

EX. 12

ORIGINAL
N.H.P.U.C. Case No. DE 10-020
Exhibit No. #13
Witness Janzen
DO NOT REMOVE FROM FILE

Granite State Electric Company
d/b/a National Grid

Default Service

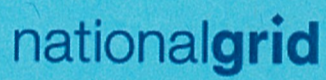
For the Period Beginning
November 1, 2010

Testimony and Schedules
of
Margaret M. Janzen

September 20, 2010

Submitted to:
New Hampshire Public Utilities Commission
Docket No. 10-020

Submitted by:



Testimony of
Margaret M. Janzen

Schedules of
Margaret M. Janzen

Schedule MMJ-1

Schedule MMJ-2

Schedule MMJ-3

Testimony of
Margaret M. Janzen

DIRECT TESTIMONY
OF
MARGARET M. JANZEN

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1 **I. Introduction**

2 Q. Please state your name and business address.

3 A. My name is Margaret M. Janzen, and my business address is 100 East Old Country Road,
4 Hicksville, NY 11801.

5
6 Q. Please state your position.

7 A. I am the Director of Electric Supply and Distributed Generation for National Grid USA
8 Service Company, Inc. I oversee the procurement of energy, capacity and ancillary
9 services, portfolio hedging strategies and other energy supply related activities, as well as
10 the interconnections of unaffiliated generating units to the electric distribution systems,
11 for National Grid's operating companies, including Granite State Electric Company d/b/a
12 National Grid ("Granite State" or "Company"). For Granite State, these activities include
13 the procurement of power for Default Service as well as the procurement of renewable
14 energy certificates ("RECs").

15

16 Q. Will you describe your educational background and training?

17 A. I graduated from The Cooper Union in 1993 with a Bachelor of Engineering in Civil
18 Engineering. I received a Masters in Business Administration in Finance from Baruch
19 College in 2000.

20

21 Q. What is your professional background?

22 A. In July 1993 I joined the Brooklyn Union Gas Company as a Management Trainee and
23 Associate Engineer in the Project Engineering Department. In September 1997 I

1 accepted a position as an analyst in the Strategic Planning Department, and the name of
2 the company was changed to KeySpan Corporation. In August 1999 I became Manager
3 of the Capital Markets group in the Treasury Department and was responsible for
4 hedging of the corporate bond portfolio as well as new equity and debt issuances for
5 KeySpan. In August 2003 I moved to the Investor Relations Department, providing
6 financial and strategic information regarding the company to the investment community.
7 In March 2006 I joined the Regulatory Department and became Manager of the Gas
8 Pricing group, working on gas rate cases, regulatory mechanisms, implementation and
9 compliance. In March 2008 I accepted my current position of Director of Electric Supply
10 and Distributed Generation.

11
12 Q. Have you previously testified before the New Hampshire Public Utilities Commission
13 ("Commission")?

14 A. Yes.

15
16 Q. Have you testified before any other state regulatory agencies?

17 A. Yes. I have testified before the Rhode Island Public Utilities Commission regarding
18 electric supply procurement activities.

19
20 **II. Purpose of Testimony**

21 Q. What is the purpose of your testimony?

22 A. The purpose of my testimony is to request approval of the Default Service rates for the
23 Large and Medium Commercial and Industrial Customer Group ("Large Customer

1 Group”¹) and the Residential and Small Commercial Customer Group (“Small Customer
2 Group”²) resulting from Granite State’s recent procurement of Default Service power
3 supply. To support this request, I will describe the process used by Granite State to
4 procure Default Service for the Large Customer Group for the three-month period
5 November 1, 2010 through January 31, 2011 and for the Small Customer Group for the
6 six-month period November 1, 2010 through April 30, 2011. My testimony presents
7 Granite State’s proposed Default Service rates, including rate adjustments, for usage on
8 and after November 1, 2010, in accordance with the Default Service Adjustment
9 Provision and Default Service Cost Reclassification Adjustment Provision of the
10 Company’s tariff, and the Settlement Agreement in Docket No. DE 05-126, approved by
11 Order No. 24,577 (January 13, 2006) (“Settlement Agreement”). My testimony will also
12 describe how the Company proposes to meet the Renewable Portfolio Standard
13 obligation. Finally, my testimony will provide an update of the replacement of the meter
14 at Tewksbury.

15
16 **III. Bidding Process**

17 Q. Why does Granite State need to procure Default Service for both the Large Customer
18 Group and the Small Customer Group for the period beginning November 1, 2010?

19 A. Granite State’s currently effective Default Service supply contracts for both the Large
20 Customer Group and the Small Customer Group expire on October 31, 2010. Therefore,
21 to assure that Default Service will continue to be available to these customers, Granite

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-

1 State requires a new Default Service supply arrangement beginning November 1, 2010.

2
3 Q. Please describe the process Granite State used to procure its Default Service supply.

4 A. Granite State conducted the procurement of Default Service supply in accordance with
5 applicable law including Granite State's Second Amended Restructuring Settlement
6 Agreement ("Restructuring Settlement"), RSA 374-F (the "New Hampshire Act"), and
7 the terms of the Settlement Agreement approved by the Commission pursuant to Order
8 No. 24,577 issued on January 13, 2006 in Docket No. DE 05-126³ (the "Order"). Granite
9 State and its retail distribution affiliates in Massachusetts, Massachusetts Electric
10 Company and Nantucket Electric Company (together "Mass. Electric") (all three
11 companies together "National Grid"), issued a joint request for proposals ("RFP") for
12 certain power supply services (including Granite State's Default Service) from suppliers.
13 The RFP sought a supply for Granite State's Default Service and a portion of Mass.
14 Electric's Basic Service supply. This is consistent with the process approved by the
15 Commission in the Order. This process is also consistent with past procurements.⁴

16
17 Q. Could you describe the nature of the RFP that National Grid issued?

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 testimony.

⁴ See e.g., 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, 2008), Order No. 24,862 at 9-10 (June 20, 2008), Order No. 24,902 at 12-13 (September 29, 2008), Order No. 24,922 at 13-14 (December 19, 2008), Order No. 24,953 at 12-13 (March 23, 2009), Order No. 24,981 at 11 (June 19, 2009), Order No. 25,013 at 11-12 (September 21, 2009), Order No. 25,055 at 10-11 (December 21, 2009) Order No. 25,083 at 15 (March 22, 2010), and Order No. 25,117 at 11 (June 18, 2010).

1 A. On August 6, 2010, National Grid issued an RFP to approximately twenty-five potential
2 suppliers soliciting power supplies for the period November 1, 2010 through April 30,
3 2011. National Grid also distributed the RFP to all members of the NEPOOL Markets
4 Committee and posted the RFP on its energy supply website. As a result, the RFP had
5 wide distribution throughout the New England energy supply marketplace. The RFP
6 requested fixed pricing for each month of service on an as-delivered energy basis. Prices
7 could vary by month and by service – that is, the prices did not have to be uniform across
8 the entire service period or between Granite State and Mass. Electric. A copy of the RFP
9 is provided as Schedule MMJ-1.

10
11 Q. Are the Company's Default Service rates consistent with least cost resource planning?

12 A. Yes. While the Company has received a waiver from the Commission regarding its
13 compliance with an Integrated Least Cost Resource Plan for generation issues, the
14 Company has conducted its Default Service RFP process in a manner that is consistent
15 with least cost planning principles. The Company's proposed Default Service rates are
16 the result of a competitive bidding process used to procure the Company's power
17 obligations. This is consistent with least cost planning goals, which are to minimize costs
18 in the procurement of energy.

19

20 **IV. Results of Bidding**

21 Q. Did Granite State receive responses to the RFP?

22 A. Yes. Indicative proposals were received on September 8, 2010. Final proposals were
23 received on September 15, 2010. None of the bidders made their provision of Granite

1 State's Default Service contingent upon the provision of any other service. A summary
2 of the RFP process and bid evaluation is included in Schedule MMJ-2.

3
4 Q. How do the current futures prices for electricity and natural gas compare to the futures
5 prices at the time of the September 9, 2009 and March 10, 2010 RFPs?

6 A. The futures market prices for electricity and natural gas at the time of the September 9,
7 2009 and March 10, 2010 procurements as well as current futures market prices are
8 shown in Schedule MMJ-3.

9
10 Q. Did Granite State select any of those proposals?

11 A. Yes. Granite State evaluated the bids received and selected the two suppliers that (i)
12 provided a bid that was conforming to the RFP, (ii) had the lowest price, (iii) met the
13 credit requirements described in the RFP, and (iv) passed our qualitative evaluation. On
14 September 15, 2010, Granite State entered into a wholesale Transaction Confirmation
15 with Dominion Energy Marketing, Inc. ("Dominion"), the winning bidder for the Large
16 Customer Group block, to provide Default Service to the Large Customer Group for the
17 three-month period November 1, 2010 through January 31, 2011, and with NextEra
18 Energy Power Marketing, LLC ("NextEra", formerly FPL Energy Power Marketing,
19 Inc.), the winning bidder for the Small Customer Group block, to provide Default Service
20 to the Small Customer Group for the six-month period November 1, 2010 through April
21 30, 2011. Together, a Transaction Confirmation and a Master Power Agreement provide
22 the terms for the purchase of Default Service from a supplier. A copy of the Dominion
23 Master Power Agreement was filed with the Commission on March 16, 2009 in Docket

1 No. DE 09-010. A copy of the First Amendment to the Master Power Agreement and the
2 Transaction Confirmation between Granite State and Dominion, with certain confidential
3 sections redacted, is attached hereto as Schedule MMJ-4. A copy of the NextEra Master
4 Power Agreement was filed with the Commission on September 17, 2007 in Docket No.
5 DE 07-012. A copy of the First Amendment to the Master Power Agreement and the
6 Transaction Confirmation between Granite State and NextEra, with certain confidential
7 sections redacted, is attached hereto as Schedule MMJ-5. Granite State is filing the
8 Transaction Confirmation with the Commission pursuant to a Motion for Confidential
9 Treatment. Although the Transaction Confirmations and Master Power Agreements have
10 differences from the sample power supply agreement in the Settlement Agreement
11 approved by the Commission, the executed documents do not shift any of the risks or
12 obligations described in the sample power supply agreement provided in the Settlement
13 Agreement.

14
15 **V. Renewable Portfolio Standard**

16 Q. What is the Renewable Portfolio Standard (“RPS”) obligation for 2010 and 2011?

17 A. As specified in the RPS law⁵, the RPS obligation for calendar year 2010 is a minimum of
18 seven and fifty-four one hundredths percent (7.54%) of Granite State’s Default Service
19 load, of which at least one percent (1.0%) can come from Class I New Renewable Energy
20 Resources, at least four hundredths percent (0.04%) can come from Class II Solar Energy
21 Resources, at least five and one-half percent (5.5%) can come from Class III Existing
22 Renewable Energy Resources and at least one percent (1.0%) can come from Class IV

5 N.H. RSA 362-F.

1 Existing Renewable Energy Resources. For 2011, the RPS is a minimum of nine and
2 fifty-eight one hundredths percent (9.58%) of Granite State's Default Service load, of
3 which at least two percent (2.0%) can come from Class I New Renewable Energy
4 Resources, at least eight hundredths percent (0.08%) can come from Class II Solar
5 Energy Resources, at least six and one-half percent (6.5%) can come from Class III
6 Existing Renewable Energy Resources and at least one percent (1.0%) can come from
7 Class IV Existing Renewable Energy Resources.

8
9 Q. How does Granite State expect to satisfy its RPS obligations consistent with the RPS
10 rules as promulgated by the Commission?

11 A. On February 18, 2009, Granite State entered into an amended settlement agreement with
12 Commission Staff and the Office of Consumer Advocate, intended to resolve all issues
13 associated with the process by which Granite State would comply with the requirements
14 of the RPS law and the Puc 2500 rules ("Amended RPS Settlement"). The Amended RPS
15 Settlement was approved by the Commission on March 23, 2009 in Order No. 24,953.
16 As specified in the Amended RPS Settlement, Granite State requested bidders to provide
17 a separate RPS compliance adder with their bids. This RPS compliance adder is the
18 incremental charge by a bidder for agreeing to take on the RPS obligation with the
19 Default Service obligation.

20
21 Q. What were the criteria Granite State used to evaluate the RPS compliance adders
22 provided by the bidders?

23 A. Granite State evaluated the RPS compliance adders by comparing them to Granite State's

1 estimated market prices for New Hampshire RECs. The RPS compliance adder from the
2 winning bidder for the Large Customer Group and the Small Customer Group was above
3 Granite State's market estimate. As a result, Granite State did not accept the winning
4 bidder's RPS compliance adder. Granite State plans to issue an RFP in the future for the
5 acquisition of RECs. If Granite State is unable to purchase sufficient RECs to meet its
6 NH RPS obligations, it will then, consistent with the RPS rules, make an Alternative
7 Compliance Payment ("ACP") to the Renewable Energy Fund.
8

9 Q. Is Granite State proposing any changes to the RPS compliance adder at this time?

10 A. Yes. Granite State is proposing to change the Commission-approved RPS compliance
11 adder in order to reflect the changes in estimated market costs to meet RPS obligations
12 required in the RPS regulations as described previously. The Company is proposing a
13 new RPS adder for both the Small Customer Group and the Large Customer Group.
14

15 Q. What is the Company proposing for changes to the RPS adders for the Small Customer
16 Group and the Large Customer Group?

17 A. Effective November 1, 2010, the Company is proposing to reduce the RPS adder for the
18 Small Customer Group from 0.230¢ per kWh to 0.153¢ per kWh. In addition, the
19 Company is also proposing to decrease the RPS adder for the Large Customer Group
20 from 0.203¢ per kWh to 0.153¢ per kWh. Finally, effective January 1, 2011, the
21 Company is proposing the RPS adder for both the Small Customer Group and the Large
22 Customer Group to be 0.208¢ per kWh.
23

1 Q. How did Granite State calculate the RPS adders for 2010 and 2011?

2 A. As shown in Schedule MMJ-6, Granite State calculated the wholesale RPS costs on a per
3 MWh basis. The Company then converted the wholesale RPS costs to a retail cost by
4 dividing the calculated costs by ten in order to convert from a \$ per MWh wholesale cost
5 to a ¢ per kWh rate for retail use.
6

7 Q. Why has the calculation of the RPS adder changed from previous filings?

8 A. On June 11, 2010, the Commission issued a clarification letter stating that RPS
9 obligations should be calculated based on load net of any line losses. Therefore, the new
10 calculation does not gross up the wholesale RPS costs by the loss factor applicable to
11 each customer group. Not applying each customer group's loss factor results in identical
12 RPS adders for both the Small Customer Group and the Large Customer Group.
13

14 Q. How has this clarification affected the purchase of RECs for the 2008 and 2009
15 compliance years?

16 A. Granite State calculated its RPS obligation for the 2008 and 2009 compliance years based
17 on load including line losses. Therefore, since the Commission has clarified that the
18 requirement is lower, Granite State has purchased excess RECs for 2008 and 2009 that
19 can be used for future NH RPS compliance years.
20

21 Q. What will Granite State do with the excess RECs purchased in 2008 and 2009?

1 A. Granite State will “bank” the excess RECs purchased to meet its past obligations as
2 allowed under RPS law. These RECs will be used to satisfy the Company’s 2010 and
3 2011 RPS obligations.

4
5 Q. What costs did Granite State use to develop its RPS adders?

6 A. As a proxy for actual RPS costs, the RPS adders are based on the recent 2010 and 2011
7 market prices for all REC Classes.

8

9 Q. What happens if Granite State’s actual RPS compliance costs are different from that used
10 in calculating the RPS adders?

11 A. Granite State will reconcile its costs to comply with the RPS with the revenue billed to
12 customers from the RPS adders. This will occur as part of the Company’s annual
13 reconciliation.

14

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

16 A. Yes. In March of this year Granite State issued a RFP to procure RECs to approved New
17 Hampshire renewable generators, generators in the process of applying for approval to
18 generate New Hampshire RECs, as well as other REC suppliers, for its 2009 and 2010
19 RPS obligations. The Company received bids for RECs and contracted for Class I, Class
20 II, and Class III obligations. Granite State shared the results of its RFP with Staff prior to
21 executing a contract for the purchase of RECs.

22

23 Q. When will Granite State issue the next REC RFP?

1 A. Granite State will issue a REC RFP within the next six months to procure RECs to satisfy
2 the 2010 and the 2011 RPS obligations. Granite State will attempt to procure the
3 quantity of RECs necessary to satisfy the 2010 and 2011 obligations for load that will be
4 serviced under Default Service supply contracts.

5

6 **VI. Default Service Commodity Costs and Retail Rates**

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

9 A. Granite State estimates the procurement costs for Default Service at the retail customer
10 meter for each month to be as set forth in Schedule MMJ-7 and Schedule MMJ-8. The
11 load-weighted average of the commodity costs for the Large Customer Group is 6.946¢
12 per kWh compared to the load-weighted average of 7.098¢ per kWh for the period
13 August 2010 through October 2010. The load-weighted average of the commodity costs
14 for the Small Customer Group is 6.685¢ per kWh compared to the load-weighted average
15 of 6.711¢ per kWh for the period May 2010 through October 2010. The commodity
16 costs at the retail customer meter (¢ per kWh) were calculated by multiplying the
17 commodity costs at the wholesale level (\$ per MWh) by the applicable loss factor and
18 then dividing the results by ten. The applicable loss factors can be found in the RFP
19 summary in Schedule MMJ-2.

20

21 Q. What are the Default Service rates that the Company is proposing for the Large Customer
22 Group?

1 A. As presented in Schedule MMJ-7, the Company is proposing monthly Default Service
2 rates for the Large Customer Group based on the three monthly contract prices contained
3 in the supply agreement with the winning Default Service supplier for the Large
4 Customer Group. These base rates are adjusted by the currently effective Default Service
5 Cost Reclassification Adjustment Factor to recover administrative costs associated with
6 Default Service in accordance with the Fourth Revised Page 93 of Granite State's tariff.
7 On line (3) these rates are further adjusted by the currently effective Default Service
8 Adjustment Factor in accordance with the Second Revised Page 87 of Granite State's
9 tariff. Finally, on line (4) these rates are adjusted by the proposed RPS adder discussed
10 above. As displayed on line (9), the proposed base Default Service rates for the Large
11 Customer Group are 6.681¢ per kWh, 7.154¢ per kWh, and 7.867¢ per kWh for the
12 months of November 2010 through January 2011.

13
14 Q. What are the Default Service rates that the Company is proposing for the Small Customer
15 Group?

16 A. National Grid is proposing a fixed six-month base Default Service rate for the Small
17 Customer Group based on the weighted average of the sum of six monthly contract prices
18 contained in the supply agreement with the winning Default Service supplier for the
19 Small Customer Group, the Default Service Cost Reclassification Adjustment Factor, the
20 Default Service Adjustment Factor, and the proposed RPS adder. The calculation of the
21 six month Default Service rate for the Small Customer Group is presented in Schedule
22 MMJ-8. As displayed on line (18), the proposed base Default Service rate for the Small
23 Customer Group is 7.091¢ per kWh.

1

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

3 A. To the extent that the actual cost of procuring Default Service varies from the amounts
4 billed to customers for the service, Granite State will continue to reconcile the difference
5 through a reconciliation mechanism pursuant to Granite State's Default Service
6 Adjustment Provision contained in its currently effective tariff on Second Revised Page
7 87.

8

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

10 A. Consistent with the Commission's rules on the implementation of rate changes, the
11 Company is proposing that these Default Service rates become effective for service
12 rendered on and after November 1, 2010.

13

14 Q. Has the Company determined the impact of these proposed rate changes on customer
15 bills?

16 A. Yes. The Company has provided typical bill impacts in Schedule MMJ-9. The effect of
17 the Company's proposal on the monthly bill of a 500 kWh residential default service
18 customer is a decrease of \$0.32, or 0.5%, from \$67.32 to \$67.00. In addition, a bill
19 comparison for a Default Service residential customer with an average kWh usage of
20 670, which is the average monthly usage over the 12 months ending August 2010, has
21 also been included. The total bill impact of the rates proposed in this filing, as compared
22 to rates in effect today, is a bill decrease of \$0.43 or 0.5% from \$90.94 to \$90.51. For
23 other customers in the Small Customer Group, decreases range from 0.5% to 0.6% (see

1 pages 1 to 9 of Schedule MMJ-9). For customers in the Large Customer Group
2 illustrative bill impacts for the three-month period ending January 2011 a range of 1.6%
3 to 1.8% decrease as compared to the three-month period ending October 2010 (see pages
4 10 to 16 of Schedule MMJ-9).

5
6 Q. Has the Company prepared a revised Summary of Rates tariff page reflecting the
7 proposed rates?

8 A. Yes. It is included as Schedule MMJ-10. The Summary of Rates reflects the proposed
9 Default Service rate changes contained in this filing. Upon receiving orders in this
10 proceeding, the Company will file a Sixty-eighth Revised Page 84, Summary of Rates,
11 reflecting the approved rates.

12
13 Q. Has Granite State included the most recent quarterly report of migration information
14 based on monthly migration by customer class and load, as required by the Commission's
15 Order No. 24,715 in Docket No. DE 06-115?

16 A. The quarterly report of customer migration information for the 2nd quarter of calendar
17 year 2010 is included as Schedule MMJ-11.

18
19 **VII. Tewksbury Meter Update**

20 Q. In Order No. 25,083, the Commission required the Company to provide a report by
21 March 31, 2010 on any re-settlements related to the Tewksbury meter and to provide
22 quarterly reports thereafter until the meter has been replaced. Has the Company
23 complied with this directive?

1 A. Yes. As of September 13, 2010, work to accomplish this task is continuing. The
2 Company estimates that the work will be completed by the end of January 2011, which is
3 subject to transmission outage availability. The Company filed a quarterly report in
4 March and June 2010 and will be providing a report to the Commission at the end of
5 September.

6
7 **VIII. Conclusion**

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

9 A. The Large Customer Group rates proposed in this filing end on January 31, 2011. Per the
10 terms of the Settlement Agreement, Granite State will issue an RFP for the Large
11 Customer Group in November 2010. For purposes of notice to the Commission, the
12 following table illustrates National Grid's proposed timeline for the next two RFPs:

RFP	Nov 2010 RFP	Feb 2011 RFP
RFP Issued	November 3, 2010	February 4, 2011
Indicative Bids Due	December 1, 2010	March 2, 2011
Final Bids Due	December 8, 2010	March 9, 2011
Contract Execution	December 9, 2010	March 10, 2011
Default Service Filing to Commission	December 13, 2010	March 14, 2011
Commission Order Needed	December 20, 2010	March 21, 2011
Service Begins	February 1, 2011	May 1, 2011

13

14 Q. Does this conclude your testimony?

15 A. Yes. It does.

Schedules of
Margaret M. Janzen

Schedules
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Schedule MMJ-5	Default Service Contract for the Small Customer Group November 1, 2010 through April 30, 2011
Schedule MMJ-6	Renewable Portfolio Standard Compliance Adders
Schedule MMJ-7	Summary of Large Customer Group Default Service Rates
Schedule MMJ-8	Calculation of Small Customer Group Default Service Rate
Schedule MMJ-9	Typical Bill Impacts
Schedule MMJ-10	Proposed Summary of Rates
Schedule MMJ-11	Quarterly Customer Migration Report

SCHEDULE MMJ – 1

**Default Service RFP
November 1, 2010 through October 31, 2011**

Request for Power Supply Proposals to Provide the Following Services:

Default Service in:
Massachusetts
New Hampshire

For the Period:

November 1, 2010 –
October 31, 2011

August 6, 2010

nationalgrid

**REQUEST FOR
POWER SUPPLY PROPOSALS**

1. Overview

1.1 Background

Legislation and restructuring settlement agreements in Massachusetts¹ and New Hampshire² 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 supplier³.

MA Default Service and NH Default 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

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 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”).



Service⁴. 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 prices⁵. 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 Massachusetts⁶. 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)⁷. The MDTE also ordered electric companies to procure power for the industrial customer group (i.e., larger customers) on a quarterly basis⁸. Additional changes regarding the procurement of MA Default Service may result from the Massachusetts Department of Public Utilities’ (“MDPU”)⁹, 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.

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.

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

⁴ Docket D.T.E. 99-60.

⁵ See Dockets D.T.E. 99-60-A and D.T.E. 99-60-B.

⁶ See Docket D.T.E. 02-40-A.

⁷ See Docket D.T.E. 02-40-B.

⁸ See Docket D.T.E. 02-40-C.

⁹ 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.



Industrial	G-2 and G-3
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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.

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.

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

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;
- 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.

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

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;
- Marlborough Aggregation customer count and historical wholesale load information (since January 2006).

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)

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 17 load blocks:

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

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 rejected¹⁰.

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 Master Power Agreement, a copy of which is provided in Appendices B and C.

¹⁰ 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.



