

**Fitchburg Gas and Electric Light Company  
 Summary of Open Access Transmission Tariff Rates  
 Effective June 1, 2006 (1)**

Description

---

**Attachment H: Annual Transmission Revenue Requirement for  
 Network Integration Transmission Service:**

Revenue Requirement	\$1,183,921
---------------------	-------------

**Schedule 7: Firm Point-to-Point**

Annual Charge \$/kW	\$13.767
Monthly Charge \$/kW	\$1.147
Weekly Charge \$/kW	\$0.265
Daily Charge \$/kW	\$0.038

**Schedule 8: Non-Firm Point-to-Point (2)**

Monthly Charge \$/kW	\$0.860
Weekly Charge \$/kW	\$0.199
Daily Charge \$/kW	\$0.028
Hourly Charge \$/Mwh	\$1.179

(1) Represents rates based on calendar year 2005 data as adjusted as approved by FERC.  
 Rates shall be recalculated annually, effective June 1, based on data from the prior calendar year in accordance with the formula established in Attachment H.

(2) Rates reflect a 25% discount off the Firm Point-to-Point rates in accordance with Schedule 8.

## **SCHEDULE 21 - FG&E**

### **FITCHBURG GAS AND ELECTRIC LIGHT COMPANY LOCAL SERVICE SCHEDULE**

---

Issued by: Mark H. Collin  
Treasurer  
Fitchburg Gas and Electric Light Company  
Issued on: December 22, 2004

Effective: With notice, on or after  
February 1, 2005

---

**SCHEDULE 21-FG&E**

**Fitchburg Gas and Electric Light Company Local Service Schedule**

**I. COMMON SERVICE PROVISIONS**

Fitchburg Gas and Electric Light Company ("FG&E") is a participant in the New England Control Area and has agreed to provide transmission and ancillary services over PTF pursuant to the Tariff. The services provided under this Schedule 21-FG&E apply only to Non-PTF, except in the case of service to Network Customers that have all or part of their Network Load directly connected to the PTF in the Local Network. These Network Customers shall pay for Local Network Service pursuant to Attachment H to this Schedule 21-FG&E. Provisions of this Schedule 21-FG&E shall have priority over any conflicting provisions in the Tariff.

**1 Definitions**

- 1.0 Annual Transmission Costs:** The total annual cost of the Local Network for purposes of Local Network Service shall be the amount specified in Attachment H until amended by FG&E or modified by the Commission.
- 1.1 Curtailment:** A reduction in firm or non-firm transmission service in response to a transmission capacity shortage as a result of system reliability conditions.
- 1.2 Load Ratio Share:** Ratio of a Transmission Customer's Non-PTF Network Load to FG&E's total load computed in accordance with Sections II.9 and II.9(a) of this Schedule under Sections Supplementing Section 21 of the OATT and calculated on a rolling twelve month basis.

---

Issued by: Mark H. Collin  
Treasurer  
Fitchburg Gas and Electric Light Company  
Issued on: December 22, 2004

Effective: With notice, on or after  
February 1, 2005

- 1.3 Local Network:** The transmission facilities owned, controlled, or operated by FG&E that are used to provide transmission service under Schedule 21 of the OATT.
- 1.4 Local Network Service:** The transmission service provided under Schedule 21 of the OATT and this Schedule.
- 1.5 Network Load:** The load directly interconnected to the PTF or Non-PTF facilities of FG&E. A Network Customer may elect to designate less than its total load as Network Load but may not designate only part of the load at a discrete Point of Delivery. Where a Eligible Customer has elected not to designate a particular load at discrete points of delivery as Network Load, the Eligible Customer is responsible for making separate arrangements under Schedule 21 of the OATT for any Local Point-to-Point Service that may be necessary for such non-designated load. For purposes of establishing rates and charges under this Tariff, the Network Load will be subdivided into one of two categories:
- A. **PTF Network Load** shall be the load over FG&E's PTF facilities and shall equal the load of Network Customers directly interconnected with FG&E's PTF or indirectly utilizing FG&E's PTF through Non-PTF facilities of FG&E.
- B. **Non-PTF Network Load** shall be the load over FG&E's Non-PTF directly interconnected with FG&E's Non-PTF facilities.
- 1.6 Network Upgrades:** Modifications or additions to transmission-related facilities that are integrated with and support FG&E's overall Local Network for the general benefit of all users of such Local Network.

- 1.7 Parties:** FG&E and the Transmission Customer receiving service under this Schedule and the OATT.

## **SECTIONS SUPPLEMENTING THE BODY OF THE TARIFF**

### **Preamble**

The following provisions supplement the provisions of the Tariff. Provisions of this Schedule 21-FG&E shall have priority over any conflicting provisions in the Tariff. The section numbers of this Schedule 21-FG&E correspond to or are consecutive to the section numbers in the body of the Tariff that are affected by the additional provisions herein.

### **Sections Supplementing Section 1: General Terms and Conditions**

- 1.7 Creditworthiness:** For the purpose of determining the ability of the Transmission Customer to meet its obligations related to service hereunder, FG&E may require reasonable credit review procedures. This review shall be made in accordance with standard commercial practices. In addition, FG&E may require the Transmission Customer to provide and maintain in effect during the term of the Service Agreement, an unconditional and irrevocable letter of credit as security to meet its responsibilities and obligations under the Tariff, or an alternative form of security proposed by the Transmission Customer and acceptable to FG&E and consistent with commercial practices established by the Uniform Commercial Code that protects FG&E against the risk of non-payment.

## **Sections Supplementing Section II of the Tariff: Open Access Transmission Tariff (OATT)**

### **II.A. COMMON SERVICE PROVISIONS**

**II.A.1 Reservation Priority For Existing Firm Service Customers:** Existing firm service customers (wholesale requirements and transmission-only, with a contract term of one-year or more), have the right to continue to take transmission service from FG&E when the contract expires, rolls over or is renewed. This transmission reservation priority is independent of whether the existing customer continues to purchase capacity and energy from FG&E or elects to purchase capacity and energy from another supplier. If at the end of the contract term, FG&E's Local Network cannot accommodate all of the requests for transmission service, the existing firm service customer must agree to accept a contract term at least equal to a competing request by any new Eligible Customer and to pay the current just and reasonable rate, as approved by the Commission, for such service. This transmission reservation priority for existing firm service customers is an ongoing right that may be exercised at the end of all firm contract terms of one-year or longer.

### **II.4 Ancillary Services**

Ancillary Services are needed with transmission service to maintain reliability within and among the Control Areas affected by the transmission service. FG&E is required to provide (or

offer to arrange with the ISO as discussed below), and the Transmission Customer is required to purchase Scheduling, System Control and Dispatch Service.

The following Ancillary Services are available pursuant to Section II.4 of the Tariff only to the Transmission Customer serving load within the New England Control Area: (i) Reactive Supply and Voltage Control from Generation Sources Service, (ii) Regulation and Frequency Response (Automatic Generation Control), (iii) Energy Imbalance, (iv) Operating Reserve - Spinning, and (v) Operating Reserve - Supplemental.

