

National Grid

January 2009 Retail Rate Filing

Testimony and Schedules
of
Scott M. McCabe
and
Pamela A. Viapiano

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Submitted to:
New Hampshire Public Utilities Commission
Docket DE 08-____

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nationalgrid

Granite State Electric Company d/b/a National Grid

Docket DE 08-____

Direct Testimony of Scott M. McCabe

DIRECT TESTIMONY

OF

SCOTT M. MCCABE

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1 **I. Introduction and Qualifications**

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

3 A. My name is Scott M. McCabe and my business address is 201 Jones Road, Waltham,
4 Massachusetts 02451.

5
6 Q. Please state your position.

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

11
12 Q. Please describe your educational background.

13 A. I graduated from Bowdoin College in Brunswick, Maine with a Bachelor of Arts degree
14 in Economics and Government and Legal Studies in 1991.

15
16 Q. Please describe your professional experience and training.

17 A. From 1991 to 1999, I was employed by Bay State Gas Company (“Bay State Gas”),
18 headquartered in Westborough, MA. At Bay State Gas I held several positions,
19 beginning as an intern for the Marketing and Sales Group in September 1991 and
20 promoted to Associate Planning Analyst for the same group in January 1993. In August
21 1993, I joined the Demand Side Management department as a program manager
22 responsible for the implementation of Bay State Gas’s commercial and multifamily DSM

1 Programs. In August 1996, I joined EnergyUSA, an unregulated affiliate of Bay State
2 Gas, as a Senior Financial Analyst and in December 1997 was promoted to Manager of
3 Product Support. In January 1999 I rejoined Bay State Gas as Revenue Control and
4 Analysis Supervisor. From May 1999 through April 2001, I worked for the
5 Massachusetts Technology Collaborative as Project Manager for the Massachusetts
6 Renewable Energy Trust. I joined National Grid in April 2001 as Senior Analyst in the
7 Energy Efficiency Services Group. I transferred to Regulation and Pricing in October
8 2002. In July of 2008 I was promoted to my current position.

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

12 A. Yes.

13
14 **II. Purpose of Testimony**

15 Q. What is the purpose of your testimony?

16 A. The purpose of my testimony is to present National Grid’s proposed rate adjustments for
17 2009 in accordance with the Company’s reconciliation and adjustment provisions of its
18 tariff, and the Company’s Amended Restructuring Settlement Agreement approved in
19 Docket DR 98-012 (“Amended Settlement Agreement”). The reconciliations and
20 adjustments I describe in my testimony relate to the Stranded Cost Charge and
21 transmission charges.

1 The purpose of each reconciliation is to determine the difference between revenues
2 collected under these mechanisms and the Company's actual expenses. For the
3 Company's Stranded Cost Charge and transmission charges, the result of each
4 reconciliation is the basis for the calculation of an adjustment factor to refund to
5 customers any over collection or collect from customers any under collection of these
6 costs. This filing also presents the final reconciliation of balances approved for refund or
7 recovery through adjustment factors, the refund or recovery of which has been completed
8 since the Company's last reconciliation filing on November 28, 2007, and proposes a
9 disposition of any remaining balances relating to these adjustment factors. I will discuss
10 each provision subject to reconciliation, its reconciliation, and its proposed adjustment
11 factor separately.

12
13 My testimony also presents the proposed rate design for the Company's forecasted 2009
14 transmission expenses, as provided for in the Company's Transmission Service Cost
15 Adjustment Provision, and changes in National Grid's Stranded Cost Charge in
16 accordance with the Company's Amended Settlement Agreement.

17
18 Q. Please summarize the results of the adjustments and reconciliations which National Grid
19 proposes to implement in 2009.

20 A. As I describe in more detail later in my testimony, National Grid proposes to implement
21 the following adjustments to its rates and charges beginning January 1, 2009, for usage
22 on and after that date:

<u>Charge or Factor (¢/kWh)</u>	<u>2008</u>	<u>2009</u>	<u>Increase (Decrease)</u>
Stranded Cost Charge (avg.)	0.050¢	(0.010¢)	(0.060¢)
Transmission Service Charge (avg.)	<u>0.979¢</u>	<u>1.573¢</u>	<u>0.594¢</u>
Total	1.029¢	1.563¢	0.534¢

Schedule SMM-1 sets forth in detail the proposed adjustment factors as well as the proposed transmission rates and Stranded Cost charge.

III. Stranded Cost Charge

Base Stranded Cost Charge

Q. Please discuss, in general terms, the Company's proposed adjustment and reconciliation of its Stranded Cost Charge.

A. National Grid's Stranded Cost Charge consists of two components: (1) a uniform per kilowatt-hour charge the Company collects from all customers, and which reflects the contract termination charge ("CTC") assessed by New England Power Company ("NEP"); and (2) rate-class specific adjustment factors reflecting the reconciliation of any excess or deficiency in stranded cost recovery from that rate class in the prior year. The Company's Stranded Cost Adjustment Provision provides for changes to the Stranded Cost Charge as a result of a change in the CTC from NEP and the rate-class-specific reconciliation described above. The changes proposed by National Grid are in accordance with that provision of its tariff.

Q. Please describe the changes to the base portion of the Stranded Cost charge resulting

1 from the changes in the CTC assessed by NEP.

2 A. National Grid is proposing to decrease the uniform Stranded Cost Charge it assesses from
3 0.050¢ per kilowatt-hour (excluding Stranded Cost adjustment factors) to (0.010¢) per
4 kilowatt-hour (excluding Stranded Cost adjustment factors) for the period beginning
5 January 1, 2009. At the time of this filing, NEP has not finalized its 2009 CTC, but
6 expects to do so on or before December 1, 2008, at which time it will provide the
7 reconciliation report to the Commission and the signatories to the Amended Settlement
8 Agreement in accordance with Section 3.5 of the Wholesale Settlement approved by the
9 Federal Energy Regulatory Commission. The Company intends to update its proposed
10 Stranded Cost Charge prior to the hearing in this proceeding if the final CTC is different
11 than today's proposed value.

12
13 **Reconciliations**

14 Q. Please describe the Stranded Cost adjustment factors and the reconciliation used to
15 determine those factors.

16 A. In addition to establishing a revised uniform CTC applicable to all kilowatt-hour
17 deliveries for the forthcoming year, the Company also performs an annual reconciliation
18 of the Stranded Cost revenue it has billed to customers and recorded in its general ledger
19 with the CTC expenses it has paid to NEP in order to develop rate-class specific
20 adjustment factors. The adjustment factors are implemented to ensure that there is no
21 over or under collection of stranded costs from any particular rate class. Details of this
22 reconciliation for the period October 2007 through September 2008 are included in

1 Schedule SMM-2.

2
3 Q. Can you explain the adjustments to Stranded Cost revenue on page 3 of Schedule SMM-
4 2, Column (c)?

5 A. The adjustment in Column (c) on page 3 of Schedule SMM-2 is reflected in January 2008
6 for Rate V, and represents the final balance of the 2007 Stranded Cost adjustment factor
7 reconciliation after completion of the refund (for Rate V) of the reconciliation balance for
8 the period October 2005 through September 2006 at the end of 2007. The reconciliation
9 and remaining amount for each rate class are found in Schedule SMM-3. Reflecting this
10 amount as an adjustment in the current period's reconciliation ends the 2007 Stranded
11 Cost adjustment factor reconciliation and provides final resolution of the remaining
12 balance.

13
14 Q. Can you explain the adjustments to Stranded Cost revenue on page 5 of Schedule SMM-
15 2?

16 A. Yes. Stranded Cost revenue consists of revenue billed by the Company and recorded in
17 its general ledger for all retail delivery customers. This revenue is generated by both the
18 base Stranded Cost Charge as set by NEP's CTC and the Stranded Cost adjustment
19 factors in effect during the period that is reflected in this year's reconciliation (October
20 2007 through September 2008). Any amounts attributable to the Stranded Cost
21 adjustment factors must be removed from total Stranded Cost revenue to provide for a
22 proper Stranded Cost reconciliation. This adjustment is presented on page 5 of Schedule

1 SMM-2. Similar adjustments have been made to total billed transmission revenue for the
2 transmission adjustment factors in effect during 2007 and 2008.

3
4 Q. Has the Company prepared a reconciliation of the Stranded Cost adjustment factors that
5 were implemented in 2007 and 2008?

6 A. Yes. Schedule SMM-3 presents the final reconciliation for the 2007 factors and Schedule
7 SMM-4 presents the current status of the reconciliation for the 2008 factors. The 2007
8 Stranded Cost adjustment factor was intended to refund a net over collection for rate
9 class V of \$169, which was refunded to customers during 2007. By the end of 2007, the
10 Company had under refunded customers in this rate class by a net of \$12. This amount,
11 as discussed above, is reflected in this year's reconciliation as an adjustment to refund the
12 net over collection balance. This final balance is reflected in January 2008, as the
13 Company indicated would occur in its November 28, 2007 Retail Rate Filing.

14
15 The currently effective 2008 Stranded Cost adjustment factor is intended to refund a net
16 over collection of \$121 to customers on Rate V, and this net amount is being reflected on
17 customers' bills during 2008. By the end of October 2008, the status of the 2008
18 Stranded Cost adjustment factor reconciliation is a net over collection of \$17, which
19 remains to be refunded to customers by the end of 2008. Any remaining balances after
20 the end of the refund/recovery period will be reflected as an adjustment in next year's
21 reconciliation in January 2009.

2009 Adjustment Factors

Q. Has the Company calculated proposed Stranded Cost adjustment factors for 2009?

A. Yes. Schedule SMM-5 calculates a Stranded Cost adjustment factor per kilowatt-hour for each rate class to be applied to all retail delivery service customer bills in that rate class for the period January 2009 through December 2009. A Stranded Cost adjustment factor is indicated for classes D-10, G-2, G-3, V and M. The remaining rate classes (D, T and, G-1) have balances so low that their calculated adjustment factor is zero. Therefore, the balances for these rate classes will be carried forward as the beginning balance in the next reconciliation period (October 2008 through September 2009). Consequently, there will be no Stranded Cost adjustment factors for these rate classes.

Q. How does the methodology used for the Company's Stranded Cost adjustment factor determination and reconciliation compare to the other reconciliations presented in your testimony?

A. As explained in prior filings, NEP continues to bill its CTC based on the number of kilowatt-hours delivered by the Company on a cycle-billed basis. This process eliminates the timing differences between cycle and calendar-month billing that is present for some of the Company's other reconciliations, such as the Default Service and transmission reconciliations. Consequently, there is a more accurate matching of revenue and expense for stranded cost recovery than there is for the other reconciliations presented in this filing, resulting in correspondingly small Stranded Cost adjustment factors.

1
2 **IV. Transmission Service**

3 Transmission Service Cost Adjustment Provision

4 Q. Please describe the Company's Transmission Service Cost Adjustment Provision
5 ("TCA")?

6 A. The Company recovers its transmission related expenses pursuant to the TCA, which
7 allows the Company to recover costs billed to it by ISO New England and New England
8 Power Company.

9
10 **Reconciliations**

11 Q. Does the TCA provide for a reconciliation of the Company's transmission revenue and
12 transmission expense?

13 A. Yes. The Company's TCA provides for the full reconciliation of transmission revenue
14 and expense and adjustment for any over recovery or under recovery of transmission
15 costs from the prior year.

16
17 Q. Has the Company prepared such a reconciliation?

18 A. Yes, it is contained in Schedule SMM-6. This reconciliation reflects actual transmission
19 revenue for the period October 2007 through September 2008 and actual transmission
20 expenses for the period October 2007 through August 2008 and estimated expenses for
21 September 2008.

1 Q. How does the Company plan to reconcile estimated expenses for September 2008 with
2 actual expenses?

3 A. Actual expenses for September 2008 will be compared to the estimated expenses
4 included in this period's reconciliation. The difference, positive or negative, will be
5 included as an adjustment in October 2008 to the reconciliation for the period October
6 2008 through September 2009, to be filed with the Commission at this time next year.

7
8 Q. Please explain the October 2007 adjustment on Schedule SMM-6, page 1, Column (c)?

9 A. As described in the November 28, 2007 Retail filing, this adjustment actually reflects a
10 few adjustments. The adjustment represents the reconciliation of the actual transmission
11 expenses for September 2007 compared to the estimated transmission expenses included
12 in last year's reconciliation. The actual expense was \$88,781 more than forecasted. The
13 adjustment also reflects a correction of inadvertent double counting of \$10,247 of ISO-
14 NE administrative expense for October 2006 in last year's reconciliation. Finally, the
15 adjustment reflects the local network service refund of \$263,913 owed to the Company
16 from NEP as a result of the October 31, 2006 final FERC order, Opinion No. 489, on the
17 New England transmission owners ("NE TOs") return on equity ("ROE") filing. The
18 final order identified the ROE that the NE TOs should have billed beginning on the New
19 England Regional transmission organization operation date of February 1, 2005.

20
21 Q. Why, on page 2 of Schedule SMM-6, does the month October 2007 appear to show only
22 a partial month of transmission revenue?

1 A. The transmission service reconciliation involves a comparison of revenue billed on a
2 cycle basis with expenses incurred on a calendar basis. In order to match more
3 accurately transmission service revenue with expenses, the reconciliation is designed to
4 account for actual usage which occurs during the period covered by the reconciliation,
5 regardless of the month in which such usage is billed. Thus, October 2007 usage that
6 was billed in October 2007 is reflected in this year's reconciliation, whereas September
7 2007 usage billed in October 2007 was included in last year's reconciliation.

8
9 Q. Please describe Section 2 of Schedule SMM-6.

10 A. Section 2 of Schedule SMM-6 is the projected reconciliation of transmission service
11 revenue and expense through December 2008. As of December 2008, the Company
12 expects to incur an under recovery of approximately \$2 million.

13
14 Q. Since the reconciliation period ends September 2008, why has the Company included a
15 projection of the reconciliation through December 2008?

16 A. Since the current transmission service rates will remain in effect until January 1, 2009,
17 the Company has included the projected reconciliation balance through December 2008
18 as an indication of the expected under recovery that is likely to occur based on the
19 projected transmission expenses for those months.

20
21 Q. What has contributed to the under recovery of expense for the period October 2007
22 through September 2008 and projected through December 2008?

23 A. The under recovery of expense for this period is primarily due to the fact that the actual

1 Regional Network Service (“RNS”) rates effective June 1, 2008 were higher than
2 anticipated in the 2008 forecast. The RNS rates recover the costs associated with Pool
3 Transmission Facilities and are billed to the Company pursuant to FERC approved tariffs.
4 The testimony of Ms. Viapiano discusses the Company’s transmission service expense in
5 greater detail.
6

7 Q. Is the Company proposing to include the projected balance through December 2008 in its
8 transmission service adjustment factor?

9 A. Yes. The Company expects to incur an additional \$0.5 million under recovery beyond
10 the end of the reconciliation period. Rather than allowing the accumulation of this
11 additional under recovery, the Company is proposing to include this amount in the design
12 of the transmission service adjustment factor effective January 1, 2009.
13

14 Q. Has the Company prepared reconciliations for the 2007 and 2008 transmission service
15 cost adjustment factors?

16 A. Yes. They are included as Schedule SMM-7 and Schedule SMM-8, respectively. As
17 shown in Schedule SMM-7 for the 2007 transmission service adjustment factor, of the
18 \$441,580 under collection from the October 2005 through September 2006 transmission
19 service reconciliation, \$421,179 had been recovered through the end of 2007, resulting in
20 the Company under recovering \$20,402 of what it was allowed to recover for that period.
21 The Company has reflected this amount in this year’s transmission service reconciliation
22 in January 2008, which can be seen on Schedule SMM-6, page 1, Column (c). As shown

1 in Schedule SMM-8 for the 2008 transmission service adjustment factor, of the \$202,985
2 under collection from last year's transmission service reconciliation for the period
3 October 2006 through September 2007, \$157,815 has been recovered through October
4 2008, and \$45,170 remains to be recovered through the end of the year. Any remaining
5 balance, either positive or negative, will be reflected in next year's transmission service
6 reconciliation in January 2009.

7
8 **2009 Adjustment Factor**

9 Q. Is the Company proposing a transmission service adjustment factor?

10 A. Yes. The Company is proposing a uniform transmission service adjustment factor of
11 0.212¢ per kWh as calculated in Schedule SMM-9.

12
13 Q. How was this adjustment factor derived?

14 A. This factor was calculated by dividing the projected under collection of transmission
15 expense at December 2008 from section 2 of Schedule SMM-6 by the forecasted
16 kilowatt-hour deliveries for calendar year 2009.

17
18 Q. How would this factor be implemented?

19 A. The transmission service adjustment factor would become effective for usage on and
20 after January 1, 2009, the same date that the Stranded Cost adjustment factors are
21 proposed to become effective. The proposed adjustment factor would be applied to bills
22 of all customers taking transmission service through the Company.

2009 Base Transmission Service Rates

Q. Why is the Company proposing new base transmission rates at this time?

A. The Company's TCA states that the base transmission rates shall be established annually based on a forecast of transmission costs incurred by the Company to provide transmission service to its retail delivery service customers. The rate at which these costs are collected is to be calculated separately for each of the Company's rate classes based on cost-incurrence.

