Granite State Electric Company
d/b/a National Grid

Default Service

For the Period Beginning
May 1, 2009

Testimony and Schedules
of
John D. Warshaw
and
Scott M. McCabe

March 16, 2009

Submitted to:
New Hampshire Public Utilities Commission
Docket No. DE 09-010

Submitted by:

nationalgrid

ORIGINAL
N.H.P.U.C. Case No. DE 09-010
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Testimony of
John D. Warshaw

DIRECT TESTIMONY

OF

JOHN D. WARSHAW

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I. Introduction

Q. Please state your name and business address.

A. My name is John D. Warshaw, and my business address is 25 Research Drive, Westborough, Massachusetts 01582.

Q. Please state your position.

A. I am a Principal Analyst in Electric Supply – New England for National Grid USA Service Company, Inc. I conduct power procurement and energy supply related activities for National Grid' s New England operating companies, including Granite State Electric Company d/b/a National Grid ("Granite State"). These activities include the procurement of power for Default Service for Granite State.

Q. Will you describe your educational background and training?

A. I graduated from the State University of New York Maritime College in 1977 with a Bachelor of Science in Nuclear Science. I received a Masters in Business Administration from Northeastern University in 1986. In 1992, I earned a Master of Arts in Energy and Environmental Management from Boston University.

Q. What is your professional background?

A. In May 2000, I joined the National Grid USA Service Company as a Principal Analyst in Energy Supply – New England. In my position I have conducted a number of solicitations for wholesale power to meet the needs of National Grid USA's New England distribution companies. I also administer both short-term and long-term power

purchase agreements for National Grid USA's New England distribution companies. Prior to my employment at National Grid USA, I was employed at COM/Energy (now NSTAR) from 1992 to 2000. From 1992 to 1997, I was a Rate Analyst in Regulatory Affairs at COM/Energy responsible for supporting state and federal rate filings. In 1997, I transferred to COM/Electric to work in Power Supply Administration.

II. Purpose of Testimony

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to request approval of the Default Service rates for the Large and Medium Commercial and Industrial Customer Group ("Large Customer Group"[1]) and the Residential and Small Commercial Customer Group ("Small Customer Group"[2]) resulting from Granite State's recent procurement of Default Service power supply. To support this request, I will describe the process used by Granite State to procure Default Service for the Large Customer Group for the three-month period May 1, 2009 through July 31, 2009 and for the Small Customer Group for the six-month period May 1, 2009 through October 31, 2009. Mr. Scott McCabe, in his direct testimony, will present Granite State's proposed default service rates, including rate adjustments, for usage on and after May 1, 2009, in accordance with the Default Service Adjustment Provision and Default Service Cost Reclassification Adjustment Provision of the Company's tariff, and the Settlement Agreement in Docket No. DE 05-126, approved by the Commission in Order No. 24,577 (January 13, 2006) ("Settlement Agreement"). My

[1] Customers taking service under General Long-Hour Service Rate G-2 or General Service Time-Of-Use Rate G-1 of the Company's Retail Delivery Tariff.
[2] Customers taking service under Domestic Service Rate D; Domestic Service - Optional Peak Load Pricing Rate D-

testimony will also describe how the Company proposes to meet the Renewable Portfolio Standard obligation. Finally, my testimony discusses the declining loss factor investigation that the Company performed pursuant to the Commission's Order No. 24,922 in Docket DE 08-011.

III. Bidding Process

Q. Why does Granite State need to procure Default Service for both the Large Customer Group and the Small Customer Group for the period beginning May 1, 2009?

A. Granite State's currently effective Default Service supply contracts for both the Large Customer Group and the Small Customer Group expire on April 30, 2009. Therefore, to assure that Default Service will continue to be available to these customers, Granite State requires a new Default Service supply arrangement beginning May 1, 2009.

Q. Please describe the process Granite State used to procure its Default Service supply.

A. Granite State conducted the procurement of Default Service supply in accordance with applicable New Hampshire rules and regulations including Granite State Electric Company's Second Amended Restructuring Settlement Agreement ("Restructuring Settlement"), RSA 374-F (the "New Hampshire Act"), and the terms of the Settlement Agreement approved by the Commission pursuant to Order No. 24,577 issued on January 13, 2006 in Docket No. DE 05-126[3] (the "Order"). Granite State and its retail

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10; Outdoor Lighting Service Rate M; Limited Total Electrical Living Rate T; General Service Rate G-3; or Limited Commercial Space Heating Rate V of the Company's Retail Delivery Tariff.

[3] The Order granted Granite State's August 1, 2005 Petition for Post-Transition Service Default Service Proposal as amended by the Post-Transition Service Default Service Proposal Settlement Agreement filed with the Commission on November 18, 2005 ("Settlement Agreement"). Granite State's original proposal filed August 1, 2005 and the subsequent Settlement Agreement will together be referred to as the "Settlement Agreement" throughout my

distribution affiliates in Massachusetts, Massachusetts Electric Company and Nantucket Electric Company (together "Mass. Electric"), and in Rhode Island, The Narragansett Electric Company ("Narragansett") (all four companies together "National Grid"), issued a joint request for proposals ("RFP") for certain power supply services (including Granite State's Default Service) from suppliers. The RFP sought a supply for Granite State's Default Service, Rhode Island's Last Resort Service and a portion of Mass. Electric's Basic Service supply. This is consistent with the process approved by the Commission in the Order. This process is also consistent with past procurements.[4]

Q. Could you describe the nature of the RFP that National Grid issued?

A. On February 13, 2009, National Grid issued an RFP to over twenty-five potential suppliers soliciting power supplies for the period May 1, 2009 through October 31, 2009. National Grid also distributed the RFP to all members of the NEPOOL Markets Committee and posted the RFP on its energy supply website. As a result, the RFP had wide distribution throughout the New England energy supply marketplace. The RFP requested fixed pricing for each month of service on an as-delivered energy basis. Prices could vary by month and by service – that is, the prices did not have to be uniform across the entire service period or between Granite State, Narragansett and Mass. Electric. A copy of the RFP is provided as Schedule JDW-1.

testimony.

4 See Order No. 24,736 at 10 (March 26, 2007), Order No. 24,764 at 9 (June 22, 2007), Order No. 24,787 at 11 (September 21, 2007), Order No. 24,810 at 10-11 (December 17, 2007), Order No. 24,836 at 11-12 (March 21,

IV. Results of Bidding

Q. Did Granite State receive responses to the RFP?

A. Yes. Indicative proposals were received on March 4, 2009 and a confidential summary of the proposals was shared with Commission staff thereafter. Final proposals were received on March 11, 2009. None of the bidders made their provision of Granite State's Default Service contingent upon the provision of any other service. A summary of the RFP process and bid evaluation is included in Schedule JDW-2.

Q. How do the current futures prices for electricity and natural gas compare to the futures prices at the time of the February 12, 2008 and August 8, 2008 RFPs?

A. The futures market prices for electricity and natural gas at the time of the February 12, 2008 and August 8, 2008 procurements as well as current futures market prices are shown in Schedule JDW-3.

Q. Did Granite State select any of those proposals?

A. Yes. Granite State evaluated the bids received and selected the two suppliers that (i) provided a bid that was conforming to the RFP, (ii) had the lowest price, (iii) met the credit requirements described in the RFP, and (iv) passed our qualitative evaluation. On March 12, 2009, Granite State entered into wholesale Transaction Confirmations with Dominion Energy Marketing, Inc. ("Dominion"), the winning bidder for the Large Customer Group block, to provide Default Service to the Large Customer Group for the three-month period May 1, 2009 through July 31, 2009, and with TransCanada Power

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2008), Order No. 24,862 at 9-10 (June 20, 2008), Order No. 24,902 at 12-13 (September 29, 2008) and Order No.

Marketing Ltd. ("TCPM"), the winning bidder for the Small Customer Group block, to provide Default Service to the Small Customer Group for the six-month period May 1, 2009 through October 31, 2009. Together, a Transaction Confirmation and a Master Power Agreement provide the terms for the purchase of Default Service from a supplier. A copy of the TCPM Master Power Agreement was filed with the Commission on September 25, 2006 in Docket No. DE 06-115. The Transaction Confirmation between Granite State and TCPM, with certain confidential sections redacted, is attached hereto as Schedule JDW-4. A copy of the Master Power Agreement and the Transaction Confirmation between Granite State and Dominion, with certain confidential sections redacted, is attached hereto as Schedule JDW-5. Granite State is filing the Master Power Agreement and Transaction Confirmations with the Commission under separate cover, together with a Motion for Confidential Treatment. Although the Master Power Agreement and Transaction Confirmations have differences from the sample power supply agreement in the Settlement Agreement approved by the Commission, the executed documents do not shift any of the risks or obligations described in the sample power supply agreement provided in the Settlement Agreement. A copy of the Master Power Agreement and Transaction Confirmation between Granite State and Dominion, highlighted to identify changes made to the sample power supply agreement, with certain confidential sections redacted, is attached hereto as Schedule JDW-6.

24,922 at 13-14 (December 19, 2008).

V. Renewable Portfolio Standard

Q. What is the Renewable Portfolio Standard ("RPS") obligation for 2009?

A. As specified in the RPS law[5], the RPS obligation for calendar year 2009 is a minimum of six percent (6%) of Granite State's Default Service load, of which at least one-half percent (0.5%) can come from Class I New Renewable Energy Resources, at least four and one-half percent (4.5%) can come from Class III Existing Renewable Energy Resources and at least one percent (1.0%) can come from Class IV Existing Renewable Energy Resources.

Q. How does Granite State expect to satisfy its RPS obligations consistent with the RPS rules as promulgated by the Commission?

A. On February 18, 2009, Granite State entered into an amended settlement agreement with Commission Staff and the Office of Consumer Advocate, intended to resolve all issues associated with the process by which Granite State shall comply with the requirements of the RPS law and PUC 2500 rules ("Amended RPS Settlement"). The Amended RPS Settlement was also filed for the Commission's consideration in this docket on March 11, 2009. Granite State is respectfully requesting that the Commission approve the Amended RPS Settlement as filed. As specified in the Amended RPS Settlement, Granite State requested bidders to provide a separate RPS compliance adder with their bids. This RPS compliance adder is the incremental charge by a bidder for agreeing to take on the RPS obligation with the Default Service obligation.

5 N.H. RSA 362-F.

Q. What were the criteria Granite State used to evaluate the RPS compliance adders provided by the bidders?

A. Granite State intended to evaluate the RPS compliance adders by comparing them to market prices and the results of Granite State's solicitation for New Hampshire RECs. At this time, Granite State is unaware of any market data for New Hampshire RECs and most of the bid prices received by Granite State in its solicitation were at or above the applicable alternative compliance payment ("ACP"). As a result, Granite State used the ACP for the various classes as a proxy for market prices. While the RPS compliance adder from the winning bidder for the Small Customer Group was slightly lower than the ACP, we believe that Granite State could get lower costs by purchasing RECs in the wholesale marketplace during the upcoming 2008-Q4 NEPOOL-GIS trading period. The RPS compliance adder from the winning bidder for the Large Customer Group was significantly lower than the ACP and Granite State accepted the winning bidder's RPS compliance adder. Granite State plans to issue an RFP in the future for the acquisition of RECs. If Granite State is unable to purchase sufficient RECs to meet its NH RPS obligations, it will then, consistent with the RPS rules, make an ACP to the Renewable Energy Fund.

Q. Is Granite State proposing any changes to the Small Customer Group's RPS Adder at this time?

A. Yes. Granite State is proposing to change the Commission approved RPS Adder included as part of previous Default Service filings in Docket No. DE 07-012 and DE 08-011. In Dockets DE 07-012 and DE 08-011 the 2009 ACP had not yet been released by

the NHPUC and Granite State estimated the 2009 ACP. On January 20, 2009 the NHPUC issued the ACP for 2009. Granite State has revised its calculation to use the actual 2009 ACP. Granite State had proposed to use the approved RPS Adder until such time as the Company had contracted for Renewable Energy Credits ("RECs").

Q. Has Granite State been able to contract for RECs?

A. Yes. In January Granite State issued an RFP to procure NH RECs to approved NH renewable generators, generators in the process of applying for approval to generate NH RECs, as well as other REC suppliers for its 2008 and 2009 RPS law obligations. On February 13, 2009 the Company received bids for RECs and contracted for a very small portion of its required RECs. Granite State shared the results of its RFP with Staff prior to executing a contract for the purchase of RECs. Since the quantity of RECs purchased was very small Granite State did not use the few RECs purchased in developing its RPS Adder for the Small Customer Group

Q. How did Granite State calculate the Small Customer Group's RPS Adder for 2009?

A. As shown in Schedule JDW-7, Granite State calculated the wholesale RPS costs on a per MWh basis. The Company then converted the wholesale RPS costs to a retail cost by multiplying the calculated costs by the average Granite State loss factor and then dividing by ten in order to convert from a $ per MWh wholesale cost to a ¢ per kWh rate for retail use.

Q. What costs did Granite State use to develop its RPS Adder for the Small Customer Group?

A. As a proxy for actual RPS costs, the RPS Adder is based on the ACP rates for the Class I, III and IV obligations.

Q. What happens if Granite State's actual RPS compliance costs are different from that used in calculating the RPS Adder?

A. Granite State will reconcile its costs to comply with the RPS with the revenue received from customers from the RPS Adder. The Company's proposal for the Renewable Portfolio Standard adder reconciliation is discussed in the testimony of Mr. Scott M. McCabe.

VI. <u>Default Service Commodity Costs</u>

Q. Please summarize the commodity cost at the retail meter based on Granite State's expected procurement cost and used to develop the proposed retail rates.

A.. Granite State estimates the procurement costs for Default Service at the retail customer meter for each month to be as set forth in the following table:

Month	Large Customer Group Commodity Costs ¢ / kWh	Small Customer Group Commodity Costs ¢ / kWh
May 2009	6.335	6.427
June 2009	6.753	6.873
July 2009	7.364	7.159
August 2009	N/A	7.350
September 2009	N/A	6.634
October 2009	N/A	6.857

The simple average of the commodity costs, including costs for RPS compliance, for the Large Customer Group is 6.817¢ per kWh compared to the simple average Default Service costs of 8.320¢ per kWh for the period February 2009 through April 2009**.** The simple average of the commodity costs for the Small Customer Group is 6.883¢ per kWh compared to the simple average Default Service costs of 9.880¢ per kWh for the period November 2009 through April 2009**.** The commodity costs at the retail customer meter (¢ per kWh) were calculated by multiplying the commodity costs at the wholesale level ($ per MWh) by the applicable loss factor and then dividing the results by ten. The applicable loss factors can be found in the RFP summary in Schedule JDW-2.

Q. How will Granite State reconcile any difference in costs associated with Default Service?

A. To the extent that the actual cost of procuring Default Service varies from the amounts billed to customers for the service, Granite State will continue to reconcile the difference

through a reconciliation mechanism pursuant to Granite State's Default Service Adjustment Provision contained in its currently effective tariff on Second Revised Page 87.

VII. Loss Factor Analysis

Q. Did Granite State file a report with Staff describing the investigation into the issue of declining loss factors ordered by the Commission?

A. Yes. On March 9, 2009 Granite State filed a report with Staff summarizing its investigation into the declining loss factor. In the report Granite State identified what it believes to be the cause of the declining loss factor it observed in 2008 and the steps it took to correct this issue going forward.

Q. Did Granite State make any changes to the way in which it calculates retail rates as a result of this issue?

A. Yes. As shown in Schedule JDW-8, the 12-month average loss factors were relatively uniform until January 2008. Beginning in January 2008 the loss factors began to decline. Since the 2008 loss factor data is considered inaccurate, Granite State is proposing to use the 12-month average loss factor for the period ending December 31, 2007 in the calculation of retail rates. Granite State believes this period is prior to the change that caused the loss factors to decline. Once Granite State has a sufficient number of months of accurate data regarding losses in 2009, it will begin to use more current data than proposed to calculate retail rates.

VIII. Conclusion

Q. When will Granite State issue the next RFP for Default Service?

A. The Large Customer Group rates proposed in this filing end on July 31, 2009. Per the terms of the Settlement Agreement, Granite State will issue an RFP for the Large Customer Group in mid-May 2009. For purposes of notice to the Commission, the following table illustrates National Grid's proposed timeline for the next two RFPs:

RFP	**May 2009 RFP**	**August 2009 RFP**
RFP Issued	May 08, 2009	August 07, 2009
Indicative Bids Due	June 03, 2009	September 02, 2009
Final Bids Due	June 10, 2009	September 09, 2009
Contract Execution	June 12, 2009	September 11, 2009
Default Service Filing to Commission	June 15, 2009	September 14, 2009
Commission Order Needed	June 22, 2009	September 21, 2009
Service Begins	August 1, 2009	November 1, 2009

Q. Does this conclude your testimony?

A. Yes. It does.

Schedules of
John D. Warshaw

Schedules
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Schedule JDW-2	Default Service Procurement Summary
Schedule JDW-3	Comparison of Change in Futures Prices to Change in Procurement Costs
Schedule JDW-4	Default Service Contract for the Small Customer Group May 1, 2009 through October 31, 2009
Schedule JDW-5	Default Service Contract for the Large Customer Group May 1, 2009 through July 31, 2009
Schedule JDW-6	Default Service Contract for the Large Customer Group With Changes Highlighted May 1, 2009 through July 31, 2009
Schedule JDW-7	Renewable Portfolio Standard Adder
Schedule JDW-8	New Hampshire Loss Factor

Schedule JDW-1

SCHEDULE JDW – 1

Default Service RFP
May 1, 2009 through October 31, 2009

Request For Power Supply Proposals To Provide The Following Services:

Default Service in:
Massachusetts
New Hampshire

Last Resort Service in Rhode Island

For the Period:

November 1, 2009 –
April 30, 2010

February 13, 2009

nationalgrid

REQUEST FOR
POWER SUPPLY PROPOSALS

1. Overview

1.1 Background

Legislation and restructuring settlement agreements in Massachusetts[1], New Hampshire[2] and Rhode Island[3] provide for competition in the electric utility industry by extending competition in the wholesale power supply markets to retail customers through the provision of retail access to all customers.

The Massachusetts Act provides access to the competitive retail electricity market for all retail customers of National Grid in Massachusetts (Massachusetts Electric Company and Nantucket Electric Company, each d/b/a National Grid) as of March 1, 1998. The Massachusetts Act requires each distribution company to provide default service ("MA Default Service") to those customers that are not receiving generation service from a competitive supplier.

In New Hampshire, the Restructuring Settlement provides access to the competitive retail electricity market for all retail electric customers of National Grid in New Hampshire (Granite State Electric Company d/b/a National Grid) as of July 1, 1998 pursuant to the provisions of the New Hampshire Act. The Restructuring Settlement and the New Hampshire Act require National Grid to provide default service ("NH Default Service") to those customers that are not receiving generation service from a competitive supplier[4].

The Rhode Island URA provides access to the competitive retail electricity market for all retail customers of National Grid's distribution company in Rhode Island (The Narragansett Electric Company, including the former Blackstone Valley Electric Company and Newport Electric Corporation) as of January 1, 1998. The URA requires

[1] Act Relative to Restructuring the Electric Utility Industry in the Commonwealth, Regulating the Provision of Electricity and Other Services, and Promoting Enhanced Consumer Protections Therein, Chapter 164 of The Massachusetts Acts of 1997 ("Massachusetts Act").

[2] Granite State Electric Company's Second Amended Restructuring Settlement Agreement ("Restructuring Settlement") and RSA 374-F ("New Hampshire Act").

[3] The Rhode Island Utility Restructuring Act of 1996 ("Rhode Island URA" or "URA" and Rhode Island General Law 39-1-27.3, as amended in June 2002.

[4] The New Hampshire Act specifies that Transition Service ends at midnight on April 30, 2006. All Transition Service customers who did not choose a competitive supplier by April 30, 2006 began receiving NH Default Service on May 1, 2006. A settlement agreement approved by the New Hampshire Public Utilities Commission on January 13, 2006 in Order No. 24,577 provides for the procurement of NH Default Service commencing May 1, 2006 ("DS Settlement Agreement").

National Grid to provide last resort service ("RI Last Resort Service") to those customers who at one time received generation service from a non-regulated power producer but subsequently returned to National Grid for generation service.

MA Default Service, NH Default Service, and RI Last Resort Service together will be referred to as "Default Service".

1.2 MA Default Service

The Massachusetts Act requires MA Default Service to be competitively procured. The Massachusetts Department of Telecommunications and Energy ("MDTE") initiated a generic proceeding on rules and procedures for the provision and pricing of MA Default Service[5]. The MDTE ordered all electric companies in Massachusetts to procure MA Default Service through competitive solicitations by customer group (residential, commercial and industrial) and to procure such power at fixed monthly prices[6]. The MDTE also ordered electric companies to procure power for each customer group on a zone-specific basis based on the three Standard Market Design ("SMD") Load Zones in Massachusetts[7]. Retail pricing for MA Default Service is to be provided on a zone-specific basis for the industrial customer group while retail MA Default Service prices for the residential and commercial customer groups are to be averaged across the zones served by the utility.

The MDTE ordered electric companies to procure power for their residential and commercial customer groups on a staggered basis (securing 50% of their MA Default Service supply for a twelve-month term semi-annually)[8]. The MDTE also ordered electric companies to procure power for the industrial customer group (i.e., larger customers) on a quarterly basis[9]. Additional changes regarding the procurement of MA Default Service may result from the Massachusetts Department of Public Utilities' ("MDPU")[10], D.T.E. 04-115, "The Procurement of Default Service Power Supply for Residential and Small Commercial Customers" initiated on December 6, 2004. If the MDPU issues an order prior to executing agreements with Respondents, National Grid will incorporate any required changes into the agreements.

National Grid is hereby seeking proposals from qualified power suppliers to supply firm, load-following power to meet its MA Default Service requirements.

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[5] Docket D.T.E. 99-60.
[6] See Dockets D.T.E. 99-60-A and D.T.E. 99-60-B.
[7] See Docket D.T.E. 02-40-A.
[8] See Docket D.T.E. 02-40-B.
[9] See Docket D.T.E. 02-40-C.
[10] Effective April 11, 2007, the MDTE ceased to exist. Two new agencies have been established in its place: The Department of Telecommunications & Cable will handle telecommunications and cable issues and The Department of Public Utilities will handle electric, gas, siting, pipeline, water and transportation issues.

1.3 Massachusetts Customer Groups

For the purposes of this solicitation, the Massachusetts customer groups are defined as:

Customer Group	**Rate Class**
Residential	R-1, R-2, R-4 and R-E
Commercial	G-1 and street lights
Industrial	G-2 and G-3

1.4 NH Default Service

The DS Settlement Agreement in New Hampshire and the New Hampshire Act require National Grid to provide NH Default Service to those customers that are not receiving generation service from a competitive energy supplier. In compliance with the DS Settlement Agreement, National Grid will procure NH Default Service by customer group (small customer group and large customer group). For the small customer group, National Grid will procure 100% of their NH Default Service supply for a six-month period. For the large customer group, National Grid will procure 100% of their NH Default Service supply for a three-month period.

National Grid is hereby seeking proposals from qualified power suppliers to supply firm, load-following power to meet its NH Default Service requirements.

1.5 New Hampshire Customer Groups

For the purposes of this solicitation, the New Hampshire customer groups are defined as:

Customer Group	**Rate Class**
Small Customer Group	D, D-10, G-3, M, T and V
Large Customer Group	G-1 and G-2

1.6 RI Last Resort Service

Beginning on the retail access date, National Grid's retail customers in Rhode Island have received generation service from either their choice of competitive suppliers or from National Grid through Standard Offer Service or Last Resort Service. National Grid must periodically procure its RI Last Resort Service requirements in the competitive marketplace. The specific requirements for such procurement can be found in the URA.

In a departure from previous RFPs, National Grid is seeking proposals from qualified power suppliers to supply firm, load-following power for an eight-month period to meet

its RI Last Resort Service requirements. This period coincides with the end of the current Standard Offer Service in Rhode Island. A follow-on Standard Offer Service is currently under development.

1.7 Rhode Island Customer Groups

For the purposes of this solicitation, the Rhode Island customer groups are defined as:

Customer Group	Rate Class
Residential	A-16, A-18, A-32, A-34, A-60, A-62, E-30
Commercial	C-06, C-08, E-40, G-02, G-22, N-01, R-02, S-00, T-00, V-00
Industrial	B-00, B-32, B-62, B-72, G-32, G-62, H-72, M-1A&B, X-01

2. Description of Services

2.1 Description

Appendix A contains an overview of the services covered by this Request for Proposal ("RFP"). The Appendix provides:

- A brief description of MA Default Service;
- A brief description of NH Default Service;
- A brief description of RI Last Resort Service;
- The eligibility requirements for a customer to obtain or leave Default Service;

2.2 Expected Loads

National Grid is unable to predict the amount of load that will be required to meet the needs of each customer group, if any. National Grid's customers are free to leave Default Service at any time to take service from competitive suppliers. The ability of customers to enroll or return to Default Service is described in Appendix A.

On March 14, 2007 the MDTE approved the City of Marlborough's plan for a Municipal Aggregation (Docket D.T.E. 06-102). In June 2008, the City of Marlborough's agreement with a supplier to provide service to residential and business customers in the city expired. At that time, all customers served by Municipal Aggregation began taking service either from National Grid or from competitive suppliers. In December 2008 the City of Marlborough executed an agreement with a supplier and customers taking Default Service began taking service from the Municipal Aggregation.

To assist Respondents in determining the potential load requirements, National Grid is able to provide the following information on its Power Procurement Web Site:

For MA Default Service:

- Aggregate historical wholesale hourly load information for MA Default Service (since March 1, 1998);
- Aggregate historical wholesale hourly loads for MA Default Service by customer group (since November 1, 2000);
- Historic hourly loads by SMD Load Zone and customer group for MA Default Service (since March 1, 2003);
- Reports showing the number of customers enrolled in various electric services and energy consumption at retail by rate class can be found at the Division of Energy Resource's ("DOER") Electric Deregulation page.

For NH Default Service:

- Aggregate historical wholesale hourly load information for NH Default Service (from December 1, 2002 to April 30, 2006);
- Aggregated historical hourly load information for NH Default Service (since May 1, 2006)
- Aggregate historical wholesale hourly load information for Transition Service by the four customer groups (from July 1, 2002 to April 30, 2006). The Transition Service customer groups are defined as:

Customer Group	**Rate Class**
Residential	D, D-10, M & T
Small Commercial	G-3 and V
Medium Commercial	G-2
Industrial	G-1

Note: As a result of Transition Service ending on April 30, 2006, all customers not taking service from a competitive supplier were transferred to either the small customer group or the large customer group of NH Default Service on May 1, 2006. In order to estimate NH Default Service load for the large customer group, the medium commercial and industrial Transition Service and pre May 1, 2006 NH Default Service loads will need to be combined into one service. For the small customer group, the residential and small commercial Transition Service loads will need to be combined into one service.

For RI Last Resort Service:

- Aggregate historical wholesale hourly load data for RI Last Resort Service

For All Services:

- Class average load shapes at the retail meter point;
- Historical customer counts, as of the last billing day in each month, by each National Grid company, SMD Load Zone (since March 1, 2003) and rate class.

These counts represent the number of active accounts in each rate class as of the last billing day in each month;

- Historical customer counts for customers taking service from a competitive supplier, as of the last billing day in each month, by rate class.
- ICAP tags as of the last day of the month for each load asset.

Please use the following link to access the site:

http://www.nationalgridus.com/energysupply/

Click on "Data" at the upper right of the screen to access Load data, Customer Count data, Class Average Load Shapes and ICAP Tags. This site is open to anyone with the above link. No user id or password is required to access the data on the site.

2.3 Load Blocks

National Grid's total Default Service requirements covered by this RFP are broken down into the following nineteen load blocks:

Load Block	Customer Group	SMD Load Zone	Load Share	Type of Service	Period
A	Industrial	SEMA	100%	MA Default Service	05/01/09 – 07/31/09
B	Industrial	WCMA	100%	MA Default Service	05/01/09 – 07/31/09
C	Industrial	NEMA	100%	MA Default Service	05/01/09 – 07/31/09
D	Commercial	SEMA	50%	MA Default Service	05/01/09 – 10/31/09
E	Commercial	WCMA	50%	MA Default Service	05/01/09 – 10/31/09
F	Commercial	NEMA	50%	MA Default Service	05/01/09 – 10/31/09
G	Residential	SEMA	50%	MA Default Service	05/01/09 – 10/31/09
H	Residential	WCMA	50%	MA Default Service	05/01/09 – 10/31/09
I	Residential	NEMA	50%	MA Default Service	05/01/09 – 10/31/09
J	Commercial	SEMA	50%	MA Default Service	11/01/09 – 04/30/10
K	Commercial	WCMA	50%	MA Default Service	11/01/09 – 04/30/10
L	Commercial	NEMA	50%	MA Default Service	11/01/09 – 04/30/10
M	Residential	SEMA	50%	MA Default Service	11/01/09 – 04/30/10
N	Residential	WCMA	50%	MA Default Service	11/01/09 – 04/30/10
O	Residential	NEMA	50%	MA Default Service	11/01/09 – 04/30/10
P	Large	NH	100%	NH Default Service	05/01/09 – 07/31/09
Q	Small	NH	100%	NH Default Service	05/01/09 – 10/31/09
R	Residential	RI	100%	RI Last Resort Service	05/01/09 – 12/31/09
S	Commercial&Industrial	RI	100%	RI Last Resort Service	05/01/09 – 12/31/09

The load blocks in the SEMA Load Zone include National Grid's customers on the Island of Nantucket.

A Respondent may bid on any number of load blocks that it wishes to serve. A Respondent wishing to serve the entire load for a particular customer group should submit a bid for each load block of that customer group. Respondents may not limit the amount of service that may be purchased for a given load block. Proposals that contain limits on the amount of service provided will be rejected[11].

The amount of load for each load block to be supplied by the winning Supplier(s) will be determined in accordance with the procedure contained in Article 6 of the applicable proposed Master Power Agreement, a copy of which is provided in Appendices B, C and D.

2.4 Massachusetts Retail Customer Rates

During the term of service covered by this RFP, National Grid intends, in accordance with MDPU orders, to establish retail rates for generation service for MA Default Service customers ("Basic Service Rates"). Such Basic Service Rates will reflect National Grid's purchase costs for such service due to commitments made as a result of this and previous RFPs and those costs associated with arranging MA Default Service (see below).

The retail rates for the industrial customer group will vary by SMD Load Zone based on the winning bids. The retail rates for the residential and commercial customer groups will be uniform across the three SMD Load Zones and will be based on the accepted bids for each customer group in this and previous RFPs. National Grid will file proposed Basic Service Rates with the MDPU following execution of an agreement(s) with a winning supplier(s). The Basic Service Rates charged to retail customers during the term of service covered by this RFP will be as ultimately approved by the MDPU.

In Docket D.T.E. 02-40-B, the MDTE determined that it is appropriate to include other costs an electric company incurs in providing MA Default Service in its Basic Service Rates. In Docket D.T.E. 03-88-E, the MDTE ordered National Grid to include those costs associated with arranging MA Default Service in its Basic Service Rates. National Grid implemented this change with the Default Service Cost Reclassification Adjustment Provision (MDTE No. 1084) to include such charges with the provision of MA Default Service to its customers

2.5 New Hampshire Retail Customer Rates

During the term of service covered by this RFP, National Grid intends, in accordance with the DS Settlement Agreement, to establish retail rates for generation service for NH Default Service customers ("Energy Service Rates"). The Energy Service Rates will

[11] For example, a Respondent offering to supply Block A load must agree to supply 100% of the needs of that load block during every month of the Period (for example, 100% of the total load of the Industrial customer group in the SEMA Load Zone). The Respondent may not offer to serve Block A provided that the amount of service purchased does not exceed [specified value] MW in any hour.

reflect National Grid's purchase costs for such service due to commitments made as a result of this RFP. The DS Settlement Agreement also requires National Grid to include in its Energy Service Rates a surcharge to account for the administrative costs associated with NH Default Service. The Energy Service Rates will be as ultimately approved by the New Hampshire Public Utilities Commission ("NHPUC").

2.6 Rhode Island Retail Customer Rates

During the term of service covered by this RFP, National Grid intends to establish retail rates for generation service for RI Last Resort service customers in Rhode Island. The commercial and industrial RI Last Resort Service rates will reflect National Grid's purchase costs for such service due to commitments made as a result of this RFP.

2.7 Effectiveness of Contracts (MA and NH only)

Any agreement(s) entered into for the delivery of MA Default Service pursuant to this solicitation will be subject to the MDPU's favorable review of the results of National Grid's solicitation for Default Service. Section 1 of the Massachusetts Master Power Supply Agreement Form of Confirmation addresses the possibility that the MDPU does not favorably review the results of National Grid's solicitation for Default Service.

Any agreement(s) entered into for the delivery of NH Default Service pursuant to this solicitation will be subject to the approval by the NHPUC of the retail rates prior to the agreement(s) becoming effective. Section 1 of the New Hampshire Master Power Supply Agreement Form of Confirmation addresses the possibility that the NHPUC may not approve the retail rates.

Any agreement(s) entered into for the delivery of NH Default Service pursuant to this solicitation will be subject to the approval by the NHPUC of the retail rates prior to the agreement(s) becoming effective. Section 3.1 of the New Hampshire Power Supply Agreement addresses the possibility that the NHPUC may not approve the retail rates.

3. General Provisions

3.1 Terms and Conditions

The winning Supplier(s) will be selected to provide Default Service to the applicable customer groups/load blocks during the term covered by this RFP. Up to nineteen (19) separate Suppliers may be selected – one for each load block. Default Service will be provided by such Supplier(s) to National Grid in accordance with the terms and conditions of the Power Supply Agreements. A copy of the proposed Master Power Supply Agreement for Massachusetts is provided in Appendix B, a copy of the proposed Master Power Supply Agreement for New Hampshire is provided in Appendix C. A copy of the proposed Master Power Supply Agreement for Rhode Island is provided in Appendix D. The winning Supplier(s) will be required to execute the applicable Master

Power Supply Agreement(s) and confirmations within three (3) business days of being notified that it has been selected as the winning Supplier.

Any suggested modifications to the proposed Agreement(s) are to be included with Respondent's response to this RFP.

3.2 Proposal Process and Submission Dates

The following table outlines the key dates associated with this procurement process.

Process Step	**Date**
Issue Request for Proposal	February 13, 2009
Submit Respondent Proposal Information and Proposed Agreement Modifications	February 27, 2009– 5pm EPT
Submit Indicative Pricing	March 4, 2009– 10am EPT
Submit Final Pricing	March 11, 2009– 10am EPT
Execute Agreements and Submit solicitation process summary, Agreements and retail rates to MDPU and NHPUC, as applicable	No later than three business days after receipt of all executed agreements.
MDPU Reviews and Approves both Agreements and Basic Service Rates	No later than five business days after filing of Basic Service Rates
NHPUC Reviews and Approves Default Service Rates	No later than five business days after filing of Default Service Rates
Service Begins	May 1, 2009 or November 1, 2009

One (1) copy of a Respondent's Proposal Information and proposed agreement modifications must be received at the following address:

Mr. John D. Warshaw
Electric Supply & Distributed Generation
National Grid
25 Research Drive
Westborough, MA 01582
(508) 389-3526
(508) 389-4485 (fax)
e-mail: john.warshaw@us.ngrid.com

Proposal information may be submitted by facsimile or e-mail.

National Grid is conducting the procurement process in three steps. The first step is for Respondents to provide National Grid with their background information, financial information, and proposed agreement modifications by 5:00 p.m. EPT on Friday, February 27, 2009. Upon receipt, National Grid will evaluate each Respondent's qualifications and proposed agreement modifications.

The second step in this process is for Respondents to provide indicative pricing information by 10:00 a.m. EPT on Wednesday, March 4, 2009 at the above address. National Grid will evaluate the indicative pricing and request, if required, clarifications from Respondents.

The third step is for Respondents to provide final pricing information by 10:00 a.m. EPT on Wednesday, March 11, 2009 at the above address. National Grid requests final pricing be valid until 3:00 p.m... National Grid intends to evaluate the final pricing and select a Supplier(s) that day. Respondents are requested to specify the manner in which they will accept a binding acceptance of their offer by National Grid prior to receipt of an executed agreement (verbal, letter of intent, e-mail or executed agreement) or they will be deemed to be bound by National Grid's acceptance communicated in any of the preceding manners.

Within three business days of receipt of all executed agreements, National Grid will file with the MDPU and the NHPUC a confidential summary of the solicitation process, the executed agreement(s) and proposed Basic Service Rates or Energy Service Rates, respectively.

Consistent with its rules, the MDPU will have five business days to review the results of National Grid's solicitation for Default Service. If the MDPU takes no action, National Grid's proposed Default Service price will go into effect. If the Department issues an order disapproving or rejecting the results of National Grid's solicitation for Default Service, the agreement between National Grid and Supplier(s) shall become null and void.

Consistent with its rules, the NHPUC will have five business days to either approve the proposed Energy Service Rates or reject them. If the NHPUC denies National Grid's request for approval of the retail rates, the agreement(s) will be void and the parties will have no further obligation under the agreements(s).

At least 30 days prior to the effective date of the RI Last Resort Service rates, National Grid will file with the Rhode Island Public Utilities Commission ("RIPUC") a confidential summary of the solicitation, the executed agreement(s) and provide RI Last Resort Service rates.

National Grid, at its sole discretion, reserves the right to issue additional instructions or requests for additional information, to extend the due date, to modify any provision in this RFP or any appendix thereto and to withdraw this RFP.

3.3 Contact Person/Questions

All questions regarding this Request for Proposal should be directed to John D. Warshaw at the address provided above.

3.4 Right to Select Supplier

National Grid shall have the exclusive right to select or reject any and/or all of the proposals submitted at any time, for any reason.

4. Service Features

4.1 Commencement Date of Supply

Service from the winning Supplier(s) to National Grid shall begin as of HE 0100 EPT on the date specified in the table found in Section 2.3 – Load Blocks.

Service from National Grid to individual customers who are taking Default Service in each customer group as of the Commencement Date, if any, will continue with the winning Supplier(s) providing such service to National Grid as of the Commencement Date.

Service from National Grid to individual customers taking Default Service as of the Commencement Date shall begin on the customer's meter reading date following notification/determination that a customer will be commencing Default Service or such other date designated by National Grid consistent with National Grid's Tariff for Off Cycle Meter Read For Switch of Supplier Provision, M.D.T.E. No. 1053-A in Massachusetts, or the Off Cycle Meter Read for Switch of Supplier Provision, Original Page 92, of National Grid's *Tariff for Retail Delivery Service for the Period after New England Power Company Divests Substantially All of Its Non-Nuclear Generation, N.H.P.U.C. No. 17* in New Hampshire or National Grid's Tariff for Off Cycle Meter Read for Switch of Supplier R.I.P.U.C. No. 1193 in Rhode Island.

National Grid's procedures provide for customers to be switched from one service option to another (e.g., from Default Service to a competitive supplier, from one competitive supplier to another competitive supplier, from a competitive supplier to Default Service) on their normal cycle meter reading dates. However, there may be circumstances (e.g., default of a competitive supplier) that might require a customer to be switched to Default Service "off-cycle". In such case, the customer will be switched to Default Service on a date designated by National Grid consistent with National Grid's Off Cycle Meter Read For Switch of Supplier Provision, M.D.T.E. No. 1053-A in Massachusetts, or the Off Cycle Meter Read for Switch of Supplier Provision, Original Page 92, of National Grid's *Tariff for Retail Delivery Service for the Period after New England Power Company Divests Substantially All of Its Non-Nuclear Generation, N.H.P.U.C. No. 17* in New Hampshire or National Grid's Tariff for Off Cycle Meter Read for Switch of Supplier R.I.P.U.C. No. 1193 in Rhode Island.

4.2 Termination Date of Supply

Service from the winning Supplier(s) to National Grid shall terminate at HE 2400 EPT on the dates specified in the table found in Section 2.3 – Load Blocks.

Individual customers taking Default Service from National Grid may terminate the service at any time. Terminations may include, but not be limited to, (i) a customer's taking competitive service from a competitive supplier, (ii) disconnection of service by National Grid in accordance with regulations and procedures approved by the MDPU, the NHPUC or RIPUC, or (iii) closing of a customer's account. National Grid's procedures provide for customers electing to terminate such service to be switched to their successor service on their normal cycle meter reading date following the date that National Grid receives notification of such switch. However, there may be circumstances which might require a customer to be terminated "off-cycle". In such a case, the customer will be terminated from Default Service on a date to be determined by National Grid.

4.3 Delivery Points

The Supplier(s) of Default Service will be responsible for delivering power to the nodes/zones representing the actual locations of the Default Service loads. The Supplier(s) of each of the services will be responsible for any PTF losses allocated by the ISO related to the services. The locations of the Default Service load assets are as follows:

Company	SMD Load Zone	Load Asset	Load Asset Name	Load Block
Nantucket	SEMA	10022	NANT-DEF SVC-RCG LOAD	G,M
Nantucket	SEMA	10020	NANT-DEF SVC-CCG LOAD	D,J
Nantucket	SEMA	10021	NANT-DEF SVC-ICG LOAD	A
MECo	SEMA	7601	DEF SVC-MECO-RCG LOAD_4006	G, M
MECo	WCMA	7703	DEF SVC-MECO-RCG LOAD_4007	H,N
MECo	NEMA	7803	DEF SVC-MECO-RCG LOAD_4008	I,O
MECo	SEMA	7603	DEF SVC-MECO-CCG LOAD_4006	D,J
MECo	WCMA	7705	DEF SVC-MECO-CCG LOAD_4007	E,K
MECo	NEMA	7805	DEF SVC-MECO-CCG LOAD_4008	F,L
MECo	SEMA	7605	DEF SVC-MECO-ICG LOAD_4006	A
MECo	WCMA	7707	DEF SVC-MECO-ICG LOAD_4007	B
MECo	NEMA	7807	DEF SVC-MECO-ICG LOAD_4008	C
GSECo	NH	11437	GSECO-DEF SVC LARGE CG LOAD	P
GSECo	NH	11436	GSECO-DEF SVC SMALL CG LOAD	Q
NECo	RI	10171	NECO-LRS-RCG LOAD	R
NECo	RI	735	NECO LAST RESORT SERVICE LOAD	S

4.4 Form of Service

The Supplier(s) of each Load Block shall be responsible for meeting the specified service requirements for all of National Grid's customers in a specific Load Block. These service requirements include the generation and/or market procurement and delivery to the delivery point(s) of the portion of the electric capacity, energy and ancillary services required to meet the needs of National Grid's ultimate customers taking such service. National Grid will implement the transfer of these responsibilities to the Supplier(s) by updating the asset registration for each of the above Load Assets. National Grid will assign to the Supplier(s) the applicable Ownership Share for each Load Asset. Once a Supplier's obligation terminates, National Grid will terminate the Supplier's Ownership Share of a Load Asset.

The Supplier(s) shall be responsible for all obligations, requirements, and costs associated with the Supplier(s) having the Load Asset Ownership Share which shall include but not be limited to the day-ahead load obligations and real-time load obligations at the nodes/zones of each Load Asset. A more complete description of a Supplier(s)'s responsibilities can be found in the proposed Master Power Supply Agreements in Appendices B, C and D of this RFP.

The Supplier(s) shall be responsible for all decisions and data submissions associated with any bids into the market system to manage these obligations. The Supplier(s) shall be responsible for all components of any Locational Marginal Prices the Supplier must pay in delivery of the services. These components include, but are not limited to, the day-ahead and real-time energy, marginal losses, and congestion charges. As the supplier of such services, the Supplier(s) will be responsible for all present or future requirements and associated costs (to the extent such charges are not imposed on National Grid as a transmission charge by NEPOOL or the ISO) associated with the services and any other requirements, market products, expenses or charges imposed by NEPOOL or the ISO, as they may be in effect from time to time.

The Supplier(s) will also be responsible for all transmission and distribution losses associated with delivery of the electricity from the delivery point to the Default Service customer's meter. A description of the estimation process for determining supplier hourly load can be found in Appendix A of the proposed Master Power Supply Agreements, found in Appendices B, C and D of this RFP.

National Grid will make arrangements with the ISO for transmission service over the PTF and non-PTF, from and after the Delivery Point to the Customers' meters. National Grid will be billed by the ISO and the applicable Participating Transmission Owner(s) for these services. National Grid will pay these bills and collect the costs, along with National Grid's distribution costs, from its retail customers through its retail delivery service tariffs. Any other transmission or distribution costs will be the Supplier(s)' responsibility.

4.5 Implementation of the Massachusetts Renewable Energy Portfolio Standards ("MA-RPS")

The Massachusetts Act requires the Massachusetts Division of Energy Resources ("DOER") to establish a renewable energy portfolio standard for all retail electricity suppliers selling electricity to end-use consumers in the Commonwealth. These requirements require National Grid to demonstrate that at least four percent (4%) of its electricity sales in 2009 and five percent (5%) of its electricity sales in 2010 are supplied from "new" renewable energy generation sources (to be known as Class I resources). The DOER's website contains a section on the Renewable Energy Portfolio requirements, including the final regulations, 225 CMR 14.00.

http://www.state.ma.us/doer/rps/index.htm

As requested in Section 5.2 below, National Grid requests Respondents to separately bid the cost of MA-RPS compliance equivalent to 4% of sales in 2009 and 5% of sales in 2010[12]. National Grid will have the option to select bids that include or exclude the MA-RPS component.

If National Grid accepts bids with the RPS component, National Grid will require the winning Supplier(s) to utilize the NEPOOL Generation Information System ("NEPOOL GIS") to provide NEPOOL GIS Certificates that comply with the requirements of the RPS regulations. Respondents may propose alternate methods for demonstrating compliance. In each monthly invoice for a service that includes the RPS component, National Grid will take a credit equal to the product of the RPS obligation and the Alternative Compliance Payment. Once a Supplier delivers the required number of NEPOOL GIS Certificates, the credit will be returned to the Supplier.

4.6 Implementation of the Rhode Island Renewable Energy Standards ("RES")

The RIPUC established rules and procedures implementing a renewable energy standard for all retail electricity suppliers selling electricity to end-use consumers in the State of Rhode Island to meet the Renewable Energy Standards passed by the state legislature in 2004[13]. These requirements require National Grid to demonstrate that at least three and one half percent (3.5%) of expected sales in 2008 and four percent (4%) of expected sales in 2009 are supplied from renewable energy generation sources of which up to two percent (2.0%) may come from existing renewable energy generation sources and the remaining percentage may come from new renewable energy generation sources. The RIPUC has issued final regulations to meet these requirements.

[12] The Electric Restructuring Act of 1997 was modified by the Green Communities Act of 2008. At this time National Grid is only seeking NEPOOL-GIS Certificates to meet its Class I Resource obligations. Once the final regulations are issued, National Grid will be seeking to meet the other obligations contained in the Green Communities Act at a later date.

[13] Title 39 Public Utilities and Carriers Chapter 39-26 RES.

These rules and regulations can be found at:

http://www.ripuc.state.ri.us/utilityinfo/res.html

National Grid requests Respondents to separately bid the cost of RES compliance equivalent to 4% of sales in 2009, of which no more than 2% of sales can be served from existing renewable resources. National Grid will have the option to select bids that include or exclude the RES component.

If National Grid accepts bids with the RES components, National Grid will require the winning Supplier(s) to utilize the NEPOOL Generation Information System ("NEPOOL GIS") to provide NEPOOL GIS Certificates that comply with the requirements of the RES regulations. Respondents may propose alternate methods for demonstrating compliance. In each monthly invoice for a service that includes the RES component, National Grid will take a credit equal to the product of the RES obligation and the Alternative Compliance Payment. Once a Supplier delivers the required number of NEPOOL GIS Certificates, the credit will be returned to the Supplier.

(4.7) Implementation of the New Hampshire Renewable Portfolio Standards ("NH-RPS")

In 2007 the State of New Hampshire enacted an Electric Renewable Portfolio Standards law ("NH-RPS Law") (RSA 362-F) to foster the development of renewable energy sources to meet New Hampshire's energy needs. The NH-RPS Law requires all retail electricity suppliers to source a minimum portion of their energy needs from a portfolio of renewable energy resources. On June 2, 2008, the New NHPUC issued final rules (Chapter PUC 2500) implementing the NH-RPS Law. These rules can be found at:

http://www.puc.state.nh.us/Regulatory/Rules/Puc2500.pdf

These rules require National Grid to demonstrate that a portion of its electricity sales in 2009 are supplied from a mix of renewable energy generation sources. They are:

Class I consists of new renewable generators that began operation after January 1, 2006).
Class II consists of new generators utilizing solar technologies.
Class III consists of existing generators utilizing: 1) biomass technologies with a gross nameplate capacity of 25 MW or less; and 2) methane gas.
Class IV consists of existing qualifying small hydroelectric generators with a gross nameplate capacity of 5 MW or less.

The renewable requirements as a percent of sales are divided into 4 separate classes and summarized below:

Year	Class I	Class II	Class III	Class IV	Total
2009	0.5	0.0	4.5	1.0	6.0

National Grid requests Respondents to separately bid the cost of NH-RPS compliance equivalent to 6.0% in 2009. National Grid will have the option to select bids that include or exclude the NH-RPS component.

If National Grid accepts bids with the NH-RPS components, National Grid will require the winning Supplier(s) to utilize the NEPOOL Generation Information System ("NEPOOL GIS") to provide NEPOOL GIS Certificates that comply with the requirements of the NH-RPS rules. Respondents may propose alternate methods for demonstrating compliance. In each monthly invoice for a service that includes the NH-RPS component, National Grid will take a credit equal to the product of the NH-RPS obligation and the applicable Alternative Compliance Payment. Once a Supplier delivers the required number of NEPOOL GIS Certificates, the credit will be returned to the Supplier.

5. Proposal Requirements

5.1 Format of Proposal

The information required by National Grid to evaluate each proposal is identified in Appendix E. Respondents may simply complete the forms provided in Appendix E in any legible fashion and return them to John D. Warshaw as provided in Section 3.2. In addition, proposals should contain explanatory, descriptive and/or supporting materials as necessary.

5.2 Proposed Pricing

Respondents must specify the price at which they will provide Default Service for each Load Block on which they are bidding to serve. Purchases will be made on an "as-delivered" energy basis with prices stated on a fixed $/MWh basis. Such prices may vary by SMD Zone, calendar month and by customer group, but must be uniform for the entire calendar month and cover the entire term of this Request for Proposals.

Prices which contain demand components, minimum purchase requirements or which vary by time-of-use within a calendar month will be rejected. Prices which exclude one or more market costs (e.g. Installed Capability, uplift costs, etc.) may, at National Grid's discretion, be rejected.

National Grid intends to pay a Supplier(s) based on the billing determinants as defined in the proposed Power Supply Agreement. These billing determinants are the loads as reported to the ISO, which include transmission and distribution losses, and exclude any PTF losses allocated to the Supplier by the ISO during the settlement.

National Grid is seeking the following pricing:

- **All-Inclusive Bids:** For each Load Block (A through S), a price which includes all costs. Should National Grid select this option, (1) suppliers would be responsible for all costs including capacity market charges and (2) Suppliers would not be responsible for supplying the RPS/RES component.

- **MA-RPS Compliance:** Price, on a separate $ per MWh basis in 2009 and 2010, for Supplier to provide the MA-RPS component for Load Blocks A through O. Should National Grid select this option, the MA-RPS Compliance Bid price would be added to the All-Inclusive Bid price and the Supplier would provide the applicable quantity of NEPOOL GIS Certificates (see Section 4.5).

