

August 1, 2016

VIA HAND DELIVERY & ELECTRONIC MAIL

Luly E. Massaro, Commission Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

**RE: 2016 Distribution Adjustment Charge (DAC)
Docket 4634**

Dear Ms. Massaro:

In accordance with the provisions of the Distribution Adjustment Clause of the Company's gas Tariff, RIPUC NG No. 101, Section 3, Schedule A, enclosed please find ten (10) copies of National Grid's¹ annual DAC filing and proposed Distribution Adjustment Charge (DAC). The DAC was established in Docket No. 3401 to provide for the recovery and reconciliation of the costs of identifiable special programs. Thus, the DAC is comprised of several factors relative to the specific underlying programs².

The 2016 DAC includes rate-specific Infrastructure, Safety and Reliability (ISR) reconciliation factors based on the reconciliation of the Fiscal Year (FY) 2016 revenue requirement contained in the Company's FY 2016 Gas ISR Reconciliation filing filed under separate cover today in Docket No. 4540 and revenue billed through the ISR Plan factors during the same period. Additionally, the proposed 2016 DAC includes a Revenue Decoupling Adjustment (RDA) factor to reconcile actual revenue-per-customer by rate class with the target revenue-per-customer as set forth in the Company's annual RDA factor filing that the Company filed with the Rhode Island Public Utilities Commission (PUC) on June 30, 2016 pursuant to the Revenue Decoupling Mechanism, which the PUC approved in Docket No. 4206.

¹ The Narragansett Electric Company d/b/a National Grid (National Grid or the Company).

² The DAC includes a System Pressure factor, an Advanced Gas Technology factor, a Low Income Assistance Program factor, an Environmental Response Cost factor, a Pension Adjustment factor, an On-System Margin Credit factor, a Service Quality Performance factor, a Revenue Decoupling Adjustment factor, rate-class specific Infrastructure, Safety and Reliability factors, two Reconciliation factors, a Firm Revenue Credit factor, and an Earnings Sharing Mechanism factor.

Luly E. Massaro, Commission Clerk
2016 DAC Filing
August 1, 2016
Page 2 of 2

This filing consists of the pre-filed direct testimony and schedules of Suhila Nouri Nutile and the pre-filed testimony and schedules of William R. Richer. In her testimony, Ms. Nutile provides the reconciliation of the various components of the DAC in support of the proposed factors to be effective November 1, 2016. Mr. Richer's testimony provides the calculation of the Pension and Postretirement Benefits Other Than Pensions (PBOP) costs to be reconciled in the Pension Adjustment Factor.

Since the underlying data for certain components of the DAC become available only after August 1, the Company will supplement this filing on September 1, 2016. That supplemental filing will provide proposed DAC rates for effect November 1, 2016 which incorporate factors for all updated DAC components and will include a bill-impact analysis. Also, the Company is not including the System Pressure factor or the Earnings Sharing Mechanism factor, if applicable, in this filing. The Company will submit those components as part of its September 1 supplemental filing.

Thank you for your attention to this filing. If you have any questions, please do not hesitate to contact me at 401-784-7288.

Very truly yours,



Jennifer Brooks Hutchinson

Enclosure

cc: Leo Wold, Esq.
Steve Scialabba, Division
Bruce Oliver, Division

The Narragansett Electric Company
d/b/a National Grid

Distribution Adjustment Charge Filing

Testimony and Schedules of
Suhila Nouri Nutile c/f "Y kkrco "T0Tlej gt

August 1, 2016

Submitted to:
Rhode Island Public Utilities Commission
RIPUC Docket No. 4634

Submitted by:

nationalgrid

**Testimony of
Subila Nouri Nutile**

DIRECT TESTIMONY

OF

SUHILA NOURI NUTILE

Table of Contents

| | | |
|-------------|--|-----------|
| I. | Introduction and Qualifications | 1 |
| II. | Purpose of Testimony | 2 |
| III. | DAC Summary | 3 |
| IV. | DAC Component Details | 4 |
| V. | DAC Reconciliation | 17 |
| VI. | Bill Impacts..... | 22 |

1 **I. Introduction and Qualifications**

2 **Q. Please state your name and business address.**

3 A. My name is Suhila Nouri Nutile and my business address is Reservoir Woods, 40 Sylvan
4 Road, Waltham, Massachusetts 02451.

5

6 **Q. What is your position and responsibilities?**

7 A. I am a Senior Analyst for New England Pricing in the Regulation and Pricing Department
8 of National Grid USA Service Company, Inc. (National Grid) supporting the gas pricing
9 activities of The Narragansett Electric Company d/b/a National Grid (the Company). My
10 responsibilities include the design, implementation, and administration of the Company's
11 rates and tariffs for natural gas service.

12

13 **Q. Please provide your educational background.**

14 A. I received a Bachelor of Science in Mathematics with a concentration in Computer
15 Science from the University of New Hampshire in Durham, NH and a Master of Science
16 in Financial Mathematics from Worcester Polytechnic Institute in Worcester, MA.

17

18 **Q. Please provide your professional background.**

19 A. I was employed by John Hancock in Boston from July 2006 through November 2012 as a
20 Senior Analyst in the Pension Pricing Department. Beginning in November 2012, I was
21 employed by Computer Science Corporation as a Lead Analyst in the Cloud Business

1 Unit. In these roles, I designed and developed pricing strategies and provided cost
2 analyses. In October 2013, I became a Senior Analyst at National Grid in Regulation and
3 Pricing, the position I hold today.

4
5 **Q. Have you previously testified before the Rhode Island Public Utilities Commission**
6 **(the PUC)?**

7 A. Yes, I testified in last year's Distribution Adjustment Clause filing, Docket No. 4573, in
8 addition to the 2016 and 2017 Gas Infrastructure, Safety and Reliability Plan
9 proceedings.

10
11 **II. Purpose of Testimony**

12 **Q. What is the purpose of your testimony?**

13 A. The purpose of this testimony is to describe the reconciliation of the various components
14 of the Distribution Adjustment Clause (DAC) and to propose new factors to become
15 effective November 1, 2016. This filing is submitted pursuant to the Company's
16 currently effective tariff, R.I.P.U.C. NG-Gas No. 101, under Section 3, Schedule A (DAC
17 Provision).

18
19 **Q. Are you sponsoring any schedules with your testimony?**

20 A. Yes. I am sponsoring the following schedules that accompany my testimony:

- 1 • Schedule SLN-1 Summary of DAC Factors
- 2 • Schedule SLN-2 System Pressure Factor
- 3 • Schedule SLN-3 Advanced Gas Technology Program Factor
- 4 • Schedule SLN-4 Environmental Response Cost Factor
- 5 • Schedule SLN-5 Pensions and Postretirement Benefits Factor
- 6 • Schedule SLN-6 On-System Margin Credits Factor
- 7 • Schedule SLN-7 Revenue Decoupling Adjustment Factor
- 8 • Schedule SLN-8 ISR Reconciliation Factors
- 9 • Schedule SLN-9 Firm Revenue Credit Factor
- 10 • Schedule SLN-10 Reconciliation Factors
- 11 • Schedule SLN-11 Reconciliations for FY 16
- 12 • Schedule SLN-12 Earnings Sharing Factor

13

14 **III. DAC Summary**

15 **Q. Please provide an overview of the DAC and its components.**

16 A. The DAC was established in Docket No. 3401 to provide for the recovery and
17 reconciliation of the costs of identifiable special programs. As described in the
18 Company's DAC Provision, the DAC includes several components: an annual System
19 Pressure (SP) factor; an Advanced Gas Technology (AGT) factor; a Low Income
20 Assistance Program (LIAP) factor; an Environmental Response Cost (ERC) factor; a
21 Pension Adjustment factor (PAF); an On-System Margin Credit (MC) factor; a Service

1 Quality Performance (SQP) factor; a Revenue Decoupling Adjustment (RDA) factor; rate
2 class specific Infrastructure, Safety, and Reliability (ISR) factors; an Earnings Sharing
3 Mechanism (ESM) factor; a Firm Revenue Credit factor; and two Reconciliation (R)
4 factors for the previous year's DAC factors.

5
6 **Q. What is the Company proposing for its DAC factors?**

7 A. As in prior years, the proposed DAC factors are not final as of August 1 since certain
8 underlying data for the development of all of the component factors is not yet available.
9 Based upon the data that is available, the preliminary rates (including ISR rates that
10 became effective April 1, 2016) are shown in Schedule SLN-1.

11
12 As discussed later in my testimony, the Company will supplement this filing with
13 updated information in its September 1, 2016 Supplemental DAC filing. This
14 supplemental filing will incorporate all proposed DAC factors and include a bill impact
15 analysis to reflect the final proposed DAC factors. Consistent with the Company's DAC
16 Provision, the proposed DAC factors are to become effective with consumption on and
17 after November 1, 2016.

18
19 **IV. DAC Component Details**

20 **System Pressure**

21 **Q. Please describe the System Pressure component.**

1 A. Maintaining proper operating pressure of the Company's distribution system requires the
2 occasional use of the Company's liquefied natural gas (LNG) facilities. The System
3 Pressure cost included in the DAC represents projected LNG demand costs for the period
4 of November 1, 2016 through October 31, 2017 utilized to ensure proper operating
5 pressure along the Company's distribution system. Pursuant to the settlement agreement
6 in the Company's 2012-2013 DAC filing, Docket No. 4339 (DAC Settlement), the
7 System Pressure balancing percentage used to determine the cost reflected in the DAC is
8 75.77% of the projected LNG lease payments for the period referenced above.

9

10 **Q. Will the Company provide a System Pressure factor in this filing?**

11 A. No. As noted in Docket No. 4196, the Company and the Division agreed that because
12 forecasted LNG costs are directly related to gas costs, the Company will not file a System
13 Pressure factor in its early-August DAC filing. Instead, the Company will file its System
14 Pressure cost and proposed factor as part of its September 1 Supplemental DAC filing
15 coincident with the Company's Gas Cost Recovery filing. Therefore, Schedule SLN-2 in
16 this filing is a placeholder for the System Pressure factor to be proposed on September 1.

17

18 **AGT Program**

19 **Q. Please describe the current AGT Program.**

20 A. The AGT Program was established in Docket No. 2025 to promote the development of
21 energy-efficient natural gas technologies that increase utilization of natural gas during

1 periods of low demand. Increased off-peak usage reduces the unit cost of the gas
2 delivery system for all customers by generating distribution revenue to support fixed
3 costs associated with resources needed during peak periods. The AGT Program provides
4 rebates for technologies such as combined heat and power (CHP) systems, natural gas
5 powered fleet vehicles, chilling systems, electrical generators, process heating, desiccant
6 dehumidifiers, and residential high efficiency space heating equipment.

7
8 **Q. Please provide an update with respect to the AGT Program's rebate activity over**
9 **the past fiscal year and any known potential future rebates.**

10 A. In 2013, the PUC approved a \$1.8 million AGT Program rebate to Toray Plastics
11 (America), Inc. (Tory) associated with a large cogeneration system to be paid out in three
12 installments of \$500,000 and a final installment of \$300,000 over four years. The first
13 payment of \$500,000 was made in June 2015 and the second payment is scheduled to be
14 made in August 2016. The AGT Program is experiencing continued interest as a result of
15 customers' awareness of and desire for energy planning, and cleaner and more economic
16 energy options for their businesses. The Company believes this program will remain an
17 important catalyst for economic development and clean energy in the state, thus
18 justifying the continuation of the current level of funding.

19
20 **Q. What level of funds is available for new projects in 2016-2017?**

1 A. As shown in Schedule SLN-3, page 2, at the end of March 2016, the AGT Program had a
2 balance of \$1,601,951.¹ In addition to the \$500,000 rebate to Toray slated to be paid in
3 August 2016, the Company anticipates paying out an incremental \$0.8 million over the
4 next two years as the Toray cogeneration unit discussed above meets other milestones.
5 The Company is scheduled to pay out another rebate in January 2017 to a different
6 customer as well as another customer potentially being offered a rebate in the next year.
7 In addition, consistent with the DAC Settlement, the balance does not include interest
8 earned of \$20,718 calculated for the twelve month period from April 2015 through March
9 2016, since interest on the balance is to be credited to customers through the DAC's
10 reconciliation factor. See Schedule SLN-3, page 2 for the calculation of interest and
11 Schedule SLN-10, page 1, Line 10 for the credit to be provided to customers.

12

13 **Q. Is the Company proposing any changes to the AGT Program?**

14 A. The Company is not proposing any changes to the AGT Program in this filing. The one-
15 time credit to customers of \$1 million was completed in November 2015 and the
16 Company is not proposing any incremental AGT Program funding or refunds in its 2016-
17 2017 DAC. The Company continues to recover \$300,000 annually in base rates, and this
18 annual funding will increase the balance over the same period that the anticipated rebates

¹ In Docket No. 4514, the PUC ordered the Company to return \$1 million to customers through the AGT factor during November 2014 through October 2015, with \$699,357 refunded during November 2014 through March 2015 as identified in Docket No. 4573. During the remainder of the period through October 2015, \$416,948 was refunded, as shown in Schedule SLN-3, page 2, Line 10. The Company credited customers \$1,116,305, or \$116,305 above the \$1 million ordered to be refunded from the AGT fund. To ensure that the AGT fund has only been reduced by \$1 million, the Company has adjusted the AGT fund by \$116,305 (Schedule SLN-3, page 2, Line 11), with this adjustment being reconciled through the Reconciliation Factor.

1 are paid to qualifying projects. Based upon this current level of funding and current new
2 project projections, the Company is not proposing additional funding nor is the Company
3 proposing that any funds be returned to customers at this time. Therefore, the AGT
4 factor will remain at zero as shown on Schedule SLN-3, page 1. The Company would,
5 however, like to note that should there be additional interest in the program over the next
6 year, the Company will reassess the need for incremental funding and propose any
7 changes in funding based on then-current projects in its August 2017 DAC filing.

8
9 **Q. Based on the Company's assessment of the AGT Program, does the Company still
10 see value in maintaining the AGT Program?**

11 A. Yes, the Company believes there is value in maintaining the AGT Program because the
12 AGT Program promotes technologies that result in benefits that the Company's other
13 programs, such as Energy Efficiency, do not promote. Therefore, in this filing, the
14 Company is recommending continuing to fund the AGT Program through base rates, with
15 the opportunity in future filings to recover any PUC-approved incremental amount
16 through the DAC.

17
18 **Low Income Assistance Programs**

19 **Q. Please describe the Low Income Assistance Programs.**

20 A. The low-income assistance programs included within the DAC are the Low Income
21 Assistance Program (LIAP) and the Low Income Weatherization Program. The

1 Company's LIAP piggybacks on the Low Income Heating Energy Assistance Program
2 (LIHEAP), a federally-funded, state-administered program that assists low-income
3 customers in paying their heating bills. The LIAP provides additional credits on the gas
4 bills of customers who receive LIHEAP grants. The Low Income Weatherization
5 Program provides supplemental funding to the weatherization program administered by
6 the Rhode Island Office of Energy Resources. The annual funding in base rates for the
7 LIAP and the weatherization program are \$1,585,000 and \$200,000, respectively.² The
8 Company is not proposing any change to the existing programs or level of funding at this
9 time. Accordingly, the LIAP component of the DAC has been set at zero.