## **II.8 Billing and Invoicing; Accounting**

- 8.2 Invoicing:** Within a reasonable time after the first day of each month, FG&E shall submit an invoice to the Transmission Customer for the charges for all services furnished under the OATT during the preceding month. 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 FG&E, or by wire transfer to a bank named by FG&E.
- 8.4 Customer Default:** In the event the Transmission Customer fails, for any reason other than a billing dispute as described below, to make payment to FG&E on or before the due date as described above, and such failure of payment is not corrected within thirty (30) calendar days after FG&E 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, FG&E 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 FG&E and the Transmission Customer, FG&E 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 FG&E may provide notice to the Transmission Customer of its intention to suspend service in sixty (60) days, in accordance with Commission policy.

### **II.10.2 Stranded Cost Recovery**

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

## **SECTIONS SUPPLEMENTING SCHEDULE 21 OF THE OATT**

### **I. Local Point-to-Point Service Over the Local Network Owned by FG&E**

#### **Preamble**

In addition to the provisions set forth in Schedule 21 of the OATT, the provisions of this Schedule 21-FG&E shall govern Local Point-To-Point transactions using the Local Network owned by FG&E. Provisions of this Schedule 21-FG&E shall have priority over any conflicting provisions in the Tariff. The section numbers of this Schedule 21-FG&E correspond to or are consecutive to the sections of Schedule 21 of the OATT that are affected by the additional provisions herein.

To the extent not otherwise covered in the OATT, the then-current ISO New England Operating Documents, or the TOA, or the rules adopted thereunder, whenever FG&E implements least-cost redispatch procedures in response to a transmission constraint, FG&E and the Transmission Customer(s) taking Local Point-To-Point Service will each bear a proportionate share of the total redispatch cost.

**Service Availability**

**b) Determination of Available Transmission Capability:** A description of FG&E's specific methodology for assessing available transmission capability is contained in Attachment C of this Schedule. In the event sufficient transmission capability may not exist to accommodate a service request, FG&E will respond by performing a System Impact Study.

**g) Real Power Losses:** Real Power Losses are associated with all transmission service. FG&E is not obligated to provide Real Power Losses. The Transmission Customer is responsible for replacing losses associated with all transmission service as calculated by FG&E. The applicable Real Power Loss factors tabulated below will be applied to metered loads and Reserved Capacity amounts to account for losses on FG&E's system. The applicable Real Power Loss factors are as follows:

Firm Local Point-to-Point Service = 0.72% at 69 kV subtransmission.

Non-Firm Local Point-to-Point Service = 0.72% at 69 kV subtransmission.

**6) Procedures for Arranging Non-Firm Local Point-To-Point Service**

**d) Determination of Available Transmission Capability:** Following receipt of a tendered schedule FG&E will make a determination on a non-discriminatory basis of available transmission capability pursuant to Section I.3(b) of this Schedule under Sections Supplementing Schedule 21 of the OATT. Such determination

shall be made as soon as reasonably practicable after receipt, but not later than the following time periods for the following terms of service (i) thirty (30) minutes for hourly service, (ii) thirty minutes for daily service, (iii) four (4) hours for weekly service, and (iv) two (2) days for monthly service (during FG&E's normal business hours of 8:00 a.m. to 4:30 p.m., Monday to Friday).

**11) Sale or Assignment of Local Point-to-Point Service**

- c) Information on Assignment or Transfer of Service:** FG&E currently has waiver from the obligations of FERC Order No. 889 to maintain an OASIS. In the future, upon implementation of any FG&E OASIS site, resellers may use FG&E's OASIS site to post transmission capacity available for resale.

**II. Local Network Service using Non-PTF Owned by FG&E**

**Preamble**

In addition to the provisions set forth in Schedule 21 of the OATT, the provisions of this Schedule 21-FG&E shall govern Local Network Service using Non-PTF owned by FG&E. Provisions of this Schedule 21-FG&E shall have priority over any conflicting provision in the Tariff. The section numbers of this Schedule 21-FG&E correspond to the sections of Schedule 21 of the OATT that are affected by the additional provisions herein.

Local Network Service allows the Network Customer to integrate, economically dispatch, and regulate its current and planned Network Resources to serve its Network Load in a manner comparable to that in which FG&E utilizes its Non-PTF to serve its Native Load Customers. Local Network Service also may be used by the Network Customer to deliver economy energy purchases to its Network Load from non-designated resources on an as-available basis without additional charge. Transmission service for sales to non-designated loads will be provided pursuant to the applicable terms and conditions of Schedule 21 of the OATT.

---

Issued by: Mark H. Collin  
Treasurer  
Fitchburg Gas and Electric Light Company  
Issued on: December 22, 2004

Effective: With notice, on or after  
February 1, 2005

## 2) Availability of Local Network Service

- f) Real Power Losses:** The Network Customer is responsible for replacing losses associated with all transmission service as calculated by FG&E. The applicable Real Power Loss factors tabulated below will be applied to metered loads and Reserved Capacity amounts to account for losses on FG&E's system. The applicable Real Power Loss factors are as follows:

Local Network Service = 0.72% at 69 kV subtransmission.

## 4) Network Resources

- b) Designation of New Network Resources:** The Network Customer may designate a new Network Resource by providing FG&E with as much advance notice as practicable. A designation of a new Network Resource must be made by a request for modification of service pursuant to an Application under Section II(3) of Schedule 21 of the OATT.

## 7) Load Shedding and Curtailments

- a) Procedures:** Prior to the Service Commencement Date, FG&E and the Network Customer shall establish Load Shedding and Curtailment procedures pursuant to Section II.20 of the Tariff, with the objective of responding to contingencies on the Non-PTF. The Local Network Parties will implement such programs during any period when the ISO, the Local Control Center or FG&E determines that a system contingency exists and such procedures are necessary to alleviate such contingency. FG&E will notify all affected Network Customers in a timely manner of any scheduled Curtailment.
- b) Transmission Constraints:** During any period when FG&E determines that a transmission constraint exists on the Local Network, and such constraint may impair the reliability of FG&E's system, FG&E will take whatever actions,

---

Issued by: Mark H. Collin  
Treasurer  
Fitchburg Gas and Electric Light Company  
Issued on: December 22, 2004

Effective: With notice, on or after  
February 1, 2005

consistent with then-current ISO New England Operating Documents or the TOA, and the rules adopted thereunder, and with Good Utility Practice, that are reasonably necessary to maintain the reliability of FG&E's system. To the extent ISO determines that the reliability of the ISO New England Transmission System can be maintained by redispatching resources, FG&E will initiate procedures pursuant to the OATT, the then-current ISO New England Operating Documents, or the TOA, and the rules adopted thereunder to redispatch all Network Resources and FG&E's own resources on a least-cost basis without regard to the ownership of such resources. Any redispatch under this section may not unduly discriminate between FG&E's use of the Local Network on behalf of its Native Load Customers and any Network Customer's use of the Local Network to serve its designated Network Load.

