

nationalgrid

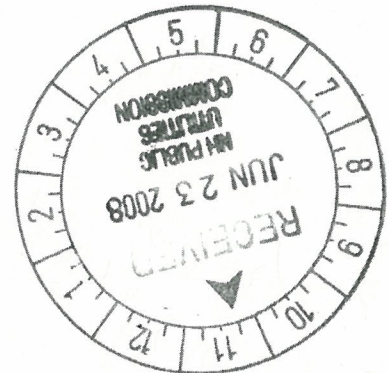
**CONFIDENTIAL
MATERIAL
IN COMM FILE**

Alexandra E. Blackmore
Counsel

June 20, 2008

VIA OVERNIGHT & ELECTRONIC MAIL

Ms. Debra A. Howland
Executive Director and Secretary
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301-2429



Re: DE 08-011; Revisions to RPS Adder - Exhibit 10

Dear Ms. Howland:

At the hearing on June 18, 2008 in the above-captioned docket, Granite State Electric Company d/b/a National Grid ("National Grid" or "Company") and Staff agreed to revise the renewable portfolio standard ("RPS") adder to be included in the most recent default service rates for the Large Customer Group, and in future default services rate filings for both the Small Customer Group and Large Customer Group, until such time as a market has developed for NH renewable energy certificates ("RECs"). The Commission reserved Exhibit 10 for revisions to the Company's RPS adder included in its June 16, 2008 default service filing. Please note that both a confidential and non-confidential version of Revised Schedule JDW-6 to the testimony of John D. Warshaw are provided in Exhibit 10. Please keep the confidential version of Revised Schedule JDW-6 confidential pursuant to the motion for confidential treatment filed on June 16, 2008.

Although there is some uncertainty as to what the actual price of RECs will be for class IV renewable resources, there is presently no market for class IV RECs in NH. Therefore, the Company has agreed with Staff to revise its RPS adder to use the alternative compliance payment of \$29.20 per MWh as a proxy for class IV RECs.

Thank you very much for your time and attention to this filing. If you have any questions, please feel free to contact me at (781) 907-1849.

Very truly yours,

Alexandra E. Blackmore

Alexandra E. Blackmore

Enclosures

cc: Meredith A. Hatfield, Esq.
Service List (via electronic mail)

ORIGINAL	
N.H.P.U.C. Case No.	DE 08-011
Exhibit No.	#10
Witness	Panel 1
DO NOT REMOVE FROM FILE	

Granite State Electric Company d/b/a National Grid
Docket No. DE 08-011
Witness: J. D. Warshaw

Revised SCHEDULE JDW – 5

Renewable Portfolio Adder

Section 1: Calculation of Class III Renewable Energy Resource Charge

(1) Compliance Year 2008 Class III Alternative Compliance Payment	\$29.20
(2) 2008 RPS Class III Renewable Energy Resource Obligation	3.50%
(3) Incremental Cost - \$/MWh	\$1.02

Section 2: Calculation of Class IV Renewable Energy Resource Charge

(4) Compliance Year 2008 Class IV Alternative Compliance Payment	\$29.20
(5) 2008 RPS Class IV Renewable Energy Resource Obligation	0.50%
(6) Incremental Cost - \$/MWh	\$0.15

Section 3: Calculation of Renewable Portfolio Standard Adder

(7) Sum of Class III and Class IV Incremental Costs - \$/MWh	\$1.17
(8) Renewable Portfolio Standard Adder to be included in Retail Rates - ¢/kWh	0.123

- (1) Class III Alternative Compliance Payment as issued on January 31, 2008 by the New Hampshire Public Utilities Commission.
- (2) From 362-F:3 of NH RPS legislation
- (3) Line (1) times Line (2)
- (4) Class IV Alternative Compliance Payment as issued on January 31, 2008 by the New Hampshire Public Utilities Commission.
- (5) From 362-F:3 of NH RPS legislation
- (6) Line (4) times Line (5)
- (7) Line (3) plus Line (5)
- (8) Line (7) times 1.053 (average NH loss factor for 12 month period ending July 2007) divided by 10 to convert from \$/MWh to ¢/kWh.

