

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

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	<u>\$ (23,864,634)</u>	<u>\$ (45,091,935)</u>	<u>\$ (69,912,696)</u>	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)
		<u>\$ (33,098,033)</u>		Line 31 - Line 33

NOTE: Numbers may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

DEFERRED TAX BENEFIT

Docket No. DE 18-177

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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	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										<u>\$ 11,993,902</u>

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.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
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.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

REVENUE REQUIREMENT

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

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

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	<u>\$ 349,839,116</u>	<u>\$ -</u>	<u>\$ 349,839,116</u>	<u>\$ 23,000</u>	<u>\$ 349,862,116</u>	<u>\$ -</u>	<u>\$ 349,862,116</u>	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	<u>\$ 603,842,286</u>	<u>\$ (603,842,286)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	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	<u>\$ 93,328,010</u>	<u>\$ (90,834,181)</u>	<u>\$ 2,493,829</u>	<u>\$ 13,266,292</u>	<u>\$ 15,760,121</u>	<u>\$ 667,747</u>	<u>\$ 16,427,867</u>	Sum of Lines 38 - 44
Total Operating Revenues	<u>\$ 1,047,009,412</u>	<u>\$ (694,676,467)</u>	<u>\$ 352,332,945</u>	<u>\$ 13,289,292</u>	<u>\$ 365,622,237</u>	<u>\$ 667,747</u>	<u>\$ 366,289,983</u>	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	<u>\$ 3,108,541</u>	<u>\$ 608,221</u>	<u>\$ 3,716,762</u>	

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.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

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	<u>27,321</u>	<u>-</u>	<u>27,321</u>	
	Total Rent from Electric Property	<u>\$ 5,709,750</u>	<u>\$ 59,526</u>	<u>\$ 5,769,276</u>	

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 (A)	Unadjusted Test Year Ended 12/31/2018 (B)	Indirect Costs Reallocation (C)	Test Year Ended 12/31/2018 (D)	Normalizing & Tax Adjustments (E)	Adjusted Test Year Ended 12/31/2018 (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	Unadjusted Test Year Ended 12/31/2018	Income Tax Adjustment	Restated Test Year Ended 12/31/2018	Normalizing Adjustments	Adjusted Test Year Ended 12/31/2018	Pro Forma Adjustments	Test Year Pro Forma	Schedule Reference
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(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	

-PRO FORMA ADJUSTMENTS

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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
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	(3,645,810)	(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
NORMALIZING ADJUSTMENTS
Test Year Ending December 31, 2018

Account	Amount	Description
Col. A	Col. B	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

POSTAGE EXPENSE

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

NOTE: Numbers may not add due to rounding.

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	<u>\$ 1,929,795</u>	<u>\$ 1,417</u>	<u>\$ 1,931,212</u>	<u>\$ 25,545</u>	<u>\$ 1,956,757</u>
Test Year Postage Expense 01/01/2018 - 12/31/2018		\$ 1,929,795			
Prorated Postal Increase		0.07%			
		<u>\$ 1,417</u>			
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		<u>0.0005</u>			
% Rate Increase		<u>1.34%</u>			
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		<u>5.5%</u>			
Rate Increase Proration					
2018 Bulk Rate Increase		1.34%			
% Days prior to Postage rate increase		5.5%			
Rate Increase Prorated		<u>0.07%</u>			
Adjusted Test Year		\$ 1,931,212			
2019 Bulk Rate Increase		1.32%			
		<u>\$ 25,545</u>			
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		<u>0.0005</u>			
% Rate Increase		<u>1.32%</u>			
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	<u>7,976,070</u>		
Pro Forma Adjustment		<u>\$ 324,807</u>	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	<u>\$ 7,651,263</u>	<u>\$ -</u>	<u>\$ 7,651,263</u>	<u>\$ 324,807</u>	<u>\$ 7,976,070</u>

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	<u>\$ 3,277,054</u>		
Pro Forma Adjustment		<u>\$ 1,042,852</u>	Line 21 - Line 19

NOTE: Numbers may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

UNCOLLECTIBLES / BAD DEBTS

Description (A)	Amount (B)	Reference (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

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 (A)	Amount (B)	Adjustment (C)	Reference (D)
Test Year	\$ -		
Test Year Pro Forma	<u>706,764</u>		
Pro Forma Adjustment		<u>\$ 706,764</u>	Line 21 - Line 19

NOTE: Numbers may not add due to rounding.

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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	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 706,764</u>	<u>\$ 706,764</u>

Note: Numbers may not add due to rounding.

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	<u>3,946,337</u>		
Pro Forma Adjustment		<u>\$ -</u>	Line 21 - Line 19

NOTE: Numbers may not add due to rounding.

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	<u>\$ 3,631,337</u>	<u>\$ 315,000</u>	<u>\$ 3,946,337</u>	<u>\$ -</u>	<u>\$ 3,946,337</u>

Note: Numbers may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

DUES & MEMBERSHIPS

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

NOTE: Numbers may not add due to rounding.

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 PORTSMO	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	<u>\$ 336,582</u>	<u>\$ (13,492)</u>	<u>\$ 323,090</u>	<u>\$ -</u>	<u>\$ 323,090</u>

Note: Numbers may not add due to rounding.