- c) **Cost Responsibility for Relieving Transmission Constraints:** To the extent not otherwise covered in the OATT, the then-current ISO New England Operating Documents, or the TOA, or the rules adopted thereunder, whenever FG&E implements least-cost redispatch procedures in response to a transmission constraint, FG&E and the Network Customer(s) will each bear a proportionate share of the total redispatch cost based on their respective Load Ratio Shares.
- d) **Curtailments of Scheduled Deliveries:** If a transmission constraint on FG&E's Local Network cannot be relieved through the implementation of least-cost redispatch procedures and FG&E determines that it is necessary to Curtail scheduled deliveries, the Local Network Parties shall Curtail such schedules in accordance with Section II.22 of the Tariff.
- e) **Allocation of Curtailments:** The ISO, the Local Control Center or FG&E shall, on a non-discriminatory basis, Curtail the transaction(s) that effectively relieve the

constraint. However, to the extent practicable and consistent with Good Utility Practice, any Curtailment will be shared by FG&E and Network Customers in proportion to their respective Load Ratio Shares. Neither the ISO, the Local Control Center nor FG&E shall direct the Network Customer to Curtail schedules to an extent greater than either would Curtail FG&E's schedules under similar circumstances.

- f) Load Shedding:** To the extent that a system contingency exists on FG&E's Local Network and the ISO, the Local Control Center or FG&E determines that it is necessary for FG&E and the Network Customers to shed load, the Local Network Parties shall shed load in accordance with previously established procedures in accordance with Section II.22 of the Tariff, the then-current ISO New England Operating Documents, or the TOA, and the rules adopted thereunder.
- g) System Reliability:** Notwithstanding any other provisions of this Schedule, FG&E reserves the right, consistent with Good Utility Practice and on a not unduly discriminatory basis, to Curtail Local Network Service without liability on the part of FG&E for the purpose of making necessary adjustments to, changes in, or repairs on FG&E's lines, substations, and facilities, and in cases where the continuance of Local Network Service would endanger persons or property. In the event of any adverse conditions or disturbances on FG&E's Local Network or on any other system(s) directly or indirectly interconnected with FG&E's Local Network, FG&E, consistent with Good Utility Practice, also may Curtail Local Network Service in order to (i) limit the extent or damage of the adverse condition(s) or disturbance(s), (ii) prevent damage to generating or transmission facilities, or (iii) expedite restoration of service. FG&E will give the Network

Customer as much advance notice as is practicable in the event of such Curtailment. Any Curtailment of Local Network Service will not be unduly discriminatory relative to FG&E's use of its Local Network on behalf of its Native Load Customers. FG&E shall specify the rate treatment and all related terms and conditions applicable in the event that the Network Customer fails to respond to established Load Shedding and Curtailment procedures.

**8) Rates and Charges**

**In addition to the above sections that correspond to sections in Schedule 21 of the OATT, the following additional provision shall apply to Local Network Service over FG&E's Local Network.**

- a) Monthly Demand Charge:** The Network Customer shall pay a Monthly Demand Charge which shall be determined by multiplying its Load Ratio Share times one twelfth (1/12) of FG&E's Annual Transmission Revenue Requirement as specified in Attachment H to this Schedule 21-FG&E.

- 9) Determination of Network Customer's Local Monthly Network Load:** The Network Customer's local monthly Network Load is its hourly load (including its designated Network Load not physically interconnected with FG&E under Section II.5(c) of Schedule 21 of the OATT) coincident with the FG&E's Monthly Local Network Peak. Monthly revenue requirements not otherwise paid for through charges to Eligible Customers for Local Point-to-Point Service will be allocated among FG&E's Network Customers receiving service under the tariff on the basis of their loads during the hour in the month in which the total connected load to the local network is at its maximum, without any adjustment for credits for generation.

**In addition to the above sections that correspond to sections in Schedule 21 of the OATT, the following three provisions shall apply to Local Network Service over FG&E's local network.**

- 9a) Determination of FG&E's Monthly Local Network Load:** FG&E's monthly Local Network Load is FG&E's Monthly Local Network Peak minus the coincident peak usage of all Firm Local Point-To-Point Service customers pursuant to Schedule 21 of the OATT plus the Reserved Capacity of all Firm Local Point-To-Point Service customers.
- 9b) Redispatch Charge:** The Network Customer shall pay a Load Ratio Share of any redispatch costs allocated between the Network Customer and FG&E pursuant to Section II.7 of Schedule 21 of the OATT. To the extent that the FG&E incurs an obligation to the Network Customer for redispatch costs in accordance with Section II.7 of Schedule 21 of the OATT, such amounts shall be credited against the Network Customer's bill for the applicable month.
- 9c) Recovery of PTF Transmission Revenue Requirements:** The portion of FG&E's annual transmission revenue requirements with respect to PTF which is not recovered through the distribution of revenues from Regional Network Service or Local Point-to-Point Service shall be recovered from Eligible Customers taking Regional Network Service or Local Point-to-Point Service pursuant to Section II.13 of the Tariff.

## **SCHEDULE 1**

### **Local Scheduling, System Control and Dispatch Service**

This service is required to schedule the movement of power through, out of, within, or into FG&E's Local Network Control Area. Local Scheduling, System Control and Dispatch Service is to be provided directly by FG&E and the ISO. The Transmission Customer must purchase this service from FG&E. The charges for FG&E's Local Scheduling, System Control and Dispatch Service are to be based on the rates set forth below. To the extent that the ISO performs this service for FG&E, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to FG&E by the ISO.

Each Firm Local Point-To-Point Service Customer under this Tariff will be charged for Local Scheduling, System Control and Dispatch Services for the total Reserved Capacity specified in each reservation for Firm Local Point-To-Point Service made under the Tariff at the rates set forth in Appendix A of this Schedule 1.

Each Network Customer under this Tariff will be charged a monthly Local Scheduling, System Control and Dispatch Service Demand Charge, which shall be determined by multiplying its Load Ratio Share times one twelfth (1/12) of the Formula Requirements specified in Appendix B of this Schedule 1.

Each Transmission Customer with generation within the ISO's Control Area shall be required also to provide for Scheduling, System Control and Dispatch Service for that generation. It is anticipated that the Transmission Customer will obtain these services by contracting with the ISO for these services on an unbundled basis. FG&E will make available Generation Scheduling, System Control and Dispatch Service at the rates set forth in Appendix C of this Schedule 1.

---

Issued by: Mark H. Collin  
Treasurer  
Fitchburg Gas and Electric Light Company  
Issued on: December 22, 2004

Effective: With notice, on or after  
February 1, 2005

Each Transmission Customer with generation located outside of the ISO Control Area shall be required to provide for Scheduling, System Control and Dispatching 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. FG&E shall have the right, at any time, unilaterally to file for a change in any of the provisions of this Schedule 1 in accordance with Section 205 of the Federal Power Act and the Commission's implementing regulations.

