

NHPUC NO. 8 - ELECTRICITY DELIVERY
PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

Original Page 96-A
Rate ADE

ALTERNATE DEFAULT ENERGY SERVICE RATE ADE

AVAILABILITY

Subject to the Terms and Conditions of the Tariff of which it is a part, this rate is for energy and capacity in conjunction with the applicable Delivery Service Rate Schedule. It is available to Customers who are receiving Delivery Service under Primary General Delivery Service Rate GV, Large General Delivery Service Rate LG, and Backup Delivery Service Rate B. Service under this rate is mandatory for and only available to customers who received Supplier Service or Self-Supply Service for at least twelve consecutive months. Once a Customer terminates Supplier Service or Self-Supply Service following at least twelve consecutive months of receipt of such service, any energy and capacity service taken from the Company during the next twenty-four months must be taken under this rate, unless this rate is temporarily closed. In the event of a temporary closure of this rate, any Customer returning to energy and capacity service from the Company during the period that this rate is closed must take such service under Default Energy Service Rate DE. Once this rate is re-opened, such Customers will be transferred to service hereunder. Service under Default Energy Service Rate DE during the period that this rate is closed shall be deemed to be part of the twenty-four month period described above.

Renewable service options are available to Customers who are not enrolled in the Residential Electric Assistance Program Rate EAP and have not been approved to receive electric service payment assistance through the Fuel Assistance Program administered by a Community Action Agency.

Notwithstanding any other Tariff provision or Special Contract terms, no discount shall be applied to this rate.

RATE PER MONTH

Per Kilowatt-Hour

Energy Charge

6.40¢

LIMITATION OF AVAILABILITY

Availability of service under this rate is limited to twenty-four months following the end of any period of twelve consecutive months during which the Customer receives Supplier Service or Self-Supply Service. If the Customer receives energy and capacity service from the Company after the twenty-four month period is reached, such service will be rendered under Default Energy Service Rate DE.

Issued: April 27, 2012

Issued by: _____

Effective: XX XX, 2012

Gary A. Long
Title: President and Chief Operating Officer

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RENEWABLE SERVICE OPTIONS

The Company will purchase and retire a sufficient number of new renewable generation resource certificates ("Certificate") to match the kilowatt-hour usage associated with the Customers enrolled in a renewable service option.

A Certificate represents one thousand kilowatt-hours of electricity generated by a generation resource physically located in New England that is certified by the Commission as a Class I or Class II generation resource under the New Hampshire Electric Renewable Portfolio Standard or is capable of earning certification under the New Hampshire Renewable Portfolio Standard. The Company is not required to purchase Certificates simultaneously with Customer usage. Certificates supporting the renewable service options under this rate schedule will be acquired by the Company such that up to 30% of one calendar year's Certificate requirements could be satisfied with Certificates produced in either of the previous two calendar years or during the first quarter of the subsequent calendar year.

- 100% Renewable Service Option - The Company will purchase Certificates to match a Customer's total kilowatt-hour usage.
- 50% Renewable Service Option - The Company will purchase Certificates to match 50% of a Customer's total kilowatt-hour usage.
- 25% Renewable Service Option - The Company will purchase Certificates to match 25% of a Customer's total kilowatt-hour usage.

The Company will use reasonable efforts to purchase Certificates, but does not guarantee the availability of Certificates. In the event Certificates are not available or cannot be purchased at a reasonable cost, the Company shall make a payment to the Renewable Energy Fund created pursuant to the New Hampshire Electric Renewable Portfolio Standard in lieu of purchasing Certificates.

Beginning in 2011 the Company will submit a report to the Commission annually by July 1st to document the number of Certificates purchased and retired by the Company on behalf of Customers receiving service under the renewable service options during the preceding calendar year.

The Customer must notify the Company to initiate service under a renewable service option. In the event the Company can process the Customer request to initiate service prior to the Customer's next regularly scheduled meter read date, the next bill rendered by the Company shall include a charge for the renewable service option chosen by the Customer. Otherwise, the

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subsequent bill rendered by the Company shall include a charge for the renewable service option chosen by the Customer. The Company shall confirm customer acceptance of the date that service will be initiated under a renewable service option, i.e. either the most recent meter read date or the next subsequent meter read date.

The Customer must notify the Company to discontinue service under a renewable service option. In the event the Company can process the Customer request to discontinue such service prior to the Customer's next regularly scheduled meter read date, the next bill rendered by the Company shall not include a charge for the renewable service option. Otherwise, the subsequent bill rendered by the Company shall not include a charge for the renewable service option.

RATE PER MONTH - RENEWABLE SERVICE OPTIONS

100% Renewable Service Option Charge:	3.579¢ per kilowatt-hour in addition to the Energy Charge
50% Renewable Service Option Charge:	1.790¢ per kilowatt-hour in addition to the Energy Charge
25% Renewable Service Option Charge:	0.895¢ per kilowatt-hour in addition to the Energy Charge

Issued: April 27, 2012

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DEFAULT ENERGY SERVICE RATE DE

AVAILABILITY

Subject to the Terms and Conditions of the Tariff of which it is a part, this rate is for energy and capacity in conjunction with the applicable Delivery Service Rate Schedule. It is available to those Customers who are not receiving Supplier Service or Self-Supply Service, except for those Customers who are required to take such service under Alternate Default Energy Service Rate ADE. In addition, renewable service options are available to Customers who are not enrolled in the Residential Electric Assistance Program Rate EAP and have not been approved to receive electric service payment assistance through the Fuel Assistance Program administered by a Community Action Agency.

Notwithstanding any other Tariff provision or Special Contract terms, no discount shall be applied to this rate.

RATE PER MONTH

	<u>Per Kilowatt-Hour</u>
Energy Charge	8.75¢

RENEWABLE SERVICE OPTIONS

The Company will purchase and retire a sufficient number of new renewable generation resource certificates ("Certificate") to match the kilowatt-hour usage associated with the Customers enrolled in a renewable service option. A Certificate represents one thousand kilowatt-hours of electricity generated by a generation resource physically located in New England that is certified by the Commission as a Class I or Class II generation resource under the New Hampshire Electric Renewable Portfolio Standard or is capable of earning certification under the New Hampshire Renewable Portfolio Standard. The Company is not required to purchase Certificates simultaneously with Customer usage. Certificates supporting the renewable service options under this rate schedule will be acquired by the Company such that up to 30% of one calendar year's Certificate requirements could be satisfied with Certificates produced in either of the previous two calendar years or during the first quarter of the subsequent calendar year.

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Scenario Analysis of Proposed PSNH Rate ADE

This case represents a base case scenario. It is assumed that prices do not deviate from the rate setting forecast in June. Two different types of customer movement on and off of the ADE rate are included in the analysis; movement deriving from customers seeking short-term rates and those seeking long-term rates. Each month the analysis compares the PSNH ADE rate to 1) a monthly rate offering from 3rd party suppliers (short term) and 2) a rolling 12-month looking forward rate from 3rd party suppliers (long term). Short-term rates offered by competitive suppliers include a 0.5¢/kWh premium and long-term rates include a 1.0¢/kWh premium. This scenario indicates that "long-term" customers will steadily sign up for the ADE rate and "short-term" customers will only be interested during higher priced months.

