



Amy G. Rabinowitz
Assistant General Counsel

May 25, 2006

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station
Boston, MA 02110

Re: Massachusetts Electric Company d/b/a National Grid; Summer Load Relief Program for Everett, E. Longmeadow, and Brockton; D.T.E. 06-_____

Dear Secretary Cottrell:

On behalf of Massachusetts Electric Company d/b/a National Grid (“National Grid” or “Company”), I am enclosing for Department approval a proposed Summer Load Relief Program for the Everett, E. Longmeadow, and Brockton areas (“Program”) that the Company wishes to implement beginning June 1, 2006. The tariff number for this proposed Program is M.D.T.E. 1101.

This program is essentially the same as the following programs approved by the Department: the 2005 Summer Load Relief Program in D.T.E. 05-41, the 2004 Summer Load Relief Program in D.T.E. 04-46, and the 2003 Summer Load Relief Program in D.T.E. 03-53. The only change from last year’s program concerns the eligible locations. As described below, the Company proposes to add the Everett area served by the Thorndike substation and remove the North Dracut and Lowell area and the East Longmeadow area served by the Shaker Road substation. As with previous years, this Program does not affect charges to any other customers.

National Grid wishes to implement this Program again in order to reduce the potential for operational or service problems in these areas during peak load periods this summer. In addition, National Grid wishes to further test whether load relief can provide an opportunity for National Grid to defer upgrades to the distribution system. Thus, the proposed Program will provide a number of benefits: (1) participating customers will receive direct credits on their bills for voluntary load reductions; (2) any reduction from voluntary load reduction will reduce the loading on the lines, possibly preventing an overload condition; and (3) the Company will gain additional information regarding customer participation in demand response initiatives and whether it can form the basis for possible future deferral of infrastructure improvements.

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Because of the benefits provided from the Program, and because the Program will be funded fully by National Grid, the Company requests that the Department approve the Program so it can be implemented effective June 1, 2006.

Description of Areas Included in the Program

The Company proposes to offer the Program in three areas:

- (1) the Everett area served by the Thorndike substation;
- (2) the East Longmeadow area served by the 508L4 feeder out of East Longmeadow substation; and
- (3) the Brockton area served by the Belmont Street., Ames Street., and Parkview substations.

The Everett area served by the Thorndike substation is new to the list of eligible areas. As load continues to grow in this area, an outage of one of the 23 kV cables in the area may require an additional 23 kV cable to be installed to back up the load. The Company wishes to determine whether there are sufficient customer side resources which can mitigate this future potential situation. In addition, the Massachusetts Renewable Trust recently awarded the Company funding to encourage Everett area customers to install renewable energy distributed generation in conjunction with the demand response efforts typically employed in the Company's load relief programs. The grant will pay for the additional studies needed for siting the distributed generation as well as incentives for customers to install proposed systems. It will also help the Company in its efforts to automate parts of the Program, including some level of control over certain aspects of the customer's internal processes.

The Company does not propose to continue this Program in the North Lowell and Dracut areas this summer. The Company installed a new transformer at the East Dracut substation late last summer which is providing the needed capacity for this area. In addition, the Company does not propose to continue this Program in the East Longmeadow area served by the Shaker Rd. substation due to the installation this past winter of a larger transformer at the substation, which is providing the needed capacity for this area.

Implementation of the Program

National Grid intends to implement the Program as it implemented the Summer Load Relief Program approved by the Department in D.T.E. 05-41. The Company will enroll interested customers with demands over 100 kW who are situated in the areas included in the Program. The 2005 credit of \$0.50/kWh for each kWh reduced¹ will remain. In addition,

¹ The selection of the \$0.50/kWh credit is based on the relative success of the Brockton Pilot conducted during the summer of 2002. Results from the Brockton Pilot suggest that a credit of this amount is sufficient to induce customers to curtail load. This credit level also has been reported by industry sources to produce reasonable load reduction performance. See, e.g., E-Source Report, *Making Peak Load Management Work for the Mid-Market Industrial* (Oct. 2001), attached as Exhibit TRR-2 to Mass. Electric's May 31, 2002 filing in D.T.E. 03-53.

Mary L. Cottrell, Secretary

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National Grid will provide a retainer of \$3 per enrolled kW for the months of June, July, and August in order to evaluate the factors that contribute towards motivating customers to enroll. The retainer will be adjusted based on an enrolled customer's performance during calls for load curtailment. National Grid proposes to implement the Program pursuant to the proposed Summer Load Relief Program tariff provision included as Attachment 1 to this letter. Attachment 2 contains a copy of the tariff redlined to show the changes from last year's program. Participating customers will execute a service agreement in the form of the Summer Load Relief Program Agreement included as Attachment 3 to this letter. Attachment 4 contains a copy of the service agreement redlined to show the changes from last year's program. As the redlined documents indicate, this year's documents are substantially similar to the ones that the Company used in its 2005 Summer Load Relief Program and are revised only to reflect the change in geographic areas and update applicable dates.

As described in the proposed tariff provision and service agreement, the Company will determine a baseline load for each customer in the Program, which is intended to represent what the customer's load would have been if there had been no load reduction. In the event of a call for curtailment, the Company will measure the customer's actual load during each hour of the load reduction period and compare it to the customer's baseline, the difference being the "curtailed load" for each hour of the load reduction period. The Company will then credit customers \$0.50 per kilowatt-hour for each kilowatt-hour of curtailed load on their accounts within ninety days of the call for load reduction. In addition, the customer will receive a retainer of \$3 per enrolled kW for the months of June, July, and August. Finally, as with its other load response programs, the Company does not propose that there be any form of "non-compliance penalty" or other sanction for failure of enrolled customers to reduce load when called, except that the retainer may be adjusted, up or down, to reflect the customer's average monthly curtailment performance for the following month.

