

**EVERSOURCE
SCHEDULE 21-ES**

Preamble

Schedule 21-ES governs the terms and conditions of service taken by Transmission Customers over the Transmission Systems of The Connecticut Light and Power Company, Public Service Company of New Hampshire, NSTAR Electric Company (West) and NSTAR Electric Company (East), and is structured as follows:

- **Schedule 21-ES (Part A)**

The portion of Schedule 21-ES that relates to The Connecticut Light and Power Company (“CL&P”), Public Service Company of New Hampshire and NSTAR Electric Company (West) (together, the “Eversource Companies”) is designated as Schedule 21-ES, Part A.

- **Schedule 21-ES (Part B)**

The portion of Schedule 21-ES that relates to NSTAR Electric Company (East) (“NSTAR East”) is designated as Schedule 21-ES, Part B.

SCHEDULE 21- ES

PART A

SCHEDULE 21-ES (PART A)

TABLE OF CONTENTS

I. Common Service Provisions

II. Local Point-To-Point Service

III. Local Network Service

IV. Rates and Charges

Schedule ES-1 (Part A): Scheduling System Control and Dispatch Service

Appendix A : Scheduling, System Control And Dispatch
Service Rates

Exhibit 1 - Determination of Annual Control Center Expenses

Exhibit 2 - CL&P Dispatch Center Revenue Requirement

Appendix B: True-up Template

Appendix C: Generation Rates

Schedule ES-2 (Part A): Local Service

Appendix A: Local Service Rates

Schedule ES-3 (Part A): Schedule 12C Costs

Appendix A: Schedule 12C Costs Rates

Attachment ES-C (Part A): Available Transfer Capability Methodology

Attachment ES-D (Part A): Penalty Disbursement Methodology

Attachment ES-E (Part A): Schedule 12C Costs Responsibility Agreement

Attachment ES-G (Part A): Network Operating Agreement

Attachment ES-L (Part A): Creditworthiness Procedures

SCHEDULE 21-ES (PART A)

LOCAL SERVICE SCHEDULE

This Local Service Schedule, designated Schedule 21-ES (Part A), governs the terms and conditions of service taken by Transmission Customers over the Transmission System of The Connecticut Light and Power Company, Public Service Company of New Hampshire and NSTAR Electric Company (West) (together, the “Eversource Companies”), but not over the Transmission System of NSTAR Electric Company (East) (“NSTAR East”), which provides service pursuant to Schedule 21-ES (Part B). Under this Service Schedule, the Eversource Companies provides Local Network Service and Local Point-to-Point Service, as well as Scheduling, System Control and Dispatch Service as an ancillary service associated with both Local Network Service and Local Point-to-Point Service. References herein to “this Local Service Schedule” refer to Schedule 21-ES (Part A).

I. COMMON SERVICE PROVISIONS

1 Definitions

Whenever used in this Local Service Schedule, in either the singular or plural number, the following capitalized terms shall have the meanings specified in this Section 1. Terms used in this Local Service Schedule that are not defined in this Local Service Schedule shall have the meanings set forth in the Tariff or customarily attributed to such terms by the electric utility industry in New England. Where there is a conflict between this Local Service Schedule and the Tariff, the terms here shall apply

1.1 Annual True-Up

The reconciliation of actual costs to actual revenues received under Section 3.0 of this Local Service Schedule for any Service Year.

1.2 Customer’s Monthly Local Service Load

The Transmission Customer's load on the Eversource Companies Transmission System coincident with the Eversource Companies' monthly transmission system peak load. This will be calculated individually for Transmission Customers in the states of Connecticut, Massachusetts, and New Hampshire based on their loads in each state, as applicable.

1.3 Customer's Monthly Schedule 12C Costs Load

The Schedule 12C Costs Customer's load for a Designated State or Area coincident with the monthly transmission system peak load for the Designated State or Area.

1.4 Designated State or Area

The state or area to which the Commission approves the allocation of Schedule 12C Costs identified in Section 13.4.

1.5 Eversource Companies

For purposes of this Schedule 21-ES (Part A), the Eversource Companies shall refer to The Connecticut Light and Power Company, NSTAR Electric Company (West), and Public Service Company of New Hampshire, but excluding NSTAR Electric Company (East), which provides transmission service pursuant to Schedule 21-ES (Part B).

1.6 Eversource Companies' Transmission System

The transmission facilities owned, controlled or operated by the Eversource Companies that are used to provide transmission service under this Local Service Schedule.

1.7 Eversource Companies' Transmission System Local Service Load for the State

The 12-month average Eversource Companies' Transmission System loads in a state coincident with the Eversource Companies' monthly transmission system peak loads, minus the 12-month average usage of all Firm Point-To-Point Service Customers pursuant to this Local Service Schedule in the state coincident with the Eversource Companies' monthly transmission system peak loads, plus the 12-month average Reserved

Capacity of all Firm Point-To-Point Service Customers in the state for the Service Year during which services is rendered (expressed in kilowatts). This will be calculated individually for the states of Connecticut, Massachusetts, and New Hampshire based on the load for each state, as applicable.

1.8 Eversource Companies' Transmission System Schedule 12C Costs Load for the Designated State or Area

The Eversource Companies' 12-month average Designated State or Area load coincident with the monthly transmission system peak load for the Designated State or Area for the Service Year during which service is rendered (expressed in kilowatts). For Connecticut customers, the transmission system peak load shall be all Regional Network Load in Connecticut. For Massachusetts customers, transmission system peak load shall exclude the load of generators taking RNS for the delivery of offline station service.

1.9 Interest

The amount computed in accordance with the Commission's regulations at 18 CFR §35.19a (a)(2)(iii). Interest on deposits shall be calculated from the day the deposit check is credited to the Eversource Service Company's account.

1.10 Interruption

A reduction in non-firm transmission service due to economic reasons pursuant to Schedule 21.

1.11 Local Network Service Load

The load that a Network Customer designates for Local Network Service under this Local Service Schedule. The Network Customer's Local Network Service Load shall include all load designated by the Network Customer, (including losses). A Network Customer may elect to designate less than its total load as Local Network Service Load but may not designate only part of the load at a discrete Point of Delivery. Where an Eligible Customer has elected not to designate a particular load at discrete Points of Delivery as Local Network Service Load, the Eligible Customer is

responsible for making separate arrangements under this Local Service Schedule for any Local Point-To-Point Service that may be necessary for such non-designated load. The Local Network Loads shall be specified in the Local Service Agreement.

1.12 Long Term Firm Local Point-To-Point Service

Firm Local Point-To-Point Service provided under this Local Service Schedule with a term of one year or more.

1.13 Network Operating Agreement

An executed agreement that contains the terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Local Network Service under Part III of this Local Service Schedule.

1.14 Network Upgrades

Modifications or additions to transmission-related facilities that are integrated with and support the Eversource Companies' overall Transmission System for the general benefit of all users of such Transmission System.

1.15 Non-Firm Local Point-to-Point Service

Local Point-To-Point Service under this Local Service Schedule that is reserved and scheduled on an as-available basis and is subject to Curtailment or Interruption as set forth in this Local Service Schedule. Non-Firm Local Point-To-Point Service is available on a stand-alone basis for periods ranging from one hour to one month.

1.16 Party(ies)

The Eversource Companies and the Transmission Customer receiving service under the Tariff.

1.17 Schedule 12C Costs

Costs for PTF that the ISO determines are not allowed recovery in Regional Network Service rates.

1.18 Schedule 12C Costs Responsibility Agreement (“CRA”)

An executed agreement that contains the terms and conditions related to the cost responsibility for Schedule 12C Costs.

1.19 Service Agreement

Service Agreement is a Local Service Agreement as defined in Attachment A to Schedule 21-Common.

1.20 Service Year

The calendar year in which the Transmission Customer is receiving service under this Local Service Schedule.

1.21 Short-Term Firm Point-To-Point Service

Firm Point-To-Point Service under this Local Service Schedule with a term of less than one year.

2. Ancillary Services

Ancillary Services are needed with transmission service to maintain reliability within and among the Control Areas affected by the transmission service. The Eversource Companies are required to provide (or offer to arrange with the New England System Operator as discussed below), and the Transmission Customer is required to purchase, the following Ancillary Service (i) Scheduling, System Control and Dispatch.

The Transmission Customer serving load within the Eversource Companies Control Area shall also obtain the following ancillary services: (i) Reactive Supply and Voltage Control from Generation Sources, (ii)

Regulation and Frequency Response, (iii) Energy Imbalance, (iv) Operating Reserve - Spinning, and (v) Operating Reserve - Supplemental.

The Transmission Customer serving load within the Eversource Companies Control Area is required to acquire the appropriate Ancillary Services, whether from the New England System Operator, the Eversource Companies, another party, or by self-supply.

The Transmission Customer may not decline the Eversource Companies' or the New England System Operator's offer of appropriate Ancillary Services unless it demonstrates that it has acquired the Ancillary Services from another source. The Transmission Customer must list in its Application which Ancillary Services it will purchase from the Eversource Companies.

If the Eversource Companies are unable to provide Scheduling, System Control and Dispatch, the Eversource Companies can fulfill their obligation to provide this Ancillary Service by acting as the Transmission Customer's agent to secure this Ancillary Service from the New England System Operator. The Transmission Customer may elect to (i) have the Eversource Companies act as its agent to obtain Scheduling, System Control and Dispatch, (ii) secure Scheduling, System Control and Dispatch directly from the New England System Operator, or from a third party.

The Eversource Companies or New England System Operator shall specify the rate treatment and all related terms and conditions in the event of an unauthorized use of Ancillary Services by the Transmission Customer.

The specific Ancillary Services, prices and/or compensation methods are described on the Schedule that is attached to and made a part of the Tariff. Three principal requirements apply to discounts for Ancillary Services provided by the Eversource Companies in conjunction with its provision of transmission service as follows: (1) any offer of a discount made by the Eversource Companies must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by

posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. A discount agreed upon for an Ancillary Service must be offered for the same period to all Eligible Customers on the Eversource Companies system.

3. Billing and Payment

3.1 Billing Procedure

Within a reasonable time after the first day of each month, Eversource Service Company shall submit an invoice to the Transmission Customer for the charges for all services furnished or costs allocated under the Tariff during the preceding month.

The invoice shall be paid by the Transmission Customer within twenty-five (25) days of the date of the invoice. All payments shall be made in immediately available funds payable to the Eversource Service Company, or by wire transfer to a bank named by the Eversource Service Company. Billing hereunder shall be based on cost estimates made by the Eversource Companies subject to Annual True-up when actual costs for the Service Year are known. The Local Service and Schedule 12C Costs Annual True-up shall be calculated in accordance with Attachment 2 of Appendix B to Attachment F, Worksheet 4 and Attachment 3 of Appendix B to Attachment F, Worksheet 5 under this OATT, respectively. The Scheduling and Dispatch Center Annual True-up will be calculated in accordance with Appendix A of Schedule ES-1 (Part A). The Annual True-up will include interest calculated in accordance with 18 C.F.R. § 35.19a(a)(2)(iii) of the Commission's regulations.

3.2 Interest on Unpaid Balances

Interest on any unpaid amounts (including amounts placed in escrow) shall be calculated in accordance with the methodology specified for interest on refunds in the Commission's regulations at 18 C.F.R. § 35.19a(a)(2)(iii). Interest on delinquent amounts shall be calculated from the due date of the bill to the date of payment. When payments are made by mail, bills shall be considered as having been paid on the date of receipt by the Eversource Service Company.

3.3 Customer Default

In the event the Transmission Customer fails, for any reason other than a billing dispute as described below, to make payment to the Eversource Service Company on or before the due date as described above, and such failure of payment is not corrected within thirty (30) calendar days after the Eversource Service Company notifies the Transmission Customer to cure such failure, a default by the Transmission Customer shall be deemed to exist. Upon the occurrence of a default, the Eversource Companies may initiate a proceeding with the Commission to terminate service but shall not terminate service until the Commission so approves any such request. In the event of a billing dispute between the Eversource Companies and the Transmission Customer, the Eversource Companies will continue to provide service under the Service Agreement as long as the Transmission Customer (i) continues to make all payments not in dispute, and (ii) pays into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If the Transmission Customer fails to meet these two requirements for continuation of service, then the Eversource Companies may provide notice to the Transmission Customer of its intention to suspend service in sixty (60) days, in accordance with Commission policy. Neither Party shall have the right to challenge any monthly bill or to bring any court or administrative action of any kind questioning the propriety of any bill after a period of twenty-four (24) months from the date the bill was due; provided, however, that in the case of a bill based on estimates, such twenty-four month period shall run from the due date of the final adjusted bill.

4. Creditworthiness: See Attachment ES-L (Part A).

II. LOCAL POINT-TO-POINT SERVICE

Scheduling of Local Point-To-Point Service:

ISO will dispatch all resources subject to its control, pursuant to Market Rule 1, in order to meet load and to accommodate external transactions. Resources within the New England Control Area using Firm Point-to-Point Service shall be dispatched based on economic merit in accordance with Market Rule 1 and will have no physical scheduling or dispatch rights. Transmission Customers will be charged for congestion costs and any other costs associated with such dispatch in accordance with Market Rule 1.

5. Nature of Firm Point-To-Point Service**5.1 Classification of Firm Transmission Service**

The Transmission Customer will be billed for its Reserved Capacity under the terms of Schedule ES-2 (Part A), as appropriate, for Long-Term and Short-Term Firm Point-To-Point Service. In the event that either a Transmission Customer has not made a capacity reservation, or a Transmission Customer exceeds its firm capacity reservation at the Point of Receipt and Point of Delivery the Transmission Customer shall be billed and pay for its actual use of such excess capacity in addition to any Reserved Capacity pursuant to Schedule ES-2 (Part A), including ancillary services provided pursuant to Schedule ES-1 (Part A) hereto.

6. Nature of Non-Firm Point-To-Point Service**6.1 Classification of Non-Firm Point-To-Point Service**

The Transmission Customer will be billed for its Reserved Capacity under the terms of Schedule ES-2 (Part A), as appropriate, for Non-Firm Point-To-Point Service. In the event that either a Transmission Customer has not made a capacity reservation, or a Transmission Customer exceeds its non-firm capacity reservation at any Point of Receipt or Point of Delivery, the Transmission Customer shall be billed and pay for its actual use of such excess capacity in addition to any Reserved Capacity pursuant to Schedule ES-2 (Part A), including ancillary services provided pursuant to Schedule ES-1 (Part A) hereto. Non-Firm Point-To-Point Service shall include

transmission of energy on an hourly basis and transmission of scheduled short-term capacity and/or energy on a daily, weekly or monthly basis, but not to exceed one month's reservation for any one Application, under Schedule ES-2 (Part A).

7. Service Availability

7.1 Real Power Losses

Real Power Losses are associated with all transmission service. The Eversource Companies are not obligated to provide Real Power Losses. The Transmission Customer is responsible for replacing losses associated with all transmission service as determined under Market Rule 1. The applicable Real Power Loss factors are as follows:

The amount of transmission losses incurred in transmitting power from the POR(s) to the POD(s) ("Loss Amount") shall be determined from time to time by the New England System Operator in accordance with ISO procedures applicable at the time of delivery. The Loss Amounts, when determined by the New England System Operator, shall be posted on the Eversource Companies' OASIS. In the event that the New England System Operator, for any reason, does not determine the entire Loss Amount, the losses not determined by the New England System Operator shall be based on average system losses as set forth below:

POR/POD	Cumulative Losses in Percent		
	Peak*	Off-Peak	24 Hr. Avg.
Bulk Transmission	1.98	2.42	2.21
Bulk Substation	2.46	2.92	2.70
Pri. Distribution	4.58	4.50	4.54

*Peak hours are defined as 0700-2300, Monday-Friday; Off-Peak hours are all other hours.

8 Procedures for Arranging Firm Point-To-Point Service

8.1 Deposit

A Completed Application for Firm Point-To-Point Service also shall include a deposit of either three month's charge for Reserved Capacity or the full charge for Reserved Capacity for service requests of less than one month.

9. Additional Study Procedures For Firm Point-To-Point Service Requests:

9.1 Disbursement Methodology for Late Study Penalties

See Attachment ES-D (Part A).

III. LOCAL NETWORK SERVICE

10. Nature of Local Network Service

10.1 Real Power Losses

Real Power Losses are associated with all transmission service. The Eversource Companies are not obligated to provide Real Power Losses. The Network Customer is responsible for replacing losses associated with all transmission service as determined under Market Rule 1. The applicable Real Power Loss factors are as follows:

The amount of transmission losses incurred in transmitting power across the Eversource Companies Transmission System to the Network Customer's Local Network Service Load shall be determined from time to time by the New England System Operator in accordance with ISO procedures applicable at the time of delivery. The Loss Amounts, when determined by the New England System Operator, shall be posted on the OASIS. In the event that the New England

System Operator, for any reason, does not determine the entire Loss Amount, the losses not determined by the New England System Operator shall be based on average system losses as set forth below:

	Cumulative Losses in Percent		
	Peak*	Off-Peak	24 Hr. Avg.
POR/POD			
Bulk Transmission	1.98	2.42	2.21
Bulk Substation	2.46	2.92	2.70
Pri. Distribution	4.58	4.50	4.54

*Peak hours are defined as 0700-2300, Monday-Friday; Off-Peak hours are all other hours.

11. Network Resources

11.1 Use of Interface Capacity by the Network Customer

There is no limitation upon a Network Customer's use of the Eversource Companies' Transmission System at any particular interface to integrate the Network Customer's Network Resources (or substitute economy purchases) with its Local Network Service Loads. However, a Network Customer's use of the Eversource Companies' total interface capacity with other transmission systems may not exceed the Network Customer's Load.

12. Additional Study Procedures For Local Network Service Requests

12.1 Disbursement Methodology for Late Study Penalties See Attachment ES-D (Part A)

13. Operating Arrangements

13.1 Operation under the Network Operating Agreement

The Network Customer shall plan, construct, operate and maintain its facilities in accordance with Good Utility Practice and in conformance with the Network Operating Agreement.

13.2 Network Operating Agreement

The terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Part III of the Tariff shall be specified in the Network Operating Agreement. The Network Operating Agreement shall provide for the Parties to (i) operate and maintain equipment necessary for integrating the Network Customer within the Eversource Companies Transmission System (including, but not limited to, remote terminal units, metering, communications equipment and relaying equipment), (ii) transfer data between the Eversource Companies and the Network Customer (including, but not limited to, heat rates and operational characteristics of Network Resources, generation schedules for units outside the Eversource Companies Transmission System, interchange schedules, unit outputs for redispatch, voltage schedules, loss factors and other real time data), (iii) use software programs required for data links and constraint dispatching, (iv) exchange data on forecasted loads and resources necessary for long-term planning, and (v) address any other technical and operational considerations required for implementation of Part III of the Tariff, including scheduling protocols. The Network Operating Agreement will recognize that the Network Customer shall either (i) operate as a Control Area under applicable guidelines of the North American Electric Reliability Council (NERC) and the Northeast Power Coordinating Council (NPCC), (ii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with the Eversource Companies, or (iii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with another entity, consistent with Good Utility Practice, which satisfies NERC and NPCC requirements. The Eversource Companies shall not unreasonably refuse to accept contractual arrangements with

another entity for Ancillary Services. The Network Operating Agreement is included in Attachment ES-G (Part A).

