of $315,000 to add back out-of-period (2017) customer service costs—meaning the entry was booked during the Test Year but related to a different time period. The Company's Accounting Department identified this adjustment as part of its comprehensive review of accounting entries recorded on PSNH's books.

Q. Are there any other normalizing adjustments to the Company's O&M expenses?

A. Yes. Our testimony describes the more significant adjustments to O&M; however, all of the O&M adjustments are shown on Attachment EHC/TMD-1, Schedule EHC/TMD-5, pages 2 through 6.

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[10] *Rate Case and Audit Manual*, NARUC Staff Subcommittee on Accounting and Finance at 21 (2003), *available at* http://regulationbodyofknowledge.org/wp-content/uploads/2013/03/NARUC_Rate_Case_and.pdf.

C. Post-Test Year Expense Adjustments

1. Postage Expense

Q. Did you adjust the Test Year Postage Expense for ratemaking purposes?

A. Yes. As shown on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-6 (Perm), page 2, line 20, the Test Year amount for postage expense is $1,929,795. An increase in the cost of first-class postage of 1.34 percent took effect on January 21, 2018. The Company has included a normalizing adjustment to reflect this increase. The result of this adjustment is an increase of $1,417, resulting in an adjusted Test Year amount of $1,931,212 for postage expense as shown on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-6 (Perm), page 2, line 20.

Another increase in the cost of first-class postage of 1.32 percent took effect on January 27, 2019. The Company has included a post-Test Year adjustment to reflect this increase. The result of this adjustment is an increase of $25,545, as shown on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-6 (Perm), page 2.

2. Information Services Expense

Q. Please describe the Information Services Expense Adjustment.

A. The $324,807 adjustment shown on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-7 (Perm), page 1, is required to account for increased post-Test Year expenses for Information Technology ("IT") administration and support as well as Telecommunications services provided to the Company by outside vendors. The $324,807 pro forma adjustment reflects higher vendor costs mirroring inflation, plus negotiated contractual increases as well as the overall support of new services and equipment. A more detailed breakdown of the Information Services Expense Adjustment is provided on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-7 (Perm), page 2.

3. Uncollectible Accounts

Q. Did you adjust the Test Year Uncollectible Expense?

A. Yes. The Company made a $1,042,852 adjustment related to bad-debt expense as shown on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-8 (Perm). Specifically, to calculate this adjustment we calculated the average retail revenues and net write-offs for each of the past three years, including the Test Year, i.e., 2016 through 2018, as shown in Attachment EHC/TMD-1 (Perm), Workpaper EHC/TMD-8 (Perm). Net write-offs comprise the actual customer accounts written off for non-payment minus recoveries related to previously written off account balances. The resulting ratio of actual customer account write-offs to retail revenues is 0.6571 percent as shown on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-8 (Perm), page 2, line 23, Column (B). This net write-off ratio is intended to represent the portion of the Company's billed revenues that it will ultimately be unable to collect from its customers. The total Test Year retail revenue of $953,681,402 is then multiplied by the net write-off ratio to arrive at a restated total company Test Year uncollectibles amount of $6,266,640 as shown on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-8 (Perm), page 2, line 27, Column (B).

Using the allocation methodology approved in Docket No. DE 09-035, this restated Test Year total is then allocated 52.3 percent to distribution (or $3,277,054), and 47.7 percent to energy service (or $2,989,586), based on the ratio of Test Year distribution revenues to the sum of Test Year distribution revenues and Test Year energy service revenues.[11] The difference between the recomputed Test Year pro forma level of bad debt expense of $3,277,054 and the Test Year balance in Account 904 (Uncollectible Accounts) of $2,234,202 results in a pro forma increase of $1,042,852 in bad-debt expense, as shown on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-8 (Perm), page 1, line 23, Column (C). In brief, this increase is driven by the application of the approved allocation methodology described above.

4. <u>Fee Free Payment Processing</u>

Q. Have you included an adjustment to incorporate costs associated with fee free payment processing for residential customers?

A. Yes. Today, customers who opt to pay their bills with a credit or debit card are required to pay a $2.25 transaction fee directly to the Company's third-party payment processing agent. This is described in detail by Company Witness Penelope M. Conner, who also discusses the fact that customers are dissatisfied when required to pay a "convenience" fee for credit and debit card payments. To align the Company's service offerings with customer experience in the broader marketplace and improve customer satisfaction, the

[11] Attachment EHC/TMD-2 (Perm), Schedule EHC/TMD-8 (Perm), page 2, lines 35 through 37).

Company is proposing to implement a "fee free" credit/debit card payment option.

To provide these transactions on a least-cost basis, the Company conducted a competitive solicitation process in advance of this rate case and negotiated a contract with the winning bidder, subject to the Commission's review and acceptance of the Company's associated ratemaking proposal in this proceeding. The Request for Proposal ("RFP") process and resulting negotiations are described in detail in the testimony of Ms. Penelope M. Conner. We have incorporated an adjustment to reflect the cost of the credit/debit card processing fees in the distribution revenue requirement, rather than continuing to offer this payment option at a fee to residential customers.

Q. Please describe the adjustment for the Fee Free program.

A. The Company cannot offer or conduct credit/debit payment transactions without a third-party vendor to handle the actual transaction. Therefore, the Company conducted an RFP process designed to obtain the least-cost transaction fee for credit/debit card transactions to be handled by a third-party vendor. In this proceeding, the Company is presenting the results of this RFP, which produced a proposed agreement between Eversource Energy Service Company and SpeedPay Inc. ("SPI"), a subsidiary of Western Union, and requesting that the Commission allow recovery of the cost of this agreement through distribution rates. The agreement is presented with the testimony of Ms. Conner.

Under the Speedpay Agreement, SPI would provide the services necessary to offer credit/debit card transactions to PSNH residential customers on a "fee free" basis. The cost of the service will be charged to the Company, and the Company proposes to recover this cost from all customers through distribution rates. With the Commission's approval of the "fee free" proposal, the transaction fee for individual customers would be eliminated and the service would be available to all residential PSNH customers on a "fee free" basis. The cost for the Company would be a per transaction amount subject to change over the term of the agreement, depending upon specified parameters relating to the dollar value and number of transactions completed.

As discussed in Ms. Conner's testimony, based on reasonable assumptions regarding customer migration to the "fee free" credit/debit payment option, the total cost over the next four years is estimated to be $2,950,604 or $737,651 per year on average. The Company has also estimated that there will be offsetting cost savings associated with this program totaling $123,536 or $30,887 per year on average. The total net cost of the program is estimated to be $2,827,058 or approximately $706,764 per year on average.

As shown on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-9 (Perm), the Company is proposing to include the $706,764 estimated average annual program cost in the revenue requirement. However, the amount actually paid to SPI by the Company will vary from year to year, with the actual amount paid by the Company remaining a function of actual customer migration and the value of the credit/debit transactions.

Q. What is the Company's ratemaking proposal relating to the "fee free" payment processing adjustment?

A. The testimony of Ms. Conner discusses the Company's expectations regarding residential customer participation in the "fee free" credit/debit card payment option. Due to the potential for the usage of credit and debit cards for payment to increase with the elimination of the "convenience" fee, the Company is proposing a transitional ratemaking treatment allowing for the adjustment of the annual amount included in rates in this case based on actual experience, whether positive or negative.

Annually, the actual amounts paid by the Company to SPI under the contract would be charged against a reserve fund, so that the balance of the fund represents the difference (plus or minus) between the amount collected in base rates and the amounts actually paid to SPI over the contract term. At the time of the Company's next base-rate proceeding, any over- or under-collection would be amortized into rates. Eventually, the annual cost of the "fee free" credit/debit card payment option will be suitable for routine incorporation into rates as a representative annual expense. However, the migration trend is expected to be so steep over the initial transition period that a different ratemaking approach is necessary to enable the transition. This proposal is designed to provide customers with the full benefit of the lowest cost per transaction, while also providing appropriate ratemaking treatment for transitioning these costs into base rates in the future, once they reach a steady state and representative level.

5. <u>Employee Benefit Costs</u>

Q. What adjustment has the Company made for employee benefit expense?

A. The post-Test Year adjustment made on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-12 (Perm), page 1 is an increase of $2,516,451. Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-12 (Perm), page 2, summarizes the pro-forma adjustments related to employee-benefit expense.

Q. Please describe how you determined the adjustment for employee-benefit expense.

A. There are three categories of adjustments associated with employee benefits: (1) medical/prescription, vision, and dental expense; (2) the 401K Savings Plan; and (3) Pension. These categories are discussed with additional detail as follows:

<u>Medical, Dental, and Vision</u> – Eversource Energy is self-insured for its healthcare benefits for active employees. Therefore, in order to determine the amount of the healthcare benefit expense to include in the revenue requirement for the Rate Year, it was necessary to apply an appropriate benefit-expense rate per employee to a representative number of employees for PSNH, as well as to Eversource Energy Service Company employees. In order to complete that analysis, we obtained the 2019 medical, dental, and vision "working rates" from the Eversource Human Resources Department. The working rates are provided to the Company by its external benefits consultants and represent the per employee expected claims levels for the following year. The working rates are utilized to determine the amount of contributions required by employees. We applied the per employee rates to the actual staffing levels and benefits plan participation at PSNH as of December 31, 2018. As shown on Attachment EHC/TMD-1 (Perm), Schedule EHC-12 (Perm), page 2, the Company then computed a pro forma adjustment, based on the benefit cost per employee using current full-time equivalent ("FTEs") levels and post-Test Year incremental FTEs that are in the process of being hired by the Company combined with updated 2019 working rates.[12] These incremental FTEs are discussed in more detail in the Payroll Expense section below.

The analysis presented on Attachment EHC/TMD-1 (Perm), Workpaper EHC/TMD-12 (Perm), page 2 supports the Test Year pro forma level of medical expense of $7,605,751; vision expense of $36,103; and dental expense of $346,279.

<u>401K Savings Plan</u> – The Company's 401K Savings Plan expense represents the company-match contributions to a defined contribution retirement plan. To determine the expense amount for the Rate Year, we multiplied the adjusted Test Year expense amount of $2,332,601 shown in Attachment EHC/TMD-1 (Perm), Schedule EHC-12 (Perm), page 2, at line 24, Column (F) by the Payroll Percentage Adjustment of 8.069 percent, resulting in a $188,219 pro forma adjustment. As shown on Attachment EHC/TMD-1 (Perm), Schedule EHC-12 (Perm), page 2, line 24, Column (I), the Company then computed a pro forma adjustment of $15,828 to account for post-Test Year incremental FTEs that are in

[12] As shown on Attachment EHC/TMD-1 (Perm), Schedule EHC-12 (Perm), page 2, $434,717 of the pro forma adjustment for medical, dental and vision is driven by the current employee population while only $51,294 is associated with incremental post-Test Year FTEs.

the process of being hired by the Company. These incremental FTEs are discussed in more detail in the Payroll Expense section below.

Pension – The Company's pension plan is a closed plan—meaning no new employees are being added to the plan. The Company's pension expense is calculated in accordance with accounting standards that are designed to require consistent measurement and recognition of pension obligations and assets among reporting companies. The expense is based on an actuarial valuation that determines the Company's liability to each pension plan participant, and includes assumptions on salary increases, discount rate, and expected long-term rate of return on assets.

Eversource Energy Service Company employs the actuarial services of Aon plc ("Aon") in determining projected pension expense. Based on projections provided Aon, the pro forma pension expense adjustment is an increase of $1,581,235 as shown on Attachment EHC/TMD-1 (Perm), Schedule EHC-12 (Perm), page 2, line 27, Column (G). The change in pension expense is driven by three factors: (1) normal operation of the plan; (2) lower actual 2018 asset returns of -1.3 percent versus the long-term expected return on assets of 8.25 percent; and (3) an increase of 68 basis points in the discount rate from 3.75 percent to 4.43 percent.[13]

[13] The discount rate assumption is impacted by interest rate changes and it generally changes from year to year although the direction and magnitude of those changes are difficult to predict. For 2019, the yield curve approach utilized by Aon resulted in a weighted average discount rate of 4.43 percent.

6. Insurance Expense and Injuries & Damages

Q. What adjustment have you made for Insurance Expense and Injuries & Damages deductibles?

A. The post-Test Year adjustment made on Attachment EHC/TMD-1 (Perm), Schedule EHC-13 (Perm), page 1, shows an increase of $108,288 for Insurance Expense and Injuries & Damages. The net increase is detailed in Attachment EHC/TMD-1 (Perm), Schedule EHC-13 (Perm), page 2 and is driven primarily by an increase in premiums for Excess Liability insurance.

Q. Please describe the PSNH corporate insurance for property and liability coverage.

A. Property and liability coverage include several categories of insurance that provide protection from property loss, general liability and other damages that PSNH may incur in the conduct of its business. Eversource Energy Service Company manages the corporate insurance program through which PSNH secures insurance coverage. The corporate insurance program includes both premium-based and self-insured coverage in order to obtain the most cost-effective loss protection.

Q. How does Eversource Energy Service Company manage its liability insurance costs?

A. All insurance programs and policies are evaluated annually with the aid of insurance brokers in order to secure the best available coverage at the best available rate. To balance the risk mitigation that insurance provides and the level of premium costs, an appropriate level of self-insurance deductible is negotiated with insurance carriers. Higher deductible levels result in lower insurance premiums while also resulting in a higher retention of risk of loss. It is the balance between the two that Eversource Energy Service Company must manage on behalf of PSNH and the other operating companies that it serves.

Eversource Energy Service Company utilizes a well-accepted process when procuring insurance programs. In order to achieve the optimal coverage at the best cost, Eversource Energy Service Company utilizes its brokers to facilitate this process. The broker compiles the market submission and works with various insurance markets to solicit quotes for insuring the Eversource Energy Service Company program.

Approximately three to four months prior to the renewal date of the program, Eversource Energy Service Company's Insurance team holds a strategy meeting with the broker to discuss the current coverage in place, opportunities for improvement in coverage and upcoming renewal requirements, and strategies for presenting risk mitigation requirements to the market to optimize the coverage Eversource Energy Service Company has in place for the utility subsidiaries it serves, including PSNH.

Eversource Energy Service Company participates in various industry groups to stay abreast of insurance issues and trends including working groups within Edison Electric Institute and American Gas Association. Eversource Energy Service Company's Insurance group also maintains knowledge of key company initiatives that lower the Company's risk profile, helping to ensure the underwriting process goes smoothly. In addition to this information, and to the industry trend information provided by the broker, Eversource Energy Service Company also utilizes independent sources such as Edison Electric

Institute and other insurance surveys to evaluate market trends.

On a combined basis, these processes assist in assuring that the Company's corporate liability costs are as reasonable as possible.

Q. How are the pro forma adjustments related to insurance coverage calculated?

A. To determine the appropriate level of insurance expense to be included in the revenue requirement, we obtained the most recent insurance policies entered into by Eversource Energy Service Company. We were then provided with the portions of the premium of each policy that applied to PSNH. The resulting premiums form the basis of the insurance expense included in the revenue requirement. The prepayment of these costs is recorded and amortized over the appropriate fiscal period.

Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-13 (Perm) and Workpaper EHC/TMD-13 (Perm) provide the cost detail on these expenses for each of the underlying policies. Should the level of insurance expense change based on updated premiums during the pendency of this proceeding, the Company will file an updated revenue requirement to reflect this known and measurable change.

7. Payroll Expense

Q. What is included in the Company's payroll expense?

A. The Company's payroll expense includes its base and overtime payroll as well as PSNH's share of base and overtime payroll for Eversource Energy Service Company employees.

Q. Did the Company need to make adjustments to the Test Year to account for new hires?

A. Yes. As of the end of the Test Year, the Company hired additional union and non-union[14] employees. Therefore, because the employees hired during the Test Year were not reflected in the cost of service on an annualized basis, we made an adjustment to annualize the cost of labor during the Test Year to reflect the annualized level of labor for these new hires in the revenue requirement. As shown on Attachment EHC/TMD-2 (Perm), Schedule EHC/TMD-14 (Perm), page 2, in computing this annualization of costs, we took into account a scheduled union wage increase of 3 percent on June 4, 2018 and a non-union increase of 3 percent on April 1, 2018.

Q. Please provide more detail with respect to PSNH's new hires during the Test Year.

A. The Company created the New Hampshire Distribution System Operations Center ("DSOC") in 2015 with 10 Distribution System Operators ("DSOs"), 2 Supervisors and 1 Manager that oversee both the DSOC and the Troubleshooter organization. The initial duties of the DSOs were limited primarily to outage dispatch functions. The DSOs utilized the legacy mainframe Trouble Reporting System ("TRS") and Trouble Analysis System ("TAS") to monitor and dispatch crews. Prior to the creation of the DSOC, crews were dispatched by local management at the Area Work Centers ("AWCs") during the day and

[14] Eversource Energy Service Company employees are predominantly non-union employees and are included in these amounts.

by the call center after hours.

In the third quarter of 2015, the Company installed a new Oracle-based Outage Management System ("OMS") which allowed PSNH to implement a new way of managing trouble events and in the first quarter of 2016, 6 DSOs were added to support these new trouble event management responsibilities.

In 2017, the Company implemented a new electric system controllership model placing the ownership of all mainline circuitry with the DSOC instead of with the local AWCs and the call center. Contemporaneous with the controllership changes, the 4kV and 12 kV systems continued to be upgraded with automated devices to allow for remote operation with Supervisory Control and Data Acquisition ("SCADA") at the DSOC. In order to appropriately staff the new controllership model and manage the increased responsibility to operate and restore the system remotely, the Company added an additional 8 DSOs and 1 Supervisor in 2018, bringing the total number of DSOs to 24, the total number of Supervisors to 3, and 1 Manager.

Since 2015, the DSOs' duties have changed from simple dispatch functions to remote system operation and restoration of the distribution system, down to the 4 kV and 12 kV level. All outage events are now centrally managed and controlled through the DSOC, whether the outage occurs during a normal blue-sky day or during a large weather event on gray or black sky day situations. All planned work within the controllership of the DSOC on the system is managed by the DSOC, as well as fire and police outage trouble dispatch functions such as motor vehicle accidents and structure fire response. The DSOC manages the daily requirements of the system, maintains situational awareness and operation of the electric system, and manages the technology platforms used to control the system and the management of outage restoration. The current staffing level of operators also allows for the inclusion of a training week in the schedule. Training is critical to provide the skills required to safely and reliably operate the electric system, respond accordingly to emergency situations (Fire and Police dispatchable events), and provide the proper guidance to field workers responding to outages.

Q. Have you made post-Test Year adjustments for payroll expense?

A. Yes. As shown on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-14 (Perm), page 1, line 23, Column (C), the post-Test Year adjustment increases O&M payroll by $4,673,452 which reflects the annualization of new hires during the Test Year, adjustments to account for known and measurable increases to union and non-union payroll, and the addition of incremental FTEs in the Rate Year. The details of this adjustment are shown on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-14 (Perm), page 2 and the accompanying workpapers.

Q. How did the Company develop its projections for payroll expenses?

A. We examined the adjusted Test Year payroll amounts to determine whether these amounts would continue to be the same in the Rate Year, or whether any known and measurable changes would occur. We determined that changes would occur in terms of both new incremental FTEs and scheduled wage increases taking place in 2019 and 2020.

Q. How did the Company develop its union and non-union payroll expense projections?

A. The majority of PSNH union employees are covered by a single collective bargaining agreement between the Company and the International Brotherhood of Electrical Workers ("IBEW") Local 1837. A 3 percent union wage increase will take effect on June 2, 2019 during this case.[15] This known and measurable change has been included in the projection to compute the payroll-union adjustment of $1,655,081 shown on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-14 (Perm), page 2, line 54, Column (B). With respect to non-union employees, 3 percent wage increases are reflected for April 1, 2019 and April 1, 2020 to compute the non-union payroll adjustment of $3,017,772 shown on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-14 (Perm), page 2, line 54, Column (C). These wage adjustments reflect all the known and measurable payroll adjustments that will be occurring prior to the midpoint of the Rate Year, or before January 1, 2021.

Q. Please explain the incremental post-Test Year FTEs the Company is requesting.

A. The payroll increase reflects 5 new incremental FTEs at PSNH and PSNH's allocated share of 14 new Information Technology ("IT") FTEs which are being hired by Eversource Energy Service Company. The 5 PSNH employees are needed to support the Company's Expanded Troubleshooters Program. The additional 14 IT FTEs are needed for a cyber

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[15] The collective bargaining agreement currently in place is set to expire in May 2020. The Company has addressed additional post-Test Year union wage increases as part of its Step Adjustment proposal discussed in more detail in Section VI below.

security initiative to defend against cyber threats to the critical infrastructure of the Company and will allow for advanced security monitoring and operations support of the Company's systems.

Q. What employees are needed for the Expanded Troubleshooters Program? [16]

A. In 2015, the Company created the Troubleshooter organization to dedicate a single-person first responder for most outage events with coverage 24 hours per day, 7 days per week, and 365 days per year. The primary coverage areas for the 18 Troubleshooters and 2 Supervisors that initially staffed the organization was the Central and Southern regions, encompassing the Hooksett, Bedford, Derry, and Nashua area work centers. Six Troubleshooters were located in each of the Hookset, Bedford and Nashua area work centers. The Troubleshooters are fully-qualified Class I lineworkers that operate as a single person crew utilizing a fully equipped material handling line truck. When Troubleshooters are not working on emergent trouble work, they perform scheduled work consisting of customer work (temporary to permanent service installs, meter float work, service and primary rubber cover work), substation inspections, circuit reliability patrols, and National Electric Safety Code ("NESC") underground and transformer padmount inspections.

In 2018, the Company expanded the coverage area for the Troubleshooter organization to include the Eastern and Western regions, encompassing the Rochester, Epping,

[16] The Troubleshooter organization is also discussed in detail in Part I of the Grid Transformation and Enablement Program testimony sponsored by Company Witnesses Purington and Lajoie.

Portsmouth, Keene and Newport area work centers. To support this expanded coverage area, as well as the need for additional coverage in the Southern/Central region, the Company expanded the Troubleshooter organization by an additional 14 FTEs (34 total FTEs). The additional 14 FTEs consist of 12 Troubleshooters, 1 Supervisor, and 1 Manager. The 12 Troubleshooters break down as follows: 4 troubleshooters in the Western region; 4 Troubleshooters in the Eastern region; and 4 Troubleshooters in the Central/Southern region. At the end of the Test Year, 8 Troubleshooters and 1 Supervisor were hired to partially staff the Troubleshooter organization (14 FTE fully staffed). To fully staff the Troubleshooter organization, the Company hired 1 additional Manager in January 2019 and 1 additional Troubleshooter in February 2019 and expects to hire 3 more Troubleshooters in 2019 (i.e., 5 incremental FTEs).

The Troubleshooters shift coverage in the Eastern and Western regions is 7 days per week, 12 hours per day from 6am to 6pm. The additional Troubleshooters in the Central/Southern region work a 3pm to 11pm shift schedule Monday through Friday to allow for additional second shift coverage. The expansion of the program into the Eastern and Western regions and enhancement in the Central/Southern region provides quicker response to trouble calls during and after work hours and provides for a more efficient business operation by allowing day shift lineworkers to perform planned scheduled work without interruption to the planned work schedule.

Q. Please provide more detail regarding the cyber-security initiative.

A. The modernization of utility infrastructure is enabling increased reliability, resiliency and efficiency. However, this new advanced infrastructure also brings with it increased reliance on more interconnected digital networks, which in turn introduces cyber security risk. As noted in the *New Hampshire 10-Year State Energy Strategy* ("State Energy Strategy"), "[c]ybersecurity threats are constantly evolving and mitigating those threats is a continual challenge for energy infrastructure operators."[17] The State Energy Strategy identifies cyber security as a critical area that must be addressed to ensure a secure, reliable, and resilient energy system for New Hampshire customers.[18]

Cyber security is a core value at Eversource Energy and the company is committed to implementing the measures necessary to protect critical infrastructure and to maintaining an organization that is appropriately sized to manage these critical efforts. Cyber threats to critical infrastructure continue to evolve, and accordingly, Eversource Energy Service Company's IT Security organization needs to expand resources to support operational initiatives, to improve security monitoring of corporate and operational networks and support the ability to respond to cyber security events.

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[17] *New Hampshire 10-Year Energy Strategy*, New Hampshire Office of Strategic Initiatives at 13 (April 2018).

[18] *Id*.

8. Variable Compensation

Q. Have you adjusted the level of expense for variable compensation?

A. Yes. As shown on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-15 (Perm), page 1, we have adjusted the revenue requirement by ($891,037) to ensure that a representative amount of variable compensation is reflected in rates.

Q. Please explain the adjustments you have made to variable compensation.

A. The Company's variable compensation plan represents the variable portion of the wages and salaries paid to non-union employees serving PSNH. Variable compensation is paid to employees in the first quarter for performance in the prior year ending December 31st based on corporate and individual performance criteria.

As shown on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-15 (Perm), page 2, lines 44 and 45, the Company made adjustments to create a more precise Test Year by reflecting actual employee and executive cash incentive payments for 2018 that were made in March 2019 instead of using estimated amounts. Specifically, employee incentive compensation was reduced ($1,269,521), a reduction of approximately 25 percent from Test Year levels and executive incentive compensation was reduced ($259,138), or approximately 17 percent from Test Year levels.

In addition to cash-based variable compensation, the Company provides share-based variable compensation to executives and Directors. As shown on Attachment EHC/TMD-1, Schedule EHC/TMD-15 (Perm), page 2, lines 46 and 47, the Company made adjustments to the Test Year amounts to reflect a 2019 projection of share-based variable compensation. In addition, the Company made a $9,613 adjustment to employee incentive variable compensation to reflect PSNH's allocated share of the incentive payments for the 14 post-Test Year cybersecurity FTEs discussed as part of the Payroll Expense section above.[19]

9. Enterprise IT Projects Expense

Q. What adjustments have you made for Enterprise IT Projects Expense?

A. As shown on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-16 (Perm), page 1, the post-Test Year adjustment associated with Enterprise IT projects is $691,137.

Q. Please describe the basis of the adjustment for Enterprise IT Projects Expenses.

A. PSNH is allocated a portion of the costs associated with enterprise-wide IT projects implemented by Eversource Energy Service Company. The assets making up the Enterprise IT Projects include certain common use equipment, primarily computer equipment and enterprise computer applications that are reflected in plant in service at Eversource Energy Service Company rather than at PSNH, or other Eversource Energy operating companies. The carrying costs incurred by the service company in support of these projects are billed to PSNH as components of O&M expense.

Specifically, the gross amount of Enterprise IT Projects Expense billed to PSNH during the Test Year was $4,291,690 as shown on Attachment EHC/TMD-1 (Perm), Schedule

[19] Attachment EHC/TMD-1, Schedule EHC/TMD-15 (Perm), page 2, line 57.

EHC/TMD-16 (Perm), page 2, line 21, Column (B). This total was adjusted by the Eversource Energy Service Company Test Year capitalization rate of 19.36 percent to calculate a capitalized portion of $831,049 which was subtracted from the Test Year total to arrive at the net Test Year expense amount of $3,460,641.[20] A Test Year pro forma adjustment was calculated by taking a 2019 projection of total gross Enterprise IT Expense billed to PSNH of $5,148,534 and multiplying it by the 19.36 percent capitalization rate to arrive at the net Test Year pro forma amount of $4,151,778.[21] The pro forma adjustment of $691,137 is the difference between the net Test Year total of $3,460,641 and the net Test Year pro forma of $4,151,778 as shown on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-16 (Perm), page 1. The increase in Enterprise IT Projects Expense reflected in the revenue requirement in this proceeding is driven by increased service company capital expenditures and associated plant in service.

10. Lease Expense

Q. What adjustments have you made to increase Test Year lease expenses?

A. As shown on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-21 (Perm), page 1, the post-Test Year adjustment associated with lease expense is an increase of $422,456.

The primary reason for the post-Test Year adjustment is the $394,683 lease expense (net

[20] *See* Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-16 (Perm), page 2, lines 20 through 23.

[21] *See* Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-16 (Perm), page 2, lines 20 through 23.

of revenues received from third-party tenants) billed to PSNH associated with the 247 Station Drive facility in Westwood, MA.[22] During the test year PSNH was not billed an amount associated with this facility. However, it is a service company facility which provides office space for employees that perform shared service functions, including certain functions and managerial and leadership positions supporting PSNH operations. As a result, starting in 2019, the costs of operating this Eversource Energy Service Company facility are being billed to all of the Eversource Energy operating companies and the amount of the Westwood lease expense assigned to PSNH is reflected as a post-Test Year adjustment. The remainder, or $27,773, of the total post-Test Year adjustment for lease expense of $422,456 is due to contractual increases in communications leases with outside vendors ranging from 3 percent to 5 percent. The computation of the pro forma expense levels is shown in Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-21 (Perm), page 2.

11. <u>Vehicles</u>

Q. Have you adjusted the level of expense for vehicles?

A. Yes. All of the costs associated with PSNH's transportation fleet are captured within a specific clearing account. As shown on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-24 (Perm), page 1, the post-Test Year adjustment for vehicle expense is a decrease of ($1,068,474). This decrease is primarily due to a significant reduction in

[22] Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-21 (Perm), page 2, line 54, Column (F).

depreciation expense as shown on Attachment EHC/TMD-1 (Perm), Schedule EHC-24 (Perm), page 2. The significant reduction to depreciation expense for vehicles is driven by the accrual rate that was developed for this proceeding and discussed in the testimony of Company Witness John J. Spanos.

12. Storm Reserve Accrual

Q. Have you made a post-Test Year adjustment for storm reserve accrual?

A. Yes. As shown on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-25 (Perm), page 1, the post-Test Year adjustment associated with PSNH's Storm Reserve Accrual is ($4,000,000).

Q. Please describe the basis of the adjustment for the Storm Reserve Accrual.

A. Pursuant to Order No. 25,534 (June 27, 2013), the Company's MSCR is currently funded at $12 million annually. As shown on Attachment EHC/TMD-4 (Perm), in 2017 and 2018, the region experienced severe storm activity and the Company's pre-staging and restoration costs far exceeded the annual funding level of the MSCR. Accordingly, in this proceeding, the Company is proposing a refined MSCR to better align the timing of recovery with storm restoration costs. Specifically, the Company is proposing a downward adjustment to the level of storm funding included in base rates and to create a complementary storm cost recovery mechanism outside of base rates to reconcile annual storm funding shortages or surpluses to ensure timely recovery of storm costs. The decrease of ($4,000,000) shown on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-25 (Perm), page 1 reflects the delta between the current annual funding level in base rates for the MSCR of $12 million and the Company's new proposed annual funding level of $8 million to be included in base rates. As shown on Attachment EHC/TMD-4 (Perm), the $8 million was calculated by taking the 5-year average (2014 through 2018) of annual storm cost excluding the exceptionally large events that occurred in November 2014 and October 2017.

The Company's storm fund proposal is described in more detail in Section VIII below.

13. Rate-Case Expense

Q. Was it necessary for the Company to retain outside consultants and legal services for this case?

A. Yes. The Company retained the services of three expert consulting firms and one law firm to assist with the presentation of this case. All of these services were retained through a competitive bid process. Specifically, the Company is utilizing the following service providers: (1) John J. Spanos of Gannett Fleming LLC for the depreciation study; (2) Ann E. Bulkley of Concentric Energy Advisors, Inc. for cost of capital and capital structure; (3) Amparo Nieto of Economists Incorporated for the marginal cost study and allocated cost of service study; and (4) the law firm of Keegan Werlin LLP for legal services.

Q. Please describe the process that was utilized to retain the Company's external witnesses and service providers.

A. The Company invited a set of skilled service providers to participate in each RFP and established an electronic bidding process. The Company designated an internal review committee for each RFP to evaluate submitted bids. The bid evaluation included a review of the potential service providers' qualifications and relevant experience, capabilities and personnel to support the Company's rate petition, proposed fee structure, and other factors. In some cases, the committees conducted interviews with service providers as part of the overall evaluation process. The Company's external witnesses and service providers were ultimately selected based on this evaluation process and determination of the service provider that could best provide the necessary service at a reasonable price. Where appropriate, the Company invited some of these vendors to bid on services for rate cases in multiple proceedings, and cost savings that were expected to result from having a single provider serve multiple rate cases was factored into the evaluation.

Q. Is the Company proposing to recover its rate-case expense in this proceeding?

A. Yes. PSNH is proposing to recover estimated rate-case expense totaling $1,407,500 based on a 5-year amortization period, or $281,500 per year, as shown on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-26 (Perm). PSNH will file with the Commission every 90 days the items required Puc 1905.01(a) to keep the Commission informed about the actual rate case costs throughout this proceeding. In addition, the Company will file an updated revenue requirement to incorporate actual rate case expenses incurred during the pendency of this proceeding.

Q. How did PSNH develop the estimated rate-case expense for this proceeding?

A. PSNH developed the estimates set forth in Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-26 (Perm), page 2 based on discussions with outside service providers and an evaluation of the costs incurred in prior regulatory proceedings.

PSNH will work to control rate-case expense by closely monitoring the costs of its outside service providers. PSNH will review each invoice for accuracy and reasonableness and maintain a spreadsheet identifying when each invoice is approved for payment and charged to the appropriate account on PSNH's general ledger.

14. Residual O&M Inflation Adjustment

Q. Have you made a post-Test Year adjustment for Residual O&M Inflation?

A. Yes. As shown on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-27 (Perm), page 1, the post-Test Year adjustment associated with Residual O&M Inflation is $93,904.

Q. How did PSNH develop the post-Test Year adjustment for Residual O&M Inflation?

A. The calculation begins with the Test Year O&M expense of $144,859,395 as shown on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-27 (Perm), page 2, line 19, Column (C). Next, we removed the Test Year amounts totaling $143,063,911 for all expenses that are identified separately on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-5 (Perm), page 2, lines 23 through 42, to calculate a residual O&M figure of $1,795,483. Then, we applied an inflation allowance based on the projected inflation factor of 5.230 percent from the mid-point of the Test Year to the mid-point of the Rate Year. The resulting inflation allowance of $93,904 was then added to the residual O&M figure resulting in the Test Year pro forma amount of $1,889,387. The details of this calculation are shown on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-27 (Perm), page 2.

D. Depreciation

Q. Did the Company prepare a depreciation study for this case?

A. Yes. Company Witness John J. Spanos prepared a detailed depreciation study for this case. PSNH has incorporated the results of that study into its proposed depreciation expense. Please see Mr. Spanos' direct testimony for the detailed support of the updated depreciation rates.

Q. What level of depreciation is the Company proposing for its revenue requirement?

A. PSNH has calculated a pro forma depreciation expense of $69,179,945 as shown in Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-28 (Perm), page 1, at line 21, Column (B). This is an increase of $6,854,556 from the Test Year amount of $62,325,389.

Q. Please describe in more detail the calculation of depreciation expense.

A. We have applied the depreciation rates resulting from the depreciation study performed by Mr. Spanos as of the Test Year to account balances of depreciable plant. As described in Mr. Spanos' testimony and his accompanying exhibits, the depreciation rates represent a net increase versus current levels.

Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-28 (Perm) page 2 provides a listing of the depreciable plant balances by account as of December 31, 2018. In this Workpaper, we have applied the depreciation accrual rates presented in Schedule JJS-3 to the distribution plant in service balance for PSNH. The calculated depreciation expense is the sum of the depreciation expense for each utility plant account. This is the total of $69,179,945 shown on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-28 (Perm), page 2.

E. Enterprise IT Projects Depreciation

Q. What adjustments have you made for Enterprise IT Projects Depreciation?

A. As shown on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-29 (Perm), page 1, the post-Test Year adjustment associated with Enterprise IT Projects Depreciation is $1,528,812. As discussed above, the Company made a post-Test Year adjustment to Enterprise IT Project expense, which is driven by the increased capital expenditures related to plant placed in service by Eversource Energy Service Company. That expense adjustment was necessary to reflect the increase in carrying charges incurred by the service company in support of those projects, which is reflected on PSNH's books of record as an O&M expense item. Similar to the previous Enterprise IT Project Expense adjustment, the Enterprise IT Project Depreciation adjustment is also driven by the increased capital expenditures and plant in service at the service company and is necessary to reflect the increase in depreciation expense allocated to PSNH.

Q. Please describe the basis of the adjustment for Enterprise IT Projects Depreciation.

A. PSNH is allocated a portion of depreciation expense from its service company affiliate, Eversource Energy Service Company. The depreciation expense is associated with certain common use equipment, primarily computer equipment and enterprise computer applications that are reflected in plant in service at Eversource Energy Service Company rather than at PSNH, or other Eversource Energy operating companies. In addition, the depreciation expense billed from Eversource Energy Service Company is subject to a capitalization adjustment. Specifically, the gross amount of Enterprise IT Projects Depreciation billed to PSNH during the Test Year was $6,277,162 as shown on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-29 (Perm), page 2, line 21. This total was adjusted by the Eversource Energy Service Company Test Year capitalization rate of 19.36 percent (the same Eversource Energy Service Company capitalization rate is used for the Test Year and the Rate Year) to calculate a capitalized portion of $1,215,518 which was subtracted from the Test Year total to arrive at the net Test Year depreciation expense amount of $5,061,644.[23] The Test Year pro forma was calculated by taking a 2019 projected depreciation expense amount to be allocated to PSNH of $8,172,689 multiplied by the 19.36 percent capitalization rate to arrive at the net Test Year pro forma amount of $6,590,456.[24] As shown on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-29 (Perm), page 1, the pro forma adjustment of $1,528,812 is the difference between the net Test Year total of $5,061,644 and the net Test Year pro forma of $6,590,456.

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[23] *See* Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-29 (Perm), page 2, lines 21 through 24.

[24] *See* Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-29 (Perm), page 2, lines 21 through 24.

F. Amortization of Deferred Assets

Q. Has the Company made normalizing adjustments to the Test Year amortization expense?

A. Yes. Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-30 (Perm), page 2, line 29, Column (C) shows an increase to amortization expense of $14,746,439. This net increase is primarily driven by one item, an increase of $15,512,608 associated with the amortization of deferred storm costs.

Q. What is the current status of unrecovered major storm costs for PSNH?

A. Due primarily to significant storm activity in 2017 and 2018, as of December 31, 2018, the net deficit for the Company's storm reserve totaled approximately $68.5 million. The annual storm funding previously collected in distribution rates is $12 million annually. The funding is offset against deferred storm costs, resulting in a net funding or a net deficit position for storms.

Q. Please explain how the current annual storm funding amount was established for PSNH.

A. The Company is allowed to defer costs attributable to pre-staging and restoration efforts associated with severe weather events. Under the settlement in Docket No. DE 99-099, PSNH established the MSCR, with annual funding of $3 million, for the purpose of covering the incremental costs associated with severe weather events. Under the settlement in Docket No. DE 09-035, PSNH was authorized to increase the annual level of funding to $3.5 million. PSNH was subsequently authorized to increase the funding level to $7 million annually pursuant to Order No. 25,382 (June 27, 2012) in Docket No. DE 12-110. Order No. 25,465 (February 26, 2013) in Docket No. DE 12-320 then allowed pre-staging events that had a "high" probability of reaching "Level 3" according to the Edison Event Index ("EEI") framework to be eligible for recovery under the MSCR. Under Order No. 25,534 (June 27, 2013) in Docket No. DE 13-127, PSNH was authorized to increase the funding level to $12 million annually, where it has remained since that time.

Q. Please explain in more detail how the adjustment for the amortization of deferred storm costs was derived.

A. As noted above, as of end of the Test Year, the Company had a shortfall of approximately $68.5 million in unrecovered storm costs, primarily as a result of the severe storm activity in 2017 and 2018. To address this shortfall, the Company proposes to recover this deficit, including carrying charges at the previously approved stipulated rate of return, over a five-year period. As shown on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-30 (Perm), page 2, line 24, Column (C), the Company proposes a normalizing adjustment to the Test Year of $15,512,608 to recover the amortization of the unrecovered storm cost deficit.

Q. Please describe any other significant normalizing adjustments that were made to amortization.

A. The Company made additional normalizing adjustments to amortization, which are itemized on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-30 (Perm), page 2, as follows:

- Removal of amortization of various assets previously approved by the Commission totaling ($1,102,799). These deferred asset items are itemized on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-30 (Perm), page 2, lines 19 to 23, Column (C).
- An adjustment of $336,630 shown on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-30 (Perm), page 2, line 25, Column (C) to account for regulatory assessment expenses and the costs of consultants hired by the Commission and the Office of Consumer Advocate.[25] In Docket No. DE 17-160, the Company sought recovery of two classes of costs—those relating to the Commission's assessment pursuant to RSA 363-A:2, and those relating to the costs of consultants hired by the Commission Staff and the Office of Consumer Advocate. In Order No 26,091 (Dec. 27, 2017), the amounts approved were $911,624 to account for an increase in the assessment to the Company for Commission expenses and $430,359 to account for Commission and Office of Consumer Advocate consultant's costs. In Docket No. DE 17-196, the Company proposed to remove $294,090 from its rates to reflect a decline in the applicable regulatory assessment.[26] In addition, the Company noted that it had been assessed additional costs to pay for consultants hired by the Office of Consumer

[25] Pursuant to RSA 365:37 II, the Commission is permitted to assess the expenses of experts it retains to the utilities in New Hampshire, and pursuant to RSA 363:28 III, the expert expenses of the Office of Consumer Advocate may likewise be assessed to utilities.

[26] November 16, 2018 Technical Statement of Rob Allen, Joseph Purington, and Christopher J. Goulding (Nov. 16, 2018), Bates Page 13, in Docket No. DE 17-196.

Advocate.[27] The amount of those new costs, however, was lower than the costs then in the Company's rates.[28] The net of those two changes represented a decrease of $673,260, which the Company proposed to remove from rates.[29] In Order No 26,206 (Dec. 28, 2018), the Commission approved the Company's proposal to remove $673,260 from rates. The $336,630 shown on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-30 (Perm), page 2, line 25, Column (C) is necessary to reflect this $673,260 decrease and is proposed to be amortized over a two-year period, or $336,630 per year.

Q. Has the Company made pro forma adjustments to the Test Year amortization expense?

A. Yes. Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-30 (Perm), page 2, line 29, Column (E) shows an increase to amortization expense of $3,200,203. This increase is driven by two items, the amortization of Merger Costs and the amortization of Environmental Costs.

1. <u>Amortization of Merger Costs</u>

Q. What is the amortization of merger costs?

A. The pro forma amortization for merger costs is $909,020 as shown on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-30 (Perm), page 2, line 26, Column (E). This

27 *Id.*

28 *Id.*

29 *Id.*

represents PSNH's share of the total merger cost to achieve amortized over a 10-year period.

Q. Please describe the merger transaction between Northeast Utilities and NSTAR.

A. On October 16, 2010, Northeast Utilities and NSTAR entered into an agreement and plan of merger (as amended on November 1, 2010). In January 2011, the Commission opened Docket No. DE 11-014 in response to the announcement of the merger between Northeast Utilities and NSTAR. On April 5, 2011, the Commission issued Order No. 25,211 concluding that it did not possess jurisdiction over the transaction. Following a process conducted in Massachusetts and Connecticut for review of the merger, Northeast Utilities and NSTAR consummated the merger on April 4, 2012. Upon completion of the merger, NSTAR and its subsidiaries, including NSTAR Gas and NSTAR Electric, became wholly-owned subsidiaries of Northeast Utilities, operating as affiliates of PSNH. As of February 2, 2015, Northeast Utilities and all of its subsidiaries, including PSNH, began doing business as Eversource Energy.

Q. Did the merger of Northeast Utilities and NSTAR produce operating efficiencies that lowered the cost of service for customers of all post-merger operating affiliates, as compared to the cost of service that would have existed in the absence of the merger?

A. Yes. The merger of Northeast Utilities and NSTAR created substantial enterprise-wide benefits for all Eversource Energy customers and specific, quantifiable benefits for PSNH customers, as we discuss below. These benefits took the form of real operating cost reductions that have lowered the cost of service in this case below what it would have been absent the merger. Below, we provide a quantification of benefits that are reflected in the cost of service presented in this case.

Q. Was it necessary for Northeast Utilities and NSTAR to incur transaction and integration-related cost to achieve those operating efficiencies?

A. Yes. To complete the merger and achieve operating cost reductions, Northeast Utilities and NSTAR incurred transaction and integration costs that have been apportioned for accounting purposes across all operating affiliates. To date, Eversource Energy has received approval to recover its transaction and integration costs across all other operating jurisdictions based upon a showing that customers benefitted from actual cost reductions that are demonstrable in real terms. Other jurisdictions have allowed this recovery because the merger could not have been achieved without incurring transaction costs and, of greater significance, the merger-related costs have been far exceeded by the actual savings achieved, thereby producing substantial net benefits for Eversource Energy customers.

Q. Is the Company requesting recovery of the PSNH portion of the merger-related costs incurred to accomplish the merger and achieve cost reductions for customers in this proceeding?

A. Yes. In this case, the Company is respectfully requesting recovery of the PSNH share of one-time costs that were necessarily incurred to complete the merger (transaction costs) and to achieve the operational savings available through merger-related integration i.e., to eliminate redundant functions and achieve economies of scale in healthcare, insurance and other functional areas. These costs were incurred in direct relation to the merger in the time period 2010 to 2015. In this period, Northeast Utilities and NSTAR incurred merger-related costs of approximately $125.9 million. PSNH's share is equal to $9,090,203, or 7.22 percent of total costs. This equates to an annual amortization amount of $909,020 over ten years. The 2010-2015 merger-related costs and the cost allocation to PSNH are shown on Attachment EHC/TMD-1 (Perm), Workpaper EHC/TMD-30 (Perm), page 3.

Q. Did PSNH customers receive benefits in the form of reductions to the cost of service that would warrant recovery of these costs through customer rates?

A. Yes. PSNH customers have received direct, tangible benefits as a result of the merger—demonstrated both on an enterprise-wide basis and a company-specific basis.

Prior to the consummation of the merger, Northeast Utilities and NSTAR developed a "Net Benefits Analysis" to quantify the expected customer benefits of the merger on an enterprise-wide basis. The Net Benefits Analysis estimated the transaction and integration-related costs necessary to complete the merger and achieve operating reductions in nine functional areas across the enterprise, for the ten years following the merger. The Net Benefits Analysis demonstrated that Northeast Utilities and NSTAR anticipated generating savings of approximately $784 million on an enterprise-wide basis as a result of the merger, with an estimated six percent of that amount representing the share associated with PSNH's distribution operations (using 2011 financial data).

The Net Benefits Analysis was developed by first analyzing the current cost structures of Northeast Utilities and NSTAR, with total actual labor costs disaggregated into nine principal functional areas for analysis. The savings quantified in the Net Benefits Analysis were estimated on the basis of potential reductions in labor and non-labor costs within corporate and administrative functional areas. For non-labor cost savings, the companies examined actual costs in 17 potential areas of savings, including 13 categories of corporate and administrative costs (e.g., insurance, facilities, benefits and fleet costs) and three categories of purchasing costs (procurement, inventory and contract services).

As the Company progressed with its integration activities after the merger, the Net Benefits Analysis was updated annually in Merger Integration Reports, which showed actual annual savings through the date of each respective report; the allocation of savings between customers and shareholders; and projected savings. The Company has prepared an updated Merger Integration Report for this case as Attachment EHC/TMD-5, which provides actual savings per year for the period 2012 to 2017 and a forecast of savings through the first quarter of 2022.

Q. What does Attachment EHC/TMD-5 show with respect to merger-related savings, costs and net benefits?

A. Attachment EHC/TMD-5 shows that Eversource substantially exceeded the initial Net Benefits Analysis estimate of $784 million. Specifically, Attachment EHC/TMD-5 Report shows that the actual cumulative net savings projection is calculated to be $1,009.7 million over the 10-year period following the merger, 2012 through 2022. The projected savings of $1,009.7 million are net of $125.9 million of merger-related costs (*see* Attachment EHC/TMD-5, page 7).

Q. What is the proportional share of the enterprise-wide merger savings attributable to PSNH?

A. The proportional share of total merger-related savings attributable to PSNH is approximately $73 million over the 10-year period 2012 through 2022. This is approximately 6 percent of the total gross savings amount of $1,135.6 million. Based on the calculated estimated savings documented in Attachment EHC/TMD-5, the share of cumulative overall, enterprise-wide savings achieved through December 31, 2018 is computed as approximately $41 million for PSNH, as shown in Attachment EHC/TMD-6.

Q: What is the calculation of PSNH's share of the enterprise-wide merger-related savings?

A: Attachment EHC/TMD-6 demonstrates that the Test Year reflects net merger-related savings of approximately **$8.7 million** annually for PSNH customers. These savings represent PSNH's portion of enterprise-wide savings achieved in calendar year 2018 ($8.7 million, or 6 percent of the 2018 total amount of $134 million, per Attachment EHC/TMD-6, line 35). Net of PSNH's share of the total merger costs amortized over 10 years, as proposed in this proceeding and described below ($0.9 million), net savings are $7.8 million (in which $8.7 million minus $0.9 million = $7.8 million). Over the 10-year post-merger period, the savings generated by the merger will far outweigh the costs incurred to complete the merger. As shown on Attachment EHC/TMD-1 (Perm), Workpaper EHC/TMD-30 (Perm), page 3, PSNH's share of the total merger-related costs from 2010 to 2015 of $125.9 million is approximately $9 million or 7.22 percent of the total costs. PSNH's share of the merger costs is proposed to be recovered over 10 years, at $909,020 per year, as shown on Attachment EHC/TMD-1 (Perm), Workpaper EHC/TMD-30 (Perm), page 3.

Q: What categories of operating savings are reflected in the $8.7 million?

A: The merger savings totaling $8.7 million in the Test Year shown on Attachment EHC/TMD-6 (Perm) fall into two categories: labor-related savings and non-labor savings. Labor savings include the impact of net employee attrition and the elimination of redundant corporate positions. Non-labor savings include savings resulting from process improvements, increased purchasing leverage, elimination of duplicative corporate and administrative costs, and other efficiencies. Specific functional areas of savings include, but are not limited to, employee benefits, contract services and material and supply procurement, consistent with the projections in the original Net Benefits Analysis.

Q: How did the Company quantify actual net merger-related savings for the post-merger enterprise?

A: To quantify the merger-related savings that are inuring to the benefit of customers for this case, the Company relied on the methodology used for the Net Benefits Analysis because this is the most reliable and reasonable method for the Company to isolate and quantify the benefits of the merger. Specifically, the Company quantified the actual savings associated with particular merger-related cost reduction initiatives made on an enterprise-wide basis for labor and non-labor cost categories, within the functional areas identified in the Net Benefits Analysis, and then determined the portion allocable to PSNH's operations.

For labor-related savings, the Company quantified the fully loaded annual savings (including benefits) associated with actual merger-related employee reductions and actual merger-related attrition activity. PSNH then calculated the portion of the overall labor-related merger savings that were attributable to PSNH.

For non-labor savings, the Company first quantified the savings on the basis of specific cost-reduction initiatives undertaken by management personnel within each functional area, with savings quantified through the comparison of current and projected costs to pre-merger cost levels, or by calculating year-over-year O&M costs. PSNH then calculated the portion of overall non-labor merger savings allocable to PSNH.

Attachment EHC/TMD-6 illustrates that these are actual savings of $8.7 million annually that are providing a direct benefit to customers in the form of an overall cost of service that is lower than it otherwise would be in the absence of the merger.

Q: How did the Company quantify the merger-related "costs to achieve"?

A: The merger-related costs to achieve are primarily comprised of transaction costs (i.e., legal, banking and other costs incurred to structure and close the transaction) and integration costs (i.e., one-time costs necessarily incurred to achieve annual O&M cost reductions to the benefit of customers). Merger-related costs do not include executive severance and retention costs because the Company has excluded them from this analysis. The merger-related costs to achieve were generally recorded at the parent company level. The benefits in excess of the merger costs to achieve are shown on Attachment EHC/TMD-6.

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Q: How did the Company determine PSNH's allocation of the overall merger-related savings and costs to achieve for comparison to the pre-merger estimate?

A: PSNH's share of the net merger-related savings is quantified through allocation of the enterprise-wide savings using allocators appropriate to each cost category. Attachment EHC/TMD-6 summarizes the allocation. Other labor-related savings were allocated to PSNH based upon a labor-specific allocation factor provided by the Company's Accounting Department. Generally, the charging or allocation of benefit costs follows the allocation of payroll costs. Therefore, benefit savings were attributed to PSNH based upon the labor allocator. The labor allocator was also used to allocate Administrative and General Overhead savings and savings related to the reorganization of the Company's Information Technology function, as these savings are directly tied to employee levels. Where a specific cost allocator was available (i.e., Directors Fees and Shareholders Services), that allocator was utilized to attribute savings. For Materials and Supplies Procurement and Contract Services, a general O&M allocator was developed.

Q. Is Eversource Energy on-track to achieve the merger savings identified in the Net Benefits Analysis?

A. Yes. Eversource Energy is on-track to exceed the merger-related net savings identified in the original Net Benefits Analysis. This conclusion is demonstrated by Attachment EHC/TMD-5, which (as noted above) is an updated Net Benefits Analysis incorporating actual savings achieved through December 31, 2017. Specifically, Attachment EHC/TMD-6, line 32 shows that total 10-year net savings are estimated to be $1,009.7 million on an enterprise-wide basis, which exceeds by more than $200 million the enterprise-wide net benefits projected before the merger.

Q. Is PSNH able to demonstrate that its customers have, in fact, experienced cost reductions directly related to the merger of Northeast Utilities and NSTAR that would warrant recovery of merger-related costs?

A. Yes. As discussed above, the Company has calculated total cumulative gross merger savings through December 31, 2018 to be $41 million—with $8.7 million of savings in the Test Year alone. As a supplemental demonstration of the merger cost savings, the Company has provided Attachment EHC/TMD-7. The analysis provided in this attachment identifies the cost reductions that PSNH customers have actually, directly received, in specific cost categories referenced within the Net Benefits Analysis including labor, healthcare benefits and insurance to isolate the effect of the merger on O&M expenses occurring pre-merger (2011) and post-merger (2013). As illustrated in Attachment EHC/TMD-7, comparing 2011 and 2013 (in 2013 dollars) demonstrates operating cost reductions for PSNH customers of over $2.1M annually.

The Company conservatively estimated Labor cost savings using 15 actual merger-related position reductions in New Hampshire during 2012 and 2013. After applying capitalization to these salaries, annual savings of $0.56M were realized. In addition, healthcare benefit expenses were $1.4M lower post-merger at PSNH. Insurance was decreased by $0.1M due to eliminating one of the two Directors and Officers insurance policies once the Boards of Directors of the legacy Northeast Utilities and NSTAR companies were consolidated into one.

It should be noted that the above analysis reflects a focused quantification of savings opportunities realized through the merger. For example, the position reductions identified were New Hampshire reductions only and do not reflect the FTE reductions realized at the service company level, where staff had been performing various business functions on behalf of PSNH. As suggested by the enterprise-wide savings analysis, the actual savings are substantially higher.

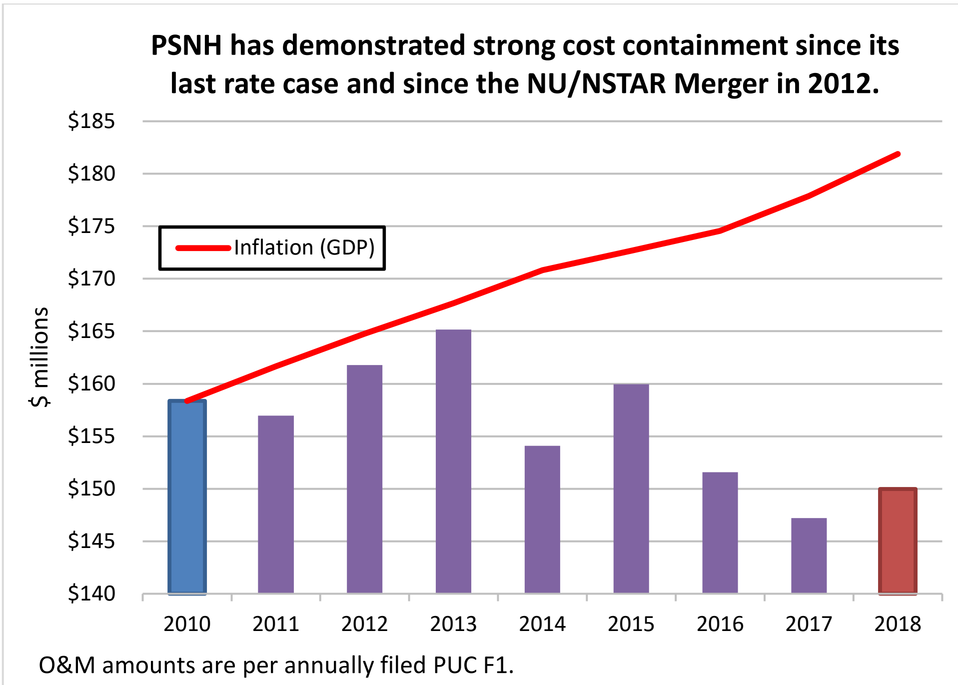
Q. Were there any additional merger-related savings for PSNH after 2013?

A. Yes. In addition to the savings discussed above, a total of 14 other redundant positions in New Hampshire were eliminated as a result of the merger, during 2014 and 2015. These positions contributed another $1.3M of labor savings. Indirectly, as corporate support positions were reduced, benefits expenses allocated to PSNH were in turn lower.

It should be noted that this quantification does not include additional savings that have been passed to customers through transmission rates each year following the merger. This level of savings exceeds the costs by any measure.

Q. How does the O&M component of the Company's revenue requirement from the 2009 Rate Case compare to the O&M component of the Company's current Application?

A. There is no practical, reliable method for the Company to track cost savings directly attributable to merger integration account by account. Since 2012, Eversource Energy has worked hard to reduce the cost of service to the customers of all of its operating affiliates through merger-related integration and through the implementation of efficiency initiatives that were unrelated to the merger. The discrete impact of the numerous merger-related and non-merger related efficiency initiatives and the multitude of transactions, costs and adjustments made to each of the numerous accounts used to track costs for routine operations generally makes it impossible to tie the impact of particular cost reduction initiatives to specific accounts. It is, however, possible to analyze the cumulative impact of the cost-reduction initiatives because the cumulative impact is reflected in the financial books of account used to calculate the revenue requirement. The substantial level of O&M savings achieved by PSNH in relation to merger-related and non-merger related efficiency gains is confirmed by comparing the NHPUC F-1 reports for 2010 and for 2018 (i.e., the Test Year in this proceeding). Specifically, the chart that follows illustrates that the Company's O&M expense was reduced by both merger and non-merger-related cost reductions since the time of the merger. This reduction in expense has occurred in spite of the fact that the Company has experienced cost pressure increases as a result of wage and salary increases and external inflationary pressures. In fact, had costs increased at pace with the rate of inflation as measured by GDP-PI over that same time period, the O&M component of the Company's cost of service would be higher by at least $32 million versus the amounts proposed in this proceeding.



It is important to recognize that PSNH, like all companies, has experienced, and will continue to experience, wage increases, and other cost increases attributable to inflation or other factors. As illustrated above, the Company has mitigated those cost pressures and produced absolute cost reductions for customers. Actual merger-related savings and savings resulting from non-merger related efficiency initiatives have occurred throughout the enterprise with the effect of reducing the costs incurred by the Company. The savings achieved by the Company are reflected in the revenue requirement in this proceeding, allowing customers to continue to benefit through lower rates as a result of the Northeast Utilities/NSTAR merger. Accordingly, the Company has included PSNH's share of the merger costs, to be recovered over ten years, in its request for rate relief.

2. Amortization of Environmental Costs

Q. What is the amortization of environmental costs?

A. As shown on Attachment EHC/TMD-1 (Perm), Workpaper EHC/TMD-30 (Perm), page 4, the Company has an Environmental Reserve Balance at the end of Test Year of $9,164,729.

Under the terms of the 1999 PSNH restructuring settlement agreement (DE 99-099), approved by the Commission,[30] and in three subsequent rate proceedings (DE 03-200, DE 06-028, and DE 09-035), PSNH was allowed to defer estimated environmental remediation costs as they are accrued for future recovery. The estimated costs were recognized when PSNH's environmental scientists quantified the costs of site remediation.

When remediation work begins at a site, the reserve account is charged for remediation costs, such as labor and materials. The regulatory asset established for environmental costs will be amortized to expense once recovery begins.

In the Company's last rate case, Docket No. DE 09-035, the projected balance in the account when the Company made its filing was $829,000. As the docket progressed, the balance was revised to approximately $8,500,000 to reflect higher projected remediation costs, primarily related to the Keene manufactured gas plant site. The original amount of $829,000 was approved via the Docket No. DE 09-035 settlement agreement, while all remaining costs were deferred, along with any future costs and adjustments, to be addressed

[30] Order No. 23,346 (Nov. 16, 1999); Order No. 23,443 (Apr. 19, 2000); Order No. 23,549 (Sept. 8, 2000).

in the Company's next rate case. The Environmental Reserve Balance of $9,164,729 includes the amount deferred from Docket No. DE 09-035 in addition to all activity that occurred within the account since that time.

As shown on Attachment EHC/TMD-1 (Perm), Workpaper EHC/TMD-30 (Perm), page 4, the Company proposes to amortize the environmental reserve balance of $9,164,729 over a four-year period or $2,291,182 per year.

G. Taxes Other than Income Taxes

Q. Please summarize your adjustments to Taxes Other Than Income Taxes?

A. As shown on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-5 (Perm), page 1, line 38, Column (E), PSNH proposes to increase Taxes Other Than Income Tax by $3,120,992, which is primarily driven by an adjustment to property taxes described below.

1. Property Taxes

Q. Has the Company adjusted the test year expense for property taxes?

A. Yes. The Company has made a normalizing adjustment for Test Year property taxes as shown on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-5 (Perm), page 6, lines 23 and 24 by $3,058,417.

Q. How did the Company determine this normalizing adjustment?

A. The net adjustment of $3,058,417 was necessary to reflect the 2018 decision of the Supreme Court upholding the lower court's decision abating taxes on PSNH's special-purpose utility property in the Town of Bow (the "Town").[31]

At the time of the dispute, PSNH owned certain special-purpose utility property in the Town, including Merrimack Station, two combustion turbines, and a high-voltage regional electric transmission and distribution network. The dispute centered on a disagreement between the Town and PSNH regarding the proper valuation of this special-purpose utility property for tax years 2012 and 2013. The trial court found PSNH's valuation more credible and held that PSNH was entitled to a tax abatement for tax years 2012 and 2013. The Town moved for reconsideration, which was denied, and then appealed to the Supreme Court. The Supreme Court upheld the trial court's decision.

This adjustment is necessary because the tax abatement was recorded during the Test Year as a reduction to property tax expense. This abatement is a one-time, non-recurring event that reduces the Company's cost of service.

Q. Has the Company made a pro forma adjustment for property taxes?

A. Yes. The pro forma adjustment for property taxes is an increase of $281,831 as shown on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-31 (Perm), page 1, line 23. The basis for this adjustment utilizes the latest property tax bills received from the cities and towns in PSNH's service territory. Depending on the particular municipality, these bills often need to be apportioned between distribution and transmission as reflected in

[31] *Pub. Serv. Co. of New Hampshire v. Town of Bow*, 170 N.H. 539 (2018).

Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-31 (Perm), Workpapers 1 through 4. The distribution portion of every bill is calculated and the total distribution property taxes of $47,399,352,[32] when compared to the adjusted Test Year distribution amount of $47,117,521, results in the pro forma adjustment of $281,831.[33] The Company expects to receive more current property tax bills during the pendency of this proceeding and accordingly will file an updated revenue requirement to incorporate these known and measurable changes.

2. Payroll Taxes and Other Taxes

Q. Please describe the normalizing adjustment for payroll and other taxes.

A. The normalizing adjustment for payroll taxes is an increase of $62,575 as shown on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-5 (Perm), page 6, line 22 to account for changes in New Hampshire unemployment and consumption taxes.

Q. Please describe the pro forma adjustment for payroll and other taxes.

A. The pro forma adjustment for payroll taxes is an increase of $392,679 as shown on Attachment EHC/TMD-2 (Perm), Schedule EHC/TMD-32 (Perm), page 1, line 23. As shown on Attachment EHC/TMD-2 (Perm), Schedule EHC/TMD-32 (Perm), page 2, the first part of this adjustment—shown in Column (G)—calculates the change in Federal Insurance Contributions Act ("FICA") and Medicare payroll tax expense based on known

[32] Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-31 (Perm), page 2, line 22, Column (F).

[33] The Company has capitalized $1,661,687 of property taxes allocated to distribution thereby reducing the property tax expense being sought for recovery in this proceeding.

and measurable increases to union and non-union payroll. The second part of the adjustment—shown in Column (H)—calculates the FICA, Medicare, federal unemployment, and state unemployment payroll tax expense related to the Company's proposed incremental FTEs.

H. Federal and State Income Taxes

Q. Did the Company make any Test Year adjustments to Current Income Tax Expense?

A. Yes. As shown on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-33 (Perm), page 2, the Company made a downward adjustment to Current Income Tax of $4,750,907.

Q. What is the basis for the $4,750,907 decrease to Current Income Tax Expense?

A. The decrease to Current Income Tax expense reflects the impact of the various Test Year pro forma adjustments as well as the reduction in the New Hampshire Business Profits Tax ("BPT") rate. The BPT decreased to 7.9 percent from 8.2 percent after December 31, 2018.

Q. Please explain the 2017 Tax Cuts and Jobs Act.

A. On December 22, 2017, the TCJA was signed into law.[34] Among other things, the TCJA reduced the federal corporate income tax rate from 35 percent to 21 percent, effective January 1, 2018.[35] This change in the tax law has a direct impact on the taxes that the Company will pay to the Federal Government as well as the deferred taxes that the

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[34] Pub. L. No. 115-97, 131 Stat. 2054: An Act to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018.

[35] Prior to January 1, 2018, federal corporate income tax was imposed at graduated rates. As of January 1, 2018, the corporate income tax rate is a flat rate.

Company has accrued. Specifically, the tax rate reduction affects three distinct tax issues: (1) current taxes and deferred taxes; (2) property and non-property related Accumulated Deferred Income Taxes ("ADIT"); and (3) the impact of the rate reduction on the balance of ADIT reflected on the Company's books.

Q. How has the federal tax decrease related to the TCJA been reflected in this filing? [36]

A. The change in the federal income tax rate has been reflected in the permanent rate filing in two ways. First, going-forward base distribution rates will incorporate the lower tax rate. Secondly, consistent with the Commission's order in Docket No. DE 18-049, the Company is required to propose in its comprehensive rate application a recommendation for how the refund of EDIT will be addressed. The Company is proposing to use EDIT as an offset to the costs associated with the GTEP program as discussed in Sections VII and VIII below.

[36] As described in our joint testimony filed on April 26, 2019 in support of the Company's request for temporary rate relief, the Company's temporary rate proposal includes a one-time reduction in revenue requirement reflecting the benefit of the tax savings accrued as a result of the change in the tax gross-up under the TCJA from the period January 1, 2018 through June 30, 2019. This one-time adjustment will be credited in customer rates over one year (July 2019 through June 2020). As noted above, going forward, once new base distribution rates are established as part of this proceeding, the prospective rates will be set at the currently effective tax rate, such that new rates will fully reflect the benefit of the TCJA going forward.

IV. RATE BASE COMPUTATION AND RATE OF RETURN

Q. Please describe how you determined the Company's rate of return for ratemaking purposes.

A. Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-40 (Perm), page 1 presents the five-quarter average capital structure and the cost of common equity, long-term debt, and short-term debt. Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-40 (Perm), page 2 presents the detail of the Company's Test Year outstanding long-term debt balances and associated costs.

As shown on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-40 (Perm), page 1, PSNH's five-quarter average capital structure as of December 31, 2018 is comprised of 39.16 percent long term debt, 6.51 percent short term debt, and 54.33 percent common equity.

Q. Did you make any post Test Year adjustments to the Company's rate of return for ratemaking purposes?

A. Yes. As reflected on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-40 (Perm), page 1, lines 33 through 41, the Company utilized a projected five-quarter average capital structure as of December 31, 2019, comprised of 41.98 percent long term debt, 3.17 percent short term debt, and 54.85 percent common equity.

The Company has employed a five-quarter average capital structure for the period ending December 31, 2019, in part, to reflect a refinancing transaction to issue up to $300 million aggregate principal amount of long-term debt securities through December 31, 2019. The

Company petitioned the Commission for approval of this financing in Docket No. DE 19-045. As explained in that filing, approximately $196.6 million of the $300 million amount constitutes the refinancing of existing debt while the remainder of approximately $100 million constitutes new debt. The Commission approved the Company's financing petition on April 26, 2019 in Order No. 26,240. The Company also has employed a five-year average ending December 31, 2019 because the corresponding time period better reflects the Company's cost of capital in a post-generation divestiture environment.

Q. Have you prepared a summary of the Company's rate-base computation?

A. Yes. Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-36 (Perm), page 1 presents a summary of the rate-base computation. As shown therein, the distribution rate base balance is $1,215,667,897.

Q. How has the Company calculated rate base for the revenue requirement?

A. The calculations supporting rate based are provided in Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-36 (Perm), page 1. This Schedule identifies the December 31, 2018 balances for Utility Plant in Service, Reserve for Depreciation, Reserve for Deferred Income Taxes (ADIT), Customer Deposits, Customer Advances, Materials & Supplies, and the cash working capital allowances. The Schedule reflects a pro forma adjustment increasing the reserve for deferred income taxes. This adjustment is necessary to remove a deferred tax asset unrelated to the distribution business that was improperly reflected in the overall tax liability balance as of the end of the Test Year. This Schedule also reflects the changes to cash working capital based on the Company's Lead Lag study, presented herein, to develop the pro forma Rate Base amount of $1,215,667,897 shown on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-36 (Perm), page 1, line 44.

Q. Have the amounts in rate base have changed significantly since the Company's last rate case?

A. Yes. The Company's last rate case (DE 09-035) was filed a decade ago using a 2008 test year. Since that time, the Company made significant capital investments to construct, replace, and repair the distribution infrastructure needed to provide New Hampshire customers with safe and reliable electric service.

V. LEAD LAG STUDY

Q. Did the Company prepare a Lead Lag Study for this case?

A. Yes, the Company prepared a Lead Lag Study to update and establish the net lag days to be used for cash working capital that it is proposing to include in base rates.

Q. What is cash working capital?

A. Cash working capital is the amount of capital that is needed by the Company to fund operations in the period between when expenditures are incurred to provide service to customers and when payment is received from customers for that service.

Q. How is cash working capital estimated through a Lead Lag study?

A. A Lead Lag study identifies the amount of time it typically takes for the Company to collect revenue from customers, as well as the amount of time the Company takes to make payment for applicable operating costs. The difference between those two numbers is used as the basis to estimate cash working capital requirements.

Q. Please define the terms "revenue lag days" and "expense lead days."

A. Revenue lag is the time, measured in days, between delivery of a service to PSNH customers and the receipt by the Company of the payment for such service. Similarly, expense lead is the time, again measured in days, between the performance of a service on behalf of the Company by a vendor or employee and payment for such service by the Company. Since base rates are based on revenue and expenses booked on an accrual basis, the revenue lag results in a need for capital while the expense lead offsets this need to the extent the Company is typically not required to reimburse its vendors until after a service is provided.

Q. Please describe the Lead Lag Study and its findings.

A. The Lead Lag Study consists of 12 schedules of calculations to separately calculate lag days for O&M expense. The Lead Lag Study produced an O&M net lag of 21.88 days or 5.99 percent (21.88/365).

A. Revenue Lag Days

Q. How is the retail revenue lag computed?

A. The retail revenue lag consists of a "meter reading or service lag," "collection lag," and a "billing lag." As shown on Attachment EHC/TMD-2 (Perm), Schedule EHC/TMD-2

(Perm), the sum of the days associated with these three lag components is the total retail revenue lag experienced by PSNH.

Q. How was the "meter reading or service lag" calculated and what was the result?

A. The service lag is 15.2 days. This lag was obtained by dividing the number of billing days in the test year by 12 months and then dividing it in half to arrive at the average midpoint of the monthly service periods.

Q. How was the "collection lag" calculated and what was the result?

A. The collection lag totaled 29.6 days. This lag reflects the time delay between the mailing of customer bills and the receipt of the billed revenues from customers. The 29.6 days lag was arrived at by a thorough examination of accounts receivable balances using the accounts receivable turnover method. End of month balances were utilized as the measure of customer accounts receivable. Attachment EHC/TMD-2 (Perm), Schedule EHC/TMD-3 (Perm), details monthly balances for the majority of the accounts receivable accounts (Customer Accounts). The yearly annual customer revenue is also shown as the sum of revenue from residential, commercial, industrial, and public street & highway lighting accounts. Total revenues are then divided by 365 to calculate the average daily revenue amount. The resulting collection lag is derived by dividing the average daily accounts receivable balance by the average daily revenue amount to arrive at the collection lag of 29.6 days.

Q. How did you arrive at the 1.00 day "billing lag"?

A. Nearly all of the Company's customers are billed the evening after the meters are read. Therefore, we have included a one (1) day billing lag. We have not made an exception for large customers, which may require additional time to process.

Q. Is the total retail revenue lag computed from these separate lag calculations?

A. Yes. As shown on Attachment EHC/TMD-2 (Perm) Schedule EHC/TMD-2, the total retail revenue lag of 45.8 days is computed by adding the number of days associated with each of the three retail revenue lag components. This total number of lag days represents the amount of time between the recorded delivery of service to retail customers and the receipt of the related revenues from retail customers.

B. O&M Cash Working Capital and Taxes

Q. Please explain O&M cash working capital.

A. The O&M cash working capital component is associated with O&M cash expenses included in the cost of service. These are expenses that the Company incurs to underwrite the activities conducted in service to customers before it receives payment from customers for those services.

Q. In determining the expense lead period, how were the weighted lead days in payment of O&M costs determined?

A. First, total O&M expense was disaggregated among payroll, payroll incentive, employee benefits, regulatory assessments, insurance expense, and other O&M expense. Payments were reviewed and the lead days were calculated for each category. Once the lead days for each category were determined, the lead days were summarized and dollar weighted according to 2018 actual annual amounts to arrive at the total O&M cash working capital requirement. The details of this calculation are shown on Attachment EHC/TMD-2 (Perm), Schedule EHC/TMD-1 (Perm).

Q. How were lead days calculated for each category of O&M and what were the results?

A. The payroll lead is shown in Attachment EHC/TMD-2 (Perm), Schedule EHC/TMD-4 (Perm). Gross payroll data is obtained from the Company's payroll system and is the basis of the payroll lead calculation. PSNH employees are paid every other Thursday for the previous two weeks' work (based on a work week of Sunday-Saturday). This results in a weighted lead of 11.97 days. Payroll incentives are paid out in March and are associated with employee service in the prior calendar year, resulting in an overall weighted lead of 270 days. Gross data for employee benefits is also obtained through the payroll system and are paid out on the same schedule as payroll. This results in a weighted lead of 11.96 days as shown in Attachment EHC/TMD-2 (Perm), Schedule EHC/TMD-5 (Perm).

Regulatory assessments are based on the fiscal year beginning in July and ending in August of the following year. Payments of regulatory assessment are typically made on a quarterly basis. This results in a weighted lead of 12.10 days as shown in Attachment EHC/TMD-2 (Perm), Schedule EHC/TMD-6 (Perm).

Insurance premiums typically run for a year and are paid at the beginning of the service period. This results in a weighted lead of (158.71) days as shown in Attachment EHC/TMD-2 (Perm), Schedule EHC/TMD-7 (Perm).

Q. How was the lead related to other O&M expenses calculated and what was the result?

A. The Company obtained a complete list of vendor payments made during calendar year 2018 directly from Eversource Energy Service Company's Accounts Payable system. The Company used a stratified-sampling method to determine a sample of 128 invoices that would best represent the entirety of other O&M expenses. The strata for the sample included five categories, which are categorized as the top twenty-five invoices, invoices greater than $50,000, invoices greater than $10,000, invoices greater than $1,000, and invoices greater than $500. Invoices in each stratum were sampled at an interval that ultimately contributed to the total sample size. Every invoice in the top twenty-five was sampled, every 5th invoice greater than $50,000, every 20th invoice greater than $10,000, every 150th invoice greater than $1,000, and every 1,000th invoice greater than $500. Once the final sample of invoices was established they were reviewed to determine the length of the service period and the date payment was made. The calculation resulted in an average lead of 45.95 days as shown in Attachment EHC/TMD-2 (Perm), Schedule EHC/TMD-8 (Perm).

Q. How were the lead days associated with taxes calculated and what was the result?

A. The property tax lead days were calculated as (25.41) based on a query of tax payments made by the Company to New Hampshire municipalities in 2018. The lead days for property taxes are presented in Attachment EHC/TMD-2 (Perm), Schedule EHC/TMD-9 (Perm). The payroll tax lead of 11.98 days was calculated based on the 2018 payments made for New Hampshire State Unemployment, Federal Employment, Medicare, and Federal Insurance Contributions Act (FICA) tax. The leads for payroll taxes are presented in Attachment EHC/TMD-2 (Perm), Schedule EHC/TMD-10 (Perm).

Federal Income Tax and State Income Tax expenses are paid on a quarterly basis. The Company compared the period between the midpoint of each month in the quarter and the quarterly payment date under the assumption that the payment is accrued evenly throughout the quarter. The result is a lead of 30.01 days for Federal Income Tax and 31.99 days for State Income Tax. Attachment EHC/TMD-2 (Perm), Schedule EHC/TMD-11 (Perm) and Schedule EHC/TMD-12 (Perm).

C. Conclusion

Q. Would you summarize the Company's proposal regarding Cash Working Capital?

A. Yes. Based on the results of the Lead Lag analysis of cash working capital, the Company identified an O&M working capital component of 21.88 days, or 5.99 percent. As detailed on Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-41 (Perm), application of these values results in a request of $13,760,897 for Cash Working Capital.

VI. STEP ADJUSTMENTS

Q. Is the Company proposing Step Adjustments as part of this filing?

A. Yes. The Company is requesting that the Commission approve Step Adjustments to recover the revenue requirements associated with incremental capital spending and discrete O&M expenses after the Test Year in Investment Years 2019, 2020, 2021, and 2022. As summarized in the table below, the illustrative estimate of the Step Adjustments is as follows:

Total Estimated Revenue Requirement Investment Years 2019 - 2022			
Investment Year 1 (2019)	**Investment Year 2 (2020)**	**Investment Year 3 (2021)**	**Investment Year 4 (2022)**
$15 million	$21 million	$14 million	$16 million

Q. What is the purpose of the proposed Step Adjustments?

A. One of the primary drivers for the Company's request for rate relief in this proceeding is the amount of capital investment made in the decade following the 2009 Rate Case and the financial pressure that is created where the Company has to carry the costs of that investment without rate recovery.[37] Where circumstances exist such that the relative

[37] "[E]rosion in earning power of a revenue-producing investment. This erosion is a complex phenomenon, the result of operating expenses or plant investment, or both, increasing more rapidly than revenues. If attrition occurs, the result would be that the rate of return realized in the future would be below that which rates were designed to produce. This effect is apt to occur in a period of comparatively high construction costs when new plant is being added . . . As the high cost plant comes into service, it tends to increase the applicable rate base at a more rapid pace than the resultant earnings, and the rate of return decreases accordingly." *New England Tel. & Tel. Co. v. State*, 113 N.H. 92, 97 (1973).

growth in plant investment outpaces revenues generated by rates, there is pressure to file a distribution rate case to rebalance the revenue equation. These circumstances are clearly demonstrated by the fact that, despite all of the Company's success in containing operating costs since 2009, the Company's return on equity for the Test Year is 7.72 percent, which is well below industry standards for a fair and reasonable return, and 195 basis points lower than the return on equity of 9.67 percent authorized by the Commission in the 2009 Rate Case. The difference between the authorized level of return and actual level of return is the impact of capital investment.

The step adjustment approach is a reasonable method to allow for more timely recovery of assets placed in service after the test year without the need for multiple rate case proceedings, which is administratively inefficient and expensive for customers. Accordingly, the Company is seeking Step Adjustments to provide the Company with a reasonable opportunity to earn its allowed rate of return on significant investments that are necessary to continue to safely and reliably serve customers and prevent erosion of earnings (i.e., attrition) after permanent rates go into effect.

Q. Is there Commission precedent for the Step Adjustment approach to address earnings attrition?

A. Yes, the Commission has long employed step adjustments as a means of ensuring that a regulated utility retains its ability to earn a reasonable rate of return after implementing large capital projects that increase the utility's rate base after a test year.[38] Indeed, in the Company's 2009 Rate Case, the Commission approved a series of step adjustments and found the proposed review process was "a reasonable method to allow for a more timely recovery of assets in service without resort to a full rate proceeding."[39]

Q. What are the components of the Step Adjustment revenue requirement calculation?

A. The revenue requirement for Step Adjustments consists of: depreciation expense; property taxes; and a return on rate base. In addition, the Company has included PSNH's estimated allocated share of Enterprise IT Projects and anticipated union wage increases.

Q. Please explain the Step Adjustment revenue requirement calculation.

A. Attachment EHC/TMD-3 (Perm), page 1 presents the estimated revenue requirements calculation for the Step Adjustments with the total revenue requirement shown on Line 13.

Lines 1 and 2 reflect total distribution plant, based on PSNH's forecasted increases to plant, and total distribution depreciation reserve.

Line 3 is net utility plant calculated as the difference between Lines 1 and 2 and Line 5

[38] *See*, *e.g.*, *Liberty Utilities (EnergyNorth Natural Gas) Corp*., DG 17-048, Order No. 26,122, at 51, 55 (April 27, 2018); *Unitil Energy Systems, Inc.*, DE 16-384, Order No. 26,007, at 10, 18 (April 20, 2017); *Unitil Energy Systems, Inc.*, DE 10-055, Order No. 25,214, at 26-27 (April 26, 2011); *Public Service Company of New Hampshire*, DE 09-035, Order No. 25,123, at 31-32 (June 28, 2010); *Eastman Sewer Company*, Inc., Order No. 24,989 (July 24, 2009) at 7-8; *Forest Edge Water Co.*, Order No. 25,017 (Sept. 23, 2009) at 8.

[39] *Public Service Company of New Hampshire*, DE 09-035, Order No. 25,123 (June 28, 2010) at 32.

shows the year-over-year change in net plant over the Investment Years.

Next, on Line 6 and Line 7, we apply the rate of return and a gross-up factor for taxes to the change in net plant amounts on Line 5 to arrive at the total return factor presented on Line 8. The rate of return is based on the Company's proposed 7.62 percent weighted average cost of capital, which is detailed on Attachment EHC/TMD-3 (Perm), page 3.[40] The gross-up factor for taxes is 1.37142 as shown on Attachment EHC/TMD-3 (Perm), page 4. The gross revenue conversion factor is calculated using applicable state and federal income tax rates. The reduced federal income tax rate of 21 percent and the BPT rate of 7.7 percent was used in this gross revenue conversion factor.

On Line 9, we calculate depreciation on the change in net utility plant. Specifically, Line 9 multiplies the change in net plant on Line 5 by the composite depreciation rate of 3.27 percent as provided in Schedule JJS-3 to Company Witness John Spanos' testimony. For ease of reference, the details of the underlying depreciation assumption of 3.27 are provided in Attachment EHC/TMD-3 (Perm), page 5.

On Line 10, we calculate the property tax expense on net utility plant. Line 10 is calculated by multiplying the change in gross utility plant on Line 4 by the average property tax rate mill rate of 2.18 percent. The 2.18 percent rate was calculated by dividing the total property tax expense, or $47,399,352 for all cities and towns served by PSNH by the gross

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40 *See also* Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-40 (Perm), page 1 of 2.

distribution plant in service, or $2,171,045,410. The details underlying the 2.18 percent assumption for property taxes are provided on Attachment EHC/TMD-3 (Perm), page 6.[41]

Q. In addition to depreciation and property tax expense, is the Company proposing to include any other expense items in the Step Adjustment?

Yes. As shown on Line 11, the Company has included PSNH's estimated allocated share of Enterprise IT Projects planned for Investment Years 2020, 2021, and 2022. The details underlying this calculation are provided on Attachment EHC/TMD-3 (Perm), page 7. On Line 12 we have also included anticipated union wage increases for Investment Years 2020, 2021, and 2022 that are expected in the collective bargaining agreement with IBEW Local 1837. The details underlying this calculation are provided on Attachment EHC/TMD-3 (Perm), page 8.

Q. Please provide more detail concerning Enterprise IT Projects.

A. From time to time, Eversource Energy Service Company implements significant enterprise-wide IT projects. The assets implemented through these Enterprise IT Projects include certain common use equipment, primarily computer equipment and enterprise computer applications, that are reflected in plant in service at Eversource Energy Service Company rather than at PSNH, or other Eversource Energy operating companies. The costs of these projects are billed to PSNH as components of O&M expense.

41 *See also* Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-31 (Perm); Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-36 (Perm).

Enterprise IT Projects is comprised of both Enterprise IT Projects Expense and Enterprise IT Projects Depreciation. The proposed Step Adjustment will reflect the net change of both components on a year-to-year basis (similar to the calculation of PSNH net plant additions reflected above). The calculation of Enterprise IT Projects Expense on an annual basis will start with gross expense billed to PSNH and remove the capitalized portion to arrive at the amount charged to expense. The calculation of Enterprise IT Projects Depreciation on an annual basis will start with gross depreciation billed to PSNH and remove the capitalized portion to arrive at the amount charged to depreciation. In support of the calculation, a listing of Eversource Energy Service Company plant assets will be provided on an annual basis as part of the Company's compliance filing, allowing for a straightforward review of the calculation and the net change from year-to-year.

Q. Please provide more detail concerning Union Wage Increases.

A. The collective bargaining agreement with IBEW Local 1837 is set to expire in May 2020. As illustrated in Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-14 (Perm), page 2, the revenue requirement does not contain an increase for union wage increases beyond June 2, 2019. Once a new union collective bargaining agreement is in place, union wage increases will represent known and measurable expenses. Therefore, the Company proposes to reflect these expenses as a component of future annual Step Adjustments.

Q. Why hasn't the Company included estimates of Enterprise IT Project costs or Union Contractual Adjustments in the illustrative Step Adjustment #1 shown on Attachment EHC-TMD-3?

A. As described previously, the Company has included post-Test Year adjustments for each of these items within its permanent base distribution cost of service proposed in this proceeding. Therefore, the Company will not include these expense items in the first Step Adjustment since they will already be reflected in the permanent rates that will take effect July 1, 2020.

Q. What is the timing and mechanics of the proposed Step Adjustments?

A. As noted above, the Company is proposing Step Adjustments to account for capital investments and expenses in 2019 (Investment Year 1), 2020 (Investment Year 2), 2021 (Investment Year 3), and 2022 (Investment Year 4). The Step Adjustments for each of the Investment Years would take place on July 1 of 2020 (Step Year 1), 2021 (Step Year 2), 2022 (Step Year 3), and 2023 (Step Year 4). The Company will make annual compliance filings with the Commission on or before April 30 to document the prior year's actual plant additions and incremental expenses to be incorporated into the upcoming Step Adjustments. For example, the Company would file documentation supporting the actual plant additions and corresponding revenue requirement associated with Investment Year 2019 investments by May 1, 2020 with rates going into effect July 1, 2020, coinciding with the permanent rates going into effect in this proceeding.

Q. What documentation will the Company provide in its annual compliance filings?

A. The Company will file documentation with the Commission as part of the annual compliance filings demonstrating actual costs and that all plant additions for the prior Investment Year are in service.

VII. EXCESS ACCUMULATED DEFERRED INCOME TAXES

A. TCJA

Q. How has the federal tax decrease resulting from the TCJA been reflected in the filing?

A. As noted above, the reduction in the tax rate from 35 percent to 21 percent affects certain tax-related issues. Those issues are: (1) current taxes (Attachment EHC/TMD-1, Schedule 33) and deferred taxes (Attachment EHC/TMD-1, Schedule 34); (2) property and non-property related ADIT shown in Attachment EHC/TMD-8 (Perm), Schedule EHC/TMD-1 for ADIT activity in the rate period; and (3) the impact of the tax rate reduction on the balance of ADIT reflected on the Company's books as of December 31, 2017. The reduction in the federal income tax rate effective January 1, 2018 created an EDIT, which, as described in more detail below, resulted in a reduction in the recorded balance of ADIT offset by a simultaneous establishment of a regulatory liability in the same amount.

B. Deferred Income Taxes

Q. What are ADIT and EDIT?

A. ADIT represents the timing differences between expenses recorded for book purposes versus those for tax purposes. In effect, ADIT generally represents an obligation on the

Company's books to repay the federal government. In addition, ADIT is a component of rate base, whereby it typically reduces the rate base amount relative to the timing differences. As such, ADIT acts as an offset to rate base, on which regulated companies recover their weighted average cost of capital for the use of long-term resources to fund rate base.

The EDIT created by the change in federal income tax rates requires revaluing that tax obligation to the federal government at the new federal tax rate. The EDIT represents the portion of ADIT that is no longer owed to the government by virtue of the lower tax rates effective January 1, 2018, but which is instead owed to and to be returned to customers over time, subject to certain restrictions and requirements in accordance with the TCJA and applicable tax regulations, so as not to violate the normalization rules.

Q. What impact does the federal tax rate decrease have on the deferred taxes in rate base in the current filing?

A. As described above, ADIT is typically a reduction to rate base. In order to comply with the laws and regulations described below, on December 31, 2017 a regulatory liability was set up in the Company's financial statements in the amount of the EDIT, resulting in an offset to the Company's rate base as of January 1, 2018. The regulatory liability will be returned to customers in the future over time. In this proceeding, the Company is proposing to provide PSNH customers with a credit for EDIT, where the annual amount will be amortized to tax expense.

Q. Are there restrictions imposed by the Internal Revenue Code for the amount returned to customers?

A. Yes. The Internal Revenue Service ("IRS") prohibits EDIT for depreciable plant from being used to credit customer rates more rapidly than the actual annual EDIT determined by the Average Rate Assumption Method ("ARAM"). If PSNH reduced customer rates more rapidly than the actual amount determined by the ARAM, it would be in violation of normalization rules and could potentially result in the Company being disqualified from utilizing accelerated depreciation methods and possibly be subject to penalties.

Q. What are the implications of this IRS prohibition and why are the amounts preliminary at this time?

A. The actual benefit in any given year will not be known until the year is concluded and the annual tax return is filed, which typically occurs in the third quarter of the following year. The amount will vary and will be based on a number of factors, including actual depreciation expense activity recorded in any given year. The Company has presented the most recent preliminary estimates of these amounts in Attachment EHC/TMD-8 (Perm), Schedule EHC/TMD-1 (Perm).

Q. Over what period will the Company amortize the EDIT?

A. The EDIT will be refunded to customers as the timing difference for depreciation reverses. In other words, it will reverse as book depreciation exceeds tax depreciation for the underlying assets. The Company estimates that the EDIT will reverse over a life that approximates the book remaining life of the assets, or approximately 24 years.

For the non-property-related deferred taxes that have been used to determine rates, the Company proposes an amortization period of ten years relative to timing differences associated with its Pension and Other Post-Employment Benefits costs, and a five-year period for all of its remaining EDIT differences. Both of these periods relate to the remaining underlying amortization of these differences, which is similar to how amounts would have been amortized to customers in the absence of the TCJA.

In this proceeding, the Company proposes to utilize the EDIT as an offset to the revenue requirements of the GTEP, which is described in Section VIII, Part E below.

C. New Hampshire State Income Tax Changes

Q. Please describe the impact of any changes to the New Hampshire BPT.

A. New Hampshire reduced its BPT rates for the period on or after December 31, 2018 from 8.2 percent to 7.9 percent and from 7.9 percent to 7.7 percent for the period on or after December 31, 2019. The reduction in the state tax rates will affect, among other things, the state tax calculation of the EDIT that will be refunded to customers. A calculation of this impact is shown on Attachment EHC/TMD-8 (Perm), Schedule EHC/TMD-2 (Perm). Although the state portion of deferred tax liabilities has been reflected utilizing the 8.2 percent rate, the reduction of the rate to 7.7 percent necessitates a reduction in the liability, with the reduction of the liability being ascribed to EDIT in the same manner as the federal reduction. If there is any additional reduction in BPT due to the revised rates, the reduction in this tax will also be refunded to customers.

Q. Please describe the five-year refund associated with the state EDIT.

A. The state EDIT is not governed by the same normalization rules that impact the federal EDIT. Therefore, the Company has proposed a shorter amortization period of five years to provide a refund to customers in a more timely manner. As previously stated, the state EDIT amortization table is provided as Attachment EHC/TMD-8 (Perm), Schedule EHC/TMD-2 (Perm). Finally, the Company has provided Attachment EHC/TMD-8 (Perm), Schedule EHC/TMD-3, which sums up the impacts of the state and federal EDITs.

VIII. DISTRIBUTION RATE ADJUSTMENT MECHANISM

Q. Please explain the Distribution Rate Adjustment Mechanism ("DRAM") that the Company is proposing.

A. The Company is proposing a new non-bypassable reconciling rate called the Distribution Rate Adjustment Mechanism ("DRAM"). The proposed DRAM would be an annual rate change in effect from July 1 to June 30 of each year that implements certain outcomes of this rate case, as well as various other Commission directives that may occur in between rate cases. As described further below, the Company anticipates submitting a comprehensive DRAM "umbrella" filing each May 1 for the Commission's review and approval in advance of a single July 1 rate adjustment. The Company proposes a separate Tariff Rider that will incorporate the DRAM for the purposes of adjusting customer rates. The new Tariff Rider is discussed in the testimony of Company Witness Edward A. Davis.

Q. What are the benefits of having a mechanism like the DRAM in place?

A. There are several reasons why implementing the DRAM is appropriate. One reason is that utilizing a single factor to accommodate multiple rate-making matters is an efficient approach, as it reduces the need to have multiple tariffs for different policy or business purposes and creates a streamlined, predictable approach for both Company preparation and Commission review. In addition, establishing a reconciling mechanism outside of base distribution rates will allow for greater transparency in the rate setting process for certain, discrete items that are subject to variability.

Q. Is there precedent for this kind of mechanism?

A. Yes. Unitil has a mechanism called the External Delivery Charge that provides for the recovery and/or reconciliation of cost items similar to what the Company is proposing below.

Q. What costs does the company anticipate will be included in the DRAM?

A. The DRAM is designed as a single factor that will recover or refund the costs associated with multiple programs. The Company is proposing five key programs and initiatives in this case.

- The first component is an update to the Major Storm Cost Recovery mechanism, which will reconcile annual storm costs above or below the level in base rates;
- The second component is a Vegetation Management Program, which will reconcile costs above or below the level of costs provided for in base rates. The specific activities that the Company will undertake in the Vegetation Management Program are discussed in the testimony of Company Witness Robert Allen;

- The third component is a Regulatory Reconciliation Adjustment mechanism, which will recover changes in the Commission assessment from the level in base rates, the Commission and the Office of the Consumer Advocate proceeding consultant expenses, and other Commission-approved expenses;
- The fourth component is the "New Start" Arrearage Management program, which is described more fully in the testimony of Company Witness Penelope M. Conner; and
- The fifth component is the GTEP, which will recover the revenue requirement associated with a suite of system resiliency investments and clean energy demonstration projects. The system resiliency investments include an accelerated pole replacement program, a program to accelerate the relocation and rebuilding of distribution infrastructure within rights-of-way, a program to accelerate the reconductoring of bare, uninsulated conductors, and a program to accelerate the renewal of substation oil circuit breakers. The GTEP also features two demonstration projects that are designed to deliver benefits to customers and evaluate the performance of cutting-edge clean energy technologies in the field. The first is the Westmoreland Clean Innovation Project. This demonstration project is designed to provide backup power for hundreds of rural customers and critical town facilities while avoiding construction of a new electric distribution line and helping to reduce peak energy costs and greenhouse gas emissions for all New Hampshire customers. The second project is the Oyster River Clean Innovation

Project. This project will enhance resiliency of electric service while serving as an opportunity to advance the body of knowledge for future clean energy community microgrid development in New Hampshire. The GTEP is described more fully in separate testimony in which Company Witnesses Joseph Purington and Lee Lajoie discuss the system resiliency investments in Part I, and Charlotte Ancel and Jennifer A. Schilling discuss the demonstration investments in Part II.

The Company anticipates that the DRAM would be employed to recover the costs of other Commission-approved programs and initiatives in the future. For example, the Company expects the rate recovery mechanism under the Commission Staff's proposed Integrated Distribution Plan cycle to be implemented as part of the DRAM. In addition, as described in the testimony of Company Witness Davis, the Company proposes to recover LBR associated with the installation of distributed generation as part of the DRAM.

Q. Is the DRAM significantly different than recent Commission-approved methodologies for recovery of the categories of costs identified above?

A. No. For example, when the REP costs changed from year to year, distribution rates were adjusted annually to account for these changes. Similarly, a reconciling mechanism for the costs outlined above is a transparent and straightforward way to adjust rates annually. In addition, the DRAM streamlines the process for Commission review and recovery of regulatory assessments for the expenses of the Commission and consulting costs.

A. Major Storm Cost Recovery Mechanism

Q. Please explain how the current annual storm funding amount was established for PSNH.

A. The Company is allowed to defer costs attributable to pre-staging and restoration efforts associated with severe weather events. As discussed above, under the settlement in Docket No. DE 99-099, PSNH established the MSCR, with annual funding of $3 million, for the purpose of covering the incremental costs associated with severe weather events. Next, under the settlement in Docket No. DE 09-035, PSNH was authorized to increase the annual level of funding to $3.5 million. PSNH was subsequently authorized to increase the annual funding level to $7 million pursuant to Order No. 25,382 (June 27, 2012) in Docket No. DE 12-110. Then, Order No. 25,465 (February 26, 2013) in Docket No. DE 12-320 allowed pre-staging events that had a "high" probability of reaching "Level 3" according to the Edison Event Index ("EEI") framework to be eligible for recovery under the MSCR. Under Order No. 25,534 (June 27, 2013) in Docket No. DE 13-127, PSNH was authorized to increase the funding level to $12 million annually, where it has remained since that time.

Q. Please explain why the Company is proposing a new major storm cost reconciliation factor outside of base rates.

A. As recent history indicates, the frequency and severity of storm events has increased and the costs of responding to those events to restore power for customers in an expeditious fashion have increased as well. Also, recent history suggests that the current ratemaking mechanism for storm cost recovery is less than ideal for the Company and its customers.

As discussed above, due primarily to significant storm activity in 2017 and 2018, as of December 31, 2018, the net deficit for the Company's storm reserve totaled approximately $68.5 million. It is not beneficial to the Company or customers to continue forward with a ratemaking mechanism that produces deferrals of this magnitude. This lengthy delay in recovery has the equivalent financial effect of a "revenue lag" in that the Company is financing a significant investment over an extended period of time until the amounts are included in rates and recovered in revenues.

Simply put, the current MSCR mechanism is not designed to recover the costs of storm events that are exceptional in magnitude or frequency. Accordingly, the Company proposes refinements to storm cost recovery that better reflects the frequency and severity of storm events and is more beneficial for the Company and its customers.

Q. Please explain how the major storm cost recovery reconciliation mechanism included for recovery in the DRAM will work.

A. As noted above, the Company currently collects $12 million of funding for its MSCR through base distribution rates. In this proceeding, the Company is proposing to split the MSCR into two components. As for the first component, the Company proposes to continue the current practice of having a base level of storm funding in base distribution rates. In the second component, the Company proposes that a mechanism be established outside of base rates to reconcile annual storm funding shortages or surpluses to ensure timely recovery of storm costs, which will minimize carrying charges for customers. The storm cost reconciliation factor will be adjusted annually on July 1 and will reconcile the prior calendar year's storm costs compared to the base level storm funding.

Q. What level of storm funding is the Company proposing to be included in base distribution rates?

A. The Company is proposing that the annual level of storm funding to be included in base distribution rates be reduced from the current annual funding amount of $12 million to $8 million.

Q. How was the proposed annual storm funding level of $8 million established?

A. As shown on Attachment EHC-TMD-4 (Perm), the $8 million storm funding level was calculated by taking the 5-year average (2014 through 2018) of annual storm cost excluding the exceptionally large events that occurred in November 2014 and October 2017.

Q. Why have the two exceptionally large storm events been excluded from the calculation of annual average storm funding level included in base distribution rates?

A. Since exceptionally large events or an unusually high frequency of events in the aggregate occur on an irregular basis, the Company is proposing to recover these costs in a separate recovery mechanism outside of base rates. To avoid significant bill impacts by seeking recovery of exceptionally large storm costs in a single year, the Company is proposing the following recovery guidelines, with carrying charges, at the approved rate of return dependent upon the magnitude of the storm restoration:

- A one-year recovery period for storm-related costs (incremental to the $8 million in base rates) in a single-year that total less than $15 million;

- A three-year recovery period for incremental storm-related costs (incremental to the $8 million in base rates) in a single-year that totals over $15 million but less than $25 million; and
- A five-year recovery period for storm-related costs (incremental to the $8 million in base rates) in a single-year that totals over $25 million.

This proposal strikes an appropriate balance between providing the Company with a reasonable timeframe to collect the deferred storm cost balance and levelizing bill impacts to customers.

Q. Please define the requirements for a weather event to be applicable for recovery within the new major storm cost reconciliation mechanism.

A. The Company proposes to keep the requirements identical to those in place today. For all impending storms, Eversource receives an Energy Event Index ("EEI") from its outside vendor, DTN (formerly Telvent DTN). The EEI provides highly detailed weather forecasts by region and zone for the Eversource Energy service area. DTN's EEI forecast includes all relevant weather metrics needed to determine the likely severity and location of an impending storm. The EEI ranks the strength of the storm on a scale from 1 to 5, with 5 being the most severe with the potential to cause the most damage, and then applies a likelihood against the forecasted strength of the storm. Pursuant to the criteria established in Docket No. DE 12-320, pre-staging costs can be recovered through the MSCR if the weather event has a "high" (greater than 60 percent based on the forecast) probability of reaching "Level 3" or stronger, according to the EEI.[42] For non-prestaging events, once a storm has hit, for a weather event to be considered a Major Storm eligible for recovery through the MSCR certain criteria must be met. A Major Storm is defined as an event that results in either: (a) 10 percent or more of Eversource's retail customers being without power in conjunction with more than 200 reported troubles; or (b) more than 300 reported troubles during the event.[43]

Q. Please explain the annual process that the Company will follow to address the change in the major storm cost recovery mechanism component.

A. As part of its proposed annual May 1 compliance filing to the Commission, the Company will submit information and documentation, consistent with current practices, for the costs associated with the prior calendar year's storm activity or any prior year for which appropriate documentation has become available and compare those costs to the funding amount collected in base distribution rates.[44] The difference between these two amounts will be included for recovery or refund as part of the storm cost reconciliation component to be included in the DRAM effective July 1 each year.

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42 *See* Order No. 25,465 (February 26, 2013) in Docket No. DE 12-320, at 4.

43 *See* Order No. 25,465, at 1.

44 The Company utilizes the services of third-party contractors to assist with storm restoration activities. The invoices from third-party contractors are not always submitted in an expeditious fashion and therefore there may be instances where the Company receives invoices for services performed in connection with storm restoration activities after the May 1 compliance filing date has passed. In such cases, the Company would seek recovery and submit the relevant documentation once it has become available in the compliance filing immediately following the receipt of the appropriate, relevant storm cost documentation.

Q. What is the benefit to customers of providing for storm-cost recovery through a separate reconciling factor?

A. As discussed above, recent history indicates that the frequency and severity of major storm events has increased and the costs of responding to those events to restore power for customers in an expeditious fashion have increased as well. These storm restoration costs can be significant and unpredictable and therefore they do not ideally lend themselves to recovery solely through base rates. Indeed, continuing forward without a reconciling mechanism for storm costs would likely result in more frequent rate cases, which would be more expensive to customers and administratively burdensome for both the Company and the Commission.

B. Vegetation Management Program Reconciling Mechanism

Q. Why is the Company proposing a separate tracking mechanism for its Vegetation Management Program?

A. As discussed in the testimony of Company Witness Robert D. Allen, the Company views vegetation management as a critical-path strategy to maintain system reliability and resiliency. The Company has done enhanced vegetation management through the REP that has delivered tangible benefits to customers in the form of reliability and resiliency and it is essential to sustain these activities to continue to deliver these benefits into the future.

Looking ahead, it is vital for the Company to continue its vegetation management activities for three fundamental reasons. First and foremost, in one of the most forested states in the country, most of the outages on the Company's system are caused by trees and tree limbs.

Second, although the Company has long taken proactive steps to enhance and protect its distribution system, the Company's system is unavoidably exposed to weather events, and vulnerable in the harsh conditions that occur with ice storms, heavy wet snow, and wind events that cause substantial damage to the distribution system and cause power interruptions. These types of events are becoming more frequent and more severe and the Company needs to take steps beyond historical practice to address this trend. Third, a resilient grid infrastructure is necessary as a foundation for an increasingly modernized grid. Without a resilient grid, real-time sensing and monitoring investments made as part of a grid-modernization program are rendered ineffective because the grid would lack sufficient foundation to optimize the use of the modern technology.

Q. Please explain why the Company is proposing to reconcile vegetation-management costs on an annual basis.

A. As discussed in the testimony of Company Witness Robert D. Allen, the level of non-maintenance cycle trim tends to vary from year to year, often due to factors outside of the Company's control, so it is appropriate to have a program and a separate tracking mechanism that addresses this variability to ensure appropriate and timely recovery.

Q. Please explain the mechanics of the Vegetation Management Program component included for recovery in the DRAM.

A. Similar to the other New Hampshire electric utilities, the Company is proposing a mechanism to reconcile the prior calendar year's actual Vegetation Management Program costs to the amount in base distribution rates. That reconciliation will be included as a component of the DRAM.

Q. What level of vegetation management expense is the Company proposing to be included in base distribution rates?

A. As shown on Attachment EHC/TMD-1, Schedule EHC/TMD-5, page 2, line 37, Column (F), the adjusted Test Year expense for vegetation management is $32,029,864. This amount consists of $14,016,121 in maintenance trimming and an adjustment totaling $18,013,743. As discussed above, the $18,013,743 adjustment primarily reflects a $16,800,000 increase associated with the reclassification of vegetation management costs as O&M expense consistent with annual amounts approved for the 2019 REP in Docket No. DE 18-177. The remainder of the $18,013,743 adjustment is a $1,213,743 increase associated with tree-trimming maintenance services performed by the Company for a third-party pole owner that have been billed but that remain unpaid.

Q. Please explain the proposed annual process that the Company will follow to address the change in the Vegetation Management Program component.

A. Annually on or about September 1 of each year, the Company will submit preliminary information to the Commission for review regarding the expected vegetation management activities and the targeted expenditures for the upcoming calendar year. The Company may provide for the Commission's consideration a plan with budgets that exceed the base amount provided for in base rates consistent with system or emergent conditions or other factors that warrant an increase in vegetation management activities to help ensure system reliability and maintain forward progress with the Company's long-term vegetation management plan for the system.

Consistent with the practice under REP, the Company will meet with Staff to discuss its preliminary plan and submit a revised plan incorporating Staff's feedback on or about November 15. The Company would request a decision by the Commission approving the twelve-month plan by January 1.

Then, on May 1 of the calendar year following that twelve-month period, the Company will submit a filing with the Commission presenting information for the prior calendar year's vegetation-management costs and compare it to the funding amount collected in base distribution rates. The difference (i.e., any over- or under-collection) between these two amounts would be included for recovery from customers or credited against future Vegetation Management Program expenditures above the amount set in base distribution rates, with appropriate carrying charges, as part of the Vegetation Management Program component to be included in the DRAM effective July 1 each year.

C. Regulatory Reconciliation Adjustment Mechanism

Q. What level of expense is the Company proposing to be included in base distribution rates for regulatory assessment expenses?

A. As shown on Attachment EHC/TMD-2, Schedule EHC/TMD-5, page 2, line 39, Column (H), the Company proposes to include $4,766,319 in base rates for regulatory assessment expenses.

Q. Please explain how the Regulatory Reconciliation Adjustment Mechanism included for recovery in the DRAM will work.

A. The regulatory reconciliation adjustment component will be adjusted annually and shall include the following three categories of charges (or others that might come from law, rule, or order): (1) changes in the amounts above or below the total Commission assessment allowed for recovery in base distribution and energy service rates in accordance with RSA 363-A:6; (2) prior calendar year deferred Office of Consumer Advocate and Commission proceeding expenses consistent with those previously approved in Docket No. DE 17-160 and DE 18-177; and (3) other Commission approved regulatory expenses or recoveries (e.g., costs associated with pilot programs approved in Docket No. DE 16-576).

Q. Please explain the annual process that the Company will follow to address the change in the cost included in the regulatory reconciliation adjustment component.

A. As part of its proposed annual May 1 compliance filing to the Commission, the Company will file information reconciling prior year activity and submit for recovery the prior calendar year's expenses eligible for recovery via the regulatory reconciliation adjustment component included in the DRAM effective July 1.

D. New Start Arrearage Forgiveness Program

Q. Please explain why the "New Start" Arrearage Forgiveness Program is being included for recovery in the DRAM.

A. As described in the testimony of Penelope M. Conner, the Company is proposing to implement a New Start Arrearage Forgiveness program. New Start provides payment assistance for qualifying residential customers struggling with past due utility bills. The concept of New Start is straightforward, in that for every one-time monthly payment a customer enrolled in the program makes to the Company, a portion of their past due balance will be forgiven.

Q. What costs related to the New Start program is the Company seeking for recovery?

A. The Company is seeking to recover the costs associated with the portions of past due balances forgiven described above and the program implementation costs. As discussed in the testimony of Company Witness Penelope M. Conner, the Company estimates that it will cost approximately $1.7 million to implement the New Start program, including reprogramming and testing the Company's C2 System, and its back-office processes and web interfaces (e.g., Payment Plan Portal).

Q. Please explain the Company's proposal for recovering the past due balances forgiven through the New Start Program.

A. Consistent with its approach in Massachusetts, the Company is seeking to recover 100 percent of the forgiven past due balance amounts for customers enrolled in the New Start program through the DRAM.

As part of its proposed annual May 1 compliance filing to the Commission, the Company will submit the tracked amounts of forgiven past due balances for inclusion in the next DRAM rate adjustment effective July 1.

Q. Please explain the Company's proposal for recovering the implementation costs of the New Start Program.

The Company is not seeking recovery of the capital costs associated with program implementation through the DRAM. Instead, if the New Start program is approved by the Commission, the Company would seek recovery of the capital costs associated with program implementation through the Step Adjustment mechanism.

E. Grid Transformation and Enablement Program

Q. Please provide an overview of the GTEP cost-recovery mechanism as presented in this testimony.

A. The GTEP is a multi-year initiative to accelerate capital work targeted at upgrading the condition of the distribution system for greater resiliency and the integration of advanced clean energy technologies. To accomplish the objectives of the GTEP, the Company is requesting approval of a cost-recovery mechanism to provide post-rate case support for the program costs. The Grid Transformation and Enablement Program Factor ("GTEP Factor") is an annual rate adjustment and reconciliation factor to recover: (1) actual, eligible preauthorized expenditures on a calendar year basis, starting with the Rate Year; and (2) a reconciliation component in the second year and beyond. The GTEP Factor would be part of the DRAM and will provide a rate adjustment for Commission-approved investments that are forecasted to be placed in service pursuant to GTEP, subject to future reconciliation. The mechanism is essential to enable the Company to fund the program investments described in the GTEP Part I testimony of Mr. Purington and Mr. Lajoie, as well as the demonstration projects described in the GTEP Part II testimony of Ms. Ancel and Ms. Schilling.

Q. Will the GTEP Factor be limited to preauthorized expenditures?

A. Yes. Only investments that are preauthorized by the Commission will be eligible for cost recovery through the GTEP Factor. Commission preauthorization of GTEP investments means that the Commission will approve the decision to proceed with those investments, and in future reconciliation proceedings will review the prudence of the implementation of these investments pursuant to that authorization.

Q. Are you presenting any schedules or exhibits in support of the GTEP Factor proposal?

A. Yes, in support of this proposal, we are presenting Attachment EHC/TMD-9 (Perm), which calculates an illustrative annual revenue requirement for the program. There are four schedules contained in this Attachment:

- Schedule EHC/TMD-1 (Perm) shows a summary of the revenue requirements;
- Schedule EHC/TMD-2 (Perm) shows capital additions and O&M expense associated with the program;
- Schedule EHC/TMD-3 (Perm) shows support for income tax calculations; and
- Schedule EHC/TMD-4 (Perm) shows return on rate base and capital structure.

Q. Why does GTEP require a cost-recovery mechanism for post-rate case support of program investments?

A. The GTEP investments in substations, overhead lines, poles and demonstration projects are critical investments to upgrade the condition of the distribution system for greater resiliency and for the integration of advanced clean energy technologies. The program will enable PSNH to identify, plan and develop projects to meet customer demand for increased system integration of clean energy technologies into the future. The GTEP Factor is necessary to support dedicated funding for the planned levels of investment, ensure prudent cost incurrence and documentation for program expenditures, and provide timely recovery with a reasonable rate path for customers.

Q. What are the incremental investment requirements for the GTEP?

A. Commencing July 1, 2020, the GTEP program investments will include $37.5 million annually for resiliency-focused investments, as described in the testimony of Mr. Purington and Mr. Lajoie. PSNH expects that spending in 2020 will be a portion of the annual estimate, whereas calendar years 2021 and beyond will reflect spending closer to the full annual estimate. In addition, investments for demonstration projects as described in the testimony of Ms. Ancel and Ms. Schilling are expected to commence in 2021. Expected capital additions for all of these investment categories are summarized in Attachment EHC/TMD-9 (Perm), Schedule EHC/TMD-2 (Perm).

Q. Will the Company implement specific accounting processes for GTEP costs?

A. Yes. Upon receipt of the Commission's order authorizing implementation of the GTEP, the Company will implement an accounting process to specifically track associated program costs. The Company will track GTEP projects and work orders separately from base capital work. The investment categories to be created for the initial filing are anticipated to be classified as follows:

- Poles
- Overhead line relocation, reconstruction, and reconductoring
- Substation renewal
- Demonstration projects

All GTEP work orders shall link to a specific GTEP project. All GTEP projects shall link to a specific investment category. The project approval process shall remain consistent with that of normal base capital work, which involves adhering to the APS-1 Project Authorization Policy, including review of the project process and associated cost incurrence at project governance meetings.

Q. Please describe the annual process for updating the GTEP Factor.

A. This process will entail several major steps.

First, on or about September 1 of each year, the Company plans to file a preliminary forecast of GTEP investments for the following calendar year and discuss that plan with Commission Staff.

Next, on or about November 15 of each calendar year, and starting in 2020, it shall provide the Commission with a compliance filing that forecasts the Company's expected spending under the GTEP Factor for the upcoming calendar year. This compliance filing will incorporate Staff's earlier feedback on the program. The Company would request an order approving the plan by January 1.

Subsequently, on an annual basis and as part of the Company's May 1 compliance filing under the proposed DRAM, the Company will provide two GTEP-related items: (1) a revenue requirement calculation for the current calendar year consisting of actual capital spend to date and a forecast for the balance of the year, and (2) a report to the Commission reconciling actual GTEP costs in the prior period, including a proposed reconciling adjustment to be made as part of the revenue requirement for the upcoming year. The current-year GTEP revenue requirement and prior-year reconciliation amounts approved by the Commission will be implemented as part the annual July 1 DRAM rate adjustment.

Q. Please describe in further detail the type of information the Company will provide in its annual reconciliation filings.

A. As part of its May filings, the Company will calculate a reconciliation of the actual revenue requirement for the prior calendar year versus the previously-approved forecasted revenue requirement that had been incorporated into rates under the DRAM. For this reconciliation, the Company will provide exhibits with information such as the investment summary by month for the preauthorized GTEP investments that were placed in service in the investment year; a summary view of capital additions categorized by plant account and investment category; and a summarized list of all GTEP investments placed in service.

Q. When will the revenue requirements from GTEP be incorporated into base distribution rates?

A. The Company proposes to incorporate previously-authorized capital investments and recurring O&M from the GTEP Factor into base distribution rates at the time of the Company's next rate case following the current rate case proceeding, at which time the GTEP revenue requirement within the DRAM will reset to include forward-looking incremental expenditures.

Q. Will interest accrue on over- or under-recovery of the GTEP revenue requirement?

A. Yes. Interest will accrue on over- or under-recovery calculated on the average monthly balance using the prime rate.

Q. How will the annual revenue requirement be calculated?

A. For the year in which eligible GTEP investments are placed into service, the annual revenue requirement will be calculated on a monthly basis. The annual revenue requirement will be calculated based upon average annual costs in subsequent years. The return on eligible GTEP plant investment shall be the most recent weighted average cost of capital approved in the Company's most recent rate case.

Depreciation expense shall be set at the depreciation rates approved by the Commission in the Company's most recent rate case. For the year during which the eligible GTEP plant is placed into service, the Company shall calculate depreciation expense by: (1) dividing the annual depreciation rate by twelve; and (2) applying the resulting rate to the average monthly plant balance over the course of the year. Depreciation for subsequent years shall be based on the average of beginning and end of year plant balances.

Incremental property tax expenses associated with the GTEP investments will be included in the GTEP revenue requirement.

Q. Will the GTEP Factor recover O&M costs?

A. Yes. O&M costs will be defined as the actual monthly GTEP O&M expenses incurred through the prior twelve-month investment year, and proven to be incremental, preauthorized, and reasonable. The Company expects to incur incremental O&M associated with the resiliency-focused investments, as well as recurring non-labor O&M for warranty and maintenance costs for the Westmoreland Clean Innovation Project, as described in the testimony of Ms. Ancel and Ms. Schilling.

As shown on Attachment EHC/TMD-9 (Perm), Schedule EHC/TMD-2 (Perm), Line 40, an annual O&M figure for the program is estimated to be $5,890,000. This includes $5,750,000 in incremental expenses associated with the resiliency initiatives, and $140,000 of non-labor expenses on a recurring basis once the Westmoreland Clean Innovation Project has been placed in service.

Q. From a rate design perspective, how will costs be allocated to the rate classes?

A. GTEP costs shall be allocated to each rate class using the distribution revenue allocator approved in the Company's most recent base distribution rate case. In addition, the GTEP revenue requirement will be recovered from customers through a tariff update corresponding to the DRAM. Please see Attachment EAD-1 and EAD-2 to the testimony of Company witness Edward A. Davis, which includes a proposed update to the tariff entitled "NHPUC No. 10 – Electric Delivery."

Q. Similarly, how will costs be collected from customers?

A. The GTEP Factor shall collect costs as part of the DRAM based on rate design principles as described in the testimony of Company witness Mr. Edward Davis.

Q. Has the Company developed an illustrative revenue requirement for the program?

A. Yes. Attachment EHC/TMD-9 (Perm) an illustrative annual revenue requirement computation for GTEP, absent any mitigation measures. The illustrative revenue requirement is based on estimates of expenditures under each investment category and is provided primarily for the purposes of illustrating the order of magnitude of the program. A summary of the revenue requirement can be found on Attachment EHC/TMD-8 (Perm), Schedule EHC/TMD-1 (Perm). As shown on Line 41, Column (B), the revenue requirement for the Rate Year is estimated to be $4,488,697.

Q. Please summarize the Company's request with respect to the GTEP Factor.

A. The Company seeks the Commission's approval of the GTEP Factor, which will authorize PSNH to obtain preauthorization for the investments described and a budget based on the estimated project investments, including the proposed process for compliance filings, rate adjustments, and reconciliation.

In addition, the Company requests to include $4,488,697 for the revenue requirement of GTEP in the Rate Year as part of the DRAM. This amount is shown in Attachment EHC/TMD-9 (Perm), Schedule EHC/TMD-1 (Perm), Line 41, Column (B) and reflects the partial-year investments that the Company plans to make in calendar year 2020. The amount will be reflected as part of the DRAM as of July 1, 2020, subject to reconciliation as part of the proposed May 1, 2021 DRAM compliance filing.

Q. Has the Company identified an approach to mitigate the rate impact of GTEP on customers?

A. Yes. In the Commission's order in Docket No. DE 18-049 ("Investigation to Determine Rate Effects of Federal and State Corporate Tax Reduction"), the Commission instructed the Company to address the impacts of the EDIT resulting from the TCJA as follows:

> [I]f Eversource files a distribution rate case for rates effective July 1, 2019, or before, Eversource shall include a calculation of the tax reductions, a proposed refund of the over-collection from January 1, 2018, with interest, and a downward rate adjustment of some type reflecting EDIT, and a reduced revenue requirement.[45]

Pursuant to this requirement, the Company proposes to partially offset the GTEP revenue requirement with an annual credit to that revenue requirement in the amount corresponding to the EDIT amount available for refund according to normalization guidelines.

[45] Order No. 26,177 (September 27, 2018).

Q. Please explain the rationale for the Company's proposal to leverage the EDIT to offset GTEP costs.

A. As described in the testimony of Mr. Purington and Mr. Lajoie, the incremental investments proposed under GTEP are critical to updating the system in order to provide a higher level of resiliency and to support the integration of advanced clean energy technologies. The EDIT resulting from the TCJA is a once-in-a generation funding source that provides a unique opportunity to mitigate the customer bill impacts for the transformational investments within the objectives of GTEP.

Q. What is the approximate amount of the annual credit to the GTEP revenue requirement under the Company's proposal?

A. The EDIT amount available for refund on an annual basis is described above in Section VII and is calculated as shown in the schedules of Attachment EHC/TMD-8 (Perm). In the Rate Year, this amount is approximately $7.6 million on a pre-tax basis.

Q. How will the EDIT amount be reflected in distribution rates?

A. The annual EDIT credit will be a reduction to the annual GTEP revenue requirement and will be reflected in the DRAM starting in July 1, 2020.

IX. CONCLUSION

Q. Does this conclude your testimony?

A. Yes, it does.

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OVERALL FINANCIAL SUMMARY

Description	Unadjusted Test Year Ended 12/31/2018	Adjusted Test Year Ended 12/31/2018	Test Year Pro Forma	Reference to Supporting Schedule
Rate base	$ 1,219,366,601	$ 1,219,366,601	$ 1,215,667,897	Sch. EHC/TMD-36 (Perm)
Operating income	69,095,471	53,751,524	41,944,680	Sch. EHC/TMD-5 p.2 (Perm)
Earned rate of return	5.67%	4.41%	3.45%	Line 20 / Line 19
Requested rate of return/cost of capital	7.08%	7.08%	7.62%	Sch. EHC/TMD-40 (Perm)
Required operating income	86,345,788	86,345,788	92,590,130	Line 19 X Line 23
Income sufficiency/(deficiency)	(17,250,317)	(32,594,264)	(50,645,450)	Line 20 - Line 24
Gross revenue conversion factor	1.37440	1.37440	1.37142	Sch. EHC/TMD-2 (Perm)
Revenue (increase)/decrease required	(23,708,843)	(44,797,570)	(69,456,299)	Line 25 X Line 26
Uncollectible adjustment	(155,791)	(294,365)	(456,397)	Line 28 * Net Write-off %
Total (increase)/decrease required	$ (23,864,634)	$ (45,091,935)	$ (69,912,696)	Line 28 + Line 29
Refund of Federal Tax Surplus (period from 1/18 - 6/19)		(11,993,902)		Sch. EHC/TMD-1 p. 2 (Perm)
		$ (33,098,033)		Line 31 - Line 33

NOTE: Numbers may not add due to rounding.

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DEFERRED TAX BENEFIT

Month	Beginning Balance	(Note 1) Activity	Ending Balance	Tax Rate	Tax Effected Balance	(Note 2) Stipulated ROR	Carrying Charges	Account #229TXD Ending Balance With Carrying Charges	Docket No. DE 18-177 Att CJG-1 Page 18 Forecasted REP Deferral	Net Deferred Tax Benefit
January 2018	$ -	$ 1,023,000	$ 1,023,000	27.24%	$ 744,325	0.59%	$ 2,186	$ 1,025,186		
February 2018	$ 1,023,000	$ 1,023,000	$ 2,046,000	27.24%	$ 1,488,649	0.59%	$ 6,558	$ 2,054,744		
March 2018	$ 2,046,000	$ 1,023,000	$ 3,069,000	27.24%	$ 2,232,974	0.59%	$ 10,930	$ 3,088,674		
April 2018	$ 3,069,000	$ 1,023,000	$ 4,092,000	27.24%	$ 2,977,298	0.59%	$ 15,315	$ 4,126,989		
May 2018	$ 4,092,000	$ 1,023,000	$ 5,115,000	27.24%	$ 3,721,623	0.59%	$ 19,691	$ 5,169,679		
June 2018	$ 5,115,000	$ 1,023,000	$ 6,138,000	27.24%	$ 4,465,947	0.59%	$ 24,066	$ 6,216,746		
July 2018	$ 6,138,000	$ 1,023,000	$ 7,161,000	27.24%	$ 5,210,272	0.58%	$ 27,903	$ 7,267,649		
August 2018	$ 7,161,000	$ 1,023,000	$ 8,184,000	27.24%	$ 5,954,597	0.58%	$ 32,196	$ 8,322,845		
September 2018	$ 8,184,000	$ 1,023,000	$ 9,207,000	27.24%	$ 6,698,921	0.58%	$ 36,489	$ 9,382,333		
October 2018	$ 9,207,000	$ 1,023,000	$ 10,230,000	27.24%	$ 7,443,246	0.57%	$ 40,431	$ 10,445,764		
November 2018	$ 10,230,000	$ 1,023,000	$ 11,253,000	27.24%	$ 8,187,570	0.57%	$ 44,687	$ 11,513,450		
December 2018	$ 11,253,000	$ 1,023,000	$ 12,276,000	27.24%	$ 8,931,895	0.57%	$ 48,942	$ 12,585,393		
January 2019	$ 12,276,000	$ 1,023,000	$ 13,299,000	27.08%	$ 9,697,232	0.58%	$ 54,104	$ 13,662,497	$ (383,501)	
February 2019	$ 13,299,000	$ 1,023,000	$ 14,322,000	27.08%	$ 10,443,173	0.58%	$ 58,494	$ 14,743,991	$ (1,726,831)	
March 2019	$ 14,322,000	$ 1,023,000	$ 15,345,000	27.08%	$ 11,189,114	0.58%	$ 62,826	$ 15,829,817	$ (3,072,120)	
April 2019	$ 15,345,000	$ 1,023,000	$ 16,368,000	27.08%	$ 11,935,055	0.58%	$ 67,159	$ 16,919,977	$ (4,419,329)	
May 2019	$ 16,368,000	$ 1,023,000	$ 17,391,000	27.08%	$ 12,680,995	0.58%	$ 71,492	$ 18,014,469	$ (5,768,427)	
June 2019	$ 17,391,000	$ 1,023,000	$ 18,414,000	27.08%	$ 13,426,936	0.58%	$ 75,825	$ 19,113,294	$ (7,119,392)	
Net Deferred Tax Benefit										$ 11,993,902

Note 1: See Attachment EHC/TMD-3 (Temp).

