

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
2009 ENERGY SERVICE RATE CALCULATION--KWH BASIS

(Dollars in 000's, except for KWH data)

11 Summary of Forecasted Energy Service

12 Cost For January 2009 Through December 2009	TOTAL COST	Cents per KWH (2)	Reference
14 Fossil energy costs	\$ 151,181	2.28	Attachment RAB-2, page 2
15 F/H O&M, Depreciation & Taxes	137,692	2.08	Attachment RAB-2, page 2
16 Return on rate base	42,726	0.65	Attachment RAB-2, page 2
17 ISO-NE Ancillary	5,622	0.08	Attachment RAB-2, page 2
18 Capacity	32,466	0.49	Attachment RAB-2, page 2
19 NH RPS	9,668	0.15	Attachment RAB-2, page 2
20 RGGI Costs	6,951	0.10	Attachment RAB-2, page 2
21 Vermont Yankee	7,453	0.11	Attachment RAB-2, page 2
22 IPP costs (1)	22,157	0.33	Attachment RAB-2, page 2
23 Purchases and Sales	259,613	3.92	Attachment RAB-2, page 2
24 Return on ES Deferral	(506)	(0.01)	Attachment RAB-2, page 2
25 Merrimack Incremental O&M Costs, net of proj. proceeds	5,480	0.08	Attachment RAB-2, page 2
26 Merrimack Projected RPC Insurance Proceeds.	(6,150)	(0.09)	Attachment RAB-2, page 2
27 2008 Actual ES under/(over) recovery	(41,477)	(0.63)	Attachment RAB-2, page 2
29 Total Updated Energy Service Cost	632,876	9.55	
30 Total Updated Revenue at 9.92 cents per kwh	\$ 656,777		
31 Energy Service Over/Under Recovery	(23,900)		
33 Forecasted Retail MWH Sales August - December 2009	\$ 2,688,702		
35 Decrease in Energy Service Rate - cents per kwh (L31/L33)	(0.89)		
37 Energy Service Rate as approved in DE 08-113 - cents per kwh	\$ 9.92		
39 Updated Energy Service Rate - cents per kwh	9.03		

40 (1) The IPP costs represent the forecasted Market Value of IPP generation.

41 (2) Cents per kWh was calculated using the 2009 actual and forecasted sales from Attachment RAB-2, P2, Line 34.

42 Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
2009 ENERGY SERVICE RATE CALCULATION
(Dollars in 000's)

	January 2009 Actual	February 2009 Actual	March 2009 Actual	April 2009 Actual	May 2009 Actual	June 2009 Re-Estimate	Reference
10 Energy Service Cost							
12 Fossil Energy Costs	\$ 24,336	\$ 15,179	\$ 17,189	\$ 13,637	\$ 12,500	\$ 14,399	RAB-2, P3
13 F/H O&M, Depreciation & Taxes	11,748	9,116	10,227	12,430	9,624	10,266	RAB-2, P5
14 Return on Rate Base	3,520	3,513	3,490	3,517	3,517	3,572	RAB-2, P6
15 ISO-NE Ancillary	461	782	727	616	448	447	RAB-2, P3
16 Capacity	3,525	3,143	3,028	2,812	2,589	2,078	RAB-2, P3
17 NH RPS	988	988	988	988	884	690	RAB-2, P3
18 RGGI Costs	771	626	681	628	619	811	RAB-2, P3
19 Vermont Yankee	635	581	590	626	630	605	RAB-2, P3
20 IPP Costs (1)	3,708	1,445	2,139	2,154	1,754	1,258	RAB-2, P4
21 Purchases and Sales	16,598	17,924	17,481	19,988	15,547	18,357	RAB-2, P3
22 Return on ES Deferral	(69)	(58)	(58)	(55)	(53)	(51)	
23 Merrimack Incremental O&M Costs, 24 net of projected insurance proceeds	-	-	-	-	-	-	
25 Merrimack Projected RPC Insurance Proceeds.	-	-	-	-	-	-	
26 2008 Actual ES under/(over) recovery	(41,477)	-	-	-	-	-	
28 Total Energy Service Cost Re-estimate	\$ 24,744	\$ 53,240	\$ 56,482	\$ 57,340	\$ 48,058	\$ 52,433	
30 Total Energy Service Revenue at 9.92	\$ 69,283	\$ 55,110	\$ 56,133	\$ 49,585	\$ 48,311	\$ 51,215	
32 ES Under/(Over) Recovery	\$ (44,539)	\$ (1,870)	\$ 349	\$ 7,755	\$ (253)	\$ 1,218	
34 Retail MWH Sales	706,849	548,954	566,142	500,446	487,320	516,280	
36 Energy Service Cost - cents per kwh	3.50	9.70	9.98	11.46	9.86	10.16	

