

EXHIBIT 3

Docket No. DE 10-122
Public Service Company of New Hampshire
Petition for Approval and Long Term and Short Term Debt

PSNH RESPONSE TO DATA REQUESTS

Q-TECH-001
Q-TECH-004

Q-STAFF-004
Q-STAFF=004-SP01
Q-STAFF-007
Q-STAFF-007-SP01
Q-STAFF-008
Q-STAFF-009
Q-STAFF-010
Q-STAFF-012
Q-STAFF-013

ORIGINAL	
N.H.P.U.C. Case No.	<u>DE 10-122</u>
Exhibit No.	<u>#3</u>
Witness	<u>Susan B. Weber</u>
DO NOT REMOVE FROM FILE	

Witness: Susan B. Weber
Request from: Technical Session

Question:

Re: OCA-01, Q-OCA-007, please explain the differences between current and proposed borrowing limits and current and indicative interest rates.

Response:

The proposed borrowing limit of up to \$300 million is designed to allow PSNH greater access to its revolving credit facility as a source of liquidity which can be used to fund capital expenditures and working capital on a short-term basis.

PSNH's current short-term debt limit of 10% of net fixed plant plus \$60 million, as approved by the Commission's Order No. 25,021 in Docket No. DE 09-033 dated October 5, 2009 and as clarified in Order No. 25,050 dated December 8, 2009, is currently equal to \$218 million. However, PSNH's net fixed plant is forecasted to reach approximately \$2.39 billion at December 31, 2012, at which time PSNH's short-term debt limit is forecasted to be \$298 million or approximately equal to the proposed borrowing limit of \$300 million.

The indicative estimated borrowing rates and fees provided are based on recent utility transactions in the bank market and are dependent on the borrower's unsecured credit ratings. The increase in indicative borrowing rates and fees compared to the existing borrowing rates and fees, is reflective of the changes in the bank market since the existing revolving credit agreement was executed in December 2005, when bank fees were at or near their lowest levels. The change in the bank market has been driven by the general decline in economic conditions, which has resulted in significantly higher bank fees. There is no correlation between the increase in indicative borrowing rates and fees and the proposed increase of PSNH's borrowing limit.

Witness: Stephen R. Hall
Request from: Technical Session

Question:

Re: STAFF-01, Q-STAFF-013, please provide the calculation of the ES rate assuming a full \$500 million issuance. Please provide the calculation of the SCRC rate using the same assumption (\$500 million issuance).

Response:

Attached are three sets of spreadsheets consisting of (1) a recalculation of PSNH's Energy Service Rate rate effective July 1, 2010 assuming the financing took place in the first quarter of 2010 (the time period used for determining capital structure in the ES rate recalculation), (2) a recalculation of PSNH's Stranded Cost Recovery Charge Rate rate effective July 1, 2010 assuming the financing took place in the first quarter of 2010 (the time period used for determining capital structure in the SCRC rate recalculation), and (3) pro forma generation segment (6F for ES) and pro forma restructuring segment (6R for SCRC) weighted average cost of capital calculations reflecting the bond financing.

As shown in the ES and SCRC attachments, the financing does not have a material impact on PSNH's projected ES or SCRC costs, as the cost difference is too small to impact a rate that is rounded to the nearest 0.01¢.

The weighted average cost of capital calculations were performed by recalculating the return component used to calculate the return on both generation and stranded cost rate base assuming the financing was completed. PSNH assumed the following:

1. Two separate issuances of \$250 million of long-term debt at a rate of 4.74%, totalling \$500 million
2. Total deferred issuance costs of \$4.0 million, which are amortized over ten years.
3. NU Parent made capital contributions to maintain PSNH's existing debt (52%) to equity (48%) ratio at March 31, 2010 in segment 6F. In segment 6R, the stipulated capital structure of 60% debt/40% equity was assumed.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
 2010 ENERGY SERVICE RATE CALCULATION--Returns Recalculated for the \$500M Bond Issue
 (Dollars in 000's)

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Traditional Approach

Summary of Actual and Forecasted Energy Service

Cost For January 2010 Through December 2010	TOTAL COST	Cents per KWH (2)	Reference
Fossil energy costs	\$ 165,321	3.09	Attachment RAB-2, page 2
F/H O&M, depreciation & taxes	133,721	2.50	Attachment RAB-2, page 2
Return on rate base	40,582	0.76	See revised RAB-2, page 6
ISO-NE ancillary	2,317	0.04	Attachment RAB-2, page 2
Capacity	14,212	0.27	Attachment RAB-2, page 2
NH RPS	10,963	0.21	Attachment RAB-2, page 2
RG&I costs	6,672	0.12	Attachment RAB-2, page 2
Vermont Yankee	7,108	0.13	Attachment RAB-2, page 2
IPP costs (1)	28,592	0.53	Attachment RAB-2, page 2
Purchases and sales	75,624	1.41	Attachment RAB-2, page 2
Return on ES Deferral	348	0.01	Attachment RAB-2, page 2
Merrimack projected O&M insurance proceeds	(6,500)	(0.12)	Attachment RAB-2, page 2
Merrimack projected RPC insurance proceeds	(8,700)	(0.16)	Attachment RAB-2, page 2
Company Use	(689)	(0.01)	Attachment RAB-2, page 2
2009 Actual ES under/(over) recovery	4,442	0.08	Attachment RAB-2, page 2
Total Updated Energy Service Cost	\$ 474,012	8.87	<--No impact on overall costs
Total Updated Revenue at 8.96 cents per kwh	478,964		
Energy Service (Over)/Under Recovery	(4,953)		
Forecasted Retail MWH Sales July-December 2010	<u>2,693,785</u>		
Increase in Energy Service Rate - cents per kwh (L31/L33)	(0.18)		
Energy Service Rate as approved in DE 09-180 - cents per kwh	<u>8.96</u>		
Updated Energy Service Rate - cents per kwh	<u><u>8.78</u></u>		

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

(2) Cents per KWH was calculated using the 2010 actual and forecasted sales from Attachment RAB-2, page 2, line 34.

Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
 2010 ENERGY SERVICE RATE CALCULATION
 FOSSIL/HYDRO RETURN ON RATE BASE
 (Dollars in 000's)

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	January 2010 Actual	February 2010 Actual	March 2010 Actual	April 2010 Actual	May 2010 Actual	June 2010 Estimate	July 2010 Estimate	August 2010 Estimate	September 2010 Estimate	October 2010 Estimate	November 2010 Estimate	December 2010 Estimate	Total
Return on Rate Base													
Rate base													
Net Plant	283,340	283,340	277,517	277,517	277,517	282,773	281,837	281,035	281,702	281,655	295,480	304,837	
Working Capital Allow. (45 days of O&M)	12,020	12,020	12,020	12,020	12,020	12,605	12,605	12,605	12,605	12,605	12,605	12,605	12,605
Fossil Fuel Inventory	81,748	81,748	65,480	65,480	65,480	62,000	62,000	62,000	62,000	62,000	62,000	62,000	62,000
Mat'ls and Supplies	53,616	53,616	53,762	53,762	53,762	53,885	53,937	54,001	54,164	54,221	54,403	54,873	
Prepayments	2,428	2,428	2,292	2,292	2,292	1,789	1,789	1,789	1,789	1,789	1,789	1,789	
Deferred Taxes	(20,454)	(20,454)	(18,780)	(18,780)	(18,780)	(21,748)	(20,591)	(19,121)	(20,487)	(20,105)	(18,856)	(16,535)	
Other Regulatory Obligations	(12,409)	(12,409)	(15,521)	(15,521)	(15,521)	(7,606)	(8,665)	(9,705)	(11,055)	(11,946)	(12,846)	(13,643)	
Total Rate Base (L15 thru L22)	400,289	400,289	376,770	376,770	376,770	383,698	382,912	382,604	380,718	380,219	394,575	405,926	
Average Rate Base (prev + curr month)	400,662	400,289	388,530	376,770	376,770	380,234	383,305	382,758	381,661	380,469	387,397	400,251	
x Return	0.8765%	0.8765%	0.8765%	0.8800%	0.8800%	0.8800%	0.8800%	0.8800%	0.8800%	0.8800%	0.8800%	0.8800%	
Return (L25 x L26)	\$ 3,512	\$ 3,509	\$ 3,205	\$ 3,316	\$ 3,316	\$ 3,346	\$ 3,373	\$ 3,368	\$ 3,359	\$ 3,348	\$ 3,409	\$ 3,522	\$ 40,582

Recalc return	40,582	Sales	5,345,441
Return per June 2010 filing	40,788	Cost kWh	0.76
Savings	(206)		

Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

2010 SCRC RATE CALCULATION--Returns Recalculated for the \$500M Bond Issue

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	As Filed 06/11/2010	Pro Forma \$500M Bond Issue	
	<u>Stranded Cost</u>	<u>Stranded Cost</u>	
1 Part 1 - Rate recovery bonds (RRB)	\$ 61,287	\$ 61,287	
2 Part 2 - Ongoing SCRC Costs	26,958	27,017	See RAB-1, pages 6-7
3 Part 2 - 2009 Actual SCRC under/(over) Recovery	<u>3,883</u>	<u>3,883</u>	
4 Total Updated SCRC Cost (L1+L2+L3)	\$ 92,129	\$ 92,187	
5 Total Updated SCRC Revenue @ 1.18 cents/kwh	<u>90,985</u>	<u>90,985</u>	
6 Total SCRC under/(over) Recovery (L4 - L5)	1,144	1,202	
7 Forecasted Retail MWH Sales - July - December 2010	<u>3,955,631</u>	<u>3,955,631</u>	
8 Increase in SCRC Rate - cents/kwh (L6 / L7)	0.03	0.03	
9 Current SCRC rate approved in DE 09-179 - cents/kwh	<u>1.18</u>	<u>1.18</u>	
10 Updated SCRC Rate - cents/kwh (L8 +L9)	<u><u>1.21</u></u>	<u><u>1.21</u></u>	

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

2010 SCRC RATE CALCULATION

PART 2 ONGOING COSTS--Returns Recalculated for the \$500M Bond Issue

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SCRC Part 2 Ongoing Costs	Actual January 2010	Actual February 2010	Actual March 2010	Actual April 2010	Actual May 2010	Re-estimate June 2010	Total for the six months ended 06/30/10
Ongoing Costs - IPP							
1 Amortization and return on IPP							
2 Buydown/Buyout Savings (1)	\$ 237	\$ 249	\$ 274	\$ 292	\$ 272	\$ 237	\$ 1,561
3 IPP Ongoing costs:							
4 Total IPP Cost	5,441	4,488	5,470	5,214	4,772	4,461	29,846
5 less: IPP at Market Cost	3,439	2,244	2,089	2,315	2,340	2,011	14,438
6 Above Market IPP Cost	2,002	2,245	3,381	2,899	2,432	2,450	15,408
7 Total Part 2 Costs	\$ 2,239	\$ 2,494	\$ 3,654	\$ 3,191	\$ 2,703	\$ 2,687	\$ 16,969
Ongoing Costs - Return							
8 2009 Adjustment	11	-	-	-	-	-	11
9 Return on ADIT - Securitized							
10 Stranded Costs (1)	(490)	(478)	(467)	(452)	(441)	(430)	(2,757)
11 Return on Yankee Decommissioning							
12 Obligations and CVEC, net of deferred taxes (1)	(51)	(50)	(49)	(48)	(47)	(47)	(293)
13 Yankee Contract Obligations Adjustment	(2)	-	-	-	-	-	(2)
14 Return on SCRC deferred balance (1)	13	10	12	16	18	17	85
15 Total Part 2 Return	\$ (518)	\$ (519)	\$ (504)	\$ (484)	\$ (470)	\$ (460)	\$ (2,955)
16 Total Part 2 Ongoing Costs and Return	\$ 1,721	\$ 1,975	\$ 3,150	\$ 2,707	\$ 2,233	\$ 2,227	\$ 14,013
17 Amounts shown above may not add due to rounding.							

