

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

**POST-DIVESTITURE
2008 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)	January	71,417	(82)	(0.11)	207	0.29	125	0.17
(11)	February	71,417	(82)	(0.11)	207	0.29	125	0.17
(12)	March	71,417	(82)	(0.11)	207	0.29	125	0.17
(13)	April	71,417	(82)	(0.11)	207	0.29	125	0.17
(14)	May	71,417	(82)	(0.11)	207	0.29	125	0.17
(15)	June	71,417	(82)	(0.11)	207	0.29	125	0.17
(16)	July	71,417	(82)	(0.11)	207	0.29	125	0.17
(17)	August	71,417	(82)	(0.11)	207	0.29	125	0.17
(18)	September	71,417	(82)	(0.11)	207	0.29	125	0.17
(19)	October	71,417	(82)	(0.11)	207	0.29	125	0.17
(20)	November	71,417	(82)	(0.11)	207	0.29	125	0.17
(21)	December	71,417	(82)	(0.11)	207	0.29	125	0.17
(22)	2007	857,000	(985)	(0.11)	2,481	0.29	1,495	0.17
(23)	January	72,500	(109)	(0.15)	144	0.20	35	0.05
(24)	February	72,500	(109)	(0.15)	144	0.20	35	0.05
(25)	March	72,500	(109)	(0.15)	144	0.20	35	0.05
(26)	April	72,500	(109)	(0.15)	144	0.20	35	0.05
(27)	May	72,500	(109)	(0.15)	144	0.20	35	0.05
(28)	June	72,500	(109)	(0.15)	144	0.20	35	0.05
(29)	July	72,500	(109)	(0.15)	144	0.20	35	0.05
(30)	August	72,500	(109)	(0.15)	144	0.20	35	0.05
(31)	September	72,500	(109)	(0.15)	144	0.20	35	0.05
(32)	October	72,500	(109)	(0.15)	144	0.20	35	0.05
(33)	November	72,500	(109)	(0.15)	144	0.20	35	0.05
(34)	December	72,500	(109)	(0.15)	144	0.20	35	0.05
(35)	2008	870,000	(1,305)	(0.15)	1,725	0.20	420	0.05
(36)	2009	883,000	(577)	(0)	492	0.06	(85)	(0.01)
(37)	2010	898,000	(357)	(0)	1,862	0.21	1,505	0.17
(38)	2011	914,164			1,134	0.12	1,134	0.12
(39)	2012	930,619			1,118	0.12	1,118	0.12
(40)	2013	947,370			1,137	0.12	1,137	0.12
(41)	2014	964,423			1,096	0.11	1,096	0.11
(42)	2015	981,782			1,030	0.10	1,030	0.10
(43)	2016	999,454			746	0.07	746	0.07
(44)	2017	1,017,445			594	0.06	594	0.06
(45)	2018	1,035,759			162	0.02	162	0.02
(46)	2019	1,054,402			135	0.01	135	0.01
(47)	2020	1,073,382			32	0.00	32	0.00
(48)	2021	1,092,702			0	0.00	0	0.00
(49)	2022	1,112,371			0	0.00	0	0.00
(50)	2023	1,132,394			0	0.00	0	0.00
(51)	2024	1,152,777			0	0.00	0	0.00
(52)	2025	1,173,527			0	0.00	0	0.00
(53)	2026	1,194,650			0	0.00	0	0.00
(54)	2027	1,216,154			0	0.00	0	0.00
(55)	2028	1,238,045			0	0.00	0	0.00
(56)	2029	1,260,330			0	0.00	0	0.00

Column Notes:

- (1) Annual totals for 1998 - 2006 Reconciliations, monthly for 2007-2008; 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 of Contract Termination Charges
Granite State Electric Company Share (3.0%)

NO ADJUSTMENTS

Fixed Component

\$ In Thousands

Line	Year	Pre-Tax Return on Generation Related Investment and Regulatory Assets (2)	Amortization of Generation Related Investment and Regulatory Assets (3)	Generation Related FAS 106 Transition Obligation (4)	NEEI Regulatory Asset (5)	Base Total Fixed Component (6)	Adjustment For Residual Value Credit (7)	Net Fixed Component Including Adjustment For Residual Value Credit (8)
(1)	1998	948	7,484	57	741	9,230	(8,306)	924
(2)	1999	2,106	17,818	165	1,640	21,729	(19,624)	2,105
(3)	2000	1,058	18,561	159	1,589	21,367	(19,618)	1,749
(4)	2001	509	0	152	0	661	(486)	175
(5)	2002	464	0	146	0	610	(444)	166
(6)	2003	423	0	139	0	562	(406)	157
(7)	2004	384	0	133	0	517	(369)	148
(8)	2005	346	0	126	0	472	(333)	139
(9)	2006	308	0	120	0	427	(976)	(548)
(10)	January	22	0	9	0	32	(114)	(82)
(11)	February	22	0	9	0	32	(114)	(82)
(12)	March	22	0	9	0	32	(114)	(82)
(13)	April	22	0	9	0	32	(114)	(82)
(14)	May	22	0	9	0	32	(114)	(82)
(15)	June	22	0	9	0	32	(114)	(82)
(16)	July	22	0	9	0	32	(114)	(82)
(17)	August	22	0	9	0	32	(114)	(82)
(18)	September	22	0	9	0	32	(114)	(82)
(19)	October	22	0	9	0	32	(114)	(82)
(20)	November	22	0	9	0	32	(114)	(82)
(21)	December	22	0	9	0	32	(114)	(82)
(22)	2007	270	0	113	0	383	(1,368)	(985)
(23)	January	19	0	9	0	28	(137)	(109)
(24)	February	19	0	9	0	28	(137)	(109)
(25)	March	19	0	9	0	28	(137)	(109)
(26)	April	19	0	9	0	28	(137)	(109)
(27)	May	19	0	9	0	28	(137)	(109)
(28)	June	19	0	9	0	28	(137)	(109)
(29)	July	19	0	9	0	28	(137)	(109)
(30)	August	19	0	9	0	28	(137)	(109)
(31)	September	19	0	9	0	28	(137)	(109)
(32)	October	19	0	9	0	28	(137)	(109)
(33)	November	19	0	9	0	28	(137)	(109)
(34)	December	19	0	9	0	28	(137)	(109)
(35)	2008	232	0	107	0	339	(1,644)	(1,305)
(36)	2009	196	0	100	0	296	(873)	(577)
(37)	2010						(357)	(357)
(38)	2011							
(39)	2012							
(40)	2013							
(41)	2014							
(42)	2015							
(43)	2016							
(44)	2017							
(45)	2018							
(46)	2019							
(47)	2020							
(48)	2021							