37 Amounts shown above may not add due to rounding.

38 (1) January 2009 IPP costs include \$210K of ES true-up to actual.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
2009 ENERGY SERVICE RATE CALCULATION
(Dollars in 000's)

	July 2009	August 2009	September 2009	October 2009	November 2009	December 2009	Total	Reference
10 <u>Energy Service Cost</u>	Re-Estimate	Re-Estimate	Re-Estimate	Re-Estimate	Re-Estimate	Re-Estimate		
11								
12 Fossil Energy Costs	\$ 14,878	\$ 6,929	\$ 6,706	\$ 6,071	\$ 5,570	\$ 13,787	\$ 151,181	RAB-2, P3
13 F/H O&M, Depreciation & Taxes	10,645	10,013	12,147	14,395	13,813	13,268	137,692	RAB-2, P5
14 Return on Rate Base	3,622	3,610	3,594	3,579	3,571	3,621	42,726	RAB-2, P6
15 ISO-NE Ancillary	382	205	304	339	345	568	5,622	RAB-2, P3
16 Capacity	2,078	3,304	2,078	2,521	2,521	2,787	32,466	RAB-2, P3
17 NH RPS	690	690	690	690	690	690	9,668	RAB-2, P3
18 RGGI Costs	838	328	317	297	265	770	6,951	RAB-2, P3
19 Vermont Yankee	636	621	606	644	628	650	7,453	RAB-2, P3
20 IPP Costs	1,417	1,247	1,165	1,477	1,912	2,482	22,157	RAB-2, P4
21 Purchases and Sales	22,946	30,979	27,054	26,433	26,397	19,909	259,613	RAB-2, P3
22 Return on ES Deferral	(52)	(50)	(38)	(22)	(7)	5	(506)	
23 Merrimack Incremental O&M Costs,								
24 net of projected insurance proceeds	-	-	-	-	-	5,480	5,480	
25 Merrimack Projected RPC Insurance Proceeds.	-	-	-	-	-	(6,150)	(6,150)	
26 2008 Actual ES under/(over) recovery	-	-	-	-	-	-	(41,477)	
27								
28 Total Energy Service Cost Re-estimate	\$ 58,082	\$ 57,876	\$ 54,624	\$ 56,424	\$ 55,706	\$ 57,867	\$ 632,876	
29								
30 Total Energy Service Revenue at 9.92	\$ 60,420	\$ 57,997	\$ 48,906	\$ 50,824	\$ 51,766	\$ 57,226	\$ 656,777	
31								
32 ES Under/(Over) Recovery	\$ (2,338)	\$ (121)	\$ 5,718	\$ 5,600	\$ 3,939	\$ 641	\$ (23,900)	
33								
34 Forecasted Retail MWH Sales	609,072	584,651	493,001	512,337	521,837	576,876	6,623,765	
35								
36 Energy Service Cost - cents per kwh	9.54	9.90	11.08	11.01	10.67	10.03	9.55	

