

WESTERN MASSACHUSETTS ELECTRIC COMPANY

MDTE No. 1025C  
Cancels MDTE No. 1025B

STANDARD OFFER SERVICE

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GENERAL:

This Tariff may be revised, amended, supplemented or supplanted in whole or in part from time to time according to the procedures provided in MDTE regulations and Massachusetts law. In case of conflict between this Tariff and any orders or regulations of the MDTE, said orders or regulations shall govern.

DEFINITIONS:

“Competitive Supplier” shall mean any entity licensed by the MDTE to sell electricity to retail customers in Massachusetts, with the following exceptions: (1) a Distribution Company providing Standard Offer Service and Default Service to its distribution customers, and (2) a municipal light department that is acting as a Distribution Company.

“Customer” shall mean any person, partnership, corporation, or any other entity, whether public or private, who obtains Distribution Service at a Customer Delivery Point and who is a customer of record of the Company.

“Customer Delivery Point” shall mean the Company’s meter or a point designated by the Company located on the Customer’s premises.

“Default Service” shall mean the service provided by the Distribution Company to a customer who is not receiving either Generation Service from a Competitive Supplier or Standard Offer Service, in accordance with the provisions set forth in the Company’s Default Service Tariff, on file with the MDTE.

“Distribution Company” or “Company” shall mean an electric company organized under the laws of Massachusetts that provides Distribution Service in Massachusetts.

“Distribution Service” shall mean the delivery of electricity to Customers by the Distribution Company.

“Generation Service” shall mean the sale of electricity, including ancillary services such as the provisions of reserves, to a Customer by a Competitive Supplier.

“Low-Income Customer” shall mean a customer who meets the low-income eligibility qualifications approved by the MDTE for the Distribution Company.

“MDTE” shall mean the Massachusetts Department of Telecommunications and Energy.

“Retail Access Date” shall mean March 1, 1998 unless otherwise determined by the MDTE.

Issued per Order in DTE 97-120  
dated February 20, 1998

For Consumption On and  
After July 1, 1998

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“Standard Offer Service” shall mean the service provided by the Distribution Company for a term of seven years after the Retail Access Date, unless otherwise determined by the MDTE. The rates for this service shall be set at levels that achieve the overall customer rate reduction required by G.L. c. 164, §1B. Availability for this service shall be in accordance with the provisions set forth in this tariff.

“Standard Offer Service” shall mean the service provided by the Distribution Company to a customer who is not receiving either Generation Service from a Competitive Supplier or Default Services, in accordance with the provisions set forth in this tariff.

TERM:

Standard Offer Service shall be available for seven years after the Retail Access Date, unless otherwise approved by the Department.

AVAILABILITY:

- A. Standard Offer Service shall be available to each customer who was a Customer of Record as of the Retail Access Date and who has not received Generation Service from a Competitive Supplier since the Retail Access Date.
- B. A customer receiving Standard Offer Service shall be allowed to retain such service upon moving within the service territory of the Distribution Company.
- C. A customer who has previously received Generation Service from a Competitive Supplier is no longer eligible to receive Standard Offer Service, except that a Low-Income Customer may return to Standard Offer Service at any time, regardless of whether the customer has previously received Generation Service from a Competitive Supplier. In addition, a residential or small commercial and industrial customer who has received Generation Service from a Competitive Supplier since the Retail Access Date is eligible to receive Standard Offer Service by so notifying the Distribution Company within one-hundred and twenty days (120) of the date when the customer first began to receive Generation Service from a Competitive Supplier, provided that such notification occurs during the first year following the Retail Access Date. In addition, a customer who has received Generation Service from a Competitive Supplier pursuant to an agreement with a Public Aggregator is eligible to receive Standard Offer Service by so notifying the Company within 180 days of the date when the customer first began to receive such Generation Service. There shall be no fee returning to Standard Offer Service.
- D. A customer who moves into the Company's service territory after the Retail Access Date is not eligible to receive Standard Offer Service, except that a Low-Income Customer who moves

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into the Company's service territory after the Retail Access Date shall be eligible for Standard Offer Service.

RATES:

The initial rate for Standard Offer Service shall be set so that, when considered in conjunction with Customers' transmission, distribution and transition charges. Customers' average rates are reduced by at least ten (10) percent from 1997 average rates, as determined by the MDTE.

As of March 1, 1999, the rate for Standard Offer Generation Service shall be set so that, when considered in conjunction with customers' transmission, distribution and transition charges, customers' average rates shall increase by no more than the rate of inflation, as determined by the MDTE.

As of September 1, 1999, the rate for Standard Offer Generation Service shall be set so that, when considered in conjunction with customers' transmission, distribution and transition charges, customers' average rates are reduced by at least 15 percent from 1997 average rates, as adjusted for inflation.