Q. What is the forecast of 2009 transmission costs?

A. As discussed in the testimony of Pamela A. Viapiano included in this filing, the Company's transmission costs are expected to be approximately \$12.7 million in 2009. This forecast of transmission expense yields an average rate of 1.361¢ per kWh, which compares to the currently effective average transmission rate of 0.957¢ per kWh, exclusive of the transmission service cost adjustment factor. Based on these estimates, the Company determined that it should propose new rates effective January 1, 2009 to better match the projected incurrence of transmission costs. The Company is including its proposed transmission service rate design based on this forecast of transmission expenses for 2009 in Schedule SMM-10, page 1.

Q. How does the Company propose to design the base transmission rates effective January 1, 2009?

1 A. Since base transmission rates are unique by rate class, the first step in designing the
2 proposed base transmission rates is to allocate the forecast of transmission costs to each
3 rate class. The determination of the class-specific expense allocation is based on each
4 rate class's contribution to the coincident peak. This methodology has been described in
5 the Company's prior annual Retail Rate Filings and has been accepted by the
6 Commission. The analysis is set forth in Schedule SMM-10, page 2.

7
8 **V. Default Service Rates**

9 Q. Is the Company proposing changes to its Default Service rates in this filing?

10 A. No, it is not. The Default Service rates for all rate classes for usage on and after January
11 1, 2009 have already been approved by the Commission pursuant to Order No. 24,902
12 issued on September 29, 2008 in Docket DE 08-011. These Default Service rates,
13 inclusive of the Default Service Reclassification Adjustment Factors, Default Service
14 Adjustment Factors and Renewable Portfolio Standard adders are:

15 Small Customer Group (Rate Classes D, D-10, M, T, G-3, V) 10.232¢

16 Large Customer Group (Rate Classes G-1, G-2) 11.561¢

17
18 Q. Is the Company presenting reconciliations for Default Service, the Default Service Cost
19 adjustment factor, and the Default Service Cost Reclassification adjustment factors in its
20 filing?

21 A. No. The Company will include all of its Default Service related reconciliations as part
22 of its Default Service filing to be made in March 2009.

VI. Other Rate Changes

Q. Is the Company proposing any other rate changes as part of this filing?

A. No. The Electricity Consumption Tax is a statutory charge that will remain at 0.055¢ per kWh during 2009, unless otherwise changed through legislation. Additionally, the Systems Benefit Charge, which funds the statewide energy efficiency program and statewide Electric Assistance Program, is also a statutory charge and will remain at 0.330¢ per kWh unless otherwise changed by legislation.

VII. Effective Date and Bill Impact

Q. How and when is the Company proposing that these rate changes be implemented?

A. Consistent with the Commission's rules on the implementation of rate changes, the implementation of retail access and rate changes subsequent to retail access implementation, the Company is proposing that all of the above rate changes be made effective for usage on and after January 1, 2009.

Q. Has the Company determined the impact of these rate changes on customer bills?

A. Yes. A bill comparison for a typical residential 500 kilowatt-hour customer receiving Default Service has been included in this filing on page 1 of Schedule SMM-11. The total bill impact of the rates proposed in this filing, as compared to rates in effect today, is a bill increase of \$2.83 or 3.6%, from \$77.75 to \$80.58. In addition, a bill comparison for a Default Service residential customer with an average kilowatt-hour usage of 661,

1 which is the average monthly usage over the most recent 12 month period from
2 November 2007 through October 2008, has also been included in this filing on page 2 of
3 Schedule SMM-11. The total bill impact of the rates proposed in this filing, as compared
4 to rates in effect today, is a bill increase of \$3.73 or 3.6%, from \$103.46 to \$107.19.

5
6 Q. Has the Company prepared a revised Summary of Rates tariff page reflecting the
7 proposed rates?

8 A. Yes. It is included as Schedule SMM-12. The Summary of Rates reflects both the
9 proposed rate changes contained in this filing and the distribution and default service rate
10 changes already approved by the Commission, as well as the currently effective
11 Electricity Consumption Tax and Systems Benefit Charge. Upon receiving an order from
12 the Commission approving the Company's proposed rate changes in this proceeding, the
13 Company will file a Fifty-fourth Revised Page 84, Summary of Rates tariff page
14 reflecting the approved rates.

15
16 **IX. Conclusion**

17 Q. Does this conclude your testimony?

18 A. Yes.

Schedules

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Schedule SMM-6	Transmission Charge Reconciliation
Schedule SMM-7	2007 Transmission Service Adjustment Factor Reconciliation
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Schedule SMM-12	Proposed Summary of Rates

Granite State Electric Company d/b/a National Grid

Docket DE 08-____

Direct Testimony of Scott M. McCabe

Schedule SMM-1
Summary of Proposed Rate Changes

National Grid

Summary of Proposed Rates

Rate Class	Stranded Cost Charge (a) Sch. 1 of CTC	Stranded Cost Adjustment Factor (b) Sch. SMM-5	Net Stranded Cost Charge (c) (a) + (b)	Transmission Charge (d) Sch. SMM-10	Transmission Adjustment Factor (e) Sch. SMM-9	Net Transmission Charge (f) (d) + (e)
D	(\$0.00010)	\$0.00000	(\$0.00010)	\$0.01467	\$0.00212	\$0.01679
D-10	(\$0.00010)	(\$0.00002)	(\$0.00012)	\$0.01336	\$0.00212	\$0.01548
T	(\$0.00010)	\$0.00000	(\$0.00010)	\$0.01582	\$0.00212	\$0.01794
G-1	(\$0.00010)	\$0.00000	(\$0.00010)	\$0.01242	\$0.00212	\$0.01454
G-2	(\$0.00010)	(\$0.00001)	(\$0.00011)	\$0.01405	\$0.00212	\$0.01617
G-3	(\$0.00010)	(\$0.00001)	(\$0.00011)	\$0.01356	\$0.00212	\$0.01568
V	(\$0.00010)	(\$0.00005)	(\$0.00015)	\$0.01585	\$0.00212	\$0.01797
Streetlights	(\$0.00010)	\$0.00002	(\$0.00008)	\$0.00952	\$0.00212	\$0.01164

Granite State Electric Company d/b/a National Grid

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Direct Testimony of Scott M. McCabe

Schedule SMM-2
Stranded Cost Reconciliation
October 1, 2007 - September 30, 2008

National Grid
Summary of Stranded Cost
Over/(Under) Collection
October 2007 - September 2008

<u>Rate Class</u>	<u>Cumulative Over/ (Under)</u>
D	\$421
D-10	\$127
T	(\$190)
G-1	\$2,479
G-2	\$2,384
G-3	\$1,561
V	\$18
Streetlights	<u>(\$126)</u>
Total Over/(Under)	\$6,673

13-Nov-08

National Grid
Stranded Cost Reconciliation
October 2007 Through September 2008

Rate D

Month	Over/(Under) Beginning Balance (a)	Stranded Cost Revenue (b)	Stranded Cost Adjustment (c)	Contract Termination Charge Expense (d)	Monthly Over/(Under) (e)	Over/(Under) Ending Balance (f)	Balance Subject to Interest (g)	Interest Rate (h)	Interest (i)	Cumulative Interest (j)
Oct-07	\$796	\$31,677		\$31,676	\$1	\$797	\$796	0.00%	\$0	\$0
Nov-07	\$797	\$33,486		\$33,484	\$2	\$798	\$798	0.00%	\$0	\$0
Dec-07	\$798	\$43,537		\$43,535	\$2	\$800	\$799	0.00%	\$0	\$0
Jan-08	\$800	\$30,516		\$30,945	(\$430)	\$370	\$585	0.00%	\$0	\$0
Feb-08	\$370	\$11,471		\$11,453	\$17	\$387	\$379	0.00%	\$0	\$0
Mar-08	\$387	\$10,674		\$10,678	(\$4)	\$384	\$386	0.00%	\$0	\$0
Apr-08	\$384	\$10,411		\$10,417	(\$6)	\$378	\$381	0.00%	\$0	\$0
May-08	\$378	\$8,639		\$8,632	\$8	\$386	\$382	0.00%	\$0	\$0
Jun-08	\$386	\$10,888		\$10,835	\$53	\$439	\$412	0.00%	\$0	\$0
Jul-08	\$439	\$11,271		\$11,306	(\$34)	\$404	\$422	0.00%	\$0	\$0
Aug-08	\$404	\$12,327		\$12,317	\$10	\$415	\$410	0.00%	\$0	\$0
Sep-08	\$415	\$10,676		\$10,670	\$6	\$421	\$418	0.00%	\$0	\$0

Cumulative Over/(Under) Collection of Stranded Cost

\$421

Rate T

Month	Over/(Under) Beginning Balance (a)	Stranded Cost Revenue (b)	Stranded Cost Adjustment (c)	Contract Termination Charge Expense (d)	Monthly Over/(Under) (e)	Over/(Under) Ending Balance (f)	Balance Subject to Interest (g)	Interest Rate (h)	Interest (i)	Cumulative Interest (j)
Oct-07	(\$55)	\$2,124		\$2,124	\$0	(\$55)	(\$55)	0.00%	\$0	\$0
Nov-07	(\$55)	\$2,870		\$2,870	\$0	(\$55)	(\$55)	0.00%	\$0	\$0
Dec-07	(\$55)	\$4,826		\$4,826	\$0	(\$55)	(\$55)	0.00%	\$0	\$0
Jan-08	(\$55)	\$3,384		\$3,523	(\$138)	(\$193)	(\$124)	0.00%	\$0	\$0
Feb-08	(\$193)	\$1,347		\$1,347	\$0	(\$193)	(\$193)	0.00%	\$0	\$0
Mar-08	(\$193)	\$1,225		\$1,224	\$0	(\$192)	(\$193)	0.00%	\$0	\$0
Apr-08	(\$192)	\$1,076		\$1,076	\$0	(\$192)	(\$192)	0.00%	\$0	\$0
May-08	(\$192)	\$713		\$713	\$0	(\$192)	(\$192)	0.00%	\$0	\$0
Jun-08	(\$192)	\$717		\$717	\$0	(\$191)	(\$192)	0.00%	\$0	\$0
Jul-08	(\$191)	\$680		\$680	\$0	(\$191)	(\$191)	0.00%	\$0	\$0
Aug-08	(\$191)	\$731		\$730	\$0	(\$191)	(\$191)	0.00%	\$0	\$0
Sep-08	(\$191)	\$629		\$629	\$0	(\$190)	(\$190)	0.00%	\$0	\$0

Cumulative Over/(Under) Collection of Stranded Cost

(\$190)

Rate D-10

Month	Over/(Under) Beginning Balance (a)	Stranded Cost Refund (b)	Stranded Cost Adjustment (c)	Contract Termination Charge Expense (d)	Monthly Over/(Under) (e)	Over/(Under) Ending Balance (f)	Balance Subject to Interest (g)	Interest Rate (h)	Interest (i)	Cumulative Interest (j)
Oct-07	\$35	\$603		\$603	(\$0)	\$35	\$35	0.00%	\$0	\$0
Nov-07	\$35	\$686		\$686	\$0	\$35	\$35	0.00%	\$0	\$0
Dec-07	\$35	\$1,161		\$1,161	\$0	\$35	\$35	0.00%	\$0	\$0
Jan-08	\$35	\$979		\$894	\$85	\$120	\$78	0.00%	\$0	\$0
Feb-08	\$120	\$364		\$360	\$4	\$125	\$123	0.00%	\$0	\$0
Mar-08	\$125	\$322		\$322	\$0	\$125	\$125	0.00%	\$0	\$0
Apr-08	\$125	\$276		\$276	\$0	\$125	\$125	0.00%	\$0	\$0
May-08	\$125	\$211		\$210	\$1	\$126	\$125	0.00%	\$0	\$0
Jun-08	\$126	\$203		\$203	\$1	\$126	\$126	0.00%	\$0	\$0
Jul-08	\$126	\$203		\$202	\$0	\$126	\$126	0.00%	\$0	\$0
Aug-08	\$126	\$218		\$218	\$0	\$127	\$127	0.00%	\$0	\$0
Sep-08	\$127	\$185		\$185	\$0	\$127	\$127	0.00%	\$0	\$0

Cumulative Over/(Under) Collection of Stranded Cost

\$127

Streetlights

Month	Over/(Under) Beginning Balance (a)	Stranded Cost Revenue (b)	Stranded Cost Adjustment (c)	Contract Termination Charge Expense (d)	Monthly Over/(Under) (e)	Over/(Under) Ending Balance (f)	Balance Subject to Interest (g)	Interest Rate (h)	Interest (i)	Cumulative Interest (j)
Oct-07	(\$14)	\$669		\$670	(\$1)	(\$15)	(\$14)	0.00%	\$0	\$0
Nov-07	(\$15)	\$695		\$693	\$1	(\$14)	(\$14)	0.00%	\$0	\$0
Dec-07	(\$14)	\$769		\$768	\$1	(\$13)	(\$13)	0.00%	\$0	\$0
Jan-08	(\$13)	\$434		\$549	(\$115)	(\$128)	(\$70)	0.00%	\$0	\$0
Feb-08	(\$128)	\$205		\$204	\$1	(\$127)	(\$128)	0.00%	\$0	\$0
Mar-08	(\$127)	\$205		\$208	(\$3)	(\$130)	(\$129)	0.00%	\$0	\$0
Apr-08	(\$130)	\$202		\$200	\$2	(\$129)	(\$129)	0.00%	\$0	\$0
May-08	(\$129)	\$201		\$200	\$1	(\$127)	(\$128)	0.00%	\$0	\$0
Jun-08	(\$127)	\$205		\$205	(\$0)	(\$127)	(\$127)	0.00%	\$0	\$0
Jul-08	(\$127)	\$223		\$223	\$0	(\$127)	(\$127)	0.00%	\$0	\$0
Aug-08	(\$127)	\$194		\$194	\$1	(\$126)	(\$127)	0.00%	\$0	\$0
Sep-08	(\$126)	\$196		\$196	\$0	(\$126)	(\$126)	0.00%	\$0	\$0

Cumulative Over/(Under) Collection of Stranded Cost

(\$126)

(a) Prior Month Column (f) + Prior Month Column (i); Rates D, D-10, T and M have beginning balances per Schedule SMM-5 of the November 28, 2007 Retail Rate Filing in DE 07-128 that were too small to warrant an adjustment factor. Therefore, the balances were brought forward to this year.

(b) Page 4

(c)

(d) Page 6

(e) Column (b) + Column (c) - Column (d)

(f) Column (a) + Column (e)

(g) [Column (a) + Column (f)] ÷ 2

(h) No interest is applied

(i) Column (g) x [Column (h) ÷ 12]

(j) Column (i) + Prior Month Column (j)

13-Nov-08

National Grid
Stranded Cost Reconciliation
October 2007 Through September 2008

Rate G-1

Month	Over/(Under) Beginning Balance	Stranded Cost Revenue	Stranded Cost Adjustment	Contract Termination Charge Expense	Monthly Over/(Under)	Over/(Under) Ending Balance	Balance Subject to Interest	Interest Rate	Interest	Cumulative Interest
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Oct-07	\$128	\$49,195		\$49,195	\$0	\$129	\$129	0.00%	\$0	\$0
Nov-07	\$129	\$48,710		\$48,710	\$0	\$129	\$129	0.00%	\$0	\$0
Dec-07	\$129	\$47,336		\$47,336	\$0	\$129	\$129	0.00%	\$0	\$0
Jan-08	\$129	\$27,315		\$27,828	(\$513)	(\$384)	(\$128)	0.00%	\$0	\$0
Feb-08	(\$384)	\$13,935		\$13,307	\$627	\$243	(\$70)	0.00%	\$0	\$0
Mar-08	\$243	\$2,652		\$4,722	(\$2,069)	(\$1,826)	(\$791)	0.00%	\$0	\$0
Apr-08	(\$1,826)	\$25,413		\$21,305	\$4,108	\$2,281	\$228	0.00%	\$0	\$0
May-08	\$2,281	\$11,162		\$11,161	\$1	\$2,282	\$2,282	0.00%	\$0	\$0
Jun-08	\$2,282	\$14,450		\$14,366	\$84	\$2,366	\$2,324	0.00%	\$0	\$0
Jul-08	\$2,366	\$19,049		\$18,936	\$113	\$2,479	\$2,423	0.00%	\$0	\$0
Aug-08	\$2,479	\$17,984		\$17,984	\$0	\$2,479	\$2,479	0.00%	\$0	\$0
Sep-08	\$2,479	\$15,586		\$15,586	\$0	\$2,479	\$2,479	0.00%	\$0	\$0

