

RECONCILIATION OF CONTRACT
TERMINATION CHARGE TO
GRANITE STATE ELECTRIC
COMPANY

December 1, 2011

Submitted by:

nationalgrid

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LIST OF SCHEDULES

Schedule 1	CTC from New England Power Company to Granite State Electric Company Including Fixed Component and Variable Component
Schedule 2	CTC Reconciliation Adjustment and Reconciliation Account
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Attachment 1	Simplified format for CTC Reconciliation Report Schedules

I. INTRODUCTION

This report is made pursuant to the Settlements of New England Power Company's ("NEP") all-requirements contracts with Granite State Electric Company ("Granite State"). Effective October 2005, Granite State and NEP began doing business as National Grid. For ease of reference, however, in this report the companies will continue to be referred to as Granite State and NEP. The Settlements were approved by the Federal Energy Regulatory Commission ("FERC") in Docket Nos. ER98-2023-000 and (as amended) ER98-3925-000, and by the New Hampshire Public Utilities Commission in N.H.P.U.C. Docket No. DR 98-012. The report is designed to reconcile costs and revenues under the Settlements for 2011. The Contract Termination Charge ("CTC") formula set forth in the Settlements provides for a reconciliation to be performed annually. Capitalized terms not otherwise defined in this report are intended to have the same meaning set forth in the CTC formula. This report is subject to the dispute resolution process set forth in Section 3.5 of the Settlement. A copy of both the wholesale and retail settlement documents was compiled and provided with NEP's 1998 CTC reconciliation report ("Compiled Settlement"). Section 3.5 of the Settlement is shown at pp. 43-44 of the Compiled Settlement.

NEP, Granite State and the New Hampshire Public Utilities Commission entered into an agreement ("USGenNE CTC Settlement") on December 5, 2005, related to issues surrounding the resolution of the USGenNE bankruptcy proceeding. The USGenNE CTC Settlement provided that Granite State's allocated share of the allowed claim proceeds received by NEP be used to pay down all of the remaining NEP power purchase contract buyout payments allocable

to New Hampshire and to provide a residual value credit, with return, through the year 2010. The settlement also provided for updates to decommissioning expense and purchased power costs that are included in the base CTC. FERC approval was received on February 28, 2006.

In accordance with the Settlements, the estimated CTC related costs that are reconciled annually are primarily the costs comprising the Variable Component. These estimated costs are reconciled to actual costs through the Reconciliation Adjustment (Schedule 2, page 2b) and accumulated in the Reconciliation Account (Schedule 2, page 3). In addition, revenues collected through the CTC are reconciled to actual revenues based upon differences in megawatt hour (“MWh”) deliveries on Schedule 2, page 2a.

For ease of reference, the schedules used in this report have been maintained in the same format as in NEP’s prior CTC reconciliation reports. Beginning with the 2000 CTC reconciliation reports, schedules that were previously expressed in millions are now shown in thousands. For NEP’s 2011 CTC Reconciliation Report, the months from October 2010 through September 2011 show actual costs and revenues, and the months of October, November, and December 2011 are estimates. These estimated amounts will be reconciled to actual in NEP’s 2012 CTC Reconciliation Report to be made next year.

II. SUMMARY OF RESULTS

As shown on Schedule 1, page 1, NEP's CTC to Granite State for calendar year 2012 will be 0.09 cents per kilowatt hour ("kWh"). The CTC rate of 0.09 cents per kWh is estimated to produce approximately \$0.8 million of CTC revenue based on forecasted deliveries of 931 MWh. The 2012 rate represents an increase of 0.07 cents per kWh from the CTC rate presently in effect and a decrease of 0.03 cents per kWh, or approximately \$0.3 million, from the estimated 2012 CTC rate of 0.12 cents per kWh, included in NEP's 2010 CTC Reconciliation Report.

III. RECONCILIATION ANALYSIS

A. Fixed Cost Adjustments

There are no adjustments to the Fixed Component; therefore the representative pages included in this reconciliation report have been labeled "No Adjustments".

However, in accordance with Section 1.1.4 of the CTC formula, net proceeds from sales of property, whose costs were included in the CTC, have been included in the Reconciliation Account when applicable (Compiled Settlement p. 150, footnote 6).

B. Variable Component Adjustments

The Variable Component of the formula is adjusted to reconcile for differences between estimated and actual variable costs from October 2010 through September 2011. The Variable Component is set forth in Section 1.2 of the CTC formula. Specific adjustments are discussed below.

1. Revenues

The reconciliation of estimated to actual Granite State kWh deliveries from October 2010 through December 2010 and from January 2011 through September 2011 is shown on Schedule 2, page 2a. In the last three months of 2010, actual MWh deliveries were less than the estimate by approximately 18.4 MWh. For the period of January through September 2011, actual MWh deliveries were above the estimated MWh deliveries by approximately 12.7 MWh. These variances in MWh deliveries produce an increase aggregating approximately \$13 thousand for the period being reconciled in this report, as shown on Schedule 2, page 2a.

2. Variable Costs

The estimated Variable Component costs for the period October 2010 through December 2011 are shown in Column (7) on Schedule 2, Page 2b of this report, agree with the amounts included on Schedule 1, Page 16, and amount to \$53.3 million at the NEP level before the allocation to Granite State. The actual and estimated variable costs for the period October 2010 through December 2011 are shown in this report in Column (21) of Schedule 2, Page 2b and amount to \$44.5 million. When these actual amounts are compared to the estimated amounts, the over or under recoveries are produced and NEP's and Granite State's shares are shown on Schedule 2, Page 2b in Column (22) and (23), respectively. The variances by individual cost element is summarized below:

a. Nuclear Decommissioning and Other Post Shut-Down Costs

The actual Nuclear Decommissioning and Other Post Shut-Down Costs shown in Column (8) of Schedule 2, page 2b are greater than the estimates by approximately \$5.4 million in aggregate for the period being reconciled in this report. This difference is because there are no cost estimates for the Connecticut Yankee, Maine Yankee, and Yankee Atomic nuclear units in calendar year 2011 and onwards.

b. Power Contracts

As a result of the US GenNE bankruptcy, economic responsibility for seven remaining power purchase contracts returned to NEP effective April 2005. Actual Power Contract Obligations shown in Column (9) of Schedule 2, page 2b, include the actual purchase power contract costs for these seven returning power purchase contracts, as well as Hydro Quebec. Column (10) represents the actual market value of NEP's power entitlements from the seven returning contracts as well as NEP's capacity entitlements under the Hydro Quebec Interconnection Agreement.

In aggregate, the power contract costs were approximately \$15.3 million less than the estimated power contract costs. The variance is due to overall higher than estimated revenue and lower than estimated costs for the remaining units as well as NEP's capacity entitlements under the Hydro Quebec Interconnection Agreement.

c. Credits for Unit Sales

All Unit Sales Contracts that were originally included in Section 1.2.2 (b) (iii) of the CTC formula (Compiled Settlement, page 158) have been terminated. Thus, there are no credits for unit sales in this subsection of the Variable Component.

d. Above Market Fuel Transportation Costs

Fuel transportation costs were assumed by USGenNE at the closing of NEP's divestiture and all such amounts were restated at zero as part of NEP's post-divestiture CTC formula. See Schedule 1(a), page 16 of 16 on page 182 of the Compiled Settlement. Consequently, there are no adjustments in this category.

e. Transmission in Support of Remote Generating Units

Estimates for transmission support were set to zero beginning in 2002 and will be collected as incurred. No costs were incurred during the reconciliation period.

f. Payments in Lieu of Property Taxes

Payments under NEP's property tax settlements were assumed by USGenNE. NEP has not been assessed payments in lieu of property taxes by any non-settling towns. Therefore, there are no adjustments in this category.

g. Damages, Costs, or Net Recoveries from Claims

There were no damages, costs, or net recoveries from claims for the period being reconciled in this report.

h. Nuclear PBR

The Nuclear PBR was initially estimated as zero in the original CTC settlement (Compiled Settlement, p. 182). Per the Settlement (Compiled Settlement, pp. 161-162), 80 percent of any costs or income related to the Nuclear PBR are recovered from or returned to customers. During the months from October 2010 through September 2011, the Nuclear PBR produced a charge of approximately \$0.1 million (Column (19) of Schedule 2, page 2b). This is due to a payment of approximately \$0.2 million (at the 80% level) made to the Commonwealth of

Massachusetts to support the activities of the Massachusetts Emergency Management Agency (“MEMA”), which is assessed to electric companies in the Commonwealth who own or purchase power from nuclear plants operating outside the Commonwealth but within ten miles of Massachusetts cities and towns. This MEMA payment is partially offset by the receipt of insurance refunds of approximately \$113 thousand (at the 80% level). The details of the Nuclear PBR calculation are attached to this report.

i. Environmental Response Costs

As of September 2011, NEP had a reserve and associated regulatory asset of approximately \$0.6 million for the estimated future clean up of three sites, one located in Beverly, Massachusetts, one located in Somerset, Massachusetts and a federal Superfund site located in Plaistow, New Hampshire. The reserve and regulatory asset are based on an estimated liability for site remediation. Environmental Response Costs are collected from customers as incurred and are recoverable through the CTC pursuant to section 1.2.2 (i) of the CTC formula. NEP incurred \$976 thousand in Environmental Response Costs associated with the sites during the period being reconciled in this report as shown on Schedule 2, page 2b, Column (20). The \$976 thousand in Environmental Response Costs include approximately \$655 thousand for the years 2008 through

2010 for an additional site located in Somerset, Massachusetts that was not included in the reconciliation for those years. Additional costs will be included as incurred.

3. Reconciliation Adjustment

The sum of all differences between NEP's Estimated Base Variable Component and its actual variable cost is shown in Column (22) on Schedule 2, page 2b, and totals \$8.9 million. Granite State's 3.0 percent share of the total variance is shown in Column (23) which, when combined with the revenue over-recovery shown in Column (6) of Schedule 2, page 2a, produces a Granite State Reconciliation Adjustment credit, including estimates for October, November and December 2011, of \$0.3 million for the period being reconciled in this report. This net credit is shown in Column (24) on Schedule 2, page 2b.

These monthly over and under-recoveries are then carried forward to the Reconciliation Account shown in Column (3) on Schedule 2, page 3. To that amount are added the reconciliation adjustments associated with the Section 1.1.4 of the CTC formula. Details of these Section 1.1.4 adjustments are provided below and are shown on page 4 (NEP total) and on page 5 (Granite State's share) of Schedule 2. The net shortfall or excess is then shown in Column (5) of Schedule 2, page 3. A return is then calculated annually on the accumulated balance for the prior year as shown in Column (6). The annual return is spread evenly over the twelve months.

4. Section 1.1.4 Adjustments

As provided for in Section 1.1.4 of the Settlement (pages 146-153 of the Compiled Settlement), the following adjustments are included in the Reconciliation Account on Schedule 2, page 4:

a. Vermont Yankee

The Vermont Yankee offering set the terms of the sale as a sale of assets only, with the Vermont Yankee Nuclear Power Corporation (“VYNPC”) surviving to administer the existing, albeit amended, wholesale purchased power contracts. VYNPC entered into a power purchase agreement with the new owner of the plant and continues to sell the power to the original equity owners under the existing Vermont Yankee contracts. The power component assignment to a third party did not include the ongoing overhead and administrative costs of VYNPC. These ongoing administrative services produced costs aggregating approximately \$6 thousand for the reconciliation period and are included as divestiture related items on Schedule 2, page 3, Column (4).

5. Calculation of the 2012 CTC Rate

This 2011 CTC Reconciliation Report produces a 2012 CTC rate for Granite State of 0.09 cents per kWh as shown on Schedule 1, Page 1. This is a decrease of 0.03 cents per kWh, or approximately \$0.3 million, from the

estimated 2012 CTC of 0.12 cents per kWh included in NEP's 2010 CTC Reconciliation Report, and represents an increase of 0.07 cents per kWh from the rate of 0.02 cents per kWh presently in effect.

IV. SIMPLIFIED FORMAT FOR CTC SCHEDULES

At the request of certain parties, the Company has again prepared a set of simplified CTC schedules intended to ease the CTC review process while at the same time providing more information than currently contained in the existing CTC schedules. These simplified schedules are included in this report as Attachment 1. These schedules have been designed to provide detailed actual costs, as well as comparisons to original estimates, while illustrating a more concise approach to the calculation mechanism supporting the 2012 CTC rate.

