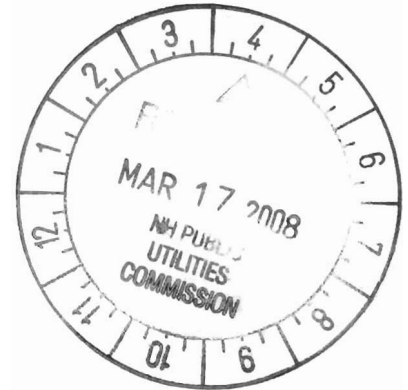


CONFIDENTIAL
MATERIAL
IN COMM FILE

March 17, 2008

BY HAND DELIVERY

Ms. Debra A. Howland
Executive Director and Secretary
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301-2429



Re: DE 08-011; Granite State Electric Company d/b/a National Grid Proposed Default Service Rates for the Large Customer Group for the period May 1, 2008 through July 31, 2008 and for the Small Customer Group for the period May 1, 2008 through October 31, 2008

Dear Ms. Howland:

I have enclosed seven copies of Granite State Electric Company's d/b/a National Grid ("National Grid" or "Company") proposed Default Service rates for the period May 1, 2008 through July 31, 2008 for the Large Customer Group and for the period May 1, 2008 through October 31, 2008 for the Small Customer Group. This letter summarizes our filing. This filing includes the testimony of John D. Warshaw, and accompanying schedules. Confidential sections of certain schedules to Mr. Warshaw's testimony have been omitted from the public version of this filing and have been provided to the Commission under separate cover, together with a motion for confidential treatment. Seven copies of the confidential materials have also been provided.

This filing also includes the testimony and accompanying schedules of Scott M. McCabe regarding the proposed Default Service rates, including rate adjustments made in accordance with the Default Service Adjustment Provision and the Default Service Cost Reclassification Adjustment Provision of the Company's tariff. Confidential sections of certain schedules to Mr. McCabe's testimony have been omitted from the public version of this filing and have been provided to the Commission under separate cover, together with a motion for confidential treatment. Mr. McCabe's testimony also addresses the reconciliation of Default Service power supply expense and the reconciliation of the administrative costs of providing Default Service. Finally, Mr. McCabe's testimony also presents the final reconciliation of the over recovery balance approved for refund through the 2007 Default Service adjustment factor as well as the reconciliation of the over recovery balance approved for refund through the adjustment to the 2007 Default Service adjustment factor.

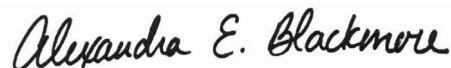
Ms. Debra A. Howland
March 17, 2008
Page 2 of 2

National Grid undertook a Request for Proposals ("RFP") to provide Default Service in accordance with RSA 374-F:3, V(c) and pursuant to the Commission's Order No. 24,577 issued on January 13, 2006 in Docket No. DE 05-126. National Grid circulated the RFP to approximately twenty-five potential wholesale suppliers, every member of the NEPOOL Markets Committee and posted the RFP on the Company's energy supply website. National Grid employed a procurement process consistent with those previously approved by the Commission on several occasions.¹

National Grid believes the proposed Default Service rates are consistent with RSA 374-F:3, V(c), Commission precedent, and are in the public interest as reflective of "competitive market" prices. See RSA 374-F:3, V(c). Accordingly, the Company respectfully requests that the Commission approve the proposed rates to become effective for usage on and after May 1, 2008, no later than March 24, 2008.

Thank you very much for your time and attention to this filing. If you have any questions, please feel free to contact me at (508) 389-3243.

Very truly yours,



Alexandra E. Blackmore

Enclosures

cc: Meredith A. Hatfield, Esq.
Donald Pfundstein, Esq.
Service List (via electronic mail)

¹ See Order No. 24,787, Docket No. DE 07-012 (September 21, 2007); Order No. 24,764, Docket No. DE 07-012 (June 22, 2007); Order No. 24,736, Docket No. DE 07-012 (March 26, 2007); Order No. 24,715, Docket No. DE 06-115 (December 15, 2006); Order No. 24,675, Docket No. DE 06-115 (September 29, 2006); Order No. 24,637, Docket No. DE 05-126 (June 22, 2006); Order No. 24,609, Docket No. DE 05-126 (March 28, 2006).