Column Notes:

Columns (2) through (6) represent 3.0% of the same Column number on Schedule 1, Page 13.

(8) Column (6) + Column (7).

New England Power Company
Summary of Contract Termination Charges
Granite State Electric Company Share (3.0%)
Variable Component
\$ in Thousands

Line	Year End (1)	Nuclear Decommissioning Costs Post-Shutdown Costs (2)	Power Contracts					Credit for Unit Sales Contracts					Above					PP&R for Nuclear					Total Variable Component Including Reconciliation Account (18)
			Power Total Obligation Value (3)	Assumed Market Value (4)	Net: Excess Over Market (5)	Future Power Contract Buyouts (6)	Power Total Obligation Value (7)	Assumed Market Value (8)	Net: Excess Over Market (9)	Market Fuel Costs (10)	Transmission in Support of Remote Generating Units (11)	Payments in Lieu of Property Taxes (12)	Severance and Retaining Costs (13)	Damages, Costs, or Net Recoveries from Claims (14)	After Market Valuation (15)	Base Total Variable Component (16)	Reconciliation Account (17)						
(1)	1998	741	0	0	0	1,700	(72)	(56)	(16)	0	17	0	0	0	2,442	0	2,442						
(2)	1999	1,705	0	0	0	5,099	(228)	(161)	(67)	0	44	0	0	0	6,782	(889)	5,893						
(3)	2000	1,451	0	0	0	5,099	(220)	(161)	(59)	0	45	0	0	0	6,536	(2,312)	4,224						
(4)	2001	1,142	0	0	0	5,099	(51)	(22)	(29)	0	45	0	0	0	6,257	(2,316)	3,941						
(5)	2002	1,001	0	0	0	5,099	0	0	0	0	0	0	0	0	6,100	(903)	5,198						
(6)	2003	826	0	0	0	4,724	0	0	0	0	0	0	0	0	5,550	(426)	5,125						
(7)	2004	856	0	0	0	4,500	0	0	0	0	0	0	0	0	5,356	(823)	4,532						
(8)	2005	851	3,034	1,807	1,227	3,273	0	0	0	0	0	0	0	0	5,350	(506)	4,844						
(9)	2006	1,039	3,709	2,173	1,536	0	0	0	0	0	0	0	(439)	0	2,137	(257)	1,880						
(10)	January	80	308	172	136	0	0	0	0	0	0	0	0	0	217	(10)	207						
(11)	February	80	308	172	136	0	0	0	0	0	0	0	0	0	217	(10)	207						
(12)	March	80	308	172	136	0	0	0	0	0	0	0	0	0	217	(10)	207						
(13)	April	80	308	172	136	0	0	0	0	0	0	0	0	0	217	(10)	207						
(14)	May	80	308	172	136	0	0	0	0	0	0	0	0	0	217	(10)	207						
(15)	June	80	308	172	136	0	0	0	0	0	0	0	0	0	217	(10)	207						
(16)	July	80	308	172	136	0	0	0	0	0	0	0	0	0	217	(10)	207						
(17)	August	80	308	172	136	0	0	0	0	0	0	0	0	0	217	(10)	207						
(18)	September	80	308	172	136	0	0	0	0	0	0	0	0	0	217	(10)	207						
(19)	October	80	308	172	136	0	0	0	0	0	0	0	0	0	217	(10)	207						
(20)	November	80	308	172	136	0	0	0	0	0	0	0	0	0	217	(10)	207						
(21)	December	80	308	172	136	0	0	0	0	0	0	0	0	0	217	(10)	207						
(22)	2007	964	3,696	2,061	1,634	0	0	0	0	0	0	0	0	0	2,598	(118)	2,481						
(23)	January	71	302	137	165	0	0	0	0	0	0	0	0	0	235	(92)	144						
(24)	February	71	302	137	165	0	0	0	0	0	0	0	0	0	235	(92)	144						
(25)	March	71	302	137	165	0	0	0	0	0	0	0	0	0	235	(92)	144						
(26)	April	71	302	137	165	0	0	0	0	0	0	0	0	0	235	(92)	144						
(27)	May	71	302	137	165	0	0	0	0	0	0	0	0	0	235	(92)	144						
(28)	June	71	302	137	165	0	0	0	0	0	0	0	0	0	235	(92)	144						
(29)	July	71	302	137	165	0	0	0	0	0	0	0	0	0	235	(92)	144						
(30)	August	71	302	137	165	0	0	0	0	0	0	0	0	0	235	(92)	144						
(31)	September	71	302	137	165	0	0	0	0	0	0	0	0	0	235	(92)	144						
(32)	October	71	302	137	165	0	0	0	0	0	0	0	0	0	235	(92)	144						
(33)	November	71	302	137	165	0	0	0	0	0	0	0	0	0	235	(92)	144						
(34)	December	71	302	137	165	0	0	0	0	0	0	0	0	0	235	(92)	144						
(35)	2008	846	3,621	1,643	1,978	0	0	0	0	0	0	0	0	0	2,824	(1,098)	1,725						
(36)	2009	736	2,607	1,249	1,359	0	0	0	0	0	0	0	0	0	2,094	(1,539)	455						
(37)	2010	705	2,321	1,183	1,154	0	0	0	0	0	0	0	0	0	1,882	0	1,882						
(38)	2011	0	2,317	1,183	1,134	0	0	0	0	0	0	0	0	0	1,134	0	1,134						
(39)	2012	0	2,210	1,092	1,118	0	0	0	0	0	0	0	0	0	1,118	0	1,118						
(40)	2013	0	2,267	1,131	1,137	0	0	0	0	0	0	0	0	0	1,137	0	1,137						
(41)	2014	0	2,286	1,200	1,086	0	0	0	0	0	0	0	0	0	1,086	0	1,086						
(42)	2015	0	2,268	1,237	1,030	0	0	0	0	0	0	0	0	0	1,030	0	1,030						
(43)	2016	0	1,463	716	746	0	0	0	0	0	0	0	0	0	746	0	746						
(44)	2017	0	1,143	550	594	0	0	0	0	0	0	0	0	0	594	0	594						
(45)	2018	0	180	18	162	0	0	0	0	0	0	0	0	0	162	0	162						
(46)	2019	0	150	15	135	0	0	0	0	0	0	0	0	0	135	0	135						
(47)	2020	0	35	4	32	0	0	0	0	0	0	0	0	0	32	0	32						
(48)	2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
(49)	2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
(50)	2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
(51)	2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
(52)	2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
(53)	2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
(54)	2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
(55)	2028	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
(56)	2029	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						