Because the Program is designed to reduce loads in specific, local areas on the distribution system, its purpose is different from those of generally available load response programs that are designed to address system-wide or regional generation or transmission issues, such as the ISO-NE load response program. There may be times this summer when the conditions experienced on the local distribution system differ from those affecting the broader regional electric system, and calls for participation under the Program might not necessarily coincide with calls for participation under the broader ISO-NE programs. Accordingly, National Grid proposes that the Program be offered in parallel with other generally available load response programs, and proposes to enroll customers in the appropriate ISO-NE load response program in conjunction with their participation in the Company's Program. Thus, customers could participate in multiple load response programs. In addition to increasing potential customer participation in load response programs, allowing multiple participation provides these customers with additional benefits and also yields additional information on the effect of increasing credit levels on customers' willingness to participate in demand response.

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Effective Date and Term

National Grid requests that it be allowed to implement the Program starting June 1, 2006. The Company proposes that the term of the Program end on September 30, 2008, and that the term consist of three (3) Program periods consisting of the months June through September during 2006, 2007, and 2008. Customers will remain in the Program unless the Company or the customer terminates participation in writing to the other party at least thirty days prior to such termination.

Conclusion

National Grid's proposed Summer Load Relief Program will provide several benefits for customers and the Company. The Company respectfully requests that the Department approve this proposed Program for June 1, 2006 implementation.

Thank you very much for your time and attention to this matter.

Very truly yours,



Amy G. Rabinowitz

cc: Joe Rogers, Office of Attorney General

Massachusetts Electric Company
Summer Load Relief Program Filing

Attachment 1

Proposed Tariff – Clean

MASSACHUSETTS ELECTRIC COMPANY
SUMMER LOAD RELIEF PROGRAM PROVISION

AVAILABILITY

Participation in the Company's Summer Load Relief Program ("Program") is available to customers in the Everett area served by the Thorndike substation, the E. Longmeadow area served by the 508L4 feeder from the E. Longmeadow substation, and the Brockton area served by the Belmont St., Ames St., and Parkview substations that are also receiving retail delivery service under the Company's General Service Time-of-Use Rate G-3. Eligible customers must have hourly metering at their facilities and be able to designate as Projected kW Reduction of at least 50 kW.

A customer participating in the Program must execute a service agreement, subject to the Company's approval, which sets forth the specific requirements of the customer and the Company.

The Company reserves the right to limit participation in the Program. The Company will notify enrolled customers prior to the Program Period of each year of its intent to offer the Program during the upcoming Program Period.

DEFINITIONS

These definitions are based on the current ISO-NE definitions, as may be amended from time to time by the ISO-NE.

Baseline-to-Actual Adjustment: For the hour that is two hours prior to the Interruption, the difference between the average of the 15-minute integrated load, as measured by the Company's metering equipment in kilowatts or 90% of kilovolt-amperes, whichever is larger, and the Baseline Load.

Baseline Load: For each hour of the Interruption and for the hour that is two hours prior to the Interruption, the average of the 15-minute integrated load, as measured by the Company's metering equipment in kilowatts or 90% of kilovolt-amperes, whichever is larger, during each of the five business days (excluding holidays, shutdowns, and days having called interruptions) immediately prior to the Interruption.

Curtailed Load: For each hour of the Interruption, the difference between the Expected Load and the average of the 15-minute integrated load, as measured by the Company's metering equipment in kilowatts or 90% of kilovolt-amperes, whichever is larger. In no event shall the Curtailed Load exceed the Expected Load.

Expected Load: For each hour of the Interruption, the Baseline Load adjusted by the Baseline-to-Actual Adjustment.

MASSACHUSETTS ELECTRIC COMPANY
SUMMER LOAD RELIEF PROGRAM PROVISION

Interruption: Any particular day of the year chosen by the Company or its designated agent during which the customer, after proper notification by the Company via the established communication system, agrees that it will curtail its load requirements provided by the Company by the level of Nominal Interruptible Load. Each Interruption will have specified hours.

Interruption Period Load: The average of the 15-minute integrated load, as measured by the Company's metering equipment in kilowatts or as 90% of kilovolt-amperes, whichever is larger, during the specified hours of the Interruption.

Projected kW Reduction: The amount of KW that the customer commits to curtail during the hours of Interruption. This quantity is determined prior to and will be fixed for the Program Period.

Peak Period: Non-holiday weekdays during the hours of 7 am and 11 pm.

Program Period: June 1 through September 30.

RATES FOR RETAIL DELIVERY SERVICE

The customer shall be billed by and pay the Company for kWh delivered to the customer during a billing month in accordance with the Company's General Service Time-of-Use Rate G-3, as may be amended from time to time.

METHOD OF NOTIFICATION

The Company will provide advance notice of an interruption to the customer by means of a message sent to a Primary Contact and/or Secondary Contact as per the contact information in Appendix A of the agreement. The minimum period of notification will be thirty (30) minutes. The customer must send return notification by means of an e-mail or telephone call to the Company to confirm that the customer will be participating in the Interruption.

CREDIT CALCULATION

The credit will consist of two components:

1. Performance Credit

The Performance Credit will be calculated for each hour of Interruption and will be determined by the following formula:

Credit= Credit per kWh x each hour's Curtailed Load

MASSACHUSETTS ELECTRIC COMPANY
SUMMER LOAD RELIEF PROGRAM PROVISION

The Performance Credit will be calculated individually for each hour of each Interruption called by the Company and will appear as a credit on the customer's monthly retail delivery service bill issued by the Company. The Credit will be applied to the customer's account within 90 days of the Interruption.