IV. Rates and Charges

The Transmission Customer shall pay the Eversource Service Company for any Direct Assignment Facilities, Ancillary Services, and applicable study costs, consistent with Commission policy, along with the following:

14.1 Local Services

Rates for Local Network Service shall be determined as set forth in Schedule ES-2 (Part A) on the basis of estimated costs for each Service Year until the actual costs for such Service Year are determined. Thereafter, payments made on such estimated costs shall be recalculated based on actual data for that Service Year, and an appropriate billing adjustment shall be made pursuant to Section 3 of this Local Service Schedule. Each Local Point-to-Point Service customer under this Local Service Schedule will be charged for the total Reserved Capacity specified in each reservation for Point-to-Point Service made under this Local Service Schedule at the rates set forth in this Schedule ES-2 (Part A). The Eversource Companies shall use Part II of the Tariff to make its Third-Party Sales. The Eversource Companies shall account for such use at the applicable Tariff rates.

14.2 Monthly Local Network Service Charge

A Transmission Customer with load on the Eversource Companies Transmission System shall pay monthly charges, which shall be determined by multiplying the Customer's Monthly Local Service Load in the state in which its loads are located by the annual Local Network Service rate

for the state, as calculated in accordance with Appendix A of Schedule ES-2 (Part A). The rates calculated in Schedule ES-2 (Part A) will be calculated individually for the states of Connecticut, Massachusetts, and New Hampshire based on load and revenue requirements for each state, as applicable.

14.3 Schedule 12C Costs Charge

Any Eligible Customer taking Regional Network Service under the ISO Tariff in a Designated State or Area shall pay a monthly Schedule 12C Costs charge, which shall be determined by multiplying the Customer's Monthly Schedule 12C Cost Load in the Designated State or Area by the annual Schedule 12C Costs rate for the Designated State or Area as calculated in accordance with Appendix A of Schedule ES-3 (Part A). The Eversource Service Company shall execute a CRA under this Local Service Schedule, in the form set forth in Attachment ES-E (Part A), to recover such charges from such customer. The Eversource Service Company shall not bill any such customer any such costs unless (1) such CRA has been executed with the Eligible Customer, or (2) an unexecuted CRA has been permitted to be made effective by the Commission.

14.4 Listing of Schedule 12C Costs by Designated State or Area:

(a) Connecticut:

Bethel to Norwalk Project

Middletown to Norwalk Project

Glenbrook Cables Project

Greater Springfield Reliability Project (Connecticut portion)

(b) Massachusetts:

Greater Springfield Reliability Project (Massachusetts portion)

(c) New Hampshire

[RESERVED]

SCHEDULE ES-1 (PART A)

SCHEDULING, SYSTEM CONTROL AND DISPATCH SERVICE

This service is required to schedule the movement of power through, out of, within, or into a Control Area. This service can be provided only by the operator of the Control Area in which the transmission facilities used for transmission service are located. Scheduling, System Control and Dispatch Service (“S&D”) is to be provided directly by the Eversource Companies (if the Eversource Companies are the Control Area operator) or indirectly by the Eversource Companies making arrangements with the New England System Operator that performs this service for the Eversource Companies Transmission System. The Transmission Customer must purchase this service from the Eversource Companies or the New England System Operator. The charges for S&D Service are to be based on the rates set forth below. To the extent the New England System Operator performs this service for the Eversource Companies, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Eversource Companies by that New England System Operator.

Each Local Point-To-Point Service Customer under this Local Service Schedule will be charged for Transmission S&D Services for the total Reserved Capacity specified in each reservation for Local Point-To-Point Service made under this Local Service Schedule at the rates set forth in Appendix A of this Schedule ES-1 (Part A). In the event that a Transmission Customer utilizes transmission capacity without a reservation or exceeds its capacity reservation at any Point of Receipt or Point of Delivery, the Transmission Customer shall pay for its actual use of such excess capacity in addition to any Reserved Capacity. The charge for such excess use of capacity shall be determined by multiplying the sum of the actual use in excess of its capacity reservation times the hourly non-firm rate posted on the Eversource Companies’ OASIS including ancillary services provided pursuant to Schedule ES-1 (Part A) hereto.

Each Network Customer under this Local Service Schedule will be charged a monthly Transmission S&D Service Demand Charge, which will be calculated in accordance with the formula specified in Appendix A of this Schedule ES-1 (Part A).

Each Transmission Customer with generation within the New England Control Area shall be required also to provide for S&D Service for that generation. It is anticipated that the Transmission Customer will obtain these services from the ISO. The Eversource Companies will make available Generation S&D Service at the rates set forth in Appendix C of this Schedule ES-1 (Part A).

Each Transmission Customer with generation located outside of the New England Control Area shall be required to provide for S&D Service for that generation. It is anticipated that the Transmission Customer will obtain these services by contracting for these services from the provider of these services within the Control Area where the generation is located.

Except with respect to the moratorium in Attachment F, the Eversource Companies shall have the right, at any time, to unilaterally to file for a change in any of the provisions of this Schedule ES-1 (Part A) in accordance with Section 205 of the Federal Power Act and the Commission's implementing regulations.

SCHEDULE ES-1 (PART A)
APPENDIX A
SCHEDULING, SYSTEM CONTROL AND DISPATCH
SERVICE RATES

For Costs in 20__

The S&D rate will be calculated in accordance with the formula provided below.

Line No.	Description	(A) Amount	(B) Reference
1	Annual Control Center Expenses for calendar year prior to the Service Year	\$	Exhibit 1 and Exhibit 2 to this Appendix A of Schedule ES-1 (Part A)
2	Actual transmission S&D revenues from the provision of transmission services to others for calendar year prior to the Service Year (Enter Credit)		Appendix A, ATT 2, Line 22__
3	S&D Annual True-up and Interest		Appendix B of Schedule ES-1 (Part A)
4	Annual Control Center Expenses net of actual transmission S&D revenues from the provision of transmission services to others for calendar year prior to the Service Year	-	(Line 1 + Line 2 + Line 3)
5	Sum of the Eversource Companies' Transmission System Local Service Load for the State for calendar year prior to the Service Year		Attachment _
6	Annual Control Center S&D Rate	#DIV/0!	Line 4 / Line 5
<u>Local Point-to-Point Service – S&D (ON PEAK)</u>			
7	Annual Rate per kW	#DIV/0!	Line 6
8	Monthly Rate per kW	#DIV/0!	Line 7 / 12 months
9	Weekly Rate per kW	#DIV/0!	Line 7 / 52 weeks
10	Daily Rate per kW	#DIV/0!	Line 9 / 5 days
11	Hourly Rate per kW	#DIV/0!	Line 10 / 16 hours
<u>Local Point-to-Point Service – S&D (OFF PEAK)</u>			
12	Annual Rate per kW	#DIV/0!	Line 6
13	Monthly Rate per kW	#DIV/0!	Line 12 / 12 months
14	Weekly Rate per kW	#DIV/0!	Line 12 / 52 weeks
15	Daily Rate per kW	#DIV/0!	Line 14 / 7 days
16	Hourly Rate per kW	#DIV/0!	Line 15 / 24 hours

Notes:

(a) Enter credit balances as negatives.

SCHEDULE ES-1 (PART A)

APPENDIX A

EXHIBIT 1

DETERMINATION OF ANNUAL CONTROL CENTER EXPENSES

The Eversource Companies' System Control and Load Dispatching Expense, for the calendar year prior to the Service Year, as recorded in FERC Account 561.1-561.4 and the revenue requirement calculation for the CL&P Dispatch Center Plant as described in Appendix A, Exhibit 2.

SCHEDULE ES-1 (PART A)

APPENDIX A

EXHIBIT 2

CL&P DISPATCH CENTER REVENUE REQUIREMENT

This exhibit calculates the CL&P Dispatch Center Revenue Requirement. The CL&P Dispatch Center Revenue Requirement for use during a calendar year shall be based on CL&P's costs for the immediately preceding calendar year.

I. DEFINITIONS

Capitalized terms not otherwise defined in Section I of the Tariff and as used in this exhibit have the following definitions:

Dispatch Center means CL&P's CONVEX dispatch center.

Dispatch Center Plant shall equal CL&P's year-end gross plant balances used for CL&P's Dispatch Center as recorded in FERC Account Nos. 303, 350-359, and 389-399.

Dispatch Center Depreciation Reserve shall equal CL&P's year-end depreciation reserve balance for Dispatch Center Plant as recorded in FERC Account No. 108.

Dispatch Center Accumulated Deferred Income Taxes shall equal the net of CL&P's year-end deferred tax balances for Dispatch Center Plant as recorded in FERC Account Nos. 281-283 and 190.

II. CALCULATION OF TOTAL DISPATCH CENTER REVENUE REQUIREMENT

The Dispatch Center Revenue Requirement shall equal the sum of (A) Dispatch Center Return and Associated Income Taxes, (B) Dispatch Center Depreciation Expense, (C) Dispatch Center Amortization of Investment Tax Credits, and (D) Dispatch Center Municipal Tax Expense; provided, that during the period January 1, 2008 through December 31, 2008, the Dispatch Center Revenue Requirement shall equal the product of (i) the number of months (or fractions thereof) remaining in 2007 on and after the date upon which the CONVEX Agreements are permitted to be made effective by FERC, divided by 12 and (ii) the sum of (A) Dispatch Center Return and Associated Income Taxes, (B) Dispatch Center Depreciation Expense, (C) Dispatch Center Amortization of Investment Tax Credits, and (D) Dispatch Center Municipal Tax Expense. "CONVEX Agreements" refers to the agreements between The

Connecticut Light and Power Company and various entities relating to the operation of the Dispatch Center and filed with FERC contemporaneously with the filing of this Exhibit 2.

A. Dispatch Center Return and Associated Income Taxes shall equal the product of the Dispatch Center Investment Base and the Cost of Capital Rate.

1. Dispatch Center Investment Base

The Dispatch Center Investment Base will be the year-end balances of: (a) Dispatch Center Plant, less (b) Dispatch Center Depreciation Reserve, less (c) Dispatch Center Accumulated Deferred Income Taxes.

2. Cost of Capital Rate

The Cost of Capital Rate will equal (a) the Weighted Cost of Capital, plus (b) Federal Income Tax plus (c) State Income Tax.

(a) The Weighted Cost of Capital will be calculated based upon CL&P's capital structure at the end of each year and will equal the sum of (i),(ii), and (iii) below.

(i) The long-term debt component, which equals the product of the year-end balance of CL&P's first mortgage bonds and pollution control notes adjusted for premiums, discounts, debt expense and losses on reacquired debt and the ratio of the long-term debt to CL&P's total capital.

(ii) The preferred stock component, which equals the product of the year-end balance of CL&P's preferred stock adjusted for premiums, discounts and unamortized issue expense and the ratio of the preferred stock to CL&P's total capital.

(iii) The common equity component, which equals the product of 10.3% and the ratio of the common equity to CL&P's total capital.

(b and c) Federal and State Income Taxes shall be computed as follows:

A x B x C

where:

A = Dispatch Center Investment Base

B = Cost of equity capital (the sum of the preferred stock component and common equity component)

C = $TE / (1-TE)$, where TE is the effective combined federal and state statutory income tax rates in effect at the applicable time.

B. Dispatch Center Depreciation Expense shall equal CL&P's Dispatch Center depreciation expense as recorded in FERC Account No. 403.

C. Dispatch Center Amortization of Investment Tax Credits shall equal CL&P's Dispatch Center amortization of investment tax credits as recorded in FERC Account No. 411.4.

D. Dispatch Center Municipal Tax Expense shall equal CL&P's Dispatch Center municipal tax expense as recorded in FERC Account Nos. 408.1 and 409.1.

SCHEDULE ES-1 (PART A)

APPENDIX B

TRUE-UP TEMPLATE

Scheduling and Dispatch Service

True-up and Interest Calculation for Costs in _____

Input Cells are Shaded Yellow

Line No.	True-up Calculation		Total	Reference Attachment
1	Revenues (Enter Credit)			- Attachment
2	Adjustments			- Attachment
3	Net Revenues (Line 1 + Line 2)		\$	
4	Actual Annual Revenue Requirements			Schedule ES 1 (Part A), Appendix A, Line 1 + Line 2
5	True-up Rebill/(Refund) (Line 3 + Line 4)		\$	
	Interest Calculation		(A)	(B)
	Month	Year	Balance (a)	FERC Monthly Interest Rate (b)
				Interest
6	January		-	(b) -
7	February	0	-	(b) -
8	March	0	-	(b) -
9	April	0	-	(b) -
10	May	0	-	(b) -
11	June	0	-	(b) -
12	July	0	-	(b) -
13	August	0	-	(b) -
14	September	0	-	(b) -
15	October	0	-	(b) -
16	November	0	-	(b) -

(C) = (A) x (B)

17	December	0	-		(b)	-	
18				Total Interest (Sum of Lines 6 thru 17)		\$	
19				True-up (Line 5)			
				Total True-up & Interest (Line 18 + Line 19)		\$	

Notes

- (a) Interest is compounded quarterly per Code of Federal Regulation Title 18 Section 35.19a.
- (b) Interest rate per Code of Federal Regulation Title 18 Section 35.19a.

SCHEDULE ES-1 (PART A)

APPENDIX C

GENERATION RATES

The Eversource Companies' Formula Rate for Generation Scheduling, System Control and Dispatch Service ("Formula Rate") shall be calculated using the Local Point-to-Point formula rate for Transmission Scheduling, System Control, and Dispatch Service in Appendix A of Schedule ES-1 (Part A).

SCHEDULE ES-2 (PART A)

LOCAL SERVICE

I. Each month, Eversource Service Company shall bill the Transmission Customer for Local Service and the Transmission Customer shall be obligated to pay Eversource Service Company the charges as set forth in this Schedule ES-2 (Part A), as applicable.

A. TRANSMISSION CHARGES

1. Local Network Service

The Local Network Service charges will provide for recovery of the costs of the transmission facilities of the Eversource Companies in accordance with Line 3 of Appendix A of this Schedule ES-2 (Part A).

2. Local Point-to-Point Service

The Local Point-to-Point Service charges will provide for recovery of the costs of the transmission facilities of the Eversource Companies in accordance with Lines 4-13 of Appendix A of this Schedule ES-2 (Part A).

In the event that a Transmission Customer utilizes transmission capacity without a reservation or exceeds its capacity reservation at any Point of Receipt or Point of Delivery, the Transmission Customer shall pay for its actual use of such excess capacity in addition to the charges for each monthly, weekly or daily transactions during such month. The charge for such excess use of capacity shall be determined by multiplying the actual hourly use in excess of its capacity reservation times the applicable Local Service on-peak or off-peak hourly rate posted on the Eversource Companies' OASIS including ancillary services provided pursuant to Schedule ES-1 (Part A) hereto.

2. Provision re: Exchanges

With respect to entitlement transactions or energy transactions or other transactions that involve an exchange, each party to such transaction shall be treated as an individual Transmission Customer under this Local Service Schedule. Accordingly, a separate Schedule ES-2 (Part A) or other applicable charge(s) will be calculated for, and a separate bill will be rendered to, each such individual Transmission Customer.

3. Discounts

Three principal requirements apply to discounts for transmission service as follows: (1) any offer of a discount made by the Eversource Companies must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, the Eversource Companies must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.

4. Resales

The rates and rules governing charges and discounts in Sections I.A.2 of this Schedule ES-2 (Part A) stated above shall not apply to resales of transmission service, compensation for which shall be governed by Schedule 21.

5. Credit to the Transmission Charge

Whenever service provided hereunder is interrupted or curtailed by the Eversource Companies, the Local Control Center or the New England System Operator, the Transmission Charges to the Transmission Customer calculated pursuant to Section A, of this Schedule ES-2 (Part A) shall be credited by an amount equal to the sum of the credits calculated for each hour of interruption or curtailment in service. The credit to the Transmission Customer for each such hour of interruption or curtailment shall be calculated as the product of (i) the applicable equivalent hourly charge for hourly, daily, weekly, or monthly transactions, and (ii) the kilowatts of service interruption or curtailment during such hour.

SCHEDULE ES-2 (PART A)

APPENDIX A

LOCAL SERVICE RATES

For Costs in 20__

Local Service Rates for each state will be calculated in accordance with the formula provided below. The Local Service Rates will be calculated separately for Connecticut, Massachusetts, and New Hampshire, as applicable, utilizing inputs specific to each state in lines 1 and 2.

Line No.	Description	(A) Amount	(B) Reference
1	Local Service ATRR for the state	\$ -	Attachment 2 of Appendix B W/S 1, Line 9(A)
2	Eversource Companies' Transmission System Local Service Load for the State for the calendar year two years prior to the Service Year	-	Attachment _
3	Annual Local Network Service rate for the state	#DIV/0!	Line 1 / Line 2
<u>Local Point-to-Point Service (ON PEAK)</u>			
4	Annual Rate per kW	#DIV/0!	Line 3
5	Monthly Rate per kW	#DIV/0!	Line 4 / 12 months
6	Weekly Rate per kW	#DIV/0!	Line 4 / 52 weeks
7	Daily Rate per kW	#DIV/0!	Line 6 / 5 days
8	Hourly Rate per kW	#DIV/0!	Line 7 / 16 hours
<u>Local Point-to-Point Service (OFF PEAK)</u>			
9	Annual Rate per kW	#DIV/0!	Line 3
10	Monthly Rate per kW	#DIV/0!	Line 9 / 12 months
11	Weekly Rate per kW	#DIV/0!	Line 9 / 52 weeks
12	Daily Rate per kW	#DIV/0!	Line 11 / 7 days
13	Hourly Rate per kW	#DIV/0!	Line 12 / 24 hours

SCHEDULE ES-2 (PART A)

[Reserved]

SCHEDULE ES-3 (PART A)
SCHEDULE 12C COSTS

I. Each month, the Eversource Service Company shall bill the Transmission Customer for Schedule 12C Costs and the Transmission Customer shall be obligated to pay the Eversource Companies the charges as set forth in this Schedule ES-3 (Part A), as applicable.

A. TRANSMISSION CHARGES

The Schedule 12C Costs charges will provide for recovery of the costs of the transmission facilities of the Eversource Companies in accordance with Line 16 of Appendix A of this Schedule ES-2 (Part A).

SCHEDULE ES-3 (PART A)
APPENDIX A
SCHEDULE 12C COSTS RATES

For Costs in 20__

Schedule 12C Costs rates will be calculated in accordance with the formula provided below. The Schedule 12C Costs rates will be calculated separately for the Designated State or Area as applicable, utilizing inputs specific to the Designated State or Area in lines 1 and 2.

Line No.	Description	(A) Amount	(B) Reference
	Input Cells are Shaded Yellow		
1	Schedule 12C Costs ATRR for the Designated State or Areae	\$ -	Attachment 3 of Appendix B W/S 1, Line 8(A)
2	Eversource Companies' Transmission System Schedule 12C Costs Load for the Designated State or Area for the calendar year two years prior to the Service Year	-	Attachment _
3	Annual Schedule 12C Costs rate for the Designated State or Area	#DIV/0!	Line 1 / Line 2

ATTACHMENT ES-C (PART A)
AVAILABLE TRANSFER CAPABILITY METHODOLOGY

TABLE OF CONTENTS

1. Introduction
2. Transmission Service in the New England Markets
3. The Eversource Companies' Total Transfer Capability (TTC)
4. Capacity Benefit Market (CBM)
5. Transmission Reliability Margin (TRM)
6. Calculation of ATC for the Eversource Companies' Local Facilities
7. Posting of ATC Related Information
8. Process Flow Diagram for ATC Calculation

1. Introduction

ISO is the regional transmission organization (“RTO”), serving the New England Control Area. ISO is responsible for the development, oversight, and fair administration of New England’s wholesale market, management of the bulk electric power system and wholesale markets' planning processes. The ISO serves as the Balancing Authority for the New England Control Area. The New England Control Area is interconnected to three neighboring Balancing Authority Areas (“BAA”): New Brunswick System Operator Area (“NBSO Area”), New York Independent System Operator Area (“NYISO Area”), and Hydro-Quebec TransEnergie Area (“HQTE Area”).

