

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
PROJECTED JANUARY THROUGH DECEMBER 2008 SCRC RATE CALCULATION

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	<u>Total 2008 Stranded Cost</u>	<u>Source</u>
1 Part 1 - Rate recovery bonds (RRB)	\$ 63,170	Attachment RAB-1, Page 3
2 Part 2 - Ongoing SCRC Costs	6,800	Attachment RAB-1, Page 3
3 Part 2 - 2007 estimated SCRC under/(over) Recovery	<u>(9,202)</u>	Attachment RAB-2, Page 1
4 Total Updated SCRC Cost (L1+L2+L3)	\$ 60,767	
5 Forecasted Retail MWH Sales	8,402,270	
6 Forecasted SCRC Rate - cents per kWh	<u><u>0.72</u></u>	

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
PROJECTED JANUARY THROUGH DECEMBER 2008 SCRC RATE CALCULATION

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<u>SCRC Cost</u>	<u>January 2008</u>	<u>February 2008</u>	<u>March 2008</u>	<u>April 2008</u>	<u>May 2008</u>	<u>June 2008</u>	<u>Total for the six months ended 6/30/08</u>	<u>Source</u>
1 SCRC Part 1 Costs	\$ 5,959	\$ 5,272	\$ 5,272	\$ 5,272	\$ 5,028	\$ 5,028	\$ 31,831	Attachment RAB-1, Page 4
2 SCRC Part 2 Costs	934	882	1,339	667	668	441	4,930	Attachment RAB-1, Page 6
3 2007 estimated SCRC under(over) Recovery	<u>(9,202)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,202)</u>	Attachment RAB-2, Page 1
4 Total SCRC Cost	\$ (2,310)	\$ 6,154	\$ 6,611	\$ 5,939	\$ 5,696	\$ 5,469	\$ 27,559	
5 Total SCRC Revenue @ .72 cents/kwh	<u>5,277</u>	<u>4,975</u>	<u>5,071</u>	<u>4,762</u>	<u>4,712</u>	<u>4,822</u>	<u>29,619</u>	
6 SCRC under/(over) Recovery	\$ (7,587)	\$ 1,180	\$ 1,540	\$ 1,177	\$ 984	\$ 646	\$ (2,060)	
7 Retail MWH Sales	732,912	690,936	704,321	661,420	654,399	669,764	4,113,752	

8 Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
PROJECTED JANUARY THROUGH DECEMBER 2008 SCRC RATE CALCULATION

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<u>SCRC Cost</u>	<u>July 2008</u>	<u>August 2008</u>	<u>September 2008</u>	<u>October 2008</u>	<u>November 2008</u>	<u>December 2008</u>	<u>Total for the twelve months ended 12/31/08</u>	<u>Source</u>
1 SCRC Part 1 Costs	\$ 5,028	\$ 5,357	\$ 5,357	\$ 5,357	\$ 5,120	\$ 5,120	\$ 63,170	Attachment RAB-1, Page 5
2 SCRC Part 2 Costs	243	223	328	327	395	352	6,800	Attachment RAB-1, Page 7
3 2007 estimated SCRC under(over) Recovery							(9,202)	Attachment RAB-2, Page 1
4 Total SCRC Cost	\$ 5,271	\$ 5,580	\$ 5,685	\$ 5,684	\$ 5,515	\$ 5,472	\$ 60,767	
5 Total SCRC Revenue @ .72 cents/kwh	5,495	5,448	4,878	4,890	4,937	5,229	60,496	
6 SCRC under/(over) Recovery	\$ (223)	\$ 132	\$ 807	\$ 794	\$ 579	\$ 243	\$ 271	
7 Retail MWH Sales	763,156	756,694	677,564	679,177	685,630	726,297	8,402,270	