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 (MDPU No. 1162) 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 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 Effectiveness of Contracts

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 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



Agreement Form of Confirmation 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 seventeen (17) 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 Master Power Agreements. A copy of the Master Power Agreement for Massachusetts is provided in Appendix B, a copy of the Master Power Agreement for New Hampshire is provided in Appendix C.

All Respondents must have an updated executed Master Power Agreement(s) prior to the indicative bid date.

The winning Supplier(s) will be required to execute the applicable confirmation(s) within two (2) business days of being notified that it has been selected as the winning Supplier. Under Article 7 of the Master Power Agreement, failure of the winning supplier to deliver Requirements would constitute an event of default under the agreement, allowing National Grid to terminate and recover liquidated damages from the supplier.

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	August 6, 2010
Submit Respondent Proposal Information	August 27, 2010 – 5pm EPT
Submit Indicative Pricing	September 8, 2010 – 10am EPT
Submit Final Pricing	September 15, 2010 – 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	November 1, 2010 or May 1, 2011

One (1) copy of a Respondent’s Proposal Information must be submitted by e-mail or facsimile or mailed to the following address:



James Ruebenacker
Electric Supply & Distributed Generation
National Grid
100 East Old Country Road
Hicksville, NY 11801
(516) 545-3227
(516) 545-2464 (fax)
e-mail: electric.electricsupply@us.ngrid.com

National Grid is conducting the procurement process in three steps. The first step is for Respondents to provide National Grid with their background and financial information by 5:00 p.m. EPT on Friday, August 27, 2010. Upon receipt, National Grid will evaluate each Respondent's qualifications and will notify any Respondent that does not qualify by at least one business day before indicative pricing is due.

National Grid will not evaluate any indicative or final pricing if the Respondent does not have an executed Master Power Agreement. The Master Power Agreement must be executed prior to submitting indicative pricing.

The second step in this process is for Respondents to provide indicative pricing information by 10:00 a.m. EPT on Wednesday, September 8, 2010 at the above address. National Grid will evaluate the indicative pricing as described above, and if required, National Grid may seek clarifications from Respondents.

The third step is as follows: Respondents to provide final pricing information by 10:00 a.m. EPT on Wednesday, September 15, 2010 at the above address. National Grid requests final pricing be valid until 1:00 p.m. National Grid intends to evaluate the final pricing and select a Supplier(s) that day by that time. Final pricing shall be binding until execution of a confirmation. Respondents should specify the manner in which they will accept a binding acceptance of their offer by National Grid prior to receipt of an executed agreement (letter of intent or e-mail) 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 any time, 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 James Ruebenacker 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.P.U. No. 1172 in Massachusetts, or the Off Cycle Meter Read for Switch of Supplier Provision, First Revised 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.

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.P.U. No. 1172 in Massachusetts, or the Off Cycle Meter Read for Switch of Supplier Provision, First Revised 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.

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 or the NHPUC, 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	10466	NANT-DEF SVC-RCG LOAD	G,M
Nantucket	SEMA	10467	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

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 Master Power Agreements in Appendices B and C 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 Master Power Agreements, found in Appendices B and C 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 renewable energy portfolio standards for all retail electricity suppliers selling electricity to end-use consumers in the Commonwealth¹¹.

The standards are:

RPS Class I consists of new renewable generators that began operation after December 31, 1997, or, in the case of a Solar Carve-Out Renewable generator, after December 31, 2007.

RPS Class II Renewable Generation consists of renewable generators that began operation on or before December 31, 1997.

RPS Class II Waste Energy Generation consists of waste to energy generators that began operation on or before December 31, 1997.

APS Alternative Energy Generation consists of qualifying alternative generation units that began operation after January 1, 2008.

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

Year	Class I	Class II Renewable	Class II Waste	APS	Total
2010	5.0	3.6	3.5	1.5	13.6
2011	6.0	3.6	3.5	2.0	15.1

A portion of the Class I requirements must be met by **Solar Carve-Out Renewable Generation**. The Minimum Standard for Compliance Year 2010 is estimated to be 0.0680%. The Department of Energy Resources (DOER) will announce the final Minimum Standard for Compliance Year 2010 on or around July 20, 2010.

National Grid requests Respondents to separately bid the cost of MA RPS compliance equivalent to 13.6% of sales in 2010 and 15.1% of sales in 2011. 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

¹¹ The Electric Restructuring Act of 1997 was modified by the Green Communities Act of 2008. .



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 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 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 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 four separate classes and summarized below:

Year	Class I	Class II	Class III	Class IV	Total
2010	1.0	0.04	5.5	1.0	7.54
2011	2.0	0.08	6.5	1.0	9.58

National Grid requests Respondents to separately bid the cost of NH-RPS compliance equivalent to 7.54% of sales in 2010 and 9.58% of sales in 2011. 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 D. Respondents may simply complete the forms provided in Appendix D in any legible fashion and return them to James Ruebenacker 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 Capacity, 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 Master Power Agreement. These billing determinants are the loads as reported to and settled by 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 Q), 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 component.
- **MA-RPS Compliance:** Price, on a separate \$ per MWh basis in 2010 and 2011, 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).
- **NH-RPS Compliance:** Price, on a separate \$ per MWh basis in 2010 and 2011, 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 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 Master Power Agreements provided in Appendices B and C.

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 November 1, 2010 or May 1, 2011, 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. 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 Master Power Agreements provided in Appendices B and C;
- 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 Master Power 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.

National Grid will evaluate the RPS Compliance bids only for the Load Block winning bidders. National Grid will accept the RPS Compliance bid if it is at or less than the available market prices.

8. 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. As reflected in the attached Master Power Agreements (Appendices B and C to this RFP), National Grid will require Supplier(s) to provide some form of security when entering into a Confirmation. The security arrangement will be based on the expected volume of load for the bid block and a mark-to-market margining clause. As forward market prices change, the Supplier(s) will be required to post security for those incremental changes. Additionally, Suppliers that are rated at or below BBB-/Baa3 will be required to post an Independent Amount equal to 10% of the notional value of each Load Block awarded. The Supplier(s) shall provide security in one of the following forms:

- Unsecured line of credit for a rated counterparty
- Parental Guaranty
- Letter of Credit
- Cash deposit with National Grid

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.

9. General Requirements

National Grid may withdraw and terminate this RFP at any time without any liability. National Grid reserves the right to accept or reject, in whole or in part, any and all proposals. National Grid will not be responsible to any Respondent or any other party for failure to execute a Master Power Agreement or Confirmation.

National Grid shall reject proposals submitted in response to this RFP that are incomplete, or do not conform to the requirements of the RFP, or are submitted beyond the deadline for submission. All proposals submitted by Respondents in response to the RFP will become the exclusive property of National Grid.

Each Respondent certifies, by its submission of a bid, that it is bidding independently and that it has no knowledge of any proposal being submitted by another Respondent in response to this RFP. Each Respondent further certifies that, by its submission of a bid, it has not disclosed and will not disclose prior to any award hereunder any information relating to its proposal which could have an effect on whether another party submits a proposal to this RFP or on the contents of such proposal that another bidder would be willing to submit in response to this RFP. Such information includes, but is not limited to: the fact that the bidder is submitting a proposal in response to this RFP, the bidder's bids, the bidder's quantities of each product bid, the bidder's estimation of the value of a product, the bidder's estimation of the risks associated with supplying a product, and the bidder's preference for bidding on one or several products.

If any information provided by the Respondent changes or fails to remain valid, it is the sole responsibility of the Respondent to notify National Grid of such change. Failing to do so may result in disqualification of the Respondent and its proposal for the solicitation.

Respondents shall, at their own cost and expense, defend, indemnify and hold harmless National Grid, its parent, subsidiaries and affiliates and their officers, directors, trustees,



employees, shareholders, executors, administrators, successors and assigns against any and all manner of past, present, or future claims, demands, disputes, controversies, complaints, suits, actions proceeding or allegations of any kind which in any manner relate to arise out of, or result from any false statements or misrepresentations, intentional or unintentional, in its proposal, or breach of any covenant by the Respondent set forth herein.

APPENDIX A

DESCRIPTION OF SERVICES



Request for Power Supply Proposals
August 6, 2010
Appendix A

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



Request for Power Supply Proposals
August 6, 2010
Appendix A

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	<p>Service to customers is initiated by:</p> <ul style="list-style-type: none"> 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	<p>Note: Historic customer count data and historical hourly load profiles are available at National Grid’s procurement website:</p> <p style="text-align: center;">http://www.nationalgridus.com/energysupply/</p>

APPENDIX B

MASSACHUSETTS MASTER POWER AGREEMENT

APPENDIX C

NEW HAMPSHIRE MASTER POWER AGREEMENT

APPENDIX D

REQUIRED PROPOSAL INFORMATION

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	

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

<p>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.</p> <p>Explain the situation, its outcome and all other relevant facts associated with the event.</p> <p>If there was litigation, provide the case caption, index number and court.</p> <p>Identify the name, title and telephone number of the principal manager of the customer/client who asserted the event of default or noncompliance.</p>	
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RESPONDENT: _____

<p>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.</p>	
<p>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</p>	

4. NEPOOL AND POWER SUPPLY EXPERIENCE

<p>Is Respondent a member of NEPOOL?</p>	
<p>Does Respondent have an executed and accepted Market Participant Service Agreement with ISO New England?</p>	
<p>Name of Market Participant if Respondent will have another Market Participant be responsible for its market settlement obligations .</p>	
<p>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.</p>	
<p>Provide three references (name, title and contact information) who have contracted with the Respondent for similar load following services within the last 2 years.</p>	

RESPONDENT: _____

5. CONFLICTS OF INTEREST

<p>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.</p>	
<p>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.</p>	
<p>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.</p>	

6. SCOPE OF BID AND TERMS OF SALE

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

RESPONDENT: _____

7. Proposed Pricing
(Respondent required to use bidding spreadsheet included on procurement website)

Proposed Pricing Massachusetts Default Service

Bid Block	SMD ZONE	Customer Group	Period		Monthly Pricing - \$/MWh (all inclusive w/o RPS Compliance)					
			From	To	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11
A	SEMA	Industrial	01-Nov-10	31-Jan-11						
B	WCMA	Industrial	01-Nov-10	31-Jan-11						
C	NEMA	Industrial	01-Nov-10	31-Jan-11						
D	SEMA	Commercial	01-Nov-10	30-Apr-11						
E	WCMA	Commercial	01-Nov-10	30-Apr-11						
F	NEMA	Commercial	01-Nov-10	30-Apr-11						
G	SEMA	Residential	01-Nov-10	30-Apr-11						
H	WCMA	Residential	01-Nov-10	30-Apr-11						
I	NEMA	Residential	01-Nov-10	30-Apr-11						
					May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11
J	SEMA	Commercial	01-May-11	31-Oct-11						
K	WCMA	Commercial	01-May-11	31-Oct-11						
L	NEMA	Commercial	01-May-11	31-Oct-11						
M	SEMA	Residential	01-May-11	31-Oct-11						
N	WCMA	Residential	01-May-11	31-Oct-11						
O	NEMA	Residential	01-May-11	31-Oct-11						

MA RPS Compliance Adder -	2010		\$/MWh
MA RPS Compliance Adder -	2011		\$/MWh

Proposed Pricing New Hampshire Default Service

Bid Block	SMD ZONE	Customer Group	Period		Monthly Pricing - \$/MWh (all inclusive w/o RPS Compliance)					
			From	To	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11
P	NH	Large	01-Nov-10	31-Jan-11						
Q	NH	Small	01-Nov-10	30-Apr-11						

NH RPS Compliance Adder -	2010		\$/MWh
NH RPS Compliance Adder -	2011		\$/MWh

SCHEDULE MMJ – 2

Default Service Procurement Summary

NATIONAL GRID

DEFAULT SERVICE PROCUREMENT SUMMARY

FOR GRANITE STATE ELECTRIC COMPANY AND MASSACHUSETTS ELECTRIC COMPANY

FOR THE PERIODS
NOVEMBER 2010 – OCTOBER 2011

1. RFP Issued

National Grid issued its Request for Power Supply Proposals (“RFP”) on August 06, 2010 directly to approximately [REDACTED] suppliers for the service period November 2010 through October 2011.

The RFP was also distributed to all members of the NEPOOL Markets Committee and posted on National Grid’s energy supply website. 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 also conducted in accordance with applicable Massachusetts rules and regulations including the various orders in Dockets D.T.E. 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 November 2010 through January 2011;
- 100% of the New Hampshire Small Customer Group Default Service requirements for the period November 2010 through April 2011;
- 100% of the Massachusetts Industrial Customer Group Default Service requirements for the period November 2010 through January 2011;
- 50% of the Massachusetts Residential and Commercial Customer Groups Default Service requirements for the period November 2010 through October 2011.

These requirements were divided into 17 distinct load blocks. A description of each load block is provided in Attachment 1.

2. Key RFP Dates

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- The RFP was issued on August 6, 2010.
- Supplier information was received on August 27, 2010.
- Indicative bids were received on September 8, 2010.
- Final bids were received on September 15, 2010.

3. Contract Submissions

All bidders had previously executed Master Power Agreements with National Grid prior to final bids.

4. Indicative Bids

Indicative bids were received on September 8, 2010 from [REDACTED] bidders.

The indicative bids were evaluated and ranked (see Attachments 2 and 3). Indicative pricing was used only to determine current market prices, to prepare an initial ranking of bids and to identify any bidding anomalies. The Massachusetts retail prices in Attachment 3 were calculated by adjusting the wholesale prices in Attachment 2 by the ratio of wholesale purchases to retail deliveries over the twelve-month period ending August 31, 2010. For New Hampshire, the retail prices in Attachment 3 were calculated by adjusting the wholesale prices in Attachment 2 by the ratio of wholesale purchases to retail deliveries over the twelve-month period ending December 31, 2007.

The lowest indicative bids for each load block were compared to National Grid’s estimate of expected indicative bids. Our methodology calculates the expected bid prices from the historical relationship of the bid price to all market components that comprise the bid price (see Attachment 4). This method utilizes a detailed on-peak & off-peak calculation and incorporates all bid components: energy, capacity, and ancillary services.

In evaluating the bid prices, National Grid compared the expected bid price for each block from the method above to the lowest average indicative bid price for the block. [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;

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- 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 Master 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.

5. Regulatory Communication

The results of the Massachusetts indicative bids were shared with staff of the Massachusetts Department of Public Utilities (“MADPU”) on September 10, 2010.

6. Final Bids

Final bids were received on September 15, 2010 from [REDACTED] bidders. Two bidders declined to submit bids in the final round.

The final bids were evaluated and ranked (see Attachments 5 and 6). The retail prices for Massachusetts in Attachment 6 were calculated by adjusting the wholesale prices in Attachment 5 by the ratio of wholesale purchases to retail deliveries over the twelve-month period ending August 31, 2010. For New Hampshire, the retail prices in Attachment 6 were calculated by adjusting the wholesale prices in Attachment 5 by the ratio of wholesale purchases to retail deliveries over the twelve-month period ending December 31, 2007.

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]	[REDACTED]	[REDACTED]

7. Analysis and Award

The lowest final bids for each load block were compared to National Grid’s estimate of expected bids based on the methodology described above (see Indicative Bids). The calculations of these expected prices can be found in Attachment 7.

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[REDACTED]

[REDACTED] bidders submitted bid restrictions with their final bids and Bidder [REDACTED]'s restrictions impacted the block awards. Bidder [REDACTED] submitted restrictions on the blocks that the supplier would accept. The supplier would only accept the [REDACTED] load (Block [REDACTED]) only if the supplier won the [REDACTED] load (Block [REDACTED]). Bidder [REDACTED] had the lowest price for Block K, but Bidder [REDACTED] had the second lowest price for Block [REDACTED]. As shown in the analysis in Attachment 8, overall customer costs would be lowest if Blocks [REDACTED] were awarded to Bidder [REDACTED] rather than to the lowest Block [REDACTED] bidder (Bidder [REDACTED]) and the second lowest Block [REDACTED] bidder (Bidder [REDACTED]).

Attachment 9 provides a summary of the winning supplier for each block as well as the basis for the award. Attachment 10 provides a bidder key to help identify bidders.

8. Renewable Portfolio Standard

The Massachusetts load covered by this RFP is subject to the following New Renewable Portfolio Standard ("RPS") requirement:

RPS Obligations	2010 % of Load	2011 % of Load
RPS Class I New	5.0%	6.0%
RPS Class II Existing	3.6%	3.6%
RPS Class II Waste to Energy	3.5%	3.5%
APS Resource	1.5%	2.0%
Total	13.6%	15.1%

A portion of the Class I requirements must be met by Solar Carve-Out Renewable Generation. The Minimum Standard for Compliance Year 2010 is 0.0679%. The Minimum Standard for Compliance Year 2011 is estimated to be 0.1627%.

National Grid evaluated the cost of obtaining the RPS Renewable Energy Certificates ("RECs") associated with the load requirements from the bidders versus the current market prices or the Alternative Compliance Payment ("ACP") for RPS certificates.

Attachment 11 provides an analysis of the proposed RPS cost adders contained in the final bids. National Grid procured RPS requirements from winning Bidder [REDACTED] because the RPS adder for each year was lower than National Grid's estimate of the market cost of RECs. Because the prices from the other winning bidders were higher than National Grid's estimate of the market cost for RECs, National Grid did not include the purchase of RPS RECs in their bid awards. 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 at a later date or by an Alternative Compliance Payment ("ACP") to the Massachusetts Clean Energy Center.

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National Grid estimated the costs to comply with the RPS and APS obligations by utilizing the applicable market price or ACP rates as specified in the RPS and APS regulations. Attachment 12 provides a calculation of the cost adder to include these costs.

9. New Hampshire Renewable Energy Portfolio Standard

The New Hampshire load covered by this RFP is subject to the following Renewable Portfolio Standard (“RPS”) requirement:

RPS Obligations	2010 % of Load	2011 % of Load
RPS Class I	1.00%	2.00%
RPS Class II	0.04%	0.08%
RPS Class III	5.50%	6.50%
RPS Class IV	1.00%	1.00%
Total	7.54%	9.58%

National Grid evaluated the cost of obtaining the NH-RPS certificates associated with the load requirements from the bidders versus the current market prices for RPS certificates.

Attachment 11 provides an analysis of the proposed NH-RPS cost adders contained in the final bids. Because the prices from the winning bidders were higher than National Grid’s estimate of the market cost for RECs, National Grid did not include the purchase of NH-RPS RECs in their bid awards. National Grid will attempt to procure NH-RPS certificates through separate solicitations at a later date or by an Alternative Compliance Payment to the New Hampshire Public Utilities Commission.

National Grid estimated the costs to comply with the RPS obligations by utilizing the applicable market price as specified in the RPS regulations. Attachment 13 provides a calculation of the cost adder to include these costs.

10. Retail Rate

The expected retail rates, excluding administrative cost adders, were based on the winning wholesale costs. For the Massachusetts Industrial Customer Group, the New Hampshire Large Customer Group, and the New Hampshire Small Customer Group, the rates reflect the costs of the current procurement and are not blended with costs incurred in other procurements.

The Massachusetts retail rates in Attachment 6 were calculated by adjusting the wholesale prices in Attachment 5 using the ratio of wholesale kWh purchases to retail kWh deliveries over the twelve-month period ending August 31, 2010. For New Hampshire, the retail prices in Attachment 6 were calculated by adjusting the wholesale prices in Attachment 5 by the ratio of wholesale purchases to retail deliveries over the twelve-month period ending December 31, 2007.

A summary of the estimated retail rates for each block is provided in Attachment 14. For both the New Hampshire and Massachusetts Default Service retail rates, the retail rates were

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adjusted to include the average cost of RPS certificates that could be purchased in the open market.

REDACTED DOCUMENT

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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	11/01/10 – 01/31/11
B	Industrial	WCMA	100%	MA Default Service	11/01/10 – 01/31/11
C	Industrial	NEMA	100%	MA Default Service	11/01/10 – 01/31/11
D	Commercial	SEMA	50%	MA Default Service	11/01/10 – 04/30/11
E	Commercial	WCMA	50%	MA Default Service	11/01/10 – 04/30/11
F	Commercial	NEMA	50%	MA Default Service	11/01/10 – 04/30/11
G	Residential	SEMA	50%	MA Default Service	11/01/10 – 04/30/11
H	Residential	WCMA	50%	MA Default Service	11/01/10 – 04/30/11
I	Residential	NEMA	50%	MA Default Service	11/01/10 – 04/30/11
J	Commercial	SEMA	50%	MA Default Service	05/01/11 – 10/31/11
K	Commercial	WCMA	50%	MA Default Service	05/01/11 – 10/31/11
L	Commercial	NEMA	50%	MA Default Service	05/01/11 – 10/31/11
M	Residential	SEMA	50%	MA Default Service	05/01/11 – 10/31/11
N	Residential	WCMA	50%	MA Default Service	05/01/11 – 10/31/11
O	Residential	NEMA	50%	MA Default Service	05/01/11 – 10/31/11
P	Large	NH	100%	NH Default Service	11/01/10 – 01/31/11
Q	Small	NH	100%	NH Default Service	11/01/10 – 04/30/11

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ATTACHMENT 2
INDICATIVE BID RANKING AT WHOLESALE
BLOCKS A – Q

Monthly Weighting															
		Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	Average Price	Weighted Average Price	Weighted Avg Price vs. Min	Expected Bid based on Electric Forecast	% of Highest Average Estimated Price	2010/2011 RPS Adder	Weighted Average Price with RPS	Weighted Average Price with RPS vs Min
Block A S E M A Ind	Bidder A														
	Bidder B														
	Bidder C														
	Bidder D														
	Bidder E														
	Bidder F														
	Bidder G														
	Bidder H														
	Bidder I														
	Bidder J														
	Bidder K														
	Bidder L														
	Bidder M														
	Bidder N														
	Bidder O														
	Block B W C M A Ind														
Bidder B															
Bidder C															
Bidder D															
Bidder E															
Bidder F															
Bidder G															
Bidder H															
Bidder I															
Bidder J															
Bidder K															
Bidder L															
Bidder M															
Bidder N															
Bidder O															
Block C N E M A Ind		Bidder A													
	Bidder B														
	Bidder C														
	Bidder D														
	Bidder E														
	Bidder F														
	Bidder G														
	Bidder H														
	Bidder I														
	Bidder J														
	Bidder K														
	Bidder L														
	Bidder M														
	Bidder N														
	Bidder O														

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ATTACHMENT 2
INDICATIVE BID RANKING AT WHOLESALE
BLOCKS A – Q

Monthly Weighting																	
		Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	Average Price	Weighted Average Price	Weighted Avg Price vs. Min	Expected Bid based on Electric Forecast	% of Highest Average Estimated Price	2010/2011 RPS Adder	Weighted Average Price with RPS	Weighted Average Price with RPS vs Min		
Block D S E M A C o m	Bidder A																
	Bidder B																
	Bidder C																
	Bidder D																
	Bidder E																
	Bidder F																
	Bidder G																
	Bidder H																
	Bidder I																
	Bidder J																
	Bidder K																
	Bidder L																
	Bidder M																
	Bidder N																
	Bidder O																
	Block E W C M A C o m																
Bidder B																	
Bidder C																	
Bidder D																	
Bidder E																	
Bidder F																	
Bidder G																	
Bidder H																	
Bidder I																	
Bidder J																	
Bidder K																	
Bidder L																	
Bidder M																	
Bidder N																	
Bidder O																	
Block F N E M A C o m		Bidder A															
	Bidder B																
	Bidder C																
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	Bidder N																
	Bidder O																

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ATTACHMENT 2
INDICATIVE BID RANKING AT WHOLESALE
BLOCKS A – Q

Monthly Weighting															
		Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	Average Price	Weighted Average Price	Weighted Avg Price vs. Min	Expected Bid based on Electric Forecast	% of Highest Average Estimated Price	2010/2011 RPS Adder	Weighted Average Price with RPS	Weighted Average Price with RPS vs Min
Block G S E M A R E S	Bidder A														
	Bidder B														
	Bidder C														
	Bidder D														
	Bidder E														
	Bidder F														
	Bidder G														
	Bidder H														
	Bidder I														
	Bidder J														
	Bidder K														
	Bidder L														
	Bidder M														
	Bidder N														
	Bidder O														
	Block H W C M A R E S	Bidder A													
Bidder B															
Bidder C															
Bidder D															
Bidder E															
Bidder F															
Bidder G															
Bidder H															
Bidder I															
Bidder J															
Bidder K															
Bidder L															
Bidder M															
Bidder N															
Bidder O															
Block I N E M A R E S		Bidder A													
	Bidder B														
	Bidder C														
	Bidder D														
	Bidder E														
	Bidder F														
	Bidder G														
	Bidder H														
	Bidder I														
	Bidder J														
	Bidder K														
	Bidder L														
	Bidder M														
	Bidder N														
	Bidder O														

