

STATE OF NEW HAMPSHIRE

Inter-Department Communication

DATE: February 3, 2010

AT (OFFICE): NHPUC

FROM: *SEM*
Steven E. Mullen, Assistant Director – Electric Division

SUBJECT: DE 09-238, New England Power Company – Reconciliation of Contract Termination Charges to Granite State Electric Company d/b/a National Grid

TO: Commissioners
Debra A. Howland, Executive Director



On November 24, 2009, New England Power Company (NEP) filed its report on the reconciliation of Contract Termination Charges (CTC) to Granite State Electric Company d/b/a National Grid (National Grid) for the period October 1, 2008 through September 30, 2009. The CTC billed to National Grid by NEP is recovered from National Grid's retail customers through National Grid's stranded cost charge. As part of its annual retail rate adjustment filing in Docket No. DE 09-234, National Grid proposed to adjust its stranded cost charge from a credit of 0.010 cents per kWh in 2009 to a charge of 0.070 cents per kWh in 2010 to reflect changes in revenues and the fixed and variable components of the CTC reported in the reconciliation. In its Order No. 25,057 (December 29, 2009) in DE 09-234 approving National Grid's retail rate adjustments, the Commission stated the following with respect to the stranded cost charge:

We note that the Commission has opened a separate docket, Docket No. DE 09-238, to allow Staff adequate time to conduct an in-depth review of the proposed stranded cost charge. In the event an adjustment is required, the company will reflect the adjustment in its CTC Reconciliation Account and incorporate it into its CTC filings for 2011. Thus, we conditionally approve the proposed stranded cost charge, subject to the review to be undertaken in DE 09-238. (Order No. 25,057 at 9).

Pursuant to the Commission's order, Staff has reviewed the details supporting National Grid's proposed stranded cost charge and conducted discovery. Based on its review, Staff has determined that the documentation provided by National Grid supports the proposed 0.070 cents per kWh stranded cost charge for 2010 and that no adjustments are required at this time. Therefore, Staff recommends that the Commission close this docket.

Please let me know if you have any questions or would like to discuss this matter further.

cc: Service list