Column Notes:
Columns (2) through (6) represent 3.0% of the same Column number on Schedule 1, Page 16.
Column (7) through (16) represent 3.0% of the same Column number on Schedule 1, Page 16.
(18) Column (18) = Column (17).

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NO ADJUSTMENTS

**New England Power Company's Generation Facilities
Net Capability and Unrecovered Costs**

Based Upon Actuals

<u>Source</u>	<u>Location</u>	<u>Year(s) Placed In-Service</u>	<u>Energy Source</u>	<u>Net Capability (MW)</u>	<u>\$ Thousands</u>		<u>Sept 1, 1998 *</u>	<u>Applicable Annual Depreciation per W-95(S) for 1998 and Beyond</u>
					<u>1995</u>			
(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
<u>Fossil Fuel Units</u>								
Brayton Point Station Units 1,2 & 3 Unit 4	Somerset, Mass.	1963-1969 1974	Coal-Oil-Gas Oil-Gas	1,130 <u>446</u> 1,576				
Salem Harbor Station Units 1,2 & 3 Unit 4	Salem, Mass.	1952-1958 1972	Coal-Oil Oil	314 <u>400</u> 714				
Other System Units	Me., Mass.	1963-1978	Oil	101				
Subtotal Brayton Point, Salem Harbor, and Other				2,391	\$434,898		\$343,023	\$33,986 (c)
Manchester St. Station	Prov., R.I.	1995	Oil-Gas	513	460,496	(a)	409,435 (a)	18,184 (d)
<u>Hydroelectric Units</u>								
Conventional	Mass., N.H. & Vt.	1909-1987	Water	577	169,015		156,692	3,258
Pumped Storage Bear Swamp	Rowe, Mass.	1974	Water	589	73,327		67,473	1,397
<u>Nuclear Units</u>								
Vermont Yankee	Vermont	1972	Nuclear	101	32,658	(b)	24,419 (b)	1,936 (e)
Millstone 3	Waterford, Conn.	1986	Nuclear	140	382,735	(b)	311,767 (b)	44,700 (f)
Seabrook 1	Seabrook, N.H.	1990	Nuclear	115	55,825	(b)	35,847 (b)	1,605
Step-Up Transformers at Generation Facilities (Not Included in Transmission Rates)					11,640		10,512	277
General Plant Allocated to Generation					9,546		8,534	603
Generation Related Property Held For Future Use and Non-Utility Property					10,869		10,665	0
Nantucket Generating Units (Not included in Transmission Rates)					0		0	586
Total				4,426	\$1,641,009		\$1,378,366	\$106,532

Notes:

- (a) Includes prepaid taxes in accordance with tax treaty.
- (b) Excludes balances for final fuel core and materials and supplies.
- (c) Depreciation includes dismantlement expense of \$5 M and \$3 M for Brayton Point and Salem Harbor, respectively, through the year 2004.
- (d) Includes \$3.3 M of annual amortization of prepaid taxes which ends 2002.
- (e) Depreciation based upon years remaining under license. Vermont Yankee license expires 2012.
- (f) Millstone 3 base amortization was adjusted for acceleration per W-95S in 1996 and 1997. Accelerated amortization for 1998 is as noted in the table and an additional \$1.2 M of amortization should be added each year thereafter until fully depreciated.

* September 1, 1998 balances are based upon the June 30, 1998 balances amortized in accordance with the Pre-Divestiture Schedule 1.