2. Retainer Credit

For customers who have received notification under the Availability Clause that the Company is offering the Program during the upcoming Program Period, the Company will credit customers' accounts no later than November 30 following a Program Period a monthly retainer of \$3 per enrolled kW for each of the months of June, July, and August of that Program Period. The monthly retainer may be adjusted up or down based on a customer's actual performance during each of the months after a call(s) for interruption by the Company. In addition to operational calls for curtailment, the Company will conduct tests of the load shed capability of enrolled customers once a month. During tests and calls for curtailment, the customer will be required to curtail an average of at least 50% of the enrolled kW in each month in order to continue to receive the full retainer for the current month. In the event the customer is able to consistently curtail additional kW that is at least 50% above the enrolled kW, the Company may adjust the retainer to reflect the higher kW.

CREDIT PER KWH

The Credit per kWh that the customer will earn for Curtailed Load during an Interruption called by the Company shall be \$0.50 per kWh.

TERM OF AGREEMENT

The agreement for service under these terms and conditions shall remain in effect until the first to occur of: (1) October 1, 2008; or (2) termination by the Company or the customer by a minimum of thirty (30) days advance written notice.

ENROLLMENT IN ISO-NE PROGRAM

The Customer will be enrolled in the appropriate ISO-NE price response program in addition to participating in this program.

Effective: June 1, 2006

Attachment 2

Proposed Tariff – Marked to Show Changes

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MASSACHUSETTS ELECTRIC COMPANY
SUMMER LOAD RELIEF PROGRAM PROVISION

AVAILABILITY

Participation in the Company’s Summer Load Relief Program (“Program”) is available to customers in the Everett are served by the Thorndike substation, the E. Longmeadow area served by the 508L4 feeder from the E. Longmeadow substation, and the Brockton area served by the Belmont St., Ames St., and Parkview substations that are also receiving retail delivery service under the Company’s General Service Time-of-Use Rate G-3. Eligible customers must have hourly metering at their facilities and be able to designate as Projected kW Reduction of at least 50 kW.

Deleted: North Lowell area fed from the Boulevard, Hoover St., Worthen St, or Perry St. substations, the Dracut area served by the E. Dracut or N. Dracut substations, the

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A customer participating in the Program must execute a service agreement, subject to the Company’s approval, which sets forth the specific requirements of the customer and the Company.

The Company reserves the right to limit participation in the Program. The Company will notify enrolled customers prior to the Program Period of each year of its intent to offer the Program during the upcoming Program Period.

DEFINITIONS

These definitions are based on the current ISO-NE definitions, as may be amended from time to time by the ISO-NE.

Baseline-to-Actual Adjustment: For the hour that is two hours prior to the Interruption, the difference between the average of the 15-minute integrated load, as measured by the Company’s metering equipment in kilowatts or 90% of kilovolt-amperes, whichever is larger, and the Baseline Load.

Baseline Load: For each hour of the Interruption and for the hour that is two hours prior to the Interruption, the average of the 15-minute integrated load, as measured by the Company’s metering equipment in kilowatts or 90% of kilovolt-amperes, whichever is larger, during each of the five business days (excluding holidays, shutdowns, and days having called interruptions) immediately prior to the Interruption.

Curtailed Load: For each hour of the Interruption, the difference between the Expected Load and the average of the 15-minute integrated load, as measured by the Company’s metering equipment in kilowatts or 90% of kilovolt-amperes, whichever is larger. In no event shall the Curtailed Load exceed the Expected Load.

Expected Load: For each hour of the Interruption, the Baseline Load adjusted by the Baseline-to-Actual Adjustment.

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MASSACHUSETTS ELECTRIC COMPANY
SUMMER LOAD RELIEF PROGRAM PROVISION

Interruption: Any particular day of the year chosen by the Company or its designated agent during which the customer, after proper notification by the Company via the established communication system, agrees that it will curtail its load requirements provided by the Company by the level of Nominal Interruptible Load. Each Interruption will have specified hours.

Interruption Period Load: The average of the 15-minute integrated load, as measured by the Company's metering equipment in kilowatts or as 90% of kilovolt-amperes, whichever is larger, during the specified hours of the Interruption.

Projected kW Reduction: The amount of KW that the customer commits to curtail during the hours of Interruption. This quantity is determined prior to and will be fixed for the Program Period.

Peak Period: Non-holiday weekdays during the hours of 7 am and 11 pm.

Program Period: June 1 through September 30.

RATES FOR RETAIL DELIVERY SERVICE

The customer shall be billed by and pay the Company for kWh delivered to the customer during a billing month in accordance with the Company's General Service Time-of-Use Rate G-3, as may be amended from time to time.

METHOD OF NOTIFICATION

The Company will provide advance notice of an interruption to the customer by means of a message sent to a Primary Contact and/or Secondary Contact as per the contact information in Appendix A of the agreement. The minimum period of notification will be thirty (30) minutes. The customer must send return notification by means of an e-mail or telephone call to the Company to confirm that the customer will be participating in the Interruption.

CREDIT CALCULATION

The credit will consist of two components:

1. **Performance Credit**

The Performance Credit will be calculated for each hour of Interruption and will be determined by the following formula:

Credit= Credit per kWh x each hour's Curtailed Load

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MASSACHUSETTS ELECTRIC COMPANY
SUMMER LOAD RELIEF PROGRAM PROVISION

The Performance Credit will be calculated individually for each hour of each Interruption called by the Company and will appear as a credit on the customer's monthly retail delivery service bill issued by the Company. The Credit will be applied to the customer's account within 90 days of the Interruption.

2. Retainer Credit

For customers who have received notification under the Availability Clause that the Company is offering the Program during the upcoming Program Period, the Company will credit customers' accounts no later than November 30 following a Program Period a monthly retainer of \$3 per enrolled kW for each of the months of June, July, and August of that Program Period. The monthly retainer may be adjusted up or down based on a customer's actual performance during each of the months after a call(s) for interruption by the Company. In addition to operational calls for curtailment, the Company will conduct tests of the load shed capability of enrolled customers once a month. During tests and calls for curtailment, the customer will be required to curtail an average of at least 50% of the enrolled kW in each month in order to continue to receive the full retainer for the current month. In the event the customer is able to consistently curtail additional kW that is at least 50% above the enrolled kW, the Company may adjust the retainer to reflect the higher kW.

