

STATE OF NEW HAMPSHIRE
before the
PUBLIC UTILITIES COMMISSION

ORIGINAL	
N.H.P.U.C. Case No.	DE 12-110
Exhibit No.	#1
Witness	Panel 1
DO NOT REMOVE FROM FILE	

Public Service Company of New Hampshire
Request for Permanent Distribution Rates Change
Docket No. DE 12-___

Step Increase for 80% of change in non-REP net plant for the period
April 1, 2011 to March 31, 2012 (Part A)

Cost of Consultant's Review of Uncollectible Expense (Part B)

Revision to Funding Level of Major Storm Cost Reserve (Part C)

Technical Statements of Robert A. Baumann and Stephen R. Hall

Part A – Step Increase

I. Introduction

The Settlement Agreement on Permanent Distribution Service Rates (“Settlement Agreement”) approved by the Commission in Docket No. DE 09-035 established a series of permanent distribution rates for PSNH beginning on July 1, 2010 and terminating on June 30, 2015. SECTION 2 of the Settlement Agreement entitled RATE CHANGES, provided for three additional annual step changes to the Distribution rates on July 1, 2011, July 1, 2012 and July 1, 2013 (see SECTION 2.1). The first of these step changes took effect July 1, 2011, resulting in a distribution rate increase of \$4.4 million for 80% of actual changes in non-REP net plant for the period of April 1, 2010 through March 31, 2011. The second of these step changes effective July 1, 2012, would reflect an increase for 80% of actual changes in non-REP net plant for the period April 1, 2011 to March 31, 2012 (see SECTION 2.5).

II. Background

The Settlement Agreement (see SECTION 2.5) contained a projected step increase on July 1, 2012 of \$9.5 million associated with a budgeted level of non-REP net plant of \$1,073 million as of March 31, 2012. The \$9.5 million increase was supported by a budgeted change in net plant of \$76 million from April 1, 2011 to March 31, 2012 (reconciliation period). The actual level of non-REP net plant as of March 31, 2012 is \$1,013 million. This produced a change in actual net plant for this reconciliation period of \$56 million. The revenue requirement associated with this

actual change in net plant for the reconciliation period is \$7.0 million.¹ A calculation of the projected \$9.5 million included in the Settlement Agreement is contained on Attachment RAB-1, page 2 of 8 of this Technical Statement for reference purposes.

III. Explanation of the requested increase of \$7.0 million versus the projected value in the Settlement Agreement of \$9.5 million.

Under the Settlement Agreement, the projected step increase for 2012 of \$9.5 million is subject to downward adjustment if: a) the actual change to Net Distribution Plant is less than \$74 million; and b) the actual Net Distribution Plant balance is less than \$1,073 million. If both of those conditions exist, then the actual step increase is adjusted downward by the revenue requirement associated with the difference between the forecasted and actual Net Distribution Plant balance as of March 31, 2012.

As stated above, PSNH's actual change to Net Distribution Plant was less than \$74 million, and the actual balance of Net Utility Plant as of March 31, 2011 was less than \$1,073 million. Therefore, PSNH is proposing a \$7.0 million increase in revenue requirements in accordance with the Settlement Agreement. The calculation of the \$7.0 million contained in Attachment RAB-1, reflects the revenue requirements needed to keep pace with 80% of the increases to actual plant over the reconciliation period in accordance with the Settlement Agreement.

There are two major reasons why the proposed actual increase is less than the projected increase in the Settlement Agreement.

First, the projected step increase of \$9.5 million contained in the Settlement Agreement was based on 2011-2012 budget information from the 2009 forecast. The Settlement Agreement also used simple averages of this budget information to project the step increase associated with the last three quarters 2011 and the first quarter of 2012. The actual values used to calculate the actual proposed increase of \$7.0 million were different from the budget based on the timing of when plant additions were actually put into service and reflected on the books of PSNH. Regardless of what the projected step increase was in the Settlement Agreement or how that projection was estimated, the value requested in this filing is based on actual net plant data, in accordance with the Settlement Agreement.