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	<u>16,022,044</u>		
Pro Forma Adjustment		<u>\$ 2,516,451</u>	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			Test Year Pro Forma
						Updated Actuarial Reports	8.069% Wage Increase	Incremental FTEs	
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		<u>\$ 16,973,840</u>	<u>\$ (7,139,116)</u>	<u>\$ -</u>	<u>\$ 9,834,724</u>	<u>\$ 434,717</u>	<u>\$ 188,218</u>	<u>\$ 67,122</u>	<u>\$ 10,524,780</u>
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		<u>\$ 23,167,207</u>	<u>\$ (9,661,614)</u>	<u>\$ -</u>	<u>\$ 13,505,593</u>	<u>\$ 2,261,111</u>	<u>\$ 188,218</u>	<u>\$ 67,122</u>	<u>\$ 16,022,044</u>

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

Description (A)	Non-Represented		Represented		Test Year Pro Forma (C) + (E) (F)	Non - O&M% (G)	Adjusted Test Year Pro Forma (H)	Reference (I)
	Enrollment as of 12/31/2018 (#) (B)	Test Year Pro Forma (C)	Enrollment as of 12/31/2018 (#) (D)	Test Year Pro Forma (E)				
<u>PSNH</u>								
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
Dental	350	256,094	293	203,963	460,057	51.11%	224,925	Exh. ES-EHC-12, WP EHC-12, Page 3
Vision	350	27,202	293	20,889	48,090	51.11%	23,512	Exh. ES-EHC-12, WP EHC-12, Page 4
PSNH BENEFITS		\$ 5,941,411		\$ 4,888,872	\$ 10,830,283		\$ 5,294,997	Line 21 + 22 + 23
<u>EESCO</u>								
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
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
Vision	2,216	155,247	464	36,359	191,606	19.36%	154,503	Exh. ES-EHC-12, WP EHC-12, Page 4
EESCO BENEFITS		\$ 34,157,538		\$ 6,795,731	\$ 40,953,269		\$ 33,023,023	Line 28 + 29 + 30
EESCO ALLOCATED TO PSNH	177	\$ 2,732,603	37	\$ 543,658	\$ 3,276,262		\$ 2,641,842	Line 31 * 8.00%
<u>TOTAL</u>								
Medical / Prescription	527	\$ 8,260,878	330	\$ 5,174,441	\$ 13,435,319		\$ 7,556,903	Line 21 + (Line 28 * 8.00%)
Dental	527	373,514	330	234,292	607,807		344,064	Line 22 + (Line 29 * 8.00%)
Vision	527	39,621	330	23,798	63,419		35,872	Line 23 + (Line 30 * 8.00%)
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

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

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

EMPLOYEE BENEFITS COSTS
TEST YEAR PRO FORMA

DENTAL EXPENSE

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

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

EMPLOYEE BENEFITS COSTS
TEST YEAR PRO FORMA

VISION EXPENSE

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

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	<u>2,480,664</u>		
Pro Forma Adjustment		<u>\$ 108,288</u>	Line 21 - Line 19

NOTE: Numbers may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

INSURANCE EXPENSE & INJURIES & DAMAGES

Account	Description	Test Year Actual	Normalizing Adjustment	Adjusted Test Year	Pro Forma Adjustment	Test Year Pro Forma	Reference
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
924000	<u>Insurance Expense</u>						
	Property	\$ 181,680	\$ (24,824)	\$ 156,856	\$ 4,070	\$ 160,926	WP EHC/TMD-13 , Line 23
	Crime	9,757	-	9,757	142	9,899	WP EHC/TMD-13 , Line 28
	Total Account 924000	\$ 191,438	\$ (24,824)	\$ 166,614	\$ 4,211	\$ 170,825	
925000	<u>Insurance Expense</u>						
	Cyber Risk	\$ 59,345	\$ (1,336)	\$ 58,009	\$ (15,358)	\$ 42,651	WP EHC/TMD-13 , Line 35
	Fiduciary	53,133	-	53,133	424	53,557	WP EHC/TMD-13 , Line 42
	Excess Liability	663,278	-	663,278	218,732	882,010	WP EHC/TMD-13 , Line 52
	Directors and Officers Liability	69,009	-	69,009	(1,871)	67,139	WP EHC/TMD-13 , Line 65
	Worker's Compensation	174,455	-	174,455	12,216	186,671	WP EHC/TMD-13 , Line 75
		1,019,220	(1,336)	1,017,885	214,142	1,232,027	
925000	<u>Injuries & Damages Expense</u>						
	Public Liability Claims	449,856	-	449,856	-	449,856	
	Worker's Compensation Claims	2,143,683	-	2,143,683	-	2,143,683	
593000	Accrual for Uncollectible Claims	229,135	-	229,135	-	229,135	
		2,822,674	-	2,822,674	-	2,822,674	
925000	<u>Insurance Expense - Other</u>						
	Second Injury Fund	130,708	-	130,708	-	130,708	
	Claims Handling Expense	222,259	-	222,259	-	222,259	
	Safety & Training Programs	47,026	-	47,026	-	47,026	
		399,994	-	399,994	-	399,994	
	Total account 925000 & 593000	\$ 4,241,888	\$ (1,336)	\$ 4,240,553	\$ 214,142	\$ 4,454,695	Line 31 + Line 36 + Line 41
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
	Less: Capitalized Portion	(2,035,473)	683	(2,034,790)	(110,066)	(2,144,856)	
	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		Insurance Carrier	Current Premium	Allocated Expense to PSNH
(A)	From	To	(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
				<u>\$2,747,859</u>	<u>\$ 160,926</u>
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
				<u>\$ 80,849</u>	<u>\$ 9,899</u>
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
				<u>\$ 654,651</u>	<u>\$ 42,651</u>
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
				<u>\$ 451,950</u>	<u>\$ 53,557</u>
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
				<u>\$9,060,743</u>	<u>\$ 882,010</u>
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
				<u>\$1,045,766</u>	<u>\$ 67,139</u>
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
				<u>\$1,667,676</u>	<u>\$ 186,671</u>
Grand Total Insurance Premiums					<u><u>\$ 1,402,852</u></u>