(1) Return assumes \$500 million bond issue as of March 31, 2010

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

2010 SCRC RATE CALCULATION

PART 2 ONGOING COSTS--Returns Recalculated for the \$500M Bond Issue

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SCRC Part 2 Ongoing Costs	Re-estimate						Total for the twelve months ended 12/31/10
	July 2010	August 2010	September 2010	October 2010	November 2010	December 2010	
Ongoing Costs - IPP							
1 Amortization and return on IPP							
2 Buydown/Buyout Savings (1)	\$ 215	\$ 208	\$ 210	\$ 220	\$ 237	\$ 249	\$ 2,900
3 IPP Ongoing costs:							
4 Total IPP Cost	4,608	4,167	3,735	4,493	5,325	5,755	57,929
5 less: IPP at Market Cost	2,221	2,001	1,613	2,081	2,690	3,243	28,287
6 Above Market IPP Cost	2,387	2,166	2,122	2,412	2,635	2,512	29,642
7 Total Part 2 Costs	\$ 2,602	\$ 2,374	\$ 2,332	\$ 2,632	\$ 2,872	\$ 2,761	\$ 32,542
Ongoing Costs - Return							
8 2009 Adjustment	-	-	-	-	-	-	11
9 Return on ADIT - Securitized							
10 Stranded Costs (1)	(419)	(407)	(395)	(383)	(371)	(360)	(5,092)
11 Return on Yankee Decommissioning							
12 Obligations and CVEC, net of deferred taxes (1)	(46)	(45)	(44)	(43)	(42)	(41)	(555)
13 Yankee Contract Obligations Adjustment	-	-	-	-	-	-	(2)
14 Return on SCRC deferred balance (1)	13	6	3	2	3	1	113
15 Total Part 2 Return	\$ (452)	\$ (447)	\$ (437)	\$ (424)	\$ (411)	\$ (400)	\$ (5,525)
16 Total Part 2 Ongoing Costs and Return	\$ 2,150	\$ 1,928	\$ 1,895	\$ 2,208	\$ 2,461	\$ 2,361	\$ 27,017
17 Amounts shown above may not add due to rounding.							

(1) Return assumes \$500 million bond issue as of March 31, 2010

Public Service Company of New Hampshire and Subsidiaries
 PRO FORMA—Capitalization @ 3/31/10 - for FH Purposes Only

[A] Balance-LTD	Acct #s	[B] Unamor Issuance Expense	[C] Net Balance [A] + [B]	[D] Annualized Amor. Expense	[E] Int Rate*	[F] Ann. Int. Exp. [A] X [E]	[G] Total Ann. Exp. [D] + [F]	[H] Eff. Int. Rate [G]/[C]
PCRB Series A Tax-Prepaid Ins 2001	-	(18,667)	(18,667)	224,000	-	-	224,000	
PCRB Series A Tax-Exempt	89,250,000	(3,340,562)	85,909,438	301,404	0.32%	285,600	587,004	
PCRB Series A Tax-Exempt - VR	-	(1,000)	(1,000)	-	0.32%	-	-	
PCRB Series B Tax-Exempt-FR	89,250,000	(4,319,661)	84,930,339	389,744	4.75%	4,239,375	4,629,119	
PCRB Series C Tax-Exempt	108,985,000	(4,735,920)	104,249,080	427,301	5.45%	5,939,683	6,366,984	
PCRB Series D Tax-Exempt	75,000,000	(950,386)	74,049,614	85,749	6.00%	4,500,000	4,585,749	
PCRB Series E Tax-Exempt	44,800,000	(547,242)	44,252,758	49,375	6.00%	2,688,000	2,737,375	
FMB Series L - 2004	50,000,000	(275,150)	49,724,850	63,496	5.25%	2,625,000	2,688,496	
FMB Series M - 2005	50,000,000	(590,576)	49,409,424	23,160	5.60%	2,800,000	2,823,160	
FMB Series N - 2007	70,000,000	(661,651)	69,338,349	89,211	6.15%	4,305,000	4,394,211	
FMB Series O - 2008	110,000,000	(1,666,116)	108,333,884	206,117	6.00%	6,600,000	6,806,117	
FMB Series P - 2009	150,000,000	(1,694,400)	148,305,600	172,778	4.50%	6,750,000	6,922,778	
PSNH NEW BOND	500,000,000	(4,017,500)	495,982,500	401,750	4.74%	23,700,000	24,101,750	
Total Debt	1,337,285,000	(22,818,830)	1,314,466,170	2,434,086		64,432,658	66,866,744	5.0870%

[A] Balance-LTD	[B] Capitalization Percentage	[C] Embedded Cost/Return	[D] Weighted Avg. [B] * [C]	[E] Tax Gross-up [D] / [1-TR]	[F] Tax-Adjusted Return	[G] Return By Month
Capitalization---						
LTD--use net of issuance exp-above	1,314,466,170	<--incl bond	52.0226%	5.0870%	2.6464%	N/A
Total OCI Adj Equity	1,212,255,236	<--incl cap cont	47.9774%	9.8100%	4.7066%	7.9135%
Total	2,526,721,405		100.0000%	7.3530%	10.5599%	0.879994%

*--Series A is variable rate debt

Statutory Tax Rate (STR) -- 40.525%

Public Service Company of New Hampshire and Subsidiaries
 PRO FORMA Capitalization @ 3/31/10 - for SC Purposes Only

Note: Assumes a 60% (debt), 40% (equity) relationship, as required by the Settlement Agreement

	[A] Balance-LTD	Acct #s	[B] Unamor Issuance Expense	[C] Net Balance [A] + [B]	[D] Annualized Amor. Expense	[E] Int Rate*	[F] Ann. Int. Exp. [A] X [E]	[G] Total Ann. Exp. [D] + [F]	[H] Eff. Int. Rate [G]/[C]
PCRB Series A Tax-Prepaid Ins 2001	-		(18,667)	(18,667)	224,000		-	224,000	
PCRB Series A Tax-Exempt	89,250,000	see	(3,340,562)	85,909,438	301,404	0.32%	285,600	587,004	
PCRB Series A Tax-Exempt-VR	-	detail	(1,000)	(1,000)	-	0.32%	-	-	
PCRB Series B Tax-Exempt-FR	89,250,000	below	(4,319,661)	84,930,339	389,744	4.75%	4,239,375	4,629,119	
PCRB Series C Tax-Exempt	108,985,000		(4,735,920)	104,249,080	427,301	5.45%	5,939,683	6,366,984	
PCRB Series D Tax-Exempt	75,000,000		(950,386)	74,049,614	85,749	6.00%	4,500,000	4,585,749	
PCRB Series E Tax-Exempt	44,800,000		(547,242)	44,252,758	49,375	6.00%	2,688,000	2,737,375	
FMB Series L	50,000,000		(275,150)	49,724,850	63,496	5.25%	2,625,000	2,688,496	
FMB Series M	50,000,000		(590,576)	49,409,424	23,160	5.60%	2,800,000	2,823,160	
FMB Series N	70,000,000		(661,651)	69,338,349	89,211	6.15%	4,305,000	4,394,211	
FMB Series O	110,000,000		(1,666,116)	108,333,884	206,117	6.00%	6,600,000	6,806,117	
FMB Series P - 2009	150,000,000		(1,694,400)	148,305,600	172,778	4.50%	6,750,000	6,922,778	
PSNH NEW BOND	500,000,000		(4,017,500)	495,982,500	401,750	4.74%	23,700,000	24,101,750	
Total Debt	<u>1,337,285,000</u>		<u>(22,818,830)</u>	<u>1,314,466,170</u>	<u>2,434,086</u>		<u>64,432,658</u>	<u>66,866,744</u>	<u>5.0870%</u>

	[A] Balance-LTD	[B] Capitalization Percentage	[C] Embedded Cost/Return	[D] Weighted Avg. [B] * [C]	[E] Tax Gross-up [D]/ [1-TR]	[F] Tax-Adjusted Return	[G] Return By Month
Capitalization---							
LTD--use net of issuance exp-above	1,314,466,170	60.0000%	5.0870%	3.0522%	N/A	3.0522%	
Total Equity (calculated at 60/40 from LTD)	<u>876,310,780</u>	<u>40.0000%</u>	<u>8.0000%</u>	<u>3.2000%</u>	<u>5.3804%</u>	<u>5.3804%</u>	
Total	<u>2,190,776,949</u>	<u>100.0000%</u>		<u>6.2522%</u>		<u>8.4326%</u>	<u>0.702717%</u>

*--Series A is variable rate debt

Statutory Tax Rate (STR) -- 40.525%

Witness: Susan B. Weber
Request from: New Hampshire Public Utilities Commission Staff

Question:

Reference page 18, Attachment 5, page 3 of 3 and Weber testimony, page 93-94. The forecasted change in long-term debt shown on this attachment from 12/31/10 - 12/31/12 totals approximately \$435,000,000. The requested borrowing authority represents an additional \$165,000,000, or 38%, above the amount currently forecasted. Taking into consideration PSNH's current short-term debt limit (to be able to absorb some of the issues described in Ms. Weber's testimony) and the fact that PSNH's current plans only include \$435,000,000 of long-term debt issuances, please describe in detail how the overall borrowing limit of \$600,000,000 was determined. The Response should go beyond a general description of flexibility and should explain in detail why lower borrowing limits would not suffice .

Response:

The requested borrowing limit of \$600,000,000 is being requested to address various risks and/or opportunities that PSNH may face over the course of the Financing Period . As noted on page 8 of the Weber testimony, the 2011 issuance of \$210 million along with a second \$225 million issuance in 2012 would require \$435 million in authority assuming business needs and short -term debt balances are exactly as forecasted. Depending on cash needs of PSNH at the time of the planned issuances, PSNH would like to have the ability to issue additional long -term debt over and above the currently forecasted debt issuances. For example, should issuing index eligible deals (i.e. \$250 million or greater, which typically result in lower interest rates) be attractive from a cash need and/or market pricing standpoint, the Company would like to have ability to do so. If two index eligible deals were consummated, \$500 million of authority would be required even though the forecast is only for \$435 million. Also, the additional \$100 million in requested borrowing authority would allow PSNH to respond to unforeseen capital expenditure or working capital needs, including events such as emergency storm restoration which cost PSNH approximately \$75 million to repair and replace infrastructure in 2008. PSNH is seeking this authorization to not only quickly capitalize on favorable market conditions through one or more index -eligible transactions, but to have the ability to also fund unforeseen events and working capital , if the need arises.

Witness: Susan B. Weber
Request from: New Hampshire Public Utilities Commission Staff

Question:

Reference page 18, Attachment 5, page 3 of 3 and Weber testimony, page 93-94. The forecasted change in long-term debt shown on this attachment from 12/31/10 - 12/31/12 totals approximately \$435,000,000. The requested borrowing authority represents an additional \$165,000,000, or 38%, above the amount currently forecasted. Taking into consideration PSNH's current short-term debt limit (to be able to absorb some of the issues described in Ms. Weber's testimony) and the fact that PSNH's current plans only include \$435,000,000 of long-term debt issuances, please describe in detail how the overall borrowing limit of \$600,000,000 was determined. The Response should go beyond a general description of flexibility and should explain in detail why lower borrowing limits would not suffice .

Response:

As noted in Weber amended testimony filed concurrently with this response , PSNH's requested borrowing authority of \$600 million has been reduced by \$100 million to reflect, in part, a change in capital structure recently approved by the Commission as part of PSNH's rate settlement discussed in Q -STAFF-007-SP01 and recognition of concerns raised by Staff regarding the amount of "excess financing authority" originally requested. The revised request of \$500 million still contemplates the potential for two individual and distinct issuances of long-term debt during the Financing Period (one in 2011 and another in 2012) with flexibility for PSNH to increase one or both issuances to the minimum index eligible size of \$250 million should favorable pricing and/or unforeseen capital or working capital needs support such increases .

