

EXHIBIT 1

Excerpt of 2005 Annual DSM performance report filed by Massachusetts Electric with State regulators. This report details all DSM activities conducted in 2005 along with specific energy and demand savings achieved. Cost effectiveness of all programs is fully discussed as is the methodology of estimating savings impacts.

The full report of 420 pages is available from the Massachusetts Division of Energy Resources (DOER) or Massachusetts Electric Co.

2005 Energy Efficiency Annual Report

**Massachusetts Electric Company
Nantucket Electric Company
d/b/a National Grid**

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Submitted to:

Massachusetts Division of Energy Resources

Massachusetts Department of Telecommunications and Energy

nationalgrid

SUMMARY OF PROGRAM PERFORMANCE IN 2005

EXECUTIVE SUMMARY

INTRODUCTION

In 2005, Massachusetts Electric Company and Nantucket Electric Company (collectively “Company” or “National Grid”) continued to implement energy efficiency programs and services for its customers. These efforts built upon the Company’s established programmatic framework and marketplace relationships, refining the focus of the programs to meet explicit market-oriented objectives and increasing coordination and cooperation with other regional utilities and other market participants.

REPORT ORGANIZATION

This report presents the findings of the Company’s evaluations of 2005 energy efficiency programs, including:

- ◆ The kW and kWh impacts of the programs;
- ◆ The cost effectiveness of the programs;
- ◆ The post-program savings projected to be attributed to selected year 2005 market transformation initiatives;
- ◆ Achievement of performance metrics for market transformation and company-specific initiatives;
- ◆ The Company's incentive in Massachusetts; and

- ◆ Feedback on program implementation.

Following this introduction, the report contains a summary of 2005 results, an overview of the evaluation methodologies used in preparing this report, and program impacts, including those for market transformation programs. Appendices present a glossary of terms and abbreviations, a summary of impact parameters, the detailed summary and program specific savings calculations, benefit/cost calculations, a comparison of planned and actual, outsourced and in-house expenditures, post-program market effects, performance metric achievements, the incentive calculation, summaries of completed evaluation studies, and documents and reports related to performance metrics.

SUMMARY OF 2005 RESULTS

TABLE 1				
SAVINGS AND EXPENSES FOR 2005				
Measurement	Amount	Units	Percent Change Comparison	
			Preliminary	Filed Target
Program Implementation Expenses	\$47.67	\$ - Millions	0.00%	-2.30%
Total Expenses	\$70.33	\$ - Millions	0.00%	1.68%
Annual Energy Savings	201	GWh	0.78%	31.89%
Annual Summer Demand Savings	22.9	MW	2.64%	10.93%
Annual Winter Demand Savings	25.4	MW	-0.67%	13.49%
Lifetime Energy Savings	2,164	GWh	1.30%	24.39%
Lifetime Demand Savings	295	MW-Years	2.74%	3.24%
Total Resource Cost Test	2.98	Benefit / Cost	1.46%	13.61%
Performance Incentive - After Taxes	\$2.64	\$ - Millions	-1.73%	6.51%

A total of 653,486 customers participated in the Company's 2005 energy efficiency programs: 642,481 residential customers, 9,642 low-income customers, and 1,363 commercial and industrial customers. Table 1 summarizes savings and expenses for 2005 programs and compares 2005 evaluated results to preliminary year end estimates and filed targets. Evaluated lifetime energy savings in 2005 are 1.3% higher than the preliminary year end estimate and 24.4% higher than the filed target. Evaluated lifetime demand