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

**POST-DIVESTITURE
2011CTC Reconciliation**

Line	Year	Estimated Granite State Electric Company Mwh	Share of Fixed Component		Share of Variable Component		Share of Total Termination Charge	Post Divestiture Contract Termination Charge
		Delivered (2)	\$ in Thousands (3)	cents/kwh (4)	\$ in Thousands (5)	cents/kwh (6)	\$ in Thousands (7)	cents/kwh (8)
(1)	1998	240,333	924	0.38	2,442	1.02	3,366	1.40
(2)	1999	744,000	2,105	0.28	5,893	0.79	7,998	1.08
(3)	2000	769,000	1,749	0.23	4,224	0.55	5,973	0.78
(4)	2001	776,000	175	0.02	3,941	0.51	4,116	0.53
(5)	2002	789,000	166	0.02	5,198	0.66	5,363	0.68
(6)	2003	801,000	157	0.02	5,125	0.64	5,281	0.66
(7)	2004	814,000	148	0.02	4,532	0.56	4,680	0.57
(8)	2005	828,000	139	0.02	4,844	0.59	4,983	0.60
(9)	2006	843,000	(548)	(0.07)	1,880	0.22	1,331	0.16
(10)	2007	857,000	(985)	(0.11)	2,481	0.29	1,495	0.17
(11)	2008	870,000	(1,305)	(0.15)	1,725	0.20	420	0.05
(12)	2009	883,000	(577)	(0.07)	492	0.06	(85)	(0.01)
(13)	January	74,833	(30)	(0.04)	79	0.11	49	0.07
(14)	February	74,833	(30)	(0.04)	79	0.11	49	0.07
(15)	March	74,833	(30)	(0.04)	79	0.11	49	0.07
(16)	April	74,833	(30)	(0.04)	79	0.11	49	0.07
(17)	May	74,833	(30)	(0.04)	79	0.11	49	0.07
(18)	June	74,833	(30)	(0.04)	79	0.11	49	0.07
(19)	July	74,833	(30)	(0.04)	79	0.11	49	0.07
(20)	August	74,833	(30)	(0.04)	79	0.11	49	0.07
(21)	September	74,833	(30)	(0.04)	79	0.11	49	0.07
(22)	October	74,833	(30)	(0.04)	79	0.11	49	0.07
(23)	November	74,833	(30)	(0.04)	79	0.11	49	0.07
(24)	December	74,833	(30)	(0.04)	79	0.11	49	0.07
(25)	2010	898,000	(357)	(0.04)	943	0.11	586	0.07
(26)	January	76,180	0	0.00	14	0.02	14	0.02
(27)	February	76,180	0	0.00	14	0.02	14	0.02
(28)	March	76,180	0	0.00	14	0.02	14	0.02
(29)	April	76,180	0	0.00	14	0.02	14	0.02
(30)	May	76,180	0	0.00	14	0.02	14	0.02
(31)	June	76,180	0	0.00	14	0.02	14	0.02
(32)	July	76,180	0	0.00	14	0.02	14	0.02
(33)	August	76,180	0	0.00	14	0.02	14	0.02
(34)	September	76,180	0	0.00	14	0.02	14	0.02
(35)	October	76,180	0	0.00	14	0.02	14	0.02
(36)	November	76,180	0	0.00	14	0.02	14	0.02
(37)	December	76,180	0	0.00	14	0.02	14	0.02
(38)	2011	914,164	0	0.00	163	0.02	163	0.02
(39)	2012	930,619			802	0.09	802	0.09
(40)	2013	947,370			1,137	0.12	1,137	0.12
(41)	2014	964,423			1,096	0.11	1,096	0.11
(42)	2015	981,782			1,030	0.10	1,030	0.10
(43)	2016	999,454			746	0.07	746	0.07
(44)	2017	1,017,445			594	0.06	594	0.06
(45)	2018	1,035,759			162	0.02	162	0.02
(46)	2019	1,054,402			135	0.01	135	0.01
(47)	2020	1,073,382			32	0.00	32	0.00
(48)	2021	1,092,702			0	0.00	0	0.00
(49)	2022	1,112,371			0	0.00	0	0.00
(50)	2023	1,132,394			0	0.00	0	0.00
(51)	2024	1,152,777			0	0.00	0	0.00
(52)	2025	1,173,527			0	0.00	0	0.00
(53)	2026	1,194,650			0	0.00	0	0.00
(54)	2027	1,216,154			0	0.00	0	0.00
(55)	2028	1,238,045			0	0.00	0	0.00
(56)	2029	1,260,330			0	0.00	0	0.00

Column Notes:

- (1) Annual totals for 1998 - 2009 Reconciliations, monthly for 2010-2011; annual thereafter.
- (2) Per June 3, 1996 Integrated Least Cost Plan Update. Includes incremental DSM.
- (3) See Schedule 1, Page 2, Column (8).
- (4) Column (3)/Column (2) x 100.
- (5) See Schedule 1, Page 3, Column (18).
- (6) Column (5)/Column (2) x 100.
- (7) Column (3) + Column (5).
- (8) Column (7) / Column (2) x 100.

NO ADJUSTMENTS

New England Power Company

Summary of Contract Termination Charges
Granite State Electric Company Share (3.0%)
Fixed Component

\$ In Thousands

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

Column Notes:

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

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

New England Power Company
Summary of Contract Termination Charges

Granite State Electric Company Share (3.0%)
Variable Component

\$ in Thousands

Line	Year End (1)	Nuclear Decommissioning Costs and Other Post-Shutdown Costs (2)	Power Contracts			Future Power Contract Buyouts (6)	Credit for Unit Sales Contracts			Above Market Fuel Transportation Costs (10)	Transmission in Support of Remote Generating Units (11)	Payments in Lieu of Property Taxes (12)	Employee Severance and Retraining Costs (13)	Damages, Costs, or Net Recoveries from Claims (14)	PBR for Nuclear Units Remaining After Market Valuation (15)	Base Total Variable Component (16)	Reconciliation Account (17)	Total Variable Component Including Reconciliation Account (18)
			Power Total Obligation (3)	Assumed Market Value (4)	Net: Excess Over Market (5)		Power Total Obligation (7)	Assumed Market Value (8)	Net: Excess Over Market (9)									
(1)	1998	741	0	0	0	1,700	(72)	(56)	(16)	0	17	0	0	0	0	2,442	0	2,442
(2)	1999	1,705	0	0	0	5,099	(228)	(161)	(67)	0	44	0	0	0	0	6,782	(889)	5,893
(3)	2000	1,451	0	0	0	5,099	(220)	(161)	(59)	0	45	0	0	0	0	6,536	(2,312)	4,224
(4)	2001	1,142	0	0	0	5,099	(51)	(22)	(29)	0	45	0	0	0	0	6,257	(2,316)	3,941
(5)	2002	1,001	0	0	0	5,099	0	0	0	0	0	0	0	0	0	6,100	(903)	5,198
(6)	2003	826	0	0	0	4,724	0	0	0	0	0	0	0	0	0	5,550	(426)	5,125
(7)	2004	856	0	0	0	4,500	0	0	0	0	0	0	0	0	0	5,356	(823)	4,532
(8)	2005	851	3,034	1,807	1,227	3,273	0	0	0	0	0	0	0	0	0	5,350	(506)	4,844
(9)	2006	1,039	3,709	2,173	1,536	0	0	0	0	0	0	0	0	(439)	0	2,137	(257)	1,880
(10)	2007	964	3,696	2,061	1,634	0	0	0	0	0	0	0	0	0	0	2,598	(118)	2,481
(11)	2008	846	3,621	1,643	1,978	0	0	0	0	0	0	0	0	0	0	2,824	(1,098)	1,725
(12)	2009	736	2,607	1,249	1,358	0	0	0	0	0	0	0	0	0	0	2,094	(1,602)	492
(13)	January	59	193	97	96	0	0	0	0	0	0	0	0	0	0	155	(77)	79
(14)	February	59	193	97	96	0	0	0	0	0	0	0	0	0	0	155	(77)	79
(15)	March	59	193	97	96	0	0	0	0	0	0	0	0	0	0	155	(77)	79
(16)	April	59	193	97	96	0	0	0	0	0	0	0	0	0	0	155	(77)	79
(17)	May	59	193	97	96	0	0	0	0	0	0	0	0	0	0	155	(77)	79
(18)	June	59	193	97	96	0	0	0	0	0	0	0	0	0	0	155	(77)	79
(19)	July	59	193	97	96	0	0	0	0	0	0	0	0	0	0	155	(77)	79
(20)	August	59	193	97	96	0	0	0	0	0	0	0	0	0	0	155	(77)	79
(21)	September	59	193	97	96	0	0	0	0	0	0	0	0	0	0	155	(77)	79
(22)	October	59	193	97	96	0	0	0	0	0	0	0	0	0	0	155	(77)	79
(23)	November	59	193	97	96	0	0	0	0	0	0	0	0	0	0	155	(77)	79
(24)	December	59	193	97	96	0	0	0	0	0	0	0	0	0	0	155	(77)	79
(25)	2010	705	2,321	1,164	1,157	0	0	0	0	0	0	0	0	0	0	1,862	(919)	943
(26)	January	0	193	99	94	0	0	0	0	0	0	0	0	0	0	94	(81)	14
(27)	February	0	193	99	94	0	0	0	0	0	0	0	0	0	0	94	(81)	14
(28)	March	0	193	99	94	0	0	0	0	0	0	0	0	0	0	94	(81)	14
(29)	April	0	193	99	94	0	0	0	0	0	0	0	0	0	0	94	(81)	14
(30)	May	0	193	99	94	0	0	0	0	0	0	0	0	0	0	94	(81)	14
(31)	June	0	193	99	94	0	0	0	0	0	0	0	0	0	0	94	(81)	14
(32)	July	0	193	99	94	0	0	0	0	0	0	0	0	0	0	94	(81)	14
(33)	August	0	193	99	94	0	0	0	0	0	0	0	0	0	0	94	(81)	14
(34)	September	0	193	99	94	0	0	0	0	0	0	0	0	0	0	94	(81)	14
(35)	October	0	193	99	94	0	0	0	0	0	0	0	0	0	0	94	(81)	14
(36)	November	0	193	99	94	0	0	0	0	0	0	0	0	0	0	94	(81)	14
(37)	December	0	193	99	94	0	0	0	0	0	0	0	0	0	0	94	(81)	14
(38)	2011	0	2,317	1,183	1,134	0	0	0	0	0	0	0	0	0	0	1,134	(971)	163
(39)	2012	0	2,210	1,092	1,118	0	0	0	0	0	0	0	0	0	0	1,118	(315)	802
(40)	2013	0	2,267	1,131	1,137	0	0	0	0	0	0	0	0	0	0	1,137	0	1,137
(41)	2014	0	2,296	1,200	1,096	0	0	0	0	0	0	0	0	0	0	1,096	0	1,096
(42)	2015	0	2,268	1,237	1,030	0	0	0	0	0	0	0	0	0	0	1,030	0	1,030
(43)	2016	0	1,463	716	746	0	0	0	0	0	0	0	0	0	0	746	0	746
(44)	2017	0	1,143	550	594	0	0	0	0	0	0	0	0	0	0	594	0	594
(45)	2018	0	180	18	162	0	0	0	0	0	0	0	0	0	0	162	0	162
(46)	2019	0	150	15	135	0	0	0	0	0	0	0	0	0	0	135	0	135
(47)	2020	0	35	4	32	0	0	0	0	0	0	0	0	0	0	32	0	32
(48)	2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(49)	2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(50)	2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(51)	2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(52)	2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(53)	2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(54)	2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(55)	2028	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(56)	2029	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Column Notes:

Columns (2) through (16) represent 3.0% of the same Column number on Schedule 1, Page 16.

(17) See Schedule 2, Page 3, Column (7) x -1

(18) Column (16) + Column (17).

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NO ADJUSTMENTS

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

Based Upon Actuals

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

Notes:

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

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

NO ADJUSTMENTS

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

\$ in Thousands

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

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

NO ADJUSTMENTS

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

\$ in Thousands

Unrecovered Balance as of 9/1/98 per Pre-Divestiture	\$61,990
Less: Unrecognized Gain/(Loss) Allocated to Generation	<u>25,400</u> (a)
Unrecovered Balance as of 9/1/98	<u>\$36,590</u>

Actuarial Discount Rate	6.75%
Amortization (straightline)	11.3 years

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

Column Notes:

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

NO ADJUSTMENTS

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

Based Upon Original Estimates

\$ in Thousands

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

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

NO ADJUSTMENTS**New England Power Company Share of
Total Annual Decommissioning Costs ****Based Upon Revised Estimates***\$ in Thousands**

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

Column Notes:

(1) Estimates for 2002 and beyond were adjusted to zero to reflect the sale of Millstone 3 in 2001.

(2) Estimates for 2003 and beyond were adjusted to zero to reflect the sale of Seabrook 1 in 2002.

(4) Estimates for 2003 and beyond were adjusted to zero to reflect the sale of Vermont Yankee in 2002.

Columns (3), (5), and (6) reflect permanent shutdown of Connecticut Yankee, Maine Yankee, and Yankee Atomic units and thus include both post-shutdown and decommissioning costs.

* Estimates were revised for 2006 and beyond in the Company's 2005 CTC filing.

NO ADJUSTMENTS

Estimated Purchase Power Contract Costs *

\$'s in Thousands

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

* Power Contract Costs were established following the USGenNE CTC Settlement in 2005.

NO ADJUSTMENTS

Power Contract Obligations *
Estimated Market Value
\$'s in Thousands

Based Upon Revised Estimates

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

* Estimated Market Values were established following the USGenNE CTC Settlement in 2005.

NO ADJUSTMENTS

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

Based Upon Original Estimates

\$ in Thousands

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

Column Notes:

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

NO ADJUSTMENTS

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

Based Upon Asset Purchase Agreement

Annual Expenses

\$ in Thousands

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

Columns Notes:

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

NO ADJUSTMENTS

Summary of Contract Termination Charges

New England Power Company (100%)
Fixed Component

\$ in Thousands

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

- (1) Annual totals for 1998 - 2009 Reconciliations, monthly for 2010-2011; annual thereafter.
- (2) See Schedule 1, Page 15, Column (9).
- (3) For years 1998-1999 Column (3) = [(Schedule 1, Page 1, Column (8) x Schedule 1, Page 1, Column (2))/100 - Schedule 1, Page 3, Column (18) - Schedule 1, Page 2, Columns (2), (4), (5) and (7)] / .03. For 2000, Schedule 1, Page 15, Column (2).
- (4) See Schedule 1, Page 6a, Column (3).
- (6) Sum of Columns (2) through (5).
- (7) Not applicable at NEP level. See Schedule 1, Page 2, Column (7) for Granite State Electric Residual Value Credit.
- (8) Column (6) + Column (7).

NO ADJUSTMENTS

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

Deferred Taxes on Fixed Component

\$ in Thousands

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

(2) See PRE-DIVESTITURE Schedule 1, Page 14, Column (2) for August 31, 1998 balance. For 1998-2009, Column (2) prior year - (Page 13, Column (3) current year x (Column (2) Line1/Column (4) Line 1)

(3) See PRE-DIVESTITURE Schedule 1, Page 14, Column (3) for August 31, 1998 balance. For 1998-2009, Column (3) prior year - (Page 13, Column (3) current year x (Column (3) Line1/Column (4) Line 1)

(4) Column (2) + Column (3).