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**ATTACHMENT 2
INDICATIVE BID RANKING AT WHOLESALE
BLOCKS A – Q**

Monthly Weighting															
		May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Average Price	Weighted Average Price	Weighted Avg Price vs. Min	Expected Bid based on Electric Forecast	% of Highest Average Estimated Price	2011 RPS Adder	Weighted Average Price with RPS	Weighted Average Price with RPS vs Min
Block J S E M A C o m	Bidder A														
	Bidder B														
	Bidder C														
	Bidder D														
	Bidder E														
	Bidder F														
	Bidder G														
	Bidder H														
	Bidder I														
	Bidder J														
	Bidder K														
	Bidder L														
	Bidder M														
	Bidder N														
	Bidder O														
	Block K W C M A C o m	Bidder A													
Bidder B															
Bidder C															
Bidder D															
Bidder E															
Bidder F															
Bidder G															
Bidder H															
Bidder I															
Bidder J															
Bidder K															
Bidder L															
Bidder M															
Bidder N															
Bidder O															
Block L N E M A C o m		Bidder A													
	Bidder B														
	Bidder C														
	Bidder D														
	Bidder E														
	Bidder F														
	Bidder G														
	Bidder H														
	Bidder I														
	Bidder J														
	Bidder K														
	Bidder L														
	Bidder M														
	Bidder N														
	Bidder O														

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ATTACHMENT 2
INDICATIVE BID RANKING AT WHOLESALE
BLOCKS A – Q

Monthly Weighting															
		May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Average Price	Weighted Average Price	Weighted Avg Price vs. Min	Expected Bid based on Electric Forecast	% of Highest Average Estimated Price	2011 RPS Adder	Weighted Average Price with RPS	Weighted Average Price with RPS vs Min
Block M S E M A R e s	Bidder A														
	Bidder B														
	Bidder C														
	Bidder D														
	Bidder E														
	Bidder F														
	Bidder G														
	Bidder H														
	Bidder I														
	Bidder J														
	Bidder K														
	Bidder L														
	Bidder M														
	Bidder N														
	Bidder O														
	Block N W C M A R e s	Bidder A													
Bidder B															
Bidder C															
Bidder D															
Bidder E															
Bidder F															
Bidder G															
Bidder H															
Bidder I															
Bidder J															
Bidder K															
Bidder L															
Bidder M															
Bidder N															
Bidder O															
Block O N E M A R e s		Bidder A													
	Bidder B														
	Bidder C														
	Bidder D														
	Bidder E														
	Bidder F														
	Bidder G														
	Bidder H														
	Bidder I														
	Bidder J														
	Bidder K														
	Bidder L														
	Bidder M														
	Bidder N														
	Bidder O														

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ATTACHMENT 2
INDICATIVE BID RANKING AT WHOLESALE
BLOCKS A – Q

Monthly Weighting																	
		Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	Average Price	Weighted Average Price	Weighted Avg Price vs. Min	Expected Bid based on Electric Forecast	% of Highest Average Estimated Price	2010/2011 RPS Adder	Weighted Average Price with RPS	Weighted Average Price with RPS vs Min		
Block P NH Large Default	Bidder A																
	Bidder B																
	Bidder C																
	Bidder D																
	Bidder E																
	Bidder F																
	Bidder G																
	Bidder H																
	Bidder I																
	Bidder J																
	Bidder K																
	Bidder L																
	Bidder M																
	Bidder N																
	Bidder O																
	Monthly Weighting																
Block Q NH Small Default	Bidder A																
	Bidder B																
	Bidder C																
	Bidder D																
	Bidder E																
	Bidder F																
	Bidder G																
	Bidder H																
	Bidder I																
	Bidder J																
	Bidder K																
	Bidder L																
	Bidder M																
	Bidder N																
	Bidder O																

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**ATTACHMENT 3
INDICATIVE BID RANKING AT RETAIL
WITHOUT RPS (¢/kWh)
BLOCKS A – Q**

Monthly Weighting										
		Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	Average Price	Weighted Average Price	Weighted Avg Price vs. Min
Block A SEMA Ind	Bidder A									
	Bidder B									
	Bidder C									
	Bidder D									
	Bidder E									
	Bidder F									
	Bidder G									
	Bidder H									
	Bidder I									
	Bidder J									
	Bidder K									
	Bidder L									
	Bidder M									
	Bidder N									
	Bidder O									
	Block B WEMA Ind									
Bidder B										
Bidder C										
Bidder D										
Bidder E										
Bidder F										
Bidder G										
Bidder H										
Bidder I										
Bidder J										
Bidder K										
Bidder L										
Bidder M										
Bidder N										
Bidder O										
Block C NEMA Ind		Bidder A								
	Bidder B									
	Bidder C									
	Bidder D									
	Bidder E									
	Bidder F									
	Bidder G									
	Bidder H									
	Bidder I									
	Bidder J									
	Bidder K									
	Bidder L									
	Bidder M									
	Bidder N									
	Bidder O									

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**ATTACHMENT 3
INDICATIVE BID RANKING AT RETAIL
WITHOUT RPS (¢/kWh)
BLOCKS A – Q**

Monthly Weighting										
		Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	Average Price	Weighted Average Price	Weighted Avg Price vs. Min
Block D SEMA Com	Bidder A									
	Bidder B									
	Bidder C									
	Bidder D									
	Bidder E									
	Bidder F									
	Bidder G									
	Bidder H									
	Bidder I									
	Bidder J									
	Bidder K									
	Bidder L									
	Bidder M									
	Bidder N									
	Bidder O									
	Block E W C M A Com									
Bidder B										
Bidder C										
Bidder D										
Bidder E										
Bidder F										
Bidder G										
Bidder H										
Bidder I										
Bidder J										
Bidder K										
Bidder L										
Bidder M										
Bidder N										
Bidder O										
Block F NEMA Com		Bidder A								
	Bidder B									
	Bidder C									
	Bidder D									
	Bidder E									
	Bidder F									
	Bidder G									
	Bidder H									
	Bidder I									
	Bidder J									
	Bidder K									
	Bidder L									
	Bidder M									
	Bidder N									
	Bidder O									

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**ATTACHMENT 3
INDICATIVE BID RANKING AT RETAIL
WITHOUT RPS (¢/kWh)
BLOCKS A – Q**

Monthly Weighting										
		Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	Average Price	Weighted Average Price	Weighted Avg Price vs. Min
Block G SEMA Res	Bidder A									
	Bidder B									
	Bidder C									
	Bidder D									
	Bidder E									
	Bidder F									
	Bidder G									
	Bidder H									
	Bidder I									
	Bidder J									
	Bidder K									
	Bidder L									
	Bidder M									
	Bidder N									
	Bidder O									
	Block H W CMA Res									
Bidder B										
Bidder C										
Bidder D										
Bidder E										
Bidder F										
Bidder G										
Bidder H										
Bidder I										
Bidder J										
Bidder K										
Bidder L										
Bidder M										
Bidder N										
Bidder O										
Block I NEMA Res		Bidder A								
	Bidder B									
	Bidder C									
	Bidder D									
	Bidder E									
	Bidder F									
	Bidder G									
	Bidder H									
	Bidder I									
	Bidder J									
	Bidder K									
	Bidder L									
	Bidder M									
	Bidder N									
	Bidder O									

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**ATTACHMENT 3
INDICATIVE BID RANKING AT RETAIL
WITHOUT RPS (¢/kWh)
BLOCKS A – Q**

Monthly Weighting										
		May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Average Price	Weighted Average Price	Weighted Avg Price vs. Min
Block J SEMA Com	Bidder A									
	Bidder B									
	Bidder C									
	Bidder D									
	Bidder E									
	Bidder F									
	Bidder G									
	Bidder H									
	Bidder I									
	Bidder J									
	Bidder K									
	Bidder L									
	Bidder M									
	Bidder N									
	Bidder O									
	Block K WCMA Com									
Bidder B										
Bidder C										
Bidder D										
Bidder E										
Bidder F										
Bidder G										
Bidder H										
Bidder I										
Bidder J										
Bidder K										
Bidder L										
Bidder M										
Bidder N										
Bidder O										
Block L NEMA Com		Bidder A								
	Bidder B									
	Bidder C									
	Bidder D									
	Bidder E									
	Bidder F									
	Bidder G									
	Bidder H									
	Bidder I									
	Bidder J									
	Bidder K									
	Bidder L									
	Bidder M									
	Bidder N									
	Bidder O									

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**ATTACHMENT 3
INDICATIVE BID RANKING AT RETAIL
WITHOUT RPS (¢/kWh)
BLOCKS A – Q**

Monthly Weighting										
		May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Average Price	Weighted Average Price	Weighted Avg Price vs. Min
Block M SEMA Res	Bidder A									
	Bidder B									
	Bidder C									
	Bidder D									
	Bidder E									
	Bidder F									
	Bidder G									
	Bidder H									
	Bidder I									
	Bidder J									
	Bidder K									
	Bidder L									
	Bidder M									
	Bidder N									
	Bidder O									
	Block N WCMA Res									
Bidder B										
Bidder C										
Bidder D										
Bidder E										
Bidder F										
Bidder G										
Bidder H										
Bidder I										
Bidder J										
Bidder K										
Bidder L										
Bidder M										
Bidder N										
Bidder O										
Block O NEMA Res		Bidder A								
	Bidder B									
	Bidder C									
	Bidder D									
	Bidder E									
	Bidder F									
	Bidder G									
	Bidder H									
	Bidder I									
	Bidder J									
	Bidder K									
	Bidder L									
	Bidder M									
	Bidder N									
	Bidder O									

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**ATTACHMENT 3
INDICATIVE BID RANKING AT RETAIL
WITHOUT RPS (¢/kWh)
BLOCKS A – Q**

Monthly Weighting										
		Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	Average Price	Weighted Average Price	Weighted Avg Price vs. Min
Block P NH Large Default	Bidder A									
	Bidder B									
	Bidder C									
	Bidder D									
	Bidder E									
	Bidder F									
	Bidder G									
	Bidder H									
	Bidder I									
	Bidder J									
	Bidder K									
	Bidder L									
	Bidder M									
	Bidder N									
	Bidder O									
	Monthly W									
Block Q NH Small Default	Bidder A									
	Bidder B									
	Bidder C									
	Bidder D									
	Bidder E									
	Bidder F									
	Bidder G									
	Bidder H									
	Bidder I									
	Bidder J									
	Bidder K									
	Bidder L									
	Bidder M									
	Bidder N									
	Bidder O									



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**ATTACHMENT 4
ESTIMATED INDICATIVE PRICES
FORECAST BASED ON NYMEX ELECTRICITY FUTURES
NOVEMBER 2010 – OCTOBER 2011 PERIOD**

			Nov-2010	Dec-2010	Jan-2011	Feb-2011	Mar-2011	Apr-2011	Average
(B)	Electric Futures Price (\$/MWh)	On-Peak							
		Off-Peak							
(C)	Premium Bid Factor	MA Ind SEMA							
		MA Ind WCMA							
		MA Ind NEMA							
		MA Com SEMA							
		MA Com WCMA							
		MA Com NEMA							
		MA Res SEMA							
		MA Res WCMA							
		MA Res NEMA							
		NH Large							
NH Small									
(J)	Expected Bid Price (\$/MWh)	Ind SEMA							
		Ind WCMA							
		Ind NEMA							
		Com SEMA							
		Com WCMA							
		Com NEMA							
		Res SEMA							
		Res WCMA							
		Res NEMA							
		NH Large							
NH Small									

			May-2011	Jun-2011	Jul-2011	Aug-2011	Sep-2011	Oct-2011	Average
(B)	Electric Futures Price (\$/MWh)	On-Peak							
		Off-Peak							
(C)	Premium Bid Factor	MA Com SEMA							
		MA Com WCMA							
		MA Com NEMA							
		MA Res SEMA							
		MA Res WCMA							
		MA Res NEMA							
(J)	Expected Bid Price \$/MWh	Com SEMA							
		Com WCMA							
		Com NEMA							
		Res SEMA							
		Res WCMA							
		Res NEMA							

Notes:

(B) NYMEX electric futures closing prices for ISO-NE Hub for:

09/07/2010

(C) Historical bid factors.

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**ATTACHMENT 5
FINAL BID RANKING AT WHOLESALE
BLOCKS A – Q**

Monthly Weighting																		
		Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11											
		Average Price	Weighted Average Price	Weighted Avg Price vs. Min	% Change From Indicative	Expected Bid based on Electric Forecast	% of Highest Average Estimated Price	2010/2011 RPS Adder	Weighted Average Price with RPS	Weighted Average Price with RPS vs Min								
Block A S.E.M.A. In d	Bidder A																	
	Bidder B																	
	Bidder C																	
	Bidder D																	
	Bidder E																	
	Bidder F																	
	Bidder G																	
	Bidder H																	
	Bidder I																	
	Bidder J																	
	Bidder K																	
	Bidder L																	
	Bidder M																	
	Bidder N																	
	Bidder O																	
	Block B W.C.M.A. In d																	
Bidder B																		
Bidder C																		
Bidder D																		
Bidder E																		
Bidder F																		
Bidder G																		
Bidder H																		
Bidder I																		
Bidder J																		
Bidder K																		
Bidder L																		
Bidder M																		
Bidder N																		
Bidder O																		
Block C N.E.M.A. In d		Bidder A																
	Bidder B																	
	Bidder C																	
	Bidder D																	
	Bidder E																	
	Bidder F																	
	Bidder G																	
	Bidder H																	
	Bidder I																	
	Bidder J																	
	Bidder K																	
	Bidder L																	
	Bidder M																	
	Bidder N																	
	Bidder O																	

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ATTACHMENT 5
FINAL BID RANKING AT WHOLESALE
BLOCKS A – Q

Monthly Weighting																			
		Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	Average Price	Weighted Average Price	Weighted Avg Price vs. Min	% Change From Indicative	Expected Bid based on Electric Forecast	% of Highest Average Estimated Price	2010/2011 RPS Adder	Weighted Average Price with RPS	Weighted Average Price with RPS vs Min			
Block D S.E.M.A.C.o.m	Bidder A																		
	Bidder B																		
	Bidder C																		
	Bidder D																		
	Bidder E																		
	Bidder F																		
	Bidder G																		
	Bidder H																		
	Bidder I																		
	Bidder J																		
	Bidder K																		
	Bidder L																		
	Bidder M																		
	Bidder N																		
	Bidder O																		
	Block E W.C.M.A.C.o.m																		
Bidder B																			
Bidder C																			
Bidder D																			
Bidder E																			
Bidder F																			
Bidder G																			
Bidder H																			
Bidder I																			
Bidder J																			
Bidder K																			
Bidder L																			
Bidder M																			
Bidder N																			
Bidder O																			
Block F N.E.M.A.C.o.m																			
	Bidder B																		
	Bidder C																		
	Bidder D																		
	Bidder E																		
	Bidder F																		
	Bidder G																		
	Bidder H																		
	Bidder I																		
	Bidder J																		
	Bidder K																		
	Bidder L																		
	Bidder M																		
	Bidder N																		
	Bidder O																		

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ATTACHMENT 5
FINAL BID RANKING AT WHOLESALE
BLOCKS A – Q

Monthly Weighting																	
		Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	Average Price	Weighted Average Price	Weighted Avg Price vs. Min	% Change From Indicative	Expected Bid based on Electric Forecast	% of Highest Average Estimated Price	2010/2011 RPS Adder	Weighted Average Price with RPS	Weighted Average Price with RPS vs Min	
Block G S E M A R e s	Bidder A																
	Bidder B																
	Bidder C																
	Bidder D																
	Bidder E																
	Bidder F																
	Bidder G																
	Bidder H																
	Bidder I																
	Bidder J																
	Bidder K																
	Bidder L																
	Bidder M																
	Bidder N																
	Bidder O																
	Block H W C M A R e s	Bidder A															
Bidder B																	
Bidder C																	
Bidder D																	
Bidder E																	
Bidder F																	
Bidder G																	
Bidder H																	
Bidder I																	
Bidder J																	
Bidder K																	
Bidder L																	
Bidder M																	
Bidder N																	
Bidder O																	
Block I N E M A R e s		Bidder A															
	Bidder B																
	Bidder C																
	Bidder D																
	Bidder E																
	Bidder F																
	Bidder G																
	Bidder H																
	Bidder I																
	Bidder J																
	Bidder K																
	Bidder L																
	Bidder M																
	Bidder N																
	Bidder O																

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**ATTACHMENT 5
FINAL BID RANKING AT WHOLESALE
BLOCKS A – Q**

Monthly Weighting																			
		May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Average Price	Weighted Average Price	Weighted Avg Price vs. Min	% Change From Indicative	Expected Bid based on Electric Forecast	% of Highest Average Estimated Price	2011 RPS Adder	Weighted Average Price with RPS	Weighted Average Price with RPS vs Min			
Block J S.E.M.A.C.o.m	Bidder A																		
	Bidder B																		
	Bidder C																		
	Bidder D																		
	Bidder E																		
	Bidder F																		
	Bidder G																		
	Bidder H																		
	Bidder I																		
	Bidder J																		
	Bidder K																		
	Bidder L																		
	Bidder M																		
	Bidder N																		
	Bidder O																		
	Block K W.C.M.A.C.o.m																	Bidder A	
Bidder B																			
Bidder C																			
Bidder D																			
Bidder E																			
Bidder F																			
Bidder G																			
Bidder H																			
Bidder I																			
Bidder J																			
Bidder K																			
Bidder L																			
Bidder M																			
Bidder N																			
Bidder O																			
Block L N.E.M.A.C.o.m		Bidder A																	
	Bidder B																		
	Bidder C																		
	Bidder D																		
	Bidder E																		
	Bidder F																		
	Bidder G																		
	Bidder H																		
	Bidder I																		
	Bidder J																		
	Bidder K																		
	Bidder L																		
	Bidder M																		
	Bidder N																		
	Bidder O																		

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**ATTACHMENT 5
FINAL BID RANKING AT WHOLESALE
BLOCKS A – Q**

Monthly Weighting																			
		May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Average Price	Weighted Average Price	Weighted Avg Price vs. Min	% Change From Indicative	Expected Bid based on Electric Forecast	% of Highest Average Estimated Price	2011 RPS Adder	Weighted Average Price with RPS	Weighted Average Price with RPS vs Min			
Block M S.E.M.A. Res.	Bidder A																		
	Bidder B																		
	Bidder C																		
	Bidder D																		
	Bidder E																		
	Bidder F																		
	Bidder G																		
	Bidder H																		
	Bidder I																		
	Bidder J																		
	Bidder K																		
	Bidder L																		
	Bidder M																		
	Bidder N																		
	Bidder O																		
	Block N W.C.M.A. Res.																	Bidder A	
Bidder B																			
Bidder C																			
Bidder D																			
Bidder E																			
Bidder F																			
Bidder G																			
Bidder H																			
Bidder I																			
Bidder J																			
Bidder K																			
Bidder L																			
Bidder M																			
Bidder N																			
Bidder O																			
Block O N.E.M.A. Res.		Bidder A																	
	Bidder B																		
	Bidder C																		
	Bidder D																		
	Bidder E																		
	Bidder F																		
	Bidder G																		
	Bidder H																		
	Bidder I																		
	Bidder J																		
	Bidder K																		
	Bidder L																		
	Bidder M																		
	Bidder N																		
	Bidder O																		

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ATTACHMENT 5
FINAL BID RANKING AT WHOLESALE
BLOCKS A – Q

Monthly Weighting																		
		Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	Average Price	Weighted Average Price	Weighted Avg Price vs. Min	% Change From Indicative	Expected Bid based on Electric Forecast	% of Highest Average Estimated Price	2010/2011 RPS Adder	Weighted Average Price with RPS	Weighted Average Price with RPS vs Min		
Block P NH Large Default	Bidder A																	
	Bidder B																	
	Bidder C																	
	Bidder D																	
	Bidder E																	
	Bidder F																	
	Bidder G																	
	Bidder H																	
	Bidder I																	
	Bidder J																	
	Bidder K																	
	Bidder L																	
	Bidder M																	
	Bidder N																	
	Bidder O																	
	Monthly Weighting																	
	Block Q NH Small Default	Bidder A																
Bidder B																		
Bidder C																		
Bidder D																		
Bidder E																		
Bidder F																		
Bidder G																		
Bidder H																		
Bidder I																		
Bidder J																		
Bidder K																		
Bidder L																		
Bidder M																		
Bidder N																		
Bidder O																		

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**ATTACHMENT 6
FINAL BID RANKING AT RETAIL
WITHOUT RPS (¢/kWh)
BLOCKS A – Q**

Monthly Weighting										
		Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	Average Price	Weighted Average Price	Weighted Avg Price vs. Min
Block A SEMA Ind	Bidder A									
	Bidder B									
	Bidder C									
	Bidder D									
	Bidder E									
	Bidder F									
	Bidder G									
	Bidder H									
	Bidder I									
	Bidder J									
	Bidder K									
	Bidder L									
	Bidder M									
	Bidder N									
	Bidder O									
	Block B WCMA Ind									
Bidder B										
Bidder C										
Bidder D										
Bidder E										
Bidder F										
Bidder G										
Bidder H										
Bidder I										
Bidder J										
Bidder K										
Bidder L										
Bidder M										
Bidder N										
Bidder O										
Block C NEMA Ind		Bidder A								
	Bidder B									
	Bidder C									
	Bidder D									
	Bidder E									
	Bidder F									
	Bidder G									
	Bidder H									
	Bidder I									
	Bidder J									
	Bidder K									
	Bidder L									
	Bidder M									
	Bidder N									
	Bidder O									

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**ATTACHMENT 6
FINAL BID RANKING AT RETAIL
WITHOUT RPS (¢/kWh)
BLOCKS A – Q**

Monthly Weighting										
		Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	Average Price	Weighted Average Price	Weighted Avg Price vs. Min
Block D SEMA Com	Bidder A									
	Bidder B									
	Bidder C									
	Bidder D									
	Bidder E									
	Bidder F									
	Bidder G									
	Bidder H									
	Bidder I									
	Bidder J									
	Bidder K									
	Bidder L									
	Bidder M									
	Bidder N									
	Bidder O									
	Block E W C M A Com									
Bidder B										
Bidder C										
Bidder D										
Bidder E										
Bidder F										
Bidder G										
Bidder H										
Bidder I										
Bidder J										
Bidder K										
Bidder L										
Bidder M										
Bidder N										
Bidder O										
Block F NEM A Com		Bidder A								
	Bidder B									
	Bidder C									
	Bidder D									
	Bidder E									
	Bidder F									
	Bidder G									
	Bidder H									
	Bidder I									
	Bidder J									
	Bidder K									
	Bidder L									
	Bidder M									
	Bidder N									
	Bidder O									

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**ATTACHMENT 6
FINAL BID RANKING AT RETAIL
WITHOUT RPS (¢/kWh)
BLOCKS A – Q**

Monthly Weighting										
		Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	Average Price	Weighted Average Price	Weighted Avg Price vs. Min
Block G SEMA Res	Bidder A									
	Bidder B									
	Bidder C									
	Bidder D									
	Bidder E									
	Bidder F									
	Bidder G									
	Bidder H									
	Bidder I									
	Bidder J									
	Bidder K									
	Bidder L									
	Bidder M									
	Bidder N									
	Bidder O									
	Block H WCMA Res									
Bidder B										
Bidder C										
Bidder D										
Bidder E										
Bidder F										
Bidder G										
Bidder H										
Bidder I										
Bidder J										
Bidder K										
Bidder L										
Bidder M										
Bidder N										
Bidder O										
Block I NEMA Res		Bidder A								
	Bidder B									
	Bidder C									
	Bidder D									
	Bidder E									
	Bidder F									
	Bidder G									
	Bidder H									
	Bidder I									
	Bidder J									
	Bidder K									
	Bidder L									
	Bidder M									
	Bidder N									
	Bidder O									

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ATTACHMENT 6
FINAL BID RANKING AT RETAIL
WITHOUT RPS (¢/kWh)
BLOCKS A – Q

Monthly Weighting		May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Average Price	Weighted Average Price	Weighted Avg Price vs. Min
Block J SEMA Com	Bidder A									
	Bidder B									
	Bidder C									
	Bidder D									
	Bidder E									
	Bidder F									
	Bidder G									
	Bidder H									
	Bidder I									
	Bidder J									
	Bidder K									
	Bidder L									
	Bidder M									
	Bidder N									
	Bidder O									
	Block K WCMA Com									
Bidder B										
Bidder C										
Bidder D										
Bidder E										
Bidder F										
Bidder G										
Bidder H										
Bidder I										
Bidder J										
Bidder K										
Bidder L										
Bidder M										
Bidder N										
Bidder O										
Block L NEMA Com		Bidder A								
	Bidder B									
	Bidder C									
	Bidder D									
	Bidder E									
	Bidder F									
	Bidder G									
	Bidder H									
	Bidder I									
	Bidder J									
	Bidder K									
	Bidder L									
	Bidder M									
	Bidder N									
	Bidder O									