Secondly, as part of PSNH's routine review of its capital spending levels, decisions were made throughout 2011 and the first quarter of 2012 to decrease these levels, resulting in actual capital additions for the 2011-2012 period that were lower than what was budgeted. One significant driver contributing to the decreased spending levels was lower actual peak loads than originally forecasted. In addition, storm clean up from both Tropical Storm Irene and the late October Nor'easter snowstorm had a significant impact on PSNH's budgeted distribution capital program. Also, the sluggish economy continued to impact new customer and new service work.

¹ REP capital additions have been removed from these calculations (see Attachment RAB-1, page 3 of 8 of this Technical Statement) and the calculated revenue requirement values include only 80% of the additional net plant changes during the reconciliation period, consistent with SECTION 2.4 and Attachment 1 of the Settlement Agreement.

IV. PSNH's Proposal

Pursuant to the Settlement Agreement, PSNH proposes a permanent increase to its Distribution rates of \$7.0 million on July 1, 2012 associated with the change in actual net plant values during the reconciliation period. The Company is requesting that this rate change be effective with service rendered on and after July 1, 2012.

Part B – Uncollectible Expense

In accordance with the Settlement Agreement, the Settling Parties agreed to use a competitive bidding process to select an independent consultant to review trends in PSNH's uncollectible expense. As described below and in Section 8.1 of the Settlement Agreement, the consultant was retained to review recent trends, the underlying reasons for any increases, collection practices, the Commission's rules and numerous other contributing factors to the level of the Company's uncollectible expense. The required work was to be performed in accordance with the Settlement which provided as follows:

SECTION 8. UNCOLLECTIBLE EXPENSE

8.1 The Settling Parties agree that the amount of uncollectible expense included in the rate adjustments will be set at the amount actually experienced by PSNH during 2009, unless changed as described below. The Settling Parties will use a competitive bidding process and a simple ranked voting method to select an independent consultant. The selected independent consultant shall review and analyze the recent trends in PSNH's uncollectible expense, the underlying reasons for the increased level of expense that has occurred, PSNH's collection practices, the Commission's rules and practices regarding credit and collection activities, and PSNH's deposit and credit policy for large customers, as well as to develop recommendations for dealing with uncollectible expense going forward. The study will also include an analysis of the impact of SB 300 (shifting System Benefits Charge revenue from energy efficiency to low income assistance) on uncollectible expense. The total cost of the study shall not exceed \$100,000, and PSNH shall be allowed to defer and recover the cost of the study over a 12-month period by including such cost in one of the step adjustments described in Sections 2.4 through 2.6. Although the recommendations of the consultant shall not be binding, the Settling Parties will work cooperatively to determine a course of action in accordance with good utility practice for addressing uncollectible expense. Any potential adjustment to the level of uncollectible expense arising from that review will take place coincident with one of the step adjustments described in Sections 2.4 through 2.6.”

After consulting with the Settling Parties, PSNH issued a Request for Proposal (RFP) on June 15, 2011 to obtain bids from consulting services providers experienced in the field of analyzing credit and collections policies and practices. The scope of services to be provided

were to include, but not be limited to, advice and counsel regarding recommendations supported by analysis related to trends for uncollectible expense, PSNH's collection practices, the Commission's rules and practices, and deposit and credit policies. Based on the quality of their bid proposals, prospective vendors were evaluated in depth on their experience, quality of the proposal, ability to meet contract requirements, overall price and other factors that the Settling Parties deemed relevant. After completion of the review a contract was awarded to Monticello Consulting Group, Limited located in North Charleston, South Carolina. Monticello documented extensive experience and a proven track record in performing the type of work which the Settling Parties requested in the RFP. Over the last several years, Monticello has successfully assisted several Public Utility Commissions, including the Staff of the NHPUC, as well as numerous utility companies with similar credit and collections audits or analysis. Monticello has been extensively involved and actively working with PSNH since June 2011 to complete the specific work requirements contained in their proposal, including:

1. Document, record and track all information and data requests submitted to, and responses from, PSNH; and maintain a document request log.
2. Keep interested parties apprised of audit/project progress, providing oral and written reports as requested.
3. Identify delinquency, charge-off, account attributes and customer behavioral patterns which will assist in identifying areas of opportunity for improvement
4. Identify policies, procedures, work practices, programs, account workflows and rules and regulations that contribute to delinquency levels, financial risk and charge-offs.
5. Recommend improvements to practices, procedures, programs and delinquent account workflows to improve performance relative to future uncollectible expense
6. Prepare recommendations which include estimated implementation costs, estimated impact on uncollectible expense and the supporting ROI analysis.
7. Prepare a draft report of the recommendations.
8. Prepare an objective, comprehensive final report, including findings, conclusions and a list of recommendations for PSNH, the NHPUC and the OCA.
9. Present final project results and recommendations to PSNH, the NHPUC and the OCA.

