

MASSACHUSETTS ELECTRIC COMPANY
NANTUCKET ELECTRIC COMPANY
ATTORNEY GENERAL CONSULTANT EXPENSES PROVISION

The Company's rates for Retail Delivery Service are subject to adjustment to reflect recovery of assessments to the Company for costs incurred by the Attorney General of Massachusetts for experts or consultants that have been approved by the Department pursuant to Massachusetts General Laws c. 12, section 11E(b).

The Attorney General Consultant Expenses ("AGCE") Adjustment shall be allocated to the Company's rate classes by applying the Distribution Revenue Allocator shown below. The AGCE Adjustment Factor for each rate class shall be based on the estimated kilowatt-hours to be delivered by the Company to each rate class over the twelve months the factor is to be applied to customers' bills and shall be calculated as follows:

$$\text{AGCE Adj}_x = [(\text{AGCE}_{x-1} + \text{PPRA}_{x-2}) \times \text{DRAs}] \div \text{FkWh}_x, \text{ where}$$

x = The twelve month period during which the AGCE will be in effect;

s = Designates a separate factor for the following rate classes: R-1/R-2, G-1, G-2, G-3, and Streetlighting;

AGCE Adj_x = The Attorney General Consultant Expenses Adjustment Factor for year x;

AGCE_{x-1} = The Attorney General Consultant Expenses for year x-1, based on actual data;

DRA = Distribution Revenue Allocator is derived from the Company's most recent base rate case as approved by the Department and shall be as follows by rate class:

| | |
|----------------|-------|
| R-1/R-2 | 60.6% |
| G-1 | 12.0% |
| G-2 | 10.7% |
| G-3 | 16.3% |
| Streetlighting | 0.4% |

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- PPRA_{x-2} = The Past Period Reconciliation Amount defined as the ending balance of the difference between (a) the AGCE for year x-2 and (b) the revenues collected through the AGCE Adj as approved by the Department for year x-1;
- FkWh_x = The forecasted kWh for year x, defined as the forecasted amount of electricity to be delivered to the Company's retail delivery customers.

For billing purposes, the AGCE Adjustment Factor will be included with the distribution kWh charge on customers' bills.

The Company shall file its AGCE Adjustment Factor annually on or around January 15. The effective date for any changes to the AGCE Adjustment Factor shall be March 1, or as otherwise approved by the Department.

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