

Granite State Electric Company d/b/a National Grid

Default Service

For the Period Beginning
May 1, 2010

Testimony and Schedules
of
Margaret M. Janzen
and
Scott M. McCabe

March 15, 2010

Submitted to:
New Hampshire Public Utilities Commission
Docket No. DE 10-020

Submitted by:

nationalgrid

Testimony of
Margaret M. Janzen

Granite State Electric Company d/b/a National Grid

Docket No. DE 10-020

Witness: M. M. Janzen

DIRECT TESTIMONY

OF

MARGARET M. JANZEN

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1 **I. Introduction**

2 Q. Please state your name and business address.

3 A. My name is Margaret M. Janzen, and my business address is 100 East Old Country Road,
4 Hicksville, NY 11801.

5
6 Q. Please state your position.

7 A. I am the Director of Electric Supply and Distributed Generation for National Grid USA
8 Service Company, Inc. I oversee the procurement of energy, capacity and ancillary
9 services, portfolio hedging strategies and other energy supply related activities, as well as
10 the interconnections of unaffiliated generating units to the electric distribution systems,
11 for National Grid's operating companies, including Granite State Electric Company d/b/a
12 National Grid ("Granite State" or "Company"). For Granite State, these activities include
13 the procurement of power for Default Service as well as the procurement of renewable
14 energy certificates ("RECs").

15
16 Q. Will you describe your educational background and training?

17 A. I graduated from The Cooper Union in 1993 with a Bachelor of Engineering in Civil
18 Engineering. I received a Masters in Business Administration in Finance from Baruch
19 College in 2000.

20
21 Q. What is your professional background?

22 A. In July 1993 I joined the Brooklyn Union Gas Company as a Management Trainee and
23 Associate Engineer in the Project Engineering Department. In September 1997 I

1 accepted a position as an analyst in the Strategic Planning Department, and the name of
2 the company was changed to KeySpan Corporation. In August 1999 I became Manager
3 of the Capital Markets group in the Treasury Department and was responsible for
4 hedging of the corporate bond portfolio as well as new equity and debt issuances for
5 KeySpan. In August 2003 I moved to the Investor Relations Department, providing
6 financial and strategic information regarding the company to the investment community.
7 In March 2006 I joined the Regulatory Department and became Manager of the Gas
8 Pricing group, working on gas rate cases, regulatory mechanisms, implementation and
9 compliance. In March 2008 I accepted my current position of Director of Electric Supply
10 and Distributed Generation.

11
12 Q. Have you previously testified before the New Hampshire Public Utilities Commission
13 ("Commission")?

14 A. Yes.

15
16 Q. Have you testified before any other state regulatory agencies?

17 A. Yes. I have testified before the Rhode Island Public Utilities Commission regarding
18 electric supply procurement activities.

19
20 **II. Purpose of Testimony**

21 Q. What is the purpose of your testimony?

22 A. The purpose of my testimony is to request approval of the Default Service rates for the
23 Large and Medium Commercial and Industrial Customer Group ("Large Customer

1 Group”¹) and the Residential and Small Commercial Customer Group (“Small Customer
2 Group”²) resulting from Granite State’s recent procurement of Default Service power
3 supply. To support this request, I will describe the process used by Granite State to
4 procure Default Service for the Large Customer Group for the three-month period May 1,
5 2010 through July 31, 2010 and for the Small Customer Group for the six-month period
6 May 1, 2010 through October 31, 2010. Mr. Scott McCabe, in his direct testimony will
7 present Granite State’s proposed default service rates, including rate adjustments, for
8 usage on and after May 1, 2010, in accordance with the Default Service Adjustment
9 Provision and Default Service Cost Reclassification Adjustment Provision of the
10 Company’s tariff, and the Settlement Agreement in Docket No. DE 05-126, approved by
11 the Commission in Order No. 24,577 (January 13, 2006) (“Settlement Agreement”). My
12 testimony will also describe how the Company proposes to meet the Renewable Portfolio
13 Standard obligation. Finally, my testimony discusses the declining loss factor
14 investigation that the Company performed pursuant to the Commission’s Order No.
15 24,922 in Docket DE 08-011.

16
17 **III. Bidding Process**

18 Q. Why does Granite State need to procure Default Service for both the Large Customer
19 Group and the Small Customer Group for the period beginning May 1, 2010?

20 A. Granite State’s currently effective Default Service supply contract for the Large
21 Customer Group and the Small Customer Group expires on April 30, 2010. Therefore, to

¹ Customers taking service under General Long-Hour Service Rate G-2 or General Service Time-Of-Use Rate G-1 of the Company’s Retail Delivery Tariff.

² Customers taking service under Domestic Service Rate D; Domestic Service - Optional Peak Load Pricing Rate D-

1 assure that Default Service will continue to be available to these customers, Granite State
2 requires a new Default Service supply arrangement beginning May 1, 2010.
3

4 Q. Please describe the process Granite State used to procure its Default Service supply.

5 A. Granite State conducted the procurement of Default Service supply in accordance with
6 applicable New Hampshire rules and regulations including Granite State Electric
7 Company's Second Amended Restructuring Settlement Agreement ("Restructuring
8 Settlement"), RSA 374-F (the "New Hampshire Act"), and the terms of the Settlement
9 Agreement approved by the Commission pursuant to Order No. 24,577 issued on January
10 13, 2006 in Docket No. DE 05-126³ (the "Order"). Granite State and its retail
11 distribution affiliates in Massachusetts, Massachusetts Electric Company and Nantucket
12 Electric Company (together "Mass. Electric") (all three companies together "National
13 Grid"), issued a joint request for proposals ("RFP") for certain power supply services
14 (including Granite State's Default Service) from suppliers. The RFP sought a supply for
15 Granite State's Default Service and a portion of Mass. Electric's Basic Service supply.
16 This is consistent with the process approved by the Commission in the Order. This
17 process is also consistent with past procurements.⁴
18

19 Q. Could you describe the nature of the RFP that National Grid issued?

10; Outdoor Lighting Service Rate M; Limited Total Electrical Living Rate T; General Service Rate G-3; or Limited Commercial Space Heating Rate V of the Company's Retail Delivery Tariff.

³ The Order granted Granite State's August 1, 2005 Petition for Post-Transition Service Default Service Proposal as amended by the Post-Transition Service Default Service Proposal Settlement Agreement filed with the Commission on November 18, 2005 ("Settlement Agreement"). Granite State's original proposal filed August 1, 2005 and the subsequent Settlement Agreement will together be referred to as the "Settlement Agreement" throughout my testimony.

⁴ See Order No. 24,736 at 10 (March 26, 2007), Order No. 24,764 at 9 (June 22, 2007), Order No. 24,787 at 11 (September 21, 2007), Order No. 24,810 at 10-11 (December 17, 2007), Order No. 24,836 at 11-12 (March 21, 2008), Order No.

1 A. On February 12, 2010, National Grid issued an RFP to over twenty-five potential
2 suppliers soliciting power supplies for the period May 1, 2010 through October 31, 2010.
3 National Grid also distributed the RFP to all members of the NEPOOL Markets
4 Committee and posted the RFP on its energy supply website. As a result, the RFP had
5 wide distribution throughout the New England energy supply marketplace. The RFP
6 requested fixed pricing for each month of service on an as-delivered energy basis. Prices
7 could vary by month and by service – that is, the prices did not have to be uniform across
8 the entire service period or between Granite State and Mass. Electric. A copy of the RFP
9 is provided as Schedule MMJ-1.

10
11 Q. Are the Company's default service rates consistent with least cost resource planning?

12 A. Yes. While the Company has received a waiver from the Commission regarding its
13 compliance with an Integrated Least Cost Resource Plan for generation issues, the
14 Company has conducted its default service RFP process in a manner that is consistent
15 with least cost planning principles. The Company's proposed default service rates are the
16 result of a competitive bidding process used to procure the Company's power
17 obligations. This is consistent with least cost planning goals, which are to minimize costs
18 in the procurement of energy.

19
20 **IV. Results of Bidding**

21 Q. Did Granite State receive responses to the RFP?

1 A. Yes. Indicative proposals were received on March 3, 2010 and a confidential summary
2 of the proposals was shared with Commission staff thereafter. Final proposals were
3 received on March 10, 2010. None of the bidders made their provision of Granite State's
4 Default Service contingent upon the provision of any other service. A summary of the
5 RFP process and bid evaluation is included in Schedule MMJ-2.

6
7 Q. How do the current futures prices for electricity and natural gas compare to the futures
8 prices at the time of the February 13, 2009 and August 7, 2009 RFPs?

9 A. The futures market prices for electricity and natural gas at the time of the February 13,
10 2009 and August 7, 2009 procurements as well as current futures market prices are
11 shown in Schedule MMJ-3.

12
13 Q. Did Granite State select any of those proposals?

14 A. Yes. Granite State evaluated the bids received and selected the supplier that (i) provided
15 a bid that was conforming to the RFP, (ii) had the lowest price, (iii) met the credit
16 requirements described in the RFP, and (iv) passed our qualitative evaluation. On March
17 11, 2010, Granite State entered into a wholesale Transaction Confirmation with
18 Constellation Energy Commodities Group, Inc. ("Constellation"), the winning bidder for
19 both the Large Customer Group block and the Small Customer Group block, to provide
20 Default Service to the Large Customer Group for the three-month period May 1, 2010
21 through July 31, 2010 and to provide Default Service to the Small Customer Group for
22 the six-month period May 1, 2010 through October 31, 2010. Together, a Transaction
23 Confirmation and a Master Power Agreement provide the terms for the purchase of

1 Default Service from a supplier. A copy of the Constellation Master Power Agreement
2 was filed with the Commission on March 20, 2006 in Docket No. DE 06-115. A copy of
3 the Constellation First Amendment to the Master Power Agreement was filed with the
4 Commission on September 15, 2009 in Docket No. DE 09-010. The Transaction
5 Confirmation between Granite State and Constellation for the Large Customer Group and
6 the Small Customer Group, with certain confidential sections redacted, is attached hereto
7 as Schedule MMJ-4. Granite State is filing the Transaction Confirmation with the
8 Commission pursuant to a Motion for Confidential Treatment. Although the Transaction
9 Confirmation and Master Power Agreement have differences from the sample power
10 supply agreement in the Settlement Agreement approved by the Commission, the
11 executed documents do not shift any of the risks or obligations described in the sample
12 power supply agreement provided in the Settlement Agreement.
13

14 **V. Renewable Portfolio Standard**

15 Q. What is the Renewable Portfolio Standard (“RPS”) obligation for 2010?

16 A. As specified in the RPS law⁵, the RPS obligation for calendar year 2010 is a minimum of
17 seven and fifty-four one hundredths percent (7.54%) of Granite State’s Default Service
18 load, of which at least one percent (1.0%) can come from Class I New Renewable Energy
19 Resources, at least four hundredths percent (0.04%) can come from Class II Solar Energy
20 Resources, at least five and one-half percent (5.5%) can come from Class III Existing
21 Renewable Energy Resources and at least one percent (1.0%) can come from Class IV
22 Existing Renewable Energy Resources.

5 N.H. RSA 362-F.

1
2 Q. How does Granite State expect to satisfy its RPS obligations consistent with the RPS
3 rules as promulgated by the Commission?

4 A. On February 18, 2009, Granite State entered into an amended settlement agreement with
5 Commission Staff and the Office of Consumer Advocate, intended to resolve all issues
6 associated with the process by which Granite State shall comply with the requirements of
7 the RPS law and PUC 2500 rules ("Amended RPS Settlement"). The Amended RPS
8 Settlement was approved by the Commission on March 23, 2009 in Order No. 24,953.
9 As specified in the Amended RPS Settlement, Granite State requested bidders to provide
10 a separate RPS compliance adder with their bids. This RPS compliance adder is the
11 incremental charge by a bidder for agreeing to take on the RPS obligation with the
12 Default Service obligation.

13
14 Q. What were the criteria Granite State used to evaluate the RPS compliance adders
15 provided by the bidders?

16 A. Granite State evaluated the RPS compliance adders by comparing them to Granite State's
17 estimated market prices for New Hampshire RECs. The RPS compliance adder from the
18 winning bidder for the Large Customer Group and the Small Customer Group was above
19 Granite State's market estimate. As a result, Granite State did not accept the winning
20 bidder's RPS compliance adder. Granite State plans to issue an RFP in the future for the
21 acquisition of RECs. If Granite State is unable to purchase sufficient RECs to meet its
22 NH RPS obligations, it will then, consistent with the RPS rules, make an alternative
23 compliance payment ("ACP") to the Renewable Energy Fund.

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Q. Is Granite State proposing any changes to the RPS compliance adder at this time?

A. Yes. Granite State is proposing to change the Commission approved RPS compliance adder in order to reflect the changes in estimated market costs to meet RPS obligations required in the RPS regulations as described previously. The Company is proposing separate RPS adders for the Small Customer Group and the Large Customer Group.

Q. How have the RPS adders for the Small Customer Group and the Large Customer Group changed from the current adders?

A. The RPS adder for the Small Customer Group has decreased from \$0.00262 to \$0.00230. The RPS adder for the Large Customer Group has decreased from \$0.00232 to \$0.00226.

Q. How did Granite State calculate the RPS Adders for 2010?

A. As shown in Schedule MMJ-5, Granite State calculated the wholesale RPS costs on a per MWh basis. The Company then converted the wholesale RPS costs to a retail cost by multiplying the calculated costs by the average Granite State loss factor and then dividing by ten in order to convert from a \$ per MWh wholesale cost to a ¢ per kWh rate for retail use.

Q. What costs did Granite State use to develop its RPS compliance adders?

A. As a proxy for actual RPS costs, the RPS compliance adders are based on the recent market prices for all 2010 REC Classes.

1 Q. What happens if Granite State's actual RPS compliance costs are different from that used
2 in calculating the RPS compliance adders?

3 A. Granite State will reconcile its costs to comply with the RPS with the revenue received
4 from customers from the RPS compliance adders.
5

6 Q. Has Granite State been able to contract for RECs?

7 A. Yes. In January, May, and October of 2009 Granite State issued RFPs to procure NH
8 RECs to approved NH renewable generators, generators in the process of applying for
9 approval to generate NH RECs, as well as other REC suppliers, for its 2008 through 2010
10 RPS law obligations. The Company received bids for RECs and contracted for all of the
11 RECs Classes for 2009 and 2010 obligations. Granite State shared the results of its RFP
12 with Staff prior to executing a contract for the purchase of RECs.
13

14 Q. When will Granite State issue the next REC RFP?

15 A. Granite State will issue a REC RFP in March 2010 to procure RECs to meet the 2009 and
16 the 2010 RPS obligations. Granite State was not able to procure a sufficient amount of
17 RECs to meet the 2009 Class III RPS obligations in the 2009 RFPs. If Granite State is
18 unable to purchase sufficient RECs to meet its NH RPS obligations, it will then,
19 consistent with the RPS rules, make an ACP to the Renewable Energy Fund.
20

21 **VI. Default Service Commodity Costs**

22 Q. Please summarize the commodity cost at the retail meter based on Granite State's
23 expected procurement cost used to develop the proposed retail rates.

1 A. The load-weighted average of the commodity costs for the Large Customer Group is
2 6.711¢ per kWh compared to the load-weighted average of 8.376¢ per kWh for the period
3 February 2010 through April 2010. The load-weighted average of the commodity costs
4 for the Small Customer Group is 6.737¢ per kWh compared to the load-weighted average
5 of 7.252¢ per kWh for the period November 2009 through April 2010. The commodity
6 costs at the retail customer meter (¢ per kWh) were calculated by multiplying the
7 commodity costs at the wholesale level (\$ per MWh) by the applicable loss factor and
8 then dividing the results by ten. The applicable loss factors can be found in the RFP
9 summary in Schedule MMJ-2.

10
11 Q. How will Granite State reconcile any difference in costs associated with Default Service?

12 A. To the extent that the actual cost of procuring Default Service varies from the amounts
13 billed to customers for the service, Granite State will continue to reconcile the difference
14 through a reconciliation mechanism pursuant to Granite State's Default Service
15 Adjustment Provision contained in its currently effective tariff on Second Revised Page
16 87.

17
18 **VII. Loss Factor Analysis**

19 Q. Has Granite State made any changes to the way in which it calculates retail rates?

20 A. For this Default Service rate filing, Granite State continued to use the 12-month average
21 loss factor for the period ending December 31, 2007 in the calculation of retail rates. For
22 the December 14, 2009 Default Service rate filing for the Large Customer Group, Granite
23 State used the 12-month average loss factor for the period ending November 30, 2009.

1 However, following a review of the data Granite State determined that the loss factor for
2 the period ending December 31, 2007 is a better indicator of future loss factors.

3
4 Q. Is there an update of the loss factor report submitted to the Commission on March 9,
5 2009?

6 A. Yes. The incorrect wholesale settlement model for the NH Load Zone, which resulted in
7 a declining loss factor, has been corrected. The modeling correction for the NH zonal tie
8 point was made on February 18, 2009 and the NH Load Zone was resettled back to
9 January 1, 2009. However, during 2009 the Company observed an abnormal increase to
10 the loss factor attributable to the unpredictability of the meter at the Tewksbury location.

11
12 Q. What steps does Granite State expect to take to remedy the loss factor issue?

13 A. While the tie measure at Tewksbury is technically compliant with the ISO-NE OP-18
14 requirements, Granite State intends to replace the tie measure at Tewksbury to further
15 correct the percent loss measure allocated to the NH Competitive Suppliers, NH Large
16 and Small Default Service and the NH Load Zone wholesale settlement. Replacement of
17 the Tewksbury NH Load Zone Tie Point was authorized in January of 2010 as part of a
18 National Grid wide wholesale meter upgrade project. The Tewksbury tie point upgrade
19 is the highest priority of the 18 meter points to be upgraded in New England and should
20 be completed in 2010. Field investigation and engineering work will need to be
21 completed prior to construction.

22
23 **VIII. Conclusion**

1 Q. When will Granite State issue the next RFP for Default Service?

2 A. The Large Customer Group rates proposed in this filing end on July 31, 2010. Per the
3 terms of the Settlement Agreement, Granite State will issue an RFP for the Large
4 Customer Group in May 2010. For purposes of notice to the Commission, the following
5 table illustrates National Grid's proposed timeline for the next two RFPs:

RFP	May 2010 RFP	Aug 2010 RFP
RFP Issued	May 7, 2010	August 6, 2010
Indicative Bids Due	June 2, 2010	September 8, 2010
Final Bids Due	June 9, 2010	September 15, 2010
Contract Execution	June 10, 2010	September 16, 2010
Default Service Filing to Commission	June 14, 2010	September 20, 2010
Commission Order Needed	June 21, 2010	September 27, 2010
Service Begins	August 1, 2010	November 1, 2010

6
7 Q. Does this conclude your testimony?

8 A. Yes. It does.

Schedules
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Schedule MMJ-1	Default Service RFP May 1, 2010 through April 30, 2011
Schedule MMJ-2	Default Service Procurement Summary
Schedule MMJ-3	Comparison of Change in Futures Prices to Change in Procurement Costs
Schedule MMJ-4	Default Service Contract for the Large Customer Group May 1, 2010 through July 31, 2010 and for the Small Customer Group May 1, 2010 through October 31, 2010
Schedule MMJ-5	Renewable Portfolio Standard Compliance Adders

Granite State Electric Company d/b/a National Grid

Docket No. DE 10-020

Witness: M. M. Janzen

SCHEDULE MMJ – 1

Default Service RFP

May 1, 2010 through April 30, 2011

Request For Power Supply Proposals To Provide The Following Services:

Default Service in:
Massachusetts
New Hampshire

For the Period:

May 1, 2010 –
April 30, 2011

February 12, 2010

nationalgrid

REQUEST FOR POWER SUPPLY PROPOSALS

1. Overview

1.1 Background

Legislation and restructuring settlement agreements in Massachusetts¹ and New Hampshire² provide for competition in the electric utility industry by extending competition in the wholesale power supply markets to retail customers through the provision of retail access to all customers.

The Massachusetts Act provides access to the competitive retail electricity market for all retail customers of National Grid in Massachusetts (Massachusetts Electric Company and Nantucket Electric Company, each d/b/a National Grid) as of March 1, 1998. The Massachusetts Act requires each distribution company to provide default service (“MA Default Service”) to those customers that are not receiving generation service from a competitive supplier.

In New Hampshire, the Restructuring Settlement provides access to the competitive retail electricity market for all retail electric customers of National Grid in New Hampshire (Granite State Electric Company d/b/a National Grid) as of July 1, 1998 pursuant to the provisions of the New Hampshire Act. The Restructuring Settlement and the New Hampshire Act require National Grid to provide default service (“NH Default Service”) to those customers that are not receiving generation service from a competitive supplier³.

MA Default Service and NH Default Service together will be referred to as “Default Service”.

1.2 MA Default Service

¹ Act Relative to Restructuring the Electric Utility Industry in the Commonwealth, Regulating the Provision of Electricity and Other Services, and Promoting Enhanced Consumer Protections Therein, Chapter 164 of The Massachusetts Acts of 1997 (“Massachusetts Act”).

² Granite State Electric Company’s Second Amended Restructuring Settlement Agreement (“Restructuring Settlement”) and RSA 374-F (“New Hampshire Act”).

³ The New Hampshire Act specifies that Transition Service ends at midnight on April 30, 2006. All Transition Service customers who did not choose a competitive supplier by April 30, 2006 began receiving NH Default Service on May 1, 2006. A settlement agreement approved by the New Hampshire Public Utilities Commission on January 13, 2006 in Order No. 24,577 provides for the procurement of NH Default Service commencing May 1, 2006 (“DS Settlement Agreement”).

The Massachusetts Act requires MA Default Service to be competitively procured. The Massachusetts Department of Telecommunications and Energy (“MDTE”) initiated a generic proceeding on rules and procedures for the provision and pricing of MA Default Service⁴. The MDTE ordered all electric companies in Massachusetts to procure MA Default Service through competitive solicitations by customer group (residential, commercial and industrial) and to procure such power at fixed monthly prices⁵. The MDTE also ordered electric companies to procure power for each customer group on a zone-specific basis based on the three Standard Market Design (“SMD”) Load Zones in Massachusetts⁶. Retail pricing for MA Default Service is to be provided on a zone-specific basis for the industrial customer group while retail MA Default Service prices for the residential and commercial customer groups are to be averaged across the zones served by the utility.

The MDTE ordered electric companies to procure power for their residential and commercial customer groups on a staggered basis (securing 50% of their MA Default Service supply for a twelve-month term semi-annually)⁷. The MDTE also ordered electric companies to procure power for the industrial customer group (i.e., larger customers) on a quarterly basis⁸. Additional changes regarding the procurement of MA Default Service may result from the Massachusetts Department of Public Utilities’ (“MDPU”) ⁹, D.T.E. 04-115, “The Procurement of Default Service Power Supply for Residential and Small Commercial Customers” initiated on December 6, 2004. If the MDPU issues an order prior to executing agreements with Respondents, National Grid will incorporate any required changes into the agreements.

National Grid is hereby seeking proposals from qualified power suppliers to supply firm, load-following power to meet its MA Default Service requirements.

1.3 Massachusetts Customer Groups

⁴ Docket D.T.E. 99-60.

⁵ See Dockets D.T.E. 99-60-A and D.T.E. 99-60-B.

⁶ See Docket D.T.E. 02-40-A.

⁷ See Docket D.T.E. 02-40-B.

⁸ See Docket D.T.E. 02-40-C.

⁹ Effective April 11, 2007, the MDTE ceased to exist. Two new agencies have been established in its place: The Department of Telecommunications & Cable will handle telecommunications and cable issues and The Department of Public Utilities will handle electric, gas, siting, pipeline, water and transportation issues.



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February 12, 2010
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For the purposes of this solicitation, the Massachusetts customer groups are defined as:

Customer Group	Rate Class
Residential	R-1, R-2, R-4 and R-E
Commercial	G-1 and street lights
Industrial	G-2 and G-3

1.4 NH Default Service

The DS Settlement Agreement in New Hampshire and the New Hampshire Act require National Grid to provide NH Default Service to those customers that are not receiving generation service from a competitive energy supplier. In compliance with the DS Settlement Agreement, National Grid will procure NH Default Service by customer group (small customer group and large customer group). For the small customer group, National Grid will procure 100% of their NH Default Service supply for a six-month period. For the large customer group, National Grid will procure 100% of their NH Default Service supply for a three-month period.

National Grid is hereby seeking proposals from qualified power suppliers to supply firm, load-following power to meet its NH Default Service requirements.

1.5 New Hampshire Customer Groups

For the purposes of this solicitation, the New Hampshire customer groups are defined as:

Customer Group	Rate Class
Small Customer Group	D, D-10, G-3, M, T and V
Large Customer Group	G-1 and G-2

2. Description of Services

2.1 Description

Appendix A contains an overview of the services covered by this Request for Proposal ("RFP"). The Appendix provides:

- A brief description of MA Default Service;
- A brief description of NH Default Service;

- The eligibility requirements for a customer to obtain or leave Default Service;

2.2 Expected Loads

National Grid is unable to predict the amount of load that will be required to meet the needs of each customer group, if any. National Grid's customers are free to leave Default Service at any time to take service from competitive suppliers. The ability of customers to enroll or return to Default Service is described in Appendix A.

To assist Respondents in determining the potential load requirements, National Grid is able to provide the following information on its Power Procurement Web Site:

For MA Default Service:

- Aggregate historical wholesale hourly load information for MA Default Service (since March 1, 1998);
- Aggregate historical wholesale hourly loads for MA Default Service by customer group (since November 1, 2000);
- Historic hourly loads by SMD Load Zone and customer group for MA Default Service (since March 1, 2003);
- Reports showing the number of customers enrolled in various electric services and energy consumption at retail by rate class can be found at the Division of Energy Resource's ("DOER") Electric Deregulation page.
- Marlborough Aggregation customer count and historical wholesale load information (since January 2006).

For NH Default Service:

- Aggregate historical wholesale hourly load information for NH Default Service (from December 1, 2002 to April 30, 2006);
- Aggregated historical hourly load information for NH Default Service (since May 1, 2006)

For All Services:

- Class average load shapes at the retail meter point;
- Historical customer counts, as of the last billing day in each month, by each National Grid company, SMD Load Zone (since March 1, 2003) and rate class. These counts represent the number of active accounts in each rate class as of the last billing day in each month;
- Historical customer counts for customers taking service from a competitive supplier, as of the last billing day in each month, by rate class.
- ICAP tags as of the last day of the month for each load asset.

Please use the following link to access the site:

<http://www.nationalgridus.com/energysupply/>

Click on “Data” at the upper right of the screen to access Load data, Customer Count data, Class Average Load Shapes and ICAP Tags. This site is open to anyone with the above link. No user id or password is required to access the data on the site.

2.3 Load Blocks

National Grid’s total Default Service requirements covered by this RFP are broken down into the following 17 load blocks:

Load Block	Customer Group	SMD Load Zone	Load Share	Type of Service	Period
A	Industrial	SEMA	100%	MA Default Service	05/01/10 – 07/31/10
B	Industrial	WCMA	100%	MA Default Service	05/01/10 – 07/31/10
C	Industrial	NEMA	100%	MA Default Service	05/01/10 – 07/31/10
D	Commercial	SEMA	50%	MA Default Service	05/01/10 – 10/31/10
E	Commercial	WCMA	50%	MA Default Service	05/01/10 – 10/31/10
F	Commercial	NEMA	50%	MA Default Service	05/01/10 – 10/31/10
G	Residential	SEMA	50%	MA Default Service	05/01/10 – 10/31/10
H	Residential	WCMA	50%	MA Default Service	05/01/10 – 10/31/10
I	Residential	NEMA	50%	MA Default Service	05/01/10 – 10/31/10
J	Commercial	SEMA	50%	MA Default Service	11/01/10 – 04/30/11
K	Commercial	WCMA	50%	MA Default Service	11/01/10 – 04/30/11
L	Commercial	NEMA	50%	MA Default Service	11/01/10 – 04/30/11
M	Residential	SEMA	50%	MA Default Service	11/01/10 – 04/30/11
N	Residential	WCMA	50%	MA Default Service	11/01/10 – 04/30/11
O	Residential	NEMA	50%	MA Default Service	11/01/10 – 04/30/11
P	Large	NH	100%	NH Default Service	05/01/10 – 07/31/10
Q	Small	NH	100%	NH Default Service	05/01/10 – 10/31/10

The load blocks in the SEMA Load Zone include National Grid’s customers on the Island of Nantucket.

A Respondent may bid on any number of load blocks that it wishes to serve. A Respondent wishing to serve the entire load for a particular customer group should submit a bid for each load block of that customer group. Respondents may not limit the amount of service that may be purchased for a given load block. Proposals that contain limits on the amount of service provided will be rejected¹⁰.

¹⁰ For example, a Respondent offering to supply Block A load must agree to supply 100% of the needs of that load block during every month of the Period (for example, 100% of the total load of the Industrial customer group in the SEMA Load Zone). The Respondent may not offer to serve Block A provided that the amount of

The amount of load for each load block to be supplied by the winning Supplier(s) will be determined in accordance with the procedure contained in Article 6 of the applicable proposed Master Power Agreement, a copy of which is provided in Appendices B and C.

2.4 Massachusetts Retail Customer Rates

During the term of service covered by this RFP, National Grid intends, in accordance with MDPU orders, to establish retail rates for generation service for MA Default Service customers ("Basic Service Rates"). Such Basic Service Rates will reflect National Grid's purchase costs for such service due to commitments made as a result of this and previous RFPs and those costs associated with arranging MA Default Service (see below).

The retail rates for the industrial customer group will vary by SMD Load Zone based on the winning bids. The retail rates for the residential and commercial customer groups will be uniform across the three SMD Load Zones and will be based on the accepted bids for each customer group in this and previous RFPs. National Grid will file proposed Basic Service Rates with the MDPU following execution of an agreement(s) with a winning supplier(s). The Basic Service Rates charged to retail customers during the term of service covered by this RFP will be as ultimately approved by the MDPU.

In Docket D.T.E. 02-40-B, the MDTE determined that it is appropriate to include other costs an electric company incurs in providing MA Default Service in its Basic Service Rates. In Docket D.T.E. 03-88-E, the MDTE ordered National Grid to include those costs associated with arranging MA Default Service in its Basic Service Rates. National Grid implemented this change with the Default Service Cost Reclassification Adjustment Provision (MDPU No. 1162) to include such charges with the provision of MA Default Service to its customers.

2.5 New Hampshire Retail Customer Rates

During the term of service covered by this RFP, National Grid intends, in accordance with the DS Settlement Agreement, to establish retail rates for generation service for NH Default Service customers ("Energy Service Rates"). The Energy Service Rates will reflect National Grid's purchase costs for such service due to commitments made as a result of this RFP. The DS Settlement Agreement also requires National Grid to include in its Energy Service Rates a surcharge to account for the administrative costs associated with NH Default Service. The Energy Service Rates will be as ultimately approved by the New Hampshire Public Utilities Commission ("NHPUC").

2.6 Effectiveness of Contracts (MA and NH only)

service purchased does not exceed [specified value] MW in any hour.

Any agreement(s) entered into for the delivery of MA Default Service pursuant to this solicitation will be subject to the MDPU's favorable review of the results of National Grid's solicitation for Default Service. Section 1 of the Massachusetts Master Power Agreement Form of Confirmation addresses the possibility that the MDPU does not favorably review the results of National Grid's solicitation for Default Service.

Any agreement(s) entered into for the delivery of NH Default Service pursuant to this solicitation will be subject to the approval by the NHPUC of the retail rates prior to the agreement(s) becoming effective. Section 1 of the New Hampshire Master Power Agreement Form of Confirmation addresses the possibility that the NHPUC may not approve the retail rates.

3. General Provisions

3.1 Terms and Conditions

The winning Supplier(s) will be selected to provide Default Service to the applicable customer groups/load blocks during the term covered by this RFP. Up to seventeen (17) separate Suppliers may be selected – one for each load block. Default Service will be provided by such Supplier(s) to National Grid in accordance with the terms and conditions of the Master Power Agreements. A copy of the proposed Master Power Agreement for Massachusetts is provided in Appendix B, a copy of the proposed Master Power Agreement for New Hampshire is provided in Appendix C. The winning Supplier(s) will be required to execute the applicable Master Power Agreement(s) and confirmations within three (3) business days of being notified that it has been selected as the winning Supplier.

Any suggested modifications to the proposed Agreement(s) are to be included with Respondent's response to this RFP.

3.2 Proposal Process and Submission Dates



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The following table outlines the key dates associated with this procurement process.

Process Step	Date
Issue Request for Proposal	February 12, 2010
Submit Respondent Proposal Information and Proposed Agreement Modifications	February 26, 2010– 5pm EPT
Submit Indicative Pricing	March 3, 2010– 10am EPT
Submit Final Pricing	March 10, 2010– 10am EPT
Execute Agreements and Submit solicitation process summary, Agreements and retail rates to MDPU and NHPUC, as applicable	No later than three business days after receipt of all executed agreements.
MDPU Reviews and Approves both Agreements and Basic Service Rates	No later than five business days after filing of Basic Service Rates
NHPUC Reviews and Approves Default Service Rates	No later than five business days after filing of Default Service Rates
Service Begins	May 1, 2010 or November 1, 2010

One (1) copy of a Respondent's Proposal Information and proposed agreement modifications must be received at the following address:

James Ruebenacker
Electric Supply & Distributed Generation
National Grid
100 East Old Country Road
Hicksville, NY 11801
(516) 545-3227
(516) 545-2464 (fax)
e-mail: electric.electricsupply@us.ngrid.com

Proposal information may also be submitted by facsimile or e-mail.

National Grid is conducting the procurement process in three steps. The first step is for Respondents to provide National Grid with their background information, financial information, and proposed agreement modifications by 5:00 p.m. EPT on Friday, February 26, 2010. Upon receipt, National Grid will evaluate each Respondent's qualifications and proposed agreement modifications.

The second step in this process is for Respondents to provide indicative pricing information by 10:00 a.m. EPT on Wednesday, March 3, 2010 at the above address. National Grid will evaluate the indicative pricing and request, if required, clarifications from Respondents.

The third step is for Respondents to provide final pricing information by 10:00 a.m. EPT on Wednesday, March 10, 2010 at the above address. National Grid requests final

pricing be valid until 3:00 p.m. National Grid intends to evaluate the final pricing and select a Supplier(s) that day. Respondents are requested to specify the manner in which they will accept a binding acceptance of their offer by National Grid prior to receipt of an executed agreement (verbal, letter of intent, e-mail or executed agreement) or they will be deemed to be bound by National Grid's acceptance communicated in any of the preceding manners.

Within three business days of receipt of all executed agreements, National Grid will file with the MDPU and the NHPUC a confidential summary of the solicitation process, the executed agreement(s) and proposed Basic Service Rates or Energy Service Rates, respectively.

Consistent with its rules, the MDPU will have five business days to review the results of National Grid's solicitation for Default Service. If the MDPU takes no action, National Grid's proposed Default Service price will go into effect. If the Department issues an order disapproving or rejecting the results of National Grid's solicitation for Default Service, the agreement between National Grid and Supplier(s) shall become null and void.

Consistent with its rules, the NHPUC will have five business days to either approve the proposed Energy Service Rates or reject them. If the NHPUC denies National Grid's request for approval of the retail rates, the agreement(s) will be void and the parties will have no further obligation under the agreements(s).

National Grid, at its sole discretion, reserves the right to issue additional instructions or requests for additional information, to extend the due date, to modify any provision in this RFP or any appendix thereto and to withdraw this RFP.

3.3 Contact Person/Questions

All questions regarding this Request for Proposal should be directed to James Ruebenacker at the address provided above.

3.4 Right to Select Supplier

National Grid shall have the exclusive right to select or reject any and/or all of the proposals submitted at any time, for any reason.

4. Service Features



4.1 Commencement Date of Supply

Service from the winning Supplier(s) to National Grid shall begin as of HE 0100 EPT on the date specified in the table found in Section 2.3 – Load Blocks.

Service from National Grid to individual customers who are taking Default Service in each customer group as of the Commencement Date, if any, will continue with the winning Supplier(s) providing such service to National Grid as of the Commencement Date.

Service from National Grid to individual customers taking Default Service as of the Commencement Date shall begin on the customer's meter reading date following notification/determination that a customer will be commencing Default Service or such other date designated by National Grid consistent with National Grid's Tariff for Off Cycle Meter Read For Switch of Supplier Provision, M.D.P.U. No. 1172 in Massachusetts, or the Off Cycle Meter Read for Switch of Supplier Provision, First Revised Page 92, of National Grid's *Tariff for Retail Delivery Service for the Period after New England Power Company Divests Substantially All of Its Non-Nuclear Generation, N.H.P.U.C. No. 17* in New Hampshire.

National Grid's procedures provide for customers to be switched from one service option to another (e.g., from Default Service to a competitive supplier, from one competitive supplier to another competitive supplier, from a competitive supplier to Default Service) on their normal cycle meter reading dates. However, there may be circumstances (e.g., default of a competitive supplier) that might require a customer to be switched to Default Service "off-cycle". In such case, the customer will be switched to Default Service on a date designated by National Grid consistent with National Grid's Off Cycle Meter Read For Switch of Supplier Provision, M.D.P.U. No. 1172 in Massachusetts, or the Off Cycle Meter Read for Switch of Supplier Provision, First Revised Page 92, of National Grid's *Tariff for Retail Delivery Service for the Period after New England Power Company Divests Substantially All of Its Non-Nuclear Generation, N.H.P.U.C. No. 17* in New Hampshire.

4.2 Termination Date of Supply

Service from the winning Supplier(s) to National Grid shall terminate at HE 2400 EPT on the dates specified in the table found in Section 2.3 – Load Blocks.

Individual customers taking Default Service from National Grid may terminate the service at any time. Terminations may include, but not be limited to, (i) a customer's taking competitive service from a competitive supplier, (ii) disconnection of service by National Grid in accordance with regulations and procedures approved by the MDPU or the NHPUC, or (iii) closing of a customer's account. National Grid's procedures provide for customers electing to terminate such service to be switched to their successor service on their normal cycle meter reading date following the date that National Grid receives notification of such switch. However, there may be circumstances which might require a

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customer to be terminated “off-cycle”. In such a case, the customer will be terminated from Default Service on a date to be determined by National Grid.

4.3 Delivery Points

The Supplier(s) of Default Service will be responsible for delivering power to the nodes/zones representing the actual locations of the Default Service loads. The Supplier(s) of each of the services will be responsible for any PTF losses allocated by the ISO related to the services. The locations of the Default Service load assets are as follows:

Company	SMD Load Zone	Load Asset	Load Asset Name	Load Block
Nantucket	SEMA	10466	NANT-DEF SVC-RCG LOAD	G,M
Nantucket	SEMA	10467	NANT-DEF SVC-CCG LOAD	D,J
Nantucket	SEMA	10021	NANT-DEF SVC-ICG LOAD	A
MECo	SEMA	7601	DEF SVC-MECO-RCG LOAD 4006	G, M
MECo	WCMA	7703	DEF SVC-MECO-RCG LOAD 4007	H,N
MECo	NEMA	7803	DEF SVC-MECO-RCG LOAD 4008	I,O
MECo	SEMA	7603	DEF SVC-MECO-CCG LOAD 4006	D,J
MECo	WCMA	7705	DEF SVC-MECO-CCG LOAD 4007	E,K
MECo	NEMA	7805	DEF SVC-MECO-CCG LOAD 4008	F,L
MECo	SEMA	7605	DEF SVC-MECO-ICG LOAD 4006	A
MECo	WCMA	7707	DEF SVC-MECO-ICG LOAD 4007	B
MECo	NEMA	7807	DEF SVC-MECO-ICG LOAD 4008	C
GSECo	NH	11437	GSECO-DEF SVC LARGE CG LOAD	P
GSECo	NH	11436	GSECO-DEF SVC SMALL CG LOAD	Q

4.4 Form of Service

The Supplier(s) of each Load Block shall be responsible for meeting the specified service requirements for all of National Grid’s customers in a specific Load Block. These service requirements include the generation and/or market procurement and delivery to the delivery point(s) of the portion of the electric capacity, energy and ancillary services required to meet the needs of National Grid’s ultimate customers taking such service. National Grid will implement the transfer of these responsibilities to the Supplier(s) by updating the asset registration for each of the above Load Assets. National Grid will assign to the Supplier(s) the applicable Ownership Share for each Load Asset. Once a Supplier’s obligation terminates, National Grid will terminate the Supplier’s Ownership Share of a Load Asset.

The Supplier(s) shall be responsible for all obligations, requirements, and costs associated with the Supplier(s) having the Load Asset Ownership Share which shall include but not be limited to the day-ahead load obligations and real-time load obligations at the nodes/zones of each Load Asset. A more complete description of a Supplier(s)'s responsibilities can be found in the proposed Master Power Agreements in Appendices B and C of this RFP.

The Supplier(s) shall be responsible for all decisions and data submissions associated with any bids into the market system to manage these obligations. The Supplier(s) shall be responsible for all components of any Locational Marginal Prices the Supplier must pay in delivery of the services. These components include, but are not limited to, the day-ahead and real-time energy, marginal losses, and congestion charges. As the supplier of such services, the Supplier(s) will be responsible for all present or future requirements and associated costs (to the extent such charges are not imposed on National Grid as a transmission charge by NEPOOL or the ISO) associated with the services and any other requirements, market products, expenses or charges imposed by NEPOOL or the ISO, as they may be in effect from time to time.

The Supplier(s) will also be responsible for all transmission and distribution losses associated with delivery of the electricity from the delivery point to the Default Service customer's meter. A description of the estimation process for determining supplier hourly load can be found in Appendix A of the proposed Master Power Agreements, found in Appendices B and C of this RFP.

National Grid will make arrangements with the ISO for transmission service over the PTF and non-PTF, from and after the Delivery Point to the Customers' meters. National Grid will be billed by the ISO and the applicable Participating Transmission Owner(s) for these services. National Grid will pay these bills and collect the costs, along with National Grid's distribution costs, from its retail customers through its retail delivery service tariffs. Any other transmission or distribution costs will be the Supplier(s)' responsibility.

4.5 Implementation of the Massachusetts Renewable Energy Portfolio Standards ("MA-RPS")

The Massachusetts Act requires the Massachusetts Division of Energy Resources ("DOER") to establish renewable energy portfolio standards for all retail electricity suppliers selling electricity to end-use consumers in the Commonwealth¹¹.

The standards are:

¹¹ The Electric Restructuring Act of 1997 was modified by the Green Communities Act of 2008. .



RPS Class I consists of new renewable generators that began operation after December 31, 1997, or, in the case of a Solar Carve-Out Renewable generator, after December 31, 2007.

RPS Class II Renewable Generation consists of renewable generators that began operation on or before December 31, 1997.

RPS Class II Waste Energy Generation consists of waste to energy generators that began operation on or before December 31, 1997.

APS Alternative Energy Generation consists of qualifying alternative generation units that began operation after January 1, 2008.

The renewable requirements as a percent of sales are divided into four separate classes and summarized below:

Year	Class I	Class II Renewable	Class II Waste	APS	Total
2010	5.0	3.6	3.5	1.5	13.6
2011	6.0	3.6	3.5	2.0	15.1

A portion of the Class I requirements must be met by Solar Carve-Out Renewable Generation. The Minimum Standard for Compliance Year 2010 is estimated to be 0.0680%. The Department of Energy Resources (DOER) will announce the final Minimum Standard for Compliance Year 2010 on or around July 20, 2010.

National Grid requests Respondents to separately bid the cost of MA RPS compliance equivalent to 13.6% of sales in 2010 and 15.1% of sales in 2011. National Grid will have the option to select bids that include or exclude the MA-RPS component.

If National Grid accepts bids with the RPS component, National Grid will require the winning Supplier(s) to utilize the NEPOOL Generation Information System (“NEPOOL GIS”) to provide NEPOOL GIS Certificates that comply with the requirements of the RPS regulations. Respondents may propose alternate methods for demonstrating compliance. In each monthly invoice for a service that includes the RPS component, National Grid will take a credit equal to the product of the RPS obligation and the Alternative Compliance Payment. Once a Supplier delivers the required number of NEPOOL GIS Certificates, the credit will be returned to the Supplier.

4.6 Implementation of the New Hampshire Renewable Portfolio Standards (“NH-RPS”)

In 2007 the State of New Hampshire enacted an Electric Renewable Portfolio Standards law (“NH-RPS Law”) (RSA 362-F) to foster the development of renewable energy sources to meet New Hampshire’s energy needs. The NH-RPS Law requires all retail electricity suppliers to source a minimum portion of their energy needs from a portfolio of renewable energy resources. On June 2, 2008, the NHPUC issued final rules (Chapter PUC 2500) implementing the NH-RPS Law. These rules can be found at:

<http://www.puc.state.nh.us/Regulatory/Rules/Puc2500.pdf>

These rules require National Grid to demonstrate that a portion of its electricity sales are supplied from a mix of renewable energy generation sources. They are:

Class I consists of new renewable generators that began operation after January 1, 2006).

Class II consists of new generators utilizing solar technologies.

Class III consists of existing generators utilizing: 1) biomass technologies with a gross nameplate capacity of 25 MW or less; and 2) methane gas.

Class IV consists of existing qualifying small hydroelectric generators with a gross nameplate capacity of 5 MW or less.