10
11 **Environmental Response Costs**

12 **Q. Please explain the purpose of the Environmental Response Cost factor.**

13 A. The Environmental Response Cost (ERC) factor is designed to allow the Company
14 recovery of its reasonable and prudently incurred costs for evaluation, remediation, and
15 clean-up of sites associated with the Company's ownership and/or operation of
16 manufactured gas plants (MGP), manufactured gas storage facilities, and MGP-related
17 off-site waste disposal locations. In addition, the ERC factor includes recovery of

² The LIAP is different than, and in addition to, the LIHEAP enhancement program and the credits provided to low income customers as part of that program. The LIHEAP enhancement credits are pursuant to Rhode Island General Law § 39-1-27.12, which provides for a state-administered fund that establishes additional credits on customers' bills for those who are in receipt of a LIHEAP grant. The program is funded annually in an amount ranging from \$6.5 million to \$7.5 million through a separate surcharge on all electric and gas customers' bills.

1 environmental costs for removing and replacing mercury regulators and addressing meter
2 disposal issues.

3
4 **Q. Please describe the proposed ERC factor.**

5 A. Consistent with the Company's DAC Provision, Item 3.5, the ERC factor that reflects
6 recovery of the 10-year amortization of annual environmental response costs in excess of
7 the annual amount recovered in base rates. As shown on Schedule SLN-4, page 1, the
8 proposed ERC factor reflects annual amortization of \$1,898,061 for the period April 2016
9 through March 2017 that would be recovered over the 12 months beginning November
10 2016. A yearly breakdown of this amortization is provided on pages 2 and 3 of Schedule
11 SLN-4. Environmental project-specific expenses for the 12 months ending March 31,
12 2016 are provided on page 4 of Schedule SLN-4. In-depth descriptions of the
13 environmental projects and fiscal year 2015-16 activities can be found in the annual
14 environmental report filed with the PUC on July 27, 2016. The Company currently
15 recovers \$1,310,000 for the recovery of environmental costs in base rates. Netting the
16 annual base rate allowance of \$1,310,000 against the amortization expenses of
17 \$1,898,061 leaves environmental costs of \$588,061 to be recovered from customers over
18 the November 2016 through October 2017 period. This amount is divided by forecasted
19 throughput of 39,347,340 dths for this 12-month period and divided by 10 to derive a
20 \$/therm factor.

21

1 **Pension and PBOP Costs**

2 **Q. What do the Pension and Postretirement Benefits Other Than Pensions (PBOP)**
3 **reconciliation entail?**

4 A. In accordance with the Company's DAC Provision, Item 3.6, the Pension Adjustment
5 Factor is designed to recover from or credit to customers the prior year's reconciliation
6 balance which results from the comparison of the Company's actual Pension and PBOP
7 expenses to the Company's Pension and PBOP allowances that are included in base rates,
8 plus carrying charges. The adjustment factor is based on this difference.

9
10 **Q. Is the Company providing Pension and PBOP costs in this filing?**

11 A. Yes it is. The schedules which present the reconciliation of the Company's actual
12 Pension and PBOP expenses and the base rate allowances for the 12-month period ending
13 March 31, 2016 is set forth in Company Witness William R. Richer's testimony and
14 schedules included in this filing, in which he supports the derivation of these amounts.
15 Based on these amounts, the pension adjustment factor is a credit of \$0.0045 per therm
16 and is calculated by dividing the net over-collection of actual Pension and PBOP
17 expenses by the forecasted throughput of 39,347,340 dths for the 12-months beginning
18 November 1, 2016. This result is then divided by 10 to derive a \$/therm factor as shown
19 in Schedule SLN-5, page 1.

20

1 **On-System Margin Credit**

2 **Q. Please explain the changes to the On-System Margin Credit factor.**

3 A. Pursuant to the settlement agreement in the Company's 2012 general rate case in Docket
4 No. 4323 (Rate Case Settlement Agreement), the Company calculates the total actual
5 Non-Firm customer margin, exclusive of Rhode Island Gross Earnings Tax, for the 12-
6 month period ending each March 31. If the total margin exceeds the \$1,435,656
7 threshold,³ then any excess amount above the threshold is to be credited to customers. If
8 total actual margin is less than the threshold, the deficiency is to be recovered from
9 customers. In addition, if a Non-Firm customer who was active during the test year in
10 Docket No. 4323 (i.e., calendar year 2011) requests and is able to transfer to firm service,
11 the Company will reduce the margin threshold by the Non-Firm customer's actual 2011
12 calendar year usage multiplied by the applicable Non-Firm rates approved in Docket No.
13 4323.

14
15 **Q. In this filing, did the Company adjust the margin threshold to reflect Non-Firm**
16 **customers transferring to Firm service?**

17 A. Yes. In last year's DAC filing in Docket No. 4573, the Company identified two
18 customers Non-Firm customers during calendar year 2011 transferred to firm service and

³ The On-System Margin threshold of \$1.8 million approved in the Rate Case Settlement Agreement has been adjusted, as provided in the Rate Case Settlement, in Docket Nos. 4514 and 4573 to \$1,523,876 to reflect the migration of customers who were receiving Non-Firm service in the test year of the general rate case in Docket No. 4323 to firm transportation service. The Company is making a further adjustment to the threshold in this filing, as discussed in this testimony.

1 as such adjusted the On- System Margin threshold. Since these customers converted in
2 November 2014 and their Non-Firm revenues for the period April 2014 through October
3 2014 were included in the FY 2015 total Non-Firm margin, the Company adjusted the
4 threshold in Docket No. 4573 only for their revenue for the period the customers were on
5 the firm tariff rate (November through March). In this filing, the Company has adjusted
6 the threshold for the remaining seven months (April through October). As shown on
7 Schedule SLN-6, page 3, the Company has identified these customers' associated usage
8 for the seven months of April through October 2011 and multiplied this usage by the
9 applicable Non-Firm rate approved in Docket No. 4323, resulting in a threshold
10 adjustment of \$88,220. The Company then reduced the annual threshold of \$1,523,876
11 calculated in Docket No. 4573 by this amount, resulting in a revised Non-Firm margin
12 threshold of \$1,435,656 applicable for the period April 2015 through March 2016.

13
14 **Q. Please provide the details on the On-System Margin Credit factor included in this**
15 **filing.**

16 A. Schedule SLN-6 summarizes the Non-Firm customer usage, revenue, and margins,
17 excluding the Gross Earnings Tax and Energy Efficiency surcharges, for the 12-month
18 period ending March 31, 2016. The total Non-Firm margin is compared against the
19 adjusted threshold noted above and results in an overage in Non-Firm margin of \$63,674.
20 This amount is to be credited to customers through an On-System Margin factor that is a
21 proposed credit of \$0.0001 per therm. This credit is calculated by dividing the over

1 recovered margin of \$63,674 by the forecasted throughput of 39,347,340 dths and
2 dividing this result by 10 to derive a \$/therm factor.

3
4 **Service Quality Program**

5 **Q. Please provide a brief description of the Service Quality Program and its current**
6 **impact on the DAC.**

7 A. Any penalty resulting from the operation of the approved Service Quality Plan is credited
8 to customers through the DAC.⁴ The Company's FY 2016 Annual Service Quality
9 Report filed on July 29, 2016 indicates that the Company did not incur a penalty for its
10 performance during fiscal year 2016. Therefore, there is no impact on the DAC, and
11 consequently the SQP factor is \$0.0000 per therm.

12
13 **Revenue Decoupling Adjustment**

14 **Q. Please explain the RDA component of the DAC.**

15 A. Pursuant to its DAC Provision, the Company operates under a Revenue Decoupling
16 Mechanism (RDM). The RDM provides for an annual reconciliation of actual base
17 revenue-per-customer by rate class against a benchmark revenue-per-customer. The
18 Company filed this reconciliation with the PUC on June 30, 2016, and it covers the 12-
19 month period April 2015 through March 2016. Accordingly, as shown on Schedule
20 SLN-7, page 1, the RDA identifies an over-recovery of \$282,230 and a credit RDA factor

⁴ Service Quality Plan, Docket No. 3476.

1 of \$0.0010 per therm derived by dividing the over-recovery by the throughput associated
2 with the Residential, Small, and Medium Commercial and Industrial (C&I) rate classes of
3 27,487,531 dths, and dividing this result by 10 to derive a \$/therm factor.

4
5 **Q. Similar to last year as the Company identified in Docket No. 4573, did the Company**
6 **transfer residential customers from the non-heating rate class to the heating rate**
7 **class during the RDM reconciliation period?**

8 A. Yes it did. In June 2015, the Company transferred 970 customers from the non-heating
9 rate class to the heating rate class. Details on this transfer are addressed in the RDM
10 filing on June 30, 2016. The Company is providing the complete RDM reconciliation
11 filing including in Schedule SLN-7, pages 2-31.

12
13 **Earnings Sharing Mechanism**

14 **Q. Is the Company reflecting an amount in the proposed DAC factors associated with**
15 **the Earnings Sharing Mechanism?**

16 A. No it is not. The Company files its annual earnings report at the end of August.
17 Therefore, this DAC component will be addressed by Mr. Richer in the Supplemental
18 DAC filing to be submitted on September 1, 2016. Schedule SLN-12 in this filing is a
19 placeholder for the Earnings Sharing factor to be proposed, if applicable, on September 1.

1 **ISR Plan**

2 **Q. Please explain the ISR Plan reconciliation and how it is reflected in this filing.**

3 A. The reconciliation associated with the ISR Plan factors is designed to reconcile the actual
4 FY 2016 revenue requirement on actual cumulative capital investment and actual
5 operation and maintenance (O&M) expense covered by the ISR Plan. The Company
6 submitted its ISR Plan reconciliation filing for the Company's gas business in Docket No.
7 4540 on August 1, 2016. In that filing, Company Witness Melissa A. Little presented the
8 actual FY 2016 revenue requirement on actual cumulative capital investment plus O&M
9 expense. In addition, the ISR Plan reconciliation includes a final balance of the recovery
10 of FY 2015 reconciliation balance to capture any over- or under-billing of that amount.
11 The ISR Plan reconciliation in Schedule SLN-8 results in an under-recovery of
12 \$9,527,579. To derive the ISR reconciliation factor per rate class, the Company allocated
13 the actual FY 2016 revenue requirement on actual cumulative capital investment and
14 O&M to rate classes based on the rate base allocation from the Company's general rate
15 case in Docket No. 4323. This was then compared to billed revenue from the billing of
16 the ISR factors by rate class to arrive at the over or under recovery of ISR Plan
17 investment and O&M by rate class in accordance with the Company's DAC Provision.
18 The Company then divided the total under-recovery for each rate class by the forecasted
19 throughput for each rate class. Schedule SLN-8 shows the ISR reconciliation factors per
20 rate class.

1 **Revenue Credit**

2 **Q. Please explain the revenue credit included in this filing originating from the Rate**
3 **Case Settlement Agreement.**

4 A. The Company is including the revenue credit associated with a large commercial and
5 industrial customer as specified in Article III, Section A.4 of the Rate Case Settlement
6 Agreement. Per the Rate Case Settlement Agreement, 50% of any incremental revenues
7 received from this customer is to be credited back to customers through the reconciliation
8 of the DAC until the next general rate case. In Schedule SNL-9, the Company details the
9 distribution revenues which will be credited back to customers. The Company included
10 this credit as part of its Reconciliation Factor, as shown on SLN-10, page 1, Line 11.

11
12 **V. DAC Reconciliation**

13 **Q. Please describe the reconciliation component of the DAC.**

14 A. The reconciliation component of the DAC allows for the reconciliation of the actual
15 amounts approved to be reflected in the DAC factors and revenue billed through the
16 DAC, along with a true-up for those items requiring a forecast of their balances at
17 October 31 in order to calculate the DAC factors for November 1. In this filing, the
18 individual items that are being reconciled fall into one of three general groupings which
19 are rate class specific: – (i) those associated with the reconciliation of factors that are
20 related to all rate classes, (ii) those associated with the reconciliation of factors that are
21 specific to the Residential, Small, and Medium C&I rate classes, and (iii) those that are

1 associated with the reconciliation of factors related solely to the Large and Extra Large
2 rate classes.

3
4 A summary of the various items being reconciled is shown on Schedule SLN-10, page 1,
5 Sections 1, 2, and 3.

6
7 **Q. Please describe the reconciliation component applicable to all rate classes.**

8 A. The items applicable to all rate classes include those that are being reconciled on the
9 basis of the gas year, from November 2015 through October 2016. They include the: (1)
10 System Pressure reconciliation,⁵ (2) AGT reconciliation, (3) Environmental
11 reconciliation, (4) On-System Margin Credits reconciliation, (5) Pension reconciliation,
12 (6) PBOP reconciliation, and (7) prior reconciliation factors. Each component reconciles
13 the amounts approved for recovery or refund and actual revenues through June 2016 and
14 forecasted revenue through October 2016.⁶ In addition, a true-up amount representing
15 the difference between the forecasted balance and the actual balance as of October 31,
16 2015 is reflected in the reconciliation factor, as well as the interest on the AGT fund
17 balance as described earlier in my testimony.

18

⁵ The System Pressure reconciliation has been calculated according to the DAC Settlement whereby 75.77% of the NGLNG lease payment is assigned to the DAC, as well as the incremental costs from comparing the projected LNG usage to actuals for November through March. The detailed schedule summarizing the derivation of the cost will be part of the GCR filing to be submitted on September 1, 2016.

⁶ Factors reconciled based on the gas year can also include the ESM factor and AGT factor, when applicable.

1 The Company derives the reconciliation factor applicable to all rate classes by adding up
2 the 12-month balance ending October 2016 of \$10,543, plus the 2015 true up amounts of
3 (\$89,389), the AGT interest of (\$20,718) and the firm credit revenue amount of
4 (\$191,692) for a total of (\$291,526). The total is divided by the forecasted throughput for
5 the November 1, 2016 through October 31, 2017 period, or 39,347,340 dths. This result
6 is then divided by 10 to derive a credit factor per therm of \$0.0007 per therm for the 12-
7 month period beginning November 1, 2016. A summary of the various items being
8 reconciled which are applicable to all rate classes is shown on Schedule SLN-10, page 1,
9 Section 1 while the details are set forth in pages 2, 3, and 8. That the reconciliation factor
10 applicable to all rate classes will be added to the factor applicable to the Large and Extra-
11 Large rate class customers' reconciliation to derive two distinct reconciliation factors
12 among the two groups of customers.

13
14 **Q. Please describe the reconciliation component applicable only to the Residential,**
15 **Small, and Medium Rate classes.**

16 A. The reconciliation of the RDA balance through the RDA factors that are only applicable
17 to the Residential, Small, and Medium C&I customers results in a separate reconciliation
18 factor for this group of customers. This factor was derived by taking the RDM
19 reconciliation ending balance as of October 31, 2016, which represents an over-recovery
20 of the amount to be recovered through the RDA factor and RDA reconciliation factor of
21 (\$1,975,588) as shown in Schedule SLN-10, page 1, Line 18, and dividing that total by

1 the forecasted throughput for the Residential, Small, and Medium C&I customers of
2 27,487,531 dths. This factor was then divided by 10 to derive a credit factor of per
3 therm. The summary of this derivation is shown on Schedule SLN-10, page 1, Section 2.

