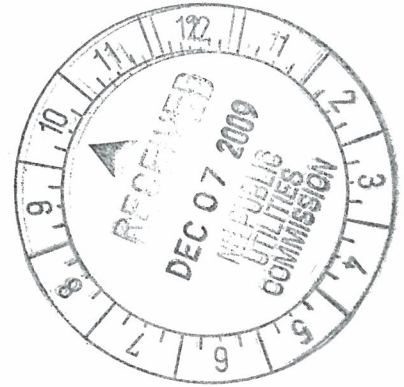


December 4, 2009



VIA OVERNIGHT MAIL & ELECTRONIC MAIL

Ms. Debra A. Howland
Executive Director and Secretary
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301-2429

Re: DE 09-234; Granite State Electric Company d/b/a National Grid January 2010 Retail Rate Adjustment Filing

Dear Ms. Howland:


On behalf of Granite State Electric Company d/b/a National Grid ("Granite State" or "Company") I am providing an explanation as to why the Contract Termination Charge ("CTC") rate is increasing for 2010.

The 2010 Contract Termination Charge ("CTC") rate of 0.07 represents an increase of 0.08 cents per kwh from the 2009 rate of (0.01). The increase of approximately \$670 thousand is due to two factors. The first is an increase of approximately \$220 thousand from the fixed component and the second is an increase of approximately \$450 thousand due to an increase in the variable component. The decrease in the fixed component credit is due to 2010 being the final year of the five year pass back of the USGen Settlement proceeds; this amount has decreased annually for the last three years. The variable component, Page 2B of the Reconciliation Report filed in DE 09-238, increase is due to estimated purchase power costs being less than the estimated amount by approximately \$13 million at the New England Power Company ("NEP") level but higher than the previous year's difference of approximately \$37 million less, at the NEP level. These two factors are the main reason for the CTC rate increase from 2009 to 2010.

The 2010 rate of 0.07 cents per kwh which produced a charge of approximately \$586 thousand is lower than the estimated charge of 0.17 cents per kwh producing a charge of \$1.5 million which was included in the 2008 CTC report.

Thank you for your time and attention to this filing. Please contact me at (781) 907-1833 with any questions.

Very truly yours,



Stacey M. Donnelly

cc: Suzanne Amidon