The renewable requirements as a percent of sales are divided into four separate classes and summarized below:

Year	Class I	Class II	Class III	Class IV	Total
2010	1.0	0.04	5.5	1.0	7.54
2011	2.0	0.08	6.5	1.0	9.58

National Grid requests Respondents to separately bid the cost of NH-RPS compliance equivalent to 7.54% of sales in 2010 and 9.58% of sales in 2011. National Grid will have the option to select bids that include or exclude the NH-RPS component.

If National Grid accepts bids with the NH-RPS components, National Grid will require the winning Supplier(s) to utilize the NEPOOL Generation Information System (“NEPOOL GIS”) to provide NEPOOL GIS Certificates that comply with the requirements of the NH-RPS rules. Respondents may propose alternate methods for demonstrating compliance. In each monthly invoice for a service that includes the NH-RPS component, National Grid will take a credit equal to the product of the NH-RPS obligation and the applicable Alternative Compliance Payment. Once a Supplier delivers the required number of NEPOOL GIS Certificates, the credit will be returned to the Supplier.

5. Proposal Requirements

5.1 Format of Proposal

The information required by National Grid to evaluate each proposal is identified in Appendix D. Respondents may simply complete the forms provided in Appendix D in any legible fashion and return them to James Ruebenacker as provided in Section 3.2. In addition, proposals should contain explanatory, descriptive and/or supporting materials as necessary.

5.2 Proposed Pricing

Respondents must specify the price at which they will provide Default Service for each Load Block on which they are bidding to serve. Purchases will be made on an “as-delivered” energy basis with prices stated on a fixed \$/MWh basis. Such prices may vary by SMD Zone, calendar month and by customer group, but must be uniform for the entire calendar month and cover the entire term of this Request for Proposals.

Prices which contain demand components, minimum purchase requirements or which vary by time-of-use within a calendar month will be rejected. Prices which exclude one or more market costs (e.g. Installed Capacity, uplift costs, etc.) may, at National Grid’s discretion, be rejected.

National Grid intends to pay a Supplier(s) based on the billing determinants as defined in the proposed Master Power Agreement. These billing determinants are the loads as reported to the ISO, which include transmission and distribution losses, and exclude any PTF losses allocated to the Supplier by the ISO during the settlement.

National Grid is seeking the following pricing:

- **All-Inclusive Bids:** For each Load Block (A through Q), a price which includes all costs. Should National Grid select this option, (1) suppliers would be responsible for all costs including capacity market charges and (2) Suppliers would not be responsible for supplying the RPS component.
- **MA-RPS Compliance:** Price, on a separate \$ per MWh basis in 2010 and 2011, for Supplier to provide the MA-RPS component for Load Blocks A through O. Should National Grid select this option, the MA-RPS Compliance Bid price would be added to the All-Inclusive Bid price and the Supplier would provide the applicable quantity of NEPOOL GIS Certificates (see Section 4.5).
- **NH-RPS Compliance:** Price, on a separate \$ per MWh basis in 2010, for Supplier to provide the required NH-RPS component for Load Blocks P and Q. Should National Grid select this option, the NH-RPS Compliance Bid prices would be added to either the All-Inclusive or Pass-Through Bid price and the Supplier would provide the applicable quantity of NEPOOL GIS Certificates (see Section 4.7).

5.3 Terms and Conditions

Service will be provided pursuant to the terms of the proposed Master Power Agreements provided in Appendices B and C. Should a Respondent request National Grid to consider any changes to the proposed terms, such request must be presented to National Grid with its Proposal Information by February 26, 2010.

5.4 New England Market Participation

Each Respondent must indicate whether it has an executed and accepted Market Participant Service Agreement with ISO New England or if it plans to execute an agreement and, if so, at what point it is in the application process and the time frame for completing the process. Respondents must also provide evidence of agreements with a Market Participant if Respondent will have another Market Participant be responsible for its market settlement obligations.

5.5 Competitive Supplier Registration

The service provided by the Supplier(s) of Default Service to National Grid is a wholesale transaction between the Supplier(s) and National Grid; therefore, the Supplier(s) do not have to be licensed or registered suppliers with any state regulatory commission.

5.6 Regulatory Approvals

The Supplier(s) of the services covered by this Request for Proposal must obtain and maintain all necessary regulatory approvals required to enable it to provide the applicable service; such approvals must be obtained prior to May 1, 2010 or November 1, 2010, as applicable.

6. Retail Customer Relationships

6.1 Customer Billing

All customers taking Default Service covered by this RFP will be retail customers of National Grid. As the retail provider of such service, National Grid will bill customers for the Default Service provided.

6.2 Customer Bill Inserts in Massachusetts

The Supplier(s) of MA Default Service may furnish a one-page bill insert which National Grid may include in the bill that it sends to each customer taking such service in the applicable customer group and Load Zone in Massachusetts during the delivery term. Bill inserts may be included in only one monthly billing cycle during the term of service. Inserts shall be printed on 60# Mountie Matte paper, shall be three and one-quarter inches high by six and one-quarter inches wide in size and may be of any typeface *except* ITC Century and ITC Franklin Gothic.

The Supplier(s) must inform National Grid at least sixty (60) days prior to the start of the monthly billing cycle in which it seeks National Grid to include its insert in applicable MA Default Service customer bills. National Grid will respond within seven (7) days if it can accommodate the request, provide an estimate of the cost of additional postage to be paid by the Supplier(s) in order to include the insert in the requested monthly billing

cycle, or suggest an alternate monthly billing cycle. Customer bill inserts must be received by National Grid at least ten (10) days prior to the start date of its inclusion in customer bills. National Grid will be responsible for including only the number of inserts that are provided to them. National Grid will not be responsible for returning to the Supplier(s) unused inserts unless the Supplier(s) have made arrangements for its return. National Grid reserves the right to schedule bill inserts in order to minimize postage and handling costs.

6.3 Notification of Enrollments and Terminations

National Grid will provide electronic notification to the Supplier(s) of Default Service customer enrollments and terminations within a customer group. Enrollment information will include account number, rate class and commencement date of service. Termination information will include account number, rate class and termination date of service. Such notifications shall only be provided when a Supplier establishes a Windows or Unix file server with capability of sending and receiving File Transfer Protocol ("FTP"), files with Pretty Good Privacy ("PGP"), Encryption/Decryption, and (ii) verifies its ability to transfer files to and receive files from National Grid at least fourteen (14) days prior to the day on which a Supplier desires to commence electronic receipt.

6.4 Customer Service

National Grid, as the retail provider of Default Service, will provide customer service to all customers receiving Default Service.

7. Selection Process

The principal criteria to be used in evaluating proposals will include:

- Lowest evaluated bid price by Load Block;
- Respondent's ability to meet the credit requirements established in the proposed Master Power Agreements provided in Appendices B and C;
- Firmness of delivery;
- The supplier's past experience in providing similar services to National Grid;
- The supplier's past experience in providing similar services to other companies in New England;
- The supplier's past experience in providing similar services to other companies in other regions;
- The supplier's demonstrated understanding of its obligations under the proposed Master Power Agreement; and
- Whether there have been any past or are any present events that are known that may adversely affect the supplier's ability to provide the requirements to National Grid's Default Service customers.

8. Credit Requirements

In order to protect National Grid's Default Service customers from the risk of Supplier(s) default, a winning Supplier(s) must be able to demonstrate it has the financial resources to perform during the term of the agreement. As reflected in the attached proposed Master Power Agreements (Appendices B and C to this RFP), National Grid will require Supplier(s) to provide some form of security when entering into a Confirmation. The security arrangement will be based on the expected volume of load for the bid block and a mark-to-market margining clause. As forward market prices change, the Supplier(s) will be required to post security for those incremental changes. Additionally, Suppliers that are rated at or below BBB-/Baa3 will be required to post an Independent Amount equal to 10% of the notional value of each Load Block awarded. The Supplier(s) shall provide security in one of the following forms:

- Unsecured line of credit for a rated counterparty
- Parental Guaranty
- Letter of Credit
- Cash deposit with National Grid

Respondents that are rated by a major credit rating agency must provide the ratings assigned by such agencies. Respondents that are not rated by a major credit rating agency must provide the following information to enable National Grid to evaluate a Respondent's financial strength:

- Respondent's organizational history
- Date of establishment
- Initial (if founded within the last ten years) and current capitalization
- Certified financial statements, including balance sheets and statements of income and cash flow with respect to the two previous fiscal years and the most recent interim period
- Forms 10-K and 10-Q, submitted to the United States Securities and Exchange Commission for the two previous fiscal years, if applicable;
- Short-term and long-term debt ratings from Moody's Investor Service or Standard & Poor's Corporation
- Corporate affiliates or joint venture partners including any details regarding financial limitations between partners or affiliates.

If a Respondent has provided this information to National Grid or an affiliate in a response to a previous RFP, then the Respondent needs only to identify the date and to whom the information was submitted and update the previously provided information.

National Grid agrees that it will treat the information it receives from Respondents in a confidential manner and will not, except as required by law or regulatory authority, disclose such information to any third party or use such information for any purpose other than in connection with this RFP.

APPENDIX A

DESCRIPTION OF SERVICES

Massachusetts Electric Company Nantucket Electric Company MA Default (Basic) Service	
Description	Electric Service provided to retail customers who are not taking service from a competitive supplier.
Eligibility Requirements	<p>Service to customers can be initiated by:</p> <ul style="list-style-type: none"> a) A customer notifying National Grid that it wishes to terminate service from its competitive supplier and commence Default Service. b) A competitive supplier notifying National Grid that it is terminating service to a customer. c) A competitive supplier ceasing to provide service to a customer without notifying National Grid. d) A customer moves into National Grid's service territory and does not affirmatively choose a competitive supplier.
Aggregate Number of Customers Taking Service and Historical Load Profiles	<p>Note: Historic customer count data and historical hourly load profiles are available at National Grid's procurement web site:</p> <p>http://www.nationalgridus.com/energysupply/</p>

Granite State Electric Company	
NH Default (Energy) Service	
Description	Service provided to retail customers who are not taking service from a competitive energy supplier.
Eligibility Requirements	<p>Service to customers is initiated by:</p> <ul style="list-style-type: none"> a) A customer notifying National Grid that it wishes to terminate service from its competitive energy supplier and commence Default Service. b) A competitive energy supplier notifying National Grid that it is terminating service to a customer. c) A competitive energy supplier ceasing to provide service to a customer without notifying National Grid. d) A customer moves into National Grid's service territory and does not affirmatively choose a competitive energy supplier.
Aggregate Number of Customers Taking Service and Historical Load Profiles	<p>Note: Historic customer count data and historical hourly load profiles are available at National Grid's procurement web site:</p> <p>http://www.nationalgridus.com/energysupply/</p>

APPENDIX B

PROPOSED MASSACHUSETTS MASTER POWER AGREEMENT

APPENDIX C

PROPOSED NEW HAMPSHIRE MASTER POWER AGREEMENT

APPENDIX D

REQUIRED PROPOSAL INFORMATION

RESPONDENT: _____

1. General Information

Name of Respondent	
Principal contact person < Name < Title < Company < Mailing address < Telephone number (office) < Telephone number (cell) < Fax number < E-mail address	
Secondary contact person (if any) < Name < Title < Company < Mailing address < Telephone number (office) < Telephone number (cell) < Fax number < E-mail address	
Legal form of business organization of Respondent (e.g., sole proprietorship, partnership, limited partnership, joint venture, or corporation)	
State(s) of incorporation, residency and organization Indicate whether Respondent is in good standing in all states in which Respondent is authorized to do business and, if not, which states and the reason it is not.	
If Respondent is a partnership, the names of all general and limited partners. If Respondent is a limited liability company, the names of all direct owners.	
Description of Respondent and all affiliated entities and joint ventures transacting business in the energy sector	

RESPONDENT: _____

2. Financial Information

Current debt rating for Respondent (include ratings and names of rating agencies).	
Date Respondent's last fiscal year ended.	
Total revenue for Respondent for the most recent fiscal year.	
Total net income for Respondent for the most recent fiscal year.	
Total assets for Respondent as of the close of the previous fiscal year.	
Copy of the Respondent's most recent balance sheet, income statement and cash flow statement.	
Copy of the Respondent's most recent audited balance sheet, income statement and cash flow statement.	

3. Defaults and Adverse Situations

<p>Describe, in detail, any situation in which Respondent (either individually or as part of a consortium, joint venture or other group), or an affiliate of Respondent, defaulted or was deemed to be in noncompliance of its contractual obligations to transact business in the energy sector within the past five years including, without limitation, to purchase or deliver energy, capacity or other market products at retail or wholesale, or for the purchase or sale of electricity or natural gas, and including any financing agreements or financing provisions of any agreement.</p> <p>Explain the situation, its outcome and all other relevant facts associated with the event.</p> <p>If there was litigation, provide the case caption, index number and court.</p> <p>Identify the name, title and telephone number of the principal manager of the customer/client who asserted the event of default or noncompliance.</p>	
--	--

RESPONDENT: _____

Has Respondent, or any affiliate of Respondent, in the last five years, (a) consented to the appointment of, or was taken in possession by, a receiver, trustee, custodian or liquidator of a substantial part of its assets, (b) filed a bankruptcy petition in any bankruptcy court proceeding, (c) answered, consented or sought relief under any bankruptcy or similar law or failed to obtain a dismissal of an involuntary petition, (d) admitted in writing of its inability to pay its debts when due, (e) made a general assignment for the benefit of creditors, (f) was the subject of an involuntary proceeding seeking to adjudicate that Party bankrupt or insolvent, (g) sought reorganization, arrangement, adjustment, or composition of it or its debt under any law relating to bankruptcy, insolvency or reorganization or relief of debtors.	
Describe any facts presently known to Respondent that might adversely affect its ability to provide the service(s) bid herein as provided for in the RFP	

4. NEPOOL AND POWER SUPPLY EXPERIENCE

Is Respondent a member of NEPOOL?	
Does Respondent have an executed and accepted Market Participant Service Agreement with ISO New England?	
Name of Market Participant if Respondent will have another Market Participant be responsible for its market settlement obligations .	
Describe Respondent's experience and record of performance in the areas of power marketing, brokering, sales, and/or contracting, for the last five years within NEPOOL and/or the New England region.	
Provide three references (name, title and contact information) who have contracted with the Respondent for similar load following services within the last 2 years.	

RESPONDENT: _____

5. CONFLICTS OF INTEREST

Briefly describe any known conflicts of interest between bidder or an affiliate of bidder and Buyer, National Grid USA or any affiliates of the foregoing.	
Enumerate any litigation, claims or complaints asserted by bidder or an affiliate of bidder, against Buyer, National Grid or an affiliate of any of the foregoing.	
Enumerate any litigation, claims or complaints asserted against bidder or an affiliate of bidder by Buyer, National Grid or an affiliate of any of the foregoing.	

6. SCOPE OF BID AND TERMS OF SALE

<p>Will Respondent execute a contract substantially similar to the proposed Master Power Agreements contained in Appendices B and C?</p> <p>Explain any proposed modifications.</p>	
List all regulatory approvals required before service can commence.	

RESPONDENT: _____

7. Proposed Pricing

(Respondent required to use bidding spreadsheet included on procurement web site)

Proposed Pricing Massachusetts Default Service

Bid Block	SMD ZONE	Customer Group	Period		Monthly Pricing - \$/MWh (all inclusive w/o RPS Compliance)					
			From	To	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10
A	SEMA	Industrial	01-May-10	31-Jul-10						
B	WCMA	Industrial	01-May-10	31-Jul-10						
C	NEMA	Industrial	01-May-10	31-Jul-10						
D	SEMA	Commercial	01-May-10	31-Oct-10						
E	WCMA	Commercial	01-May-10	31-Oct-10						
F	NEMA	Commercial	01-May-10	31-Oct-10						
G	SEMA	Residential	01-May-10	31-Oct-10						
H	WCMA	Residential	01-May-10	31-Oct-10						
I	NEMA	Residential	01-May-10	31-Oct-10						
					Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11
J	SEMA	Commercial	01-Nov-10	30-Apr-11						
K	WCMA	Commercial	01-Nov-10	30-Apr-11						
L	NEMA	Commercial	01-Nov-10	30-Apr-11						
M	SEMA	Residential	01-Nov-10	30-Apr-11						
N	WCMA	Residential	01-Nov-10	30-Apr-11						
O	NEMA	Residential	01-Nov-10	30-Apr-11						

MA RPS Compliance Adder -	2010		\$/MWh
MA RPS Compliance Adder -	2011		\$/MWh

Proposed Pricing New Hampshire Default Service

Bid Block	SMD ZONE	Customer Group	Period		Monthly Pricing - \$/MWh (all inclusive w/o RPS Compliance)					
			From	To	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10
P	NH	Large	01-May-10	31-Jul-10						
Q	NH	Small	01-May-10	31-Oct-10						

NH RPS Compliance Adder -	2010		\$/MWh
NH RPS Compliance Adder -	2011		\$/MWh

SCHEDULE MMJ – 2

Default Service Procurement Summary

NATIONAL GRID

DEFAULT SERVICE PROCUREMENT SUMMARY

FOR GRANITE STATE ELECTRIC COMPANY AND MASSACHUSETTS ELECTRIC COMPANY

FOR THE PERIODS
MAY 2010 – APRIL 2011

1. **RFP Issued**

National Grid issued its Request for Power Supply Proposals (“RFP”) on February 12, 2010 directly to over [REDACTED] suppliers for the service period May 2010 through April 2011.

The RFP was also distributed to all members of the NEPOOL Markets Committee and posted on National Grid’s energy supply website. As a result, the RFP had wide distribution throughout the New England energy supply marketplace.

The procurement was conducted in accordance with applicable New Hampshire rules and regulations including Granite State Electric Company’s Second Amended Restructuring Settlement Agreement (“Restructuring Settlement”), RSA 374-F (“New Hampshire Act”) and Granite State Electric Company Post-Transition Service Default Service Proposal Settlement Agreement (“New Hampshire Settlement Agreement”) approved by the New Hampshire Public Utilities Commission on January 13, 2006 in Order No. 24,577.

This procurement was also conducted in accordance with applicable Massachusetts rules and regulations including the various orders in Dockets D.T.E. 99-60A, 99-60B, 99-60C, 02-40A, 02-40B and 02-40C and was consistent with prior procurements conducted by National Grid.

National Grid’s RFP requested all-inclusive pricing for all blocks:

- 100% of the New Hampshire Large Customer Group Default Service requirements for the period May 2010 through July 2010;
- 100% of the New Hampshire Small Customer Group Default Service requirements for the period May 2010 through October 2010;
- 100% of the Massachusetts Industrial Customer Group Default Service requirements for the period May 2010 through July 2010;
- 50% of the Massachusetts Residential and Commercial Customer Groups Default Service requirements for the period May 2010 through April 2011.

These requirements were divided into 17 distinct load blocks. A description of each load block is provided in Attachment 1.

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2. **Key RFP Dates**

- The RFP was issued on February 12, 2010.
- Supplier information was received on February 26, 2010.
- Indicative bids were received on March 3, 2010.
- Final bids were received on March 10, 2010.

3. **Contract Submissions**

Most bidders had previously executed Master Power Agreements with National Grid.

National Grid was able to resolve all outstanding issues with the winning bidders prior to receipt of executed agreements. National Grid did not shift risks or obligations to its customers from those contained in its proposed agreements

4. **Indicative Bids**

Indicative bids were received on March 3, 2010 from [REDACTED] bidders.

The indicative bids were evaluated and ranked (see Attachments 2 and 3). Indicative pricing was used only to determine current market prices, to prepare an initial ranking of bids and to identify any bidding anomalies. The Massachusetts retail prices in Attachment 3 were calculated by adjusting the wholesale prices in Attachment 2 by the ratio of wholesale purchases to retail deliveries over the twelve-month period ending February 28, 2010. For New Hampshire, the retail prices in Attachment 3 were calculated by adjusting the wholesale prices in Attachment 2 by the ratio of wholesale purchases to retail deliveries over the twelve-month period ending December 31, 2007.

The lowest indicative bids for each load block were compared to National Grid's estimate of expected indicative bids. Our methodology builds up the expected bid prices from the historical relationship of the bid price to all market components that comprise the bid price (see Attachment 4). This method utilizes a detailed on-peak & off-peak calculation and will incorporate all bid components: energy, capacity, and ancillary services (including SEMA NCPC).

In evaluating the bid prices, National Grid compared the expected bid price for each block from the method above to the lowest average indicative bid price for the block. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

In addition to evaluating the bid price and ability to meet credit requirements, National Grid also performed a qualitative review of each bidder's ability to provide Default Service during the service period based on the following:

[illegible]

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7. Analysis and Award

The lowest final bids for each load block were compared to National Grid's estimate of expected bids based on the methodology described above (see Indicative Bids). The calculations of these expected prices can be found in Attachment 7.

[REDACTED]

[REDACTED]

Attachment 9 provides a summary of the winning supplier for each block as well as the basis for the award. Attachment 10 provides a bidder key to help identify bidders.

8. Renewable Portfolio Standard

The Massachusetts load covered by this RFP is subject to the following New Renewable Portfolio Standard ("RPS") requirement:

RPS Obligations	2010 % of Load	2011 % of Load
RPS Class I New	5.0%	6.0%
RPS Class II Existing	3.6%	3.6%
RPS Class II Waste to Energy	3.5%	3.5%
APS Resource	1.5%	2.0%
Total	13.6%	15.1%

A portion of the Class I requirements must be met by Solar Carve-Out Renewable Generation. The Minimum Standard for Compliance Year 2010 is estimated to be 0.0680%. The Department of Energy Resources (DOER) will announce the final Minimum Standard for Compliance Year 2010 on or around July 20, 2010.

National Grid evaluated the cost of obtaining the RPS certificates associated with the load requirements from the bidders versus the current market prices or the Alternative Compliance Payment ("ACP") rates for RPS certificates.

Attachment 11 provides an analysis of the proposed RPS cost adders contained in the final bids.

[REDACTED]

Because the prices from the other winning bidders were higher than National Grid's estimate of the market cost for RECs, National Grid did not include the purchase of RPS RECs in their bid awards. Consistent with its RPS Compliance Plan that was filed with

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the Department on November 1, 2002, National Grid will attempt to procure these requirements through separate solicitations or by an Alternative Compliance Payment to the Massachusetts Technology Park Corporation.

National Grid estimated the costs to comply with the RPS and APS obligations by utilizing the applicable market price or ACP rates as specified in the RPS and APS regulations. Attachment 12 provides a calculation of the cost adder to include these costs.

9. New Hampshire Renewable Energy Portfolio Standard

The New Hampshire load covered by this RFP is subject to the following Renewable Portfolio Standard ("RPS") requirement:

RPS Obligations	2010 % of Load
RPS Class I	1.00%
RPS Class II	0.04%
RPS Class III	5.50%
RPS Class IV	1.00%
Total	7.54%

National Grid evaluated the cost of obtaining the NH-RPS certificates associated with the load requirements from the bidders versus market prices for RECs. As shown in Attachment 11, the prices from the winning bidders were higher than National Grid's estimate of the market cost for RECs. Therefore National Grid did not include the purchase of RECs in the bid awards. National Grid will instead attempt to purchase NH-RPS certificates through separate solicitations at a later date or by an Alternative Compliance Payment to the New Hampshire Public Utilities Commission.

National Grid estimated the costs to comply with the RPS obligations by utilizing the applicable market price as specified in the RPS regulations. Attachment 13 provides a calculation of the cost adder to include these costs.

10. Retail Rate

The expected retail rates, excluding administrative cost adders, were based on the winning wholesale costs. For the Massachusetts Industrial Customer Group and the New Hampshire Large Customer group, the rates reflect the costs of the current procurement and are not blended with costs incurred in other procurements.

The Massachusetts retail rates in Attachment 6 were calculated by adjusting the wholesale prices in Attachment 5 using the ratio of wholesale kWh purchases to retail kWh deliveries over the twelve-month period ending February 28, 2010. For New Hampshire, the retail prices in Attachment 6 were calculated by adjusting the wholesale prices in Attachment 5 by the ratio of wholesale purchases to retail deliveries over the twelve-month period ending December 31, 2007.

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A summary of the final retail rates for each block is provided in Attachment 14. For both the New Hampshire and Massachusetts Default Service retail rates, the retail rates were adjusted to include the average cost of RPS certificates that could be purchased in the open market.

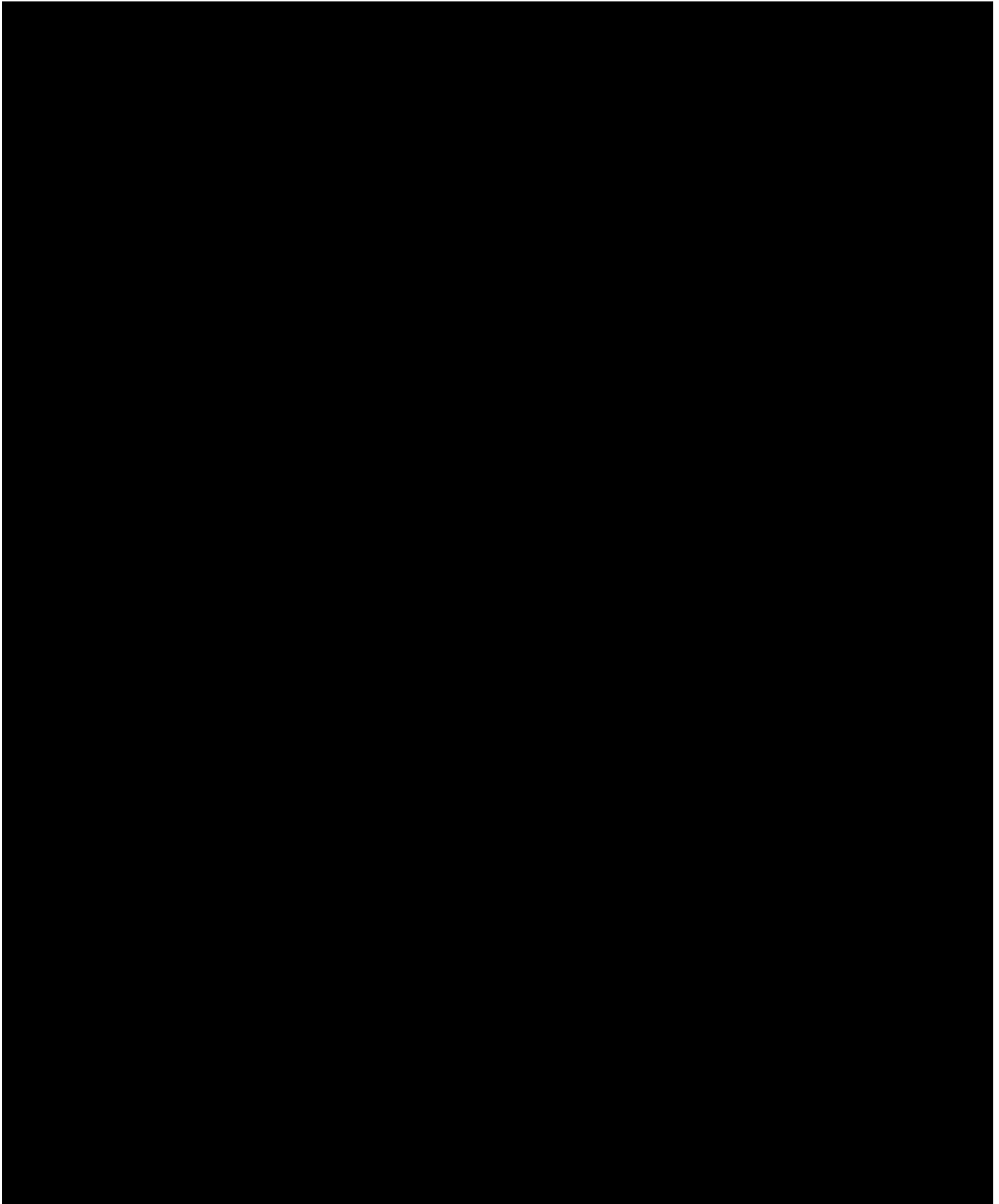
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ATTACHMENT 1
LOAD BLOCK DESCRIPTIONS

Load Block	Customer Group	SMD Load Zone	Load Share	Type of Service	Period
A	Industrial	SEMA	100%	MA Default Service	05/01/10 – 07/31/10
B	Industrial	WCMA	100%	MA Default Service	05/01/10 – 07/31/10
C	Industrial	NEMA	100%	MA Default Service	05/01/10 – 07/31/10
D	Commercial	SEMA	50%	MA Default Service	05/01/10 – 10/31/10
E	Commercial	WCMA	50%	MA Default Service	05/01/10 – 10/31/10
F	Commercial	NEMA	50%	MA Default Service	05/01/10 – 10/31/10
G	Residential	SEMA	50%	MA Default Service	05/01/10 – 10/31/10
H	Residential	WCMA	50%	MA Default Service	05/01/10 – 10/31/10
I	Residential	NEMA	50%	MA Default Service	05/01/10 – 10/31/10
J	Commercial	SEMA	50%	MA Default Service	11/01/10 – 04/30/11
K	Commercial	WCMA	50%	MA Default Service	11/01/10 – 04/30/11
L	Commercial	NEMA	50%	MA Default Service	11/01/10 – 04/30/11
M	Residential	SEMA	50%	MA Default Service	11/01/10 – 04/30/11
N	Residential	WCMA	50%	MA Default Service	11/01/10 – 04/30/11
O	Residential	NEMA	50%	MA Default Service	11/01/10 – 04/30/11
P	Large	NH	100%	NH Default Service	05/01/10 – 07/31/10
Q	Small	NH	100%	NH Default Service	05/01/10 – 10/31/10

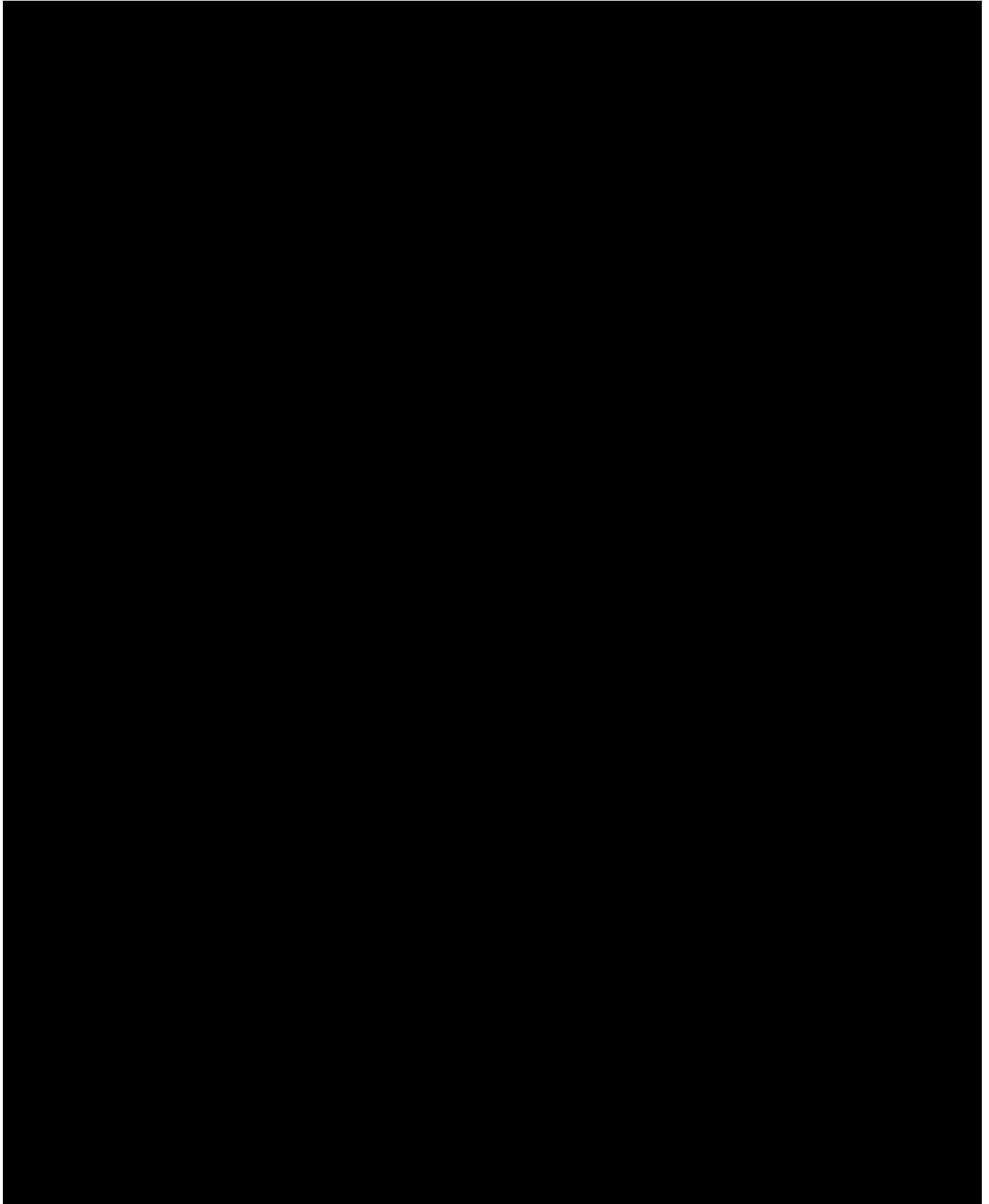
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ATTACHMENT 2
INDICATIVE BID RANKING AT WHOLESALE
BLOCKS A – C



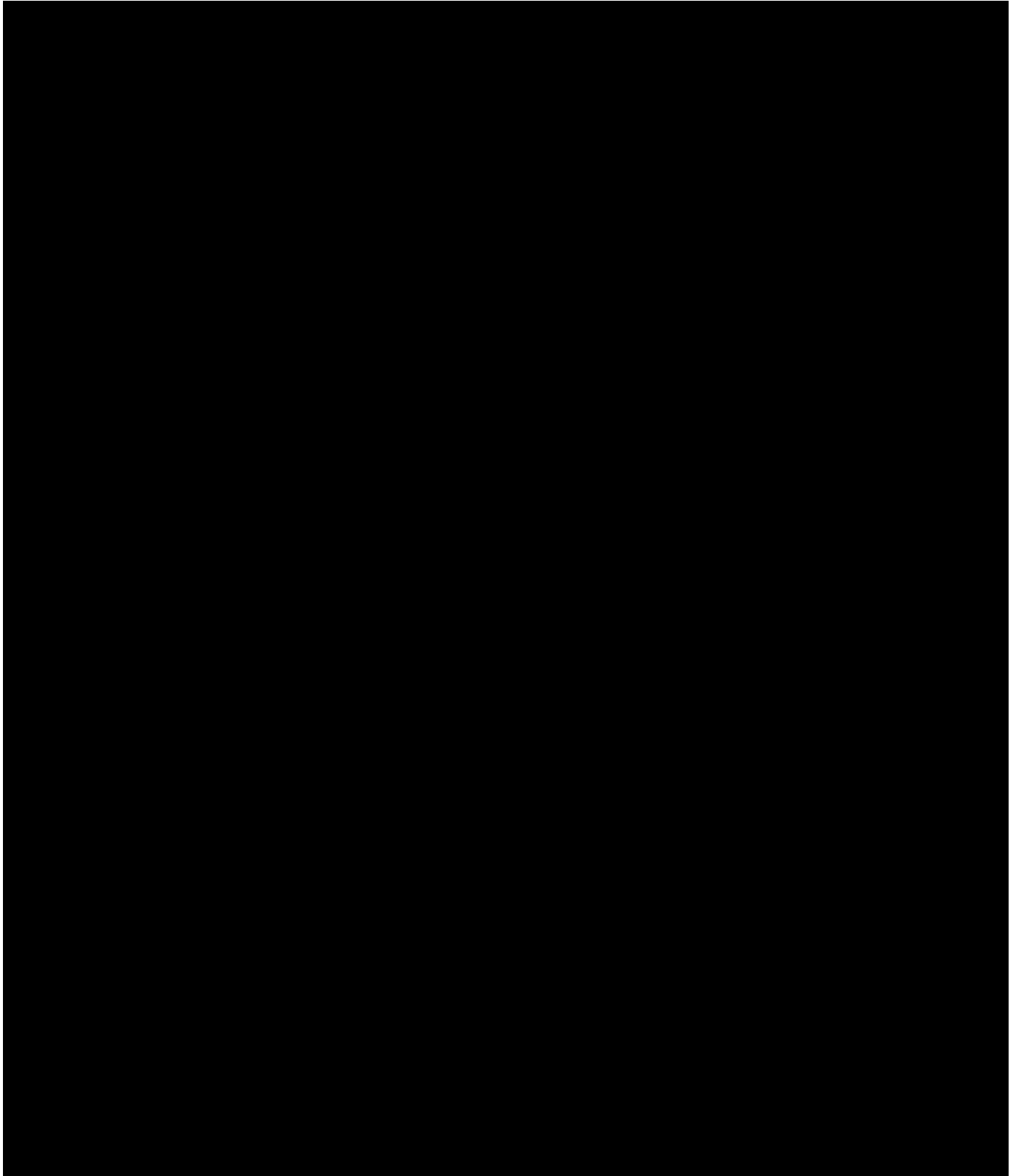
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ATTACHMENT 2
INDICATIVE BID RANKING AT WHOLESALE
BLOCKS D – F



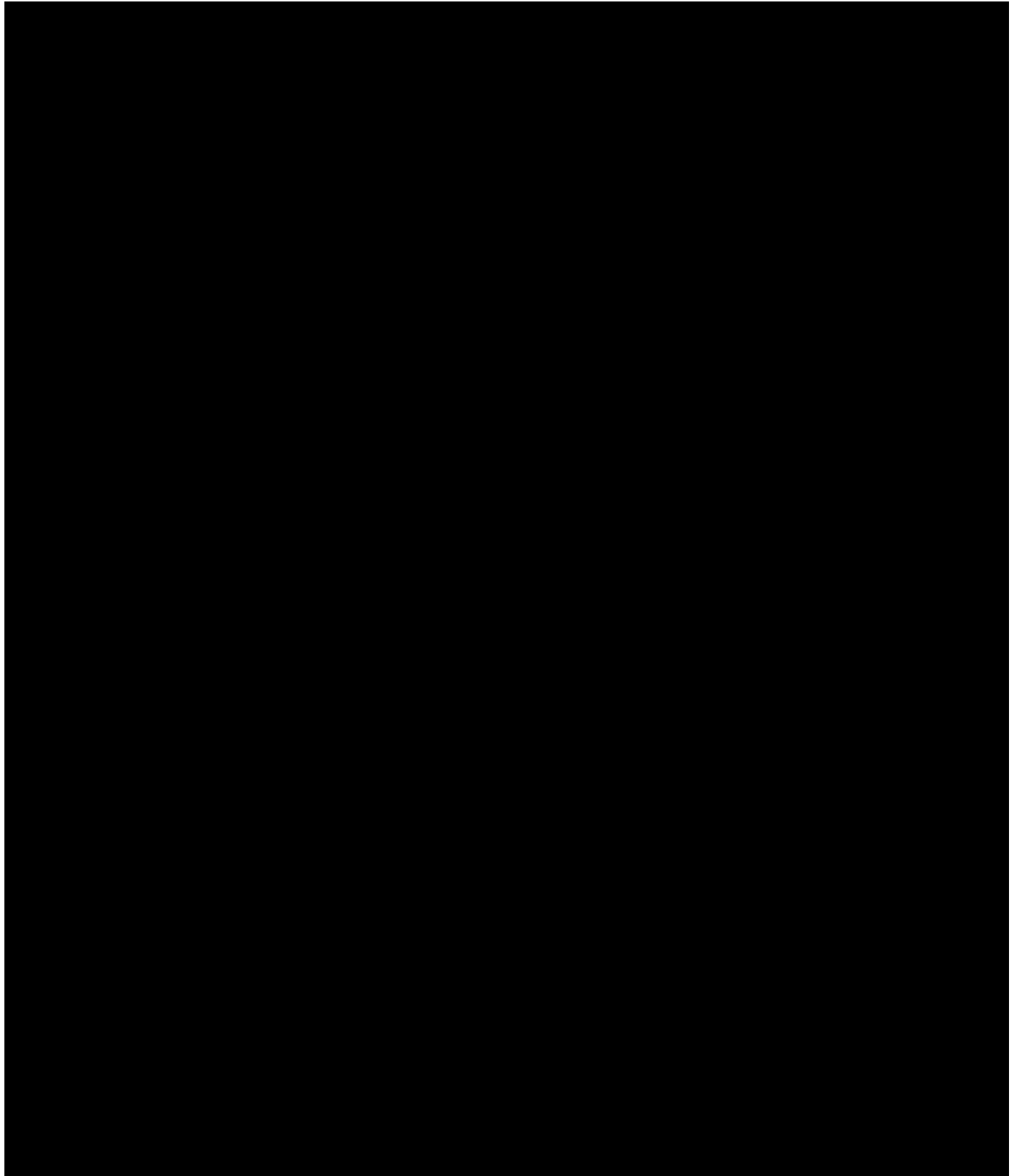
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ATTACHMENT 2
INDICATIVE BID RANKING AT WHOLESALE
BLOCKS G – I



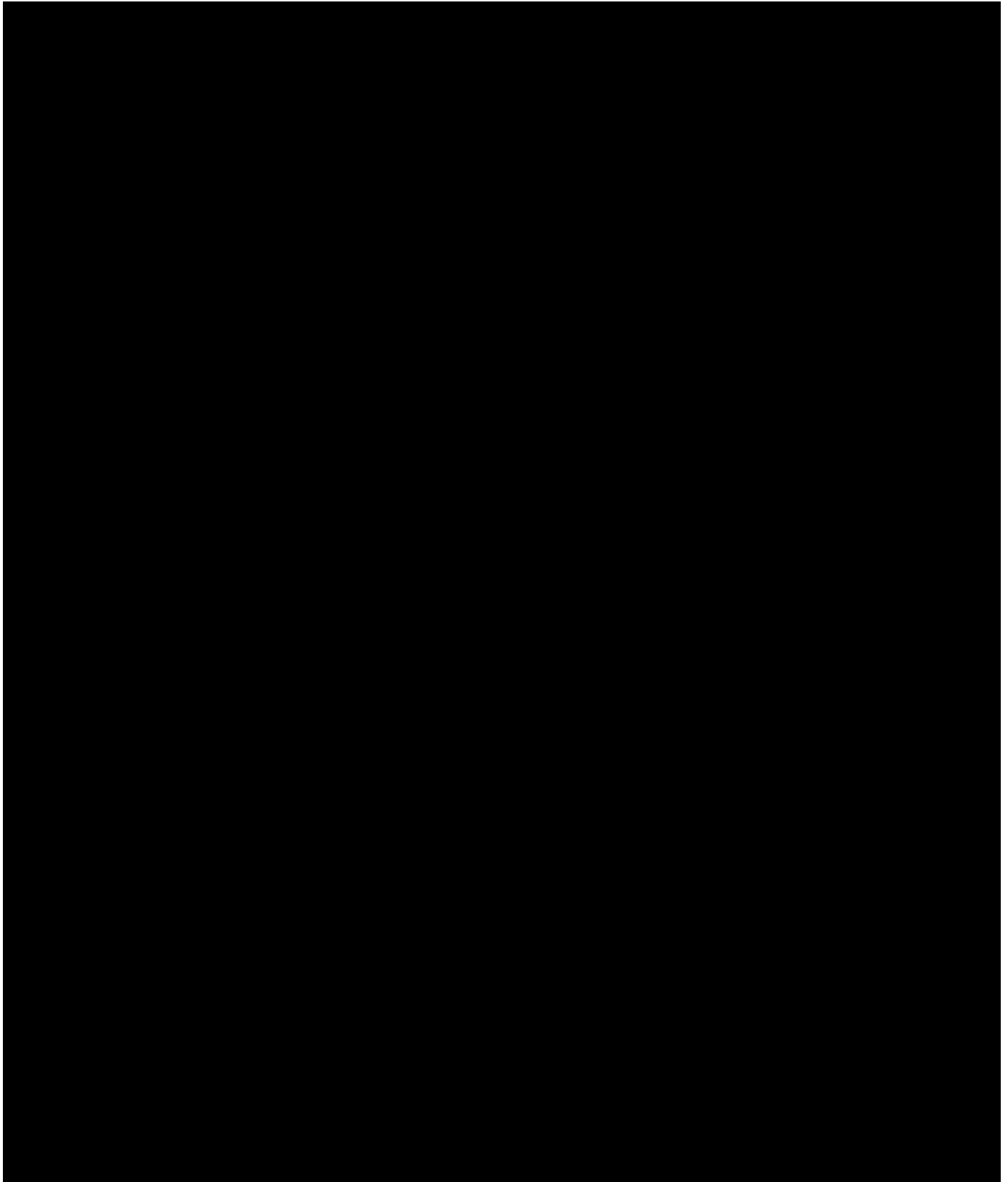
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ATTACHMENT 2
INDICATIVE BID RANKING AT WHOLESALE
BLOCKS J – L



