

**THE STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 09-234

ORDER OF NOTICE

On November 20, 2009, Granite State Electric Company d/b/a National Grid (National Grid) filed a request for approval of retail rate adjustments and reconciliations related to National Grid's stranded cost and transmission service charges for effect with service rendered on and after January 1, 2010. According to the filing, the aggregate impact of the rates proposed for January 1, 2010 on a total bill basis, as compared to rates in effect today, is a bill increase of \$1.06 per month, from \$65.95 to \$67.01, or 1.61%, for a typical residential customer using 500 kilowatt-hours (kWh) per month.

The purpose of the stranded cost charge is to recover the Contract Termination Charge (CTC) billed to National Grid by New England Power Company (NEP) in connection with the termination of NEP's all-requirements power contracts with National Grid prior to the advent of retail competition in National Grid's service territory. The Commission approved the applicable recovery mechanism in *Granite State Electric Company*, Order No. 23,041, 83 NH PUC 532, (October 7, 1998). National Grid stated that it would separately file NEP's 2010 CTC report with the Commission no later than December 1, 2009. At the time of the filing, National Grid proposed to increase the uniform stranded cost charge from a credit of 0.010 cents per kWh to a charge of 0.070 cents per kWh, not including the stranded cost adjustment factors. According to National Grid, the increase in rates is due to the annual decrease in funds it receives from a five-year "pass back," of settlement proceeds, which is due to end in 2010, pertaining to the USGenNE bankruptcy settlement, and differences between estimated and actual purchased

power costs. Once the CTC report is complete, National Grid stated it may file a revised uniform stranded cost rate.

National Grid's transmission service charge includes costs that National Grid incurs in providing transmission service. Transmission service rates are implemented through separate transmission factors for each rate class. The transmission factors are designed to recover estimated transmission expense during the upcoming calendar year, together with an adjustment for over- or under-recoveries that occurred in the prior period. During 2010, transmission expenses and the adjustment are forecasted to produce an average transmission rate of approximately 1.633 cents per kWh, an increase of 0.060 cents per kWh over the current rate of 1.573 cents per kWh. National Grid attributed the increase to the impact of additional transmission plant investment being completed across all of New England.

The filing raises, inter alia, issues related to the reconciliation of the CTC, the costs included in the increased stranded cost charge and transmission rate, and whether the rate changes and adjustment factors as proposed are just and reasonable as required by RSA 378:5 and 8. Each party has the right to have an attorney represent them at their own expense.

Based upon the foregoing, it is hereby

ORDERED, that a Hearing, pursuant to N.H. Admin. Rules Puc 203.12, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on December 21, 2009 at 10:00 a.m.; and it is

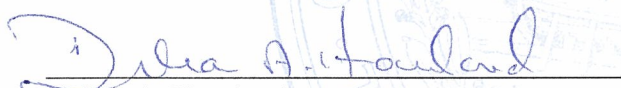
FURTHER ORDERED, that pursuant to N.H. Admin. Rules Puc 203.12, National Grid shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than December 10, 2009, in a newspaper with general circulation in those

portions of the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before December 21, 2009; and it is

FURTHER ORDERED, that pursuant to N.H. Admin. Rules Puc 203.17, any party seeking to intervene in the proceeding shall submit to the Commission seven copies of a Petition to Intervene with copies sent to National Grid and the Office of the Consumer Advocate on or before December 16, 2009 such Petition stating the facts demonstrating how its rights, duties, privileges, immunities or other substantial interest may be affected by the proceeding, as required by N.H. Admin. Rule Puc 203.17 and RSA 541-A:32,I(b); and it is

FURTHER ORDERED, that any party objecting to a Petition to Intervene make said Objection on or before December 21, 2009.

By order of the Public Utilities Commission of New Hampshire this seventh day of December, 2009.


Debra A. Howland
Executive Director

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability, should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.

STACEY M DONNELLY
NATIONAL GRID
40 SYLVAN ROAD
WATHAM MA 02451

Docket #: 09-234

Printed: December 07, 2009

FILING INSTRUCTIONS: PURSUANT TO N.H. ADMIN RULE PUC 203.02(a),
WITH THE EXCEPTION OF DISCOVERY, FILE 7 COPIES (INCLUDING COVER LETTER) TO:
DEBRA A HOWLAND
EXEC DIRECTOR & SECRETARY
NHPUC
21 SOUTH FRUIT STREET, SUITE 10
CONCORD NH 03301-2429