

**THE STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 11-107

GRANITE STATE ELECTRIC COMPANY D/B/A NATIONAL GRID

**Fiscal Year 2011 Reliability Enhancement and Vegetation Management Plan
Results and Reconciliation**

Order Suspending Tariff and Scheduling a Hearing

ORDER NO. 25,228

June 2, 2011

On May 13, 2011, Granite State Electric Company d/b/a National Grid (National Grid) filed the results of its reliability enhancement plan (REP) and vegetation management plan (VMP) for fiscal year (FY) 2011 (April 1, 2010 to March 31, 2011). The filing was made pursuant to the terms of a settlement agreement approved by the Commission in Docket No. DG 06-107 regarding the National Grid plc/KeySpan Corporation merger. *See* Order No. 24,777 (July 12, 2007) 92 NH PUC 279. National Grid also filed supporting testimony and exhibits and proposed tariff pages.

As required by the settlement agreement, the filing contains the following: (1) a report on actual spending on operation and maintenance (O&M) for FY 2011, including an explanation of the differences between the actual amounts and the budgeted amounts reviewed by Staff; (2) a request to refund to customers the amount of \$758,113 (plus interest) which is the amount of expense below the base O&M amount of \$1,360,000 allowed by the settlement agreement plus reimbursements from FairPoint Communications for its share of vegetation management expenses; and (3) an incremental revenue requirement of \$102,941 associated with REP capital investment of \$610,835.

Pursuant to the settlement agreement, National Grid provides Staff a proposed O&M budget that assumes REP and VMP O&M spending for each FY will approximate the base plan O&M of \$1,360,000 or an alternative budget that exceeds the base O&M amount for Staff's consideration. National Grid and the Staff originally agreed to an O&M budget of \$1,552,000 for the FY 2011 plan. The Company's actual O&M expense and capital investment associated with REP/VMP activities deviated from the filed budget and National Grid seeks to refund to ratepayers \$758,113 which consists of \$114,015 under-spending for REP and VMP O&M plus \$644,098 in credits for vegetation management reimbursements from FairPoint. National Grid also said the proposal to recover the incremental revenue requirement of \$102,941 associated with \$610,835 of capital investment in FY 2011 is consistent with the settlement agreement.

According to the filing, bill impacts for a typical residential default service customer taking 500 kilowatt hours (kWh) per month using the rates proposed for effect on July 1, 2011 as compared with current rates is a bill decrease of \$0.95 per month, a 1.5% decrease, from \$63.77 to \$62.82. For residential default service customers using an average of 681 kWh per month, the monthly bill decrease would be \$1.28, a 1.5% decrease, from \$87.65 to \$86.37. For other customers, decreases would range from 1.4% to 2.2 %.

The petition and subsequent docket filings, other than information for which confidential treatment is requested of or granted by the Commission, will be posted to the Commission's website at <http://www.puc.nh.gov/Regulatory/Docketbk/2011/11-107.html>.

The filing raises, *inter alia*, issues related to whether National Grid's filing conforms to the requirements of the merger settlement agreement, whether National Grid has appropriately accounted for the costs of its REP and VMP, and whether the resulting rates are just and

reasonable as required by RSA 378:5 and 378:7. Each party has the right to have an attorney represent the party at the party's own expense.

Based upon the foregoing, it is hereby

ORDERED, pursuant to RSA 378:6,I(b), the Commission hereby suspends National Grid's proposed tariff to allow the filing to be investigated; and it is

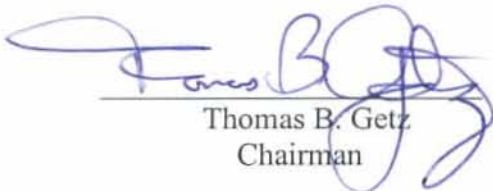
FURTHER ORDERED, that a Hearing, pursuant to N.H. Code Admin. Rules Puc 203, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on June 17, 2011 at 1:30 p.m.; and it is


FURTHER ORDERED, that pursuant to N.H. Code Admin. Rules Puc 203.12, National Grid shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than June 7, 2011, in a newspaper with general circulation in those portions of the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before June 17, 2011; and it is

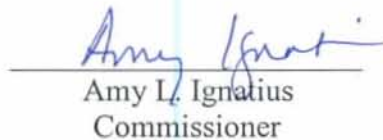
FURTHER ORDERED, that pursuant to N.H. Code Admin. Rules Puc 203.17, any party seeking to intervene in the proceeding shall submit to the Commission seven copies of a Petition to Intervene with copies sent to National Grid and the Office of the Consumer Advocate on or before June 14, 2011, such Petition stating the facts demonstrating how its rights, duties, privileges, immunities or other substantial interest may be affected by the proceeding, as required by N.H. Code Admin. Rule Puc 203.17 and RSA 541-A:32,I(b); and it is

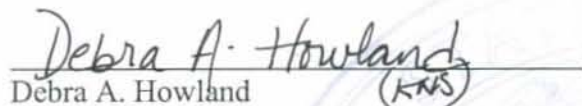
FURTHER ORDERED, that any party objecting to a Petition to Intervene make said Objection on or before June 17, 2011.

By order of the Public Utilities Commission of New Hampshire this second day of June,
2011.


Thomas B. Getz
Chairman


Clifton C. Below
Commissioner


Amy L. Ignatius
Commissioner


Debra A. Howland
Executive Director

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.

