

RNS Rates: PTF Forecast

PTO AC – Rates Working Group – Presentation

NEPOOL Reliability Committee/Transmission Committee – Summer Meeting

July 18 & 19, 2017

2017 Forecast Comparison - Summary

- Three factors contribute to a variance:
 - Capital additions in-service and CWIP
 - Carrying charge factors
 - Average 12CP RNS loads
- Actual June 1, 2017 RNS rate forecast reflects:
 - Updated PTF additions in-service and CWIP
 - Based on 2016 carrying charge factors
 - Based on 2016 average 12CP RNS load
 - These updates caused a \$1.79 kW/yr. increase in the RNS rate relative to what was projected for 2017 last year.

2017 Forecast Comparison - Detail

		2017 Forecast (Provided at the 2016 RC/TC Summer Meeting)		June 1, 2017 Billed RNS Rate		
(A)	(B)	(C)	(D)	(E)	(F)	
Participating Transmission Owner	2017 Projected PTF Additions (including CWIP) (\$ in Millions)	Forecasted RNS Revenue Requirements (\$ in Millions)	2017 Projected PTF Additions (including CWIP) (\$ in Millions)	Forecasted RNS Revenue Requirements (\$ in Millions)	Variance Impact (\$/kW-Yr)	
1	Central Maine Power	17	3	14	3	\$ 0.00
2	CTMEEC	0	0	1	0	\$ 0.00
3	Emera Maine	0	0	0	(1)	\$ (0.05)
4	Eversource (CL&P)	263	39	322	50	\$ 0.59
5	Eversource (PSNH)	71	11	117	21	\$ 0.52
6	Eversource (WMECO)	113	16	105	17	\$ 0.06
7	Eversource (NSTAR)	97	13	92	13	\$ 0.01
8	National Grid	100	15	145	23	\$ 0.42
9	NHT	6	1	3	1	\$ 0.01
10	United Illuminating	65	13	38	8	\$ (0.25)
11	VT Transco	100	18	159	30	\$ 0.62
12	All Other PTOs	0	0	(24)	(3)	\$ (0.14)
13	Total	832	129	972	162	
14	RNS Rate Incremental Impact (\$/kW-Yr)	\$6.47		\$8.26		\$ 1.79

Note: Figures may differ slightly due to rounding.

2018 - 2021 Forecast - Disclaimer

The 2018-2021 forecast herein provides an indicative RNS rate trend; it should be used for illustrative purposes only.

The estimated data utilized by the PTO AC to develop this forecast of RNS rates is based upon estimated capital additions provided to the Committee by all the New England Transmission Owners. Estimates for 2018 capital additions will be finalized during the normal course of update to the RNS rate effective June 1, 2018 and will reflect more current information.

The PTO AC acknowledges that this 2018-2021 forecast is based on a number of assumptions and variables including, among others, estimated project need, design, scope, labor & materials costs, inflation, site & permitting approvals, transmission in-service dates, estimated carrying charges & coincident peak network loads. It is therefore expected that such estimates and assumptions will change over time as more current data become available.

In addition, the 2018-2021 forecast reflects gross costs and does not include assumptions pertaining to savings (e.g., associated with congestion, unlocked capacity, etc.) or prior year true-up adjustments.

2018 - 2021 Forecast - Summary

(A)		(B)	(C)	(D)	(E)
		2018	2019	2020	2021
(1)	Estimated Additions In-Service and CWIP (\$ in Millions)	\$ 1,098	\$ 1,059	\$ 589	\$ 446
(2)	Forecasted Revenue Requirement (\$ in Millions)	\$ 165	\$ 155	\$ 93	\$ 68
(3)	Estimated RNS Rate Impact (\$/kW-Yr)	\$ 8	\$ 8	\$ 5	\$ 4
(4)	Estimated RNS Rate Forecast (\$/kW-Yr)	\$ 120	\$ 128	\$ 133	\$ 137
(5)	Estimated RNS Rate Forecast (\$/kWh)	\$ 0.025	\$ 0.026	\$ 0.027	\$ 0.028
	Assumes a 55.5% ⁽¹⁾ Load Factor				

⁽¹⁾ 2017 Forecast Data CELT Report May 1, 2017

Forecast is preliminary and for illustrative purposes only. Estimates are consistent with the March 2017 RSP and do not reflect revised ISO forecasts. Figures may differ slightly due to rounding.

2018 – 2021 Forecast Components

(A)		(B)	(C)
Participating Transmission Owner		2018-2021 Projected PTF Additions (including CWIP) (\$in Millions)	Key Drivers - Major Projects
1	Central Maine Power	\$ 87	MPRP - Lewiston Loop, Coopers Mills S/S Statcom, Lakes Region Reinforcements
2	Emera Maine	\$ 7	Graham 115kv Control House/BPS Compliance
3	Eversource (CL&P)	\$ 718	Southwest CT, Greater Hartford Central CT, Eastern CT Reliability Planning Projects
4	Eversource (PSNH)	\$ 286	NH 2023 Study Planning Projects
5	Eversource (WMECO)	\$ 127	Pittsfield Greenfield 2022
6	Eversource (NSTAR)	\$ 738	Greater Boston, SEMA/RI Reliability Projects, New 115kV Mid-Cape Line. New Bourne SS, Station 514 115kV Breaker Replacement
7	Holyoke G&E	\$ 3	Holyoke 17L Substation Replacement
8	MEPCO	\$ 135	Sections 388,392, 396 and 3001 Rebuilds and Orrington Substation capital upgrade/replacement
9	National Grid	\$ 653	Greater Boston Project; Southeastern Massachusetts/Rhode Island
10	NHT	\$ 74	Asset Condition based replacements / upgrades
11	United Illuminating	\$ 196	Baird to Congress 8809A - 8909B 115 kV Line Upgrades; Baird to Housatonic River Crossing 88006A - 89006B 115 kV Line Upgrades
12	VT Transco	\$ 168	CT River Valley Reliability, Structure Replacement and Substation Refurbishment
13	Total	\$ 3,192	

Note: Figures may differ slightly due to rounding.