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N.H.P.U.C. Case No.	DE 10-096
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Witness	Panel 1
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Granite State Electric Company
d/b/a National Grid

Storm Fund Recovery Filing

Testimony and Schedules
of
David E. Tufts
and
Kristin J. Mahnke

April 8, 2010

Submitted to:
New Hampshire Public Utilities Commission
Docket No. DE 10-___

Submitted by:

nationalgrid

PRE-FILED DIRECT TESTIMONY

OF

DAVID E. TUFTS

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1 **I. Introductions and Qualifications**

2 Q. Please state your full name and business address.

3 A. My name is David E. Tufts. My business address is 40 Sylvan Road, Waltham,
4 MA 02451.

5

6 Q. By whom are you employed and in what position?

7 A. I am Director of Electric Revenue Requirements for National Grid USA Service
8 Company, Inc. (“Service Company”). The Service Company provides
9 engineering, financial, administrative and other technical support to subsidiary
10 companies of National Grid USA including Granite State Electric Company. My
11 current duties include revenue requirements oversight for National Grid’s electric
12 distribution and generation activities in the US, including Granite State Electric
13 Company (“National Grid” or “the Company”).

14

15 Q. Please provide a brief summary of your educational background.

16 A. In 1983, I earned a Bachelor of Science degree in Accounting from Stonehill
17 College in Easton, Massachusetts.

18

19 Q. Please describe your professional background.

20 A. From 1981 through April 2000, I was employed by various subsidiary companies
21 of Eastern Utilities Associates (“EUA”), including EUA Service Corporation
22 which provided accounting, financial, engineering, planning, data processing and

1 other services to all EUA System companies. I joined EUA’s accounting
2 department in 1983. I held positions of increasing responsibility in accounting
3 and was promoted to the position of Manager of Accounting Services in 1991.
4 The EUA System was acquired by National Grid USA in early 2000, at which
5 time I joined the Service Company. In January 2009 I became Director, Electric
6 Revenue Requirements.

7

8 Q. Have you previously testified before New Hampshire Public Utilities Commission
9 (“Commission”)?

10 A. Yes. I have previously testified before the Commission in Docket DE 09-094.

11

12 **II. Purpose of Testimony**

13 Q. What is the purpose of your testimony

14 A. The purpose of my testimony is to discuss the Company’s proposal to temporarily
15 increase customer contributions to its Storm Fund in order to accelerate the
16 elimination of the fund’s deficit balance resulting from the extraordinary storm
17 event experienced on December 12, 2008 (“December 12 Ice Storm”). In doing
18 so, I will also present an illustration of the forecasted fund balance under two
19 scenarios which indicate the negative impact that this storm event has had on the
20 Company’s Storm Fund. Finally, I will summarize the customer benefits of the
21 Company’s proposal.

22

1 **III. Storm Fund Background**

2 Q. Please provide a brief description of how the Company’s Storm Fund operates.

3 A. Pursuant to Exhibit GSE-7 of the Merger Settlement Agreement in DG 06-107
4 (approved by Order 24,777), the Company’s base rates include a collection of
5 \$120,000 annually which is credited to the Storm Fund at \$10,000 per month.
6 These collections accumulate in the fund. The costs of “major storms”
7 experienced by the Company, defined as a severe weather event or events causing
8 30 concurrent troubles (i.e., interruption events occurring on either primary or
9 secondary lines) and 15 percent of customers interrupted or 45 concurrent
10 troubles, may be charged against the fund. The cumulative balance of the fund
11 accrues interest at the customer deposit rate, currently 3.25%. The interest
12 calculation is intended to compensate customers or the Company for the net cash
13 position of the fund. If the fund is in a credit position (cumulative collections
14 from customers exceed cumulative incremental storm costs charged to the fund),
15 interest is accrued on behalf of customers increasing the fund’s credit balance. If,
16 however, the fund is in a debit, or deficit position (cumulative collections from
17 customers are less than cumulative incremental storm costs charged to the fund),
18 interest is accrued on behalf of the Company, increasing the fund’s deficit
19 position. The Storm Fund is intended to smooth out the cost to customers of the
20 inevitable impact of major storm events that cause damage to the Company’s
21 electrical system.

22

1 Q. Does the Company's current rate plan include provisions pertaining to the Storm
2 Fund balance?

3 A. Yes it does. Pursuant to the Merger Settlement Agreement, approved by Order
4 No. 24,777 :

5 Two years after the effective date of the rate plan, the Settling Parties and
6 Staff would evaluate the funding level to determine its adequacy. If there is a
7 significant negative balance, Granite State would be authorized to request the
8 Commission to approve an increase in the funding level, including a
9 corresponding adjustment to distribution rates.
10

11 Order 24,777 at 14.
12

13 Q. How did the December 12 Ice Storm impact the Company's Storm Fund balance?

14 A. There is no doubt that the December 12 Ice Storm, the total cost of which was
15 \$1.8 million, qualifies for inclusion in the Storm Fund and has caused a
16 significant deficit fund position. As of December 31, 2009, the Storm Fund had a
17 debit balance of \$1,737,387, inclusive of the \$1.8 million associated with the
18 December 12 Ice Storm.
19

20 Q. How will the level of historical qualifying storm costs impact the Company's
21 Storm Fund balance?

22 A. As shown on Schedule DET-4, if the Storm Fund mechanism had been in place
23 from 2006 through 2008, the four year average of qualifying storm costs would be
24 \$999,357 (inflated to December 2009 dollars). If the December 12 Ice Storm and

1 the April 2007 Flood are removed, the four year average of qualifying storm costs
2 would be \$163,540 (inflated to December 2009 dollars). Based on this historical
3 data, it is clear that the current annual funding amount is not adequate to cover the
4 cost of these storm events. Unless remedied, this under funding will contribute to
5 an ongoing deficit balance in the Storm Fund.

6
7 **IV. Company Proposal**

8 Q. What changes to the Storm Fund is the Company proposing?

9 A. The Company is proposing to temporarily increase funding of the Storm Fund by
10 \$1.98 million over the three-year period commencing July 1, 2010. As will be
11 discussed later in this testimony, this will provide a reasonably quick elimination
12 of the expected Storm Fund deficit, will minimize the interest accrued to the fund
13 balance, and provide a reasonable level of customer insurance against future
14 major storm events causing damage equal to or greater than the December 12 Ice
15 Storm.

16
17 Q. Why is the Company asking to increase the annual Storm Fund contribution level
18 for three years?

19 A. The Company believes that the December 12 Ice Storm resulted in damage to
20 Company's system not contemplated in the agreed upon provisions of the Merger
21 Settlement and outside of the scope of the Storm Fund's operation. Indeed, as
22 was discussed earlier in this testimony, during the last four years, the average

1 annualized amount of qualifying storm damage costs that would have been
2 charged to the Storm Fund if it had been in place, has equaled approximately
3 \$165,000 (excluding the April 2007 Flood and December 12 Ice Storm). With
4 \$1.8 million of the December 12 Ice Storm expense, the December 31, 2009
5 Storm Fund deficit balance will exceed this average by a factor of 11.

6
7 While the Company believes, if adequately funded, the Storm Fund operates in a
8 fashion that provides great benefit to customers and the Company alike, the
9 anticipated deficit balance resulting from the December 12 Ice Storm will
10 ultimately harm customers if an alternative approach is not approved. (Those
11 reasons are discussed in detail below.) The Company believes that a three year
12 increase in the storm fund contribution strikes the appropriate balance between
13 the need to replenish the storm fund and the need to limit the impact on customer
14 bills.

15
16 Q. Is the Company asking the Commission to approve the inclusion of the ultimate
17 costs of the December 12 Ice Storm in the Storm Fund?

18 A. No, it is not. The Company must submit a final storm report with the
19 Commission, including details of costs to be charged to the Storm Fund pursuant
20 to its Storm Contingency Fund Policy and Procedures contained in the Merger
21 Settlement.

22

1 Q. Why does the Company believe a temporary acceleration of Storm Fund
2 collections is in customers' best interest?

3 A. The damage incurred by the December 12 Ice Storm was clearly of an
4 extraordinary magnitude. As was explained in the NHPUC After Action Review
5 Report, the damage caused by the December 12 Ice Storm was of a magnitude not
6 anticipated by the Company before the commencement of the Company's Merger
7 Settlement in July 2007. While storms of this magnitude cannot be predicted,
8 periodic storms of a significant nature are inevitable. As previously discussed, the
9 Storm Fund accrues interest on both positive and deficit balances to compensate
10 for the net cash position of the fund. Consequently, the fund will accrue interest
11 on the significant deficit balance caused by the December 12 Ice Storm. In
12 addition, such a significant deficit in the Storm Fund would simply magnify the
13 potential rate impacts to customers if an event of equal or greater magnitude as
14 that of the December 12 Ice Storm were to be experienced again. The Company
15 believes it is in customers' best interest to experience a relatively small and
16 temporary bill impact today in order to provide insurance for unforeseen future
17 events. In addition, the Company's proposal will significantly reduce the amount
18 of interest charges that would otherwise be accrued to the Storm Fund.

19

20 Q. Have you calculated what impacts the estimated costs of the December 12 Ice
21 Storm will have on the Storm Fund balance?

1 A Yes, I have. As indicated earlier, the Company's costs of the December 12 Ice
2 Storm are approximately \$1.8 million. In addition, during the period of the
3 Merger Settlement, the Company experienced one other storm that qualified for
4 inclusion in the Storm Fund. Several schedules accompany my testimony that
5 serve to support the quantitative analysis and conclusions I am presenting in my
6 testimony.

7
8 Q. Would you describe each of the schedules included with your testimony?

9 A. Certainly. It is best to describe the attachments in reverse order, culminating with
10 the summary of results illustrated on Schedule DET-1. Schedule DET-4 provides
11 a table summarizing the storm costs that would have been charged to the Storm
12 Fund if the Company's Storm Fund mechanism had been in place since 2006. In
13 order to provide a more accurate projection of the fund's future balances, these
14 prior storm charges have been restated in December 2009 dollars using the GDP
15 index. As shown on Schedule DET-4, excluding the April 2007 Flood and the
16 December 12 Ice Storm, the average annual amount charged to the Storm Fund, in
17 December 2009 dollars, for the four year period of 2006 through 2009 has been
18 approximately \$165,000.

19
20 Q. Would you please describe Schedule DET-3?

21 A. Schedule DET-3 provides a forecasted Storm Fund balance. Annual Storm Fund
22 collections of \$120,000, consistent with the current recovery level, are reflected in

1 Column (C) of Schedule DET-3. The December 12 Ice Storm costs as incurred
2 are shown in Column (E). Column (E) also includes the costs of a qualifying
3 storm on June 29, 2008 which was reported in the Company's annual storm fund
4 report. Annual Storm Fund charges of \$165,000, as calculated on Schedule DET-
5 4, are escalated for inflation at an estimated annual rate of 2.00%. These average
6 annual storm charges are included in this forecast in the month of July for each
7 year of the forecast to approximate a mid year assumption and are also shown in
8 Column (E). Interest on the cumulative fund balance is calculated at the currently
9 effective customer deposit rate of 3.25% as shown in Columns (G) through (H).
10 As can be seen in Column (J) of Schedule DET-3, based on the storm costs
11 incurred to date and estimated future storm costs to be incurred based on
12 historical experience, the fund will remain in a permanent and ever growing
13 deficit position and will accrue ever increasing interest that will be charged to
14 customers.

15
16 Q. Please proceed.

17 A. Schedule DET-2 mirrors the calculations and naming conventions described
18 previously for Schedule DET-3, but assumes that the Company's proposed
19 temporary increase of Storm Fund collections is approved. Annual Storm Fund
20 collections of \$120,000, consistent with the current recovery level, are included as
21 shown in Column (C) of Schedule DET-3. Column (D) of Schedule DET-2
22 includes the Company's proposal to temporarily increase the Storm Fund

1 collection by \$1.98 million over three years commencing July 1, 2010. As shown
2 on this schedule, this accelerated funding proposal would eliminate the projected
3 Storm Fund deficit by the end of the accelerated funding period, or June 2013.
4 For comparison purposes, the cumulative interest accrued to the fund during the
5 three year accelerated recovery period totals \$90,000 compared to \$190,000 of
6 interest accrued to the fund during the same period if no accelerated recovery is
7 approved.

8
9 Q. Would you please turn to Schedule DET-1?