CREDIT PER KWH

The Credit per kWh that the customer will earn for Curtailed Load during an Interruption called by the Company shall be \$0.50 per kWh.

TERM OF AGREEMENT

The agreement for service under these terms and conditions shall remain in effect until the first to occur of: (1) October 1, 2008; or (2) termination by the Company or the customer by a minimum of thirty (30) days advance written notice.

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ENROLLMENT IN ISO-NE PROGRAM

The Customer will be enrolled in the appropriate ISO-NE price response program in addition to participating in this program.

Effective: June 1, 2006

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Attachment 3

Proposed Service Agreement – Clean



Summer Load Relief Program Agreement

This Agreement, dated _____, 200_ (“Effective Date”), is entered into between Massachusetts Electric Company (“Company”), with a principal address at 55 Bearfoot Road, Northborough, MA 01532 and _____ (“Customer”) who has an electric account with Company at the address and account specified below:

Account # _____

Customer’s “Projected kW reduction” (kW available for curtailment at above account) under this Agreement is: _____ kW

1. Program Summary

The Company is offering a Summer Load Relief Program (“Program”) in order to manage load at a targeted substation (“Substation”) to ensure reliability and help determine the feasibility of load management as a planning tool for infrastructure improvements. This program will allow customers to monitor their electric load and voluntarily reduce energy consumption during certain periods determined by the Company.

2. Customer Eligibility

The Program is available only to customers who meet all of the following criteria:

- a) their electric load is fed from one of the locations outlined in the 2006 filing with the MA DTE
- b) have a demand of 100 kW or greater;
- c) are capable of curtailing a minimum of 50 kW;
- d) are available for interruption between 10 am and 7 pm on all non-holiday weekdays;
- e) have hourly load metering in place

By executing this Agreement, Customer acknowledges that it meets the above eligibility criteria and will continue to meet the criteria throughout the term of the Agreement. In addition, the Customer authorizes Massachusetts Electric Company to enroll the Customer in the ISO-NE’s price response program in effect for the applicable year

3. No Third Party Rights

Customer has no further right to use, sublicense, distribute, transfer or transmit the Company’s services or otherwise permit the use of the Company’s services by or for any third party.

4. Procedure for Requests to Reduce Load

As a participant in the Program, the Company will notify the Customer when the Company foresees the need for a load curtailment event.

Customer shall provide a primary and secondary contact person's name and information for notification by the Company of a load reduction opportunity on Appendix A. The Company will send a message to the Primary Contact and/or Secondary Contact as per the contact information in Appendix A.

The schedule for load curtailment and the cessation of load curtailment will be coordinated by the procedures of the Company.

5. Credits to Customer for Actual Interruptions

The credit will consist of two components:

- 1) The Company will credit customers' accounts no later than November 30 of a Program Period a monthly retainer of \$3 per enrolled kW for each of the months of July and August of the 2006 Program Period, and the months of June, July, and August of the 2007 and 2008 Program Period. The monthly retainer may be adjusted up or down based on a customer's actual performance during each of the months after a call(s) for interruption by the Company. In addition to operational calls for curtailment, the Company will conduct tests of the load shed capability of enrolled customers once a month. During tests and calls for curtailment, the customer will be required to curtail an average of at least 50% of the enrolled kW in each month in order to continue to receive the full retainer for the current month. In the event the customer is able to consistently curtail additional kW that is at least 50% above the enrolled kW, the Company may adjust the retainer to reflect the higher kW.
- 2) An additional performance credit will be calculated for each hour of Interruption and will be determined by the following formula:

$$\text{Performance Credit} = \$0.50 \times \text{each hour's Curtailed Load}$$

The Performance Credit will be calculated individually for each hour of each Interruption called by the Company and will be appear as a credit on the customer's monthly retail delivery service bill issued by the Company. The Credit will be applied to the customer's account within 90 days of the Interruption. Customer will receive compensation for any committed and performed curtailments in which the Company calls for curtailment due to loading at the Substations. The "*Calculated Reduction*" will be determined by the metering equipment, by comparing Customer's baseline historical load profile to Customer's actual load consumption during the curtailment period. The baseline profile is determined by using the last 5 business days (which excludes holidays and shutdowns) without interruption and then adjusted to the actual usage for the two hours preceding the curtailment. (See example in Appendix B.)

If there is any disagreement regarding the Calculated Reduction, the Company's final determination of how much load reduction from Customer's facility was actually achieved for payments under its Load Curtailment Rules shall control. Customer will receive this load reduction credit within 90 days of the called event.

6. Agreement Term

- (a) This Agreement shall remain in effect from the Effective Date through October 1, 2008, unless terminated by either party with thirty (30) days written notice.
- (b) Any obligation by Company to make payments to Customer for past performance as of the termination date shall survive termination of the Agreement.

7. Notices

All notices and other communications required hereunder shall be made in writing and shall be deemed given as of the time of delivery or, in the case of a telecopied communication as of the time of confirmation, if delivered personally, telecopied (and confirmed), or sent by overnight courier (with proof of delivery) to the parties at the following addresses, or at such other address as a party shall specify by like notice:

If to the Company, to: Director of Distributed Resources
Massachusetts Electric Company
55 Bearfoot Road
Northboro, MA 01532
Phone: 508-421-7510
Fax: 508-421-7010