Granite State Electric Company d/b/a National Grid
Docket No. DE 08-011
Witness: J. D. Warshaw

Revised SCHEDULE JDW – 6
Summary of Large Customer Group
Default Service Rates

Granite State Electric Company
Summary of Proposed Default Service Rates

		Medium and Large C&I		
		<u>August</u>	<u>September</u>	<u>October</u>
(1)	Base Default Service Rate	\$0.14666	\$0.13354	\$0.13461
(2)	2008 Default Service Reconciliation Adjustment Factor (\$/kWh)	\$0.00009	\$0.00009	\$0.00009
(3)	Default Service Cost Reclassification Adjustment Factor (\$/kWh)	\$0.00032	\$0.00032	\$0.00032
(4)	2008 Renewable Portfolio Standard Adder (\$/kWh)	\$0.00123	\$0.00123	\$0.00123
(5)	Total Default Service Rate	\$0.14830	\$0.13518	\$0.13625

- (1) Wholesale Contractor Price adjusted for losses
- (2) Current approved 2008 Default Service Adjustment Factor (Effective for usage on and after May 1, 2008)
- (3) Current approved Default Service Reclassification Adjustment Factor (Effective for usage on and after May 1, 2008), recovers the costs associated with unbundling of Default Service related administrative costs
- (4) Schedule JDW-5, Revised
- (5) Line (1) + Line (2) + Line (3) + Line (4)

Granite State Electric Company d/b/a National Grid
Docket No. DE 08-011
Witness: J. D. Warshaw

Revised SCHEDULE JDW – 7

Typical Bill Impacts

Granite State Electric Company
 Proposed August 1, 2008 Default Service Rates
 Calculation of Monthly Typical Bill
 Impact on Rate G-1 Default Service Customers

Hours Use kWh Split
 250 On-Peak 60.00%
 Off-Peak 40.00%

kW	Monthly kWh	On-Peak kWh	Off-Peak kWh	(1)			(2)			(1) vs (2)	
				Total	Present Rates Default Service	Retail Delivery	Total	Proposed Rates Default Service	Retail Delivery	Overall Increase (Decrease) Amount	%
200	50,000	30,000	20,000	\$7,768.83	\$6,150.00	\$1,618.83	\$9,033.83	\$7,415.00	\$1,618.83	\$1,265.00	16.3%
300	75,000	45,000	30,000	\$11,607.63	\$9,225.00	\$2,382.63	\$13,505.13	\$11,122.50	\$2,382.63	\$1,897.50	16.3%
400	100,000	60,000	40,000	\$15,446.43	\$12,300.00	\$3,146.43	\$17,976.43	\$14,830.00	\$3,146.43	\$2,530.00	16.4%
500	125,000	75,000	50,000	\$19,285.23	\$15,375.00	\$3,910.23	\$22,447.73	\$18,537.50	\$3,910.23	\$3,162.50	16.4%
1,000	250,000	150,000	100,000	\$38,479.23	\$30,750.00	\$7,729.23	\$44,804.23	\$37,075.00	\$7,729.23	\$6,325.00	16.4%

	<u>Present Rates</u>	<u>Proposed Rates</u>
Customer Charge	\$91.23	\$91.23
Distribution Charge		
On Peak kWh	kWh x \$0.00189	\$0.00189
Off Peak kWh	kWh x \$0.00057	\$0.00057
Distribution Demand Charge	kW x \$3.99	\$3.99
Transmission Charge	kWh x \$0.00918	\$0.00918
Stranded Cost Charge	kWh x \$0.00050	\$0.00050
System Benefits Charge	kWh x \$0.00300	\$0.00300
Electricity Consumption Tax	kWh x \$0.00055	\$0.00055

Supplier Services

Default Service	\$0.12300	\$0.14830
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Granite State Electric Company
 Proposed August 1, 2008 Default Service Rates
 Calculation of Monthly Typical Bill
 Imp: on Rate G-1 Default Service Customers