10 A. Schedule DET-1 provides a summary of the results contained in Schedule DET-2
11 and Schedule DET-3. As shown on Schedule DET-1, with the Company's
12 incremental cost of \$1.8 million, the Company's proposal to temporarily
13 accelerate Storm Fund collections would reduce the time that the Storm Fund is
14 forecasted to be in a deficit position to four and one half years. In addition,
15 customers would see significant benefits in the amount of interest accrued to the
16 fund over the period of time the Storm Fund would be in a deficit position
17 assuming the Company's proposal is not adopted. As shown on Schedule DET-1,
18 the Company's proposal would reduce the forecasted interest accrued to the fund
19 through December 2013, or the first 5 years, by \$134,000.

20

1 Q. Has the Company reviewed the details of the December 12 Ice Storm costs to
2 insure that they are accurate and pertain to the Company's New Hampshire
3 service territory?

4 A. Yes. The Company conducted an internal review of the December 12 Ice Storm
5 costs to be recovered through the Storm Fund. The Company also engaged the
6 services of PricewaterhouseCoopers LLP to conduct an audit of the December 12
7 Ice Storm costs charged to Granite State Electric Company. The audit findings
8 report is being included with this filing as Schedule DET-5.

9

10 Q. Is the Company proposing to change the ongoing Annual Storm Fund customer
11 contribution at this time?

12 A. No, not at this time. The Company is proposing that at the end of the three year
13 accelerated Storm Fund recovery period, an evaluation of historical extraordinary
14 storm actively be conducted. At that time, the Company would make a proposal
15 to the Commission to change the ongoing Annual Storm customer contribution if
16 the historical evaluation deemed it necessary.

17

18 Q. How does the Company propose to accelerate the Storm Fund collections?

19 A. As more fully described in the testimony of Ms. Mahnke, the Company proposes
20 to include the accelerated recovery amount of \$1.98 million as a temporary per
21 kWh factor applied to all kWh deliveries for the period July 1, 2010 through June
22 30, 2013.

1

2 **V. Summary**

3 Q. Would you please summarize the Company's proposal to temporarily accelerate
4 collections for the Storm Fund?

5 A. First and foremost, the Company is not seeking approval of the ultimate costs to
6 be included in the Storm Fund resulting from the December 12 Ice Storm. The
7 Company must file a final report of costs with the Commission. However, it is
8 clear that the December 12 Ice Storm was of extraordinary magnitude and
9 incremental costs will undoubtedly be charged against the Company's Storm
10 Fund. Indeed the damage caused to the Company's electrical system dwarfed that
11 of any other storm experienced by the Company. The Company believes that this
12 storm resulted in damage not contemplated in the agreed upon provisions of the
13 Merger Settlement and outside of the intended scope of the Storm Fund's
14 operation. Based on the Company's expenses caused by the December 12 Ice
15 Storm (\$1.8 million), the Storm Fund is forecasted to remain in a deficit position
16 indefinitely under its current operation and absent approval of the Company's
17 proposal in this proceeding. In addition, the fund will accrue over \$308,000 of
18 interest during the five year period of January 2009 through December 2013. If,
19 however, the Company's proposal to temporarily increase the Storm Fund
20 collections by \$1.98 million over three years is adopted, the period over which the
21 Storm Fund would remain in a deficit position would be reduced to 4½ years and
22 accrued interest to the fund would be significantly less, resulting in a customer

1 benefit of \$134,000 over the period January 2009 through December 2013. The
2 Company's proposal will result in a relatively small impact to the typical 500
3 kWh residential default service customer, or \$0.37 per month for the accelerated
4 collection period of July 2010 through June 2013.

5

6 **VI. Conclusion**

7 Q. Does that conclude your testimony?

8 A. Yes it does.

Schedules
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Schedule DET-1	Granite Electric Storm Fund Recovery
Schedule DET-2	Forecasted Granite State Electric Storm Fund Balance Three Year Accelerated Storm Fund Collections - Base
Schedule DET-3	Forecasted Granite State Electric Storm Fund Balance No Accelerated Storm Fund Collections - Base
Schedule DET-4	Cost per Granite Electric Storm
Schedule DET-5	December 12 Ice Storm Audit Findings Report

Granite State Electric Company
d/b/a National Grid
Docket No. DE 10-____
Witness: D. E. Tufts

SCHEDULE DET – 1

Granite Electric Storm Fund Recovery

Granite Electric Storm Fund Recovery
Based on \$0.4m charged to the fund in December 2008 and \$1.4m in 2009

Line No.	Year	<u>\$1.8m charge w/ no additional payments and no increased annual funding</u>		<u>\$1.8m charge w/ \$1.98m in additional payments over 3 years and no change in annual funding (2)</u>	
		End of year balance Credit/(Debit)	Interest Credit/(Debit)	End of year balance Credit/(Debit)	Interest Credit/(Debit)
1	Dec-2009	(\$1,737,387)	(1) (\$54,906)	(\$1,737,387)	(1) (\$54,906)
2	Dec-2010	(\$1,843,555)	(1) (\$57,868)	(\$1,510,862)	(1) (2) (\$55,175)
3	Dec-2011	(\$1,956,641)	(1) (\$61,420)	(\$942,146)	(1) (2) (\$39,618)
4	Dec-2012	(\$2,076,943)	(1) (\$65,202)	(\$358,153)	(1) (2) (\$20,908)
5	Dec-2013	(\$2,204,768)	(1) (\$69,223)	(\$91,142)	(1) (2) (\$4,388)
6			Total (\$308,620)		Total (\$174,995)

Storm Charges Notes:

(1) End of year balance includes charge of \$165 thousand each July beginning 2010 adjusted for inflation.

(2) Includes additional customer charge of \$55 thousand per month from July 2010 through June 2013.

Charge of \$165 thousand per year is based on the average cost per storm from 2006 through 2008 (excluding the 12/11/08 ice storm and 4/12/07 flood).

000019

Granite State Electric Company
d/b/a National Grid
Docket No. DE 10-____
Witness: D. E. Tufts

SCHEDULE DET – 2

**Forecasted Granite State Electric Storm Fund Balance
Three Year Accelerated Storm Fund Collections - Base**

Forecasted Granite State Electric Storm Fund Balance
Three Year Accelerated Storm Fund Collections - Base

Line	Year (A)	Balance Beginning of Month (B)	Monthly Funding Amount (C)	Temporary Increased Funding (D)	Actual Storm Charges (E)	Balance End of Month Before Interest (F)	Balance Subject to Interest (G)	Interest Rate (H)	Monthly Interest (I)	Balance End of Month (J)
1	January -2008	\$50,866	\$10,000			\$60,866	\$55,866	7.500%	\$349	\$61,215
2	February	\$61,215	\$10,000			\$71,215	\$66,215	7.500%	\$414	\$71,629
3	March	\$71,629	\$10,000			\$81,629	\$76,629	7.500%	\$479	\$82,108
4	April	\$82,108	\$10,000			\$92,108	\$87,108	6.000%	\$436	\$92,543
5	May	\$92,543	\$10,000			\$102,543	\$97,543	6.000%	\$488	\$103,031
6	June	\$103,031	\$10,000			\$113,031	\$108,031	6.000%	\$540	\$113,571
7	July	\$113,571	\$10,000		(\$46,925)	\$76,646	\$95,109	5.000%	\$396	\$77,043
8	August	\$77,043	\$10,000		(\$79,671)	\$7,372	\$42,207	5.000%	\$176	\$7,548
9	September	\$7,548	\$10,000		(\$3,613)	\$13,935	\$10,741	5.000%	\$45	\$13,979
10	October	\$13,979	\$10,000		(\$1,240)	\$22,739	\$18,359	5.000%	\$77	\$22,816
11	November	\$22,816	\$10,000			\$32,816	\$27,816	5.000%	\$116	\$32,932
12	December	\$32,932	\$10,000		(\$417,103)	(\$374,171)	(\$170,620)	5.000%	(\$711)	(\$374,882)
13										
14										
15	January -2009	(\$374,882)	\$10,000		(\$608,854)	(\$973,736)	(\$674,309)	4.000%	(\$2,248)	(\$975,984)
16	February	(\$975,984)	\$10,000		(\$521,482)	(\$1,487,466)	(\$1,231,725)	4.000%	(\$4,106)	(\$1,491,572)
17	March	(\$1,491,572)	\$10,000		(\$370,655)	(\$1,852,227)	(\$1,671,899)	4.000%	(\$5,573)	(\$1,857,800)
18	April	(\$1,857,800)	\$10,000		\$65,835	(\$1,781,965)	(\$1,819,882)	3.250%	(\$4,929)	(\$1,786,893)
19	May	(\$1,786,893)	\$10,000		\$10,296	(\$1,766,597)	(\$1,776,745)	3.250%	(\$4,812)	(\$1,771,409)
20	June	(\$1,771,409)	\$10,000		(\$2,739)	(\$1,764,148)	(\$1,767,779)	3.250%	(\$4,788)	(\$1,768,936)
21	July	(\$1,768,936)	\$10,000			(\$1,758,936)	(\$1,763,936)	3.250%	(\$4,777)	(\$1,763,713)
22	August	(\$1,763,713)	\$10,000			(\$1,753,713)	(\$1,758,713)	3.250%	(\$4,763)	(\$1,758,477)
23	September	(\$1,758,477)	\$10,000			(\$1,748,477)	(\$1,753,477)	3.250%	(\$4,749)	(\$1,753,226)
24	October	(\$1,753,226)	\$10,000			(\$1,743,226)	(\$1,748,226)	3.250%	(\$4,735)	(\$1,747,960)
25	November	(\$1,747,960)	\$10,000			(\$1,737,960)	(\$1,742,960)	3.250%	(\$4,721)	(\$1,742,681)
26	December	(\$1,742,681)	\$10,000			(\$1,732,681)	(\$1,737,681)	3.250%	(\$4,706)	(\$1,737,387)
27										
28										
29	January -2010	(\$1,737,387)	\$10,000			(\$1,727,387)	(\$1,732,387)	3.250%	(\$4,692)	(\$1,732,079)
30	February	(\$1,732,079)	\$10,000			(\$1,722,079)	(\$1,727,079)	3.250%	(\$4,678)	(\$1,726,757)
31	March	(\$1,726,757)	\$10,000			(\$1,716,757)	(\$1,721,757)	3.250%	(\$4,663)	(\$1,721,420)
32	April	(\$1,721,420)	\$10,000			(\$1,711,420)	(\$1,716,420)	3.250%	(\$4,649)	(\$1,716,068)
33	May	(\$1,716,068)	\$10,000			(\$1,706,068)	(\$1,711,068)	3.250%	(\$4,634)	(\$1,710,702)
34	June	(\$1,710,702)	\$10,000			(\$1,700,702)	(\$1,705,702)	3.250%	(\$4,620)	(\$1,705,322)
35	July	(\$1,705,322)	\$10,000	\$55,000	(\$168,300)	(\$1,808,622)	(\$1,756,972)	3.250%	(\$4,758)	(\$1,813,381)
36	August	(\$1,813,381)	\$10,000	\$55,000		(\$1,748,381)	(\$1,780,881)	3.250%	(\$4,823)	(\$1,753,204)
37	September	(\$1,753,204)	\$10,000	\$55,000		(\$1,688,204)	(\$1,720,704)	3.250%	(\$4,660)	(\$1,692,864)
38	October	(\$1,692,864)	\$10,000	\$55,000		(\$1,627,864)	(\$1,660,364)	3.250%	(\$4,497)	(\$1,632,361)
39	November	(\$1,632,361)	\$10,000	\$55,000		(\$1,567,361)	(\$1,599,861)	3.250%	(\$4,333)	(\$1,571,694)
40	December	(\$1,571,694)	\$10,000	\$55,000		(\$1,506,694)	(\$1,539,194)	3.250%	(\$4,169)	(\$1,510,862)
41										
42										
43	January -2011	(\$1,510,862)	\$10,000	\$55,000		(\$1,445,862)	(\$1,478,362)	3.250%	(\$4,004)	(\$1,449,866)
44	February	(\$1,449,866)	\$10,000	\$55,000		(\$1,384,866)	(\$1,417,366)	3.250%	(\$3,839)	(\$1,388,705)
45	March	(\$1,388,705)	\$10,000	\$55,000		(\$1,323,705)	(\$1,356,205)	3.250%	(\$3,673)	(\$1,327,378)
46	April	(\$1,327,378)	\$10,000	\$55,000		(\$1,262,378)	(\$1,294,878)	3.250%	(\$3,507)	(\$1,265,885)
47	May	(\$1,265,885)	\$10,000	\$55,000		(\$1,200,885)	(\$1,233,385)	3.250%	(\$3,340)	(\$1,204,225)
48	June	(\$1,204,225)	\$10,000	\$55,000		(\$1,139,225)	(\$1,171,725)	3.250%	(\$3,173)	(\$1,142,399)
49	July	(\$1,142,399)	\$10,000	\$55,000	(\$171,666)	(\$1,249,065)	(\$1,195,732)	3.250%	(\$3,238)	(\$1,252,303)
50	August	(\$1,252,303)	\$10,000	\$55,000		(\$1,187,303)	(\$1,219,803)	3.250%	(\$3,304)	(\$1,190,607)
51	September	(\$1,190,607)	\$10,000	\$55,000		(\$1,125,607)	(\$1,158,107)	3.250%	(\$3,137)	(\$1,128,743)
52	October	(\$1,128,743)	\$10,000	\$55,000		(\$1,063,743)	(\$1,096,243)	3.250%	(\$2,969)	(\$1,066,712)
53	November	(\$1,066,712)	\$10,000	\$55,000		(\$1,001,712)	(\$1,034,212)	3.250%	(\$2,801)	(\$1,004,513)
54	December	(\$1,004,513)	\$10,000	\$55,000		(\$939,513)	(\$972,013)	3.250%	(\$2,633)	(\$942,146)
55										
56										

