COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

Petition of NSTAR Electric Company	)	D.T.E. 6-40

MASSACHUSETTS INSTITUTE OF TECHNOLOGY
FIRST SET OF INFORMATION REQUESTS

INSTRUCTIONS FOR ALL
MASSACHUSETTS INSTITUTE OF TECHNOLOGY DISCOVERY
ISSUED TO NSTAR IN THIS PROCEEDING

1. These Information Requests call for all information, including information contained in documents, which relates to the subject matter of the requests and which is known or available to NSTAR d/b/a Boston Edison Company or Cambridge Electric Light Company or Commonwealth Electric Company or to any individual or entity sponsoring testimony or retained by the Companies to provide information, advice, testimony or other services in connection with this proceeding.

2. Where a Request has a number of separate subdivisions or related parts or portions, a complete response is required to each such subdivision, part, or portion. Any objection to a Request should clearly indicate the subdivision, part, or portion of the Request to which it is directed.

3. If information requested is not available in the exact form requested, provide such information or documents as are available that best respond to the Request.

4. These requests are continuing in nature and require supplemental responses when further or different information with respect to the same is obtained.

5. Each response should be furnished on a separate dated page headed by the individual Request being answered. Individual responses of more than one page should be stapled or bound and each page consecutively numbered.

6. Each Information Request to "Please provide all documents..." or similar phrases includes a request to "identify" all such documents. "Identify" means to state the nature of the document, the date on which it was prepared, the subject matter and the titles and the names and positions of each person who participated in the preparation of the document, the addressee and the custodian of the documents. To the extent that a document is self-identifying, it need not be separately identified.

7. For each document produced or identified in a response which is computer generated, state separately (a) what types of data, files or tapes are included in the input and the source thereof, (b) the form of the data which constitutes machine input, (c) a description of the recordation system employed (including descriptions, flow charts, etc.), and (d) the identity of the person who was in charge of the collection of input materials, the processing of input materials, the data bases utilized, and the programming to obtain the output.

8. If an Information Request can be answered in whole or part by reference to the response to another Request served in this proceeding, it is sufficient to so indicate by specifying the other Request by participant and number, by specifying the parts of the other response which are responsive, and by specifying whether the response to the other Request is a full or partial response to the instant Request. If it constitutes a partial response, the balance of the instant Request must be answered.

9. If the Company cannot answer a Request in full, after exercising due diligence to secure the information necessary to do so, state the answer to the extent possible, state why the Company cannot answer the Request in full, and state what information or knowledge is in the Company's possession concerning the unanswered portions.

10. If, in answering any of these Information Requests, the Company believes that any Request or definition or instruction applicable thereto is ambiguous, set forth the language you feel is ambiguous and the interpretation you are using responding to the Request.

11. If a document requested is no longer in existence, identify the document, and describe in detail the reasons the document is unavailable.

12. Provide copies of all requested documents. A response which does not provide Massachusetts Institute of Technology with the responsive documents, and requests Massachusetts Institute of Technology to inspect documents at any location is not responsive.

13. If you refuse to respond to any Information Request by reason of a claim of privilege, or for any other reason, state in writing the type of privilege claimed and the facts and circumstances you rely upon to support the claim of privilege or the reason for refusing to respond. With respect to requests for documents to which you refuse to respond, identify each such document.

14. Each request for information includes a request for all documentation which supports the response provided.

15. The term "Company" refers to NSTAR as well as its subsidiaries. Unless the request specifically provides otherwise, the term Company includes all witnesses, representatives, employees and legal counsel.

16. Please furnish each response on a separate sheet of paper, beginning with a restatement of the question.

Discovery

MIT-1 Please find attached a copy of Exhibit NSTAR-CLV-5 presented in this proceeding and copies of Exhibit BEC-CLV-3 in D.T.E. 05-88, Exhibit CAM-CLV-3 (Supp.) in D.T.E. 05-89, Exhibit COM-CLV-3 (Supp.) in D.T.E. 05-89. Please reconcile and explain the differences in the 2005 retail transmission costs comparing the total transmission costs, total regional transmission costs and total retail LNS costs for Boston Edison Company, Cambridge Electric Light Company and Commonwealth Electric Company as presented in these exhibits.

MIT-2 Please identify the level of retail congestion management costs incurred for Boston Edison Company, Commonwealth Electric Company and Cambridge Electric Light Company in 2005.

MIT-3 Please provide the estimated level of retail congestion costs for 2006 for Boston Edison Company, Commonwealth Electric Company and Cambridge Electric Light Company.

MIT-4 Please provide an analysis of the recent Federal Energy Regulatory Commission decision approving the LICAP Settlement presented in Docket No. ER-03-563-000 and the treatment of RMR contracts pursuant to the Agreement.

MIT-5 Please provide the most recent expected in-service date of the 345 kV line from Stoughton to Boston.

MIT-6 Please refer to the attached ISO document and the range of estimates of the 345 kV line (Phase 1) listed on p. 6 and 7. Please update the annual revenue requirement estimate.

