Report on the Second Twelve Months of the GreenUp Report for the 12 months ended July 31, 2012

I. Introduction

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In Order No. 25,101, issued May 7, 2010, the New Hampshire Public Utilities Commission (the "Commission") approved a settlement agreement (the "Settlement Agreement") by and among Granite State Electric Company d/b/a National Grid ("Granite State")¹, the Office of Consumer Advocate ("OCA"), and the Commission Staff ("Staff") relative to Granite State's request for approval of its GreenUp Service proposal. The Settlement Agreement and Order No. 25,101 require Granite State to file a report with the Commission within sixty days after GreenUp has been in effect for twelve months detailing program participation by customer class; disclosing whether any renewable energy certificates ("RECs") purchased by GreenUp suppliers were ineligible under RSA 362-F:6, III; and providing all incremental administrative, marketing and promotion costs associated with the GreenUp program. This report was submitted on August 24, 2011.

The Staff of the Commission held a meeting on January 6, 2012 to discuss the success and direction of GreenUp. At that meeting, Staff indicated that 12 months was not a sufficient amount of time to evaluate the renewable energy service options of Granite State and the other electric utilities and requested that the companies provide reports on the second year of the program. Staff recommended the utilities submit another report after year two of the renewable energy service program. The following consists of Granite State's second year report.

II. Program Participation by Customer Class

As demonstrated in the table below, forty customers enrolled in GreenUp in its second year, and nine customers terminated their participation with a current participation total of 128 customers. There were three (3) enrollments in the commercial customer class, thirty (30) enrollments in the residential customer class, and seven (7) enrollments in the residential-heat

¹ On July 3, 2012, Liberty Energy Utilities (New Hampshire) Corp. purchased the stock of Granite State Electric Company from National Grid USA. Granite State Electric Company is now referred to as Granite State Electric Company d/b/a Liberty Utilities.

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customer class. The nine customers who terminated their participation were all residential customers.

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Month	Year	Commercial	Residential	Residential Heat	Residential
June Total	2011	4	70	14	2
July	2011				
August	2011	2	17	4	
September	2011	1	9		
October	2011		4	2	
November	2011			1	
December	2011				3
January	2012				
February	2012				2
March	2012				
April	2012				1
May	2012	-			
June	2012				3
Total for Year 2		3	30	7	9
Total		7	100	21	11

III. Eligibility of RECs Purchased by GreenUp Suppliers Under RSA 362-F:6, III

Three hundred and eleven (311) RECs provided by GreenUp suppliers and transferred to Granite State during the 2011 NEPOOL Generation Information System (NEPOOL-GIS) Trading Period came from renewable energy sources not designated as New Hampshire eligible renewable sources pursuant to RSA 362-F:6, III. However, all of these RECs are attributable to renewable energy sources that would qualify to receive RECs under RSA chapter 362-F, and as such they are appropriate for use in connection with GreenUp. *See* RSA 374-F:3, V(f)(l), (2), (4). A copy of the NEPOOL-GIS Reports for these certificates is attached hereto as Exhibit A. A summary of the number of RECs provided by GreenUp suppliers, the resource type and location is provided below:

Fuel Type	State	Number of RECs
Hydroelectric / Hydropower	VT	52
Landfill Gas	NY	12
Solar Photovoltaic	MA	27
Wind	MA	202
Wind	ME	6
Wind	QC	12
Total		311

IV. Incremental Administrative, Marketing and Promotional Costs

Granite State did not incur any incremental marketing or promotional costs in year two of the GreenUp Program. Granite State continued to market GreenUp by providing a dedicated webpage for GreenUp on its website:

http://www.nationalgridus.com/masselectric/home/energychoice/3 renewable.asp.²

As directed by Staff at the January 6, 2012 meeting, Granite State reached out to the existing approved GreenUp Suppliers to inquire if they were interested in sending out a bill insert. Granite State did not receive a response from any of the approved GreenUp suppliers. GreenUp was featured in the *Energy in Action* print newsletter that was inserted with Massachusetts, New Hampshire, and Rhode Island residential electric customers' bills in September and October 2011. A copy of the newsletter is attached as Exhibit B. In its next customer newsletter *News for our Electric Customers*, Granite State will include information on the GreenUp program, encouraging customers who are interested in supporting renewable resources to sign up with one of the two GreenUp suppliers. A copy of the newsletter is attached as Exhibit C.

