

Granite State Electric Company
d/b/a National Grid

Default Service

For the Period Beginning
May 1, 2008

Testimony and Schedules
of
John D. Warshaw
and
Scott M. McCabe

March 17, 2008

Submitted to:
New Hampshire Public Utilities Commission
Docket No. DE 08-011

Submitted by:

nationalgrid

DIRECT TESTIMONY

OF

JOHN D. WARSHAW

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1 **I. Introduction**

2 Q. Please state your name and business address.

3 A. My name is John D. Warshaw, and my business address is 55 Bearfoot Road,
4 Northborough, Massachusetts 01532.

5
6 Q. Please state your position.

7 A. I am a Principal Analyst in Regulated Electric Load and Distributed Generation for
8 National Grid USA Service Company, Inc. I conduct power procurement and energy
9 supply related activities for National Grid' s New England operating companies,
10 including Granite State Electric Company d/b/a National Grid ("Granite State"). These
11 activities include the procurement of power for Default Service for Granite State.

12

13 Q. Will you describe your educational background and training?

14 A. I graduated from the State University of New York Maritime College in 1977 with a
15 Bachelor of Science in Nuclear Science. I received a Masters in Business Administration
16 from Northeastern University in 1986. In 1992, I earned a Masters of Arts in Energy and
17 Environmental Management from Boston University.

18

19 Q. What is your professional background?

20 A. In May 2000, I joined the National Grid USA Service Company as a Principal Analyst in
21 Energy Supply – New England. In my position I have conducted a number of
22 solicitations for wholesale power to meet the needs of National Grid USA's New
23 England distribution companies. I also administer both short-term and long-term power

1 purchase agreements for National Grid USA's New England distribution companies.
2 Prior to my employment at National Grid USA, I was employed at COM/Energy (now
3 NSTAR) from 1992 to 2000. From 1992 to 1997, I was a Rate Analyst in Regulatory
4 Affairs at COM/Energy responsible for supporting state and federal rate filings. In 1997,
5 I transferred to COM/Electric to work in Power Supply Administration.
6

7 **II. Purpose of Testimony**

8 Q. What is the purpose of your testimony?

9 A. The purpose of my testimony is to request approval of the Default Service rates for the
10 Large and Medium Commercial and Industrial Customer Group ("Large Customer
11 Group"¹) and the Residential and Small Commercial Customer Group ("Small Customer
12 Group"²) resulting from Granite State's recent procurement of Default Service power
13 supply. To support this request, I will describe the process used by Granite State to
14 procure Default Service for the Large Customer Group for the three-month period May 1,
15 2008 through July 31, 2008 and for the Small Customer Group for the six-month period
16 May 1, 2008 through October 31, 2008. Mr. Scott McCabe, in his direct testimony, will
17 present Granite State's proposed default service rates, including rate adjustments, for
18 usage on and after May 1, 2008, in accordance with the Default Service Adjustment
19 Provision and Default Service Cost Reclassification Adjustment Provision of the
20 Company's tariff, and the Settlement Agreement in Docket No. DE 05-126, post-
21 Transition Service, approved by the Commission in Order No. 24,577 (January 13, 2006)

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 (“Settlement Agreement”). My testimony will also describe how the Company proposes
2 to meet the Renewable Portfolio Standard obligation.

3
4 **III. Bidding Process**

5 Q. Why does Granite State need to procure Default Service for both the Large Customer
6 Group and the Small Customer Group for the period beginning May 1, 2008?

7 A. Granite State’s currently effective Default Service supply contracts for both the Large
8 Customer Group and the Small Customer Group expire on April 30, 2008. Therefore, to
9 assure that Default Service will continue to be available to these customers, Granite State
10 requires a new Default Service supply arrangement beginning May 1, 2008.

11
12 Q. Please describe the process Granite State used to procure its Default Service supply.

13 A. Granite State conducted the procurement of Default Service supply in accordance with
14 applicable New Hampshire rules and regulations including Granite State Electric
15 Company’s Second Amended Restructuring Settlement Agreement (“Restructuring
16 Settlement”), RSA 374-F (“New Hampshire Act”), and the terms of the Settlement
17 Agreement approved by the Commission pursuant to Order No. 24,577³ issued on
18 January 13, 2006 in Docket No. DE 05-126 (the “Order”). Granite State and its retail
19 distribution affiliates in Massachusetts, Massachusetts Electric Company and Nantucket
20 Electric Company (together “Mass. Electric”), and in Rhode Island, The Narragansett

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

1 Electric Company (“Narragansett”) (all four companies together “National Grid”), issued
2 a joint request for proposals (“RFP”) for certain power supply services (including Granite
3 State’s Default Service) from suppliers. The RFP sought a supply for Granite State’s
4 Default Service, Rhode Island’s Last Resort Service and a portion of Mass. Electric’s
5 Basic Service supply. This is consistent with the process approved by the Commission in
6 the Order. This process is also consistent with past procurements⁴.

7
8 Q. Could you describe the nature of the RFP that National Grid issued?

9 A. On February 13, 2008, National Grid issued an RFP to over twenty-five potential
10 suppliers soliciting power supplies for the period May 1, 2008 through October 31, 2008.
11 National Grid also distributed the RFP to all members of the NEPOOL Markets
12 Committee and posted the RFP on its energy supply website. As a result, the RFP had
13 wide distribution throughout the New England energy supply marketplace. The RFP
14 requested fixed pricing for each month of service on an as-delivered energy basis. Prices
15 could vary by month and by service – that is, the prices did not have to be uniform across
16 the entire service period or between Granite State, Narragansett and Mass. Electric. A
17 copy of the RFP is provided as Schedule JDW-1.

18
19 **IV. Results of Bidding**

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

testimony.

⁴ See Order No. 24,163, at 7 (April 25, 2003), Order No. 24,412 at 9 (December 22, 2004), Order No. 24,539 at 9 (October 31, 2005), Order No. 24,609 at 10 (March 28, 2006), Order No. 24,637 at 10 (June 22, 2006), Order No. 24,675 at 10 (September 29, 2006), Order No. 24,715 at 8 (December 15, 2006), 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) and Order No. 24,810 at 10 (December 17, 2007).

1 A. Yes. Indicative proposals were received on March 5, 2008 and a confidential summary
2 of the proposals was shared with Commission staff soon after. Final proposals were
3 received on March 12, 2008. 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 JDW-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 August 10, 2007 and February 12, 2007 RFPs?

9 A. The futures market prices for electricity and natural gas at the time of the August 10,
10 2007 and February 12, 2007 procurements as well as current future market prices are
11 shown in Schedule JDW-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 13, 2008, Granite State entered into a wholesale Transaction Confirmation with
18 Constellation Energy Commodities Group ("Constellation"), the winning bidder for both
19 the Large Customer Group block, to provide Default Service to the Large Customer
20 Group for the three-month period May 1, 2008 through January 31, 2008, and the Small
21 Customer Group block, to provide Default Service to the Small Customer Group for the
22 six-month period May 1, 2008 through October 31, 2008. 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. The
3 Transaction Confirmation between Granite State and Constellation, with certain
4 confidential sections redacted, is attached hereto as Schedule JDW-4.

5
6 **V. Renewable Portfolio Standard**

7 Q. What is the Renewable Portfolio Standard (“RPS”) obligation for 2008?

8 A. As specified in the RPS law, the RPS obligation for calendar year 2008 is a minimum of
9 four percent (4%) of Granite State’s Default Service load, of which at least three and one-
10 half percent (3.5%) can come from Class III Existing Renewable Energy Resources and
11 at least one-half percent (0.5%) can come from Class IV Existing Renewable Energy
12 Resources.

13
14 Q. How does Granite State expect to satisfy its RPS obligations for this procurement period?

15 A. Granite State is including in Default Service rates an RPS Adder of 0.108 ¢/kWh for both
16 its Large Customer Group and Small Customer Group customers. This RPS Adder was
17 approved by the Commission for usage on and after January 1, 2008, pursuant to Order
18 No. 24,787 in Docket No. DE 07-012 (September 21, 2007).

19
20 Q. What costs did Granite State use to develop its RPS Adder?

21 A. As a proxy for actual RPS costs, the RPS Adder is based on the Alternative Compliance
22 Payment (“ACP”) for the Class III obligation and market prices for a similar product in
23 another jurisdiction for the Class IV obligation.

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

A. No. National Grid is not proposing to change the Commission approved RPS Adder included as part of previous Default Service filings in Docket No DE 07-012. National Grid had proposed the approved RPS Adder until such time that the Company had contracted for Renewable Energy Credits (“RECs”). The Company has not yet contracted for RECs. In addition, the Commission issued revised ACP values for Calendar Year 2008 on January 31, 2008. The actual Class III ACP is consistent with the value forecast by Granite State in its previous Default Service filings and does not result in any change to the RPS Adder.

Q. How did Granite State calculate the RPS Adder for 2008?

A. As shown in Schedule JDW-5, Granite State calculated the wholesale RPS costs on a per MWh basis for both Class III and Class IV RPS components. 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 \$/MWh wholesale cost to a ¢/kWh rate for retail use.

Q. What happens if Granite State’s actual RPS compliance costs are different from that used in calculating the RPS Adder?

A. As previously described in the Company’s September 17, 2007 Default Service filing in Docket No. DE-07-012, Granite State will reconcile its costs to comply with the RPS with the revenue received from customers from the RPS Adder. RPS compliance costs

1 will be included in the Default Service reconciliation which is filed as part of the Default
2 Service filing to be made in March 2009. Since the RPS Adder will be added to rates for
3 Default Service, the revenue associated with the charge will inherently be included in
4 revenue associated with Default Service. The Company will add a column to its
5 reconciliations for Default Service to identify the costs incurred that are associated with
6 purchasing RECs and any ACPs ultimately made. This will ensure that revenue billed
7 relating to the RPS Adder is matched against costs incurred to comply with the RPS law.

8 If the actual costs to procure RECs are less than or greater than those used to develop the
9 RPS Adder, any over or under collection will be included as part of the annual
10 reconciliation.

11
12 Q. How does Granite State expect to satisfy its RPS obligations once final RPS rules are
13 promulgated by the Commission?

14 A. While the details are yet to be worked out, the Company's plan will be consistent with
15 the RPS law and the final regulations issued by the Commission. At a minimum, Granite
16 State proposes to purchase the attributes of RPS generation, consistent with the RPS law.
17 These attributes are available as RECs in the wholesale marketplace. Granite State's
18 affiliates in Massachusetts and Rhode Island have satisfied similar renewable portfolio
19 standards requirements by purchasing RECs. Granite State will first attempt to buy NH
20 RECs in the marketplace, provided the offers we receive are consistent with our view of
21 the market. Our view of the market will be based upon broker information and purchases
22 National Grid has made in other jurisdictions for similar RECs. If Granite State is unable
23 to purchase sufficient RECs to meet its NH RPS obligations, it will then, consistent with

1 the RPS rules, make ACPs to the Renewable Energy Fund.

2
3 **VI. Default Service Commodity Costs**

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

6 A.. Granite State estimates the procurement costs for Default Service at the retail customer
7 meter for each month to be as set forth in the following table:

Month	Large Customer Group Commodity Costs ¢ / kWh	Small Customer Group Commodity Costs ¢ / kWh
May 2008	10.614	10.555
June 2008	11.267	11.107
July 2008	12.151	11.999
August 2008	N/A	12.154
September 2008	N/A	11.211
October 2008	N/A	11.263

8
9 The simple average of the commodity costs for the Large Customer Group is 11.344¢ per
10 kWh compared to the simple average Default Service costs of 9.304¢ per kWh for the
11 period February 2008 through April 2008. The simple average of the commodity costs
12 for the Small Customer Group is 11.382¢ per kWh compared to the simple average
13 Default Service costs of 9.201¢ per kWh for the period November 2007 through April
14 2008. The commodity costs at the retail customer meter (¢ per kWh) were calculated by
15 multiplying the commodity costs at the wholesale level (\$ per MWh) by the applicable

1 loss factor and then dividing the results by ten. The applicable loss factors can be found
2 in the RFP summary in Schedule JDW-2.

3
4 Q. How will Granite State reconcile any difference in costs associated with Default Service?

5 A. To the extent that the actual cost of procuring Default Service varies from the amounts
6 billed to customers for the service, Granite State will continue to reconcile the difference
7 through a reconciliation mechanism pursuant to Granite State's Default Service
8 Adjustment Provision contained in its currently effective tariff on Second Revised Page
9 87.

10
11 Q. When will Granite State issue the next RFP for Default Service?

12 A. The Large Customer Group rates proposed in this filing end on July 31, 2008. Per the
13 terms of the Settlement Agreement, Granite State will issue an RFP for the Large
14 Customer Group in mid-May 2008. For purposes of notice to the Commission, the
15 following table illustrates National Grid's proposed timeline for the next two RFPs:

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RFP	May 2008 RFP	August 2008 RFP
RFP Issued	May 9, 2008	August 8, 2008
Indicative Bids Due	June 3, 2008	September 10, 2008
Final Bids Due	June 11, 2008	September 17, 2008
Contract Execution	June 11, 2008	September 17, 2008

Default Service Filing to Commission	June 16, 2008	September 22, 2008
Commission Order Needed	June 23, 2008	September 29, 2008
Service Begins	August 1, 2008	November 1, 2008

1

2 **VII. Conclusion**

3 Q. Does this conclude your testimony?

4 A. Yes. It does.

Schedules of
John D. Warshaw

Schedules
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Schedule JDW-1	Default Service RFP May 1, 2008 through October 31, 2008
Schedule JDW-2	Default Service Procurement Summary
Schedule JDW-3	Comparison of Change in Futures Prices to Change in Procurement Costs
Schedule JDW-4	Default Service Contract for the Large Customer Group May 1, 2008 through July 31, 2008 and for the Small Customer Group May 1, 2008 through October 31, 2008
Schedule JDW-5	Renewable Portfolio Standard Adder

SCHEDULE JDW – 1

**Default Service RFP
May 1, 2008 through October 31, 2008**

Request For Power Supply Proposals To Provide The Following Services:

Default Service in:
Massachusetts
New Hampshire

Last Resort Service in Rhode
Island

For the Period:

May 1, 2008 –
April 30, 2009

February 13, 2008

nationalgrid

REQUEST FOR POWER SUPPLY PROPOSALS

1. Overview

1.1 Background

Legislation and restructuring settlement agreements in Massachusetts¹, New Hampshire² and Rhode Island³ 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 requires National Grid to provide default service (“NH Default Service”) to those customers that are not receiving generation service from a competitive supplier⁴.

The Rhode Island URA provides access to the competitive retail electricity market for all retail customers of National Grid’s distribution company in Rhode

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 Rhode Island Utility Restructuring Act of 1996 (“Rhode Island URA” or “URA” and Rhode Island General Law 39-1-27.3, as amended in June 2002.

⁴ 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”).



Island (The Narragansett Electric Company, including the former Blackstone Valley Electric Company and Newport Electric Corporation) as of January 1, 1998. The URA requires National Grid to provide last resort service (“RI Last Resort Service”) to those customers who at one time received generation service from a non-regulated power producer but subsequently returned to National Grid for generation service.

MA Default Service, NH Default Service, and RI Last Resort Service together will be referred to as “Default Service”.

1.2 MA Default Service

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 Service⁵. 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 prices⁶. 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 Massachusetts⁷. 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)⁸. The MDTE also ordered electric companies to procure power for the industrial customer group (i.e., larger customers) on a quarterly basis⁹. Additional changes regarding the procurement of MA Default Service may result from the Massachusetts Department of Public Utilities’ (“MDPU”)¹⁰, 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

⁵ Docket D.T.E. 99-60.

⁶ See Dockets D.T.E. 99-60-A and D.T.E. 99-60-B.

⁷ See Docket D.T.E. 02-40-A.

⁸ See Docket D.T.E. 02-40-B.

⁹ See Docket D.T.E. 02-40-C.

¹⁰ 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.



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

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, including those customers who were receiving Transition Service on April 30, 2006 and have not chosen a competitive supplier since that date. 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



1.6 RI Last Resort Service

Beginning on the retail access date, National Grid’s retail customers in Rhode Island have received generation service from either their choice of competitive suppliers or from National Grid through Standard Offer Service or Last Resort Service. National Grid must periodically procure its RI Last Resort Service requirements in the competitive marketplace. The specific requirements for such procurement can be found in the URA.

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

1.7 Rhode Island Customer Groups

For the purposes of this solicitation, the Rhode Island customer groups are defined as:

Customer Group	Rate Class
Residential	A-16, A-18, A-32, A-34, A-60, A-62, E-30
Commercial	C-06, C-08, E-40, G-02, G-22, N-01, R-02, S-00, T-00, V-00
Industrial	B-00, B-32, B-62, B-72, G-32, G-62, H-72, M-1A&B, X-01

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;
- A brief description of RI Last Resort 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.

On March 14, 2007 the MDTE approved the City of Marlborough's plan for a Municipal Aggregation (Docket D.T.E. 06-102). The City of Marlborough has executed an agreement with a supplier to provide service to residential and business customers in the city. Industrial customers have a 30-day "opt-out" period in which they can choose to remain on National Grid's Default Service and not be switched to the Municipal Aggregation service. In order to allow Bidders to evaluate the impact of this change on National Grid's Industrial Customer Group load in the WCMA Load Zone, National Grid is providing a summary of the customer counts and aggregate loads (by rate class) for the City of Marlborough. National Grid cannot provide individual customer information or hourly loads for the City of Marlborough. National Grid is unable to provide an estimate of how many customers will actually be served by the Municipal Aggregation and how many will choose to remain with National Grid's default service.

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);
- Marlboro customer count and aggregate load data;
- 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.

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)
- Aggregate historical wholesale hourly load information for Transition Service by the four customer groups (from July 1, 2002 to April 30, 2006). The Transition Service customer groups are defined as:

Customer Group	Rate Class
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Residential	D, D-10, M & T
Small Commercial	G-3 and V
Medium Commercial	G-2
Industrial	G-1

Note: As a result of Transition Service ending on April 30, 2006, all customers not taking service from a competitive supplier were transferred to either the small customer group or the large customer group of NH Default Service on May 1, 2006. In order to estimate NH Default Service load for the large customer group, the medium commercial and industrial Transition Service and pre May 1, 2006 NH Default Service loads will need to be combined into one service. For the small customer group, the residential and small commercial Transition Service loads will need to be combined into one service.

For RI Last Resort Service:

- Aggregate historical wholesale hourly load data for RI Last Resort Service

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 nineteen load blocks:

Load	Customer	SMD Load	Load Share	Type of Service	Period
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Block	Group	Zone			
A	Industrial	SEMA	100%	MA Default Service	05/01/08 – 07/31/08
B	Industrial	WCMA	100%	MA Default Service	05/01/08 – 07/31/08
C	Industrial	NEMA	100%	MA Default Service	05/01/08 – 07/31/08
D	Commercial	SEMA	50%	MA Default Service	05/01/08 – 10/31/08
E	Commercial	WCMA	50%	MA Default Service	05/01/08 – 10/31/08
F	Commercial	NEMA	50%	MA Default Service	05/01/08 – 10/31/08
G	Residential	SEMA	50%	MA Default Service	05/01/08 – 10/31/08
H	Residential	WCMA	50%	MA Default Service	05/01/08 – 10/31/08
I	Residential	NEMA	50%	MA Default Service	05/01/08 – 10/31/08
J	Commercial	SEMA	50%	MA Default Service	11/01/08 – 04/30/09
K	Commercial	WCMA	50%	MA Default Service	11/01/08 – 04/30/09
L	Commercial	NEMA	50%	MA Default Service	11/01/08 – 04/30/09
M	Residential	SEMA	50%	MA Default Service	11/01/08 – 04/30/09
N	Residential	WCMA	50%	MA Default Service	11/01/08 – 04/30/09
O	Residential	NEMA	50%	MA Default Service	11/01/08 – 04/30/09
P	Large	NH	100%	NH Default Service	05/01/08 – 07/31/08
Q	Small	NH	100%	NH Default Service	05/01/08 – 10/31/08
R	Residential	RI	100%	RI Last Resort Service	05/01/08 – 10/31/08
S	Commercial & Industrial	RI	100%	RI Last Resort Service	05/01/08 – 10/31/08

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 rejected¹¹.

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, C and D.

2.4 Massachusetts Retail Customer Rates

¹¹ 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 service purchased does not exceed [specified value] MW in any hour.



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 (MDTE No. 1084) 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 Rhode Island Retail Customer Rates

During the term of service covered by this RFP, National Grid intends to establish retail rates for generation service for RI Last Resort service customers in Rhode Island. The commercial and industrial RI Last Resort Service rates will reflect National Grid’s purchase costs for such service due to commitments made as a result of this RFP.

2.7 Effectiveness of Contracts (MA and NH only)

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 Supply 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 Supply Agreement Form of Confirmation addresses the possibility that the NHPUC may not approve the retail rates.

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 3.1 of the New Hampshire Power Supply Agreement 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 nineteen (19) 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 Power Supply Agreements. A copy of the proposed Master Power Supply Agreement for Massachusetts is provided in Appendix B, a copy of the proposed Master Power Supply Agreement for New Hampshire is provided in Appendix C. A copy of the proposed Master Power Supply Agreement for Rhode Island is provided in Appendix D. The winning Supplier(s) will be required to execute the applicable Master Power Supply 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

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

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Process Step	Date
Issue Request for Proposal	February 13, 2008
Submit Respondent Proposal Information and Proposed Agreement Modifications	February 22, 2008– 5pm EPT
Submit Indicative Pricing	March 5, 2008– 10am EPT
Submit Final Pricing	March 12, 2008– 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, 2008 or November 1, 2008

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

Mr. John D. Warshaw
Regulated Electric Load and Distributed Generation
National Grid
55 Bearfoot Road
Northboro, MA 01532
(508) 421-7357
(508) 421-7335 (fax)
e-mail: john.warshaw@us.ngrid.com

Proposal information may 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 22, 2008. 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 Thursday, March 5, 2008 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 12, 2008 at the above address. 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).

At least 30 days prior to the effective date of the RI Last Resort Service rates, National Grid will file with the Rhode Island Public Utilities Commission ("RIPUC") a confidential summary of the solicitation, the executed agreement(s) and provide RI Last Resort Service rates.

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 John D. Warshaw 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.T.E. No. 1053-A in Massachusetts, or the Off Cycle Meter Read for Switch of Supplier Provision, Original 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 or National Grid's Tariff for Off Cycle Meter Read for Switch of Supplier R.I.P.U.C. No. 1193 in Rhode Island.

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.T.E. No. 1053-A in Massachusetts, or the Off Cycle Meter Read for Switch of Supplier Provision, Original 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 or National Grid's Tariff for Off Cycle Meter Read for Switch of Supplier R.I.P.U.C. No. 1193 in Rhode Island.

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, the NHPUC or RIPUC, 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 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	10022	NANT-DEF SVC-RCG LOAD	G,M
Nantucket	SEMA	10020	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
NECo	RI	10171	NECO-LRS-RCG LOAD	R
NECo	RI	735	NECO LAST RESORT SERVICE LOAD	S

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 Supply Agreements in Appendices B, C and D 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 Supply Agreements, found in Appendices B, C and D 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 ("RPS")

The Massachusetts Act requires the Massachusetts Division of Energy Resources ("DOER") to establish a renewable energy portfolio standard for all retail electricity suppliers selling electricity to end-use consumers in the Commonwealth. These requirements require National Grid to demonstrate that at least three and one half percent (3.5%) in 2008 and four percent (4%) of its

electricity sales in 2009 and are supplied from “new” renewable energy generation sources. The DOER has issued final regulations to meet these requirements. The DOER’s website contains a section on the Renewable Energy Portfolio requirements, including the final regulations, 225 CMR 14.00.

<http://www.state.ma.us/doer/rps/index.htm>

As requested in Section 5.2 below, National Grid requests Respondents to separately bid the cost of RPS compliance equivalent to 3.5% of sales in 2008 and 4% of sales in 2009. National Grid will have the option to select bids that include or exclude the 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 Rhode Island Renewable Energy Standards (“RES”)

The RIPUC established rules and procedures implementing a renewable energy standard for all retail electricity suppliers selling electricity to end-use consumers in the State of Rhode Island to meet the Renewable Energy Standards passed by the state legislature in 2004¹². These requirements require National Grid to demonstrate that at least three and one half percent (3.5%) of expected sales in 2008 and four percent (4%) of expected sales in 2009 are supplied from renewable energy generation sources of which up to two percent (2.0%) may come from existing renewable energy generation sources and the remaining percentage may come from new renewable energy generation sources. The RIPUC has issued final regulations to meet these requirements.

These rules and regulations can be found at:

<http://www.ripuc.state.ri.us/utilityinfo/res.html>

National Grid requests Respondents to separately bid the cost of RES compliance equivalent to 3.5% of sales in 2008 and 4% of sales in 2009, of which no more than 2% of sales can be served from existing renewable resources. National Grid will have the option to select bids that include or exclude the RES component.

¹² Title 39 Public Utilities and Carriers Chapter 39-26 RES.

If National Grid accepts bids with the RES 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 RES regulations. Respondents may propose alternate methods for demonstrating compliance. In each monthly invoice for a service that includes the RES component, National Grid will take a credit equal to the product of the RES 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.

(4.7) Implementation of the New Hampshire Renewable Portfolio Standards (“RPS”)

In May, 2007, the State of New Hampshire enacted legislation mandating an electric renewable portfolio standard (NH RSA 362-F). Final regulations are in process to implement the new requirements. Consequently, National Grid will not require bidders to include a bid for RPS requirements but will be including an adder in its calculation of the default service retail rates in order to ensure that customers for whom the company is incurring the RPS obligations will be assessed the cost of the obligation.

5. Proposal Requirements

5.1 Format of Proposal

The information required by National Grid to evaluate each proposal is identified in Appendix E. Respondents may simply complete the forms provided in Appendix E in any legible fashion and return them to John D. Warshaw 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 Capability, 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 Power Supply 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 S), 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/RES component.
- **Pass-Through Bids:** For only the New Hampshire Load Blocks (P and Q), a price which includes all costs except capacity market costs. Should National Grid select this option, Suppliers would be responsible for all costs including the cost of capacity associated with the New Hampshire Load Blocks which National Grid would pay to the supplier on a pass-through basis based on the Suppliers actual costs subject to an appropriate cap.
- **RPS Compliance:** Price, on a separate \$ per MWh basis in 2008 and 2009, for Supplier to provide the RPS component for Load Blocks A through O. Should National Grid select this option, the 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).
- **RES Compliance:** Price, on a separate \$ per MWh basis in 2008 for Supplier to provide both the new and existing RES component for Load Blocks R and S. Should National Grid select this option, the RES 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 4.6).

On June 16, 2006, the Federal Energy Regulatory Commission (“FERC”) issued an Order in Docket No. ER03-563-060 approving a settlement agreement (“FERC Settlement”) adopting the Forward Capacity Market (“FCM”) as an alternative to ISO-New England, Inc.’s proposal to establish a locational installed capacity mechanism. On October 31, 2006 FERC issued an Order on Rehearing and Clarification denying a request for rehearing and affirming its decision to approve the FERC Settlement. Although consolidated appeals filed by the Maine PUC and Massachusetts and Connecticut Attorneys General in December of 2006 are currently pending in the Court of Appeals for the District of Columbia Circuit,

these appeals do not stay implementation of the FCM transition payments that began on December 1, 2006. To address the event that the appeals are successful and market participants are required to make retroactive refunds of the FCM transition payments to Suppliers, National Grid will include the following terms in any transactions it enters into as a result of this Request for Proposals:

If the FERC Order #117961,133 (2006) (“Order”) dated October 31, 2006 regulating the activity of the New England capacity market is challenged on appeal in federal court and the Order is reversed or modified as a result of said appeal such that the effect of the reversal or modification results in refunds or reduced transition payments paid by the Seller, and associated with the Load Assets identified in Section 4 of this Confirmation, then the Seller shall pay to Buyer any such refunds or reduced transition payments. Any such refunds will be paid by Seller to Buyer within five (5) Business Days of receipt by Seller. Seller shall provide information to Buyer in sufficient detail for Buyer to verify accuracy of such refunds. Any such reduced transition payments will be included in the applicable monthly Invoice as a credit to Buyer. Seller shall include in the monthly Calculation that accompanies the monthly Invoice sufficient information for Buyer to verify accuracy of any such credits.

5.3 Terms and Conditions

Service will be provided pursuant to the terms of the proposed Master Power Agreements provided in Appendices B, C and D. 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 29, 2008.

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, 2008 or November 1, 2008, 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. Load Response Program

National Grid fully supports load response programs and has successfully developed and implemented many programs over the years. Respondents are encouraged to include load response programs for various customer groups as part of their proposals. National Grid will work with winning Supplier(s) to implement the proposed load response program during the term of service.

8. 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 Supply Agreements provided in Appendices B, C and D;
- 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 Power Supply 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.

9. 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. 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	Service to customers can be initiated by: 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	Note: Historic customer count data and historical hourly load profiles are available at National Grid’s procurement web site: http://www.nationalgridus.com/energysupply/

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	Service to customers is initiated by: 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	Note: Historic customer count data and historical hourly load profiles are available at National Grid’s procurement web site: http://www.nationalgridus.com/energysupply/

The Narragansett Electric Company	
Last Resort Service	
Description	Service provided to customers who are no longer eligible to receive Standard Offer Service and who are not otherwise receiving electric service from a competitive supplier.
Eligibility Requirements	Customers who are not taking electric service from a non-regulated power producer and are ineligible for Standard Offer Service are eligible to receive Last Resort Service. Customers may leave Last Resort (1) to take electric supply from a non-regulated power producer, (2) if the account is closed, or (3) National Grid terminates service to the customer in accordance with applicable laws and regulations.
Aggregate Number of Customers Taking Service and Historical Load Profile	Note: Available at National Grid’s procurement web site: http://www.nationalgridus.com/energysupply/

APPENDIX B

PROPOSED MASSACHUSETTS MASTER POWER SUPPLY AGREEMENT

APPENDIX C

PROPOSED NEW HAMPSHIRE MASTER POWER SUPPLY AGREEMENT

APPENDIX D

PROPOSED RHODE ISLAND MASTER POWER SUPPLY AGREEMENT

APPENDIX E

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: _____

<p>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.</p>	
<p>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</p>	

4. NEPOOL AND POWER SUPPLY EXPERIENCE

<p>Is Respondent a member of NEPOOL?</p>	
<p>Does Respondent have an executed and accepted Market Participant Service Agreement with ISO New England?</p>	
<p>Name of Market Participant if Respondent will have another Market Participant be responsible for its market settlement obligations .</p>	
<p>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.</p>	
<p>Provide three references (name, title and contact information) who have contracted with the Respondent for similar load following services within the last 2 years.</p>	

RESPONDENT: _____

5. CONFLICTS OF INTEREST

<p>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.</p>	
<p>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.</p>	
<p>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.</p>	

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, C and D?</p> <p>Explain any proposed modifications.</p>	
<p>List all regulatory approvals required before service can commence.</p>	

RESPONDENT: _____

7. Proposed Pricing (Respondent required to use bidding spreadsheet included on procurement web site)

Massachusetts Default Service

Bid Block	SMD Zone	Customer Group	Period		Monthly Pricing - \$/MWh (all inclusive - without RPS Component)					
			From	To	May-08	June-08	July-08	Aug-08	Sept-08	Oct-08
A	SEMA	Industrial	01-May-08	31-July-08						
B	WCMA	Industrial	01-May-08	31-July-08						
C	NEMA	Industrial	01-May-08	31-July-08						
D	SEMA	Commercial	01-May-08	31-Oct-08						
E	WCMA	Commercial	01-May-08	31-Oct-08						
F	NEMA	Commercial	01-May-08	31-Oct-08						
G	SEMA	Residential	01-May-08	31-Oct-08						
H	WCMA	Residential	01-May-08	31-Oct-08						
I	NEMA	Residential	01-May-08	31-Oct-08						
					Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09
J	SEMA	Commercial	01-Nov-08	30-Apr-09						
K	WCMA	Commercial	01-Nov-08	30-Apr-09						
L	NEMA	Commercial	01-Nov-08	30-Apr-09						
M	SEMA	Residential	01-Nov-08	30-Apr-09						
N	WCMA	Residential	01-Nov-08	30-Apr-09						
O	NEMA	Residential	01-Nov-08	30-Apr-09						
RPS Compliance Adder			2008		\$/MWh					
RPS Compliance Adder			2009		\$/MWh					

New Hampshire Default Service

Bid Block	SMD Zone	Customer Group	Period		Monthly Pricing - \$/MWh (all inclusive)					
			From	To	May-08	June-08	July-08	Aug-08	Sept-08	Oct-08
P	NH	Large	01-May-08	31-July-08						
Q	NH	Small	01-May-08	31-Oct-08						
					Monthly Pricing - \$/MWh (pass-through of capacity costs)					
P	NH	Large	01-May-08	31-July-08						
Q	NH	Small	01-May-08	31-Oct-08						

Rhode Island Last Resort Service

Bid Block	SMD Zone	Customer Group	Period		Monthly Pricing - \$/MWh (all inclusive - without RES Component)					
			From	To	May-08	June-08	July-08	Aug-08	Sept-08	Oct-08
R	RI	Residential	01-May-08	31-Oct-08						
S	RI	Commercial & Industrial	01-May-08	31-Oct-08						
RES Compliance Adder			2008		\$/MWh					

SCHEDULE JDW – 2

Default Service Procurement Summary

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**NATIONAL GRID
DEFAULT SERVICE PROCUREMENT SUMMARY
FOR THE PERIOD
MAY 2008 – APRIL 2009**

RFP Issued

National Grid issued its Request for Power Supply Proposals (“RFP”) on February 13, 2008 directly to [REDACTED] suppliers for the service period May 2008 through April 2009.