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	<u>54,496,899</u>		Sch. EHC/TMD-14 Perm), Page 2, Line 52
Pro Forma Adjustment		<u>\$ 4,673,452</u>	Line 21 - Line 19
Local 1837		\$ 1,655,681	Sch. EHC/TMD-14, Page 2
Non-Union		<u>3,017,772</u>	Sch. EHC/TMD-14, Page 2
Total		<u>\$ 4,673,452</u>	

NOTE: Numbers may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

PAYROLL EXPENSE

Description	Local 1837	Non-Union	Total	Reference
(A)	(B)	(C)	(D)	(E)
<u>Adjusted Test Year</u>				
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	
<u>Annualized Test Year Wage Increases</u>				
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
<u>Post Test Year Wage Increases</u>				
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	
<u>Post Test Year Wage Increases</u>				
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	
<u>Post Test Year Wage Increases</u>				
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
<u>Rate Year Wage Increases</u>				
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	<u>12.821%</u>	<u>8.176%</u>	<u>9.380%</u>	

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

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

PAYROLL EXPENSE

Account Description	Adjusted Test Year	% of Total	Payroll Adjustment By FERC Account	Reference
(A)	(B)	(C)	(D)	(E)
Total Payroll Adjustment			\$ 4,673,452	
Operations & Maintenance Expenses - Distribution				
556 System Control And Load Dispatching	\$ 50,891	0.1%	\$ 4,774	Line 19 * Line 22
580 Operation Supervision And Engineering	7,928,404	15.9%	743,686	Line 19 * Line 23
581 Load Dispatching	811,642	1.6%	76,132	Line 19 * Line 24
582 Station Expenses	1,875,694	3.8%	175,941	Line 19 * Line 25
583 Overhead Line Expenses	686,866	1.4%	64,428	Line 19 * Line 26
584 Underground Line Expenses	305,108	0.6%	28,619	Line 19 * Line 27
585 Street Lighting And Signal System Expenses	352,341	0.7%	33,050	Line 19 * Line 28
586 Meter Expenses	1,780,530	3.6%	167,014	Line 19 * Line 29
587 Customer Installations Expenses	4,791	0.0%	449	Line 19 * Line 30
588 Miscellaneous Distribution Expenses	2,015,746	4.0%	189,078	Line 19 * Line 31
589 Distribution Operations Rent	210,800	0.4%	19,773	Line 19 * Line 32
590 Distribution Maintenance Supervising & Engineering	133,754	0.3%	12,546	Line 19 * Line 33
591 Maintenance Of Structures	131,365	0.3%	12,322	Line 19 * Line 34
592 Maintenance Of Station Equipment	1,035,478	2.1%	97,128	Line 19 * Line 35
593 Maintenance Of Overhead Lines	7,415,038	14.9%	695,532	Line 19 * Line 36
594 Maintenance Of Underground Lines	412,729	0.8%	38,714	Line 19 * Line 37
595 Maintenance Of Line Transformers	523,122	1.0%	49,069	Line 19 * Line 38
596 Maintenance Of Street Lighting And Signal Systems	41,013	0.1%	3,847	Line 19 * Line 39
597 Maintenance Of Meters	318,164	0.6%	29,844	Line 19 * Line 40
598 Maintenance Of Miscellaneous Distribution Plant	10,659	0.0%	1,000	Line 19 * Line 41
Operations & Maintenance Expenses - Distribution Subtotal	\$ 26,044,135		\$ 2,442,947	Sum of Lines 22 through 41
Operations & Maintenance Expenses - Customer				
901 Supervision	\$ -	0.0%	\$ -	Line 19 * Line 45
902 Meter Reading Expenses	1,742,642	3.5%	163,460	Line 19 * Line 46
903 Customer Records And Collection Expenses	8,329,265	16.7%	781,287	Line 19 * Line 47
905 Customer Account Expenses	57,337	0.1%	5,378	Line 19 * Line 48
908 Customer Assistance Expenses	499,256	1.0%	46,830	Line 19 * Line 49
Operations & Maintenance Expenses - Customer Subtotal	\$ 10,628,499		\$ 996,956	
Operations & Maintenance Expenses - Administrative and General				
920 Administrative & General Salaries	\$ 12,843,906	25.8%	\$ 1,204,762	
925 Injuries & Damages	201,496	0.4%	18,900	
926 Employee Pension & Benefits	-	0.0%	-	
928 Regulatory Commission Expense	3,904	0.0%	366	
935 Maintenance of General Plant	101,508	0.2%	9,521	
Operations & Maintenance Expenses - Administrative and General Subtotal	\$ 13,150,813		\$ 1,233,550	
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	<u>7,613,826</u>		
Pro Forma Adjustment		<u>\$ (891,037)</u>	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				