Granite State's GreenUp administrative costs for the second twelve months of the program were related to responses to supplier inquiries regarding customer participation, preparation of monthly emails to suppliers regarding customer participation, and assistance with GreenUp reporting. In sum, Granite State incurred administrative costs of \$1,762.50 representing 23.5 hours of work.

² The GreenUp Program can now be found at http://libertyutilities.com/east/electricity/my_home/green_up.html

V. Conclusion

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In year two of GreenUp, Granite State saw the number of customers participating in the program increase by over 50% with only minimal administrative costs. Granite State also continued to market the program and plans to market the program in the future.

EXHIBIT A COMPANY CONFIDENTIAL

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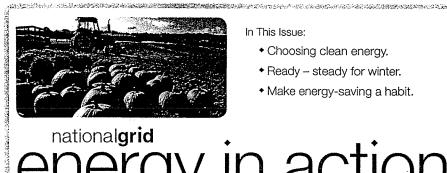
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september/october 2011

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Choosing clean energy technology.

Electricity is commonly made by burning coal, oil or gas. These are non-renewable resources. Renewable sources of electricity include wind, solar energy and hydro power.

National Grid is a utility that delivers electricity – we don't generate the electricity.

The default electricity that we transmit to homes and businesses is the least expensive possible and may include non-renewable and renewable energy sources. But you can choose to buy purely renewable energy through our **GreenUpSM** program.

GreenUpSM offers you a choice of different providers who generate electricity using renewable sources that are less damaging to the environment. Unfortunately, they are also more expensive.

There are a number of reasons for the added cost. Factors that raise prices include renewable sources using relatively new technologies, the smaller scales of production and fewer subsidies than non-renewable producers get from the federal government.

If you decide you'd prefer renewable energy you need to sign up. National Grid will still be responsible for safely delivering your electricity, providing customer service and responding to emergencies.

for our electric customers

For a typical home and depending on the provider you choose, your rates may increase by \$22 extra or more per month. Your **GreenUpSM** portion of the bill goes entirely to supporting the development of renewable energy as a clean alternative.

Please visit **nationalgridus.com**/ **greenup/eia** for more information.



Ready - steady for winter.

- Remove window air conditioners or cover them to reduce drafts.
- · Clear chimneys and flue vents. Call a professional if you can't do that yourself.
- Make sure your gas appliances and space heaters are in proper working order.
- Check that the exhaust and air intake vents of appliances are not blocked. These vents are located on the roof and on the outside foundation walls.
- Seal any holes or cracks that let cold air inside.
- Caulk around windows and replace any broken panes on storm doors and windows.
- + Check insulation in your attic and add insulation if needed.

TTY for deaf and speech-disabled customers.

People who use text telephones can call us about service, billing or to report an emergency. **Dial 711** for the *Relay Service* and they will contact National Grid's Customer Service.

Electric Emergency: 1-800-465-1212 24 hrs/day • 7 days/week • 365 days/yr





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Let's connect for money-saving tips, rebates and special promotions. When you provide us with your email address, we can share information that can help you save on your monthly energy bills. Visit **nationalgridus.com/connecttoday** to sign up.

Making energy-saving a habit.

It never hurts to save resources when you can. And to save your money too. Because the less energy you use, the less you pay for.

Saving energy is also the right thing to do for cutting down on carbon emissions and supporting a cleaner environment.

Today, energy is very easy to access and take for granted. We've spent billions to develop and create a safe, reliable power system. Need light, heat or power? Just flip a switch.