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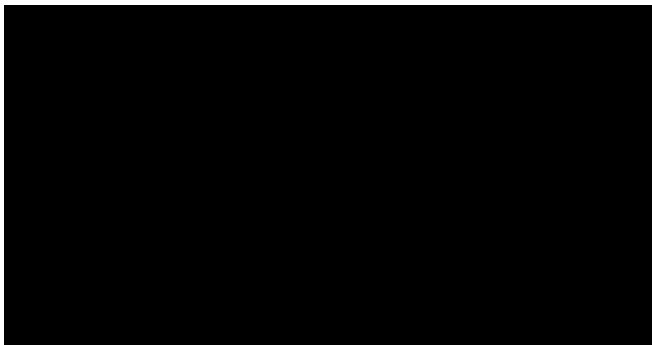
**ATTACHMENT 6
FINAL BID RANKING AT RETAIL
WITHOUT RPS (¢/kWh)
BLOCKS A – Q**

Monthly Weighting										
		May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Average Price	Weighted Average Price	Weighted Avg Price vs. Min
Block M SEMA Res	Bidder A									
	Bidder B									
	Bidder C									
	Bidder D									
	Bidder E									
	Bidder F									
	Bidder G									
	Bidder H									
	Bidder I									
	Bidder J									
	Bidder K									
	Bidder L									
	Bidder M									
	Bidder N									
	Bidder O									
	Block N WCMA Res									
Bidder B										
Bidder C										
Bidder D										
Bidder E										
Bidder F										
Bidder G										
Bidder H										
Bidder I										
Bidder J										
Bidder K										
Bidder L										
Bidder M										
Bidder N										
Bidder O										
Block O NEMA Res										
	Bidder B									
	Bidder C									
	Bidder D									
	Bidder E									
	Bidder F									
	Bidder G									
	Bidder H									
	Bidder I									
	Bidder J									
	Bidder K									
	Bidder L									
	Bidder M									
	Bidder N									
	Bidder O									

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**ATTACHMENT 6
 FINAL BID RANKING AT RETAIL
 WITHOUT RPS (¢/kWh)
BLOCKS A – Q**

Monthly Weighting		Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	Average Price	Weighted Average Price	Weighted Avg Price vs. Min
Block P NH Large Default	Bidder A									
	Bidder B									
	Bidder C									
	Bidder D									
	Bidder E									
	Bidder F									
	Bidder G									
	Bidder H									
	Bidder I									
	Bidder J									
	Bidder K									
	Bidder L									
	Bidder M									
	Bidder N									
	Bidder O									
	Monthly W									
Block Q NH Small Default	Bidder A									
	Bidder B									
	Bidder C									
	Bidder D									
	Bidder E									
	Bidder F									
	Bidder G									
	Bidder H									
	Bidder I									
	Bidder J									
	Bidder K									
	Bidder L									
	Bidder M									
	Bidder N									
	Bidder O									



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**ATTACHMENT 7 ESTIMATED FINAL PRICES
FORECAST BASED ON NYMEX ELECTRICITY FUTURES
NOVEMBER 2010 – OCTOBER 2011 PERIOD**

			Nov-2010	Dec-2010	Jan-2011	Feb-2011	Mar-2011	Apr-2011	Average
(B)	Electric Futures Price (\$/MWh)	On-Peak							
		Off-Peak							
(C)	Premium Bid Factor	MA Ind SEMA							
		MA Ind WCMA							
		MA Ind NEMA							
		MA Com SEMA							
		MA Com WCMA							
		MA Com NEMA							
		MA Res SEMA							
		MA Res WCMA							
		MA Res NEMA							
		NH Large							
		NH Small							
(J)	Expected Bid Price (\$/MWh)	Ind SEMA							
		Ind WCMA							
		Ind NEMA							
		Com SEMA							
		Com WCMA							
		Com NEMA							
		Res SEMA							
		Res WCMA							
		Res NEMA							
		NH Large							
		NH Small							

			May-2011	Jun-2011	Jul-2011	Aug-2011	Sep-2011	Oct-2011	Average
(B)	Electric Futures Price (\$/MWh)	On-Peak							
		Off-Peak							
(C)	Premium Bid Factor	MA Com SEMA							
		MA Com WCMA							
		MA Com NEMA							
		MA Res SEMA							
		MA Res WCMA							
		MA Res NEMA							
(J)	Expected Bid Price \$/MWh	Com SEMA							
		Com WCMA							
		Com NEMA							
		Res SEMA							
		Res WCMA							
		Res NEMA							

Notes:

(B) NYMEX electric futures closing prices for ISO-NE Hub for:

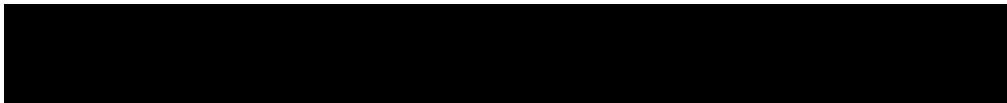
09/14/2010

(C) Historical bid factors.

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ATTACHMENT 8
EVALUATION OF LOWEST COST BID FOR BLOCKS E & K

	(A)	(B)	(C)	(D)	(E)	(F)
Nov-10						
Dec-10						
Jan-11						
Feb-11						
Mar-11						
Apr-11						
May-11						
Jun-11						
Jul-11						
Aug-11						
Sep-11						
Oct-11						



- (D) Product of column A and column B.
- (E) Product of column A and column C.
- (F) Column D minus column E.

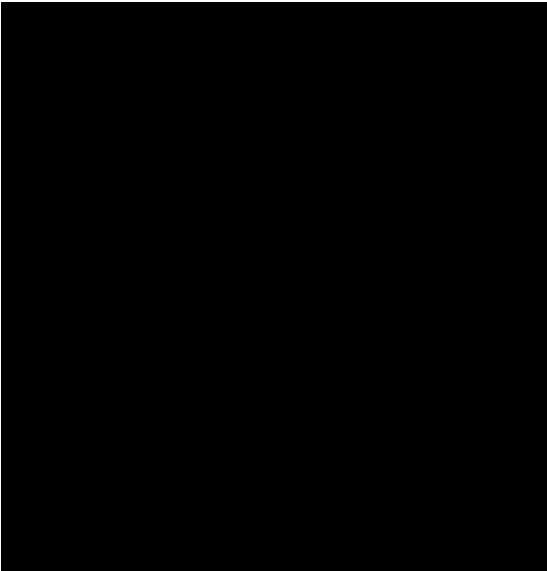
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ATTACHMENT 9
SUMMARY OF LOAD BLOCK AWARDS

Load Block	Customer Group	Load Zone	Supplier	Basis for Award	
A	Industrial	SEMA		Lowest bidder for block	
B	Industrial	WCMA		Lowest bidder for block	
C	Industrial	NEMA		Lowest bidder for block	
D	Commercial	SEMA		Lowest bidder for block	
E	Commercial	WCMA		2 nd lowest bidder for block	
F	Commercial	NEMA		Lowest bidder for block	
G	Residential	SEMA		Lowest bidder for block	
H	Residential	WCMA		Lowest bidder for block	
I	Residential	NEMA		Lowest bidder for block	
J	Commercial	SEMA		Lowest bidder for block	
K	Commercial	WCMA		Lowest bidder for block	
L	Commercial	NEMA		Lowest bidder for block	
M	Residential	SEMA		Lowest bidder for block	
N	Residential	WCMA		Lowest bidder for block	
O	Residential	NEMA		Lowest bidder for block	
P	Large	NH		Dominion Energy Marketing	Lowest bidder for block
Q	Small	NH		NextEra Energy Power Marketing	Lowest bidder for block

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ATTACHMENT 10
BIDDER KEY

<u>Bidder</u>	<u>Name</u>
Bidder A	
Bidder B	
Bidder C	
Bidder D	
Bidder E	
Bidder F	
Bidder G	
Bidder H	
Bidder I	
Bidder J	
Bidder K	
Bidder L	
Bidder M	
Bidder N	

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ATTACHMENT 11
SUMMARY OF RPS BIDS

INDICATIVE

	MA RPS Adder \$/MWh		MA RPS REC COST \$/REC		NH RPS Adder \$/MWh		NH RPS REC COST \$/REC	
	RPS-2010	RPS-2011	2010	2011	NH-RPS- 2010	NH-RPS- 2011	2010	2011
	Avg Market Cost					\$ 1.53	\$ 2.08	\$ 20.29
ACP Value	\$ 4.96	\$ 6.18	\$ 36.49	\$ 40.95	\$ 2.61	\$ 3.59	\$ 34.62	\$ 37.47
Bidder A								
Bidder B								
Bidder C								
Bidder D								
Bidder E								
Bidder F								
Bidder G								
Bidder H								
Bidder I								
Bidder J								
Bidder K								
Bidder L								
Bidder M								
Bidder N								
Bidder O								
min								
max								

FINAL

	MA RPS Adder \$/MWh		MA RPS REC COST \$/REC		NH RPS Adder \$/MWh		NH RPS REC COST \$/REC	
	RPS-2010	RPS-2011	2010	2011	NH-RPS- 2010	NH-RPS- 2011	2010	2011
	Avg Market Cost					\$ 1.53	\$ 2.08	\$ 20.29
ACP Value	\$ 4.96	\$ 6.18	\$ 36.49	\$ 40.95	\$ 2.61	\$ 3.59	\$ 34.62	\$ 37.47
Bidder A								
Bidder B								
Bidder C								
Bidder D								
Bidder E								
Bidder F								
Bidder G								
Bidder H								
Bidder I								
Bidder J								
Bidder K								
Bidder L								
Bidder M								
Bidder N								
Bidder O								
min								
max								

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ATTACHMENT 12
MA RPS & APS COST ADDER CALCULATION

	YEAR			
	2010 ACP	2011	2010 Market	2011
<u>Section 1: Calculation of RPS Class I Resource Charge</u>				
(1) RPS Class I Renewable Generation Resource Alternative Compliance Payment	\$60.93	\$60.94	█	█
(2) RPS Class I Renewable Generation Resource Obligation	4.932%	5.837%	4.9321%	5.8373%
(3) Incremental Cost - \$/MWh	\$3.01	\$3.56	█	█
<u>Section 2: Calculation of RPS Class I Solar Carve-Out Resource Charge</u>				
(1) RPS Class I Solar Carve-Out Renewable Generation Resource Alternative Compliance Payment	\$600.00	\$600.10	█	█0
(2) RPS Class I Solar Carve-Out Renewable Generation Resource Obligation	0.068%	0.163%	0.0679%	0.1627%
(3) Incremental Cost - \$/MWh	\$0.41	\$0.98	█	█
<u>Section 3: Calculation of RPS Class II Resource Charge</u>				
(1) RPS Class II Renewable Generation Resource Alternative Compliance Payment	\$25.00	\$25.00	█	█
(2) RPS Class II Renewable Generation Resource Obligation	3.60%	3.60%	3.60%	3.60%
(3) Incremental Cost - \$/MWh	\$0.90	\$0.90	█	█
<u>Section 4: Calculation of RPS Class II Waste Energy Resource Charge</u>				
(1) RPS Class II Waste Energy Resource Alternative Compliance Payment	\$10.00	\$10.00	█	█
(2) RPS Class II Waste Energy Resource Obligation	3.50%	3.50%	3.50%	3.50%
(3) Incremental Cost - \$/MWh	\$0.35	\$0.35	█	█
<u>Section 5: Calculation of APS Resource Charge</u>				
(1) APS Alternative Compliance Payment	\$20.00	\$20.00	█	█
(2) APS Obligation	1.50%	2.00%	1.50%	2.00%
(3) Incremental Cost - \$/MWh	\$0.30	\$0.40	█	█
<u>Section 6: Calculation of RPS/APS Adder</u>				
(4) Sum of Class I, Class II and APS Incremental Costs - \$/MWh	\$4.96	\$6.18	█	█
(5) Total RPS/APS Obligation %	13.60%	15.10%	13.60%	15.10%
(6) Obligation Weighted cost	\$36.49	\$40.95	█	█

Notes

- (1) 2010 ACP & Market Prices
2011 ACP based on the product of the 2010 ACP by the CPI increase from 2009 to 2010, as published by DOER.
- (2) From 225 CMR 14 or 15 or 16.
- (3) Line (1) times Line (2)
- (4) Sum of all Line 3's
- (5) Sum of all Line 2's
- (6) Line (4) divided by Line (5)

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ATTACHMENT 13
NH RPS COST ADDER CALCULATION

	YEAR			
	2010 ACP	2011	2010 Market	2011
<u>Section 1: Calculation of Class I Renewable Energy Resource Charge</u>				
(1) Class I Alternative Compliance Payment	\$60.93	\$60.94	█	█
(2) Class I Renewable Energy Resource Obligation	1.00%	2.00%	1.00%	2.00%
(3) Incremental Cost - \$/MWh	\$0.61	\$1.22	█	█
<u>Section 2: Calculation of Class II Renewable Energy Resource Charge</u>				
(1) Class II Alternative Compliance Payment	\$160.01	\$160.04	█	█
(2) Class II Renewable Energy Resource Obligation	0.04%	0.08%	0.04%	0.08%
(3) Incremental Cost - \$/MWh	\$0.06	\$0.13	█	█
<u>Section 3: Calculation of Class III Renewable Energy Resource Charge</u>				
(1) Class III Alternative Compliance Payment	\$29.87	\$29.87	█	█
(2) Class III Renewable Energy Resource Obligation	5.50%	6.50%	5.50%	6.50%
(3) Incremental Cost - \$/MWh	\$1.64	\$1.94	█	█
<u>Section 4: Calculation of Class IV Renewable Energy Resource Charge</u>				
(1) Class IV Alternative Compliance Payment	\$29.87	\$29.87	█	█
(2) Class IV Renewable Energy Resource Obligation	1.00%	1.00%	1.00%	1.00%
(3) Incremental Cost - \$/MWh	\$0.30	\$0.30	█	█
<u>Section 5: Calculation of Renewable Portfolio Standard Adder</u>				
(4) Sum of Class I, II, III and Class IV Incremental Costs - \$/MWh	\$2.61	\$3.59	\$1.53	\$2.08
(5) Renewable Portfolio Standard Adder to be included in Retail Rates - \$/kWh	\$0.00261	\$0.00359	\$0.00153	\$0.00208
(6) Total RPS Obligation %	7.54%	9.58%	7.54%	9.58%
(7) Obligation Weighted cost	\$34.62	\$37.47	\$20.29	\$21.71

Notes

- (1) 2010 ACP and Market Prices
2011 ACP based on CPI increase from 2009 to 2010, as published by 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) divided by 1,000 to convert from \$/MWh to \$/kWh.
- (6) Sum of all Line (2)s
- (7) Line (4) divided by Line (6)

REDACTED DOCUMENT

National Grid: Page 40 of 40
Docket D.P.U. 10-BSF-D3
Docket DE 10-020

ATTACHMENT 14
RETAIL RATES BASED ON FINAL BID PRICES

		100% of MA Ind & NH Load Obligations, 50% of MA Com & Res Load Obligation						Average Price	50% of Load Obligation					Average Price															
		Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11		May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11															
Industrial	SEMA																												
	WCMA																												
	NEMA																												
	Average Price																												
Commercial	SEMA																												
	WCMA																												
	NEMA																												
	Average Price																												
Residential	SEMA																												
	WCMA																												
	NEMA																												
	Average Price																												
NH Large DS																													
NH Small DS																													

February 12, 2010 Request for Power Supply Proposals
March 10, 2010 Final Bid Prices (\$ / MWh) at Wholesale Delivery Point

		50% of Load Obligation, No RPS						Average Price
		Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	
Commercial	SEMA							
	WCMA							
	NEMA							
	Average Price							
Residential	SEMA							
	WCMA							
	NEMA							
	Average Price							

September 15, 2010 Final Bid Prices (¢ / kWh) at Retail Customer Meter, Including RPS Compliance

		100% of MA Ind & NH Load Obligations, 50% of MA Com & Res Load Obligation						Average Price	50% of Load Obligation					Average Price	
		Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11		May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	
Industrial	SEMA	6.800	7.308	7.806				7.305							
	WCMA	6.635	7.220	7.803				7.219							
	NEMA	6.721	7.153	7.713				7.196							
	Average Price	6.705	7.231	7.782				7.239							
Commercial	SEMA	7.350	7.688	8.297	8.481	7.713	7.627	7.859							
	WCMA	7.356	7.683	8.333	8.380	7.707	7.648	7.851							
	NEMA	7.172	7.491	8.152	8.324	7.541	7.502	7.697							
	Average Price	7.304	7.632	8.271	8.399	7.664	7.601	7.812							
Residential	SEMA	7.278	7.601	8.231	8.474	7.752	7.708	7.841							
	WCMA	7.095	7.499	8.081	8.287	7.540	7.536	7.673							
	NEMA	7.095	7.398	8.049	8.305	7.547	7.568	7.660							
	Average Price	7.159	7.508	8.125	8.357	7.617	7.605	7.729							
NH Large DS		6.521	6.994	7.707				7.074							
NH Small DS		6.340	6.709	7.166	7.414	6.517	6.863	6.835							

SCHEDULE MMJ – 3

**Comparison of Change in Futures Prices to
Change in Procurement Costs**

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Granite State Electric Company

Comparison of Change in Futures Prices to Change in Procurement Costs

	Winter Period (November - April)												Summer Period (May - October)												Percent Change (Summer to Winter)	Percent Change (Winter to Winter)
	Nov	Dec	Jan	Feb	Mar	Apr	Average	Hourly Weighted Average	May	Jun	Jul	Aug	Sep	Oct	Average	Hourly Weighted Average										
Electric Futures Price September 9, 2009 (\$/MWh)	On-Peak	39.73	50.33	61.00	61.00	52.37	52.37	52.80	47.07																	
	Off-Peak	32.08	41.30	49.72	49.72	42.33	42.33	42.91																		
Electric Futures Price March 10, 2010 (\$/MWh)	On-Peak																									
	Off-Peak																									
Electric Futures Price September 15, 2010 (\$/MWh)	On-Peak	45.23	50.78	56.70	56.70	49.50	46.50	50.90	45.23																	
	Off-Peak	36.03	41.50	46.43	46.43	38.18	38.18	41.13																		
NYMEX Natural Gas Price September 9, 2009 (\$/mmBtu)		3.870	4.610	4.909	4.975	4.975	4.987	4.721																		
NYMEX Natural Gas Price March 10, 2010 (\$/mmBtu)																										
NYMEX Natural Gas Price September 15, 2010 (\$/mmBtu)		4.169	4.418	4.601	4.608	4.543	4.466	4.468																		
Final Small CG Price with Capacity 9/9/2009 (¢/kWh)																										
Final Small CG Price with Capacity 3/10/2010 (¢/kWh)																										
Final Small CG Price with Capacity 9/15/2010 (¢/kWh)																										

Notes:
1) Hourly weighted average = 42% On Peak + 58% Off-Peak prices
2) Final Price does not include Default Service Reconciliation Adjustment Factor or Default Service Cost Reclassification Adjustment Factor.

SCHEDULE MMJ – 4

**Default Service Contract for the Large Customer Group
November 1, 2010 through January 31, 2011**

REDACTED DOCUMENT

EXECUTION COPY

**MASTER POWER AGREEMENT
FORM OF CONFIRMATION**

This Confirmation shall confirm the Transaction agreed to on, and effective as of September 15, 2010, between **GRANITE STATE ELECTRIC COMPANY** (“Granite” or “Buyer”), a New Hampshire corporation and **DOMINION ENERGY MARKETING, INC.**, a Delaware corporation (“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]

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

■ [REDACTED]

REDACTED DOCUMENT

[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]

[Redacted]

[Redacted]

6. Amount Payable

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

7. Modifications to the Master Power Agreement

None

[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 DOCUMENT



9. Confidentiality

Articles 2, 3, 4, 5, and 8 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.

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REDACTED DOCUMENT

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: James A. Cross, Jr.
Title: Authorized Signatory

DOMINION ENERGY MARKETING, INC.

Name (print): _____
Title: _____

REDACTED DOCUMENT

EXECUTION COPY
FIRST AMENDMENT TO NEW HAMPSHIRE MASTER POWER AGREEMENT

THIS FIRST AMENDMENT to the New Hampshire Master Power Agreement executed as of the 11th day of June 2009 by and between **GRANITE STATE ELECTRIC COMPANY**, a New Hampshire corporation (the “Buyer”) and **DOMINION ENERGY MARKETING, INC.** a Delaware corporation (“Seller”). The Buyer and Seller are referred to herein individually as a “Party” and collectively as the “Parties”.

RECITALS

A. Seller and Buyer executed that certain New Hampshire Master Power Agreement dated as of March 7, 2008 pursuant to which Seller has agreed to sell and Buyer has agreed to be the supplier of firm, load-following power to meet the Buyer’s Default Service Requirements (the "**Agreement**").

B. The Seller and Buyer desire to amend the provisions of the Agreement as more fully set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and promises contained herein, the Parties do hereby agree as follows:

1. Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Agreement.
2. The following definitions are added:

Alternative Compliance Payment Rate means the value as published by the NHPUC (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, as may be amended from time to time.

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

Class II Renewable Generation Attributes means a “Class I source” as defined in Puc 2502.08 of the New Hampshire Code of Administrative Rules, as may be amended from time to time.

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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, as may be amended from time to time.

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, as may be amended from time to time.

Commodity Business Day means Monday through Friday, excluding NERC Holidays.

Credit Support Annex or CSA means the credit support annex mutually agreed to and executed by the Parties, in the form set forth as Appendix D hereto and incorporated by reference herein.

NERC means the North American Electric Reliability Council.

New England Internal Hub Price means for each day remaining in the current calendar month and each day in all future calendar months during the term of this Transaction : (A) the sum of (x) the product of the applicable On-Peak ISO New England Internal Hub Price times the number of On-Peak Hours in such day and (y) the product of the applicable Off-Peak New England Internal Hub Price times the number of Off-Peak hours in such day and (B) then divided by twenty four (24).

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.

NYMEX means the New York Mercantile Exchange, Inc., its successors and assigns.

Off-Peak Hour means any hour that is not an On-Peak Hour.

Off-Peak ISO New England Internal Hub Price means, in a given month, the ISO New England Off-Peak LMP Swap price as published by NYMEX on a Valuation Date and represented by the NYMEX trading symbol KI.

On-Peak Hour means Hour Ending (“HE”) 08:00 EPT through HE 23:00 EPT on any Commodity Business Day.

On-Peak ISO New England Internal Hub Price means, in a given month, the ISO New England Internal Hub Peak LMP Swap price as published by NYMEX on a Valuation Date and represented by the NYMEX trading symbol NI.

REDACTED DOCUMENT

3. The definition of “**Credit Rating**” is deleted and replaced with the following:

“**Credit Rating** means, with respect to a Party (or its Credit Support Provider, as the case may be) or entity, on any date of determination, (1) the ratings assigned by Moody’s, S&P and/or the other rating agency or agencies mutually agreeable to the Parties or specified elsewhere in this Agreement to such Party’s (or its Credit Support Provider’s, as the case may be) or entity’s unsecured, senior, long-term debt not supported by third party credit enhancement, or (2) if the applicable entity does not have such a rating, then the rating assigned to such entity by Moody’s and/or S&P as its corporate credit rating or issuer rating, or (3) if the applicable entity is a financial institution, its unsecured, unsubordinated, long-term deposits by Moody’s, S&P and/or the other specified rating agency or agencies. In the event of an inconsistency in ratings by the rating agencies (a “split rating”), the lowest rating assigned shall control.”

4. The definition of “**NEPOOL-GIS Certificate**” is deleted and replaced with the following:

“**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.”

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

REDACTED DOCUMENT

10. Buyer's addresses in Section 8.1 are replaced with the following:

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

Director, Electric Supply and Distributed Generation
National Grid
100 East Old Country Road
Hicksville, NY 11801
(516) 545-3282 (phone)
(516) 545-3130 (fax)

and

Notices concerning Article 7 shall also be sent to:

General Counsel
National Grid
40 Sylvan Rd.
Waltham, MA 02451-1120
(781) 907-1000 (phone)
(781) 907- 5701- (fax)"

11. Appendix B "Master Power Agreement Form of Confirmation" is deleted in its entirety and replaced with the Appendix B "Master Power Agreement Form of confirmation" attached hereto.



13. Appendix D "Credit Support Annex (MA Default Service)," a copy of which is attached hereto, is added to the Agreement.

14. The Agreement as modified by this First Amendment shall continue in full force and effect and this First Amendment shall constitute a part of the Agreement. All references in the Agreement to itself shall be deemed to be references to the Agreement as amended hereby and the Agreement as amended hereby shall be referred to as the "Agreement."

15. The undersigned Parties hereby ratify and confirm all of the provisions of the Agreement, as amended or modified by this First Amendment, and agree and acknowledge that the same, as so amended, remains in full force and effect.

REDACTED DOCUMENT

16. This First Amendment may be signed in one or more counterparts, which, together, shall constitute a single document.

[Remainder of Page Intentionally Left Blank]

REDACTED DOCUMENT

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

GRANITE STATE ELECTRIC COMPANY

Name: Margaret M. Janzen
Title: Authorized Signatory

DOMINION ENERGY MARKETING, INC.

