

GRANITE STATE ELECTRIC COMPANY
DEFAULT SERVICE COST RECLASSIFICATION ADJUSTMENT PROVISION

The prices for Distribution Service and Default Service contained in all the tariffs of the Company are subject to adjustment to reflect the reclassification of cost recovery of those costs incurred by the Company in providing Default Service which are included in the Company's Distribution rates and which are reflected in the reconciliation of Default Service and recovered through the Default Service Adjustment Factor to Default Service rates, in order to more appropriately reflect the price of providing Default Service.

The adjustments to the Company's Distribution Energy charges are as follows:

	<u>Credit to Distribution Charges</u>
Rate D	(0.017¢) per kWh
Rate D-10	(0.008¢) per kWh
Rate G-1	n/a
Rate G-2	n/a
Rate G-3	(0.017¢) per kWh
Rate M	n/a
Rate T	(0.007¢) per kWh
Rate V	(0.009¢) per kWh

The credit to the Company's distribution charges shall not be subject to reconciliation.

The adjustments to the Company's Default Service charges as follows:

	<u>Surcharge to Default Service</u>
Residential & Small C&I	0.087¢ per kWh
Medium and Large C&I	0.103¢ per kWh

The adjustments shall be known as the Default Service Cost Reclassification Adjustment Factor.

On an annual basis, the Company shall reconcile the actual administrative cost incurred in providing Default Service to the revenue generated by the above surcharges included in Default Service rates. Any excess or deficiency, including interest at the interest rate paid on customer deposits, shall be used to adjust the subsequent year's surcharges on a per kilowatt-hour basis.

In addition, the Company shall annually establish the surcharges above based on an estimate of the administrative costs in providing Default Service for the upcoming year.

For purposes of the above reclassification, the administrative costs associated with providing Default Service and subject to reclassification pursuant to this provision shall reflect the costs associated with Default Service as defined by the settlement agreement in Docket DE 05-126.

Issued: March 30, 2012

Issued by: /s/ Timothy F. Horan
Timothy F. Horan

Effective: May 1, 2012

Title: President

(Issued in Compliance with Order No. 25,338 in Docket No. DE 12-023 dated March 27, 2012)

GRANITE STATE ELECTRIC COMPANY
 RATES EFFECTIVE MAY 1, 2012
 FOR USAGE ON AND AFTER MAY 1, 2012

Rate	Blocks	Distribution Charge (1), (2), (3), (4)	Storm Recovery Adjustment Factor	Electricity Consumption Tax	Transmission Charge	Systems Benefits Charge	Stranded Cost Charge	Total Retail Delivery Services
D	Customer Charge	\$4.37						\$4.37
	1st 250 kWh	\$0.01606	\$0.00223	\$0.00055	\$0.01677	\$0.00330	\$0.00090	\$0.03981
	Excess 250 kWh	\$0.04253	\$0.00223	\$0.00055	\$0.01677	\$0.00330	\$0.00090	\$0.06628
	Off Peak kWh	\$0.01534	\$0.00223	\$0.00055	\$0.01677	\$0.00330	\$0.00090	\$0.03909
	Farm kWh	\$0.02522	\$0.00223	\$0.00055	\$0.01677	\$0.00330	\$0.00090	\$0.04897
	D-6 kWh	\$0.01606	\$0.00223	\$0.00055	\$0.01677	\$0.00330	\$0.00090	\$0.03981
D-10	Customer Charge	\$7.50						\$7.50
	On Peak kWh	\$0.04735	\$0.00223	\$0.00055	\$0.01663	\$0.00330	\$0.00089	\$0.07095
	Off Peak kWh	(\$0.00034)	\$0.00223	\$0.00055	\$0.01663	\$0.00330	\$0.00089	\$0.02326
G-1	Customer Charge	\$93.45						\$93.45
	Demand Charge	\$4.08						\$4.08
	On Peak kWh	\$0.00108	\$0.00223	\$0.00055	\$0.01394	\$0.00330	\$0.00090	\$0.02200
	Off Peak kWh	(\$0.00026)	\$0.00223	\$0.00055	\$0.01394	\$0.00330	\$0.00090	\$0.02066
G-2	Customer Charge	\$25.01						\$25.01
	Demand Charge	\$4.50						\$4.50
	All kWh	\$0.00005	\$0.00223	\$0.00055	\$0.01625	\$0.00330	\$0.00090	\$0.02328
G-3	Customer Charge	\$5.53						\$5.53
	All kWh	\$0.03048	\$0.00223	\$0.00055	\$0.01658	\$0.00330	\$0.00090	\$0.05404
M	All kWh see tariff for luminaires & pole charges	(\$0.00026)	\$0.00223	\$0.00055	\$0.01094	\$0.00330	\$0.00091	\$0.01767
T	Customer Charge	\$5.65						\$5.65
	All kWh	\$0.01986	\$0.00223	\$0.00055	\$0.01672	\$0.00330	\$0.00090	\$0.04356
V	Minimum Charge	\$5.90						\$5.90
	All kWh	\$0.02817	\$0.00223	\$0.00055	\$0.01870	\$0.00330	\$0.00090	\$0.05385

- (1) Distribution Energy Charges include a Business Profits Tax Surcharge of \$0.00057 per kWh for usage on and after 8/1/01
 (2) Distribution Energy Charges include the following credits per kWh in accordance with page 93 of the tariff for usage on and after 5/1/10
- | | |
|-------------------|-----------------------|
| <u>Rate Class</u> | <u>Credit per kWh</u> |
| D | (\$0.00017) |
| D-10 | (\$0.00008) |
| G-3 | (\$0.00017) |
| T | (\$0.00007) |
| V | (\$0.00009) |
- (3) Distribution Energy Charges include a Reliability Enhancement Program and Vegetation Management Plan Adjustment Factor of (\$0.00083) per kWh for usage on and after 7/1/11
 (4) Distribution Energy Charges include a Green Up Service Recovery Adjustment Factor of \$0.00000 per kWh for usage on and after 7/1/11

System Benefits Charge-Energy Efficiency	\$0.00180	Effective 7/1/11, usage on and after
System Benefits Charge-Statewide Energy Assistance Program	\$0.00150	Effective 7/1/11, usage on and after
Total System Benefits Charge	\$0.00330	
Transmission Cost Adjustment Factor	various	Effective 1/1/11, usage on and after
Stranded Cost Adjustment Factor	various	Effective 1/1/11, usage on and after
Default Service Charge		
Residential & Small Commercial (D, D-10, G-3, M, T, V)	\$0.05884	Effective 5/1/12, usage on and after
Medium / Large Commercial & Industrial (G-1, G-2)	\$0.05372	Effective 5/1/12, usage on and after
	\$0.05473	Effective 6/1/12, usage on and after
	\$0.06145	Effective 7/1/12, usage on and after
Electricity Consumption Tax	\$0.00055	Effective 5/1/01, usage on and after

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