Witness: Susan B. Weber
Request from: New Hampshire Public Utilities Commission Staff

Question:

Reference Weber testimony, page 94, lines 18-21. Please explain how the Commission's recent approval of the settlement agreement in Docket No. DE 09-035, including the provisions related to PSNH's capital structure, have impacted PSNH's plans regarding the financing and related necessary capital contributions.

Response:

As a result of the Commission's approval of the settlement in PSNH's distribution rate case on April 30, PSNH's target ratemaking long-term debt component changed from 51.17 percent to 45.73 percent. This application was filed on May 3, one business day after the rate settlement was executed on April 30, but well before final approval, which occurred on June 28. The application accordingly assumed the then-applicable target debt component of 51.17 per cent. While this change in the long-term debt component will lead to a decrease in the amount of long-term debt financing PSNH's requires, the exact amount of the decrease has yet to be determined.

Public Service Company of New Hampshire
Docket No. DE 10-122

Data Request STAFF-01
Dated: 07/01/2010
Q-STAFF-007-SP01
Page 1 of 1

Witness: Susan B. Weber
Request from: New Hampshire Public Utilities Commission Staff

Question:

Reference Weber testimony, page 94, lines 18-21. Please explain how the Commission's recent approval of the settlement agreement in Docket No. DE 09-035, including the provisions related to PSNH's capital structure, have impacted PSNH's plans regarding the financing and related necessary capital contributions.

Response:

At the time of the initial response filed on July 16, 2010, the exact amount of the decrease in forecasted long-term debt during the Financing Period attributable to the Commission's approval of the settlement in PSNH's distribution rate case had not been determined. Since that time, PSNH has analyzed the impact on long-term financing needs and has estimated that the settlement could decrease the amount of long-term financing required by PSNH by up to \$40-\$50 million during the Financing Period.

Public Service Company of New Hampshire
Docket No. DE 10-122

Data Request STAFF-01
Dated: 07/01/2010
Q-STAFF-008
Page 1 of 4

Witness: Susan B. Weber
Request from: New Hampshire Public Utilities Commission Staff

Question:

Please update the response to NSTF-01, Q-STAFF-011 in DE 09-033 to provide a list of utility financings that have occurred since the preparation of that response.

Response:

The attached spreadsheet provided by Barclay's Capital lists power industry financings that have occurred since April 2009.

March 26, 2009 - June 30, 2010 Listing of Power Industry Financings

(Source - Barclays Capital)

Ticker	Issue		Ratings		Amt (\$mm)	Coupon	Structure	Type	Reoffer Spread (bp)	
	Date	Issuer	Moody's	S&P						
PSD	06/24/10	Puget Sound Energy	Baa1	A-	250	5.764%	30 NC/L	Fall-Away FMB	+167.5	
LNT	06/10/10	Interstate Power & Light	A3	BBB+	150	3.300%	5 NC/L	Unsecured	+130.0	
LNT	06/10/10	Wisconsin Power & Light	A2	A-	150	4.600%	10 NC/L	Unsecured	+135.0	
TRISTA	06/03/10	Tri-State G&T	Baa1	A	400	6.000%	30 NC/L	FMB	+187.0	
OGE	06/03/10	Oklahoma Gas & Electric	A2	BBB+	250	5.850%	30 NC/L	Unsecured	+162.5	
ED	06/02/10	Consolidated Ed of NY	A3	A-	350	4.450%	10 NC/L	Unsecured	+115.0	
ED	06/02/10	Consolidated Ed of NY	A3	A-	350	5.700%	30 NC/L	Unsecured	+150.0	
DUK	06/02/10	Duke Energy Carolinas	A1	A	↑	450	4.300%	10 NC/L	FMB	+100.0
EDE	05/24/10	Empire District Electric	A3	BBB+	100	4.650%	10 NC/L	FMB	+145.0	
SO	05/24/10	Georgia Power	A2 ↓	A	600	5.400%	30 NC/L	Unsecured	+135.0	
AEP	05/19/10	Appalachian Power	Baa2	BBB	300	3.400%	5 NC/L	Unsecured	+137.0	
ETR	05/18/10	Entergy Texas	Baa2	BBB+	200	3.600%	5 NC/L	FMB	+150.0	
PEG	05/17/10	Public Service Elec & Gas	A2	A-	300	2.700%	5 NC/L	FMB	+62.0	
FPL	05/13/10	FPL Group Capital	Baa1	BBB+	250	2.550%	3.5 NC/L	Unsecured	+115.0	
XEL	05/10/10	Xcel Energy	Baa1	BBB	↑	550	4.700%	10NC9.5	Unsecured	+120.0
SRE	05/10/10	San Diego Gas and Electric	Aa3	A+	250	5.350%	30 NC/L	FMB	+95.0	
SO	04/06/10	Gulf Power	A2 ↓	A	175	4.750%	10 NC/L	Unsecured	+80.0	
PEG	03/29/10	PSEG Power	Baa1	BBB	300	2.500%	3 NC/L	Unsecured	+90.0	
PEG	03/29/10	PSEG Power	Baa1	BBB	250	5.125%	10 NC/L	Unsecured	+130.0	
PCG	03/26/10	PG&E (Reopening)	A3	BBB+	250	5.800%	30 NC/L	Unsecured	+115.0	
DUK	03/22/10	Duke Energy	Baa2	BBB+	↑	450	3.350%	5 NC/L	Unsecured	+95.0
PGN	03/22/10	Progress Energy Florida	A1 ↓	A-	↓	250	4.550%	10 NC/L	FMB	+90.0
PGN	03/22/10	Progress Energy Florida	A1 ↓	A-	↓	350	5.650%	30 NC/L	FMB	+110.0
NGGLN	03/17/10	Narragansett Electric	A3	A-	250	4.534%	10 NC/L	Unsecured	+90.0	
NGGLN	03/17/10	Narragansett Electric	A3	A-	300	5.638%	30 NC/L	Unsecured	+108.0	
AEP	03/11/10	Columbus Southern Power	A3	BBB	150	3mL + 40	2 NC/L	Unsecured	3mL + 40	
NST	03/11/10	NStar Electric	A1	A+	300	5.500%	30 NC/L	Unsecured	+90.0	
TACN	03/10/10	TransAlta	Baa2	BBB	300	6.500%	30 NC/L	Unsecured	+190.0	
SO	03/09/10	Georgia Power	A2 ↓	A	350	3mL+32	3NC2	Unsecured	3mL+32	
EIX	03/08/10	Southern California Edison	A1	A	500	5.500%	30 NC/L	FMB	+90.0	
TE	03/04/10	Teco Finance	Baa3	BBB-	250	4.000%	6 NC/L	Unsecured	+180.0	
TE	03/04/10	Teco Finance	Baa3	BBB-	300	5.150%	10 NC/L	Unsecured	+160.0	
NU	03/03/10	Western Mass Electric	Baa2	BBB	95	5.100%	10 NC/L	Unsecured	+150.0	
AEP	03/03/10	SWEPCO	Baa3	BBB	350	6.200%	30 NC/L	Unsecured	+160.0	
PSD	03/03/10	Puget Sound Energy	Baa1	A-	325	5.795%	30 NC/L	Fall-Away FMB	+120.0	
PEG	03/02/10	PSE&G	A2	A-	300	5.500%	30 NC/L	FMB	+95.0	
FPL	02/03/10	Florida Power & Light	Aa2 ↓	A+	↓	500	5.690%	30 NC/L	FMB	+110.0
AYE	01/19/10	TrAILCo	Baa2	BBB-	450	4.000%	5 NC/L	Unsecured	+162.5	
DUK	12/14/09	Duke Energy Ohio	A2 ↑	A	↑	250	2.100%	3.5NC/L	FMB	+78.0
FE	12/10/09	ATSI	Baa1	BBB	400	5.250%	12NC/L	Unsecured	+180.0	
NU	12/09/09	Public Service of New Hampshire	A3	BBB+	150	4.500%	10 NC/L	FMB	+115.0	
WEC	12/08/09	Wisconsin Electric Power Energy	A1	A-	250	4.250%	10 NC/L	Unsecured	+90.0	
SO	12/08/09	Georgia Power	A2 ↓	A	500	4.250%	10 NC/L	Unsecured	+90.0	
ITC	12/08/09	ITC Holdings Corp	Baa3	BBB-	200	5.500%	10 NC/L	Unsecured	+220.0	
ED	12/02/09	ConEdison Co of New York	A3	A-	600	5.500%	30 NC/L	Unsecured	+128.0	
SCG	12/02/09	South Carolina Electric & Gas	A3 ↓	A-	150	5.500%	30 NC/L	FMB	+130.0	
NI	12/01/09	NiSource Finance	Baa3	BBB-	500	6.125%	12NC/L	Unsecured	+290.0	
PEG	11/18/09	Public Service Electric & Gas	A2	A-	250	5.375%	30 NC/L	FMB	+112.0	
IDA	11/17/09	Idaho Power Co	A3 ↓	A-	130	4.500%	10 NC/L	FMB	+120.0	

March 26, 2009 - June 30, 2010 Listing of Power Industry Financings

(Source - Barclays Capital)

