

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
TRANSMISSION COST ADJUSTMENT MECHANISM (TCAM) CALCULATION**

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- 1      TCAM Rate Calculation - July 2014 through June 2015
- 1a     TCAM Rate Calculation - Comparison of Forecast to Currently Allowed TCAM
- 2      Forecasted Costs - July 2014 through June 2015
- 3      Actual Costs - January 2013 through June 2013
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**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
TRANSMISSION COST ADJUSTMENT MECHANISM (TCAM) CALCULATION**

(Dollars in 000s)

1	<b>TCAM Rate Calculation</b>	<b>Forecast</b>	<b>Reference:</b>
2	<b>July 2014 Through June 2015</b>	<b>Summary</b>	<b>Attachment MLS-1</b>
3	Regional Network Service (RNS)	\$ 122,053	Page 2
4	Scheduling and Dispatch (S&D)	2,311	Page 2
5	Local Network Service (LNS)	9,444	Page 2
6	Reliability	5,460	Page 2
7	Hydro-Quebec Support Costs	4,860	Page 2
8	NHPUC Assessment	326	Page 2
9	Return on TCAM Working Capital	1,953	Page 2
10	Revenue Credits	(2,600)	Page 2
11			
12	Total Forecasted Costs	\$ 143,808	
13			
14	Cumulative Estimated (Over) / Under Recovery	(12,311)	Page 5
15			
16	Total Costs	\$ 131,497	
17			
18	Forecasted Retail MWH Sales	8,007,308	Page 2
19			
20	Forecasted TCAM Rate--cents per kWh	1.642	
21			
22			
23			
24	Amounts shown above may not add due to rounding.		

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
TRANSMISSION COST ADJUSTMENT MECHANISM (TCAM) CALCULATION**

(Dollars in 000s)

**Note: This schedule is provided as an aid to analysis and is not part of the rate calculation**

TCAM Rate Calculation	(A)	(B)	(C)
	Forecast	Currently Allowed (1)	(A)-(B)=(C)
	12 mths-06/2015	12 mths-06/2014	Delta
1 <b>Comparison of Forecast to Currently Allowed</b>			
2			
3 Regional Network Service (RNS)	\$ 122,053	\$ 116,390	\$ 5,664
4 Scheduling and Dispatch (S&D)	2,311	2,276	35
5 Local Network Service (LNS)	9,444	10,675	(1,231)
6 Reliability	5,460	6,428	(968)
7 Hydro-Quebec Support Costs	4,860	4,823	38
8 NHPUC Assessment	326	315	11
9 Return on TCAM Working Capital	1,953	1,905	48
10 Revenue Credits	<u>(2,600)</u>	<u>(4,858)</u>	<u>2,258</u>
11			
12 Sub-total	\$ 143,808	\$ 137,954	\$ 5,854
13			
14 Prior Period (Over) / Under Recovery	<u>(12,311)</u>	<u>(3,577)</u>	<u>(8,733)</u>
15			
16 Total	\$ 131,497	\$ 134,376	\$ (2,879)
17			
18 Retail MWH Sales	<u>8,007,308</u>	<u>7,838,147</u>	
19			
20 TCAM Rate--cents per kWh	<u>1.642</u>	<u>1.714</u>	
21			

22 (1) DE 13-167; Order # 25,533 dated June 27, 2013

23

24 Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
TRANSMISSION COST ADJUSTMENT MECHANISM (TCAM) CALCULATION  
July 2014 through June 2015

(Dollars in 000s)