If to Customer, to: _____

8. Limitation of Liability

IN NO EVENT SHALL COMPANY, ITS AFFILIATES, OR ITS (OR ITS AFFILIATES') OFFICERS, DIRECTORS, EMPLOYEES, AGENTS AND SERVANTS, AND SHAREHOLDERS, BE LIABLE TO CUSTOMER OR TO ANY OTHER PARTY FOR ANY DIRECT, INDIRECT, RELIANCE, MULTIPLE, INCIDENTAL, SPECIAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES (INCLUDING, WITHOUT LIMITATION, DAMAGES UNDER MASSACHUSETTS GENERAL LAWS C. 93A, LOSS OF PROFITS OR REVENUES, DAMAGES OR COSTS INCURRED AS A RESULT OF LOSS OF TIME, LOSS OF SAVINGS, LOSS OF DATA, OR LOSS OF GOODWILL), CONNECTED WITH OR ARISING FROM THIS AGREEMENT, WHETHER OR NOT COMPANY WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, INCLUDING BUT NOT LIMITED TO DAMAGES OR COSTS RESULTING FROM THE USE OF OR INABILITY TO USE THE METERING EQUIPMENT, REGARDLESS OF WHETHER SUCH DAMAGES ARE BASED IN CONTRACT, TORT, WARRANTY, NEGLIGENCE, STRICT LIABILITY, PRODUCT LIABILITY OR OTHERWISE; PROVIDED HOWEVER, NOTHING SHALL LIMIT COMPANY'S OBLIGATION TO PAY FOR DEMAND REDUCTION AS PROVIDED HEREIN. WITHOUT LIMITING THE FOREGOING, IN NO EVENT SHALL COMPANY BE LIABLE TO CUSTOMER OR ANY THIRD PARTY IN CONNECTION WITH THIS AGREEMENT FOR DAMAGES RELATING TO PHYSICAL INJURY OR PROPERTY DAMAGE.

9. Force Majeure

Any delay or failure of either party in the performance of its required obligations hereunder shall be excused if and to the extent caused by fire, flood, unusually severe weather, explosion, riot, war, sabotage, or other similar causes as long as: 1) such events are beyond the party's reasonable efforts to prevent, avoid or mitigate; 2) said party uses every reasonable effort to mitigate; and 3) prompt written notice of such delay or suspension is given by such affected party to the other.

10. Confidentiality

Each party shall protect the Proprietary Information of the other party with the same degree of protection and care it uses to protect its own Proprietary Information of a similar nature and sensitivity, but in no event less than reasonable care.

11. Miscellaneous Provisions

- (a) This Agreement constitutes the entire Agreement between the Parties and supersedes all previous understandings, commitments or representations concerning the subject matter. No amendments or modifications to this Agreement may be made except in writing signed by both parties. If a final decision of a court of competent jurisdiction holds invalid any part or portion of this Agreement, such part or portion shall be modified to the extent strictly necessary (including, if necessary, deletion) to make such part or portion valid and enforceable, and such modified part or portion, together with the balance of the Agreement shall be valid and binding on the parties.
- (b) Company is under no obligation to call upon Customer to reduce its load.
- (c) If any of the provisions of this Agreement are inconsistent with obligations that Customer has under an electric power supply contract with a supplier, Customer has the obligation to notify Company of such inconsistencies.
- (d) Company will credit Customer's electric bill for payments under this Agreement.
- (e) The Agreement Term will consist of program periods covering the period June 1 through September 30 2006 thru 2008.
- (f) This Agreement shall be governed by the laws of the Commonwealth of Massachusetts, without regard to the conflict of laws principles contained therein.

Each Party has had its authorized representative execute this Agreement below.

Customer Name

Massachusetts Electric Company

By: _____
(please sign)

By: _____
(please sign)

By: _____
(please print)

By: _____
(please print)

Title: _____

Title: _____

Date: _____

Date: _____



**Summer Load Relief Program Agreement
APPENDIX A**

Customer Questionnaire

Company Name: _____

Electric Account Number: _____

Facility Address: _____

Facility Phone Number (with A/C): _____

MECO Account Manager: _____

Facility Management

Facility Manager Name: _____

Phone Number: _____

Email address: _____

Who is your primary contact for facility access?

Name: _____

Phone Number: _____

Email Address: _____

Pager Number: _____

Fax Number: _____

Who is your secondary contact?

Name: _____

Phone Number: _____

Email Address: _____

Pager Number: _____

Fax Number: _____

Project Management

In order for the Company to provide effective implementation services and on-going support it is beneficial to have one primary contact within the facility, please provide the necessary contact information.

Project Manager Name: _____

Phone Number: _____

Email Address: _____

Pager Number: _____

Fax Number: _____

In the event of a curtailment opportunity from the Company, who is the primary contact for notification?

Name: _____

Phone Number: _____

Email Address: _____

Pager Number: _____

Cell Phone Number: _____

Fax Number: _____

Who is your secondary contact?

Name: _____

Phone Number: _____

Email Address: _____

Pager Number: _____

Cell Phone Number: _____

Fax Number: _____

Please provide, in rank order with '1' being the most preferred and '2' being second, the method of notification.

Email Other E-mail Addressable Device (Pager, PDA, cell phone, etc.)

Contact Information:

Email Address: _____

Pager Address: _____

Device Address: _____

Interruptible Capacity Questions:

How is the load reduction going to occur at your facility?

- _____ Electric load reduced/cut
- _____ Generation started
- _____ Combination of load reduction and generation

If combination of both, give specifics on how to differentiate between the two:

If a generator is going to be started, please provide the following information:

Fuel Type to be used: ___ Diesel ___ Gasoline ___ Natural Gas
 ___ Other (please provide: _____)

Fuel Characteristics (sulfur content & Btu/lbs LHV/HHV):

How will fuel be measured and recorded?

Type of generation unit – make and model:

Approximate age of the generation unit: _____

Size of the generation unit (Rating capacity): _____ kW

Permit or registration status of generating unit (must include explanation if no environmental permit is required): _____

Emission rates of the generating unit (in Lbs/kWh or Lbs/MMBTU):
(please use either from emissions testing or manufacturer documents if emissions test data not available)

Emissions rate per hour of Nitrogen Oxide (NOX): _____

Emissions rate per hour of Sulfur Dioxide (SO2): _____

Emissions rate per hour of Carbon Dioxide (CO2): _____

Thank you for taking the time to complete this survey so that we have a better understanding of your needs, and can provide better service.