NO ADJUSTMENTS

**New England Power Company Generation Related
Regulatory Asset Balances**

\$ in Thousands

	Balance as of		Applicable Annual Amortization per W-95(S) for 1998 and Beyond	Basis for Deferral
	December 31, 1995	Sept 1, 1998 *		
	(1)	(2)	(3)	(4)
FAS 109	\$28,010	21,324	930	FERC Ratemaking Policy
Unamortized Losses on Reacquired Debt	25,600	22,285	1,800	FERC Ratemaking Policy
Pipeline Demand Charges	57,900	50,437	2,300	Settlement Agreement
FAS 106 Deferral	13,176	0	0	FERC Ratemaking Policy
Power Contract Buyouts	23,500	13,446	3,900	Settlement Agreement
Property Losses	5,300	0	0	Settlement Agreement
Rate Clauses	4,500	2,611	700	Settlement Agreement
South Street Cost of Removal	7,800	0	0	Settlement Agreement
Brayton Point Rotor	8,500	0	0	Settlement Agreement
Seabrook Tax True-Up	1,800	2,086	0	Settlement Agreement
Decontamination & Decommissioning Costs	2,300	3,754	200	FERC Ratemaking Policy
W-95S Adjustment Account	2,200	(10,498)	0	Settlement Agreement
Unamortized ITC Related to Nuclear Entitlement	(22,500)	(21,544)	(750)	FERC Ratemaking Policy
Total Regulatory Assets	\$158,086	\$83,902	\$9,080	

* September 1, 1998 balances are based upon the June 30, 1998 balances amortized in accordance with the Pre-Divestiture Schedule 1.

NO ADJUSTMENTS

**New England Power Company
FAS 106 Transition Obligation Regulatory Asset**

\$ in Thousands

Unrecovered Balance as of 9/1/98 per Pre-Divestiture	\$61,990
Less: Unrecognized Gain/(Loss) Allocated to Generation	<u>25,400</u> (a)
Unrecovered Balance as of 9/1/98	\$36,590
 Actuarial Discount Rate	 6.75%
Amortization (straightline)	11.3 years

<u>Line</u>		<u>Amortization</u>	<u>Interest</u>	<u>Total</u>	<u>Unamortized</u>
		(1)	(2)	Expense	Balance
				(3)	(4)
(1)	Unrecovered Balance as of 9/1/98				\$36,590
(2)	1998	1,076	811	1,887	35,514
(3)	1999	3,229	2,288	5,517	32,286
(4)	2000	3,229	2,070	5,299	29,057
(5)	2001	3,229	1,852	5,081	25,828
(6)	2002	3,229	1,634	4,863	22,600
(7)	2003	3,229	1,417	4,645	19,371
(8)	2004	3,229	1,199	4,427	16,143
(9)	2005	3,229	981	4,209	12,914
(10)	2006	3,229	763	3,991	9,686
(11)	2007	3,229	545	3,773	6,457
(12)	2008	3,229	327	3,555	3,229
(13)	2009	<u>3,229</u>	109	3,338	0
		\$36,590			

Column Notes:

- (1) Column (4), line (1)/11.33.
- (2) (Prior year Column (4) + Current year Column (4))/2 x .0675
- (3) Column (1) + Column (2)
- (4) Prior year Column (4) - Column (1)

NO ADJUSTMENTS

**New England Power Company Share of
Total Annual Nuclear Post-Shutdown Costs ***

Based Upon Original Estimates

\$ in Thousands

	Millstone 3 (1)	Seabrook 1 (2)	Vermont Yankee (3)	Total (4)
1998	0	0	0	0
1999	0	0	0	0
2000	0	0	0	0
2001	0	0	0	0
2002	0	0	0	0
2003	0	0	0	0
2004	0	0	0	0
2005	0	0	0	0
2006	0	0	0	0
2007	0	0	0	0
2008	0	0	0	0
2009	0	0	0	0
2010	0	0	0	0
2011	0	0	0	0
2012	0	0	0	0
2013	0	0	0	0
2014	0	0	0	0
2015	0	0	0	0
2016	0	0	0	0
2017	0	0	0	0
2018	0	0	0	0
2019	0	0	0	0
2020	0	0	0	0
2021	0	0	0	0
2022	0	0	0	0
2023	0	0	0	0
2024	0	0	0	0
2025	0	0	0	0
2026	0	0	0	0
2027	0	0	0	0
2028	0	0	0	0
2029	0	0	0	0

* Assumed to be zero in this schedule. Actual costs will be collected when incurred.

**New England Power Company Share of
Total Annual Decommissioning Cost**

Based Upon Revised Estimates

\$ in Thousands

	Millstone 3 (1)	Seabrook 1 (2)	Connecticut Yankee (3)	Vermont Yankee (4)	Maine Yankee (5)	Yankee Atomic (6)	Total Nuclear Decommissioning (7)
Sept 1, 1998	491	1,667	7,873	773	9,182	4,730	24,717
1999	1,474	3,334	16,740	2,319	17,946	15,030	56,843
2000	2,020	3,334	15,607	2,937	16,680	7,800	48,378
2001	2,020	3,334	14,311	3,240	15,157	0	38,061
2002	0	3,334	13,046	3,434	13,551	0	33,365
2003	0	0	12,751	0	14,780	0	27,531
2004	0	0	12,783	0	15,762	0	28,545
2005	0	0	12,759	0	15,601	0	28,359
2006	0	0	18,758	0	11,972	3,909	34,638
2007	0	0	16,643	0	11,577	3,909	32,129
2008	0	0	13,950	0	10,348	3,909	28,207
2009	0	0	13,950	0	6,665	3,909	24,524
2010	0	0	13,950	0	5,629	3,933	23,513
2011	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0
2015	0	0	0	0	0	0	0
2016	0	0	0	0	0	0	0
2017	0	0	0	0	0	0	0
2018	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	0
2023	0	0	0	0	0	0	0
2024	0	0	0	0	0	0	0
2025	0	0	0	0	0	0	0
2026	0	0	0	0	0	0	0

Column Notes:

- (1) Estimates for 2002 and beyond have been adjusted to zero to reflect the sale of Millstone 3.
 - (2) Estimates for 2003 and beyond have been adjusted to zero to reflect the sale of Seabrook 1.
 - (4) Estimates for 2003 and beyond have been adjusted to zero to reflect the sale of Vermont Yankee.
- Columns (3), (5), and (6) reflect permanent shutdown of Connecticut Yankee, Maine Yankee, and Yankee Atomic units and thus include both post-shutdown and decommissioning costs.