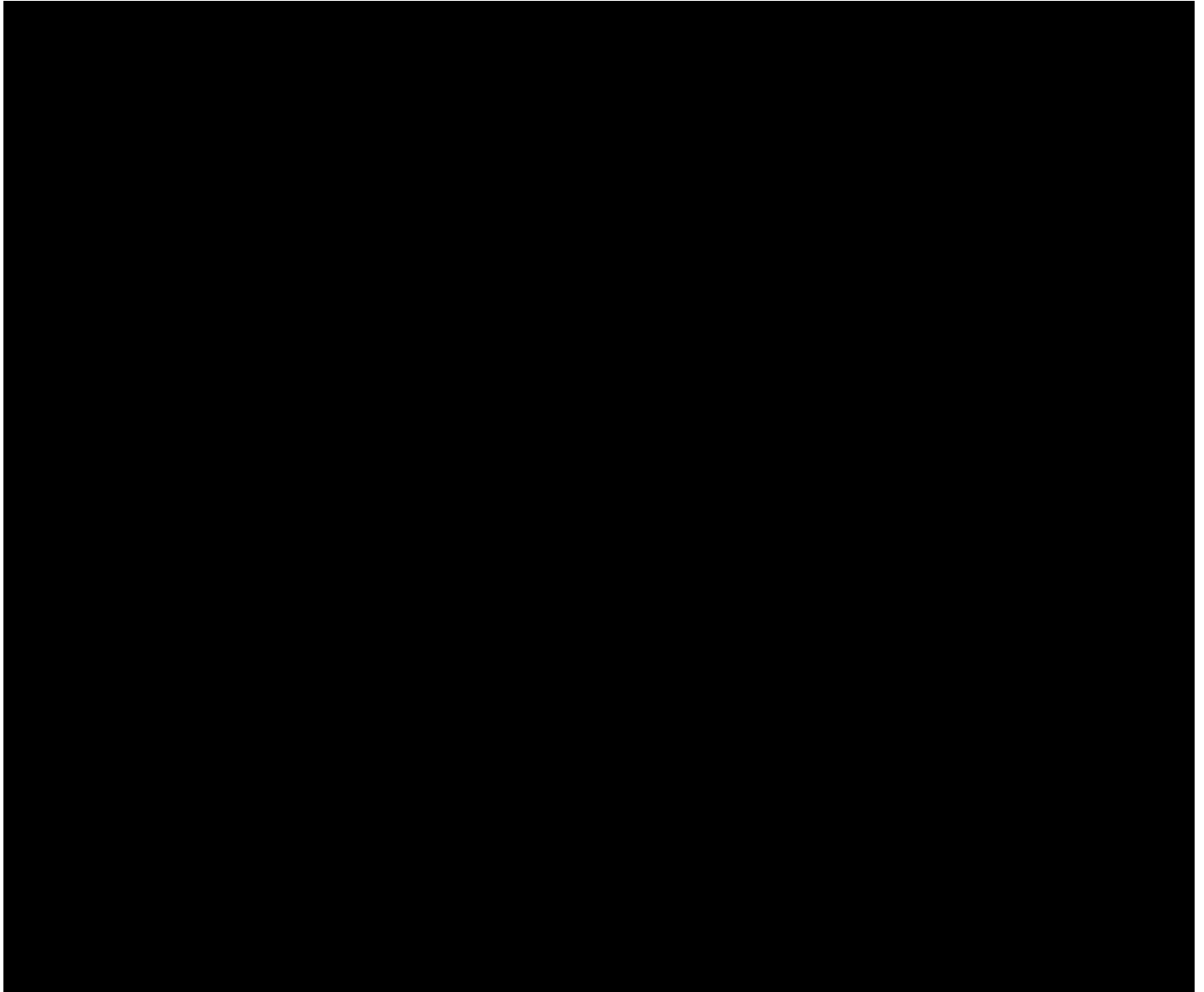
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ATTACHMENT 2
INDICATIVE BID RANKING AT WHOLESALE
BLOCKS M – O



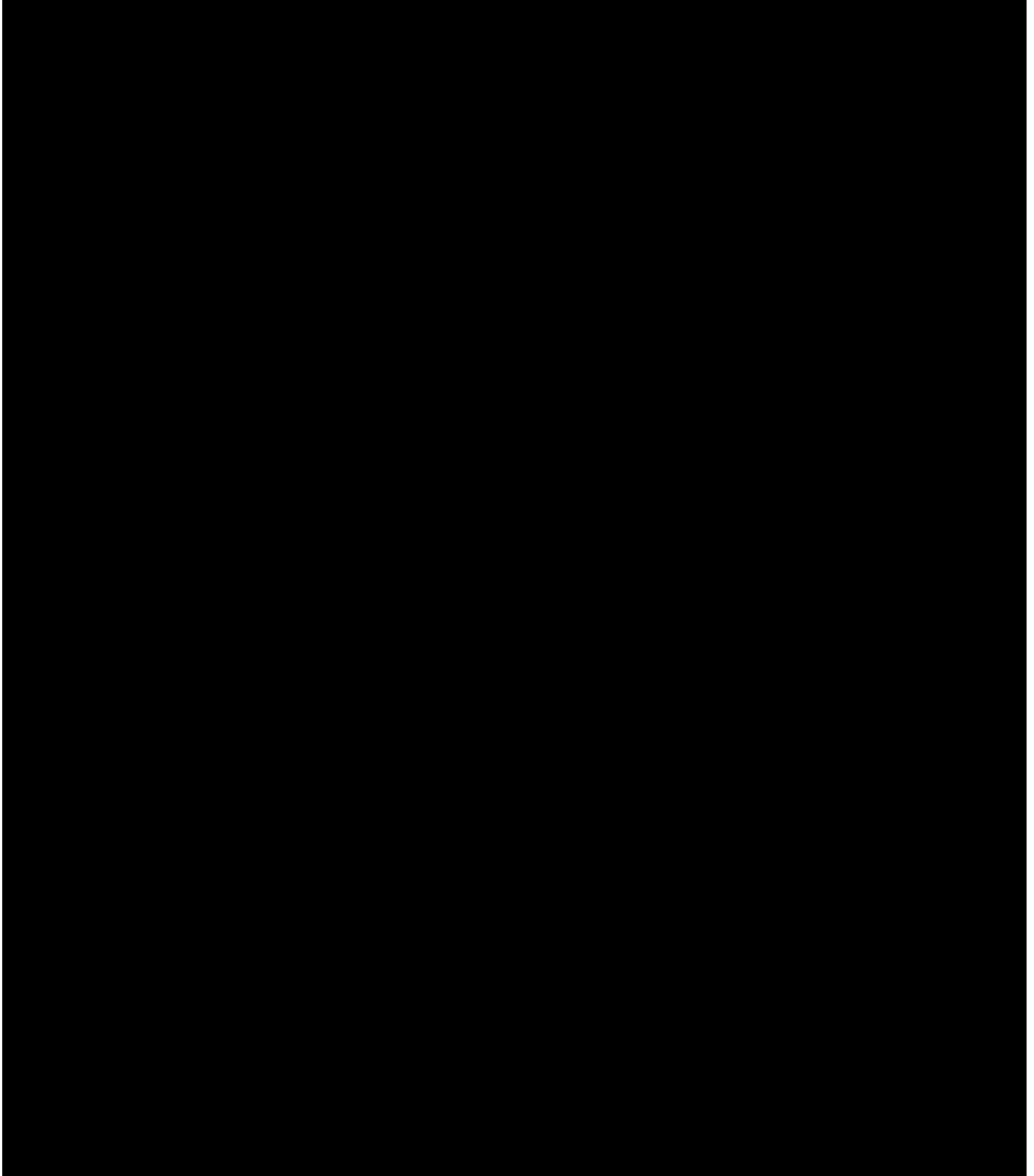
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ATTACHMENT 2
INDICATIVE BID RANKING AT WHOLESALE
BLOCKS P – Q



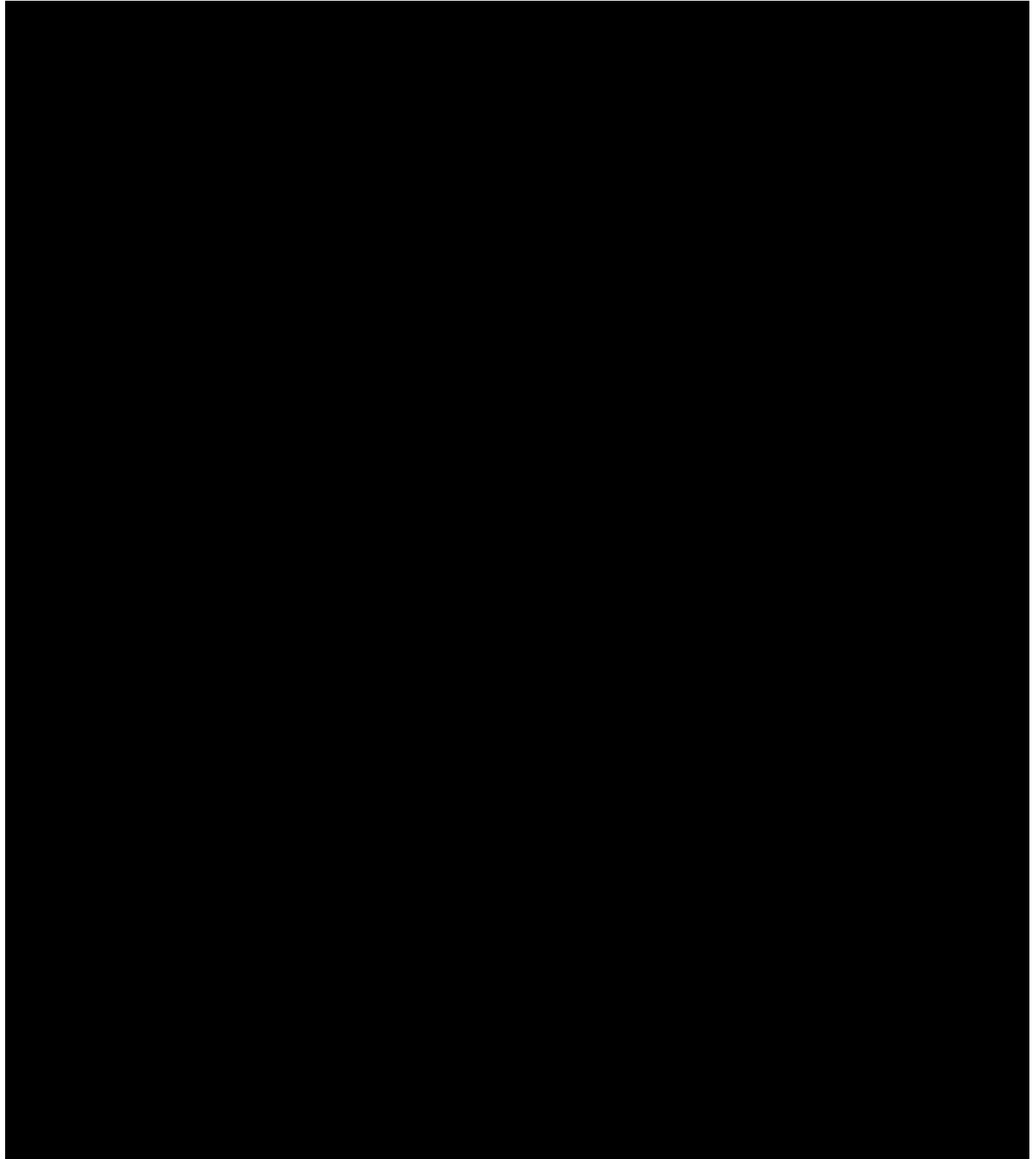
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ATTACHMENT 3
INDICATIVE BID RANKING AT RETAIL
WITHOUT RPS (¢/kWh)
BLOCKS A – C



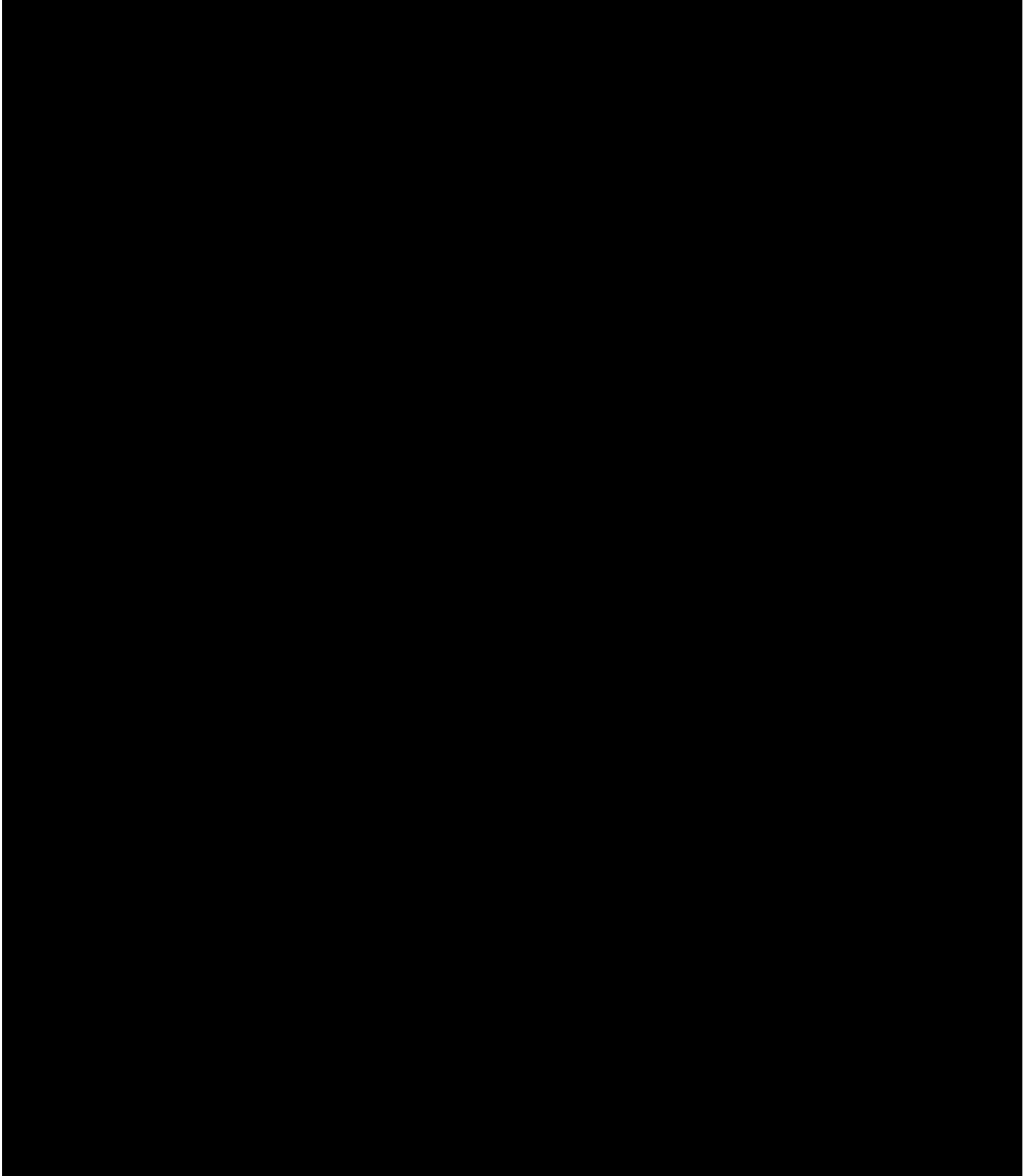
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ATTACHMENT 3
INDICATIVE BID RANKING AT RETAIL
WITHOUT RPS (¢/kWh)
BLOCKS D – F



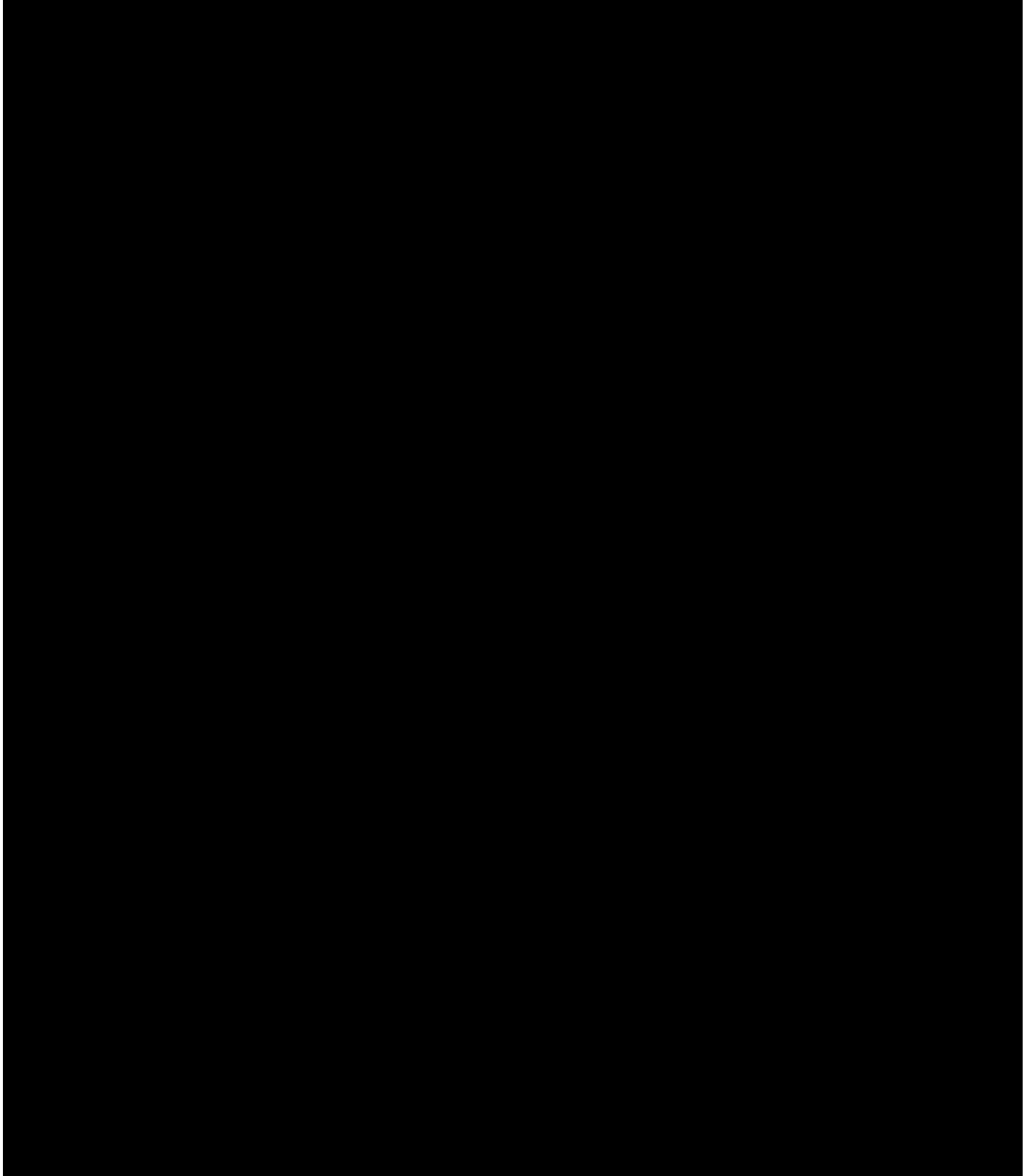
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ATTACHMENT 3
INDICATIVE BID RANKING AT RETAIL
WITHOUT RPS (¢/kWh)
BLOCKS G – I



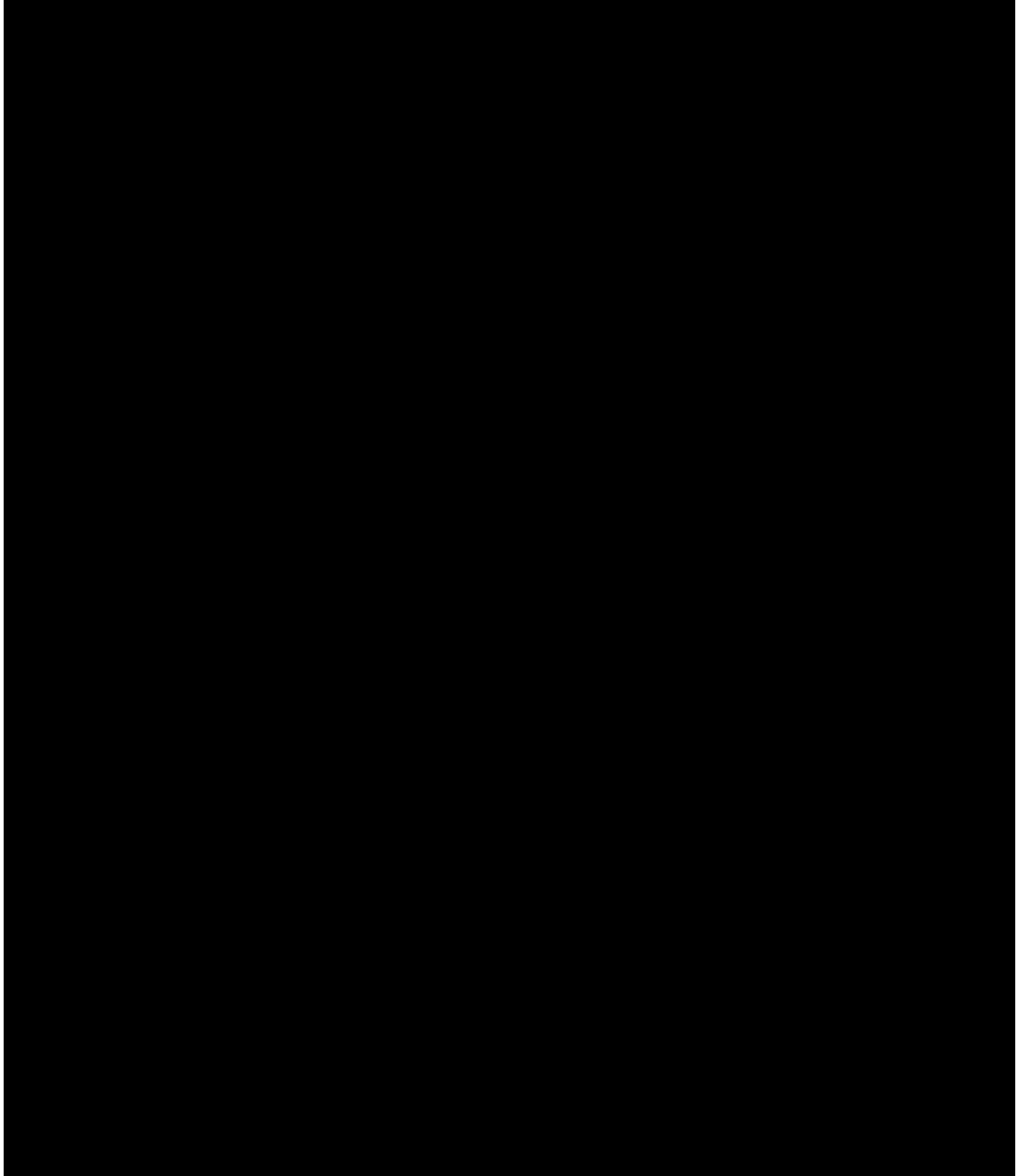
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ATTACHMENT 3
INDICATIVE BID RANKING AT RETAIL
WITHOUT RPS (¢/kWh)
BLOCKS J – L



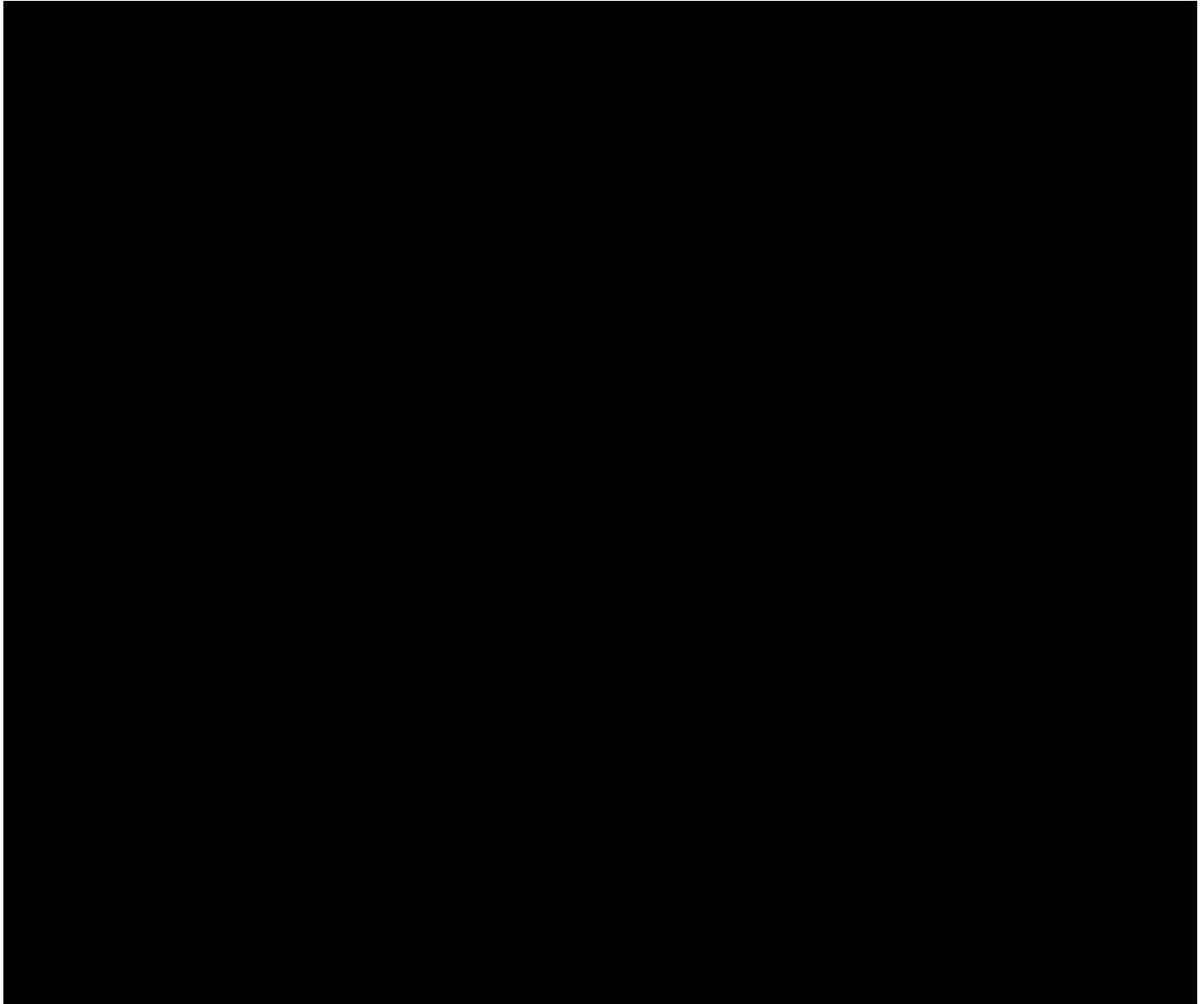
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ATTACHMENT 3
INDICATIVE BID RANKING AT RETAIL
WITHOUT RPS (¢/kWh)
BLOCKS M – O



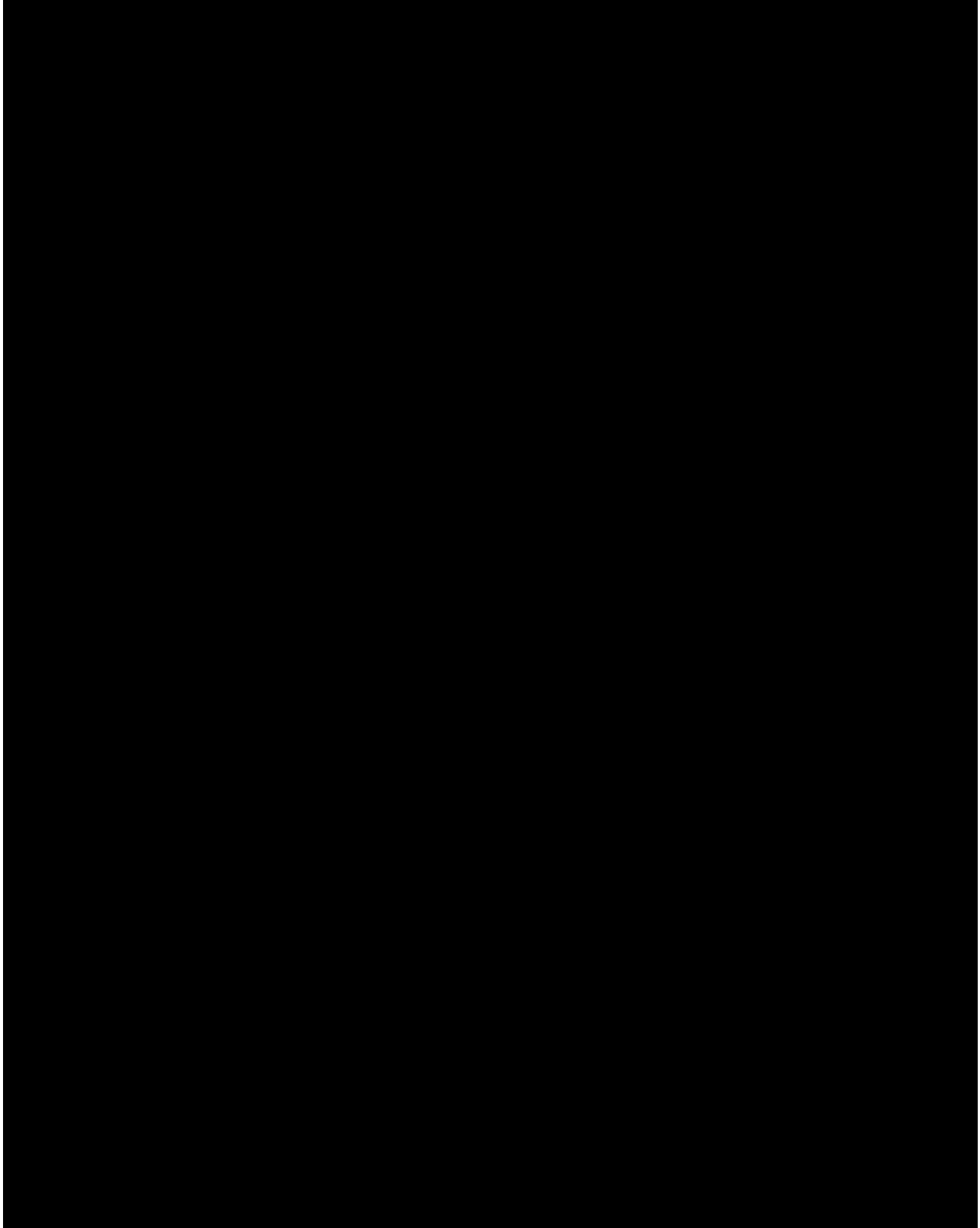
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ATTACHMENT 3
INDICATIVE BID RANKING AT RETAIL
WITHOUT RPS (¢/kWh)
BLOCKS P – Q



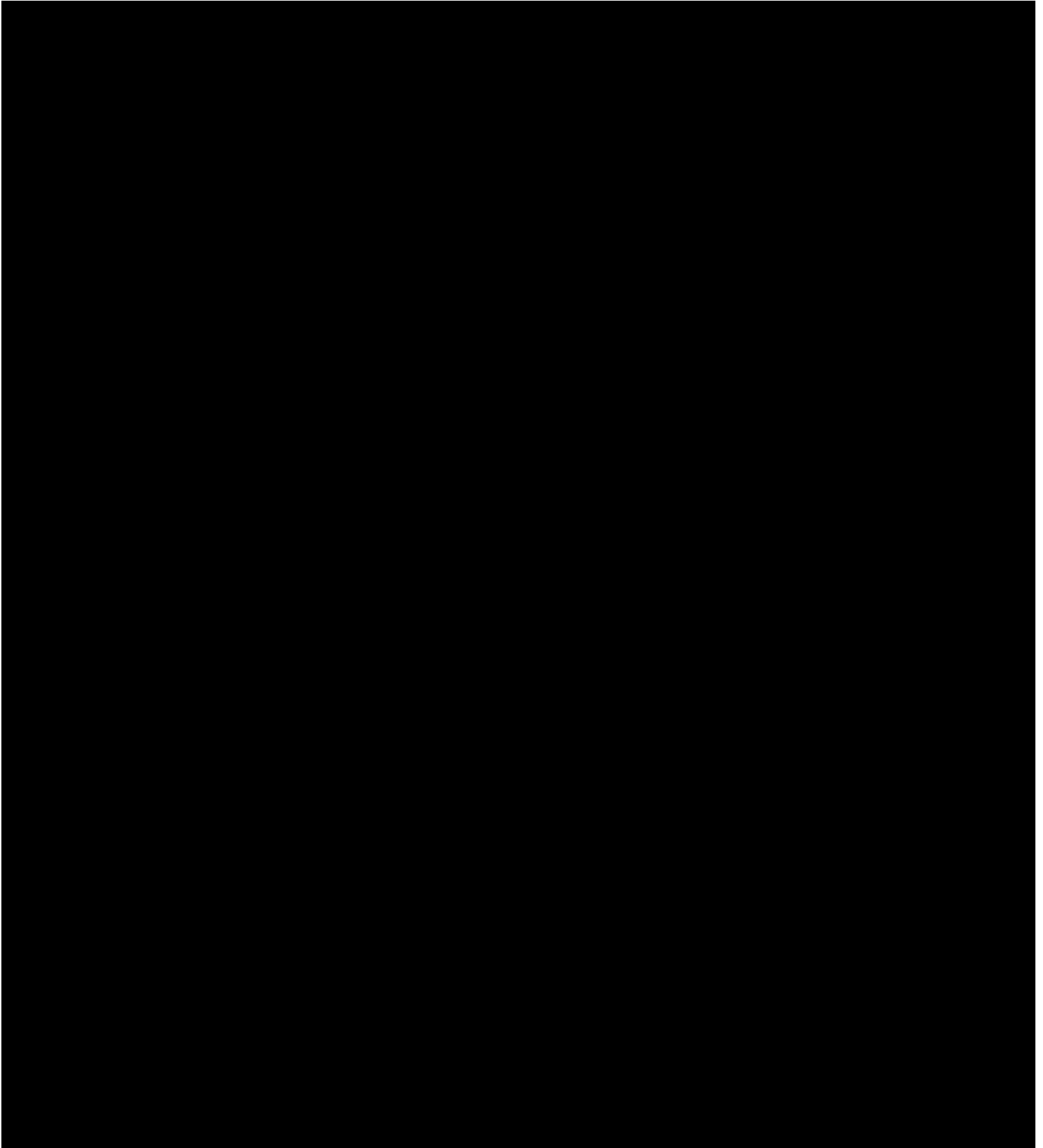
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ATTACHMENT 4
ESTIMATED INDICATIVE PRICES
FORECAST BASED ON NYMEX ELECTRICITY FUTURES
MAY 2010 – APRIL 2011 PERIOD



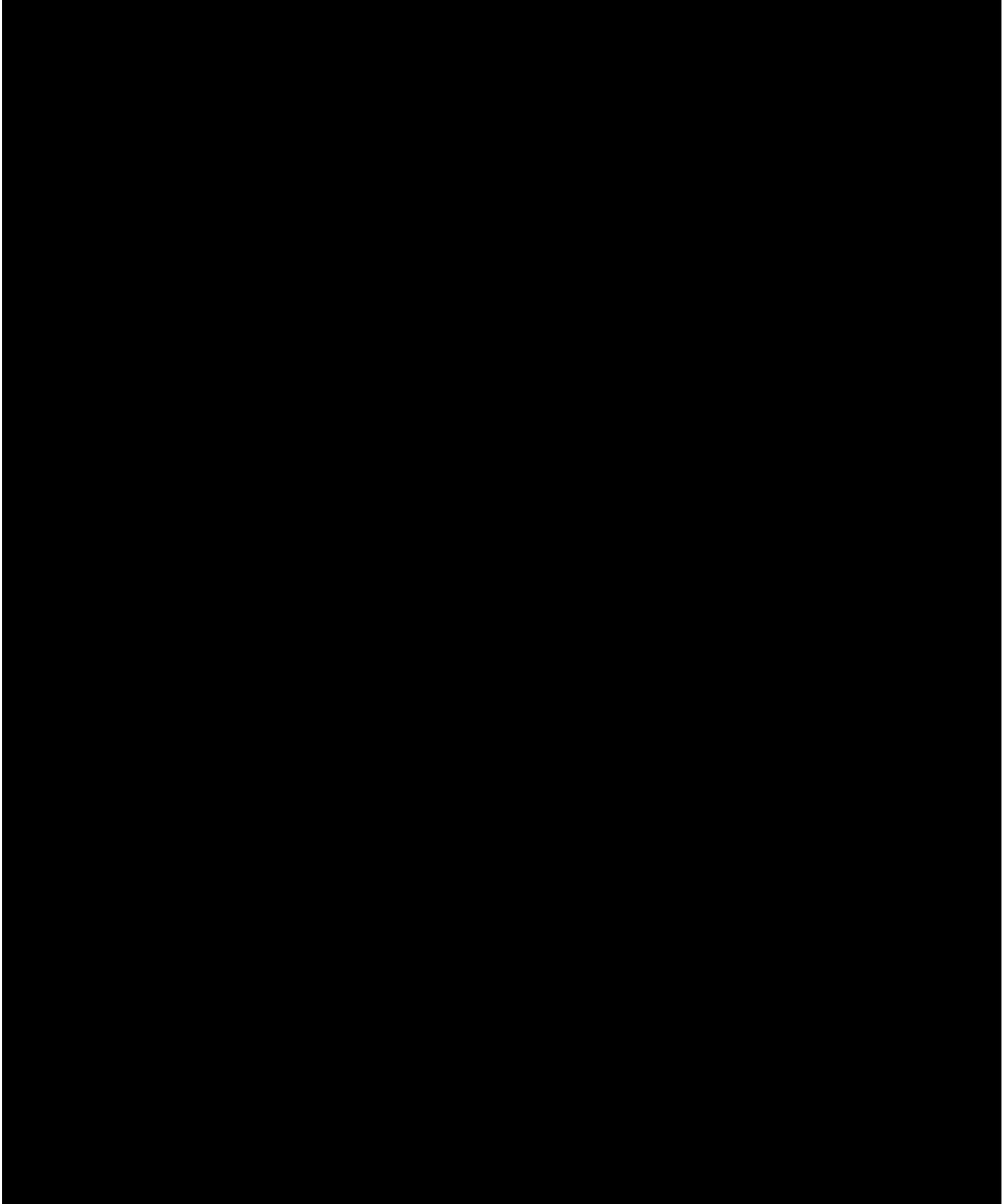
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ATTACHMENT 5
FINAL BID RANKING AT WHOLESALE
BLOCKS A – C



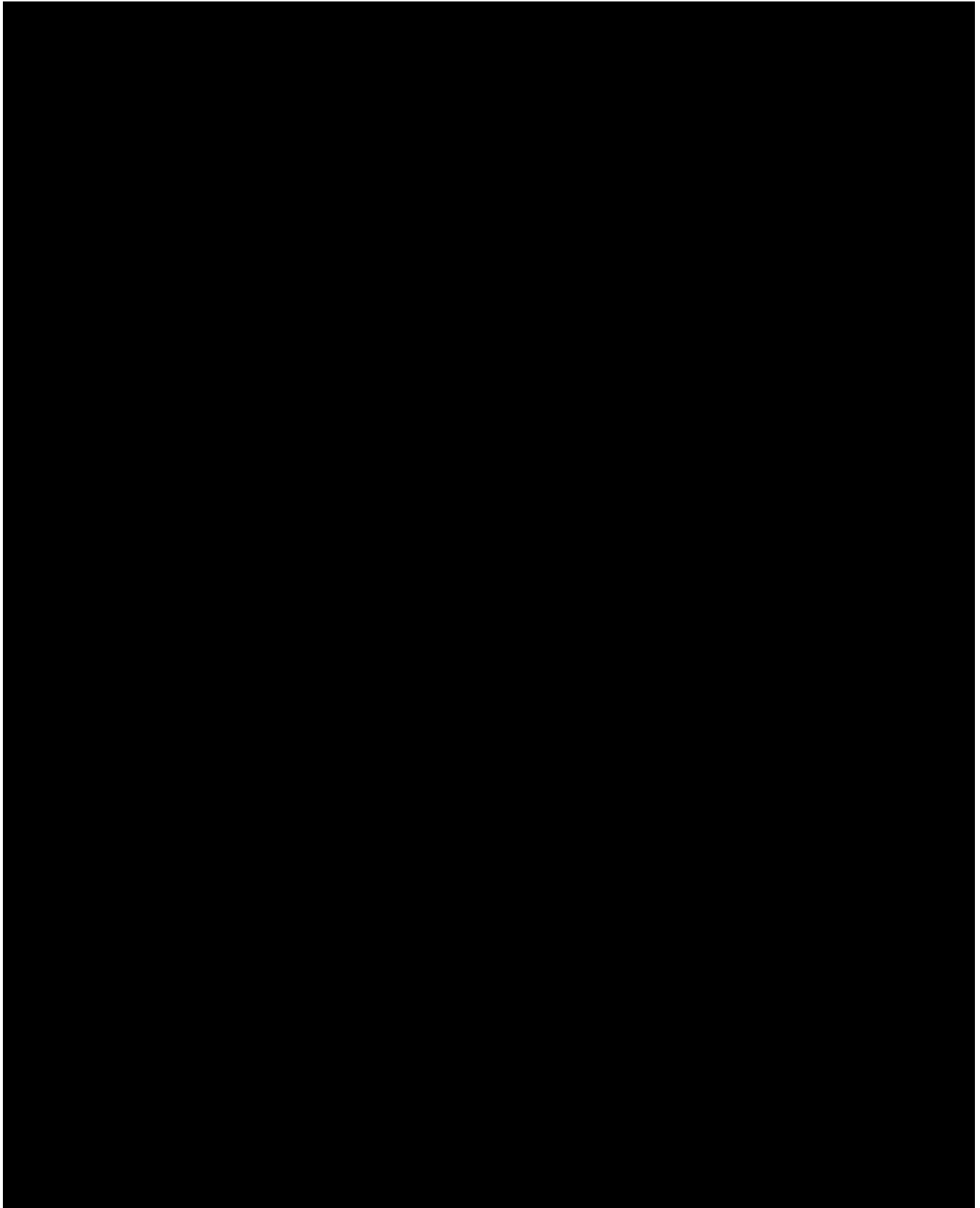
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ATTACHMENT 5
FINAL BID RANKING AT WHOLESALE
BLOCKS D – F



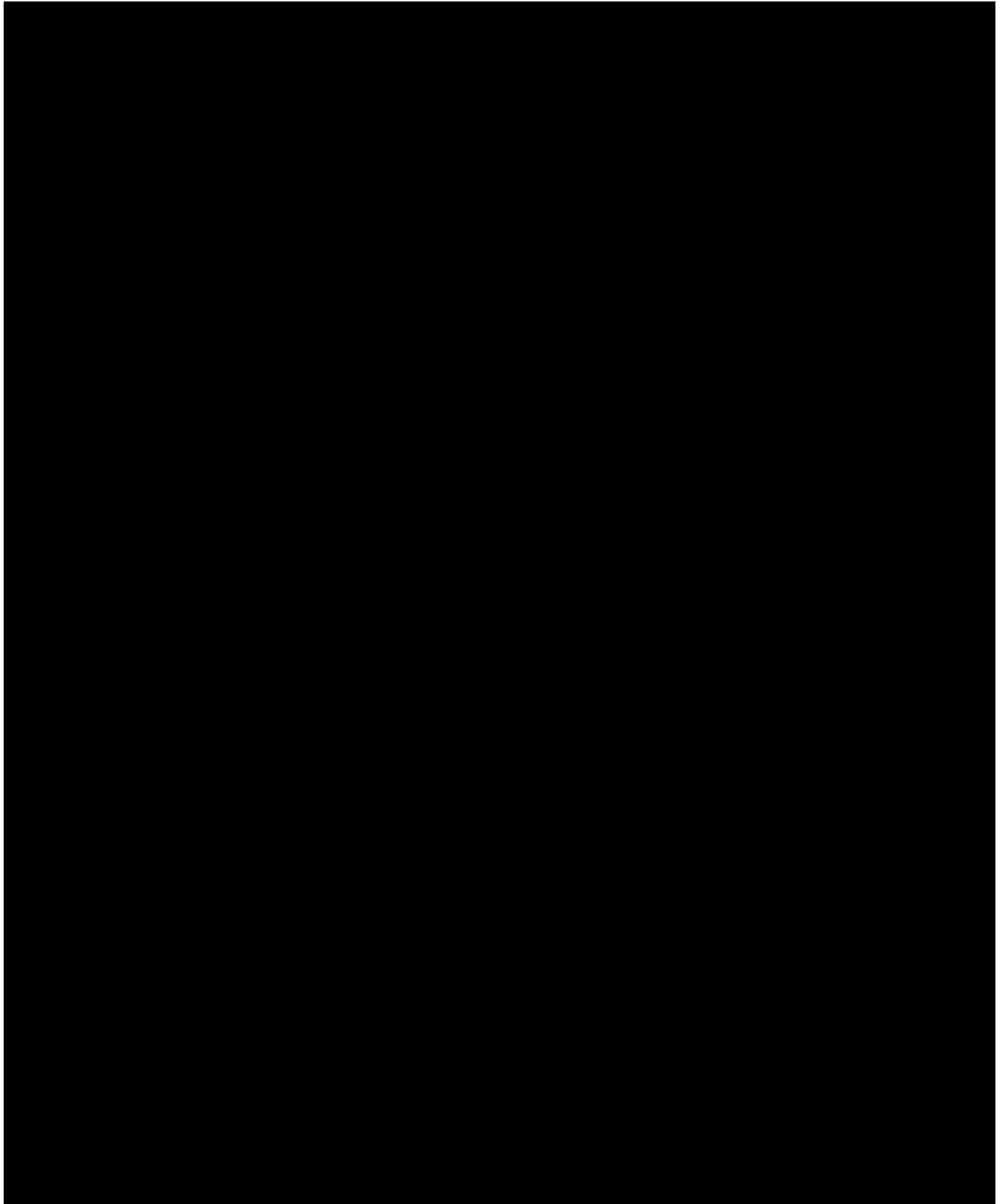
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ATTACHMENT 5
FINAL BID RANKING AT WHOLESALE
BLOCKS G – I



