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Request from: Public Utilities Regulatory Authority

Question:

Provide an illustrative example of the CTA exhibit spreadsheet showing forecast amounts the Company intends to file in an over-recovery and an under-recovery scenario

Response:

Please refer to LFE-004 Attachment 1 for the estimated initial RRB charge calculation and hypothetical examples of the first true-up filing in scenarios if there were: (a) an over-collection of funds during the initial collection period and (b) an under-collection of funds during the initial collection period.

The initial RRB charge calculation provides the assumptions and calculation resulting in the estimated initial RRB charges that were provided in the Eversource Regulatory Testimony (Table 4 of Exhibit CLP-Regulatory-1).

For the first hypothetical example showing the over-collection of funds scenario, the Company assumed that in the prior remittance period, collections were 2 percent higher than the forecast resulting in funds remitted throughout the period to be $1,333,987 more than was needed to pay the principal, interest and expenses on the debt service payment date. In this case, the $1,333,987 of "over-collected" funds would have been transferred to the Excess Funds Subaccount and used to lower the RRB charge in the hypothetical true-up filing.

For the second hypothetical example showing the under-collection of funds scenario, the Company assumed that in the prior remittance period, collections were 2 percent lower than the forecast resulting in funds remitted throughout the period to be $1,333,987 less than was needed to pay the principal, interest and expenses on the debt service payment date. In this case, $1,333,987 is assumed to be withdrawn from the Capital Subaccount to make the full debt service payment. In calculating the new charge, the $1,333,987 withdrawn from the Capital Subaccount would need to be replenished and as a result, will increase the RRB charge in the hypothetical true-up filing.

For both hypothetical true-up scenarios, all inputs (other than changes in the Excess Funds and Capital Subaccounts as described above) were unchanged from the initial charge calculation (i.e., bond payment due, forecasted kWh forecast, and ongoing expenses) in order to isolate the impact of the over/under collections on the RRB charge.

Please refer to LFE-004 Attachment 2 for the latest True-Up filing for PSNH Funding LLC 3 as an example of an actual true-up filing.