As of this filing date, Monticello has effectively completed the first six tasks and is currently working to complete items seven and eight. PSNH has been in contact with the Staff and OCA in order to arrange a meeting which would complete item 9. At this time, PSNH anticipates that the final meeting with the Staff and OCA will occur sometime in mid-May which would allow Monticello to prepare and submit a final invoice to PSNH. This would be the final invoice and would complete the payments due and payable under the terms of the contract.

PSNH has received and processed invoices from Monticello Consulting totaling approximately \$65,860 which covers all direct time and travel expenses. Monticello has provided a cost projection for time and expenses for contract completion, including a meeting with the Staff and OCA, which would result in a final cost of approximately \$72,000 which is well within the not-to-exceed cost under Section 8.1 of the Settlement Agreement of \$100,000. PSNH has included

this projected cost in its workpapers and will provide a final actual total once the last invoice is processed.

Part C – Revision to Funding Level of Major Storm Cost Reserve

I. Introduction

Section 7 of the Settlement Agreement titled STORM RESERVE ACCRUAL AND RECOVERY OF CERTAIN OTHER STORM RESTORATION COSTS provided for adjustments to the approved rates if there was a future need to change the funding level of the Major Storm Cost Reserve embedded in Distribution rates. Specifically Sections 7.1 and 7.3 states:

7.1 The rate levels resulting from the rate adjustments specified in Section 2 include an annual accrual of \$3.5 million effective July 1, 2010 for the Major Storm Cost Reserve.

7.3 None of the costs of the February 2010 wind storm are included in the rate increases specified in Sections 2.3 through 2.6. The Settling Parties will meet once the final costs of that recent storm are known to review the costs and will work cooperatively to determine an appropriate method for recovery of the prudently incurred costs, and to review and assess the appropriate funding level going forward for the Major Storm Cost Reserve. The Settling Parties may recommend a modification to one or more of the rate changes specified in Sections 2.4 through 2.6 in order to provide for recovery of the cost of the February 2010 wind storm and/or for a revision to the funding level of the Major Storm Cost Reserve.

In support of Section 7.3 above, PSNH is making this filing to request a distribution rate increase associated with the funding level of the Major Storm Cost Reserve. Such a request is supported in the last line of Section 7.3 which supports that the Settling Parties may recommend a revision to the funding level of the Major Storm Cost Reserve.

II. PSNH's Proposal

As noted in Section 7.1, the current level of recovery in distribution rates for the funding of the Major Storm Cost Reserve is \$3.5 million per year. With respect to this level of recovery, PSNH proposes an increase to Distribution rates on July 1, 2012 of \$3.5 million, which will provide a more appropriate level of storm cost recovery over the next few years. Specifically, effective July 1, 2012, the proposed level of funding would then be \$7.0 million per year.

A \$7.0 million funding level is appropriate when considering the unrecovered costs associated with the two major storms in 2011. The relevant costs are as follows:

Hurricane Irene	\$ 7.1
October snow storm	15.7
Major storm reserve	<u>(8.2)</u> (est. balance as of June 30, 2012)
Net unrecovered storm costs	\$14.6 million

III. Background on PSNH's proposal

Beginning July 1, 2012, the remaining life of the Settlement Agreement is three years. Absent any additional major storms during that time period, the proposed \$7 million funding level would recover all of the \$14.6 million unrecovered costs and would create a fund for future storms of about \$6 million (\$21 million in total). If there are additional major storms during the three year period, there would be an additional \$6 million of funds available to apply to those new storm costs if needed.

PSNH is not seeking final approval to recover the storm costs noted above, recognizing the Commission will review all storm costs and determine the exact level that is appropriate for recovery in separate proceedings. PSNH is only proposing to increase the funding level of the Major Storm Cost Reserve in order to begin recovery of the unrecovered storm balance, and therefore reduce carrying charges on the unrecovered balance.

