

GRANITE STATE ELECTRIC COMPANY
SYSTEM BENEFITS CHARGE PROVISION

Each of the Company's distribution rates shall collect a System Benefits Charge as required by New Hampshire law and approved by the Commission. The System Benefits Charge shall recover the cost of the Company's (i) Electric Assistance Program and (ii) energy efficiency core programs and any other such energy efficiency programs, as approved by the Commission.

The Company shall implement its Electric Assistance Program as approved by the Commission from time to time. The System Benefits Charge will fund the Company's Electric Assistance Program and such other system benefits as are required by law or approved by the Commission. The Company will reconcile on an annual basis actual costs incurred of the Electric Assistance Program, including development, implementation, and ongoing administrative and maintenance costs against the actual amounts charged to customers through the portion of the System Benefits Charge attributable to the Electric Assistance Program, set at a level of 0.150¢ per kilowatt-hour, in accordance with RSA 374-F:4, VIII(c) and shall be in addition to the portion of the System Benefits Charge relating to the Company's energy efficiency core programs stated below.

The Company shall implement its energy efficiency core programs as approved by the Commission from time to time. The Company's cost of implementing the energy efficiency core programs shall be recovered through the portion of the System Benefits Charge attributable to such programs, set at a level of 0.180¢ per kilowatt-hour hour in accordance with 2001 N.H. Laws 29:14, which shall be in addition to the portion of the System Benefits Charge relating to the Company's low income customer protection programs stated above. Any difference between the actual energy efficiency funds expended and the funds collected through the System Benefits Charge at 0.180¢ per kilowatt-hour during a calendar year shall, with interest calculated at the average prime rate for each month, be added to or subtracted from the amount to be expended in the following calendar year. If actual amounts are not available for any period, they shall be estimated for purposed of the above calculations and adjusted the following year based on actual data.

Any adjustment of the System Benefits Charge shall be in accordance with a notice filed with the Commission setting forth the amount of the increase or decrease, and the new System Benefits Charge amount. The notice shall further specify the effective date of such adjustment, which shall not be earlier than thirty days after the filing of the notice, or such other date as the Commission may authorize.

Issued: May 12, 2011

Effective: July 1, 2011

Issued by: /s/ Thomas B. King

Thomas B. King

Title: President

(Issued in Compliance with Senate Bill 300)