As part of its RTO responsibilities, the ISO is registered with the North American Electric Reliability Corporation (“NERC”) as several functional model entities that have responsibilities related to the calculation of ATC as defined in the following NERC Standards: MOD-001 – Available Transmission System Capability (“MOD-001”), MOD-004 – Capacity Benefit Margin (“MOD-004”), and MOD-008 – Transmission Reliability Margin Calculation Methodology (“MOD-008”). The extent of those responsibilities is based on various Commission approved transmission operating agreements and the provisions of the ISO New England Operating Documents.

While the ISO is the Transmission Service Provider for Regional Transmission Service associated with Pool Transmission Facilities, the Participating Transmission Owners (“PTOs”) provide local transmission service over Non-Pool Transmission Facilities within the RTO footprint and are responsible for calculating TTC and ATC associated with Local Transmission Service provided under Schedule 21 pursuant to the Transmission Operating Agreement (“TOA”). Pursuant to CFR § 37.6(b)¹ of the FERC Regulations, Transmission Providers are obligated to calculate and post TTC and ATC for each Posted Path. The ISO is not responsible for the calculation of these values.

Pursuant to the terms of the Transmission Operating Agreement executed between the companies comprising the Eversource Companies hereunder as Participating Transmission Owners (“PTOs”) and ISO, the Eversource Companies are a Transmission Service Provider and calculates TTC and ATC for certain Local Facilities over which Local Point-to-Point Service is provided under this Schedule 21-ES (Part A).

¹ §37.6(b) Posting transfer capability. The available transfer capability on the Transmission Provider’s system (ATC) and the total transfer capability (TTC) of that system shall be calculated and posted for each Posted Path as set out in this section.

Posted Path is defined as any control area to control area interconnection; any path for which service is denied, curtailed or interrupted for more than 24 hours in the past 12 months; and any path for which a customer requests to have ATC or TTC posted. For this last category, the posting must continue for 180 days and thereafter until 180 days have elapsed from the most recent request for service over the requested path. For purposes of this definition, an hour includes any part of any hour during which service was denied, curtailed or interrupted (§37.6(b)(1)(i)).

Non-PTF facilities are primarily radial paths that provide transmission service directly to interconnected generators. It is possible, in the future that a particular path may interconnect more nameplate capacity generation than the path's TTC. However, for the Eversource Companies' Non-PTF modeled by the ISO or the Local Control Center ("LCC"), the ISO or the LCC will only dispatch an amount of generation interconnected to such path so as not to incur a reliability or stability violation on the subject path consistent with ISO's economic, security constrained dispatch methodology.

The Eversource Companies does not currently have any Posted Paths based on the above definition. However, if the Eversource Companies does have any Posted Path(s) in the future, the Eversource Companies will calculate TTC using NERC Standard MOD-029-1 Rated System Path Methodology as outlined below.

1.1 Scope of Document

The scope of this document is limited to those functions performed or utilized by the Eversource Companies as the Transmission Provider of Schedule 21-ES (Part A) Local Point-to Point transmission service over Non-PTF pursuant to the PTOs' Transmission Operating Agreement and the ISO OATT:

- Total Transfer Capability (TTC) methodology
- Available Transfer Capability (ATC) methodology
- Existing Transmission Commitment (ETC)
- Use of Rollover Rights (ROR) in the calculation of ETC

As explained in Section 2, TTC and ATC are required to be calculated only for certain non-PTF internal Posted Paths over which Local Point-to-Point Service is provided under Schedule 21-ES (Part A). TTC and ATC is not calculated by the Eversource Companies for Local Network Service because ISO employs

a market model for economic, security constrained dispatch of generation, and the Eversource Companies does not require advance reservation for such network service.

2. Transmission Service in the New England Markets

Since the inception of the OATT for New England, the process by which generation located inside New England supplies energy to the bulk electric system has differed from the Commission's pro forma OATT. The fundamental difference is that internal generation is dispatched in an economic, security constrained manner by the ISO rather than utilizing a system of physical rights, advance reservations and point-to-point service. Through this process, internal generation provides offers that are utilized by the ISO in the Real-Time Energy Market dispatch software. This process provides the least-cost dispatch to satisfy Real-Time load on the system.

In addition to offers from generation within New England, entities may submit External Transactions to move energy into the ISO Area, the New England Control Area, out of the New England Control Area, or through the New England Control Area. The Real-Time Energy Market clears these External Transactions based on forecast Locational Marginal Pricing (LMPs) and the transfer capability of the associated external interfaces. With those External Transactions in place, the Real-Time Energy Market dispatches internal generation in an economic, security constrained manner to meet Real-Time load within the region.

This process for submitting External Transactions into the New England Real-Time Energy Market does not require an advance physical reservation for use of the PTF. In the event that the net of the economic External Transactions is greater than the transfer capability of the associated external interface, the External Transactions selected to flow are selected based on the rules specified in the Tariff. For any External Transactions that are confirmed to flow in Real-Time based on the economics of the system, a transmission reservation for RNS and Through or Out Service is created after-the-fact to satisfy the transparency needs of the market.

The process described above is applicable to the PTF within the ISO Area, and non-PTF Local Facilities where utilized for Local Network Service by generation or load. However, the Eversource Companies own Local Facilities over which an advance transmission service reservation for firm or non-firm transmission service may be required. On those Local Facilities, the market participant may obtain a

transmission service reservation from the Eversource Companies under Schedule 21-ES (Part A) prior to delivery of energy into the New England Wholesale Market. This document addresses the calculation of ATC and TTC for these non-PTF internal paths.

3. Eversource Companies Total Transfer Capability (TTC)

The Total Transfer Capability (TTC) is the amount of electric power that can be moved or transferred reliably from one area to another area of the interconnected transmission systems by way of all transmission lines (or paths) between those areas under specified system conditions. TTC for Schedule 21-ES (Part A) is calculated using NERC Standard MOD-029-1 Rated System Path Methodology and posted on the Eversource Companies' OASIS site.

The Eversource Companies will calculate and post TTC on its OASIS site for all non-PTF Posted Paths that are eligible for Local Point-to-Point Service reservations. The TTC on the Eversource Companies' non-PTF Local Facilities that are eligible for Local Point-to-Point Service reservations are relatively static values. The Eversource Companies thus calculate the TTC for Non-PTF Posted Paths that may require Local Point-to-Point Service reservations on its OASIS provider page according to NAESB Standards.

4. Capacity Benefit Market (CBM)

CBM is defined as the amount of firm transmission transfer capability set aside by a TSP for use by the Load Serving Entities. The ISO does not set aside any CBM for use by the Load Serving Entities, because of the New England approach to capacity planning requirements in the ISO New England Operating Documents. Load Serving Entities operating within the New England Control Area are required to arrange for their Capacity Requirements prior to the beginning of any given month in accordance with ISO Tariff, Section III.13.7.3.1 (Calculation of Capacity Requirement and Capacity Load Obligation). Load Serving Entities do not utilize CBM to ensure that their capacity needs are met; therefore, CBM is not applicable within the New England market design. Accordingly, for purposes of the Eversource Companies' ATC calculation and because CBM for the New England Control Area is set to zero (0), the Eversource Companies utilizes a zero (0) CBM value.

Existing Transmission Commitments, Firm (ETC_F)

The ETC_F are those confirmed Firm transmission reservations (PTP_F) plus any rollover rights for Firm transmission reservations (ROR_F) that have been exercised. There are no allowances necessary for Native Load forecast commitments (NL_F), Network Integration Transmission Service ($NITS_F$), grandfathered Transmission Service (GF_F) and other service(s), contract(s) or agreement(s) (OS_F) to be considered in the ETC_F calculation.

Existing Transmission Commitments, Non-Firm(ETC_{NF})

The (ETC_{NF}) are those confirmed Non-Firm transmission reservations (PTP_{NF}). There are no allowances necessary for Non-Firm Network Integration Transmission Service ($NITS_{NF}$), Non-Firm grandfathered Transmission Service (GF_{NF}) or other service(s), contract(s) or agreement(s) (OS_{NF}).

5. Transmission Reliability Margin (TRM)

TRM is the amount of transmission transfer capability set aside to provide reasonable assurance that the interconnected transmission network will be secure. TRM accounts for the inherent uncertainty in system conditions and the need for operating flexibility to ensure reliable system operation as system conditions change. It is used only for external interfaces under the New England market design. The Eversource Companies does not have any external interfaces, and therefore TRM for the Eversource Companies' non-PTF facilities is zero.

6. Calculation of ATC for Eversource Companies' Local Facilities - General Description:

NERC Standards MOD-001-1 – Available Transmission System Capability and MOD-029-1 – Rated System Path Methodology define the required items to be identified when describing a Transmission Provider's ATC methodology. As a practical matter, the ratings of the radial transmission paths are always higher than the transmission requirements of the Transmission Customers connected to that path. As such, transmission services over these posted paths are considered to be always available.

Common practice is not to calculate or post firm and non-firm ATC values for the non-PTF assets described above, as ATC is positive and listed as 9999. Transmission Customers are not restricted from reserving firm or non-firm transmission service on non-PTF facilities.

As Real-Time approaches, the ISO utilizes the Real-Time energy market rules to determine which of the submitted energy transactions will be scheduled in the coming hour. Basically, the ATC of the non-PTF assets in the New England market is almost always positive. With this simplified version of ATC, there is no detailed algorithm to be described or posted. Thus, for those non-PTF facilities that serve as a path for Schedule 21-ES (Part A) Local Point-to-Point Transmission Customers, the Eversource Companies has posted the ATC as 9999, consistent with industry practice. ATC on these paths varies depending on the time of day. However, it is posted with an ATC of "9999" to reflect the fact that there are no restrictions on these paths for commercial transactions.

6.1 Calculation of Schedule 21-ES (Part A) Firm ATC (ATC_F)

6.1.1 Calculation of ATC_F in the Planning Horizon (PH)

For purposes of this Attachment C PH is any period before the Operating Horizon.

Consistent with the NERC definition, ATC_F is the capability for Firm transmission reservations that remain after allowing for TRM, CBM, ETC_F , $Postbacks_F$ and $counterflows_F$.

As discussed above, TRM and CBM are zero. Firm Transmission Service under Schedule 21-ES (Part A) that is available in the Planning Horizon (PH) includes: Yearly, Monthly, Weekly, and Daily. $Postbacks_F$ and $counterflows_F$ of Schedule 21-ES (Part A) transmission reservations are not considered in the ATC calculation. Therefore, ATC_F in the PH is equal to the TTC minus ETC_F

6.1.2 Calculation of ATC_F in the Schedule 21-ES (Part A) Operating Horizon (OH)

For purposes of this Attachment C OH is noon eastern prevailing time each day. At that time, the OH spans from noon through midnight of the next day for a total of 36 hours. As time progresses, the total hours remaining in the OH decreases until noon the following day when the OH is once again reset to 36 hours.

Consistent with the NERC definition, ATC_F is the capability for Firm transmission reservations that remain after allowing for ETC_F , CBM, TRM, $Postbacks_F$ and $counterflows_F$.

As discussed above, TRM and CBM is zero. Daily Firm Transmission Service under Schedule 21-ES (Part A) is the only firm service offered in the Operating Horizon (OH). Postbacks_F and counterflows_F of Schedule 21-ES (Part A) transmission reservations are not considered in the ATC_F calculation. Therefore, ATC_F in the OH is equal to the TTC minus ETC_F.

6.1.3 Because Firm Schedule 21-ES (Part A) transmission service is not offered in the Scheduling Horizon (SH): ATC_F in the SH is zero.

6.2 Calculation of Schedule 21-ES (Part A) Non-Firm ATC (ATC_{NF})

6.2.1 Calculation of ATC_{NF} in the PH

ATC_{NF} is the capability for Non-Firm transmission reservations that remain after allowing for ETC_F, ETC_{NF}, scheduled CBM (CBM_S), unreleased TRM (TRM_U), Non-Firm Postbacks (Postbacks_{NF}) and Non-Firm counterflows (counterflows_{NF}).

As discussed above, the TRM and CBM for Schedule 21-ES (Part A) are zero. Non-Firm ATC available in the PH includes: Monthly, Weekly, Daily and Hourly. TRM_U, Postbacks_{NF} and counterflows_{NF} of Schedule 21-ES (Part A) transmission reservations are not considered in this calculation. Therefore, ATC_{NF} in the PH is equal to the TTC minus ETC_F and ETC_{NF}.

6.2.2 Calculation of ATC_{NF} in the OH

ATC_{NF} available in the OH includes: Daily and Hourly.

As discussed above TRM and CBM for Schedule 21-ES (Part A) are zero. TRM_U, counterflows and ETC_{NF} are not considered in this calculation. Therefore, ATC_{NF} in the OH is equal to the TTC minus ETC_F, plus postbacks of PTP_F in OH as PTP_{NF} (Postbacks_{NF})

6.3 Negative ATC

As stated above, the ratings of the radial transmission paths are always higher than the transmission requirements of the Transmission Customers connected to that path. As such, transmission services over these posted paths are considered to be always available.

As stated above, the Eversource Companies' non-PTF facilities are primarily radial paths that provide transmission service to directly interconnected generators. It is possible, in the future, that a particular radial path may interconnect more nameplate capacity generation than the path's TTC. However, due to the ISO's security constrained dispatch methodology, the ISO will only dispatch an amount of generation interconnected to such path so as not to incur a reliability or stability violation on the subject path. Therefore, ATC in the PH, OH and SH may become zero, but will not become negative.

7. Posting of Schedule 21-ES (Part A) ATC

7.1 Location of ATC Posting

ATC values are posted on the Eversource Companies' OASIS site.

7.2 Updates To ATC

When any of the variables in the ATC equations change, the ATC values are recalculated and immediately posted.

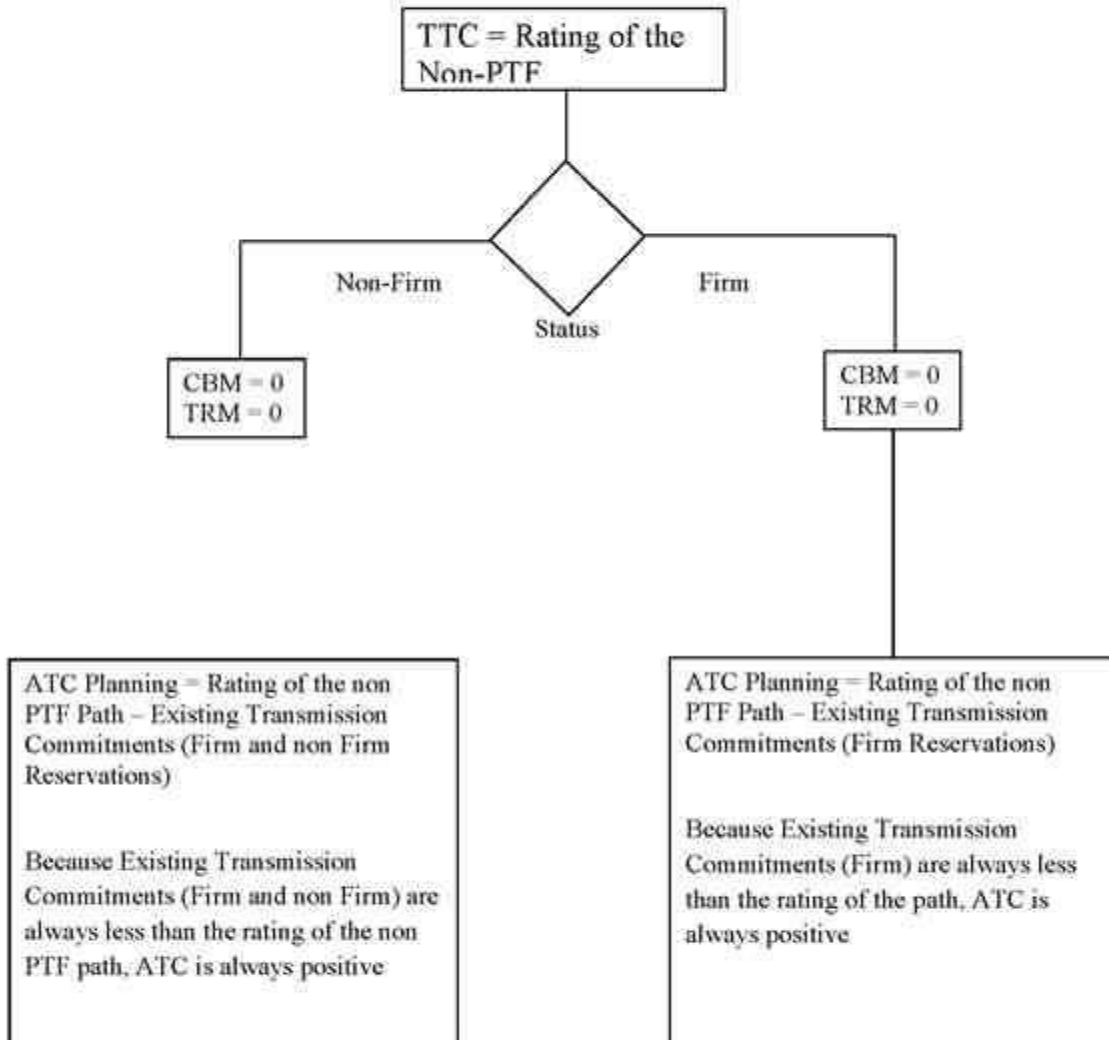
7.3 Coordination of ATC Calculations

Schedule 21-ES (Part A) non-PTF has no external interfaces. Therefore, it is not necessary to coordinate the values.

7.4 Mathematical Algorithms A link to the actual mathematical algorithm for the calculation of ATC for the Eversource Companies non-PTF internal interfaces is located at <https://www.eversource.com/Content/docs/default-source/Transmission/attachment-6.pdf?sfvrsn=0>.

8. Process Flow Diagram for ATC Calculation

Non-PTF Transmission Path ATC Process Flow Diagram



ATTACHMENT ES-D (PART A)
PENALTY DISBURSEMENT METHODOLOGY

Late Study Penalties: Penalties paid by the Transmission Provider pursuant to Schedule 21 are referred to as "Late Study Penalties," and therefore subject to distribution to all Transmission Customers that are not affiliated with the Transmission Provider. On the month following the end of each calendar quarter, each Transmission Customer that is not affiliated with the Transmission Provider shall receive, on the relevant monthly invoice, a credit for its share of the Late Study Penalties that were assessed during the applicable calendar quarter. The Transmission Customer's share of the Late Study Penalties (if any) will be determined as follows:

(a) For each quarter, the Transmission Provider will determine: (1) the sum of all Late Study Penalties assessed during the quarter measured in dollars (LSRq), and (2) the sum of all transmission revenue from Transmission Customers that are not affiliated with the Transmission Provider during that quarter, measured in dollars (LSTRq). Where:

LSRq = Late Study Penalty Revenue in the quarter

LSTRq = Transmission Revenue from Transmission Customers not affiliated with the
Transmission Provider in the quarter

(b) For each quarter, each Transmission Customer that was not affiliated with the Transmission Provider will receive a credit equal to the product of (i) LSRq multiplied by (ii) a fraction derived from dividing the amount of transmission revenue from that Transmission Customer (TC1) during that quarter (measured in dollars), where TC1 is equal to one Transmission Customer, and a denominator equal to LSTRq.