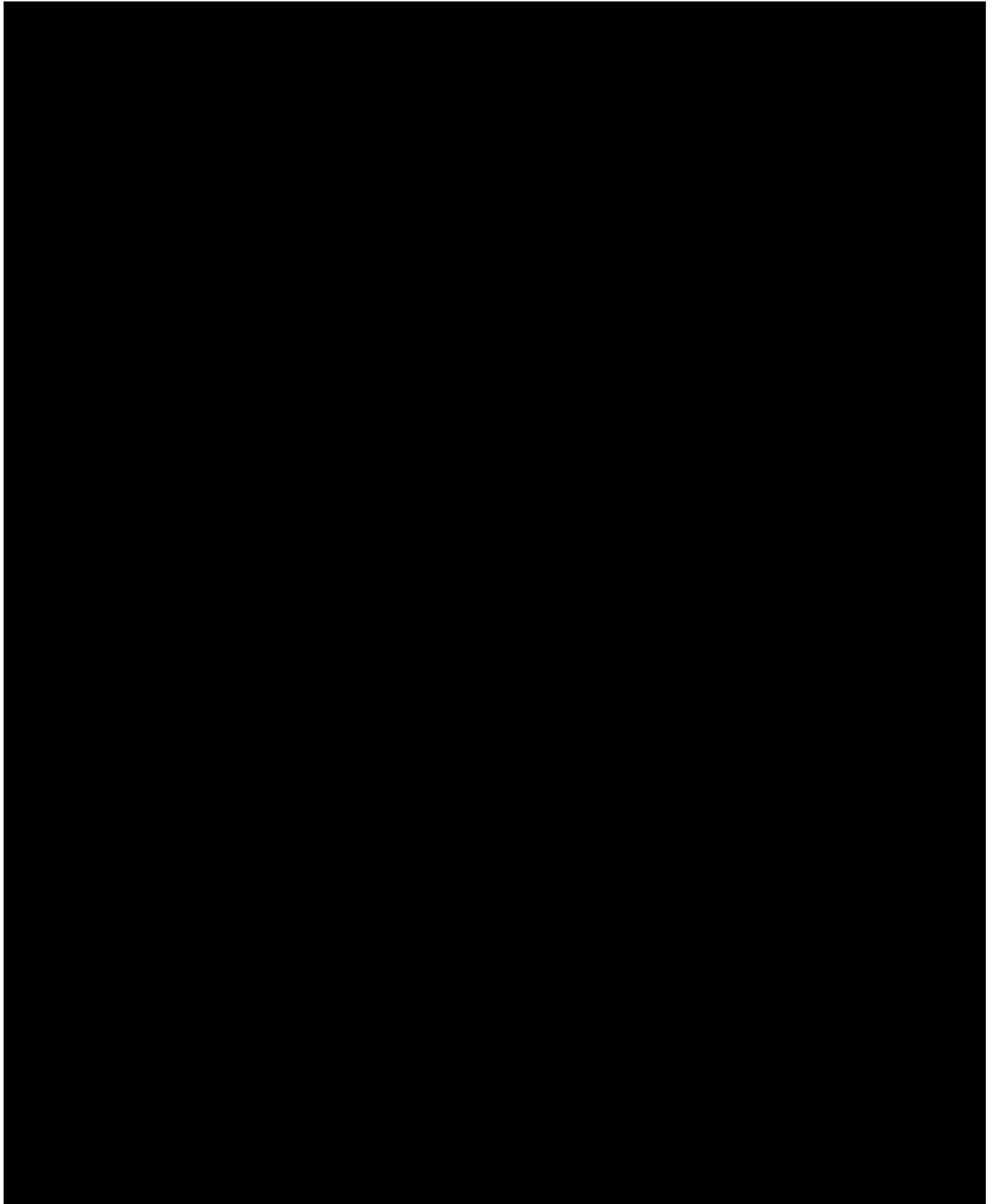
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ATTACHMENT 5
FINAL BID RANKING AT WHOLESALE
BLOCKS J – L



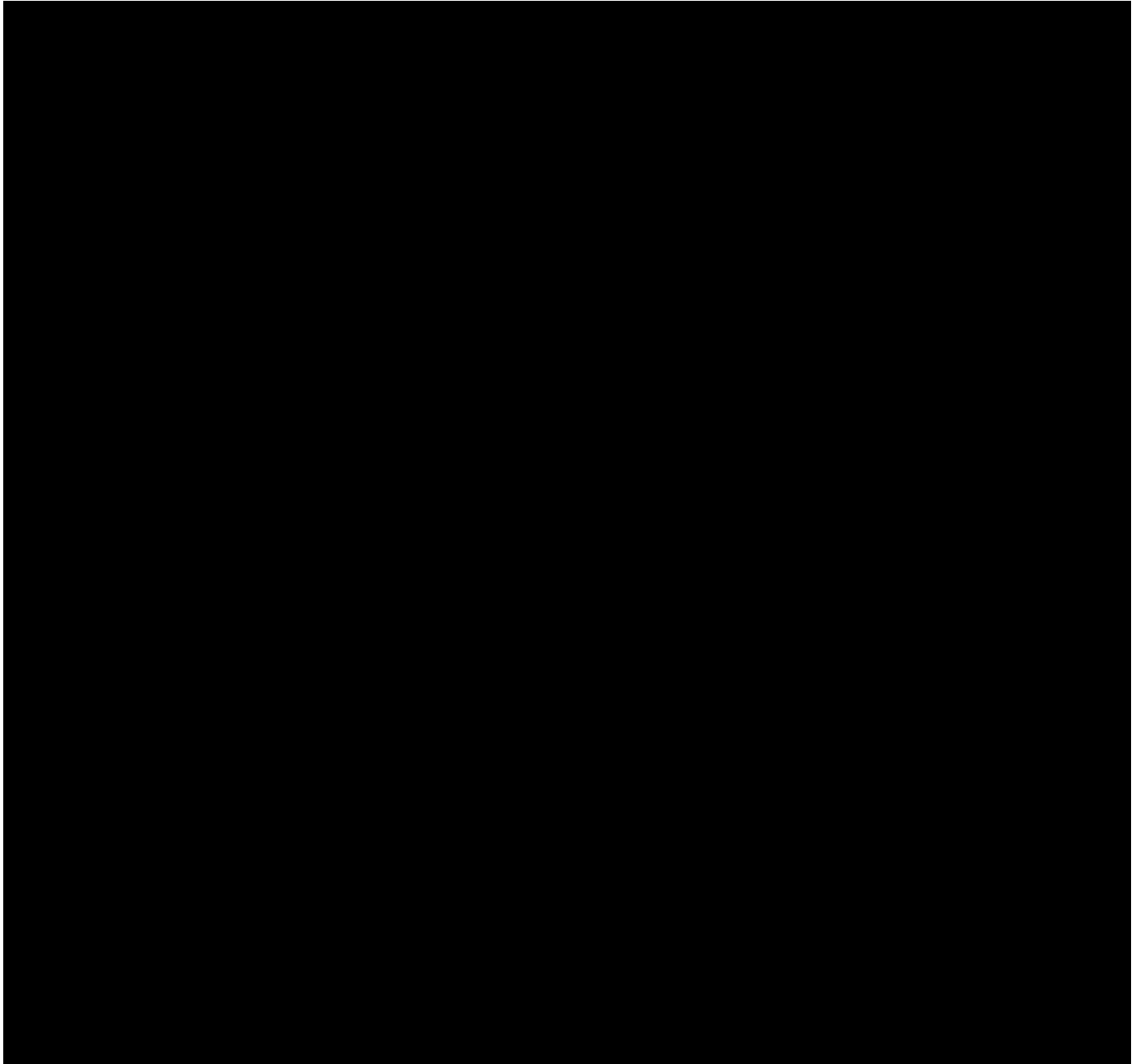
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ATTACHMENT 5
FINAL BID RANKING AT WHOLESALE
BLOCKS M – O



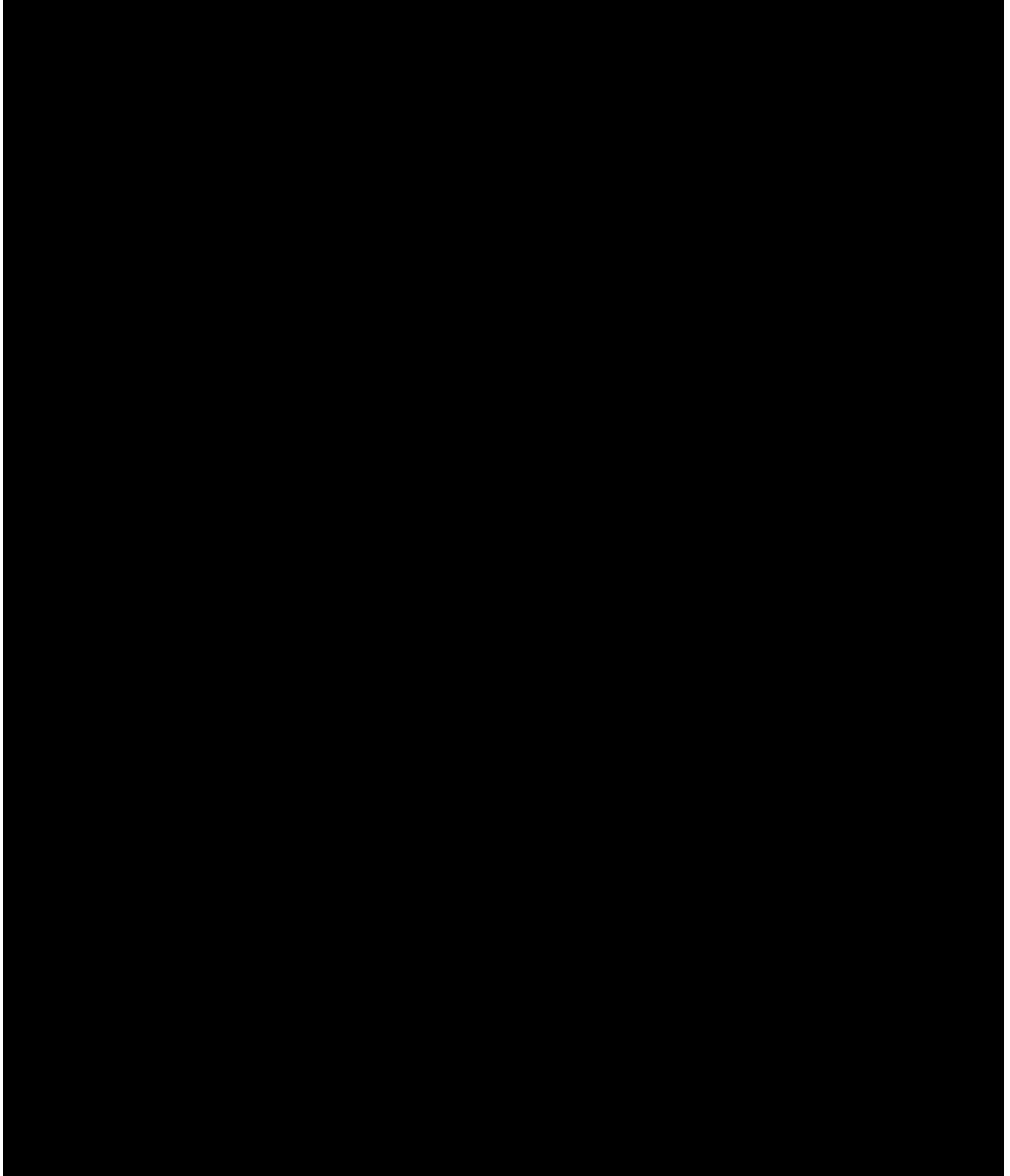
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ATTACHMENT 5
FINAL BID RANKING AT WHOLESALE
BLOCKS P – Q



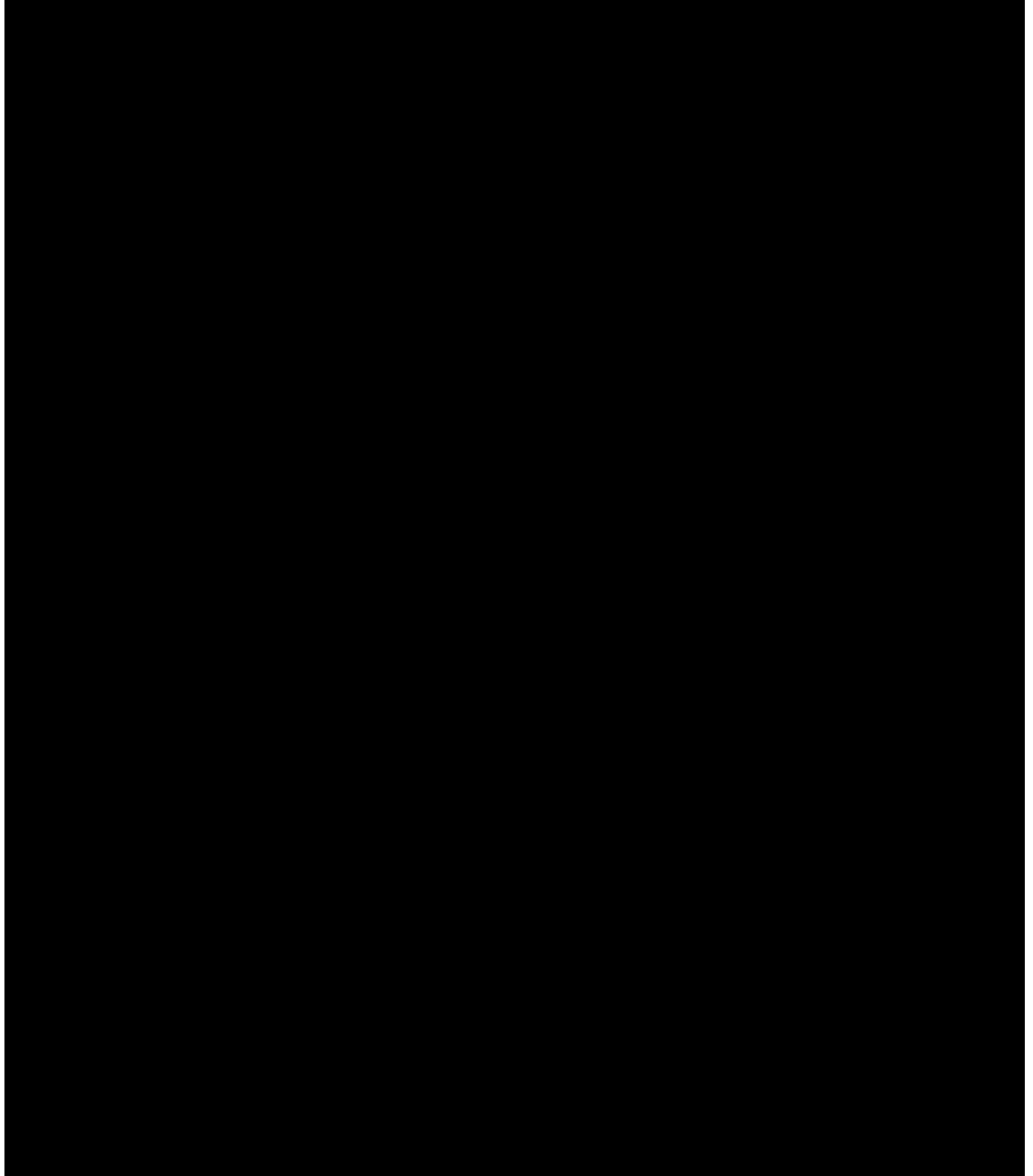
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ATTACHMENT 6
FINAL BID RANKING AT RETAIL
WITHOUT RPS (¢/kWh)
BLOCKS A – C



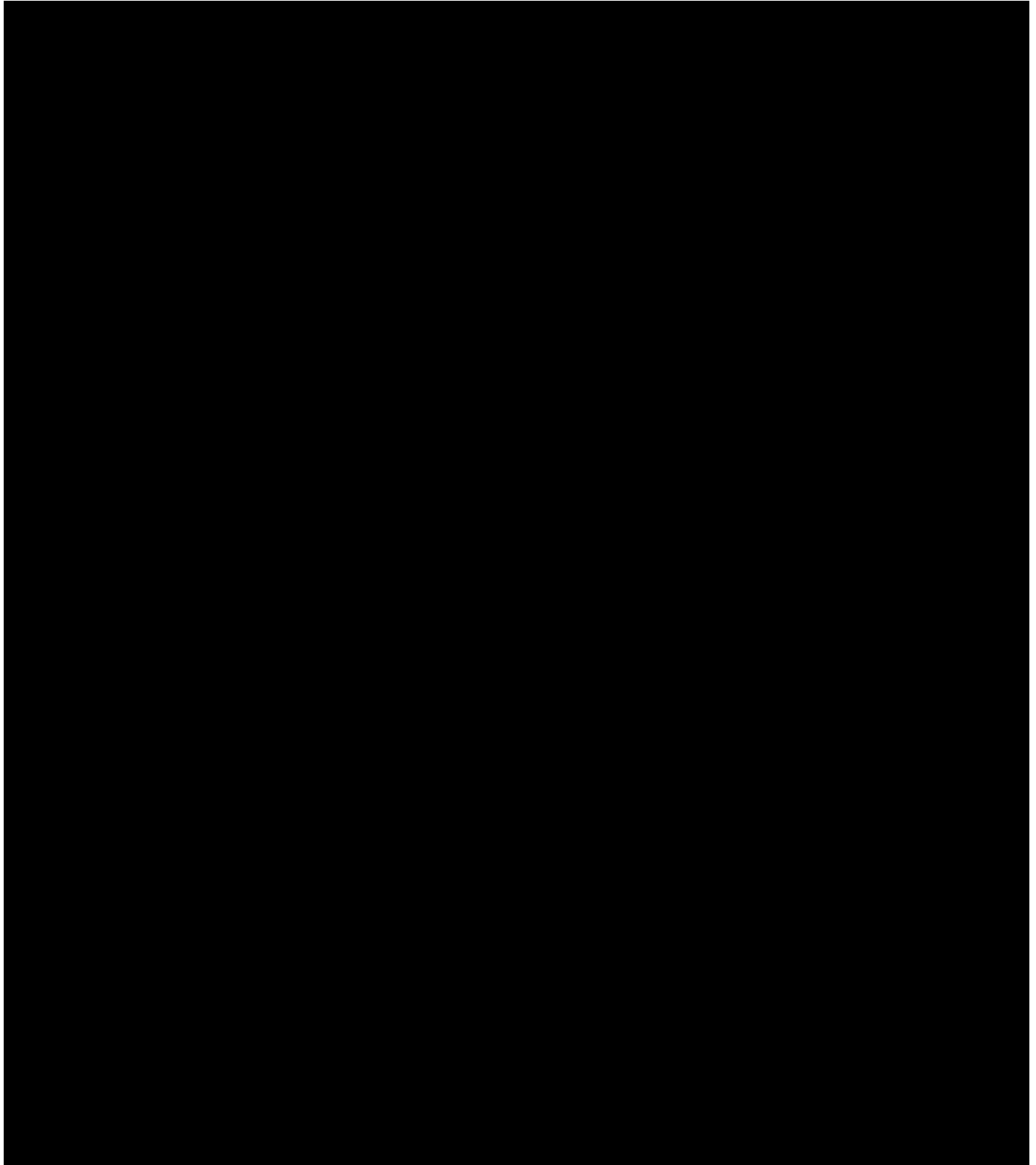
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ATTACHMENT 6
FINAL BID RANKING AT RETAIL
WITHOUT RPS (¢/kWh)
BLOCKS D – F



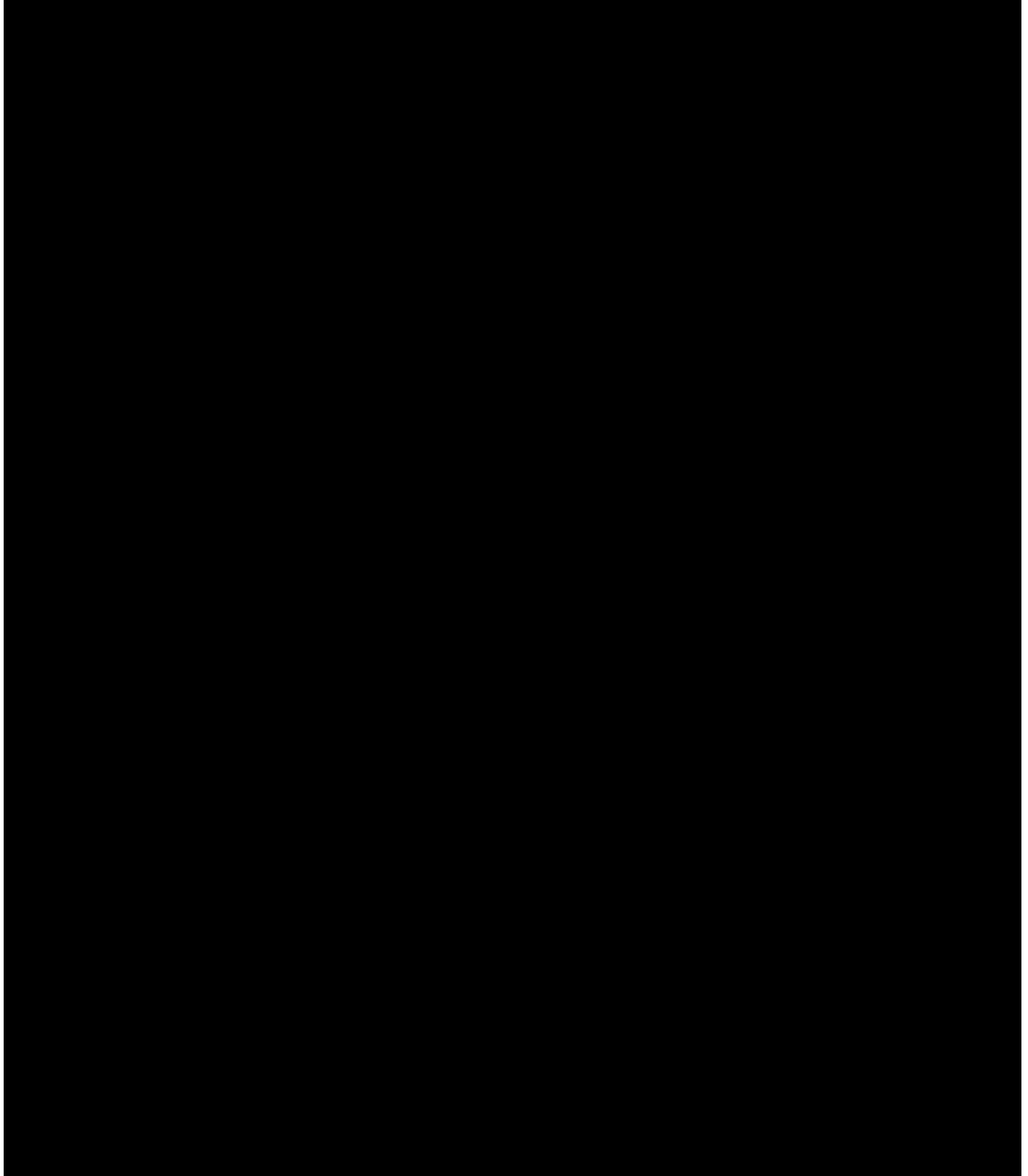
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ATTACHMENT 6
FINAL BID RANKING AT RETAIL
WITHOUT RPS (¢/kWh)
BLOCKS G – I



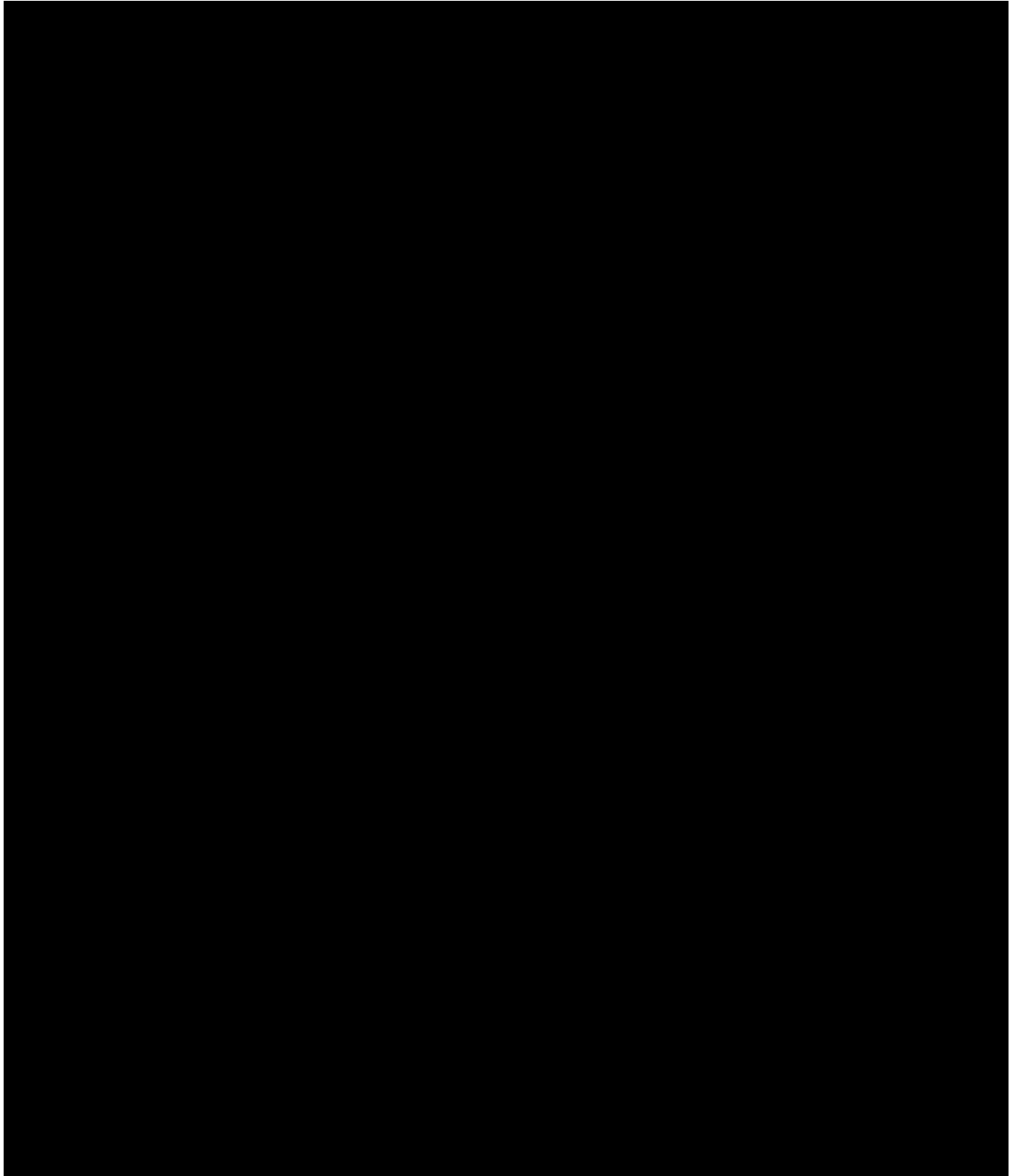
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ATTACHMENT 6
FINAL BID RANKING AT RETAIL
WITHOUT RPS (¢/kWh)
BLOCKS J – L



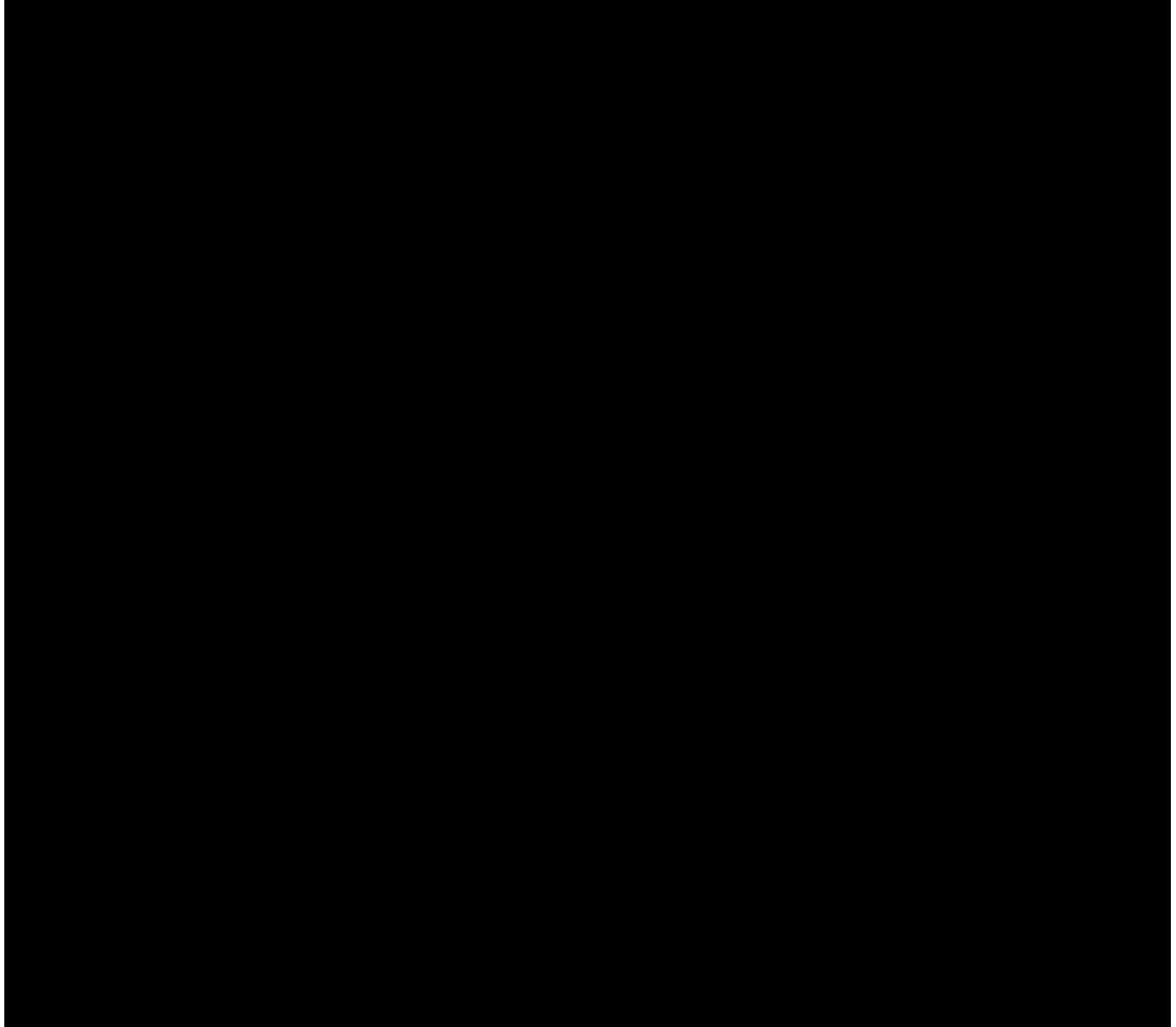
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ATTACHMENT 6
FINAL BID RANKING AT RETAIL
WITHOUT RPS (¢/kWh)
BLOCKS M – O



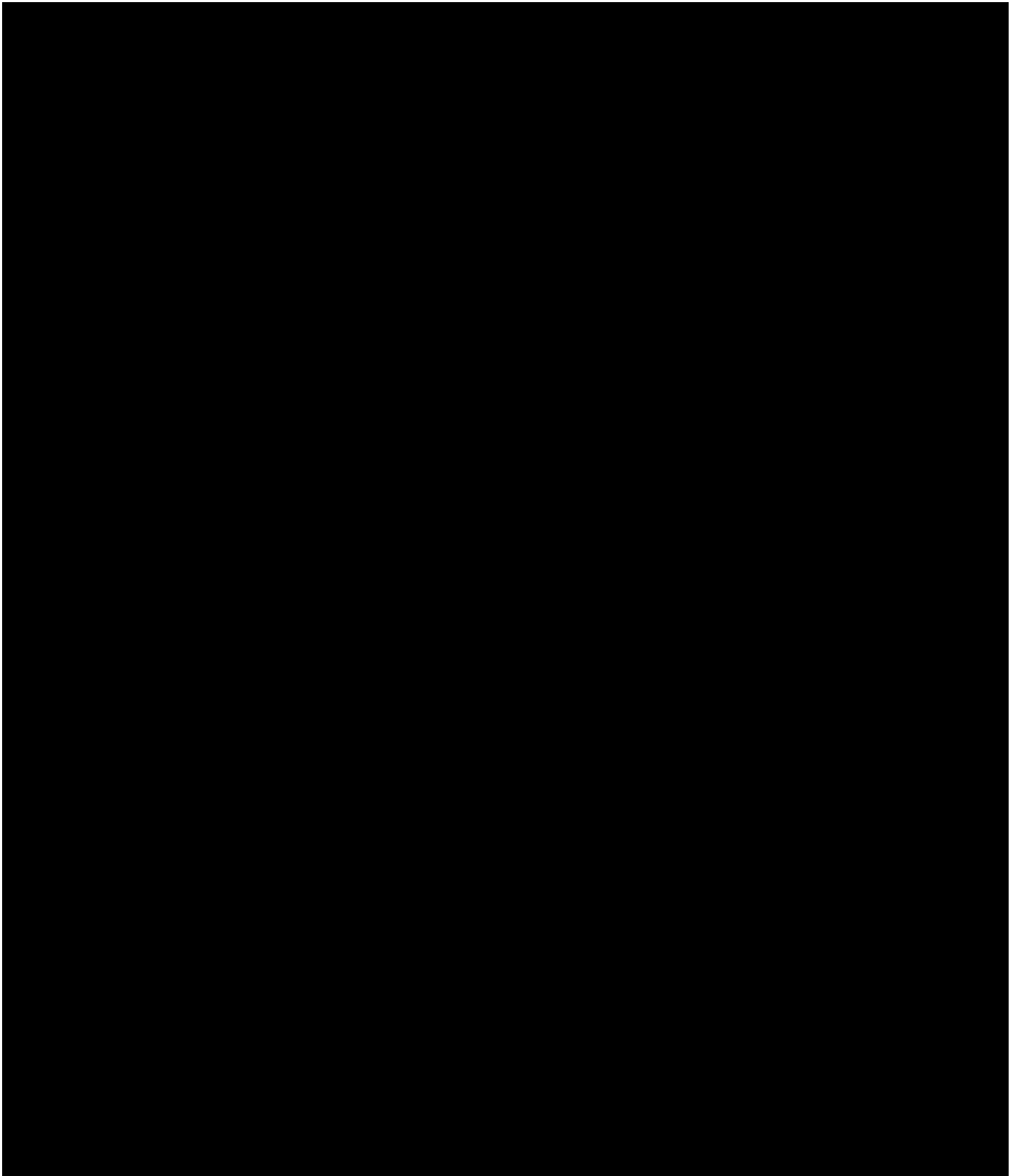
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ATTACHMENT 6
FINAL BID RANKING AT RETAIL
WITHOUT RPS (¢/kWh)
BLOCKS P – Q



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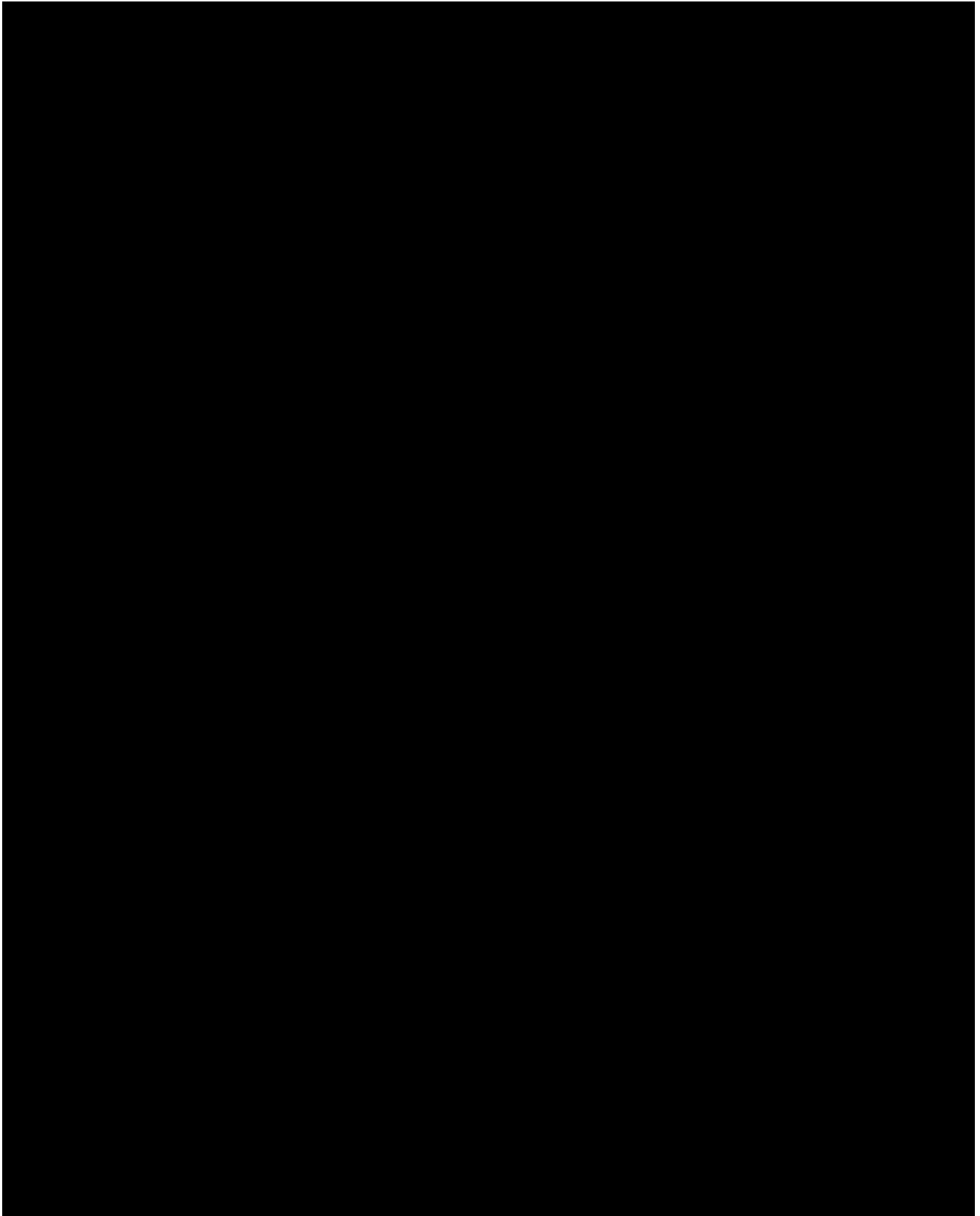
**ATTACHMENT 7 ESTIMATED FINAL PRICES
FORECAST BASED ON NYMEX ELECTRICITY FUTURES
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ATTACHMENT 8

EVALUATION OF LOWEST COST BID FOR BLOCKS H & N AND I & O



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ATTACHMENT 9
SUMMARY OF LOAD BLOCK AWARDS

Load Block	Customer Group	Load Zone	Supplier	Basis for Award
A	Industrial	SEMA		Lowest bidder for block
B	Industrial	WCMA		Lowest bidder for block
C	Industrial	NEMA		Lowest bidder for block
D	Commercial	SEMA		Lowest bidder for block
E	Commercial	WCMA		Lowest bidder for block
F	Commercial	NEMA		Lowest bidder for block
G	Residential	SEMA		Lowest bidder for block
H	Residential	WCMA		Lowest bidder for block
I	Residential	NEMA		2 nd lowest bidder for block
J	Commercial	SEMA		Lowest bidder for block
K	Commercial	WCMA		Lowest bidder for block
L	Commercial	NEMA		Lowest bidder for block
M	Residential	SEMA		Lowest bidder for block
N	Residential	WCMA		Lowest bidder for block
O	Residential	NEMA		2 nd lowest bidder for block
P	Large	NH		Lowest bidder for block
Q	Small	NH		Lowest bidder for block

CONTAINS PRIVILEGED AND CONFIDENTIAL INFORMATION

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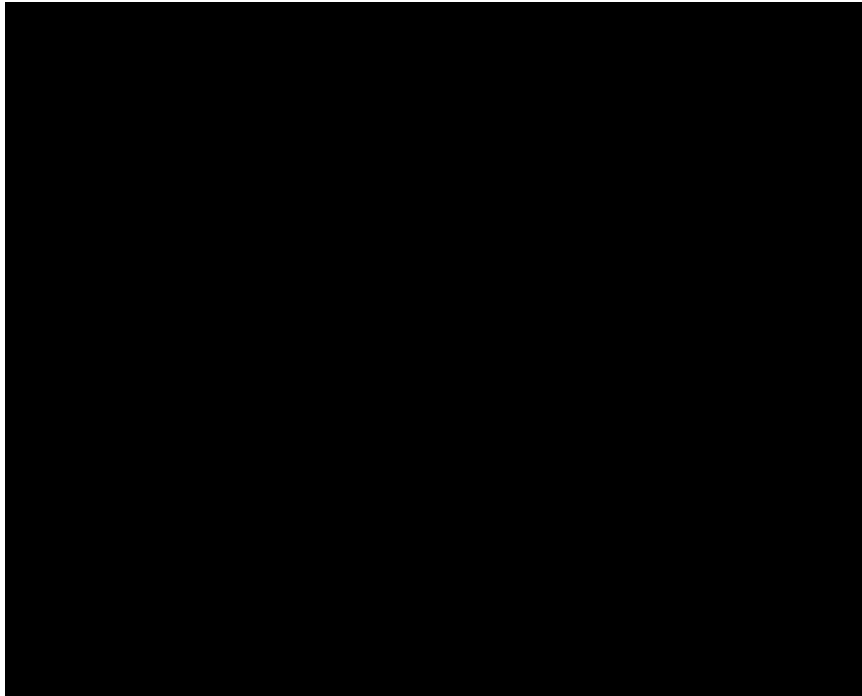
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Docket DE 10-020

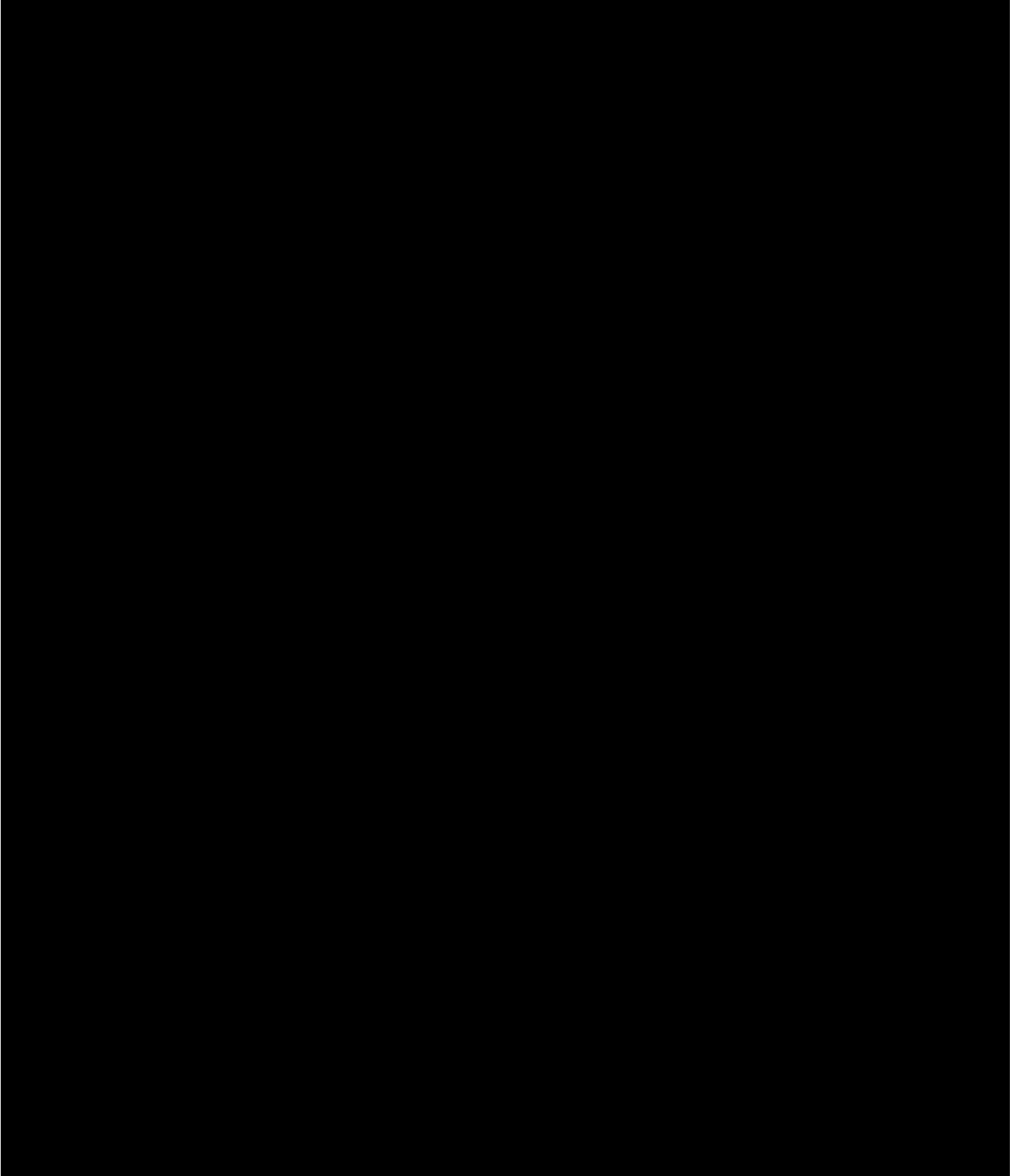
ATTACHMENT 10

BIDDER KEY



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ATTACHMENT 11
SUMMARY OF RPS BIDS