But people are beginning to realize that convenience comes with a price. For instance, most appliances are on permanent standby, plugged-in and draining electricity for instant-on satisfaction.

That's why we ask our customers to unplug devices they aren't immediately using. Or buy a power strip that turns off an entire entertainment center with one switch. We have those for sale online at **powerofaction.com.**

What makes energy efficiency work effectively, day in and day out, is consistency and getting in the habit of doing simple energy-saving actions.



Like turning off the lights when you leave a room. And using your windows and shades to help regulate heat, light and air flow in your home. 100

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Of course, National Grid is offering energy efficiency programs and valuable rebates throughout the year. Including home energy check-ups by a certified Energy Specialist. Find out about these programs through this newsletter, by signing up for emails at **nationalgridus.com/connecttoday** or by visiting our website at **powerofaction.com.**

But remember that you play the most important part in saving energy by using less energy whenever you can.

Save up to \$50 using more efficient light bulbs.

National Grid offers discounted pricing on energy-saving ENERGY STAR[®] qualified compact fluorescent light bulbs. They use 75% less energy, produce the same amount of light and last up to 10 times longer than standard incandescent bulbs. That can add up to \$50 in savings over the lifetime of the bulb.



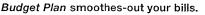
For more information, please visit **powerofaction.com/ma/lightingeia** if you live in Massachusetts, **powerofaction.com/nh/lightingeia** if you live in New Hampshire or **powerofaction.com/ri/lightingeia** if you live in Rhode Island.

You must be a National Grid residential electric customer to qualify.

Pay an easier way.

Paperless Billing quick as a click.

Get an email each month when your energy bill is ready. Go online, print your bill and send us a check. Or you can choose to pay online, too.





With Budget Plan you are billed the same amount each month. Adjustments are made every few months (up or down) to reflect your energy usage.

This is an important notice. Please have it translated.

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Это очень яконое свобщение. Для Ножиріста, попросите чтобы Бар вам его перевеля.

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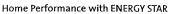
Protection



News For Our Electric Customers

Seasonal Advice for Fall and Winter

Stay warm and save energy at the same time! Follow these tips to use energy more efficiently and better control your heating costs.



Receive up to \$4,000 in services for qualified electric efficiency improvements!

An in-home energy audit is the first step in making your home more efficient. An audit will evaluate your home's characteristics and energy usage and provide recommendations on ways you can improve efficiency and save money. There is a \$100 fee for this service, which includes diagnostic testing for air and duct leakage using a blower door (\$100 audit fee is reimbursed if you move forward with weatherization recommendations). This program is available to customers with an average electric use of 30 kWh per day or more.

Incentives are offered to replace inefficient lighting and refrigerators and to add insulation in electricallyheated homes. Zero interest financing available for ENERGY STAR appliances and heating systems; as well as for recommended insulation and air sealing in oil or propane heated homes.

Call 1 (866) 691–1707 for more information. See libertyutilities.com/efficiency for details.

Tune up for efficiency

- Maintain your heating system's efficiency by having it serviced once every two years by a professional.
- Have your chimney flue, space heaters, water heater and fireplace checked.
- If your heating system has a filter, clean or replace it every month during the heating season.
- Your furnace or boiler needs air to work properly (and efficiently). Don't close it off with walls, items in storage or other obstructions.
- Turn down for savings

For every 1°F

you set your thermostat back, you can save one to three percent on your annual heating costs.



- Turn down the thermostat every time you leave the house for two or more hours, and every night before you go to bed. It takes less energy to warm up a cool house than to maintain a warm temperature all day and night.
- Install an automatic setback programmable thermostat to maintain comfort and cut heating costs.
- Wear layers of clothing to keep yourself warmer while keeping the thermostat down.
- Open drapes during the day to capture the sun's warmth and close them at night to prevent heat loss through windows.