(5) Per tax records of the Company.

(6) Per tax records of the Company.

(7) Column (5) + Column (6).

(8) Column (4) - Column (7).

(9) Column (8) x tax rate of .39225.

NO ADJUSTMENTS

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

Return on Fixed Component

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

Base Return Component

Capital Structure:

LTD
Preferred
Common Equity

Cost Rates:

LTD
Preferred
Common Equity

Total Weighted Cost Rate

Reimbursement for Taxes on Equity Component

Total Rate of Return

Year End
1995
44.07%
3.56%
52.37%
100.00%

6.23%
5.69%
6.50%
6.35%

2.33%
8.68%

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

NO ADJUSTMENTS

Summary of Contract Termination Charges

New England Power Company (100%)
Variable Component

\$ In Thousands

Line	Year End (1)	Nuclear Decommissioning Costs and Other Post-Shutdown Costs (2)	Power Contracts			Future Power Contract Buyouts (6)	Credit for Unit Sales Contracts			Above Market Fuel Transportation Costs (10)	Transmission in Support of Remote Generating Units (11)	Payments in Lieu of Property Taxes (12)	Employee Severance and Retraining Costs (13)	Damages, Costs, or Net Recoveries from Claims (14)	PBR for Nuclear Units Remaining After Market Valuation (15)	Base Total Variable Component (16)
			Total Obligation (3)	Assumed Market Value (4)	Excess Over Market (5)		Total Revenue (7)	Assumed Market Value (8)	Excess Over Market (9)							
(1)	1998	24,717	0	0	0	56,667	(2,404)	(1,861)	(543)	0	567	0	0	0	0	81,407
(2)	1999	56,843	0	0	0	170,000	(7,600)	(5,362)	(2,238)	0	1,483	0	0	0	0	226,088
(3)	2000	48,378	0	0	0	170,000	(7,350)	(5,368)	(1,982)	0	1,488	0	0	0	0	217,883
(4)	2001	38,061	0	0	0	170,000	(1,706)	(727)	(979)	0	1,493	0	0	0	0	208,575
(5)	2002	33,365	0	0	0	170,000	0	0	0	0	0	0	0	0	0	203,365
(6)	2003	27,531	0	0	0	157,500	0	0	0	0	0	0	0	0	0	185,031
(7)	2004	28,545	0	0	0	150,000	0	0	0	0	0	0	0	0	0	178,545
(8)	2005	28,359	101,130	60,231	40,899	109,101	0	0	0	0	0	0	0	0	0	178,359
(9)	2006	34,638	123,652	72,442	51,210	0	0	0	0	0	0	0	0	(14,622)	0	71,226
(10)	2007	32,129	123,205	68,720	54,484	0	0	0	0	0	0	0	0	0	0	86,614
(11)	2008	28,207	120,709	54,774	65,935	0	0	0	0	0	0	0	0	0	0	94,142
(12)	2009	24,524	86,901	41,627	45,274	0	0	0	0	0	0	0	0	0	0	69,798
(13)	January	1,959	6,447	3,233	3,214	0	0	0	0	0	0	0	0	0	0	5,173
(14)	February	1,959	6,447	3,233	3,214	0	0	0	0	0	0	0	0	0	0	5,173
(15)	March	1,959	6,447	3,233	3,214	0	0	0	0	0	0	0	0	0	0	5,173
(16)	April	1,959	6,447	3,233	3,214	0	0	0	0	0	0	0	0	0	0	5,173
(17)	May	1,959	6,447	3,233	3,214	0	0	0	0	0	0	0	0	0	0	5,173
(18)	June	1,959	6,447	3,233	3,214	0	0	0	0	0	0	0	0	0	0	5,173
(19)	July	1,959	6,447	3,233	3,214	0	0	0	0	0	0	0	0	0	0	5,173
(20)	August	1,959	6,447	3,233	3,214	0	0	0	0	0	0	0	0	0	0	5,173
(21)	September	1,959	6,447	3,233	3,214	0	0	0	0	0	0	0	0	0	0	5,173
(22)	October	1,959	6,447	3,233	3,214	0	0	0	0	0	0	0	0	0	0	5,173
(23)	November	1,959	6,447	3,233	3,214	0	0	0	0	0	0	0	0	0	0	5,173
(24)	December	1,959	6,447	3,233	3,214	0	0	0	0	0	0	0	0	0	0	5,173
(25)	2010	23,513	77,361	38,796	38,564	0	0	0	0	0	0	0	0	0	0	62,077
(26)	January	0	6,438	3,287	3,150	0	0	0	0	0	0	0	0	0	0	3,150
(27)	February	0	6,438	3,287	3,150	0	0	0	0	0	0	0	0	0	0	3,150
(28)	March	0	6,438	3,287	3,150	0	0	0	0	0	0	0	0	0	0	3,150
(29)	April	0	6,438	3,287	3,150	0	0	0	0	0	0	0	0	0	0	3,150
(30)	May	0	6,438	3,287	3,150	0	0	0	0	0	0	0	0	0	0	3,150
(31)	June	0	6,438	3,287	3,150	0	0	0	0	0	0	0	0	0	0	3,150
(32)	July	0	6,438	3,287	3,150	0	0	0	0	0	0	0	0	0	0	3,150
(33)	August	0	6,438	3,287	3,150	0	0	0	0	0	0	0	0	0	0	3,150
(34)	September	0	6,438	3,287	3,150	0	0	0	0	0	0	0	0	0	0	3,150
(35)	October	0	6,438	3,287	3,150	0	0	0	0	0	0	0	0	0	0	3,150
(36)	November	0	6,438	3,287	3,150	0	0	0	0	0	0	0	0	0	0	3,150
(37)	December	0	6,438	3,287	3,150	0	0	0	0	0	0	0	0	0	0	3,150
(38)	2011	0	77,251	39,450	37,801	0	0	0	0	0	0	0	0	0	0	37,801
(39)	2012	0	73,666	36,405	37,261	0	0	0	0	0	0	0	0	0	0	37,261
(40)	2013	0	75,580	37,693	37,888	0	0	0	0	0	0	0	0	0	0	37,888
(41)	2014	0	76,540	40,011	36,529	0	0	0	0	0	0	0	0	0	0	36,529
(42)	2015	0	75,598	41,244	34,353	0	0	0	0	0	0	0	0	0	0	34,353
(43)	2016	0	48,758	23,880	24,878	0	0	0	0	0	0	0	0	0	0	24,878
(44)	2017	0	38,120	18,333	19,786	0	0	0	0	0	0	0	0	0	0	19,786
(45)	2018	0	6,013	601	5,412	0	0	0	0	0	0	0	0	0	0	5,412
(46)	2019	0	5,011	501	4,510	0	0	0	0	0	0	0	0	0	0	4,510
(47)	2020	0	1,173	117	1,056	0	0	0	0	0	0	0	0	0	0	1,056
(48)	2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(49)	2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(50)	2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(51)	2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(52)	2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(53)	2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(54)	2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(55)	2028	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(56)	2029	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Column Notes:

- (All Sources based upon estimates of Variable Costs)
- (2) See Schedule 1, Page 7, Column (4) and Schedule 1, Page 8, Column (7).
- (3) See Schedule 1, Page 9.
- (4) See Schedule 1, Page 10.
- (5) Column (3) - Column (4).
- (6) Represents recovery of NEP's trigger payment and in 2005, monthly support payments to USGen for January - March 2005 for \$22.86 million.
- (7) See Schedule 1, Page 11, Column (5).
- (9) Column (7) - Column (8).
- (10) See Schedule 1, Page 12, Column (7).
- (16) Sum of Columns (2), (5), (6), (9), (10), (11), (12), (13), (14) and (15).

Reconciliation Adjustment

Granite State Electric Company Share

Revenue Adjustments

Line	Year (1)	Estimated Kwh Delivered (2)	Actual Kwh Delivered (3)	Delta Kwh Delivered (4)	Termination Charge Billed (5)	Granite State Electric Revenue Excess/ (Shortfall) (6)
(1)	1998	240,333	241,590	(3,905)	1.40	524
(2)	1999	744,000	760,687	16,687	1.08	286
(3)	2000	769,000	760,175	(8,825)	0.78	30
(4)	2001	776,000	792,773	16,773	0.53	190
(5)	2002	789,000	808,400	19,400	0.68	78
(6)	2003	801,000	833,597	32,597	0.66	224
(7)	2004	814,000	859,152	45,152	0.57	294
(8)	2005	828,000	902,962	74,962	0.60	437
(9)	2006	843,000	889,717	46,717	0.16	276
(10)	2007	857,000	897,070	40,070	0.17	35
(11)	2008	870,000	889,033	19,033	0.05	61
(12)	2009	883,000	869,302	(13,698)	(0.01)	27
(13)	January	74,833	82,527	7,694	pro-rated	(23)
(14)	February	74,833	69,807	(5,026)	0.07	(3)
(15)	March	74,833	70,176	(4,657)	0.07	(3)
(16)	April	74,833	68,173	(6,660)	0.07	(4)
(17)	May	74,833	64,404	(10,429)	0.07	(7)
(18)	June	74,833	76,432	1,598	0.07	1
(19)	July	74,833	88,723	13,890	0.07	9
(20)	August	74,833	83,247	8,414	0.07	5
(21)	September	74,833	76,356	1,523	0.07	1
(22)	October	74,833	68,058	(6,775)	0.07	(4)
(23)	November	74,833	67,090	(7,744)	0.07	(5)
(24)	December	<u>74,833</u>	<u>70,973</u>	<u>(3,860)</u>	<u>0.07</u>	<u>(3)</u>
(25)	2010	898,000	885,966	(12,034)	0.07	(36)
(26)	January	76,180	81,036	4,856	pro-rated	24
(27)	February	76,180	78,355	2,175	0.02	0
(28)	March	76,180	74,048	(2,132)	0.02	(0)
(29)	April	76,180	71,000	(5,181)	0.02	(1)
(30)	May	76,180	66,812	(9,368)	0.02	(2)
(31)	June	76,180	75,078	(1,103)	0.02	(0)
(32)	July	76,180	82,747	6,566	0.02	1
(33)	August	76,180	90,293	14,113	0.02	3
(34)	September	76,180	78,933	2,753	0.02	0
(35)	October	76,180	76,180	0	0.02	0
(36)	November	76,180	76,180	0	0.02	0
(37)	December	<u>76,180</u>	<u>76,180</u>	<u>0</u>	<u>0.02</u>	<u>0</u>
(38)	2011	914,164	926,843	12,679	0.02	25
(39)	2012	930,619	930,619	0	0.09	0
(40)	2013	947,370	947,370	0	0.12	0
(41)	2014	964,423	964,423	0	0.11	0
(42)	2015	981,782	981,782	0	0.10	0
(43)	2016	999,454	999,454	0	0.07	0
(44)	2017	1,017,445	1,017,445	0	0.06	0
(45)	2018	1,035,759	1,035,759	0	0.02	0
(46)	2019	1,054,402	1,054,402	0	0.01	0
(47)	2020	1,073,382	1,073,382	0	0.00	0
(48)	2021	1,092,702	1,092,702	0	0.00	0
(49)	2022	1,112,371	1,112,371	0	0.00	0
(50)	2023	1,132,394	1,132,394	0	0.00	0
(51)	2024	1,152,777	1,152,777	0	0.00	0
(52)	2025	1,173,527	1,173,527	0	0.00	0
(53)	2026	1,194,650	1,194,650	0	0.00	0
(54)	2027	1,216,154	1,216,154	0	0.00	0
(55)	2028	1,238,045	1,238,045	0	0.00	0
(56)	2029	1,260,330	1,260,330	0	0.00	0

Column Notes:

- (2) See Schedule 1, Page 1, Column (2).
 (3) Actual Kwh delivered.
 (4) Column (3) - Column (2).
 (5) See Schedule 1, Page 1, Column (8).
 (6) (Column (3) x Column (5) - Column (2)* Column (5))/100

Reconciliation Adjustment
(continued from page 2a)