The RFP was also distributed to all members of the NEPOOL Markets Committee and posted on National Grid’s energy supply web site. 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 conducted in accordance with the Last Resort Service Acquisition Plan (“Plan”) approved by the Rhode Island Public Utilities Commission in Docket 3605 (Order No. 18699, August 23, 2006; see also Order Nos. 18122, 17903, 18250, 18495 and 18882) and was consistent with prior procurements conducted by National Grid.

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

The RFP sought:

- 100% of the New Hampshire Large Customer Group Default Service requirements for the period May 2008 through July 2008;
- 100% of the New Hampshire Small Customer Group Default Service requirements for the period May 2008 through October 2008;
- 100% of the Rhode Island Residential Customer Group and Commercial & Industrial Customer Group Last Resort Service requirements for the May 2008 through October 2008;
- 100% of the Massachusetts Industrial Customer Group Default Service requirements for the period May 2008 through July 2008;

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- 50% of the Massachusetts Residential and Commercial Customer Groups Default Service requirements for the period May 2008 through April 2009;

National Grid requested all-inclusive pricing for all blocks and also pass-through (of capacity costs) pricing for only the New Hampshire blocks. Pass-through pricing would have National Grid compensate a supplier at its actual capacity costs subject to appropriate price caps.

These requirements were divided into 19 distinct load blocks. A description of each load block is provided in Attachment 1.

Key RFP Dates

The RFP was issued on February 13, 2008.

Supplier information and contract comments were received on February 22, 2008.

Indicative bids were received on March 5, 2008.

Final bids were received on March 12, 2008.

Contract Submissions

Three potential bidders submitted contract comments to National Grid in the form of revisions to the proposed Master Power Agreements.

The remaining potential bidders had previously executed Master Power Agreements with National Grid and so contract revisions were unnecessary.

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

Indicative Bids

Indicative bids were received on March 5, 2008 from [REDACTED] bidders.

The indicative bids were evaluated and ranked (see Attachments 2 and 3). Indicative pricing was used only to determine current market price, to prepare an initial ranking of bids and to identify any bidding anomalies. 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 January 31, 2008.

The lowest indicative bids for each load block were compared to

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National Grid's estimate of expected indicative bids based on two methodologies.

One method estimates expected bid prices based on

[REDACTED]

The second method estimates expected bid prices based on

[REDACTED]

In evaluating the bid prices, National Grid compared the average expected bid prices for each block from the two methods above to the lowest average indicative bid price for the block.

[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:

- The bidder's past experience in providing similar services to National Grid or its affiliates;
- The bidder's past experience in providing similar services to other companies in New England;
- The bidder's past experience in providing similar services to other companies in other regions;
- The bidder's demonstrated understanding of the market rules related to the provision of Default Service;
- The bidder's demonstrated understanding of its obligations under the proposed Purchase Power Agreement; and
- Whether there have been any past or are any present events that are known that may adversely affect the bidder's ability to

provide Default Service.

National Grid concluded that all bidders were qualified to provide Default Service and would be capable of providing any required contract security.

Regulatory Communication

The results of the New Hampshire indicative bids were shared with staff of the New Hampshire Public Utilities Commission (“NHPUC”) on March 5, 2008.

The results of the Rhode Island indicative bids were shared with the Rhode Island Division of Public Utilities and Carriers (“Division”) on March 6, 2008.

The results of the Massachusetts indicative bids were shared with staff of the Massachusetts Department of Public Utilities (“MADPU”) on March 7, 2008.

Final Bids

Final bids were received on March 12, 2008 from [REDACTED] bidders.

The final bids were evaluated and ranked (see Attachments 6 and 7) The retail prices in Attachment 7 were calculated by adjusting the wholesale prices in Attachment 6 by the ratio of wholesale purchases to retail deliveries over the twelve-month period ending January 31, 2008.

A summary of the number of conforming bids per block is provided in the following table:

Block - # Bids	Block - # Bids	Block - # Bids
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

Capacity Cost Treatment

On March 6, 2006 ISO-NE filed a settlement agreement with FERC in the LICAP proceeding which provides for a forward capacity market beginning in 2010. As an interim measure, ISO-NE has instituted a transitional market beginning in December 2006. On June 15, 2006 the FERC approved the filing with no changes. On November 1, 2006 the FERC issued an Order denying all requests for rehearing and upheld its original conclusions that the settlement

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agreement represents a just and reasonable outcome consistent with the public interest. Since then a number of parties have filed appeals of the FERC ruling in federal court. Due to the pending appeals, National Grid required all suppliers to agree to provide to National Grid any refunds or reduced capacity payments incurred if the pending appeals result in refunds or reduced transition payments during the period of this RFP.

As a result of the pending appeals in Federal Court regarding the forward capacity market, the staff of the New Hampshire Public Utilities Commission recommended that National Grid abide by the terms of the New Hampshire Settlement Agreement and continue to request bidders to (i) submit a price that includes the cost of all market products in an as-delivered energy rate (“All Inclusive Bid Price”) and (ii) submit a second price that includes all market products on an as-delivered energy basis except the capacity market costs which would be paid as an additional cost on a pass through basis of actual costs (“Pass Through Bid Price”) for the May 2008 - October 2008 period.

An analysis of the indicative bids showed that the value bidders placed on capacity was slightly greater than National Grid’s forecast of capacity costs. A summary of the New Hampshire indicative bids can be found in Attachment 8. National Grid calculated capacity values based on a transition payment of \$3.05/kW-month through May 2008 and \$3.75/kW-month from June 2008 onward in the approved capacity market settlement and available market data. A summary of this calculation can be found in Attachment 9.

As required by the New Hampshire Settlement Agreement, National Grid shared the indicative bids with the staff of the New Hampshire Public Utilities Commission and indicated that it would accept final bids on an all-inclusive basis if the capacity costs in the final bids were consistent with those received in the indicative bids. The staff agreed with this recommendation.

Although the capacity value provided by the lowest bidder in its final bids was slightly greater than National Grid’s expected values, National Grid awarded the New Hampshire supply on an all-inclusive basis. Locking in the capacity costs eliminates the actual load risk that would be associated with the cost of the pass-through option. A summary of the New Hampshire final bids can be found in Attachment 10.

Analysis and Award

The lowest final bids for each load block were compared to National Grid’s estimate of expected bids based on the two methodologies described above (see Indicative Bids). The calculations of these

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expected prices can be found in Attachments 11 and 12.

[REDACTED] the prices received were either less than the lowest expected bid price or fell between the expected bid prices for each block from the two methods above. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Due to the competitive nature of the bids received for these blocks (more than one bid received in response to an open, competitive solicitation and the bids falling within the expected cost range when adjusted for current capacity costs), National Grid awarded supply for each block based on the lowest bid price.

Attachment 13 provides a summary of the winning supplier for each block as well as the basis for the award. Attachment 14 provides a bidder key to help identify bidders.

Renewable Portfolio Standard

The Massachusetts load covered by this RFP is subject to a 3.5% Renewable Portfolio Standard (“RPS”) requirement in calendar year 2008 and a 4.0% requirement in calendar year 2009.

National Grid evaluated the cost of obtaining the RPS certificates associated with the load requirements from the bidders versus the current market price for RPS certificates [REDACTED] and the 2008 Alternative Compliance Payment (“ACP”) rate of \$58.58 per certificate and an estimated 2009 ACP rate of \$60.08 per certificate. Attachment 16 provides an analysis of the proposed RPS cost adders contained in the final bids. [REDACTED].

Winning Bidder’s RPS cost adders were higher than current market prices and in most cases were set close to ACP rates, and thus not chosen. Consistent with its RPS Compliance Plan that was filed with the Department on November 1, 2002, National Grid will attempt to procure these requirements through separate solicitations or by payment of the ACP.

Renewable Energy Standard

The Rhode Island load covered by this RFP is subject to a 3.5% Renewable Energy Standard (“RES”) requirement in calendar year 2008.

National Grid evaluated the cost of obtaining the RES certificates associated with the load requirements from the bidders versus the average cost of RES certificates purchased in the April 2007 RES procurement. [REDACTED].

National Grid did not procure RES requirements from Bidders A and L, the winning Rhode Island bidders, because the RES adders provided by the bidders were higher than the average cost of RES certificates purchased in the last two RES procurement. Consistent with the approved RES Procurement Plan, National Grid will attempt to procure these requirements through separate solicitations or by payment of the ACP.

Retail Rate

The expected retail rates, excluding administrative cost adders, were based on the wholesale bids that were awarded supply. For the Massachusetts residential and commercial customers, the rates reflect a blending of two procurements. For the Massachusetts Industrial Customer Group, the New Hampshire Large Customer group, the Rhode Island Residential Customer Group and the Rhode Island

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Commercial & Industrial Customer Group, the rates reflect the costs of the current procurement and are not blended with costs incurred in other procurements.

All retail rates were calculated by adjusting the wholesale prices using the ratio of wholesale kWh purchases to retail kWh deliveries over the twelve-month period ending August 31, 2007.

For Massachusetts Default Service retail rates, the following adjustments to the retail rate were required:

- For supply that did not include RPS certificates, the average of National Grid's most recent procurement for RPS certificates [REDACTED] was used in determining retail rates in 2008.

A summary of the final retail rates for each block is provided in Attachment 17.

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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	05/01/08 – 07/31/08
B	Industrial	WCMA	100%	MA Default Service	05/01/08 – 07/31/08
C	Industrial	NEMA	100%	MA Default Service	05/01/08 – 07/31/08
D	Commercial	SEMA	50%	MA Default Service	05/01/08 – 10/31/08
E	Commercial	WCMA	50%	MA Default Service	05/01/08 – 10/31/08
F	Commercial	NEMA	50%	MA Default Service	05/01/08 – 10/31/08
G	Residential	SEMA	50%	MA Default Service	05/01/08 – 10/31/08
H	Residential	WCMA	50%	MA Default Service	05/01/08 – 10/31/08
I	Residential	NEMA	50%	MA Default Service	05/01/08 – 10/31/08
J	Commercial	SEMA	50%	MA Default Service	11/01/08 – 04/30/09
K	Commercial	WCMA	50%	MA Default Service	11/01/08 – 04/30/09
L	Commercial	NEMA	50%	MA Default Service	11/01/08 – 04/30/09
M	Residential	SEMA	50%	MA Default Service	11/01/08 – 04/30/09
N	Residential	WCMA	50%	MA Default Service	11/01/08 – 04/30/09
O	Residential	NEMA	50%	MA Default Service	11/01/08 – 04/30/09
P	Large	NH	100%	NH Default Service	05/01/08 – 07/31/08
Q	Small	NH	100%	NH Default Service	05/01/08 – 10/31/08
R	Residential	RI	100%	RI Last Resort Service	05/01/08 – 10/31/08
S	Commercial & Industrial	RI	100%	RI Last Resort Service	05/01/08 – 10/31/08

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ATTACHMENTS 2-8 REDACTED

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ATTACHMENT 9
 NGRID CALCULATED VALUE OF CAPACITY COSTS

	ACTUAL												FORECAST					RFP Period Average						
	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Actual Jan-08	Actual Feb-08	Actual Mar-08	Actual Apr-08		Actual May-08	Actual Jun-08	Actual Jul-08	Actual Aug-08	Actual Sep-08	Actual Oct-08
(a) Seasonal Claimed Capability																								
(b) Pool Average Outage Rate (%)																								
(c) Pool Generation UCAP	31,634	31,650	31,676	31,824	31,749	31,756	29,127	29,300	29,149	29,226	32,136	32,273	32,250	32,217	31,906	29,333	29,333	29,333	29,333	29,333	29,333	29,333	29,333	
(d) Load Response & ODR	866	1,059	1,196	1,261	1,262	1,299	1,131	1,185	1,094	1,286	1,687	1,854	2,081	2,244	2,244	2,244	2,244	2,244	2,244	2,244	2,244	2,244	2,244	
(e) ICAP Credits (HOCC, NYPA, other)	57	57	58	860	861	806	720	783	785	804	1,054	1,327	118	117										
(f) ICAP Import Contracts	683	1,149	1,326	1,768	1,768	2,290	2,351	2,141	2,144	2,069	1,902	1,964	1,981	1,285										
(g) ICAP Imports contracts & credits	739	1,206	1,384	2,828	2,629	3,096	3,071	2,924	2,926	2,874	2,957	3,290	2,099	1,402	3,096	3,071	2,924	2,924	2,924	2,924	2,924	2,924		
(h) ICAP Import Rights exercised & granted	2,125	1,337	1,972	3,167	3,099	3,099	3,325	3,325	3,325	3,325	3,325	3,325	2,825	2,825										
(i) Actual imports as % of Import Rights	34.8%	90.2%	70.2%	83.0%	83.0%	99.9%	92.4%	87.9%	88.0%	88.4%	88.9%	88.9%	74.3%	49.6%										
(j) Pool Total Supply UCAP	33,229	33,915	34,255	35,712	35,641	36,152	33,329	33,409	33,169	33,366	36,780	37,417	36,431	35,863	37,247	34,649	34,502	34,503	34,502	34,503	34,502	34,462	37,107	
(k) Granite Large UCAP Obligation (#1437)	82,432	82,038	81,244	83,760	83,750	86,197	75,589	75,709	73,402	73,916	79,534	81,214	80,425	79,402	82,465	76,714	76,387							
(l) UCAP %	0.25%	0.24%	0.24%	0.23%	0.23%	0.24%	0.23%	0.23%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%							
(m) UCAP Cost	\$251,479	\$250,215	\$247,794	\$255,467	\$255,438	\$262,901	\$230,485	\$230,912	\$23,876	\$25,442	\$242,579	\$247,701	\$245,297	\$242,176	\$251,518	\$267,677	\$266,452							
(n) Granite Large RT Load	24,001	24,524	22,163	22,973	20,245	24,138	24,648	25,366	26,480	23,553	22,357	20,775	23,470	22,770	21,282	22,314	26,077							
(o) UCAP Rate - \$/MWh	\$10.48	\$10.20	\$11.17	\$11.12	\$17.62	\$10.89	\$9.35	\$8.90	\$9.45	\$9.57	\$10.85	\$11.92	\$10.45	\$10.64	\$11.83	\$12.89	\$10.98						\$11.90	
(k) Granite Small UCAP Obligation (#1438)	107,881	110,113	111,130	115,885	115,622	117,307	105,166	105,461	105,128	106,008	116,750	118,544	115,414	113,768	118,156	109,916	109,448	109,454	109,454	109,454	109,454	109,230	117,714	
(l) UCAP %	0.32%	0.32%	0.32%	0.32%	0.32%	0.32%	0.32%	0.32%	0.32%	0.32%	0.32%	0.32%	0.32%	0.32%	0.32%	0.32%	0.32%							
(m) UCAP Cost	\$329,036	\$335,845	\$338,945	\$353,449	\$352,647	\$357,786	\$320,756	\$321,656	\$320,640	\$323,326	\$356,088	\$361,559	\$352,011	\$346,991	\$360,376	\$412,185	\$410,430	\$410,452	\$409,838	\$409,838	\$409,838	\$441,427	\$441,427	
(n) Granite Small RT Load	35,760	37,145	34,735	34,116	27,705	30,174	33,286	36,638	38,340	30,565	30,649	34,416	40,171	38,096	29,103	32,457	37,630	38,453	35,297	35,297	35,297	35,297	30,971	
(o) UCAP Rate - \$/MWh	\$9.20	\$9.04	\$9.76	\$10.36	\$12.73	\$11.86	\$9.64	\$8.78	\$8.36	\$10.38	\$11.62	\$10.57	\$8.76	\$9.11	\$12.38	\$12.82	\$10.91	\$10.67	\$11.62	\$10.67	\$11.62	\$14.25	\$12.11	

Notes
 12/01/2006 06/01/2009 06/01/2009

Transition Payment \$3,050 \$3,750 \$4,100

(a) From ISO-NE SOC Report issued February 1, 2008

(b) From ISO-NE ICAP Requirements for 2007-2008 Power Year issued May 1, 2007

(c) Either: (X) From ICAP monthly settlement SR_MTHSTLICAP report (Actual) or (Y) SCC * (1-Pool Average Outage Rate) (Forecasted)

(d) From ICAP monthly settlement SR_MTHSTLICAP report

(e) From ICAP monthly settlement SR_MTHSTLICAP report

(f) From ICAP monthly settlement SR_MTHSTLICAP report

(g) Either: (X) Sum of rows (c) through (f) (actual) or previous year's ICAP imports

(h) Either: (X) From most recent ICAP monthly settlement SR_MTHSTLICAP report, or (Y) sum of grandfathered rights exercised and imports granted (issued February 8, 2008)

(i) Row (g) / Divided by Row (h) (actual) or last actual monthly value (forecast)

(j) Either: (X) sum of rows (c) through (f) (actual) or (Y) sum of rows (c) through (g) (forecast)

(k) Either: (X) From most recent SD_MTHSTLICAP_AOWNER monthly settlement report, or (Y) product of row (g) times row (i)

(l) Either: (X) low (h) divided by row (g) or (Y) last actual % calculated

(m) Row (h) times Transition Payment

(n) Either: (X) sum of hourly load reported to the ISO during the month or (Y) forecast of hourly load using NGRID system forecast

(o) Row (l) divided by row (n)

	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08
Granite Large RT Load	20,592	21,947	20,566	21,262	22,314	26,077			
Granite Small RT Load	37,333	39,051	32,743	29,103	32,157	37,630	38,453	35,257	30,971

REDACTED DOCUMENT

ATTACHMENTS 10-17 REDACTED

SCHEDULE JDW – 3

**Comparison of Change in Futures Prices to
Change in Procurement Costs**

CONTAINS PRIVILEGED AND CONFIDENTIAL INFORMATION - DO NOT RELEASE

Granite State Electric Company

Comparison of Change in Futures Prices to Change in Procurement Costs

Winter Period (November - April) Summer Period (May - October)

		Nov	Dec	Jan	Feb	Mar	Apr	Average	Hourly Weighted Average	May	June	July	Aug	Sept	Oct	Average	Hourly Weighted Average	Change (Summer to Winter)	Change (Summer to summer)
Electric Futures Price March 13, 2007 (\$/MWh)	On-Peak									■	■	■	■	■	■	■	■		
	Off-Peak									■	■	■	■	■	■	■	■		
Electric Futures Price September 12, 2007 (\$/MWh)	On-Peak	■	■	■	■	■	■	■	■										
	Off-Peak	■	■	■	■	■	■	■	■										
Electric Futures Price March 12, 2008 (\$/MWh)	On-Peak									■	■	■	■	■	■	■	■	■	■
	Off-Peak									■	■	■	■	■	■	■	■		
NYMEX Natural Gas Price March 13, 2007 (\$/mmBtu)										■	■	■	■	■	■	■			
NYMEX Natural Gas Price September 12, 2007 (\$/mmBtu)		■	■	■	■	■	■	■											
NYMEX Natural Gas Price March 12, 2008 (\$/mmBtu)										■	■	■	■	■	■	■		■	■
Final Small CG Price with Capacity 3/14/2007 (¢/kWh)										■	■	■	■	■	■	■			
Final Small CG Price with capacity 9/12/2007 (¢/kWh)		■	■	■	■	■	■	■											
Final Small CG Price with Capacity 3/12/2008 (¢/kWh)										■	■	■	■	■	■	■		■	■

Notes:
1) Hourly weighted average = 42% On Peak + 58% Off-Peak prices

SCHEDULE JDW – 4

**Default Service Contract for the Large Customer Group
May 1, 2008 through July 31, 2008
and for the Small Customer Group
May 1, 2008 through October 31, 2008**

**MASTER POWER AGREEMENT
CONFIRMATION**

This Confirmation shall confirm the Transaction agreed to on, and effective as of March 12, 2008 between **GRANITE STATE ELECTRIC COMPANY**, 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 is 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.

2. Default Service Requirements Matrix

Award Block	Customer Group	Load Zone	Load Responsibility	Commencement Date	Conclusion Date
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

3. Contract Rate - \$/MWh

Award Block	Customer Group	Load Zone	May 2008	June 2008	July 2008	August 2008	September 2008	October 2008
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

4. Load Asset Designation within the ISO Settlement Market System

Granite State Electric Company
[Redacted]
Master Power Agreement Confirmation
March 12, 2008
Page 2 of 5

Award Block	Customer Group	Load Zone	Load Asset Number	Load Asset Name
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]

5. Amount Payable

The amount payable by the Buyer to Seller in a month shall be:

- (i) [Redacted]

6. Security

[Redacted]

[Redacted]

7. Modifications to the Master Power Agreement

7.1. Defined Terms. For this Transaction, the following terms shall have the following meaning:

Large Customer Group means the Buyer's customers in the Rate G-1 and G-2 retail rate classes (the "Large Rate Classes"), or such other rate classes as may be added from time to time during the Delivery Term, provided that such Large Rate Classes shall be comprised of customers previously in one of the Large Rate Classes or such customer would have qualified for one of the Large Rate Classes.

Small Customer Group means the Buyer's customers in the Rate D, D-10, G-3, M, T and V retail rate classes (the "Small Rate Classes"), or such other rate classes as may be added from time to time during the Delivery

Granite State Electric Company

Master Power Agreement Confirmation
March 12, 2008
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Term, provided that such Small Rate Classes shall be comprised of customers previously in one of the Small Rate Classes or such customer would have qualified for one of the Small Rate Classes.

Requirements means all electric generation and/or market purchases and delivery, to the Delivery Point, of the ICAP/UCAP/LICAP, Energy, Ancillary Services, Operating Reserves (including Forward Reserves) and all other market products required by the Buyer to provide kilowatt-hours to meet the needs of Default Service Customer to the Delivery Term for a specific Transaction and shall not include any energy, capacity, services or other market products required to satisfy any applicable renewable energy portfolio standard (or the equivalent thereof).

7.2 Confidentiality

For this Transaction, Article 23 of the Master Power Agreement shall be replaced in its entirety with the following:

Neither Seller nor the Buyer shall provide copies of or disclose the information contained in Article 2, Article 4, or Article 7 of the Master Power Agreement or in any subsequent Confirmations (collectively, the "Confidential Terms"), to any third party without the prior written consent of the other Party; provided, however, that either Party, or any of its Affiliates, may provide copies or information regarding this Agreement to: (i) any regulatory agency or governmental authority with jurisdictional interest, requesting and/or requiring such Confidential Terms, or in order to comply with any applicable law, regulation, or any exchange, control area or independent system operator rule or in connection with any court or regulatory proceeding provided that in the case of a disclosure pursuant to the foregoing; (2) its suppliers; provided, further, in the case of (1) and (2), any such disclosure must include a request for confidential treatment of the Confidential Terms from the copies of the Agreement which are placed in the public record or otherwise made available to third parties or Seller's suppliers, and (3) an Affiliate if related to the Party's performance of its obligations hereunder, provided that such Affiliate agrees to treat the Confidential Terms as confidential in accordance with this clause.

7.3 Section 3.7 shall be deleted in its entirety and replaced with the following:

At Seller's election, the Buyer shall provide notices contemplated by Sections 3.2, 3.3 and 3.4 via electronic file transfer. Such election shall only be effective when Seller (i) establishes a Windows or Unix file server with capability of sending and receiving File Transfer Protocol ("FTP"), files with Pretty Good Privacy ("PGP"),

Granite State Electric Company

Master Power Agreement Confirmation
March 12, 2008
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Encryption/Decryption, and (ii) verifies its ability to transfer files to and receive files from the Buyer at least fourteen (14) days prior to the day on which Seller desires to commence electronic receipt.

8. Confidentiality

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

9. 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.

10. 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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Granite State Electric Company
Constellation Energy Commodities Group, Inc.
Master Power Agreement Confirmation
March 12, 2008
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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 : Madison N. Milhous, Jr.
Title: Authorized Signatory

Name (print): _____
Title: _____

SCHEDULE JDW – 5

Renewable Portfolio Standard Adder

Section 1: Calculation of Class III Renewable Energy Resource Charge

(1) Compliance Year 2008 Class III Alternative Compliance Payment	\$29.20
(2) 2008 RPS Class III Renewable Energy Resource Obligation	3.50%
(3) Incremental Cost - \$/MWh	\$1.02

Section 2: Calculation of Class IV Renewable Energy Resource Charge

(4) Estimated Market Value for Class IV Renewable Energy Resources	\$2.00
(5) 2008 RPS Class IV Renewable Energy Resource Obligation	0.50%
(6) Incremental Cost - \$/MWh	\$0.01

Section 3: Calculation of Renewable Portfolio Standard Adder

(7) Sum of Class III and Class IV Incremental Costs - \$/MWh	\$1.03
(8) Renewable Portfolio Standard Adder to be included in Retail Rates - ¢/kWh	0.108

- (1) Class III Alternative Compliance Payment as issued on January 31, 2008 by the New Hampshire Public Utilities Commission.
- (2) From 362-F:3 of NH RPS legislation
- (3) Line (1) times Line (2)
- (4) Based on market broker reports
- (5) From 362-F:3 of NH RPS legislation
- (6) Line (4) times Line (5)
- (7) Line (3) plus Line (5)
- (8) Line (7) times 1.053 (average NH loss factor for 12 month period ending July 2007) divided by 10 to convert from \$/MWh to ¢/kWh.

Granite State Electric Company d/b/a National Grid
Docket No. DE 08-011
Witness: S.M. McCabe

DIRECT TESTIMONY
OF
SCOTT M. MCCABE

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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 55 Bearfoot Road,
4 Northborough, Massachusetts 01532.

5

6 Q. Please state your position.

7 A. I am Senior Analyst, Regulation and Pricing – New England for National Grid USA
8 Service Company, Inc. The Regulation and Pricing Department performs rate-related
9 services for Granite State Electric Company d/b/a National Grid (“National Grid” or “the
10 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. In October 2002 I transferred to my current position
8 in Regulation and Pricing.

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 rate adjustments, for usage on and after May 1, 2008, in accordance with
19 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, post-Transition Service, approved by the Commission in Order No.
22 24,577 (January 13, 2006) (“Settlement Agreement”). My testimony also presents the

1 results of the reconciliation of Default Service power supply expense for the period of
2 February 2007 through January 2008 (“Default Service Reconciliation”) and the
3 reconciliation of the administrative cost of providing Default Service, also for the period
4 February 2007 through January 2008 (“Default Service Cost Reclassification Adjustment
5 Factor Reconciliation”). Both reconciliations are provided for as part of the Company’s
6 Default Service Adjustment Provision. Finally, this filing also presents the final
7 reconciliation of the over recovery balance approved for refund through the 2007 Default
8 Service adjustment factor as well as the reconciliation of the over recovery balance
9 approved for refund through the adjustment to the 2007 Default Service adjustment
10 factor.

11
12 Q. Please summarize the results of the Default Service procurement and the adjustments
13 which National Grid proposes to implement for usage on and after May 1, 2008.

14 A. As I describe in more detail later in my testimony, National Grid proposes to implement
15 the following Default Service rates beginning May 1, 2008, for usage on and after that
16 date:

1

	Residential and <u>Small C&I</u>	<u>Medium & Large C&I</u>		
	May - October <u>2008</u>	<u>May</u>	<u>June</u>	<u>July</u>
Base Default Service Rate	11.422¢	10.614¢	11.267¢	12.151¢
2008 Default Service Adjustment Factor	0.009¢	0.009¢	0.009¢	0.009¢
Default Service Cost Reclassification Adjustment Factor	0.116¢	0.032¢	0.032¢	0.032¢
Renewable Portfolio Standard (“RPS”) Adder	0.108¢	0.108¢	0.108¢	0.108¢
Total Default Service Rate	11.655¢	10.763¢	11.416¢	12.300¢

2

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

5

6 **III. Base Default Service Rates**

7 Q. What are the “base” Default Service rates that the Company is proposing?

8 A. National Grid is proposing a fixed six-month base Default Service rate for the Residential
9 and Small Commercial Customer Group¹ (“Small Customer Group”) based on the
10 weighted average of the six monthly contract prices contained in the supply agreement
11 with the winning Default Service supplier for the Small Customer Group. As displayed
12 on line (10) Schedule SMM-2, the proposed base Default Service rate for the Small
13 Customer Group is 11.422¢ per kilowatt-hour. The calculation of the six-month base

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

1 Default Service rate for the Small Customer Group is presented in Schedule SMM-2. The
2 Company is also proposing monthly base Default Service rates for the Medium and Large
3 Commercial and Industrial Customer Group² (“Large Customer Group”) based on the
4 three monthly contract prices contained in the supply agreement with the winning Default
5 Service supplier for the Large Customer Group. As displayed on line (1) of Schedule
6 SMM-1, the proposed base Default Service rates for the Large Customer Group are
7 10.614¢ per kilowatt-hour, 11.267¢ per kilowatt-hour, and 12.151¢ per kilowatt-hour for
8 the months of May 2008, June 2008 and July 2008, respectively.
9

10 **IV. Default Service Reconciliation**

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

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

18 Q. Is the Company presenting a reconciliation of power supply costs for Default Service in
19 its filing?

20 A. Yes. The Default Service Reconciliation for the period February 2007 through January
21 2008 is presented in Schedule SMM-3.

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

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Q. Please explain the Default Service Reconciliation in detail.

A. Schedule SMM-3, page 1, presents the actual reconciliation of Default Service revenue and expense by month. The detail behind each month's Default Service revenue is included on page 2 of Schedule SMM-3. As of January 2008, the Default Service revenue includes revenue related to the RPS Adder of 0.108¢ which was approved by the Commission in Docket DE 07-012. The detail behind each month's Default Service expense is shown on page 3 of Schedule SMM-3. The source of the Default Service expense in Column (a) and Column (b) of page 3 is each month's invoice from the Default Service providers. The Company has not yet incurred any RPS compliance costs.

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

A. Yes. The current reconciliation is prepared in the same manner as the Default Service reconciliations filed with the Commission last year in Docket No. DE 07-012.

Q. Are there any differences in the manner in which the current reconciliation is prepared compared to previous Default Service reconciliations that have been filed with the Commission?

A. Prior to the Default Service reconciliation filed last year in Docket No. DE 07-012, the

the Company's Retail Delivery Tariff.

1 Default Service reconciliations filed in the past involved a comparison of revenue billed
2 on a cycle basis with expenses incurred on a calendar basis. In previous filings, the first
3 month of the reconciliation period included a partial month of revenue and a full month
4 of expense. In order to match more accurately Default Service revenue with expenses,
5 the reconciliation was designed to account for actual usage which occurs during the
6 period covered by the reconciliation, regardless of the month in which such usage is
7 billed. Thus, in the last month of the reconciliation, the Company recognized unbilled
8 usage that was billed in the following month.