Forecasted Granite State Electric Storm Fund Balance
Three Year Accelerated Storm Fund Collections - Base

Line	Year (A)	Balance Beginning of Month (B)	Monthly Funding Amount (C)	Temporary Increased Funding (D)	Actual Storm Charges (E)	Balance End of Month Before Interest (F)	Balance Subject to Interest (G)	Interest Rate (H)	Monthly Interest (I)	Balance End of Month (J)
57	January -2012	(\$942,146)	\$10,000	\$55,000		(\$877,146)	(\$909,646)	3.250%	(\$2,464)	(\$879,610)
58	February	(\$879,610)	\$10,000	\$55,000		(\$814,610)	(\$847,110)	3.250%	(\$2,294)	(\$816,904)
59	March	(\$816,904)	\$10,000	\$55,000		(\$751,904)	(\$784,404)	3.250%	(\$2,124)	(\$754,028)
60	April	(\$754,028)	\$10,000	\$55,000		(\$689,028)	(\$721,528)	3.250%	(\$1,954)	(\$690,982)
61	May	(\$690,982)	\$10,000	\$55,000		(\$625,982)	(\$658,482)	3.250%	(\$1,783)	(\$627,766)
62	June	(\$627,766)	\$10,000	\$55,000		(\$562,766)	(\$595,266)	3.250%	(\$1,612)	(\$564,378)
63	July	(\$564,378)	\$10,000	\$55,000	(\$175,099)	(\$674,477)	(\$619,428)	3.250%	(\$1,678)	(\$676,155)
64	August	(\$676,155)	\$10,000	\$55,000		(\$611,155)	(\$643,655)	3.250%	(\$1,743)	(\$612,898)
65	September	(\$612,898)	\$10,000	\$55,000		(\$547,898)	(\$580,398)	3.250%	(\$1,572)	(\$549,470)
66	October	(\$549,470)	\$10,000	\$55,000		(\$484,470)	(\$516,970)	3.250%	(\$1,400)	(\$485,870)
67	November	(\$485,870)	\$10,000	\$55,000		(\$420,870)	(\$453,370)	3.250%	(\$1,228)	(\$422,098)
68	December	(\$422,098)	\$10,000	\$55,000		(\$357,098)	(\$389,598)	3.250%	(\$1,055)	(\$358,153)
69										
70										
71	January -2013	(\$358,153)	\$10,000	\$55,000		(\$293,153)	(\$325,653)	3.250%	(\$882)	(\$294,035)
72	February	(\$294,035)	\$10,000	\$55,000		(\$229,035)	(\$261,535)	3.250%	(\$708)	(\$229,744)
73	March	(\$229,744)	\$10,000	\$55,000		(\$164,744)	(\$197,244)	3.250%	(\$534)	(\$165,278)
74	April	(\$165,278)	\$10,000	\$55,000		(\$100,278)	(\$132,778)	3.250%	(\$360)	(\$100,637)
75	May	(\$100,637)	\$10,000	\$55,000		(\$35,637)	(\$68,137)	3.250%	(\$185)	(\$35,822)
76	June	(\$35,822)	\$10,000	\$55,000		\$29,178	(\$3,322)	3.250%	(\$9)	\$29,169
77	July	\$29,169	\$10,000		(\$178,601)	(\$139,432)	(\$55,132)	3.250%	(\$149)	(\$139,582)
78	August	(\$139,582)	\$10,000			(\$129,582)	(\$134,582)	3.250%	(\$364)	(\$129,946)
79	September	(\$129,946)	\$10,000			(\$119,946)	(\$124,946)	3.250%	(\$338)	(\$120,284)
80	October	(\$120,284)	\$10,000			(\$110,284)	(\$115,284)	3.250%	(\$312)	(\$110,597)
81	November	(\$110,597)	\$10,000			(\$100,597)	(\$105,597)	3.250%	(\$286)	(\$100,883)
82	December	(\$100,883)	\$10,000			(\$90,883)	(\$95,883)	3.250%	(\$260)	(\$91,142)

Column Notes

- (B) Prior period Column (J)
- (C) Reflects annual recovery of \$120 thousand per Merger Settlement Agreement (Docket DG 06-107). Increase to annual recovery of \$1 million beginning July 2010.
- (D) Assumes 3 year recovery of storm fund deficit balance at 6-30-10
- (E) Actual Storm Costs through fall 2009; assumed storm charges thereafter
- (F) Sum of Columns (B) through (E)
- (G) (Column (B) + Column (F)) ÷ 2, rounded to 2 decimal places
- (H) Annual customer deposit interest rate (Two year Treasury rate as of prior year end - 12/31/08).
- (I) Column (g) * [Column (H)-12], rounded to 2 decimal places
- (J) Column (F) + Column (I)

SCHEDULE DET – 3

**Forecasted Granite State Electric Storm Fund Balance
No Accelerated Storm Fund Collections - Base**

Forecasted Granite State Electric Storm Fund Balance
No Accelerated Storm Fund Collections - Base

Line	Year (A)	Balance Beginning of Month (B)	Monthly Funding Amount (C)	Temporary Increased Funding (D)	Actual Storm Charges (E)	Balance End of Month Before Interest (F)	Balance Subject to Interest (G)	Interest Rate (H)	Monthly Interest (I)	Balance End of Month (J)
1	January -2008	\$50,866	\$10,000			\$60,866	\$55,866	7.500%	\$349	\$61,215
2	February	\$61,215	\$10,000			\$71,215	\$66,215	7.500%	\$414	\$71,629
3	March	\$71,629	\$10,000			\$81,629	\$76,629	7.500%	\$479	\$82,108
4	April	\$82,108	\$10,000			\$92,108	\$87,108	6.000%	\$436	\$92,543
5	May	\$92,543	\$10,000			\$102,543	\$97,543	6.000%	\$488	\$103,031
6	June	\$103,031	\$10,000			\$113,031	\$108,031	6.000%	\$540	\$113,571
7	July	\$113,571	\$10,000		(\$46,925)	\$76,646	\$95,109	5.000%	\$396	\$77,043
8	August	\$77,043	\$10,000		(\$79,671)	\$7,372	\$42,207	5.000%	\$176	\$7,548
9	September	\$7,548	\$10,000		(\$3,613)	\$13,935	\$10,741	5.000%	\$45	\$13,979
10	October	\$13,979	\$10,000		(\$1,240)	\$22,739	\$18,359	5.000%	\$77	\$22,816
11	November	\$22,816	\$10,000			\$32,816	\$27,816	5.000%	\$116	\$32,932
12	December	\$32,932	\$10,000		(\$417,103)	(\$374,171)	(\$170,620)	5.000%	(\$711)	(\$374,882)
13										
14										
15	January -2009	(\$374,882)	\$10,000		(\$608,854)	(\$973,736)	(\$674,309)	4.000%	(\$2,248)	(\$975,984)
16	February	(\$975,984)	\$10,000		(\$521,482)	(\$1,487,466)	(\$1,231,725)	4.000%	(\$4,106)	(\$1,491,572)
17	March	(\$1,491,572)	\$10,000		(\$370,655)	(\$1,852,227)	(\$1,671,899)	4.000%	(\$5,573)	(\$1,857,800)
18	April	(\$1,857,800)	\$10,000		\$65,835	(\$1,781,965)	(\$1,819,882)	3.250%	(\$4,929)	(\$1,786,893)
19	May	(\$1,786,893)	\$10,000		\$10,296	(\$1,766,597)	(\$1,776,745)	3.250%	(\$4,812)	(\$1,771,409)
20	June	(\$1,771,409)	\$10,000		(\$2,739)	(\$1,764,148)	(\$1,767,779)	3.250%	(\$4,788)	(\$1,768,936)
21	July	(\$1,768,936)	\$10,000			(\$1,758,936)	(\$1,763,936)	3.250%	(\$4,777)	(\$1,763,713)
22	August	(\$1,763,713)	\$10,000			(\$1,753,713)	(\$1,758,713)	3.250%	(\$4,763)	(\$1,758,477)
23	September	(\$1,758,477)	\$10,000			(\$1,748,477)	(\$1,753,477)	3.250%	(\$4,749)	(\$1,753,226)
24	October	(\$1,753,226)	\$10,000			(\$1,743,226)	(\$1,748,226)	3.250%	(\$4,735)	(\$1,747,960)
25	November	(\$1,747,960)	\$10,000			(\$1,737,960)	(\$1,742,960)	3.250%	(\$4,721)	(\$1,742,681)
26	December	(\$1,742,681)	\$10,000			(\$1,732,681)	(\$1,737,681)	3.250%	(\$4,706)	(\$1,737,387)
27										
28										
29	January -2010	(\$1,737,387)	\$10,000			(\$1,727,387)	(\$1,732,387)	3.250%	(\$4,692)	(\$1,732,079)
30	February	(\$1,732,079)	\$10,000			(\$1,722,079)	(\$1,727,079)	3.250%	(\$4,678)	(\$1,726,757)
31	March	(\$1,726,757)	\$10,000			(\$1,716,757)	(\$1,721,757)	3.250%	(\$4,663)	(\$1,721,420)
32	April	(\$1,721,420)	\$10,000			(\$1,711,420)	(\$1,716,420)	3.250%	(\$4,649)	(\$1,716,068)
33	May	(\$1,716,068)	\$10,000			(\$1,706,068)	(\$1,711,068)	3.250%	(\$4,634)	(\$1,710,702)
34	June	(\$1,710,702)	\$10,000			(\$1,700,702)	(\$1,705,702)	3.250%	(\$4,620)	(\$1,705,322)
35	July	(\$1,705,322)	\$10,000		(\$168,300)	(\$1,863,622)	(\$1,784,472)	3.250%	(\$4,833)	(\$1,868,455)
36	August	(\$1,868,455)	\$10,000			(\$1,858,455)	(\$1,863,455)	3.250%	(\$5,047)	(\$1,863,502)
37	September	(\$1,863,502)	\$10,000			(\$1,853,502)	(\$1,858,502)	3.250%	(\$5,033)	(\$1,858,535)
38	October	(\$1,858,535)	\$10,000			(\$1,848,535)	(\$1,853,535)	3.250%	(\$5,020)	(\$1,853,555)
39	November	(\$1,853,555)	\$10,000			(\$1,843,555)	(\$1,848,555)	3.250%	(\$5,007)	(\$1,848,562)
40	December	(\$1,848,562)	\$10,000			(\$1,838,562)	(\$1,843,562)	3.250%	(\$4,993)	(\$1,843,555)
41										
42										
43	January -2011	(\$1,843,555)	\$10,000			(\$1,833,555)	(\$1,838,555)	3.250%	(\$4,979)	(\$1,838,534)
44	February	(\$1,838,534)	\$10,000			(\$1,828,534)	(\$1,833,534)	3.250%	(\$4,966)	(\$1,833,500)
45	March	(\$1,833,500)	\$10,000			(\$1,823,500)	(\$1,828,500)	3.250%	(\$4,952)	(\$1,828,452)
46	April	(\$1,828,452)	\$10,000			(\$1,818,452)	(\$1,823,452)	3.250%	(\$4,939)	(\$1,823,391)
47	May	(\$1,823,391)	\$10,000			(\$1,813,391)	(\$1,818,391)	3.250%	(\$4,925)	(\$1,818,316)
48	June	(\$1,818,316)	\$10,000			(\$1,808,316)	(\$1,813,316)	3.250%	(\$4,911)	(\$1,813,227)
49	July	(\$1,813,227)	\$10,000		(\$171,666)	(\$1,974,893)	(\$1,894,060)	3.250%	(\$5,130)	(\$1,980,022)
50	August	(\$1,980,022)	\$10,000			(\$1,970,022)	(\$1,975,022)	3.250%	(\$5,349)	(\$1,975,371)
51	September	(\$1,975,371)	\$10,000			(\$1,965,371)	(\$1,970,371)	3.250%	(\$5,336)	(\$1,970,708)
52	October	(\$1,970,708)	\$10,000			(\$1,960,708)	(\$1,965,708)	3.250%	(\$5,324)	(\$1,966,032)
53	November	(\$1,966,032)	\$10,000			(\$1,956,032)	(\$1,961,032)	3.250%	(\$5,311)	(\$1,961,343)
54	December	(\$1,961,343)	\$10,000			(\$1,951,343)	(\$1,956,343)	3.250%	(\$5,298)	(\$1,956,641)
55										
56										