Name (print): _____
Title: _____

REDACTED DOCUMENT

**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.** a Delaware corporation (“**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]
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■ [REDACTED]

REDACTED DOCUMENT

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

6. 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,
 - a. 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,
- (ii) the product of (c) the number Class I NEPOOL-GIS Certificates delivered in a month and (d) the applicable Alternative Compliance Payment plus,
- (iii) the product of (c) the number Class II NEPOOL-GIS Certificates delivered in a month and (d) the applicable Alternative Compliance Payment plus
- (iv) the product of (e) the number of Class III NEPOOL-GIS Certificates delivered in a month and (d) the applicable Alternative Compliance Payment plus,
- (v) the product of (e) the number of Class IV NEPOOL-GIS Certificates delivered in a month and (d) the applicable Alternative Compliance Payment less,
- (vi) the product of (e) the Class I RPS Requirement in a month and (d) the applicable Alternative Compliance Payment less,
- (vii) the product of (e) the Class II RPS Requirement in a month and (d) the applicable Alternative Compliance Payment less
- (viii) the product of (e) the Class III RPS Requirement in a month and (d) the applicable Alternative Compliance Payment less,

REDACTED DOCUMENT

- (ix) the product of (e) the Class IV RPS Requirement in a month and (d) the applicable Alternative Compliance Payment.

[To be determined consistent with each transaction]

7. Modifications to the Master Power Agreement

[To be determined for each Transaction]

[Redacted text block containing multiple paragraphs and tables. The tables are partially obscured by black redaction bars.]

REDACTED DOCUMENT

9. Confidentiality

Articles 2, 3, 4, 5, and 8 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]

REDACTED DOCUMENT

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): _____
Title: _____

DOMINION ENERGY MARKETING, INC.

Name (print): _____
Title: _____

REDACTED DOCUMENT

APPENDIX D

CREDIT SUPPORT ANNEX (NH Default Service)

This Credit Support Annex to the Master Power Agreement (the “CSA”) is made and entered into by and between Buyer and Seller, as those terms are defined in the Master Power Agreement.

All provisions contained or incorporated by reference in the Master Power Agreement will govern this CSA except as expressly modified herein. Any terms capitalized, but not defined herein shall have the meaning given to them in the Master Power Agreement.

Paragraph 1. Definitions.

As Used in this CSA, the following terms have the meanings specified below:

“**Bid Proxy Price**” means, the product of (a) the Reference New England Internal Hub Price as set forth in the Confirmation for the applicable Transaction, (b) the Resulting Bid Factor for a calendar month, and (c) the Adjustment Factor, all for the applicable Transaction.

“**Cash**” means U.S. dollars held by or on behalf of a Party as Posted Collateral hereunder.

“**Collateral Account**” shall have the meaning specified in Paragraph 6(a)(iii)(B).

“**Collateral Interest Rate**” means the daily effective federal funds rate as published in the applicable statistical release designated as H.12(510), or any successor publication by the Board of Governors of the Federal Reserve System. If such rate is expressed as a range, the Collateral Interest Rate shall equal the arithmetic average of such range.

“**Collateral Threshold**” shall have the meaning specified in Paragraph 3(c)(i).

“**Custodian**” shall have the meaning specified in Paragraph 6(a)(i).

“**Daily Proxy Settlement Amount**” means, for a given day, the product of (a) the Expected Daily Load and (b) the Proxy Price for such day minus the Bid Proxy Price.

“**Delivery Amount**” shall have the meaning specified in Paragraph 4.

“**Disputing Party**” shall have the meaning specified in Paragraph 7.

“**Eligible Collateral**” shall have the meaning specified in Paragraph 3(c)(iii).

“**Exposure**” shall have the meaning specified in Paragraph 3(b).

“**Interest Amount**” means with respect to a Party and an Interest Period, the sum of the daily interest amounts for all days in such Interest Period; each daily interest amount to be determined by such Party as follows: (a) the amount of Cash held by such Party on that day (but excluding any interest previously earned on such Cash); *multiplied by* (b) the Collateral Interest Rate for that day; *divided by* (c) 360

“**Interest Period**” means the period from (and including) the last Business Day on which an Interest Amount was Transferred by a Party (or if no Interest Amount has yet been Transferred by such Party, the Business Day on which Cash was Transferred to such Party) to (but excluding) the Business Day on which the current Interest Amount is to be Transferred.

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“Invoiced Amounts” shall have the meaning specified in Paragraph 3(b)(i)

“Letter of Credit” shall mean an irrevocable, non-transferable, standby letter of credit, issued by a Qualified Institution utilizing a form acceptable to the party in whose favor the letter of credit is issued. All costs relating to any Letter of Credit shall be for the account of the Pledgor.

“Letter of Credit Default” shall mean with respect to an outstanding Letter of Credit, the occurrence of any of the following events (a) the issuer of such Letter of Credit shall fail to be a Qualified Institution (as defined below); (b) the issuer of the Letter of Credit shall fail to comply with or perform its obligations under such Letter of Credit if such failure shall be continuing after the lapse of any applicable grace period; (c) the issuer of the Letter of Credit shall disaffirm, disclaim, repudiate or reject, in whole or in part, or challenge the validity of, such Letter of Credit; or (d) the Letter of Credit shall expire or terminate or have a Value of zero at any time the Pledgor is required to Transfer Eligible Credit Support pursuant to Paragraph 4 below and the Pledgor has not Transferred replacement Eligible Credit Support; provided, however, that no Letter of Credit Default shall occur in any event with respect to a Letter of Credit after the time such Letter of Credit is required to be cancelled or returned to the Pledgor in accordance with the terms of this CSA.

“Notification Time” shall mean 1:00 p.m. EPT on a Business Day.

“Obligations” shall have the meaning specified Paragraph 2.

“Pledgor” means either party, when that party (i) receives a demand for or is required to Transfer Eligible Collateral or (ii) has Transferred Eligible Collateral under this CSA.

“Posted Collateral” means all Eligible Collateral and all proceeds thereof that have been Transferred to or received by the Secured Party under this CSA and not Transferred to the Pledgor or released by the Secured Party. Any interest amount or portion thereof not Transferred will constitute Posted Collateral in the form of Cash.

“Potential Event of Default” means any event which, with the giving of notice or the lapse of time or both, would constitute an Event of Default.

“Proxy Price” means, for a given day, the product of (a) the New England Internal Hub Price for such day, (b) the Resulting Bid Factor for a calendar month, and (c) the Adjustment Factor.

“Resulting Bid Factor” means (A) the Contract Rate in a calendar month divided by (B) the Reference New England Internal Hub Price for the same calendar month

“Qualified Institution” means a major U.S. commercial bank or trust company, a foreign bank with a U.S. branch office or financial institution, in any case, organized under the laws of the United States or a political subdivision thereof having assets of at least \$10 billion and Credit Ratings of at least “A3” from Moody’s and “A-” from S&P..

“Return Amount” shall have the meaning specified in Paragraph 5.

“Reference Market-Maker” means a leading dealer in the relevant market that is selected in a commercially reasonable manner and is not an affiliate of either party.

“Request Date” shall have the meaning specified in Paragraph 7.

“Requesting Party” shall have the meaning specified in Paragraph 7.

“Rounding Amount” shall have the meaning specified Paragraph 3(c)(ii).

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“**Secured Party**” means either party, when that party (i) makes a demand for or is entitled to receive Eligible Collateral or (ii) holds or is deemed to hold Posted Collateral under this CSA.

“**Seller’s Credit Support Provider**” means, Dominion Resources, Inc.

“**Seller’s Independent Amount**” means none, unless otherwise specified in the applicable Confirmation.

“**Substitute Eligible Collateral**” shall have the meaning specified in Paragraph 6(f).

“**Transfer**” means, with respect to any Posted Collateral or Interest Amount, and in accordance with the instructions of the Party entitled thereto:

- (a) in the case of Cash, payment or transfer by wire transfer into one or more bank accounts specified by Buyer; and
- (b) in the case of Letters of Credit, delivery of the Letter of Credit or an amendment thereto to Buyer.

“**Valuation Agent**” means the Requesting Party; provided, however, that that in all cases, if an Event of Default or Potential Event of Default has occurred and is continuing with respect to the party designated as the Valuation Agent, then in such case, and for so long as the Event of Default or Potential Event of Default continues, the other party shall be the Valuation Agent.

“**Valuation Date**” means each Business Day.

“**Valuation Percentage**” shall have the meaning specified in Paragraph 3(c)(iii).

“**Valuation Time**” means the close of business on the Business Day before the Valuation Date or date of calculation, as applicable.

“**Value**” means, with respect to Posted Collateral or Eligible Collateral, means the Valuation Percentage multiplied by the amount then available under the Letter of Credit to be unconditionally drawn by the Secured Party.

Paragraph 2. Encumbrance: Grant of Security Interest. Each party hereby pledges to the other Party as security for all outstanding Transactions and any other documents, instruments or agreements executed in connection therewith (collectively, the “**Obligations**”), and grants to the other Party a first priority continuing security interest, lien on, and right of set-off against all Collateral delivered to or received by such Party (the “**Secured Party**”) hereunder. Upon the return by the Secured Party to the other Party (such Party, the “**Pledgor**”) of posted Collateral, the security interest and lien granted hereunder on that posted Collateral will be released immediately and, to the extent possible, without further action by either Party.

Paragraph 3. Calculations of Collateral Requirement.

(a) **Collateral Requirement.** The “Collateral Requirement” for Seller means the Exposure, *minus the sum of*:

- (i) Seller’s Collateral Threshold;
- (ii) Seller’s Independent Amount, if any, as defined in the Confirmation;

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- (iii) the amount of Cash previously Transferred to Buyer, and the amount of Cash held by Buyer as Posted Collateral as the result of drawing under any Letter of Credit; and
- (iv) the Value of each Letter of Credit maintained by Seller for the benefit of Buyer;

provided, however, that the Collateral Requirement of Seller will be deemed to be zero (0) whenever the calculation of Exposure yields a number less than zero (0).

(b) **Calculation of Exposure.** On any Valuation Date, the “*Exposure*” shall be calculated as *the sum of*:

- (i) all amounts that have been invoiced, but not yet paid for the Transaction under each Confirmation (“*Invoiced Amounts*”). Such amount shall be a positive number if owed by Seller to Buyer and a negative amount if owed from Buyer to Seller;
- (ii) all amounts that have been accrued, but not yet invoiced for the Transaction under each confirmation (“*Accrued Amounts*”). Such amount shall be a positive number if owed by Seller to Buyer and a negative amount if owed from Buyer to Seller; and
- (iii) the Daily Proxy Settlement Amounts for each day remaining in the current Calculation Period and all future Calculation Periods for Each Transaction (“*Proxy Settlement Amount*”);

(c) **Seller’s Collateral Threshold.**

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

(ii) **Rounding.** The Delivery Amount, as defined below, will be rounded up, and the Return Amount, as defined below, will be rounded down, in each case to the nearest integral multiple of \$100,000 (***“Rounding Amount”***).

(iii) The following items will qualify as ***“Eligible Collateral”*** for the Party specified:

	<u>Seller</u>	<u>“Valuation Percentage”</u>
(A) Cash	[X]	100%
(B) Letters of Credit	[X]	100% unless either (i) a Letter of Credit Default shall have occurred and be continuing with respect to such Letter of Credit, or (ii) twenty (20) or fewer Business Days remain prior to the expiration of such Letter of Credit, in which cases the Valuation Percentage shall be zero (0).

(d) **Valuation Agent/Valuation Time.** All calculations with respect to Collateral shall be made by the Valuation Agent as of the Valuation Time on the Valuation Date.

Paragraph 4. Delivery of Collateral. On any Business Day during the remaining term hereof on which (a) no Event of Default has occurred and is continuing with respect to Buyer, (b) no Termination date has occurred or has been designated as a result of an Event of Default with respect to Buyer for which there exist any unsatisfied payment Obligations, and (c) Seller’s Collateral Requirement exceeds \$0.00, then Buyer may request, by written notice, that Seller Transfer to Buyer, or cause to be Transferred to Buyer, Eligible Collateral for the benefit of Buyer, having a Value of at least the Collateral Requirement (***“Delivery Amount”***). Such Eligible Collateral shall be delivered to Buyer on the next Business Day if the request is received by the Notification Time; otherwise Eligible Collateral is due by the close of business on the second Business Day.

Paragraph 5. Reduction and Substitution of Posted Collateral. On any Business Day during the term hereof on which (a) no Event of Default has occurred and is continuing with respect to Seller, (b) no Termination date has occurred or has been designated as a result of an Event of Default with respect to Seller for which there exist any unsatisfied

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payment Obligations, and (c) the Eligible Collateral posted by Seller exceeds the Exposure (rounding downwards for any fractional amount to the next interval of the Rounding Amount), then Seller may, at its sole cost, request that Buyer return Eligible Collateral in the amount of such difference (“*Return Amount*”) and Buyer shall be obligated to do so. Such Eligible Collateral shall be returned to Seller on the next Business Day if the request is received by the Notification Time; otherwise Eligible Collateral is due by the close of business on the second Business Day. The Parties agree that if Seller has posted more than one type of Eligible Collateral to Buyer, Seller can, in its sole discretion, select the type of Eligible Collateral for Buyer to return; provided, however, that Buyer shall not be required to return the specified Eligible Collateral if immediately after such return, Seller would be required to post additional Eligible Collateral pursuant to the calculation of Exposure.

Paragraph 6. Administration of Posted Collateral.

(a) Cash. Posted Collateral provided in the form of Cash to Buyer hereunder shall be subject to the following provisions.

(i) So long as no Event of Default has occurred and is continuing with respect to Buyer, Buyer will be entitled to either hold Cash or to appoint an agent which is a Qualified Institution (a “*Custodian*”) to hold Cash for Buyer. In the event that an Event of Default has occurred and is continuing with respect to Buyer, then the provisions of Paragraph 6(a)(ii) shall not apply with respect to Buyer and Cash shall be held in a Qualified Institution in accordance with the provisions of Paragraph 6(a)(iii)(B). Upon notice by Buyer to Seller of the appointment of a Custodian, Seller’s obligations to make any Transfer will be discharged by making the Transfer to that Custodian. The holding of Cash by a Custodian will be deemed to be the holding of Cash by Buyer for which the Custodian is acting. If Buyer or its Custodian fails to satisfy any conditions for holding Cash as set forth above, or if Buyer is not entitled to hold Cash at any time, then Buyer will Transfer, or cause its Custodian to Transfer, the Cash to a Qualified Institution and the Cash shall be maintained in accordance with Paragraph 6(a)(iii)(B). Except as set forth in Paragraph 6(c), Buyer will be liable for the acts or omissions of the Custodian to the same extent that Buyer would be held liable for its own acts or omissions.

(ii) Use of Cash. Notwithstanding the provisions of applicable law, if no Event of Default has occurred and is continuing with respect to Buyer and no Termination date has occurred or been designated as a result of an Event of Default with respect to Buyer for which there exists any unsatisfied payment Obligations, then Buyer shall have the right to sell, pledge, rehypothecate, assign, invest, use, commingle or otherwise use in its business any Cash that it holds as Posted Collateral hereunder, free from any claim or right of any nature whatsoever of Seller, including any equity or right of redemption by Seller.

(iii) Notwithstanding Paragraph 6(a)(ii), if neither Buyer nor the Custodian is eligible to hold Cash pursuant to Paragraph 6(a)(i) then:

(A) the provisions of Paragraph 6(a)(ii) will not apply with respect to the Buyer; and

(B) the Buyer shall be required to Transfer (or cause to be Transferred) not later than the close of business within three (3) Business Days following such ineligibility all Cash in its possession or held on its

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behalf to a Qualified Institution to be held in a segregated, safekeeping or custody account (the “*Collateral Account*”) within such Qualified Institution with the title of the account indicating that the property contained therein is being held as Cash for Buyer. The Qualified Institution shall serve as Custodian with respect to the Cash in the Collateral Account, and shall hold such Cash in accordance with the terms of this CSA and for the security interest of Buyer and execute such account control agreements as are necessary or applicable to perfect the security interest of Seller therein pursuant to Section 9-314 of the Uniform Commercial Code or otherwise, and subject to such security interest, for the ownership and benefit of Seller. The Qualified Institution holding the Cash will invest and reinvest or procure the investment and reinvestment of the Cash in accordance with the written instructions of Buyer, subject to the approval of such instructions by the Seller (which approval shall not be unreasonably withheld). Buyer shall have no responsibility for any losses resulting from any investment or reinvestment effected in accordance with Seller’s approval.

(iv) **Interest.** So long as no Event of Default with respect to the Seller has occurred and is continuing, and no termination date for which any unsatisfied payment Obligations of Seller exist has occurred or been designated as the result of an Event of Default with respect to Seller, in the event that Buyer or its Custodian is holding Cash, Buyer will Transfer (or cause to be Transferred) to Seller, in lieu of any interest or other amounts paid or deemed to have been paid with respect to such Cash (all of which shall be retained by Buyer), the Interest Amount. Interest on Cash shall accrue at the Collateral Interest Rate. Interest accrued during the previous month shall be paid by the Buyer to the Seller on the 3rd Business Day of each calendar month and on any Business Day that posted Eligible Collateral in the form of Cash is returned to Seller. On or after the occurrence of an Event of Default with respect to Seller or a termination date as a result of an Event of Default with respect to Seller, Buyer or its Custodian shall retain any such Interest Amount as additional Posted Collateral hereunder until the obligations of Seller under the Agreement have been satisfied in the case of a termination date or for so long as such Event of Default is continuing in the case of an Event of Default.

(b) **Buyer’s Rights and Remedies.** If at any time an Event of Default with respect to Seller has occurred and is continuing, then, unless the Seller has paid in full all of its obligations that are then due, including those under Section 7.2(c) of this Agreement (“Obligations”), the Buyer may exercise one or more of the following rights and remedies: (i) all rights and remedies available to a Secured Party under applicable law with respect to posted Eligible Collateral held by the Buyer, (ii) the right to set-off any amounts payable by the Seller with respect to any Obligations against any posted Eligible Collateral or the Cash equivalent of any posted Eligible Collateral held by the Buyer, or (iii) the right to liquidate any posted Eligible Collateral held by the Buyer and to apply the proceeds of such liquidation of the posted Eligible Collateral to any amounts payable to the Buyer with respect to the Obligations in such order as the Buyer may elect. For purposes of this Paragraph 6, the Buyer may draw on the entire undrawn portion of any Letter of Credit. Cash proceeds that are not applied to the Obligations shall be maintained in accordance with the terms of this CSA. The Seller shall remain liable for amounts due and owing to

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the Secured Party that remain unpaid after the application, pursuant to this Paragraph 6, of Eligible Collateral to the Obligations.

(c) **Seller's Rights and Remedies.** If at any time a termination date has occurred or been designated as the result of an Event of Default with respect to Buyer, then unless the Buyer has paid in full all of its obligations that are then due, including those under Section 7.2(c) of this Agreement: (i) the Seller may exercise all rights and remedies available to a Seller under applicable law with respect to the posted Eligible Collateral, (ii) the Buyer will be obligated immediately to return all posted Eligible Collateral and accrued Interest to the Seller, or (iii) to the extent that posted Eligible Collateral or accrued Interest are not returned pursuant to (ii) above, the Seller may set-off any amounts payable by the Seller with respect to any Obligations against any posted Eligible Collateral or the cash equivalent thereof or to the extent that Seller does not set off such amounts, withhold payment of any remaining amounts payable by the Seller with respect to any Obligations, up to the value of the remain posted Eligible Collateral held by the Buyer, until that posted Eligible Collateral is Transferred to the Seller. For avoidance of doubt, (i) the Buyer will be obligated immediately to Transfer any Letter of Credit to the Seller and (ii) the Seller may do any one or more of the following: (x) to the extent that the Letter of Credit is not Transferred to the Seller as required pursuant to (i) above, set-off any amounts payable by the Seller with respect to any Obligations against any such Letter of Credit held by the Buyer and, to the extent its rights to set-off are not exercised, withhold payment of any remaining amounts payable by the Seller with respect to any Obligations, up to the value of any remaining posted Eligible Collateral and the value of any Letter of Credit held by the Buyer, until any such Posted Eligible Collateral and such Letter of Credit is Transferred to the Seller; and (y) exercise rights and remedies available to the Seller under the terms of the Letter of Credit.

(d) **Letters of Credit.** Eligible Collateral provided in the form of a Letter of Credit shall be subject to the following provisions.

- (i) As one method of providing Eligible Collateral, the Pledgor may increase the amount of an outstanding Letter of Credit or establish one or more additional Letters of Credit.
- (ii) Upon the occurrence of a Letter of Credit Default, Seller agrees to Transfer to Buyer either a substitute Letter of Credit or Cash, in each case on or before the first Business Day after the occurrence .
- (iii) Notwithstanding Paragraphs 4 and 5, (1) the Buyer need not return a Letter of Credit unless the entire principal amount is required to be returned, (2) the Buyer shall consent to a reduction of the principal amount of a Letter of Credit to the extent that a Delivery Amount would not be created thereby (as of the time of the request or as of the last time the Delivery Amount was determined), and (3) if there is more than one form of Posted Collateral when a Return Amount is to be Transferred, the Secured Party may elect which to Transfer.

(e) **Care of Posted Eligible Collateral.** Buyer shall exercise reasonable care to assure the safe custody of all posted Eligible Collateral to the extent required by applicable law, and in any event the Buyer will be deemed to have exercised reasonable care if it exercises at least the same degree of care as it would exercise with respect to its own property. Except as specified in the preceding sentence, the Buyer will have no duty with respect to

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the posted Eligible Collateral, including without limitation, any duty to enforce or preserve any rights thereto.

(f) **Substitutions.** Unless otherwise prohibited herein, upon notice to the Buyer specifying the items of posted Eligible Collateral to be exchanged, the Seller may, on any Business Day, deliver to the Buyer other Eligible Collateral (“*Substitute Eligible Collateral*”). On the Business Day following the day on which the Substitute Eligible Collateral is delivered to the Buyer, the Buyer shall return to the Seller the items of Eligible Collateral specified in the Seller’s notice; provided, however, that the Buyer shall not be required to return the specified Eligible Collateral if immediately after such return, Seller would be required to post additional Eligible Collateral pursuant to the calculation of Exposure set forth in Paragraph 3(b) and the Confirmation.

Paragraph 7. Exercise of Rights Against Posted Collateral.

(a) **Disputes regarding amount of Eligible Collateral.** If either Party disputes the amount of Eligible Collateral to be provided or returned (such Party the “*Disputing Party*”), then the Disputing Party shall (a) deliver the undisputed amount of Eligible Collateral to the other Party (such Party, the “*Requesting Party*”) and (b) notify the Requesting Party of the existence and nature of the dispute no later than 5:00 p.m. EPT on the Business Day that the request for Eligible Collateral was made (the “*Request Date*”). On the Business Day following the Request Date, the Parties shall consult with each other in order to reconcile the two conflicting amounts. If the Parties are not able to resolve their dispute, the Eligible Collateral shall be recalculated, on the Business Day following the Request Date, by each Party requesting quotations from two (2) Reference Market-Makers for a total of four (4) quotations. The highest and lowest of the four (4) quotations shall be discarded and the arithmetic average shall be taken of the remaining two (2), which shall be used in order to determine the amount of Eligible Collateral required. On the next Business Day after the Eligible Collateral amount is recalculated, the Disputing Party shall deliver any additional Eligible Collateral required pursuant to the recalculation or the Requesting Party shall return any excess Eligible Collateral that is no longer required pursuant to the recalculation.

(b) **Further Assurances.** Promptly following a request by a Party, the other Party shall execute, deliver, file, and/or record any financing statement, specific assignment, or other document and take any other action that may be necessary or reasonably prudent to create, perfect, or validate any security interest or lien, to enable the requesting party to exercise or enforce its rights or remedies under this CSA, or to effect or document a release of a security interest on posted Eligible Collateral or accrued Interest.

(c) **Further Protection.** The Pledgor will promptly give notice to the Secured Party of, and defend against, any suit, action, proceeding, or lien that involves the posted Eligible Collateral delivered to Secured Party by Pledgor or that could adversely affect any security interest or lien granted pursuant to this CSA.

Paragraph 9. Miscellaneous.

(a) **Demands and Notices.** All demands, specifications, and notices to Buyer with respect to Credit Support shall be made pursuant to the Notices Section of the Agreement with a copy to:

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National Grid
Attn: Director, Electric Supply and Distributed Generation
100 East Old Country Road
Hicksville, New York 11801
Phone - (516) 545-3282
Fax: (516) 545-3130

National Grid
Attn: Credit Operations
100 East Old Country Road
Hicksville, New York 11801
Phone - (516) 545-3122
Fax - (516) 545-5466
Email – keys-pan-margin@keys-pan-energy.com

All demands, specifications, and notices to Seller with respect to Credit Support shall be made pursuant to the Notices Section of the Agreement with a copy to:

DOMINION ENERGY MARKETING, INC.
P.O. Box 25773
120 Tredegar Street
Richmond, Virginia 23260
Attention: Contract Administration

(b) The provisions of this CSA shall apply to any and all Transactions entered into under the Master Power Agreement subsequent to the effective date of this CSA.

