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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
2014 ENERGY SERVICE RATE CALCULATION
RATE EFFECTIVE JULY 1, 2014
(Dollars in 000's)

9 Summary of Forecasted Energy Service

10 Cost For January 2014 Through December 2014	TOTAL COST	Cents per KWH	Reference
11			
12 Fossil energy costs	\$ 149,770	\$ 3.60	Attachment CJG-2, page 2
13 Fossil RPC adjustment (*)	(31)	(0.00)	Attachment CJG-2, page 2
14 F/H O&M, depreciation & taxes	110,311	2.65	Attachment CJG-2, page 2
15 Return on rate base	39,802	0.96	Attachment CJG-2, page 2
16 ISO-NE ancillary	2,218	0.05	Attachment CJG-2, page 2
17 Capacity	(1,020)	(0.02)	Attachment CJG-2, page 2
18 NH RPS	9,832	0.24	Attachment CJG-2, page 2
19 Seabrook costs / (credits)	(126)	(0.00)	Attachment CJG-2, page 2
20 Vermont Yankee	(28)	(0.00)	Attachment CJG-2, page 2
21 RGGI costs	4,438	0.11	Attachment CJG-2, page 2
22 RGGI auction refunds	(2,303)	(0.06)	Attachment CJG-2, page 2
23 IPP costs (**)	26,637	0.64	Attachment CJG-2, page 2
24 Wood IPP costs (**)	1,613	0.04	Attachment CJG-2, page 2
25 Burgess BioPower	25,961	0.62	Attachment CJG-2, page 2
26 Purchases and sales	(21,353)	(0.51)	Attachment CJG-2, page 2
27 Return on ES Deferral	123	0.00	Attachment CJG-2, page 2
28 2013 Actual ES under recovery	<u>13,332</u>		
29			
30 Total Updated Energy Service Cost	\$ 359,177		
31 Total Updated Revenue	<u>343,368</u>		
32 2014 ES (Over)/Under Recovery	15,809		
33			
34 Forecasted Retail MWH Sales July - December 2014	2,109,015		
35			
36 Change to Energy Service Rate - cents per kwh	0.75		
37			
38 Energy Service Rate as approved in DE 13-275 - cents per kwh	<u>8.25</u>		
39			
40 Updated Energy Service Rate w/o Scrubber - cents per kwh	9.00		
41			
42 Plus Scrubber ES Rate cents per kwh per DE 11-250	<u>0.98</u>		
43			
44 Total Updated Energy Service Rate Effective 7/1/14 - cents per kwh	<u><u>9.98</u></u>		

(*) Per Docket 13-108, write-off of Replacement Power Costs.
(**) The IPP costs represent the forecasted market value of IPP generation.

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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
2014 ENERGY SERVICE RATE CALCULATION
RATE EFFECTIVE JULY 1, 2014
(Dollars in 000's)

	January 2014 Actual	February 2014 Actual	March 2014 Actual	April 2014 Estimate	May 2014 Estimate	June 2014 Estimate	Reference
Energy Service Cost							
Fossil energy costs	\$ 30,481	\$ 16,754	\$ 22,831	\$ 6,388	\$ 386	\$ 11,990	CJG-2, P3
Fossil RPC adjustment (*)	-	-	-	(31)	-	-	
F/H O&M, depreciation & taxes	8,233	7,930	9,103	12,314	8,761	9,310	CJG-2, P5
Return on rate base	3,513	3,556	3,609	3,398	3,207	3,217	CJG-2, P6
ISO-NE ancillary	1,024	304	(1,058)	(1,256)	583	548	CJG-2, P3
Capacity	704	(386)	34	(19)	(19)	(30)	CJG-2, P3
NH RPS	989	989	962	689	712	774	CJG-2, P3
Seabrook costs / (credits)	-	-	(126)	-	-	-	
Vermont Yankee	1	(0)	(29)	-	-	-	
RGGI costs	233	228	231	915	-	447	CJG-2, P3
RGGI auction refunds	-	(2,303)	-	-	-	-	
IPP costs (**)	4,030	3,912	2,981	1,650	1,613	1,757	CJG-2, P3
Wood IPP costs (**)	854	759	-	0	0	0	CJG-2, P3
Burgess BioPower	923	337	1,151	712	1,472	2,850	CJG-2, P3
Purchases and sales (inc. Congestion and Loss Adj.)	(29,083)	(769)	(13,400)	5,320	9,664	(477)	CJG-2, P3
Return on ES Deferral	14	8	8	10	14	15	
2013 Actual ES under recovery	13,332						
Total Energy Service Cost	\$ 35,248	\$ 31,319	\$ 26,298	\$ 30,090	\$ 26,392	\$ 30,401	
Total Energy Service Revenue at 8.25 cents/kwh	\$ 31,747	\$ 28,345	\$ 29,050	\$ 25,419	\$ 26,254	\$ 28,560	
ES Under/(Over) Recovery	3,500	2,975	(2,752)	4,670	139	1,841	
Forecasted Retail MWH Sales	393,552	330,563	352,722	308,111	318,225	346,178	
Energy Service Cost - cents per kwh	8.96	9.47	7.46	9.77	8.29	8.78	

(*) Per Docket 13-108, write-off of Replacement Power Costs.