MIT-7 Please update the estimated capital cost provided on page 8 of the ISO document provided in the previous information request.

MIT-8 Please explain the Phase 1 and Phase 2 components of the NSTAR Reliability Project identified in the ISO document.

MIT-9 Please identify the recovery mechanism for the revenue requirement of the 345 kV Reliability Project.

MIT-10 Are these costs included in the estimate of regional and local transmission costs set forth on Exh. NSTAR-CLV-5? Please identify the split between RNS and LNS, if any.

MIT-11 Do you expect a change in those cost estimates to change the transmission component for: (a) Cambridge Electric Light Company reflected in NSTAR-

CLV-5; (b) for Boston Edison Company; (c) for Commonwealth Electric Company; and (d) for the consolidated rate?

MIT-12 Please quantify the revenues associated with FERC incentives for being part of an RTO and for new transmission investment on a consolidated basis, for Boston Edison Company, for Commonwealth Electric Company and for Cambridge Electric Light Company. Please explain the exclusion of these revenues from line 14 of Exhibit NSTAR-CLV-5.

MIT-13 Please identify the RMR agreements pending before the FERC for SEMA. If approved, will these costs be included in the socialized NEMA/SEMA costs charged to residential and commercial customers? See attached ISO document regarding RMR agreements.

MIT-14 For contracts that expire with LICAP, will these costs persist beyond June 1, 2010 based on the Settlement Agreement approved by the FERC?

MIT-15 Have settlement discussions concluded in the LNS rate for Cambridge and Commonwealth in Docket No. ER-05-742?

MIT-16 Please explain the derivation of costs related to 13.8 kV facilities used to provide service to Belmont and the MBTA on Page 6 of Exh. NSTAR-CLV-7. Please explain the allocation of amounts credited to the 115 kV service.

MIT-17 How did the Company determine to assign the cost collection for the 13.8 kV facilities for each rate?

MIT-18 Why were costs of the 13.8 kV facilities collected solely through the demand charge for rates G-1, G-2, G-3, G-4, Standby, SB-G-2, SB-G-3 and MIT MagLab?

MIT-19 Please confirm if the proposed standby rate will increase from $1.79/kW to $3.01/kW? If so, please explain how this rate change can be revenue neutral.

MIT-20 Please provide a copy of all responses to discovery issued by the Department as well as other parties.

MIT-21 Please provide a copy of the most recent depreciation study prior to the 2004 materials provided in the Petition for Boston Edison Company, Cambridge Electric Light Company and Commonwealth Electric Company including any prepared on a consolidated basis and other submissions made at a state or federal level.

MIT-22 Please provide a copy of the most recent depreciation study provided for the 13.8 kV facilities.

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NSTAR Electric
Comparison of 2005 Retail Transmission Rate
$ in Millions

Line	Description	Consolidated	BECo	Commonwealth *	Cambridge *
	Regional Transmission Costs				
1	Retail RNS Cost	$ 89.621	$ 67.131	$ 15.586	$ 6.904
2	Regional Anciliary Services				
3	Retail Schedule & Dispatch Cost	6.799	4.916	1.380	0.503
4	Retail Congestion Management Cost **	-	-	-	-
5	System Restoration & Planning Cost	1.487	1.051	0.317	0.119
6	Load Dispatching (REMVEC)	0.383	0.284	0.099	-
7	NEPOOL Administration (Transmission)	0.075	0.075	-	-
8	VAR Support Cost	-	-	-	-
9	Total Estimated Regional Transmission Costs	$ 98.365	$ 73.457	$ 17.382	$ 7.526
10	**Local Transmission Costs**				
11	Local Network Service (LNS) Costs				
12	LNS and Scheduling & Dispatch Revenue Req.	$ 107.468	86.129	$ 17.827	$ 22.283
13	13.8kv facilities transferred to Distribution Rates	-	-	-	(13.421)
14	RNS Revenues Received from NEPOOL ***	(79.882)	(66.229)	(9.947)	(3.706)
15	Dispatch Center Revenue Requirement	4.273	4.109	-	-
16	Schedule 1 Revenues Received	(4.375)	(4.375)	(0.142)	-
17	Estimated LNS Revenue Requirement	$ 27.484	$ 19.634	$ 7.737	$ 5.156
18	**Total Estimated Transmission Costs**	$ 125.849	$ 93.091	$ 25.119	$ 12.682
19	2005 Billed GWH	21,568.168	15,487.787	4,363.964	1,716.417
20	2005 Retail Transmission Rate	$ 0.00583	$ 0.00601	$ 0.00576	$ 0.00739
21	Difference in $/kwh from Consolidated	$ -	$ (0.000176)	$ 0.000079	$ (0.001554)
22	Revenue impact ($ in millions)	$ (5.043)	$ (2.721)	$ 0.344	$ (2.667)
23	Percentage increase (decrease)		-2.92%	1.37%	-21.03%

* The LNS formula rate for Cambridge and Commonwealth are currently the subject of FERC settlement procedures in Docket ER05-742. The calculations presented in this exhibit are based on the formula tariff as currently under discussion.