8 Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
PROJECTED JANUARY THROUGH DECEMBER 2008 SCRC RATE CALCULATION

SECURITIZED COSTS

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		January 2008	February 2008	March 2008	April 2008	May 2008	June 2008	Total for the six months ended 6/30/08
SCRC Part 1								
<u>Amortization of Securitized Assets</u>								
1 <u>Principal</u>								
2 Amortization of Seabrook cost	\$	3,348	\$ 3,553	\$ 3,553	\$ 3,553	\$ 3,374	\$ 3,374	\$ 20,755
3 Amortization of MP 3		106	113	113	113	107	107	659
4 Amortization of RRB1 financing cost		79	84	84	84	79	79	489
5 Amortization of RRB2-Whitefield (1)		844	-	-	-	-	-	844
6 Total		4,376	3,750	3,750	3,750	3,560	3,560	22,747
7 <u>Interest and Fees</u>								
8 RRB1 Interest		1,482	1,431	1,431	1,431	1,377	1,377	8,529
9 RRB2 Interest-Whitefield (1)		10	-	-	-	-	-	10
10 Net RRB fees		91	91	91	91	91	91	546
11 Total		1,583	1,522	1,522	1,522	1,468	1,468	9,085
12 Total SCRC Part 1 cost	\$	5,959	\$ 5,272	\$ 5,272	\$ 5,272	\$ 5,028	\$ 5,028	\$ 31,831

13 (1) The Rate Reduction Bond for Whitefield is paid off at 1/31/08.

14 Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
PROJECTED JANUARY THROUGH DECEMBER 2008 SCRC RATE CALCULATION

SECURITIZED COSTS

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SCRC Part 1 Amortization of Securitized Assets	July 2008	August 2008	September 2008	October 2008	November 2008	December 2008	Total for the twelve months ended 12/31/08
1 <u>Principal</u>							
2 Amortization of Seabrook cost	\$ 3,374	\$ 3,733	\$ 3,733	\$ 3,733	\$ 3,562	\$ 3,562	\$ 42,452
3 Amortization of MP 3	107	119	119	119	113	113	1,349
4 Amortization of RRB1 financing cost	79	88	88	88	84	84	1,000
5 Amortization of RRB2-Whitefield	-	-	-	-	-	-	844
6 Total	3,560	3,940	3,940	3,940	3,759	3,759	45,645
7 <u>Interest and Fees</u>							
8 RRB1 Interest	1,377	1,326	1,326	1,326	1,270	1,270	16,424
9 RRB2 Interest-Whitefield	-	-	-	-	-	-	10
10 Net RRB fees	91	91	91	91	91	91	1,092
11 Total	1,468	1,417	1,417	1,417	1,361	1,361	17,526
12 Total SCRC Part 1 cost	\$ 5,028	\$ 5,357	\$ 5,357	\$ 5,357	\$ 5,120	\$ 5,120	\$ 63,170

13 Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
PROJECTED JANUARY THROUGH DECEMBER 2008 SCRC RATE CALCULATION

PART 2 ONGOING COSTS

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SCRC Part 2 Ongoing Costs	January 2008	February 2008	March 2008	April 2008	May 2008	June 2008	Total for the six months ended 06/30/08
1 Ongoing Costs - IPP							
2 Amortization and return on IPP							
3 Buydown/Buyout Savings	\$ 240	\$ 244	\$ 257	\$ 277	\$ 272	\$ 246	\$ 1,536
4 IPP Ongoing costs:							
5 Total IPP Cost	6,749	6,475	7,034	5,019	4,922	4,155	34,354
6 less: IPP at Market Cost	5,163	4,964	5,097	3,794	3,709	3,158	25,885
7 Above Market IPP Cost	1,586	1,511	1,937	1,225	1,213	997	8,469
8 Total Part 2 Costs	\$ 1,826	\$ 1,755	\$ 2,194	\$ 1,502	\$ 1,485	\$ 1,243	\$ 10,005
Ongoing Costs - Return							
9 Return on ADIT - Securitized							
10 Stranded Costs	(770)	(758)	(748)	(736)	(726)	(715)	(4,453)
11 Return on Yankee Decommissioning							
12 Obligations and CVEC, net of deferred taxes	(83)	(81)	(80)	(78)	(76)	(74)	(472)
13 Return on SCRC deferred balance	(40)	(33)	(27)	(21)	(16)	(12)	(150)
14 Total Part 2 Return	\$ (893)	\$ (873)	\$ (854)	\$ (835)	\$ (818)	\$ (802)	\$ (5,075)
15 Total Part 2 Ongoing Costs and Return	\$ 934	\$ 882	\$ 1,339	\$ 667	\$ 668	\$ 441	\$ 4,930
16 Amounts shown above may not add due to rounding.							