Forecasted Granite State Electric Storm Fund Balance
No Accelerated Storm Fund Collections - Base

Line	Year (A)	Balance Beginning of Month (B)	Monthly Funding Amount (C)	Temporary Increased Funding (D)	Actual Storm Charges (E)	Balance End of Month Before Interest (F)	Balance Subject to Interest (G)	Interest Rate (H)	Monthly Interest (I)	Balance End of Month (J)
57	January -2012	(\$1,956,641)	\$10,000			(\$1,946,641)	(\$1,951,641)	3.250%	(\$5,286)	(\$1,951,927)
58	February	(\$1,951,927)	\$10,000			(\$1,941,927)	(\$1,946,927)	3.250%	(\$5,273)	(\$1,947,200)
59	March	(\$1,947,200)	\$10,000			(\$1,937,200)	(\$1,942,200)	3.250%	(\$5,260)	(\$1,942,460)
60	April	(\$1,942,460)	\$10,000			(\$1,932,460)	(\$1,937,460)	3.250%	(\$5,247)	(\$1,937,707)
61	May	(\$1,937,707)	\$10,000			(\$1,927,707)	(\$1,932,707)	3.250%	(\$5,234)	(\$1,932,942)
62	June	(\$1,932,942)	\$10,000			(\$1,922,942)	(\$1,927,942)	3.250%	(\$5,222)	(\$1,928,163)
63	July	(\$1,928,163)	\$10,000		(\$175,099)	(\$2,093,262)	(\$2,010,713)	3.250%	(\$5,446)	(\$2,098,708)
64	August	(\$2,098,708)	\$10,000			(\$2,088,708)	(\$2,093,708)	3.250%	(\$5,670)	(\$2,094,379)
65	September	(\$2,094,379)	\$10,000			(\$2,084,379)	(\$2,089,379)	3.250%	(\$5,659)	(\$2,090,037)
66	October	(\$2,090,037)	\$10,000			(\$2,080,037)	(\$2,085,037)	3.250%	(\$5,647)	(\$2,085,684)
67	November	(\$2,085,684)	\$10,000			(\$2,075,684)	(\$2,080,684)	3.250%	(\$5,635)	(\$2,081,319)
68	December	(\$2,081,319)	\$10,000			(\$2,071,319)	(\$2,076,319)	3.250%	(\$5,623)	(\$2,076,943)
69										
70										
71	January -2013	(\$2,076,943)	\$10,000			(\$2,066,943)	(\$2,071,943)	3.250%	(\$5,612)	(\$2,072,554)
72	February	(\$2,072,554)	\$10,000			(\$2,062,554)	(\$2,067,554)	3.250%	(\$5,600)	(\$2,068,154)
73	March	(\$2,068,154)	\$10,000			(\$2,058,154)	(\$2,063,154)	3.250%	(\$5,588)	(\$2,063,742)
74	April	(\$2,063,742)	\$10,000			(\$2,053,742)	(\$2,058,742)	3.250%	(\$5,576)	(\$2,059,317)
75	May	(\$2,059,317)	\$10,000			(\$2,049,317)	(\$2,054,317)	3.250%	(\$5,564)	(\$2,054,881)
76	June	(\$2,054,881)	\$10,000			(\$2,044,881)	(\$2,049,881)	3.250%	(\$5,552)	(\$2,050,433)
77	July	(\$2,050,433)	\$10,000		(\$178,601)	(\$2,219,034)	(\$2,134,734)	3.250%	(\$5,782)	(\$2,224,816)
78	August	(\$2,224,816)	\$10,000			(\$2,214,816)	(\$2,219,816)	3.250%	(\$6,012)	(\$2,220,828)
79	September	(\$2,220,828)	\$10,000			(\$2,210,828)	(\$2,215,828)	3.250%	(\$6,001)	(\$2,216,829)
80	October	(\$2,216,829)	\$10,000			(\$2,206,829)	(\$2,211,829)	3.250%	(\$5,990)	(\$2,212,819)
81	November	(\$2,212,819)	\$10,000			(\$2,202,819)	(\$2,207,819)	3.250%	(\$5,980)	(\$2,208,799)
82	December	(\$2,208,799)	\$10,000			(\$2,198,799)	(\$2,203,799)	3.250%	(\$5,969)	(\$2,204,768)

Column Notes

- (B) Prior period Column (J)
- (C) Reflects annual recovery of \$120 thousand per Merger Settlement Agreement (Docket DG 06-107).
- (D) Assumes no change in annual funding level
- (E) Actual Storm Costs through fall 2009; assumed storm charges thereafter
- (F) Sum of Columns (B) through (E)
- (G) (Column (B) + Column (F)) ÷ 2, rounded to 2 decimal places
- (H) Annual customer deposit interest rate (Wall Street Journal Prime Rate).
- (I) Column (g) * [Column (H)÷12], rounded to 2 decimal places
- (J) Column (F) + Column (I)

Granite State Electric Company
d/b/a National Grid
Docket No. DE 10-____
Witness: D. E. Tufts

SCHEDULE DET – 4

Cost per Granite Electric Storm

Costs per Granite Electric Storm

Line		Qualifying Storm Costs	Costs in Dec-09 Dollars	Costs in Dec-09 Dollars (1)
<u> </u>		<u> </u>	<u> </u>	<u> </u>
1	October-06	\$95,939	\$101,512	\$101,512
2	January-07	\$403,527	\$422,593	\$422,593
3	April-07	\$866,487	\$902,164	
4	June-08	\$131,449	\$130,054	\$130,054
5	December-08	\$2,399,702	\$2,441,106	
6	Total	<u>\$3,897,104</u>	<u>\$3,997,428</u>	<u>\$654,159</u>
7	Number of Years 2006- 2009		4	4
8	Avg. Annual storm costs		<u>\$999,357</u>	<u>\$163,540</u>
			<u><u> </u></u>	<u><u> </u></u>

(1) April 12, 2007 and December 12, 2008 storm costs excluded from calculation due to the unusual nature of this storm event.

Granite State Electric Company
d/b/a National Grid
Docket No. DE 10-____
Witness: D. E. Tufts

SCHEDULE DET – 5

December 12 Ice Storm Audit Findings Report

Granite State Electric Company
Summary of Storm Costs
From December 11, 2008 through March 31, 2009



PricewaterhouseCoopers LLP
PricewaterhouseCoopers Center
300 Madison Avenue
New York NY 10017
Telephone (646) 471 3000
Facsimile (813) 286 6000

Report of Independent Accountants

To the Board of Directors of Granite State Electric Company:

We have examined management's assertion, described in the accompanying Management's Assertion on the Summary of Storm Costs, that the Summary of Storm Costs for work performed from December 11, 2008 through March 31, 2009 is a complete and accurate presentation of valid storm costs based on the criteria set forth in management's assertion. National Grid USA's management is responsible for the assertion. Our responsibility is to express an opinion on the assertion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting management's assertion and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, management's assertion referred to above is fairly stated, in all material respects, based on the criteria set forth in management's assertion and the notes to the Summary of Storm Costs.

PricewaterhouseCoopers LLP

April 5, 2010

Management's Assertion on the Summary of Storm Costs

Management of Granite State Electric Company has prepared the accompanying Summary of Storm Costs for work performed from December 11, 2008 through March 31, 2009. Management asserts that the Summary of Storm Costs is a complete and accurate presentation of valid storm restoration costs ("Storm Costs").

For the purpose of this assertion, Management has defined a valid storm cost as those costs that are directly related to the December 2008 ice storm (the "Storm"), were incurred for work performed from December 11, 2008 through March 31, 2009, and are supported by appropriate documentation as required by the Company's policies and procedures as of November 30, 2008. Costs directly related to the Storm include costs which were incurred to repair or replace the Company's electric transmission and distribution system and supporting operations, as further described in the Notes to the Summary of Storm Costs.

For the purposes on this assertion, Management has defined the complete and accurate presentation of valid storm costs in the Summary of Storm Costs as inclusion of all known cost incurred for work performed from December 11, 2008 through March 31, 2009, and appropriately charged to a valid storm work order pursuant to the Company's policies and procedures as of November 30, 2008, as further described in the Notes to the Summary of Storm Costs.

April 5, 2010

Granite State Electric Company
Notes to the Summary of Storm Costs
From December 11, 2008 through March 31, 2009

	<u>Costs Incurred From December 11, 2008 Through March 31, 2009</u>	<u>Explanatory Note (3)</u>
Third party costs (mutual assistance and contractor services)	\$ 1 291 771	(A)
Payroll costs (including labor benefits and applicable payroll taxes)	488 284	(B)
Allocations	249 387	(C)
Transportation costs	54 119	(D)
Inventory	<u>9 974</u>	(E)
Total Storm Restoration Costs	2 093 535	
Less Capital	(241 354)	(F)
Less Removal/Other	<u>(7 479)</u>	(G)
Total Storm Restoration O&M Costs	<u>\$ 1 844 702</u>	

See Notes to the Summary of Storm Costs

Granite State Electric Company

Notes to the Summary of Storm Costs

From December 11, 2008 through March 31, 2009

1. Background

Granite State Electric Company (the Company) is an electric retail distribution company providing electric service to approximately 43,000 customers in 21 communities in New Hampshire. The Company is a wholly owned subsidiary of National Grid USA (NGUSA), a utility holding company with regulated subsidiaries engaged in the transmission, distribution and sale of both natural gas and electricity in New England and New York State. NGUSA is a wholly owned subsidiary of National Grid plc, a public limited company incorporated under the laws of England and Wales.

In December 2008, a significant ice storm passed through the Company's service territory, severely damaging parts of the electric distribution system and causing numerous power outages. Customer interruptions peaked at approximately 20,164 on December 12, 2008. The storm affected over 528 square miles of the Company's service territory in New Hampshire, causing interruptions in 17 of the 21 communities served by the Company. The accompanying Summary of Storm Costs presents costs incurred for work performed from December 11, 2008 through March 31, 2009 directly as a result of the effects of the December ice storm. The costs referred to include the cost to repair or replace the Company's electric transmission and distribution system and supporting operations. The Summary of Storm Costs includes a schedule of storm restoration costs by major type.

The Company seeks to recover the operations and maintenance costs related to the December 2008 ice storm through traditional regulatory mechanisms. Under its 2007 rate case settlement, the Company is entitled to seek an adjustment to rates in these situations.

2. Summary of Significant Accounting Policies

Basis of Presentation

The Company's accounting policies conform to generally accepted accounting principles in the United States of America (GAAP), including the accounting principles for rate-regulated entities and are in accordance with the accounting requirements and ratemaking practices of the applicable regulatory authorities.

Regulation

The Federal Energy Regulatory Commission (FERC) has jurisdiction over certain of the Company's activities, including (i) regulating certain transactions among its affiliates; (ii) governing the issuance, acquisition and disposition of securities and assets by certain of its public utility subsidiaries; and (iii) approving certain utility mergers and acquisitions. The Company is also subject to certain regulations of the New Hampshire Public Utilities Commission (NHPUC) in addition to FERC.

Utility Plant

The cost of additions to utility plant and replacements of retirement units of property are capitalized. Costs include direct material, labor, overhead and allowance for funds used during construction (AFUDC). Replacement of minor items of utility plant and the cost of current repairs and maintenance are charged to expense. Whenever utility plant is retired, its original cost, together with the cost of removal, less salvage, is charged to accumulated depreciation.