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Schedule MMJ-2

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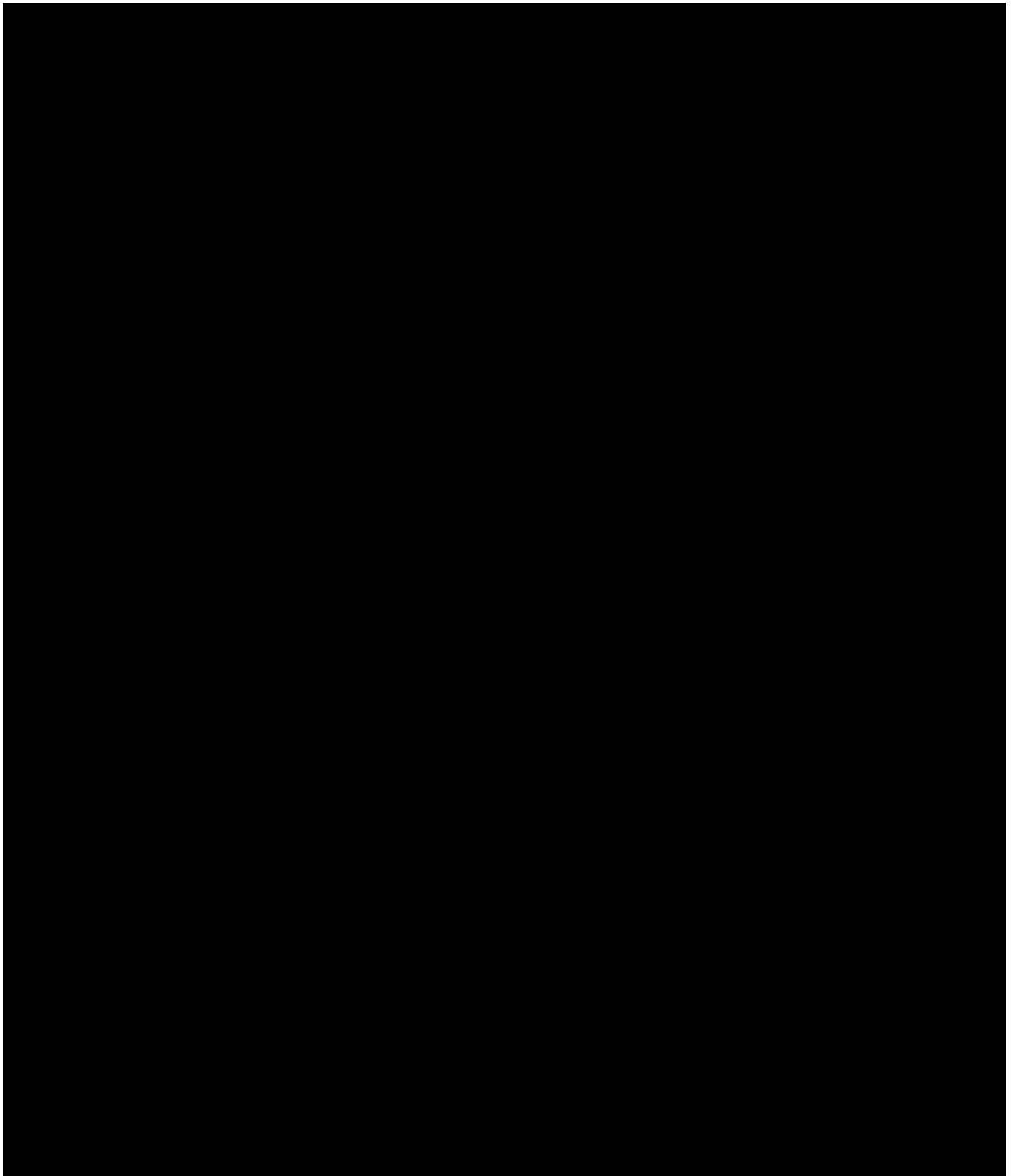
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ATTACHMENT 12

MA RPS & APS COST ADDER CALCULATION



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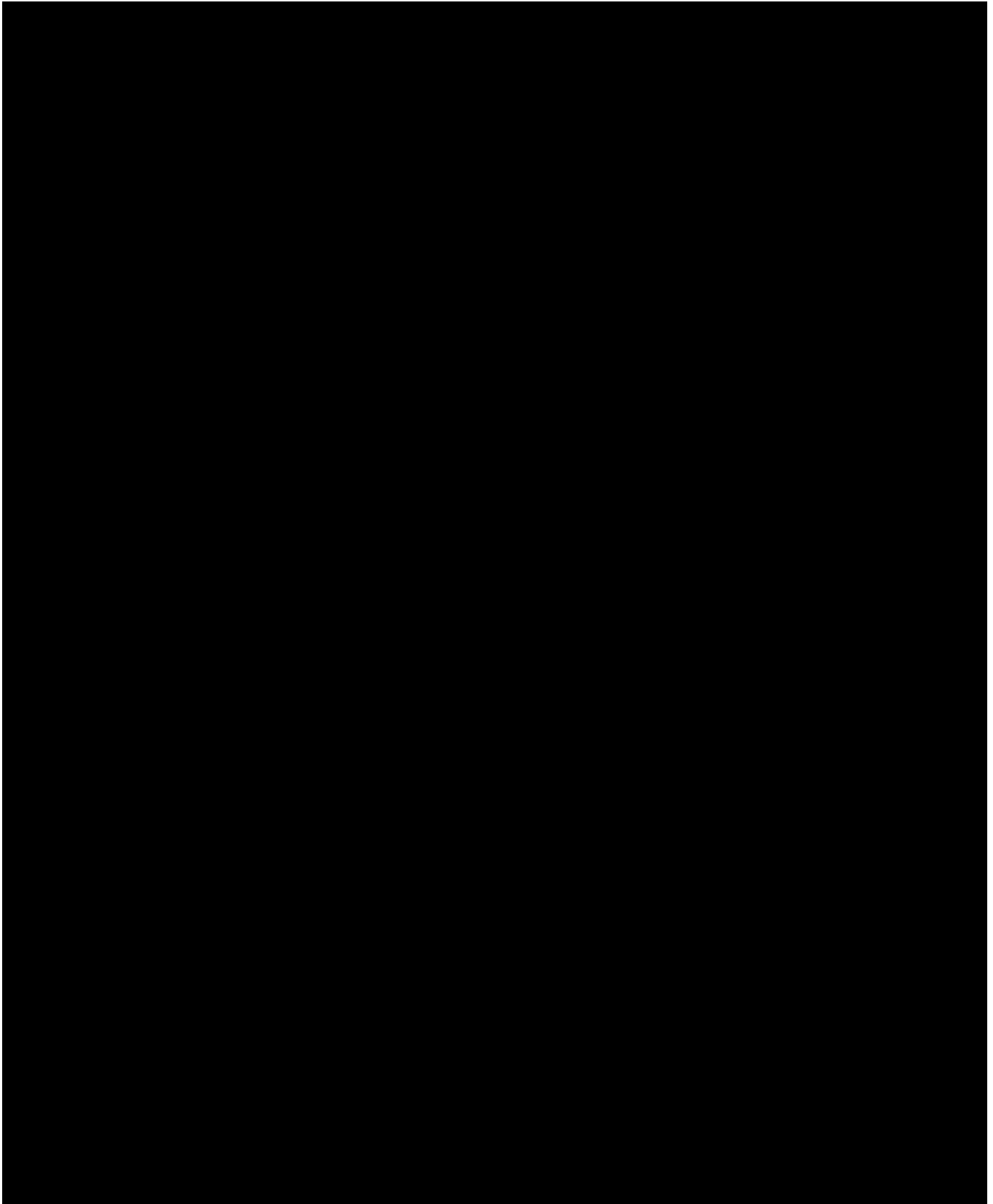
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ATTACHMENT 13

NH RPS COST ADDER CALCULATION



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Schedule MMJ-2

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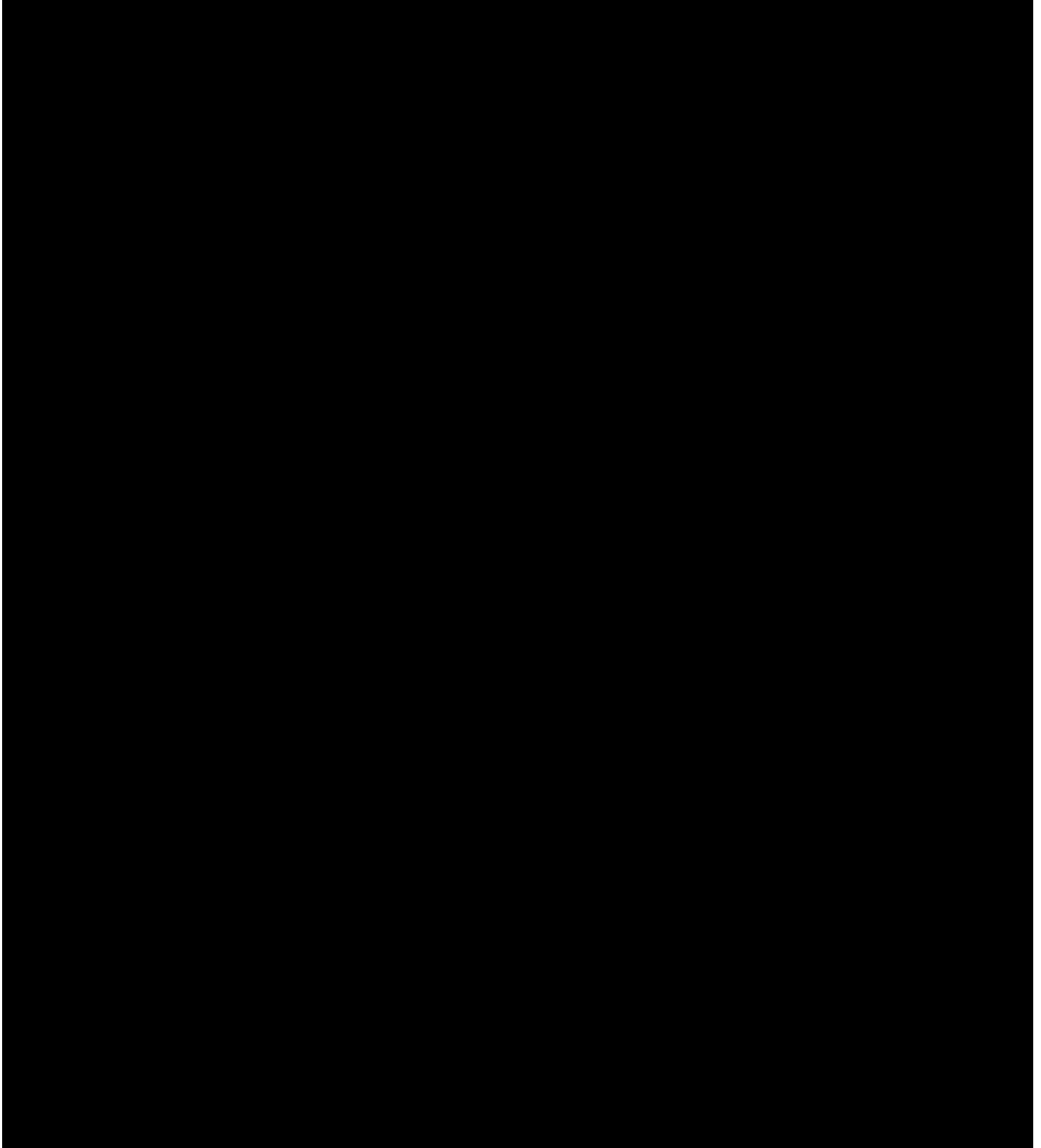
National Grid: Page 40 of 40

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Docket DE 10-020

ATTACHMENT 14

RETAIL RATES BASED ON FINAL BID PRICES



Granite State Electric Company d/b/a National Grid

Docket No. DE 10-020

Witness: M. M. Janzen

SCHEDULE MMJ – 3

Comparison of Change in Futures Prices to Change in Procurement Costs

Granite State Electric Company d/b/a National Grid

Docket No. DE 10-020

Witness: M. M. Janzen

SCHEDULE MMJ – 4

**Default Service Contract for the Large Customer Group
May 1, 2010 through July 31, 2010 and for the Small Customer Group
May 1, 2010 through April 30, 2011**

MASTER POWER AGREEMENT FORM OF CONFIRMATION

This Confirmation shall confirm the Transaction agreed to on **March 12, 2010**, and effective as of the Confirmation Effective Date (as defined below) between **GRANITE STATE ELECTRIC COMPANY** (“Granite” or “Buyer”), a New Hampshire corporation (“Buyer”), and [REDACTED] (“Seller”), regarding the sale/purchase of Default Service specified herein under the terms and conditions under the Master Power Agreement, dated September 26, 2005 (the “Master Power Agreement”) between Buyer and Seller, as specified and modified herein. Terms used but not defined herein shall have the meanings ascribed to them in the Master Power Agreement

1. Confirmation Effective Date; Condition Precedent; Filing Obligation; Term

This Confirmation shall be binding on the Parties upon execution by both Parties (such date the “Confirmation Effective Date”). Promptly after execution by both Parties, Buyer shall submit the Default Service retail rates to the NHPUC for its approval. The Parties performance of Sections 3.2 through 6.4 of the Master Power Agreement are subject to the occurrence, on or before the fifth Business Day after (but not including) the Buyer’s submission of the Default Service retail rates to the NHPUC (the “Fifth Day”), for the approval by the NHPUC. If the NHPUC does not issue a decision approving Buyer’s request to approve the Default Service retail rates as filed on or before the Fifth Day (a “NHPUC Denial”), then this Confirmation shall be null and void and of no further force and effect, and neither Party shall have any obligation whatsoever to the other Party, and such a voiding of the Confirmation and the NHPUC Denial shall not be a default or constitute an Event of Default by either Party; provided, however, that neither Party shall undertake any action with the NHPUC or otherwise in opposition of approval by the NHPUC of the Master Power Agreement or the Confirmation as executed.

A 3x10 grid of squares. The top row has 6 squares, each containing a black shape on a white background. The shapes are: a vertical bar, a horizontal bar, a vertical bar, a horizontal bar, a vertical bar, and a horizontal bar. The middle row has 10 squares, each containing a black shape on a white background. The shapes are: a vertical bar, a horizontal bar, a vertical bar, a horizontal bar, a vertical bar, a horizontal bar, a vertical bar, a horizontal bar, a vertical bar, and a horizontal bar. The bottom row has 10 squares, each containing a black shape on a white background. The shapes are: a vertical bar, a horizontal bar, a vertical bar, a horizontal bar, a vertical bar, a horizontal bar, a vertical bar, a horizontal bar, a vertical bar, and a horizontal bar.

Age Group	Percentage of Respondents
18-24	35%
25-34	30%
35-44	25%
45-54	20%
55-64	15%
65+	5%

[REDACTED] [REDACTED]

None.

[REDACTED]

REDACTED DOCUMENT

[REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]

REDACTED DOCUMENT

9. Confidentiality

Articles 2, 3, 4, 5, 6 and 8 of this Confirmation are Confidential Terms within the meaning of Article 23 of the Master Power Agreement.

10. Ratification of the Terms and Conditions of the Agreement

(a) Except as expressly amended or waived by this Confirmation, the terms, conditions, covenants, agreements, warranties and representations contained in the Master Power Agreement are in all respects ratified, confirmed and remade as of the date hereof and, except as amended or waived hereby, shall continue in full force and effect.

(b) Nothing in this Confirmation shall, or shall be construed to, alter or amend any other Confirmation.

11. Counterparts

This Confirmation may be executed in counterparts, all of which together shall constitute one and the same instrument.

This Confirmation constitutes part of and is subject to the terms and provisions of such Master Power Agreement.

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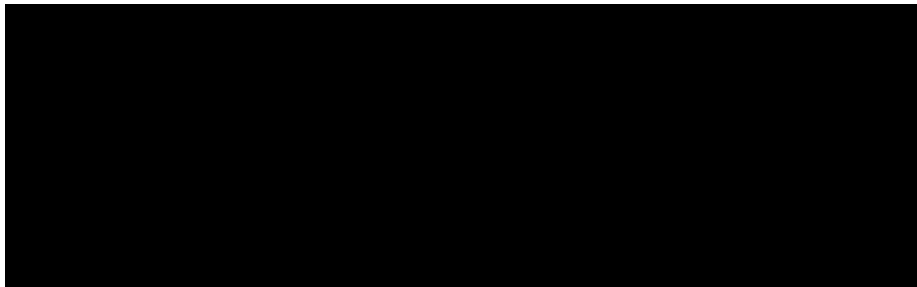
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IN WITNESS WHEREOF, the Parties have caused their duly authorized representatives to execute this Confirmation on their behalf as of the date first above written

GRANITE STATE ELECTRIC COMPANY

Name: Margaret M. Janzen

Title: Authorized Signatory



SCHEDULE MMJ – 5

Renewable Portfolio Standard Adders

REDACTED DOCUMENT

Renewable Portfolio Standard Compliance Adders

	YEAR	
	2010 ACP	2010 Market
<u>Section 1: Calculation of Class I Renewable Energy Resource Charge</u>		
(1) Class I Alternative Compliance Payment	\$60.93	
(2) Class I Renewable Energy Resource Obligation	1.00%	1.00%
(3) Incremental Cost - \$/MWh	\$0.61	
<u>Section 2: Calculation of Class II Renewable Energy Resource Charge</u>		
(1) Class II Alternative Compliance Payment	\$160.01	
(2) Class II Renewable Energy Resource Obligation	0.04%	0.04%
(3) Incremental Cost - \$/MWh	\$0.06	
<u>Section 3: Calculation of Class III Renewable Energy Resource Charge</u>		
(1) Class III Alternative Compliance Payment	\$29.87	
(2) Class III Renewable Energy Resource Obligation	5.50%	5.50%
(3) Incremental Cost - \$/MWh	\$1.64	
<u>Section 4: Calculation of Class IV Renewable Energy Resource Charge</u>		
(1) Class IV Alternative Compliance Payment	\$29.87	
(2) Class IV Renewable Energy Resource Obligation	1.00%	1.00%
(3) Incremental Cost - \$/MWh	\$0.30	
<u>Section 5: Calculation of Renewable Portfolio Standard Adder</u>		
(4) Sum of Class I, II, III and Class IV Incremental Costs - \$/MWh	\$2.61	
(5) Renewable Portfolio Standard Adder to be included in Small Customer Group Retail Rates - \$/kWh	\$ 0.00277	\$ 0.00230
(6) Renewable Portfolio Standard Adder to be included in Large Customer Group Retail Rates - \$/kWh	\$ 0.00272	\$ 0.00226
(7) Total RPS/APS Obligation %	7.54%	7.54%
(8) Obligation Weighted ACP cost	\$34.62	

Notes

- (1) 2010 ACP
- (2) From 362-F:3 of NH RPS legislation
- (3) Line (1) times Line (2)
- (4) Sum of all Line (3)s
- (5) Line (4) times the average NH Small Customer Group loss factor for 12 month period ending December 31, 2007 divided by 1,000 to convert from \$/MWh to \$/kWh.
- (6) Line (4) times the average NH Large Customer Group loss factor for 12 month period ending December 31, 2007 divided by 1,000 to convert from \$/MWh to \$/kWh.
- (7) Sum of all Line (2)s
- (8) Line (4) divided by Line (7)

Granite State Electric Company d/b/a National Grid
Docket No. DE 10-020
Witness: S.M. McCabe

DIRECT TESTIMONY
OF
SCOTT M. MCCABE

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VII.	<u>Conclusion</u>	14

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 40 Sylvan Road, Waltham,
4 Massachusetts, 02451.

5
6 Q. Please state your position.

7 A. I am Principal Analyst in the New England Electric Pricing group of the Regulation and
8 Pricing – Electricity Distribution and Generation department of National Grid USA, Inc.
9 This department provides rate-related services to Granite State Electric Company d/b/a
10 National Grid (“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. I have previously testified on behalf of National Grid in several proceedings before
13 the Commission.
14

15 **II. Purpose of Testimony**

16 Q. What is the purpose of your testimony?

17 A. The purpose of my testimony is to present National Grid’s proposed Default Service
18 rates, including adjustment factors, for usage on and after May 1, 2010, in accordance
19 with the Default Service Adjustment Provision and Default Service Cost Reclassification
20 Adjustment Provision of the Company’s tariff, and the Settlement Agreement in Docket
21 No. DE 05-126 approved by the Commission in Order No. 24,577 (January 13, 2006)
22 (“Settlement Agreement”). My testimony also presents the results of the reconciliation

1 of Default Service power supply expense for the period of February 2009 through
2 January 2010 (“Default Service Reconciliation”), the reconciliation of the Company’s
3 cost of complying with its 2008 and 2009 Renewable Portfolio Standard obligations for
4 the period of January 2008 through December 2009 “(Renewable Portfolio Standard
5 Reconciliation”), and the reconciliation of the administrative cost of providing Default
6 Service, also for the period February 2009 through January 2010 (“Default Service Cost
7 Reclassification Adjustment Factor Reconciliation”). This filing also presents the final
8 reconciliation of the under recovery balance approved for recovery through the
9 adjustment to the 2008 Default Service adjustment factor as well as the reconciliation of
10 the over recovery balance approved for refund through the 2009 Default Service
11 adjustment factor.

12
13 Q. Please summarize the results of the Default Service procurement and the adjustments
14 which National Grid proposes to implement for usage on and after May 1, 2010.

15 A. As I describe in more detail later in my testimony, National Grid proposes to implement
16 the following Default Service rates beginning May 1, 2010, for usage on and after that
17 date:

	Residential and Small C&I	Medium & Large C&I		
	May - October 2010	May	June	July
Base Default Service Rate	6.711¢	6.734¢	6.524¢	6.901¢
2010 Default Service Adjustment Factor	0.123¢	0.123¢	0.123¢	0.123¢
Default Service Cost Reclassification Adjustment Factor	0.091¢	0.037¢	0.037¢	0.037¢
Renewable Portfolio Standard ("RPS") Adder	0.230¢	0.226¢	0.226¢	0.226¢
Total Default Service Rate	7.155¢	7.120¢	6.910¢	7.287¢

The Default Service rates which the Company proposes to bill its customers receiving Default Service are also summarized in Schedules SMM-1 and SMM-2.

III. Base Default Service Rates

Q. What are the "base" Default Service rates that the Company is proposing?

A. National Grid is proposing a fixed six-month base Default Service rate for the Residential and Small Commercial Customer Group¹ ("Small Customer Group") based on the weighted average of the six monthly contract prices contained in the supply agreement with the winning Default Service supplier for the Small Customer Group. As displayed on line (14) Schedule SMM-2, the proposed base Default Service rate for the Small

¹ Customers taking service under Domestic Service Rate D; Domestic Service - Optional Peak Load Pricing Rate D-10; Outdoor Lighting Service Rate M; Limited Total Electrical Living Rate T; General Service Rate G-3; or Limited

1 Customer Group is 6.711¢ per kilowatt-hour. The calculation of the six-month base
2 Default Service rate for the Small Customer Group is presented in Schedule SMM-2.
3 The Company is also proposing monthly base Default Service rates for the Medium and
4 Large Commercial and Industrial Customer Group² (“Large Customer Group”) based on
5 the three monthly contract prices contained in the supply agreement with the winning
6 Default Service supplier for the Large Customer Group. As displayed on line (5) of
7 Schedule SMM-1, page 1, the proposed base Default Service rates for the Large
8 Customer Group are 6.734¢ per kilowatt-hour, 6.524¢ per kilowatt-hour, and 6.901¢ per
9 kilowatt-hour for the months of May 2010, June 2010 and July 2010, respectively.
10

11 **IV. Reconciliations and Adjustment Factors**

12 **Default Service Reconciliation**

13 Q. Please discuss in general terms the Company’s Default Service Reconciliation.

14 A. The Company is required on an annual basis to reconcile its power supply cost of
15 providing Default Service with its Default Service revenue associated with the recovery
16 of power supply costs, and the excess or deficiency, including interest at the interest rate
17 paid on customer deposits, shall be returned to, or recovered from, all Default Service
18 customers over the following 12 months through the Default Service adjustment factor.
19

20 Q. Is the Company presenting a reconciliation of power supply costs for Default Service in

Commercial Space Heating Rate V of the Company’s Retail Delivery Tariff.

² Customers taking service under General Long-Hour Service Rate G-2 or General Service Time-Of-Use Rate G-1 of

1 its filing?

2 A. Yes. The Default Service Reconciliation for the period February 2009 through January
3 2010 is presented in Schedule SMM-3.

4
5 Q. Please explain the Default Service Reconciliation in detail.

6 A. Schedule SMM-3, page 1, presents the actual reconciliation of Default Service revenue
7 and expense by month. The detail behind each month's Default Service revenue is
8 included on page 2 of Schedule SMM-3. The detail behind each month's Default Service
9 expense is shown on page 3 of Schedule SMM-3. The source of the Default Service
10 expense in Column (a) and Column (b) of page 3 is each month's invoice from the
11 Default Service providers.

12
13 Q. Please explain the adjustment in column (c) in May 2009?

14 A. The adjustment of \$12,675 is the remaining recovery to the Default Service
15 reconciliation for the period from January 2007 through February 2008 that was intended
16 to be recovered from customers over the period May 2008 through April 2009 through
17 the 2008 Default Service adjustment factor.

18
19 Q. Is the reconciliation prepared in the same manner as the Default Service reconciliation
20 that was filed with the Commission last year?

21 A. Yes. The current reconciliation is prepared in the same manner as the Default Service

the Company's Retail Delivery Tariff.

1 reconciliation filed with the Commission last year in Docket No. DE 09-010.

2
3 Q. Why is the Company subtracting amounts from Default Service revenue for the
4 Renewable Portfolio Standard Adder revenue?

5 A. Any amounts relating to the RPS Adder must be removed from total Default Service
6 revenue billed to customers in order to properly reflect the base Default Service revenue
7 for the current reconciliation period. Accordingly, the Company has calculated the
8 revenue relating to the Residential and Small C&I RPS Adder and the Medium & Large
9 C&I RPS Adder and removed these components of revenue from the total Default
10 Service revenue billed. The revenue amounts related to the RPS Adder are included in
11 the RPS Reconciliation discussed below.

12
13 **Renewable Portfolio Standard Reconciliation**

14 Q. Is the Company presenting a reconciliation of the costs for complying with Renewable
15 Portfolio Standard obligations in this filing?

16 A. Yes. The RPS Reconciliation for the period January 2008 through June 2010 is
17 presented in Schedule SMM-4.

18
19 Q. Please explain the Renewable Portfolio Standard Reconciliation in detail.

20 A. Schedule SMM-4, page 1, presents the actual reconciliation of RPS Adder revenue and
21 expense by month. The RPS Adder revenue collected from Default Service customers
22 since the implementation of RPS adders on January 1, 2008 is presented on page 2 of

1 Schedule SMM-4. The RPS Obligation Expenses for 2008 and 2009 is presented on page
2 3 of Schedule SMM-4. The Company has incurred all of the expenses to meet its 2008
3 RPS obligation. The Company has not yet incurred all of the expenses to meet the 2009
4 RPS obligation. The Company is obligated to procure its 2009 RPS obligation by July 1,
5 2010. The Company has provided an estimate of the remaining expenses to meet the
6 2009 RPS obligation in the month of June 2010.

7
8 Q. How is the Company proposing to treat the over recovery of RPS expense?

9 A. The Company is proposing to reflect the estimated over recovery through the 2010
10 Default Service Adjustment Factor.

11
12 **Reconciliation of the 2008 Default Service Adjustment Factor**

13 Q. Is the Company including the final results of the recovery through the Default Service
14 adjustment factor that was approved for implementation during May 2008?

15 A. Yes. The result of the recovery through the 2008 Default Service adjustment factor is
16 presented in Schedule SMM-5.

17
18 Q. What does Schedule SMM-5 illustrate?

19 A. Schedule SMM-5 indicates that of the \$64,196 under collection from the February 2007
20 through January 2008 reconciliation period that was to be recovered through the 2008
21 Default Service adjustment factor of 0.009¢ per kWh, \$53,456 was been recovered from
22 customers through April 2009. The remaining under recovered balance of \$12,675 is

1 reflected in the Default Service Reconciliation as an adjustment in May 2009.

2
3 **Reconciliation of the 2009 Default Service Adjustment Factor**

4 Q. Is the Company including a status of refund associated with the Default Service
5 adjustment factor that was approved for implementation on May 1, 2009?

6 A. Yes. The status of the adjustment to the 2009 Default Service adjustment factor is
7 presented in Schedule SMM-6.

8
9 Q. What does Schedule SMM-6 illustrate?

10 A. Schedule SMM-6 indicates that of the \$1,845,957 over collection from the February 2008
11 through January 2009 reconciliation period that is to be refunded through the 2009
12 Default Service adjustment factor credit of (0.285¢) per kWh, \$1,265,434 has been
13 refunded to customers through January 2010, with the remaining over recovery of
14 \$615,269 to be refunded to customers by the end of April 2010. Any remaining balance,
15 either positive or negative, will be reflected in next year's Default Service Reconciliation
16 as an adjustment in May 2010.

17
18 **Proposed 2010 Default Service Adjustment Factor**

19 Q. Is the Company proposing to implement a 2010 Default Service adjustment factor
20 beginning May 1, 2010?

21 A. Yes. The Company proposes a Default Service adjustment factor of 0.121¢ per kWh as
22 calculated in Schedule SMM-7. This schedule takes both the Default Service under

1 collection from Schedule SMM-3 and the estimated RPS over collection from Schedule
2 SMM-4, accrues interest on the net under-recovered balance during the refund period
3 assuming monthly recovery amounts, and divides the balance including interest by an
4 estimate of the kWh deliveries attributable to Default Service customers for the period
5 from May 2010 through April 2011.

6
7 Q. How would this factor be implemented?

8 A. The Default Service adjustment factor would become effective for usage on and after
9 May 1, 2010, the same date that the other rates proposed in this filing are proposed to
10 become effective. The proposed Default Service adjustment factor would be combined
11 with the Default Service rates for billing.

12
13 V. **Default Service Cost Reclassification Adjustment Factor Reconciliation**

14 Q. Please describe the reconciliation of the administrative costs of providing Default
15 Service.

16 A. Pursuant to the Company's Default Service Adjustment Provision, the Company shall
17 reconcile its administrative cost of providing Default Service with its Default Service
18 revenue associated with the recovery of administrative costs, and the excess or
19 deficiency, including interest at the interest rate paid on customer deposits, shall be
20 reflected in the subsequent year's Default Service Cost Reclassification Adjustment
21 Factor ("DSCRAF").
22

1 Q. Is the Company presenting a reconciliation of administrative costs of providing Default
2 Service with its Default Service revenue associated with the recovery of administrative
3 costs in its filing?

4 A. Yes. The Default Service Cost Reclassification Adjustment Factor Reconciliation for the
5 period February 2009 through January 2010 is presented in Schedule SMM-8.
6

7 Q. Please explain the Default Service Cost Reclassification Adjustment Factor reconciliation
8 in detail.

9 A. Schedule SMM-8, page 1, presents the actual reconciliation of DSCRAF revenue and
10 administrative expense by month. The detail behind each month's DSCRAF revenue is
11 included on page 1 of Schedule SMM-8. The detail behind each month's administrative
12 expense is shown on page 2 of Schedule SMM-8. The calculation of the cash working
13 capital impact is presented on pages 4 and 5 of Schedule SMM-8.
14

15 Q. Has the Company calculated the cash working capital impact consistently with last year's
16 calculation?

17 A. The Company is presenting an identical calculation of its cash working capital on
18 purchased energy and a consistent, albeit not identical, calculation of cash working
19 capital on its RPS obligation. To be consistent with the Commission's Order No. 24,861
20 dated June 20, 2008 in Docket DE 08-015, *Unitil Energy Systems Inc. Petition for*
21 *Approval of Default Service Solicitation and Proposed Default Service Tariffs For Large*
22 *Commercial and Industrial Customers*, the Company is presenting its modified cash

1 working capital study to reflect the fact that the Company is not obligated to transmit
2 RPS related payments to the State until July 1, 2010 and that the receipt of RPS adder
3 revenue reduces the Company's working capital requirement. However, although the
4 Company is not obligated to make a final payment regarding its RPS obligation until six
5 months beyond the end of a calendar year, the Company can make payments for the
6 purchase of renewable energy certificates ("RECs") at any time during the calendar year
7 up to six months after the end of the calendar year. In order to reflect a more reasonable
8 payment stream of REC purchases, the Company has reflected quarterly payment dates to
9 reflect the more likely payments associated with its RPS obligation. The working capital
10 impact related to the Company's 2009 RPS obligation is presented on page 4 of Schedule
11 SMM-8.

12
13 **Proposed Default Service Cost Reclassification Adjustment Factors**

14 Q. Has the Company calculated proposed DSCRAF's?

15 A. Yes. Schedule SMM-9 calculates the proposed DSCRAF's of 0.091¢ per kilowatt-hour
16 for the Small Customer Group and 0.037¢ per kilowatt-hour for the Large Customer
17 Group for the period May 2010 through April 2011.

18
19 Q. Has the Company calculated the DSCRAF's in the same manner as in last year's filing?

20 A. Yes. The Company has calculated the DSCRAF's in the same manner as in last year's
21 filing and in accordance with the methodologies approved in the Settlement Agreement.

1 **VI. Effective Date and Bill Impact**

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

3 A. Consistent with the Commission's rules on the implementation of rate changes, the
4 Company is proposing that all of the above rate changes be made effective for usage on
5 and after May 1, 2010.

6
7 Q. Has the Company determined the impact of these rate changes on customer bills?

8 A. Yes. These bill impacts are included in Schedule SMM-10. Schedule SMM-10 shows
9 that for a typical residential 500 kilowatt-hour Default Service customer, the bill impact
10 of the rates proposed for May 1, 2010, as compared to rates in effect today, is a bill
11 decrease of \$0.62, or 0.9%, from \$67.01 to \$66.39. In addition, a bill comparison for a
12 Default Service residential customer with an average kilowatt-hour usage of 640 which is
13 the average monthly usage over the twelve month period ending February 2010, has also
14 been included in this filing on page 1 of Schedule SMM-10. The bill impact of the rates
15 proposed in this filing, as compared to rates in effect today, is a bill decrease of \$0.80 or
16 0.9%, from \$86.37 to \$85.57. For other customers in the Small Customer Group,
17 decreases range from 0.9% to 1.2% (see pages 1 to 9 of Schedule SMM-10). For
18 customers in the Large Customer Group, the Company has provided typical bill impacts
19 for illustrative load-weighted rates. The bill impacts for the three-month period ending
20 July 2010 are decreases ranging from 9.4% to 11.0% as compared to the three-month
21 period ending April 2010 (see pages 10 to 16 of Schedule SMM-10).

1 Q. Has the Company prepared a revised Summary of Rates tariff page reflecting the
2 proposed rates?

3 A. Yes. It is included as Schedule SMM-11. The Summary of Rates reflects the proposed
4 Default Service rate changes contained in this filing. Upon receiving orders in this
5 proceeding, the Company will file a Sixty-third Revised Page 84, Summary of Rates,
6 reflecting the appropriate approved rates.

7
8 Q. Has the Company included the most recent quarterly report of migration information
9 based on monthly migration by customer class and load, as required by the Commission's
10 Order No. 24,715 in Docket No. DE 06-115?

11 A. The quarterly report of customer migration information for fourth quarter of calendar
12 year 2009 is included as Schedule SMM-12.

13
14 **VII. Conclusion**

15 Q. Does this conclude your testimony?

16 A. Yes.

Schedules
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Schedule SMM-7	Calculation of Proposed 2010 Default Service Adjustment Factor
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Schedule SMM-9	Calculation of Proposed Default Service Cost Reclassification Adjustment Factors
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Schedule SMM-1
Summary of Large Customer Group
Proposed Default Service Rates

Granite State Electric Company
Summary of Proposed Default Service Rates

		Medium and Large C&I		
		<u>May</u>	<u>June</u>	<u>July</u>
(1)	Wholesale Loads (kWh)			
(2)	Retail Loads (kWh)			
(3)	Loss Factor			
(4)	Wholesale Contract Price (\$/MWh)			
(5)	Base Default Service Rate (\$/kWh)	\$0.06734	\$0.06524	\$0.06901
(6)	2010 Default Service Reconciliation Adjustment Factor (\$/kWh)	\$0.00123	\$0.00123	\$0.00123
(7)	2010 Default Service Cost Reclassification Adjustment Factor (\$/kWh)	\$0.00037	\$0.00037	\$0.00037
(8)	Renewable Portfolio Standard Adder (\$/kWh)	<u>\$0.00226</u>	<u>\$0.00226</u>	<u>\$0.00226</u>
(9)	Total Default Service Rate (\$/kWh)	\$0.07120	\$0.06910	\$0.07287

- (1) Wholesale loads for the 12 month period ending December 2007
- (2) Retail loads for the 12 month period ending December 2007
- (3) Line (1) ÷ Line (2), rounded to five decimal places
- (4) Wholesale Contractor Price
- (5) Line (3) x Line (4) / 1000, truncated to five decimal places
- (6) Schedule SMM-7, Page 1
- (7) Schedule SMM-9, Page 1
- (8) Schedule MMJ-5
- (9) Line (5) + Line (6) + Line (7) + Line (8)

Granite State Electric Company
Large Customer Group
(Rates G-1 and G-2)
Illustrative Weighted Average Default Service Rates For Comparison Purposes Only
May 2010 - July 2010

Section 1: Percentage of Medium and Large C&I kWhs Attributable to Default Service

(1)	February 2010 Medium and Large C&I Default Service kWhs	16,332,033
(2)	February 2010 Total Medium and Large C&I kWhs	<u>36,903,734</u>
(3)	Percentage of Medium and Large C&I Default Service kWhs to Total Medium and Large C&I kWhs	44.26%

Section 2: Projected Medium and Large C&I Default Service kWhs, May 2010 - July 2010

	<u>May</u> (a)	<u>June</u> (b)	<u>July</u> (c)	<u>Total</u> (d)
(4)	Projected Total Company Medium and Large kWhs	43,535,130	34,180,790	45,813,337
(5)	Percentage of Medium and Large C&I Default Service kWhs to Total Medium and Large C&I kWhs	<u>44.26%</u>	<u>44.26%</u>	<u>44.26%</u>
(6)	Projected Medium and Large C&I Default Service kWhs	19,266,809	15,126,973	20,275,047

Section 3: Medium and Large C&I Default Service Load Weighting for May 2010 - July 2010

(7)	Projected Medium and Large C&I Default Service kWhs	19,266,809	15,126,973	20,275,047	54,668,828
(8)	Wholesale Loads (kWh)				
(9)	Retail Loads (kWh)				
(10)	Loss Factor				
(11)	Wholesale Contract Price (\$/MWh)				
(12)	Base Default Service Rate (\$/kWh)	\$0.06734	\$0.06524	\$0.06901	
(13)	2010 Default Service Reconciliation Adjustment Factor (\$/kWh)	\$0.00123	\$0.00123	\$0.00123	
(14)	2010 Default Service Cost Reclassification Adjustment Factor (\$/kWh)	\$0.00037	\$0.00037	\$0.00037	
(15)	<u>Renewable Portfolio Standard Adder (\$/kWh)</u>	<u>\$0.00226</u>	<u>\$0.00226</u>	<u>\$0.00226</u>	
(16)	Total Estimated Medium and Large C&I Default Service Price per kWh	\$0.07120	\$0.06910	\$0.07287	
(17)	Projected Medium and Large C&I Base Default Service Cost, May 2010 - July 2010	\$ 1,297,427	\$ 986,884	\$ 1,399,181	\$ 3,683,492
(18)	Weighted Average Medium and Large C&I Base Default Service Charge for May 2010 - July 2010				\$ 0.06737
(19)	Projected Medium and Large C&I Default Service Cost, May 2010 - July 2010	\$ 1,371,797	\$ 1,045,274	\$ 1,477,443	\$ 3,894,513
(20)	Weighted Average Medium and Large C&I Default Service Charge for May 2010 - July 2010				\$ 0.07123

(1)	Per Monthly CR97987A Default Service Revenue Reports (Rates G-1 and G-2)
(2)	Per Monthly CR97992A Total Revenue Reports (Rates G-1 and G-2)
(3)	Line (1) ÷ Line (2)
(4)	Per Company forecast for medium and large C&I rates (Rates G-1 and G-2)
(5)	Line (3)
(6)	Line (4) x Line (5)
(7)	Line (6)
(8)	Wholesale loads for the 12 month period ending December 2007
(9)	Retail loads for the 12 month period ending December 2007
(10)	Line (8) ÷ Line (9), rounded to five decimal places
(11)	Contractor Wholesale Price
(12)	Line (10) x Line (11) / 1000, truncated to five decimal places
(13)	Schedule SMM-7, Page 1
(14)	Schedule SMM-9, Page 1
(15)	Line (5) + Line (6) + Line (7) + Line (8)
(16)	Line (12) + Line (13) + Line (14) + Line (15)
(17)	Line (7) x Line (12)
(18)	Line (17) total ÷ Line (7) total, truncated after 5 decimal places
(19)	Line (7) x Line (16)
(20)	Line (19) total ÷ Line (7) total, truncated after 5 decimal places

Schedule SMM-2
Calculation of Small Customer Group
Proposed Default Service Rate

Granite State Electric Company
Small Customer Group
(Rates D, D-10, G-3, M, T and V)
Based on Weighted Average Effective Default Service Prices
May 2010 - October 2010

Section 1: Percentage of Residential and Small C&I kWhs Attributable to Default Service

(1)	February 2010 Residential and Small C&I Default Service kWhs	31,924,355
(2)	February 2010 Total Residential and Small C&I kWhs	32,903,244
(3)	Percentage of Residential and Small C&I Default Service kWhs to Total Residential and Small C&I kWhs	97.02%

Section 2: Projected Residential and Small C&I Default Service kWhs, May 2010 - October 2010

		<u>May</u> (a)	<u>June</u> (b)	<u>July</u> (c)	<u>August</u> (d)	<u>September</u> (e)	<u>October</u> (f)	<u>Total</u> (g)
(4)	Projected Total Company Residential and Small C&I kWhs	26,888,286	29,089,549	35,265,875	33,616,491	31,834,777	30,354,072	187,049,048
(5)	Percentage of Residential and Small C&I Default Service kWhs to Total Residential and Small	<u>97.02%</u>	<u>97.02%</u>	<u>97.02%</u>	<u>97.02%</u>	<u>97.02%</u>	<u>97.02%</u>	
(6)	Projected Residential and Small C&I Default Service kWhs	26,088,345	28,224,119	34,216,696	32,616,383	30,887,675	29,451,022	181,484,240

Section 3: Residential and Small C&I Default Service Load Weighting for May 2010 - October 2010

(7)	Projected Residential and Small C&I Default Service kWhs	26,088,345	28,224,119	34,216,696	32,616,383	30,887,675	29,451,022	181,484,240
(8)	Wholesale Loads (kWh)							
(9)	Retail Loads (kWh)							
(10)	Loss Factor							
(11)	Wholesale Contract Price (\$/MWh)							
(12)	Base Residential and Small C&I Default Service Rate (\$/kWh)	\$0.06601	\$0.06551	\$0.06848	\$0.06924	\$0.06636	\$0.06648	
(13)	Projected Residential and Small C&I Default Service Base Revenue, May 2010 - October 2010	\$1,722,092	\$1,848,962	\$2,343,159	\$2,258,358	\$2,049,706	\$1,957,904	\$12,180,181
(14)	Weighted Average Base Residential and Small C&I Default Service Charge for May 2010 - October 2010							\$0.06711
(15)	2010 Default Service Reconciliation Adjustment Factor (\$/kWh)							\$0.00123
(16)	2010 Default Service Cost Reclassification Adjustment Factor (\$/kWh)							\$0.00091
(17)	<u>Proposed Renewable Portfolio Standard Adder (\$/kWh)</u>							<u>\$0.00230</u>
(18)	Total Residential and Small C&I Default Service Price per kWh							\$0.07155