Finally, the storm costs noted above do not contain any insurance deductions. Beginning with Hurricane Irene, PSNH, along with all of the other operating companies of Northeast Utilities (NU), discontinued the use of the existing insurance program for Major Storms. This program was retrospectively rated. Retrospective rating is a method of establishing a premium based on the insured's actual loss experience during the policy term and can be viewed as a form of self-funding. Prior to Hurricane Irene, the program provided PSNH customers substantial credits in the past that were applied against storm costs incurred. Because this insurance program was directly impacted by adverse loss experience, it was no-longer sustainable due to both the frequency and severity of Major Storms experienced by NU during the period 2008 through 2011.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
DISTRIBUTION SEGMENT RATE CASE--INTERIM RATE ADJUSTMENT FILING

Step Increase--Net Plant, Excluding Additions to the Reliability Enhancement Program (REP)

Summary--Revenue Requirements Increase

(Millions of Dollars)

		<u>Reference</u>
Proposed increase to revenue requirements based on the actual increase in net plant at March 31, 2012, consistent with the DE 09-035 Settlement Agreement (Note 1)	<u>\$ 7.0</u>	page 3

Note 1: As shown on page 2, the DE 09-035 Settlement Agreement projected a revenue requirements increase of \$9.5 million based on the budgeted increase to the net plant balance at March 31, 2012.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
 DISTRIBUTION SEGMENT RATE CASE--INTERIM RATE ADJUSTMENT FILING

Step Increase--Net Plant, Excluding Additions to the Reliability Enhancement Program (REP)

(Millions of Dollars)

Settlement
Agreement

	<u>Per the DE 09-035 Settlement</u>			
	<u>Dec. 31, 2009</u>	<u>Dec. 31, 2010</u>	<u>Dec. 31, 2011</u>	<u>Dec. 31, 2012</u>
Total Utility Plant in Service	1,309	1,374	1,471	1,574
Accum Provision for Depreciation	(420)	(399)	(420)	(441)
	<u>889</u>	<u>975</u>	<u>1,051</u>	<u>1,133</u>
Less: REP Capital Additions		(11)	(13)	(13)
Net Plant w/o REP	<u>889</u>	<u>964</u>	<u>1,038</u>	<u>1,120</u>
Net Non-REP Plant Change (year over year)		<u>75</u>	<u>74</u>	<u>82</u>
Net Plant @ 80%		60	59	66
ROR per Settlement		0.07513	0.07513	0.07513
GRCF		<u>1.6814</u>	<u>1.6814</u>	<u>1.6814</u>
Return		7.6	7.5	8.3
Depreciation @2.95%		<u>1.8</u>	<u>1.7</u>	<u>1.9</u>
Total Revenue Requirement		<u><u>9.3</u></u>	<u><u>9.2</u></u>	<u><u>10.2</u></u>

Revenue Requirements related to step increase and net plant allowed for these step increases:

<u>Revenue Requirement</u>	<u>Rev. Req. Step 1 07/01/2010</u>	<u>Net Plant Allowed</u>	<u>Rev. Req. Step 2 07/01/2011</u>	<u>Net Plant Allowed</u>	<u>Rev. Req. Step 3 07/01/2012</u>	<u>Net Plant Allowed</u>
01/01/2010-03/31/2010	2.3	18.8				
04/01/2010-12/31/2010			7.0	56.3		
01/01/2011-03/31/2011			2.3	18.5		
04/30/2011-12/31/2011					6.9	55.5
01/01/2012-03/31/2012					2.6	20.5
Revenue Increase	<u>2.3</u>		<u>9.3</u>		<u>9.5</u>	
2009 Net Plant		889				
Add: \$14 M of new vehicle purchases to replace leases		14				
Step 1 Net Plant Allowed		<u>922</u>				
Total net plant allowed for Step 2 at 03/31/2011				<u>997</u>		
Step 2 Net Plant Allowed						997
Total net plant allowed for Step 3 at 03/31/2012						<u>1,073</u>

Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
 DISTRIBUTION SEGMENT RATE CASE--INTERIM RATE ADJUSTMENT FILING

Step Increase--Net Plant, Excluding Additions to the Reliability Enhancement Program (REP)