Note 2: Assumes 1) capital structure comprised of 60% debt and 40% equity; 2) after tax ROE of 8%; and 3) debt costs of 4.4174%, 4.4274%, 4.2046%, 4.1054% and 4.303% for the 5 quarters from Q4 2017 through Q4 2018 respectively.

NOTE: Numbers may not add due to rounding.

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COMPUTATION OF GROSS REVENUE CONVERSION FACTOR
TEST YEAR ENDED 12/31/2018 & TEST YEAR PRO FORMA

Description	Test Year Ended 12/31/2018	Adjusted Test Year	Test Year Pro Forma
Operating revenue percentage	100.000%	100.000%	100.000%
Less: New Hampshire corporate business tax	7.900%	7.900%	7.700%
Operating revenue percentage after state taxes	92.100%	92.100%	92.300%
Federal income tax rate	21.000%	21.000%	21.000%
Federal income tax	19.341%	19.341%	19.383%
Operating income after federal income tax	72.759%	72.759%	72.917%
Gross revenue conversion factor	137.440%	137.440%	137.142%

Note: Amounts shown above may not add due to rounding.

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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

REVENUE REQUIREMENT

Line	Description	Operating Revenue and Expenses: Per books 12/31/2018 As adjusted	Proposed Increase	At Proposed Rates	Reference
20	(A)	(B)	(C)	(D) = (B) + (C)	(E)
21	Operating Revenues	$ 366,289,983	$ -	$ 366,289,983	
22	Rate Increase	-	69,912,696	69,912,696	
23	Operating Revenues	366,289,983	69,912,696	436,202,680	Line 21 + Line 22
25	Operations & Maintenance Expenses	167,728,188		167,728,188	
26	Uncollectibles Expense Associated with Revenue Increase		456,397	456,397	
28	Depreciation and Amortization Expense	94,785,798	-	94,785,798	
30	Taxes Other Than Income Taxes	52,537,385	-	52,537,385	
32	Operating Income Before Income Taxes	51,238,612	69,456,299	120,694,911	Line 23 - Sum of Line 25 - Line 30
34	Income Taxes	9,293,931	18,810,849	28,104,781	
36	Operating Income After Income Taxes	$ 41,944,680	$ 50,645,450	$ 92,590,130	Line 32 - Line 34
38	Rate Base			$ 1,215,667,897	
40	Rate of Return on Rate Base			7.62%	Line 36 / Line 38

(B) Per book amounts adjusted for known and measurable changes

NOTE: Numbers may not add due to rounding.

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OPERATING REVENUE SUMMARY

Description	Test Year Ending 12/31/2018	Reclass/Remove Adjustment Clauses	Test Year Distribution Revenues	Normalizing Adjustments	Adjusted Test Year	Pro Forma Adjustments	Test Year Proforma	Reference
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Distribution Revenue								
Distribution Revenue - Billed	$ 350,469,188	$ -	$ 350,469,188	$ 23,000	$ 350,492,188	$ -	$ 350,492,188	
Distribution Revenue - Unbilled	(630,072)	-	(630,072)	-	(630,072)	-	(630,072)	
Total Distribution Revenue	$ 349,839,116	$ -	$ 349,839,116	$ 23,000	$ 349,862,116	$ -	$ 349,862,116	Sum of Lines 21 and 22
Reconciliation Mechanism								
Retail Transmission Revenue	168,884,457	(168,884,457)	-	-	-	-	-	
Energy Efficiency Revenue	23,825,806	(23,825,806)	-	-	-	-	-	
Transition Revenue	96,042,501	(96,042,501)	-	-	-	-	-	
Retail Revenues - ES Large/Small Customers	231,798,653	(231,798,653)	-	-	-	-		
EAP Revenue	1,141,100	(1,141,100)	-	-	-	-	-	
Regulatory PSNH Total Energy Service Revenue	82,149,769	(82,149,769)	-	-	-	-	-	
Total Reconciliation Mechanism	$ 603,842,286	$ (603,842,286)	$ -	$ -	$ -	$ -	$ -	Sum of Lines 27 - 32
Other Revenues								
Sales for Resale (447)	$ 67,976,847	$ (63,045,447)	$ 4,931,400	$ -	$ 4,931,400	$ -	$ 4,931,400	
Provision for Rate Refunds (449)	(25,987,199)	13,711,199	(12,276,000)	12,276,000	-	-	-	
Late Payment Charges (450)	959,162	-	959,162	999,432	1,958,594	-	1,958,594	
Misc. Service Revenues (451)	3,108,541	-	3,108,541	-	3,108,541	608,221	3,716,762	
Rent from Electric Property (454)	7,608,715	(1,889,825)	5,718,890	(9,140)	5,709,750	59,526	5,769,275	
Other Electric Revenue (456)	(11,551,915)	11,603,751	51,836	-	51,836	-	51,836	
Revenues - Transmission of Electr Others (456.1)	51,213,859	(51,213,859)	-	-	-	-	-	
Total Other Revenues	$ 93,328,010	$ (90,834,181)	$ 2,493,829	$ 13,266,292	$ 15,760,121	$ 667,747	$ 16,427,867	Sum of Lines 38 - 44
Total Operating Revenues	$ 1,047,009,412	$ (694,676,467)	$ 352,332,945	$ 13,289,292	$ 365,622,237	$ 667,747	$ 366,289,983	Line 24 + Line 34 + Line 46

NOTE: Numbers may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

OTHER REVENUES - Miscellaneous Service and Electric Revenues

FERC	Description	Adjusted Test Year	Pro Forma Adjustment	Test Year Pro Forma	Reference
(A)	(B)	(C)	(D)	(E)	(F)
451	Reconnection & Reactivation Fees	$ 2,313,677	$ 119,493	$ 2,433,170	
451	Collection Charges	757,620	337,318	1,094,938	
451	Supplier Service Charges	111,824	-	111,824	
451	Rate Maintenance and Error Correction Charge	5,614	1,172	6,786	
451	Meter Diversion Fees	5,760	18,490	24,250	
451	Returned Check Fees	61,406	131,748	193,154	
451	Other Miscellaneous Service and Electric Revenues	(147,360)	-	(147,360)	
	Total	$ 3,108,541	$ 608,221	$ 3,716,762	

Line Notes

Col. (E)		Quantity	Fee Cost	Total
19	Reconnection & Reactivation Fees			
19	Reconnect During Normal Hours			
19	Reconnect at Meter	21,946	$ 35.00	$ 768,110
19	Meter Read to Establish Service	17,828	$ 35.00	$ 623,980
19	Reconnect After Work Hours	4,495	$ 80.00	$ 359,600
19	Initiate Service Fee	68,148	$ 10.00	$ 681,480
21	Collection Charges	42,113	$ 26.00	$ 1,094,938
25	Rate Maintenance and Error Correction Charge	128	$ 53.00	$ 6,786
27	Meter Diversion Fees	97	$ 250.00	$ 24,250
29	Returned Check Fees	14,858	$ 13.00	$ 193,154

Note: Numbers may not add due to rounding.

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OTHER REVENUES - Rent from Electric Property

FERC	Description	Adjusted Test Year	Pro Forma Adjustment	Test Year Proforma	Reference
(A)	(B)	(C)	(D)	(E)	(F)
454	Apparatus Rentals	$ 3,365,098	$ -	$ 3,365,098	
454	Pole Attachment Fees	2,059,334	75,823	2,135,157	
454	Crown Castle Lease	27,769	1,111	28,879	
454	Sprint Nextel Lease	49,221	1,969	51,190	
454	T-Mobile Lease	45,963	1,838	47,802	
454	Granite State Credit Union Lease	9,000	-	9,000	
454	Northeast Optical Network Lease	102,261	2,567	104,828	
454	Summit Leases	23,783	(23,783)	-	
454	Other	27,321	-	27,321	
	Total Rent from Electric Property	$ 5,709,750	$ 59,526	$ 5,769,276	

Note: Numbers may not add due to rounding

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

SUMMARY OF PROPOSED UTILITY ADJUSTMENTS

TEST YEAR ENDED 12/31/2018

Description	Unadjusted Test Year Ended 12/31/2018	Indirect Costs Reallocation	Test Year Ended 12/31/2018	Normalizing & Tax Adjustments	Adjusted Test Year Ended 12/31/2018
(A)	(B)	(C)	(D)	(E)	(F)
OPERATING REVENUES	$ 352,332,945	$ -	$ 352,332,945	$ 13,289,292	$ 365,622,237
OPERATION & MAINTENANCE EXPENSE					
Production Expenses	101,715	-	101,715	-	101,715
Distribution Expenses	66,506,135	(976,823)	65,529,312	18,156,899	83,686,211
Customer Accounting Expenses	24,414,688	(5,067,399)	19,347,289	-	19,347,289
Customer Service & Inform/Sales Expenses	618,524	(338,845)	279,679	313,244	592,923
Administrative & General Expenses	58,334,960	1,266,440	59,601,400	(528,994)	59,072,406
TOTAL OPERATION & MAINTENANCE	149,976,022	(5,116,628)	144,859,395	17,941,149	162,800,544
DEPRECIATION EXPENSE	63,060,663	4,326,371	67,387,033	-	67,387,033
AMORTIZATION EXPENSE	1,068,755	-	1,068,755	14,746,439	15,815,194
TAXES OTHER THAN INCOME TAXES					
Property Tax Expense	44,059,104	-	44,059,104	3,058,417	47,117,521
Payroll and Other Taxes	3,892,522	790,257	4,682,779	62,575	4,745,354
TOTAL TAXES OTHER THAN INCOME	47,951,626	790,257	48,741,883	3,120,992	51,862,875
INCOME TAXES					
Current Income Tax Expense	22,646,343	-	22,646,343	(7,175,342)	15,471,001
Deferred Income Tax Expense	(1,462,251)	-	(1,462,251)	-	(1,462,251)
Investment Tax Credit	(3,684)	-	(3,684)	-	(3,684)
TOTAL INCOME TAXES	21,180,408	-	21,180,408	(7,175,342)	14,005,066
TOTAL OPERATING EXPENSES	283,237,474	(0)	283,237,474	28,633,238	311,870,712
TOTAL OPERATING INCOME	$ 69,095,471	$ 0	$ 69,095,471	$ (15,343,946)	$ 53,751,524

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

SUMMARY OF PROPOSED UTILITY ADJUSTMENTS

TEST YEAR ENDED 12/31/2018 AND TEST YEAR PRO FORMA

Description (A)	Unadjusted Test Year Ended 12/31/2018 (B)	Income Tax Adjustment (C)	Restated Test Year Ended 12/31/2018 (D)	Normalizing Adjustments (E)	Adjusted Test Year Ended 12/31/2018 (F)	Pro Forma Adjustments (G)	Test Year Pro Forma (H)	Schedule Reference (I)
OPERATING REVENUES	$ 352,332,945	$ -	$ 352,332,945	$ 13,289,292	$ 365,622,237	$ 667,747	$ 366,289,983	Schedule EHC/TMD-4 (Perm)
OPERATION & MAINTENANCE EXPENSE								
Postage Expense	1,929,795	-	1,929,795	1,417	1,931,212	25,545	1,956,757	Schedule EHC/TMD-6 (Perm)
Information Services	7,651,263	-	7,651,263	-	7,651,263	324,807	7,976,070	Schedule EHC/TMD-7 (Perm)
Uncollectibles / Bad Debts	2,234,202	-	2,234,202	-	2,234,202	1,042,852	3,277,054	Schedule EHC/TMD-8 (Perm)
Fee Free Payment Processing	-	-	-	-	-	706,764	706,764	Schedule EHC/TMD-9 (Perm)
Customer Service	3,631,337	-	3,631,337	315,000	3,946,337	-	3,946,337	Schedule EHC/TMD-10 (Perm)
Dues & Memberships	336,582	-	336,582	(13,492)	323,090	-	323,090	Schedule EHC/TMD-11 (Perm)
Employee Benefits	13,505,593	-	13,505,593	-	13,505,593	2,516,451	16,022,044	Schedule EHC/TMD-12 (Perm)
Insurance Expense & Injuries & Damages	2,397,853	-	2,397,853	(25,477)	2,372,376	108,288	2,480,664	Schedule EHC/TMD-13 (Perm)
Payroll Expense	49,275,824	-	49,275,824	547,623	49,823,447	4,673,452	54,496,899	Schedule EHC/TMD-14 (Perm)
Variable Compensation	8,346,375	-	8,346,375	158,488	8,504,863	(891,037)	7,613,826	Schedule EHC/TMD-15 (Perm)
Enterprise IT Projects Expense	3,460,641	-	3,460,641	-	3,460,641	691,137	4,151,778	Schedule EHC/TMD-16 (Perm)
Environmental	321,777	-	321,777	-	321,777	-	321,777	Schedule EHC/TMD-17 (Perm)
Field Operations	7,153,133	-	7,153,133	74,527	7,227,660	-	7,227,660	Schedule EHC/TMD-18 (Perm)
Facilities Expense	3,276,010	-	3,276,010	-	3,276,010	-	3,276,010	Schedule EHC/TMD-19 (Perm)
Vegetation Management	14,016,121	-	14,016,121	18,013,743	32,029,864	-	32,029,864	Schedule EHC/TMD-20 (Perm)
Lease Expense	1,900,961	-	1,900,961	(67,959)	1,833,002	422,456	2,255,458	Schedule EHC/TMD-21 (Perm)
Regulatory Assessments	5,491,189	-	5,491,189	(724,870)	4,766,319	-	4,766,319	Schedule EHC/TMD-22 (Perm)
Materials & Supplies	1,317,919	-	1,317,919	-	1,317,919	-	1,317,919	Schedule EHC/TMD-23 (Perm)
Vehicles	4,817,337	-	4,817,337	8,059	4,825,396	(1,068,474)	3,756,922	Schedule EHC/TMD-24 (Perm)
Storm Reserve Accrual	12,000,000	-	12,000,000	-	12,000,000	(4,000,000)	8,000,000	Schedule EHC/TMD-25 (Perm)
Rate Case Expense	-	-	-	-	-	281,500	281,500	Schedule EHC/TMD-26 (Perm)
Residual O&M Inflation Adjustment	1,795,483	-	1,795,483	(345,910)	1,449,573	93,904	1,543,477	Schedule EHC/TMD-27 (Perm)
TOTAL OPERATION & MAINTENANCE EXPENSE	144,859,395	-	144,859,395	17,941,149	162,800,544	4,927,645	167,728,188	
	144,859,395	-						
OTHER OPERATING EXPENSES:								
Depreciation & Amortization Expense	62,325,389	-	62,325,389	-	62,325,389	6,854,556	69,179,945	Schedule EHC/TMD-28 (Perm)
Enterprise IT Projects Depreciation	5,061,644	-	5,061,644	-	5,061,644	1,528,812	6,590,456	Schedule EHC/TMD-29 (Perm)
Amortization of Deferred Assets	1,068,755	-	1,068,755	14,746,439	15,815,194	3,200,203	19,015,397	Schedule EHC/TMD-30 (Perm)
Total Depreciation & Amortization	68,455,788	-	68,455,788	14,746,439	83,202,228	11,583,571	94,785,798	
Taxes Other Than Income								
Property Tax Expense	44,059,104	-	44,059,104	3,058,417	47,117,521	281,831	47,399,353	Schedule EHC/TMD-31 (Perm)
Payroll and Other Taxes	4,682,779	-	4,682,779	62,575	4,745,354	392,679	5,138,032	Schedule EHC/TMD-32 (Perm)
Total Taxes Other Than Income	48,741,883	-	48,741,883	3,120,992	51,862,875	674,510	52,537,385	
Income Taxes								
Current Income Tax Expense	22,646,343	(9,769,767)	12,876,576	(4,898,307)	7,978,269	(4,750,907)	3,227,362	Schedule EHC/TMD-33 (Perm)
Deferred Income Tax Expense	(1,462,251)	7,492,732	6,030,481	-	6,030,481	39,773	6,070,253	Schedule EHC/TMD-34 (Perm)
Investment Tax Credit	(3,684)		(3,684)	-	(3,684)	-	(3,684)	Schedule EHC/TMD-35 (Perm)
Total Income Taxes	21,180,408	(2,277,035)	18,903,373	(4,898,307)	14,005,066	(4,711,134)	9,293,931	
TOTAL OTHER OPERATING EXPENSES	138,378,079	(2,277,035)	136,101,044	12,969,124	149,070,169	7,546,946	156,617,115	
TOTAL OPERATING EXPENSES	283,237,474	(2,277,035)	280,960,439	30,910,274	311,870,712	12,474,591	324,345,303	
TOTAL OPERATING INCOME	$ 69,095,471	$ 2,277,035	$ 71,372,506	$ (17,620,982)	$ 53,751,524	$ (11,806,844)	$ 41,944,680	

1 Public Service Company of New Hampshire
2 d/b/a Eversource Energy
3 Docket No. DE 19-057
4 Attachment EHC/TMD-1 (Perm)
5 Schedule EHC/TMD-5 (Perm)
6 May 28, 2019
7 Page 3 of 6

10 PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
11 OPERATIONS & MAINTENANCE EXPENSE BY FERC ACCOUNT
12 Test Year Ending December 31, 2018

13 ---PRO FORMA ADJUSTMENTS--- (Col. I through Col. AB)

15	Account	Description	(FERC Form 1) Total Test Year Expenses Per Books	Less Adjustment Clauses	Test Year Expenses Less Adjustment Clauses	Indirect Costs Reallocation	Normalizing Adjustments	(Distribution O&M) Adjusted Test Year Expenses	Postage Expense	Information Services	Uncollectibles / Bad Debts	Fee Free Payment Processing	Customer Service	Dues & Memberships	Employee Benefits	Insurance Expense & Injuries & Damages	Payroll Expense	Variable Compensation	Enterprise IT Projects Expense	Field Operations	Facilities Expense	Vegetation Management	Lease Expense	Regulatory Assessments	Materials & Supplies	Vehicles	Storm Reserve Accrual	Rate Case Expense	Residual O&M Inflation Adjustment	Rate Year Net Distribution O&M
16	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H	Col. I	Col. J	Col. K	Col. L	Col. M	Col. N	Col. O	Col. P	Col. Q	Col. R	Col. S	Col. T	Col. U	Col. V	Col. W	Col. X	Col. Y	Col. Z	Col. AA	Col. AB	Col. AC	Col. AD = Sum H - AC
17	500-554	Power Production Expenses	16,642,074	(16,642,074)	(0)	-		(0)																						
18	555	Purchased Power	325,885,908	(325,883,060)	2,848	-	-	2,848	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	149	2,997
19	556	System Control and Load Dispatching	97,128	-	97,128	-	-	97,128	-	-	-	-	-	-	-	-	4,774	-	-	-	-	-	-	-	-	-	-	-	2,141	104,042
20	557	Other Expenses	31,050	(31,050)	(0)	-	-	(0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0)
21		Total Power Production Expenses	342,656,160	(342,556,184)	99,976	-	-	99,976	-	-	-	-	-	-	-	-	4,774	-	-	-	-	-	-	-	-	-	-	-	2,290	107,039
22	560	Operation Supervision and Engineering	2,344,956	(2,344,956)	0	-	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
23	561	Load Dispatch	5,097,282	(5,097,282)	0	-	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
24	562	Station Expenses	3,427,464	(3,427,464)	0	-	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
25	563	Overhead Lines Expenses	303,104	(303,104)	(0)	-	-	(0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0)
26	564	Underground Lines Expenses	26	(26)	(0)	-	-	(0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0)
27	565	Transmission of Electricity by Others	31,659,889	(31,659,889)	(0)	-	-	(0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0)
28	566	Miscellaneous Transmission Expenses	506,937	(506,937)	0	-	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
29	567	Rents	16,117	(16,117)	(0)	-	-	(0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0)
30	568	Maintenance Supervision and Engineering	464,703	(464,703)	(0)	-	-	(0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0)
31	569	Maintenance of Structures	299,486	(297,746)	1,740	-	-	1,740	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,740
32	570	Maintenance of Station Equipment	235,820	(235,820)	(0)	-	-	(0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0)
33	571	Maintenance of Overhead Lines	8,571,907	(8,571,907)	(0)	-	-	(0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0)
34	572	Maintenance of Underground Lines	26	(26)	(0)	-	-	(0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0)
35	573	Maintenance of Misc. Transmission Plant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
36		Transmission Expenses	52,927,717	(52,925,978)	1,739	-	-	1,739	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,739
37	575	Market Monitoring and Compliance	1,568,251	(1,568,251)	(0)	-	-	(0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0)
38		Regional Market Expenses	1,568,251	(1,568,251)	(0)	-	-	(0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0)
39	580	Operation Supervision and Engineering	9,244,132	(401,944)	8,842,188	(254,351)	-	8,587,837	-	-	-	-	-	-	-	-	743,686	-	-	-	-	-	779	-	-	-	-	-	462	9,332,764
40	581	Load Dispatch	902,616	-	902,616	(498)	-	902,118	-	-	-	-	-	-	-	-	76,132	-	-	-	-	-	-	-	-	-	-	-	-	978,250
41	582	Station Expenses	2,412,414	-	2,412,414	(2,097)	-	2,410,316	-	-	-	-	-	-	-	-	175,941	-	-	-	-	-	-	-	-	-	-	-	2,326	2,588,583
42	583	Overhead Lines Expenses	2,880,695	-	2,880,695	(1,291)	-	2,879,403	-	-	-	-	-	-	-	-	64,428	-	-	-	-	-	-	-	-	-	-	-	2,839	2,946,671
43	584	Underground Lines Expenses	1,782,691	-	1,782,691	(546)	-	1,782,145	-	-	-	-	-	-	-	-	28,619	-	-	-	-	-	-	-	-	-	-	-	(1)	1,810,763
44	585	Street Lighting and Signal System Expenses	486,119	-	486,119	-	-	486,119	-	-	-	-	-	-	-	-	33,050	-	-	-	-	-	-	-	-	-	-	-	-	519,168
45	586	Meter Expenses	2,278,523	-	2,278,523	(13,163)	-	2,265,360	-	-	-	-	-	-	-	-	167,014	-	-	-	-	-	-	-	-	-	-	-	-	2,432,374
46	587	Customer Installations Expenses	6,187	-	6,187	(4)	-	6,183	-	-	-	-	-	-	-	-	449	-	-	-	-	-	-	-	-	-	-	-	-	6,632
47	588	Miscellaneous Expenses	2,506,532	-	2,506,532	(5,069)	-	2,501,462	-	-	-	-	-	-	-	-	189,078	-	-	-	-	-	-	-	-	-	-	-	175	2,690,715
48	589	Rents	1,202,901	4,407	1,207,308	(112,863)	(8,953)	1,085,492	-	-	-	-	-	-	-	-	19,773	-	-	-	-	-	25,032	-	-	-	-	-	295	1,130,592
49	590	Maintenance Supervision and Engineering	211,480	(3)	211,476	(48,643)	-	162,833	-	-	-	-	-	-	-	-	12,546	-	-	-	-	-	-	-	-	-	-	-	11	175,390
50	591	Maintenance of Structures	243,666	-	243,666		-	243,666	-	-	-	-	-	-	-	-	12,322	-	-	-	-	-	-	-	-	-	-	-	-	255,988
51	592	Maintenance of Station Equipment	1,649,388	-	1,649,388	(120)	-	1,649,269	-	-	-	-	-	-	-	-	97,128	-	-	-	-	-	-	-	-	-	-	-	14	1,746,411
52	593	Maintenance of Overhead Lines	38,832,062	(18,440)	38,813,622	(343,370)	18,165,852	56,636,104	-	-	-	-	-	-	-	-	695,532	-	-	-	-	-	-	-	-	(1,068,474)	(4,000,000)	-	(19,634)	52,243,529
53	594	Maintenance of Underground Lines	877,354	-	877,354	(1,354)	-	876,000	-	-	-	-	-	-	-	-	38,714	-	-	-	-	-	-	-	-	-	-	-	10	914,724
54	595	Maintenance of Line Transformers	1,008,243	-	1,008,243	(180,278)	-	827,965	-	-	-	-	-	-	-	-	49,069	-	-	-	-	-	-	-	-	-	-	-	-	877,034
55	596	Maintenance of Street Lighting and Signal Systems	48,487	-	48,487	(12)	-	48,475	-	-	-	-	-	-	-	-	3,847	-	-	-	-	-	-	-	-	-	-	-	-	52,322
56	597	Maintenance of Meters	334,368	-	334,368	(13,163)	-	321,205	-	-	-	-	-	-	-	-	29,844	-	-	-	-	-	-	-	-	-	-	-	-	351,049
57	598	Maintenance of Misc. Distribution Plant	14,260	-	14,260	(1)	-	14,259	-	-	-	-	-	-	-	-	1,000	-	-	-	-	-	-	-	-	-	-	-	-	15,258
58		Distribution Expenses	66,922,115	(415,980)	66,506,135	(976,823)	18,156,899	83,686,211	-	-	-	-	-	-	-	-	2,438,173	-	-	-	-	-	25,811	-	-	(1,068,474)	(4,000,000)	-	(13,503)	81,068,218
59	901	Supervision	614	-	614	-	-	614	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	19	633
60	902	Meter Reading Expenses	2,377,537	-	2,377,537	(304,672)	-	2,072,865	-	-	-	-	-	-	-	-	163,460	-	-	-	-	-	-	-	-	-	-	-	64	2,236,389
61	903	Customer Records and Collection Expenses	19,507,043	-	19,507,043	(4,762,727)	313,244	15,057,560	25,545	-	-	706,764	-	-	-	-	781,287	-	-	-	-	-	-	-	-	-	-	-	43,886	16,615,043
62	904	Uncollectible Accounts	6,590,251	(4,149,230)	2,441,021	-	-	2,441,021	-	-	1,042,852	-	-	-	-	-	5,378	-	-	-	-	-	-	-	-	-	-	-	847	3,490,099
63	905	Miscellaneous Customer Accounts Expenses	88,472	-	88,472	-	-	88,472	-	-	-	-	-	-	-	-	46,830	-	-	-	-	-	-	-	-	-	-	-	1,224	136,526
64		Customer Accounts Expenses	28,563,918	(4,149,230)	24,414,688	(5,067,399)	313,244	19,660,533	25,545	-	1,042,852	706,764	-	-	-	-	996,956	-	-	-	-	-	-	-	-	-	-	-	46,040	22,478,690
65	908	Customer Assistance Expenses	23,317,678	(22,711,758)	605,919	(338,845)	-	267,074	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,024	269,098
66	909	Informational and Instructional Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
67	910	Miscellaneous Customer Service and Informational Expenses	10,186	-	10,186	-	-	10,186	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	10,196
68		Customer Service and Informational Expenses	23,327,863	(22,711,758)	616,105	(338,845)	-	277,260	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,034	279,294
69	911	Supervision	895	-	895	-	-	895	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	47	942
70	916	Miscellaneous Sales Expenses	1,524	-	1,524	-	-	1,524	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,524
71		Sales Expenses	2,419	-	2,419	-	-	2,419	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	47	2,466
72	920	Administrative and General Salaries	39,397,909	(10,765,176)	28,632,734	(8,084,971)	706,111	21,253,874	-	-	-	-	-	-	-	-	1,204,762	(891,037)	-	-	-	-	-	-	-	-	-	-	(11,103)	21,556,495
73	921	Office Supplies and Expenses	3,438,733	742,995	4,181,728		(97,123)	4,084,605	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,962	-	-	-	-	-	26,624	4,113,190
74	922	Administrative Expenses Transferred-Cr	(2,190,237)	424,565	(1,765,672)		-	(1,765,672)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(92,345)	(1,858,017)
75	923	Outside Services Employed	13,411,378	(3,425,227)	9,986,151		(609,889)	9,376,262	-	324,807	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	106,620	9,807,689
76	924	Property Insurance	(205,184)	394,450	189,266		(24,824)	164,442	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1)	164,441
77	925	Injuries and Damages	4,099,298	(501,198)	3,598,100	(1,311,698)	(653)	2,285,749	-	-	-	-	-	-	-	108,288	18,900	-	-	-	-	-	-	-	-	-	-	-	2,245	2,415,182
78	926	Employee Pensions and Benefits	4,911,201	1,057,937	5,969,139	7,195,564	-	13,164,703	-	-	-	-	-	-	2,516,451	-	-	-	-	-	-	-	-	-	-	-	-	-	(15,689)	15,665,465
79	928	Regulatory Commission Expenses	6,538,453	(1,042,459)	5,495,995	(902)	(724,870)	4,770,223	-	-	-	-	-	-	-	-	366	-	-	-	-	-	-	-	-	-	-	281,500	-	5,052,089
80	930	Miscellaneous General Expenses	2,123,903	(477,578)	1,646,325	2,678,797	248,597	4,573,719	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	39,431	4,613,150
81	931	Rents	568,504	(344,175)	224,329	789,649	(26,343)	987,635	-	-	-	-	-	-	-	-	-	-	691,137	-	-	-	394,683	-	-	-	-	-	(413)	2,073,043
82	935	Maintenance of General Plant	176,866	-	176,866	-	-	176,866	-	-	-	-	-	-	-	-	9,521	-	-	-	-	-	-	-	-	-	-	-	1,627	188,014
83		Administrative and General Expenses	72,270,824	(13,935,864)	58,334,960	1,266,440	(528,994)	59,072,406	-	324,807	-	-	-	-	2,516,451	108,288	1,233,550	(891,037)	691,137	-	-	-	396,645	-	-	-	-	281,500	56,997	63,790,742
84																														
85		Total Operations and Maintenance Expenses	588,239,267	(438,263,245)	149,976,022	(5,116,628)	17,941,149	162,800,544	25,545	324,807	1,042,852	706,764	-	-	2,516,451	108,288	4,673,452	(891,037)	691,137	-	-	-	422,456	-	-	(1,068,474)	(4,000,000)	281,500	93,904	167,728,189
																														0

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Public Service Company of New Hampshire
d/b/a Eversource Energy
Docket No. DE 19-057
Attachment EHC/TMD-1 (Perm)
Schedule EHC/TMD-5 (Perm)
May 28, 2019

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
DEPRECIATION / AMORTIZATION / PAYROLL & OTHER TAXES BY FERC ACCOUNT
Test Year Ending December 31, 2018

Account	Description	Test Year Distribution Expenses Per Books	Normalizing Adjustments	Indirect Costs Reallocation	Adjusted Test Year Distribution Expenses
Col. A	Col. B	Col. C	Col. D	Col. E	Col. F
403000	Depreciation Expense	$ 56,313,874		$ -	$ 56,313,874
403100	Depreciation Expense - EESCO	(5,541,889)	-	4,326,371	(1,215,518)
403200	Depreciation Expense - EESCO	6,277,162	-	-	6,277,162
403700	Depreciation Expense - Capital Leases	168,419	-	-	168,419
404000	Amort of Limited-Term Elec Plant	5,843,096	-	-	5,843,096
	Total Depreciation Expense	63,060,663	-	4,326,371	67,387,033
407300	Regulatory Debits	1,271,930	(1,271,930)	-	-
407301	Regulatory Debits-Other	(344,978)	344,978	-	-
407306	Regulatory Debits- Recovr F109	161,004	(161,004)	-	-
407350	Amortization of Rehab Tax Credit	(34,044)	-	-	(34,044)
407370	Amortization - FAS 109	14,843	(14,843)	-	-
407	Amortization of Unrecovered Storm Costs	-	15,512,608	-	15,512,608
407	Amortization of NH PUC Consultant Costs	-	336,630	-	336,630
	Total Amortization Expense	1,068,755	14,746,439	-	15,815,194
408020	FICA Tax	5,853,823	-	-	5,853,823
408050	Medicare Tax	1,580,872	-	-	1,580,872
408010	Federal Unemployment Tax	37,753	-	-	37,753
	State Unemployment Tax		-	-	-
408011	Massachusetts	48,063	-	-	48,063
408001	Connecticut	68,249	-	-	68,249
4081H0	New Hampshire	(126,093)	139,362	-	13,269
408360	District of Columbia	55	-	-	55
408180	Universal Health	8,779			8,779
408140	Federal Highway	5,856	-	-	5,856
408300	Tangible Property	13,005	-	-	13,005
408400	New Hampshire Business Enterprise Tax	656,722	-	-	656,722
408500	New Hampshire Consumption Tax	4,631	(4,631)	-	-
408600	Insurance Premium Excise	49,077	-	-	49,077
408110	Local Property Tax Expense	44,059,104	3,058,417	-	47,117,521
408150	Genl Svc Co OH Taxes	(2,141,542)	-	1,730,803	(410,738)
408220	Payroll Taxes Transferred-Credit	(2,166,728)	(72,156)	(940,547)	(3,179,431)
	Total Payroll and Other Tax Expense	$ 47,951,626	$ 3,120,992	$ 790,257	$ 51,862,875

Public Service Company of New Hampshire
d/b/a Eversource Energy
Docket No. DE 19-057
Attachment EHC/TMD-1 (Perm)
Schedule EHC/TMD-5 (Perm)
May 28, 2019

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
Adjustment Clauses
Test Year Ending December 31, 2018

Account	Description	(FERC Form 1) Total Test Year Expenses Per Books	Default	Retail Transmission	Energy Efficiency- NU	SCRC-CTA-CTC	ES - Small & Large	EAP	Regulatory PSNH Total Energy Service	Transmission Other	Generation / Other	Generation / Transm in Distribution	Total Adjustment Clauses
Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H	Col. I	Col. J	Col. K	Col. L	Col. M	Col. N = Sum D - M
500-554	Power Production Expenses	$ 16,642,074	$ -	-	-	(7,725,019)	-	-	810,693	-	23,556,399	-	16,642,074
555	Purchased Power	325,885,908	-	-	-	41,326,339	201,079,005	-	83,206,498	-	259,827	11,390	325,883,060
556	System Control and Load Dispatching	97,128	-	-	-	-	-	-	-	-	-	-	-
557	Other Expenses	31,050	-	31,050	-	-	-	-	-	-	-	-	31,050
	Total Power Production Expenses	342,656,160	-	31,050	-	33,601,321	201,079,005	-	84,017,191	-	23,816,227	11,390	342,556,184
560	Operation Supervision and Engineering	2,344,956	-	-	-	-	-	-	-	2,343,956	1,000	-	2,344,956
561	Load Dispatch	5,097,282	-	2,923,224	-	-	-	-	-	2,174,057	-	-	5,097,282
562	Station Expenses	3,427,464	-	-	-	-	-	-	-	3,427,464	-	-	3,427,464
563	Overhead Lines Expenses	303,104	-	-	-	-	-	-	-	303,104	-	-	303,104
564	Underground Lines Expenses	26	-	-	-	-	-	-	-	26	-	-	26
565	Transmission of Electricity by Others	31,659,889	-	30,868,859	-	764	-	-	14,242	762,706	13,319	-	31,659,889
566	Miscellaneous Transmission Expenses	506,937	1,033	-	-	-	-	-	-	505,904	-	-	506,937
567	Rents	16,117	-	-	-	-	-	-	-	16,117	-	-	16,117
568	Maintenance Supervision and Engineering	464,703	-	-	-	-	-	-	-	464,703	-	-	464,703
569	Maintenance of Structures	299,486	-	-	-	-	-	-	-	297,746	-	-	297,746
570	Maintenance of Station Equipment	235,820	-	-	-	-	-	-	-	235,820	-	-	235,820
571	Maintenance of Overhead Lines	8,571,907	-	-	-	-	-	-	-	8,571,907	-	-	8,571,907
572	Maintenance of Underground Lines	26	-	-	-	-	-	-	-	26	-	-	26
573	Maintenance of Misc. Transmission Plant	-	-	-	-	-	-	-	-	-	-	-	-
	Transmission Expenses	52,927,717	1,033	33,792,083	-	764	-	-	14,242	19,103,537	14,319	-	52,925,978
575	Market Monitoring and Compliance	1,568,251	-	-	-	739,770	-	-	828,481	-	-	-	1,568,251
	Regional Market Expenses	1,568,251	-	-	-	739,770	-	-	828,481	-	-	-	1,568,251
580	Operation Supervision and Engineering	9,244,132	-	-	-	-	-	-	-	(3,138)	405,082	-	401,944
581	Load Dispatch	902,616	-	-	-	-	-	-	-	-	-	-	-
582	Station Expenses	2,412,414	-	-	-	-	-	-	-	-	-	-	-
583	Overhead Lines Expenses	2,880,695	-	-	-	-	-	-	-	-	-	-	-
584	Underground Lines Expenses	1,782,691	-	-	-	-	-	-	-	-	-	-	-
585	Street Lighting and Signal System Expenses	486,119	-	-	-	-	-	-	-	-	-	-	-
586	Meter Expenses	2,278,523	-	-	-	-	-	-	-	-	-	-	-
587	Customer Installations Expenses	6,187	-	-	-	-	-	-	-	-	-	-	-
588	Miscellaneous Expenses	2,506,532	-	-	-	-	-	-	-	-	-	-	-
589	Rents	1,202,901	-	-	-	-	-	-	-	(4,407)	-	-	(4,407)
590	Maintenance Supervision and Engineering	211,480	-	-	-	-	-	-	-	3	-	-	3
591	Maintenance of Structures	243,666	-	-	-	-	-	-	-	-	-	-	-
592	Maintenance of Station Equipment	1,649,388	-	-	-	-	-	-	-	-	-	-	-
593	Maintenance of Overhead Lines	38,832,062	-	-	-	-	-	-	-	18,050	-	390	18,440
594	Maintenance of Underground Lines	877,354	-	-	-	-	-	-	-	-	-	-	-
595	Maintenance of Line Transformers	1,008,243	-	-	-	-	-	-	-	-	-	-	-
596	Maintenance of Street Lighting and Signal Systems	48,487	-	-	-	-	-	-	-	-	-	-	-
597	Maintenance of Meters	334,368	-	-	-	-	-	-	-	-	-	-	-
598	Maintenance of Misc. Distribution Plant	14,260	-	-	-	-	-	-	-	-	-	-	-
	Distribution Expenses	66,922,115	-	-	-	-	-	-	-	10,508	405,082	390	415,980
901	Supervision	614	-	-	-	-	-	-	-	-	-	-	-
902	Meter Reading Expenses	2,377,537	-	-	-	-	-	-	-	-	-	-	-
903	Customer Records and Collection Expenses	19,507,043	-	-	-	-	-	-	-	-	-	-	-
904	Uncollectible Accounts	6,590,251	-	-	-	-	3,029,473	-	1,119,757	-	-	-	4,149,230
905	Miscellaneous Customer Accounts Expenses	88,472	-	-	-	-	-	-	-	-	-	-	-
	Customer Accounts Expenses	28,563,918	-	-	-	-	3,029,473	-	1,119,757	-	-	-	4,149,230
908	Customer Assistance Expenses	23,317,678	-	-	21,536,924	-	-	1,171,649	-	3,186	-	-	22,711,758
909	Informational and Instructional Expenses	-	-	-	-	-	-	-	-	-	-	-	-
910	Miscellaneous Customer Service/Inform Expenses	10,186	-	-	-	-	-	-	-	-	-	-	-
	Customer Service and Informational Expenses	23,327,863	-	-	21,536,924	-	-	1,171,649	-	3,186	-	-	22,711,758
911	Supervision	895	-	-	-	-	-	-	-	-	-	-	-
916	Miscellaneous Sales Expenses	1,524	-	-	-	-	-	-	-	-	-	-	-
	Sales Expenses	2,419	-	-	-	-	-	-	-	-	-	-	-
920	Administrative and General Salaries	39,397,909	-	-	150,299	-	57,596	-	-	8,501,549	2,055,732	-	10,765,176
921	Office Supplies and Expenses	3,438,733	-	-	-	-	(1,032,957)	-	-	610,064	(320,102)	-	(742,995)
922	Administrative Expenses Transferred-Cr	(2,190,237)	-	-	-	-	46,434	-	-	(470,999)	-	-	(424,565)
923	Outside Services Employed	13,411,378	-	-	-	(88,257)	-	-	-	3,063,492	449,992	-	3,425,227
924	Property Insurance	(205,184)	-	-	-	(199,619)	-	-	-	159,810	(354,642)	-	(394,450)
925	Injuries and Damages	4,099,298	-	-	-	-	-	-	14,705	281,484	205,009	-	501,198
926	Employee Pensions and Benefits	4,911,201	4,909	-	-	(3,344,188)	(1,099,040)	-	2,317,821	314,872	747,689	-	(1,057,937)
928	Regulatory Commission Expenses	6,538,453	-	-	-	-	7,499	-	2,499	912,085	120,376	-	1,042,459
930	Miscellaneous General Expenses	2,123,903	-	-	-	(13,546)	-	-	-	347,298	143,826	-	477,578
931	Rents	568,504	-	-	-	-	-	-	-	344,175	-	-	344,175
935	Maintenance of General Plant	176,866	-	-	-	-	-	-	-	-	-	-	-
	Administrative and General Expenses	72,270,824	4,909	-	150,299	(3,645,610)	(2,020,467)	-	2,335,025	14,063,829	3,047,880	-	13,935,864
	Total Operations and Maintenance Expenses	$ 588,239,267	$ 5,942	$ 33,823,133	$ 21,687,223	$ 30,696,245	$ 202,088,011	$ 1,171,649	$ 88,314,696	$ 33,181,059	$ 27,283,508	$ 11,780	$ 438,263,245

Public Service Company of New Hampshire
d/b/a Eversource Energy
Docket No. DE 19-057
Attachment EHC/TMD-1 (Perm)
Schedule EHC/TMD-5 (Perm)
May 28, 2019
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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
NORMALIZING ADJUSTMENTS
Test Year Ending December 31, 2018

Account Col. A	Amount Col. B	Description Col. C
407	336,630	Adjust amortization of NH PUC consultant costs
407	(1,102,799)	Remove expired amortization line items
407	15,512,608	Add back amortization of unrecovered storm costs
Total Amortization	14,746,439	
408	62,575	Adjust for changes in NH unemployment & consumption taxes
408	(187,090)	Reclass legal/consulting expenses to account 923
408	3,245,507	Add back Bow, NH court decision refund
Total Payroll/Property Taxes	3,120,992	
449	12,276,000	Adjust 12 months of tax reserve entries
440-444	23,000	Add back distribution revenue adjustment
450	999,432	Add back adjustment for late payment charges
454	(9,140)	Adjustment for fiber optics revenue leases
Total Revenues	13,289,292	
589	(42,649)	Remove communication lease accrual true-up
589	36,254	Remove building lease accrual true-up
589	(9,270)	Remove communication lease adjustments
589	6,712	Add 2018 NH State of Emergency communication lease expense
Total 589	(8,953)	
593	1,213,743	Vegetation management O&M adjustment (unpaid amount from Consolidated)
593	16,800,000	Vegetation management transfer from capital to O&M adjustment
593	8,059	Add back out-of-period adjustments for auto insurance policies
593	69,523	Adjustment for storms
593	(136,304)	Remove NHPUC storm audit adjustments
593	210,831	Add back non-recurring TSA expenses
Total 593	18,165,852	
903	1,417	Add back prorated postage adjustment
903	315,000	Add back out-of-period customer service adjustment
903	(3,173)	Remove executive AMEX charges
Total 903	313,244	
920	(100,971)	Remove out-of-period employee incentive adjustments
920	259,459	Remove out-of-period executive incentive adjustments
920	547,623	Accounting normalization to remove credit - TY employee overhead expenses
Total 920	706,111	
921	(32,851)	Remove non-PSNH portions of communication lease expense
921	(64,272)	Remove executive AMEX charges
Total 921	(97,123)	
923	187,090	Reclass legal/consulting expenses from account 408 to account 923
923	(760,111)	Remove consulting expenses
923	(21,190)	Remove advertising expenses
923	(13,354)	Remove dues & memberships
923	(2,324)	Remove executive AMEX charges
Total 923	(609,889)	
924	(2,850)	Remove adjustment for out-of-period premium
924	(21,974)	Remove generation-related prepaid insurance
Total 924	(24,824)	
925	(653)	Remove generation-related prepaid insurance
Total 925	(653)	
928	(724,870)	Reduce TY expenses to reflect FY 2019 regulatory assessment invoice
930	351,238	Reclass interest on customer deposits from account 431 to account 930
930	(2,518)	Remove advertising expenses
930	(138)	Remove dues & memberships
930	(598)	Remove non-recurring expenses
930	(99,000)	Adjust for mineral oil expensed (should have been charged to inventory)
930	(387)	Remove executive AMEX charges
Total 930	248,597	
931	(188)	Remove executive AMEX charges
931	(29,819)	Remove lease exp Berlin 3333 building
931	3,664	Add back lease adjustments
Total 931	(26,343)	
Total O&M Expense	17,941,149	

Impact on Revenues	13,289,292
Impact on Expenses	35,808,580
Total	(22,519,289)

Public Service Company of New Hampshire
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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

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Public Service Company of New Hampshire
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May 28, 2019

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

POSTAGE EXPENSE

Description	Amount	Adjustment	Reference
(A)	(B)	(C)	(D)
Test Year	$ 1,931,212		
Test Year Pro Forma	1,956,757		
Pro Forma Adjustment		$ 25,545	Line 21 - Line 19

NOTE: Numbers may not add due to rounding.

Public Service Company of New Hampshire
d/b/a Eversource Energy
Docket No. DE 19-057
Attachment EHC/TMD-1 (Perm)
Schedule EHC/TMD-6
May 28, 2019

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

POSTAGE EXPENSE

Description	Test Year Actual	Normalizing Adjustments	Adjusted Test Year	Pro Forma Adjustments	Test Year Pro Forma
Total Postage Expense	$ 1,929,795	$ 1,417	$ 1,931,212	$ 25,545	$ 1,956,757
Test Year Postage Expense 01/01/2018 - 12/31/2018		$ 1,929,795			
Prorated Postal Increase		0.07%			
		$ 1,417			
2018 Postal Increase					
2017 Bulk Rate (First Class Letter) established 01/22/17		0.0373			
2018 Bulk Rate (First Class Letter) established 01/21/18		0.0378			
Rate Increase		0.0005			
% Rate Increase		1.34%			
Test Year Days Prior to Rate increase					
# days in Test Period		365			
# Days beginning of Test period 01/01/18 until 01/20/2018		20			
% Days prior to Postage rate increase		5.5%			
Rate Increase Proration					
2018 Bulk Rate Increase		1.34%			
% Days prior to Postage rate increase		5.5%			
Rate Increase Prorated		0.07%			
Adjusted Test Year		$ 1,931,212			
2019 Bulk Rate Increase		1.32%			
		$ 25,545			
2019 Postal Increase					
2018 Bulk Rate (First Class Letter) established 01/21/18		0.0378			
2019 Bulk Rate (First Class Letter) established 01/27/19		0.0383			
Rate Increase		0.0005			
% Rate Increase		1.32%			

NOTE: Numbers may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

INFORMATION SERVICES

Description	Amount	Adjustment	Reference
(A)	(B)	(C)	(D)
Test Year	$ 7,651,263		
Test Year Pro Forma	7,976,070		
Pro Forma Adjustment		$ 324,807	Line 21 - Line 19

NOTE: Numbers may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

INFORMATION SERVICES

Description	Test Year Actual	Normalizing Adjustments	Adjusted Test Year	Pro Forma Adjustments	Test Year Pro forma
(A)	(B)	(C)	(D)	(E)	(F)
Application Development & Support	$ 2,128,808	$ -	$ 2,128,808	$ 134,395	$ 2,263,203
IT Admin	82,901	-	82,901	-	82,901
Network Services	289,843	-	289,843	4,878	294,721
PC Services	931,626	-	931,626	125,755	1,057,381
Processing	1,382,532	-	1,382,532	18,904	1,401,436
Security	438,339	-	438,339	-	438,339
Storage	1,041,549	-	1,041,549	10,344	1,051,893
Telecommunication	1,355,665	-	1,355,665	30,530	1,386,195
Total Information Services Expense	$ 7,651,263	$ -	$ 7,651,263	$ 324,807	$ 7,976,070

NOTE: Numbers may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

UNCOLLECTIBLES / BAD DEBTS

Description	Amount	Adjustment	Reference
(A)	(B)	(C)	(D)
Test Year	$ 2,234,202		
Test Year Pro Forma	$ 3,277,054		
Pro Forma Adjustment		$ 1,042,852	Line 21 - Line 19

NOTE: Numbers may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

UNCOLLECTIBLES / BAD DEBTS

Description	Amount		Reference
(A)	(B)		(C)
Average Net Write-offs for Calendar Years 2016-2018	$ 6,022,023		
Average Retail Revenues for Calendar Years 2016-2018	$ 916,522,542		
Percent Uncollectibles to Retail Revenues	0.6571%		
Test Year Retail Revenue	$ 953,681,402		
Uncollectibles 3 Year Average	0.6571%		
Test Year Pro Forma Uncollectible Expense	$ 6,266,640		
Test Year Uncollectibles Expense per Company Books	$ 6,383,432		
Pro Forma Adjustment	$ (116,792)		
Test Year Pro Forma Uncollectibles Expense	$ 6,266,640		
Pro Forma Uncollectibles Expense - Allocated to Distribution	$ 3,277,054	52.3%	
Pro Forma Uncollectibles Expense - Allocated to Energy Service	$ 2,989,586	47.7%	
Pro Forma Uncollectibles Expense	$ 6,266,640	100.0%	
<u>Allocation Methodology (per Docket No. 09-035)</u>			
Test Year Distribution Revenue	$ 350,469,188	52.3%	
Test Year Energy Service Revenue	$ 319,725,467	47.7%	
Total	$ 670,194,655	100.0%	

NOTE: Numbers may not add due to rounding.

Public Service Company of New Hampshire
d/b/a Eversource Energy
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Attachment EHC/TMD-1 (Perm)
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May 28, 2019
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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

UNCOLLECTIBLES / BAD DEBTS

Period	Net Write-offs	Retail Revenue	Net Write-offs as a % of Retail Revenue
(A)	(B)	(C)	(D)
2016	$ 6,021,040	$ 888,734,198	0.6775%
2017	$ 6,274,763	$ 907,152,025	0.6917%
2018	$ 5,770,266	$ 953,681,402	0.6051%
3 Year Average	$ 6,022,023	$ 916,522,542	0.6571%

NOTE: Numbers may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

FEE FREE PAYMENT PROCESSING

Description	Amount	Adjustment	Reference
(A)	(B)	(C)	(D)
Test Year	$ -		
Test Year Pro Forma	706,764		
Pro Forma Adjustment		$ 706,764	Line 21 - Line 19

NOTE: Numbers may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

FEE FREE PAYMENT PROCESSING

Description	Test Year Actual	Normalizing Adjustments	Adjusted Test Year	Pro Forma Adjustments	Test Year Pro forma
(A)	(B)	(C)	(D)	(E)	(F)
Cost	-	-	-	$ 737,651	$ 737,651
Less Savings	-	-	-	(30,887)	(30,887)
Net Costs	$ -	$ -	$ -	$ 706,764	$ 706,764

Note: Numbers may not add due to rounding.

Public Service Company of New Hampshire
d/b/a Eversource Energy
Docket No. DE 19-057
Attachment EHC/TMD-1 (Perm)
Schedule EHC/TMD-10 (Perm)
May 28, 2019

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

CUSTOMER SERVICE

Description	Amount	Adjustment	Reference
(A)	(B)	(C)	(D)
Test Year	$ 3,946,337		
Test Year Pro Forma	3,946,337		
Pro Forma Adjustment		$ -	Line 21 - Line 19

NOTE: Numbers may not add due to rounding.

Public Service Company of New Hampshire
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May 28, 2019

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

CUSTOMER SERVICE

Description	Test Year Actual	Normalizing Adjustments	Adjusted Test Year	Pro Forma Adjustments	Test Year Pro forma
(A)	(B)	(C)	(D)	(E)	(F)
Billing and Remittance Services	1,638,668	-	1,638,668	-	1,638,668
Customer Care and Support	596,561	315,000	911,561	-	911,561
Collection Agency Fees	1,302,249	-	1,302,249	-	1,302,249
Meter Reading Services	93,859	-	93,859	-	93,859
Total Customer Services Expense	$ 3,631,337	$ 315,000	$ 3,946,337	$ -	$ 3,946,337

Note: Numbers may not add due to rounding.

Public Service Company of New Hampshire
d/b/a Eversource Energy
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Attachment EHC/TMD-1 (Perm)
Schedule EHC/TMD-11 (Perm)
May 28, 2019

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

DUES & MEMBERSHIPS

Description	Amount	Adjustment	Reference
(A)	(B)	(C)	(D)
Test Year	$ 323,090		
Test Year Pro Forma	323,090		
Pro Forma Adjustment		$ -	Line 21 - Line 19

NOTE: Numbers may not add due to rounding.

Public Service Company of New Hampshire
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May 28, 2019

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

DUES & MEMBERSHIPS

Account	Description	Test Year Actual	Normalizing Adjustments	Adjusted Test Year	Pro Forma Adjustments	Test Year Pro Forma
(A)	(B)	(C)	(D)	(E)	(F)	(G)
580000: Distribution Ops						
	NH EMERGENCY DISPATCHERS ASSOCIATION	$2,000	-	$2,000	$0	$2,000
923000: Outside Services						
	EUISSCA	1,625	-	1,625	-	1,625
	EDISON ELE	189,876	-	189,876	-	189,876
	NATIONAL SAFETY COUNCIL	10,000	-	10,000	-	10,000
	CENTER FOR ENERGY WORKFORCE DEVELOPMENT	1,549	-	1,549	-	1,549
	GREENTECH MEDIA INC	2,228	-	2,228	-	2,228
	ENERGY COUNCIL OF THE NORTHEAST	1,676	-	1,676	-	1,676
	BARKER SPECIALTY	3,375	(3,375)	-	-	-
	NATIONAL SAFETY COUNCIL	5,000	(5,000)	-	-	-
	EUISSCA	1,625	(1,625)	-	-	-
	Charges Under $1,000 (56 Items)	12,124	(3,354)	8,770	-	8,770
930200: Misc General Exp						
	BUSINESS & INDUSTRY ASSOC	16,721	-	16,721	-	16,721
	GREATER MANCHESTER CHAMBER OF COMMERCE	20,050	-	20,050	-	20,050
	EXETER AREA CHAMBER OF COMMERCE	1,750	-	1,750	-	1,750
	GREATER DOVER CHAMER OF COMM	1,161	-	1,161	-	1,161
	GREATER NASHUA CHAMBER OF	20,000	-	20,000	-	20,000
	GREATER KEENE CHAMBER OF COMMERCE	2,815	-	2,815	-	2,815
	GREATER DERRY LONDONDERRY CHAMBER OF COMME	6,575	-	6,575	-	6,575
	NEW HAMPSHIRE HIGH TECHNOLOGY COUNCIL	1,750	-	1,750	-	1,750
	NH GROCERS ASSOCIATION	7,000	-	7,000	-	7,000
	NORTHERN GATEWAY CHAMBER OF	1,000	-	1,000	-	1,000
	GREATER CONCORD CHAMBER OF	1,650	-	1,650	-	1,650
	THE CHAMBER COLLABORATIVE OF GREATER PORTSM(	2,116	-	2,116	-	2,116
	NH LODGING AND RESTAURANT ASSOC	14,000	-	14,000	-	14,000
	Charges Under $1,000 (17 Items)	8,362	-	8,362	-	8,362
Various						
	Total Charges Under $1,000 (6 Items)	553	(138)	415	-	415
	TOTAL DUES AND MEMBERSHIPS	$ 336,582	$ (13,492)	$ 323,090	$ -	$ 323,090

Note: Numbers may not add due to rounding.