(c) The Transmission Provider shall apply the credit for Late Study Penalties to service that the non-affiliated Transmission Customer takes from the Transmission Provider pursuant to this Schedule 21-ES (Part A). Any remaining credit will be refunded to the Transmission Customer.

ATTACHMENT ES-E (PART A)
SCHEDULE 12C COSTS RESPONSIBILITY AGREEMENT

This Schedule 12C Costs Responsibility Agreement (“CRA” or “Agreement”), dated as of _____, is entered into by and between the Eversource Energy Service Company (“Eversource Service” or “COMPANY”), acting as agent for [The Connecticut Light and Power Company, NSTAR Electric Company (West), Public Service Company of New Hampshire], and the “Transmission Customer.”

The Transmission Customer is _____. The Transmission Customer has been determined to be an Eligible Customer taking Regional Network Service under the Tariff whose load is located in the Designated State or Area for Schedule 12C Costs listed in Section 14.3 of Schedule 21-ES (Part A) of the OATT.

The Transmission Customer agrees to pay its portion of the cost of Schedule 12C Costs in the Designated State or Area in which the Transmission Customer’s load is located as provided in the Tariff and in accordance with Commission orders. Billing under this Agreement shall commence on the later of: (1) 0001 hours on _____, or (2) such other date as permitted by the Commission.

Charges under this Agreement shall terminate on the earlier of: (1) the date on which the Schedule 12C Costs assets in the Designated State or Area in which the Transmission Customer’s load is located are retired; or (2) the date upon which the Transmission Customer no longer takes Regional Network Service under the Tariff in the Designated State or Area in which the Transmission Customer’s load is located; provided, that the Transmission Customer shall remain responsible for all final payment obligations. In the event that the Transmission Customer sells or assigns, or transfers its load to another entity (“New Transmission Customer”), the Transmission Customer must provide Eversource Service with at least ninety (90) calendar days advance written notice of the sale, assignment, or transfer.

The Transmission Customer shall remain liable for the performance of all obligations under this Agreement until a new CRA has been executed between the New Transmission Customer and Eversource Service, or in the case of an unexecuted CRA, such other date as it has been permitted to be made

effective by the Commission. No sale or assignment shall become effective until the Parties have complied with all Applicable Laws and Regulations required for such sale, assignment, or transfer.

Other special provisions (if any)

_____.

Any notice or request made to or by any Party regarding this Agreement shall be made in writing and shall be telecommunicated or delivered either in person, or by prepaid mail (return receipt requested) to the representative of the other Party as indicated below. Such representative and address for notices or requests may be changed from time to time by notice by one Party to the other.

COMPANY:

TRANSMISSION CUSTOMER:

Any exhibits, Schedules, Attachments, Appendices to this Agreement and/or the Tariff are incorporated herein and made a part hereof. This Agreement may be amended, from time to time, as provided for in Schedule 21-ES (Part A) of the OATT.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective authorized officials as of the date first above written.

EVERSOURCE ENERGY SERVICE COMPANY

By: _____

Its _____

TRANSMISSION CUSTOMER

By: _____

Its _____

ATTACHMENT ES-G (PART A)
NETWORK OPERATING AGREEMENT

This Network Operating Agreement is an appendix to Schedule 21-ES (Part A) (this Local Service Schedule) of the OATT and operates as an implementing agreement for Local Network Service under this Local Service Schedule. This Network Operating Agreement is subject to and in accordance with Part III of this Local Service Schedule. All definitions and other terms and conditions of this Local Service Schedule are incorporated herein by reference.

1.0 Definitions:

1.1 Data Acquisition Equipment

Supervisory control and data acquisition ("SCADA"), remote terminal units ("RTUs") to obtain information from a Party's facilities, telephone equipment, leased telephone circuits, fiber optic circuits, and other communications equipment necessary to transmit data to remote locations, and any other equipment or service necessary to provide for the telemetry and control requirements of this Local Service Schedule.

1.2 Data Link

The direct communications link between the Transmission Customer's energy control center and the Eversource Companies' designated location(s) that will enable the Eversource Companies to receive real time telemetry and data from the Transmission Customer.

1.3 Metering Equipment

High accuracy, solid state kW, kVAR, kWh meters, metering cabinets, metering panels, conduits, cabling, high accuracy current transformers and high accuracy potential transformers, which directly or indirectly provide input to meters or transducers, metering recording devices, telephone circuits, signal or pulse dividers, transducers, pulse accumulators, metering sockets, test switch devices, enclosures, conduits, and any other metering, telemetering or communication equipment necessary to implement the provisions of this Local Service Schedule.

1.4 Protective Equipment

Protective relays, relaying panels, relaying cabinets, circuit breakers, conduits, cabling, current transformers, potential transformers, coupling capacitor voltage transformers, wave traps, transfer trip and fault recorders, which directly or indirectly provide input to relays, fiber optic communication equipment, power line carrier equipment and telephone circuits, and any other protective equipment necessary to implement the protection provision of this Local Service Schedule.

2.0 Term

The term shall be as provided in the Local Service Agreement consistent with this Local Service Schedule (including, but not limited to, application procedures, commencement of service, and effect of termination).

3.0 Point(s) Of Interconnection

Local Network Service will be provided by the Eversource Companies at the point(s) of interconnection specified in Appendix ___, as amended from time to time. Each point of interconnection in this listing shall have a unique identifier, meter location, meter number, metered voltage, terms on meter compensation and designation of current or future year of in service.

4.0 Cogeneration And Small Power Production Facilities

If a Qualifying Facility is located or locates in the future on the System of the Transmission Customer, and the owner or operator of such Qualifying Facility sells the output of such Qualifying Facility to an entity other than the Transmission Customer, the delivery of such Qualifying Facility's power shall be subject to and contingent upon transmission arrangements being established with the Eversource Companies prior to commencement of delivery of any such power and energy.

5.0 Character Of Service

Network Transmission Service at the points of interconnection shall be in the form of single phase or balanced three-phase alternating current at a frequency of sixty (60) hertz. The Transmission Customer shall operate and maintain its electric system in a manner that avoids: (i) the generation of harmonic frequencies exceeding the limits established by the latest revision of IEEE-519; (ii) voltage flicker exceeding the limits established by the latest revision of IEEE-141; (iii) negative sequence currents; (iv) voltage or current fluctuations; (v) frequency variations; or (vi) voltage or power factor levels that could

adversely affect the Eversource Companies' electrical equipment or facilities or those of its customers, and in a manner that complies with all applicable NERC, NPCC, ISO and The Eversource Companies' operating criteria, rules, regulations, procedures, guidelines and interconnection standards as amended from time to time.

6.0 Continuity Of Service

(a) The Eversource Companies and the Transmission Customer shall operate and maintain their respective network systems, in accordance with Good Utility Practice, and in a manner that will allow the Eversource Companies to safely and reliably operate the Eversource Companies Transmission System in accordance with this Local Service Schedule, so that either Party shall not unduly burden the other Party; provided, however, that notwithstanding any other provision of this Local Service Schedule, the Eversource Companies shall retain the sole responsibility and authority for all operating decisions that could affect the integrity, reliability and security of the Eversource Companies Transmission System.

(b) The Eversource Companies shall exercise reasonable care and Due Diligence to ensure Local Network Service hereunder in accordance with Good Utility Practice; provided, however, that the Eversource Companies shall not be responsible for any failure to ensure electric power service, nor for interruption, reversal or abnormal voltage of the service, if such failure, interruption, reversal or abnormal voltage is due to a Force Majeure.

7.0 Power Factor

(a) Where Local Network Service provided under this Local Service Schedule is for delivery of power to a load center of the Transmission Customer served from the Eversource Companies Transmission System, the Transmission Customer shall maintain load power factor levels, during both on- and off- peak hours, appropriate to meet the operating requirements of the Eversource Companies, and shall follow the ISO standards and practices, as set forth in the Local Service Agreement.

(b) Where Local Network Service provided under this Local Service Schedule is for delivery of power from a generating facility connected to the Eversource Companies Transmission System, the

Transmission Customer shall deliver power at a lagging or leading power factor as set forth in the Local Service Agreement.

(c) Where Local Network Service provided under this Local Service Schedule is for delivery of power from outside the Eversource Companies Transmission System, the obligation to maintain proper sending and receiving end voltages rests with the Transmission Customer, as set forth in the Local Service Agreement.

(d) In the event that the power factor levels and reactive supply requirements set forth in the Local Service Agreement are not maintained by the Transmission Customer, the Eversource Companies shall thereupon have the right to take the appropriate corrective action and to charge the Transmission Customer for the costs thereof. The Eversource Companies shall have the right, at any time, unilaterally to make a Section 205 filing with the Commission for the recovery of any such costs.

8.0 Metering

(a) The Transmission Customer shall, at its expense, purchase all necessary metering equipment to accurately account for the electric power being transmitted under this Local Service Schedule. The Eversource Companies may require the installation of telemetering equipment for the purposes of billing, power factor measurements and to allow the Eversource Companies to maximize economic and reliable operation of its transmission system. Such metering equipment shall meet the specifications and accepted metering practices of the Eversource Companies and applicable criteria, rules, standards and operating procedures, or such successor rules and standards. At the Eversource Companies' option, communication metering equipment may be installed in order to transmit meter readings to the Eversource Companies' designated locations.

(b) Electric power being transmitted under this Local Service Schedule will be measured by meters at all points of interconnection and/or on generating facilities (Network and non-Network Resources) located on and outside the Transmission Customer's system as required by the Eversource Companies.

(c) The Transmission Customer shall purchase meters capable of time-differentiated (by hour) measurement of the instantaneous flow in kW and net active power flow in kWh and of reactive power

flow. All meters shall compensate for applicable line and/or transformer losses in accordance with Good Utility Practice when measurement is made at any location other than the point of interconnection.

(d) The Eversource Companies reserves the right: (i) to determine metering equipment ownership; (ii) to determine the equipment installation at each point of interconnection; (iii) to require the Transmission Customer to install the equipment -- or -- install the equipment with the Transmission Customer supplying without cost to the Eversource Companies a suitable place for the installation of such equipment; (iv) to determine other equipment allowed in the metering circuit; (v) to determine metering accuracy requirements; (vi) to determine the responsibilities for operation, maintenance, testing and repair of metering equipment.

(e) The Eversource Companies shall have access to metering data, including telephone line access, which may reasonably be required to facilitate measurement and billing under this Local Service Schedule. The Eversource Companies may require the Transmission Customer provide, at its expense, a separate dedicated voice grade telephone circuit for the Eversource Companies and the Transmission Customer to remotely access each meter. Metering equipment and data shall be accessible at all reasonable hours for purposes of inspection and reading.

(f) All metering equipment shall be tested in accordance with practices of the Eversource Companies, applicable criteria, rules, standards and operating procedures or upon the request by the Eversource Companies. If at any time metering equipment fails to register or is determined to be inaccurate, in accordance with The Eversource Companies' practices and applicable criteria, rules, standards and operating procedures, the Transmission Customer shall make the equipment accurate as soon thereafter as practicable, and the meter readings and rate computation for the period of such inaccuracy, insofar as can reasonably be ascertained, shall be adjusted; provided, however, that no adjustment to charges shall be required for any period exceeding two (2) months prior to the date of the test. Representatives of the Eversource Companies will be afforded opportunity to witness such tests.

9.0 Local Network Service Load

The Transmission Customer shall provide the Eversource Companies with the actual hourly Local Network Service Load for each calendar month by the seventh day of the following calendar month.

10.0 Data Transfer:

(a) The Transmission Customer shall provide timely, accurate real time information to the Eversource Companies in order to facilitate performance of its obligations under this Local Service Schedule.

(b) The selection of real time telemetry and data to be received by the Eversource Companies and the Transmission Customer shall be necessary for safety, reliability, security, economics, and/or monitoring of real-time conditions that affect the Eversource Companies Transmission System. This telemetry shall include, but is not limited to, loads, line flows (MW and MVAR), voltages, generator output, and status of substation equipment at any of the Transmission Customer's transmission and generation facilities. To the extent that the Eversource Companies or the Transmission Customer requires data that are not available from existing equipment, the Transmission Customer shall, at its expense and at locations designated by the Eversource Companies or the Transmission Customer, install any metering equipment, data acquisition equipment, or other equipment and software necessary for the telemetry to be received by the Eversource Companies or the Transmission Customer. The Eversource Companies shall have the right to inspect equipment and software associated with the data transfer in order to assure conformance with Good Utility Practices.

11.0 Maintenance of Equipment

The Transmission Customer shall, on a regular basis in accordance with practices of the Eversource Companies, applicable criteria, rules, standards and operating procedures or at the request of the Eversource Companies, and at its expense, test, calibrate, verify and validate the data link, metering equipment, data acquisition equipment, transmission equipment, protective equipment and other equipment or software used to implement the provisions of this Local Service Schedule. The Eversource Companies shall have the right to inspect such tests, calibrations, verifications and validations of the data link, metering equipment, data acquisition equipment, transmission equipment, protective equipment and other equipment or software used to implement the provisions of this Local Service Schedule. Upon The Eversource Companies' request, the Transmission Customer will provide the Eversource Companies a copy of the installation, test and calibration records of the data link, metering equipment, data acquisition equipment, transmission equipment, protective equipment and other equipment or software. The Eversource Companies shall, at the Transmission Customer's expense, have the right to monitor the

factory acceptance test, the field acceptance test, and the installation of any metering equipment, data acquisition equipment, transmission equipment, protective equipment and other equipment or software used to implement the provisions of this Local Service Schedule.

12.0 Notification

(a) The Transmission Customer shall notify and coordinate with the Eversource Companies prior to the commencement of any work or maintenance by the Transmission Customer, Network Member, or contractors or agents performing on behalf of either or both, which may directly or indirectly have an adverse effect on the Transmission Customer or the Eversource Companies' data link, or the reliability of the Eversource Companies Transmission System. All notifications for scheduled outages of the data link, metering equipment, data acquisition equipment, transmission equipment, protective equipment and other equipment or software must meet the requirements of the ISO and the Eversource Companies.

13.0 Emergency System Operations

(a) The Transmission Customer, at its expense, shall be subject to all applicable emergency operation standards promulgated by NERC, NPCC, ISO and the Eversource Companies which may include but not limited to underfrequency relaying equipment, load shedding equipment and voltage reduction equipment.

(b) The Eversource Companies reserves the right to take whatever actions they deem necessary to preserve the integrity of the Eversource Companies Transmission System during emergency operating conditions. If the Local Network Service at the points of interconnection is causing harmful physical effects to the Eversource Companies Transmission System facilities or to its customers (e.g., harmonics, undervoltage, overvoltage, flicker, voltage variations, etc.), the Eversource Companies shall promptly notify the Transmission Customer and if the Transmission Customer does not take the appropriate corrective actions immediately, the Eversource Companies shall have the right to interrupt Local Network Service under this Local Service Schedule in order to alleviate the situation and to suspend all or any portion of Local Network Service under this Local Service Schedule until appropriate corrective action is taken.

(c) In the event of any adverse condition or disturbance on the Eversource Companies Transmission System or on any other system directly or indirectly interconnected with the Eversource Companies Transmission System, the Eversource Companies may, as it deems necessary, take actions or inactions that, in the Eversource Companies' sole judgment, result in the automatic or manual interruption of Local Network Service in order to: (i) limit the extent or damage of the adverse condition or disturbance; (ii) prevent damage to generating or transmission facilities; (iii) expedite restoration of service; or (iv) preserve public safety.

14.0 Cost Responsibility

- (a) The Transmission Customer shall be responsible for the costs incurred by the Transmission Customer and the Eversource Companies to implement the provisions of this Local Service Schedule including, but not limited to, engineering, administrative and general expenses, material and labor expenses associated with the specifications, design, review, approval, purchase, installation, maintenance, modification, repair, operation, replacement, checkouts, testing, upgrading, calibration, removal, and relocation of equipment, or software.
- (b) Additionally, the Transmission Customer shall be responsible for all costs incurred by the Transmission Customer and the Eversource Companies for on-going operation and maintenance of the metering, telecommunications and safety protection facilities and equipment required to implement the provisions of this Local Service Schedule. Such work shall include, but not limited to, normal and extraordinary engineering, administrative and general expenses, material, and labor expenses associated with the specifications, design, review, approval, purchase, installation, maintenance, modification, repair, operation, replacement, checkouts, testing, upgrading, calibration, removal, or relocation of equipment required to accommodate service under this Local Service Schedule.

15.0 Default

The Transmission Customer's failure to implement the terms and conditions of this Network Operating Agreement will be deemed to be a default under this Local Service Schedule and will result in the

Eversource Companies seeking, consistent with FERC rules and regulations, immediate termination of service under this Local Service Schedule.

16.0 Regulatory Filings

Nothing contained in this Local Service Schedule or any associated Service Agreement, including this Network Operating Agreement, shall be construed as affecting in any way the right of the Eversource Companies to unilaterally make application to the Commission for a change in any portion of this Network Operating Agreement under Section 205 of the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder.

IN WITNESS WHEREOF, the Parties have caused this Network Operating Agreement to be executed by their respective authorized officials as of the date written.

Date: _____

Eversource Energy Service Company

by: _____

its Vice President

Transmission Customer

by: _____

its _____

ATTACHMENT ES-L (PART A)
CREDITWORTHINESS PROCEDURES

1. General Information

All customers taking any service under Schedule 21-ES (Part A) and the associated schedules of The Connecticut Light and Power Company, NSTAR Electric Company (West) and Public Service Company of New Hampshire (together, the “Eversource Companies”) must meet the terms of this Attachment ES-L (Part A).

2. Establishing Creditworthiness

a) Each customer’s creditworthiness must be established before receiving transmission services from the Eversource Companies. A customer will be evaluated at the time that its application for transmission service is provided to the Eversource Companies based on the creditworthiness information required under this Attachment ES-L (Part A). The Eversource Service Company shall conduct a credit review of each Transmission Customer not less than annually or upon reasonable request by the Transmission Customer.

b) The Eversource Service Company will review the customer’s creditworthiness information for completeness and will notify the customer if additional information is required.

c) Upon completion of a creditworthiness evaluation of a customer, the Eversource Service Company will forward a written evaluation to the customer if they determine that Financial Assurance must be provided.

3. Financial Information

Customers requesting transmission service must submit if available the following:

a) All current rating agency reports of the customer from Standard and Poor’s (“S&P”), Moody’s Investors Service (“Moody’s”), and/or Fitch Ratings (“Fitch”).

b) A Management Discussion and Analysis (“MD&A”) along with audited financial statements provided by an independent registered public accounting firm or a registered independent auditor for the three (3) most recent fiscal years, or the period of the customer’s existence, if shorter than three (3) years.

4. Creditworthiness – Qualification for Unsecured Credit

a) A customer may receive unsecured credit from the Eversource Service Company equivalent to three (3) months of the transmission charges. The customer must meet at least one of the following criteria:

(i) If rated, the customer’s lowest rating from the three rating agencies on its senior unsecured long-term debt; or if the customer does not have such a rating, then one rating level below the rating then assigned to the customer’s corporate credit rating, as follows:

1. a Standard and Poor’s or Fitch rating of at least BBB, or
2. a Moody’s rating of least Baa2.

