

**Granite State Electric Company d/b/a National Grid  
Annual Storm Fund Report**

**1. Introduction**

Granite State Electric Company d/b/a National Grid (“National Grid” or “Company”) is submitting the following Annual Storm Fund Recovery Report for 2009, in compliance with the requirements set forth in Exhibit GSE-7 of the Company’s Rate Plan Settlement (the “Settlement”) in Docket No. DG 06-107 approved by Commission Order No. 24,777.

In 2009 there were no qualifying “major storms” (as defined in Exhibit GSE-7) in the state of New Hampshire. As such this report does not contain a description of any storms in 2009 or a summary of damages to the distribution system.

However, due to the substantial damages in the December 12, 2008 ice storm that affected approximately 24,164 customers over 528 square miles and caused interruptions in 17 of the 21 communities served by the Company, the Company is providing collections credited to the storm fund and the details of qualifying storm costs that were charged to the fund during the preceding calendar year as required by Section 5 of Exhibit GSE-7.

Despite the damage and large number of customer interruptions in that storm, National Grid led a successful storm restoration effort, and succeeded in restoring all of its New Hampshire customers by December 19, 2008.

**2. Collections Credited to the Storm Fund**

Exhibit 1 is a report of the annual Storm Fund Activity. This report shows the opening balance in the fund, monthly contributions, monthly interest applied and charges to the Storm Fund, both for the year ended 2008 and the year ended 2009.

In Exhibit 1, page 1 of 2, storm cost for both the December and June storm of 2008 have increased from the prior years report from \$399,109 to \$548,553 due to final accounting adjustments made after the 2008 report was prepared. There has also been an adjustment to interest expense from the prior year’s report as storm cost were not accounted for in the monthly calculation of accrued interest.

**3. Details of Qualifying Costs Charged to the Storm Fund in 2008**

Exhibit 2 shows the charges to the Storm Fund related to the December 11-12, 2008 ice storm. Exhibit 3 shows the updated charges to the Storm Fund related to the June 29, 2008 storm.

**Granite State Electric Company**  
**d/b/a National Grid**  
Annual Report of Storm Fund Activity  
For the Year Ended December 31, 2008

Line	Month	Beginning Balance (a)	Monthly Contribution (b)	Monthly Interest (c)	Dec. Storm Charges (d)	June Storm Charges (e)	Ending Balance (f)
1	January-08	\$50,866	\$10,000	\$349			\$61,216
2	February	\$61,216	\$10,000	\$414			\$71,630
3	March	\$71,630	\$10,000	\$479			\$82,108
4	April	\$82,108	\$10,000	\$436			\$92,544
5	May	\$92,544	\$10,000	\$488			\$103,032
6	June	\$103,032	\$10,000	\$540			\$113,572
7	July	\$113,572	\$10,000	\$396		(\$46,925)	\$77,043
8	August	\$77,043	\$10,000	\$176		(\$79,671)	\$7,548
9	September	\$7,548	\$10,000	\$45		(\$3,613)	\$13,980
10	October	\$13,980	\$10,000	\$76		(\$1,240)	\$22,816
11	November	\$22,816	\$10,000	\$116			\$32,932
12	December	\$32,932	\$10,000	(\$711)	(\$417,103)		(\$374,881)
13	Year Ended 12/31/08	\$50,866	\$120,000	\$2,804	(\$417,103)	(\$131,449)	(\$374,881)

**Granite State Electric Company**  
**d/b/a National Grid**  
Annual Report of Storm Fund Activity  
For the Year Ended December 31, 2009

Line	Month	Beginning Balance (a)	Monthly Contribution (b)	Monthly Interest (c)	December Storm Charges (d)	Ending Balance (e)
1	January-09	(\$374,881)	\$10,000	(\$2,248)	(\$608,854)	(\$975,983)
2	February	(975,983)	10,000	(4,106)	(521,482)	(1,491,571)
3	March	(1,491,571)	10,000	(5,573)	(370,655)	(1,857,800)
4	April	(1,857,800)	10,000	(4,929)	65,835	(1,786,894)
5	May	(1,786,894)	10,000	(4,812)	10,296	(1,771,409)
6	June	(1,771,409)	10,000	(4,788)	(2,739)	(1,768,936)
7	July	(1,768,936)	10,000	(4,777)		(1,763,713)
8	August	(1,763,713)	10,000	(4,763)		(1,758,477)
9	September	(1,758,477)	10,000	(4,749)		(1,753,226)
10	October	(1,753,226)	10,000	(4,735)		(1,747,960)
11	November	(1,747,960)	10,000	(4,721)		(1,742,681)
12	December	(1,742,681)	10,000	(4,706)		(1,737,387)
13	Year Ended 12/31/09	<u>(\$374,881)</u>	<u>\$120,000</u>	<u>(\$54,906)</u>	<u>(\$1,427,599)</u>	<u>(\$1,737,387)</u>