4
5 **Q. Please describe the reconciliation component applicable to the Large and Extra-
6 Large Rate classes.**

7 A. The Large and Extra-Large reconciliation factor includes: (1) the prior reconciliation
8 factor applicable to the Large and Extra-Large rate classes, and (2) the reconciliation of
9 the base rate allowances that are subject to reconciliation in the DAC: AGT,
10 Environmental, and the LIAP for the April 2015 through March 2016 period. For
11 Residential, Small, and Medium C&I customers, the reconciliation of these base rate
12 allowances to billed revenue is done as part of the RDM reconciliation, where actual
13 revenue is reconciled to targets that include these base rate allowances. Therefore, the
14 recoveries for the base rate components for AGT, Environmental, and LIAP only need to
15 be separately reconciled for the Large and Extra-Large rate classes, which are excluded
16 from the Company's RDM.

17
18 The base rate reconciliation factors for these programs are calculated by dividing the total
19 annual base rate allowances approved by the PUC for each program by the total annual
20 forecasted firm throughput from the Company's 2012 general rate case in Docket No.
21 4323. The Company then multiplies these base rate reconciliation factors by the

1 forecasted throughput for Large and Extra-Large rate classes from the Company's 2012
2 general rate case in Docket No. 4323 to obtain the forecasted monthly revenues. The
3 forecasted monthly revenues are then compared to the actual revenues to derive the
4 annual over/under recoveries for the 12 months ending March 31, 2016 for each program.
5 The reconciliation of these four components for customers receiving delivery service on
6 the Large and Extra-Large rate classes only resulted in a reconciliation credit factor of
7 \$0.0012 per therm. This factor was calculated by taking the ending balances of the base
8 rate allowances at the end of March 2016, which is a credit balance of (\$133,775), and
9 adding to it the balance of the Reconciliation factor associated with the previous
10 reconciliation for these rate classes, which is an over-recovery of (\$11,308), and dividing
11 the total amount by the forecasted throughput of 11,859,809 dths associated with the
12 Large and Extra-Large customers. This factor was then divided by 10 to derive a credit
13 factor of \$0.0012 per therm. Finally, this credit factor was added to the Reconciliation
14 factor applicable to all rate classes as described earlier in my testimony to derive a net
15 credit Reconciliation factor applicable to the Large and Extra-Large rate classes of
16 (\$0.0019) per therm for the 12-month period beginning November 1, 2016. A summary
17 of these items is shown on Attachment SLN-10, page 1, Section 3, while the details are
18 set forth in Attachment SLN-10, page 3, Line 41 and page 4.

19 The Company will be updating the ending balances with one more month of actual
20 revenue for each of these reconciliation items in its September 1 Supplemental DAC
21 filing.

1 **Q. Did the Company provide DAC reconciliations over the historical fiscal year as it**
2 **did last year?**

3 A. Yes. In Schedule SLN-11, the Non-Base Rate components, the RDM, and the ISR Plan
4 reconciliations are provided for the fiscal year ending March 31, 2016. Although these
5 rates are not designed over the period of the fiscal year, these schedules are provided for
6 information purposes.

7

8 **Q. Please describe the basis of the forecast utilized in the preliminary DAC.**

9 A. The preliminary DAC factors are based on the current projected throughput of
10 39,347,340 dths for the November 1, 2016 to October 31, 2017 period. This forecast will
11 also be used in the Company's Gas Cost Recovery filing.

12

13 **VI. Bill Impacts**

14 **Q. Is the Company providing bill impacts in this filing?**

15 A. No, the Company is not presenting bill impacts at this time. Since the System Pressure
16 costs and any earnings that may be subject to sharing are not reflected in this filing, bill
17 impact analysis at this time provides limited information as to the overall impact of the
18 change in the DAC factors. Rather, the Company will submit bill impacts for the
19 cumulative impact of all of its proposed DAC factors with its September 1 filing.

20

21 **Q. Does this conclude your testimony?**

22 A. Yes.

Schedules of Suhila Nouri Nutile

| | |
|-----------------|---|
| Schedule SLN-1 | Summary of DAC Factors |
| Schedule SLN-2 | System Pressure Factor |
| Schedule SLN-3 | Advanced Gas Technology Program Factor |
| Schedule SLN-4 | Environmental Response Cost Factor |
| Schedule SLN-5 | Pensions and Postretirement Benefits Factor |
| Schedule SLN-6 | On-System Margin Credits Factor |
| Schedule SLN-7 | Revenue Decoupling Adjustment Factor |
| Schedule SLN-8 | ISR Reconciliation Factors |
| Schedule SLN-9 | Firm Revenue Credit Factor |
| Schedule SLN-10 | Reconciliation Factors |
| Schedule SLN-11 | Reconciliations for FY 16 |
| Schedule SLN-12 | Earnings Sharing Mechanism Factor |

Schedule SLN-1
Summary of DAC Factors

**National Grid - RI Gas
Summary of DAC Factors
Effective November 1, 2016**

Section 1: DAC factor (not including annual ISR component) November 1, 2016 - October 31, 2017

| Line No. | Description | Reference | Amount | Factor | | |
|----------|--|----------------|------------------|-----------------------------------|-------------------|------------------|
| | | | | Residential/ Small/ Medium C&I | Large/ X-Large | |
| 1 | System Pressure (SP) | <u>SLN-2</u> | \$0 (TBD) | \$0.0000 | \$0.0000 | |
| 2 | Advanced Gas Technology Program (AGT) | <u>SLN-3</u> | \$0 | \$0.0000 | \$0.0000 | |
| 3 | Low Income Assistance Program (LIAP) | | \$0 | \$0.0000 | \$0.0000 | |
| 4 | Environmental Response Cost Factor (ERCF) | <u>SLN-4</u> | \$588,061 | \$0.0014 | \$0.0014 | |
| 5 | Pension Adjustment Factor (PAF) | <u>SLN-5</u> | (\$1,745,064) | (\$0.0045) | (\$0.0045) | |
| 6 | On-System Margin Credits (MC) | <u>SLN-6</u> | (\$63,674) | (\$0.0001) | (\$0.0001) | |
| 7 | Reconciliation Factor (R) | <u>SLN-10</u> | (\$436,339) | (\$0.0007) | (\$0.0019) | |
| 8 | Service Quality Factor (SQP) | | \$0 | \$0.0000 | \$0.0000 | |
| 9 | Earnings Sharing Mechanism (ESM) | <u>SLN-12</u> | <u>\$0 (TBD)</u> | <u>\$0.0000</u> | <u>\$0.0000</u> | |
| 10 | Subtotal | Sum ([1]:[9]) | (\$1,657,016) | (\$0.0039) | (\$0.0051) | |
| 11 | Uncollectible Percentage | Dkt 4323 | 3.18% | 3.18% | 3.18% | |
| 12 | DAC factors grossed up for uncollectible | [10]/(1-[11]) | (\$1,711,440) | (\$0.0040) | (\$0.0052) | per therm |
| 13 | Revenue Decoupling Adjustment (RDA) | <u>SLN-7</u> | (\$282,230) | (\$0.0010) | \$0.0000 | |
| 14 | Revenue Decoupling Adjustment Reconciliation | <u>SLN-10</u> | (\$1,975,588) | (\$0.0071) | \$0.0000 | |
| 15 | DAC factor | [12]+[13]+[14] | (\$3,969,258) | (\$0.0121) | (\$0.0052) | per therm |

Section 2: DAC factors including annual ISR component

| Line No. | ISR Reconciliation w/o uncollectible ¹ (therms) | Uncollectible Percentage ² | ISR Reconciliation* (therms) (A) | Base DAC Component* ³ (therms) (B) | DAC Component Subtotal Rates* (therms) (C) = (A) + (B) | ISR Component* ⁴ (therms) (D) | November 1, 2016 DAC Rates* (therms) (E) = (C)+(D) | |
|----------|--|---------------------------------------|----------------------------------|---|--|--|--|----------|
| 16 | Res-NH | \$0.0607 | 3.18% | \$0.0626 | (\$0.0121) | \$0.0505 | \$0.1429 | \$0.1934 |
| 17 | Res-NH-LI | \$0.0607 | 3.18% | \$0.0626 | (\$0.0121) | \$0.0505 | \$0.1429 | \$0.1934 |
| 18 | Res-H | \$0.0321 | 3.18% | \$0.0331 | (\$0.0121) | \$0.0210 | \$0.0868 | \$0.1078 |
| 19 | Res-H-LI | \$0.0321 | 3.18% | \$0.0331 | (\$0.0121) | \$0.0210 | \$0.0868 | \$0.1078 |
| 20 | Small | \$0.0392 | 3.18% | \$0.0404 | (\$0.0121) | \$0.0283 | \$0.0784 | \$0.1067 |
| 21 | Medium | \$0.0205 | 3.18% | \$0.0212 | (\$0.0121) | \$0.0091 | \$0.0579 | \$0.0670 |
| 22 | Large LL | \$0.0234 | 3.18% | \$0.0241 | (\$0.0052) | \$0.0189 | \$0.0538 | \$0.0727 |
| 23 | Large HL | \$0.0192 | 3.18% | \$0.0198 | (\$0.0052) | \$0.0146 | \$0.0513 | \$0.0659 |
| 24 | XL-LL | \$0.0022 | 3.18% | \$0.0023 | (\$0.0052) | (\$0.0029) | \$0.0168 | \$0.0139 |
| 25 | XL-HL | \$0.0015 | 3.18% | \$0.0015 | (\$0.0052) | (\$0.0037) | \$0.0174 | \$0.0137 |

***Factors Include Uncollectible Allowance**

¹ SLN-8

² Per Docket 4323

³ Section 1, Line 15

⁴ FY 17 ISR component per Docket 4590

Schedule SLN-2
System Pressure Factor

This page is intentionally left blank.

**THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
RIPUC DOCKET NO. 4634
DISTRIBUTION ADJUSTMENT CHARGE FILING
WITNESS: SUHILA NOURI NUTILE**

Schedule SLN-3
Advanced Gas Technology Program Factor

National Grid - RI Gas
AGT Factor
Effective November 1, 2016

| Line No. | Description | |
|----------|---------------------------|---------------------------|
| 1 | AGT collected through DAC | \$0 |
| 2 | Firm Throughput | 39,347,340 dth |
| 3 | AGT Factor | \$0.0000 per dth |
| 4 | AGT Factor | \$0.0000 per therm |

2 Company Forecast

3 Line (1) / Line (2)

4 Line (3) / 10, truncated to 4 decimal places

National Grid - RI Gas
ACT Account Balance and Interest Calculation

| Line No. | Apr-15 30 | May-15 31 | Jun-15 30 | Jul-15 31 | Aug-15 31 | Sep-15 30 | Oct-15 31 | Nov-15 30 | Dec-15 31 | Jan-16 31 | Feb-16 29 | Mar-16 31 | Total (m) | |
|----------|---|-----------------------------------|-----------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|-----------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|---------------------------------------|
| 1 | Beginning Balance | \$2,134,557 | \$2,029,078 | \$1,971,211 | \$1,448,101 | \$1,402,180 | \$1,379,697 | \$1,355,242 | \$1,427,418 | \$1,461,511 | \$1,508,406 | \$1,556,886 | | |
| 2 | Rebate Disbursements | \$0 | \$0 | \$500,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | |
| 3 | Other Disbursements | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | |
| 4 | Sub-total Disbursements | \$0 | \$0 | \$500,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | |
| 5 | Forecasted Throughput from Docket 4323 (dth) L/XL Classes Res H, NH, Small & Medium C&I Classes | 3,826,443 992,288 2,834,155 | 2,321,424 720,015 1,601,409 | 1,505,558 553,276 952,282 | 1,230,159 530,577 699,582 | 1,063,069 477,149 585,919 | 1,175,941 548,615 627,326 | 1,391,267 587,911 803,356 | 2,407,560 770,135 1,637,426 | 4,054,661 1,063,665 2,990,996 | 5,577,080 1,163,568 4,413,512 | 5,765,550 1,264,681 4,500,868 | 5,359,362 1,195,353 4,164,009 | 35,678,072 9,867,232 25,810,840 |
| 6 | Base Rates Revenue | \$8,344 | \$6,054 | \$4,652 | \$4,461 | \$4,613 | \$4,943 | \$6,476 | \$8,944 | \$9,784 | \$10,634 | \$10,051 | \$82,969 | |
| 7 | Forecasted L/XL Classes | \$23,831 | \$13,465 | \$8,007 | \$5,882 | \$5,275 | \$6,755 | \$13,768 | \$25,150 | \$37,111 | \$37,846 | \$35,013 | \$217,031 | |
| 8 | Forecasted Res H, NH, Small & Medium C&I Classes | \$32,175 | \$19,520 | \$12,660 | \$10,344 | \$9,888 | \$11,699 | \$20,244 | \$34,094 | \$46,895 | \$48,480 | \$45,064 | \$300,000 | |
| 9 | Sub-total Revenue | (\$137,653) | (\$77,387) | (\$35,770) | (\$33,289) | (\$31,914) | (\$36,154) | (\$32,410) | \$0 | \$0 | \$0 | \$0 | \$0 | |
| 10 | AGT Balance Refund | | | | | | | | | | | | | |
| 11 | AGT Balance Reconciliation | | | | | | | | | | | | | |
| 12 | AGT Interest Refund | | | | | | | | | | | | | |
| 13 | Ending Balance | \$2,029,078 | \$1,971,211 | \$1,448,101 | \$1,425,155 | \$1,402,180 | \$1,379,697 | \$1,355,242 | \$1,461,511 | \$1,508,406 | \$1,556,886 | \$1,601,951 | (\$31,963) | |

| Line No. | Apr-15 30 | May-15 31 | Jun-15 30 | Jul-15 31 | Aug-15 31 | Sep-15 30 | Oct-15 31 | Nov-15 30 | Dec-15 31 | Jan-16 31 | Feb-16 29 | Mar-16 31 | Total (m) |
|----------|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| 14 | Month's Average Balance | \$2,081,817 | \$2,000,145 | \$1,709,656 | \$1,436,628 | \$1,413,668 | \$1,390,939 | \$1,391,330 | \$1,444,465 | \$1,484,959 | \$1,532,646 | \$1,579,418 | |
| 15 | Bk America Rate less 200 Basis Points | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.38% | 1.50% | 1.50% | 1.50% | |
| 16 | Calculated Interest (not applied to balance) | \$2,133 | \$2,118 | \$1,752 | \$1,521 | \$1,497 | \$1,425 | \$1,448 | \$1,682 | \$1,887 | \$1,822 | \$2,007 | \$20,718 |