(**) The IPP costs represent the forecasted market value of IPP generation.

Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
2014 ENERGY SERVICE RATE CALCULATION
RATE EFFECTIVE JULY 1, 2014
(Dollars in 000's)

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	July 2014 Estimate	August 2014 Estimate	September 2014 Estimate	October 2014 Estimate	November 2014 Estimate	December 2014 Estimate	Total	Reference
Energy Service Cost								
Fossil energy costs	\$ 13,259	\$ 12,724	\$ 3,703	\$ 448	\$ 14,022	\$ 16,783	\$ 149,770	CJK-2, P3
Fossil RPC adjustment (*)	-	-	-	-	-	-	(31)	
F/H O&M, depreciation & taxes	9,480	9,484	9,557	8,471	7,994	9,672	110,311	CJK-2, P5
Return on rate base	3,176	3,186	3,172	3,182	3,279	3,308	39,802	CJK-2, P6
ISO-NE ancillary	435	419	352	269	268	329	2,218	CJK-2, P3
Capacity	(192)	(195)	(195)	(240)	(240)	(241)	(1,020)	CJK-2, P3
NH RPS	874	846	731	721	719	824	9,832	CJK-2, P3
Seabrook costs / (credits)	-	-	-	-	-	-	(126)	
Vermont Yankee	-	-	-	-	-	-	(28)	
RGGI costs	478	470	126	-	587	722	4,438	CJK-2, P3
RGGI auction refunds	-	-	-	-	-	-	(2,303)	
IPP costs (**)	1,255	1,246	1,070	1,420	2,301	3,402	26,637	CJK-2, P4
Wood IPP costs (**)	0	0	0	0	0	0	1,613	CJK-2, P3
Burgess BioPower	3,118	3,118	3,023	3,118	3,023	3,118	25,961	CJK-2, P3
Purchases and sales (inc. Congestion and Loss Adj.)	1,966	1,297	6,594	9,338	(4,813)	(6,988)	(21,353)	CJK-2, P3
Return on ES Deferral	16	13	11	8	5	2	123	
2013 Actual ES under recovery							13,332	
Total Energy Service Cost	\$ 33,865	\$ 32,608	\$ 28,145	\$ 26,736	\$ 27,145	\$ 30,931	\$ 359,177	
Total Energy Service Revenue at 8.25 cents/kwh	\$ 32,247	\$ 31,222	\$ 26,979	\$ 26,602	\$ 26,533	\$ 30,410	\$ 343,368	
ES Under/(Over) Recovery	1,618	1,386	1,165	134	612	520	\$ 15,809	
Forecasted Retail MWH Sales	390,869	378,452	327,024	322,443	321,616	368,611	4,158,367	
Energy Service Cost - cents per kwh	8.66	8.62	8.61	8.29	8.44	8.39	8.64	

(*) Per Docket 13-108, write-off of Replacement Power Costs.
(**) The IPP costs represent the forecasted market value of IPP generation.

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PUBLIC SERVICE RATE COMPANY OF NEW HAMPSHIRE
2014 ENERGY SERVICE RATE CALCULATION
RATE EFFECTIVE JULY 1, 2014