-
- (1) Per Monthly CR97987A Default Service Revenue Reports (Rates D, D-10, G-3, M, T, and V)
(2) Per Monthly CR97992A Total Revenue Reports (Rates D, D-10, G-3, M, T, and V)
(3) Line (1) ÷ Line (2)
(4) Per Company forecast for residential and small C&I rates (Rates D, D-10, G-3, M, T and V)
(5) Line (3)
(6) Line (4) x Line (5)
(7) Line (6)
(8) Wholesale loads for the 12 month period ending December 2007
(9) Retail loads for the 12 month period ending December 2007
(10) Line (8) ÷ Line (9), rounded to five decimal places
(11) Contractor Wholesale Price
(12) Line (10) x Line (11) / 1000, truncated to five decimal places
(13) Line (7) x Line (12)
(14) Line (13) ÷ Line (7), rounded to five decimal places
(15) Schedule SMM-7, Page 1
(16) Schedule SMM-9, Page 1
(17) Schedule MMJ-5
(18) Line (14) + Line (15) + Line (16) + Line (17)

Schedule SMM-3
Default Service Reconciliation
February 1, 2009 - January 31, 2010

National Grid
Default Service Reconciliation
February 2009 Through January 2010

Month	Over/(Under) Beginning Balance (a)	Base Default Service Revenue (b)	Default Service Adjustment (c)	Default Service Expense (d)	Monthly Over/(Under) (e)	Over/(Under) Ending Balance (f)	Balance Subject to Interest (g)	Effective Interest Rate (h)	Interest (i)	Cumulative Interest (j)
Feb-09	\$0	\$4,813,363	\$180	\$5,060,491	(\$246,948)	(\$246,948)	(\$123,474)	4.00%	(\$404)	(\$404)
Mar-09	(\$247,352)	\$4,702,067		\$4,590,035	\$112,032	(\$135,320)	(\$191,336)	4.00%	(\$626)	(\$1,031)
Apr-09	(\$135,946)	\$3,904,876		\$4,040,733	(\$135,858)	(\$271,804)	(\$203,875)	3.25%	(\$544)	(\$1,575)
May-09	(\$272,348)	\$3,488,951	(\$12,675)	\$3,405,920	\$70,356	(\$201,992)	(\$237,170)	3.25%	(\$633)	(\$2,208)
Jun-09	(\$202,624)	\$3,159,749		\$3,319,350	(\$159,600)	(\$362,225)	(\$282,425)	3.25%	(\$754)	(\$2,961)
Jul-09	(\$362,979)	\$3,597,652		\$3,843,809	(\$246,157)	(\$609,135)	(\$486,057)	3.25%	(\$1,297)	(\$4,259)
Aug-09	(\$610,433)	\$3,734,751		\$4,091,438	(\$356,686)	(\$967,119)	(\$788,776)	3.25%	(\$2,105)	(\$6,364)
Sep-09	(\$969,224)	\$3,210,103		\$3,013,958	\$196,145	(\$773,079)	(\$871,151)	3.25%	(\$2,325)	(\$8,689)
Oct-09	(\$775,403)	\$3,192,837		\$3,215,845	(\$23,008)	(\$798,412)	(\$786,908)	3.25%	(\$2,100)	(\$10,789)
Nov-09	(\$800,512)	\$3,205,319		\$2,848,993	\$356,326	(\$444,186)	(\$622,349)	3.25%	(\$1,661)	(\$12,450)
Dec-09	(\$445,847)	\$3,872,456		\$3,979,753	(\$107,297)	(\$553,144)	(\$499,495)	3.25%	(\$1,333)	(\$13,783)
Jan-10	(\$554,477)	\$4,131,593		\$4,336,736	(\$205,144)	(\$759,620)	(\$657,049)	3.25%	(\$1,754)	(\$15,536)
		\$45,013,717	(\$12,495)	\$45,747,060						
Cumulative Over/(Under) Collection of Default Service						(\$761,374)				

- (a) Prior Month Column (f) + Prior Month Column (i)
- (b) Page 2
- (c) Adjustment to December 2009 Supplier Reallocation
Schedule SMM-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) Interest rate on Customer Deposits
- (i) Column (g) x [(1 + Column (h)) ^ (1 ÷ 12) - 1]
- (j) Column (i) + Prior Month Column (j)

National Grid
Default Service Expense

	Default Service Bill (a)	Supplier Reallocations (b)	Total Expense (c) = (a) + (b)
February 2009	\$5,101,533	(\$41,043)	\$5,060,491
March	\$4,598,409	(\$8,374)	\$4,590,035
April	\$4,101,918	(\$61,185)	\$4,040,733
May	\$2,960,340	\$445,579	\$3,405,920
June	\$3,148,036	\$171,313	\$3,319,350
July	\$3,818,771	\$25,038	\$3,843,809
August	\$4,093,302	(\$1,864)	\$4,091,438
September	\$2,990,043	\$23,915	\$3,013,958
October	\$3,214,035	\$1,810	\$3,215,845
November	\$2,879,559	(\$30,566)	\$2,848,993
December	\$3,927,911	\$51,843	\$3,979,753
January 2010	<u>\$4,381,539</u>	<u>(\$44,802)</u>	<u>\$4,336,736</u>
Total	\$45,215,395	\$531,665	\$45,747,060

Source: Monthly Default Service Provider Invoice

National Grid
Default Service Revenue

	Default Service Revenue (a)	Renewable Portfolio Standard Revenue (b)	Base Default Service Revenue (c) = (a) - (b)
February 2009	\$4,911,539	\$98,177	\$4,813,363
March	\$4,803,162	\$101,095	\$4,702,067
April	\$3,995,971	\$91,096	\$3,904,876
May	\$3,546,496	\$57,545	\$3,488,951
June	\$3,215,653	\$55,904	\$3,159,749
July	\$3,649,283	\$51,631	\$3,597,652
August	\$3,846,104	\$111,353	\$3,734,751
September	\$3,306,542	\$96,439	\$3,210,103
October	\$3,287,951	\$95,114	\$3,192,837
November	\$3,291,533	\$86,214	\$3,205,319
December	\$3,973,113	\$100,657	\$3,872,456
January 2010	<u>\$4,248,793</u>	<u>\$117,201</u>	<u>\$4,131,593</u>
Total	\$46,076,141	\$1,062,424	\$45,013,717

Schedule SMM-4
Renewable Portfolio Standard Reconciliation

National Grid
Renewable Portfolio Standard Reconciliation
January 2008 - December 2009

Balance @ December 31, 2009

Month	Beginning Balance (a)	Revenue (b)	Adjustment (c)	Expense (d)	Monthly Over/(Under) (e)	Ending Balance (f)	Balance Subject to Interest (g)	Interest Rate (h)	Interest (i)	Cumulative Interest (j)
Jan-08	\$0	\$61,547		\$0	\$61,547	\$61,547	\$30,774	7.50%	\$186	\$186
Feb-08	\$61,733	\$54,026		\$0	\$54,026	\$115,760	\$88,746	7.50%	\$536	\$722
Mar-08	\$116,296	\$60,431		\$0	\$60,431	\$176,727	\$146,512	7.50%	\$886	\$1,608
Apr-08	\$177,613	\$55,493		\$0	\$55,493	\$233,106	\$205,360	6.00%	\$1,000	\$2,608
May-08	\$234,106	\$57,925		\$0	\$57,925	\$292,031	\$263,069	6.00%	\$1,281	\$3,888
Jun-08	\$293,311	\$55,261		\$0	\$55,261	\$348,573	\$320,942	6.00%	\$1,562	\$5,450
Jul-08	\$350,135	\$65,070		\$0	\$65,070	\$415,205	\$382,670	5.00%	\$1,559	\$7,009
Aug-08	\$416,764	\$66,894		\$0	\$66,894	\$483,658	\$450,211	5.00%	\$1,834	\$8,844
Sep-08	\$485,493	\$56,990		\$0	\$56,990	\$542,483	\$513,988	5.00%	\$2,094	\$10,938
Oct-08	\$544,577	\$53,825		\$0	\$53,825	\$598,402	\$571,490	5.00%	\$2,328	\$13,266
Nov-08	\$600,731	\$56,380		\$0	\$56,380	\$657,110	\$628,920	5.00%	\$2,562	\$15,828
Dec-08	\$659,673	\$65,201		\$0	\$65,201	\$724,874	\$692,273	5.00%	\$2,820	\$18,649
Jan-09	\$727,694	\$117,038		\$0	\$117,038	\$844,733	\$786,213	4.00%	\$2,574	\$21,223
Feb-09	\$847,306	\$98,177		\$0	\$98,177	\$945,483	\$896,395	4.00%	\$2,935	\$2,935
Mar-09	\$948,418	\$101,095		\$0	\$101,095	\$1,049,513	\$998,965	4.00%	\$3,270	\$6,205
Apr-09	\$1,052,783	\$91,096		\$6,810	\$84,286	\$1,137,068	\$1,094,926	3.25%	\$2,922	\$9,127
May-09	\$1,139,991	\$57,545		\$0	\$57,545	\$1,197,536	\$1,168,763	3.25%	\$3,119	\$12,246
Jun-09	\$1,200,655	\$55,904		\$755,662	(\$699,758)	\$500,897	\$850,776	3.25%	\$2,271	\$14,517
Jul-09	\$503,167	\$51,631		\$2,000	\$49,631	\$552,798	\$527,983	3.25%	\$1,409	\$15,926
Aug-09	\$554,207	\$111,353		\$0	\$111,353	\$665,560	\$609,884	3.25%	\$1,628	\$17,554
Sep-09	\$667,188	\$96,439		\$0	\$96,439	\$763,627	\$715,407	3.25%	\$1,909	\$19,463
Oct-09	\$765,536	\$95,114		\$0	\$95,114	\$860,650	\$813,093	3.25%	\$2,170	\$21,633
Nov-09	\$862,820	\$86,214		\$0	\$86,214	\$949,034	\$905,927	3.25%	\$2,418	\$24,051
Dec-09	\$951,451	\$100,657		\$0	\$100,657	\$1,052,108	\$1,001,780	3.25%	\$2,674	\$26,724

Projected Balance @ June 30, 2010

Jan-10	\$1,054,782			\$216,000	(\$216,000)	\$838,782	\$946,782	3.25%	\$2,527	\$29,251
Feb-10	\$841,308			\$337,515	(\$337,515)	\$503,794	\$672,551	3.25%	\$1,795	\$31,046
Mar-10	\$505,589			\$0	\$0	\$505,589	\$505,589	3.25%	\$1,349	\$32,395
Apr-10	\$506,938			\$0	\$0	\$506,938	\$506,938	3.25%	\$1,353	\$33,748
May-10	\$508,291			\$0	\$0	\$508,291	\$508,291	3.25%	\$1,357	\$35,105
Jun-10	\$509,647			\$457,482	(\$457,482)	\$52,165	\$280,906	3.25%	\$750	\$35,854

\$1,771,307 \$0 \$1,775,469

Cumulative Over/(Under) Collection of Renewable Portfolio Standard
Compliance Costs

\$52,915

- (a) Prior Month Column (f) + Prior Month Column (i)
- (b) Page 2 Column (g)
- (c)
- (d) Page 3 Column (c)
- (e) Column (b) + Column (c) - Column (d)
- (f) Column (a) + Column (e)
- (g) [Column (a) + Column (f)] ÷ 2
- (h) Interest Rate on Customer Deposits
- (i) Column (g) x [(1 + Column (h)) ^ (1 ÷ 12) - 1]
- (j) Column (i) + Prior Month Column (j)

National Grid
Renewable Portfolio Adder Revenue

	Small Customer Group kWh Deliveries (a)	Renewable Portfolio Standard Adder (b)	Renewable Portfolio Standard Revenue (c)	Large Customer Group kWh Deliveries (d)	Renewable Portfolio Standard Adder (e)	Renewable Portfolio Standard Revenue (f)	Total Renewable Portfolio Standard Revenue (g)
January 2008	35,742,095	\$0.00108	\$38,601	21,246,100	\$0.00108	\$22,946	\$61,547
February	30,705,350	\$0.00108	\$33,162	19,319,118	\$0.00108	\$20,865	\$54,026
March	33,465,243	\$0.00108	\$36,142	22,489,573	\$0.00108	\$24,289	\$60,431
April	29,112,549	\$0.00108	\$31,442	22,270,264	\$0.00108	\$24,052	\$55,493
May	31,128,423	\$0.00108	\$33,619	22,505,766	\$0.00108	\$24,306	\$57,925
June	29,310,716	\$0.00108	\$31,656	21,857,184	\$0.00108	\$23,606	\$55,261
July	34,288,582	\$0.00108	\$37,032	25,961,581	\$0.00108	\$28,039	\$65,070
August	33,787,447	\$0.00108	\$36,490	24,718,488	\$0.00123	\$30,404	\$66,894
September	30,092,131	\$0.00108	\$32,500	19,911,164	\$0.00123	\$24,491	\$56,990
October	28,266,129	\$0.00108	\$30,527	18,941,375	\$0.00123	\$23,298	\$53,825
November	29,390,467	\$0.00119	\$34,975	17,987,464	\$0.00119	\$21,405	\$56,380
December	35,958,139	\$0.00119	\$42,790	18,832,715	\$0.00119	\$22,411	\$65,201
January 2009	38,664,104	\$0.00199	\$76,942	20,149,170	\$0.00199	\$40,097	\$117,038
February	32,144,110	\$0.00199	\$63,967	17,190,923	\$0.00199	\$34,210	\$98,177
March	32,179,464	\$0.00199	\$64,037	18,622,007	\$0.00199	\$37,058	\$101,095
April	27,998,822	\$0.00199	\$55,718	17,777,829	\$0.00199	\$35,378	\$91,096
May	28,070,945	\$0.00205	\$57,545				\$57,545
June	27,270,192	\$0.00205	\$55,904				\$55,904
July	25,185,786	\$0.00205	\$51,631				\$51,631
August	20,330,221	\$0.00205	\$41,677	33,988,213	\$0.00205	\$69,676	\$111,353
September	17,919,971	\$0.00205	\$36,736	29,123,432	\$0.00205	\$59,703	\$96,439
October	17,312,300	\$0.00205	\$35,490	29,084,684	\$0.00205	\$59,624	\$95,114
November	16,232,995	\$0.00191	\$31,005	29,366,345	\$0.00188	\$55,209	\$86,214
December	17,944,658	\$0.00191	\$34,274	35,309,735	\$0.00188	\$66,382	\$100,657
January 2010	18,300,228	\$0.00262	\$47,947	36,837,226	\$0.00188	\$69,254	<u>\$117,201</u>
Total							\$1,888,508

- (a) Monthly Energy Service Revenue Report - CR97987A
(b) Approved RPS Adder
(c) Column (a) x Column (b)
(d) Monthly Energy Service Revenue Report - CR97987A
(e) Approved RPS Adder, there was no RPS Adder for the Large Customer Group for May 2010 - July 2010
(f) Column (d) x Column (e)
(g) Column (c) + Column (f)

National Grid
Renewable Portfolio Standard Expenses

	2008 Renewable Portfolio Standard Expenses (a)	2009 Renewable Portfolio Standard Expenses (b)	Total Renewable Portfolio Standard Expenses (c)
January 2008	\$0	\$0	\$0
February	\$0	\$0	\$0
March	\$0	\$0	\$0
April	\$0	\$0	\$0
May	\$0	\$0	\$0
June	\$0	\$0	\$0
July	\$0	\$0	\$0
August	\$0	\$0	\$0
September	\$0	\$0	\$0
October	\$0	\$0	\$0
November	\$0	\$0	\$0
December	\$0	\$0	\$0
January 2009	\$0	\$0	\$0
February	\$0	\$0	\$0
March	\$0	\$0	\$0
April	\$0	\$6,810	\$6,810
May	\$0	\$0	\$0
June	\$755,662	\$0	\$755,662
July	\$2,000	\$0	\$2,000
August	\$0	\$0	\$0
September	\$0	\$0	\$0
October	\$0	\$0	\$0
November	\$0	\$0	\$0
December	\$0	\$0	\$0
January 2010	\$0	\$216,000	\$216,000
February	\$0	\$337,515	\$337,515
March	\$0	\$0	\$0
April	\$0	\$0	\$0
May	\$0	\$0	\$0
June	<u>\$0</u>	<u>\$457,482</u>	<u>\$457,482</u>
Total	\$757,662	\$1,017,807	\$1,775,469

(a) ACP Payment

(b) From Invoices for RECS; June 2010 includes estimated expense to be incurred to purchase remaining 2009 obligation

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

Schedule SMM-5
2008 Default Service Adjustment Factor Reconciliation

National Grid
Reconciliation of Default Service Under Recovery
Balance Incurred February 2007 through January 2008
Recovered May 2008 - April 2009

Month	Beginning Under Recovery Balance (a)	Default Service Adjustment Revenue (b)	Ending Under Recovery Balance (c)	Balance Subject to Interest (d)	Effective Interest Rate (e)	Interest (f)	Cumulative Interest (g)
May-08	(\$64,196)	\$3,844	(\$60,352)	(\$62,274)	6.00%	(\$303)	(\$303)
Jun-08	(\$60,655)	\$3,227	(\$57,428)	(\$59,041)	6.00%	(\$287)	(\$591)
Jul-08	(\$57,715)	\$4,817	(\$52,898)	(\$55,307)	5.00%	(\$225)	(\$816)
Aug-08	(\$53,123)	\$5,316	(\$47,808)	(\$50,466)	5.00%	(\$206)	(\$1,021)
Sep-08	(\$48,013)	\$4,510	(\$43,503)	(\$45,758)	5.00%	(\$186)	(\$1,208)
Oct-08	(\$43,689)	\$4,204	(\$39,486)	(\$41,588)	5.00%	(\$169)	(\$1,377)
Nov-08	(\$39,655)	\$4,206	(\$35,449)	(\$37,552)	5.00%	(\$153)	(\$1,530)
Dec-08	(\$35,602)	\$4,916	(\$30,687)	(\$33,145)	5.00%	(\$135)	(\$1,665)
Jan-09	(\$30,822)	\$5,281	(\$25,541)	(\$28,181)	4.00%	(\$92)	(\$1,758)
Feb-09	(\$25,633)	\$4,440	(\$21,193)	(\$23,413)	4.00%	(\$77)	(\$1,834)
Mar-09	(\$21,269)	\$4,575	(\$16,694)	(\$18,982)	4.00%	(\$62)	(\$1,896)
Apr-09	(\$16,757)	\$4,121	(\$12,636)	(\$14,696)	3.25%	(\$39)	(\$1,936)
		\$53,456					
Remaining Recovery			(\$12,675)				

- (a) Beginning Balance: March 17, 2008 May 2008 Default Service filing in DE 08-011, Schedule SMM-6, Page 2
Prior Month Column (c) + Prior Month Column (f)
- (b) Monthly Energy Service Revenue Report - CR97987A
- (c) Column (a) + Column (b)
- (d) [Column (a) + Column (c)] ÷ 2
- (e) Interest rate on Customer Deposits
- (f) Column (d) x [(1 + Column (e)) ^ (1 ÷ 12) - 1]
- (g) Column (f) + Prior Month Column (g)

Schedule SMM-6
2009 Default Service Adjustment Factor Reconciliation

National Grid
Reconciliation of Default Service Over Recovery
Balance Incurred February 2008 through January 2009
Refunded May 2009 - April 2010

Month	Beginning Over Recovery Balance (a)	Default Service Adjustment Refund (b)	Ending Over Recovery Balance (c)	Balance Subject to Interest (d)	Effective Interest Rate (e)	Interest (f)	Cumulative Interest (g)
May-09	\$1,845,957	(\$128,391)	\$1,717,566	\$1,781,762	3.25%	\$4,755	\$4,755
Jun-09	\$1,722,322	(\$130,926)	\$1,591,395	\$1,656,858	3.25%	\$4,422	\$9,177
Jul-09	\$1,595,817	(\$146,194)	\$1,449,623	\$1,522,720	3.25%	\$4,064	\$13,241
Aug-09	\$1,453,687	(\$154,672)	\$1,299,015	\$1,376,351	3.25%	\$3,673	\$16,914
Sep-09	\$1,302,688	(\$134,061)	\$1,168,628	\$1,235,658	3.25%	\$3,298	\$20,212
Oct-09	\$1,171,925	(\$132,205)	\$1,039,720	\$1,105,823	3.25%	\$2,951	\$23,163
Nov-09	\$1,042,671	(\$130,007)	\$912,664	\$977,668	3.25%	\$2,609	\$25,772
Dec-09	\$915,273	(\$151,832)	\$763,441	\$839,357	3.25%	\$2,240	\$28,012
Jan-10	\$765,681	(\$157,146)	\$608,535	\$687,108	3.25%	\$1,834	\$29,846
Feb-10	\$610,369		\$610,369	\$610,369	3.25%	\$1,629	\$31,475
Mar-10	\$611,998		\$611,998	\$611,998	3.25%	\$1,633	\$33,108
Apr-10	\$613,631		\$613,631	\$613,631	3.25%	\$1,638	\$34,746
		(\$1,265,434)					
Remaining Recovery			\$615,269				

- (a) Beginning Balance: March 16, 2009 May 2009 Default Service filing in DE 09-010, Schedule SMM-6, Page 2
Prior Month Column (c) + Prior Month Column (f)
- (b) Monthly Energy Service Revenue Report - CR97987A
- (c) Column (a) + Column (b)
- (d) [Column (a) + Column (c)] ÷ 2
- (e) Interest rate on Customer Deposits
- (f) Column (d) x [(1 + Column (e)) ^ (1 ÷ 12) - 1]
- (g) Column (f) + Prior Month Column (g)

Schedule SMM-7
Calculation of
Proposed 2010 Default Service Adjustment Factor

National Grid
Calculation of Default Service Adjustment Factor
Effective May 1, 2010

(1) Default Service Under Collection	(\$761,374)
(2) Renewable Portfolio Standard Obligation Over Collection	\$52,915
(3) Estimated Interest During Refund Period	<u>(\$17,932)</u>
(4) Under Collection Including Interest	(\$726,391)
(5) Estimated Default Service kWh Deliveries	587,641,281
(6) Default Service Adjustment Factor per kWh	\$0.00123

(1) Schedule SMM-3, Page 1 of 3

(2) Schedule SMM-4, Page 1 of 3

(3) Line (1) + Line (2)

(4) Line (1) + Line (2) + Line (3)

(5) Per Company forecast, total company estimated deliveries of 850,073,196 multiplied by the percentage of February 2010 deliveries attributable to Default Service of 69.13%

(6) Line (3) ÷ Line (4), truncated after 5 decimal places

National Grid
Calculation of Interest on Default Service Undercollection

	Beginning Undercollection With Interest (a)	Estimated Recovery (b)	Ending Undercollection (c)	Balance Subject to Interest (d)	Effective Interest Rate (e)	Interest (f)	Cumulative Interest (g)
February 2010	(\$761,374)		(\$761,374)	(\$761,374)	3.25%	(\$2,032)	(\$2,032)
March	(\$763,406)		(\$763,406)	(\$763,406)	3.25%	(\$2,037)	(\$4,069)
April	(\$765,443)		(\$765,443)	(\$765,443)	3.25%	(\$2,043)	(\$6,112)
May	(\$767,486)	\$63,957	(\$703,529)	(\$735,507)	3.25%	(\$1,963)	(\$8,075)
June	(\$705,492)	\$64,136	(\$641,356)	(\$673,424)	3.25%	(\$1,797)	(\$9,872)
July	(\$643,153)	\$64,315	(\$578,838)	(\$610,996)	3.25%	(\$1,631)	(\$11,503)
August	(\$580,469)	\$64,497	(\$515,972)	(\$548,220)	3.25%	(\$1,463)	(\$12,966)
September	(\$517,435)	\$64,679	(\$452,756)	(\$485,096)	3.25%	(\$1,295)	(\$14,261)
October	(\$454,051)	\$64,864	(\$389,186)	(\$421,618)	3.25%	(\$1,125)	(\$15,386)
November	(\$390,311)	\$65,052	(\$325,259)	(\$357,785)	3.25%	(\$955)	(\$16,341)
December	(\$326,214)	\$65,243	(\$260,971)	(\$293,593)	3.25%	(\$784)	(\$17,124)
January 2011	(\$261,755)	\$65,439	(\$196,316)	(\$229,036)	3.25%	(\$611)	(\$17,736)
February	(\$196,928)	\$65,643	(\$131,285)	(\$164,106)	3.25%	(\$438)	(\$18,174)
March	(\$131,723)	\$65,861	(\$65,861)	(\$98,792)	3.25%	(\$264)	(\$18,437)
April	(\$66,125)	<u>\$66,125</u>	(\$0)	(\$33,063)	3.25%	(\$88)	(\$18,525)
Total Recovery		\$779,811					

- (a) February 2009 per Page 1, Line (1); all other months = prior month Column (c) + prior month Column (f)
(b) Column (a) ÷ number of remaining months in recovery period
(c) Column (a) + Column (b)
(d) Average of Column (a) and Column (c)
(e) Interest rate on customer deposits
(f) Column (d) x [(1 + Column (e)) ^ (1 ÷ 12) - 1]
(g) Prior month Column (g) + Current month Column (f)

Calculation of Interest on Renewable Portfolio Standard Overcollection

	Beginning Overcollection With Interest (a)	Estimated Refund (b)	Ending Overcollection (c)	Balance Subject to Interest (d)	Effective Interest Rate (e)	Interest (f)	Cumulative Interest (g)
May	\$52,915	(\$4,410)	\$48,505	\$50,710		\$0	\$0
June	\$48,505	(\$4,410)	\$44,096	\$46,301		\$0	\$0
July	\$44,096	(\$4,410)	\$39,686	\$41,891	3.25%	\$112	\$112
August	\$39,798	(\$4,422)	\$35,376	\$37,587	3.25%	\$100	\$212
September	\$35,476	(\$4,435)	\$31,042	\$33,259	3.25%	\$89	\$301
October	\$31,131	(\$4,447)	\$26,683	\$28,907	3.25%	\$77	\$378
November	\$26,761	(\$4,460)	\$22,300	\$24,530	3.25%	\$65	\$443
December	\$22,366	(\$4,473)	\$17,893	\$20,129	3.25%	\$54	\$497
January 2011	\$17,946	(\$4,487)	\$13,460	\$15,703	3.25%	\$42	\$539
February	\$13,502	(\$4,501)	\$9,001	\$11,251	3.25%	\$30	\$569
March	\$9,031	(\$4,516)	\$4,516	\$6,773	3.25%	\$18	\$587
April	\$4,534	<u>(\$4,534)</u>	\$0	\$2,267	3.25%	\$6	\$593
Total Refund		(\$53,502)					

- (a) May 2009 per Page 1, Line (2); all other months = prior month Column (c) + prior month Column (f)
(b) Column (a) ÷ number of remaining months in recovery period
(c) Column (a) + Column (b)
(d) Average of Column (a) and Column (c)
(e) Interest rate on customer deposits, Interest rates for May and June are zero as beginning balance already includes interest through June 2010
(f) Column (d) x [(1 + Column (e)) ^ (1 ÷ 12) - 1]
(g) Prior month Column (g) + Current month Column (f)

Schedule SMM-8
Default Service Cost Reclassification
Adjustment Factor Reconciliation
February 1, 2009 - January 31, 2010

National Grid
Default Service Cost Reclassification Adjustment Factor Reconciliation
February 2009 Through January 2010

Month	Beginning Balance (a)	Revenue (b)	Adjustment (c)	Expense (d)	Monthly Over/(Under) (e)	Ending Balance (f)	Balance Subject to Interest (g)	Interest Rate (h)	Interest (i)	Cumulative Interest (j)
Feb-09	\$0	\$42,790		\$34,232	\$8,558	\$8,558	\$4,279	4.00%	\$14	\$14
Mar-09	\$8,572	\$43,290		\$33,781	\$9,509	\$18,081	\$13,327	4.00%	\$44	\$58
Apr-09	\$18,125	\$36,098		\$31,617	\$4,481	\$22,605	\$20,365	3.25%	\$54	\$112
May-09	\$22,660	\$32,550		\$34,471	(\$1,921)	\$20,739	\$21,699	3.25%	\$58	\$170
Jun-09	\$20,797	\$29,732		\$35,874	(\$6,141)	\$14,656	\$17,726	3.25%	\$47	\$217
Jul-09	\$14,703	\$33,337		\$32,401	\$937	\$15,640	\$15,171	3.25%	\$40	\$258
Aug-09	\$15,680	\$35,317		\$31,701	\$3,615	\$19,296	\$17,488	3.25%	\$47	\$304
Sep-09	\$19,342	\$30,356		\$33,738	(\$3,382)	\$15,960	\$17,651	3.25%	\$47	\$351
Oct-09	\$16,007	\$29,999		\$31,359	(\$1,361)	\$14,647	\$15,327	3.25%	\$41	\$392
Nov-09	\$14,687	\$29,774		\$31,043	(\$1,269)	\$13,419	\$14,053	3.25%	\$38	\$430
Dec-09	\$13,456	\$34,938		\$33,610	\$1,328	\$14,784	\$14,120	3.25%	\$38	\$468
Jan-10	\$14,822	\$36,221		\$31,658	\$4,563	\$19,385	\$17,104	3.25%	\$46	\$513
		\$414,403	\$0	\$395,485						
Cumulative Over/(Under) Collection of Default Service Administrative Costs						\$19,431				

- (a) Prior Month Column (f) + Prior Month Column (i)
- (b) Monthly Energy Service Revenue Report - CR97987A
- (c)
- (d) Page 2 Column (4)
- (e) Column (b) + Column (c) - Column (d)
- (f) Column (a) + Column (e)
- (g) [Column (a) + Column (f)] ÷ 2
- (h) Interest Rate on Customer Deposits
- (i) Column (g) x [(1 + Column (h)) ^ (1 ÷ 12) - 1]
- (j) Column (i) + Prior Month Column (j)

National Grid
Default Service Cost Reclassification Adjustment Expenses
February 2009 Through January 2010

	Payroll Expenses (a)	Bad Debt Expense (b)	Cash Working Capital Expense (c)	Total Expense (d)
February 2009	\$1,221	\$29,631	\$3,380	\$34,232
March	\$1,326	\$29,631	\$2,825	\$33,781
April	\$0	\$29,631	\$1,986	\$31,617
May	\$2,853	\$29,631	\$1,987	\$34,471
June	\$4,303	\$29,631	\$1,939	\$35,874
July	\$311	\$29,631	\$2,459	\$32,401
August	\$370	\$29,631	\$1,701	\$31,701
September	\$3,088	\$29,631	\$1,019	\$33,738
October	\$515	\$29,631	\$1,213	\$31,359
November	\$369	\$29,631	\$1,043	\$31,043
December	\$2,201	\$29,631	\$1,779	\$33,610
January 2010	<u>\$0</u>	<u>\$29,631</u>	<u>\$2,027</u>	<u>\$31,658</u>
Total	\$16,557	\$355,571	\$23,358	\$395,485

- (a) Per accounting project established to account for Default Service administrative expenses
(b) Schedule SMM-9, Workpaper 4, Page 1 - Section 5 Line (3) ÷ 12
(c) Page 3 Column (e)+ Page 4 Column (e)
(d) Column (a) + Column (b) + Column (c)

National Grid
Default Service Cost Reclassification Adjustment Expenses
February 2009 Through January 2010

	Total Power Procurement Default Service Expenses (a)	CWC % (b)	Working Capital Requirement (c)	Prime Interest Rate (d)	Working Capital Impact (e)
February 2009	\$5,060,491	2.64%	\$133,597	4.00%	\$5,344
March	\$4,590,035	2.64%	\$121,177	4.00%	\$4,847
April	\$4,040,733	2.64%	\$106,675	3.25%	\$3,467
May	\$3,405,920	2.64%	\$89,916	3.25%	\$2,922
June	\$3,319,350	2.64%	\$87,631	3.25%	\$2,848
July	\$3,843,809	2.64%	\$101,477	3.25%	\$3,298
August	\$4,091,438	2.64%	\$108,014	3.25%	\$3,510
September	\$3,013,958	2.64%	\$79,568	3.25%	\$2,586
October	\$3,215,845	2.64%	\$84,898	3.25%	\$2,759
November	\$2,848,993	2.64%	\$75,213	3.25%	\$2,444
December	\$3,979,753	2.64%	\$105,065	3.25%	\$3,415
January 2010	<u>\$4,336,736</u>	2.64%	<u>\$114,490</u>	3.25%	<u>\$3,721</u>
Total	\$45,747,060		\$912,954		\$31,582

- (a) Schedule SMM-3, Page 2, Column (c)
- (b) Schedule SMM-9, Workpaper 7, Page 1, Line (1) Column (d)
- (c) Column (a) x Column (b)
- (d) Prime Interest Rate - Interest Rate on Customer Deposits

National Grid
Default Service Cost Reclassification Adjustment Expenses
February 2009 Through January 2010

	Estimated RPS Expenses (a)	CWC % (b)	Working Capital Requirement (c)	Prime Interest Rate (d)	Working Capital Impact (e)
February 2009	\$98,177	-50.01%	(\$49,098)	4.00%	(\$1,964)
March	\$101,095	-50.01%	(\$50,558)	4.00%	(\$2,022)
April	\$91,096	-50.01%	(\$45,557)	3.25%	(\$1,481)
May	\$57,545	-50.01%	(\$28,778)	3.25%	(\$935)
June	\$55,904	-50.01%	(\$27,958)	3.25%	(\$909)
July	\$51,631	-50.01%	(\$25,821)	3.25%	(\$839)
August	\$111,353	-50.01%	(\$55,688)	3.25%	(\$1,810)
September	\$96,439	-50.01%	(\$48,229)	3.25%	(\$1,567)
October	\$95,114	-50.01%	(\$47,566)	3.25%	(\$1,546)
November	\$86,214	-50.01%	(\$43,115)	3.25%	(\$1,401)
December	\$100,657	-50.01%	(\$50,338)	3.25%	(\$1,636)
January 2010	<u>\$104,207</u>	-50.01%	<u>(\$52,114)</u>	3.25%	<u>(\$1,694)</u>
Total	\$1,049,431		(\$524,820)		(\$17,804)

- (a) Schedule SMM-4, Page 2, Column (g)
- (b) Schedule SMM-9, Workpaper 7, Page 1, Line (2) Column (d)
- (c) Column (a) x Column (b)
- (d) Prime Interest Rate - Interest Rate on Customer Deposits
- (e) Column (c) x Column (d)

National Grid
Calculation of Interest on Default Service Cost Reallocation Adjustment Factor Reconciliation Overcollection

	Beginning Overcollection With Interest (a)	Estimated Refund (b)	Ending Overcollection (c)	Balance Subject to Interest (d)	Effective Interest Rate (e)	Interest (f)	Cumulative Interest (g)
February 2010	\$19,431		\$19,431	\$19,431	3.25%	\$52	\$52
March	\$19,483		\$19,483	\$19,483	3.25%	\$52	\$104
April	\$19,535		\$19,535	\$19,535	3.25%	\$52	\$156
May	\$19,587	(\$1,632)	\$17,955	\$18,771	3.25%	\$50	\$206
June	\$18,005	(\$1,637)	\$16,368	\$17,186	3.25%	\$46	\$252
July	\$16,414	(\$1,641)	\$14,772	\$15,593	3.25%	\$42	\$294
August	\$14,814	(\$1,646)	\$13,168	\$13,991	3.25%	\$37	\$331
September	\$13,205	(\$1,651)	\$11,555	\$12,380	3.25%	\$33	\$364
October	\$11,588	(\$1,655)	\$9,932	\$10,760	3.25%	\$29	\$393
November	\$9,961	(\$1,660)	\$8,301	\$9,131	3.25%	\$24	\$417
December	\$8,325	(\$1,665)	\$6,660	\$7,493	3.25%	\$20	\$437
January 2010	\$6,680	(\$1,670)	\$5,010	\$5,845	3.25%	\$16	\$453
February	\$5,026	(\$1,675)	\$3,351	\$4,188	3.25%	\$11	\$464
March	\$3,362	(\$1,681)	\$1,681	\$2,521	3.25%	\$7	\$471
April	\$1,688	<u>(\$1,688)</u>	(\$0)	\$844	3.25%	\$2	\$473
Total Recovery		(\$19,901)					

- (a) February 2009 per Page 1, Line (2); all other months = prior month Column (c) + prior month Column (f)
(b) Column (a) ÷ number of remaining months in recovery period
(c) Column (a) + Column (b)
(d) Average of Column (a) and Column (c)
(e) Interest rate on customer deposits
(f) Column (d) x [(1 + Column (e)) ^ (1 ÷ 12) - 1]
(g) Prior month Column (g) + Current month Column (f)

**Schedule SMM-9
Calculation of
Proposed Default Service Cost
Reclassification Adjustment Factors**

Granite State Electric Company
Calculation of Default Service Cost Reclassification Adjustment Factors

	<u>Total</u>	<u>Residential and Small C&I</u>	<u>Medium and Large C&I</u>
(1) Total Estimated Commodity Related Costs	\$447,424	\$370,322	\$77,102
(2) Overcollection Related to 2009 Default Service Cost Reclassification Adjustment Factor	\$19,587	\$16,212	\$3,375
(3) Net Estimated Commodity Related Costs	\$427,837	\$354,110	\$73,727
(4) Estimated Default Service kWh Deliveries	587,641,281	388,758,248	198,883,033
(5) 2010 Default Service Cost Reclassification Adjustment Factor per kWh	\$0.00072	\$0.00091	\$0.00037

- (1) Page 2, Line (9)
(2) Schedule SMM-8, Page 5
(3) Line (1) - Line (2)
(4) Per Company forecast, total company estimated deliveries of 850,073,196 multiplied by the percentage of February 2010 deliveries attributable to Default Service of 69.13% and allocated to customer groups based on allocation of February 2010 deliveries attributable to each group.
(5) Line (3) ÷ Line (4), truncated after 5 decimal places

Granite State Electric Company
Calculation of Default Service Cost Reclassification Adjustment Factor

	<u>Total</u>	<u>Residential and Small C&I</u>	<u>Medium and Large C&I</u>
<u>Wholesale Costs:</u>			
(1) Procurement	\$43,436	\$14,479	\$28,957
(2) Ongoing Administration	\$6,797	\$3,398	\$3,399
(3) Letter of Credit or Other Form of Security	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
(4) Total Wholesale Costs	\$50,233	\$17,877	\$32,356
<u>Direct Retail:</u>			
(5) Customer Communication and Rate Change Processing	\$13,229	\$4,410	\$8,819
(6) Bad Debt Expense	<u>\$355,571</u>	<u>\$331,441</u>	<u>\$24,130</u>
(7) Total Direct Retail Costs	\$368,800	\$335,851	\$32,949
<u>Cash Working Capital:</u>			
(8) Working Capital Impact	<u>\$28,391</u>	<u>\$16,594</u>	<u>\$11,797</u>
(9) Total Estimated Commodity Related Costs	\$447,424	\$370,322	\$77,102
(1)	Estimated by Energy Supply department. Allocated to customer group based on number of solicitations for each group in a year. Workpaper 1.		
(2)	Estimated by Energy Supply department. Allocated to customer group evenly. Workpaper 1.		
(3)	Although security has not been required in the past regarding Default Service, should it be required in the future, it will be included as an administrative cost subject to reconciliation.		
(4)	Line (1) + Line (2) + Line (3)		
(5)	Estimated by Web & E-Business department, Billing & Systems department and IT department. Allocated to customer group based on number of solicitations for each group in a year. Workpaper 2.		
(6)	Estimated based on actual 2009 net charge-offs. Allocated to customer group based on net charge-off method agreed to in the settlement in DE 05-126. Workpaper 4, Page 1, Section 5, Line (3)		
(7)	Line (5) + Line (6)		
(8)	Estimated based on actual 2009 supply invoices estimated RPS Obligations and customer billing. Workpaper 9, page 1, Line (5). Allocated to customer group		
(9)	Line (4) + Line (7) + Line (8)		

Schedule SMM-9
Workpapers

Granite State Electric Company
Estimate of Costs Associated with
Wholesale Procurement of Default Service

<u>Task</u>	<u>Conducted by</u>	(A)	(B)	(C)	(D)
		<u>Hours</u>	<u>Direct Labor</u> <u>Rate (\$/hr)</u>	<u>Indirect /</u> <u>Overhead</u> <u>Rate</u>	<u>Total \$</u>
Preparation of documents and supporting data to be included in each Request for Proposal	Energy Supply: Analyst	24.0	\$40.00	77.00%	\$1,699
	Energy Supply: Management	4.0	\$70.00	77.00%	\$496
	Legal: Attorney	<u>4.0</u>	\$60.00	77.00%	<u>\$425</u>
	Total for Task:	32.0			\$2,620
	Annual Frequency for Task:	4			4
	New Hampshire Allocation	25%			25%
Annual Total for Task:		32.0			\$2,620
Issuance of the RFP	Energy Supply: Analyst	4.0	\$40.00	77.00%	\$283
	Energy Supply: Management	<u>2.0</u>	\$70.00	77.00%	<u>\$248</u>
	Total for Task:	6.0			\$531
	Annual Frequency for Task:	4			4
	New Hampshire Allocation	25%			25%
	Annual Total for Task:	6.0			\$531
Review of bidder information and proposed contract modifications	Energy Supply: Analyst	40.0	\$40.00	77.00%	\$2,832
	Energy Supply: Management	8.0	\$70.00	77.00%	\$991
	Legal: Attorney	<u>24.0</u>	\$60.00	77.00%	<u>\$2,549</u>
	Total for Task:	72.0			\$6,372
	Annual Frequency for Task:	4			4
	New Hampshire Allocation	25%			25%
Annual Total for Task:		72.0			\$6,372
Analysis of indicative bids	Energy Supply: Analyst	16.0	\$40.00	77.00%	\$1,133
	Energy Supply: Management	<u>4.0</u>	\$70.00	77.00%	<u>\$496</u>
	Total for Task:	20.0			\$1,628
	Annual Frequency for Task:	4			4
	New Hampshire Allocation	25%			25%
	Annual Total for Task:	20.0			\$1,628
Analysis of final, binding bids and selection of winning bids	Energy Supply: Analyst	8.0	\$40.00	77.00%	\$566
	Energy Supply: Management	<u>4.0</u>	\$70.00	77.00%	<u>\$496</u>
	Total for Task:	12.0			\$1,062
	Annual Frequency for Task:	4			4
	New Hampshire Allocation	25%			25%
	Annual Total for Task:	12.0			\$1,062

Granite State Electric Company
Estimate of Costs Associated with
Wholesale Procurement of Default Service

<u>Task</u>	<u>Conducted by</u>	(A)	(B)	(C)	(D)
		<u>Hours</u>	<u>Direct Labor</u> <u>Rate (\$/hr)</u>	<u>Indirect /</u> <u>Overhead</u> <u>Rate</u>	<u>Total \$</u>
Negotiation and execution of power purchase agreements	Energy Supply: Analyst	16.0	\$40.00	77.00%	\$1,133
	Energy Supply: Management	<u>4.0</u>	\$70.00	77.00%	<u>\$496</u>
	Total for Task:	20.0			\$1,628
	Annual Frequency for Task:	4			4
	New Hampshire Allocation	25%			25%
Annual Total for Task:		20.0			\$1,628
Preparation and submission of rate filing, response to data requests, hearing	Energy Supply: Analyst	40.0	\$40.00	77.00%	\$2,832
	Energy Supply: Management	20.0	\$70.00	77.00%	\$2,478
	Distribution Rates: Analyst	20.0	\$40.00	77.00%	\$1,416
	Legal: Attorney	4.0	\$60.00	77.00%	\$425
	Distribution Rates: Management	<u>2.0</u>	\$60.00	77.00%	<u>\$212</u>
	Total for Task:	86.0			\$7,363
	Annual Frequency for Task:	4			4
Annual Total for Task:		344.0			\$29,453
Implementation of ISO market system registration	Energy Supply: Analyst	<u>2.0</u>	\$40.00	77.00%	<u>\$142</u>
	Total for Task:	2.0			\$142
	Annual Frequency for Task:	4			4
	New Hampshire Allocation	25%			25%
Annual Total for Task:		2.0			\$142
Annual Subtotal for Solicitation Tasks:		508.0			\$43,436
Receipt, review and payment of monthly invoices	Energy Supply: Analyst	4.0	\$40.00	77.00%	\$283
	Accounting: Analyst	4.0	\$40.00	77.00%	\$283
	Total for Task:	8.0			\$566
	Annual Frequency for Task:	12			12
	New Hampshire Allocation	100%			100%
Annual Total for Task:		96.0			\$6,797
Annual Total for all Tasks:		604.0			\$50,233

Notes:

(A) Based on interviews with departments/personnel involved in each task which relied on experience from prior RFPs.

(C) Source: Overhead accrual rate for budget year 2010.