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Schedule EHC/TMD-12 (Perm)
May 28, 2019

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

EMPLOYEE BENEFITS

Description	Amount	Adjustment	Reference
(A)	(B)	(C)	(D)
Test Year	$ 13,505,593		
Test Year Pro Forma	16,022,044		
Pro Forma Adjustment		$ 2,516,451	Line 21 - Line 19

NOTE: Numbers may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

EMPLOYEE BENEFITS

Description	FERC Account	Test Year Actual	Capitalization	Normalizing Adjustments	Adjusted Test Year	Pro Forma Adjustments: Updated Actuarial Reports	Pro Forma Adjustments: 8.069% Wage Increase	Pro Forma Adjustments: Incremental FTEs	Test Year Pro Forma
Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H	Col. I	Col. J
Medical / Prescription	926000	$ 12,249,212	$ (5,194,728)	$ -	$ 7,054,485	$ 502,418	$ -	$ 48,848	$ 7,605,751
Dental	926000	690,474	(287,185)	-	403,289	(59,224)	-	2,215	346,279
Vision	926000	74,108	(29,759)	-	44,349	(8,477)	-	231	36,103
401K	926000	3,960,045	(1,627,444)	-	2,332,601	-	188,218	15,828	2,536,647
Total Healthcare and 401K		$ 16,973,840	$ (7,139,116)	$ -	$ 9,834,724	$ 434,717	$ 188,218	$ 67,122	$ 10,524,780
Pension	926000	3,327,908	(1,497,104)	-	1,830,804	1,581,235	-	-	3,412,039
Other Account Activity	925000 / 926000	2,865,459	(1,025,393)	-	1,840,066	245,159	-	-	2,085,225
Total Employee Benefits		$ 23,167,207	$ (9,661,614)	$ -	$ 13,505,593	$ 2,261,111	$ 188,218	$ 67,122	$ 16,022,044

Note: Adjustment for updated actuarial reports includes changes in Healthcare working rates and Pension & PBOP expense

NOTE: Numbers may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

EMPLOYEE BENEFITS COSTS
TEST YEAR PRO FORMA

BENEFIT SUMMARY

Line	Description	Non-Represented: Enrollment as of 12/31/2018 (#)	Non-Represented: Test Year Pro Forma	Represented: Enrollment as of 12/31/2018 (#)	Represented: Test Year Pro Forma	Test Year Pro Forma (C) + (E)	Non - O&M%	Adjusted Test Year Pro Forma	Reference
18	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
20	PSNH								
21	Medical / Prescription	350	$ 5,658,116	293	$ 4,664,020	$ 10,322,136	51.11%	$ 5,046,561	Exh. ES-EHC-12, WP EHC-12, Page 2
22	Dental	350	256,094	293	203,963	460,057	51.11%	224,925	Exh. ES-EHC-12, WP EHC-12, Page 3
23	Vision	350	27,202	293	20,889	48,090	51.11%	23,512	Exh. ES-EHC-12, WP EHC-12, Page 4
24	**PSNH BENEFITS**		**$ 5,941,411**		**$ 4,888,872**	**$ 10,830,283**		**$ 5,294,997**	**Line 21 + 22 + 23**
27	EESCO								
28	Medical / Prescription	2,216	$ 32,534,530	464	$ 6,380,255	$ 38,914,786	19.36%	$ 31,379,275	Exh. ES-EHC-12, WP EHC-12, Page 2
29	Dental	2,216	1,467,760	464	379,117	1,846,877	19.36%	1,489,245	Exh. ES-EHC-12, WP EHC-12, Page 3
30	Vision	2,216	155,247	464	36,359	191,606	19.36%	154,503	Exh. ES-EHC-12, WP EHC-12, Page 4
31	EESCO BENEFITS		$ 34,157,538		$ 6,795,731	$ 40,953,269		$ 33,023,023	Line 28 + 29 + 30
32	**EESCO ALLOCATED TO PSNH**	**177**	**$ 2,732,603**	**37**	**$ 543,658**	**$ 3,276,262**		**$ 2,641,842**	**Line 31 * 8.00%**
35	TOTAL								
36	Medical / Prescription	527	$ 8,260,878	330	$ 5,174,441	$ 13,435,319		$ 7,556,903	Line 21 + (Line 28 * 8.00%)
37	Dental	527	373,514	330	234,292	607,807		344,064	Line 22 + (Line 29 * 8.00%)
38	Vision	527	39,621	330	23,798	63,419		35,872	Line 23 + (Line 30 * 8.00%)
39	**TOTAL MEDICAL EXPENSE**		**$ 8,674,014**		**$ 5,432,531**	**$ 14,106,545**		**$ 7,936,839**	**Line 36 + 37 + 38**

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

EMPLOYEE BENEFITS COSTS
TEST YEAR PRO FORMA

MEDICAL EXPENSE

Line		Non-Represented			Represented - PSNH Electrical Workers			Represented - EESCO - L369, L12004			Represented - EESCO - Convex, Teal Book				
19	Description	Enrollment as of 12/31/2018 (#)	2019 Net Annual Cost per Employee ($)	Pro Forma Test Year (B)*(C)	Enrollment as of 12/31/2018 (#)	2019 Net Annual Cost per Employee ($)	Pro Forma Test Year (E)*(F)	Enrollment as of 12/31/2018 (#)	2019 Net Annual Cost per Employee ($)	Pro Forma Test Year (H)*(I)	Enrollment as of 12/31/2018 (#)	2019 Net Annual Cost per Employee ($)	Pro Forma Test Year (K)*(L)	Pro Forma Test Year (D) + (G) + (J) + (M)	Reference
20	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)
21															
22	MEDICAL - PSNH														
23	PPO 100 EE Only	33	9,235	$ 304,754	39	9,235	$ 360,163	-	8,606	$ -	-	9,235	$ -		
24	PPO 100 EE + Spouse	45	17,700	796,505	26	17,700	460,203	-	-	-	-	17,700	-		
25	PPO 100 EE + Child(ren)	13	15,391	200,089	23	15,391	354,003	-	-	-	-	15,391	-		
26	PPO 100 Employee + 1	-	-	-	-	-	-	-	18,073	-		-	-		
27	PPO 100 Family	47	25,396	1,193,621	47	25,396	1,193,621	-	26,679	-	-	25,396	-		
28	Total PPO 100	138		$ 2,494,969	135		$ 2,367,991	-		$ -	-		$ -	$ 4,862,960	
29															
30	PPO 90 EE Only	17	9,235	$ 156,994	15	9,235	$ 138,524	-	8,209	$ -	-	9,235	$ -		
31	PPO 90 EE + Spouse	11	17,700	194,701	6	17,700	106,201	-	-	-	-	17,700	-		
32	PPO 90 EE + Child(ren)	4	15,391	61,566	9	15,391	138,523	-	-	-	-	15,391	-		
33	PPO 90 Employee + 1	-	-	-	-	-	-	-	17,238	-		-	-		
34	PPO 90 Family	17	25,396	431,735	19	25,396	482,528	-	25,447	-	-	25,396	-		
35	Total PPO 90	49		$ 844,997	49		$ 865,776	-		$ -	-		$ -	$ 1,710,773	
36															
37	Saver EE Only	26	7,823	$ 203,390	23	7,823	$ 179,922	-	7,544	$ -	-	7,823	$ -		
38	Saver EE + Spouse	29	15,714	455,716	11	15,714	172,858	-	-	-	-	15,714	-		
39	Saver EE + Child(ren)	12	13,591	163,097	8	13,591	108,732	-	-	-	-	13,591	-		
40	Saver Employee + 1	-	-		-	-		-	15,832			-			
41	Saver Family	65	22,791	1,481,446	42	22,791	957,242	-	23,280	-	-	22,791	-		
42	Total Saver	132		$ 2,303,650	84		$ 1,418,753	-		$ -	-		$ -	$ 3,722,403	
43															
44	Medical Opt-out	29	500	$ 14,500	23	500	$ 11,500	-	500	$ -	-	500	$ -	$ 26,000	
45															
46	Medical Not Enrolled / Not Eligible	2	-	$ -	2	-	$ -	-	-	$ -	-	-	$ -	$ -	
47															
48	**PSNH MEDICAL EXPENSE**	**350**		**5,658,116**	**293**		**4,664,020**	**-**		**-**	**-**		**-**	**10,322,136**	Line 28 + 35 + 42 + 44
49															
50															
51	MEDICAL - EESCO														
52	PPO 100 EE Only	334	9,235	$ 3,084,477	-	9,235	$ -	122	8,606	$ 1,049,966	10	9,235	$ 92,350		
53	PPO 100 EE + Spouse	240	17,700	4,248,029	-	17,700	-	-	-	-	9	17,700	159,301		
54	PPO 100 EE + Child(ren)	141	15,391	2,170,193	-	15,391	-	-	-	-	3	15,391	46,174		
55	PPO 100 Employee + 1	-	-	-	-	-	-	74	18,073	1,337,390	-	-			
56	PPO 100 Family	295	25,396	7,491,879	-	25,396	-	65	26,679	1,734,119	12	25,396	304,754		
57	Total PPO 100	1,010		$ 16,994,577	-		$ -	261		$ 4,121,476	34		$ 602,579	$ 21,718,633	
58															
59	PPO 90 EE Only	119	9,235	$ 1,098,960	-	9,235	$ -	16	8,209	$ 131,341	4	9,235	$ 36,940		
60	PPO 90 EE + Spouse	44	17,700	778,805	-	17,700	-	-	-	-	2	17,700	35,400		
61	PPO 90 EE + Child(ren)	43	15,391	661,832	-	15,391	-	-	-	-	2	15,391	30,783		
62	PPO 90 Employee + 1	-	-	-	-	-	-	3	17,238	51,715	-	-			
63	PPO 90 Family	102	25,396	2,590,412	-	25,396	-	9	25,447	229,027	1	25,396	25,396		
64	Total PPO 90	308		$ 5,130,010	-		$ -	28		$ 412,084	9		$ 128,519	$ 5,670,613	
65															
66	Saver EE Only	202	7,823	$ 1,580,181	-	7,823	$ -	21	7,544	$ 158,422	4	7,823	$ 31,291		
67	Saver EE + Spouse	88	15,714	1,382,864	-	15,714	-	-	-	-	2	15,714	31,429		
68	Saver EE + Child(ren)	76	13,591	1,032,949	-	13,591	-	-	-	-	3	13,591	40,774		
69	Saver Employee + 1	-	-	-	-	-	-	7	15,832	110,827	-	-			
70	Saver Family	276	22,791	6,290,448	-	22,791	-	16	23,280	372,482	15	22,791	341,872		
71	Total Saver	642		$ 10,286,443	-		$ -	44		$ 641,731	24		$ 445,366	$ 11,373,540	
72															
73	Medical Opt-out	247	500	$ 123,500	-	500	$ -	52	500	$ 26,000	5	500	$ 2,500	$ 152,000	
74															
75	Medical Not Enrolled / Not Eligible	9	-	$ -	-	-	$ -	7	-	$ -	-	-	$ -	$ -	
76															
77	EESCO MEDICAL EXPENSE	2,216		32,534,530	-		-	392		5,201,291	72		1,178,965	38,914,786	Line 57 + 64 + 71 + 73
78	**EESCO ALLOCATED TO PSNH ELECTRIC**	**177**		**$ 2,602,762**	**-**		**$ -**	**31**		**$ 416,103**	**6**		**$ 94,317**	**$ 3,113,183**	Line 77 * 8.00%

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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

EMPLOYEE BENEFITS COSTS
TEST YEAR PRO FORMA

DENTAL EXPENSE

Line	Description	Non-Represented			Represented - PSNH Electrical Workers			Represented - EESCO - L369, L12004			Represented - EESCO - Convex, Teal Book				
19	Description	Enrollment as of 12/31/2018 (#)	2019 Net Annual Cost per Employee ($)	Pro Forma Test Year (B)*(C)	Enrollment as of 12/31/2018 (#)	2019 Net Annual Cost per Employee ($)	Pro Forma Test Year (E)*(F)	Enrollment as of 12/31/2018 (#)	2019 Net Annual Cost per Employee ($)	Pro Forma Test Year (H)*(I)	Enrollment as of 12/31/2018 (#)	2019 Net Annual Cost per Employee ($)	Pro Forma Test Year (K)*(L)	Pro Forma Test Year (D) + (G) + (J) + (M)	Reference
20	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)
22	DENTAL - PSNH														
23	Dental 1000 EE Only	13	349	$ 4,541	12	349	$ 4,192	-	373	$ -	-	349	$ -		
24	Dental 1000 EE + Spouse	15	733	10,998	9	733	6,599	-	-	-	-	733	-		
25	Dental 1000 EE + Child(ren)	7	629	4,400	6	629	3,771	-	-	-	-	629	-		
26	Dental 1000 Employee + 1	-	-		-	-		-	782			-			
27	Dental 1000 Family	24	1,083	25,980	22	1,083	23,815	-	1,155	-	-	1,083	-		
28	Total Dental 1000	59		$ 45,920	49		$ 38,377	-		$ -	-		$ -	$ 84,297	
30	Dental 1800 EE Only	57	349	$ 19,904	61	349	$ 21,301	-	484	$ -	-	349	$ -		
31	Dental 1800 EE + Spouse	78	733	57,190	42	733	30,794	-	-	-	-	733	-		
32	Dental 1800 EE + Child(ren)	24	629	15,085	29	629	18,228	-	-	-	-	629	-		
33	Dental 1800 Employee + 1	-	-		-	-		-	1,016			-			
34	Dental 1800 Family	109	1,083	117,995	88	1,083	95,262	-	1,500	-	-	1,083	-		
35	Total Dental 1800	268		$ 210,174	220		$ 165,586	-		$ -	-		$ -	$ 375,760	
37	Dental Not Enrolled / Not Eligible	23	-	$ -	24	-	$ -	-	-	$ -	-	-	$ -	$ -	
39	**PSNH DENTAL EXPENSE**	**350**		**$ 256,094**	**293**		**$ 203,963**	**-**		**$ -**	**-**		**$ -**	**$ 460,057**	Line 28 + 35 + 37
42	DENTAL - EESCO														
43	Dental 1000 EE Only	136	349	$ 47,508	-	349	$ -	10	373	$ 3,726	7	349	$ 2,445		
44	Dental 1000 EE + Spouse	79	733	57,923	-	733	-	-	-	-	3	733	2,200		
45	Dental 1000 EE + Child(ren)	52	629	32,685	-	629	-	-	-	-	1	629	629		
46	Dental 1000 Employee + 1	-	-	-	-	-	-	-	782	-	-	-			
47	Dental 1000 Family	114	1,083	123,407	-	1,083	-	1	1,155	1,155	5	1,083	5,413		
48	Total Dental 1000	381		$ 261,523	-		$ -	11		$ 4,881	16		$ 10,686	$ 277,089	
50	Dental 1800 EE Only	497	349	$ 173,552	-	349	$ -	149	484	$ 72,074	11	349	$ 3,841		
51	Dental 1800 EE + Spouse	325	733	238,290	-	733	-	-	-	-	9	733	6,599		
52	Dental 1800 EE + Child(ren)	215	629	135,140	-	629	-	-	-	-	8	629	5,028		
53	Dental 1800 Employee + 1	-	-	-	-	-	-	93	1,016	94,469	-	-			
54	Dental 1800 Family	609	1,083	659,255	-	1,083	-	103	1,500	154,475	25	1,083	27,063		
55	Total Dental 1800	1,646		$ 1,206,237	-		$ -	345		$ 321,019	53		$ 42,531	$ 1,569,788	
57	Dental Not Enrolled / Not Eligible	189	-	$ -	-	-	$ -	36	-	$ -	3	-	$ -	$ -	
59	EESCO DENTAL EXPENSE	2,216		$ 1,467,760	-		$ -	392		$ 325,900	72		$ 53,217	$ 1,846,877	Line 48 + 55 + 57
60	**EESCO ALLOCATED TO PSNH**	**177**		**$ 117,421**	**-**		**$ -**	**31**		**$ 26,072**	**6**		**$ 4,257**	**$ 147,750**	Line 59 * 8.00%

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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

EMPLOYEE BENEFITS COSTS
TEST YEAR PRO FORMA

VISION EXPENSE

Line	Description	Non-Represented			Represented - PSNH Electrical Workers			Represented - EESCO - L369, L12004			Represented - EESCO - Convex, Teal Book				
19	Description	Enrollment as of 12/31/2018 (#)	2019 Net Annual Cost per Employee ($)	Pro Forma Test Year (B)*(C)	Enrollment as of 12/31/2018 (#)	2019 Net Annual Cost per Employee ($)	Pro Forma Test Year (E)*(F)	Enrollment as of 12/31/2018 (#)	2019 Net Annual Cost per Employee ($)	Pro Forma Test Year (H)*(I)	Enrollment as of 12/31/2018 (#)	2019 Net Annual Cost per Employee ($)	Pro Forma Test Year (K)*(L)	Pro Forma Test Year (D) + (G) + (J) + (M)	Reference
20	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)
22	VISION - PSNH														
23	VSP EE Only	70	39	$ 2,738	61	39	$ 2,386	-	48	$ -	-	39	$ -		
24	VSP EE + Spouse	93	82	7,656	57	82	4,692	-	-	-	-	82	-		
25	VSP EE + Child(ren)	30	70	2,113	34	70	2,395	-	-	-	-	70	-		
26	VSP Employee + 1	-	-	-	-	-	-	-	101	-	-	-	-		
27	VSP Family	121	121	14,694	94	121	11,415	-	149	-	-	121	-		
28	VSP Not Enrolled / Not Eligible	36	-	-	47	-	-	-	-	-	-	-	-		
29	**PSNH VISION EXPENSE**	**350**		**$ 27,202**	**293**		**$ 20,889**	**-**		**$ -**	**-**		**$ -**	**$ 48,090**	
31	VISION - EESCO														
32	VSP EE Only	595	39	$ 23,276	-	39	$ -	143	48	$ 6,881	15	39	$ 587		
33	VSP EE + Spouse	428	82	35,233	-	82	-	-	-	-	14	82	1,152		
34	VSP EE + Child(ren)	251	70	17,680	-	70	-	-	-	-	8	70	564		
35	VSP Employee + 1	-	-	-	-	-	-	88	101	8,902	-	-			
36	VSP Family	651	121	79,057	-	121	-	98	149	14,629	30	121	3,643		
37	VSP Not Enrolled / Not Eligible	291	-	-	-	-	-	63	-	-	5	-	-		
38	EESCO VISION EXPENSE	2,216		$ 155,247	-		$ -	392		$ 30,413	72		$ 5,946	$ 191,606	
39	**EESCO ALLOCATED TO PSNH**	**177**		**$ 12,420**	**-**		**$ -**	**31**		**$ 2,433**	**6**		**$ 476**	**$ 15,328**	Line 38 * 8.00%

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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

INSURANCE EXPENSE & INJURIES & DAMAGES

Description	Amount	Adjustment	Reference
(A)	(B)	(C)	(D)
Test Year	$ 2,372,376		
Test Year Pro Forma	2,480,664		
Pro Forma Adjustment		$ 108,288	Line 21 - Line 19

NOTE: Numbers may not add due to rounding.

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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

INSURANCE EXPENSE & INJURIES & DAMAGES

Line	Account	Description	Test Year Actual	Normalizing Adjustment	Adjusted Test Year	Pro Forma Adjustment	Test Year Pro Forma	Reference
18	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
20	924000	Insurance Expense						
21		Property	$ 181,680	$ (24,824)	$ 156,856	$ 4,070	$ 160,926	WP EHC/TMD-13 , Line 23
22		Crime	9,757	-	9,757	142	9,899	WP EHC/TMD-13 , Line 28
23		Total Account 924000	$ 191,438	$ (24,824)	$ 166,614	$ 4,211	$ 170,825	
25	925000	Insurance Expense						
26		Cyber Risk	$ 59,345	$ (1,336)	$ 58,009	$ (15,358)	$ 42,651	WP EHC/TMD-13 , Line 35
27		Fiduciary	53,133	-	53,133	424	53,557	WP EHC/TMD-13 , Line 42
28		Excess Liability	663,278	-	663,278	218,732	882,010	WP EHC/TMD-13 , Line 52
29		Directors and Officers Liability	69,009	-	69,009	(1,871)	67,139	WP EHC/TMD-13 , Line 65
30		Worker's Compensation	174,455	-	174,455	12,216	186,671	WP EHC/TMD-13 , Line 75
31			1,019,220	(1,336)	1,017,885	214,142	1,232,027	
32	925000	Injuries & Damages Expense						
33		Public Liability Claims	449,856	-	449,856	-	449,856	
34		Worker's Compensation Claims	2,143,683	-	2,143,683	-	2,143,683	
35	593000	Accrual for Uncollectible Claims	229,135	-	229,135	-	229,135	
36			2,822,674	-	2,822,674	-	2,822,674	
37	925000	Insurance Expense - Other						
38		Second Injury Fund	130,708	-	130,708	-	130,708	
39		Claims Handling Expense	222,259	-	222,259	-	222,259	
40		Safety & Training Programs	47,026	-	47,026	-	47,026	
41			399,994	-	399,994	-	399,994	
43		Total account 925000 & 593000	$ 4,241,888	$ (1,336)	$ 4,240,553	$ 214,142	$ 4,454,695	Line 31 + Line 36 + Line 41
45	924000, 925000, 593000	Subtotal: Gross Insurance Expense and Injuries & Damages	4,433,326	(26,160)	4,407,166	218,354	4,625,520	Line 23 + Line 43
46		Less: Capitalized Portion	(2,035,473)	683	(2,034,790)	(110,066)	(2,144,856)	
48		Net Insurance and Injuries & Damages Expense	$ 2,397,853	$ (25,477)	$ 2,372,376	$ 108,288	$ 2,480,664	Line 45 + Line 46

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

INSURANCE EXPENSE & INJURIES & DAMAGES

Line of Coverage	Policy Period From	Policy Period To	Insurance Carrier	Current Premium	Allocated Expense to PSNH
(A)	(B)		(C)	(D)	(E)
Property					
Service Fee	9/30/2018	9/30/2019	AON Risk Services	$ 142,000	$ 9,051
PO5344905P	10/1/2018	10/1/2019	AEGIS	2,161,613	125,722
31098717GP	10/1/2018	10/1/2019	EIM	395,831	23,067
Service Fee	10/1/2018	10/1/2019	Arise Inc.	48,415	3,086
				$ 2,747,859	$ 160,926
Crime					
MNN793344012018	4/10/2018	4/10/2019	AXIS	$ 15,323	$ 1,865
47EPC30243903	4/10/2018	4/10/2019	Berkshire Hathaway	65,526	8,034
				$ 80,849	$ 9,899
Cyber Risk					
CP5642703P	6/29/2018	6/29/2019	AEGIS	$ 494,151	$ 32,194
44013818CY	6/29/2018	6/29/2019	ENERGY	57,000	3,714
16028732	6/29/2018	6/29/2019	AIG Special	69,000	4,495
44013718CY	6/29/2018	6/29/2019	ENERGY	34,500	2,248
				$ 654,651	$ 42,651
Fiduciary					
Service Fee	4/23/2018	4/23/2019	Marsh	$ 37,450	$ 4,438
FP5040917P	4/23/2018	4/23/2019	AEGIS	280,000	33,180
273993-18FL	4/23/2018	4/23/2019	EIM	105,000	12,443
FLX10012922600	4/23/2018	4/23/2019	ENDURANCE	29,500	3,496
				$ 451,950	$ 53,557
Excess Liability					
68039342	1/1/2018	1/1/2021	Federal Insurance	$ 15,000	$ 1,859
XL5043707P	3/15/2018	3/15/2019	AEGIS	6,847,298	666,242
U9207110318	3/15/2018	3/15/2019	Oil Casualty	82,500	8,027
253945-18GL	3/15/2018	3/15/2019	EIM	1,751,045	170,377
ENGAO1800030001	3/15/2018	3/15/2019	Marsh	192,500	18,730
87553500000	3/15/2018	3/15/2019	Marsh	97,500	9,487
Service Fee	3/15/2018	3/15/2019	Marsh	74,900	7,288
				$ 9,060,743	$ 882,010
Directors and Officers Liability					
DP5008518P	4/23/2018	4/23/2019	AEGIS	$ 175,130	$ 11,243
293994-18DO	4/23/2018	4/23/2019	EIM	237,500	15,248
24MGU18A43581	4/23/2018	4/23/2019	US Specialty	100,000	6,420
013648017	4/23/2018	4/23/2019	National	33,000	2,119
BPRO8033409	4/23/2018	4/23/2019	Berkley	22,000	1,412
47EPC30256403	4/23/2018	4/23/2019	Berkshire Hathaway	186,000	11,941
DOC938492709	4/23/2018	4/23/2019	Zurich	97,750	6,276
105922917	4/23/2018	4/23/2019	Traveler	80,850	5,191
G2680954A006	4/23/2018	4/23/2019	ACE	38,636	2,480
Service Fee	4/23/2018	4/23/2019	Marsh	74,900	4,809
				$1,045,766	$ 67,139
Workers Compensation					
WC5041607P	5/1/2018	5/1/2019	AEGIS	$ 683,437	$ 122,236
WC Self-Insurer's Bonds	5/20/2018	5/20/2019	Willis of MA	55,739	37,198
Service Fee	5/1/2018	5/1/2019	Marsh	53,500	5,896
EN4GL00131181	5/1/2018	5/1/2019	Everest	875,000	21,341
				$ 1,667,676	$ 186,671
			Grand Total Insurance Premiums		**$ 1,402,852**

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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

PAYROLL EXPENSE

Description	Amount	Adjustment	Reference
(A)	(B)	(C)	(D)
Test Year	$ 49,823,447		Sch. EHC/TMD-14 (Perm), Page 2, Line 23
Test Year Pro Forma	54,496,899		Sch. EHC/TMD-14 Perm), Page 2, Line 52
Pro Forma Adjustment		$ 4,673,452	Line 21 - Line 19
Local 1837		$ 1,655,681	Sch. EHC/TMD-14, Page 2
Non-Union		3,017,772	Sch. EHC/TMD-14, Page 2
Total		$ 4,673,452	

NOTE: Numbers may not add due to rounding.

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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

PAYROLL EXPENSE

Description	Local 1837	Non-Union	Total	Reference
(A)	(B)	(C)	(D)	(E)
Adjusted Test Year				
Distribution O&M Test Year	$ 12,914,238	$ 36,909,210	$ 49,823,447	
Proforma Adjustment	-	-	-	
Adjusted Test Year	$ 12,914,238	$ 36,909,210	$ 49,823,447	
Annualized Test Year Wage Increases				
Annualization of Troubleshooters and SOC FTEs	638,790	245,146	883,936	
Annualized Test Year Base Wages before Wage Increase	$ 13,553,028	$ 37,154,356	$ 50,707,383	
Effective Date of Wage Increase	06/03/18	04/01/18		Per Contract
Percent Increase	3.00%	3.00%		Per Contract
Days from December 31, 2017	153	90		Line 29 - December 31, 2017
Increase to Annualize	$ 170,434	$ 274,840	$ 445,274	Line 27 * Line 30 * Line 31 / 365 days
Annualized Test Year Base Wages	$ 13,723,462	$ 37,429,196	$ 51,152,658	Line 27 + Line 32
Post Test Year Wage Increases				
Incremental FTE's - Cyber Security	-	99,671	99,671	
Incremental FTE's - Troubleshooters and SOC	422,090	106,142	528,232	
Post Test Year Base Wages	$ 14,145,552	$ 37,635,009	$ 51,780,561	
Post Test Year Wage Increases				
Effective Date of Wage Increase	06/02/19	04/01/19		Per Contract
Percent Increase	3.00%	3.00%		Per Contract
Wage Increase	$ 424,367	$ 1,129,050	$ 1,553,417	Line 38 * Line 42
Post Test Year Base Wages	$ 14,569,918	$ 38,764,060	$ 53,333,978	
Post Test Year Wage Increases				
Effective Date of Wage Increase		04/01/20		
Percent Increase	0.00%	3.00%		
Wage Increase	$ -	$ 1,162,922	$ 1,162,922	Line 44 * Line 48
Rate Year Wage Increases				
Rate Year Base Wages	$ 14,569,918	$ 39,926,981	$ 54,496,899	
Total Payroll Adjustment	$ 1,655,681	$ 3,017,772	$ 4,673,452	
Payroll Percentage Adjustment	**12.821%**	**8.176%**	**9.380%**	

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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

PAYROLL EXPENSE

Account Description	PSNH Test Year	Service Company Test Year	Other Affiliates Test Year	Total Payroll Test Year	Normalizing Adjustments	Non- Distribution O&M Adjustments	Distribution O&M Test Year	Proforma Adjustments	Adjusted Test Year
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
Capital, Balance Sheet, and Other	$ 31,304,563	$ 3,378,675	$ 1,703,829	$ 36,387,067		$ (36,387,067)	$ -	$ -	$ -
Operations & Maintenance Expenses - Distribution									
556 System Control And Load Dispatching	$ 30,463	$ -	$ 20,427	$ 50,891			$ 50,891	$ 4,774	$ 55,664
580 Operation Supervision And Engineering	7,481,593	351,739	95,072	7,928,404			7,928,404	$ 743,686	8,672,091
581 Load Dispatching	176,957	733	633,951	811,642			811,642	$ 76,132	887,774
582 Station Expenses	1,585,056	3,097	287,542	1,875,694			1,875,694	$ 175,941	2,051,634
583 Overhead Line Expenses	682,260	336	4,270	686,866			686,866	$ 64,428	751,294
584 Underground Line Expenses	304,369	306	434	305,108			305,108	$ 28,619	333,727
585 Street Lighting And Signal System Expenses	352,341	-	-	352,341			352,341	$ 33,050	385,391
586 Meter Expenses	1,761,136	19,394	-	1,780,530			1,780,530	$ 167,014	1,947,545
587 Customer Installations Expenses	4,789	-	2	4,791			4,791	$ 449	5,240
588 Miscellaneous Distribution Expenses	1,916,926	7,469	91,351	2,015,746			2,015,746	$ 189,078	2,204,824
589 Distribution Operations Rent	44,507	166,292	-	210,800			210,800	$ 19,773	230,573
590 Distribution Maintenance Supervising & Engineering	85,397	48,334	23	133,754			133,754	$ 12,546	146,300
591 Maintenance Of Structures	118,914	-	12,450	131,365			131,365	$ 12,322	143,687
592 Maintenance Of Station Equipment	820,180	-	215,299	1,035,478			1,035,478	$ 97,128	1,132,606
593 Maintenance Of Overhead Lines	12,394,130	476,606	1,623,107	14,493,844		(7,078,805)	7,415,038	$ 695,532	8,110,571
594 Maintenance Of Underground Lines	408,828	110	3,791	412,729			412,729	$ 38,714	451,443
595 Maintenance Of Line Transformers	256,526	265,459	1,137	523,122			523,122	$ 49,069	572,191
596 Maintenance Of Street Lighting And Signal Systems	40,984	(0)	29	41,013			41,013	$ 3,847	44,860
597 Maintenance Of Meters	298,770	19,394	-	318,164			318,164	$ 29,844	348,008
598 Maintenance Of Miscellaneous Distribution Plant	10,660	-	(1)	10,659			10,659	$ 1,000	11,659
Operations & Maintenance Expenses - Distribution Subtotal	$ 28,774,787	$ 1,359,270	$ 2,988,884	$ 33,122,940	$ -	$ (7,078,805)	$ 26,044,135	$ 2,442,947	$ 28,487,082
Operations & Maintenance Expenses - Customer									
901 Supervision		$ -	$ -	$ -			-	$ -	$ -
902 Meter Reading Expenses	1,293,736	448,906	-	1,742,642			1,742,642	$ 163,460	1,906,102
903 Customer Records And Collection Expenses	1,311,838	7,017,426	-	8,329,265			8,329,265	$ 781,287	9,110,552
905 Customer Account Expenses	57,337	-	-	57,337			57,337	$ 5,378	62,715
908 Customer Assistance Expenses	-	499,256	-	499,256			499,256	$ 46,830	546,086
Operations & Maintenance Expenses - Customer Subtotal	$ 2,662,911	$ 7,965,588	$ -	$ 10,628,499	$ -	$ -	$ 10,628,499	$ 996,956	$ 11,625,455
Operations & Maintenance Expenses - Administrative and General									
				$ -			$ -		$ -
920 Administrative & General Salaries	633,343	11,662,445	494	12,296,283	547,623		12,843,906	$ 1,204,762	14,048,667
925 Injuries & Damages	30,812	170,683	-	201,496			201,496	$ 18,900	220,396
926 Employee Pension & Benefits	-	-	-	-			-	$ -	-
928 Regulatory Commission Expense	2,575	1,329	-	3,904			3,904	$ 366	4,270
935 Maintenance of General Plant	80,987	-	20,521	101,508			101,508	$ 9,521	111,029
Operations & Maintenance Expenses - Administrative and General Subtotal	$ 747,718	$ 11,834,457	$ 21,015	$ 12,603,190	$ 547,623	$ -	$ 13,150,813	$ 1,233,550	$ 14,384,363
Total	$ 63,489,979	$ 24,537,989	$ 4,713,728	$ 92,741,697	$ 547,623	$ (43,465,872)	$ 49,823,447	$ 4,673,452	$ 54,496,899

NOTE: Numbers may not add due to rounding

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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

PAYROLL EXPENSE

Line	Account Description	Adjusted Test Year	% of Total	Payroll Adjustment By FERC Account	Reference
18	(A)	(B)	(C)	(D)	(E)
19	Total Payroll Adjustment			$ 4,673,452	
20					
21	**Operations & Maintenance Expenses - Distribution**				
22	556 System Control And Load Dispatching	$ 50,891	0.1%	$ 4,774	Line 19 * Line 22
23	580 Operation Supervision And Engineering	7,928,404	15.9%	743,686	Line 19 * Line 23
24	581 Load Dispatching	811,642	1.6%	76,132	Line 19 * Line 24
25	582 Station Expenses	1,875,694	3.8%	175,941	Line 19 * Line 25
26	583 Overhead Line Expenses	686,866	1.4%	64,428	Line 19 * Line 26
27	584 Underground Line Expenses	305,108	0.6%	28,619	Line 19 * Line 27
28	585 Street Lighting And Signal System Expenses	352,341	0.7%	33,050	Line 19 * Line 28
29	586 Meter Expenses	1,780,530	3.6%	167,014	Line 19 * Line 29
30	587 Customer Installations Expenses	4,791	0.0%	449	Line 19 * Line 30
31	588 Miscellaneous Distribution Expenses	2,015,746	4.0%	189,078	Line 19 * Line 31
32	589 Distribution Operations Rent	210,800	0.4%	19,773	Line 19 * Line 32
33	590 Distribution Maintenance Supervising & Engineering	133,754	0.3%	12,546	Line 19 * Line 33
34	591 Maintenance Of Structures	131,365	0.3%	12,322	Line 19 * Line 34
35	592 Maintenance Of Station Equipment	1,035,478	2.1%	97,128	Line 19 * Line 35
36	593 Maintenance Of Overhead Lines	7,415,038	14.9%	695,532	Line 19 * Line 36
37	594 Maintenance Of Underground Lines	412,729	0.8%	38,714	Line 19 * Line 37
38	595 Maintenance Of Line Transformers	523,122	1.0%	49,069	Line 19 * Line 38
39	596 Maintenance Of Street Lighting And Signal Systems	41,013	0.1%	3,847	Line 19 * Line 39
40	597 Maintenance Of Meters	318,164	0.6%	29,844	Line 19 * Line 40
41	598 Maintenance Of Miscellaneous Distribution Plant	10,659	0.0%	1,000	Line 19 * Line 41
42	**Operations & Maintenance Expenses - Distribution Subtotal**	**$ 26,044,135**		**$ 2,442,947**	Sum of Lines 22 through 41
43					
44	**Operations & Maintenance Expenses - Customer**				
45	901 Supervision	$ -	0.0%	$ -	Line 19 * Line 45
46	902 Meter Reading Expenses	1,742,642	3.5%	163,460	Line 19 * Line 46
47	903 Customer Records And Collection Expenses	8,329,265	16.7%	781,287	Line 19 * Line 47
48	905 Customer Account Expenses	57,337	0.1%	5,378	Line 19 * Line 48
49	908 Customer Assistance Expenses	499,256	1.0%	46,830	Line 19 * Line 49
50	**Operations & Maintenance Expenses - Customer Subtotal**	**$ 10,628,499**		**$ 996,956**	
51					
52	**Operations & Maintenance Expenses - Administrative and General**				
53	920 Administrative & General Salaries	$ 12,843,906	25.8%	$ 1,204,762	
54	925 Injuries & Damages	201,496	0.4%	18,900	
55	926 Employee Pension & Benefits	-	0.0%	-	
56	928 Regulatory Commisssion Expense	3,904	0.0%	366	
57	935 Maintenance of General Plant	101,508	0.2%	9,521	
58	**Operations & Maintenance Expenses - Administrative and General Subtota**	**$ 13,150,813**		**$ 1,233,550**	
59					
60	Total Payroll Expense	$ 49,823,447	100%	$ 4,673,452	

NOTE: Numbers may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

VARIABLE COMPENSATION

Description	Amount	Adjustment	Reference
(A)	(B)	(C)	(D)
Test Year	$ 8,504,863		
Test Year Pro Forma	7,613,826		
Pro Forma Adjustment		$ (891,037)	Line 21 - Line 19

NOTE: Numbers may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

VARIABLE COMPENSATION

Description	Test Year Actual 12/31/2018	Normalizing Adjustments	Adjusted Test Year 12/31/2018	Pro Forma Adjustments	Test Year Pro Forma	Reference
(A)	(B)	(C)	(D)	(E)	(F)	(G)
Test Year Actual	$ 8,346,375					
Normalizing Adjustments		158,488				
Subtotal - Adjusted Test Year			8,504,863			
Post Test Year Adjustment				(1,465,781)		
Payroll Escalation Adjustment				574,744		
Total Variable Compensation	$ 8,346,375	$ 158,488	$ 8,504,863	$ (891,037)	$ 7,613,826	

CALCULATION OF PERCENT INCREASE IN BASE PAYROLL

Description	Amount	Reference
Non-Union Base Payroll Expense - Test Year Pro Forma	$ 39,926,981	Sch. EHC/TMD-14 (Perm), page 2, line 52
Less: 12/31/18 Test Year Non-Union Base Wages	36,909,210	Sch. EHC/TMD-14 (Perm), page 2, line 23
Amount of Payroll Increase	$ 3,017,772	Line 33 - Line 34
Divided by: 12/31/18 Non-Union Base Payroll Expense, Actual Payroll Expense	$ 36,909,210	Line 34
Percent of Payroll Increase	8.176%	Line 35 / Line 37

	Test Year	Normalizing Adjustments	Adjusted Test Year	Pro Forma Adjustments	Test Year Pro Forma
Employee Incentive	$ 5,024,541	$ (100,971)	$ 4,923,570	$ (1,269,521)	$ 3,654,049
Executive Incentive	1,302,264	259,459	1,561,723	(259,138)	1,302,585
Executive Stock Incentive	1,650,373	-	1,650,373	108,070	1,758,443
Director RSU's	369,197	-	369,197	(54,805)	314,392
Total Variable Comp	$ 8,346,375	$ 158,488	$ 8,504,863	$ (1,475,394)	$ 7,029,469

EESCO Employee Incentive - Total O&M	$ 19,003,771
2019 Allocation to PSNH Distribution	8.00%
PSNH Distribution Allocation from EESCO	$ 1,520,302
Number of EESCo Non-Union Employees	2,214
EESCo Allocated to PSNH O&M/Employee	$ 687
Incremental EESCO Cybersecurity FTE's	14
Additional EESCO Incentive Alloc to PSNH	$ 9,613

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ENTERPRISE IT PROJECTS EXPENSE

Description	Amount	Adjustment	Reference
(A)	(B)	(C)	(D)
Test Year	$ 3,460,641		
Test Year Pro Forma	4,151,778		
Pro Forma Adjustment		$ 691,137	Line 21 - Line 19

NOTE: Numbers may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

ENTERPRISE IT PROJECTS EXPENSE

Description	Test Year Ended 12/31/2018	Normalizing Adjustments	Adjusted Test Year 12/31/2018	Pro Forma Adjustments	Test Year Pro Forma	Reference
(A)	(B)	(C)	(D)	(E)	(F)	(G)
Enterprise IT Projects Expense	4,291,690	-	4,291,690	856,844	5,148,534	930RAX
Less: Capitalized Portion	831,049	-	831,049	165,707	996,756	930300
Net Enterprise IT Projects Expense	$ 3,460,641	$ -	$ 3,460,641	$ 691,137	$ 4,151,778	

Note: Numbers may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

ENVIRONMENTAL

Description (A)	Amount (B)	Adjustment (C)	Reference (D)
Test Year	$ 321,777		
Test Year Pro Forma	321,777		
Pro Forma Adjustment		$ -	Line 22 - Line 20

NOTE: Numbers may not add due to rounding.

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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

ENVIRONMENTAL

Description	Test Year Ended 12/31/2018	Normalizing Adjustments	Adjusted Test Year 12/31/2018	Pro Forma Adjustments	Test Year Pro Forma
(A)	(B)	(C)	(D)	(E)	(F)
Environmental Outside Services	$ 22,953	$ -	$ 22,953	$ -	$ 22,953
Storm Spill Response and Disposal	5	-	5	-	5
Reserve Site Remediation	227	-	227	-	227
Facility Waste	24,402	-	24,402	-	24,402
Spill Response and Disposal	106,833	-	106,833	-	106,833
Manholes and Vaults	2,480	-	2,480	-	2,480
Other Outside Services- Other	164,878	-	164,878	-	164,878
		-	-		-
Total Expense	$ 321,777	$ -	$ 321,777	$ -	$ 321,777

Note: Numbers may not add due to rounding.

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FIELD OPERATIONS

Description	Amount	Adjustment	Reference
(A)	(B)	(C)	(D)
Test Year	$ 7,227,660		
Test Year Pro Forma	7,227,660		
Pro Forma Adjustment		$ -	Line 22 - Line 20

NOTE: Numbers may not add due to rounding.

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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

FIELD OPERATIONS

Description	Test Year Actual	Normalizing Adjustments	Adjusted Test Year	Pro Forma Adjustments	Test Year Pro Forma
(A)	(B)	(C)	(D)	(E)	(F)
Overhead Lines					
Contractor & Outside Services	$ 4,215,806	$ (136,304)	$ 4,079,502	$ -	$ 4,079,502
Police Services and Traffic Control	702,204	-	702,204	-	702,204
Meals, Mileage, Employee Expenses	587,113	-	587,113	-	587,113
Other	466,721	210,831	677,552	-	677,552
Total Overhead Lines	$ 5,971,843	$ 74,527	$ 6,046,370	$ -	$ 6,046,370
Underground Lines					
Locate, DigSafe, Markout	$ 783,609	$ -	$ 783,609	$ -	$ 783,609
Contractor & Outside Services	311,538	-	311,538	-	311,538
Police Services and Traffic Control	43,641	-	43,641	-	43,641
Meals, Mileage, Employee Expenses	8,195	-	8,195	-	8,195
Other	34,307	-	34,307	-	34,307
Total Underground Lines	$ 1,181,290	$ -	$ 1,181,290	$ -	$ 1,181,290
Total Field Operations	$ 7,153,133	$ 74,527	$ 7,227,660	$ -	$ 7,227,660

NOTE: Numbers may not add due to rounding.

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FACILITIES EXPENSE

Description	Amount	Adjustment	Reference
(A)	(B)	(C)	(D)
Test Year	$ 3,276,010		
Test Year Pro Forma	3,276,010		
Pro Forma Adjustment		$ -	Line 21 - Line 19

NOTE: Numbers may not add due to rounding.

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FACILITIES EXPENSE

Description	Test Year Actual	Normalizing Adjustments	Adjusted Test Year	Pro Forma Adjustments	Test Year Pro Forma
(A)	(B)	(C)	(D)	(E)	(F)
Building Maintenance	$ 520,841		$ 520,841	$ -	$ 520,841
Facility Cleaning	441,186		441,186	-	441,186
Grounds Maintenance	74,697		74,697	-	74,697
Rubbish Removal	106,752		106,752	-	106,752
Snow Removal	289,078		289,078	-	289,078
Utilities	1,823,241		1,823,241	-	1,823,241
Security	20,215		20,215	-	20,215
Total Facilities Maintenance	$ 3,276,010	$ -	$ 3,276,010	$ -	$ 3,276,010

NOTE: Numbers may not add due to rounding.

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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

VEGETATION MANAGEMENT

Description	Amount	Adjustment	Reference
(A)	(B)	(C)	(D)
Test Year	$ 32,029,864		
Test Year Pro Forma	32,029,864		
Pro Forma Adjustment		$ -	Line 21 - Line 19

NOTE: Numbers may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

VEGETATION MANAGEMENT

O&M Annualization Adjustment

Description	Test Year Ended 12/31/2018	Test Year Normalizing Adjustments*	Adjusted Test Year 12/31/2018	Pro Forma Adjustments	Test Year Pro Forma	Reference
(A)	(B)	(C)	(D)	(E)	(F)	(G)
Vegetation Mgmt O&M - Annualization Adjustment	$ 14,016,121	$ 1,213,743	$ 15,229,864	$ -	$ 15,229,864	593070, 593100
Total Adjustment	$ 14,016,121	$ 1,213,743	$ 15,229,864	$ -	$ 15,229,864	

Transfer of Capital to O&M

Description	Test Year Ended 12/31/2018	Test Year Normalizing Adjustments	Adjusted Test Year 12/31/2018	Pro Forma Adjustments	Test Year Pro Forma	Reference
Vegetation Mgmt Capital - Transfer to O&M	$ -	$ 16,800,000	$ 16,800,000	$ -	$ 16,800,000	593070, 593100
Total Adjustment	$ -	$ 16,800,000	$ 16,800,000	$ -	$ 16,800,000	
Total Normalizing Adjustments	**$ 14,016,121**	**$ 18,013,743**	**$ 32,029,864**	**$ -**	**$ 32,029,864**	

* reflects unpaid bills from Consolidated

NOTE: Numbers may not add due to rounding.

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LEASE EXPENSE

Description	Amount	Adjustment	Reference
(A)	(B)	(C)	(D)
Test Year	$ 1,833,002		
Test Year Pro Forma	2,255,458		
Pro Forma Adjustment		$ 422,456	Line 21 - Line 19

NOTE: Numbers may not add due to rounding.

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LEASE EXPENSE

Account	Description	Test Year For Filing 12/31/2018	Normalizing Adjustments	Test Year Adjusted 12/31/2018	Pro Forma Adjustments	Test Year Pro Forma
(A)	(B)	(C)	(D)	(E)	(F)	(G)
580000 : Distribution Ops Superv and Eng	Communication Leases	19,475	-	19,475	779	20,253
589000 : Distribution Ops Rent	Manchester - Elm Street	58,099	-	58,099	-	58,099
	Rent Accrual Balance Adjustment	(36,254)	36,254	-	-	-
	Communication Leases	542,230	(42,649)	499,582	21,449	521,031
	Total 589000	564,076	(6,395)	557,681	21,449	579,130
589002 : Operating Property Management	Communication Leases	-	6,712	6,712	-	6,712
589003 : Operating Property	Communication Leases	89,580	(9,270)	80,310	3,583	83,893
	Railroad Leases	61,154	-	61,154	-	61,154
	Total 589003	150,734	(9,270)	141,464	3,583	145,047
589100 : Rents Distribution Other	Manchester - Elm Street	73,389	-	73,389	-	73,389
	Derry Area Work Center	10,757	-	10,757	-	10,757
	Total 589100	84,146	-	84,146	-	84,146
921000 : Office Supplies and Expense	Manchester - Elm Street	36,694	-	36,694	-	36,694
	Communication Leases	49,051	(32,851)	16,200	1,962	18,162
	Total 921000	85,746	(32,851)	52,895	1,962	54,857
931000 : Rent - NUSCO	Boston - Prudential Tower	99,580	-	99,580	-	99,580
	Manchester - Elm Street	12,231	-	12,231	-	12,231
	Legal Administration	4,786	-	4,786	-	4,786
	Board of Trustees	9,517	-	9,517	-	9,517
	Total 931000	126,114	-	126,114	-	126,114
931002 : Rent Prudential Center Prop Taxes and Oper Exp		(1,390)	3,664	2,274	-	2,274
93111X : Rent Intercompany ICP	Berlin Office 107 Selden Street	759,433	-	759,433	-	759,433
	Windsor - Blue Hills Avenue	308,758	-	308,758	-	308,758
	Berlin 3333 Berlin Turnpike	29,819	(29,819)	-	-	-
	Hartford 56 Prospect Avenue Building	40,394	-	40,394	-	40,394
	Westwood - 247 Station Drive	-	-	-	394,683	394,683
	Common Area Management Fees	16,508	-	16,508	-	16,508
	Less: Capital Portion	(282,852)	-	(282,852)	-	(282,852)
	Total 93111X	872,060	(29,819)	842,241	394,683	1,236,924
Total Rent and Lease Expense	**(Lines 4+11+15+20+24+26+31+39+41+48)**	**1,900,961**	**(67,958)**	**1,833,002**	**422,456**	**2,255,458**

NOTE: Numbers may not add due to rounding.

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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

REGULATORY ASSESSMENTS

Description (A)	Amount (B)	Adjustment (C)	Reference (D)
Test Year	$ 4,776,319		
Test Year Pro Forma	4,776,319		
Pro Forma Adjustment		$ -	Line 21 - Line 19

NOTE: Numbers may not add due to rounding.

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REGULATORY ASSESSMENTS

Description (A)	Test Year Actual (B)	Normalization Adjustments (C)	Adjusted Test Year (D)	Pro Forma Adjustments (E)	Test Year Pro Forma (F)	Reference (G)
Balance Account# 928000 (Excluding Labor & OH)	**$ 5,491,189**					
NHPUC Assessment - D	$ 4,725,934	$ -				
Defer NHPUC FY 2018 NHPUC Assessment over base amount in rates (Recovered DE 18-177)	95,387	(95,387)				
Amortized NHPUC Deferred (Recovery of 2017 Consultant Deferral DE 17-160)	239,089	(239,089)	-			
Amortized NHPUC Deferred (Recovery of 2017 NHPUC Assessment Deferral DE 17-160)	430,569	(430,569)	-			
Adjust Assessment to latest NHPUC Assessment (less $10K recovered in Energy Service Rates)		40,385				
		-				
Net NHPUC Assessment	**$ 5,490,979**	**$ (724,661)**	**$ 4,776,319**	**$ -**	**$ 4,776,319**	
Non Docket Consultant Expenses	210	(210)	-			
Total Consultant Expense	**$ 210**	**$ (210)**	**$ -**			
Total	**$ 5,491,189**	**$ (724,871)**	**$ 4,776,319**	**$ -**	**$ 4,776,319**	

Notes:
Col. (F) reflects most recent invoices including AGO Assessment for $789,893.12, General Assessment for $3,849,604, and Trust Assessment for $2,073,988.

NOTE: Numbers may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

MATERIALS & SUPPLIES

Description	Amount	Adjustment	Reference
(A)	(B)	(C)	(D)
Test Year	$ 1,317,919		
Test Year Pro Forma	1,317,919		
Pro Forma Adjustment		$ -	Line 21 - Line 19

NOTE: Numbers may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

MATERIALS & SUPPLIES

Description	Test Year Actual 12/31/2018	Normalizing Adjustments	Adjusted Test Year	Pro Forma Adjustments	Test Year Proforma
(A)	(B)	(C)	(D)	(E)	(F)
Material and Supplies	1,317,919	-	1,317,919	-	1,317,919
Total Expense	$ 1,317,919	$ -	$ 1,317,919	$ -	$ 1,317,919

Note: Numbers may not add due to rounding.

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VEHICLES

Description	Amount	Adjustment	Reference
(A)	(B)	(C)	(D)
Test Year	$ 4,825,395		
Test Year Pro Forma	3,756,921		
Pro Forma Adjustment		$ (1,068,474)	Line 21 - Line 19

NOTE: Numbers may not add due to rounding.

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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

VEHICLES

Description	Test Year Actual	Normalizing Adjustments	Adjusted Test Year	Pro Forma Adjustments	Test Year Pro Forma
(A)	(B)	(C)	(D)	(E)	(F)
Fuel	$ 759,419	$ -	$ 759,419	$ -	$ 759,419
Depreciation	1,752,486	-	1,752,486	(1,068,474)	684,012
Labor	493,528	-	493,528	-	493,528
Material/Parts/Tires	423,147	-	423,147	-	423,147
Allocations/Other Corporate Charges	315,639	-	315,639	-	315,639
Corporate Charges	26,604	-	26,604	-	26,604
Property Taxes	105,464	-	105,464	-	105,464
Facilities	223,969	-	223,969	-	223,969
Insurance Costs	117,562	8,059	125,621	-	125,621
Vehicle Registrations	90,062	-	90,062	-	90,062
Vehicle - GPS Fees	63,014	-	63,014	-	63,014
Other Vehicle Expenses	53,577	-	53,577	-	53,577
Outside Services	392,866	-	392,866	-	392,866
	$ 4,817,337	$ 8,059	$ 4,825,395	$ (1,068,474)	$ 3,756,921

NOTE: Numbers may not add due to rounding.

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STORM RESERVE ACCRUAL

Description	Amount	Adjustment	Reference
(A)	(B)	(C)	(D)
Test Year	$ 12,000,000		
Test Year Pro Forma	8,000,000		
Pro Forma Adjustment		$ (4,000,000)	Line 21 - Line 19

NOTE: Numbers may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

RATE CASE EXPENSE

Description (A)	Amount (B)	Adjustment (C)	Reference (D)
Total Rate Case Expense	$ 1,407,500		
Proposed Amortization Period	5 Years		
Proposed Yearly Amortization		$ 281,500	Line 19 / Line 21

NOTE: Numbers may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

RATE CASE EXPENSE

Description	Vendor	Test Year Pro Forma
(A)	(B)	(C)
Rate Case Expense:		
Rate Case - Legal	Keegan Werlin LLP	$ 632,500
Rate Case - Production & Filing Fees	Keegan Werlin LLP	25,000
Marginal Cost Study	Economists Incorporated	200,000
Allocated Cost of Service Study	Economists Incorporated	140,000
Cost of Capital Study	Concentric Energy Advisors, Inc.	100,000
Depreciation Study	Gannett Fleming, Inc.	150,000
Contractor Costs	Various	160,000
Total Rate Case Expense		$ 1,407,500

NOTE: Numbers may not add due to rounding

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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

RESIDUAL O&M INFLATION ADJUSTMENT

Description	Amount	Adjustment	Reference
(A)	(B)	(C)	(D)
Test Year	$ 1,795,483		
Test Year Pro Forma	1,889,387		
Pro-Forma Adjustment		$ 93,904	Line 20 - Line 18

NOTE: Numbers may not add due to rounding.

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RESIDUAL O&M INFLATION ADJUSTMENT

Description (A)	Inflation % (B)	Test Year (C)
Adjusted O&M Expense (Sch. EHC/TMD-5 (Perm), page 2)		144,859,395
Less Expenses with Specific Adjustments:		
Postage Expense		1,929,795
Information Services		7,651,263
Uncollectibles / Bad Debts		2,234,202
Fee Free Payment Processing		-
Customer Service		3,631,337
Dues & Memberships		336,582
Employee Benefits		13,505,593
Insurance Expense & Injuries & Damages		2,397,853
Payroll Expense		49,275,824
Variable Compensation		8,346,375
Enterprise IT Projects Expense		3,460,641
Environmental		321,777
Field Operations		7,153,133
Facilities Expense		3,276,010
Vegetation Management		14,016,121
Lease Expense		1,900,961
Regulatory Assessments		5,491,189
Materials & Supplies		1,317,919
Vehicles		4,817,337
Storm Reserve Accrual		12,000,000
Total Expense Adjustments		$ 143,063,911
Residual O&M Expense		1,795,483
Inflation Factor		5.230%
Inflation Allowance		$ 93,904
Test year Pro Forma		$ 1,889,387
NIPA: Chain-type Price Index - GDP mid-point of test year		
2nd Quarter 2018 GDP Index	110.17	
3rd Quarter 2018 GDP Index	110.67	
Midpoint of Test Year GDP Index - July 1, 2018	110.42	
NIPA: Chain-type Price Index - GDP mid-point of rate year		
4th Quarter 2020 GDP Index	115.89	
1st Quarter 2021 GDP Index	116.50	
Midpoint of Rate Year GDP Index - January 1, 2021	116.20	
Projected Inflation Factor	5.230%	

Source:
Bureau of Economic Analysis; Moody's Analytics (February 4, 2019)

NOTE: Numbers may not add due to rounding.

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DEPRECIATION & AMORTIZATION EXPENSE

Description	Amount	Adjustment	Reference
(A)	(B)	(C)	(D)
Test Year	$ 62,325,389		
Test Year Pro Forma	69,179,945		
Pro Forma Adjustment		$ 6,854,556	Line 21 - Line 19

Test Year Detail	
403000: Depreciation	$ 56,313,874
403700: Depr Exp - Cap Leases	168,419
404000: Amort of Lim-Term El Plant	5,843,096
Total	62,325,389

NOTE: Numbers may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

TABLE 1. SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENT, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO ELECTRIC PLANT AS OF DECEMBER 31, 2018

	ACCOUNT	SURVIVOR CURVE	NET SALVAGE PERCENT	ORIGINAL COST AS OF DECEMBER 31, 2018	BOOK DEPRECIATION RESERVE	FUTURE ACCRUALS	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE	COMPOSITE REMAINING LIFE
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)=(7)/(4)	(9)=(6)/(7)
	ELECTRIC PLANT								
	INTANGIBLE PLANT								
303.00	MISCELLANEOUS INTANGIBLE PLANT	5-SQ	0	21,143,267.53	16,840,109	4,303,159	2,102,237	9.94	2.0
303.20	MISCELLANEOUS INTANGIBLE PLANT - 10 YEAR	10-SQ	0	31,771,797.33	29,424,023	2,347,774	361,196	1.14 *	6.5
	TOTAL INTANGIBLE PLANT			**52,915,064.86**	**46,264,132**	**6,650,933**	**2,463,433**	**4.66**	**2.7**
	DISTRIBUTION PLANT								
360.20	LAND AND LAND RIGHTS	75-R4	0	4,123,039.65	0	4,123,040	196,939	4.78	20.9
361.00	STRUCTURES AND IMPROVEMENTS	75-R3	(25)	26,387,975.26	6,382,082	26,602,888	434,700	1.65	61.2
362.00	STATION EQUIPMENT	55-S0.5	(25)	303,092,439.65	61,788,374	317,077,175	6,998,092	2.31	45.3
362.10	STATION EQUIPMENT - ENERGY MANAGEMENT SYSTEM	25-R2.5	0	3,155,937.71	961,746	2,194,192	130,100	4.12	16.9
364.00	POLES, TOWERS AND FIXTURES	53-R0.5	(90)	303,587,829.37	144,088,112	432,728,764	9,911,815	3.26	43.7
365.00	OVERHEAD CONDUCTORS AND DEVICES	55-R1	(35)	582,095,624.35	120,942,294	664,886,799	15,417,665	2.65	43.1
366.00	UNDERGROUND CONDUIT	60-R2	(40)	38,757,668.49	5,592,977	48,667,759	1,032,816	2.66	47.1
367.00	UNDERGROUND CONDUCTORS AND DEVICES	54-R1.5	(40)	133,741,822.05	41,987,653	145,250,898	3,478,966	2.60	41.8
368.00	LINE TRANSFORMERS	40-S0	(2)	262,481,157.73	78,706,999	189,023,782	6,424,281	2.45	29.4
369.10	OVERHEAD SERVICES	44-R2	(125)	81,721,434.74	20,935,511	162,937,717	5,367,058	6.57	30.4
369.20	UNDERGROUND SERVICES	55-R1.5	(125)	76,631,011.71	14,316,181	158,103,595	3,620,266	4.72	43.7
370.00	METERS	24-L1	0	90,764,199.51	17,296,815	73,467,385	4,888,417	5.39	15.0
371.00	INSTALLATION ON CUSTOMERS' PREMISES	17-L0	(50)	6,563,781.88	1,207,155	8,638,518	837,862	12.76	10.3
373.00	STREET LIGHTING AND SIGNAL SYSTEMS	27-L0	(10)	5,130,537.46	3,820,709	1,822,882	92,566	1.80	19.7
	TOTAL DISTRIBUTION PLANT			**1,918,234,459.56**	**518,026,608**	**2,235,525,394**	**58,831,543**	**3.07**	**38.0**
	GENERAL PLANT								
389.20	LAND AND LAND RIGHTS	65-R4	0	26,976.55	0	26,977	981	3.64	27.5
390.00	STRUCTURES AND IMPROVEMENTS	50-S0.5	(10)	84,363,470.03	15,474,877	77,324,940	1,988,860	2.36	38.9
390.10	STRUCTURES AND IMPROVEMENTS - LEASEHOLD	20-S0.5	0	50,859.53	14,736	36,124	3,795	7.46	9.5
391.10	OFFICE FURNITURE AND EQUIPMENT	20-SQ	0	9,769,978.62	4,687,500	5,082,479	488,388	5.00	10.4
391.20	OFFICE FURNITURE AND EQUIPMENT - COMPUTER EQUIPMENT								
	FULLY ACCRUED			454,719.71	454,720	0	0	-	-
	AMORTIZED	5-SQ	0	1,217,531.18	488,350	729,181	243,538	20.00	3.0
	TOTAL ACCOUNT 391.20			1,672,250.89	943,070	729,181	243,538		
	TRANSPORTATION EQUIPMENT								
392.00	OTHER	15-S4	15	30,225.00	0	25,691	3,934	13.02	6.5
392.10	CARS	6-L3	15	97,593.41	10,019	72,935	14,812	15.18	4.9
392.20	LIGHT TRUCKS	11-S1	15	8,605,166.97	5,261,525	2,052,867	216,589	2.52	9.5
392.30	MEDIUM TRUCKS	14-S3	15	2,764,714.96	1,298,310	1,051,697	98,770	3.57	10.6
392.40	HEAVY TRUCKS	15-S2.5	15	26,391,434.00	14,773,133	7,659,585	619,519	2.35	12.4
392.50	ROLLING EQUIPMENT	13-L2.5	15	1,321,753.47	263,582	859,908	83,154	6.29	10.3
392.60	TRAILERS	13-L3	15	4,958,571.11	1,656,566	2,558,220	325,073	6.56	7.9
392.70	ELECTRIC VEHICLE CHARGING STATION	10-R4	0	7,902.10	7,852	50	9	0.11	5.6
	TOTAL TRANSPORTATION EQUIPMENT			*44,177,361.02*	*23,270,988*	*14,280,953*	*1,361,860*	*3.08*	*10.5*
393.00	STORES EQUIPMENT	20-SQ	0	3,257,904.89	1,109,379	2,148,526	162,896	5.00	13.2
394.00	TOOLS, SHOP AND GARAGE EQUIPMENT	25-SQ	0	14,194,677.76	4,037,342	10,157,336	567,788	4.00	17.9
395.00	LABORATORY EQUIPMENT								
	FULLY ACCRUED			144,092.53	144,093	0	0	-	-
	AMORTIZED	20-SQ	0	1,928,654.42	1,190,890	737,764	96,409	5.00	7.7
	TOTAL ACCOUNT 395.00			2,072,746.95	1,334,983	737,764	96,409	4.65	
396.00	POWER OPERATED EQUIPMENT	15-L4	0	159,421.09	103,592	55,830	5,895	3.70	9.5
	COMMUNICATION EQUIPMENT								
397.10	MICROWAVE								
	FULLY ACCRUED			2,047,169.96	2,047,170	0	0	-	-
	AMORTIZED	15-SQ	0	3,599,537.15	1,779,210	1,820,327	240,027	6.67	7.6
	TOTAL ACCOUNT 397.10			5,646,707.11	3,826,380	1,820,327	240,027	4.25	
397.20	OTHER								
	FULLY ACCRUED			2,911,233.53	2,911,234	0	0	-	-
	AMORTIZED	15-SQ	0	19,187,568.82	7,643,580	11,543,989	1,279,664	6.67	9.0
	TOTAL ACCOUNT 397.20			22,098,802.35	10,554,814	11,543,989	1,279,664	5.79	
397.30	GPS								
	FULLY ACCRUED			171,490.06	171,490	0	0	-	-
	AMORTIZED	5-SQ	0	271,997.24	186,120	85,877	54,388	20.00	1.6
	TOTAL ACCOUNT 397.30			443,487.30	357,610	85,877	54,388	12.26	
	TOTAL COMMUNICATION EQUIPMENT			*28,188,996.76*	*14,738,804*	*13,450,193*	*1,574,079*	*5.58*	*8.5*
398.00	MISCELLANEOUS EQUIPMENT	20-SQ	0	1,279,168.86	653,850	625,319	63,972	5.00	9.8
	TOTAL GENERAL PLANT			**189,213,812.95**	**66,369,121**	**124,655,622**	**6,558,461**	**3.47**	**19.0**
	UNRECOVERED RESERVE TO BE AMORTIZED								
391.10	OFFICE FURNITURE AND EQUIPMENT				(4,352,906)		870,581 **		
391.20	OFFICE FURNITURE AND EQUIPMENT - COMPUTER EQUIPMENT				33,321		(6,664) **		
393.00	STORES EQUIPMENT				(386,094)		77,219 **		
394.00	TOOLS, SHOP AND GARAGE EQUIPMENT				(823,268)		164,654 **		
395.00	LABORATORY EQUIPMENT				(1,006,133)		201,227 **		
397.10	COMMUNICATION EQUIPMENT - MICROWAVE				(2,284,292)		456,858 **		
397.20	COMMUNICATION EQUIPMENT - OTHER				(4,406,520)		881,304 **		
397.30	COMMUNICATION EQUIPMENT - GPS				(56,202)		11,240 **		
398.00	MISCELLANEOUS EQUIPMENT				(159,747)		31,949 **		
	TOTAL UNRECOVERED RESERVE TO BE AMORTIZED				**(13,441,841)**		**2,688,368**		
	TOTAL DEPRECIABLE PLANT			**2,160,363,337.37**	**617,218,020**	**2,366,831,949**	**70,541,805**	**3.27**	**33.6**
	NONDEPRECIABLE PLANT								
301.00	ORGANIZATION			45,057.29					
360.10	LAND			5,830,013.57					
389.10	LAND			4,806,992.04					
	TOTAL NONDEPRECIABLE PLANT			**10,682,062.90**					
	TOTAL ELECTRIC PLANT			**2,171,045,400.27**	**617,218,020**	**2,366,831,949**	**70,541,805**		
*	NEW ADDITIONS TO THIS ACCOUNT WILL BE DEPRECIATED USING A 10.00% RATE						(1,361,860)		
**	5-YEAR AMORTIZATION OF UNRECOVERED RESERVE RELATED TO UTILIZATION OF AMORTIZATION ACCOUNTING						69,179,945		

Public Service Company of New Hampshire
d/b/a Eversource Energy
Docket No. DE 19-057
Attachment EHC/TMD-1 (Perm)
Schedule EHC/TMD-29 (Perm)
May 28, 2019

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

ENTERPRISE IT PROJECTS DEPRECIATION

Description	Amount	Adjustment	Reference
(A)	(B)	(C)	(D)
Test Year	$ 5,061,644		
Test Year Pro Forma	6,590,456		
Pro Forma Adjustment		$ 1,528,812	Line 21 - Line 19

NOTE: Numbers may not add due to rounding.

Public Service Company of New Hampshire
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Page 2 of 2

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

ENTERPRISE IT PROJECTS DEPRECIATION

Description	Test Year Ended 12/31/2018	Normalizing Adjustments	Adjusted Test Year 12/31/2018	Pro Forma Adjustments	Test Year Pro Forma
(A)	(B)	(C)	(D)	(E)	(F)
Enterprise IT Projects Depreciation	6,277,162	-	6,277,162	1,895,527	8,172,689
Less: Capitalized Portion	1,215,518	-	1,215,518	366,715	1,582,233
Net Enterprise IT Projects Depreciation	$ 5,061,644	$ -	$ 5,061,644	$ 1,528,812	$ 6,590,456

NOTE: Numbers may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

AMORTIZATION OF DEFERRED ASSETS

Description	Amount	Adjustment	Reference
(A)	(B)	(C)	(D)
Test Year	$ 15,815,194		
Test Year Pro Forma	19,015,397		
Pro Forma Adjustment		$ 3,200,203	Line 21 - Line 19

NOTE: Numbers may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

AMORTIZATION OF DEFERRED ASSETS

Description	Test Year Actual	Normalizing Adjustments	Adjusted Test Year	Pro Forma Adjustments	Test Year Pro Forma	Reference
(A)	(B)	(C)	(D)	(E)	(F)	(G)
Amortization of Deferred REP	1,271,930	(1,271,930)	-	-	-	Account 407300
Amortization of Deferred Medicare Asset	(344,978)	344,978	-	-	-	Account 407301
Amortization of Former T Flow Through	161,004	(161,004)	-	-	-	Account 407306
Amortization of Rehab Tax Credit	(34,044)	-	(34,044)	-	(34,044)	Account 407350
Amortization - FAS 109	14,843	(14,843)	-	-	-	Account 407370
Amortization of Deferred Storm Costs	-	15,512,608	15,512,608	-	15,512,608	
Amortization of NH PUC Consultant Costs		336,630	336,630	-	336,630	
Amortization of Merger Costs	-	-	-	909,020	909,020	
Amortization of Environmental Costs	-	-	-	2,291,182	2,291,182	
Total Amortization	$ 1,068,755	$ 14,746,439	$ 15,815,194	$ 3,200,203	$ 19,015,397	

Notes:
Col. A, Line 20 represents the removal of the deferred Medicare Asset. This has been fully unwound following DE 17-076's REP docket.
Col. A, Line 21 represents the allowed amount of former transmission flow through to be recovered in rates per docket DE 06-028. Amortization ends February 2019.
Col. A, Line 22 represents the amortization of the rehab tax credit utilized on PSNH's 2002 tax return. Amortization will continue through June, 2041.
Col. A, Line 24 represents the amortization of unrecovered storm costs over 5 years.
Col. A, Line 25 represents the amortization of deferred regulatory assessment/consultant costs.
Col. A, Line 26 represents the amortization of unrecovered merger costs over 10 years.
Col. A, Line 27 represents the amortization of unrecovered environmental costs over 4 years.

NOTE: Numbers may not add due to rounding.