** This analysis excludes congestion costs as the amount and future location of these costs are too highly uncertain to be used as going forward proxies.

*** Excludes FERC incentives for being part of an RTO and for new transmission investment

Boston Edison Company
2005 Retail Transmission Cost
$ in Millions

Line	Description	Tariff	Account	Dec-04	Actual Jan-05	Actual Feb-05	Actual Mar-05	Actual Apr-05	Actual May-05	Actual Jun-05	Actual Jul-05	Actual Aug-05	Actual Sep-05	Actual Oct-05	Actual Nov-05	Actual Dec-05	Total
	Regional Transmission Costs																
1	Retail RNS Cost	ISO Schedule 9	565590		$ 5.142	$ 4.788	$ 4.630	$ 4.674	$ 5.559	$ 5.911	$ 5.499	$ 6.880	$ 7.292	$ 6.155	$ 5.900	$ 4.701	$ 67.131
2	Regional Anciliary Services																
3	Retail Schedule & Dispatch Cost	ISO Schedule 1	561140		0.346	0.398	0.403	0.365	0.374	0.337	0.326	0.503	0.543	0.499	0.449	0.372	4.916
4	Retail Congestion Management Cost	Note A	565210		1.964	1.617	(0.322)	3.011	1.750	1.528	1.460	0.884	0.839	1.073	1.635	3.865	19.305
5	System Restoration & Planning Cost	ISO Schedule 16	565060		0.085	0.083	0.091	0.090	0.091	0.095	0.091	0.084	0.085	0.082	0.084	0.089	1.051
6	Load Dispatching (REMVEC)	ISO Schedule 1	561110		0.023	0.023	0.023	0.023	0.023	0.023	0.024	0.024	0.024	0.027	0.024	0.024	0.284
7	NEPOOL Administration (Transmission)	ISO Sec IV, Sch.1	565190		0.007	(0.008)	0.008	0.008	0.009	0.009	0.009	0.009	0.006	0.007	0.005	0.007	0.075
8	VAR Support Cost	ISO Schedule 2			-	-	-	-	-	-	-	-	-	-	-	-	-
9	Total Regional Transmission Costs				7.567	6.901	4.834	8.171	7.805	7.904	7.408	8.384	8.788	7.844	8.098	9.058	92.762
10	**Local Transmission Costs**																
11	Determination of Local Network Service (LNS) Costs	Note B															
12	Monthly Transmission Revenue Requirement				$ 0.917	$ 1.658	$ 1.658	$ 1.658	$ 1.658	$ 1.658	$ 1.658	$ 1.658	$ 1.658	$ 1.658	$ 1.658	$ 1.658	$ 19.158
13	Monthly Dispatch Center Revenue Requirement				(0.047)	(0.022)	(0.022)	(0.022)	(0.022)	(0.022)	(0.022)	(0.022)	(0.022)	(0.022)	(0.022)	(0.022)	(0.291)
14	LNS Revenue Requirement				$ 0.869	$ 1.636	$ 1.636	$ 1.636	$ 1.636	$ 1.636	$ 1.636	$ 1.636	$ 1.636	$ 1.636	$ 1.636	$ 1.636	$ 18.867
15	Retail Load Ratio				100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
16	Retail LNS Revenue Requirement				$ 0.869	$ 1.636	$ 1.636	$ 1.636	$ 1.636	$ 1.636	$ 1.636	$ 1.636	$ 1.636	$ 1.636	$ 1.636	$ 1.636	$ 18.867
17																	
18	**Total Transmission Costs**				$ 8.437	$ 8.537	$ 6.470	$ 9.807	$ 9.441	$ 9.540	$ 9.044	$ 10.021	$ 10.424	$ 9.480	$ 9.734	$ 10.694	$ 111.630
19	**Transmission Revenues Detail**																
20	Residential		440140		$ 2.299	$ 2.298	$ 2.128	$ 1.924	$ 1.645	$ 1.866	$ 2.368	$ 2.567	$ 2.151	$ 1.902	$ 1.845	$ 1.905	$ 24.900
21	Commercial		442380		4.074	4.139	3.718	3.804	3.484	5.009	6.080	6.012	5.875	5.278	3.865	3.477	54.814
22	Industrial		442400		0.447	0.574	0.494	0.579	0.437	0.674	0.619	0.706	0.600	0.629	0.520	0.438	6.716
23	MWRA		442420		-	-	-	-	-	-	-	0.025	-	0.296	0.038	0.038	0.396
24	Street Lighting		444050		0.055	0.044	0.047	0.044	0.041	0.039	0.040	0.042	0.044	0.048	0.051	0.052	0.548
25	Transmission Revenues				$ 6.876	$ 7.055	$ 6.387	$ 6.351	$ 5.607	$ 7.589	$ 9.106	$ 9.352	$ 8.670	$ 8.153	$ 6.320	$ 5.909	$ 87.374
26	Retail Transmission Deferral (Over)/Under Collection				$ 1.561	$ 1.482	$ 0.083	$ 3.455	$ 3.835	$ 1.951	$ (0.062)	$ 0.669	$ 1.754	$ 1.327	$ 3.415	$ 4.785	$ 24.255
27	Interest on Transmission Deferral Balance				(0.003)	0.000	0.002	0.005	0.012	0.018	0.020	0.021	0.023	0.026	0.031	0.039	0.194
28	Transmission Deferral (Over)/Under Ending Balance		182874	$ (2.298)	$ (0.740)	$ 0.742	$ 0.826	$ 4.287	$ 8.134	$ 10.103	$ 10.061	$ 10.751	$ 12.528	$ 13.882	$ 17.327	$ 22.151	
29	Annual Interest Rate				2.38%	2.38%	2.38%	2.38%	2.38%	2.38%	2.38%	2.38%	2.38%	2.38%	2.38%	2.38%	