- **RI-RES Compliance:** Price, on a separate $ per MWh basis in 2009, for Supplier to provide both the new and existing RES component for Load Blocks R and S. Should National Grid select this option, the RES Compliance Bid prices would be added to the All-Inclusive Bid price and the Supplier would provide the applicable quantity of NEPOOL GIS Certificates (see Section 4.6).

- **NH-RPS Compliance:** Price, on a separate $ per MWh basis in 2009, for Supplier to provide the required NH-RPS component for Load Blocks P and Q. Should National Grid select this option, the NH-RPS Compliance Bid prices would be added to either the All-Inclusive or Pass-Through Bid price and the Supplier would provide the applicable quantity of NEPOOL GIS Certificates (see Section 4.7).

5.3 Terms and Conditions

Service will be provided pursuant to the terms of the proposed Master Power Agreements provided in Appendices B, C and D. Should a Respondent request National Grid to consider any changes to the proposed terms, such request must be presented to National Grid with its Proposal Information by February 27, 2009.

5.4 New England Market Participation

Each Respondent must indicate whether it has an executed and accepted Market Participant Service Agreement with ISO New England or if it plans to execute an agreement and, if so, at what point it is in the application process and the time frame for completing the process. Respondents must also provide evidence of agreements with a Market Participant if Respondent will have another Market Participant be responsible for its market settlement obligations.

5.5 Competitive Supplier Registration

The service provided by the Supplier(s) of Default Service to National Grid is a wholesale transaction between the Supplier(s) and National Grid; therefore, the

Supplier(s) do not have to be licensed or registered suppliers with any state regulatory commission.

5.6 Regulatory Approvals

The Supplier(s) of the services covered by this Request for Proposal must obtain and maintain all necessary regulatory approvals required to enable it to provide the applicable service; such approvals must be obtained prior to May 1, 2009 or November 1, 2009, as applicable.

6. Retail Customer Relationships

6.1 Customer Billing

All customers taking Default Service covered by this RFP will be retail customers of National Grid. As the retail provider of such service, National Grid will bill customers for the Default Service provided.

6.2 Customer Bill Inserts in Massachusetts

The Supplier(s) of MA Default Service may furnish a one-page bill insert which National Grid may include in the bill that it sends to each customer taking such service in the applicable customer group and Load Zone in Massachusetts during the delivery term. Bill inserts may be included in only one monthly billing cycle during the term of service. Inserts shall be printed on 60# Mountie Matte paper, shall be three and one-quarter inches high by six and one-quarter inches wide in size and may be of any typeface *except* ITC Century and ITC Franklin Gothic.

The Supplier(s) must inform National Grid at least sixty (60) days prior to the start of the monthly billing cycle in which it seeks National Grid to include its insert in applicable MA Default Service customer bills. National Grid will respond within seven (7) days if it can accommodate the request, provide an estimate of the cost of additional postage to be paid by the Supplier(s) in order to include the insert in the requested monthly billing cycle, or suggest an alternate monthly billing cycle. Customer bill inserts must be received by National Grid at least ten (10) days prior to the start date of its inclusion in customer bills. National Grid will be responsible for including only the number of inserts that are provided to them. National Grid will not be responsible for returning to the Supplier(s) unused inserts unless the Supplier(s) have made arrangements for its return. National Grid reserves the right to schedule bill inserts in order to minimize postage and handling costs.

6.3 Notification of Enrollments and Terminations

National Grid will provide electronic notification to the Supplier(s) of Default Service customer enrollments and terminations within a customer group. Enrollment information

will include account number, rate class and commencement date of service. Termination information will include account number, rate class and termination date of service. Such notifications shall only be provided when a Supplier establishes a Windows or Unix file server with capability of sending and receiving File Transfer Protocol ("FTP"), files with Pretty Good Privacy ("PGP"), Encryption/Decryption, and (ii) verifies its ability to transfer files to and receive files from National Grid at least fourteen (14) days prior to the day on which a Supplier desires to commence electronic receipt.

6.4 Customer Service

National Grid, as the retail provider of Default Service, will provide customer service to all customers receiving Default Service.

7. Load Response Program

National Grid fully supports load response programs and has successfully developed and implemented many programs over the years. Respondents are encouraged to include load response programs for various customer groups as part of their proposals. National Grid will work with winning Supplier(s) to implement the proposed load response program during the term of service.

8. Selection Process

The principal criteria to be used in evaluating proposals will include:

- Lowest evaluated bid price by Load Block;
- Respondent's ability to meet the credit requirements established in the proposed Master Power Supply Agreements provided in Appendices B, C and D;
- Firmness of delivery;
- The supplier's past experience in providing similar services to National Grid;
- The supplier's past experience in providing similar services to other companies in New England;
- The supplier's past experience in providing similar services to other companies in other regions;
- The supplier's demonstrated understanding of its obligations under the proposed Power Supply Agreement; and
- Whether there have been any past or are any present events that are known that may adversely affect the supplier's ability to provide the requirements to National Grid's Default Service customers.

9. Credit Requirements

In order to protect National Grid's Default Service customers from the risk of Supplier(s) default, a winning Supplier(s) must be able to demonstrate it has the financial resources to perform during the term of the agreement. Respondents that are rated by a major credit rating agency must provide the ratings assigned by such agencies. Respondents that are not rated by a major credit rating agency must provide the following information to enable National Grid to evaluate a Respondent's financial strength:

- Respondent's organizational history
- Date of establishment
- Initial (if founded within the last ten years) and current capitalization
- Certified financial statements, including balance sheets and statements of income and cash flow with respect to the two previous fiscal years and the most recent interim period
- Forms 10-K and 10-Q, submitted to the United States Securities and Exchange Commission for the two previous fiscal years, if applicable;
- Short-term and long-term debt ratings from Moody's Investor Service or Standard & Poor's Corporation
- Corporate affiliates or joint venture partners including any details regarding financial limitations between partners or affiliates.

If a Respondent has provided this information to National Grid or an affiliate in a response to a previous RFP, then the Respondent needs only to identify the date and to whom the information was submitted and update the previously provided information.

National Grid agrees that it will treat the information it receives from Respondents in a confidential manner and will not, except as required by law or regulatory authority, disclose such information to any third party or use such information for any purpose other than in connection with this RFP.

APPENDIX A

DESCRIPTION OF SERVICES

Massachusetts Electric Company Nantucket Electric Company MA Default (Basic) Service	
Description	Electric Service provided to retail customers who are not taking service from a competitive supplier.
Eligibility Requirements	Service to customers can be initiated by: a) A customer notifying National Grid that it wishes to terminate service from its competitive supplier and commence Default Service. b) A competitive supplier notifying National Grid that it is terminating service to a customer. c) A competitive supplier ceasing to provide service to a customer without notifying National Grid. d) A customer moves into National Grid's service territory and does not affirmatively choose a competitive supplier.
Aggregate Number of Customers Taking Service and Historical Load Profiles	Note: Historic customer count data and historical hourly load profiles are available at National Grid's procurement web site: http://www.nationalgridus.com/energysupply/

Granite State Electric Company NH Default (Energy) Service	
Description	Service provided to retail customers who are not taking service from a competitive energy supplier.
Eligibility Requirements	Service to customers is initiated by: a) A customer notifying National Grid that it wishes to terminate service from its competitive energy supplier and commence Default Service. b) A competitive energy supplier notifying National Grid that it is terminating service to a customer. c) A competitive energy supplier ceasing to provide service to a customer without notifying National Grid. d) A customer moves into National Grid's service territory and does not affirmatively choose a competitive energy supplier.
Aggregate Number of Customers Taking Service and Historical Load Profiles	Note: Historic customer count data and historical hourly load profiles are available at National Grid's procurement web site: http://www.nationalgridus.com/energysupply/

The Narragansett Electric Company **Last Resort Service**	
Description	Service provided to customers who are no longer eligible to receive Standard Offer Service and who are not otherwise receiving electric service from a competitive supplier.
Eligibility Requirements	Customers who are not taking electric service from a non-regulated power producer and are ineligible for Standard Offer Service are eligible to receive Last Resort Service. Customers may leave Last Resort (1) to take electric supply from a non-regulated power producer, (2) if the account is closed, or (3) National Grid terminates service to the customer in accordance with applicable laws and regulations.
Aggregate Number of Customers Taking Service and Historical Load Profile	Note: Available at National Grid's procurement web site: http://www.nationalgridus.com/energysupply/

APPENDIX B

PROPOSED MASSACHUSETTS MASTER POWER SUPPLY AGREEMENT

APPENDIX C

PROPOSED NEW HAMPSHIRE MASTER POWER SUPPLY AGREEMENT

APPENDIX D

PROPOSED RHODE ISLAND MASTER POWER SUPPLY AGREEMENT

RESPONDENT:_____

1. General Information

Name of Respondent	
Principal contact person < Name < Title < Company < Mailing address < Telephone number (office) < Telephone number (cell) < Fax number < E-mail address	
Secondary contact person (if any) < Name < Title < Company < Mailing address < Telephone number (office) < Telephone number (cell) < Fax number < E-mail address	
Legal form of business organization of Respondent (e.g., sole proprietorship, partnership, limited partnership, joint venture, or corporation)	
State(s) of incorporation, residency and organization Indicate whether Respondent is in good standing in all states in which Respondent is authorized to do business and, if not, which states and the reason it is not.	
If Respondent is a partnership, the names of all general and limited partners. If Respondent is a limited liability company, the names of all direct owners.	
Description of Respondent and all affiliated entities and joint ventures transacting business in the energy sector	

APPENDIX E

REQUIRED PROPOSAL INFORMATION

RESPONDENT:_____

2. Financial Information

Current debt rating for Respondent (include ratings and names of rating agencies).	
Date Respondent's last fiscal year ended.	
Total revenue for Respondent for the most recent fiscal year.	
Total net income for Respondent for the most recent fiscal year.	
Total assets for Respondent as of the close of the previous fiscal year.	
Copy of the Respondent's most recent balance sheet, income statement and cash flow statement.	
Copy of the Respondent's most recent audited balance sheet, income statement and cash flow statement.	

3. Defaults and Adverse Situations

Describe, in detail, any situation in which Respondent (either individually or as part of a consortium, joint venture or other group), or an affiliate of Respondent, defaulted or was deemed to be in noncompliance of its contractual obligations to transact business in the energy sector within the past five years including, without limitation, to purchase or deliver energy, capacity or other market products at retail or wholesale, or for the purchase or sale of electricity or natural gas, and including any financing agreements or financing provisions of any agreement. Explain the situation, its outcome and all other relevant facts associated with the event. If there was litigation, provide the case caption, index number and court. Identify the name, title and telephone number of the principal manager of the customer/client who asserted the event of default or noncompliance.	

RESPONDENT:_____

Has Respondent, or any affiliate of Respondent, in the last five years, (a) consented to the appointment of, or was taken in possession by, a receiver, trustee, custodian or liquidator of a substantial part of its assets, (b) filed a bankruptcy petition in any bankruptcy court proceeding, (c) answered, consented or sought relief under any bankruptcy or similar law or failed to obtain a dismissal of an involuntary petition, (d) admitted in writing of its inability to pay its debts when due, (e) made a general assignment for the benefit of creditors, (f) was the subject of an involuntary proceeding seeking to adjudicate that Party bankrupt or insolvent, (g) sought reorganization, arrangement, adjustment, or composition of it or its debt under any law relating to bankruptcy, insolvency or reorganization or relief of debtors.	
Describe any facts presently known to Respondent that might adversely affect its ability to provide the service(s) bid herein as provided for in the RFP	

4. NEPOOL AND POWER SUPPLY EXPERIENCE

Is Respondent a member of NEPOOL?	
Does Respondent have an executed and accepted Market Participant Service Agreement with ISO New England?	
Name of Market Participant if Respondent will have another Market Participant be responsible for its market settlement obligations .	
Describe Respondent's experience and record of performance in the areas of power marketing, brokering, sales, and/or contracting, for the last five years within NEPOOL and/or the New England region.	
Provide three references (name, title and contact information) who have contracted with the Respondent for similar load following services within the last 2 years.	

RESPONDENT:_____

5. CONFLICTS OF INTEREST

Briefly describe any known conflicts of interest between bidder or an affiliate of bidder and Buyer, National Grid USA or any affiliates of the foregoing.	
Enumerate any litigation, claims or complaints asserted by bidder or an affiliate of bidder, against Buyer, National Grid or an affiliate of any of the foregoing.	
Enumerate any litigation, claims or complaints asserted against bidder or an affiliate of bidder by Buyer, National Grid or an affiliate of any of the foregoing.	

6. SCOPE OF BID AND TERMS OF SALE

Will Respondent execute a contract substantially similar to the proposed Master Power Agreements contained in Appendices B, C and D? Explain any proposed modifications.	
List all regulatory approvals required before service can commence.	

RESPONDENT:_____

7. Proposed Pricing

(Respondent required to use bidding spreadsheet included on procurement web site)

Massachusetts Default Service

Bid Block	SMD Zone	Customer Group	Period From	Period To	Monthly Pricing - $/MWh (all inclusive - without RPS Component) May-09	June-09	July-09	Aug-09	Sept-09	Oct-09
A	SEMA	Industrial	01-May-09	31-Jul-09						
B	WCMA	Industrial	01-May-09	31-Jul-09						
C	NEMA	Industrial	01-May-09	31-Jul-09						
D	SEMA	Commercial	01-May-09	31-Oct-09						
E	WCMA	Commercial	01-May-09	31-Oct-09						
F	NEMA	Commercial	01-May-09	31-Oct-09						
G	SEMA	Residential	01-May-09	31-Oct-09						
H	WCMA	Residential	01-May-09	31-Oct-09						
I	NEMA	Residential	01-May-09	31-Oct-09						
					Nov-09	**Dec-09**	**Jan-10**	**Feb-10**	**Mar-10**	**Apr-10**
J	SEMA	Commercial	01-Nov-09	30-Apr-10						
K	WCMA	Commercial	01-Nov-09	30-Apr-10						
L	NEMA	Commercial	01-Nov-09	30-Apr-10						
M	SEMA	Residential	01-Nov-09	30-Apr-10						
N	WCMA	Residential	01-Nov-09	30-Apr-10						
O	NEMA	Residential	01-Nov-09	30-Apr-10						
MA-RPS Compliance Adder			2009		$/MWh					
MA-RPS Compliance Adder			2010		$/MWh					

New Hampshire Default Service

Bid Block	SMD Zone	Customer Group	Period From	Period To	Monthly Pricing - $/MWh (all inclusive – without RPS Component) May-09	June-09	July-09	Aug-09	Sept-09	Oct-09
P	NH	Large	01-May-09	31-Jul-09						
Q	NH	Small	01-May-09	31-Oct-09						
NH RPS Compliance Adder			2009		$/MWh					

Rhode Island Last Resort Service

Bid Block	SMD Zone	Customer Group	Period From	Period To	Monthly Pricing - $/MWh (all inclusive - without RES Component) May-09	June-09	July-09	Aug-09	Sept-09	Oct-09	Nov-09	Dec-09
R	RI	Residential	01-May-09	31-Dec-09								
S	RI	Commercial & Industrial	01-May-09	31-Dec-09								
RI RES Compliance Adder			2009		$/MWh							

SCHEDULE JDW – 2

Default Service Procurement Summary

NATIONAL GRID
DEFAULT SERVICE PROCUREMENT SUMMARY
FOR THE PERIOD
MAY 2009 – APRIL 2010

RFP Issued

National Grid issued its Request for Power Supply Proposals ("RFP") on February 13, 2009 directly to over [redacted] suppliers for the service period May 2009 through April 2010.

The RFP was also distributed to all members of the NEPOOL Markets Committee and posted on National Grid's energy supply web site. As a result, the RFP had wide distribution throughout the New England energy supply marketplace.

The procurement was conducted in accordance with applicable New Hampshire rules and regulations including Granite State Electric Company's Second Amended Restructuring Settlement Agreement ("Restructuring Settlement"), RSA 374-F ("New Hampshire Act") and Granite State Electric Company Post-Transition Service Default Service Proposal Settlement Agreement ("New Hampshire Settlement Agreement") approved by the New Hampshire Public Utilities Commission on January 13, 2006 in Order No. 24,577.

This procurement was conducted in accordance with the Last Resort Service Acquisition Plan ("Plan") approved by the Rhode Island Public Utilities Commission in Docket 3605 (Order No. 19368, August 8, 2008; see also Order Nos. 18699, 18122, 17903, 18250, 18495, 18882 and 19572) and was consistent with prior procurements conducted by National Grid.

This procurement was also conducted in accordance with applicable Massachusetts rules and regulations including the various orders in D.T.E. Dockets 99-60A, 99-60B, 99-60C, 02-40A, 02-40B and 02-40C and was consistent with prior procurements conducted by National Grid.

National Grid's RFP requested all-inclusive pricing for all blocks:

- 100% of the New Hampshire Large Customer Group Default Service requirements for the period May 2009 through July 2009;
- 100% of the New Hampshire Small Customer Group Default Service requirements for the period May 2009 through October 2009;
- 100% of the Rhode Island Residential Customer Group and Commercial & Industrial Customer Group Last Resort Service requirements for the May 2009 through December 2009;
- 100% of the Massachusetts Industrial Customer Group Default Service requirements for the period May 2009 through July 2009;

- 50% of the Massachusetts Residential and Commercial Customer Groups Default Service requirements for the period May 2009 through April 2010;

These requirements were divided into 19 distinct load blocks. A description of each load block is provided in Attachment 1.

Key RFP Dates

The RFP was issued on February 13, 2009.

Supplier information was received on February 27, 2009.

Indicative bids were received on March 4, 2009.

Final bids were received on March 11, 2009.

Contract Submissions

All potential bidders had previously executed Master Power Agreements with National Grid and so contract revisions were unnecessary.

National Grid was able to resolve all outstanding issues with the winning bidders prior to receipt of final bids and executed agreements that did not shift risks or obligations to its customers from those contained in its proposed agreements

Indicative Bids

Indicative bids were received on March 4, 2009 from [redacted] bidders.

The indicative bids were evaluated and ranked (see Attachments 2 and 3). Indicative pricing was used only to determine current market price, to prepare an initial ranking of bids and to identify any bidding anomalies. [redacted]

The lowest indicative bids for each load block were compared to National Grid's estimate of expected indicative bids based on two methodologies.

One method estimates expected bid prices based on [redacted]

[redacted]

The second method estimates expected bid prices based on [redacted]

In evaluating the bid prices, National Grid compared the average expected bid prices for each block from the two methods above to the lowest average indicative bid price for the block. [redacted]

[redacted]

[redacted]

[redacted]

In addition to evaluating the bid price and ability to meet credit requirements, National Grid also performed a qualitative review of each bidder's ability to provide Default Service during the service period based on the following:

- The bidder's past experience in providing similar services to National Grid or its affiliates;
- The bidder's past experience in providing similar services to other companies in New England;
- The bidder's past experience in providing similar services to other companies in other regions;
- The bidder's demonstrated understanding of the market rules related to the provision of Default Service;
- The bidder's demonstrated understanding of its obligations under the proposed Purchase Power Agreement; and
- Whether there have been any past or are any present events that are known that may adversely affect the bidder's ability to provide Default Service.

National Grid concluded that all bidders were qualified to provide Default Service and would be capable of providing any required contract security.

Regulatory Communication

The results of the New Hampshire indicative bids were shared with staff of the New Hampshire Public Utilities Commission ("NHPUC") on March 5, 2009.

The results of the Rhode Island indicative bids were shared with the Rhode Island Division of Public Utilities and Carriers ("Division") on March 5, 2009.

The results of the Massachusetts indicative bids were shared with staff of the Massachusetts Department of Public Utilities ("MADPU") on March 10, 2009.

Final Bids

Final bids were received on March 11, 2009 from [redacted] bidders. [redacted]

The final bids were evaluated and ranked (see Attachments 6 and 7)

[redacted]

A summary of the number of conforming bids per block is provided in the following table:

Block - # Bids	Block - # Bids	Block - # Bids
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]		

Analysis and Award

The lowest final bids for each load block were compared to National Grid's estimate of expected bids based on the two methodologies described above (see Indicative Bids). The calculations of these expected prices can been found in Attachments 9 and 10.

[redacted]

[redacted]

[redacted]

[redacted]

Renewable Portfolio Standard

The Massachusetts load covered by this RFP is subject to a 4.0% Renewable Portfolio Standard ("RPS") requirement in calendar year 2009 and a 5.0% requirement in calendar year 2010.

National Grid evaluated the cost of obtaining the RPS certificates associated with the load requirements from the bidders versus its most recent solicitation for RPS certificates. In Mass Electric's last two RFPs, Mass Electric accepted bids for 2009 RPS obligation at prices ranging from [redacted] per REC. Mass Electric also purchased vintage 2009 RECs at [redacted] per REC. The broker sheets show prices of $34 to $35.50 for 2009 RECs and $36 to $37 for 2010 RECs. Attachment 14 provides an analysis of the proposed RPS cost adders contained in the final bids. The prices from the winning bidders ranged from [redacted] per 2009 certificate and [redacted]-[redacted] per 2010 certificate. Since these prices are higher than National Grid's estimate of the market cost for RECs, National Grid did not include the RPS adder in the final purchase prices. Consistent with its RPS Compliance Plan that was filed with the Department on November 1, 2002, National Grid will attempt to procure these requirements through separate solicitations or by payment of the ACP.

Renewable Energy Standard

The Rhode Island load covered by this RFP is subject to a 4.0% Renewable Energy Standard ("RES") requirement in calendar year 2009 and a 4.5% requirement in calendar year 2010.

National Grid evaluated the cost of obtaining the RES certificates associated with the load requirements from the bidders versus the average cost of RES certificates purchased in the last two RES procurements. For the 2009 obligation, National Grid's average compliance cost was [redacted] per MWh. Attachment 14 provides a summary of the proposed RES cost adders contained in the final bids. These range from [redacted] per MWh.

National Grid procured RES requirements from Bidders L, one of the winning Rhode Island bidders, because the RES adder provided by Bidder L was lower than the average cost of RES certificates purchased in the last two RES procurement.

New Hampshire Renewable Energy Portfolio Standard

The New Hampshire load covered by this RFP is subject to a 6.0% Renewable Energy Portfolio Standard ("NH-RPS") requirement in calendar year 2009.

National Grid evaluated the cost of obtaining the NH-RPS certificates associated with the load requirements from the bidders versus making an ACP for the load. As shown in Attachment 14, Bidder J's NH-RPS value was [redacted] For the other block's winning bidder the NH_RPS price was too close to ACP. National Grid will instead attempt to purchase NH-RPS certificates through a separate solicitation at a later date.

Retail Rate

The expected retail rates, excluding administrative cost adders, were based on the wholesale bids that were awarded supply. For the Massachusetts residential and commercial customers, the rates reflect a blending of two procurements. For the Massachusetts Industrial Customer Group, the New Hampshire Large Customer group, the Rhode Island Residential Customer Group and the Rhode Island Commercial & Industrial Customer Group, the rates reflect the costs of the current procurement and are not blended with costs incurred in other procurements.

The Massachusetts and Rhode Island retail rates were calculated [redacted]

For Massachusetts Default Service retail rates, the retail rates were adjusted to include the average cost of RPS certificates purchased as part of this RFP.

A summary of the final retail rates for each block is provided in Attachment 15.

ATTACHMENT 1
LOAD BLOCK DESCRIPTIONS

Load Block	Customer Group	SMD Load Zone	Load Share	Type of Service	Period
A	Industrial	SEMA	100%	MA Default Service	05/01/09 – 07/31/09
B	Industrial	WCMA	100%	MA Default Service	05/01/09 – 07/31/09
C	Industrial	NEMA	100%	MA Default Service	05/01/09 – 07/31/09
D	Commercial	SEMA	50%	MA Default Service	05/01/09 – 10/31/09
E	Commercial	WCMA	50%	MA Default Service	05/01/09 – 10/31/09
F	Commercial	NEMA	50%	MA Default Service	05/01/09 – 10/31/09
G	Residential	SEMA	50%	MA Default Service	05/01/09 – 10/31/09
H	Residential	WCMA	50%	MA Default Service	05/01/09 – 10/31/09
I	Residential	NEMA	50%	MA Default Service	05/01/09 – 10/31/09
J	Commercial	SEMA	50%	MA Default Service	11/01/09 – 04/30/10
K	Commercial	WCMA	50%	MA Default Service	11/01/09 – 04/30/10
L	Commercial	NEMA	50%	MA Default Service	11/01/09 – 04/30/10
M	Residential	SEMA	50%	MA Default Service	11/01/09 – 04/30/10
N	Residential	WCMA	50%	MA Default Service	11/01/09 – 04/30/10
O	Residential	NEMA	50%	MA Default Service	11/01/09 – 04/30/10
P	Large	NH	100%	NH Default Service	05/01/09 – 07/31/09
Q	Small	NH	100%	NH Default Service	05/01/09 – 10/31/09
R	Residential	RI	100%	RI Last Resort Service	05/01/09 – 12/31/09
S	Commercial & Industrial	RI	100%	RI Last Resort Service	05/01/09 – 12/31/09

ATTACHMENT 2
INDICATIVE BID RANKING AT WHOLESALE
BLOCKS A – C

[redacted]

ATTACHMENT 2
INDICATIVE BID RANKING AT WHOLESALE
BLOCKS D-F

[redacted]

ATTACHMENT 2
INDICATIVE BID RANKING AT WHOLESALE

[redacted]

ATTACHMENT 2
INDICATIVE BID RANKING AT WHOLESALE
BLOCKS J-L

[redacted]

ATTACHMENT 2
INDICATIVE BID RANKING AT WHOLESALE
BLOCKS M-Q

[redacted]

ATTACHMENT 2
INDICATIVE BID RANKING AT WHOLESALE
BLOCKS P&Q

[redacted]

ATTACHMENT 2
INDICATIVE BID RANKING AT WHOLESALE
BLOCKS R&S

[redacted]

ATTACHMENT 3
INDICATIVE BID RANKING AT RETAIL
BLOCKS A –C

[redacted]

ATTACHMENT 3
INDICATIVE BID RANKING AT RETAIL
BLOCKS D – F

[redacted]

ATTACHMENT 3
INDICATIVE BID RANKING AT RETAIL
BLOCKS G – I

[redacted]

ATTACHMENT 3
INDICATIVE BID RANKING AT RETAIL
BLOCKS J- L

[redacted]

ATTACHMENT 3
INDICATIVE BID RANKING AT RETAIL
BLOCKS M- O

[redacted]

ATTACHMENT 3
INDICATIVE BID RANKING AT RETAIL

[redacted]

ATTACHMENT 3
INDICATIVE BID RANKING AT RETAIL
BLOCKS R – S & Loss Data

[redacted]

ATTACHMENT 4
ESTIMATED INDICATIVE PRICES
FORECAST BASED ON NYMEX ELECTRICITY FUTURES
May 2009 – April 2010 PERIOD

[redacted]

ATTACHMENT 5
ESTIMATED INDICATIVE PRICES
FORECAST BASED ON NYMEX NATURAL GAS FUTURES
May 2009 – April 2010 PERIOD

[redacted]

ATTACHMENT 6
FINAL BID RANKING AT WHOLESALE
WITHOUT RPS ($/MWh)
BLOCKS A – C

[redacted]

ATTACHMENT 6
FINAL BID RANKING AT WHOLESALE
WITHOUT RPS ($/MWh)
BLOCKS D – F

[redacted]

ATTACHMENT 6
FINAL BID RANKING AT WHOLESALE
WITHOUT RPS ($/MWh)
BLOCKS G - I

[redacted]

ATTACHMENT 6
FINAL BID RANKING AT WHOLESALE
WITHOUT RPS ($/MWh)
BLOCKS J - L

[redacted]

ATTACHMENT 6
FINAL BID RANKING AT WHOLESALE
WITHOUT RPS ($/MWh)
BLOCKS M - O

[redacted]

ATTACHMENT 6
FINAL BID RANKING AT WHOLESALE
WITHOUT RPS ($/MWh)
BLOCKS P & Q

[redacted]

ATTACHMENT 6
FINAL BID RANKING AT WHOLESALE
WITHOUT RPS ($/MWh)
BLOCKS R & S

[redacted]

ATTACHMENT 7
FINAL BID RANKING AT RETAIL
WITHOUT RPS (¢/kWh)
BLOCKS A – C

[redacted]

ATTACHMENT 7
FINAL BID RANKING AT RETAIL
WITHOUT RPS (¢/kWh)
BLOCKS D - F

[redacted]

ATTACHMENT 7
FINAL BID RANKING AT RETAIL
WITHOUT RPS (¢/kWh)
BLOCKS G - I

[redacted]

ATTACHMENT 7
FINAL BID RANKING AT RETAIL
WITHOUT RPS (¢/kWh)
BLOCKS J - L

[redacted]

ATTACHMENT 7
FINAL BID RANKING AT RETAIL
WITHOUT RPS (¢/kWh)
BLOCKS M - O

[redacted]

ATTACHMENT 7
FINAL BID RANKING AT RETAIL
WITHOUT RPS (¢/kWh)
BLOCKS P & Q

[redacted]

ATTACHMENT 7
FINAL BID RANKING AT RETAIL
WITHOUT RPS (¢/kWh)
BLOCKS R & S with Loss Factors

[redacted]

ATTACHMENT 8

[redacted]

ATTACHMENT 9
ESTIMATED FINAL PRICES
FORECAST BASED ON NYMEX ELECTRICITY FUTURES
May 2009 – April 2010 PERIOD

[redacted]

ATTACHMENT 10
ESTIMATED FINAL PRICES
FORECAST BASED ON NYMEX NATURAL GAS FUTURES
May 2009 – April 2010 PERIOD

[redacted]

ATTACHMENT 11

EVALUATION OF LOWEST COST BID FOR BLOCKS F & P and I & O

[redacted]

ATTACHMENT 12
SUMMARY OF LOAD BLOCK AWARDS

Load Block	Customer Group	Load Zone	Supplier	Basis for Award
A	Industrial	SEMA	[redacted]	Lowest bidder for block
B	Industrial	WCMA	[redacted]	Lowest bidder for block
C	Industrial	NEMA	[redacted]	Lowest bidder for block
D	Commercial	SEMA	[redacted]	Lowest bidder for block
E	Commercial	WCMA	[redacted]	Lowest bidder for block
F	Commercial	NEMA	[redacted]	Lowest overall cost
G	Residential	SEMA	[redacted]	Lowest bidder for block
H	Residential	WCMA	[redacted]	Lowest bidder for block
I	Residential	NEMA	[redacted]	Lowest bidder for block
J	Commercial	SEMA	[redacted]	Lowest bidder for block
K	Commercial	WCMA	[redacted]	Lowest bidder for block
L	Commercial	NEMA	[redacted]	Lowest bidder for block
M	Residential	SEMA	[redacted]	Lowest bidder for block
N	Residential	WCMA	[redacted]	Lowest bidder for block
O	Residential	NEMA	[redacted]	Lowest overall cost
P	Large	NH	[redacted]	Lowest bidder for block
Q	Small	NH	[redacted]	Lowest bidder for block
R	Residential	RI	[redacted]	Lowest bidder for block
S	mercial & Industrial	RI	[redacted]	Lowest bidder for block

ATTACHMENT 13
BIDDER KEY

[redacted]

ATTACHMENT 14
SUMMARY OF RPS & RES BIDS

[redacted]

ATTACHMENT 15
RETAIL RATES BASED ON FINAL BID PRICES

[redacted]

SCHEDULE JDW – 3

Comparison of Change in Futures Prices to Change in Procurement Costs

REDACTED DOCUMENT

Granite State Electric Company

Comparison of Change in Futures Prices to Change in Procurement Costs

	Winter Period (November - April)								Summer Period (May - October)									
	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]									[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]		
[redacted]									[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]			
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]										
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]											
[redacted]	[redacted]								[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]								[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]			
[redacted]									[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]			
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]											
[redacted]									[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]		[redacted]	[redacted]
[redacted]																		
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]											
[redacted]									[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]		[redacted]	[redacted]

[redacted]

[redacted]

Schedule JDW-4

SCHEDULE JDW – 4

Default Service Contract for the Small Customer Group
May 1, 2009 through October 31, 2009

EXECUTION COPY

MASTER POWER AGREEMENT
CONFIRMATION

This Confirmation shall confirm the Transaction agreed to on March 11, 2009, effective as of the Confirmation Effective Date (as defined below), between **GRANITE STATE ELECTRIC COMPANY** ("Granite" or "Buyer"), a New Hampshire corporation and [redacted] **("Seller")**, a Delaware corporation, regarding the sale/purchase of Default Service specified herein under the terms and conditions under the Master Power Agreement, dated March 15, 2007 (the "Master Power Agreement") between Buyer and Seller, as specified and modified herein. Terms used but not defined herein shall have the meanings ascribed to them in the Master Power Agreement.

1. Confirmation Effective Date; Condition Precedent; Filing Obligation; Term

This Confirmation shall be binding on the Parties upon execution by both Parties (such date the "Confirmation Effective Date"). Promptly after execution by both Parties, Buyer shall submit the Default Service retail rates to the NHPUC for its approval. The Parties performance of Sections 3.2 through 6.4 of the Master Power Agreement are subject to the occurrence, on or before the fifth Business Day after (but not including) the Buyer's submission of the Default Service retail rates to the NHPUC (the "Fifth Day"), for the approval by the NHPUC. If the NHPUC does not issue a decision approving Buyer's request to approve the Default Service retail rates as filed on or before the Fifth Day (a "NHPUC Denial"), then this Confirmation shall be null and void and of no further force and effect, and neither Party shall have any obligation whatsoever to the other Party, and such a voiding of the Confirmation and the NHPUC Denial shall not be a default or constitute an Event of Default by either Party; provided, however, that neither Party shall undertake any action with the NHPUC or otherwise in opposition of approval by the NHPUC of the Master Power Agreement or the Confirmation as executed.

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

7. Modifications to the Master Power Agreement

7.1 Section 3.7 shall be deleted in its entirety and replaced with the following:

At Seller's election, the Buyer shall provide notices [redacted] be effective when Seller (i) establishes a Windows or Unix file server with capability of sending and receiving File Transfer Protocol ("FTP"), files with Pretty Good Privacy ("PGP"), Encryption/Decryption, and (ii) verifies its ability to transfer files to and receive files from the Buyer at least fourteen (14) days prior to the day on which Seller desires to commence electronic receipt.

8. Confidentiality

Articles 2, 3, 4, 5 and 6 of this Confirmation are Confidential Terms within the meaning of Article 23 of the Master Power Agreement.

9. Ratification of the Terms and Conditions of the Agreement

(a) Except as expressly amended or waived by this Confirmation, the terms, conditions, covenants, agreements, warranties and representations contained in the Master Power Agreement are in all respects ratified, confirmed and remade as of the date hereof and, except as amended or waived hereby, shall continue in full force and effect.

(b) Nothing in this Confirmation shall, or shall be construed to, alter or amend any other Confirmation.

10. Counterparts

This Confirmation may be executed in counterparts, all of which together shall constitute one and the same instrument.

This Confirmation constitutes part of and is subject to the terms and provisions of such Master Power Agreement.

Remainder of Page Intentionally Left Blank

IN WITNESS WHEREOF, the Parties have caused their duly authorized representatives to execute this Confirmation on their behalf as of the date first above written.

GRANITE STATE ELECTRIC COMPANY

_____

Name : Margaret M. Janzen
Title: Authorized Signatory

[redacted]

_____

[redacted]

_____

[redacted]

Schedule JDW-5

SCHEDULE JDW – 5

Default Service Contract for the Large Customer Group
May 1, 2009 through July 31, 2009

EXECUTION COPY

MASTER POWER AGREEMENT
CONFIRMATION

This Confirmation shall confirm the Transaction agreed to on, and effective as of **March 11, 2009** between **GRANITE STATE ELECTRIC COMPANY** ("Granite" or "Buyer"), a New Hampshire corporation and [redacted] ("Seller") regarding the sale/purchase of Default Service specified herein under the terms and conditions under the Master Power Agreement dated March 7, 2008 (the "Master Power Agreement") between Buyer and Seller, as specified and modified herein. Terms used but not defined herein shall have the meanings ascribed to them in the Master Power Agreement.

1. Confirmation Effective Date; Condition Precedent; Filing Obligation; Term

This Confirmation shall be binding on the Parties upon execution by both Parties (such date the "Confirmation Effective Date"). Promptly after execution by both Parties, Buyer shall submit the Default Service retail rates to the NHPUC for its approval. The Parties performance of Sections 3.2 through 6.4 of the Master Power Agreement are subject to the occurrence, on or before the fifth Business Day after (but not including) the Buyer's submission of the Default Service retail rates to the NHPUC (the "Fifth Day"), for the approval by the NHPUC. If the NHPUC does not issue a decision approving Buyer's request to approve the Default Service retail rates as filed on or before the Fifth Day (a "NHPUC Denial"), then this Confirmation shall be null and void and of no further force and effect, and neither Party shall have any obligation whatsoever to the other Party, and such a voiding of the Confirmation and the NHPUC Denial shall not be a default or constitute an Event of Default by either Party; provided, however, that neither Party shall undertake any action with the NHPUC or otherwise in opposition of approval by the NHPUC of the Master Power Agreement or the Confirmation as executed.

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

8. Modifications to the Master Power Agreement

The following definitions shall be added to the Master Power Agreement:

Alternative Compliance Payment Rate means the value as published by the NH PUC (as defined below) in accordance with Puc 2503.02 of the New Hampshire Code of Administrative Rules.

Class I NEPOOL-GIS Certificate means a NEPOOL-GIS Certificate from a resource that represents Class I Renewable Generation Attributes (as defined below).

Class I Renewable Generation Attributes means a "Class I source" as defined in Puc 2502.07 of the New Hampshire Code of Administrative Rules.

Class III NEPOOL-GIS Certificate means a NEPOOL-GIS Certificate from a resource that represents Class III Renewable Generation Attributes.

Class III Renewable Generation Attributes means a "Class III source" as defined in Puc 2502.09 of the New Hampshire Code of Administrative Rules.

Class IV NEPOOL-GIS Certificate means a NEPOOL-GIS Certificate from a resource that represents Class IV Renewable Generation Attributes.

Class IV Renewable Generation Attributes means a "Class IV source" as defined in Puc 2502.10 of the New Hampshire Code of Administrative Rules.

NEPOOL-GIS Certificates means an electronic record produced by the NEPOOL-GIS that identifies the relevant generation attributes of each MWh accounted for in the NEPOOL-GIS that comply with the New Hampshire Electric Renewable Portfolio Standard Law. NEPOOL-GIS Certificates shall conform to the eligibility criteria set forth in the New Hampshire Electric Renewable Portfolio Standard Law, and shall represent title to and claim over all environmental attributes associated with the specified MWh of generation.

New Hampshire Electric Renewable Portfolio Standard Law means the provisions of New Hampshire RSA 362-F et. seq. that require all retail electricity suppliers who provide electricity to end-use customers in New Hampshire to source a minimum percentage of their electricity sales from certain renewable energy generating resources beginning on January 1, 2008, as more explicitly provided for in regulations set forth in the New Hampshire Code of Administrative Rules, Chapter Puc 2500 et. seq., as such regulations may be amended from time to time.

9. Confidentiality

Articles 2, 3, 4, 5, 6 and 7 of this Confirmation are Confidential Terms within the meaning of Article 23 of the Master Power Agreement.

10. Ratification of the Terms and Conditions of the Agreement

(a) Except as expressly amended or waived by this Confirmation, the terms, conditions, covenants, agreements, warranties and representations contained in the Master Power Agreement are in all respects ratified, confirmed and remade as of the date hereof and, except as amended or waived hereby, shall continue in full force and effect.

(b) Nothing in this Confirmation shall, or shall be construed to, alter or amend any other Confirmation.

11. Counterparts

This Confirmation may be executed in counterparts, all of which together shall constitute one and the same instrument.

This Confirmation constitutes part of and is subject to the terms and provisions of such Master Power Agreement.

Remainder of Page Intentionally Left Blank

IN WITNESS WHEREOF, the Parties have caused their duly authorized representatives to execute this Confirmation on their behalf as of the date first above written.

GRANITE STATE ELECTRIC COMPANY

_____

Name : Margaret M. Janzen
Title: Authorized Signatory

[redacted]

_____

Name (print):_____
Title: _____

EXECUTION COPY

NEW HAMPSPSHIRE MASTER POWER AGREEMENT

This **MASTER POWER AGREEMENT** ("Master Power Agreement") is dated as of **March 7, 2008** and is by and between **GRANITE STATE ELECTRIC COMPANY** ("Granite" or "Buyer"), a New Hampshire corporation, and [redacted] This Master Power Agreement provides for the sale by Seller of Default Service, as defined herein, to the Buyer. Buyer and Seller are referred to herein individually as a "Party" and collectively as the "Parties".

ARTICLE 1. BASIC UNDERSTANDINGS

Seller and Buyer have agreed to execute this Master Power Agreement in order to establish the basic terms of Seller's provision and sale of, and Buyer's acceptance and purchase of, Default Service. This Master Power Agreement, together with the Appendices and written supplements (including any Confirmations) hereto, and any designated collateral, credit support or margin agreement or similar arrangement between the Parties regarding the Transactions (as defined in Article 2), shall be referred to as the "Agreement" and shall constitute the entire agreement between the Parties relating to the subject matter hereof and supersedes any other agreements, written or oral, between the Parties concerning such subject matter but specifically excluding written agreements executed by the Parties prior to the Effective Date.

ARTICLE 2. DEFINITIONS

As used in this Agreement, the following terms shall have the meanings specified in this Article. In addition, except as otherwise expressly provided, terms with initial capitalization used in this Agreement and not defined herein shall have the meaning as defined in the NEPOOL Rules.

Affiliate means, with respect to any Party, any entity (other than a person) that, directly or indirectly, controls, or is controlled by, or is under common control with, such Party. For this purpose, "control" means the direct or indirect ownership of fifty percent (50%) or more of the outstanding capital stock or other equity interests having ordinary voting power.

Award Block means the numerical designation, for administrative purposes only, as may be set forth on a Confirmation to identify Customer Groups to be served from and including the Commencement Date through the Conclusion Date, in a specified Load Zone, and the associated Load Asset Number and Load Asset Name, or other information as may be associated therewith in a Confirmation.

Business Day means a 24-hour period ending at 5:00 p.m. EPT, other than Saturday, Sunday and any day which is a legal holiday or a day on which banking institutions in Boston, Massachusetts are authorized by law or other governmental action to close.

Buyer has the meaning set forth in the preamble of this Master Power Agreement, along with any successors, assigns, employees, agents and authorized representatives thereof.

Buyer's System means the electrical transmission and distribution system of the Buyer and the electrical transmission and distribution system of any Affiliate of the Buyer.

Buyer's Service Territory means the geographic area served by Granite State Electric Company.

Commencement Date means the period at HE 0100 EPT on the date set forth for each Customer Group in the Confirmation for the applicable Transaction.

Commission means the Federal Energy Regulatory Commission, or its successor.

Competitive Supplier Terms means NHPUC's PUC 2000 Competitive Electric Power Supplier Rules, as may be amended from time to time.

Conclusion Date means the period at HE 2400 EPT on the date set forth for each Customer Group in the Confirmation for the applicable Transaction.

Confirmation means a confirmation that is mutually agreed to and executed by the Parties, which may be in the form set forth in Appendix B or in a form otherwise agreed to by the Parties, such document to serve as a supplement or modification of this Master Power Agreement with respect to a specific Transaction.

Confirmation Term means, for the applicable Transaction, the period beginning as of the effective date set forth in a Confirmation and continuing through to the date both Parties have fulfilled all of their obligations with respect to such Transaction.

Contract Rate has the meaning set forth in the Confirmation for the applicable Transaction.

Credit Rating means (i) the lower of the ratings assigned to an entity's unsecured, senior long-term debt obligations (not supported by third party credit enhancements) by S&P and Moody's, (ii) in the event the entity does not have a rating for its senior unsecured long-term debt, the lower of the rating assigned to the entity as an issuer rating by S&P and Moody's, or the rating assigned to the entity as an issuer rating by any other rating agency agreed to by both Parties in each Party's sole and exclusive judgment.

Customer Disconnection Date means the date when a Default Service Customer is disconnected from service, as determined by the Buyer in accordance with the Distribution Service Terms.

Customer Group means Buyer's customers who receive Default Service in the Large Customer Group and/or Small Customer Group as specified on the Confirmation for the applicable Transaction.

Customer Termination Date means the date when a Default Service Customer ceases to take service under the Default Service Tariff, each date as determined by the Buyer in accordance with the Distribution Service Terms.

Default Service means the provision of Requirements by Seller at the Delivery Point to the Buyer to meet all needs of Default Service Customers.

Default Service Customer(s) means, for a specific Transaction, the customers in each Customer Group set forth in the applicable Confirmation, taking service pursuant to the Default Service Tariff during the applicable Delivery Term.

Default Service Tariff means Buyer's Tariff for Retail Delivery Service for the Period after New England Power Company Divests Substantially all of its Non-nuclear Generation, N.H.P.U.C. No. 17, as may be amended from time to time and approved by the NHPUC.

Delivered Energy means the quantity of energy, expressed in megawatt-hours, provided by Seller with respect to a specific Transaction. This quantity shall be the sum of the quantity of energy reported to the ISO by the Buyer for each of the Load Assets identified in a specific Transaction, with such quantity determined by the Buyer in accordance with Section 6.3 of this Master Power Agreement. Such quantity shall not include any allocation of PTF losses (which the ISO may assess to Seller in relation to such energy), but shall include transmission and distribution losses on the Buyer's System from the Delivery Point to the meters of Default Service Customers.

Delivery Point means, for each Load Asset (x) identified in or in accordance with a specific Transaction and (y) as set forth in the Confirmation related to a specific Transaction (i) the Nodes at which the Real-Time Load Obligations are established in the ISO Settlement Power System Model for the registered Load Assets representing the physical loads of Default Service Customers for the Delivery Term for such customers, identified by the Load Asset ("Loads With Nodes"), for any period and in any location in which there are Loads With Nodes and the ISO requires use of Nodes for Real-Time Load Obligations, or (ii) the Load Zones at which the Real-Time Load Obligations are established in the ISO Settlement Power System Model for the Load Assets representing the physical loads of Default Service Customers for the Delivery Term for such customers, identified by the Load Asset ("Loads with Zones") if (a) the ISO does not require use of Nodes for Real-Time Load Obligations and (b) the use of Loads with Zones in a calculation of ISO settlement charges and costs yields the same mathematical result as a calculation thereof using Loads with Nodes; or (iii) in the event of neither (i) nor (ii), Loads with Nodes and, in any location in which there are no Loads with Nodes, Loads with Zones.

Delivery Term(s) means the period(s) set forth in the Confirmation for a particular Transaction for the respective Default Service designations, beginning at the top of the HE 01:00 EPT on the Commencement Date (set forth in the applicable Confirmation) and continuing through and including the end of HE 24:00 EPT on the Conclusion Date).

Distribution Service Terms means Buyer's Tariff for Retail Delivery Service for the Period after New England Power Company Divests Substantially all of its Non-nuclear Generation, N.H.P.U.C. No. 17, as may be amended from time to time and approved by the NHPUC.

Effective Date means the date that this Master Power Agreement is executed by all Parties.

EPT means Eastern Prevailing Time.

Governing Documents means, with respect to any particular entity, (a) if a corporation, the (i) articles of organization, articles of incorporation or certificate of incorporation and (ii) the bylaws; (b) if a general partnership, the partnership agreement and any statement of partnership; (c) if a limited partnership, the limited partnership agreement and the certificate of limited partnership; (d) if a limited liability company, the articles or certificate of organization or

formation and operating agreement; (e) if another type of entity, any other charter or similar document adopted or filed in connection with the creation, formation or organization of such entity; (f) all equity holders' agreements, voting agreements, voting trust agreements, joint venture agreements, registration rights agreements or other agreements or documents relating to the organization, management or operation of any entity or relating to the rights, duties and obligations of the equity holders of any entity; and (g) any amendment or supplement to any of the foregoing.

Initiation Date means the date a retail customer of the Buyer begins taking service pursuant to the Default Service Tariff as determined by the Buyer in accordance with the Distribution Service Terms.

Interest Rate means, for any date, the lesser of (a) the per annum rate of interest equal to the prime lending rate as may from time to time be published in *The Wall Street Journal* under "Money Rates" on such day (or if not published on such day, on the most recent preceding day on which published), plus two percent (2%) and (b) the maximum rate permitted by applicable law.

Investment Grade means (i) if any entity has a Credit Rating from both S&P and Moody's then, a Credit Rating from S&P equal to "BBB-" and a Credit Rating from Moody's equal to "Baa3"; or (ii) if an entity has a Credit Rating from only one of S&P and Moody's, then a Credit Rating from S&P equal to "BBB-" or a Credit Rating from Moody's equal to "Baa3 or (iii) if the Parties have mutually agreed in writing on an additional or alternative rating agency, then a credit rating equal to that mutually agreed to in writing by the Parties in each Party's sole and exclusive judgment.

ISO means ISO New England Inc., authorized by the Commission to exercise for New England the functions required pursuant to the Commission's Order No. 2000 (and its progeny) and the Commission's regulations, and any successor organization (including but not limited to a Regional Transmission Organization).

ISO Tariff means the ISO New England Inc. Transmission, Markets and Services Tariff, FERC Electric Tariff No. 3, as amended, modified, superseded and supplemented from time to time, and including the Market Rules and Procedures.

ISO New England Operating Documents means the ISO Tariff and the ISO New England Operating Procedures, as amended, modified, superseded and supplemented from time to time.

Large Customer Group Contract Rate means the value as set forth in the Confirmation for the applicable Transaction as applicable to a month in the Delivery Term.

Large Customer Group means the Buyer's customers in the Rate G-1 and G-2 retail rate classes (the "Large Rate Classes"), or such other rate classes as may be added from time to time during the Delivery Term, provided that such Large Rate Classes shall be comprised of customers previously in one of the Large Rate Classes or such customer would have qualified for one of the Large Rate Classes.

Locational Marginal Pricing means as set forth in the Market Rules and Procedures.

Market Rules and Procedures means the Market Rules, Manuals and Procedures adopted by the ISO and/or NEPOOL, as may be amended from time to time, and as administered by the ISO to govern the operation of the NEPOOL markets.

Material Adverse Effect means, with respect to a Party, any change in or effect on such Party after the date of this Agreement that is materially adverse to the transactions contemplated hereby, excluding any change or effect resulting from (a) changes in the international, national, regional or local wholesale or retail markets for electric power; (b) changes in the international, national, regional or local markets for any fuel; (c) changes in the North American, national, regional or local electric transmission or distribution systems; and (d) any action or inaction by a governmental authority, but in any such case not affecting the Parties or the transactions contemplated hereby in any manner or degree significantly different from others in the industry as a whole.

Moody's means Moody's Investors Service, its successors and assigns.

MWh means Megawatt-hour.

NEPOOL-GIS means the NEPOOL Generation Information System, which includes a generation information database and certificate system, operated by NEPOOL, its designee or successor entity, that accounts for generation attributes of electricity consumed within New England.

NEPOOL GIS Certificate means a document produced by the NEPOOL-GIS that identifies the relevant generation attributes of each MWh accounted for in the NEPOOL-GIS from a generation unit.

NEPOOL means the New England Power Pool, or its successor.

NEPOOL Agreement means the Second Restated New England Power Pool Agreement dated as of February 1, 2005, as amended or accepted by the Commission and as may be amended, modified, superseded, supplemented and/or restated from time to time.