2006 Load Curtailment Program
Appendix B

Sample Baseline and Credit Calculation

Step 1: Obtain hourly load data for Call Day

Step 2: Obtain hourly load data for Similar Previous Day (average of last five business days without interruption)

Step 3: Determine Adjustment Load (AL). $AL = \text{Load on Call Day for two hours prior to call time} - \text{Load on Similar Previous Day for two hours prior to call time}$

Step 4: For each interruption hour, calculate Expected Load (EL). $EL = \text{Load on Similar Previous Day} + AL$

Step 5: For each interruption hour, calculate Load Reduction (LR). $LR = EL - \text{Actual Load}$

MECO LR Program Example Calculations

| Time | 2 Hrs Prior | 1 hr prior | Start Time | | | End Time |
|------------------------------------|-------------|------------|------------|---------|---------|----------|
| Sample times | 11:00 AM | 12:00 PM | 1:00 PM | 2:00 PM | 3:00 PM | 4:00 PM |
| Load on Similar Previous Day | 425 | 425 | 460 | 460 | 470 | 470 |
| Adjustment Load (AL) | | | 25 | 25 | 25 | 25 |
| Expected Load (EL) | | | 485 | 485 | 495 | 495 |
| Actual Load on Call Day | 450 | 450 | 460 | 400 | 360 | 350 |
| Actual Load Reduction (LR) | | | | 85 | 135 | 145 |
| Credit earned (\$500 per MWh) | | | | \$42.50 | \$67.50 | \$72.50 |
| Total Performance Credit | | | | | | \$182.50 |
| Enrolled kW | 100 | | | | | |
| Retainer Credit (\$3 / kW / Month) | \$300.00 | | | | | |
| Total Credits earned | \$482.50 | | | | | |

ISO-NE Price Response Program Example Calculations

| Time | 2 Hrs Prior | 1 hr prior | Start Time | | | End Time |
|--|-------------|------------|------------|----------|----------|----------|
| Sample times | 11:00 AM | 12:00 PM | 1:00 PM | 2:00 PM | 3:00 PM | 4:00 PM |
| Assumed Energy Clearing Prices at ISO-NE (\$/MWH) | | | | \$150.00 | \$400.00 | \$200.00 |
| Load on Similar Previous Day | 425 | 425 | 460 | 460 | 470 | 470 |
| Adjustment Load (AL) | | | 25 | 25 | 25 | 25 |
| Expected Load (EL) | | | 485 | 485 | 495 | 495 |
| Actual Load on Call Day | 450 | 450 | 460 | 400 | 360 | 350 |
| Actual Load Reduction (LR) | | | | 85 | 135 | 145 |
| Credit earned for Hour 1 | | | | \$10.84 | | |
| Credit earned for Hour 2 | | | | | \$45.90 | |
| Credit earned for Hour 3 | | | | | | \$24.65 |
| Total ISO-NE Credit | | | | | | \$81.39 |
| Total Credits if ISO-NE and MECo call at same time | \$563.89 | | | | | |

All loads are in kW.

Attachment 4

Proposed Service Agreement – Marked to Show Changes

Summer Load Relief Program Agreement

This Agreement, dated _____, 200_ (“Effective Date”), is entered into between Massachusetts Electric Company (“Company”), with a principal address at 55 Bearfoot Road, Northborough, MA 01532 and _____ (“Customer”) who has an electric account with Company at the address and account specified below:

Account # _____

Customer’s “Projected kW reduction” (kW available for curtailment at above account) under this Agreement is: _____ kW

1. Program Summary

The Company is offering a Summer Load Relief Program (“Program”) in order to manage load at a targeted substation (“Substation”) to ensure reliability and help determine the feasibility of load management as a planning tool for infrastructure improvements. This program will allow customers to monitor their electric load and voluntarily reduce energy consumption during certain periods determined by the Company.

2. Customer Eligibility

The Program is available only to customers who meet all of the following criteria:

- a) their electric load is fed from one of the locations outlined in the 2006 filing with the MA DTE
- b) have a demand of 100 kW or greater;
- c) are capable of curtailing a minimum of 50 kW;
- d) are available for interruption between 10 am and 7 pm on all non-holiday weekdays;
- e) have hourly load metering in place

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By executing this Agreement, Customer acknowledges that it meets the above eligibility criteria and will continue to meet the criteria throughout the term of the Agreement. In addition, the Customer authorizes Massachusetts Electric Company to enroll the Customer in the ISO-NE’s price response program in effect for the applicable year

3. No Third Party Rights

Customer has no further right to use, sublicense, distribute, transfer or transmit the Company’s services or otherwise permit the use of the Company’s services by or for any third party.

4. Procedure for Requests to Reduce Load

As a participant in the Program, the Company will notify the Customer when the Company foresees the need for a load curtailment event.

Customer shall provide a primary and secondary contact person's name and information for notification by the Company of a load reduction opportunity on Appendix A. The Company will send a message to the Primary Contact and/or Secondary Contact as per the contact information in Appendix A.

The schedule for load curtailment and the cessation of load curtailment will be coordinated by the procedures of the Company.