Granite State Electric Company Share

New England Power Company Variable Cost Adjustments

Line	Year	Estimated Base Variable Component (7)	Actual Nuclear Decommissioning Costs (8)	Actual Power Contracts Obligations (9)	Actual Power Contracts Market Value (10)	Actual Power Contracts Buyouts (11)	Actual Unit Sales Contracts Revenue (12)	Actual Unit Sales Contracts Market Value (13)	Actual Above Market Fuel Transportation Costs (14)	Actual Transmission in Support of Remote Generating Units (15)	Actual Payments in Lieu of Property Taxes (16)	Actual Employee Severance and Retaining Costs (17)	Actual Damages, Costs, or Net Recoveries from Claims (18)	PBR for Nuclear Units Remaining After Market Valuation (19)	Actual Environmental Response Costs (20)	NEP Total Variable Component (21)	Delta Variable Component (22)	Granite State Electric Share Delta Variable Component (23)	Granite State Electric Annual Reconciliation Adjustment Excess/ (Shortfall) (24)	
(1)	1998	81,407	17,973	0	0	56,667	(17,759)	(16,440)	0	555	0	(17,844)	(1,350)	5,630	0	61,513	(19,895)	(597)	1,134	
(2)	1999	226,088	45,484	0	0	170,000	0	0	0	1,227	0	1,360	(36,317)	16,064	0	197,818	(28,270)	(848)	1,134	
(3)	2000	217,883	312,440	0	0	170,004	0	0	0	1,412	0	0	(20,832)	(18,583)	0	163,242	(54,641)	(1,639)	1,669	
(4)	2001	208,575	28,953	0	0	170,000	0	0	0	343	0	0	(3,624)	5,367	759	201,799	(6,776)	(203)	393	
(5)	2002	203,365	22,306	0	0	169,992	0	0	0	0	0	(1,138)	(165)	115	1,943	193,053	(10,311)	(309)	387	
(6)	2003	185,031	27,837	0	0	157,506	0	0	0	0	0	0	0	(413)	1,209	186,139	1,108	33	191	
(7)	2004	178,545	35,374	0	0	157,293	0	0	0	0	0	0	0	60	780	193,508	14,963	449	(154)	
(8)	2005	178,329	46,428	91,241	59,794	109,101	0	0	0	0	0	0	0	49	5,413	192,437	14,078	422	14	
(9)	2006	71,126	45,232	116,277	63,265	0	0	0	0	0	0	0	5	(701)	937	98,486	27,259	818	(542)	
(10)	2007	86,614	23,302	111,289	74,189	0	0	0	0	0	0	0	(9,028)	(309)	636	51,702	(34,912)	(1,047)	1,082	
(11)	2008	94,142	18,432	117,187	89,514	0	0	0	0	0	0	0	0	(317)	277	46,066	(48,076)	(1,442)	1,503	
(12)	2009	69,798	10,600	80,378	46,170	0	0	0	0	0	0	0	0	(127)	125	44,807	(24,991)	(750)	777	
(13)	January	5,173	915	6,386	5,525	0	0	0	0	0	0	0	0	0	16	1,792	(3,381)	(101)	79	
(14)	February	5,173	982	5,284	4,051	0	0	0	0	0	0	0	0	0	3	2,219	(2,954)	(89)	85	
(15)	March	5,173	863	6,842	3,842	0	0	0	0	0	0	0	0	0	3	3,866	(1,307)	(39)	36	
(16)	April	5,173	902	5,539	3,005	0	0	0	0	0	0	0	0	0	3	3,439	(1,734)	(52)	48	
(17)	May	5,173	906	6,598	4,351	0	0	0	0	0	0	0	0	0	0	3,153	(2,020)	(61)	54	
(18)	June	5,173	909	4,876	3,650	0	0	0	0	0	0	0	0	235	11	2,381	(2,793)	(84)	85	
(19)	July	5,173	1,015	6,626	4,910	0	0	0	0	0	0	0	0	0	4	2,734	(2,439)	(73)	82	
(20)	August	5,173	877	6,000	5,314	0	0	0	0	0	0	0	0	(17)	0	1,563	(3,610)	(108)	114	
(21)	September	5,173	982	5,229	3,172	0	0	0	0	0	0	0	0	0	0	3,022	(2,151)	(65)	66	
(22)	October	5,173	908	5,368	3,580	0	0	0	0	0	0	0	0	0	662	3,357	(1,816)	(54)	50	
(23)	November	5,173	938	6,301	4,125	0	0	0	0	0	0	0	0	0	7	3,121	(2,052)	(62)	56	
(24)	December	5,173	929	6,164	4,734	0	0	0	0	0	0	0	0	0	28	2,387	(2,786)	(84)	81	
(25)	2010	62,077	11,128	71,213	50,259	0	0	0	0	0	0	0	0	0	218	736	33,036	(29,941)	(871)	836
(26)	January	3,150	952	5,290	4,744	0	0	0	0	0	0	0	0	0	26	1,523	(1,627)	(49)	73	
(27)	February	3,150	970	5,009	3,955	0	0	0	0	0	0	0	0	0	11	2,035	(1,115)	(33)	34	
(28)	March	3,150	949	5,924	3,125	0	0	0	0	0	0	0	0	0	39	3,788	638	19	(20)	
(29)	April	3,150	911	5,958	3,805	0	0	0	0	0	0	0	0	(95)	15	2,984	(1,665)	(5)	4	
(30)	May	3,150	943	5,722	4,186	0	0	0	0	0	0	0	0	0	1	2,481	(669)	(20)	18	
(31)	June	3,150	945	5,083	3,418	0	0	0	0	0	0	0	0	183	8	2,802	(348)	(10)	10	
(32)	July	3,150	948	6,277	3,568	0	0	0	0	0	0	0	0	0	57	3,713	563	17	(16)	
(33)	August	3,150	944	6,085	4,284	0	0	0	0	0	0	0	0	(139)	4	2,730	(420)	(13)	15	
(34)	September	3,150	971	5,396	2,603	0	0	0	0	0	0	0	0	0	118	4,062	932	28	(27)	
(35)	October	3,150	0	6,438	3,287	0	0	0	0	0	0	0	0	0	0	3,150	0	0	0	
(36)	November	3,150	0	6,438	3,287	0	0	0	0	0	0	0	0	0	0	3,150	0	0	0	
(37)	December	3,150	0	6,438	3,287	0	0	0	0	0	0	0	0	0	0	3,150	0	0	0	
(38)	2011	37,801	8,532	70,257	43,550	0	0	0	0	0	0	0	0	0	69	279	35,588	(2,213)	(66)	92
(39)	2012	37,261	0	73,666	36,405	0	0	0	0	0	0	0	0	0	0	0	37,261	0	0	0
(40)	2013	37,888	0	75,590	37,693	0	0	0	0	0	0	0	0	0	0	0	37,888	0	0	0
(41)	2014	365,29	0	76,540	40,011	0	0	0	0	0	0	0	0	0	0	0	365,29	0	0	0
(42)	2015	34,353	0	75,598	41,244	0	0	0	0	0	0	0	0	0	0	0	34,353	0	0	0
(43)	2016	24,878	0	48,758	23,880	0	0	0	0	0	0	0	0	0	0	0	24,878	0	0	0
(44)	2017	19,786	0	38,120	18,333	0	0	0	0	0	0	0	0	0	0	0	19,786	0	0	0
(45)	2018	5,412	0	6,013	601	0	0	0	0	0	0	0	0	0	0	0	5,412	0	0	0
(46)	2019	4,510	0	5,011	501	0	0	0	0	0	0	0	0	0	0	0	4,510	0	0	0
(47)	2020	1,056	0	1,173	117	0	0	0	0	0	0	0	0	0	0	0	1,056	0	0	0
(48)	2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(49)	2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(50)	2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(51)	2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(52)	2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(53)	2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(54)	2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(55)	2028	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(56)	2029	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Column Notes:
(7) See Schedule 1, Page 16, Column (16).
(8)-(20) Actual expenses incurred.
(21) Column (8) + Column (9) - Column (10) + Column (11) + Column (12) - Column (13) + Column (14) - Column (15) + Column (16) + Column (17) - Column (18) + Column (19) + Column (20).
(22) Column (21) - Column (7).
(23) Column (22) x 3.0%.
(24) Schedule 2, Page 2a, Column (6) - Schedule 2, Page 2b, Column (23).

Reconciliation Account

Granite State Electric Company

		Adjustments to NEP Costs	Granite State Electric Company Account					
Line	Year	Divestiture Related Adjustments per Section 1.1.4 (2)	Reconciliation Adjustment (3)	Divestiture Related Adjustments per Section 1.1.4 (4)	Annual Shortfall/ (Excess) (5)	Annual Pre-Tax Return on Balance (6)	Collection of Prior Year Balance Including Interest (7)	End of Year Account Balance (8)
Balance as of August 31, 1998								\$383
(1)	1998	(26,365)	(1,134)	(1,245)	(2,379)	(189)	0	(2,172)
(2)	1999	(6,231)	(1,134)	(187)	(1,321)	(189)	889	(2,792)
(3)	2000	(873)	(1,669)	(26)	(1,696)	(242)	2,312	(2,418)
(4)	2001	(2,086)	(393)	(63)	(456)	(210)	2,316	(768)
(5)	2002	(2,841)	(387)	(85)	(472)	(67)	903	(404)
(6)	2003	(17,990)	(191)	(540)	(730)	(35)	426	(743)
(7)	2004	(17,996)	154	(540)	(385)	(54)	823	(359)
(8)	2005	(18,507)	(14)	(555)	(569)	(13)	506	(436)
(9)	2006	(14,902)	542	(447)	95	(35)	257	(120)
(10)	2007	(5,260)	(1,082)	(158)	(1,240)	(44)	118	(1,287)
(11)	2008	333	(1,503)	10	(1,493)	(138)	1,098	(1,820)
(12)	2009	452	(777)	14	(763)	(132)	1,602	(1,114)
(13)	January	32	(79)	1	(78)	(8)	77	(1,123)
(14)	February	31	(85)	1	(84)	(8)	77	(1,139)
(15)	March	32	(36)	1	(35)	(8)	77	(1,106)
(16)	April	58	(48)	2	(46)	(8)	77	(1,083)
(17)	May	18	(54)	1	(53)	(8)	77	(1,068)
(18)	June	62	(85)	2	(83)	(8)	77	(1,082)
(19)	July	(12)	(82)	(0)	(83)	(8)	77	(1,096)
(20)	August	58	(114)	2	(112)	(8)	77	(1,139)
(21)	September	14	(66)	0	(65)	(8)	77	(1,136)
(22)	October	(4)	(50)	(0)	(50)	(8)	77	(1,118)
(23)	November	32	(56)	1	(56)	(8)	77	(1,105)
(24)	December	53	(81)	2	(79)	(8)	77	(1,115)
(25)	2010	384	(836)	12	(824)	(96)	919	(1,115)
(26)	January	18	(73)	1	(72)	(8)	81	(1,115)
(27)	February	55	(34)	2	(32)	(8)	81	(1,074)
(28)	March	(118)	20	(4)	16	(8)	81	(985)
(29)	April	71	(4)	2	(2)	(7)	81	(913)
(30)	May	42	(18)	1	(17)	(7)	81	(856)
(31)	June	18	(10)	1	(10)	(6)	81	(791)
(32)	July	(5)	16	(0)	16	(6)	81	(700)
(33)	August	8	(15)	0	(15)	(5)	81	(639)
(34)	September	8	27	0	28	(5)	81	(535)
(35)	October	0	0	0	0	(4)	81	(458)
(36)	November	0	0	0	0	(3)	81	(380)
(37)	December	0	0	0	0	(3)	81	(302)
(38)	2011	95	(92)	3	(89)	(69)	971	(302)
(39)	2012	0	0	0	0	(13)	315	0
(40)	2013	0	0	0	0	0	0	0
(41)	2014	0	0	0	0	0	0	0
(42)	2015	0	0	0	0	0	0	0
(43)	2016	0	0	0	0	0	0	0
(44)	2017	0	0	0	0	0	0	0
(45)	2018	0	0	0	0	0	0	0
(46)	2019	0	0	0	0	0	0	0
(47)	2020	0	0	0	0	0	0	0
(48)	2021	0	0	0	0	0	0	0
(49)	2022	0	0	0	0	0	0	0
(50)	2023	0	0	0	0	0	0	0
(51)	2024	0	0	0	0	0	0	0
(52)	2025	0	0	0	0	0	0	0
(53)	2026	0	0	0	0	0	0	0
(54)	2027	0	0	0	0	0	0	0
(55)	2028	0	0	0	0	0	0	0
(56)	2029	0	0	0	0	0	0	0

Column Notes:

(2) See Schedule 2, Page 4, Column (16).

(3) See Schedule 2, Page 2b, Column (24) x -1.

(4) See Schedule 2, Page 5, Column (17).

(5) Sum of Columns (3) and (4).

(6) Column (8) prior year x 8.68%. Rows 13 through 38 is prior month times WACC/12.

(7) In 1999 and 2000, collection of prior year balance represents balance per prior year Reconciliation Filings.

In 2001 - 2029, Column (8) prior year x -1 + Column (6) current year.

(8) Prior year Column (8) + current year Sum Column (5) through (7).

Reconciliation Adjustment

New England Power Company (100%)
Divestiture Related Adjustments (per Section L1.4)
(\$ in thousands)