NEPOOL Rules means all rules adopted by NEPOOL or the ISO, as such rules may be amended, modified, supplemented or superseded and restated from time to time, including but not limited to, the NEPOOL Agreement, the ISO Tariff, the ISO New England Operating Documents, the Transmission Operating Agreement, the Participants Agreement, the NEPOOL Manuals, and the NEPOOL Operating Procedures, as amended, superseded or restated from time to time.

Net Worth means total assets, exclusive of intangible assets, less total liabilities, as reflected on the most recent balance sheet prepared by a certified public accountant as part of a certified financial statement in accordance with generally accepted accounting principles consistently applied in the business sector of the Seller.

NH Load Zone means the New Hampshire Reliability Region as defined in the NEPOOL Rules.

NHPUC means the New Hampshire Public Utilities Commission, or its successor.

PTF means facilities categorized as Pool Transmission Facilities under the ISO Tariff.

Requirements means all electric generation and/or market purchases and delivery, to the Delivery Point, of the electric capacity, energy, ancillary services, operating reserves (including forward reserves) and all other market products required by the Buyer to provide kilowatt-hours to meet the needs of Default Service Customers during the Delivery Term.

Small Customer Group Contract Rate means the value as set forth in the Confirmation for the applicable Transaction as applicable to a month in the Delivery Term.

Small Customer Group means the Buyer's customers in the Rate D, D-10, G-3, M, T and V retail rate classes (the "Small Rate Classes"), or such other rate classes as may be added from time to time during the Delivery Term, provided that such Small Rate Classes shall be comprised of customers previously in one of the Small Rate Classes or such customer would have qualified for one of the Small Rate Classes.

S&P means Standard & Poor's Rating Group, its successors and assigns.

Term means as defined in Section 3.1.

Transaction means a particular transaction agreed to by Buyer and Seller relating to the purchase and sale of Default Service pursuant to this Agreement, as evidenced by the execution of a written Confirmation by Buyer and Seller setting forth the specific terms and conditions thereof.

ARTICLE 3. TERM, SERVICE PROVISIONS AND REGISTRATION REQUIREMENTS

Section 3.1 Term

The term of this Master Power Agreement (the "Term") shall commence on the Effective Date and shall continue in effect until the earlier of (i) its termination by any Party upon thirty (30) days' prior written notice and (ii) its termination in accordance with Subsection 7.2(a); provided, however, that such termination shall not affect or excuse the performance of any Party under any provision of this Master Power Agreement that by its terms or operation survives any such termination and, provided further, that this Master Power Agreement and any other documents executed and delivered hereunder shall remain in effect with respect to the Transaction(s) entered into prior to the effective date of such termination until both Parties have fulfilled all of their obligations with respect to such Transaction(s). As of the termination of this Master Power Agreement, subject to the immediately foregoing sentence, and subject to any time limits specifically set forth in this Master Power Agreement or in a Confirmation, the Parties shall no longer be bound by the terms and provisions hereof, except to (a) the extent necessary to enforce the rights and obligations of the Parties arising under this Master Power Agreement before such expiration or termination or (b) that such terms and provisions expressly or by their operation survive the termination or expiration of this Master Power Agreement.

Section 3.2 Commencement of Supply

(a) Beginning as of the Commencement Date for each specific Customer Group in a specific Transaction, Seller shall provide Requirements to the Buyer. For purposes of certainty:

Seller's obligations on the Commencement Date shall be to provide Requirements for all Default Service Customers identified in the related Confirmation taking service as of and including the Commencement Date.

(b) With respect to each person or entity that becomes a Default Service Customer subsequent to the applicable Commencement Date, Seller shall provide Requirements to the Buyer to meet the needs of the Default Service Customer(s) as of and including the Initiation Date for such customer initiating such service during the applicable Delivery Term.

(c) If Seller elects to receive electronic notification as provided in Section 3.7, the Buyer shall provide to Seller a notice of Initiation Date via electronic file transfer and in a format specified by the Buyer. Each notice of Initiation Date shall include the account number, the date Seller's service to the Buyer is to begin for a Default Service Customer and the customer’s rate class.

Section 3.3 Termination and Conclusion of Supply

(a) With respect to each Default Service Customer that terminates Default Service during the applicable Delivery Term, Seller shall provide Requirements to the Buyer for such customer on the Customer Termination Date but shall not provide Requirements for such customer after the Customer Termination Date.

(b) If Seller elects to receive electronic notification as provided in Section 3.7, the Buyer shall provide to Seller a notice of Customer Termination Date via electronic file transfer and in a format specified by the Buyer. Each notice of Customer Termination Date shall include the account number, the Customer Termination Date and the customer's rate class.

(c) Seller’s obligation to provide Requirements with respect to each specific Customer Group in a specific Transaction shall cease at the applicable Conclusion Date.

Section 3.4 Customer Disconnection Date

(a) With respect to each Default Service Customer whose Default Service is disconnected during the applicable Delivery Term, Seller shall provide Requirements to the Buyer for such customer on the Customer Disconnection Date but shall not provide Requirements for such customer after the Customer Disconnection Date.

(b) If Seller elects to receive electronic notification as provided in Section 3.7, The Buyer shall provide to Seller a notice of Customer Disconnection Date via electronic file transfer and in a format specified by the Buyer. Each notice of Customer Disconnection Date shall include the account number, the Customer Disconnection Date and the customer's rate class.

Section 3.5 Distribution Service Interruptions

Seller acknowledges that interruptions in distribution service occur and may reduce the load served hereunder. Seller further acknowledges and agrees that the Buyer may interrupt distribution service to customers consistent with the Distribution Service Terms and the Competitive Supplier Terms. In no event shall a Party have any liability or obligation to the other Party in respect of any such interruptions in distribution service.

Section 3.6 Release of Customer Information

The Buyer will not issue any customer information to Seller unless Seller has first obtained the necessary authorization in accordance with the provisions of the Competitive Supplier Terms.

Section 3.7 Electronic Notification

At Seller's election, the Buyer shall provide notices contemplated by Sections 3.2, 3.3 and 3.4 via electronic file transfer. Such election shall only be effective when Seller (i) establishes a Windows or Unix file server with capability of sending and receiving File Transfer Protocol ("FTP"), files with Pretty Good Privacy ("PGP"), Encryption/Decryption, and (ii) verifies its ability to transfer files to and receive files from the Buyer at least fourteen (14) days prior to the day on which Seller desires to commence electronic receipt.

Section 3.8 Change in Supply; No Prohibition on Programs

(a) Seller acknowledges and agrees that the number of customers and the Requirements to meet the needs of such customers will fluctuate throughout the Delivery Term and may equal zero. The Buyer shall not be liable to Seller for any losses Seller may incur, including but not limited to lost revenues, and losses that may result from any change in Requirements, number or location of customers taking service, the location of the Delivery Point(s), the composition or components of market products or Requirements, or the market for electricity, or change in the Distribution Service Terms or the Default Service Tariff. Seller further acknowledges and agrees that there is no limit on the number of Customer Initiation Dates, Customer Termination Dates and Customer Disconnection Dates.

(b) Seller acknowledges and agrees that the Buyer has the right but not the obligation to continue, initiate, support or participate in any programs, promotions, or initiatives designed to or with the effect of encouraging customers to leave Default Service for any reason ("Programs"). Nothing in this Agreement shall be construed to require notice to or approval of Seller in order for the Buyer to take any action in relation to Programs.

(c) Seller acknowledges and agrees that the Buyer and Affiliates of the Buyer will not provide Seller preferential access to or use of the Buyer's System and that Seller's sole and exclusive rights and remedies with regard to access to, use or availability of the Buyer's System, and the Buyer's or Affiliates of the Buyer's obligation to transmit electricity are those rights, remedies and obligations provided under the Distribution Service Terms or the NEPOOL Rules.

Section 3.9 Uniform Disclosure Requirements

Seller shall provide the Buyer information reasonably ascertainable by Seller pertaining to power plant emissions, fuel types, labor information and any other information required by the Buyer to comply with any disclosure regulations which may be imposed upon the Buyer during the term of this Agreement, as such disclosure requirements apply to Default Service provided by Seller pursuant to this Agreement.

Seller shall utilize the NEPOOL-GIS to transfer Load Obligations or NEPOOL-GIS Certificates, as applicable, to the Buyer's certificate account in the number equal to the Delivered Energy for Default Service in a month during the term of a Transaction. Such Load Obligations

or NEPOOL-GIS Certificates, as applicable, shall be delivered by Seller at least five (5) Business Days prior to the close of the applicable Trading Period. The Load Obligations or NEPOOL-GIS Certificates, as applicable, shall be delivered by Seller to an account within the NEPOOL-GIS designated by the Buyer.

ARTICLE 4. SALE AND PURCHASE

Section 4.1 Provision Delivery and Receipt

With respect to each Transaction, Seller shall provide and deliver to the Delivery Point and the Buyer shall receive at the Delivery Point the percent of the Requirements applicable to each Customer Group during the Delivery Term, all as set forth in the Confirmation related to such Transaction.

Section 4.2 Responsibilities

(a) The Buyer shall arrange with the ISO for transmission service over the PTF and non-PTF from and after the Delivery Point to the customers' meters. The Buyer shall be responsible for all transmission costs over the PTF and non-PTF from the Delivery Point to the meters of the Buyer's customers. Seller shall be responsible for all transmission and distribution costs associated with the delivery of Requirements to and including the Delivery Point except the transmission costs otherwise provided for in this paragraph.

(b) Seller shall be responsible for all decisions and data submissions associated with the Ownership Share of the Load Assets in ARTICLE 6, Section 6.4 including any bids into the market system to manage these obligations.

(c) Seller shall be responsible for all present and future obligations, requirements, and costs associated with the Requirements and/or Seller's provision thereof, whether system wide or locational based, including, but not limited to, the real-time load obligations, capacity obligations and/or charges (including, but not limited to, installed capacity, unforced capacity, locational installed capacity, locational unforced capacity, forward capacity market obligations, forward capacity market transition payment obligations), regulation obligations and/or charges (including any regulation opportunity costs), operating reserve obligations and/or charges (including, but not limited to, (w) any real-time reserve charges, (x) any forward reserve charges, (y) any charges associated with reserve constraint penalty factors, and (z) net commitment period compensation ("NCPC") charges (other than monthly fixed-cost charges paid to resources pursuant to reliability agreements negotiated under Market Rule 1 Appendix A, Section III.A.6 and Exhibit 2), emergency energy charges, inadvertent energy revenue charges, ISO Schedule 1 charges (other than ISO Schedule 1 charges that are both (i) associated with the Buyer's Regional Network Service and (ii) allocated on the basis of Regional Network Load), ISO Schedule 2 charges, ISO Schedule 3 charges, day-ahead energy market charges, and real-time energy market charges at the nodes, if any, and if none, the zones representing the actual locations of the meters of the Default Service Customers, and any other requirements, market products, expenses and charges imposed by NEPOOL or the ISO, as they may be in effect from time to time related to the provision and/or delivery of Requirements to and including the Delivery Point. Except as otherwise specifically excluded in this paragraph and in Section 4.2(a) above, Seller's responsibility for costs and charges shall be without regard to the manner in which they are allocated by NEPOOL or the ISO.

(d) Seller shall be responsible for all costs and components thereof of any Locational Marginal Prices to provide Default Service (during the applicable Delivery Term), including its delivery to the Delivery Point. These components include the energy component, loss component, and congestion component.

(e) Seller shall be responsible for all congestion charges for delivery to the actual meters of Default Service Customers (during the applicable Delivery Term). The Parties agree that if the NHPUC imposes a separate congestion obligation under the Distribution Service Terms, Seller shall not have any responsibility to Buyer under this Agreement arising from the Distribution Service Terms.

(f) Seller shall notify Buyer within one Business Day of receipt of notice of termination from the ISO or event of default or similar occurrence under the Market Participant Service Agreement.

ARTICLE 5. AMOUNT, BILLING and PAYMENT

Section 5.1 Amount

The amount payable by the Buyer to Seller shall be the sum of the amounts due under all applicable Transactions.

Section 5.2 Billing and Payment

(a) On or before the tenth (10th) day of each month during the Term, Seller shall calculate the amount due and payable to Seller pursuant to Section 5.1 with respect to the preceding month (the "Calculation"). Seller shall provide the Calculation to the Buyer and such Calculation shall include sufficient detail for the Buyer to verify its formulation and computation. Calculations under this paragraph shall be subject to recalculation in accordance with Article 6 and shall be subject to adjustment (positive or negative) based upon such recalculation (a "Reconciliation Adjustment"). Seller shall promptly calculate the Reconciliation Adjustment upon receiving data described in Section 6.3 and shall include the adjustment, if any, in the next month's Invoice. A Reconciliation Adjustment based upon a change in the quantity for an earlier month shall be calculated using the applicable Contract Rate for the month in which the Delivered Energy was received.

(b) Seller shall submit to the Buyer an invoice with such Calculation as provided for in paragraph (a) of this Section (the “Invoice”) and the respective amounts due under this Master Power Agreement not later than the tenth (10th) day of each month. The Buyer shall pay Seller the amount of the Invoice (including the Reconciliation Adjustment, if any, as a debit or credit) less any amounts disputed in accordance with Section 5.3, on or before the twenty-fifth (25th) day after receiving the Invoice (the "Due Date"). Except for amounts disputed in accordance with Section 5.3, if all or any part of the Invoice remains unpaid after the Due Date, interest shall accrue after but not including the Due Date and be payable to Seller on such unpaid amount at the Interest Rate in effect on the Due Date. The Due Date for a Reconciliation Adjustment shall be the Due Date of the Invoice in which it is included.

(c) Each Party shall notify the other Party upon becoming aware of an error in an Invoice, Calculation or Reconciliation Adjustment (whether the amount is paid or not) and Seller shall promptly issue a corrected Invoice. Overpayments shall be returned by the receiving Party upon request or deducted by the receiving Party from subsequent invoices, with interest accrued at the Interest Rate from the date of the receipt of the overpayment until the date paid or deducted.

Section 5.3 Challenge to Invoices

Unless otherwise agreed: (i) either Party may challenge, in writing, the accuracy of Calculations, Invoices or Reconciliation Adjustments (or the data utilized in the forgoing) no later than twenty-four (24) months after the Due Date of the Invoice in which the disputed information is contained; (ii) if a Party does not challenge the accuracy within such twenty-four (24) month period, such Invoice shall be binding upon that Party and shall not be subject to challenge. If an Invoice is paid and thereafter the payment or the Invoice on which the payment was based is disputed, upon notice of dispute, the Party receiving payment shall hold the amount in dispute in escrow for the benefit of the prevailing Party until the resolution of such dispute. If any amount in dispute is ultimately determined (under the terms herein) to be due to the other Party, it shall be paid or returned (as the case may be) to the other Party within three (3) Business Days of such determination along with interest accrued at the Interest Rate from the (i) date due and owing in accordance with the Invoice until the date paid or (ii) if the amount was paid and is to be returned, from the date paid, until the date returned.

Section 5.4 Taxes, Fees and Levies

Seller shall be obligated to pay all present and future taxes, fees and levies ("Taxes") which may be assessed by any entity upon the Seller's performance under this Agreement including but not limited to the purchase and sale of Requirements to the Buyer. Seller shall pay all Taxes with respect to the Requirements up to and at the Delivery Point. The Buyer will pay all Taxes with respect to the Requirements after the Delivery Point. All Requirements, including electricity and other related market products delivered hereunder by Seller to the Buyer shall be sales for resale with the Buyer reselling such electricity and products.

Section 5.5 Netting and Setoff

Except for security provided pursuant to this Agreement (which shall not be considered for purposes of this Section 5.5) and unless otherwise specified in another agreement between the Parties, if the Parties are required to pay an amount on the same date each to the other under this Agreement or any other agreement between the Parties, or if any costs that are a Party's responsibility under this Agreement are incorrectly or inappropriately charged to the Party by the ISO, such amounts shall be netted, and the Party owing the greater aggregate amount shall pay to the other Party any difference between the amounts owed. Each Party reserves all rights, setoffs, counterclaims and other remedies and defenses (to the extent not expressly herein or therein waived or denied) that such Party has or to which such Party may be entitled arising from or out of this Agreement or the other agreement. Further, if the Buyer incurs any costs or charges that are the responsibility of Seller under this Agreement, such costs or charges may, at the Buyer's election, be netted against any amount due to Seller under this Agreement. All outstanding obligations to make payment under this Agreement or any other agreement between the Parties may be netted against each other, set off or recouped therefrom, or otherwise adjusted.

ARTICLE 6. QUALITY; LOSSES and QUANTITIES REQUIRED; DETERMINATION AND REPORTING OF HOURLY LOADS

Section 6.1 Quality

All electricity shall be delivered to the Buyer in the form of three-phase sixty-hertz alternating current at the Delivery Point.

Section 6.2 Losses

Seller shall be responsible for all transmission and distribution losses and the costs related to such losses and associated with the Requirements, namely, losses from the Delivery Point to the meters of the Default Service Customers. Seller shall provide to the Buyer at the Delivery Point quantities of electricity and ancillary services, capacity and all other market products related thereto to cover such losses from the Delivery Point to the meters of Default Service Customers. The quantities required for this purpose in each hour of a billing period shall be determined in accordance with ISO's and the Buyer's procedures for loss determination.

Section 6.3 Determination and Reporting of Hourly Loads

(a) The Buyer will estimate the Delivered Energy for Default Service provided by Seller pursuant to each Transaction based upon average load profiles developed for each of the Buyer's customer classes and the Buyer's actual total hourly load. The Buyer shall report to the ISO and Seller, the estimated Delivered Energy for each Transaction. The Buyer will normally report to the ISO and to Seller Seller's estimated Delivered Energy by 1:00 P.M EPT of the second following Business Day. Appendix A provides a general description of the estimation process that the Buyer will initially employ (the "Estimation Process"). The Buyer shall have the right but not the obligation, in its sole and exclusive judgment, to modify the Estimation Process from time to time, provided that any such modification is designed with the objective of improving the accuracy of the Estimation Process.

Each month, the Buyer shall reconcile the Buyer's estimate of the Delivered Energy for each Transaction based upon the Buyer's meter reads (such meter reads as provided for in the Distribution Service Terms). The reconciliation, including all losses, shall be the adjusted Delivered Energy. The Buyer will normally notify the ISO of any resulting adjustment (debit or credit) to Seller's account for the Load Assets (set forth in a specific Confirmation) no later than the last day of the third month following the billing month. Appendix A provides a general description of this reconciliation process, which process may be changed by the Buyer from time to time in its sole and exclusive discretion.

Section 6.4 ISO Settlement Market System Implementation

As soon as possible after the execution of a Confirmation related to a specific Transaction and before the applicable Commencement Date, the Buyer shall assign to Seller, and Seller shall accept assignment of an Ownership Share for each Load Asset in such Confirmation. Such assignment shall be effective beginning on the applicable Commencement Date. Seller shall maintain such ownership until the Conclusion Date (or, if earlier, the termination date established in accordance with 7.2(a)). Seller shall take any and all actions necessary to effectuate such assignment and, if applicable in accordance with the foregoing, transfer,

including executing documents required by the ISO. Once Seller's provision of Default Service terminates (effective as of the minute after the Conclusion Date or, if earlier, the termination date established in accordance with 7.2(a)), the Buyer will terminate Seller's Ownership Shares of the aforementioned Load Assets

The Buyer shall have the right to change the Load Asset designations from time to time, consistent with the definition and provision of Default Service. If and to the extent such designations change, the Buyer and Seller shall cooperate to timely put into effect the necessary ISO Settlement Market System contracts that may be necessary to implement the new designations and terminate the prior designations.

ARTICLE 7. DEFAULT AND TERMINATION

Section 7.1 Events of Default

(a) Any one or more of the following events shall constitute an "Event of Default" hereunder with respect to the Buyer:

(i) Failure of the Buyer

(A) in any material respect to comply with, observe or perform any covenant, warranty or obligation under this Agreement (but excluding events that are otherwise specifically covered in this Section as a separate Event of Default and except due to causes excused by Force Majeure or attributable to Seller's wrongful act or failure to act in breach of this Agreement); and

(B) After receipt of written notice from Seller such failure continues for a period of five (5) Business Days, or, if such failure cannot be reasonably cured within such five (5) Business Day period, such further period as shall reasonably be required to effect such cure (but in no event longer than thirty (30) days), provided that the Buyer (x) commences within such five (5) Business Day period to effect a cure and at all times thereafter proceeds diligently to complete the cure as quickly as possible and (y) provides to Seller written documentation of its efforts and plan to cure and estimated time for completion of the cure.

(ii) Failure of the Buyer to (A) make when due any undisputed payment due to Seller hereunder; and (B) after receipt of written notice from Seller such failure continues for a period of three (3) Business Days.

(iii) Failure of the Buyer to accept Default Service in accordance with Article 3 (unless excused by Force Majeure or attributable to the Seller's wrongful act or failure to act in breach of this Agreement, or otherwise in accordance with this Agreement.

(b) Any one or more of the following events shall constitute an "Event of Default" hereunder with respect to Seller:

(i) Failure of Seller

(A) in any material respect to comply with, observe, or perform any covenant, warranty or obligation under this Agreement (but excluding events that are otherwise specifically covered in this Section as a separate Event of Default and except due to causes excused by Force Majeure or attributable to the Buyer's wrongful act or wrongful failure to act in breach of this Agreement); and

(B) after receipt of written notice from the Buyer such failure continues for a period of five (5) Business Days, or, if such failure cannot be reasonably cured within such five (5) Business Day period, such further period as shall reasonably be required to effect a cure (but in no event longer than thirty (30) days), provided that Seller (x) commences within such five (5) Business Day period to effect such cure and at all times thereafter proceeds diligently to complete the cure as quickly as possible and (y) provides to the Buyer written documentation of its efforts and plan to cure and estimated time for completion of the cure;

(ii) Failure of Seller to provide Requirements in accordance with Articles 3 and 4 (unless excused by Force Majeure or attributable to the Buyer's wrongful act or failure to act in breach of this Agreement, or otherwise in accordance with this Agreement;

(iii) Failure of Seller to satisfy its obligation to provide security when due and in accordance with Section 7.3;

(c) Any one or more of the following events with respect to either Party shall constitute an "Event of Default" hereunder with respect to such Party:

(i) The entry by a court having jurisdiction in the premises of (A) a decree or order for relief in respect of such Party in an involuntary case or proceeding under any applicable federal or state bankruptcy, insolvency, reorganization or other similar law, or (B) a decree or order adjudging such Party as bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of such Party under any applicable federal or state law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of such Party or of any substantial part of its property, or ordering the winding up or liquidation of its affairs;

(ii) The commencement by such Party of a voluntary case or proceeding, or any filing by a third party of an involuntary case or proceeding against a Party that is not dismissed within thirty (30) days of such third party's filing, under any applicable federal or state bankruptcy, insolvency, reorganization or other similar law, or of any other case or proceeding to be adjudicated as bankrupt or insolvent, or the consent by it to the entry of a decree or order for relief in respect of such Party in an involuntary case or proceeding under any applicable federal or state bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under any applicable federal or state law, or the consent by it to the filing of such petition or to the appointment of or taking possession by a custodian,

receiver, liquidator, assignee, trustee, sequestrator or other similar official of a Party or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due, or the taking of corporate action by such Party in furtherance of any such action;

(iii) Any representation or warranty made by a Party is or becomes false or misleading in any material respect.

Section 7.2 Remedies Upon Default

The Parties shall have the following remedies available to them with respect to the occurrence of an Event of Default with respect to the other Party hereunder:

(a) Upon the occurrence of an Event of Default, the non-defaulting Party shall have the right to (i) continue performance under this Agreement and exercise such rights and remedies as it may have at law, in equity or under this Agreement and seek remedies as may be necessary or desirable to enforce performance and observation of any obligations and covenants under this Agreement, so long as such rights and remedies are not duplicative of any other rights and remedies hereof, and do not otherwise enable the non-defaulting Party to obtain performance or payments in excess of the performance and payments to which it is otherwise entitled pursuant to this Agreement, or (ii) at its option, give such defaulting Party a written notice (a "Termination Notice") terminating this Agreement and all, but not less than all, Transactions. Upon a termination for an Event of Default under Section 7.1(a), (b) or (c)(iii), such termination shall be effective as of the date specified in the Termination Notice, which date shall be no earlier than the date such notice is effective and no later than thirty (30) days after the date of such notice is provided to the defaulting Party in accordance with Article 8. Upon a termination for a default or Event of Default under Section 7.1(c)(i) or (ii), such termination shall be effective as of the Event of Default, provided that the non-defaulting Party provides written notice to the defaulting Party in accordance with Article 8 within ten (10) Business Days of the Event of Default. If such notice is not given within (10) Business Days from the Event of Default, the non-defaulting Party shall be entitled to terminate this Agreement effective as of the date specified in the written notice termination. Any attempted cure by a defaulting Party after this Agreement has been terminated by the non-defaulting Party shall be void and of no effect. The Parties' obligations under this Agreement, in general and under this Section 7.2 in particular, are subject to the duty to mitigate damages as provided under common law. Termination of this Agreement shall in no way limit or restrict any Party's right to pursue any legal or equitable remedies available to it arising from an Event of Default.

(b) Seller expressly agrees that at any time after the occurrence of an Event of Default by Seller, or the delivery of a Termination Notice to Seller by the Buyer, the Buyer may exercise any rights it may have pursuant to the Article 7.3 (Security).

(c) In the event of termination for an Event of Default as provided in Section 7.1, in addition to any amounts owed for performance (or failure to perform) hereunder prior to such termination, the non-defaulting Party may recover, without duplication, its direct damages resulting from such Event of Default; such damages shall include the positive (if any) present value of this Agreement to the non-defaulting Party for the portion of the Delivery Term remaining at the time of such termination, to be determined by reference to market prices, transaction costs and load reasonably projected for the remaining portion of the Delivery Term

("Termination Damages"). The Termination Damages shall include all reasonably incurred transaction costs and expenses that otherwise would not have been incurred by the non-defaulting Party. In determining its Termination Damages, the non-defaulting Party shall offset its losses and costs by any gains or savings realized by the non-defaulting Party as a result of the termination. Seller and Buyer agree that the foregoing provision is intended to reflect a mutually acceptable measure of damages for such Event of Default.

Payment of Termination Damages, if any, shall be made by the defaulting Party to the non-defaulting Party within five (5) days after calculation of such Termination Damages and receipt of a notice including such calculation of the amounts owed hereunder and a written statement showing in reasonable detail the calculation and a summary of the method used to determine such amounts. Upon the reasonable request of the defaulting Party, the non-defaulting Party shall provide reasonable documentation to verify the costs underlying the Termination Damages. If the defaulting Party disputes the non-defaulting Party's calculation of the Termination Damages, in whole or in part, the defaulting Party shall, within five (5) days of receipt of the non-defaulting Party's calculation of the Termination Damages, provide to the non-defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that, the defaulting Party shall first pay the Termination Damages, if any, to the non-defaulting Party in accordance with the preceding sentence, and the non-defaulting Party shall then deposit such disputed amount into an interest bearing bankruptcy-remote escrow account for the benefit of the prevailing Party and the dispute shall be resolved in accordance with Section 15.2.

(d) Notwithstanding any other provision of this Agreement, the cure of any default or failure to comply with, observe or perform any covenant, warranty or obligation under this Agreement within the period provided therefor in this Article shall not release such defaulting Party from its obligations under Section 9.2 of this Agreement.

(e) Upon the occurrence of an Event of Default by Seller and upon the termination of the Agreement by Buyer, the Buyer shall have the right to immediately notify the ISO, with notification also to Seller, that (i) the assignment from the Buyer to Seller of the Ownership Share has been terminated, (ii) the Load Asset(s) shall be removed from Seller's account and placed in the account of the Buyer and (iii) Seller consents to such action. In the event the Buyer so notifies the ISO, Seller shall immediately take any and all actions that may be required by the ISO to remove the Load Asset from Seller's account and place it in the account of the Buyer. If the Agreement and any Transactions have not been terminated, the Buyer, in its sole discretion with five (5) Business Days prior notice to Seller, may elect to assign the Ownership Share of the Load Asset(s) set forth in the associated Confirmation(s) to the account of Seller and Seller shall accept such assignment, consistent with the actions required by Section 6.4 of this Master Power Agreement.

Section 7.3 <u>Security</u>

The Parties will agree upon the amount of credit support applicable to each Transaction, the terms of which shall be set forth in each Confirmation and which shall be subject to this Section. Buyer and Seller shall mutually agree to the forms of credit support and the amounts associated therewith that Seller is required to provide Buyer under this Article 7. With respect to each Transaction, within five (5) Business Days after execution of the related Confirmation, Seller shall provide such credit support in accordance with this Section 7.3 and as further described in the Confirmation.

(a) Seller, at all times during the term of a Transaction, shall either (i) maintain (A) a Credit Rating at least equal to Investment Grade and (B) a Net Worth at least equal to FIVE BILLION UNITED STATES DOLLARS ($US5,000,000,000.00) (the "Credit Requirements") or (ii) provide security in accordance with Section 7.3(b). Prior to the Commencement Date of each Transaction and at any time during the term of any Transaction, upon the request of Buyer, Seller (or its guarantor at any time that a guaranty delivered pursuant to Paragraph (A) of Subsection (b) of this Section is in effect) shall establish that it meets the Credit Requirements by providing (x) a certificate of an authorized officer, accompanied by supporting certified financial statements and (y) documentation of all Credit Ratings. Seller shall inform the Buyer within one (1) Business Day of any failure of it or its guarantor (at any time that a guaranty delivered pursuant to Paragraph (A) of Subsection (b) of this Section is in effect) to meet Credit Requirements, or of being placed by S&P or Moody's on credit watch, under review for a downgrade or with negative implications.

(b) If, at any time during the term of a Transaction, Seller fails to meet the Credit Requirements, then Seller shall provide security to the Buyer (i) in an amount as specified in each Confirmation; and (ii) in one or more of the following forms of credit support, within five (5) Business Days of the occurrence of such failure to meet the Credit Requirements:

(A) A guaranty of Seller's obligations hereunder issued by an Affiliate of Seller that meets the Credit Requirements and in substantially the form set forth in Appendix C attached hereto;

(B) An irrevocable, transferable standby letter of credit (x) issued by a U.S. commercial bank or a foreign bank with a U.S. branch with such bank having a credit rating of at least "A-" from S&P or "A3" from Moody's, (y) in a form acceptable to Buyer, including a provision permitting the Buyer upon an Event of Default as to Seller to draw down, on one or more occasions, in whole or in part, as the case may be, on the letter of credit and also permitting the Buyer to draw down an amount equal to Buyer's Termination Damages without giving effect to Section 5.5 (Netting and Setoff), and (z) that shall terminate no earlier than 120 days from the later of the termination or expiration of the Agreement. If Seller is required to provide the bank with a guarantee or any other form of financial assurance from one or more other entities to secure its letter of credit obligations, then such entities shall also guarantee all of Seller's obligations to the Buyer under this Agreement;

(C) U.S. Dollars delivered by wire transfer of immediately available funds; or

(D) Any alternate form of credit support proposed by Seller that the Buyer deems acceptable, in its sole discretion; provided however, the Buyer is under no obligation to accept any alternate form of credit support and may withhold consent to any such alternate form for any reason.

Section 7.4 Forward Contract.

Each Party represents and warrants to the other that it is a "forward contract merchant" within the meaning of the United States Bankruptcy Code, that this Agreement is a "forward contract" within the meaning of the United States Bankruptcy Code, and that the remedies

identified in this Agreement, including but not limited to those specified in Section 7, shall be "contractual rights" as provided for in 11 U.S.C. § 556 as that provision may be amended from time to time.

ARTICLE 8. NOTICES, REPRESENTATIVES OF THE PARTIES

Section 8.1 Notices

Any notice, demand, or request required or authorized by this Agreement to be given by one Party to another Party shall be in writing. It shall either be sent by facsimile (with receipt confirmed by telephone and electronic transmittal receipt), courier, personally delivered (including overnight delivery service) or mailed, postage prepaid, to the representative of the other Party designated in accordance with this Article. Any such notice, demand, or request shall be deemed to be given (i) when sent by facsimile confirmed by telephone and electronic transmittal receipt, (ii) when actually received if delivered by courier or personal delivery (including overnight delivery service) or (iii) seven (7) days after deposit in the United States mail, if sent by first class mail return receipt requested.

Notices and other communications by Seller to the Buyer shall be addressed to:

Director, Regulated Electric Load & DG
National Grid
55 Bearfoot Road
Northborough, MA 01532
(508) 421-7350 (phone)
(508) 421-7335 (fax)

Notices concerning Article 7 shall also be sent to:

General Counsel
National Grid
25 Research Drive
Westborough, MA 01582
(508) 389-9000 (phone)
(508) 389-2605 (fax)

Notices and other communications by the Buyer to Seller shall be addressed to:

Attn: Contract Administration
[redacted]

Any Party may change its representative or address for notices by written notice to the other Party; however such notice shall not be effective until it is received by the other Party.

Section 8.2 Authority of Representative

The Parties' representatives shall have full authority to act for their respective Party in all matters relating to the performance of this Agreement. Notwithstanding the foregoing, a Party's representative shall not have the authority to amend, modify, or waive any provision of this Agreement unless they are duly authorized officers of their respective entities and such amendment, modification or waiver is made in accordance with Article 17.

ARTICLE 9. LIABILITY; INDEMNIFICATION; RELATIONSHIP OF PARTIES

Section 9.1 Limitation on Consequential, Incidental and Indirect Damages

EXCEPT AS EXPRESSLY PROVIDED IN SECTION 9.2, TO THE FULLEST EXTENT PERMISSIBLE BY LAW, NEITHER THE BUYER NOR SELLER, NOR THEIR RESPECTIVE OFFICERS, DIRECTORS, AGENTS, EMPLOYEES, PARENT OR AFFILIATES, SUCCESSOR OR ASSIGNS, OR THEIR RESPECTIVE OFFICERS, DIRECTORS, AGENTS, OR EMPLOYEES, SUCCESSORS, OR ASSIGNS, SHALL BE LIABLE TO THE OTHER PARTY OR ITS PARENT, SUBSIDIARIES, AFFILIATES, OFFICERS, DIRECTORS, AGENTS, EMPLOYEES, SUCCESSORS OR ASSIGNS, FOR CLAIMS, SUITS, ACTIONS OR CAUSES OF ACTION FOR INCIDENTAL, INDIRECT, SPECIAL, PUNITIVE, MULTIPLE OR CONSEQUENTIAL DAMAGES (INCLUDING ATTORNEY'S FEES OR LITIGATION COSTS EXCEPT AS EXPRESSLY PROVIDED IN SECTION 15.2 AND IN ACCORDANCE WITH THE LIMITATION THEREUNDER) CONNECTED WITH OR RESULTING FROM PERFORMANCE OR NON-PERFORMANCE OF THIS AGREEMENT, OR ANY ACTIONS UNDERTAKEN IN CONNECTION WITH OR RELATED TO THIS AGREEMENT, INCLUDING WITHOUT LIMITATION ANY SUCH DAMAGES WHICH ARE BASED UPON CAUSES OF ACTION FOR BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE AND MISREPRESENTATION), BREACH OF WARRANTY, STRICT LIABILITY, STATUTE, OPERATION OF LAW, OR ANY OTHER THEORY OF RECOVERY. THE PROVISIONS OF THIS SECTION SHALL APPLY REGARDLESS OF FAULT AND SHALL SURVIVE TERMINATION, CANCELLATION, SUSPENSION, COMPLETION OR EXPIRATION OF THIS AGREEMENT.

Section 9.2 Indemnification

(a) Seller agrees to defend, indemnify and save the Buyer, its officers, directors, employees, agents, successors assigns, and Affiliates and their officers, directors, employees and agents harmless from and against any and all third-party claims, suits, actions or causes of action and any resulting losses, damages, charges, costs or expenses, (including reasonable attorneys' fees and court costs), arising from or in connection with any (a) breach of a representation or warranty or failure to perform any covenant or agreement in this Agreement by Seller, (b) any violation of applicable law, regulation or order by Seller, (c) any act or omission by Seller with respect to this Agreement, first arising, occurring or existing during the term of this Agreement, whether incurred by settlement or otherwise, and whether such claims or actions are threatened or filed prior to or after the termination of this Agreement, except to the extent caused by an act of gross negligence or willful misconduct by an officer, director, agent, employee, or Affiliate of the Buyer or its respective successors or assigns.

(b) The Buyer agrees to defend, indemnify and save Seller, its officers, directors, employees, agents, successor, assigns, and Affiliates and their officers, directors, employees and

agents harmless from and against any and all third-party claims, suits, actions or causes of action and any resulting losses, damages, charges, costs or expenses, (including reasonable attorneys' fees and court costs), arising from or in connection with any (a) breach of representation or warranty or failure to perform any covenant or agreement in this Agreement by said Buyer, (b) any violation of applicable law, regulation or order by Buyer, (c) any act or omission by the Buyer, with respect to this Agreement first arising, occurring or existing during the term of this Agreement, whether incurred by settlement or otherwise, and whether such claims or actions are threatened or filed prior to or after the termination of this Agreement, except to the extent caused by an act of gross negligence or willful misconduct by an officer, director, agent, employee or Affiliate of Seller or its respective successors or assigns.

(c) If any Party intends to seek indemnification under this Section from the other Party with respect to any action or claim, the Party seeking indemnification shall give the other Party notice of such claim or action within thirty (30) days of the later of the commencement of, or actual knowledge of, such claim or action; provided, however, that in the event such notice is delivered more than thirty (30) days after the Party seeking indemnification knows of such claim or action, the indemnifying Party shall be relieved of its indemnity hereunder only if and to the extent such indemnifying Party was actually prejudiced by such delay. The Party seeking indemnification shall have the right, at its sole cost and expense, to participate in the defense of any such claim or action. The Party seeking indemnification shall not compromise or settle any such claim or action without the prior consent of the other Party, which consent shall not be unreasonably withheld.

Section 9.3 Independent Contractor Status

Nothing in this Agreement shall be construed as creating any relationship between the Buyer and Seller other than that of independent contractors for the sale and delivery of Requirements for Default Service.

ARTICLE 10. ASSIGNMENT

Section 10.1 General Prohibition Against Assignments

Except as provided in Section 10.2, neither Party shall assign, pledge or otherwise transfer this Agreement or any right or obligation under this Agreement without first obtaining the other Party's written consent, which consent shall not be unreasonably withheld.

Section 10.2 Exceptions to Prohibition Against Assignments

(a) Seller may, without the Buyer's prior written consent, collaterally assign this Agreement in connection with financing arrangements provided that any such collateral assignment that provides for the Buyer to direct payments to the collateral agent (i) shall be in writing, (ii) shall not be altered or amended without prior written notice to the Buyer from both Seller and the collateral agent, and (iii) provided that any payment made by the Buyer to the collateral agent shall discharge the Buyer's obligation as fully and to the same extent as if it had been made to the Seller. Seller must provide the Buyer at least ten (10) days advance written notice of collateral assignment and provide copies of any such assignment and relevant agreements or writings.

(b) Either Party may, upon written notice, assign its rights and obligations under this Agreement or transfer such rights and obligations by operation of law, to any entity with which or into which such Party shall merge or consolidate or to which such Party shall transfer all or substantially all of its assets, provided that such other entity agrees to be bound by the terms hereof and provided further, that such other entity's creditworthiness is comparable to or higher than that of the assigning Party at the time this Agreement was executed and such Party is not relieved of any obligation or liability hereunder as a result of such assignment

ARTICLE 11. SUCCESSORS AND ASSIGNS

This Agreement shall inure to the benefit of and shall be binding upon the Parties hereto and their respective successors and permitted assigns.

ARTICLE 12. FORCE MAJEURE

(a) Force Majeure shall include but not be limited to acts of God, earthquakes, fires, floods, storms, strikes, labor disputes, riots, insurrections, acts of war (whether declared or otherwise), terrorism, acts of terrorism, acts of governmental, regulatory or judicial bodies, but if and only to the extent that such event or circumstance (i) directly affects the availability of the transmission or distribution facilities of the New England Transmission System, the Buyer or an Affiliate of the Buyer necessary to provide service to the Buyer's customers which are taking service pursuant to the Default Service Tariff and (ii) it is not within the reasonable control of, or the result of the negligence of, the claiming Party, and which, by the exercise of due diligence, the claiming Party is unable to overcome or avoid or cause to be avoided. Force Majeure shall not be based on (A) fluctuations in Default Service, (B) the cost to a Party to overcome or avoid, or cause to be avoided, the event or circumstance affecting such Party's performance or (C) events affecting the availability or cost of operating any generating facility.

(b) To the extent that either Party is prevented by Force Majeure from carrying out, in whole or in part, its obligations hereunder and (i) such Party gives notice and detail of the Force Majeure to the other Party as soon as practicable after the onset of the Force Majeure, including an estimate of its expected duration and the probable impact on the performance of its obligations hereunder; (ii) the suspension of performance is of no greater scope and of no longer duration than is required by the Force Majeure, and (iii) the Party claiming Force Majeure uses commercially reasonable efforts to remedy or remove the inability to perform caused by Force Majeure, then the affected Party shall be excused from the performance of its obligations prevented by Force Majeure. However, neither Party shall be required to pay for any obligation the performance of which is excused by Force Majeure. This paragraph shall not require the settlement of any strike, walkout, lockout or other labor dispute on terms which, in the sole judgment of the Party involved in the dispute, are contrary to its interest. It is understood and agreed that the settlement of strikes, walkouts, lockouts or other labor disputes shall be entirely within the discretion of the Party involved in the dispute.

(c) No obligations of either Party which arose before the Force Majeure occurrence causing the suspension of performance shall be excused as a result of the event of Force Majeure.

(d) Prior to the resumption of performance suspended as a result of a Force Majeure occurrence, the Party claiming the Force Majeure shall give the other Party written notice of such resumption.

ARTICLE 13. WAIVERS

No delay or omission in the exercise of any right under this Agreement shall impair any such right or shall be taken, construed or considered as a waiver or relinquishment thereof, but any such right may be exercised from time to time and as often as may be deemed expedient. The waiver of any single breach or default of any term or condition of this Agreement shall not be deemed to constitute the waiver of any other prior or subsequent breach or default of the Agreement or any other term or condition.

ARTICLE 14. LAWS AND REGULATIONS

(a) This Agreement and all rights, obligations, and performances of the Parties hereunder, are subject to all applicable federal and state laws, and to all duly promulgated orders and other duly authorized action of governmental authorities having jurisdiction hereof.

(b) The rates, terms and conditions contained in this Agreement are not subject to change under Section 205 of the Federal Power Act as that section may be amended or superseded, absent the mutual written agreement of the Parties. Each Party irrevocably waives its rights, including its rights under §§ 205-206 of the Federal Power Act, unilaterally to seek or support a change in the rate(s), charges, classifications, terms or conditions of this Agreement or any other agreements entered into in connection with this Agreement. By this provision, each Party expressly waives its right to seek or support: (i) an order from the Commission finding that the market-based rate(s), charges, classifications, terms or conditions agreed to by the Parties in the Agreement are unjust and unreasonable; or (ii) any refund with respect thereto. Each Party agrees not to make or support such a filing or request, and that these covenants and waivers shall be binding notwithstanding any regulatory or market changes that may occur hereafter and (z) that it shall not challenge or support a challenge to the enforceability of the waiver in this Section (b).

(c) Absent the agreement of all Parties to a proposed change, the standard of review for changes to this Agreement proposed by a non-party or the Commission acting sua sponte shall be the "public interest" standard of review set forth in United Gas Pipe Line Co. v. Mobile Gas Service Corp., 350 U.S. 332 (1956) and Federal Power Commission v. Sierra Pacific Power Co., 350 U.S. 348 (1956) (the "Mobile-Sierra" doctrine).

(d) The Parties agree that, if and to the extent that the Commission adopts a final rule or order which requires that, in order to exclude application of the just and reasonable standard of review and to mandate application of the public interest standard of review under the Mobile-Sierra doctrine for a proposed change to this Agreement which is not agreed to by all Parties, the Parties must agree to language which varies from that set forth in Article 14(c) then, without further action of either Party, Article 14(c) will be deemed amended to incorporate the specific language required by such final rule or order as is necessary to have the public interest standard of review under the Mobile-Sierra doctrine apply to any proposed change to this Agreement to which all Parties do not agree.

(e) Nothing in this Article 14 is intended to modify any Party's right to enforce the terms of this Agreement as written.

ARTICLE 15. INTERPRETATION, DISPUTE RESOLUTION

Section 15.1 Governing Law

The Agreement shall be governed by and construed and performed in accordance with and the laws of the State of New Hampshire, without giving effect to its conflict of laws principles.

Section 15.2 Dispute Resolution

All disputes between the Buyer and Seller under this Agreement shall be referred, upon notice by one Party to the other Party, to a senior manager of Seller designated by Seller, and a senior manager of the Buyer designated by the Buyer, for resolution on an informal basis as promptly as practicable. In the event the designated senior managers are unable to resolve the dispute within ten (10) days of receipt of the notice, or such other period to which the Parties may jointly agree, such dispute shall be submitted to arbitration and resolved in accordance with the arbitration procedure set forth in this Section. The arbitration shall be conducted in Boston, Massachusetts before a single neutral arbitrator mutually agreed to and appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) days of the referral of the dispute to arbitration, Seller and the Buyer shall each choose one arbitrator, who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within ten (10) days select a third arbitrator to act as chairman of the arbitration panel. In either case, the arbitrator(s) shall be knowledgeable and have at least two (2) years experience in electric utility matters, including wholesale power transactions and power market issues, and shall not have any current or past material business or financial relationships with either Party or a witness for either Party and shall not have a direct or indirect interest in any Party or the subject matter of the arbitration. If a panel of arbitrators, all of their decisions shall be by majority vote. The arbitrator(s) shall afford each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall generally conduct the arbitration in accordance with the then-current arbitration rules of the CPR Institute for Dispute Resolution (formerly known as the Center for Public Resources), unless otherwise mutually agreed by the Parties. There shall be no formal discovery conducted in connection with the arbitration unless otherwise mutually agreed by the Parties; provided, however, that the Parties shall exchange witness lists and copies of any exhibits that they intend to utilize in their direct presentations at any hearing before the arbitrator(s) at least ten (10) days prior to such hearing, along with any other information or documents specifically requested by the arbitrator(s) prior to the hearing. Any offer made and the details of any negotiations to resolve the dispute shall not be admissible in the arbitration or otherwise. Unless otherwise agreed, the arbitrator(s) shall render a decision within ninety (90) days of his, her or their appointment and shall notify the Parties in writing of such decision and the reasons therefore, and shall make an award apportioning the payment of the costs and expenses of arbitration among the Parties; provided, however, that each Party shall bear the costs and expenses of its own attorneys, expert witnesses and consultants unless the arbitrator(s), based upon a determination of good cause, awards attorneys fees and legal and other costs to the prevailing Party. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this Agreement and shall have no power to modify or change the Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the

award may be entered in any court having jurisdiction, subject expressly to Section 15.3. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act and/or the Administrative Dispute Resolution Act. Nothing in this paragraph shall impair the ability of a Party to exercise any right or remedy it has under this Agreement, including those in Article 7. To the fullest extent permitted by law, any arbitration proceeding and the arbitrator's award shall be maintained in confidence by the Parties; provided, however, that either Party, or any of its Affiliates, may provide information regarding the arbitration without limitation to any regulatory agency requesting or requiring such information or to a court in a proceeding to confirm, appeal (as such appeal is limited hereby) or enforce the award; provided, further, that any such provision of information must include a request for confidential treatment.

Section 15.3 Venue; Waiver of Jury Trial

Each Party hereto irrevocably (i) submits to the exclusive jurisdiction of the federal and state courts located in the State of New Hampshire; (ii) waives any objection which it may have to the laying of venue of any proceedings brought in any such court; and (iii) waives any claim that such proceedings have been brought in an inconvenient forum. EACH PARTY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY SUIT, ACTION OR PROCEEDING RELATING TO THIS AGREEMENT.

ARTICLE 16. SEVERABILITY

Any provision declared or rendered unlawful by any applicable court of law or regulatory agency or deemed unlawful because of a statutory change will not otherwise affect the remaining provisions and lawful obligations that arise under this Agreement. If any provision of this Agreement, or the application thereof to any Party or any circumstance, is invalid or unenforceable, (a) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision, and (b) the remainder of this Agreement and the application of such provision or circumstances shall not be affected by such invalidity or unenforceability.

ARTICLE 17. MODIFICATIONS

No modification or amendment of this Agreement will be binding on any Party unless it is in writing and signed by both Parties.

ARTICLE 18. ENTIRE AGREEMENT

This Master Power Agreement, including the Appendices, any Confirmations relating to specific Transactions, the tariffs and agreements referred to herein or therein, embody the entire agreement and understanding of the Parties in respect of the transactions contemplated by this Agreement. There are no restrictions, promises, representations, warranties, covenants or undertakings, other than those expressly set forth or referred to herein or therein. It is expressly acknowledged and agreed that there are no restrictions, promises, representations, warranties, covenants or undertakings contained in any material provided or otherwise made available by the

Seller or the Buyer to each other. This Agreement supersedes all prior agreements and understandings between the Parties with respect to the transactions contemplated hereby and specifically excludes written agreements executed by the Parties prior to the Effective Date.

ARTICLE 19. COUNTERPARTS

This Agreement may be executed in any number of counterparts, and each executed counterpart shall have the same force and effect as an original instrument.

ARTICLE 20. INTERPRETATION; CONSTRUCTION

The article and section headings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the Parties and shall not in any way affect the meaning or interpretation of this Agreement. For purposes of this Agreement, the term "including" shall mean "including, without limitation". The Parties acknowledge that, each Party and its counsel have reviewed and or revised this Agreement and that any rule of construction to the effect that any ambiguities are to be resolved against the drafting Party shall not be employed in the interpretation of this Agreement, and it is the result of joint discussion and negotiation.

ARTICLE 21. REPRESENTATIONS; WARRANTIES AND COVENANTS

Each Party represents to the other Parties, upon execution and continuing throughout the term of this Agreement, as follows:

(a) It is duly organized in the form of business entity set forth in the first paragraph of this Agreement, validly existing and in good standing under the laws of its state of its organization and has all requisite power and authority to carry on its business as is now being conducted, including all regulatory authorizations as necessary for it to legally perform its obligations hereunder.

(b) It has full power and authority to execute and deliver this Master Power Agreement and any and all Confirmations related to Transactions and to consummate and perform the transactions contemplated hereby. This Master Power Agreement has been, and any Confirmation will be, duly and validly executed and delivered by it, and, assuming that this Master Power Agreement, together with any and all Confirmations, constitutes a valid and binding agreement of the other Parties, constitute together its valid and binding agreement, enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles.

(c) Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, or the terms of any note, bond, mortgage, indenture, deed of trust, license, franchise, permit, concession, contract, lease or other instrument to which it is bound, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets.

(d) No declaration, filing with, notice to, or authorization, permit, consent or approval of any governmental authority is required for the execution and delivery of this Master Power Agreement or any and all Confirmations related to a Transaction by it or the performance by it of its obligations hereunder and thereunder, other than such declarations, filings, registrations, notices, authorizations, permits, consents or approvals which, if not obtained or made, will not, in the aggregate, have a Material Adverse Effect.