		Forecast						Six Months
		July 2014	August 2014	September 2014	October 2014	November 2014	December 2014	July-December Subtotal
1	<b>Retail Transmission Cost</b>							
2								
3	Regional Network Service (RNS)	11,682	12,557	11,943	10,402	8,554	9,182	64,319
4								
5	Scheduling and Dispatch (S&D)	221	238	226	197	162	174	1,218
6								
7	Local Network Service (LNS)	576	576	576	576	576	576	3,456
8								
9	Reliability	450	450	450	450	450	450	2,699
10								
11	Hydro-Quebec Support Costs	416	416	416	416	416	416	2,496
12								
13	NHPUC Assessment	27	27	27	27	27	27	163
14								
15	Return on TCAM Working Capital Allowance (1)	181	193	184	163	138	146	1,005
16								
17	(Over) Recovery TCAM, previous TCAM Year	(12,311)	-	-	-	-	-	(12,311)
18								
19	Revenue Credits (2)	(433)	(433)	(433)	(433)	(433)	(433)	(2,600)
20								
21	Retail Transmission Operating Costs	\$ 808	\$ 14,023	\$ 13,389	\$ 11,797	\$ 9,889	\$ 10,538	\$ 60,445
22								
23	Estimated Retail MWH Sales	753,119	729,195	630,103	621,278	619,685	710,233	4,063,613
24								
25								
26								
27								

		Forecast						Six Months	Twelve Months
		January 2015	February 2015	March 2015	April 2015	May 2015	June 2015	Jan-June Subtotal	July 14 - June 15 Total
28									
29	<b>Retail Transmission Cost</b>								
30									
31	Regional Network Service (RNS)	10,103	10,574	10,379	9,676	8,583	8,419	57,734	122,053
32									
33	Scheduling and Dispatch (S&D)	191	200	197	183	163	159	1,093	2,311
34									
35	Local Network Service (LNS)	998	998	998	998	998	998	5,988	9,444
36									
37	Reliability	460	460	460	460	460	460	2,761	5,460
38									
39	Hydro-Quebec Support Costs	394	394	394	394	394	394	2,365	4,860
40									
41	NHPUC Assessment	27	27	27	27	27	27	163	326
42									
43	Return on TCAM Working Capital Allowance (1)	165	171	168	159	144	141	948	1,953
44									
45	(Over) Recovery TCAM, previous TCAM Year	-	-	-	-	-	-	-	(12,311)
46									
47	Revenue Credits (2)	-	-	-	-	-	-	-	(2,600)
48									
49	Retail Transmission Operating Costs	\$ 12,338	\$ 12,825	\$ 12,624	\$ 11,897	\$ 10,769	\$ 10,599	\$ 71,052	\$ 131,497
50									
51	Estimated Retail MWH Sales	729,283	654,669	656,262	604,235	622,693	676,553	3,943,695	8,007,308
52									

53 Note 1 - The return on the working capital allowance is monthly O&M x (45 days/365 days) x 10.9656% (allowed 7.513% incl tax gross-up)

54 Note 2 - Revenue credits represent Hydro-Quebec (H-Q) revenues associated with the H-Q support contract through December 2015.

55

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58 Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
TRANSMISSION COST ADJUSTMENT MECHANISM (TCAM) CALCULATION  
January - June 2013

(Dollars in 000s)