(ii) If un-rated or if rated below BBB/Baa2, as described in 4(a)(i) above, the customer must meet all of the following creditworthiness criteria for the three (3) most recent fiscal years:

1. A Capitalization Ratio (Debt divided by the sum of shareholders’ equity and Debt) of no more than 60 percent Debt, where “Debt” is defined as the sum of all long-term and short-term debt, preferred securities and capital leases. Each of which is recorded in accordance with generally accepted accounting principles;
2. Earnings before interest, taxes, depreciation and amortization (“EBITDA”) in the most recent fiscal quarter divided by interest expense (ratio of EBITDA-to-interest expense of at least three (3) times); and

3. Audited Financial Statements with an unqualified auditor opinion.

b) If the customer relies on the creditworthiness of a parent company, the parent company must satisfy the ratings criteria in Section 4(a) above, and must provide to the Eversource Service Company a written guarantee that it will be unconditionally responsible for all financial obligations associated with the customer's receipt of transmission service from the Eversource Companies.

c) If the customer or the customer's parent company do not qualify for unsecured credit under Sections 4(a) or (b) above, the customer can still qualify for unsecured credit equivalent to three (3) months of transmission service charges, if:

(i) the customer has, on a rolling basis, 12 consecutive months of payments to the Eversource Service Company with no missed, late or defaults in payment; or

(ii) the customer has an executed long-term contract for the sale of the full output (energy and capacity) of its generating unit and either has executed a corresponding Local Service Agreement for the transmission of that output or the execution of such agreement is pending the customer's demonstration of creditworthiness.

5. Financial Assurance

If the customer does not meet the applicable requirements for unsecured credit set out in Section 4 then the customer must either:

a) pay in advance an amount equal to the lesser of the total charge for transmission service not less than five (5) days in advance of the commencement of service, in which case the Eversource Service Company will pay to the customer interest on the amounts not yet due to the Eversource Service Company, computed in accordance with 18 C.F.R. §35.19a(a)(2)(iii) of the Commission's Regulations; or

b) obtain Financial Assurance in the form of a letter of credit or a parent guarantee equal to the equivalent of three (3) months of transmission service charges prior to receiving service.

- (i) The letter of credit must be one or more irrevocable, transferable standby letters of credit issued by a United States commercial bank or a United States branch of a foreign bank provided that such customer is not an affiliate of such bank. The issuing bank must have a credit rating of at least A2 from Moody's or an A rating from S&P or Fitch, or an equivalent credit rating by another nationally recognized rating service reasonably acceptable to the Eversource Service Company, provided that such bank shall have assets totaling not less than ten billion dollars (\$10,000,000,000). All costs of the letter of credit shall be borne by the applicant for such letter of credit. In the event of an inconsistency in the ratings by Moody's, S&P, or Fitch, a "split rating", the lowest credit rating shall apply.
- (ii) If the credit rating of a bank or other financial institution issuing a letter of credit to a customer falls below the levels specified in Section 5(b)(i) above, the customer shall have three (3) business days to obtain a suitable letter of credit from another bank or other financial institution that meets the specified levels unless the Eversource Service Company agrees in writing to extend such period.

6. Notifications

Each customer must inform the Eversource Service Company in writing within three (3) business days of any material change in its or its letter of credit issuer's financial condition, and if the customer qualifies under Section 4(b), that of its parent company. A material change in financial condition may include, without limitation, the following:

- a)** change in ownership by way of a merger, acquisition, or substantial sale of assets;
- b)** downgrade by a recognized major financial rating agency;
- c)** placement on credit watch with negative implications by a major financial rating agency;
- d)** a bankruptcy filing by the customer or parent;
- e)** any action requiring the filing of a SEC Form 8-K;
- f)** declaration of or acknowledgement of insolvency;
- g)** report of a significant quarterly loss or decline in earnings;
- h)** resignation of key officer(s); or

- i) issuance of a regulatory order and/or the filing of a lawsuit that could materially adversely impact current or future financial results.

7. Ongoing Financial Review

Each customer is required to submit to the Eversource Service Company annually or when issued, as applicable:

- a) current rating agency reports;
- b) audited financial statements from an independent registered public accounting firm or a registered independent auditor; and
- c) SEC Forms 10-K and 8-K, promptly upon their filing.

8. Change in Creditworthiness Status

A customer who has been extended unsecured credit pursuant to Section 4, must comply with the terms of Financial Assurance in Section 5, if one or more of the following conditions apply:

- a) the customer no longer meets the applicable criteria for unsecured credit in Section 4;
- b) the customer exceeds the amount of unsecured credit extended by the Eversource Service Company, in which case Financial Assurance equal to the amount of exceeded unsecured credit must be provided within five (5) business days; or
- c) the customer has missed two or more payments for any of the transmission services provided by the Eversource Companies in the last twelve (12) months.

9. Procedures for Changes in Credit Levels and Collateral Requirements

- a) The Eversource Service Company shall issue notice to a customer of any changes to the approved credit levels and/or collateral requirements within five (5) business days after (1) receiving notification of any material changes in financial condition under Section 6 above; (2) receiving the information required for the customer's ongoing financial review

listed in Section 7 above; or (3) the occurrence of any of the events leading to a change in creditworthiness requirements listed in Section 8 above.

- b) A customer may submit a written request that the Eversource Service Company provide an explanation of the reasons for the changes in credit levels and/or collateral requirements within five (5) business days after receiving notification of the changes. The Eversource Service Company will provide a written response within five (5) business days after receiving such a request.

10. Contesting Creditworthiness Determinations

A customer may contest the Eversource Service Company's determination of its creditworthiness by submitting a written request for re-evaluation within 20 calendar days of being notified of the creditworthiness determination. The request should provide information supporting the basis for a re-evaluation of the customer's creditworthiness. The Eversource Service Company will review the request and respond within 20 calendar days of receipt.

11. Process for Changing Credit Requirements

- a) In the event the Eversource Companies plans to revise the Schedule 21-ES (Part A) requirements for credit levels or collateral requirements described in this Attachment ES-L (Part A), they will make a filing under Section 205 of the Federal Power Act.
- b) The Eversource Companies shall provide written notification to ISO-NE and stakeholders of any filing described above, at least 30 days in advance of such filing.
- c) Filing notifications shall include a detailed description of the filing, including a redlined document containing revised changes(s) to this Attachment ES-L (Part A).
- d) The Eversource Companies shall consult with interested stakeholders upon request.

- e) Following Commission acceptance of such filing and upon the effective date, the Eversource Companies shall revise its Attachment ES-L (Part A) an updated version of Schedule 21-ES (Part A) shall be posed to the ISO-NE web site.

- f) When the Eversource Companies change its credit requirements for service under Schedule 21-ES (Part A), the customer is responsible for forwarding updated financial information to the Eversource Companies. The customer must indicate whether the change affects its ability to meet the requirements of Attachment ES-L (Part A). In cases where the customer's credit status has changed, the customer must take the necessary steps to comply with the revised credit requirements of Attachment ES-L (Part A) by the effective date of the change.

12. Suspension of Service

The Eversource Companies may immediately suspend service (with notification to the Commission) to a customer, and may initiate proceedings with the Commission to terminate service, if the customer does not meet the terms described in Sections 4 through 8 at any time during the term of service or if the customer's payment obligations to The Eversource Companies exceed the amount of unsecured or secured credit to which it is entitled under this Attachment ES-L (Part A). A customer is not obligated to pay for transmission service that is not provided as a result of a suspension of service.

SCHEDULE 21- ES

PART B

SCHEDULE 21-ES (PART B)

TABLE OF CONTENTS

I. Common Service Provisions

II. Local Point-To-Point Service

III. Local Network Service

IV. Rates and Charges

SCHEDULE ES-2 (PART B): Supplemental End-Use Reactive Support Service

SCHEDULE ES-3 (PART B): Local Service

Appendix A: Local Service Rates

SCHEDULE ES-4 (PART B): Schedule 12C Costs

Appendix A: Schedule 12C Costs Rates

ATTACHMENT ES-A (PART B): Methodology To Assess Available Transfer Capability

ATTACHMENT ES-B (PART B): Methodology For Completing A System Impact Study

ATTACHMENT ES-C (PART B): Schedule 12C Costs Responsibility Agreement

ATTACHMENT ES-L (PART B): Creditworthiness Policy

I COMMON SERVICE PROVISIONS

1.0 DEFINITIONS

Whenever used in this Local Service Schedule, in either the singular or plural number, the following capitalized terms shall have the meanings specified in this Section 1. Terms used in this Local Service Schedule that are not defined in this Local Service Schedule shall have the meanings set forth in the Tariff or customarily attributed to such terms by the electric utility industry in New England. Where there is a conflict between this Local Service Schedule and the Tariff, the terms here shall apply. References herein to “this Local Service Schedule” refer to Schedule 21-ES (Part B).

1.1 Annual Transmission Revenue Requirements

The total annual cost of the Transmission System shall be the amount specified in Attachment 2 and Attachment 3 of Appendix B to Attachment F under this OATT until amended by NSTAR East or modified by the Commission.

1.2 Annual True-Up

The reconciliation of actual costs to actual revenues received Section 4.0 of this Local Service Schedule for any Service Year.

1.3 Designated Agent

Any entity that performs actions or functions on behalf of NSTAR East, an Eligible Customer, or the Transmission Customer required under the Local Service Schedule.

1.4 Designated Area

The area to which the Commission approves the allocation of Schedule 12C Costs identified in Section 17.1.

1.5 Customer’s Monthly Local Service Load

The Transmission Customer’s load on the NSTAR East Transmission System coincident with NSTAR East’s monthly transmission system peak load.

1.6 Customer's Monthly Schedule 12C Costs Load

The monthly load of a Transmission Customer that has signed a Schedule 12C Costs Responsibility Agreement is the Transmission Customer's load coincident with NSTAR East's monthly transmission system peak load.

1.7 Firm Local Point-To-Point Service

Transmission service under this Local Service Schedule that is reserved and/or scheduled between specified Points of Receipt and Delivery pursuant to this Local Service Schedule.

1.8 Local Network

All transmission facilities constituting NSTAR East's non-Pool Transmission Facilities (Non-PTF), excluding the Phase I/II HVDC-TF, which is defined in Schedule 20A of this OATT.

1.9 Local Network Service Load

The load that a Network Customer designates for Local Network Service under this Local Service Schedule. The Network Customer's Local Network Service Load shall include all load designated by the Network Customer, (including losses). A Network Customer may elect to designate less than its total load as Local Network Service Load but may not designate only part of the load at a discrete Point of Delivery. Where an Eligible Customer has elected not to designate a particular load at discrete Points of Delivery as Local Network Service Load, the Eligible Customer is responsible for making separate arrangements under this Local Service Schedule for any Local Point-To-Point Service that may be necessary for such non-designated load. The Local Network Service Loads shall be specified in the Local Service Agreement.

1.10 Local Network Upgrades

Modifications or additions to transmission-related facilities that are integrated with and support NSTAR East's overall Transmission System for the general benefit of all users of such Transmission System.

1.11 Long-Term Firm Local Point-To-Point Service

Firm Local Point-To-Point Service provided under this Local Service Schedule with a term of one year or more.

1.12 Native Load Customers

The wholesale and retail power customers of NSTAR East on whose behalf NSTAR East, by statute, franchise, regulatory requirement, or contract, has undertaken an obligation to construct and operate NSTAR East's system to meet the reliable electric needs of such customers.

1.13 NERC

North American Electric Reliability Corporation, the Electric Reliability Organization of the United States.

1.14 Non-Firm Local Point-To-Point Service

Local Point-To-Point Service under this Local Service Schedule that is reserved and scheduled on an as-available basis and is subject to Curtailment or Interruption as set forth in this Local Service Schedule. Non-Firm Local Point-To-Point Service is available on a stand-alone basis for periods ranging from one hour to one month.

1.15 NPCC

Northeast Power Coordinating Council, Inc., a regional reliability council of NERC.

1.16 NSTAR East

NSTAR Electric Company, a Massachusetts corporation with offices located at 800 Boylston Street, Boston, Massachusetts 02199. NSTAR East owns, controls, or operates facilities used for the transmission of electric energy in interstate commerce. For purposes of this Schedule 21-ES (Part B), all references to NSTAR East shall mean NSTAR Electric Company (East), denoting NSTAR Electric Company's eastern Massachusetts geographic region, and specifically shall exclude NSTAR Electric Company (West), its western Massachusetts geographic region formerly owned by Western Massachusetts Electric Company. NSTAR East provides service pursuant to the rates, terms and conditions of this Local Service Schedule and the applicable terms and conditions of this Local Service Schedule.

1.17 NSTAR East's Transmission System Load

The 12-month average peak loads for NSTAR East's monthly Transmission System, minus the 12-month average usage of all Firm Local Point-To-Point Service customers pursuant to this

Local Service Schedule plus the 12-month average Reserved Capacity of all Firm Local Point-To-Point Service customers for the Service Year during which services is rendered (expressed in kilowatts).

1.18 NSTAR East's Monthly Transmission System Peak

The maximum firm usage of NSTAR East's Transmission System in a calendar month (this does not include load of NSTAR East's customers exclusively connected to PTF).

1.19 NSTAR East's Transmission System Schedule 12C Costs Load

The Eversource Companies' 12-month average Designated area load coincident with the monthly transmission system peak load for the Designated Area for the Service Year during which services is rendered (expressed in kilowatts).

1.20 Parties

NSTAR East and the Transmission Customer receiving service under this Local Service Schedule.

1.21 Point(s) of Delivery

Point(s) on NSTAR East's Transmission System where capacity and energy transmitted by NSTAR East will be made available to the Receiving Party under this Local Service Schedule. The Point(s) of Delivery shall be specified in the Local Service Agreement.

1.22 Point(s) of Receipt

Point(s) of interconnection on NSTAR East's Transmission System where capacity and energy will be made available to NSTAR East by the Delivering Party under this Local Service Schedule. The Point(s) of Receipt shall be specified in the Local Service Agreement.

1.23 Schedule 12C Costs

Costs for PTF that ISO determines are not allowed recovery in Regional Network Service Rates.

1.24 Schedule 12C Costs Responsibility Agreement

An executed agreement that contains the terms and conditions under which a customer that is responsible for Schedule 12C Costs shall operate its facilities.

1.25 Service Agreement

Service Agreement is Local Service Agreement as defined in Attachment A to Schedule 21-Common.

1.26 Service Year

The calendar year in which the Transmission Customer is paying for service under this Schedule 21-ES (Part B).

1.27 Short-Term Firm Local Point-To-Point Service

Firm Local Point-To-Point Service under this Local Service Schedule with a term of less than one year.

1.28 Transmission System

The transmission owned, controlled or operated by NSTAR East that are used to provide transmission service under this Schedule 21-ES (Part B).

2.0 ANCILLARY SERVICES

Ancillary Services are needed with transmission service to maintain reliability within and among the Control Areas affected by the transmission service. NSTAR East is required to provide and the Transmission Customer is required to purchase the following Ancillary Services (i) Scheduling, System Control and Dispatch, and (ii) Supplemental End-Use Reactive Support Service.

In addition, the Transmission Customer is required to purchase additional Ancillary Services under the terms and conditions of the Tariff. The Transmission Customer may not decline the Transmission Provider's offer of Ancillary Services unless it demonstrates that it has acquired the Ancillary Services from another source. The Transmission Customer must list in its Application which Ancillary Services it will purchase from the Transmission Provider. A Transmission Customer that exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery or an Eligible Customer that uses Transmission

Service at a Point of Receipt or Point of Delivery that it has not reserved is required to pay for all of the Ancillary Services identified in this section that were provided by the Transmission Provider associated with the unreserved service. The Transmission Customer or Eligible Customer will pay for Ancillary Services based on the amount of transmission service it used but did not reserve. NSTAR East shall also assess a penalty for any unauthorized use of Ancillary Services by the Transmission Customer, based on the amount of transmission service it used but did not reserve, using the rate shown for such Ancillary Service.

The prices and/or compensation methods for Local System Control and Dispatch Services and Supplemental End-Use Reactive Support Service are described in Schedule ES-2 (Part B) and Attachment 2 of Appendix B to Attachment F under this OATT. Three principal requirements apply to discounts for Ancillary Services provided by NSTAR East in conjunction with its provision of transmission service as follows: (1) any offer of a discount made by NSTAR East must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. A discount agreed upon for an Ancillary Service must be offered for the same period to all Eligible Customers on NSTAR East's system.

3.0 CREDITWORTHINESS

NSTAR East's creditworthiness procedures are specified in Attachment ES-L (Part B) to this Local Service Schedule.

4.0 BILLING AND PAYMENT

4.1 Billing Procedure

Within a reasonable time after the first day of each month, NSTAR East shall submit an invoice to the Transmission Customer for the charges for all services furnished under this Local Service Schedule during the preceding month. Billings hereunder shall be based on cost estimates made by NSTAR East subject to Annual True-up when actual costs for the Service Year are known. The invoice shall be paid by the Transmission Customer within twenty (20) days of receipt. All payments shall be made in immediately available funds payable to NSTAR East, or by wire

transfer to a bank named by NSTAR East.

The Local Service and Schedule 12C Costs Annual True-up shall be calculated in accordance with Attachment 2 of Appendix B to Attachment F, Worksheet 4 and Attachment 3 of Appendix B to Attachment F, Worksheet 5 under this OATT, respectively. The Annual True-up will include interest calculated in accordance with the methodology specified for interest on refunds in the Commission's regulations at 18 C.F.R. § 35.19a(a)(2)(iii).

Absent a Commission finding of imprudence, NSTAR East shall be entitled to accrue AFUDC as to any CWIP that is excluded from rate base.

4.2 Interest on Unpaid Balances

Interest on any unpaid amounts (including amounts placed in escrow) shall be calculated in accordance with the methodology specified for interest on refunds in the Commission's regulations at 18 C.F.R. § 35.19a(a)(2)(iii). Interest on delinquent amounts shall be calculated from the due date of the bill to the date of payment. When payments are made by mail, bills shall be considered as having been paid on the date of receipt by NSTAR East.

4.3 Customer Default

In the event the Transmission Customer fails, for any reason other than a billing dispute as described below, to make payment to NSTAR East on or before the due date as described above, and such failure of payment is not corrected within thirty (30) calendar days after NSTAR East notifies the Transmission Customer to cure such failure, a default by the Transmission Customer shall be deemed to exist. Upon the occurrence of a default, NSTAR East may initiate a proceeding with the Commission to terminate service but shall not terminate service until the Commission so approves any such request.

In the event of a billing dispute between NSTAR East and the Transmission Customer, NSTAR East will continue to provide service under the Local Service Agreement as long as the Transmission Customer (i) continues to make all payments not in dispute, and (ii) pays into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If the Transmission Customer fails to meet these two requirements for continuation of

service, then NSTAR East may provide notice to the Transmission Customer of its intention to suspend service in sixty (60) days, in accordance with Commission policy.

5.0 DISPUTE RESOLUTION PROCEDURES

5.1 Internal Dispute Resolution Procedures

Any dispute between a Transmission Customer and NSTAR East involving transmission service under this Local Service Schedule (excluding applications for rate changes or other changes to this Local Service Schedule, or to any Service Agreement entered into under this Local Service Schedule, which shall be presented directly to the Commission for resolution) shall be referred to a designated senior representative of NSTAR East and a senior representative of the Transmission Customer for resolution on an informal basis as promptly as practicable. In the event the designated representatives are unable to resolve the dispute within thirty (30) days [or such other period as the Parties may agree upon] by mutual agreement, such dispute may be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below.

5.2 External Arbitration Procedures

Any arbitration initiated under this Local Service Schedule shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) days of the referral of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall generally conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association and any applicable Commission regulations or ISO rules.