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
PROJECTED JANUARY THROUGH DECEMBER 2008 SCRC RATE CALCULATION

PART 2 ONGOING COSTS

000's

SCRC Part 2 Ongoing Costs	July 2008	August 2008	September 2008	October 2008	November 2008	December 2008	Total for the twelve months ended 12/31/08
1 Ongoing Costs - IPP							
2 Amortization and return on IPP							
3 Buydown/Buyout Savings	\$ 226	\$ 220	\$ 222	\$ 234	\$ 248	\$ 253	\$ 2,939
4 IPP Ongoing costs:							
5 Total IPP Cost	3,832	3,648	3,460	3,869	4,418	5,002	58,583
6 less: IPP at Market Cost	3,025	2,868	2,592	3,030	3,541	4,187	45,128
7 Above Market IPP Cost	807	780	868	839	877	815	13,455
8 Total Part 2 Costs	\$ 1,033	\$ 1,000	\$ 1,090	\$ 1,073	\$ 1,125	\$ 1,068	\$ 16,394

Ongoing Costs - Return

9 Return on ADIT - Securitized							
10 Stranded Costs	(705)	(695)	(684)	(672)	(661)	(651)	(8,521)
11 Return on Yankee Decommissioning							
12 Obligations and CVEC, net of deferred taxes	(73)	(71)	(69)	(67)	(65)	(64)	(881)
13 Return on SCRC deferred balance	(12)	(12)	(10)	(6)	(3)	(1)	(192)
14 Total Part 2 Return	\$ (789)	\$ (777)	\$ (762)	\$ (746)	\$ (730)	\$ (716)	\$ (9,595)
15 Total Part 2 Ongoing Costs and Return	\$ 243	\$ 223	\$ 328	\$ 327	\$ 395	\$ 352	\$ 6,800

16 Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

2007 SCRC RECONCILIATION

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		<u>Stranded Cost</u>	<u>Source</u>
1	Part 1 - Rate recovery bonds (RRB)	\$ 71,765	Attachment RAB-2, Page 3
2	Part 2 - Ongoing SCRC Costs	31,551	Attachment RAB-2, Page 3
3	Part 2 - 2006 Actual SCRC under/(over) Recovery	10,683	Attachment RAB-2, Page 3
4	Amortization of CAAA, McLane Dam, SO2 allowances	<u>(11,638)</u>	DE 07-097, S. E. Mullen Testimony, Attachment SEM-1
5	Total Updated SCRC Cost (L1+L2+L3+L4)	\$ 102,362	
6	Total Updated SCRC Revenue	<u>111,564</u>	Attachment RAB-2, Page 3
7	Total 2007 estimated SCRC under/(over) Recovery (L5 - L6)		

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

2007 SCRC RECONCILIATION

000's

<u>SCRC Cost</u>	<u>Actual January 2007</u>	<u>Actual February 2007</u>	<u>Actual March 2007</u>	<u>Actual April 2007</u>	<u>Actual May 2007</u>	<u>Actual June 2007</u>	<u>Total for the six months ended 6/30/07</u>	<u>Source</u>
1 SCRC Part 1 Costs	\$ 5,770	\$ 6,048	\$ 6,101	\$ 6,066	\$ 5,738	\$ 5,785	\$ 35,506	Attachment RAB-2, Page 4
2 SCRC Part 2 Costs	3,779	2,243	3,650	3,244	3,902	3,509	20,327	Attachment RAB-2, Page 6
3 2006 Actual SCRC under(over) Recovery (1)	<u>10,683</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,683</u>	
4 Total SCRC Cost	\$ 20,231	\$ 8,291	\$ 9,751	\$ 9,310	\$ 9,639	\$ 9,294	\$ 66,516	
5 Total SCRC Revenue @ 1.30 cents/kwh	<u>9,218</u>	<u>8,613</u>	<u>8,664</u>	<u>7,875</u>	<u>8,580</u>	<u>9,113</u>	<u>52,063</u>	
6 SCRC under/(over) Recovery	\$ 11,013	\$ (322)	\$ 1,087	\$ 1,435	\$ 1,059	\$ 181	\$ 14,453	
7 Retail MWH Sales	712,698	672,876	671,904	613,212	647,746	665,859	3,984,295	