(e) Neither the execution and delivery of this Master Power Agreement or any and all Confirmations by it, nor the performance by it of its obligations under this Master Power Agreement and any and all Confirmations related to Transactions, will or does (i) conflict with or result in any breach of any provision of its Governing Documents, (ii) result in a default (or give rise to any right of termination, cancellation or acceleration) under any of the terms, conditions or provisions of any note, bond, mortgage, indenture, license, agreement or other instrument or obligation to which it or any of its subsidiaries is a party or by which it or any of its subsidiaries is bound, except for such defaults (or rights of termination, cancellation or acceleration) as to which requisite waivers or consents have been obtained or which, in the aggregate, would not have a Material Adverse Effect; or (iii) violate any order, writ, injunction, decree, statute, rule or regulation applicable to it, which violation would have a Material Adverse Effect.

(f) There are no claims, actions, proceedings or investigations pending or, to its knowledge, threatened against or relating to it before any governmental authority acting in an adjudicative capacity relating to the transactions contemplated hereby that could have a Material Adverse Effect. It is not subject to any outstanding judgment, rule, order, writ, injunction or decree of any court or governmental authority which, individually or in the aggregate, would create a Material Adverse Effect.

(g) There are no bankruptcy, insolvency, reorganization, receivership or other similar proceedings pending or being contemplated by it, or of its knowledge threatened against it.

(h) With respect to Seller, (i) it and the ISO have fully executed a Market Participant Service Agreement ("Seller's MPSA"), and it has been approved by the Commission in accordance with Subsection 7.1 of the MPSA with the ISO and (ii) the ISO has not filed with the Commission a notice of termination of Seller's MPSA.

(i) It is acting for its own account, has made its own independent decision to enter into this Master Power Agreement and any and all Confirmations related to a Transaction and as to whether this Master Power Agreement and any such Confirmation is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of the other Party hereto, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Master Power Agreement and any such Confirmation or Transaction.

ARTICLE 22. CONSENTS AND APPROVALS

The Parties shall cooperate so that each Party may take such actions as necessary and required for the other Party to effectuate and comply with this Agreement including to (i) promptly prepare and file all necessary documentation, (ii) effect all necessary applications, notices, petitions and filings and execute all agreements and documents, and (iii) use all commercially reasonable efforts to obtain all necessary consents, approvals and authorizations of

all other entities, in the case of each of the foregoing clauses (i), (ii) and (iii), necessary or advisable to consummate the transactions contemplated by this Agreement. The Buyer shall have the right to review and approve in advance all characterizations of the information relating to the transactions contemplated by this Agreement which appear in any filing, press release or public announcement made in connection with the transactions contemplated hereby.

ARTICLE 23. CONFIDENTIALITY

Neither Seller nor the Buyer shall provide copies of or disclose the contents or terms of Section 5.2(b), Article 7 and Appendix C of the Master Power Agreement (the "Confidential Terms") to any third party without the prior written consent of the other Party; provided, however, that either Party may provide a copy of the Confidential Terms, in whole or in part to (1) any regulatory agency or governmental authority with jurisdictional interest requesting and/or requiring such Confidential Terms, or in order to comply with any applicable law, regulation, or any exchange, control area or independent system operator rule or in connection with any court or regulatory proceeding, provided that in the case of a disclosure pursuant to the foregoing, such disclosure must include a request for confidential treatment of the Confidential Terms, and (2) an Affiliate if related to the Party's performance of its obligations hereunder, provided that such Affiliate agrees to treat the Confidential Terms as confidential in accordance with this clause. Further, the Parties agree that where information or documentation is required to be provided to the other Party pursuant to the terms of this Agreement, such information shall be sufficiently marked as Confidential and the other Party shall treat such information consistent with the confidentiality requirements of this Article 23.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Parties have caused their duly authorized representatives to execute this Master Power Agreement on their behalf as of the date first above written.

GRANITE STATE ELECTRIC COMPANY

_____

Name (print):_____
Title: _____

DOMINION ENERGY MARKETING, INC.

_____ MLI 8

Name (print): JAMES F. HAYES
Title: AUTHORIZED REPRESENTATIVE

IN WITNESS WHEREOF, the Parties have caused their duly authorized representatives to execute this Master Power Agreement on their behalf as of the date first above written.

GRANITE STATE ELECTRIC COMPANY

Name (print): Ronald T. Gerwatowski
Title: Vice President

DOMINION ENERGY MARKETING, INC.

Name (print):
Title:

APPENDIX A
ESTIMATION OF SELLER HOURLY LOADS

Overview

Generating units operated by suppliers are dispatched by the power pool to meet the region's electrical requirements reliably, and at the lowest possible cost. As a result, a supplier's electricity production may not match the demand of its customers. In each hour some suppliers with low cost production units or that contract for the output of such units are net sellers of electricity to the pool, while other suppliers are purchasing power from the pool to meet the demand of their customers. To determine the extent to which suppliers are net buyers or sellers on an hourly basis, it is necessary to estimate the hourly aggregate demand for all of the customers served by each supplier. The Buyer will estimate Seller's Default Service load obligations within the Buyer's service territory and report the hourly results to the ISO on a daily basis.

The estimation process is a cost-effective approach to producing results that are reliable, unbiased and reasonably accurate. The hourly load estimates will be based on rate class load profiles, which will be developed from statistically designed samples. Each day, the class load shapes will be scaled to the population of customers served by each supplier. In cases where telemetered data on individual customers is available, it will be used in place of the estimated shapes. On a monthly basis, the estimates will be refined by incorporating actual usage data obtained from meter readings. In both processes, the sum of all suppliers' estimated loads will match the total load delivered into the distribution system. A description of the estimation process follows.

Daily Estimation of Suppliers' Own Load

The daily process estimates the hourly load for each supplier for the previous day. The following is an outline of this process:

- Select a proxy date from the previous year with characteristics which best match the day for which the hourly demand estimates are being produced. Extract class load shapes for the selected proxy date from the load research database.

- Scale the class load shapes appropriately for each individual customer based on the usage level of the customer relative to the class average usage level.

- Calculate a factor for each customer which reflects their relative usage level and includes an adjustment for losses ("load adjustment factor"). Aggregate the load adjustment factors across the customers served by each supplier in each class.

- Produce a preliminary estimate of each supplier's hourly loads by combining the proxy day class load shapes with the supplier's total load adjustment factors. Aggregate the loads across the classes for each supplier.

- Adjust the preliminary hourly supplier estimates so that their sum is equal to the Buyer's actual hourly metered loads (as metered at the point of delivery to the distribution system) by allocating any differences to suppliers in proportion to their estimated load.

- Adjust the hourly supplier estimates to include transmission losses within the Buyer's transmission system.

- Submit the hourly loads to the ISO.

After the Buyer has submitted the supplier hourly loads, the ISO will allocate PTF losses to the supplier's account during the settlement process.

Monthly Reconciliation Process

The monthly process will improve the estimates of supplier loads by incorporating the most recent customer usage information, which will be available after the monthly meter readings are processed. The actual customer meter readings, as well as actual interval data for the largest customers, are used to re-estimate all of the days in the calendar month being reconciled. Updates to customers' account status and supplier assignments that may have been missed during the daily processing (due to timing) are included. The resulting hourly supplier load estimates for all the days in the month are reported and used by the ISO as the basis for the monthly resettlement.

APPENDIX B
MASTER POWER AGREEMENT
FORM OF CONFIRMATION

This Confirmation shall confirm the Transaction agreed to on, and effective as of _____, between **GRANITE STATE ELECTRIC COMPANY** ("Granite" or "Buyer"), a New Hampshire corporation and **DOMINION ENERGY MARKETING, INC. ("Seller")**, a Delaware corporation, regarding the sale/purchase of Default Service specified herein under the terms and conditions under the Master Power Agreement, dated _____ (the "Master Power Agreement") between Buyer and Seller, as specified and modified herein. Terms used but not defined herein shall have the meanings ascribed to them in the Master Power Agreement.

1. Confirmation Effective Date; Condition Precedent; Filing Obligation; Term

This Confirmation shall be binding on the Parties upon execution by both Parties (such date the "Confirmation Effective Date"). Promptly after execution by both Parties, Buyer shall submit the Default Service retail rates to the NHPUC for its approval. The Parties performance of Sections 3.2 through 6.4 of the Master Power Agreement are subject to the occurrence, on or before the fifth Business Day after (but not including) the Buyer's submission of the Default Service retail rates to the NHPUC (the "Fifth Day"), for the approval by the NHPUC. If the NHPUC does not issue a decision approving Buyer's request to approve the Default Service retail rates as filed on or before the Fifth Day (a "NHPUC Denial"), then this Confirmation shall be null and void and of no further force and effect, and neither Party shall have any obligation whatsoever to the other Party, and such a voiding of the Confirmation and the NHPUC Denial shall not be a default or constitute an Event of Default by either Party; provided, however, that neither Party shall undertake any action with the NHPUC or otherwise in opposition of approval by the NHPUC of the Master Power Agreement or the Confirmation as executed.

2. Default Service Requirements Matrix

Award Block	Customer Group	Load Zone	Load Responsibility	Commencement Date	Conclusion Date
TBD	TBD	NH	100%	TBD	TBD

3. Contract Rate - $/MWh

Contract Rate	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
TBD	TBD	TBD	TBD	TBD	TBD	TBD

4. Load Asset Designation within the ISO Settlement Market System

Award Block	Customer Group	Load Zone	Load Asset Number	Load Asset Name
TBD	TBD	NH	TBD	TBD

5. Amount Payable

The amount payable by the Buyer to Seller in a month shall be:

(i) The product of (a) the Delivered Energy for Default Service to the Large Customer Group and (b) Large Customer Group Contract Rate in the month plus,
(ii) The product of (a) the Delivered Energy for Default Service to the Small Customer Group and (b) Small Customer Group Contract Rate in the month.

[To be determined consistent with each transaction]

6. Confidentiality

Articles 2, 3 4, 5, and 7 of this Confirmation are Confidential Terms within the meaning of Article 23 of the Master Power Agreement.

7. Security

The amount of credit support for this Transaction is XXX MILLION UNITED STATES DOLLARS ($US XXX,000,000.00).

Within five (5) Business Days after the execution of this Confirmation, Seller shall provide credit support in accordance with Section 7.3 of the Master Power Agreement, and in any of the forms specified in Section 7.3(b) of the Master Power Agreement.

8. Ratification of the Terms and Conditions of the Agreement

(a) Except as expressly amended or waived by this Confirmation, the terms, conditions, covenants, agreements, warranties and representations contained in the Master Power Agreement are in all respects ratified, confirmed and remade as of the date hereof and, except as amended or waived hereby, shall continue in full force and effect.

(b) Nothing in this Confirmation shall, or shall be construed to, alter or amend any other Confirmation.

7. Counterparts

This Confirmation may be executed in counterparts, all of which together shall constitute one and the same instrument.

This Confirmation constitutes part of and is subject to the terms and provisions of such Master Power Agreement.

IN WITNESS WHEREOF, the Parties have caused their duly authorized representatives to execute this Confirmation on their behalf as of the date first above written.

GRANITE STATE ELECTRIC COMPANY

_____

Name (print): Michael J. Hager_____
Title: Authorized Signatory_____

DOMINION ENERGY MARKETING, INC.

_____

Name (print):_____
Title: _____

APPENDIX C
FORM OF GUARANTY

Guaranty

This Guaranty (this "Guaranty"), dated effective as of [__], 2007 (the "Effective Date"), is made and entered into by [ ], a [ ] corporation ("Guarantor").

W I T N E S S E T H:

WHEREAS, Granite State Electric Company ("the Buyer") and [ ], a corporation organized under the laws of the State of [ ] ("Seller") and a [ ] of Guarantor, have entered into that certain Confirmation, dated _____ (the "Confirmation"), under the Master Power Agreement, dated [ ], (collectively with the Confirmation, as the foregoing and the terms therein and the obligations and liabilities thereunder may from time to time and without notice to or consent of the Guarantor, and without impairing or releasing the obligations of the Guarantor, be amended, modified, revised, supplemented or waived by Buyer and Seller, the "Agreement") and

WHEREAS, Guarantor will directly or indirectly benefit from the Agreement between Seller and the Buyer;

NOW THEREFORE, in consideration of the Buyer entering into the Agreement, Guarantor hereby covenants and agrees as follows:

1) GUARANTY. Subject to the provisions hereof, Guarantor hereby irrevocably and unconditionally guarantees the full and faithful timely performance and payment when due of the obligations of Seller that are now due or may hereafter become due and payable to the Buyer under the Agreement (the "Obligations"). This Guaranty shall constitute a guarantee of performance and payment and not of collection. The liability of Guarantor under this Guaranty shall be specifically limited to performance and payments expressly required to be made under the Agreement (even if such payments are or are deemed to be damages) as well as costs of collection and enforcement of this Guaranty (including attorney's fees) to the extent reasonably and actually incurred by the Buyer, but in no event shall Guarantor be subject hereunder to consequential, exemplary, equitable, loss of profits, punitive or tort damages, or, except to the extent specifically provided in the Agreement, any other damages.

2) DEMANDS AND NOTICE. Upon the occurrence and during the continuance of an Event of Default or termination, as may be defined in the Agreement, if Seller fails or refuses to perform or pay any Obligations and the Buyer elects to exercise its rights under this Guaranty, the Buyer shall make a demand upon Guarantor (hereinafter referred to as a "Demand"). A Demand shall be in writing and shall reasonably and briefly specify in what manner and what amount Seller has failed to perform or pay and an explanation of why such performance or payment is due, with a specific statement that the Buyer is calling upon Guarantor to perform and/or pay under this Guaranty. A Demand satisfying the foregoing requirements shall be required with respect to Obligations before Guarantor is required to perform or pay (free of any deductions or withholdings) such Obligations hereunder and shall be deemed sufficient notice to Guarantor that it must perform the Obligations within two (2) Business Days, or pay the Obligations within five (5) Business Days, after its receipt

of the Demand. A single written Demand shall be effective as to any specific default during the continuance of such default, until Seller or Guarantor has cured such default, and additional written demands concerning such default shall not be required until such default is cured. As used herein, the term "Business Day" shall mean a day on which commercial banks or financial institutions are open for business in the Commonwealth of Massachusetts.

3) REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants that:

(a) it is a corporation duly organized and validly existing and in good standing under the laws of the State of [ ] and has the corporate power and authority to execute, deliver and carry out the terms and provisions of the Guaranty;

(b) the execution, delivery and performance of this Guaranty and each transaction contemplated by this Guaranty, do not and will not (with or without the lapse of time, the giving of notice or both, contravene, conflict with or result in a breach of or default under any provision of its constitution or any writ, order, judgment, law, rule or regulation to which it is a party or is subject or by which it is bound; and

(c) no authorization, approval, consent or order of, or registration or filing with, any court or other governmental body having jurisdiction over Guarantor is required on the part of Guarantor for the execution and delivery of this Guaranty; and

(d) this Guaranty, when executed and delivered, will constitute a valid and legally binding agreement of Guarantor, except as the enforceability of this Guaranty may be limited by the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity.

4) SETOFFS AND COUNTERCLAIMS. Without limiting Guarantor's own defenses and rights hereunder, Guarantor reserves to itself all rights, setoffs, counterclaims and other defenses to which Seller or any other affiliate of Guarantor is or may be entitled to arising from or out of the Agreement or otherwise, except for defenses arising out of the bankruptcy, insolvency, dissolution or liquidation of Seller, the lack of power or authority of Seller to enter into, amend and/or perform the Agreement, or waiver or consent with respect to any provision thereof, or a claim as to the Agreement's validity regularity or enforceability, or any similar circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor generally.

5) AMENDMENT OF GUARANTY. No term or provision of this Guaranty shall be amended, modified, altered, waived or supplemented except in a writing signed by Guarantor and the Buyer.

6) WAIVER; TERMINATION. Except as required in Section 2 above, Guarantor hereby waives (a) notice of acceptance of this Guaranty; (b) presentment, demand and notice of dishonor concerning the liabilities of Guarantor; and (c) any right to require that any action or proceeding be brought against Seller or any other person, or to require that the Buyer exhaust its remedies against Seller or seek enforcement of any performance against Seller or any other person, or against any collateral pledged by Seller or any other person liable for payment or performance of the Obligations, prior to any action against Guarantor under the terms hereof. Buyer shall not be obligated

to file any claim relating to the Obligations in the event that Seller becomes subject to a bankruptcy, reorganization or similar proceeding, and the failure of the Buyer to so file shall not affect the Guarantor's obligations hereunder.

Except as to applicable statutes of limitation, no delay of the Buyer in the exercise of, or failure to exercise, any rights hereunder shall operate as a waiver of such rights, a waiver of any other rights or a release of Guarantor from any obligations hereunder.

Guarantor consents to the renewal, compromise, extension, acceleration or other changes including in the time of payment of and other changes in the terms of the Obligations, or any part thereof and amendments thereto, or any changes and modifications to the terms of the Agreement or waivers there under.

Guarantor shall not be discharged or released from its obligations hereunder by any proceeding, voluntary or involuntary, involving the bankruptcy, insolvency, receivership, reorganization, liquidation or arrangement of Seller or by any defense which Seller may have by reason of the order, decree or decision of any court or administrative body resulting from any such proceeding. Guarantor agrees that this Guaranty shall continue to be effective or shall be reinstated, as the case may be, if all or any part of any payment made hereunder is at any time avoided or rescinded or must otherwise be restored or repaid by the Buyer as a result of the bankruptcy of Seller, or otherwise, all as though such payments had not been made.

This Guaranty and the Guarantor's obligations hereunder shall remain in effect for the term of the Agreement.

NOTICE. Any Demand, notice, request, instruction, correspondence or other document to be given hereunder by any party to another (herein collectively called "Notice") shall be in writing and delivered personally or mailed by certified mail, postage prepaid and return receipt requested, or by telegram or facsimile, as follows:

To the Buyer:	To Guarantor:
Director, Regulated Electric Load & DG National Grid 55 Bearfoot Road Northborough, MA 01532	
Fax No.: (508) 421-7335 Phone No.: (518) 421-7350	Fax No.: Phone No.:

Notice given by personal delivery or mail shall be effective upon actual receipt. Notice given by telegram shall be effective upon actual receipt if received during the recipient's normal business hours, or at the beginning of the recipient's next business day after receipt if not received during the recipient's normal business hours. Notice given by facsimile shall be effective upon (i) actual receipt if received during the recipient's normal business hours, or at the beginning of the recipient's next business day after receipt if not received during the recipient's normal business hours and (ii) confirmation of receipt by telephone. All Notices by telegram or facsimile shall be confirmed promptly after transmission in writing by certified mail or personal delivery. Any party may change any address to which Notice is to be given to it by giving notice in accordance with the requirements of this Section.

MISCELLANEOUS. This Guaranty shall in all respects be governed by, and construed in accordance with, the law of the Commonwealth of Massachusetts, without regard to principles of conflicts of laws.

This Guaranty shall be binding upon Guarantor and its successors and permitted assigns and inure to the benefit of and be enforceable by the Buyer and its successors and permitted assigns. The Guarantor may not assign this Guaranty in part or in whole without the prior written consent of the Buyer. The Buyer may not assign its rights or benefits under this Guaranty in part or in whole except (i) with the prior written consent of the Guarantor, or (ii) pursuant to a permitted assignment of Agreement ("Assigned Agreement"), in which case the assignee will succeed to the rights of the Buyer hereunder arising after the date of such assignment. Neither the Guarantor nor the Buyer will unreasonably withhold or delay consent to assignment.

This Guaranty embodies the entire agreement and understanding between Guarantor and the Buyer and supersedes all prior agreements and understandings relating to the subject matter hereof. The headings in this Guaranty are for purposes of reference only, and shall not affect the meaning hereof.

Time is of the essence of this Guaranty. The remedies provided to the Buyer in this Guaranty are cumulative and not exclusive of any other remedies provided by law.

Words importing the singular number hereunder shall include the plural number and vice versa and any pronouns used herein shall be deemed to cover all genders. The term "person" as used herein means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated association, or government (or any agency or political subdivision thereof).

Wherever possible, any provision in this Guaranty which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any one jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

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IN WITNESS WHEREOF, the Guarantor has executed this Guaranty on _____, 2007, but it is effective as of the Effective Date.

[GUARANTOR]

_____

Name (print):_____
Title: _____

Schedule JDW-6

SCHEDULE JDW – 6

Default Service Contract for the Large Customer Group
With Changes Highlighted
May 1, 2009 through July 31, 2009

EXECUTION COPY

NEW ~~HAMPSHIRE~~HAMPSPSHIRE MASTER POWER ~~SUPPLY~~ AGREEMENT

This **MASTER POWER ~~SUPPLY~~ AGREEMENT** ("Master Power Agreement") is dated as of ~~**[date]**~~ **March 7, 2008** and is by and between **GRANITE STATE ELECTRIC COMPANY** ("Granite" or "Buyer"), a New Hampshire corporation, and ~~**[Company], a [what]**~~ [redacted] **("Seller")**~~.~~ This Master Power Agreement provides for the sale by Seller of Default Service, as defined herein, to the Buyer. ~~Granite~~Buyer and Seller are referred to herein individually as a "Party" and collectively as the "Parties".

ARTICLE 1. BASIC UNDERSTANDINGS

~~Seller, in response to a Request for Proposal dated February 10, 2006 issued by the Buyer, has been selected to be the supplier of firm, load-following power to meet the Buyer's Default Service Requirements as defined in the Default Service Requirements Matrix found in Appendix C. This Agreement sets forth the terms under which Seller will supply Default Service to Buyer for the period commencing with the beginning of the HE 0100 EPT on the Commencement Date in Appendix C and continuing through and including the end of the HE 2400 EPT on Conclusion Date in Appendix C (the "Delivery Term(s)").~~

Seller and Buyer have agreed to execute this Master Power Agreement in order to establish the basic terms of Seller's provision and sale of, and Buyer's acceptance and purchase of, Default Service. This Master Power Agreement, together with the Appendices and written supplements (including any Confirmations) hereto, and any designated collateral, credit support or margin agreement or similar arrangement between the Parties regarding the Transactions (as defined in Article 2), shall be referred to as the "Agreement" and shall constitute the entire agreement between the Parties relating to the subject matter hereof and supersedes any other agreements, written or oral, between the Parties concerning such subject matter but specifically excluding written agreements executed by the Parties prior to the Effective Date.

ARTICLE 2. DEFINITIONS

As used in this Agreement, the following terms shall have the meanings specified in this Article. In addition, except as otherwise expressly provided, terms with initial capitalization used in this Agreement and not defined herein shall have the meaning as defined in the NEPOOL Rules.

Affiliate means, with respect to any Party, any entity (other than a person) that, directly or indirectly, controls, or is controlled by, or is under common control with, such Party. For this purpose, "control" means the direct or indirect ownership of fifty percent (50%) or more of the outstanding capital stock or other equity interests having ordinary voting power.

Award Block means the numerical designation, for administrative purposes only, as may be set forth on a Confirmation to identify Customer Groups to be served from and including the Commencement Date through the Conclusion Date, in a specified Load Zone, and the associated Load Asset Number and Load Asset Name, or other information as may be associated therewith in a Confirmation.

Business Day means a 24-hour period ending at 5:00 p.m. EPT, other than Saturday, Sunday and any day which is a legal holiday or a day on which banking institutions in Boston, Massachusetts are authorized by law or other governmental action to close.

Buyer ~~means Granite State Electric Company, its~~has the meaning set forth in the preamble of this Master Power Agreement, along with any successors, assigns, employees, agents and authorized representatives thereof.

Buyer's System means the electrical transmission and distribution system of the Buyer and the electrical transmission and distribution system of any Affiliate of the Buyer.

Buyer's Service Territory means the geographic area served by Granite State Electric Company.

Commencement Date means the period at HE 0100 EPT on the date set forth for ~~the customer group in Appendix C~~each Customer Group in the Confirmation for the applicable Transaction.

Commission means the Federal Energy Regulatory Commission, or its successor.

Competitive Supplier Terms means NHPUC's PUC 2000 Competitive Electric Power Supplier Rules, as may be amended from time to time.

Conclusion Date means the ~~end of the~~period at HE 2400 EPT on the date set forth for ~~the customer group in Appendix C~~each Customer Group in the Confirmation for the applicable Transaction.

Confirmation means a confirmation that is mutually agreed to and executed by the Parties, which may be in the form set forth in Appendix B or in a form otherwise agreed to by the Parties, such document to serve as a supplement or modification of this Master Power Agreement with respect to a specific Transaction.

Confirmation Term means, for the applicable Transaction, the period beginning as of the effective date set forth in a Confirmation and continuing through to the date both Parties have fulfilled all of their obligations with respect to such Transaction.

Contract Rate has the meaning set forth in the Confirmation for the applicable Transaction.

Credit Rating means (i) the lower of the ratings assigned to an entity's unsecured, senior long-term debt obligations (not supported by third party credit enhancements) by S&P and Moody's, (ii) in the event the entity does not have a rating for its senior unsecured long-term debt, the lower of the rating assigned to the entity as an issuer rating by S&P and Moody's, or the rating assigned to the entity as an issuer rating by any other rating agency agreed to by both Parties in each Party's sole and exclusive judgment.

Customer Disconnection Date means the date when a Default Service Customer is disconnected from service, as determined by the Buyer in accordance with the Distribution Service Terms.

Customer Group means Buyer's customers who receive Default Service in the Large Customer Group and/or Small Customer Group as specified on the Confirmation for the applicable Transaction.

Customer Termination Date means the date when a Default Service Customer ceases to take service under the Default Service Tariff, each date as determined by the Buyer in accordance with the Distribution Service Terms.

Default Service means the provision of Requirements by Seller at the Delivery Point to the Buyer to meet all needs of Default Service Customers.

Default Service Customer(s) means ~~the retail customer(s) in the Small Customer Group and the Large~~, for a specific Transaction, the customers in each Customer Group ~~of the Buyer~~set forth in the applicable Confirmation, taking service pursuant to the Default Service Tariff during the applicable Delivery Term.

Default Service Tariff means Buyer's Tariff for Retail Delivery Service for the Period after New England Power Company Divests Substantially all of its Non-nuclear Generation, N.H.P.U.C. No. 17, as may be amended from time to time and approved by the NHPUC.

Delivered Energy means the quantity of energy, expressed in megawatt-hours, provided by Seller ~~under the terms of this Agreement~~with respect to a specific Transaction. This quantity shall be the sum of the quantity of energy reported to the ISO by the Buyer for each of the Load Assets identified in ~~Section 6.4,~~a specific Transaction, with such quantity determined by the Buyer in accordance with Section 6.3 of this Master Power Agreement. Such quantity shall not include any allocation of PTF losses (which the ISO may assess to Seller in relation to such energy), but shall include transmission and distribution losses on the Buyer's System from the Delivery Point to the meters of Default Service Customers.

Delivery Point means, for each Load Asset (x) identified in or in accordance with ~~Section 6.4~~a specific Transaction and (y) as set forth in the Confirmation related to a specific Transaction (i) the Nodes at which the Real-Time Load Obligations are established in the ISO Settlement Power System Model for the registered Load Assets representing the physical loads of Default Service Customers for the Delivery Term for such customers, identified by the Load Asset ("Loads With Nodes"), for any period and in any location in which there are Loads With Nodes and the ISO requires use of Nodes for Real-Time Load Obligations, or (ii) the Load Zones at which the Real-Time Load Obligations are established in the ISO Settlement Power System Model for the Load Assets representing the physical loads of Default Service Customers for the Delivery Term for such customers, identified by the Load Asset ("Loads with Zones") if (a) the ISO does not require use of Nodes for Real-Time Load Obligations and (b) the use of Loads with Zones in a calculation of ISO settlement charges and costs yields the same mathematical result as a calculation thereof using Loads with Nodes; or (iii) in the event of neither (i) nor (ii), Loads with Nodes and, in any location in which there are no Loads with Nodes, Loads with Zones.

Delivery Term(s) means the ~~definition set forth in Article 1.~~period(s) set forth in the Confirmation for a particular Transaction for the respective Default Service designations, beginning at the top of the HE 01:00 EPT on the Commencement Date (set forth in the applicable Confirmation) and continuing through and including the end of HE 24:00 EPT on the Conclusion Date).

Distribution Service Terms means Buyer's Tariff for Retail Delivery Service for the Period after New England Power Company Divests Substantially all of its Non-nuclear Generation, N.H.P.U.C. No. 17, as may be amended from time to time and approved by the NHPUC.

Effective Date means the date that this Master Power Agreement is executed by all Parties.

EPT means Eastern Prevailing Time.

Governing Documents means, with respect to any particular entity, (a) if a corporation, the (i) articles of organization, articles of incorporation or certificate of incorporation and (ii) the bylaws; (b) if a general partnership, the partnership agreement and any statement of partnership; (c) if a limited partnership, the limited partnership agreement and the certificate of limited partnership; (d) if a limited liability company, the articles or certificate of organization or formation and operating agreement; (e) if another type of entity, any other charter or similar document adopted or filed in connection with the creation, formation or organization of such entity; (f) all equity holders' agreements, voting agreements, voting trust agreements, joint venture agreements, registration rights agreements or other agreements or documents relating to the organization, management or operation of any entity or relating to the rights, duties and obligations of the equity holders of any entity; and (g) any amendment or supplement to any of the foregoing.

Initiation Date means the date a retail customer of the Buyer begins taking service pursuant to the Default Service Tariff as determined by the Buyer in accordance with the Distribution Service Terms.

Interest Rate means, for any date, the lesser of (a) the per annum rate of interest equal to the prime lending rate as may from time to time be published in *The Wall Street Journal* under "Money Rates" on such day (or if not published on such day, on the most recent preceding day on which published), plus two percent (2%) and (b) the maximum rate permitted by applicable law.

Investment Grade means (i) if any entity has a Credit Rating from both S&P and Moody's then, a Credit Rating from S&P equal to ~~or better than~~ "BBB-" and a Credit Rating from Moody's equal to ~~or better than~~ "Baa3"; or (ii) if an entity has a Credit Rating from only one of S&P and Moody's, then a Credit Rating from S&P equal to ~~or better than~~ "BBB-" or a Credit Rating from Moody's equal to ~~or better than~~ "Baa3 or (iii) if the Parties have mutually agreed in writing on an additional or alternative rating agency, then a credit rating equal to ~~or better than~~ that mutually agreed to in writing by the Parties in each Party's sole and exclusive judgment.

ISO means ISO New England Inc., authorized by the Commission to exercise for New England the functions required pursuant to the Commission's Order No. 2000 (and its progeny) and the Commission's regulations, and any successor organization (including but not limited to a Regional Transmission Organization~~.~~).

ISO Tariff means the ISO New England Inc. Transmission, Markets and Services Tariff, FERC Electric Tariff No. 3, as amended, modified, superseded and supplemented from time to time, and including the Market Rules and Procedures.

ISO New England Operating Documents means the ISO Tariff and the ISO New England Operating Procedures, as amended, modified, superseded and supplemented from time to time.

Large Customer Group Contract Rate means the value as set forth in ~~Appendix D~~the Confirmation for the applicable Transaction as applicable to a month in the Delivery Term.

Large Customer Group means the Buyer's customers in the Rate G-1 and G-2 retail rate classes (the "Large Rate Classes"), or such other rate classes as may be added from time to time during the Delivery Term, provided that such Large Rate Classes shall be comprised of customers previously in one of the Large Rate Classes or such customer would have qualified for one of the Large Rate Classes.

Locational Marginal Pricing means as set forth in the Market Rules and Procedures.

Market Rules and Procedures means the Market Rules, Manuals and Procedures adopted by the ISO and/or NEPOOL, as may be amended from time to time, and as administered by the ISO to govern the operation of the NEPOOL markets.

Material Adverse Effect means, with respect to a Party, any change in or effect on such Party after the date of this Agreement that is materially adverse to the transactions contemplated hereby, excluding any change or effect resulting from (a) changes in the international, national, regional or local wholesale or retail markets for electric power; (b) changes in the international, national, regional or local markets for any fuel; (c) changes in the North American, national, regional or local electric transmission or distribution systems; and (d) any action or inaction by a governmental authority, but in any such case not affecting the Parties or the transactions contemplated hereby in any manner or degree significantly different from others in the industry as a whole.

Moody's means Moody's Investors Service, its successors and assigns.

MWh means Megawatt-hour.

~~NE~~**NEPOOL-GIS** means the NEPOOL Generation Information System, which includes a generation information database and certificate system, operated by NEPOOL, its designee or successor entity, that accounts for generation attributes of electricity consumed within New England.

~~NE~~ **NEPOOL GIS** ~~**Certificates**~~**Certificate** means a document produced by the ~~NE~~NEPOOL-GIS that identifies the relevant generation attributes of each MWh accounted for in the ~~NE~~NEPOOL-GIS from a generation unit.

NEPOOL means the New England Power Pool, or its successor.

NEPOOL Agreement means the Second Restated New England Power Pool Agreement dated as of February 1, 2005, as amended or accepted by the Commission and as may be amended, modified, superseded, supplemented and/or restated from time to time.

NEPOOL Rules means all rules adopted by NEPOOL or the ISO, as such rules may be amended, modified, supplemented or superseded and restated from time to time, including but not limited to, the NEPOOL Agreement, the ISO Tariff, the ISO New England Operating Documents, the Transmission Operating Agreement, the Participants Agreement, the NEPOOL

Manuals, and the NEPOOL Operating Procedures, as amended, superseded or restated from time to time.

Net Worth means total assets, exclusive of intangible assets, less total liabilities, as reflected on the most recent balance sheet prepared by a certified public accountant as part of a certified financial statement in accordance with generally accepted accounting principles consistently applied in the business sector of the Seller.

NH Load Zone means the New Hampshire Reliability Region as defined in the NEPOOL Rules.

NHPUC means the New Hampshire Public Utilities Commission, or its successor.

PTF means facilities categorized as Pool Transmission Facilities under the ISO Tariff.

Requirements means all electric generation and/or market purchases and delivery, to the Delivery Point, of the electric capacity, energy, ancillary services, operating reserves (including forward reserves) and all other market products required by the Buyer to provide kilowatt-hours to meet the needs of Default Service Customers ~~to~~during the Delivery Term.

Small Customer Group Contract Rate means the value as set forth in ~~Appendix D~~the Confirmation for the applicable Transaction as applicable to a month in the Delivery Term.

Small Customer Group means the Buyer's customers in the Rate D, D-10, G-3, M, T and V retail rate classes (the "Small Rate Classes"), or such other rate classes as may be added from time to time during the Delivery Term, provided that such Small Rate Classes shall be comprised of customers previously in one of the Small Rate Classes or such customer would have qualified for one of the Small Rate Classes.

S&P means Standard & Poor's Rating Group, its successors and assigns.

Term means as defined in Section 3.1.

Transaction means a particular transaction agreed to by Buyer and Seller relating to the purchase and sale of Default Service pursuant to this Agreement, as evidenced by the execution of a written Confirmation by Buyer and Seller setting forth the specific terms and conditions thereof.

ARTICLE 3. TERM, SERVICE PROVISIONS AND REGISTRATION REQUIREMENTS

Section 3.1 ~~**Effective Date; Condition Precedent; Filing Obligation;**~~ Term

~~(a) This Agreement shall be binding on the Parties upon execution by all Parties (such date the "Effective Date"). Promptly after execution by both Parties, Buyer shall submit the Default Service retail rates to the NHPUC for its approval. The Parties performance of Sections 3.2 through 6.4 are subject to the occurrence, on or before the fifth Business Day after (but not including) the Buyer's submission of the Default Service retail rates to the NHPUC (the "Fifth Day"), for the approval by the NHPUC. If the NHPUC does not issue a decision approving Buyer's request to approve the Default Service retail rates as filed on or before the~~

~~Fifth Day (a "NHPUC Denial"), then this Agreement shall be null and void and of no further force and effect, and neither Party shall have any obligation whatsoever to the other Party, and such a voiding of the Agreement and the NHPUC Denial shall not be a default or constitute an Event of Default by either Party.~~

~~(b) As of the expiration of this Agreement or, if earlier, its termination~~The term of this Master Power Agreement (the "Term") shall commence on the Effective Date and shall continue in effect until the earlier of (i) its termination by any Party upon thirty (30) days' prior written notice and (ii) its termination in accordance with Subsection 7.2(a); provided, however, that such termination shall not affect or excuse the performance of any Party under any provision of this Master Power Agreement that by its terms or operation survives any such termination and, provided further, that this Master Power Agreement and any other documents executed and delivered hereunder shall remain in effect with respect to the Transaction(s) entered into prior to the effective date of such termination until both Parties have fulfilled all of their obligations with respect to such Transaction(s). As of the termination of this Master Power Agreement, subject to the immediately foregoing sentence, and subject to any time limits specifically set forth in this Master Power Agreement or in a Confirmation, the Parties shall no longer be bound by the terms and provisions hereof, except to (a) ~~to~~ the extent necessary to enforce the rights and obligations of the Parties arising under this Master Power Agreement before such expiration or termination ~~and (b) the obligations of the Parties hereunder with respect to audit rights, remedies for default, damages claims, indemnification and defense of claims shall~~or (b) that such terms and provisions expressly or by their operation survive the termination or expiration of this ~~Agreement to the full extent necessary for their enforcement and the protection of the Party in whose favor they run, subject to any time limits specifically set forth in this Agreement.~~ Master Power Agreement.

Section 3.2 Commencement of Supply

(a) Beginning as of the Commencement Date ~~applicable to the customer group set forth on Appendix C~~for each specific Customer Group in a specific Transaction, Seller shall provide Requirements to the Buyer. For purposes of certainty: Seller's obligations on the Commencement Date shall be to provide Requirements for all Default Service Customers identified in the related Confirmation taking service as of and including the Commencement Date.

(b) With respect to each person or entity that becomes a Default Service Customer subsequent to the applicable Commencement Date, Seller shall provide Requirements to the Buyer to meet the needs of the Default Service Customer(s) as of and including the Initiation Date for such customer initiating such service during the applicable Delivery Term.

(c) If Seller elects to receive electronic notification as provided in Section 3.7, the Buyer shall provide to Seller a notice of Initiation Date via electronic file transfer and in a format specified by the Buyer. Each notice of Initiation Date shall include the account number, the date Seller's service to the Buyer is to begin for a Default Service Customer and the customer's rate class.

Section 3.3 Termination and Conclusion of Supply

(a) With respect to each Default Service Customer that terminates Default Service during the applicable Delivery Term, Seller shall provide Requirements to the Buyer for such customer on the Customer Termination Date but shall not provide Requirements for such customer after the Customer Termination Date.

(b) If Seller elects to receive electronic notification as provided in Section 3.7, the Buyer shall provide to Seller a notice of Customer Termination Date via electronic file transfer and in a format specified by the Buyer. Each notice of Customer Termination Date shall include the account number, the Customer Termination Date and the customer's rate class.

(c) Seller's obligation to provide Requirements with respect to each specific Customer Group in a specific Transaction shall cease at the applicable Conclusion Date.

Section 3.4 Customer Disconnection Date

(a) With respect to each Default Service Customer whose Default Service is disconnected during the applicable Delivery Term, Seller shall provide Requirements to the Buyer for such customer on the Customer Disconnection Date but shall not provide Requirements for such customer after the Customer Disconnection Date.

(b) If Seller elects to receive electronic notification as provided in Section 3.7, The Buyer shall provide to Seller a notice of Customer Disconnection Date via electronic file transfer and in a format specified by the Buyer. Each notice of Customer Disconnection Date shall include the account number, the Customer Disconnection Date and the customer's rate class.

Section 3.5 Distribution Service Interruptions

Seller acknowledges that interruptions in distribution service occur and may reduce the load served hereunder. Seller further acknowledges and agrees that the Buyer may interrupt distribution service to customers consistent with the Distribution Service Terms and the Competitive Supplier Terms. In no event shall a Party have any liability or obligation to the other Party in respect of any such interruptions in distribution service.

Section 3.6 Release of Customer Information

The Buyer will not issue any customer information to Seller unless Seller has first obtained the necessary authorization in accordance with the provisions of the Competitive Supplier Terms.

Section 3.7 Electronic Notification

At Seller's election, the Buyer shall provide notices contemplated by Sections 3.2, 3.3 and 3.4 via electronic file transfer. Such election shall only be effective when Seller (i) establishes ~~an account on the Advantis Value Added Network ("VAN")~~a Windows or Unix file server with capability of sending and receiving File Transfer Protocol ("FTP"), files with Pretty Good Privacy ("PGP"), Encryption/Decryption, and (ii) verifies its ability to transfer files to and receive files from the Buyer at least fourteen (14) days prior to the day on which Seller desires to commence electronic receipt. ~~Seller shall bear all costs to establish an account and all costs of Seller and the Buyer to use the VAN. If Seller fails to pay all VAN costs and charges when due~~

~~and payable, Seller's election shall not be valid and the Buyer shall no longer be obligated to provide electronic notification.~~

Section 3.8 Change in Supply; No Prohibition on Programs

(a) Seller acknowledges and agrees that the number of customers and the Requirements to meet the needs of such customers will fluctuate throughout the Delivery Term and may equal zero. The Buyer shall not be liable to Seller for any losses Seller may incur, including but not limited to lost revenues, and losses that may result from any change in Requirements, number or location of customers taking service, the location of the Delivery Point(s), the composition or components of market products or Requirements, or the market for electricity, or change in the Distribution Service Terms or the Default Service Tariff. Seller further acknowledges and agrees that there is no limit on the number of Customer Initiation Dates, Customer Termination Dates and Customer Disconnection Dates.

(b) Seller acknowledges and agrees that the Buyer has the right but not the obligation to continue, initiate, support or participate in any programs, promotions, or initiatives designed to or with the effect of encouraging customers to leave Default Service for any reason ("Programs"). Nothing in this Agreement shall be construed to require notice to or approval of Seller in order for the Buyer to take any action in relation to Programs.

(c) Seller acknowledges and agrees that the Buyer and Affiliates of the Buyer will not provide Seller preferential access to or use of the Buyer's System and that Seller's sole and exclusive rights and remedies with regard to access to, use or availability of the Buyer's System, and the Buyer's or Affiliates of the Buyer's obligation to transmit electricity are those rights, remedies and obligations provided under the Distribution Service Terms or the NEPOOL Rules.

Section 3.9 Uniform Disclosure Requirements

Seller shall provide the Buyer information reasonably ascertainable by Seller pertaining to power plant emissions, fuel types, labor information and any other information required by the Buyer to comply with any disclosure regulations which may be imposed upon the Buyer during the term of this Agreement, as such disclosure requirements apply to Default Service provided by Seller pursuant to this Agreement.

Seller shall utilize the ~~NE~~NEPOOL-GIS to transfer Load Obligations or ~~NE~~NEPOOL-GIS Certificates, as applicable, to the Buyer's certificate account in the number equal to the Delivered Energy for Default Service in a month during the term of a Transaction. Such Load Obligations or ~~NE~~NEPOOL-GIS Certificates, as applicable, shall be delivered by Seller at least five (5) Business Days prior to the close of the applicable Trading Period. The Load Obligations or ~~NE~~NEPOOL-GIS Certificates, as applicable, shall be delivered by Seller to an account within the ~~NE~~NEPOOL-GIS designated by the Buyer.

ARTICLE 4. SALE AND PURCHASE

Section 4.1 Provision Delivery and Receipt

With respect to each Transaction, Seller shall provide and deliver to the Delivery Point and the Buyer shall receive at the Delivery Point the ~~percentage~~percent of the Requirements applicable to each ~~customer group as set forth on Appendix C~~Customer Group during the Delivery Term, all as set forth in the Confirmation related to such Transaction.

Section 4.2 Responsibilities

(a) The Buyer shall arrange with the ISO for transmission service over the PTF and non-PTF from and after the Delivery Point to the customers' meters. The Buyer shall be responsible for all transmission costs over the PTF and non-PTF from the Delivery Point to the meters of the Buyer's customers. Seller shall be responsible for all transmission and distribution costs associated with the delivery of Requirements to and including the Delivery Point except the transmission costs otherwise provided for in this paragraph.

(b) Seller shall be responsible for all decisions and data submissions associated with the Ownership Share of the Load Assets in ARTICLE 6, Section 6.4 including any bids into the market system to manage these obligations.

(c) Seller shall be responsible for all present and future obligations, requirements, and costs associated with the Requirements and/or Seller's provision thereof, whether system wide or locational based, including, but not limited to, the real-time load obligations, capacity obligations and/or charges (including, but not limited to, ~~ICAP/UCAP/Locational ICAP/~~installed capacity, unforced capacity, locational installed capacity, locational unforced capacity, forward capacity market obligations, forward capacity market transition payment obligations), regulation obligations and/or charges (including any regulation opportunity costs), operating reserve obligations and/or charges (including, but not limited to, (w) any real-time reserve charges, (x) any forward reserve charges, (y) any charges associated with ~~Reserve Constraint Penalty Factors ("RCPFs"), and (z) RMR operating reserve charges other than RMR operating reserve charges that are monthly fixed-cost charges paid to resources pursuant to agreements negotiated under Market Rule 1 Appendix A, Section 6,~~reserve constraint penalty factors, and (z) net commitment period compensation ("NCPC") charges (other than ~~RMR NCPC charges that are~~ monthly fixed-cost charges paid to resources pursuant to reliability agreements negotiated under Market Rule 1 Appendix A, Section ~~6~~III.A.6 and Exhibit 2), emergency energy charges, inadvertent energy revenue charges, ISO Schedule 1 charges (other than ISO Schedule 1 charges that are both (i) associated with the Buyer's Regional Network Service and (ii) allocated on the basis of Regional Network Load), ISO Schedule 2 charges, ISO Schedule 3 charges, day-ahead energy market charges, and real-time energy market charges at the nodes, if any, and if none, the zones representing the actual locations of the meters of the Default Service Customers, and any other requirements, market products, expenses and charges imposed by NEPOOL or the ISO, as they may be in effect from time to time related to the provision and/or delivery of Requirements to and including the Delivery Point. Except as otherwise specifically excluded in this paragraph and in Section 4.2(a) above, Seller's responsibility for costs and charges shall be without regard to the manner in which they are allocated by NEPOOL or the ISO.

(d) Seller shall be responsible for all costs and components thereof of any Locational Marginal Prices to provide Default Service (during the applicable Delivery Term), including its delivery to the Delivery Point. These components include the energy component, loss component, and congestion component.

(e) Seller shall be responsible for all congestion charges for delivery to the actual meters of Default Service Customers (during the applicable Delivery Term). The Parties agree that if the NHPUC imposes a separate congestion obligation under the Distribution Service Terms, Seller shall not have any responsibility to Buyer under this Agreement arising from the Distribution Service Terms.

(f) Seller shall notify Buyer within one Business Day of receipt of notice of termination from the ISO or event of default or similar occurrence under the Market Participant Service Agreement.

ARTICLE 5. AMOUNT, BILLING and PAYMENT

Section 5.1 Amount

The amount payable by the Buyer to Seller ~~in a month shall be:~~shall be the sum of the amounts due under all applicable Transactions.

~~(i) The product of (a) the Delivered Energy for Default Service to the Large Customer Group and (b) Large Customer Group Contract Rate in the month plus,~~

~~(ii) The product of (a) the Delivered Energy for Default Service to the Small Customer Group and (b) Small Customer Group Contract Rate in the month plus,~~

~~(iii) For the calendar month beginning on October 1, 2006 and continuing through and including October 31, 2006, subject to the proviso in this clause, Buyer shall pay Seller the positive difference between (1) the out-of-pocket actual costs paid by Seller (the "MCO Amount") to meet Seller's monthly installed capacity, unforced capacity, locational installed capacity, or locational unforced capacity obligation under this Agreement (the "MC Obligation" (with the units of measurements of the MC Obligations (such as kWs or MWs) referred to herein as the "Units")); provided however, Buyer shall have no obligation to pay Seller an amount in excess of the amount equal to the product of the MC Obligation and (A) for any month in which the ISO capacity market uses a demand curve in the ISO spot auction, the per Unit capacity payment, which payment shall be determined by the ISO spot auction capacity clearing price plus any adjustments by the ISO including those adjustments resulting from, attributable to or associated with any applicable price caps, inframarginal revenue/rent adjustments and resource availability adjustments, or (B) for any month in which the ISO capacity market does not use a demand curve, the ISO supply auction clearing price; and (2) any credits received by Seller associated with the MC Obligation, including any credits associated with Capacity Transfer Rights.~~

Section 5.2 Billing and Payment

[redacted]

[redacted]

[redacted]

[redacted].

Section 5.3 Challenge to Invoices

Unless otherwise agreed: (i) either Party may challenge, in writing, the accuracy of Calculations, Invoices or Reconciliation Adjustments (or the data utilized in the forgoing) no later than twenty-four (24) months after the Due Date of the Invoice in which the disputed information is contained; (ii) if a Party does not challenge the accuracy within such twenty-four (24) month period, such Invoice shall be binding upon that Party and shall not be subject to challenge. If an Invoice is paid and thereafter the payment or the Invoice on which the payment was based is disputed, upon notice of dispute, the Party receiving payment shall hold the amount in dispute in escrow for the benefit of the prevailing Party until the resolution of such dispute. If any amount in dispute is ultimately determined (under the terms herein) to be due to the other Party, it shall be paid or returned (as the case may be) to the other Party within three (3) Business Days of such determination along with interest accrued at the Interest Rate from the (i) date due and owing in accordance with the Invoice until the date paid or (ii) if the amount was paid and is to be returned, from the date paid, until the date returned.

Section 5.4 Taxes, Fees and Levies

Seller shall be obligated to pay all present and future taxes, fees and levies ("Taxes") which may be assessed by any entity upon the Seller's performance under this Agreement including but not limited to the purchase and sale of Requirements to the Buyer. Seller shall pay all Taxes with respect to the Requirements up to and at the Delivery Point~~, and the~~. The Buyer will pay all Taxes with respect to the Requirements after the Delivery Point. All Requirements, including electricity and other related market products delivered hereunder by Seller to the Buyer shall be sales for resale with the Buyer reselling such electricity and products.

Section 5.5 Netting and Setoff

Except for security provided pursuant to ~~Section 7.3~~this Agreement (which shall not be considered for purposes of this Section 5.5) and unless otherwise specified in another agreement between the Parties, if the Parties are required to pay an amount on the same date each to the other under this Agreement or any other agreement between the Parties, or if any costs that are a Party's responsibility under this Agreement are incorrectly or inappropriately charged to the Party by the ISO, such amounts shall be netted, and the Party owing the greater aggregate amount shall pay to the other Party any difference between the amounts owed. Each Party reserves all rights, setoffs, counterclaims and other remedies and defenses (to the extent not expressly herein or therein waived or denied) that such Party has or to which such Party may be entitled arising from or out of this Agreement or the other agreement. Further, if the Buyer incurs any costs or charges that are the responsibility of Seller under this Agreement, such costs or charges may, at the Buyer's election, be netted against any amount due to Seller under this Agreement. All outstanding obligations to make payment under this Agreement or any other agreement between the Parties may be netted against each other, set off or recouped therefrom, or otherwise adjusted.

ARTICLE 6. QUALITY; LOSSES and QUANTITIES REQUIRED; DETERMINATION AND REPORTING OF HOURLY LOADS

Section 6.1 Quality

All electricity shall be delivered to the Buyer in the form of three-phase sixty-hertz alternating current at the Delivery Point.

Section 6.2 Losses

Seller shall be responsible for all transmission and distribution losses and the costs related to such losses and associated with the Requirements, namely, losses from the Delivery Point to the meters of the Default Service Customers. Seller shall provide to the Buyer at the Delivery Point quantities of electricity and ancillary services, capacity and all other market products related thereto to cover such losses from the Delivery Point to the meters of Default Service Customers. The quantities required for this purpose in each hour of a billing period shall be determined in accordance with ISO's and the Buyer's procedures for loss determination.