		Scenario 1 - Stable Price											
Year	Month	Energy Market Price Change (a)	Original Forecasted Marginal Costs for		Updated Forecast of Marginal Costs for		PSNH ADE Rate Open (f)	PSNH Monthly Cost (g)	Short-Term Competitive Supplier Rate (h)	Long-Term Competitive Supplier Rate (i)	Customers Utilizing a Short-Term Approach GWh (j)	Customers Utilizing a Long-Term Approach GWh (k)	Contribution to PSNH Fixed Costs \$(000) (l)
			PSNH ADE Rate (b)	Remaining Term (c)	Remaining Term (d)	Marginal Cost Delta (e)							
2012	Jul	0%	6.40	5.37	5.37	0.00	Open	4.80	5.30	6.35	0.000	0.000	0
	Aug	0%	6.40	5.43	5.43	0.00	Open	4.83	5.33	6.41	0.000	10.551	166
	Sep	0%	6.40	5.50	5.50	0.00	Open	4.59	5.09	6.46	0.000	19.738	357
	Oct	0%	6.40	5.60	5.60	0.00	Open	4.66	5.16	6.51	0.000	28.765	501
	Nov	0%	6.40	5.71	5.71	0.00	Open	4.91	5.41	6.50	0.000	37.886	563
	Dec	0%	6.40	5.82	5.82	0.00	Open	6.04	6.54	6.60	20.281	48.027	246
2013	Jan	0%	6.40	5.78	5.78	0.00	Open	6.91	7.41	6.61	21.072	58.563	(404)
	Feb	0%	6.40	5.52	5.52	0.00	Open	7.02	7.52	6.64	18.631	67.878	(540)
	Mar	0%	6.40	5.13	5.13	0.00	Open	5.92	6.42	6.67	19.123	77.440	467
	Apr	0%	6.40	4.86	4.86	0.00	Open	4.49	4.99	6.69	0.000	86.159	1,643
	May	0%	6.40	5.03	5.03	0.00	Open	4.93	5.43	6.71	0.000	94.944	1,399
	Jun	0%	6.40	5.12	5.12	0.00	Open	5.12	5.62	6.73	0.000	104.449	1,335
Total											79.107	634.400	5,732

Notes:

- 1) Approximately 40 MW of customers move to and from ADE based on monthly economics (short-term); and approximately 20 MW move to and from ADE based on 12-month economics (long-term).
- 2) Analysis assumes a 0.50 ¢/kWh adder above marginal costs in short-term rates, a 1.00 ¢/kWh adder in long-term rates; and a 1.03 ¢/kWh adder above marginal costs in PSNH's ADE rate.

- (a) The percent energy market change from what was assumed at the time of the rate setting in June
- (b) The PSNH ADE Rate
- (c) PSNH's original estimate of average marginal costs for the remaining months of the rate year ending in June. For example, in December this number represents the average marginal cost December through June.
- (d) Updated marginal cost estimate based on the change in energy market prices. Used for determining the open or closed status of the ADE rate.
- (e) (c) minus (d). If the delta drops below -0.7725¢/kwh, then the rate is closed.
- (f) The availability status of ADE
- (g) PSNH's monthly marginal cost.
- (h) Competitive supplier short-term posted rate. (g) plus 0.50¢/kwh.
- (i) Competitive supplier long-term posted rate. A rolling 12-month looking forward average of marginal costs from and including the month in question, plus 1.0¢/kwh.
- (j) Short-term customers taking the ADE rate.
- (k) Long-term customers taking the ADE rate.
- (l) Benefit deriving from the ADE rate. [(j) + (k)] x [(b) - (g)] x 10

In this case energy prices in each month are 10% higher than originally forecast. Two different types of customer movement on and off of the ADE rate are included in the analysis; movement deriving from customers seeking short-term rates and those seeking long-term rates. Each month the analysis compares the PSNH ADE rate to 1) a monthly rate offering from 3rd party suppliers (short term) and 2) a rolling 12-month looking forward rate from 3rd party suppliers (long term). Short-term rates offered by competitive suppliers include a 0.0¢/kWh premium and long-term rates include a 1.0¢/kWh premium. Similar to Scenario 1, Scenario 2 shows short-term customers utilizing the ADE rate during high priced months and long-term customers steadily joining the rate.

Scenario 2 - Price Increase														
Year	Month	Energy Market Price Change (a)	Original Forecasted Marginal Costs for PSNH ADE Rate (b)		Updated Forecast of Marginal Costs for PSNH ADE Rate (d)		Marginal Cost Delta (e)	PSNH ADE Rate Open (f)	PSNH Monthly Cost (g)	Short-Term Competitive Supplier Rate (h)	Long-Term Competitive Supplier Rate (i)	Customers Utilizing a Short-Term Approach GWh (j)	Customers Utilizing a Long-Term Approach GWh (k)	Contribution to PSNH Fixed Costs \$(000) (l)
			PSNH ADE Rate (b)	Remaining Term (c)	Remaining Term (d)	Remaining Term (d)								
2012	Jul	10%	6.40	5.37	5.76	-0.39	Open	5.14	5.64	6.74	0.000	10.913	137	
	Aug	10%	6.40	5.43	5.83	-0.40	Open	5.17	5.67	6.80	0.000	21.464	263	
	Sep	10%	6.40	5.50	5.90	-0.40	Open	4.90	5.40	6.86	0.000	30.651	459	
	Oct	10%	6.40	5.60	6.01	-0.41	Open	4.98	5.48	6.91	0.000	39.679	565	
	Nov	10%	6.40	5.71	6.13	-0.42	Open	5.26	5.76	6.91	0.000	48.799	557	
	Dec	10%	6.40	5.82	6.25	-0.44	Open	6.51	7.01	7.02	20.281	58.940	(84)	
2013	Jan	10%	6.40	5.78	6.21	-0.43	Open	7.46	7.96	7.03	21.072	69.476	(961)	
	Feb	10%	6.40	5.52	5.92	-0.40	Open	7.58	8.08	7.06	18.631	78.791	(1,148)	
	Mar	10%	6.40	5.13	5.49	-0.36	Open	6.36	6.86	7.09	19.123	88.353	41	
	Apr	10%	6.40	4.86	5.19	-0.33	Open	4.79	5.29	7.11	0.000	97.073	1,566	
	May	10%	6.40	5.03	5.38	-0.35	Open	5.26	5.76	7.13	0.000	105.857	1,202	
	Jun	10%	6.40	5.12	5.49	-0.36	Open	5.49	5.99	7.15	0.000	115.363	1,054	
Total											79.107	765.359	3,652	

Notes:

- 1) Approximately 40 MW of customers move to and from ADE based on monthly economics (short-term); and approximately 20 MW move to and from ADE based on 12-month economics (long-term).
- 2) Analysis assumes a 0.50 c/kWh adder above marginal costs in short-term rates, a 1.00 c/kWh adder in long-term rates; and a 1.03 c/kWh adder above marginal costs in PSNH's ADE rate.