	Balance 12/31/2012	Actual						Total	Reference
		January 2013	February 2013	March 2013	April 2013	May 2013	June 2013		
<b>1 Retail Transmission Costs</b>									
2									
3 Retail Transmission Operating Revenues		\$ (9,638)	\$ (8,308)	\$ (8,810)	\$ (7,556)	\$ (8,359)	\$ (9,337)	\$ (52,009)	MLS-1, Pg 6
4									
5 Regional Network Service (RNS)		7,815	8,691	8,112	7,534	6,992	8,801	47,945	
6									
7 Scheduling and Dispatch		186	207	193	179	166	209	1,140	
8									
9 Local Network Service (LNS) (1)		572	610	614	585	2,232	910	5,523	
10									
11 Reliability		598	571	602	541	454	449	3,215	
12									
13 Hydro-Quebec Support Costs		377	404	362	324	361	351	2,178	
14									
15 NHPUC Assessment		26	26	26	26	26	26	157	
16									
17 Return on TCAM Working Capital Allowance (2)		129	142	134	124	138	145	813	
18									
19 Revenue Credits (3)		(548)	(548)	(620)	(620)	(620)	(619)	(3,575)	
20									
21 Retail Transmission Operating Costs		\$ 9,156	\$ 10,102	\$ 9,424	\$ 8,694	\$ 9,749	\$ 10,272	\$ 57,397	
22									
23 (Over) / Under-Recovery		\$ (482)	\$ 1,793	\$ 614	\$ 1,138	\$ 1,390	\$ 935	\$ 5,388	
24									
25 Cumulative (Over) / Under-Recovery		\$ (7,445)	\$ (7,927)	\$ (6,133)	\$ (5,520)	\$ (4,382)	\$ (2,056)		
26									
<b>27 Calculation of Return/Deferral</b>									
28									
29 Average Balance		(7,686)	(7,030)	(5,826)	(4,951)	(3,687)	(2,524)		
30									
31 Deferred tax calculation--									
32 Deferred tax rate		40.525%	40.525%	40.525%	40.525%	40.525%	40.525%		
33									
34 ADIT on the average balance		\$ 3,115	\$ 2,849	\$ 2,361	\$ 2,006	\$ 1,494	\$ 1,023		
35									
36 Average Balance, Net of ADIT		\$ (4,571)	\$ (4,181)	\$ (3,465)	\$ (2,944)	\$ (2,193)	\$ (1,501)		
37									
38 x Return at Prime Rate		0.2708%	0.2708%	0.2708%	0.2708%	0.2708%	0.2708%		
39									
40 Return-Monthly		\$ (12)	\$ (11)	\$ (9)	\$ (8)	\$ (6)	\$ (4)	\$ (51)	
41									
42 Cumulative Return		\$ (12)	\$ (24)	\$ (33)	\$ (41)	\$ (47)	\$ (51)		
43									
44 Cumulative (Over) / Under Recovery, Including Return		\$ (7,939)	\$ (6,157)	\$ (5,553)	\$ (4,423)	\$ (3,038)	\$ (2,107)		
45									

46 Note 1--May 2013 LNS includes \$1.8 M for the FY 2012 Schedule 21 true-up.

47  
48 Note 2-- The return on the working capital allowance is monthly O&M x (45 days/365 days) x 10.9656% (allowed 7.513% incl tax gross-up)

49  
50 Note 3-- Revenue credits include Hydro-Quebec revenues, ISO-NE reliability credits, and NOATT Schedule 2 revenues.

51  
52 Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
TRANSMISSION COST ADJUSTMENT MECHANISM (TCAM) CALCULATION  
July - December 2013

(Dollars in 000s)

	Balance 06/30/2013	Actual						Total	Reference
		July 2013	August 2013	September 2013	October 2013	November 2013	December 2013		
<b>1 Retail Transmission Costs</b>									
2									
3 Retail Transmission Operating Revenues		\$ (12,902)	\$ (12,971)	\$ (10,641)	\$ (10,974)	\$ (10,735)	\$ (12,168)	\$ (70,390)	MLS-1, Pg 7
4									
5 Regional Network Service (RNS)		11,674	12,251	10,173	11,165	7,776	8,959	61,997	
6									
7 Scheduling and Dispatch		228	239	202	220	157	181	1,228	
8									
9 Local Network Service (LNS)		927	915	941	934	1,015	990	5,722	
10									
11 Reliability		471	579	945	551	482	413	3,440	
12									
13 Hydro-Quebec Support Costs		349	452	357	335	365	345	2,203	
14									
15 NHPUC Assessment		26	(7)	19	27	27	27	120	
16									
17 Return on TCAM Working Capital (1)		185	195	171	179	133	148	1,010	
18									
19 Revenue Credits (2)		(602)	(602)	(602)	(602)	(601)	(601)	(3,611)	
20									
21 Retail Transmission Operating Costs		\$ 13,257	\$ 14,023	\$ 12,206	\$ 12,809	\$ 9,354	\$ 10,461	\$ 72,110	
22									
23 (Over) / Under-Recovery		\$ 355	\$ 1,052	\$ 1,565	\$ 1,835	\$ (1,381)	\$ (1,707)	\$ 1,719	
24									
25 Cumulative (Over) / Under-Recovery		\$ (2,107)	\$ (1,752)	\$ (700)	\$ 865	\$ 1,319	\$ (388)		
26									
<b>27 Calculation of Return/Deferral</b>									
28									
29 Average Balance		(1,930)	(1,226)	82	1,782	2,009	465		
30									
31 Deferred tax calculation--									
32 Deferred tax rate		40.525%	40.525%	40.525%	40.525%	40.525%	40.525%		
33									
34 ADIT on the average balance		\$ 782	\$ 497	\$ (33)	\$ (722)	\$ (814)	\$ (189)		
35									
36 Average Balance, Net of ADIT		\$ (1,148)	\$ (729)	\$ 49	\$ 1,060	\$ 1,195	\$ 277		
37									
38 x Return at Prime Rate		0.2708%	0.2708%	0.2708%	0.2708%	0.2708%	0.2708%		
39									
40 Return-Monthly		\$ (3)	\$ (2)	\$ 0	\$ 3	\$ 3	\$ 1	\$ 2	
41									
42 Cumulative Return		\$ (3)	\$ (5)	\$ (5)	\$ (2)	\$ 1	\$ 2		
43									
44 Cumulative (Over) / Under Recovery, Including Return		\$ (1,755)	\$ (705)	\$ 860	\$ 2,698	\$ 1,320	\$ (386)		
45									

