

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:

Please refer to Attachment Eversource-2 for estimated bill impacts from assignment and recovery provisions included in the Department's straw proposal and subject to clarifications recommended by the Company in its prior comments. Bill impacts are based upon the annual revenue requirement for Common System Modifications and transmission system upgrades identified in Table 1 and Table 2 below which the Company anticipates will benefit customers at large. Resulting average annual bill impacts for residential customers are expected to range from 0.1% to 0.4% over a 5-year period.

Eversource notes that full operation of the assignment and recovery provisions in the straw proposal present a number of complexities that are difficult to estimate. The Company has not attempted to estimate the rate at which DER facilities beyond the current queue will interconnect and provide offsetting CIP fees. The revenue requirement for system upgrades that the Company may fund on only an interim basis are not included in the estimated bill impacts. Eversource has also included what it expects is a representative annual transmission-related revenue requirement within its estimates but reiterates its prior comments that recovery of transmission infrastructure modifications will need to be provided for differently from distribution investments and that there may be variation in the recovery mechanism across the EDCs. The Company will continue to consider methods for recovery of transmission upgrade costs as the specific transmission upgrades are identified and subject to considerations discussed in response to EDC-5. Associated transmission costs may be recoverable through existing transmission tariffs, but recovery of transmission costs may also require the establishment of a regulatory asset to enable recovery through retail distribution rates.

Lastly, the Company has estimated bill impacts for recovery periods of 10, 20 and 30 years as requested by the Department but notes that nearly all of the proposed expenditures are plant additions that are typically depreciated over their estimated useful lives. The Company would not

recommend applying an amortization period for ratemaking purposes that would vary from the accounting treatment of assets.

Table 1. Common System Modification/Multi-Value Investment (Distribution Station + Line) broken out by year according to construction schedule

Group	Cost	2022	2023	2024	2025	2026	2027
1 - Marion-Fairhaven	\$59.66	\$6.56	\$10.74	\$12.53	\$20.88	\$8.95	
2 - Plymouth	\$70.73	\$3.54	\$7.07	\$10.61	\$14.15	\$24.76	\$10.61
3 - Cape	\$10.63	\$1.59	\$3.19	\$4.25	\$1.59		
4 - Freetown	\$12.71	\$1.40	\$2.29	\$2.67	\$4.45	\$1.91	
5 - Dartmouth-Westport	\$29.05		\$3.20	\$7.26	\$14.23	\$4.36	
6 - New Bedford	\$26.24	\$1.31	\$2.62	\$3.94	\$5.25	\$9.18	\$3.94
7 - Plainfield/Blandford	\$21.52	\$3.23	\$6.45	\$8.61	\$3.23		
Total	\$230.52	\$17.63	\$35.56	\$49.86	\$63.78	\$49.15	\$14.54

Table2.: Transmission Costs (non-ASO) broken out by year according to construction schedule

Group	Cost	2022	2023	2024	2025	2026	2027
1 - Marion-Fairhaven	\$12.00	\$1.32	\$2.16	\$2.52	\$4.20	\$1.80	
2 - Plymouth	\$73.90	\$3.70	\$7.39	\$11.09	\$14.78	\$25.87	\$11.09
3 - Cape	--						
4 - Freetown	\$82.00	\$9.02	\$14.76	\$17.22	\$28.70	\$12.30	
5 - Dartmouth-Westport	\$1.20		\$0.13	\$0.30	\$0.59	\$0.18	
6 - New Bedford	\$31.20	\$1.56	\$3.12	\$4.68	\$6.24	\$10.92	\$4.68
7 - Plainfield/Blandford	\$31.20	\$4.68	\$9.36	\$12.48	\$4.68		
Total	\$231.50	\$20.28	\$36.92	\$48.29	\$59.19	\$51.07	\$15.77