Public Service Company of New Hampshire
d/b/a Eversource Energy
Docket No. DE 19-057

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

AMORTIZATION OF UNRECOVERED STORM COSTS

Description (A)	Actual (B)	Reference (C)
Funding Balance	$ (46,512,913)	Account #228430 balance 12/31/18
Unrecovered Storm Costs	$ 114,987,268	Account #186430 balance 12/31/18
Carrying Charges	$ 9,088,687	60 Month Recovery @ Stipulated ROR
Total Unrecovered Storm Costs including Carrying Charges	$ 77,563,042	Line 21 + Line 23 + Line 25
Recovery Period (months)	60	5 year amortization
Monthly Funding Recovery Amortization	$ 1,292,717	Line 27 / Line 29
Annual Recovery Amount	$ 15,512,608	Line 31 * 12

NOTE: Numbers may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

AMORTIZATION OF UNRECOVERED STORM COSTS

Funding Balance	$ (46,512,913)
Unrecovered Storm Costs	$ 114,987,268
Funding over/(under) recovery	$ (68,474,355)
Carrying Charge	7.00%
Annual Recovery	$ 15,512,608.46

Year & Month	a Beginning Balance	b Monthly Amortization	c Ending Balance	d Effective Tax Rate	e Net of Tax Ending Balance	f Average Net of Tax Balance	g Stipulated Rate of Return	h Monthly Return	i Ending Balance With Return
		$ (77,563,043)							
	prior mo (c+h)		a+b		c x (1-d)	(e+e prior mo) / 2		f x g /12	
March 1, 2019	$ (68,474,355)	$ 1,292,717	$ (67,181,638)	27.083%	$ (48,986,835)	$ (49,458,140)	7.00%	$ (288,506)	$ (67,470,143)
April 1, 2019	$ (67,470,143)	$ 1,292,717	$ (66,177,426)	27.083%	$ (48,254,594)	$ (48,725,899)	7.00%	$ (284,234)	$ (66,461,660)
May 1, 2019	$ (66,461,660)	$ 1,292,717	$ (65,168,943)	27.083%	$ (47,519,238)	$ (47,990,544)	7.00%	$ (279,945)	$ (65,448,888)
June 1, 2019	$ (65,448,888)	$ 1,292,717	$ (64,156,171)	27.083%	$ (46,780,755)	$ (47,252,060)	7.00%	$ (275,637)	$ (64,431,808)
July 1, 2019	$ (64,431,808)	$ 1,292,717	$ (63,139,090)	27.083%	$ (46,039,130)	$ (46,510,436)	7.00%	$ (271,311)	$ (63,410,401)
Aug 1, 2019	$ (63,410,401)	$ 1,292,717	$ (62,117,684)	27.083%	$ (45,294,351)	$ (45,765,657)	7.00%	$ (266,966)	$ (62,384,650)
Sep 1, 2019	$ (62,384,650)	$ 1,292,717	$ (61,091,933)	27.083%	$ (44,546,405)	$ (45,017,710)	7.00%	$ (262,603)	$ (61,354,536)
Oct 1, 2019	$ (61,354,536)	$ 1,292,717	$ (60,061,819)	27.083%	$ (43,795,276)	$ (44,266,582)	7.00%	$ (258,222)	$ (60,320,040)
Nov 1, 2019	$ (60,320,040)	$ 1,292,717	$ (59,027,323)	27.083%	$ (43,040,953)	$ (43,512,258)	7.00%	$ (253,822)	$ (59,281,144)
Dec 1, 2019	$ (59,281,144)	$ 1,292,717	$ (57,988,427)	27.083%	$ (42,283,421)	$ (42,754,727)	7.00%	$ (249,403)	$ (58,237,830)
Jan 1, 2020	$ (58,237,830)	$ 1,292,717	$ (56,945,112)	27.083%	$ (41,522,668)	$ (41,993,973)	7.00%	$ (244,965)	$ (57,190,077)
Feb 1, 2020	$ (57,190,077)	$ 1,292,717	$ (55,897,360)	27.083%	$ (40,758,678)	$ (41,229,983)	7.00%	$ (240,508)	$ (56,137,868)
Mar 1, 2020	$ (56,137,868)	$ 1,292,717	$ (54,845,151)	27.083%	$ (39,991,438)	$ (40,462,744)	7.00%	$ (236,033)	$ (55,081,183)
April 1, 2020	$ (55,081,183)	$ 1,292,717	$ (53,788,466)	27.083%	$ (39,220,936)	$ (39,692,241)	7.00%	$ (231,538)	$ (54,020,004)
May 1, 2020	$ (54,020,004)	$ 1,292,717	$ (52,727,287)	27.083%	$ (38,447,156)	$ (38,918,461)	7.00%	$ (227,024)	$ (52,954,311)
June 1, 2020	$ (52,954,311)	$ 1,292,717	$ (51,661,594)	27.083%	$ (37,670,084)	$ (38,141,390)	7.00%	$ (222,491)	$ (51,884,085)
July 1, 2020	$ (51,884,085)	$ 1,292,717	$ (50,591,368)	27.083%	$ (36,889,708)	$ (37,361,013)	7.00%	$ (217,939)	$ (50,809,307)
Aug 1, 2020	$ (50,809,307)	$ 1,292,717	$ (49,516,590)	27.083%	$ (36,106,012)	$ (36,577,317)	7.00%	$ (213,368)	$ (49,729,957)
Sep 1, 2020	$ (49,729,957)	$ 1,292,717	$ (48,437,240)	27.083%	$ (35,318,982)	$ (35,790,288)	7.00%	$ (208,777)	$ (48,646,017)
Oct 1, 2020	$ (48,646,017)	$ 1,292,717	$ (47,353,299)	27.083%	$ (34,528,605)	$ (34,999,911)	7.00%	$ (204,166)	$ (47,557,465)
Nov 1, 2020	$ (47,557,465)	$ 1,292,717	$ (46,264,748)	27.083%	$ (33,734,866)	$ (34,206,172)	7.00%	$ (199,536)	$ (46,464,284)
Dec 1, 2020	$ (46,464,284)	$ 1,292,717	$ (45,171,567)	27.083%	$ (32,937,751)	$ (33,409,057)	7.00%	$ (194,886)	$ (45,366,453)
Jan 1, 2021	$ (45,366,453)	$ 1,292,717	$ (44,073,735)	27.083%	$ (32,137,246)	$ (32,608,551)	7.00%	$ (190,217)	$ (44,263,952)
Feb 1, 2021	$ (44,263,952)	$ 1,292,717	$ (42,971,235)	27.083%	$ (31,333,335)	$ (31,804,640)	7.00%	$ (185,527)	$ (43,156,762)
Mar 1, 2021	$ (43,156,762)	$ 1,292,717	$ (41,864,044)	27.083%	$ (30,526,005)	$ (30,997,311)	7.00%	$ (180,818)	$ (42,044,862)
April 1, 2021	$ (42,044,862)	$ 1,292,717	$ (40,752,145)	27.083%	$ (29,715,241)	$ (30,186,547)	7.00%	$ (176,088)	$ (40,928,233)
May 1, 2021	$ (40,928,233)	$ 1,292,717	$ (39,635,515)	27.083%	$ (28,901,029)	$ (29,372,334)	7.00%	$ (171,339)	$ (39,806,854)
June 1, 2021	$ (39,806,854)	$ 1,292,717	$ (38,514,137)	27.083%	$ (28,083,353)	$ (28,554,658)	7.00%	$ (166,569)	$ (38,680,705)
July 1, 2021	$ (38,680,705)	$ 1,292,717	$ (37,387,988)	27.083%	$ (27,262,199)	$ (27,733,505)	7.00%	$ (161,779)	$ (37,549,767)
Aug 1, 2021	$ (37,549,767)	$ 1,292,717	$ (36,257,049)	27.083%	$ (26,437,553)	$ (26,908,858)	7.00%	$ (156,968)	$ (36,414,018)
Sep 1, 2021	$ (36,414,018)	$ 1,292,717	$ (35,121,300)	27.083%	$ (25,609,399)	$ (26,080,704)	7.00%	$ (152,137)	$ (35,273,438)
Oct 1, 2021	$ (35,273,438)	$ 1,292,717	$ (33,980,721)	27.083%	$ (24,777,722)	$ (25,249,027)	7.00%	$ (147,286)	$ (34,128,006)
Nov 1, 2021	$ (34,128,006)	$ 1,292,717	$ (32,835,289)	27.083%	$ (23,942,508)	$ (24,413,813)	7.00%	$ (142,414)	$ (32,977,703)
Dec 1, 2021	$ (32,977,703)	$ 1,292,717	$ (31,684,986)	27.083%	$ (23,103,741)	$ (23,575,046)	7.00%	$ (137,521)	$ (31,822,507)
Jan 1, 2022	$ (31,822,507)	$ 1,292,717	$ (30,529,789)	27.083%	$ (22,261,407)	$ (22,732,712)	7.00%	$ (132,607)	$ (30,662,397)
Feb 1, 2022	$ (30,662,397)	$ 1,292,717	$ (29,369,680)	27.083%	$ (21,415,489)	$ (21,886,795)	7.00%	$ (127,673)	$ (29,497,352)
Mar 1, 2022	$ (29,497,352)	$ 1,292,717	$ (28,204,635)	27.083%	$ (20,565,974)	$ (21,037,279)	7.00%	$ (122,717)	$ (28,327,353)
April 1, 2022	$ (28,327,353)	$ 1,292,717	$ (27,034,635)	27.083%	$ (19,712,845)	$ (20,184,150)	7.00%	$ (117,741)	$ (27,152,376)
May 1, 2022	$ (27,152,376)	$ 1,292,717	$ (25,859,659)	27.083%	$ (18,856,087)	$ (19,327,393)	7.00%	$ (112,743)	$ (25,972,402)
June 1, 2022	$ (25,972,402)	$ 1,292,717	$ (24,679,684)	27.083%	$ (17,995,686)	$ (18,466,991)	7.00%	$ (107,724)	$ (24,787,409)
July 1, 2022	$ (24,787,409)	$ 1,292,717	$ (23,494,691)	27.083%	$ (17,131,624)	$ (17,602,929)	7.00%	$ (102,684)	$ (23,597,375)
Aug 1, 2022	$ (23,597,375)	$ 1,292,717	$ (22,304,658)	27.083%	$ (16,263,887)	$ (16,735,193)	7.00%	$ (97,622)	$ (22,402,280)
Sep 1, 2022	$ (22,402,280)	$ 1,292,717	$ (21,109,562)	27.083%	$ (15,392,459)	$ (15,863,765)	7.00%	$ (92,539)	$ (21,202,101)
Oct 1, 2022	$ (21,202,101)	$ 1,292,717	$ (19,909,383)	27.083%	$ (14,517,325)	$ (14,988,630)	7.00%	$ (87,434)	$ (19,996,817)
Nov 1, 2022	$ (19,996,817)	$ 1,292,717	$ (18,704,100)	27.083%	$ (13,638,468)	$ (14,109,774)	7.00%	$ (82,307)	$ (18,786,407)
Dec 1, 2022	$ (18,786,407)	$ 1,292,717	$ (17,493,689)	27.083%	$ (12,755,873)	$ (13,227,179)	7.00%	$ (77,159)	$ (17,570,848)
Jan 1, 2023	$ (17,570,848)	$ 1,292,717	$ (16,278,131)	27.083%	$ (11,869,524)	$ (12,340,830)	7.00%	$ (71,988)	$ (16,350,119)
Feb 1, 2023	$ (16,350,119)	$ 1,292,717	$ (15,057,401)	27.083%	$ (10,979,405)	$ (11,450,711)	7.00%	$ (66,796)	$ (15,124,197)
Mar 1, 2023	$ (15,124,197)	$ 1,292,717	$ (13,831,480)	27.083%	$ (10,085,500)	$ (10,556,805)	7.00%	$ (61,581)	$ (13,893,061)
April 1, 2023	$ (13,893,061)	$ 1,292,717	$ (12,600,344)	27.083%	$ (9,187,793)	$ (9,659,098)	7.00%	$ (56,345)	$ (12,656,689)
May 1, 2023	$ (12,656,689)	$ 1,292,717	$ (11,363,971)	27.083%	$ (8,286,267)	$ (8,757,572)	7.00%	$ (51,086)	$ (11,415,057)
June 1, 2023	$ (11,415,057)	$ 1,292,717	$ (10,122,340)	27.083%	$ (7,380,906)	$ (7,852,212)	7.00%	$ (45,805)	$ (10,168,144)
July 1, 2023	$ (10,168,144)	$ 1,292,717	$ (8,875,427)	27.083%	$ (6,471,695)	$ (6,943,000)	7.00%	$ (40,501)	$ (8,915,928)
Aug 1, 2023	$ (8,915,928)	$ 1,292,717	$ (7,623,210)	27.083%	$ (5,558,616)	$ (6,029,922)	7.00%	$ (35,175)	$ (7,658,385)
Sep 1, 2023	$ (7,658,385)	$ 1,292,717	$ (6,365,667)	27.083%	$ (4,641,654)	$ (5,112,959)	7.00%	$ (29,826)	$ (6,395,493)
Oct 1, 2023	$ (6,395,493)	$ 1,292,717	$ (5,102,776)	27.083%	$ (3,720,791)	$ (4,192,096)	7.00%	$ (24,454)	$ (5,127,230)
Nov 1, 2023	$ (5,127,230)	$ 1,292,717	$ (3,834,512)	27.083%	$ (2,796,011)	$ (3,267,317)	7.00%	$ (19,059)	$ (3,853,572)
Dec 1, 2023	$ (3,853,572)	$ 1,292,717	$ (2,560,854)	27.083%	$ (1,867,298)	$ (2,338,603)	7.00%	$ (13,642)	$ (2,574,496)
Jan 1, 2024	$ (2,574,496)	$ 1,292,717	$ (1,281,779)	27.083%	$ (934,635)	$ (1,405,940)	7.00%	$ (8,201)	$ (1,289,980)
Feb 1, 2024	$ (1,289,980)	$ 1,292,717	$ 2,737	27.083%	$ 1,996	$ (469,309)	7.00%	$ (2,738)	$ (0)
								$ (9,088,688)	

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

AMORTIZATION OF UNRECOVERED MERGER COSTS TO ACHIEVE

Description	Company Total Actual
(A)	(B)
Merger Costs to Achieve:	
Total Merger Costs to Achieve	$ 125,903,082
Allocation Rate (gross plant allocator)	7.22%
Total Amount Allocated to PSNH	9,090,203
Amortization Period (years)	10
Annual Amortization	$ 909,020

NOTE: Numbers may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

AMORTIZATION OF ENVIRONMENTAL RESERVE

Description (A)	Company Total Actual (B)	Reference (C)
Environmental Reserve Balance 12/31/18	$ 9,164,729	Account 182EL0
Amortization Period (years)	4	
Annual Amortization	$ 2,291,182	Line 21 / Line 23

NOTE: Numbers may not add due to rounding.

Public Service Company of New Hampshire
d/b/a Eversource Energy
Docket No. DE 19-057
Attachment EHC/TMD-1 (Perm)
Schedule EHC/TMD-31 (Perm)
May 28, 2019

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

PROPERTY TAX EXPENSE

Description	Amount	Adjustment	Reference
(A)	(B)	(C)	(D)
Test Year	$ 47,117,521		
Test Year Pro Forma	47,399,352		
Pro-Forma Adjustment		$ 281,831	Line 21 - Line 19

NOTE: Numbers may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

PROPERTY TAX EXPENSE

Description	Test Year Actual	Normalizing Adjustment	Adjusted Test Year	Pro Forma Adjustment	Test Year Pro Forma
(A)	(B)	(C)	(D)	(E)	(F)
Property Tax Expense	$ 72,109,121	$ 5,721,801	$ 77,830,922		
Less: Generation	(1,153,427)	(1,058,952)	(2,212,379)		
Less: Transmission	(27,083,680)	(1,417,342)	(28,501,022)		
Total Distribution Property Tax Expense	$ 43,872,014	$ 3,245,507	$ 47,117,521	$ 281,831	$ 47,399,352

Normalizing Adjustment		
Add back: Bow Refund		$ 5,721,801

NOTE: Numbers may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

PROPERTY TAX EXPENSE
Pro Forma Test Year

Town		Total Assessment	2018 Actual Mill Rate	Property Taxes Paid Pro Forma TY	Total Property Taxes Paid - Pro Forma TY by Segment Distribution	Transmission
(A)		(B)	(C)	(D) = ((B) * (C)) / 1000	(E)	(F)
ALBANY	$	3,608,432	12.69	45,791	45,791	-
ALEXANDRIA		2,820,601	20.57	58,020	58,020	-
ALLENSTOWN		4,939,401	28.05	138,550	106,542	32,008
ALSTEAD		139,701	24.87	3,474	3,474	-
ALTON		473,800	11.90	5,638	5,638	-
AMHERST		36,860,900	24.99	921,152	589,885	331,267
ANDOVER		2,384,701	21.41	51,057	1,897	49,160
ANTRIM		11,218,865	25.94	290,071	203,724	86,348
ASHLAND		4,431,808	18.50	82,005	55,012	26,993
ATKINSON		80,101	15.76	1,262	1,262	-
AUBURN		15,618,100	15.11	235,980	139,302	96,678
BARNSTEAD		2,819,400	20.50	57,798	57,798	-
BARRINGTON		10,940,982	22.71	248,489	141,561	106,928
BATH		2,313,021	19.57	45,265	45,265	-
BEDFORD		37,819,601	18.02	681,413	577,274	104,140
BELMONT		6,838,501	26.97	184,438	157,025	27,413
BENNINGTON		3,221,201	30.14	97,087	97,087	-
BERLIN		63,234,945	37.23	2,354,237	1,859,054	495,182
BETHLEHEM		5,076,822	24.82	126,007	104,282	21,725
BOSCAWEN		87,901	24.62	2,164	2,164	-
BOW		65,027,019	31.11	2,023,054	519,277	1,503,777
BRADFORD		4,916,501	24.65	121,191	121,191	-
BRENTWOOD		20,033,201	23.60	472,784	309,069	163,715
BRIDGEWATER		5,764,418	3.69	21,271	19,591	1,680
BRISTOL		10,724,163	25.11	269,250	267,543	1,707
BROOKFIELD		1,062,001	18.99	20,167	20,167	-
BROOKLINE		10,257,601	27.59	283,007	270,274	12,733
CAMPTON		8,180,301	23.76	194,375	56,922	137,453
CANDIA		4,823,542	21.49	103,658	66,933	36,725
CANTERBURY		3,586,301	24.40	87,506	19,463	68,043
CARROLL		2,585,280	17.32	44,777	44,777	-
CENTER HARBOR		41,221	12.22	504	504	-
CHARLESTOWN		667,601	35.32	23,580	23,580	-
CHATHAM		1,067,701	14.02	14,969	14,969	-
CHESTER		33,061,101	21.99	727,014	193,127	533,887
CHESTERFIELD		5,890,801	18.99	111,837	111,837	-
CHICHESTER		1,938,001	21.54	41,745	29,936	11,809
CLAREMONT		23,608,101	39.90	941,963	773,051	168,912
CLARKSVILLE		940,001	15.34	14,420	14,420	-
COLEBROOK		2,562,001	29.94	76,706	76,651	56
COLUMBIA		1,995,401	15.07	30,071	29,099	972
CONCORD		79,991,361	17.72	1,417,258	238,355	1,178,903
CONWAY		45,907,600	18.79	862,536	192,875	669,661
CORNISH		1,481,900	19.83	29,386	29,386	-
CROYDON		2,339,800	14.18	33,178	10,909	22,269
DALTON		4,205,701	21.48	90,338	72,296	18,042
DANBURY		1,781,000	21.37	38,060	38,060	-
DANVILLE		10,804,200	25.73	277,992	12,181	265,811
DEERFIELD		66,080,500	20.84	1,377,116	129,633	1,247,483
DEERING		12,951,201	27.66	358,230	79,594	278,636
DERRY		33,900,164	23.99	813,265	522,251	291,014
DOVER		35,395,301	22.88	809,957	663,131	146,826
DUBLIN		4,008,801	26.47	106,113	106,113	-
DUMMER		12,040,400	12.19	146,825	106,910	39,915
DUNBARTON		6,892,201	20.15	138,878	92,078	46,800
DURHAM		32,239,901	24.83	800,533	376,758	423,775
EAST KINGSTON		744,601	23.69	17,640	26	17,614
EASTON		220,601	9.47	2,089	1,085	1,004
EATON		1,012,201	10.63	10,760	10,757	3
EFFINGHAM		5,812,501	20.20	117,413	117,413	-
ENFIELD		73,800	24.12	1,780	1,780	-
EPPING		12,373,100	23.42	289,778	289,767	11
EPSOM		1,633,600	23.76	38,814	36,946	1,868
ERROL		1,905,200	10.92	20,805	20,805	-

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

PROPERTY TAX EXPENSE
Pro Forma Test Year

Town	Total Assessment	2018 Actual Mill Rate	Property Taxes Paid Pro Forma TY	Total Property Taxes Paid - Pro Forma TY by Segment Distribution	Transmission
(A)	(B)	(C)	(D) = ((B) * (C)) / 1000	(E)	(F)
EXETER	950,700	25.11	23,872	453	23,420
FARMINGTON	12,126,100	24.03	291,390	289,082	2,308
FITZWILLIAM	45,993,009	22.16	1,019,052	109,530	909,522
FRANCESTOWN	3,550,501	24.67	87,591	87,591	-
FRANCONIA	5,141,700	16.72	85,969	85,904	65
FRANKLIN	53,547,574	21.81	1,168,053	592,538	575,514
FREEDOM	3,279,201	10.75	35,251	35,251	-
FREMONT	7,533,801	26.98	203,262	159,397	43,865
GILFORD	9,176,901	14.87	136,462	135,272	1,190
GILMANTON	1,291,600	25.38	32,781	24,069	8,712
GILSUM	2,217,401	24.52	54,371	54,371	-
GOFFSTOWN	56,711,201	16.60	941,406	519,687	421,719
GORHAM	9,842,741	34.30	337,606	303,586	34,020
GOSHEN	954,250	25.93	24,744	24,744	-
GRAFTON	1,382,601	26.55	36,708	36,708	-
GRANTHAM	5,096,301	23.83	121,445	121,445	-
GREENFIELD	3,133,701	28.27	88,590	88,590	-
GREENLAND	13,274,701	13.77	182,792	105,368	77,424
GREEN'S GRANT	93,680	5.26	493	493	-
GREENVILLE	5,655,201	27.26	154,161	130,385	23,776
HAMPSTEAD	11,986,801	23.08	276,655	276,641	14
HAMPTON	23,528,800	14.82	348,697	177,121	171,576
HAMPTON FALLS	354,900	17.83	6,328	178	6,150
HANCOCK	7,372,901	21.47	158,296	158,296	-
HANOVER	74,801	30.91	2,312	2,312	-
HARRISVILLE	1,788,201	14.75	26,376	26,376	-
HART'S LOCATION	1,200	2.50	3	3	-
HAVERHILL	6,067,301	29.41	178,444	178,444	0
HEBRON	2,146,501	6.37	13,673	13,673	-
HENNIKER	13,223,300	30.53	403,708	403,708	0
HILL	332,641	22.71	7,555	515	7,039
HILLSBORO	39,150,310	27.30	1,068,725	752,952	315,774
HINSDALE	28,288,300	33.01	933,797	368,897	564,899
HOLDERNESS	6,640,601	10.80	71,744	51,515	20,229
HOLLIS	20,169,100	19.53	393,903	393,903	-
HOOKSETT	89,251,703	20.39	1,819,543	1,285,873	533,670
HOPKINTON	14,327,801	32.37	463,790	463,790	-
HUDSON	112,236,700	17.95	2,014,965	914,125	1,100,840
JAFFREY	7,418,801	30.70	227,757	227,756	1
JEFFERSON	4,622,801	18.95	87,603	40,944	46,659
KEENE	84,001,601	34.99	2,938,853	2,064,603	874,250
KENSINGTON	3,648,001	16.59	60,520	-	60,520
KINGSTON	23,012,800	19.05	438,394	56,071	382,323
LACONIA	20,729,100	18.75	388,668	374,974	13,694
LANCASTER	21,577,448	13.53	291,888	276,199	15,689
LANDAFF	725,700	17.40	12,627	12,627	-
LEE	4,955,401	28.28	140,138	72,088	68,050
LEMPSTER	1,406,801	27.18	38,237	38,237	-
LINCOLN	1,451,001	11.96	17,355	2	17,353
LISBON	1,812,201	29.25	53,007	53,007	-
LITCHFIELD	12,453,001	21.08	262,509	179,730	82,779
LITTLETON	37,996,021	21.01	798,300	420	797,880
LONDONDERRY	217,924,804	19.55	4,260,426	1,023,270	3,237,156
LOUDON	11,318,801	19.82	224,339	204,531	19,808
LYMAN	1,093,301	20.45	22,358	22,358	-
LYME	2,467,801	24.87	61,374	61,374	-
LYNDEBORO	2,039,300	25.95	52,920	52,920	-
MADBURY	15,627,001	27.80	434,478	89,015	345,463
MADISON	10,394,000	16.62	172,746	129,711	43,035
MANCHESTER	153,365,235	19.79	3,059,565	2,620,302	439,263
MARLBOROUGH	2,279,231	30.98	70,611	69,852	758
MARLOW	340,541	23.30	7,935	7,935	-
MASON	2,547,400	22.92	58,386	35,837	22,549
MEREDITH	721,500	13.41	9,675	9,675	-

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

PROPERTY TAX EXPENSE
Pro Forma Test Year

Town	Total Assessment	2018 Actual Mill Rate	Property Taxes Paid Pro Forma TY	Total Property Taxes Paid - Pro Forma TY by Segment: Distribution	Transmission
(A)	(B)	(C)	(D) = ((B) * (C)) / 1000	(E)	(F)
MERRIMACK	111,759,801	21.98	2,457,028	920,829	1,536,199
MIDDLETON	5,346,900	26.00	139,019	139,019	-
MILAN	4,375,501	21.74	95,123	71,819	23,304
MILFORD	18,518,101	27.00	499,989	465,458	34,530
MILLSFIELD	48,970	4.50	220	220	-
MILTON	16,339,638	24.82	405,567	363,565	42,003
MOULTONBORO	2,123,301	5.62	11,933	11,933	-
MOUNT VERNON	1,905,550	28.19	53,717	53,717	-
NASHUA	167,060,100	19.27	3,219,292	2,869,881	349,411
NELSON	2,616,090	16.16	42,276	39,930	2,346
NEW BOSTON	13,888,200	21.77	302,346	286,582	15,764
NEW CASTLE	1,734,200	3.79	6,573	6,573	-
NEW DURHAM	1,540,210	20.99	32,329	32,329	-
NEW HAMPTON	11,975,098	22.55	269,994	212,349	57,646
NEW IPSWICH	12,862,801	25.72	330,831	217,248	113,583
NEW LONDON	11,050,729	10.98	121,337	114,094	7,244
NEWBURY	4,916,901	13.36	65,690	65,690	-
NEWFIELDS	1,536,300	17.94	27,561	27,561	-
NEWINGTON	24,140,300	6.86	165,576	43,300	122,276
NEWMARKET	4,521,200	26.78	121,078	121,078	-
NEWPORT	18,420,204	28.24	520,186	483,928	36,258
NEWTON	2,000	23.50	47	47	-
NORTH HAMPTON	5,553,700	14.04	77,974	69,784	8,190
NORTHFIELD	8,149,600	22.73	185,240	67,228	118,012
NORTHUMBERLAND	17,669,000	32.47	573,712	396,678	177,034
NORTHWOOD	6,118,901	23.41	143,244	113,420	29,824
NOTTINGHAM	10,862,200	20.42	221,806	63,399	158,407
ORANGE	105,801	23.71	2,509	2,509	-
ORFORD	829,600	25.58	21,221	21,221	-
OSSIPEE	8,390,400	20.67	173,409	173,366	43
PELHAM	873,200	19.37	16,914	11,297	5,617
PEMBROKE	16,931,900	24.01	406,536	307,954	98,582
PETERBOROUGH	12,060,500	27.97	337,332	337,332	-
PIERMONT	909,000	21.89	19,898	19,898	-
PINKHAMS GRANT	160,340	4.13	662	662	-
PITTSBURG	4,845,000	13.03	63,130	63,130	-
PITTSFIELD	8,141,700	31.23	254,265	240,433	13,832
PLAINFIELD	1,267,712	24.87	31,528	31,528	-
PLYMOUTH	906,700	23.07	20,917	20,917	-
PORTSMOUTH	109,214,087	13.63	1,488,588	873,788	614,800
RANDOLPH	2,218,600	12.33	27,355	22,696	4,659
RAYMOND	15,303,200	24.11	368,961	357,586	11,375
RICHMOND	4,381,131	25.62	112,244	65,531	46,713
RINDGE	8,970,859	25.25	226,515	179,160	47,355
ROCHESTER	64,194,900	25.27	1,622,206	1,010,891	611,315
ROLLINSFORD	3,644,300	22.01	80,211	80,211	-
ROXBURY	652,500	22.56	14,720	14,720	-
RUMNEY	287,500	21.96	6,314	6,314	-
RYE	4,903,201	7.90	38,735	38,735	-
SALISBURY	760,600	21.16	16,094	16,094	-
SANBORNTON	5,471,669	17.41	95,262	94,496	766
SANDOWN	4,557,600	24.42	111,297	38,870	72,427
SANDWICH	3,232,579	12.37	39,987	18,127	21,860
SEABROOK	5,117,101	14.12	72,254	647	71,607
SHARON	803,801	19.21	15,441	15,441	-
SHELBURNE	1,766,642	13.25	23,408	23,408	-
SOMERSWORTH	10,231,600	31.36	320,812	320,812	-
SOUTH HAMPTON	1,554,800	14.69	22,840	1,994	20,846
SPRINGFIELD	3,728,101	20.45	76,240	70,341	5,899
STARK	1,815,100	15.78	28,642	20,121	8,521
STEWARTSTOWN	1,502,235	22.82	25,640	25,350	290
STODDARD	4,893,600	13.91	68,071	59,679	8,392
STRAFFORD	4,031,900	21.33	86,000	53,776	32,224
STRATFORD	7,499,200	20.90	156,733	154,948	1,785

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

PROPERTY TAX EXPENSE
Pro Forma Test Year

Town	Total Assessment	2018 Actual Mill Rate	Property Taxes Paid Pro Forma TY	Total Property Taxes Paid - Pro Forma TY by Segment: Distribution	Transmission
(A)	(B)	(C)	(D) = ((B) * (C)) / 1000	(E)	(F)
STRATHAM	6,900,000	18.75	129,375	58,420	70,955
SUCCESS	22,130	9.04	200	200	-
SUGAR HILL	3,416,200	18.57	63,439	35,606	27,833
SULLIVAN	1,685,600	31.48	53,063	46,420	6,643
SUNAPEE	8,302,500	13.32	110,589	98,437	12,152
SURRY	1,361,100	20.01	27,236	27,236	-
SUTTON	3,657,450	25.66	93,851	93,851	-
SWANZEY	24,135,800	27.49	663,598	480,966	182,632
TAMWORTH	9,717,191	20.90	203,089	121,207	81,882
TEMPLE	2,890,401	23.51	67,953	67,953	-
THOMPSON/MES	753	1.33	1	1	-
THORNTON	1,411,400	18.30	25,829	17,785	8,044
TILTON	12,023,600	22.59	271,613	241,561	30,052
TROY	14,036,601	32.78	460,120	106,029	354,091
TUFTONBORO	4,486,300	8.93	40,063	40,051	12
UNITY	774,000	27.92	21,610	21,610	-
WAKEFIELD	14,808,801	9.30	137,722	137,722	-
WARNER	7,537,245	27.01	203,581	203,581	-
WARREN	101	21.10	2	2	-
WASHINGTON	3,035,800	17.56	53,309	53,309	-
WATERVILLE VAL.	32,700	11.81	386	386	-
WEARE	36,539,800	20.89	763,316	494,439	268,877
WEBSTER	2,093,400	19.52	40,863	40,863	-
WENTWORTH LOC.	95,520	5.41	517	517	-
WESTMORELAND	2,198,701	23.25	51,120	51,120	-
WHITEFIELD	23,290,101	23.19	540,097	208,097	332,000
WILMOT	882,800	22.16	19,563	6,929	12,634
WILTON	5,161,400	26.55	137,035	132,336	4,699
WINCHESTER	15,639,200	32.85	513,780	224,310	289,470
WINDHAM	9,587,301	20.97	201,046	200,998	48
WINDSOR	753,901	7.32	5,519	5,519	-
WOLFEBORO	200	15.00	3	3	-
WOODSTOCK	1,400,670	19.42	27,206	18,292	8,914
BERWICK, ME	9,100	17.60	160	160	-
ELIOT, ME	32,639,700	14.70	479,804	-	479,804
FRYEBURG, ME	6,313	17.65	111	111	-
HIRAM, ME	7,400	14.57	108	108	-
KITTERY, ME	222,700	16.80	3,741	79	3,662
NEWFIELD, ME	200	10.94	2	2	-
YARMOUTH, ME	1,663,900	17.80	29,617	-	29,617
CANAAN, VT	17,282	22.64	391	391	-
CONCORD, VT	319,200	22.64	7,228	-	7,228
WATERFORD, VT.	59,300	20.42	1,211	-	1,211
NEW HAMPSHIRE UTILITY PROP TAX	1,842,914,326	0.0066	11,871,009	7,153,387	4,717,622
1580 ELM ST. LEASE	1,238,302	19.79	24,506	21,075	3,431
BERLIN DISTRICT OFFICE LEASE	457,618	61.70	28,235	22,306	5,929
CHOCORUA DISTRICT OFFICE LEASE	587,608	20.90	12,281	7,369	4,912
EPPING DISTRICT OFFICE LEASE	1,147,968	23.62	27,115	27,115	-
LANCASTER DISTRICT OFFICE LEASE	1,712,343	13.53	23,168	22,009	1,158
NEWPORT DISTRICT OFFICE LEASE	607,897	28.24	17,167	15,965	1,202
ROCHESTER DISTRICT OFFICE LEASE	1,430,563	26.83	38,382	23,797	14,585
TOTAL FOR ALL TOWNS	$ 4,975,395,537		$ 80,531,183	$ 49,061,039	$ 31,470,143
				61%	39%
Composite Mill Rate		$ 16.19			
Less: Amounts transferred to CWIP			(3,752,763)	(1,661,687)	(2,091,077)
			76,778,420	$ 47,399,352	$ 29,379,066
Less: Non-Utility Property			(8,142)		
Total Pro Forma Property Tax Expense			$ 76,770,278		

NOTE: Numbers may not add due to rounding

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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

PAYROLL AND OTHER TAXES

Description	Amount	Adjustment	Reference
(A)	(B)	(C)	(D)
Test Year	$ 4,745,354		
Test Year Pro Forma	5,138,032		
Pro-Forma Adjustment		$ 392,679	Line 21 - Line 19

NOTE: Numbers may not add due to rounding.

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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

PAYROLL AND OTHER TAXES

Description	FERC Account	Test Year Actual	Normalizing Adjustments	Adjusted Test year	8.069% Wage Increase	Incremental FTEs	Test Year Proforma
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Payroll Taxes							
FICA	408020	$ 5,853,823	$ -	$ 5,853,823	$ 472,345	$ 38,930	$ 6,365,098
Medicare	408050	1,580,872	-	1,580,872	127,561	9,105	1,717,537
Federal Unemployment	408010	37,753	-	37,753	-	714	38,467
State Unemployment							
Massachusetts	408011	48,063	-	48,063	-	-	48,063
Connecticut	408001	68,249	-	68,249	-	-	68,249
New Hampshire	4081H0	(126,093)	139,362	13,269	-	238	13,507
Other State Unemployment	Various	56	-	56	-	-	56
Universal Health	408180	8,779	-	8,779	-	-	8,779
Total Payroll Taxes		$ 7,471,501	$ 139,362	$ 7,610,864	$ 599,906	$ 48,987	$ 8,259,756
Taxes Other Than Income							
Federal Highway	408140	5,856	-	5,856	-	-	5,856
Tangible Property	408300	13,005	-	13,005	-	-	13,005
New Hampshire Business Enterprise Tax	408400	656,722	-	656,722	-	-	656,722
New Hampshire Consumption Tax	408500	4,631	(4,631)	-	-	-	-
Insurance Premium Excise	408600	49,077	-	49,077	-	-	49,077
Total Taxes Other Than Income		$ 729,291	$ (4,631)	$ 724,660	$ -	$ -	$ 724,660
Subtotal: Gross Payroll and Other Taxes		8,200,792	134,731	8,335,523	599,906	48,987	8,984,415
Less: Capitalized Portion		(3,518,013)	(72,156)	(3,590,169)	(256,018)	(195)	(3,846,383)
Net Payroll and Other Taxes		**$ 4,682,779**	$ 62,575	**$ 4,745,354**	$ 343,887	$ 48,791	**$ 5,138,032**

NOTE: Numbers may not add due to rounding

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

CURRENT INCOME TAX EXPENSE

Description	Amount	Adjustment	Reference
(A)	(B)	(C)	(D)
Unadjusted Test Year	$ 22,646,344		
Restated Test Year	12,876,576		
Adjustment		(9,769,767)	
Adjusted Test Year	7,978,269		
Test Year Normalizing Adjustments		(4,898,307)	
Total Adjustment		$ (14,668,074)	

NOTE: Numbers may not add due to rounding.

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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

CURRENT INCOME TAX EXPENSE

Description	Amount	Adjustment	Reference
(A)	(B)	(C)	(D)
Adjusted Test Year	$ 7,978,269		
Test Year Pro Forma	3,227,362		
Adjustment		$ (4,750,907)	

NOTE: Numbers may not add due to rounding.

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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
CURRENT INCOME TAXES
(Thousands of Dollars)

	Unadjusted Test Year	Test Year Adjustments	Restated Test Year	Test Year Normalizing Adjustments	Adjusted Test Year
Reconciliation of Book to Taxable Income:	-				67,756,590
Book Net Income Before Interest and Income Taxes	$ 87,776	$ (2,252)	$ 85,524	$ (17,767)	$ 67,757
Plus: Adjustments for Taxable Income:					
Deductible Interest Expense	(22,072)	0	(22,072)	(214)	(22,286)
Permanent & Flowthrough Temporary Differences:					
Depr flowthrough - plant	298	0	298	0	298
Provision for uncollectible accounts	5,255	0	5,255	0	5,255
Disallowed meals expense	39	0	39	0	39
Subtotal - Perm & Flowthrough Differences	5,592	0	5,592	0	5,592
Normalized Temporary Differences:					
Provision for Uncollectible Accounts	(29)	0	(29)	0	(29)
LT Pension Accrual	30,202	0	30,202	0	30,202
Non-SERP Supplemental Retirement Program	(73)	0	(73)	0	(73)
Supplemental executive retirement program	1,181	0	1,181	0	1,181
Deferred Compensation Amount	14	0	14	0	14
Medical Reserve	142	0	142	0	142
Injuries and Damages Actuary Gross-up	(738)	0	(738)	0	(738)
Injuries and Damages	1,512	0	1,512	0	1,512
Long Term Disability	1,074	0	1,074	0	1,074
Severance Benefits	(10)	0	(10)	0	(10)
Storm Reserve Trans/Distr	(33,129)	0	(33,129)	0	(33,129)
Contra Storm Reserve Trans /Distr	(3,897)	0	(3,897)	0	(3,897)
Performance Reward Program	(91)	0	(91)	0	(91)
EICP/ECP Incentive payments	(388)	0	(388)	0	(388)
Restricted Stock Unit Accruals	(142)	0	(142)	0	(142)
Performance Share Units	(38)	0	(38)	0	(38)
OPEB - FAS 106	(2,755)	0	(2,755)	0	(2,755)
Med Vantage Liability	370	0	370	0	370
Reserve for Misc. Contingencies	12,585	0	12,585	0	12,585
Def Tax Due to Rate Change	(196)	0	(196)	0	(196)
Reserve - Environ Remed Cost Reserve	(209)	0	(209)	0	(209)
Environmental Accrual PSNH	(81)	0	(81)	0	(81)
Renewable Portfolio Standards	17,871	(17,871)	0	0	0
Asset Retirement Regulatory Liability	225	0	225	0	225
Deferred Rep Revenue	1,272	0	1,272	0	1,272
Allconnect Commission Deferral	15	0	15	0	15
Deferred Asset- Medicare Tax	(345)	0	(345)	0	(345)
Amortization Rehab Tax Credit	(34)	0	(34)	0	(34)
Normalized tax/book depreciation diff - plant	(41,462)	0	(41,462)	0	(41,462)
Depreciation of ARO Asset	27	0	27	0	27
Property Tax Expense Book/Tax	(3,636)	0	(3,636)	0	(3,636)
Other Reg Asset - F158 Pension	3,089	0	3,089	0	3,089
Other Reg Asset - Non Serp	24	0	24	0	24
Other Reg Asset - F158 SERP	(1,060)	0	(1,060)	0	(1,060)
Storm Reserve Recovery	17,988	0	17,988	0	17,988
Injuries and Damages Insurance	738	0	738	0	738
Other Reg Assets - F158 OPEB	1,567	0	1,567	0	1,567
FAS158 Medvantage	19	0	19	0	19

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
CURRENT INCOME TAXES
(Thousands of Dollars)

	Unadjusted Test Year	Test Year Adjustments	Restated Test Year	Test Year Normalizing Adjustments	Adjusted Test Year
Normalized Temporary Differences (cont'd):					
DEF'D Environmental rimed Costs 09-035	(161)	0	(161)	0	(161)
New Hampshire Assessment Deferral	713	0	713	0	713
Reg Def/Amort - Rate Case Exp Deferred	(514)	0	(514)	0	(514)
Deferred Asset - Medicare Tax	(76)	0	(76)	0	(76)
EAP Deferred Costs NHPUC Assessment	(253)	0	(253)	0	(253)
Amort Recovery FAS109 Former T Flow Thru	161	0	161	0	161
Federal Diesters Expense	0	0	0	0	0
SEC 168 Casualty Loss	179	0	179	0	179
Reverse book capitalization / Amort of Intangibles	(70)	0	(70)	0	(70)
Deferred PSNH G Stranded Costs Securitization	830	(830)	0	0	0
MISC	6,987	(6,987)	0	0	0
NOTE: Numbers may not add due to rounding.	0	0	0	0	0
Subtotal - Normalized Timing Differences:	9,399	(25,689)	(16,290)	0	(16,290)
Total Adjustments	(7,081)	(25,689)	(32,770)	(214)	(32,984)
Taxable Income Before State Income Taxes	80,695	(27,941)	52,754	(17,981)	34,773
Calculation of State Income Taxes					
Taxable Income Before State Income Taxes	80,695	(27,941)	52,754	(17,981)	34,773
NH Adjs: Adj. to Depreciation Differences	(23,940)	0	(23,940)	0	(23,940)
Taxable Income for State Income Taxes	56,755	(27,941)	28,814	(17,981)	10,832
NH Apportionment Factor	1.0000		1.0000	1.0000	1.0000
Apportioned Taxable Income	56,755	(27,941)	28,814	(17,981)	10,832
NH Income Tax Rate	7.900%		7.900%		7.900%
NH Income Taxes	4,484	(2,207)	2,276	(1,421)	856
NH BET	(755)	755	0	0	0
NH Income Taxes	3,728	(1,452)	2,276	(1,421)	856
Tax Audit and Reserve Adjustments	615	(615)	0	0	0
Total State Income Taxes	4,343	(2,067)	2,276	(1,421)	856
Calculation of Federal Income Taxes					
Taxable Income Before State Income Taxes	80,695	(27,941)	52,754	(17,981)	34,773
Less: NH Income Taxes	3,728	(1,452)	2,276	(1,421)	856
Federal Taxable Income	76,966	(26,489)	50,478	(16,561)	33,917
Federal Income Tax Calculated @ 21%	16,163	(5,563)	10,600	(3,478)	7,123
Tax Audit and Reserve Adjustments	2,140	(2,140)	0	0	0
Total Federal Income Taxes	18,303	(7,703)	10,600	(3,478)	7,123
Total Current Income Taxes	$ 22,646	$ (9,770)	$ 12,877	$ (4,898)	$ 7,978

Note: Numbers may not add due to rounding.

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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
CURRENT INCOME TAXES
(Thousands of Dollars)

	Adjusted Test Year	Adjustments	Test Year Pro Forma
Reconciliation of Book to Taxable Income:			51,238,612
Book Net Income Before Interest and Income Taxes	$ 67,757	$ (16,518)	51,238,612
Plus: Adjustments for Taxable Income:			
Deductible Interest Expense	(22,286)	(961)	(23,247)
Permanent & Flowthrough Temporary Differences:			
Depr flowthrough - plant	298	0	298
Provision for uncollectible accounts	5,255	0	5,255
Disallowed meals expense	39	0	39
Subtotal - Perm & Flowthrough Differences	5,592	0	5,592
Normalized Temporary Differences:			
Provision for Uncollectible Accounts	(29)	0	(29)
LT Pension Accrual	30,202	0	30,202
Non-SERP Supplemental Retirement Program	(73)	0	(73)
Supplemental executive retirement program	1,181	0	1,181
Deferred Compensation Amount	14	0	14
Medical Reserve	142	0	142
Injuries and Damages Actuary Gross-up	(738)	0	(738)
Injuries and Damages	1,512	0	1,512
Long Term Disability	1,074	0	1,074
Severance Benefits	(10)	0	(10)
Storm Reserve Trans/Distr	(33,129)	0	(33,129)
Contra Storm Reserve Trans /Distr	(3,897)	0	(3,897)
Performance Reward Program	(91)	0	(91)
EICP/ECP Incentive payments	(388)	0	(388)
Restricted Stock Unit Accruals	(142)	0	(142)
Performance Share Units	(38)	0	(38)
OPEB - FAS 106	(2,755)	0	(2,755)
Med Vantage Liability	370	0	370
Reserve for Misc. Contingencies	12,585	0	12,585
Def Tax Due to Rate Change	(196)	0	(196)
Reserve - Environ Remed Cost Reserve	(209)	0	(209)
Environmental Accrual PSNH	(81)	0	(81)
Renewable Portfolio Standards	0	0	0
Asset Retirement Regulatory Liability	225	0	225
Deferred Rep Revenue	1,272	0	1,272
Allconnect Commission Deferral	15	0	15
Deferred Asset- Medicare Tax	(345)	0	(345)
Amortization Rehab Tax Credit	(34)	0	(34)
Normalized tax/book depreciation diff - plant	(41,462)	0	(41,462)
Depreciation of ARO Asset	27	0	27
Property Tax Expense Book/Tax	(3,636)	0	(3,636)
Other Reg Asset - F158 Pension	3,089	0	3,089
Other Reg Asset - Non Serp	24	0	24
Other Reg Asset - F158 SERP	(1,060)	0	(1,060)
Storm Reserve Recovery	17,988	0	17,988
Injuries and Damages Insurance	738	0	738
Other Reg Assets - F158 OPEB	1,567	0	1,567
FAS158 Medvantage	19	0	19

Note: Numbers may not add due to rounding.

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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
CURRENT INCOME TAXES
(Thousands of Dollars)

	Adjusted Test Year	Adjustments	Test Year Pro Forma
Normalized Temporary Differences (cont'd):			
DEF'D Environmental rimed Costs 09-035	(161)	0	(161)
New Hampshire Assessment Deferral	713	0	713
Reg Def/Amort - Rate Case Exp Deferred	(514)	0	(514)
Deferred Asset - Medicare Tax	(76)	0	(76)
EAP Deferred Costs NHPUC Assessment	(253)	0	(253)
Amort Recovery FAS109 Former T Flow Thru	161	0	161
Federal Diesters Expense	0	0	0
SEC 168 Casualty Loss	179	0	179
Reverse book capitalization / Amort of Intangibles	(70)	0	(70)
Deferred PSNH G Stranded Costs Securitization	0	0	0
MISC	0	0	0
NOTE: Numbers may not add due to rounding.	0	0	0
Subtotal - Normalized Timing Differences:	(16,290)	0	(16,290)
Total Adjustments	(32,984)	(961)	(33,945)
Taxable Income Before State Income Taxes	34,773	(17,479)	17,294
Calculation of State Income Taxes			
Taxable Income Before State Income Taxes	34,773	0	17,294
NH Adjs: Adj. to Depreciation Differences	(23,940)	0	(23,940)
Taxable Income for State Income Taxes	10,832	0	(6,647)
NH Apportionment Factor	1.0000	1.0000	1.0000
Apportioned Taxable Income	10,832	(17,479)	(6,647)
NH Income Tax Rate	7.900%		7.700%
NH Income Taxes	856	$ (1,368)	(512)
	0		0
NH Income Taxes	856	(1,368)	(512)
Tax Audit and Reserve Adjustments	0	0	0
Total State Income Taxes	856	(1,368)	(512)
Calculation of Federal Income Taxes			
Taxable Income Before State Income Taxes	34,773	$ (17,479)	17,294
Less: NH Income Taxes	856	(1,368)	(512)
Federal Taxable Income	33,917	(16,111)	17,805
Federal Income Tax Calculated @ 21%	7,123	(3,383)	3,739
Total Current Income Taxes	$ 7,978	$ (4,751)	$ 3,227

Note: Numbers may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

DEFERRED INCOME TAX EXPENSE

Description	Amount	Adjustment	Reference
(A)	(B)	(C)	(D)
Unadjusted Test Year	$ (1,462,256)		
Restated Test Year	6,030,481		
Adjustment		7,492,736	
Adjusted Test Year	6,030,481		
Test Year Normalizing Adjustments		0	
Total Adjustment		$ 7,492,736	

NOTE: Numbers may not add due to rounding.

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DEFERRED INCOME TAX EXPENSE

Description	Amount	Adjustment	Reference
(A)	(B)	(C)	(D)
Adjusted Test Year	$ 6,030,481		
Test Year Pro Forma	6,070,253		
Adjustment		$ 39,773	

NOTE: Numbers may not add due to rounding.

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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
DEFERRED INCOME TAX EXPENSE
TEST YEAR 12 Months Ending 12/31/18
(Thousands of Dollars)

Description	Temporary Differences	NH @ 7.90%	FIT @ 21.0%	Total Taxes
(A)	(B)	(C)	(D)	(E)
Deferred Income Taxes:				
Provision for Uncollectible Accounts	29 $	2 $	6 $	8
LT Pension Accrual	(30,202)	(2,386)	(5,841)	(8,227)
Non-SERP Supplemental Retirement Program	73	6	14	20
Supplemental executive retirement program	(1,181)	(93)	(228)	(322)
Deferred Compensation Amount	(14)	(1)	(3)	(4)
Medical Reserve	(142)	(11)	(27)	(39)
Injuries and Damages Actuary Gross-up	738	58	143	201
Injuries and Damages	(1,512)	(119)	(292)	(412)
Long Term Disability	(1,074)	(85)	(208)	(293)
Severance Benefits	10	1	2	3
Storm Reserve Trans/Distr	33,129	2,617	6,407	9,025
Contra Storm Reserve Trans /Distr	3,897	308	754	1,062
Performance Reward Program	91	7	18	25
EICP/ECP Incentive payments	388	31	75	106
Restricted Stock Unit Accruals	142	11	28	39
Performance Share Units	38	3	7	10
OPEB - FAS 106	2,755	218	533	751
Med Vantage Liability	(370)	(29)	(72)	(101)
Reserve for Misc. Contingencies	(12,585)	(994)	(2,434)	(3,428)
Def Tax Due to Rate Change	196	16	38	54
Reserve - Environ Remed Cost Reserve	209	16	40	57
Environmental Accrual PSNH	81	6	16	22
Renewable Portfolio Standards	(17,871)	(1,412)	(3,456)	(4,868)
Asset Retirement Regulatory Liability	(225)	(18)	(44)	(61)
Deferred Rep Revenue	(1,272)	(100)	(246)	(346)
Allconnect Commission Deferral	(15)	(1)	(3)	(4)
Deferred Asset- Medicare Tax	345	27	67	94
Amortization Rehab Tax Credit	34	3	7	9
Normalized tax/book depreciation diff - plant	41,462	5,227	7,661	12,888
Depreciation of ARO Asset	(27)	(2)	(5)	(7)
Property Tax Expense Book/Tax	3,636	287	703	991
Other Reg Asset - F158 Pension	(3,089)	(244)	(597)	(841)
Other Reg Asset - Non Serp	(24)	(2)	(5)	(7)
Other Reg Asset - F158 SERP	1,060	84	205	289
Storm Reserve Recovery	(17,988)	(1,421)	(3,479)	(4,900)
Injuries and Damages Insurance	(738)	(58)	(143)	(201)
Other Reg Assets - F158 OPEB	(1,567)	(124)	(303)	(427)
FAS158 Medvantage	(19)	(2)	(4)	(5)
DEF'D Environmental rimed Costs 09-035	161	13	31	44
New Hampshire Assessment Deferral	(713)	(56)	(138)	(194)
Reg Def/Amort - Rate Case Exp Deferred	514	41	99	140
Deferred Asset - Medicare Tax	76	6	15	21
EAP Deferred Costs NHPUC Assessment	253	20	49	69
Amort Recovery FAS109 Former T Flow Thru	(161)	(13)	(31)	(44)
Federal Diesters Expense	0	0	0	0
SEC 168 Casualty Loss	(179)	(14)	(35)	(49)
Reverse book capitalization / Amort of Intangibles	70	5	13	19
Deferred PSNH G Stranded Costs Securitization	(830)	(66)	(161)	(226)
MISC	(6,987)	0	0	0
Total	(9,399)	1,760	(824)	936
Tax Audit and Reserve Adjustments		(1,176)	(1,222)	(2,398)
Total	(9,399)	584	(2,046)	(1,462)

NOTE: Numbers may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
DEFERRED INCOME TAX EXPENSE
TEST YEAR 12 Months Ending 12/31/18
(Thousands of Dollars)

Description	Test Year Temp Diffs	Proforma Adjustments	Proforma Year Temp Diffs	NH @ 7.90%	FIT @ 21.0%	Total Taxes
(A)	(B)	(C)	(D)	(E)	(F)	(G)
Deferred Income Taxes:						
Provision for Uncollectible Accounts	29	$ 0	$ 29	$ 2	$ 6	$ 8
LT Pension Accrual	(30,202)	0	(30,202)	(2,386)	(5,841)	(8,227)
Non-SERP Supplemental Retirement Program	73	0	73	6	14	20
Supplemental executive retirement program	(1,181)	0	(1,181)	(93)	(228)	(322)
Deferred Compensation Amount	(14)	0	(14)	(1)	(3)	(4)
Medical Reserve	(142)	0	(142)	(11)	(27)	(39)
Injuries and Damages Actuary Gross-up	738	0	738	58	143	201
Injuries and Damages	(1,512)	0	(1,512)	(119)	(292)	(412)
Long Term Disability	(1,074)	0	(1,074)	(85)	(208)	(293)
Severance Benefits	10	0	10	1	2	3
Storm Reserve Trans/Distr	33,129	0	33,129	2,617	6,407	9,025
Contra Storm Reserve Trans /Distr	3,897	0	3,897	308	754	1,062
Performance Reward Program	91	0	91	7	18	25
EICP/ECP Incentive payments	388	0	388	31	75	106
Restricted Stock Unit Accruals	142	0	142	11	28	39
Performance Share Units	38	0	38	3	7	10
OPEB - FAS 106	2,755	0	2,755	218	533	751
Med Vantage Liability	(370)	0	(370)	(29)	(72)	(101)
Reserve for Misc. Contingencies	(12,585)	0	(12,585)	(994)	(2,434)	(3,428)
Def Tax Due to Rate Change	196	0	196	16	38	54
Reserve - Environ Remed Cost Reserve	209	0	209	16	40	57
Environmental Accrual PSNH	81	0	81	6	16	22
Renewable Portfolio Standards	(17,871)	17,871	0	0	0	0
Asset Retirement Regulatory Liability	(225)	0	(225)	(18)	(44)	(61)
Deferred Rep Revenue	(1,272)	0	(1,272)	(100)	(246)	(346)
Allconnect Commission Deferral	(15)	0	(15)	(1)	(3)	(4)
Deferred Asset- Medicare Tax	345	0	345	27	67	94
Amortization Rehab Tax Credit	34	0	34	3	7	9
Normalized tax/book depreciation diff - plant	41,462	0	41,462	5,227	7,661	12,888
Depreciation of ARO Asset	(27)	0	(27)	(2)	(5)	(7)
Property Tax Expense Book/Tax	3,636	0	3,636	287	703	991
Other Reg Asset - F158 Pension	(3,089)	0	(3,089)	(244)	(597)	(841)
Other Reg Asset - Non Serp	(24)	0	(24)	(2)	(5)	(7)
Other Reg Asset - F158 SERP	1,060	0	1,060	84	205	289
Storm Reserve Recovery	(17,988)	0	(17,988)	(1,421)	(3,479)	(4,900)
Injuries and Damages Insurance	(738)	0	(738)	(58)	(143)	(201)
Other Reg Assets - F158 OPEB	(1,567)	0	(1,567)	(124)	(303)	(427)
FAS158 Medvantage	(19)	0	(19)	(2)	(4)	(5)
DEF'D Environmental rimed Costs 09-035	161	0	161	13	31	44
New Hampshire Assessment Deferral	(713)	0	(713)	(56)	(138)	(194)
Reg Def/Amort - Rate Case Exp Deferred	514	0	514	41	99	140
Deferred Asset - Medicare Tax	76	0	76	6	15	21
EAP Deferred Costs NHPUC Assessment	253	0	253	20	49	69
Amort Recovery FAS109 Former T Flow Thru	(161)	0	(161)	(13)	(31)	(44)
Federal Diesters Expense	0	0	0	0	0	0
SEC 168 Casualty Loss	(179)	0	(179)	(14)	(35)	(49)
Reverse book capitalization / Amort of Intangibles	70	0	70	5	13	19
Deferred PSNH G Stranded Costs Securitization	(830)	830	0	0	0	0
MISC	(6,987)	6,987	0	0	0	0
Tax Audit and Reserve Adjustments						
Total	$ (9,399)	$ 25,689	$ 16,290	$ 3,238	$ 2,793	$ 6,030

NOTE: Numbers may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
DEFERRED INCOME TAX EXPENSE
TEST YEAR 12 Months Ending 12/31/18
(Thousands of Dollars)

Description	Proforma Year Temp Diffs	Rate Year Adjustments	Rate Year Temp Diffs	NH @ 7.70%	FIT @ 21.0%	Total Taxes
(A)	(B)	(C)	(D)	(E)	(F)	(G)
Deferred Income Taxes:						
Provision for Uncollectible Accounts	$ 29	$ 0	$ 29	$ 2	$ 6	$ 8
LT Pension Accrual	$ (30,202)	0	(30,202)	(2,326)	(5,854)	(8,180)
Non-SERP Supplemental Retirement Program	$ 73	0	73	6	14	20
Supplemental executive retirement program	$ (1,181)	0	(1,181)	(91)	(229)	(320)
Deferred Compensation Amount	$ (14)	0	(14)	(1)	(3)	(4)
Medical Reserve	$ (142)	0	(142)	(11)	(28)	(38)
Injuries and Damages Actuary Gross-up	$ 738	0	738	57	143	200
Injuries and Damages	$ (1,512)	0	(1,512)	(116)	(293)	(409)
Long Term Disability	$ (1,074)	0	(1,074)	(83)	(208)	(291)
Severance Benefits	$ 10	0	10	1	2	3
Storm Reserve Trans/Distr	$ 33,129	0	33,129	2,551	6,421	8,972
Contra Storm Reserve Trans /Distr	$ 3,897	0	3,897	300	755	1,055
Performance Reward Program	$ 91	0	91	7	18	25
EICP/ECP Incentive payments	$ 388	0	388	30	75	105
Restricted Stock Unit Accruals	$ 142	0	142	11	28	39
Performance Share Units	$ 38	0	38	3	7	10
OPEB - FAS 106	$ 2,755	0	2,755	212	534	746
Med Vantage Liability	$ (370)	0	(370)	(29)	(72)	(100)
Reserve for Misc. Contingencies	$ (12,585)	0	(12,585)	(969)	(2,439)	(3,409)
Def Tax Due to Rate Change	$ 196	0	196	15	38	53
Reserve - Environ Remed Cost Reserve	$ 209	0	209	16	40	57
Environmental Accrual PSNH	$ 81	0	81	6	16	22
Renewable Portfolio Standards	$ 0	0	0	0	0	0
Asset Retirement Regulatory Liability	$ (225)	0	(225)	(17)	(44)	(61)
Deferred Rep Revenue	$ (1,272)	0	(1,272)	(98)	(247)	(344)
Allconnect Commission Deferral	$ (15)	0	(15)	(1)	(3)	(4)
Deferred Asset- Medicare Tax	$ 345	0	345	27	67	93
Amortization Rehab Tax Credit	$ 34	0	34	3	7	9
Normalized tax/book depreciation diff - plant	$ 41,462	0	41,462	5,227	7,661	12,888
Depreciation of ARO Asset	$ (27)	0	(27)	(2)	(5)	(7)
Property Tax Expense Book/Tax	$ 3,636	0	3,636	280	705	985
Other Reg Asset - F158 Pension	$ (3,089)	0	(3,089)	(238)	(599)	(837)
Other Reg Asset - Non Serp	$ (24)	0	(24)	(2)	(5)	(6)
Other Reg Asset - F158 SERP	$ 1,060	0	1,060	82	205	287
Storm Reserve Recovery	$ (17,988)	0	(17,988)	(1,385)	(3,487)	(4,872)
Injuries and Damages Insurance	$ (738)	0	(738)	(57)	(143)	(200)
Other Reg Assets - F158 OPEB	$ (1,567)	0	(1,567)	(121)	(304)	(424)
FAS158 Medvantage	$ (19)	0	(19)	(1)	(4)	(5)
DEF'D Environmental rimed Costs 09-035	$ 161	0	161	12	31	44
New Hampshire Assessment Deferral	$ (713)	0	(713)	(55)	(138)	(193)
Reg Def/Amort - Rate Case Exp Deferred	$ 514	0	514	40	100	139
Deferred Asset - Medicare Tax	$ 76	0	76	6	15	20
EAP Deferred Costs NHPUC Assessment	$ 253	0	253	19	49	68
Amort Recovery FAS109 Former T Flow Thru	$ (161)	0	(161)	(12)	(31)	(44)
Federal Diesters Expense	$ 0	0	0	0	0	0
SEC 168 Casualty Loss	$ (179)	0	(179)	(14)	(35)	(48)
Reverse book capitalization / Amort of Intangibles	$ 70	0	70	5	13	19
Deferred PSNH G Stranded Costs Securitization	$ 0	0	0	0	0	0
MISC	$ 0	0	0	0	0	0
Tax Audit and Reserve Adjustments						
Total	$ 16,290	$ 0	$ 16,290	$ 3,288	$ 2,782	$ 6,070

NOTE: Numbers may not add due to rounding.

Public Service Company of New Hampshire
d/b/a Eversource Energy
Docket No. DE 19-057
Attachment EHC/TMD-1 (Perm)
Schedule EHC/TMD-35 (Perm)
May 28, 2019
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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

INVESTMENT TAX CREDIT

Description	Amount	Adjustment	Reference
(A)	(B)	(C)	(D)
Test Year	$ (3,684,000)		
Restated Test Year	(3,684,000)		
Proforma Adjustment		0	
Test Year Pro Forma	(3,684,000)		
Proforma Adjustment		0	
Total Adjustment		$ 0	

NOTE: Numbers may not add due to rounding.