(Millions of Dollars)

	<u>Actual</u>			
	<u>Dec. 31, 2010</u>	<u>March 31, 2011</u>	<u>Dec. 31, 2011</u>	<u>March 31, 2012</u>
Total Utility Plant in Service	1,367	1,378	1,442	1,455
Accum Provision for Depreciation	<u>(404)</u>	<u>(409)</u>	<u>(429)</u>	<u>(431)</u>
	963	969	1,013	1,024
Less: REP Capital Additions (a)	<u>(11)</u>	<u>(12)</u>	<u>(12)</u>	<u>(11)</u>
Net Plant w/o REP	952	957	1,001	1,013
Net Non-REP Plant Change March 2011 to Dec. 2011 (\$1,001 - \$957)			44	
Net Non-REP Plant Change Jan. 2012 to March 2012 (\$1,012 - \$1,001)				12
Net Plant @ 80%			35	9
ROR per Settlement			0.07513	0.07513
GRCF			<u>1.6814</u>	<u>1.6814</u>
Return			4.5	1.2
Depreciation @2.95%			<u>1.0</u>	<u>0.3</u>
Total Revenue Requirement			<u>5.5</u>	<u>1.5</u>

Actual
Values

Revenue Requirements related to step increase:

<u>Revenue Requirement</u>	<u>Rev. Req. Step 2 07/01/2011</u>
04/01/2011-12/31/2011	5.5
01/01/2011-03/31/2011	1.5
Revenue Increase	<u>7.0</u>

(a) REP at December 31, 2011 is for the 12 month period January 2011 through December 2011, and REP at March 31, 2012 is for the 12 month period April 2011 through March 2012. See pages 7 and 8.

Amounts shown above are based on the values from pages 4 through 8 and may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
 DISTRIBUTION SEGMENT RATE CASE--INTERIM RATE ADJUSTMENT FILING

(Thousands of Dollars)

Actuals At 3/31/2012				
Plant Account	Account Description	Plant Total	Accumulated Reserve	Net Book Value
301	Organization	45	0	45
303	Miscellaneous Intangible Plant	31,292	10,590	20,702
360	Land and Land Rights	4,522	0	4,522
361	Structures and Improvements	14,362	4,602	9,760
362	Station Equipment	179,937	41,224	138,713
364	Poles, Towers and Fixtures	214,243	108,921	105,321
365	Overhead Conductors and Devices	335,842	81,888	253,954
366	Underground Conduit	20,755	3,516	17,238
367	Underground Conductors and Devices	98,429	25,840	72,589
368	Line Transformers	206,234	57,812	148,421
369	Services	118,430	21,420	97,010
370	Meters	62,076	26,461	35,615
371	Installation on Customer Premises	4,928	1,301	3,627
373	Street Lighting and Signal Systems	5,684	3,186	2,498
389	Land and Land Rights	4,418	0	4,418
390	Structures and Improvements	71,434	8,421	63,013
391	Office Furniture and Equipment	18,344	14,831	3,513
392	Transportation Equipment	23,187	4,668	18,519
393	Stores Equipment	1,993	296	1,697
394	Tools, Shop and Garage Equipment	7,896	3,145	4,751
395	Laboratory Equipment	3,738	1,717	2,021
396	Power Operated Equipment	136	16	119
397	Communication Equipment	25,389	10,789	14,600
398	Miscellaneous Equipment	1,604	655	949
	Subtotal--Plant Account Level	1,454,917	431,300	1,023,617
	Asset Retirement Obligation	386	165	221
	Provision for Amortization - Plt in Service	0	288	(288)
	Total	1,455,302	431,753	1,023,549

Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
 DISTRIBUTION SEGMENT RATE CASE--INTERIM RATE ADJUSTMENT FILING

(Thousands of Dollars)