---

Issued by: Mark H. Collin  
Treasurer  
Fitchburg Gas and Electric Light Company  
Issued on: December 22, 2004

Effective: With notice, on or after  
February 1, 2005

## SCHEDULE 1

### Appendix A

#### Determination Of FG&E's Local Network Point-To-Point Formula Rate For Local Scheduling, System Control And Dispatch Service

FG&E's Formula Rate for Point-To-Point Local Scheduling, System Control and Dispatch Service ("Formula Rate") is an annual rate determined from the following formula.

$$\text{FORMULA RATE}_i = \frac{A_{i-1} - B_{i-1}}{C_{i-1}}$$

WHERE:

- $i$  equals the calendar year during which service is being rendered ("Service Year").
- $A_{i-1}$  is the Annual Control Center Expenses (expressed in dollars) of FG&E for the calendar year prior to the Service Year. The Annual Control Center Expenses are determined pursuant to the formula specified in Exhibit 1 to this Appendix A of Schedule 1.
- $B_{i-1}$  is the actual local scheduling, system control and dispatch revenues (expressed in dollars) provided from the provision of transmission services to others. The actual local scheduling and dispatch revenues shall be those recorded on the books of FG&E in FERC Account No. 456 pertaining to Transmission of Electricity for Others and such other applicable FERC Account for the calendar year prior to the Service Year.
- $C_{i-1}$  is the single annual coincident peak transmission load (expressed in kilowatts) of FG&E for the calendar year prior to the Service Year, as reported in FERC Form No. 1.

---

Issued by: Mark H. Collin  
Treasurer  
Fitchburg Gas and Electric Light Company  
Issued on: December 22, 2004

Effective: With notice, on or after  
February 1, 2005

**Schedule 1**

**Appendix A**

**Exhibit 1**

**Determination of Annual Control Center Expenses**

The rate formula for determination of the annual control center expenses revenue requirements for FG&E is determined as follows:

- A. ANNUAL CONTROL CENTER EXPENSES = Sum of FG&E's (Account 556 System Control and Load Dispatching Expense) + (Account 557 Other Expense) X .50\* for the calendar year prior to the Service Year.

\* This factor reflects allocation to the transmission function of a portion (50 percent) of the costs recorded in Accounts 556 and 557 associated with dispatching transmission and generating facilities. This 50 percent allocation of control center costs is based on two functions performed by the control center (i) control of generation and (ii) control of transmission.

## SCHEDULE 1

### Appendix B

#### **Determination of FG&E's Network Formula Requirements For Local Scheduling, System Control And Dispatch Service**

FG&E's formula requirements for Network Local Scheduling, System Control and Dispatch Service is determined from the following formula.

$$\text{Formula Requirements}_i = A_{i-1} - B_{i-1}$$

WHERE:

- $i$  equals the calendar year during which service is being rendered ("Service Year").
- $A_{i-1}$  is the Annual Control Center Expenses (expressed in dollars) of FG&E for the calendar year prior to the Service Year. The Annual Control Center Expenses are determined pursuant to the formula specified in Exhibit 1 to Appendix A of Schedule 1.
- $B_{i-1}$  is the actual local scheduling, system control and dispatch revenues (expressed in dollars) provided from the provision of transmission services to others. The actual local scheduling, system control and dispatch revenues shall be those recorded on the books of FG&E in FERC Account No. 456 pertaining to Transmission of Electricity for Others and such other applicable FERC Account for the calendar year prior to the Service Year.

---

Issued by: Mark H. Collin  
Treasurer  
Fitchburg Gas and Electric Light Company  
Issued on: December 22, 2004

Effective: With notice, on or after  
February 1, 2005

## SCHEDULE 1

### Appendix C

#### **Determination Of FG&E's Formula Rate For Generation Scheduling, System Control And Dispatch Service**

FG&E's Formula Rate for Generation Scheduling, System Control and Dispatch Service ("Formula Rate") is an annual rate determined from the following formula.

$$\text{FORMULA RATE}_i = \frac{A_{i-1} - B_{i-1}}{C_{i-1}}$$

WHERE:

- $i$  equals the calendar year during which service is being rendered ("Service Year").
- $A_{i-1}$  is the Annual Control Center Expenses (expressed in dollars) of FG&E for the calendar year prior to the Service Year. The Annual Control Center Expenses are determined pursuant to the formula specified in Exhibit 1 to Appendix A of Schedule 1.
- $B_{i-1}$  is the actual generation scheduling, system control and dispatch revenues (expressed in dollars) provided from the provision of generation services to others. The actual generation scheduling and dispatch revenues shall be those recorded on the books of FG&E for the calendar year prior to the Service Year.
- $C_{i-1}$  is FG&E's capacity entitlements for the calendar year prior to the service year.

---

Issued by: Mark H. Collin  
Treasurer  
Fitchburg Gas and Electric Light Company  
Issued on: December 22, 2004

Effective: With notice, on or after  
February 1, 2005

## SCHEDULE 7

### **Long-Term Firm Local and Short-Term Firm Local Point-to-Point Service**

The Transmission Customer shall compensate FG&E each month for Firm Reserved Capacity at the sum of the applicable charges set forth below:

1) **Yearly delivery:**

The Yearly Delivery Charge per kW shall be FG&E's Annual Transmission Revenue Requirement (determined in accordance with Attachment H of this Tariff) divided by FG&E's Total Peak Load for the corresponding calendar year. Total Peak Load shall be FG&E's peak load, minus the coincident peak of all firm local point-to-point customers, plus the contract demand reservation for firm local point-to-point customers.

2) **Monthly delivery:**

The Monthly Delivery Charge per kW shall be determined by dividing the Yearly Delivery Charge by 12.

3) **Weekly delivery:**

The Weekly Delivery Charge per kW shall be determined by dividing the Yearly Delivery Charge by 52.

4) **Daily delivery:**

The Daily Delivery Charge per kW shall be determined by dividing the Yearly Delivery Charge by 365.

The total delivery charge in any week, pursuant to a reservation for daily delivery, shall not exceed the Weekly delivery Charge specified in section (3) above times the highest amount in kilowatts of Firm Reserved Capacity in any day during such week.

5) **Discounts:** Three principal requirements apply to discounts for transmission service as follows (1) any offer of a discount made by FG&E must be announced to all Eligible Customers solely by posting on Unitil.com, (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 Unitil.com, and (3) once a discount is negotiated, details must be immediately posted on Unitil.com. For any discount agreed upon for service on a path from point(s) of receipt to point(s) of delivery, FG&E 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 FG&E's Local Network.