Hours Use kWh Split
 350 On-Peak 50.00%
 Off-Peak 50.00%

kW	Monthly kWh	On-Peak kWh	Off-Peak kWh	(1)			(2)			(1) vs (2)	
				Total	Present Rates Default Service	Retail Delivery	Total	Proposed Rates Default Service	Retail Delivery	Overall Increase (Decrease) Amount	%
200	70,000	35,000	35,000	\$10,511.43	\$8,610.00	\$1,901.43	\$12,282.43	\$10,381.00	\$1,901.43	\$1,771.00	16.8%
300	105,000	52,500	52,500	\$15,721.54	\$12,915.00	\$2,806.54	\$18,378.04	\$15,571.50	\$2,806.54	\$2,656.50	16.9%
400	140,000	70,000	70,000	\$20,931.63	\$17,220.00	\$3,711.63	\$24,473.63	\$20,762.00	\$3,711.63	\$3,542.00	16.9%
500	175,000	87,500	87,500	\$26,141.74	\$21,525.00	\$4,616.74	\$30,569.24	\$25,952.50	\$4,616.74	\$4,427.50	16.9%
1,000	350,000	175,000	175,000	\$52,192.23	\$43,050.00	\$9,142.23	\$61,047.23	\$51,905.00	\$9,142.23	\$8,855.00	17.0%

	Present Rates	Proposed Rates
Customer Charge	\$91.23	\$91.23
Distribution Charge		
On Peak kWh	kWh x \$0.00189	\$0.00189
Off Peak kWh	kWh x \$0.00057	\$0.00057
Distribution Demand Charge	kW x \$3.99	\$3.99
Transmission Charge	kWh x \$0.00918	\$0.00918
Stranded Cost Charge	kWh x \$0.00050	\$0.00050
System Benefits Charge	kWh x \$0.00300	\$0.00300
Electricity Consumption Tax	kWh x \$0.00055	\$0.00055

Supplier Services

Default Service	\$0.14830
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Granite State Electric Company
 Proposed August 1, 2008 Default Service Rates
 Calculation of Monthly Typical Bill
 Impact on Rate G-1 Default Service Customers

Hours Use kWh Split
 450 On-Peak 45.00%
 Off-Peak 55.00%

kW	Monthly kWh	On-Peak kWh	Off-Peak kWh	(1)			(2)			(1) vs (2)	
				Total	Present Rates Default Service	Retail Delivery	Total	Proposed Rates Default Service	Retail Delivery	Overall Increase (Decrease) Amount	
200	90,000	40,500	49,500	\$13,254.70	\$11,070.00	\$2,184.70	\$15,531.70	\$13,347.00	\$2,184.70	\$2,277.00	17.2%
300	135,000	60,750	74,250	\$19,836.42	\$16,605.00	\$3,231.42	\$23,251.92	\$20,020.50	\$3,231.42	\$3,415.50	17.2%
400	180,000	81,000	99,000	\$26,418.15	\$22,140.00	\$4,278.15	\$30,972.15	\$26,694.00	\$4,278.15	\$4,554.00	17.2%
500	225,000	101,250	123,750	\$32,999.88	\$27,675.00	\$5,324.88	\$38,692.38	\$33,367.50	\$5,324.88	\$5,692.50	17.3%
1,000	450,000	202,500	247,500	\$65,908.54	\$55,350.00	\$10,558.54	\$77,293.54	\$66,735.00	\$10,558.54	\$11,385.00	17.3%

	Present Rates	Proposed Rates
Customer Charge	\$91.23	\$91.23
Distribution Charge		
On Peak kWh	kWh x \$0.00189	\$0.00189
Off Peak kWh	kWh x \$0.00057	\$0.00057
Distribution Demand Charge	kW x \$3.99	\$3.99
Transmission Charge	kWh x \$0.00918	\$0.00918
Stranded Cost Charge	kWh x \$0.00050	\$0.00050
System Benefits Charge	kWh x \$0.00300	\$0.00300
Electricity Consumption Tax	kWh x \$0.00055	\$0.00055

