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December 6, 2011

Via ERF and Hand Delivery

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



**Re: Docket No. DE 11-254; Granite State Electric Company d/b/a National Grid
2012 Annual Retail Rate Adjustment Filing**

Dear Ms. Howland:

On behalf of Granite State Electric Company d/b/a National Grid ("Granite State Electric" or the "Company"), this letter is to advise you that the Company's final base Stranded Cost Charge for the period beginning January 1, 2012 is \$0.090, which is a 1¢ increase from the \$0.080 per kWh previously projected in the Company's 2012 Annual Retail Rate Adjustment Filing (the "Retail Rate Filing") made on November 29, 2011 in this docket. In addition, enclosed for filing, please find revised Schedules SMM-1, SMM-11 and SMM-12 which reflect the \$0.090 per kWh base Stranded Cost Charge.

As indicated in the Direct Testimony of Scott M. McCabe submitted with the Retail Rate Filing, as of the date of the Retail Rate Filing, New England Power Company ("NEP") had not finalized its 2012 Contract Termination Charge ("CTC") for the Company, which is the charge that provides the basis for the Company's base Stranded Cost Charge. Accordingly, the Company projected the base Stranded Cost Charge to be \$0.080 per kWh in its Retail Rate Filing based on information available at such time. NEP subsequently finalized its 2012 CTC for the Company, which is \$0.090 per kWh, and filed its 2011 CTC Reconciliation Report on December 1, 2011 in Docket DE 11-261.

As shown in the revised Schedule SMM-11 and after considering the \$0.090 per kWh base Stranded Cost Charge, the total bill impact of the rates proposed in the Company's Retail Rate Filing, as compared to rates in effect today, is a monthly bill increase of \$0.60 or 0.88%, from \$68.12 to \$68.72. In addition, for a Default Service residential customer with an average kilowatt-hour usage of 672, which is the average monthly usage over the most recent twelve

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month period from November 2010 through October 2011, the total bill impact of the rates proposed in the Company's Retail Rate Filing, as compared to rates in effect today, is a monthly bill increase of \$0.80 or 0.87%, from \$92.30 to \$93.10.

Thank you for your assistance with this matter. Please do not hesitate to call if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Pak' with a stylized flourish.

Jinjue Pak

Enclosures

cc: Meredith A. Hatfield, Esq.
Suzanne Amidon, Esq.
Celia O'Brien, Esq.
Steven V. Camerino, Esq.