Actuals At 3/31/2011				
Plant Account	Account Description	Plant Total	Accumulated Reserve	Net Book Value
301	Organization	45	0	45
303	Miscellaneous Intangible Plant	30,422	7,710	22,712
360	Land and Land Rights	4,459	0	4,459
361	Structures and Improvements	14,283	4,366	9,917
362	Station Equipment	166,484	39,565	126,919
364	Poles, Towers and Fixtures	209,898	105,188	104,711
365	Overhead Conductors and Devices	314,650	77,097	237,553
366	Underground Conduit	18,484	3,304	15,180
367	Underground Conductors and Devices	94,123	24,037	70,086
368	Line Transformers	197,134	55,156	141,978
369	Services	112,724	19,947	92,778
370	Meters	61,006	25,886	35,120
371	Installation on Customer Premises	4,826	1,389	3,437
373	Street Lighting and Signal Systems	6,230	3,496	2,734
389	Land and Land Rights	3,909	0	3,909
390	Structures and Improvements	63,024	8,104	54,920
391	Office Furniture and Equipment	18,444	15,463	2,981
392	Transportation Equipment	19,246	2,636	16,610
393	Stores Equipment	1,439	165	1,275
394	Tools, Shop and Garage Equipment	7,266	2,999	4,267
395	Laboratory Equipment	3,664	1,662	2,001
396	Power Operated Equipment	201	23	178
397	Communication Equipment	23,680	9,764	13,916
398	Miscellaneous Equipment	1,546	605	941
	Subtotal--Plant Account Level	1,377,188	408,561	968,627
	Asset Retirement Obligation	350	144	206
	Provision for Amortization - Plt in Service	0	259	(259)
	Total	1,377,538	408,964	968,574

Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
DISTRIBUTION SEGMENT RATE CASE--INTERIM RATE ADJUSTMENT FILING

(Thousands of Dollars)

Change Between Periods				
Plant Account	Account Description	Plant Total	Accumulated Reserve	Net Book Value
301	Organization	(0)	-	(0)
303	Miscellaneous Intangible Plant	870	2,880	(2,010)
360	Land and Land Rights	63	-	63
361	Structures and Improvements	78	236	(157)
362	Station Equipment	13,453	1,660	11,794
364	Poles, Towers and Fixtures	4,344	3,734	611
365	Overhead Conductors and Devices	21,192	4,792	16,401
366	Underground Conduit	2,271	212	2,059
367	Underground Conductors and Devices	4,305	1,803	2,502
368	Line Transformers	9,099	2,657	6,443
369	Services	5,706	1,473	4,233
370	Meters	1,070	574	495
371	Installation on Customer Premises	102	(88)	190
373	Street Lighting and Signal Systems	(547)	(311)	(236)
389	Land and Land Rights	509	-	509
390	Structures and Improvements	8,410	317	8,093
391	Office Furniture and Equipment	(100)	(632)	532
392	Transportation Equipment	3,942	2,032	1,909
393	Stores Equipment	553	131	422
394	Tools, Shop and Garage Equipment	629	146	484
395	Laboratory Equipment	75	55	20
396	Power Operated Equipment	(65)	(6)	(59)
397	Communication Equipment	1,709	1,025	685
398	Miscellaneous Equipment	58	50	8
	Subtotal--Plant Account Level	77,728	22,738	54,990
	Asset Retirement Obligation	36	21	15
	Provision for Amortization - Plt in Service	0	29	(29)
	Total	77,764	22,789	54,975

Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
 DISTRIBUTION SEGMENT RATE CASE--INTERIM RATE ADJUSTMENT FILING

(Thousands of Dollars)

PSNH Reliability Enhancement Program Projects (REP 2) April 1, 2011 through March 31, 2012

