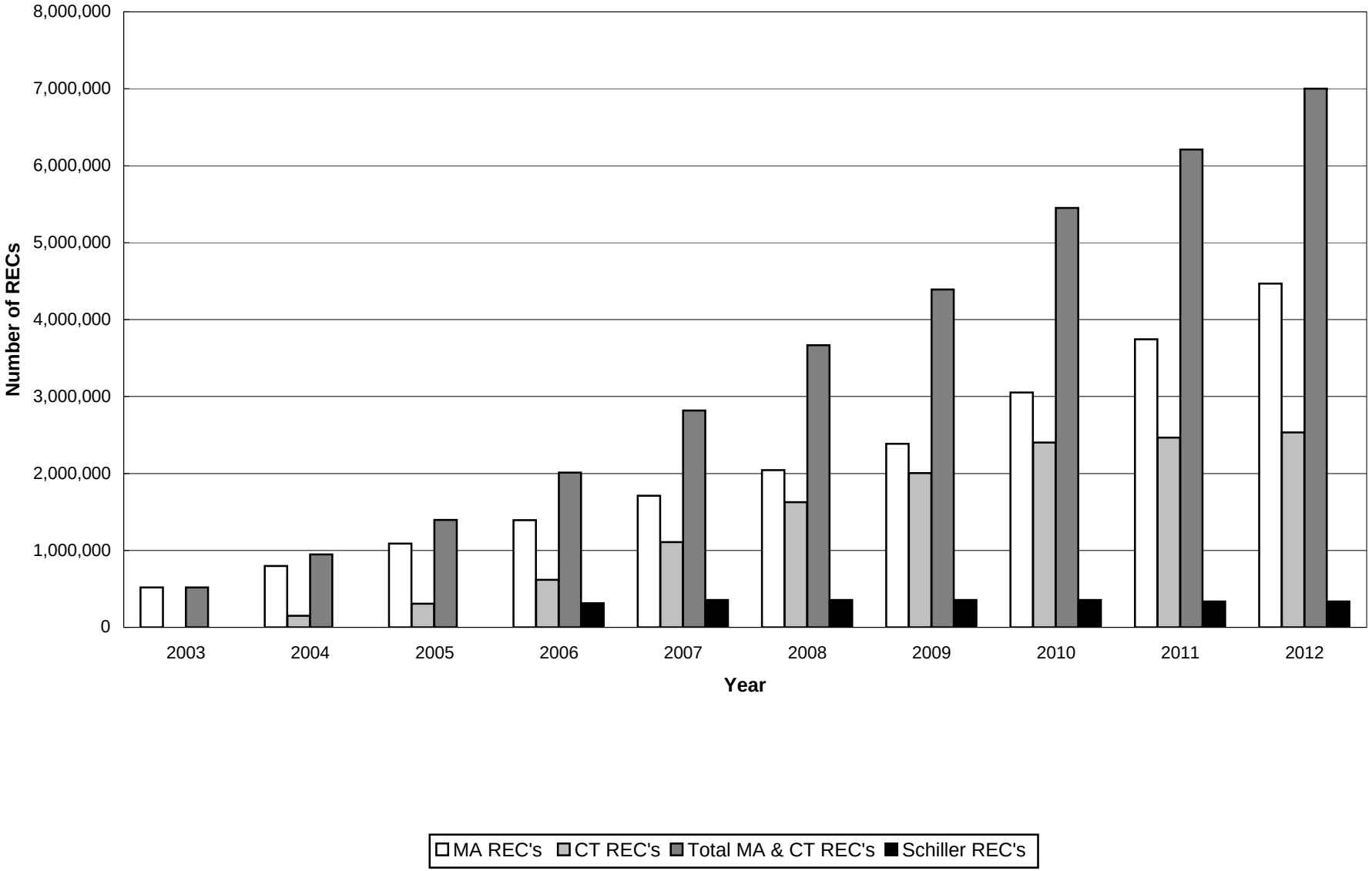
Illustration of Physical Plant Modifications Planned for Schiller Station

Level of Renewable Energy Certificates Schiller Station Unit 5 will have Available to Sell into the Market Compared to the Overall Demand for Renewable Energy Certificates in Massachusetts and Connecticut Over the Time Period 2003 - 2012



Overall Value of Incremental Generation
Resulting From the Installation of a Wood-fired Boiler at Schiller Station Unit 5
at Differing Levels of Capacity Factor Increases and Energy Market Prices

Schiller Station Unit 5 Annual Generation at 100% Capacity Factor: 394,200 MWH
Variable Cost: $21.90 per MWH

