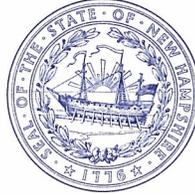


THE STATE OF NEW HAMPSHIRE

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EXECUTIVE DIRECTOR  
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October 29, 2010

Debra Howland  
Executive Director  
New Hampshire Public Utilities Commission  
21 South Fruit Street, Suite 10  
Concord, New Hampshire 03301-2429

Re: DE 09-170, Core Energy Efficiency Programs  
Request for Transfer of Funds  
Staff Recommendation to Approve Transfer



Dear Ms. Howland:

On October 1, 2010, Granite State Electric Company d/b/a National Grid ("Company"), informed the Commission that it will be transferring \$68,000 from the Small Business Energy Solutions Program to the Large C&I Retrofit Program for the 2010 program year.

On October 28, the Company informed the Commission that it had re-evaluated the proposed transfer and determined that it would be more appropriate to transfer the \$68,000 in funds to the New Equipment and Construction Program rather than the Large C&I Retrofit Program. The Company notes that it had reduced the budgeted amounts for the New Equipment and Construction Program by nearly fifty percent as a result of the SB 300 budget reductions, noting that initial program activity was slow given economic circumstances. However, recently, there has been increased activity in the New Equipment and Construction Programs which present opportunities for participation in the program in 2010.

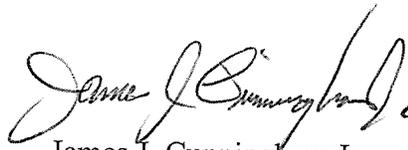
With respect to this transfer, Staff conducted informal discovery with the Company. The Company advised Staff that there will be no disruption to the Small Business Energy Solutions Programs since the remaining budget for 2010 will be sufficient to meet the expected customer needs. In addition, with respect to the impact on 2010 overall lifetime kWh savings, the Company indicated that the transfer will produce a favorable outcome; noting that there will be an estimated increase in savings for the New Equipment and Construction Program, as compared to the 2010 budget; and, this increase will be only partially offset by a decrease in savings on the Small Business Energy Solutions Program.

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Further, Staff believes that the Company's plan appropriately utilizes the flexibility allowed by the Commission with respect to funding transfers while, at the same time, optimizes spending on programs within the overall budget levels already approved by the Commission.

Staff has carefully considered the Company's plan and responses to discovery and, given the specific circumstances as noted above, Staff believes that the Company's request is reasonable. Therefore, Staff recommends that the Commission approve the transfer of \$68,000 from the Small Business Energy Solutions Program to the New Equipment and Construction Program.

Sincerely,

A handwritten signature in black ink, appearing to read "James J. Cunningham Jr.", written in a cursive style.

James J. Cunningham Jr.  
Utility Analyst IV

CC: Service List