8 (1) See PSNH SCRC filing in DE 07-057, Attachment RAB-4, page 1

9 Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

2007 SCRC RECONCILIATION

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<u>SCRC Cost</u>	<u>Actual July 2007</u>	<u>Actual August 2007</u>	<u>Actual September 2007</u>	<u>Actual October 2007</u>	<u>Re-estimate November 2007</u>	<u>December 2007</u>	<u>Total for the twelve months ended 12/31/07</u>	<u>Source</u>
1 SCRC Part 1 Costs	\$ 5,764	\$ 6,192	\$ 6,189	\$ 6,164	\$ 5,975	\$ 5,975	\$ 71,765	Attachment RAB-2, Page 5
2 SCRC Part 2 Costs	3,771	3,275	(298)	1,636	1,509	1,332	31,551	Attachment RAB-2, Page 7
3 2006 Actual SCRC under(over) Recovery	-	-	-	-	-	-	10,683	
4 Total SCRC Cost	\$ 9,535	\$ 9,467	\$ 5,891	\$ 7,800	\$ 7,484	\$ 7,307	\$ 114,000	
5 Total SCRC Revenue @ 1.43 cents/kwh	10,442	10,844	9,284	9,224	9,535	10,173	111,564	
6 SCRC under/(over) Recovery	\$ (907)	\$ (1,377)	\$ (3,393)	\$ (1,424)	\$ (2,051)	\$ (2,865)	\$ 2,435	
7 Retail MWH Sales	725,206	760,314	648,105	642,496	666,803	711,369	8,139,588	

8 Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

2007 SCRC RECONCILIATION

SECURITIZED COSTS

000's

SCRC Part 1 Amortization of Securitized Assets	Actual January 2007	Actual February 2007	Actual March 2007	Actual April 2007	Actual May 2007	Actual June 2007	Total for the six months ended 6/30/07
1 Principal							
2 Amortization of Seabrook cost	\$ 3,145	\$ 3,363	\$ 3,363	\$ 3,363	\$ 3,174	\$ 3,174	\$ 19,583
3 Amortization of MP 3	100	107	107	107	101	101	622
4 Amortization of RRB1 financing cost	74	79	79	79	75	75	461
5 Amortization of RRB2-Whitefield	793	848	848	848	800	800	4,938
6 Total	4,111	4,397	4,397	4,397	4,150	4,150	25,603
7 Interest and Fees							
8 RRB1 Interest	1,538	1,531	1,580	1,553	1,485	1,527	9,213
9 RRB2 Interest-Whitefield	21	12	26	19	6	14	98
10 Net RRB fees	100	107	97	97	97	94	593
11 Total	1,659	1,650	1,703	1,669	1,588	1,635	9,904
12 Total SCRC Part 1 cost	\$ 5,770	\$ 6,048	\$ 6,101	\$ 6,066	\$ 5,738	\$ 5,785	\$ 35,506