Granite State Electric Company Notes to the Summary of Storm Costs From December 11, 2008 through March 31, 2009

The Company captures and reports costs through the use of work orders. Storm costs work orders were requested, approved and opened when storm damage was sustained. Work orders for mass property such as distribution assets (e.g., poles, wires, transformers) were subject to storm allocation processes that apportioned storm costs between capital and operation and maintenance expense. For all other functions, a determination was made about whether the storm related project was capital or expense based upon whether that project was in support of a capital retirement unit, as defined by the FERC.

3. Definition of Line Items in the Summary of Storm Costs

The Summary of Storm Costs and definitions described below should be read in conjunction with the Company's policies and procedures as of November 30, 2008. The following definitions were used by the Company to determine whether costs included in the Summary of Storm Costs were complete, accurate and valid:

- A. Includes third party charges directly attributable to the December 2008 ice storm, charged to a valid storm work order and supported by appropriate documentation as defined by pre-existing Company policies and procedures. This item includes mutual assistance company billings, line crew and tree trimming contractors, rental and lease equipment, environmental and other contractor services.
- B. Includes the cost of internal and affiliate labor directly attributable to the December 2008 ice storm, charged to a valid storm work order and supported by appropriate documentation as defined by pre-existing Company policies and procedures.
- C. Includes the applicable benefits, taxes and other payroll overhead allocations related to the above labor costs.
- D. Includes the cost of Company owned vehicles and transportation overhead allocations from affiliates for use of affiliate vehicles. Allocations of transportation overhead costs from affiliates are based on hours worked by affiliate employees using an affiliate vehicle
- E. Includes the cost of materials and supplies directly attributable to the December 2008 ice storm, charged to a valid storm work order and supported by appropriate documentation as defined by pre-existing Company policies and procedures inclusive of costs for materials issued as well as freight costs.
- F. Includes amounts of storm costs that have been capitalized as part of property plant and equipment. For internal labor costs capitalized, the Company used a factor of three times the normal labor costs for such additions.

DIRECT TESTIMONY
OF
KRISTIN J. MAHNKE

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VI. Proposed Storm Recovery Adjustment Provision and Revised Tariff Pages..... 3

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1 **I. Introduction**

2 Q. Please state your name and business address.

3 A. My name is Kristin J. Mahnke, and my business address is 40 Sylvan Road, Waltham,
4 Massachusetts 02451.

5

6 Q. Please state your position.

7 A. I am an Analyst in the New England Electric Pricing group of the Regulation and Pricing
8 – Electricity Distribution and Generation department of National Grid USA Service
9 Company, Inc. This department provides rate-related services to Granite State Electric
10 Company d/b/a National Grid (“National Grid” or “the Company”).

11

12 Q. Will you describe your educational background and training?

13 A. I graduated from Boston University in 2006 with a Bachelor of Science in Management
14 Studies. I received a Master of Science in Administrative Studies concentrated in
15 Financial Economics from Boston University in 2008. I also received a Graduate
16 Certificate in Project Management from Boston University in 2008.

17

18 Q. What is your professional background?

19 A. In August 2008, I joined National Grid as an Analyst in the Regulation and Pricing
20 department.

21

22 Q. Have you previously testified before the New Hampshire Public Utilities Commission
23 (“the Commission”)?

1 A. No.

2

3 **II. Purpose of Testimony**

4 Q. What is the purpose of your testimony?

5 A. The purpose of my testimony is to present the calculation of National Grid's proposed
6 Storm Recovery Adjustment Factor designed to temporarily increase customer
7 contributions to the Company's Storm Fund in order to eliminate the deficit balance
8 resulting from the December 12, 2008 ice storm, in accordance with the Settlement
9 Agreement ("Settlement Agreement") in Docket No. DG 06-107 approved by the
10 Commission in Order No. 24,777 (July 12, 2007.) As discussed in the testimony of Mr.
11 Tufts, the Settlement Agreement authorizes National Grid to request the Commission to
12 approve an adjustment to distribution rates if there is a significant negative balance to the
13 Storm Fund.

14

15 **III. Storm Recovery Adjustment Factor**

16 Q. What is the Company's proposal to eliminate the deficit balance in the Storm Fund as of
17 December 31, 2009?

18 A. The Company's proposal regarding the need to replenish the Storm Fund is presented by
19 Mr. Tufts in his testimony. In order to provide the incremental funding to the Storm
20 Fund, the Company is proposing to implement a Storm Recovery Adjustment Factor for a
21 period of three years that is designed to recover approximately \$1.98 million during the
22 recovery period.

23

1 Q. Please describe the calculation of the Storm Recovery Adjustment Factor.

2 A. The calculation of the Storm Recovery Adjustment Factor is presented in Schedule KJM-
3 1. As presented on page 1 of Schedule KJM-1, the temporary increase in Storm Fund
4 collection of \$1,980,000 on line (1) is divided by the Company's estimated kWh
5 deliveries for the July 2010 through June 2013 interim funding period on line (2),
6 resulting in an adjustment factor on line (3) of 0.074¢ per kWh.

7

8 **IV. Proposed Storm Recovery Adjustment Provision and Revised Tariff Pages**

9 Q. Is the Company proposing a Storm Recovery Adjustment Provision?

10 A. Yes. The proposed Storm Recovery Adjustment Provision is set forth in Schedule KJM-2
11 to my testimony. The Company is proposing this provision such that it can be utilized in
12 the future, after Commission approval is received, to implement a Storm Recovery
13 Adjustment Factor that could either increase or decrease funding to the Storm Fund
14 should there be a significant deficit or excess balance in the Storm Fund.

15

16 Q. Has the Company prepared revised tariff pages reflecting the proposed Storm Recovery
17 Adjustment Factor?

18 A. Yes. The revised tariff pages are set forth in Schedule KJM-3 to my testimony. This
19 schedule contains both the addition of the Storm Recovery Adjustment Mechanism to
20 each of the rate schedules' provisions as well as a proposed Page 84 Summary of Rates.
21 The Company is providing a marked-to-show changes and a clean version of the rate
22 schedules' provisions showing the proposed language.

23

1 **V. Effective Date and Bill Impact**

2 Q. How and when is the Company proposing that the Storm Recovery Adjustment Factor be
3 implemented?

4 A. The Company is proposing that the Storm Recovery Adjustment Factor be made effective
5 for usage on and after July 1, 2010.

6
7 Q. Has the Company determined the impact of the proposed Storm Recovery Adjustment
8 Factor on customer bills?

9 A. Yes. The bill impacts are included as Schedule KJM-4 to my testimony. Schedule KJM-
10 4 shows that for a typical residential 500 kilowatt-hour Default Service customer, the bill
11 impact of the Storm Recovery Adjustment Factor proposed for July 1, 2010 as compared
12 to rates in effect May 1, 2010 is a bill increase of \$0.37, or 0.6%, from \$66.39 to \$66.76.
13 In addition, a bill comparison for a Default Service residential customer with an average
14 kilowatt-hour usage of 640, which is the average monthly usage over the 12 months
15 ending February 2010, has also been included on page 1 of Schedule KJM-4. The total
16 bill impact of the Storm Recovery Adjustment Factor as compared to rates in effect today
17 is a bill increase of \$0.47 or 0.5%, from \$85.57 to \$86.04. For other customers, increases
18 range from 0.4% to 0.7%.

19

20 **VI. Conclusion**

21 Q. Does this conclude your testimony?

22 A. Yes, it does.

Schedules
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Schedule KJM-1	Calculation of the Proposed Storm Recovery Adjustment Factor
Schedule KJM-2	Proposed Storm Recovery Adjustment Provision
Schedule KJM-3	Revised Tariff Pages
Schedule KJM-4	Typical Bill Impacts

SCHEDULE KJM – 1

Calculation of the Proposed Storm Recovery Adjustment Factor

Granite State Electric Company
Calculation of Storm Recovery Adjustment Factor
Rates Effective July 1, 2010

(1) Temporary Increased Storm Fund Recovery	\$1,980,000
(2) Estimated kWh deliveries for the period of July 1, 2010 to June 30, 2013	2,641,591,517
(3) Storm Recovery Adjustment Factor	\$0.00074

- (1) Schedule DTE-1, Attachment 2, Sum of Column (D)
- (2) Per Company forecast
- (3) Line (1) ÷ Line (2), truncated after 5 decimal places

Granite State Electric Company
d/b/a National Grid
Docket No. DE 10-____
Witness: K. J. Mahnke

SCHEDULE KJM – 2

Proposed Storm Recovery Adjustment Provision

GRANITE STATE ELECTRIC COMPANY
STORM RECOVERY ADJUSTMENT PROVISION

The Company's rates for Retail Delivery Service are subject to adjustment to reflect increased or decreased funding to the Company's Storm Fund ("Storm Fund") through a Storm Recovery Adjustment Factor. The Company shall implement a factor designed to provide the increased or decreased funding to the Storm Fund at an amount approved by the Commission through the temporary funding period.

The Storm Recovery Adjustment shall be a uniform cents per kilowatt-hour factor applicable to all kilowatt-hours delivered by the Company to customers taking retail delivery service under each of the Company's rates. The factor shall be based on the estimated kilowatt-hours defined as the forecasted amount of electricity, as measured in kilowatt-hours, to be delivered by the Company to its retail delivery service customers over the temporary funding period approved by the Commission over which the factor is to be applied to customers' bills.

For billing purposes, the Storm Recovery Adjustment Factor will be included with the distribution kWh charge on customers' bills.

The Company shall file with the Commission the results of its temporary funding as part of its annual storm fund report.

Any adjustment of the Storm Recovery Adjustment factor shall be in accordance with a notice filed with the Commission setting forth the amount of the increase or decrease, and the new Storm Recovery Adjustment amount. The notice shall further specify the effective date of such adjustment, which shall not be earlier than thirty days after the filing of the notice, or such other date as the Commission may authorize.

Issued:

Effective: July 1, 2010

Issued by: /s/ Thomas B. King

Thomas B. King

Title: President

(Issued in Compliance with Order No. _____ in Docket _____ dated _____, ____)

SCHEDULE KJM – 3

Revised Tariff Pages

<u>Revised Page</u>	<u>Superseded Page</u>	<u>Rate Schedule</u>
Ninth Revised Page 3	Superseding Eighth Revised Page 3	Contents and Index
Seventh Revised Page 38	Superseding Sixth Revised Page 38	Rate D
Seventh Revised Page 42	Superseding Sixth Revised Page 42	Rate D-10
Eighth Revised Page 46	Superseding Seventh Revised Page 46	Rate G-1
Sixth Revised Page 52	Superseding Fifth Revised Page 52	Rate G-2
Seventh Revised Page 56	Superseding Sixth Revised Page 56	Rate G-3
Eighth Revised Page 61	Superseding Seventh Revised Page 61	Rate M
Eighth Revised Page 67	Superseding Seventh Revised Page 67	Rate T
Ninth Revised Page 71	Superseding Eighth Revised Page 71	Rate V
Sixty-fourth Revised Page 84	Superseding Sixty-third Revised Page 84	Summary of Rates

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Issued: ~~December 30, 2008~~

Issued by: /s/ Thomas B. King
 Thomas B. King

Effective: ~~January 1, 2009~~ July 1, 2010

Title: President

(Issued in Compliance with Order No. ~~24,990~~ _____ in Docket No. ~~DE-06-061~~ _____ dated July 24, 2009 _____)

TRANSMISSION SERVICE COST ADJUSTMENT

Transmission service is available to all retail Customers taking service under this rate. For those Customers, the Transmission Energy Charge shall be calculated in accordance with the Company's Transmission Service Cost Adjustment Provision as provided on Page 79 of the Tariff of which this rate is a part. A summary of energy charges in effect, with all adjustments, is provided on Page 84 of this Tariff.

STRANDED COST ADJUSTMENT

All energy billed under this rate is subject to a Stranded Cost Energy Charge which shall be adjusted from time to time in accordance with the Company's Stranded Cost Adjustment Provision as provided on Page 80 of the Tariff of which this rate is a part. A summary of energy charges in effect, with all adjustments, is provided on Page 84 of this Tariff.

DEFAULT SERVICE

Any Customer who is not purchasing generation service from another entity will receive and pay the Company for Default Service. Notice must be provided by the competitive supplier or the Customer in cases of Customer self-supply. Default Service prices shall be subject to adjustment in accordance with the Company's Default Service Adjustment Provision as provided on Page 87 of this Tariff of which this rate is a part. A summary of energy charges in effect, with all adjustments, is provided on Page 84 of this Tariff.