Estimated Purchase Power Contract Costs

\$'s in Thousands

	<u>Milford Power</u>	<u>Ridgewood</u>	<u>Resco Saugus</u>	<u>Wheelabrator Millbury</u>	<u>Lawrence Hydro</u>	<u>MWRA Cosgrove</u>	<u>Four Hills Landfill</u>	<u>Hydro Quebec</u>	<u>Total</u>
2005	34,698	5,500	16,788	26,598	3,301	74	138	14,035	101,130
2006	40,111	7,669	22,827	35,081	4,346		158	13,459	123,652
2007	39,982	7,830	23,197	35,710	4,193		17	12,276	123,205
2008	37,180	7,997	23,578	36,359	4,027			11,568	120,709
2009	2,688	8,168	23,971	37,028	3,849			11,197	86,901
2010		727	24,376	37,718	3,658			10,881	77,361
2011			24,794	38,428	3,453			10,576	77,251
2012			24,224	39,161				10,280	73,666
2013			25,668	39,917				9,996	75,580
2014			26,126	40,696				9,719	76,540
2015			26,597	41,498				7,502	75,598
2016				42,326				6,432	48,758
2017				31,936				6,183	38,120
2018								6,013	6,013
2019								5,011	5,011
2020								1,173	1,173

Power Contract Obligations Estimated Market Value

\$'s in Thousands

Based Upon Revised Estimates

	Milford <u>Power</u>	<u>Ridgewood</u>	Resco <u>Saugus</u>	Wheelabrator <u>Millbury</u>	Lawrence <u>Hydro</u>	MWRA <u>Cosgrove</u>	Four Hills <u>Landfill</u>	Hydro <u>Quebec</u>	<u>Total</u>
2005	13,198	5,653	14,591	21,021	4,204	26	136	1,403	60,231
2006	10,382	8,161	19,606	26,529	6,154		265	1,346	72,442
2007	10,555	7,601	18,558	24,919	5,815		44	1,228	68,720
2008	8,819	5,928	14,795	19,359	4,716			1,157	54,774
2009	205	5,318	13,405	17,384	4,194			1,120	41,627
2010		541	14,224	18,507	4,436			1,088	38,796
2011			14,670	19,132	4,590			1,058	39,450
2012			15,373	20,004				1,028	36,405
2013			15,958	20,735				1,000	37,693
2014			16,945	22,094				972	40,011
2015			17,583	22,911				750	41,244
2016				23,237				643	23,880
2017				17,715				618	18,333
2018								601	601
2019								501	501
2020								117	117

**New England Power Company
Annual Utility Unit Sales Power Contracts**

Based Upon Original Estimates

\$ in Thousands

	<u>OSP</u>	<u>Maine Yankee</u>	<u>Millstone 3</u>	<u>Millstone3/ Seabrook 1</u>	<u>TOTAL</u>
	(1)	(2)	(3)	(4)	(5)
Sept 1, 1998	0	261	649	2,696	3,606
1999	0	475	1,188	5,937	7,600
2000	0	566	1,258	5,526	7,350
2001	0	580	1,126		1,706
2002	0	0	0		0
2003	0	0	0		0
2004	0	0	0		0
2005	0	0	0		0
2006	0	0	0		0
2007	0				0
2008	0				0
2009	0				0
2010	0				0

Column Notes:

Estimates have been set to zero. Actual unit sales are reflected in the Nuclear PBR.

NO ADJUSTMENTS

**New England Power Company
Fixed Costs of Coal and Gas Transportation
Contractual Commitments Assumed by USGen NE**

Based Upon Asset Purchase Agreement

Annual Expenses

\$ in Thousands

	Total Pipeline Demand Charge Obligation (1)	Assumed Market Value (2)	Excess Over Market (3)	Total Energy Enterprise Minimum Payments (4)	Assumed Market Value (5)	Excess Over Market (6)	Total Above Market Fuel Transportation Costs (7)
Sept 1, 1998	\$30,650	\$30,650	\$0	\$6,479	\$6,479	\$0	\$0
1999	60,400	60,400	0	13,081	13,081	0	0
2000	59,500	59,500	0	13,473	13,473	0	0
2001	58,500	58,500	0	13,878	13,878	0	0
2002	57,600	57,600	0	14,294	14,294	0	0
2003	56,700	56,700	0	14,723	14,723	0	0
2004	55,900	55,900	0	13,423	13,423	0	0
2005	55,000	55,000	0	13,667	13,667	0	0
2006	54,100	54,100	0	14,077	14,077	0	0
2007	40,700	40,700	0	14,499	14,499	0	0
2008	39,900	39,900	0	14,934	14,934	0	0
2009	35,200	35,200	0	15,382	15,382	0	0
2010	34,500	34,500	0	15,844	15,844	0	0
2011	33,700	33,700	0	1,324	1,324	0	0
2012	30,000	30,000	0	0	0	0	0
2013	29,200	29,200	0	0	0	0	0
2014	16,200	16,200	0	0	0	0	0

Columns Notes:

- (2) All payments assumed by USGen NE
- (3) Column (1) - Column (2).
- (5) All payments assumed by USGen NE
- (6) Column (4) - Column (5).
- (7) Column (3) + Column (6).