Line	Year (1)	Prior Year Settlement Discussions (2)	Gloucester Diesel Sale (3)	Gil/Erving/ Northfield Land Sale (4)	Westerly/ Charlestown Land Sale (5)	Newburyport Diesel Sale (6)	Salt Salt Marsh Land Sale (7)	Millstone 3 Sale (8)	NEEI (9)	Vermont Yankee (10)	Seabrook (11)	NOx ERC to Tiverton (12)	NOx ERC to Haverhill Paperboard (13)	NOx ERC to Cabot Power (14)	Transaction Costs (15)	Wynan Sale (16)	TOTAL (17)
(1)	1998	(25,683)	0	0	0	0	0	0	(344)	0	0	(620)	0	0	282	0	(26,365)
(2)	1999	0	(2,000)	(1,040)	(2,202)	0	0	0	0	0	0	0	(595)	(547)	154	0	(6,231)
(3)	January	0	0	0	7	0	0	0	0	0	0	0	0	0	0	0	7
(4)	February	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(5)	March	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(6)	April	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(7)	May	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(8)	June	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(9)	July	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(10)	August	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(11)	September	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(12)	October	0	245	0	0	0	0	0	(872)	0	0	0	0	0	0	0	(627)
(13)	November	0	0	0	0	0	0	0	(117)	0	0	0	0	0	0	0	(117)
(14)	December	0	0	0	0	0	0	0	(135)	0	0	0	0	0	0	0	(135)
(3)	2000	0	0	0	7	0	0	0	(1,125)	0	0	0	0	0	0	0	(1,118)
(4)	2001	0	0	0	0	(415)	(1,300)	(332)	(38)	0	0	0	0	0	0	0	(2,086)
(5)	2002	0	0	0	0	0	0	0	78	(273)	(2,646)	0	0	0	0	0	(2,841)
(6)	2003	0	0	0	0	0	0	0	2	(1,860)	(16,132)	0	0	0	0	0	(17,990)
(7)	2004	0	0	0	0	0	0	0	0	(1,893)	(16,103)	0	0	0	0	0	(17,996)
(8)	2005	0	0	0	0	0	0	0	0	(2,563)	(15,944)	0	0	0	0	0	(18,507)
(9)	2006	0	0	0	0	0	0	0	0	(1,615)	(13,287)	0	0	0	0	0	(14,902)
(10)	2007	0	0	0	0	0	0	0	0	(124)	0	0	0	0	0	(5,136)	(5,260)
(11)	2008	0	0	0	0	0	0	0	0	333	0	0	0	0	0	0	333
(12)	2009	0	0	0	0	0	0	0	0	452	0	0	0	0	0	0	452
(13)	January	0	0	0	0	0	0	0	0	32	0	0	0	0	0	0	32
(14)	February	0	0	0	0	0	0	0	0	31	0	0	0	0	0	0	31
(15)	March	0	0	0	0	0	0	0	0	32	0	0	0	0	0	0	32
(16)	April	0	0	0	0	0	0	0	0	58	0	0	0	0	0	0	58
(17)	May	0	0	0	0	0	0	0	0	18	0	0	0	0	0	0	18
(18)	June	0	0	0	0	0	0	0	0	62	0	0	0	0	0	0	62
(19)	July	0	0	0	0	0	0	0	0	(12)	0	0	0	0	0	0	(12)
(20)	August	0	0	0	0	0	0	0	0	58	0	0	0	0	0	0	58
(21)	September	0	0	0	0	0	0	0	0	14	0	0	0	0	0	0	14
(22)	October	0	0	0	0	0	0	0	0	(4)	0	0	0	0	0	0	(4)
(23)	November	0	0	0	0	0	0	0	0	32	0	0	0	0	0	0	32
(24)	December	0	0	0	0	0	0	0	0	53	0	0	0	0	0	0	53
(25)	2010	0	0	0	0	0	0	0	0	384	0	0	0	0	0	0	384
(26)	January	0	0	0	0	0	0	0	0	18	0	0	0	0	0	0	18
(27)	February	0	0	0	0	0	0	0	0	55	0	0	0	0	0	0	55
(28)	March	0	0	0	0	0	0	0	0	(118)	0	0	0	0	0	0	(118)
(29)	April	0	0	0	0	0	0	0	0	71	0	0	0	0	0	0	71
(30)	May	0	0	0	0	0	0	0	0	42	0	0	0	0	0	0	42
(31)	June	0	0	0	0	0	0	0	0	18	0	0	0	0	0	0	18
(32)	July	0	0	0	0	0	0	0	0	(5)	0	0	0	0	0	0	(5)
(33)	August	0	0	0	0	0	0	0	0	8	0	0	0	0	0	0	8
(34)	September	0	0	0	0	0	0	0	0	8	0	0	0	0	0	0	8
(35)	October	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(36)	November	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(37)	December	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(38)	2011	0	0	0	0	0	0	0	0	95	0	0	0	0	0	0	95

Column Notes

- (2)-(16) Actual Divestiture related adjustments.
(10) Includes operating expense charges.
(17) Sum of columns (2) through (16).

Reconciliation Adjustment
Granite State Electric Company (3.0%)
Divestiture Related Adjustments (per Schedule 1.4.4)
(\$ in thousands)

	Prior Year Settlement Discussions	Gloucester		Northfield		Westerly/Charlestown		Newburyport		Salt Marsh		Millstone 3		Vermont		NOx		NOx		Transaction Costs		TOTAL	
		Diesel Sale	Land Sale	Land Sale	Land Sale	Diesel Sale	Salt Sale	Land Sale	Sale	NEEL	Yankee	Seabrook	ERC to Tiverton	ERC to Haverhill	ERC to Cabot	Power	Costs	Wyman Sale					
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)							
(1) 1998	(1,225)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	8	0	0	(1,245)			
(2) 1999	0	(60)	(31)	(66)	0	0	0	0	0	0	0	0	0	0	0	0	5	0	0	(187)			
(3) January	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
(4) February	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
(5) March	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
(6) April	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
(7) May	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
(8) June	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
(9) July	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
(10) August	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
(11) September	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
(12) October	0	7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
(13) November	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
(14) December	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
(3) 2000	0	7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
(4) 2001	0	0	0	0	0	(39)	(10)	(1)	0	0	0	0	0	0	0	0	0	0	0	0			
(5) 2002	0	0	0	0	0	0	0	2	(8)	(79)	0	0	0	0	0	0	0	0	0	0			
(6) 2003	0	0	0	0	0	0	0	0	(56)	(484)	0	0	0	0	0	0	0	0	0	0			
(7) 2004	0	0	0	0	0	0	0	0	(57)	(483)	0	0	0	0	0	0	0	0	0	0			
(8) 2005	0	0	0	0	0	0	0	0	(77)	(478)	0	0	0	0	0	0	0	0	0	0			
(9) 2006	0	0	0	0	0	0	0	0	(48)	(399)	0	0	0	0	0	0	0	0	0	0			
(10) 2007	0	0	0	0	0	0	0	0	(4)	0	0	0	0	0	0	0	0	0	0	0			
(11) 2008	0	0	0	0	0	0	0	0	10	0	0	0	0	0	0	0	0	0	0	0			
(24) 2009	0	0	0	0	0	0	0	0	14	0	0	0	0	0	0	0	0	0	0	0			
(25) January	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0			
(26) February	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0			
(27) March	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0			
(28) April	0	0	0	0	0	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0			
(29) May	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0			
(30) June	0	0	0	0	0	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0			
(31) July	0	0	0	0	0	0	0	0	(0)	0	0	0	0	0	0	0	0	0	0	0			
(32) August	0	0	0	0	0	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0			
(33) September	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
(34) October	0	0	0	0	0	0	0	0	(0)	0	0	0	0	0	0	0	0	0	0	0			
(35) November	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0			
(36) December	0	0	0	0	0	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0			
(37) 2010	0	0	0	0	0	0	0	0	12	0	0	0	0	0	0	0	0	0	0	0			
(38) January	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0			
(39) February	0	0	0	0	0	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0			
(40) March	0	0	0	0	0	0	0	0	(4)	0	0	0	0	0	0	0	0	0	0	0			
(41) April	0	0	0	0	0	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0			
(42) May	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0			
(43) June	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0			
(44) July	0	0	0	0	0	0	0	0	(0)	0	0	0	0	0	0	0	0	0	0	0			
(45) August	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
(46) September	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
(47) October	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
(48) November	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
(49) December	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
(50) 2011	0	0	0	0	0	0	0	0	3	0	0	0	0	0	0	0	0	0	0	0			

Column Notes

(2)-(16) Actual Divestiture related adjustments.

(10) Includes Granite State Electric's 3.0% share of operating expense charges.

(17) Sum of columns (2) through (16).

**GRANITE STATE ELECTRIC
NUCLEAR PBR CALCULATION - ACTUAL**

OCTOBER 2010

	<u>Millstone</u>	<u>Seabrook</u>	<u>VY</u>	<u>Other</u>	
CM Estimate	\$0	\$0	\$0	\$0	
PM Actual	\$0	\$0	\$0	\$0	
PM Reversal	\$0	\$0	\$0	\$0	
Adjustments	\$0	\$0	\$0	\$0	\$0
Market Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>		<u>\$0</u>
Expenses - billing	\$0	\$0	\$0	\$0	
Expenses - Fuel Amortization	\$0	\$0	\$0	\$0	
Property Taxes	\$0	\$0	\$0	\$0	
Other - internal costs	\$0	\$0	\$0	\$0	
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Return Calculation					
Nuclear PBR Ratebase	\$0	\$0	\$0	\$0	
Annual return rate	<u>8.68%</u>	<u>8.68%</u>	<u>8.68%</u>		
Annual return	\$0	\$0	\$0		
12	<u>12</u>	<u>12</u>	<u>12</u>		
Monthly return	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>		<u>\$0</u>
Monthly depreciation expense		<u>\$0</u>	<u>\$0</u>		<u>\$0</u>
TOTAL EXPENSES	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
NET (INCOME) / LOSS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
NUCLEAR PBR - 80%	\$0	\$0	\$0	\$0	<u>\$0</u>

NOVEMBER 2010

	<u>Millstone</u>	<u>Seabrook</u>	<u>VY</u>	<u>Other</u>	
CM Estimate	\$0	\$0	\$0	\$0	
PM Actual	\$0	\$0	\$0	\$0	
PM Reversal	\$0	\$0	\$0	\$0	
Adjustments	\$0	\$0	\$0	\$0	\$0
Market Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenses - billing	\$0	\$0	\$0	\$0	
Expenses - Fuel Amortization	\$0	\$0	\$0	\$0	
Property Taxes	\$0	\$0	\$0	\$0	
Other - internal costs	\$0	\$0	\$0	\$0	
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Return Calculation					
Nuclear PBR Ratebase	\$0	\$0	\$0	\$0	
Annual return rate	<u>8.68%</u>	<u>8.68%</u>	<u>8.68%</u>		
Annual return	\$0	\$0	\$0		
12	<u>12</u>	<u>12</u>	<u>12</u>		
Monthly return	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>		<u>\$0</u>
Monthly depreciation expense		<u>\$0</u>	<u>\$0</u>		<u>\$0</u>
TOTAL EXPENSES	\$0	\$0	\$0	\$0	<u>\$0</u>
NET (INCOME) / LOSS	\$0	\$0	\$0	\$0	<u>\$0</u>
NUCLEAR PBR - 80%	\$0	\$0	\$0	\$0	<u>\$0</u>

DECEMBER 2010

	<u>Millstone</u>	<u>Seabrook</u>	<u>VY</u>	<u>Other</u>	
CM Estimate	\$0	\$0	\$0	\$0	
PM Actual	\$0	\$0	\$0	\$0	
PM Reversal	\$0	\$0	\$0	\$0	
Adjustments	\$0	\$0	\$0	\$0	\$0
Market Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenses - billing	\$0	\$0	\$0	\$0	
Expenses - Fuel Amortization	\$0	\$0	\$0	\$0	
Property Taxes	\$0	\$0	\$0	\$0	
Other - internal costs	\$0	\$0	\$0	\$0	
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Return Calculation					
Nuclear PBR Ratebase	\$0	\$0	\$0		
Annual return rate	<u>8.68%</u>	<u>8.68%</u>	<u>8.68%</u>		
Annual return	\$0	\$0	\$0		
12	<u>12</u>	<u>12</u>	<u>12</u>		
Monthly return	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>		<u>\$0</u>
Monthly depreciation expense		<u>\$0</u>	<u>\$0</u>		<u>\$0</u>
TOTAL EXPENSES	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
NET (INCOME) / LOSS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
NUCLEAR PBR - 80%	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**GRANITE STATE ELECTRIC
NUCLEAR PBR CALCULATION - ACTUAL**

JANUARY 2011

	<u>Millstone</u>	<u>Seabrook</u>	<u>VY</u>	<u>Other</u>	
CM Estimate	\$0	\$0	\$0	\$0	
PM Actual	\$0	\$0	\$0	\$0	
PM Reversal	\$0	\$0	\$0	\$0	
Adjustments	\$0	\$0	\$0	\$0	\$0
Market Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenses - billing	\$0	\$0	\$0	\$0	
Expenses - Fuel Amortization	\$0	\$0	\$0	\$0	
Property Taxes	\$0	\$0	\$0	\$0	
Other - internal costs	\$0	\$0	\$0	\$0	
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Return Calculation					
Nuclear PBR Ratebase	\$0	\$0	\$0		
Annual return rate	<u>8.68%</u>	<u>8.68%</u>	<u>8.68%</u>		
Annual return	\$0	\$0	\$0		
	<u>12</u>	<u>12</u>	<u>12</u>		
Monthly return	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>		<u>\$0</u>
Monthly depreciation expense		<u>\$0</u>	<u>\$0</u>		<u>\$0</u>
TOTAL EXPENSES	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
NET (INCOME) / LOSS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
NUCLEAR PBR - 80%	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FEBRUARY 2011

	<u>Millstone</u>	<u>Seabrook</u>	<u>VY</u>	<u>Other</u>	
CM Estimate	\$0	\$0	\$0	\$0	
PM Actual	\$0	\$0	\$0	\$0	
PM Reversal	\$0	\$0	\$0	\$0	
Adjustments	\$0	\$0	\$0	\$0	
Market Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenses - billing	\$0	\$0	\$0	\$0	
Expenses - Fuel Amortization	\$0	\$0	\$0	\$0	
Property Taxes	\$0	\$0	\$0	\$0	
Other - internal costs	\$0	\$0	\$0	\$0	
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Return Calculation					
Nuclear PBR Ratebase	\$0	\$0	\$0		
Annual return rate	<u>8.68%</u>	<u>8.68%</u>	<u>8.68%</u>		
Annual return	\$0	\$0	\$0		
	<u>12</u>	<u>12</u>	<u>12</u>		
Monthly return	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>		<u>\$0</u>
Monthly depreciation expense		<u>\$0</u>	<u>\$0</u>		<u>\$0</u>
TOTAL EXPENSES	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
NET (INCOME) / LOSS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
NUCLEAR PBR - 80%	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

MARCH 2011

	<u>Millstone</u>	<u>Seabrook</u>	<u>VY</u>	<u>Other</u>	
CM Estimate	\$0	\$0	\$0	\$0	
PM Actual	\$0	\$0	\$0	\$0	
PM Reversal	\$0	\$0	\$0	\$0	
Adjustments	\$0	\$0	\$0	\$0	
Market Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenses - billing	\$0	\$0	\$0	\$0	
Expenses - Fuel Amortization	\$0	\$0	\$0	\$0	
Property Taxes	\$0	\$0	\$0	\$0	
Other - internal costs	\$0	\$0	\$0	\$0	
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Return Calculation					
Nuclear PBR Ratebase	\$0	\$0	\$0		
Annual return rate	<u>8.68%</u>	<u>8.68%</u>	<u>8.68%</u>		
Annual return	\$0	\$0	\$0		
	<u>12</u>	<u>12</u>	<u>12</u>		
Monthly return	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>		<u>\$0</u>
Monthly depreciation expense		<u>\$0</u>	<u>\$0</u>		<u>\$0</u>
TOTAL EXPENSES	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
NET (INCOME) / LOSS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
NUCLEAR PBR - 80%	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**GRANITE STATE ELECTRIC
NUCLEAR PBR CALCULATION - ACTUAL**