National Grid
Estimated Costs for Customer Communication and Rate Changes

Section 1: Web and E-Business Group:

(1)	Number of Hours to Process Web Site Update per Rate Change	4
(2)	Number of Rates Changes in a 12-Month Period	<u>4</u>
(3)	Total Number of Hours to Update Web Site in a 12-Month Period	16
(4)	Average Hourly Labor Rate for Web Site Personnel	\$33.00
(5)	Average Labor Overhead Mark-Up	<u>77.00%</u>
(6)	Estimated Cost of Web Site Update in a 12-Month Period	\$935

(1)	Per Web and E-Business Group
(2)	Number of default service rate changes in a 12 month period
(3)	Line (1) x Line (2)
(4)	Per Web and E-Business Group
(5)	Overhead accrual rate for budget year 2010
(6)	Line (3) x Line (4) x [1 + Line (5)]

Section 2: Billing & Systems Group

(1)	Number of Hours to Process Rate Changes and Communication Pieces Per Month	6
(2)	Number of Months	<u>12</u>
(3)	Total Number of Hours to Process Rate Changes and Communication Pieces Per 12-Month Period	72
(4)	Average Hourly Labor Rate for Billing & Systems Personnel	\$26.47
(5)	Average Labor Overhead Mark-Up	<u>77.00%</u>
(6)	Estimated Cost of Billing & Systems in a 12-Month Period	\$3,373

(1)	Per Billing & Systems
(2)	Number of months in 12 month period.
(3)	Line (1) x Line (2)
(4)	Per Billing & Systems
(5)	Overhead accrual rate for budget year 2010
(6)	Line (3) x Line (4) x [1 + Line (5)]

Section 3: Information Technology

(1)	Number of Hours to Process Rate Changes and Communication Pieces Per Month	6
(2)	Number of Months	<u>12</u>
(3)	Total Number of Hours to Process Rate Changes and Communication Pieces Per 12-Month Period	72
(4)	Average Hourly Labor Rate for Billing & Systems Personnel	\$70.00
(5)	Average Labor Overhead Mark-Up	<u>77.00%</u>
(6)	Estimated Cost of Billing & Systems in a 12-Month Period	\$8,921

(1)	Per Information Technology
(2)	Number of months in 12 month period.
(3)	Line (1) x Line (2)
(4)	Per Information Technology
(5)	Overhead accrual rate for budget year 2010
(6)	Line (3) x Line (4) x [1 + Line (5)]

Section 4: Total Communication and Rate Change Costs:

(1)	Total Estimated Cost of Customer Communication and Processing Rate Changes	\$13,229
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Granite State Electric Company
Bad Debt Expense
Calculation of 2009 Net Charge-Offs

	2009
(1) Bad Debt Reserve @ January 1, 2009	\$352,196
(2) Plus Additions to Reserve during 2009	\$775,339
(3) Less Bad Debt Reserve @ December 31, 2009	<u>\$597,427</u>
(4) 2009 Net Charge-Offs	\$530,108

- (1) 2008 FERC Form 1, Page 110, Line 42, Column (c) for end of year
- (2) Internal Financial Statements
- (3) Internal Financial Statements
- (4) Line (1) + Line (2) - Line (3)

Total	D	T	D-10	G-3	G-2	G-1	M	V
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(1)	2009 Net Charge-Offs for All Accounts per CSS	\$536,316	\$430,680	\$5,502	\$5,208	\$60,137	\$30,312	\$0	\$4,479	\$0
(2)	Allocator Based on Net Charge-Offs for All Accounts	100.00%	80.30%	1.03%	0.97%	11.21%	5.65%	0.00%	0.84%	0.00%
(3)	2009 Net Charge-Offs	\$530,108								
(4)	Allocation of 2009 Net Charge-Offs to Rate Classes	\$530,108	\$425,694	\$5,438	\$5,147	\$59,441	\$29,961	\$0	\$4,427	\$0

(1)	2009 Net Charge-Offs for Default Service Accounts per CSS	\$536,795	\$430,658	\$5,502	\$5,208	\$60,137	\$30,812	\$0	\$4,479	\$0
(3)	2009 Net Charge-Offs for Commodity Accounts per CSS	\$536,795	\$430,658	\$5,502	\$5,208	\$60,137	\$30,812	\$0	\$4,479	\$0
(2)	2009 Net Charge-Offs for All Accounts per CSS	\$536,316	\$430,680	\$5,502	\$5,208	\$60,137	\$30,312	\$0	\$4,479	\$0
(3)	Percentage of Charge-Offs Related to Default Service Accounts, by Rate Class		100.00%	100.00%	100.00%	100.00%	101.65%	0.00%	100.00%	0.00%

(1)	Allocation of 2009 Net Charge-Offs to Rate Classes	\$530,108	\$425,694	\$5,438	\$5,147	\$59,441	\$29,961	\$0	\$4,427	\$0
(2)	Percentage of Charge-Offs Related to Default Service Accounts, by Rate Class		100.00%	100.00%	100.00%	100.00%	101.65%	0.00%	100.00%	0.00%
(3)	Allocated Share of 2009 Net Charge-Offs for Default Service Accounts, by Rate Class	\$530,581	\$425,673	\$5,438	\$5,147	\$59,441	\$30,455	\$0	\$4,427	\$0

(1)	Estimate of Default Service Billing Charge-Offs per CSS	\$359,735	\$284,044	\$4,044	\$3,829	\$41,423	\$24,412	\$0	\$1,982	\$0
(2)	2009 Net Charge-Offs for Commodity Accounts per CSS	\$536,795	\$430,658	\$5,502	\$5,208	\$60,137	\$30,812	\$0	\$4,479	\$0
(3)	Percentage of Commodity Charge-Offs Related to Commodity Billings, by Rate Class		65.96%	73.51%	73.53%	68.88%	79.23%	0.00%	44.24%	0.00%

(1)	Percentage of Commodity Charge-Offs Related to Commodity Billings, by Rate Class		65.96%	73.51%	73.53%	68.88%	79.23%	0.00%	44.24%	0.00%
(2)	Allocated Share of 2009 Net Charge-Offs for Default Service Accounts, by Rate Class	\$530,581	\$425,673	\$5,438	\$5,147	\$59,441	\$30,455	\$0	\$4,427	\$0
(3)	Allocated Share of 2009 Net Charge-Offs for Default Service Billings, by Rate Class	\$355,571	\$280,756	\$3,998	\$3,785	\$40,943	\$24,130	\$0	\$1,959	\$0

(1) Section 4, Line (3)
(2) Section 3, Line (3)
(3) Line (1) x Line (2)

Granite State Electric Company
Net Charge Offs for All Accounts

		<u>Total</u>	<u>D</u>	<u>T</u>	<u>D-10</u>	<u>G-3</u>	<u>G-2</u>	<u>G-1</u>	<u>M</u>	<u>V</u>
<u>Section 1: Gross Charge Offs for All Accounts</u>										
(1)	Amount of C/O for all Accounts	\$675,610	\$499,795	\$5,652	\$6,303	\$69,653	\$89,725	\$0	\$4,483	\$0
(2)	Allocator Based On Gross Charge Offs	100.00%	73.98%	0.84%	0.93%	10.31%	13.28%	0.00%	0.66%	0.00%

- (1) Page 2 of 3
(2) Each rate class's Line (1) as a percentage of total of Line (1)

Section 2: Recoveries for All Accounts

(1)	Amount of Recovery for All Accounts	(\$139,294)	(\$69,115)	(\$150)	(\$1,095)	(\$9,515)	(\$59,413)	\$0	(\$5)	\$0
(4)	Allocator Based On Recoveries	100.00%	49.62%	0.11%	0.79%	6.83%	42.65%	0.00%	0.00%	0.00%

- (1) Page 3 of 3
(2) Each rate class's Line (1) as a percentage of total of Line (1)

Section 3: Total Company Amounts for All Accounts

(1)	Total Company Net Charge-Offs	\$536,316	\$430,680	\$5,502	\$5,208	\$60,137	\$30,312	\$0	\$4,479	\$0
(2)	Allocator Based On Net Charge Offs	100.00%	80.30%	1.03%	0.97%	11.21%	5.65%	0.00%	0.84%	0.00%

- (1) Sum of Section 1 and Section 2
(2) Each rate class's Line (1) as a percentage of total of Line (1)

Granite State Electric Company
Total Charge Offs for All Accounts

Month of Charge-Off	2009												Annual Total
	January	February	March	April	May	June	July	August	September	October	November	December	
<u>Rate D</u>													
Amount of C/O for all Accounts	\$28,726	\$21,371	\$42,434	\$25,482	\$33,416	\$34,729	\$73,482	\$66,228	\$81,156	\$50,041	\$16,286	\$26,443	\$499,795
<u>Rate T</u>													
Amount of C/O for all Accounts	\$5,021	\$0	\$0	\$38	\$0	\$0	\$0	\$211	\$0	\$0	\$0	\$381	\$5,652
<u>Rate D-10</u>													
Amount of C/O for all Accounts	\$1,075	\$256	\$0	\$1	\$143	\$0	\$948	\$2,540	\$0	\$0	\$1,231	\$108	\$6,303
<u>Rate G-3</u>													
Amount of C/O for all Accounts	\$11,891	\$12,646	\$4,298	\$7,705	\$1,158	\$5,462	\$3,226	\$4,705	\$8,048	\$6,995	\$755	\$2,763	\$69,653
<u>Rate G-2</u>													
Amount of C/O for all Accounts	\$1,998	\$36,346	\$4,325	\$0	\$287	\$11,562	\$0	\$19,000	\$9,240	\$829	\$4,548	\$1,591	\$89,725
<u>Rate G-1</u>													
Amount of C/O for all Accounts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<u>Rate M</u>													
Amount of C/O for all Accounts	\$13	\$0	\$0	\$49	\$5	\$18	\$0	\$56	\$82	\$0	\$4,260	\$0	\$4,483
<u>Rate V</u>													
Amount of C/O for all Accounts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Amount of C/O for all Accounts	\$48,725	\$70,619	\$51,057	\$33,276	\$35,009	\$51,770	\$77,655	\$92,739	\$98,527	\$57,865	\$27,081	\$31,287	\$675,610

Granite State Electric Company
Electronic Recoveries for All Accounts

Month of Recovery	2009												Annual Total
	January	February	March	April	May	June	July	August	September	October	November	December	
<u>Rate D</u>													
Amount of Recovery for All Accounts	(\$4,436)	(\$3,000)	(\$8,122)	(\$6,797)	(\$6,622)	(\$7,924)	(\$3,225)	(\$2,785)	(\$4,865)	(\$7,482)	(\$6,810)	(\$7,048)	(\$69,115)
<u>Rate T</u>													
Amount of Recovery for All Accounts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$150)	(\$150)
<u>Rate D-10</u>													
Amount of Recovery for All Accounts	\$0	\$0	(\$952)	\$0	\$0	(\$143)	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,095)
<u>Rate G-3</u>													
Amount of Recovery for All Accounts	(\$1,097)	(\$165)	(\$1,384)	\$0	(\$100)	(\$874)	(\$113)	(\$94)	(\$200)	(\$336)	(\$4,778)	(\$376)	(\$9,515)
<u>Rate G-2</u>													
Amount of Recovery for All Accounts	(\$32,470)	(\$15,562)	(\$797)	(\$1,691)	\$0	\$0	\$0	\$0	\$0	(\$4,447)	(\$4,447)	\$0	(\$59,413)
<u>Rate G-1</u>													
Amount of Recovery for All Accounts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<u>Rate M</u>													
Amount of Recovery for All Accounts	\$0	\$0	\$0	\$0	\$0	(\$5)	\$0	\$0	\$0	\$0	\$0	\$0	(\$5)
<u>Rate V</u>													
Amount of Recovery for All Accounts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Amount of Recovery for All Accounts	(\$38,003)	(\$18,726)	(\$11,254)	(\$8,488)	(\$6,722)	(\$8,947)	(\$3,338)	(\$2,879)	(\$5,065)	(\$12,265)	(\$16,035)	(\$7,574)	(\$139,294)

Granite State Electric Company
Estimated Default Service Net Charge Off

		<u>Total</u>	<u>D</u>	<u>T</u>	<u>D-10</u>	<u>G-3</u>	<u>G-2</u>	<u>G-1</u>	<u>M</u>	<u>V</u>
<u>Section 1: Gross Charge Offs for Default Service Accounts</u>										
(1)	Amount of C/O for Default Service Accounts	\$675,589	\$499,773	\$5,652	\$6,303	\$69,653	\$89,725	\$0	\$4,483	\$0
(2)	Default Service-Related Charge-Off	\$457,506	\$329,610	\$4,146	\$4,673	\$47,825	\$69,268	\$0	\$1,984	\$0

(1) Page 2 of 3
(2) Page 2 of 3

Section 2: Recoveries for Default Service Accounts

(1)	Amount of Recovery for Default Service Accounts	(\$138,794)	(\$69,115)	(\$150)	(\$1,095)	(\$9,515)	(\$58,913)	\$0	(\$5)	\$0
(2)	Default Service-Related Recovery	(\$97,771)	(\$45,566)	(\$101)	(\$843)	(\$6,402)	(\$44,856)	\$0	(\$2)	\$0

(1) Page 3 of 3
(2) Page 3 of 3

Section 3: Total Company Amounts for Default Service Accounts

(1)	Net C/O for Default Service Accounts	\$536,795	\$430,658	\$5,502	\$5,208	\$60,137	\$30,812	\$0	\$4,479	\$0
(2)	Default Service-Related Net C/O	\$359,735	\$284,044	\$4,044	\$3,829	\$41,423	\$24,412	\$0	\$1,982	\$0

(1) Section 1, Line (1) + Section 2, Line (1)
(2) Section 1, Line (2) + Section 2, Line (2)

Granite State Electric Company
Estimated Default Service Charge Offs for Default Service Accounts

2009													Annual Total
Month of Charge-Off	January	February	March	April	May	June	July	August	September	October	November	December	
Rate D													
(1) Amount of C/O for Default Service Accounts	\$28,726	\$21,371	\$42,434	\$25,461	\$33,416	\$34,729	\$73,482	\$66,228	\$81,156	\$50,041	\$16,286	\$26,443	\$499,773
(2) Month for Rate Application	July	August	September	October	November	December	January	February	March	April	May	June	
(3) Default Service Rate as a % of Total Rate	65.7256%	67.0794%	68.3364%	68.4130%	68.4596%	67.7783%	67.0675%	65.7435%	64.4144%	63.8467%	63.2888%	61.2889%	
(4) Default Service-Related Charge-Off	\$18,880	\$14,336	\$28,998	\$17,418	\$22,877	\$23,539	\$49,282	\$43,541	\$52,276	\$31,949	\$10,307	\$16,207	\$329,610
Rate T													
(1) Amount of C/O for Default Service Accounts	\$5,021			\$38				\$211				\$381	\$5,652
(2) Month for Rate Application	July	August	September	October	November	December	January	February	March	April	May	June	
(3) Default Service Rate as a % of Total Rate	73.7899%	74.8899%	75.9003%	75.8910%	75.8446%	75.2346%	74.5946%	72.9589%	71.3233%	70.3922%	69.4852%	67.6503%	
(4) Default Service-Related Charge-Off	\$3,705	\$0	\$0	\$29	\$0	\$0	\$0	\$154	\$0	\$0	\$0	\$258	\$4,146
Rate D-10													
(1) Amount of C/O for Default Service Accounts	\$1,075	\$256		\$1	\$143		\$948	\$2,540			\$1,231	\$108	\$6,303
(2) Month for Rate Application	July	August	September	October	November	December	January	February	March	April	May	June	
(3) Default Service Rate as a % of Total Rate	75.0890%	76.1394%	77.1026%	77.0711%	77.0015%	76.4091%	75.7882%	74.3257%	72.8615%	72.0725%	71.3003%	69.5266%	
(4) Default Service-Related Charge-Off	\$808	\$195	\$0	\$1	\$110	\$0	\$718	\$1,888	\$0	\$0	\$878	\$75	\$4,673
Rate G-3													
(1) Amount of C/O for Default Service Accounts	\$11,891	\$12,646	\$4,298	\$7,705	\$1,158	\$5,462	\$3,226	\$4,705	\$8,048	\$6,995	\$755	\$2,763	\$69,653
(2) Month for Rate Application	July	August	September	October	November	December	January	February	March	April	May	June	
(3) Default Service Rate as a % of Total Rate	68.4509%	69.7105%	70.8752%	70.8917%	70.8759%	70.1991%	69.4925%	68.1399%	66.7831%	66.1837%	65.5950%	63.6485%	
(4) Default Service-Related Charge-Off	\$8,140	\$8,816	\$3,046	\$5,462	\$820	\$3,834	\$2,242	\$3,206	\$5,375	\$4,629	\$496	\$1,759	\$47,825
Rate G-2													
(1) Amount of C/O for Default Service Accounts	\$1,998	\$36,346	\$4,325		\$287	\$11,562		\$19,000	\$9,240	\$829	\$4,548	\$1,591	\$89,725
(2) Month for Rate Application	July	August	September	October	November	December	January	February	March	April	May	June	
(3) Default Service Rate as a % of Total Rate	76.1536%	77.6273%	79.9265%	80.4982%	81.1335%	80.2322%	78.6642%	77.4981%	74.8077%	73.3369%	71.2886%	67.8791%	
(4) Default Service-Related Charge-Off	\$1,521	\$28,214	\$3,457	\$0	\$233	\$9,276	\$0	\$14,725	\$6,912	\$608	\$3,242	\$1,080	\$69,268
Rate G-1													
(1) Amount of C/O for Default Service Accounts													\$0
(2) Month for Rate Application	July	August	September	October	November	December	January	February	March	April	May	June	
(3) Default Service Rate as a % of Total Rate	79.9981%	81.2712%	83.2571%	83.7341%	84.2580%	83.4674%	82.0902%	81.0321%	78.6226%	77.2829%	75.4126%	72.3025%	
(4) Default Service-Related Charge-Off	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rate M													
(1) Amount of C/O for Default Service Accounts	\$13			\$49	\$5	\$18		\$56	\$82		\$4,260		\$4,483
(2) Month for Rate Application	July	August	September	October	November	December	January	February	March	April	May	June	
(3) Default Service Rate as a % of Total Rate	45.6778%	47.0081%	48.2633%	48.1475%	48.0175%	47.2295%	46.4182%	45.4373%	44.4475%	44.3046%	44.1626%	42.0744%	
(4) Default Service-Related Charge-Off	\$6	\$0	\$0	\$24	\$2	\$8	\$0	\$25	\$37	\$0	\$1,881	\$0	\$1,984
Rate V													
(1) Amount of C/O for Default Service Accounts													\$0
(2) Month for Rate Application	July	August	September	October	November	December	January	February	March	April	May	June	
(3) Default Service Rate as a % of Total Rate	69.1154%	70.3387%	71.4682%	71.4637%	71.4263%	70.7562%	70.0563%	68.5324%	67.0071%	66.2415%	65.4931%	63.5441%	
(4) Default Service-Related Charge-Off	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Amount of C/O for Default Service Accounts	\$48,725	\$70,619	\$51,057	\$33,255	\$35,009	\$51,770	\$77,655	\$92,739	\$98,527	\$57,865	\$27,081	\$31,287	\$675,589
Total Default Service-Related Charge-Offs	\$33,060	\$51,560	\$35,501	\$22,935	\$24,042	\$36,657	\$52,242	\$63,538	\$64,600	\$37,187	\$16,804	\$19,379	\$457,506

Granite State Electric Company
Estimated Electronic Default Service Recoveries for Default Service Accounts

Month of Recovery	2009												Annual Total
	January	February	March	April	May	June	July	August	September	October	November	December	
<u>Rate D</u>													
(1) Amount of Recovery for Default Service Accounts													
(2) Month for Rate Application	July	August	September	October	November	December	January	February	March	April	May	June	(\$69,115)
(3) Default Service Rate as a % of Total Rate	65.7256%	67.0794%	68.3364%	68.4130%	68.4596%	67.7783%	67.0675%	65.7435%	64.4144%	63.8467%	63.2888%	61.2889%	
(4) Default Service-Related Recovery	(\$2,915)	(\$2,012)	(\$5,550)	(\$4,650)	(\$4,533)	(\$5,371)	(\$2,163)	(\$1,831)	(\$3,133)	(\$4,777)	(\$4,310)	(\$4,320)	(\$45,566)
<u>Rate T</u>													
(1) Amount of Recovery for Default Service Accounts													
(2) Month for Rate Application	July	August	September	October	November	December	January	February	March	April	May	June	(\$150)
(3) Default Service Rate as a % of Total Rate	73.7899%	74.8899%	75.9003%	75.8910%	75.8446%	75.2346%	74.5956%	72.9589%	71.3233%	70.3922%	69.4852%	67.6503%	
(4) Default Service-Related Recovery	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$101)	(\$101)
<u>Rate D-10</u>													
(1) Amount of Recovery for Default Service Accounts													
(2) Month for Rate Application	July	August	September	October	November	December	January	February	March	April	May	June	(\$1,095)
(3) Default Service Rate as a % of Total Rate	75.0890%	76.1394%	77.1026%	77.0711%	77.0015%	76.4091%	75.7882%	74.3257%	72.8615%	72.0725%	71.3003%	69.5266%	
(4) Default Service-Related Recovery	\$0	\$0	(\$734)	\$0	\$0	(\$110)	\$0	\$0	\$0	\$0	\$0	\$0	(\$843)
<u>Rate G-3</u>													
(1) Amount of Recovery for Default Service Accounts													
(2) Month for Rate Application	July	August	September	October	November	December	January	February	March	April	May	June	(\$9,515)
(3) Default Service Rate as a % of Total Rate	68.4509%	69.7105%	70.8752%	70.8917%	70.8759%	70.1991%	69.4925%	68.1399%	66.7831%	66.1837%	65.5950%	63.6485%	
(4) Default Service-Related Recovery	(\$751)	(\$115)	(\$981)	\$0	(\$71)	(\$613)	(\$79)	(\$64)	(\$134)	(\$222)	(\$3,134)	(\$239)	(\$6,402)
<u>Rate G-2</u>													
(1) Amount of Recovery for Default Service Accounts													
(2) Month for Rate Application	July	August	September	October	November	December	January	February	March	April	May	June	(\$58,913)
(3) Default Service Rate as a % of Total Rate	76.1536%	77.6273%	79.9265%	80.4982%	81.1335%	80.2322%	78.6642%	77.4981%	74.8077%	73.3369%	71.2886%	67.8791%	
(4) Default Service-Related Recovery	(\$24,347)	(\$12,080)	(\$637)	(\$1,361)	\$0	\$0	\$0	\$0	\$0	(\$3,261)	(\$3,170)	\$0	(\$44,856)
<u>Rate G-1</u>													
(1) Amount of Recovery for Default Service Accounts													
(2) Month for Rate Application	July	August	September	October	November	December	January	February	March	April	May	June	\$0
(3) Default Service Rate as a % of Total Rate	79.9981%	81.2712%	83.2571%	83.7341%	84.2580%	83.4674%	82.0902%	81.0321%	78.6226%	77.2829%	75.4126%	72.3025%	
(4) Default Service-Related Recovery	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<u>Rate M</u>													
(1) Amount of Recovery for Default Service Accounts													(\$5)
(2) Month for Rate Application	July	August	September	October	November	December	January	February	March	April	May	June	(\$2)
(3) Default Service Rate as a % of Total Rate	45.6778%	47.0081%	48.2633%	48.1475%	48.0175%	47.2295%	46.4182%	45.4373%	44.4475%	44.3046%	44.1626%	42.0744%	
(4) Default Service-Related Recovery	\$0	\$0	\$0	\$0	\$0	(\$2)	\$0	\$0	\$0	\$0	\$0	\$0	(\$2)
<u>Rate V</u>													
(1) Amount of Recovery for Default Service Accounts													\$0
(2) Month for Rate Application	July	August	September	October	November	December	January	February	March	April	May	June	\$0
(3) Default Service Rate as a % of Total Rate	69.1154%	70.3387%	71.4682%	71.4637%	71.4263%	70.7562%	70.0563%	68.5324%	67.0071%	66.2415%	65.4931%	63.5441%	
(4) Default Service-Related Recovery	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Amount of Recovery for Default Service Accounts	(\$37,503)	(\$18,726)	(\$11,254)	(\$8,488)	(\$6,722)	(\$8,947)	(\$3,338)	(\$2,879)	(\$5,065)	(\$12,265)	(\$16,035)	(\$7,574)	(\$138,794)
Total Default Service-Related Recovery	(\$28,013)	(\$14,207)	(\$7,901)	(\$6,011)	(\$4,604)	(\$6,096)	(\$2,241)	(\$1,895)	(\$3,267)	(\$8,260)	(\$10,615)	(\$4,660)	(\$97,771)

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		Days of <u>Cost</u> (a)	Annual <u>Percent</u> (b)	Customer Payment <u>Lag %</u> (c)	<u>CWC %</u> (d)	Expense (e)	Working Capital Requirement (f)
(1)	2009 Purchase Power Costs	(22.728)	-6.23%	8.87%	2.64%	\$47,503,059	\$1,254,081
(2)	Renewable Portfolio Standard	(214.916)	-58.88%	8.87%	-50.01%	\$760,883	<u>(\$380,517)</u>
(3)	Working Capital Requirement						\$873,563
(4)	Prime interest rate						<u>3.25%</u>
(5)	Working Capital Impact						\$28,391

Columns:

- (1)(a) Page 2, Column (f), Line (2)
- (2)(a) Page 3, Column (f), Line (2)
- (b) Column (a) ÷ 365
- (c) Page 4
- (d) Column (b) + Column (c)
- (1)(e) Page 2, Column (f), Line (2)
- (1)(e) Page 3, Column (f), Line (2)
- (f) Column (d) x Column (e)

Lines:

- (3) Line (1) Column (f) + Line (2) Column (f)
- (4) Prime Rate reported in the December 16, 2009 issue of the Wall Street Journal.
- (5) Line (3) x Line (4)

Granite State Electric Company
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Invoice Month (a)	Expense Description (b)	Invoice Amount (c)	End of Service Period (d)	Invoice Date (e)	Due Date (f)	Payment Date (g)	Elapsed (Days) (h)	% of Total (i)	Weighted Days (j)
January 2009	Current Charge for January 2009	\$2,284,119	01/31/2009	02/10/2009	02/10/2009	02/18/2009	18	4.81%	0.87
January 2009	Current Charge for January 2009	\$3,967,300	01/31/2009	02/12/2009	02/23/2009	02/20/2009	20	8.35%	1.67
January 2009	Supplier Reallocation for September 2008	(\$158,684)	01/31/2009	02/13/2009	02/25/2009	02/25/2009	25	-0.33%	(0.08)
February 2009	Current Charge for February 2009	\$5,101,533	02/28/2009	03/02/2009	03/20/2009	03/14/2009	14	10.74%	1.50
February 2009	Supplier Reallocation for October 2008	(\$41,043)	02/28/2009	03/13/2009	03/25/2009	03/25/2009	25	-0.09%	(0.02)
March 2009	Current Charge for March 2009	\$4,598,409	03/31/2009	04/07/2009	04/20/2009	04/20/2009	20	9.68%	1.94
March 2009	Supplier Reallocation for November 2008	\$63,956	03/31/2009	04/07/2009	04/20/2009	04/20/2009	20	0.13%	0.03
March 2009	Supplier Reallocation for November 2008	(\$72,330)	03/31/2009	04/10/2009	04/20/2009	04/20/2009	20	-0.15%	(0.03)
April 2009	Current Charge for April 2009	\$4,101,918	04/30/2009	05/11/2009	05/21/2009	05/20/2009	20	8.64%	1.73
April 2009	Supplier Reallocation for December 2008	(\$61,185)	04/30/2009	05/08/2009	05/20/2009	05/20/2009	20	-0.13%	(0.03)
May 2009	Supplier Reallocation for January 2009	\$488,763	05/31/2009	06/04/2009	06/22/2009	06/18/2009	18	1.03%	0.19
May 2009	Supplier Reallocation for January 2009	(\$43,184)	05/31/2009	06/10/2009	06/19/2009	06/19/2009	19	-0.09%	(0.02)
May 2009	Current Charge for May 2009	\$1,750,153	05/31/2009	06/10/2009	07/03/2009	07/02/2009	32	3.68%	1.18
May 2009	Current Charge for May 2009	\$1,210,188	05/31/2009	06/10/2009	07/03/2009	07/02/2009	32	2.55%	0.82
June 2009	Supplier Reallocation for February 2009	\$171,313	06/30/2009	07/08/2009	07/20/2009	07/17/2009	17	0.36%	0.06
June 2009	Current Charge for June 2009	\$1,290,018	06/30/2009	07/08/2009	07/31/2009	07/29/2009	29	2.72%	0.79
June 2009	Current Charge for June 2009	\$1,858,018	06/30/2009	07/10/2009	08/04/2009	08/03/2009	34	3.91%	1.33
July 2009	Supplier Reallocation for March 2009	\$25,038	07/31/2009	08/11/2009	08/21/2009	08/20/2009	20	0.05%	0.01
July 2009	Current Charge for July 2009	\$1,578,722	07/31/2009	08/07/2009	09/01/2009	08/31/2009	31	3.32%	1.03
July 2009	Current Charge for July 2009	\$2,240,049	07/31/2009	08/10/2009	09/04/2009	09/04/2009	35	4.72%	1.65
August 2009	Current Charge for August 2009	\$1,500,541	08/31/2009	09/08/2009	09/18/2009	09/17/2009	17	3.16%	0.54
August 2009	Current Charge for August 2009	\$2,592,761	08/31/2009	09/09/2009	10/02/2009	09/25/2009	25	5.46%	1.36
August 2009	Supplier Reallocation for April 2009	(\$1,864)	08/31/2009	09/15/2009	09/25/2009	09/25/2009	25	0.00%	(0.00)
September 2009	Current Charge for September 2009	\$1,204,474	09/30/2009	10/08/2009	10/20/2009	10/16/2009	16	2.54%	0.41
September 2009	Current Charge for September 2009	\$1,785,569	09/30/2009	10/09/2009	11/03/2009	10/26/2009	26	3.76%	0.98
September 2009	Supplier Reallocation for May 2009	\$32,765	09/30/2009	10/09/2009	11/03/2009	10/26/2009	26	0.07%	0.02
September 2009	Supplier Reallocation for May 2009	(\$8,850)	09/30/2009	10/09/2009	11/03/2009	11/03/2009	34	-0.02%	(0.01)
October 2009	Current Charge for October 2009	\$1,260,758	10/31/2009	11/06/2009	11/20/2009	11/18/2009	18	2.65%	0.48
October 2009	Current Charge for October 2009	\$1,953,277	10/31/2009	11/10/2009	12/04/2009	12/01/2009	31	4.11%	1.27
October 2009	Supplier Reallocation for June 2009	\$29,900	10/31/2009	11/10/2009	12/04/2009	12/01/2009	31	0.06%	0.02
October 2009	Supplier Reallocation for June 2009	(\$28,090)	10/31/2009	11/10/2009	12/04/2009	12/04/2009	34	-0.06%	(0.02)
November 2009	Current Charge for November 2009	\$1,778,723	11/30/2009	12/10/2009	12/18/2009	12/17/2009	17	3.74%	0.64
November 2009	Supplier Reallocation for July 2009	\$31,227	11/30/2009	12/04/2009	12/29/2009	12/23/2009	23	0.07%	0.02
November 2009	Current Charge for November 2009	\$1,100,836	11/30/2009	12/16/2009	12/24/2009	12/23/2009	23	2.32%	0.53
November 2009	Supplier Reallocation for July 2009	(\$61,794)	11/30/2009	12/10/2009	01/04/2010	01/04/2010	35	-0.13%	(0.05)
December 2009	Current Charge for December 2009	\$1,362,697	12/31/2009	01/15/2010	01/25/2010	01/22/2010	22	2.87%	0.63
December 2009	Supplier Reallocation for August 2009	(\$85,042)	12/31/2009	01/13/2010	01/22/2010	01/22/2010	22	-0.18%	(0.04)
December 2009	Current Charge for December 2009	\$2,565,213	12/31/2009	01/10/2010	01/20/2010	01/25/2010	25	5.40%	1.35
December 2009	Supplier Reallocation for August 2009	\$136,885	12/31/2009	01/07/2010	01/29/2010	01/27/2010	27	0.29%	0.08
(1)	Total	\$47,503,059							
(2)	Weighted Average Lag Days from End of Service Period to Final Payment Date of Purchased Power Bill								22.73

Columns:

- (a) Month in which obligation for payment occurred
- (b) Per invoices
- (c) Per invoices
- (d) Applicable service period
- (e) Per invoices
- (f) Per agreements
- (g) Date paid
- (h) Number of days between Column (d) and Column (g)
- (i) Column (c) ÷ Line (1)
- (j) Column (h) x Column (i)

Lines:

- (1) Sum of Column (c)
- (2) Sum of Column (j)

Granite State Electric Company
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Invoice Month (a)	Expense Description (b)	Invoice Amount (c)	End of Service Period (d)	Invoice Date (e)	Due Date (f)	Payment Date (g)	Elapsed (Days) (h)	% of Total (i)	Weighted Days (j)
January 2009	Estimated RPS Obligation for January 2009	\$117,038	01/31/2009	n/a	09/30/2009	09/30/2009	242	15.38%	37.22
February 2009	Estimated RPS Obligation for February 2009	\$61,547	02/28/2009	n/a	09/30/2009	09/30/2009	214	8.09%	17.31
March 2009	Estimated RPS Obligation for March 2009	\$54,026	03/31/2009	n/a	09/30/2009	09/30/2009	183	7.10%	12.99
April 2009	Estimated RPS Obligation for April 2009	\$60,431	04/30/2009	n/a	12/31/2009	12/31/2009	245	7.94%	19.46
May 2009	Estimated RPS Obligation for May 2009	\$55,493	05/31/2009	n/a	12/31/2009	12/31/2009	214	7.29%	15.61
June 2009	Estimated RPS Obligation for June 2009	\$57,925	06/30/2009	n/a	12/31/2009	12/31/2009	184	7.61%	14.01
July 2009	Estimated RPS Obligation for July 2009	\$55,261	07/31/2009	n/a	03/31/2010	03/31/2010	243	7.26%	17.65
August 2009	Estimated RPS Obligation for August 2009	\$65,070	08/31/2009	n/a	03/31/2010	03/31/2010	212	8.55%	18.13
September 2009	Estimated RPS Obligation for September 2009	\$66,894	09/30/2009	n/a	03/31/2010	03/31/2010	182	8.79%	16.00
October 2009	Estimated RPS Obligation for October 2009	\$56,990	10/31/2009	n/a	06/30/2010	06/30/2010	242	7.49%	18.13
November 2009	Estimated RPS Obligation for November 2009	\$53,825	11/30/2009	n/a	06/30/2010	06/30/2010	212	7.07%	15.00
December 2009	Estimated RPS Obligation for December 2009	\$56,380	12/31/2009	n/a	06/30/2010	06/30/2010	181	7.41%	13.41
(1)	Total	\$760,883							
(2)	Weighted Average Lag Days from End of Service Period to Final Payment Date								214.92

Columns:

- (a) Month in which obligation for payment occurred
- (b) Schedule SMM-7, Page 2
- (c) End of Month of Obligation
- (d) Applicable service period
- (e) Not Available
- (f) Date of Obligation for Payment
- (g) Date of Obligation for Payment
- (h) Number of days between Column (d) and Column (g)
- (i) Column (c) ÷ Line (1)
- (j) Column (h) x Column (i)

Lines:

- (1) Sum of Column (c)
- (2) Sum of Column (j)

Granite State Electric Company
Calendar Year 2009

<u>Service Period</u>	<u>Customer Accts.Receivable</u> (a)	<u>Sales</u> (b)	<u>Days In Month</u> (c)	<u>Days of Sales in Accts.Receivable</u> (d)
01/31/2009	\$9,202,435	\$ 10,033,685	31	28.43
02/28/2009	\$9,564,135	\$ 9,078,992	28	29.50
03/31/2009	\$7,993,558	\$ 7,804,752	31	31.75
04/30/2009	\$8,106,328	\$ 7,819,067	30	31.10
05/31/2009	\$7,316,207	\$ 6,374,954	31	35.58
06/30/2009	\$6,415,007	\$ 6,090,061	30	31.60
07/31/2009	\$6,643,540	\$ 6,596,096	31	31.22
08/31/2009	\$6,860,317	\$ 6,933,072	31	30.67
09/30/2009	\$6,153,079	\$ 6,844,931	30	26.97
10/31/2009	\$5,227,029	\$ 6,010,062	31	26.96
11/30/2009	\$5,288,823	\$ 5,962,112	30	26.61
12/31/2009	\$6,176,016	\$ 6,768,505	31	<u>28.29</u>
		\$ 86,316,289		
(1) Total Days				358.68
(2) Average Lag				29.89
(3) Average Lag from date meter is read				1.48
(4) Payment Processing and Bank Float Lag				<u>1.00</u>
(5) Total Average Days Lag				32.37
(6) Customer Payment Lag-annual percent				8.87%

Columns:

- (a) Accounts Receivable per general ledger at end of applicable month
- (b) Per Company billing data
- (c) Number of days in applicable service period
- (d) Column (a) ÷ Column (b) x Column (c)

Lines:

- (1) Total of Column (d)
- (2) Line (2) ÷ 12
- (3) Page 9
- (4) Per Staff Recommendation in Docket DE 09-010
- (5) Line (2) + Line (3) + Line (4)
- (6) Line (5) ÷ 365

Granite State Electric Company
Meter Reading vs Billing Days Elapsed
2009

	Billed	Prior			# Days	Billing
Cycle	Sales	Read Date	Read Date	Bill Date	in Bill [1]	Lag [2]
1	01/31/2009	11/26/2008	12/30/2008	12/31/2008	34	1
1	02/28/2009	12/30/2008	01/29/2009	01/30/2009	30	1
1	03/31/2009	01/29/2009	02/27/2009	03/02/2009	29	3
1	04/30/2009	02/27/2009	03/31/2009	04/01/2009	32	1
1	05/31/2009	03/31/2009	04/30/2009	05/01/2009	30	1
1	06/30/2009	04/30/2009	05/29/2009	06/01/2009	29	3
1	07/31/2009	05/29/2009	06/30/2009	07/01/2009	32	1
1	08/31/2009	06/30/2009	07/30/2009	07/31/2009	30	1
1	09/30/2009	07/30/2009	08/28/2009	08/31/2009	29	3
1	10/31/2009	08/28/2009	09/29/2009	09/30/2009	32	1
1	11/30/2009	09/29/2009	10/28/2009	10/29/2009	29	1
1	12/31/2009	10/28/2009	11/30/2009	12/01/2009	33	1
2	01/31/2009	12/01/2008	12/31/2008	01/02/2009	30	2
2	02/28/2009	12/31/2008	01/30/2009	02/02/2009	30	3
2	03/31/2009	01/30/2009	03/02/2009	03/03/2009	31	1
2	04/30/2009	03/02/2009	04/01/2009	04/02/2009	30	1
2	05/31/2009	04/01/2009	05/01/2009	05/04/2009	30	3
2	06/30/2009	05/01/2009	06/01/2009	06/02/2009	31	1
2	07/31/2009	06/01/2009	07/01/2009	07/02/2009	30	1
2	08/31/2009	07/01/2009	07/31/2009	08/03/2009	30	3
2	09/30/2009	07/31/2009	08/31/2009	09/01/2009	31	1
2	10/31/2009	08/31/2009	09/30/2009	10/01/2009	30	1
2	11/30/2009	09/30/2009	10/29/2009	10/30/2009	29	1
2	12/31/2009	10/29/2009	12/01/2009	12/02/2009	33	1
3	01/31/2009	12/02/2008	01/02/2009	01/05/2009	31	3
3	02/28/2009	01/02/2009	02/02/2009	02/03/2009	31	1
3	03/31/2009	02/02/2009	03/03/2009	03/04/2009	29	1
3	04/30/2009	03/03/2009	04/02/2009	04/03/2009	30	1
3	05/31/2009	04/02/2009	05/04/2009	05/05/2009	32	1
3	06/30/2009	05/04/2009	06/02/2009	06/03/2009	29	1
3	07/31/2009	06/02/2009	07/02/2009	07/06/2009	30	4
3	08/31/2009	07/02/2009	08/03/2009	08/04/2009	32	1
3	09/30/2009	08/03/2009	09/01/2009	09/02/2009	29	1
3	10/31/2009	09/01/2009	10/01/2009	10/02/2009	30	1
3	11/30/2009	10/01/2009	10/30/2009	11/02/2009	29	3
3	12/31/2009	10/30/2009	12/02/2009	12/03/2009	33	1
4	01/31/2009	12/03/2008	01/05/2009	01/06/2009	33	1
4	02/28/2009	01/05/2009	02/03/2009	02/04/2009	29	1
4	03/31/2009	02/03/2009	03/04/2009	03/05/2009	29	1
4	04/30/2009	03/04/2009	04/03/2009	04/06/2009	30	3
4	05/31/2009	04/03/2009	05/05/2009	05/06/2009	32	1
4	06/30/2009	05/05/2009	06/03/2009	06/04/2009	29	1
4	07/31/2009	06/03/2009	07/06/2009	07/07/2009	33	1
4	08/31/2009	07/06/2009	08/04/2009	08/05/2009	29	1
4	09/30/2009	08/04/2009	09/02/2009	09/03/2009	29	1
4	10/31/2009	09/02/2009	10/02/2009	10/05/2009	30	3
4	11/30/2009	10/02/2009	11/02/2009	11/03/2009	31	1
4	12/31/2009	11/02/2009	12/03/2009	12/04/2009	31	1

Granite State Electric Company
Meter Reading vs Billing Days Elapsed
2009

	Billed	Prior			# Days	Billing
Cycle	Sales	Read Date	Read Date	Bill Date	in Bill [1]	Lag [2]
5	01/31/2009	12/04/2008	01/06/2009	01/07/2009	33	1
5	02/28/2009	01/06/2009	02/04/2009	02/05/2009	29	1
5	03/31/2009	02/04/2009	03/05/2009	03/06/2009	29	1
5	04/30/2009	03/05/2009	04/06/2009	04/07/2009	32	1
5	05/31/2009	04/06/2009	05/06/2009	05/07/2009	30	1
5	06/30/2009	05/06/2009	06/04/2009	06/05/2009	29	1
5	07/31/2009	06/04/2009	07/07/2009	07/08/2009	33	1
5	08/31/2009	07/07/2009	08/05/2009	08/06/2009	29	1
5	09/30/2009	08/05/2009	09/03/2009	09/04/2009	29	1
5	10/31/2009	09/03/2009	10/05/2009	10/06/2009	32	1
5	11/30/2009	10/05/2009	11/03/2009	11/04/2009	29	1
5	12/31/2009	11/03/2009	12/04/2009	12/07/2009	31	3
6	01/31/2009	12/05/2008	01/07/2009	01/08/2009	33	1
6	02/28/2009	01/07/2009	02/05/2009	02/06/2009	29	1
6	03/31/2009	02/05/2009	03/06/2009	03/09/2009	29	3
6	04/30/2009	03/06/2009	04/07/2009	04/08/2009	32	1
6	05/31/2009	04/07/2009	05/07/2009	05/08/2009	30	1
6	06/30/2009	05/07/2009	06/05/2009	06/08/2009	29	3
6	07/31/2009	06/05/2009	07/08/2009	07/09/2009	33	1
6	08/31/2009	07/08/2009	08/06/2009	08/07/2009	29	1
6	09/30/2009	08/06/2009	09/04/2009	09/08/2009	29	4
6	10/31/2009	09/04/2009	10/06/2009	10/07/2009	32	1
6	11/30/2009	10/06/2009	11/04/2009	11/05/2009	29	1
6	12/31/2009	11/04/2009	12/07/2009	12/08/2009	33	1
7	01/31/2009	12/08/2008	01/08/2009	01/09/2009	31	1
7	02/28/2009	01/08/2009	02/06/2009	02/09/2009	29	3
7	03/31/2009	02/06/2009	03/09/2009	03/10/2009	31	1
7	04/30/2009	03/09/2009	04/08/2009	04/09/2009	30	1
7	05/31/2009	04/08/2009	05/08/2009	05/11/2009	30	3
7	06/30/2009	05/08/2009	06/09/2009	06/10/2009	32	1
7	07/31/2009	06/09/2009	07/09/2009	07/10/2009	30	1
7	08/31/2009	07/09/2009	08/07/2009	08/10/2009	29	3
7	09/30/2009	08/07/2009	09/08/2009	09/09/2009	32	1
7	10/31/2009	09/08/2009	10/07/2009	10/08/2009	29	1
7	11/30/2009	10/07/2009	11/05/2009	11/06/2009	29	1
7	12/31/2009	11/05/2009	12/08/2009	12/09/2009	33	1
8	01/31/2009	12/09/2008	01/09/2009	01/12/2009	31	3
8	02/28/2009	01/09/2009	02/09/2009	02/10/2009	31	1
8	03/31/2009	02/09/2009	03/10/2009	03/11/2009	29	1
8	04/30/2009	03/10/2009	04/09/2009	04/13/2009	30	4
8	05/31/2009	04/09/2009	05/11/2009	05/12/2009	32	1
8	06/30/2009	05/11/2009	06/10/2009	06/11/2009	30	1
8	07/31/2009	06/10/2009	07/10/2009	07/13/2009	30	3
8	08/31/2009	07/10/2009	08/10/2009	08/11/2009	31	1
8	09/30/2009	08/10/2009	09/09/2009	09/10/2009	30	1
8	10/31/2009	09/09/2009	10/08/2009	10/09/2009	29	1
8	11/30/2009	10/08/2009	11/06/2009	11/09/2009	29	3
8	12/31/2009	11/06/2009	12/09/2009	12/10/2009	33	1