NO ADJUSTMENTS

Summary of Contract Termination Charges

New England Power Company (100%)
Fixed Component

\$ in Thousands

Line	Year (1)	Pre-Tax Return on Generation Related Investment and Regulatory Assets (2)	Amortization of Generation Related Investment and Regulatory Assets (3)	Generation Related FAS 106 Transition Obligation (4)	NEEI Regulatory Asset (5)	Base Total Fixed Component (6)	Adjustment For Residual Value Credit (7)	Net Fixed Component Including Adjustment For Residual Value Credit (8)
(1)	1998	31,613	249,500	1,887	24,712	307,713	NA	307,713
(2)	1999	70,206	594,000	5,517	54,670	724,392	NA	724,392
(3)	2000	35,272	618,768	5,299	52,980	712,320	NA	712,320
(4)	2001	16,957	0	5,081	0	22,038	NA	22,038
(5)	2002	15,463	0	4,863	0	20,326	NA	20,326
(6)	2003	14,099	0	4,645	0	18,744	NA	18,744
(7)	2004	12,806	0	4,427	0	17,233	NA	17,233
(8)	2005	11,524	0	4,209	0	15,733	NA	15,733
(9)	2006	10,252	0	3,991	0	14,243	NA	14,243
(10)	January	749	0	314	0	1,064	NA	1,064
(11)	February	749	0	314	0	1,064	NA	1,064
(12)	March	749	0	314	0	1,064	NA	1,064
(13)	April	749	0	314	0	1,064	NA	1,064
(14)	May	749	0	314	0	1,064	NA	1,064
(15)	June	749	0	314	0	1,064	NA	1,064
(16)	July	749	0	314	0	1,064	NA	1,064
(17)	August	749	0	314	0	1,064	NA	1,064
(18)	September	749	0	314	0	1,064	NA	1,064
(19)	October	749	0	314	0	1,064	NA	1,064
(20)	November	749	0	314	0	1,064	NA	1,064
(21)	December	749	0	314	0	1,064	NA	1,064
(22)	2007	8,991	0	3,773	0	12,764	NA	12,764
(23)	January	646	0	296	0	942	NA	942
(24)	February	646	0	296	0	942	NA	942
(25)	March	646	0	296	0	942	NA	942
(26)	April	646	0	296	0	942	NA	942
(27)	May	646	0	296	0	942	NA	942
(28)	June	646	0	296	0	942	NA	942
(29)	July	646	0	296	0	942	NA	942
(30)	August	646	0	296	0	942	NA	942
(31)	September	646	0	296	0	942	NA	942
(32)	October	646	0	296	0	942	NA	942
(33)	November	646	0	296	0	942	NA	942
(34)	December	646	0	296	0	942	NA	942
(35)	2008	7,747	0	3,555	0	11,302	NA	11,302
(36)	2009	6,539	0	3,338	0	9,877	NA	9,877
(37)	2010	0	0	0	0	0	NA	0
(38)	2011							
(39)	2012							
(40)	2013							
(41)	2014							
(42)	2015							
(43)	2016							
(44)	2017							
(45)	2018							
(46)	2019							
(47)	2020							
(48)	2021							
(49)	2022							
(50)	2023							
(51)	2024							
(52)	2025							

- (1) Annual totals for 1998 - 2006 Reconciliations, monthly for 2007-2008; annual thereafter.
(2) See Schedule 1, Page 15, Column (9).
(3) For years 1998-1999 Column (3) = [Schedule 1, Page 1, Column (8) x Schedule 1, Page 1, Column (2)]/100 - Schedule 1, Page 3, Column (18) - Schedule 1, Page 2, Columns (2), (4), (5) and (7)] / .03. For 2000, Schedule 1, Page 15, Column (2).
(4) See Schedule 1, Page 6a, Column (3).
(5) Sum of Columns (2) through (5).
(7) Not applicable at NEP level. See Schedule 1, Page 2, Column (6) for Granite State Electric Residual Value Credit.
(8) Column (6) + Column (7).

NO ADJUSTMENTS

**Summary of Contract Termination Charge
New England Power Company (100%)**

Deferred Taxes on Fixed Component

\$ in Thousands

Line	Year End (1)	Book Basis			Tax Basis			Excess Book Over Tax (8)	Deferred Taxes (9)
		Balance Net Book Value of Generation (2)	Balance Generation Related Regulatory Assets (3)	Total Net Book Basis (4)	Balance Net Book Value of Generation (5)	Balance Generation Related Regulatory Assets (6)	Total Tax Basis (7)		
Pre-Divest End Balances		\$1,378,366	\$62,743	\$1,441,109	\$682,333				
Less: ITC		0	(21,159)	(21,159)	0				
Post-Divest Start Balance		1,378,366	83,902	1,462,268	682,333				
(1)	Sept 1, 1998	1,378,366	83,902	1,462,268	682,333	\$0	\$682,333	\$779,935	\$305,930
(2)	1998	1,143,182	69,586	1,212,768	652,354	0	652,354	560,414	219,823
(3)	1999	583,265	35,504	618,768	571,154	0	571,154	47,614	18,677
(4)	2000	0	0	0	520,899	0	520,899	(520,899)	(204,323)
(5)	2001	0	0	0	475,183	0	475,183	(475,183)	(186,391)
(6)	2002	0	0	0	433,159	0	433,159	(433,159)	(169,907)
(7)	2003	0	0	0	395,064	0	395,064	(395,064)	(154,964)
(8)	2004	0	0	0	357,190	0	357,190	(357,190)	(140,108)
(9)	2005	0	0	0	319,734	0	319,734	(319,734)	(125,416)
(10)	2006	0	0	0	282,496	0	282,496	(282,496)	(110,809)
(11)	2007	0	0	0	245,635	0	245,635	(245,635)	(96,350)
(12)	2008	0	0	0	209,437	0	209,437	(209,437)	(82,152)
(13)	2009	0	0	0	174,700	0	174,700	(174,700)	(68,526)