- (a) The percent energy market change from what was assumed at the time of the rate setting in June
- (b) The PSNH ADE Rate
- (c) PSNH's original estimate of average marginal costs for the remaining months of the rate year ending in June. For example, in December this number represents the average marginal cost December through June.
- (d) Updated marginal cost estimate based on the change in energy market prices. Used for determining the open or closed status of the ADE rate.
- (e) (c) minus (d). If the delta drops below -0.7725¢/kwh, then the rate is closed.
- (f) The availability status of ADE
- (g) PSNH's monthly marginal cost.
- (h) Competitive supplier short-term posted rate. (g) plus 0.50¢/kwh.
- (i) Competitive supplier long-term posted rate. A rolling 12-month looking forward average of marginal costs from and including the month in question, plus 1.0¢/kwh.
- (j) Short-term customers taking the ADE rate.
- (k) Long-term customers taking the ADE rate.
- (l) Benefit deriving from the ADE rate. [(j) + (k)] x [(b) - (g)] x 10

In this case energy prices in each month are 10% lower than originally forecast. Two different types of customer movement on and off of the ADE rate are included in the analysis; movement deriving from customers seeking short-term rates and those seeking long-term rates. Each month the analysis compares the PSNH ADE rate to 1) a monthly rate offering from 3rd party suppliers (short term) and 2) a rolling 12-month looking forward rate from 3rd party suppliers (long term). Short-term rates offered by competitive suppliers include a 0.5¢/kWh premium and long-term rates include a 1.0¢/kWh premium. Similar to Scenario 1, Scenario 3 shows short-term customers utilizing the ADE rate during peak months. However, those are the only customers taking the ADE rate due to lower long-term market prices.

Scenario 3 - Price Decrease														
Year	Month	Energy Market Price Change (a)	Original Forecasted Marginal Costs for PSNH ADE Rate (b)		Updated Forecast of Marginal Costs for Remaining Term (d)		Marginal Cost Delta (e)	PSNH ADE Rate Open (f)	PSNH Monthly Cost (g)	Short-Term Competitive Supplier Rate (h)	Long-Term Competitive Supplier Rate (i)	Customers Utilizing a Short-Term Approach GWh (j)	Customers Utilizing a Long-Term Approach GWh (k)	Contribution to PSNH Fixed Costs \$(000) (l)
			PSNH ADE Rate (b)	Remaining Term (c)	Remaining Term (d)	Remaining Term (d)								
2012	Jul	-10%	6.40	5.37	4.98	0.39	Open	4.45	4.95	5.96	0.000	0.000	0	
	Aug	-10%	6.40	5.43	5.03	0.40	Open	4.48	4.98	6.01	0.000	0.000	0	
	Sep	-10%	6.40	5.50	5.10	0.40	Open	4.28	4.78	6.06	0.000	0.000	0	
	Oct	-10%	6.40	5.60	5.18	0.41	Open	4.34	4.84	6.10	0.000	0.000	0	
	Nov	-10%	6.40	5.71	5.28	0.42	Open	4.57	5.07	6.10	0.000	0.000	0	
	Dec	-10%	6.40	5.82	5.38	0.44	Open	5.57	6.07	6.19	0.000	0.000	0	
2013	Jan	-10%	6.40	5.78	5.35	0.43	Open	6.35	6.85	6.20	21.072	0.000	10	
	Feb	-10%	6.40	5.52	5.12	0.40	Open	6.47	6.97	6.22	18.631	0.000	(13)	
	Mar	-10%	6.40	5.13	4.77	0.36	Open	5.47	5.97	6.25	0.000	0.000	0	
	Apr	-10%	6.40	4.86	4.52	0.33	Open	4.20	4.70	6.27	0.000	0.000	0	
	May	-10%	6.40	5.03	4.68	0.35	Open	4.59	5.09	6.29	0.000	0.000	0	
	Jun	-10%	6.40	5.12	4.76	0.36	Open	4.76	5.26	6.30	0.000	0.000	0	
	Total										39.703	0.000	(3)	

Notes:

- 1) Approximately 40 MW of customers move to and from ADE based on monthly economics (short-term); and approximately 20 MW move to and from ADE based on 12-month economics (long-term).
- 2) Analysis assumes a 0.50 ¢/kWh adder above marginal costs in short-term rates, a 1.00 ¢/kWh adder in long-term rates; and a 1.03 ¢/kWh adder above marginal costs in PSNH's ADE rate.

- (a) The percent energy market change from what was assumed at the time of the rate setting in June
- (b) The PSNH ADE Rate
- (c) PSNH's original estimate of average marginal costs for the remaining months of the rate year ending in June. For example, in December this number represents the average marginal cost December through June.
- (d) Updated marginal cost estimate based on the change in energy market prices. Used for determining the open or closed status of the ADE rate.
- (e) (c) minus (d). If the delta drops below -0.7725¢/kwh, then the rate is closed.
- (f) The availability status of ADE
- (g) PSNH's monthly marginal cost.
- (h) Competitive supplier short-term posted rate. (g) plus 0.50¢/kwh.
- (i) Competitive supplier long-term posted rate. A rolling 12-month looking forward average of marginal costs from and including the month in question, plus 1.0¢/kwh.
- (j) Short-term customers taking the ADE rate.
- (k) Long-term customers taking the ADE rate.
- (l) Benefit deriving from the ADE rate. [(j) + (k)] x [(b) - (g)] x 10

In this case energy prices in each month incrementally rise an additional 5% from what was originally forecast. Two different types of customer movement on and off of the ADE rate are included in the analysis; movement deriving from customers seeking short-term rates and those seeking long-term rates. Each month the analysis compares the PSNH ADE rate to 1) a monthly rate offering from 3rd party suppliers (short term) and 2) a rolling 12-month looking forward rate from 3rd party suppliers (long term). Short-term rates offered by competitive suppliers include a 0.5¢/kWh premium and long-term rates include a 1.0¢/kWh premium. In this scenario long-term customers steadily take service from the ADE rate. However, the constant energy price increases close the rate in October and the rate stays closed until the rate is reset in January, at which time both short-term and long-term customers once again move onto the ADE rate. The rate closes again in May and June.