(c) The information contained in Paragraph 3(c)(i) of this CSA constitutes “Confidential Terms” within the meaning of Article 23 of the Master Power Agreement.

SCHEDULE MMJ – 5

**Default Service Contract for the Small Customer Group
November 1, 2010 through April 30, 2011**

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EXECUTION COPY

**MASTER POWER AGREEMENT
CONFIRMATION**

This Confirmation shall confirm the Transaction agreed to on, and effective as of September 16, 2010, between **GRANITE STATE ELECTRIC COMPANY** (“Granite” or “Buyer”), a New Hampshire corporation and **NEXTERA ENERGY POWER MARKETING, LLC** (formerly known as FPL ENERGY POWER MARKETING, INC.), a Delaware limited liability company (“**Seller**”), a Delaware corporation, regarding the sale/purchase of Default Service specified herein under the terms and conditions under the Master Power Agreement, dated October 18, 2006 (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]
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■ [REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
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■ [REDACTED]

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[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]

[Redacted]

6. Amount Payable

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

7. Modifications to the Master Power Agreement

None

[Redacted]

[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
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[REDACTED]

9. Confidentiality

Articles 2, 3, 4, 5, and 8 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.

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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: James A. Cross, Jr.
Title: Authorized Signatory

NEXTERA ENERGY POWER MARKETING, LLC

Name (print): _____
Title: _____

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EXECUTION COPY

FIRST AMENDMENT TO NEW HAMPSHIRE MASTER POWER AGREEMENT

THIS FIRST AMENDMENT to the New Hampshire Master Power Agreement executed as of the 9th day of June 2009 by and between **GRANITE STATE ELECTRIC COMPANY**, a New Hampshire corporation (the “Buyer”) and **NEXTERA ENERGY POWER MARKETING, LLC** (formerly known as FPL ENERGY POWER MARKETING, INC.), a Delaware limited liability company (“Seller”). The Buyer and Seller are referred to herein individually as a “Party” and collectively as the “Parties”.

RECITALS

A. Seller and Buyer executed that certain New Hampshire Master Power Agreement dated as of October 18, 2006 pursuant to which Seller has agreed to sell and Buyer has agreed to be the supplier of firm, load-following power to meet the Buyer’s Default Service Requirements (the "**Agreement**").

B. The Seller and Buyer desire to amend the provisions of the Agreement as more fully set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and promises contained herein, the Parties do hereby agree as follows:

1. Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Agreement.
2. The following definitions are added:

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.

Bid Proxy Price means, the product of (a) the Reference New England Internal Hub Price as set forth in the Confirmation for the applicable Transaction, (b) the Resulting Bid Factor for a calendar month, and (c) the Adjustment Factor, all for the applicable Transaction.

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, as may be amended from time to time.

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

Class II Renewable Generation Attributes means a “Class II source” as defined in Puc 2502.08 of the New Hampshire Code of Administrative Rules, as may be amended from time to time.

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, as may be amended from time to time.

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, as may be amended from time to time.

Commodity Business Day means Monday through Friday, excluding NERC Holidays.

Credit Support Annex or CSA means the credit support annex mutually agreed to and executed by the Parties, in the form set forth as Appendix D hereto and incorporated by reference herein.

Daily Proxy Settlement Amount means, for a given day, the product of (a) the Expected Daily Load and (b) the Proxy Price for such day minus the Bid Proxy Price.

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.

NERC means the North American Electric Reliability Council.

New England Internal Hub Price means for each day remaining in the current calendar month and each day in all future calendar months during the term of this Transaction : (A) the sum of (x) the product of the applicable On-Peak ISO New England Internal Hub Price times the number of On-Peak Hours in such day and (y) the product of the applicable Off-Peak New England Internal Hub Price times the number of Off-Peak hours in such day and (B) then divided by twenty four (24).

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.

NYMEX means the New York Mercantile Exchange, Inc., its successors and assigns.

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Off-Peak Hour means any hour that is not an On-Peak Hour.

Off-Peak ISO New England Internal Hub Price means, in a given month, the ISO New England Off-Peak LMP Swap price as published by NYMEX on a Valuation Date and represented by the NYMEX trading symbol KI.

On-Peak Hour means Hour Ending (“HE”) 08:00 EPT through HE 23:00 EPT on any Commodity Business Day.

On-Peak ISO New England Internal Hub Price means, in a given month, the ISO New England Internal Hub Peak LMP Swap price as published by NYMEX on a Valuation Date and represented by the NYMEX trading symbol NI.

Proxy Price means, for a given day, the product of (a) the New England Internal Hub Price for such day, (b) the Resulting Bid Factor for a calendar month, and (c) the Adjustment Factor.

Resulting Bid Factor means (A) the Contract Rate in a calendar month divided by (B) the Reference New England Internal Hub Price for the same calendar month.

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.

3. The definition of “**Credit Rating**” is deleted and replaced with the following:

“**Credit Rating** means, with respect to a Party (or its Credit Support Provider, as the case may be) or entity, on any date of determination, (1) the ratings assigned by Moody’s, S&P and/or the other specified rating agency or agencies to such Party’s (or its Credit Support Provider’s, as the case may be) or entity’s unsecured, senior, long-term debt not supported by third party credit enhancement, or (2) if the applicable entity does not have such a rating, then the rating assigned to such entity by Moody’s and/or S&P as its corporate credit rating or issuer rating, or (3) if the applicable entity is a financial institution, its unsecured, unsubordinated, long-term deposits by Moody’s, S&P and/or the other specified rating agency or agencies. In the event of an inconsistency in ratings by the rating agencies (a “split rating”), the lowest rating assigned shall control. For clarity, the standing guaranty of FPL Group, Inc. in favor of Seller’s Credit Support Provider shall not be considered to constitute “third party credit enhancement” for purposes of this definition.”

4. The definition of “**NE-GIS Certificates**” is deleted and replaced with the following:

“**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.”

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5. Section 3.7 is deleted and replaced with the following:

“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.”

6. The second paragraph of Section 3.9 is deleted and replaced with the following:

“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 Certificates as designated by the Buyer.”

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

12. Buyer’s addresses in Section 8.1 are replaced with the following:

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

Director, Electric Supply and Distributed Generation
National Grid

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100 East Old Country Road
Hicksville, NY 11801
(516) 545-3282 (phone)
(516) 545-3130 (fax)

and

Notices concerning Article 7 shall also be sent to:

General Counsel
National Grid
40 Sylvan Rd.
Waltham, MA 02451-1120
(781) 907-1000 (phone)
(781) 907- 5701- (fax)”

13. Appendix B “Master Power Agreement Form of Confirmation” is deleted in its entirety and replaced with the Appendix B “Master Power Agreement Form of confirmation” attached hereto.



15. Appendix D “Credit Support Annex (MA Default Service),” a copy of which is attached hereto, is added to the Agreement.

16. The Agreement as modified by this First Amendment shall continue in full force and effect and this First Amendment shall constitute a part of the Agreement. All references in the Agreement to itself shall be deemed to be references to the Agreement as amended hereby and the Agreement as amended hereby shall be referred to as the "Agreement."

17. The undersigned Parties hereby ratify and confirm all of the provisions of the Agreement, as amended or modified by this First Amendment, and agree and acknowledge that the same, as so amended, remains in full force and effect.

18. This First Amendment may be signed in one or more counterparts, which, together, shall constitute a single document.

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

GRANITE STATE ELECTRIC COMPANY

Name: Margaret M. Janzen
Title: Authorized Signatory

NEXTERA ENERGY POWER MARKETING, LLC

Name (print): _____
Title: _____

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**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 **NEXTERA ENERGY POWER MARKETING, LLC** (formerly known as FPL ENERGY POWER MARKETING, INC.), a Delaware limited liability company (“**Seller**”), a Delaware corporation, regarding the sale/purchase of Default Service specified herein under the terms and conditions under the Master Power Agreement, dated October 18, 2006 (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]

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[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
------------	------------	------------	------------	------------

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

6. 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 plus,
- (iii) the product of (c) the number Class I NEPOOL-GIS Certificates delivered in a month and (d) the applicable Alternative Compliance Payment plus,
- (iv) the product of (c) the number Class II NEPOOL-GIS Certificates delivered in a month and (d) the applicable Alternative Compliance Payment plus
- (v) the product of (e) the number of Class III NEPOOL-GIS Certificates delivered in a month and (d) the applicable Alternative Compliance Payment plus,
- (vi) the product of (e) the number of Class IV NEPOOL-GIS Certificates delivered in a month and (d) the applicable Alternative Compliance Payment less,
- (vii) the product of (e) the Class I RPS Requirement in a month and (d) the applicable Alternative Compliance Payment less,
- (viii) the product of (e) the Class II RPS Requirement in a month and (d) the applicable Alternative Compliance Payment less
- (ix) the product of (e) the Class III RPS Requirement in a month and (d) the applicable Alternative Compliance Payment less,

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9. Confidentiality

Articles 2, 3 4, 5, and 8 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.

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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): _____

Title: _____

NEXTERA ENERGY POWER MARKETING, LLC

Name (print): _____

Title: _____

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APPENDIX D

CREDIT SUPPORT ANNEX (NH Default Service)

This Credit Support Annex to the Master Power Agreement (the “CSA”) is made and entered into by and between Buyer and Seller, as those terms are defined in the Master Power Agreement.

All provisions contained or incorporated by reference in the Master Power Agreement will govern this CSA except as expressly modified herein. Any terms capitalized, but not defined herein shall have the meaning given to them in the Master Power Agreement.

Paragraph 1. Definitions.

As Used in this CSA, the following terms have the meanings specified below:

“*Cash*” means U.S. dollars held by or on behalf of a Party as Posted Collateral hereunder.

“*Collateral Account*” shall have the meaning specified in Paragraph 6(a)(iii)(B).

“*Collateral Interest Rate*” means the daily effective federal funds rate as published in the applicable statistical release designated as H.15, or any successor publication by the Board of Governors of the Federal Reserve System. If such rate is expressed as a range, the Collateral Interest Rate shall equal the arithmetic average of such range.

“*Collateral Threshold*” shall have the meaning specified in Paragraph 3(c)(i).

“*Custodian*” shall have the meaning specified in Paragraph 6(a)(i).

“*Delivery Amount*” shall have the meaning specified in Paragraph 4.

“*Disputing Party*” shall have the meaning specified in Paragraph 7.

“*Eligible Collateral*” shall have the meaning specified in Paragraph 3(c)(iii).

“*Exposure*” shall have the meaning specified in Paragraph 3(b).

“*Interest Amount*” means with respect to a Party and an Interest Period, the sum of the daily interest amounts for all days in such Interest Period; each daily interest amount to be determined by such Party as follows: (a) the amount of Cash held by such Party on that day (but excluding any interest previously earned on such Cash); *multiplied by* (b) the Collateral Interest Rate for that day; *divided by* (c) 360

“*Interest Period*” means the period from (and including) the last Business Day on which an Interest Amount was Transferred by a Party (or if no Interest Amount has yet been Transferred by such Party, the Business Day on which Cash was Transferred to such Party) to (but excluding) the Business Day on which the current Interest Amount is to be Transferred.

“*Invoiced Amounts*” shall have the meaning specified in Paragraph 3(b)(i)

“*Letter of Credit*” shall mean an irrevocable, non-transferable, standby letter of credit, issued by a Qualified Institution, in substantially the form set forth in Attachment 1 of this CSA. All costs relating to any Letter of Credit shall be for the account of the Pledgor.

“*Letter of Credit Default*” shall mean with respect to an outstanding Letter of Credit, the occurrence of any of the following events (a) the issuer of such Letter of Credit shall fail to

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be a Qualified Institution (as defined below); (b) the issuer of the Letter of Credit shall fail to comply with or perform its obligations under such Letter of Credit if such failure shall be continuing after the lapse of any applicable grace period; (c) the issuer of the Letter of Credit shall disaffirm, disclaim, repudiate or reject, in whole or in part, or challenge the validity of, such Letter of Credit; or (d) the Letter of Credit shall expire or terminate or have a Value of zero at any time the Pledgor is required to Transfer Eligible Credit Support pursuant to Paragraph 4 below and the Pledgor has not Transferred replacement Eligible Credit Support; provided, however, that no Letter of Credit Default shall occur in any event with respect to a Letter of Credit after the time such Letter of Credit is required to be cancelled or returned to the Pledgor in accordance with the terms of this CSA.

“Minimum Transfer Amount” shall, with respect to a Party, have the meaning specified in Paragraph 5.

“Notification Time” shall mean 11:00 a.m. EPT on a Business Day.

“Obligations” shall have the meaning specified Paragraph 2.

“Pledgor” means either party, when that party (i) receives a demand for or is required to Transfer Eligible Collateral or (ii) has Transferred Eligible Collateral under this CSA.

“Posted Collateral” means all Eligible Collateral and all proceeds thereof that have been Transferred to or received by the Secured Party under this CSA and not Transferred to the Pledgor or released by the Secured Party. Any interest amount or portion thereof not Transferred will constitute Posted Collateral in the form of Cash.

“Potential Event of Default” means any event which, with the giving of notice or the lapse of time or both, would constitute an Event of Default.

“Qualified Institution” means a major U.S. commercial bank or trust company, a foreign bank with a U.S. branch office or financial institution, in any case, organized under the laws of the United States or a political subdivision thereof having assets of at least \$10 billion and Credit Ratings of at least “A3” from Moody’s and “A-” from S&P.

“Return Amount” shall have the meaning specified in Paragraph 5.

“Reference Market-Maker” means a leading dealer in the relevant market that is selected in a commercially reasonable manner and is not an affiliate of either party.

“Request Date” shall have the meaning specified in Paragraph 7.

“Requesting Party” shall have the meaning specified in Paragraph 7.

“Rounding Amount” shall have the meaning specified Paragraph 3(c)(ii).

“Secured Party” means either party, when that party (i) makes a demand for or is entitled to receive Eligible Collateral or (ii) holds or is deemed to hold Posted Collateral under this CSA.

“Seller’s Credit Support Provider” means, FPL Group Capital Inc, a Florida corporation.

“Seller’s Independent Amount” means none, unless otherwise specified in the applicable Confirmation.

“Substitute Eligible Collateral” shall have the meaning specified in Paragraph 6(f).

“Transfer” means, with respect to any Posted Collateral or Interest Amount, and in accordance with the instructions of the Party entitled thereto:

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- (a) in the case of Cash, payment or transfer by wire transfer into one or more bank accounts specified by Buyer; and
- (b) in the case of Letters of Credit, delivery of the Letter of Credit or an amendment thereto to Buyer.

“Valuation Agent” means the Requesting Party; provided, however, that that in all cases, if an Event of Default or Potential Event of Default has occurred and is continuing with respect to the party designated as the Valuation Agent, then in such case, and for so long as the Event of Default or Potential Event of Default continues, the other party shall be the Valuation Agent.

“Valuation Date” means each Business Day.

“Valuation Percentage” shall have the meaning specified in Paragraph 3(c)(iii).

“Valuation Time” means the close of business on the Business Day before the Valuation Date or date of calculation, as applicable.

“Value” means, with respect to Posted Collateral or Eligible Collateral, means the Valuation Percentage multiplied by the amount then available under the Letter of Credit to be unconditionally drawn by the Secured Party.

Paragraph 2. Encumbrance: Grant of Security Interest. Each party hereby pledges to the other Party as security for all outstanding Transactions and any other documents, instruments or agreements executed in connection therewith (collectively, the **“Obligations”**), and grants to the other Party a first priority continuing security interest, lien on, and right of set-off against all Collateral delivered to or received by such Party (the **“Secured Party”**) hereunder. Upon the return by the Secured Party to the other Party (such Party, the **“Pledgor”**) of posted Collateral, the security interest and lien granted hereunder on that posted Collateral will be released immediately and, to the extent possible, without further action by either Party.

Paragraph 3. Calculations of Collateral Requirement.

(a) **Collateral Requirement.** The “Collateral Requirement” for Seller means the Exposure, *minus the sum of:*

- (i) Seller’s Collateral Threshold;
- (ii) Seller’s Independent Amount, if any, as defined in the Confirmation;
- (iii) the amount of Cash previously Transferred to Buyer, and the amount of Cash held by Buyer as Posted Collateral as the result of drawing under any Letter of Credit; and
- (iv) the Value of each Letter of Credit maintained by Seller for the benefit of Buyer;

provided, however, that the Collateral Requirement of Seller will be deemed to be zero (0) whenever the calculation of Exposure yields a number less than zero (0).

(b) **Calculation of Exposure.** On any Valuation Date, the **“Exposure”** shall be calculated as *the sum of:*

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- (i) all amounts that have been invoiced, but not yet paid for the Transaction under each Confirmation (“*Invoiced Amounts*”). Such amount shall be a positive number if owed by Seller to Buyer and a negative amount if owed from Buyer to Seller;
- (ii) all amounts that have been accrued, but not yet invoiced for the Transaction under each confirmation (“*Accrued Amounts*”). Such amount shall be a positive number if owed by Seller to Buyer and a negative amount if owed from Buyer to Seller; and
- (iii) the Daily Proxy Settlement Amounts for each day remaining in the current Calculation Period and all future Calculation Periods for Each Transaction (“*Proxy Settlement Amount*”);

(c) **Seller’s Collateral Threshold.**



[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

(ii) **Minimum Transfer Amount; Rounding.** The Minimum Transfer Amount shall be \$1 with respect to Seller and \$1 with respect to Buyer. The Delivery Amount, as defined below, will be rounded up, and the Return Amount, as defined below, will be rounded down, in each case to the nearest integral multiple of \$250,000 (“*Rounding Amount*”).

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(iii) The following items will qualify as "*Eligible Collateral*" for the Party specified:

	<u>Seller</u>	<u>"Valuation Percentage"</u>
(A) Cash	[X]	100%
(B) Letters of Credit	[X]	100% unless either (i) a Letter of Credit Default shall have occurred and be continuing with respect to such Letter of Credit, or (ii) twenty (20) or fewer Business Days remain prior to the expiration of such Letter of Credit, in which cases the Valuation Percentage shall be zero (0).

(d) **Valuation Agent/Valuation Time.** All calculations with respect to Collateral shall be made by the Valuation Agent as of the Valuation Time on the Valuation Date.

Paragraph 4. Delivery of Collateral. On any Business Day during the remaining term hereof on which (a) no Event of Default has occurred and is continuing with respect to Buyer, (b) no Termination date has occurred or has been designated as a result of an Event of Default with respect to Buyer for which there exist any unsatisfied payment Obligations, and (c) Seller's Collateral Requirement exceeds \$0.00, then Buyer may request, by written notice, that Seller Transfer to Buyer, or cause to be Transferred to Buyer, Eligible Collateral for the benefit of Buyer, having a Value of at least the Collateral Requirement ("*Delivery Amount*"). Such Eligible Collateral shall be delivered to Buyer on the next Business Day if the request is received by the Notification Time; otherwise Eligible Collateral is due by the close of business on the second Business Day.

Paragraph 5. Reduction and Substitution of Posted Collateral. On any Business Day during the term hereof on which (a) no Event of Default has occurred and is continuing with respect to Seller, (b) no Termination date has occurred or has been designated as a result of an Event of Default with respect to Seller for which there exist any unsatisfied payment Obligations, and (c) the Eligible Collateral posted by Seller exceeds the Exposure (rounding downwards for any fractional amount to the next interval of the Rounding Amount), then Seller may, at its sole cost, request that Buyer return Eligible Collateral in the amount of such difference ("*Return Amount*") and Buyer shall be obligated to do so. Such Eligible Collateral shall be returned to Seller on the next Business Day if the request is received by the Notification Time; otherwise Eligible Collateral is due by the close of business on the second Business Day. The Parties agree that if Seller has posted more than one type of Eligible Collateral to Buyer, Seller can, in its sole discretion, select the type of Eligible Collateral for Buyer to return; provided, however, that Buyer shall not be required to return the specified Eligible Collateral if immediately after such return, Seller would be required to post additional Eligible Collateral pursuant to the calculation of Exposure.

Paragraph 6. Administration of Posted Collateral.

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(a) Cash. Posted Collateral provided in the form of Cash to Buyer hereunder shall be subject to the following provisions.

(i) So long as no Event of Default has occurred and is continuing with respect to Buyer, and Buyer has an Investment Grade Credit Rating, Buyer will be entitled to either hold Cash or to appoint an agent which is a Qualified Institution (a “*Custodian*”) to hold Cash for Buyer. In the event that an Event of Default has occurred and is continuing with respect to Buyer, or if Buyer’s Credit Rating is below Investment Grade, then the provisions of Paragraph 6(a)(ii) shall not apply with respect to Buyer and Cash shall be held in a Qualified Institution in accordance with the provisions of Paragraph 6(a)(iii)(B). Upon notice by Buyer to Seller of the appointment of a Custodian, Seller’s obligations to make any Transfer will be discharged by making the Transfer to that Custodian. The holding of Cash by a Custodian will be deemed to be the holding of Cash by Buyer for which the Custodian is acting. If Buyer or its Custodian fails to satisfy any conditions for holding Cash as set forth above, or if Buyer is not entitled to hold Cash at any time, then Buyer will Transfer, or cause its Custodian to Transfer, the Cash to a Qualified Institution and the Cash shall be maintained in accordance with Paragraph 6(a)(iii)(B). Except as set forth in Paragraph 6(c), Buyer will be liable for the acts or omissions of the Custodian to the same extent that Buyer would be held liable for its own acts or omissions.

(ii) Use of Cash. Notwithstanding the provisions of applicable law, if no Event of Default has occurred and is continuing with respect to Buyer and no Termination date has occurred or been designated as a result of an Event of Default with respect to Buyer for which there exists any unsatisfied payment Obligations, then Buyer shall have the right to sell, pledge, rehypothecate, assign, invest, use, comingle or otherwise use in its business any Cash that it holds as Posted Collateral hereunder, free from any claim or right of any nature whatsoever of Seller, including any equity or right of redemption by Seller.

(iii) Notwithstanding Paragraph 6(a)(ii), if neither Buyer nor the Custodian is eligible to hold Cash pursuant to Paragraph 6(a)(i) then:

(A) the provisions of Paragraph 6(a)(ii) will not apply with respect to the Buyer; and

(B) the Buyer shall be required to Transfer (or cause to be Transferred) not later than the close of business within five (5) Business Days following such ineligibility all Cash in its possession or held on its behalf to a Qualified Institution to be held in a segregated, safekeeping or custody account (the “*Collateral Account*”) within such Qualified Institution with the title of the account indicating that the property contained therein is being held as Cash for Buyer. The Qualified Institution shall serve as Custodian with respect to the Cash in the Collateral Account, and shall hold such Cash in accordance with the terms of this CSA and for the security interest of Buyer and execute such account control agreements as are necessary or applicable to perfect the security interest of Seller therein pursuant to Section 9-314 of the Uniform Commercial Code or otherwise, and subject to such security interest, for the ownership and benefit of Seller. The Qualified Institution holding the Cash will invest and reinvest or

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procure the investment and reinvestment of the Cash in accordance with the written instructions of Buyer, subject to the approval of such instructions by the Seller (which approval shall not be unreasonably withheld). Buyer shall have no responsibility for any losses resulting from any investment or reinvestment effected in accordance with Seller's approval.

(iv) **Interest.** So long as no Event of Default with respect to the Seller has occurred and is continuing, and no termination date for which any unsatisfied payment Obligations of Seller exist has occurred or been designated as the result of an Event of Default with respect to Seller, in the event that Buyer or its Custodian is holding Cash, Buyer will Transfer (or cause to be Transferred) to Seller, in lieu of any interest or other amounts paid or deemed to have been paid with respect to such Cash (all of which shall be retained by Buyer), the Interest Amount. Interest on Cash shall accrue at the Collateral Interest Rate. Interest accrued during the previous month shall be paid by the Buyer to the Seller on the 3rd Business Day of each calendar month and on any Business Day that posted Eligible Collateral in the form of Cash is returned to Seller. On or after the occurrence of an Event of Default with respect to Seller or a termination date as a result of an Event of Default with respect to Seller, Buyer or its Custodian shall retain any such Interest Amount as additional Posted Collateral hereunder until the obligations of Seller under the Agreement have been satisfied in the case of a termination date or for so long as such Event of Default is continuing in the case of an Event of Default.

(b) **Buyer's Rights and Remedies.** If at any time an Event of Default with respect to Seller has occurred and is continuing, then, unless the Seller has paid in full all of its obligations that are then due, including those under Section 7.2(c) of this Agreement ("Obligations"), the Buyer may exercise one or more of the following rights and remedies: (i) all rights and remedies available to a Secured Party under applicable law with respect to posted Eligible Collateral held by the Buyer, (ii) the right to set-off any amounts payable by the Seller with respect to any Obligations against any posted Eligible Collateral or the Cash equivalent of any posted Eligible Collateral held by the Buyer, or (iii) the right to liquidate any posted Eligible Collateral held by the Buyer and to apply the proceeds of such liquidation of the posted Eligible Collateral to any amounts payable to the Buyer with respect to the Obligations in such order as the Buyer may elect. For purposes of this Paragraph 6, the Buyer may draw on the entire undrawn portion of any Letter of Credit. Cash proceeds that are not applied to the Obligations shall be maintained in accordance with the terms of this CSA. The Seller shall remain liable for amounts due and owing to the Secured Party that remain unpaid after the application, pursuant to this Paragraph 6, of Eligible Collateral to the Obligations.