- (2) See PRE-DIVESTITURE Schedule 1, Page 14, Column (2) for August 31, 1998 balance. For 1998-2009, Column (2) prior year - (Page 13, Column (3) current year x (Column (2) Line1/Column (4) Line 1)
- (3) See PRE-DIVESTITURE Schedule 1, Page 14, Column (3) for August 31, 1998 balance. For 1998-2009, Column (3) prior year - (Page 13, Column (3) current year x (Column (3) Line1/Column (4) Line 1)
- (4) Column (2) + Column (3).
- (5) Per tax records of the Company.
- (6) Per tax records of the Company.
- (7) Column (5) + Column (6).
- (8) Column (4) - Column (7).
- (9) Column (8) x tax rate of .39225.

Return on Fixed Component

NO ADJUSTMENTS

Base Return									
Line	Year End (1)	Balance of Fixed Component (2)	Deferred Taxes (3)	Net Balance (4)	Average Net Balance (5)	Subtotal Annual Return on Unamortized Balance Using Base ROE (6)	Less: Return on Rate Clauses (7)	Plus: Return on Unamortized ITC (8)	Total Annual Return on Unamortized Balance Using Base ROE (9)
(1)	Sept 1, 1998	\$1,462,268	\$305,930	\$1,156,339					
(2)	1998	1,212,768	219,823	992,946	\$1,074,642	\$31,093	(\$50)	\$570	\$31,613
(3)	1999	618,768	18,677	600,092	796,519	69,137	(102)	1,171	70,206
(4)	2000	0	(204,323)	204,323	402,207	34,911	(35)	396	35,272
(5)	2001	0	(186,391)	186,391	195,357	16,957	0	0	16,957
(6)	2002	0	(169,907)	169,907	178,149	15,463	0	0	15,463
(7)	2003	0	(154,964)	154,964	162,435	14,099	0	0	14,099
(8)	2004	0	(140,108)	140,108	147,536	12,806	0	0	12,806
(9)	2005	0	(125,416)	125,416	132,762	11,524	0	0	11,524
(10)	2006	0	(110,809)	110,809	118,112	10,252	0	0	10,252
(11)	2007	0	(96,350)	96,350	103,580	8,991	0	0	8,991
(12)	2008	0	(82,152)	82,152	89,251	7,747	0	0	7,747
(13)	2009	0	(68,526)	68,526	75,339	6,539	0	0	6,539

Base Return Component	
Capital Structure:	Year End 1995
LTD	44.07%
Preferred	3.56%
Common Equity	<u>52.37%</u>
	100.00%
Cost Rates:	
LTD	6.23%
Preferred	5.69%
Common Equity	<u>6.50%</u>
Total Weighted Cost Rate	6.35%
Reimbursement for Taxes on Equity Component	2.33%
Total Rate of Return	8.68%

- (2) See Schedule 1, Page 14, Column (4).
(3) See Schedule 1, Page 14, Column (9).
(4) Column (2) - Column (3).
(5) (Column (4) Prior Year + Column (4))/2.
(6) Column (5) x Total Rate of Return of 8.68%.
(7) Average of (Unamortized Balance of Rate Clauses - Deferred Taxes on Rate Clauses) x 8.68%.
(8) Average of Unamortized Balance of ITC x 8.68%.
(9) Column (6) + Column (7) + Column (8).