Scenario 4 - Continuous Price Increase															
Year	Month	Energy Market Price Change (a)	Original Forecasted Marginal Costs			Updated Forecast of Marginal Costs			PSNH ADE Rate Open (f)	PSNH Monthly Cost (g)	Short-Term Competitive Supplier Rate (h)	Long-Term Competitive Supplier Rate (i)	Customers Utilizing a Short-Term Approach GWh (j)	Customers Utilizing a Long-Term Approach GWh (k)	Contribution to PSNH Fixed Costs \$(000) (l)
			PSNH ADE Rate (b)	Costs for Remaining Term (c)	Marginal Remaining Term (d)	Marginal Cost Delta (e)	Costs for Remaining Term (d)	Marginal Cost Delta (e)							
2012	Jul	5%	6.40	5.37	5.57	-0.20	Open	4.97	5.47	6.55	0.000	10.913	156		
	Aug	10%	6.40	5.43	5.83	-0.40	Open	5.17	5.67	6.80	0.000	21.464	263		
	Sep	15%	6.40	5.50	6.10	-0.60	Open	5.06	5.56	7.06	0.000	30.651	411		
	Oct	20%	6.40	5.60	6.42	-0.83	Closed	5.29	5.79	7.32	0.000	30.651	340		
	Nov	25%	6.40	5.71	6.77	-1.06	Closed	5.77	6.27	7.52	0.000	30.651	192		
	Dec	30%	6.40	5.82	7.12	-1.31	Closed	7.44	7.94	7.85	0.000	30.651	(318)		
2013	Jan	35%	8.10	7.07	7.28	-0.21	Open	8.85	9.35	8.07	21.072	20.115	(309)		
	Feb	40%	8.10	6.72	7.12	-0.40	Open	9.24	9.74	8.31	18.631	29.431	(550)		
	Mar	45%	8.10	6.22	6.76	-0.54	Open	7.92	8.42	8.56	19.123	38.992	101		
	Apr	50%	8.10	5.85	6.52	-0.67	Open	5.96	6.46	8.80	0.000	47.712	1,018		
	May	55%	8.10	6.08	6.96	-0.88	Closed	6.78	7.28	9.03	0.000	47.712	626		
	Jun	60%	8.10	6.22	7.31	-1.09	Closed	7.31	7.81	9.27	0.000	47.712	375		
Total											58.826	386.656	2,306		

Notes:

- 1) Approximately 40 MW of customers move to and from ADE based on monthly economics (short-term); and approximately 20 MW move to and from ADE based on 12-month economics (long-term).
- 2) Analysis assumes a 0.50 ¢/kWh adder above marginal costs in short-term rates, a 1.00 ¢/kWh adder in long-term rates; and a 1.03 ¢/kWh adder above marginal costs in PSNH's ADE rate.

- (a) The percent energy market change from what was assumed at the time of the rate setting in June
- (b) The PSNH ADE Rate
- (c) PSNH's original estimate of average marginal costs for the remaining months of the rate year ending in June. For example, in December this number represents the average marginal cost December through June.
- (d) Updated marginal cost estimate based on the change in energy market prices. Used for determining the open or closed status of the ADE rate.
- (e) (c) minus (d). If the delta drops below -0.7725¢/kwh, then the rate is closed.
- (f) The availability status of ADE
- (g) PSNH's monthly marginal cost.
- (h) Competitive supplier short-term posted rate. (g) plus 0.50¢/kwh.
- (i) Competitive supplier long-term posted rate. A rolling 12-month looking forward average of marginal costs from and including the month in question, plus 1.0¢/kwh.
- (j) Short-term customers taking the ADE rate.
- (k) Long-term customers taking the ADE rate.
- (l) Benefit deriving from the ADE rate. [(j) + (k)] x [(b) - (g)] x 10

In this case each month incrementally falls an additional 5% from what was originally forecast. Two different types of customer movement on and off of the ADE rate are included in the analysis; movement deriving from customers seeking short-term rates and those seeking long-term rates. Each month the analysis compares the PSNH ADE rate to 1) a monthly rate offering from 3rd party suppliers (short term) and 2) a rolling 12-month looking forward rate from 3rd party suppliers (long term). Short-term rates offered by competitive suppliers include a 0.05¢/kWh premium and long-term rates include a 1.0¢/kWh premium. In this scenario the rate always stays open, but because of falling prices no customers take the rate. This analysis did not assume that PSNH would reset the rate in the falling market. However, it is possible that PSNH would reset the rate under this scenario.

Scenario 5 - Continuous Price Decrease													
Year	Month	Energy Market Price Change (a)	Original Forecasted Marginal Costs		Updated Forecast of Marginal Costs		PSNH ADE Rate Open (f)	PSNH Monthly Cost (g)	Short-Term Competitive Supplier Rate (h)	Long-Term Competitive Supplier Rate (i)	Customers Utilizing a Short-Term Approach (j) GWh	Customers Utilizing a Long-Term Approach (k) GWh	Contribution to PSNH Fixed Costs \$(000) (l)
			PSNH ADE Rate (b)	Remaining Term (c)	Remaining Term (d)	Marginal Cost Delta (e)							
2012	Jul	-5%	6.40	5.37	5.17	0.20	Open	4.62	5.12	6.16	0.000	0.000	0
	Aug	-10%	6.40	5.43	5.03	0.40	Open	4.48	4.98	6.01	0.000	0.000	0
	Sep	-15%	6.40	5.50	4.89	0.60	Open	4.13	4.63	5.86	0.000	0.000	0
	Oct	-20%	6.40	5.60	4.77	0.83	Open	4.03	4.53	5.70	0.000	0.000	0
	Nov	-25%	6.40	5.71	4.65	1.06	Open	4.06	4.56	5.49	0.000	0.000	0
	Dec	-30%	6.40	5.82	4.51	1.31	Open	4.64	5.14	5.36	0.000	0.000	0
2013	Jan	-35%	6.40	5.78	4.27	1.50	Open	4.97	5.47	5.16	0.000	0.000	0
	Feb	-40%	6.40	5.52	3.91	1.61	Open	4.81	5.31	4.97	0.000	0.000	0
	Mar	-45%	6.40	5.13	3.50	1.63	Open	3.91	4.41	4.78	0.000	0.000	0
	Apr	-50%	6.40	4.86	3.19	1.67	Open	3.02	3.52	4.58	0.000	0.000	0
	May	-55%	6.40	5.03	3.09	1.93	Open	3.07	3.57	4.38	0.000	0.000	0
	Jun	-60%	6.40	5.12	2.93	2.19	Open	2.93	3.43	4.18	0.000	0.000	0
Total											0.000	0.000	0

Notes:

- 1) Approximately 40 MW of customers move to and from ADE based on monthly economics (short-term); and approximately 20 MW move to and from ADE based on 12-month economics (long-term).
- 2) Analysis assumes a 0.50 ¢/kWh adder above marginal costs in short-term rates, a 1.00 ¢/kWh adder in long-term rates; and a 1.03 ¢/kWh adder above marginal costs in PSNH's ADE rate.

