

Eleven South Main Street | Concord, NH 03301 Tel: 603.226.0400 | Fax: 603.230.4448 | www.mclane.com

MANCHESTER CONCORD PORTSMOUTH WOBURN MA

October 24, 2011

VIA ELECTRONIC AND HAND DELIVERY

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

Re:

DE 11-221

Affidavits of Publication

MPUC OCT 24'11 PM 2:46

Dear Ms. Howland:

In connection with the above-captioned docket, enclosed for filing with the Commission are affidavits of publication stating that Order of Notice dated October 7, 2011 was published in the Union Leader and Valley News on October 12, 2011, and Eagle-Tribune on October 14, 2011.

Please do not hesitate to contact me with any questions regarding this filing.

Sincerely, Donna Schesse

Donna Schesser

/ds

Enclosures

cc: Service List (via electronic mail)

UNION LEADER CORPORATION

568272

P O BOX 9513 MANCHESTER, NH 03108

> MCLANE LAW FIRM 11 SO MAIN ST STE 500 CONCORD NH 03301

I hereby certify that the legal notice of DE 11-221, PO number:90323 was published in the New Hampshire Union Leader and/or New Hampshire Sunday News, newspapers printed at Manchester, NH by the Union Leader Corp.
On:

10/12/2011

State of New Hampshire Hillsborough County Subscribed and sworn to before me this

14th day of October, 2011

The newspaper of the Upper Connecticut River Valley

Mailing Address: Box 877 White River Jct., VT 05001-0877 • Plant Location: 24 Interchange Drive, W. Lebanon, NH 03784-2084 • Telephone: 603/298-8711 FAX: 603/298-0212

October 21, 2011

AFFIDAVIT OF INSERTION

I, Kelly T. Vigue, hereby certify that the attached Legal Notice with regards to Docket No. DE 11-221 was advertised in the Valley News, a daily newspaper, published in Grafton County, state of New Hampshire on Wednesday, October 12, 2011.

Customer Relations Manager

County of Grafton State of New Hampshire

Affirmed before me, this 215T day of Oct., 2011.

Commission Expires: BETH ALICE CHAPIN, Notary Public BETH ALICE CHAPIN, Notary Public



18, October, 2011

AFFIDAVIT

I, Linda Koczat hereby certify that I am employed by the publishers of the Eagle Tribune, and the following legal notices:

STATE OF NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION DE 11-221

GRANITE STATE ELECTRIC COMPANY d/b/a NATIONAL GRID Petition to increase storm recovery adjustment Factor and to Increase Base Storm Fund Annual Revenue

was advertised as a legal notice in the Eagle Tribune as follows:
October 14, 2011

Linda Koczat

Legal Advertising Representative

Linda Kocrat

October 18, 2011

State of Massachusetts County of Essex

Then, personally appeared before me, Linda Koczat and declared that the statements in the foregoing were true to the best of her ability and belief.

Notary Public

100 Turnpike Street

North Andover, MA 01845

978-946-2000

Fax 978-685-1588

Union Leader

Legal Notice

STATE OF NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION DE 11-221

DE 11-221
GRANITE STATE ELECTRIC
COMPANY d/b/a NATIONAL GRID
Petition to Increase Storm Recovery
Adjustment Factor and to Increase
Base Storm Fund Annual Revenue
Order Suspending Tariff and
Scheduling Prehearing Conference
ORDERNO.25,276
October 7, 2011

On September 30, 2011, Granite State Electric Company d/b/a National Grid (National Grid or Company) filed a proposed tariff to adjust its Storm Recovery Adjustment (SRA) factor for effect with services rendered on and after January 1, 2012. In support of its request, National Grid filed testimony with related exhibits and attachments. National Grid requested that the SRA factor be increased from its current level of \$0.00040 per kilowatt hour (kWh) to \$0.00223 per kWh effective January 1, 2012. As a result of the proposed increase, a residential customer using 672 kWh per month, the average monthly usage for National Grid residential customers, would experience a 1.3% increase in monthly bills.

National Grid proposes to increase the SRA factor to offset a significant deficit balance in the Storm Fund that resulted from the costs associated with three major storms and to provide a sufficient level of funding for future storms. The three major storms are (1) the December 12, 2008 ice storm, (2) the February 24, 2010 wind storm, and (3) the March 7, 2011 ice storm. The Company said the creation of the Storm Fund was part of the Settlement Agreement approved by the Commission in Docket No. DG 06-107. See, Order No. 24,777, 92 NH PUC 279 (July 12, 2007). The purpose of the Storm Fund is to smooth out costs to customers of the inevitable impact of major storm events that cause damage to the Com-pany's electrical system. The Settlement Agreement defines a "major storm" as a severe weather event causing 30 concurrent troubles (interruption events occurring on either primary or secondary lines) and 15 % of customers interrupted, or 45 concurrent troubles.