13 Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

2007 SCRC RECONCILIATION

SECURITIZED COSTS

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SCRC Part 1 <u>Amortization of Securitized Assets</u>	Actual July 2007	Actual August 2007	Actual September 2007	Actual October 2007	Re-estimate November 2007	December 2007	Total for the twelve months ended 12/31/07
1 <u>Principal</u>							
2 Amortization of Seabrook cost	\$ 3,174	\$ 3,528	\$ 3,528	\$ 3,528	\$ 3,348	\$ 3,348	\$ 40,037
3 Amortization of MP 3	101	112	112	112	106	106	1,271
4 Amortization of RRB1 financing cost	75	83	83	83	79	79	942
5 Amortization of RRB2-Whitefield	800	890	890	890	844	844	10,096
6 Total	4,150	4,613	4,613	4,613	4,377	4,377	52,346
7 <u>Interest and Fees</u>							
8 RRB1 Interest	1,509	1,439	1,480	1,459	1,481	1,481	18,062
9 RRB2 Interest-Whitefield	11	(3)	4	-	10	10	130
10 Net RRB fees	94	143	92	92	107	107	1,228
11 Total	1,614	1,579	1,576	1,551	1,598	1,598	19,420
12 Total SCRC Part 1 cost	<u>\$ 5,764</u>	<u>\$ 6,192</u>	<u>\$ 6,189</u>	<u>\$ 6,164</u>	<u>\$ 5,975</u>	<u>\$ 5,975</u>	<u>\$ 71,765</u>

13 Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

2007 SCRC RECONCILIATION

PART 2 ONGOING COSTS

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SCRC Part 2 Ongoing Costs	Actual January 2007	Actual February 2007	Actual March 2007	Actual April 2007	Actual May 2007	Actual June 2007	Total for the six months ended 06/30/07
1 Ongoing Costs - IPP							
2 Amortization and return on IPP							
3 Buydown/Buyout Savings	\$ 268	\$ 260	\$ 280	\$ 289	\$ 282	\$ 264	\$ 1,641
4 IPP Ongoing costs:							
5 Total IPP Cost	9,548	8,218	8,541	9,635	10,144	8,407	54,493
6 less: IPP at Market Cost	5,040	5,279	4,229	5,757	5,622	4,273	30,200
7 Above Market IPP Cost	4,508	2,939	4,312	3,878	4,523	4,133	24,293
8 Total Part 2 Costs	\$ 4,776	\$ 3,199	\$ 4,592	\$ 4,166	\$ 4,805	\$ 4,397	\$ 25,935
Ongoing Costs - Return							
9 2006 Adjustment	(24)	-	-	-	-	-	(24)
10 Return on ADIT - Securitized							
11 Stranded Costs	(916)	(904)	(891)	(878)	(866)	(854)	(5,309)
12 Return on Yankee Decommissioning							
13 Obligations and CVEC, net of deferred taxes	(105)	(99)	(99)	(99)	(97)	(96)	(595)
14 Return on SCRC deferred balance	48	48	49	54	60	62	320
15 Total Part 2 Return	\$ (997)	\$ (956)	\$ (941)	\$ (922)	\$ (903)	\$ (888)	\$ (5,608)
16 Total Part 2 Ongoing Costs and Return	\$ 3,779	\$ 2,243	\$ 3,650	\$ 3,244	\$ 3,902	\$ 3,509	\$ 20,327
17 Amounts shown above may not add due to rounding.							

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

2007 SCRC RECONCILIATION

PART 2 ONGOING COSTS

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SCRC Part 2 Ongoing Costs	Actual July 2007	Actual August 2007	Actual September 2007	Actual October 2007	Re-estimate November 2007	December 2007	Total for the twelve months ended 12/31/07
1 Ongoing Costs - IPP							
2 Amortization and return on IPP							
3 Buydown/Buyout Savings	\$ 246	\$ 238	\$ 238	\$ 250	\$ 260	\$ 259	\$ 3,132
4 IPP Ongoing costs:							
5 Total IPP Cost	7,955	8,195	2,767	5,128	6,112	6,795	91,444
6 less: IPP at Market Cost	3,549	4,287	2,436	2,872	4,000	4,863	52,207
7 Above Market IPP Cost	4,405	3,908	331	2,256	2,112	1,932	39,237
8 Total Part 2 Costs	\$ 4,651	\$ 4,146	\$ 569	\$ 2,506	\$ 2,372	\$ 2,191	\$ 42,370
Ongoing Costs - Return							
9 2006 Adjustment		-	-	-	-	-	(24)
10 Return on ADIT - Securitized							
11 Stranded Costs	(845)	(833)	(820)	(813)	(800)	(788)	(10,207)
12 Return on Yankee Decommissioning							
13 Obligations and CVEC, net of deferred taxes	(96)	(94)	(92)	(91)	(89)	(87)	(1,142)
14 Return on SCRC deferred balance	60	55	44	34	26	15	555
15 Total Part 2 Return	\$ (880)	\$ (871)	\$ (867)	\$ (870)	\$ (863)	\$ (859)	\$ (10,818)
16 Total Part 2 Ongoing Costs and Return	\$ 3,771	\$ 3,275	\$ (298)	\$ 1,636	\$ 1,509	\$ 1,332	\$ 31,551
17 Amounts shown above may not add due to rounding.							