Seal air leaks and add insulation

Insulate and air seal your attic, walls, ceilings and floors to prevent heat escaping to the outdoors.
Have a blower door test conducted on your home to ensure you only reduce air flow to the level that will maintain a healthy in-door air quality.
Caulk windows and adhere weather stripping around door frames and replace any broken panes

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- on storm doors and windows. • Shut off heat to unused rooms that can be closed
- off from the main area of the home and closing the fireplace damper when it's not in use.
- Remove window air conditioning units during the cold months to reduce drafts. If this isn't possible, cover the inside and outside of unit with plastic.
 Take advantage of the Home Performance with ENERGY STAR program described above.

Upgrade light bulbs

• Energy-saving compact florescent (CFL) bulbs and LED bulbs use about 75% less energy and last over 8 times longer than traditional incandescents. They also provide the choices in color and light levels you've come to expect. See nhsaves.com for a discount lighting catalog and additional lighting tips. Look for rebates on CFL and LED bulbs in local stores.

 Upgrading 15 of the inefficient incandescent light bulbs in your home could save you about \$90 per year. You will save about \$6 in energy costs each year if you replace just one traditional 100 watt incandescent with an 25 watt ENERGY STAR CFL.*

* Savings based on 2 hours per day usage and 11 cents/kWh energy cost

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To report an electric emergency, call 1–800–465–1212. For customer service, please contact us at 1–800–375–7413.

Budget Plan

The Budget plan averages out the cost of your monthly payments and spreads your projected annual electric usage cost into 12 "balanced" monthly payments.

- You pay for the exact amount of electricity used annually.
- We look at your usage every six months to ensure your monthly payment still reflects your actual consumption.
- We make adjustments as needed so there are no surprises at the end of the year.
 You can enroll as long as your account is current with no outstanding balance.

The Budget plan also gives you the same convenient payment options you currently enjoy as a Liberty Utilities customer – including the option to sign up for our popular automatic payments program.

Residential customers, did you know that you can pay your Liberty Utilities bill in person at these locations?

Rick's Electric: 177 Main Street, Charlestown NH

Hannaford Supermarkets: 35 Manchester Road, Unit 28, Derry NH Hannaford Supermarkets: 1425 Lakeshore Road, Unit D, Gilford NH TA #211 Greenland: 108 Ocean Road, Greenland NH Shaw's Supermarkets: 92 Cluff Crossing Road, Salem NH

Neighbor Helping Neighbor neighbor∩

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The Neighbor Helping Neighbor Fund (NHN) was established to help New Hampshire's working poor, elderly, handicapped, and others in financial crisis, who do not qualify for other fuel assistance and have received a disconnect notice from their electric or natural gas company. Since 1992, more than 1,100 families have been helped each year. If you are interested in making a donation to the fund, please submit in the enclosed envelope. Thank you!

Safely Using an Electric Space Heater

Electric space heaters can be one of the safest and efficient forms of complementary heating as long as some simple commonsense steps are taken:

- When you buy an electric space heater, make sure it has a safety switch that will shut it off if it is tipped over.
- Plug heaters directly into a socket and do not use extension cords.
- Ensure that the heater is in a safe place and not likely to be knocked over.
- Do not place heaters too close to someone, however tempting this may seem. One of the most common causes of injury in the house is burns caused by a space heater.
- Consider replacing old heaters. These will be inefficient to run and may not have thermostats, meaning that they may overheat.
- Place the heater away from curtains and drapes. Do not cover the heater with clothes or other materials.

GreenUp Program

Enroll in GreenUp and purchase a product from one of the participating GreenUp renewable energy companies to:

- Support the development and generation of renewable energy (wind, solar, biomass, and/or
- hydro) locally.
- Help offset the environmental impact of producing electricity from fossil fuels.

To enroll, please contact one of the providers below. Community Energy Telephone: 1–866–WIND–123 Website: NewWindEnergy.com

Sterling Planet Telephone: 1–877–457–2306 Website: sterlingplanet.com