Ticker	Issue		Ratings		Amt (\$mm)	Coupon	Structure	Type	Reoffer Spread (bp)	
	Date	Issuer	Moody's	S&P						
PGN	11/16/09	Progress Energy	Baa2	BBB	350	4.875%	10NC/L	Unsecured	+155.0	
PGN	11/16/09	Progress Energy	Baa2	BBB	600	6.000%	30 NC/L	Unsecured	+173.0	
DUK	11/16/09	Duke Energy Carolinas	A1	A	↑	750	5.300%	30 NC/L	FMB	+105.0
AEE	11/12/09	Ameren Power Generating Co	Baa3	BBB-		250	6.300%	10 NC/L	Unsecured	+285.0
NST	11/12/09	NSTAR	A2	A		350	4.500%	10 NC/L	Unsecured	+112.5
PCG	11/10/09	Pacific Gas and Electric Company	A3	BBB+		550	5.400%	30 NC/L	Unsecured	+110.0
ETR	11/10/09	Entergy Louisiana	A	A-		400	5.400%	25 NC/L	FMB	+195.0
NGGLN	11/10/09	Mass Electric Co	A3	A-		800	5.900%	30 NC/L	Unsecured	+150.0
TA CN	11/09/09	Transalta Corp	Baa2	BBB		500	4.750%	5 NC/L	Unsecured	+250
CNL	11/09/09	Cleco Power (Tap)	Baa2	BBB		145	6.500%	30 NC/L	Unsecured	+237.5
XEL	11/09/09	Northern States Pwr-Minn	A1	A	↑	300	5.350%	30NC/L	FMB	+98
AEP	11/09/09	Public Service Oklahoma	Baa1	BBB		250	5.150%	10NC/L	Unsecured	+170
FPL	11/05/09	FPL Group Capital	A2	A-		200	3mL+40	3 NC/L	Unsecured	3mL+40
OGLETH	10/26/09	Oglethorpe Power Corp	A3 ↓	A		400	5.950%	30 NC/L	FMB	+160.0
BKH	10/22/09	Black Hills Power	A3	BBB		180	6.125%	30 NC/L	FMB	+187.5
SO	10/19/09	Southern Company	A3	A-		300	3mL+40	2 NC/L	Unsecured	3mL+40
SRE	10/05/09	Sempra Energy	Baa1	BBB+		750	6.000%	30 NC/L	Unsecured	+205.0
LNT	09/30/09	Alliant Energy	Baa1	BBB		250	4.000%	5 NC/L	Unsecured	+175.0
ETR	09/29/09	Entergy Gulf States Louisiana	Baa1 ↑	BBB+		300	5.590%	15 NC/L	FMB	+230.0
FE	09/28/09	Penn Electric	Baa2	BBB		250	5.200%	10 NC/L	Unsecured	+195.0
FE	09/28/09	Penn Electric	Baa2	BBB		250	6.150%	30 NC/L	Unsecured	+212.5
AYE	09/22/09	Allegheny Energy Supply	Baa3	BBB-		350	5.750%	10 NC/L	Unsecured	+235.0
AYE	09/22/09	Allegheny Energy Supply	Baa3	BBB-		250	6.750%	30 NC/L	Unsecured	+260.0
NGGLN	09/21/09	Niagara Mohawk	A3	A-		500	3.553%	5 NC/L	Unsecured	+110.0
AEP	09/21/09	Ohio Power	Baa1	BBB+		500	5.375%	12 NC/L	Unsecured	+195.0
DUK	09/17/09	Duke Energy Kentucky	Baa1	A-	↑	100	4.650%	10 NC/L	Unsecured	+130.0
EXC	09/16/09	Exelon Generation	A3	BBB		600	5.200%	10 NC/L	Unsecured	+175.0
EXC	09/16/09	Exelon Generation	A3	BBB		900	6.250%	30 NC/L	Unsecured	+200.0
AVA	09/15/09	Avista	Baa3 ↑	BBB-	↑	250	3.875%	13NC/L	FMB	+170.0
PEG	09/14/09	PSEG Power	Baa1	BBB		303	5.320%	7 NC/L	Unsecured	+225.0
NRUC	09/09/09	Natl Rural Utilities Coop	A1	A+		250	2.625%	3 NC/L	FMB	+125.0
NRUC	09/09/09	Natl Rural Utilities Coop	A1	A+		250	3.875%	6 NC/L	FMB	+158.0
PSD	09/08/09	Puget Sound Energy	Baa1	A-		350	5.757%	30 NC/L	FMB	+150.0
DUK	08/25/09	Duke Energy	Baa2	BBB+		500	3.950%	5 NC/L	Unsecured	+145.0
DUK	08/25/09	Duke Energy	Baa2	BBB+	↑	500	5.050%	10 NC/L	Unsecured	+160.0
NVE	08/18/09	Sierra Pacific Power (Reopening)	Baa3	BBB		150	6.000%	7 NC/L	FMB	+180.0
FE	08/13/09	Cleveland Electric Illuminating	Baa1	BBB+		300	5.500%	15 NC/L	FMB	+195.0
D	08/11/09	Dominion Resources	Baa2	A-		500	5.200%	10 NC/L	Unsecured	+150.0
AGL	08/05/09	AGL Capital	Baa1	BBB+		300	5.250%	10 NC/L	Unsecured	+162.5
FE	08/04/09	FirstEnergy Solutions	Baa2	BBB		400	4.800%	5.5 NC/L	Unsecured	+212.5
FE	08/04/09	FirstEnergy Solutions	Baa2	BBB		600	6.050%	12 NC/L	Unsecured	+237.5
FE	08/04/09	FirstEnergy Solutions	Baa2	BBB		500	6.800%	30 NC/L	Unsecured	+237.5
NGGLN	08/03/09	Niagara Mohawk Power	A3	A-		750	4.881%	10 NC/L	Unsecured	+125.0
LNT	07/07/09	Wisconsin Power & Light	A2	A-		250	5.000%	10 NC/L	Unsecured	+160.0
LNT	07/07/09	Interstate Power & Light	A3	BBB+		300	6.250%	30 NC/L	Unsecured	+195.0
BRK	07/01/09	MidAmerican Energy Holdings	Baa1	BBB+		250	3.150%	3 NC/L	Unsecured	+160.0
TE	07/01/09	Tampa Electric (Reopening)	Baa1	BBB		100	6.100%	10 NC/L	Unsecured	+210.0
IBESM	06/24/09	Rochester Gas & Electric	Baa1	A-		150	5.900%	10 NC/L	FMB	+225.0
D	06/23/09	Virginia Electric and Power	Baa1 ↑	A-		350	5.000%	10 NC/L	Unsecured	+137.5
SO	06/22/09	Gulf Power	A2	A		140	3mL+10	1 NC/L	Unsecured	3mL+10
ETR	06/09/09	Entergy Mississippi	Baa2	A-		150	6.640%	10 NC/L	FMB	+280.0

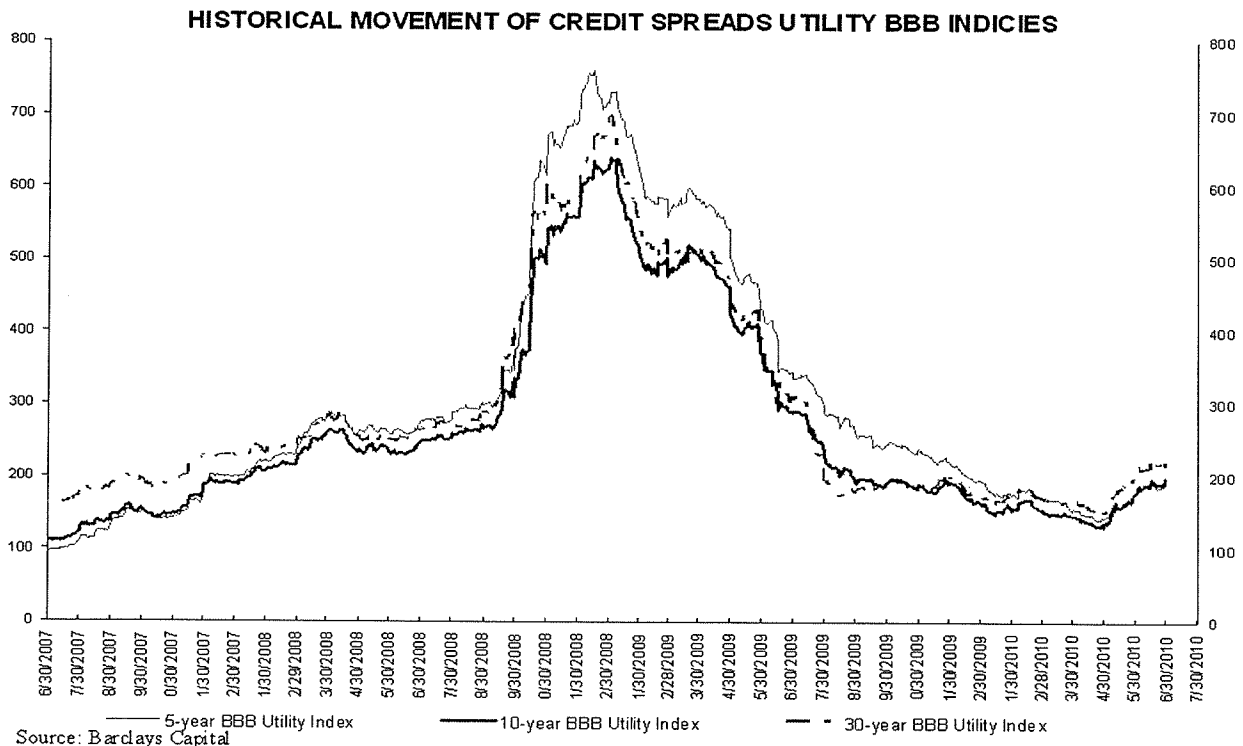
March 26, 2009 - June 30, 2010 Listing of Power Industry Financings
 (Source - Barclays Capital)

Ticker	Issue		Ratings		Amt (\$mm)	Coupon	Structure	Type	Reoffer Spread (bp)
	Date	Issuer	Moody's	S&P					
PCG	06/08/09	Pacific Gas and Electric	A3	BBB+	500	3mL+95	1 NC/L	Unsecured	3mL+95
WR	06/08/09	Kansas Gas & Electric	Baa2	BBB	300	6.700%	10 NC/L	FMB	+287.5
XEL	05/28/09	Public Service Colorado	A3	A	400	5.125%	10 NC/L	FMB	+150.0
PPL	05/19/09	PPL Electric Utilities	A3 ↓	A- ↓	300	6.250%	30 NC/L	FMB	+210.0
IBESM	05/18/09	Central Maine Power	A3	A	150	5.700%	10 NC/L	FMB	+250.0
SRE	05/12/09	Sempra Energy	Baa1	BBB+ ↓	750	6.500%	7 NC/L	Unsecured	+387.5
AEE	05/12/09	Ameren Corp	Baa3	BB+	425	8.875%	5 NC/L	Unsecured	+698.2
SRE	05/11/09	San Diego Gas & Electric	A1	A+ ↓	300	6.000%	30 NC/L	FMB	+185.0
SO	05/11/09	Southern Company	A3	A-	350	4.150%	5 NC/L	Unsecured	+212.5
BKH	05/11/09	Black Hills Corp	Baa3	BBB-	250	9.000%	5 NC/L	Unsecured	+697.9
DTE	05/06/09	DTE Energy	Baa2	BBB-	300	7.625%	5 NC/L	Unsecured	+561.1
FE	04/21/09	Toledo Edison	Baa2	BBB	300	7.250%	11 NC/L	FMB	+437.5
POR	04/13/09	Portland General Electric	Baa1 ↑	A ↓	300	6.100%	10 NC/L	FMB	+325.0
Total Volume					3,825				

Witness: Susan B. Weber
Request from: New Hampshire Public Utilities Commission Staff

Question:
Please provide a chart in a format similar to the response to NSTF -01, Q-STAFF-012-SP01 in DE 09-033 depicting BBB utility credit spreads that includes the most current information available .

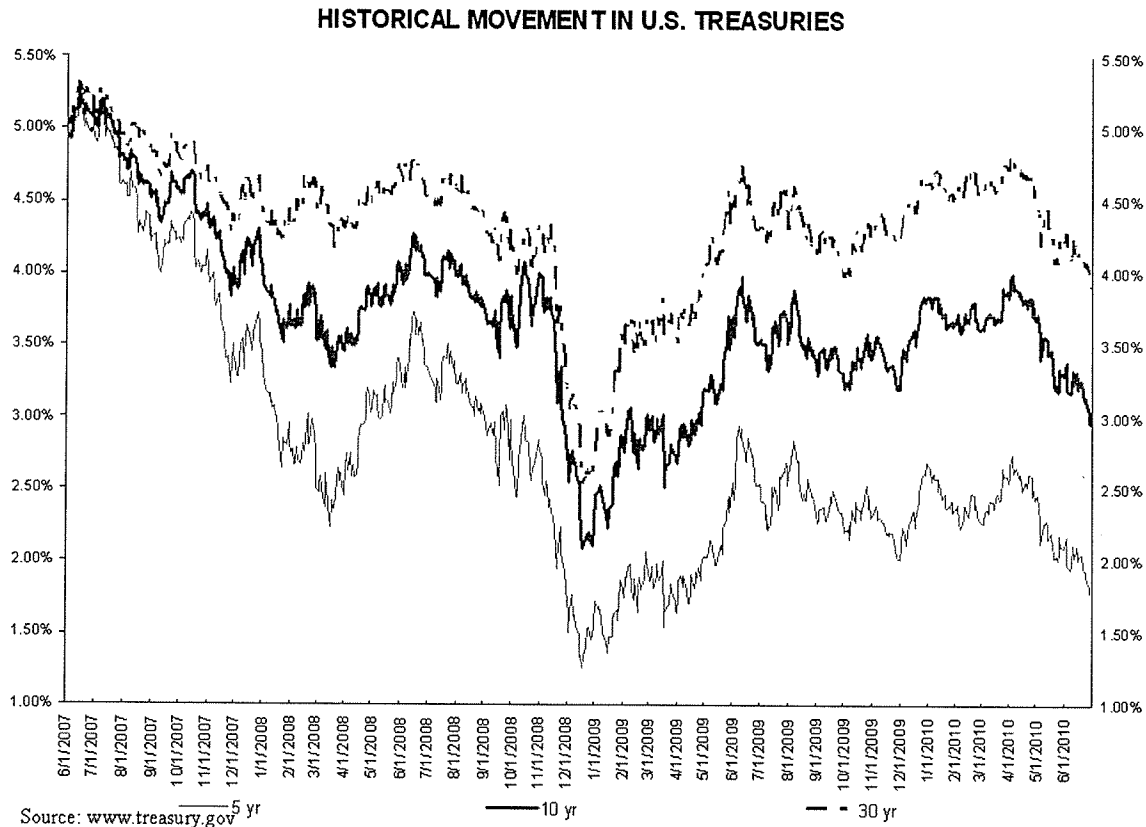
Response:
The chart below illustrates the historical movement of indicative credit spreads of utility BBB indices from June 2007 through June 2010 for 5-year, 10-year and 30-year long-term debt issuances. As can be observed from this chart, credit spreads have retreated from the highs seen in late 2008. However, ongoing economic uncertainty and its impact on the credit markets could put additional upward pressure on credit spreads in the future.



