

Lost Revenues related to Small Net Metering Projects

Small Project Assumptions

Customers bill reflects the avoidance of paying the full retail rate (all c/kWh charges) for 100% of KWH produced
 For Rate R and G - (see table)% of the annual kWhs are consumed internally and is accounted as lost utility sales and revenue:
 For Rate R and G - the other (see table)% is exported to Eversource and is accounted as a purchased power expense at the full retail rate.
 For Rate GV and LG - 100% is accounted as lost sales and revenues and 0% is purchased power
 No impact on the utility collection of customer demand charges (i.e. \$/kW charges).
 Rates (c/kWh) are those effective July 1, 2016
 Rate G lost revenues are 0% in block #1, 10% in block #2 and 90% in block #3
 Rate GV lost revenues are 70% in the first block (first 200,000 kWh) and 30% in the second block
 Rate LG lost revenues are 70% in the On-Peak period
 The over-market payments for Energy Service are relative to an illustrative ISO-NE energy and capacity value of (see table) cents per kWh

Rate G Blocks		GV Block Ratio	
1	0%	1	70%
2	10%	2	30%
3	90%		
Rate LG Periods		Internal Consumption Ratio	
Peak	70%	Rate R	60%
Off-peak	30%	Rate G	60%
ISO-NE Mkt Value		\$0.065	



Rate	(A) from Page 1 (B) = (A) x (see table)% or 100%		Rates (c/kWh)				
	Annual kWh	Lost Sales kWh	Distribution	Transmission	Stranded Cost	Systems Benefits	
R	23,326,106	13,995,663	4.207	2.39	0.094	0.33	
G	5,503,374	3,302,024		7.097	2.227	0.056	0.33
			Block #1 (first 500 kWh)	1.758	0.838	0.056	0.33
			Block #2 (next 1,000 kWh)	0.622	0.449	0.056	0.33
		Block #3 (all additional kWh)	0.5863	0.000	0.049	0.33	
GV	1,479,814	1,479,814	0.4917	0.000	0.061	0.33	
LG	<u>214,839</u>	<u>214,839</u>					
Total	30,524,132	18,992,340					

Lost Revenues (\$) = (B) x Rate					
Distribution	Transmission	Stranded Cost	Systems Benefits	Total	
588,798	334,496	13,156	46,186	982,636	
0	0	0	0	0	
5,805	2,767	185	1,090	9,847	
18,485	13,343	1,664	9,807	43,299	
8,676	0	725	4,883	14,285	
1,056	0	131	709	1,896	
622,820	350,607	15,861	62,675	1,051,963	

Over-Market Payments for Energy (\$) = (B) x (10.95 - 5.0)
10.95 vs Mkt Value
622,807
146,940
65,852
9,560
845,159

Rate	(C) = (A) - (B)	(D)	(E) = (C) x (D)	(F) = (C) x 5.0	(G) = (E) - (F)
	Purchase Power (kWh)	Full Retail Rate (c/kWh) includes Default Service at 10.95 c/kWh	Purchase Power expense (\$)	ISO-NE Value c/kWh (\$)	Over-Market Payments for Energy (\$)
R	9,330,442	17.971	1,676,774	606,479	1,070,295
G	<u>2,201,349</u>	13.987	<u>307,897</u>	<u>143,088</u>	<u>164,809</u>
	11,531,792		1,984,671	749,566	1,235,104

Total Lost Sales and "Over-Market" payments			
Lost T&D revenues	"Over Market Payments for Electric Supply"	"Over Market" payments for Banked Energy	Total
\$1,051,963	\$845,159	\$1,235,104	\$3,132,226