Note A: ISO Schedule 19 (SCR) and Market Rule 1 (RMR)

Note B: Schedule 1 of ISO Schedule 21, includes revenue credit of wholesale customer revenues.

Cambridge Electric Light Company
2005 Retail Transmission Cost
$ in Millions

Line	Description	Tariff	Account	Dec-04	Actual Jan-05	Actual Feb-05	Actual Mar-05	Actual Apr-05	Actual May-05	Actual Jun-05	Actual Jul-05	Actual Aug-05	Actual Sep-05	Actual Oct-05	Actual Nov-05	Actual Dec-05	Total
	Regional Transmission Costs																
1	Retail RNS Cost	ISO Schedule 9	565590		$ 0.527	$ 0.418	$ 0.417	$ 0.432	$ 0.518	$ 0.663	$ 0.676	$ 0.640	$ 0.744	$ 0.643	$ 0.625	$ 0.600	$ 6.904
2	Regional Ancillary Services																
3	Retail Schedule & Dispatch Cost	ISO Schedule 1	561140		0.033	0.036	0.037	0.034	0.039	0.037	0.038	0.047	0.054	0.054	0.051	0.043	0.503
4	Retail Congestion Management Cost	Note A	565210		0.801	0.963	1.663	1.426	1.140	1.110	1.351	2.168	2.406	1.666	0.522	0.078	15.294
5	System Restoration & Planning Cost	ISO Schedule 16	565060		0.009	0.007	0.008	0.008	0.009	0.011	0.022	0.008	0.009	0.009	0.009	0.011	0.119
6	Load Dispatching (REMVEC II)	ISO Schedule 1	561110		-	-	-	-	-	-	-	-	-	-	-	-	
7	VAR Support Cost	ISO Schedule 2			-	-	-	-	-	-	-	-	-	-	-	-	-
8	Total Regional Transmission Costs				1.370	1.424	2.125	1.900	1.705	1.821	2.087	2.863	3.212	2.371	1.207	0.732	22.819
9	**Local Transmission Costs**																
10	Determination of Local Network Service (LNS) Costs																
11	Monthly Transmission Revenue Requirement	ISO Schedule 21	*		$ 1.243	$ 1.355	$ 1.355	$ 1.355	$ 1.355	$ 1.548	$ 1.548	$ 1.548	$ 1.548	$ 1.548	$ 1.548	$ 1.548	$ 17.498
12	Monthly Dispatch Center Revenue Requirement	Note B	556710		0.002	0.002	0.003	0.002	0.002	-	-	-	-	-	-	-	0.010
13	Schedule 1 Revenues Received	ISO Schedule 1	456920		-	-	-	-	-	-	-	-	-	-	-	-	-
14	LNS Revenue Requirement				$ 1.245	$ 1.356	$ 1.357	$ 1.356	$ 1.356	$ 1.548	$ 1.548	$ 1.548	$ 1.548	$ 1.548	$ 1.548	$ 1.548	$ 17.508
15	Retail Load Ratio				100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
16	Retail LNS Revenue Requirement				$ 1.245	$ 1.356	$ 1.357	$ 1.356	$ 1.356	$ 1.548	$ 1.548	$ 1.548	$ 1.548	$ 1.548	$ 1.548	$ 1.548	$ 17.508
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18	**Total Transmission Costs**				$ 2.615	$ 2.780	$ 3.482	$ 3.256	$ 3.062	$ 3.369	$ 3.635	$ 4.412	$ 4.760	$ 3.919	$ 2.755	$ 2.281	$ 40.327
19	**Transmission Revenues Detail**																
20	Residential		440140		$ 0.459	$ 0.438	$ 0.415	$ 0.337	$ 0.305	$ 0.442	$ 0.438	$ 0.506	$ 0.454	$ 0.365	$ 0.394	$ 0.444	$ 4.995
21	Commercial		442380		1.623	1.880	1.777	2.083	1.870	2.867	2.737	2.473	2.515	2.227	2.171	1.608	25.830
22	Industrial		442400		0.028	0.029	0.028	0.039	0.035	0.031	0.046	0.050	0.047	0.039	0.031	0.028	0.430
23	Street Lighting		444050		0.015	0.015	0.015	0.022	0.006	0.014	0.014	0.014	0.014	0.014	0.015	0.014	0.172
24	Transmission Revenues				$ 2.124	$ 2.361	$ 2.234	$ 2.481	$ 2.216	$ 3.353	$ 3.234	$ 3.043	$ 3.031	$ 2.645	$ 2.611	$ 2.094	$ 31.427
25	Retail Transmission Deferral (Over)/Under Collection				$ 0.491	$ 0.419	$ 1.248	$ 0.775	$ 0.846	$ 0.016	$ 0.401	$ 1.369	$ 1.730	$ 1.274	$ 0.145	$ 0.186	$ 8.899
26	Interest on Transmission Deferral Balance				0.020	0.021	0.023	0.025	0.027	0.028	0.028	0.030	0.033	0.036	0.038	0.038	0.347
27	Transmission Deferral (Over)/Under Ending Balance		182874	$ 10.041	$ 10.552	$ 10.992	$ 12.263	$ 13.064	$ 13.936	$ 13.980	$ 14.410	$ 15.808	$ 17.571	$ 18.881	$ 19.063	$ 19.287	
28	Annual Interest Rate				2.38%	2.38%	2.38%	2.38%	2.38%	2.38%	2.38%	2.38%	2.38%	2.38%	2.38%	2.38%	

