Applicability

Charges under this rate are intended to recover the costs associated with the Company's energy efficiency programs and activities. Customers shall be billed two separate charges on a monthly basis: a Demand-Side Management ("DSM") Adjustment rate and an Energy Efficiency Program Cost Adjustment ("EEPCA") rate, as provided below, for all kWh delivered by the Company to the Customer.

Energy Efficiency Rates

DSM	As per M.D.P.U. No. 1052 as in effect from time to time.
EEPCA	As per M.D.P.U. No. 1052 as in effect from time to time.

EEPCA Revenues and Costs

The EEPCA shall be calculated to reconcile costs incurred by the Company for providing energy efficiency program services beyond those recovered through revenues received from the DSM adjustment, Regional Greenhouse Gas Initiative ("RGGI") and Forward Capacity Market ("FCM"), and/or from any other energy efficiency related revenues received by non-customer sources. These costs shall include any program-related costs resulting from incremental efficiency savings over 2007 levels and shareholder incentives.

The EEPCA shall be established annually based on a proposed energy efficiency program budget filed with the Massachusetts Department of Public Utilities ("Department"), and shall include a full reconciliation and adjustment for any over- or under-recoveries occurring under the prior year's adjustment. Each year's reconciliation will be based on calendar data ending December of that year. Any over- or under-recoveries shall be refunded to or collected from all customers on a per kilowatt-hour basis over the following twelve (12) months, with interest at the customer deposit rate excluding any income tax adjustment. The Company may file to change the factor adjustments at any time should significant over- or under-recoveries occur. If actual costs and revenues are unavailable for any month, said costs or revenues shall be estimated, subject to later adjustment, for purposes of the foregoing calculation.

EEPCA Formula

The EEPCA for a given calendar year is calculated as follows:

$$EEPCA = \frac{(EEPE + PPR + CC - DSMR - ORS)}{PkWh}$$

Where:

EEPCA = The Energy Efficiency Program Cost Adjustment Factor applied to customer billed sales beginning July 1 of each year.

EEPE = The projected Energy Efficiency Program Expense provided in the Company's latest Energy Efficiency Plan submitted to the Department for its approval.

PPR = Prior period under/over-recovery as a result of the reconciliation of previous revenues and expenses associated with energy efficiency programs.

CC = The carrying charges calculated on the PPR at the Company's customer deposit rate excluding any income tax adjustment.

DSMR = The projected revenue to be recovered during such year from customers through the DSM Adjustment.

ORS = The projected other revenue sources for such year, including, but not limited, to RGGI, FCM and pilot program "Pay and Save" payments to the extent such revenue is appropriate as it relates to corresponding energy efficiency costs. All projections shall be based upon the Company's best estimates, or the latest 12-month actual revenues of such sources received by the Company.

PkWh = The Company's projected sales for the 12-month period beginning July 1 of the year in which the EEPCA will be effective.

Notice

Any adjustment of the EEPCA factors listed above shall be in accordance with a notice filed with the Department setting forth the amount of the proposed new factors, the amount of the increase or decrease, and the effective delivery charge in the Company's rates as adjusted to reflect the new factors. The notice shall further specify the effective date of such adjustments, which shall not be earlier than sixty (60) days after the filing of the notice, or such other date as the Department may authorize.

The operation of the Energy Efficiency Program Expansion Cost Adjustment is subject to Chapter 164 of the General Laws.