Section 6.3 Determination and Reporting of Hourly Loads

(a) The Buyer will estimate the Delivered Energy for Default Service provided by Seller pursuant to ~~this Agreement~~each Transaction based upon average load profiles developed for each of the Buyer's customer classes and the Buyer's actual total hourly load. The Buyer shall report to the ISO and Seller, the estimated Delivered Energy~~.~~ for each Transaction. The Buyer will normally report to the ISO and to Seller Seller's estimated Delivered Energy by 1:00 P.M EPT of the second following Business Day. Appendix A provides a general description of the estimation process that the Buyer will initially employ (the "Estimation Process"). The Buyer shall have the right but not the obligation, in its sole and exclusive judgment, to modify the Estimation Process from time to time, provided that any such modification is designed with the objective of improving the accuracy of the Estimation Process.

Each month, the Buyer shall reconcile the Buyer's estimate of the Delivered Energy for each Transaction based upon the Buyer's meter reads (such meter reads as provided for in the

Distribution Service Terms). The reconciliation, including all losses, shall be the adjusted Delivered Energy. The Buyer will normally notify the ISO of any resulting adjustment (debit or credit) to Seller's account for the Load Assets (set forth in ~~Section 6.4~~a specific Confirmation) no later than the last day of the third month following the billing month. Appendix A provides a general description of this reconciliation process, which process may be changed by the Buyer from time to time in its sole and exclusive discretion.

Section 6.4 ~~NEPOOL~~ISO Settlement Market System Implementation

~~The Default Service provided by Seller pursuant to this Agreement will be initially represented within the NEPOOL Market System as:~~

~~Company~~	~~SMD Load Zone~~	~~Load Asset #~~	~~Load Asset Name~~	~~Applicable Period~~
~~GSECo~~	~~NH~~	~~TBD~~	~~GSECO LARGE CG DEFAULT SVC LOAD~~	~~May 1, 2006 – July 31, 2006~~
~~GSECo~~	~~NH~~	~~TBD~~	~~GSECO SMALL CG DEFAULT SVC LOAD~~	~~May 1, 2006 – Oct. 31, 2006~~

As soon as possible after the execution of ~~this Agreement~~a Confirmation related to a specific Transaction and before the applicable Commencement Date, the Buyer shall assign to Seller, and Seller shall accept assignment of an Ownership Share for each Load Asset ~~identified above~~in such Confirmation. Such assignment shall be effective beginning on the applicable Commencement Date. Seller shall maintain such ownership until the Conclusion Date (or, if earlier, the termination date established in accordance with 7.2(a)). Seller shall take any and all actions necessary to effectuate such assignment and, if applicable in accordance with the foregoing, transfer, including executing documents required by the ISO. Once Seller's provision of Default Service terminates (effective as of the minute after the Conclusion Date or, if earlier, the termination date established in accordance with 7.2(a)), the Buyer will terminate Seller's Ownership Shares of the aforementioned Load Assets

The Buyer shall have the right to change the Load Asset designations ~~(identified above)~~ from time to time, consistent with the definition and provision of Default Service. If and to the extent such designations change, the Buyer and Seller shall cooperate to timely put into effect the necessary ~~NEPOOL~~ISO Settlement Market System contracts that may be necessary to implement the new designations and terminate the prior designations.

ARTICLE 7. DEFAULT AND TERMINATION

Section 7.1 Events of Default

(a) Any one or more of the following events shall constitute an "Event of Default" hereunder with respect to the Buyer:

(i) Failure of the Buyer

(A) in any material respect to comply with, observe or perform any covenant, warranty or obligation under this Agreement (but excluding events that are otherwise specifically covered in this Section as a separate Event of Default and

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

(c) Any one or more of the following events with respect to either Party shall

[redacted]

(d) Notwithstanding any other provision of this Agreement, the cure of any default or

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

ARTICLE 8. NOTICES, REPRESENTATIVES OF THE PARTIES

Section 8.1 Notices

Any notice, demand, or request required or authorized by this Agreement to be given by one Party to another Party shall be in writing. It shall either be sent by facsimile (with receipt confirmed by telephone and electronic transmittal receipt), courier, personally delivered (including overnight delivery service) or mailed, postage prepaid, to the representative of the other Party designated in accordance with this Article. Any such notice, demand, or request shall be deemed to be given (i) when sent by facsimile confirmed by telephone and electronic transmittal receipt, (ii) when actually received if delivered by courier or personal delivery (including overnight delivery service) or (iii) seven (7) days after deposit in the United States mail, if sent by first class mail return receipt requested.

Notices and other communications by Seller to the Buyer shall be addressed to:

~~Mr. Michael J. Hager~~
~~Vice President, Energy Supply – New England~~
Director, Regulated Electric Load & DG
National Grid
55 Bearfoot Road
Northborough, MA 01532
(508) 421-7350 (phone)
(508) 421-7335 (fax)

~~and~~

Notices concerning Article 7 shall also be sent to:

General Counsel
National Grid
25 Research Drive
Westborough, MA 01582
(508) 389-9000 (phone)
(508) 389-2605 (fax)

Notices and other communications by the Buyer to Seller shall be addressed to:

[redacted]

Any Party may change its representative or address for notices by written notice to the other Party; however such notice shall not be effective until it is received by the other Party.

Section 8.2 Authority of Representative

The Parties' representatives shall have full authority to act for their respective Party in all matters relating to the performance of this Agreement. Notwithstanding the foregoing, a Party's representative shall not have the authority to amend, modify, or waive any provision of this Agreement unless they are duly authorized officers of their respective entities and such amendment, modification or waiver is made in accordance with Article 17.

ARTICLE 9. LIABILITY; INDEMNIFICATION; RELATIONSHIP OF PARTIES

Section 9.1 Limitation on Consequential, Incidental and Indirect Damages

EXCEPT AS EXPRESSLY PROVIDED IN ~~SECTIONS~~SECTION 9.2, TO THE FULLEST EXTENT PERMISSIBLE BY LAW, NEITHER THE BUYER NOR SELLER, NOR THEIR RESPECTIVE OFFICERS, DIRECTORS, AGENTS, EMPLOYEES, PARENT OR AFFILIATES, SUCCESSOR OR ASSIGNS, OR THEIR RESPECTIVE OFFICERS, DIRECTORS, AGENTS, OR EMPLOYEES, SUCCESSORS, OR ASSIGNS, SHALL BE LIABLE TO THE OTHER PARTY OR ITS PARENT, SUBSIDIARIES, AFFILIATES, OFFICERS, DIRECTORS, AGENTS, EMPLOYEES, SUCCESSORS OR ASSIGNS, FOR CLAIMS, SUITS, ACTIONS OR CAUSES OF ACTION FOR INCIDENTAL, INDIRECT, SPECIAL, PUNITIVE, MULTIPLE OR CONSEQUENTIAL DAMAGES (INCLUDING ATTORNEY'S FEES OR LITIGATION COSTS EXCEPT AS EXPRESSLY PROVIDED IN SECTION 15.2 AND IN ACCORDANCE WITH THE LIMITATION THEREUNDER) CONNECTED WITH OR RESULTING FROM PERFORMANCE OR NON-PERFORMANCE OF THIS AGREEMENT, OR ANY ACTIONS UNDERTAKEN IN CONNECTION WITH OR RELATED TO THIS AGREEMENT, INCLUDING WITHOUT LIMITATION ANY SUCH DAMAGES WHICH ARE BASED UPON CAUSES OF ACTION FOR BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE AND MISREPRESENTATION), BREACH OF WARRANTY, STRICT LIABILITY, STATUTE, OPERATION OF LAW, OR ANY OTHER THEORY OF RECOVERY. THE PROVISIONS OF THIS SECTION SHALL APPLY REGARDLESS OF FAULT AND SHALL SURVIVE TERMINATION, CANCELLATION, SUSPENSION, COMPLETION OR EXPIRATION OF THIS AGREEMENT.

Section 9.2 Indemnification

(a) Seller agrees to defend, indemnify and save the Buyer, its officers, directors, employees, agents, successors assigns, and Affiliates and their officers, directors, employees and agents harmless from and against any and all third-party claims, suits, actions or causes of action and any resulting losses, damages, charges, costs or expenses, (including reasonable attorneys' fees and court costs), arising from or in connection with any (a) breach of a representation or warranty or failure to perform any covenant or agreement in this Agreement by Seller, (b) any violation of applicable law, regulation or order by Seller, (c) any act or omission by Seller with respect to this Agreement, first arising, occurring or existing during the term of this Agreement, whether incurred by settlement or otherwise, and whether such claims or actions are threatened or filed prior to or after the termination of this Agreement, except to the extent caused by an act of gross negligence or willful misconduct by an officer, director, agent, employee, or Affiliate of the Buyer or its respective successors or assigns.

(b) The Buyer agrees to defend, indemnify and save Seller, its officers, directors, employees, agents, successor, assigns, and Affiliates and their officers, directors, employees and agents harmless from and against any and all third-party claims, suits, actions or causes of action and any resulting losses, damages, charges, costs or expenses, (including reasonable attorneys' fees and court costs), arising from or in connection with any (a) breach of representation or warranty or failure to perform any covenant or agreement in this Agreement by said Buyer, (b) any violation of applicable law, regulation or order by Buyer, (c) any act or omission by the Buyer, with respect to this Agreement first arising, occurring or existing during the term of this Agreement, whether incurred by settlement or otherwise, and whether such claims or actions are threatened or filed prior to or after the termination of this Agreement, except to the extent caused

by an act of gross negligence or willful misconduct by an officer, director, agent, employee or Affiliate of Seller or its respective successors or assigns.

(c) If any Party intends to seek indemnification under this Section from the other Party with respect to any action or claim, the Party seeking indemnification shall give the other Party notice of such claim or action within thirty (30) days of the later of the commencement of, or actual knowledge of, such claim or action; provided, however, that in the event such notice is delivered more than thirty (30) days after the Party seeking indemnification knows of such claim or action, the indemnifying Party shall be relieved of its indemnity hereunder only if and to the extent such indemnifying Party was actually prejudiced by such delay. The Party seeking indemnification shall have the right, at its sole cost and expense, to participate in the defense of any such claim or action. The Party seeking indemnification shall not compromise or settle any such claim or action without the prior consent of the other Party, which consent shall not be unreasonably withheld.

Section 9.3 Independent Contractor Status

Nothing in this Agreement shall be construed as creating any relationship between the Buyer and Seller other than that of independent contractors for the sale and delivery of Requirements for Default Service.

ARTICLE 10. ASSIGNMENT

Section 10.1 General Prohibition Against Assignments

Except as provided in Section 10.2, neither Party shall assign, pledge or otherwise transfer this Agreement or any right or obligation under this Agreement without first obtaining the other Party's written consent, which consent shall not be unreasonably withheld.

Section 10.2 Exceptions to Prohibition Against Assignments

(a) Seller may, without the Buyer's prior written consent, collaterally assign this Agreement in connection with financing arrangements provided that any such collateral assignment that provides for the Buyer to direct payments to the collateral agent (i) shall be in writing, (ii) shall not be altered or amended without prior written notice to the Buyer from both Seller and the collateral agent, and (iii) provided that any payment made by the Buyer to the collateral agent shall discharge the Buyer's obligation as fully and to the same extent as if it had been made to the Seller. Seller must provide the Buyer at least ten (10) days advance written notice of collateral assignment and provide copies of any such assignment and relevant agreements or writings.

(b) ~~The Buyer may assign all or a portion of its rights and obligations under this Agreement to any Affiliate of the Buyer without consent of Seller.~~ Either Party may, upon written notice, assign its rights and obligations ~~hereunder,~~under this Agreement or transfer such rights and obligations by operation of law, to any entity with which or into which such Party shall merge or consolidate or to which such Party shall transfer all or substantially all of its assets, provided that such other entity agrees to be bound by the terms hereof and provided further, that such other entity's creditworthiness is comparable to or higher than that of ~~such~~the

assigning Party at the time this Agreement was executed and such Party is not relieved of any obligation or liability hereunder as a result of such assignment

ARTICLE 11. SUCCESSORS AND ASSIGNS

This Agreement shall inure to the benefit of and shall be binding upon the Parties hereto and their respective successors and permitted assigns.

ARTICLE 12. FORCE MAJEURE

(a) Force Majeure shall include but not be limited to acts of God, earthquakes, fires, floods, storms, strikes, labor disputes, riots, insurrections, acts of war (whether declared or otherwise), terrorism, acts of terrorism, acts of governmental, regulatory or judicial bodies, but if and only to the extent that such event or circumstance (i) directly affects the availability of the transmission or distribution facilities of the New England Transmission System, the Buyer or an Affiliate of the Buyer necessary to provide service to the Buyer's customers which are taking service pursuant to the Default Service Tariff and (ii) it is not within the reasonable control of, or the result of the negligence of, the claiming Party, and which, by the exercise of due diligence, the claiming Party is unable to overcome or avoid or cause to be avoided. Force Majeure shall not be based on (A) fluctuations in Default Service, (B) the cost to a Party to overcome or avoid, or cause to be avoided, the event or circumstance affecting such Party's performance or (C) events affecting the availability or cost of operating any generating facility.

(b) To the extent that either Party is prevented by Force Majeure from carrying out, in whole or in part, its obligations hereunder and (i) such Party gives notice and detail of the Force Majeure to the other Party as soon as practicable after the onset of the Force Majeure, including an estimate of its expected duration and the probable impact on the performance of its obligations hereunder; (ii) the suspension of performance is of no greater scope and of no longer duration than is required by the Force Majeure, and (iii) the Party claiming Force Majeure uses commercially reasonable efforts to remedy or remove the inability to perform caused by Force Majeure, then the affected Party shall be excused from the performance of its obligations prevented by Force Majeure. However, neither Party shall be required to pay for any obligation the performance of which is excused by Force Majeure. This paragraph shall not require the settlement of any strike, walkout, lockout or other labor dispute on terms which, in the sole judgment of the Party involved in the dispute, are contrary to its interest. It is understood and agreed that the settlement of strikes, walkouts, lockouts or other labor disputes shall be entirely within the discretion of the Party involved in the dispute.

(c) No obligations of either Party which arose before the Force Majeure occurrence causing the suspension of performance shall be excused as a result of the event of Force Majeure.

(d) Prior to the resumption of performance suspended as a result of a Force Majeure occurrence, the Party claiming the Force Majeure shall give the other Party written notice of such resumption.

ARTICLE 13. WAIVERS

No delay or omission in the exercise of any right under this Agreement shall impair any such right or shall be taken, construed or considered as a waiver or relinquishment thereof, but any such right may be exercised from time to time and as often as may be deemed expedient. The waiver of any single breach or default of any term or condition of this Agreement shall not be deemed to constitute the waiver of any other prior or subsequent breach or default of the Agreement or any other term or condition.

ARTICLE 14. LAWS AND REGULATIONS

(a) This Agreement and all rights, obligations, and performances of the Parties hereunder, are subject to all applicable federal and state laws, and to all duly promulgated orders and other duly authorized action of governmental authorities having jurisdiction hereof.

(b) The rates, terms and conditions contained in this Agreement are not subject to change under Section 205 of the Federal Power Act as that section may be amended or superseded, absent the mutual written agreement of the Parties. Each Party irrevocably waives its rights, including its rights under §§ 205-206 of the Federal Power Act, unilaterally to seek or support a change in the rate(s), charges, classifications, terms or conditions of this Agreement or any other agreements entered into in connection with this Agreement. By this provision, each Party expressly waives its right to seek or support: (i) an order from the Commission finding that the market-based rate(s), charges, classifications, terms or conditions agreed to by the Parties in the Agreement are unjust and unreasonable; or (ii) any refund with respect thereto. Each Party agrees ~~(x)~~ not to make or support such a filing or request, ~~(y)~~and that these covenants and waivers shall be binding notwithstanding any regulatory or market changes that may occur hereafter and (z) that it shall not challenge or support a challenge to the enforceability of the waiver in this Section (b).

(c) Absent the agreement of all Parties to a proposed change, the standard of review for changes to this Agreement proposed by a non-party or the Commission acting sua sponte shall be the "public interest" standard of review set forth in United Gas Pipe Line Co. v. Mobile Gas Service Corp., 350 U.S. 332 (1956) and Federal Power Commission v. Sierra Pacific Power Co., 350 U.S. 348 (1956) (the "Mobile-Sierra" doctrine).

(d) The Parties agree that, if and to the extent that the Commission adopts a final ~~Mobile-Sierra policy statement in Docket No. PL02-7-000 ("Final Policy Statement")~~rule or order which requires that, in order to exclude application of the just and reasonable standard of review and to mandate application of the public interest standard of review under the Mobile-Sierra doctrine for a proposed change to this Agreement which is not agreed to by all Parties, the Parties must agree to language which varies from that set forth in Article 14(c) then, without further action of either Party, Article 14(c) will be deemed amended to incorporate the specific language ~~in the Final Policy Statement that requires~~required by such final rule or order as is necessary to have the public interest standard of review under the Mobile-Sierra doctrine apply to any proposed change to this Agreement to which all Parties do not agree.

(e) Nothing in this Article 14 is intended to modify any Party's right to enforce the terms of this Agreement as written.

ARTICLE 15. INTERPRETATION, DISPUTE RESOLUTION

Section 15.1 Governing Law

The Agreement shall be governed by and construed and performed in accordance with and the laws of the State of New Hampshire, without giving effect to its conflict of laws principles.

Section 15.2 Dispute Resolution

All disputes between the Buyer and Seller under this Agreement shall be referred, upon notice by one Party to the other Party, to a senior manager of Seller designated by Seller, and a senior manager of the Buyer designated by the Buyer, for resolution on an informal basis as promptly as practicable. In the event the designated senior managers are unable to resolve the dispute within ten (10) days of receipt of the notice, or such other period to which the Parties may jointly agree, such dispute shall be submitted to arbitration and resolved in accordance with the arbitration procedure set forth in this Section. The arbitration shall be conducted in Boston, Massachusetts before a single neutral arbitrator mutually agreed to and appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) days of the referral of the dispute to arbitration, Seller and the Buyer shall each choose one arbitrator, who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within ten (10) days select a third arbitrator to act as chairman of the arbitration panel. In either case, the arbitrator(s) shall be knowledgeable and have at least two (2) years experience in electric utility matters, including wholesale power transactions and power market issues, and shall not have any current or past material business or financial relationships with either Party or a witness for either Party and shall not have a direct or indirect interest in any Party or the subject matter of the arbitration. If a panel of arbitrators, all of their decisions shall be by majority vote. The arbitrator(s) shall afford each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall generally conduct the arbitration in accordance with the then-current arbitration rules of the CPR Institute for Dispute Resolution (formerly known as the Center for Public Resources), unless otherwise mutually agreed by the Parties. There shall be no formal discovery conducted in connection with the arbitration unless otherwise mutually agreed by the Parties; provided, however, that the Parties shall exchange witness lists and copies of any exhibits that they intend to utilize in their direct presentations at any hearing before the arbitrator(s) at least ten (10) days prior to such hearing, along with any other information or documents specifically requested by the arbitrator(s) prior to the hearing. Any offer made and the details of any negotiations to resolve the dispute shall not be admissible in the arbitration or otherwise. Unless otherwise agreed, the arbitrator(s) shall render a decision within ninety (90) days of his, her or their appointment and shall notify the Parties in writing of such decision and the reasons therefore, and shall make an award apportioning the payment of the costs and expenses of arbitration among the Parties; provided, however, that each Party shall bear the costs and expenses of its own attorneys, expert witnesses and consultants unless the arbitrator(s), based upon a determination of good cause, awards attorneys fees and legal and other costs to the prevailing Party. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this Agreement and shall have no power to modify or change the Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction, subject expressly to Section 15.3. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act and/or the Administrative Dispute Resolution Act. Nothing in this paragraph shall impair the ability of a Party to exercise any right or remedy it has under this Agreement, including those in

Article 7. To the fullest extent permitted by law, any arbitration proceeding and the arbitrator's award shall be maintained in confidence by the Parties; provided, however, that either Party, or any of its Affiliates, may provide information regarding the arbitration without limitation to any regulatory agency requesting or requiring such information or to a court in a proceeding to confirm, appeal (as such appeal is limited hereby) or enforce the award; provided, further, that any such provision of information must include a request for confidential treatment.

Section 15.3 Venue; Waiver of Jury Trial

Each Party hereto irrevocably (i) submits to the exclusive jurisdiction of the federal and state courts located in the State of New Hampshire; (ii) waives any objection which it may have to the laying of venue of any proceedings brought in any such court; and (iii) waives any claim that such proceedings have been brought in an inconvenient forum. EACH PARTY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY SUIT, ACTION OR PROCEEDING RELATING TO THIS AGREEMENT.

ARTICLE 16. SEVERABILITY

Any provision declared or rendered unlawful by any applicable court of law or regulatory agency or deemed unlawful because of a statutory change will not otherwise affect the remaining provisions and lawful obligations that arise under this Agreement. If any provision of this Agreement, or the application thereof to any Party or any circumstance, is invalid or unenforceable, (a) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision, and (b) the remainder of this Agreement and the application of such provision or circumstances shall not be affected by such invalidity or unenforceability.

ARTICLE 17. MODIFICATIONS

No modification or amendment of this Agreement will be binding on any Party unless it is in writing and signed by both Parties.

ARTICLE 18. ENTIRE AGREEMENT

This Master Power Agreement, including the Appendices, any Confirmations relating to specific Transactions, the tariffs and agreements referred to herein or therein, embody the entire agreement and understanding of the Parties in respect of the transactions contemplated by this Agreement. There are no restrictions, promises, representations, warranties, covenants or undertakings, other than those expressly set forth or referred to herein or therein. It is expressly acknowledged and agreed that there are no restrictions, promises, representations, warranties, covenants or undertakings contained in any material provided or otherwise made available by the Seller or the Buyer to each other. This Agreement supersedes all prior agreements and understandings between the Parties with respect to the transactions contemplated hereby and specifically excludes written agreements executed by the Parties prior to the Effective Date.

ARTICLE 19. COUNTERPARTS

This Agreement may be executed in any number of counterparts, and each executed counterpart shall have the same force and effect as an original instrument.

ARTICLE 20. INTERPRETATION; CONSTRUCTION

The article and section headings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the Parties and shall not in any way affect the meaning or interpretation of this Agreement. For purposes of this Agreement, the term "including" shall mean "including, without limitation". The Parties acknowledge that, each Party and its counsel have reviewed and or revised this Agreement and that any rule of construction to the effect that any ambiguities are to be resolved against the drafting Party shall not be employed in the interpretation of this Agreement, and it is the result of joint discussion and negotiation.

ARTICLE 21. REPRESENTATIONS; WARRANTIES AND COVENANTS

Each Party represents to the other ~~Party~~Parties, upon execution and continuing throughout the term of this Agreement, as follows:

(a) It is duly organized in the form of business entity set forth in the first paragraph of this Agreement, validly existing and in good standing under the laws of its state of its organization and has all requisite power and authority to carry on its business as is now being conducted, including all regulatory authorizations as necessary for it to legally perform its obligations hereunder.

(b) It has full power and authority to execute and deliver this Master Power Agreement and any and all Confirmations related to Transactions and to consummate and perform the transactions contemplated hereby. This Master Power Agreement has been, and any Confirmation will be, duly and validly executed and delivered by it, and, assuming that this Master Power Agreement, together with any and all Confirmations, constitutes a valid and binding agreement of the other ~~Party, constitutes~~Parties, constitute together its valid and binding agreement, enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles.

(c) Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, or the terms of any note, bond, mortgage, indenture, deed of trust, license, franchise, permit, concession, contract, lease or other instrument to which it is bound, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets.

(d) No declaration, filing with, notice to, or authorization, permit, consent or approval of any governmental authority is required for the execution and delivery of this Master Power Agreement or any and all Confirmations related to a Transaction by it or the performance by it of its obligations hereunder and thereunder, other than such declarations, filings, registrations, notices, authorizations, permits, consents or approvals which, if not obtained or made, will not, in the aggregate, have a Material Adverse Effect.

(e) Neither the execution and delivery of this Master Power Agreement or any and all Confirmations by it ~~will~~, nor the performance by it of its obligations under this Master Power Agreement and any and all Confirmations related to Transactions, will or does (i) conflict with or result in any breach of any provision of its Governing Documents, (ii) result in a default (or give rise to any right of termination, cancellation or acceleration) under any of the terms, conditions or provisions of any note, bond, mortgage, indenture, license, agreement or other instrument or obligation to which it or any of its subsidiaries is a party or by which it or any of its subsidiaries is bound, except for such defaults (or rights of termination, cancellation or acceleration) as to which requisite waivers or consents have been obtained or which, in the aggregate, would not have a Material Adverse Effect; or (iii) violate any order, writ, injunction, decree, statute, rule or regulation applicable to it, which violation would have a Material Adverse Effect.

(f) There are no claims, actions, proceedings or investigations pending or, to its knowledge, threatened against or relating to it before any governmental authority acting in an adjudicative capacity relating to the transactions contemplated hereby that could have a Material Adverse Effect. It is not subject to any outstanding judgment, rule, order, writ, injunction or decree of any court or governmental authority which, individually or in the aggregate, would create a Material Adverse Effect.

(g) There are no bankruptcy, insolvency, reorganization, receivership or other similar proceedings pending or being contemplated by it, or of its knowledge threatened against it.

(h) With respect to Seller, (i) it and the ISO have fully executed a Market Participant Service Agreement ("Seller's MPSA"), and it has been approved by the Commission in accordance with Subsection 7.1 of the MPSA with the ISO and (ii) the ISO has not filed with the Commission a notice of termination of Seller's MPSA.

(i) It is acting for its own account, has made its own independent decision to enter into this Master Power Agreement and any and all Confirmations related to a Transaction and as to whether this Master Power Agreement and any such Confirmation is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of the other Party hereto, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Master Power Agreement and any such Confirmation or Transaction.

ARTICLE 22. CONSENTS AND APPROVALS

The Parties shall cooperate so that each Party may take such actions as necessary and required for the other Party to effectuate and comply with this Agreement including to (i) promptly prepare and file all necessary documentation, (ii) effect all necessary applications, notices, petitions and filings and execute all agreements and documents, and (iii) use all

commercially reasonable efforts to obtain all necessary consents, approvals and authorizations of all other entities, in the case of each of the foregoing clauses (i), (ii) and (iii), necessary or advisable to consummate the transactions contemplated by this Agreement. The Buyer shall have the right to review and approve in advance all characterizations of the information relating to the transactions contemplated by this Agreement which appear in any filing, press release or public announcement made in connection with the transactions contemplated hereby.

ARTICLE 23. CONFIDENTIALITY

Neither Seller nor the Buyer shall provide copies of ~~[BIDDERS: Insert sections – Section 5.1, Section 6.4, Appendices C and D]~~ or disclose the contents or terms ~~thereof~~of Section 5.2(b), Article 7 and Appendix C of the Master Power Agreement (the "Confidential Terms") to any third party without the prior written consent of the other Party; provided, however, that either Party may provide a copy of the Confidential Terms, in whole or in part to (1) any regulatory agency or governmental authority with jurisdictional interest requesting and/or requiring such Confidential Terms, or in order to comply with any applicable law, regulation, or any exchange, control area or independent system operator rule or in connection with any court or regulatory proceeding, provided that in the case of a disclosure pursuant to the foregoing, such disclosure must include a request for confidential treatment of the Confidential Terms, and (2) an Affiliate if related to the Party's performance of its obligations hereunder, provided that such Affiliate agrees to treat the Confidential Terms as confidential in accordance with this clause. Further, the Parties agree that where information or documentation is required to be provided to the other Party pursuant to the terms of this Agreement, such information shall be sufficiently marked as Confidential and the other Party shall treat such information consistent with the confidentiality requirements of this Article 23.

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IN WITNESS WHEREOF, the Parties have caused their duly authorized representatives to execute this Master Power Agreement on their behalf as of the date first above written.

GRANITE STATE ELECTRIC COMPANY

_____

Name (print):_____
Title: _____

_____

~~**[COMPANY]**~~

[redacted]

_____

Name (print):_____
Title: _____

APPENDIX A
ESTIMATION OF SELLER HOURLY LOADS

Overview

Generating units operated by suppliers are dispatched by the power pool to meet the region's electrical requirements reliably, and at the lowest possible cost. As a result, a supplier's electricity production may not match the demand of its customers. In each hour some suppliers with low cost production units or that contract for the output of such units are net sellers of electricity to the pool, while other suppliers are purchasing power from the pool to meet the demand of their customers. To determine the extent to which suppliers are net buyers or sellers on an hourly basis, it is necessary to estimate the hourly aggregate demand for all of the customers served by each supplier. The Buyer will estimate Seller's Default Service load obligations within the Buyer's service territory and report the hourly results to the ISO on a daily basis.

The estimation process is a cost-effective approach to producing results that are reliable, unbiased and reasonably accurate. The hourly load estimates will be based on rate class load profiles, which will be developed from statistically designed samples. Each day, the class load shapes will be scaled to the population of customers served by each supplier. In cases where telemetered data on individual customers is available, it will be used in place of the estimated shapes. On a monthly basis, the estimates will be refined by incorporating actual usage data obtained from meter readings. In both processes, the sum of all suppliers' estimated loads will match the total load delivered into the distribution system. A description of the estimation process follows.

Daily Estimation of Suppliers' Own Load

The daily process estimates the hourly load for each supplier for the previous day. The following is an outline of this process:

- Select a proxy date from the previous year with characteristics which best match the day for which the hourly demand estimates are being produced. Extract class load shapes for the selected proxy date from the load research database.

- Scale the class load shapes appropriately for each individual customer based on the usage level of the customer relative to the class average usage level.

- Calculate a factor for each customer which reflects their relative usage level and includes an adjustment for losses ("load adjustment factor"). Aggregate the load adjustment factors across the customers served by each supplier in each class.

- Produce a preliminary estimate of each supplier's hourly loads by combining the proxy day class load shapes with the supplier's total load adjustment factors. Aggregate the loads across the classes for each supplier.

- Adjust the preliminary hourly supplier estimates so that their sum is equal to the Buyer's actual hourly metered loads (as metered at the point of delivery to the distribution system) by allocating any differences to suppliers in proportion to their estimated load.

- Adjust the hourly supplier estimates to include transmission losses within the Buyer's transmission system.

- Submit the hourly loads to the ISO.

After the Buyer has submitted the supplier hourly loads, the ISO will allocate PTF losses to the supplier's account during the settlement process.

Monthly Reconciliation Process

The monthly process will improve the estimates of supplier loads by incorporating the most recent customer usage information, which will be available after the monthly meter readings are processed. The actual customer meter readings, as well as actual interval data for the largest customers, are used to re-estimate all of the days in the calendar month being reconciled. Updates to customers' account status and supplier assignments that may have been missed during the daily processing (due to timing) are included. The resulting hourly supplier load estimates for all the days in the month are reported and used by the ISO as the basis for the monthly resettlement.

APPENDIX B
MASTER POWER AGREEMENT
FORM OF CONFIRMATION

This Confirmation shall confirm the Transaction agreed to on, and effective as of _____, between **GRANITE STATE ELECTRIC COMPANY** ("Granite" or "Buyer"), a New Hampshire corporation and [redacted] a Delaware corporation, regarding the sale/purchase of Default Service specified herein under the terms and conditions under the Master Power Agreement, dated _____ (the "Master Power Agreement") between Buyer and Seller, as specified and modified herein. Terms used but not defined herein shall have the meanings ascribed to them in the Master Power Agreement.

1. Confirmation Effective Date; Condition Precedent; Filing Obligation; Term

This Confirmation shall be binding on the Parties upon execution by both Parties (such date the "Confirmation Effective Date"). Promptly after execution by both Parties, Buyer shall submit the Default Service retail rates to the NHPUC for its approval. The Parties performance of Sections 3.2 through 6.4 of the Master Power Agreement are subject to the occurrence, on or before the fifth Business Day after (but not including) the Buyer's submission of the Default Service retail rates to the NHPUC (the "Fifth Day"), for the approval by the NHPUC. If the NHPUC does not issue a decision approving Buyer's request to approve the Default Service retail rates as filed on or before the Fifth Day (a "NHPUC Denial"), then this Confirmation shall be null and void and of no further force and effect, and neither Party shall have any obligation whatsoever to the other Party, and such a voiding of the Confirmation and the NHPUC Denial shall not be a default or constitute an Event of Default by either Party; provided, however, that neither Party shall undertake any action with the NHPUC or otherwise in opposition of approval by the NHPUC of the Master Power Agreement or the Confirmation as executed.

[redacted]

[redacted]

Contract Rate	Month 1	Month 2	Month 3	Month 4	Month 5	M
TBD	TBD	TBD	TBD	TBD	TBD	TB

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

6 Confidentiality

Articles 2, 3 4, 5, and 7 of this Confirmation are Confidential Terms within the meaning of Article 23 of the Master Power Agreement.

[redacted]

[redacted]

[redacted]

8. Ratification of the Terms and Conditions of the Agreement

(a) Except as expressly amended or waived by this Confirmation, the terms, conditions, covenants, agreements, warranties and representations contained in the Master Power Agreement are in all respects ratified, confirmed and remade as of the date hereof and, except as amended or waived hereby, shall continue in full force and effect.

(b) Nothing in this Confirmation shall, or shall be construed to, alter or amend any other Confirmation.

7 Counterparts

This Confirmation may be executed in counterparts, all of which together shall constitute one and the same instrument.

This Confirmation constitutes part of and is subject to the terms and provisions of such Master Power Agreement.

IN WITNESS WHEREOF, the Parties have caused their duly authorized representatives to execute this Confirmation on their behalf as of the date first above written.

GRANITE STATE ELECTRIC COMPANY

_____

Name (print): Michael J. Hager
Title: Authorized Signatory

_____
[redacted]

_____

Name (print):
Title:

APPENDIX C

[redacted]

[redacted]

[redacted]

[redacted]

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[redacted]

[redacted]

Appendix C – Page 2

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[redacted]

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[redacted]

[GUARANTOR]

~~BY:~~

~~NAME:~~

~~TITLE:~~

_____

~~APPENDIX C~~
~~Buyer's Default Service Requirements Matrix~~
~~By Customer Group, Load Responsibility, SMD Load Zone and Applicable Period~~
Name (print):
Title:

~~Customer Group~~	~~SMD Load Zone~~	~~Load Responsibility~~	~~Commencement Date~~	~~Conclusion Date~~
~~Large Customer Group~~	~~New Hampshire~~	~~100%~~	~~May 1, 2006~~	~~July 31, 2006~~
~~Small Customer Group~~	~~New Hampshire~~	~~100%~~	~~May 1, 2006~~	~~October 31, 2006~~

~~APPENDIX D~~
~~Contract Rate~~
~~[SELLER'S NAME]~~
~~By Customer Group and Month of Service, $/MWh~~

~~Contract Rate~~	~~May 2006~~	~~June 2006~~	~~July 2006~~	~~August 2006~~	~~September 2006~~	~~October 2006~~
~~Large Customer Group Contract Rate~~						
~~Small Customer Group Contract Rate~~						

SCHEDULE JDW – 7

Renewable Portfolio Standard Adder

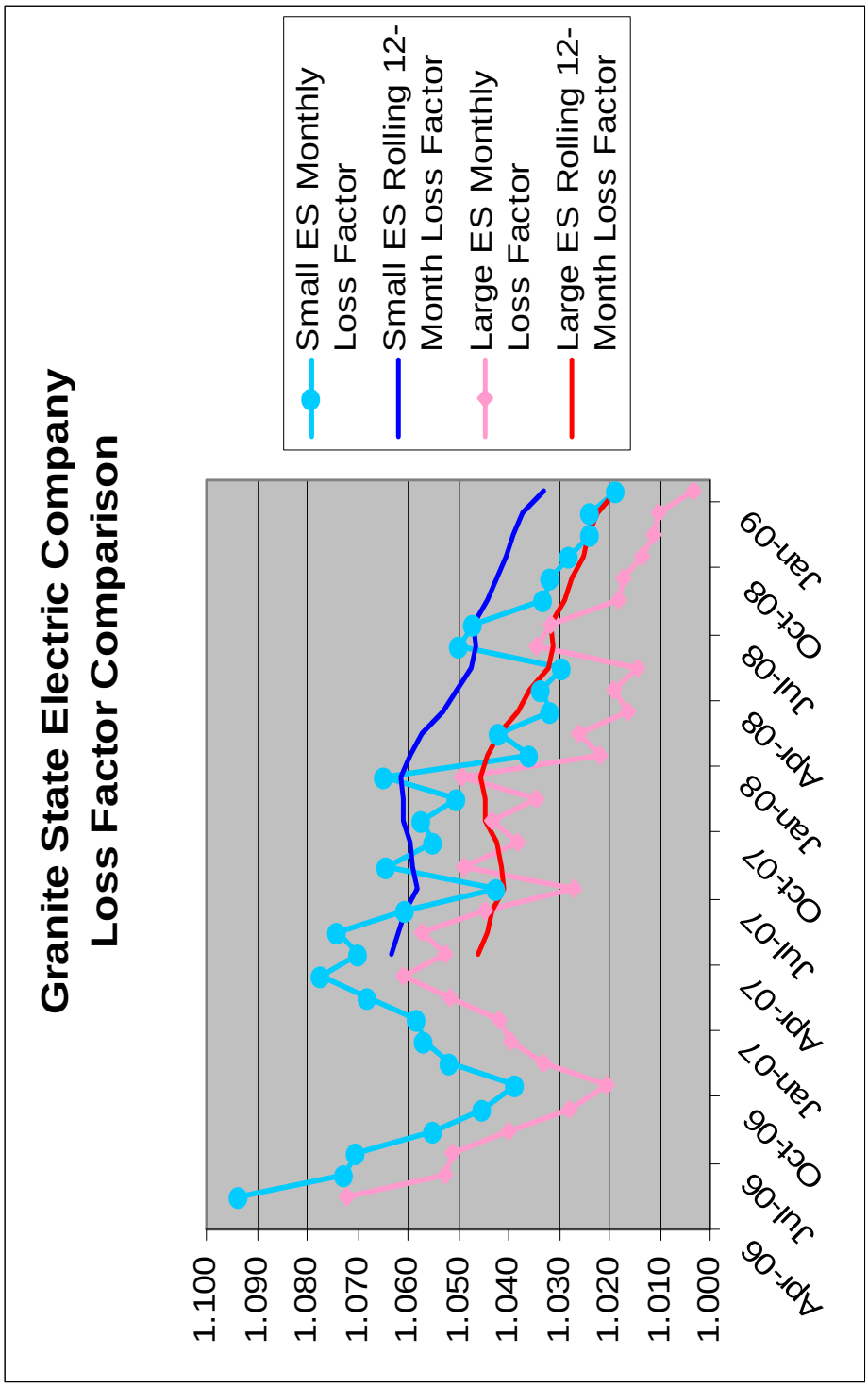
		YEAR 2009
	Section 1: Calculation of Class I Renewable Energy Resource Charge	
(1)	Class I Alternative Compliance Payment	$60.92
(2)	Class I Renewable Energy Resource Obligation	0.50%
(3)	Incremental Cost - $/MWh	$0.30
	Section 2: Calculation of Class II Renewable Energy Resource Charge	
(1)	Class II Alternative Compliance Payment	$159.98
(2)	Class II Renewable Energy Resource Obligation	0.00%
(3)	Incremental Cost - $/MWh	$0.00
	Section 3: Calculation of Class III Renewable Energy Resource Charge	
(1)	Class III Alternative Compliance Payment	$29.87
(2)	Class III Renewable Energy Resource Obligation	4.50%
(3)	Incremental Cost - $/MWh	$1.34
	Section 4: Calculation of Class IV Renewable Energy Resource Charge	
(1)	Class IV Alternative Compliance Payment	$29.87
(2)	Class IV Renewable Energy Resource Obligation	1.00%
(3)	Incremental Cost - $/MWh	$0.30
	Section 5: Calculation of Renewable Portfolio Standard Adder	
(4)	Sum of Class III and Class IV Incremental Costs - $/MWh	$1.94
(5)	Renewable Portfolio Standard Adder to be included in Retail Rates - $/kWh	$ 0.00205

Notes

(1) 2009 ACP as published by the NHPUC
(2) From 362-F:3 of NH RPS legislation
(3) Line (1) times Line (2)
(4) Sum of all Line 3's
(5) Line (4) times 1.0615 (average NH loss factor for 12 month period ending December 31, 2007) divided by 1,000 to convert from $/MWh to $/kWh.

SCHEDULE JDW – 8

New Hampshire Loss Factors


Granite State Electric Company
Loss Factor Comparison
1.100
1.090
1.080
1.070
1.060
1.050
1.040
1.030
1.020
1.010
1.000
Apr-06
Jul-06
Oct-06
Jan-07
Apr-07
Jul-07
Oct-07
Jan-08
Apr-08
Jul-08
Oct-08
Jan-09
Small ES Monthly Loss Factor
Small ES Rolling 12-Month Loss Factor
Large ES Monthly Loss Factor
Large ES Rolling 12-Month Loss Factor

Testimony of
Scott M. McCabe

DIRECT TESTIMONY

OF

SCOTT M. MCCABE

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I. Introduction and Qualifications

Q. Please state your full name and business address.

A. My name is Scott M. McCabe and my business address is 201 Jones Road, Waltham, Massachusetts, 02451.

Q. Please state your position.

A. I am Principal Analyst, New England in the Regulation and Pricing – Electricity Distribution and Generation department of National Grid USA, Inc. This department performs rate-related services for Granite State Electric Company d/b/a National Grid ("National Grid" or "the Company").

Q. Please describe your educational background.

A. I graduated from Bowdoin College in Brunswick, Maine with a Bachelor of Arts degree in Economics and Government and Legal Studies in 1991.

Q. Please describe your professional experience and training.

A. From 1991 to 1999, I was employed by Bay State Gas Company ("Bay State Gas"), headquartered in Westborough, MA. At Bay State Gas I held several positions, beginning as an intern for the Marketing and Sales Group in September 1991 and promoted to Associate Planning Analyst for the same group in January 1993. In August 1993, I joined the Demand Side Management department as a program manager responsible for the implementation of Bay State Gas's commercial and multifamily DSM

Programs. In August 1996, I joined EnergyUSA, an unregulated affiliate of Bay State Gas, as a Senior Financial Analyst and in December 1997 was promoted to Manager of Product Support. In January 1999 I rejoined Bay State Gas as Revenue Control and Analysis Supervisor. From May 1999 through April 2001, I worked for the Massachusetts Technology Collaborative as Project Manager for the Massachusetts Renewable Energy Trust. I joined National Grid in April 2001 as Senior Analyst in the Energy Efficiency Services Group. I transferred to Regulation and Pricing in October 2002. In July of 2008 I was promoted to my current position.

Q. Have you previously testified before the New Hampshire Public Utilities Commission ("the Commission")?

A. Yes. I have previously testified on behalf of National Grid in several proceedings before the Commission.

II. <u>Purpose of Testimony</u>

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to present National Grid's proposed Default Service rates, including rate adjustments, for usage on and after May 1, 2009, in accordance with the Default Service Adjustment Provision and Default Service Cost Reclassification Adjustment Provision of the Company's tariff, and the Settlement Agreement in Docket No. DE 05-126 approved by the Commission in Order No. 24,577 (January 13, 2006) ("Settlement Agreement"). My testimony also presents the results of the reconciliation

of Default Service power supply expense for the period of February 2008 through January 2009 ("Default Service Reconciliation") and the reconciliation of the administrative cost of providing Default Service, also for the period February 2008 through January 2009 ("Default Service Cost Reclassification Adjustment Factor Reconciliation"). Both reconciliations are provided for as part of the Company's Default Service Adjustment Provision. This filing also presents the final reconciliation of the over recovery balance approved for refund through the adjustment to the 2007 Default Service adjustment factor as well as the reconciliation of the under recovery balance approved for recovery through the adjustment to the 2008 Default Service adjustment factor. Finally, this filing presents the reconciliation of the Company's cost of complying with its 2008 Renewable Portfolio Standard obligations.

Q. Please summarize the results of the Default Service procurement and the adjustments which National Grid proposes to implement for usage on and after May 1, 2009.

A. As I describe in more detail later in my testimony, National Grid proposes to implement the following Default Service rates beginning May 1, 2009, for usage on and after that date:

	Residential and Small C&I	Medium & Large C&I		
	May - October 2009	May	June	July
Base Default Service Rate	6.900¢	6.335¢	6.753¢	7.364¢
2009 Default Service Adjustment Factor	(0.285¢)	(0.285¢)	(0.285¢)	(0.285¢)
Default Service Cost Reclassification Adjustment Factor	0. 060¢	0. 048¢	0. 048¢	0. 048¢
Renewable Portfolio Standard ("RPS") Adder [1]	0.205¢	0.000¢	0.000¢	0.000¢
Total Default Service Rate	6.880¢	6.098¢	6.516¢	7.127¢

The Default Service rates which the Company proposes to bill its customers receiving Default Service are also summarized in Schedules SMM-1 and SMM-2.

III. Base Default Service Rates

Q. What are the "base" Default Service rates that the Company is proposing?

A. National Grid is proposing a fixed six-month base Default Service rate for the Residential and Small Commercial Customer Group[2] ("Small Customer Group") based on the weighted average of the six monthly contract prices contained in the supply agreement with the winning Default Service supplier for the Small Customer Group. As displayed on line (14) Schedule SMM-2, the proposed base Default Service rate for the Small

[1] The cost of complying with the RPS obligation for the large customer group is included in the base default service rate.
[2] Customers taking service under Domestic Service Rate D; Domestic Service - Optional Peak Load Pricing Rate D-10; Outdoor Lighting Service Rate M; Limited Total Electrical Living Rate T; General Service Rate G-3; or Limited

Customer Group is 6.900¢ per kilowatt-hour. The calculation of the six-month base Default Service rate for the Small Customer Group is presented in Schedule SMM-2. The Company is also proposing monthly base Default Service rates for the Medium and Large Commercial and Industrial Customer Group[3] ("Large Customer Group") based on the three monthly contract prices contained in the supply agreement with the winning Default Service supplier for the Large Customer Group. As displayed on line (5) of Schedule SMM-1, the proposed base Default Service rates for the Large Customer Group are 6.335¢ per kilowatt-hour, 6.753¢ per kilowatt-hour, and 7.364¢ per kilowatt-hour for the months of May 2009, June 2009 and July 2009, respectively.

IV. <u>Default Service Reconciliation</u>

Q. Please discuss in general terms the Company's Default Service Reconciliation.

A. The Company is required on an annual basis to reconcile its power supply cost of providing Default Service with its Default Service revenue associated with the recovery of power supply costs, and the excess or deficiency, including interest at the interest rate paid on customer deposits, shall be returned to, or recovered from, all Default Service customers over the following 12 months through the Default Service adjustment factor.

Q. Is the Company presenting a reconciliation of power supply costs for Default Service in its filing?

Commercial Space Heating Rate V of the Company's Retail Delivery Tariff.

[3] Customers taking service under General Long-Hour Service Rate G-2 or General Service Time-Of-Use Rate G-1 of

A. Yes. The Default Service Reconciliation for the period February 2008 through January 2009 is presented in Schedule SMM-3.

Q. Please explain the Default Service Reconciliation in detail.

A. Schedule SMM-3, page 1, presents the actual reconciliation of Default Service revenue and expense by month. The detail behind each month's Default Service revenue is included on page 2 of Schedule SMM-3. As of January 2008, the Default Service revenue includes revenue related to an RPS Adder. The detail behind each month's Default Service expense is shown on page 3 of Schedule SMM-3. The source of the Default Service expense in Column (a) and Column (b) of page 3 is each month's invoice from the Default Service providers.

Q. Please explain the adjustment in column (c) in May 08?

A. The credit adjustment of ($470,011) is a result of corrections to the Default Service reconciliation for the period from January 2007 through February 2008. The Company did not include supplier reallocations totaling ($294,166) for the months of January 2007 and March 2007. In addition to this decrease in Default Service expense, corrections to formulas on page 2 of Schedule SMM-3 and the removal of the January 2008 RPS revenues from the base Default Service revenues resulted in increased revenues of $148,394. Finally, the remaining $27,459 of this credit is adjustment to the interest associated with these other corrections.

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the Company's Retail Delivery Tariff.

Q. Is the reconciliation prepared in the same manner as the Default Service reconciliation that was filed with the Commission last year?

A. Yes. The current reconciliation is prepared in the same manner as the Default Service reconciliations filed with the Commission last year in Docket No. DE 08-011.

Q. Why is the Company subtracting amounts from Default Service revenue for the Renewable Portfolio Standard Adder revenue?

A. Any amounts relating to the RPS Adder must be removed from total Default Service revenue billed to customers in order to properly reflect the base Default Service revenue for the current reconciliation period. Accordingly, the Company has calculated the revenue relating to the Residential and Small C&I RPS Adder and the Medium & Large C&I RPS Adder and removed these components of revenue from the total Default Service revenue billed. The revenue amounts related to the RPS Adder will be included in the proposed RPS Reconciliation as discussed below.

Reconciliation of the Adjustment to the 2007 Default Service Adjustment Factor

Q. Is the Company including a status of the adjustment to the Default Service adjustment factor that was approved for implementation during May 2007?

A. Yes. The status of the adjustment to the 2007 Default Service adjustment factor is presented in Schedule SMM-4.

Q. What does Schedule SMM-4 illustrate?

A. Schedule SMM-4 indicates that of the $1,360,021 over collection from the May 2006 through January 2007 reconciliation period that is to be refunded through the adjustment to the 2007 Default Service adjustment factor credit of (0.192¢) per kWh, $164,599 has been refunded to customers through April 2008. The remaining over recovery balance of $109,721 is reflected in the Default Service Reconciliation as an adjustment in May 2008.

Reconciliation of the 2008 Default Service Adjustment Factor

Q. Is the Company including a status of the adjustment to the Default Service adjustment factor that was approved for implementation during May 2008?

A. Yes. The status of the adjustment to the 2008 Default Service adjustment factor is presented in Schedule SMM-5.

Q. What does Schedule SMM-5 illustrate?

A. Schedule SMM-5 indicates that of the $64,196 under collection from the February 2007 through January 2008 reconciliation period that is to be collected through the adjustment to the 2008 Default Service adjustment factor credit of 0.009¢ per kWh, $40,320 has been recovered from customers through January 2009, resulting in a remaining under recovery of $25,870 to be recovered from customers by the end of April 2009. Any remaining balance, either positive or negative, will be reflected in next year's Default Service Reconciliation as an adjustment in May 2009.

Proposed 2009 Default Service Adjustment Factor

Q. Is the Company proposing to implement a 2009 Default Service adjustment factor beginning May 1, 2009?

A. Yes. The Company proposes a Default Service adjustment credit factor of (0.285¢) per kWh as calculated in Schedule SMM-6. This schedule takes the over collection from Schedule SMM-3, accrues interest on the balance during the refund period assuming monthly refund amounts, and divides the balance including interest by an estimate of the kWh deliveries attributable to Default Service customers for the period from May 2009 through April 2010.

Q. How would this factor be implemented?

A. The Default Service adjustment factor would become effective for usage on and after May 1, 2009, the same date that the other rates proposed in this filing are proposed to become effective. The proposed Default Service adjustment factor would be combined with the Default Service rates for billing.

V. Default Service Cost Reclassification Adjustment Factor Reconciliation

Q. Please describe the reconciliation of the administrative costs of providing Default Service.

A. Pursuant to the Company's Default Service Adjustment Provision, the Company shall reconcile its administrative cost of providing Default Service with its Default Service

revenue associated with the recovery of administrative costs, and the excess or deficiency, including interest at the interest rate paid on customer deposits, shall be reflected in the subsequent year's Default Service Cost Reclassification Adjustment Factor pursuant to the Default Service Cost Reclassification Adjustment Provision.