Witness: Susan B. Weber
Request from: New Hampshire Public Utilities Commission Staff

Question:
Please provide a chart in a format similar to the response to NSTF-01, Q-STAFF-013-SP01 in DE 09-033 depicting the movement in US Treasuries that includes the most current information available .

Response:
The chart below illustrates the historical movement of US Treasuries from June 2007 through June 2010 for 5-year, 10-year and 30-year Treasuries.



Public Service Company of New Hampshire
Docket No. DE 10-122

Data Request STAFF-01
Dated: 07/01/2010
Q-STAFF-012
Page 1 of 12

Witness: Stephen R. Hall
Request from: New Hampshire Public Utilities Commission Staff

Question:
Please provide a copy of PSNH's 2010 construction budget (which was previously filed with the Commission on February 26, 2010) for purposes of consideration in this proceeding.

Response:
A copy of the 2010 construction budget is attached.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
CONSTRUCTION BUDGET FOR YEAR 2010
SUMMARY

1	EXPENDITURES TO COMPLETE PROJECTS IN PROGRESS	
2	Schedule 1 - Projects Started In Prior Years	223,602,009
3	NEW PROJECTS BUDGETED FOR 2010	
4	Schedule 2 - Annual Projects	52,744,283
5	Schedule 3 - Projects Under \$50,000	568,910
6	Schedule 4 - Projects \$50,000 And Over	63,439,020
7	Schedule 5 - Contingent Projects	<u>6,150,034</u>
8	TOTAL NEW PROJECTS BUDGETED FOR 2010	<u>122,902,247</u>
9	ESTIMATED TOTAL CONSTRUCTION BUDGETED FOR YEAR	<u>346,504,256</u>
10	Less Estimated Non-Cash Items	
11	Allowance For Funds Used During Construction	20,595,773
12	Contributions And Reimbursements	<u>-4,965</u>
13	Total Non-Cash Items	<u>20,590,808</u>
14	ESTIMATED CASH REQUIREMENTS FOR 2010 CONSTRUCTION	<u><u>325,913,448</u></u>

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

2010 CONSTRUCTION BUDGET

PROCESS SUMMARY

<u>Budget Item</u>	<u>Total</u>	<u>Distribution</u>	<u>Generation</u>	<u>Transmission</u>
Schedule 1 - Projects Started In Prior Years	223,602,009	23,171,759	157,071,519	43,358,731
Schedule 2 - Annual Projects	52,744,283	48,171,408	1,560,029	3,012,846
Schedule 3 - Projects Under \$50,000	568,910	346,989	155,947	65,974
Schedule 4 - Projects \$50,000 And Over	63,439,020	31,323,282	26,568,926	5,546,812
Schedule 5 - Contingent Projects	<u>6,150,034</u>	<u>6,150,034</u>	<u>0</u>	<u>0</u>
Estimated Total Construction Authorized For Year	346,504,256	109,163,472	185,356,421	51,984,363
Less: Estimated Non-Cash Items	<u>20,590,808</u>	<u>1,713,883</u>	<u>15,717,565</u>	<u>3,159,360</u>
Estimated Cash Requirements for 2010 Construction	<u><u>325,913,448</u></u>	<u><u>107,449,589</u></u>	<u><u>169,638,856</u></u>	<u><u>48,825,003</u></u>

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

2010 CONSTRUCTION BUDGET DETAILS

CUSTOMER OPERATIONS/ENERGY DELIVERY

Number	Project Description	2010 Budget
SCHEDULE 1 - PROJECTS STARTED PRIOR TO 2010		
2001	Renovation and Construction at 1250 Hooksett Road, Hooksett	3,966,861
2002	Rebuild New London Substation, New London	2,666,377
2003	Construct 115/34.5KV Thornton Substation, Merrimack	2,500,052
2004	Install 34.5/12.47KV 10MVA Transformer at Valley Street Substation, Manchester	2,190,156
2005	Construct New 115/34.5KV Shields Brook Substation, Derry	2,050,062
2006	Rebuild 34.5 KV Bus at Brook Street Substation, Manchester	1,999,580
2007	Construct New 12.47kV Distribution Lines from Valley Street Substation, Manchester	1,100,070
2008	Construct New 34.5KV 3701 Line from Derry Substation, Derry	941,015
2009	Construct Line 3235 from Monadnock Substation, Peterborough	903,355
2010	Rebuild 386 Line from North Rochester to Farmington Substation, Rochester	487,417
2011	34.5KV Circuit Breaker Replacement Program, Various Substations	476,113
2012	Replace Obsolete Underground Oil Switches Downtown Portsmouth	476,074
2013	Replace Cables 19X5/19X6, Manchester	475,918
2014	Install Mobile Hook-up at Mammoth Road Substation, Londonderry	350,074
2015	Construct New Barrington Substation, Barrington	265,079
2016	Replace Capacitor Switcher at Hudson Substation, Hudson	261,993
2017	Install Infrastructure for Mobile Peak Shaving Generator, New Boston	235,038
2018	Replace Load Break Switch 17J3 and 17J4 on 3171 Line, Portsmouth	172,363
2019	Acquire Easement for 3701 Line, Londonderry	150,070
2020	Speech Move In - Move Out	134,651
2021	Line Terminal Addition at Monadnock Substation, Peterborough	133,036
2022	Upgrade Radio System	130,088
2023	Rebuild 316 Line, Source Feed to New London Substation, New London	120,030
2024	Replace Two Switches Keene Underground, Keene	95,441
2025	Install Step Transformer and Regulator at North Swanzey Substation, Swanzey	95,366
2026	Upgrade Blaine Street Substation, Manchester	90,099
2027	Purchase and Implement Call Logic	89,827
2028	Convert 9H2, 1H13, 1H19 to 12KV, Keene	76,180
2029	Radio Narrow Banding	70,022
2030	Add Second 34.5/12.47MVA Transformer at North Rochester Substation, Rochester	69,051
2031	Install Mobile Substation Connection at Jackman Substation, Hillsborough	50,059
2032	Retrofit Capacitor Bank Controls, Keene	49,973
2033	Install New Viper Recloser on 3157X1 Line, Middleton	47,679
2034	Install Viper on 399X15, Dover	47,656
2035	Replace Wood Structure at Lowell Rd Substation, Hudson	47,654
2036	Install Viper on 392X, Flagg Road, Rochester	47,543
2037	Rebuild 3171 and 3111 Lines, Portsmouth	44,746
2038	Construct New 115/34.5KV Portland Street Substation, Rochester	25,027
2039	CSF Upgrade to Pernova Designer	23,267
2040	Construct New 34.5KV Getaway Lines at Thornton Substation, Thornton	10,020
2041	Construct New 34.5/12.47KV 5MVA Substation, New Boston	2,711
2042	Construct New 115/34.5KV Substation in the Candia Road Area, Manchester	2,312
2043	Various	1,654
TOTAL SCHEDULE 1		<u>23,171,759</u>
SCHEDULE 2 - ANNUAL PROJECTS		
2044	Purchase Transformers and Regulators	11,930,054
2045	Replace Obsolete/Damaged Facilities, Various	8,655,826
2046	Provide Service to New and Existing Customers	8,141,302

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
 2010 CONSTRUCTION BUDGET DETAILS
 CUSTOMER OPERATIONS/ENERGY DELIVERY

Number	Project Description	2010 Budget
2047	Install Secondary Services (less than 600V)	5,618,025
	SCHEDULE 2 - ANNUAL PROJECTS (continued)	
2048	Enhanced Tree Trimming	2,000,000
2049	Purchase Meters	1,511,118
2050	Line Relocations, Various	1,471,729
2051	Capitalization of Exclusionary Storm Material Costs	1,081,600
2052	Distribution Substations Additions, Various	1,057,048
2053	NHDOT Additions/Changes	959,020
2054	Reliability Improvements, Various	952,201
2055	ROW Distribution Annual	761,689
2056	Maintain Voltage, Various	600,017
2057	Purchase Tools and Equipment	582,299
2058	2010 Facilities Modifications, Distribution	476,335
2059	2010 Facilities Modifications, Properties Inc	475,000
2060	Non-Roadway Lighting	463,296
2061	Purchase Hardware	311,888
2062	Telephone Additions/Changes	309,078
2063	High Pressure Sodium Lighting Additions and Changes	205,798
2064	Local Area Network Changes and Additions	175,014
2065	Cable TV Projects Annual	134,302
2066	Storm Capitalization	119,000
2067	Wide Area Network Changes and Additions	100,039
2068	Telecommunications Additions	50,049
2069	Purchase Office Furniture and Equipment	16,890
2070	Real Estate Annual, Economic Development	9,169
2071	Real Estate Annual, Properties Inc	3,600
2072	Environmental Annual	22
	TOTAL SCHEDULE 2	<u>48,171,408</u>
	SCHEDULE 3 - PROJECTS UNDER \$50,000	
2073	Retrofit Capacitor Banks, Various Locations	47,782
2074	Replace Failed Cable Franklin Substation, Franklin	47,558
2075	Replace Obsolete Equipment, Various Substations	47,539
2076	Cascade Algorithm And Rules Engine	45,021
2077	Call Center Development Environment	33,593
2078	C2 Regulatory Enhancements	31,467
2079	Purchase PMI Voltage Current Power Meters	24,480
2080	Bad Debt Performance and Reserve Analytics	22,422
2081	Customer Relationship Management	22,018
2082	Construct 12.47KV Line in Right of Way, Swanzey Substation to Keene Substation	20,009
2083	Purchase Personal Computer Equipment	5,100
	TOTAL SCHEDULE 3	<u>346,989</u>
	SCHEDULE 4 - PROJECTS \$50,000 AND OVER	
2084	Purchase Vehicles, Distribution	6,620,085
2085	Distribution Real Estate Strategic Transactions	2,300,043
2086	Porcelain Change-out, Various Locations	1,904,398
2087	Build Infrastructure for Smart Grid Initiatives, Various	1,900,041
2088	Replace Obsolete Poles, Various Locations	1,666,274

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
 2010 CONSTRUCTION BUDGET DETAILS
 CUSTOMER OPERATIONS/ENERGY DELIVERY