5. Credits to Customer for Actual Interruptions

The credit will consist of two components:

- 1) The Company will credit customers' accounts no later than November 30 of a Program Period a monthly retainer of \$3 per enrolled kW for each of the months of July and August of the 2006, Program Period, and the months of June, July, and August of the 2007, and 2008, Program Period. The monthly retainer may be adjusted up or down based on a customer's actual performance during each of the months after a call(s) for interruption by the Company. In addition to operational calls for curtailment, the Company will conduct tests of the load shed capability of enrolled customers once a month. During tests and calls for curtailment, the customer will be required to curtail an average of at least 50% of the enrolled kW in each month in order to continue to receive the full retainer for the current month. In the event the customer is able to consistently curtail additional kW that is at least 50% above the enrolled kW, the Company may adjust the retainer to reflect the higher kW.
- 2) An additional performance credit will be calculated for each hour of Interruption and will be determined by the following formula:

$$\text{Performance Credit} = \$0.50 \times \text{each hour's Curtailed Load}$$

The Performance Credit will be calculated individually for each hour of each Interruption called by the Company and will appear as a credit on the customer's monthly retail delivery service bill issued by the Company. The Credit will be applied to the customer's account within 90 days of the Interruption. Customer will receive compensation for any committed and performed curtailments in which the Company calls for curtailment due to loading at the Substations. The "Calculated Reduction" will be determined by the metering equipment, by comparing Customer's baseline historical load profile to Customer's actual load consumption during the curtailment period. The baseline profile is determined by using the last 5 business days (which excludes holidays and shutdowns) without interruption and then adjusted to the actual usage for the two hours preceding the curtailment. (See example in Appendix B.)

If there is any disagreement regarding the Calculated Reduction, the Company's final determination of how much load reduction from Customer's facility was actually achieved for payments under its Load Curtailment Rules shall control. Customer will receive this load reduction credit within 90 days of the called event.

6. Agreement Term

- (a) This Agreement shall remain in effect from the Effective Date through October 1, 2008, unless terminated by either party with thirty (30) days written notice.
- (b) Any obligation by Company to make payments to Customer for past performance as of the termination date shall survive termination of the Agreement.

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7. Notices

All notices and other communications required hereunder shall be made in writing and shall be deemed given as of the time of delivery or, in the case of a telecopied communication as of the time of confirmation, if delivered personally, telecopied (and confirmed), or sent by overnight courier (with proof of delivery) to the parties at the following addresses, or at such other address as a party shall specify by like notice:

If to the Company, to: Director of Distributed Resources
Massachusetts Electric Company
55 Bearfoot Road
Northboro, MA 01532
Phone: 508-421-7510
Fax: 508-421-7010

If to Customer, to: _____

8. Limitation of Liability

IN NO EVENT SHALL COMPANY, ITS AFFILIATES, OR ITS (OR ITS AFFILIATES') OFFICERS, DIRECTORS, EMPLOYEES, AGENTS AND SERVANTS, AND SHAREHOLDERS, BE LIABLE TO CUSTOMER OR TO ANY OTHER PARTY FOR ANY DIRECT, INDIRECT, RELIANCE, MULTIPLE, INCIDENTAL, SPECIAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES (INCLUDING, WITHOUT LIMITATION, DAMAGES UNDER MASSACHUSETTS GENERAL LAWS C. 93A, LOSS OF PROFITS OR REVENUES, DAMAGES OR COSTS INCURRED AS A RESULT OF LOSS OF TIME, LOSS OF SAVINGS, LOSS OF DATA, OR LOSS OF GOODWILL), CONNECTED WITH OR ARISING FROM THIS AGREEMENT, WHETHER OR NOT COMPANY WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, INCLUDING BUT NOT LIMITED TO DAMAGES OR COSTS RESULTING FROM THE USE OF OR INABILITY TO USE THE METERING EQUIPMENT, REGARDLESS OF WHETHER SUCH DAMAGES ARE BASED IN CONTRACT, TORT, WARRANTY, NEGLIGENCE, STRICT LIABILITY, PRODUCT LIABILITY OR OTHERWISE; PROVIDED HOWEVER, NOTHING SHALL LIMIT COMPANY'S OBLIGATION TO PAY FOR DEMAND REDUCTION AS PROVIDED HEREIN. WITHOUT LIMITING THE FOREGOING, IN NO EVENT SHALL COMPANY BE LIABLE TO CUSTOMER OR ANY THIRD PARTY IN CONNECTION WITH THIS AGREEMENT FOR DAMAGES RELATING TO PHYSICAL INJURY OR PROPERTY DAMAGE.

9. Force Majeure

Any delay or failure of either party in the performance of its required obligations hereunder shall be excused if and to the extent caused by fire, flood, unusually severe weather, explosion, riot, war, sabotage, or other similar causes as long as: 1) such events are beyond the party's reasonable efforts to prevent, avoid or mitigate; 2) said party uses every reasonable effort to mitigate; and 3) prompt written notice of such delay or suspension is given by such affected party to the other.

10. Confidentiality

Each party shall protect the Proprietary Information of the other party with the same degree of protection and care it uses to protect its own Proprietary Information of a similar nature and sensitivity, but in no event less than reasonable care.

11. **Miscellaneous Provisions**

- (a) This Agreement constitutes the entire Agreement between the Parties and supersedes all previous understandings, commitments or representations concerning the subject matter. No amendments or modifications to this Agreement may be made except in writing signed by both parties. If a final decision of a court of competent jurisdiction holds invalid any part or portion of this Agreement, such part or portion shall be modified to the extent strictly necessary (including, if necessary, deletion) to make such part or portion valid and enforceable, and such modified part or portion, together with the balance of the Agreement shall be valid and binding on the parties.
- (b) Company is under no obligation to call upon Customer to reduce its load.
- (c) If any of the provisions of this Agreement are inconsistent with obligations that Customer has under an electric power supply contract with a supplier, Customer has the obligation to notify Company of such inconsistencies.
- (d) Company will credit Customer's electric bill for payments under this Agreement.
- (e) The Agreement Term will consist of program periods covering the period ~~June 1 through September 30 2006 thru 2008~~
- (f) This Agreement shall be governed by the laws of the Commonwealth of Massachusetts, without regard to the conflict of laws principles contained therein.