Public Service Company of New Hampshire
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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

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IV. RATE BASE SCHEDULES

Public Service Company of New Hampshire
d/b/a Eversource Energy
Docket No. DE 19-057
Attachment EHC/TMD-1 (Perm)
Schedule EHC/TMD-36 (Perm)
May 28, 2019
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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

RATE BASE AND RETURN ON RATE BASE

	TEMP FILING 12/31/2018 TEST YEAR RATE BASE	CHANGE	**PERM FILING** 12/31/2018 PRO FORMA RATE BASE	REFERENCE
Utility Plant in Service	$ 2,171,045,401	$ -	$2,171,045,401	Actual 12/31/18
LESS:				
Reserve For Depreciation	602,426,195	-	602,426,195	Actual 12/31/18
Reserve For Amortization	-	-	-	
Net Utility Plant In Service	1,568,619,205	$ -	1,568,619,205	Line 19 - Line 22 - Line 23
ADDITIONS TO PLANT				
Cash Working Capital	12,591,324	1,169,573	13,760,897	Schedule EHC/TMD-41 (Perm)
ASC 740 (net)	-	-	-	
Materials and Supplies	12,213,448	-	12,213,448	Actual 12/31/18
Prepayments	728,530	-	728,530	Actual 12/31/18
Regulatory Assets	3,423,381	-	3,423,381	Actual 12/31/18
Total Additions to Plant	28,956,683	$ 1,169,573	30,126,256	Sum of Lines 28 thru Line 32
DEDUCTIONS FROM PLANT				
Reserve for Deferred Income Taxes	365,771,776	4,868,277	370,640,053	Actual 12/31/18
Regulatory Liabilities	4,036,554		4,036,554	Actual 12/31/18
Customer Deposits/Advances	8,400,957	-	8,400,957	Actual 12/31/18
Total Deductions from Plant	$ 378,209,287	$ 4,868,277	$ 383,077,564	Sum of Lines 37 thru Line 40
RATE BASE	1,219,366,601	$ (3,698,704)	1,215,667,897	Line 25 + Line 34 - Line 42
COST OF CAPITAL	7.08%		7.62%	
RETURN ON RATE BASE	$ 86,345,788	$ 6,244,342	$ 92,590,130	Line 44 * Line 46

NOTE: Numbers may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

PLANT IN SERVICE BY MAJOR PROPERTY GROUPING

Line	Major Property Grouping	Test Year Actual #REF!	Normalizing Adjustments	Adjusted Test Year Actual #REF!	Additions / Retirements / Transfers	Plant In Service Adjustments	Pro-forma Plant In Service #REF!	Reference
20	(A)	(B)	(C)	(D)=(B)+(C)	(E)	(F)	(G)=(D)+(E)+(F)	(H)
22	Intangible	$ 52,960,122	$ -	$ 52,960,122	$ -	$ -	$ 52,960,122	
24	Distribution (Note 1)	1,924,901,934	(837,463)	1,924,064,471	-	-	1,924,064,471	
26	General	194,020,807	-	194,020,807	-	-	194,020,807	
29	Total Distribution Plant	$ 2,171,882,864	$ (837,463)	$ 2,171,045,401	$ -	$ -	$ 2,171,045,401	Line 22 + Line 24 + Line 26

Note 1: Reflects removal of asset retirement costs from plant in service (see Schedule EHC/TMD-37 (Perm), page 2, line 44).

NOTE: Numbers may not add due to rounding

Public Service Company of New Hampshire
d/b/a Eversource Energy
Docket No. DE 19-057
Attachment EHC/TMD-1 (Perm)
Schedule EHC/TMD-37 (Perm)
May 28, 2019

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

PLANT IN SERVICE BY MAJOR PROPERTY GROUPING
PLANT IN SERVICE CLASSIFIED (ACCOUNT 101 + 106)
DEPRECIABLE PLANT DETAIL

Account Number	Account Description	Test Year Actual 12/31/18	Plant In Service Retirements Adjustments	Plant In Service Adjustments	Adjusted Plant Balance 12/31/18	Pro Forma Plant In Service Transfers	Other Plant In Service Adjustments	Pro-forma Plant Balance as of 12/31/18
(A)	(B)	(C)	(D)	(E)	(F) = Sum of (C) through (E)	(G)	(H)	(I) = Sum of (F) through (H)
	Intangible Plant							
301	Intangible Plant - Organization	$ 45,057	$ -	$ -	$ 45,057	$ -	$ -	$ 45,057
302	Franchises and Consents	-			-			-
303	Miscellaneous Intangible Plant	52,915,065	-	-	52,915,065	-	-	52,915,065
	Total Intangible Plant	$ 52,960,122	$ -	$ -	$ 52,960,122	$ -	$ -	$ 52,960,122
	Distribution Plant							
360	Land and Land Rights	$ 9,953,053	$ -	$ -	$ 9,953,053	$ -	$ -	$ 9,953,053
361	Structures and Improvements	26,387,975	-	-	26,387,975	-	-	26,387,975
362	Station Equipment	306,248,377	-	-	306,248,377	-	-	306,248,377
364	Poles, Towers and Fixtures	303,587,829	-	-	303,587,829	-	-	303,587,829
365	Overhead Conductors and Devices	582,095,624	-	-	582,095,624	-	-	582,095,624
366	Underground Conduit	38,757,668	-	-	38,757,668	-	-	38,757,668
367	Underground Conductors and Devices	133,741,822	-	-	133,741,822	-	-	133,741,822
368	Line Transformers	262,481,158	-	-	262,481,158	-	-	262,481,158
369	Services	158,352,446	-	-	158,352,446	-	-	158,352,446
370	Meters	90,764,200	-	-	90,764,200	-	-	90,764,200
371	Installations on Customer Premises	6,563,782	-	-	6,563,782	-	-	6,563,782
373	Street Lighting and Signal Systems	5,130,537	-	-	5,130,537	-	-	5,130,537
374	Asset Retirement Costs for Distrubution Plant	837,463	-	(837,463)	-	-	-	-
	Total Distribution Plant	$ 1,924,901,934	$ -	$ (837,463)	$ 1,924,064,471	$ -	$ -	$ 1,924,064,471
	General Plant							
389	Land and Land Rights	$ 4,833,969	$ -		$ 4,833,969	$ -	$ -	$ 4,833,969
390	Structures and Improvements	84,414,330	-		84,414,330	-	-	84,414,330
391	Office Furniture and Equipment	11,442,230	-		11,442,230	-	-	11,442,230
392	Transportation Equipment	44,177,361	-		44,177,361	-	-	44,177,361
393	Stores Equipment	3,257,905	-		3,257,905	-	-	3,257,905
394	Tools, Shop and Garage Equipment	14,194,678	-		14,194,678	-	-	14,194,678
395	Laboratory Equipment	2,072,747	-		2,072,747	-	-	2,072,747
396	Power Operated Equipment	159,421	-		159,421	-	-	159,421
397	Communication Equipment	28,188,997	-		28,188,997	-	-	28,188,997
398	Miscellaneous Equipment	1,279,169	-		1,279,169	-	-	1,279,169
	Total General Plant	$ 194,020,807	$ -	$ -	$ 194,020,807	$ -	$ -	$ 194,020,807
	Total	$ 2,171,882,864	$ -	$ (837,463)	$ 2,171,045,401	$ -	$ -	$ 2,171,045,401

NOTE: Numbers may not add due to rounding

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

DEPRECIATION RESERVE

Plant Function	Test Year Actual #REF!	Normalizing Adjustments	Adjusted Test Year Actual #REF!	Pro Forma 2018 Adjustments	Transfers / Adjustments	Pro Forma Depreciation Reserve #REF!	Reference
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Intangible Plant Amortization	$ 46,514,955	$ (355,578)	$ 46,159,377	$ -	$ -	$ 46,159,377	
Distribution Depreciation (Note 1)	503,548,772	(209,233)	503,339,539	-	-	503,339,539	
General Depreciation	52,571,701	355,578	52,927,279	-	-	52,927,279	
General Amortization	-	-	-	-	-	-	
Total Distribution Depreciation Reserve	$ 602,635,428	$ (209,233)	$ 602,426,195	$ -	$ -	$ 602,426,195	

Note 1: Reflects removal of asset retirement costs from depreciation reserve (see Schedule EHC/TMD-38 (Perm), page 2, line 40).

NOTE: Numbers may not add due to rounding

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

DEPRECIATION RESERVE

Account Number	Account Description	Ending Test Year Reserve 12/31/18	Depr Reserve Adjustments	ARO Depr Reserve Adjustments	Depr Reserve Adjustments	Adjusted Reserve Balance 12/31/18	Pro Forma Depr Reserve Transfers	Other Depr Reserve Adjustments	Pro Forma Reserve Balance as of 12/31/18
						(G) = Sum of (C) through (F)			(J) = Sum of (G) through (I)
(A)	(B)	(C)	(D)	(E)	(F)		(H)	(I)	
	Intangible Plant								
303	Miscellaneous Intangible Plant	$ 46,514,955	$ (355,578)		$ -	$ 46,159,377	$ -	$ -	$ 46,159,377
303	Total Intangible Plant	$ 46,514,955	$ (355,578)	$ -	$ -	$ 46,159,377	$ -	$ -	$ 46,159,377
	Distribution Plant								
360	Land and Land Rights	-	$ -	$ -	$ -	$ -			$ -
361	Structures and Improvements	6,382,082	-	-	-	6,382,082	-	-	6,382,082
362	Station Equipment	62,750,120	-	-	-	62,750,120	-	-	62,750,120
364	Poles, Towers and Fixtures	136,744,838	-	-	-	136,744,838	-	-	136,744,838
365	Overhead Conductors and Devices	113,599,020	-	-	-	113,599,020	-	-	113,599,020
366	Underground Conduit	5,592,977	-	-	-	5,592,977	-	-	5,592,977
367	Underground Conductors and Devices	41,987,653	-	-	-	41,987,653	-	-	41,987,653
368	Line Transformers	78,706,999	(11)	-	-	78,706,987	-	-	78,706,987
369	Services	35,251,692	(510)	-	-	35,251,183	-	-	35,251,183
370	Meters	17,296,815	-	-	-	17,296,815	-	-	17,296,815
371	Installations on Customers' Premises	1,207,155	-	-	-	1,207,155	-	-	1,207,155
373	Street Lighting and Signal Systems	3,820,709	-	-		3,820,709	-	-	3,820,709
374	Asset Retirement Costs for Distribution Plant	208,712	-	(208,712)	-	-	-	-	-
360 - 373	Total Distribution Plant	$ 503,548,772	$ (521)	$ (208,712)	$ -	$ 503,339,539	$ -	$ -	$ 503,339,539
	General Plant								
389	Land and Land Rights	$ -	$ -		$ -	$ -	$ -	$ -	$ -
390	Structures and Improvements	15,134,035	355,578		-	15,489,613	-	-	15,489,613
391	Office Furniture and Equipment	1,310,985	-		-	1,310,985	-	-	1,310,985
392	Transportation Equipment	23,270,988	-		-	23,270,988	-	-	23,270,988
393	Stores Equipment	723,285	-		-	723,285	-	-	723,285
394	Tools, Shop and Garage Equipment	3,214,074	-		-	3,214,074	-	-	3,214,074
395	Laboratory Equipment	328,850	-		-	328,850	-	-	328,850
396	Power Operated Equipment	103,592	-		-	103,592	-	-	103,592
397	Communication Equipment	7,991,790	-		-	7,991,790	-	-	7,991,790
398	Miscellaneous Equipment	494,103	-		-	494,103	-	-	494,103
									-
389 - 398	Total General Plant	$ 52,571,701	$ 355,578	$ -	$ -	$ 52,927,279	$ -	$ -	$ 52,927,279
	Total	$ 602,635,428	$ (521)	$ (208,712)	$ -	$ 602,426,195	$ -	$ -	$ 602,426,195

NOTE: Numbers may not add due to rounding

Public Service Company of New Hampshire
d/b/a Eversource Energy
Docket No. DE 19-057
Attachment EHC/TMD-1 (Perm)
Schedule EHC/TMD-39 (Perm)
May 28, 2019
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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

ACCUMULATED DEFERRED INCOME TAXES

Description	Test Year Actual 12/31/2018
ACCOUNT 190	2,122,113
ACCOUNT 282	(365,945,055)
ACCOUNT 283	(6,817,111)
Total ADIT	(370,640,053)

NOTE: Numbers may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

COST OF CAPITAL

5 - QUARTER AVERAGE - DECEMBER 31, 2018 (USING 9.67% ROE)

	PRINCIPAL	FIXED PERCENTAGE	COST	RATE OF RETURN
Short-Term Debt	$ 151,300,000	6.51%	2.21%	0.14%
Long-term Debt	$ 909,660,000	39.16%	4.30%	1.68%
Common Equity	$ 1,262,051,000	54.33%	9.67%	5.25%
Total Capital	$ 2,323,011,000	100.00%		7.08%
Weighted Cost of				
Debt				1.83%
Equity				5.25%
Cost of Capital				7.08%

5 - QUARTER AVERAGE - DECEMBER 31, 2019 (USING 10.4% ROE)

	PRINCIPAL	FIXED PERCENTAGE	COST	RATE OF RETURN
Short-Term Debt	$ 71,805,000	3.17%	2.45%	0.08%
Long-term Debt	$ 949,708,000	41.98%	4.37%	1.83%
Common Equity	$ 1,240,847,000	54.85%	10.40%	5.70%
Total Capital	$ 2,262,360,000	100.00%		7.62%
Weighted Cost of				
Debt				1.91%
Equity				5.70%
Cost of Capital				7.62%

Public Service Company of New Hampshire and Subsidiaries
Capitalization @ 12/31/2018 - for FH Purposes Only

Series A is variable rate debt		[A] Balance-LTD	Acct #s	[B] Unamor Issuance Expense	[C] Net Balance [A] + [B]	[D] Annualized Amor. Expense	[E] Int Rate*	[F] Ann. Int. Exp. [A] X [E]	[G] Total Ann. Exp. [D] + [F]	[H] Eff. Int. Rate [G]/[C]
PCRB Series A Tax-Prepaid Ins 2001	224QA	-		0	0	261,335		-	261,335	
PCRB Series A Tax-Exempt-VR	224QA0	-	see	(473,305)	(473,305)	202,846		-	202,846	
PCRB Series B Tax-Prepaid Ins 2001	224QB	-	detail	-	-	-		-	-	
PCRB Series B Tax-Exempt-FR	224QB	-	below	(1,535,929)	(1,535,929)	317,778	4.75%	-	317,778	
PCRB Series C Tax-Exempt	224QC	-		(1,038,674)	(1,038,674)	214,898	5.45%	-	214,898	
FMB Series L - 2004	221P3	-		-	-	-		-	-	
FMB Series M - 2035	221P40	50,000,000		(261,075)	49,738,925	15,587	5.60%	2,800,000	2,815,587	
FMB Series N - 2017	2216A0	-		(0)	(0)	(0)	6.15%	-	(0)	
FMB Series O - 2018	221NF0	-		-	-	-	6.00%	-	-	
FMB Series P - 2019	221CV0	150,000,000		(52,721)	149,947,279	57,515	4.50%	6,750,000	6,807,515	
FMB Series Q - 2021	221NS0	122,000,000		(1,158,490)	120,841,510	479,388	4.05%	4,941,000	5,420,388	
FMB Series R - 2021	221NR0	160,000,000		(3,788,210)	156,211,790	1,420,571	3.20%	5,120,000	6,540,571	
FMB Series S - 2023	221SF0	250,000,000		(1,343,943)	248,656,057	294,068	3.50%	8,750,000	9,044,068	
FMB Series S - 2023	221SF0	75,000,000		(301,491)	74,698,509	46,564	3.50%	2,625,000	2,671,564	
Total Debt		807,000,000		(9,953,838)	797,046,162	3,310,548		30,986,000	34,296,548	4.3030%
Capital Surplus		678,133,850								
Retained Earnings		627,257,655								
Total --excludes OCI		1,305,391,505								

	[A] Balance-LTD	[B] Capitalization Percentage	[C] Embedded Cost/Return	[D] Weighted Avg. [B] * [C]	[E] Tax Gross-up [D]/ [1-TR]	[F] Tax-Adjusted Return	[G] Return By Month
Capitalization---							
LTD--use net of issuance exp-above	797,046,162	37.9106%	4.3030%	1.6313%	N/A	1.6313%	0.1359%
Total Equity from above	1,305,391,505	62.0894%	9.8100%	6.0910%	8.3533%	8.3533%	
Total	2,102,437,667	100.0000%		7.7222%		9.9846%	**0.832048%**

Statutory Tax Rate (STR) -- 27.083%

Amortization of Issuance costs and Loss on Reacquisition--Use quarterly data and annualize (1)

	1. Issuance/Prepaid -			2. Loss on Reacq/Disc/Prepaid -				3. OCI and OCI Amor			4. OCI ADIT and Amor		Total Bal Col-- 1, 2, 3 +4 (to LTD)	Total Amor Exp
	Acct #	Bal-Issuance	Amor. Expense	Acct #	Bal-Loss on Re	Amor. Expense		Net Balance (3)	Amor. Expense		Net Balance (3)	Amor. Expense		
PCRB Series A Tax-Prepaid Ins 2001	165.QA	0	65,334					-	-		-	-	0	65,334
PCRB Series A Tax-Exempt-VR	181.QA	(0)	13,050	189.QA	(182,699)	6,525		-	-		-	-	(182,699)	19,575
PCRB Series A Tax-Exempt-VR				189.PA	(290,607)	31,136							(290,607)	31,136
PCRB Series B Tax-Prepaid Ins 2001	165.Q6	-	-					-	-		-	-	-	-
PCRB Series B Tax-Exempt-FR	181.Q6	-	-	189.QB	(1,535,929)	79,445		-	-		-	-	(1,535,929)	79,445
PCRB Series C Tax-Exempt	181.QC	-	-	189.PC	(1,038,674)	53,725		-	-		-	-	(1,038,674)	53,725
FMB Series L 2004	181.P3	-	-	226.P3 (2)	-	-		-	-		-	-	-	-
FMB Series M - 2035	181.P4	(217,675)	3,249	226.P4	(43,400)	648		-	-		-	-	(261,075)	3,897
FMB Series N - 2017	181.6A	(0)	(0)	226.6A	-	-		-	-		-	-	(0)	(0)
FMB Series O - 2018	181.NF	-	-	226.NF	-	-	219.NE	-	-	190.CP	-	-	-	-
FMB Series P - 2019	181.CV	(35,332)	9,636	226.CV	(17,389)	4,743							(52,721)	14,379
FMB Series Q - 2021	181.NS	(184,513)	19,088	226.NS	(51,788)	5,357	219.NE	(417,046)	43,142	190.CP	(190,438)	19,704	(843,784)	87,291
FMB Series Q - 2021				189.ND	(198,862)	20,572							(198,862)	20,572
FMB Series Q - 2021				189.NE	(115,844)	11,984							(115,844)	11,984
FMB Series R - 2021	181.NR	(184,893)	17,334	226.NR	(97,634)	9,153	219.NE	(2,406,058)	225,568	190.CP	(1,099,625)	103,088	(3,788,210)	355,143
FMB Series S - 2023	181.SF	(901,693)	50,641	226.SF	(442,250)	22,876							(1,343,943)	73,517
FMB Series S - 2023	181.SF	(301,491)	11,641	226.SF	(0)	0							(301,491)	11,641
Total		(1,825,597)	189,972		(4,015,076)	246,163		(2,823,103)	268,710		(1,290,063)	122,792	(9,953,838)	827,637

Summary--Col [B]	(9,953,838)	Annual Amor-->	**3,310,548**
Total Def	(9,953,838)	Summary--Col [D]	3,310,548
Diff= 0	-	**Diff= 0**	-

(1) THIS DATA IS LINKED TO AMORTIZATION SCHEDULE FOR THE QUARTER.
(2) THIS IS THE "DEBT DISCOUNT" (LIABILITY) ACCOUNT DUE TO THE SALE OF BONDS AT LESS THAN PAR VALUE.

Public Service Company of New Hampshire
d/b/a Eversource Energy
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Attachment EHC/TMD-1 (Perm)
Schedule EHC/TMD-41 (Perm)
May 28, 2019
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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
CASH WORKING CAPITAL

Purpose and Description: Test Year Lead/Lag

	(1) Revenue Lag (Days)	(2) Expense Lead (Days)	(3) Net Days (1) - (2)	(4) Annual Distribution Expense	(5) Daily Expense (4/365)	(6) Working Capital Requested (5) * (3)	Lead (Lag) Days Reference
Retail Operating Expenses							
Operation and Maintenance							
Payroll	45.79	11.97	33.82	$ 54,496,899	149,307	$ 5,050,081	Page 4
Payroll Incentive	45.79	270.00	(224.21)	7,613,826	20,860	(4,676,999)	N/A
Employee Benefits	45.79	11.96	33.83	16,022,044	43,896	1,484,861	Page 5
Regulatory Assessments	45.79	12.10	33.69	4,766,319	13,058	439,944	Page 6
Insurance Expense & Injuries & Damages	45.79	(158.71)	204.50	2,480,664	6,796	1,389,775	Page 7
Other O&M	45.79	45.95	(0.16)	82,348,437	225,612	(36,034)	Page 8
Total Operation and Maintenance				167,728,188		3,651,628	
Taxes:							
Local Property	45.79	(25.41)	71.20	47,399,353	129,861	9,246,483	Page 9
Payroll Taxes	45.79	11.98	33.82	5,138,032	14,077	476,018	Page 10
Federal Income Taxes	45.79	30.01	15.78	6,521,146	17,866	281,931	Page 11
NH Profit and Enterprise Taxes	45.79	31.99	13.80	2,772,786	7,597	104,837	Page 12
Total Taxes (above the line)				61,831,317		10,109,269	
Weighted Net Lag Days						21.88	
Percentage						5.99%	
Test Year Distribution Working Capital						$ 13,760,897	

Public Service Company of New Hampshire
d/b/a Eversource Energy
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Attachment EHC/TMD-2 (Perm)
Schedule EHC/TMD-1 (Perm)
May 28, 2019

CASH WORKING CAPITAL

Purpose and Description: Test Year Lead/Lag

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Revenue Lag (Days)	Expense Lead (Days)	Net Days (1) - (2)	Annual Distribution Expense	Daily Expense (4/365)	Working Capital Requested (5) * (3)	Lead (Lag) Days Reference
Retail Operating Expenses							
Operation and Maintenance							
Payroll	45.79	11.97	33.82	$ 54,496,899	149,307	$ 5,050,081	Schedule EHC/TMD-4 (Perm)
Payroll Incentive	45.79	270.00	(224.21)	7,613,826	20,860	(4,676,999)	N/A
Employee Benefits	45.79	11.96	33.83	16,022,044	43,896	1,484,861	Schedule EHC/TMD-5 (Perm)
Regulatory Assessments	45.79	12.10	33.69	4,766,319	13,058	439,944	Schedule EHC/TMD-6 (Perm)
Insurance Expense & Injuries & Damages	45.79	(158.71)	204.50	2,480,664	6,796	1,389,775	Schedule EHC/TMD-7 (Perm)
Other O&M	45.79	45.95	(0.16)	82,348,437	225,612	(36,034)	Schedule EHC/TMD-8 (Perm)
Total Operation and Mtce.				167,728,188		3,651,628	
Taxes:							
Local Property	45.79	(25.41)	71.20	47,399,353	129,861	9,246,483	Schedule EHC/TMD-9 (Perm)
Payroll Taxes	45.79	11.98	33.82	5,138,032	14,077	476,018	Schedule EHC/TMD-10 (Perm)
Federal Income Taxes	45.79	30.01	15.78	6,521,146	17,866	281,931	Schedule EHC/TMD-11 (Perm)
NH Profit and Enterprise Taxes	45.79	31.99	13.80	2,772,786	7,597	104,837	Schedule EHC/TMD-12 (Perm)
Total Taxes (above the line)				61,831,317		10,109,269	
Weighted Net Lag Days						21.88	
Percentage						5.99%	
Test Year Distribution Working Capital						$ 13,760,897	

Note: Numbers may not add due to rounding

Public Service Company of New Hampshire
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Schedule EHC/TMD-2 (Perm)
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LEAD (LAG) STUDY

CALCULATION OF TOTAL REVENUE LAG

	(1)	(2)
	Revenue Lag (Days)	Lead (Lag) Days Reference
Collection lag	29.6	Schedule EHC/TMD-3 (Perm)
Meter reading lag	15.2	365/12/2
Billing lag	1.0	N/A
Total Revenue Lag	45.8	

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Schedule EHC/TMD-3 (Perm)
May 28, 2019

LEAD (LAG) STUDY

CALCULATION OF TOTAL COLLECTION LAG

HISTORICAL DATA - COLLECTION LAG

(1)	(2)	(3)	(4)
Customer Accounts Receivable Balance	2018	2017	2016
December	$ 74,295,074.50	$ 75,614,279.96	$ 66,254,615.56
January	$ 81,503,401.94	$ 81,358,569.03	$ 76,076,722.13
February	$ 82,262,792.10	$ 80,151,542.52	$ 74,614,242.35
March	$ 82,853,800.25	$ 70,913,492.13	$ 74,857,215.14
April	$ 79,162,268.00	$ 75,536,723.83	$ 71,564,352.50
May	$ 70,757,578.33	$ 66,159,184.65	$ 65,046,812.39
June	$ 75,877,591.62	$ 70,704,810.12	$ 66,987,585.83
July	$ 78,014,987.20	$ 75,301,724.52	$ 79,273,627.20
August	$ 79,326,932.03	$ 73,368,707.57	$ 81,631,692.14
September	$ 88,492,062.99	$ 78,050,780.10	$ 80,946,647.87
October	$ 66,466,690.40	$ 72,821,206.14	$ 70,696,647.98
November	$ 65,864,351.38	$ 63,050,664.26	$ 67,516,811.05
December	$ 79,949,678.71	$ 74,295,074.50	$ 75,614,279.96
Average Receivable Balance	$ 77,294,401	$ 73,640,520	$ 73,160,096
Customer Sales			
Commercial Sales	$ 312,485,488	$ 292,410,436	$ 290,273,874
Industrial Sales	$ 79,250,829	$ 72,370,943	$ 70,864,604
Public Street + Highway Lighting	$ 4,447,346	$ 4,931,794	$ 5,681,788
Residential Sales	$ 557,497,739	$ 537,438,851	$ 521,913,932
Total Revenues in A/R	$ 953,681,402	$ 907,152,025	$ 888,734,198
Receivables Turnover	12.34	12.32	12.15
Average age of Receivables - Age	29.58	29.63	30.05

Public Service Company of New Hampshire
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Schedule EHC/TMD-4 (Perm)
May 28, 2019

LEAD (LAG) STUDY

CALCULATION OF PAYROLL LEAD (LAG)

(Thousands of Dollars)

(1) Period Bi Weekly Beginning	(2) Period Bi Weekly Ending	(3) Midpoint of Period	(4) Payment Date	(5) Lead/Lag Days	(6) Amounts	(7) Dollar Days
12/16/2017	12/30/2017	12/23/2017	1/4/2018	12	$ 4,445	$ 53,336
12/30/2017	1/13/2018	1/6/2018	1/18/2018	12	$ 5,348	$ 64,177
1/13/2018	1/27/2018	1/20/2018	2/1/2018	12	$ 7,061	$ 84,732
1/27/2018	2/10/2018	2/3/2018	2/15/2018	12	$ 3,200	$ 38,401
2/10/2018	2/24/2018	2/17/2018	3/1/2018	12	$ 3,239	$ 38,873
2/24/2018	3/10/2018	3/3/2018	3/15/2018	12	$ 9,617	$ 115,399
3/10/2018	3/24/2018	3/17/2018	3/29/2018	12	$ 4,275	$ 51,305
3/24/2018	4/7/2018	3/31/2018	4/12/2018	12	$ 3,468	$ 41,610
4/7/2018	4/21/2018	4/14/2018	4/26/2018	12	$ 3,200	$ 38,400
4/21/2018	5/5/2018	4/28/2018	5/10/2018	12	$ 3,262	$ 39,148
5/5/2018	5/19/2018	5/12/2018	5/24/2018	12	$ 4,269	$ 51,227
5/19/2018	6/2/2018	5/26/2018	6/7/2018	12	$ 4,032	$ 48,382
6/2/2018	6/16/2018	6/9/2018	6/21/2018	12	$ 3,196	$ 38,348
6/16/2018	6/30/2018	6/23/2018	7/5/2018	12	$ 3,627	$ 43,519
6/30/2018	7/14/2018	7/7/2018	7/19/2018	12	$ 3,116	$ 37,389
7/14/2018	7/28/2018	7/21/2018	8/2/2018	12	$ 3,144	$ 37,728
7/28/2018	8/11/2018	8/4/2018	8/16/2018	12	$ 3,351	$ 40,215
8/11/2018	8/25/2018	8/18/2018	8/30/2018	12	$ 3,446	$ 41,349
8/25/2018	9/8/2018	9/1/2018	9/13/2018	12	$ 3,626	$ 43,508
9/8/2018	9/22/2018	9/15/2018	9/27/2018	12	$ 3,074	$ 36,892
9/22/2018	10/6/2018	9/29/2018	10/11/2018	12	$ 3,234	$ 38,810
10/6/2018	10/20/2018	10/13/2018	10/25/2018	12	$ 3,213	$ 38,555
10/20/2018	11/3/2018	10/27/2018	11/8/2018	12	$ 3,433	$ 41,193
11/3/2018	11/17/2018	11/10/2018	11/21/2018	11	$ 3,306	$ 36,365
11/17/2018	12/1/2018	11/24/2018	12/6/2018	12	$ 3,737	$ 44,850
12/1/2018	12/15/2018	12/8/2018	12/20/2018	12	$ 2,949	$ 35,384
			TOTAL		$ 101,867	$ 1,219,096
			Total weighted lead(lag) days			11.97

Public Service Company of New Hampshire
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Schedule EHC/TMD-5 (Perm)
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LEAD (LAG) STUDY

CALCULATION OF BENEFITS LEAD (LAG)

(Thousands of Dollars)

(1)	(2)	(3)
Benefit	Payment Amount	Dollar Days
Kvantage	$ 1,264	$ 15,117
401(k)	$ 2,039	$ 24,397
TOTAL	$ 3,303	$ 39,513
Weighted Lag Days		11.96

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Schedule EHC/TMD-6 (Perm)
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LEAD (LAG) STUDY

CALCULATION OF REGULATORY ASSESSMENTS LEAD (LAG)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Description	Beginning of Service Period	End of Service Period	Midpoint of Service Period	Payment Date	Lead Lag Days	Payment	Dollar Weighted Days
NHPUC Assessment for FY2019	7/1/2018	6/30/2019	12/30/2018	11/15/2018	-45.0	$ 1,396,157	$ (62,827,065)
NHPUC Assessment for FY2018	7/1/2017	6/30/2018	12/30/2017	1/23/2018	24.0	$ 1,375,964	$ 33,023,136
NHPUC Assessment for FY2018	7/1/2017	6/30/2018	12/30/2017	4/24/2018	115.0	$ 1,375,964	$ 158,235,860
NHPUC Assessment for FY2019	7/1/2018	6/30/2019	12/30/2018	8/31/2018	-121.0	$ 587,848	$ (71,129,608)
						$ 4,735,933	$ 57,302,323
							12.10

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Schedule EHC/TMD-7 (Perm)
May 28, 2019

LEAD (LAG) STUDY

CALCULATION OF INSURANCE LEAD (LAG)

(1) Description	(2) Beginning of Service Period	(3) End of Service Period	(4) Midpoint of Service Pediod	(5) Payment Date	(6) Lead Lag Days	(7) Payment	(8) Dollar Weighted Days
Commercial Crime	4/10/2018	4/10/2019	10/9/2018	5/8/2018	(155)	$ 8,034	$ (1,241,253)
Commercial Crime	4/10/2018	4/10/2019	10/9/2018	5/30/2018	(133)	$ 1,865	$ (247,113)
Cyber Risk Liability	6/29/2018	6/29/2019	12/28/2018	7/30/2018	(152)	$ 32,194	$ (4,877,382)
Cyber Risk Liability	6/29/2018	6/29/2019	12/28/2018	7/30/2018	(152)	$ 3,714	$ (562,603)
Cyber Risk Liability	6/29/2018	6/29/2019	12/28/2018	7/30/2018	(152)	$ 4,495	$ (681,046)
Cyber Risk Liability	6/29/2018	6/29/2019	12/28/2018	7/30/2018	(152)	$ 2,248	$ (340,523)
D&O Liability	4/23/2018	4/23/2019	10/22/2018	5/17/2018	(159)	$ 11,243	$ (1,782,070)
D&O Liability	4/23/2018	4/23/2019	10/22/2018	5/17/2018	(159)	$ 15,248	$ (2,416,729)
D&O Liability	4/23/2018	4/23/2019	10/22/2018	5/17/2018	(159)	$ 6,420	$ (1,017,570)
D&O Liability	4/23/2018	4/23/2019	10/22/2018	5/17/2018	(159)	$ 2,119	$ (335,798)
D&O Liability	4/23/2018	4/23/2019	10/22/2018	5/17/2018	(159)	$ 1,412	$ (223,865)
D&O Liability	4/23/2018	4/23/2019	10/22/2018	5/17/2018	(159)	$ 11,941	$ (1,892,680)
D&O Liability	4/23/2018	4/23/2019	10/22/2018	5/17/2018	(159)	$ 6,276	$ (994,675)
D&O Liability	4/23/2018	4/23/2019	10/22/2018	5/17/2018	(159)	$ 5,191	$ (822,705)
D&O Liability	4/23/2018	4/23/2019	10/22/2018	5/17/2018	(159)	$ 2,480	$ (393,148)
D&O Liability	4/23/2018	4/23/2019	10/22/2018	5/30/2018	(146)	$ 4,809	$ (699,648)
Fiduciary & Employee Benefit Liability	4/23/2018	4/23/2019	10/22/2018	5/16/2018	(160)	$ 12,443	$ (1,984,579)
Fiduciary & Employee Benefit Liability	4/23/2018	4/23/2019	10/22/2018	5/25/2018	(151)	$ 33,180	$ (4,993,590)
Fiduciary & Employee Benefit Liability	4/23/2018	4/23/2019	10/22/2018	5/17/2018	(159)	$ 3,496	$ (554,076)
Fiduciary & Employee Benefit Liability	4/23/2018	4/23/2019	10/22/2018	5/29/2018	(147)	$ 4,438	$ (650,141)
General Liability	3/15/2018	3/15/2019	9/13/2018	4/9/2018	(158)	$ 170,377	$ (26,834,327)
General Liability	3/15/2018	3/15/2019	9/13/2018	4/9/2018	(158)	$ 666,242	$ (104,933,130)
General Liability	3/15/2018	3/15/2019	9/13/2018	4/10/2018	(157)	$ 9,487	$ (1,484,676)
General Liability	3/15/2018	3/15/2019	9/13/2018	4/9/2018	(158)	$ 8,027	$ (1,264,292)
General Liability	3/15/2018	3/15/2019	9/13/2018	4/10/2018	(157)	$ 18,730	$ (2,931,284)
General Liability	3/15/2018	3/15/2019	9/13/2018	5/29/2018	(108)	$ 7,288	$ (783,435)
General Liability	1/1/2018	1/1/2021	7/3/2019	2/2/2018	(516)	$ 1,859	$ (959,244)
Property Insurance	10/1/2018	10/1/2019	4/1/2019	10/19/2018	(165)	$ 125,722	$ (20,681,269)
Property Insurance	10/1/2018	10/1/2019	4/1/2019	10/22/2018	(162)	$ 23,067	$ (3,725,321)
Property Insurance	9/30/2018	9/30/2019	3/31/2019	11/8/2018	(144)	$ 9,051	$ (1,298,819)
Workers Compensation	5/1/2018	5/1/2019	10/30/2018	5/25/2018	(159)	$ 98,620	$ (15,631,264)
Workers Compensation	5/1/2018	5/1/2019	10/30/2018	5/30/2018	(154)	$ 4,291	$ (658,622)
Workers Compensation	5/20/2018	5/20/2019	11/18/2018	5/17/2018	(186)	$ 35,963	$ (6,671,100)
						$ 1,351,967	$ (214,567,977)
							(158.71)

Public Service Company of New Hampshire
d/b/a Eversource Energy
Docket No. DE 19-057
Attachment EHC/TMD-2 (Perm)
Schedule EHC/TMD-8 (Perm)
May 28, 2019

LEAD (LAG) STUDY

CALCULATION OF OTHER O&M LEAD (LAG)

(1)	(2)	(3)	(4)	(5)	(6)
Strata	Sample	Sample	Sample	Sample Weighted	Lead/Lag Days
Stratum 1 - "Top 25 Invoices"	$ 6,213,021	25	$ 6,213,021	$ 285,218,250	45.91
Stratum 2 - "$177,512 > $50,000"	$ 12,921,961	29	$ 2,661,869	$ 120,722,931	45.35
Stratum 3 - "$50,000 > $10,000"	$ 17,586,444	42	$ 901,218	$ 43,019,944	47.74
Stratum 4 - "$10,000 > $1,000"	$ 12,062,156	26	$ 85,495	$ 4,244,501	49.65
Stratum 5 - "$1,000 > $500"	$ 1,668,304	6	$ 2,285	$ 47,265	20.68
Total	$ 50,451,886	128	$ 9,863,888	$ 453,252,890	45.95

LEAD (LAG) STUDY

CALCULATION OF NEW HAMPSHIRE LOCAL PROPERTY TAX LEAD (LAG)

(Thousands of Dollars)

(1)	(2)	(3)
	Payment Amount	Dollar Days
PSNH Personal Property & Real Estate Tax	$ 67,485	$ (1,714,934)
Weighted Lag Days		(25.41)

Sum of Total Description	Payment Amount	Dollar Days
ALBANY	$ 46	$ 2,473
ALEXANDRIA	32	(3,462)
ALEXANDRIA	26	1,335
ALLENSTOWN	74	(8,013)
ALLENSTOWN	64	5,020
ALSTEAD	2	(202)
ALSTEAD	2	81
ALTON	3	(273)
ALTON	3	157
AMHERST	437	(46,738)
AMHERST	484	26,155
ANDOVER	25	(2,720)
ANDOVER	26	1,384
ANTRIM	225	(24,261)
ANTRIM	67	3,926
ANTRIM	1	53
ASHLAND	50	(5,370)
ATKINSON	1	(86)
ATKINSON	0	25
AUBURN	70	(7,500)
AUBURN	166	9,622
BARNSTEAD	42	(4,455)
BARNSTEAD	16	873
BARRINGTON	120	(12,879)
BARRINGTON	128	6,919
BATH	23	(2,479)
BATH	23	1,193
BEDFORD	311	(33,622)
BEDFORD	370	19,245
BELMONT	106	(11,336)
BELMONT	78	4,239
BENNINGTON	48	(5,098)
BENNINGTON	49	2,868
BERLIN	1,845	(197,415)
BETHLEHEM	71	(7,637)
BETHLEHEM	55	3,278
BOSCAWEN	1	(107)
BOSCAWEN	1	60
BOW	1,081	(116,760)
BOW	200	(19,000)
BOW	898	66,446
BRADFORD	59	(6,344)
BRADFORD	0	(5)
BRADFORD	62	3,216
BRENTWOOD	226	(24,461)
BRENTWOOD	246	14,778
BRIDGEWATER	11	(1,156)
BRISTOL	177	(18,946)
BROOKFIELD	10	(1,041)
BROOKFIELD	10	564

72	BROOKLINE	126	(13,614)
73	BROOKLINE	157	8,161
74	CAMPTON	98	(10,494)
75	CAMPTON	96	5,586
76	CANDIA	72	(7,692)
77	CANDIA	32	1,716
78	CANTERBURY	41	(4,372)
79	CANTERBURY	47	2,705
80	CARROLL	27	(2,934)
81	CARROLL	17	1,284
82	CENTER HARBOR	0	(33)
83	CENTER HARBOR	0	10
84	CHARLESTOWN	11	(950)
85	CHARLESTOWN	13	740
86	CHATHAM	15	1,108
87	CHESTER	400	(42,845)
88	CHESTER	327	25,474
89	CHESTERFIELD	51	(5,533)
90	CHESTERFIELD	61	3,273
91	CHICHESTER	13	(1,355)
92	CHICHESTER	29	1,716
93	CLAREMONT	86	(17,138)
94	CLAREMONT	87	(9,272)
95	CLAREMONT	86	(2,056)
96	CLAREMONT	385	30,055
97	CLARKSVILLE	9	(955)
98	CLARKSVILLE	5	297
99	COLEBROOK	38	(4,054)
100	COLEBROOK	0	(0)
101	COLEBROOK	39	2,115
102	COLUMBIA	18	(1,915)
103	COLUMBIA	12	666
104	CONCORD, NH	289	(57,527)
105	CONCORD, NH	267	(28,518)
106	CONCORD, NH	267	1,066
107	CONCORD, NH	438	32,398
108	CONWAY	451	(48,218)
109	CONWAY	412	22,243
110	CORNISH	14	(1,524)
111	CORNISH	29	1,763
112	CROYDON	15	(1,652)
113	CROYDON	18	922
114	DALTON	49	(5,261)
115	DALTON	41	2,141
116	DANBURY	21	(2,248)
117	DANBURY	17	921
118	DANVILLE	140	(15,024)
119	DANVILLE	138	7,430
120	DEERFIELD	696	(74,454)
121	DEERFIELD	681	35,427
122	DEERING	180	(19,221)
123	DEERING	179	9,644
124	DERRY	420	(45,387)
125	DERRY	393	23,581
126	DOVER	417	(54,655)
127	DOVER	405	29,968
128	DUBLIN	44	(4,702)
129	DUBLIN	63	4,881
130	DUMMER	65	(6,906)
131	DUMMER	82	4,443
132	DUNBARTON	71	(7,556)
133	DUNBARTON	68	3,686
134	DURHAM	347	(37,425)
135	DURHAM	454	24,516
136	EAST KINGSTON	8	(888)
137	EAST KINGSTON	9	504
138	EASTON	1	(159)
139	EASTON	1	49
140	EATON	5	(490)
141	EATON	6	336
142	EFFINGHAM	57	(6,083)

143	EFFINGHAM	61	3,271
144	ENFIELD	1	(118)
145	ENFIELD	1	35
146	EPPING	163	(17,440)
147	EPPING	154	9,234
148	EPSOM	20	(2,172)
149	EPSOM	19	1,000
150	ERROL	13	(1,411)
151	EXETER	16	(1,661)
152	EXETER	8	451
153	FARMINGTON	155	(16,572)
154	FARMINGTON	137	10,648
155	FITZWILLIAM	489	(52,280)
156	FITZWILLIAM	530	41,375
157	FRANCESTOWN	42	(4,537)
158	FRANCESTOWN	45	2,440
159	FRANCONIA	40	(4,231)
160	FRANCONIA	46	2,414
161	FRANKLIN	638	(68,318)
162	FRANKLIN	604	48,955
163	FREEDOM	22	(2,368)
164	FREEDOM	13	708
165	FREMONT	92	(9,879)
166	FREMONT	111	5,768
167	GILFORD	61	(6,499)
168	GILFORD	76	4,089
169	GILMANTON	15	(1,638)
170	GILMANTON	17	1,293
171	GILSUM	30	(3,262)
172	GILSUM	24	1,863
173	GOFFSTOWN	451	(48,247)
174	GOFFSTOWN	490	25,506
175	GORHAM	249	(26,688)
176	GORHAM	187	12,506
177	GOSHEN	14	(1,539)
178	GOSHEN	25	1,509
179	GRAFTON	18	(1,901)
180	GRAFTON	19	1,023
181	GRANTHAM	55	(5,832)
182	GRANTHAM	67	3,481
183	GREENFIELD	43	(4,610)
184	GREENFIELD	46	2,366
185	GREENLAND	95	(10,177)
186	GREENLAND	88	4,735
187	GREENS GRANT (COOS UNINCORP)	0	(22)
188	GREENVILLE	50	(5,360)
189	GREENVILLE	104	6,036
190	HAMPSTEAD	136	(14,703)
191	HAMPSTEAD	141	7,307
192	HAMPTON	161	(17,193)
193	HAMPTON	188	9,777
194	HAMPTON FALLS	3	(353)
195	HAMPTON FALLS	3	155
196	HANCOCK	74	(7,956)
197	HANCOCK	85	4,401
198	HANOVER	1	(76)
199	HANOVER	2	82
200	HARRISVILLE	17	(1,838)
201	HARRISVILLE	9	505
202	HAVERHILL	83	(8,942)
203	HAVERHILL	96	5,547
204	HEBRON	7	(774)
205	HEBRON	6	380
206	HENNIKER	216	(22,011)
207	HILL	4	(428)
208	HILL	4	211
209	HILLSBOROUGH	553	(59,132)
210	HILLSBOROUGH	598	35,878
211	HINSDALE	193	(38,446)
212	HINSDALE	182	(19,476)
213	HINSDALE	182	(4,368)

214	HINSDALE	285	19,087
215	HOLDERNESS	37	(3,921)
216	HOLDERNESS	35	2,106
217	HOLLIS	183	(19,620)
218	HOLLIS	211	11,369
219	HOOKSETT	645	(69,021)
220	HOOKSETT	1,190	88,042
221	HOPKINTON	234	(25,317)
222	HOPKINTON	229	12,386
223	HUDSON	945	(102,047)
224	HUDSON	1,070	62,065
225	JAFFREY	144	(15,553)
226	JAFFREY	84	4,523
227	JEFFERSON	88	4,731
228	KEENE	1,320	(128,041)
229	KEENE	1,619	93,893
230	KENSINGTON	30	(3,242)
231	KENSINGTON	30	1,632
232	KINGSTON	269	(29,064)
233	KINGSTON	169	9,141
234	LACONIA	225	(24,259)
235	LACONIA	164	12,796
236	LANCASTER	146	(14,923)
237	LANCASTER	169	12,488
238	LANDAFF	8	(836)
239	LANDAFF	5	342
240	LEE	80	(8,532)
241	LEE	60	3,141
242	LEMPSTER	16	(1,742)
243	LEMPSTER	22	1,186
244	LINCOLN	6	(689)
245	LINCOLN	11	593
246	LISBON	30	(3,158)
247	LISBON	23	1,269
248	LITCHFIELD	126	(13,611)
249	LITCHFIELD	136	7,370
250	LITTLETON	398	(42,544)
251	LITTLETON	401	29,652
252	LONDONDERRY	1,975	(211,361)
253	LONDONDERRY	2,285	132,535
254	LOUDON	116	(12,495)
255	LOUDON	109	6,519
256	LYMAN	22	1,163
257	LYME	61	3,191
258	LYNDEBORO	26	(2,769)
259	LYNDEBORO	27	1,406
260	MADBURY	208	(22,424)
261	MADBURY	227	11,796
262	MADISON	76	(8,173)
263	MADISON	96	5,589
264	MANCHESTER	26	(2,788)
265	MANCHESTER	2,006	(214,615)
266	MANCHESTER	1,129	83,547
267	MARLBOROUGH	39	(4,166)
268	MARLBOROUGH	32	1,900
269	MARLOW	5	(494)
270	MARLOW	3	195
271	MASON	29	(3,116)
272	MASON	29	1,756
273	MEREDITH	6	(614)
274	MEREDITH	4	283
275	MERRIMACK	1,187	(126,967)
276	MERRIMACK	1,270	73,684
277	MIDDLETON	32	(3,437)
278	MIDDLETON	107	8,361
279	MILAN	45	(4,850)
280	MILAN	50	2,689
281	MILFORD	272	(29,414)
282	MILFORD	228	11,837
283	MILLSFIELD	0	(11)
284	MILTON	206	(22,053)

285	MILTON	199	11,968
286	MOULTONBORO	5	(486)
287	MOULTONBORO	7	384
288	MT VERNON	35	(3,779)
289	MT VERNON	19	974
290	NASHUA	1,165	(124,624)
291	NASHUA	2,055	137,657
292	NELSON	21	(2,262)
293	NELSON	21	1,141
294	NEW BOSTON	149	(16,040)
295	NEW BOSTON	154	8,307
296	NEW CASTLE	7	355
297	NEW DURHAM	16	(1,692)
298	NEW DURHAM	18	1,051
299	NEW HAMPTON	274	(29,621)
300	NEW IPSWICH	152	(16,303)
301	NEW IPSWICH	178	9,280
302	NEW LONDON	40	(7,552)
303	NEW LONDON	41	(4,369)
304	NEW LONDON	81	(1,932)
305	NEWBURY	149	(16,040)
306	NEWBURY	34	1,834
307	NEWFIELDS	21	(2,295)
308	NEWFIELDS	6	467
309	NEWINGTON	77	(7,470)
310	NEWINGTON	89	7,088
311	NEWMARKET	68	(7,262)
312	NEWMARKET	53	2,767
313	NEWPORT	248	(26,739)
314	NEWPORT	8	(900)
315	NEWPORT	281	21,947
316	NEWTON	0	(3)
317	NEWTON	0	1
318	NORTH HAMPTON	51	(5,480)
319	NORTH HAMPTON	27	1,980
320	NORTHFIELD	65	(6,971)
321	NORTHFIELD	120	6,965
322	NORTHUMBERLAND	227	(24,341)
323	NORTHUMBERLAND	346	23,197
324	NORTHWOOD	70	(7,523)
325	NORTHWOOD	73	4,376
326	NOTTINGHAM	222	13,087
327	ORANGE	3	128
328	ORFORD	12	(1,348)
329	ORFORD	9	647
330	OSSIPEE	80	(8,552)
331	OSSIPEE	93	6,918
332	PELHAM	7	(791)
333	PELHAM	10	514
334	PEMBROKE	200	(21,593)
335	PEMBROKE	207	11,157
336	PETERBOROUGH	143	(15,328)
337	PETERBOROUGH	194	15,527
338	PIERMONT	11	(1,064)
339	PIERMONT	9	330
340	PINKHAMS GRANT	0	(37)
341	PITTSBURG	34	(3,673)
342	PITTSBURG	29	1,555
343	PITTSFIELD	127	(13,590)
344	PITTSFIELD	127	6,617
345	PLAINFIELD	13	(1,412)
346	PLAINFIELD	18	996
347	PLYMOUTH	11	(1,155)
348	PLYMOUTH	10	597
349	PORTSMOUTH	48	(6,158)
350	PORTSMOUTH	744	57,997
351	RANDOLPH	14	(1,498)
352	RANDOLPH	14	737
353	RAYMOND	159	(16,989)
354	RAYMOND	210	10,930
355	RICHMOND	54	(5,858)

356	RICHMOND	58	4,698
357	RINDGE	112	(11,941)
358	RINDGE	115	5,976
359	ROCHESTER	782	(207,304)
360	ROCHESTER	791	(80,709)
361	ROCHESTER	869	70,415
362	ROLLINSFORD	39	(4,153)
363	ROLLINSFORD	41	2,236
364	ROXBURY	15	1,178
365	RUMNEY	3	(320)
366	RUMNEY	3	170
367	RYE	21	(2,277)
368	RYE	17	1,047
369	SALISBURY	8	(867)
370	SALISBURY	8	416
371	SANBORNTON	27	(2,966)
372	SANBORNTON	68	3,601
373	SANDOWN	64	(6,883)
374	SANDOWN	47	2,442
375	SANDWICH	40	2,159
376	SEABROOK	37	(3,943)
377	SEABROOK	36	2,645
378	SHARON	8	(807)
379	SHARON	8	411
380	SHELBURNE	8	(864)
381	SOMERSWORTH	154	(16,605)
382	SOMERSWORTH	167	10,024
383	SOUTH HAMPTON	11	(1,135)
384	SOUTH HAMPTON	12	905
385	SPRINGFIELD	39	(4,210)
386	SPRINGFIELD	37	1,992
387	STARK	14	(1,542)
388	STARK	14	740
389	STEWARTSTOWN	34	(3,668)
390	STODDARD	43	(4,607)
391	STODDARD	25	1,351
392	STRAFFORD	50	(5,383)
393	STRAFFORD	36	1,927
394	STRATFORD	84	(9,045)
395	STRATFORD	73	4,233
396	STRATHAM	63	(6,734)
397	STRATHAM	66	3,455
398	SUCCESS	0	(4)
399	SUGAR HILL	30	(3,223)
400	SUGAR HILL	33	1,799
401	SULLIVAN	25	(2,666)
402	SULLIVAN	28	1,520
403	SUNAPEE	54	(5,814)
404	SUNAPEE	56	3,037
405	SURRY	14	(1,451)
406	SURRY	14	711
407	SUTTON	56	(5,952)
408	SUTTON	38	1,988
409	SWANZEY	301	(32,456)
410	SWANZEY	363	29,410
411	TAMWORTH	159	(17,173)
412	TAMWORTH	209	16,958
413	TEMPLE	33	(3,171)
414	TEMPLE	35	2,116
415	THOMPSON PURCHASE	0	(0)
416	THORNTON	12	(1,317)
417	THORNTON	14	730
418	TILTON	130	(13,907)
419	TILTON	142	8,498
420	TROY	282	(30,408)
421	TUFTONBORO	19	(2,022)
422	TUFTONBORO	21	1,143
423	UNITY	10	(1,106)
424	UNITY	11	676
425	WAKEFIELD	0	(23)
426	WAKEFIELD	40	(4,262)

427	WAKEFIELD	98	5,090
428	WARNER	99	(10,564)
429	WARNER	105	6,082
430	WARREN	0	(0)
431	WARREN	0	0
432	WASHINGTON	24	(2,540)
433	WASHINGTON	30	2,188
434	WATERVILLE	0	(18)
435	WATERVILLE	0	11
436	WEARE	382	(40,896)
437	WEARE	381	19,818
438	WEBSTER	42	2,966
439	WENTWORTH LOCATI	0	(23)
440	WESTMORELAND	25	(2,694)
441	WESTMORELAND	26	1,401
442	WHITEFIELD	225	(22,978)
443	WHITEFIELD	315	23,297
444	WILMOT	10	(1,047)
445	WILMOT	10	528
446	WILTON	64	(6,549)
447	WILTON	73	4,370
448	WINCHESTER	243	(25,973)
449	WINCHESTER	271	21,954
450	WINDHAM	105	(11,251)
451	WINDHAM	96	5,178
452	WINDSOR	4	(394)
453	WINDSOR	2	109
454	WOLFEBORO	0	(0)
455	WOLFEBORO	0	0
456	WOODSTOCK	14	(1,539)
457	WOODSTOCK	13	959
458			
459	Grand Total	67,485	$ (1,714,934)

Public Service Company of New Hampshire
d/b/a Eversource Energy
Docket No. DE 19-057
Attachment EHC/TMD-2 (Perm)
Schedule EHC/TMD-10 (Perm)
May 28, 2019

LEAD (LAG) STUDY

CALCULATION OF EMPLOYER TAXES - PSNH DIRECT LEAD (LAG)

(Thousands of Dollars)

(1)	(2)	(3)
	Amount	Dollar Days
NH State Unemployment	$ 56	$ 673
Federal Unemployment	$ 41	$ 494
Medicare	$ 1,406	$ 16,826
FICA	$ 5,329	$ 63,833
TOTAL	$ 6,833	$ 81,827
Total weighted lead(lag) days		11.98

Public Service Company of New Hampshire
d/b/a Eversource Energy
Docket No. DE 19-057
Attachment EHC/TMD-2 (Perm)
Schedule EHC/TMD-11 (Perm)
May 28, 2019

LEAD (LAG) STUDY

CALCULATION OF FEDERAL INCOME TAX LEAD (LAG)

(Thousands of Dollars)

(1)	(2)	(3)	(4)	(5)	(6)
Period	Midpoint of Period	Payment Date	Lead/Lag Days	Total Payment Amounts	Weighted Dollar Days
January	1/16/2018	3/15/2018	58	$ 367	$ 21,305
February	2/14/2018	3/15/2018	29	367	10,653
March	3/16/2018	3/15/2018	(1)	367	(367)
April	4/15/2018	6/15/2018	61	950	57,970
May	5/16/2018	6/15/2018	30	950	28,510
June	6/15/2018	6/15/2018	0	950	-
July	7/16/2018	9/15/2018	61	710	43,330
August	8/16/2018	9/15/2018	30	710	21,310
September	9/15/2018	9/15/2018	0	710	-
October	10/15/2018	12/15/2018	61	3,938	240,218
November	11/15/2018	12/15/2018	30	3,938	118,140
December	12/16/2018	12/15/2018	(1)	3,938	(3,938)
TOTAL				$ 17,898	$ 537,131
Weighted Lead Days [Total (5) / (4)]					30.01

Public Service Company of New Hampshire
d/b/a Eversource Energy
Docket No. DE 19-057
Attachment EHC/TMD-2 (Perm)
Schedule EHC/TMD-12 (Perm)
May 28, 2019

LEAD (LAG) STUDY

CALCULATION OF STATE INCOME TAX LEAD (LAG)

(Thousands of Dollars)

(1)	(2)	(3)	(4)	(5)	(6)
				Total	Weighted
	Midpoint	Payment	Lead/Lag	Payment	Dollar
Period	of Period	Date	Days	Amounts	Days
January	1/16/2018	4/15/2018	89	$ 167	$ 14,833
February	2/14/2018	4/15/2018	60	167	10,000
March	3/16/2018	4/15/2018	30	167	5,000
April	4/15/2018	6/15/2018	61	1,333	81,333
May	5/16/2018	6/15/2018	30	1,333	40,000
June	6/15/2018	6/15/2018	0	1,333	-
July	7/16/2018	9/15/2018	61	-	-
August	8/16/2018	9/15/2018	30	-	-
September	9/15/2018	9/15/2018	0	-	-
October	10/16/2018	12/15/2018	60	1,033	62,000
November	11/15/2018	12/15/2018	30	1,033	31,000
December	12/16/2018	12/15/2018	(1)	1,033	(1,033)
TOTAL				$ 7,600	$ 243,133
Weighted Lead Days [Total (5) / (4)]					31.99

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
CALCULATION OF STEP ADJUSTMENTS

	Description	Test Year 12/31/2018	Step Adjustment #1 (effective 7/1/20) Investment Year 1 (Calendar 2019)	Step Adjustment #2 (effective 7/1/21) Investment Year 2 (Calendar 2020)	Step Adjustment #3 (effective 7/1/22) Investment Year 3 (Calendar 2021)	Step Adjustment #4 (effective 7/1/23) Investment Year 4 (Calendar 2022)
1	Total Utility Plant in Service (see page 2)	$ 2,171,045,401	$ 2,299,506,290	$ 2,447,588,904	$ 2,561,080,537	$ 2,693,782,503
2	Accumulated Provision for Depreciation	602,426,195	642,943,878	686,565,800	736,005,367	781,143,981
3	Net Utility Plant	1,568,619,205	1,656,562,412	1,761,023,104	1,825,075,170	1,912,638,522
4	Gross Plant Change		128,460,889	148,082,614	113,491,633	132,701,966
5	Net Plant Change (year over year)		87,943,206	104,460,692	64,052,066	87,563,352
6	Rate of Return (see page 3)		7.62%	7.62%	7.62%	7.62%
7	Gross Revenue Conversion Factor (see page 4)		1.37142	1.37142	1.37142	1.37142
8	Return (L5 x L6 x L7)		9,185,917	10,911,215	6,690,420	9,146,240
9	Depreciation (L5 x 3.27%) (see page 5)		2,875,743	3,415,865	2,094,503	2,863,322
10	Property Taxes (L4 x 2.18%) (see page 6)		2,804,623	3,233,014	2,477,806	2,897,216
11	Enterprise IT Projects (see page 7)		-	2,777,203	1,813,164	256,134
12	Union Contractual Adjustments (see page 8)		-	437,098	450,210	463,717
13	**Total Revenue Requirement (sum of L8 - L12)**		**$ 14,866,282**	**$ 20,774,394**	**$ 13,526,103**	**$ 15,626,629**

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
DISTRIBUTION PLANT

	Description	Test Year 12/31/2018	Calendar 2019	Calendar 2020	Calendar 2021	Calendar 2022
1	Total Utility Plant In Service	$ 2,171,045,401	2,299,506,290	2,447,588,904	2,561,080,537	2,693,782,503
2	Accumulated Provision for Depreciation	602,426,195	642,943,878	686,565,800	736,005,367	781,143,981
3	Net Utility Plant	1,568,619,206	1,656,562,412	1,761,023,104	1,825,075,170	1,912,638,522
4	Gross Distribution Plant Change (year over year)		128,460,889	148,082,614	113,491,633	132,701,966
5	Net Distribution Plant Change (year over year)		87,943,206	104,460,692	64,052,066	87,563,352
6	Beginning Plant Balance		2,171,045,401	2,299,506,290	2,447,588,904	2,561,080,537
7	Additions		149,448,967	172,977,727	140,230,679	165,280,099
8	Retirements		(20,988,078)	(24,895,113)	(26,739,046)	(32,578,133)
9	Ending Plant Balance	$ 2,171,045,401	$ 2,299,506,290	$ 2,447,588,904	$ 2,561,080,537	$ 2,693,782,503

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
COST OF CAPITAL

5 - QUARTER AVERAGE - DECEMBER 31, 2019 (USING 10.4% ROE)

		PRINCIPAL	FIXED PERCENTAGE	COST	RATE OF RETURN
1	Short-Term Debt	$ 71,805,000	3.17%	2.45%	0.08%
2	Long-term Debt	$ 949,708,000	41.98%	4.37%	1.83%
3	Common Equity	$ 1,240,847,000	54.85%	10.40%	5.70%
4	Total Capital	$ 2,262,360,000	100.00%		7.62%
5	Weighted Cost of				
6	Debt				1.91%
7	Equity				5.70%
8	Cost of Capital				7.62%

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
COMPUTATION OF GROSS REVENUE CONVERSION FACTOR

	Description	Test Year 12/31/2018	Step Adjustments
1	Operating revenue percentage	100.000%	100.000%
2	Less: New Hampshire corporate business tax	7.900%	7.700%
3	Operating revenue percentage after state taxes	92.100%	92.300%
4	Federal income tax rate	21.000%	21.000%
5	Federal income tax	19.341%	19.383%
6	Operating income after federal income tax	72.759%	72.917%
7	Gross revenue conversion factor	137.440%	137.142%

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

TABLE 1. SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENT, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO ELECTRIC PLANT AS OF DECEMBER 31, 2018