(c) **Seller's Rights and Remedies.** If at any time a termination date has occurred or been designated as the result of an Event of Default with respect to Buyer, then unless the Buyer has paid in full all of its obligations that are then due, including those under Section 7.2(c) of this Agreement: (i) the Seller may exercise all rights and remedies available to a Seller under applicable law with respect to the posted Eligible Collateral, (ii) the Buyer will be obligated immediately to return all posted Eligible Collateral and accrued Interest to the Seller, or (iii) to the extent that posted Eligible Collateral or accrued Interest are not returned pursuant to (ii) above, the Seller may set-off any amounts payable by the Seller with respect to any Obligations against any posted Eligible Collateral or the cash equivalent thereof or to the extent that Seller does not set off such amounts, withhold

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payment of any remaining amounts payable by the Seller with respect to any Obligations, up to the value of the remain posted Eligible Collateral held by the Buyer, until that posted Eligible Collateral is Transferred to the Seller. For avoidance of doubt, (i) the Buyer will be obligated immediately to Transfer any Letter of Credit to the Seller and (ii) the Seller may do any one or more of the following: (x) to the extent that the Letter of Credit is not Transferred to the Seller as required pursuant to (i) above, set-off any amounts payable by the Seller with respect to any Obligations against any such Letter of Credit held by the Buyer and, to the extent its rights to set-off are not exercised, withhold payment of any remaining amounts payable by the Seller with respect to any Obligations, up to the value of any remaining posted Eligible Collateral and the value of any Letter of Credit held by the Buyer, until any such Posted Eligible Collateral and such Letter of Credit is Transferred to the Seller; and (y) exercise rights and remedies available to the Seller under the terms of the Letter of Credit.

(d) **Letters of Credit.** Eligible Collateral provided in the form of a Letter of Credit shall be subject to the following provisions.

(i) As one method of providing Eligible Collateral, the Pledgor may increase the amount of an outstanding Letter of Credit or establish one or more additional Letters of Credit.

(ii) Upon the occurrence of a Letter of Credit Default, Seller agrees to Transfer to Buyer either a substitute Letter of Credit or Cash, in each case on or before the first Business Day after the occurrence thereof (or the third (3rd) Business Day after the occurrence thereof if only clause (a) under the definition of Letter of Credit Default applies).

(iii) Notwithstanding Paragraphs 4 and 5, (1) the Buyer need not return a Letter of Credit unless the entire principal amount is required to be returned, (2) the Buyer shall consent to a reduction of the principal amount of a Letter of Credit to the extent that a Delivery Amount would not be created thereby (as of the time of the request or as of the last time the Delivery Amount was determined), and (3) if there is more than one form of Posted Collateral when a Return Amount is to be Transferred, the Secured Party may elect which to Transfer.

(e) **Care of Posted Eligible Collateral.** Buyer shall exercise reasonable care to assure the safe custody of all posted Eligible Collateral to the extent required by applicable law, and in any event the Buyer will be deemed to have exercised reasonable care if it exercises at least the same degree of care as it would exercise with respect to its own property. Except as specified in the preceding sentence, the Buyer will have no duty with respect to the posted Eligible Collateral, including without limitation, any duty to enforce or preserve any rights thereto.

(f) **Substitutions.** Unless otherwise prohibited herein, upon notice to the Buyer specifying the items of posted Eligible Collateral to be exchanged, the Seller may, on any Business Day, deliver to the Buyer other Eligible Collateral (“*Substitute Eligible Collateral*”). On the Business Day following the day on which the Substitute Eligible Collateral is delivered to the Buyer, the Buyer shall return to the Seller the items of Eligible Collateral specified in the Seller’s notice; provided, however, that the Buyer shall not be required to return the specified Eligible Collateral if immediately after such return,

REDACTED DOCUMENT

Seller would be required to post additional Eligible Collateral pursuant to the calculation of Exposure set forth in Paragraph 3(b) and the Confirmation.

REDACTED DOCUMENT

Paragraph 7. Exercise of Rights Against Posted Collateral.

(a) **Disputes regarding amount of Eligible Collateral.** If either Party disputes the amount of Eligible Collateral to be provided or returned (such Party the “*Disputing Party*”), then the Disputing Party shall (a) deliver the undisputed amount of Eligible Collateral to the other Party (such Party, the “*Requesting Party*”) and (b) notify the Requesting Party of the existence and nature of the dispute no later than 5:00 p.m. EPT on the Business Day that the request for Eligible Collateral was made (the “*Request Date*”). On the Business Day following the Request Date, the Parties shall consult with each other in order to reconcile the two conflicting amounts. If the Parties are not able to resolve their dispute, the Eligible Collateral shall be recalculated, on the Business Day following the Request Date, by each Party requesting quotations from two (2) Reference Market-Makers for a total of four (4) quotations. The highest and lowest of the four (4) quotations shall be discarded and the arithmetic average shall be taken of the remaining two (2), which shall be used in order to determine the amount of Eligible Collateral required. On the same day the Eligible Collateral amount is recalculated, the Disputing Party shall deliver any additional Eligible Collateral required pursuant to the recalculation or the Requesting Party shall return any excess Eligible Collateral that is no longer required pursuant to the recalculation.

(b) **Further Assurances.** Promptly following a request by a Party, the other Party shall execute, deliver, file, and/or record any financing statement, specific assignment, or other document and take any other action that may be necessary or desirable to create, perfect, or validate any security interest or lien, to enable the requesting party to exercise or enforce its rights or remedies under this CSA, or to effect or document a release of a security interest on posted Eligible Collateral or accrued Interest.

(c) **Further Protection.** The Pledgor will promptly give notice to the Secured Party of, and defend against, any suit, action, proceeding, or lien that involves the posted Eligible Collateral delivered to Secured Party by Pledgor or that could adversely affect any security interest or lien granted pursuant to this CSA.

Paragraph 9. Miscellaneous.

(a) **Demands and Notices.** All demands, specifications, and notices to Buyer with respect to Credit Support shall be made pursuant to the Notices Section of the Agreement with a copy to:

National Grid
Attn: Director, Electric Supply and Distributed Generation
100 East Old Country Road
Hicksville, NY 11801
Phone - (516) 545-3282
Fax: (516) 545-3130

National Grid
Attn: Credit Operations
100 East Old Country Road
Hicksville, New York 11801
Phone - (516) 545-3122

REDACTED DOCUMENT

Fax - (516) 545-5466

Email – keysan-margin@keyspanenergy.com

All demands, specifications, and notices to Seller with respect to Credit Support shall be made pursuant to the Notices Section of the Agreement with a copy to:

NextEra Energy Power Marketing, LLC
700 Universe Blvd.
Juno Beach, FL 33408
Attention: Manager, PMI Accounting
Fax Number: (561) 625-7663

(b) The provisions of this CSA shall apply to any and all Transactions entered into under the Master Power Agreement subsequent to the effective date of this CSA.

(c) The information contained in Paragraph 3(c)(i) of this CSA constitutes “Confidential Terms” within the meaning of Article 23 of the Master Power Agreement.

REDACTED DOCUMENT



SCHEDULE MMJ – 6

Renewable Portfolio Standard Adders

REDACTED DOCUMENT

Renewable Portfolio Standard Compliance Adders

	YEAR			
	2010 ACP	2011	2010 Market	2011
<u>Section 1: Calculation of Class I Renewable Energy Resource Charge</u>				
(1) Class I Alternative Compliance Payment	\$60.93	\$60.94	████	████
(2) Class I Renewable Energy Resource Obligation	1.00%	2.00%	1.00%	2.00%
(3) Incremental Cost - \$/MWh	\$0.61	\$1.22	████	████
<u>Section 2: Calculation of Class II Renewable Energy Resource Charge</u>				
(1) Class II Alternative Compliance Payment	\$160.01	\$160.04	████	████
(2) Class II Renewable Energy Resource Obligation	0.04%	0.08%	0.04%	0.08%
(3) Incremental Cost - \$/MWh	\$0.06	\$0.13	████	████
<u>Section 3: Calculation of Class III Renewable Energy Resource Charge</u>				
(1) Class III Alternative Compliance Payment	\$29.87	\$29.87	████	████
(2) Class III Renewable Energy Resource Obligation	5.50%	6.50%	5.50%	6.50%
(3) Incremental Cost - \$/MWh	\$1.64	\$1.94	████	████
<u>Section 4: Calculation of Class IV Renewable Energy Resource Charge</u>				
(1) Class IV Alternative Compliance Payment	\$29.87	\$29.87	████	████
(2) Class IV Renewable Energy Resource Obligation	1.00%	1.00%	1.00%	1.00%
(3) Incremental Cost - \$/MWh	\$0.30	\$0.30	████	████
<u>Section 5: Calculation of Renewable Portfolio Standard Adder</u>				
(4) Sum of Class I, II, III and Class IV Incremental Costs - \$/MWh	\$2.61	\$3.59	\$1.53	\$2.08
(5) Renewable Portfolio Standard Adder to be included in Retail Rates - \$/kWh	\$0.00261	\$0.00359	\$0.00153	\$0.00208
(6) Total RPS Obligation %	7.54%	9.58%	7.54%	9.58%
(7) Obligation Weighted cost	\$34.62	\$37.47	\$20.29	\$21.71

Notes

- (1) 2010 ACP
- (2) 2011 ACP based on CPI increase from 2009 to 2010, as published by NHPUC.
- (3) From 362-F:3 of NH RPS legislation
- (4) Line (1) times Line (2)
- (5) Sum of all Line (3)s
- (6) Line (4) divided by 1,000 to convert from \$/MWh to \$/kWh.
- (7) Sum of all Line (2)s
- (8) Line (4) divided by Line (6)

SCHEDULE MMJ – 7

**Summary of Large Customer Group
Default Service Rates**

Granite State Electric Company
 Summary of Proposed Default Service Rates

		Medium and Large C&I		
		<u>November</u>	<u>December</u>	<u>January</u>
(1)	Wholesale Loads (kWh)	████████████████████		
(2)	Retail Loads (kWh)	████████████████████		
(3)	Loss Factor	██		
(4)	Wholesale Contract Price (\$/MWh)	██		
(5)	Base Default Service Rate (\$/kWh)	\$0.06368	\$0.06841	\$0.07499
(6)	2010 Default Service Adjustment Factor (\$/kWh)	\$0.00123	\$0.00123	\$0.00123
(7)	2010 Default Service Cost Reclassification Adjustment Factor (\$/kWh)	\$0.00037	\$0.00037	\$0.00037
(8)	Renewable Portfolio Standard Adder (\$/kWh)	<u>\$0.00153</u>	<u>\$0.00153</u>	<u>\$0.00208</u>
(9)	Total Default Service Rate (\$/kWh)	\$0.06681	\$0.07154	\$0.07867

- (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
- (5) Line (3) x Line (4) / 1000, truncated to five decimal places
- (6) Current approved 2010 Default Service Adjustment Factor (Effective for usage on and after May 1, 2010)
- (7) Current approved Default Service Reclassification Adjustment Factor (Effective for usage on and after May 1, 2010)
- (8) Schedule MMJ-6
- (9) Line (5) + Line (6) + Line (7) + Line (8)

Granite State Electric Company
Large Customer Group
(Rates G-1 and G-2)
Illustrative Weighted Average Default Service Rates For Comparison Purposes Only
November 2010 - January 2011

Section 1: Percentage of Medium and Large C&I kWhs Attributable to Default Service

(1)	August 2010 Medium and Large C&I Default Service kWhs	20,801,878
(2)	August 2010 Total Medium and Large C&I kWhs	<u>46,023,896</u>
(3)	Percentage of Medium and Large C&I Default Service kWhs to Total Medium and Large C&I kWhs	45.20%

Section 2: Projected Medium and Large C&I Default Service kWhs, November 2010 - January 2011

	<u>November</u>	<u>December</u>	<u>January</u>	<u>Total</u>	
	(a)	(b)	(c)	(d)	
(4)	Projected Total Company Medium and Large kWhs	32,276,363	36,245,273	40,644,047	109,165,682
(5)	Percentage of Medium and Large C&I Default Service kWhs to Total Medium and Large C&I kWhs	<u>45.20%</u>	<u>45.20%</u>	<u>45.20%</u>	
(6)	Projected Medium and Large C&I Default Service kWhs	14,588,269	16,382,136	18,370,294	49,340,699

Section 3: Medium and Large C&I Default Service Load Weighting for November 2010 - January 2011

(7)	Projected Medium and Large C&I Default Service kWhs	14,588,269	16,382,136	18,370,294	49,340,699
(8)	Wholesale Loads (kWh)	████████████████████			
(9)	Retail Loads (kWh)	████████████████████			
(10)	Loss Factor	██			
(11)	Wholesale Contract Price (\$/MWh)	██			
(12)	Base Default Service Rate (\$/kWh)	\$0.06368	\$0.06841	\$0.07499	
(13)	2010 Default Service Adjustment Factor (\$/kWh)	\$0.00123	\$0.00123	\$0.00123	
(14)	2010 Default Service Cost Reclassification Adjustment Factor (\$/kWh)	\$0.00037	\$0.00037	\$0.00037	
(15)	<u>Renewable Portfolio Standard Adder (\$/kWh)</u>	<u>\$0.00153</u>	<u>\$0.00153</u>	<u>\$0.00208</u>	
(16)	Total Estimated Medium and Large C&I Default Service Price per kWh	\$0.06681	\$0.07154	\$0.07867	
(17)	Projected Medium and Large C&I Base Default Service Cost, November 2010 - January 2011	<u>\$ 928,981</u>	<u>\$ 1,120,702</u>	<u>\$ 1,377,588</u>	<u>\$ 3,427,271</u>
(18)	Weighted Average Medium and Large C&I Base Default Service Charge for November 2010 - January 2011				\$ 0.06946
(19)	Projected Medium and Large C&I Default Service Cost, November 2010 - January 2011	<u>\$ 974,642</u>	<u>\$ 1,171,978</u>	<u>\$ 1,445,191</u>	<u>\$ 3,591,811</u>
(20)	Weighted Average Medium and Large C&I Default Service Charge for November 2010 - January 2011				\$ 0.07279

-
- (1) Per Monthly CR97987A Default Service Revenue Reports (Rates G-1 and G-2)
 - (2) Per Monthly CR97992A Total Revenue Reports (Rates G-1 and G-2)
 - (3) Line (1) ÷ Line (2)
 - (4) Per Company forecast for medium and large C&I rates (Rates G-1 and G-2)
 - (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) Current approved 2010 Default Service Adjustment Factor (Effective for usage on and after May 1, 2010)
 - (14) Current approved Default Service Reclassification Adjustment Factor (Effective for usage on and after May 1, 2010)
 - (15) Line (5) + Line (6) + Line (7) + Line (8)
 - (16) Line (12) + Line (13) + Line (14) + Line (15)
 - (17) Line (7) x Line (12)
 - (18) Line (17) total ÷ Line (7) total, truncated after 5 decimal places
 - (19) Line (7) x Line (16)
 - (20) Line (19) total ÷ Line (7) total, truncated after 5 decimal places

SCHEDULE MMJ – 8

**Calculation of Small Customer Group
Default Service Rates**

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
November 2010 - April 2011

Section 1: Percentage of Residential and Small C&I kWhs Attributable to Default Service

(1)	August 2010 Residential and Small C&I Default Service kWhs	36,360,108
(2)	August 2010 Total Residential and Small C&I kWhs	37,223,308
(3)	Percentage of Residential and Small C&I Default Service kWhs to Total Residential and Small C&I kWhs	97.68%

Section 2: Projected Residential and Small C&I Default Service kWhs, November 2010 - April 2011

	November (a)	December (b)	January (c)	February (d)	March (e)	April (f)	Total (g)
(4)	Projected Total Company Residential and Small C&I kWhs	23,098,913	31,693,939	39,938,709	34,865,573	33,093,097	193,556,913
(5)	Percentage of Residential and Small C&I Default Service kWhs to Total Residential and Small C&I	<u>97.68%</u>	<u>97.68%</u>	<u>97.68%</u>	<u>97.68%</u>	<u>97.68%</u>	<u>97.68%</u>
(6)	Projected Residential and Small C&I Default Service kWhs	22,563,254	30,958,964	39,012,539	34,057,048	32,325,676	189,068,372

Section 3: Residential and Small C&I Default Service Load Weighting for November 2010 - April 2011

(7)	Projected Residential and Small C&I Default Service kWhs	22,563,254	30,958,964	39,012,539	34,057,048	32,325,676	30,150,891	189,068,372
(8)	Wholesale Loads (kWh)							
(9)	Retail Loads (kWh)							
(10)	Loss Factor							
(11)	Wholesale Contract Price (\$/MWh)							
(12)	Base Residential and Small C&I Default Service Rate (\$/kWh)	\$0.06187	\$0.06556	\$0.06958	\$0.07206	\$0.06309	\$0.06655	
(13)	2010 Default Service Adjustment Factor (\$/kWh)	\$0.00123	\$0.00123	\$0.00123	\$0.00123	\$0.00123	\$0.00123	
(14)	2010 Default Service Cost Reclassification Adjustment Factor (\$/kWh)	\$0.00091	\$0.00091	\$0.00091	\$0.00091	\$0.00091	\$0.00091	
(15)	<u>Proposed Renewable Portfolio Standard Adder (\$/kWh)</u>	\$0.00153	\$0.00153	\$0.00208	\$0.00208	\$0.00208	\$0.00208	
(16)	Total Estimated Residential and Small C&I Default Service Price per kWh	\$0.06554	\$0.06923	\$0.07380	\$0.07628	\$0.06731	\$0.07077	
(17)	Projected Residential and Small C&I Default Service Base Cost, November 2010 - April 2011	\$1,395,989	\$2,029,670	\$2,714,492	\$2,454,151	\$2,039,427	\$2,006,542	\$12,640,270
(18)	Weighted Average Base Residential and Small C&I Default Service Charge for November 2010 - April 2011							\$0.06685
(19)	Projected Residential and Small C&I Default Service Cost, November 2010 - April 2011	\$1,478,796	\$2,143,289	\$2,879,125	\$2,597,872	\$2,175,841	\$2,133,779	\$13,408,702
(20)	Weighted Average Residential and Small C&I Default Service Charge for November 2010 - April 2011							\$0.07091

-
- (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) Current approved 2010 Default Service Adjustment Factor (Effective for usage on and after May 1, 2010)
(14) Current approved Default Service Cost Reclassification Adjustment Factor (Effective for usage on and after May 1, 2010)
(15) Schedule MMJ-6
(16) Line (12) + Line (13) + Line (14) + Line (15)
(17) Line (7) x Line (12)
(18) Line (17) ÷ Line (7) total, rounded to five decimal places

SCHEDULE MMJ – 9

Typical Bill Impacts

S:\RADATA\12010_gse\Default Service\September Filing\Schedule MMJ-9 Typ Bills.xls\JD No.WH
17-Sep-10
09:29 AM

Granite State Electric Company
Proposed November 1, 2010 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%

Monthly kWh	On-Peak kWh	Off-Peak kWh	(1)		(2)		(1) vs (2)
			Total	Present Rates Default Service	Total	Proposed Rates Default Service	
200	200	0	\$26.89	\$14.31	\$26.76	\$14.18	(\$0.13)
350	350	0	\$46.45	\$25.04	\$46.23	\$24.82	(\$0.22)
500	500	0	\$67.32	\$35.78	\$67.00	\$35.46	(\$0.32)
670	670	0	\$90.94	\$47.94	\$90.51	\$47.51	(\$0.43)
750	750	0	\$102.07	\$53.66	\$101.59	\$53.18	(\$0.48)
1,000	1,000	0	\$136.84	\$71.55	\$136.20	\$70.91	(\$0.64)

	Present Rates	Proposed Rates
Customer Charge	\$4.35	\$4.35
Distribution Charge		
1st 250 kWh	kWh x \$0.01852	\$0.01852
excess of 250 kWh	kWh x \$0.04486	\$0.04486
Off Peak kWh	kWh x \$0.01781	\$0.01781
Transmission Charge	kWh x \$0.01811	\$0.01811
Stranded Cost Charge	kWh x \$0.00070	\$0.00070
System Benefits Charge	kWh x \$0.00330	\$0.00330
Electricity Consumption Tax	kWh x \$0.00055	\$0.00055
<u>Supplier Services</u>		
Default Service	kWh x \$0.07155	\$0.07091

S:\RADATA\12010_gse\Default Service\September Filing\Schedule MMJ-9 Typ Bills.xls JD 6hr WH
17-Sep-10 09:29 AM
Granite State Electric Company
Proposed November 1, 2010 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%

Monthly KWh	On-Peak kWh	Off-Peak kWh	(1)		(2)		(1) vs (2)			
			Total	Present Rates Default Service	Retail Delivery	Total		Proposed Rates Default Service	Retail Delivery	
200	160	40	\$22.02	\$14.31	\$7.71	\$21.89	\$14.18	\$7.71	(\$0.13)	-0.6%
350	280	70	\$39.72	\$25.04	\$14.68	\$39.50	\$24.82	\$14.68	(\$0.22)	-0.6%
500	400	100	\$59.77	\$35.78	\$23.99	\$59.45	\$35.46	\$23.99	(\$0.32)	-0.5%
750	600	150	\$93.17	\$53.66	\$39.51	\$92.69	\$53.18	\$39.51	(\$0.48)	-0.5%
1,000	800	200	\$126.58	\$71.55	\$55.03	\$125.94	\$70.91	\$55.03	(\$0.64)	-0.5%

	Present Rates	Proposed Rates
Customer Charge	\$4.35	\$4.35
Distribution Charge		
1st 250 kWh		
excess of 250 kWh	kWh x \$0.01852	\$0.01852
Off Peak kWh	kWh x \$0.04486	\$0.04486
Transmission Charge	kWh x \$0.01781	\$0.01781
Stranded Cost Charge	kWh x \$0.01811	\$0.01811
System Benefits Charge	kWh x \$0.00070	\$0.00070
Electricity Consumption Tax	kWh x \$0.00330	\$0.00330
Interruptible Credit #1	kWh x \$0.00055	\$0.00055
	(\$4.84)	(\$4.84)
<u>Supplier Services</u>		
Default Service	kWh x \$0.07155	\$0.07091

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17-Sep-10
09:29 AM

Granite State Electric Company
Proposed November 1, 2010 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%

Monthly KWh	kWh Split		Present Rates Total	Retail Delivery	Proposed Rates Total	Retail Delivery	Overall Increase (Decrease) Amount	%
	On-Peak kWh	Off-Peak kWh						
200	120	80	\$20.36	\$6.05	\$20.23	\$6.05	(\$0.13)	-0.6%
350	210	140	\$37.24	\$12.20	\$37.02	\$12.20	(\$0.22)	-0.6%
500	300	200	\$55.43	\$19.65	\$55.11	\$19.65	(\$0.32)	-0.6%
750	450	300	\$87.48	\$33.82	\$87.00	\$33.82	(\$0.48)	-0.5%
1,000	600	400	\$119.54	\$47.99	\$118.90	\$47.99	(\$0.64)	-0.5%

	Present Rates	Proposed Rates
Customer Charge	\$4.35	\$4.35
Distribution Charge	\$0.00000	\$0.00000
1st 250 kWh	\$0.01852	\$0.01852
excess of 250 kWh	\$0.04486	\$0.04486
Off Peak kWh	\$0.01781	\$0.01781
Transmission Charge	\$0.01811	\$0.01811
Stranded Cost Charge	\$0.00070	\$0.00070
System Benefits Charge	\$0.00330	\$0.00330
Electricity Consumption Tax	\$0.00055	\$0.00055
Interruptible Credit #2	(\$6.47)	(\$6.47)
<u>Supplier Services</u>		
Default Service	\$0.07155	\$0.07091

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17-Sep-10
09:29 AM

Granite State Electric Company
Proposed November 1, 2010 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%

Monthly KWh	kWh Split		Present Rates Default Service	Retail Delivery	Proposed Rates Default Service	Retail Delivery	Overall Increase (Decrease) Amount	%
	On-Peak kWh	Off-Peak kWh						
700	560	140	\$98.91	\$48.82	\$49.64	\$48.82	(\$0.45)	-0.5%
1,000	800	200	\$138.08	\$66.53	\$70.91	\$66.53	(\$0.64)	-0.5%
1,300	1,040	260	\$177.28	\$84.26	\$92.18	\$84.26	(\$0.84)	-0.5%
1,600	1,280	320	\$216.43	\$101.95	\$113.46	\$101.95	(\$1.02)	-0.5%
1,900	1,520	380	\$255.64	\$119.69	\$134.73	\$119.69	(\$1.22)	-0.5%