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Each Party has had its authorized representative execute this Agreement below.

| | |
|----------------|--------------------------------|
| _____ | Massachusetts Electric Company |
| Customer Name | |
| By: _____ | By: _____ |
| (please sign) | (please sign) |
| By: _____ | By: _____ |
| (please print) | (please print) |
| Title: _____ | Title: _____ |
| Date: _____ | Date: _____ |

**Summer Load Relief Program Agreement
APPENDIX A**

Customer Questionnaire

Company Name: _____

Electric Account Number: _____

Facility Address: _____

Facility Phone Number (with A/C): _____

MECO Account Manager: _____

Facility Management

Facility Manager Name: _____

Phone Number: _____

Email address: _____

Who is your primary contact for facility access?

Name: _____

Phone Number: _____

Email Address: _____

Pager Number: _____

Fax Number: _____

Who is your secondary contact?

Name: _____

Phone Number: _____

Email Address: _____

Pager Number: _____

Fax Number: _____

Project Management

In order for the Company to provide effective implementation services and on-going support it is beneficial to have one primary contact within the facility, please provide the necessary contact information.

Project Manager Name: _____

Phone Number: _____

Email Address: _____

Pager Number: _____

Fax Number: _____

In the event of a curtailment opportunity from the Company, who is the primary contact for notification?

Name: _____

Phone Number: _____

Email Address: _____

Pager Number: _____

Cell Phone Number: _____

Fax Number: _____

Who is your secondary contact?

Name: _____

Phone Number: _____

Email Address: _____

Pager Number: _____

Cell Phone Number: _____

Fax Number: _____

Please provide, in rank order with '1' being the most preferred and '2' being second, the method of notification.

Email Other E-mail Addressable Device (Pager, PDA, cell phone, etc.)

Contact Information:

Email Address: _____

Pager Address: _____

Device Address: _____

Interruptible Capacity Questions:

How is the load reduction going to occur at your facility?

- ___ Electric load reduced/cut
- ___ Generation started
- ___ Combination of load reduction and generation

If combination of both, give specifics on how to differentiate between the two:

If a generator is going to be started, please provide the following information:

Fuel Type to be used: ___ Diesel ___ Gasoline ___ Natural Gas
___ Other (please provide: _____)

Fuel Characteristics (sulfur content & Btu/lbs LHV/HHV):

How will fuel be measured and recorded?

Type of generation unit – make and model:

Approximate age of the generation unit: _____

Size of the generation unit (Rating capacity): _____ kW

Permit or registration status of generating unit (must include explanation if no environmental permit is required): _____

Emission rates of the generating unit (in Lbs/kWh or Lbs/MMBTU):
(please use either from emissions testing or manufacturer documents if emissions test data not available)

Emissions rate per hour of Nitrogen Oxide (NOX): _____

Emissions rate per hour of Sulfur Dioxide (SO2): _____

Emissions rate per hour of Carbon Dioxide (CO2): _____

Thank you for taking the time to complete this survey so that we have a better understanding of your needs, and can provide better service.

Sample Baseline and Credit Calculation

- Step 1: Obtain hourly load data for Call Day
- Step 2: Obtain hourly load data for Similar Previous Day (average of last five business days without interruption)
- Step 3: Determine Adjustment Load (AL). $AL = \text{Load on Call Day for two hours prior to call time} - \text{Load on Similar Previous Day for two hours prior to call time}$
- Step 4: For each interruption hour, calculate Expected Load (EL). $EL = \text{Load on Similar Previous Day} + AL$
- Step 5: For each interruption hour, calculate Load Reduction (LR). $LR = EL - \text{Actual Load}$

MECO LR Program Example Calculations

| Time | 2 Hrs Prior | 1 hr prior | Start Time | | | End Time |
|------------------------------------|-------------|------------|------------|---------|---------|----------|
| Sample times | 11:00 AM | 12:00 PM | 1:00 PM | 2:00 PM | 3:00 PM | 4:00 PM |
| Load on Similar Previous Day | 425 | 425 | 460 | 460 | 470 | 470 |
| Adjustment Load (AL) | | | 25 | 25 | 25 | 25 |
| Expected Load (EL) | | | 485 | 485 | 495 | 495 |
| Actual Load on Call Day | 450 | 450 | 460 | 400 | 360 | 350 |
| Actual Load Reduction (LR) | | | | 85 | 135 | 145 |
| Credit earned (\$500 per MWh) | | | | \$42.50 | \$67.50 | \$72.50 |
| Total Performance Credit | | | | | | \$182.50 |
| Enrolled kW | 100 | | | | | |
| Retainer Credit (\$3 / kW / Month) | \$300.00 | | | | | |
| Total Credits earned | \$482.50 | | | | | |

ISO-NE Price Response Program Example Calculations

| Time | 2 Hrs Prior | 1 hr prior | Start Time | | | End Time |
|--|-------------|------------|------------|----------|----------|----------|
| Sample times | 11:00 AM | 12:00 PM | 1:00 PM | 2:00 PM | 3:00 PM | 4:00 PM |
| Assumed Energy Clearing Prices at ISO-NE (\$/MWH) | | | | \$150.00 | \$400.00 | \$200.00 |
| Load on Similar Previous Day | 425 | 425 | 460 | 460 | 470 | 470 |
| Adjustment Load (AL) | | | 25 | 25 | 25 | 25 |
| Expected Load (EL) | | | 485 | 485 | 495 | 495 |
| Actual Load on Call Day | 450 | 450 | 460 | 400 | 360 | 350 |
| Actual Load Reduction (LR) | | | | 85 | 135 | 145 |
| Credit earned for Hour 1 | | | | \$10.84 | | |
| Credit earned for Hour 2 | | | | | \$45.90 | |
| Credit earned for Hour 3 | | | | | | \$24.65 |
| Total ISO-NE Credit | | | | | | \$81.39 |
| Total Credits if ISO-NE and MECo call at same time | \$563.89 | | | | | |

All loads are in kW.