5.3 Arbitration Decisions

Unless otherwise agreed, the arbitrator(s) shall render a decision within ninety (90) days of appointment and shall notify the Parties in writing of such decision and the reasons therefore.

The arbitrator(s) shall be authorized only to interpret and apply the provisions of this Local Service Schedule and any Service Agreement entered into under this Local Service Schedule and shall have no power to modify or change any of the above in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act and/or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with the Commission if it affects jurisdictional rates, terms and conditions of service or facilities.

5.4 Costs

Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable:

- (a) the cost of the arbitrator chosen by the Party to sit on the three-member panel and one half of the cost of the third arbitrator chosen; or
- (b) one half the cost of the single arbitrator jointly chosen by the Parties.

5.5 Rights Under The Federal Power Act

Nothing in this section shall restrict the rights of any party to file a complaint with the Commission under relevant provisions of the Federal Power Act.

II LOCAL POINT-TO-POINT SERVICE

6.0 NATURE OF FIRM LOCAL POINT-TO-POINT SERVICE

6.1 Curtailment of Firm Local Point-To-Point Service

In the event a Transmission Customer (including Third-Party Sales by NSTAR East) fails to curtail a transaction when requested to do so by NSTAR East, the Local Control Center and/or ISO, as appropriate and pursuant to this Section, NSTAR East shall assess a penalty charge to the Transmission Customer. Said penalty charge will be determined in accordance with this Local

Service Schedule.

In the event NSTAR East, the Local Control Center or ISO exercises their rights to effect a Curtailment, in whole or in part, of Firm Local Point-To-Point Service, no credit or other adjustment shall be provided as a result of the Curtailment with respect to the charge payable by the Transmission Customer.

6.2 Classification of Firm Local Point-To-Point Service

(a) The Transmission Customer taking Firm Local Point-To-Point Service may, (1) change its Points of Receipt and Delivery to obtain service on a non-firm basis consistent with the terms of Part I, Section 10(a) of Schedule 21 of the OATT or (2) request a modification of the Points of Receipt or Delivery on a firm basis pursuant to the terms of Part I, Section 10(b) of Schedule 21 of the OATT; provided that NSTAR East continues to be compensated for any costs associated with the construction or upgrading of facilities associated with the original firm service.

(b) In the event that a Transmission Customer's use of the Transmission System (including Third-Party Sales by NSTAR East) exceeds that Transmission Customer's Reserved Capacity at any Point of Receipt or Point of Delivery in any hour, NSTAR East will charge the Transmission Customer a penalty charge in accordance with Section 10 and Schedule ES-3 (Part B) of this Local Service Schedule.

(c) Under no circumstance will NSTAR East be obligated to provide Control Area Ancillary Services to the Transmission Customer in support of any excess capacity (i.e., capacity in excess of Transmission Customer's Reserved Capacity).

7.0 NATURE OF NON-FIRM LOCAL POINT-TO-POINT SERVICE

7.1 Classification of Non-Firm Local Point-To-Point Service

In the event that a Transmission Customer's use of the Transmission System (including Third-Party Sales by NSTAR East) exceeds that Transmission Customer's non-firm Reserved Capacity at any Point of Receipt or Point of Delivery, NSTAR East will charge the Transmission

Customer a penalty charge in accordance with Section 10 and Schedule ES-3 (Part B) of this Local Service Schedule for such excess. Under no circumstance will NSTAR East be obligated to provide Control Area Ancillary Services to the Transmission Customer in support of any excess capacity (i.e., capacity in excess of Transmission Customer's Reserved Capacity).

7.2 Curtailment or Interruption of Service

In the event a Transmission Customer (including Third-Party Sales by NSTAR East) fails to implement a Curtailment or Interruption when requested to do so by NSTAR East, the Local Control Center and/or ISO, as appropriate and pursuant to this Section, NSTAR East shall assess a penalty charge. Said penalty charge will be determined in accordance with Section 10 and Schedule ES-3 (Part B) of this Local Service Schedule.

In the event NSTAR East, the Local Control Center and/or ISO exercises its rights to effect a Curtailment, in whole or part, of Non-Firm Local Point-To-Point Service, no credit or other adjustment shall be provided as a result of the Curtailment with respect to the charge payable by the Transmission Customer.

In the event NSTAR East, the Local Control Center and/or ISO exercises its rights to effect an Interruption, in whole or part, of Non-Firm Local Point-To-Point Service, the charge payable by the Transmission Customer shall be computed as if the term of service actually rendered were the term of service reserved; provided that an adjustment of the charge shall be made only when the Interruption is initiated by NSTAR East, the Local Control Center and/or ISO, not when the customer fails to deliver energy to NSTAR East.

8.0 SERVICE AVAILABILITY

8.1 Real Power Losses

Real power losses associated with transactions on NSTAR East's Local Network shall be determined based on estimated average system losses for metering points on NSTAR East's Local Network; the loss factor will be three and one tenth percent (3.1%).

8.2 Load Shedding

To the extent that a system contingency exists on the NSTAR East Transmission System or the New England Transmission System and NSTAR East, the Local Control Center or ISO, as appropriate, determines that it is necessary to shed load, the Parties shall shed load in accordance with the procedures specified by NSTAR East, the Local Control Center and/or ISO.

9.0 METERING

Unless otherwise agreed, the Transmission Customer shall be responsible for installing and maintaining compatible metering and communications equipment to accurately account for the capacity and energy being transmitted under the Local Service Schedule and to communicate the information to NSTAR East. However, NSTAR East reserves the right to determine and approve any and all metering equipment and the metering installation design, such approval not to be unreasonably withheld.

All meters, including any recording devices or telemetry equipment must be operated and maintained in accordance with ISO Operating Procedures. Unless otherwise agreed, such equipment shall remain the property of NSTAR East.

If at any time any metering equipment owned by NSTAR East (or the Transmission Customer, if so agreed) is found to be inaccurate in excess of two percent (2%), up or down, the owner of the metering equipment shall cause it to be made accurate or replaced and the meter readings and rate computation for the period of inaccuracy shall be adjusted to correct such inaccuracy so far as the same can be reasonably ascertained, but no adjustment prior to the beginning of the next preceding month shall be made except by agreement of the Parties. In addition to an annual routine test, the owner of the metering equipment shall cause such equipment to be tested at any time upon written request of the other Party. If such equipment proves accurate within two percent (2%), up or down, the expense of the test shall be borne by the Party requesting the test. The determination of percent accuracy shall be in accordance with the weighted average percent registration as described in ANSI C12.1-1988, Section 6.1.8.1. The owner of the metering equipment shall comply with any reasonable request of the other Party concerning the sealing of meters, the presence of a representative when the seals are broken and tests are made, and other matters affecting the accuracy of the measurement of electricity hereunder.

10.0 STRANDED COST RECOVERY

NSTAR East may seek to recover stranded costs from the Transmission Customer pursuant to this Local Service Schedule in accordance with the terms, conditions and procedures set forth in FERC Order No. 888. However, NSTAR East must separately file any specific proposed stranded cost charge under Section 205 of the Federal Power Act.

III LOCAL NETWORK SERVICE

11.0 NATURE OF LOCAL NETWORK SERVICE

11.1 Real Power Losses

Real power losses associated with transactions on Non-PTF shall be determined based on estimated average system losses for metering points on NSTAR East's Local Network; the loss factor will be three and one tenth percent (3.1%).

11.2 Metering

Unless agreed otherwise, all meters, including any recording devices or telemetry equipment shall be owned, operated, maintained and tested by NSTAR East or its Designated Agent in accordance with ISO Operating Procedures at the Transmission Customer's expense. NSTAR East shall provide access to metering data, including telephone line access, which may reasonably be required to facilitate measurement and billing under a Local Service Agreement at the requesting Party's expense.

NSTAR East reserves the sole right to determine appropriate metering installations. When new metering equipment is required, it shall be supplied by NSTAR East, at the Transmission Customer's expense, including applicable taxes, and overhead costs, in conformity with ISO Operating Procedures.

If at any time any metering equipment owned by NSTAR East (or Transmission Customer, if so agreed) is found to be inaccurate in excess of two percent (2%), up or down, the owner of the metering equipment shall cause it to be made accurate or replaced and the meter readings and rate computation for the period of inaccuracy shall be adjusted to correct such inaccuracy so far as the

same can be reasonably ascertained, but no adjustment prior to the beginning of the next preceding month shall be made except by agreement of the Parties. In addition to an annual routine test, the owner of the metering equipment shall cause such equipment to be tested at any time upon written request of the other Party.

If such equipment proves accurate within two percent (2%), up or down, the expense of the test shall be borne by the Party requesting the test. The determination of percent accuracy shall be in accordance with the weighted average percent registration as described in ANSI C12.1-1988, Section 6.1.8.1. The owner of the metering equipment shall comply with any reasonable request of the other Party concerning the sealing of meters, the presence of a representative when the seals are broken and tests are made, and other matters affecting the accuracy of the measurement of electricity hereunder.

12.0 NETWORK RESOURCES

12.1 Operation of Network Resources

The Network Customer shall not operate its designated Network Resources located in the Network Customer's or NSTAR East's Control Area such that the output of those facilities exceeds its designated Local Network Load, plus Non-Firm Sales delivered pursuant to Part II of this Local Service Schedule, plus losses. This limitation shall not apply to changes in the operation of a Transmission Customer's Network Resources at the request of NSTAR East to respond to an emergency or other unforeseen condition which may impair or degrade the reliability of the Transmission System.

12.2 Transmission Arrangements for Network Resources Not Physically Interconnected With NSTAR East

The Network Customer shall be responsible for any arrangements necessary to deliver capacity and energy from a Network Resource not physically interconnected with NSTAR East's Transmission System. NSTAR East will undertake reasonable efforts to assist the Network Customer in obtaining such arrangements, including without limitation, providing any information or data required by such other entity pursuant to Good Utility Practice.

12.3 Use of Interface Capacity by the Network Customer

Unless otherwise provided under the Tariff, there is no limitation upon a Network Customer's use of NSTAR East's Transmission System at any particular interface to integrate the Network Customer's Network Resources (or substitute economy purchases) with its Local Network Loads. However, unless otherwise provided by the Tariff, a Network Customer's use of NSTAR East's total interface capacity with other transmission systems may not exceed the Network Customer's Load.

12.4 Network Customer Owned Transmission Facilities

The Network Customer that owns existing transmission facilities that are integrated with NSTAR East's Transmission System may be eligible to receive consideration either through a billing credit or some other mechanism. In order to receive such consideration, the Network Customer must demonstrate that its transmission facilities are integrated into the plans or operations of NSTAR East to serve its power and Transmission Customers. For facilities constructed by the Network Customer subsequent to the Service Commencement Date under this Local Service Schedule, the Network Customer shall receive credit where such facilities are jointly planned and installed in coordination with NSTAR East. Calculation of the credit shall be addressed in either the Network Customer's Local Service Agreement or any other agreement between the Parties.

13.0 DESIGNATION OF LOCAL NETWORK LOAD

13.1 Local Network Service Load Not Physically Interconnected with NSTAR East

This section applies to both initial designation pursuant to Section 14.1 and the subsequent addition of new Local Network Service Load not physically interconnected with NSTAR East. To the extent that the Local Network Service Customer desires to obtain transmission service for a load outside NSTAR East's Transmission System, the Local Network Customer shall have the option of (1) electing to include the entire load as Local Network Service Load for all purposes under this Local Service Schedule and designating Network Resources in connection with such additional Local Network Service Load, or (2) excluding that entire load from its Local Network Service Load and purchasing Local Point-To-Point Service under this Local Service Schedule.

To the extent that the Network Customer gives notice of its intent to add a new Local Network

Service Load as part of its Local Network Service Load pursuant to this section, the request must be made through a modification of service pursuant to a new Application.

14.0 LOAD SHEDDING AND CURTAILMENTS

14.1 Procedures

Prior to the Service Commencement Date, NSTAR East and the Network Customer shall establish Load Shedding and Curtailment procedures pursuant to the OATT with the objective of responding to contingencies on the Transmission System. The Parties will implement such programs during any period when NSTAR East, the Local Control Center or ISO, as appropriate, determines that a system contingency exists and such procedures are necessary to alleviate such contingency. NSTAR East will notify all affected Network Customers in a timely manner of any scheduled Curtailment.

14.2 Allocation of Curtailments

NSTAR East shall, on a non-discriminatory basis, effect a Curtailment of the transaction(s) that effectively relieves the constraint. However, to the extent practicable and consistent with Good Utility Practice, any Curtailment will be shared by NSTAR East and Network Customer based on their respective Load. NSTAR East shall not direct the Network Customer to effect a Curtailment of schedules to an extent greater than NSTAR East would effect a Curtailment of NSTAR East's schedules under similar circumstances.

14.3 Load Shedding

To the extent that a system contingency exists on NSTAR East's Transmission System and ISO, the Local Control Center or NSTAR East, as appropriate, determines that it is necessary for NSTAR East, Local Point-to-Point Customers and Network Customers to shed load, the Parties shall shed load in accordance with the OATT.

14.4 System Reliability

Any Curtailment of Local Network Service will be not unduly discriminatory relative to NSTAR East's use of the Transmission System on behalf of its Native Load Customers. In the event that the Network Customer fails to respond to established Load Shedding and Curtailment procedures,

NSTAR East shall assess a penalty charge. Said penalty charge will be determined in accordance with Section 16.2.

15.0 OPERATING ARRANGEMENTS

15.1 Operating Requirements

The terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of this Local Service Schedule shall be specified in the Network Operating Agreement. The Network Operating Agreement shall provide for the Parties to:

- (i) operate and maintain equipment necessary for integrating the Network Customer within NSTAR East's Transmission System (including, but not limited to, remote terminal units, metering, communications equipment and relaying equipment),
- (ii) transfer data between NSTAR East and the Network Customer (including, but not limited to, heat rates and operational characteristics of Network Resources, generation schedules for units outside NSTAR East's Transmission System, interchange schedules, unit outputs for redispatch required under Section 14, voltage schedules, loss factors and other real time data),
- (iii) use software programs required for data links and constraint dispatching,
- (iv) exchange data on forecasted loads and resources necessary for long-term planning, and
- (v) address any other technical and operational considerations required for implementation of this Local Service Schedule, including scheduling protocols.

The Network Operating Agreement will recognize that the Network Customer shall either:

- (i) operate as a Control Area under applicable guidelines of the Electric Reliability

Organization (ERO), as defined in 18 CFR 38.1, and ISO,

- (ii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with NSTAR East, or
- (iii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with another entity, consistent with Good Utility Practice, which satisfies the applicable reliability guidelines of the ERO and ISO. NSTAR East shall not unreasonably refuse to accept contractual arrangements with another entity for Ancillary Services.

15.2 Network Operating Committee

A Network Operating Committee (Committee) shall be established to coordinate operating criteria for the Parties' respective responsibilities under the Network Operating Agreement. Each Network Customer shall be entitled to have at least one representative on the Committee. The Committee shall meet from time to time as need requires, but no less than once each calendar year.

IV RATES AND CHARGES

16.0 LOCAL SERVICE

Rates for Local Service shall be determined as set forth in Schedule ES-3 (Part B) on the basis of estimated costs for each Service Year until the actual costs for such Service Year are determined. Thereafter, payments made on such estimated costs shall be recalculated based on actual data for that Service Year, and all appropriate billing adjustments shall be made pursuant to Section 4 of this Local Service Schedule. Each Local Point-to-Point Service customer under this Local Service Schedule will be charged for its total Reserved Capacity s at the rates set forth in this Schedule ES-3 (Part B). NSTAR East shall use Section II of the Tariff to make its Third-Party Sales. NSTAR East shall account for such use at the applicable Tariff rates.

16.1 Monthly Local Network Service Charge

A Transmission Customer with load on the NSTAR East Transmission System shall pay monthly

charges, which shall be determined by multiplying the Customer's Transmission System Monthly Local Service Load by the annual Local Network Service rate as calculated in accordance with Appendix A of Schedule ES-3 (Part B).

The Local Service Customer shall pay NSTAR East for any Direct Assignment Facilities, Ancillary Services, and applicable study costs, consistent with Commission policy, along with the following:

16.2 Curtailment Penalty Charge

If the Transmission Customer fails to respond to established emergency load shedding and curtailment procedures to relieve emergencies on the transmission system, NSTAR East may assess a penalty charge to the Transmission Customer. Said penalty charge will be equal to two (2) times the Monthly Demand Charge for Local Service, as calculated in accordance with Section 16.0 of this Local Service Schedule, for the month in which such service was not curtailed or interrupted.

16.3 Taxes and Fees Charge

16.3.1 If NSTAR East incurs tax liability currently for which it will in subsequent years receive tax benefits (for example, a taxable contribution in aid of construction) then Transmission Customer shall pay to NSTAR East an amount sufficient to reimburse NSTAR East, on a net present value basis, for the reasonably projected costs resulting from the tax liability incurred in the current year less the reasonably projected tax benefits received by NSTAR East in future years. Sections 16.3.1 and 16.3.2 are intended to apply to those Transmission Customers for whom Direct Assignment Facilities are constructed pursuant to this Local Service Schedule and to any Transmission Customer's appropriate share of the cost of any required Local Network Upgrades to the extent that any such Local Network Upgrade is identified pursuant to the study procedures outlined in Schedule 21-Local Service, Section II.7(d) and permitted or required by Commission ruling to be paid as a contribution in aid of construction.

16.3.2 If NSTAR East takes a position that any particular transaction under any section of the Local Service Schedule does not constitute a transaction of the type described immediately

above, and that position is subsequently reversed by Treasury ruling or regulation or court action, then the Transmission Customer shall pay to NSTAR East an amount calculated as described above, but additionally taking into account any interest assessment required to be paid by NSTAR East.

16.3.3 At its effective date, this Section 16.3 applies only to contributions in aid of construction (“CIAC”). NSTAR East reserves the right to file under Section 205 of the FPA to modify this provision to apply to items other than CIAC and the Network Customer reserves the right to oppose any such filing

17.0 SCHEDULE 12C COST CHARGE

Any Eligible Customer taking Regional Network Service under the ISO Tariff in a Designated Area shall pay monthly Schedule 12C Costs, which shall be determined by multiplying the Customer’s Monthly Load by the annual Schedule 12C Costs rate as calculated in accordance with Appendix A of Schedule ES-4 (Part B). NSTAR East shall execute a CRA under this Local Service Schedule, in the form set forth in Attachment ES-C (Part B), to recover such charges from such customer. NSTAR East shall not bill any such customer any such costs unless (1) such CRA has been executed with the Eligible Customer, or (2) an unexecuted CRA has been permitted to be made effective by the Commission.

17.1 Listing of Schedule 12C Costs:

[RESERVED]

SCHEDULE ES-2 (PART B)
SUPPLEMENTAL END-USE REACTIVE SUPPORT SERVICE

In the event that power factor levels and reactive supply requirements set forth in the Service Agreement or other associated operating or interconnect agreement are not maintained by the Delivering Party (or, as appropriate, the Receiving Party), in accordance with applicable ISO standards and practices then NSTAR East shall charge the Transmission Customer to take corrective action. The Transmission Customer shall compensate NSTAR East for installing the necessary equipment, whether in the form of generating units or other non-generating resources, such as demand resources, to correct the incremental difference between the Transmission Customer's lowest (or highest) power factor level and that which is an acceptable level in accordance with ISO standards and practices. The charges will be based upon the necessary level of reactive power supply required to correct the deficiency in the power factor level.

For the KVAR demand supplied to the Transmission Customer, the charge shall be the greater of a) the market price of installing leading reactive power supply expressed in terms of \$/KVAR or b) \$50/KVAR of installed (leading) reactive power reflecting current NSTAR East cost.

