

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
2012 ALTERNATE ENERGY SERVICE RATE CALCULATION
(Dollars in 000's)

10	Summary of Forecasted Alternate Energy Service		
11	Cost For January 2012 Through December 2012		Reference
12			
13			
14	Scrubber Cost		
15	Merrimack Scrubber Depreciation Expense	\$ 13,761	DE 11-215, Attachment RAB-5, page 2
16	Merrimack Scrubber Property Tax Expense	267	DE 11-215, Attachment RAB-5, page 2
17	Merrimack Scrubber Return on Rate Base	36,539	DE 11-215, Attachment RAB-5, page 3
18			
19	Total Forecasted Merrimack Scrubber Non-Operating Cost	\$ 50,567	
20			
21			
22	Forecasted Retail MWH Sales	5,230,952	MWh
23			
24			
25	Forecasted Energy Service Merrimack Scrubber Rate Impact		
26	cents Per KWH (Line 19 / Line 25)	0.97	¢/kWh
Marginal Cost			
	Marginal Cost of Serving Energy Service	6.89	¢/kWh Attachment SRH/FWB-2
	Alternate Default Energy Service Rate ADE	7.86	¢/kWh

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

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	January 2012 Estimate	February 2012 Estimate	March 2012 Estimate	April 2012 Estimate	May 2012 Estimate	June 2012 Estimate	July 2012 Estimate	August 2012 Estimate	September 2012 Estimate	October 2012 Estimate	November 2012 Estimate	December 2012 Estimate	Total
<u>Merrimack Scrubber O&M, Depr. & Taxes</u>													
Merrimack Scrubber O&M, net of Avoided SO2 Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Merrimack Scrubber Depreciation Cost	1,070	1,070	1,070	1,099	1,099	1,099	1,203	1,203	1,203	1,215	1,215	1,215	13,761
Merrimack Scrubber Property Taxes (1)	17	17	17	24	24	24	24	24	24	24	24	24	267
Total Merrimack Scrubber O&M, Depr. and Taxes	\$ 1,087	\$ 1,087	\$ 1,087	\$ 1,123	\$ 1,123	\$ 1,123	\$ 1,227	\$ 1,227	\$ 1,227	\$ 1,239	\$ 1,239	\$ 1,239	\$ 14,028

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

Amounts shown above may not add due to rounding.

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

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2														
3														
4														
5														
6														
7														
8														
9		January	February	March	April	May	June	July	August	September	October	November	December	
10	Merrimack Scrubber	2012	2012	2012	2012	2012	2012	2012	2012	2012	2012	2012	2012	Total
11	Return on Rate Base	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	
12														
13														
14	Rate base													
15	Net Plant	349,288	348,218	356,348	355,249	354,150	385,351	384,148	382,945	383,742	382,527	381,312	383,097	
16														
17	Working Capital Allow. (45 days of O&M)	505	505	505	505	505	505	505	505	505	505	505	505	
18	Deferred Taxes	(22,499)	(27,622)	(32,129)	(35,044)	(39,544)	(45,117)	(49,632)	(55,874)	(56,029)	(54,224)	(57,333)	(61,906)	
19	Total Rate Base (L15 thru L18)	327,294	321,101	324,724	320,710	315,111	340,739	335,021	327,576	328,218	328,808	324,484	321,696	
20														
21	Average Rate Base (prev + curr month)	328,906	324,198	322,913	322,717	317,911	327,925	337,880	331,299	327,897	328,513	326,646	323,090	
22	x Return	0.9322%	0.9322%	0.9322%	0.9322%	0.9322%	0.9322%	0.9322%	0.9322%	0.9322%	0.9322%	0.9322%	0.9322%	
23	Merrimack Scrubber Return (L21 x L22)	\$ 3,066	\$ 3,022	\$ 3,010	\$ 3,008	\$ 2,963	\$ 3,057	\$ 3,150	\$ 3,088	\$ 3,056	\$ 3,062	\$ 3,045	\$ 3,012	\$ 36,539

Amounts shown above may not add due to rounding.

PSNH Rate ADE Proposal - Docket DE 11-216
2012 Marginal Cost to Serve Incremental Sales

	<u>MWh</u>	<u>Notes</u>
Sales Increment	659,760	(1)
<u>Marginal Costs to Serve Incremental Sales:</u>		(2)
	<u>\$(000)</u>	
Energy	\$ 36,148	(3)
Capacity	6,888	(4)
Ancillaries	137	
RPS	1,974	
ISO Expenses	<u>321</u>	
Total	\$ 45,468	
	<u>¢/kWh</u>	
Marginal cost to serve incremental sales	6.89	(5)

Notes:

- 1) The incremental annual peak at the meter is 133 MW.
- 2) Marginal costs are based on the modeling and assumptions used in PSNH's 9/23/11 preliminary 2012 ES rate filing in Docket DE 11-215.
- 3) As per note 2), based on NYMEX 8/31/11 forward energy market prices.
- 4) Forecasted costs associated with 2,136 MW-months of capacity in ISO-NE's forward capacity market.
- 5) The marginal cost does not include any costs/adders for the coverage of risk or for profit.