Default Service may be terminated by a Customer concurrent with the Customer's next scheduled meter read date provided that notice of initiation of generation service from another entity is received by the Company two (2) or more business days before the next scheduled meter read date. Notice must be provided by the competitive supplier or the Customer in cases of Customer self-supply. If the notice of initiation of generation service from another entity is received by the Company fewer than two (2) business days before the next scheduled meter read date, Default Service shall continue until the Customer's subsequent meter read date.

RELIABILITY ENHANCEMENT PROGRAM AND VEGETATION MANAGEMENT PLAN ADJUSTMENT

All energy billed under this rate is subject to a Reliability Enhancement Program and Vegetation Management Plan Adjustment Factor which shall be adjusted from time to time in accordance with the settlement agreement approved by the Commission in Docket No. DG 06-107.

RELIABILITY ENHANCEMENT PROGRAM CAPITAL INVESTMENT ALLOWANCE

Distribution base rates are subject to adjustment on an annual basis for a Reliability Enhancement Program Capital Investment Allowance pursuant to the settlement agreement approved by the Commission in Docket No. DG 06-107.

STORM RECOVERY ADJUSTMENT

All energy billed under this rate is subject to a Storm Recovery Adjustment Factor to which may be adjusted from time to time in accordance with the Company's Storm Recovery Adjustment Provision as provided on Page 114 of the Tariff of which this rate is a part.

Issued: ~~July 25, 2007~~

Issued by: ~~/s/ Robert H. McLaren~~ Thomas B. King
~~Robert H. McLaren~~ Thomas B. King

Effective: ~~August 11, 2007~~ July 1, 2010

Title: _____ President

(Issued in Compliance with Order No. ~~24,777~~ _____ in Docket No. ~~DG-06-107~~ _____ dated ~~July 12, 2007~~ _____)

DEFAULT SERVICE

Any Customer who is not purchasing generation service from another entity will receive and pay the Company for Default Service. Notice must be provided by the competitive supplier or the Customer in cases of Customer self-supply. Default Service prices shall be subject to adjustment in accordance with the Company's Default Service Adjustment Provision as provided on Page 87 of this Tariff of which this rate is a part. A summary of energy charges in effect, with all adjustments, is provided on Page 84 of this Tariff.

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SYSTEM BENEFITS CHARGE ADJUSTMENT PROVISION

Customers taking service under this rate will be charged a System Benefits Charge as provided on Page 77 of the Tariff of which this rate is a part. A summary of energy charges in effect, with all adjustments, is provided on Page 84 of this Tariff.

MINIMUM CHARGE

The Customer Charge is the Minimum Charge.

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All energy billed under this rate is subject to a Stranded Cost Energy Charge which shall be adjusted from time to time in accordance with the Company's Stranded Cost Adjustment Provision as provided on Page 80 of the Tariff of which this rate is a part. A summary of energy charges in effect, with all adjustments, is provided on Page 84 of this Tariff.

DEFAULT SERVICE

Any Customer who is not purchasing generation service from another entity will receive and pay the Company for Default Service. Notice must be provided by the competitive supplier or the Customer in cases of Customer self-supply. Default Service prices shall be subject to adjustment in accordance with the Company's Default Service Adjustment Provision as provided on Page 87 of this Tariff of which this rate is a part. A summary of energy charges in effect, with all adjustments, is provided on Page 84 of this Tariff.

Default Service may be terminated by a Customer concurrent with the Customer's next scheduled meter read date provided that notice of initiation of generation service from another entity is received by the Company two (2) or more business days before the next scheduled meter read date. Notice must be provided by the competitive supplier or the Customer in cases of Customer self-supply. If the notice of initiation of generation service from another entity is received by the Company fewer than two (2) business days before the next scheduled meter read date, Default Service shall continue until the Customer's subsequent meter read date.

RELIABILITY ENHANCEMENT PROGRAM AND VEGETATION MANAGEMENT PLAN ADJUSTMENT

All energy billed under this rate is subject to a Reliability Enhancement Program and Vegetation Management Plan Adjustment Factor which shall be adjusted from time to time in accordance with the settlement agreement approved by the Commission in Docket No. DG 06-107.

RELIABILITY ENHANCEMENT PROGRAM CAPITAL INVESTMENT ALLOWANCE

Distribution base rates are subject to adjustment on an annual basis for a Reliability Enhancement Program Capital Investment Allowance pursuant to the settlement agreement approved by the Commission in Docket No. DG 06-107.

STORM RECOVERY ADJUSTMENT

All energy billed under this rate is subject to a Storm Recovery Adjustment Factor to which may be adjusted from time to time in accordance with the Company's Storm Recovery Adjustment Provision as provided on Page 114 of the Tariff of which this rate is a part.

Issued: ~~July 25, 2007~~

Issued by: ~~/s/ Robert H. McLaren~~ Thomas B. King
Robert H. McLaren Thomas B. King

Effective: ~~August 11, 2007~~ July 1, 2010

Title: President

(Issued in Compliance with Order No. ~~24,777~~ in Docket No. ~~DG 06-107~~ dated ~~July 12, 2007~~)

GRANITE STATE ELECTRIC COMPANY
 RATES EFFECTIVE JULY 1, 2010
 FOR USAGE ON AND AFTER JULY 1, 2010

Rate	Blocks	Distribution Charge (1), (2), (3), (4)	Electricity Consumption Tax	Transmission Charge	Systems Benefits Charge	Stranded Cost Charge	Total Retail Delivery Services
D	Customer Charge	\$4.32					\$4.32
	1st 250 kWh	\$0.01757	\$0.00055	\$0.01811	\$0.00330	\$0.00070	\$0.04023
	Excess 250 kWh	\$0.04370	\$0.00055	\$0.01811	\$0.00330	\$0.00070	\$0.06636
	Off Peak kWh	\$0.01686	\$0.00055	\$0.01811	\$0.00330	\$0.00070	\$0.03952
	Farm kWh	\$0.02661	\$0.00055	\$0.01811	\$0.00330	\$0.00070	\$0.04927
	D-6 kWh	\$0.01757	\$0.00055	\$0.01811	\$0.00330	\$0.00070	\$0.04023
D-10	Customer Charge	\$7.42					\$7.42
	On Peak kWh	\$0.04846	\$0.00055	\$0.01435	\$0.00330	\$0.00069	\$0.06735
	Off Peak kWh	\$0.00137	\$0.00055	\$0.01435	\$0.00330	\$0.00069	\$0.02026
G-1	Customer Charge	\$92.27					\$92.27
	Demand Charge	\$4.03					\$4.03
	On Peak kWh	\$0.00278	\$0.00055	\$0.01505	\$0.00330	\$0.00069	\$0.02237
	Off Peak kWh	\$0.00145	\$0.00055	\$0.01505	\$0.00330	\$0.00069	\$0.02104
G-2	Customer Charge	\$24.70					\$24.70
	Demand Charge	\$4.45					\$4.45
	All kWh	\$0.00176	\$0.00055	\$0.01622	\$0.00330	\$0.00070	\$0.02253
G-3	Customer Charge	\$5.47					\$5.47
	All kWh	\$0.03180	\$0.00055	\$0.01644	\$0.00330	\$0.00070	\$0.05279
M	All kWh see tariff for luminaires & pole charges	\$0.00145	\$0.00055	\$0.00990	\$0.00330	\$0.00071	\$0.01591
T	Customer Charge	\$5.59					\$5.59
	All kWh	\$0.02132	\$0.00055	\$0.01696	\$0.00330	\$0.00070	\$0.04283
V	Minimum Charge	\$5.84					\$5.84
	All kWh	\$0.02952	\$0.00055	\$0.01797	\$0.00330	\$0.00071	\$0.05205

- (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 5/1/06
- | Rate Class | Credit per kWh |
|------------|----------------|
| 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 \$0.00014 per kWh for usage on and after 8/1/09
 (4) Distribution Energy Charges include a Storm Recovery Adjustment Factor of \$0.00074 per kWh for usage on and after 7/1/10

System Benefits Charge-Energy Efficiency	\$0.00150	Effective 1/15/10, usage on and after
System Benefits Charge-Statewide Energy Assistance Program	\$0.00180	Effective 1/15/10, usage on and after
Total System Benefits Charge	\$0.00330	
Transmission Cost Adjustment Factor	various	Effective 1/1/10, usage on and after
Stranded Cost Adjustment Factor	various	Effective 1/1/10, usage on and after
Default Service Charge		
Residential & Small Commercial (D, D-10, G-3, M, T, V)	\$0.07155	Effective 5/1/10, usage on and after
Medium / Large Commercial & Industrial (G-1, G-2)	\$0.07120	Effective 5/1/10, usage on and after
	\$0.06910	Effective 6/1/10, usage on and after
	\$0.07287	Effective 7/1/10, usage on and after
Electricity Consumption Tax	\$0.00055	Effective 5/1/01, usage on and after

Issued: _____ Issued by: Thomas B. King
 Effective: July 1, 2010 Title: Thomas B. King
President

(Issued in Compliance with Order No. _____ in Docket No. DE 10-____ dated _____)

SCHEDULE KJM – 4

Typical Bill Impacts

Granite State Electric Company
 Proposed July 1, 2010 Default Service Rates
 Calculation of Monthly Typical Bill
 Impact on Rate D Default Service Customers
 Without Water Heater Control
 0% Off-Peak

kWh Split
 On-Peak 100.00%
 Off-Peak 0.00%

/----- (1) -----/ /----- (2) -----/ (1) vs (2)

Monthly kWh	On-Peak kWh	Off-Peak kWh	Present Rates			Proposed Rates			Overall Increase (Decrease)	
			Total	Default Service	Retail Delivery	Total	Default Service	Retail Delivery	Amount	%
200	200	0	\$26.53	\$14.31	\$12.22	\$26.67	\$14.31	\$12.36	\$0.14	0.5%
350	350	0	\$45.81	\$25.04	\$20.77	\$46.06	\$25.04	\$21.02	\$0.25	0.5%
500	500	0	\$66.39	\$35.78	\$30.61	\$66.76	\$35.78	\$30.98	\$0.37	0.6%
640	640	0	\$85.57	\$45.79	\$39.78	\$86.04	\$45.79	\$40.25	\$0.47	0.5%
750	750	0	\$100.67	\$53.66	\$47.01	\$101.22	\$53.66	\$47.56	\$0.55	0.5%
1,000	1,000	0	\$134.96	\$71.55	\$63.41	\$135.70	\$71.55	\$64.15	\$0.74	0.5%

	<u>Present Rates</u>	<u>Proposed Rates</u>
Customer Charge	\$4.32	\$4.32
Distribution Charge		
1st 250 kWh	kWh x \$0.01683	\$0.01757
excess of 250 kWh	kWh x \$0.04296	\$0.04370
Off Peak kWh	kWh x \$0.01612	\$0.01612
Transmission Charge	kWh x \$0.01811	\$0.01811
Stranded Cost Charge	kWh x \$0.00070	\$0.00070
System Benefits Charge	kWh x \$0.00330	\$0.00330
Electricity Consumption Tax	kWh x \$0.00055	\$0.00055

Supplier Services

Default Service	kWh x \$0.07155	\$0.07155
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Granite State Electric Company
 Proposed July 1, 2010 Default Service Rates
 Calculation of Monthly Typical Bill
 Impact on Rate D Default Service Customers
 With 6 Hour Water Heater Control

kWh Split
 On-Peak 80.00%
 Off-Peak 20.00%

/----- (1) -----/ /----- (2) -----/ (1) vs (2)

Monthly KWh	On-Peak kWh	Off-Peak kWh	Present Rates			Proposed Rates			Overall Increase (Decrease)	
			Total	Default Service	Retail Delivery	Total	Default Service	Retail Delivery	Amount	%
200	160	40	\$21.69	\$14.31	\$7.38	\$21.81	\$14.31	\$7.50	\$0.12	0.6%
350	280	70	\$39.13	\$25.04	\$14.09	\$39.33	\$25.04	\$14.29	\$0.20	0.5%
500	400	100	\$58.90	\$35.78	\$23.12	\$59.20	\$35.78	\$23.42	\$0.30	0.5%
750	600	150	\$91.85	\$53.66	\$38.19	\$92.29	\$53.66	\$38.63	\$0.44	0.5%
1,000	800	200	\$124.79	\$71.55	\$53.24	\$125.38	\$71.55	\$53.83	\$0.59	0.5%