Project	Project Description	Apr 2011	May 2011	June 2011	July 2011	Aug 2011	Sept 2011	Oct 2011	Nov 2011	Dec 2011	Jan 2011	Feb 2012	Mar 2012	Total
A04S34	DIRECT BURIED CABLE REPLACEMENT	2	722	(137)	5	(15)	-	289	59	192	15	(3)	4	1,132
A07DL41	REPLACE LEGACY ASW POLE TOP RTU'S	280	34	3	61	(42)	97	63	30	1	2	74	59	661
A07SS41	REPL SUBSTATION RTU REPLACEMENT	-	-	-	-	-	-	114	-	205	9	(2)	-	326
A07WI42	ENABLE SCADA TO WINDSOR BACKUP	(12)	0	2	0	-	-	-	-	-	-	-	24	14
A07X44	REPLACE 34.5KV CIRCUIT BREAKER PROGRAM	-	-	-	-	-	-	-	-	538	5	4	210	758
A07X45	REJECT POLE REPLACEMENT	80	62	36	68	196	63	31	28	40	199	131	(6)	927
A07X98	NESC CAPITAL REPAIRS	177	129	74	45	85	27	77	11	37	41	93	91	887
A07X99	POLE REINFORCEMENT	-	-	-	-	-	-	-	-	-	-	7	-	7
A08X44	AIR BRAKE SWITCH REPLACEMENT PROGRAM	-	20	(0)	3	(0)	-	-	-	25	0	-	220	269
A10X04	DIRECT BURIED CABLE INJECTION	-	-	7	32	(14)	3	72	0	50	(0)	-	83	230
A10X06	DIS LINE WIRE UPGRADE / ELIMINATE NARROW	1	-	-	105	3	(1)	0	-	-	103	(0)	(3)	207
C10ETT	2010 ENHANCED TREE TRIMMING FOR PSNH	-	0	0	(51)	59	(51)	55	-	-	-	-	-	13
C11ETT	2011 ENHANCED TREE TRIMMING FOR PSNH	333	75	313	204	143	36	195	40	231	0	0	0	1,571
C12ETT	2012 ENHANCED TREE TRIMMING FOR PSNH	-	-	-	-	-	-	-	-	-	-	264	305	568
DR9A	RELIABILITY IMPROVEMENTS - LANCASTER	-	2	3	0	-	-	-	-	-	-	-	-	5
DR9C	RELIABILITY IMPROVEMENTS - CHOCORUA	0	-	(0)	-	0	-	-	-	8	0	0	0	9
DR9D	RELIABILITY IMPROVEMENTS - DERRY	1	0	-	(0)	3	0	(0)	-	-	1	5	3	14
DR9E	RELIABILITY IMPROVEMENTS - EPPING	68	1	0	0	-	-	0	0	-	-	-	-	70
DR9H	RELIABILITY IMPROVEMENTS - HILLSBORO	12	7	1	1	6	2	3	0	-	10	0	0	42
DR9K	RELIABILITY IMPROVEMENTS - KEENE	42	5	0	0	-	-	0	-	-	3	31	1	82
DR9L	RELIABILITY IMPROVEMENTS - LACONIA	17	46	0	(1)	0	7	0	-	3	0	9	27	107
DR9M	RELIABILITY IMPROVEMENTS - MILFORD	1	0	6	1	0	(0)	-	-	-	-	-	2	10
DR9N	RELIABILITY IMPROVEMENTS - NASHUA	0	0	0	0	0	-	-	0	6	0	0	14	20
DR9P	RELIABILITY IMPROVEMENTS - PORTSMOUTH	(1)	6	0	0	-	-	-	0	-	-	77	5	88
DR9R	RELIABILITY IMPROVEMENTS - PSNH	65	-	-	0	-	-	-	-	-	7	(1)	46	118
DR9S	RELIABILITY IMPROVEMENTS - ROCHESTER	3	1	0	-	-	-	-	-	56	61	11	2	133
DR9W	RELIABILITY IMPROVEMENTS - NEWPORT	41	13	3	7	1	(0)	1	35	0	45	(0)	147	
DR9Y	RELIABILITY IMPROVEMENTS - MANCH EAST	5	1	0	5	6	4	0	0	-	26	48	2	98
DR9Z	RELIABILITY IMPROVEMENTS - BEDFORD	15	2	2	0	1	1	1	-	0	-	9	16	48
UB3CAD	PORCELAIN CHANGE-OUT	359	279	139	121	440	130	281	78	688	102	144	64	2,824
Total		1,488	1,403	453	609	873	318	1,181	245	2,116	591	939	1,174	11,389 (REP 2 Dollars)

REP by time period--

At December 31, 2011:

Total REP 2 In Service - January 1, 2011 Through March 31, 2011 (Page 8 of 8) 3,265
 Total REP 2 In Service - April 1, 2011 through December 31, 2011 8,685

Total REP 2 In Service - January 1, 2011 Through December 31, 2011 11,950

At March 31, 2012:

Total REP 2 In Service - April 1, 2011 Through March 31, 2012 (Note 1) 11,389

Note 1: PSNH anticipates it wil meet its annual REP spending target.

Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
 DISTRIBUTION SEGMENT RATE CASE--INTERIM RATE ADJUSTMENT FILING

(Thousands of Dollars)

PSNH Reliability Enhancement Program Projects (REP 2) July 1, 2010 through Mar 31, 2011, as filed in DE 11-095

Project	Project Description	Jul 2010	Aug 2010	Sep 2010	Oct 2010	Nov 2010	Dec 2010	Jan 2011	Feb 2011	Mar 2011	Total
A04S34	DIRECT BURIED CABLE REPLACEMENT	159	5	(16)	11	(6)	21	841	(17)	30	1,029
A07DL41	REPLACE LEGACY ASW POLE TOP RTU'S	3	-	(4)	71	-	(2)	0	2	17	87
A07SS41	REPL SUBSTATION RTU REPLACEMENT	2	0	1	-	-	193	1	1	2	201
A07WI42	ENABLE SCADA TO WINDSOR BACKUP	37	72	1	0	94	180	40	39	3	467
A07X44	REPLACE 34.5KV CIRCUIT BREAKER PROGRAM	-	-	-	256	318	(65)	75	2	-	585
A07X45	REJECT POLE REPLACEMENT	60	86	121	185	93	348	276	161	75	1,404
A07X98	NESC CAPITAL REPAIRS	76	74	211	113	60	107	112	184	101	1,037
A07X99	POLE REINFORCEMENT	-	-	-	-	-	-	21	-	-	21
A08X44	AIR BRAKE SWITCH REPLACEMENT PROGRAM	(0)	0	-	8	25	127	4	(0)	-	164
A10X06	DIS LINE WIRE UPGRADE / ELIMINATE NARROW	-	-	-	-	-	56	22	1	90	168
C10ETT	2010 ENHANCED TREE TRIMMING FOR PSNH	103	170	77	137	344	247	1	1	0	1,080
C11ETT	2011 ENHANCED TREE TRIMMING FOR PSNH	-	-	-	-	-	-	-	227	245	472
DR9A	RELIABILITY IMPROVEMENTS - LANCASTER	-	-	-	-	-	-	-	-	-	-
DR9C	RELIABILITY IMPROVEMENTS - CHOCORUA	(0)	-	-	0	91	12	14	-	0	117
DR9D	RELIABILITY IMPROVEMENTS - DERRY	3	-	1	0	0	-	0	1	2	7
DR9E	RELIABILITY IMPROVEMENTS - EPPING	(2)	2	0	1	0	-	(0)	0	12	13
DR9H	RELIABILITY IMPROVEMENTS - HILLSBORO	7	3	1	33	20	14	2	9	-	90
DR9K	RELIABILITY IMPROVEMENTS - KEENE	5	0	37	(1)	-	-	-	11	53	105
DR9L	RELIABILITY IMPROVEMENTS - LACONIA	16	65	14	78	0	18	68	49	16	324
DR9M	RELIABILITY IMPROVEMENTS - MILFORD	0	-	0	3	1	2	0	0	-	6
DR9N	RELIABILITY IMPROVEMENTS - NASHUA	3	-	5	9	9	5	7	17	1	57
DR9P	RELIABILITY IMPROVEMENTS - PORTSMOUTH	59	7	2	(0)	30	45	1	1	1	146
DR9R	RELIABILITY IMPROVEMENTS - PSNH	0	-	-	15	(4)	13	0	-	-	24
DR9S	RELIABILITY IMPROVEMENTS - ROCHESTER	1	8	3	14	(0)	5	7	1	(0)	38
DR9W	RELIABILITY IMPROVEMENTS - NEWPORT	9	88	8	13	0	22	77	26	30	274
DR9Z	RELIABILITY IMPROVEMENTS - BEDFORD	0	1	8	3	0	9	6	17	19	64
UB3CAD	PORCELAIN CHANGE-OUT	93	115	212	309	132	136	68	109	85	1,260
Total		634	698	682	1,259	1,208	1,494	1,641	843	781	9,241 (REP 2 Dollars)

At March 31, 2011:

Total REP 2 in service January 1, 2011 through March 31, 2011 - \$3,265 (to page 7 of 8).

Amounts shown above may not add due to rounding.