The Standard Offer Service rate shall consist of the following charges per kWh:

<u>Year</u>	<u>Charge</u>
1998	\$0.02800
1999	\$0.03100
2000	\$0.03400
2001	\$0.03800
2002	\$0.04200
2003	\$0.04700
2004-5	\$0.05100

The foregoing Rate shall be adjusted in accordance with the provisions of the customer Rate Fuel Adjustment and the Standard Offer Service Cost Adjustments described below:

CUSTOMER RATE FUEL ADJUSTMENT:

The Standard Offer Service rate in effect for a billing month is multiplied by a Fuel Adjustment that is set equal to 1.0 unless the Market Gas Price plus Market Oil Price for the billing month exceeds the Fuel Trigger Point then in effect, where:

Market Gas Price is the average of the values of Gas Index for the most recent available twelve (12) months through and including the billing month, where:

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Gas Index is the average of the daily settlement prices for the last three days that the NYMEX Contract (as defined below) for the month of delivery trades as reported in the Wall Street Journal, expressed in dollars per MMBTU. NYMEX Contract shall mean the New York Mercantile Exchange Natural Gas Futures Contract as approved by the Commodity Futures Trading Commission for the purchase and sale of natural gas at Henry Hub;

Market Oil Price is the average of the values of Oil Index for the most available twelve (12) months through and including the billing month, where:

Oil Index is the average for the month of the daily low quotations for cargo delivery of 1.0% sulfur No. 6 residual fuel oil into New York harbor, as reported in Platt's Oilgram U.S. Marketscan in dollars per barrel and converted to dollars per MMBTU by dividing by 6.3;

If the indices referred to above should become obsolete or no longer suitable, the distribution company shall file alternate indices with the Department.

Fuel Trigger Point is the following amounts, expressed in dollars per MMBTU, applicable for all months in the specified calendar year:

<u>Year</u>	<u>Fuel Trigger Point</u>
2000	\$5.35
2001	\$5.35
2002	\$6.09
2003	\$7.01
2004-5	\$7.74

In the event that the Fuel Trigger Point is exceeded, the Fuel Adjustment value for the billing month is determined according to the following formula:

Where Market Gas Price, Market Oil Price and Fuel Trigger Point are as defined above. The values of \$0.60 and \$0.04/MMBTU represent for gas and oil respectively, estimated basis differentials or market costs of transportation from the point where the index is calculated to a proxy power plant in the New England market.

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Incremental revenues received by the Company from the application of the Fuel Adjustment shall be fully allocated to Standard Offer Service Suppliers in proportion to the Standard Offer Service energy provided by a Supplier to the Company in the applicable billing month.

**BILLING:**

Each customer receiving Standard Offer Service shall receive one bill from the Company, reflecting unbundled charges for their electric service.

**STANDARD OFFER SERVICE COST ADJUSTMENT:**

The Company shall reconcile the revenues billed to customers taking Standard Offer Service against payments to Suppliers of Standard Offer Service and recover or refund any under- or over-collection in accordance with the following terms:

1. Any revenues billed by the Company for Standard Offer Service in excess of payments to Suppliers of that service shall be accumulated in an account and credited with interest calculated using the methodology for calculating interest on customer deposits specified in the Company's Terms and Conditions. The accumulated balance at the end of each calendar year shall be credited to all of the Company's Retail Delivery Service customers through a uniform cents per kilowatt-hour factor in the following year.
2. In the event that the revenues billed by the Company do not recover the Company's payments to Suppliers or the Company defers such expenses, the Company shall be authorized to accumulate the deficiencies in the account together with interest calculated as above and recover those amounts by implementing a uniform cents per kilowatt-hour surcharge on the rates for Standard Offer Service, if and to the extent that the transition charges billed by the Company to its Retail Delivery Service customers are for any reason below the unadjusted transition charge in the Company's Electric Restructuring Plan. Under-recoveries, if any, that remain after the standard service period ends shall be recovered from all Retail Delivery Service customers by a uniform surcharge not exceeding \$0.005 per kilowatt-hour commencing after such period.

**TERMINATION OF STANDARD OFFER SERVICE**

Standard Offer Service may be terminated by a customer concurrent with the customer's next scheduled meter read date provided that notice of initiation of Generation Service by a Competitive Supplier is received by the Company two (2) or more business days before the next scheduled meter read date, in accordance with the Company's Terms and Conditions for Competitive Suppliers

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If the notice of initiation of Generation Service by the Competitive Supplier is received by the Company fewer than two days before the customer's subsequent scheduled meter read date, Standard Offer Service shall be terminated concurrent with the customer's subsequent scheduled meter read date.

There shall be no fee for terminating Standard Offer Service.

TERMS:

The Company's Terms and Conditions for Distribution Service and Terms and Conditions for Competitive Suppliers in effect from time to time, where not inconsistent with any specific provision hereof, are a part of this rate schedule.

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