---

Issued by: Mark H. Collin  
Treasurer  
Fitchburg Gas and Electric Light Company  
Issued on: December 22, 2004

Effective: With notice, on or after  
February 1, 2005

---

## SCHEDULE 8

### Non-Firm Local Point-to-Point Service

The Transmission Customer shall compensate FG&E for Non-Firm Local Point-To-Point Service for Non-Firm Reserved Capacity up to the sum of the applicable charges set forth below:

1) **Monthly delivery:**

The Monthly Delivery Charge shall be determined by multiplying the Monthly Delivery Charge as described on Schedule 7 by .75.

2) **Weekly delivery:**

The Weekly Delivery Charge shall be determined by multiplying the Weekly Delivery Charge as described on Schedule 7 by .75.

3) **Daily delivery:**

The Daily Delivery Charge shall be determined by multiplying the Daily Delivery Charge as described on Schedule 7 by .75.

The total delivery charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the Weekly Delivery Charge specified in section (2) above times the highest amount in kilowatts of Non-Firm Reserved Capacity in any day during such week.

4) **Hourly delivery:** The basic charge shall be that agreed upon by the Local Network Parties at the time this service is reserved and in no event shall exceed the Daily Delivery Charge specified in section (3) above divided by 24. The total delivery charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the Daily Delivery Charge specified in section (3) above times the highest amount in kilowatts of Non-Firm Reserved Capacity in any hour during such day. In addition, the total delivery charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the Weekly Delivery Charge specified in section (2) above times the highest amount in kilowatts of Non-Firm Reserved Capacity in any hour during such week.

---

Issued by: Mark H. Collin  
Treasurer  
Fitchburg Gas and Electric Light Company  
Issued on: December 22, 2004

Effective: With notice, on or after  
February 1, 2005

5) **Discounts:** Three principal requirements apply to discounts for transmission service as follows (1) any offer of a discount made by FG&E must be announced to all Eligible Customers solely by posting on Unitil.com, (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 Unitil.com, and (3) once a discount is negotiated, details must be immediately posted on Unitil.com. For any discount agreed upon for service on a path from point(s) of receipt to point(s) of delivery, FG&E 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 FG&E's Local Network.

---

Issued by: Mark H. Collin  
Treasurer  
Fitchburg Gas and Electric Light Company  
Issued on: December 22, 2004

Effective: With notice, on or after  
February 1, 2005

## **SCHEDULE 9**

### **DISTRIBUTION ADDER UNDER TARIFF**

In the case where distribution facilities of FG&E are employed in providing service under Schedule 21 of the OATT, the Transmission Customer shall compensate FG&E for the use of such facilities. In addition to the charges contained in this Tariff, the compensation for such distribution facilities will be determined on a case-by-case basis.

All such charges shall be subject to appropriate regulatory approval.

---

Issued by: Mark H. Collin  
Treasurer  
Fitchburg Gas and Electric Light Company  
Issued on: December 22, 2004

Effective: With notice, on or after  
February 1, 2005

---

## ATTACHMENT C

### Methodology To Assess Available Transmission Capability

FG&E is a member of ISO New England.. Evaluation and determination of Total Transfer Capability (TTC) over control area-to-control area interfaces and internal control area interfaces/limitations necessary to establish the Available Transmission Capacity (ATC) is normally directed by and the responsibility of the ISO. When necessary, FG&E will estimate ATC as the amount of unused capacity remaining after considering FG&E's Total Transmission Capacity, as determined in the ISO analysis, and FG&E's existing and pending firm transmission service commitments. The following outlines the methodology that FG&E will employ when necessary to estimate whether sufficient transmission transfer capacity is available for a Local Generation Interconnection and Delivery Service Request.

1. **Available Transmission Capacity (ATC)** is the amount of unused TTC after consideration of reliability requirements to
  - meet obligations of existing and pending Valid Requests for Local Network Service under the OATT
  - meet obligations of existing firm and pending Valid Requests for Local Generation Delivery Service under the OATT
  - meet obligations of other existing contracts under which transmission service is provided
2. **Guidelines and Principles** - When estimating ATC, FG&E will apply the following, as amended and/or adopted from time to time
  - Good Utility Practice
  - ISO New England criteria, rules and reliability standards
  - Northeast Power Coordinating Council (NPCC) criteria and guidelines
  - Fitchburg Gas and Electric Light Company guides
3. **Transmission System Model Representation** - When the TTC of an interface is not available from ISO analysis, FG&E will estimate TTC using transmission system load flow

---

Issued by: Mark H. Collin  
Treasurer  
Fitchburg Gas and Electric Light Company  
Issued on: December 22, 2004

Effective: With notice, on or after  
February 1, 2005

models developed for FG&E's system. The models may include representations of other NPCC and neighboring systems. FG&E will use system models that it deems appropriate for study of the Request for firm transmission 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. Contingency Analysis** - When TTC from ISO analysis is not available and is required to establish ATC, FG&E will perform, if necessary, analysis to estimate TTC. TTC and ATC will be estimated for point-to-point transfers based on First Contingency Total Transfer Capability (FCTTC) and First Contingency Incremental Transfer Capability (FCITC).<sup>1</sup> The ATC, based on contingency analysis, is the incremental transfer capability of the transmission system following the loss of the most critical element while maintaining thermal, and stability performance of the system within acceptable regional practices and consistent with guidelines of Item 2 of this Attachment.

**5. Determination of Available Transmission Capacity** – FG&E will estimate ATC based on making appropriate adjustments for Local Generation Interconnection and Delivery Service Reservations in the direction of the requested transfer. Establishment of ATC will be based on the minimum of the remaining capacity estimated from conditions studied in Items 1 and 4, above. To the extent practicable, FG&E will rely on existing transmission planning studies in making such estimates.

**6. Jointly Owned or Controlled Transmission Facilities** - FG&E, where it jointly owns or controls transmission with other utilities or adjoining areas, will consider in its determination of

---

<sup>1</sup> As defined by NERC in Transmission Transfer Capability, May 1995.

ATC its entitlement for use of such lines in accordance with provisions of the OATT and consistent with pre-existing agreements on its rights governing such use. Obtaining firm transmission service over other utilities' facilities is the responsibility of the requesting Transmission Customer.

7. **Available Capacity Different from Amount Requested** - In accordance with the terms and conditions of the OATT to which this Attachment is appended, the Requesting Transmission Customer will be notified of the ATC for the terms identified on the application form.

## **ATTACHMENT D**

### **Methodology for Completing a System Impact Study**

FG&E will perform System Impact Studies for the purpose of determining the feasibility of integrating Network Load and Network Resources into FG&E's Local Network under Schedule 21 of the OATT, or for the purpose of determining the feasibility of providing Local Point-To-Point Service under this Tariff. All System Impact Studies will be completed using the same method employed by FG&E to integrate into FG&E's Local Network (i) generation resources owned or acquired to serve its Native Load Customers, and (ii) its Native Load Customers' load. Specifically, System Impact Studies will be performed by applying the applicable criteria, rules, standards and operating procedures. In addition to applying the applicable criteria, rules, standards and operating procedures, to determine the feasibility of providing service to Network Load and/or Local Point-To-Point Service, System Impact Studies will also be performed by applying the Unitil "Guidelines for System Planning and Design.