Note A: ISO Schedule 19 (SCR) and Market Rule 1 (RMR)
Note B: Schedule 1 of ISO Schedule 21
* Amount includes revenue credit of wholesale customer revenues

Commonwealth Electric Company
2005 Retail Transmission Cost
$ in Millions

Line	Description	Tariff	Account	Dec-04	Actual Jan-05	Actual Feb-05	Actual Mar-05	Actual Apr-05	Actual May-05	Actual Jun-05	Actual Jul-05	Actual Aug-05	Actual Sep-05	Actual Oct-05	Actual Nov-05	Actual Dec-05	Total
	Regional Transmission Costs																
1	Retail RNS Cost	ISO Schedule 9	565590		$ 1.234	$ 1.158	$ 1.058	$ 1.056	$ 1.300	$ 1.322	$ 1.424	$ 1.474	$ 1.638	$ 1.498	$ 1.366	$ 1.058	$ 15.586
2	Regional Ancillary Services																
3	Retail Schedule & Dispatch Cost	ISO Schedule 1	561140		0.099	0.115	0.112	0.102	0.101	0.088	0.095	0.131	0.153	0.152	0.126	0.107	1.380
4	Retail Congestion Management Cost	Note A	565210		0.169	0.139	0.099	(0.340)	(0.003)	-	-	0.645	0.396	0.125	-	(0.554)	0.675
5	System Restoration & Planning Cost	ISO Schedule 16	565060		0.024	0.024	0.025	0.025	0.025	0.025	0.049	0.022	0.024	0.025	0.024	0.025	0.317
6	Load Dispatching (REMVEC II)	ISO Schedule 1	561110		-	-	-	-	-	0.008	0.008	0.008	0.008	0.009	0.008	0.008	0.058
7	VAR Support Cost	ISO Schedule 2			-	-	-	-	-	-	-	-	-	-	-	-	-
8	Total Regional Transmission Costs				1.526	1.436	1.295	0.842	1.423	1.443	1.576	2.281	2.218	1.810	1.524	0.644	18.018
9	**Local Transmission Costs**																
10	Determination of Local Network Service (LNS) Costs																
11	Monthly Transmission Revenue Requirement	ISO Schedule 21	*		$ 0.698	$ 0.806	$ 0.806	$ 0.806	$ 0.806	$ 0.657	$ 0.657	$ 0.657	$ 0.657	$ 0.657	$ 0.657	$ 0.657	$ 8.518
12	Monthly Dispatch Center Revenue Requirement	Note B	556710		0.009	0.008	0.012	0.009	0.008	-	-	-	-	-	-	-	0.047
13	Schedule 1 Revenues Received	ISO Schedule 1	456920		(0.007)	(0.009)	(0.008)	(0.008)	(0.008)								(0.039)
14	LNS Revenue Requirement				$ 0.700	$ 0.805	$ 0.810	$ 0.808	$ 0.807	$ 0.657	$ 0.657	$ 0.657	$ 0.657	$ 0.657	$ 0.657	$ 0.657	$ 8.526
15	Retail Load Ratio				100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
16	Retail LNS Revenue Requirement				$ 0.700	$ 0.805	$ 0.810	$ 0.808	$ 0.807	$ 0.657	$ 0.657	$ 0.657	$ 0.657	$ 0.657	$ 0.657	$ 0.657	$ 8.526
17																	
18	**Total Transmission Costs**				$ 2.226	$ 2.241	$ 2.105	$ 1.650	$ 2.230	$ 2.099	$ 2.232	$ 2.937	$ 2.875	$ 2.466	$ 2.180	$ 1.301	$ 26.543
19	**Transmission Revenues Detail**																
20	Residential		440140		$ 1.089	$ 0.957	$ 0.888	$ 0.742	$ 0.630	$ 0.868	$ 1.012	$ 1.225	$ 1.088	$ 0.823	$ 0.756	$ 0.850	$ 10.928
21	Commercial		442380		0.838	0.721	0.655	0.647	0.576	0.783	0.835	0.874	0.866	0.780	0.665	0.627	8.867
22	Industrial		442400		0.149	0.164	0.113	0.341	0.138	0.142	0.193	0.138	0.161	0.167	0.133	0.106	1.945
23	Street Lighting		444060		0.006	0.005	0.005	0.005	0.005	0.005	0.005	0.005	0.005	0.005	0.005	0.005	0.063
24	Transmission Revenues				$ 2.081	$ 1.847	$ 1.661	$ 1.736	$ 1.349	$ 1.798	$ 2.046	$ 2.242	$ 2.120	$ 1.775	$ 1.559	$ 1.589	$ 21.803
25	Retail Transmission Deferral (Over)/Under Collection				$ 0.145	$ 0.394	$ 0.443	$ (0.086)	$ 0.881	$ 0.301	$ 0.187	$ 0.695	$ 0.755	$ 0.691	$ 0.622	$ (0.288)	$ 4.740
26	Interest on Transmission Deferral Balance				(0.003)	(0.002)	(0.001)	(0.001)	(0.000)	0.001	0.002	0.003	0.004	0.005	0.007	0.007	0.022
27	Transmission Deferral (Over)/Under Ending Balance		182874	$ (1.346)	$ (1.204)	$ (0.811)	$ (0.369)	$ (0.456)	$ 0.425	$ 0.727	$ 0.916	$ 1.613	$ 2.373	$ 3.069	$ 3.697	$ 3.416	
28	Annual Interest Rate				2.38%	2.38%	2.38%	2.38%	2.38%	2.38%	2.38%	2.38%	2.38%	2.38%	2.38%	2.38%	