Increase in Capacity Factor	Incremental Generation MWH	Projected Energy Market Price ($ per MWH)					
		$37.40	$39.00	$40.00	$41.00	$42.50	$45.00
5%	19,710	$ 305,505	$ 337,041	$ 356,751	$ 376,461	$ 406,026	$ 455,301
10%	39,420	$ 611,010	$ 674,082	$ 713,502	$ 752,922	$ 812,052	$ 910,602
15%	59,130	$ 916,515	$ 1,011,123	$ 1,070,253	$ 1,129,383	$ 1,218,078	$ 1,365,903
20%	78,840	$ 1,222,020	$ 1,348,164	$ 1,427,004	$ 1,505,844	$ 1,624,104	$ 1,821,204
25%	98,550	$ 1,527,525	$ 1,685,205	$ 1,783,755	$ 1,882,305	$ 2,030,130	$ 2,276,505

Overall Value of Less Air Emissions
Resulting From the Installation of a Wood-fired Boiler at Schiller Station Unit 5
at Differing Levels of NO_X and SO2 Credit Amounts

	Annual Estimated Reduction (Tons)	Credit ($ per Ton) $2,700	$3,000	$4,000	$5,000	$6,000	$7,000	$8,000
NO_X - Ozone	200	$ 540,000	$ 600,000	$ 800,000	$ 1,000,000	$ 1,200,000	$ 1,400,000	$ 1,600,000

	Annual Estimated Reduction (Tons)	Credit ($ per Ton) $250
NO_X - NonOzone	200	$ 50,000

	Annual Estimated Reduction (Tons)	Credit ($ per Ton) $180	$200	$250	$300	$360
SO2	2,000	$ 360,000	$ 400,000	$ 500,000	$ 600,000	$ 720,000

Estimate of Total Emissions Savings Based Upon Forecasted Market Prices of NO_X and SO2 Credits

(3) Assumes a capacity factor of 80% in 2006, a capac

	Annual Estimated Reduction (Tons)	Forecasted Market Price ($ per Ton)	Total Annual Savings
NO_X -Ozone	200	$3,000	$600,000
NO_X - Non-ozone	200	$250	$50,000
SO2	2,250	$320	$720,000
			$1,370,000

Overall Value of Renewable Energy Certificates
Resulting From the Installation of a Wood-fired Boiler at Schiller Station Unit 5
at Differing Levels of Generation Capacity Factors and Renewable Energy Certificate Prices

Schiller Station Unit 5 Annual Generation at 100% Capacity: 394,200 MWH

Capacity Factor	Generation MWH	Renewable Energy Certificate Price ($ per MWH)					
		$20	$25	$30	$35	$40	$45
80%	315,360	$ 6,307,200	$ 7,884,000	$ 9,460,800	$ 11,037,600	$ 12,614,400	$ 14,191,200
85%	335,070	$ 6,701,400	$ 8,376,750	$ 10,052,100	$ 11,727,450	$ 13,402,800	$ 15,078,150
90%	354,780	$ 7,095,600	$ 8,869,500	$ 10,643,400	$ 12,417,300	$ 14,191,200	$ 15,965,100
95%	374,490	$ 7,489,800	$ 9,362,250	$ 11,234,700	$ 13,107,150	$ 14,979,600	$ 16,852,050

Overall Impact on Schiller Station Revenue Requirements
Resulting From the Installation of a Wood-fired Boiler at Schiller Station Unit 5
(One Wood/Two Coal Units Versus Three Coal Units)

	2006	2007	2008	3-Year Impact
			($000's)	
A. Incremental Revenue Requirement	$12,123	$11,769	$11,349	$35,241
B. Value of Incremental Generation [(1)]	$611	$1,222	$1,222	$3,055
C. Emissions Cost Savings [(2)]	$1,370	$1,370	$1,370	$4,110
D. Revenue From Sale of REC's [(3)]	$9,461	$10,643	$10,643	$30,747
E. Net Incremental Revenue Requirement (A-B-C-D)	$681	($1,466)	($1,886)	($2,671)

(1) Assumes a capacity factor increase of 10% in 2006 and 20% in 2007 and 2008, and a market energy price of $37.40 per MWH.
(2) Assumes SO2 savings of 2,250 tons at $320 per ton, NO_X Ozone savings of 200 tons at $3,000 per ton, and
NO_X Non-ozone savings of 200 tons at $250 per ton.
(3) Assumes a capacity factor of 80% in 2006, a capacity factor of 90% in 2007 and 2008 and a REC price of $30 per REC.

Price per Renewable Energy Certificate Required to Break Even for the time period 2006 - 2020