9
10 Staff was concerned that because the partial month of revenue was added at the end of
11 the reconciliation period, it had no effect on the average monthly balances throughout the
12 reconciliation period and, hence, on the associated monthly carrying charge amounts. In
13 order to address Staff's concern, starting with last year's filing in Docket No. DE 07-012
14 and continuing with this instant filing, the Default Service Reconciliation has been
15 modified such that monthly revenues are based on accrued revenues derived from the
16 amount utilized by customers each month rather than billed revenues.

17
18 Q. Please describe the methodology that the Company is using to accrue revenues.

19 A. The Company must first estimate what portion of the total kWh deliveries billed in the
20 current billing month was actually utilized in the prior calendar month and what portion
21 was utilized in the current calendar month. To do so, the Company uses a daily kWh
22 delivery report which indicates kWh deliveries by billing cycle for each of the

1 Company's twenty billing cycles. The number of days between the first day of the
2 current billing month and the current billing month's meter reading date for each billing
3 cycle is calculated and then divided by the total number of days in the billing cycle. This
4 number is multiplied by the total kWh deliveries billed in the cycle to derive the estimate
5 of the kWh deliveries utilized in the current calendar month. The total kWh deliveries in
6 excess of the current calendar month kWh delivery estimate are assumed to have been
7 utilized in the prior calendar month. The current calendar month and prior calendar
8 month estimates for each billing cycle are summed over all twenty cycles. Finally, the
9 prior calendar month estimate of kWh deliveries is then compared to the total billed kWh
10 deliveries to calculate the percentage of kWh deliveries related to the prior calendar
11 month. This prior calendar month percentage is applied to the appropriate billed revenue
12 to determine unbilled revenue related to the prior month.

13
14 Q. Why is the Company subtracting amounts from Default Service revenue for Default
15 Service Cost Reallocation Adjustment Factor ("DSCRAF") revenue and 2007 Default
16 Service adjustment factor revenue?

17 A. Any amounts relating to the DSCRAF's and the 2007 Default Service adjustment factor,
18 including the adjustment to the 2007 Default Service adjustment factor must be removed
19 from total Default Service revenue billed to customers in order to properly reflect the
20 base Default Service revenue for the current reconciliation period. Accordingly, the
21 Company has calculated the revenue relating to the Residential and Small C&I DSCRAF,
22 the Medium & Large C&I DSCRAF, and the 2007 Default Service adjustment factor and

1 removed these components of revenue from the total Default Service revenue billed.

2
3 **Reconciliation of 2007 Default Service Adjustment Factor**

4 Q. Is the Company including a status of the Default Service adjustment factor that was
5 approved for implementation during 2007?

6 A. Yes. The status of the 2007 Default Service adjustment factor is presented in Schedule
7 SMM-4.

8
9 Q. What does Schedule SMM-4 illustrate?

10 A. Schedule SMM-4 indicates that of the \$173,019 over collection from the October 2006
11 through April 2007 reconciliation period that was to be refunded through the 2007
12 Default Service adjustment factor credit of (0.025¢) per kWh, \$164,599 has been
13 refunded to customers through December 2007. The remaining over recovery balance of
14 \$15,987 is reflected in the Default Service Reconciliation as an adjustment in January
15 2008.

16
17 **Reconciliation of the Adjustment to the 2007 Default Service Adjustment Factor**

18 Q. Is the Company including a status of the adjustment to the Default Service adjustment
19 factor that was approved for implementation during May 2007?

20 A. Yes. The status of the adjustment to the 2007 Default Service adjustment factor is
21 presented in Schedule SMM-5.

1 Q. What does Schedule SMM-5 illustrate?

2 A. Schedule SMM-5 indicates that of the \$1,360,021 over collection from the May 2006
3 through January 2007 reconciliation period that is to be refunded through the adjustment
4 to the 2007 Default Service adjustment factor credit of (0.192¢) per kWh, \$954,232 has
5 been refunded to customers through January 2008, resulting in a remaining over recovery
6 of \$468,436 to be refunded to customers by the end of April 2008. Any remaining
7 balance, either positive or negative, will be reflected in next year's Default Service
8 Reconciliation as an adjustment in May 2008.

9

10 **Proposed 2008 Default Service Adjustment Factor**

11 Q. Is the Company proposing to implement a 2008 Default Service adjustment factor
12 beginning May 1, 2008?

13 A. Yes. The Company proposes a Default Service adjustment factor of 0.009¢ per kWh as
14 calculated in Schedule SMM-6. This schedule takes the under collection from Schedule
15 SMM-3, accrues interest on the balance during the refund period assuming monthly
16 refund amounts, and divides the balance including interest by an estimate of the kWh
17 deliveries attributable to Default Service customers for the period from May 2008
18 through April 2009.

19

20 Q. How would this factor be implemented?

21 A. The Default Service adjustment factor would become effective for usage on and after
22 May 1, 2008, the same date that the other rates proposed in this filing are proposed to

1 become effective. The proposed Default Service adjustment factor would be combined
2 with the Default Service rates for billing.
3

4 **V. Default Service Cost Reclassification Adjustment Factor Reconciliation**

5 Q. Please describe the reconciliation of the administrative costs of providing Default
6 Service.

7 A. Pursuant to the Company's Default Service Adjustment Provision, the Company shall
8 reconcile its administrative cost of providing Default Service with its Default Service
9 revenue associated with the recovery of administrative costs, and the excess or
10 deficiency, including interest at the interest rate paid on customer deposits, shall be
11 reflected in the subsequent year's Default Service Cost Reclassification Adjustment
12 Factor pursuant to the Default Service Cost Reclassification Adjustment Provision.
13

14 Q. Is the Company presenting a reconciliation of administrative costs of providing Default
15 Service with its Default Service revenue associated with the recovery of administrative
16 costs in its filing?

17 A. Yes. The Default Service Cost Reclassification Adjustment Factor Reconciliation for the
18 period February 2007 through January 2008 is presented in Schedule SMM-7.
19

20 Q. Please explain the Default Service Cost Reclassification Adjustment Factor reconciliation
21 in detail.

22 A. Schedule SMM-7, page 1, presents the actual reconciliation of DSCRAF revenue and

1 administrative expense by month. The detail behind each month's DSCRAF revenue is
2 included on pages 2 and 3 of Schedule SMM-7. The detail behind each month's
3 administrative expense is shown on page 4 of Schedule SMM-7. The calculation of the
4 cash working capital impact is presented on page 5 of Schedule SMM-7.

5
6 **Proposed Default Service Cost Reclassification Adjustment Factors**

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

8 A. Yes. Schedule SMM-8 calculates the proposed DSCRAF's of 0.116¢ per kilowatt-hour
9 the Small Customer Group and 0.032¢ per kilowatt-hour for the Large Customer Group
10 for the period May 2008 through April 2009

11
12 Q. Has the Company calculated the DSCRAF's in the same manner as in last year's filing?

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

15
16 Q. How would these factors be implemented?

17 A. The DSCRAF's would become effective for usage on and after May 1, 2008. As in the
18 case of the Default Service adjustment factor, these proposed adjustment factors would
19 be combined with the Default Service rates for billing purposes.

20
21
22 **VI. Effective Date and Bill Impact**

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

2 A. Consistent with the Commission's rules on the implementation of rate changes, the
3 Company is proposing that all of the above rate changes be made effective for usage on
4 and after May 1, 2008.

5

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

7 A. Yes. These bill impacts are included in Schedule SMM-9. Schedule SMM-9 shows that
8 for a typical residential 500 kilowatt-hour Default Service customer, the bill impact of the
9 rates proposed for May 1, 2008, as compared to rates in effect today, is a bill increase of
10 \$12.47, or 17.3%, from \$72.11 to \$84.58. In addition, a bill comparison for a Default
11 Service residential customer with an average kilowatt-hour usage of 677, which is the
12 average monthly usage over the calendar year 2007, has also been included in this filing
13 on page 2 of Schedule SMM-11. The total bill impact of the rates proposed in this filing,
14 as compared to rates in effect today, is a bill increase of \$16.88 or 17.2%, from \$98.39 to
15 \$115.27. For other customers in the Small Customer Group, increases range from 16.3%
16 to 22.3% (see pages 1 to 9 of Schedule SMM-9). For customers in the Large Customer
17 Group who are billed monthly default service rates, the bill impacts from going from the
18 April rate to the proposed May rate are increases ranging from 17.4% to 20.5% (see
19 pages 10 to 16 of Schedule SMM-9).

20

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

1 A. Yes. It is included as Schedule SMM-10. The Summary of Rates reflects the proposed
2 Default Service rate changes contained in this filing. Upon receiving orders in this
3 proceeding, the Company will file a Forty-ninth Revised Page 84, Summary of Rates,
4 reflecting the appropriate approved rates.

5
6 Q. Has the Company included the most recent quarterly report of migration information
7 based on monthly migration by customer class and load, as required by the Commission's
8 Order No. 24,715 in Docket No. DE 06-115?

9 A. The quarterly report of customer migration information for fourth quarter of calendar
10 year 2007 is included as Schedule SMM-11.

11

12 **VII. Conclusion**

13 Q. Does this conclude your testimony?

14 A. Yes.

Schedules of
Scott M. McCabe

Schedules
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Schedule SMM-5	Adjustment to 2007 Default Service Adjustment Factor Reconciliation
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Schedule SMM-7	Default Service Cost Reclassification Adjustment Factor Reconciliation
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Schedule SMM-10	Proposed Summary of Rates
Schedule SMM-11	Quarterly Customer Migration Report

Granite State Electric Company d/b/a National Grid

Docket No. DE 08-011

Witness: S.M. McCabe

Schedule SMM-1
Summary of Large Customer Group
Proposed Default Service Rates

Granite State Electric Company
 Summary of Proposed Large Customer Group Default Service Rates

		Medium and Large C&I		
		<u>May</u>	<u>June</u>	<u>July</u>
(1)	Base Default Service Rate	\$0.10614	\$0.11267	\$0.12151
(2)	Proposed Default Service Cost Reclassification Adjustment Factor (\$/kWh)	\$0.00032	\$0.00032	\$0.00032
(3)	Proposed 2008 Default Service Adjustment Factor (\$/kWh)	\$0.00009	\$0.00009	\$0.00009
(4)	<u>2008 Renewable Portfolio Standard Adder (\$/kWh)</u>	<u>\$0.00108</u>	<u>\$0.00108</u>	<u>\$0.00108</u>
(5)	Total Default Service Rate	\$0.10763	\$0.11416	\$0.12300

- (1) Contractor Wholesale Price Adjusted for Losses
- (2) Schedule SMM-8
recovers the costs associated with unbundling of Default Service related administrative costs
- (3) Schedule SMM-6
- (4) 2008 Renewable Portfolio Standard Adder approved by the Commission in Docket DE 07-012
- (5) Line (1) + Line (2) + Line (3) + Line (4)

Granite State Electric Company d/b/a National Grid

Docket No. DE 08-011

Witness: S.M. McCabe

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 2008 - October 2008

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

(1)	February 2008 Residential and Small C&I Default Service kWhs	34,620,740
(2)	February 2008 Total Residential and Small C&I kWhs	35,148,159
(3)	Percentage of Residential and Small C&I Default Service kWhs to Total Residential and Small C&I kWhs	98.50%

Section 2: Projected Residential and Small C&I Default Service kWhs, May 2008 - October 2008

	<u>November</u>	<u>December</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>Total</u>	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	
(4)	Projected Total Company Residential and Small C&I kWhs	28,820,535	31,397,480	35,938,102	36,104,824	33,931,439	31,511,363	197,703,743
(5)	C&I kWhs	<u>98.50%</u>	<u>98.50%</u>	<u>98.50%</u>	<u>98.50%</u>	<u>98.50%</u>	<u>98.50%</u>	
(6)	Projected Residential and Small C&I Default Service kWhs	28,388,065	30,926,342	35,398,830	35,563,049	33,422,277	31,038,517	194,737,081

Section 3: Residential and Small C&I Default Service Load Weighting for May 2008 - October 2008

(7)	Projected Residential and Small C&I Default Service kWhs	28,388,065	30,926,342	35,398,830	35,563,049	33,422,277	31,038,517	194,737,081
(8)	Base Residential and Small C&I Default Service Rate (\$/kWh)	\$0.10555	\$0.11107	\$0.11999	\$0.12154	\$0.11211	\$0.11263	
(9)	Projected Residential and Small C&I Default Service Cost, May 2008 - October 2008	\$2,996,360	\$3,434,989	\$4,247,506	\$4,322,333	\$3,746,972	\$3,495,868	\$22,244,027
(10)	Weighted Average Residential and Small C&I Base Default Service Charge for May 2008 - October 2008							\$0.11422
(11)	Proposed Default Service Cost Reclassification Adjustment Factor (\$/kWh)							\$0.00116
(12)	Proposed 2008 Default Service Adjustment Factor (\$/kWh)							\$0.00009
(13)	<u>2008 Renewable Portfolio Standard Adder (\$/kWh)</u>							<u>\$0.00108</u>
(14)	Total Estimated Residential and Small C&I Default Service Price per kWh							\$0.11655

(1)	Per Monthly Revenue Reports (Rates D, D-10, G-3, M, T, and V)
(2)	Per Monthly 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)	Contractor Wholesale Price Adjusted for Losses
(9)	Line (7) x Line (8)
(10)	Line (9) total ÷ Line (7) total, truncated after 5 decimal places
(11)	Schedule SMM-8 recovers the costs associated with unbundling of Default Service related administrative costs
(12)	Schedule SMM-6
(13)	2008 Renewable Portfolio Standard Adder approved by the Commission in Docket DE 07-012
(14)	Line (10) + Line (11) + Line (12) + Line (13)

Granite State Electric Company d/b/a National Grid

Docket No. DE 08-011

Witness: S.M. McCabe

Schedule SMM-3
Default Service Reconciliation
February 1, 2007 - January 31, 2008

Granite State Electric Company
Default Service Reconciliation
February 2007 Through January 2008

Month	Over/(Under) Beginning Balance (a)	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-07	\$0	\$5,707,671		\$6,219,012	(\$511,341)	(\$511,341)	(\$255,670)	8 25%	(\$1,695)	(\$1,695)
Mar-07	(\$513,035)	\$5,357,131		\$5,457,510	(\$100,379)	(\$613,415)	(\$563,225)	8 25%	(\$3,733)	(\$5,428)
Apr-07	(\$617,148)	\$4,711,298		\$4,414,897	\$296,401	(\$320,747)	(\$468,947)	8 25%	(\$3,108)	(\$8,536)
May-07	(\$323,855)	\$4,621,941		\$4,379,489	\$242,452	(\$81,403)	(\$202,629)	8 25%	(\$1,343)	(\$9,879)
Jun-07	(\$82,746)	\$4,799,006		\$4,783,839	\$15,168	(\$67,578)	(\$75,162)	8 25%	(\$498)	(\$10,377)
Jul-07	(\$68,076)	\$5,401,369		\$5,650,066	(\$248,697)	(\$316,773)	(\$192,425)	8 25%	(\$1,275)	(\$11,652)
Aug-07	(\$318,048)	\$5,444,551		\$6,086,419	(\$641,868)	(\$959,917)	(\$638,983)	8 25%	(\$4,235)	(\$15,888)
Sep-07	(\$964,152)	\$4,774,488		\$4,548,259	\$226,230	(\$737,922)	(\$851,037)	8 25%	(\$5,641)	(\$21,528)
Oct-07	(\$743,563)	\$4,737,954		\$4,571,844	\$166,110	(\$577,452)	(\$660,508)	8 25%	(\$4,378)	(\$25,906)
Nov-07	(\$581,830)	\$4,768,887		\$4,239,745	\$529,143	(\$52,687)	(\$317,259)	8 25%	(\$2,103)	(\$28,009)
Dec-07	(\$54,790)	\$5,447,523		\$5,202,535	\$244,988	\$190,198	\$67,704	8 25%	\$449	(\$27,560)
Jan-08	\$190,646	\$5,650,396	\$15,987	\$5,920,533	(\$254,150)	(\$63,504)	\$63,571	7 50%	\$384	(\$27,176)
		\$61,422,214	\$15,987	\$61,474,146						
Cumulative Over/(Under) Collection of Default Service						(\$63,119)				

- (a) Prior Month Column (f) + Prior Month Column (i)
- (b) Page 2
- (c)
- (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 beginning in May-06 pursuant to Default Service Adjustment Provision issued in compliance with Order 24,609 in Docket DE 05-126 dated March 28, 2006
- (i) Column (g) x [(1 + Column (h)) ^ (1 ÷ 12) - 1]
- (j) Column (i) + Prior Month Column (j)

Granite State Electric Company
Total Default Service Revenue

	Total Default Service Revenue (1)	2007 Residential & Small C&I Default Service Cost Reclassification Adjustment Revenue (2)	2007 Medium & Large C&I Default Service Cost Reclassification Adjustment Revenue (3)	2007 Default Service Cost Adjustment Factor Credit Revenue (4)	Total Default Service Revenue (5)
February 2007	\$5,707,939	\$10,341	\$3,743	(\$13,817)	\$5,707,671
March	\$5,357,355	\$9,987	\$3,703	(\$13,466)	\$5,357,131
April	\$4,711,342	\$8,823	\$3,667	(\$12,446)	\$4,711,298
May	\$4,517,147	\$5,824	\$665	(\$111,283)	\$4,621,941
June	\$4,689,420	\$6,208	\$679	(\$116,472)	\$4,799,006
July	\$5,409,092	\$6,964	\$759	(\$130,451)	\$5,401,369
August	\$5,452,217	\$6,914	\$752	(\$129,425)	\$5,444,551
September	\$4,780,358	\$5,041	\$829	(\$114,665)	\$4,774,488
October	\$4,631,390	\$4,380	\$889	(\$111,833)	\$4,737,954
November	\$4,661,981	\$5,938	\$679	(\$113,523)	\$4,768,887
December	\$5,328,537	\$7,552	\$625	(\$127,163)	\$5,447,523
January 2008	\$5,384,164	\$7,148	\$637	(\$274,017)	<u>\$5,650,396</u>
Total	\$45,256,259	\$64,481	\$15,687	(\$753,857)	\$45,555,408

(1) Monthly revenue report for Default Service

(2) Schedule SMM-7, Page 2, Column (3)

(3) Schedule SMM-7, Page 3, Column (3)

(4) Feb - April: Schedule SMM-4, Page 2, Column (3)

May - Jan Schedule SMM-4, Page 2, Column (3) + Schedule SMM-5, Page 2, Column (3)

(5) Column (1) - Column (2) - Column (3) - Column (4)

Granite State Electric Company
Default Service Expense

	Default Service <u>Bill</u> (a)	Supplier <u>Reallocations</u> (b)	Total <u>Expense</u> (c) = (a) + (b)
February 2007	\$6,217,637	\$1,375	\$6,219,012
March	\$5,479,692	(\$22,182)	\$5,457,510
April	\$4,391,871	\$23,026	\$4,414,897
May	\$4,323,449	\$56,040	\$4,379,489
June	\$4,800,603	(\$16,765)	\$4,783,839
July	\$5,583,637	\$66,429	\$5,650,066
August	\$6,103,417	(\$16,998)	\$6,086,419
September	\$4,605,581	(\$57,322)	\$4,548,259
October	\$4,657,068	(\$85,224)	\$4,571,844
November	\$4,288,241	(\$48,496)	\$4,239,745
December	\$5,263,593	(\$61,058)	\$5,202,535
January 2008	<u>\$5,951,070</u>	<u>(\$30,537)</u>	<u>\$5,920,533</u>
Total	\$61,665,858	(\$191,713)	\$61,474,146

Source: Monthly Default Service Provider Invoice

Schedule SMM-4
2007 Default Service Adjustment Factor Reconciliation

Granite State Electric Company
Reconciliation of Transtion Service/Default Service Over Recovery
Balance Incurred October 2005 through September 2006
Recovered January 2007 - December 2007

<u>Month</u>	<u>Beginning Over Recovery Balance</u> (a)	<u>Default Service Adjustment Refund</u> (b)	<u>Ending Over Recovery Balance</u> (c)	<u>Balance Subject to Interest</u> (d)	<u>Effective Interest Rate</u> (e)	<u>Interest</u> (f)	<u>Cumulative Interest</u> (g)
Jan-07	\$173,019	(\$14,870)	\$158,149	\$165,584	8.25%	\$1,097	\$1,097
Feb-07	\$159,246	(\$13,817)	\$145,430	\$152,338	8.25%	\$1,010	\$2,107
Mar-07	\$146,440	(\$13,466)	\$132,974	\$139,707	8.25%	\$926	\$3,033
Apr-07	\$133,900	(\$12,446)	\$121,454	\$127,677	8.25%	\$846	\$3,879
May-07	\$122,301	(\$12,821)	\$109,480	\$115,890	8.25%	\$768	\$4,648
Jun-07	\$110,248	(\$13,418)	\$96,830	\$103,539	8.25%	\$686	\$5,334
Jul-07	\$97,516	(\$15,029)	\$82,487	\$90,002	8.25%	\$597	\$5,930
Aug-07	\$83,084	(\$14,911)	\$68,173	\$75,628	8.25%	\$501	\$6,432
Sep-07	\$68,674	(\$13,210)	\$55,464	\$62,069	8.25%	\$411	\$6,843
Oct-07	\$55,875	(\$12,884)	\$42,991	\$49,433	8.25%	\$328	\$7,171
Nov-07	\$43,319	(\$13,079)	\$30,240	\$36,780	8.25%	\$244	\$7,414
Dec-07	\$30,484	(\$14,650)	\$15,834	\$23,159	8.25%	\$154	\$7,568
		(\$164,599)					
Remaining Recovery			\$15,987				

- (a) Beginning Balance: November 29, 2006 January 2007 Retail Rate Filing in DE 06-162, Second Revised Schedule SMM-11, Pages 1 and 2
Prior Month Column (c) + Prior Month Column (f)
- (b) Page 2
- (c) Column (a) + Column (b)
- (d) [Column (a) + Column (c)] ÷ 2
- (e) Interest rate on customer deposits beginning in May-06 pursuant to Default Service Adjustment Provision issued in compliance with Order 24,609 in Docket DE 05-126 dated March 28, 2006.
- (f) Column (d) x [(1 + Column (e)) ^ (1 ÷ 12) - 1]
- (g) Column (f) + Prior Month Column (g)

Granite State Electric Company
Default Service Adjustment Charge
2007

	<u>kWh</u> <u>Deliveries</u> (1)	<u>Default Service</u> <u>Adjustment</u> <u>Factor</u> (2)	<u>Default Service</u> <u>Adjustment</u> <u>Refund</u> (3)
January 2007	59,478,585	(\$0.00025)	(\$14,870)
February	55,266,128	(\$0.00025)	(\$13,817)
March	53,862,342	(\$0.00025)	(\$13,466)
April	49,782,279	(\$0.00025)	(\$12,446)
May	51,282,602	(\$0.00025)	(\$12,821)
June	53,673,937	(\$0.00025)	(\$13,418)
July	60,115,542	(\$0.00025)	(\$15,029)
August	59,643,084	(\$0.00025)	(\$14,911)
September	52,840,892	(\$0.00025)	(\$13,210)
October	51,535,972	(\$0.00025)	(\$12,884)
November	52,314,688	(\$0.00025)	(\$13,079)
December	58,600,511	(\$0.00025)	(\$14,650)
Total			(\$164,599)

- (1) Monthly SMB702 Revenue Report
(2) Approved Default Service Adjustment Factor for calendar year 2007
(3) Column (1) x Column (2)

Granite State Electric Company d/b/a National Grid

Docket No. DE 08-011

Witness: S.M. McCabe

Schedule SMM-5
Adjustment to 2007 Default Service
Adjustment Factor Reconciliation

Granite State Electric Company
Reconciliation of Default Service Over Recovery
Balance Incurred May 2006 through January 2007
Refunded May 2007 - April 2008

<u>Month</u>	<u>Beginning Over Recovery Balance</u> (a)	<u>Default Service Adjustment Refund</u> (b)	<u>Ending Over Recovery Balance</u> (c)	<u>Balance Subject to Interest</u> (d)	<u>Effective Interest Rate</u> (e)	<u>Interest</u> (f)	<u>Cumulative Interest</u> (g)
May-07	\$1,360,021	(\$98,463)	\$1,261,558	\$1,310,789	8.25%	\$8,688	\$8,688
Jun-07	\$1,270,246	(\$103,054)	\$1,167,192	\$1,218,719	8.25%	\$8,078	\$16,766
Jul-07	\$1,175,269	(\$115,422)	\$1,059,848	\$1,117,559	8.25%	\$7,407	\$24,173
Aug-07	\$1,067,255	(\$114,515)	\$952,740	\$1,009,997	8.25%	\$6,694	\$30,867
Sep-07	\$959,434	(\$101,455)	\$857,980	\$908,707	8.25%	\$6,023	\$36,890
Oct-07	\$864,003	(\$98,949)	\$765,054	\$814,528	8.25%	\$5,399	\$42,288
Nov-07	\$770,452	(\$100,444)	\$670,008	\$720,230	8.25%	\$4,774	\$47,062
Dec-07	\$674,782	(\$112,513)	\$562,269	\$618,525	8.25%	\$4,100	\$51,162
Jan-08	\$566,368	(\$109,418)	\$456,950	\$511,659	7.50%	\$3,093	\$54,255
Feb-08	\$460,043	\$0	\$460,043	\$460,043	7.50%	\$2,781	\$57,036
Mar-08	\$462,824	\$0	\$462,824	\$462,824	7.50%	\$2,798	\$59,833
Apr-08	\$465,622	\$0	\$465,622	\$465,622	7.50%	\$2,815	\$62,648
		(\$954,232)					
Remaining Recovery			\$468,436				

- (a) Beginning Balance: March 19, 2007 May 2007 Default Service filing in DE 07-012, Schedule SMM-6, Page 2
Prior Month Column (c) + Prior Month Column (f)
- (b) Page 2
- (c) Column (a) + Column (b)
- (d) [Column (a) + Column (c)] ÷ 2
- (e) No interest is applied
- (f) Column (d) x [(1 + Column (e)) ^ (1 ÷ 12) - 1]
- (g) Column (f) + Prior Month Column (g)

Granite State Electric Company
Adjustment to Default Service Adjustment Charge
2007-2008

	<u>kWh</u> <u>Deliveries</u> (1)	<u>Default Service</u> <u>Adjustment</u> <u>Factor</u> (2)	<u>Default Service</u> <u>Adjustment</u> <u>Refund</u> (3)
May 2007	51,282,602	(\$0.00192)	(\$98,463)
June	53,673,937	(\$0.00192)	(\$103,054)
July	60,115,542	(\$0.00192)	(\$115,422)
August	59,643,084	(\$0.00192)	(\$114,515)
September	52,840,892	(\$0.00192)	(\$101,455)
October	51,535,972	(\$0.00192)	(\$98,949)
November	52,314,688	(\$0.00192)	(\$100,444)
December	58,600,511	(\$0.00192)	(\$112,513)
January 2008	56,988,584	(\$0.00192)	(\$109,418)
February		(\$0.00192)	\$0
March		(\$0.00192)	\$0
April		(\$0.00192)	<u>\$0</u>
Total			(\$954,232)

(1) Monthly SMB702 Revenue Report

(2) Approved Adjustment to Default Service Adjustment Factor

(3) Column (1) x Column (2)

**Schedule SMM-6
Calculation of
Proposed 2008 Default Service Adjustment Factor**

Granite State Electric Company
Calculation of Default Service Adjustment Factor
Effective May 1, 2008

(1) Default Service Under Collection	(\$63,119)
(2) Estimated Interest During Refund Period	<u>(\$2,986)</u>
(3) Under Collection Including Interest	(\$66,105)
(4) Estimated Default Service kWh Deliveries	689,681,260
(5) Default Service Adjustment Factor per kWh	\$0.00009

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

(2) Page 2

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

(4) Per Company forecast, total company estimated deliveries of 917,617,430 multiplied by the percentage of February 2008 deliveries attributable to Default Service of 75.16%

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

Granite State Electric Company
Calculation of Interest on Default Service Undercollection

	<u>Beginning Undercollection With Interest</u> (a)	<u>Estimated Refund</u> (b)	<u>Ending Undercollection</u> (c)	<u>Balance Subject to Interest</u> (d)	<u>Effective Interest Rate</u> (e)	<u>Interest</u> (f)	<u>Cumulative Interest</u> (g)
February 2008	(\$63,119)		(\$63,119)	(\$63,119)	7.50%	(\$382)	(\$382)
March	(\$63,501)		(\$63,501)	(\$63,501)	7.50%	(\$384)	(\$765)
April	(\$63,885)		(\$63,885)	(\$63,885)	6.00%	(\$311)	(\$1,076)
May	(\$64,196)	\$5,350	(\$58,846)	(\$61,521)	6.00%	(\$299)	(\$1,376)
June	(\$59,146)	\$5,377	(\$53,769)	(\$56,457)	6.00%	(\$275)	(\$1,651)
July	(\$54,044)	\$5,404	(\$48,639)	(\$51,341)	6.00%	(\$250)	(\$1,901)
August	(\$48,889)	\$5,432	(\$43,457)	(\$46,173)	6.00%	(\$225)	(\$2,125)
September	(\$43,682)	\$5,460	(\$38,221)	(\$40,952)	6.00%	(\$199)	(\$2,325)
October	(\$38,421)	\$5,489	(\$32,932)	(\$35,676)	6.00%	(\$174)	(\$2,498)
November	(\$33,106)	\$5,518	(\$27,588)	(\$30,347)	6.00%	(\$148)	(\$2,646)
December	(\$27,736)	\$5,547	(\$22,189)	(\$24,962)	6.00%	(\$122)	(\$2,768)
January 2009	(\$22,310)	\$5,578	(\$16,733)	(\$19,521)	6.00%	(\$95)	(\$2,863)
February	(\$16,828)	\$5,609	(\$11,218)	(\$14,023)	6.00%	(\$68)	(\$2,931)
March	(\$11,287)	\$5,643	(\$5,643)	(\$8,465)	6.00%	(\$41)	(\$2,972)
April	(\$5,685)	<u>\$5,685</u>	(\$0)	(\$2,842)	6.00%	(\$14)	(\$2,986)
Total Recovery		\$66,091					

- (a) February 2008 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-7
Default Service Cost Reclassification
Adjustment Factor Reconciliation
February 1, 2007 - January 31, 2008

Granite State Electric Company
Default Service Cost Reclassification Adjustment Factor Reconciliation
February 2007 - January 2008

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-07	\$0	\$14,084	\$8,787	\$26,888	(\$4,016)	(\$4,016)	(\$2,008)	8 25%	(\$13)	(\$13)
Mar-07	(\$4,029)	\$13,690		\$28,103	(\$14,413)	(\$18,442)	(\$11,236)	8 25%	(\$74)	(\$88)
Apr-07	(\$18,517)	\$12,490		\$26,295	(\$13,805)	(\$32,322)	(\$25,419)	8 25%	(\$168)	(\$256)
May-07	(\$32,490)	\$6,489		\$27,988	(\$21,500)	(\$53,990)	(\$43,240)	8 25%	(\$287)	(\$543)
Jun-07	(\$54,277)	\$6,887		\$32,213	(\$25,326)	(\$79,603)	(\$66,940)	8 25%	(\$444)	(\$987)
Jul-07	(\$80,047)	\$7,723		\$27,124	(\$19,401)	(\$99,448)	(\$89,747)	8 25%	(\$595)	(\$1,581)
Aug-07	(\$100,043)	\$7,666		\$23,798	(\$16,132)	(\$116,174)	(\$108,108)	8 25%	(\$717)	(\$2,298)
Sep-07	(\$116,891)	\$5,870		\$30,047	(\$24,178)	(\$141,068)	(\$128,980)	8 25%	(\$855)	(\$3,153)
Oct-07	(\$141,923)	\$5,269		\$27,397	(\$22,128)	(\$164,051)	(\$152,987)	8 25%	(\$1,014)	(\$4,167)
Nov-07	(\$165,065)	\$6,616		\$28,533	(\$21,917)	(\$186,982)	(\$176,023)	8 25%	(\$1,167)	(\$5,333)
Dec-07	(\$188,148)	\$8,177		\$36,605	(\$28,427)	(\$216,576)	(\$202,362)	8 25%	(\$1,341)	(\$6,675)
Jan-08	(\$217,917)	\$7,786		\$24,552	(\$16,766)	(\$234,683)	(\$226,300)	7 50%	(\$1,368)	(\$8,043)
		\$102,747	\$8,787	\$339,543						
Cumulative Over/(Under) Collection of Default Service Administrative Costs							(\$236,051)			