Present Rates

Proposed Rates

Customer Charge		\$4.32	\$4.32
Distribution Charge			
1st 250 kWh	kWh x	\$0.01683	\$0.01757
excess of 250 kWh	kWh x	\$0.04296	\$0.04370
Off Peak kWh	kWh x	\$0.01612	\$0.01612
Transmission Charge	kWh x	\$0.01811	\$0.01811
Stranded Cost Charge	kWh x	\$0.00070	\$0.00070
System Benefits Charge	kWh x	\$0.00330	\$0.00330
Electricity Consumption Tax	kWh x	\$0.00055	\$0.00055
Interruptible Credit #1		(\$4.80)	(\$4.80)

Supplier Services

Default Service	kWh x	\$0.07155	\$0.07155
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Granite State Electric Company
 Proposed July 1, 2010 Default Service Rates
 Calculation of Monthly Typical Bill
 Impact on Rate D Default Service Customers
 With 6 Hour Water Heater Control

kWh Split
 On-Peak 60.00%
 Off-Peak 40.00%

/----- (1) -----/ /----- (2) -----/ (1) vs (2)

Monthly KWh	On-Peak kWh	Off-Peak kWh	Present Rates			Proposed Rates			Overall Increase (Decrease)	
			Total	Default Service	Retail Delivery	Total	Default Service	Retail Delivery	Amount	%
200	120	80	\$20.07	\$14.31	\$5.76	\$20.16	\$14.31	\$5.85	\$0.09	0.4%
350	210	140	\$36.69	\$25.04	\$11.65	\$36.85	\$25.04	\$11.81	\$0.16	0.4%
500	300	200	\$54.62	\$35.78	\$18.84	\$54.84	\$35.78	\$19.06	\$0.22	0.4%
750	450	300	\$86.22	\$53.66	\$32.56	\$86.55	\$53.66	\$32.89	\$0.33	0.4%
1,000	600	400	\$117.83	\$71.55	\$46.28	\$118.27	\$71.55	\$46.72	\$0.44	0.4%

Present Rates

Proposed Rates

Customer Charge		\$4.32	\$4.32
Distribution Charge		\$0.00000	\$0.00000
1st 250 kWh	kWh x	\$0.01683	\$0.01757
excess of 250 kWh	kWh x	\$0.04296	\$0.04370
Off Peak kWh	kWh x	\$0.01612	\$0.01612
Transmission Charge	kWh x	\$0.01811	\$0.01811
Stranded Cost Charge	kWh x	\$0.00070	\$0.00070
System Benefits Charge	kWh x	\$0.00330	\$0.00330
Electricity Consumption Tax	kWh x	\$0.00055	\$0.00055
Interruptible Credit #2		(\$6.40)	(\$6.40)

Supplier Services

Default Service	kWh x	\$0.07155	\$0.07155
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000061

Granite State Electric Company
 Proposed July 1, 2010 Default Service Rates
 Calculation of Monthly Typical Bill
 Impact on Rate D-10 Default Service Customers

kWh Split
 On-Peak 80.00%
 Off-Peak 20.00%

/----- (1) -----/ /----- (2) -----/ (1) vs (2)

Monthly KWh	On-Peak kWh	Off-Peak kWh	Present Rates			Proposed Rates			Overall Increase (Decrease)	
			Total	Default Service	Retail Delivery	Total	Default Service	Retail Delivery	Amount	%
700	560	140	\$97.55	\$50.09	\$47.46	\$98.07	\$50.09	\$47.98	\$0.52	0.5%
1,000	800	200	\$136.17	\$71.55	\$64.62	\$136.90	\$71.55	\$65.35	\$0.73	0.5%
1,300	1,040	260	\$174.80	\$93.02	\$81.78	\$175.77	\$93.02	\$82.75	\$0.97	0.6%
1,600	1,280	320	\$213.40	\$114.48	\$98.92	\$214.59	\$114.48	\$100.11	\$1.19	0.6%
1,900	1,520	380	\$252.04	\$135.95	\$116.09	\$253.45	\$135.95	\$117.50	\$1.41	0.6%

	<u>Present Rates</u>	<u>Proposed Rates</u>
Customer Charge	\$7.42	\$7.42
Distribution Charge		
On Peak kWh	kWh x \$0.04772	\$0.04846
Off Peak kWh	kWh x \$0.00063	\$0.00137
Transmission Charge	kWh x \$0.01435	\$0.01435
Stranded Cost Charge	kWh x \$0.00069	\$0.00069
System Benefits Charge	kWh x \$0.00330	\$0.00330
Electricity Consumption Tax	kWh x \$0.00055	\$0.00055

Supplier Services

Default Service	kWh x \$0.07155	\$0.07155
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000062

Granite State Electric Company
 Proposed July 1, 2010 Default Service Rates
 Calculation of Monthly Typical Bill
 Impact on Rate D-10 Default Service Customers

kWh Split
 On-Peak 70.00%
 Off-Peak 30.00%

/----- (1) -----/ /----- (2) -----/ (1) vs (2)

Monthly KWh	On-Peak kWh	Off-Peak kWh	Present Rates			Proposed Rates			Overall Increase (Decrease)	
			Total	Default Service	Retail Delivery	Total	Default Service	Retail Delivery	Amount	%
700	490	210	\$94.25	\$50.09	\$44.16	\$94.78	\$50.09	\$44.69	\$0.53	0.6%
1,000	700	300	\$131.45	\$71.55	\$59.90	\$132.19	\$71.55	\$60.64	\$0.74	0.6%
1,300	910	390	\$168.69	\$93.02	\$75.67	\$169.64	\$93.02	\$76.62	\$0.95	0.6%
1,600	1,120	480	\$205.87	\$114.48	\$91.39	\$207.06	\$114.48	\$92.58	\$1.19	0.6%
1,900	1,330	570	\$243.10	\$135.95	\$107.15	\$244.50	\$135.95	\$108.55	\$1.40	0.6%

	<u>Present Rates</u>	<u>Proposed Rates</u>
Customer Charge	\$7.42	\$7.42
Distribution Charge		
On Peak kWh	kWh x \$0.04772	\$0.04846
Off Peak kWh	kWh x \$0.00063	\$0.00137
Transmission Charge	kWh x \$0.01435	\$0.01435
Stranded Cost Charge	kWh x \$0.00069	\$0.00069
System Benefits Charge	kWh x \$0.00330	\$0.00330
Electricity Consumption Tax	kWh x \$0.00055	\$0.00055

Supplier Services

Default Service	kWh x \$0.07155	\$0.07155
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000063

Granite State Electric Company
 Proposed July 1, 2010 Default Service Rates
 Calculation of Monthly Typical Bill
 Impact on Rate D-10 Default Service Customers

kWh Split
 On-Peak 60.00%
 Off-Peak 40.00%

/----- (1) -----/ /----- (2) -----/ (1) vs (2)

Monthly KWh	On-Peak kWh	Off-Peak kWh	Present Rates			Proposed Rates			Overall Increase (Decrease)	
			Total	Default Service	Retail Delivery	Total	Default Service	Retail Delivery	Amount	%
700	420	280	\$90.96	\$50.09	\$40.87	\$91.47	\$50.09	\$41.38	\$0.51	0.6%
1,000	600	400	\$126.74	\$71.55	\$55.19	\$127.49	\$71.55	\$55.94	\$0.75	0.6%
1,300	780	520	\$162.56	\$93.02	\$69.54	\$163.52	\$93.02	\$70.50	\$0.96	0.6%
1,600	960	640	\$198.33	\$114.48	\$83.85	\$199.52	\$114.48	\$85.04	\$1.19	0.6%
1,900	1,140	760	\$234.15	\$135.95	\$98.20	\$235.55	\$135.95	\$99.60	\$1.40	0.6%

	<u>Present Rates</u>	<u>Proposed Rates</u>
Customer Charge	\$7.42	\$7.42
Distribution Charge		
On Peak kWh	kWh x \$0.04772	\$0.04846
Off Peak kWh	kWh x \$0.00063	\$0.00137
Transmission Charge	kWh x \$0.01435	\$0.01435
Stranded Cost Charge	kWh x \$0.00069	\$0.00069
System Benefits Charge	kWh x \$0.00330	\$0.00330
Electricity Consumption Tax	kWh x \$0.00055	\$0.00055

Supplier Services

Default Service	kWh x \$0.07155	\$0.07155
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000064

Granite State Electric Company
 Proposed July 1, 2010 Default Service Rates
 Calculation of Monthly Typical Bill
 Impact on Rate G-3 Default Service Customers

Hours Use

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	%
600	\$79.63	\$42.93	\$36.70	\$80.07	\$42.93	\$37.14	\$0.44	0.6%
800	\$104.35	\$57.24	\$47.11	\$104.94	\$57.24	\$47.70	\$0.59	0.6%
1,200	\$153.79	\$85.86	\$67.93	\$154.68	\$85.86	\$68.82	\$0.89	0.6%
1,500	\$190.88	\$107.33	\$83.55	\$191.99	\$107.33	\$84.66	\$1.11	0.6%
2,000	\$252.67	\$143.10	\$109.57	\$254.15	\$143.10	\$111.05	\$1.48	0.6%

		<u>Present Rates</u>	<u>Proposed Rates</u>
Customer Charge		\$5.47	\$5.47
Distribution Charge	kWh x	\$0.03106	\$0.03180
Transmission Charge	kWh x	\$0.01644	\$0.01644
Stranded Cost Charge	kWh x	\$0.00070	\$0.00070
System Benefits Charge	kWh x	\$0.00330	\$0.00330
Electricity Consumption Tax	kWh x	\$0.00055	\$0.00055
 <u>Supplier Services</u>			
Default Service	kWh x	\$0.07155	\$0.07155

000065

Granite State Electric Company
 Proposed July 1, 2010 Default Service Rates
 Calculation of Monthly Typical Bill
 Impact on Rate T Default Service Customers

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	%
600	\$73.78	\$42.93	\$30.85	\$74.22	\$42.93	\$31.29	\$0.44	0.6%
800	\$96.50	\$57.24	\$39.26	\$97.10	\$57.24	\$39.86	\$0.60	0.6%
1,200	\$141.96	\$85.86	\$56.10	\$142.84	\$85.86	\$56.98	\$0.88	0.6%
1,500	\$176.06	\$107.33	\$68.73	\$177.17	\$107.33	\$69.84	\$1.11	0.6%
2,000	\$232.87	\$143.10	\$89.77	\$234.35	\$143.10	\$91.25	\$1.48	0.6%

	<u>Present Rates</u>	<u>Proposed Rates</u>
Customer Charge	\$5.59	\$5.59
Distribution Charge	kWh x \$0.02058	\$0.02132
Transmission Charge	kWh x \$0.01696	\$0.01696
Stranded Cost Charge	kWh x \$0.00070	\$0.00070
System Benefits Charge	kWh x \$0.00330	\$0.00330
Electricity Consumption Tax	kWh x \$0.00055	\$0.00055

990000 Supplier Services
 000000 Default Service

kWh x	\$0.07155	\$0.07155
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Granite State Electric Company
 Proposed July 1, 2010 Default Service Rates
 Calculation of Monthly Typical Bill
 Impact on Rate V Default Service Customers

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	%
600	\$73.72	\$42.93	\$30.79	\$74.16	\$42.93	\$31.23	\$0.44	0.6%
800	\$98.29	\$57.24	\$41.05	\$98.89	\$57.24	\$41.65	\$0.60	0.6%
1,200	\$147.43	\$85.86	\$61.57	\$148.31	\$85.86	\$62.45	\$0.88	0.6%
1,500	\$184.31	\$107.33	\$76.98	\$185.42	\$107.33	\$78.09	\$1.11	0.6%
2,000	\$245.72	\$143.10	\$102.62	\$247.20	\$143.10	\$104.10	\$1.48	0.6%

		<u>Present Rates</u>	<u>Proposed Rates</u>
Minimum Charge		\$5.84	\$5.84
Distribution Charge	kWh x	\$0.02878	\$0.02952
Transmission Charge	kWh x	\$0.01797	\$0.01797
Stranded Cost Charge	kWh x	\$0.00071	\$0.00071
System Benefits Charge	kWh x	\$0.00330	\$0.00330
Electricity Consumption Tax	kWh x	\$0.00055	\$0.00055

Supplier Services

Default Service	kWh x	\$0.07155	\$0.07155
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Granite State Electric Company
 Proposed July 1, 2010 Default Service Rates
 Calculation of Illustrative Monthly Typical Bill
 Impact on Rate G-1 Default Service Customers