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

ENTERPRISE IT PROJECTS EXPENSE

Description	Amount	Adjustment	Reference
(A)	(B)	(C)	(D)
Test Year	\$ 3,460,641		
Test Year Pro Forma	<u>4,151,778</u>		
Pro Forma Adjustment		<u>\$ 691,137</u>	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	<u>\$ 3,460,641</u>	<u>\$ -</u>	<u>\$ 3,460,641</u>	<u>\$ 691,137</u>	<u>\$ 4,151,778</u>	

Note: Numbers may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

ENVIRONMENTAL

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

NOTE: Numbers may not add due to rounding.

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	<u>\$ 321,777</u>	<u>\$ -</u>	<u>\$ 321,777</u>	<u>\$ -</u>	<u>\$ 321,777</u>

Note: Numbers may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

FIELD OPERATIONS

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

NOTE: Numbers may not add due to rounding.

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.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

FACILITIES EXPENSE

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

NOTE: Numbers may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

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	<u>\$ 3,276,010</u>	<u>\$ -</u>	<u>\$ 3,276,010</u>	<u>\$ -</u>	<u>\$ 3,276,010</u>

NOTE: Numbers may not add due to rounding.

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	<u>32,029,864</u>		
Pro Forma Adjustment		<u>\$ -</u>	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	<u>\$ 14,016,121</u>	<u>\$ 1,213,743</u>	<u>\$ 15,229,864</u>	<u>\$ -</u>	<u>\$ 15,229,864</u>	

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	<u>\$ -</u>	<u>\$ 16,800,000</u>	<u>\$ 16,800,000</u>	<u>\$ -</u>	<u>\$ 16,800,000</u>	
Total Normalizing Adjustments	<u>\$ 14,016,121</u>	<u>\$ 18,013,743</u>	<u>\$ 32,029,864</u>	<u>\$ -</u>	<u>\$ 32,029,864</u>	

* reflects unpaid bills from Consolidated

NOTE: Numbers may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

LEASE EXPENSE

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

NOTE: Numbers may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

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.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

REGULATORY ASSESSMENTS

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

NOTE: Numbers may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

REGULATORY ASSESSMENTS

Description	Test Year Actual	Normalization Adjustments	Adjusted Test Year	Pro Forma Adjustments	Test Year Pro Forma	Reference
(A)	(B)	(C)	(D)	(E)	(F)	(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	<u>1,317,919</u>		
Pro Forma Adjustment		<u>\$ -</u>	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	<u>\$ 1,317,919</u>	<u>\$ -</u>	<u>\$ 1,317,919</u>	<u>\$ -</u>	<u>\$ 1,317,919</u>

Note: Numbers may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

VEHICLES

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

NOTE: Numbers may not add due to rounding.

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
	<u>\$ 4,817,337</u>	<u>\$ 8,059</u>	<u>\$ 4,825,395</u>	<u>\$ (1,068,474)</u>	<u>\$ 3,756,921</u>

NOTE: Numbers may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

STORM RESERVE ACCRUAL

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

NOTE: Numbers may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

RATE CASE EXPENSE

Description	Amount	Adjustment	Reference
(A)	(B)	(C)	(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		<u>\$ 1,407,500</u>

NOTE: Numbers may not add due to rounding

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	<u>1,889,387</u>		
Pro-Forma Adjustment		<u>\$ 93,904</u>	Line 20 - Line 18

NOTE: Numbers may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

RESIDUAL O&M INFLATION ADJUSTMENT

Description	Inflation %	Test Year
(A)	(B)	(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.

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

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

DEPRECIATION & AMORTIZATION EXPENSE

Description	Amount	Adjustment	Reference
(A)	(B)	(C)	(D)
Test Year	\$ 62,325,389		
Test Year Pro Forma	<u>69,179,945</u>		
Pro Forma Adjustment		<u>\$ 6,854,556</u>	Line 21 - Line 19
<u>Test Year Detail</u>			
403000: Depreciation	\$ 56,313,874		
403700: Depr Exp - Cap Leases	168,419		
404000: Amort of Lim-Term EI Plant	<u>5,843,096</u>		
Total	<u><u>62,325,389</u></u>		