46 Note 1-- The return on the working capital allowance is monthly O&M x (45 days/365 days) x 10.9656% (allowed 7.513% incl tax gross-up)

47  
48 Note 2-- Revenue credits include Hydro-Quebec revenues, ISO-NE reliability credits, and NOATT Schedule 2 revenues.

49  
50 Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
TRANSMISSION COST ADJUSTMENT MECHANISM (TCAM) CALCULATION  
January - June 2014

(Dollars in 000s)

	Balance 12/31/2013	Actual				Forecast		Total	Reference
		January 2014	February 2014	March 2014	April 2014	May 2014	June 2014		
<b>1 Retail Transmission Costs</b>									
2									
3 Retail Transmission Operating Revenues		\$ (12,497)	\$ (10,316)	\$ (11,862)	\$ (10,148)	\$ (10,509)	\$ (11,433)	\$ (66,765)	MLS-1, Pg 8
4									
5 Regional Network Service (RNS)		10,340	10,104	9,385	9,281	7,594	7,736	54,439	
6									
7 Scheduling and Dispatch (S&D)		205	200	186	184	150	153	1,078	
8									
9 Local Network Service (LNS) (1)		586	598	577	587	(6,124)	576	(3,201)	
10									
11 Reliability		577	508	503	427	419	450	2,885	
12									
13 Hydro-Quebec Support Costs		491	315	379	332	416	416	2,349	
14									
15 NHPUC Assessment		27	27	27	27	27	27	163	
16									
17 Return on TCAM Working Capital (2)		165	159	149	147	34	127	780	
18									
19 Revenue Credits (3)		(601)	(612)	(602)	(602)	(602)	(602)	(3,620)	
20									
21 Retail Transmission Operating Costs		\$ 11,791	\$ 11,299	\$ 10,604	\$ 10,382	\$ 1,914	\$ 8,883	\$ 54,873	
22									
23 (Over) / Under-Recovery		\$ (706)	\$ 984	\$ (1,258)	\$ 234	\$ (8,595)	\$ (2,550)	\$ (11,892)	
24									
25 Cumulative (Over) / Under-Recovery		\$ (386)	\$ (1,093)	\$ (109)	\$ (1,368)	\$ (9,729)	\$ (12,279)		
26									
<b>27 Calculation of Return/Deferral</b>									
28									
29 Average Balance		(740)	(601)	(738)	(1,250)	(5,431)	(11,004)		
30									
31 Deferred tax calculation--									
32 Deferred tax rate		40.525%	40.525%	40.525%	40.525%	40.525%	40.525%		
33									
34 ADIT on the average balance		\$ 300	\$ 244	\$ 299	\$ 507	\$ 2,201	\$ 4,459		
35									
36 Average Balance, Net of Accum. Def. Income Taxes		\$ (440)	\$ (357)	\$ (439)	\$ (744)	\$ (3,230)	\$ (6,544)		
37									
38 x Return at Prime Rate		0.2708%	0.2708%	0.2708%	0.2708%	0.2708%	0.2708%		
39									
40 Return-Monthly		\$ (1)	\$ (1)	\$ (1)	\$ (2)	\$ (9)	\$ (18)	\$ (32)	
41									
42 Cumulative Return		\$ (1)	\$ (2)	\$ (3)	\$ (5)	\$ (14)	\$ (32)		
43									
44 Cumulative (Over) / Under Recovery, Including Return		\$ (1,094)	\$ (111)	\$ (1,371)	\$ (1,139)	\$ (9,743)	\$ (12,311)		