Summary of Contract Termination Charges

New England Power Company (100%)
Variable Component

\$ In Thousands

Line	Year End (1)	Nuclear Decommissioning Costs and Other Post-Shutdown Costs (2)	Power Contracts			Future Power Contract Buyouts (6)	Credit for Unit Sales Contracts			Above Market Fuel Transportation Costs (10)	Transmission in Support of Remote Generating Units (11)	Payments in Lieu of Property Taxes (12)	Employee Severance and Retraining Costs (13)	Damages, Costs, or Net Recoveries from Claims (14)	PBR for Nuclear Units Remaining After Market Valuation (15)	Base Total Variable Component (16)
			Total Obligation (3)	Assumed Market Value (4)	Excess Over Market (5)		Total Revenue (7)	Assumed Market Value (8)	Excess Over Market (9)							
(1)	1998	24,717	0	0	0	56,667	(2,404)	(1,861)	(543)	0	567	0	0	0	0	81,407
(2)	1999	56,843	0	0	0	170,000	(7,600)	(5,362)	(2,238)	0	1,483	0	0	0	0	226,088
(3)	2000	48,378	0	0	0	170,000	(7,350)	(5,368)	(1,982)	0	1,488	0	0	0	0	217,883
(4)	2001	38,061	0	0	0	170,000	(1,706)	(727)	(979)	0	1,493	0	0	0	0	208,575
(5)	2002	33,365	0	0	0	170,000	0	0	0	0	0	0	0	0	0	203,365
(6)	2003	27,531	0	0	0	157,500	0	0	0	0	0	0	0	0	0	185,031
(7)	2004	28,545	0	0	0	150,000	0	0	0	0	0	0	0	0	0	178,545
(8)	2005	28,359	101,130	60,231	40,899	109,101	0	0	0	0	0	0	0	0	0	178,359
(9)	2006	34,638	123,652	72,442	51,210	0	0	0	0	0	0	0	0	(14,622)	0	71,226
(10)	January	2,677	10,267	5,727	4,540	0	0	0	0	0	0	0	0	0	0	7,218
(11)	February	2,677	10,267	5,727	4,540	0	0	0	0	0	0	0	0	0	0	7,218
(12)	March	2,677	10,267	5,727	4,540	0	0	0	0	0	0	0	0	0	0	7,218
(13)	April	2,677	10,267	5,727	4,540	0	0	0	0	0	0	0	0	0	0	7,218
(14)	May	2,677	10,267	5,727	4,540	0	0	0	0	0	0	0	0	0	0	7,218
(15)	June	2,677	10,267	5,727	4,540	0	0	0	0	0	0	0	0	0	0	7,218
(16)	July	2,677	10,267	5,727	4,540	0	0	0	0	0	0	0	0	0	0	7,218
(17)	August	2,677	10,267	5,727	4,540	0	0	0	0	0	0	0	0	0	0	7,218
(18)	September	2,677	10,267	5,727	4,540	0	0	0	0	0	0	0	0	0	0	7,218
(19)	October	2,677	10,267	5,727	4,540	0	0	0	0	0	0	0	0	0	0	7,218
(20)	November	2,677	10,267	5,727	4,540	0	0	0	0	0	0	0	0	0	0	7,218
(21)	December	2,677	10,267	5,727	4,540	0	0	0	0	0	0	0	0	0	0	7,218
(22)	2007	32,129	123,205	68,720	54,484	0	0	0	0	0	0	0	0	0	0	86,614
(23)	January	2,351	10,059	4,565	5,495	0	0	0	0	0	0	0	0	0	0	7,845
(24)	February	2,351	10,059	4,565	5,495	0	0	0	0	0	0	0	0	0	0	7,845
(25)	March	2,351	10,059	4,565	5,495	0	0	0	0	0	0	0	0	0	0	7,845
(26)	April	2,351	10,059	4,565	5,495	0	0	0	0	0	0	0	0	0	0	7,845
(27)	May	2,351	10,059	4,565	5,495	0	0	0	0	0	0	0	0	0	0	7,845
(28)	June	2,351	10,059	4,565	5,495	0	0	0	0	0	0	0	0	0	0	7,845
(29)	July	2,351	10,059	4,565	5,495	0	0	0	0	0	0	0	0	0	0	7,845
(30)	August	2,351	10,059	4,565	5,495	0	0	0	0	0	0	0	0	0	0	7,845
(31)	September	2,351	10,059	4,565	5,495	0	0	0	0	0	0	0	0	0	0	7,845
(32)	October	2,351	10,059	4,565	5,495	0	0	0	0	0	0	0	0	0	0	7,845
(33)	November	2,351	10,059	4,565	5,495	0	0	0	0	0	0	0	0	0	0	7,845
(34)	December	2,351	10,059	4,565	5,495	0	0	0	0	0	0	0	0	0	0	7,845
(35)	2008	28,207	120,709	54,774	65,935	0	0	0	0	0	0	0	0	0	0	94,142
(36)	2009	24,524	86,901	41,627	45,274	0	0	0	0	0	0	0	0	0	0	69,798
(37)	2010	23,513	77,361	38,796	38,564	0	0	0	0	0	0	0	0	0	0	62,077
(38)	2011	0	77,251	39,450	37,801	0	0	0	0	0	0	0	0	0	0	37,801
(39)	2012	0	73,666	36,405	37,261	0	0	0	0	0	0	0	0	0	0	37,261
(40)	2013	0	75,580	37,693	37,888	0	0	0	0	0	0	0	0	0	0	37,888
(41)	2014	0	76,540	40,011	36,529	0	0	0	0	0	0	0	0	0	0	36,529
(42)	2015	0	75,598	41,244	34,353	0	0	0	0	0	0	0	0	0	0	34,353
(43)	2016	0	48,758	23,880	24,878	0	0	0	0	0	0	0	0	0	0	24,878
(44)	2017	0	38,120	18,333	19,786	0	0	0	0	0	0	0	0	0	0	19,786
(45)	2018	0	6,013	601	5,412	0	0	0	0	0	0	0	0	0	0	5,412
(46)	2019	0	5,011	501	4,510	0	0	0	0	0	0	0	0	0	0	4,510
(47)	2020	0	1,173	117	1,056	0	0	0	0	0	0	0	0	0	0	1,056
(48)	2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(49)	2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(50)	2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(51)	2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(52)	2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(53)	2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(54)	2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(55)	2028	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(56)	2029	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Column Notes:

(All Sources based upon estimates of Variable Costs)

(2) See Schedule 1, Page 7, Column (4) and Schedule 1, Page 8, Column (7).

(3) See Schedule 1, Page 9.

(4) See Schedule 1, Page 10.

(5) Column (3) - Column (4).

(6) Represents recovery of NEP's trigger payment and in 2005, monthly support payments to USGen for January - March 2005 for \$22.86 million.

(7) See Schedule 1, Page 11, Column (5).

(9) Column (7) - Column (8).

(10) See Schedule 1, Page 12, Column (7).

(16) Sum of Columns (2), (5), (6), (9), (10), (11), (12), (13), (14) and (15).