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 (1)	SURVIVOR CURVE (2)	NET SALVAGE PERCENT (3)	ORIGINAL COST AS OF DECEMBER 31, 2018 (4)	BOOK DEPRECIATION RESERVE (5)	FUTURE ACCRUALS (6)	CALCULATED ANNUAL ACCRUAL AMOUNT (7)	ACCURUAL RATE (8)=(7)/(4)	COMPOSITE REMAINING LIFE (9)=(7)/(4)
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	144,068,112	432,726,764	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 AMORTIZED	5-SQ	0	454,719.71 1,217,531.18	454,720 488,350	0 729,181	0 243,538	- 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	2,062,867	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	859,088	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 AMORTIZED	20-SQ	0	144,092.53 1,928,654.42	144,093 1,190,890	0 737,764	0 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 AMORTIZED	15-SQ	0	2,047,169.96 3,599,537.15	2,047,170 1,779,210	0 1,820,327	0 240,027	- 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 AMORTIZED	15-SQ	0	2,911,233.53 19,187,568.82	2,911,234 7,643,580	0 11,543,989	0 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 AMORTIZED	5-SQ	0	171,490.06 271,997.24	171,490 186,120	0 85,877	0 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				(623,268)		164,854 **		
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		
						(1,361,860)		
						69,179,945		

* NEW ADDITIONS TO THIS ACCOUNT WILL BE DEPRECIATED USING A 10.00% RATE

** 5-YEAR AMORTIZATION OF UNRECOVERED RESERVE RELATED TO UTILIZATION OF AMORTIZATION ACCOUNTING

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	<u>6,590,456</u>		
Pro Forma Adjustment		<u>\$ 1,528,812</u>	Line 21 - Line 19

NOTE: Numbers may not add due to rounding.

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	<u>\$ 5,061,644</u>	<u>\$ -</u>	<u>\$ 5,061,644</u>	<u>\$ 1,528,812</u>	<u>\$ 6,590,456</u>

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	<u>19,015,397</u>		
Pro Forma Adjustment		<u>\$ 3,200,203</u>	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	<u>\$ 1,068,755</u>	<u>\$ 14,746,439</u>	<u>\$ 15,815,194</u>	<u>\$ 3,200,203</u>	<u>\$ 19,015,397</u>	

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
AMORTIZATION OF UNRECOVERED STORM COSTS

Description	Actual	Reference
(A)	(B)	(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	<u>\$ 9,088,687</u>	60 Month Recovery @ Stipulated ROR
Total Unrecovered Storm Costs including Carrying Charges	\$ 77,563,042	Line 21 + Line 23 + Line 25
Recovery Period (months)	<u>60</u>	5 year amortization
Monthly Funding Recovery Amortization	\$ 1,292,717	Line 27 / Line 29
Annual Recovery Amount	<u><u>\$ 15,512,608</u></u>	Line 31 * 12

NOTE: Numbers may not add due to rounding.

15	Funding Balance	\$ (46,512,913)
16		
17	Unrecovered Storm Costs	\$ 114,987,268
18		
19	Funding over/(under) recovery	\$ (68,474,355)
20		
21	Carrying Charge	7.00%
22		
23	Annual Recovery	\$ 15,512,608.46

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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
AMORTIZATION OF UNRECOVERED MERGER COSTS TO ACHIEVE

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

NOTE: Numbers may not add due to rounding.

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	<u>47,399,352</u>		
Pro-Forma Adjustment		<u>\$ 281,831</u>	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	<u>\$ 43,872,014</u>	<u>\$ 3,245,507</u>	<u>\$ 47,117,521</u>	<u>\$ 281,831</u>	<u>\$ 47,399,352</u>

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	
(A)	(B)	(C)	(D) = ((B) * (C)) / 1000	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	-
EPING	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	
(A)	(B)	(C)	(D) = ((B) * (C)) / 1000	Distribution	Transmission
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	
(A)	(B)	(C)	(D) = ((B) * (C)) / 1000	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	-
PINKHAM'S 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	
(A)	(B)	(C)	(D) = ((B) * (C)) / 1000	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
Composite Mill Rate		\$ 16.19		61%	39%
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

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	<u>5,138,032</u>		
Pro-Forma Adjustment		<u>\$ 392,679</u>	Line 21 - Line 19

NOTE: Numbers may not add due to rounding.

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)
<u>Payroll Taxes</u>							
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
<u>Taxes Other Than Income</u>							
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	<u>12,876,576</u>		
Adjustment		(9,769,767)	
Adjusted Test Year	<u>7,978,269</u>		
Test Year Normalizing Adjustments		<u>(4,898,307)</u>	
Total Adjustment		<u>\$ (14,668,074)</u>	

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)
Adjusted Test Year	\$ 7,978,269		
Test Year Pro Forma	<u>3,227,362</u>		
Adjustment		<u>\$ (4,750,907)</u>	

NOTE: Numbers may not add due to rounding.

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.

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.

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 rined 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	<u>6,030,481</u>		
Adjustment		7,492,736	
Adjusted Test Year	<u>6,030,481</u>		
Test Year Normalizing Adjustments		<u>0</u>	
Total Adjustment		<u>\$ 7,492,736</u>	

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)
Adjusted Test Year	\$ 6,030,481		
Test Year Pro Forma	<u>6,070,253</u>		
Adjustment		<u>\$ 39,773</u>	

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	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 rmed 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
INVESTMENT TAX CREDIT

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

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)
May 28, 2019

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

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41	Schedule EHC/TMD-41 (Perm)	Cash Working Capital