37 Amounts shown above may not add due to rounding.

PUBLIC SERVICE RATE COMPANY OF NEW HAMPSHIRE
2009 ENERGY SERVICE RATE CALCULATION

PSNH Generation (GWh) and Expense (\$000)
IPP's Priced at Market Rate

			<u>Jun-09</u>	<u>Jul-09</u>	<u>Aug-09</u>	<u>Sep-09</u>	<u>Oct-09</u>	<u>Nov-09</u>	<u>Dec-09</u>	<u>Total</u>
1										
2	Hydro:	Energy	28.669	20.989	18.776	16.679	23.443	32.325	31.009	171.890
3										
4	Coal:	Energy	321.531	332.249	129.881	125.691	117.606	104.959	305.133	1,437.050
5		Energy Expense	\$ 13,821	14,281	6,332	6,128	5,656	4,992	13,190	64,400
6										
7	Wood:	Energy	27.540	28.458	28.458	27.540	19.814	27.540	28.458	187.808
8		Energy Expense	\$ 1,595	1,648	1,648	1,595	1,147	1,595	1,648	10,876
9		Schiller Revenue Credit	\$ (1,017)	(1,051)	(1,051)	(1,017)	(732)	(1,017)	(1,051)	(6,936)
10										
11	IC/Jets:	Energy	0	0	0	0	0	0	0	0
12		Energy Expense	\$ 0	0	0	0	0	0	0	0
13										
14	Nuclear:	Energy	14.285	15.029	14.664	14.314	15.207	14.846	15.349	103.694
15		Energy Expense	\$ 605	636	621	606	644	628	650	4,390
16										
17	Newington:	Energy	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
18		Energy Expense	\$ 0	0	0	0	0	0	0	0
19										
20	IPP's:	Energy	31.627	25.853	23.728	23.628	27.877	34.052	38.403	205.168
21		Energy Expense	\$ 1,062	1,221	1,051	969	1,193	1,628	2,198	9,322
22		ICAP	\$ 196	196	196	196	284	284	284	1,636
23										
24	Peak Purchase:	Energy	12.981	59.754	45.223	11.877	20.591	30.442	41.819	222.687
25		Expense	\$ 507	3,909	2,573	567	1,031	1,730	2,850	13,167
26										
27	Known Purchases:	Energy	187.792	174.955	318.955	328.592	304.432	295.336	158.973	1,769.035
28		Expense	\$ 20,043	19,245	26,467	27,204	24,646	23,791	17,099	158,495
29										
30	Offpeak Purchase:	Energy	8.018	19.172	48.561	14.616	21.172	23.199	18.705	153.443
31		Expense	\$ 283	801	2,169	630	941	1,189	1,126	7,139
32										
33	Surplus Energy Sales	Energy	(83.651)	(29.240)	(6.863)	(38.898)	(5.557)	(8.146)	(24.957)	(197.312)
34		(Credit)	\$ (2,476)	(1,009)	(230)	(1,347)	(185)	(313)	(1,166)	(6,726)
35										
36	Congestion & Loss Adjustment		\$ (69)	(133)	(311)	(212)	(246)	(239)	(16)	(1,225)
37										
38	Total Energy		548.792	647.219	621.383	524.039	544.585	554.553	612.892	4,053.463
39	Total Energy Expense	\$	34,550	39,744	39,465	35,319	34,379	34,268	36,812	254,537
40										
41										
42	ISO-NE Ancillary (including Congestion and Loss Adjustment)	\$	447	382	205	304	339	345	568	2,589
43	NHRPS	\$	690	690	690	690	690	690	690	4,831
44	RGGI Costs	\$	811	838	328	317	297	265	770	3,626
45										
46	Capacity (sold)/bought Cost (\$000)	\$	2,078	2,078	3,304	2,078	2,521	2,521	2,787	17,369
47	Capacity (sold)/bought MW-mo		507	507	806	507	615	615	680	4,236
48										
49										

50 Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
2009 ENERGY SERVICE RATE CALCULATION

1 **Forecasted PSNH IPP Market Value**

2	3	IPP Energy at					
		IPP	Mkt Value	Capacity	ICAP Value	ICAP	Total
5	Month	GWh	(\$000)	MW	\$/kw-mo	(\$000)	(\$000)
6	June	31.627	1,062	47.9	4.1	196.0	1,258
7	July	25.853	1,221	47.9	4.1	196.0	1,417
8	August	23.728	1,051	47.9	4.1	196.0	1,247
9	September	23.628	969	47.9	4.1	196.0	1,165
10	October	27.877	1,193	69.2	4.1	284.0	1,477
11	November	34.052	1,628	69.2	4.1	284.0	1,912
12	December 2009	38.403	2,198	69.2	4.1	284.0	2,482
13	Total	205.168	9,322			1,636	10,958

Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
2009 ENERGY SERVICE RATE CALCULATION
Fossil / Hydro O&M, Depreciation & Taxes Detail
(Dollars in 000's)

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	January	February	March	April	May	June	July	August	September	October	November	December	Total
	2009	2009	2009	2009	2009	2009	2009	2009	2009	2009	2009	2009	
<u>Fossil / Hydro O&M, Depr. & Taxes</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Re-Estimate</u>	<u>Re-Estimate</u>	<u>Re-Estimate</u>	<u>Re-Estimate</u>	<u>Re-Estimate</u>	<u>Re-Estimate</u>	<u>Re-Estimate</u>	
F/H Operation & Maintenance Cost	\$ 9,190	\$ 6,573	\$ 7,407	\$ 9,941	\$ 7,438	\$ 7,642	\$ 8,103	\$ 7,490	\$ 9,506	\$ 11,782	\$ 11,279	\$ 10,600	\$ 106,951
F/H Depreciation Cost	1,710	1,712	1,715	1,719	1,722	1,744	1,749	1,752	1,755	1,759	1,763	1,774	20,874
F/H Property Taxes	684	684	684	729	690	647	647	647	647	647	647	647	8,000
F/H Payroll Taxes	164	147	318	42	(226)	120	146	124	124	207	124	130	1,418
Amort. of Asset Retirement Obligation	-	-	103	-	-	113	-	-	115	-	-	117	448
Total F/H O&M, Depr. and Taxes	\$ 11,748	\$ 9,116	\$ 10,227	\$ 12,430	\$ 9,624	\$ 10,266	\$ 10,645	\$ 10,013	\$ 12,147	\$ 14,395	\$ 13,813	\$ 13,268	\$ 137,692

Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
2009 ENERGY SERVICE RATE CALCULATION
FOSSIL/HYDRO RETURN ON RATE BASE
(Dollars in 000's)

	January 2009	February 2009	March 2009	April 2009	May 2009	June 2009	July 2009	August 2009	September 2009	October 2009	November 2009	December 2009	Total
<u>Return on Rate Base</u>	Actual	Actual	Actual	Actual	Actual	Re-Estimate	Re-Estimate	Re-Estimate	Re-Estimate	Re-Estimate	Re-Estimate	Re-Estimate	
<u>Rate base</u>													
Net Plant	277,119	277,119	276,979	276,979	276,979	277,855	278,879	279,131	279,245	279,502	280,591	292,607	
Working Capital Allow. (45 days of O&M)	13,138	13,138	13,138	13,138	13,138	14,570	14,570	14,570	14,570	14,570	14,570	14,570	
Fossil Fuel Inventory	73,769	73,769	70,428	70,428	70,428	74,321	74,321	74,321	74,321	74,321	74,321	74,321	
Mat'ls and Supplies	53,221	53,221	52,028	52,028	52,028	59,237	59,336	59,394	59,464	59,518	59,656	59,999	
Prepayments	376	376	1,190	1,190	1,190	376	376	376	376	376	376	376	
Deferred Taxes	(16,817)	(16,817)	(15,763)	(15,763)	(15,763)	(10,363)	(10,475)	(10,248)	(10,281)	(10,308)	(9,776)	(8,941)	
Other Regulatory Obligations	(10,509)	(10,509)	(10,384)	(10,384)	(10,384)	(16,147)	(18,335)	(20,489)	(22,426)	(24,294)	(26,162)	(28,357)	
Total Rate Base (L15 thru L22)	390,297	390,297	387,617	387,617	387,617	399,849	398,672	397,055	395,269	393,685	393,576	404,575	
Average Rate Base (prev + curr month)	391,013	390,297	388,957	387,617	387,617	393,733	399,260	397,863	396,162	394,477	393,630	399,075	
x Return	0.9001%	0.9001%	0.9001%	0.9073%	0.9073%	0.9073%	0.9073%	0.9073%	0.9073%	0.9073%	0.9073%	0.9073%	
Return (L25 x L26)	\$ 3,520	\$ 3,513	\$ 3,490	\$ 3,517	\$ 3,517	\$ 3,572	\$ 3,622	\$ 3,610	\$ 3,594	\$ 3,579	\$ 3,571	\$ 3,621	\$ 42,726

Amounts shown above may not add due to rounding.