Number	Project Description	2010 Budget
2089	Capital Work Resulting from NESCRRC Inspections, Various Locations	1,428,516
2090	Replace Failed Cable, Various Locations	1,333,062
	SCHEDULE 4 - PROJECTS \$50,000 AND OVER (continued)	
2091	Replace Direct Buried Cable, Various Locations	1,189,891
2092	GIS Capital Program	1,000,044
2093	Electric System Control Center Electronic Mapboard Added to Areva System, Manchester	900,150
2094	New Business Specific Projects, Various Locations	748,776
2095	Replace Polymer Insulators on 337 Line	618,853
2096	Install two 5.4MVA Capacitors Timber Swamp Substation, Hampton	513,059
2097	Upgrades to Worst Performing Circuits, Various	479,809
2098	Construct 3141X Lane Road, Derry	474,908
2099	PSNH.COM Rearchitecture	457,080
2100	Replace Legacy REDAC 70 Radio Transmitting Units, Various Substations	428,850
2101	Replace Legacy ASW Pole Top Radio Transmitting Units, Various Locations	404,681
2102	Construct New Phase 3155X2 Averil Road, Brookline	375,009
2103	Replace Getaway Cables, Various Substations	332,934
2104	Mobile Strategy Development Project	300,010
2105	Replace Troubled Protection Equipment, Various Substations	285,646
2106	Enable Radio Transmitting Units to Connect to Windsor Server Center, Manchester	271,376
2107	Conversion of 46H1 Circuit from 2.4kV to 12.5kV, New London	250,012
2108	Replace Overloaded Step Transformer with Larger Step Transformer, Dunbarton	235,064
2109	Replacement of Routers at 1580 Elm Street, Manchester	200,091
2110	Arc Energy Outage Notification System	200,045
2111	Install New Underfrequency Relays, Various Substations	190,988
2112	Distribution Line Wire Upgrade, Various	190,558
2113	Replace Circuit Switcher South Milford Substation, Milford	190,484
2114	Air Brake Switch Replacement Program, Various Locations	190,216
2115	Replace Relay Line 3152 Packer Falls Substation, Durham	157,189
2116	Replace Relay Line 382 Monadnock Substation, Troy	157,153
2117	NEI NHPUC Storm Assessment	150,105
2118	Contractor Web Site UPG Redesign	150,105
2119	Pole Reinforcement, Various Locations	150,019
2120	Replace Cables 11H2A Circuit, Manchester	147,647
2121	Direct Buried Cable Injection, Various Locations	142,834
2122	Replace Vault Tops, Transformers and Protectors, Manchester	142,764
2123	Rebuild 4KV Circuit in Millyard, Manchester	142,753
2124	Purchase and Implement Bill Logic	134,732
2125	Construct Additional Phases on 3133X Circuit, Windham	130,028
2126	Customer System Requirements	125,727
2127	Install New Step Transformers Blueberry Lane, Laconia	120,039
2128	C2 Data Warehouse Development	112,353
2129	Queue Optimazation Tools	112,328
2130	Web Self Service Improvements	112,328
2131	Replace Switch Gear on 68W6 Circuit, Laconia	104,722
2132	Construct New 34.5KV Line, Dover	100,655
2133	Rebuild 311 and 317 Lines at Davisville Substation, Contoocook	100,165
2134	Replace Tower and Equipment Sheds, Various Locations	100,073
2135	Install Signal 60 Voltage Reduction Equipment, Various Substations	95,761
2136	Replace Steel Towers, Various Locations	95,292
2137	Install Second 44.8MVA Transformer at Kingston Substation, Kingston	95,112
2138	Cascade Rearchitecture	90,043
2139	Reconductor 3601 Line, Farmington	85,005
2140	Replace J8770 Switch on 387 Line, Manchester	80,944

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
 2010 CONSTRUCTION BUDGET DETAILS
 CUSTOMER OPERATIONS/ENERGY DELIVERY

Number	Project Description	2010 Budget
2141	Install Parallel Step Transformers on 333XS Heath Road, Conway	80,019
2142	Install Motor Operator and Radio Control on 317 Line, Warner	76,364
2143	Offload 4.5-4.16KV Transformer at Messer Street Substation, Laconia SCHEDULE 4 - PROJECTS \$50,000 AND OVER (continued)	75,096
2144	Workforce Management Core Replacement	72,968
2145	Install Radio Controlled Reclosers on 388 Line, Malvern Street Substation, Manchester	71,389
2146	Unattended Dialer Initiatives	67,306
2147	Construct New 34.5KV 3349 Line from PSNH to NHEC, Tuftonboro	57,063
2148	CACS 9X Upgrade	56,221
2149	Construct New 34.5KV Line from Kingston Substation, Kingston	50,027
	TOTAL SCHEDULE 4	<u>31,323,282</u>
	SCHEDULE 5 - CONTINGENT PROJECTS	
2150	Provision for Unbudgeted Distribution Projects	5,880,334
2151	Provision for Unbudgeted Information Technology Projects	269,700
	TOTAL SCHEDULE 5	<u>6,150,034</u>
	ESTIMATED GROSS CONSTRUCTION BUDGETED FOR 2010	109,163,472
	Less Estimated Non-Cash Items:	
	Allowance For Funds Used During Construction	1,718,848
	Contributions and Reimbursements	-4,965
	Total Non-Cash Items	<u>1,713,883</u>
	ESTIMATED CASH REQUIREMENTS FOR 2010 CONSTRUCTION	<u>107,449,589</u>

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

2010 CONSTRUCTION BUDGET DETAILS

GENERATION

Line Item Number	Project Description	2010 Budget
SCHEDULE 1 - PROJECTS STARTED PRIOR TO 2010		
5001	Wet Flue Gas Desulphurization System, Merrimack	148,556,057
5002	Upgrade Dock Coal Unloader, Schiller	5,323,066
5003	Replace Reheat Superheat Tubes Unit 1, Merrimack	2,972,074
5004	Install Headgate Debris Handler, Garvins	122,400
5005	Replace Brown Glass in Switchyard, Various Hydros	97,922
	TOTAL SCHEDULE 1	<u>157,071,519</u>
SCHEDULE 2 - ANNUAL PROJECTS		
5006	Capital Annual, Merrimack	542,130
5007	Capital Annual, Hydro	429,917
5008	Capital Annual, Wyman	390,000
5009	Capital Annual, Machine Shop	116,994
5010	Capital Annual, Staff	80,988
	TOTAL SCHEDULE 2	<u>1,560,029</u>
SCHEDULE 3 - PROJECTS UNDER \$50,000		
5011	Replace Voltage Regulator on Combustion Turbine Unit 1, Merrimack	47,912
5012	Replace Boiler Pipe Hangers Unit 2, Merrimack	46,368
5013	Replace Economizer Expansion Joint Unit 1, Merrimack	41,268
5014	Replace Electronic Dispatch Control Box, Merrimack	20,392
5015	Various	7
	TOTAL SCHEDULE 3	<u>155,947</u>
SCHEDULE 4 - PROJECTS \$50,000 AND OVER		
5016	Station Improvements, Various Hydro Sites	4,590,000
5017	Station Improvements, Schiller Station	3,426,359
5018	Large Equipment Annual, Hydro	3,080,633
5019	Station Improvements, Newington	1,905,177
5020	Replace Catalyst Layer #1 Unit 2, Merrimack	1,705,510
5021	Rewind Unit 2, Amoskeag	1,033,539
5022	Replace Crusher, Merrimack	1,013,236
5023	Replace Penthouse Roof Unit 1, Merrimack	926,542
5024	Replace Tempering Duct Unit 2, Merrimack	857,907
5025	Replace Gas Breaker, Merrimack	771,951
5026	Purchase Vehicles, Generation	662,082
5027	Replace Load Centers Unit 2, Merrimack	618,914
5028	Replace Fire Suppression System, Merrimack	420,968
5029	Replace Selective Catalytic Reduction Expansion Joints Unit 2, Merrimack	340,703
5030	Replace Breaker Unit 2, Merrimack	334,883
5031	Replace Car Thaw Transformer, Merrimack	247,298
5032	Replace Cyclone Vortex Burners Unit 1, Merrimack	241,807
5033	Convert Controls to Programmable Logic Controller Type, Lost Nation	234,974
5034	Replace Tempering Duct Expansion Joint Unit 2, Merrimack	226,691

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

2010 CONSTRUCTION BUDGET DETAILS

GENERATION

Line Item Number	Project Description	2010 Budget
5035	Replace Gas Recirculator Fan Expansion Joint Unit 2, Merrimack	222,569
	SCHEDULE 4 - PROJECTS \$50,000 AND OVER (continued)	
5036	Breaker Replacement Program, Merrimack	210,394
5037	Purchase Magnetic Separator, Merrimack	206,749
5038	Purchase NOX Analyzers Unit 2, Merrimack	206,082
5039	Replace Miscellaneous Valves Unit 1, Merrimack	204,868
5040	Generation Real Estate Strategic Transactions	200,088
5041	Purchase Cable Buss Duct, Merrimack	189,985
5042	Upgrade Technology for Flux System, Merrimack	171,103
5043	Replace Trash Rake Unit 2, Eastman	159,465
5044	Replace Miscellaneous Valves Unit 2, Merrimack	155,169
5045	Replace Precipitator C-Field Plates Unit 1, Merrimack	154,656
5046	Replace Condensate Polisher Controls Unit 2, Merrimack	153,000
5047	Upgrade Foxboro Computer Unit 2, Merrimack	127,332
5048	Install Reverse Osmosis System, Merrimack	106,131
5049	Substation Device Replacement Program, Various Substations	104,352
5050	Clean Water Act Compliance, Merrimack	103,708
5051	Install Tripper Room Water Wash, Merrimack	103,041
5052	Install Metal Detector, Merrimack	103,041
5053	Replace Selective Catalytic Reduction Expansion Joints Unit 1, Merrimack	98,822
5054	Replace Tripper Room Chutes, Merrimack	97,888
5055	Replace Gas Recirculator Fan Inlet Expansion Joints Unit 2, Merrimack	92,738
5056	Replace Precipitator Inlet Expansion Joints Unit 2, Merrimack	91,706
5057	Cover Flyash Pit, Merrimack	81,378
5058	Replace Headgates Unit 3, Garvins	78,289
5059	Replace B and C Chutes, Merrimack	77,281
5060	Purchase Flux Probe for Generator Unit 1, Merrimack	77,044
5061	Replace Control Cable to Eastside Substation, Smith Hydro	66,627
5062	Install Waste Water Treatment Control Programmable Logic Controller Unit 2, Merrimack	61,200
5063	Replace Motor Control Center Unit 2, Merrimack	60,180
5064	Replace Gas Recirculator Fan Outlet Expansion Joints Unit 2, Merrimack	56,673
5065	Replace A Belt, Merrimack	56,673
5066	Relocate Precipitator Controllers Unit 2, Merrimack	51,520
	TOTAL SCHEDULE 4	<u>26,568,926</u>
	SCHEDULE 5 - CONTINGENT PROJECTS	
5067	Provision for Contingencies	<u>0</u>
	TOTAL SCHEDULE 5	<u>0</u>
	ESTIMATED GROSS CONSTRUCTION BUDGETED FOR 2010	185,356,421
	Less Estimated Non-Cash Items:	
	Allowance For Funds Used During Construction	15,717,565
	Contributions and Reimbursements	<u>0</u>
	Total Non-Cash Items	<u>15,717,565</u>
	ESTIMATED CASH REQUIREMENTS FOR 2010 CONSTRUCTION	<u><u>169,638,856</u></u>