APRIL 2011

	<u>Millstone</u>	<u>Seabrook</u>	<u>VY</u>	<u>Other</u>	
CM Estimate	\$0	\$0	\$0	\$0	
PM Actual	\$0	\$0	\$0	\$0	
PM Reversal	\$0	\$0	\$0	\$0	
Adjustments	\$0	\$0	\$0	\$0	
Market Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenses - billing	(\$76,770)	(\$41,525)	\$0	\$0	
Expenses - Fuel Amortization	\$0	\$0	\$0	\$0	
Property Taxes	\$0	\$0	\$0	\$0	
Other - internal costs	\$0	\$0	\$0	\$0	
	<u>(\$76,770)</u>	<u>(\$41,525)</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$118,295)</u>
Return Calculation					
Nuclear PBR Ratebase		\$0	\$0		
Annual return rate	<u>8.68%</u>	<u>8.68%</u>	<u>8.68%</u>		
Annual return	\$0	\$0	\$0		
	<u>12</u>	<u>12</u>	<u>12</u>		
Monthly return	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>		\$0
Monthly depreciation expense		<u>\$0</u>	<u>\$0</u>		<u>\$0</u>
TOTAL EXPENSES	<u>(\$76,770)</u>	<u>(\$41,525)</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$118,295)</u>
NET (INCOME) / LOSS	<u>(\$76,770)</u>	<u>(\$41,525)</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$118,295)</u>
NUCLEAR PBR - 80%	<u>(\$61,416)</u>	<u>(\$33,220)</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$94,636)</u>

MAY 2011

	<u>Millstone</u>	<u>Seabrook</u>	<u>VY</u>	<u>Other</u>	
CM Estimate	\$0	\$0	\$0	\$0	
PM Actual	\$0	\$0	\$0	\$0	
PM Reversal	\$0	\$0	\$0	\$0	
Adjustments	\$0	\$0	\$0	\$0	
Market Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenses - billing	\$0	\$0	\$0	\$0	
Expenses - Fuel Amortization	\$0	\$0	\$0	\$0	
Property Taxes	\$0	\$0	\$0	\$0	
Other - internal costs	\$0	\$0	\$0	\$0	
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Return Calculation					
Nuclear PBR Ratebase		\$0	\$0		
Annual return rate	<u>8.68%</u>	<u>8.68%</u>	<u>8.68%</u>		
Annual return	\$0	\$0	\$0		
	<u>12</u>	<u>12</u>	<u>12</u>		
Monthly return	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>		<u>\$0</u>
Monthly depreciation expense		<u>\$0</u>	<u>\$0</u>		<u>\$0</u>
TOTAL EXPENSES	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
NET (INCOME) / LOSS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
NUCLEAR PBR - 80%	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

JUNE 2011

	<u>Millstone</u>	<u>Seabrook</u>	<u>VY</u>	<u>Other</u>	
CM Estimate	\$0	\$0	\$0	\$0	
PM Actual	\$0	\$0	\$0	\$0	
PM Reversal	\$0	\$0	\$0	\$0	
Adjustments	\$0	\$0	\$0	\$0	
Market Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenses - billing	\$0	\$0	\$229,133	\$0	
Expenses - Fuel Amortization	\$0	\$0	\$0	\$0	
Property Taxes	\$0	\$0	\$0	\$0	
Other - internal costs	\$0	\$0	\$0	\$0	
	<u>\$0</u>	<u>\$0</u>	<u>\$229,133</u>	<u>\$0</u>	<u>\$229,133</u>
Return Calculation					
Nuclear PBR Ratebase		\$0	\$0		
Annual return rate	<u>8.68%</u>	<u>8.68%</u>	<u>8.68%</u>		
Annual return	\$0	\$0	\$0		
	<u>12</u>	<u>12</u>	<u>12</u>		
Monthly return	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>		<u>\$0</u>
Monthly depreciation expense		<u>\$0</u>	<u>\$0</u>		<u>\$0</u>
TOTAL EXPENSES	<u>\$0</u>	<u>\$0</u>	<u>\$229,133</u>	<u>\$0</u>	<u>\$229,133</u>
NET (INCOME) / LOSS	<u>\$0</u>	<u>\$0</u>	<u>\$229,133</u>	<u>\$0</u>	<u>\$229,133</u>
NUCLEAR PBR - 80%	<u>\$0</u>	<u>\$0</u>	<u>\$183,307</u>	<u>\$0</u>	<u>\$183,307</u>

**GRANITE STATE ELECTRIC
NUCLEAR PBR CALCULATION - ACTUAL**

JULY 2011

	<u>Millstone</u>	<u>Seabrook</u>	<u>VY</u>	<u>Other</u>	
CM Estimate	\$0	\$0	\$0	\$0	
PM Actual	\$0	\$0	\$0	\$0	
PM Reversal	\$0	\$0	\$0	\$0	
Adjustments	\$0	\$0	\$0	\$0	
Market Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenses - billing	\$0	\$0	\$0	\$0	
Expenses - Fuel Amortization	\$0	\$0	\$0	\$0	
Property Taxes	\$0	\$0	\$0	\$0	
Other - internal costs	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Return Calculation					
Nuclear PBR Ratebase		\$0	\$0		
Annual return rate	<u>8.68%</u>	<u>8.68%</u>	<u>8.68%</u>		
Annual return	\$0	\$0	\$0		
	<u>12</u>	<u>12</u>	<u>12</u>		
Monthly return	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>		<u>\$0</u>
Monthly depreciation expense		<u>\$0</u>	<u>\$0</u>		<u>\$0</u>
TOTAL EXPENSES	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
NET (INCOME) / LOSS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
NUCLEAR PBR - 80%	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

AUGUST 2011

	<u>Millstone</u>	<u>Seabrook</u>	<u>VY</u>	<u>Other</u>	
CM Estimate	\$0	\$0	\$0	\$0	
PM Actual	\$0	\$0	\$0	\$0	
PM Reversal	\$0	\$0	\$0	\$0	
Adjustments	\$0	\$0	\$0	\$0	
Market Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenses - billing	\$0	(\$24,032)	\$0	\$0	
Expenses - Fuel Amortization	\$0	\$0	\$0	\$0	
Property Taxes	\$0	\$0	\$0	\$0	
Other - internal costs	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
	<u>\$0</u>	<u>(\$24,032)</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$24,032)</u>
Return Calculation					
Nuclear PBR Ratebase		\$0	\$0		
Annual return rate	<u>8.68%</u>	<u>8.68%</u>	<u>8.68%</u>		
Annual return	\$0	\$0	\$0		
	<u>12</u>	<u>12</u>	<u>12</u>		
Monthly return	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>		<u>\$0</u>
Monthly depreciation expense					<u>\$0</u>
TOTAL EXPENSES	<u>\$0</u>	<u>(\$24,032)</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$24,032)</u>
NET (INCOME) / LOSS	<u>\$0</u>	<u>(\$24,032)</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$24,032)</u>
NUCLEAR PBR - 80%	<u>\$0</u>	<u>(\$19,226)</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$19,226)</u>

SEPTEMBER 2011

	<u>Millstone</u>	<u>Seabrook</u>	<u>VY</u>	<u>Other</u>	
CM Estimate	\$0	\$0	\$0	\$0	
PM Actual	\$0	\$0	\$0	\$0	
PM Reversal	\$0	\$0	\$0	\$0	
Adjustments	\$0	\$0	\$0	\$0	
Market Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenses - billing	\$0	\$0	\$0	\$0	
Expenses - Fuel Amortization	\$0	\$0	\$0	\$0	
Property Taxes	\$0	\$0	\$0	\$0	
Other - internal costs	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Return Calculation					
Nuclear PBR Ratebase		\$0	\$0		
Annual return rate	<u>8.68%</u>	<u>8.68%</u>	<u>8.68%</u>		
Annual return	\$0	\$0	\$0		
	<u>12</u>	<u>12</u>	<u>12</u>		
Monthly return	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>		<u>\$0</u>
Monthly depreciation expense					<u>\$0</u>
TOTAL EXPENSES	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
NET (INCOME) / LOSS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
NUCLEAR PBR - 80%	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Granite State ELECTRIC COMPANY d/b/a NATIONAL GRID
RECONCILIATION FOR THE FORMER NEW ENGLAND POWER COMPANY CTC CALCULATION
OCTOBER 1, 2010 THROUGH SEPTEMBER 30, 2011

\$'s in thousands

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Revenue			Costs			Reconciliation		
Period	Actual KWH Delivered	Transition Charge Billed	CTC Revenue (2) * (3)	Actual Fixed Component (Schedule 2)	Actual Variable Component (Schedule 3)	Actual Total Charges (5) + (6)	Monthly Under/(Over) Recovery (7) - (4)	Prior Year Col. 10 * Return 8.68%	End of Year Account Balance Pr. Yr (10)+(8)+(9)
2009	869,302		(58)	(577)	1,358	780	838	(132)	(1,114)
2010									
January	82,527	0.07	26	(a) (30)	55	25	(1)	(8)	(1,123)
February	69,807	0.07	46	(30)	67	38	(8)	(8)	(1,139)
March	70,176	0.07	46	(30)	117	87	41	(8)	(1,106)
April	68,173	0.07	44	(30)	105	75	31	(8)	(1,083)
May	64,404	0.07	42	(30)	95	65	23	(8)	(1,068)
June	76,432	0.07	50	(30)	73	43	(6)	(8)	(1,082)
July	88,723	0.07	58	(30)	82	52	(6)	(8)	(1,096)
August	83,247	0.07	54	(30)	49	19	(35)	(8)	(1,139)
September	76,356	0.07	50	(30)	91	61	12	(8)	(1,136)
October	68,058	0.07	44	(30)	101	71	26	(8)	(1,118)
November	67,090	0.07	44	(30)	95	65	21	(8)	(1,105)
December	70,973	0.07	46	(30)	73	44	(3)	(8)	(1,115)
	885,966		550	(357)	1,002	645	95	(96)	(1,115)
2011									
January	81,036	0.02	37	(a) 0	46	46	9	(8)	(1,115)
February	78,355	0.02	14	0	63	63	49	(8)	(1,074)
March	74,048	0.02	13	0	110	110	97	(8)	(985)
April	71,000	0.02	13	0	92	92	79	(7)	(913)
May	66,812	0.02	12	0	76	76	64	(7)	(856)
June	75,078	0.02	13	0	85	85	71	(6)	(791)
July	82,747	0.02	15	0	111	111	96	(6)	(700)
August	90,293	0.02	16	0	82	82	66	(5)	(639)
September	78,933	0.02	14	0	123	123	109	(5)	(535)
October	76,180	0.02	14	0	94	94	81	(4)	(458)
November	76,180	0.02	14	0	94	94	81	(3)	(380)
December	76,180	0.02	14	0	94	94	81	(3)	(302)
	926,843		188	0	1,070	1,070	882	(69)	(302)
2012	930,619	0.09	802	0	1,118	1,118	315	(13)	0
2013	947,370	0.12	1,137	0	1,137	1,137	0	0	0
2014	964,423	0.11	1,096	0	1,096	1,096	(0)	0	0
2015	981,782	0.10	1,030	0	1,030	1,030	(0)	0	(0)
2016	999,454	0.07	746	0	746	746	(0)	(0)	(0)
2017	1,017,445	0.06	594	0	594	594	0	(0)	(0)
2018	1,035,759	0.02	162	0	162	162	0	(0)	0
2019	1,054,402	0.01	135	0	135	135	0	0	0
2020	1,073,382	0.00	32	0	32	32	(0)	0	0
2021	1,092,702	0.00	0	0	0	0	(0)	0	(0)
2022	1,112,371	0.00	0	0	0	0	(0)	(0)	(0)
2023	1,132,394	(0.00)	(0)	0	0	0	0	(0)	(0)
2024	1,152,777	(0.00)	(0)	0	0	0	0	(0)	0
2025	1,173,527	(0.00)	(0)	0	0	0	0	0	0
2026	1,194,650	0.00	0	0	0	0	(0)	0	0
2027	1,216,154	0.00	0	0	0	0	(0)	0	(0)
2028	1,238,045	0.00	0	0	0	0	(0)	(0)	(0)
2029	1,260,330	(0.00)	(0)	0	0	0	0	(0)	(0)

(a) pro-rated

(2) Schedule 2 Page 2a Col. 3

(3) Schedule 2 Page 2a Col. 5

Granite State ELECTRIC COMPANY d/b/a NATIONAL GRID
RECONCILIATION FOR THE FORMER NEW ENGLAND POWER COMPANY CTC CALCULATION
OCTOBER 1, 2010 THROUGH SEPTEMBER 30, 2011

(1)	(2)	(3)	(4)	(5)	(6)
Period	Pre-Tax Return on Generation Related Investment and Regulatory Assets	Generation Related FAS 106 Transition Obligation	Adjustment for Residual Value Credit	Total Fixed Component	GSE 3% share
2010					
January	0	0	(993)	(993)	(30)
February	0	0	(993)	(993)	(30)
March	0	0	(993)	(993)	(30)
April	0	0	(993)	(993)	(30)
May	0	0	(993)	(993)	(30)
June	0	0	(993)	(993)	(30)
July	0	0	(993)	(993)	(30)
August	0	0	(993)	(993)	(30)
September	0	0	(993)	(993)	(30)
October	0	0	(993)	(993)	(30)
November	0	0	(993)	(993)	(30)
December	0	0	(993)	(993)	(30)
	<u>0</u>	<u>0</u>	<u>(11,915)</u>	<u>(11,915)</u>	<u>(357)</u>
2011					
January	0	0	0	0	0
February	0	0	0	0	0
March	0	0	0	0	0
April	0	0	0	0	0
May	0	0	0	0	0
June	0	0	0	0	0
July	0	0	0	0	0
August	0	0	0	0	0
September	0	0	0	0	0
October	0	0	0	0	0
November	0	0	0	0	0
December	0	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Column Notes:

- (2) Represents the remaining return requirement on the net deferred tax asset related to generation investments. This return is offset by the residual value credit included in column (4).
- (3) Represents the final reconciliation amount amortized straight line over 11.3 years plus annual return at a rate of 6.75%.
- (4) Also includes residual value credit associated with incremental proceeds received pursuant to the USGenNE CTC Settlement.

