

There are other terms and conditions of the tendered contracts which are questionable, but these do not have so large an impact on rates to be charged to the municipals as may be the case if the Commission allows the proposed roll-in of obsolete generating equipment into the NEPCO pool. Any suspension and investigation related to the roll-in problem would necessarily cover these other questions; and, therefore, we do not deal with them here.

Our views concerning the cost of service, and rates, to the municipal customers, as well as their contract terms and conditions, will be conveyed in connection with the filing of the proposed revised municipal contracts.

Respectfully submitted.

GEORGE SPIEGEL,  
Attorney for the Municipal Electric Light Departments and Plants of  
Ashburnham, Boylston, Danvers, Georgetown, Groton, Hingham, Hol-  
den, Hull, Littleton, Mansfield, Marblehead, Merrimac, Middleton, North  
Attleboro, Paxton, Peabody, Princeton, Shrewsbury, Sterling, Temple-  
ton, West Boylston, Massachusetts, and Power Planning Committee of  
the Municipal Electric Association of Massachusetts.

Attachments:

#### SCHEDULE A

COMPARATIVE COST OF POWER SUPPLY FOR SYSTEM SHOWING EXCESSIVE COSTS ARISING FROM INEFFICIENT OPERATIONS AND PURCHASING PRACTICES, YEAR ENDED DEC. 31, 1966

| Description<br>(1)                                                                                                                           | Cost of<br>service<br>(2) | Cost per<br>kilowatt-hour<br>in mills<br>(3) |
|----------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|----------------------------------------------|
| NEES proposal at 6.5 percent <sup>1</sup> return level with Yankee Atomic Electric Co. purchases<br>costed at comparable earnings level..... | \$91,801,000              | 8.7                                          |
| As adjusted to reflect efficient power procurement costs including a 6.5 percent <sup>1</sup> return<br>level.....                           | 76,210,000                | 7.2                                          |
| Excess costs arising from inefficient operations of obsolete facilities and pur-<br>chasing practices.....                                   | 15,591,000                | 1.5                                          |

<sup>1</sup> Illustrative return only; for purpose of direct comparison with company filing.

#### SCHEDULE B

COST OF POWER SUPPLY FOR SYSTEM—NEES PROPOSAL AT 6.5 PERCENT <sup>1</sup> RETURN LEVEL WITH YANKEE ATOMIC ELECTRIC CO. PURCHASES COSTED AT COMPARABLE EARNINGS LEVEL, YEAR ENDED DEC. 31, 1966

| Sources of power<br>(1)                   | Capability at<br>Dec. 31, 1966,<br>in kilowatts<br>(2) | MWH<br>(3) | Cost of<br>service<br>(4) | Cost per<br>kilowatt-hour<br>in mills<br>(5) |
|-------------------------------------------|--------------------------------------------------------|------------|---------------------------|----------------------------------------------|
| Generation:                               |                                                        |            |                           |                                              |
| Steam.....                                | 1,265,500                                              | 7,205,020  | \$63,322,000              | 8.8                                          |
| Hydro.....                                | 514,000                                                | 1,344,522  | 11,398,000                | 8.5                                          |
| Diesel.....                               | 19,850                                                 | 10,193     | 377,000                   | 37.0                                         |
| Total generation.....                     | 1,799,350                                              | 8,559,735  | 75,097,000                | 8.8                                          |
| Purchased power:                          |                                                        |            |                           |                                              |
| Gross purchases.....                      | 467,522                                                | 2,092,428  | 17,064,000                | 8.2                                          |
| Less redeliveries to other utilities..... | (90,000)                                               | (55,015)   | (360,000)                 | 6.5                                          |
| Net purchases to load.....                | 377,522                                                | 2,037,413  | 16,704,000                | 8.2                                          |
| Total sources of power.....               | 2,176,872                                              | 10,597,148 | 91,801,000                | 8.7                                          |

<sup>1</sup> Illustrative return only; for purpose of direct comparison with company filing.