Note A: ISO Schedule 19 (SCR) and Market Rule 1 (RMR)
Note B: Schedule 1 of ISO Schedule 21
* Amount includes revenue credit of wholesale customer revenues

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Reliability Agreements - Annual Fixed Costs Summary*

Agreements Effective or Pending at FERC

Status Updates through 04/28/06

Owner/Unit	Effective Date Granted or Requested ("R")	Termination Date	2005 CELT Summer Capability MW	Annualized Fixed Revenue Requirement $*	$/kw-mo	Subject to Refund	Status
NEMA/Boston							
Exelon -- New Boston 1[1]	01/01/02	12/31/2006[2]	350.00	$30,000,000	7.14	No	Final FERC Approval
Dominion--Salem Harbor FERC Settlement	07/22/05	7/22/07[3]	742.79	3,375,000	0.38	No	Final FERC Approval
Mirant Kendall, Steam 1-3, Jet 1[4]	10/08/04	LICAP	72.11	7,920,000	9.15	No	Final FERC Approval
Boston Gen -- Mystic 8 & 9	01/01/06	LICAP	1,398.26	238,253,200	14.20	Yes	In Settlement Proceeding
Sub-Total NEMA/Boston (excl. Salem Harbor)			**1,820.37**	**$276,173,200**	**12.64**		
Western Central Mass							
ConEd -- W.Springfield 3	05/01/05	LICAP	101.19	8,292,690	6.83	yes	In Settlement Proceeding
Berkshire Power	07/01/05	LICAP	229.54	30,199,855	10.96	yes	In Settlement Proceeding
Pittsfield Gen. "Altresco"	12/01/05	LICAP	141.00	36,529,015	21.59	yes	In Settlement Proceeding
ConEd -- W.Springfield GT-1 GT-2	3/31/2006 R	LICAP	75.52	11,957,605	13.20	n.a.	Awaiting Initial FERC Order
Sub-Total WCMA			**547.24**	**$86,979,165**	**13.25**		
Southeastern Mass							
Braintree -- Potter 2	01/20/06 R	LICAP	74.90	5,959,369	6.63	n.a.	Letter Request More Info. 3/23/06
Boston Gen--Fore River	04/01/06 R	LICAP	668.36	114,917,517	14.33	n.a.	Awaiting Initial FERC Order
Sub-Total SEMA			**743.26**	**$120,876,886**	**13.55**		
Total Massachusetts			**3,110.87**	**$484,029,251**	**12.97**		
Connecticut							
NRG -- Devon 11 - 14[5]	01/01/06	LICAP	120.58	19,692,116	13.61	No	Final FERC Approval
NRG -- Middletown 2-4, 10[5]	01/01/06	LICAP	770.12	49,611,273	5.37	No	Final FERC Approval
NRG -- Montville 5,6,10&11[5]	01/01/06	LICAP	493.70	28,696,612	4.84	No	Final FERC Approval
Milford 1 and 2	11/03/04	LICAP	492.50	81,622,635	13.81	Yes	In Settlement Proceeding
PSEG -- New Haven Harbor	11/18/04	LICAP	447.89	47,368,806	8.81	Yes	In Hearing
PSEG -- Bridgeport Harbor 2	11/18/04	LICAP	130.49	19,012,116	12.14	Yes	In Hearing
Bridgeport Energy	06/01/05	LICAP	451.22	57,825,915	10.68	Yes	In Settlement Proceeding
PPL -- Wallingford 2-5	02/01/03	[8]	175.92	30,720,000	14.55	Yes	In Settlement Proceeding
Sub-Total Connecticut			**3,082.42**	**$334,549,473**	9.04		
SWCT Gap RFP Supplemental Capacity[7]			**250.31**	**$36,342,465**	12.10		
Total Connecticut (RMR plus SWCT Gap RFP)			**3,332.73**	**$370,891,938**	9.27		
TOTAL NEW ENGLAND RMR Agreements			**6,193.28**	**$818,578,724**	11.01		
TOTAL NEW ENGLAND (RMR plus SWCT GAP RFP)			**6,443.60**	**$854,921,189**	11.06		

