

Information Request EDC-2

Request:

If the estimates of expected interconnection costs identified in response to EDC-1 were allocated pursuant to the cost assignment and recovery provisions of the Department's straw proposal, provide high-level estimates of bill impacts for ratepayers if the costs were amortized for Recovery over 10, 20, and 30 years.

Response:

The high-level illustrative monthly bill impacts for a 500 kWh residential customer receiving Basic Service are summarized on page 1 of Attachment EDC-2-1. The Company has presented illustrative bill impacts associated with the first five years of revenue requirements associated with each of the assumed amortization periods of 10, 20, and 30 years. Pages 2 through 4 calculate the illustrative monthly bill impact at each assumed annual amortization period for the capital costs identified in Information Request EDC-1. The Company began the bill impact analysis using a monthly residential bill based on rates currently in effect and determined each year's incremental increase in the illustrative factor to arrive at the illustrative incremental bill impact for each successive year.

Attachment EDC-2-2 presents the summary of the first five years of illustrative annual revenue requirements under the three annual amortization periods upon which the bill impacts are based. Attachments EDC-2-3 through EDC-2-5 present the calculation of the illustrative revenue requirements at each assumed annual amortization period for the capital costs identified in Information Request EDC-1.

The illustrative bill impacts and illustrative revenue requirements presented in this response reflect those resulting from the Company's investment in distribution plant additions and cost of removal and exclude investments in transmission plant that may be required by the Company or its transmission affiliate, New England Power Company. In addition to the issues identified in the Company's response to Information Request EDC-5, the Company does not have a complete estimate of all associated transmission upgrades and how they would be allocated between DG customers and distribution customers, upon which to then allocate consistent with the allocation of transmission costs billed to the Company (on the basis of the Company's coincident peak allocator).