

ORIGINAL

P.U.C. Case No. DG 06-107
Exhibit No. 5
Witness Panel 1

DO NOT REMOVE FROM FILE

1 achieve this standard would be imprudent and the Settling Parties and Staff concur, a new
2 call answering standard may be negotiated in good faith, taking into account the needs of
3 customers. In any event, once EnergyNorth's customer information system is
4 consolidated with the rest of National Grid; the Settling Parties and Staff have agreed to
5 negotiate in good faith service quality standards pertaining to customer service. The
6 Company will provide monthly reports of call answering results to the Settling Parties
7 and Staff and meet with them at least every 6 months to review its customer service
8 commitment performance. Finally, the company will provide annual call answering
9 performance reports. If the Settling Parties and Staff believe customer service is being
10 materially compromised by poor performance, they may petition the Commission to
11 investigate the Company's service quality performance which may include establishing
12 service quality performance standards with financial penalties associated with future
13 performance, together with consideration of offsets and incentives.

14
15 **Q. Would you discuss briefly the Operating Commitments and Annual Report**
16 **provisions contained in Section 7?**

17 **A. Yes. In summary, and as more fully explained in Section 7 of the EnergyNorth Merger**
18 **Rate Agreement, the Company has made commitments surrounding the following:**

- 19 A. Ownership of System
 - 20 B. Cast Iron Encroachment Policy
 - 21 C. Critical Valves
 - 22 D. Annual Operating Report for Items 5, 7, 8 and 14 below
- E F H N

January 1, 2008 to the end of the last quarter prior to the date of the filing for such adjustment, exceeds 11%, the Company will not be permitted to make a rate adjustment until the average return has dropped below 11%. If and when the average return drops below 11%, the Company may only recover costs on a prospective basis.

(D) Traditional Cost of Service Rate Making After Rate Plan Period

After the Rate Plan Period, no special adjustments to distribution rates for Exogenous Events, as described in this Section, shall be permitted¹ and distribution rate changes may occur under traditional cost of service (“COS”) principles, consistent with New Hampshire Law (other than rate changes governed by Commission-approved reconciliation adjustment provisions and annual REP-related changes). As such, the Company is permitted to file a COS rate case to change distribution rates effective January 2013², if the Company believes it has or will have a revenue deficiency for the applicable pro forma test year. The Staff and OCA also have the right to file a complaint with the Commission requesting that the Commission require a COS review to reduce distribution rates beginning in January 2013 if the Parties believe that the Company has or will have a revenue excess.

(E) Non-rate Charges Not Limited by Settlement

¹ Any Exogenous Event adjustments made during the Rate Plan Period will remain in rates through the effective date of the new rates determined in the Company’s first distribution rate proceeding. However, no future adjustments will be permitted after the Rate Plan Period.

² A filing may be made in 2012 to change rates for effect after December 31, 2011.

Granite State Electric Company
Proposed Distribution Rates Effective January 1, 2008
Resulting from Settlement Agreement

