

**THE STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 09-094

ORDER OF NOTICE

On May 15, 2009, Granite State Electric Company d/b/a National Grid (“National Grid” or “Company”) filed with the Commission its fiscal year 2009 (April 1, 2008 to May 31, 2009) annual reliability enhancement plan (“REP”) and vegetation management plan (“VMP”) results and reconciliation report pursuant to the terms of the National Grid/KeySpan merger settlement agreement approved by the Commission in Docket No. DG 06-107. *See* Order No. 24,777 (July 12, 2007). With its petition, National Grid filed supporting testimony and related exhibits.

As required by the settlement agreement, the report contained: (1) a report on actual spending on operating and maintenance (“O&M”) for fiscal year 2009, including an explanation of differences from the budget submitted to Staff on February 15, 2008; (2) a request for recovery of \$113,832 in O&M expenses, to be included in rates effective July 1, 2009; (3) a request for a capital investment allowance of \$75,740; and (4) calendar year 2008 reliability performance results. On June 30, 2009, Staff filed a letter with the Commission requesting on behalf of National Grid a revision to the effective date for the rate adjustment to August 1, 2009.

As stated in its filing, National Grid, in consultation with Staff, budgeted \$1,473,832 in O&M expenses for fiscal year 2009; its actual expenditures totaled \$1,477,916. Pursuant to the terms of the settlement agreement approved by Commission Order No. 24,777, the expenses of implementing the O&M requirements of the REP and VMP would be reconciled to the “base” amount of \$1,360,000. *See* Order at 17. In accordance with that agreement, National Grid now

seeks to recover as an adjustment to customer rates the \$113,832 it budgeted over the base amount.

With respect to its capital investments, National Grid stated that its allowance for capital expenditures for fiscal year 2009 was \$500,000 and that it actually spent \$543,229. The Company seeks to recover in its rates the revenue requirement associated with capital expenditures of \$500,000, or \$75,740.

National Grid testified that the capital investment allowance revenue requirement translates to an increase of 0.36% to base distribution rates, while the O&M expense adjustment translates to a proposed REP/VMP Adjustment Factor of \$0.00012 per kilowatt-hour. The Company also said that that the bill impact on a typical residential 500 kilowatt-hour default service customer would be an increase of \$0.11, or 0.2%, from \$63.88 to \$63.99 per month. For a residential default service customer using 656 kilowatt-hours per month (the average monthly usage over the twelve months ending April 2009), the monthly increase would be \$0.16, or 0.2%, from \$84.45 to \$84.61. For other customers, the increases would range from 0.1% to 0.2%.

The filing raises, inter alia, issues related to whether National Grid's filing conforms to the requirements of the merger settlement agreement, whether National Grid has appropriately accounted for the costs of its reliability enhancement and vegetation management programs, and whether the resulting rates are just and reasonable as required by RSA 378:5 and 378:8. Each party has the right to have an attorney represent them at their own expense.

Based upon the foregoing, it is hereby

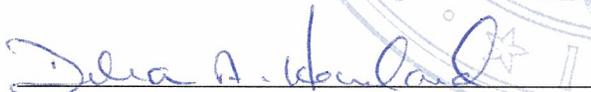
ORDERED, that a hearing, pursuant to N.H. Admin. Rules Puc 203, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on July 16, 2009 at 1:30 p.m.; and it is

FURTHER ORDERED, that pursuant to N.H. Admin. Rules Puc 203.12, National Grid shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than July 9, 2009, in a newspaper with general circulation in those portions of the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before July 16, 2009; and it is

FURTHER ORDERED, that pursuant to N.H. Admin. Rules Puc 203.17, any party seeking to intervene in the proceeding shall submit to the Commission seven copies of a Petition to Intervene with copies sent to National Grid and the Office of the Consumer Advocate on or before July 13, 2009, such Petition stating the facts demonstrating how its rights, duties, privileges, immunities or other substantial interest may be affected by the proceeding, as required by N.H. Admin. Rule Puc 203.17 and RSA 541-A:32,I(b); and it is

FURTHER ORDERED, that any party objecting to a Petition to Intervene make said Objection on or before July 16, 2009.

By order of the Public Utilities Commission of New Hampshire this sixth day of July, 2009.


Debra A. Howland
Executive Director

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability, should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.