Supplier Services

Default Service	\$0.12300	\$0.14830
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Granite State Electric Company
 Proposed August 1, 2008 Default Service Rates
 Calculation of Monthly Typical Bill
 Impact on Rate G-1 Default Service Customers

Hours Use kWh Split
 450 On-Peak 40.00%
 Off-Peak 60.00%

kW	Monthly kWh	On-Peak kWh	Off-Peak kWh	(1)			(2)			(1) vs (2)	
				Total	Present Rates Default Service	Retail Delivery	Total	Proposed Rates Default Service	Retail Delivery	Overall Increase (Decrease) Amount	%
200	90,000	36,000	54,000	\$13,248.75	\$11,070.00	\$2,178.75	\$15,525.75	\$13,347.00	\$2,178.75	\$2,277.00	17.2%
300	135,000	54,000	81,000	\$19,827.51	\$16,605.00	\$3,222.51	\$23,243.01	\$20,020.50	\$3,222.51	\$3,415.50	17.2%
400	180,000	72,000	108,000	\$26,406.27	\$22,140.00	\$4,266.27	\$30,960.27	\$26,694.00	\$4,266.27	\$4,554.00	17.2%
500	225,000	90,000	135,000	\$32,985.03	\$27,675.00	\$5,310.03	\$38,677.53	\$33,367.50	\$5,310.03	\$5,692.50	17.3%
1,000	450,000	180,000	270,000	\$65,878.83	\$55,350.00	\$10,528.83	\$77,263.83	\$66,735.00	\$10,528.83	\$11,385.00	17.3%

	<u>Present Rates</u>	<u>Proposed Rates</u>
Customer Charge	\$91.23	\$91.23
Distribution Charge		
On Peak kWh	kWh x \$0.00189	\$0.00189
Off Peak kWh	kWh x \$0.00057	\$0.00057
Distribution Demand Charge	kW x \$3.99	\$3.99
Transmission Charge	kWh x \$0.00918	\$0.00918
Stranded Cost Charge	kWh x \$0.00050	\$0.00050
System Benefits Charge	kWh x \$0.00300	\$0.00300
Electricity Consumption Tax	kWh x \$0.00055	\$0.00055

Supplier Services

Default Service	\$0.14830
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Granite State Electric Company
 Proposed August 1, 2008 Default Service Rates
 Calculation of Monthly Typical Bill
 Impact on Rate G-2 Default Service Customers

Granite State Electric Company d/b/a National Grid
 Docket No. DE 08-011
 Schedule JDW-7, Revised
 Page 5 of 7

Hours Use 200

kW	Monthly kWh	(1)			(2)			(1) vs (2)	
		Total	Present Rates Default Service	Retail Delivery	Total	Proposed Rates Default Service	Retail Delivery	Overall Increase (Decrease) Amount	%
20	4,000	\$663.79	\$492.00	\$171.79	\$764.99	\$593.20	\$171.79	\$101.20	15.2%
50	10,000	\$1,622.83	\$1,230.00	\$392.83	\$1,875.83	\$1,483.00	\$392.83	\$253.00	15.6%
75	15,000	\$2,422.03	\$1,845.00	\$577.03	\$2,801.53	\$2,224.50	\$577.03	\$379.50	15.7%
100	20,000	\$3,221.23	\$2,460.00	\$761.23	\$3,727.23	\$2,966.00	\$761.23	\$506.00	15.7%
150	30,000	\$4,819.63	\$3,690.00	\$1,129.63	\$5,578.63	\$4,449.00	\$1,129.63	\$759.00	15.7%