Cumulative Over/(Under) Collection of Stranded Cost

\$2,479

Rate G-3

Month	Over/(Under) Beginning Balance	Stranded Cost Revenue	Stranded Cost Adjustment	Contract Termination Charge Expense	Monthly Over/(Under)	Over/(Under) Ending Balance	Balance Subject to Interest	Interest Rate	Interest	Cumulative Interest
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Oct-07	\$937	\$12,435		\$12,435	\$0	\$937	\$937	0.00%	\$0	\$0
Nov-07	\$937	\$11,909		\$11,908	\$1	\$937	\$937	0.00%	\$0	\$0
Dec-07	\$937	\$14,321		\$14,321	\$0	\$937	\$937	0.00%	\$0	\$0
Jan-08	\$937	\$10,261		\$9,665	\$596	\$1,534	\$1,236	0.00%	\$0	\$0
Feb-08	\$1,534	\$4,213		\$4,191	\$21	\$1,555	\$1,544	0.00%	\$0	\$0
Mar-08	\$1,555	\$3,887		\$3,879	\$9	\$1,563	\$1,559	0.00%	\$0	\$0
Apr-08	\$1,563	\$3,773		\$3,773	(\$0)	\$1,563	\$1,563	0.00%	\$0	\$0
May-08	\$1,563	\$3,388		\$3,386	\$2	\$1,565	\$1,564	0.00%	\$0	\$0
Jun-08	\$1,565	\$4,043		\$4,050	(\$7)	\$1,558	\$1,562	0.00%	\$0	\$0
Jul-08	\$1,558	\$4,040		\$4,039	\$1	\$1,559	\$1,559	0.00%	\$0	\$0
Aug-08	\$1,559	\$4,547		\$4,546	\$1	\$1,560	\$1,560	0.00%	\$0	\$0
Sep-08	\$1,560	\$4,106		\$4,105	\$1	\$1,561	\$1,561	0.00%	\$0	\$0

Cumulative Over/(Under) Collection of Stranded Cost

\$1,561

Rate G-2

Month	Over/(Under) Beginning Balance	Stranded Cost Refund	Stranded Cost Adjustment	Contract Termination Charge Expense	Monthly Over/(Under)	Over/(Under) Ending Balance	Balance Subject to Interest	Interest Rate	Interest	Cumulative Interest
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Oct-07	\$329	\$22,481		\$22,481	\$0	\$329	\$329	0.00%	\$0	\$0
Nov-07	\$329	\$23,062		\$23,062	\$0	\$329	\$329	0.00%	\$0	\$0
Dec-07	\$329	\$24,212		\$24,212	(\$0)	\$329	\$329	0.00%	\$0	\$0
Jan-08	\$329	\$18,020		\$16,564	\$1,457	\$1,785	\$1,057	0.00%	\$0	\$0
Feb-08	\$1,785	\$7,784		\$7,225	\$558	\$2,344	\$2,065	0.00%	\$0	\$0
Mar-08	\$2,344	\$6,336		\$6,311	\$25	\$2,369	\$2,356	0.00%	\$0	\$0
Apr-08	\$2,369	\$6,381		\$6,377	\$3	\$2,372	\$2,371	0.00%	\$0	\$0
May-08	\$2,372	\$6,160		\$6,148	\$11	\$2,384	\$2,378	0.00%	\$0	\$0
Jun-08	\$2,384	\$6,839		\$6,839	\$0	\$2,384	\$2,384	0.00%	\$0	\$0
Jul-08	\$2,384	\$7,500		\$7,500	\$0	\$2,384	\$2,384	0.00%	\$0	\$0
Aug-08	\$2,384	\$7,582		\$7,581	\$0	\$2,384	\$2,384	0.00%	\$0	\$0
Sep-08	\$2,384	\$6,961		\$6,961	\$0	\$2,384	\$2,384	0.00%	\$0	\$0

Cumulative Over/(Under) Collection of Stranded Cost

\$2,384

Rate V

Month	Over/(Under) Beginning Balance	Stranded Cost Revenue	Stranded Cost Adjustment	Contract Termination Charge Expense	Monthly Over/(Under)	Over/(Under) Ending Balance	Balance Subject to Interest	Interest Rate	Interest	Cumulative Interest
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Oct-07	\$0	\$46		\$46	(\$0)	(\$0)	(\$0)	0.00%	\$0	\$0
Nov-07	(\$0)	\$33		\$33	(\$0)	(\$0)	(\$0)	0.00%	\$0	\$0
Dec-07	(\$0)	\$53		\$53	\$0	(\$0)	(\$0)	0.00%	\$0	\$0
Jan-08	(\$0)	\$51	\$12	\$44	\$18	\$18	\$9	0.00%	\$0	\$0
Feb-08	\$18	\$18		\$18	\$0	\$18	\$18	0.00%	\$0	\$0
Mar-08	\$18	\$17		\$17	(\$0)	\$18	\$18	0.00%	\$0	\$0
Apr-08	\$18	\$15		\$15	\$0	\$18	\$18	0.00%	\$0	\$0
May-08	\$18	\$10		\$10	\$0	\$18	\$18	0.00%	\$0	\$0
Jun-08	\$18	\$13		\$13	\$0	\$18	\$18	0.00%	\$0	\$0
Jul-08	\$18	\$15		\$15	\$0	\$18	\$18	0.00%	\$0	\$0
Aug-08	\$18	\$18		\$18	\$0	\$18	\$18	0.00%	\$0	\$0
Sep-08	\$18	\$15		\$15	(\$0)	\$18	\$18	0.00%	\$0	\$0

Cumulative Over/(Under) Collection of Stranded Cost

\$18

(a) Prior Month Column (f) + Prior Month Column (i); Rates G-1, G-2 and G-3 have beginning balances per Schedule SMM-5 of the November 28, 2007 Retail Rate Filing in DE 07-128 that were too small to warrant an adjustment factor. Therefore, the balances were brought forward to this year.

(b) Page 4

(c) Jan-08; Schedule SMM-3, Page 1

(d) Page 6

(e) Column (b) + Column (c) - Column (d)

(f) Column (a) + Column (e)

(g) [Column (a) + Column (f)] ÷ 2

(h) No interest is applied

(i) Column (g) x [Column (h) ÷ 12]

(j) Column (i) + Prior Month Column (j)

13-Nov-08

National Grid
Base Stranded Cost Revenue

<u>Rate Class</u>	<u>Customer</u>	<u>October 2007</u>	<u>November</u>	<u>December</u>	<u>January 2008</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>
D	Base Stranded Cost Revenue	\$31,677	\$33,486	\$43,537	\$30,516	\$11,471	\$10,674	\$10,411	\$8,639	\$10,888	\$11,271	\$12,327	\$10,676
D-10	Base Stranded Cost Revenue	\$603	\$686	\$1,161	\$979	\$364	\$322	\$276	\$211	\$203	\$203	\$218	\$185
T	Base Stranded Cost Revenue	\$2,124	\$2,870	\$4,826	\$3,384	\$1,347	\$1,225	\$1,076	\$713	\$717	\$680	\$731	\$629
G-1	Base Stranded Cost Revenue	\$49,195	\$48,710	\$47,336	\$27,315	\$13,935	\$2,652	\$25,413	\$11,162	\$14,450	\$19,049	\$17,984	\$15,586
G-2	Base Stranded Cost Revenue	\$22,481	\$23,062	\$24,212	\$18,020	\$7,784	\$6,336	\$6,381	\$6,160	\$6,839	\$7,500	\$7,582	\$6,961
G-3	Base Stranded Cost Revenue	\$12,435	\$11,909	\$14,321	\$10,261	\$4,213	\$3,887	\$3,773	\$3,388	\$4,043	\$4,040	\$4,547	\$4,106
V	Base Stranded Cost Revenue	\$46	\$33	\$53	\$51	\$18	\$17	\$15	\$10	\$13	\$15	\$18	\$15
Streetlights	Base Stranded Cost Revenue	\$669	\$695	\$769	\$434	\$205	\$205	\$202	\$201	\$205	\$223	\$194	\$196
Total Stranded Cost Revenue		\$119,231	\$121,449	\$136,215	\$90,960	\$39,336	\$25,320	\$47,546	\$30,484	\$37,359	\$42,981	\$43,601	\$38,354

Source: Page 5

14-Nov-08

National Grid
Total Stranded Cost Revenue

<u>Rate Class</u>	<u>Customer</u>	<u>October 2007</u>	<u>November</u>	<u>December</u>	<u>January 2008</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>
D	(1) Total Stranded Cost Revenue	\$31,677	\$33,486	\$43,537	\$30,516	\$11,471	\$10,674	\$10,411	\$8,639	\$10,888	\$11,271	\$12,327	\$10,676
	(2) 2007 Stranded Cost Adjustment Revenue (Refund)	\$0	\$0	\$0	\$0								
	(3) 2008 Stranded Cost Adjustment Revenue (Refund)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
	Stranded Cost Base Revenue	\$31,677	\$33,486	\$43,537	\$30,516	\$11,471	\$10,674	\$10,411	\$8,639	\$10,888	\$11,271	\$12,327	\$10,676
D-10	(1) Total Stranded Cost Revenue	\$603	\$686	\$1,161	\$979	\$364	\$322	\$276	\$211	\$203	\$203	\$218	\$185
	(2) 2007 Stranded Cost Adjustment Revenue (Refund)	\$0	\$0	\$0	\$0								
	(3) 2008 Stranded Cost Adjustment Revenue (Refund)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
	Stranded Cost Base Revenue	\$603	\$686	\$1,161	\$979	\$364	\$322	\$276	\$211	\$203	\$203	\$218	\$185
T	(1) Total Stranded Cost Revenue	\$2,124	\$2,870	\$4,826	\$3,384	\$1,347	\$1,225	\$1,076	\$713	\$717	\$680	\$731	\$629
	(2) 2007 Stranded Cost Adjustment Revenue (Refund)	\$0	\$0	\$0	\$0								
	(3) 2008 Stranded Cost Adjustment Revenue (Refund)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
	Stranded Cost Base Revenue	\$2,124	\$2,870	\$4,826	\$3,384	\$1,347	\$1,225	\$1,076	\$713	\$717	\$680	\$731	\$629
G-1	(1) Total Stranded Cost Revenue	\$49,195	\$48,710	\$47,336	\$27,315	\$13,935	\$2,652	\$25,413	\$11,162	\$14,450	\$19,049	\$17,984	\$15,586
	(2) 2007 Stranded Cost Adjustment Revenue (Refund)	\$0	\$0	\$0	\$0								
	(3) 2008 Stranded Cost Adjustment Revenue (Refund)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
	Stranded Cost Base Revenue	\$49,195	\$48,710	\$47,336	\$27,315	\$13,935	\$2,652	\$25,413	\$11,162	\$14,450	\$19,049	\$17,984	\$15,586
G-2	(1) Total Stranded Cost Revenue	\$22,481	\$23,062	\$24,212	\$18,020	\$7,784	\$6,336	\$6,381	\$6,160	\$6,839	\$7,500	\$7,582	\$6,961
	(2) 2007 Stranded Cost Adjustment Revenue (Refund)	\$0	\$0	\$0	\$0								
	(3) 2008 Stranded Cost Adjustment Revenue (Refund)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
	Stranded Cost Base Revenue	\$22,481	\$23,062	\$24,212	\$18,020	\$7,784	\$6,336	\$6,381	\$6,160	\$6,839	\$7,500	\$7,582	\$6,961
G-3	(1) Total Stranded Cost Revenue	\$12,435	\$11,909	\$14,321	\$10,261	\$4,213	\$3,887	\$3,773	\$3,388	\$4,043	\$4,040	\$4,547	\$4,106
	(2) 2007 Stranded Cost Adjustment Revenue (Refund)	\$0	\$0	\$0	\$0								
	(3) 2008 Stranded Cost Adjustment Revenue (Refund)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
	Stranded Cost Base Revenue	\$12,435	\$11,909	\$14,321	\$10,261	\$4,213	\$3,887	\$3,773	\$3,388	\$4,043	\$4,040	\$4,547	\$4,106
V	(1) Total Stranded Cost Revenue	\$34	\$24	\$40	\$35	\$5	\$4	\$4	\$3	\$4	\$4	\$5	\$4
	(2) 2007 Stranded Cost Adjustment Revenue (Refund)	(\$12)	(\$8)	(\$14)	(\$9)								
	(3) 2008 Stranded Cost Adjustment Revenue (Refund)	<u>(\$7)</u>	<u>(\$14)</u>	<u>(\$13)</u>	<u>(\$11)</u>	<u>(\$7)</u>	<u>(\$10)</u>	<u>(\$11)</u>	<u>(\$13)</u>	<u>(\$11)</u>	<u>(\$13)</u>	<u>(\$11)</u>	<u>(\$11)</u>
	Stranded Cost Base Revenue	\$46	\$33	\$53	\$51	\$18	\$17	\$15	\$10	\$13	\$15	\$18	\$15
Streetlights	(1) Total Stranded Cost Revenue	\$669	\$695	\$769	\$434	\$205	\$205	\$202	\$201	\$205	\$223	\$194	\$196
	(2) 2007 Stranded Cost Adjustment Revenue (Refund)	\$0	\$0	\$0	\$0								
	(3) 2008 Stranded Cost Adjustment Revenue (Refund)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
	Stranded Cost Base Revenue	\$669	\$695	\$769	\$434	\$205	\$205	\$202	\$201	\$205	\$223	\$194	\$196
Total Stranded Cost Base Revenue		\$119,231	\$121,449	\$136,215	\$90,960	\$39,336	\$25,320	\$47,546	\$30,484	\$37,359	\$42,981	\$43,601	\$38,354

Source:

- (1) October 2007 - January 2008: Monthly SMB702 Revenue Report
February 2008 - October 2008: Total Monthly Revenue Report - CR97992A
- (2) Schedule SMM-3, Page 4
- (3) Schedule SMM-4, Page 4

National Grid
Contract Termination Charge

Rate Class	October 2007	November	December	January 2008	February	March	April	May	June	July	August	September
D												
All kWh Deliveries	18,632,868	19,696,491	25,608,962		22,906,900	21,355,735	20,833,110	17,263,473	21,670,863	22,611,365	24,633,663	21,340,567
CTC	<u>\$0.00170</u>	<u>\$0.00170</u>	<u>\$0.00170</u>	(1)	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>
Expense	\$31,676	\$33,484	\$43,535	\$30,945	\$11,453	\$10,678	\$10,417	\$8,632	\$10,835	\$11,306	\$12,317	\$10,670
D-10												
All kWh Deliveries	354,621	403,467	682,686		719,100	644,378	551,844	419,740	405,388	404,873	436,692	370,735
CTC	<u>\$0.00170</u>	<u>\$0.00170</u>	<u>\$0.00170</u>	(1)	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>
Expense	\$603	\$686	\$1,161	\$894	\$360	\$322	\$276	\$210	\$203	\$202	\$218	\$185
T												
All kWh Deliveries	1,249,544	1,688,141	2,838,824		2,694,178	2,448,862	2,151,659	1,425,885	1,433,068	1,359,764	1,460,117	1,257,105
CTC	<u>\$0.00170</u>	<u>\$0.00170</u>	<u>\$0.00170</u>	(1)	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>
Expense	\$2,124	\$2,870	\$4,826	\$3,523	\$1,347	\$1,224	\$1,076	\$713	\$717	\$680	\$730	\$629
G-1												
All kWh Deliveries	28,938,430	28,652,840	27,844,520		26,614,478	9,443,293	42,610,147	22,321,410	28,731,758	37,872,529	35,966,994	31,172,166
CTC	<u>\$0.00170</u>	<u>\$0.00170</u>	<u>\$0.00170</u>	(1)	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>
Expense	\$49,195	\$48,710	\$47,336	\$27,828	\$13,307	\$4,722	\$21,305	\$11,161	\$14,366	\$18,936	\$17,984	\$15,586
G-2												
All kWh Deliveries	13,223,947	13,565,808	14,242,097		14,450,675	12,622,140	12,754,903	12,296,575	13,677,998	14,999,892	15,162,931	13,921,329
CTC	<u>\$0.00170</u>	<u>\$0.00170</u>	<u>\$0.00170</u>	(1)	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>
Expense	\$22,481	\$23,062	\$24,212	\$16,564	\$7,225	\$6,311	\$6,377	\$6,148	\$6,839	\$7,500	\$7,581	\$6,961
G-3												
All kWh Deliveries	7,314,858	7,004,822	8,424,071		8,382,781	7,757,425	7,546,413	6,772,441	8,099,298	8,077,208	9,092,106	8,209,152
CTC	<u>\$0.00170</u>	<u>\$0.00170</u>	<u>\$0.00170</u>	(1)	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>
Expense	\$12,435	\$11,908	\$14,321	\$9,665	\$4,191	\$3,879	\$3,773	\$3,386	\$4,050	\$4,039	\$4,546	\$4,105
V												
All kWh Deliveries	27,047	19,148	31,447		36,970	33,860	30,609	20,158	26,708	29,856	36,352	30,791
CTC	<u>\$0.00170</u>	<u>\$0.00170</u>	<u>\$0.00170</u>	(1)	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>
Expense	\$46	\$33	\$53	\$44	\$18	\$17	\$15	\$10	\$13	\$15	\$18	\$15
Streetlights												
All kWh Deliveries	394,054	407,919	451,705		408,219	416,753	399,531	399,802	410,442	445,771	387,587	391,662
CTC	<u>\$0.00170</u>	<u>\$0.00170</u>	<u>\$0.00170</u>	(1)	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>	<u>\$0.00050</u>
Expense	\$670	\$693	\$768	\$549	\$204	\$208	\$200	\$200	\$205	\$223	\$194	\$196
Total Contract Termination Charge	\$119,230.13	\$121,445.67	\$136,211.33	\$90,010.69	\$38,106.66	\$27,361.23	\$43,439.11	\$30,459.75	\$37,227.75	\$42,900.63	\$43,588.23	\$38,346.75

Source: October 2007 - January 2008: kWhs per Monthly SMB702 Revenue Report
February 2008 - October 2008: kWhs per Transition Revenue Report - CR97989A