Public Service Company of New Hampshire
Technical Statement of Richard C. Labrecque and Robert A. Baumann
Energy Service and Stranded Cost Recovery Charges
Rate Effective January 1, 2008
DE 07-096 (ES) and DE 07-097 (SCRC)
November 21, 2007

This Technical Statement is submitted to explain the difference between the final requested Energy Service (ES) rate of 8.82 cents per kilowatt-hour and the rate previously estimated in PSNH's September 7, 2007 filing of 8.56 cents per kilowatt-hour. Technical Statement Table 1 (Page 2) and the Notes to Technical Statement Table 1 (Page 3) provide detailed information on the volume and dollar changes in Attachment RAB-2, Page 3 from the September 7, 2007 rate filing to the November 21, 2007 updated rate filing. The November 21, 2007 filing reflects a number of refinements to the forecast as described in the notes to Table 1.

The most significant contributors to the overall increase in forecasted costs for January 2008 through December 2008 are:

- 1) A \$7.8 million increase in coal expenses, primarily related to forecasted transportation fuel adjustment surcharges.
- 2) A \$24.1 million increase in net purchase expense, primarily related to the execution of purchase power agreements (PPA) with two IPP projects that were previously forecasted to be on short-term rates during 2008 and the impact of higher forward market prices.
- 3) A transfer of \$12.2 million in credits from the ES to the SCRC charge related to various regulatory liabilities as described in detail in the Technical Statement of Stephen R. Hall and Robert A. Baumann, which is also being filed concurrent to this Technical Statement.

These three items were partially offset by the following:

- 4) A \$17.6 million net decrease in IPP energy and capacity purchase expenses, primarily related to the PPAs noted above.

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

<u>Line #(s) *</u>	<u>Category</u>	<u>Jan '08 - Dec '08</u>		<u>Note</u>
		<u>GWh Change</u>	<u>\$000 Change</u>	
4, 5	Coal	0	7,813	A
7, 8	Wood	(16)	(793)	B
14, 15	Newington	0	104	C
17 - 19	IPP's	(255)	(17,593)	D
21 - 31	Net Purchases	271	24,108	E
33	Congestion & Loss		(2,056)	F
35, 36	Total Energy	0	11,584	Sum of A thru F
39	ISO-NE & RPS		(2,097)	G
43	Capacity (MW-mo)	362		H
44	Capacity Costs		1,271	H
	Overall Change	0	10,757	Sum of A thru H

* line numbers refer to November 21, 2007 filing.

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

Note:

- A** Coal expense increase relates to the signing of additional contracts and incorporates an updated estimate of fuel surcharge adjustments.
- B** The Schiller 5 planned maintenance schedule was revised. The reduced wood expense is commensurate with the GHW reduction.
- C** The forecasted per unit cost of Newington start-up fuel (No. 2 oil) was adjusted.
- D** The 255 GWh decrease relates to two IPPs projects whose output is now being purchased via a fixed-price PPA. The \$17,593K expense decrease is due to the 255 GWh reduction, as offset by an increase in forward market prices (see table below)