- (a) Prior Month Column (f) + Prior Month Column (i)
- (b) Page 2, Column (3) + Page 3, Column (3)
- (c) February: Adjustment to reflect corrections to the 2006 cash working capital study per the response to Record Request 12 of Follow-up Staff Discovery Set 1 in Docket No 07-012
- (d) Page 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)

Granite State Electric Company
Small Customer Group (Residential and Small C&I)
Default Service Cost Reclassification Adjustment Revenue
2007-2008

	kWh <u>Deliveries</u> (1)	Default Service Cost Reclassification Adjustment <u>Factor</u> (2)	Default Service Cost Reclassification Adjustment <u>Revenue</u> (3)
February 2007	34,469,628	\$0.00030	\$10,341
March	33,289,874	\$0.00030	\$9,987
April	29,409,939	\$0.00030	\$8,823
May	29,120,067	\$0.00020	\$5,824
June	31,037,580	\$0.00020	\$6,208
July	34,817,844	\$0.00020	\$6,964
August	34,571,560	\$0.00020	\$6,914
September	25,203,480	\$0.00020	\$5,041
October	21,899,846	\$0.00020	\$4,380
November	29,687,977	\$0.00020	\$5,938
December	37,760,400	\$0.00020	\$7,552
January 2008	35,742,330	\$0.00020	<u>\$7,148</u>
Total			\$85,119

(1) Monthly revenue report for Default Service
(2) Approved Default Service Cost Reclassification Adjustment Factors
(3) Column (1) x Column (2)

Granite State Electric Company
Large Customer Group (Medium & Large C&I)
Default Service Cost Reclassification Adjustment Revenue
2007-2008

	kWh <u>Deliveries</u> (1)	Default Service Cost Reclassification Adjustment <u>Factor</u> (2)	Default Service Cost Reclassification Adjustment <u>Revenue</u> (3)
February 2007	20,796,500	\$0.00018	\$3,743
March	20,572,468	\$0.00018	\$3,703
April	20,372,340	\$0.00018	\$3,667
May	22,162,535	\$0.00003	\$665
June	22,636,356	\$0.00003	\$679
July	25,297,698	\$0.00003	\$759
August	25,071,524	\$0.00003	\$752
September	27,637,412	\$0.00003	\$829
October	29,636,126	\$0.00003	\$889
November	22,626,710	\$0.00003	\$679
December	20,840,112	\$0.00003	\$625
January 2008	21,246,254	\$0.00003	<u>\$637</u>
Total			\$17,628

- (1) Monthly revenue report for Default Service
- (2) Approved Default Service Cost Reclassification Adjustment Factors
- (3) Column (1) x Column (2)

Granite State Electric Company
Default Service Cost Reclassification Adjustment Expenses
2007-2008

	<u>Payroll</u> <u>Expenses</u> (1)	<u>Bad Debt</u> <u>Expense</u> (2)	<u>Cash Working</u> <u>Capital</u> <u>Expense</u> (3)	<u>Total</u> <u>Expense</u> (4)
February 2007	\$3,745	\$25,400	(\$2,258)	\$26,888
March	\$4,684	\$25,400	(\$1,981)	\$28,103
April	\$2,498	\$25,400	(\$1,603)	\$26,295
May	\$4,178	\$25,400	(\$1,590)	\$27,988
June	\$8,550	\$25,400	(\$1,737)	\$32,213
July	\$3,775	\$25,400	(\$2,051)	\$27,124
August	\$608	\$25,400	(\$2,209)	\$23,798
September	\$6,299	\$25,400	(\$1,651)	\$30,047
October	\$3,656	\$25,400	(\$1,660)	\$27,397
November	\$4,673	\$25,400	(\$1,539)	\$28,533
December	\$13,093	\$25,400	(\$1,889)	\$36,605
January 2008	<u>\$1,106</u>	<u>\$25,400</u>	<u>(\$1,954)</u>	<u>\$24,552</u>
Total	\$56,865	\$304,798	(\$22,120)	\$339,543

(1) Per accounting project established to account for Default Service administrative expenses
(2) Schedule SMM-8, Workpaper 4, Page 1 - Section 5 Line (3) ÷ 12
(3) Page 5
(4) Column (1) + Column (2) + Column (3)

Granite State Electric Company
Default Service Cost Reclassification Adjustment Expenses
2007

	Total Default Service Expenses (1)	CWC % (2)	Working Capital Requirement (3)	Prime Interest Rate (4)	Working Capital Impact (5)
February 2007	\$6,219,012	-0.44%	(\$27,364)	8.25%	(\$2,258)
March	\$5,457,510	-0.44%	(\$24,013)	8.25%	(\$1,981)
April	\$4,414,897	-0.44%	(\$19,426)	8.25%	(\$1,603)
May	\$4,379,489	-0.44%	(\$19,270)	8.25%	(\$1,590)
June	\$4,783,839	-0.44%	(\$21,049)	8.25%	(\$1,737)
July	\$5,650,066	-0.44%	(\$24,860)	8.25%	(\$2,051)
August	\$6,086,419	-0.44%	(\$26,780)	8.25%	(\$2,209)
September	\$4,548,259	-0.44%	(\$20,012)	8.25%	(\$1,651)
October	\$4,571,844	-0.44%	(\$20,116)	8.25%	(\$1,660)
November	\$4,239,745	-0.44%	(\$18,655)	8.25%	(\$1,539)
December	\$5,202,535	-0.44%	(\$22,891)	8.25%	(\$1,889)
January 2008	<u>\$5,920,533</u>	-0.44%	<u>(\$26,050)</u>	7.50%	<u>(\$1,954)</u>
Total	\$61,474,146		(\$202,890)		(\$16,738)

- (1) Schedule SMM-7, Page 5, Column (c)
- (2) Schedule SMM-8, Workpaper 9, Page 1
- (3) Column (1) x Column (2)
- (4) Prime Interest Rate - Interest Rate on Customer Deposits
- (5) Column (3) x Column (4)

Granite State Electric Company
Calculation of Interest on Default Service Cost Reallocation Adjustment Factor Reconciliation Undercollection

	Beginning Undercollection <u>With Interest</u> (a)	Estimated <u>Refund</u> (b)	Ending <u>Undercollection</u> (c)	Balance Subject to <u>Interest</u> (d)	Effective Interest <u>Rate</u> (e)	<u>Interest</u> (f)	Cumulative <u>Interest</u> (g)
February 2008	(\$236,051)		(\$236,051)	(\$236,051)	7.50%	(\$1,427)	(\$1,427)
March	(\$237,478)		(\$237,478)	(\$237,478)	7.50%	(\$1,436)	(\$2,862)
April	(\$238,914)		(\$238,914)	(\$238,914)	6.00%	(\$1,163)	(\$4,025)
May	(\$240,077)	\$20,006	(\$220,070)	(\$230,074)	6.00%	(\$1,120)	(\$5,145)
June	(\$221,190)	\$20,108	(\$201,082)	(\$211,136)	6.00%	(\$1,028)	(\$6,173)
July	(\$202,110)	\$20,211	(\$181,899)	(\$192,004)	6.00%	(\$935)	(\$7,108)
August	(\$182,833)	\$20,315	(\$162,519)	(\$172,676)	6.00%	(\$841)	(\$7,948)
September	(\$163,359)	\$20,420	(\$142,939)	(\$153,149)	6.00%	(\$745)	(\$8,694)
October	(\$143,685)	\$20,526	(\$123,158)	(\$133,421)	6.00%	(\$649)	(\$9,343)
November	(\$123,808)	\$20,635	(\$103,173)	(\$113,490)	6.00%	(\$552)	(\$9,895)
December	(\$103,725)	\$20,745	(\$82,980)	(\$93,353)	6.00%	(\$454)	(\$10,350)
January 2009	(\$83,435)	\$20,859	(\$62,576)	(\$73,005)	6.00%	(\$355)	(\$10,705)
February	(\$62,931)	\$20,977	(\$41,954)	(\$52,443)	6.00%	(\$255)	(\$10,960)
March	(\$42,210)	\$21,105	(\$21,105)	(\$31,657)	6.00%	(\$154)	(\$11,115)
April	(\$21,259)	<u>\$21,259</u>	\$0	(\$10,629)	6.00%	(\$52)	(\$11,166)
Total Recovery		\$247,166					

- (a) February 2008 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-8
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	\$333,330	\$282,096	\$51,234
(2) Undercollection Related to 2007 Default Service Cost Reclassification Adjustment Factor	\$240,077	\$203,176	\$36,901
(3) Net Estimated Commodity Related Costs	\$573,407	\$485,272	\$88,135
(4) Estimated Default Service kWh Deliveries	689,649,266	416,837,868	272,811,398
(5) 2008 Default Service Cost Reclassification Adjustment Factor per kWh	\$0 00083	\$0 00116	\$0 00032

- (1) Page 2, Line (9)
(2) Schedule SMM-7, Page 6
(3) Line (1) + Line (2)
(4) Per Company forecast, total company estimated deliveries of 917,617,460 multiplied by the percentage of February 2008 deliveries attributable to Default Service of 75.16% and allocated to customer groups based on allocation of February 2008 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	\$29,585	\$9,862	\$19,723
(2) Ongoing Administration	\$6,574	\$3,287	\$3,287
(3) Letter of Credit or Other Form of Security	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
(4) Total Wholesale Costs	\$36,160	\$13,149	\$23,010
<u>Direct Retail:</u>			
(5) Customer Communication and Rate Change Processing	\$13,034	\$4,345	\$8,689
(6) Bad Debt Expense	<u>\$304,798</u>	<u>\$276,678</u>	<u>\$28,120</u>
(7) Total Direct Retail Costs	\$317,832	\$281,023	\$36,809
<u>Cash Working Capital:</u>			
(8) Working Capital Impact	<u>(\$20,661)</u>	<u>(\$12,076)</u>	<u>(\$8,585)</u>
(9) Total Estimated Commodity Related Costs	\$333,330	\$282,096	\$51,234

- (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 2007 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 2007 supply invoices and customer billing. Workpaper 9, page 1. Allocated to customer group based on DR 95-169 allocation.
- (9) Line (4) + Line (7) + Line (8)

**Schedule SMM-8
Workpapers**

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

<u>Task</u>	<u>Conducted by</u>	(A) <u>Hours</u>	(B) <u>Direct Labor Rate (\$/hr)</u>	(C) <u>Indirect / Overhead Rate</u>	(D) <u>Total \$</u>
Preparation of documents and supporting data to be included in each Request for Proposal	Energy Supply: Analyst	24.0	\$40.00	75.33%	\$1,683
	Energy Supply: Management	4.0	\$60.00	75.33%	\$421
	Legal: Attorney	<u>4.0</u>	\$60.00	75.33%	<u>\$421</u>
	Total for Task:	32.0			\$2,525
	Annual Frequency for Task:	4			4
New Hampshire Allocation	25%			25%	
Annual Total for Task:		32.0			\$2,525
Issuance of the RFP	Energy Supply: Analyst	<u>4.0</u>	\$40.00	75.33%	<u>\$281</u>
	Total for Task:	4.0			\$281
	Annual Frequency for Task:	4			4
	New Hampshire Allocation	25%			25%
	Annual Total for Task:		4.0		
Review of bidder information and proposed contract modifications	Energy Supply: Analyst	40.0	\$40.00	75.33%	\$2,805
	Energy Supply: Management	8.0	\$60.00	75.33%	\$842
	Legal: Attorney	<u>24.0</u>	\$60.00	75.33%	<u>\$2,525</u>
	Total for Task:	72.0			\$6,172
	Annual Frequency for Task:	4			4
New Hampshire Allocation	25%			25%	
Annual Total for Task:		72.0			\$6,172
Analysis of indicative bids	Energy Supply: Analyst	16.0	\$40.00	75.33%	\$1,122
	Energy Supply: Management	<u>4.0</u>	\$60.00	75.33%	<u>\$421</u>
	Total for Task:	20.0			\$1,543
	Annual Frequency for Task:	4			4
	New Hampshire Allocation	25%			25%
Annual Total for Task:		20.0			\$1,543
Analysis of final, binding bids and selection of winning bids	Energy Supply: Analyst	8.0	\$40.00	75.33%	\$561
	Energy Supply: Management	<u>4.0</u>	\$60.00	75.33%	<u>\$421</u>
	Total for Task:	12.0			\$982
	Annual Frequency for Task:	4			4
	New Hampshire Allocation	25%			25%
Annual Total for Task:		12.0			\$982

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 Rate (\$/hr)</u>	<u>Indirect / Overhead Rate</u>	<u>Total \$</u>
Negotiation and execution of power purchase agreements	Energy Supply: Analyst	16.0	\$40.00	75.33%	\$1,122
	Energy Supply: Management	<u>4.0</u>	\$60.00	75.33%	<u>\$421</u>
	Total for Task:	20.0			\$1,543
	Annual Frequency for Task:	4			4
	New Hampshire Allocation	25%			25%
Annual Total for Task:		20.0			\$1,543
Preparation and submission of rate filing, response to data requests, hearing	Energy Supply: Analyst	32.0	\$40.00	75.33%	\$2,244
	Distribution Rates: Analyst	20.0	\$40.00	75.33%	\$1,403
	Legal: Attorney	4.0	\$60.00	75.33%	\$421
	Distribution Rates: Management	<u>2.0</u>	\$60.00	75.33%	<u>\$210</u>
	Total for Task:	58.0			\$4,278
Annual Frequency for Task:	4			4	
New Hampshire Allocation	100%			100%	
Annual Total for Task:		232.0			\$17,112
Implementation of ISO market system registration	Energy Supply: Analyst	<u>2.0</u>	\$40.00	75.33%	<u>\$140</u>
	Total for Task:	2.0			\$140
	Annual Frequency for Task:	4			4
	New Hampshire Allocation	25%			25%
	Annual Total for Task:		2.0		
Annual Subtotal for Solicitation Tasks:		394.0			\$30,297
Receipt, review and payment of monthly invoices	Energy Supply: Analyst	4.0	\$40.00	75.33%	\$281
	Accounting: Analyst	<u>4.0</u>	\$40.00	75.33%	<u>\$281</u>
	Total for Task:	8.0			\$561
	Annual Frequency for Task:	12			12
	New Hampshire Allocation	100%			100%
Annual Total for Task:		96.0			\$6,733
Annual Total for all Tasks:		490.0			\$37,030

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 year ended December 31, 2007

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>75 33%</u>
(6)	Estimated Cost of Web Site Update in a 12-Month Period	\$926

(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 year ended December 31, 2007	
(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 Month	72
(4)	Average Hourly Labor Rate for Billing & Systems Personnel	\$26 47
(5)	Average Labor Overhead Mark-Up	<u>75 33%</u>
(6)	Estimated Cost of Billing & Systems in a 12-Month Period	\$3,342

(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 year ended December 31, 2007	
(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 Month	72
(4)	Average Hourly Labor Rate for Billing & Systems Personnel	\$70 00
(5)	Average Labor Overhead Mark-Up	<u>75 33%</u>
(6)	Estimated Cost of Billing & Systems in a 12-Month Period	\$8,837

(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 year ended December 31, 2007	
(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	\$13,104
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Granite State Electric Company
Bad Debt Expense
Calculation of 2007 Net Charge-Offs

	2007
(1) Bad Debt Reserve @ January 1, 2007	\$264,520
(2) Plus Additions to Reserve during 2007	\$550,010
(3) Less Bad Debt Reserve @ December 31, 2007	<u>\$337,579</u>
(4) 2007 Net Charge-Offs	\$476,951

(1) 2006 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)	

Granite State Electric Company
Allocation of 2007 Net Charge-Offs to Default Service

	Total	D	T	D-10	G-3	G-2	G-1	M	V	
Section 1: Allocation of 2007 Net Charge-Offs to Rate Classes										
(1)	2007 Net Charge-Offs for All Accounts per CIS	\$477,966	\$390,777	\$1,518	\$6,815	\$31,933	\$39,236	(\$284)	\$7,970	\$0
(2)	Allocator Based on Net Charge-Offs for All Accounts	100 00%	81 76%	0 32%	1 43%	6 68%	8 21%	-0 06%	1 67%	0 00%
(3)	2007 Net Charge-Offs	\$476,951								
(4)	Allocation of 2007 Net Charge-Offs to Rate Classes	\$476,951	\$389,947	\$1,515	\$6,801	\$31,865	\$39,153	(\$283)	\$7,953	\$0
(1)	Workpaper 5, Page 1, Section 3, Line (1)									
(2)	Line (1), each rate class as a percent of the total									
(3)	Workpaper 3, Line (4)									
(4)	Line (2) x Line (3)									

Section 2: Transition Service & Default Service Accounts as a Percentage of All Accounts										
(1)	2007 Net Charge-Offs for Default Service Accounts per CIS	\$501,622	\$406,771	\$1,518	\$7,314	\$37,975	\$40,074	\$0	\$7,970	\$0
(2)	2007 Net Charge-Offs for Transition Service Accounts per CIS	(\$23,656)	(\$15,994)	\$0	(\$499)	(\$6,042)	(\$838)	(\$284)	\$0	\$0
(3)	2007 Net Charge-Offs for Commodity Accounts per CIS	\$477,966	\$390,777	\$1,518	\$6,815	\$31,933	\$39,236	(\$284)	\$7,970	\$0
(4)	2007 Net Charge-Offs for All Accounts per CIS	\$477,966	\$390,777	\$1,518	\$6,815	\$31,933	\$39,236	(\$284)	\$7,970	\$0
(5)	Percentage of Charge-Offs Related to Transition Service & Default Service Accounts, by Rate Class		100 00%	100 00%	100 00%	100 00%	100 00%	100 00%	100 00%	0 00%
(1)	Workpaper 6, Page 1, Section 3, Line (1)									
(2)	Workpaper 7, Page 1, Section 3, Line (1)									
(3)	Line (1) + Line (2)									
(4)	Section 1, Line (1)									
(5)	Line (3) ÷ Line (4)									

Section 3: Allocation of 2007 Net Charge-Offs to Transition Service & Default Service Accounts										
(1)	Allocation of 2007 Net Charge-Offs to Rate Classes	\$476,951	\$389,947	\$1,515	\$6,801	\$31,865	\$39,153	(\$283)	\$7,953	\$0
(2)	Percentage of Charge-Offs Related to Transition Service & Default Service Accounts, by Rate Class		100 00%	100 00%	100 00%	100 00%	100 00%	100 00%	100 00%	0 00%
(3)	Allocated Share of 2007 Net Charge-Offs for Transition Service & Default Service Accounts, by Rate Class	\$476,951	\$389,947	\$1,515	\$6,801	\$31,865	\$39,153	(\$283)	\$7,953	\$0
(1)	Section 1, Line (4)									
(2)	Section 2, Line (5)									
(3)	Line (1) x Line (2)									

Section 4: Commodity Billing Charge-Offs as a Percentage of Transition Service & Default Service Accounts Charged Off										
(1)	Estimate of Default Service Billing Charge-Offs per CIS	\$318,293	\$255,682	\$1,040	\$5,349	\$23,988	\$28,922	\$0	\$3,312	\$0
(2)	Estimate of Transition Service Billing Charge-Offs per CIS	(\$12,846)	(\$8,517)	\$0	(\$323)	(\$3,263)	(\$543)	(\$200)	\$0	\$0
(3)	Total Estimated Commodity Billing Charge-Offs per CIS	\$305,447	\$247,164	\$1,040	\$5,026	\$20,725	\$28,379	(\$200)	\$3,312	\$0
(4)	2007 Net Charge-Offs for Commodity Accounts per CIS	\$477,966	\$390,777	\$1,518	\$6,815	\$31,933	\$39,236	(\$284)	\$7,970	\$0
(5)	Percentage of Commodity Charge-Offs Related to Commodity Billings, by Rate Class		63 25%	68 51%	73 75%	64 90%	72 33%	70 56%	41 55%	0 00%
(1)	Workpaper 6, Page 1, Section 3, Line (2)									
(2)	Workpaper 7, Page 1, Section 3, Line (2)									
(3)	Line (1) + Line (2)									
(4)	Section 2, Line (3)									
(5)	Line (3) ÷ Line (4)									

Section 5: Allocation of Estimated Commodity Charge-Offs to Commodity Billings										
(1)	Percentage of Commodity Charge-Offs Related to Commodity Billings, by Rate Class		63 25%	68 51%	73 75%	64 90%	72 33%	70 56%	41 55%	0 00%
(2)	Allocated Share of 2007 Net Charge-Offs for Transition Service & Default Service Accounts, by Rate Class	\$476,951	\$389,947	\$1,515	\$6,801	\$31,865	\$39,153	(\$283)	\$7,953	\$0
(3)	Allocated Share of 2007 Net Charge-Offs for Transition Service & Default Service Billings, by Rate Class	\$304,798	\$246,639	\$1,038	\$5,015	\$20,681	\$28,319	(\$200)	\$3,305	\$0
(1)	Section 4, Line (5)									
(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>Y</u>	
<u>Section 1: Gross Charge Offs for All Accounts</u>										
(1)	Amount of C/O for all Accounts	\$565,041	\$456,074	\$2,701	\$8,388	\$45,060	\$43,812	\$0	\$9,006	\$0
(2)	Allocator Based On Gross Charge Offs	100.00%	80.72%	0.48%	1.48%	7.97%	7.75%	0.00%	1.59%	0.00%

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

<u>Section 2: Recoveries for All Accounts</u>										
(1)	Amount of Recovery for All Accounts	(\$87,075)	(\$65,297)	(\$1,182)	(\$1,573)	(\$13,127)	(\$4,575)	(\$284)	(\$1,037)	\$0
(4)	Allocator Based On Recoveries	100.00%	74.99%	1.36%	1.81%	15.08%	5.25%	0.33%	1.19%	0.00%

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

<u>Section 3: Total Company Amounts for All Accounts</u>										
(1)	Total Company Net Charge-Offs	\$477,966	\$390,777	\$1,518	\$6,815	\$31,933	\$39,236	(\$284)	\$7,970	\$0
(2)	Allocator Based On Net Charge Offs	100.00%	81.76%	0.32%	1.43%	6.68%	8.21%	-0.06%	1.67%	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	2007												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	\$29,138	\$15,270	\$22,599	\$25,195	\$32,273	\$29,438	\$57,072	\$70,189	\$49,802	\$58,857	\$34,274	\$31,964	\$456,074
<u>Rate T</u>													
Amount of C/O for all Accounts	\$459	\$219	\$0	\$600	\$0	\$82	\$0	\$0	\$684	\$584	\$72	\$0	\$2,701
<u>Rate D-10</u>													
Amount of C/O for all Accounts	\$121	\$0	\$49	\$1,745	\$0	\$2,296	\$0	\$2,142	\$1,727	\$0	\$0	\$308	\$8,388
<u>Rate G-3</u>													
Amount of C/O for all Accounts	\$4,359	\$5,747	\$3,872	\$1,172	\$1,973	\$1,084	\$1,105	\$203	\$11,387	\$4,250	\$4,095	\$5,811	\$45,060
<u>Rate G-2</u>													
Amount of C/O for all Accounts	\$5,720	\$7,058	\$1,895	\$4,615	\$0	\$5,616	\$0	\$0	\$4,170	\$8,068	\$5,121	\$1,547	\$43,812
<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	\$0	\$89	\$1,787	\$0	\$43	\$4,818	\$82	\$870	\$329	\$0	\$988	\$0	\$9,006
<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	\$39,798	\$28,383	\$30,203	\$33,328	\$34,289	\$43,335	\$58,260	\$73,405	\$68,100	\$71,759	\$44,551	\$39,631	\$565,041

Granite State Electric Company
Electronic Recoveries for All Accounts

Month of Recovery	2007												Annual Total
	January	February	March	April	May	June	July	August	September	October	November	December	
<u>Rate D</u>													
Amount of Recovery for All Accounts	(\$4,316)	(\$4,281)	(\$4,562)	(\$7,465)	(\$5,364)	(\$4,959)	(\$4,806)	(\$3,753)	(\$7,898)	(\$3,544)	(\$7,668)	(\$6,680)	(\$65,297)
<u>Rate T</u>													
Amount of Recovery for All Accounts	\$0	\$0	\$0	\$0	(\$600)	\$0	(\$82)	\$0	\$0	\$0	(\$500)	\$0	(\$1,182)
<u>Rate D-10</u>													
Amount of Recovery for All Accounts	\$0	\$0	(\$50)	(\$489)	(\$99)	\$0	\$0	\$0	(\$100)	(\$200)	(\$400)	(\$235)	(\$1,573)
<u>Rate G-3</u>													
Amount of Recovery for All Accounts	(\$641)	(\$322)	(\$619)	(\$707)	\$60	(\$100)	(\$10)	(\$45)	(\$7,103)	(\$765)	(\$928)	(\$1,946)	(\$13,127)
<u>Rate G-2</u>													
Amount of Recovery for All Accounts	(\$4,590)	\$3,950	\$0	\$0	\$0	\$0	\$0	\$0	(\$198)	(\$3,340)	(\$397)	\$0	(\$4,575)
<u>Rate G-1</u>													
Amount of Recovery for All Accounts	\$0	\$0	(\$284)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$284)
<u>Rate M</u>													
Amount of Recovery for All Accounts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$179)	(\$231)	\$0	(\$295)	(\$331)	(\$1,037)
<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	(\$9,547)	(\$654)	(\$5,514)	(\$8,661)	(\$6,003)	(\$5,060)	(\$4,898)	(\$3,978)	(\$15,530)	(\$7,849)	(\$10,188)	(\$9,193)	(\$87,075)

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>Y</u>
<u>Section 1: Gross Charge Offs for Default Service Accounts</u>										
(1)	Amount of C/O for Default Service Accounts	\$565,041	\$456,074	\$2,701	\$8,388	\$45,060	\$43,812	\$0	\$9,006	\$0
(2)	Default Service-Related Charge-Off	\$358,427	\$286,552	\$1,866	\$6,141	\$28,476	\$31,628	\$0	\$3,765	\$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	(\$63,419)	(\$49,303)	(\$1,182)	(\$1,074)	(\$7,085)	(\$3,738)	\$0	(\$1,037)	\$0
(2)	Default Service-Related Recovery	(\$40,134)	(\$30,870)	(\$826)	(\$791)	(\$4,489)	(\$2,705)	\$0	(\$453)	\$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	\$501,622	\$406,771	\$1,518	\$7,314	\$37,975	\$40,074	\$0	\$7,970	\$0
(2)	Default Service-Related Net C/O	\$318,293	\$255,682	\$1,040	\$5,349	\$23,988	\$28,922	\$0	\$3,312	\$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

Month of Charge-Off	2007												Annual Total
	January	February	March	April	May	June	July	August	September	October	November	December	
Rate D													
(1) Amount of C/O for Default Service Accounts	\$29,138	\$15,270	\$22,599	\$25,195	\$32,273	\$29,438	\$57,072	\$70,189	\$49,802	\$58,857	\$34,274	\$31,964	\$456,074
(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	56.3082%	58.9926%	61.3697%	61.3697%	61.3697%	62.3043%	63.1948%	63.9485%	64.6669%	64.5730%	64.4792%	63.8043%	
(4) Default Service-Related Charge-Off	\$16,407	\$9,008	\$13,869	\$15,462	\$19,806	\$18,341	\$36,067	\$44,885	\$32,206	\$38,006	\$22,100	\$20,394	\$286,552
Rate T													
(1) Amount of C/O for Default Service Accounts	\$459	\$219		\$600		\$82			\$684	\$584	\$72		\$2,701
(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	64.0614%	66.5449%	68.7091%	68.7091%	68.7091%	69.5543%	70.3550%	70.9337%	71.4815%	71.3051%	71.1293%	70.5159%	
(4) Default Service-Related Charge-Off	\$294	\$146	\$0	\$412	\$0	\$57	\$0	\$0	\$489	\$416	\$51	\$0	\$1,866
Rate D-10													
(1) Amount of C/O for Default Service Accounts	\$121		\$49	\$1,745		\$2,296		\$2,142	\$1,727			\$308	\$8,388
(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	67.5871%	69.9444%	71.9844%	71.9844%	71.9844%	72.7761%	73.5243%	73.9920%	74.4331%	74.1995%	73.9671%	73.3941%	
(4) Default Service-Related Charge-Off	\$82	\$0	\$35	\$1,256	\$0	\$1,671	\$0	\$1,585	\$1,286	\$0	\$0	\$226	\$6,141
Rate G-3													
(1) Amount of C/O for Default Service Accounts	\$4,359	\$5,747	\$3,872	\$1,172	\$1,973	\$1,084	\$1,105	\$203	\$11,387	\$4,250	\$4,095	\$5,811	\$45,060
(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	57.1031%	59.8180%	62.2133%	62.2133%	62.2133%	63.1398%	64.0220%	64.7609%	65.4647%	65.3647%	65.2648%	64.5973%	
(4) Default Service-Related Charge-Off	\$2,489	\$3,437	\$2,409	\$729	\$1,228	\$685	\$708	\$132	\$7,454	\$2,778	\$2,673	\$3,754	\$28,476
Rate G-2													
(1) Amount of C/O for Default Service Accounts	\$5,720	\$7,058	\$1,895	\$4,615		\$5,616			\$4,170	\$8,068	\$5,121	\$1,547	\$43,812
(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	67.1274%	69.9043%	72.2318%	72.4263%	72.3528%	70.9608%	70.9861%	73.0801%	74.2891%	75.3349%	75.1387%	73.2203%	
(4) Default Service-Related Charge-Off	\$3,840	\$4,934	\$1,369	\$3,343	\$0	\$3,985	\$0	\$0	\$3,098	\$6,078	\$3,848	\$1,133	\$31,628
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	73.0676%	75.8307%	78.0652%	78.2312%	78.1685%	76.9762%	76.9979%	78.7519%	79.7426%	80.5919%	80.3942%	78.7667%	
(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		\$89	\$1,787	\$0	\$43	\$4,818	\$82	\$870	\$329		\$988		\$9,006
(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	35.6125%	38.1538%	40.5020%	40.5020%	40.5020%	41.4599%	42.3875%	43.2751%	44.1360%	44.1254%	44.1149%	43.3736%	
(4) Default Service-Related Charge-Off	\$0	\$34	\$724	\$0	\$17	\$1,998	\$35	\$377	\$145	\$0	\$436	\$0	\$3,765
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	60.6053%	63.2339%	65.5358%	65.5358%	65.5358%	66.4247%	67.2690%	67.8875%	68.4739%	68.2938%	68.1145%	67.4673%	
(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	\$39,798	\$28,383	\$30,203	\$33,328	\$34,289	\$43,335	\$58,260	\$73,405	\$68,100	\$71,759	\$44,551	\$39,631	\$565,041
Total Default Service-Related Charge-Offs	\$23,112	\$17,560	\$18,406	\$21,203	\$21,051	\$26,737	\$36,809	\$46,978	\$44,678	\$47,278	\$29,108	\$25,507	\$358,427