Rate Class and Distribution Energy Component	Effective Base Distribution Charges (a)	Proposed Distribution Reduction (b)	Proposed Base Distribution Charges (c)	Current Business Profits Surcharge (d)	Current Default Service Cost Reclassification Distribution Credit (e)	Proposed Total Distribution Charges (f)
D						
Customer Charge	\$4.50	-4.75%	\$4.28			\$4.28
1st 250 kWh	\$0.01692	-4.75%	\$0.01611	\$0.00057	(\$0.00017)	\$0.01651
Excess 250 kWh	\$0.04405	-4.75%	\$0.04195	\$0.00057	(\$0.00017)	\$0.04235
Off Peak kWh	\$0.01618	-4.75%	\$0.01541	\$0.00057	(\$0.00017)	\$0.01581
Farm kWh	\$0.02630	-4.75%	\$0.02505	\$0.00057	(\$0.00017)	\$0.02545
D-6 kWh	\$0.01692	-4.75%	\$0.01611	\$0.00057	(\$0.00017)	\$0.01651
Interruptible Credit IC-1	(\$5.01)	-4.75%	(\$4.77)			(\$4.77)
Interruptible Credit IC-2	(\$6.68)	-4.75%	(\$6.36)			(\$6.36)
D-10						
Customer Charge	\$7.72	-4.75%	\$7.35			\$7.35
On Peak kWh	\$0.04889	-4.75%	\$0.04656	\$0.00057	(\$0.00008)	\$0.04705
Off Peak kWh	\$0.00000	-4.75%	\$0.00000	\$0.00057	(\$0.00008)	\$0.00049
G-1						
Customer Charge	\$95.79	-4.75%	\$91.23			\$91.23
Demand Charge	\$4.19	-4.75%	\$3.99			\$3.99
On Peak kWh	\$0.00139	-4.75%	\$0.00132	\$0.00057	\$0.00000	\$0.00189
Off Peak kWh	\$0.00000	-4.75%	\$0.00000	\$0.00057	\$0.00000	\$0.00057
Credit for High Voltage Delivery > 2.4 kv	(\$0.28)	-4.75%	(\$0.26)			(\$0.26)
G-2						
Customer Charge	\$25.65	-4.75%	\$24.43			\$24.43
Demand Charge	\$4.63	-4.75%	\$4.41			\$4.41
All kWh	\$0.00033	-4.75%	\$0.00031	\$0.00057	\$0.00000	\$0.00088
Credit for High Voltage Delivery > 2.4 kv	(\$0.28)	-4.75%	(\$0.26)			(\$0.26)
G-3						
Customer Charge	\$5.68	-4.75%	\$5.41			\$5.41
All kWh	\$0.03170	-4.75%	\$0.03019	\$0.00057	(\$0.00017)	\$0.03059
Minimum Charge > 25 kVA	\$1.68	-4.75%	\$1.60			\$1.60
M						
All kWh	\$0.00000	-4.75%	\$0.00000	\$0.00057	\$0.00000	\$0.00057
T						
Customer Charge	\$5.81	-4.75%	\$5.53			\$5.53
All kWh	\$0.02072	-4.75%	\$0.01973	\$0.00057	(\$0.00007)	\$0.02023
Interruptible Credit IC-1	(\$5.01)	-4.75%	(\$4.77)			(\$4.77)
Interruptible Credit IC-2	(\$6.68)	-4.75%	(\$6.36)			(\$6.36)
V						
Minimum Charge	\$6.07	-4.75%	\$5.78			\$5.78
All kWh	\$0.02924	-4.75%	\$0.02785	\$0.00057	(\$0.00009)	\$0.02833

PER EXHIBIT GSE-3A, PAGE 1 OF 2, COLUMN (C)

- (a) Per currently effective tariffs
- (b) Exhibit GSE-1, Column (b) Line (3)
- (c) Column (a) x (1 + Column (b))
- (d) Distribution Energy Charges include a Business Profits Tax Surcharge of \$0.00057 per kWh for usage on and after 8/1/01
- (e) Per Default Service Cost Reclassification Adjustment Provision
- (f) Column (c) + Column (d) + Column (e)

Granite State Electric Company
Proposed Distribution Rates
Resulting from Settlement Agreement

	Current Charges (a)	Proposed Distribution Reduction	Proposed Charges (c)
Luminaire Charge			
<u>Lamp Code</u>			
003	\$50.35	-4.75%	\$47.95
004	\$61.21	-4.75%	\$58.30
005	\$115.74	-4.75%	\$110.24
006	\$219.59	-4.75%	\$209.15
010	\$69.55	-4.75%	\$66.24
023	\$128.01	-4.75%	\$121.92
024	\$221.02	-4.75%	\$210.52
070	\$52.11	-4.75%	\$49.63
072	\$63.17	-4.75%	\$60.16
074	\$110.89	-4.75%	\$105.62
075	\$144.49	-4.75%	\$137.62
077	\$111.89	-4.75%	\$106.57
078	\$154.45	-4.75%	\$147.11
079	\$72.74	-4.75%	\$69.28
Pole and Accessory Charge			
<u>Pole and Accessory Code</u>			
P	\$61.40	-4.75%	\$58.48
R	\$63.58	-4.75%	\$60.55
C	\$107.80	-4.75%	\$102.67
D	\$113.26	-4.75%	\$107.88
F	\$128.54	-4.75%	\$122.43
T	\$154.89	-4.75%	\$147.53

- (a) ~~Per currently effective tariffs~~
- (b) Exhibit GSE-1, Column (b) Line (3)
- (c) Column (a) x (1 + Column (b))

PER EXHIBIT GSE-3A, PAGE 2 OF 2, COLUMN (C)