Pursuant to the Settlement Agreement, the Company's base rates were set at a level that creditedannual collections of \$120,000 to the Storm Fund, accruing at the rate of \$10,000 per month. In addition, beginning July 1, 2010, the Commission authorized National Grid to implement the SRA factor. See,Order No. 25,125 (June 30, 2010) in Docket No. DE 10-096. The SRA factor allows National Grid to temporarily collect \$30,000 per month, or \$360,000 annually, to address the deficit position of the Storm Fund resulting from the costs associated with the December 2008 ice storm.

The Company said it is taking into consideration the final cost of \$1,762,372 related to the December 2008 storm in the instant filing. National Grid testified that it also incurred approximately \$1.7 million in costs resulting from damage to its electrical system following the February 2010wind storm, and approximately \$1.8 million in similar costsfollowing the March 2011 ice storm. The Company stated that, if the current annual base revenue of \$120,000 and the temporary annual increment of \$360,000 remained unchanged, it would take 10 years for the Storm Fund to reach a break-even level, assuming no additional major storms occurred. National Grid said that the Storm Fund balance at December 31, 2011 will be a deficit of \$4,645,761.

To address the estimated deficit balance at December 31, 2011, National Grid is requesting an annual increase of \$540,000 in the temporary funding over a five-year period commencing January 1, 2012. The Company also said that,based on the costs of major storms over the past five years, the \$120,000 annual base rate allowance is insufficient. Therefore, the Company is also requesting a permanent increase in annual Storm Fund collections to \$1.3 million. With these two elements, the SRA factor would increase from its current level of \$0.00040 per kWh to \$0.00223 per kWh for five years effective January 1, 2012, and would decrease to \$0.00127 per kWh effective January 1, 2017 to reflect the termination of the temporary recovery and the continuation of the permanent increased funding of the Storm Fund.

The filing raises, inter alia, issues related to whether the costs incurred with the February 2010 and March 2011 major storms were prudently incurred; whether it is just and reasonable to allow National Grid to recover \$3.5 millionrelated to the 2010 and 2011 storms from ratepayers; whether it is just and reasonable to allow National Grid to increase the annual base revenue for the Storm Fund; and whether pursuant to RSA 378:7 the resulting rates are just and reasonable.

The petition and subsequent docket filings, other than information for which confidential treatment is requested of or granted by the Commission, will be posted to the Commission's website at http://www.puc.nh.gov/Regulatory/Docketbk/2011/11-221.html

Based upon the foregoing, it is hereby

ORDERED. pursuant to RSA 378:6, I(b), the Commission hereby suspends National Grid's proposed tariff to allow the filing to be investigated; and it is

FURTHER ORDERED, that a Prehearing Conference, pursuant to N.H. Code Admin. Rules Puc 203.15, be held before

HIRE UNION LEADER • Page C9

the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on October 24, 2011 at 1:30 p.m., at which each party will provide a preliminary statement of its position with regard to the petition and any of the issues set forth in Puc 203.15 shall be considered; and it is

FURTHER ORDERED, that, immediately following the Prehearing Conference, National Grid, the Staff of the Commission and any Intervenors hold a Technical Session to review the petition and allow National Grid to provide any amendments or updates to its filing; and it is

or updates to its filing, and it is

FURTHER ORDERED, that pursuant
to Puc 203.12, National Grid shall notify
all persons desiring to be heard at this
hearing by publishing a copy of this Order of Notice no later than

October 14, 2011, in a newspaper with general circulation in those portions of the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before October 24, 2011; and it is

before October 24, 2011; and it is

FURTHER ORDERED, that pursuant
to Puc 203.17, any party seeking to intervene in the proceeding shall submit to
the Commission seven copies of a Petition
to Intervene with copies sent to National
Grid and the Office of the Consumer Advocate on or before October 19, 2011,
such Petition stating the facts demonstrating how its rights, duties, privileges,
immunities or other substantial interest
may be affected by the proceeding, as
required by Puc 203.17 and RSA 541A:32,I(b); and it is

FURTHER ORDERED, that any party objecting to a Petition to Intervene make said Objection on or before October 24, 2011

By order of the Public Utilities Commission of New Hampshire this seventh day of October, 2011.

Thomas B. Getz, Chairman Amy L. Ignatius, Commissioner Attested by: Debra A. Howland Executive Director

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event. (UL – Oct. 12) STATE OF NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

DE 11-221

GRANITE STATE ELECTRIC COMPANY d/b/a NATIONAL GRID

Petition to Increase Storm Recovery Adjustment Factor and to Increase Base Storm Fund Annual Revenue

Order Suspending Tariff and Scheduling Prehearing Conference

ORDER NO. 25,276

October 7, 2011

On September 30, 2011, Granite State Electric Company d/b/a National Grid (National Grid or Company) filed a proposed fariff to adjust its Storm Recovery Adjustment (SRA) factor for effect with services rendered on and after January 1, 2012. In support of its request, National Grid filed testimony with related exhibits and attachments. National Grid requested that the SRA factor be increased from its current level of \$0.00040 per kilowatt hour (kWh) to \$0.00223 per kWh effective January 1, 2012. As a result of the proposed increase, a residential customer using 672 kWh per month, the average monthly usage for National Grid residential customers, would experience a 1.3% increase in monthly bills.

