



RECONCILIATION OF CONTRACT
TERMINATION CHARGE TO
GRANITE STATE ELECTRIC
COMPANY

January 2017

Submitted by:

nationalgrid

administrative services produced credits aggregating approximately \$432,000 for the reconciliation period and Granite State's share of these costs is included as divestiture related items on Schedule 2, page 2, Column (4).

5. Calculation of the 2017 CTC Rate

This 2016 CTC Reconciliation Report produces a 2017 CTC rate for Granite State of 0.04 cents per kWh as shown on Schedule 1, page 1. This is a decrease of 0.02 cents per kWh, or approximately \$150,000, from the estimated 2017 CTC of 0.06 cents per kWh included in NEP's 2015 CTC Reconciliation Report, and represents an increase of 0.0 cents per kWh from the rate of 0.04 cents per kWh presently in effect.

IV. SIMPLIFIED FORMAT FOR CTC SCHEDULES

At the request of certain parties, the Company has again prepared a set of simplified CTC schedules intended to ease the CTC review process while at the same time providing more information than currently contained in the existing CTC schedules. These simplified schedules are included in this report as Attachment 1. These schedules have been designed to provide detailed actual costs, as well as comparisons to original estimates, while illustrating a more concise approach to the calculation mechanism supporting the 2017 CTC rate.

New England Power Company
Summary of Contract Termination Charges
to Granite State Electric Company

POST-DIVESTITURE
2016 CTC Reconciliation

Line	Year (1)	Estimated Granite State Electric Company Mwh Delivered (2)	Share of Fixed Component		Share of Variable Component		Share of Total Termination Charge \$ in Thousands (7)	Post Divestiture Contract Termination Charge cents/kwh (8)
			\$ in Thousands (3)	cents kwh (4)	\$ in Thousands (5)	cents kwh (6)		
(1)	1998	240,333	\$924	0.38	\$2,442	1.02	\$3,366	1.40
(2)	1999	744,000	2,105	0.28	5,893	0.79	7,998	1.08
(3)	2000	769,000	1,749	0.23	4,224	0.55	5,973	0.78
(4)	2001	776,000	175	0.02	3,941	0.51	4,116	0.53
(5)	2002	789,000	166	0.02	5,198	0.66	5,363	0.68
(6)	2003	801,000	157	0.02	5,125	0.64	5,281	0.66
(7)	2004	814,000	148	0.02	4,532	0.56	4,680	0.57
(8)	2005	828,000	139	0.02	4,844	0.59	4,983	0.60
(9)	2006	843,000	(548)	(0.07)	1,880	0.22	1,331	0.16
(10)	2007	857,000	(985)	(0.11)	2,481	0.29	1,495	0.17
(11)	2008	870,000	(1,305)	(0.15)	1,725	0.20	420	0.05
(12)	2009	883,000	(577)	(0.07)	492	0.06	(85)	(0.01)
(13)	2010	898,000	(357)	(0.04)	943	0.11	586	0.07
(14)	2011	914,164	0	0.00	163	0.02	163	0.02
(15)	2012	930,619	0	0.00	803	0.09	803	0.09
(16)	2013	947,370	0	0.00	1,375	0.15	1,375	0.15
(29)	2014	964,423	0	0.00	791	0.08	791	0.08
(30)	January	81,815	0	0.00	(121)	(0.15)	(121)	(0.15)
(31)	February	81,815	0	0.00	(121)	(0.15)	(121)	(0.15)
(32)	March	81,815	0	0.00	(121)	(0.15)	(121)	(0.15)
(33)	April	81,815	0	0.00	(121)	(0.15)	(121)	(0.15)
(34)	May	81,815	0	0.00	(121)	(0.15)	(121)	(0.15)
(35)	June	81,815	0	0.00	(121)	(0.15)	(121)	(0.15)
(36)	July	81,815	0	0.00	(121)	(0.15)	(121)	(0.15)
(37)	August	81,815	0	0.00	(121)	(0.15)	(121)	(0.15)
(38)	September	81,815	0	0.00	(121)	(0.15)	(121)	(0.15)
(39)	October	81,815	0	0.00	(121)	(0.15)	(121)	(0.15)
(40)	November	81,815	0	0.00	(121)	(0.15)	(121)	(0.15)
(41)	December	81,815	0	0.00	(121)	(0.15)	(121)	(0.15)
(42)	2015	981,782	0	0.00	(1,450)	(0.15)	(1,450)	(0.15)
(43)	January	83,288	0	0.00	35	0.04	35	0.04
(44)	February	83,288	0	0.00	35	0.04	35	0.04
(45)	March	83,288	0	0.00	35	0.04	35	0.04
(46)	April	83,288	0	0.00	35	0.04	35	0.04
(47)	May	83,288	0	0.00	35	0.04	35	0.04
(48)	June	83,288	0	0.00	35	0.04	35	0.04
(49)	July	83,288	0	0.00	35	0.04	35	0.04
(50)	August	83,288	0	0.00	35	0.04	35	0.04
(51)	September	83,288	0	0.00	35	0.04	35	0.04
(52)	October	83,288	0	0.00	35	0.04	35	0.04
(53)	November	83,288	0	0.00	35	0.04	35	0.04
(54)	December	83,288	0	0.00	35	0.04	35	0.04
(55)	2016	999,454	0	0.00	422	0.04	422	0.04
(56)	2017	1,017,445			444	0.04	444	0.04
(57)	2018	1,035,759			162	0.02	162	0.02
(58)	2019	1,054,402			135	0.01	135	0.01
(59)	2020	1,073,382			32	0.00	32	0.00
(60)	2021	1,092,702			0	0.00	0	0.00
(61)	2022	1,112,371			0	0.00	0	0.00
(62)	2023	1,132,394			0	0.00	0	0.00
(63)	2024	1,152,777			0	0.00	0	0.00
(64)	2025	1,173,527			0	0.00	0	0.00
(65)	2026	1,194,650			0	0.00	0	0.00
(66)	2027	1,216,154			0	0.00	0	0.00
(67)	2028	1,238,045			0	0.00	0	0.00
(68)	2029	1,260,330			0	0.00	0	0.00

Column Notes:

- (1) Annual totals for 1998 - 2012 Reconciliations, monthly for 2013-2014; annual thereafter.
- (2) Per June 3, 1996 Integrated Least Cost Plan Update. Includes incremental DSM.
- (3) See Schedule 1, Page 2, Column (8).
- (4) Column (3) / Column (2) x 100.
- (5) See Schedule 1, Page 3, Column (18).
- (6) Column (5) / Column (2) x 100.
- (7) Column (3) + Column (5).
- (8) Column (7) / Column (2) x 100.

Summary:

The 2000 Contract Termination Charge is estimated to produce \$6 million of CTC revenues. This charge represents a decrease of .30 cents per kilowatt hour or \$2.3 million from the 2000 estimate originally included in the 1998 Reconciliation Filing.