THE STATE OF NEW HAMPSHIRE
BEFORE THE
NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

**Public Service Company of New Hampshire
Energy Service Rate – Mid-year Adjustment**

Docket No. DE 08-113

**Joint Technical Statement of
Robert A. Baumann and David A Errichetti**

June 19, 2009

1. Purpose of Technical Statement

This Technical Statement is being submitted to explain the changes to PSNH's proposed Default Energy Service (ES) Rate effective August 1, 2009. This filing updates the Company's ES filing that was submitted on May 20, 2009.

2. Proposed Rate

On May 20, 2009, PSNH filed a proposed mid-year ES rate of 8.94 c/kwh to be effective for the five month period August 1 through December 31, 2009. In this filing, PSNH is proposing a mid-year ES rate of 9.03 c/kwh to be effective August 1, 2009, which is a decrease of 0.89 cents from the currently effective ES rate of 9.92 cents/kwh.

The increase from the May 20, 2009 filing to the June 19, 2009 filing is attributable to net additional forecasted costs of \$3.3 million [\$10.2 M revenue decrease, net of expense decrease of \$6.9 million]. The forecasted cost increase of \$6.9 million is contained in Attachment RAB-2, page 3, and is specifically referenced below. The forecasted cost decrease is attributable to lower forward electricity prices as of June 12, 2009 and customer migration. The forecasted revenue decrease is due to additional customer migration.

3. Changes From May 20, 2009 Filing

Attachment RAB-2, Page 3:

For the forecast period June through December 2009, the impact of updated lower forward electricity prices and additional migration is to lower the overall ES costs by \$6.899 million.

Line 21 – IPP Energy Expense decreased by \$0.334 million entirely due to lower forward electricity prices.

Line 25 – Peak Purchase Expense decreased by \$2.580 million due to lower forward electricity prices and additional migration.

Line 28 – Known Purchase Expense decreased by \$0.029 million due to lower forward LMP prices applied to known contracts.

Line 31 – Off peak Purchase Expense decreased by \$1.818 million due to both lower forward electricity prices and additional migration.

Line 34 – Surplus Energy Sales Revenues increased by \$0.612 million due to lower forward electricity prices and additional migration.

Line 42 -- Congestion costs increased and were partially offset by a decrease in the costs associated with the reserve markets by a net \$0.036 million due to lower forward electricity prices and additional migration.

Line 43 – NH RPS expense decreased by \$0.150 million due to additional migration..

Line 46 – Capacity costs decreased by \$1.412 million due to additional migration.

For June through December 2009, sales were reduced 103 GWh to reflect migration as of June 7, 2009 which reduced the projected revenues by \$10.220 million.

The following table compares forward electricity prices used in the May 20, 2009 filing to those used in the June 29, 2009 update.

Forward Electricity Price and Changes Between
May 20, 2009 and June 19, 2009 Updates
(\$/MWh)

	May 20, 2009 Update		June 19, 2009 Update		Change	
	<u>Peak</u>	<u>Off-Peak</u>	<u>Peak</u>	<u>Off-Peak</u>	<u>Peak</u>	<u>Off-Peak</u>
Jun-09	45.75	35.75	39.50	30.00	(6.25)	(5.75)
Jul-09	55.00	41.00	46.50	35.25	(8.50)	(5.75)
Aug-09	55.00	41.00	50.50	36.38	(4.50)	(4.63)
Sep-09	46.75	37.75	46.13	36.50	(0.63)	(1.25)
Oct-09	55.25	45.75	48.43	38.38	(6.83)	(7.38)
Nov-09	55.25	45.75	53.25	43.88	(2.00)	(1.88)
Dec-09	55.25	45.75	64.00	52.25	8.75	6.50

Data Request STAFF-02, Q-STAFF-010 is being filed showing the sales and migration assumed in the January 2009 rates, the May 20, 2009 Update and the June 19, 2009 Update. The June 19, 2009 information includes actual May 2009 information.