	ACCOUNT	SURVIVOR CURVE	NET SALVAGE PERCENT	ORIGINAL COST AS OF DECEMBER 31, 2018	BOOK DEPRECIATION RESERVE	FUTURE ACCRUALS	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE	COMPOSITE REMAINING LIFE
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)=(7)/(4)	(9)=(6)/(7)
	ELECTRIC PLANT								
	INTANGIBLE PLANT								
303.00	MISCELLANEOUS INTANGIBLE PLANT	5-SQ	0	21,143,267.53	16,840,109	4,303,159	2,102,237	9.94	2.0
303.20	MISCELLANEOUS INTANGIBLE PLANT - 10 YEAR	10-SQ	0	31,771,797.33	29,424,023	2,347,774	361,196	1.14 *	6.5
	TOTAL INTANGIBLE PLANT			**52,915,064.86**	**46,264,132**	**6,650,933**	**2,463,433**	**4.66**	**2.7**
	DISTRIBUTION PLANT								
360.20	LAND AND LAND RIGHTS	75-R4	0	4,123,039.65	0	4,123,040	196,939	4.78	20.9
361.00	STRUCTURES AND IMPROVEMENTS	75-R3	(25)	26,387,975.26	6,382,082	26,602,888	434,700	1.65	61.2
362.00	STATION EQUIPMENT	55-S0.5	(25)	303,092,439.65	61,788,374	317,077,175	6,998,092	2.31	45.3
362.10	STATION EQUIPMENT - ENERGY MANAGEMENT SYSTEM	25-R2.5	0	3,155,937.71	961,746	2,194,192	130,100	4.12	16.9
364.00	POLES, TOWERS AND FIXTURES	53-R0.5	(90)	303,587,829.37	144,088,112	432,728,764	9,911,815	3.26	43.7
365.00	OVERHEAD CONDUCTORS AND DEVICES	55-R1	(35)	582,095,624.35	120,942,294	664,886,799	15,417,665	2.65	43.1
366.00	UNDERGROUND CONDUIT	60-R2	(40)	38,757,668.49	5,592,977	48,667,759	1,032,816	2.66	47.1
367.00	UNDERGROUND CONDUCTORS AND DEVICES	54-R1.5	(40)	133,741,822.05	41,987,653	145,250,898	3,478,966	2.60	41.8
368.00	LINE TRANSFORMERS	40-S0	(2)	262,481,157.73	78,706,999	189,023,782	6,424,281	2.45	29.4
369.10	OVERHEAD SERVICES	44-R2	(125)	81,721,434.74	20,935,511	162,937,717	5,367,058	6.57	30.4
369.20	UNDERGROUND SERVICES	55-R1.5	(125)	76,631,011.71	14,316,181	158,103,595	3,620,266	4.72	43.7
370.00	METERS	24-L1	0	90,764,199.51	17,296,815	73,467,385	4,888,417	5.39	15.0
371.00	INSTALLATION ON CUSTOMERS' PREMISES	17-L0	(50)	6,563,781.88	1,207,155	8,638,518	837,862	12.76	10.3
373.00	STREET LIGHTING AND SIGNAL SYSTEMS	27-L0	(10)	5,130,537.46	3,820,709	1,822,882	92,566	1.80	19.7
	TOTAL DISTRIBUTION PLANT			**1,918,234,459.56**	**518,026,608**	**2,235,525,394**	**58,831,543**	**3.07**	**38.0**
	GENERAL PLANT								
389.20	LAND AND LAND RIGHTS	65-R4	0	26,976.55	0	26,977	981	3.64	27.5
390.00	STRUCTURES AND IMPROVEMENTS	50-S0.5	(10)	84,363,470.03	15,474,877	77,324,940	1,988,860	2.36	38.9
390.10	STRUCTURES AND IMPROVEMENTS - LEASEHOLD	20-S0.5	0	50,859.53	14,736	36,124	3,795	7.46	9.5
391.10	OFFICE FURNITURE AND EQUIPMENT	20-SQ	0	9,769,978.62	4,687,500	5,082,479	488,388	5.00	10.4
391.20	OFFICE FURNITURE AND EQUIPMENT - COMPUTER EQUIPMENT								
	FULLY ACCRUED			454,719.71	454,720	0	0	-	-
	AMORTIZED	5-SQ	0	1,217,531.18	488,350	729,181	243,538	20.00	3.0
	TOTAL ACCOUNT 391.20			1,672,250.89	943,070	729,181	243,538		
	TRANSPORTATION EQUIPMENT								
392.00	OTHER	15-S4	15	30,225.00	0	25,691	3,934	13.02	6.5
392.10	CARS	6-L3	15	97,593.41	10,019	72,935	14,812	15.18	4.9
392.20	LIGHT TRUCKS	11-S1	15	8,605,166.97	5,261,525	2,052,867	216,589	2.52	9.5
392.30	MEDIUM TRUCKS	14-S3	15	2,764,714.96	1,298,310	1,051,697	98,770	3.57	10.6
392.40	HEAVY TRUCKS	15-S2.5	15	26,391,434.00	14,773,133	7,659,585	619,519	2.35	12.4
392.50	ROLLING EQUIPMENT	13-L2.5	15	1,321,753.47	263,582	859,908	83,154	6.29	10.3
392.60	TRAILERS	13-L3	15	4,958,571.11	1,656,566	2,558,220	325,073	6.56	7.9
392.70	ELECTRIC VEHICLE CHARGING STATION	10-R4	0	7,902.10	7,852	50	9	0.11	5.6
	TOTAL TRANSPORTATION EQUIPMENT			*44,177,361.02*	*23,270,988*	*14,280,953*	*1,361,860*	*3.08*	*10.5*
393.00	STORES EQUIPMENT	20-SQ	0	3,257,904.89	1,109,379	2,148,526	162,896	5.00	13.2
394.00	TOOLS, SHOP AND GARAGE EQUIPMENT	25-SQ	0	14,194,677.76	4,037,342	10,157,336	567,788	4.00	17.9
395.00	LABORATORY EQUIPMENT								
	FULLY ACCRUED			144,092.53	144,093	0	0	-	-
	AMORTIZED	20-SQ	0	1,928,654.42	1,190,890	737,764	96,409	5.00	7.7
	TOTAL ACCOUNT 395.00			2,072,746.95	1,334,983	737,764	96,409	4.65	
396.00	POWER OPERATED EQUIPMENT	15-L4	0	159,421.09	103,592	55,830	5,895	3.70	9.5
	COMMUNICATION EQUIPMENT								
397.10	MICROWAVE								
	FULLY ACCRUED			2,047,169.96	2,047,170	0	0	-	-
	AMORTIZED	15-SQ	0	3,599,537.15	1,779,210	1,820,327	240,027	6.67	7.6
	TOTAL ACCOUNT 397.10			5,646,707.11	3,826,380	1,820,327	240,027	4.25	
397.20	OTHER								
	FULLY ACCRUED			2,911,233.53	2,911,234	0	0	-	-
	AMORTIZED	15-SQ	0	19,187,568.82	7,643,580	11,543,989	1,279,664	6.67	9.0
	TOTAL ACCOUNT 397.20			22,098,802.35	10,554,814	11,543,989	1,279,664	5.79	
397.30	GPS								
	FULLY ACCRUED			171,490.06	171,490	0	0	-	-
	AMORTIZED	5-SQ	0	271,997.24	186,120	85,877	54,388	20.00	1.6
	TOTAL ACCOUNT 397.30			443,487.30	357,610	85,877	54,388	12.26	
	TOTAL COMMUNICATION EQUIPMENT			*28,188,996.76*	*14,738,804*	*13,450,193*	*1,574,079*	*5.58*	*8.5*
398.00	MISCELLANEOUS EQUIPMENT	20-SQ	0	1,279,168.86	653,850	625,319	63,972	5.00	9.8
	TOTAL GENERAL PLANT			**189,213,812.95**	**66,369,121**	**124,655,622**	**6,558,461**	**3.47**	**19.0**
	UNRECOVERED RESERVE TO BE AMORTIZED								
391.10	OFFICE FURNITURE AND EQUIPMENT				(4,352,906)		870,581 **		
391.20	OFFICE FURNITURE AND EQUIPMENT - COMPUTER EQUIPMENT				33,321		(6,664) **		
393.00	STORES EQUIPMENT				(386,094)		77,219 **		
394.00	TOOLS, SHOP AND GARAGE EQUIPMENT				(823,268)		164,654 **		
395.00	LABORATORY EQUIPMENT				(1,006,133)		201,227 **		
397.10	COMMUNICATION EQUIPMENT - MICROWAVE				(2,284,292)		456,858 **		
397.20	COMMUNICATION EQUIPMENT - OTHER				(4,406,520)		881,304 **		
397.30	COMMUNICATION EQUIPMENT - GPS				(56,202)		11,240 **		
398.00	MISCELLANEOUS EQUIPMENT				(159,747)		31,949 **		
	TOTAL UNRECOVERED RESERVE TO BE AMORTIZED				**(13,441,841)**		**2,688,368**		
	TOTAL DEPRECIABLE PLANT			**2,160,363,337.37**	**617,218,020**	**2,366,831,949**	**70,541,805**	**3.27**	**33.6**
	NONDEPRECIABLE PLANT								
301.00	ORGANIZATION			45,057.29					
360.10	LAND			5,830,013.57					
389.10	LAND			4,806,992.04					
	TOTAL NONDEPRECIABLE PLANT			**10,682,062.90**					
	TOTAL ELECTRIC PLANT			**2,171,045,400.27**	**617,218,020**	**2,366,831,949**	**70,541,805**		
	* NEW ADDITIONS TO THIS ACCOUNT WILL BE DEPRECIATED USING A 10.00% RATE						(1,361,860)		
	** 5-YEAR AMORTIZATION OF UNRECOVERED RESERVE RELATED TO UTILIZATION OF AMORTIZATION ACCOUNTING						**69,179,945**		

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
PROPERTY TAX RATE CALCULATION

	Description		Test Year Pro Forma	Reference
1	Total Distribution Property Taxes	$	47,399,352	Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-31 (Perm)
2	Gross Distribution Plant In Service	$	2,171,045,401	Attachment EHC/TMD-1 (Perm), Schedule EHC/TMD-36 (Perm)
3	Gross Property Tax Rate		2.18%	Line 1 / Line 2

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
ENTERPRISE IT PROJECTS EXPENSE / DEPRECIATION

	Description	Adjusted Test Year 12/31/2018	Pro Forma Adjustments	(2019 Projection) Test Year Pro Forma	Calendar 2020	Calendar 2021	Calendar 2022
1	Enterprise IT Projects Expense	4,291,690	856,844	5,148,534	5,936,454	6,528,660	7,082,826
2	Less: Capitalized Portion (19.36%)	831,049	165,707	996,756	1,149,297	1,263,949	1,371,235
3	Net Enterprise IT Projects Expense	$ 3,460,641	$ 691,137	$ 4,151,778	$ 4,787,157	$ 5,264,711	$ 5,711,591
4	Enterprise IT Projects Depreciation	6,277,162	1,895,527	8,172,689	10,828,721	12,484,982	12,248,443
5	Less: Capitalized Portion (19.36%)	1,215,518	366,715	1,582,233	2,096,440	2,417,093	2,371,299
6	Net Enterprise IT Projects Depreciation	$ 5,061,644	$ 1,528,812	$ 6,590,456	$ 8,732,281	$ 10,067,889	$ 9,877,144
7	Total Enterprise IT Projects	$ 8,522,285	$ 2,219,949	$ 10,742,234	$ 13,519,437	$ 15,332,601	$ 15,588,735
8	Net Change (year over year)				$ 2,777,203	$ 1,813,164	$ 256,134

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
UNION CONTRACTUAL ADJUSTMENTS

	Description	Test Year Pro Forma	Calendar 2020	Calendar 2021	Calendar 2022
1	Local 1837 Base Payroll	$ 14,145,552	$ 14,569,919	$ 15,007,016	$ 15,457,227
2	Contractual Increase (Note 1)	3.0%	3.0%	3.0%	3.0%
3	Labor Adjustment	$ 424,367	$ 437,098	$ 450,210	$ 463,717
4	Local 1837 Adjusted Base Payroll	$ 14,569,919	$ 15,007,016	$ 15,457,227	$ 15,920,943
5	Net Change (year over year)		$ 437,098	$ 450,210	$ 463,717

Note 1: Collective bargaining agreement with Local 1837 expires 5/30/2020. Contractual adjustments for 2020-2022 are projections; step increases will be based on actual contract payroll increases.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

FIVE YEAR STORM AVERAGE COSTS

Year	Total Annual Costs	Extraordinary Events	Adjusted Annual Costs
(A)	(B)	(C)	(D)
3/12/2014 Pre-staging event*	$ 200,821	$ -	$ 200,821
Thanksgiving Storm (2014)*	26,264,360	(26,264,360)	-
12/9/2014 Pre-staging event*	553,009	-	553,009
2014 Total	$ 27,018,190		$ 753,829
1/4/2015 Pre-staging event*	$ 43,908	$ -	$ 43,908
1/26/2015 Pre-staging event*	993,083	-	993,083
2/15/2015 Pre-staging event*	221,295	-	221,295
2015 Total	$ 1,258,286		$ 1,258,286
Spring 2016 Pre-staging event*	$ 141,205	$ -	$ 141,205
Major Storm (July 23, 2016)	4,078,702	-	4,078,702
12/29/16 Pre-staging event	1,025,127	-	1,025,127
2016 Total	$ 5,245,034		$ 5,245,034
2/12/17 Pre-staging event	$ 161,058	$ -	$ 161,058
2/16/17 Pre-staging event	41,464	-	41,464
Major Storm March 15, 2017	2,545,359	-	2,545,359
Major Storm March 2, 2017	2,232,942	-	2,232,942
3/14/17 Pre-staging event	595,073	-	595,073
3/31/17 Pre-staging event	346,925	-	346,925
Major Storm October 29, 2017	32,144,833	(32,144,833)	-
Major Storm December 23, 2017	2,086,936	-	2,086,936
12/25/17 Pre-staging event	309,778	-	309,778
2017 Total	$ 40,464,368		$ 8,319,535
1/4/18 Pre-staging	$ 602,728	$ -	$ 602,728
Major Storm Jan 23 2018	929,379	-	929,379
2/7/18 Pre-staging	201,086	-	201,086
3/2/18 Pre-staging	388,289	-	388,289
3/13/18 Pre-staging	371,477	-	371,477
Major Storm Mar 8 2018	3,623,746	-	3,623,746
Major Storm Apr 4 2018	3,123,830	-	3,123,830
Major Storm Apr 17 2018	981,429	-	981,429
Major Storm May 4 2018	3,005,497	-	3,005,497
Major Storm June 18 2018	3,979,443	-	3,979,443
Major Storm Oct 15 2018	676,476	-	676,476
Major Storm Nov 2 2018	949,202	-	949,202
Major Storm Nov 26 2018	6,397,711	-	6,397,711
2018 Total	$ 25,230,294		$ 25,230,294
5 Year Average			$ 8,161,396

*Excludes $136,304 cost accepted per the NHPUC Staff Audit Recommendation in Docket No. DE 18-058

Report on Merger-Related Net Benefits

July 15, 2019

EVERSOURCE

Index — Page

OVERVIEW

Merger Integration Report

The attached Merger Integration report illustrates merger-related net benefits showing (a) actual savings per year for the period 2012 to 2017; and (b) projected savings for the remainder of the ten-year amortization period.

Methodology

This Final Report on Merger-Related Net Benefits presents enterprise-wide information, by functional area, on the merger-related costs incurred and savings achieved in the period between the closing date of the Northeast Utilities/NSTAR merger,[1] April 10, 2012, and December 31, 2017, forecast through the first quarter of 2022.

The Report is organized to provide merger-related savings by functional area consistent with the Net Benefits Analysis that was created to quantify estimated customer benefits of the merger. In each functional area, Eversource Energy[2] has identified the principal steps taken to achieve merger-related savings. To quantify merger-related savings, Eversource has identified the savings attributable to merger-related integration activities in each functional area.

Differences from the initial Net Benefits Analysis: In the initial Net Benefits Analysis, the net merger-related savings were forecast by year, for a 10-year period, assuming a merger close in 2011. The Merger Savings Summary Table provided on page 6 shows that merger-related transaction costs were incurred starting in 2010. However, no savings were achieved until the starting point of the merger integration, which was the merger closing on April 10, 2012. In addition, this report shows that, although total overall

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[1] "Northeast Utilities" and "NSTAR" refer to the pre-merger holding companies.

[2] "Eversource" or "Eversource Energy" are used generally to represent the current merged company and all of its operating utility subsidiaries (NSTAR Electric Company ("NSTAR Electric"), The Connecticut Light and Power Company ("CL&P"), Public Service Company of New Hampshire ("PSNH"), Western Massachusetts Electric Company ("WMECO"), Yankee Gas Services Company ("Yankee Gas"), and NSTAR Gas Company ("NSTAR Gas")).

savings are currently projected to exceed the projections encompassed in the Net Benefits Analysis, the specific areas from which savings have been achieved are different than originally forecasted, with some areas yielding greater savings than anticipated and others yielding less. This result is to be expected due to the fact that the savings estimates in the Net Benefit Analysis were derived primarily on the basis of past experience with a prior merger. Under the circumstances of the NSTAR/Northeast Utilities merger, savings are arising in differing degrees in each functional area.

Computational Inputs: The Merger Savings Summary Table on lines 1 through 17 on Page 6 presents: (1) actual merger-related costs incurred from 2010 through 2015; (2) actual merger-related savings for period following the merger close in 2012 through December 31, 2017; and (3) merger-related savings forecast for the period 2018 through the first quarter of 2022, concluding the 10-year period following the merger close (consistent with the annual savings timeframe projected in the Net Benefit Analysis).

The total savings in the Merger Savings Summary Table presented on Page 6, lines 1 through 17, are allocated between PSNH and other affiliated companies on lines 19 through 21 of the same table. Merger savings associated with operating cost reductions started flowing to PSNH customers immediately after the merger (in 2012) because transmission rates change annually. Therefore, changes in operating costs were reflected in the next transmission rate cycle for the benefit of customers.

In this Final Report, the inflation factors used in the original Net Benefits Analysis are updated with current factors beginning in 2018 and for the remaining years of the 10-year period, capturing the cost increases attributable to inflation that are avoided as a result of the elimination of operating costs. For 2012 through 2017, inflation factors were updated to reflect current factors.

Results as of December 31, 2017

The Net Benefits Analysis estimated net merger-related savings for the ten years following the merger to be approximately $784 million on an enterprise-wide basis. The Merger Savings Summary Table, below, shows that the cumulative net savings projection is currently calculated to be $1,009.7 million on an enterprise-wide basis, over the 10-year period following the merger, 2012 through 2022. The projected savings of $1,009.7 million are net of $125.9 million of merger-related costs calculated in Table R, below. As a note, executive retention and separation costs are *excluded* from the merger-related costs in this Report.

The summary results show that Eversource has incurred total merger-related costs of $125.9 million and has achieved merger-related savings of $505.4 million through December 31, 2017, resulting in cumulative net savings of $379.5 million through December 31, 2017.

Savings quantifications through December 31, 2017 are presented herein for each functional area covered in the Net Benefits Analysis, including the original projections. For each section, the original projections are shown first, followed by a computation of the 2017 Annual savings summary, reflecting preliminary results through December 31, 2017.

Table 1

Merger Savings Summary

($ in Millions)

		Category	2010	2011	2012*	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022**	Total
1	A	Total Labor Savings	$ -	$ -	$ 8.6	$ 32.5	$ 41.6	$ 49.6	$ 53.7	$ 55.8	$ 62.7	$ 65.9	$ 69.1	$ 72.4	$ 18.1	$ 530.1
2	B	Administrative & General Overhead	-	-	-	0.6	0.8	0.8	0.9	0.9	1.0	1.0	1.1	1.1	0.3	8.4
3	C	Advertising	-	-	0.6	1.3	1.4	1.4	1.4	1.4	1.5	1.5	1.5	1.6	0.4	13.9
4	D	Benefits	-	-	-	19.3	21.5	22.4	24.3	26.2	28.4	30.5	32.7	34.8	8.7	248.9
5	E	Insurance	-	-	1.5	2.2	2.2	2.2	2.3	2.3	2.3	2.4	2.5	2.5	0.6	23.0
6	F	Information Systems	-	-	0.4	0.4	4.8	16.7	17.7	18.4	19.1	19.7	20.5	21.2	5.3	144.3
7	G	Professional Services	-	-	0.8	1.3	1.3	1.3	1.3	1.3	1.4	1.4	1.4	1.5	0.4	13.4
8	I	Shareholder Services	-	-	0.3	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.8	0.2	6.7
9	J	Vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	K	Directors Fees	-	-	0.2	1.1	1.1	1.1	1.2	1.2	1.2	1.2	1.3	1.3	0.3	11.3
11	L	Association Dues	-	-	0.1	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.1	3.9
12	M	Credit Facilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	N	Materials & Supply Procurement	-	-	0.4	1.0	3.3	4.8	6.4	7.5	9.0	10.5	12.0	13.5	3.4	71.6
14	P	Contract Services	-	-	0.9	3.8	4.4	4.8	4.9	5.9	6.8	7.8	8.7	9.6	2.4	60.0
15	R	Merger Related Cost	(18.7)	(23.6)	(53.4)	(16.6)	(12.6)	(1.0)	-	-	-	-	-	-	-	(125.9)
16		**Total Net Savings**	$ (18.7)	$ (23.6)	$ (39.5)	$ 48.0	$ 70.9	$ 105.2	$ 115.2	$ 122.0	$ 134.4	$ 143.1	$ 151.8	$ 160.6	$ 40.2	$ 1,009.7
17		Cumulative Savings	$ (18.7)	$ (42.3)	$ (81.8)	$ (33.8)	$ 37.1	$ 142.3	$ 257.5	$ 379.5	$ 514.0	$ 657.1	$ 808.9	$ 969.5	$ 1,009.7	
18		**Total Net Savings by Company**	**2010**	**2011**	**2012***	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022****	**Total**
19		Public Service Company of New Hampshire***	$ (1.4)	$ (1.7)	$ (3.0)	$ 3.0	$ 4.4	$ 6.7	$ 7.4	$ 7.8	$ 8.7	$ 9.3	$ 9.8	$ 10.3	$ 2.6	$ 63.9
20		Affiliated Companies	(17.4)	(21.9)	(36.6)	45.1	66.5	98.4	107.8	114.3	125.7	133.8	142.0	150.3	37.6	945.8
21		Total Net Savings	(18.71)	(23.60)	(39.54)	48.05	70.90	105.17	115.19	122.05	134.45	143.10	151.84	160.64	40.16	$ 1,009.7
22																
23																
24		*9 Months of Savings totaling $13.9M as shown in lines 1-14 above														
25		**3 Months of Savings, based on 2021 annual savings level														
26		*** PSNH Distribution only														

A. Corporate & Administrative Labor

Savings Rationale:

In the Net Benefits Analysis, Eversource forecast that reductions in personnel would result from the elimination of duplicative and overlapping Corporate and Administrative functions performed by the two pre-merger organizations. Forecasted savings did not include the results of potential re-engineering or downsizing opportunities that may be available to each company on a standalone basis.

Projected Savings:

In the Net Benefits Analysis, projected cumulative labor savings totaled $233.6 million by December 31, 2017. The cumulative number of staffing reductions through the end of 2017 was forecast at 347.

Integration Activities:

Following the close of the merger, staffing reductions resulted from a reorganization of the Corporate & Administrative function and the elimination of redundant positions. Staffing changes were accelerated from the pace contemplated in the Net Benefits Analysis, due to the payment of an upfront savings credit to customers upon the merger close and the imposition of base-rate freezes. Because the positions eliminated were redundant positions in the new, combined operation, there is no impact to the ability of Eversource to perform the work necessary to serve customers on a safe and reliable basis.

Savings Achieved:

As of December 31, 2017, merger-related staffing reductions and attrition accounted for the elimination of 369 positions since the merger close. “Merger-related” reductions are reductions arising from Eversource’s merger integration efforts, such as the consolidation of Legacy NU’s and Legacy NSTAR’s[5] duplicate corporate functions or systems. Merger-Related job reductions do not include exits from Eversource for other reasons such as retirements, resignations, terminations for cause, deaths, probationary terminations, an exit from

[5] “Legacy NU” refers to Northeast Utilities and all of its subsidiaries prior to the merger. “Legacy NSTAR” refers to NSTAR and all of its subsidiaries prior to the merger.

certain competitive businesses or reductions due to normal day-to-day business and resource needs. In addition, labor savings from attrition is calculated as the difference between the number of employee exits and the number of new hires, as experienced in the respective period within Legacy NU and, for Legacy NSTAR employees, in the functional areas encompassed in the Corporate and Administrative group (because Legacy NSTAR did not have a service company structure prior to the merger).

These staffing changes have produced cumulative savings through December 31, 2017 of approximately $270.4 million including employee-benefits costs and other indirect expenses associated with labor. These savings could not be achieved without the incurrence of certain costs associated with labor reductions. Costs to achieve these savings are included in the computation of Merger-Related Costs.

Labor savings are quantified by calculating the actual annual salary and benefits for positions that were merger-related reductions and by taking an average salary for positions eliminated through attrition.

Savings associated with staffing reductions to implement the new information technology (“IT”) organizational model are not included in this section as those staffing changes are addressed in the IT section below.

TABLE A
Corp & Admin Labor Savings Summary
($ in Millions)

		Original Net Benefit Analysis										
	Corp & Admin Labor	2011 Savings	2012 Savings	2013 Savings	2014 Savings	2015 Savings	2016 Savings	2017 Savings	2018 Savings	2019 Saving	2020 Savings	2021 Savings
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H	Col. I	Col. J	Col. K	Col. L
1	Employee Reductions	25	100	100	100	22	-	-	-	-	-	-
2	Cummulative Employee Reductions	25	125	225	325	347	347	347	347	347	347	347
3	Corp & Admin Total Labor Savings	$0.8	$10.4	$24.7	$39.8	$50.1	$53.2	$54.6	$56.0	$57.5	$58.9	$60.3
4	Capitalization Rate	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%
5	Total O&M Savings	$0.7	$8.7	$20.7	$33.4	$42.0	$44.6	$45.9	$47.0	$48.2	$49.4	$50.7
6	Total Capitalized Savings	$0.1	$1.7	$4.0	$6.4	$8.0	$8.5	$8.8	$9.0	$9.2	$9.5	$9.7
7	Yearly Depreciation	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%
8	Rate Base Return	18.2%	18.2%	18.2%	18.2%	18.2%	18.2%	18.2%	18.2%	18.2%	18.2%	18.2%
9	2011	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1
10	2012		$1.7	$1.6	$1.5	$1.5	$1.4	$1.4	$1.3	$1.3	$1.2	$1.2
11	2013			$4.0	$3.8	$3.7	$3.5	$3.41	$3.3	$3.2	$3.0	$2.9
12	2014				$6.4	$6.2	$5.9	$5.7	$5.5	$5.3	$5.1	$4.9
13	2015					$8.0	$7.7	$7.5	$7.2	$6.9	$6.7	$6.4
14	2016						$8.5	$8.2	$7.9	$7.6	$7.3	$7.1
15	2017							$8.8	$8.4	$8.1	$7.8	$7.5
16	2018								$9.0	$8.7	$8.3	$8.0
17	2019									$9.2	$8.9	$8.6
18	2020										$9.5	$9.1
19	2021											$9.7
20	Total Rate Base (sum lines 9 thru 19)	$0.1	$1.8	$5.7	$11.9	$19.5	$27.3	$35.0	$42.7	$50.4	$58.0	$65.5
21	Revenue Requirements (line 20 * line 8)	$0.0	$0.3	$1.0	$2.2	$3.5	$5.0	$6.4	$7.8	$9.1	$10.5	$11.9
22	O&M and Capital Return Savings (line 5 + line 21)	$0.7	$9.0	$21.8	$35.6	$45.6	$49.6	$52.2	$54.8	$57.4	$60.0	$62.5

		Results as of December 31, 2017										
	Corp & Admin Labor	2011 Savings	2012 Savings	2013 Savings	2014 Savings	2015 Savings	2016 Savings	2017 Savings	2018 Savings	2019 Saving	2020 Savings	2021 Savings
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H	Col. I	Col. J	Col. K	Col. L
23	Inflation Rate		n/a	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
24	Employee Reductions	-	200	57	77	35	-	-	-	-	-	-
25	Cummulative Employee Reductions	0	200	257	334	369	369	369	369	369	369	369
26	Corp & Admin Total Labor Savings	n/a	$9.7	$36.1	$46.0	$56.2	$60.3	$62.1	$64.0	$65.9	$67.9	$69.9
27	Capitalization Rate	n/a	13.40%	12.84%	13.77%	18.21%	20.48%	22.92%	16.90%	16.90%	16.90%	16.90%
28	Total O&M Savings	n/a	$8.4	$31.5	$39.6	$46.0	$47.9	$47.9	$53.2	$54.7	$56.4	$58.1
29	Total Capitalized Savings	n/a	$1.3	$4.6	$6.3	$10.2	$12.3	$14.2	$10.8	$11.1	$11.5	$11.8
30	Yearly Depreciation	n/a	3.26%	3.32%	3.22%	3.35%	3.35%	3.33%	3.33%	3.33%	3.33%	3.33%
31	Rate Base Return	n/a	17.38%	17.22%	16.48%	16.49%	17.30%	17.09%	17.09%	17.09%	17.09%	17.09%
32	2011	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
33	2012		$1.3	$1.3	$1.2	$1.2	$1.1	$1.1	$1.1	$1.0	$1.0	$1.0
34	2013			$4.6	$4.5	$4.3	$4.2	$4.05	$3.9	$3.8	$3.7	$3.5
35	2014				$6.3	$6.1	$5.9	$5.7	$5.5	$5.3	$5.2	$5.0
36	2015					$10.2	$9.9	$9.6	$9.3	$8.9	$8.6	$8.4
37	2016						$12.3	$11.9	$11.5	$11.2	$10.8	$10.4
38	2017							$14.2	$13.8	$13.3	$12.9	$12.4
39	2018								$10.8	$10.4	$10.1	$9.8
40	2019									$11.1	$10.8	$10.4
41	2020										$11.5	$11.1
42	2021											$11.8
43	Total Rate Base (sum lines 32 thru 42)	n/a	$1.3	$5.9	$12.0	$21.9	$33.5	$46.6	$55.9	$65.1	$74.4	$83.8
44	Revenue Requirements (line 43 * line 31)	n/a	$0.2	$1.0	$2.0	$3.6	$5.8	$8.0	$9.5	$11.1	$12.7	$14.3
45	O&M and Capital Return Savings (line 28 + line 44)	n/a	$8.6	$32.5	$41.6	$49.6	$53.7	$55.8	$62.7	$65.9	$69.1	$72.4

		Variance (Preliminary Results vs Net Benefit Analysis)										
	Corp & Admin Labor	2011 Savings	2012 Savings	2013 Savings	2014 Savings	2015 Savings	2016 Savings	2017 Savings	2018 Savings	2019 Saving	2020 Savings	2021 Savings
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H	Col. I	Col. J	Col. K	Col. L
46	Corp & Admin Labor (line 45 - line 22)	n/a	($0.4)	$10.7	$6.1	$4.0	$4.1	$3.6	$7.9	$8.5	$9.2	$9.9
47	Total Savings Variance	n/a	($0.4)	$10.7	$6.1	$4.0	$4.1	$3.6	$7.9	$8.5	$9.2	$9.9

B. Administrative & General Overhead

Savings Rationale:

Administrative and general overhead costs include office supplies, telephone expenses, employee business expenses and other miscellaneous costs. Administrative and general overhead was anticipated to decrease as corporate personnel are reduced.

Projected Savings:

In the Net Benefits Analysis, projected cumulative administrative and general overhead savings totaled approximately $6.6 million by December 31, 2017.

Integration Activities:

Following the close of the merger, staffing reductions resulted from a reorganization of the Corporate & Administrative function and the elimination of redundant positions. Initiatives include consolidated procurement for office supplies and paper across the combined Company resulting in improved pricing and rebates. Additionally, Eversource was able to realize savings on printer and telephone costs. Due to the nature of these savings, there is no impact to the ability of the Eversource Companies to perform the work necessary to serve customers on a safe and reliable basis.

Savings Achieved:

Through December 31, 2017, cumulative savings of approximately $4.5 million have resulted from the creation of purchasing leverage due to the larger Eversource footprint, which allowed for negotiation of new reduced contracts for office supplies, paper supply, printer and telephone support. Annual savings based on integration efforts to date are in the range of $1.0 million.

TABLE B
Admin & General Savings Summary
($ in Millions)

		Original Net Benefit Analysis										
	Admin & General Overhead	2011 Savings	2012 Savings	2013 Savings	2014 Savings	2015 Savings	2016 Savings	2017 Savings	2018 Savings	2019 Savings	2020 Savings	2021 Savings
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H	Col. I	Col. J	Col. K	Col. L
1	Total Savings	$0.0	$0.3	$0.7	$1.1	$1.4	$1.5	$1.5	$1.5	$1.6	$1.6	$1.6
2	Capitalization Rate	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%
3	Total O&M Savings	$0.0	$0.2	$0.6	$1.0	$1.2	$1.3	$1.3	$1.3	$1.3	$1.3	$1.3
4	Total Capitalized Savings	$0.0	$0.0	$0.1	$0.2	$0.2	$0.2	$0.2	$0.2	$0.3	$0.3	$0.3
5	Yearly Depreciation	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%
6	Rate Base Return	18.2%	18.2%	18.2%	18.2%	18.2%	18.2%	18.2%	18.2%	18.2%	18.2%	18.2%
7	2011	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
8	2012		$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
9	2013			$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1
10	2014				$0.2	$0.2	$0.2	$0.2	$0.2	$0.2	$0.1	$0.1
11	2015					$0.2	$0.2	$0.2	$0.2	$0.2	$0.2	$0.2
12	2016						$0.2	$0.2	$0.2	$0.2	$0.2	$0.2
13	2017							$0.2	$0.2	$0.2	$0.2	$0.2
14	2018								$0.2	$0.2	$0.2	$0.2
15	2019									$0.3	$0.2	$0.2
16	2020										$0.3	$0.2
17	2021											$0.3
18	Total Rate Base (sum lines 7 thru 17)	$0.0	$0.1	$0.2	$0.3	$0.6	$0.8	$1.0	$1.2	$1.4	$1.6	$1.8
19	Revenue Requirements (line 18 * line 6)	$0.0	$0.0	$0.0	$0.1	$0.1	$0.1	$0.2	$0.2	$0.3	$0.3	$0.3
20	O&M and Capital Return Savings (line 3 + line 19)	$0.0	$0.3	$0.6	$1.0	$1.3	$1.4	$1.5	$1.5	$1.6	$1.6	$1.7

		Results as of December 31, 2017										
	Admin & General Overhead	2011 Savings	2012 Savings	2013 Savings	2014 Savings	2015 Savings	2016 Savings	2017 Savings	2018 Savings	2019 Savings	2020 Savings	2021 Savings
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H	Col. I	Col. J	Col. K	Col. L
21	Inflation Rate		1.79%	1.58%	1.65%	1.10%	1.48%	1.80%	2.10%	2.70%	2.10%	2.10%
22	Total Savings	n/a	$0.0	$0.7	$0.9	$0.9	$1.0	$1.0	$1.0	$1.0	$1.0	$1.1
23	Capitalization Rate	n/a	13.40%	12.84%	13.77%	18.21%	20.48%	22.92%	16.90%	16.90%	16.90%	16.90%
24	Total O&M Savings	n/a	$0.0	$0.6	$0.8	$0.8	$0.8	$0.7	$0.8	$0.8	$0.9	$0.9
25	Total Capitalized Savings	n/a	$0.0	$0.1	$0.1	$0.2	$0.2	$0.2	$0.2	$0.2	$0.2	$0.2
26	Yearly Depreciation	n/a	3.26%	3.32%	3.22%	3.35%	3.35%	3.33%	3.33%	3.33%	3.33%	3.33%
27	Rate Base Return	n/a	17.38%	17.22%	16.48%	16.49%	17.30%	17.09%	17.09%	17.09%	17.09%	17.09%
28												
29	2011	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
30	2012		$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
31	2013			$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1
32	2014				$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1
33	2015					$0.2	$0.2	$0.2	$0.2	$0.1	$0.1	$0.1
34	2016						$0.2	$0.2	$0.2	$0.2	$0.2	$0.2
35	2017							$0.2	$0.2	$0.2	$0.2	$0.2
36	2018								$0.2	$0.2	$0.2	$0.2
37	2019									$0.2	$0.2	$0.2
38	2020										$0.2	$0.2
39	2021											$0.2
40	Total Rate Base (sum lines 29 thru 39)	n/a	$0.0	$0.1	$0.2	$0.4	$0.6	$0.8	$0.9	$1.0	$1.2	$1.3
41	Revenue Requirements (line 40 * line 27)	n/a	$0.0	$0.0	$0.0	$0.1	$0.1	$0.1	$0.2	$0.2	$0.2	$0.2
42	O&M and Capital Return Savings (line 24 + line 41)	n/a	$0.0	$0.6	$0.8	$0.8	$0.9	$0.9	$1.0	$1.0	$1.1	$1.1

		Variance (Preliminary vs Net Benefit Analysis)										
	Admin & General Overhead	2011 Savings	2012 Savings	2013 Savings	2014 Savings	2015 Savings	2016 Savings	2017 Savings	2018 Savings	2019 Savings	2020 Savings	2021 Savings
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H	Col. I	Col. J	Col. K	Col. L
43	Admin & General Overhead	n/a	($0.3)	($0.0)	($0.2)	($0.5)	($0.5)	($0.6)	($0.5)	($0.5)	($0.6)	($0.6)
44	Total Savings Variance	n/a	($0.3)	($0.0)	($0.2)	($0.5)	($0.5)	($0.6)	($0.5)	($0.5)	($0.6)	($0.6)

C. Advertising

Savings Rationale:

In the Net Benefits Analysis, Eversource forecast that the integration of corporate public-relations programs would eliminate the need for duplicative advertising-related design and production and would reduce advertising fees.

Projected Savings:

In the Net Benefits Analysis, projected cumulative advertising savings totaled $4.9 million by December 31, 2017.

Integration Activities:

Following the close of the merger, Eversource cancelled the retainer for two advertising consulting agencies, whose services were not necessary under the combined company (savings of $600,000). Eversource also consolidated its media monitoring services and press-release distribution account (savings of $160,000). Eversource reviewed its trade show participation, and as a combined company, was able to reduce the frequency of its participation (savings of $300,000). Savings were also achieved through (1) consolidation of corporate social responsibility reports and the elimination of paper production (savings of $177,000); (2) consolidation of existing Legacy NSTAR and Legacy NU Copyright Clearance Center contracts into one contract (savings of $2,000); (3) consolidation of the Legacy NSTAR and Legacy NU newsletters and collateral development documents from 45 publications to less than 10 (savings of $100,000). Due to the nature of these savings, there is no impact to the ability of the Eversource Companies to perform the work necessary to serve customers on a safe and reliable basis.

Savings Achieved:

Through December 31, 2017, cumulative savings of approximately $7.5 million were achieved through integration and consolidation. Annual savings based on integration efforts to date are in the range of $1.4 million.

TABLE C
Advertising Savings Summary
($ in Millions)

	Advertising	Original Net Benefit Analysis										
		2011 Savings	2012 Savings	2013 Savings	2014 Savings	2015 Savings	2016 Savings	2017 Savings	2018 Savings	2019 Savings	2020 Savings	2021 Savings
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H	Col. I	Col. J	Col. K	Col. L
1	Advertising	$0.2	$0.7	$0.8	$0.8	$0.8	$0.8	$0.8	$0.8	$0.8	$0.9	$0.9
2	Total Savings	$0.2	$0.7	$0.8	$0.8	$0.8	$0.8	$0.8	$0.8	$0.8	$0.9	$0.9

	Advertising	Results as of December 31, 2017										
		2011 Savings	2012 Savings	2013 Savings	2014 Savings	2015 Savings	2016 Savings	2017 Savings	2018 Savings	2019 Savings	2020 Savings	2021 Savings
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H	Col. I	Col. J	Col. K	Col. L
3	Inflation Rate		1.79%	1.58%	1.65%	1.10%	1.48%	1.80%	2.10%	2.70%	2.10%	2.10%
4	Advertising	n/a	$0.6	$1.3	$1.4	$1.4	$1.4	$1.4	$1.5	$1.5	$1.5	$1.6
5	Total Savings	n/a	$0.6	$1.3	$1.4	$1.4	$1.4	$1.4	$1.5	$1.5	$1.5	$1.6

	Advertising	Variance (Preliminary vs. Net Benefit Analysis)										
		2011 Savings	2012 Savings	2013 Savings	2014 Savings	2015 Savings	2016 Savings	2017 Savings	2018 Savings	2019 Savings	2020 Savings	2021 Savings
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H	Col. I	Col. J	Col. K	Col. L
6	Advertising	n/a	($0.1)	$0.6	$0.6	$0.6	$0.6	$0.6	$0.6	$0.6	$0.7	$0.7
7	Total Savings Variance	n/a	($0.1)	$0.6	$0.6	$0.6	$0.6	$0.6	$0.6	$0.6	$0.7	$0.7

D. Benefits Administration

Savings Rationale:

In the Net Benefits Analysis, Eversource forecast that cost savings in benefits administration could occur in several areas, primarily through increased purchasing power in negotiating third-party administration fees and integration of benefit plans.

Projected Savings:

In the Net Benefits Analysis, projected cumulative benefits-administration savings totaled approximately $40.6 million by December 31, 2017.

Integration Activities:

Eversource has undertaken several activities to integrate and align the benefit plans for employees. Eversource first performed a comprehensive review of the legacy benefit plans enabling plan consolidation. Eversource also conducted RFPs for active and retiree health and welfare programs. Through this competitive bidding process, significant value was achieved in the following awards:

Provider	Coverage Type
Cigna	Medical and Prescription
Express Scripts	Prescription Drugs
Delta Dental	Dental
VSP	Vision
Minnesota Life	Life Insurance
KGA	Employee Assistance Program

Effective January 1, 2013, new health and welfare benefits were implemented for all non-represented employees. During 2013, as collective bargaining unit contracts expired, new health plans were successfully negotiated with the largest unions. By January 1, 2014, nearly all Eversource employees had the same standard health plan designs. In addition, effective April 2, 2013, retirement benefits to new Eversource employees took the form of an enhanced defined contribution plan, instead of a defined benefit plan. This will reduce pension liabilities and cost volatility over time.

Due to the nature of these savings, there is no impact to the ability of the Eversource Companies to perform the work necessary to serve customers on a safe and reliable basis.

Savings Achieved:

Through December 31, 2017, cumulative savings estimated at $141.5 million were achieved through integration and consolidation**.** Annual savings based on integration efforts to date are in the range of $29.4 million.

TABLE D
Benefits Administration Savings Summary
($ in Millions)

		Original Net Benefit Analysis										
	Benefits Administration	2011 Savings	2012 Savings	2013 Savings	2014 Savings	2015 Savings	2016 Savings	2017 Savings	2018 Savings	2019 Savings	2020 Savings	2021 Savings
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H	Col. I	Col. J	Col. K	Col. L
1	Total Benefits Savings	$1.4	$5.8	$6.1	$6.4	$6.7	$7.0	$7.3	$7.7	$8.0	$8.4	$8.8
2	Capitalization Rate	40.6%	40.6%	40.6%	40.6%	40.6%	40.6%	40.6%	40.6%	40.6%	40.6%	40.6%
3	Total O&M Savings	$0.8	$3.4	$3.6	$3.8	$4.0	$4.1	$4.3	$4.6	$4.8	$5.0	$5.2
4	Total Capitalized Savings	$0.6	$2.3	$2.5	$2.6	$2.7	$2.8	$3.0	$3.1	$3.3	$3.4	$3.6
5	Yearly Depreciation	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%
6	Rate Base Return	18.2%	18.2%	18.2%	18.2%	18.2%	18.2%	18.2%	18.2%	18.2%	18.2%	18.2%
7	2011	$0.6	$0.5	$0.5	$0.5	$0.5	$0.5	$0.4	$0.4	$0.4	$0.4	$0.4
8	2012		$2.3	$2.3	$2.2	$2.1	$2.0	$1.9	$1.9	$1.8	$1.7	$1.7
9	2013			$2.5	$2.4	$2.3	$2.2	$2.1	$2.1	$2.0	$1.9	$1.8
10	2014				$2.6	$2.5	$2.4	$2.3	$2.2	$2.1	$2.1	$2.0
11	2015					$2.7	$2.6	$2.5	$2.4	$2.3	$2.2	$2.2
12	2016						$2.8	$2.7	$2.6	$2.5	$2.4	$2.3
13	2017							$3.0	$2.9	$2.8	$2.7	$2.6
14	2018								$3.1	$3.0	$2.9	$2.8
15	2019									$3.3	$3.1	$3.0
16	2020										$3.4	$3.3
17	2021											$3.6
18	Total Rate Base (sum lines 8 thru 17)	$0.6	$2.9	$5.3	$7.6	$10.1	$12.5	$15.0	$17.6	$20.2	$22.9	$25.6
19	Revenue Requirements (line 17 * line 7)	$0.1	$0.5	$1.0	$1.4	$1.8	$2.3	$2.7	$3.2	$3.7	$4.2	$4.7
20	O&M and Capital Return Savings (line 3 + line 19)	$0.9	$4.0	$4.6	$5.2	$5.8	$6.4	$7.1	$7.8	$8.4	$9.2	$9.9

	Benefits Administration	2011 Savings	2012 Savings	2013 Savings	2014 Savings	2015 Savings	2016 Savings	2017 Savings	2018 Savings	2019 Savings	2020 Savings	2021 Savings
		Results as of December 31, 2017										
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H	Col. I	Col. J	Col. K	Col. L
21	Inflation Rate		n/a	1.90%	2.50%	1.30%	1.80%	2.30%	2.30%	2.30%	2.30%	2.30%
22	Total Benefits Savings	n/a	$0.0	$27.2	$27.9	$28.2	$28.8	$29.4	$30.1	$30.8	$31.5	$32.2
23	Capitalization Rate	n/a	n/a	34.92%	33.78%	37.56%	38.67%	39.42%	39.42%	39.42%	39.42%	39.42%
24	Total O&M Savings	n/a	n/a	$17.7	$18.5	$17.6	$17.6	$17.8	$18.2	$18.7	$19.1	$19.5
25	Total Capitalized Savings	n/a	n/a	$9.5	$9.4	$10.6	$11.1	$11.6	$11.9	$12.1	$12.4	$12.7
26	Yearly Depreciation	n/a	n/a	3.32%	3.22%	3.35%	3.35%	3.33%	3.33%	3.33%	3.33%	3.33%
27	Rate Base Return	n/a	n/a	17.22%	16.48%	16.49%	17.30%	17.09%	17.09%	17.09%	17.09%	17.09%
28	2011	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
29	2012		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
30	2013			$9.5	$9.2	$8.9	$8.6	$8.3	$8.0	$7.8	$7.5	$7.2
31	2014				$9.4	$9.1	$8.8	$8.5	$8.2	$8.0	$7.7	$7.4
32	2015					$10.6	$10.3	$9.9	$9.6	$9.3	$9.0	$8.7
33	2016						$11.1	$10.8	$10.4	$10.0	$9.7	$9.4
34	2017							$11.6	$11.2	$10.8	$10.5	$10.1
35	2018								$11.9	$11.5	$11.1	$10.7
36	2019									$12.1	$11.7	$11.3
37	2020										$12.4	$12.0
38	2021											$12.7
39	Total Rate Base (sum lines 29 thru 38)	n/a	$0.0	$9.5	$18.6	$28.6	$38.8	$49.1	$59.3	$69.5	$79.6	$89.6
40	Revenue Requirements (line 38 * line 28)	n/a	$0.0	$1.6	$3.1	$4.7	$6.7	$8.4	$10.1	$11.9	$13.6	$15.3
41	O&M and Capital Return Savings (line 24 + line 40)	n/a	$0.0	$19.3	$21.5	$22.4	$24.3	$26.2	$28.4	$30.5	$32.7	$34.8

	Benefits Administration	2011 Savings	2012 Savings	2013 Savings	2014 Savings	2015 Savings	2016 Savings	2017 Savings	2018 Savings	2019 Savings	2020 Savings	2021 Savings
		Variance (Preliminary vs Net Benefit Analysis)										
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H	Col. I	Col. J	Col. K	Col. L
42	Benefits Administration	n/a	($4.0)	$14.8	$16.4	$16.6	$17.9	$19.1	$20.6	$22.1	$23.5	$24.9
43	Total Savings Variance	n/a	($4.0)	$14.8	$16.4	$16.6	$17.9	$19.1	$20.6	$22.1	$23.5	$24.9

E. Insurance

Savings Rationale:

In the Net Benefits Analysis, Eversource forecasted the combined company would be able to extend its coverage with its carriers over a larger asset and loss experience base, which would reduce overall cost. Combination of the insurance programs would also provide an opportunity to reassess needed coverage levels and related deductibles based on the loss experience and risk profile of the combined company.

Projected Savings:

In the Net Benefits Analysis, projected cumulative insurance savings totaled $14.2 million by December 31, 2017.

Integration Activities:

Following the merger close, Eversource reviewed existing insurance policies and coverage and combined the Legacy NU and Legacy NSTAR policies as those policies expired, resulting in better pricing for the combined company than on a stand-alone basis. Due to the nature of these savings, there is no impact to the ability of the Eversource Companies to perform the work necessary to serve customers on a safe and reliable basis.

Savings Achieved:

Through December 31, 2017, cumulative savings of approximately $12.6 million were achieved through integration and consolidation. Annual savings based on integration efforts to date are in the range of $2.3 million.

TABLE E
Insurance Savings Summary
($ in Millions)

Original Net Benefit Analysis

	Insurance	2011 Savings	2012 Savings	2013 Savings	2014 Savings	2015 Savings	2016 Savings	2017 Savings	2018 Savings	2019 Savings	2020 Savings	2021 Savings
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H	Col. I	Col. J	Col. K	Col. L
1	Insurance	$0.5	$2.2	$2.2	$2.3	$2.3	$2.4	$2.4	$2.4	$2.5	$2.5	$2.5
2	Total Savings	$0.5	$2.2	$2.2	$2.3	$2.3	$2.4	$2.4	$2.4	$2.5	$2.5	$2.5

Results as of December 31, 2017

	Insurance	2011 Savings	2012 Savings	2013 Savings	2014 Savings	2015 Savings	2016 Savings	2017 Savings	2018 Savings	2019 Savings	2020 Savings	2021 Savings
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H	Col. I	Col. J	Col. K	Col. L
3	Inflation Rate		1.79%	1.58%	1.65%	1.10%	1.48%	1.80%	2.10%	2.70%	2.10%	2.10%
4	Insurance	n/a	$1.5	$2.2	$2.2	$2.2	$2.3	$2.3	$2.3	$2.4	$2.5	$2.5
5	Total Savings	n/a	$1.5	$2.2	$2.2	$2.2	$2.3	$2.3	$2.3	$2.4	$2.5	$2.5

Variance (Preliminary vs Net Benefit Analysis)

	Insurance	2011 Savings	2012 Savings	2013 Savings	2014 Savings	2015 Savings	2016 Savings	2017 Savings	2018 Savings	2019 Savings	2020 Savings	2021 Savings
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H	Col. I	Col. J	Col. K	Col. L
6	Insurance	n/a	($0.7)	($0.0)	($0.1)	($0.1)	($0.1)	($0.1)	($0.1)	($0.1)	($0.0)	($0.0)
7	Total Savings Variance	n/a	($0.7)	($0.0)	($0.1)	($0.1)	($0.1)	($0.1)	($0.1)	($0.1)	($0.0)	($0.0)

F. Information Systems

Savings Rationale:

In the Net Benefits Analysis, IT-related capital savings were expected to result from the avoidance and elimination of duplicate or unnecessary system development expenditures and the creation of a common IT infrastructure and architecture across the combined company. In addition, the combined entity was expected to avoid system development costs. Also in the Nets Benefit Analysis, IT-related O&M cost savings were expected as a result of the avoidance of leasing desktop computers because of the reduced number of positions requiring workstations. Savings were expected to occur due to the elimination of software and hardware leases, and associated maintenance, resulting from the migration to a common operating platform.

Projected Savings:

In the Net Benefits Analysis, projected cumulative IT savings totaled approximately $51.0 million by December 31, 2017.

Integration Activities:

Eversource has consolidated its Corporate Income Tax Return Reporting Systems and Claims Management Systems. Eversource has also upgraded and integrated the existing PowerPlant installations and implemented one budgeting system across the Eversource Companies. In addition, Eversource has consolidated email systems**,** eliminating issues with email compatibility and calendaring and reducing email support cost. Eversource has also addressed an immediate need to share applications among the Eversource Companies by expanding cross-company application sharing environments in Westwood, MA and Windsor, CT. The cost of these initiatives is included as Merger-Related Costs, below.

In October 2013, Eversource announced an initiative involving the reorganization of the IT department. Estimated net labor savings occurring are included in this section. The estimate includes labor savings from the reduction in Eversource staff; estimated contracted savings from elimination of current contractors and the estimated cost of new contractors. The net amount is included in the O&M savings amount. The costs associated with the IT department reorganization are included in the Merger-Related Cost section.

The reorganization of the IT Organization will have no impact on the ability of the Eversource Companies to perform the work necessary to serve customers on a safe and reliable basis under routine conditions and under storm conditions.

Savings Achieved:

As of December 31, 2017, cumulative O&M savings of approximately $58.4 million were achieved through integration and consolidation. Annual savings based on integration efforts to date are in the range of $18.4 million.

TABLE F
IT O&M & Capital Savings Summary
($ in Millions)

Original Net Benefit Analysis

	IT Savings	2011 Savings	2012 Savings	2013 Savings	2014 Savings	2015 Savings	2016 Savings	2017 Savings	2018 Savings	2019 Savings	2020 Savings	2021 Savings
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H	Col. I	Col. J	Col. K	Col. L
1	Total O&M Savings	$0.1	$0.9	$2.3	$3.6	$4.6	$4.9	$5.0	$5.1	$5.2	$5.4	$5.5
2	Total Capitalized Savings	$0.1	$1.3	$3.1	$5.0	$6.3	$6.7	$6.9	$7.1	$7.2	$7.4	$7.6
3	O&M and Capital Return Savings (line 1 + line 2)	$0.2	$2.3	$5.4	$8.7	$10.9	$11.6	$11.9	$12.2	$12.5	$12.8	$13.1

Results as of December 31, 2017

	IT Savings	2011 Savings	2012 Savings	2013 Savings	2014 Savings	2015 Savings	2016 Savings	2017 Savings	2018 Savings	2019 Savings	2020 Savings	2021 Savings
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H	Col. I	Col. J	Col. K	Col. L
4	Inflation Rate		1.79%	1.58%	1.65%	1.10%	1.48%	1.80%	2.10%	2.70%	2.10%	2.10%
5	Total O&M Savings	n/a	$0.4	$0.4	$4.8	$16.7	$17.7	$18.4	$19.1	$19.7	$20.5	$21.2
6	Total Capitalized Savings	n/a	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
7	Yearly Depreciation	n/a	3.26%	3.32%	3.22%	3.35%	3.35%	3.33%	3.33%	3.33%	3.33%	3.33%
8	Rate Base Return	n/a	17.38%	17.22%	16.48%	16.49%	17.30%	17.09%	17.09%	17.09%	17.09%	17.09%
9	2011	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
10	2012		$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
11	2013			$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
12	2014				$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
13	2015					$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
14	2016						$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
15	2017							$0.0	$0.0	$0.0	$0.0	$0.0
16	2018								$0.0	$0.0	$0.0	$0.0
17	2019									$0.0	$0.0	$0.0
18	2020										$0.0	$0.0
19	2021											$0.0
20	Total Rate Base (sum lines 9 thru 19)	n/a	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
21	Revenue Requirements (line 20 * line 8)	n/a	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
22	O&M and Capital Return Savings (line 5 + line 21)	n/a	$0.4	$0.4	$4.8	$16.7	$17.7	$18.4	$19.1	$19.7	$20.5	$21.2

Variance (Preliminary vs Net Benefit Analysis)

	IT Savings	2011 Savings	2012 Savings	2013 Savings	2014 Savings	2015 Savings	2016 Savings	2017 Savings	2018 Savings	2019 Savings	2020 Savings	2021 Savings
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H	Col. I	Col. J	Col. K	Col. L
23	IT Savings	n/a	($1.8)	($4.9)	($3.9)	$5.8	$6.2	$6.5	$6.9	$7.2	$7.6	$8.1
24	Total Savings Variance	n/a	($1.8)	($4.9)	($3.9)	$5.8	$6.2	$6.5	$6.9	$7.2	$7.6	$8.1

G. Professional Services

Savings Rationale:

In the Net Benefits Analysis, Eversource projected that it would work to consolidate and reduce professional-services activities through economies of scope and elimination of non-recurring duplicate services and increased utilization of a broader skill base. It was also contemplated that audit and legal services costs could be reduced to eliminate duplication.

Projected Savings:

In the Net Benefits Analysis, projected cumulative savings totaled $19.5 million by December 31, 2017.

Integration Activities:

P-Card/T&E Card Consolidation: This savings project consolidated the existing corporate procurement credit cards with a single vendor, resulting in increased volume rebates. The new corporate procurement cards were fully rolled out to Eversource employees in the second half of 2013 (savings of $130,000 annually).

Staff Augmentation Contract Consolidation (Guidant): This savings project is based on consolidating the management of staff augmentation into a single third-party vendor to leverage volume and reduce administration/management fees. Eversource is currently tracking ahead of projected savings by moving from Zempleo to Guidant for payroll services (savings of $100,000 annually).

External Auditor Consolidation: Eversource terminated the duplicative relationship with the Legacy NSTAR auditors (PwC) by keeping the existing the auditors (Deloitte) (savings of approximately $700,000 annually).

Eliminate Westlaw Contract: Eversource integrated the Legacy NSTAR Westlaw service into the Legacy NU service at no additional cost (savings of $65,000 annually).

Eliminate Nixon Peabody Lease: Eversource cancelled the lease for office space at Nixon Peabody in Boston, MA, as the space is no longer needed (savings of $60,000 in annually)**.**

Eliminate Towers Watson NSTAR Fair Values Fees: Savings were derived by avoiding the duplicative engagement of Towers Watson to calculate performance share compensation (savings of $15,000 annually).

Financial Reporting Integration: This effort involved insourcing XBRL/Edgarization 10-K filing requirements. Eversource completes this financial reporting process without external providers. The savings are derived from terminating a third-party contract which was providing these services for Legacy NSTAR (savings of $120,000 annually).

Due to the nature of these savings, there is no impact to the ability of the Eversource Companies to perform the work necessary to serve customers on a safe and reliable basis.

Savings Achieved:

Through December 31, 2017, cumulative savings of approximately $7.3 million were achieved through integration and consolidation. Annual savings based on integration efforts to date are in the range of $1.3 million.

TABLE G
Professional Services Savings Summary
($ in Millions)

Original Net Benefit Analysis

	Professional Services	2011 Savings	2012 Savings	2013 Savings	2014 Savings	2015 Savings	2016 Savings	2017 Savings	2018 Savings	2019 Savings	2020 Savings	2021 Savings
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H	Col. I	Col. J	Col. K	Col. L
1	Professional Services	$0.7	$3.0	$3.0	$3.1	$3.2	$3.2	$3.3	$3.3	$3.4	$3.4	$3.5
2	Total Savings	$0.7	$3.0	$3.0	$3.1	$3.2	$3.2	$3.3	$3.3	$3.4	$3.4	$3.5

Results as of December 31, 2017

	Professional Services	2011 Savings	2012 Savings	2013 Savings	2014 Savings	2015 Savings	2016 Savings	2017 Savings	2018 Savings	2019 Savings	2020 Savings	2021 Savings
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H	Col. I	Col. J	Col. K	Col. L
3	Inflation Rate	n/a	1.79%	1.58%	1.65%	1.10%	1.48%	1.80%	2.10%	2.70%	2.10%	2.10%
4	Professional Services	n/a	$0.8	$1.3	$1.3	$1.3	$1.3	$1.3	$1.4	$1.4	$1.4	$1.5
5	Total Savings	n/a	$0.8	$1.3	$1.3	$1.3	$1.3	$1.3	$1.4	$1.4	$1.4	$1.5

Variance (Preliminary vs Net Benefit Analysis)

	Professional Services	2011 Savings	2012 Savings	2013 Savings	2014 Savings	2015 Savings	2016 Savings	2017 Savings	2018 Savings	2019 Savings	2020 Savings	2021 Savings
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H	Col. I	Col. J	Col. K	Col. L
6	Professional Services	n/a	($2.1)	($1.8)	($1.8)	($1.9)	($1.9)	($1.9)	($2.0)	($2.0)	($2.0)	($2.0)
7	Total Savings Variance	n/a	($2.1)	($1.8)	($1.8)	($1.9)	($1.9)	($1.9)	($2.0)	($2.0)	($2.0)	($2.0)

H. Facilities

Savings Rationale:

In the Net Benefits Analysis, Eversource indicated that, normally, a post-merger entity will consolidate selected facilities, including service centers, garages, data centers, meter shops, warehousing and other corporate facilities. However, due to the geographic disparity of the post-merger Eversource Companies, facilities integration was not included in the original Net Benefit Analysis.

Projected Savings:

The Net Benefits Analysis did not include savings associated with facilities consolidation.

Integration Activities:

Since the merger, Eversource has undertaken a facilities review across its entire service territory to ensure that its current facilities sufficiently meet operational needs. This initiative follows the merger, but is not tied directly to integration activities.

Savings Achieved:

No merger related savings related to the facilities consolidation have been reflected in this Merger Integration Report.

I. Shareholder Services

Rationale for Savings:

Cost savings are expected to result from the elimination of duplicative shareholder related activities, such as conducting the annual shareholder meeting, proxy services and payment of stock exchange fees. The combination will reduce incremental costs per additional shareholder due to economies of scale.

Projected Savings:

In the Net Benefits Analysis, projected cumulative shareholder services savings totaled approximately $3.0 million by December 31, 2017.

Integration Activities:

Transfer Agent Services: Eversource issued a Request for Proposals (RFP) for the provision of transfer agent services. The transfer agent's responsibilities include maintaining Eversource's shareholder records, distributing quarterly dividend checks and reinvestment plan statements for the registered shareholder base as well as tax information related to dividends and the sale of shares. It also includes annual distribution of proxy materials to registered shareholders in advance of Eversource's annual meeting of shareholders and compliance with escheatment laws. Computershare was chosen to serve as Eversource's transfer agent under a three-year contact. In addition, Eversource amended various provisions of its dividend reinvestment plan (DRP) to mirror the Legacy NSTAR dividend reinvestment plan. As a result of this action, Eversource was able to avoid the cost and inconvenience to participants of re-registering nearly 10,000 Legacy NSTAR registered holders in the Legacy NU DRP. Eversource also lowered reinvestment fees considerably for legacy shareholders of Legacy NU.

Thomson Reuters Investor Relations (IR) Services: Prior to the merger, Legacy NU and Legacy NSTAR had contracts in place for various Investor Relations services, including management of an Investor Relations website at Legacy NSTAR, with Thomson Reuters. Thomson Reuters continues to provide more abbreviated services under a new consolidated three-year contract. A large portion of these costs are covered by a subsidy from the New York Stock Exchange, Inc. (NYSE) that has historically been available to Eversource.

IPREO: Prior to the merger, Legacy NSTAR had retained IPREO, a market surveillance firm, to assist with its ongoing Investor Relations program. IPREO's services continue with Eversource but at a reduced overall cost as its services qualify under the aforementioned subsidy from the NYSE.

Proxy Solicitor: Prior to the merger, Legacy NU and Legacy NSTAR each retained a proxy solicitor to provide services related to each company's annual meeting of shareholders. An RFP was issued and four companies provided bids. After a comprehensive review of the bids, AST Phoenix Advisory Partners was chosen to provide proxy services for the combined company at a cost that is less than the sum of what each company paid for these services in the past.

Annual Meeting, Proxy Mailings, Broadridge: In conjunction with the annual meeting of shareholders, Legacy NU and Legacy NSTAR distributed proxy materials to its shareholders through an independent agent, Broadridge. The fee consists primarily of postage and related costs to distribute proxy materials. The fee is also a function of the number of accounts managed by Broadridge. The number of accounts now managed by Broadridge after the merger's completion is less than the sum of the Legacy NU and Legacy NSTAR accounts prior to the merger.