Q. Is the Company presenting a reconciliation of administrative costs of providing Default Service with its Default Service revenue associated with the recovery of administrative costs in its filing?

A. Yes. The Default Service Cost Reclassification Adjustment Factor Reconciliation for the period February 2008 through January 2009 is presented in Schedule SMM-7.

Q. Please explain the Default Service Cost Reclassification Adjustment Factor reconciliation in detail.

A. Schedule SMM-7, page 1, presents the actual reconciliation of DSCRAF revenue and administrative expense by month. The detail behind each month's DSCRAF revenue is included on pages 2 and 3 of Schedule SMM-7. The detail behind each month's administrative expense is shown on page 4 of Schedule SMM-7. The calculation of the cash working capital impact is presented on pages 5 and 6 of Schedule SMM-7.

Proposed Default Service Cost Reclassification Adjustment Factors

Q. Has the Company calculated proposed DSCRAF's?

A. Yes. Schedule SMM-8 calculates the proposed DSCRAF's of 0.060¢ per kilowatt-hour

for the Small Customer Group and 0.048¢ per kilowatt-hour for the Large Customer Group for the period May 2009 through April 2010.

Q. Has the Company calculated the DSCRAF's in the same manner as in last year's filing?

A. Yes. The Company has calculated the DSCRAF's in the same manner as in last year's filing and in accordance with the methodologies approved in the Settlement Agreement, with one exception. To be consistent with the Commission's Order No. 24,861 dated June 20, 2008 in Docket DE 08-015, Unitil Energy Systems Inc Petition for Approval of Default Service Solicitation and Proposed Default Service Tariffs For Large Commercial and Industrial Customers, the Company has modified the cash working capital study to reflect the fact that the Company is not obligated to transmit RPS related payments to the State until July 1, 2009 and that the receipt of RPS adder revenue reduces the Company's working capital requirement. The working capital impact related to the Company's 2008 RPS obligation is presented on page 4 of Schedule SMM-7.

Q. How would these factors be implemented?

A. The DSCRAF's would become effective for usage on and after May 1, 2009. As in the case of the Default Service adjustment factor, these proposed adjustment factors would be combined with the Default Service rates for billing purposes.

VI. <u>Renewable Portfolio Standard Reconciliation</u>

Q. Please discuss in general terms the Company's Proposed Renewable Portfolio Standard

Reconciliation.

A. The Company is proposing to on an annual basis reconcile its cost of meeting RPS obligations with its RPS adder revenue associated with the recovery of RPS costs, and the excess or deficiency, including interest at the interest rate paid on customer deposits, shall be returned to, or recovered from, all Default Service customers over a 12 month period through the RPS adjustment factor.

Q. Is the Company presenting a reconciliation of the costs for complying with Renewable Portfolio Standard obligations in this filing?

A. Yes. The RPS Reconciliation for the period January 2008 through January 2009 is presented in Schedule SMM-9.

Q. Please explain the Renewable Portfolio Standard Reconciliation in detail.

A. Schedule SMM-9, page 1, presents the actual reconciliation of Renewable Portfolio Standard Adder revenue and expense by month. The RPS Adder revenue collected from Default Service customers since the implementation of RPS adders on January 1, 2008 is presented on page 2 of Schedule SMM-9. As of January 2009, the Company has not yet incurred any expenses to meet the Renewable Portfolio Standard. However, the Company is obligated to procure its 2008 RPS obligation by July 1, 2009. Therefore, expenses related to procuring the 2008 RPS obligation will be recorded during the months of February through June 2009. The RPS reconciliation shows that as of January 31, 2009, the balance in the reconciliation was an over recovery of $847,306.

Q. Is the Company proposing to implement a 2009 RPS adjustment factor beginning May 1, 2009?

A. No.

Q. How is the Company proposing to treat the over recovery of RPS expense?

A. The Company is proposing to retain the over recovery to be used to offset expense that will be incurred in the next reconciliation period related to the 2008 RPS obligation.

Q. Is the reconciliation prepared in the same manner as the other reconciliations in this filing?

A. Yes. The current reconciliation is prepared in the same manner as the Default Service reconciliation, the Default Service Adjustment reconciliations and the DSCRAF reconciliation in this filing.

VII. Effective Date and Bill Impact

Q. How and when is the Company proposing that these rate changes be implemented?

A. Consistent with the Commission's rules on the implementation of rate changes, the Company is proposing that all of the above rate changes be made effective for usage on and after May 1, 2009.

Q. Has the Company determined the impact of these rate changes on customer bills?

A. Yes. These bill impacts are included in Schedule SMM-10. Schedule SMM-10 shows that for a typical residential 500 kilowatt-hour Default Service customer, the bill impact of the rates proposed for May 1, 2009, as compared to rates in effect today, is a bill decrease of $16.76, or (20.8%), from $80.58 to $63.82. In addition, a bill comparison for a Default Service residential customer with an average kilowatt-hour usage of 657, which is the average monthly usage over the twelve month period ending February 2009, has also been included in this filing on page 2 of Schedule SMM-10. The total bill impact of the rates proposed in this filing, as compared to rates in effect today, is a bill decrease of $22.02 or (20.7%), from $106.54 to $84.52. For other customers in the Small Customer Group, increases range from (19.7%) to (26.0%) (see pages 1 to 9 of Schedule SMM-10). For customers in the Large Customer Group who are billed on variable default service rates, the bill impact comparing the April rate to the proposed May rate are decreases ranging from (15.8%) to (17.1%) (see pages 10 to 16 of Schedule SMM-10).

Q. Has the Company prepared a revised Summary of Rates tariff page reflecting the proposed rates?

A. Yes. It is included as Schedule SMM-11. The Summary of Rates reflects the proposed Default Service rate changes contained in this filing. Upon receiving orders in this proceeding, the Company will file a Fifty-sixth Revised Page 84, Summary of Rates, reflecting the appropriate approved rates.

Q. Has the Company included the most recent quarterly report of migration information

based on monthly migration by customer class and load, as required by the Commission's Order No. 24,715 in Docket No. DE 06-115?

A. The quarterly report of customer migration information for fourth quarter of calendar year 2008 is included as Schedule SMM-12.

VIII. Conclusion

Q. Does this conclude your testimony?

A. Yes.

Schedules of
Scott M. McCabe

Schedules
Table of Contents

Schedule SMM-1	Summary of Large Customer Group Proposed Default Service Rates
Schedule SMM-2	Calculation of Small Customer Group Proposed Default Service Rate
Schedule SMM-3	Default Service Reconciliation
Schedule SMM-4	Adjustment to 2007 Default Service Adjustment Factor Reconciliation
Schedule SMM-5	2008 Default Service Adjustment Factor Reconciliation
Schedule SMM-6	Calculation of Proposed 2009 Default Service Adjustment Factor
Schedule SMM-7	Default Service Cost Reclassification Adjustment Factor Reconciliation
Schedule SMM-8	Calculation of Proposed Default Service Cost Reclassification Adjustment Factors
Schedule SMM-9	Renewable Portfolio Standard Reconciliation
Schedule SMM-10	Typical Bill Impacts
Schedule SMM-11	Proposed Summary of Rates
Schedule SMM-12	Quarterly Customer Migration Report

Schedule SMM-1

Schedule SMM-1
Summary of Large Customer Group
Proposed Default Service Rates

Granite State Electric Company
Summary of Large Customer Group Proposed Default Service Rates

		Medium and Large C&I		
		May	June	July
(1)	Wholesale Loads (kWh)	[redacted]		
(2)	Retail Loads (kWh)	[redacted]		
(3)	Loss Factor	[redacted]		
(4)	Wholesale Contract Price ($/MWh)	[redacted]		
(5)	Base Default Service Rate ($/kWh)	$0.06335	$0.06753	$0.07364
(6)	2009 Default Service Reconciliation Adjustment Factor ($/kWh)	($0.00285)	($0.00285)	($0.00285)
(7)	2009 Default Service Cost Reclassification Adjustment Factor ($/kWh)	$0.00048	$0.00048	$0.00048
(8)	Renewable Portfolio Standard Adder ($/kWh)	$0.00000	$0.00000	$0.00000
(9)	Total Default Service Rate ($/kWh)	$0.06098	$0.06516	$0.07127

(1) Wholesale loads for the 12 month period ending December 2007
(2) Retail loads for the 12 month period ending December 2007
(3) Line (1) ÷ Line (2), rounded to five decimal places
(4) Wholesale Contractor Price (Including RPS Compliance Cost)
(5) Line (3) x Line (4) / 1000, truncated to five decimal places
(6) Schedule SMM-3, Page 1
(7) Schedule SMM-8, Page 1
(8) Included in Base Default Service Rate on Line (5)
(9) Line (5) + Line (6) + Line (7) + Line (8)

Schedule SMM-2

Schedule SMM-2
Calculation of Small Customer Group
Proposed Default Service Rate

Granite State Electric Company
Small Customer Group
(Rates D, D-10, G-3, M, T and V)
Based on Weighted Average Effective Default Service Prices
May 2009 - October 2009

Section 1: Percentage of Residential and Small C&I kWhs Attributable to Default Service

(1)	February 2009 Residential and Small C&I Default Service kWhs	36,220,097
(2)	February 2009 Total Residential and Small C&I kWhs	36,994,876
(3)	Percentage of Residential and Small C&I Default Service kWhs to Total Residential and Small C&I kWhs	97.91%

Section 2: Projected Residential and Small C&I Default Service kWhs, May 2009 - October 2009

		May (a)	June (b)	July (c)	August (d)	September (e)	October (f)	Total (g)
(4)	Projected Total Company Residential and Small C&I kWhs	27,691,161	31,420,410	34,196,790	33,948,425	32,395,437	33,107,739	192,759,962
(5)	Percentage of Residential and Small C&I Default Service kWhs to Total Residential and Small	97.91%	97.91%	97.91%	97.91%	97.91%	97.91%	
(6)	Projected Residential and Small C&I Default Service kWhs	27,111,228	30,762,376	33,480,611	33,237,448	31,716,983	32,414,368	188,723,015

Section 3: Residential and Small C&I Default Service Load Weighting for May 2009 - October 2009

(7)	Projected Residential and Small C&I Default Service kWhs	27,111,228	30,762,376	33,480,611	33,237,448	31,716,983	32,414,368	188,723,015
(8)	Wholesale Loads (kWh)	[redacted]						
(9)	Retail Loads (kWh)	[redacted]						
(10)	Loss Factor	[redacted]						
(11)	Wholesale Contract Price ($/MWh)	[redacted]						
(12)	Base Residential and Small C&I Default Service Rate ($/kWh)	$0.06427	$0.06873	$0.07159	$0.07350	$0.06634	$0.06857	
(13)	Projected Residential and Small C&I Default Service Base Revenue, May 2009 - October 2009	$1,742,439	$2,114,298	$2,396,877	$2,442,952	$2,104,105	$2,222,653	$13,023,324
(14)	Weighted Average Base Residential and Small C&I Default Service Charge for May 2009 - October 2009							$0.06900
(15)	2009 Default Service Reconciliation Adjustment Factor ($/kWh)							($0.00285)
(16)	2009 Default Service Cost Reclassification Adjustment Factor ($/kWh)							$0.00060
(17)	Proposed Renewable Portfolio Standard Adder ($/kWh)							$0.00205
(18)	Total Residential and Small C&I Default Service Price per kWh							$0.06880

(1) Per Monthly CR97987A Default Service Revenue Reports (Rates D, D-10, G-3, M, T, and V)
(2) Per Monthly CR97992A Total Revenue Reports (Rates D, D-10, G-3, M, T, and V)
(3) Line (1) ÷ Line (2)
(4) Per Company forecast for residential and small C&I rates (Rates D, D-10, G-3, M, T and V)
(5) Line (3)
(6) Line (4) x Line (5)
(7) Line (6)
(8) Wholesale loads for the 12 month period ending December 2007
(9) Retail loads for the 12 month period ending December 2007
(10) Line (8) ÷ Line (9), rounded to five decimal places
(11) Contractor Wholesale Price
(12) Line (10) x Line (11) / 1000, truncated to five decimal places
(13) Line (7) x Line (12)
(14) Line (13) ÷ Line (7), rounded to five decimal places
(15) Schedule SMM-3, Page 1
(16) Schedule SMM-8, Page 1
(17) Schedule JDW-7, Page 1
(18) Line (14) + Line (15) + Line (16) + Line (17)

Schedule SMM-3
Default Service Reconciliation
February 1, 2008 - January 31, 2009

Granite State Electric Company
Default Service Reconciliation
February 2008 Through January 2009

Month	Over/(Under) Beginning Balance (a)	Base Default Service Revenue (b)	Default Service Adjustment (c)	Default Service Expense (d)	Monthly Over/(Under) (e)	Over/(Under) Ending Balance (f)	Balance Subject to Interest (g)	Effective Interest Rate (h)	Interest (i)	Cumulative Interest (j)
Feb-08	$0	$4,786,434	$470,019	$5,559,768	($303,315)	($303,315)	($151,657)	7.50%	($917)	($917)
Mar-08	($304,231)	$5,190,130		$5,288,179	($98,049)	($402,281)	($353,256)	7.50%	($2,135)	($3,052)
Apr-08	($404,416)	$4,865,394		$4,409,906	$455,488	$51,072	($176,672)	6.00%	($860)	($3,912)
May-08	$50,212	$5,709,232	$109,721	$5,083,893	$735,059	$785,271	$417,741	6.00%	$2,033	($1,879)
Jun-08	$787,305	$5,803,557		$6,068,558	($265,001)	$522,304	$654,804	6.00%	$3,187	$1,309
Jul-08	$525,491	$7,130,259		$7,141,496	($11,237)	$514,254	$519,872	5.00%	$2,118	$3,427
Aug-08	$516,372	$7,229,448		$7,111,399	$118,050	$634,421	$575,397	5.00%	$2,344	$5,771
Sep-08	$636,766	$6,176,011		$5,869,474	$306,537	$943,303	$790,034	5.00%	$3,219	$8,990
Oct-08	$946,522	$5,539,770		$5,712,810	($173,040)	$773,482	$860,002	5.00%	$3,504	$12,493
Nov-08	$776,986	$4,954,998		$4,278,546	$676,453	$1,453,438	$1,115,212	5.00%	$4,544	$17,037
Dec-08	$1,457,982	$5,503,432		$4,986,362	$517,069	$1,975,051	$1,716,516	5.00%	$6,993	$24,030
Jan-09	$1,982,044	$5,933,331		$6,092,555	($159,224)	$1,822,820	$1,902,432	4.00%	$6,228	$30,258
		$68,821,997	$579,740	$67,602,947						

Cumulative Over/(Under) Collection of Default Service $1,829,048

(a) Prior Month Column (f) + Prior Month Column (i)
(b) Page 2
(c) Corrections to Schedule SMM-3 filed March 17, 2008 May 2008 Default Service filing in DE 08-011
May-08: Schedule SMM-4, Page 1
(d) Page 3
(e) Column (b) + Column (c) - Column (d)
(f) Column (a) + Column (e)
(g) [Column (a) + Column (f)] ÷ 2
(h) Interest rate on customer deposits beginning in May-06 pursuant to Default Service Adjustment Provision issued in compliance with Order 24,609 in Docket DE 05-126 dated March 28, 2006.
(i) Column (g) x [(1 + Column (h)) ^ (1 ÷ 12) - 1]
(j) Column (i) + Prior Month Column (j)

Granite State Electric Company
Default Service Expense

	Default Service Bill (a)	Supplier Reallocations (b)	Total Expense (c) = (a) + (b)
February 2008	$5,624,257	($64,489)	$5,559,768
March	$5,365,805	($77,626)	$5,288,179
April	$4,446,819	($36,912)	$4,409,906
May	$5,044,004	$39,890	$5,083,893
June	$6,140,847	($72,288)	$6,068,558
July	$7,512,658	($371,162)	$7,141,496
August	$7,375,498	($264,099)	$7,111,399
September	$5,934,872	($65,398)	$5,869,474
October	$5,751,846	($39,036)	$5,712,810
November	$4,384,246	($105,700)	$4,278,546
December	$5,134,419	($148,056)	$4,986,362
January 2009	$6,251,419	($158,864)	$6,092,555
Total	$68,966,688	($1,363,741)	$67,602,947

Source: Monthly Default Service Provider Invoice

Granite State Electric Company
Default Service Expense

	Default Service Revenue (a)	Renewable Portfolio Standard Revenue (b)	Base Default Service Revenue (c) = (a) - (b)
February 2008	$4,840,460	$54,026	$4,786,434
March	$5,250,561	$60,431	$5,190,130
April	$4,920,888	$55,493	$4,865,394
May	$5,767,157	$57,925	$5,709,232
June	$5,858,819	$55,261	$5,803,557
July	$7,195,329	$65,070	$7,130,259
August	$7,296,342	$66,894	$7,229,448
September	$6,233,001	$56,990	$6,176,011
October	$5,593,595	$53,825	$5,539,770
November	$5,011,378	$56,380	$4,954,998
December	$5,568,633	$65,201	$5,503,432
January 2009	$6,050,369	$117,038	$5,933,331
Total	$69,586,533	$764,536	$68,821,997

(a) Monthly Energy Service Revenue Report - CR97987A
(b) Schedule SMM-9, Page 2

Schedule SMM-4

Schedule SMM-4
Adjustment to 2007 Default Service
Adjustment Factor Reconciliation

Granite State Electric Company
Reconciliation of Default Service Over Recovery
Balance Incurred May 2006 through January 2007
Refunded May 2007 - April 2008

Month	Beginning Over Recovery Balance (a)	Default Service Adjustment Refund (b)	Ending Over Recovery Balance (c)	Balance Subject to Interest (d)	Effective Interest Rate (e)	Interest (f)	Cumulative Interest (g)
May-07	$1,360,021	($98,463)	$1,261,558	$1,310,789	8.25%	$8,688	$8,688
Jun-07	$1,270,246	($103,054)	$1,167,192	$1,218,719	8.25%	$8,078	$16,766
Jul-07	$1,175,269	($115,422)	$1,059,848	$1,117,559	8.25%	$7,407	$24,173
Aug-07	$1,067,255	($114,515)	$952,740	$1,009,997	8.25%	$6,694	$30,867
Sep-07	$959,434	($101,455)	$857,980	$908,707	8.25%	$6,023	$36,890
Oct-07	$864,003	($98,949)	$765,054	$814,528	8.25%	$5,399	$42,288
Nov-07	$770,452	($100,444)	$670,008	$720,230	8.25%	$4,774	$47,062
Dec-07	$674,782	($112,513)	$562,269	$618,525	8.25%	$4,100	$51,162
Jan-08	$566,368	($109,418)	$456,950	$511,659	7.50%	$3,093	$54,255
Feb-08	$460,043	($116,767)	$343,277	$401,660	7.50%	$2,428	$56,683
Mar-08	$345,705	($121,507)	$224,198	$284,951	7.50%	$1,723	$58,405
Apr-08	$225,920	($117,015)	$108,906	$167,413	6.00%	$815	$59,220
		($1,309,520)					
Remaining Recovery			$109,721				

(a) Beginning Balance: March 19, 2007 May 2007 Default Service filing in DE 07-012, Schedule SMM-6, Page 2
Prior Month Column (c) + Prior Month Column (f)
(b) Page 2
(c) Column (a) + Column (b)
(d) [Column (a) + Column (c)] ÷ 2
(e) No interest is applied
(f) Column (d) x [(1 + Column (e)) ^ (1 ÷ 12) - 1]
(g) Column (f) + Prior Month Column (g)

Granite State Electric Company
Adjustment to Default Service Adjustment Charge
2007-2008

	kWh Deliveries (a)	Default Service Adjustment Factor (b)	Default Service Adjustment Refund (c)
May 2007	51,282,602	($0.00192)	($98,463)
June	53,673,937	($0.00192)	($103,054)
July	60,115,542	($0.00192)	($115,422)
August	59,643,084	($0.00192)	($114,515)
September	52,840,892	($0.00192)	($101,455)
October	51,535,972	($0.00192)	($98,949)
November	52,314,688	($0.00192)	($100,444)
December	58,600,511	($0.00192)	($112,513)
January 2008	56,988,584	($0.00192)	($109,418)
February			($116,767)
March			($121,507)
April			($117,015)
Total			($1,309,520)

May 2007 - January 2008
(a) Monthly SMB702 Revenue Report
(b) Approved Adjustment to Default Service Adjustment Factor
(c) Column (a) x Column (b)

February 2008 - April 2008
(a) Monthly Energy Service Revenue Report - CR97987A

Schedule SMM-5

Schedule SMM-5
2008 Default Service Adjustment Factor Reconciliation

Granite State Electric Company
Reconciliation of Default Service Under Recovery
Balance Incurred February 2007 through January 2008
Recovered May 2008 - April 2009

Month	Beginning Under Recovery Balance (a)	Default Service Adjustment Revenue (b)	Ending Under Recovery Balance (c)	Balance Subject to Interest (d)	Effective Interest Rate (e)	Interest (f)	Cumulative Interest (g)
May-08	($64,196)	$3,844	($60,352)	($62,274)	6.00%	-$303	-$303
Jun-08	($60,655)	$3,227	($57,428)	($59,041)	6.00%	-$287	-$591
Jul-08	($57,715)	$4,817	($52,898)	($55,307)	5.00%	-$225	-$816
Aug-08	($53,123)	$5,316	($47,808)	($50,466)	5.00%	-$206	-$1,021
Sep-08	($48,013)	$4,510	($43,503)	($45,758)	5.00%	-$186	-$1,208
Oct-08	($43,689)	$4,204	($39,486)	($41,588)	5.00%	-$169	-$1,377
Nov-08	($39,655)	$4,206	($35,449)	($37,552)	5.00%	-$153	-$1,530
Dec-08	($35,602)	$4,916	($30,687)	($33,145)	5.00%	-$135	-$1,665
Jan-09	($30,822)	$5,281	($25,541)	($28,181)	4.00%	-$92	-$1,758
Feb-09	($25,633)	$0	($25,633)	($25,633)	4.00%	-$84	-$1,841
Mar-09	($25,717)	$0	($25,717)	($25,717)	4.00%	-$84	-$1,926
Apr-09	($25,801)	$0	($25,801)	($25,801)	3.25%	-$69	-$1,995
		$40,320					
Remaining Recovery			($25,870)				

(a) Beginning Balance: March 17, 2008 May 2008 Default Service filing in DE 08-011, Schedule SMM-6, Page 2
Prior Month Column (c) + Prior Month Column (f)
(b) Monthly Energy Service Revenue Report - CR97987A
(c) Column (a) + Column (b)
(d) [Column (a) + Column (c)] ÷ 2
(e) Interest rate on customer deposits beginning in May-06 pursuant to Default Service Adjustment Provision issued in compliance with Order 24,609 in Docket DE 05-126 dated March 28, 2006.
(f) Column (d) x [(1 + Column (e)) ^ (1 ÷ 12) - 1]
(g) Column (f) + Prior Month Column (g)

Schedule SMM-6

Schedule SMM-6
Calculation of
Proposed 2009 Default Service Adjustment Factor

Granite State Electric Company
Calculation of Default Service Adjustment Factor
Effective May 1, 2009

(1)	Default Service Overcollection	$1,829,048
(2)	Estimated Interest During Refund Period	$46,765
(3)	Overcollection Including Interest	$1,875,813
(4)	Estimated Default Service kWh Deliveries	657,097,497
(5)	Default Service Adjustment Factor per kWh - Credit	($0.00285)

(1) Schedule SMM-3, Page 1 of 3
(2) Page 2
(3) Line (1) + Line (2)
(4) Per Company forecast, total company estimated deliveries of 893,206,010 multiplied by the percentage of February 2008 deliveries attributable to Default Service of 73.57%
(5) Line (3) ÷ Line (4), truncated after 5 decimal places

Granite State Electric Company
Calculation of Interest on Default Service Overcollection

	Beginning Overcollection With Interest (a)	Estimated Refund (b)	Ending Overcollection (c)	Balance Subject to Interest (d)	Effective Interest Rate (e)	Interest (f)	Cumulative Interest (g)
February 2009	$1,829,048		$1,829,048	$1,829,048	4.00%	$5,988	$5,988
March	$1,835,036		$1,835,036	$1,835,036	4.00%	$6,007	$11,995
April	$1,841,044		$1,841,044	$1,841,044	3.25%	$4,913	$16,909
May	$1,845,957	($153,830)	$1,692,127	$1,769,042	3.25%	$4,721	$21,630
June	$1,696,849	($154,259)	$1,542,590	$1,619,719	3.25%	$4,323	$25,953
July	$1,546,912	($154,691)	$1,392,221	$1,469,567	3.25%	$3,922	$29,875
August	$1,396,143	($155,127)	$1,241,016	$1,318,580	3.25%	$3,519	$33,394
September	$1,244,535	($155,567)	$1,088,968	$1,166,752	3.25%	$3,114	$36,507
October	$1,092,082	($156,012)	$936,070	$1,014,076	3.25%	$2,706	$39,214
November	$938,777	($156,463)	$782,314	$860,545	3.25%	$2,297	$41,510
December	$784,611	($156,922)	$627,688	$706,149	3.25%	$1,885	$43,395
January 2010	$629,573	($157,393)	$472,180	$550,876	3.25%	$1,470	$44,865
February	$473,650	($157,883)	$315,767	$394,708	3.25%	$1,053	$45,919
March	$316,820	($158,410)	$158,410	$237,615	3.25%	$634	$46,553
April	$159,044	($159,044)	$0	$79,522	3.25%	$212	$46,765
Total Recovery		($1,875,601)					

(a) February 2009 per Page 1, Line (2); all other months = prior month Column (c) + prior month Column (f)
(b) Column (a) ÷ number of remaining months in recovery period
(c) Column (a) + Column (b)
(d) Average of Column (a) and Column (c)
(e) Interest rate on customer deposits
(f) Column (d) x [(1 + Column (e)) ^ (1 ÷ 12) - 1]
(g) Prior month Column (g) + Current month Column (f)

Schedule SMM-7
Default Service Cost Reclassification
Adjustment Factor Reconciliation
February 1, 2008 - January 31, 2009

Granite State Electric Company
Default Service Cost Reclassification Adjustment Factor Reconciliation
February 2008 Through January 2009

Month	Beginning Balance (a)	Revenue (b)	Adjustment (c)	Expense (d)	Monthly Over/(Under) (e)	Ending Balance (f)	Balance Subject to Interest (g)	Interest Rate (h)	Interest (i)	Cumulative Interest (j)
Feb-08	$0	$6,740	($112)	$31,423	($24,795)	($24,795)	($12,397)	7.50%	($75)	($75)
Mar-08	($24,870)	$7,378		$34,048	($26,670)	($51,540)	($38,205)	7.50%	($231)	($306)
Apr-08	($51,771)	$13,449		$31,202	($17,753)	($69,524)	($60,648)	6.00%	($295)	($601)
May-08	($69,819)	$35,082		$30,128	$4,954	($64,865)	($67,342)	6.00%	($328)	($929)
Jun-08	($65,193)	$40,786		$33,106	$7,680	($57,513)	($61,353)	6.00%	($299)	($1,228)
Jul-08	($57,812)	$48,026		$31,558	$16,468	($41,344)	($49,578)	5.00%	($202)	($1,430)
Aug-08	($41,546)	$47,109		$31,192	$15,917	($25,629)	($33,587)	5.00%	($137)	($1,566)
Sep-08	($25,766)	$41,218		$31,002	$10,217	($15,549)	($20,657)	5.00%	($84)	($1,651)
Oct-08	($15,633)	$38,792		$30,019	$8,773	($6,861)	($11,247)	5.00%	($46)	($1,696)
Nov-08	($6,906)	$39,809		$28,805	$11,004	$4,097	($1,404)	5.00%	($6)	($1,702)
Dec-08	$4,092	$47,712		$43,233	$4,479	$8,571	$6,331	5.00%	$26	($1,676)
Jan-09	$8,597	$51,300		$31,829	$19,471	$28,068	$18,332	4.00%	$60	($1,616)
		$417,401	($112)	$387,544						

Cumulative Over/(Under) Collection of Default Service
Administrative Costs $28,128

(a) Prior Month Column (f) + Prior Month Column (i)
(b) Monthly Energy Service Revenue Report - CR97987A
(c) Correction to Schedule SMM-7 filed March 17, 2008 May 2008 Default Service filing in DE 08-011
(d) Page 2 Column (4)
(e) Column (b) + Column (c) - Column (d)
(f) Column (a) + Column (e)
(g) [Column (a) + Column (f)] ÷ 2
(h) Interest Rate on Customer Deposits
(i) Column (g) x [(1 + Column (h)) ^ (1 ÷ 12) - 1]
(j) Column (i) + Prior Month Column (j)

Granite State Electric Company
Default Service Cost Reclassification Adjustment Expenses
February 2008 Through January 2009

	Payroll Expenses (a)	Bad Debt Expense (b)	Cash Working Capital Expense (c)	Total Expense (d)
February 2008	$0	$26,734	$4,689	$31,423
March	$3,445	$26,734	$3,869	$34,048
April	$2,153	$26,734	$2,315	$31,202
May	$409	$26,734	$2,985	$30,128
June	$2,084	$26,734	$4,288	$33,106
July	$620	$26,734	$4,203	$31,558
August	$364	$26,734	$4,094	$31,192
September	$966	$26,734	$3,302	$31,002
October	$0	$26,734	$3,285	$30,019
November	$309	$26,734	$1,761	$28,805
December	$14,424	$26,734	$2,075	$43,233
January 2009	$4,368	$26,734	$727	$31,829
Total	$29,143	$320,809	$37,593	$387,544

(a) Per accounting project established to account for Default Service administrative expenses
(b) Schedule SMM-8, Workpaper 4, Page 1 - Section 5 Line (3) ÷ 12
(c) Page 3 Column (e)+ Page 4 Column (e)
(d) Column (a) + Column (b) + Column (c)

Granite State Electric Company
Default Service Cost Reclassification Adjustment Expenses
February 2008 Through January 2009

	Total Power Procurement Default Service Expenses (a)	CWC % (b)	Working Capital Requirement (c)	Prime Interest Rate (d)	Working Capital Impact (e)
February 2008	$5,559,768	1.97%	$109,527	7.50%	$8,215
March	$5,288,179	1.97%	$104,177	7.50%	$7,813
April	$4,409,906	1.97%	$86,875	6.00%	$5,213
May	$5,083,893	1.97%	$100,153	6.00%	$6,009
June	$6,068,558	1.97%	$119,551	6.00%	$7,173
July	$7,141,496	1.97%	$140,687	5.00%	$7,034
August	$7,111,399	1.97%	$140,095	5.00%	$7,005
September	$5,869,474	1.97%	$115,629	5.00%	$5,781
October	$5,712,810	1.97%	$112,542	5.00%	$5,627
November	$4,278,546	1.97%	$84,287	5.00%	$4,214
December	$4,986,362	1.97%	$98,231	5.00%	$4,912
January 2009	$6,092,555	1.97%	$120,023	4.00%	$4,801
Total	$67,602,947		$1,029,236		$59,870

(a) Schedule SMM-3, Page 2, Column (d)
(b) Schedule SMM-8, Workpaper 9, Page 1, Line (1) Column (d)
(c) Column (a) x Column (b)
(d) Prime Interest Rate - Interest Rate on Customer Deposits
(e) Column (c) x Column (d)

Granite State Electric Company
Default Service Cost Reclassification Adjustment Expenses
February 2008 Through January 2009

	Estimated RPS Expenses (a)	CWC % (b)	Working Capital Requirement (c)	Prime Interest Rate (d)	Working Capital Impact (e)
February 2008	$54,026	-87.02%	($47,014)	7.50%	($3,526)
March	$60,431	-87.02%	($52,587)	7.50%	($3,944)
April	$55,493	-87.02%	($48,290)	6.00%	($2,897)
May	$57,925	-87.02%	($50,406)	6.00%	($3,024)
June	$55,261	-87.02%	($48,088)	6.00%	($2,885)
July	$65,070	-87.02%	($56,624)	5.00%	($2,831)
August	$66,894	-87.02%	($58,211)	5.00%	($2,911)
September	$56,990	-87.02%	($49,593)	5.00%	($2,480)
October	$53,825	-87.02%	($46,839)	5.00%	($2,342)
November	$56,380	-87.02%	($49,062)	5.00%	($2,453)
December	$65,201	-87.02%	($56,738)	5.00%	($2,837)
January 2009	$117,038	-87.02%	($101,847)	4.00%	($4,074)
Total	$764,536		($457,653)		($26,841)

(a) Schedule SMM-9, Page 2, Column (g)
(b) Schedule SMM-8, Workpaper 9, Page 1, Line (2) Column (d)
(c) Column (a) x Column (b)
(d) Prime Interest Rate - Interest Rate on Customer Deposits
(e) Column (c) x Column (d)

Granite State Electric Company
Calculation of Interest on Default Service Cost Reallocation Adjustment Factor Reconciliation Overcollection

	Beginning Overcollection With Interest (a)	Estimated Refund (b)	Ending Overcollection (c)	Balance Subject to Interest (d)	Effective Interest Rate (e)	Interest (f)	Cumulative Interest (g)
February 2009	$28,128		$28,128	$28,128	4.00%	$92	$92
March	$28,220		$28,220	$28,220	4.00%	$92	$184
April	$28,312		$28,312	$28,312	3.25%	$76	$260
May	$28,388	($2,366)	$26,022	$27,205	3.25%	$73	$333
June	$26,095	($2,372)	$23,723	$24,909	3.25%	$66	$399
July	$23,789	($2,379)	$21,410	$22,600	3.25%	$60	$459
August	$21,471	($2,386)	$19,085	$20,278	3.25%	$54	$514
September	$19,139	($2,392)	$16,747	$17,943	3.25%	$48	$561
October	$16,795	($2,399)	$14,395	$15,595	3.25%	$42	$603
November	$14,437	($2,406)	$12,031	$13,234	3.25%	$35	$638
December	$12,066	($2,413)	$9,653	$10,859	3.25%	$29	$667
January 2010	$9,682	($2,420)	$7,261	$8,472	3.25%	$23	$690
February	$7,284	($2,428)	$4,856	$6,070	3.25%	$16	$706
March	$4,872	($2,436)	$2,436	$3,654	3.25%	$10	$716
April	$2,446	($2,446)	($0)	$1,223	3.25%	$3	$719
Total Recovery		($28,844)					

(a) February 2008 per Page 1, Line (2); all other months = prior month Column (c) + prior month Column (f)
(b) Column (a) ÷ number of remaining months in recovery period
(c) Column (a) + Column (b)
(d) Average of Column (a) and Column (c)
(e) Interest rate on customer deposits
(f) Column (d) x [(1 + Column (e)) ^ (1 ÷ 12) - 1]
(g) Prior month Column (g) + Current month Column (f)

Schedule SMM-8
Calculation of
Proposed Default Service Cost
Reclassification Adjustment Factors

Granite State Electric Company
Calculation of Default Service Cost Reclassification Adjustment Factors

		Total	Residential and Small C&I	Medium and Large C&I
(1)	Total Estimated Commodity Related Costs	$398,975	$281,110	$117,865
(2)	Overcollection Related to 2008 Default Service Cost Reclassification Adjustment Factor	$28,388	$20,002	$8,386
(3)	Net Estimated Commodity Related Costs	$370,587	$261,108	$109,478
(4)	Estimated Default Service kWh Deliveries	657,131,662	431,595,480	225,502,017
(5)	2009 Default Service Cost Reclassification Adjustment Factor per kWh	$0.00056	$0.00060	$0.00048

(1) Page 2, Line (9)
(2) Schedule SMM-7, Page 5
(3) Line (1) - Line (2)
(4) Per Company forecast, total company estimated deliveries of 893,206,010 multiplied by the percentage of February 2009 deliveries attributable to Default Service of 73.57% and allocated to customer groups based on allocation of February 2009 deliveries attributable to each group.
(5) Line (3) ÷ Line (4), truncated after 5 decimal places

Granite State Electric Company
Calculation of Default Service Cost Reclassification Adjustment Factor

		Total	Residential and Small C&I	Medium and Large C&I
	Wholesale Costs:			
(1)	Procurement	$30,041	$10,014	$20,028
(2)	Ongoing Administration	$6,676	$3,338	$3,338
(3)	Letter of Credit or Other Form of Security	$0	$0	$0
(4)	Total Wholesale Costs	$36,717	$13,352	$23,366
	Direct Retail:			
(5)	Customer Communication and Rate Change Processing	$12,993	$4,331	$8,662
(6)	Bad Debt Expense	$320,809	$246,795	$74,014
(7)	Total Direct Retail Costs	$333,802	$251,126	$82,676
	Cash Working Capital:			
(8)	Working Capital Impact	$28,455	$16,632	$11,823
(9)	Total Estimated Commodity Related Costs	$398,975	$281,110	$117,865

(1) Estimated by Energy Supply department. Allocated to customer group based on number of solicitations for each group in a year. Workpaper 1.
(2) Estimated by Energy Supply department. Allocated to customer group evenly. Workpaper 1.
(3) Although security has not been required in the past regarding Default Service, should it be required in the future, it will be included as an administrative cost subject to reconciliation.
(4) Line (1) + Line (2) + Line (3)
(5) Estimated by Web & E-Business department, Billing & Systems department and IT department. Allocated to customer group based on number of solicitations for each group in a year. Workpaper 2.
(6) Estimated based on actual 2008 net charge-offs. Allocated to customer group based on net charge-off method agreed to in the settlement in DE 05-126. Workpaper 4, page 1, Section 5, Line (3)
(7) Line (5) + Line (6)
(8) Estimated based on actual 2008 supply invoices estimated RPS Obligations and customer billing. Workpaper 9, page 1, Line (5). Allocated to customer group
(9) Line (4) + Line (7) + Line (8)

Workpapers SMM-8

Schedule SMM-8
Workpapers

Granite State Electric Company
Estimate of Costs Associated with
Wholesale Procurement of Default Service

Task	Conducted by	(A) Hours	(B) Direct Labor Rate ($/hr)	(C) Indirect / Overhead Rate	(D) Total $
Preparation of documents and supporting data to be included in each Request for Proposal	Energy Supply: Analyst	24.0	$40.00	73.85%	$1,669
	Energy Supply: Management	4.0	$60.00	73.85%	$417
	Legal: Attorney	4.0	$60.00	73.85%	$417
	Total for Task:	32.0			$2,503
	Annual Frequency for Task:	4			4
	New Hampshire Allocation	25%			25%
	Annual Total for Task:	32.0			$2,503
Issuance of the RFP	Energy Supply: Analyst	4.0	$40.00	73.85%	$278
	Total for Task:	4.0			$278
	Annual Frequency for Task:	4			4
	New Hampshire Allocation	25%			25%
	Annual Total for Task:	4.0			$278
Review of bidder information and proposed contract modifications	Energy Supply: Analyst	40.0	$40.00	73.85%	$2,782
	Energy Supply: Management	8.0	$60.00	73.85%	$834
	Legal: Attorney	24.0	$60.00	73.85%	$2,503
	Total for Task:	72.0			$6,120
	Annual Frequency for Task:	4			4
	New Hampshire Allocation	25%			25%
	Annual Total for Task:	72.0			$6,120
Analysis of indicative bids	Energy Supply: Analyst	16.0	$40.00	73.85%	$1,113
	Energy Supply: Management	4.0	$60.00	73.85%	$417
	Total for Task:	20.0			$1,530
	Annual Frequency for Task:	4			4
	New Hampshire Allocation	25%			25%
	Annual Total for Task:	20.0			$1,530
Analysis of final, binding bids and selection of winning bids	Energy Supply: Analyst	8.0	$40.00	73.85%	$556
	Energy Supply: Management	4.0	$60.00	73.85%	$417
	Total for Task:	12.0			$974
	Annual Frequency for Task:	4			4
	New Hampshire Allocation	25%			25%
	Annual Total for Task:	12.0			$974

Granite State Electric Company
Estimate of Costs Associated with
Wholesale Procurement of Default Service

Task	Conducted by	(A) Hours	(B) Direct Labor Rate ($/hr)	(C) Indirect / Overhead Rate	(D) Total $
Negotiation and execution of power purchase agreements	Energy Supply: Analyst	16.0	$40.00	73.85%	$1,113
	Energy Supply: Management	4.0	$60.00	73.85%	$417
	Total for Task:	20.0			$1,530
	Annual Frequency for Task:	4			4
	New Hampshire Allocation	25%			25%
	Annual Total for Task:	20.0			$1,530
Preparation and submission of rate filing, response to data requests, hearing	Energy Supply: Analyst	32.0	$40.00	73.85%	$2,225
	Distribution Rates: Analyst	20.0	$40.00	73.85%	$1,391
	Legal: Attorney	4.0	$60.00	73.85%	$417
	Distribution Rates: Management	2.0	$60.00	73.85%	$209
	Total for Task:	58.0			$4,242
	Annual Frequency for Task:	4			4
	New Hampshire Allocation	100%			100%
	Annual Total for Task:	232.0			$16,968
Implementation of ISO market system registration	Energy Supply: Analyst	2.0	$40.00	73.85%	$139
	Total for Task:	2.0			$139
	Annual Frequency for Task:	4			4
	New Hampshire Allocation	25%			25%
	Annual Total for Task:	2.0			$139
	Annual Subtotal for Solicitation Tasks:	394.0			$30,041
Receipt, review and payment of monthly invoices	Energy Supply: Analyst	4.0	$40.00	73.85%	$278
	Accounting: Analyst	4.0	$40.00	73.85%	$278
	Total for Task:	8.0			$556
	Annual Frequency for Task:	12			12
	New Hampshire Allocation	100%			100%
	Annual Total for Task:	96.0			$6,676
Annual Total for all Tasks:		490.0			$36,717

Notes:
(A) Based on interviews with departments/personnel involved in each task which relied on experience from prior RFPs.
(C) Source: Overhead accrual rate for year ended December 31, 2008

National Grid
Estimated Costs for Customer Communication and Rate Changes

Section 1: Web and E-Business Group:

(1)	Number of Hours to Process Web Site Update per Rate Change	4
(2)	Number of Rates Changes in a 12-Month Period	4
(3)	Total Number of Hours to Update Web Site in a 12-Month Period	16
(4)	Average Hourly Labor Rate for Web Site Personnel	$33.00
(5)	Average Labor Overhead Mark-Up	73.85%
(6)	Estimated Cost of Web Site Update in a 12-Month Period	$918

(1) Per Web and E-Business Group
(2) Number of default service rate changes in a 12 month period
(3) Line (1) x Line (2)
(4) Per Web and E-Business Group
(5) Overhead accrual rate for year ended December 31, 2008
(6) Line (3) x Line (4) x [1 + Line (5)]

Section 2: Billing& Systems Group

(1)	Number of Hours to Process Rate Changes and Communication Pieces Per Month	6
(2)	Number of Months	12
(3)	Total Number of Hours to Process Rate Changes and Communication Pieces Per Month	72
(4)	Average Hourly Labor Rate for Billing & Systems Personnel	$26.47
(5)	Average Labor Overhead Mark-Up	73.85%
(6)	Estimated Cost of Billing & Systems in a 12-Month Period	$3,313

(1) Per Billing & Systems
(2) Number of months in 12 month period.
(3) Line (1) x Line (2)
(4) Per Billing & Systems
(5) Overhead accrual rate for year ended December 31, 2008
(6) Line (3) x Line (4) x [1 + Line (5)]

Section 3: Information Technology

(1)	Number of Hours to Process Rate Changes and Communication Pieces Per Month	6
(2)	Number of Months	12
(3)	Total Number of Hours to Process Rate Changes and Communication Pieces Per Month	72
(4)	Average Hourly Labor Rate for Billing & Systems Personnel	$70.00
(5)	Average Labor Overhead Mark-Up	73.85%
(6)	Estimated Cost of Billing & Systems in a 12-Month Period	$8,762

(1) Per Information Technology
(2) Number of months in 12 month period.
(3) Line (1) x Line (2)
(4) Per Information Technology
(5) Overhead accrual rate for year ended December 31, 2008
(6) Line (3) x Line (4) x [1 + Line (5)]

Section 4: Total Communication and Rate Change Costs:

(1)	Total Estimated Cost of Customer Communication and Processing Rate Changes	$12,993

Granite State Electric Company
Bad Debt Expense
Calculation of 2009 Net Charge-Offs

		2009
(1)	Bad Debt Reserve @ January 1, 2009	$476,951
(2)	Plus Additions to Reserve during 2009	$553,255
(3)	Less Bad Debt Reserve @ December 31, 2009	$538,878
(4)	2009 Net Charge-Offs	$491,328

(1) 2007 FERC Form 1, Page 110, Line 42, Column (c) for end of year
(2) Internal Financial Statements
(3) Internal Financial Statements
(4) Line (1) + Line (2) - Line (3)

Granite State Electric Company
Allocation of 2008 Net Charge-Offs to Default Service

		Total	D	T	D-10	G-3	G-2	G-1	M	V
	Section 1: Allocation of 2008 Net Charge-Offs to Rate Classes									
(1)	2008 Net Charge-Offs for All Accounts per CIS/CSS	$507,283	$372,148	$1,283	$4,638	$26,701	$87,792	$14,039	$683	$0
(2)	Allocator Based on Net Charge-Offs for All Accounts	100.00%	73.36%	0.25%	0.91%	5.26%	17.31%	2.77%	0.13%	0.00%
(3)	2008 Net Charge-Offs	$491,328								
(4)	Allocation of 2008 Net Charge-Offs to Rate Classes	$491,328	$360,443	$1,243	$4,492	$25,862	$85,030	$13,597	$662	$0

(1) Workpaper 5, Page 1, Section 3, Line (1)
(2) Line (1), each rate class as a percent of the total
(3) Workpaper 3, Line (4)
(4) Line (2) x Line (3)

	Section 2: Transition Service & Default Service Accounts as a Percentage of All Accounts									
(1)	2008 Net Charge-Offs for Default Service Accounts per CIS/CSS	$508,438	$372,675	$1,283	$4,638	$26,701	$88,419	$14,039	$683	$0
(2)	2008 Net Charge-Offs for Transition Service Accounts per CIS/CSS	($1,154)	($527)	$0	$0	$0	($627)	$0	$0	$0
(3)	2008 Net Charge-Offs for Commodity Accounts per CIS/CSS	$507,283	$372,148	$1,283	$4,638	$26,701	$87,792	$14,039	$683	$0
(4)	2008 Net Charge-Offs for All Accounts per CIS/CSS	$507,283	$372,148	$1,283	$4,638	$26,701	$87,792	$14,039	$683	$0
(5)	Percentage of Charge-Offs Related to Transition Service & Default Service Accounts, by Rate Class		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	0.00%

(1) Workpaper 6, Page 1, Section 3, Line (1)
(2) Workpaper 7, Page 1, Section 3, Line (1)
(3) Line (1) + Line (2)
(4) Section 1, Line (1)
(5) Line (3) ÷ Line (4)

	Section 3: Allocation of 2007 Net Charge-Offs to Transition Service & Default Service Accounts									
(1)	Allocation of 2008 Net Charge-Offs to Rate Classes	$491,328	$360,443	$1,243	$4,492	$25,862	$85,030	$13,597	$662	$0
(2)	Percentage of Charge-Offs Related to Transition Service & Default Service Accounts, by Rate Class		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	0.00%
(3)	Allocated Share of 2008 Net Charge-Offs for Transition Service & Default Service Accounts, by Rate Class	$491,328	$360,443	$1,243	$4,492	$25,862	$85,030	$13,597	$662	$0

(1) Section 1, Line (4)
(2) Section 2, Line (5)
(3) Line (1) x Line (2)

	Section 4: Commodity Billing Charge-Offs as a Percentage of Transition Service & Default Service Accounts Charged Off									
(1)	Estimate of Default Service Billing Charge-Offs per CIS/CSS	$331,913	$233,236	$903	$3,337	$17,335	$65,897	$10,926	$279	$0
(2)	Estimate of Transition Service Billing Charge-Offs per CIS/CSS	($687)	($281)	$0	$0	$0	($407)	$0	$0	$0
(3)	Total Estimated Commodity Billing Charge-Offs per CIS/CSS	$331,226	$232,955	$903	$3,337	$17,335	$65,491	$10,926	$279	$0
(4)	2008 Net Charge-Offs for Commodity Accounts per CIS/CSS	$507,283	$372,148	$1,283	$4,638	$26,701	$87,792	$14,039	$683	$0
(5)	Percentage of Commodity Charge-Offs Related to Commodity Billings, by Rate Class		62.60%	70.40%	71.96%	64.92%	74.60%	77.83%	40.90%	0.00%

(1) Workpaper 6, Page 1, Section 3, Line (2)
(2) Workpaper 7, Page 1, Section 3, Line (2)
(3) Line (1) + Line (2)
(4) Section 2, Line (3)
(5) Line (3) ÷ Line (4)

	Section 5: Allocation of Estimated Commodity Charge-Offs to Commodity Billings									
(1)	Percentage of Commodity Charge-Offs Related to Commodity Billings, by Rate Class		62.60%	70.40%	71.96%	64.92%	74.60%	77.83%	40.90%	0.00%
(2)	Allocated Share of 2008 Net Charge-Offs for Transition Service & Default Service Accounts, by Rate Class	$491,328	$360,443	$1,243	$4,492	$25,862	$85,030	$13,597	$662	$0
(3)	Allocated Share of 2008 Net Charge-Offs for Transition Service & Default Service Billings, by Rate Class	$320,808	$225,628	$875	$3,232	$16,789	$63,431	$10,583	$271	$0

(1) Section 4, Line (5)
(2) Section 3, Line (3)
(3) Line (1) x Line (2)

Granite State Electric Company
Net Charge Offs for All Accounts

		Total	D	T	D-10	G-3	G-2	G-1	M	V
Section 1: Gross Charge Offs for All Accounts										
(1)	Amount of C/O for all Accounts	$603,239	$452,584	$1,765	$7,230	$33,051	$93,884	$14,039	$687	$0
(2)	Allocator Based On Gross Charge Offs	100.00%	75.03%	0.29%	1.20%	5.48%	15.56%	2.33%	0.11%	0.00%

(1) Page 2 of 3
(2) Each rate class's Line (1) as a percentage of total of Line (1)

Section 2: Recoveries for All Accounts										
(1)	Amount of Recovery for All Accounts	($95,956)	($80,436)	($482)	($2,592)	($6,350)	($6,092)	$0	($4)	$0
(4)	Allocator Based On Recoveries	100.00%	83.83%	0.50%	2.70%	6.62%	6.35%	0.00%	0.00%	0.00%

(1) Page 3 of 3
(2) Each rate class's Line (1) as a percentage of total of Line (1)

Section 3: Total Company Amounts for All Accounts										
(1)	Total Company Net Charge-Offs	$507,283	$372,148	$1,283	$4,638	$26,701	$87,792	$14,039	$683	$0
(2)	Allocator Based On Net Charge Offs	100.00%	73.36%	0.25%	0.91%	5.26%	17.31%	2.77%	0.13%	0.00%

(1) Sum of Section 1 and Section 2
(2) Each rate class's Line (1) as a percentage of total of Line (1)