Granite State ELECTRIC COMPANY d/b/a NATIONAL GRID
RECONCILIATION FOR THE FORMER NEW ENGLAND POWER COMPANY CTC CALCULATION
OCTOBER 1, 2010 THROUGH SEPTEMBER 30, 2011

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Period	Total Decom Costs (Schedule 4)	Total Purchased Power Costs (Schedule 5)	Total Purchased Power Revenues (Schedule 5)	Total Other Variable Costs (Schedule 6)	Total Variable Costs (2)+(3)+(4)+(5)	Granite State's Share 3.0%
2010						
January	915	6,386	5,525	48	1,824	55
February	982	5,284	4,051	34	2,250	67
March	863	6,842	3,842	35	3,899	117
April	902	5,539	3,005	61	3,497	105
May	906	6,598	4,351	18	3,171	95
June	909	4,876	3,650	308	2,442	73
July	1,015	6,626	4,910	(8)	2,722	82
August	877	6,000	5,314	58	1,622	49
September	982	5,229	3,172	(3)	3,037	91
October	908	5,368	3,580	658	3,353	101
November	938	6,301	4,125	38	3,153	95
December	929	6,164	4,734	91	2,450	73
	<u>11,128</u>	<u>71,213</u>	<u>50,259</u>	<u>1,338</u>	<u>33,420</u>	<u>1,002</u>
2011						
January	952	5,290	4,744	43	1,540	46
February	970	5,009	3,955	66	2,090	63
March	949	5,924	3,125	(79)	3,670	110
April	911	5,958	3,805	(8)	3,055	92
May	943	5,722	4,186	43	2,523	76
June	945	5,083	3,418	209	2,820	85
July	948	6,277	3,568	51	3,707	111
August	944	6,085	4,284	(8)	2,738	82
September	971	5,596	2,603	126	4,089	123
October	0	6,438	3,287	0	3,150	94
November	0	6,438	3,287	0	3,150	94
December	0	6,438	3,287	0	3,150	94
	<u>8,532</u>	<u>70,257</u>	<u>43,550</u>	<u>444</u>	<u>35,683</u>	<u>1,070</u>
2012		73,666	36,405	0	37,261	1,118
2013		75,580	37,693	0	37,888	1,137
2014		76,540	40,011	0	36,529	1,096
2015		75,598	41,244	0	34,353	1,030
2016		48,758	23,880	0	24,878	746
2017		38,120	18,333	0	19,786	594
2018		6,013	601	0	5,412	162
2019		5,011	501	0	4,510	135
2020		1,173	117	0	1,056	32
2021		0	0	0	0	0
2022		0	0	0	0	0
2023		0	0	0	0	0
2024		0	0	0	0	0
2025		0	0	0	0	0
2026		0	0	0	0	0
2027		0	0	0	0	0
2028		0	0	0	0	0
2029		0	0	0	0	0

GRANITE STATE ELECTRIC COMPANY d/b/a NATIONAL GRID
RECONCILIATION FOR THE FORMER NEW ENGLAND POWER COMPANY CTC CALCULATION
OCTOBER 1, 2010 THROUGH SEPTEMBER 30, 2011

(1) Period	(2) Connecticut Yankee			(5) Maine Yankee			(8) Yankee Atomic			(11) Other			Total Decommissioning Costs		
	Estimate	Actual	Variance	Estimate	Actual	Variance	Estimate	Actual	Variance	Estimate	Actual	Variance	Estimate	Actual	Variance
2010															
January	1,163	493	(669)	469	128	(341)	328	294	(34)	0	1,959	915	1,959	915	(1,045)
February	1,163	582	(580)	469	107	(363)	328	294	(34)	0	1,959	982	1,959	982	(977)
March	1,163	460	(703)	469	110	(359)	328	294	(34)	0	1,959	863	1,959	863	(1,096)
April	1,163	496	(667)	469	113	(356)	328	294	(34)	0	1,959	902	1,959	902	(1,057)
May	1,163	496	(667)	469	117	(352)	328	294	(34)	0	1,959	906	1,959	906	(1,053)
June	1,163	501	(662)	469	115	(354)	328	294	(34)	0	1,959	909	1,959	909	(1,050)
July	1,163	606	(556)	469	115	(354)	328	294	(34)	0	1,959	1,015	1,959	1,015	(944)
August	1,163	467	(695)	469	116	(353)	328	294	(34)	0	1,959	877	1,959	877	(1,082)
September	1,163	573	(589)	469	115	(354)	328	294	(34)	0	1,959	982	1,959	982	(977)
October	1,163	520	(643)	469	94	(375)	328	294	(34)	0	1,959	908	1,959	908	(1,052)
November	1,163	531	(632)	469	113	(356)	328	294	(34)	0	1,959	938	1,959	938	(1,021)
December	1,163	523	(640)	469	113	(356)	328	294	(34)	0	1,959	929	1,959	929	(1,030)
	13,950	6,248	(7,703)	5,629	1,355	(4,274)	3,933	3,525	(408)	0	23,513	11,128	23,513	11,128	(12,385)
2011															
January	0	524	524	0	134	134	0	294	294	0	0	952	0	952	952
February	0	573	573	0	104	104	0	294	294	0	0	970	0	970	970
March	0	531	531	0	124	124	0	294	294	0	0	949	0	949	949
April	0	540	540	0	77	77	0	294	294	0	0	911	0	911	911
May	0	542	542	0	107	107	0	294	294	0	0	943	0	943	943
June	0	540	540	0	112	112	0	294	294	0	0	945	0	945	945
July	0	541	541	0	113	113	0	294	294	0	0	948	0	948	948
August	0	541	541	0	110	110	0	294	294	0	0	944	0	944	944
September	0	566	566	0	111	111	0	294	294	0	0	971	0	971	971
October	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
December	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	4,898	4,898	0	991	991	0	2,644	2,644	0	0	8,532	0	8,532	8,532

Notes:

- (1) Estimated Columns (2), (5), and (8) reflect FERC approved settlement agreements for each site at the time of the USGenNE bankruptcy settlement, as stated in Docket No. ER06-555-000. Schedule 1 Page 8.
(2) Actual Columns (3), (6), and (9) reflect actual and accrued monthly invoices.
(3) Column (11) includes Vermont Yankee DOE site decontamination and decommissioning fees.

Granite State ELECTRIC COMPANY d/b/a NATIONAL GRID
RECONCILIATION FOR THE FORMER NEW ENGLAND POWER COMPANY CTC CALCULATION
OCTOBER 1, 2010 THROUGH SEPTEMBER 30, 2011

ABOVE MARKET PURCHASED POWER CONTRACT COSTS

TOTAL PURCHASED POWER CONTRACTS ABOVE MARKET COSTS

Period	Estimated			Actual			Variance
	Costs	Revenues	Above Market	Costs	Revenues	Above Market	Above Market
2010							
January	6,447	3,233	3,214	6,386	5,525	861	(2,353)
February	6,447	3,233	3,214	5,284	4,051	1,233	(1,980)
March	6,447	3,233	3,214	6,842	3,842	3,000	(213)
April	6,447	3,233	3,214	5,539	3,005	2,534	(679)
May	6,447	3,233	3,214	6,598	4,351	2,247	(967)
June	6,447	3,233	3,214	4,876	3,650	1,226	(1,988)
July	6,447	3,233	3,214	6,626	4,910	1,715	(1,498)
August	6,447	3,233	3,214	6,000	5,314	686	(2,528)
September	6,447	3,233	3,214	5,229	3,172	2,057	(1,157)
October	6,447	3,233	3,214	5,368	3,580	1,788	(1,426)
November	6,447	3,233	3,214	6,301	4,125	2,176	(1,037)
December	6,447	3,233	3,214	6,164	4,734	1,430	(1,784)
	77,361	38,796	38,564	71,213	50,259	20,954	(17,610)
2011							
January	6,438	3,287	3,150	5,290	4,744	545	(2,605)
February	6,438	3,287	3,150	5,009	3,955	1,054	(2,096)
March	6,438	3,287	3,150	5,924	3,125	2,800	(350)
April	6,438	3,287	3,150	5,958	3,805	2,153	(997)
May	6,438	3,287	3,150	5,722	4,186	1,537	(1,613)
June	6,438	3,287	3,150	5,083	3,418	1,666	(1,484)
July	6,438	3,287	3,150	6,277	3,568	2,709	(442)
August	6,438	3,287	3,150	6,085	4,284	1,801	(1,349)
September	6,438	3,287	3,150	5,596	2,603	2,993	(158)
October	6,438	3,287	3,150	6,438	3,287	3,150	0
November	6,438	3,287	3,150	6,438	3,287	3,150	0
December	6,438	3,287	3,150	6,438	3,287	3,150	0
	77,251	39,450	37,801	70,257	43,550	26,707	(11,094)
1	73,666	36,405	37,261				
2	75,580	37,693	37,888				
3	76,540	40,011	36,529				
4	75,598	41,244	34,353				
5	48,758	23,880	24,878				
6	38,120	18,333	19,786				
7	6,013	601	5,412				
8	5,011	501	4,510				
9	1,173	117	1,056				

- (1) Actual amounts reflect the recording of current month estimates and prior month true-ups.
- (2) Actual monthly expenses include capacity charges which are also included in the average price.

(1) Actual amounts reflect the recording of current month estimates and prior month true-ups.

Granite State ELECTRIC COMPANY d/b/a NATIONAL GRID
RECONCILIATION FOR THE FORMER NEW ENGLAND POWER COMPANY CTC CALCULATION
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WHEELABRATOR MILLBURY

Period	Estimated				Actual (1)				Variance			
	MWh	Average Price per kwh	Costs	Average Revenue per kwh	Revenues	Above Market	MWh	Average Price per kwh		Costs (1)	Average Revenue per kwh	Revenues (1)
2010												
January	27,229	0.115	3,143	0.057	1,542	1,601	24,526	0.110	2,668	0.064	1,900	768
February	27,229	0.115	3,143	0.057	1,542	1,601	22,772	0.112	2,554	0.055	1,317	1,237
March	27,229	0.115	3,143	0.057	1,542	1,601	29,782	0.114	3,465	0.038	1,380	2,086
April	27,229	0.115	3,143	0.057	1,542	1,601	28,570	0.114	3,064	0.049	874	2,190
May	27,229	0.115	3,143	0.057	1,542	1,601	21,234	0.111	3,473	0.046	1,508	1,965
June	27,229	0.115	3,143	0.057	1,542	1,601	28,558	0.114	2,195	0.053	1,020	1,175
July	27,229	0.115	3,143	0.057	1,542	1,601	28,961	0.113	3,512	0.080	1,802	1,710
August	27,229	0.115	3,143	0.057	1,542	1,601	29,074	0.113	3,194	0.048	2,326	868
September	27,229	0.115	3,143	0.057	1,542	1,601	21,614	0.114	3,017	0.048	1,047	1,969
October	27,229	0.115	3,143	0.057	1,542	1,601	28,856	0.112	2,659	0.045	1,063	1,596
November	27,229	0.115	3,143	0.057	1,542	1,601	28,201	0.112	3,310	0.048	1,284	2,026
December	27,229	0.115	3,143	0.057	1,542	1,601	27,202	0.089	3,147	0.073	1,653	1,494
			37,718		18,507	19,211			36,259		17,175	19,084
2011												
January	27,229	0.118	3,202	0.059	1,594	1,608	23,251	0.112	2,424	0.078	1,907	517
February	27,229	0.118	3,202	0.059	1,594	1,608	19,180	0.113	2,409	0.062	1,717	692
March	27,229	0.118	3,202	0.059	1,594	1,608	27,113	0.113	3,095	0.048	1,271	1,825
April	27,229	0.118	3,202	0.059	1,594	1,608	28,713	0.113	2,839	0.056	1,209	1,630
May	27,229	0.118	3,202	0.059	1,594	1,608	21,203	0.113	3,216	0.041	1,549	1,666
June	27,229	0.118	3,202	0.059	1,594	1,608	27,239	0.114	2,407	0.044	873	1,534
July	27,229	0.118	3,202	0.059	1,594	1,608	28,150	0.111	3,346	0.059	1,351	1,995
August	27,229	0.118	3,202	0.059	1,594	1,608	27,850	0.115	3,062	0.038	1,623	1,439
September	27,229	0.118	3,202	0.059	1,594	1,608	26,247	0.112	2,826	0.050	803	2,023
October	27,229	0.118	3,202	0.059	1,594	1,608	27,229	0.118	3,202	0.059	1,594	1,608
November	27,229	0.118	3,202	0.059	1,594	1,608	27,229	0.118	3,202	0.059	1,594	1,608
December	27,229	0.118	3,202	0.059	1,594	1,608	27,229	0.118	3,202	0.059	1,594	1,608
			38,428		19,132	19,297			35,232		17,086	18,146
2012			39,161		20,004	19,157	Plant Location - Millbury, MA					
2013			39,917		20,735	19,181	Fuel Type - Trash (Refuse)					
2014			40,696		22,094	18,602	Capacity - 40.73 MWh					
2015			41,498		22,911	18,587	Duration of Contract - 9/24/2017					
2016			42,326		23,237	19,089						
2017			31,936		17,715	14,221						
2018			0		0	0						
2019			0		0	0						
2020			0		0	0						

(1) Actual amounts reflect the recording of current month estimates and prior month true-ups.