For the KVAR demand absorbed by NSTAR East the charge shall be the greater of a) the market price of installing lagging reactive power supply expressed in terms of \$/KVAR or b) \$22.5/KVAR of installed (lagging) reactive power reflecting current NSTAR East cost.

SCHEDULE ES-3 (PART B)
LOCAL SERVICE

Each month, NSTAR East shall bill the Transmission Customer for Local Service and the Transmission Customer shall be obligated to pay NSTAR East the charges as set forth in this Schedule ES-3 (Part B), as applicable.

TRANSMISSION CHARGES

1. Local Network Service

The Local Network Service charges will provide for recovery of the costs of the transmission facilities of NSTAR East in accordance with Line 3 of Appendix A of this Schedule ES-3 (Part B).

2. Local Point-to-Point Service

The Local Point-to-Point Service charges will provide for recovery of the costs of the transmission facilities of NSTAR East in accordance with Lines 4-8 of Appendix A of this Schedule ES-3 (Part B).

1) Penalty

When the Transmission Customer exceeds its Reserved Capacity or uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved (Excess Incident), NSTAR East will charge the Transmission Customer 200% of the rate determined as follows for each kilowatt of the Excess Incident:

- The unreserved use penalty for a single hour of unreserved use shall be based on the rate for daily Firm Point-to Point Transmission Service.
- If there is more than one assessment for a given duration (e.g., daily) for the Transmission Customer, the penalty shall be based on the next longest duration (e.g., weekly).

- The unreserved penalty charge for multiple instances of unreserved use (i.e., more than one hour) within a day shall be based on the daily rate for Firm Local Point-To-Point Service.
- The unreserved penalty charge for multiple instances of unreserved use isolated to one calendar week shall be based on the charge for weekly Firm Local Point-To-Point Service.
- The unreserved use penalty charge for multiple instances of unreserved use during more than one week during a calendar month shall be based on the charge for monthly Firm Local Point-To-Point Service.
- The unreserved use penalty charge for multiple instances of unreserved use during more than one month during a calendar year shall be based on the charge for yearly Firm Local Point-To-Point Service.

All Excess Incidents will be recorded by NSTAR East, and if in any calendar year more than ten (10) Excess Incidents occur in connection with service for the Transmission Customer, then NSTAR East may require the Transmission Customer to apply for additional Firm Local Point-To-Point Service under this Local Service Schedule in the amount equal to the highest Excess Incident during that Service Year. Charges for such additional transmission service will relate back to the first day of the month following the month of NSTAR East's notice.

2) Curtailment Penalty Charge

If the Transmission Customer fails to respond to established emergency load shedding and curtailment procedures to relieve emergencies on the Transmission System, NSTAR East may assess a penalty charge to the Transmission Customer. Said penalty charge will be equal to two (2) times the Monthly Rate for Firm Local Point-To-Point Service for the month in which such service was not curtailed or interrupted.

3) Exchanges

With respect to entitlement transactions or energy transactions or other transactions that involve an exchange, each party to such transaction shall be treated as an individual Transmission Customer under

this Local Service Schedule. Accordingly, a separate Schedule ES-2 (Part B) or other applicable charge(s) will be calculated for, and a separate bill will be rendered to, each such Transmission Customer.

4) Discounts

Three principal requirements apply to discounts for transmission service as follows: (1) any offer of a discount made by NSTAR East must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, NSTAR East must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.

5) Resales

The rates and rules governing charges and discounts in Sections I.A.2 of this Schedule ES-3 (Part B) stated above shall not apply to resales of transmission service, compensation for which shall be governed by Schedule 21.

SCHEDULE ES-3 (PART B)

APPENDIX A

LOCAL SERVICE RATES

For Costs in 20__

Local Service rates will be calculated in accordance with the formula provided below:

Line No.	Description	(A) Amount	(B) Reference
	Input Cells are Shaded Yellow		
1	Local Service ATRR	\$ -	Attachment 2 of Appendix B W/S 1, Line 9(A)
2	NSTAR East's Transmission System Load for the calendar year two years prior to the Service Year	-	Attachment _
3	Annual Local Network Service rate	#DIV/0!	Line 1 / Line 2
	<u>Local Point-to-Point Service</u>		
4	Annual Rate per kW	#DIV/0!	Line 3
5	Monthly Rate per kW	#DIV/0!	Line 4 / 12 months
6	Weekly Rate per kW	#DIV/0!	Line 4 / 52 weeks
7	Daily Rate per kW	#DIV/0!	Line 4 / 365 days
8	Hourly Rate per kW	#DIV/0!	Line 4 / 8760 hours

SCHEDULE ES-4 (PART B)

SCHEDULE 12C COSTS

Each month, NSTAR East shall bill the Transmission Customer for Schedule 12C Costs and the Transmission Customer shall be obligated to pay NSTAR East the charges as set forth in this Schedule ES-4 (Part B), as applicable.

TRANSMISSION CHARGES

The Schedule 12C Costs charges will provide for recovery of the costs of the transmission facilities of NSTAR East in accordance with Line 3 of Appendix A of this Schedule ES-4 (Part B).

SCHEDULE ES-4 (PART B)
APPENDIX A
SCHEDULE 12C COSTS RATES

For Costs in 20__

Schedule 12C Costs rates will be calculated in accordance with the formula provided below. The Schedule 12C Costs rates will be calculated separately for the Designated Area as applicable, utilizing inputs specific to the Designated Area in lines 1 and 2.

Line No.	Description	(A) Amount	(B) Reference
1	Schedule 12C Costs ATRR	\$ -	Attachment 3 of Appendix B W/S 1, Line 8(A)
2	NSTAR East's Transmission System Schedule 12C Costs Load for the calendar year two years prior to the Service Year	-	Attachment _
3	Annual Schedule 12C Costs rate	#DIV/0!	Line 1 / Line 2

ATTACHMENT ES-A (PART B)
METHODOLOGY TO ASSESS AVAILABLE TRANSFER CAPABILITY

1. Introduction

ISO is the regional transmission organization (“RTO”), serving the New England Control Area. ISO is responsible for development, oversight, and fair administration of New England’s wholesale market and management of bulk electric power system and wholesale markets' planning processes. The ISO serves as the Balancing Authority for the New England Control Area. The New England Control Area is interconnected to three neighboring Balancing Authority Areas: New Brunswick System Operator Area (“NBSO Area”), New York Independent System Operator Area (“NYISO Area”), and Hydro-Québec TransÉnergie Area (“HQTÉ Area”).

As part of its RTO responsibilities, the ISO is registered with the North American Electric Reliability Corporation (“NERC”) as several functional model entities that have responsibilities related to the calculation of ATC as defined in the following NERC Standards: MOD-001 – Available Transmission System Capability (“MOD-001”), MOD-004 – Capacity Benefit Margin (“MOD-004”), and MOD-008 – Transmission Reliability Margin Calculation Methodology (“MOD-008”). The extent of those responsibilities is based on various Commission-approved transmission operating agreements and the provisions of the ISO New England Operating Documents.

While the ISO is the transmission provider for transmission service associated with PTF, the Participating Transmission Owners (PTOs) under the Transmission Operating Agreement, such as NSTAR East, provide local transmission service over Non-Pool Transmission Facilities within the RTO footprint and are responsible for calculating TTC and ATC associated with Local Service provided under Schedule 21. Pursuant to CFR § 37.6(b)¹ of the Commission’s regulations, NSTAR East as a Transmission Provider is obligated to calculate and post ATC and TTC for certain local facilities over which Point-to-Point transmission service is provided under Schedule 21-ES (Part B). These are primarily radial paths that provide transmission service to directly interconnected generators.

¹

¹§37.6(b) Posting transfer capability. The available transfer capability (ATC) on the Transmission Provider's system and the total transfer capability (TTC) of that system shall be calculated and posted for each Posted Path as set forth in this section.

Posted Path is defined as any control area-to-control area interconnection; any path for which service is denied, curtailed or interrupted for more than 24 hours in the past 12 months; and any path for which a customer requests to have ATC or TTC posted. For this last category, the posting must continue for 180 days and thereafter until 180 days have elapsed from the most recent request for service over the requested path. For purposes of this definition, an hour includes any part of any hour during which serviced was denied, curtailed or interrupted. §37.6(b)(1)(i).

NSTAR East does not currently have any Posted Paths based on the above definition. However, to the extent that NSTAR East does in the future have any Posted Path(s), NSTAR East will calculate ATC and TTC using NERC Standard MOD-029-1 Rated System Path Methodology as outlined below.

1.1 Scope of Document

The scope of this document is limited to the following functions which are performed or utilized by NSTAR East in order to provide Local Point-to Point Service under Schedule 21-ES (Part B): Total Transfer Capability (TTC) methodology; Available Transfer Capability (ATC) methodology; Existing Transmission Commitment (ETC); Use of Transmission Reliability Margin (TRM); Use of Capacity Benefit Margin (CBM); and Use of Rollover Rights (ROR) in the calculation of ETC.

TTC and ATC are required to be calculated only for certain non-PTF internal paths over which Local Point-to-Point Service is provided under Schedule 21-ES (Part B). TTC and ATC are not calculated by NSTAR East for Local Network Service because ISO employs a market model for economic, security constrained dispatch of generation, and NSTAR East does not require advance reservation for such network service.

2. Transmission Service in the New England Markets

Since the inception of the open access transmission tariff for New England, the process by which generation located inside New England supplies energy and/or capacity to the bulk electric system has differed from the Commission's pro forma open access transmission tariff. The fundamental difference is that internal generation is dispatched in an economic, security constrained manner by the ISO rather than utilizing a system of physical rights, advance reservations and point-to-point transmission service.

Through this process, internal generation provides offers that are utilized by the ISO in the Real-Time Energy Market dispatch software. This process provides the least-cost dispatch to satisfy Real-Time load on the system.

In addition to offers from generation within New England, entities may submit energy transactions that move into the New England Control Area, out of the New England Control Area or through the New England Control Area. The Real-Time Energy Market clears these External Transactions based on forecast LMPs and the transfer capability of the associated external interfaces. With those External Transactions in place, the Real-Time Energy Market dispatches internal generation in an economic, security constrained manner to meet Real-Time load within the region.

The process for submitting External Transactions into the Real-Time Energy Market does not require an advance physical reservation for use of the PTF. In the event that the net of economic External Transactions is greater than the transfer capability of the associated external interface, the External Transactions selected to flow are selected based on the rules specified in the Tariff. For any External Transactions that are confirmed to flow in Real-Time based on the economics of the system, a transmission reservation for RNS and Through-or-Out Service is created after-the-fact to satisfy the transparency needs of the market.

The process described above is applicable to the PTF within the New England Control Area, and non-PTF where utilized for Local Network Service by generation or load. However, NSTAR East owns local transmission facilities over which an advance transmission service reservation for firm or non-firm transmission service may be required. On those facilities, Market Participants may obtain a transmission service reservation from NSTAR East under Schedule 21-ES (Part B) prior to delivery of energy and/or capacity into the New England markets pursuant to Schedule 18, 20A or 20B of the Tariff. This document addresses the calculation of ATC and TTC for these non-PTF internal paths.

3. NSTAR East Total Transfer Capability (TTC)

TTC is the amount of electric power that can be moved or transferred reliably from one area to another area of the interconnected transmission systems by way of all transmission lines (or paths) between those areas under specified system conditions. TTC for Schedule 21-ES (Part B) is calculated using NERC Standard MOD-029-1 Rated System Path Methodology and posted on the NSTAR East OASIS site.

The TTC on NSTAR East's Non-PTF that requires Local Point-to-Point Service reservations are relatively static values. NSTAR East calculates the TTC for Posted Paths as the rating of the particular radial transmission path. NSTAR East will calculate and post TTC on its OASIS site for all non-PTF Posted Paths that are eligible for Local Point-to-Point Service reservations. TTC is calculated as the transfer capability rating of the particular radial transmission path less the most limiting element within the Posted Path.

4. Capacity Benefit Margin (CBM)

CBM is defined as the amount of firm transmission transfer capability set aside by a Transmission Provider for use by the Load Serving Entities. The ISO does not set aside any CBM for use by the Load Serving Entities, because of the New England approach to capacity planning requirements in the ISO New England Operating Documents, and in any event, ISO's determination of CBM does not apply directly to the determination of ATC for Local Service. Load Serving Entities operating with the New England Control Area are required to arrange for their Capacity Requirements prior to the beginning of any given month in accordance with the Tariff, Section III.13.7.3.1 (Calculation of Capacity Requirement and Capacity Load Obligation). Load Serving Entities do not utilize CBM to ensure that their capacity needs are met; therefore, CBM is not applicable within the New England market design. Accordingly, for purposes of NSTAR East's ATC calculation and because CBM for the New England Control Area is set to zero (0), NSTAR East utilizes a zero (0) CBM value.

5. Transmission Reliability Margin (TRM)

TRM is the amount of transmission transfer capability set aside to provide reasonable assurance that the interconnected transmission network will be secure. TRM accounts for the inherent uncertainty in system conditions and the need for operating flexibility to ensure reliable system operation as system conditions change. It is used only for external interfaces under the New England market design. As NSTAR East does not have any external interfaces, TRM for its non-PTF facilities is presently set to zero.

6. Existing Transmission Commitments

6.1 Existing Transmission Commitments, Firm (ETC_F)

ETC_F are confirmed Firm Local Point-To-Point Service reservations (PTP_F) plus any exercised rollover rights for Firm Point-To-Point Service reservations (ROR_F). There are no allowances necessary for

Native Load forecast commitments (NL_F), Network Integration Transmission Service ($NITS_F$), grandfathered Transmission Service (GF_F), and other services, contracts or agreements (OS_F) to be considered in the ETC_F calculation.

6.2 Existing Transmission Commitments, Non-Firm (ETC_{NF})

ETC_{NF} are confirmed Non-Firm transmission reservations (PTP_{NF}). There are no allowances necessary for Non-Firm Network Integration Transmission Service ($NITS_{NF}$), Non-Firm grandfathered Transmission Service (GF_{NF}), or other services, contracts or agreements (OS_{NF}).

7. Calculation of ATC for NSTAR East's Transmission System

NERC Standards MOD-001-1 – Available Transmission System Capability and MOD-029-1 – Rated System Path Methodology define the required items to be identified when describing a Transmission Provider's ATC methodology. As a practical matter, the ratings of the radial transmission paths are always higher than the transmission requirements of the Transmission Customers connected to that path. As such, transmission services over these posted paths are considered to be always available.

Common practice is not to calculate or post firm and non-firm ATC values for the Non-PTF assets, as ATC is positive and listed as 9999. Transmission Customers are not restricted from reserving Firm or Non-Firm Point-to-Point Service on Non-PTF facilities.

As Real-Time approaches, the ISO utilizes the Real-Time Energy Market rules to determine which of the submitted energy transactions will be scheduled in the coming hour. Basically, the ATC of the non-PTF assets in the New England market is almost always positive. The ATC is equal to the amount of net energy and/or capacity transactions that the ISO will schedule on an interface for the designated hour. With this simplified version of ATC, there is no detailed algorithm to be described or posted other than: ATC equals TTC. Thus, for those non-PTF that serve as a path for NSTAR East's Transmission Customers taking Local Point-to-Point Service, NSTAR East has posted the ATC as 9999, consistent with industry practice. ATC on these paths varies depending on the time of day. However, it is posted with an ATC of "9999" to reflect the fact that there are no restrictions on these paths for commercial transactions.

7.1 Calculation of Schedule 21-ES (Part B) Firm ATC (ATC_F)

7.1.1 Calculation of ATC_F in the Planning Horizon (PH)

For purposes of this Attachment ES-A (Part B), PH is any period before the Operating Horizon.

Consistent with the NERC definition, ATC_F is the capability for Firm transmission reservations that remain after allowing for TRM, CBM, ETC_F , $Postbacks_F$ and $counterflows_F$. As discussed above, TRM and CBM are zero. Firm Transmission Service under Schedule 21-ES (Part B) that is available in the PH includes: Yearly, Monthly, Weekly and Daily. $Postbacks_F$ and $counterflows_F$ of Schedule 21-ES (Part B) transmission reservations are not considered in the ATC calculation. Therefore, ATC_F in the PH is equal to the TTC minus ETC_F .

7.1.2 Calculation of ATC_F in the Operating Horizon (OH)

For purposes of this Attachment ES-A (Part B), OH begins noon eastern prevailing time each day. At that time, the OH spans from noon through midnight of the next day for a total of 36 hours. As time progresses, the total hours remaining in the OH decrease until noon the following day when the OH is once again reset to 36 hours.

Consistent with the NERC definition, ATC_F is the capability for Firm transmission reservations that remain after allowing for ETC_F , CBM, TRM, $Postbacks_F$ and $counterflows_F$. As discussed above, TRM and CBM are zero. Daily Firm Transmission Service under Schedule 21-ES (Part B) is the only firm service offered in the OH. $Postbacks_F$ and $counterflows_F$ of Schedule 21-ES (Part B) transmission reservations are not considered in the ATC_F calculation. Therefore, ATC_F in the OH is equal to the TTC minus ETC_F .

7.1.3 Calculation of ATC_F in the Scheduling Horizon (SH)

Because Firm Schedule 21-ES (Part B) transmission service is not offered in the SH, ATC_F in the SH is zero.

7.2 Calculation of Schedule 21-ES (Part B) Non-Firm ATC (ATC_{NF})

7.2.1 Calculation of ATC_{NF} in the PH

ATC_{NF} is the capability for Non-Firm transmission reservations that remain after allowing for ETC_F , ETC_{NF} , scheduled CBM (CBM_S), unreleased TRM (TRM_U), Non-Firm Postbacks ($Postbacks_{NF}$) and Non-Firm counterflows ($counterflows_{NF}$). As discussed above, the TRM and CBM for Schedule 21-ES (Part B) are zero. ATC_{NF} available in the PH includes: Monthly, Weekly, Daily and Hourly. TRM_U ,

Postbacks_{NF} and counterflows_{NF} of Schedule 21-ES (Part B) transmission reservations are not considered in this calculation. Therefore, ATC_{NF} in the PH is equal to the TTC minus ETC_F and ETC_{NF}.

7.2.2 Calculation of ATC_{NF} in the OH

ATC_{NF} available in the OH includes: Daily and Hourly. As discussed above, the TRM and CBM for Schedule 21-ES (Part B) are zero. TRM_U, counterflows_{NF} and ETC_{NF} of Schedule 21-ES (Part B) transmission reservations are not considered in this calculation. Therefore, ATC_{NF} in the OH is equal to the TTC minus ETC_F plus postbacks of PTP_F in the OH as PTP_{NF} (Postbacks_{NF}).

7.3 Negative ATC

As stated above, the ratings of the radial transmission paths are always higher than the transmission requirements of the Transmission Customers connected to that path. As such, transmission services over these posted paths are considered to be always available. As also stated above, NSTAR East's Non-PTF are primarily radial paths that provide transmission service to directly interconnected generators. It is possible that in the future a particular radial path may interconnect more nameplate capacity generation than the path's TTC. For the local facilities modeled by ISO, and consistent with ISO's economic, security-constrained dispatch methodology, the ISO will only dispatch an amount of generation interconnected to such path so as not to incur a reliability or stability violation on the subject path. Therefore, ATC in the PH, OH and SH could become zero, but will never be negative.

8. Posting of Schedule 21-ES (Part B) ATC

8.1 Location of ATC Posting

ATC values are posted on the NSTAR East OASIS site.