National Grid proposes to increase the SRA factor to off: set a significant deficit balance in the Storm Fund that resulted from the costs associated with three major storms and to provide a sufficient level of funding for future storms. The three major storms are (1) the December 12, 2008 ice storm, (2) the February 24, 2010 wind storm, and (3) the March 7, 2011 ice storm. The Company said the creation of the Storm Fund was part of the Settlement Agreement approved by the Commission in Docket No. DG 06-107. See, Order No. 24,777, 92 NH PUC 279 (July 12, 2007). The purpose of the Storm Fund is to smooth out costs to customers of the inevitable impact of major storm events that cause damage to the Company's electrical system. The Settlement Agreement defines a "major storm" as a severe weather event causing 30 concurrent troubles (interno additional major storms occurred. National Grid said that the Storm Fund balance at December 31, 2011 will be a deficit of \$4,645,761.

To address the estimated deficit balance at December 31, 2011, National Grid is requesting an annual increase of \$540,000 in the temporary funding over a five-year period commencing January 1, 2012. The Company also said that, based on the costs of major storms over the past five years, the \$120,000 annual base rate allowance is insufficient. Therefore, the Company is also requesting a permanent increase in annual Storm Fund collections to \$1.3 million. With these two elements, the SRA factor would increase from its current level of \$0.00040 per kWh to \$0.00223 per kWh for five years effective January 1, 2012, and would decrease to \$0.00127 per kWh effective January 1, 2017 to reflect the termination of the temporary recovery and the continua-tion of the permanent increased funding of the Storm

The filing raises, inter alia, issues related to whether the costs incurred with the February 2010 and March 2011 major storms were prudently incurred; whether it is just and reasonable to allow National Grid to recover \$3.5 million related to the 2010 and 2011 storms from ratepayers; whether it is just and reasonable to allow National Grid to increase the annual base revenue for the Storm Fund; and whether pursuant to RSA 378:7 the resulting rates are just and reasonable.

The petition and subsequent docket filings, other than information for which confidential treatment is requested of or granted by the Commission, will be posted to the Commission's website at

http://www.puc.nh.gov/ Regulatory/ Docetbk/2011/11-221.html

Based upon the foregoing, it is hereby

ORDERED, pursuant to RSA 378:6, I(b), the Commission hereby suspends National Grid's proposed tariff to allow the filing to be investigated; and it is

with copies sent to National Grid and the Office of the Consumer Advocate on or before October 19, 2011, such Petition stating the facts demonstrating how its rights, duties, privileges, immunities or other substantial interest may be affected by the proceeding, as required by Puc 203.17 and RSA 541-A:32,1(b); and it is

FURTHER ORDERED, that any party objecting to a Petition to Intervene make said Objection on or before October 24, 2011.

By order of the Public Utilities Commission of New Hampshire this seventh day of October, 2011.

Thomas B. Getz Chairman

Amy L. Ignatius Commissioner

Attested by: Debra A. Howland Executive Director

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Valley News

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The Company said it is taking into consideration the final cost of \$1,762,372 related to the December 2008 storm in the instant filing. National Grid testified that it also incurred approximately \$1.7 million in costs resulting from damage to its electrical system following the February 2010 wind storm, and approximately \$1.8 million in similar costs following the March 2011 ice storm. The Company stated that, if the current annual base revenue of \$120,000 and the temporary annual increment of \$360,000 remained unchanged, it would take 10 years for the Storm Fund to reach a

FURTHER ORDERED, that a Prehearing Conference, pursuant to N.H. Code Admin. Rules Puc 203.15, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on October 24, 2011 at 1:30 p.m., at which each party will provide a preliminary statement of its position with regard to the petition and any of the issues set forth in Puc 203.15 shall be considered; and it is

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FURTHER ORDERED, that pursuant to Puc 203.12, National Grid shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than October 14, 2011, in a newspaper with general circulation in those portions of the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before October 24, 2011; and it is

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STATE OF NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION DE 11-221

GRANITE STATE ELECTRIC COMPANY d/b/a NATIONAL GRID
Petition to increase Storm Recovery Adjustment Factor and
to increase Base Storm Fund Annual Revenue Order Suspending Tariff and Scheduling Prehearing Conference

ORDER NO. 25,276

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By order of the Public Utilities Commission of New Hampshire this seventh day of October, 2011. Amy L. Ignatius

Thomas B. Getz Commissioner Chairman

Attested by: Debra A. Howland **Executive Director**

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