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

Major Property Grouping (A)	Test Year Actual #REF! (B)	Normalizing Adjustments (C)	Adjusted Test Year Actual #REF! (D)=(B)+(C)	Additions / Retirements / Transfers (E)	Plant In Service Adjustments (F)	Pro-forma Plant In Service #REF! (G)=(D)+(E)+(F)	Reference (H)
Intangible	\$ 52,960,122	\$ -	\$ 52,960,122	\$ -	\$ -	\$ 52,960,122	
Distribution (Note 1)	1,924,901,934	(837,463)	1,924,064,471	-	-	1,924,064,471	
General	<u>194,020,807</u>	<u>-</u>	<u>194,020,807</u>	<u>-</u>	<u>-</u>	<u>194,020,807</u>	
Total Distribution Plant	<u>\$ 2,171,882,864</u>	<u>\$ (837,463)</u>	<u>\$ 2,171,045,401</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,171,045,401</u>	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
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)
	<u>Intangible Plant</u>							
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
	<u>Distribution Plant</u>							
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 Distribution Plant	837,463	-	(837,463)	-	-	-	-
	Total Distribution Plant	\$ 1,924,901,934	\$ -	\$ (837,463)	\$ 1,924,064,471	\$ -	\$ -	\$ 1,924,064,471
	<u>General Plant</u>							
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	<u>\$ 602,635,428</u>	<u>\$ (209,233)</u>	<u>\$ 602,426,195</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 602,426,195</u>	

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
(A)	(B)	(C)	(D)	(E)	(F)	(G) = Sum of (C) through (F)	(H)	(I)	(J) = Sum of (G) through (I)
	<u>Intangible Plant</u>								
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
	<u>Distribution Plant</u>								
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
	<u>General Plant</u>								
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

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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	<u>(6,817,111)</u>
Total ADIT	<u><u>(370,640,053)</u></u>

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
CASH WORKING CAPITAL**

Purpose and Description: Test Year Lead/Lag

	(1)	(2)	(3)	(4)	(5)	(6)	
	Revenue	Expense	Net Days	Annual	Daily	Working Capital	Lead (Lag) Days
	Lag	Lead		Distribution	Expense	Requested	
	(Days)	(Days)	(1) - (2)	Expense	(4/365)	(5) * (3)	Reference
<u>Retail Operating Expenses</u>							
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	

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
<u>Retail Operating Expenses</u>							
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

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	

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

LEAD (LAG) STUDY
CALCULATION OF PAYROLL LEAD (LAG)

(Thousands of Dollars)

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Period Bi Weekly Beginning	Period Bi Weekly Ending	Midpoint of Period	Payment Date	Lead/La g Days	Amounts	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					<u>\$ 101,867</u>	<u>\$ 1,219,096</u>
Total weighted lead(lag) days						<u>11.97</u>

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

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

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)
						<u>\$ 4,735,933</u>	<u>\$ 57,302,323</u>
							<u><u>12.10</u></u>

LEAD (LAG) STUDY

CALCULATION OF INSURANCE 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
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)

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	<u>\$ 50,451,886</u>	<u>128</u>	<u>\$ 9,863,888</u>	<u>\$ 453,252,890</u>	<u>45.95</u>

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)

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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)

LEAD (LAG) STUDY

CALCULATION OF EMPLOYER TAXES - PSNH DIRECT LEAD (LAG)

(Thousands of Dollars)

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

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				<u>\$ 17,898</u>	<u>\$ 537,131</u>
Weighted Lead Days [Total (5) / (4)]					<u>30.01</u>

LEAD (LAG) STUDY

CALCULATION OF STATE 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	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				<u>\$ 7,600</u>	<u>\$ 243,133</u>
Weighted Lead Days [Total (5) / (4)]					<u>31.99</u>

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
CALCULATION OF STEP ADJUSTMENTS

	Description	Test Year 12/31/2018	Step Adjustment #1	Step Adjustment #2	Step Adjustment #3	Step Adjustment #4
			(effective 7/1/20) Investment Year 1 (Calendar 2019)	(effective 7/1/21) Investment Year 2 (Calendar 2020)	(effective 7/1/22) Investment Year 3 (Calendar 2021)	(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	<u>1,568,619,205</u>	<u>1,656,562,412</u>	<u>1,761,023,104</u>	<u>1,825,075,170</u>	<u>1,912,638,522</u>
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)		<u>1.37142</u>	<u>1.37142</u>	<u>1.37142</u>	<u>1.37142</u>
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)		<u>-</u>	<u>437,098</u>	<u>450,210</u>	<u>463,717</u>
13	Total Revenue Requirement (sum of L8 - L12)		<u>\$ 14,866,282</u>	<u>\$ 20,774,394</u>	<u>\$ 13,526,103</u>	<u>\$ 15,626,629</u>

**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

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**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**

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

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	ACCURAL 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-SO.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-SO.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-SO.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 AMORTIZED	5-SQ	0	454,719.71	454,720	0	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	23,270,888	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 AMORTIZED	20-SQ	0	144,092.53	144,093	0	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 AMORTIZED	15-SQ	0	2,047,169.96	2,047,170	0	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 AMORTIZED	15-SQ	0	2,911,233.53	2,911,234	0	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 AMORTIZED	5-SQ	0	171,490.06	171,490	0	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			28,788,996.76	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		(6,564) **		
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		
						(1,361,850)		
						69,179,945		