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

Month of Recovery	2006												Annual Total
	January	February	March	April	May	June	July	August	September	October	November	December	
Rate D													
(1) Amount of Recovery for Default Service Accounts	(\$2,988)	(\$3,183)	(\$2,663)	(\$4,975)	(\$3,154)	(\$3,987)	(\$3,572)	(\$2,462)	(\$7,522)	(\$2,675)	(\$6,690)	(\$5,431)	(\$49,303)
(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	56.3082%	58.9926%	61.3697%	61.3697%	61.3697%	62.3043%	63.1948%	63.9485%	64.6669%	64.5730%	64.4792%	63.8043%	
(4) Default Service-Related Recovery	(\$1,683)	(\$1,878)	(\$1,634)	(\$3,053)	(\$1,936)	(\$2,484)	(\$2,257)	(\$1,574)	(\$4,864)	(\$1,727)	(\$4,313)	(\$3,465)	(\$30,870)
Rate T													
(1) Amount of Recovery for Default Service Accounts					(\$600)		(\$82)			\$0	(\$500)		(\$1,182)
(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	64.0614%	66.5449%	68.7091%	68.7091%	68.7091%	69.5543%	70.3550%	70.9337%	71.4815%	71.3051%	71.1293%	70.5159%	
(4) Default Service-Related Recovery	\$0	\$0	\$0	\$0	(\$412)	\$0	(\$58)	\$0	\$0	\$0	(\$356)	\$0	(\$826)
Rate D-10													
(1) Amount of Recovery for Default Service Accounts			(\$50)	(\$89)					(\$100)	(\$200)	(\$400)	(\$235)	(\$1,074)
(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	67.5871%	69.9444%	71.9844%	71.9844%	71.9844%	72.7761%	73.5243%	73.9920%	74.4331%	74.1995%	73.9671%	73.3941%	
(4) Default Service-Related Recovery	\$0	\$0	(\$36)	(\$64)	\$0	\$0	\$0	\$0	(\$74)	(\$148)	(\$296)	(\$172)	(\$791)
Rate G-3													
(1) Amount of Recovery for Default Service Accounts	(\$630)	(\$322)	(\$573)	(\$697)	(\$505)	(\$80)			(\$671)	(\$755)	(\$928)	(\$1,926)	(\$7,085)
(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	57.1031%	59.8180%	62.2133%	62.2133%	62.2133%	63.1398%	64.0220%	64.7609%	65.4647%	65.3647%	65.2648%	64.5973%	
(4) Default Service-Related Recovery	(\$360)	(\$193)	(\$356)	(\$433)	(\$314)	(\$50)	\$0	\$0	(\$439)	(\$493)	(\$606)	(\$1,244)	(\$4,489)
Rate G-2													
(1) Amount of Recovery for Default Service Accounts	(\$3,950)	\$3,950								(\$3,340)	(\$397)		(\$3,738)
(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	67.1274%	69.9043%	72.2318%	72.4263%	72.3528%	70.9608%	70.9861%	73.0801%	74.2891%	75.3349%	75.1387%	73.2203%	
(4) Default Service-Related Recovery	(\$2,652)	\$2,761	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$2,517)	(\$298)	\$0	(\$2,705)
Rate G-1													
(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	
(3) Default Service Rate as a % of Total Rate	73.0676%	75.8307%	78.0652%	78.2312%	78.1685%	76.9762%	76.9979%	78.7519%	79.7426%	80.5919%	80.3942%	78.7667%	
(4) Default Service-Related Recovery	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rate M													
(1) Amount of Recovery for Default Service Accounts								(\$179)	(\$231)		(\$295)	(\$331)	(\$1,037)
(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	35.6125%	38.1538%	40.5020%	40.5020%	40.5020%	41.4599%	42.3875%	43.2751%	44.1360%	44.1254%	44.1149%	43.3736%	
(4) Default Service-Related Recovery	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$77)	(\$102)	\$0	(\$130)	(\$144)	(\$453)
Rate V													
(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	
(3) Default Service Rate as a % of Total Rate	60.6053%	63.2339%	65.5358%	65.5358%	65.5358%	66.4247%	67.2690%	67.8875%	68.4739%	68.2938%	68.1145%	67.4673%	
(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	(\$7,569)	\$445	(\$3,286)	(\$5,761)	(\$4,259)	(\$4,066)	(\$3,654)	(\$2,641)	(\$8,524)	(\$6,971)	(\$9,210)	(\$7,923)	(\$63,419)
Total Default Service-Related Recovery	(\$4,694)	\$691	(\$2,027)	(\$3,551)	(\$2,662)	(\$2,534)	(\$2,315)	(\$1,652)	(\$5,480)	(\$4,886)	(\$5,999)	(\$5,026)	(\$40,134)

Granite State Electric Company
Estimated Transition 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>Y</u>	
Section 1: Gross Charge Offs for Transition Service Accounts										
(1)	Amount of C/O for Transition Service Accounts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(2)	Transition Service-Related Charge-Off	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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

Section 2: Recoveries for Transition Service Accounts

(1)	Amount of Recovery for Transition Service Accounts	(\$23,656)	(\$15,994)	\$0	(\$499)	(\$6,042)	(\$838)	(\$284)	\$0	\$0
(2)	Transition Service-Related Recovery	(\$12,846)	(\$8,517)	\$0	(\$323)	(\$3,263)	(\$543)	(\$200)	\$0	\$0

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

Section 3: Total Company Amounts for Transition Service Accounts

(1)	Net C/O for Transition Service Accounts	(\$23,656)	(\$15,994)	\$0	(\$499)	(\$6,042)	(\$838)	(\$284)	\$0	\$0
(2)	Transition Service-Related Net C/O	(\$12,846)	(\$8,517)	\$0	(\$323)	(\$3,263)	(\$543)	(\$200)	\$0	\$0

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

Granite State Electric Company
Estimated Electronic Transition Service Recoveries for Transition Service Account

Month of Recovery	2007												Annual Total
	January	February	March	April	May	June	July	August	September	October	November	December	
Rate D													
(1) Amount of Recovery for Transition Service Account	(\$1,328)	(\$1,098)	(\$1,899)	(\$2,490)	(\$2,210)	(\$973)	(\$1,234)	(\$1,292)	(\$376)	(\$869)	(\$978)	(\$1,249)	(\$15,994)
(2) Month for Rate Application	July	August	September	October	November	December	January	February	March	April	May	June	
(3) Transition Service Rate as a % of Total Rate	53.2529%	53.2529%	53.2529%	53.2529%	53.2529%	53.2529%	53.2529%	53.2529%	53.2529%	53.2529%	53.2529%	53.2529%	
(4) Transition Service-Related Recovery	(\$707)	(\$585)	(\$1,011)	(\$1,326)	(\$1,177)	(\$518)	(\$657)	(\$688)	(\$200)	(\$463)	(\$521)	(\$665)	(\$8,517)
Rate T													
(1) Amount of Recovery for Transition Service Account													\$0
(2) Month for Rate Application	July	August	September	October	November	December	January	February	March	April	May	June	
(3) Transition Service Rate as a % of Total Rate	61.1825%	61.1825%	61.1825%	61.1825%	61.1825%	61.1825%	61.1825%	61.1825%	61.1825%	61.1825%	61.1825%	61.1825%	
(4) Transition Service-Related Recovery	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rate D-10													
(1) Amount of Recovery for Transition Service Account				(\$400)	(\$99)								(\$499)
(2) Month for Rate Application	July	August	September	October	November	December	January	February	March	April	May	June	
(3) Transition Service Rate as a % of Total Rate	64.8321%	64.8321%	64.8321%	64.8321%	64.8321%	64.8321%	64.8321%	64.8321%	64.8321%	64.8321%	64.8321%	64.8321%	
(4) Transition Service-Related Recovery	\$0	\$0	\$0	(\$259)	(\$64)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$323)
Rate G-3													
(1) Amount of Recovery for Transition Service Account	(\$11)		(\$46)	(\$10)	\$565	(\$21)	(\$10)	(\$45)	(\$6,432)	(\$10)		(\$21)	(\$6,042)
(2) Month for Rate Application	July	August	September	October	November	December	January	February	March	April	May	June	
(3) Transition Service Rate as a % of Total Rate	54.0001%	54.0001%	54.0001%	54.0001%	54.0001%	54.0001%	54.0001%	54.0001%	54.0001%	54.0001%	54.0001%	54.0001%	
(4) Transition Service-Related Recovery	(\$6)	\$0	(\$25)	(\$6)	\$305	(\$11)	(\$6)	(\$24)	(\$3,473)	(\$6)	\$0	(\$11)	(\$3,263)
Rate G-2													
(1) Amount of Recovery for Transition Service Account	(\$640)								(\$198)				(\$838)
(2) Month for Rate Application	July	August	September	October	November	December	January	February	March	April	May	June	
(3) Transition Service Rate as a % of Total Rate	64.7949%	64.7949%	64.7949%	64.7949%	64.7949%	64.7949%	64.7949%	64.7949%	64.7949%	64.7949%	64.7949%	64.7949%	
(4) Transition Service-Related Recovery	(\$415)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$128)	\$0	\$0	\$0	(\$543)
Rate G-1													
(1) Amount of Recovery for Transition Service Account			(\$284)										(\$284)
(2) Month for Rate Application	July	August	September	October	November	December	January	February	March	April	May	June	
(3) Transition Service Rate as a % of Total Rate	70.5603%	70.5603%	70.5603%	70.5603%	70.5603%	70.5603%	70.5603%	70.5603%	70.5603%	70.5603%	70.5603%	70.5603%	
(4) Transition Service-Related Recovery	\$0	\$0	(\$200)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$200)
Rate M													
(1) Amount of Recovery for Transition Service Account													\$0
(2) Month for Rate Application	July	August	September	October	November	December	January	February	March	April	May	June	
(3) Transition Service Rate as a % of Total Rate	32.8535%	32.8535%	32.8535%	32.8535%	32.8535%	32.8535%	32.8535%	32.8535%	32.8535%	32.8535%	32.8535%	32.8535%	
(4) Transition Service-Related Recovery	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rate V													
(1) Amount of Recovery for Transition Service Account													\$0
(2) Month for Rate Application	July	August	September	October	November	December	January	February	March	April	May	June	
(3) Transition Service Rate as a % of Total Rate	57.5751%	57.5751%	57.5751%	57.5751%	57.5751%	57.5751%	57.5751%	57.5751%	57.5751%	57.5751%	57.5751%	57.5751%	
(4) Transition Service-Related Recovery	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Amount of Recovery for Transition Service Account	(\$1,978)	(\$1,098)	(\$2,228)	(\$2,900)	(\$1,744)	(\$993)	(\$1,244)	(\$1,337)	(\$7,006)	(\$879)	(\$978)	(\$1,269)	(\$23,656)
Total Transition Service-Related Recovery	(\$1,127)	(\$585)	(\$1,236)	(\$1,591)	(\$936)	(\$529)	(\$662)	(\$712)	(\$3,802)	(\$468)	(\$521)	(\$676)	(\$12,846)

Granite State Electric Company
Rate Class Average Rates-Rolling Quarterly Average Rates-Transition/ Default Service
January 2006 - December 2007

	2006												2007											
	January	February	March	April	May	June	July	August	September	October	November	December	January	February	March	April	May	June	July	August	September	October	November	December
Rate D																								
Total Retail Delivery	5.427	5.427	5.427	5.427	5.410	5.410	5.410	5.410	5.410	5.410	5.410	5.410	5.486	5.486	5.486	5.486	5.469	5.469	5.469	5.504	5.504	5.504	5.504	5.504
Transition/Default Service	5.372	5.372	5.372	5.372	8.595	8.595	8.595	8.595	8.595	8.595	9.984	9.984	9.959	9.959	9.959	9.959	8.777	8.777	8.777	8.777	8.777	8.777	9.161	9.161
Total Average Rate	10.799	10.799	10.799	10.799	14.005	14.005	14.005	14.005	14.005	14.005	15.394	15.394	15.445	15.445	15.445	15.445	14.246	14.246	14.246	14.281	14.281	14.281	14.665	14.665
Quarterly Average																								
Transition/Default Service Rate	5.285	5.307	5.329	5.350	5.372	6.178	6.984	7.789	8.595	8.595	8.595	8.942	9.290	9.631	9.972	9.965	9.959	9.664	9.368	9.073	8.777	8.777	8.777	8.873
Quarterly Average																								
Total Average Rate	11.181	11.086	10.990	10.895	10.799	11.601	12.402	13.204	14.005	14.005	14.005	14.353	14.700	15.060	15.420	15.433	15.445	15.146	14.846	14.546	14.255	14.263	14.272	14.377
Transition/Default Service as a Percent of Total	47.2665%	47.8699%	48.4837%	49.1084%	49.7441%	53.2529%	56.3082%	58.9926%	61.3697%	61.3697%	61.3697%	62.3043%	63.1948%	63.9485%	64.6669%	64.5730%	64.4792%	63.8043%	63.1021%	62.3710%	61.5720%	61.5350%	61.4981%	61.7185%
Rate T																								
Total Retail Delivery	3.921	3.921	3.921	3.921	3.914	3.914	3.914	3.914	3.914	3.914	3.914	3.914	4.042	4.042	4.042	4.042	4.035	4.035	4.035	3.905	3.905	3.905	3.905	3.905
Transition/Default Service	5.372	5.372	5.372	5.372	8.595	8.595	8.595	8.595	8.595	8.595	9.984	9.984	9.959	9.959	9.959	9.959	8.777	8.777	8.777	8.777	8.777	8.777	9.161	9.161
Total Average Rate	9.293	9.293	9.293	9.293	12.509	12.509	12.509	12.509	12.509	12.509	13.898	13.898	14.001	14.001	14.001	14.001	12.812	12.812	12.812	12.682	12.682	12.682	13.066	13.066
Quarterly Average																								
Transition/Default Service Rate	5.285	5.307	5.329	5.350	5.372	6.178	6.984	7.789	8.595	8.595	8.595	8.942	9.290	9.631	9.972	9.965	9.959	9.664	9.368	9.073	8.777	8.777	8.777	8.873
Quarterly Average																								
Total Average Rate	9.574	9.504	9.434	9.364	9.293	10.097	10.901	11.705	12.509	12.509	12.509	12.857	13.204	13.577	13.950	13.976	14.001	13.704	13.407	13.110	12.780	12.747	12.715	12.778
Transition/Default Service as a Percent of Total	55.2001%	55.8370%	56.4833%	57.1394%	57.8054%	61.1825%	64.0614%	66.5449%	68.7091%	68.7091%	68.7091%	69.5543%	70.3550%	70.9337%	71.4815%	71.3051%	71.1293%	70.5159%	69.8752%	69.2055%	68.6787%	68.8535%	69.0292%	69.4371%
D-10																								
Total Retail Delivery	3.353	3.353	3.353	3.353	3.345	3.345	3.345	3.345	3.345	3.345	3.345	3.345	3.505	3.505	3.505	3.505	3.497	3.497	3.497	3.654	3.654	3.654	3.654	3.654
Transition/Default Service	5.372	5.372	5.372	5.372	8.595	8.595	8.595	8.595	8.595	8.595	9.984	9.984	9.959	9.959	9.959	9.959	8.777	8.777	8.777	8.777	8.777	8.777	9.161	9.161
Total Average Rate	8.725	8.725	8.725	8.725	11.940	11.940	11.940	11.940	11.940	11.940	13.329	13.329	13.464	13.464	13.464	13.464	12.274	12.274	12.274	12.431	12.431	12.431	12.815	12.815
Quarterly Average																								
Transition/Default Service Rate	5.285	5.307	5.329	5.350	5.372	6.178	6.984	7.789	8.595	8.595	8.595	8.942	9.290	9.631	9.972	9.965	9.959	9.664	9.368	9.073	8.777	8.777	8.777	8.873
Quarterly Average																								
Total Average Rate	9.012	8.940	8.869	8.797	8.725	9.529	10.333	11.136	11.940	11.940	11.940	12.287	12.635	13.016	13.397	13.430	13.464	13.167	12.869	12.572	12.313	12.352	12.392	12.527
Transition/Default Service as a Percent of Total	58.6434%	59.3574%	60.0828%	60.8201%	61.5696%	64.8321%	67.5871%	69.9444%	71.9844%	71.9844%	71.9844%	72.7761%	73.5243%	73.9920%	74.4331%	74.1995%	73.9671%	73.3941%	72.7946%	72.1667%	71.2809%	71.0549%	70.8304%	70.8325%
Rate G-3																								
Total Retail Delivery	5.237	5.237	5.237	5.237	5.220	5.220	5.220	5.220	5.220	5.220	5.220	5.220	5.300	5.300	5.300	5.300	5.283	5.283	5.283	5.027	5.027	5.027	5.027	5.027
Transition/Default Service	5.326	5.326	5.326	5.326	8.595	8.595	8.595	8.595	8.595	8.595	9.984	9.984	9.959	9.959	9.959	9.959	8.777	8.777	8.777	8.777	8.777	8.777	9.161	9.161
Total Average Rate	10.563	10.563	10.563	10.563	13.815	13.815	13.815	13.815	13.815	13.815	15.204	15.204	15.259	15.259	15.259	15.259	14.060	14.060	14.060	13.804	13.804	13.804	14.188	14.188
Quarterly Average																								
Transition/Default Service Rate	5.484	5.445	5.405	5.366	5.326	6.143	6.961	7.778	8.595	8.595	8.595	8.942	9.290	9.631	9.972	9.965	9.959	9.664	9.368	9.073	8.777	8.777	8.777	8.873
Quarterly Average																								
Total Average Rate	11.071	10.944	10.817	10.690	10.563	11.376	12.189	13.002	13.815	13.815	13.815	14.163	14.510	14.871	15.232	15.246	15.259	14.960	14.660	14.360	13.996	13.932	13.868	13.900
Transition/Default Service as a Percent of Total	49.5332%	49.7471%	49.9660%	50.1901%	50.4195%	54.0001%	57.1031%	59.8180%	62.2133%	62.2133%	62.2133%	63.1398%	64.0220%	64.7609%	65.4647%	65.3647%	65.2648%	64.5973%	63.9024%	63.1785%	62.7095%	62.9979%	63.2889%	63.8342%

Granite State Electric Company
Rate Class Average Rates-Rolling Quarterly Average Rates-Transition/ Default Service
January 2006 - December 2007

	2006												2007											
	January	February	March	April	May	June	July	August	September	October	November	December	January	February	March	April	May	June	July	August	September	October	November	December
Rate G-2																								
Total Retail Delivery	3.425	3.425	3.425	3.425	3.425	3.425	3.425	3.425	3.425	3.425	3.425	3.425	3.490	3.490	3.490	3.490	3.490	3.490	3.490	3.225	3.225	3.225	3.225	3.225
Transition/Default Service	5.737	5.737	5.737	5.737	8.001	8.498	9.582	9.552	8.349	8.366	7.207	9.593	12.198	10.958	9.686	9.345	8.176	8.602	9.358	9.995	9.118	9.403	8.204	8.736
Total Average Rate	9.162	9.162	9.162	9.162	11.426	11.923	13.007	12.977	11.774	11.791	10.632	13.018	15.688	14.448	13.176	12.835	11.666	12.092	12.848	13.220	12.343	12.628	11.429	11.961
Quarterly Average Transition/Default Service Rate	5.915	5.871	5.826	5.782	5.737	6.303	6.993	7.955	8.908	8.995	8.962	8.369	8.379	9.341	9.989	10.609	10.547	9.541	8.952	8.870	9.033	9.268	9.469	9.180
Quarterly Average Total Average Rate	9.687	9.555	9.424	9.293	9.162	9.728	10.418	11.379	12.333	12.420	12.387	11.793	11.803	12.782	13.446	14.082	14.036	13.031	12.442	12.360	12.456	12.626	12.760	12.405
Transition/Default Service as a Percent of Total	61.0636%	61.4366%	61.8201%	62.2143%	62.6199%	64.7949%	67.1274%	69.9043%	72.2318%	72.4263%	72.3528%	70.9608%	70.9861%	73.0801%	74.2891%	75.3349%	75.1387%	73.2203%	71.9526%	71.7665%	72.5154%	73.4073%	74.2046%	73.9998%
Rate G-1																								
Total Retail Delivery	2.503	2.503	2.503	2.503	2.503	2.503	2.503	2.503	2.503	2.503	2.503	2.503	2.572	2.572	2.572	2.572	2.572	2.572	2.525	2.525	2.525	2.525	2.525	
Transition/Default Service	5.332	5.332	5.332	5.332	8.001	8.498	9.582	9.552	8.349	8.366	7.207	9.593	12.198	10.958	9.686	9.345	8.176	8.602	9.358	9.995	9.118	9.403	8.204	8.736
Total Average Rate	7.835	7.835	7.835	7.835	10.504	11.001	12.085	12.055	10.852	10.869	9.710	12.096	14.770	13.530	12.258	11.917	10.748	11.174	11.930	12.520	11.643	11.928	10.729	11.261
Quarterly Average Transition/Default Service Rate	5.153	4.971	5.091	5.212	5.332	5.999	6.791	7.853	8.908	8.995	8.962	8.369	8.379	9.341	9.989	10.609	10.547	9.541	8.952	8.870	9.033	9.268	9.469	9.180
Quarterly Average Total Average Rate	8.015	7.743	7.774	7.804	7.835	8.502	9.294	10.356	11.411	11.498	11.465	10.872	10.882	11.861	12.527	13.164	13.119	12.113	11.524	11.442	11.593	11.817	12.006	11.705
Transition/Default Service as a Percent of Total	64.2893%	64.1951%	65.4913%	66.7773%	68.0532%	70.5603%	73.0676%	75.8307%	78.0652%	78.2312%	78.1685%	76.9762%	76.9979%	78.7519%	79.7426%	80.5919%	80.3942%	78.7667%	77.6815%	77.5216%	77.9146%	78.4317%	78.8676%	78.4253%
Rate M																								
Total Retail Delivery	12.626	12.626	12.626	12.626	12.626	12.626	12.626	12.626	12.626	12.626	12.626	12.626	12.616	12.616	12.616	12.616	12.616	12.616	12.920	12.920	12.920	12.920	12.920	
Transition/Default Service	5.372	5.372	5.372	5.372	8.595	8.595	8.595	8.595	8.595	8.595	9.984	9.984	9.959	9.959	9.959	9.959	8.777	8.777	8.777	8.777	8.777	8.777	9.161	9.161
Total Average Rate	17.998	17.998	17.998	17.998	21.221	21.221	21.221	21.221	21.221	21.221	22.610	22.610	22.575	22.575	22.575	22.575	21.393	21.393	21.393	21.697	21.697	21.697	22.081	22.081
Quarterly Average Transition/Default Service Rate	5.285	5.307	5.329	5.350	5.372	6.178	6.984	7.789	8.595	8.595	8.595	8.942	9.290	9.631	9.972	9.965	9.959	9.664	9.368	9.073	8.777	8.777	8.777	8.873
Quarterly Average Total Average Rate	18.201	18.150	18.100	18.049	17.998	18.804	19.610	20.415	21.221	21.221	21.221	21.568	21.916	22.254	22.593	22.584	22.575	22.280	21.984	21.689	21.469	21.545	21.621	21.793
Transition/Default Service as a Percent of Total	29.0366%	29.2376%	29.4398%	29.6431%	29.8475%	32.8535%	35.6125%	38.1538%	40.5020%	40.5020%	40.5020%	41.4599%	42.3875%	43.2751%	44.1360%	44.1254%	44.1149%	43.3736%	42.6125%	41.8306%	40.8820%	40.7379%	40.5948%	40.7151%
Rate V																								
Total Retail Delivery	4.529	4.529	4.529	4.529	4.520	4.520	4.520	4.520	4.520	4.520	4.520	4.520	4.662	4.662	4.662	4.662	4.653	4.653	4.653	4.860	4.860	4.860	4.860	4.860
Transition/Default Service	5.326	5.326	5.326	5.326	8.595	8.595	8.595	8.595	8.595	8.595	9.984	9.984	9.959	9.959	9.959	9.959	8.777	8.777	8.777	8.777	8.777	8.777	9.161	9.161
Total Average Rate	9.855	9.855	9.855	9.855	13.115	13.115	13.115	13.115	13.115	13.115	14.504	14.504	14.621	14.621	14.621	14.621	13.430	13.430	13.430	13.637	13.637	13.637	14.021	14.021
Quarterly Average Transition/Default Service Rate	5.484	5.445	5.405	5.366	5.326	6.143	6.961	7.778	8.595	8.595	8.595	8.942	9.290	9.631	9.972	9.965	9.959	9.664	9.368	9.073	8.777	8.777	8.777	8.873
Quarterly Average Total Average Rate	10.451	10.302	10.153	10.004	9.855	10.670	11.485	12.300	13.115	13.115	13.115	13.462	13.809	14.186	14.562	14.592	14.621	14.323	14.025	13.728	13.482	13.534	13.585	13.733
Transition/Default Service as a Percent of Total	52.4736%	52.8491%	53.2356%	53.6337%	54.0438%	57.5751%	60.6053%	63.2339%	65.5358%	65.5358%	65.5358%	66.4247%	67.2690%	67.8875%	68.4739%	68.2938%	68.1145%	67.4673%	66.7927%	66.0889%	65.1026%	64.8533%	64.6058%	64.6095%

Granite State Electric Company
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	2006												2007											
	January	February	March	April	May	June	July	August	September	October	November	December	January	February	March	April	May	June	July	August	September	October	November	December
Rate D																								
Distribution	4.495	4.495	4.495	4.495	4.478	4.478	4.478	4.478	4.478	4.478	4.478	4.478	4.492	4.492	4.492	4.492	4.475	4.475	4.475	4.510	4.510	4.510	4.510	4.510
Transmission	0.916	0.916	0.916	0.916	0.916	0.916	0.916	0.916	0.916	0.916	0.916	0.916	0.977	0.977	0.977	0.977	0.977	0.977	0.977	0.977	0.977	0.977	0.977	0.977
Stranded Cost	0.016	0.016	0.016	0.016	0.016	0.016	0.016	0.016	0.016	0.016	0.016	0.016	0.017	0.017	0.017	0.017	0.017	0.017	0.017	0.017	0.017	0.017	0.017	0.017
Total Retail Delivery	5.427	5.427	5.427	5.427	5.410	5.410	5.410	5.410	5.410	5.410	5.410	5.410	5.486	5.486	5.486	5.486	5.469	5.469	5.469	5.504	5.504	5.504	5.504	5.504
Transition/Default Service	5.372	5.372	5.372	5.372	8.595	8.595	8.595	8.595	8.595	8.595	9.984	9.984	9.959	9.959	9.959	9.959	8.777	8.777	8.777	8.777	8.777	8.777	9.161	9.161
Total Average Rate	10.799	10.799	10.799	10.799	14.005	14.005	14.005	14.005	14.005	14.005	15.394	15.394	15.445	15.445	15.445	15.445	14.246	14.246	14.246	14.281	14.281	14.281	14.665	14.665
Transition/Default Service as a Percent of Total	49.7441%	49.7441%	49.7441%	49.7441%	61.3697%	61.3697%	61.3697%	61.3697%	61.3697%	61.3697%	64.8553%	64.8553%	64.4792%	64.4792%	64.4792%	64.4792%	61.6091%	61.6091%	61.6091%	61.4611%	61.4611%	61.4611%	62.4703%	62.4703%
Rate T																								
Distribution	2.915	2.915	2.915	2.915	2.908	2.908	2.908	2.908	2.908	2.908	2.908	2.908	2.922	2.922	2.922	2.922	2.915	2.915	2.915	2.785	2.785	2.785	2.785	2.785
Transmission	0.846	0.846	0.846	0.846	0.846	0.846	0.846	0.846	0.846	0.846	0.846	0.846	0.950	0.950	0.950	0.950	0.950	0.950	0.950	0.950	0.950	0.950	0.950	0.950
Stranded Cost	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170
Total Retail Delivery	3.921	3.921	3.921	3.921	3.914	3.914	3.914	3.914	3.914	3.914	3.914	3.914	4.042	4.042	4.042	4.042	4.035	4.035	4.035	3.905	3.905	3.905	3.905	3.905
Transition/Default Service	5.372	5.372	5.372	5.372	8.595	8.595	8.595	8.595	8.595	8.595	9.984	9.984	9.959	9.959	9.959	9.959	8.777	8.777	8.777	8.777	8.777	8.777	9.161	9.161
Total Average Rate	9.293	9.293	9.293	9.293	12.509	12.509	12.509	12.509	12.509	12.509	13.898	13.898	14.001	14.001	14.001	14.001	12.812	12.812	12.812	12.682	12.682	12.682	13.066	13.066
Transition/Default Service as a Percent of Total	57.8054%	57.8054%	57.8054%	57.8054%	68.7091%	68.7091%	68.7091%	68.7091%	68.7091%	68.7091%	71.8364%	71.8364%	71.1293%	71.1293%	71.1293%	71.1293%	68.5047%	68.5047%	68.5047%	69.2058%	69.2058%	69.2058%	70.1108%	70.1108%
Rate D-10																								
Distribution	2.488	2.488	2.488	2.488	2.480	2.480	2.480	2.480	2.480	2.480	2.480	2.480	2.494	2.494	2.494	2.494	2.486	2.486	2.486	2.643	2.643	2.643	2.643	2.643
Transmission	0.705	0.705	0.705	0.705	0.705	0.705	0.705	0.705	0.705	0.705	0.705	0.705	0.841	0.841	0.841	0.841	0.841	0.841	0.841	0.841	0.841	0.841	0.841	0.841
Stranded Cost	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170
Total Retail Delivery	3.353	3.353	3.353	3.353	3.345	3.345	3.345	3.345	3.345	3.345	3.345	3.345	3.505	3.505	3.505	3.505	3.497	3.497	3.497	3.654	3.654	3.654	3.654	3.654
Transition/Default Service	5.372	5.372	5.372	5.372	8.595	8.595	8.595	8.595	8.595	8.595	9.984	9.984	9.959	9.959	9.959	9.959	8.777	8.777	8.777	8.777	8.777	8.777	9.161	9.161
Total Average Rate	8.725	8.725	8.725	8.725	11.940	11.940	11.940	11.940	11.940	11.940	13.329	13.329	13.464	13.464	13.464	13.464	12.274	12.274	12.274	12.431	12.431	12.431	12.815	12.815
Transition/Default Service as a Percent of Total	61.5696%	61.5696%	61.5696%	61.5696%	71.9844%	71.9844%	71.9844%	71.9844%	71.9844%	71.9844%	74.9038%	74.9038%	73.9671%	73.9671%	73.9671%	73.9671%	71.5084%	71.5084%	71.5084%	70.6072%	70.6072%	70.6072%	71.4880%	71.4880%
Rate G-3																								
Distribution	4.241	4.241	4.241	4.241	4.224	4.224	4.224	4.224	4.224	4.224	4.224	4.224	4.238	4.238	4.238	4.238	4.221	4.221	4.221	3.965	3.965	3.965	3.965	3.965
Transmission	0.836	0.836	0.836	0.836	0.836	0.836	0.836	0.836	0.836	0.836	0.836	0.836	0.892	0.892	0.892	0.892	0.892	0.892	0.892	0.892	0.892	0.892	0.892	0.892
Stranded Cost	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170
Total Retail Delivery	5.237	5.237	5.237	5.237	5.220	5.220	5.220	5.220	5.220	5.220	5.220	5.220	5.300	5.300	5.300	5.300	5.283	5.283	5.283	5.027	5.027	5.027	5.027	5.027
Transition/Default Service	5.326	5.326	5.326	5.326	8.595	8.595	8.595	8.595	8.595	8.595	9.984	9.984	9.959	9.959	9.959	9.959	8.777	8.777	8.777	8.777	8.777	8.777	9.161	9.161
Total Average Rate	10.563	10.563	10.563	10.563	13.815	13.815	13.815	13.815	13.815	13.815	15.204	15.204	15.259	15.259	15.259	15.259	14.060	14.060	14.060	13.804	13.804	13.804	14.188	14.188
Transition/Default Service as a Percent of Total	50.4195%	50.4195%	50.4195%	50.4195%	62.2133%	62.2133%	62.2133%	62.2133%	62.2133%	62.2133%	65.6654%	65.6654%	65.2648%	65.2648%	65.2648%	65.2648%	62.4237%	62.4237%	62.4237%	63.5827%	63.5827%	63.5827%	64.5683%	64.5683%