45 Note 1--May 2014 LNS includes a \$6.7 M credit for the FY 2013 Schedule 21 true-up.

46 Note 2-- The return on the working capital allowance is monthly O&M x (45 days/365 days) x 10.9656% (allowed 7.513% incl tax gross-up)

47 Note 3-- Revenue credits include Hydro-Quebec revenues, ISO-NE reliability credits, and NOATT Schedule 2 revenues.

48 Amounts shown above may not add due to rounding.

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE**  
**TRANSMISSION COST ADJUSTMENT MECHANISM (TCAM) CALCULATION**  
**January - June 2013**

(Dollars in 000s)

	<b>Actual</b>						
	January 2013	February 2013	March 2013	April 2013	May 2013	June 2013	Total
1 <b>Retail Transmission Revenues</b>							
2							
3 Transmission Revenue - Billed	\$ (9,287)	\$ (9,258)	\$ (8,321)	\$ (8,209)	\$ (8,001)	\$ (8,820)	\$ (51,896)
4							
5 Transmission Revenue - Unbilled	\$ (351)	\$ 949	\$ (489)	\$ 652	\$ (358)	\$ (517)	(113)
6							
7 <b>Total</b>	<u>\$ (9,638)</u>	<u>\$ (8,308)</u>	<u>\$ (8,810)</u>	<u>\$ (7,556)</u>	<u>\$ (8,359)</u>	<u>\$ (9,337)</u>	<u>\$ (52,009)</u>
8							
9							

10 Amounts shown above may not add due to rounding.



PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
TRANSMISSION COST ADJUSTMENT MECHANISM (TCAM) CALCULATION  
July - December 2013

(Dollars in 000s)

	Actual						
	July	August	September	October	November	December	Total
	2013	2013	2013	2013	2013	2013	
1 <b>Retail Transmission Revenues</b>							
2							
3 Transmission Revenue - Billed	\$ (11,648)	\$ (12,507)	\$ (11,963)	\$ (10,565)	\$ (10,343)	\$ (11,614)	\$ (68,639)
4							
5 Transmission Revenue - Unbilled	\$ (1,254)	\$ (464)	\$ 1,321	\$ (408)	\$ (392)	\$ (554)	(1,751)
6							
7 Total	<u>\$ (12,902)</u>	<u>\$ (12,971)</u>	<u>\$ (10,641)</u>	<u>\$ (10,974)</u>	<u>\$ (10,735)</u>	<u>\$ (12,168)</u>	<u>\$ (70,390)</u>
8							
9							

10 Amounts shown above may not add due to rounding.

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE**  
**TRANSMISSION COST ADJUSTMENT MECHANISM (TCAM) CALCULATION**  
January - June 2014

(Dollars in 000s)

	Actual				Forecast		Total
	January 2014	February 2014	March 2014	April 2014	May 2014	June 2014	
1 <b>Retail Transmission Revenues</b>							
2							
3 Transmission Revenue - Billed	\$ (12,301)	\$ (12,012)	\$ (11,059)	\$ (10,545)	\$ (10,509)	\$ (11,433)	\$ (67,859)
4							
5 Transmission Revenue - Unbilled	\$ (196)	\$ 1,696	\$ (803)	\$ 397	\$ -	\$ -	1,094
6							
7 <b>Total</b>	<u>\$ (12,497)</u>	<u>\$ (10,316)</u>	<u>\$ (11,862)</u>	<u>\$ (10,148)</u>	<u>\$ (10,509)</u>	<u>\$ (11,433)</u>	<u>\$ (66,765)</u>

8  
9  
10 Amounts shown above may not add due to rounding.