---

Issued by: Mark H. Collin  
Treasurer  
Fitchburg Gas and Electric Light Company  
Issued on: December 22, 2004

Effective: With notice, on or after  
February 1, 2005

**ATTACHMENT E**

**Index Of Local Point-To-Point Service Customers**

<u>Customer</u>	<u>Date of Service Agreement</u>
Fitchburg Gas and Electric Light Company	September 10, 1996
Pinetree Power Fitchburg Inc.	March 9, 1999

---

Issued by: Mark H. Collin  
Treasurer  
Fitchburg Gas and Electric Light Company  
Issued on: December 22, 2004

Effective: With notice, on or after  
February 1, 2005

## ATTACHMENT H

### **Annual Transmission Revenue Requirement For Local Network Service**

The Transmission Revenue Requirement for FG&E will reflect FG&E's costs with respect to transmission facilities not related to PTF ("Non PTF"). Except as provided below for the transitional implementation of this formula rate, the Transmission Revenue Requirement will be an annual calculation, effective June 1, based on the previous year's calendar data as reported in FG&E's FERC Form 1 report for that year, or other reasonable documentation, using end-of-year balances for each rate base item, as set forth below. The initial Transmission Revenue Requirement shall be effective October 1, 2003 through May 31, 2004 based on calendar year 2002 data as adjusted, as approved by the Commission. Further, the Transmission Revenue Requirement to be effective June 1, 2004, based on calendar year 2003 data, shall include an adjustment to annualize the impact on 2003 depreciation expense of revised depreciation rates effective October 1, 2003, as approved by the Commission.

Beginning July 31, 2004, FG&E shall make an annual informational filing on or before July 31 of each year showing the Transmission Revenue Requirement in effect for the period beginning June 1 of that year through May 31 of the subsequent year. If there are corrections made to the information reflected in the informational filing after it has been submitted, FG&E will file corrections to the informational filing.

---

Issued by: Mark H. Collin  
Treasurer  
Fitchburg Gas and Electric Light Company  
Issued on: December 22, 2004

Effective: With notice, on or after  
February 1, 2005

## I. FORMULA

A. The Transmission Revenue Requirement for FG&E's Non-PTF shall equal the sum of the following: (A) Non-PTF Return and Associated Income Taxes, plus (B) Non-PTF Depreciation Expense, plus (C) Non-PTF Amortization of Intangible Plant and Other Regulatory Assets/Liabilities, plus (D) Non-PTF Amortization of Rate Case Expense, plus (E) Non-PTF Amortization of Loss on Reacquired Debt, minus (F) Non-PTF Amortization of Investment Tax Credits, plus (G) Non-PTF Property Tax Expense, plus (H) Non-PTF Payroll Tax Expense, plus (I) Non-PTF Transmission Operation and Maintenance Expense, plus (J) Non-PTF Customer Accounting Bad Debts Expense, plus (K) Non-PTF Administrative and General Expense, plus (L) Non-PTF Transmission Related Taxes and Fees Charge, minus (M) Non-PTF Transmission Rents Received from Electric Property, minus (N) Non-PTF Revenue for Through or Out Service.

B. Each of the components of A. above shall be calculated by subtracting the related PTF costs and revenues from the same calendar year, as included in ISO-NE's OATT, from the total transmission costs and revenues as described in Section III. Support Expense included in PTF shall only be included in this computation to the extent these costs are included in the determination of total transmission costs.

## II. DEFINITIONS

### A. ALLOCATION FACTORS

1. Transmission Wages and Salaries Allocation Factor shall equal the ratio of Transmission-related direct wages and salaries to FG&E's total direct

---

Issued by: Mark H. Collin  
Treasurer  
Fitchburg Gas and Electric Light Company  
Issued on: December 22, 2004

Effective: With notice, on or after  
February 1, 2005

- wages and salaries, excluding administrative and general wages and salaries.
2. Transmission Plant Allocation Factor shall equal the ratio of the sum of (1) Transmission Plant, (2) Transmission Related Intangible Plant, (3) Transmission Related General Plant, and (4) Transmission Related Common Plant, to Total Plant in Service.
  3. Transmission Revenue Allocation Factor shall equal the ratio of Total Internal Transmission Revenue to Total Billed Revenue from Sales to Ultimate Customers.

B. TERMS

Administrative and General Expense shall equal FG&E's expenses as recorded in FERC Account Nos. 920-935, excluding FERC Account Nos. 924, 928 and 930.1.

Amortization of Intangible Plant and Common Plant shall equal FG&E's expenses related to Intangible Plant and Common Plant as recorded in FERC Account No. 404.

Amortization of Investment Tax Credits shall equal FG&E's credits as recorded in FERC Account No. 411.4.

Amortization of Loss on Reacquired Debt shall equal FG&E's expenses as recorded in FERC Account No. 428.1.

Amortization of Other Regulatory Assets/Liabilities-FAS 109 shall equal FG&E's expenses related to Other Regulatory Assets/Liabilities-FAS 109 as recorded in FERC Account No. 404.

Amortization of Rate Case Expenses shall equal FG&E's expenses related to the deferred costs of regulatory rate proceedings related to transmission service as approved by FERC and as recorded in FERC Account No. 407.

Common Plant shall equal FG&E's gross balance of the plant common to both electric and gas operations as recorded in FERC Account Nos. 303, 310, 389-399, excluding capital leases.

Common Plant Amortization Reserve shall equal FG&E's Common Plant reserve balances as recorded in FERC Account No. 111.

Common Plant Depreciation Expense shall equal FG&E's Common Plant expenses

---

Issued by: Mark H. Collin  
Treasurer  
Fitchburg Gas and Electric Light Company  
Issued on: December 22, 2004

Effective: With notice, on or after  
February 1, 2005

as recorded in FERC Account No. 403.

Common Plant Depreciation Reserve shall equal FG&E's Common Plant reserve balance as recorded in FERC Account No. 108.

Customer Accounting Bad Debts Expense shall equal FG&E's expenses as recorded in FERC Account No. 904.

General Plant shall equal FG&E's gross plant balance as recorded in FERC Account Nos. 389-399.

General Plant Depreciation Expense shall equal FG&E's General Plant expenses as recorded in FERC Account No. 403.

General Plant Depreciation Reserve shall equal FG&E's General Plant reserve balance as recorded in FERC Account No. 108.

Intangible Plant shall equal FG&E's gross plant balance as recorded in FERC Account No. 303 (consisting of investments in computer systems and software).

Intangible Plant Amortization Reserve shall equal FG&E's Intangible Plant reserve balance as recorded in FERC Account No. 111.

Other Regulatory Assets/Liabilities-FAS 106 shall equal the net of FG&E's FAS 106 balance as recorded in FERC Account No. 182.3 and any FAS 106 balance as recorded in FG&E's FERC Account No. 254.