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	2006												2007											
	January	February	March	April	May	June	July	August	September	October	November	December	January	February	March	April	May	June	July	August	September	October	November	December
Rate G-2																								
Distribution	2.400	2.400	2.400	2.400	2.400	2.400	2.400	2.400	2.400	2.400	2.400	2.400	2.414	2.414	2.414	2.414	2.414	2.414	2.149	2.149	2.149	2.149	2.149	2.149
Transmission	0.865	0.865	0.865	0.865	0.865	0.865	0.865	0.865	0.865	0.865	0.865	0.865	0.906	0.906	0.906	0.906	0.906	0.906	0.906	0.906	0.906	0.906	0.906	0.906
Stranded Cost	<u>0.160</u>	<u>0.160</u>	<u>0.160</u>	<u>0.160</u>	<u>0.160</u>	<u>0.160</u>	<u>0.160</u>	<u>0.160</u>	<u>0.160</u>	<u>0.160</u>	<u>0.160</u>	<u>0.160</u>	<u>0.170</u>	<u>0.170</u>	<u>0.170</u>	<u>0.170</u>	<u>0.170</u>	<u>0.170</u>	<u>0.170</u>	<u>0.170</u>	<u>0.170</u>	<u>0.170</u>	<u>0.170</u>	<u>0.170</u>
Total Retail Delivery	3.425	3.425	3.425	3.425	3.425	3.425	3.425	3.425	3.425	3.425	3.425	3.425	3.490	3.490	3.490	3.490	3.490	3.490	3.225	3.225	3.225	3.225	3.225	3.225
Transition/Default Service	<u>5.737</u>	<u>5.737</u>	<u>5.737</u>	<u>5.737</u>	<u>8.001</u>	<u>8.498</u>	<u>9.582</u>	<u>9.552</u>	<u>8.349</u>	<u>8.366</u>	<u>7.207</u>	<u>9.593</u>	<u>12.198</u>	<u>10.958</u>	<u>9.686</u>	<u>9.345</u>	<u>8.176</u>	<u>8.602</u>	<u>9.358</u>	<u>9.995</u>	<u>9.118</u>	<u>9.403</u>	<u>8.204</u>	<u>8.736</u>
Total Average Rate	9.162	9.162	9.162	9.162	11.426	11.923	13.007	12.977	11.774	11.791	10.632	13.018	15.688	14.448	13.176	12.835	11.666	12.092	12.848	13.220	12.343	12.628	11.429	11.961
Transition/Default Service as a Percent of Total	62.6199%	62.6199%	62.6199%	62.6199%	70.0268%	71.2763%	73.6702%	73.6093%	70.9128%	70.9547%	67.7883%	73.6924%	77.7556%	75.8464%	73.5146%	72.8109%	70.0863%	71.1402%	72.8384%	75.6026%	73.8692%	74.4589%	71.7795%	73.0347%
Rate G-1																								
Distribution	1.597	1.597	1.597	1.597	1.597	1.597	1.597	1.597	1.597	1.597	1.597	1.597	1.611	1.611	1.611	1.611	1.611	1.611	1.564	1.564	1.564	1.564	1.564	1.564
Transmission	0.746	0.746	0.746	0.746	0.746	0.746	0.746	0.746	0.746	0.746	0.746	0.746	0.791	0.791	0.791	0.791	0.791	0.791	0.791	0.791	0.791	0.791	0.791	0.791
Stranded Cost	<u>0.160</u>	<u>0.160</u>	<u>0.160</u>	<u>0.160</u>	<u>0.160</u>	<u>0.160</u>	<u>0.160</u>	<u>0.160</u>	<u>0.160</u>	<u>0.160</u>	<u>0.160</u>	<u>0.160</u>	<u>0.170</u>	<u>0.170</u>	<u>0.170</u>	<u>0.170</u>	<u>0.170</u>	<u>0.170</u>	<u>0.170</u>	<u>0.170</u>	<u>0.170</u>	<u>0.170</u>	<u>0.170</u>	<u>0.170</u>
Total Retail Delivery	2.503	2.503	2.503	2.503	2.503	2.503	2.503	2.503	2.503	2.503	2.503	2.503	2.572	2.572	2.572	2.572	2.572	2.572	2.525	2.525	2.525	2.525	2.525	2.525
Transition/Default Service	<u>5.332</u>	<u>5.332</u>	<u>5.332</u>	<u>5.332</u>	<u>8.001</u>	<u>8.498</u>	<u>9.582</u>	<u>9.552</u>	<u>8.349</u>	<u>8.366</u>	<u>7.207</u>	<u>9.593</u>	<u>12.198</u>	<u>10.958</u>	<u>9.686</u>	<u>9.345</u>	<u>8.176</u>	<u>8.602</u>	<u>9.358</u>	<u>9.995</u>	<u>9.118</u>	<u>9.403</u>	<u>8.204</u>	<u>8.736</u>
Total Average Rate	7.835	7.835	7.835	7.835	10.504	11.001	12.085	12.055	10.852	10.869	9.710	12.096	14.770	13.530	12.258	11.917	10.748	11.174	11.930	12.520	11.643	11.928	10.729	11.261
Transition/Default Service as a Percent of Total	68.0532%	68.0532%	68.0532%	68.0532%	76.1706%	77.2472%	79.2881%	79.2365%	76.9348%	76.9709%	74.2221%	79.3069%	82.5861%	80.9901%	79.0175%	78.4171%	76.0696%	76.9820%	78.4406%	79.8297%	78.3105%	78.8287%	76.4628%	77.5747%
Rate M																								
Distribution	11.754	11.754	11.754	11.754	11.754	11.754	11.754	11.754	11.754	11.754	11.754	11.754	11.768	11.768	11.768	11.768	11.768	11.768	12.072	12.072	12.072	12.072	12.072	12.072
Transmission	0.712	0.712	0.712	0.712	0.712	0.712	0.712	0.712	0.712	0.712	0.712	0.712	0.678	0.678	0.678	0.678	0.678	0.678	0.678	0.678	0.678	0.678	0.678	0.678
Stranded Cost	<u>0.160</u>	<u>0.160</u>	<u>0.160</u>	<u>0.160</u>	<u>0.160</u>	<u>0.160</u>	<u>0.160</u>	<u>0.160</u>	<u>0.160</u>	<u>0.160</u>	<u>0.160</u>	<u>0.160</u>	<u>0.170</u>	<u>0.170</u>	<u>0.170</u>	<u>0.170</u>	<u>0.170</u>	<u>0.170</u>	<u>0.170</u>	<u>0.170</u>	<u>0.170</u>	<u>0.170</u>	<u>0.170</u>	<u>0.170</u>
Total Retail Delivery	12.626	12.626	12.626	12.626	12.626	12.626	12.626	12.626	12.626	12.626	12.626	12.626	12.616	12.616	12.616	12.616	12.616	12.616	12.920	12.920	12.920	12.920	12.920	12.920
Transition/Default Service	<u>5.372</u>	<u>5.372</u>	<u>5.372</u>	<u>5.372</u>	<u>8.595</u>	<u>8.595</u>	<u>8.595</u>	<u>8.595</u>	<u>8.595</u>	<u>8.595</u>	<u>9.984</u>	<u>9.984</u>	<u>9.959</u>	<u>9.959</u>	<u>9.959</u>	<u>9.959</u>	<u>8.777</u>	<u>8.777</u>	<u>8.777</u>	<u>8.777</u>	<u>8.777</u>	<u>8.777</u>	<u>9.161</u>	<u>9.161</u>
Total Average Rate	17.998	17.998	17.998	17.998	21.221	21.221	21.221	21.221	21.221	21.221	22.610	22.610	22.575	22.575	22.575	22.575	21.393	21.393	21.393	21.697	21.697	21.697	22.081	22.081
Transition/Default Service as a Percent of Total	29.8475%	29.8475%	29.8475%	29.8475%	40.5020%	40.5020%	40.5020%	40.5020%	40.5020%	40.5020%	44.1571%	44.1571%	44.1149%	44.1149%	44.1149%	44.1149%	41.0271%	41.0271%	41.0271%	40.4528%	40.4528%	40.4528%	41.4883%	41.4883%
Rate V																								
Distribution	3.530	3.530	3.530	3.530	3.521	3.521	3.521	3.521	3.521	3.521	3.521	3.521	3.535	3.535	3.535	3.535	3.526	3.526	3.526	3.733	3.733	3.733	3.733	3.733
Transmission	0.917	0.917	0.917	0.917	0.917	0.917	0.917	0.917	0.917	0.917	0.917	0.917	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001
Stranded Cost	<u>0.082</u>	<u>0.082</u>	<u>0.082</u>	<u>0.082</u>	<u>0.082</u>	<u>0.082</u>	<u>0.082</u>	<u>0.082</u>	<u>0.082</u>	<u>0.082</u>	<u>0.082</u>	<u>0.082</u>	<u>0.126</u>	<u>0.126</u>	<u>0.126</u>	<u>0.126</u>	<u>0.126</u>	<u>0.126</u>	<u>0.126</u>	<u>0.126</u>	<u>0.126</u>	<u>0.126</u>	<u>0.126</u>	<u>0.126</u>
Total Retail Delivery	4.529	4.529	4.529	4.529	4.520	4.520	4.520	4.520	4.520	4.520	4.520	4.520	4.662	4.662	4.662	4.662	4.653	4.653	4.653	4.860	4.860	4.860	4.860	4.860
Transition/Default Service	<u>5.326</u>	<u>5.326</u>	<u>5.326</u>	<u>5.326</u>	<u>8.595</u>	<u>8.595</u>	<u>8.595</u>	<u>8.595</u>	<u>8.595</u>	<u>8.595</u>	<u>9.984</u>	<u>9.984</u>	<u>9.959</u>	<u>9.959</u>	<u>9.959</u>	<u>9.959</u>	<u>8.777</u>	<u>8.777</u>	<u>8.777</u>	<u>8.777</u>	<u>8.777</u>	<u>8.777</u>	<u>9.161</u>	<u>9.161</u>
Total Average Rate	9.855	9.855	9.855	9.855	13.115	13.115	13.115	13.115	13.115	13.115	14.504	14.504	14.621	14.621	14.621	14.621	13.430	13.430	13.430	13.637	13.637	13.637	14.021	14.021
Transition/Default Service as a Percent of Total	54.0438%	54.0438%	54.0438%	54.0438%	65.5358%	65.5358%	65.5358%	65.5358%	65.5358%	65.5358%	68.8363%	68.8363%	68.1145%	68.1145%	68.1145%	68.1145%	65.3538%	65.3538%	65.3538%	64.3603%	64.3603%	64.3603%	65.3364%	65.3364%

Granite State Electric Company
Average €/kWh Under Transition/Default Service
Rate D

		2006												2007											
		January	February	March	April	May	June	July	August	September	October	November	December	January	February	March	April	May	June	July	August	September	October	November	December
(1a)	Distribution-Customer Charge	0.837	0.837	0.837	0.837	0.837	0.837	0.837	0.837	0.837	0.837	0.837	0.837	0.837	0.837	0.837	0.837	0.837	0.837	0.837	0.644	0.644	0.644	0.644	0.644
(1b)	Distribution-Variable Charges	3.318	3.318	3.318	3.318	3.301	3.301	3.301	3.301	3.301	3.301	3.301	3.301	3.301	3.301	3.301	3.301	3.301	3.284	3.284	3.284	3.510	3.510	3.510	3.510
(1c)	SBC	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300
(1d)	Electricity Consumption Tax	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055
(1e)	C&LM Factor	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
(1f)	Default/Electric Service Adjmt Factor	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
	Total Distribution	4.495	4.495	4.495	4.495	4.478	4.478	4.478	4.478	4.478	4.478	4.478	4.478	4.492	4.492	4.492	4.492	4.475	4.475	4.475	4.510	4.510	4.510	4.510	4.510
(2a)	Transmission	0.843	0.843	0.843	0.843	0.843	0.843	0.843	0.843	0.843	0.843	0.843	0.843	0.930	0.930	0.930	0.930	0.930	0.930	0.930	0.930	0.930	0.930	0.930	0.930
(2b)	Transmission Adjustment	0.073	0.073	0.073	0.073	0.073	0.073	0.073	0.073	0.073	0.073	0.073	0.073	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047
	Total Transmission	0.916	0.916	0.916	0.916	0.916	0.916	0.916	0.916	0.916	0.916	0.916	0.916	0.977	0.977	0.977	0.977	0.977	0.977	0.977	0.977	0.977	0.977	0.977	0.977
(3a)	Stranded Cost	0.016	0.016	0.016	0.016	0.016	0.016	0.016	0.016	0.016	0.016	0.016	0.016	0.017	0.017	0.017	0.017	0.017	0.017	0.017	0.017	0.017	0.017	0.017	0.017
(3b)	Stranded Cost Adjustment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	Total Stranded Cost	0.016	0.016	0.016	0.016	0.016	0.016	0.016	0.016	0.016	0.016	0.016	0.016	0.017	0.017	0.017	0.017	0.017	0.017	0.017	0.017	0.017	0.017	0.017	0.017
(4)	Total Average Retail Delivery Price	5.427	5.427	5.427	5.427	5.410	5.410	5.410	5.410	5.410	5.410	5.410	5.410	5.486	5.486	5.486	5.486	5.469	5.469	5.469	5.504	5.504	5.504	5.504	5.504
(5)	Transition/Default Service Rate	5.372	5.372	5.372	5.372	8.595	8.595	8.595	8.595	8.595	8.595	9.984	9.984	9.959	9.959	9.959	9.959	8.777	8.777	8.777	8.777	8.777	8.777	9.161	9.161
	Total Transition/Default Service	5.372	5.372	5.372	5.372	8.595	8.595	8.595	8.595	8.595	8.595	9.984	9.984	9.959	9.959	9.959	9.959	8.777	8.777	8.777	8.777	8.777	8.777	9.161	9.161
(6)	Total Average Price	10.799	10.799	10.799	10.799	14.005	14.005	14.005	14.005	14.005	14.005	15.394	15.394	15.445	15.445	15.445	15.445	14.246	14.246	14.246	14.281	14.281	14.281	14.665	14.665

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- (1c) Per effective tariff as approved by PUC
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- (1e) Per effective tariff as approved by PUC
- (1f) Per effective tariff as approved by PUC
- (2a) Weighted average based on projected base transmission costs as approved by PUC
- (2b) Per effective tariff as approved by PUC
- (3a) Per annual rate filing as approved by PUC
- (3b) Per annual rate filing as approved by PUC
- (4) Sum Lines (1) through (3)
- (5) Per effective tariff as approved by PUC, Transition Service rates through April 2006, Default Service rates starting May 2006
- (6) Line (4) + Line (5)

Granite State Electric Company
Average €/kWh Under Transition/Default Service
Rate T

		2006												2007											
		January	February	March	April	May	June	July	August	September	October	November	December	January	February	March	April	May	June	July	August	September	October	November	December
(1a)	Distribution-Customer Charge	0.346	0.346	0.346	0.346	0.346	0.346	0.346	0.346	0.346	0.346	0.346	0.346	0.346	0.346	0.346	0.346	0.346	0.346	0.346	0.383	0.383	0.383	0.383	0.383
(1b)	Distribution-Variable Charges	2.228	2.228	2.228	2.228	2.221	2.221	2.221	2.221	2.221	2.221	2.221	2.221	2.221	2.221	2.221	2.221	2.214	2.214	2.214	2.048	2.048	2.048	2.048	2.048
(1c)	SBC	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300
(1d)	Electricity Consumption Tax	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055
(1e)	C&LM Factor	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
(1f)	Default/Electric Service Adjmt Factor	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	Total Distribution	2.915	2.915	2.915	2.915	2.908	2.908	2.908	2.908	2.908	2.908	2.908	2.908	2.922	2.922	2.922	2.922	2.915	2.915	2.915	2.785	2.785	2.785	2.785	2.785
(2a)	Transmission	0.773	0.773	0.773	0.773	0.773	0.773	0.773	0.773	0.773	0.773	0.773	0.773	0.903	0.903	0.903	0.903	0.903	0.903	0.903	0.903	0.903	0.903	0.903	0.903
(2b)	Transmission Adjustment	0.073	0.073	0.073	0.073	0.073	0.073	0.073	0.073	0.073	0.073	0.073	0.073	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047
	Total Transmission	0.846	0.846	0.846	0.846	0.846	0.846	0.846	0.846	0.846	0.846	0.846	0.846	0.950	0.950	0.950	0.950	0.950	0.950	0.950	0.950	0.950	0.950	0.950	0.950
(3a)	Stranded Cost	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170
(3b)	Stranded Cost Adjustment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	Total Stranded Cost	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170
(4)	Total Average Retail Delivery Price	3.921	3.921	3.921	3.921	3.914	3.914	3.914	3.914	3.914	3.914	3.914	3.914	4.042	4.042	4.042	4.042	4.035	4.035	4.035	3.905	3.905	3.905	3.905	3.905
(5)	Transition/Default Service Rate	<u>5.372</u>	<u>5.372</u>	<u>5.372</u>	<u>5.372</u>	<u>8.595</u>	<u>8.595</u>	<u>8.595</u>	<u>8.595</u>	<u>8.595</u>	<u>8.595</u>	<u>9.984</u>	<u>9.984</u>	<u>9.959</u>	<u>9.959</u>	<u>9.959</u>	<u>9.959</u>	<u>8.777</u>	<u>8.777</u>	<u>8.777</u>	<u>8.777</u>	<u>8.777</u>	<u>8.777</u>	<u>9.161</u>	<u>9.161</u>
	Total Transition/Default Service	5.372	5.372	5.372	5.372	8.595	8.595	8.595	8.595	8.595	8.595	9.984	9.984	9.959	9.959	9.959	9.959	8.777	8.777	8.777	8.777	8.777	8.777	9.161	9.161
(6)	Total Average Price	9.293	9.293	9.293	9.293	12.509	12.509	12.509	12.509	12.509	12.509	13.898	13.898	14.001	14.001	14.001	14.001	12.812	12.812	12.812	12.682	12.682	12.682	13.066	13.066

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- (3a) Per annual rate filing as approved by PUC
- (3b) Per annual rate filing as approved by PUC
- (4) Sum Lines (1) through (3)
- (5) Per effective tariff as approved by PUC, Transition Service rates through April 2006, Default Service rates starting May 2006
- (6) Line (4) + Line (5)

Granite State Electric Company
Average €/kWh Under Transition/Default Service
Rate D-10

		2006												2007											
		January	February	March	April	May	June	July	August	September	October	November	December	January	February	March	April	May	June	July	August	September	October	November	December
(1a)	Distribution-Customer Charge	0.609	0.609	0.609	0.609	0.609	0.609	0.609	0.609	0.609	0.609	0.609	0.609	0.609	0.609	0.609	0.609	0.609	0.609	0.609	0.626	0.626	0.626	0.626	0.626
(1b)	Distribution-Variable Charges	1.539	1.539	1.539	1.539	1.531	1.531	1.531	1.531	1.531	1.531	1.531	1.531	1.531	1.531	1.531	1.531	1.531	1.523	1.523	1.523	1.662	1.662	1.662	1.662
(1c)	SBC	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300
(1d)	Electricity Consumption Tax	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055
(1e)	C&LM Factor	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
(1f)	Default/Electric Service Adjmt Factor	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	Total Distribution	2.488	2.488	2.488	2.488	2.480	2.480	2.480	2.480	2.480	2.480	2.480	2.480	2.494	2.494	2.494	2.494	2.486	2.486	2.486	2.643	2.643	2.643	2.643	2.643
(2a)	Transmission	0.632	0.632	0.632	0.632	0.632	0.632	0.632	0.632	0.632	0.632	0.632	0.632	0.794	0.794	0.794	0.794	0.794	0.794	0.794	0.794	0.794	0.794	0.794	0.794
(2b)	Transmission Adjustment	0.073	0.073	0.073	0.073	0.073	0.073	0.073	0.073	0.073	0.073	0.073	0.073	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047
	Total Transmission	0.705	0.705	0.705	0.705	0.705	0.705	0.705	0.705	0.705	0.705	0.705	0.705	0.841	0.841	0.841	0.841	0.841	0.841	0.841	0.841	0.841	0.841	0.841	0.841
(3a)	Stranded Cost	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170
(3b)	Stranded Cost Adjustment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	Total Transition	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170
(4)	Total Average Retail Delivery Price	3.353	3.353	3.353	3.353	3.345	3.345	3.345	3.345	3.345	3.345	3.345	3.345	3.505	3.505	3.505	3.505	3.497	3.497	3.497	3.654	3.654	3.654	3.654	3.654
(5)	Transition/Default Service Rate	5.372	5.372	5.372	5.372	8.595	8.595	8.595	8.595	8.595	8.595	9.984	9.984	9.959	9.959	9.959	9.959	8.777	8.777	8.777	8.777	8.777	8.777	9.161	9.161
	Total Transition/Default Service	5.372	5.372	5.372	5.372	8.595	8.595	8.595	8.595	8.595	8.595	9.984	9.984	9.959	9.959	9.959	9.959	8.777	8.777	8.777	8.777	8.777	8.777	9.161	9.161
(6)	Total Average Price	8.725	8.725	8.725	8.725	11.940	11.940	11.940	11.940	11.940	11.940	13.329	13.329	13.464	13.464	13.464	13.464	12.274	12.274	12.274	12.431	12.431	12.431	12.815	12.815

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(1c) Per effective tariff as approved by PUC
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(2b) Per effective tariff as approved by PUC
(3a) Per annual rate filing as approved by PUC
(3b) Per annual rate filing as approved by PUC
(4) Sum Lines (1) through (3)
(5) Per effective tariff as approved by PUC, Transition Service rates through April 2006, Default Service rates starting May 2006
(6) Line (4) + Line (5)

Granite State Electric Company
Average ¢/kWh Under Transition/Default Service
Rate G-3

		2006												2007											
		January	February	March	April	May	June	July	August	September	October	November	December	January	February	March	April	May	June	July	August	September	October	November	December
(1a)	Distribution-Customer Charge	0.522	0.522	0.522	0.522	0.522	0.522	0.522	0.522	0.522	0.522	0.522	0.522	0.522	0.522	0.522	0.522	0.522	0.522	0.522	0.400	0.400	0.400	0.400	0.400
(1b)	Distribution-Variable Charges	3.378	3.378	3.378	3.378	3.361	3.361	3.361	3.361	3.361	3.361	3.361	3.361	3.361	3.361	3.361	3.361	3.344	3.344	3.344	3.210	3.210	3.210	3.210	3.210
(1c)	SBC	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300
(1d)	Electricity Consumption Tax	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055
(1e)	C&LM Factor	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
(1f)	Default/Electric Service Adjmt Factor	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	Total Distribution	4.241	4.241	4.241	4.241	4.224	4.224	4.224	4.224	4.224	4.224	4.224	4.224	4.238	4.238	4.238	4.238	4.221	4.221	4.221	3.965	3.965	3.965	3.965	3.965
(2a)	Transmission	0.763	0.763	0.763	0.763	0.763	0.763	0.763	0.763	0.763	0.763	0.763	0.763	0.845	0.845	0.845	0.845	0.845	0.845	0.845	0.845	0.845	0.845	0.845	0.845
(2b)	Transmission Adjustment	0.073	0.073	0.073	0.073	0.073	0.073	0.073	0.073	0.073	0.073	0.073	0.073	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047
	Total Transmission	0.836	0.836	0.836	0.836	0.836	0.836	0.836	0.836	0.836	0.836	0.836	0.836	0.892	0.892	0.892	0.892	0.892	0.892	0.892	0.892	0.892	0.892	0.892	0.892
(3a)	Stranded Cost	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170
(3b)	Stranded Cost Adjustment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	Total Transition	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170
(4)	Total Average Retail Delivery Price	5.237	5.237	5.237	5.237	5.220	5.220	5.220	5.220	5.220	5.220	5.220	5.220	5.300	5.300	5.300	5.300	5.283	5.283	5.283	5.027	5.027	5.027	5.027	5.027
(5)	Transition/Default Service Rate	5.326	5.326	5.326	5.326	8.595	8.595	8.595	8.595	8.595	8.595	9.984	9.984	9.959	9.959	9.959	9.959	8.777	8.777	8.777	8.777	8.777	8.777	9.161	9.161
	Total Transition/Default Service	5.326	5.326	5.326	5.326	8.595	8.595	8.595	8.595	8.595	8.595	9.984	9.984	9.959	9.959	9.959	9.959	8.777	8.777	8.777	8.777	8.777	8.777	9.161	9.161
(6)	Total Average Price	10.563	10.563	10.563	10.563	13.815	13.815	13.815	13.815	13.815	13.815	15.204	15.204	15.259	15.259	15.259	15.259	14.060	14.060	14.060	13.804	13.804	13.804	14.188	14.188

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- (3b) Per annual rate filing as approved by PUC
- (4) Sum Lines (1) through (3)
- (5) Per effective tariff as approved by PUC, Transition Service rates through April 2006, Default Service rates starting May 2006
- (6) Line (4) + Line (5)

Granite State Electric Company
Average ¢/kWh Under Transition/Default Service
Rate G-2

		2006												2007											
		January	February	March	April	May	June	July	August	September	October	November	December	January	February	March	April	May	June	July	August	September	October	November	December
(1a)	Distribution-Customer Charge	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.199	0.154	0.154	0.154	0.154
(1b)	Distribution-Variable Charges	1.859	1.859	1.859	1.859	1.859	1.859	1.859	1.859	1.859	1.859	1.859	1.859	1.859	1.859	1.859	1.859	1.859	1.859	1.859	1.859	1.641	1.641	1.641	1.641
(1c)	SBC	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300
(1d)	Electricity Consumption Tax	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055
(1e)	C&LM Factor	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
(1f)	Default/Electric Service Adjmt Factor	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	Total Distribution	2.400	2.400	2.400	2.400	2.400	2.400	2.400	2.400	2.400	2.400	2.400	2.400	2.414	2.414	2.414	2.414	2.414	2.414	2.414	2.149	2.149	2.149	2.149	2.149
(2a)	Transmission	0.792	0.792	0.792	0.792	0.792	0.792	0.792	0.792	0.792	0.792	0.792	0.792	0.859	0.859	0.859	0.859	0.859	0.859	0.859	0.859	0.859	0.859	0.859	0.859
(2b)	Transmission Adjustment	0.073	0.073	0.073	0.073	0.073	0.073	0.073	0.073	0.073	0.073	0.073	0.073	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047
	Total Transmission	0.865	0.865	0.865	0.865	0.865	0.865	0.865	0.865	0.865	0.865	0.865	0.865	0.906	0.906	0.906	0.906	0.906	0.906	0.906	0.906	0.906	0.906	0.906	0.906
(3a)	Stranded Cost	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170
(3c)	Stranded Cost Adjustment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	Total Transition	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170
(4)	Total Average Retail Delivery Price	3.425	3.425	3.425	3.425	3.425	3.425	3.425	3.425	3.425	3.425	3.425	3.425	3.490	3.490	3.490	3.490	3.490	3.490	3.490	3.225	3.225	3.225	3.225	3.225
(5)	Transition/Default Service Rate	5.737	5.737	5.737	5.737	8.001	8.498	9.582	9.552	8.349	8.366	7.207	9.593	12.198	10.958	9.686	9.345	8.176	8.602	9.358	9.995	9.118	9.403	8.204	8.736
	Total Transition/Default Service	5.737	5.737	5.737	5.737	8.001	8.498	9.582	9.552	8.349	8.366	7.207	9.593	12.198	10.958	9.686	9.345	8.176	8.602	9.358	9.995	9.118	9.403	8.204	8.736
(6)	Total Average Price	9.162	9.162	9.162	9.162	11.426	11.923	13.007	12.977	11.774	11.791	10.632	13.018	15.688	14.448	13.176	12.835	11.666	12.092	12.848	13.220	12.343	12.628	11.429	11.961

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(3a) Per annual rate filing as approved by PUC
(3b) Per annual rate filing as approved by PUC
(4) Sum Lines (1) through (3)
(5) Per effective tariff as approved by PUC, Transition Service rates through April 2006, Default Service rates starting May 2006
(6) Line (4) + Line (5)

Granite State Electric Company
Average e/kWh Under Transition/Default Service
Rate G-1

		2006												2007											
		January	February	March	April	May	June	July	August	September	October	November	December	January	February	March	April	May	June	July	August	September	October	November	December
(1a)	Distribution-Customer Charge	0.039	0.039	0.039	0.039	0.039	0.039	0.039	0.039	0.039	0.039	0.039	0.039	0.039	0.039	0.039	0.039	0.039	0.039	0.039	0.041	0.041	0.041	0.041	0.041
(1b)	Distribution-Variable Charges	1.217	1.217	1.217	1.217	1.217	1.217	1.217	1.217	1.217	1.217	1.217	1.217	1.217	1.217	1.217	1.217	1.217	1.217	1.217	1.168	1.168	1.168	1.168	1.168
(1c)	SBC	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300
(1d)	Electricity Consumption Tax	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055
(1e)	C&LM Factor	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
(1f)	Default/Electric Service Adjmt Factor	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	Total Distribution	1.597	1.597	1.597	1.597	1.597	1.597	1.597	1.597	1.597	1.597	1.597	1.597	1.611	1.611	1.611	1.611	1.611	1.611	1.564	1.564	1.564	1.564	1.564	
(2a)	Transmission	0.673	0.673	0.673	0.673	0.673	0.673	0.673	0.673	0.673	0.673	0.673	0.673	0.744	0.744	0.744	0.744	0.744	0.744	0.744	0.744	0.744	0.744	0.744	0.744
(2b)	Transmission Adjustment	0.073	0.073	0.073	0.073	0.073	0.073	0.073	0.073	0.073	0.073	0.073	0.073	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047
	Total Transmission	0.746	0.746	0.746	0.746	0.746	0.746	0.746	0.746	0.746	0.746	0.746	0.746	0.791	0.791	0.791	0.791	0.791	0.791	0.791	0.791	0.791	0.791	0.791	0.791
(3a)	Stranded Cost	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170
(3c)	Stranded Cost Adjustment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	Total Transition	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170
(4)	Total Average Retail Delivery Price	2.503	2.503	2.503	2.503	2.503	2.503	2.503	2.503	2.503	2.503	2.503	2.503	2.572	2.572	2.572	2.572	2.572	2.572	2.572	2.525	2.525	2.525	2.525	2.525
(5)	Transition/Default Service Rate	5.332	5.332	5.332	5.332	8.001	8.498	9.582	9.552	8.349	8.366	7.207	9.593	12.198	10.958	9.686	9.345	8.176	8.602	9.358	9.995	9.118	9.403	8.204	8.736
	Total Transition/Default Service	5.332	5.332	5.332	5.332	8.001	8.498	9.582	9.552	8.349	8.366	7.207	9.593	12.198	10.958	9.686	9.345	8.176	8.602	9.358	9.995	9.118	9.403	8.204	8.736
(6)	Total Average Price	7.835	7.835	7.835	7.835	10.504	11.001	12.085	12.055	10.852	10.869	9.710	12.096	14.770	13.530	12.258	11.917	10.748	11.174	11.930	12.520	11.643	11.928	10.729	11.261

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- (5) Per effective tariff as approved by PUC, Transition Service rates through April 2006, Default Service rates starting May 2006
- (6) Line (4) + Line (5)

Granite State Electric Company
Average ¢/kWh Under Transition/Default Service
Streelight Rates