- (a) The percent energy market change from what was assumed at the time of the rate setting in June
- (b) The PSNH ADE Rate
- (c) PSNH's original estimate of average marginal costs for the remaining months of the rate year ending in June. For example, in December this number represents the average marginal cost December through June.
- (d) Updated marginal cost estimate based on the change in energy market prices. Used for determining the open or closed status of the ADE rate.
- (e) (c) minus (d). If the delta drops below -0.7725¢/kwh, then the rate is closed.
- (f) The availability status of ADE
- (g) PSNH's monthly marginal cost.
- (h) Competitive supplier short-term posted rate. (g) plus 0.50¢/kwh.
- (i) Competitive supplier long-term posted rate. A rolling 12-month looking forward average of marginal costs from and including the month in question, plus 1.0¢/kwh.
- (j) Short-term customers taking the ADE rate.
- (k) Long-term customers taking the ADE rate.
- (l) Benefit deriving from the ADE rate. [(j) + (k)] x [(b) - (g)] x 10

Scenario Analysis of Proposed PSNH Rate ADE

This case represents a base case scenario. It is assumed that prices do not deviate from the rate setting forecast in June. Two different types of customer movement on and off of the ADE rate are included in the analysis; movement deriving from customers seeking short-term rates and those seeking long-term rates. Each month the analysis compares the PSNH ADE rate to 1) a monthly rate offering from 3rd party suppliers (short term) and 2) a rolling 12-month looking forward rate from 3rd party suppliers (long term). Short-term rates offered by competitive suppliers include a 0.5 ¢/kWh premium and long-term rates include a 1.0 ¢/kWh premium. This scenario indicates that "long-term" customers will steadily sign up for the ADE rate and "short-term" customers will only be interested during higher priced months.

Scenario 1 - Stable Price													
Year	Month	Energy Market Price Change (a)	PSNHCo ADE Rate (b)	Original	Updated	PSNH ADE Rate Open (f)	PSNH Monthly Cost (g)	Short-Term Competitive Supplier Rate (h)	Long-Term Competitive Supplier Rate (i)	Customers Utilizing a Short-Term Approach GWh (j)	Customers Utilizing a Long-Term Approach GWh (k)	Contribution to PSNH Fixed Costs \$(000) (l)	
				Forecasted Marginal Costs Remaining (c)	Forecast of Marginal Costs Remaining (d)								Marginal Cost Delta (e)
2012	Jul	0%	6.40	5.37	5.37	0.00	Open	4.80	5.30	6.35	0.000	0.000	0
	Aug	0%	6.40	5.43	5.43	0.00	Open	4.83	5.33	6.41	0.000	15.827	249
	Sep	0%	6.40	5.50	5.50	0.00	Open	4.59	5.09	6.46	0.000	29.607	535
	Oct	0%	6.40	5.60	5.60	0.00	Open	4.66	5.16	6.51	0.000	43.148	751
	Nov	0%	6.40	5.71	5.71	0.00	Open	4.91	5.41	6.50	0.000	56.829	844
	Dec	0%	6.40	5.82	5.82	0.00	Open	6.04	6.54	6.60	15.211	72.040	314
2013	Jan	0%	6.40	5.78	5.78	0.00	Open	6.91	7.41	6.61	15.804	87.844	(526)
	Feb	0%	6.40	5.52	5.52	0.00	Open	7.02	7.52	6.64	13.973	101.817	(723)
	Mar	0%	6.40	5.13	5.13	0.00	Open	5.92	6.42	6.67	14.342	116.159	631
	Apr	0%	6.40	4.86	4.86	0.00	Open	4.49	4.99	6.69	0.000	129.239	2,465
	May	0%	6.40	5.03	5.03	0.00	Open	4.93	5.43	6.71	0.000	142.415	2,099
	Jun	0%	6.40	5.12	5.12	0.00	Open	5.12	5.62	6.73	0.000	156.674	2,002
	Total										59.330	951.600	8,641

- Notes:
- 1) Approximately 30 MW of customers move to and from ADE based on monthly economics (short-term); and approximately 30 MW move to and from ADE based on 12-month economics (long-term).
 - 2) Analysis assumes a 0.50 ¢/kWh adder above marginal costs in short-term rates, a 1.00 ¢/kWh adder in long-term rates; and a 1.03 ¢/kWh adder above marginal costs in PSNH's ADE rate.

- (a) The percent energy market change from what was assumed at the time of the rate setting in June
- (b) The PSNH ADE Rate
- (c) PSNH's original estimate of average marginal costs for the remaining months of the rate year ending in June. For example, in December this number represents the average marginal cost December through June.
- (d) Updated marginal cost estimate based on the change in energy market prices. Used for determining the open or closed status of the ADE rate.
- (e) (c) minus (d). If the delta drops below -0.7725¢/kwh, then the rate is closed.
- (f) The availability status of ADE
- (g) PSNH's monthly marginal cost.
- (h) Competitive supplier short-term posted rate. (g) plus 0.50¢/kwh.
- (i) Competitive supplier long-term posted rate. A rolling 12-month looking forward average of marginal costs from and including the month in question, plus 1.0¢/kwh.
- (j) Short-term customers taking the ADE rate.
- (k) Long-term customers taking the ADE rate.
- (l) Benefit deriving from the ADE rate. [(j) + (k)] × [(b) - (g)] × 10

In this case energy prices in each month are 10% higher than originally forecast. Two different types of customer movement on and off of the ADE rate are included in the analysis; movement deriving from customers seeking short-term rates and those seeking long-term rates. Each month the analysis compares the PSNH ADE rate to 1) a monthly rate offering from 3rd party suppliers (short term) and 2) a rolling 12-month looking forward rate from 3rd party suppliers (long term). Short-term rates offered by competitive suppliers include a 0.5 ¢/kWh premium and long-term rates include a 1.0 ¢/kWh premium. Similar to Scenario 1, Scenario 2 shows short-term customers utilizing the ADE rate during high priced months and long-term customers steadily joining the rate.

Scenario 2 - Price Increase													
Year	Month	Energy Market Price Change (a)	Original		Updated		PSNH ADE Rate Open (f)	PSNH Monthly Cost (g)	Short-Term Competitive Supplier Rate (h)	Long-Term Competitive Supplier Rate (i)	Customers Utilizing a Short-Term Approach GWh (j)	Customers Utilizing a Long-Term Approach GWh (k)	Contribution to PSNH Fixed Costs \$(000) (l)
			PSNHCo ADE Rate (b)	Marginal Costs Remaining (c)	Marginal Costs Remaining (d)	Marginal Cost Delta (e)							
2012	Jul	10%	6.40	5.37	5.76	-0.39	Open	5.14	5.64	6.74	0.000	16.370	206
	Aug	10%	6.40	5.43	5.83	-0.40	Open	5.17	5.67	6.80	0.000	32.197	395
	Sep	10%	6.40	5.50	5.90	-0.40	Open	4.90	5.40	6.86	0.000	45.977	688
	Oct	10%	6.40	5.60	6.01	-0.41	Open	4.98	5.48	6.91	0.000	59.518	848
	Nov	10%	6.40	5.71	6.13	-0.42	Open	5.26	5.76	6.91	0.000	73.199	836
	Dec	10%	6.40	5.82	6.25	-0.44	Open	6.51	7.01	7.02	15.211	88.410	(110)
2013	Jan	10%	6.40	5.78	6.21	-0.43	Open	7.46	7.96	7.03	15.804	104.214	(1,274)
	Feb	10%	6.40	5.52	5.92	-0.40	Open	7.58	8.08	7.06	13.973	118.187	(1,557)
	Mar	10%	6.40	5.13	5.49	-0.36	Open	6.36	6.86	7.09	14.342	132.529	56
	Apr	10%	6.40	4.86	5.19	-0.33	Open	4.79	5.29	7.11	0.000	145.609	2,349
	May	10%	6.40	5.03	5.38	-0.35	Open	5.26	5.76	7.13	0.000	158.785	1,803
	Jun	10%	6.40	5.12	5.49	-0.36	Open	5.49	5.99	7.15	0.000	173.044	1,580
Total											59.330	1,148.039	5,821