*Gross Annual Fixed Revenue Requirements are shown. Actual Payments will be reduced by revenue in excess of variable cost.

Reliability Agreements Filed at FERC

Unit	Annual Fixed Cost	Summer MW 2005 CELT	$/kw-month[1]	Effective Date "R" = Requested
Status: Effective with Final FERC Approval				
Dominion Salem Harbor	$3,375,000	743	$0.38	07/22/05
Exelon New Boston 1	$30,000,000	350	$7.14	01/01/02
NRG Devon 11-14	$19,692,116	121	$13.61	01/01/06
NRG Middletown 2-4, 10	$49,611,273	770	$5.37	01/01/06
NRG Montville 5,6, 10&11	$28,696,612	494	$4.84	01/01/06
Mirant Kendall Steam 1-3 & Jet 1	$7,920,000	73	$9.04	10/08/04
Status: Effective and in Hearings				
PSEG New Haven Harbor	$47,368,806	448	$8.81	11/18/04
PSEG Bridgeport Harbor 2	$19,012,116	130	$12.14	11/18/04
Status: Effective and in FERC Settlement Proceeding				
PPL Wallingford 2-5	$30,700,000	176	$14.54	02/01/03
Milford Power 1 & 2	$81,622,635	493	$13.80	11/03/04
Bridgeport Energy	$57,825,915	451	$10.68	06/01/05
ConEdison West Springfield 3	$8,292,690	101	$6.83	05/01/05
Berkshire Power	$30,199,855	230	$10.96	07/01/05
Boston Generating Mystic 8 & 9	$238,253,254	1398	$14.20	01/01/06
Pittsfield Generating - Altresco	$36,529,015	141	$21.59	12/01/05
Status: Filed at FERC Not Effective				
Braintree - Potter 2	$5,959,369	75	$6.62	1/20/06 R
Con Ed - West Springfield GT-1 and GT-2	11,957,605	76	$13.11	3/31/06 R
Boston Generating - Fore River Edgar	114,917,517	668	$14.33	4/1/06 R
Status: Filed at FERC Rejected Without Prejudice				
Boston Generating Mystic 7	$55,164,718	555	$8.28	Not Applicable

[1] Does not reflect the netting of Market Revenues that are in excess of variable costs.

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New England Regional System Plan (RSP06) Costs of Transmission Projects and Alternative Resource Investments

Robert Ethier
System Planning
PAC12 – June 6, 2006

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New Economic Analysis in RSP06

- Sharp increases in natural gas and oil prices over the last year have caused many regulators and legislators to question the benefit of markets
- Many have stated that the markets provide little or no benefit to consumers from fuel diversity, demand response or conservation
  - This statement is inaccurate; addition of low cost resources or conservation would lower prices paid by all consumers
- We are proposing that RSP06 provide estimates of the market effects of actions like the addition of baseload resources or conservation by stakeholders
  - Estimates can refute misperceptions about the market
  - Estimates are based on simple model using actual market data

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New Economic Analysis in RSP06, *Con't.*

- Market effects will be modeled using Market Monitoring software that calculates simulated hourly prices using actual demand and bid data
  - Model would use 2005 as a base year, with estimates for different cases calculated as changes from the base year
- RSP06 will provide the results of a number of scenarios:
  - Addition of price-taking baseload capacity
  - Conservation
  - Demand response/peak shaving
  - Demand growth
  - Changes in the natural gas price