(1) January expense reflects a rate change from 0.17¢ per kWh to 0.05¢ per kWh for usage on or after January 1, 2008

Granite State Electric Company d/b/a National Grid

Docket DE 08-____

Direct Testimony of Scott M. McCabe

Schedule SMM-3

2007 Stranded Cost Adjustment Factor Reconciliation

National Grid
 Summary of Stranded Cost
 Refund/Recovery Reconciliation
 Incurred October 2005 - September 2006
 Recovered/Refunded January 2007 - December 2007

<u>Rate Class</u>	Original Over (Under) <u>Recovery</u>	Remaining Over (Under) <u>Recovery</u>
D	\$0	\$0
D-10	\$0	\$0
T	\$0	\$0
G-1	\$0	\$0
G-2	\$0	\$0
G-3	\$0	\$0
V	\$169	\$12
Streetlights	<u>\$0</u>	<u>\$0</u>
Total Over/(Under)	\$169	\$12

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Schedule SMM-3

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National Grid
Stranded Cost Reconciliation
Reconciliation of Refund
Incurred October 2005 - September 2006
Recovered/Refunded January 2007 - December 2007

Rate D

Month	Beginning Refund Balance (a)	Stranded Cost Adjustment Revenue (b)	Ending Refund Balance (c)	Balance Subject to Interest (d)	Interest Rate (e)	Interest (f)	Cumulative Interest (g)
Jan-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Feb-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Mar-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Apr-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
May-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Jun-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Jul-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Aug-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Sep-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Oct-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Nov-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Dec-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Jan-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Refund Remaining			\$0				

Rate T

Month	Beginning Refund Balance (a)	Stranded Cost Adjustment Revenue (b)	Ending Refund Balance (c)	Balance Subject to Interest (d)	Interest Rate (e)	Interest (f)	Cumulative Interest (g)
Jan-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Feb-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Mar-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Apr-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
May-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Jun-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Jul-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Aug-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Sep-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Oct-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Nov-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Dec-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Jan-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Refund Remaining			\$0				

Rate D-10

Month	Beginning Refund Balance (a)	Stranded Cost Adjustment Revenue (b)	Ending Refund Balance (c)	Balance Subject to Interest (d)	Interest Rate (e)	Interest (f)	Cumulative Interest (g)
Jan-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Feb-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Mar-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Apr-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
May-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Jun-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Jul-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Aug-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Sep-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Oct-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Nov-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Dec-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Jan-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Refund Remaining			\$0				

Streetlights

Month	Beginning Refund Balance (a)	Stranded Cost Adjustment Revenue (b)	Ending Refund Balance (c)	Balance Subject to Interest (d)	Interest Rate (e)	Interest (f)	Cumulative Interest (g)
Jan-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Feb-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Mar-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Apr-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
May-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Jun-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Jul-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Aug-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Sep-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Oct-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Nov-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Dec-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Jan-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Recovery Remaining			\$0				

(a) Beginning Balances: November 29, 2006 Retail Rate Filing in DE 06-162, Schedule SMM-5, Page 1; Prior Month Column (c) + Prior Month Column (f)
Rates D, D-10, T and Streetlights balances at September 2007 were too small to warrant adjustment factors and were therefore reflected in the beginning balances of following year's reconciliation in Schedule SMM-2 of the November 28, 2007 Retail Rate Filing in DE 07-128.

(b) Page 4

(c) Column (a) + Column (b)

(d) [Column (a) + Column (c)] ÷ 2

(e) No interest is applied

(f) Column (d) x [Column (e) ÷ 12]

(g) Prior Month Column (g) + Column (f)

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Schedule SMM-3
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National Grid
Stranded Cost Reconciliation
Reconciliation of Refund/Recovery
Incurred October 2005 - September 2006
Recovered/Refunded January 2007 - December 2007

Rate G-1

Month	Beginning Refund Balance (a)	Stranded Cost Adjustment Revenue (b)	Ending Refund Balance (c)	Balance Subject to Interest (d)	Interest Rate (e)	Interest (f)	Cumulative Interest (g)
Jan-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Feb-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Mar-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Apr-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
May-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Jun-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Jul-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Aug-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Sep-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Oct-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Nov-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Dec-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Jan-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Refund Remaining			\$0				

Rate G-3

Month	Beginning Refund Balance (a)	Stranded Cost Adjustment Revenue (b)	Ending Refund Balance (c)	Balance Subject to Interest (d)	Interest Rate (e)	Interest (f)	Cumulative Interest (g)
Jan-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Feb-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Mar-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Apr-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
May-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Jun-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Jul-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Aug-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Sep-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Oct-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Nov-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Dec-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Jan-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Refund Remaining			\$0				

Rate G-2

Month	Beginning Refund Balance (a)	Stranded Cost Adjustment Revenue (b)	Ending Refund Balance (c)	Balance Subject to Interest (d)	Interest Rate (e)	Interest (f)	Cumulative Interest (g)
Jan-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Feb-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Mar-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Apr-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
May-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Jun-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Jul-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Aug-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Sep-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Oct-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Nov-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Dec-07	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Jan-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Refund Remaining			\$0				

Rate V

Month	Beginning Refund Balance (a)	Stranded Cost Adjustment Refund (b)	Ending Refund Balance (c)	Balance Subject to Interest (d)	Interest Rate (e)	Interest (f)	Cumulative Interest (g)
Jan-07	\$169	(\$5)	\$164	\$166	0.00%	\$0	\$0
Feb-07	\$164	(\$18)	\$146	\$155	0.00%	\$0	\$0
Mar-07	\$146	(\$20)	\$127	\$136	0.00%	\$0	\$0
Apr-07	\$127	(\$13)	\$113	\$120	0.00%	\$0	\$0
May-07	\$113	(\$11)	\$103	\$108	0.00%	\$0	\$0
Jun-07	\$103	(\$10)	\$93	\$98	0.00%	\$0	\$0
Jul-07	\$93	(\$12)	\$80	\$87	0.00%	\$0	\$0
Aug-07	\$80	(\$14)	\$67	\$74	0.00%	\$0	\$0
Sep-07	\$67	(\$12)	\$55	\$61	0.00%	\$0	\$0
Oct-07	\$55	(\$12)	\$43	\$49	0.00%	\$0	\$0
Nov-07	\$43	(\$8)	\$34	\$39	0.00%	\$0	\$0
Dec-07	\$34	(\$14)	\$21	\$28	0.00%	\$0	\$0
Jan-08	\$21	(\$9)	\$12	\$16	0.00%	\$0	\$0
Recovery Remaining			\$12				

(a) Beginning Balances: November 29, 2006 Retail Rate Filing in DE 06-162, Schedule SMM-5, Page 1; Prior Month Column (c) + Prior Month Column (f)
Rates G-1, G-2, and G-3 balances at September 2007 were too small to warrant adjustment factors and were therefore reflected in the beginning balances of following year's reconciliation in Schedule SMM-2 of the November 28, 2007 Retail Rate Filing in DE 07-128.

(b) Page 4

(c) Column (a) + Column (b)

(d) [Column (a) + Column (c)] ÷ 2

(e) No interest is applied

(f) Column (d) x [Column (e) ÷ 12]

(g) Prior Month Column (g) + Column (f)

13-Nov-08

National Grid
2007 Stranded Cost Adjustment Factor Revenue/(Refund)

Rate Class	Customer	January 2007	February	March	April	May	June	July	August	September	October	November	December	January 2008
D	kWh Sales	11,851,455	23,524,313	23,409,348	20,527,156	18,122,798	20,096,683	23,638,661	24,391,526	23,080,154	18,632,868	19,696,491	25,608,962	14,505,592
	Stranded Cost Adjustment Factor	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>
	Stranded Cost Adjustment Revenue (Refund)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
D-10	kWh Sales	305,545	749,906	764,499	587,307	426,535	397,229	407,334	429,174	406,067	354,621	403,467	682,686	418,987
	Stranded Cost Adjustment Factor	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>
	Stranded Cost Adjustment Revenue (Refund)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
T	kWh Sales	1,468,142	3,197,107	2,970,417	2,271,842	1,619,420	1,395,189	1,516,912	1,462,672	1,413,745	1,249,544	1,688,141	2,838,824	1,651,207
	Stranded Cost Adjustment Factor	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>
	Stranded Cost Adjustment Revenue (Refund)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
G-1	kWh Sales	12,954,326	24,631,540	25,353,960	24,718,200	26,591,470	26,438,720	33,169,030	29,143,790	33,658,390	28,938,430	28,652,840	27,844,520	13,044,144
	Stranded Cost Adjustment Factor	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>
	Stranded Cost Adjustment Revenue (Refund)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
G-2	kWh Sales	6,260,747	13,173,162	13,347,933	12,259,065	12,361,518	13,757,618	14,191,733	15,129,026	14,731,695	13,223,947	13,565,808	14,242,097	7,764,217
	Stranded Cost Adjustment Factor	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>
	Stranded Cost Adjustment Revenue (Refund)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
G-3	kWh Sales	3,535,013	8,088,634	8,167,769	7,201,189	6,849,978	7,460,610	8,218,933	8,333,471	8,229,215	7,314,858	7,004,822	8,424,071	4,530,405
	Stranded Cost Adjustment Factor	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>
	Stranded Cost Adjustment Revenue (Refund)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
V	kWh Sales	10,285	41,036	44,550	30,211	23,923	22,513	28,006	31,213	27,104	27,047	19,148	31,447	20,486
	Stranded Cost Adjustment Factor	<u>(\$0.00044)</u>	<u>(\$0.00044)</u>	<u>(\$0.00044)</u>	<u>(\$0.00044)</u>	<u>(\$0.00044)</u>	<u>(\$0.00044)</u>	<u>(\$0.00044)</u>	<u>(\$0.00044)</u>	<u>(\$0.00044)</u>	<u>(\$0.00044)</u>	<u>(\$0.00044)</u>	<u>(\$0.00044)</u>	<u>(\$0.00044)</u>
	Stranded Cost Adjustment Revenue (Refund)	(\$5)	(\$18)	(\$20)	(\$13)	(\$11)	(\$10)	(\$12)	(\$14)	(\$12)	(\$12)	(\$8)	(\$14)	(\$9)
Streetlights	kWh Sales	298,116	418,254	402,050	399,400	394,318	436,921	408,569	391,189	439,044	394,054	407,919	451,705	257,232
	Stranded Cost Adjustment Factor	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>
	Stranded Cost Adjustment Revenue (Refund)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Stranded Cost Adjmt Revenue (Refund)		(\$5)	(\$18)	(\$20)	(\$13)	(\$11)	(\$10)	(\$12)	(\$14)	(\$12)	(\$12)	(\$8)	(\$14)	(\$9)

Source: kWh Sales per Monthly SMB702, Monthly Revenue Report x appropriate adjustment factor

(1) Adjustment factors changed for usage on and after January 1

Granite State Electric Company d/b/a National Grid

Docket DE 08-____

Direct Testimony of Scott M. McCabe

Schedule SMM-4
2008 Stranded Cost Adjustment Factor Reconciliation

National Grid
Summary of Stranded Cost
Refund/Recovery Reconciliation
Incurred October 2006 - September 2007
Recovered/Refunded January 2008 - December 2008

<u>Rate Class</u>	<u>Original Over Recovery</u>	<u>Remaining Over Recovery</u>
D	\$0	\$0
D-10	\$0	\$0
T	\$0	\$0
G-1	\$0	\$0
G-2	\$0	\$0
G-3	\$0	\$0
V	\$121	\$17
Streetlights	<u>\$0</u>	<u>\$0</u>
Total Over/(Under)	\$121	\$17

Source: Pages 2 and 3

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Schedule SMM-4

Page 2 of 4

National Grid
Stranded Cost Reconciliation
Reconciliation of Refund/Recovery
Incurred October 2006 - September 2007
Recovered/Refunded January 2008 - December 2008

Rate D

Month	Beginning Refund Balance (a)	Stranded Cost Adjustment Revenue (b)	Ending Refund Balance (c)	Balance Subject to Interest (d)	Interest Rate (e)	Interest (f)	Cumulative Interest (g)
Jan-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Feb-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Mar-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Apr-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
May-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Jun-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Jul-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Aug-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Sep-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Oct-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Nov-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Dec-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Jan-09	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Refund Remaining			\$0				

Rate T

Month	Beginning Refund Balance (a)	Stranded Cost Adjustment Revenue (b)	Ending Refund Balance (c)	Balance Subject to Interest (d)	Interest Rate (e)	Interest (f)	Cumulative Interest (g)
Jan-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Feb-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Mar-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Apr-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
May-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Jun-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Jul-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Aug-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Sep-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Oct-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Nov-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Dec-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Jan-09	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Refund Remaining			\$0				

Rate D-10

Month	Beginning Refund Balance (a)	Stranded Cost Adjustment Revenue (b)	Ending Refund Balance (c)	Balance Subject to Interest (d)	Interest Rate (e)	Interest (f)	Cumulative Interest (g)
Jan-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Feb-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Mar-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Apr-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
May-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Jun-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Jul-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Aug-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Sep-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Oct-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Nov-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Dec-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Jan-09	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Refund Remaining			\$0				

Streetlights

Month	Beginning Refund Balance (a)	Stranded Cost Adjustment Revenue (b)	Ending Refund Balance (c)	Balance Subject to Interest (d)	Interest Rate (e)	Interest (f)	Cumulative Interest (g)
Jan-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Feb-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Mar-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Apr-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
May-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Jun-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Jul-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Aug-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Sep-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Oct-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Nov-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Dec-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Jan-09	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Refund Remaining			\$0				

(a) Beginning Balances: November 28, 2007 Retail Rate Filing in DE 07-128, Schedule SMM-5, Page 1; Prior Month Column (c) + Prior Month Column (f)
Rates D, D-10, T and Streetlights balances at September 2007 were too small to warrant adjustment factors and are therefore reflected in the beginning balances of the current year's reconciliation in Schedule 1

- (b) Page 4
(c) Column (a) + Column (b)
(d) [Column (a) + Column (c)] ÷ 2
(e) No interest is applied
(f) Column (d) x [Column (e) ÷ 12]
(g) Prior Month Column (g) + Column (f)

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Schedule SMM-4

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National Grid
Stranded Cost Reconciliation
Reconciliation of Refund/Recovery
Incurred October 2006 - September 2007
Recovered/Refunded January 2008 - December 2008

Rate G-1

Month	Beginning Refund Balance	Stranded Cost Adjustment Revenue	Ending Refund Balance	Balance Subject to Interest	Interest Rate	Interest	Cumulative Interest
(a)	(b)	(c)	(d)	(e)	(f)	(g)	
Jan-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Feb-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Mar-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Apr-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
May-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Jun-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Jul-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Aug-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Sep-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Oct-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Nov-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Dec-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Jan-09	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Refund Remaining			\$0				

Rate G-3

Month	Beginning Refund Balance	Stranded Cost Adjustment Revenue	Ending Refund Balance	Balance Subject to Interest	Interest Rate	Interest	Cumulative Interest
(a)	(b)	(c)	(d)	(e)	(f)	(g)	
Jan-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Feb-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Mar-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Apr-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
May-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Jun-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Jul-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Aug-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Sep-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Oct-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Nov-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Dec-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Jan-09	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Refund Remaining			\$0				

Rate G-2

Month	Beginning Refund Balance	Stranded Cost Adjustment Revenue	Ending Refund Balance	Balance Subject to Interest	Interest Rate	Interest	Cumulative Interest
(a)	(b)	(c)	(d)	(e)	(f)	(g)	
Jan-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Feb-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Mar-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Apr-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
May-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Jun-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Jul-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Aug-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Sep-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Oct-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Nov-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Dec-08	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Jan-09	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Refund Remaining			\$0				

Rate V

Month	Beginning Refund Balance	Stranded Cost Adjustment Refund	Ending Refund Balance	Balance Subject to Interest	Interest Rate	Interest	Cumulative Interest
(a)	(b)	(c)	(d)	(e)	(f)	(g)	
Jan-08	\$121	(\$7)	\$115	\$118	0.00%	\$0	\$0
Feb-08	\$115	(\$14)	\$101	\$108	0.00%	\$0	\$0
Mar-08	\$101	(\$13)	\$89	\$95	0.00%	\$0	\$0
Apr-08	\$89	(\$11)	\$77	\$83	0.00%	\$0	\$0
May-08	\$77	(\$7)	\$70	\$74	0.00%	\$0	\$0
Jun-08	\$70	(\$10)	\$60	\$65	0.00%	\$0	\$0
Jul-08	\$60	(\$11)	\$49	\$55	0.00%	\$0	\$0
Aug-08	\$49	(\$13)	\$36	\$42	0.00%	\$0	\$0
Sep-08	\$36	(\$11)	\$24	\$30	0.00%	\$0	\$0
Oct-08	\$24	(\$7)	\$17	\$21	0.00%	\$0	\$0
Nov-08	\$17	\$0	\$17	\$17	0.00%	\$0	\$0
Dec-08	\$17	\$0	\$17	\$17	0.00%	\$0	\$0
Jan-09	\$17	\$0	\$17	\$17	0.00%	\$0	\$0
Refund Remaining			\$17				