- Column (a) Ending Balance per Docket 4573, SLN-3, Page 2 of 2
- Rebate to Toray Plastics of America.
- Line (2) + Line (3)
- Rate year forecast as presented in Docket 4323
- Large and Extra Large C&I throughput from Line (5) * \$0.0084 (AGT base rate). Actual revenue for these rate classes are reconciled through the Reconciliation Factor for Large and Extra Large C&I
- Res H, NH, Small & Medium throughput from Line (5) * \$0.0084 (AGT base rate). Actual revenue for these rate classes are reconciled through the Revenue Decoupling Mechanism (RDM).
- Line (7) + Line (8)
- Part of the \$1 million credited through the AGT factor as ordered in Docket 4514, YC-3C, Page 1 of 2.
- Reconciliation of \$1 million AGT balance refund ordered in Docket 4514. Ending March 2015 \$699,357 was returned (Docket 4573, Schedule SLN-3, Line 10, Column m). Ending March 2016, \$416,948 was returned (Line 10, Column m), an over credit of \$116,305.
- Interest earned for the period of April 2014 to March 2015 which was transferred to Recon Factor to reflect the true-up noted in Docket 4573, SLN-10S, Page 1 of 8, Line 9.
- Lines (1) - (4) + (9) + (10)
- Lines ((1)+(2))/2
- Per RIPUC NG-Gas No. 101, Section 3, Schedule A
- Column (m), total interest refunded to customers at SLN-10, Page 1, line 10 per Docket 4339 Settlement of Issues

Schedule SLN-4
Environmental Response Cost Factor

**National Grid - RI Gas
Environmental Response Cost (ERC) Factor
Effective November 1, 2016**

| Line No. | Description | Reference | Amount |
|----------|--|----------------------|---------------------------|
| 1 | Amortization of Pre-FY2006 expenses | Page 3, Col L, Ln 3 | \$0 |
| 2 | Amortization of FY2006 expenses | Page 3, Col L, Ln 6 | \$0 |
| 3 | Amortization of FY2007 expenses - year 10 of 10 | Page 3, Col L, Ln 9 | (\$75,830) |
| 4 | Amortization of FY2008 expenses - year 9 of 10 | Page 3, Col L, Ln 12 | (\$4,575) |
| 5 | Amortization of FY2009 expenses - year 8 of 10 | Page 3, Col L, Ln 15 | \$96,575 |
| 6 | Amortization of FY2010 expenses - year 7 of 10 | Page 3, Col L, Ln 18 | \$208,826 |
| 7 | Amortization of FY2011 expenses - year 6 of 10 | Page 3, Col L, Ln 21 | \$452,295 |
| 8 | Amortization of FY2012 expenses - year 5 of 10 | Page 3, Col L, Ln 24 | \$558,394 |
| 9 | Amortization of FY2013 expenses - year 4 of 10 | Page 3, Col L, Ln 27 | \$136,852 |
| 10 | Amortization of FY2014 expenses - year 3 of 10 | Page 3, Col L, Ln 30 | \$300,824 |
| 11 | Amortization of FY2015 expenses - year 2 of 10 | Page 3, Col L, Ln 33 | \$112,908 |
| 12 | Amortization of FY2016 expenses - year 1 of 10 | Page 3, Col L, Ln 36 | \$111,792 |
| 13 | | Subtotal | <u>\$1,898,061</u> |
| 14 | Base Rate Environmental Cost Allowance | | \$1,310,000 |
| 15 | Cost in excess of Allowance | | \$588,061 |
| 16 | Firm Throughput | | 39,347,340 dths |
| 17 | Environmental Response Cost Factor per dekatherm | | \$0.0140 per dth |
| 18 | Environmental Response Cost Factor per therm | | \$0.0014 per therm |
| 13 | Sum of Lines (1) to (12) | | |
| 14 | Docket 4323 | | |
| 15 | Line (13) - Line (14) | | |
| 16 | Company Forecast | | |
| 17 | Line (15) / Line (16) | | |
| 18 | Line (17) / 10, truncated to 4 decimal places | | |

National Grid - RI Gas
Environmental Response Cost (ERC) Factor
ERC Amortization Schedule

| Line No. | FY2006 (a) | FY2007 (b) | FY2008 (c) | FY2009 (d) | FY2010 (e) | FY2011 (f) | FY2012 (g) | FY2013 (h) | FY2014 (i) | FY2015 (j) | FY2016 (k) |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <u>ENVIRONMENTAL AMORTIZATION</u> | | | | | | | | | | | |
| 1 | | | | | | | | | | | |
| 2 | | | | | | | | | | | |
| 3 | \$136,707 | \$13,671 | \$13,671 | \$13,671 | \$13,671 | \$13,671 | \$13,671 | \$13,671 | \$13,671 | \$13,668 | \$0 |
| 4 | | | | | | | | | | | |
| 5 | \$436,020 | \$43,602 | \$43,602 | \$43,602 | \$43,602 | \$43,602 | \$43,602 | \$43,602 | \$43,602 | \$43,602 | \$43,602 |
| 6 | | | | | | | | | | | |
| 7 | | | | | | | | | | | |
| 8 | (\$758,291) | | | | | | | | | | |
| 9 | | | | | | | | | | | |
| 10 | | | | | | | | | | | |
| 11 | | | | | | | | | | | |
| 12 | | | | | | | | | | | |
| 13 | | | | | | | | | | | |
| 14 | | | | | | | | | | | |
| 15 | | | | | | | | | | | |
| 16 | | | | | | | | | | | |
| 17 | | | | | | | | | | | |
| 18 | | | | | | | | | | | |
| 19 | | | | | | | | | | | |
| 20 | | | | | | | | | | | |
| 21 | | | | | | | | | | | |
| 22 | | | | | | | | | | | |
| 23 | | | | | | | | | | | |
| 24 | | | | | | | | | | | |
| 25 | | | | | | | | | | | |
| 26 | | | | | | | | | | | |
| 27 | | | | | | | | | | | |
| 28 | | | | | | | | | | | |
| 29 | | | | | | | | | | | |
| 30 | | | | | | | | | | | |
| 31 | | | | | | | | | | | |
| 32 | | | | | | | | | | | |
| 33 | | | | | | | | | | | |
| 34 | | | | | | | | | | | |
| 35 | | | | | | | | | | | |
| 36 | | | | | | | | | | | |
| 37 | | | | | | | | | | | |
| 38 | | | | | | | | | | | |
| 39 | | | | | | | | | | | |
| 40 | | | | | | | | | | | |
| 41 | | | | | | | | | | | |
| 42 | | | | | | | | | | | |
| 43 | | | | | | | | | | | |
| 44 | | | | | | | | | | | |
| 45 | | | | | | | | | | | |
| 46 | | | | | | | | | | | |

(1) Amortization Expense is shown on a June 30 basis

| Line No. | | FY2017 (l) | FY2018 (m) | FY2019 (n) | FY2020 (o) | FY2021 (p) | FY2022 (q) | FY2023 (r) | FY2024 (s) | FY2025 (t) | FY2026 (u) |
|-----------------------------------|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <u>ENVIRONMENTAL AMORTIZATION</u> | | | | | | | | | | | |
| 1 | FY 2005 | | | | | | | | | | |
| 2 | NET ERC costs net of insurance | \$136,707 | | | | | | | | | |
| 3 | Amortization Period (years) | 10 | | | | | | | | | |
| 4 | FY 2006 | | | | | | | | | | |
| 5 | NET ERC costs net of insurance | \$436,020 | | | | | | | | | |
| 6 | Amortization Period (years) | 10 | | | | | | | | | |
| 7 | FY 2007 | | | | | | | | | | |
| 8 | NET ERC costs net of insurance | (\$758,291) | \$0 | | | | | | | | |
| 9 | Amortization Period (years) | 10 | | | | | | | | | |
| 10 | FY 2008 & adjustment for FY2007 | | | | | | | | | | |
| 11 | NET ERC costs net of insurance | (\$45,755) | | | | | | | | | |
| 12 | Amortization Period (years) | 10 | | | | | | | | | |
| 13 | FY 2009 | | | | | | | | | | |
| 14 | NET ERC costs net of insurance | \$965,754 | \$96,575 | \$96,579 | \$0 | | | | | | |
| 15 | Amortization Period (years) | 10 | | | | | | | | | |
| 16 | FY 2010 | | | | | | | | | | |
| 17 | NET ERC costs net of insurance | \$2,088,264 | \$208,826 | \$208,826 | \$208,830 | \$0 | | | | | |
| 18 | Amortization Period (years) | 10 | | | | | | | | | |
| 19 | FY 2011 | | | | | | | | | | |
| 20 | NET ERC costs net of insurance | \$4,522,947 | \$452,295 | \$452,295 | \$452,295 | \$452,292 | \$0 | | | | |
| 21 | Amortization Period (years) | 10 | | | | | | | | | |
| 22 | FY 2012 | | | | | | | | | | |
| 23 | NET ERC costs net of insurance | \$5,583,936 | \$558,394 | \$558,394 | \$558,394 | \$558,394 | \$558,390 | \$0 | | | |
| 24 | Amortization Period (years) | 10 | | | | | | | | | |
| 25 | FY 2013 | | | | | | | | | | |
| 26 | NET ERC costs net of insurance | \$1,368,521 | \$136,852 | \$136,852 | \$136,852 | \$136,852 | \$136,852 | \$136,853 | \$0 | | |
| 27 | Amortization Period (years) | 10 | | | | | | | | | |
| 28 | FY 2014 | | | | | | | | | | |
| 29 | NET ERC costs net of insurance | \$3,008,237 | \$300,824 | \$300,824 | \$300,824 | \$300,824 | \$300,824 | \$300,824 | \$300,821 | \$0 | |
| 30 | Amortization Period (years) | 10 | | | | | | | | | |
| 31 | FY 2015 | | | | | | | | | | |
| 32 | NET ERC costs net of insurance | \$1,129,080 | \$112,908 | \$112,908 | \$112,908 | \$112,908 | \$112,908 | \$112,908 | \$112,908 | \$112,908 | \$0 |
| 33 | Amortization Period (years) | 10 | | | | | | | | | |
| 34 | FY 2016 | | | | | | | | | | |
| 35 | NET ERC costs net of insurance | \$1,117,923 | \$111,792 | \$111,792 | \$111,792 | \$111,792 | \$111,792 | \$111,792 | \$111,792 | \$111,792 | \$111,795 |
| 36 | Amortization Period (years) | 10 | | | | | | | | | |
| 37 | Amortization Expense sub-total | \$1,898,061 | \$1,973,886 | \$1,978,470 | \$1,881,895 | \$1,673,062 | \$1,220,766 | \$662,377 | \$525,521 | \$224,700 | \$111,795 |
| 38 | <u>ENVIRONMENTAL REMEDIATION COSTS</u> | | | | | | | | | | |
| 39 | Beginning Balance | \$25,577,962 | \$25,577,962 | \$25,577,962 | \$25,577,962 | \$25,577,962 | \$25,577,962 | \$25,577,962 | \$25,577,962 | \$25,577,962 | \$25,577,962 |
| 40 | Environmental Expenditures, net of Insurance | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 41 | Ending Balance | \$25,577,962 | \$25,577,962 | \$25,577,962 | \$25,577,962 | \$25,577,962 | \$25,577,962 | \$25,577,962 | \$25,577,962 | \$25,577,962 | \$25,577,962 |
| 42 | <u>ACCUMULATED ENVIRONMENTAL REMEDIATION</u> | | | | | | | | | | |
| 43 | Beginning Balance | \$13,427,429 | \$15,325,490 | \$17,299,376 | \$19,277,846 | \$21,159,741 | \$22,832,803 | \$24,053,569 | \$24,715,946 | \$25,241,467 | \$25,466,167 |
| 44 | Amortization Expense (1) | \$1,898,061 | \$1,973,886 | \$1,978,470 | \$1,881,895 | \$1,673,062 | \$1,220,766 | \$662,377 | \$525,521 | \$224,700 | \$111,795 |
| 45 | Ending Balance | \$15,325,490 | \$17,299,376 | \$19,277,846 | \$21,159,741 | \$22,832,803 | \$24,053,569 | \$24,715,946 | \$25,241,467 | \$25,466,167 | \$25,577,962 |
| 46 | <u>NET ENVIRONMENTAL REMEDIATION COSTS</u> | | | | | | | | | | |
| | | \$10,252,472 | \$8,278,586 | \$6,300,116 | \$4,418,221 | \$2,745,159 | \$1,524,393 | \$862,017 | \$336,495 | \$111,795 | \$0 |

(1) Amortization Expense is shown on a June 30 basis

**National Grid - RI Gas
Environmental Response Cost (ERC) Factor
ERC FY 2016 Detail**

| Line No. | | Total Costs at | | Total Costs at |
|----------|--|------------------|----------------------|------------------------------|
| | | 3/31/2015 (a) | FY 2016 Costs (b) | 3/31/2016 (c) = (a) + (b) |
| 1 | Environmental Expenses | | | |
| 2 | 907 & 908 Allens Avenue | \$20,447,889 | \$335,398 | \$20,783,287 |
| 3 | 307 PCB Reg Pipe Abandon. | \$1,180,491 | \$212,663 | \$1,393,153 |
| 4 | 379 Petroleum Site | \$7,900,756 | \$85,305 | \$7,986,062 |
| 5 | 700 18 & 21 Holders COR | \$2,776,743 | \$0 | \$2,776,743 |
| 6 | 161 Canal Street, Westerly | \$29,133 | \$0 | \$29,133 |
| 7 | 178 Site Inv Connell Hwy Newp | \$44,092 | \$0 | \$44,092 |
| 8 | 144 Westerly Soil Investigation | \$82,184 | \$0 | \$82,184 |
| 9 | 171 Contaminated Regulators | \$3,073,261 | \$21,567 | \$3,094,828 |
| 10 | 781 Mendon Road | \$121,355 | \$0 | \$121,355 |
| 11 | 782 Tidewater | \$1,380,435 | \$162,383 | \$1,542,818 |
| 12 | 783 Hamlet | \$121,255 | \$19,274 | \$140,529 |
| 13 | -- Thames & Wellington | \$5,512,490 | \$127,832 | \$5,640,322 |
| 14 | -- Misc MGP (NEG) | \$338,700 | \$34,190 | \$372,890 |
| 15 | -- Insurance Recovery | \$1,245,516 | \$56,673 | \$1,302,189 |
| 16 | -- East Providence (First Ave) Holder | \$270,887 | \$60,403 | \$331,289 |
| 17 | -- 560 Thames Street Newp | \$0 | \$2,237 | \$2,237 |
| 18 | Sub-Total | \$44,525,187 | \$1,117,923 | \$45,643,110 |
| 19 | Insurance Recovery/Settlement | | | |
| 20 | 910 Environmental Insurance Settlement | | \$0 | |
| 21 | Net FY 2016 Environmental Response Costs | | <u>\$1,117,923</u> | |

1-18 Col (a): Docket 4573, SLN-4, Page 4, Col (c)

1-18 Col (b): Annual Environmental Report for Gas Service, Period of April 1, 2015 - March 31, 2016