		<u>Present Rates</u>	<u>Proposed Rates</u>
Customer Charge		\$24.43	\$24.43
Distribution Charge	kWh x	\$0.00088	\$0.00088
Distribution Demand Charge	kW x	\$4.41	\$4.41
Transmission Charge	kWh x	\$0.00986	\$0.00986
Stranded Cost Charge	kWh x	\$0.00050	\$0.00050
System Benefits Charge	kWh x	\$0.00300	\$0.00300
Electricity Consumption Tax	kWh x	\$0.00055	\$0.00055

Supplier Services

Default Service	kWh x	\$0.12300	\$0.14830
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Granite State Electric Company
 Proposed August 1, 2008 Default Service Ra
 Calculation of Monthly Typical Bill
 Impact on Rate G-2 Default Service Customers

Hours Use 250

kW	Monthly kWh	(1)			(2)			(1) vs (2)	
		Total	Present Rates Default Service	Retail Delivery	Total	Proposed Rates Default Service	Retail Delivery	Overall Increase (Decrease) Amount	%
20	5,000	\$801.58	\$615.00	\$186.58	\$928.08	\$741.50	\$186.58	\$126.50	15.8%
50	12,500	\$1,967.31	\$1,537.50	\$429.81	\$2,283.56	\$1,853.75	\$429.81	\$316.25	16.1%
75	18,750	\$2,938.75	\$2,306.25	\$632.50	\$3,413.13	\$2,780.63	\$632.50	\$474.38	16.1%
100	25,000	\$3,910.18	\$3,075.00	\$835.18	\$4,542.68	\$3,707.50	\$835.18	\$632.50	16.2%
150	37,500	\$5,853.06	\$4,612.50	\$1,240.56	\$6,801.81	\$5,561.25	\$1,240.56	\$948.75	16.2%

		<u>Present Rates</u>	<u>Proposed Rates</u>
Customer Charge		\$24.43	\$24.43
Distribution Charge	kWh x	\$0.00088	\$0.00088
Distribution Demand Charge	kW x	\$4.41	\$4.41
Transmission Charge	kWh x	\$0.00986	\$0.00986
Stranded Cost Charge	kWh x	\$0.00050	\$0.00050
System Benefits Charge	kWh x	\$0.00300	\$0.00300
Electricity Consumption Tax	kWh x	\$0.00055	\$0.00055
<u>Supplier Services</u>			
Default Service	kWh	\$0.12300	\$0.14830

Granite State Electric Company
 Proposed August 1, 2008 Default Service Rates
 Calculation of Monthly Typical Bill
 Impact on Rate G-2 Default Service Customers

Hours Use 300

kW	Monthly kWh	(1)			(2)			(1) vs (2)	
		Total	Present Rates Default Service	Retail Delivery	Total	Proposed Rates Default Service	Retail Delivery	Overall Increase (Decrease) Amount	%
20	6,000	\$939.37	\$738.00	\$201.37	\$1,091.17	\$889.80	\$201.37	\$151.80	16.2%
50	15,000	\$2,311.78	\$1,845.00	\$466.78	\$2,691.28	\$2,224.50	\$466.78	\$379.50	16.4%
75	22,500	\$3,455.46	\$2,767.50	\$687.96	\$4,024.71	\$3,336.75	\$687.96	\$569.25	16.5%
100	30,000	\$4,599.13	\$3,690.00	\$909.13	\$5,358.13	\$4,449.00	\$909.13	\$759.00	16.5%
150	45,000	\$6,886.48	\$5,535.00	\$1,351.48	\$8,024.98	\$6,673.50	\$1,351.48	\$1,138.50	16.5%

		<u>Present Rates</u>	<u>Proposed Rates</u>
Customer Charge		\$24.43	\$24.43
Distribution Charge	kWh x	\$0.00088	\$0.00088
Distribution Demand Charge	kW x	\$4.41	\$4.41
Transmission Charge	kWh x	\$0.00986	\$0.00986
Stranded Cost Charge	kWh x	\$0.00050	\$0.00050
System Benefits Charge	kWh x	\$0.00300	\$0.00300
Electricity Consumption Tax	kWh x	\$0.00055	\$0.00055

Supplier Services

Default Service	kWh x	\$0.12300	\$0.14830
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