(a) Beginning Balances: November 28, 2007 Retail Rate Filing in DE 07-128, Schedule SMM-5, Page 1; Prior Month Column (c) + Prior Month Column (f)
Rates G-1, G-2 and G-3 balances at September 2005 were too small to warrant adjustment factors and are therefore reflected in the beginning balances of the current year's reconciliation in Schedule 1

- (b) Page 4
(c) Column (a) + Column (b)
(d) [Column (a) + Column (c)] ÷ 2
(e) No interest is applied
(f) Column (d) x [Column (e) ÷ 12]
(g) Prior Month Column (g) + Column (f)

13-Nov-08

National Grid
Stranded Cost Reconciliation
2008 Stranded Cost Adjustment Factor Revenue/(Refund)

<u>Rate Class</u>	<u>Customer</u>	<u>January 2008</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>January 2009</u>
D	kWh Sales	12,571,867	22,906,900	21,355,735	20,833,110	17,263,473	21,670,863	22,611,365	24,633,663	21,340,567	18,078,147			
	Stranded Cost Adjustment Factor	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>
	Stranded Cost Adjustment Revenue (Refund)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
D-10	kWh Sales	363,133	719,100	644,378	551,844	419,740	405,388	404,873	436,692	370,735	338,793			
	Stranded Cost Adjustment Factor	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>
	Stranded Cost Adjustment Revenue (Refund)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
T	kWh Sales	1,431,087	2,694,178	2,448,862	2,151,659	1,425,885	1,433,068	1,359,764	1,460,117	1,257,105	1,263,914			
	Stranded Cost Adjustment Factor	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>
	Stranded Cost Adjustment Revenue (Refund)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
G-1	kWh Sales	11,305,242	26,614,478	9,443,293	42,610,147	22,321,410	28,731,758	37,872,529	35,966,994	31,172,166	30,259,479			
	Stranded Cost Adjustment Factor	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>
	Stranded Cost Adjustment Revenue (Refund)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
G-2	kWh Sales	6,729,177	14,450,675	12,622,140	12,754,903	12,296,575	13,677,998	14,999,892	15,162,931	13,921,329	12,463,076			
	Stranded Cost Adjustment Factor	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>
	Stranded Cost Adjustment Revenue (Refund)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
G-3	kWh Sales	3,926,462	8,382,781	7,757,425	7,546,413	6,772,441	8,099,298	8,077,208	9,092,106	8,209,152	11,643,298			
	Stranded Cost Adjustment Factor	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>
	Stranded Cost Adjustment Revenue (Refund)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
V	kWh Sales	17,755	36,970	33,860	30,609	20,158	26,708	29,856	36,352	30,791	18,872			
	Stranded Cost Adjustment Factor	<u>(\$0.00037)</u>	<u>(\$0.00037)</u>	<u>(\$0.00037)</u>	<u>(\$0.00037)</u>	<u>(\$0.00037)</u>	<u>(\$0.00037)</u>	<u>(\$0.00037)</u>	<u>(\$0.00037)</u>	<u>(\$0.00037)</u>	<u>(\$0.00037)</u>	<u>(\$0.00037)</u>	<u>(\$0.00037)</u>	<u>(\$0.00037)</u>
	Stranded Cost Adjustment Revenue (Refund)	(\$7)	(\$14)	(\$13)	(\$11)	(\$7)	(\$10)	(\$11)	(\$13)	(\$11)	(\$7)	\$0	\$0	\$0
Streetlights	kWh Sales	222,941	408,219	416,753	399,531	399,802	410,442	445,771	387,587	391,662	362,173			
	Stranded Cost Adjustment Factor	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>
	Stranded Cost Adjustment Revenue (Refund)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Stranded Cost Adjmt Revenue (Refund)		(\$7)	(\$14)	(\$13)	(\$11)	(\$7)	(\$10)	(\$11)	(\$13)	(\$11)	(\$7)	\$0	\$0	\$0

Source: kWh Sales per Transition Revenue Report - CR97989A x appropriate adjustment factor

Granite State Electric Company d/b/a National Grid

Docket DE 08-____

Direct Testimony of Scott M. McCabe

Schedule SMM-5
Calculation of
2009 Stranded Cost Adjustment Factors

National Grid
Calculation of Stranded Cost Adjustment Factor
January 1, 2009 - December 31, 2009

<u>Rate Class</u>	Total Over/(Under) <u>Collection</u> (a)	Total 2009 Forecasted <u>kWhs</u> (b)	2009 Stranded Cost Adj. Factor Charge/ <u>(Credit)</u> (c)
D	\$421	288,048,866	\$0.00000
D-10	\$127	5,968,825	(\$0.00002)
T	(\$190)	22,577,882	\$0.00000
G-1	\$2,479	344,062,539	\$0.00000
G-2	\$2,384	167,774,619	(\$0.00001)
G-3	\$1,561	99,502,169	(\$0.00001)
V	\$18	316,561	(\$0.00005)
Streetlights	<u>(\$126)</u>	<u>4,962,116</u>	<u>\$0.00002</u>
	\$6,673	933,213,576	\$0.00000

(a) Schedule SMM-2, Page 1

(b) Company forecast

(c) Column (a) ÷ Column (b), truncated after 5 decimal places

Granite State Electric Company d/b/a National Grid

Docket DE 08-____

Direct Testimony of Scott M. McCabe

Schedule SMM-6
Transmission Charge Reconciliation
October 1, 2007 - September 30, 2008

National Grid
Transmission Charge Reconciliation
October 2007 Through September 2008

<u>Month</u>	<u>Over/(Under) Beginning Balance</u> (a)	<u>Transmission Revenue</u> (b)	<u>Adjustments</u> (c)	<u>Transmission Expense</u> (d)	<u>Monthly Over/(Under)</u> (e)	<u>Over/(Under) Ending Balance</u> (f)	<u>Balance Subject to Interest</u> (g)	<u>Interest Rate</u> (h)	<u>Interest</u> (i)	<u>Cumulative Interest</u> (j)
Section 1:										
Oct-07	\$0	\$226,840	\$185,380	\$666,815	(\$254,596)	(\$254,596)	(\$127,298)	0.00%	\$0	\$0
Nov-07	(\$254,596)	\$593,279		\$609,547	(\$16,268)	(\$270,864)	(\$262,730)	0.00%	\$0	\$0
Dec-07	(\$270,864)	\$673,055		\$737,813	(\$64,758)	(\$335,622)	(\$303,243)	0.00%	\$0	\$0
Jan-08	(\$335,622)	\$708,225	(\$20,402)	\$762,436	(\$74,613)	(\$410,234)	(\$372,928)	0.00%	\$0	\$0
Feb-08	(\$410,234)	\$727,175		\$719,150	\$8,025	(\$402,209)	(\$406,222)	0.00%	\$0	\$0
Mar-08	(\$402,209)	\$534,762		\$966,044	(\$431,282)	(\$833,491)	(\$617,850)	0.00%	\$0	\$0
Apr-08	(\$833,491)	\$814,163		\$697,586	\$116,577	(\$716,914)	(\$775,203)	0.00%	\$0	\$0
May-08	(\$716,914)	\$580,698		\$801,045	(\$220,347)	(\$937,261)	(\$827,088)	0.00%	\$0	\$0
Jun-08	(\$937,261)	\$708,994		\$1,193,335	(\$484,342)	(\$1,421,603)	(\$1,179,432)	0.00%	\$0	\$0
Jul-08	(\$1,421,603)	\$813,016		\$906,966	(\$93,951)	(\$1,515,553)	(\$1,468,578)	0.00%	\$0	\$0
Aug-08	(\$1,515,553)	\$828,801		\$844,095	(\$15,294)	(\$1,530,847)	(\$1,523,200)	0.00%	\$0	\$0
Sep-08	(\$1,530,847)	\$729,080		\$1,018,025	(\$288,945)	(\$1,819,792)	(\$1,675,319)	0.00%	\$0	\$0
Oct-08	(\$1,819,792)	\$364,858			\$364,858	(\$1,454,934)	(\$1,637,363)	0.00%	\$0	\$0
		\$8,302,946	\$164,978	\$9,922,858						
Cumulative Over/(Under) Collection of Transmission Charge						(\$1,454,934)				
Section 2:										
Oct-08	(\$1,454,934)	\$338,768		\$908,196	(\$569,428)	(\$2,024,362)	(\$1,739,648)	0.00%	\$0	\$0
Nov-08	(\$2,024,362)	\$663,950		\$916,061	(\$252,111)	(\$2,276,473)	(\$2,150,418)	0.00%	\$0	\$0
Dec-08	(\$2,276,473)	\$788,106		\$924,512	(\$136,406)	(\$2,412,880)	(\$2,344,676)	0.00%	\$0	\$0
Jan-09	(\$2,412,880)	\$429,861			\$429,861	(\$1,983,018)	(\$2,197,949)	0.00%	\$0	\$0
		\$2,220,685		\$2,748,769						
Projected Cumulative Over/(Under) Collection of Transmission Charge						(\$1,983,018)				

(a) Prior Month Column (f) + Prior Month Column (i)

(b) Page 2

(c) Oct-2007: Adjustment attributable to reconciliation of actual September 2007 Transmission Expenses compared to estimated September 2007 Transmission Expenses, correction of October 2006 ISO-NE Administrative Expense, and refund as a result of the October 31, 2006 final FERC order, Opinion No. 489.
Jan-08: Schedule 5, Page 1

(d) Page 3

(e) Column (b) + Column (c) - Column (d)

(f) Column (a) + Column (e)

(g) [Column (a) + Column (f)] ÷ 2

(h) No interest is applied

(i) Column (g) x [Column (h) ÷ 12]

(j) Column (i) + Prior Month Column (j)

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Schedule SMM-6

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National Grid
Total Transmission Charge Revenue

	Total Transmission <u>Revenue</u> (1)	2007 Transmission Adjustment <u>Revenue</u> (2)	2008 Transmission Adjustment <u>Revenue</u> (3)	Net Transmission <u>Revenue</u> (4)
October 2007	\$239,745	\$12,905		\$226,840
November	\$626,856	\$33,576		\$593,279
December	\$710,714	\$37,658		\$673,055
January 2008	\$736,100	\$19,830	\$8,045	\$708,225
February	\$744,217		\$17,042	\$727,175
March	\$546,390		\$11,628	\$534,762
April	\$834,144		\$19,981	\$814,163
May	\$594,107		\$13,410	\$580,698
June	\$725,409		\$16,415	\$708,994
July	\$831,908		\$18,892	\$813,016
August	\$847,980		\$19,179	\$828,801
September	\$745,952		\$16,871	\$729,080
October	<u>\$373,336</u>		<u>\$8,479</u>	<u>\$364,858</u>
Total	\$8,556,858	\$103,970	\$149,942	\$8,302,946

- (1) October 2007 - January 2008: Monthly SMB702 Revenue Report
February 2008 - October 2008: Monthly Transmission Revenue Report - CR97793A
- (2) Schedule SMM-7
- (3) Schedule SMM-8
- (4) Column (1) - Column (2) - Column (3)

National Grid
Transmission Expense

	<u>NEP Transmission Expense</u>	<u>ISO-NE Regional Expense</u>	<u>ISO-NE Administrative Expense</u>	<u>Load Response Expense</u>	<u>Other Expense</u>	<u>Total Transmission Expense</u>
October 2007	\$247,264	\$393,238	\$11,263	\$15,050	\$0	\$666,815
November	\$197,244	\$389,683	\$11,199	\$11,420	\$1	\$609,547
December	\$298,801	\$395,782	\$12,331	\$25,899	\$5,000	\$737,813
January 2008	\$303,968	\$415,491	\$14,564	\$525	\$27,888	\$762,436
February	\$300,891	\$395,370	\$13,568	\$505	\$8,816	\$719,150
March	\$544,164	\$403,911	\$12,926	\$473	\$4,570	\$966,044
April	\$343,081	\$336,047	\$11,868	\$432	\$6,158	\$697,586
May	\$399,308	\$380,611	\$13,692	\$497	\$6,937	\$801,045
June	\$420,477	\$746,462	\$18,623	\$666	\$7,107	\$1,193,335
July	\$192,887	\$693,519	\$16,942	\$619	\$3,000	\$906,966
August	\$165,056	\$659,091	\$15,759	\$579	\$3,610	\$844,095
September						\$1,018,025
Total	\$3,413,141	\$5,209,206	\$152,734	\$56,666	\$73,086	\$9,922,858

Source: October 2007 - August 2008: Monthly NEP, NEPOOL, and ISO Bills
 September 2008: Estimate

Granite State Electric Company d/b/a National Grid

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Direct Testimony of Scott M. McCabe

Schedule SMM-7

2007 Transmission Service Adjustment Factor Reconciliation

13-Nov-08

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Schedule SMM-7

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National Grid
Transmission Adjustment Reconciliation
Balance Incurred October 2005 - September 2006
Recovered January 2007 - December 2007

<u>Month</u>	<u>Beginning Under Recovery Balance</u> (a)	<u>Transmission Adjustment Revenue</u> (b)	<u>Ending Under Recovery Balance</u> (c)	<u>Balance Subject to Interest</u> (d)	<u>Interest Rate</u> (e)	<u>Interest</u> (f)	<u>Cumulative Interest</u> (g)
Jan-07	(\$441,580)	\$17,241	(\$424,339)	(\$432,960)	0.00%	\$0	\$0
Feb-07	(\$424,339)	\$34,697	(\$389,642)	(\$406,990)	0.00%	\$0	\$0
Mar-07	(\$389,642)	\$34,996	(\$354,645)	(\$372,144)	0.00%	\$0	\$0
Apr-07	(\$354,645)	\$31,957	(\$322,688)	(\$338,667)	0.00%	\$0	\$0
May-07	(\$322,688)	\$31,203	(\$291,485)	(\$307,086)	0.00%	\$0	\$0
Jun-07	(\$291,485)	\$32,903	(\$258,582)	(\$275,033)	0.00%	\$0	\$0
Jul-07	(\$258,582)	\$38,342	(\$220,240)	(\$239,411)	0.00%	\$0	\$0
Aug-07	(\$220,240)	\$37,277	(\$182,963)	(\$201,602)	0.00%	\$0	\$0
Sep-07	(\$182,963)	\$38,533	(\$144,430)	(\$163,697)	0.00%	\$0	\$0
Oct-07	(\$144,430)	\$32,964	(\$111,467)	(\$127,948)	0.00%	\$0	\$0
Nov-07	(\$111,467)	\$33,576	(\$77,890)	(\$94,678)	0.00%	\$0	\$0
Dec-07	(\$77,890)	\$37,658	(\$40,232)	(\$59,061)	0.00%	\$0	\$0
Jan-08	(\$40,232)	\$19,830	(\$20,402)	(\$30,317)	0.00%	\$0	\$0
		\$421,179					
Remaining Recovery			(\$20,402)				

- (a) Jan-07: November 29, 2006 January 2007 Retail Rate Filing in DE 06-162, Schedule SMM-15, Line (1)
Prior Month Column (c) + Prior Month Column (f)
- (b) Page 2
- (c) Column (a) + Column (b)
- (d) [Column (a) + Column (c)] ÷ 2
- (e) No interest is applied
- (f) Column (d) x [Column (e) ÷ 12]
- (g) Column (f) + Prior Month Column (g)

National Grid
Transmission Adjustment Charge
2007

	<u>kWh Deliveries</u> (1)	<u>Transmission Adjustment Factor</u> (2)	<u>Transmission Adjustment Revenue</u> (3)
January 2007	36,683,629	\$0.00047	\$17,241
February	73,823,952	\$0.00047	\$34,697
March	74,460,526	\$0.00047	\$34,996
April	67,994,370	\$0.00047	\$31,957
May	66,389,960	\$0.00047	\$31,203
June	70,005,483	\$0.00047	\$32,903
July	81,579,178	\$0.00047	\$38,342
August	79,312,061	\$0.00047	\$37,277
September	81,985,414	\$0.00047	\$38,533
October	70,135,369	\$0.00047	\$32,964
November	71,438,636	\$0.00047	\$33,576
December	80,124,312	\$0.00047	\$37,658
January 2008	42,192,271	\$0.00047	<u>\$19,830</u>
Total			\$421,179

- (1) Monthly SMB702 Revenue Report
(2) Approved Transmission Adjustment Factor for calendar year 2007
(3) Column (1) x Column (2)

Granite State Electric Company d/b/a National Grid

Docket DE 08-____

Direct Testimony of Scott M. McCabe

Schedule SMM-8

2008 Transmission Service Adjustment Factor Reconciliation

National Grid
Transmission Adjustment Reconciliation
Balance Incurred October 2006 - September 2007
Recovered January 2008 - December 2008