21 Line (18), col (b) + Line (20)

Schedule SLN-5
Pensions and Postretirement Benefits Factor

**National Grid - RI Gas
Pension Adjustment Factors
Effective November 1, 2016**

| | | |
|----------|--|-----------------------------|
| Line No. | <u>Pension Factor</u> | |
| 1 | Pension Reconciliation | (\$93,635) |
| 2 | Carrying Charges | \$204,381 |
| 3 | Total Pension Cost | \$110,746 |
| 4 | Firm Throughput | 39,347,340 dth |
| 5 | Pension Factor per dth | \$0.0020 per dth |
| 6 | Pension Factor per therm | \$0.0002 per therm |
| | <u>PBOP Factor</u> | |
| 7 | PBOP Reconciliation | (\$1,855,809) |
| 8 | Carrying Charges | \$0 |
| 9 | Total PBOP Cost | (\$1,855,809) |
| 10 | Firm Throughput | 39,347,340 |
| 11 | PBOP Factor per dth | (\$0.0470) per dth |
| 12 | PBOP Factor per therm | (\$0.0047) per therm |
| | <u>Pension & PBOP Factor Combined</u> | |
| 13 | Pension & PBOP Factor per dth | (\$0.0450) per dth |
| 14 | Pension & PBOP Factor per therm | (\$0.0045) per therm |

- 1 WRR-1, Page 1, Line 11
- 2 WRR-1, Page 1, Line 12
- 3 Line (1) + Line (2)
- 4,10 Company Forecast
- 5 Line (3) / Line (4)
- 6 Line (5) / 10
- 7 WRR-1, Page 2, Line 11
- 8 WRR-1, Page 2, Line 12
- 9 Line (7) + Line (8)
- 11 Line (9) / Line (10)
- 12 Line (11) / 10
- 13 Line (5) + Line (11)
- 14 Line (6) + Line (12)

Schedule SLN-6
On-System Margin Credits Factor

**National Grid - RI Gas
On-System Margin Factor
Effective November 1, 2016**

| Line No. | | |
|----------|-----------------------------------|-----------------------------|
| 1 | Threshold | \$1,435,656 |
| 2 | Total Non-firm margin | \$1,499,331 |
| 3 | Margin above the Threshold | (\$63,674) |
| 4 | Firm Throughput | 39,347,340 dth |
| 5 | On-System Margin Credit per dth | (\$0.0010) per dth |
| 6 | On-System Margin Credit per therm | (\$0.0001) per therm |

1 Page 3, Col (g), Ln 4

2 Page 2, Col (m), Ln 5

3 Line (1) - Line (2)

4 Company forecast

5 Line (3) / Line (4)

6 Line (5) / 10, truncated to 4 decimal places

**National Grid - RI Gas
On-System Margin Calculation**

| <u>Line No.</u> | <u>Apr-15</u> (a) | <u>May-15</u> (b) | <u>Jun-15</u> (c) | <u>Jul-15</u> (d) | <u>Aug-15</u> (e) | <u>Sep-15</u> (f) | <u>Oct-15</u> (g) | <u>Nov-15</u> (h) | <u>Dec-15</u> (i) | <u>Jan-16</u> (j) | <u>Feb-16</u> (k) | <u>Mar-16</u> (l) | <u>Total Apr-15-Mar-16</u> (m) |
|-----------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------------------|
| 1 | 171,871 | 147,785 | 136,704 | 164,111 | 161,300 | 175,484 | 160,869 | 184,606 | 149,357 | 101,492 | 128,108 | 152,367 | 1,834,057 |
| 2 | \$335,297 | \$212,283 | \$216,339 | \$247,730 | \$240,719 | \$257,549 | \$283,810 | \$356,340 | \$335,920 | \$141,126 | \$362,030 | \$279,281 | \$3,268,424 |
| 3 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$27 | \$0 | \$0 | \$27 |
| 4 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | (\$16,167) | \$952 | \$0 | \$0 | (\$15,215) |
| 5 | \$142,488 | \$118,153 | \$108,955 | \$128,104 | \$126,975 | \$137,421 | \$130,255 | \$151,479 | \$126,902 | \$86,183 | \$112,713 | \$129,702 | \$1,499,331 |

- 1 Page 5, column (f), total/10
- 2 Page 5, column (r), total
- 3 Page 5, column (p), total
- 4 Page 5, column (g), total
- 5 Page 5, column (u), total

National Grid - RI Gas
On-System Margin Threshold Adjustment

Customers moving from Non-firm to Firm service per Settlement Agreement of Docket No. 4323

| <u>Line No.</u> | (a) Assigned # | (b) Test year usage for Apr 2011-Oct 2011 (therm) | (c) Distribution rate approved in Dkt 4323 (per therm) | (d) Calculated annual margin (b) * (c) |
|-----------------|---------------------------------------|--|---|---|
| | <u>April 2015 - March 2016</u> | | | |
| 1 | 5 | 529,774 | \$0.0733 | \$38,832 |
| 2 | 15 | 541,530 | \$0.0912 | \$49,388 |
| 3 | Total | | | \$88,220 |

Calculation of Adjustment to On-System Margin Threshold Approved in Docket No. 4323

| | (e) Annual Non-firm Threshold per Dkt 4573 | (f) Adjustment to Non-firm Threshold (d), line 3 | (g) Adjusted Annual Non-firm Threshold (e) - (f) |
|---|---|---|---|
| 4 | \$1,523,876 | \$88,220 | \$1,435,656 |

Column (b), Customers 5 and 15 transferred to firm service as of November 2014, their usage for Nov 2011-Mar 2011 was adjusted in Docket 4573, SLN-6, page 3.

Column (e), Line 4, per Docket 4573, SLN-6, page 3, Line 4, Column (g).

| Assigned # | Month | Bill Date | Sales or Trans | Customer Charge | Usage (thems) | Commodity charge (per them) | Commodity rate | Distribution charge | Distribution rate | Sales tax | GET | Energy Efficiency Surcharge | Paperless credit | Other charges | Curtailments - Distribution | Curtailments - Commodity Charge | Total Bill | Revenue subject to Margin Sharing | Total Gas Cost (Col g + Col q) | Total Margin | Comment |
|------------|--------|-----------|----------------|-----------------|---------------|-----------------------------|----------------|---------------------|-------------------|-----------|---------|-----------------------------|------------------|---------------|-----------------------------|---------------------------------|------------|-----------------------------------|--------------------------------|--------------|---------|
| (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) | (k) | (l) | (m) | (n) | (o) | (p) | (q) | (r) | (s) | (t) | (u) | (v) |
| 6 | Apr-15 | Apr-15 | Apr-15 Trans | \$485 | 13,505 | N/A | \$0 | \$990 | 0.00733 | \$0 | \$0 | \$860 | | \$1 | | | \$2,336 | \$1,475 | \$0 | \$1,475 | |
| 8 | Apr-15 | Apr-15 | Apr-15 Trans | \$715 | 849,553 | N/A | \$0 | \$62,272 | 0.00733 | \$0 | \$3,622 | \$54,117 | | \$1 | | | \$120,726 | \$62,987 | \$0 | \$62,987 | |
| 14 | Apr-15 | Apr-15 | Apr-15 Sales | \$625 | 233,022 | \$68,888 | \$0,2956 | \$21,252 | 0.00912 | \$0 | \$3,366 | \$14,844 | | \$1 | | | \$108,878 | \$90,765 | \$68,888 | \$1,877 | |
| 16 | Apr-15 | Apr-15 | Apr-15 Trans | \$715 | 325,429 | N/A | | \$29,679 | 0.00912 | \$0 | \$0 | \$20,730 | | \$1 | | | \$51,125 | \$30,394 | \$0 | \$30,394 | |
| 17 | Apr-15 | Apr-15 | Apr-15 Trans | \$485 | 33,260 | N/A | | \$2,438 | 0.00733 | \$0 | \$0 | \$1,119 | | \$1 | | | \$5,042 | \$2,923 | \$0 | \$2,923 | |
| 19 | Apr-15 | Apr-15 | Apr-15 Trans | \$715 | 15,505 | N/A | | \$1,137 | 0.00733 | \$0 | \$0 | \$988 | | \$1 | | | \$2,840 | \$1,852 | \$0 | \$1,852 | |
| 20 | Apr-15 | Apr-15 | Apr-15 Trans | \$715 | 52,234 | N/A | | \$3,929 | 0.00733 | \$0 | \$12 | \$3,327 | | | | | \$7,884 | \$4,543 | \$0 | \$4,543 | |
| 28 | Apr-15 | Apr-15 | Apr-15 Sales | \$625 | 39,075 | \$11,552 | \$0,2956 | \$2,664 | 0.00733 | \$0 | \$33 | \$2,489 | | | | | \$17,531 | \$11,552 | \$0 | \$11,552 | |
| 26 | Apr-15 | Apr-15 | Apr-15 Trans | \$715 | 74,707 | N/A | | \$4,976 | 0.00733 | \$0 | \$33 | \$4,759 | | | | | \$11,289 | \$6,191 | \$0 | \$6,191 | |
| 55 | Apr-15 | Apr-15 | Apr-15 Trans | \$0 | 13,953 | N/A | | \$1,021 | 0.00733 | \$0 | \$0 | \$88 | | | | | \$1,912 | \$0 | \$0 | \$1,912 | |
| 67 | Apr-15 | Apr-15 | Apr-15 Trans | \$715 | 68,490 | N/A | | \$5,020 | 0.00733 | \$0 | \$0 | \$0 | | | | | \$2,488 | \$5,735 | \$0 | \$5,735 | |
| 6 | May-15 | May-15 | May-15 Trans | \$485 | 14,618 | N/A | | \$1,072 | 0.00733 | \$0 | \$0 | \$931 | | | | | \$2,488 | \$1,557 | \$0 | \$1,557 | |
| 8 | May-15 | May-15 | May-15 Trans | \$715 | 89,675 | N/A | | \$6,946 | 0.00733 | \$0 | \$3,834 | \$57,309 | | | | | \$127,805 | \$66,661 | \$0 | \$66,661 | |
| 14 | May-15 | May-15 | May-15 Sales | \$625 | 28,669 | \$8,126 | \$0,2834 | \$2,615 | 0.00912 | \$0 | \$408 | \$1,826 | | | | | \$13,739 | \$11,365 | \$8,126 | \$3,240 | |
| 16 | May-15 | May-15 | May-15 Trans | \$715 | 156,646 | N/A | | \$14,286 | 0.00912 | \$0 | \$0 | \$9,978 | | | | | \$5,924 | \$15,001 | \$0 | \$15,001 | |
| 17 | May-15 | May-15 | May-15 Trans | \$485 | 35,897 | N/A | | \$2,631 | 0.00733 | \$0 | \$0 | \$2,287 | | | | | \$5,666 | \$3,116 | \$0 | \$3,116 | |
| 19 | May-15 | May-15 | May-15 Trans | \$715 | 23,979 | N/A | | \$1,758 | 0.00733 | \$0 | \$0 | \$1,527 | | | | | \$4,001 | \$2,473 | \$0 | \$2,473 | |
| 20 | May-15 | May-15 | May-15 Trans | \$715 | 37,130 | N/A | | \$2,722 | 0.00733 | \$0 | \$9 | \$2,365 | | | | | \$5,811 | \$3,436 | \$0 | \$3,436 | |
| 28 | May-15 | May-15 | May-15 Sales | \$625 | 53,833 | \$15,258 | \$0,2834 | \$3,946 | 0.00733 | \$0 | \$310 | \$3,429 | | | | | \$23,259 | \$19,829 | \$15,258 | \$4,571 | |
| 36 | May-15 | May-15 | May-15 Trans | \$715 | 68,031 | N/A | | \$4,987 | 0.00733 | \$0 | \$3 | \$776 | | | | | \$10,346 | \$5,702 | \$0 | \$5,702 | |
| 55 | May-15 | May-15 | May-15 Trans | \$0 | 12,187 | N/A | | \$893 | 0.00733 | \$0 | \$3 | \$0 | | | | | \$1,738 | \$893 | \$0 | \$893 | |
| 67 | May-15 | May-15 | May-15 Trans | \$715 | 147,189 | N/A | | \$10,789 | 0.00733 | \$0 | \$0 | \$1,475 | | | | | \$11,504 | \$0 | \$0 | \$11,504 | |
| 6 | Jun-15 | Jun-15 | Jun-15 Trans | \$485 | 23,160 | N/A | | \$1,698 | 0.00733 | \$0 | \$0 | \$1,683 | | | | | \$3,659 | \$2,183 | \$0 | \$2,183 | |
| 8 | Jun-15 | Jun-15 | Jun-15 Trans | \$715 | 877,275 | N/A | | \$64,304 | 0.00733 | \$0 | \$3,739 | \$55,882 | | | | | \$124,642 | \$65,019 | \$0 | \$65,019 | |
| 14 | Jun-15 | Jun-15 | Jun-15 Sales | \$625 | 603 | \$189 | \$0,3134 | \$55 | 0.00912 | \$0 | \$28 | \$38 | | | | | \$1,214 | \$869 | \$189 | \$680 | |
| 16 | Jun-15 | Jun-15 | Jun-15 Trans | \$715 | 124,582 | N/A | | \$11,362 | 0.00912 | \$0 | \$0 | \$7,936 | | | | | \$20,830 | \$12,077 | \$0 | \$12,077 | |
| 17 | Jun-15 | Jun-15 | Jun-15 Trans | \$485 | 51,495 | N/A | | \$3,702 | 0.00733 | \$0 | \$0 | \$3,280 | | | | | \$7,013 | \$4,260 | \$0 | \$4,260 | |
| 19 | Jun-15 | Jun-15 | Jun-15 Trans | \$715 | 53,050 | N/A | | \$3,889 | 0.00733 | \$0 | \$0 | \$3,379 | | | | | \$7,984 | \$4,604 | \$0 | \$4,604 | |
| 20 | Jun-15 | Jun-15 | Jun-15 Trans | \$715 | 20,910 | N/A | | \$1,533 | 0.00733 | \$0 | \$6 | \$1,332 | | | | | \$3,247 | \$2,247 | \$0 | \$2,247 | |
| 28 | Jun-15 | Jun-15 | Jun-15 Sales | \$625 | 68,289 | \$20,463 | \$0,3134 | \$4,786 | 0.00733 | \$0 | \$0 | \$4,159 | | | | | \$30,033 | \$25,874 | \$20,463 | \$5,411 | |
| 36 | Jun-15 | Jun-15 | Jun-15 Trans | \$715 | 58,993 | N/A | | \$4,324 | 0.00733 | \$0 | \$272 | \$3,758 | | | | | \$9,070 | \$5,039 | \$0 | \$5,039 | |
| 55 | Jun-15 | Jun-15 | Jun-15 Trans | \$0 | 12,943 | N/A | | \$5,772 | 0.00733 | \$0 | \$3 | \$824 | | | | | \$1,822 | \$949 | \$0 | \$949 | |
| 67 | Jun-15 | Jun-15 | Jun-15 Trans | \$485 | 78,745 | N/A | | \$1,926 | 0.00733 | \$0 | \$0 | \$0 | | | | | \$6,487 | \$6,487 | \$0 | \$6,487 | |
| 6 | Jul-15 | Jul-15 | Jul-15 Trans | \$715 | 26,277 | N/A | | \$7,933 | 0.00733 | \$0 | \$333 | \$64,835 | | | | | \$4,086 | \$2,411 | \$0 | \$2,411 | |
| 8 | Jul-15 | Jul-15 | Jul-15 Trans | \$625 | 1,017,504 | N/A | | \$355 | 0.00912 | \$0 | \$28 | \$38 | | | | | \$14,447 | \$75,298 | \$0 | \$75,298 | |
| 14 | Jul-15 | Jul-15 | Jul-15 Sales | \$625 | 603 | \$189 | \$0,3134 | \$55 | 0.00912 | \$0 | \$28 | \$38 | | | | | \$936 | \$869 | \$189 | \$680 | |
| 14 | Jul-15 | Jul-15 | Jul-15 Sales | \$625 | 603 | \$189 | \$0,3134 | \$55 | 0.00912 | \$0 | \$28 | \$38 | | | | | \$936 | \$869 | \$189 | \$680 | |
| 16 | Jul-15 | Jul-15 | Jul-15 Trans | \$715 | 107,624 | N/A | | \$9,815 | 0.00912 | \$0 | \$0 | \$6,856 | | | | | \$20,530 | \$10,530 | \$0 | \$10,530 | |
| 17 | Jul-15 | Jul-15 | Jul-15 Trans | \$485 | 34,995 | N/A | | \$2,565 | 0.00733 | \$0 | \$0 | \$2,229 | | | | | \$5,287 | \$3,050 | \$0 | \$3,050 | |
| 19 | Jul-15 | Jul-15 | Jul-15 Trans | \$715 | 69,257 | N/A | | \$5,077 | 0.00733 | \$0 | \$0 | \$4,412 | | | | | \$10,204 | \$5,792 | \$0 | \$5,792 | |
| 20 | Jul-15 | Jul-15 | Jul-15 Trans | \$715 | 29,168 | N/A | | \$2,138 | 0.00733 | \$0 | \$7 | \$1,858 | | | | | \$4,719 | \$2,853 | \$0 | \$2,853 | |
| 28 | Jul-15 | Jul-15 | Jul-15 Sales | \$625 | 83,821 | \$22,372 | \$0,2669 | \$6,144 | 0.00733 | \$0 | \$7 | \$5,339 | | | | | \$34,481 | \$29,141 | \$22,372 | \$6,769 | |
| 36 | Jul-15 | Jul-15 | Jul-15 Trans | \$715 | 66,701 | N/A | | \$4,889 | 0.00733 | \$0 | \$305 | \$4,249 | | | | | \$10,158 | \$5,604 | \$0 | \$5,604 | |
| 55 | Jul-15 | Jul-15 | Jul-15 Trans | \$0 | 12,115 | N/A | | \$888 | 0.00733 | \$0 | \$3 | \$772 | | | | | \$1,708 | \$888 | \$0 | \$888 | |
| 67 | Jul-15 | Jul-15 | Jul-15 Trans | \$715 | 193,644 | N/A | | \$14,194 | 0.00733 | \$0 | \$0 | \$1,684 | | | | | \$14,994 | \$14,909 | \$0 | \$14,909 | |
| 6 | Aug-15 | Aug-15 | Aug-15 Trans | \$485 | 26,440 | N/A | | \$1,938 | 0.00733 | \$0 | \$0 | \$1,684 | | | | | \$4,108 | \$2,423 | \$0 | \$2,423 | |
| 8 | Aug-15 | Aug-15 | Aug-15 Trans | \$715 | 1,057,997 | N/A | | \$7,551 | 0.00733 | \$0 | \$4,505 | \$67,394 | | | | | \$150,166 | \$78,266 | \$0 | \$78,266 | |
| 14 | Aug-15 | Aug-15 | Aug-15 Sales | \$625 | 0 | \$0 | \$0 | \$0 | 0.00912 | \$0 | \$19 | \$0 | | | | | \$645 | \$625 | \$0 | \$625 | |
| 14 | Aug-15 | Aug-15 | Aug-15 Sales | \$625 | 0 | \$0 | \$0 | \$0 | 0.00912 | \$0 | \$19 | \$0 | | | | | \$645 | \$625 | \$0 | \$625 | |
| 16 | Aug-15 | Aug-15 | Aug-15 Trans | \$715 | 89,780 | N/A | | \$8,188 | 0.00912 | \$0 | \$0 | \$5,719 | | | | | \$14,623 | \$8,903 | \$0 | \$8,903 | |
| 17 | Aug-15 | Aug-15 | Aug-15 Trans | \$485 | 36,052 | N/A | | \$2,643 | 0.00733 | \$0 | \$0 | \$2,297 | | | | | \$5,425 | \$3,128 | \$0 | \$3,128 | |
| 19 | Aug-15 | Aug-15 | Aug-15 Trans | \$715 | 43,540 | N/A | | \$3,191 | 0.00733 | \$0 | \$0 | \$2,773 | | | | | \$6,681 | \$3,906 | \$0 | \$3,906 | |
| 20 | Aug-15 | Aug-15 | Aug-15 Trans | \$715 | 37,832 | N/A | | \$2,773 | 0.00733 | \$0 | \$0 | \$2,410 | | | | | \$5,908 | \$3,488 | \$0 | \$3,488 | |
| 28 | Aug-15 | Aug-15 | Aug-15 Sales | \$625 | 78,519 | \$18,253 | \$0,2325 | \$5,755 | 0.00733 | \$0 | \$9 | \$5,002 | | | | | \$29,636 | \$24,634 | \$18,253 | \$6,380 | |
| 36 | Aug-15 | Aug-15 | Aug-15 Trans | \$715 | 43,413 | N/A | | \$3,182 | 0.00733 | \$0 | \$206 | \$2,765 | | | | | \$6,869 | \$3,897 | \$0 | \$3,897 | |
| 55 | Aug-15 | Aug-15 | Aug-15 Trans | \$0 | 10,608 | N/A | | \$778 | 0.00733 | \$0 | \$2 | \$676 | | | | | \$1,456 | \$778 | \$0 | \$778 | |
| 67 | Aug-15 | Aug-15 | Aug-15 Trans | \$715 | 188,823 | N/A | | \$13,841 | 0.00733 | \$0 | \$0 | \$1,456 | | | | | \$14,556 | \$14,556 | \$0 | \$14,556 | |
| 6 | Sep-15 | Sep-15 | Sep-15 Trans | \$485 | 28,636 | N/A | | \$2,009 | 0.00733 | \$0 | \$0 | \$1,824 | | | | | \$4,409 | \$2,584 | \$0 | \$2,584 | |
| 8 | Sep-15 | Sep-15 | Sep-15 Trans | \$715 | 978,399 | N/A | | \$7,177 | 0.00733 | \$0 | \$4,168 | \$62,324 | | | | | \$19,622 | \$72,432 | \$0 | \$72,432 | |
| 14 | Sep-15 | Sep-15 | Sep-15 Sales | \$625 | 1,105 | \$277 | \$0,2509 | \$1,101 | 0.00912 | \$0 | \$33 | \$70 | | | | | \$1,277 | \$1,002 | \$277 | \$726 | |
| 14 | Sep-15 | Sep-15 | Sep-15 Sales | \$625 | 1,105 | \$277 | \$0,2509 | \$1,101 | 0.00912 | \$0 | \$33 | \$70 | | | | | \$1,277 | \$1,00 | | | |