- Notes:
- 1) Approximately 30 MW of customers move to and from ADE based on monthly economics (short-term); and approximately 30 MW move to and from ADE based on 12-month economics (long-term).
 - 2) Analysis assumes a 0.50 ¢/kWh adder above marginal costs in short-term rates, a 1.00 ¢/kWh adder in long-term rates; and a 1.03 ¢/kWh adder above marginal costs in PSNH's ADE rate.

- (a) The percent energy market change from what was assumed at the time of the rate setting in June
- (b) The PSNH ADE Rate
- (c) PSNH's original estimate of average marginal costs for the remaining months of the rate year ending in June. For example, in December this number represents the average marginal cost December through June.
- (d) Updated marginal cost estimate based on the change in energy market prices. Used for determining the open or closed status of the ADE rate.
- (e) (c) minus (d). If the delta drops below -0.7725¢/kwh, then the rate is closed.
- (f) The availability status of ADE
- (g) PSNH's monthly marginal cost.
- (h) Competitive supplier short-term posted rate. (g) plus 0.50¢/kwh.
- (i) Competitive supplier long-term posted rate. A rolling 12-month looking forward average of marginal costs from and including the month in question, plus 1.0¢/kwh.
- (j) Short-term customers taking the ADE rate.
- (k) Long-term customers taking the ADE rate.
- (l) Benefit deriving from the ADE rate. [(j) + (k)] x [(b) -(g)] x 10

In this case energy prices in each month are 10% lower than originally forecast. Two different types of customer movement on and off of the ADE rate are included in the analysis; movement deriving from customers seeking short-term rates and those seeking long-term rates. Each month the analysis compares the PSNH ADE rate to 1) a monthly rate offering from 3rd party suppliers (short term) and 2) a rolling 12-month looking forward rate from 3rd party suppliers (long term). Short-term rates offered by competitive suppliers include a 0.5 ¢/kWh premium and long-term rates include a 1.0 ¢/kWh premium. Similar to Scenario 1, Scenario 3 shows short-term customers utilizing the ADE rate during peak months. However, those are the only customers taking the ADE rate due to lower long-term market prices.

Scenario 3 - Price Decrease													
Year	Month	Energy Market Price Change (a)	Original Forecasted Marginal Costs		Updated Forecast of Marginal Costs		PSNH ADE Rate Open (f)	PSNH Monthly Cost (g)	Short-Term Competitive Supplier Rate (h)	Long-Term Competitive Supplier Rate (i)	Customers Utilizing a Short-Term Approach GWh (j)	Customers Utilizing a Long-Term Approach GWh (k)	Contribution to PSNH Fixed Costs \$(000) (l)
			PSNHCo ADE Rate (b)	Remaining Term (c)	Remaining Term (d)	Marginal Cost Delta (e)							
2012	Jul	-10%	6.40	5.37	4.98	0.39	Open	4.45	4.95	5.96	0.000	0.000	0
	Aug	-10%	6.40	5.43	5.03	0.40	Open	4.48	4.98	6.01	0.000	0.000	0
	Sep	-10%	6.40	5.50	5.10	0.40	Open	4.28	4.78	6.06	0.000	0.000	0
	Oct	-10%	6.40	5.60	5.18	0.41	Open	4.34	4.84	6.10	0.000	0.000	0
	Nov	-10%	6.40	5.71	5.28	0.42	Open	4.57	5.07	6.10	0.000	0.000	0
2012	Dec	-10%	6.40	5.82	5.38	0.44	Open	5.57	6.07	6.19	0.000	0.000	0
2013	Jan	-10%	6.40	5.78	5.35	0.43	Open	6.35	6.85	6.20	15.804	0.000	7
	Feb	-10%	6.40	5.52	5.12	0.40	Open	6.47	6.97	6.22	13.973	0.000	(10)
	Mar	-10%	6.40	5.13	4.77	0.36	Open	5.47	5.97	6.25	0.000	0.000	0
	Apr	-10%	6.40	4.86	4.52	0.33	Open	4.20	4.70	6.27	0.000	0.000	0
	May	-10%	6.40	5.03	4.68	0.35	Open	4.59	5.09	6.29	0.000	0.000	0
	Jun	-10%	6.40	5.12	4.76	0.36	Open	4.76	5.26	6.30	0.000	0.000	0
Total											29.777	0.000	(3)

- Notes:
- 1) Approximately 30 MW of customers move to and from ADE based on monthly economics (short-term); and approximately 30 MW move to and from ADE based on 12-month economics (long-term).
 - 2) Analysis assumes a 0.50 ¢/kWh adder above marginal costs in short-term rates, a 1.00 ¢/kWh adder in long-term rates; and a 1.03 ¢/kWh adder above marginal costs in PSNH's ADE rate.

- (a) The percent energy market change from what was assumed at the time of the rate setting in June
- (b) The PSNH ADE Rate
- (c) PSNH's original estimate of average marginal costs for the remaining months of the rate year ending in June. For example, in December this number represents the average marginal cost December through June.
- (d) Updated marginal cost estimate based on the change in energy market prices. Used for determining the open or closed status of the ADE rate.
- (e) (c) minus (d). If the delta drops below -0.7725¢/kwh, then the rate is closed.
- (f) The availability status of ADE
- (g) PSNH's monthly marginal cost.
- (h) Competitive supplier short-term posted rate. (g) plus 0.50¢/kwh.
- (i) Competitive supplier long-term posted rate. A rolling 12-month looking forward average of marginal costs from and including the month in question, plus 1.0¢/kwh.
- (j) Short-term customers taking the ADE rate.
- (k) Long-term customers taking the ADE rate.
- (l) Benefit deriving from the ADE rate. [(j) + (k)] x [(b) - (g)] x 10

In this case energy prices in each month incrementally rise an additional 5% from what was originally forecast. Two different types of customer movement on and off of the ADE rate are included in the analysis; movement deriving from customers seeking short-term rates and those seeking long-term rates. Each month the analysis compares the PSNH ADE rate to 1) a monthly rate offering from 3rd party suppliers (short term) and 2) a rolling 12-month looking forward rate from 3rd party suppliers (long term). Short-term rates offered by competitive suppliers include a 0.5 ¢/kWh premium and long-term rates include a 1.0 ¢/kWh premium. In this scenario long-term customers steadily take service from the ADE rate. However, the constant energy price increases close the rate in October and the rate stays closed until the rate is reset in January, at which time both short-term and long-term customers once again move onto the ADE rate. The rate closes again in May and June.