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

/----- (1) -----/ /----- (2) -----/ (1) vs (2)

kW	Monthly kWh	On-Peak kWh	Off-Peak kWh	Present Rates			Proposed Rates			Overall Increase (Decrease)	
				Total	Default Service	Retail Delivery	Total	Default Service	Retail Delivery	Amount	%
200	50,000	30,000	20,000	\$5,514.67	\$3,561.50	\$1,953.17	\$5,551.67	\$3,561.50	\$1,990.17	\$37.00	0.7%
300	75,000	45,000	30,000	\$8,225.87	\$5,342.25	\$2,883.62	\$8,281.37	\$5,342.25	\$2,939.12	\$55.50	0.7%
400	100,000	60,000	40,000	\$10,937.07	\$7,123.00	\$3,814.07	\$11,011.07	\$7,123.00	\$3,888.07	\$74.00	0.7%
500	125,000	75,000	50,000	\$13,648.27	\$8,903.75	\$4,744.52	\$13,740.77	\$8,903.75	\$4,837.02	\$92.50	0.7%
1,000	250,000	150,000	100,000	\$27,204.27	\$17,807.50	\$9,396.77	\$27,389.27	\$17,807.50	\$9,581.77	\$185.00	0.7%

	<u>Present Rates</u>	<u>Proposed Rates</u>
Customer Charge	\$92.27	\$92.27
Distribution Charge		
On Peak kWh	kWh x \$0.00204	\$0.00278
Off Peak kWh	kWh x \$0.00071	\$0.00145
Distribution Demand Charge	kW x \$4.03	\$4.03
Transmission Charge	kWh x \$0.01505	\$0.01505
Stranded Cost Charge	kWh x \$0.00069	\$0.00069
System Benefits Charge	kWh x \$0.00330	\$0.00330
Electricity Consumption Tax	kWh x \$0.00055	\$0.00055

Supplier Services

Illustrative Weighted Average Default Service	kWh x \$0.07123	\$0.07123
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Granite State Electric Company
 Proposed July 1, 2010 Default Service Rates
 Calculation of Illustrative Monthly Typical Bill
 Impact on Rate G-1 Default Service Customers

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

/----- (1) -----/ /----- (2) -----/ (1) vs (2)

kW	Monthly kWh	On-Peak kWh	Off-Peak kWh	Present Rates			Proposed Rates			Overall Increase (Decrease)	
				Total	Default Service	Retail Delivery	Total	Default Service	Retail Delivery	Amount	%
200	70,000	35,000	35,000	\$7,351.92	\$4,986.10	\$2,365.82	\$7,403.72	\$4,986.10	\$2,417.62	\$51.80	0.7%
300	105,000	52,500	52,500	\$10,981.75	\$7,479.15	\$3,502.60	\$11,059.45	\$7,479.15	\$3,580.30	\$77.70	0.7%
400	140,000	70,000	70,000	\$14,611.57	\$9,972.20	\$4,639.37	\$14,715.17	\$9,972.20	\$4,742.97	\$103.60	0.7%
500	175,000	87,500	87,500	\$18,241.40	\$12,465.25	\$5,776.15	\$18,370.90	\$12,465.25	\$5,905.65	\$129.50	0.7%
1,000	350,000	175,000	175,000	\$36,390.52	\$24,930.50	\$11,460.02	\$36,649.52	\$24,930.50	\$11,719.02	\$259.00	0.7%

	<u>Present Rates</u>	<u>Proposed Rates</u>
Customer Charge	\$92.27	\$92.27
Distribution Charge		
On Peak kWh	kWh x \$0.00204	\$0.00278
Off Peak kWh	kWh x \$0.00071	\$0.00145
Distribution Demand Charge	kW x \$4.03	\$4.03
Transmission Charge	kWh x \$0.01505	\$0.01505
Stranded Cost Charge	kWh x \$0.00069	\$0.00069
System Benefits Charge	kWh x \$0.00330	\$0.00330
Electricity Consumption Tax	kWh x \$0.00055	\$0.00055

Supplier Services

Illustrative Weighted Average Default Service	kWh x \$0.07123	\$0.07123
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690000

Granite State Electric Company
 Proposed July 1, 2010 Default Service Rates
 Calculation of Illustrative Monthly Typical Bill
 Impact on Rate G-1 Default Service Customers

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

/----- (1) -----/ /----- (2) -----/ (1) vs (2)

kW	Monthly kWh	On-Peak kWh	Off-Peak kWh	Present Rates			Proposed Rates			Overall Increase (Decrease)	
				Total	Default Service	Retail Delivery	Total	Default Service	Retail Delivery	Amount	%
200	90,000	40,500	49,500	\$9,189.84	\$6,410.70	\$2,779.14	\$9,256.44	\$6,410.70	\$2,845.74	\$66.60	0.7%
300	135,000	60,750	74,250	\$13,738.62	\$9,616.05	\$4,122.57	\$13,838.52	\$9,616.05	\$4,222.47	\$99.90	0.7%
400	180,000	81,000	99,000	\$18,287.40	\$12,821.40	\$5,466.00	\$18,420.60	\$12,821.40	\$5,599.20	\$133.20	0.7%
500	225,000	101,250	123,750	\$22,836.18	\$16,026.75	\$6,809.43	\$23,002.69	\$16,026.75	\$6,975.94	\$166.51	0.7%
1,000	450,000	202,500	247,500	\$45,580.10	\$32,053.50	\$13,526.60	\$45,913.10	\$32,053.50	\$13,859.60	\$333.00	0.7%

	<u>Present Rates</u>	<u>Proposed Rates</u>
Customer Charge	\$92.27	\$92.27
Distribution Charge		
On Peak kWh	kWh x \$0.00204	\$0.00278
Off Peak kWh	kWh x \$0.00071	\$0.00145
Distribution Demand Charge	kW x \$4.03	\$4.03
Transmission Charge	kWh x \$0.01505	\$0.01505
Stranded Cost Charge	kWh x \$0.00069	\$0.00069
System Benefits Charge	kWh x \$0.00330	\$0.00330
Electricity Consumption Tax	kWh x \$0.00055	\$0.00055

Supplier Services

Illustrative Weighted Average Default Service	kWh x \$0.07123	\$0.07123
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000070

Granite State Electric Company
Proposed July 1, 2010 Default Service Rates
Calculation of Illustrative Monthly Typical Bill
Impact on Rate G-1 Default Service Customers

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

/----- (1) -----/ /----- (2) -----/ (1) vs (2)

kW	Monthly kWh	On-Peak kWh	Off-Peak kWh	Present Rates			Proposed Rates			Overall Increase (Decrease)	
				Total	Default Service	Retail Delivery	Total	Default Service	Retail Delivery	Amount	%
200	90,000	36,000	54,000	\$9,183.85	\$6,410.70	\$2,773.15	\$9,250.45	\$6,410.70	\$2,839.75	\$66.60	0.7%
300	135,000	54,000	81,000	\$13,729.64	\$9,616.05	\$4,113.59	\$13,829.54	\$9,616.05	\$4,213.49	\$99.90	0.7%
400	180,000	72,000	108,000	\$18,275.43	\$12,821.40	\$5,454.03	\$18,408.63	\$12,821.40	\$5,587.23	\$133.20	0.7%
500	225,000	90,000	135,000	\$22,821.22	\$16,026.75	\$6,794.47	\$22,987.72	\$16,026.75	\$6,960.97	\$166.50	0.7%
1,000	450,000	180,000	270,000	\$45,550.17	\$32,053.50	\$13,496.67	\$45,883.17	\$32,053.50	\$13,829.67	\$333.00	0.7%

	<u>Present Rates</u>	<u>Proposed Rates</u>
Customer Charge	\$92.27	\$92.27
Distribution Charge		
On Peak kWh	kWh x \$0.00204	\$0.00278
Off Peak kWh	kWh x \$0.00071	\$0.00145
Distribution Demand Charge	kW x \$4.03	\$4.03
Transmission Charge	kWh x \$0.01505	\$0.01505
Stranded Cost Charge	kWh x \$0.00069	\$0.00069
System Benefits Charge	kWh x \$0.00330	\$0.00330
Electricity Consumption Tax	kWh x \$0.00055	\$0.00055

Supplier Services

Illustrative Weighted Average Default Service	kWh x \$0.07123	\$0.07123
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000071

Granite State Electric Company
 Proposed July 1, 2010 Default Service Rates
 Calculation of Illustrative Monthly Typical Bill
 Impact on Rate G-2 Default Service Customers

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	\$485.78	\$284.92	\$200.86	\$488.74	\$284.92	\$203.82	\$2.96	0.6%
50	10,000	\$1,177.40	\$712.30	\$465.10	\$1,184.80	\$712.30	\$472.50	\$7.40	0.6%
75	15,000	\$1,753.75	\$1,068.45	\$685.30	\$1,764.85	\$1,068.45	\$696.40	\$11.10	0.6%
100	20,000	\$2,330.10	\$1,424.60	\$905.50	\$2,344.90	\$1,424.60	\$920.30	\$14.80	0.6%
150	30,000	\$3,482.80	\$2,136.90	\$1,345.90	\$3,505.00	\$2,136.90	\$1,368.10	\$22.20	0.6%

		<u>Present Rates</u>	<u>Proposed Rates</u>
Customer Charge		\$24.70	\$24.70
Distribution Charge	kWh x	\$0.00102	\$0.00176
Distribution Demand Charge	kW x	\$4.45	\$4.45
Transmission Charge	kWh x	\$0.01622	\$0.01622
Stranded Cost Charge	kWh x	\$0.00070	\$0.00070
System Benefits Charge	kWh x	\$0.00330	\$0.00330
Electricity Consumption Tax	kWh x	\$0.00055	\$0.00055

Supplier Services

Illustrative Weighted Average Default Se	kWh x	\$0.07123	\$0.07123
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000072

Granite State Electric Company
 Proposed July 1, 2010 Default Service Rates
 Calculation of Illustrative 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	\$578.80	\$356.15	\$222.65	\$582.50	\$356.15	\$226.35	\$3.70	0.6%
50	12,500	\$1,409.96	\$890.38	\$519.58	\$1,419.21	\$890.38	\$528.83	\$9.25	0.7%
75	18,750	\$2,102.59	\$1,335.56	\$767.03	\$2,116.46	\$1,335.56	\$780.90	\$13.87	0.7%
100	25,000	\$2,795.20	\$1,780.75	\$1,014.45	\$2,813.70	\$1,780.75	\$1,032.95	\$18.50	0.7%
150	37,500	\$4,180.46	\$2,671.13	\$1,509.33	\$4,208.21	\$2,671.13	\$1,537.08	\$27.75	0.7%

		<u>Present Rates</u>	<u>Proposed Rates</u>
Customer Charge		\$24.70	\$24.70
Distribution Charge	kWh x	\$0.00102	\$0.00176
Distribution Demand Charge	kW x	\$4.45	\$4.45
Transmission Charge	kWh x	\$0.01622	\$0.01622
Stranded Cost Charge	kWh x	\$0.00070	\$0.00070
System Benefits Charge	kWh x	\$0.00330	\$0.00330
Electricity Consumption Tax	kWh x	\$0.00055	\$0.00055

Supplier Services

Illustrative Weighted Average Default Se	kWh x	\$0.07123	\$0.07123
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000073

Granite State Electric Company
 Proposed July 1, 2010 Default Service Rates
 Calculation of Illustrative 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	\$671.82	\$427.38	\$244.44	\$676.26	\$427.38	\$248.88	\$4.44	0.7%
50	15,000	\$1,642.50	\$1,068.45	\$574.05	\$1,653.60	\$1,068.45	\$585.15	\$11.10	0.7%
75	22,500	\$2,451.41	\$1,602.68	\$848.73	\$2,468.06	\$1,602.68	\$865.38	\$16.65	0.7%
100	30,000	\$3,260.30	\$2,136.90	\$1,123.40	\$3,282.50	\$2,136.90	\$1,145.60	\$22.20	0.7%
150	45,000	\$4,878.10	\$3,205.35	\$1,672.75	\$4,911.40	\$3,205.35	\$1,706.05	\$33.30	0.7%

		<u>Present Rates</u>	<u>Proposed Rates</u>
Customer Charge		\$24.70	\$24.70
Distribution Charge	kWh x	\$0.00102	\$0.00176
Distribution Demand Charge	kW x	\$4.45	\$4.45
Transmission Charge	kWh x	\$0.01622	\$0.01622
Stranded Cost Charge	kWh x	\$0.00070	\$0.00070
System Benefits Charge	kWh x	\$0.00330	\$0.00330
Electricity Consumption Tax	kWh x	\$0.00055	\$0.00055

Supplier Services

Illustrative Weighted Average Default Se	kWh x	\$0.07123	\$0.07123
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