		2006												2007											
		January	February	March	April	May	June	July	August	September	October	November	December	January	February	March	April	May	June	July	August	September	October	November	December
(1a)	Distribution-Customer Charge	11.356	11.356	11.356	11.356	11.356	11.356	11.356	11.356	11.356	11.356	11.356	11.356	11.356	11.356	11.356	11.356	11.356	11.356	11.356	11.660	11.660	11.660	11.660	11.660
(1b)	Distribution-Variable Charges	0.057	0.057	0.057	0.057	0.057	0.057	0.057	0.057	0.057	0.057	0.057	0.057	0.057	0.057	0.057	0.057	0.057	0.057	0.057	0.057	0.057	0.057	0.057	0.057
(1c)	SBC	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300
(1d)	Electricity Consumption Tax	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055
(1e)	C&LM Factor	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
(1f)	Default/Electric Service Adjmt Factor	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	Total Distribution	11.754	11.754	11.754	11.754	11.754	11.754	11.754	11.754	11.754	11.754	11.754	11.754	11.768	11.768	11.768	11.768	11.768	11.768	12.072	12.072	12.072	12.072	12.072	
(2a)	Transmission	0.639	0.639	0.639	0.639	0.639	0.639	0.639	0.639	0.639	0.639	0.639	0.639	0.631	0.631	0.631	0.631	0.631	0.631	0.631	0.631	0.631	0.631	0.631	0.631
(2b)	Transmission Adjustment	0.073	0.073	0.073	0.073	0.073	0.073	0.073	0.073	0.073	0.073	0.073	0.073	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047
	Total Transmission	0.712	0.712	0.712	0.712	0.712	0.712	0.712	0.712	0.712	0.712	0.712	0.712	0.678	0.678	0.678	0.678	0.678	0.678	0.678	0.678	0.678	0.678	0.678	
(3a)	Stranded Cost	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170
(3c)	Stranded Cost Adjustment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	Total Transition	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	
(4)	Total Average Retail Delivery Price	12.626	12.626	12.626	12.626	12.626	12.626	12.626	12.626	12.626	12.626	12.626	12.626	12.616	12.616	12.616	12.616	12.616	12.616	12.920	12.920	12.920	12.920	12.920	
(5)	Transition/Default Service Rate	5.372	5.372	5.372	5.372	8.595	8.595	8.595	8.595	8.595	8.595	9.984	9.984	9.959	9.959	9.959	9.959	8.777	8.777	8.777	8.777	8.777	8.777	9.161	9.161
	Total Transition/Default Service	5.372	5.372	5.372	5.372	8.595	8.595	8.595	8.595	8.595	8.595	9.984	9.984	9.959	9.959	9.959	9.959	8.777	8.777	8.777	8.777	8.777	8.777	9.161	9.161
(6)	Total Average Price	17.998	17.998	17.998	17.998	21.221	21.221	21.221	21.221	21.221	21.221	22.610	22.610	22.575	22.575	22.575	22.575	21.393	21.393	21.393	21.697	21.697	21.697	22.081	22.081

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- (6) Line (4) + Line (5)

Granite State Electric Company
Average €/kWh Under Transition/Default Service
Rate V

		2006												2007											
		January	February	March	April	May	June	July	August	September	October	November	December	January	February	March	April	May	June	July	August	September	October	November	December
(1a)	Distribution-Customer Charge	0.069	0.069	0.069	0.069	0.069	0.069	0.069	0.069	0.069	0.069	0.069	0.069	0.069	0.069	0.069	0.069	0.069	0.069	0.069	0.406	0.406	0.406	0.406	0.406
(1b)	Distribution-Variable Charges	3.120	3.120	3.120	3.120	3.111	3.111	3.111	3.111	3.111	3.111	3.111	3.111	3.111	3.111	3.111	3.111	3.102	3.102	3.102	2.972	2.972	2.972	2.972	2.972
(1c)	SBC	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300
(1d)	Electricity Consumption Tax	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055
(1e)	C&LM Factor	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
(1f)	Default/Electric Service Adjmt Factor	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	Total Distribution	3.530	3.530	3.530	3.530	3.521	3.521	3.521	3.521	3.521	3.521	3.521	3.521	3.535	3.535	3.535	3.535	3.526	3.526	3.526	3.733	3.733	3.733	3.733	3.733
(2a)	Transmission	0.844	0.844	0.844	0.844	0.844	0.844	0.844	0.844	0.844	0.844	0.844	0.844	0.954	0.954	0.954	0.954	0.954	0.954	0.954	0.954	0.954	0.954	0.954	0.954
(2b)	Transmission Adjustment	0.073	0.073	0.073	0.073	0.073	0.073	0.073	0.073	0.073	0.073	0.073	0.073	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047
	Total Transmission	0.917	0.917	0.917	0.917	0.917	0.917	0.917	0.917	0.917	0.917	0.917	0.917	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001
(3a)	Stranded Cost	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170	0.170
(3c)	Stranded Cost Adjustment	(0.078)	(0.078)	(0.078)	(0.078)	(0.078)	(0.078)	(0.078)	(0.078)	(0.078)	(0.078)	(0.078)	(0.078)	(0.044)	(0.044)	(0.044)	(0.044)	(0.044)	(0.044)	(0.044)	(0.044)	(0.044)	(0.044)	(0.044)	(0.044)
	Total Transition	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.126	0.126	0.126	0.126	0.126	0.126	0.126	0.126	0.126	0.126	0.126	0.126
(4)	Total Average Retail Delivery Price	4.529	4.529	4.529	4.529	4.520	4.520	4.520	4.520	4.520	4.520	4.520	4.520	4.662	4.662	4.662	4.662	4.653	4.653	4.653	4.860	4.860	4.860	4.860	4.860
(5)	Transition/Default Service Rate	<u>5.326</u>	<u>5.326</u>	<u>5.326</u>	<u>5.326</u>	<u>8.595</u>	<u>8.595</u>	<u>8.595</u>	<u>8.595</u>	<u>8.595</u>	<u>8.595</u>	<u>9.984</u>	<u>9.984</u>	<u>9.959</u>	<u>9.959</u>	<u>9.959</u>	<u>9.959</u>	<u>8.777</u>	<u>8.777</u>	<u>8.777</u>	<u>8.777</u>	<u>8.777</u>	<u>8.777</u>	<u>9.161</u>	<u>9.161</u>
	Total Transition/Default Service	5.326	5.326	5.326	5.326	8.595	8.595	8.595	8.595	8.595	8.595	9.984	9.984	9.959	9.959	9.959	9.959	8.777	8.777	8.777	8.777	8.777	8.777	9.161	9.161
(6)	Total Average Price	9.855	9.855	9.855	9.855	13.115	13.115	13.115	13.115	13.115	13.115	14.504	14.504	14.621	14.621	14.621	14.621	13.430	13.430	13.430	13.637	13.637	13.637	14.021	14.021

- (1a) Page 13
- (1b) Page 13
- (1c) Per effective tariff as approved by PUC
- (1d) Statutory
- (1e) Per effective tariff as approved by PUC
- (1f) Per effective tariff as approved by PUC
- (2a) Weighted average based on projected base transmission costs as approved by PUC
- (2b) Per effective tariff as approved by PUC
- (3a) Per annual rate filing as approved by PUC
- (3b) Per annual rate filing as approved by PUC
- (4) Sum Lines (1) through (3)
- (5) Per effective tariff as approved by PUC, Transition Service rates through April 2006, Default Service rates starting May 2006
- (6) Line (4) + Line (5)

Granite State Electric Company
Average Distribution Rates

	Total	D	D-10	T	G-1	G-2	G-3	V	Stlts
Customer Chg Rev Req 95-169	\$2,962,723	\$1,480,908	\$43,686	\$201,759	\$95,122	\$255,104	\$307,734	\$814	\$577,596
kWhs	680,244,553	177,025,364	7,179,259	58,268,905	244,688,426	127,904,763	58,911,976	1,179,670	5,086,190
Avg Rate-Fixed	0.436	0.837	0.609	0.346	0.039	0.199	0.522	0.069	11.356
Total Revenue Requirement 95-169	\$17,242,900	\$7,253,226	\$150,053	\$1,466,777	\$2,933,929	\$2,560,171	\$2,264,201	\$36,947	\$577,596
Less Customer Chg Rev Req	<u>\$2,962,723</u>	<u>\$1,480,908</u>	<u>\$43,686</u>	<u>\$201,759</u>	<u>\$95,122</u>	<u>\$255,104</u>	<u>\$307,734</u>	<u>\$814</u>	<u>\$577,596</u>
Variable Rev Req 98-012	\$14,280,177	\$5,772,318	\$106,367	\$1,265,018	\$2,838,807	\$2,305,067	\$1,956,467	\$36,133	\$0
kWhs	680,244,553	177,025,364	7,179,259	58,268,905	244,688,426	127,904,763	58,911,976	1,179,670	5,086,190
Avg Rate-Variable	2.099	3.261	1.482	2.171	1.160	1.802	3.321	3.063	0.000
Business Profit Tax Surcharge	<u>0.057</u>	<u>0.057</u>	<u>0.057</u>	<u>0.057</u>	<u>0.057</u>	<u>0.057</u>	<u>0.057</u>	<u>0.057</u>	<u>0.057</u>
	2.156	3.318	1.539	2.228	1.217	1.859	3.378	3.120	0.057
Total Revenue Requirement 95-169	\$17,242,900	\$7,253,226	\$150,053	\$1,466,777	\$2,933,929	\$2,560,171	\$2,264,201	\$36,947	\$577,596
kWhs	680,244,553	177,025,364	7,179,259	58,268,905	244,688,426	127,904,763	58,911,976	1,179,670	5,086,190
Total Average Rate	2.535	4.097	2.090	2.517	1.199	2.002	3.843	3.132	11.356
	<u>0.057</u>	<u>0.057</u>	<u>0.057</u>	<u>0.057</u>	<u>0.057</u>	<u>0.057</u>	<u>0.057</u>	<u>0.057</u>	<u>0.057</u>
	2.592	4.154	2.147	2.574	1.256	2.059	3.900	3.189	11.413
First Phase	Total	D	D-10	T	G-1	G-2	G-3	V	Stlts
Customer Chg Rev Req DG 06-107	\$3,338,795	\$1,853,006	\$38,907	\$94,524	\$134,658	\$254,649	\$375,357	\$1,304	\$586,389
kWhs	911,070,633	287,576,449	6,212,874	24,694,171	327,981,018	165,432,497	93,823,647	320,873	5,029,104
Avg Rate-Fixed	0.366	0.644	0.626	0.383	0.041	0.154	0.400	0.406	11.660
Total Revenue Requirement DG 06-107	\$23,158,316	\$11,832,528	\$139,090	\$586,107	\$3,779,652	\$2,874,296	\$3,349,567	\$10,686	\$586,389
Less Customer Chg Rev Req	<u>\$3,338,795</u>	<u>\$1,853,006</u>	<u>\$38,907</u>	<u>\$94,524</u>	<u>\$134,658</u>	<u>\$254,649</u>	<u>\$375,357</u>	<u>\$1,304</u>	<u>\$586,389</u>
Variable Rev Req DG 06-107	\$19,819,521	\$9,979,522	\$100,183	\$491,583	\$3,644,994	\$2,619,647	\$2,974,210	\$9,382	\$0
kWhs	911,070,633	287,576,449	6,212,874	24,694,171	327,981,018	165,432,497	93,823,647	320,873	5,029,104
Avg Rate-Variable	2.175	3.470	1.613	1.991	1.111	1.584	3.170	2.924	0.000
Business Profit Tax Surcharge	0.057	0.057	0.057	0.057	0.057	0.057	0.057	0.057	0.057
Default Service Cost Reclassification Credit	<u>-0.007</u>	<u>-0.017</u>	<u>-0.008</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>-0.017</u>	<u>-0.009</u>	<u>0</u>
	2.225	3.510	1.662	2.048	1.168	1.641	3.210	2.972	0.057
Total Revenue Requirement DG 06-107	\$23,158,316	\$11,832,528	\$139,090	\$586,107	\$3,779,652	\$2,874,296	\$3,349,567	\$10,686	\$586,389
kWhs	911,070,633	287,576,449	6,212,874	24,694,171	327,981,018	165,432,497	93,823,647	320,873	5,029,104
Total Average Rate	2.542	4.115	2.239	2.373	1.152	1.737	3.570	3.330	11.660
Business Profit Tax Surcharge	0.057	0.057	0.057	0.057	0.057	0.057	0.057	0.057	0.057
Default Service Cost Reclassification Credit	<u>-0.007</u>	<u>-0.017</u>	<u>-0.008</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>-0.017</u>	<u>-0.009</u>	<u>0</u>
	2.592	4.155	2.288	2.430	1.209	1.794	3.610	3.378	11.717
Second Phase	Total	D	D-10	T	G-1	G-2	G-3	V	Stlts
Customer Chg Rev Req DG 06-107	\$3,177,535	\$1,762,415	\$37,043	\$89,968	\$128,248	\$242,537	\$357,515	\$1,241	\$558,568
kWhs	911,070,633	287,576,449	6,212,874	24,694,171	327,981,018	165,432,497	93,823,647	320,873	5,029,104
Avg Rate-Fixed	0.349	0.613	0.596	0.364	0.039	0.147	0.381	0.387	11.107
Total Revenue Requirement DG 06-107	\$22,050,958	\$11,265,881	\$132,451	\$558,066	\$3,598,734	\$2,737,028	\$3,190,051	\$10,178	\$558,568
Less Customer Chg Rev Req	<u>\$3,177,535</u>	<u>\$1,762,415</u>	<u>\$37,043</u>	<u>\$89,968</u>	<u>\$128,248</u>	<u>\$242,537</u>	<u>\$357,515</u>	<u>\$1,241</u>	<u>\$558,568</u>
Variable Rev Req DG 06-107	\$18,873,423	\$9,503,466	\$95,408	\$468,098	\$3,470,487	\$2,494,491	\$2,832,536	\$8,936	\$0
kWhs	911,070,633	287,576,449	6,212,874	24,694,171	327,981,018	165,432,497	93,823,647	320,873	5,029,104
Avg Rate-Variable	2.072	3.305	1.536	1.896	1.058	1.508	3.019	2.785	0.000
Business Profit Tax Surcharge	0.057	0.057	0.057	0.057	0.057	0.057	0.057	0.057	0.057
	<u>-0.007</u>	<u>-0.017</u>	<u>-0.008</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>-0.017</u>	<u>-0.009</u>	<u>0</u>
	2.121	3.345	1.585	1.953	1.115	1.565	3.059	2.833	0.057
Total Revenue Requirement DG 06-107	\$22,050,958	\$11,265,881	\$132,451	\$558,066	\$3,598,734	\$2,737,028	\$3,190,051	\$10,178	\$558,568
kWhs	911,070,633	287,576,449	6,212,874	24,694,171	327,981,018	165,432,497	93,823,647	320,873	5,029,104
Total Average Rate	2.420	3.918	2.132	2.260	1.097	1.654	3.400	3.172	11.107
	0.057	0.057	0.057	0.057	0.057	0.057	0.057	0.057	0.057
	<u>-0.007</u>	<u>-0.017</u>	<u>-0.008</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>-0.017</u>	<u>-0.009</u>	<u>0</u>
	2.470	3.958	2.181	2.317	1.154	1.711	3.440	3.220	11.164

Granite State Electric Company
 Calendar Year 2007

<u>Days of</u>	<u>Annual</u>	<u>Customer</u>	
<u>Cost</u>	<u>Percent</u>	<u>Payment</u>	<u>CWC %</u>
(a)	(b)	<u>Lag %</u>	(d)
		(c)	
(30.283)	-8.30%	7.86%	-0.44%

(1)	2007 Purchase Power Costs	<u>\$62,609,160</u>
(2)	Working Capital Requirement	(\$275,480)
(3)	Prime interest rate	<u>7.50%</u>
(4)	Working Capital Impact	(\$20,661)

Columns:

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

Lines:

- (1) Page 2, Column (a) total
- (2) Column (d) x Line (1)
- (3) Prime Rate reported in the December 4, 2007 issue of the Wall Street Journal.
- (4) Line (2) x Line (3)

Granite State Electric Company
Calendar Year 2007

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 2007	Current Charge for January 2007	\$2,927,281	01/31/2007	02/12/2007	02/22/2007	02/22/2007	22	4.68%	1.03
January 2007	Current Charge for January 2007	\$4,178,480	01/31/2007	02/09/2007	03/06/2007	03/06/2007	34	6.67%	2.27
January 2007	Supplier Reallocation for September 2006	(\$41,025)	01/31/2007	02/15/2007	02/23/2007	02/23/2007	23	-0.07%	(0.02)
January 2007	Supplier Reallocation for September 2006	(\$9,188)	01/31/2007	02/20/2007	03/16/2007	03/16/2007	44	-0.01%	(0.01)
February 2007	Current Charge for February 2007	\$3,868,019	02/28/2007	03/09/2007	04/03/2007	04/03/2007	34	6.18%	2.10
February 2007	Current Charge for February 2007	\$2,349,617	02/28/2007	03/09/2007	04/03/2007	04/03/2007	34	3.75%	1.28
February 2007	Supplier Reallocation for October 2006	(\$51,349)	02/28/2007	03/06/2007	03/30/2007	03/30/2007	30	-0.08%	(0.02)
February 2007	Supplier Reallocation for October 2006	\$52,724	02/28/2007	03/16/2007	03/26/2007	03/26/2007	26	0.08%	0.02
March 2007	Current Charge for March 2007	\$3,328,367	03/31/2007	04/10/2007	05/04/2007	05/04/2007	34	5.32%	1.81
March 2007	Supplier Reallocation for November 2006	\$35,092	03/31/2007	04/10/2007	05/04/2007	05/04/2007	34	0.06%	0.02
March 2007	Current Charge for March 2007	\$2,151,325	03/31/2007	04/10/2007	05/04/2007	05/04/2007	34	3.44%	1.17
March 2007	Supplier Reallocation for November 2006	(\$57,274)	03/31/2007	04/10/2007	04/20/2007	04/20/2007	20	-0.09%	(0.02)
April 2007	Current Charge for April 2007	\$2,447,832	04/30/2007	05/10/2007	06/04/2007	06/04/2007	35	3.91%	1.37
April 2007	Supplier Reallocation for December 2006	\$112,444	04/30/2007	05/10/2007	06/04/2007	06/04/2007	35	0.18%	0.06
April 2007	Current Charge for April 2007	\$1,944,039	04/30/2007	05/10/2007	06/08/2007	06/08/2007	39	3.11%	1.21
April 2007	Supplier Reallocation for December 2006	(\$89,418)	04/30/2007	05/11/2007	05/18/2007	05/22/2007	22	-0.14%	(0.03)
May 2007	Current Charge for May 2007	\$2,380,766	05/31/2007	06/11/2007	07/06/2007	07/06/2007	36	3.80%	1.37
May 2007	Supplier Reallocation for January 2007	\$56,040	05/31/2007	06/11/2007	07/06/2007	07/06/2007	36	0.09%	0.03
May 2007	Current Charge for May 2007	\$1,942,683	05/31/2007	06/10/2007	06/20/2007	06/22/2007	22	3.10%	0.68
June 2007	Current Charge for June 2007	\$2,716,096	06/30/2007	07/10/2007	08/03/2007	08/03/2007	34	4.34%	1.47
June 2007	Supplier Reallocation for February 2007	\$89,874	06/30/2007	07/10/2007	08/03/2007	08/03/2007	34	0.14%	0.05
June 2007	Current Charge for June 2007	\$2,084,508	06/30/2007	07/10/2007	07/20/2007	07/23/2007	23	3.33%	0.77
July 2007	Supplier Reallocation for February 2007	(\$106,639)	06/30/2007	07/06/2007	07/30/2007	07/30/2007	30	-0.17%	(0.05)
July 2007	Current Charge for July 2007	\$3,202,127	07/31/2007	08/10/2007	09/04/2007	09/04/2007	35	5.11%	1.79
July 2007	Supplier Reallocation for March 2007	\$66,429	07/31/2007	08/10/2007	09/04/2007	09/04/2007	35	0.11%	0.04
July 2007	Current Charge for July 2007	\$2,381,510	07/31/2007	08/10/2007	08/18/2007	08/21/2007	21	3.80%	0.80
August 2007	Current Charge for August 2007	\$3,513,969	08/31/2007	09/10/2007	10/05/2007	10/05/2007	35	5.61%	1.96
August 2007	Supplier Reallocation for April 2007	\$63,226	08/31/2007	09/10/2007	10/05/2007	10/05/2007	35	0.10%	0.04
August 2007	Current Charge for August 2007	\$2,589,448	08/31/2007	09/10/2007	10/07/2007	10/05/2007	35	4.14%	1.45
August 2007	Supplier Reallocation for April 2007	(\$80,224)	08/31/2007	09/10/2007	10/07/2007	10/05/2007	35	-0.13%	(0.04)
September 2007	Current Charge for September 2007	\$2,500,188	09/30/2007	10/10/2007	11/02/2007	11/02/2007	33	3.99%	1.32
September 2007	Supplier Reallocation for May 2007	(\$40,106)	09/30/2007	10/10/2007	11/02/2007	11/02/2007	33	-0.06%	(0.02)
September 2007	Current Charge for September 2007	\$2,105,393	09/30/2007	10/10/2007	11/02/2007	11/02/2007	33	3.36%	1.11
September 2007	Supplier Reallocation for May 2007	(\$17,216)	09/30/2007	10/09/2007	10/19/2007	10/24/2007	24	-0.03%	(0.01)
October 2007	Current Charge for October 2007	\$2,597,524	10/31/2007	11/10/2007	12/04/2007	12/04/2007	34	4.15%	1.41
October 2007	Supplier Reallocation for June 2007	(\$56,064)	10/31/2007	11/10/2007	12/04/2007	12/04/2007	34	-0.09%	(0.03)
October 2007	Current Charge for October 2007	\$2,059,544	10/31/2007	11/10/2007	12/03/2007	12/03/2007	33	3.29%	1.09
October 2007	Supplier Reallocation for June 2007	(\$29,160)	10/31/2007	11/10/2007	11/20/2007	11/20/2007	20	-0.05%	(0.01)
November 2007	Current Charge for November 2007	\$2,609,001	11/30/2007	12/08/2007	12/20/2007	12/20/2007	20	4.17%	0.83
November 2007	Current Charge for November 2007	\$1,679,240	11/30/2007	12/10/2007	12/20/2007	12/20/2007	20	2.68%	0.54
November 2007	Supplier Reallocation for July 2007	\$23,133	11/30/2007	12/10/2007	01/04/2008	01/04/2008	35	0.04%	0.01
November 2007	Supplier Reallocation for July 2007	(\$71,630)	11/30/2007	12/10/2007	12/20/2007	12/20/2007	20	-0.11%	(0.02)
December 2007	Current Charge for December 2007	\$3,246,595	12/31/2007	01/10/2008	01/18/2008	01/18/2008	18	5.19%	0.93
December 2007	Current Charge for December 2007	\$2,016,998	12/31/2007	01/10/2008	01/18/2008	01/18/2008	18	3.22%	0.58
December 2007	Supplier Reallocation for August 2007	(\$59,348)	12/31/2007	01/10/2008	02/04/2008	02/04/2008	35	-0.09%	(0.03)
December 2007	Supplier Reallocation for August 2007	(\$1,709)	12/31/2007	01/10/2008	02/04/2008	02/04/2008	35	0.00%	(0.00)
(1)	Total	\$62,609,160							
(2)	Weighted Average Lag Days from End of Service Period to Final Payment Date of Purchased Power Bill								30.28

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
 Calendar Year 2007

<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)
01/31/2007	\$8,356,925	\$9,658,127	31	26.82
02/28/2007	\$9,059,969	\$9,185,759	28	27.62
03/31/2007	\$8,431,545	\$8,851,226	31	29.53
04/30/2007	\$7,598,519	\$7,741,946	30	29.44
05/31/2007	\$6,269,091	\$7,048,343	31	27.57
06/30/2007	\$6,502,569	\$7,328,933	30	26.62
07/31/2007	\$7,645,298	\$8,377,569	31	28.29
08/31/2007	\$6,690,481	\$8,733,587	31	23.75
09/30/2007	\$7,690,242	\$8,392,230	30	27.49
10/31/2007	\$5,673,665	\$7,160,396	31	24.56
11/30/2007	\$5,993,428	\$7,317,768	30	24.57
12/31/2007	\$8,424,746	\$8,532,559	31	<u>30.61</u>
		\$98,328,442		
(1)	Total Days			326.88
(2)	Average Lag			27.24
(3)	Average Lag from date meter is read			<u>1.46</u>
(4)	Total Average Days Lag			28.70
(5)	Customer Payment Lag-annual percent			7.86%

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 4
- (4) Line (2) + Line (3)
- (5) Line (4) ÷ 365

Granite State Electric Company
Meter Reading vs Billing Days Elapsed
2007

		Billing Cycle																				Average Days Elapsed By Month	
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	
1	JAN: DATE READ	12/29	01/02	01/03	01/04	01/05	01/08	01/09	01/10	01/11	01/12	01/15	01/16	01/17	01/18	01/19	01/22	01/23	01/24	01/25	01/26	01/29	
2	DATE BILLED	01/02	01/03	01/04	01/05	01/08	01/09	01/10	01/11	01/12	01/15	01/16	01/17	01/18	01/19	01/22	01/23	01/24	01/25	01/26	01/29	01/30	
3	DAYS ELAPSED	4	1	1	1	3	1	1	1	1	3	1	1	1	1	3	1	1	1	1	3	1	1 52
4																							
5	FEB: DATE READ	01/30	01/31	02/01	02/02	02/05	02/06	02/07	02/08	02/09	02/10	02/12	02/13	02/14	02/15	02/16	02/20	02/21	02/22	02/23	02/26	02/27	
6	DATE BILLED	01/31	02/01	02/02	02/05	02/06	02/07	02/08	02/09	02/10	02/12	02/13	02/14	02/15	02/16	02/20	02/21	02/22	02/23	02/26	02/27	02/28	
7	DAYS ELAPSED	1	1	1	3	1	1	1	1	1	2	1	1	1	1	4	1	1	1	3	1	1	1 38
8																							
9	MAR: DATE READ	02/28	03/01	03/02	03/05	03/06	03/07	03/08	03/09	03/12	03/13	03/14	03/15	03/16	03/19	03/20	03/21	03/22	03/23	03/26	03/27	03/28	
10	DATE BILLED	03/01	03/02	03/05	03/06	03/07	03/08	03/09	03/12	03/13	03/14	03/15	03/16	03/19	03/20	03/21	03/22	03/23	03/26	03/27	03/28	03/29	
11	DAYS ELAPSED	1	1	3	1	1	1	1	3	1	1	1	1	1	3	1	1	1	3	1	1	1	1 38
12																							
13	APR: DATE READ	03/29	03/30	04/02	04/03	04/04	04/05	04/06	04/09	04/10	04/11	04/12	04/13	04/16	04/17	04/18	04/19	04/20	04/23	04/24	04/25	04/26	
14	DATE BILLED	03/30	04/02	04/03	04/04	04/05	04/06	04/09	04/10	04/11	04/12	04/13	04/16	04/17	04/18	04/19	04/20	04/23	04/24	04/25	04/26	04/27	
15	DAYS ELAPSED	1	3	1	1	1	1	3	1	1	1	1	3	1	1	1	1	3	1	1	1	1	1 38
16																							
17	MAY: DATE READ	04/27	04/30	05/01	05/02	05/03	05/04	05/07	05/08	05/09	05/10	05/11	05/14	05/15	05/16	05/17	05/18	05/21	05/22	05/23	05/24	05/25	
18	DATE BILLED	04/30	05/01	05/02	05/03	05/04	05/07	05/08	05/09	05/10	05/11	05/14	05/15	05/16	05/17	05/18	05/21	05/22	05/23	05/24	05/25	05/29	
19	DAYS ELAPSED	3	1	1	1	1	3	1	1	1	1	3	1	1	1	1	3	1	1	1	1	4	1 52
20																							
21	JUN: DATE READ	05/29	05/30	05/31	06/01	06/04	06/05	06/06	06/07	06/08	06/11	06/12	06/13	06/14	06/15	06/18	06/19	06/20	06/21	06/22	06/25	06/26	
22	DATE BILLED	05/30	05/31	06/01	06/04	06/05	06/06	06/07	06/08	06/11	06/12	06/13	06/14	06/15	06/18	06/19	06/20	06/21	06/22	06/25	06/26	06/27	
23	DAYS ELAPSED	1	1	1	3	1	1	1	1	3	1	1	1	1	3	1	1	1	1	3	1	1	1 38
24																							
25	JUL: DATE READ	06/27	06/28	06/29	07/02	07/03	07/05	07/06	07/09	07/10	07/11	07/12	07/13	07/16	07/17	07/18	07/19	07/20	07/23	07/24	07/25	07/26	
26	DATE BILLED	06/28	06/29	07/02	07/03	07/05	07/06	07/09	07/10	07/11	07/12	07/13	07/16	07/17	07/18	07/19	07/20	07/23	07/24	07/25	07/26	07/27	
27	DAYS ELAPSED	1	1	3	1	2	1	3	1	1	1	1	3	1	1	1	1	3	1	1	1	1	1 43
28																							
29	AUG: DATE READ	07/27	07/30	07/31	08/01	08/02	08/03	08/06	08/07	08/08	08/09	08/10	08/13	08/14	08/15	08/16	08/17	08/20	08/21	08/22	08/23	08/24	
30	DATE BILLED	07/30	07/31	08/01	08/02	08/03	08/06	08/07	08/08	08/09	08/10	08/13	08/14	08/15	08/16	08/17	08/20	08/21	08/22	08/23	08/24	08/27	
31	DAYS ELAPSED	3	1	1	1	1	3	1	1	1	1	3	1	1	1	3	1	1	1	1	1	3	1 48
32																							
33	SEP: DATE READ	08/27	08/28	08/29	08/30	08/31	09/04	09/05	09/06	09/07	09/10	09/11	09/12	09/13	09/14	09/17	09/18	09/19	09/20	09/21	09/24	09/25	
34	DATE BILLED	08/28	08/29	08/30	08/31	09/04	09/05	09/06	09/07	09/10	09/11	09/12	09/13	09/14	09/17	09/18	09/19	09/20	09/21	09/24	09/25	09/26	
35	DAYS ELAPSED	1	1	1	1	4	1	1	1	3	1	1	1	1	3	1	1	1	1	3	1	1	1 43
36																							
37	OCT: DATE READ	09/26	09/27	09/28	10/01	10/02	10/03	10/04	10/05	10/08	10/09	10/10	10/11	10/12	10/15	10/16	10/17	10/18	10/19	10/22	10/23	10/24	
38	DATE BILLED	09/27	09/28	10/01	10/02	10/03	10/04	10/05	10/08	10/09	10/10	10/11	10/12	10/15	10/16	10/17	10/18	10/19	10/22	10/23	10/24	10/25	
39	DAYS ELAPSED	1	1	3	1	1	1	1	3	1	1	1	1	3	1	1	1	1	3	1	1	1	1 38
40																							
41	NOV: DATE READ	10/25	10/26	10/29	10/30	10/31	11/01	11/02	11/05	11/06	11/07	11/08	11/09	11/13	11/14	11/15	11/16	11/19	11/20	11/21	11/26	11/27	
42	DATE BILLED	10/26	10/29	10/30	10/31	11/01	11/02	11/05	11/06	11/07	11/08	11/09	11/13	11/14	11/15	11/16	11/19	11/20	11/21	11/26	11/27	11/28	
43	DAYS ELAPSED	1	3	1	1	1	1	3	1	1	1	1	4	1	1	1	3	1	1	5	1	1	1 62
44																							
45	DEC: DATE READ	11/28	11/29	11/30	12/03	12/04	12/05	12/06	12/07	12/10	12/11	12/12	12/13	12/14	12/17	12/18	12/19	12/20	12/21	12/26	12/27	12/28	
46	DATE BILLED	11/29	11/30	12/03	12/04	12/05	12/06	12/07	12/10	12/11	12/12	12/13	12/14	12/17	12/18	12/19	12/20	12/21	12/26	12/27	12/28	12/31	
47	DAYS ELAPSED	1	1	3	1	1	1	1	3	1	1	1	1	3	1	1	1	1	5	1	1	3	1 57
48																							
49	AVG DAYS ELAPSED BY CYCLE	1 58	1 33	1 67	1 33	1 50	1 33	1 50	1 50	1 33	1 25	1 33	1 58	1 50	1 33	1 42	1 50	1 33	1 67	1 83	1 17	1 58	1 46

Schedule SMM-9
Typical Bill Impacts

Granite State Electric Company
 Proposed May 1, 2008 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)	
			Total	Default Service	Retail Delivery	Total	Default Service	Retail Delivery	Amount	%
200	200	0	\$28.82	\$18.32	\$10.50	\$33.81	\$23.31	\$10.50	\$4.99	17.3%
350	350	0	\$49.82	\$32.06	\$17.76	\$58.55	\$40.79	\$17.76	\$8.73	17.5%
500	500	0	\$72.11	\$45.81	\$26.30	\$84.58	\$58.28	\$26.30	\$12.47	17.3%
677	677	0	\$98.39	\$62.02	\$36.37	\$115.27	\$78.90	\$36.37	\$16.88	17.2%
750	750	0	\$109.25	\$68.71	\$40.54	\$127.95	\$87.41	\$40.54	\$18.70	17.1%
1,000	1,000	0	\$146.37	\$91.61	\$54.76	\$171.31	\$116.55	\$54.76	\$24.94	17.0%