Granite State Electric Company
Total Charge Offs for All Accounts

Month of Charge-Off	2008 January	February	March	April	May	June	July	August	September	October	November	December	Annual Total
Rate D													
Amount of C/O for all Accounts	$54,604	$5,767	$11,894	$22,937	$24,999	$38,526	$35,839	$59,856	$63,053	$42,908	$50,832	$41,368	$452,584
Rate T													
Amount of C/O for all Accounts	$482	$0	$0	$0	$0	$0	$0	$1,283	$0	$0	$0	$0	$1,765
Rate D-10													
Amount of C/O for all Accounts	$710	$0	$275	$1,136	$0	$0	$145	$2,461	$0	$2,326	$0	$178	$7,230
Rate G-3													
Amount of C/O for all Accounts	$7,394	$2,261	$587	$1,239	$404	$1,882	$137	$519	$2,550	$5,399	$4,347	$6,332	$33,051
Rate G-2													
Amount of C/O for all Accounts	$1,870	$0	$0	$6,067	$4,693	$0	$10,538	$666	$66,603	$1,037	$2,410	$0	$93,884
Rate G-1													
Amount of C/O for all Accounts	$0	$0	$0	$0	$0	$0	$14,039	$0	$0	$0	$0	$0	$14,039
Rate M													
Amount of C/O for all Accounts	$38	$0	$0	$291	$257	$0	$48	$0	$53	$0	$0	$0	$687
Rate V													
Amount of C/O for all Accounts	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Amount of C/O for all Accounts	$65,097	$8,028	$12,756	$31,670	$30,354	$40,408	$60,746	$64,785	$132,259	$51,669	$57,589	$47,877	$603,239

Granite State Electric Company
Electronic Recoveries for All Accounts

Month of Recovery	2008 January	February	March	April	May	June	July	August	September	October	November	December	Annual Total
Rate D													
Amount of Recovery for All Accounts	($6,010)	($8,217)	($4,307)	($6,590)	($7,200)	($6,450)	($4,690)	($7,075)	($5,630)	($6,369)	($9,679)	($8,218)	($80,436)
Rate T													
Amount of Recovery for All Accounts	($200)	$0	$0	($282)	$0	$0	$0	$0	$0	$0	$0	$0	($482)
Rate D-10													
Amount of Recovery for All Accounts	($260)	($129)	($150)	($425)	($150)	($150)	($167)	($150)	($662)	($150)	($199)	$0	($2,592)
Rate G-3													
Amount of Recovery for All Accounts	($506)	$0	($326)	($400)	($613)	($453)	($183)	($385)	($38)	($260)	($1,144)	($2,042)	($6,350)
Rate G-2													
Amount of Recovery for All Accounts	($1,549)	($948)	$0	($200)	($500)	($969)	($703)	$0	$0	($125)	($551)	($547)	($6,092)
Rate G-1													
Amount of Recovery for All Accounts	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Rate M													
Amount of Recovery for All Accounts	$0	$0	$0	$0	$0	$0	($4)	$0	$0	$0	$0	$0	($4)
Rate V													
Amount of Recovery for All Accounts	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Amount of Recovery for All Accounts	($8,525)	($9,295)	($4,783)	($7,896)	($8,464)	($8,022)	($5,748)	($7,609)	($6,329)	($6,904)	($11,574)	($10,807)	($95,956)

Granite State Electric Company
Estimated Default Service Net Charge Off

		Total	D	T	D-10	G-3	G-2	G-1	M	V
Section 1: Gross Charge Offs for Default Service Accounts										
(1)	Amount of C/O for Default Service Accounts	$603,239	$452,584	$1,765	$7,230	$33,051	$93,884	$14,039	$687	$0
(2)	Default Service-Related Charge-Off	$392,175	$283,147	$1,237	$5,197	$21,473	$69,914	$10,926	$281	$0
(1)	Page 2 of 3									
(2)	Page 2 of 3									
Section 2: Recoveries for Default Service Accounts										
(1)	Amount of Recovery for Default Service Accounts	($94,801)	($79,909)	($482)	($2,592)	($6,350)	($5,465)	$0	($4)	$0
(2)	Default Service-Related Recovery	($60,261)	($49,911)	($334)	($1,860)	($4,138)	($4,017)	$0	($2)	$0
(1)	Page 3 of 3									
(2)	Page 3 of 3									
Section 3: Total Company Amounts for Default Service Accounts										
(1)	Net C/O for Default Service Accounts	$508,438	$372,675	$1,283	$4,638	$26,701	$88,419	$14,039	$683	$0
(2)	Default Service-Related Net C/O	$331,913	$233,236	$903	$3,337	$17,335	$65,897	$10,926	$279	$0
(1)	Section 1, Line (1) + Section 2, Line (1)									
(2)	Section 1, Line (2) + Section 2, Line (2)									

Granite State Electric Company
Estimated Default Service Charge Offs for Default Service Accounts

		2008												Annual
	Month of Charge-Off	January	February	March	April	May	June	July	August	September	October	November	December	Total
	Rate D													
(1)	Amount of C/O for Default Service Accounts	$54,604	$5,767	$11,894	$22,937	$24,999	$38,526	$35,839	$59,856	$63,053	$42,908	$50,832	$41,368	$452,584
(2)	Month for Rate Application	July	August	September	October	November	December	January	February	March	April	May	June	
(3)	Default Service Rate as a % of Total Rate	63.1021%	62.3710%	61.5720%	61.5350%	61.4981%	61.7185%	61.9724%	62.3161%	62.6563%	62.7496%	62.8433%	64.3441%	
(4)	Default Service-Related Charge-Off	$34,456	$3,597	$7,324	$14,114	$15,374	$23,778	$22,210	$37,300	$39,507	$26,925	$31,944	$26,618	$283,147
	Rate T													
(1)	Amount of C/O for Default Service Accounts	$482							$1,283					$1,765
(2)	Month for Rate Application	July	August	September	October	November	December	January	February	March	April	May	June	
(3)	Default Service Rate as a % of Total Rate	69.8752%	69.2055%	68.6787%	68.8535%	69.0292%	69.4371%	69.6650%	70.1716%	70.6748%	70.9602%	71.2480%	72.5777%	
(4)	Default Service-Related Charge-Off	$337	$0	$0	$0	$0	$0	$0	$900	$0	$0	$0	$0	$1,237
	Rate D-10													
(1)	Amount of C/O for Default Service Accounts	$710		$275	$1,136			$145	$2,461		$2,326		$178	$7,230
(2)	Month for Rate Application	July	August	September	October	November	December	January	February	March	April	May	June	
(3)	Default Service Rate as a % of Total Rate	72.7946%	72.1667%	71.2809%	71.0549%	70.8304%	70.8325%	71.0543%	71.5496%	72.0413%	72.3212%	72.6033%	73.9045%	
(4)	Default Service-Related Charge-Off	$517	$0	$196	$807	$0	$0	$103	$1,761	$0	$1,682	$0	$131	$5,197
	Rate G-3													
(1)	Amount of C/O for Default Service Accounts	$7,394	$2,261	$587	$1,239	$404	$1,882	$137	$519	$2,550	$5,399	$4,347	$6,332	$33,051
(2)	Month for Rate Application	July	August	September	October	November	December	January	February	March	April	May	June	
(3)	Default Service Rate as a % of Total Rate	63.9024%	63.1785%	62.7095%	62.9979%	63.2889%	63.8342%	64.0823%	64.5905%	65.0960%	65.3631%	65.6324%	67.1019%	
(4)	Default Service-Related Charge-Off	$4,725	$1,429	$368	$781	$256	$1,201	$88	$335	$1,660	$3,529	$2,853	$4,249	$21,473
	Rate G-2													
(1)	Amount of C/O for Default Service Accounts	$1,870			$6,067	$4,693		$10,538	$666	$66,603	$1,037	$2,410		$93,884
(2)	Month for Rate Application	July	August	September	October	November	December	January	February	March	April	May	June	
(3)	Default Service Rate as a % of Total Rate	71.9526%	71.7665%	72.5154%	73.4073%	74.2046%	73.9998%	73.3229%	74.2300%	74.7911%	75.3261%	75.4113%	75.5552%	
(4)	Default Service-Related Charge-Off	$1,345	$0	$0	$4,454	$3,483	$0	$7,727	$494	$49,813	$781	$1,817	$0	$69,914
	Rate G-1													
(1)	Amount of C/O for Default Service Accounts							$14,039						$14,039
(2)	Month for Rate Application	July	August	September	October	November	December	January	February	March	April	May	June	
(3)	Default Service Rate as a % of Total Rate	77.6815%	77.5216%	77.9146%	78.4317%	78.8676%	78.4253%	77.8292%	78.5469%	78.9599%	79.3498%	79.3430%	79.4701%	
(4)	Default Service-Related Charge-Off	$0	$0	$0	$0	$0	$0	$10,926	$0	$0	$0	$0	$0	$10,926
	Rate M													
(1)	Amount of C/O for Default Service Accounts	$38			$291	$257		$48		$53				$687
(2)	Month for Rate Application	July	August	September	October	November	December	January	February	March	April	May	June	
(3)	Default Service Rate as a % of Total Rate	42.6125%	41.8306%	40.8820%	40.7379%	40.5948%	40.7151%	40.9751%	41.4886%	42.0040%	42.2667%	42.5327%	44.1495%	
(4)	Default Service-Related Charge-Off	$16	$0	$0	$118	$105	$0	$20	$0	$22	$0	$0	$0	$281
	Rate V													
(1)	Amount of C/O for Default Service Accounts													$0
(2)	Month for Rate Application	July	August	September	October	November	December	January	February	March	April	May	June	
(3)	Default Service Rate as a % of Total Rate	66.7927%	66.0889%	65.1026%	64.8533%	64.6058%	64.6095%	64.8551%	65.3431%	65.8280%	66.0765%	66.3270%	67.7814%	
(4)	Default Service-Related Charge-Off	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Amount of C/O for Default Service Accounts	$65,097	$8,028	$12,756	$31,670	$30,354	$40,408	$60,746	$64,785	$132,259	$51,669	$57,589	$47,877	$603,239
	Total Default Service-Related Charge-Offs	$41,396	$5,025	$7,888	$20,274	$19,217	$24,979	$41,074	$40,790	$91,002	$32,916	$36,615	$30,998	$392,175

Granite State Electric Company
Estimated Electronic Default Service Recoveries for Default Service Accounts

		2008												Annual
	Month of Recovery	January	February	March	April	May	June	July	August	September	October	November	December	Total
	Rate D													
(1)	Amount of Recovery for Default Service Accounts	($5,483)	($8,217)	($4,307)	($6,590)	($7,200)	($6,450)	($4,690)	($7,075)	($5,630)	($6,369)	($9,679)	($8,218)	($79,909)
(2)	Month for Rate Application	July	August	September	October	November	December	January	February	March	April	May	June	
(3)	Default Service Rate as a % of Total Rate	63.1021%	62.3710%	61.5720%	61.5350%	61.4981%	61.7185%	61.9724%	62.3161%	62.6563%	62.7496%	62.8433%	64.3441%	
(4)	Default Service-Related Recovery	($3,460)	($5,125)	($2,652)	($4,055)	($4,428)	($3,981)	($2,907)	($4,409)	($3,527)	($3,997)	($6,083)	($5,288)	($49,911)
	Rate T													
(1)	Amount of Recovery for Default Service Accounts	($200)			($282)									($482)
(2)	Month for Rate Application	July	August	September	October	November	December	January	February	March	April	May	June	
(3)	Default Service Rate as a % of Total Rate	69.8752%	69.2055%	68.6787%	68.8535%	69.0292%	69.4371%	69.6650%	70.1716%	70.6748%	70.9602%	71.2480%	72.5777%	
(4)	Default Service-Related Recovery	($140)	$0	$0	($194)	$0	$0	$0	$0	$0	$0	$0	$0	($334)
	Rate D-10													
(1)	Amount of Recovery for Default Service Accounts	($260)	($129)	($150)	($425)	($150)	($150)	($167)	($150)	($662)	($150)	($199)		($2,592)
(2)	Month for Rate Application	July	August	September	October	November	December	January	February	March	April	May	June	
(3)	Default Service Rate as a % of Total Rate	72.7946%	72.1667%	71.2809%	71.0549%	70.8304%	70.8325%	71.0543%	71.5496%	72.0413%	72.3212%	72.6033%	73.9045%	
(4)	Default Service-Related Recovery	($189)	($93)	($107)	($302)	($106)	($106)	($119)	($107)	($477)	($108)	($145)	$0	($1,860)
	Rate G-3													
(1)	Amount of Recovery for Default Service Accounts	($506)		($326)	($400)	($613)	($453)	($183)	($385)	($38)	($260)	($1,144)	($2,042)	($6,350)
(2)	Month for Rate Application	July	August	September	October	November	December	January	February	March	April	May	June	
(3)	Default Service Rate as a % of Total Rate	63.9024%	63.1785%	62.7095%	62.9979%	63.2889%	63.8342%	64.0823%	64.5905%	65.0960%	65.3631%	65.6324%	67.1019%	
(4)	Default Service-Related Recovery	($323)	$0	($204)	($252)	($388)	($289)	($117)	($248)	($24)	($170)	($751)	($1,370)	($4,138)
	Rate G-2													
(1)	Amount of Recovery for Default Service Accounts	($922)	($948)		($200)	($500)	($969)	($703)			($125)	($551)	($547)	($5,465)
(2)	Month for Rate Application	July	August	September	October	November	December	January	February	March	April	May	June	
(3)	Default Service Rate as a % of Total Rate	71.9526%	71.7665%	72.5154%	73.4073%	74.2046%	73.9998%	73.3229%	74.2300%	74.7911%	75.3261%	75.4113%	75.5552%	
(4)	Default Service-Related Recovery	($663)	($680)	$0	($147)	($371)	($717)	($516)	$0	$0	($94)	($415)	($413)	($4,017)
	Rate G-1													
(1)	Amount of Recovery for Default Service Accounts													$0
(2)	Month for Rate Application	July	August	September	October	November	December	January	February	March	April	May	June	
(3)	Default Service Rate as a % of Total Rate	77.6815%	77.5216%	77.9146%	78.4317%	78.8676%	78.4253%	77.8292%	78.5469%	78.9599%	79.3498%	79.3430%	79.4701%	
(4)	Default Service-Related Recovery	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Rate M													
(1)	Amount of Recovery for Default Service Accounts							($4)						($4)
(2)	Month for Rate Application	July	August	September	October	November	December	January	February	March	April	May	June	
(3)	Default Service Rate as a % of Total Rate	42.6125%	41.8306%	40.8820%	40.7379%	40.5948%	40.7151%	40.9751%	41.4886%	42.0040%	42.2667%	42.5327%	44.1495%	
(4)	Default Service-Related Recovery	$0	$0	$0	$0	$0	$0	($2)	$0	$0	$0	$0	$0	($2)
	Rate V													
(1)	Amount of Recovery for Default Service Accounts													$0
(2)	Month for Rate Application	July	August	September	October	November	December	January	February	March	April	May	June	
(3)	Default Service Rate as a % of Total Rate	66.7927%	66.0889%	65.1026%	64.8533%	64.6058%	64.6095%	64.8551%	65.3431%	65.8280%	66.0765%	66.3270%	67.7814%	
(4)	Default Service-Related Recovery	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Amount of Recovery for Default Service Accounts	($7,370)	($9,295)	($4,783)	($7,896)	($8,464)	($8,022)	($5,748)	($7,609)	($6,329)	($6,904)	($11,574)	($10,807)	($94,801)
	Total Default Service-Related Recovery	($4,775)	($5,899)	($2,963)	($4,950)	($5,293)	($5,093)	($3,660)	($4,764)	($4,028)	($4,369)	($7,394)	($7,072)	($60,261)

Granite State Electric Company
Estimated Transition Service Net Charge Off

		Total	D	T	D-10	G-3	G-2	G-1	M	V
Section 1: Gross Charge Offs for Transition Service Accounts										
(1)	Amount of C/O for Transition Service Accounts	$0	$0	$0	$0	$0	$0	$0	$0	$0
(2)	Transition Service-Related Charge-Off	$0	$0	$0	$0	$0	$0	$0	$0	$0
(1)	Page 2 of 3									
(2)	Page 2 of 3									
Section 2: Recoveries for Transition Service Accounts										
(1)	Amount of Recovery for Transition Service Accounts	($1,154)	($527)	$0	$0	$0	($627)	$0	$0	$0
(2)	Transition Service-Related Recovery	($687)	($281)	$0	$0	$0	($407)	$0	$0	$0
(1)	Page 3 of 3									
(2)	Page 3 of 3									
Section 3: Total Company Amounts for Transition Service Accounts										
(1)	Net C/O for Transition Service Accounts	($1,154)	($527)	$0	$0	$0	($627)	$0	$0	$0
(2)	Transition Service-Related Net C/O	($687)	($281)	$0	$0	$0	($407)	$0	$0	$0
(1)	Section 1, Line (1) + Section 2, Line (1)									
(2)	Section 1, Line (2) + Section 2, Line (2)									

Granite State Electric Company
Estimated Transition Service Charge Offs for Transition Service Account

		2008												Annual
	Month of Charge-Off	January	February	March	April	May	June	July	August	September	October	November	December	Total
	Rate D													
(1)	Amount of C/O for Transition Service Accounts													$0
(2)	Month for Rate Application	July	August	September	October	November	December	January	February	March	April	May	June	
(3)	Transition Service Rate as a % of Total Rate	53.2529%	53.2529%	53.2529%	53.2529%	53.2529%	53.2529%	53.2529%	53.2529%	53.2529%	53.2529%	53.2529%	53.2529%	
(4)	Transition Service-Related Charge-Off	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Rate T													
(1)	Amount of C/O for Transition Service Accounts													$0
(2)	Month for Rate Application	July	August	September	October	November	December	January	February	March	April	May	June	
(3)	Transition Service Rate as a % of Total Rate	61.1825%	61.1825%	61.1825%	61.1825%	61.1825%	61.1825%	61.1825%	61.1825%	61.1825%	61.1825%	61.1825%	61.1825%	
(4)	Transition Service-Related Charge-Off	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Rate D-10													
(1)	Amount of C/O for Transition Service Accounts													$0
(2)	Month for Rate Application	July	August	September	October	November	December	January	February	March	April	May	June	
(3)	Transition Service Rate as a % of Total Rate	64.8321%	64.8321%	64.8321%	64.8321%	64.8321%	64.8321%	64.8321%	64.8321%	64.8321%	64.8321%	64.8321%	64.8321%	
(4)	Transition Service-Related Charge-Off	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Rate G-3													
(1)	Amount of C/O for Transition Service Accounts													$0
(2)	Month for Rate Application	July	August	September	October	November	December	January	February	March	April	May	June	
(3)	Transition Service Rate as a % of Total Rate	54.0001%	54.0001%	54.0001%	54.0001%	54.0001%	54.0001%	54.0001%	54.0001%	54.0001%	54.0001%	54.0001%	54.0001%	
(4)	Transition Service-Related Charge-Off	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Rate G-2													
(1)	Amount of C/O for Transition Service Accounts													$0
(2)	Month for Rate Application	July	August	September	October	November	December	January	February	March	April	May	June	
(3)	Transition Service Rate as a % of Total Rate	64.7949%	64.7949%	64.7949%	64.7949%	64.7949%	64.7949%	64.7949%	64.7949%	64.7949%	64.7949%	64.7949%	64.7949%	
(4)	Transition Service-Related Charge-Off	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Rate G-1													
(1)	Amount of C/O for Transition Service Accounts													$0
(2)	Month for Rate Application	July	August	September	October	November	December	January	February	March	April	May	June	
(3)	Transition Service Rate as a % of Total Rate	70.5603%	70.5603%	70.5603%	70.5603%	70.5603%	70.5603%	70.5603%	70.5603%	70.5603%	70.5603%	70.5603%	70.5603%	
(4)	Transition Service-Related Charge-Off	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Rate M													
(1)	Amount of C/O for Transition Service Accounts													$0
(2)	Month for Rate Application	July	August	September	October	November	December	January	February	March	April	May	June	
(3)	Transition Service Rate as a % of Total Rate	32.8535%	32.8535%	32.8535%	32.8535%	32.8535%	32.8535%	32.8535%	32.8535%	32.8535%	32.8535%	32.8535%	32.8535%	
(4)	Transition Service-Related Charge-Off	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Rate V													
(1)	Amount of C/O for Transition Service Accounts													$0
(2)	Month for Rate Application	July	August	September	October	November	December	January	February	March	April	May	June	
(3)	Transition Service Rate as a % of Total Rate	57.5751%	57.5751%	57.5751%	57.5751%	57.5751%	57.5751%	57.5751%	57.5751%	57.5751%	57.5751%	57.5751%	57.5751%	
(4)	Transition Service-Related Charge-Off	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Amount of C/O for Transition Service Accounts	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Total Transition Service-Related Charge-Offs	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

Granite State Electric Company
Estimated Electronic Transition Service Recoveries for Transition Service Accoun

		2008												Annual
	Month of Recovery	January	February	March	April	May	June	July	August	September	October	November	December	Total
	Rate D													
(1)	Amount of Recovery for Transition Service Account	($527)												($527)
(2)	Month for Rate Application	July	August	September	October	November	December	January	February	March	April	May	June	
(3)	Transition Service Rate as a % of Total Rate	53.2529%	53.2529%	53.2529%	53.2529%	53.2529%	53.2529%	53.2529%	53.2529%	53.2529%	53.2529%	53.2529%	53.2529%	
(4)	Transition Service-Related Recovery	($281)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	($281)
	Rate T													
(1)	Amount of Recovery for Transition Service Account													$0
(2)	Month for Rate Application	July	August	September	October	November	December	January	February	March	April	May	June	
(3)	Transition Service Rate as a % of Total Rate	61.1825%	61.1825%	61.1825%	61.1825%	61.1825%	61.1825%	61.1825%	61.1825%	61.1825%	61.1825%	61.1825%	61.1825%	
(4)	Transition Service-Related Recovery	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Rate D-10													
(1)	Amount of Recovery for Transition Service Account													$0
(2)	Month for Rate Application	July	August	September	October	November	December	January	February	March	April	May	June	
(3)	Transition Service Rate as a % of Total Rate	64.8321%	64.8321%	64.8321%	64.8321%	64.8321%	64.8321%	64.8321%	64.8321%	64.8321%	64.8321%	64.8321%	64.8321%	
(4)	Transition Service-Related Recovery	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Rate G-3													
(1)	Amount of Recovery for Transition Service Account													$0
(2)	Month for Rate Application	July	August	September	October	November	December	January	February	March	April	May	June	
(3)	Transition Service Rate as a % of Total Rate	54.0001%	54.0001%	54.0001%	54.0001%	54.0001%	54.0001%	54.0001%	54.0001%	54.0001%	54.0001%	54.0001%	54.0001%	
(4)	Transition Service-Related Recovery	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Rate G-2													
(1)	Amount of Recovery for Transition Service Account	($627)												($627)
(2)	Month for Rate Application	July	August	September	October	November	December	January	February	March	April	May	June	
(3)	Transition Service Rate as a % of Total Rate	64.7949%	64.7949%	64.7949%	64.7949%	64.7949%	64.7949%	64.7949%	64.7949%	64.7949%	64.7949%	64.7949%	64.7949%	
(4)	Transition Service-Related Recovery	($407)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	($407)
	Rate G-1													
(1)	Amount of Recovery for Transition Service Account													$0
(2)	Month for Rate Application	July	August	September	October	November	December	January	February	March	April	May	June	
(3)	Transition Service Rate as a % of Total Rate	70.5603%	70.5603%	70.5603%	70.5603%	70.5603%	70.5603%	70.5603%	70.5603%	70.5603%	70.5603%	70.5603%	70.5603%	
(4)	Transition Service-Related Recovery	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Rate M													
(1)	Amount of Recovery for Transition Service Account													$0
(2)	Month for Rate Application	July	August	September	October	November	December	January	February	March	April	May	June	
(3)	Transition Service Rate as a % of Total Rate	32.8535%	32.8535%	32.8535%	32.8535%	32.8535%	32.8535%	32.8535%	32.8535%	32.8535%	32.8535%	32.8535%	32.8535%	
(4)	Transition Service-Related Recovery	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Rate V													
(1)	Amount of Recovery for Transition Service Account													$0
(2)	Month for Rate Application	July	August	September	October	November	December	January	February	March	April	May	June	
(3)	Transition Service Rate as a % of Total Rate	57.5751%	57.5751%	57.5751%	57.5751%	57.5751%	57.5751%	57.5751%	57.5751%	57.5751%	57.5751%	57.5751%	57.5751%	
(4)	Transition Service-Related Recovery	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Amount of Recovery for Transition Service Account	($1,154)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	($1,154)
	Total Transition Service-Related Recovery	($687)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	($687)

Granite State Electric Company
Rate Class kWh Deliveries
January 2008 - December 2008

	2008												
	January	February	March	April	May	June	July	August	September	October	November	December	12-Month Total
Rate D													
Default Service	27,012,658	22,875,852	21,327,703	20,807,335	17,245,843	21,627,901	22,589,985	24,604,417	21,319,668	18,059,414	20,115,200	21,771,738	259,357,714
Transition Service	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Commodity	27,012,658	22,875,852	21,327,703	20,807,335	17,245,843	21,627,901	22,589,985	24,604,417	21,319,668	18,059,414	20,115,200	21,771,738	259,357,714
Total Deliveries	27,012,658	22,906,900	21,355,735	20,833,110	17,263,232	21,646,638	22,611,365	24,626,813	21,340,567	18,078,147	20,136,869	21,798,162	259,610,196
Rate T													
Default Service	3,082,294	2,657,891	2,416,524	2,120,096	1,402,936	1,412,367	1,347,475	1,459,198	1,246,741	1,251,791	1,716,730	2,216,947	22,330,990
Transition Service	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Commodity	3,082,294	2,657,891	2,416,524	2,120,096	1,402,936	1,412,367	1,347,475	1,459,198	1,246,741	1,251,791	1,716,730	2,216,947	22,330,990
Total Deliveries	3,082,294	2,694,178	2,448,862	2,151,659	1,425,885	1,433,068	1,359,764	1,460,117	1,257,105	1,263,914	1,737,151	2,239,922	22,553,919
Rate D-10													
Default Service	782,057	719,100	644,378	551,844	419,740	405,388	404,873	436,692	370,735	338,793	424,102	599,451	6,097,153
Transition Service	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Commodity	782,057	719,100	644,378	551,844	419,740	405,388	404,873	436,692	370,735	338,793	424,102	599,451	6,097,153
Total Deliveries	782,057	719,100	644,378	551,844	419,740	405,388	404,873	436,692	370,735	338,793	424,102	599,451	6,097,153
Rate G-3													
Default Service	8,406,617	8,081,878	7,528,358	7,332,966	6,617,883	7,927,320	7,914,361	8,905,828	7,974,157	11,377,607	2,304,382	7,349,681	91,721,038
Transition Service	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Commodity	8,406,617	8,081,878	7,528,358	7,332,966	6,617,883	7,927,320	7,914,361	8,905,828	7,974,157	11,377,607	2,304,382	7,349,681	91,721,038
Total Deliveries	8,456,867	8,382,781	7,757,425	7,546,413	6,772,441	8,099,298	8,077,208	9,092,106	8,209,152	11,643,298	2,681,825	7,728,215	94,447,029
Rate G-2													
Default Service	13,353,825	12,105,429	10,728,199	10,699,339	10,400,756	11,485,884	12,744,161	13,112,619	11,666,224	10,090,695	9,795,504	9,765,475	135,948,110
Transition Service	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Commodity	13,353,825	12,105,429	10,728,199	10,699,339	10,400,756	11,485,884	12,744,161	13,112,619	11,666,224	10,090,695	9,795,504	9,765,475	135,948,110
Total Deliveries	14,493,394	14,450,675	12,622,140	12,754,903	12,296,575	13,677,998	14,999,892	15,162,931	13,921,329	12,463,076	12,231,310	12,278,762	161,352,985
Rate G-1													
Default Service	11,434,806	10,553,099	8,741,188	12,265,488	10,107,185	10,218,942	12,842,355	13,154,113	11,034,890	8,863,850	8,586,150	7,290,190	125,092,256
Transition Service	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Commodity	11,434,806	10,553,099	8,741,188	12,265,488	10,107,185	10,218,942	12,842,355	13,154,113	11,034,890	8,863,850	8,586,150	7,290,190	125,092,256
Total Deliveries	24,349,386	26,614,478	9,443,293	42,610,147	22,321,410	28,731,758	37,872,529	35,966,994	31,172,166	30,259,479	24,071,898	26,096,562	339,510,100
Rate M													
Default Service	473,125	251,435	253,638	246,005	248,656	252,140	303,336	262,920	249,707	219,827	214,930	235,395	3,211,114
Transition Service	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Commodity	473,125	251,435	253,638	246,005	248,656	252,140	303,336	262,920	249,707	219,827	214,930	235,395	3,211,114
Total Deliveries	480,173	408,219	416,753	399,531	399,802	410,442	445,771	387,587	391,662	362,173	484,444	430,976	5,017,533
Rate V													
Default Service	38,241	35,480	32,582	28,716	18,748	25,806	29,646	36,352	30,791	18,876	20,818	22,835	338,891
Transition Service	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Commodity	38,241	35,480	32,582	28,716	18,748	25,806	29,646	36,352	30,791	18,876	20,818	22,835	338,891
Total Deliveries	38,241	36,981	33,860	30,609	20,178	26,703	29,858	36,352	30,791	18,876	20,818	24,506	347,773
Company Totals													
Default Service	64,583,623	57,280,164	51,672,570	54,051,789	46,461,747	53,355,748	58,176,192	61,972,139	53,892,913	50,220,853	43,177,816	49,251,712	644,097,266
Transition Service	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Commodity	64,583,623	57,280,164	51,672,570	54,051,789	46,461,747	53,355,748	58,176,192	61,972,139	53,892,913	50,220,853	43,177,816	49,251,712	644,097,266
Total Deliveries	78,695,070	76,213,312	54,722,446	86,878,216	60,919,263	74,431,293	85,801,260	87,169,592	76,693,507	74,427,756	61,788,417	71,196,556	888,936,688

Source: Default Service from Monthly CR97987A Revenue Report
Total Deliveries from Monthly CR97992A Revenue Report

Granite State Electric Company
Calendar Year 2008

		Days of Cost (a)	Annual Percent (b)	Customer Payment Lag % (c)	CWC % (d)	Expense (e)	Working Capital Requirement (f)
(1)	2008 Purchase Power Costs	(23.157)	-6.33%	8.30%	1.97%	$67,430,925	$1,328,389
(2)	Renewable Portfolio Standard	(348.872)	-95.32%	8.30%	-87.02%	$709,045	($617,011)
(3)	Working Capital Requirement						$711,378
(4)	Prime interest rate						4.00%
(5)	Working Capital Impact						$28,455

Columns:

(1)(a)	Page 2, Column (f), Line (2)
(2)(a)	Page 3, Column (f), Line (2)
(b)	Column (a) ÷ 366
(c)	Page 4
(d)	Column (b) + Column (c)
(1)(e)	Page 2, Column (f), Line (2)
(1)(e)	Page 3, Column (f), Line (2)
(f)	Column (d) x Column (e)

Lines:

(3)	Line (1) Column (f) + Line (2) Column (f)
(4)	Prime Rate reported in the December 2, 2008 issue of the Wall Street Journal.
(5)	Line (3) x Line (4)

Granite State Electric Company
Calendar Year 2008

Invoice Month (a)	Expense Description (b)	Invoice Amount (c)	End of Service Period (d)	Invoice Date (e)	Due Date (f)	Payment Date (g)	Elapsed (Days) (h)	% of Total (i)	Weighted Days (j)
January 2008	Current Charge for January 2008	$3,639,696	01/31/2008	02/08/2008	02/20/2008	02/20/2008	20	5.40%	1.08
January 2008	Current Charge for January 2008	$2,311,375	01/31/2008	02/11/2008	02/20/2008	02/20/2008	20	3.43%	0.69
January 2008	Supplier Reallocation for September 2007	$33,567	01/31/2008	02/08/2008	03/04/2008	03/04/2008	33	0.05%	0.02
January 2008	Supplier Reallocation for September 2007	($64,104)	01/31/2008	02/10/2008	03/06/2008	03/06/2008	35	-0.10%	(0.03)
February 2008	Current Charge for February 2008	$3,554,195.24	02/29/2008	03/10/2008	03/20/2008	03/20/2008	20	5.27%	1.05
February 2008	Current Charge for February 2008	$2,070,061.63	02/29/2008	03/14/2008	03/28/2008	03/28/2008	28	3.07%	0.86
February 2008	Supplier Reallocation for October 2007	($44,636)	02/29/2008	03/10/2008	04/04/2008	04/04/2008	35	-0.07%	(0.02)
February 2008	Supplier Reallocation for October 2007	($19,853)	02/28/2008	03/18/2008	04/11/2008	04/11/2008	43	-0.03%	(0.01)
March 2008	Current Charge for March 2008	$3,367,214	03/31/2008	04/10/2008	04/18/2008	04/18/2008	18	4.99%	0.90
March 2008	Supplier Reallocation for November 2007	($94,995)	03/31/2008	04/10/2008	04/18/2008	04/18/2008	18	-0.14%	(0.03)
March 2008	Supplier Reallocation for November 2007	$17,368	03/31/2008	04/08/2008	04/18/2008	04/18/2008	18	0.03%	0.00
March 2008	Current Charge for March 2008	$1,998,591	03/31/2008	04/16/2008	04/25/2008	04/25/2008	25	2.96%	0.74
April 2008	Current Charge for April 2008	$2,612,768.36	04/30/2008	05/09/2008	05/20/2008	05/20/2008	20	3.87%	0.77
April 2008	Supplier Reallocation for December 2007	$26,824	04/30/2008	05/09/2008	05/20/2008	05/20/2008	20	0.04%	0.01
April 2008	Supplier Reallocation for December 2007	($63,736)	04/30/2008	05/07/2008	05/20/2008	05/20/2008	20	-0.09%	(0.02)
April 2008	Current Charge for April 2008	$1,834,050	04/30/2008	05/14/2008	05/23/2008	05/23/2008	23	2.72%	0.63
May 2008	Current Charge for May 2008	$5,044,004	05/31/2008	06/13/2008	06/25/2008	06/25/2008	25	7.48%	1.87
May 2008	Supplier Reallocation for January 2008	$10,928	05/31/2008	06/04/2008	06/20/2008	06/20/2008	20	0.02%	0.00
May 2008	Supplier Reallocation for January 2008	$28,962	05/31/2008	06/10/2008	06/20/2008	06/20/2008	20	0.04%	0.01
June 2008	Current Charge for June 2008	$6,140,847	06/30/2008	07/14/2008	07/25/2008	07/25/2008	25	9.11%	2.28
June 2008	Supplier Reallocation for February 2008	$79,102	06/30/2008	07/14/2008	07/25/2008	07/25/2008	25	0.12%	0.03
June 2008	Supplier Reallocation for February 2008	($151,389.97)	06/30/2008	07/10/2008	07/18/2008	07/18/2008	18	-0.22%	(0.04)
July 2008	Current Charge for July 2008	$7,512,658	07/31/2008	08/12/2008	08/25/2008	08/25/2008	25	11.14%	2.79
July 2008	Supplier Reallocation for March 2008	($56,160)	07/31/2008	08/12/2008	08/25/2008	08/25/2008	25	-0.08%	(0.02)
July 2008	Supplier Reallocation for March 2008	($315,001)	07/31/2008	08/06/2008	08/20/2008	08/20/2008	20	-0.47%	(0.09)
August 2008	Current Charge for August 2008	$7,375,498	08/31/2008	09/15/2008	09/25/2008	09/25/2008	25	10.94%	2.73
August 2008	Supplier Reallocation for April 2008	($53,057)	08/31/2008	09/15/2008	09/25/2008	09/25/2008	25	-0.08%	(0.02)
August 2008	Supplier Reallocation for April 2008	($211,042)	08/31/2008	09/10/2008	09/19/2008	09/19/2008	19	-0.31%	(0.06)
September 2008	Current Charge for September 2008	$5,934,872	09/30/2008	10/15/2008	10/24/2008	10/24/2008	24	8.80%	2.11
September 2008	Supplier Reallocation for May 2008	($65,398)	09/30/2008	10/15/2008	10/24/2008	10/24/2008	24	-0.10%	(0.02)
October 2008	Current Charge for October 2008	$5,751,846	10/31/2008	11/14/2008	11/25/2008	11/25/2008	25	8.53%	2.13
October 2008	Supplier Reallocation for June 2008	($39,036)	10/31/2008	11/14/2008	11/25/2008	11/25/2008	25	-0.06%	(0.01)
November 2008	Current Charge for November 2008	$1,687,926	11/30/2008	12/10/2008	12/19/2008	12/19/2008	19	2.50%	0.48
November 2008	Current Charge for November 2008	$2,696,320	11/30/2008	12/10/2008	12/19/2008	12/19/2008	19	4.00%	0.76
November 2008	Supplier Reallocation for July 2008	($105,700)	11/30/2008	12/16/2008	12/26/2008	12/26/2008	26	-0.16%	(0.04)
December 2008	Current Charge for December 2008	$1,927,958	12/31/2008	01/13/2009	01/23/2009	01/23/2009	23	2.86%	0.66
December 2008	Current Charge for December 2008	$3,206,460	12/31/2008	01/12/2009	01/22/2009	01/22/2009	22	4.76%	1.05
December 2008	Supplier Reallocation for August 2008	($148,216)	12/31/2008	01/21/2009	01/29/2009	01/26/2009	26	-0.22%	(0.06)
	Supplier Reallocation for August 2008	$160	12/31/2008	01/16/2008	01/26/2009	01/26/2009	26	0.00%	0.00
(1)	Total	$67,430,925							
(2)	Weighted Average Lag Days from End of Service Period to Final Payment Date of Purchased Power Bill								23.16

Columns:

(a) Month in which obligation for payment occurred
(b) Per invoices
(c) Per invoices
(d) Applicable service period
(e) Per invoices
(f) Per agreements
(g) Date paid
(h) Number of days between Column (d) and Column (g)
(i) Column (c) ÷ Line (1)
(j) Column (h) x Column (i)

Lines:

(1) Sum of Column (c)
(2) Sum of Column (j)

Granite State Electric Company
Calendar Year 2008

	Invoice Month (a)	Expense Description (b)	Invoice Amount (c)	End of Service Period (d)	Invoice Date (e)	Due Date (f)	Payment Date (g)	Elapsed (Days) (h)	% of Total (i)	Weighted Days (j)
	January 2008	Estimated RPS Obligation for January 2008	$61,547	01/31/2008	n/a	07/01/2009	07/01/2009	517	8.68%	44.88
	February 2008	Estimated RPS Obligation for February 2008	$54,026	02/29/2008	n/a	07/01/2009	07/01/2009	488	7.62%	37.18
	March 2008	Estimated RPS Obligation for March 2008	$60,431	03/31/2008	n/a	07/01/2009	07/01/2009	457	8.52%	38.95
	April 2008	Estimated RPS Obligation for April 2008	$55,493	04/30/2008	n/a	07/01/2009	07/01/2009	427	7.83%	33.42
	May 2008	Estimated RPS Obligation for May 2008	$57,925	05/31/2008	n/a	07/01/2009	07/01/2009	396	8.17%	32.35
	June 2008	Estimated RPS Obligation for June 2008	$55,261	06/30/2008	n/a	07/01/2009	07/01/2009	366	7.79%	28.53
	July 2008	Estimated RPS Obligation for July 2008	$65,070	07/31/2008	n/a	07/01/2009	07/01/2009	335	9.18%	30.74
	August 2008	Estimated RPS Obligation for August 2008	$66,894	08/31/2008	n/a	07/01/2009	07/01/2009	304	9.43%	28.68
	September 2008	Estimated RPS Obligation for September 2008	$56,990	09/30/2008	n/a	07/01/2009	07/01/2009	274	8.04%	22.02
	October 2008	Estimated RPS Obligation for October 2008	$53,825	10/31/2008	n/a	07/01/2009	07/01/2009	243	7.59%	18.45
	November 2008	Estimated RPS Obligation for November 2008	$56,380	11/30/2008	n/a	07/01/2009	07/01/2009	213	7.95%	16.94
	December 2008	Estimated RPS Obligation for December 2008	$65,201	12/31/2008	n/a	07/01/2009	07/01/2009	182	9.20%	16.74
(1)		Total	$709,045							
(2)		Weighted Average Lag Days from End of Service Period to Final Payment Date								348.87

Columns:

(a) Month in which obligation for payment occurred
(b) Schedule SMM-9, Page 2
(c) End of Month of Obligation
(d) Applicable service period
(e) Not Available
(f) Date of Obligation for Payment
(g) Date of Obligation for Payment
(h) Number of days between Column (d) and Column (g)
(i) Column (c) ÷ Line (1)
(j) Column (h) x Column (i)

Granite State Electric Company
Calendar Year 2008

Service Period	Customer Accts.Receivable (a)	Sales (b)	Days In Month (c)	Days of Sales in Accts.Receivable (d)
01/31/2008	$7,953,909	$8,523,118	31	28.93
02/29/2008	$8,006,867	$8,437,187	29	27.52
03/31/2008	$7,356,280	$7,084,133	31	32.19
04/30/2008	$7,412,394	$7,929,889	30	28.04
05/31/2008	$6,831,569	$6,884,803	31	30.76
06/30/2008	$7,924,193	$8,854,073	30	26.85
07/31/2008	$8,556,357	$9,875,665	31	26.86
08/31/2008	$10,160,329	$10,809,455	31	29.14
09/30/2008	$9,203,906	$9,720,554	30	28.41
10/31/2008	$7,640,120	$8,968,432	31	26.41
11/30/2008	$7,893,572	$7,350,670	30	32.22
12/31/2008	$7,403,503	$7,694,368	31	29.83
		$102,132,346		

(1)	Total Days	347.15
(2)	Average Lag	28.93
(3)	Average Lag from date meter is read	1.45
(4)	Total Average Days Lag	30.38
(5)	Customer Payment Lag-annual percent	8.30%

Columns:

(a) Accounts Receivable per general ledger at end of applicable month
(b) Per Company billing data
(c) Number of days in applicable service period
(d) Column (a) ÷ Column (b) x Column (c)

Lines:

(1) Total of Column (d)
(2) Line (2) ÷ 12
(3) Page 9
(4) Line (2) + Line (3)
(5) Line (4) ÷ 366

Granite State Electric Company
Meter Reading vs Billing Days Elapsed
2008

Cycle	Billed Sales	Prior Read Date	Read Date	Bill Date	# Days in Bill [1]	Billing Lag [2]
1	01/31/2008	11/29/2007	12/31/2007	01/02/2008	32	2
1	02/29/2008	12/31/2007	01/30/2008	01/31/2008	30	1
1	03/31/2008	01/30/2008	02/28/2008	02/29/2008	29	1
1	04/30/2008	02/28/2008	03/28/2008	03/31/2008	29	3
1	05/31/2008	03/28/2008	04/28/2008	04/29/2008	31	1
1	06/30/2008	04/28/2008	05/28/2008	05/29/2008	30	1
1	07/31/2008	05/28/2008	06/26/2008	06/27/2008	29	1
1	08/31/2008	06/26/2008	07/29/2008	07/30/2008	33	1
1	09/30/2008	07/29/2008	08/28/2008	08/29/2008	30	1
1	10/31/2008	08/28/2008	09/26/2008	09/29/2008	29	3
1	11/30/2008	09/26/2008	10/28/2008	10/29/2008	32	1
1	12/31/2008	10/28/2008	11/26/2008	12/01/2008	29	5
2	01/31/2008	11/30/2007	01/02/2008	01/03/2008	33	1
2	02/29/2008	01/02/2008	01/31/2008	02/01/2008	29	1
2	03/31/2008	01/31/2008	02/29/2008	03/03/2008	29	3
2	04/30/2008	02/29/2008	03/31/2008	04/01/2008	31	1
2	05/31/2008	03/31/2008	04/29/2008	04/30/2008	29	1
2	06/30/2008	04/29/2008	05/29/2008	05/30/2008	30	1
2	07/31/2008	05/29/2008	06/27/2008	06/30/2008	29	3
2	08/31/2008	06/27/2008	07/30/2008	07/31/2008	33	1
2	09/30/2008	07/30/2008	08/29/2008	09/02/2008	30	4
2	10/31/2008	08/29/2008	09/29/2008	09/30/2008	31	1
2	11/30/2008	09/29/2008	10/29/2008	10/30/2008	30	1
2	12/31/2008	10/29/2008	12/01/2008	12/02/2008	33	1
3	01/31/2008	12/03/2007	01/03/2008	01/04/2008	31	1
3	02/29/2008	01/03/2008	02/01/2008	02/04/2008	29	3
3	03/31/2008	02/01/2008	03/03/2008	03/04/2008	31	1
3	04/30/2008	03/03/2008	04/01/2008	04/02/2008	29	1
3	05/31/2008	04/01/2008	04/30/2008	05/01/2008	29	1
3	06/30/2008	04/30/2008	05/30/2008	06/02/2008	30	3
3	07/31/2008	05/30/2008	06/30/2008	07/01/2008	31	1
3	08/31/2008	06/30/2008	07/31/2008	08/01/2008	31	1
3	09/30/2008	07/31/2008	09/02/2008	09/03/2008	33	1
3	10/31/2008	09/02/2008	09/30/2008	10/01/2008	28	1
3	11/30/2008	09/30/2008	10/30/2008	10/31/2008	30	1
3	12/31/2008	10/30/2008	12/02/2008	12/03/2008	33	1
4	01/31/2008	12/04/2007	01/04/2008	01/07/2008	31	3
4	02/29/2008	01/04/2008	02/04/2008	02/05/2008	31	1
4	03/31/2008	02/04/2008	03/04/2008	03/05/2008	29	1
4	04/30/2008	03/04/2008	04/02/2008	04/03/2008	29	1
4	05/31/2008	04/02/2008	05/01/2008	05/02/2008	29	1
4	06/30/2008	05/01/2008	06/02/2008	06/03/2008	32	1
4	07/31/2008	06/02/2008	07/01/2008	07/02/2008	29	1
4	08/31/2008	07/01/2008	08/01/2008	08/04/2008	31	3
4	09/30/2008	08/01/2008	09/03/2008	09/04/2008	33	1
4	10/31/2008	09/03/2008	10/01/2008	10/02/2008	28	1
4	11/30/2008	10/01/2008	10/31/2008	11/03/2008	30	3
4	12/31/2008	10/31/2008	12/03/2008	12/04/2008	33	1

Granite State Electric Company
Meter Reading vs Billing Days Elapsed
2008

Cycle	Billed Sales	Prior Read Date	Read Date	Bill Date	# Days in Bill [1]	Billing Lag [2]
5	01/31/2008	12/05/2007	01/07/2008	01/08/2008	33	1
5	02/29/2008	01/07/2008	02/05/2008	02/06/2008	29	1
5	03/31/2008	02/05/2008	03/05/2008	03/06/2008	29	1
5	04/30/2008	03/05/2008	04/03/2008	04/04/2008	29	1
5	05/31/2008	04/03/2008	05/02/2008	05/05/2008	29	3
5	06/30/2008	05/02/2008	06/03/2008	06/04/2008	32	1
5	07/31/2008	06/03/2008	07/02/2008	07/03/2008	29	1
5	08/31/2008	07/02/2008	08/04/2008	08/05/2008	33	1
5	09/30/2008	08/04/2008	09/04/2008	09/05/2008	31	1
5	10/31/2008	09/04/2008	10/02/2008	10/03/2008	28	1
5	11/30/2008	10/02/2008	11/03/2008	11/04/2008	32	1
5	12/31/2008	11/03/2008	12/04/2008	12/05/2008	31	1
6	01/31/2008	12/06/2007	01/08/2008	01/09/2008	33	1
6	02/29/2008	01/08/2008	02/06/2008	02/07/2008	29	1
6	03/31/2008	02/06/2008	03/06/2008	03/07/2008	29	1
6	04/30/2008	03/06/2008	04/04/2008	04/07/2008	29	3
6	05/31/2008	04/04/2008	05/05/2008	05/06/2008	31	1
6	06/30/2008	05/05/2008	06/04/2008	06/05/2008	30	1
6	07/31/2008	06/04/2008	07/03/2008	07/07/2008	29	4
6	08/31/2008	07/03/2008	08/05/2008	08/06/2008	33	1
6	09/30/2008	08/05/2008	09/05/2008	09/08/2008	31	3
6	10/31/2008	09/05/2008	10/03/2008	10/06/2008	28	3
6	11/30/2008	10/03/2008	11/04/2008	11/05/2008	32	1
6	12/31/2008	11/04/2008	12/05/2008	12/08/2008	31	3
7	01/31/2008	12/07/2007	01/09/2008	01/10/2008	33	1
7	02/29/2008	01/09/2008	02/07/2008	02/08/2008	29	1
7	03/31/2008	02/07/2008	03/07/2008	03/10/2008	29	3
7	04/30/2008	03/07/2008	04/08/2008	04/09/2008	32	1
7	05/31/2008	04/08/2008	05/06/2008	05/07/2008	28	1
7	06/30/2008	05/06/2008	06/05/2008	06/06/2008	30	1
7	07/31/2008	06/05/2008	07/07/2008	07/08/2008	32	1
7	08/31/2008	07/07/2008	08/06/2008	08/07/2008	30	1
7	09/30/2008	08/06/2008	09/08/2008	09/09/2008	33	1
7	10/31/2008	09/08/2008	10/06/2008	10/07/2008	28	1
7	11/30/2008	10/06/2008	11/05/2008	11/06/2008	30	1
7	12/31/2008	11/05/2008	12/08/2008	12/09/2008	33	1
8	01/31/2008	12/10/2007	01/10/2008	01/11/2008	31	1
8	02/29/2008	01/10/2008	02/08/2008	02/11/2008	29	3
8	03/31/2008	02/08/2008	03/10/2008	03/11/2008	31	1
8	04/30/2008	03/10/2008	04/09/2008	04/10/2008	30	1
8	05/31/2008	04/09/2008	05/07/2008	05/08/2008	28	1
8	06/30/2008	05/07/2008	06/06/2008	06/09/2008	30	3
8	07/31/2008	06/06/2008	07/08/2008	07/09/2008	32	1
8	08/31/2008	07/08/2008	08/07/2008	08/08/2008	30	1
8	09/30/2008	08/07/2008	09/09/2008	09/10/2008	33	1
8	10/31/2008	09/09/2008	10/07/2008	10/08/2008	28	1
8	11/30/2008	10/07/2008	11/06/2008	11/07/2008	30	1
8	12/31/2008	11/06/2008	12/09/2008	12/10/2008	33	1