Scenario 4 - Continuous Price Increase													
Year	Month	Energy Market Price Change (a)	Original		Updated		PSNH ADE Rate Open (f)	PSNH Monthly Cost (g)	Short-Term Competitive Supplier Rate (h)	Long-Term Competitive Supplier Rate (i)	Customers Utilizing a Short-Term Approach GWh (j)	Customers Utilizing a Long-Term Approach GWh (k)	Contribution to PSNH Fixed Costs \$(000) (l)
			PSNHCo ADE Rate (b)	Marginal Costs Remaining (c)	Marginal Costs Remaining (d)	Marginal Cost Delta (e)							
2012	Jul	5%	6.40	5.37	5.57	-0.20	Open	4.97	5.47	6.55	0.000	16.370	234
	Aug	10%	6.40	5.43	5.83	-0.40	Open	5.17	5.67	6.80	0.000	32.197	395
	Sep	15%	6.40	5.50	6.10	-0.60	Open	5.06	5.56	7.06	0.000	45.977	617
	Oct	20%	6.40	5.60	6.42	-0.83	Closed	5.29	5.79	7.32	0.000	45.977	510
	Nov	25%	6.40	5.71	6.77	-1.06	Closed	5.77	6.27	7.52	0.000	45.977	289
	Dec	30%	6.40	5.82	7.12	-1.31	Closed	7.44	7.94	7.85	0.000	45.977	(477)
2013	Jan	35%	8.10	7.07	7.28	-0.21	Open	8.85	9.35	8.07	15.804	30.173	(345)
	Feb	40%	8.10	6.72	7.12	-0.40	Open	9.24	9.74	8.31	13.973	44.146	(665)
	Mar	45%	8.10	6.22	6.76	-0.54	Open	7.92	8.42	8.56	14.342	58.488	127
	Apr	50%	8.10	5.85	6.52	-0.67	Open	5.96	6.46	8.80	0.000	71.568	1,527
	May	55%	8.10	6.08	6.96	-0.88	Closed	6.78	7.28	9.03	0.000	71.568	938
	Jun	60%	8.10	6.22	7.31	-1.09	Closed	7.31	7.81	9.27	0.000	71.568	562
Total											44.119	579.984	3,712

- Notes:
- 1) Approximately 30 MW of customers move to and from ADE based on monthly economics (short-term); and approximately 30 MW move to and from ADE based on 12-month economics (long-term).
 - 2) Analysis assumes a 0.50 ¢/kWh adder above marginal costs in short-term rates, a 1.00 ¢/kWh adder in long-term rates; and a 1.03 ¢/kWh adder above marginal costs in PSNH's ADE rate.

- (a) The percent energy market change from what was assumed at the time of the rate setting in June
- (b) The PSNH ADE Rate
- (c) PSNH's original estimate of average marginal costs for the remaining months of the rate year ending in June. For example, in December this number represents the average marginal cost December through June.
- (d) Updated marginal cost estimate based on the change in energy market prices. Used for determining the open or closed status of the ADE rate.
- (e) (c) minus (d). If the delta drops below -0.7725¢/kwh, then the rate is closed.
- (f) The availability status of ADE
- (g) PSNH's monthly marginal cost.
- (h) Competitive supplier short-term posted rate. (g) plus 0.50¢/kwh.
- (i) Competitive supplier long-term posted rate. A rolling 12-month looking forward average of marginal costs from and including the month in question, plus 1.00¢/kwh.
- (j) Short-term customers taking the ADE rate.
- (k) Long-term customers taking the ADE rate.
- (l) Benefit deriving from the ADE rate. [(j) + (k)] x [(b) -(g)] x 10

In this case each month incrementally falls an additional 5% from what was originally forecast. Two different types of customer movement on and off of the ADE rate are included in the analysis; movement deriving from customers seeking short-term rates and those seeking long-term rates. Each month the analysis compares the PSNH ADE rate to 1) a monthly rate offering from 3rd party suppliers (short term) and 2) a rolling 12-month looking forward rate from 3rd party suppliers (long term). Short-term rates offered by competitive suppliers include a 0.5 ¢/kWh premium and long-term rates include a 1.0 ¢/kWh premium. In this scenario the rate always stays open, but because of falling prices no customers take the rate. This analysis did not assume that PSNH would reset the rate in a falling market. However, it is possible that PSNH would reset the rate under this scenario.

Scenario 5 - Continuous Price Decrease													
Year	Month	Energy Market Price Change (a)	Original Forecasted Marginal		Updated Forecast of Marginal		PSNH ADE Rate (f)	PSNH Monthly Cost (g)	Short-Term Competitive Supplier Rate (h)	Long-Term Competitive Supplier Rate (i)	Customers Utilizing a Short-Term Approach GWh (j)	Customers Utilizing a Long-Term Approach GWh (k)	Contribution to PSNH Fixed Costs \$(000) (l)
			PSNHCo ADE Rate (b)	Costs Remaining (c)	Costs Remaining (d)	Cost Delta (e)							
2012	Jul	-5%	6.40	5.37	5.17	0.20	Open	4.62	5.12	6.16	0.000	0.000	0
	Aug	-10%	6.40	5.43	5.03	0.40	Open	4.48	4.98	6.01	0.000	0.000	0
	Sep	-15%	6.40	5.50	4.89	0.60	Open	4.13	4.63	5.86	0.000	0.000	0
	Oct	-20%	6.40	5.60	4.77	0.83	Open	4.03	4.53	5.70	0.000	0.000	0
	Nov	-25%	6.40	5.71	4.65	1.06	Open	4.06	4.56	5.49	0.000	0.000	0
	Dec	-30%	6.40	5.82	4.51	1.31	Open	4.64	5.14	5.36	0.000	0.000	0
2013	Jan	-35%	6.40	5.78	4.27	1.50	Open	4.97	5.47	5.16	0.000	0.000	0
	Feb	-40%	6.40	5.52	3.91	1.61	Open	4.81	5.31	4.97	0.000	0.000	0
	Mar	-45%	6.40	5.13	3.50	1.63	Open	3.91	4.41	4.78	0.000	0.000	0
	Apr	-50%	6.40	4.86	3.19	1.67	Open	3.02	3.52	4.58	0.000	0.000	0
	May	-55%	6.40	5.03	3.09	1.93	Open	3.07	3.57	4.38	0.000	0.000	0
	Jun	-60%	6.40	5.12	2.93	2.19	Open	2.93	3.43	4.18	0.000	0.000	0
Total											0.000	0.000	0

Notes:

- 1) Approximately 30 MW of customers move to and from ADE based on monthly economics (short-term); and approximately 30 MW move to and from ADE based on 12-month economics (long-term).
- 2) Analysis assumes a 0.50 ¢/kWh adder above marginal costs in short-term rates, a 1.00 ¢/kWh adder in long-term rates; and a 1.03 ¢/kWh adder above marginal costs in PSNH's ADE rate.