<u>Month</u>	<u>Beginning Under Recovery Balance</u> (a)	<u>Transmission Adjustment Revenue</u> (b)	<u>Ending Under Recovery Balance</u> (c)	<u>Balance Subject to Interest</u> (d)	<u>Interest Rate</u> (e)	<u>Interest</u> (f)	<u>Cumulative Interest</u> (g)
Jan-08	(\$202,985)	\$8,045	(\$194,940)	(\$198,962)	0.00%	\$0	\$0
Feb-08	(\$194,940)	\$17,042	(\$177,898)	(\$186,419)	0.00%	\$0	\$0
Mar-08	(\$177,898)	\$11,628	(\$166,269)	(\$172,083)	0.00%	\$0	\$0
Apr-08	(\$166,269)	\$19,981	(\$146,288)	(\$156,279)	0.00%	\$0	\$0
May-08	(\$146,288)	\$13,410	(\$132,879)	(\$139,583)	0.00%	\$0	\$0
Jun-08	(\$132,879)	\$16,415	(\$116,464)	(\$124,671)	0.00%	\$0	\$0
Jul-08	(\$116,464)	\$18,892	(\$97,572)	(\$107,018)	0.00%	\$0	\$0
Aug-08	(\$97,572)	\$19,179	(\$78,393)	(\$87,982)	0.00%	\$0	\$0
Sep-08	(\$78,393)	\$16,871	(\$61,521)	(\$69,957)	0.00%	\$0	\$0
Oct-08	(\$61,521)	\$16,351	(\$45,170)	(\$53,346)	0.00%	\$0	\$0
Nov-08	(\$45,170)	\$0	(\$45,170)	(\$45,170)	0.00%	\$0	\$0
Dec-08	(\$45,170)	\$0	(\$45,170)	(\$45,170)	0.00%	\$0	\$0
Jan-09	(\$45,170)	\$0	(\$45,170)	(\$45,170)	0.00%	\$0	\$0
		\$157,815					
Remaining Recovery			(\$45,170)				

- (a) Beginning Balance: November 28, 2007 Retail Rate Filing in DE 07-128, Schedule SMM-10, Line (1)
Prior Month Column (c) + Prior Month Column (f)
- (b) Company billing system report
- (c) Column (a) + Column (b)
- (d) [Column (a) + Column (c)] ÷ 2
- (e) No interest is applied
- (f) Column (d) x [Column (e) ÷ 12]
- (g) Column (f) + Prior Month Column (g)

Granite State Electric Company d/b/a National Grid

Docket DE 08-____

Direct Testimony of Scott M. McCabe

Schedule SMM-9
Calculation of
2009 Transmission Service Adjustment Factor

National Grid

Calculation of Transmission Service Adjustment Factor
Effective January 1, 2009 - December 31, 2009

(1) Transmission Service Under Collection	\$1,983,018
(2) Forecast 2009 kWh Deliveries	<u>933,213,576</u>
(3) Transmission Service Adjustment Factor per kWh	\$0.00212

- (1) Schedule SMM-6, Page 1 of 3
- (2) Per Company forecast
- (3) Line (1) ÷ Line (2), truncated after 5 decimal places

Granite State Electric Company d/b/a National Grid

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Direct Testimony of Scott M. McCabe

Schedule SMM-10
2009 Base Transmission Service Charges

National Grid
2009 Transmission Charge Calculation

	<u>Total</u>	<u>D</u>	<u>D-10</u>	<u>T</u>	<u>G-1</u>	<u>G-2</u>	<u>G-3</u>	<u>V</u>	<u>Streetlights</u>
(1) Estimate of 2009 Transmission Expense	\$12,701,293								
(2) Coincident Peak with NEP's Peak (KW)	1,705,915	567,794	10,713	47,988	574,404	316,666	181,329	674	6,347
(3) Coincident Peak Allocator	100.00%	33.28%	0.63%	2.81%	33.67%	18.56%	10.63%	0.04%	0.37%
(4) Allocated 2009 Transmission Expense	\$12,701,293	\$4,227,476	\$79,765	\$357,289	\$4,276,690	\$2,357,722	\$1,350,074	\$5,020	\$47,256
(5) Forecasted 2009 kWh Sales	933,213,576	288,048,866	5,968,825	22,577,882	344,062,539	167,774,619	99,502,169	316,561	4,962,116
(6) 2009 Transmission Charge per kWh	\$0.01361	\$0.01467	\$0.01336	\$0.01582	\$0.01242	\$0.01405	\$0.01356	\$0.01585	\$0.00952
(7) 2008 Transmission Charge per kWh	\$0.00957	\$0.01032	\$0.00849	\$0.00990	\$0.00896	\$0.00964	\$0.00930	\$0.01041	\$0.00787
(8) Increase in Transmission Charge per kWh	\$0.00404	\$0.00435	\$0.00487	\$0.00592	\$0.00346	\$0.00441	\$0.00426	\$0.00544	\$0.00165

- (1) Schedule PAV-1 Summary, Line (10)
- (2) Page 2 of 2
- (3) Line (2) as a percent of total Line (2)
- (4) Line (1) x Line (3)
- (5) Per Company Forecast
- (6) Line (4) ÷ Line (5), truncated after 5 decimal places
- (7) Per Currently Effective Tariffs, excluding transmission adjustment factor of \$0.00047
- (8) Line (6) - Line (7)

National Grid
2007 Coincident Peak Data

	<u>Total</u>	<u>D</u>	<u>D-10</u>	<u>T</u>	<u>G-1</u>	<u>G-2</u>	<u>G-3</u>	<u>V</u>	<u>Streetlights</u>
January	136,502	50,786	1,468	6,902	38,561	24,676	12,995	50	1,064
February	141,218	56,081	1,280	6,685	40,234	23,950	11,773	60	1,155
March	140,266	56,114	1,433	6,094	39,745	22,977	12,751	70	1,084
April	121,304	46,614	805	3,705	38,687	20,907	10,533	44	8
May	132,769	31,512	450	2,064	51,911	29,257	17,506	61	8
June	166,078	47,904	698	2,440	61,715	32,231	21,020	63	8
July	167,154	50,832	746	2,646	61,113	31,172	20,567	70	8
August	159,829	47,170	820	3,052	56,876	31,573	20,255	76	8
September	155,385	39,631	773	2,571	62,048	32,083	18,211	60	8
October	123,681	39,653	567	2,139	45,974	22,427	11,894	44	983
November	133,269	49,516	785	4,473	41,069	24,152	12,267	33	974
December	<u>128,460</u>	51,980	888	5,218	36,471	21,263	11,555	43	1,041
Total	1,705,915	567,794	10,713	47,988	574,404	316,666	181,329	674	6,347

Source: Company Load Data

Granite State Electric Company d/b/a National Grid

Docket DE 08-____

Direct Testimony of Scott M. McCabe

Schedule SMM-11
Typical Residential Bill

National Grid
Typical Residential Customer
Bill Comparison

Usage: 500 kWh Amount

Proposed Rates:

Customer Charge	\$4.31	\$4.31
Distribution Charge		
1st 250 kWh	\$0.01663	\$4.16
excess of 250 kWh	\$0.04266	\$10.67
Transmission Charge	\$0.01679	\$8.40
Stranded Cost Charge	(\$0.00010)	(\$0.05)
System Benefits Charge	\$0.00330	\$1.65
Electricity Consumption Tax	\$0.00055	<u>\$0.28</u>
Subtotal Retail Delivery Services		\$29.42
Default Service Charge	\$0.10232	<u>\$51.16</u>
Total Bill		\$80.58

Current Rates:

Customer Charge	\$4.31	\$4.31
Distribution Charge		
1st 250 kWh	\$0.01663	\$4.16
excess of 250 kWh	\$0.04266	\$10.67
Transmission Charge	\$0.01054	\$5.27
Stranded Cost Charge	\$0.00050	\$0.25
System Benefits Charge	\$0.00330	\$1.65
Electricity Consumption Tax	\$0.00055	<u>\$0.28</u>
Subtotal Retail Delivery Services		\$26.59
Default Service Charge	\$0.10232	<u>\$51.16</u>
Total Bill		\$77.75

\$ Increase in 500 kWh Total Residential Bill	\$2.83
% Increase in 500 kWh Total Residential Bill	3.64%

National Grid
Average Residential Customer
Bill Comparison

Usage: 661 kWh Amount

Proposed Rates:

Customer Charge	\$4.31	\$4.31
Distribution Charge		
1st 250 kWh	\$0.01663	\$4.16
excess of 250 kWh	\$0.04266	\$17.53
Transmission Charge	\$0.01679	\$11.10
Stranded Cost Charge	(\$0.00010)	(\$0.07)
System Benefits Charge	\$0.00330	\$2.18
Electricity Consumption Tax	\$0.00055	<u>\$0.36</u>
Subtotal Retail Delivery Services		\$39.57
Default Service Charge	\$0.10232	<u>\$67.62</u>
Total Bill		\$107.19

Current Rates:

Customer Charge	\$4.31	\$4.31
Distribution Charge		
1st 250 kWh	\$0.01663	\$4.16
excess of 250 kWh	\$0.04266	\$17.53
Transmission Charge	\$0.01054	\$6.97
Stranded Cost Charge	\$0.00050	\$0.33
System Benefits Charge	\$0.00330	\$2.18
Electricity Consumption Tax	\$0.00055	<u>\$0.36</u>
Subtotal Retail Delivery Services		\$35.84
Default Service Charge	\$0.10232	<u>\$67.62</u>
Total Bill		\$103.46

\$ Increase in 500 kWh Total Residential Bill	\$3.73
% Increase in 500 kWh Total Residential Bill	3.61%

Granite State Electric Company d/b/a National Grid

Docket DE 08-____

Direct Testimony of Scott M. McCabe

Schedule SMM-12
Proposed Summary of Rates

GRANITE STATE ELECTRIC COMPANY
RATES EFFECTIVE JANUARY 1, 2009
FOR USAGE ON AND AFTER JANUARY 1, 2009

Rate	Blocks	Distribution Charge (1), (2)	Electricity Consumption Tax	Transmission Charge	Systems Benefits Charge	Stranded Cost Charge	Total Retail Delivery Services
D	Customer Charge	\$4.31					\$4.31
	1st 250 kWh	\$0.01663	\$0.00055	\$0.01679	\$0.00330	(\$0.00010)	\$0.03717
	Excess 250 kWh	\$0.04266	\$0.00055	\$0.01679	\$0.00330	(\$0.00010)	\$0.06320
	Off Peak kWh	\$0.01592	\$0.00055	\$0.01679	\$0.00330	(\$0.00010)	\$0.03646
	Farm kWh	\$0.02564	\$0.00055	\$0.01679	\$0.00330	(\$0.00010)	\$0.04618
	D-6 kWh	\$0.01663	\$0.00055	\$0.01679	\$0.00330	(\$0.00010)	\$0.03717
D-10	Customer Charge	\$7.40					\$7.40
	On Peak kWh	\$0.04740	\$0.00055	\$0.01548	\$0.00330	(\$0.00012)	\$0.06661
	Off Peak kWh	\$0.00049	\$0.00055	\$0.01548	\$0.00330	(\$0.00012)	\$0.01970
G-1	Customer Charge	\$91.92					\$91.92
	Demand Charge	\$4.02					\$4.02
	On Peak kWh	\$0.00190	\$0.00055	\$0.01454	\$0.00330	(\$0.00010)	\$0.02019
	Off Peak kWh	\$0.00057	\$0.00055	\$0.01454	\$0.00330	(\$0.00010)	\$0.01886
G-2	Customer Charge	\$24.61					\$24.61
	Demand Charge	\$4.44					\$4.44
	All kWh	\$0.00088	\$0.00055	\$0.01617	\$0.00330	(\$0.00011)	\$0.02079
G-3	Customer Charge	\$5.45					\$5.45
	All kWh	\$0.03081	\$0.00055	\$0.01568	\$0.00330	(\$0.00011)	\$0.05023
M	All kWh	\$0.00057	\$0.00055	\$0.01164	\$0.00330	(\$0.00008)	\$0.01598
	see tariff for luminaires & pole charges						
T	Customer Charge	\$5.57					\$5.57
	All kWh	\$0.02037	\$0.00055	\$0.01794	\$0.00330	(\$0.00010)	\$0.04206
V	Minimum Charge	\$5.82					\$5.82
	All kWh	\$0.02854	\$0.00055	\$0.01797	\$0.00330	(\$0.00015)	\$0.05021

- (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)

System Benefits Charge-Energy Efficiency \$0.00180 Effective 6/1/02, usage on and after
System Benefits Charge-Statewide Energy Assistance Program \$0.00150 Effective 10/1/08, usage on and after
Total System Benefits Charge \$0.00330

Transmission Cost Adjustment Factor various Effective 1/1/09, usage on and after
Stranded Cost Adjustment Factor various Effective 1/1/09, usage on and after
Default Service Charge

Residential & Small Commercial (D, D-10, G-3, M, T, V) \$0.10232 Effective 11/1/08, usage on and after
Medium / Large Commercial & Industrial (G-1, G-2) \$0.09428 Effective 11/1/08, usage on and after
\$0.10324 Effective 12/1/08, usage on and after
\$0.11561 Effective 1/1/09, usage on and after

Electricity Consumption Tax \$0.00055 Effective 5/1/01, usage on and after

Issued: Issued by: /s/ Thomas B. King
Effective: January 1, 2009 Title: Thomas B. King
President

(Issued in Compliance with Order No. _____ in Docket No. DE 08-____ dated _____)

Testimony of
Pamela A. Viapiano

Granite State Electric Company d/b/a National Grid

Docket DE 08-____

Direct Testimony of Pamela A. Viapiano

DIRECT TESTIMONY

OF

PAMELA A. VIAPIANO

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Testimony

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1 **I. Introduction and Qualifications**

2 Q. Please state your name and business address.

3 A. My name is Pamela A. Viapiano. My business address is 25 Research Drive,
4 Westborough, Massachusetts 01582

5 Q. By whom are you employed and in what capacity?

6 A. Effective October 1, 2007, I was named Vice President of Transmission Finance for
7 National Grid USA Service Company, Inc. (“Service Co”). Service Co is a subsidiary of
8 National Grid USA, which in turn is a subsidiary of National Grid plc, a London-based
9 international energy company. In my current position I have overall responsibility for
10 financial reporting and wholesale billing and administration and development of
11 transmission tariffs and rates for National Grid plc’s transmission business in the United
12 States which includes New England Power (“NEP”) in New England and Niagara
13 Mohawk Power Corporation in New York. The U.S. Transmission Finance team
14 provides support for National Grid’s transmission rate filings at the Federal Energy
15 Regulatory Commission (“FERC”), monitors ISO New England (“ISO-NE”) and New
16 York ISO (“NYISO”) Transmission Tariffs, and is involved in most transmission-related
17 pricing policy and regulatory matters impacting National Grid including supporting
18 National Grid’s current Transmission Adjustment Clause filing before the New
19 Hampshire Public Utilities Commission (“Commission”).

20
21 Q. Please describe your educational and professional background.

1 **A.** I graduated from Clark University in Worcester, Massachusetts in 1987 with a Bachelor
2 of Arts in Computer Science. Over my twenty-one year career with National Grid USA,
3 I have held a number of positions in the rates area, including Manager of Transmission
4 Rates and Manager of Regulatory Policy. I have submitted testimony before FERC and
5 in a number of retail rate filings.

6
7 **Q.** Have you previously testified before the Commission?

8 **A.** Yes. I have submitted testimony in previous dockets in support of the estimate of
9 transmission costs for Granite State Electric Company d/b/a National Grid (“Granite
10 State” or “Company”) in prior years.

11
12 **II. Purpose of Testimony**

13 **Q.** What is the purpose of your testimony?

14 **A.** My testimony addresses the estimated 2009 transmission expenses and ISO-NE expenses
15 for Granite State. First, I will summarize the various transmission services provided to
16 Granite State and how Granite State pays for such services. Second, I will provide
17 testimony supporting the forecast of transmission expenses that Granite State is expected
18 to incur in 2009. As described more fully in the second part of my testimony, the
19 Company expects to see an increase of \$4 million in prospective transmission expenses
20 compared to the forecast provided for calendar year 2008 in Docket DE 07- 128. The
21 increase is caused primarily by the impact of additional transmission plant investment
22 being completed across all of New England.

III. Summary of Transmission Services Provided to Granite State

Q. Please explain the history of Granite State's transmission service under rate schedules approved by the FERC.

A. Effective January 1, 1998, Granite State received transmission services, on behalf of its entire customer base, under two tariffs: NEPOOL's FERC Electric Tariff No. 1 ("NEPOOL Tariff") and NEP's FERC Electric Tariff No. 9 ("NEP T-9 Tariff"). Additionally, effective January 1, 1999, Granite State took service under ISO-NE's FERC Electric Tariff No. 1 ("ISO-NE Tariff").

Effective February 1, 2005, FERC issued an order authorizing ISO-NE to begin operating as a Regional Transmission Operator ("RTO") ("ISO as the RTO") and at that time, ISO-NE replaced NEPOOL as the transmission provider in New England. The new ISO-NE Transmission, Markets and Services Tariff ("ISO/RTO Tariff") replaced the three separate tariffs referred to above by aggregating them into a single, omnibus tariff. As a result, NEP and ISO as the RTO now charge Granite State under this superseding omnibus tariff.

The terms, conditions and rate schedules from these three separate tariffs have been transferred to the ISO/RTO Tariff as follows:

1. Schedule 21 and Schedule 21-NEP of the ISO/RTO Tariff capture the former NEP T-9 Tariff;

2. Section II (up through and including Schedule 19) of the ISO/RTO Tariff captures the former NEPOOL Tariff; and

3. Section IV.A of the ISO/RTO Tariff captures the former ISO-NE Tariff.

The prospective charges to Granite State, therefore, are separately identified as (1) NEP local charges, (2) ISO-NE regional charges (formerly NEPOOL), and (3) ISO/RTO administrative charges.