Granite State Electric Company
Meter Reading vs Billing Days Elapsed
2009

	Billed	Prior			# Days	Billing
Cycle	Sales	Read Date	Read Date	Bill Date	in Bill [1]	Lag [2]
9	01/31/2009	12/10/2008	01/12/2009	01/13/2009	33	1
9	02/28/2009	01/12/2009	02/10/2009	02/11/2009	29	1
9	03/31/2009	02/10/2009	03/11/2009	03/12/2009	29	1
9	04/30/2009	03/11/2009	04/13/2009	04/14/2009	33	1
9	05/31/2009	04/13/2009	05/12/2009	05/13/2009	29	1
9	06/30/2009	05/12/2009	06/11/2009	06/12/2009	30	1
9	07/31/2009	06/11/2009	07/14/2009	07/15/2009	33	1
9	08/31/2009	07/14/2009	08/11/2009	08/12/2009	28	1
9	09/30/2009	08/11/2009	09/10/2009	09/11/2009	30	1
9	10/31/2009	09/10/2009	10/09/2009	10/12/2009	29	3
9	11/30/2009	10/09/2009	11/09/2009	11/10/2009	31	1
9	12/31/2009	11/09/2009	12/10/2009	12/11/2009	31	1
10	01/31/2009	12/11/2008	01/13/2009	01/14/2009	33	1
10	02/28/2009	01/13/2009	02/11/2009	02/12/2009	29	1
10	03/31/2009	02/11/2009	03/12/2009	03/13/2009	29	1
10	04/30/2009	03/12/2009	04/14/2009	04/15/2009	33	1
10	05/31/2009	04/14/2009	05/13/2009	05/14/2009	29	1
10	06/30/2009	05/13/2009	06/12/2009	06/15/2009	30	3
10	07/31/2009	06/12/2009	07/15/2009	07/16/2009	33	1
10	08/31/2009	07/15/2009	08/12/2009	08/13/2009	28	1
10	09/30/2009	08/12/2009	09/11/2009	09/14/2009	30	3
10	10/31/2009	09/11/2009	10/13/2009	10/14/2009	32	1
10	11/30/2009	10/13/2009	11/10/2009	11/12/2009	28	2
10	12/31/2009	11/10/2009	12/11/2009	12/14/2009	31	3
11	01/31/2009	12/12/2008	01/14/2009	01/15/2009	33	1
11	02/28/2009	01/14/2009	02/12/2009	02/13/2009	29	1
11	03/31/2009	02/12/2009	03/13/2009	03/16/2009	29	3
11	04/30/2009	03/13/2009	04/15/2009	04/16/2009	33	1
11	05/31/2009	04/15/2009	05/14/2009	05/15/2009	29	1
11	06/30/2009	05/14/2009	06/15/2009	06/16/2009	32	1
11	07/31/2009	06/15/2009	07/16/2009	07/17/2009	31	1
11	08/31/2009	07/16/2009	08/13/2009	08/14/2009	28	1
11	09/30/2009	08/13/2009	09/14/2009	09/15/2009	32	1
11	10/31/2009	09/14/2009	10/14/2009	10/15/2009	30	1
11	11/30/2009	10/14/2009	11/12/2009	11/13/2009	29	1
11	12/31/2009	11/12/2009	12/14/2009	12/15/2009	32	1
12	01/31/2009	12/15/2008	01/15/2009	01/16/2009	31	1
12	02/28/2009	01/15/2009	02/13/2009	02/17/2009	29	4
12	03/31/2009	02/13/2009	03/17/2009	03/18/2009	32	1
12	04/30/2009	03/17/2009	04/16/2009	04/17/2009	30	1
12	05/31/2009	04/16/2009	05/15/2009	05/18/2009	29	3
12	06/30/2009	05/15/2009	06/16/2009	06/17/2009	32	1
12	07/31/2009	06/16/2009	07/17/2009	07/20/2009	31	3
12	08/31/2009	07/17/2009	08/14/2009	08/17/2009	28	3
12	09/30/2009	08/14/2009	09/15/2009	09/16/2009	32	1
12	10/31/2009	09/15/2009	10/15/2009	10/16/2009	30	1
12	11/30/2009	10/15/2009	11/13/2009	11/16/2009	29	3
12	12/31/2009	11/13/2009	12/15/2009	12/16/2009	32	1

Granite State Electric Company
Meter Reading vs Billing Days Elapsed
2009

	Billed	Prior			# Days	Billing
Cycle	Sales	Read Date	Read Date	Bill Date	in Bill [1]	Lag [2]
13	01/31/2009	12/16/2008	01/16/2009	01/19/2009	31	3
13	02/28/2009	01/16/2009	02/17/2009	02/18/2009	32	1
13	03/31/2009	02/17/2009	03/18/2009	03/19/2009	29	1
13	04/30/2009	03/18/2009	04/17/2009	04/20/2009	30	3
13	05/31/2009	04/17/2009	05/18/2009	05/19/2009	31	1
13	06/30/2009	05/18/2009	06/17/2009	06/18/2009	30	1
13	07/31/2009	06/17/2009	07/20/2009	07/21/2009	33	1
13	08/31/2009	07/20/2009	08/17/2009	08/18/2009	28	1
13	09/30/2009	08/17/2009	09/16/2009	09/17/2009	30	1
13	10/31/2009	09/16/2009	10/16/2009	10/19/2009	30	3
13	11/30/2009	10/16/2009	11/16/2009	11/17/2009	31	1
13	12/31/2009	11/16/2009	12/16/2009	12/17/2009	30	1
14	01/31/2009	12/17/2008	01/20/2009	01/21/2009	34	1
14	02/28/2009	01/20/2009	02/18/2009	02/19/2009	29	1
14	03/31/2009	02/18/2009	03/19/2009	03/20/2009	29	1
14	04/30/2009	03/19/2009	04/21/2009	04/22/2009	33	1
14	05/31/2009	04/21/2009	05/19/2009	05/20/2009	28	1
14	06/30/2009	05/19/2009	06/18/2009	06/19/2009	30	1
14	07/31/2009	06/18/2009	07/21/2009	07/22/2009	33	1
14	08/31/2009	07/21/2009	08/18/2009	08/19/2009	28	1
14	09/30/2009	08/18/2009	09/17/2009	09/18/2009	30	1
14	10/31/2009	09/17/2009	10/19/2009	10/20/2009	32	1
14	11/30/2009	10/19/2009	11/17/2009	11/18/2009	29	1
14	12/31/2009	11/17/2009	12/17/2009	12/18/2009	30	1
15	01/31/2009	12/18/2008	01/21/2009	01/22/2009	34	1
15	02/28/2009	01/21/2009	02/19/2009	02/20/2009	29	1
15	03/31/2009	02/19/2009	03/20/2009	03/23/2009	29	3
15	04/30/2009	03/20/2009	04/22/2009	04/23/2009	33	1
15	05/31/2009	04/22/2009	05/20/2009	05/21/2009	28	1
15	06/30/2009	05/20/2009	06/19/2009	06/22/2009	30	3
15	07/31/2009	06/19/2009	07/22/2009	07/23/2009	33	1
15	08/31/2009	07/22/2009	08/19/2009	08/20/2009	28	1
15	09/30/2009	08/19/2009	09/18/2009	09/21/2009	30	3
15	10/31/2009	09/18/2009	10/20/2009	10/21/2009	32	1
15	11/30/2009	10/20/2009	11/18/2009	11/19/2009	29	1
15	12/31/2009	11/18/2009	12/18/2009	12/21/2009	30	3
16	01/31/2009	12/19/2008	01/22/2009	01/23/2009	34	1
16	02/28/2009	01/22/2009	02/20/2009	02/23/2009	29	3
16	03/31/2009	02/20/2009	03/24/2009	03/25/2009	32	1
16	04/30/2009	03/24/2009	04/23/2009	04/24/2009	30	1
16	05/31/2009	04/23/2009	05/21/2009	05/22/2009	28	1
16	06/30/2009	05/21/2009	06/23/2009	06/24/2009	33	1
16	07/31/2009	06/23/2009	07/23/2009	07/24/2009	30	1
16	08/31/2009	07/23/2009	08/20/2009	08/21/2009	28	1
16	09/30/2009	08/20/2009	09/22/2009	09/23/2009	33	1
16	10/31/2009	09/22/2009	10/21/2009	10/22/2009	29	1
16	11/30/2009	10/21/2009	11/19/2009	11/20/2009	29	1
16	12/31/2009	11/19/2009	12/21/2009	12/22/2009	32	1

Granite State Electric Company
Meter Reading vs Billing Days Elapsed
2009

	Billed	Prior			# Days	Billing
Cycle	Sales	Read Date	Read Date	Bill Date	in Bill [1]	Lag [2]
17	01/31/2009	12/22/2008	01/23/2009	01/26/2009	32	3
17	02/28/2009	01/23/2009	02/23/2009	02/24/2009	31	1
17	03/31/2009	02/23/2009	03/25/2009	03/26/2009	30	1
17	04/30/2009	03/25/2009	04/24/2009	04/27/2009	30	3
17	05/31/2009	04/24/2009	05/22/2009	05/26/2009	28	4
17	06/30/2009	05/22/2009	06/24/2009	06/25/2009	33	1
17	07/31/2009	06/24/2009	07/24/2009	07/27/2009	30	3
17	08/31/2009	07/24/2009	08/21/2009	08/24/2009	28	3
17	09/30/2009	08/21/2009	09/23/2009	09/24/2009	33	1
17	10/31/2009	09/23/2009	10/22/2009	10/23/2009	29	1
17	11/30/2009	10/22/2009	11/20/2009	11/23/2009	29	3
17	12/31/2009	11/20/2009	12/22/2009	12/23/2009	32	1
18	01/31/2009	12/23/2008	01/26/2009	01/27/2009	34	1
18	02/28/2009	01/26/2009	02/24/2009	02/25/2009	29	1
18	03/31/2009	02/24/2009	03/26/2009	03/27/2009	30	1
18	04/30/2009	03/26/2009	04/27/2009	04/28/2009	32	1
18	05/31/2009	04/27/2009	05/26/2009	05/27/2009	29	1
18	06/30/2009	05/26/2009	06/25/2009	06/26/2009	30	1
18	07/31/2009	06/25/2009	07/27/2009	07/28/2009	32	1
18	08/31/2009	07/27/2009	08/25/2009	08/26/2009	29	1
18	09/30/2009	08/25/2009	09/24/2009	09/25/2009	30	1
18	10/31/2009	09/24/2009	10/23/2009	10/26/2009	29	3
18	11/30/2009	10/23/2009	11/23/2009	11/24/2009	31	1
18	12/31/2009	11/23/2009	12/23/2009	12/28/2009	30	5
19	01/31/2009	12/26/2008	01/27/2009	01/28/2009	32	1
19	02/28/2009	01/27/2009	02/25/2009	02/26/2009	29	1
19	03/31/2009	02/25/2009	03/27/2009	03/30/2009	30	3
19	04/30/2009	03/27/2009	04/28/2009	04/29/2009	32	1
19	05/31/2009	04/28/2009	05/27/2009	05/28/2009	29	1
19	06/30/2009	05/27/2009	06/26/2009	06/29/2009	30	3
19	07/31/2009	06/26/2009	07/28/2009	07/29/2009	32	1
19	08/31/2009	07/28/2009	08/26/2009	08/27/2009	29	1
19	09/30/2009	08/26/2009	09/25/2009	09/28/2009	30	3
19	10/31/2009	09/25/2009	10/26/2009	10/27/2009	31	1
19	11/30/2009	10/26/2009	11/24/2009	11/25/2009	29	1
19	12/31/2009	11/24/2009	12/28/2009	12/29/2009	34	1
20	01/31/2009	12/29/2008	01/28/2009	01/29/2009	30	1
20	02/28/2009	01/28/2009	02/26/2009	02/27/2009	29	1
20	03/31/2009	02/26/2009	03/30/2009	03/31/2009	32	1
20	04/30/2009	03/30/2009	04/29/2009	04/30/2009	30	1
20	05/31/2009	04/29/2009	05/28/2009	05/29/2009	29	1
20	06/30/2009	05/28/2009	06/29/2009	06/30/2009	32	1
20	07/31/2009	06/29/2009	07/29/2009	07/30/2009	30	1
20	08/31/2009	07/29/2009	08/27/2009	08/28/2009	29	1
20	09/30/2009	08/27/2009	09/28/2009	09/29/2009	32	1
20	10/31/2009	09/28/2009	10/27/2009	10/28/2009	29	1
20	11/30/2009	10/27/2009	11/25/2009	11/30/2009	29	5
20	12/31/2009	11/25/2009	12/29/2009	12/30/2009	34	1
	Average Billing Days				30.47	
	Average Billing Lag					1.48

[1] # Days in Bill = Number of days between meter reads

[2] Billing lag = Number of days between meter read and bill date. Once billed, the sales become part of A/R and will be included in the Collection Lag calculation.

Schedule SMM-10
Typical Bill Impacts

Granite State Electric Company
Proposed May 1, 2010 Default Service Rates
Calculation of Monthly Typical Bill
Impact on Rate D Default Service Customers
Without Water Heater Control
0% Off-Peak

kWh Split
On-Peak 100.00%
Off-Peak 0.00%

		(1)		(2)		(1) vs (2)				
		-----/		-----/		-----/				
Monthly kWh	On-Peak kWh	Off-Peak kWh	Present Rates		Proposed Rates		Overall Increase (Decrease) Amount %			
			Total	Default Service	Retail Delivery	Total		Default Service	Retail Delivery	
200	200	0	\$26.78	\$14.56	\$12.22	\$26.53	\$14.31	\$12.22	(\$0.25)	-0.9%
350	350	0	\$46.25	\$25.48	\$20.77	\$45.81	\$25.04	\$20.77	(\$0.44)	-1.0%
500	500	0	\$67.01	\$36.40	\$30.61	\$66.39	\$35.78	\$30.61	(\$0.62)	-0.9%
640	640	0	\$86.37	\$46.59	\$39.78	\$85.57	\$45.79	\$39.78	(\$0.80)	-0.9%
750	750	0	\$101.61	\$54.60	\$47.01	\$100.67	\$53.66	\$47.01	(\$0.94)	-0.9%
1,000	1,000	0	\$136.21	\$72.80	\$63.41	\$134.96	\$71.55	\$63.41	(\$1.25)	-0.9%

Present Rates

Proposed Rates

Customer Charge		\$4.32
Distribution Charge		\$4.32
1st 250 kWh	kWh x	\$0.01683
excess of 250 kWh	kWh x	\$0.04296
Off Peak kWh	kWh x	\$0.01612
Transmission Charge	kWh x	\$0.01811
Stranded Cost Charge	kWh x	\$0.00070
System Benefits Charge	kWh x	\$0.00330
Electricity Consumption Tax	kWh x	\$0.00055

Supplier Services

Default Service	kWh x	\$0.07280	\$0.07155
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Granite State Electric Company
Proposed May 1, 2010 Default Service Rates
Calculation of Monthly Typical Bill
Impact on Rate D Default Service Customers
With 6 Hour Water Heater Control

kWh Split
On-Peak 80.00%
Off-Peak 20.00%

Monthly KWh	On-Peak kWh	Off-Peak kWh	(1)		(2)		(1) vs (2)	
			Total	Present Rates Default Service	Total	Proposed Rates Default Service	Retail Delivery	Overall Increase (Decrease) Amount %
200	160	40	\$21.94	\$14.56	\$7.38	\$14.31	\$7.38	(\$0.25) -1.1%
350	280	70	\$39.57	\$25.48	\$14.09	\$25.04	\$14.09	(\$0.44) -1.1%
500	400	100	\$59.52	\$36.40	\$23.12	\$35.78	\$23.12	(\$0.62) -1.0%
750	600	150	\$92.79	\$54.60	\$38.19	\$53.66	\$38.19	(\$0.94) -1.0%
1,000	800	200	\$126.04	\$72.80	\$53.24	\$71.55	\$53.24	(\$1.25) -1.0%

Present Rates

Customer Charge		\$4.32
Distribution Charge		
1st 250 kWh	kWh x	\$0.01683
excess of 250 kWh	kWh x	\$0.04296
Off Peak kWh	kWh x	\$0.01612
Transmission Charge	kWh x	\$0.01811
Stranded Cost Charge	kWh x	\$0.00070
System Benefits Charge	kWh x	\$0.00330
Electricity Consumption Tax	kWh x	\$0.00055
Interruptible Credit #1		(\$4.80)

Proposed Rates

	\$4.32
	\$0.01683
	\$0.04296
	\$0.01612
	\$0.01811
	\$0.00070
	\$0.00330
	\$0.00055
	(\$4.80)

Supplier Services

Default Service	kWh x	\$0.07280
		\$0.07155

Granite State Electric Company
Proposed May 1, 2010 Default Service Rates
Calculation of Monthly Typical Bill
Impact on Rate D Default Service Customers
With 6 Hour Water Heater Control

kWh Split
On-Peak 60.00%
Off-Peak 40.00%

Monthly KWh	On-Peak kWh	Off-Peak kWh	(1)		(2)		(1) vs (2)	
			Total	Present Rates Default Service	Total	Proposed Rates Default Service	Retail Delivery	Overall Increase (Decrease) Amount %
200	120	80	\$20.32	\$14.56	\$5.76	\$20.07	\$5.76	(\$0.25) -1.2%
350	210	140	\$37.13	\$25.48	\$11.65	\$36.69	\$11.65	(\$0.44) -1.2%
500	300	200	\$55.24	\$36.40	\$18.84	\$54.62	\$18.84	(\$0.62) -1.1%
750	450	300	\$87.16	\$54.60	\$32.56	\$86.22	\$32.56	(\$0.94) -1.1%
1,000	600	400	\$119.08	\$72.80	\$46.28	\$117.83	\$46.28	(\$1.25) -1.0%

Present Rates

Customer Charge		\$4.32
Distribution Charge		\$0.00000
1st 250 kWh	kWh x	\$0.01683
excess of 250 kWh	kWh x	\$0.04296
Off Peak kWh	kWh x	\$0.01612
Transmission Charge	kWh x	\$0.01811
Stranded Cost Charge	kWh x	\$0.00070
System Benefits Charge	kWh x	\$0.00330
Electricity Consumption Tax	kWh x	\$0.00055
Interruptible Credit #2		(\$6.40)

Proposed Rates

	\$4.32
	\$0.00000
	\$0.01683
	\$0.04296
	\$0.01612
	\$0.01811
	\$0.00070
	\$0.00330
	\$0.00055
	(\$6.40)

Supplier Services

Default Service	kWh x	\$0.07280
		\$0.07155

Granite State Electric Company
Proposed May 1, 2010 Default Service Rates
Calculation of Monthly Typical Bill
Impact on Rate D-10 Default Service Customers

kWh Split
On-Peak 80.00%
Off-Peak 20.00%

		(1) /-----/		(2) /-----/		(1) vs (2)
Monthly KWh		Total	Present Rates Default Service	Retail Delivery	Proposed Rates Default Service	Retail Delivery
700	On-Peak kWh	560	\$98.42	\$50.96	\$97.55	\$47.46
	Off-Peak kWh	140				
1,000	On-Peak kWh	800	\$137.42	\$72.80	\$136.17	\$64.62
	Off-Peak kWh	200				
1,300	On-Peak kWh	1,040	\$176.42	\$94.64	\$174.80	\$81.78
	Off-Peak kWh	260				
1,600	On-Peak kWh	1,280	\$215.40	\$116.48	\$213.40	\$98.92
	Off-Peak kWh	320				
1,900	On-Peak kWh	1,520	\$254.41	\$138.32	\$252.04	\$116.09
	Off-Peak kWh	380				
						Overall Increase (Decrease) Amount %
						(\$0.87) -0.9%
						(\$1.25) -0.9%
						(\$1.62) -0.9%
						(\$2.00) -0.9%
						(\$2.37) -0.9%

Present Rates

Customer Charge		\$7.42
Distribution Charge		
On Peak kWh	kWh x	\$0.04772
Off Peak kWh	kWh x	\$0.00063
Transmission Charge	kWh x	\$0.01435
Stranded Cost Charge	kWh x	\$0.00069
System Benefits Charge	kWh x	\$0.00330
Electricity Consumption Tax	kWh x	\$0.00055

Proposed Rates

	\$7.42
	\$0.04772
	\$0.00063
	\$0.01435
	\$0.00069
	\$0.00330
	\$0.00055

Supplier Services

Default Service	kWh x	\$0.07280
		\$0.07155

Granite State Electric Company
Proposed May 1, 2010 Default Service Rates
Calculation of Monthly Typical Bill
Impact on Rate D-10 Default Service Customers

kWh Split
On-Peak 70.00%
Off-Peak 30.00%

Monthly KWh	On-Peak kWh	Off-Peak kWh	(1)		(2)		(1) vs (2)	
			Total	Present Rates Default Service	Total	Proposed Rates Default Service	Retail Delivery	Overall Increase (Decrease) Amount %
700	490	210	\$95.12	\$50.96	\$44.16	\$50.09	\$44.16	(\$0.87) -0.9%
1,000	700	300	\$132.70	\$72.80	\$59.90	\$71.55	\$59.90	(\$1.25) -0.9%
1,300	910	390	\$170.31	\$94.64	\$75.67	\$93.02	\$75.67	(\$1.62) -1.0%
1,600	1,120	480	\$207.87	\$116.48	\$91.39	\$114.48	\$91.39	(\$2.00) -1.0%
1,900	1,330	570	\$245.47	\$138.32	\$107.15	\$135.95	\$107.15	(\$2.37) -1.0%

Present Rates

Customer Charge		\$7.42
Distribution Charge		
On Peak kWh	kWh x	\$0.04772
Off Peak kWh	kWh x	\$0.00063
Transmission Charge	kWh x	\$0.01435
Stranded Cost Charge	kWh x	\$0.00069
System Benefits Charge	kWh x	\$0.00330
Electricity Consumption Tax	kWh x	\$0.00055

Proposed Rates

	\$7.42
	\$0.04772
	\$0.00063
	\$0.01435
	\$0.00069
	\$0.00330
	\$0.00055

Supplier Services

Default Service	kWh x	\$0.07280	\$0.07155
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Granite State Electric Company
Proposed May 1, 2010 Default Service Rates
Calculation of Monthly Typical Bill
Impact on Rate D-10 Default Service Customers

kWh Split			60.00%		40.00%		(1)		(2)		(1) vs (2)	
Monthly KWh	On-Peak kWh	Off-Peak kWh	Present Rates Default Service		Retail Delivery		Total		Proposed Rates Default Service		Retail Delivery	
700	420	280	\$91.83		\$50.96		\$40.87		\$90.96		\$50.09	
1,000	600	400	\$127.99		\$72.80		\$55.19		\$126.74		\$71.55	
1,300	780	520	\$164.18		\$94.64		\$69.54		\$162.56		\$93.02	
1,600	960	640	\$200.33		\$116.48		\$83.85		\$198.33		\$114.48	
1,900	1,140	760	\$236.52		\$138.32		\$98.20		\$234.15		\$135.95	
			</									

Present Rates

Customer Charge		\$7.42
Distribution Charge		
On Peak kWh	kWh x	\$0.04772
Off Peak kWh	kWh x	\$0.00063
Transmission Charge	kWh x	\$0.01435
Stranded Cost Charge	kWh x	\$0.00069
System Benefits Charge	kWh x	\$0.00330
Electricity Consumption Tax	kWh x	\$0.00055

Proposed Rates

	\$7.42
	\$0.04772
	\$0.00063
	\$0.01435
	\$0.00069
	\$0.00330
	\$0.00055

Supplier Services

Default Service	kWh x	\$0.07280
		\$0.07155

Granite State Electric Company
Proposed May 1, 2010 Default Service Rates
Calculation of Monthly Typical Bill
Impact on Rate G-3 Default Service Customers

Hours Use

Monthly kWh	(1)		(2)		(1) vs (2)	
	Total	Present Rates Default Service	Retail Delivery	Total	Proposed Rates Default Service	Retail Delivery
600	\$80.38	\$43.68	\$36.70	\$79.63	\$42.93	\$36.70
800	\$105.35	\$58.24	\$47.11	\$104.35	\$57.24	\$47.11
1,200	\$155.29	\$87.36	\$67.93	\$153.79	\$85.86	\$67.93
1,500	\$192.75	\$109.20	\$83.55	\$190.88	\$107.33	\$83.55
2,000	\$255.17	\$145.60	\$109.57	\$252.67	\$143.10	\$109.57
					Amount	Overall Increase (Decrease) %
					(\$0.75)	-0.9%
					(\$1.00)	-0.9%
					(\$1.50)	-1.0%
					(\$1.87)	-1.0%
					(\$2.50)	-1.0%

Present Rates

Customer Charge		\$5.47
Distribution Charge	kWh x	\$0.03106
Transmission Charge	kWh x	\$0.01644
Stranded Cost Charge	kWh x	\$0.00070
System Benefits Charge	kWh x	\$0.00330
Electricity Consumption Tax	kWh x	\$0.00055

Proposed Rates

	\$5.47
	\$0.03106
	\$0.01644
	\$0.00070
	\$0.00330
	\$0.00055

Supplier Services

Default Service	kWh x	\$0.07280
		\$0.07155

Granite State Electric Company
Proposed May 1, 2010 Default Service Rates
Calculation of Monthly Typical Bill
Impact on Rate T Default Service Customers

Monthly kWh	(1)		(2)		(1) vs (2)	
	Total	Present Rates Default Service	Retail Delivery	Total	Proposed Rates Default Service	Retail Delivery
600	\$74.53	\$43.68	\$30.85	\$73.78	\$42.93	\$30.85
800	\$97.50	\$58.24	\$39.26	\$96.50	\$57.24	\$39.26
1,200	\$143.46	\$87.36	\$56.10	\$141.96	\$85.86	\$56.10
1,500	\$177.93	\$109.20	\$68.73	\$176.06	\$107.33	\$68.73
2,000	\$235.37	\$145.60	\$89.77	\$232.87	\$143.10	\$89.77
					Amount	Overall Increase (Decrease) %
					(\$0.75)	-1.0%
					(\$1.00)	-1.0%
					(\$1.50)	-1.0%
					(\$1.87)	-1.1%
					(\$2.50)	-1.1%

Present Rates

Customer Charge		\$5.59
Distribution Charge	kWh x	\$0.02058
Transmission Charge	kWh x	\$0.01696
Stranded Cost Charge	kWh x	\$0.00070
System Benefits Charge	kWh x	\$0.00330
Electricity Consumption Tax	kWh x	\$0.00055

Proposed Rates

	\$5.59
	\$0.02058
	\$0.01696
	\$0.00070
	\$0.00330
	\$0.00055

Supplier Services

Default Service	kWh x	\$0.07280
		\$0.07155

Granite State Electric Company

Proposed May 1, 2010 Default Service Rates

Calculation of Monthly Typical Bill

Impact on Rate V Default Service Customers

Monthly kWh	(1) ----- / -----		(2) ----- / -----		(1) vs (2)		
	Total	Present Rates Default Service	Retail Delivery	Total	Proposed Rates Default Service	Retail Delivery	Overall Increase (Decrease) Amount %
600	\$74.47	\$43.68	\$30.79	\$73.72	\$42.93	\$30.79	-\$0.75) -1.0%
800	\$99.29	\$58.24	\$41.05	\$98.29	\$57.24	\$41.05	-\$1.00) -1.0%
1,200	\$148.93	\$87.36	\$61.57	\$147.43	\$85.86	\$61.57	-\$1.50) -1.0%
1,500	\$186.18	\$109.20	\$76.98	\$184.31	\$107.33	\$76.98	-\$1.87) -1.0%
2,000	\$248.22	\$145.60	\$102.62	\$245.72	\$143.10	\$102.62	-\$2.50) -1.0%

Present Rates

Minimum Charge		\$5.84
Distribution Charge	kWh x	\$0.02878
Transmission Charge	kWh x	\$0.01797
Stranded Cost Charge	kWh x	\$0.00071
System Benefits Charge	kWh x	\$0.00330
Electricity Consumption Tax	kWh x	\$0.00055

Proposed Rates

	\$5.84
	\$0.02878
	\$0.01797
	\$0.00071
	\$0.00330
	\$0.00055

Supplier Services

Default Service	kWh x	\$0.07280
		\$0.07155

Hours Use	kWh Split
250 On-Peak	60.00%
Off-Peak	40.00%

kW	Monthly kWh	On-Peak kWh		(1) / ----- / -----		(2) / ----- / -----		Overall Increase (Decrease) Amount %			
		On-Peak kWh	Off-Peak kWh	Total	Present Rates Default Service	Retail Delivery	Total		Proposed Rates Default Service	Retail Delivery	
200	50,000	30,000	20,000	\$6,142.17	\$4,189.00	\$1,953.17	\$5,514.67	\$3,561.50	\$1,953.17	(\$627.50)	-10.2%
300	75,000	45,000	30,000	\$9,167.12	\$6,283.50	\$2,883.62	\$8,225.87	\$5,342.25	\$2,883.62	(\$941.25)	-10.3%
400	100,000	60,000	40,000	\$12,192.07	\$8,378.00	\$3,814.07	\$10,937.07	\$7,123.00	\$3,814.07	(\$1,255.00)	-10.3%
500	125,000	75,000	50,000	\$15,217.02	\$10,472.50	\$4,744.52	\$13,648.27	\$8,903.75	\$4,744.52	(\$1,568.75)	-10.3%
1,000	250,000	150,000	100,000	\$30,341.77	\$20,945.00	\$9,396.77	\$27,204.27	\$17,807.50	\$9,396.77	(\$3,137.50)	-10.3%

	<u>Present Rates</u>	<u>Proposed Rates</u>
Customer Charge		\$92.27
Distribution Charge		
On Peak kWh	kWh x	\$0.00204
Off Peak kWh	kWh x	\$0.00071
Distribution Demand Charge	kW x	\$4.03
Transmission Charge	kWh x	\$0.01505
Stranded Cost Charge	kWh x	\$0.00069
System Benefits Charge	kWh x	\$0.00330
Electricity Consumption Tax	kWh x	\$0.00055

Illustrative Weighted Average Default Service	kWh x	\$0.08378	\$0.07123
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Granite State Electric Company
Proposed May 1, 2010 Default Service Rates
Calculation of Illustrative Monthly Typical Bill
Impact on Rate G-1 Default Service Customers

Hours Use	kWh Split		Monthly kWh	On-Peak kWh	Off-Peak kWh	(1)		(2)		(1) vs (2)	
	350 On-Peak	50.00%				Total	Present Rates Default Service	Total	Proposed Rates Default Service	Amount	%
kW											
200	70,000	35,000	35,000	35,000	35,000	\$8,230.42	\$5,864.60	\$2,365.82	\$4,986.10	(\$878.50)	-10.7%
300	105,000	52,500	52,500	52,500	52,500	\$12,299.50	\$8,796.90	\$3,502.60	\$7,479.15	(\$1,317.75)	-10.7%
400	140,000	70,000	70,000	70,000	70,000	\$16,368.57	\$11,729.20	\$4,639.37	\$9,972.20	(\$1,757.00)	-10.7%
500	175,000	87,500	87,500	87,500	87,500	\$20,437.65	\$14,661.50	\$5,776.15	\$12,465.25	(\$2,196.25)	-10.7%
1,000	350,000	175,000	175,000	175,000	175,000	\$40,783.02	\$29,323.00	\$11,460.02	\$24,930.50	(\$4,392.50)	-10.8%

Present Rates

Customer Charge		\$92.27
Distribution Charge		
On Peak kWh	kWh x	\$0.00204
Off Peak kWh	kWh x	\$0.00071
Distribution Demand Charge	kW x	\$4.03
Transmission Charge	kWh x	\$0.01505
Stranded Cost Charge	kWh x	\$0.00069
System Benefits Charge	kWh x	\$0.00330
Electricity Consumption Tax	kWh x	\$0.00055

Proposed Rates

Customer Charge		\$92.27
Distribution Charge		
On Peak kWh	kWh x	\$0.00204
Off Peak kWh	kWh x	\$0.00071
Distribution Demand Charge	kW x	\$4.03
Transmission Charge	kWh x	\$0.01505
Stranded Cost Charge	kWh x	\$0.00069
System Benefits Charge	kWh x	\$0.00330
Electricity Consumption Tax	kWh x	\$0.00055

Supplier Services

Illustrative Weighted Average Default Service	kWh x	\$0.08378
		\$0.07123

Granite State Electric Company
Proposed May 1, 2010 Default Service Rates
Calculation of Illustrative Monthly Typical Bill
Impact on Rate G-1 Default Service Customers

Hours Use		kWh Split				(1)	/	(2)	/	(1) vs (2)
		450 On-Peak	45.00%							
		Off-Peak	55.00%							
kW	Monthly kWh	On-Peak kWh	Off-Peak kWh	Total	Present Rates Default Service	Retail Delivery	Total	Proposed Rates Default Service	Retail Delivery	Overall Increase (Decrease) Amount %
	200	90,000	40,500	49,500	\$10,319.34	\$7,540.20	\$2,779.14	\$9,189.84	\$6,410.70	\$2,779.14 (\$1,129.50) -10.9%
	300	135,000	60,750	74,250	\$15,432.87	\$11,310.30	\$4,122.57	\$13,738.62	\$9,616.05	\$4,122.57 (\$1,694.25) -11.0%
	400	180,000	81,000	99,000	\$20,546.40	\$15,080.40	\$5,466.00	\$18,287.40	\$12,821.40	\$5,466.00 (\$2,259.00) -11.0%
	500	225,000	101,250	123,750	\$25,659.93	\$18,850.50	\$6,809.43	\$22,836.18	\$16,026.75	\$6,809.43 (\$2,823.75) -11.0%
1,000	450,000	202,500	247,500	\$51,227.60	\$37,701.00	\$13,526.60	\$45,580.10	\$32,053.50	\$13,526.60	(\$5,647.50) -11.0%

Present Rates

Customer Charge		\$92.27
Distribution Charge		
On Peak kWh	kWh x	\$0.00204
Off Peak kWh	kWh x	\$0.00071
Distribution Demand Charge	kW x	\$4.03
Transmission Charge	kWh x	\$0.01505
Stranded Cost Charge	kWh x	\$0.00069
System Benefits Charge	kWh x	\$0.00330
Electricity Consumption Tax	kWh x	\$0.00055

Proposed Rates

Customer Charge		\$92.27
Distribution Charge		
On Peak kWh	kWh x	\$0.00204
Off Peak kWh	kWh x	\$0.00071
Distribution Demand Charge	kW x	\$4.03
Transmission Charge	kWh x	\$0.01505
Stranded Cost Charge	kWh x	\$0.00069
System Benefits Charge	kWh x	\$0.00330
Electricity Consumption Tax	kWh x	\$0.00055

Supplier Services

Illustrative Weighted Average Default Service	kWh x	\$0.08378
		\$0.07123

Hours Use	kWh Split
450 On-Peak	40.00%
Off-Peak	60.00%

kW	Monthly kWh	On-Peak kWh	Off-Peak kWh	(1)		(2)		Overall Increase (Decrease) Amount %
				Total	Present Rates Default Service	Total	Proposed Rates Default Service	
200	90,000	36,000	54,000	\$10,313.35	\$7,540.20	\$9,183.85	\$2,773.15	(\$1,129.50) -11.0%
300	135,000	54,000	81,000	\$15,423.89	\$11,310.30	\$13,729.64	\$4,113.59	(\$1,694.25) -11.0%
400	180,000	72,000	108,000	\$20,534.43	\$15,080.40	\$18,275.43	\$5,454.03	(\$2,259.00) -11.0%
500	225,000	90,000	135,000	\$25,644.97	\$18,850.50	\$22,821.22	\$6,794.47	(\$2,823.75) -11.0%
1,000	450,000	180,000	270,000	\$51,197.67	\$37,701.00	\$45,550.17	\$13,496.67	(\$5,647.50) -11.0%

	<u>Present Rates</u>	<u>Proposed Rates</u>
Customer Charge		\$92.27
Distribution Charge		
On Peak kWh	kWh x	\$0.00204
Off Peak kWh	kWh x	\$0.00071
Distribution Demand Charge	kW x	\$4.03
Transmission Charge	kWh x	\$0.01505
Stranded Cost Charge	kWh x	\$0.00069
System Benefits Charge	kWh x	\$0.00330
Electricity Consumption Tax	kWh x	\$0.00055

Illustrative Weighted Average Default Service	kWh x	\$0.08378	\$0.07123
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200

kW	Monthly kWh	(1)			(2)		Overall Increase (Decrease) Amount %	
		Total	Present Rates Default Service	Retail Delivery	Total	Proposed Rates Default Service		Retail Delivery
20	4,000	\$535.98	\$335.12	\$200.86	\$485.78	\$284.92	\$200.86	(\$50.20) -9.4%
50	10,000	\$1,302.90	\$837.80	\$465.10	\$1,177.40	\$712.30	\$465.10	(\$125.50) -9.6%
75	15,000	\$1,942.00	\$1,256.70	\$685.30	\$1,753.75	\$1,068.45	\$685.30	(\$188.25) -9.7%
100	20,000	\$2,581.10	\$1,675.60	\$905.50	\$2,330.10	\$1,424.60	\$905.50	(\$251.00) -9.7%
150	30,000	\$3,859.30	\$2,513.40	\$1,345.90	\$3,482.80	\$2,136.90	\$1,345.90	(\$376.50) -9.8%

\$24.70
\$0.00102
\$4.45
\$0.01622
\$0.00070
\$0.00330
\$0.00055

\$0.07123

Granite State Electric Company
Proposed May 1, 2010 Default Service Rates
Calculation of Illustrative Monthly Typical Bill
Impact on Rate G-2 Default Service Customers

Hours Use 250

		(1) -----/ /-----		(2) -----/ /-----		(1) vs (2)	
kW	Monthly kWh	Present Rates		Proposed Rates		Overall Increase (Decrease) Amount	%
		Total	Retail Delivery	Total	Retail Delivery		
20	5,000	\$641.55	\$418.90	\$578.80	\$222.65	(\$62.75)	-9.8%
50	12,500	\$1,566.83	\$1,047.25	\$1,409.96	\$519.58	(\$156.87)	-10.0%
75	18,750	\$2,337.91	\$1,570.88	\$2,102.59	\$767.03	(\$235.32)	-10.1%
100	25,000	\$3,108.95	\$2,094.50	\$2,795.20	\$1,014.45	(\$313.75)	-10.1%
150	37,500	\$4,651.08	\$3,141.75	\$4,180.46	\$1,509.33	(\$470.62)	-10.1%

Present Rates

Customer Charge		\$24.70
Distribution Charge	kWh x	\$0.00102
Distribution Demand Charge	kW x	\$4.45
Transmission Charge	kWh x	\$0.01622
Stranded Cost Charge	kWh x	\$0.00070
System Benefits Charge	kWh x	\$0.00330
Electricity Consumption Tax	kWh x	\$0.00055

Proposed Rates

	\$24.70
	\$0.00102
	\$4.45
	\$0.01622
	\$0.00070
	\$0.00330
	\$0.00055

Supplier Services

Illustrative Weighted Average Default Se	kWh x	\$0.08378
		\$0.07123

Granite State Electric Company

300

(1) vs (2)

Proposed Rates

Supplier Services

\$0.07123

Schedule SMM-11
Proposed Summary of Rates

GRANITE STATE ELECTRIC COMPANY
RATES EFFECTIVE MAY 1, 2010
FOR USAGE ON AND AFTER MAY 1, 2010

Rate	Blocks	Distribution Charge (1), (2), (3)	Electricity Consumption Tax	Transmission Charge	Systems Benefits Charge	Stranded Cost Charge	Total Retail Delivery Services
D	Customer Charge	\$4.32					\$4.32
	1st 250 kWh	\$0.01683	\$0.00055	\$0.01811	\$0.00330	\$0.00070	\$0.03949
	Excess 250 kWh	\$0.04296	\$0.00055	\$0.01811	\$0.00330	\$0.00070	\$0.06562
	Off Peak kWh	\$0.01612	\$0.00055	\$0.01811	\$0.00330	\$0.00070	\$0.03878
	Farm kWh	\$0.02587	\$0.00055	\$0.01811	\$0.00330	\$0.00070	\$0.04853
	D-6 kWh	\$0.01683	\$0.00055	\$0.01811	\$0.00330	\$0.00070	\$0.03949
D-10	Customer Charge	\$7.42					\$7.42
	On Peak kWh	\$0.04772	\$0.00055	\$0.01435	\$0.00330	\$0.00069	\$0.06661
	Off Peak kWh	\$0.00063	\$0.00055	\$0.01435	\$0.00330	\$0.00069	\$0.01952
G-1	Customer Charge	\$92.27					\$92.27
	Demand Charge	\$4.03					\$4.03
	On Peak kWh	\$0.00204	\$0.00055	\$0.01505	\$0.00330	\$0.00069	\$0.02163
	Off Peak kWh	\$0.00071	\$0.00055	\$0.01505	\$0.00330	\$0.00069	\$0.02030
G-2	Customer Charge	\$24.70					\$24.70
	Demand Charge	\$4.45					\$4.45
	All kWh	\$0.00102	\$0.00055	\$0.01622	\$0.00330	\$0.00070	\$0.02179
G-3	Customer Charge	\$5.47					\$5.47
	All kWh	\$0.03106	\$0.00055	\$0.01644	\$0.00330	\$0.00070	\$0.05205
M	All kWh see tariff for luminaires & pole charges	\$0.00071	\$0.00055	\$0.00990	\$0.00330	\$0.00071	\$0.01517
T	Customer Charge	\$5.59					\$5.59
	All kWh	\$0.02058	\$0.00055	\$0.01696	\$0.00330	\$0.00070	\$0.04209
V	Minimum Charge	\$5.84					\$5.84
	All kWh	\$0.02878	\$0.00055	\$0.01797	\$0.00330	\$0.00071	\$0.05131

- (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)

- (3) Distribution Energy Charges include a Reliability Enhancement Program and Vegetation Management Plan Adjustment Factor of \$0.00014

System Benefits Charge-Energy Efficiency \$0.00150 Effective 1/15/10, usage on and after
System Benefits Charge-Statewide Energy Assistance Program ~~\$0.00180~~ Effective 1/15/10, usage on and after
Total System Benefits Charge \$0.00330

Transmission Cost Adjustment Factor various Effective 1/1/10, usage on and after
Stranded Cost Adjustment Factor various Effective 1/1/10, usage on and after
Default Service Charge

Residential & Small Commercial (D, D-10, G-3, M, T, V) \$0.07155 Effective 5/1/10, usage on and after
Medium / Large Commercial & Industrial (G-1, G-2) \$0.07120 Effective 5/1/10, usage on and after
\$0.06910 Effective 6/1/10, usage on and after
\$0.07287 Effective 7/1/10, usage on and after

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

Issued: Issued by: Thomas B. King
Effective: May 1, 2010 Title: Thomas B. King
President

(Issued in Compliance with Order No. _____ in Docket No. DE 10-020 dated _____)

Schedule SMM-12
Quarterly Customer Migration Report

CUSTOMER MIGRATION REPORT

Energy Service and Competitive Generation Customers for the 4th Quarter of 2009

	Energy Service						Competitive Service					
	October-09	November-09	December-09	October-09	November-09	December-09	October-09	November-09	December-09	October-09	November-09	December-09
Customer Rate Class	Number of Energy Service Customers			kWh Used by Energy Service Customers			Number of Competitive Service Customers			kWh Used by Competitive Service Customers		
D	33,528	33,535	33,493	19,116,683	19,197,122	23,013,853	28	28	21	15,098	20,184	22,596
D-10	447	453	446	360,195	406,239	556,249	0	0	0	0	0	0
T	1,260	1,254	1,250	1,312,956	1,515,312	2,014,825	46	46	46	32,082	40,218	49,551
G-1	66	66	66	7,928,650	7,415,690	8,230,250	53	54	52	19,608,728	21,383,230	18,123,077
G-2	716	710	698	9,192,744	8,369,990	9,351,147	128	136	145	3,282,747	3,138,086	3,483,301
G-3	5,144	5,127	5,141	6,648,558	6,198,825	6,874,891	385	400	396	398,015	384,553	473,154
V	21	21	21	17,755	16,673	23,364	1	1	1	1,059	2,339	2,429
Streetlights	71	75	77	183,852	184,316	192,696	17	17	18	206,719	211,500	239,395
TOTAL	41,253	41,241	41,192	44,761,393	43,304,167	50,257,275	658	682	679	23,544,448	25,180,110	22,393,503
Customer Rate Class	Number of Energy Service Customers as % of Total			kWh Used by Energy Service Customers as % of Total			Number of Competitive Service Customers as % of Total			kWh Used by Competitive Service Customers as % of Total		
D	100%	100%	100%	100%	100%	100%	0%	0%	0%	0%	0%	0%
D-10	100%	100%	100%	100%	100%	100%	0%	0%	0%	0%	0%	0%
T	96%	96%	96%	98%	97%	98%	4%	4%	4%	2%	3%	2%
G-1	55%	55%	56%	29%	26%	31%	45%	45%	44%	71%	74%	69%
G-2	85%	84%	83%	74%	73%	73%	15%	16%	17%	26%	27%	27%
G-3	93%	93%	93%	94%	94%	94%	7%	7%	7%	6%	6%	6%
V	95%	95%	95%	94%	88%	91%	5%	5%	5%	6%	12%	9%
Streetlights	81%	82%	81%	47%	47%	45%	19%	18%	19%	53%	53%	55%
TOTAL	98%	98%	98%	66%	63%	69%	2%	2%	2%	34%	37%	31%

Prepared By: J. Jerz

Date: January 4, 2010