- (a) The percent energy market change from what was assumed at the time of the rate setting in June
- (b) The PSNH ADE Rate
- (c) PSNH's original estimate of average marginal costs for the remaining months of the rate year ending in June. For example, in December this number represents the average marginal cost December through June.
- (d) Updated marginal cost estimate based on the change in energy market prices. Used for determining the open or closed status of the ADE rate.
- (e) (c) minus (d). If the delta drops below -0.7725¢/kwh, then the rate is closed.
- (f) The availability status of ADE
- (g) PSNH's monthly marginal cost.
- (h) Competitive supplier short-term posted rate. (g) plus 0.50¢/kwh.
- (i) Competitive supplier long-term posted rate. A rolling 12-month looking forward average of marginal costs from and including the month in question, plus 1.0¢/kwh.
- (j) Short-term customers taking the ADE rate.
- (k) Long-term customers taking the ADE rate.
- (l) Benefit deriving from the ADE rate. [(j) + (k)] x [(b) - (g)] x 10

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
2012 ALTERNATE ENERGY SERVICE RATE CALCULATION
(Dollars in 000's)

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Summary of Forecasted Alternate Energy Service			
Cost For January 2012 Through December 2012			Reference
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Scrubber Cost			
Merrimack Scrubber Depreciation Expense	\$	14,544	Page 2
Merrimack Scrubber Property Tax Expense		288	Page 2
Merrimack Scrubber Return on Rate Base		<u>35,740</u>	Page 3
Total Forecasted Merrimack Scrubber Non-Operating Cost	\$	50,572	
Forecasted Retail MWh Sales		<u>4,922,142</u>	MWh
Forecasted Energy Service Merrimack Scrubber Rate Impact			
cents Per KWH (Line 19 / Line 25)		1.03	¢/kWh
Marginal Cost			
Marginal Cost of Serving Energy Service		<u>5.37</u>	¢/kWh Attachment 6
Alternate Default Energy Service Rate ADE		6.40	¢/kWh

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
2012 ENERGY SERVICE RATE CALCULATION
MERRIMACK SCRUBBER DEPRECIATION AND PROPERTY TAXES
JULY 2012 - JUNE 2013
(Dollars in 000's)

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	July 2012 Estimate	August 2012 Estimate	September 2012 Estimate	October 2012 Estimate	November 2012 Estimate	December 2012 Estimate	January 2013 Estimate	February 2013 Estimate	March 2013 Estimate	April 2013 Estimate	May 2013 Estimate	June 2013 Estimate	Total
Merrimack Scrubber Depreciation & Property Taxes													
Merrimack Scrubber Depreciation Cost	1,203	1,203	1,203	1,215	1,215	1,215	1,215	1,215	1,215	1,215	1,215	1,215	14,544
Merrimack Scrubber Property Taxes (1)	24	24	24	24	24	24	24	24	24	24	24	24	288
Total Merrimack Scrubber Depreciation and Property Taxes	\$ 1,227	\$ 1,227	\$ 1,227	\$ 1,239	\$ 1,239	\$ 1,239	\$ 1,239	\$ 1,239	\$ 1,239	\$ 1,239	\$ 1,239	\$ 1,239	\$ 14,832

(1) Merrimack Scrubber related property tax impact represents the projection of the non-exempt portion of the project

Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
ENERGY SERVICE RATE CALCULATION
MERRIMACK SCRUBBER RETURN ON RATE BASE
JULY 2012 - JUNE 2013
(Dollars in 000's)

	July 2012 Estimate	August 2012 Estimate	September 2012 Estimate	October 2012 Estimate	November 2012 Estimate	December 2012 Estimate	January 2013 Estimate	February 2013 Estimate	March 2013 Estimate	April 2013 Estimate	May 2013 Estimate	June 2013 Estimate	Total
Merrimack Scrubber													
Return on Rate Base													
Rate base													
Net Plant	\$ 384,148	\$ 382,945	\$ 383,742	\$ 382,527	\$ 381,312	\$ 383,097	\$ 381,882	\$ 380,667	\$ 381,452	\$ 380,237	\$ 379,022	\$ 377,807	
Working Capital Allow. (45 days of O&M)	505	505	505	505	505	505	505	505	505	505	505	505	
Deferred Taxes	(49,632)	(55,874)	(56,029)	(54,224)	(57,333)	(61,906)	(61,906)	(61,906)	(61,906)	(61,906)	(61,906)	(61,906)	
Total Rate Base (L15 thru L18)	335,021	327,576	328,218	328,808	324,484	321,696	320,481	319,266	320,051	318,836	317,621	316,406	
Average Rate Base (prev + curr month)	337,880	331,299	327,897	328,513	326,646	323,090	321,089	319,874	319,659	319,444	318,229	317,014	
x Return	0.9186%	0.9186%	0.9186%	0.9186%	0.9186%	0.9186%	0.9186%	0.9186%	0.9186%	0.9186%	0.9186%	0.9186%	
Merrimack Scrubber Return (L21 x L22)	\$ 3,104	\$ 3,043	\$ 3,012	\$ 3,018	\$ 3,001	\$ 2,968	\$ 2,950	\$ 2,938	\$ 2,936	\$ 2,934	\$ 2,923	\$ 2,912	\$ 35,740

Amounts shown above may not add due to rounding.

PSNH Rate ADE Proposal - Docket DE 11-216
Marginal Cost to Serve Incremental Sales - July, 2012 to June, 2013

	<u>MWh</u>	<u>c/kWh</u>	<u>Notes</u>
Sales Increment	769,085		(1)
<u>Marginal Costs to Serve Incremental Sales:</u>			(2)
	<u>\$(000)</u>		
Energy	\$ 30,191	3.93	(3)
Capacity	7,455	0.97	(4)
Ancillaries	129	0.02	(5)
RPS	3,155	0.41	(6)
ISO Expenses	<u>358</u>	0.05	
Total	\$ 41,288		
	<u>¢/kWh</u>		
Marginal cost to serve incremental sales	5.37	5.37	(7)

Notes:

- 1) The incremental annual peak at the meter is 157 MW.
- 2) Marginal costs are consistent with the modeling and assumptions used in PSNH's May, 2012 ES rate filing in Docket DE 11-215.
- 3) As per note 2), based on NYMEX 4/16/12 forward energy market prices.
- 4) Forecasted costs associated with 2,526 MW-months of capacity in ISO-NE's forward capacity market.
- 5) Ancillaries include regulation, reserves, and ARR revenues.
- 6) Based on July, 2012 thru June, 2013 REC volume requirements and price quotations.
- 7) The marginal cost does not include any costs/adders for the coverage of risk or for profit.