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

		Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Total
1														
2	Hydro:													
3	Energy	31.831	25.464	25.480	39.403	38.159	29.383	22.991	19.419	16.129	23.846	31.570	31.253	334.931
4	Coal:													
5	Energy	324.140	295.988	332.079	136.355	0.000	210.113	210.991	211.376	55.808	0.000	287.174	344.472	2,408.497
6	Energy Expense	\$ 15,138	14,136	15,945	6,330	0	9,885	10,002	9,930	2,594	0	13,589	16,334	113,883
7	Wood:													
8	Energy	28.162	25.896	29.110	3.656	24.669	26.056	26.925	26.925	26.056	28.633	27.710	28.633	302.430
9	Energy Expense	\$ 1,809	1,646	1,769	214	1,446	1,527	1,578	1,578	1,527	1,678	1,624	1,678	18,074
10	Revenue Credit	\$ (1,170)	(1,096)	(1,201)	(157)	(1,059)	(1,119)	(1,156)	(1,156)	(1,119)	(1,230)	(1,190)	(1,230)	(12,884)
11	IC/Jets													
12	Energy	2.907	1.231	0.526	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4.664
13	Energy Expense	\$ 1,012	496	206	0	0	0	0	0	0	0	0	0	1,714
14	Newington:													
15	Energy	67.693	2.864	27.175	0.000	0.000	19.344	41.106	36.875	11.486	0.000	0.000	0.000	206.542
16	Energy Expense	\$ 13,691	1,572	6,112	0	0	1,697	2,836	2,373	702	0	0	0	28,984
17	IPP's:													
18	Energy	28.045	25.406	27.652	31.590	35.379	29.219	21.591	22.685	23.823	31.385	34.109	35.038	345.923
19	Energy Expense	\$ 3,925	3,800	2,883	1,556	1,519	1,679	1,178	1,168	991	1,310	2,191	3,292	25,493
20	ICAP	\$ 105	112	99	94	94	77	77	79	79	110	110	110	1,144
21	Wood IPPs:													
22	Energy	12.341	11.004	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	23.344
23	Energy Expense	\$ 854	759	-	0	0	0	0	0	0	0	0	0	1,613
24	Burgess BioPower													
25	Energy	13.207	4.819	16.473	10.206	21.092	40.824	42.185	42.185	40.824	42.185	40.824	42.185	357.008
26	Expense	\$ 923	337	1,151	712	1,472	2,850	2,944	2,944	2,850	2,944	2,850	2,944	24,922
27	ICAP	\$ 0	0	0	0	0	0	173	173	173	173	173	173	1,039
28	Contract Purchases													
29	Energy	16.266	7.519	6.267	6.397	4.241	3.863	2.671	2.800	3.660	5.325	6.124	6.701	71.834
30	Expense	\$ 1,886	950	535	336	223	203	140	147	192	280	354	567	5,813
31	ICAP	\$ 3	30	25	20	20	8	9	9	9	20	20	20	191
32	Energy Purchases													
33	Energy	58.951	40.899	20.957	112.320	213.920	60.137	77.230	72.655	180.651	210.559	11.627	0.970	1,060.876
34	Expense	\$ 8,109	8,850	1,941	5,598	9,605	3,018	3,809	3,497	7,354	9,222	658	149	61,811
35	Energy Sales													
36	Energy	(196.769)	(87.302)	(115.817)	(13.193)	0.000	(51.837)	(31.194)	(33.591)	(11.646)	0.000	(98.081)	(98.361)	(737.792)
37	(Credit)	\$ (39,081)	(10,600)	(15,901)	(584)	0	(3,820)	(2,053)	(2,399)	(813)	0	(6,126)	(8,350)	(89,727)
38	Congestion and Loss Adjustment													
39		\$ 0	0	0	(49)	(184)	114	61	42	(148)	(184)	281	626	559
40	Total Energy GWH	386.774	353.787	369.902	326.735	337.461	367.103	414.495	401.328	346.791	341.934	341.057	390.892	4378.257
41	Total Energy Expense	\$ 7,205	20,993	13,563	14,070	13,135	16,119	19,598	18,385	14,390	14,324	14,533	16,314	182,629
42														
43														
44	ISO-NE Ancillary	\$ 1,024	304	(1,058)	(1,256)	583	548	435	419	352	269	268	329	2,218
45	NH RPS	\$ 989	989	962	689	712	774	874	846	731	721	719	824	9,832
46	RGGI Costs	\$ 233	228	231	915	0	447	478	470	126	0	587	722	4,438
47														
48	Capacity (sold)/bought MW-mo	(5)	18	10	(7)	(7)	(10)	(62)	(62)	(62)	(76)	(76)	(76)	(413)
49	Capacity (sold)/bought Cost (\$000)	\$ 704	(386)	34	(19)	(19)	(30)	(192)	(195)	(195)	(240)	(240)	(241)	(1,020)

Amounts shown above may not add due to rounding.

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
2014 ENERGY SERVICE RATE CALCULATION
RATE EFFECTIVE JULY 1, 2014**

1 Forecasted PSNH IPP Market Value - April - December 2014

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4	IPP Energy at						
5 Month	IPP GWh	Mkt Value (\$000)	Capacity MW	ICAP Value \$/kw-mo	ICAP (\$000)	Total (\$000)	Total \$/MWh
6 April	31.590	1,556	32.9	2.84	94	1,650	52.23
7 May	35.379	1,519	32.9	2.84	94	1,613	45.59
8 June	29.219	1,679	24.9	3.10	77	1,757	60.12
9 July	21.591	1,178	24.9	3.11	77	1,255	58.12
10 August	22.685	1,168	24.9	3.16	79	1,246	54.94
11 September	23.823	991	24.9	3.16	79	1,070	44.91
12 October	31.385	1,310	34.7	3.17	110	1,420	45.26
13 November	34.109	2,191	34.7	3.17	110	2,301	67.47
14 December	35.038	3,292	34.7	3.18	110	3,402	97.10
15 Total	264.820	14,885			829	15,714	59.34

Amounts shown above may not add due to rounding.

