

MASSACHUSETTS ELECTRIC COMPANY
NANTUCKET ELECTRIC COMPANY
STORM FUND REPLENISHMENT PROVISION

The Company's rates for Retail Delivery Service are subject to adjustment for the Storm Fund Replenishment Factors ("SFRFs") associated with a Storm Fund Replenishment Adjustment as approved by the Department. The SFRFs shall recover, beginning October 1, 2016, the balance of the Company's Storm Contingency Fund ("Storm Fund") at September 30, 2016, any residual costs associated with storms that are included in this balance, and incremental costs of eligible storms that occurred prior to October 1, 2016 not reviewed by the Department in D.P.U. 13-85 ("Recoverable Balance").

The Storm Fund Replenishment Adjustment shall be allocated to the Company's rate classes by applying the Distribution Revenue Allocator shown below. The SFRF for each rate class shall be based on the estimated kilowatt-hours to be delivered by the Company to each rate class. The SFRFs shall be applicable to all delivery service customers and, for billing purposes, will be included with the distribution kWh charge on customers' bills.

The SFRFs are based upon the Distribution Revenue Allocator derived from the Company's general rate case approved by the Department in D.P.U. 09-39 as follows by rate class:

Rate R-1/R-2	51.0%
Rate R-4	0.1%
Rate G-1	17.5%
Rate G-2	10.5%
Rate G-3	20.4%
Streetlighting	0.5%

All revenue billed through the SFRFs shall be credited against the Recoverable Balance. The Recoverable Balance shall accrue interest at the Company's Department-approved weighted average cost of capital in effect during the recovery period.

The operation of this Storm Fund Replenishment Provision and the application of the SFRFs are effective during the recovery period that terminates on August 31, 2019 unless otherwise ordered by the Department. The remaining amount of the Recoverable Balance at August 31, 2019 shall be transferred to the Storm Contingency Fund as of that date.

The provisions of this tariff will remain in effect until terminated or revised as proposed by the Company and approved by the Department from time to time.

This provision is applicable to all Retail Delivery Service tariffs of the Company. The operation of this Storm Fund Replenishment Provision is subject to Chapter 164 of the General Laws.