* NEW ADDITIONS TO THIS ACCOUNT WILL BE DEPRECIATED USING A 10.00% RATE

** 5-YEAR AMORTIZATION OF UNRECOVERED RESERVE RELATED TO UTILIZATION OF AMORTIZATION ACCOUNTING

Public Service Company of New Hampshire
d/b/a Eversource Energy
Docket No. DE 19-057
Attachment EHC/TMD-3 (Perm)
May 28, 2019
Page 6 of 8

**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	<u>2.18%</u>	Line 1 / Line 2

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

	Description	Adjusted Test Year	Pro Forma Adjustments	(2019 Projection) Test Year	Calendar 2020	Calendar 2021	Calendar 2022
		12/31/2018		Pro Forma			
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	<u>\$ 3,460,641</u>	<u>\$ 691,137</u>	<u>\$ 4,151,778</u>	<u>\$ 4,787,157</u>	<u>\$ 5,264,711</u>	<u>\$ 5,711,591</u>
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	<u>\$ 5,061,644</u>	<u>\$ 1,528,812</u>	<u>\$ 6,590,456</u>	<u>\$ 8,732,281</u>	<u>\$ 10,067,889</u>	<u>\$ 9,877,144</u>
7	Total Enterprise IT Projects	<u>\$ 8,522,285</u>	<u>\$ 2,219,949</u>	<u>\$ 10,742,234</u>	<u>\$ 13,519,437</u>	<u>\$ 15,332,601</u>	<u>\$ 15,588,735</u>
8	Net Change (year over year)				<u>\$ 2,777,203</u>	<u>\$ 1,813,164</u>	<u>\$ 256,134</u>

**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	<u>\$ 14,569,919</u>	<u>\$ 15,007,016</u>	<u>\$ 15,457,227</u>	<u>\$ 15,920,943</u>
5	Net Change (year over year)		<u>\$ 437,098</u>	<u>\$ 450,210</u>	<u>\$ 463,717</u>

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

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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 Energy² 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

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’s⁵ 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 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	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 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	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 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
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)

Original Net Benefit Analysis												
Advertising	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	
Results as of December 31, 2017												
Advertising	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	
Variance (Preliminary vs. Net Benefit Analysis)												
Advertising	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

Results as of December 31, 2017												
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
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
Variance (Preliminary vs 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
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)

Original Net Benefit Analysis												
External Directors / Trustee Fees	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	
Results as of December 31, 2017												
External Directors / Trustee Fees	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	
Variance (Preliminary vs Net Benefit Analysis)												
External Directors / Trustee Fees	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)

Original Net Benefit Analysis												
Association Dues	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 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	
Results as of December 31, 2017												
Association Dues	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 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	
Variance (Preliminary vs. Net Benefit Analysis)												
Association Dues	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 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)

Original Net Benefit Analysis												
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
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

Results as of December 31, 2017												
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
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
Variance (Preliminary vs Net Benefit Analysis)												
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
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
<u>Integration Cost</u>														
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
<u>Transaction Costs</u>														
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**

<u>Line No.</u>	<u>Description</u>	<u>2011</u>	<u>2013</u>	<u>2013 Savings</u>	<u>Capitalization Rate</u>	<u>Total O&M Savings</u>	<u>Reference</u>
	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			<u>\$ (2,691,594)</u>		<u>\$ (2,101,367)</u>	Line 1 + Line 3 + Line 5
8							
9	<u>Inflation Rate per GDP-PI</u>						
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					<u>\$ (2,279,625)</u>	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	<u>Historical Payroll Increases</u>		
8	2013 - 3%	(27,642)	Line 1 * 3%
9			
10	Total Net Labor (Savings)/Costs in 2013	<u>(1,154,817)</u>	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	<u>Employment Cost Index:</u>			
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 Liability	379,300	254,569	\$ (124,731)	Per company records
4	Insurance (Savings) / Costs	<u>\$ 1,068,534</u>	<u>\$ 943,080</u>	<u>\$ (125,454)</u>	Line 3 + Line 5

PSNH Regulated ADIT
Surplus/Deficit From Federal Rate Change to 21%
December 31, 2017 After RTP

Beginning in Rate Year	Year	Plant	Pension/OPEB	Non-Pension	Total	Total
		\$ 124,124,059 24.1 Yr Life	\$ 9,505,657 10 Yr Life	\$ 6,262,292 5 Yr Life	Before Tax Gross Up	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
		<u>(124,124,059)</u>	<u>(9,505,657)</u>	<u>(6,262,292)</u>	<u>(139,892,008)</u>	<u>(155,659,957)</u>

* 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 Rate Change from 8.2% to 7.9% and then to 7.7%
December 31, 2018

			Plant	Non-Plant	Total	Total
			\$ 2,496,796	\$ 1,066,257	Before Tax	After Tax
			5 Yr Life	5 Yr Life	Gross Up	Gross Up*
Beginning in	Rate Year	Year				
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
			<u>(2,496,796)</u>	<u>(1,066,257)</u>	<u>(3,563,053)</u>	<u>(4,629,310)</u>

* 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

			Plant	Non-Plant	Total	Total
			\$ 126,620,855	\$ 16,834,206	Before Tax	After Tax
			5 Yr Life	5 Yr Life	Gross Up	Gross Up*
Beginning in	Rate Year	Year				
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
			<u>(126,620,855)</u>	<u>(16,834,206)</u>	<u>(143,455,061)</u>	<u>(160,289,267)</u>

