

MASSACHUSETTS ELECTRIC COMPANY
 NANTUCKET ELECTRIC COMPANY
 RENEWABLE ENERGY RECOVERY PROVISION

The Company's rates for Retail Delivery Service and Basic Service are subject to adjustment to reflect recovery of payments under long term renewable energy contracts which the Company has executed pursuant to §83A of *An Act Relative to Green Communities* ("GCA") along with contract remuneration associated with payments made under such contracts, as approved by the Department.

The Renewable Energy Recovery ("RER") Factor shall be a uniform per kilowatt-hour factor based on the estimated kilowatt-hours to be delivered by the Company.

Renewable Energy Factor:

Renewable Energy Factor	=	Above/Below Market Factor	+	Contract Remuneration Factor	+	Net Energy Sales Factor	+	Over/Under Factor
REF _x	=	§A/BMF _x	+	CRF _x	+	ESF _x	+	PPRAF _{x-1}

Where

- REF_x = The Renewable Energy Factor for the current twelve month period;
- A/BMF_x = The component of the REF_x associated with the recovery of A/BM_x, calculated as A/BM_x ÷ FkWh_x;
- CRF_x = The component of the REF_x associated with the recovery of CR_x, calculated as CR_x ÷ FkWh_x;
- ESF_x = The component of the REF_x associated with the recovery of ES_x, calculated as ES_x ÷ FkWh_x;
- PPRAF_{x-1} = The component of the REF_{sa} associated with the recovery of PPRA_{x-1}, calculated as PPRA_{x-1} ÷ FkWh_x;
- x = The twelve month period during which the annual REF component associated with the estimated above/below-market value, estimated contract remuneration and net energy sales will be in effect;
- A/BM_x = The estimated above/below-market value associated with renewable energy certificates estimated for the current twelve month period;
- CR_x = The estimated contract remuneration associated with renewable energy contracts entered into by the Company estimated for year x calculated as the estimated payments under the contract multiplied by 2.75%;
- ES_x = The estimated net energy sales associated with renewable energy contracts entered into by the Company estimated for year x calculated as the estimated

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payments under the contract for the purchase of energy less estimated proceeds received from the sale of purchased energy into the New England energy market and received from the Independent System Operator of New England (“ISO-NE”) plus estimate of incremental costs incurred by the Company associated with selling energy into the market;

- PPRA_{x-1} = The Past Period Reconciliation Amount defined as the ending balance of the difference between (a) the actual contract remuneration associated with §83A renewable energy contracts for year x-1 (calculated as the actual contract payments multiplied by 2.75%), plus the market value of energy purchased under contracts for year x-1, less proceeds from the sale of such energy received from ISO-NE, less actual reimbursements received by the Company under the contracts associated with energy sales during hours having a negative locational marginal price, plus actual incremental costs incurred by the Company associated with selling energy into the market, and (b) the sum of revenues billed through the CRF_x and ESF_x as approved by the Department for year x-1; and
- FkWh_x = The forecasted kWh for year x, defined as the forecasted amount of electricity to be delivered to the Company’s retail delivery service customers.

For billing purposes, the RER Factor will be included with the distribution kWh charge on customers’ bills.

The Company shall file its revised RER Factor annually on or around January 15 to reflect a revised estimate of above and/or below-market costs associated with renewable energy contracts and the recovery of the Past Period Reconciliation Amounts. The effective date for the annual change shall be March 1 or as otherwise approved by the Department.

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