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Scenarios Modeled

- Addition of a 1,000 MW price-taking base load resource
- Addition of a 1,000 MW clean-coal generator
- Assumption of 5% load growth over all hours without generation addition
- Assumption of 5% on-peak conservation (7am - 11pm)
- Addition of 500 MW of load response (500 MW reduction when energy price exceeds $150)
- 10% decrease in natural gas prices
- 10% increase in natural gas prices

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Scenario Results

	% Change in Wholesale Electricity Price	Change in Total Consumer Costs	Change in Total Production Costs	Change in Total Capacity Costs
1 Add baseload	-5.72%	-$595 million	-$471 million	-
2 Add coal	-5.64%	-$587 million	-$299 million	-
3 5% growth	5.80%	$603 million	$419 million	$90 million
4 5% reduction	-4.67%	-$487 million	-$360 million	-$90 million
5 Load response	-0.02%	-$2 million	-$0.5 million	-$30 million
6 Gas prices -10%	-7.08%	-$736 million	-$179 million	-
7 Gas prices +10%	6.78%	$705 million	$175 million	-

Note: RSP06 will provide an indication of the relative market and reliability benefits from different resources in each RSP bubble.

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Estimated Annual per MWh Charge ($/MWh)

In-service Year	Project	Nominal	Low	High
2006	NSTAR 345 kV Reliability Project Phase 1	$0.30	$0.27	$0.52
	SWCT Reliability Project Phase 1	$0.48	$0.43	$0.52
	Miscellaneous	$0.36	$0.32	$0.41
2007	NSTAR 345 kV Reliability Project Phase 2 [1]			
	Northeast Reliability Interconnect	$0.12	$0.11	$0.13
	NWVT Reliability Project	$0.18	$0.16	$0.20
	Miscellaneous	$0.15	$0.12	$0.22
2008	Miscellaneous	$0.56	$0.40	$0.84
2009	SWCT Reliability Project Phase 2	$1.38	$1.03	$1.72
	Miscellaneous	$0.09	$0.06	$0.15
2010	Miscellaneous	$0.09	$0.07	$0.14
2011	Miscellaneous	$0.02	$0.02	$0.03
2012				
2013				
2014				
2015	Miscellaneous	$0.08	$0.06	$0.12

[1] The total cost estimate reported for this phase of the project is included in Phase I of the NSTAR 345 kV Reliability Project. Thus, the MWh charge for Phase 2 has also been included in the Phase I charge.

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Estimated Annual Revenue Requirements

In-service Year	Project	Nominal	Low	High
2005	Miscellaneous	$25,690,860	$23,121,774	$28,259,946
2006	NSTAR 345 kV Reliability Project Phase 1	$40,608,000	$36,547,200	$70,686,000
	SWCT Reliability Project Phase 1	$64,260,000	$57,834,000	$70,686,000
	Miscellaneous	$48,777,660	$43,066,593	$54,839,727
2007	NSTAR 345 kV Reliability Project Phase 2			
	Northeast Reliability Interconnect	$16,272,000	$14,644,800	$17,899,200
	NWVT Reliability Project	$23,814,000	$21,432,600	$26,195,400
	Miscellaneous	$20,417,580	$15,535,152	$29,531,628
2008	Miscellaneous	$75,433,860	$54,878,895	$113,628,960
2009	SWCT Reliability Project Phase 2	$190,152,000	$142,614,000	$237,690,000
	Miscellaneous	$12,353,760	$8,950,320	$20,420,640
2010	Miscellaneous	$13,176,000	$9,882,000	$19,764,000
2011	Miscellaneous	$3,258,000	$2,443,500	$4,887,000
2012				
2013				
2014				
2015	Miscellaneous	$11,520,000	$8,460,000	$18,360,000

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Estimated Capital Costs

In-service Year	Project	Nominal	Low	High
2005	Miscellaneous	$142,727,000	$128,454,300	$156,999,700
2006	NSTAR 345 kV Reliability Project Phase 1	$225,600,000	$203,040,000	$392,700,000
	SWCT Reliability Project Phase 1	$357,000,000	$321,300,000	$392,700,000
	Miscellaneous	$270,987,000	$239,258,850	$304,665,150
2007	NSTAR 345 kV Reliability Project Phase 2			
	Northeast Reliability Interconnect	$90,400,000	$81,360,000	$99,440,000
	NWVT Reliability Project	$132,300,000	$119,070,000	$145,530,000
	Miscellaneous	$113,431,000	$86,306,400	$164,064,600
2008	Miscellaneous	$419,077,000	$304,882,750	$631,272,000
2009	SWCT Reliability Project Phase 2	$1,056,400,000	$792,300,000	$1,320,500,000
	Miscellaneous	$68,632,000	$49,724,000	$113,448,000
2010	Miscellaneous	$73,200,000	$54,900,000	$109,800,000
2011	Miscellaneous	$18,100,000	$13,575,000	$27,150,000
2012				
2013				
2014				
2015	Miscellaneous	$64,000,000	$47,000,000	$102,000,000

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