Annual Report to Shareholders: Prior to the merger, Legacy NU and Legacy NSTAR produced an Annual Report to Shareholders for distribution to their shareholders in advance of their annual meetings. After the merger, the "combined" Eversource produced an annual report at a cost that was significantly less than the sum of what it cost each company to produce its own 2011 annual report. The combined Eversource also utilized a "Notice & Access" approach in the distribution of its 2012 report. This approach offers shareholders the opportunity to view its proxy materials on the Internet instead of receiving a copy in the mail and reduces both printing and mailing costs.

Rating Agencies: Eversource negotiated lower rating agency fees due to the larger size of the merged company.

Due to the nature of these savings, there is no impact to the ability of the Eversource Companies to perform the work necessary to serve customers on a safe and reliable basis.

Savings Achieved:
Through December 31, 2017, cumulative savings of approximately $3.7 million were achieved through integration and consolidation. Annual savings based on integration efforts to date are in the range of $0.7 million.

TABLE I
Shareholder Services Savings Summary
($ in Millions)

		Original Net Benefit Analysis										
	Shareholder Services	2011 Savings	2012 Savings	2013 Savings	2014 Savings	2015 Savings	2016 Savings	2017 Savings	2018 Savings	2019 Savings	2020 Savings	2021 Savings
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H	Col. I	Col. J	Col. K	Col. L
1	Shareholder Services	$0.1	$0.5	$0.5	$0.5	$0.5	$0.5	$0.5	$0.5	$0.5	$0.5	$0.5
2	Total Savings	$0.1	$0.5	$0.5	$0.5	$0.5	$0.5	$0.5	$0.5	$0.5	$0.5	$0.5

		Results as of December 31, 2017										
	Shareholder Services	2011 Savings	2012 Savings	2013 Savings	2014 Savings	2015 Savings	2016 Savings	2017 Savings	2018 Savings	2019 Savings	2020 Savings	2021 Savings
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H	Col. I	Col. J	Col. K	Col. L
3	Inflation Rate	n/a	1.79%	1.58%	1.65%	1.10%	1.48%	1.80%	2.10%	2.70%	2.10%	2.10%
4	Shareholder Services	n/a	$0.3	$0.6	$0.7	$0.7	$0.7	$0.7	$0.7	$0.7	$0.7	$0.8
5	Total	n/a	$0.3	$0.6	$0.7	$0.7	$0.7	$0.7	$0.7	$0.7	$0.7	$0.8

		Variance (Preliminary vs Net Benefit Analysis)										
	Shareholder Services	2011 Savings	2012 Savings	2013 Savings	2014 Savings	2015 Savings	2016 Savings	2017 Savings	2018 Savings	2019 Savings	2020 Savings	2021 Savings
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H	Col. I	Col. J	Col. K	Col. L
6	Shareholder Services	n/a	($0.2)	$0.2	$0.2	$0.2	$0.2	$0.2	$0.2	$0.2	$0.2	$0.2
7	Total Savings Variance	n/a	($0.2)	$0.2	$0.2	$0.2	$0.2	$0.2	$0.2	$0.2	$0.2	$0.2

J. Vehicles

Savings Rationale:
Prior to the merger, Eversource contemplated that the combined company will reduce the total number of corporate A&G employees. As a result of the reduction in the number of employees, the new company will use fewer passenger cars. Savings will be realized through reduced total operating costs for passenger cars. Reduced reimbursable mileage is reflected in Section D: Administrative and General Overhead.

Projected Savings:

In the Net Benefits Analysis, there were modest amounts of projected vehicle cost savings through 2017.

Integration Activities:

Vehicle savings achieved through December 31, 2017 were modest as anticipated and are not individually quantified.

TABLE J
Vehicles Savings Summary
($ in Millions)

Original Net Benefit Analysis

	Vehicles	2011 Savings	2012 Savings	2013 Savings	2014 Savings	2015 Savings	2016 Savings	2017 Savings	2018 Savings	2019 Savings	2020 Savings	2021 Savings
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H	Col. I	Col. J	Col. K	Col. L
1	Total Transportation Cost	$0.0	$0.0	$0.0	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1
2	Total	$0.0	$0.0	$0.0	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1

Results as of December 31, 2017

	Vehicles	2011 Savings	2012 Savings	2013 Savings	2014 Savings	2015 Savings	2016 Savings	2017 Savings	2018 Savings	2019 Savings	2020 Savings	2021 Savings
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H	Col. I	Col. J	Col. K	Col. L
3	Inflation Rate		1.79%	1.58%	1.65%	1.10%	1.48%	1.80%	2.10%	2.70%	2.10%	2.10%
4	Total Transportation Cost	n/a	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
5	Total	n/a	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0

Variance (Preliminary vs Net Benefit Analysis)

	Vehicles	2011 Savings	2012 Savings	2013 Savings	2014 Savings	2015 Savings	2016 Savings	2017 Savings	2018 Savings	2019 Savings	2020 Savings	2021 Savings
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H	Col. I	Col. J	Col. K	Col. L
6	Total Transportation Cost	n/a	($0.0)	($0.0)	($0.1)	($0.1)	($0.1)	($0.1)	($0.1)	($0.1)	($0.1)	($0.1)
7	Total Savings Variance	n/a	($0.0)	($0.0)	($0.1)	($0.1)	($0.1)	($0.1)	($0.1)	($0.1)	($0.1)	($0.1)

K. External Directors/Trustee Fees

Savings Rationale:

Prior to the merger, Legacy NSTAR and Legacy NU each had separate boards of trustees. With the merger of NSTAR and Northeast Utilities, the number of independent trustees could be reduced.

Projected Savings:

In the Net Benefits Analysis, projected cumulative external directors/trustee fee savings totaled $9.0 million by December 31, 2017.

Integration Activities:

Following the merger closing date, Eversource combined the former Northeast Utilities and NSTAR boards. The new board structure has reduced the number of Trustees and revised the compensation model. This action resulted in approximately $1.1 million in annual savings beginning in 2013.

Due to the nature of these savings, there is no impact to the ability of the Eversource Companies to perform the work necessary to serve customers on a safe and reliable basis.

Savings Achieved:

Through December 31, 2017, cumulative savings in this functional area total approximately $6.0 million. Annual savings based on integration efforts to date are in the range of $1.2 million.

TABLE K
External Directors Savings
($ in Millions)

	External Directors / Trustee Fees	Original Net Benefit Analysis										
		2011 Savings	2012 Savings	2013 Savings	2014 Savings	2015 Savings	2016 Savings	2017 Savings	2018 Savings	2019 Savings	2020 Savings	2021 Savings
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H	Col. I	Col. J	Col. K	Col. L
1	External Directors/Trustee Fees	$0.3	$1.4	$1.4	$1.4	$1.5	$1.5	$1.5	$1.5	$1.6	$1.6	$1.6
2	Total	$0.3	$1.4	$1.4	$1.4	$1.5	$1.5	$1.5	$1.5	$1.6	$1.6	$1.6

	External Directors / Trustee Fees	Results as of December 31, 2017										
		2011 Savings	2012 Savings	2013 Savings	2014 Savings	2015 Savings	2016 Savings	2017 Savings	2018 Savings	2019 Savings	2020 Savings	2021 Savings
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H	Col. I	Col. J	Col. K	Col. L
3	Inflation Rate		1.79%	1.58%	1.65%	1.10%	1.48%	1.80%	2.10%	2.70%	2.10%	2.10%
4	Total Fees	n/a	$0.2	$1.1	$1.1	$1.1	$1.2	$1.2	$1.2	$1.2	$1.3	$1.3
5	Total	n/a	$0.2	$1.1	$1.1	$1.1	$1.2	$1.2	$1.2	$1.2	$1.3	$1.3

	External Directors / Trustee Fees	Variance (Preliminary vs Net Benefit Analysis)										
		2011 Savings	2012 Savings	2013 Savings	2014 Savings	2015 Savings	2016 Savings	2017 Savings	2018 Savings	2019 Savings	2020 Savings	2021 Savings
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H	Col. I	Col. J	Col. K	Col. L
6	Total Fees	n/a	($1.1)	($0.3)	($0.3)	($0.3)	($0.3)	($0.3)	($0.3)	($0.3)	($0.3)	($0.3)
7	Total Savings Variance	n/a	($1.1)	($0.3)	($0.3)	($0.3)	($0.3)	($0.3)	($0.3)	($0.3)	($0.3)	($0.3)

L. Association Dues

Savings Rationale:

In the Net Benefits Analysis, savings were forecast to result from the elimination of EEI membership dues model and other dues that would be reduced with a consolidated entity. The EEI dues model includes decreased rates after the first 500,000 customers and $500 million in electric revenues, decreasing the cost for the combined new company with greater revenue and a larger customer base as compared with two stand-alone companies.

Projected Savings:

In the Net Benefits Analysis, projected cumulative association dues savings totaled approximately $2.8 million by December 31, 2017.

Integration Activities:

Following the merger close, Eversource was able to reduce EEI dues because of the size of the combined company. Also, all professional memberships and corporate sponsorships/association fees were reviewed and duplicates were eliminated. Due to the nature of these savings, there is no impact to the ability of the Eversource Companies to perform the work necessary to serve customers on a safe and reliable basis.

Savings Achieved

Through December 31, 2017, cumulative savings in this functional area total approximately $2.1 million. Annual savings based on integration efforts to date are in the range of $0.4 million.

TABLE L
Association Dues Savings Summary
($ in Millions)

	Association Dues	2011 Savings	2012 Savings	2013 Savings	2014 Savings	2015 Savings	2016 Savings	2017 Savings	2018 Savings	2019 Savings	2020 Savings	2021 Savings
	Original Net Benefit Analysis											
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H	Col. I	Col. J	Col. K	Col. L
1	Association Dues	$0.1	$0.4	$0.4	$0.4	$0.5	$0.5	$0.5	$0.5	$0.5	$0.5	$0.5
2	Total	$0.1	$0.4	$0.4	$0.4	$0.5	$0.5	$0.5	$0.5	$0.5	$0.5	$0.5

	Association Dues	2011 Savings	2012 Savings	2013 Savings	2014 Savings	2015 Savings	2016 Savings	2017 Savings	2018 Savings	2019 Savings	2020 Savings	2021 Savings
	Results as of December 31, 2017											
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H	Col. I	Col. J	Col. K	Col. L
3	Inflation Rate		1.79%	1.58%	1.65%	1.10%	1.48%	1.80%	2.10%	2.70%	2.10%	2.10%
4	Association Dues	n/a	$0.1	$0.4	$0.4	$0.4	$0.4	$0.4	$0.4	$0.4	$0.4	$0.4
5	Total	n/a	$0.1	$0.4	$0.4	$0.4	$0.4	$0.4	$0.4	$0.4	$0.4	$0.4

	Association Dues	2011 Savings	2012 Savings	2013 Savings	2014 Savings	2015 Savings	2016 Savings	2017 Savings	2018 Savings	2019 Savings	2020 Savings	2021 Savings
	Variance (Preliminary vs. Net Benefit Analysis)											
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H	Col. I	Col. J	Col. K	Col. L
6	Association Dues	n/a	($0.4)	($0.0)	($0.1)	($0.1)	($0.1)	($0.1)	($0.1)	($0.1)	($0.0)	($0.0)
7	Total Savings Variance	n/a	($0.4)	($0.0)	($0.1)	($0.1)	($0.1)	($0.1)	($0.1)	($0.1)	($0.0)	($0.0)

M. Credit Facilities

Savings Rationale:

Prior to the merger, neither Legacy NSTAR nor Legacy NU fully utilized its respective credit lines. The Net Benefits Analysis anticipated that the post-merger organization would be in a better position to schedule its cash flow needs and, as a result, would be in a position to reduce the level of combined credit lines. Savings were also contemplated through avoided commitment fees on the underlying credit lines.

Projected Savings:

In the Net Benefits Analysis, there were minimal savings associated with credit facilities forecast through December 31, 2016.

Integration Activities:

Consistent with the Net Benefits Analysis, restructuring of credit facilities produced modest savings and are not individually quantified.

TABLE M. Credit Facilities
Credit Facilities Savings Summary
($ in Millions)

		Original Net Benefit Analysis										
	Credit Facilities	2011 Savings	2012 Savings	2013 Savings	2014 Savings	2015 Savings	2016 Savings	2017 Savings	2018 Savings	2019 Savings	2020 Savings	2021 Savings
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H	Col. I	Col. J	Col. K	Col. L
1	Credit Facility Fees	$0.0	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1
2	Total	$0.0	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1	$0.1

		Results as of December 31, 2017										
	Credit Facilities	2011 Savings	2012 Savings	2013 Savings	2014 Savings	2015 Savings	2016 Savings	2017 Savings	2018 Savings	2019 Savings	2020 Savings	2021 Savings
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H	Col. I	Col. J	Col. K	Col. L
3	Inflation Rate		1.79%	1.58%	1.65%	1.10%	1.48%	1.80%	2.10%	2.70%	2.10%	2.10%
4	Credit Facility Fees	n/a	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
5	Total	n/a	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0

		Variance (Preliminary vs. Net Benefit Analysis)										
	Credit Facilities	2011 Savings	2012 Savings	2013 Savings	2014 Savings	2015 Savings	2016 Savings	2017 Savings	2018 Savings	2019 Savings	2020 Savings	2021 Savings
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H	Col. I	Col. J	Col. K	Col. L
6	Credit Facility Fees	n/a	($0.1)	($0.1)	($0.1)	($0.1)	($0.1)	($0.1)	($0.1)	($0.1)	($0.1)	($0.1)
7	Total Savings Variance	n/a	($0.1)	($0.1)	($0.1)	($0.1)	($0.1)	($0.1)	($0.1)	($0.1)	($0.1)	($0.1)

N. Materials & Supply Procurement

Savings Rationale:

In the Net Benefits Analysis, savings were expected from increased standardization, purchasing power, and vendor consolidation.

Projected Savings:

In the Net Benefits Analysis, projected cumulative savings for materials and supply procurement totaled $70.1 million by December 31, 2017.

Integration Activities:

Procurement - Contract Rationalization Savings Initiative: This saving project started the contract consolidation process by focusing on common vendors of Legacy NSTAR and Legacy NU within the top 80 percent of spend. Through consolidation of vendors and vendor concessions, savings were identified.

Standardization & Consolidation of Materials Initiative: Eversource has reviewed the materials function across the enterprise. The review has led to over 100 items being eliminated, leading to lower ongoing material cost.

Due to the nature of these savings, there is no impact to the ability of the Eversource Companies to perform the work necessary to serve customers on a safe and reliable basis.

Savings Achieved

Through December 31, 2017, cumulative savings of approximately $46.2 million were achieved. Annual savings based on integration efforts to date are in the range of $10.6 million.

TABLE N
Materials & Supply Savings Summary
($ in Millions)

	Material and Supply Procurement	2011 Savings	2012 Savings	2013 Savings	2014 Savings	2015 Savings	2016 Savings	2017 Savings	2018 Savings	2019 Savings	2020 Savings	2021 Savings
		Original Net Benefit Analysis										
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H	Col. I	Col. J	Col. K	Col. L
1	Material & Supply Procurement	$2.6	$10.6	$10.9	$11.2	$11.4	$11.6	$11.8	$12.0	$12.1	$12.3	$12.5
2	Capitalization Rate	85.74%	85.74%	85.74%	85.74%	85.74%	85.74%	85.74%	85.74%	85.74%	85.74%	85.74%
3	Total O&M Savings	$0.4	$1.5	$1.6	$1.6	$1.6	$1.7	$1.7	$1.7	$1.7	$1.8	$1.8
4	Total Capitalized Savings	$2.2	$9.1	$9.4	$9.6	$9.8	$10.0	$10.1	$10.3	$10.4	$10.6	$10.7
5	Yearly Depreciation	3.70%	3.70%	3.70%	3.70%	3.70%	3.70%	3.70%	3.70%	3.70%	3.70%	3.70%
6	Rate Base Return	18.15%	18.15%	18.15%	18.15%	18.15%	18.15%	18.15%	18.15%	18.15%	18.15%	18.15%
7	2011	$2.2	$2.1	$2.1	$2.0	$1.9	$1.8	$1.8	$1.7	$1.6	$1.6	$1.5
8	2012		$9.1	$8.8	$8.4	$8.1	$7.8	$7.5	$7.3	$7.0	$6.7	$6.5
9	2013			$9.4	$9.0	$8.7	$8.4	$8.0	$7.8	$7.5	$7.2	$6.9
10	2014				$9.6	$9.2	$8.9	$8.6	$8.2	$7.9	$7.6	$7.4
11	2015					$9.8	$9.4	$9.1	$8.7	$8.4	$8.1	$7.8
12	2016						$10.0	$9.6	$9.2	$8.9	$8.6	$8.2
13	2017							$10.1	$9.7	$9.4	$9.0	$8.7
14	2018								$10.3	$9.9	$9.5	$9.2
15	2019									$10.4	$10.0	$9.7
16	2020										$10.6	$10.2
17	2021											$10.7
18	Total Rate Base (sum lines 7 thru 17)	$2.2	$11.2	$20.2	$29.0	$37.7	$46.3	$54.7	$62.9	$71.0	$78.9	$86.7
19	Revenue Requirements (line 18 * line 6)	$0.4	$2.0	$3.7	$5.3	$6.8	$8.4	$9.9	$11.4	$12.9	$14.3	$15.7
20	O&M and Capital Return Savings (line 3 + line 19)	$0.8	$3.6	$5.2	$6.9	$8.5	$10.1	$11.6	$13.1	$14.6	$16.1	$17.5

	Material and Supply Procurement	2011 Savings	2012 Savings	2013 Savings	2014 Savings	2015 Savings	2016 Savings	2017 Savings	2018 Savings	2019 Savings	2020 Savings	2021 Savings
		Results as of December 31, 2017										
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H	Col. I	Col. J	Col. K	Col. L
21	Inflation Rate		1.79%	1.58%	1.65%	1.10%	1.48%	1.80%	2.10%	2.70%	2.10%	2.10%
22	Material & Supply Procurement	n/a	$1.5	$3.2	$10.2	$10.3	$10.4	$10.6	$10.8	$11.1	$11.4	$11.6
23	Capitalization Rate	n/a	92.02%	89.61%	89.15%	87.56%	88.70%	92.50%	92.50%	92.50%	92.50%	92.50%
24	Total O&M Savings	n/a	$0.1	$0.3	$1.1	$1.3	$1.2	$0.8	$0.8	$0.8	$0.9	$0.9
25	Total Capitalized Savings	n/a	$1.4	$2.8	$9.1	$9.0	$9.3	$9.8	$10.0	$10.3	$10.5	$10.7
26	Yearly Depreciation	n/a	3.26%	3.32%	3.22%	3.35%	3.35%	3.33%	3.33%	3.33%	3.33%	3.33%
27	Rate Base Return	n/a	17.38%	17.22%	16.48%	16.49%	17.30%	17.09%	17.09%	17.09%	17.09%	17.09%
28	2011	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
29	2012		$1.4	$1.3	$1.3	$1.2	$1.2	$1.2	$1.1	$1.1	$1.1	$1.0
30	2013			$2.8	$2.7	$2.6	$2.6	$2.5	$2.4	$2.3	$2.2	$2.2
31	2014				$9.1	$8.8	$8.5	$8.2	$7.9	$7.7	$7.4	$7.2
32	2015					$9.0	$8.7	$8.4	$8.1	$7.9	$7.6	$7.3
33	2016						$9.3	$8.9	$8.6	$8.4	$8.1	$7.8
34	2017							$9.8	$9.5	$9.2	$8.9	$8.6
35	2018								$10.0	$9.7	$9.4	$9.1
36	2019									$10.3	$10.0	$9.6
37	2020										$10.5	$10.2
38	2021											$10.7
39	Total Rate Base (sum lines 28 thru 38)	n/a	$1.4	$4.2	$13.1	$21.7	$30.2	$39.0	$47.7	$56.5	$65.1	$73.7
40	Revenue Requirements (line 39 * line 27)	n/a	$0.2	$0.7	$2.2	$3.6	$5.2	$6.7	$8.2	$9.6	$11.1	$12.6
41	O&M and Capital Return Savings (line 24 + line 40)	n/a	$0.4	$1.0	$3.3	$4.8	$6.4	$7.5	$9.0	$10.5	$12.0	$13.5

	Material and Supply Procurement	2011 Savings	2012 Savings	2013 Savings	2014 Savings	2015 Savings	2016 Savings	2017 Savings	2018 Savings	2019 Savings	2020 Savings	2021 Savings
		Variance (Preliminary vs Net Benefit Analysis)										
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H	Col. I	Col. J	Col. K	Col. L
42	Material and Supply Procurement	n/a	($3.2)	($4.2)	($3.6)	($3.6)	($3.7)	($4.1)	($4.2)	($4.1)	($4.1)	($4.1)
43	Total Savings Variance	n/a	($3.2)	($4.2)	($3.6)	($3.6)	($3.7)	($4.1)	($4.2)	($4.1)	($4.1)	($4.1)

O. Inventory

Savings Rationale:

In the Net Benefits Analysis, Eversource forecast that a combined entity could realize a one-time inventory reduction due to inventory duplication.

Projected Savings:

The Net Benefits Analysis did not forecast savings associated with this function.

Integration Activities:

Eversource reviewed its warehouses and stocking locations and did not identify any merger related cost savings.

Savings Achieved:

At this time there are no merger related savings associated with this integration initiative.

P. Contract Services

Savings Rationale:

In the Net Benefits Analysis, the post-merger organization was expected to have opportunities to consolidate and reduce contract services activities through economies of scale and elimination of non-recurring duplicate services, such as tree trimming and construction and similar items.

Projected Savings:

In the Net Benefits Analysis, projected cumulative savings for contract services totaled $73.0 million by December 31, 2017.

Integration Activities:

> **Procurement - Contract Rationalization Savings Initiative:** This saving project started the contract consolidation process by focusing on common vendors of Legacy NSTAR and Legacy NU within the top 80 percent of spend. Through consolidation of vendors and vendor concessions, savings were identified.

Due to the nature of these savings, there is no impact to the ability of the Eversource Companies to perform the work necessary to serve customers on a safe and reliable basis.

Savings Achieved

Through December 31, 2017, cumulative savings in this functional area total approximately $38.6 million in savings. Annual savings based on integration efforts to date are in the range of $7.6 million.

TABLE P
Contract Services Savings Summary
($ in Millions)

		Original Net Benefit Analysis										
	Contract Services	2011 Savings	2012 Savings	2013 Savings	2014 Savings	2015 Savings	2016 Savings	2017 Savings	2018 Savings	2019 Savings	2020 Savings	2021 Savings
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H	Col. I	Col. J	Col. K	Col. L
1	Contract Services	$2.7	$11.0	$11.4	$11.6	$11.9	$12.1	$12.3	$12.5	$12.6	$12.8	$13.0
2	Capitalization Rate	65.00%	65.00%	65.00%	65.00%	65.00%	65.00%	65.00%	65.00%	65.00%	65.00%	65.00%
3	Total O&M Savings	$0.9	$3.9	$4.0	$4.1	$4.2	$4.2	$4.3	$4.4	$4.4	$4.5	$4.5
4	Total Capitalized Savings	$1.8	$7.2	$7.4	$7.6	$7.7	$7.9	$8.0	$8.1	$8.2	$8.3	$8.4
5	Yearly Depreciation	3.70%	3.70%	3.70%	3.70%	3.70%	3.70%	3.70%	3.70%	3.70%	3.70%	3.70%
6	Rate Base Return	18.15%	18.15%	18.15%	18.15%	18.15%	18.15%	18.15%	18.15%	18.15%	18.15%	18.15%
7	2011	$1.8	$1.7	$1.6	$1.6	$1.5	$1.5	$1.4	$1.4	$1.3	$1.3	$1.2
8	2012		$7.2	$6.9	$6.7	$6.4	$6.2	$5.9	$5.7	$5.5	$5.3	$5.1
9	2013			$7.4	$7.1	$6.9	$6.6	$6.4	$6.1	$5.9	$5.7	$5.5
10	2014				$7.6	$7.3	$7.0	$6.8	$6.5	$6.3	$6.0	$5.8
11	2015					$7.7	$7.4	$7.2	$6.9	$6.6	$6.4	$6.2
12	2016						$7.9	$7.6	$7.3	$7.0	$6.8	$6.5
13	2017							$8.0	$7.7	$7.4	$7.1	$6.9
14	2018								$8.1	$7.8	$7.5	$7.2
15	2019									$8.2	$7.9	$7.6
16	2020										$8.3	$8.0
17	2021											$8.4
18	Total Rate Base (sum lines 7 thru 17)	$1.8	$8.9	$15.9	$22.9	$29.8	$36.5	$43.2	$49.7	$56.1	$62.3	$68.5
19	Revenue Requirements (line 18 * line 6)	$0.3	$1.6	$2.9	$4.2	$5.4	$6.6	$7.8	$9.0	$10.2	$11.3	$12.4
20	O&M and Capital Return Savings (line 3 + line 19)	$1.3	$5.5	$6.9	$8.2	$9.6	$10.9	$12.1	$13.4	$14.6	$15.8	$17.0

Results as of December 31, 2017

	Contract Services	2011 Savings	2012 Savings	2013 Savings	2014 Savings	2015 Savings	2016 Savings	2017 Savings	2018 Savings	2019 Savings	2020 Savings	2021 Savings
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H	Col. I	Col. J	Col. K	Col. L
21	Inflation Rate		1.79%	1.58%	1.65%	1.10%	1.48%	1.80%	2.10%	2.70%	2.10%	2.10%
22	Contract Services	n/a	$1.8	$7.3	$7.2	$7.3	$7.4	$7.6	$7.7	$7.9	$8.1	$8.3
23	Capitalization Rate	n/a	62.77%	60.96%	61.05%	67.29%	79.90%	78.77%	78.77%	78.77%	78.77%	78.77%
24	Total O&M Savings	n/a	$0.7	$2.8	$2.8	$2.4	$1.5	$1.6	$1.6	$1.7	$1.7	$1.8
25	Total Capitalized Savings	n/a	$1.2	$4.4	$4.4	$4.9	$5.9	$6.0	$6.1	$6.2	$6.4	$6.5
26	Yearly Depreciation	n/a	3.26%	3.32%	3.22%	3.35%	3.35%	3.33%	3.33%	3.33%	3.33%	3.33%
27	Rate Base Return	n/a	17.38%	17.22%	16.48%	16.49%	17.30%	17.09%	17.09%	17.09%	17.09%	17.09%
28	2011	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
29	2012		$1.2	$1.1	$1.1	$1.0	$1.0	$1.0	$0.9	$0.9	$0.9	$0.8
30	2013			$4.4	$4.3	$4.1	$4.0	$3.9	$3.7	$3.6	$3.5	$3.4
31	2014				$4.4	$4.3	$4.1	$4.0	$3.9	$3.7	$3.6	$3.5
32	2015					$4.9	$4.8	$4.6	$4.4	$4.3	$4.2	$4.0
33	2016						$5.9	$5.7	$5.5	$5.4	$5.2	$5.0
34	2017							$6.0	$5.8	$5.6	$5.4	$5.2
35	2018								$6.1	$5.9	$5.7	$5.5
36	2019									$6.2	$6.0	$5.8
37	2020										$6.4	$6.2
38	2021											$6.5
39	Total Rate Base (sum lines 28 thru 38)	n/a	$1.2	$5.5	$9.8	$14.4	$19.8	$25.1	$30.4	$35.6	$40.8	$45.9
40	Revenue Requirements (line 39 * line 27)	n/a	$0.2	$1.0	$1.6	$2.4	$3.4	$4.3	$5.2	$6.1	$7.0	$7.8
41	O&M and Capital Return Savings (line 24 + line 40)	n/a	$0.9	$3.8	$4.4	$4.8	$4.9	$5.9	$6.8	$7.8	$8.7	$9.6

Variance (Preliminary vs Net Benefit Analysis)

	Contract Services	2011 Savings	2012 Savings	2013 Savings	2014 Savings	2015 Savings	2016 Savings	2017 Savings	2018 Savings	2019 Savings	2020 Savings	2021 Savings
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H	Col. I	Col. J	Col. K	Col. L
42	Contract Services	n/a	($4.6)	($3.1)	($3.8)	($4.8)	($5.9)	($6.2)	($6.6)	($6.8)	($7.1)	($7.4)
43	Total Savings Variance	n/a	($4.6)	($3.1)	($3.8)	($4.8)	($5.9)	($6.2)	($6.6)	($6.8)	($7.1)	($7.4)

Q. Energy Sourcing

Savings Rationale:

In the Net Benefits Analysis, Eversource indicated that, although NSTAR's prior merger enabled the attainment of savings in the energy supply area, the circumstances of the NSTAR/Northeast Utilities merger did not indicate that similar savings would be achievable.

Projected Savings:

In the Net Benefits Analysis, no cost savings were identified in relation to energy sourcing.

Integration Activities:

There have not been any integration activities related to energy sourcing due to the distinct regulatory requirements of the Eversource Companies.

Savings Achieved

No savings have been achieved in relation to this functional area.

R. Merger-Related Costs

Estimation of Merger-Related Costs:

The Net Benefits Analysis recognized that merger-related savings cannot be achieved without expenditures that enable the merger and are necessary to achieve reduced costs of service. These costs fall into two inter-related categories: transaction costs and integration costs. The Net Benefits Analysis estimated that merger-related transaction and integration costs would total approximately $164 million.

Quantification of Actual Merger-Related Costs:

Table R, below, shows that Eversource has incurred $125.9 million in merger-related costs through December 31, 2017 on an enterprise-wide basis. Executive retention and separation payments are excluded from this analysis in accordance with the merger-related settlements. There were no merger related costs after December 31, 2015 and no additional incremental merger-related costs are forecasted.

The Merger-Related Costs shown in Table R are expense items only. Capital investment to implement new information systems or other cost-reduction initiatives is not included, but would be recoverable as a rate-base addition subject to the standard of review for capital projects.

TABLE R
Merger Cost Summary
($ in Millions)

		Results as of December 31, 2017													
	Merger Cost	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. F	Col. G	Col. H	Col. I	Col. J	Col. K	Col. L	Col. L	Col. M
	Integration Cost														
1	Separation Costs														
2	Separation Program			$20.5	$9.3	$2.6									$32.4
3	Executive Separation[(a)]														$0.0
4	Separation Assistance			$0.2											$0.2
5	Retention Costs[(a)]														$0.0
6	System Integration Costs				$5.8	$7.4	$0.1								$13.3
7	Telecommunication Costs														$0.0
8	Internal/External Communications														$0.0
9	Transition Costs	$0.2	$3.4	$3.2	$1.5	$2.6	$0.9								$11.7
	Transaction Costs														
10	Transaction Costs														
11	Bankers Fees	$11.8	$12.1	$24.1											$48.0
12	Lawyers Fees	$4.2	$2.1	$5.4											$11.7
13	Registration	$0.0	$2.1												$2.1
14	Consultants	$0.9	$0.5												$1.4
15	D&O Liability Tail Coverage	$0.0	$0.0												$0.0
16	Regulatory Process Costs														
17	Legal Fees	$1.2	$3.2												$4.4
18	Registration S4	$0.3	$0.0												$0.4
19	Consultants	$0.0	$0.2												$0.2
20	Total Costs	$18.7	$23.6	$53.4	$16.6	$12.6	$1.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$125.9

(a) Excludes executive separation and retention payments.

Proportional Share of NU / NSTAR Merger Savings
($ in Millions)

		Cumulative Savings / Costs thru 2022			Cumulative Savings / Costs thru 2018			Test Year 2018 Savings / Costs		
	Category	**(A) Total Savings / Costs**	**(B) PSNH Allocation (%)**	**(C)=(A)*(B) PSNH Allocation ($)**	**(D) Total Savings / Costs**	**(E) PSNH Allocation (%)**	**(F)=(D)*(E) PSNH Allocation ($)**	**(G) Total Savings / Costs**	**(H) PSNH Allocation (%)**	**(I)=(G)*(H) PSNH Allocation ($)**
A	Total Labor Savings	$ 530.1	6.69%	$ 35.46	$ 304.6	6.65%	$ 20.2	$ 62.7	6.74%	$ 4.2
B	Administrative & General Overhead	8.4	6.69%	0.56	5.0	6.65%	$ 0.3	1.0	6.74%	0.1
C	Advertising	13.9	6.62%	0.92	9.0	6.47%	$ 0.6	1.5	6.80%	0.1
D	Benefits	248.9	6.69%	16.65	142.1	6.65%	$ 9.4	28.4	6.74%	1.9
E	Insurance	23.0	6.62%	1.52	15.0	6.47%	$ 1.0	2.3	6.80%	0.2
F	Information Systems	144.3	6.69%	9.65	77.6	6.65%	$ 5.2	19.1	6.74%	1.3
G	Professional Services	13.4	6.62%	0.89	8.7	6.47%	$ 0.6	1.4	6.80%	0.1
I	Shareholder Services	6.7	6.43%	0.43	4.3	6.25%	$ 0.3	0.7	6.64%	0.0
J	Vehicles	-		-	-		$ -	-		-
K	Directors Fees	11.3	6.62%	0.75	7.2	6.47%	$ 0.5	1.2	6.80%	0.1
L	Association Dues	3.9	6.62%	0.26	2.5	6.47%	$ 0.2	0.4	6.80%	0.0
M	Credit Facilities	-		-	-		$ -	-		-
N	Materials & Supply Procurement	71.6	4.48%	3.21	32.4	4.35%	$ 1.4	9.0	4.62%	0.4
P	Contract Services	60.0	4.48%	2.69	31.5	4.35%	$ 1.4	6.8	4.62%	0.3
R	Merger Related Cost	(125.9)	7.22%	$ (9.1)	$ (125.9)	7.22%	$ (9.1)	$ -	7.22%	$ -
	Total Net Savings	$ 1,009.7		$ 63.90	$ 514.0		$ 31.9	$ 134.4		$ 8.7
	Percent of Total Net Savings			6.33%			6.20%			6.49%
	Total Gross Savings	$ 1,135.6		$ 73.0	$ 639.9		$ 41.0	$ 134.4		$ 8.7
	Percent of Gross Savings			6.43%			6.40%			6.49%

Public Service Company of New Hampshire
d/b/a Eversource Energy
Merger Savings related to Labor, Benefits and Insurance
CY 2011 vs. CY 2013

Line No.	Description	2011	2013	2013 Savings	Capitalization Rate	Total O&M Savings	Reference
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G
1	Labor			$ (1,154,817)	51.11%	$ (564,590)	Page 2 of 4
2							
3	Benefits	$ 14,165,803	$ 12,754,480	$ (1,411,323)	n/a	$ (1,411,323)	Page 3 of 4
4							
5	Insurance	$ 1,068,534	$ 943,080	$ (125,454)	n/a	$ (125,454)	Page 4 of 4
6							
7	Net (Savings)/Costs in 2013 Dollars			$ (2,691,594)		$ (2,101,367)	Line 1 + Line 3 + Line 5
8							
9	Inflation Rate per GDP-PI						
10	2014					1.89%	
11	2015					1.07%	
12	2016					1.09%	
13	2017					1.90%	
14	2018					2.26%	
15	Net (Savings)/Costs Through 2018					$ (2,279,625)	Line 7*(1+Line10)*(1+Line11)*(1+Line 12)*(1+Line13)*(1+Line14)

Line Notes
Col.B and Col.C - Amounts are distribution expenses only from the NHPUC Form F-1
Col.D - Line 1 represents the 2012 and 2013 actual merger related salaries reduction. The 2012 salaries reflect the average increase in 2013.
Col.B - Lines 3 & 5 are actual expenses per Company's Records
Col.C - Lines 3 & 5 are actual expenses per Company's Records

Public Service Company of New Hampshire
d/b/a Eversource Energy
Merger Savings related to Labor
CY 2011 vs. CY 2013

Line No.	Category	Merger Related Reductions	Reference
	Col. A	Col. B	Col. D
1	Merger Related Labor Reductions	$ (921,413)	2012 - 12 positions (actual salaries)
2		(205,761)	2013 - 3 positions (actual salaries)
3			
4	Sub-Total Labor Adjustments	(1,127,174)	Sum of (Line 1 & Line 2)
5			
6			
7	Historical Payroll Increases		
8	2013 - 3%	(27,642)	Line 1 * 3%
9			
10	Total Net Labor (Savings)/Costs in 2013	(1,154,817)	Line 4 - Line 8

Public Service Company of New Hampshire
d/b/a Eversource Energy
Merger Savings Related to Benefits
CY 2011 vs. CY 2013

Line No.	Description	2011	2013	Reference
	Col. A	Col. B	Col. C	Col. D
1	Medical	$ 10,323,215	$ 9,818,810	Per company records
2	Dental	780,794	607,013	Per company records
3	Vision	110,659	79,555	Per company records
4	Prescription	2,308,100	2,249,102	Per company records
5	Total	$ 13,522,768	$ 12,754,480	Sum of (Line 1 Through Line 6)
6				
7	Employment Cost Index:			
8	2012 @ 2.4%	324,546		Line 5 * 2.4%
9	2013 @ 2.3%	318,488		(Line 5 + Line 8) * 2.3%
10	2011 Employee Benefits Costs (2013 Dollars)		$ 14,165,803	Col B: Line 5 + Line 8 + Line 9
11				
12	Net (Savings)/Costs		$ (1,411,323)	Line 5 - Line 10

Line Notes
13 Bureau of Labor Statistics Employment Cost Index (ECI) - annual percent change in benefits costs for civilian workers

Public Service Company of New Hampshire
d/b/a Eversource Energy
Merger Savings Related to Insurance Expense
CY 2011 vs. CY 2013

Line No.	Description	2011	2013	(Savings) & Costs 2011-2013	Reference
	Col.A	Col.B	Col.C	Col.D = Col.B - Col.C	
1	Property	$ 198,451	$ 179,176	$ (19,275)	Per company records
2	Excess General Liability	490,783	509,335	$ 18,552	Per company records
3	Directors & Officers Liabillity	379,300	254,569	$ (124,731)	Per company records
4	Insurance (Savings) / Costs	$ 1,068,534	$ 943,080	**$ (125,454)**	Line 3 + Line 5

Public Service Company of New Hampshire
d/b/a Eversource Energy
Docket No. DE 19-057
Attachment EHC/TMD-8 (Perm)
Schedule EHC/TMD-1 (Perm)
May 29, 2018

PSNH Regulated ADIT
Surplus/Deficit From Federal Rate Change to 21%
December 31, 2017 After RTP

Beginning in Rate Year	Year	Plant $ 124,124,059 24.1 Yr Life	Pension/OPEB $ 9,505,657 10 Yr Life	Non-Pension $ 6,262,292 5 Yr Life	Total Before Tax Gross Up	Total After Tax Gross Up*
2019	1	(2,621,427)	(950,566)	(1,252,458)	(4,824,451)	(6,616,348)
2020	2	(2,640,235)	(950,566)	(1,252,458)	(4,843,259)	(6,642,142)
2021	3	(2,803,929)	(950,566)	(1,252,458)	(5,006,953)	(6,866,636)
2022	4	(2,977,773)	(950,566)	(1,252,458)	(5,180,797)	(7,105,049)
2023	5	(3,162,395)	(950,566)	(1,252,458)	(5,365,419)	(7,358,243)
2024	6	(3,358,463)	(950,566)	-	(4,309,029)	(5,909,489)
2025	7	(3,566,688)	(950,566)	-	(4,517,254)	(6,195,052)
2026	8	(3,787,823)	(950,566)	-	(4,738,388)	(6,498,321)
2027	9	(4,022,668)	(950,566)	-	(4,973,233)	(6,820,392)
2028	10	(4,272,073)	(950,566)	-	(5,222,639)	(7,162,431)
2029	11	(4,536,942)	-	-	(4,536,942)	(6,222,052)
2030	12	(4,818,232)	-	-	(4,818,232)	(6,607,820)
2031	13	(5,116,962)	-	-	(5,116,962)	(7,017,505)
2032	14	(5,434,214)	-	-	(5,434,214)	(7,452,590)
2033	15	(5,771,135)	-	-	(5,771,135)	(7,914,650)
2034	16	(6,128,946)	-	-	(6,128,946)	(8,405,359)
2035	17	(6,508,940)	-	-	(6,508,940)	(8,926,491)
2036	18	(6,912,495)	-	-	(6,912,495)	(9,479,933)
2037	19	(7,341,069)	-	-	(7,341,069)	(10,067,689)
2038	20	(7,796,216)	-	-	(7,796,216)	(10,691,886)
2039	21	(7,796,216)	-	-	(7,796,216)	(10,691,886)
2040	22	(7,796,216)	-	-	(7,796,216)	(10,691,886)
2041	23	(7,796,216)	-	-	(7,796,216)	(10,691,886)
2042	24	(7,796,216)	-	-	(7,796,216)	(10,691,886)
2043	25	639,427	-	-	639,427	876,923
		(124,124,059)	(9,505,657)	(6,262,292)	(139,892,008)	(155,659,957)

* Reflects the tax gross up consistent with the "Test Year Pro Forma" column as per Attachment EHC/TMD-1 Schedule EHC/TMD-2.

Public Service Company of New Hampshire
d/b/a Eversource Energy
Docket No. DE 19-057
Attachment EHC/TMD-8 (Perm)
Schedule EHC/TMD-2 (Perm)
May 28, 2019

PSNH Regulated ADIT
Surplus/Deficit From State Rate Change from 8.2% to 7.9% and then to 7.7%
December 31, 2018

Beginning in Rate Year	Year	Plant $ 2,496,796 5 Yr Life	Non-Plant $ 1,066,257 5 Yr Life	Total Before Tax Gross Up	Total After Tax Gross Up*
2019	1	(499,359)	(213,251)	(712,611)	(977,288)
2020	2	(499,359)	(213,251)	(712,611)	(977,288)
2021	3	(499,359)	(213,251)	(712,611)	(977,288)
2022	4	(499,359)	(213,251)	(712,611)	(977,288)
2023	5	(499,359)	(213,251)	(712,611)	(977,288)
2024	6			0	0
2025	7			0	0
2026	8			0	0
2027	9			0	0
2028	10			0	0
2029	11		-	0	0
2030	12		-	0	0
2031	13		-	0	0
2032	14		-	0	0
2033	15		-	0	0
2034	16		-	0	0
2035	17		-	0	0
2036	18		-	0	0
2037	19		-	0	0
2038	20		-	0	0
2039	21		-	0	0
2040	22		-	0	0
2041	23		-	0	0
2042	24		-	0	0
2043	25		-	0	0
		(2,496,796)	(1,066,257)	(3,563,053)	(4,629,310)

* Reflects the tax gross up consistent with the "Test Year Pro Forma" column as per Attachment EHC/TMD-1 Schedule EHC/TMD-2.

PSNH Regulated ADIT
Surplus/Deficit From State and Federal Rate Changes
December 31, 2018

Beginning in Rate Year	Year	Plant $ 126,620,855 5 Yr Life	Non-Plant $ 16,834,206 5 Yr Life	Total Before Tax Gross Up	Total After Tax Gross Up*
2019	1	$ (3,120,786)	$ (2,416,276)	(5,537,061)	(7,593,637)
2020	2	$ (3,139,594)	$ (2,416,276)	(5,555,869)	(7,619,430)
2021	3	$ (3,303,288)	$ (2,416,276)	(5,719,564)	(7,843,924)
2022	4	$ (3,477,132)	$ (2,416,276)	(5,893,408)	(8,082,337)
2023	5	$ (3,661,754)	$ (2,416,276)	(6,078,030)	(8,335,531)
2024	6	$ (3,358,463)	$ (950,566)	(4,309,029)	(5,909,489)
2025	7	$ (3,566,688)	$ (950,566)	(4,517,254)	(6,195,052)
2026	8	$ (3,787,823)	$ (950,566)	(4,738,388)	(6,498,321)
2027	9	$ (4,022,668)	$ (950,566)	(4,973,233)	(6,820,392)
2028	10	$ (4,272,073)	$ (950,566)	(5,222,639)	(7,162,431)
2029	11	$ (4,536,942)	$ -	(4,536,942)	(6,222,052)
2030	12	$ (4,818,232)	$ -	(4,818,232)	(6,607,820)
2031	13	$ (5,116,962)	$ -	(5,116,962)	(7,017,505)
2032	14	$ (5,434,214)	$ -	(5,434,214)	(7,452,590)
2033	15	$ (5,771,135)	$ -	(5,771,135)	(7,914,650)
2034	16	$ (6,128,946)	$ -	(6,128,946)	(8,405,359)
2035	17	$ (6,508,940)	$ -	(6,508,940)	(8,926,491)
2036	18	$ (6,912,495)	$ -	(6,912,495)	(9,479,933)
2037	19	$ (7,341,069)	$ -	(7,341,069)	(10,067,689)
2038	20	$ (7,796,216)	$ -	(7,796,216)	(10,691,886)
2039	21	$ (7,796,216)	$ -	(7,796,216)	(10,691,886)
2040	22	$ (7,796,216)	$ -	(7,796,216)	(10,691,886)
2041	23	$ (7,796,216)	$ -	(7,796,216)	(10,691,886)
2042	24	$ (7,796,216)	$ -	(7,796,216)	(10,691,886)
2043	25	$ 639,427	$ -	639,427	876,923
		(126,620,855)	(16,834,206)	(143,455,061)	(160,289,267)

* Reflects the tax gross up consistent with the "Test Year Pro Forma" column
as per Attachment EHC/TMD-1 Schedule EHC/TMD-2.

GRID TRANSFORMATION AND ENABLEMENT PROGRAM (GTEP)

ILLUSTRATIVE ANNUAL REVENUE REQUIREMENT

SCHEDULE 1 - SUMMARY OF REVENUE REQUIREMENT

Line	Description	Investment Year 1 2020	Investment Year 2 2021	Investment Year 3 2022	Investment Year 4 2023	Investment Year 5 2024	Investment Year 6 2025	Investment Year 7 2026	Investment Year 8 2027	Investment Year 9 2028	Investment Year 10 2029	Reference
20	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)
21												
22	Beginning Gross Plant	-	$ 18,750,000	$ 63,250,000	$ 115,750,000	$ 153,250,000	$ 190,750,000	$ 228,250,000	$ 265,750,000	$ 300,750,000	$ 335,750,000	Line 26 Prior Year
23	Resiliency investments	18,750,000	37,500,000	37,500,000	37,500,000	37,500,000	37,500,000	37,500,000	35,000,000	35,000,000	35,000,000	Sum of Sch 2 Lines 24-27
24	Clean Innovation projects	-	7,000,000	15,000,000	-	-	-	-	-	-	-	Sum of Sch 2 Lines 28-29
25	Investment Activity	$ 18,750,000	$ 44,500,000	$ 52,500,000	$ 37,500,000	$ 37,500,000	$ 37,500,000	$ 37,500,000	$ 35,000,000	$ 35,000,000	$ 35,000,000	Line 23 + Line 24
26	Ending Gross Plant	$ 18,750,000	$ 63,250,000	$ 115,750,000	$ 153,250,000	$ 190,750,000	$ 228,250,000	$ 265,750,000	$ 300,750,000	$ 335,750,000	$ 370,750,000	Line 22 + Line 24
27	Accumulated Depreciation	$ (312,500)	$ (1,679,167)	$ (4,662,500)	$ (9,145,833)	$ (14,879,167)	$ (21,862,500)	$ (30,095,833)	$ (39,537,500)	$ (50,145,833)	$ (61,920,833)	Line 27 Prior Year - Line 37
28	Current Net Plant	$ 18,437,500	$ 61,570,833	$ 111,087,500	$ 144,104,167	$ 175,870,833	$ 206,387,500	$ 235,654,167	$ 261,212,500	$ 285,604,167	$ 308,829,167	Line 26 + Line 27
29	Deferred Income Taxes	$ (105,793)	$ (554,192)	$ (1,488,503)	$ (2,799,955)	$ (4,345,154)	$ (6,081,192)	$ (7,968,319)	$ (9,955,736)	$ (12,011,452)	$ (14,143,102)	Sch 3 Line 68
30	Current Rate Base	$ 18,331,707	$ 61,016,642	$ 109,598,997	$ 141,304,211	$ 171,525,679	$ 200,306,308	$ 227,685,847	$ 251,256,764	$ 273,592,714	$ 294,686,065	Line 28 + Line 29
31												
32	Average Rate Base	$ 9,165,854	$ 39,674,174	$ 85,307,819	$ 125,451,604	$ 156,414,945	$ 185,915,994	$ 213,996,078	$ 239,471,306	$ 262,424,739	$ 284,139,389	Avg of Line 30 Prior Year + Current Year
33	Pre-Tax WACC	9.73%	9.73%	9.73%	9.73%	9.73%	9.73%	9.73%	9.73%	9.73%	9.73%	Sch 4 Line 25
34	Return on Capital Investment	$ 891,838	$ 3,860,297	$ 8,300,451	$ 12,206,441	$ 15,219,174	$ 18,089,626	$ 20,821,818	$ 23,300,558	$ 25,533,927	$ 27,646,763	Line 32 x Line 33
35												
36	O&M	$ 2,875,000	$ 5,750,000	$ 5,890,000	$ 5,890,000	$ 5,890,000	$ 5,890,000	$ 5,890,000	$ 5,890,000	$ 5,890,000	$ 5,890,000	Sch 2 Line 40
37	Depreciation Expense	$ 312,500	$ 1,366,667	$ 2,983,333	$ 4,483,333	$ 5,733,333	$ 6,983,333	$ 8,233,333	$ 9,441,667	$ 10,608,333	$ 11,775,000	Sch 3 Line 63
38	Property Taxes	$ 409,359	$ 1,380,906	$ 2,527,112	$ 3,345,831	$ 4,164,550	$ 4,983,268	$ 5,801,987	$ 6,566,125	$ 7,330,262	$ 8,094,400	Line 26 x Sch 3 Line 71
39	Annual Revenue Requirement	$ 4,488,697	$ 12,357,870	$ 19,700,896	$ 25,925,605	$ 31,007,057	$ 35,946,228	$ 40,747,139	$ 45,198,350	$ 49,362,523	$ 53,406,163	Line 34 + Sum of Lines 36-38
40												
41	Incremental Distribution Tracker Revenue Requirement	$ 4,488,697	$ 7,869,173	$ 7,343,027	$ 6,224,709	$ 5,081,452	$ 4,939,171	$ 4,800,911	$ 4,451,211	$ 4,164,173	$ 4,043,640	Line 39 Current Year - Prior Year

Public Service Company of New Hampshire
d/b/a Eversource Energy
Docket No. DE 19-057
Attachment EHC/TMD-9 (Perm)
Schedule EHC/TMD-2 (Perm)
May 28, 2019

GRID TRANSFORMATION AND ENABLEMENT PROGRAM (GTEP)

ILLUSTRATIVE ANNUAL REVENUE REQUIREMENT

SCHEDULE 2 - CAPITAL ADDITIONS AND OPERATING AND MAINTENANCE EXPENSE

Line	Description		Investment Year 1 2020	Investment Year 2 2021	Investment Year 3 2022	Investment Year 4 2023	Investment Year 5 2024	Investment Year 6 2025	Investment Year 7 2026	Investment Year 8 2027	Investment Year 9 2028	Investment Year 10 2029	Reference
20	(A)		(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)
21													
22	Capital additions												
23	Resiliency investments												
24	Pole replacement	(1)	10,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	Input
25	Right-of-way rebuild	(1)	5,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	Input
26	Reconductoring	(1)	2,500,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	Input
27	Substation renewal	(1)	1,250,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000				Input
28	Westmoreland Clean Innovation Project	(2)		7,000,000									Input
29	Oyster River Clean Innovation Project	(3)			15,000,000								Input
30	Total capital additions		18,750,000	44,500,000	52,500,000	37,500,000	37,500,000	37,500,000	37,500,000	35,000,000	35,000,000	35,000,000	Sum of Lines 24-29
31													
32	O&M												
33	Resiliency investments (one-time transfer expense)												
34	Pole replacement	**25%**	2,500,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	25% x Line 24
35	Right-of-way rebuild	**5%**	250,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	5% x Line 25
36	Reconductoring	**5%**	125,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	5% x Line 26
37	Substation renewal		-	-	-	-	-	-	-	-	-	-	N/A
38	Westmoreland Clean Innovation Project	(4)	-	-	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	Input
39	Oyster River Clean Innovation Project		-	-	-	-	-	-	-	-	-	-	N/A
40	Total O&M		2,875,000	5,750,000	5,890,000	5,890,000	5,890,000	5,890,000	5,890,000	5,890,000	5,890,000	5,890,000	Sum of Lines 34-39

(1) Assumes 7/1/2020 start of the program, consistent with the DRAM Factor
(2) Assumes in-service in 2021
(3) Assumes in-service in 2022
(4) Ongoing non-labor costs for warranties and maintenance. Please see joint testimony of Ms. Ancel and Ms. Schilling for more precise estimates.

GRID TRANSFORMATION AND ENABLEMENT PROGRAM (GTEP)

ILLUSTRATIVE ANNUAL REVENUE REQUIREMENT

SCHEDULE 3 - TAXES

Line	Description	Investment Year 1 2020	Investment Year 2 2021	Investment Year 3 2022	Investment Year 4 2023	Investment Year 5 2024	Investment Year 6 2025	Investment Year 7 2026	Investment Year 8 2027	Investment Year 9 2028	Investment Year 10 2029	Reference
20	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)
22	MACRS 20 Years											
23	Tax Depreciation Rate (Year 1 Investment)	3.75%	7.22%	6.68%	6.18%	5.71%	5.29%	4.89%	4.52%	4.46%	4.46%	IRS Pub 946
24	Tax Depreciation Rate (Year 2 Investment)		3.75%	7.22%	6.68%	6.18%	5.71%	5.29%	4.89%	4.52%	4.46%	
25	Tax Depreciation Rate (Year 3 Investment)			3.75%	7.22%	6.68%	6.18%	5.71%	5.29%	4.89%	4.52%	
26	Tax Depreciation Rate (Year 4 Investment)				3.75%	7.22%	6.68%	6.18%	5.71%	5.29%	4.89%	
27	Tax Depreciation Rate (Year 5 Investment)					3.75%	7.22%	6.68%	6.18%	5.71%	5.29%	
28	Tax Depreciation Rate (Year 6 Investment)						3.75%	7.22%	6.68%	6.18%	5.71%	
29	Tax Depreciation Rate (Year 7 Investment)							3.75%	7.22%	6.68%	6.18%	
30	Tax Depreciation Rate (Year 8 Investment)								3.75%	7.22%	6.68%	
31	Tax Depreciation Rate (Year 9 Investment)									3.75%	7.22%	
32	Tax Depreciation Rate (Year 10 Investment)										3.75%	
35	Tax Depreciation (MACRS 20 Years)											
36	Tax Depreciation (Year 1 Investments)	$ (703,125)	$ (1,353,563)	$ (1,251,938)	$ (1,158,188)	$ (1,071,188)	$ (990,938)	$ (916,500)	$ (847,875)	$ (836,625)	$ (836,438)	Sch 1 Line 25 Col B x Line 23
37	Tax Depreciation (Year 2 Investments)		$ (1,668,750)	$ (3,212,455)	$ (2,971,265)	$ (2,748,765)	$ (2,542,285)	$ (2,351,825)	$ (2,175,160)	$ (2,012,290)	$ (1,985,590)	Sch 1 Line 25 Col C x Line 24
38	Tax Depreciation (Year 3 Investments)			$ (1,968,750)	$ (3,789,975)	$ (3,505,425)	$ (3,242,925)	$ (2,999,325)	$ (2,774,625)	$ (2,566,200)	$ (2,374,050)	Sch 1 Line 25 Col D x Line 25
39	Tax Depreciation (Year 4 Investments)				$ (1,406,250)	$ (2,707,125)	$ (2,503,875)	$ (2,316,375)	$ (2,142,375)	$ (1,981,875)	$ (1,833,000)	Sch 1 Line 25 Col E x Line 26
40	Tax Depreciation (Year 5 Investments)					$ (1,406,250)	$ (2,707,125)	$ (2,503,875)	$ (2,316,375)	$ (2,142,375)	$ (1,981,875)	Sch 1 Line 25 Col F x Line 27
41	Tax Depreciation (Year 6 Investments)						$ (1,406,250)	$ (2,707,125)	$ (2,503,875)	$ (2,316,375)	$ (2,142,375)	Sch 1 Line 25 Col G x Line 28
42	Tax Depreciation (Year 7 Investments)							$ (1,406,250)	$ (2,707,125)	$ (2,503,875)	$ (2,316,375)	Sch 1 Line 25 Col H x Line 29
43	Tax Depreciation (Year 8 Investments)								$ (1,312,500)	$ (2,526,650)	$ (2,336,950)	Sch 1 Line 25 Col I x Line 30
44	Tax Depreciation (Year 9 Investments)									$ (1,312,500)	$ (2,526,650)	Sch 1 Line 25 Col J x Line 31
45	Tax Depreciation (Year 10 Investments)										$ (1,312,500)	Sch 1 Line 25 Col K x Line 32
47	Total Tax Depreciation	$ (703,125)	$ (3,022,313)	$ (6,433,143)	$ (9,325,678)	$ (11,438,753)	$ (13,393,398)	$ (15,201,275)	$ (16,779,910)	$ (18,198,765)	$ (19,645,803)	Sum of Lines 36-45
48	Accumulated Tax Depreciation	$ (703,125)	$ (3,725,438)	$ (10,158,580)	$ (19,484,258)	$ (30,923,010)	$ (44,316,408)	$ (59,517,683)	$ (76,297,593)	$ (94,496,358)	$ (114,142,160)	Cumulative total for Line 47
51	Book Depreciation (30 Year Life)											
52	Book Depreciation (Year 1 Investment)	$ 312,500	$ 625,000	$ 625,000	$ 625,000	$ 625,000	$ 625,000	$ 625,000	$ 625,000	$ 625,000	$ 625,000	Sch 2 Line 30 Col B x Line 73 (x 1/2 in Yr 1)
53	Book Depreciation (Year 2 Investment)		$ 741,667	$ 1,483,333	$ 1,483,333	$ 1,483,333	$ 1,483,333	$ 1,483,333	$ 1,483,333	$ 1,483,333	$ 1,483,333	Sch 2 Line 30 Col C x Line 73 (x 1/2 in Yr 1)
54	Book Depreciation (Year 3 Investment)			$ 875,000	$ 1,750,000	$ 1,750,000	$ 1,750,000	$ 1,750,000	$ 1,750,000	$ 1,750,000	$ 1,750,000	Sch 2 Line 30 Col D x Line 73 (x 1/2 in Yr 1)
55	Book Depreciation (Year 4 Investment)				$ 625,000	$ 1,250,000	$ 1,250,000	$ 1,250,000	$ 1,250,000	$ 1,250,000	$ 1,250,000	Sch 2 Line 30 Col E x Line 73 (x 1/2 in Yr 1)
56	Book Depreciation (Year 5 Investment)					$ 625,000	$ 1,250,000	$ 1,250,000	$ 1,250,000	$ 1,250,000	$ 1,250,000	Sch 2 Line 30 Col F x Line 73 (x 1/2 in Yr 1)
57	Book Depreciation (Year 6 Investment)						$ 625,000	$ 1,250,000	$ 1,250,000	$ 1,250,000	$ 1,250,000	Sch 2 Line 30 Col G x Line 73 (x 1/2 in Yr 1)
58	Book Depreciation (Year 7 Investment)							$ 625,000	$ 1,250,000	$ 1,250,000	$ 1,250,000	Sch 2 Line 30 Col H x Line 73 (x 1/2 in Yr 1)
59	Book Depreciation (Year 8 Investment)								$ 583,333	$ 1,166,667	$ 1,166,667	Sch 2 Line 30 Col I x Line 73 (x 1/2 in Yr 1)
60	Book Depreciation (Year 9 Investment)									$ 583,333	$ 1,166,667	Sch 2 Line 30 Col J x Line 73 (x 1/2 in Yr 1)
61	Book Depreciation (Year 10 Investment)										$ 583,333	Sch 2 Line 30 Col K x Line 73 (x 1/2 in Yr 1)
63	Total Book Depreciation	$ 312,500	$ 1,366,667	$ 2,983,333	$ 4,483,333	$ 5,733,333	$ 6,983,333	$ 8,233,333	$ 9,441,667	$ 10,608,333	$ 11,775,000	Sum of Lines 52 - 61
64	Accumulated Book Depreciation	$ (312,500)	$ (1,679,167)	$ (4,662,500)	$ (9,145,833)	$ (14,879,167)	$ (21,862,500)	$ (30,095,833)	$ (39,537,500)	$ (50,145,833)	$ (61,920,833)	Sch 1 Line 27
66	Book/Tax Depreciation Difference	$ (390,625)	$ (2,046,271)	$ (5,496,080)	$ (10,338,424)	$ (16,043,843)	$ (22,453,908)	$ (29,421,849)	$ (36,760,093)	$ (44,350,524)	$ (52,221,327)	Line 48 - Line 64
67	Effective Tax Rate	27.08%	27.08%	27.08%	27.08%	27.08%	27.08%	27.08%	27.08%	27.08%	27.08%	Sch 4 Line 31
68	Accumulated Deferred Income Taxes	$ (105,793)	$ (554,192)	$ (1,488,503)	$ (2,799,955)	$ (4,345,154)	$ (6,081,192)	$ (7,968,319)	$ (9,955,736)	$ (12,011,452)	$ (14,143,102)	Line 66 x Line 67
70	Other assumptions											
71	Property Tax Rate	**2.18%**										Attachment EHC/TMD-3 (Perm) P. 6 of 8
72	Book depreciation years	**30.00**										Input
73	*Book depreciation rate*	*3.33%*										100% / Line 72

7 GRID TRANSFORMATION AND ENABLEMENT PROGRAM (GTEP)

9 ILLUSTRATIVE ANNUAL REVENUE REQUIREMENT

11 SCHEDULE 4 - RETURN ON RATE BASE AND CAPITAL STRUCTURE

Line	Description	Capital Ratio	Cost	Weighted Cost Col (B) / Col (C)	Tax Gross-up Factor	Pre-Tax Rate of Return Col (D) / Col (E)	Reference
18	(A)	(B)	(C)	(D)	(E)	(F)	(G)
21	Short-Term Debt	3.17%	2.45%	0.08%		0.08%	Att. EHC-TMD-1, Sch EHC-TMD-40
22	Long-term Debt	41.98%	4.37%	1.83%		1.83%	Att. EHC-TMD-1, Sch EHC-TMD-40
23	Common Equity	54.85%	10.40%	5.70%	72.92% (1)	7.82% (2)	Att. EHC-TMD-1, Sch EHC-TMD-40
25	Total	100.00%		7.61%		**9.73%**	Sum of Lines 21-23
27	Tax Gross-up Factor:						
28	Federal Rate					21.00%	Att. EHC-TMD-1, Sch EHC-TMD-2
29	State Rate					7.70%	Att. EHC-TMD-1, Sch EHC-TMD-2
30	Effective State Rate = State Rate * (1 - Federal Rate)					6.08%	Line 29 * (1 - Line 28)
31	Effective State and Federal Tax Rate				T	**27.08%**	Line 28 + Line 30
32	Net Income After Taxes on Income				1 - T	72.92% (1)	1 - Line 31
33	State and Federal Taxes / Net Income After Taxes on Income				T / (1 - T)	0.37142	Line 31 / Line 32

35 (2) Line 23 Col. (E) = Line 23 Col. (C) / Line 23 Col. (D)