Q. Please describe further the types of transmission services that are billed to Granite State under the ISO/RTO Tariff.

A. New England's transmission rates utilize a highway/local pricing structure. That is, Granite State receives regional transmission service over "highway" transmission facilities under Section II of the ISO/RTO Tariff, and receives local transmission service over local transmission facilities under Schedule 21 of the ISO/RTO Tariff. Additionally, transmission scheduling and market administration services are provided by ISO-NE under Section IV.A of the ISO/RTO Tariff.

A. Explanation of ISO/RTO Tariff Services, Rates & Charges

Q. Please explain the services provided to Granite State under the ISO/RTO Tariff.

A. Section II of the ISO/RTO Tariff provides access over New England's looped transmission facilities, more commonly known as Pool Transmission Facilities ("PTF") or bulk transmission facilities. These facilities serve as New England's electric transmission "highway", and the service provided over these facilities is referred to as

1 Regional Network Service (“RNS”). In addition, the ISO/RTO Tariff provides for Black
2 Start, Reactive Power, and Scheduling, System Control and Dispatch Services, as
3 described more fully later in this testimony.
4

5 Q. How are the costs for RNS recovered?

6 A. The ISO-NE RNS Rate (“RNS Rate”) recovers the RNS costs, and is determined
7 annually based on an aggregation of the transmission revenue requirements of each of the
8 transmission owners in New England, calculated in accordance with a FERC-approved
9 formula. Pursuant to a NEPOOL Settlement dated April 7, 1999, which was incorporated
10 into the ISO/RTO Tariff, the RNS Rate has transitioned from zonal rates to a single,
11 “postage stamp” rate in New England. The transition was completed on March 1, 2008.
12

13 Q. Please describe the ISO-NE Black Start, Reactive Power, and Scheduling, System
14 Control and Dispatch Services that are included in the ISO/RTO Tariff.

15 A. ISO-NE Black Start Service, also known as System Restoration and Planning Service
16 from Generators, is necessary to ensure the continued reliable operation of the New
17 England transmission system. This service allows for the designation of generators with
18 the capability of supplying load and ability to start without an outside electrical supply to
19 re-energize the transmission system following a system-wide blackout.
20

21 Reactive Power Service, also known as Reactive Supply and Voltage Control from
22 Generation Sources Service, is necessary to maintain transmission voltages on the ISO-

1 NE transmission system within acceptable limits and requires that generation facilities be
2 operated to produce or absorb reactive power. This service must be provided for each
3 transaction on the ISO-NE transmission system. The amount of reactive power support
4 that must be supplied for transactions is based on the support necessary to maintain
5 transmission voltages within limits generally accepted and is consistently sustained in the
6 region.

7
8 Lastly, Scheduling, System Control and Dispatch Service (“Scheduling & Dispatch
9 Service”) consists of the services required to schedule the movement of power through,
10 out of, within, or into the ISO-NE Control Area over the PTF and to maintain System
11 Control. Scheduling & Dispatch Service also provides for the recovery of certain charges
12 that reflect expenses incurred in the operation of satellite dispatch centers.

13
14 Q. How are the ISO-NE charges for Black Start and Reactive Power assessed to Granite
15 State?

16 A. ISO-NE assesses charges for Black Start and Reactive Power Services to Granite State
17 each month based on Granite State’s proportionate share of its network load to ISO-NE’s
18 total load.

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Q. How are the charges for Scheduling & Dispatch Services assessed to Granite State?

A. Charges for Scheduling & Dispatch Service are based on the expenses incurred by ISO-NE and by the individual transmission owners in the operation of local control dispatch centers or otherwise to provide Scheduling & Dispatch Service.

The expenses incurred by ISO-NE in providing these services are recovered under Section IV, Schedule 1 of the Transmission, Markets and Services Tariff. These costs are allocated to Granite State each month based on the FERC fixed rate for the month times Granite State's monthly Network Load.

The costs incurred by the individual transmission owners in providing Scheduling & Dispatch Service over PTF facilities, including the costs of operating local control centers, are recovered under Section II, Schedule 1 of the Open Access Transmission Tariff ("OATT"). These costs are allocated to Granite State each month based on a formula rate that is determined each year based on the prior year's costs incurred times Granite State's monthly Network Load.

The costs of Scheduling & Dispatch Service for transmission service over transmission facilities other than PTF are charged under Schedule 21 of the OATT. Thus, there are three types of Scheduling & Dispatch costs that are similar, but are charged to Granite State through three different tariff mechanisms.

1 Q. Are there any other applicable ISO charges which you have not mentioned previously in
2 this testimony?

3 A. Yes. The ISO/RTO Tariff also charges for costs associated with its Load Response
4 Program.

5
6 Q. Please describe the ISO-NE Load Response Program.

7 A. The Load Response Program is used to facilitate load response during periods of peak
8 electricity demand by providing appropriate incentives. Load Response Program
9 incentives are available to any Market Participant or Non-Market Participant which
10 enrolls itself and/or one or more retail customers to provide a reduction in their electricity
11 consumption in the New England Control Area during peak demand periods. Incentives
12 are payments for reducing your load during peak demand periods. However, if the
13 participant fails to reduce consumption when scheduled, such entity could end up owing
14 money to the ISO-New England.

15
16 Q. How are these Load Response Program costs allocated?

17 A. Any monthly charges or credits are allocated to the Network Load on a system- wide
18 basis.

19
20 Q. What administrative services and/or charges flow through to Granite State under Section
21 IV.A of the ISO/RTO Tariff?

1 A. There are three different charges that flow through to Granite State under Section IV.A of
2 the ISO/RTO Tariff under Schedule 1, Schedule 4, and Schedule 5. First, Schedule 1
3 provides for one component of the administration of Scheduling & Dispatch, as described
4 earlier in my testimony. Second, Schedule 4 of the ISO/RTO Tariff provides for the
5 collection of FERC Annual Charges, and third under the new Schedule 5, ISO-NE acts as
6 the billing and collection agent for the New England States Committee on Electricity's
7 ("NESCOE") annual budget.

8
9 Q. Please explain the background behind the inclusion of the NESCOE charges under
10 Schedule 5 of the ISO/RTO Tariff, Section IV.A.

11 A. The NESCOE was established by a memorandum of understanding between ISO-NE and
12 NEPOOL and approved by FERC in the fall of 2007. NESCOE created a formal role for
13 the six New England states' participation on an ongoing basis in the decision-making
14 process of the RTO. NESCOE represents the policy perspectives of the New England
15 Governors' and their collective interests in promoting a regional electric system that
16 ensures the lowest reasonable long-term costs for customers while maintaining reliable
17 service and environmental quality.

18
19 Q. How are the ISO/RTO Tariff charges assessed?

20 A. ISO-NE assesses the charges in Section IV.A, excluding Schedule 4, based upon stated
21 rates pursuant to the ISO/RTO Tariff. These stated rates are adjusted annually when
22 ISO-NE files a revised budget and cost allocation proposal to become effective January

1 1st each year. Granite State is charged the stated rate for these services as part of the ISO-
2 NE's monthly billing process, based on its network load for Schedule 1 and Schedule 5
3 charges. Schedule 4 charges are based upon FERC's total assessment to the New
4 England Control Area, and are directly assessed to NEP based on its proportion of total
5 MWhs of transmission (including Granite State's) to the total of the New England
6 Control Areas' total MWhs. NEP, in turn, allocates a portion of the charges received
7 under Schedule 5 to Granite State through Schedule 21-NEP.
8

9 **B. Explanation of Schedule 21-NEP Tariff Services & Charges**

10 Q. What services are provided to Granite State under Schedule 21-NEP of the ISO/RTO
11 Tariff?

12 A. Schedule 21-NEP provides service over NEP's local, non-highway transmission
13 facilities, considered non-PTF facilities ("Non-PTF"). The service provided over the
14 Non-PTF is referred to as Local Network Service ("LNS"). NEP also provides metering,
15 transformation and certain ancillary services to Granite State to the extent such services
16 are required by Granite State and not otherwise provided under the ISO/RTO Tariff.
17

18 Q. Please explain the metering and transformation services provided by NEP.

19 A. NEP separately surcharges the appropriate customers for these services. NEP provides
20 metering service when a customer uses NEP-owned meter equipment to measure the
21 delivery of transmission service. NEP provides transformation service when a customer

1 uses NEP-owned transformation facilities to step down voltages from 69 kV or greater to
2 a distribution voltage.

3
4 Q. Are there any other transmission services for which NEP assesses charges to Granite
5 State?

6 A. Yes. Granite State relies upon the specific distribution facilities of NEP's affiliate,
7 Massachusetts Electric Company ("Mass. Electric"), which provides for NEP's use of
8 such facilities pursuant to the Integrated Facilities provision of NEP's FERC Electric
9 Tariff No. 1 service agreement with Mass. Electric. NEP, in turn, uses these specific
10 distribution facilities to provide transmission service to Granite State. Therefore, Granite
11 State is also subject to a Specific Distribution Surcharge for its use of these facilities.

12
13 **IV. Estimate of Granite State's Transmission Expenses**

14 Q. Was the forecast for Granite State's transmission and ISO expenses for 2009 done by you
15 or under your supervision?

16 A. Yes. Based on our knowledge of the ISO billing processes, we estimate the total
17 transmission and ISO expenses (including certain ancillary services) for 2009 to be
18 approximately \$12.7 million, as shown in Schedule PAV-1, Summary Page 1. This
19 equates to an increase of \$4.0 million over expenses embedded in Granite State's retail
20 rates in 2008.

21
22 Q. How have the ISO Charges shown on line 3 of Schedule PAV-1 been forecasted?

1 A. As indicated in Schedule PAV-3, we have applied an estimated rate increase to the total
2 RNS rate currently in effect to reflect the forecast of PTF plant additions across New
3 England, as estimated by the New England transmission owners, (see PAV-7) to be
4 included in the annual formula rate effective June 1st 2009. The estimated rate increase is
5 calculated by multiplying the total New England estimated 2009 plant additions by the
6 historic 2007 PTF Revenue Requirement to Plant ratio as calculated in the PTO
7 Informational Filing with FERC on July 31, 2008 and dividing by the ISO-NE network
8 load. The estimated 2009 RNS transmission charges to Granite State are then calculated
9 by taking this forecasted RNS rate, divided by 12, multiplied by Granite State's monthly
10 network load. The resulting calculation is shown in column 2 of Schedule PAV-2, page
11 1 of 2.

12
13 Q. Schedule PAV-1 also includes estimated ISO charges for Scheduling and Dispatch, Load
14 Response, Black Start, and Reactive Power. How were these costs forecasted, as shown?

15 A. I will explain each below, out of sequence. The Black Start costs shown on line 6 of
16 Schedule PAV-1 were derived in two steps. First, as shown in Section II of Schedule
17 PAV-4 (line 5), we estimated the cost for Black Start Service by combining the actual
18 monthly ISO Black Start expenses for the period January through July 2008 and the prior
19 year's historical data from August through December 2007. This region-wide estimate is
20 divided by the ISO's 2007 Network Load to calculate an estimated annual rate, as shown
21 on line 7. We then calculated a monthly rate (annual rate divided by 12), as shown on
22 line 8. To obtain the estimate of Black Start costs that would be charged to Granite State,

1 we multiplied the monthly rate by Granite State's monthly network load, as shown for
2 each month in column 2 of PAV-2, page 1. Using this methodology, we estimate
3 \$72,715 to be allocated to Granite State for 2009.
4

5 Q. How have you performed the estimate for Reactive Power costs for Granite State?

6 A. The estimated Reactive Power cost for the New England region was calculated by using
7 the full year 2007 actual ISO costs (as 2008 data was unavailable) as shown in Section I
8 of Schedule PAV-4 (line 1). The annual rate is determined by dividing the total Reactive
9 Power costs charged in the region for that 12 month historic period by the ISO's 2007
10 Network Load. The monthly rate (annual rate divided by 12) is then multiplied by
11 Granite State's monthly network load to determine the estimated charges for Reactive
12 Power Service. Using this methodology, we estimate \$443,145 to be allocated to
13 Granite State for 2009.
14

15 Q. How did you forecast the Scheduling and Dispatch costs shown on line 4 of PAV-1?

16 A. My estimate is shown in column (3) of PAV-2, page 1. This amount was derived by
17 simply using the currently effective OATT Schedule 1 rate of \$1.2299729 per kW-year,
18 divided by 12, and further multiplied by Granite State's network load as shown monthly
19 in column (1) of PAV-2, page 1 of 2.
20

21 Q. Have you included any RMR contract charges to Granite State for 2009?

1 A. No. Granite State has not incurred any RMR contract charges as there have been no
2 RMR contracts for the New Hampshire reliability region over the past year. Therefore,
3 we have not forecasted any RMR contract costs for 2009.
4

5 Q. Have you included any Load Response Program charges to Granite State for 2009?

6 A. Yes. My estimate for 2009 Load Response Program costs is shown on line 5 of Schedule
7 PAV-1. For this estimate, actual costs incurred by Granite State for the periods January
8 through August 2008 were used along with the actual 2007 historical data for September
9 through December to complete the estimate. The monthly cost estimate is shown in
10 column 5 of Schedule PAV-2 page 1 of 2, totaling \$167,891.
11

12 Q. Can you please explain the forecast of charges shown in line 8 and 9 of Schedule PAV-1?

13 A. Yes. I described these costs earlier in my testimony. Line 8 shows the 2009 forecast of
14 charges to Granite State under Schedule 1, Scheduling and Load Dispatch Administrative
15 schedules through Section IV.A of the ISO/RTO Tariff. The estimate is based on the ISO
16 revenue requirement for Schedule 1 filed each year with FERC. The ISO filed its
17 proposed 2009 revenue requirement with FERC on October 31, 2008. To estimate
18 Granite State's 2009 ISO charges, the ISO's actual costs for the period January through
19 August 2008 as well as the monthly estimates for September through December are
20 adjusted by an inflationary factor shown on line 16 of PAV-2, page 2. This inflationary
21 factor is intended to recognize the increase or decrease in the ISO's revenue requirement
22 and the associated components of that revenue requirement from the budget as filed for

1 the previous year. Line 9 shows our estimated 2009 NESCOE charges under Schedule 5
2 of Section IV.A of the ISO/RTO Tariff. For calendar year 2009, each customer that is
3 obligated to pay the Regional Network Service rate pays each month, in arrears, an
4 amount equal to the product of \$.00263/kW times its monthly network load for that
5 month. For the purposes of the 2009 estimate, actual ISO charges for the periods January
6 through August 2008 were used as a baseline in projecting the full year. These charges
7 are shown in Schedule PAV-2 on page 2. The total estimated amount of direct ISO/RTO
8 Tariff charges under Section IV.A for the region is estimated to be \$183,894. These
9 estimates are taken from page 2 of PAV-2 and then reflected on line 8 and 9 of Schedule
10 PAV-1.

11
12 Q. What is the sub-total of transmission expenses attributable to charges from the ISO-NE?

13 A. The sub-total of ISO-NE charges is \$8,688,823, which is the sum of lines 3 through 9 on
14 Schedule PAV-1.

15
16 Q. Have you estimated the charges to Granite State under Schedule 21 of the
17 ISO/RTO Tariff?

18 A. Yes. Lines 1 and 2 of Schedule PAV-1 show the amount of forecasted charges from
19 NEP pursuant to the Local Network Service ("LNS") tariff. The total amount of
20 expenses is \$4,012,470 which represents a net increase in the total revenue requirement
21 of NEP allocated to Granite State of approximately \$1.1 million for 2009. This net
22 increase in the revenue requirement is primarily driven by the estimated increase in costs

1 for the approximately \$6 million of capital additions forecasted for 2009. Schedule PAV-
2 6 shows the calculation of the total NEP revenue requirement. NEP allocates Non-PTF
3 expenses to Granite State's customers on a load ratio share basis, as shown in Schedule
4 PAV-5 column (1). Metering, transformation, specific distribution, and ancillary service
5 charges are based on current rates and are assessed to Granite State based on a per meter
6 and peak load basis, respectively.
7

8 **V. Explanation of Primary Changes from Last Year's Forecasted Expenses**

9 Q. What is the effect on Granite State's 2009 transmission expenses?

10 A. As mentioned earlier in my testimony, the estimated 2009 Granite State transmission and
11 ISO expenses of \$12.7 million represents a net increase of \$4 million from the 2008
12 forecast of transmission expenses for Granite State. This total increase is primarily due
13 to 1) An increase in the actual RNS rates effective June 1, 2008 of \$1.6 million; 2) An
14 estimated additional RNS rate increase effective June 1, 2009 based on the PTF
15 transmission plant investment forecasted to go "in-service" in 2009 across New England,
16 resulting in an additional \$1.0 million increase in Granite State's Regional Network
17 Service PTF transmission charges; and 3) NEP is forecasting a \$1.1 million increase in
18 local Non-PTF expenses due primarily to increases in Non-PTF investment.
19

20 Q. What is causing the \$1.6 million ISO-NE RNS rate increase from 2008?

21 A. There were several factors that caused the increase from 2008. First, there is an increase
22 of approximately \$1 million in expense for the period January through May 2009 as

1 compared to expenses as forecasted for January through May 2008. This is the result of
2 RNS rates being updated effective June 1 of each year. Therefore the forecasted January
3 through May 2008 expenses included in last year's filing do not reflect the increase of
4 approximately \$16.00 per MW year to the RNS rate that became effective June 1, 2008
5 that resulted primarily from an estimated \$1.2 billion of expected transmission plant
6 investment to be placed in-service over the 2008 calendar year. Second, the actual 2008
7 ISO-NE RNS rate effective June 1, 2008 of \$43.87 per MW year reflecting the \$1.2
8 billion of additional plant investment was \$6.73 per MW year higher than the \$34.14 per
9 MW year anticipated in our estimate as filed last year.