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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
2014 ENERGY SERVICE RATE CALCULATION
Fossil / Hydro O&M, Depreciation & Taxes Detail
RATE EFFECTIVE JULY 1, 2014
(Dollars in 000's)

	January 2014	February 2014	March 2014	April 2014	May 2014	June 2014	July 2014	August 2014	September 2014	October 2014	November 2014	December 2014	Total
Fossil / Hydro O&M, Depr. & Taxes	Actual	Actual	Actual	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	
F/H Operation & Maintenance Cost	\$ 5,513	\$ 5,209	\$ 6,446	\$ 9,589	\$ 5,953	\$ 6,579	\$ 6,747	\$ 6,765	\$ 6,823	\$ 5,659	\$ 5,265	\$ 6,945	\$ 77,493
F/H Depreciation Cost	1,599	1,601	1,601	1,560	1,566	1,570	1,574	1,576	1,581	1,582	1,586	1,591	18,988
F/H Property Taxes	853	853	853	923	923	923	923	923	923	923	923	923	10,869
F/H Payroll and Other Taxes	223	223	158	195	274	192	188	173	184	259	172	165	2,405
Amort. of Asset Retirement Obligation	45	45	45	46	46	46	47	47	47	48	48	48	557
Total F/H O&M, Depr. and Taxes	\$ 8,233	\$ 7,930	\$ 9,103	\$ 12,314	\$ 8,761	\$ 9,310	\$ 9,480	\$ 9,484	\$ 9,557	\$ 8,471	\$ 7,994	\$ 9,672	\$ 110,311

Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
2014 ENERGY SERVICE RATE CALCULATION
FOSSIL/HYDRO RETURN ON RATE BASE
RATE EFFECTIVE JULY 1, 2014
(Dollars in 000's)

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	January 2014 Actual	February 2014 Actual	March 2014 Actual	April 2014 Estimate	May 2014 Estimate	June 2014 Estimate	July 2014 Estimate	August 2014 Estimate	September 2014 Estimate	October 2014 Estimate	November 2014 Estimate	December 2014 Estimate	Total
Return on Rate Base													
Rate base													
Net Plant	287,122	288,446	289,717	285,504	285,108	284,911	284,651	284,416	284,209	284,022	283,632	283,287	
Working Capital Allow. (45 days of O&M)	9,554	9,554	9,554	9,554	9,554	9,554	9,554	9,554	9,554	9,554	9,554	9,554	
Fossil Fuel Inventory	74,165	74,165	74,165	34,888	41,759	41,759	38,100	38,098	41,292	46,606	56,550	58,810	
Mat'ls and Supplies	53,978	53,978	53,978	53,978	53,978	53,978	53,978	53,978	53,978	53,978	53,978	53,978	
Prepayments	2,458	2,458	2,458	2,458	2,458	2,458	2,458	2,458	2,458	2,458	2,458	2,458	
Deferred Taxes	(24,188)	(19,669)	(15,150)	(22,251)	(18,223)	(34,609)	(31,133)	(27,254)	(36,047)	(32,399)	(28,539)	(36,563)	
Other Regulatory Obligations	(13,416)	(13,416)	(13,416)	(15,076)	(15,470)	(6,976)	(7,449)	(7,910)	(8,314)	(8,714)	(9,113)	(9,564)	
Total Rate Base (L15 thru L22)	389,672	395,515	401,305	349,055	359,164	351,075	350,159	353,340	347,130	355,505	368,520	361,960	
Average Rate Base (prev + curr month)	387,813	392,594	398,410	375,180	354,109	355,119	350,617	351,749	350,235	351,317	362,012	365,240	
x Return	0.9058%	0.9058%	0.9058%	0.9058%	0.9058%	0.9058%	0.9058%	0.9058%	0.9058%	0.9058%	0.9058%	0.9058%	
Return (L25 x L26)	\$ 3,513	\$ 3,556	\$ 3,609	\$ 3,398	\$ 3,207	\$ 3,217	\$ 3,176	\$ 3,186	\$ 3,172	\$ 3,182	\$ 3,279	\$ 3,308	\$ 39,802

Amounts shown above may not add due to rounding.