Other Regulatory Assets/Liabilities-FAS 109 shall equal the net of FG&E's FAS 109 balance as recorded in FERC Account No. 182.3 and any FAS 109 balance as recorded in FG&E's FERC Account No. 254.

Payroll Tax Expense shall equal those payroll tax expenses as recorded in FG&E's FERC Account Nos. 408.1 and 409.1.

Plant Held for Future Use shall equal FG&E's balance in FERC Account No. 105.

Prepayments shall equal FG&E's electric prepayment balance as recorded in FERC Account No. 165. The electric portion shall be determined by multiplying the balance in FERC Account No. 165 by the ratio of electric utility plant to total utility

plant as reported in FG&E's FERC Form 1.

Property Insurance Expense shall equal FG&E's expenses as recorded in FERC Account No. 924.

Property Tax Expense shall equal FG&E's property tax expenses as recorded in FERC Account Nos. 408.1 and 409.1.

Support Expense shall equal Transmission Support Expense as defined in the OATT Attachment F.

Total Accumulated Deferred Income Taxes shall equal the net of the deferred tax balances as recorded in FERC Account Nos. 281-283 and FERC Account No. 190.

Total Billed Revenue from Sales to Ultimate Customers shall equal FG&E's total electric service revenues as recorded in FERC Account Nos. 440, 442, 444, 445, 446, 448, and 449.

Total Internal Transmission Revenue shall equal FG&E's internal transmission revenues as recorded in FERC Account Nos. 440, 442, 444, 445, 446, 448 and 449.

Total Loss on Reacquired Debt shall equal FG&E's expenses as recorded in FERC Account No. 189.

Total Plant in Service shall equal FG&E's total electric gross plant balance as recorded in FERC Account Nos. 301-399 (inclusive of electric Common Plant).

Transmission Operation and Maintenance Expense shall equal FG&E's electric expenses as recorded in FERC Account Nos. 560-564 and 566-573 and shall exclude expenses already included in PTF Transmission Support Expense and costs billed to Select Energy, Inc. under a generation related entitlement sales agreement.

Transmission Plant shall equal FG&E's gross plant balance as recorded in FERC Account Nos. 350-359 excluding joint owned unit costs.

Transmission Plant Depreciation Expense shall equal FG&E's Transmission Plant expenses as recorded in FERC Account No. 403 less joint owned unit costs.

Transmission Plant Depreciation Reserve shall equal FG&E's Transmission Plant

---

Issued by: Mark H. Collin  
Treasurer  
Fitchburg Gas and Electric Light Company  
Issued on: December 22, 2004

Effective: With notice, on or after  
February 1, 2005

reserve balance as recorded in FERC Account 108 less joint owned unit reserves.

Transmission Plant Held for Future Use shall equal the transmission-related balance of electric Plant Held for Future Use.

Transmission Plant Materials and Supplies shall equal FG&E's balance as assigned to transmission, as recorded in FERC Account No. 154.

Transmission Prepayments shall equal FG&E's Prepayments multiplied by the Transmission Wages and Salaries Allocation Factor.

Transmission Related Accumulated Deferred Income Taxes shall equal FG&E's electric balance of Total Accumulated Deferred Income Taxes multiplied by the Transmission Plant Allocation Factor.

Transmission Related Administrative and General Expense shall equal the sum of (1) electric Administrative and General Expenses multiplied by the Transmission Wages and Salaries Allocation Factor, plus (2) electric Property Insurance Expense reduced by amounts billed to Select Energy Inc. under a generation related entitlement sales agreement and multiplied by the Transmission Plant Allocation Factor, plus (3) electric expenses included in FERC Account No. 928 related to FERC fees and assessments, plus (4) any other electric transmission related expenses included in FERC Account No. 928 plus (5) specific electric transmission related expenses included in FERC Account No. 930.1 and minus (6) any Administrative and General Expense amounts billed to Select Energy Inc. and not already deducted elsewhere, multiplied by the Transmission Wages and Salaries Allocation Factor.

Transmission Related Amortization of Intangible Plant and Other Regulatory Assets/Liabilities shall equal the sum of (1) electric Amortization of Intangible Plant and Common Plant multiplied by the Transmission Wages and Salaries Allocation Factor and (2) electric Amortization of Other Regulatory Assets/Liabilities-FAS 109 multiplied by the Transmission Plant Allocation Factor. This component shall include additional regulatory assets/liabilities as established by regulatory authority and relevant to transmission services.

Transmission Related Amortization of Investment Tax Credits shall equal FG&E's electric Amortization of Investment Tax Credits multiplied by the Transmission Plant Allocation Factor.

---

Issued by: Mark H. Collin  
Treasurer  
Fitchburg Gas and Electric Light Company  
Issued on: December 22, 2004

Effective: With notice, on or after  
February 1, 2005

Transmission Related Amortization of Loss on Reacquired Debt shall equal FG&E's electric Amortization of Loss on Reacquired Debt multiplied by the Transmission Plant Allocation Factor.

Transmission Related Cash Working Capital shall be 12.5% allowance (45 days/360 days) of the sum of Transmission Operation and Maintenance Expense, plus Transmission Related Customer Accounting Bad Debts Expense and plus Transmission Related Administrative and General Expense.

Transmission Related Common Plant shall equal FG&E's electric Common Plant multiplied by the Transmission Wages and Salaries Allocation Factor.

Transmission Related Customer Accounting Bad Debts Expense shall equal FG&E's electric Customer Accounting Bad Debts Expense multiplied by the Transmission Revenue Allocation Factor.

Transmission Related Depreciation & Amortization Reserve shall equal the sum of (1) Transmission Plant Depreciation Reserve plus (2) electric Intangible Plant and electric Common Plant Amortization Reserves multiplied by the Transmission Wages and Salaries Allocation Factor and (3) electric General Plant and electric Common Plant Depreciation Reserves multiplied by the Transmission Wages and Salaries Allocation Factor.

Transmission Related Depreciation Expense shall equal the sum of (1) Transmission Plant Depreciation Expense, (2) electric General Plant Depreciation Expense multiplied by the Transmission Wages and Salaries Allocation Factor and (3) electric Common Plant Depreciation Expense multiplied by the Transmission Wages and Salaries Allocation Factor.

Transmission Related General Plant shall equal FG&E's electric General Plant multiplied by the Transmission Wages and Salaries Allocation Factor.

Transmission Related Intangible Plant shall equal FG&E's electric Intangible Plant multiplied by the Transmission Wages and Salaries Allocation Factor.

Transmission Related Loss on Reacquired Debt shall equal FG&E's electric balance of Total Loss on Reacquired Debt multiplied by the Transmission Plant Allocation Factor.

Transmission Related Other Regulatory Assets/Liabilities shall equal the sum of (1) FG&E's electric balance of Other Regulatory Assets/Liabilities-FAS 106 multiplied by the Transmission Wages and Salaries Allocation Factor, and (2) FG&E's electric balance of Other Regulatory Assets/Liabilities-FAS 109 multiplied by the Transmission Plant Allocation Factor. This component shall include additional regulatory assets/liabilities as established by regulatory authority and relevant to transmission services.