Present Rates

Customer Charge		\$7.47
Distribution Charge		
On Peak kWh	kWh x	\$0.04966
Off Peak kWh	kWh x	\$0.00220
Transmission Charge	kWh x	\$0.01435
Stranded Cost Charge	kWh x	\$0.00069
System Benefits Charge	kWh x	\$0.00330
Electricity Consumption Tax	kWh x	\$0.00055

Proposed Rates

Customer Charge		\$7.47
Distribution Charge		
On Peak kWh	kWh x	\$0.04966
Off Peak kWh	kWh x	\$0.00220
Transmission Charge	kWh x	\$0.01435
Stranded Cost Charge	kWh x	\$0.00069
System Benefits Charge	kWh x	\$0.00330
Electricity Consumption Tax	kWh x	\$0.00055
<u>Supplier Services</u>		
Default Service	kWh x	\$0.07155
		\$0.07091

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Granite State Electric Company
Proposed November 1, 2010 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%

Monthly KWh	kWh Split		(1)		(2)		(1) vs (2)
	On-Peak kWh	Off-Peak kWh	Total	Present Rates Default Service	Total	Proposed Rates Default Service	
700	490	210	\$95.58	\$50.09	\$45.49	\$95.13	(\$0.45)
1,000	700	300	\$133.33	\$71.55	\$61.78	\$132.69	(\$0.64)
1,300	910	390	\$171.11	\$93.02	\$78.09	\$170.27	(\$0.84)
1,600	1,120	480	\$208.85	\$114.48	\$94.37	\$207.83	(\$1.02)
1,900	1,330	570	\$246.62	\$135.95	\$110.67	\$245.40	(\$1.22)

Proposed Rates

Present Rates

Customer Charge		\$7.47	
Distribution Charge			
On Peak kWh	kWh x	\$0.04966	
Off Peak kWh	kWh x	\$0.00220	
Transmission Charge	kWh x	\$0.01435	
Stranded Cost Charge	kWh x	\$0.00069	
System Benefits Charge	kWh x	\$0.00330	
Electricity Consumption Tax	kWh x	\$0.00055	
<u>Supplier Services</u>			
Default Service	kWh x	\$0.07155	\$0.07091

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Granite State Electric Company
Proposed November 1, 2010 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%

Monthly KWh	kWh Split		Present Rates Default Service	Retail Delivery	Proposed Rates Default Service	Retail Delivery	Overall Increase (Decrease) Amount	%
	On-Peak kWh	Off-Peak kWh						
700	420	280	\$92.27	\$42.18	\$91.82	\$42.18	(\$0.45)	-0.5%
1,000	600	400	\$128.59	\$57.04	\$127.95	\$57.04	(\$0.64)	-0.5%
1,300	780	520	\$164.93	\$71.91	\$164.09	\$71.91	(\$0.84)	-0.5%
1,600	960	640	\$201.25	\$86.77	\$200.23	\$86.77	(\$1.02)	-0.5%
1,900	1,140	760	\$237.60	\$101.65	\$236.38	\$101.65	(\$1.22)	-0.5%

Present Rates

Customer Charge		\$7.47
Distribution Charge		
On Peak kWh	kWh x	\$0.04966
Off Peak kWh	kWh x	\$0.00220
Transmission Charge	kWh x	\$0.01435
Stranded Cost Charge	kWh x	\$0.00069
System Benefits Charge	kWh x	\$0.00330
Electricity Consumption Tax	kWh x	\$0.00055

Proposed Rates

Customer Charge		\$7.47
Distribution Charge		
On Peak kWh	kWh x	\$0.04966
Off Peak kWh	kWh x	\$0.00220
Transmission Charge	kWh x	\$0.01435
Stranded Cost Charge	kWh x	\$0.00069
System Benefits Charge	kWh x	\$0.00330
Electricity Consumption Tax	kWh x	\$0.00055
<u>Supplier Services</u>		
Default Service	kWh x	\$0.07155
		\$0.07091

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Granite State Electric Company
Proposed November 1, 2010 Default Service Rates
Calculation of Monthly Typical Bill
Impact on Rate G-3 Default Service Customers

Hours Use

Monthly kWh	(1)		(2)		Overall Increase (Decrease) %
	Total	Present Rates Default Service	Total	Proposed Rates Default Service	
600	\$80.75	\$42.93	\$80.37	\$42.55	(\$0.38) -0.5%
800	\$105.84	\$57.24	\$105.33	\$56.73	(\$0.51) -0.5%
1,200	\$156.00	\$85.86	\$155.23	\$85.09	(\$0.77) -0.5%
1,500	\$193.64	\$107.33	\$192.68	\$106.37	(\$0.96) -0.5%
2,000	\$256.33	\$143.10	\$255.05	\$141.82	(\$1.28) -0.5%

Proposed Rates

Present Rates

Customer Charge		\$5.51
Distribution Charge	kWh x	\$0.03287
Transmission Charge	kWh x	\$0.01644
Stranded Cost Charge	kWh x	\$0.00070
System Benefits Charge	kWh x	\$0.00330
Electricity Consumption Tax	kWh x	\$0.00055

Supplier Services

Default Service	kWh x	\$0.07155
		\$0.07091

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Granite State Electric Company
Proposed November 1, 2010 Default Service Rates
Calculation of Monthly Typical Bill
Impact on Rate T Default Service Customers

Monthly kWh	(1)		(2)		Overall Increase (Decrease) Amount	Overall Increase (Decrease) %
	Total	Present Rates Default Service	Total	Proposed Rates Default Service		
600	\$74.85	\$42.93	\$31.92	\$42.55	(\$0.38)	-0.5%
800	\$97.92	\$57.24	\$40.68	\$56.73	(\$0.51)	-0.5%
1,200	\$144.06	\$85.86	\$58.20	\$85.09	(\$0.77)	-0.5%
1,500	\$178.68	\$107.33	\$71.35	\$106.37	(\$0.96)	-0.5%
2,000	\$236.35	\$143.10	\$93.25	\$141.82	(\$1.28)	-0.5%

	Present Rates	Proposed Rates
Customer Charge		\$5.63
Distribution Charge	kWh x \$0.02230	\$0.02230
Transmission Charge	kWh x \$0.01696	\$0.01696
Stranded Cost Charge	kWh x \$0.00070	\$0.00070
System Benefits Charge	kWh x \$0.00330	\$0.00330
Electricity Consumption Tax	kWh x \$0.00055	\$0.00055
<u>Supplier Services</u>		
Default Service	kWh x \$0.07155	\$0.07091

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Granite State Electric Company
Proposed November 1, 2010 Default Service Rates
Calculation of Monthly Typical Bill
Impact on Rate V Default Service Customers

Monthly kWh	(1)		(2)		Overall Increase (Decrease) Amount	Overall Increase (Decrease) %
	Total	Present Rates Default Service	Total	Proposed Rates Default Service		
600	\$74.79	\$42.93	\$74.41	\$42.55	(\$0.38)	-0.5%
800	\$99.73	\$57.24	\$99.22	\$56.73	(\$0.51)	-0.5%
1,200	\$149.57	\$85.86	\$148.80	\$85.09	(\$0.77)	-0.5%
1,500	\$187.00	\$107.33	\$186.04	\$106.37	(\$0.96)	-0.5%
2,000	\$249.30	\$143.10	\$248.02	\$141.82	(\$1.28)	-0.5%

	Present Rates	Proposed Rates
Minimum Charge	\$5.88	\$5.88
Distribution Charge	kWh x \$0.03057	\$0.03057
Transmission Charge	kWh x \$0.01797	\$0.01797
Stranded Cost Charge	kWh x \$0.00071	\$0.00071
System Benefits Charge	kWh x \$0.00330	\$0.00330
Electricity Consumption Tax	kWh x \$0.00055	\$0.00055
Supplier Services		
Default Service	kWh x \$0.07155	\$0.07091

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Granite State Electric Company
Proposed November 1, 2010 Default Service Rates
Calculation of Illustrative Monthly Typical Bill
Impact on Rate G-1 Default Service Customers

Hours Use	kWh Split		Monthly kWh	Present Rates		Proposed Rates		Overall Increase (Decrease) %			
	250 On-Peak	60.00% Off-Peak		Total	Default Service	Retail Delivery	Total		Default Service	Retail Delivery	
kW											
200	50,000	30,000	20,000	\$5,769.19	\$3,730.50	\$2,038.69	\$5,678.19	\$3,639.50	\$2,038.69	(\$91.00)	-1.6%
300	75,000	45,000	30,000	\$8,607.29	\$5,595.75	\$3,011.54	\$8,470.79	\$5,459.25	\$3,011.54	(\$136.50)	-1.6%
400	100,000	60,000	40,000	\$11,445.39	\$7,461.00	\$3,984.39	\$11,263.39	\$7,279.00	\$3,984.39	(\$182.00)	-1.6%
500	125,000	75,000	50,000	\$14,283.49	\$9,326.25	\$4,957.24	\$14,055.99	\$9,098.75	\$4,957.24	(\$227.50)	-1.6%
1,000	250,000	150,000	100,000	\$28,473.99	\$18,652.50	\$9,821.49	\$28,018.99	\$18,197.50	\$9,821.49	(\$455.00)	-1.6%

Present Rates / Proposed Rates

Customer Charge	\$92.99	
Distribution Charge		
On Peak kWh		kWh x
Off Peak kWh		kWh x
Distribution Demand Charge		kW x
Transmission Charge		kWh x
Stranded Cost Charge		kWh x
System Benefits Charge		kWh x
Electricity Consumption Tax		kWh x

Supplier Services

Illustrative Weighted Average Default Service	\$0.07461	kWh x	\$0.07279
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Granite State Electric Company
Proposed November 1, 2010 Default Service Rates
Calculation of Illustrative Monthly Typical Bill
Impact on Rate G-1 Default Service Customers

Hours Use	kWh Split		Monthly kWh	Present Rates	Proposed Rates	Overall Increase (Decrease) %
	350 On-Peak	50.00% Off-Peak				
kW	On-Peak kWh	Off-Peak kWh	Total	Default Service	Default Service	Amount
200	70,000	35,000	\$7,705.49	\$5,222.70	\$2,482.79	(\$127.40)
300	105,000	52,500	\$11,511.74	\$7,834.05	\$3,677.69	(\$191.10)
400	140,000	70,000	\$15,317.99	\$10,445.40	\$4,872.59	(\$254.80)
500	175,000	87,500	\$19,124.24	\$13,056.75	\$6,067.49	(\$318.50)
1,000	350,000	175,000	\$38,155.49	\$26,113.50	\$12,041.99	(\$637.00)

Present Rates

Customer Charge	\$92.99
Distribution Charge	
On Peak kWh	kWh x \$0.00362
Off Peak kWh	kWh x \$0.00228
Distribution Demand Charge	kW x \$4.06
Transmission Charge	kWh x \$0.01505
Stranded Cost Charge	kWh x \$0.00069
System Benefits Charge	kWh x \$0.00330
Electricity Consumption Tax	kWh x \$0.00055

Proposed Rates

Customer Charge	\$92.99
Distribution Charge	
On Peak kWh	kWh x \$0.00362
Off Peak kWh	kWh x \$0.00228
Distribution Demand Charge	kW x \$4.06
Transmission Charge	kWh x \$0.01505
Stranded Cost Charge	kWh x \$0.00069
System Benefits Charge	kWh x \$0.00330
Electricity Consumption Tax	kWh x \$0.00055

Supplier Services

Illustrative Weighted Average Default Service	\$0.07461	\$0.07279
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Granite State Electric Company
Proposed November 1, 2010 Default Service Rates
Calculation of Illustrative Monthly Typical Bill
Impact on Rate G-1 Default Service Customers

Hours Use	kWh Split		Monthly kWh	Present Rates		Proposed Rates		Overall Increase (Decrease) %	
	450 On-Peak	40.00% Off-Peak		Total	Default Service	Retail Delivery	Total		Default Service
kW									
200	90,000	36,000	54,000	\$6,714.90	\$2,921.53	\$9,472.63	\$6,551.10	\$2,921.53	(\$163.80) -1.7%
300	135,000	54,000	81,000	\$10,072.35	\$4,335.80	\$14,162.45	\$9,826.65	\$4,335.80	(\$245.70) -1.7%
400	180,000	72,000	108,000	\$13,429.80	\$5,750.07	\$18,852.27	\$13,102.20	\$5,750.07	(\$327.60) -1.7%
500	225,000	90,000	135,000	\$16,787.25	\$7,164.34	\$23,951.59	\$16,377.75	\$7,164.34	(\$409.50) -1.7%
1,000	450,000	180,000	270,000	\$33,574.50	\$14,235.69	\$47,810.19	\$32,755.50	\$14,235.69	(\$819.00) -1.7%

Present Rates

Customer Charge	\$92.99	
Distribution Charge		
On Peak kWh	\$0.00362	kWh x
Off Peak kWh	\$0.00228	kWh x
Distribution Demand Charge	\$4.06	kW x
Transmission Charge	\$0.01505	kWh x
Stranded Cost Charge	\$0.00069	kWh x
System Benefits Charge	\$0.00330	kWh x
Electricity Consumption Tax	\$0.00055	kWh x

Proposed Rates

Customer Charge	\$92.99	
Distribution Charge		
On Peak kWh	\$0.00362	kWh x
Off Peak kWh	\$0.00228	kWh x
Distribution Demand Charge	\$4.06	kW x
Transmission Charge	\$0.01505	kWh x
Stranded Cost Charge	\$0.00069	kWh x
System Benefits Charge	\$0.00330	kWh x
Electricity Consumption Tax	\$0.00055	kWh x
<u>Supplier Services</u>		
Illustrative Weighted Average Default Service	\$0.07461	kWh x
	\$0.07279	

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Granite State Electric Company
Proposed November 1, 2010 Default Service Rates
Calculation of Illustrative Monthly Typical Bill
Impact on Rate G-2 Default Service Customers

Hours Use	Monthly kWh	(1)		(2)		(1) vs (2)
		Total	Present Rates Default Service	Total	Proposed Rates Default Service	
kW						
20	4,000	\$451.85	\$298.44	\$153.41	\$291.16	(\$7.28) -1.6%
50	10,000	\$1,092.29	\$746.10	\$346.19	\$727.90	(\$18.20) -1.7%
75	15,000	\$1,625.99	\$1,119.15	\$506.84	\$1,091.85	(\$27.30) -1.7%
100	20,000	\$2,159.69	\$1,492.20	\$667.49	\$1,455.80	(\$36.40) -1.7%
150	30,000	\$3,227.09	\$2,238.30	\$988.79	\$2,183.70	(\$54.60) -1.7%

Proposed Rates

Present Rates

Customer Charge		\$24.89
Distribution Charge	kWh x	\$0.00259
Distribution Demand Charge	kW x	\$4.48
Transmission Charge	kWh x	\$0.00259
Stranded Cost Charge	kWh x	\$0.00070
System Benefits Charge	kWh x	\$0.00330
Electricity Consumption Tax	kWh x	\$0.00055

Supplier Services

Illustrative Weighted Average Default Se	kWh x	\$0.07461
		\$0.07279

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Granite State Electric Company
Proposed November 1, 2010 Default Service Rates
Calculation of Illustrative Monthly Typical Bill
Impact on Rate G-2 Default Service Customers

Hours Use 250

kW	Monthly kWh	(1)		(2)		(1) vs (2)
		Total	Present Rates Default Service	Total	Proposed Rates Default Service	
20	5,000	\$536.19	\$373.05	\$163.14	\$363.95	(\$9.10)
50	12,500	\$1,303.16	\$932.63	\$370.53	\$909.88	(\$22.75)
75	18,750	\$1,942.27	\$1,398.94	\$543.33	\$1,364.81	(\$34.13)
100	25,000	\$2,581.39	\$1,865.25	\$716.14	\$1,819.75	(\$45.50)
150	37,500	\$3,859.66	\$2,797.88	\$1,061.78	\$2,729.63	(\$68.25)

	Present Rates	Proposed Rates
Customer Charge	\$24.89	\$24.89
Distribution Charge	\$0.00259	\$0.00259
Distribution Demand Charge	kWh x \$4.48	kWh x \$4.48
Transmission Charge	kWh x \$0.00259	kWh x \$0.00259
Stranded Cost Charge	kWh x \$0.00070	kWh x \$0.00070
System Benefits Charge	kWh x \$0.00330	kWh x \$0.00330
Electricity Consumption Tax	kWh x \$0.00055	kWh x \$0.00055
<u>Supplier Services</u>		
Illustrative Weighted Average Default Se	kWh x \$0.07461	kWh x \$0.07279

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Granite State Electric Company
Proposed November 1, 2010 Default Service Rates
Calculation of Illustrative Monthly Typical Bill
Impact on Rate G-2 Default Service Customers

Hours Use	Monthly kWh	(1)		(2)		(1) vs (2)
		Total	Present Rates Default Service	Total	Proposed Rates Default Service	
kW						
20	6,000	\$620.53	\$447.66	\$172.87	\$436.74	(\$10.92)
50	15,000	\$1,513.99	\$1,119.15	\$394.84	\$1,091.85	(\$27.30)
75	22,500	\$2,258.56	\$1,678.73	\$579.83	\$1,637.78	(\$40.95)
100	30,000	\$3,003.09	\$2,238.30	\$764.79	\$2,183.70	(\$54.60)
150	45,000	\$4,492.19	\$3,357.45	\$1,134.74	\$3,275.55	(\$81.90)

	Present Rates	Proposed Rates
Customer Charge	\$24.89	\$24.89
Distribution Charge	\$0.00259	\$0.00259
Distribution Demand Charge	kWh x \$4.48	kWh x \$4.48
Transmission Charge	kWh x \$0.00259	kWh x \$0.00259
Stranded Cost Charge	kWh x \$0.00070	kWh x \$0.00070
System Benefits Charge	kWh x \$0.00330	kWh x \$0.00330
Electricity Consumption Tax	kWh x \$0.00055	kWh x \$0.00055
<u>Supplier Services</u>		
Illustrative Weighted Average Default Se	kWh x \$0.07461	kWh x \$0.07279

SCHEDULE MMJ – 10

Proposed Summary of Rates

GRANITE STATE ELECTRIC COMPANY
RATES EFFECTIVE NOVEMBER 1, 2010
FOR USAGE ON AND AFTER NOVEMBER 1, 2010

Rate	Blocks	Distribution Charge (1), (2), (3), (4), (5)	Electricity Consumption Tax	Transmission Charge	Systems Benefits Charge	Stranded Cost Charge	Total Retail Delivery Services
D	Customer Charge	\$4.35					\$4.35
	1st 250 kWh	\$0.01852	\$0.00055	\$0.01811	\$0.00330	\$0.00070	\$0.04118
	Excess 250 kWh	\$0.04486	\$0.00055	\$0.01811	\$0.00330	\$0.00070	\$0.06752
	Off Peak kWh	\$0.01781	\$0.00055	\$0.01811	\$0.00330	\$0.00070	\$0.04047
	Farm kWh	\$0.02764	\$0.00055	\$0.01811	\$0.00330	\$0.00070	\$0.05030
	D-6 kWh	\$0.01852	\$0.00055	\$0.01811	\$0.00330	\$0.00070	\$0.04118
D-10	Customer Charge	\$7.47					\$7.47
	On Peak kWh	\$0.04966	\$0.00055	\$0.01435	\$0.00330	\$0.00069	\$0.06855
	Off Peak kWh	\$0.00220	\$0.00055	\$0.01435	\$0.00330	\$0.00069	\$0.02109
G-1	Customer Charge	\$92.99					\$92.99
	Demand Charge	\$4.06					\$4.06
	On Peak kWh	\$0.00362	\$0.00055	\$0.01505	\$0.00330	\$0.00069	\$0.02321
	Off Peak kWh	\$0.00228	\$0.00055	\$0.01505	\$0.00330	\$0.00069	\$0.02187
G-2	Customer Charge	\$24.89					\$24.89
	Demand Charge	\$4.48					\$4.48
	All kWh	\$0.00259	\$0.00055	\$0.01622	\$0.00330	\$0.00070	\$0.02336
G-3	Customer Charge	\$5.51					\$5.51
	All kWh	\$0.03287	\$0.00055	\$0.01644	\$0.00330	\$0.00070	\$0.05386
M	All kWh see tariff for luminaires & pole charges	\$0.00228	\$0.00055	\$0.00990	\$0.00330	\$0.00071	\$0.01674
T	Customer Charge	\$5.63					\$5.63
	All kWh	\$0.02230	\$0.00055	\$0.01696	\$0.00330	\$0.00070	\$0.04381
V	Minimum Charge	\$5.88					\$5.88
	All kWh	\$0.03057	\$0.00055	\$0.01797	\$0.00330	\$0.00071	\$0.05310

- (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 5/1/10
- | Rate Class | Credit per kWh |
|------------|----------------|
| D | (\$0.00017) |
| D-10 | (\$0.00008) |
| G-3 | (\$0.00017) |
| T | (\$0.00007) |
| V | (\$0.00009) |
- (3) Distribution Energy Charges include a Reliability Enhancement Program and Vegetation Management Plan Adjustment Factor of \$0.00125 per kWh for usage on and after 7/1/10
(4) Distribution Energy Charges include a Green Up Service Recovery Adjustment Factor of \$0.00006 per kWh for usage on and after 7/1/10
(5) Distribution Energy Charges include a Storm Fund Recovery Adjustment Factor of \$0.00040 per kWh for usage on and after 7/1/10

System Benefits Charge-Energy Efficiency	\$0.00150	Effective 1/15/10, usage on and after
System Benefits Charge-Statewide Energy Assistance Program	\$0.00180	Effective 1/15/10, usage on and after
Total System Benefits Charge	\$0.00330	
Transmission Cost Adjustment Factor	various	Effective 1/1/10, usage on and after
Stranded Cost Adjustment Factor	various	Effective 1/1/10, usage on and after
Default Service Charge		
Residential & Small Commercial (D, D-10, G-3, M, T, V)	\$0.07091	Effective 11/1/10, usage on and after
Medium / Large Commercial & Industrial (G-1, G-2)	\$0.06681	Effective 11/1/10, usage on and after
	\$0.07154	Effective 12/1/10, usage on and after
	\$0.07867	Effective 1/1/11, usage on and after
Electricity Consumption Tax	\$0.00055	Effective 5/1/01, usage on and after

Issued: _____ Issued by: Thomas B. King
Thomas B. King
Effective: November 1, 2010 Title: President

(Issued in Compliance with Order No. _____ in Docket No. DE 10-020 dated _____)

SCHEDULE MMJ – 11

Quarterly Customer Migration Report

CUSTOMER MIGRATION REPORT

Energy Service and Competitive Generation Customers for the 2nd Quarter of 2010

Customer Rate Class	Energy Service						Competitive Service					
	April-10		May-10		June-10		April-10		May-10		June-10	
	Number of Energy Service Customers		kWh Used by Energy Service Customers		as % of Total		Number of Competitive Service Customers		kWh Used by Competitive Service Customers		as % of Total	
D	33,589	33,581	33,672	19,825,758	17,394,245	21,687,642	33	33	33	31,459	26,861	27,997
D-10	449	448	447	480,661	373,447	360,732	1	1	1	975	930	906
T	1,245	1,242	1,239	1,591,014	1,205,400	1,189,357	46	46	46	53,178	41,428	32,421
G-1	67	67	69	7,957,660	7,839,940	9,120,470	51	52	50	18,410,056	18,719,530	22,745,086
G-2	687	696	703	8,835,960	8,512,606	9,752,878	150	155	153	3,376,118	3,259,332	3,492,276
G-3	5,095	5,129	5,130	6,640,400	6,159,765	7,024,503	408	420	421	506,377	476,857	546,735
V	20	20	20	22,931	16,881	24,689	1	1	1	1,969	1,623	776
Streetlights	84	86	90	206,044	176,333	201,626	16	16	15	232,379	198,867	223,475
TOTAL	41,236	41,269	41,370	45,560,428	41,678,617	49,361,897	706	724	720	22,612,511	22,725,428	27,069,672
Customer Rate Class	Number of Energy Service Customers		kWh Used by Energy Service Customers		as % of Total		Number of Competitive Service Customers		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	96%	96%	96%	97%	97%	97%	4%	4%	4%	3%	3%	3%
G-1	57%	56%	58%	30%	30%	29%	43%	44%	42%	70%	70%	71%
G-2	82%	82%	82%	72%	72%	74%	18%	18%	18%	28%	28%	26%
G-3	93%	92%	92%	93%	93%	93%	7%	8%	8%	7%	7%	7%
V	95%	95%	95%	92%	91%	97%	5%	5%	5%	8%	9%	3%
Streetlights	84%	84%	86%	47%	47%	47%	16%	16%	14%	53%	53%	53%
TOTAL	98%	98%	98%	67%	65%	65%	2%	2%	2%	33%	35%	35%

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