Month	9/07/07 Filing				11/21/07 Filing				Changes			
	Peak (M-F: 8-23) \$/MWh	Weekend Peak Only (Sa-Su: 8-23) \$/MWh	Offpeak (M-F: 1-7, 24 Sa-Su: 1-24) \$/MWh	Capacity \$/kW - mo	Peak (M-F: 8-23) \$/MWh	Weekend Peak Only (Sa-Su: 8-23) \$/MWh	Offpeak (M-F: 1-7, 24 Sa-Su: 1-24) \$/MWh	Capacity \$/kW - mo	Peak (M-F: 8-23) \$/MWh	Weekend Peak Only (Sa-Su: 8-23) \$/MWh	Offpeak (M-F: 1-7, 24 Sa-Su: 1-24) \$/MWh	Capacity \$/kW - mo
Jan-08	92.08	82.50	73.85	3.05	93.33	83.90	75.10	3.05	1.25	1.40	1.25	0.00
Feb-08	89.91	80.77	72.11	3.05	91.80	82.74	73.87	3.05	1.89	1.97	1.76	0.00
Mar-08	81.75	72.59	64.25	3.05	84.20	75.41	66.75	3.05	2.45	2.82	2.50	0.00
Apr-08	74.75	66.02	57.38	3.05	78.70	70.65	61.40	3.05	3.95	4.63	4.03	0.00
May-08	72.88	65.37	55.00	3.05	77.60	70.18	59.05	3.05	4.72	4.81	4.05	0.00
Jun-08	76.63	64.68	56.00	3.75	81.63	69.36	60.05	3.75	5.00	4.68	4.05	0.00
Jul-08	88.48	63.12	59.99	3.75	92.25	67.33	63.99	3.75	3.77	4.21	4.00	0.00
Aug-08	89.20	69.92	60.48	3.75	92.98	74.56	64.49	3.75	3.78	4.64	4.01	0.00
Sep-08	76.13	65.71	57.00	3.75	81.35	69.22	60.05	3.75	5.22	3.52	3.05	0.00
Oct-08	73.80	67.56	56.93	3.75	81.65	72.45	61.05	3.75	7.85	4.89	4.12	0.00
Nov-08	78.35	68.54	60.44	3.75	83.80	72.69	64.10	3.75	5.45	4.15	3.66	0.00
Dec-08	91.59	82.25	70.66	3.75	87.65	82.64	71.00	3.75	(3.94)	0.40	0.34	0.00

- E** Total purchase requirements net of surplus sales changed as a result of the generation changes from Notes B and D (Wood and IPP). Purchase expenses changed as a result of making additional bilateral purchases at fixed prices and modeling the remaining purchases at the increased market prices shown in the table in Note D. In the draft filing (Sep 7th) net purchase activity was 3,225 GWh at an average cost of \$86.15 per MWh (\$277,837K total). In this updated filing, the net purchase activity forecast is 3,480 GWh at an average cost of \$86.77 per MWh (\$301,946K total). As a result of bilateral purchase activity, PSNH has secured 60% of its forecasted energy purchase needs.

The bilateral purchases quantities and prices are summarized below

Month	Peak (M-F: 8-23)		Weekend Peak Only (Sa-Su: 8-23)		Offpeak (M-F: 1-7, 24 Sa-Su: 1-24)	
	MW	\$/MWh	MW	\$/MWh	MW	\$/MWh
Jan-08	250	88.17	150	76.33	50	69.40
Feb-08	250	88.17	150	76.33	50	69.40
Mar-08	250	89.52	150	76.33	50	69.40
Apr-08	550	80.77	350	67.89	250	63.13
May-08	500	79.52	350	66.07	250	60.58
Jun-08	350	84.86	150	76.33	50	69.40
Jul-08	300	89.62	150	76.33	50	69.40
Aug-08	300	89.62	150	76.33	50	69.40
Sep-08	400	81.92	150	76.33	50	69.40
Oct-08	250	83.92	150	76.33	50	69.40
Nov-08	250	83.92	150	76.33	50	69.40
Dec-08	250	83.92	150	76.33	50	69.40

- F** The forecast of congestion and loss costs decreased as the net result of additional bilateral purchases and a model correction.
- G** This decrease relates to reduced ISO-NE forward reserve market charges and reduced Class III NH RPS compliance costs.
- H** Capacity purchases (MW-months and expense) increased due primarily to the recently completed PPA with two IPP projects. The result is to transfer the IPP capacity purchase expense from line 19 to line 44.