Schedule SLN-7
Revenue Decoupling Adjustment Factor

**National Grid - RI Gas
RDM Factor
Effective November 1, 2016**

| | | |
|---|---|--------------------|
| 1 | Residential Non-Heat (incl Low Income) | (\$178,614) |
| 2 | Residential Heat (incl Low Income) | (\$1,118,633) |
| 3 | Small C&I | \$599,538 |
| 4 | Medium C&I | \$415,479 |
| 5 | Net Over Recovery of RPC | <u>(\$282,230)</u> |
| 6 | Firm Therm Throughput Forecast for RDM Rate Classes (Nov 2016-Oct 2017) | 274,875,305 |
| 7 | Proposed RDA Factor per therm | (\$0.0010) |

1 Schedule SLN-7, Page 21, Column (I), Line 36

2 Schedule SLN-7, Page 22, Column (I), Line 72

3 Schedule SLN-7, Page 23, Column (I), Line 84

4 Schedule SLN-7, Page 23, Column (I), Line 96

5 Sum of lines 1-4

6 Firm throughput (in therms) forecast for Residential Heat and Non-Heat, Small and Medium C&I rate classes.

7 Line 5 / Line 6 truncated to four decimal places.



Jennifer Brooks Hutchinson
Senior Counsel

June 30, 2016

VIA HAND DELIVERY & ELECTRONIC MAIL

Luly E. Massaro, Commission Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

**RE: National Grid's Gas Revenue Decoupling Mechanism Reconciliation Filing
For April 1, 2015 to March 31, 2016
Docket No. _____**

Dear Ms. Massaro:

On behalf of National Grid,¹ enclosed is the Company's annual Revenue Decoupling Mechanism (RDM) reconciliation filing for the period April 1, 2015 to March 31, 2016. This filing is submitted pursuant to the provisions of the Company's Distribution Adjustment Clause of the Company's gas tariff, RPU NG-Gas No. 101, Section 3, Schedule A, Revenue Decoupling Adjustment Factor. Those tariff provisions allow for an annual reconciliation of the target revenue-per-customer and the actual revenue-per-customer through a Revenue Decoupling Adjustment (RDA) factor to be included in the annual Distribution Adjustment Charge (DAC).

This filing consists of the pre-filed testimony and schedules of Suhila Nouri Nutile. In her testimony, Ms. Nutile provides an overview of the Company's Revenue Decoupling Mechanism (RDM) reconciliation, and describes the actual RDM results for the period April 1, 2015 to March 31, 2016. Ms. Nutile also describes the adjustment to the target revenue-per-customer along with adjustments to billed revenue associated with the transfer of customers from the non-heating rate classes to the heating rate classes. As discussed in last year's Docket No. 4573, the Company was conducting further analysis of the residential rate classes to determine if a similar adjustment as was made in Docket No. 4573 should be proposed.

As a result of the Company's RDM reconciliation, and reflecting the adjustments to the target revenue-per-customer and billed revenue associated with the transfer of customers from the non-heating rate classes to the heating rate classes, the Company over-recovered revenue under its RDM during the period April 1, 2015 to March 31, 2016 of approximately \$0.3 million. The Company is not presenting a proposed RDA factor at this time because the RDA factor is one of

¹ The Narragansett Electric Company d/b/a National Grid (National Grid or the Company).

Luly E. Massaro, Commission Clerk
Gas Revenue Decoupling Mechanism Filing
June 30, 2016
Page 2 of 2

several factors included in the DAC. Rather, the Company will submit the RDA factor in its August 1, 2016 DAC filing.

Thank you for your attention to this transmission. If you have any questions please feel free to contact me at 401-784-7288.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Jennifer Brooks Hutchinson".

Jennifer Brooks Hutchinson

Enclosures

cc: Leo Wold, Esq.
Steve Scialabba, Division

DIRECT TESTIMONY

OF

SUHILA NOURI NUTILE

TABLE OF CONTENTS

| | | |
|------|--|----|
| I. | <u>Introduction and Qualifications</u> | 1 |
| II. | <u>Purpose of Testimony</u> | 2 |
| III. | <u>RDM Reconciliation</u> | 4 |
| IV. | <u>Results of the RDM Reconciliation</u> | 12 |

**THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
RIPUC DOCKET _____
GAS REVENUE DECOUPLING MECHANISM RECONCILIATION
WITNESS: SUHILA NOURI NUTILE
JUNE 30, 2016
PAGE 1 OF 14**

1 **I. Introduction and Qualifications**

2 **Q. Please state your name and business address.**

3 A. My name is Suhila Nouri Nutile and my business address is Reservoir Woods, 40
4 Sylvan Road, Waltham, Massachusetts 02451.

5

6 **Q. What is your position and responsibilities?**

7 A. I am a Senior Analyst for New England Pricing in the Regulation and Pricing
8 Department of National Grid USA Service Company, Inc. (National Grid)
9 supporting the gas pricing activities of The Narragansett Electric Company d/b/a
10 National Grid (the Company). My responsibilities include the design,
11 implementation, and administration of the Company's rates and tariffs for natural
12 gas service.

13

14 **Q. Have you previously testified before the Rhode Island Public Utilities
15 Commission (the PUC)?**

16 A. Yes, I testified in the 2016 and 2017 Gas Infrastructure, Safety and Reliability
17 Plan proceedings and in last year's Distribution Adjustment Clause filing, Docket
18 4573.

19

20 **Q. Please provide your educational background.**

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
RIPUC DOCKET _____
GAS REVENUE DECOUPLING MECHANISM RECONCILIATION
WITNESS: SUHILA NOURI NUTILE
JUNE 30, 2016
PAGE 2 OF 14

1 A. I received a Bachelor of Science in Mathematics with a concentration in
2 Computer Science from the University of New Hampshire in Durham, NH and a
3 Master of Science in Financial Mathematics from Worcester Polytechnic Institute
4 in Worcester, MA.

5

6 **Q. Please provide your professional background.**

7 A. I was employed by John Hancock in Boston from July 2006 through November
8 2011 as a Senior Analyst in the Pension Pricing Department. Beginning in
9 November 2011, I was employed by Computer Science Corporation as a Lead
10 Analyst in the Cloud Business Unit. In these roles, I designed and developed
11 pricing strategies and provided cost analyses. In October 2013, I became a Senior
12 Analyst at National Grid in Regulation and Pricing, the position I hold today.

13

14 **II. Purpose of Testimony**

15 **Q. What is the purpose of your testimony?**

16 A. The purpose of my testimony is to present the Company's March 31, 2016
17 Revenue Decoupling Mechanism (RDM) reconciliation balance which will be
18 used to compute the proposed RDA factor to be incorporated in the Company's
19 upcoming August 1, 2016 annual Distribution Adjustment Charge (DAC) filing.
20 Specifically, I provide an overview of the Company's RDM reconciliation and

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
RIPUC DOCKET _____
GAS REVENUE DECOUPLING MECHANISM RECONCILIATION
WITNESS: SUHILA NOURI NUTILE
JUNE 30, 2016
PAGE 3 OF 14

1 explain the actual RDM results for the reconciliation period April 1, 2015 through
2 March 31, 2016.

3
4 In addition, I also present a proposed adjustment to the Target Revenue-Per-
5 Customer and billed revenue associated with an additional transfer of customers
6 from the residential non-heating rate classes to the residential heating rate classes
7 during the reconciliation period. As discussed in last year's RDM Filing in
8 Docket 4573, while the Company had performed a similar transfer of 2,600
9 customers during the reconciliation period ending March 31, 2015, the Company
10 was continuing to analyze the usage of non-heating customers to determine if it
11 should perform an additional transfer. The Company committed to a similar
12 adjustment in this year's filing if it made another transfer of customers between
13 these rate classes and any of those customers exhibited usage indicative of gas
14 heating during the rate year¹ of the Company's last rate case in Docket 4323
15 (2012 Rate Case). As discussed in my testimony below, the Company identified a
16 second group of customers on the non-heating rate classes which the Company
17 transferred to the heating rate classes during the reconciliation period ending
18 March 31, 2016. Therefore, the Company is proposing adjustments to the Target
19 Revenue-Per-Customer and billed revenue that are similar to those included in
20 Docket 4573.

¹ The rate year in Docket 4323 was the 12-month period February 2013 through January 2014.