**Granite State Electric Company**  
**d/b/a National Grid**  
 December 12, 2008 Ice Storm Total O&M Restoration Costs  
 Costs Incurred in Calendar Years 2008 and 2009

	CY 2008 Restoration <u>Costs</u>	CY 2009 Restoration <u>Costs</u>	Total Restoration <u>Costs</u>
Payroll charges excluding payroll overheads for GSE employees	\$266,241	\$84,465	\$350,706
Charges for transportation on GSE vehicles	26,743	7,198	33,941
Charges from outside companies	123,808	1,327,606	1,451,415
Charges for materials and supplies	-	7,077	7,077
Charges for employee expenses	310	1,254	1,563
Total	\$417,103	\$1,427,599	\$1,844,702

**Granite State Electric Company**

Outside Vendors Paid in Excess of \$10,000 - Storm of December 12, 2008  
 Vendors Paid in Calendar Years 2008 and 2009

<u>Outside Companies</u>	<u>Amount</u>	December-08	January-09	February-09	March-09	April-09	May-09	June-09
Massachusetts Electric Company	\$249,004	\$12,407	\$26,862	\$45,168	\$153,356	\$21,039	(\$9,828)	
Niagara Mohawk Power Corp.	\$43,385	\$60		\$43,325				
National Grid USA Service Co.	\$256,955	\$106,694	\$139,932	(\$49,486)	\$36,563	\$23,204	\$1	\$47
Narragansett Electric	\$8,817				\$8,817			
New England Power Co.	\$11,587	\$4,647			\$21,000	(\$14,060)		
Harlan Electric	\$244,046		\$244,046					
Asphlundh Construction	\$0							
Asphlundh Tree Expert	\$95,266				\$75,777	\$19,489		
Thiro USA, Inc	\$392,963			\$392,963				
The Davey Tree Expert Co.	\$61,711				\$52,383	\$9,328		
John Brown and Sons, Inc.	\$0							
Environmental Consultants	\$0							
Capital to Expense Re-allocation	\$74,398		121,700.34	\$77,063	\$8,281	(\$125,668)	(\$6,978)	
Items under \$10,000	\$13,283	\$0	\$2,131	\$2,345	\$2,225	\$768	\$5,814	\$0
<b>Total</b>	<b>\$1,451,415</b>	<b>\$123,808</b>	<b>\$534,672</b>	<b>\$511,377</b>	<b>\$358,400</b>	<b>(\$65,899)</b>	<b>(\$10,991)</b>	<b>\$47</b>

## Granite State Electric Company d/b/a National Grid

Updated June 29, 2008 Storm Total O&M Restoration Costs

	<u>Total Restoration Costs</u>
Payroll charges excluding payroll overheads for GSE employees	\$23,634
Charges for transportation on GSE vehicles	\$3,462
Charges from outside companies	\$104,327
Charges for employee expenses	<u>\$26</u>
Total	<u><u>\$131,449</u></u>

**Granite State Electric Company**  
**d/b/a National Grid**

Outside Vendors Paid in Excess of \$10,000 - Storm of June 29, 2008  
 Vendors Paid in Calendar Year 2008

<u>Outside Companies</u>	<u>Amount</u>	<u>Jul-2008</u>	<u>Aug-2008</u>	<u>Sep-2008</u>	<u>Oct-2008</u>
Massachusetts Electric Company	\$10,065	\$10,065			
Harlan Electric Company	\$80,911		\$79,671		\$1,240
Items under \$10,000	\$13,351	\$9,764	\$0	\$3,587	\$0
Total Outside Companies	<u>\$104,327</u>	<u>\$19,829</u>	<u>\$79,671</u>	<u>\$3,587</u>	<u>\$1,240</u>