	<u>Present Rates</u>	<u>Proposed Rates</u>
Customer Charge	\$4.28	\$4.28
Distribution Charge		
1st 250 kWh	kWh x \$0.01651	\$0.01651
excess of 250 kWh	kWh x \$0.04235	\$0.04235
Off Peak kWh	kWh x \$0.01581	\$0.01581
Def. Serv. Adj. Fctr	kWh x \$0.00000	\$0.00000
Transmission Charge	kWh x \$0.01054	\$0.01054
Stranded Cost Charge	kWh x \$0.00050	\$0.00050
System Benefits Charge	kWh x \$0.00300	\$0.00300
Electricity Consumption Tax	kWh x \$0.00055	\$0.00055

Supplier Services

Default Service	kWh x \$0.09161	\$0.11655
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Granite State Electric Company
 Proposed May 1, 2008 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%

/----- (1) -----/ /----- (2) -----/ (1) vs (2)

Monthly KWh	On-Peak kWh	Off-Peak kWh	Present Rates			Proposed Rates			Overall Increase (Decrease)	
			Total	Default Service	Retail Delivery	Total	Default Service	Retail Delivery	Amount	%
200	160	40	\$24.02	\$18.32	\$5.70	\$29.01	\$23.31	\$5.70	\$4.99	20.8%
350	280	70	\$43.19	\$32.06	\$11.13	\$51.92	\$40.79	\$11.13	\$8.73	20.2%
500	400	100	\$64.68	\$45.81	\$18.87	\$77.15	\$58.28	\$18.87	\$12.47	19.3%
750	600	150	\$100.49	\$68.71	\$31.78	\$119.19	\$87.41	\$31.78	\$18.70	18.6%
1,000	800	200	\$136.29	\$91.61	\$44.68	\$161.23	\$116.55	\$44.68	\$24.94	18.3%

Present Rates

Proposed Rates

Customer Charge		\$4.28		\$4.28
Distribution Charge				
1st 250 kWh	kWh x	\$0.01651		\$0.01651
excess of 250 kWh	kWh x	\$0.04235		\$0.04235
Off Peak kWh	kWh x	\$0.01581		\$0.01581
Def. Serv. Adj. Fctr	kWh x	\$0.00000		\$0.00000
Transmission Charge	kWh x	\$0.01054		\$0.01054
Stranded Cost Charge	kWh x	\$0.00050		\$0.00050
System Benefits Charge	kWh x	\$0.00300		\$0.00300
Electricity Consumption Tax	kWh x	\$0.00055		\$0.00055
Interruptible Credit #1		(\$4.77)		(\$4.77)

Supplier Services

Default Service	kWh x	\$0.09161		\$0.11655
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Granite State Electric Company
 Proposed May 1, 2008 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%

/----- (1) -----/ /----- (2) -----/ (1) vs (2)

Monthly KWh	On-Peak kWh	Off-Peak kWh	Present Rates			Proposed Rates			Overall Increase (Decrease)	
			Total	Default Service	Retail Delivery	Total	Default Service	Retail Delivery	Amount	%
200	120	80	\$22.40	\$18.32	\$4.08	\$27.39	\$23.31	\$4.08	\$4.99	22.3%
350	210	140	\$40.77	\$32.06	\$8.71	\$49.50	\$40.79	\$8.71	\$8.73	21.4%
500	300	200	\$60.44	\$45.81	\$14.63	\$72.91	\$58.28	\$14.63	\$12.47	20.6%
750	450	300	\$94.92	\$68.71	\$26.21	\$113.62	\$87.41	\$26.21	\$18.70	19.7%
1,000	600	400	\$129.39	\$91.61	\$37.78	\$154.33	\$116.55	\$37.78	\$24.94	19.3%

Present Rates

Proposed Rates

Customer Charge		\$4.28	\$4.28
Distribution Charge		\$0.00000	\$0.00000
1st 250 kWh	kWh x	\$0.01651	\$0.01651
excess of 250 kWh	kWh x	\$0.04235	\$0.04235
Off Peak kWh	kWh x	\$0.01581	\$0.01581
Def. Serv. Adj. Fctr	kWh x	\$0.00000	\$0.00000
Transmission Charge	kWh x	\$0.01054	\$0.01054
Stranded Cost Charge	kWh x	\$0.00050	\$0.00050
System Benefits Charge	kWh x	\$0.00300	\$0.00300
Electricity Consumption Tax	kWh x	\$0.00055	\$0.00055
Interruptible Credit #2		(\$6.36)	(\$6.36)

Supplier Services

Default Service	kWh x	\$0.09161	\$0.11655
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Granite State Electric Company
 Proposed May 1, 2008 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	On-Peak kWh	Off-Peak kWh	Present Rates			Proposed Rates			Overall Increase (Decrease)	
			Total	Default Service	Retail Delivery	Total	Default Service	Retail Delivery	Amount	%
700	560	140	\$106.84	\$64.13	\$42.71	\$124.30	\$81.59	\$42.71	\$17.46	16.3%
1,000	800	200	\$149.46	\$91.61	\$57.85	\$174.40	\$116.55	\$57.85	\$24.94	16.7%
1,300	1,040	260	\$192.09	\$119.09	\$73.00	\$224.52	\$151.52	\$73.00	\$32.43	16.9%
1,600	1,280	320	\$234.73	\$146.58	\$88.15	\$274.63	\$186.48	\$88.15	\$39.90	17.0%
1,900	1,520	380	\$277.37	\$174.06	\$103.31	\$324.76	\$221.45	\$103.31	\$47.39	17.1%

	<u>Present Rates</u>	<u>Proposed Rates</u>
Customer Charge	\$7.35	\$7.35
Distribution Charge		
On Peak kWh	kWh x \$0.04705	\$0.04705
Off Peak kWh	kWh x \$0.00049	\$0.00049
Def. Serv. Adj. Fctr	kWh x \$0.00000	\$0.00000
Transmission Charge	kWh x \$0.00871	\$0.00871
Stranded Cost Charge	kWh x \$0.00050	\$0.00050
System Benefits Charge	kWh x \$0.00300	\$0.00300
Electricity Consumption Tax	kWh x \$0.00055	\$0.00055

Supplier Services

Default Service	kWh x \$0.09161	\$0.11655
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Granite State Electric Company
 Proposed May 1, 2008 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%

/----- (1) -----/ /----- (2) -----/ (1) vs (2)

Monthly KWh	On-Peak kWh	Off-Peak kWh	Present Rates			Proposed Rates			Overall Increase (Decrease)	
			Total	Default Service	Retail Delivery	Total	Default Service	Retail Delivery	Amount	%
700	490	210	\$103.57	\$64.13	\$39.44	\$121.03	\$81.59	\$39.44	\$17.46	16.9%
1,000	700	300	\$144.81	\$91.61	\$53.20	\$169.75	\$116.55	\$53.20	\$24.94	17.2%
1,300	910	390	\$186.04	\$119.09	\$66.95	\$218.47	\$151.52	\$66.95	\$32.43	17.4%
1,600	1,120	480	\$227.29	\$146.58	\$80.71	\$267.19	\$186.48	\$80.71	\$39.90	17.6%
1,900	1,330	570	\$268.52	\$174.06	\$94.46	\$315.91	\$221.45	\$94.46	\$47.39	17.6%

	<u>Present Rates</u>	<u>Proposed Rates</u>
Customer Charge	\$7.35	\$7.35
Distribution Charge		
On Peak kWh	kWh x \$0.04705	\$0.04705
Off Peak kWh	kWh x \$0.00049	\$0.00049
Def. Serv. Adj. Fctr	kWh x \$0.00000	\$0.00000
Transmission Charge	kWh x \$0.00871	\$0.00871
Stranded Cost Charge	kWh x \$0.00050	\$0.00050
System Benefits Charge	kWh x \$0.00300	\$0.00300
Electricity Consumption Tax	kWh x \$0.00055	\$0.00055

Supplier Services

Default Service	kWh x \$0.09161	\$0.11655
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Granite State Electric Company
 Proposed May 1, 2008 Default Service Rates
 Calculation of Monthly Typical Bill
 Impact on Rate D-10 Default Service Customers

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

/----- (1) -----/ /----- (2) -----/ (1) vs (2)

Monthly KWh	On-Peak kWh	Off-Peak kWh	Present Rates			Proposed Rates			Overall Increase (Decrease)	
			Total	Default Service	Retail Delivery	Total	Default Service	Retail Delivery	Amount	%
700	420	280	\$100.32	\$64.13	\$36.19	\$117.78	\$81.59	\$36.19	\$17.46	17.4%
1,000	600	400	\$140.15	\$91.61	\$48.54	\$165.09	\$116.55	\$48.54	\$24.94	17.8%
1,300	780	520	\$179.98	\$119.09	\$60.89	\$212.41	\$151.52	\$60.89	\$32.43	18.0%
1,600	960	640	\$219.83	\$146.58	\$73.25	\$259.73	\$186.48	\$73.25	\$39.90	18.2%
1,900	1,140	760	\$259.67	\$174.06	\$85.61	\$307.06	\$221.45	\$85.61	\$47.39	18.3%

	<u>Present Rates</u>	<u>Proposed Rates</u>
Customer Charge	\$7.35	\$7.35
Distribution Charge		
On Peak kWh	kWh x \$0.04705	\$0.04705
Off Peak kWh	kWh x \$0.00049	\$0.00049
Def. Serv. Adj. Fctr	kWh x \$0.00000	\$0.00000
Transmission Charge	kWh x \$0.00871	\$0.00871
Stranded Cost Charge	kWh x \$0.00050	\$0.00050
System Benefits Charge	kWh x \$0.00300	\$0.00300
Electricity Consumption Tax	kWh x \$0.00055	\$0.00055

Supplier Services

Default Service	kWh x \$0.09161	\$0.11655
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Granite State Electric Company
 Proposed May 1, 2008 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	Overall Increase (Decrease) Amount	%
600	\$86.87	\$54.97	\$31.90	\$101.83	\$69.93	\$31.90	\$14.96	17.2%
800	\$114.03	\$73.29	\$40.74	\$133.98	\$93.24	\$40.74	\$19.95	17.5%
1,200	\$168.33	\$109.93	\$58.40	\$198.26	\$139.86	\$58.40	\$29.93	17.8%
1,500	\$209.08	\$137.42	\$71.66	\$246.49	\$174.83	\$71.66	\$37.41	17.9%
2,000	\$276.95	\$183.22	\$93.73	\$326.83	\$233.10	\$93.73	\$49.88	18.0%

	<u>Present Rates</u>	<u>Proposed Rates</u>
Customer Charge	\$5.41	\$5.41
Distribution Charge kWh x	\$0.03059	\$0.03059
Transmission Charge kWh x	\$0.00952	\$0.00952
Stranded Cost Charge kWh x	\$0.00050	\$0.00050
System Benefits Charge kWh x	\$0.00300	\$0.00300
Electricity Consumption Tax kWh x	\$0.00055	\$0.00055

Supplier Services

Default Service kWh x	\$0.09161	\$0.11655
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Granite State Electric Company
 Proposed May 1, 2008 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	Overall Increase (Decrease) Amount	%
600	\$81.14	\$54.97	\$26.17	\$96.10	\$69.93	\$26.17	\$14.96	18.4%
800	\$106.34	\$73.29	\$33.05	\$126.29	\$93.24	\$33.05	\$19.95	18.8%
1,200	\$156.74	\$109.93	\$46.81	\$186.67	\$139.86	\$46.81	\$29.93	19.1%
1,500	\$194.56	\$137.42	\$57.14	\$231.97	\$174.83	\$57.14	\$37.41	19.2%
2,000	\$257.55	\$183.22	\$74.33	\$307.43	\$233.10	\$74.33	\$49.88	19.4%

		<u>Present Rates</u>	<u>Proposed Rates</u>
Customer Charge		\$5.53	\$5.53
Distribution Charge	kWh x	\$0.02023	\$0.02023
Transmission Charge	kWh x	\$0.01012	\$0.01012
Stranded Cost Charge	kWh x	\$0.00050	\$0.00050
System Benefits Charge	kWh x	\$0.00300	\$0.00300
Electricity Consumption Tax	kWh x	\$0.00055	\$0.00055

Supplier Services

Default Service	kWh x	\$0.09161	\$0.11655
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Granite State Electric Company
 Proposed May 1, 2008 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	\$80.43	\$54.97	\$25.46	\$95.39	\$69.93	\$25.46	\$14.96	18.6%
800	\$107.22	\$73.29	\$33.93	\$127.17	\$93.24	\$33.93	\$19.95	18.6%
1,200	\$160.84	\$109.93	\$50.91	\$190.77	\$139.86	\$50.91	\$29.93	18.6%
1,500	\$201.07	\$137.42	\$63.65	\$238.48	\$174.83	\$63.65	\$37.41	18.6%
2,000	\$268.06	\$183.22	\$84.84	\$317.94	\$233.10	\$84.84	\$49.88	18.6%

		<u>Present Rates</u>	<u>Proposed Rates</u>
Minimum Charge		\$5.78	\$5.78
Distribution Charge	kWh x	\$0.02833	\$0.02833
Transmission Charge	kWh x	\$0.01041	\$0.01041
Stranded Cost Charge	kWh x	\$0.00013	\$0.00013
System Benefits Charge	kWh x	\$0.00300	\$0.00300
Electricity Consumption Tax	kWh x	\$0.00055	\$0.00055

Supplier Services

Default Service	kWh x	\$0.09161	\$0.11655
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Granite State Electric Company
 Proposed May 1, 2008 Default Service Rates
 Calculation of Monthly Typical Bill
 Impact on Rate G-1 Default Service Customers

Hours Use	kWh Split				(1)		(2)		(1) vs (2)		
	250 On-Peak	60.00%	Off-Peak	40.00%							
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	50,000	30,000	20,000	\$5,886.33	\$4,267.50	\$1,618.83	\$7,000.33	\$5,381.50	\$1,618.83	\$1,114.00	18.9%
300	75,000	45,000	30,000	\$8,783.88	\$6,401.25	\$2,382.63	\$10,454.88	\$8,072.25	\$2,382.63	\$1,671.00	19.0%
400	100,000	60,000	40,000	\$11,681.43	\$8,535.00	\$3,146.43	\$13,909.43	\$10,763.00	\$3,146.43	\$2,228.00	19.1%
500	125,000	75,000	50,000	\$14,578.98	\$10,668.75	\$3,910.23	\$17,363.98	\$13,453.75	\$3,910.23	\$2,785.00	19.1%
1,000	250,000	150,000	100,000	\$29,066.73	\$21,337.50	\$7,729.23	\$34,636.73	\$26,907.50	\$7,729.23	\$5,570.00	19.2%

	<u>Present Rates</u>	<u>Proposed Rates</u>
Customer Charge	\$91.23	\$91.23
Distribution Charge		
On Peak kWh	kWh x \$0.00189	\$0.00189
Off Peak kWh	kWh x \$0.00057	\$0.00057
Distribution Demand Charge	kW x \$3.99	\$3.99
Transmission Charge	kWh x \$0.00918	\$0.00918
Stranded Cost Charge	kWh x \$0.00050	\$0.00050
System Benefits Charge	kWh x \$0.00300	\$0.00300
Electricity Consumption Tax	kWh x \$0.00055	\$0.00055

Supplier Services

Default Service	kWh x	\$0.08535	\$0.10763
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Granite State Electric Company
 Proposed May 1, 2008 Default Service Rates
 Calculation of Monthly Typical Bill
 Impact on Rate G-1 Default Service Customers

Hours Use	kWh Split				(1)		(2)		(1) vs (2)		
	350 On-Peak	50.00%	Off-Peak	50.00%							
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	70,000	35,000	35,000	\$7,875.93	\$5,974.50	\$1,901.43	\$9,435.53	\$7,534.10	\$1,901.43	\$1,559.60	19.8%
300	105,000	52,500	52,500	\$11,768.29	\$8,961.75	\$2,806.54	\$14,107.69	\$11,301.15	\$2,806.54	\$2,339.40	19.9%
400	140,000	70,000	70,000	\$15,660.63	\$11,949.00	\$3,711.63	\$18,779.83	\$15,068.20	\$3,711.63	\$3,119.20	19.9%
500	175,000	87,500	87,500	\$19,552.99	\$14,936.25	\$4,616.74	\$23,451.99	\$18,835.25	\$4,616.74	\$3,899.00	19.9%
1,000	350,000	175,000	175,000	\$39,014.73	\$29,872.50	\$9,142.23	\$46,812.73	\$37,670.50	\$9,142.23	\$7,798.00	20.0%

	<u>Present Rates</u>	<u>Proposed Rates</u>
Customer Charge	\$91.23	\$91.23
Distribution Charge		
On Peak kWh	kWh x \$0.00189	\$0.00189
Off Peak kWh	kWh x \$0.00057	\$0.00057
Distribution Demand Charge	kW x \$3.99	\$3.99
Transmission Charge	kWh x \$0.00918	\$0.00918
Stranded Cost Charge	kWh x \$0.00050	\$0.00050
System Benefits Charge	kWh x \$0.00300	\$0.00300
Electricity Consumption Tax	kWh x \$0.00055	\$0.00055

Supplier Services

Default Service	kWh x	\$0.08535	\$0.10763
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Granite State Electric Company
 Proposed May 1, 2008 Default Service Rates
 Calculation of Monthly Typical Bill
 Impact on Rate G-1 Default Service Customers

Hours Use	kWh Split				(1)		(2)		(1) vs (2)		
	450 On-Peak	55.00%	Off-Peak	45.00%							
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	\$9,866.20	\$7,681.50	\$2,184.70	\$11,871.40	\$9,686.70	\$2,184.70	\$2,005.20	20.3%
300	135,000	60,750	74,250	\$14,753.67	\$11,522.25	\$3,231.42	\$17,761.47	\$14,530.05	\$3,231.42	\$3,007.80	20.4%
400	180,000	81,000	99,000	\$19,641.15	\$15,363.00	\$4,278.15	\$23,651.55	\$19,373.40	\$4,278.15	\$4,010.40	20.4%
500	225,000	101,250	123,750	\$24,528.63	\$19,203.75	\$5,324.88	\$29,541.63	\$24,216.75	\$5,324.88	\$5,013.00	20.4%
1,000	450,000	202,500	247,500	\$48,966.04	\$38,407.50	\$10,558.54	\$58,992.04	\$48,433.50	\$10,558.54	\$10,026.00	20.5%

	<u>Present Rates</u>	<u>Proposed Rates</u>
Customer Charge	\$91.23	\$91.23
Distribution Charge		
On Peak kWh	kWh x \$0.00189	\$0.00189
Off Peak kWh	kWh x \$0.00057	\$0.00057
Distribution Demand Charge	kW x \$3.99	\$3.99
Transmission Charge	kWh x \$0.00918	\$0.00918
Stranded Cost Charge	kWh x \$0.00050	\$0.00050
System Benefits Charge	kWh x \$0.00300	\$0.00300
Electricity Consumption Tax	kWh x \$0.00055	\$0.00055

Supplier Services

Default Service	kWh x	\$0.08535	\$0.10763
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Granite State Electric Company
 Proposed May 1, 2008 Default Service Rates
 Calculation of Monthly Typical Bill
 Impact on Rate G-1 Default Service Customers

Hours Use	kWh Split				(1)		(2)		(1) vs (2)		
	450 On-Peak	40.00%	Off-Peak	60.00%							
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	36,000	54,000	\$9,860.25	\$7,681.50	\$2,178.75	\$11,865.45	\$9,686.70	\$2,178.75	\$2,005.20	20.3%
300	135,000	54,000	81,000	\$14,744.76	\$11,522.25	\$3,222.51	\$17,752.56	\$14,530.05	\$3,222.51	\$3,007.80	20.4%
400	180,000	72,000	108,000	\$19,629.27	\$15,363.00	\$4,266.27	\$23,639.67	\$19,373.40	\$4,266.27	\$4,010.40	20.4%
500	225,000	90,000	135,000	\$24,513.78	\$19,203.75	\$5,310.03	\$29,526.78	\$24,216.75	\$5,310.03	\$5,013.00	20.4%
1,000	450,000	180,000	270,000	\$48,936.33	\$38,407.50	\$10,528.83	\$58,962.33	\$48,433.50	\$10,528.83	\$10,026.00	20.5%

	<u>Present Rates</u>	<u>Proposed Rates</u>
Customer Charge	\$91.23	\$91.23
Distribution Charge		
On Peak kWh	kWh x \$0.00189	\$0.00189
Off Peak kWh	kWh x \$0.00057	\$0.00057
Distribution Demand Charge	kW x \$3.99	\$3.99
Transmission Charge	kWh x \$0.00918	\$0.00918
Stranded Cost Charge	kWh x \$0.00050	\$0.00050
System Benefits Charge	kWh x \$0.00300	\$0.00300
Electricity Consumption Tax	kWh x \$0.00055	\$0.00055

Supplier Services

Default Service	kWh x	\$0.08535	\$0.10763
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Granite State Electric Company
 Proposed May 1, 2008 Default Service Rates
 Calculation of Monthly Typical Bill
 Impact on Rate G-2 Default Service Customers

Hours Use 200

		/----- (1) -----/			/----- (2) -----/			(1) vs (2)	
kW	Monthly kWh	Present Rates			Proposed Rates			Overall Increase (Decrease)	
		Total	Default Service	Retail Delivery	Total	Default Service	Retail Delivery	Amount	%
20	4,000	\$513.19	\$341.40	\$171.79	\$602.31	\$430.52	\$171.79	\$89.12	17.4%
50	10,000	\$1,246.33	\$853.50	\$392.83	\$1,469.13	\$1,076.30	\$392.83	\$222.80	17.9%
75	15,000	\$1,857.28	\$1,280.25	\$577.03	\$2,191.48	\$1,614.45	\$577.03	\$334.20	18.0%
100	20,000	\$2,468.23	\$1,707.00	\$761.23	\$2,913.83	\$2,152.60	\$761.23	\$445.60	18.1%
150	30,000	\$3,690.13	\$2,560.50	\$1,129.63	\$4,358.53	\$3,228.90	\$1,129.63	\$668.40	18.1%

Present Rates

Proposed Rates

Customer Charge		\$24.43	\$24.43
Distribution Charge	kWh x	\$0.00088	\$0.00088
Distribution Demand Charge	kW x	\$4.41	\$4.41
Transmission Charge	kWh x	\$0.00986	\$0.00986
Stranded Cost Charge	kWh x	\$0.00050	\$0.00050
System Benefits Charge	kWh x	\$0.00300	\$0.00300
Electricity Consumption Tax	kWh x	\$0.00055	\$0.00055

Supplier Services

Default Service	kWh x	\$0.08535	\$0.10763
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Granite State Electric Company
 Proposed May 1, 2008 Default Service Rates
 Calculation of Monthly Typical Bill
 Impact on Rate G-2 Default Service Customers

Hours Use 250

kW	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	%
20	5,000	\$613.33	\$426.75	\$186.58	\$724.73	\$538.15	\$186.58	\$111.40	18.2%
50	12,500	\$1,496.69	\$1,066.88	\$429.81	\$1,775.19	\$1,345.38	\$429.81	\$278.50	18.6%
75	18,750	\$2,232.81	\$1,600.31	\$632.50	\$2,650.56	\$2,018.06	\$632.50	\$417.75	18.7%
100	25,000	\$2,968.93	\$2,133.75	\$835.18	\$3,525.93	\$2,690.75	\$835.18	\$557.00	18.8%
150	37,500	\$4,441.19	\$3,200.63	\$1,240.56	\$5,276.69	\$4,036.13	\$1,240.56	\$835.50	18.8%

		<u>Present Rates</u>	<u>Proposed Rates</u>
Customer Charge		\$24.43	\$24.43
Distribution Charge	kWh x	\$0.00088	\$0.00088
Distribution Demand Charge	kW x	\$4.41	\$4.41
Transmission Charge	kWh x	\$0.00986	\$0.00986
Stranded Cost Charge	kWh x	\$0.00050	\$0.00050
System Benefits Charge	kWh x	\$0.00300	\$0.00300
Electricity Consumption Tax	kWh x	\$0.00055	\$0.00055

Supplier Services

Default Service	kWh x	\$0.08535	\$0.10763
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Granite State Electric Company
 Proposed May 1, 2008 Default Service Rates
 Calculation of Monthly Typical Bill
 Impact on Rate G-2 Default Service Customers

Hours Use 300

kW	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	%
20	6,000	\$713.47	\$512.10	\$201.37	\$847.15	\$645.78	\$201.37	\$133.68	18.7%
50	15,000	\$1,747.03	\$1,280.25	\$466.78	\$2,081.23	\$1,614.45	\$466.78	\$334.20	19.1%
75	22,500	\$2,608.34	\$1,920.38	\$687.96	\$3,109.64	\$2,421.68	\$687.96	\$501.30	19.2%
100	30,000	\$3,469.63	\$2,560.50	\$909.13	\$4,138.03	\$3,228.90	\$909.13	\$668.40	19.3%
150	45,000	\$5,192.23	\$3,840.75	\$1,351.48	\$6,194.83	\$4,843.35	\$1,351.48	\$1,002.60	19.3%

		<u>Present Rates</u>	<u>Proposed Rates</u>
Customer Charge		\$24.43	\$24.43
Distribution Charge	kWh x	\$0.00088	\$0.00088
Distribution Demand Charge	kW x	\$4.41	\$4.41
Transmission Charge	kWh x	\$0.00986	\$0.00986
Stranded Cost Charge	kWh x	\$0.00050	\$0.00050
System Benefits Charge	kWh x	\$0.00300	\$0.00300
Electricity Consumption Tax	kWh x	\$0.00055	\$0.00055

Supplier Services

Default Service	kWh x	\$0.08535	\$0.10763
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Schedule SMM-10
Proposed Summary of Rates

GRANITE STATE ELECTRIC COMPANY
 RATES EFFECTIVE MAY 1, 2008
 FOR USAGE ON AND AFTER MAY 1, 2008

Rate	Blocks	Distribution Charge (1), (2)	Electricity Consumption Tax	Transmission Charge	Systems Benefits Charge	Stranded Cost Charge	Total Retail Delivery Services
D	Customer Charge	\$4 28					\$4 28
	1st 250 kWh	\$0 01651	\$0 00055	\$0 01054	\$0 00300	\$0 00050	\$0 03110
	Excess 250 kWh	\$0 04235	\$0 00055	\$0 01054	\$0 00300	\$0 00050	\$0 05694
	Off Peak kWh	\$0 01581	\$0 00055	\$0 01054	\$0 00300	\$0 00050	\$0 03040
	Farm kWh	\$0 02545	\$0 00055	\$0 01054	\$0 00300	\$0 00050	\$0 04004
	D-6 kWh	\$0 01651	\$0 00055	\$0 01054	\$0 00300	\$0 00050	\$0 03110
D-10	Customer Charge	\$7 35					\$7 35
	On Peak kWh	\$0 04705	\$0 00055	\$0 00871	\$0 00300	\$0 00050	\$0 05981
	Off Peak kWh	\$0 00049	\$0 00055	\$0 00871	\$0 00300	\$0 00050	\$0 01325
G-1	Customer Charge	\$91 23					\$91 23
	Demand Charge	\$3 99					\$3 99
	On Peak kWh	\$0 00189	\$0 00055	\$0 00918	\$0 00300	\$0 00050	\$0 01512
	Off Peak kWh	\$0 00057	\$0 00055	\$0 00918	\$0 00300	\$0 00050	\$0 01380
G-2	Customer Charge	\$24 43					\$24 43
	Demand Charge	\$4 41					\$4 41
	All kWh	\$0 00088	\$0 00055	\$0 00986	\$0 00300	\$0 00050	\$0 01479
G-3	Customer Charge	\$5 41					\$5 41
	All kWh	\$0 03059	\$0 00055	\$0 00952	\$0 00300	\$0 00050	\$0 04416
M	All kWh see tariff for luminaires & pole charges	\$0 00057	\$0 00055	\$0 00809	\$0 00300	\$0 00050	\$0 01271
T	Customer Charge	\$5 53					\$5 53
	All kWh	\$0 02023	\$0 00055	\$0 01012	\$0 00300	\$0 00050	\$0 03440
V	Minimum Charge	\$5 78					\$5 78
	All kWh	\$0 02833	\$0 00055	\$0 01063	\$0 00300	\$0 00013	\$0 04264

- (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)

System Benefits Charge-Energy Efficiency \$0 00180 Effective 6/1/02, usage on and after
 System Benefits Charge-Statewide Energy Assistance Program ~~\$0 00120~~ Effective 10/1/02, usage on and after
 Total System Benefits Charge \$0 00300

Transmission Cost Adjustment Factor various Effective 1/1/07, usage on and after
 Stranded Cost Adjustment Factor various Effective 1/1/07, usage on and after
 Default Service Charge

Residential & Small Commercial (D, D-10, G-3, M, T, V) \$0 11655 Effective 5/1/08, usage on and after
 Medium / Large Commercial & Industrial (G-1, G-2) \$0 10763 Effective 5/1/08, usage on and after
 \$0 11416 Effective 6/1/08, usage on and after
 \$0 12300 Effective 7/1/08, usage on and after

Electricity Consumption Tax \$0 00055 Effective 5/1/01, usage on and after

Issued: Issued by: /s/ Thomas B King
 Effective: May 1, 2008 Title: Thomas B King
President

(Issued in Compliance with Order No _____ in Docket No DE 08-011 dated _____)

Granite State Electric Company d/b/a National Grid
Docket No. DE 08-011
Witness: S.M. McCabe

Schedule SMM-11
Quarterly Customer Migration Report

CUSTOMER MIGRATION REPORT

Energy Service and Competitive Generation Customers for the 4th Quarter of 2007

Customer Rate Class	Energy Service						Competitive Service					
	October-07	November-07	December-07	October-07	November-07	December-07	October-07	November-07	December-07	October-07	November-07	December-07
	Number of Energy Service Customers			kWh Used by Energy Service Customers			Number of Competitive Service Customers			kWh Used by Competitive Service Customers		
D	32,726	32,747	32,854	18,616,889	19,674,022	25,577,027	36	36	36	15,979	22,469	31,935
D-10	450	451	451	354,621	403,467	682,686	0	0	0	0	0	0
T	1,396	1,387	1,382	1,237,330	1,673,720	2,806,891	2	2	2	12,214	14,421	31,933
G-1	75	75	78	10,538,160	10,396,640	10,563,020	39	40	39	18,400,270	18,256,200	17,281,500
G-2	738	736	737	11,160,350	11,119,771	11,889,613	80	81	81	2,063,597	2,446,037	2,352,484
G-3	5,153	5,174	5,196	7,115,491	6,781,265	8,151,828	224	225	224	199,367	223,557	272,243
V	21	21	21	27,024	18,437	29,718	1	1	1	23	711	1,729
Streetlights	38	38	38	242,152	250,245	278,705	12	12	12	151,902	157,674	173,000
TOTAL	40,597	40,629	40,757	49,292,017	50,317,567	59,979,488	394	397	395	20,843,352	21,121,069	20,144,824
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	100%	100%	100%	99%	99%	99%	0%	0%	0%	1%	1%	1%
G-1	66%	65%	67%	36%	36%	38%	34%	35%	33%	64%	64%	62%
G-2	90%	90%	90%	84%	82%	83%	10%	10%	10%	16%	18%	17%
G-3	96%	96%	96%	97%	97%	97%	4%	4%	4%	3%	3%	3%
V	95%	95%	95%	100%	96%	95%	5%	5%	5%	0%	4%	5%
Streetlights	76%	76%	76%	61%	61%	62%	24%	24%	24%	39%	39%	38%
TOTAL	99%	99%	99%	70%	70%	75%	1%	1%	1%	30%	30%	25%

Prepared By: S McCabe

Date: January 9, 2008