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
RIPUC DOCKET _____
GAS REVENUE DECOUPLING MECHANISM RECONCILIATION
WITNESS: SUHILA NOURI NUTILE
JUNE 30, 2016
PAGE 4 OF 14

1 This filing is submitted pursuant to the Company's RDM Provision contained in
2 its currently effective tariff, RIPUC NG-Gas No. 101, under Section 3, Schedule
3 A, Revenue Decoupling Adjustment Factor (RDM Provision).

4
5 **Q. Are you sponsoring any schedules with your testimony?**

6 A. Yes. I am sponsoring the following schedules that accompany my testimony:

| | | |
|----|----------------|---|
| 7 | Schedule SLN-1 | Annual RDM Reconciliation Balance |
| 8 | Schedule SLN-2 | Monthly RDM Reconciliation for the period April 1, 2015 |
| 9 | | through March 31, 2016 |
| 10 | Schedule SLN-3 | Adjusted Revenue-Per-Customer Targets |
| 11 | Schedule SLN-4 | Calculation of Non-Heating to Heating Revenue |
| 12 | | Adjustment |
| 13 | Schedule SLN-5 | Actual vs. Normal Billing Heating Degree Day Comparison |
| 14 | | for April 2015 through March 2016 |
| 15 | Schedule SLN-6 | Illustrative Example of RDM Reconciliation for the period |
| 16 | | April 1, 2015 through March 31, 2016 Without Adjusting |
| 17 | | Target Revenue-Per-Customer and Normalizing Revenue |

18

19 **III. RDM Reconciliation**

20 **Q. Please provide an overview of the Company's RDM reconciliation.**

21 A. In Docket 4206, the PUC approved a Revenue-Per-Customer RDM that provides
22 for an annual reconciliation, by customer class, between a target level of base rate
23 revenue and actual base rate revenue billed during the reconciliation period. The
24 reconciliation is driven by the comparison of the actual Revenue-Per-Customer

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
RIPUC DOCKET _____
GAS REVENUE DECOUPLING MECHANISM RECONCILIATION
WITNESS: SUHILA NOURI NUTILE
JUNE 30, 2016
PAGE 5 OF 14

1 during the reconciliation period and the Target Revenue-Per-Customer. The
2 reconciliation is performed on a monthly basis and covers the Company's fiscal
3 year (the period April 1 through March 31 of the following year) for all residential
4 and small and medium Commercial and Industrial (C&I) firm rate classes. Under
5 the mechanism, customers subject to the RDM receive any net over-recovery of
6 target revenue and are surcharged for any net under-recovery of target revenue
7 through the RDA factor, which is one component of the DAC, effective
8 November 1 each year.

9
10 **Q. What is the result of the RDM reconciliation presented in this filing?**

11 A. Schedule SNL-2 presents the result of the RDM reconciliation for the period
12 April 1, 2015 through March 31, 2016. The RDM reconciliation results in a net
13 over-recovery balance of approximately \$0.3 million.

14
15 **Q. Please describe how the Company determined the RDM reconciliation**
16 **balance at the end of March 2016.**

17 A. On a monthly basis and for each rate class, the Company calculated the difference
18 between the Target Revenue-Per-Customer (the Revenue-per-Customer that the
19 Company is allowed to earn) and the actual Revenue-Per-Customer (the actual
20 average Revenue-per-Customer based upon the base rate revenue billed by the
21 Company divided by the actual number of customers billed). If the actual

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
RIPUC DOCKET _____
GAS REVENUE DECOUPLING MECHANISM RECONCILIATION
WITNESS: SUHILA NOURI NUTILE
JUNE 30, 2016
PAGE 6 OF 14

1 Revenue-Per-Customer exceeds the Target Revenue-Per-Customer, the Company
2 has over-recovered its RDM target revenue and must refund customers the excess.
3 If the actual Revenue-Per-Customer is less than the Target Revenue-Per-
4 Customer, the Company has under-recovered its RDM target revenue and must
5 surcharge customers the deficiency. The monthly difference between the actual
6 and Target Revenue-Per-Customers are multiplied by the number of customers
7 billed in the month to derive the amount of revenue the Company has either over-
8 recovered or under-recovered for the month. For each month, the monthly
9 revenue over or under-recovery accumulates and the balance accrues interest,
10 which is also reflected in the final monthly balance.² The Company is presenting
11 this annual reconciliation in Schedule SLN-2.

12
13 **Q. Has the Company made any adjustment to the Target Revenue-Per-**
14 **Customer for the residential heating and non-heating customer classes**
15 **approved in Docket 4573?³**

16 A. Yes it has. In its pre-filed direct testimony in Docket 4573, the Company
17 indicated that it was conducting a more comprehensive review of the usage of

² Interest on the average monthly balance is calculated at the same interest rate that is used to calculate interest on the Company's other DAC balances, which is the Bank of America Prime Rate less 200 basis points.

³ In Docket 4573, the Company adjusted the Target Revenue-Per-Customer for the residential heating and non-heating customer classes to normalize for the November 2014 transfer of 2,600 customers from non-heating rate classes to the heating rate classes such that the customers were in their new rate classes at the beginning of the reconciliation period that was the subject of that proceeding (i.e., April 2014).

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
RIPUC DOCKET _____
GAS REVENUE DECOUPLING MECHANISM RECONCILIATION
WITNESS: SUHILA NOURI NUTILE
JUNE 30, 2016
PAGE 7 OF 14

1 customers on the non-heating rate classes as a result of the then-recent transfer of
2 customers between the non-heating and heating rate classes presented in that case
3 and indicated it may need to transfer additional customers to the heating rate
4 classes. If there was a similar transfer as a result of this ongoing evaluation, the
5 Company stated that it would adjust the number of non-heating and heating
6 customers used to determine the Target Revenue-Per-Customers for the two RDM
7 groups for the same reason it did so in Docket 4573.

8
9 **Q. What was the result of the Company's additional analysis it conducted in**
10 **2015?**

11 A. The Company identified an additional group of customers on the non-heating rate
12 classes that should have been on the heating rate classes. As a result, by mid-June
13 2015, the Company transferred 970 customers from the non-heating rate classes to
14 the heating rate classes that exhibited usage characteristics of gas heating during
15 the 2012 Rate Case's rate year.

16
17 **Q. Please describe how the Company identified these 970 customers.**

18 A. In Docket 4573, the Company reflected in its RDM filing the November 2014
19 transfer of 2,600 customers with annual usage exceeding 1,000 therms per year.
20 In determining the threshold to identify this initial group of customers, the
21 Company took a conservative approach to minimize, if not eliminate, the risk of

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
RIPUC DOCKET _____
GAS REVENUE DECOUPLING MECHANISM RECONCILIATION
WITNESS: SUHILA NOURI NUTILE
JUNE 30, 2016
PAGE 8 OF 14

1 transferring true non-heating customers to the heating rate classes. In performing
2 the further analysis discussed in the pre-filed testimony in Docket 4573, the
3 Company reevaluated the 1,000 therms per year criteria and determined a more
4 appropriate threshold should be the median usage for a heating customer, which
5 was 860 therms per year. With this lower threshold, the Company identified an
6 additional 970 customers who exhibited a usage level indicating that they were
7 using gas for heating purposes. The Company sent letters to these customers
8 notifying them that they had been transferred to one of the heating rate classes.

9
10 **Q. Please describe the adjustment to the Target Revenue-Per-Customers**
11 **proposed in this filing.**

12 A. In Schedule SNL-3, the Company presents its calculation of the adjusted Target
13 Revenue-Per-Customers for the non-heating and heating customer classes. In
14 Schedule SLN-3, the Company began with the number of non-heating and heating
15 customers approved in Docket 4514 used to calculate the Target Revenue-Per-
16 Customers for the period of February 2013 (the effective date of new base
17 distribution rates in the 2012 Rate Case) through March 2014. Next, the
18 Company has shown the adjustment to the number of customers approved in
19 Docket 4573 as a result of the transfer of 2,600 customers in November 2014.
20 Finally, the Company has shown the adjustment for the 970 customers transferred
21 by mid-June 2015 by decreasing the number of non-heating customers and

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
RIPUC DOCKET _____
GAS REVENUE DECOUPLING MECHANISM RECONCILIATION
WITNESS: SUHILA NOURI NUTILE
JUNE 30, 2016
PAGE 9 OF 14

1 increasing the number of heating customers by 970. No adjustment was needed to
2 the Final Revenue Requirement in determining the monthly Target Revenue-Per-
3 Customers since this is a fixed amount, which was approved in Docket 4514 in
4 accordance with the Settlement Agreement in the 2012 Rate Case, and the
5 Company has not adjusted the allocation of the revenue requirement to these rate
6 classes as a result of the transfer of customers between rate classes.

7
8 **Q. Does the Company anticipate updating the Target Revenue-Per-Customers**
9 **for any of its RDM groups in future filings?**

10 A. Yes it does. The Company and its affiliated gas operating companies have
11 conducted an overall comprehensive statistical study to analyze heating usage in
12 the various non-heating classes of the companies. As a result of this study, the
13 Company anticipates transferring approximately 2,400 additional customers from
14 non-heating to heating by the end of July 2016. Of those to be transferred, the
15 Company estimates that approximately 600 customers exhibited heating usage
16 prior to the end of the 2012 Rate Case's rate year. As a result, the Company plans
17 on updating its non-heating and heating Target Revenue-Per-Customers one final
18 time in its 2017 RDM filing to reflect the transfer of these 600 customers.

19

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
RIPUC DOCKET _____
GAS REVENUE DECOUPLING MECHANISM RECONCILIATION
WITNESS: SUHILA NOURI NUTILE
JUNE 30, 2016
PAGE 10 OF 14

1 **Q. Did the transfer of 970 residential customers between rate classes require**
2 **any adjustments to the actual Revenue-Per-Customers used to derive the**
3 **overall RDM reconciliation balance?**

4 A. Yes it did. As was done last year, the Company also adjusted the actual billed
5 base rate revenue and customer counts in order to calculate the appropriate actual
6 Revenue-Per-Customer for the two residential RDM groups for the months April
7 2015 through June 2015. Essentially, restating billed revenue and customer
8 counts for this period has the effect of reflecting actual revenue and customer
9 counts as if these customers were billed on the heating rate classes for the entire
10 reconciliation period. These adjustments were necessary to ensure that the
11 comparison between the Target Revenue-Per-Customers and actual Revenue-Per-
12 Customers was performed on the same basis.

13
14 **Q. Please explain the adjustment made to actual revenue and customer counts**
15 **for the months April 2015 through June 2015 associated with the transfer of**
16 **the 970 customers.**

17 A. As of mid-June 2015, the Company transferred 970 customers from the non-
18 heating rate classes to the heating rate classes. However, as described above, in
19 order to appropriately compare the Target Revenue-Per-Customers with the actual
20 Revenue-Per-Customers, it was necessary to restate the actual revenue and
21 customer count assuming these customers were on the heating rate classes

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
RIPUC DOCKET _____
GAS REVENUE DECOUPLING MECHANISM RECONCILIATION
WITNESS: SUHILA NOURI NUTILE
JUNE 30, 2016
PAGE 11 OF 14

1 beginning April 1, 2015. Therefore, as shown in Schedule SNL-4, the Company
2 reduced the customer count of the non-heating rate classes by 970 along with their
3 associated distribution revenue for the months of April 2015 through June 2015
4 (which is the last month in which any of these customers were billed the non-
5 heating rates). Correspondingly, the Company increased the customer count of
6 the heating rate classes by 970 along with their associated distributed revenue for
7 the same months as if these customers were billed on the heating rates since
8 April 1, 2015.

9
10 **Q. Please explain how the Company calculated the revenue adjustments made to**
11 **the non-heating and heating RDM groups.**

12 A. The Company obtained a report which identified, for each of the 970 customers
13 who were transferred, the actual monthly usage and associated billed revenue for
14 the period April 2015 through the date of the customer's transfer to the heating
15 rates. As shown in Schedule SNL-4, Line 10, the distribution revenue for the 970
16 customers billed at the distribution rates for the non-heating rate classes totaled
17 \$127,939 for the months April 2015 through June 2015. Also in Schedule SNL-4,
18 the Company calculated the revenue for these customers as if they had been billed
19 on the heating rate classes by multiplying the actual billing determinants shown
20 on Lines 24 through 30 by the applicable heating rates shown on Lines 12 through
21 23. The distribution revenue for the 970 customers resulting from this calculation

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
RIPUC DOCKET _____
GAS REVENUE DECOUPLING MECHANISM RECONCILIATION
WITNESS: SUHILA NOURI NUTILE
JUNE 30, 2016
PAGE 12 OF 14

1 is \$126,989 for the months April 2015 through June 2015, as shown in Schedule
2 SLN-4, Page 2, Line 39.

3

4 **IV. Results of the RDM Reconciliation**

5 **Q. Please provide the results for the RDM reconciliation for the year ending**
6 **March 2016.**

7 A. For the reconciliation period April 2015 through March 2016, the Company has
8 calculated a net over-recovery of target revenue of approximately \$0.3 million, as
9 summarized in Schedule SLN-1.

10

11 **Q. Please state the driver(s) for the net over-recovery?**

12 A. As shown in Schedule SNL-1, the total Company net over-recovery of \$282,230
13 was driven by a \$1.3 million combined over-recovery for the residential RDM
14 groups, offset by a \$1.0 million combined under-recovery for the Small and
15 Medium RDM groups. The \$1.0 million under-recovery in the Small and
16 Medium RDM groups was driven by reduction in actual revenue due to warmer
17 weather.⁴ Schedule SLN-4 shows the billing heating degree day comparison for
18 this reconciliation period. For the residential RDM groups, the over-recovery is
19 the result of two factors. First, the actual Revenue-per-Customer declined due to
20 warmer weather, similar to the weather's impact on the Small and Medium RDM

⁴ FY 2016 weather was approximately 12% warmer than normal and 20% warmer than that of FY 2015.

**THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
RIPUC DOCKET _____
GAS REVENUE DECOUPLING MECHANISM RECONCILIATION
WITNESS: SUHILA NOURI NUTILE
JUNE 30, 2016
PAGE 13 OF 14**

1 groups, which would generate an under-recovery. The weather's impact,
2 however, was offset by the adjustments the Company has made to the non-heating
3 and heating Target Revenue-Per-Customers, which reduced the Target Revenue-
4 Per-Customers. The lower Target Revenue-Per-Customers, which are a function
5 of revenue based on normal forecasted sales volumes and numbers of customers,
6 as adjusted in Dockets 4514, 4573, and herein, when compared to weather-normal
7 actual Revenue-Per-Customers, will inherently generate an over-recovery than
8 what would had otherwise been seen had none of the adjustments been made,
9 which is to customers' benefit.

