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MEMORANDUM

To: Parties to the Granite State Electric Company and New England Power Company
Restructuring Settlement Agreements

From: Alexandra E. Blackmore

Re: Reconciliation Reports

Date: November 26, 2008

NEP-Granite State Electric

Attached is New England Power Company's (NEP) report on the reconciliation of Contract Termination Charges (CTCs) to Granite State Electric Company. In the report, NEP has reconciled the costs and revenues under its CTC formula during the period from October 1, 2007 through September 30, 2008. As shown in the report, the reconciliation would change the CTC rate in effect in 2009 from the current rate of 0.05 cents per kWh, as reflected in the Reconciliation Report dated November 30, 2007, to (0.01) cents per kWh.

NEP's and Granite State Electric's adjustments to the CTC are subject to the dispute resolution procedure set forth in Section 3.5 of the Wholesale Restructuring Settlement. NEP expects to hold technical sessions with interested parties over the next several weeks on the reconciliation reports. If the informal dispute resolution process does not produce a resolution, any participant to the settlement agreement may petition the Federal Energy Regulatory Commission for appropriate relief. In the event that an adjustment is required, the Companies will reflect the adjustment in the CTC's Reconciliation Account, together with a return, and that adjustment will then be incorporated into their future CTC filings.