* 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

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
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)
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
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
Clean Innovation projects	-	7,000,000	15,000,000	-	-	-	-	-	-	-	Sum of Sch 2 Lines 28-29
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
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
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
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
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
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
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
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
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
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
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
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
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
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

GRID TRANSFORMATION AND ENABLEMENT PROGRAM (GTEP)

ILLUSTRATIVE ANNUAL REVENUE REQUIREMENT

SCHEDULE 2 - CAPITAL ADDITIONS AND OPERATING AND MAINTENANCE EXPENSE

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
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)
Capital additions											
Resiliency investments											
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
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
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
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
Westmoreland Clean Innovation Project (2)		7,000,000									Input
Oyster River Clean Innovation Project (3)			15,000,000								Input
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
O&M											
Resiliency investments (one-time transfer expense)											
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
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
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
Substation renewal	-	-	-	-	-	-	-	-	-	-	N/A
Westmoreland Clean Innovation Project (4)	-	-	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	Input
Oyster River Clean Innovation Project	-	-	-	-	-	-	-	-	-	-	N/A
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

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
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)
MACRS 20 Years											
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
Tax Depreciation Rate (Year 2 Investment)		3.75%	7.22%	6.68%	6.18%	5.71%	5.29%	4.89%	4.52%	4.46%	
Tax Depreciation Rate (Year 3 Investment)			3.75%	7.22%	6.68%	6.18%	5.71%	5.29%	4.89%	4.52%	
Tax Depreciation Rate (Year 4 Investment)				3.75%	7.22%	6.68%	6.18%	5.71%	5.29%	4.89%	
Tax Depreciation Rate (Year 5 Investment)					3.75%	7.22%	6.68%	6.18%	5.71%	5.29%	
Tax Depreciation Rate (Year 6 Investment)						3.75%	7.22%	6.68%	6.18%	5.71%	
Tax Depreciation Rate (Year 7 Investment)							3.75%	7.22%	6.68%	6.18%	
Tax Depreciation Rate (Year 8 Investment)								3.75%	7.22%	6.68%	
Tax Depreciation Rate (Year 9 Investment)									3.75%	7.22%	
Tax Depreciation Rate (Year 10 Investment)										3.75%	
Tax Depreciation (MACRS 20 Years)											
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
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
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
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
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
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
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
Tax Depreciation (Year 8 Investments)								\$ (1,312,500)	\$ (2,526,650)	\$ (2,336,950)	Sch 1 Line 25 Col I x Line 30
Tax Depreciation (Year 9 Investments)									\$ (1,312,500)	\$ (2,526,650)	Sch 1 Line 25 Col J x Line 31
Tax Depreciation (Year 10 Investments)										\$ (1,312,500)	Sch 1 Line 25 Col K x Line 32
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
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
Book Depreciation (30 Year Life)											
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)
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)
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)
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)
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)
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)
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)
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)
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)
Book Depreciation (Year 10 Investment)										\$ 583,333	Sch 2 Line 30 Col K x Line 73 (x 1/2 in Yr 1)
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
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
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
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
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
Other assumptions											
Property Tax Rate	2.18%										Attachment EHC/TMD-3 (Perm) P. 6 of 8
Book depreciation years	30.00										Input
Book depreciation rate	3.33%										100% / Line 72

GRID TRANSFORMATION AND ENABLEMENT PROGRAM (GTEP)
ILLUSTRATIVE ANNUAL REVENUE REQUIREMENT
SCHEDULE 4 - RETURN ON RATE BASE AND CAPITAL STRUCTURE

Description (A)	Capital Ratio (B)	Cost (C)	Weighted Cost Col (B) / Col (C) (D)	Tax Gross-up Factor (E)	Pre-Tax Rate of Return Col (D) / Col (E) (F)	Reference (G)
Short-Term Debt	3.17%	2.45%	0.08%		0.08%	Att. EHC-TMD-1, Sch EHC-TMD-40
Long-term Debt	41.98%	4.37%	1.83%		1.83%	Att. EHC-TMD-1, Sch EHC-TMD-40
Common Equity	<u>54.85%</u>	<u>10.40%</u>	<u>5.70%</u>	72.92% (1)	<u>7.82%</u> (2)	Att. EHC-TMD-1, Sch EHC-TMD-40
Total	<u>100.00%</u>		<u>7.61%</u>		9.73%	Sum of Lines 21-23
<u>Tax Gross-up Factor:</u>						
Federal Rate					21.00%	Att. EHC-TMD-1, Sch EHC-TMD-2
State Rate					<u>7.70%</u>	Att. EHC-TMD-1, Sch EHC-TMD-2
Effective State Rate = State Rate * (1 - Federal Rate)					6.08%	Line 29 * (1 - Line 28)
Effective State and Federal Tax Rate				T	27.08%	Line 28 + Line 30
Net Income After Taxes on Income				1 - T	72.92% (1)	1 - Line 31
State and Federal Taxes / Net Income After Taxes on Income				T / (1 - T)	0.37142	Line 31 / Line 32

(2) Line 23 Col. (E) = Line 23 Col. (C) / Line 23 Col. (D)