Public Service Company of New Hampshire
Technical Statement of Stephen R. Hall and Robert A. Baumann
Energy Service and Stranded Cost Recovery Charges
Rate Effective January 1, 2008
DE 07-096 (ES) and DE 07-097 (SCRC)
November 21, 2007

This Technical Statement is submitted to explain the update in the proposed Energy Service (ES) and Stranded Cost Recovery Charge (SCRC) rates effective January 1, 2008. PSNH initially filed preliminary ES and SCRC rates on September 7, 2007. As is customary in these proceedings, PSNH is now filing revised updates to those initial filings which seek Commission approval of rates effective January 1, 2008. PSNH's updated ES rate is 8.82 cents/kwh versus the 8.56 cents/kwh initially filed on 9/7/07. The updated SCRC rate is 0.72 cents/kwh versus the 0.88 cents/kwh rate initially filed on 9/7/07. The total average overall rate impact of the updated ES and SCRC rates is an increase of 2.1% to PSNH's current average rate level.

The increase to the ES rate is attributable to an increase in overall market prices which translate into higher fuel prices and higher costs associated with purchased power for 2008, compared to 2007. In addition, the proposed rates have a lower over-recovery credit balance to be refunded in 2008 (as compared to the amount refunded during 2007), which adds to the increase in the rate. The technical statement of Richard C. Labrecque explains in detail the overall impact of higher market prices.

The ES rate proposed in this updated filing includes costs associated with two power purchase agreements with Pinetree Power, Inc. and Pinetree Power— Tamworth, Inc. PSNH filed those agreements with the Commission on November 20, 2007 requesting approval pursuant to Chapter RSA 362-F Electric Renewable Portfolio Standard (2007 NH Laws 26).

On November 16, 2007, the parties met in a noticed Technical Session/Settlement Conference to discuss the subject filings. In that session, there was discussion of PSNH's September 7, 2007 filing in which PSNH proposed to refund approximately \$12.2 million in credits associated with past regulatory liabilities through the 2008 ES rate. The parties agreed that \$11.7 million of those credits should be refunded through the SCRC rate and the remaining \$0.540 million should be added to the Home Energy Assistance program. As a result of that discussion and agreement, these credits have been removed from the proposed ES rate and included in the SCRC rate and added to the C&LM budget for the Home Energy Assistance Program. This adjustment accounts for a large portion of the decrease in the proposed SCRC rate from the rate proposed in PSNH's September 7, 2007 filing.

The parties also discussed PSNH's proposal to recover \$147,000 associated with mercury mitigation legislation costs. PSNH has agreed to exclude those costs from the proposed ES rate and will not seek future recovery of this item.

The parties also discussed PSNH's proposal to increase the currently allowed ROE on generating assets from 9.62 % to 9.99% to reflect a continued differential from the currently allowed distribution ROE of 9.67%. As a compromise solution, the parties agreed to increase the ROE on generating assets to 9.81% effective January 1, 2008.

Finally, PSNH's revised filing reflects the agreed upon adjustments related to 2006 contained in the approved Stipulation and Settlement Agreement in the 2006 reconciliation proceeding, Docket No. DE 07-057. That settlement reflects a reclassification of \$1,101,000 of O&M costs related to the Schiller 5 conversion (NWPP) to the appropriate plant accounts, the removal of approximately \$4,000 associated with replacement power costs for three small outages in 2006, and a reduction of \$70,000 associated with the recent coal procurement audit findings. These adjustments were reflected in the 2007 ES reconciliation (Attachment RAB-3, page 1) and are contained in the updated 2008 ES rate. PSNH agreed that it will not seek recovery of the replacement power costs and the coal procurement audit costs.