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

2010 CONSTRUCTION BUDGET DETAILS

TRANSMISSION

Line Item Number	Project Description	2010 Budget
	SCHEDULE 1 - PROJECTS STARTED PRIOR TO 2010	
6001	Install 345/115KV Autotransformer at Deerfield Substation, Deerfield	5,746,867
6002	Reconfigure Littleton Substation, Littleton	4,737,384
6003	Breakers and Bus Expansion at Bridge Street Substation Upgrades, Nashua	4,257,951
6004	Install OPGW Fiber on 379 Line, Chestnut Hill Substation to Fitzwilliam Substation	4,175,113
6005	Rebuild L175 Line, Deerfield Substation to Madbury Substation	4,151,902
6006	Construct New 115/34.5KV Thornton Substation, Merrimack	2,732,098
6007	Construct New 345KV Line, Maine to New Hampshire	2,479,086
6008	Install Bus Expansion and Protection & Control Upgrades Madbury Substation, Madbury	1,563,452
6009	Replace 345KV Breakers at Scobie Pond Substation, Londonderry	1,301,155
6010	Purchase Land for Thornton Substation, Merrimack	1,240,036
6011	Replace Relays at Pemigewasset and Webster Substations A111 Line	1,160,906
6012	Construct New Direct Current Line Hydro Quebec to New Hampshire	1,000,069
6013	Construct Foundation for Spare Autotransformer at Merrimack Substation, Bow	973,987
6014	Rebuild G192 Line, Bridge Street Substation to Power Street Substation	876,051
6015	Build K165 Line Split between K165 and Thornton Substation, Merrimack	720,018
6016	Replace 115KV Breakers at Greggs Substation, Goffstown	697,032
6017	Replace 345KV Relays on Scobie Pond Substation 363 Line, Londonderry	645,028
6018	Replace Relay at Pemigewasset Substation E115 Line, New Hampton	601,579
6019	Construct New 115KV Eastport Substation, Rochester	471,027
6020	Upgrade 373 Line Relay at Scobie Pond Substation, Londonderry	460,002
6021	Install 345/115KV Spare Autotransformer at Scobie Pond Substation, Londonderry	397,080
6022	Construct New 115KV/34.5KV Shields Brook Substation, Derry	390,083
6023	Install Emergency Generators at North Merrimack and Littleton Substations	379,159
6024	Upgrade ESCC Energy Management System	370,041
6025	Install Lightning Protection at Monadnock Substation, Troy	239,083
6026	Upgrade Protection and Control 379 Line at Fitzwilliam Substation, Fitzwilliam	236,249
6027	Purchase Software for Transmission Outage Application	200,000
6028	Upgrade P134 Line, Long Hill Substation to Power St Substation, Nashua	156,068
6029	Install Backup Generators at Merrimack, Newington and Schiller Substations	100,037
6030	Replace Disconnect Switches at Three Rivers Substation, Eliot, Maine	99,019
6031	Reconductor M183 Line, Dover	98,030
6032	Install Critical Infrastructure Protection, Various Substations	94,178
6033	Purchase Spare Autotransformer Fitzwilliam Substation, Fitzwilliam	90,812
6034	Upgrade M183 Line Protection and Control, Dover	89,269
6035	Purchase Land in Derry, NH	75,074
6036	Install 345/115KV Autotransformer at Fitzwilliam Substation, Fitzwilliam	70,195
6037	Replace 115KV Breakers at Keene Substation, Keene	40,004
6038	Install Digital Fault Recorders, Various Substations	38,069
6039	Install Frequency Meters, Various Substations	32,194
6040	Install OPGW Fiber on 367 Line, Fitzwilliam Substation to Amherst Substation	31,820
6041	Install HVAC in Various Transmission Substation Control Rooms	25,184
6042	Replace 115KV Breaker at Eddy Substation, Manchester	21,094
6043	Add Transformer and Associated Equipment at Swanzey Substation, Swanzey	19,944
6044	Replace 345KV Breaker at Merrimack Substation, Bow	15,055

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

2010 CONSTRUCTION BUDGET DETAILS

TRANSMISSION

Line Item Number	Project Description	2010 Budget
SCHEDULE 1 - PROJECTS STARTED PRIOR TO 2010 (continued)		
6045	Replace 115KV Relays, Various Substations	14,986
6046	Replace 115KV Breakers at Lost Nation Substation, Northumberland	13,058
6047	Replace 345KV Breakers at Webster Substation, Webster	10,020
6048	Install Capacitor Bank at Jackman Substation, Hillsborough	8,893
6049	Replace 115KV Breaker at Jackman Substation, Hillsborough	8,029
6050	Various Other Transmission Projects	<u>5,261</u>
	TOTAL SCHEDULE 1	<u>43,358,731</u>
SCHEDULE 2 - ANNUAL PROJECTS		
6051	Transmission Line Additions	1,550,039
6052	Purchase Construction, Test & Maintenance Tools	405,059
6053	Transmission Crossarm Replacement	387,004
6054	Transmission Substation Additions	338,374
6055	Purchase Vehicles for Transmission	179,969
6056	Transmission ESCC Information Technology Annual	100,206
6057	Transmission Information Technology Additions	50,059
6058	Transmission Real Estate Purchases and Sales	<u>2,136</u>
	TOTAL SCHEDULE 2	<u>3,012,846</u>
SCHEDULE 3 - PROJECTS UNDER \$50,000		
6059	Build New Y170 Line to Rochester Substation, Rochester	45,005
6060	Replace Cap & Pin Bus Only Insulators, 2011-2012	<u>20,969</u>
	TOTAL SCHEDULE 3	<u>65,974</u>
SCHEDULE 4 - PROJECTS \$50,000 AND OVER		
6061	Replace Relays on J114 Line at Eddy and Greggs Substations, Manchester, Goffstown	1,197,768
6062	Replace Relays on H137 Line at Merrimack Substation and Garvins Substation, Bow	1,197,068
6063	Replace Relays at Greggs and Reeds Ferry Substations, Goffstown and Londonderry	1,191,274
6064	Construct New 345KV Line Scobie Substation to Tewksbury	1,000,138
6065	Construct Deerfield-Webster-Coolidge 115KV Line to Serve NH-VT Interconnection	500,050
6066	Rebuild Northern 115KV Loop	100,161
6067	Reinforce Critical Infrastructure Protection, Cyber and Physical	100,139
6068	Upgrade Transmission PI Enterprise System	100,047
6069	Upgrade Project Reporting Database	80,136
6070	Upgrade Asset Health Reporting System	<u>80,031</u>
	TOTAL SCHEDULE 4	<u>5,546,812</u>

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
2010 CONSTRUCTION BUDGET DETAILS
TRANSMISSION

<u>Line Item Number</u>	<u>Project Description</u>	<u>2010 Budget</u>
6071	SCHEDULE 5 - CONTINGENT PROJECTS	
	Provision for Contingencies	<u>0</u>
	TOTAL SCHEDULE 5	<u>0</u>
	ESTIMATED GROSS CONSTRUCTION BUDGETED FOR 2010	51,984,363
	Less Estimated Non-Cash Items:	
	Allowance For Funds Used During Construction	3,159,360
	Contributions and Reimbursements	<u>0</u>
	Total Non-Cash Items	<u>3,159,360</u>
	ESTIMATED CASH REQUIREMENTS FOR 2010 CONSTRUCTION	<u><u>48,825,003</u></u>

Witness: Stephen R. Hall
Request from: New Hampshire Public Utilities Commission Staff

Question:

Please provide any analysis of the projected rate impacts to each of PSNH's rate components related to the proposed financing transactions. Please include all supporting calculations and explanation of all assumptions used in the calculations.

Response:

Attached is a spreadsheet showing a recalculation of PSNH's Energy Service Rate rate effective July 1, 2010 assuming the financing took place in the first quarter of 2010 (the time period used for determining capital structure in the ES rate recalculation). As shown in the attachment, the financing does not have a material impact of PSNH's projected ES costs, as the cost difference is too small to impact a rate that is rounded to the nearest 0.01¢.

This calculation was performed by recalculating the return component on PSNH's generation assets that will result once the financing is completed. PSNH assumed the issuance of \$210 million of long-term debt at a rate of 4.74%, and deferred issuance costs of \$1.7 million. In order to maintain its existing debt (52%) to equity (48%) ratio at March 31, 2010, a capital contribution was assumed.

The only other component of PSNH's rates that could be impacted in the Stranded Cost Recovery Charge. However, in view of the smaller asset balances to which return is applied under the SCRC as compared to under Energy Service, and because the SCRC is spread over a greater number of kilowatt-hours, the effect of the financing on the average SCRC rate will be even less than the effect on the ES rate. Therefore, we have not performed a recalculation of the SCRC rate.

The Distribution component of PSNH's rates will not be impacted because under the rate case settlement, rates cannot be changed except for specifically enumerated items or events. However, even if Distribution rates could be changed for this financing, we believe that the impact would be *de minimus*, as is the case with the ES rate.

TCAM will not be impacted by the financing, as the allowed return on working capital is based on the return allowed in the rate case settlement.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
2010 ENERGY SERVICE RATE CALCULATION
(Dollars in 000's)

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8 **Traditional Approach**

9

10 **Summary of Actual and Forecasted Energy Service**

11 **Cost For January 2010 Through December 2010**

	TOTAL COST	Cents per KWH (2)	Reference
12			
13 Fossil energy costs	\$ 165,321	3.09	Attachment RAB-2, page 2
14 F/H O&M, depreciation & taxes	133,721	2.50	Attachment RAB-2, page 2
15 Return on rate base	40,678	0.76	UPDATED for NEW BOND
16 ISO-NE ancillary	2,317	0.04	Attachment RAB-2, page 2
17 Capacity	14,212	0.27	Attachment RAB-2, page 2
18 NH RPS	10,963	0.21	Attachment RAB-2, page 2
19 RGGI costs	6,672	0.12	Attachment RAB-2, page 2
20 Vermont Yankee	7,108	0.13	Attachment RAB-2, page 2
21 IPP costs (1)	28,592	0.53	Attachment RAB-2, page 2
22 Purchases and sales	75,624	1.41	Attachment RAB-2, page 2
23 Return on ES Deferral	348	0.01	Attachment RAB-2, page 2
24 Merrimack projected O&M insurance proceeds	(6,500)	(0.12)	Attachment RAB-2, page 2
25 Merrimack projected RPC insurance proceeds	(8,700)	(0.16)	Attachment RAB-2, page 2
26 Company Use	(689)	(0.01)	Attachment RAB-2, page 2
27 2009 Actual ES under/(over) recovery	<u>4,442</u>	<u>0.08</u>	Attachment RAB-2, page 2
28			
29 Total Updated Energy Service Cost	\$ 474,108	8.87	<--No impact on overall costs
30 Total Updated Revenue at 8.96 cents per kwh	<u>478,964</u>		
31 Energy Service (Over)/Under Recovery	(4,856)		
32			
33 Forecasted Retail MWH Sales July-December 2010	<u>2,693,785</u>		
34			
35 Increase in Energy Service Rate - cents per kwh (L31/L33)	(0.18)		
36			
37 Energy Service Rate as approved in DE 09-180 - cents per kwh	<u>8.96</u>		
38			
39 Updated Energy Service Rate - cents per kwh	<u>8.78</u>		

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

(2) Cents per KWH was calculated using the 2010 actual and forecasted sales from Attachment RAB-2, page 2, line 34.

Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
2010 ENERGY SERVICE RATE CALCULATION
FOSSIL/HYDRO RETURN ON RATE BASE
(Dollars in 000's)

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	January 2010 Actual	February 2010 Actual	March 2010 Actual	April 2010 Actual	May 2010 Actual	June 2010 Estimate	July 2010 Estimate	August 2010 Estimate	September 2010 Estimate	October 2010 Estimate	November 2010 Estimate	December 2010 Estimate	Total
Return on Rate Base													
Rate base													
Net Plant	283,340	283,340	277,517	277,517	277,517	282,773	281,837	281,035	281,702	281,655	295,480	304,837	
Working Capital Allow. (45 days of O&M)	12,020	12,020	12,020	12,020	12,020	12,605	12,605	12,605	12,605	12,605	12,605	12,605	
Fossil Fuel Inventory	81,748	81,748	65,480	65,480	65,480	62,000	62,000	62,000	62,000	62,000	62,000	62,000	
Mat'ls and Supplies	53,616	53,616	53,762	53,762	53,762	53,885	53,937	54,001	54,164	54,221	54,403	54,873	
Prepayments	2,428	2,428	2,292	2,292	2,292	1,789	1,789	1,789	1,789	1,789	1,789	1,789	
Deferred Taxes	(20,454)	(20,454)	(18,780)	(18,780)	(18,780)	(21,748)	(20,591)	(19,121)	(20,487)	(20,105)	(18,856)	(16,535)	
Other Regulatory Obligations	(12,409)	(12,409)	(15,521)	(15,521)	(15,521)	(7,606)	(8,665)	(9,705)	(11,055)	(11,946)	(12,846)	(13,643)	
Total Rate Base (L15 thru L22)	400,289	400,289	376,770	376,770	376,770	383,698	382,912	382,604	380,718	380,219	394,575	405,926	
Average Rate Base (prev + curr month)	400,662	400,289	388,530	376,770	376,770	380,234	383,305	382,758	381,661	380,469	387,397	400,251	
x Return	0.8765%	0.8765%	0.8765%	0.8828%	0.8828%	0.8828%	0.8828%	0.8828%	0.8828%	0.8828%	0.8828%	0.8828%	
Return (L25 x L26)	\$ 3,512	\$ 3,509	\$ 3,205	\$ 3,326	\$ 3,326	\$ 3,357	\$ 3,384	\$ 3,379	\$ 3,369	\$ 3,359	\$ 3,420	\$ 3,533	\$ 40,678

Recalc return	40,678	Sales	5,345,441
Return per June 2010 filing	40,788	Cost kWh	0.76
Savings	(110)		

Amounts shown above may not add due to rounding.

[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]
Balance-LTD	Unamor Issuance Expense	Net Balance [A] + [B]	Annualized Amor. Expense	Int Rate*	Ann. Int. Exp. [A] X [E]	Total Ann. Exp. [D] + [F]	Eff. Int. Rate [G]/[C]
PCRB Series A Tax-Prepaid Ins 2001	(18,667)	(18,667)	224,000	-	-	224,000	
PCRB Series A Tax-Exempt	89,250,000	(3,340,562)	85,909,438	301,404	0.32%	285,600	587,004
PCRB Series A Tax-Exempt - VR	-	(1,000)	(1,000)	-	0.32%	-	-
PCRB Series B Tax-Exempt-FR	89,250,000	(4,319,661)	84,930,339	389,744	4.75%	4,239,375	4,629,119
PCRB Series C Tax-Exempt	108,985,000	(4,735,920)	104,249,080	427,301	5.45%	5,939,683	6,366,984
PCRB Series D Tax-Exempt	75,000,000	(950,386)	74,049,614	85,749	6.00%	4,500,000	4,585,749
PCRB Series E Tax-Exempt	44,800,000	(547,242)	44,252,758	49,375	6.00%	2,688,000	2,737,375
FMB Series L - 2004	50,000,000	(275,150)	49,724,850	63,496	5.25%	2,625,000	2,688,496
FMB Series M - 2005	50,000,000	(590,576)	49,409,424	23,160	5.60%	2,800,000	2,823,160
FMB Series N - 2007	70,000,000	(661,651)	69,338,349	89,211	6.15%	4,305,000	4,394,211
FMB Series O - 2008	110,000,000	(1,666,116)	108,333,884	206,117	6.00%	6,600,000	6,806,117
FMB Series P - 2009	150,000,000	(1,694,400)	148,305,600	172,778	4.50%	6,750,000	6,922,778
PSNH NEW BOND	210,000,000	(1,721,750)	208,278,250	172,175	4.74%	9,954,000	10,126,175
Total Debt	1,047,285,000	(20,523,080)	1,026,761,920	2,204,511		50,686,658	52,891,169
							5.1513%

[A]	[B]	[C]	[D]	[E]	[F]	[G]
Balance-LTD	Capitalization Percentage	Embedded Cost/Return	Weighted Avg. [B] * [C]	Tax Gross-up [D] / [1-TR]	Tax-Adjusted Return	Return By Month
Capitalization---						
LTD--use net of issuance exp-above	1,026,761,920	<--incl bond 52.0226%	5.1513%	2.6798%	N/A	2.6798%
Total OCI Adj Equity	946,922,440	<--incl cap cont 47.9774%	9.8100%	4.7066%	7.9135%	7.9135%
Total	1,973,684,359	100.0000%	7.3864%		10.5934%	0.882781%

*--Series A is variable rate debt

Statutory Tax Rate (STR) -- 40.525%

Amortization of Issuance costs and Loss on Recquisition--Use quarterly data and annualize (1)

Issuance/Prepaid -			Loss on recquisition/discounts/prepaid -			Comp Income Amortization, net		Total - Issuance and Loss on recquisition/tliscounts -	
Acct #	Bal-Issuance *	Amor. Expense*	Acct #	Bal-Loss on Re*	Amor. Expense*	Net Balance (3)	Amor. Expense*	Total Balances	Amor. Expense
PCRB Series A Tax-Prepaid Ins 2001	165.QA (9,333)	28,000	165.Q6	(9,333)	28,000	-	-	(18,667)	56,000
PCRB Series A Tax-Exempt-VR	181.QA (1,289,478)	29,086	189.PA	(2,051,084)	46,265	-	-	(3,340,562)	75,351
PCRB Series A Tax-Exempt-VR	181.RB -	-	189.RC	(1,000)	-	-	-	(1,000)	-
PCRB Series B Tax-Exempt-FR	181.Q6 (584,229)	13,178	189.QB	(3,735,432)	84,258	-	-	(4,319,661)	97,436
PCRB Series C Tax-Exempt	181.QC (2,014,109)	45,431	189.PC	(2,721,811)	61,394	-	-	(4,735,920)	106,825
PCRB Series D Tax-Exempt	181.ND (604,545)	13,636	189.PD	(345,840)	7,801	-	-	(950,386)	21,437
PCRB Series E Tax-Exempt	181.NE (368,178)	8,305	189.PE	(179,064)	4,039	-	-	(547,242)	12,344
FMB Series 2004	181.P3 (232,250)	13,399	226.P3 (2)	(42,900)	2,475	-	-	(275,150)	15,874
FMB Series 2005	181.P4 (492,400)	4,827	226.P4 (2)	(98,175)	962	-	-	(590,576)	5,790
FMB Series 2007	181.6A (572,873)	19,310	226.6A (2)	(88,778)	2,992	-	-	(661,651)	22,303
FMB Series 2008	181.NF (749,933)	23,194	226.NF	(211,622)	6,545	(704,562)	21,791	(1,666,116)	51,529
FMB Series 2009	181.CV (1,133,251)	28,682	226.CV	(561,150)	14,512	-	-	(1,694,400)	43,195
Total	(8,050,579)	227,049		(10,046,189)	259,245	(704,562)	21,791	(18,801,330)	508,084

(1) THIS DATA IS LINKED TO AMORTIZATION SCHEDULE FOR THE QUARTER.

(2) THIS IS THE "DEBT DISCOUNT" (LIABILITY) ACCOUNT DUE TO PURCHASING BONDS AT LESS THAN PAR VALUE.

(3) NET BALANCE OF OTHER COMPREHENSIVE INCOME AGREES WITH THE SUM OF THE 219.NE ACTIVITY LISTED ABOVE.

Public Service Company of New Hampshire and Subsidiaries
Pro Forma Adjustments to Capitalization

1. Effective Interest Rate--New Bond

	[A] Balance-LTD	[B] Unamor Issuance Expense	[C] Net Balance [A] + [B]	[D] Annualized Amor. Expense	[E] Int Rate	[F] Ann. Int. Exp. [A] X [E]	[G] Total Ann. Exp. [D] + [F]	[H] Eff. Int. Rate [G]/[C]
PSNH NEW BOND	210,000,000	(1,721,750)	208,278,250	172,175	4.740%	9,954,000	10,126,175	4.862%

	Bal-Issuance	Annual Amor. Expense
PSNH NEW BOND--Issuance	1,721,750	172,175 <--10 years

2. Adjustments to Maintain Cap Structure

	Actual Balance-LTD	Pro Forma Adjustments	Pro Forma Balance-LTD
Capitalization---			
LTD, net of issuance exp	818,483,670	208,278,250	1,026,761,920
Total OCI Adj Equity	754,839,562	192,082,878	946,922,440
Total	<u>1,573,323,231</u>		<u>1,973,684,359</u>
	<u>Capitalization Percentage</u>		<u>Capitalization Percentage</u>
LTD	52.0226%		52.0226%
Equity	47.9774%		47.9774%
	<u>100.0000%</u>		<u>100.0000%</u>

[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]
Balance-LTD	Unamor Issuance Expense	Net Balance [A] + [B]	Annualized Amor. Expense	Int Rate*	Ann. Int. Exp. [A] X [E]	Total Ann. Exp. [D] + [F]	Eff. Int. Rate [G]/[C]
Acct #s							
PCRB Series A Tax-Prepaid Ins 2001	(18,667)	(18,667)	224,000		-	224,000	
PCRB Series A Tax-Exempt	(3,340,562)	85,909,438	301,404	0.32%	285,600	587,004	
PCRB Series A Tax-Exempt - VR	(1,000)	(1,000)	-	0.32%	-	-	
PCRB Series B Tax-Exempt-FR	(4,319,661)	84,930,339	389,744	4.75%	4,239,375	4,629,119	
PCRB Series C Tax-Exempt	(4,735,920)	104,249,080	427,301	5.45%	5,939,683	6,366,984	
PCRB Series D Tax-Exempt	(950,386)	74,049,614	85,749	6.00%	4,500,000	4,585,749	
PCRB Series E Tax-Exempt	(547,242)	44,252,758	49,375	6.00%	2,688,000	2,737,375	
FMB Series L - 2004	(275,150)	49,724,850	63,496	5.25%	2,625,000	2,688,496	
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FMB Series N - 2007	(661,651)	69,338,349	89,211	6.15%	4,305,000	4,394,211	
FMB Series O - 2008	(1,666,116)	108,333,884	206,117	6.00%	6,600,000	6,806,117	
FMB Series P - 2009	(1,694,400)	148,305,600	172,778	4.50%	6,750,000	6,922,778	
Total Debt	(18,801,330)	818,483,670	2,032,336		40,732,658	42,764,994	5.2249%

Actual Per Books (credit balance) incl. OCI	754,135,000
Less: Bal 219.NE--swap 1(debit bal)	(3) (1,950,339)
Less: Bal 219.NE--swap 2(credit bal)	(3) 1,245,777
Equity less OCI	<u>754,839,562</u>

[A]	[B]	[C]	[D]	[E]	[F]	[G]
Balance-LTD	Capitalization Percentage	Embedded Cost/Return	Weighted Avg. [B] * [C]	Tax Gross-up [D] / [1-TR]	Tax-Adjusted Return	Return By Month
Capitalization---						
LTD--use net of issuance exp-above	818,483,670	52.0226%	5.2249%	2.7181%	N/A	2.7181%
Total OCI Adj Equity	754,839,562	47.9774%	9.8100%	4.7066%	7.9135%	7.9135%
Total	1,573,323,231	100.0000%	7.4247%			10.6317%

*--Series A is variable rate debt

Statutory Tax Rate (STR) -- 40.525%

Amortization of Issuance costs and Loss on Reacquisition--Use quarterly data and annualize (1)

Issuance/Prepaid -			Loss on reacquisition/discounts/prepaid -			Comp Income Amortization, net		Total - Issuance and Loss on reacquisition/discounts -	
Acct #	Bal-Issuance *	Amor. Expense*	Acct #	Bal-Loss on Re*	Amor. Expense*	Net Balance (3)	Amor. Expense*	Total Balances	Amor. Expense
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