10
11 Q. What PTF plant investment is driving the increase in the ISO-NE RNS charges to Granite
12 State effective June 1, 2009?

13 A. Of the total estimated \$3 million increase to the 2009 forecast of ISO PTF transmission
14 expenses, approximately \$1.0 million is due to a significant number of capital additions
15 forecasted by the Transmission Owners to go into service in 2009. Schedule PAV-7 is a
16 schedule showing an estimated \$1.3 billion of PTF plant additions for 2009 as provided
17 by the Transmission Owners. This list was newly created by the Transmission Owners
18 this year in an effort to improve our ability to forecast the impact of capital investment on
19 RNS rates. In prior years, forecasts had been based on the figures as reported in the ISO-
20 NE last approved Regional System Plan. This year, revised estimates are intended to 1)
21 include the most current project cost forecasts and 2) refine phasing of when project

1 spending is placed into service and capture any PTF capital expenditure not included in
2 the ISO-NE Regional System Plan.

3
4 Q. What are the major projects driving the significant level of projected plant additions for
5 2009?

6 A. Based on our review of the ISO-NE Regional System Plan, the three largest transmission
7 projects in New England with portions of the project having projected in service dates
8 during 2009 are: (1) Northeast Utilities and United Illuminating Southwest Connecticut
9 Reliability Project; (2) NSTAR's 345 kV Transmission Reliability Project; and (3)
10 National Grid's Wakefield Junction Substation.

11
12 The Northeast Utilities/United Illuminating Southwest Connecticut Reliability Project
13 installs a 345 kV transmission loop in southwest Connecticut to address reliability needs
14 in the area. The 345 kV loop includes a line from Bethel to Norwalk (Phase I) and from
15 Beseck Junction to Norwalk (Phase II). The project increases the ability to transfer
16 power into the area and resolves long-standing short-circuit concerns by relocating
17 interconnections of several generating units from the 115kV system to the 345 kV
18 system.

19
20 The NSTAR 345 kV Transmission Reliability Project installs three 345 kV transmission
21 cables from Stoughton to Boston to address reliability needs in the area. The project

1 increases the ability to transfer power into the Boston area. The first two cables were
2 placed in-service in 2006; the third cable is presently being installed and commissioned.

3
4 National Grid's Merrimack Valley/North Shore Reliability Project reinforces the
5 transmission system in northeast Massachusetts to support future load growth, provide
6 adequate capacity to transfer power within the local area, support the long-term Boston
7 Import needs, and replace the functionality of the aging Golden Hills 345-115 kV
8 substation. The major components of the project include a new 345-115 Wakefield
9 Junction substation, a new West Amesbury 345-115 kV substation, expansion and
10 reconfiguration of the Sandy Pond 345 kV switchyard, conversion of an existing 23 kV
11 line to 115 kV between King Street and West Amesbury, and various other upgrades to
12 existing 115 kV lines and terminal equipment to improve system thermal capacity,
13 voltage performance, and short-circuit interrupting capability.

14
15 **VI. Conclusion**

16 Q. Does this conclude your testimony?

17 A. Yes.

Schedules

Schedule PAV-1	Summary of Transmission Expenses Estimated for 2009
Schedule PAV-2	Summary of ISO-NE Charges Estimated for 2009
Schedule PAV-3	PTF Rate Calculation Estimated for 2009
Schedule PAV-4	Summary of Reactive Power & Black Start Costs Estimated for 2009
Schedule PAV-5	Summary of New England Power Schedule No. 21 Charges Estimated for 2009
Schedule PAV-6	Non-PTF Revenue Requirement Estimated for 2009
Schedule PAV-7	Forecasted PTF Capital Additions In Service - 2009

Schedule PAV-1

Summary of Transmission Expenses Estimated for 2009

National Grid
Summary of Transmission Expenses
Estimated For the Year 2009

NEP Charges			
1	Non-PTF	\$2,877,682	
2	Other NEP Charges	<u>1,134,788</u>	
	Sub-Total NEP Charges		\$4,012,470
ISO Charges			
3	PTF	\$7,636,238	
4	Scheduling & Dispatch	184,940	
5	Load Response	167,891	
6	Black Start	72,715	
7	Reactive Power	<u>443,145</u>	
	Sub-Total ISO Charges		\$8,504,929
ISO-NE Charges			
8	Schedule 1 - Scheduling & Dispatch	\$179,149	
9	Schedule 5 - NESCOE	<u>4,745</u>	
	Sub-Total ISO-NE Charges		<u>\$183,894</u>
10	Total Expenses Flowing Through Current Rates		<u><u>\$12,701,293</u></u>

Line 1 = PAV-5: Column (2), Line 13

Line 2 = PAV-5: Sum of Column (3) thru (6), Line 13

Line 3 = PAV-2, page 1: Column (2), Line 13

Line 4 = PAV-2, page 1: Column (3), Line 13

Line 5 = PAV-2, page 1: Column (5), Line 13

Line 6 = PAV-2, page 1: Column (6), Line 13

Line 7 = PAV-2, page 1: Column (7), Line 13

Line 8 = PAV-2, page 2: Column (1), Line 13

Line 9 = PAV-2, page 2: Column (2), Line 13

Line 10 = Sum of Line 1 thru Line 9

Granite State Electric Company d/b/a National Grid

Docket DE 08-____

Direct Testimony of Pamela A. Viapiano

Schedule PAV-2

Summary of ISO-NE Charges Estimated for 2009

National Grid
Summary of ISO Charges
Estimated For the Year 2009

		(1) Monthly PTF kW Load	(2) PTF Demand Charge	(3) Scheduling & Dispatch	(4) Reliability Must Run	(5) Load Response	(6) Black Start	(7) Reactive Power	(8) Total ISO
1	January	148,315	\$542,215	\$15,202	\$0	\$27,888	\$5,977	\$36,426	\$627,708
2	February	142,592	521,293	14,615	0	8,816	5,746	35,021	585,491
3	March	133,668	488,668	13,701	0	4,570	5,387	32,829	545,154
4	April	122,148	446,553	12,520	0	6,158	4,923	30,000	500,153
5	May	140,457	513,487	14,397	0	6,937	5,660	34,496	574,978
6	June	188,030	862,431	19,273	0	7,107	7,578	46,180	942,568
7	July	174,783	801,671	17,915	0	10,922	7,044	42,927	880,479
8	August	163,691	750,796	16,778	0	27,549	6,597	40,203	841,922
9	September	165,143	757,456	16,927	0	15,575	6,655	40,559	837,172
10	October	138,238	634,052	14,169	0	15,050	5,571	33,951	702,793
11	November	138,060	633,235	14,151	0	11,420	5,564	33,908	698,277
12	December	149,211	684,381	15,294	0	25,899	6,013	36,646	768,233
13	12-Mo Total	1,804,336	\$7,636,238	\$184,940	\$0	\$167,891	\$72,715	\$443,145	\$8,504,929

Line 1-12: Column (1) = NEPOOL Monthly Statements January 2008 - August 2008 for actuals and September 2007 - December 2007 actuals used for estimates

Line 1-5: Column (2) = PAV-3, Line 1 * Column (1) / 12

Line 6-12: Column (2) = PAV-3, Line 6 * Column (1) / 12

Line 1-12: Column (3) = Current Rate * Column (1) / 12 Rate = **1.2299729** /kW-Yr

Line 1-12: Column (4) = 0 [No Reliability Must Run Contracts are currently in effect for New Hampshire]

Line 1-12: Column (5) = ISO Monthly Statements January 2008 - August 2008 for actuals and September 2007 - December 2007 actuals used for estimates

Line 1-12: Column (6) = PAV-4, Line 8 * Column (1)

Line 1-12: Column (7) = PAV-4, Line 4 * Column (1)

Line 1-12: Column (8) = Sum of Columns (2) thru (7)

Line 13 = Sum of Line 1 thru Line 12

National Grid
Summary of ISO-NE Charges
Estimated For the Year 2009

	(1) Sch. 1 Scheduling & Dispatch	(2) Sch. 5 NESCOE	(3) Total ISO-NE Charges
1 January	\$15,766	\$390	\$16,156
2 February	14,688	375	15,063
3 March	13,993	352	14,345
4 April	12,848	321	13,169
5 May	14,822	369	15,192
6 June	20,160	495	20,655
7 July	18,341	460	18,800
8 August	16,340	431	16,771
9 September	14,525	434	14,959
10 October	12,193	364	12,556
11 November	12,124	363	12,487
12 December	13,349	392	13,741
13 Totals	\$179,149	\$4,745	\$183,894
14 2008 Budget	\$24,409,406		
15 2009 Budget	\$26,424,505		
16 % Change	8.26%		

Line 1-12: Columns (1) = Monthly ISO Bills for periods January 2008 - August 2008 and September 2007 - December 2007 for estimates

Line 1-12: Column (2) = Estimates based on Monthly PTF load * 2009 charge of \$.00263 per kW-mo from ISO NESCOE Budget Filing 10/31/2008

Line 13 = Sum of Line 1 thru Line 12

Line 14 = ISO-NE Proposed Schedule 1 Operating Budget (Year 2008) based on the 10/31/07 FERC filing

Line 15 = ISO-NE Proposed Schedule 1 Operating Budget (Year 2009) based on the 10/31/08 FERC filing

Line 16 = Line 15-Line 14 / Line 14

Granite State Electric Company d/b/a National Grid

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Schedule PAV-3

PTF Rate Calculation Estimated for 2009

New England Power Company
PTF Rate Calculation
Estimated For the Year 2009

Development of PTF Rate:

1	Total Regional Network Service Rate through May 31, 2009	<table border="1"><tr><td>\$43.87</td></tr></table> /KW-YR	\$43.87
\$43.87			

ESTIMATED Increase in ISO Rate Effective June 1, 2009

2	Total ESTIMATED PTO Plant Additions	\$1,329,138,488	
3	* Revenue Requirement to Plant Ratio	18.05%	
4	/ 2007 ISO Network Load	21,485,999	
5	Additional Estimated ISO Regional Network Service Rate	\$11.17 /KW-YR	
6	Regional Network Service Rate in effect June 1, 2009 through May 31, 2010	<table border="1"><tr><td>\$55.04</td></tr></table> /KW-YR	\$55.04
\$55.04			

Line 1 = PTO Supplemental Filing
Line 2 = Per PTO submissions dated 10/29/2008
Line 3 = PTO RWG Presentation 7/22/08
Line 4 = PTO Informational Filing dated 7/31/08
Line 5 = Line 2 * Line 3 / Line 4
Line 6 = Line 1 + Line 5

Schedule PAV-4

Summary of Reactive Power & Black Start Costs Estimated for 2009

National Grid
Summary of Reactive Power & Black Start Costs
Estimated For the Year 2009

Section I: Development of Reactive Power Estimate

1	Estimated Total ISO Reactive Power Costs	\$63,313,199
2	2007 ISO Network Load (KW)	21,485,999
3	Estimated Rate / KW-Yr	\$2.9467
4	Estimated Rate / KW-Mo	\$0.2456

Section II: Development of Black Start Costs

5	Estimated Total ISO Black Start Costs	\$10,397,475
6	2007 ISO Network Load (KW)	21,485,999
7	Estimated Rate / KW-Yr	\$0.4839
8	Estimated Rate / KW-Mo	\$0.0403

Line 1 = ISO Schedule 2 Settlement Reports for period January 2007 - December 2007

Line 2 = 12 CP Network Loads from Informational Filing dated 07/31/08

Line 3 = Line 1 / Line 2

Line 4 = Line 3 / 12

Line 5 = ISO Schedule 16 Settlement Rpts for Jan 2008 - July 2008 for actuals and
August 2007 - December 2007 for estimates

Line 6 = Line 2

Line 7 = Line 5 / Line 6

Line 8 = Line 7 / 12

Schedule PAV-5

Summary of New England Power Schedule No. 21 Charges Estimated for 2009

National Grid
Summary of New England Power - Schedule No. 21 Charges
Estimated For the Year 2009

		(1) Non- PTF Load Ratio % Share	(2) Non-PTF Demand Charge	(3) Scheduling & Dispatch	(4) Specific Distribution Surcharge	(5) Transformer Surcharge	(6) Meter Surcharge	(7) Total NEP Costs
1	January	2.77%	\$227,842	\$7,654	\$13,436	\$70,897	\$1,430	\$321,259
2	February	2.82%	231,716	828	13,436	70,897	1,430	318,307
3	March	2.91%	239,008	17,290	13,436	70,897	1,430	342,061
4	April	2.94%	241,389	11,692	13,436	70,897	1,430	338,844
5	May	3.22%	264,251	13,358	13,436	70,897	1,430	363,371
6	June	2.79%	229,305	10,907	13,436	70,897	1,430	325,975
7	July	2.80%	229,958	4,999	13,436	70,897	1,430	320,720
8	August	2.94%	241,787	6,119	13,436	70,897	1,430	333,669
9	September	3.00%	246,752	8,928	13,436	70,897	1,430	341,443
10	October	2.96%	242,764	6,601	13,436	70,897	1,430	335,128
11	November	3.00%	246,526	11,715	13,436	70,897	1,430	344,004
12	December	2.88%	236,383	5,544	13,436	70,897	1,430	327,690
13	12- Mo Total		\$2,877,682	\$105,634	\$161,230	\$850,759	\$17,165	\$4,012,470

Lines 1-12: Column (1) = Monthly Network Load Files for January 2008 - September 2008 for actuals and October 2007 - December 2007 for estimates

Lines 1-12: Column (2) = Column (1) * Schedule PAV-6, Line 3 / 12

Lines 1-12: Column (3) = Monthly Network Bills for periods January 2008 - August 2008 for actuals and September 2007 - December 2007 for estimates

Lines 1-12: Column (4),(5) & (6) = Current rates as of June 2008

Lines 1-12: Column (7) = Sum of Column (2) thru (6)

Line 13 = Sum of Line 1 through Line 12

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Schedule PAV-6

Non-PTF Revenue Requirement Estimated for 2009

New England Power Company
Non-PTF Revenue Requirement
Estimated For the Year 2009

Section II:

1	NEP's Schedule 21 Non-PTF Revenue Requirement (12 mos. Ended 12/31/08)	\$92,884,229
2	Adjustment for Forecasted 2009 Capital Additions	\$5,688,000
3	Estimated 2009 Non-PTF Revenue Requirement	\$98,572,229
	<u>Adjustment for Year End 2009 Capital Additions</u>	
4	Estimated 2009 Non-PTF Transmission Additions for Lines - In Service	\$11,100,000
5	Estimated. 2009 Non-PTF Transmission Additions for Substations - In Service	\$20,500,000
6	Estimated NEP 2009 Transmission Plant Additions	\$31,600,000
7	Non-PTF Transmission Plant Carrying Charge	18%
8	Adjustment for Forecasted 2009 Capital Additions	\$5,688,000

Section III:

Transmission Plant Carrying Charge

9	NEP's Schedule 21 Revenue Requirement	92,884,229
10	Total Revenue Credit (12 Mos. Ended 12/31/08)	174,667,570
11	Total Transmission Integrated Facilities Credit (12 Mos. Ended 12/31/08)	(44,692,680)
12	Sub-Total Revenue Requirement	222,859,119
13	Total Transmission Plant (as of 9/30/08)	1,213,452,216
14	Non-PTF Transmission Plant Carrying Charge	18%

Line 1 = NEP Schedule 21 Billing - January - August 2008 for actuals, Sept-December 2007 for estimates

Line 2 = Line 8

Line 3 = Line 1 + Line 2

Line 4 & 5 = Estimated NEP In-Service Non-PTF additions for CY 2009 for Line and Substations

Line 6 = Line 4 + Line 5

Line 7 = Line 14

Line 8 = Line 6 * Line 7

Line 9 thru 11 = NEP Schedule 21 Billings January - August 2008 for actuals, Sept-December 2007 for estimates

Line 12 = Sum of Lines 9 thru 11

Line 13 = NEP Schedule 21 Billing

Line 14 = Line 12 / Line 13

Granite State Electric Company d/b/a National Grid

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Schedule PAV-7

Forecasted PTF Capital Additions In Service - 2009

**Participating Transmission Owners
Forecast of RNS Rate Impacts
For the Period CY09**

Estimated / Forecasted PTF Capital Additions In Service

		2009
Bangor Hydro	\$	30,000,000
Central Maine Power	\$	38,680,488
Florida Power & Light-NED	\$	20,000,000
Holyoke Gas and Electric	\$	-
National Grid	\$	156,200,000
NSTAR Electric Company	\$	125,000,000
Northeast Utilities	\$	596,700,000
United Illuminating Company	\$	327,561,000
VT Transco	\$	34,997,000
Total	\$	1,329,138,488

Source: Participating Transmission Owners (PTO) Committee