



**Public Service
of New Hampshire**

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The Northeast Utilities System

May 16, 2011

Debra A. Howland
Executive Director and Secretary
State of New Hampshire
Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, New Hampshire 03301-2429



Re: Docket No DE 11-070 – Exogenous Events

Dear Secretary Howland:

On March 28, 2011, PSNH filed a Certification of Exogenous Events with the Commission stating that two exogenous events had occurred in 2010. As described in its filing, PSNH stated that the net impact of the exogenous events was an annual revenue increase of \$2.93 million.

On May 13, 2011, the Commission's Staff filed a letter with the Commission stating that Staff proposed an alternative 5 ½-year recovery period, and that PSNH agreed with Staff's proposal.

Enclosed with this letter are revised spreadsheets showing the calculation of the Medicare subsidy credit using the Staff's recommended 5 ½-year recovery period. That impact, \$2.664 million annually, when offset by the impact of the bonus tax depreciation of \$0.234 million annually, results in a net annual revenue impact of \$2.43 million.

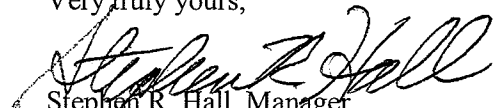
Staff's May 13, 2011 letter also stated that PSNH would file information on the estimated impact of all of adjustments to distribution rates scheduled to take effect on July 1, 2011. The net rate impact of all of the distribution rate changes proposed by PSNH for effect on July 1, 2011 is shown below:

<u>Item</u>	<u>Annual Revenue Impact (Millions)</u>
Exogenous events	\$ 2.430
Step 1 of REP	1.500
Step Increase – Net Plant	4.400
Storm Expense	3.056
Termination of Recoupment	<u>(13.696)</u>
Net July 1, 2011 Rate Change	\$ (2.310)

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New Hampshire Public Utilities Commission
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PSNH will respond promptly to any questions the Commission or its Staff may have on this filing.

Very truly yours,



Stephen R. Hall, Manager
Rate & Regulatory Services

SRH:kd
Enclosures
cc: Service List

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FILING INSTRUCTIONS:

- a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with:**

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- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.**

- c) Serve a written copy on each person on the service list not able to receive electronic mail.**

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PURSUANT TO N.H. ADMIN RULE PUC 203.09 (d), FILE DISCOVERY

DIRECTLY WITH THE FOLLOWING STAFF

RATHER THAN WITH THE EXECUTIVE DIRECTOR

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BULK MATERIALS:

Upon request, Staff may waive receipt of some of its multiple copies of bulk materials filed as data responses. Staff cannot waive other parties' right to receive bulk materials.

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