Granite State ELECTRIC COMPANY d/b/a NATIONAL GRID
RECONCILIATION FOR THE FORMER NEW ENGLAND POWER COMPANY CTC CALCULATION
OCTOBER 1, 2010 THROUGH SEPTEMBER 30, 2011

LAWRENCE HYDRO

Period	Estimated				Actual (1)				Variance				
	MWh	Average Price per kwh	Costs	Average Revenue per kwh	Revenues	Above Market	MWh	Average Price per kwh		Costs (1)	Average Revenue per kwh	Revenues (1)	Above Market
2010													
January	6,319	0.048	305	0.059	370	(65)	7,258	0.050	382	0.072	518	(135)	(71)
February	6,319	0.048	305	0.059	370	(65)	6,350	0.049	348	0.065	463	(115)	(51)
March	6,319	0.048	305	0.059	370	(65)	6,566	0.049	332	0.036	384	(51)	13
April	6,319	0.048	305	0.059	370	(65)	7,790	0.050	357	0.062	215	142	207
May	6,319	0.048	305	0.059	370	(65)	7,229	0.050	382	0.036	498	(116)	(51)
June	6,319	0.048	305	0.059	370	(65)	2,448	0.046	276	0.066	230	45	110
July	6,319	0.048	305	0.059	370	(65)	893	0.036	125	0.112	209	(83)	(18)
August	6,319	0.048	305	0.059	370	(65)	0	0.000	6	0.000	87	(81)	(16)
September	6,319	0.048	305	0.059	370	(65)	0	0.000	(239)	0.000	(208)	(31)	33
October	6,319	0.048	305	0.059	370	(65)	0	0.000	0	0.000	(0)	0	65
November	6,319	0.048	305	0.059	370	(65)	2,736	0.031	127	0.070	158	(31)	33
December	6,319	0.048	305	0.059	370	(65)	4,118	0.048	187	0.079	294	(107)	(42)
			3,658		4,436	(778)			2,282		2,847	(564)	214
2011													
January	6,319	0.046	288	0.061	383	(95)	4,219	0.047	250	0.068	411	(161)	(67)
February	6,319	0.046	288	0.061	383	(95)	3,658	0.046	183	0.059	272	(89)	6
March	6,319	0.046	288	0.061	383	(95)	2,707	0.045	216	0.045	193	23	118
April	6,319	0.046	288	0.061	383	(95)	3,239	0.046	148	0.056	103	45	140
May	6,319	0.046	288	0.061	383	(95)	4,075	0.046	155	0.046	169	(13)	81
June	6,319	0.046	288	0.061	383	(95)	4,752	0.047	54	0.046	103	(50)	45
July	6,319	0.046	288	0.061	383	(95)	3,658	0.046	221	0.058	229	(9)	86
August	6,319	0.046	288	0.061	383	(95)	3,499	0.046	129	0.044	182	(52)	43
September	6,319	0.046	288	0.061	383	(95)	4,421	0.047	119	0.052	113	6	101
October	6,319	0.046	288	0.061	383	(95)	6,319	0.046	288	0.061	383	(95)	0
November	6,319	0.046	288	0.061	383	(95)	6,319	0.046	288	0.061	383	(95)	0
December	6,319	0.046	288	0.061	383	(95)	6,319	0.046	288	0.061	383	(95)	0
			3,453		4,590	(1,137)			2,339		2,923	(584)	554
2012			0		0	0	Plant Location - Lawrence, MA						
2013			0		0	0	Fuel Type - Hydro						
2014			0		0	0	Capacity - 14.1 MWh						
2015			0		0	0	Duration of Contract - 12/31/2011						
2016			0		0	0							
2017			0		0	0							
2018			0		0	0							
2019			0		0	0							
2020			0		0	0							

(1) Actual amounts reflect the recording of current month estimates and prior month true-ups.

Granite State ELECTRIC COMPANY d/b/a NATIONAL GRID
RECONCILIATION FOR THE FORMER NEW ENGLAND POWER COMPANY CTC CALCULATION
OCTOBER 1, 2010 THROUGH SEPTEMBER 30, 2011

FOUR HILLS LANDFILL

Period	Estimated				Actual (1)				Variance	
	Average Price per kwh	Costs	Average Revenue per kwh	Revenues	Above Market	Average Price per kwh	Costs (1)	Average Revenue per kwh	Revenues (1)	Above Market
2009		0		0	0					
2010		0		0	0					
2011		0		0	0					
2012		0		0	0					
2013		0		0	0					
2014		0		0	0					
2015		0		0	0					
2016		0		0	0					
2017		0		0	0					
2018		0		0	0					
2019		0		0	0					
2020		0		0	0					

(1) Actual amounts reflect the recording of current month estimates and prior month true-ups.

Granite State ELECTRIC COMPANY d/b/a NATIONAL GRID
RECONCILIATION FOR THE FORMER NEW ENGLAND POWER COMPANY CTC CALCULATION
OCTOBER 1, 2010 THROUGH SEPTEMBER 30, 2011

HYDRO QUEBEC

Period	Estimated			Actual			Variance		
	Costs	Revenues	Above Market	Costs	Revenues	Above Market	Costs	Revenues	Above Market
2009									
January	933	93	840	677	654	22	(256)	561	(817)
February	933	93	840	706	937	(231)	(227)	843	(1,070)
March	933	93	840	791	937	(146)	(142)	843	(985)
April	933	93	840	681	863	(182)	(252)	770	(1,022)
May	933	93	840	897	862	35	(36)	769	(805)
June	933	93	840	696	890	(194)	(237)	797	(1,034)
July	933	93	840	741	962	(222)	(192)	869	(1,061)
August	933	93	840	707	962	(255)	(226)	869	(1,095)
September	933	93	840	668	1,359	(691)	(265)	1,266	(1,531)
October	933	93	840	707	1,402	(695)	(226)	1,308	(1,535)
November	933	93	840	785	1,032	(247)	(148)	939	(1,087)
December	933	93	840	674	1,916	(1,241)	(259)	1,822	(2,081)
	11,197	1,120	10,077	8,730	12,776	(4,046)	(2,467)	11,656	(14,123)
2010									
January	907	91	816	860	1,013	(154)	(47)	923	(970)
February	907	91	816	458	1,013	(555)	(449)	923	(1,371)
March	907	91	816	770	1,013	(244)	(137)	923	(1,060)
April	907	91	816	640	1,361	(721)	(267)	1,271	(1,537)
May	907	91	816	706	1,361	(655)	(200)	1,271	(1,471)
June	907	91	816	703	1,511	(808)	(204)	1,421	(1,625)
July	907	91	816	836	1,556	(720)	(70)	1,466	(1,536)
August	907	91	816	927	1,344	(416)	21	1,253	(1,232)
September	907	91	816	730	1,599	(869)	(177)	1,509	(1,686)
October	907	91	816	665	1,612	(946)	(241)	1,521	(1,762)
November	907	91	816	685	1,710	(1,025)	(221)	1,619	(1,841)
December	907	91	816	798	1,649	(851)	(109)	1,558	(1,667)
	10,881	1,088	9,793	8,779	16,744	(7,965)	(2,102)	15,656	(17,758)
2011									
January	881	88	793	730	664	66	(151)	576	(727)
February	881	88	793	639	752	(113)	(243)	664	(906)
March	881	88	793	866	604	263	(15)	515	(530)
April	881	88	793	893	1,564	(671)	11	1,476	(1,464)
May	881	88	793	728	1,564	(836)	(153)	1,476	(1,629)
June	881	88	793	683	1,554	(871)	(198)	1,466	(1,664)
July	881	88	793	698	1,128	(430)	(183)	1,040	(1,223)
August	881	88	793	700	1,127	(428)	(182)	1,039	(1,221)
September	881	88	793	687	1,145	(458)	(194)	1,057	(1,251)
October	881	88	793	881	88	793	0	0	0
November	881	88	793	881	88	793	0	0	0
December	881	88	793	881	88	793	0	0	0
	10,576	1,058	9,518	9,268	10,366	(1,098)	(1,308)	9,308	(10,616)
2012	10,280	1,028	9,252						
2013	9,996	1,000	8,996						
2014	9,719	972	8,747						
2015	7,502	750	6,752						
2016	6,432	643	5,789						
2017	6,183	618	5,565						
2018	6,013	601	5,412						
2019	5,011	501	4,510						
2020	1,173	117	1,056						

Granite State ELECTRIC COMPANY d/b/a NATIONAL GRID
RECONCILIATION FOR THE FORMER NEW ENGLAND POWER COMPANY CTC CALCULATION
OCTOBER 1, 2010 THROUGH SEPTEMBER 30, 2011

(1)	(2)	(3)	(4)	(5)	(6)
Period	Damages, Costs or Net Recoveries from Claims	PBR	Environmental Response Costs	Divestiture Related Items	Total
2009					
January	0	0	5	50	55
February	0	0	21	40	61
March	0	(152)	33	43	(75)
April	0	(113)	4	58	(52)
May	0	0	0	37	37
June	0	0	0	28	28
July	0	0	5	9	13
August	0	(21)	22	38	39
September	0	160	0	24	184
October	0	0	15	59	74
November	0	0	17	26	43
December	0	0	4	39	43
	<u>0</u>	<u>(127)</u>	<u>125</u>	<u>452</u>	<u>450</u>
2010					
January	0	0	16	32	48
February	0	0	3	31	34
March	0	0	3	32	35
April	0	0	3	58	61
May	0	0	0	18	18
June	0	235	11	62	308
July	0	0	4	(12)	(8)
August	0	0	0	58	58
September	0	(17)	0	14	(3)
October	0	0	662	(4)	658
November	0	0	7	32	38
December	0	0	28	63	91
	<u>0</u>	<u>218</u>	<u>736</u>	<u>384</u>	<u>1,338</u>
2011					
January	0	0	26	18	43
February	0	0	11	55	66
March	0	0	39	(118)	(79)
April	0	(95)	15	71	(8)
May	0	0	1	42	43
June	0	183	8	18	209
July	0	0	57	(5)	51
August	0	(19)	4	8	(8)
September	0	0	118	8	126
October	0	0	0	0	0
November	0	0	0	0	0
December	0	0	0	0	0
	<u>0</u>	<u>69</u>	<u>279</u>	<u>95</u>	<u>444</u>
2012	0	0	0	0	0
2013	0	0	0	0	0
2014	0	0	0	0	0
2015	0	0	0	0	0
2016	0	0	0	0	0
2017	0	0	0	0	0
2018	0	0	0	0	0
2019	0	0	0	0	0
2020	0	0	0	0	0

Column Notes:

(2)

- 1/ Reflects Nox credits related to the former Nantucket Candle Street location.
- 2/ Reflects Millstone 3 Enrichment Settlement.
- 3/ Reflects Seabrook 2 Salvage proceeds.

(3) Amounts represent insurance credits and payments to the Mass Emergency Management Agency.

(4) Represents actual environmental remediation costs incurred by NEP.

(5) See Schedule 6, page 2 of 2.

Granite State ELECTRIC COMPANY d/b/a NATIONAL GRID
RECONCILIATION FOR THE FORMER NEW ENGLAND POWER COMPANY CTC CALCULATION
OCTOBER 1, 2010 THROUGH SEPTEMBER 30, 2011

(1)	(2)	(3)	(4)	(5)
Period	VYNPC Costs	Seabrook Proceeds	Wyman Sale	Total
2010				
January	32	0	0	32
February	31	0	0	31
March	32	0	0	32
April	58	0	0	58
May	18	0	0	18
June	62	0	0	62
July	(12)	0	0	(12)
August	58	0	0	58
September	14	0	0	14
October	(4)	0	0	(4)
November	32	0	0	32
December	63	0	0	63
	<u>384</u>	<u>0</u>	<u>0</u>	<u>384</u>
2011				
January	18	0	0	18
February	55	0	0	55
March	(118)	0	0	(118)
April	71	0	0	71
May	42	0	0	42
June	18	0	0	18
July	(5)	0	0	(5)
August	8	0	0	8
September	8	0	0	8
October	0	0	0	0
November	0	0	0	0
December	0	0	0	0
	<u>95</u>	<u>0</u>	<u>0</u>	<u>95</u>

(2) Amounts represent administrative costs incurred by the Vermont Yankee Nuclear Power Corporation as agreed to in the terms of the sale of the Vermont Yankee unit.

(4) Represents the net proceeds from the sale of the Wyman 4 unit.

GRANITE STATE ELECTRIC COMPANY d/b/a NATIONAL GRID
 ESTIMATED DECOMMISSIONINGS COSTS FOR THE FORMER NEW ENGLAND POWER COMPANY CTC
 2011 THROUGH 2015
 (Dollars in Thousands)

Period	<u>Connecticut Yankee</u>	<u>Maine Yankee</u>	<u>Yankee Atomic</u>	<u>Total Decommissioning</u>	<u>Granite State Share @ 3.0%</u>
2011	6,504	1,599	3,525	11,628	349
2012	6,498	2,645	3,525	12,668	380
2013	6,492	2,249	3,525	12,266	368
2014	6,492	0	4,778	11,270	338
2015	<u>6,872</u>	<u>0</u>	<u>0</u>	<u>6,872</u>	<u>206</u>
Total	<u>32,858</u>	<u>6,493</u>	<u>15,353</u>	<u>54,704</u>	<u>1,641</u>