Transmission Related Payroll Tax shall equal FG&E's electric Payroll Tax Expense multiplied by the Transmission Wages and Salaries Allocation Factor.

Transmission Related Property Tax shall equal FG&E's electric Property Tax Expense, reduced by amounts billed to Select Energy, Inc. under a generation related entitlement sales agreement, multiplied by the Transmission Plant Allocation Factor.

### III. CALCULATION OF TRANSMISSION REVENUE REQUIREMENT

This section describes the calculation of the components of the Transmission Revenue Requirement for FG&E's Non-PTF as provided in Section I.

- A. Non-PTF Return and Associated Income Taxes shall equal the product of the Total Internal Transmission Investment Base and the Cost of Capital Rate, reduced by the amount recovered as PTF. For purposes of this computation, the PTF amount shall be calculated using the Cost of Capital Rate defined in III.A.2 below.

1. Total Internal Transmission Investment Base

The Total Internal Transmission Investment Base shall be the sum of the year end balances of the following items as defined in Section II.: (a) Transmission Plant, plus (b) Transmission Related Intangible Plant, plus (c) Transmission Related General Plant, plus (d) Transmission Related Common Plant, plus (e) Transmission Plant Held for Future Use, minus (f) Transmission Related Depreciation & Amortization Reserve, minus (g) Transmission Related Accumulated Deferred Income Taxes, plus (h) Transmission Related Loss on Reacquired Debt, plus (i) Transmission Related Other Regulatory Assets/Liabilities, plus (j) Transmission

Prepayments, plus (k) Transmission Plant Materials and Supplies, plus (l) Transmission Related Cash Working Capital.

2. Cost of Capital Rate

The Cost of Capital Rate will equal (a) FG&E's 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 the capital structure at the end of each year and will equal the sum of:

(i) the long-term debt component, which equals the product of the actual weighted average embedded cost to maturity of FG&E's long-term debt then outstanding and the ratio that long-term debt is to FG&E's total capital.

(ii) the preferred stock component, which equals the product of the actual weighted average embedded cost to maturity of FG&E's preferred stock then outstanding and the ratio that preferred stock is to FG&E's total capital.

(iii) the return on equity component, which equals the product of the cost of equity of 12.8% and the ratio that common equity is to FG&E's total capital.

(b) Federal Income Tax shall equal

$$\frac{(A+[(C+B)/D]) \times FT}{1-FT}$$

1-FT

Where FT is the Federal Income Tax Rate; A is the sum of the preferred stock component and the return on equity component, as determined in Sections III.A.2.(a)(ii) and (iii) above; B is Transmission Related Amortization of Investment Tax Credits, as defined in Section II above, C is the equity AFUDC component of Transmission Related Depreciation Expense, as defined in Section II above, and D is Total Internal Transmission Investment Base, as determined in Section III.A.1., above.

(c) State Income Tax shall equal

$$\frac{(A+[(C+B)/D] + \text{Federal Income Tax}) \times ST}{1-ST}$$

1-ST

Where ST is the State Income Tax Rate; A is the sum of the preferred stock component and return on equity component as determined in Sections III.A.2. (a)(ii) and (iii) above; B is the Transmission Related Amortization of Investment Tax Credits as defined in Section II. above; C is the equity AFUDC component of Transmission Related Depreciation Expense, as defined in Section II above; D is the Total Internal Transmission Investment Base, as determined in Section III.A.1. above; and Federal Income Tax is the rate determined in Section III.A.2.(b) above.

- B. Non-PTF Depreciation Expense shall equal FG&E's Transmission Related Depreciation Expense reduced by the amount recovered as PTF.
- C. Non-PTF Amortization of Intangible Plant and Other Regulatory Assets/Liabilities shall equal FG&E's Transmission Related Amortization of Intangible Plant and Other Regulatory Assets/Liabilities reduced by the amount recovered as PTF.
- D. Non-PTF Amortization of Rate Case Expenses shall equal the Amortization of Rate Case Expenses reduced by the amount recovered as PTF.
- E. Non-PTF Amortization of Loss on Reacquired Debt shall equal FG&E's Transmission Related Amortization of Loss on Reacquired Debt reduced by the amount recovered as PTF.
- F. Non-PTF Amortization of Investment Tax Credits shall equal FG&E's Transmission Related Amortization of Investment Tax Credits reduced by the amount recovered as PTF.
- G. Non-PTF Property Tax Expense shall equal FG&E's Transmission Related Property Tax Expense reduced by the amount recovered as PTF.

- H. Non-PTF Payroll Tax Expense shall equal FG&E's Transmission Related Payroll Tax Expense reduced by the amount recovered as PTF.
- I. Non-PTF Transmission Operation and Maintenance Expense shall equal Transmission Operation and Maintenance Expenses reduced by the amount recovered as PTF.
- J. Non-PTF Customer Accounting Bad Debts Expense shall equal the Transmission Related Customer Accounting Bad Debts Expense reduced by the amount recovered as PTF.
- K. Non-PTF Administrative and General Expenses shall equal the Transmission Related Administrative and General Expenses reduced by the amount recovered as PTF.
- L. Non-PTF Transmission Related Taxes and Fees Charge shall include any fee or assessment imposed by any governmental authority on service provided hereunder which is not specifically identified under any other section. This amount shall be reduced by the amount recovered as PTF.
- M. Non-PTF Transmission Rents Received from Electric Property shall equal any amount in FERC Account No. 454, Rents from Electric Property, associated with Transmission Plant. This amount shall be reduced by the amount recovered as PTF.
- N. Non-PTF Revenue for Through or Out Service shall equal distributions received by FG&E pursuant to Section II.13 of the Tariff from ISO out of revenues paid for Through or Out Service or for In Service (as defined in the OATT).

---

Issued by: Mark H. Collin  
Treasurer  
Fitchburg Gas and Electric Light Company  
Issued on: December 22, 2004

Effective: With notice, on or after  
February 1, 2005

**ATTACHMENT I**

**Index Of Local Network Service Customers**

<u>Customer</u>	<u>Date of Service Agreement</u>
Fitchburg Gas and Electric Light Company	September 10, 1997
Massachusetts Bay Transportation Company	April 17, 2000

---

Issued by: Mark H. Collin  
Treasurer  
Fitchburg Gas and Electric Light Company  
Issued on: December 22, 2004

Effective: With notice, on or after  
February 1, 2005

[SHEETS 3843 – 3999 INTENTIONALLY LEFT BLANK]

---

Issued by: Mark H. Collin  
Treasurer  
Fitchburg Gas and Electric Light Company  
Issued on: December 22, 2004

Effective: With notice, on or after  
February 1, 2005

Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. RT04-2-000, et al.,  
issued March 24, 2004, 106 FERC ¶ 61,280.