Granite State Electric Company
Meter Reading vs Billing Days Elapsed
2008

Cycle	Billed Sales	Prior Read Date	Read Date	Bill Date	# Days in Bill [1]	Billing Lag [2]
9	01/31/2008	12/11/2007	01/11/2008	01/14/2008	31	3
9	02/29/2008	01/11/2008	02/11/2008	02/12/2008	31	1
9	03/31/2008	02/11/2008	03/11/2008	03/12/2008	29	1
9	04/30/2008	03/11/2008	04/10/2008	04/11/2008	30	1
9	05/31/2008	04/10/2008	05/08/2008	05/09/2008	28	1
9	06/30/2008	05/08/2008	06/10/2008	06/11/2008	33	1
9	07/31/2008	06/10/2008	07/09/2008	07/10/2008	29	1
9	08/31/2008	07/09/2008	08/08/2008	08/11/2008	30	3
9	09/30/2008	08/08/2008	09/10/2008	09/11/2008	33	1
9	10/31/2008	09/10/2008	10/08/2008	10/09/2008	28	1
9	11/30/2008	10/08/2008	11/07/2008	11/10/2008	30	3
9	12/31/2008	11/07/2008	12/10/2008	12/11/2008	33	1
10	01/31/2008	12/12/2007	01/14/2008	01/15/2008	33	1
10	02/29/2008	01/14/2008	02/12/2008	02/13/2008	29	1
10	03/31/2008	02/12/2008	03/12/2008	03/13/2008	29	1
10	04/30/2008	03/12/2008	04/11/2008	04/14/2008	30	3
10	05/31/2008	04/11/2008	05/09/2008	05/12/2008	28	3
10	06/30/2008	05/09/2008	06/11/2008	06/12/2008	33	1
10	07/31/2008	06/11/2008	07/10/2008	07/11/2008	29	1
10	08/31/2008	07/10/2008	08/12/2008	08/13/2008	33	1
10	09/30/2008	08/12/2008	09/11/2008	09/12/2008	30	1
10	10/31/2008	09/11/2008	10/09/2008	10/10/2008	28	1
10	11/30/2008	10/09/2008	11/10/2008	11/11/2008	32	1
10	12/31/2008	11/10/2008	12/11/2008	12/12/2008	31	1
11	01/31/2008	12/13/2007	01/15/2008	01/16/2008	33	1
11	02/29/2008	01/15/2008	02/13/2008	02/14/2008	29	1
11	03/31/2008	02/13/2008	03/13/2008	03/14/2008	29	1
11	04/30/2008	03/13/2008	04/14/2008	04/15/2008	32	1
11	05/31/2008	04/14/2008	05/12/2008	05/13/2008	28	1
11	06/30/2008	05/12/2008	06/12/2008	06/13/2008	31	1
11	07/31/2008	06/12/2008	07/11/2008	07/14/2008	29	3
11	08/31/2008	07/11/2008	08/13/2008	08/14/2008	33	1
11	09/30/2008	08/13/2008	09/12/2008	09/15/2008	30	3
11	10/31/2008	09/12/2008	10/10/2008	10/13/2008	28	3
11	11/30/2008	10/10/2008	11/12/2008	11/13/2008	33	1
11	12/31/2008	11/12/2008	12/12/2008	12/15/2008	30	3
12	01/31/2008	12/14/2007	01/16/2008	01/17/2008	33	1
12	02/29/2008	01/16/2008	02/14/2008	02/15/2008	29	1
12	03/31/2008	02/14/2008	03/14/2008	03/17/2008	29	3
12	04/30/2008	03/14/2008	04/15/2008	04/16/2008	32	1
12	05/31/2008	04/15/2008	05/13/2008	05/14/2008	28	1
12	06/30/2008	05/13/2008	06/13/2008	06/16/2008	31	3
12	07/31/2008	06/13/2008	07/15/2008	07/16/2008	32	1
12	08/31/2008	07/15/2008	08/14/2008	08/15/2008	30	1
12	09/30/2008	08/14/2008	09/15/2008	09/16/2008	32	1
12	10/31/2008	09/15/2008	10/14/2008	10/15/2008	29	1
12	11/30/2008	10/14/2008	11/13/2008	11/14/2008	30	1
12	12/31/2008	11/13/2008	12/15/2008	12/16/2008	32	1

Granite State Electric Company
Meter Reading vs Billing Days Elapsed
2008

Cycle	Billed Sales	Prior Read Date	Read Date	Bill Date	# Days in Bill [1]	Billing Lag [2]
13	01/31/2008	12/17/2007	01/17/2008	01/18/2008	31	1
13	02/29/2008	01/17/2008	02/15/2008	02/18/2008	29	3
13	03/31/2008	02/15/2008	03/17/2008	03/18/2008	31	1
13	04/30/2008	03/17/2008	04/16/2008	04/17/2008	30	1
13	05/31/2008	04/16/2008	05/14/2008	05/15/2008	28	1
13	06/30/2008	05/14/2008	06/16/2008	06/17/2008	33	1
13	07/31/2008	06/16/2008	07/16/2008	07/17/2008	30	1
13	08/31/2008	07/16/2008	08/15/2008	08/18/2008	30	3
13	09/30/2008	08/15/2008	09/16/2008	09/17/2008	32	1
13	10/31/2008	09/16/2008	10/15/2008	10/16/2008	29	1
13	11/30/2008	10/15/2008	11/14/2008	11/17/2008	30	3
13	12/31/2008	11/14/2008	12/16/2008	12/17/2008	32	1
14	01/31/2008	12/18/2007	01/18/2008	01/21/2008	31	3
14	02/29/2008	01/18/2008	02/19/2008	02/20/2008	32	1
14	03/31/2008	02/19/2008	03/18/2008	03/19/2008	28	1
14	04/30/2008	03/18/2008	04/17/2008	04/18/2008	30	1
14	05/31/2008	04/17/2008	05/15/2008	05/16/2008	28	1
14	06/30/2008	05/15/2008	06/17/2008	06/18/2008	33	1
14	07/31/2008	06/17/2008	07/17/2008	07/18/2008	30	1
14	08/31/2008	07/17/2008	08/18/2008	08/19/2008	32	1
14	09/30/2008	08/18/2008	09/17/2008	09/18/2008	30	1
14	10/31/2008	09/17/2008	10/16/2008	10/17/2008	29	1
14	11/30/2008	10/16/2008	11/17/2008	11/18/2008	32	1
14	12/31/2008	11/17/2008	12/17/2008	12/18/2008	30	1
15	01/31/2008	12/19/2007	01/22/2008	01/23/2008	34	1
15	02/29/2008	01/22/2008	02/20/2008	02/21/2008	29	1
15	03/31/2008	02/20/2008	03/19/2008	03/20/2008	28	1
15	04/30/2008	03/19/2008	04/18/2008	04/21/2008	30	3
15	05/31/2008	04/18/2008	05/16/2008	05/19/2008	28	3
15	06/30/2008	05/16/2008	06/18/2008	06/19/2008	33	1
15	07/31/2008	06/18/2008	07/18/2008	07/21/2008	30	3
15	08/31/2008	07/18/2008	08/19/2008	08/20/2008	32	1
15	09/30/2008	08/19/2008	09/18/2008	09/19/2008	30	1
15	10/31/2008	09/18/2008	10/17/2008	10/20/2008	29	3
15	11/30/2008	10/17/2008	11/18/2008	11/19/2008	32	1
15	12/31/2008	11/18/2008	12/18/2008	12/19/2008	30	1
16	01/31/2008	12/20/2007	01/23/2008	01/24/2008	34	1
16	02/29/2008	01/23/2008	02/21/2008	02/22/2008	29	1
16	03/31/2008	02/21/2008	03/20/2008	03/21/2008	28	1
16	04/30/2008	03/20/2008	04/21/2008	04/22/2008	32	1
16	05/31/2008	04/21/2008	05/20/2008	05/21/2008	29	1
16	06/30/2008	05/20/2008	06/19/2008	06/20/2008	30	1
16	07/31/2008	06/19/2008	07/22/2008	07/23/2008	33	1
16	08/31/2008	07/22/2008	08/20/2008	08/21/2008	29	1
16	09/30/2008	08/20/2008	09/19/2008	09/22/2008	30	3
16	10/31/2008	09/19/2008	10/21/2008	10/22/2008	32	1
16	11/30/2008	10/21/2008	11/19/2008	11/20/2008	29	1
16	12/31/2008	11/19/2008	12/19/2008	12/22/2008	30	3

Granite State Electric Company
Meter Reading vs Billing Days Elapsed
2008

Cycle	Billed Sales	Prior Read Date	Read Date	Bill Date	# Days in Bill [1]	Billing Lag [2]
17	01/31/2008	12/21/2007	01/24/2008	01/25/2008	34	1
17	02/29/2008	01/24/2008	02/22/2008	02/25/2008	29	3
17	03/31/2008	02/22/2008	03/24/2008	03/25/2008	31	1
17	04/30/2008	03/24/2008	04/22/2008	04/23/2008	29	1
17	05/31/2008	04/22/2008	05/21/2008	05/22/2008	29	1
17	06/30/2008	05/21/2008	06/20/2008	06/23/2008	30	3
17	07/31/2008	06/20/2008	07/23/2008	07/24/2008	33	1
17	08/31/2008	07/23/2008	08/21/2008	08/22/2008	29	1
17	09/30/2008	08/21/2008	09/22/2008	09/23/2008	32	1
17	10/31/2008	09/22/2008	10/22/2008	10/23/2008	30	1
17	11/30/2008	10/22/2008	11/20/2008	11/21/2008	29	1
17	12/31/2008	11/20/2008	12/22/2008	12/23/2008	32	1
18	01/31/2008	12/26/2007	01/25/2008	01/28/2008	30	3
18	02/29/2008	01/25/2008	02/25/2008	02/26/2008	31	1
18	03/31/2008	02/25/2008	03/25/2008	03/26/2008	29	1
18	04/30/2008	03/25/2008	04/23/2008	04/24/2008	29	1
18	05/31/2008	04/23/2008	05/22/2008	05/23/2008	29	1
18	06/30/2008	05/22/2008	06/23/2008	06/24/2008	32	1
18	07/31/2008	06/23/2008	07/24/2008	07/25/2008	31	1
18	08/31/2008	07/24/2008	08/22/2008	08/25/2008	29	3
18	09/30/2008	08/22/2008	09/23/2008	09/24/2008	32	1
18	10/31/2008	09/23/2008	10/23/2008	10/24/2008	30	1
18	11/30/2008	10/23/2008	11/21/2008	11/24/2008	29	3
18	12/31/2008	11/21/2008	12/23/2008	12/24/2008	32	1
19	01/31/2008	12/27/2007	01/28/2008	01/29/2008	32	1
19	02/29/2008	01/28/2008	02/26/2008	02/27/2008	29	1
19	03/31/2008	02/26/2008	03/26/2008	03/27/2008	29	1
19	04/30/2008	03/26/2008	04/24/2008	04/25/2008	29	1
19	05/31/2008	04/24/2008	05/23/2008	05/27/2008	29	4
19	06/30/2008	05/23/2008	06/24/2008	06/25/2008	32	1
19	07/31/2008	06/24/2008	07/25/2008	07/28/2008	31	3
19	08/31/2008	07/25/2008	08/26/2008	08/27/2008	32	1
19	09/30/2008	08/26/2008	09/24/2008	09/25/2008	29	1
19	10/31/2008	09/24/2008	10/24/2008	10/27/2008	30	3
19	11/30/2008	10/24/2008	11/24/2008	11/25/2008	31	1
19	12/31/2008	11/24/2008	12/26/2008	12/29/2008	32	3
20	01/31/2008	12/28/2007	01/29/2008	01/30/2008	32	1
20	02/29/2008	01/29/2008	02/27/2008	02/28/2008	29	1
20	03/31/2008	02/27/2008	03/27/2008	03/28/2008	29	1
20	04/30/2008	03/27/2008	04/25/2008	04/28/2008	29	3
20	05/31/2008	04/25/2008	05/27/2008	05/28/2008	32	1
20	06/30/2008	05/27/2008	06/25/2008	06/26/2008	29	1
20	07/31/2008	06/25/2008	07/28/2008	07/29/2008	33	1
20	08/31/2008	07/28/2008	08/27/2008	08/28/2008	30	1
20	09/30/2008	08/27/2008	09/25/2008	09/26/2008	29	1
20	10/31/2008	09/25/2008	10/27/2008	10/28/2008	32	1
20	11/30/2008	10/27/2008	11/25/2008	11/26/2008	29	1
20	12/31/2008	11/25/2008	12/29/2008	12/30/2008	34	1
	Average Billing Days				**30.44**	
	Average Billing Lag					**1.45**

[1] # Days in Bill = Number of days between meter reads
[2] Billing lag = Number of days between meter read and bill date. Once billed, the sales become part of A/R and will be included in the Collection Lag calculation.

Schedule SMM-9

Schedule SMM-9
Renewable Portfolio Standard Reconciliation

Granite State Electric Company
Renewable Portfolio Standard Adder Reconciliation
January 2008 - January 2009

Month	Beginning Balance (a)	Revenue (b)	Adjustment (c)	Expense (d)	Monthly Over/(Under) (e)	Ending Balance (f)	Balance Subject to Interest (g)	Interest Rate (h)	Interest (i)	Cumulative Interest (j)
Jan-08	$0	$61,547		$0	$61,547	$61,547	$30,774	7.50%	$186	$186
Feb-08	$61,733	$54,026			$54,026	$115,760	$88,746	7.50%	$536	$722
Mar-08	$116,296	$60,431			$60,431	$176,727	$146,512	7.50%	$886	$1,608
Apr-08	$177,613	$55,493			$55,493	$233,106	$205,360	6.00%	$1,000	$2,608
May-08	$234,106	$57,925			$57,925	$292,031	$263,069	6.00%	$1,281	$3,888
Jun-08	$293,311	$55,261			$55,261	$348,573	$320,942	6.00%	$1,562	$5,450
Jul-08	$350,135	$65,070			$65,070	$415,205	$382,670	5.00%	$1,559	$7,009
Aug-08	$416,764	$66,894			$66,894	$483,658	$450,211	5.00%	$1,834	$8,844
Sep-08	$485,493	$56,990			$56,990	$542,483	$513,988	5.00%	$2,094	$10,938
Oct-08	$544,577	$53,825			$53,825	$598,402	$571,490	5.00%	$2,328	$13,266
Nov-08	$600,731	$56,380			$56,380	$657,110	$628,920	5.00%	$2,562	$15,828
Dec-08	$659,673	$65,201			$65,201	$724,874	$692,273	5.00%	$2,820	$18,649
Jan-09	$727,694	$117,038			$117,038	$844,733	$786,213	4.00%	$2,574	$21,223
		$826,084	$0	$0						

Cumulative Over/(Under) Collection of Renewable Porfolio Standard
Compliance Costs $847,306

(a) Prior Month Column (f) + Prior Month Column (i)
(b) Page 2 Column (g)
(c)
(d)
(e) Column (b) + Column (c) - Column (d)
(f) Column (a) + Column (e)
(g) [Column (a) + Column (f)] ÷ 2
(h) Interest Rate on Customer Deposits
(i) Column (g) x [(1 + Column (h)) ^ (1 ÷ 12) - 1]
(j) Column (i) + Prior Month Column (j)

Granite State Electric Company
Renewable Portfolio Adder Revenue
2008-2009

	Small Customer Group kWh Deliveries (a)	Renewable Portfolio Standard Adder (b)	Renewable Portfolio Standard Revenue (c)	Large Customer Group kWh Deliveries (d)	Renewable Portfolio Standard Adder (e)	Renewable Portfolio Standard Revenue (f)	Total Renewable Portfolio Standard Revenue (g)
January 2008	35,742,095	$0.00108	$38,601	21,246,100	$0.00108	$22,946	$61,547
February	30,705,350	$0.00108	$33,162	19,319,118	$0.00108	$20,865	$54,026
March	33,465,243	$0.00108	$36,142	22,489,573	$0.00108	$24,289	$60,431
April	29,112,549	$0.00108	$31,442	22,270,264	$0.00108	$24,052	$55,493
May	31,128,423	$0.00108	$33,619	22,505,766	$0.00108	$24,306	$57,925
June	29,310,716	$0.00108	$31,656	21,857,184	$0.00108	$23,606	$55,261
July	34,288,582	$0.00108	$37,032	25,961,581	$0.00108	$28,039	$65,070
August	33,787,447	$0.00108	$36,490	24,718,488	$0.00123	$30,404	$66,894
September	30,092,131	$0.00108	$32,500	19,911,164	$0.00123	$24,491	$56,990
October	28,266,129	$0.00108	$30,527	18,941,375	$0.00123	$23,298	$53,825
November	29,390,467	$0.00119	$34,975	17,987,464	$0.00119	$21,405	$56,380
December	35,958,139	$0.00119	$42,790	18,832,715	$0.00119	$22,411	$65,201
January 2009	38,664,104	$0.00199	$76,942	20,149,170	$0.00199	$40,097	$117,038
							$826,084

(a) Monthly Energy Service Revenue Report - CR97987A
(b) Approved RPS Adder
(c) Column (a) x Column (b)
(d) Monthly Energy Service Revenue Report - CR97987A
(e) Approved RPS Adder
(f) Column (d) x Column (e)
(g) Column (c) + Column (f)

Schedule SMM-10

Schedule SMM-10
Typical Bill Impacts

Granite State Electric Company
Proposed May 1, 2009 Default Service Rates
Calculation of Monthly Typical Bill
Impact on Rate D Default Service Customers
Without Water Heater Control
0% Off-Peak

kWh Split	
On-Peak	100.00%
Off-Peak	0.00%

			/---------- (1) ----------/			/---------- (2) ----------/			(1) vs (2)	
Monthly kWh	On-Peak kWh	Off-Peak kWh	Present Rates Total	Present Rates Default Service	Present Rates Retail Delivery	Proposed Rates Total	Proposed Rates Default Service	Proposed Rates Retail Delivery	Overall Increase (Decrease) Amount	Overall Increase (Decrease) %
200	200	0	$32.21	$20.46	$11.75	$25.51	$13.76	$11.75	($6.70)	-20.8%
350	350	0	$55.74	$35.81	$19.93	$44.01	$24.08	$19.93	($11.73)	-21.0%
500	**500**	**0**	**$80.58**	**$51.16**	**$29.42**	**$63.82**	**$34.40**	**$29.42**	**($16.76)**	**-20.8%**
657	**657**	**0**	**$106.54**	**$67.22**	**$39.32**	**$84.52**	**$45.20**	**$39.32**	**($22.02)**	**-20.7%**
750	750	0	$121.94	$76.74	$45.20	$96.80	$51.60	$45.20	($25.14)	-20.6%
1,000	1,000	0	$163.33	$102.32	$61.01	$129.81	$68.80	$61.01	($33.52)	-20.5%

		Present Rates	Proposed Rates
Customer Charge		$4.31	$4.31
Distribution Charge			
1st 250 kWh	kWh x	$0.01663	$0.01663
excess of 250 kWh	kWh x	$0.04266	$0.04266
Off Peak kWh	kWh x	$0.01592	$0.01592
Def. Serv. Adj. Fctr	kWh x	$0.00000	$0.00000
Transmission Charge	kWh x	$0.01679	$0.01679
Stranded Cost Charge	kWh x	($0.00010)	($0.00010)
System Benefits Charge	kWh x	$0.00330	$0.00330
Electricity Consumption Tax	kWh x	$0.00055	$0.00055

Supplier Services

Default Service	kWh x	$0.10232	$0.06880

Granite State Electric Company
Proposed May 1, 2009 Default Service Rates
Calculation of Monthly Typical Bill
Impact on Rate D Default Service Customers
With 6 Hour Water Heater Control

kWh Split	
On-Peak	80.00%
Off-Peak	20.00%

			/---------- (1) ----------/			/---------- (2) ----------/			(1) vs (2)	
Monthly KWh	On-Peak kWh	Off-Peak kWh	Total	Present Rates Default Service	Retail Delivery	Total	Proposed Rates Default Service	Retail Delivery	Overall Increase (Decrease) Amount	%
200	160	40	$27.38	$20.46	$6.92	$20.68	$13.76	$6.92	($6.70)	-24.5%
350	280	70	$49.06	$35.81	$13.25	$37.33	$24.08	$13.25	($11.73)	-23.9%
500	400	100	$73.10	$51.16	$21.94	$56.34	$34.40	$21.94	($16.76)	-22.9%
750	600	150	$113.13	$76.74	$36.39	$87.99	$51.60	$36.39	($25.14)	-22.2%
1,000	800	200	$153.17	$102.32	$50.85	$119.65	$68.80	$50.85	($33.52)	-21.9%

		Present Rates	Proposed Rates
Customer Charge		$4.31	$4.31
Distribution Charge			
1st 250 kWh	kWh x	$0.01663	$0.01663
excess of 250 kWh	kWh x	$0.04266	$0.04266
Off Peak kWh	kWh x	$0.01592	$0.01592
Def. Serv. Adj. Fctr	kWh x	$0.00000	$0.00000
Transmission Charge	kWh x	$0.01679	$0.01679
Stranded Cost Charge	kWh x	($0.00010)	($0.00010)
System Benefits Charge	kWh x	$0.00330	$0.00330
Electricity Consumption Tax	kWh x	$0.00055	$0.00055
Interruptible Credit #1		($4.80)	($4.80)
Supplier Services			
Default Service	kWh x	$0.10232	$0.06880

Granite State Electric Company
Proposed May 1, 2009 Default Service Rates
Calculation of Monthly Typical Bill
Impact on Rate D Default Service Customers
With 6 Hour Water Heater Control

kWh Split	
On-Peak	60.00%
Off-Peak	40.00%

			/---------- (1) ----------/			/---------- (2) ----------/			(1) vs (2)	
Monthly KWh	On-Peak kWh	Off-Peak kWh	Total	Present Rates Default Service	Retail Delivery	Total	Proposed Rates Default Service	Retail Delivery	Overall Increase (Decrease) Amount	%
200	120	80	$25.75	$20.46	$5.29	$19.05	$13.76	$5.29	($6.70)	-26.0%
350	210	140	$46.63	$35.81	$10.82	$34.90	$24.08	$10.82	($11.73)	-25.2%
500	300	200	$68.82	$51.16	$17.66	$52.06	$34.40	$17.66	($16.76)	-24.4%
750	450	300	$107.52	$76.74	$30.78	$82.38	$51.60	$30.78	($25.14)	-23.4%
1,000	600	400	$146.23	$102.32	$43.91	$112.71	$68.80	$43.91	($33.52)	-22.9%

		Present Rates	Proposed Rates
Customer Charge		$4.31	$4.31
Distribution Charge		$0.00000	$0.00000
1st 250 kWh	kWh x	$0.01663	$0.01663
excess of 250 kWh	kWh x	$0.04266	$0.04266
Off Peak kWh	kWh x	$0.01592	$0.01592
Def. Serv. Adj. Fctr	kWh x	$0.00000	$0.00000
Transmission Charge	kWh x	$0.01679	$0.01679
Stranded Cost Charge	kWh x	($0.00010)	($0.00010)
System Benefits Charge	kWh x	$0.00330	$0.00330
Electricity Consumption Tax	kWh x	$0.00055	$0.00055
Interruptible Credit #2		($6.40)	($6.40)
Supplier Services			
Default Service	kWh x	$0.10232	$0.06880

Granite State Electric Company
Proposed May 1, 2009 Default Service Rates
Calculation of Monthly Typical Bill
Impact on Rate D-10 Default Service Customers

kWh Split	
On-Peak	80.00%
Off-Peak	20.00%

			/---------- (1) ----------/			/---------- (2) ----------/			(1) vs (2)	
Monthly KWh	On-Peak kWh	Off-Peak kWh	Total	Present Rates Default Service	Retail Delivery	Total	Proposed Rates Default Service	Retail Delivery	Overall Increase (Decrease) Amount	%
700	560	140	$119.09	$71.62	$47.47	$95.63	$48.16	$47.47	($23.46)	-19.7%
1,000	800	200	$166.95	$102.32	$64.63	$133.43	$68.80	$64.63	($33.52)	-20.1%
1,300	1,040	260	$214.82	$133.02	$81.80	$171.24	$89.44	$81.80	($43.58)	-20.3%
1,600	1,280	320	$262.68	$163.71	$98.97	$209.05	$110.08	$98.97	($53.63)	-20.4%
1,900	1,520	380	$310.55	$194.41	$116.14	$246.86	$130.72	$116.14	($63.69)	-20.5%

		Present Rates	Proposed Rates
Customer Charge		$7.40	$7.40
Distribution Charge			
On Peak kWh	kWh x	$0.04740	$0.04740
Off Peak kWh	kWh x	$0.00049	$0.00049
Def. Serv. Adj. Fctr	kWh x	$0.00000	$0.00000
Transmission Charge	kWh x	$0.01548	$0.01548
Stranded Cost Charge	kWh x	($0.00012)	($0.00012)
System Benefits Charge	kWh x	$0.00330	$0.00330
Electricity Consumption Tax	kWh x	$0.00055	$0.00055
Supplier Services			
Default Service	kWh x	$0.10232	$0.06880

Granite State Electric Company
Proposed May 1, 2009 Default Service Rates
Calculation of Monthly Typical Bill
Impact on Rate D-10 Default Service Customers

kWh Split	
On-Peak	70.00%
Off-Peak	30.00%

			/---------- (1) ----------/			/---------- (2) ----------/			(1) vs (2)	
Monthly KWh	On-Peak kWh	Off-Peak kWh	Total	Present Rates Default Service	Retail Delivery	Total	Proposed Rates Default Service	Retail Delivery	Overall Increase (Decrease) Amount	%
700	490	210	$115.81	$71.62	$44.19	$92.35	$48.16	$44.19	($23.46)	-20.3%
1,000	700	300	$162.26	$102.32	$59.94	$128.74	$68.80	$59.94	($33.52)	-20.7%
1,300	910	390	$208.71	$133.02	$75.69	$165.13	$89.44	$75.69	($43.58)	-20.9%
1,600	1,120	480	$255.18	$163.71	$91.47	$201.55	$110.08	$91.47	($53.63)	-21.0%
1,900	1,330	570	$301.63	$194.41	$107.22	$237.94	$130.72	$107.22	($63.69)	-21.1%

		Present Rates	Proposed Rates
Customer Charge		$7.40	$7.40
Distribution Charge			
On Peak kWh	kWh x	$0.04740	$0.04740
Off Peak kWh	kWh x	$0.00049	$0.00049
Def. Serv. Adj. Fctr	kWh x	$0.00000	$0.00000
Transmission Charge	kWh x	$0.01548	$0.01548
Stranded Cost Charge	kWh x	($0.00012)	($0.00012)
System Benefits Charge	kWh x	$0.00330	$0.00330
Electricity Consumption Tax	kWh x	$0.00055	$0.00055
Supplier Services			
Default Service	kWh x	$0.10232	$0.06880

Granite State Electric Company
Proposed May 1, 2009 Default Service Rates
Calculation of Monthly Typical Bill
Impact on Rate D-10 Default Service Customers

kWh Split	
On-Peak	60.00%
Off-Peak	40.00%

			/---------- (1) ----------/			/---------- (2) ----------/			(1) vs (2)	
Monthly KWh	On-Peak kWh	Off-Peak kWh	Total	Present Rates Default Service	Retail Delivery	Total	Proposed Rates Default Service	Retail Delivery	Overall Increase (Decrease) Amount	%
700	420	280	$112.53	$71.62	$40.91	$89.07	$48.16	$40.91	($23.46)	-20.8%
1,000	600	400	$157.57	$102.32	$55.25	$124.05	$68.80	$55.25	($33.52)	-21.3%
1,300	780	520	$202.61	$133.02	$69.59	$159.03	$89.44	$69.59	($43.58)	-21.5%
1,600	960	640	$247.66	$163.71	$83.95	$194.03	$110.08	$83.95	($53.63)	-21.7%
1,900	1,140	760	$292.72	$194.41	$98.31	$229.03	$130.72	$98.31	($63.69)	-21.8%

		Present Rates	Proposed Rates
Customer Charge		$7.40	$7.40
Distribution Charge			
On Peak kWh	kWh x	$0.04740	$0.04740
Off Peak kWh	kWh x	$0.00049	$0.00049
Def. Serv. Adj. Fctr	kWh x	$0.00000	$0.00000
Transmission Charge	kWh x	$0.01548	$0.01548
Stranded Cost Charge	kWh x	($0.00012)	($0.00012)
System Benefits Charge	kWh x	$0.00330	$0.00330
Electricity Consumption Tax	kWh x	$0.00055	$0.00055
Supplier Services			
Default Service	kWh x	$0.10232	$0.06880

Granite State Electric Company
Proposed May 1, 2009 Default Service Rates
Calculation of Monthly Typical Bill
Impact on Rate G-3 Default Service Customers

Hours Use

	/----------	(1)	----------/	/----------	(2)	----------/	(1) vs (2)	
		Present Rates			Proposed Rates		Overall Increase (Decrease)	
Monthly kWh	Total	Default Service	Retail Delivery	Total	Default Service	Retail Delivery	Amount	%
600	$96.98	$61.39	$35.59	$76.87	$41.28	$35.59	($20.11)	-20.7%
800	$127.49	$81.86	$45.63	$100.67	$55.04	$45.63	($26.82)	-21.0%
1,200	$188.51	$122.78	$65.73	$148.29	$82.56	$65.73	($40.22)	-21.3%
1,500	$234.28	$153.48	$80.80	$184.00	$103.20	$80.80	($50.28)	-21.5%
2,000	$310.55	$204.64	$105.91	$243.51	$137.60	$105.91	($67.04)	-21.6%

		Present Rates	Proposed Rates
Customer Charge		$5.45	$5.45
Distribution Charge	kWh x	$0.03081	$0.03081
Transmission Charge	kWh x	$0.01568	$0.01568
Stranded Cost Charge	kWh x	($0.00011)	($0.00011)
System Benefits Charge	kWh x	$0.00330	$0.00330
Electricity Consumption Tax	kWh x	$0.00055	$0.00055

Supplier Services

Default Service	kWh x	$0.10232	$0.06880

Granite State Electric Company
Proposed May 1, 2009 Default Service Rates
Calculation of Monthly Typical Bill
Impact on Rate T Default Service Customers

	/----------	(1)	----------/	/----------	(2)	----------/	(1) vs (2)	
		Present Rates			Proposed Rates		Overall Increase (Decrease)	
Monthly kWh	Total	Default Service	Retail Delivery	Total	Default Service	Retail Delivery	Amount	%
600	$92.19	$61.39	$30.80	$72.08	$41.28	$30.80	($20.11)	-21.8%
800	$121.08	$81.86	$39.22	$94.26	$55.04	$39.22	($26.82)	-22.2%
1,200	$178.82	$122.78	$56.04	$138.60	$82.56	$56.04	($40.22)	-22.5%
1,500	$222.15	$153.48	$68.67	$171.87	$103.20	$68.67	($50.28)	-22.6%
2,000	$294.33	$204.64	$89.69	$227.29	$137.60	$89.69	($67.04)	-22.8%

		Present Rates	Proposed Rates
Customer Charge		$5.57	$5.57
Distribution Charge	kWh x	$0.02037	$0.02037
Transmission Charge	kWh x	$0.01794	$0.01794
Stranded Cost Charge	kWh x	($0.00010)	($0.00010)
System Benefits Charge	kWh x	$0.00330	$0.00330
Electricity Consumption Tax	kWh x	$0.00055	$0.00055

Supplier Services

Default Service	kWh x	$0.10232	$0.06880

Granite State Electric Company
Proposed May 1, 2009 Default Service Rates
Calculation of Monthly Typical Bill
Impact on Rate V Default Service Customers

	/---------- (1) ----------/			/---------- (2) ----------/			(1) vs (2)	
		Present Rates			Proposed Rates		Overall Increase (Decrease)	
Monthly kWh	Total	Default Service	Retail Delivery	Total	Default Service	Retail Delivery	Amount	%
600	$91.51	$61.39	$30.12	$71.40	$41.28	$30.12	($20.11)	-22.0%
800	$122.03	$81.86	$40.17	$95.21	$55.04	$40.17	($26.82)	-22.0%
1,200	$183.03	$122.78	$60.25	$142.81	$82.56	$60.25	($40.22)	-22.0%
1,500	$228.80	$153.48	$75.32	$178.52	$103.20	$75.32	($50.28)	-22.0%
2,000	$305.06	$204.64	$100.42	$238.02	$137.60	$100.42	($67.04)	-22.0%

		Present Rates	Proposed Rates
Minimum Charge		$5.82	$5.82
Distribution Charge	kWh x	$0.02854	$0.02854
Transmission Charge	kWh x	$0.01797	$0.01797
Stranded Cost Charge	kWh x	($0.00015)	($0.00015)
System Benefits Charge	kWh x	$0.00330	$0.00330
Electricity Consumption Tax	kWh x	$0.00055	$0.00055

Supplier Services

Default Service	kWh x	$0.10232	$0.06880

Granite State Electric Company
Proposed May 1, 2009 Default Service Rates
Calculation of Monthly Typical Bill
Impact on Rate G-1 Default Service Customers

		kWh Split	
Hours Use	250	On-Peak	60.00%
		Off-Peak	40.00%

				/---------- (1) ----------/			/---------- (2) ----------/			(1) vs (2)	
					Present Rates			Proposed Rates		Overall Increase (Decrease)	
kW	Monthly kWh	On-Peak kWh	Off-Peak kWh	Total	Default Service	Retail Delivery	Total	Default Service	Retail Delivery	Amount	%
200	50,000	30,000	20,000	$5,850.32	$3,971.50	$1,878.82	$4,927.82	$3,049.00	$1,878.82	($922.50)	-15.8%
300	75,000	45,000	30,000	$8,729.52	$5,957.25	$2,772.27	$7,345.77	$4,573.50	$2,772.27	($1,383.75)	-15.9%
400	100,000	60,000	40,000	$11,608.72	$7,943.00	$3,665.72	$9,763.72	$6,098.00	$3,665.72	($1,845.00)	-15.9%
500	125,000	75,000	50,000	$14,487.92	$9,928.75	$4,559.17	$12,181.67	$7,622.50	$4,559.17	($2,306.25)	-15.9%
1,000	250,000	150,000	100,000	$28,883.92	$19,857.50	$9,026.42	$24,271.42	$15,245.00	$9,026.42	($4,612.50)	-16.0%

		Present Rates	Proposed Rates
Customer Charge		$91.92	$91.92
Distribution Charge			
On Peak kWh	kWh x	$0.00190	$0.00190
Off Peak kWh	kWh x	$0.00057	$0.00057
Distribution Demand Charge	kW x	$4.02	$4.02
Transmission Charge	kWh x	$0.01454	$0.01454
Stranded Cost Charge	kWh x	($0.00010)	($0.00010)
System Benefits Charge	kWh x	$0.00330	$0.00330
Electricity Consumption Tax	kWh x	$0.00055	$0.00055

Supplier Services

Default Service	kWh x	$0.07943	$0.06098

Granite State Electric Company
Proposed May 1, 2009 Default Service Rates
Calculation of Monthly Typical Bill
Impact on Rate G-1 Default Service Customers

		kWh Split	
Hours Use	350	On-Peak	50.00%
		Off-Peak	50.00%

				/---------- (1) ----------/			/---------- (2) ----------/			(1) vs (2)	
kW	Monthly kWh	On-Peak kWh	Off-Peak kWh	Total	Present Rates Default Service	Retail Delivery	Total	Proposed Rates Default Service	Retail Delivery	Overall Increase (Decrease) Amount	%
200	70,000	35,000	35,000	$7,822.77	$5,560.10	$2,262.67	$6,531.27	$4,268.60	$2,262.67	($1,291.50)	-16.5%
300	105,000	52,500	52,500	$11,688.20	$8,340.15	$3,348.05	$9,750.95	$6,402.90	$3,348.05	($1,937.25)	-16.6%
400	140,000	70,000	70,000	$15,553.62	$11,120.20	$4,433.42	$12,970.62	$8,537.20	$4,433.42	($2,583.00)	-16.6%
500	175,000	87,500	87,500	$19,419.05	$13,900.25	$5,518.80	$16,190.30	$10,671.50	$5,518.80	($3,228.75)	-16.6%
1,000	350,000	175,000	175,000	$38,746.17	$27,800.50	$10,945.67	$32,288.67	$21,343.00	$10,945.67	($6,457.50)	-16.7%

		Present Rates	Proposed Rates
Customer Charge		$91.92	$91.92
Distribution Charge			
On Peak kWh	kWh x	$0.00190	$0.00190
Off Peak kWh	kWh x	$0.00057	$0.00057
Distribution Demand Charge	kW x	$4.02	$4.02
Transmission Charge	kWh x	$0.01454	$0.01454
Stranded Cost Charge	kWh x	($0.00010)	($0.00010)
System Benefits Charge	kWh x	$0.00330	$0.00330
Electricity Consumption Tax	kWh x	$0.00055	$0.00055

Supplier Services

Default Service	kWh x	$0.07943	$0.06098

Granite State Electric Company
Proposed May 1, 2009 Default Service Rates
Calculation of Monthly Typical Bill
Impact on Rate G-1 Default Service Customers

		kWh Split	
Hours Use	450	On-Peak	45.00%
		Off-Peak	55.00%

				/---------- (1) ----------/			/---------- (2) ----------/			(1) vs (2)	
kW	Monthly kWh	On-Peak kWh	Off-Peak kWh	Total	Present Rates Default Service	Retail Delivery	Total	Proposed Rates Default Service	Retail Delivery	Overall Increase (Decrease) Amount	%
200	90,000	40,500	49,500	$9,795.89	$7,148.70	$2,647.19	$8,135.39	$5,488.20	$2,647.19	($1,660.50)	-17.0%
300	135,000	60,750	74,250	$14,647.87	$10,723.05	$3,924.82	$12,157.12	$8,232.30	$3,924.82	($2,490.75)	-17.0%
400	180,000	81,000	99,000	$19,499.85	$14,297.40	$5,202.45	$16,178.85	$10,976.40	$5,202.45	($3,321.00)	-17.0%
500	225,000	101,250	123,750	$24,351.84	$17,871.75	$6,480.09	$20,200.59	$13,720.50	$6,480.09	($4,151.25)	-17.0%
1,000	450,000	202,500	247,500	$48,611.75	$35,743.50	$12,868.25	$40,309.25	$27,441.00	$12,868.25	($8,302.50)	-17.1%

		Present Rates	Proposed Rates
Customer Charge		$91.92	$91.92
Distribution Charge			
On Peak kWh	kWh x	$0.00190	$0.00190
Off Peak kWh	kWh x	$0.00057	$0.00057
Distribution Demand Charge	kW x	$4.02	$4.02
Transmission Charge	kWh x	$0.01454	$0.01454
Stranded Cost Charge	kWh x	($0.00010)	($0.00010)
System Benefits Charge	kWh x	$0.00330	$0.00330
Electricity Consumption Tax	kWh x	$0.00055	$0.00055

Supplier Services

Default Service	kWh x	$0.07943	$0.06098

Granite State Electric Company
Proposed May 1, 2009 Default Service Rates
Calculation of Monthly Typical Bill
Impact on Rate G-1 Default Service Customers

		kWh Split	
Hours Use	450	On-Peak	40.00%
		Off-Peak	60.00%

				/---------- (1) ----------/			/---------- (2) ----------/			(1) vs (2)	
kW	Monthly kWh	On-Peak kWh	Off-Peak kWh	Total	Present Rates Default Service	Retail Delivery	Total	Proposed Rates Default Service	Retail Delivery	Overall Increase (Decrease) Amount	%
200	90,000	36,000	54,000	$9,789.90	$7,148.70	$2,641.20	$8,129.40	$5,488.20	$2,641.20	($1,660.50)	-17.0%
300	135,000	54,000	81,000	$14,638.89	$10,723.05	$3,915.84	$12,148.14	$8,232.30	$3,915.84	($2,490.75)	-17.0%
400	180,000	72,000	108,000	$19,487.88	$14,297.40	$5,190.48	$16,166.88	$10,976.40	$5,190.48	($3,321.00)	-17.0%
500	225,000	90,000	135,000	$24,336.87	$17,871.75	$6,465.12	$20,185.62	$13,720.50	$6,465.12	($4,151.25)	-17.1%
1,000	450,000	180,000	270,000	$48,581.82	$35,743.50	$12,838.32	$40,279.32	$27,441.00	$12,838.32	($8,302.50)	-17.1%

		Present Rates	Proposed Rates
Customer Charge		$91.92	$91.92
Distribution Charge			
On Peak kWh	kWh x	$0.00190	$0.00190
Off Peak kWh	kWh x	$0.00057	$0.00057
Distribution Demand Charge	kW x	$4.02	$4.02
Transmission Charge	kWh x	$0.01454	$0.01454
Stranded Cost Charge	kWh x	($0.00010)	($0.00010)
System Benefits Charge	kWh x	$0.00330	$0.00330
Electricity Consumption Tax	kWh x	$0.00055	$0.00055

Supplier Services

Default Service	kWh x	$0.07943	$0.06098

Granite State Electric Company
Proposed May 1, 2009 Default Service Rates
Calculation of Monthly Typical Bill
Impact on Rate G-2 Default Service Customers

Hours Use 200

		/----------	(1)	----------/	/----------	(2)	----------	(1) vs (2)	
			Present Rates			Proposed Rates		Overall Increase (Decrease)	
kW	Monthly kWh	Total	Default Service	Retail Delivery	Total	Default Service	Retail Delivery	Amount	%
20	4,000	$514.29	$317.72	$196.57	$440.49	$243.92	$196.57	($73.80)	-14.3%
50	10,000	$1,248.81	$794.30	$454.51	$1,064.31	$609.80	$454.51	($184.50)	-14.8%
75	15,000	$1,860.91	$1,191.45	$669.46	$1,584.16	$914.70	$669.46	($276.75)	-14.9%
100	20,000	$2,473.01	$1,588.60	$884.41	$2,104.01	$1,219.60	$884.41	($369.00)	-14.9%
150	30,000	$3,697.21	$2,382.90	$1,314.31	$3,143.71	$1,829.40	$1,314.31	($553.50)	-15.0%

		Present Rates	Proposed Rates
Customer Charge		$24.61	$24.61
Distribution Charge	kWh x	$0.00088	$0.00088
Distribution Demand Charge	kW x	$4.44	$4.44
Transmission Charge	kWh x	$0.01617	$0.01617
Stranded Cost Charge	kWh x	($0.00011)	($0.00011)
System Benefits Charge	kWh x	$0.00330	$0.00330
Electricity Consumption Tax	kWh x	$0.00055	$0.00055

Supplier Services

Default Service	kWh x	$0.07943	$0.06098

Granite State Electric Company
Proposed May 1, 2009 Default Service Rates
Calculation of Monthly Typical Bill
Impact on Rate G-2 Default Service Customers

Hours Use 250

		/----------	(1)	----------/	/----------	(2)	----------	(1) vs (2)	
			Present Rates			Proposed Rates		Overall Increase (Decrease)	
kW	Monthly kWh	Total	Default Service	Retail Delivery	Total	Default Service	Retail Delivery	Amount	%
20	5,000	$614.51	$397.15	$217.36	$522.26	$304.90	$217.36	($92.25)	-15.0%
50	12,500	$1,499.37	$992.88	$506.49	$1,268.74	$762.25	$506.49	($230.63)	-15.4%
75	18,750	$2,236.74	$1,489.31	$747.43	$1,890.81	$1,143.38	$747.43	($345.93)	-15.5%
100	25,000	$2,974.11	$1,985.75	$988.36	$2,512.86	$1,524.50	$988.36	($461.25)	-15.5%
150	37,500	$4,448.87	$2,978.63	$1,470.24	$3,756.99	$2,286.75	$1,470.24	($691.88)	-15.6%

		Present Rates	Proposed Rates
Customer Charge		$24.61	$24.61
Distribution Charge	kWh x	$0.00088	$0.00088
Distribution Demand Charge	kW x	$4.44	$4.44
Transmission Charge	kWh x	$0.01617	$0.01617
Stranded Cost Charge	kWh x	($0.00011)	($0.00011)
System Benefits Charge	kWh x	$0.00330	$0.00330
Electricity Consumption Tax	kWh x	$0.00055	$0.00055

Supplier Services

Default Service	kWh x	$0.07943	$0.06098

Granite State Electric Company
Proposed May 1, 2009 Default Service Rates
Calculation of Monthly Typical Bill
Impact on Rate G-2 Default Service Customers

Hours Use 300

		/---------- (1) ----------/			/---------- (2) ----------			(1) vs (2)	
			Present Rates			Proposed Rates		Overall Increase (Decrease)	
kW	Monthly kWh	Total	Default Service	Retail Delivery	Total	Default Service	Retail Delivery	Amount	%
20	6,000	$714.73	$476.58	$238.15	$604.03	$365.88	$238.15	($110.70)	-15.5%
50	15,000	$1,749.91	$1,191.45	$558.46	$1,473.16	$914.70	$558.46	($276.75)	-15.8%
75	22,500	$2,612.57	$1,787.18	$825.39	$2,197.44	$1,372.05	$825.39	($415.13)	-15.9%
100	30,000	$3,475.21	$2,382.90	$1,092.31	$2,921.71	$1,829.40	$1,092.31	($553.50)	-15.9%
150	45,000	$5,200.51	$3,574.35	$1,626.16	$4,370.26	$2,744.10	$1,626.16	($830.25)	-16.0%

		Present Rates	Proposed Rates
Customer Charge		$24.61	$24.61
Distribution Charge	kWh x	$0.00088	$0.00088
Distribution Demand Charge	kW x	$4.44	$4.44
Transmission Charge	kWh x	$0.01617	$0.01617
Stranded Cost Charge	kWh x	($0.00011)	($0.00011)
System Benefits Charge	kWh x	$0.00330	$0.00330
Electricity Consumption Tax	kWh x	$0.00055	$0.00055

Supplier Services

Default Service	kWh x	$0.07943	$0.06098

Schedule SMM-11
Proposed Summary of Rates

GRANITE STATE ELECTRIC COMPANY
RATES EFFECTIVE MAY 1, 2009
FOR USAGE ON AND AFTER MAY 1, 2009

Rate	Blocks	Distribution Charge (1), (2)	Electricity Consumption Tax	Transmission Charge	Systems Benefits Charge	Stranded Cost Charge	Total Retail Delivery Services
D	Customer Charge	$4.31					$4.31
	1st 250 kWh	$0.01663	$0.00055	$0.01679	$0.00330	($0.00010)	$0.03717
	Excess 250 kWh	$0.04266	$0.00055	$0.01679	$0.00330	($0.00010)	$0.06320
	Off Peak kWh	$0.01592	$0.00055	$0.01679	$0.00330	($0.00010)	$0.03646
	Farm kWh	$0.02564	$0.00055	$0.01679	$0.00330	($0.00010)	$0.04618
	D-6 kWh	$0.01663	$0.00055	$0.01679	$0.00330	($0.00010)	$0.03717
D-10	Customer Charge	$7.40					$7.40
	On Peak kWh	$0.04740	$0.00055	$0.01548	$0.00330	($0.00012)	$0.06661
	Off Peak kWh	$0.00049	$0.00055	$0.01548	$0.00330	($0.00012)	$0.01970
G-1	Customer Charge	$91.92					$91.92
	Demand Charge	$4.02					$4.02
	On Peak kWh	$0.00190	$0.00055	$0.01454	$0.00330	($0.00010)	$0.02019
	Off Peak kWh	$0.00057	$0.00055	$0.01454	$0.00330	($0.00010)	$0.01886
G-2	Customer Charge	$24.61					$24.61
	Demand Charge	$4.44					$4.44
	All kWh	$0.00088	$0.00055	$0.01617	$0.00330	($0.00011)	$0.02079
G-3	Customer Charge	$5.45					$5.45
	All kWh	$0.03081	$0.00055	$0.01568	$0.00330	($0.00011)	$0.05023
M	All kWh	$0.00057	$0.00055	$0.01164	$0.00330	($0.00008)	$0.01598
	see tariff for luminares & pole charges						
T	Customer Charge	$5.57					$5.57
	All kWh	$0.02037	$0.00055	$0.01794	$0.00330	($0.00010)	$0.04206
V	Minimum Charge	$5.82					$5.82
	All kWh	$0.02854	$0.00055	$0.01797	$0.00330	($0.00015)	$0.05021

(1) Distribution Energy Charges include a Business Profits Tax Surcharge of $0.00057 per kWh for usage on and after 8/1/01
(2) Distribution Energy Charges include the following credits per kWh in accordance with page 93 of the tariff for usage on and after 5/1/06

Rate Class	Credit per kWh
D	($0.00017)
D-10	($0.00008)
G-3	($0.00017)
T	($0.00007)
V	($0.00009)

System Benefits Charge-Energy Efficiency	$0.00180	Effective 6/1/02, usage on and after
System Benefits Charge-Statewide Energy Assistance Program	$0.00150	Effective 10/1/08, usage on and after
Total System Benefits Charge	$0.00330	
Transmission Cost Adjustment Factor	various	Effective 1/1/09, usage on and after
Stranded Cost Adjustment Factor	various	Effective 1/1/09, usage on and after
Default Service Charge		
Residential & Small Commercial (D, D-10, G-3, M, T, V)	$0.06880	Effective 5/1/09, usage on and after
Medium / Large Commercial & Industrial (G-1, G-2)	$0.06098	Effective 5/1/09, usage on and after
	$0.06516	Effective 6/1/09, usage on and after
	$0.07127	Effective 7/1/09, usage on and after
Electricity Consumption Tax	$0.00055	Effective 5/1/01, usage on and after

Issued: Issued by:/s/ Thomas B. King
Thomas B. King
Effective: May 1, 2009 Title: President

(Issued in Compliance with Order No. _____ in Docket No. DE 09-010 dated _____)

Schedule SMM-12

Schedule SMM-12
Quarterly Customer Migration Report

CUSTOMER MIGRATION REPORT

Energy Service and Competitive Generation Customers for the 4th Quarter of 2008

	Energy Service						Competitive Service					
	October-08	November-08	December-08	October-08	November-08	December-08	October-08	November-08	December-08	October-08	November-08	December-08
Customer Rate Class	Number of Energy Service Customers			kWh Used by Energy Service Customers			Number of Competitive Service Customers			kWh Used by Competitive Service Customers		
D	33,395	33,301	33,308	18,059,414	20,115,200	21,771,738	32	30	31	18,733	21,669	26,424
D-10	448	450	429	338,793	424,102	599,451	0	0	0	0	0	0
T	1,365	1,350	1,348	1,251,791	1,716,730	2,216,947	2	2	2	12,123	20,421	22,975
G-1	67	66	50	8,863,850	8,586,150	7,290,190	50	49	36	21,395,629	15,485,748	18,806,372
G-2	730	729	696	10,090,695	9,795,504	9,765,475	91	97	92	2,372,381	2,435,806	2,513,287
G-3	5,207	5,226	5,218	11,377,607	2,304,382	7,349,681	299	300	297	265,691	377,443	378,534
V	21	21	21	18,876	20,818	22,835	1	1	1	0	0	1,671
Streetlights	53	55	57	219,827	214,930	235,395	13	14	14	142,346	269,514	195,581
TOTAL	41,286	41,198	41,127	50,220,853	43,177,816	49,251,712	488	493	473	24,206,903	18,610,601	21,944,844
Customer Rate Class	Number of Energy Service Customers as % of Total			kWh Used by Energy Service Customers as % of Total			Number of Competitive Service Customers as % of Total			kWh Used by Competitive Service Customers as % of Total		
D	100%	100%	100%	100%	100%	100%	0%	0%	0%	0%	0%	0%
D-10	100%	100%	100%	100%	100%	100%	0%	0%	0%	0%	0%	0%
T	100%	100%	100%	99%	99%	99%	0%	0%	0%	1%	1%	1%
G-1	57%	57%	58%	29%	36%	28%	43%	43%	42%	71%	64%	72%
G-2	89%	88%	88%	81%	80%	80%	11%	12%	12%	19%	20%	20%
G-3	95%	95%	95%	98%	86%	95%	5%	5%	5%	2%	14%	5%
V	95%	95%	95%	100%	100%	93%	5%	5%	5%	0%	0%	7%
Streetlights	80%	80%	80%	61%	44%	55%	20%	20%	20%	39%	56%	45%
TOTAL	99%	99%	99%	67%	70%	69%	1%	1%	1%	33%	30%	31%

Prepared By: K Mahnke

S:\RADATA1\2009 gse\Default Service\March Filing\[Schedule SMM-12.xls]Quarterly Report