8.2 Updates to ATC

When any of the variables in the ATC equations change, the ATC values are recalculated and immediately posted.

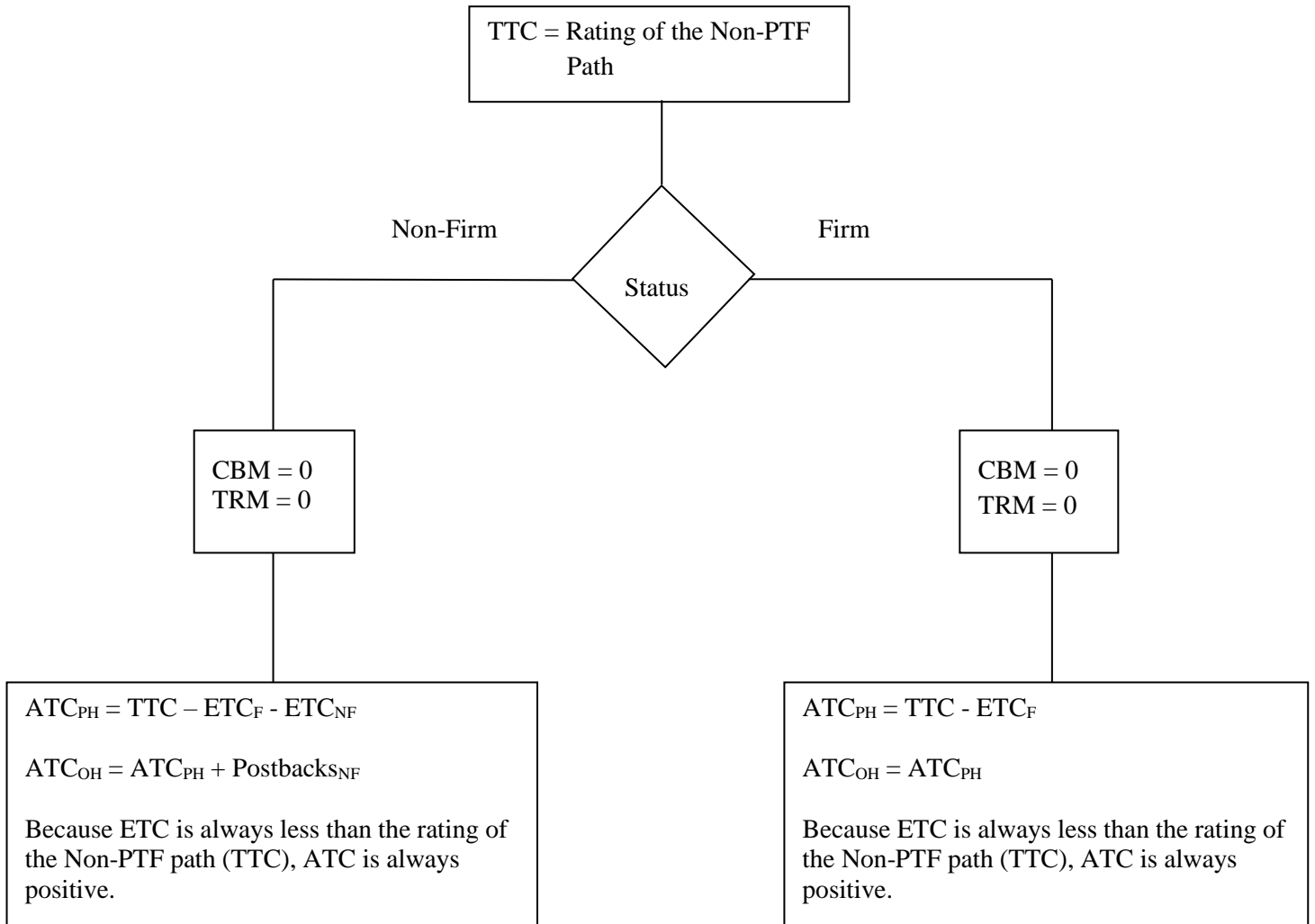
8.3 Coordination of ATC Calculations

NSTAR East's Non-PTF has no external interfaces. Therefore, it is not necessary to coordinate the values.

8.4 Mathematical Algorithms

The mathematical algorithms for the calculation of ATC can be found on NSTAR East's web site at https://www.eversource.com/content/docs/default-source/Transmission/atc_algorithm-sch_21.pdf

Non-PTF Transmission Path ATC Process Flow Diagram



ATTACHMENT ES-B (PART B)
METHODOLOGY FOR COMPLETING A SYSTEM IMPACT STUDY

When NSTAR East determines on a non-discriminatory basis that a System Impact Study is needed because its Transmission System will be inadequate to accommodate a Completed Application for service, the following outlines the study methodology that NSTAR East will employ to estimate the Transmission System impact of a Completed Application for Firm Local Point-To-Point Service, Network Integration Service and/or any costs associated with Direct Assignment Facilities and/or Local Network Upgrades that would be incurred in order to accommodate the service requested in the Completed Application.

1. System Impact will be estimated based on consideration of reliability requirements to:
 - meet obligations under agreements that predate this Local Service Schedule;
 - meet obligations of existing and pending Completed Application under this Local Service Schedule;
 - maintain thermal, voltage and stability system performance within acceptable regional practices.

2. Guidelines and Principles followed by NSTAR East: When performing the System Impact Study, NSTAR East will apply the following, as amended and/or adopted from time to time.
 - Good Utility Practice;
 - Criteria, rules and reliability standards applicable to the New England Transmission System;
 - NPCC criteria and guidelines; and
 - NSTAR East criteria and guidelines.

3. Transmission System Model Representation: The Transmission System model will be based on a library of load flow cases prepared by ISO for studies of the New England area. The models may include representations of other NPCC and neighboring systems. These load flow cases include individual system model representations provided by Transmission Owners and represent forecasted system conditions for up to ten (10) years into the future. This library of load flow cases is maintained and updated as appropriate by ISO, and is consistent with information filed under FERC Form 715. NSTAR East will use system models that it deems appropriate for study of the Completed Application for service.

Additional system models and operating conditions, including assumptions specific to a particular analysis, may be developed for conditions not available in the library of load flow cases. The system models may be modified, if necessary, to include additional system information on load, transfers and configuration, as it becomes available.

4. System Conditions: Loading of all Transmission System elements shall be less than normal ratings for pre-contingency conditions and less than long-term emergency (LTE) ratings for post-contingency conditions. Post-contingency loading above LTE rating and less than short-term emergency (STE) rating may be allowed where demonstrated that loading can be reduced below the LTE rating within fifteen (15) minutes. Transmission System voltage shall be within the applicable design ratings of connected equipment for normal and emergency conditions. Normal and post-contingency voltages shall be in accordance with NSTAR East and ISO standards.

5. Short Circuits: Transmission System short circuit currents shall be within the applicable equipment design ratings.

6. Study Analysis: System impact of the integration of new load will be evaluated to meet the requirements of design, identified in the guidelines and principles under Item 2 above, to provide sufficient transmission capability to maintain stability and to maintain thermal and voltage levels of lines and equipment within applicable limits. The same applies to the evaluation of Firm Point-To-Point Service when it has been determined that insufficient transfer capability is available and the Eligible Customer requests a System Impact Study be conducted.

7. Loss Evaluation: The impact of losses on the Transmission System will be taken into account in the System Impact Study to ensure Good Utility Practice in the design and operation of its system.

8. System Protection: Protection requirements will be evaluated by NSTAR East in accordance with ISO, NPCC, and NSTAR East criteria.

9. Approvals: NSTAR East will conduct the System Impact Study to ensure compliance with its planning and design policies and practices. However, the actions to be taken by the Parties to implement the recommendations of the System Impact Study are subject to approval under the Tariff.

10. Study Scope and Reporting: The study will determine the impacts and identify changes required, if any, to NSTAR East's existing Transmission System. NSTAR East will provide the Eligible Customer with a written report of the physical interconnection alternative(s), required NSTAR East system additions and/or modifications, if any, associated study grade cost estimates (+/- 25%) and the results of the analysis.

ATTACHMENT ES-C (PART B)
SCHEDULE 12C COSTS RESPONSIBILITY AGREEMENT

This Schedule 12C Costs Responsibility Agreement (“CRA” or “Agreement”), dated as of _____, is entered into by and between NSTAR Electric Company (East) (“NSTAR East” or “Company”), and the “Transmission Customer.”

The Transmission Customer is _____. The Transmission Customer has been determined to be an Eligible Customer taking Regional Network Service under the Tariff whose load is located in the Designated Area for Schedule 12C Costs listed in Section 17.0 of Schedule 21-ES (Part B) of Section II of the OATT.

The Transmission Customer agrees to pay its portion of the Schedule 12C Costs in the Designated Area in which the Transmission Customer’s load is located as provided in the Tariff and in accordance with Commission orders. Billing under this Agreement shall commence on the later of: (1) 0001 hours on _____, or (2) such other date as permitted by the Commission.

Charges under this Agreement shall terminate on the earlier of: (1) the date on which the Schedule 12C Costs assets in the Designated Area in which the Transmission Customer’s load is located are retired; or (2) the date upon which the Transmission Customer no longer takes Regional Network Service under the Tariff in the Designated Area in which the Transmission Customer’s load is located; provided, that the Transmission Customer shall remain responsible for all final payment obligations. In the event that the Transmission Customer sells or assigns, or transfers its load to another entity (“New Transmission Customer”), the Transmission Customer must provide NSTAR East with at least ninety (90) calendar days advance written notice of the sale, assignment, or transfer.

The Transmission Customer shall remain liable for the performance of all obligations under this Agreement until a new CRA has been executed between the New Transmission Customer and NSTAR East, or in the case of an unexecuted CRA, such other date as it has been permitted to be made effective by the Commission. No sale assignment or transfer shall become effective until the Company or Transmission Customer have complied with all Applicable Laws and Regulations required for such sale, assignment, or transfer.

Other special provisions (if any)

_____.

Any notice or request made to or by any the Company or Transmission Customer regarding this Agreement shall be made in writing and shall be telecommunicated or delivered either in person, or by prepaid mail (return receipt requested) to the representative of the other party as indicated below. Such representative and address for notices or requests may be changed from time to time by notice by one party to the other.

COMPANY:

TRANSMISSION CUSTOMER:

Any exhibits, Schedules, Attachments, Appendices to this Agreement and/or the Tariff are incorporated herein and made a part hereof. This Agreement may be amended from time to time as provided for in Schedule 21-ES (Part B) of Part II of the OATT.

IN WITNESS WHEREOF, the Company or the Transmission Customer have caused this Agreement to be executed by their respective authorized officials as of the date first above written.

NSTAR ELECTRIC COMPANY

By: _____

Its _____

TRANSMISSION CUSTOMER

By: _____

Its _____

ATTACHMENT ES-L (PART B)
CREDITWORTHINESS POLICY

I. General Information:

This Attachment ES-L (Part B) details the specific requirements for the creditworthiness procedures of NSTAR East. All customers taking (i) any service under Schedule 21-ES (Part B) or (ii) any FERC-regulated interconnection service from NSTAR East must meet the terms of this Policy (where all the above, collectively, are referred to as “Services”). The creditworthiness of each customer must be established prior to receiving service from NSTAR East. A customer will be evaluated at the time its application for service is provided to NSTAR East. A credit review shall be conducted for each Transmission Customer not less than annually or upon reasonable request by the Transmission Customer. This Attachment ES-L (Part B), when updated, will be done so in accordance with Section 10 of this Policy and as posted on NSTAR East’s OASIS.

All customers must comply with the terms of this Attachment ES-L (Part B). Each customer should refer to NSTAR East’s web site at <https://www.eversource.com/Content/docs/default-source/Transmission/credit-security-generator-interconnections.pdf?sfvrsn=2>, or NSTAR East’s OASIS site, for the NSTAR East representative to whom to forward the information required by this Attachment ES-L (Part B).

Upon receipt of a customer’s information, NSTAR East will review it for completeness and will notify the customer if additional information is required. Upon completion of an evaluation of a customer, NSTAR East will notify the customer of its Financial Assurance requirements. NSTAR East will provide a written evaluation, upon request, to customers who are not required to provide Financial Assurance.

II. Financial Information:

Customers receiving transmission service or requesting interconnection service must submit, if available, the following:

- All current rating agency reports from Standard and Poor’s (“S&P”), Moody’s and/or Fitch of the customer.
- Audited financial statements provided by a registered independent auditor for the two most recent years, or the period of its existence, if shorter, for the customer.

III. Creditworthiness Requirements:

A. The customer must meet at least one of the following quantitative criteria in order to receive unsecured credit equivalent to 3 months of transmission charges or, for interconnections, the credit equivalent of 3 months of the annual facilities charges and other ongoing charges:

- i) If rated, the customer must have either for itself or for its outstanding debt the following:
 - Standard and Poor's or Fitch rating of at least a BBB, or
 - Moody's rating of at least a Baa2.

- ii) If un-rated or if rated below BBB/Baa2, as stated in a), the customer must meet all of the following:
 - A Current Ratio of at least 1.0 times (current assets divided by all current liabilities);
 - A Total Capitalization Ratio of less than 60% debt: total debt (including all short-term borrowing) divided by total shareholders' equity plus total debt;
 - "Earnings before interest, taxes, depreciation and amortization" in most recent fiscal quarter divided by expense for interest" (EBITDA-to-Interest Expense Ratio) of at least 2.0 times; and
 - Audited Financial Statement with an unqualified audit opinion.

- iii) If the customer relies on the creditworthiness of a parent company, the customer's parent company must meet the criteria set out in (a) or (b) above, and must provide to NSTAR East a written guarantee that it will be unconditionally responsible for all financial obligations associated with the customer's receipt of transmission service from NSTAR East.

- iv) If the customer is a municipal that is a member of the Massachusetts Municipals Wholesale Electric Cooperative (MMWEC), MMWEC must meet the criteria set out in (a) or (b) above and provide to NSTAR East a written guarantee that MMWEC will be unconditionally responsible for all financial obligations associated with the customer's receipt of transmission service from NSTAR East.

B. If the customer does not qualify for unsecured credit under Section A, the customer will qualify

for unsecured credit equivalent to two months of transmission service charges, or for interconnections, the credit equivalent of two months of the annual facilities charges and other ongoing charges, if one of the following qualitative factors is met:

- § The customer has, on a rolling basis, 12 consecutive months of payments to NSTAR East with no missed, late or defaults in payment; or
- § The customer has an executed long-term contract for the sale of the full output (energy and capacity) of its generating unit and either has executed a corresponding Local Service Agreement under Schedule 21-ES (Part B) for the transmission of that output or the execution of such a Local Service Agreement is pending the customer's demonstration of creditworthiness pursuant to this Attachment ES-L (Part B).

IV. Financial Assurance:

If the customer does not meet the applicable requirements for Creditworthiness set out in Section III above, then the customer must either:

- Pay in advance for service an amount equal to the lesser of the total charge for Transmission Service or the charge for three months of Transmission Service not less than 5 days in advance of the commencement of service; or
- Obtain Financial Assurance in the form of a: letter of credit, performance bond, or corporate guarantee equal to the equivalent of 3 months of Transmission Service charges prior to receiving service.

If the customer pays for service in advance, NSTAR East will pay to the customer interest on the amounts not yet due to NSTAR East, computed in accordance with the Commission's regulations at 18 CFR § 35.19a(a)(2)(iii).

V. Contesting Creditworthiness Determination:

The Transmission Customer may contest NSTAR East's determination of creditworthiness by submitting a written request for re-evaluation within 20 calendar days of being notified of the creditworthiness determination. Such request should provide information supporting the basis for a request to re-evaluate a Transmission Customer's creditworthiness. NSTAR East will review and respond to the request within 20 calendar days.

VI. Process for Changing Credit Requirements:

In the event that NSTAR East plans to revise its requirements for credit levels or collateral requirements as detailed in this Attachment ES-L (Part B), NSTAR East shall submit such changes in a filing to the Commission under Section 205 of the Federal Power Act. NSTAR East shall follow the notification requirements pursuant to Section 3.04(a) of the Transmission Operating Agreement and reflected herein.

A. General Notification Process

- i) NSTAR East shall provide written notification to ISO-NE and stakeholders of any filing described above, at least 30 days in advance of such filing.
- ii) Filing notifications shall include a detailed description of the filing, including a redlined document containing revised change(s).
- iii) NSTAR East shall consult with interested stakeholders upon request.
- iv) Following Commission acceptance of such filing and upon the effective date, NSTAR East shall revise Attachment ES-L (Part B) and an updated version of Schedule 21-ES (Part B) shall be posted the ISO-NE website.

B. Transmission Customer Responsibility

When there is a change in requirements pursuant to this Attachment ES-L (Part B), it is the responsibility of the customers to forward updated financial information to NSTAR East at the address noted on NSTAR East's OASIS site and indicate whether the change affects their ability to meet the requirements of this Attachment ES-L (Part B). In such cases where the customer's status has changed, the customer must take the necessary steps to comply with the revised requirements of the Attachment ES-L (Part B) by the effective date of the change.

VII. Posting Collateral Requirements:

A. Changes in Customer's Financial Condition

Each customer must inform NSTAR East, in writing, within five (5) business days of any material change in its financial condition, and, if the customer qualifies under Section III.A(c), that of its parent company.

A material change in financial condition may include, but is not limited to, the following:

- Change in ownership by way of a merger, acquisition or substantial sale of assets;
- A downgrade of long- or short-term debt rating by a major rating agency;
- Being placed on a credit watch with negative implications by a major rating agency;
- A bankruptcy filing;
- Any action requiring filing of a Form 8-K;
- A declaration of or acknowledgement of insolvency;
- A report of a significant quarterly loss or decline in earnings;
- The resignation of key officer(s);
- The issuance of a regulatory order and/or the filing of a lawsuit that could materially adversely impact current or future financial results.

B. Change in Creditworthiness Status

- A customer who has been extended unsecured credit under this policy must comply with the terms of Financial Assurance in Section IV above if one or more of the following conditions apply:
- The customer no longer meets the applicable criteria for Creditworthiness in Section III above;
- The customer exceeds the amount of unsecured credit extended by NSTAR East, in which case Financial Assurance equal to the amount of excess must be provided within 5 business days; or
- The customer has missed two or more payments for any of the services offered by NSTAR East in the last 12 months.

In the event that NSTAR East determines that there is a change in the credit level or collateral requirements, the customer may request a written explanation of the basis for this change. Such notification should be sent to the NSTAR East contact indicated on the NSTAR East OASIS site. NSTAR East shall respond to such request within 20 days of receipt of such notification.

Unless otherwise noted above, when there is a change in a customer's Creditworthiness Status requiring the customer to provide Financial Assurance, the customer must provide such Financial Assurance within

20 business days from the date the customer either notifies NSTAR East, as required in Section VI.B above, or receives notice from NSTAR East.

VIII. Ongoing Financial Review:

Each customer is required to submit to NSTAR East annually or when issued, as applicable:

- Current rating agency report;
- Audited financial statements from a registered independent auditor; and
- 10-Ks and 8-Ks, promptly upon their issuance.

IX. Suspension of Service:

NSTAR East may immediately suspend service (with notification to Commission) to a customer, and may initiate proceedings with Commission to terminate service, if the customer does not meet the terms described in Sections III through VIII above at any time during the term of service or if the customer's payment obligations to NSTAR East exceed the amount of unsecured or secured credit to which it is entitled under this Attachment ES-L (Part B). A customer is not obligated to pay for transmission service that is not provided as a result of a suspension of service.