10
11 **Q. How did the adjustments to the Target Revenue-Per-Customers and actual**
12 **revenues resulting from the transfer of 970 customers impact the RDM**
13 **reconciliation?**

14 A. As described above, the Company adjusted both the Target Revenue-Per-
15 Customers as well as actual revenue to avoid an unintended revenue impact
16 resulting from the transfer of the 970 customers from the non-heating rate classes
17 to the heating rate classes. The illustration of the impact on the RDM
18 reconciliation if the Company made no adjustment for the 970 customers is
19 presented in Schedule SNL-6. If the Target Revenue-Per-Customers were not
20 adjusted for the 970 customers who should have been billed the distribution rates
21 of the heating rate classes during the rate year in the 2012 Rate Case, and if actual

**THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
RIPUC DOCKET _____
GAS REVENUE DECOUPLING MECHANISM RECONCILIATION
WITNESS: SUHILA NOURI NUTILE
JUNE 30, 2016
PAGE 14 OF 14**

1 distribution revenue and customer counts for the months of April 2015 through
2 June 2015 were not normalized for this transfer, the net RDM over-recovery
3 would have been \$73,219, as shown in Schedule SNL-6, rather than the net over-
4 recovery of \$282,230 presented in Schedule SNL-1. Therefore, the Company's
5 proposed adjustments result in a larger credit to customers by \$209,011,
6 compared to what would have been credited to customers had the Company not
7 made these adjustments.

8

9 **V. Bill Impacts**

10 **Q. Did the Company include bill impacts in this filing?**

11 A. No, the Company is not presenting this information at this time. Because the
12 RDA factor will be proposed, along with several factors, in the DAC filing, the
13 bill impact of a RDA factor on a stand-alone basis provides limited information as
14 to the overall impact of the change in the overall DAC factors. Rather, the
15 Company will submit bill impacts for the cumulative impact of all of its proposed
16 DAC factors, including the RDA factor, with its August 1, 2016 DAC filing.

17

18 **Q. Does this conclude your testimony?**

19 A. Yes, it does.

The Narragansett Electric Company Annual Gas RDM Reconciliation Balance

| | | |
|---|--|--------------------|
| 1 | Residential Non-Heat (incl Low Income) | (\$178,614) |
| 2 | Residential Heat (incl Low Income) | (\$1,118,633) |
| 3 | Small C&I | \$599,538 |
| 4 | Medium C&I | \$415,479 |
| 5 | Net Over Recovery of RPC | <u>(\$282,230)</u> |

- 1 Schedule SLN-2, Page 1, Column (I), Line 36
- 2 Schedule SLN-2, Page 2, Column (I), Line 72
- 3 Schedule SLN-2, Page 3, Column (I), Line 84
- 4 Schedule SLN-2, Page 3, Column (I), Line 96
- 5 Sum of lines 1-4

RDM Reconciliation by Rate Class by Month

| Reference | Apr-15 | | May-15 | | Jun-15 | | Jul-15 | | Aug-15 | | Sep-15 | | Oct-15 | | Nov-15 | | Dec-15 | | Jan-16 | | Feb-16 | | Mar-16 | |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) | (k) | (l) | (m) | (n) | (o) | (p) | (q) | (r) | (s) | (t) | (u) | (v) | (w) | (x) |
| Residential Non-Heat | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 Benchmark Revenue Per Customer (RPC) | \$24.36 | \$21.29 | \$19.57 | \$18.80 | \$18.06 | \$18.36 | \$18.99 | \$20.82 | \$24.13 | \$26.99 | \$27.31 | \$26.63 | \$26.63 | \$26.63 | \$26.63 | \$26.63 | \$26.63 | \$26.63 | \$26.63 | \$26.63 | \$26.63 | \$26.63 | \$26.63 | \$26.63 |
| 2 Beginning Balance Under/(Over) Recovery | \$0 | (\$64,687) | (\$62,829) | (\$57,375) | (\$42,723) | (\$39,216) | (\$16,788) | \$4,324 | \$12,770 | (\$31,655) | (\$57,394) | (\$133,287) | (\$133,287) | (\$133,287) | (\$133,287) | (\$133,287) | (\$133,287) | (\$133,287) | (\$133,287) | (\$133,287) | (\$133,287) | (\$133,287) | (\$133,287) | (\$133,287) |
| 3 Adjusted Number of Customers | 21,854 | 21,766 | 21,207 | 21,706 | 21,773 | 21,746 | 21,806 | 21,853 | 21,931 | 22,008 | 22,007 | 22,144 | 22,144 | 22,144 | 22,144 | 22,144 | 22,144 | 22,144 | 22,144 | 22,144 | 22,144 | 22,144 | 22,144 | 22,144 |
| 4 Adjusted Actual Base Revenue | \$596,972 | \$461,475 | \$409,513 | \$393,360 | \$389,656 | \$376,821 | \$393,000 | \$446,477 | \$573,529 | \$619,627 | \$676,838 | \$583,662 | \$583,662 | \$583,662 | \$583,662 | \$583,662 | \$583,662 | \$583,662 | \$583,662 | \$583,662 | \$583,662 | \$583,662 | \$583,662 | \$583,662 |
| 5 Actual Base Revenue Per Customer | \$27.32 | \$21.20 | \$19.31 | \$18.12 | \$17.90 | \$17.33 | \$18.02 | \$20.43 | \$26.15 | \$28.15 | \$30.76 | \$26.36 | \$26.36 | \$26.36 | \$26.36 | \$26.36 | \$26.36 | \$26.36 | \$26.36 | \$26.36 | \$26.36 | \$26.36 | \$26.36 | \$26.36 |
| 6 RPC Variance (Benchmark- Actual) | (\$2.96) | \$0.09 | \$0.26 | \$0.68 | \$0.16 | \$1.03 | \$0.97 | \$0.39 | (\$2.03) | (\$1.17) | (\$3.44) | \$0.27 | \$0.27 | \$0.27 | \$0.27 | \$0.27 | \$0.27 | \$0.27 | \$0.27 | \$0.27 | \$0.27 | \$0.27 | \$0.27 | \$0.27 |
| 7 Monthly Under/(Over) Recovery of RPC | (\$64,653) | \$1,925 | \$5,515 | \$14,705 | \$3,551 | \$22,457 | \$21,119 | \$8,437 | (\$44,414) | (\$25,682) | (\$75,780) | \$5,991 | \$5,991 | \$5,991 | \$5,991 | \$5,991 | \$5,991 | \$5,991 | \$5,991 | \$5,991 | \$5,991 | \$5,991 | \$5,991 | \$5,991 |
| 8 Preliminary Ending Balance | (\$32,327) | (\$63,724) | (\$60,071) | (\$50,023) | (\$40,948) | (\$27,987) | (\$6,228) | \$8,543 | (\$9,437) | (\$44,496) | (\$95,284) | (\$130,291) | (\$130,291) | (\$130,291) | (\$130,291) | (\$130,291) | (\$130,291) | (\$130,291) | (\$130,291) | (\$130,291) | (\$130,291) | (\$130,291) | (\$130,291) | (\$130,291) |
| 9 Average Balance | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.38% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% |
| 10 Bk America Rate less 200 Basis Points | (\$33) | (\$67) | (\$62) | (\$53) | (\$43) | (\$29) | (\$7) | \$9 | (\$11) | (\$57) | (\$113) | (\$166) | (\$166) | (\$166) | (\$166) | (\$166) | (\$166) | (\$166) | (\$166) | (\$166) | (\$166) | (\$166) | (\$166) | (\$166) |
| 11 Interest Applied | (\$64,687) | (\$62,829) | (\$57,375) | (\$42,723) | (\$39,216) | (\$16,788) | \$4,324 | \$12,770 | (\$31,655) | (\$57,394) | (\$133,287) | (\$133,287) | (\$133,287) | (\$133,287) | (\$133,287) | (\$133,287) | (\$133,287) | (\$133,287) | (\$133,287) | (\$133,287) | (\$133,287) | (\$133,287) | (\$133,287) | (\$133,287) |
| 12 Ending Balance Under/(Over) Recovery | | | | | | | | | | | | | | | | | | | | | | | | |
| Residential Non-Heat Low Income | | | | | | | | | | | | | | | | | | | | | | | | |
| 13 Benchmark Revenue Per Customer (RPC) | \$24.36 | \$21.29 | \$19.57 | \$18.80 | \$18.06 | \$18.36 | \$18.99 | \$20.82 | \$24.13 | \$26.99 | \$27.31 | \$26.63 | \$26.63 | \$26.63 | \$26.63 | \$26.63 | \$26.63 | \$26.63 | \$26.63 | \$26.63 | \$26.63 | \$26.63 | \$26.63 | \$26.63 |
| 14 Beginning Balance Under/(Over) Recovery | \$0 | (\$8,044) | (\$10,284) | (\$12,247) | (\$13,029) | (\$14,042) | (\$14,333) | (\$15,665) | (\$18,284) | (\$25,012) | (\$33,180) | (\$43,099) | (\$43,099) | (\$43,099) | (\$43,099) | (\$43,099) | (\$43,099) | (\$43,099) | (\$43,099) | (\$43,099) | (\$43,099) | (\$43,099) | (\$43,099) | (\$43,099) |
| 15 Adjusted Number of Customers | 452 | 468 | 408 | 457 | 452 | 435 | 421 | 413 | 405 | 407 | 404 | 263 | 263 | 263 | 263 | 263 | 263 | 263 | 263 | 263 | 263 | 263 | 263 | 263 |
| 16 Adjusted Actual Base Revenue | \$19,050 | \$12,193 | \$9,937 | \$9,360 | \$9,162 | \$8,263 | \$9,312 | \$11,199 | \$16,474 | \$19,115 | \$20,908 | \$14,997 | \$14,997 | \$14,997 | \$14,997 | \$14,997 | \$14,997 | \$14,997 | \$14,997 | \$14,997 | \$14,997 | \$14,997 | \$14,997 | \$14,997 |
| 17 Actual Base Revenue Per Customer | \$42.15 | \$26.05 | \$24.35 | \$20.48 | \$20.27 | \$18.99 | \$22.12 | \$27.12 | \$40.68 | \$46.97 | \$51.75 | \$57.02 | \$57.02 | \$57.02 | \$57.02 | \$57.02 | \$57.02 | \$57.02 | \$57.02 | \$57.02 | \$57.02 | \$57.02 | \$57.02 | \$57.02 |
| 18 RPC Variance (Benchmark- Actual) | (\$17.79) | (\$4.76) | (\$4.78) | (\$1.68) | (\$2.21) | (\$0.63) | (\$3.13) | (\$6.30) | (\$16.55) | (\$19.98) | (\$24.44) | (\$30.39) | (\$30.39) | (\$30.39) | (\$30.39) | (\$30.39) | (\$30.39) | (\$30.39) | (\$30.39) | (\$30.39) | (\$30.39) | (\$30.39) | (\$30.39) | (\$30.39) |
| 19 Monthly Under/(Over) Recovery of RPC | (\$8,040) | (\$2,230) | (\$1,952) | (\$768) | (\$1,000) | (\$276) | (\$1,317) | (\$2,601) | (\$6,703) | (\$8,131) | (\$9,874) | (\$7,994) | (\$7,994) | (\$7,994) | (\$7,994) | (\$7,994) | (\$7,994) | (\$7,994) | (\$7,994) | (\$7,994) | (\$7,994) | (\$7,994) | (\$7,994) | (\$7,994) |
| 20 Preliminary Ending Balance | (\$8,040) | (\$10,274) | (\$12,235) | (\$13,015) | (\$14,028) | (\$14,318) | (\$15,649) | (\$18,267) | (\$24,987) | (\$33,143) | (\$43,054) | (\$51,093) | (\$51,093) | (\$51,093) | (\$51,093) | (\$51,093) | (\$51,093) | (\$51,093) | (\$51,093) | (\$51,093) | (\$51,093) | (\$51,093) | (\$51,093) | (\$51,093) |
| 21 Average Balance | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.38% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% |
| 22 Bk America Rate less 200 Basis Points | (\$4) | (\$10) | (\$12) | (\$13) | (\$14) | (\$15) | (\$16) | (\$17) | (\$25) | (\$37) | (\$45) | (\$60) | (\$60) | (\$60) | (\$60) | (\$60) | (\$60) | (\$60) | (\$60) | (\$60) | (\$60) | (\$60) | (\$60) | (\$60) |
| 23 Interest Applied | (\$8,044) | (\$10,284) | (\$12,247) | (\$13,029) | (\$14,042) | (\$14,333) | (\$15,665) | (\$18,284) | (\$25,012) | (\$33,180) | (\$43,099) | (\$51,153) | (\$51,153) | (\$51,153) | (\$51,153) | (\$51,153) | (\$51,153) | (\$51,153) | (\$51,153) | (\$51,153) | (\$51,153) | (\$51,153) | (\$51,153) | (\$51,153) |
| 24 Ending Balance Under/(Over) Recovery | | | | | | | | | | | | | | | | | | | | | | | | |
| Residential Non-Heat (incl Low Income) | | | | | | | | | | | | | | | | | | | | | | | | |
| 25 Benchmark Revenue Per Customer (RPC) | \$24.36 | \$21.29 | \$19.57 | \$18.80 | \$18.06 | \$18.36 | \$18.99 | \$20.82 | \$24.13 | \$26.99 | \$27.31 | \$26.63 | \$26.63 | \$26.63 | \$26.63 | \$26.63 | \$26.63 | \$26.63 | \$26.63 | \$26.63 | \$26.63 | \$26.63 | \$26.63 | \$26.63 |
| 26 Beginning Balance Under/(Over) Recovery | \$0 | (\$72,731) | (\$73,112) | (\$69,622) | (\$55,752) | (\$53,258) | (\$31,120) | (\$11,341) | (\$5,514) | (\$56,667) | (\$90,573) | (\$176,386) | (\$176,386) | (\$176,386) | (\$176,386) | (\$176,386) | (\$176,386) | (\$176,386) | (\$176,386) | (\$176,386) | (\$176,386) | (\$176,386) | (\$176,386) | (\$176,386) |
| 27 Adjusted Number of Customers | 22,306 | 22,234 | 21,615 | 22,163 | 22,225 | 22,181 | 22,227 | 22,266 | 22,336 | 22,415 | 22,411 | 22,407 | 22,407 | 22,407 | 22,407 | 22,407 | 22,407 | 22,407 | 22,407 | 22,407 | 22,407 | 22,407 | 22,407 | 22,407 |
| 28 Adjusted Actual Base Revenue | \$616,022 | \$473,669 | \$419,450 | \$402,720 | \$398,818 | \$385,084 | \$402,312 | \$457,676 | \$590,003 | \$638,742 | \$697,746 | \$598,659 | \$598,659 | \$598,659 | \$598,659 | \$598,659 | \$598,659 | \$598,659 | \$598,659 | \$598,659 | \$598,659 | \$598,659 | \$598,659 | \$598,659 |
| 29 Actual Base Revenue Per Customer | \$27.62 | \$21.30 | \$19.41 | \$18.17 | \$17.94 | \$17.36 | \$18.10 | \$20.55 | \$26.41 | \$28.50 | \$31.13 | \$26.72 | \$26.72 | \$26.72 | \$26.72 | \$26.72 | \$26.72 | \$26.72 | \$26.72 | \$26.72 | \$26.72 | \$26.72 | \$26.72 | \$26.72 |
| 30 RPC Variance (Benchmark- Actual) | (\$3.76) | (\$0.01) | \$0.16 | \$0.63 | \$0.11 | \$1.00 | \$0.89 | \$0.26 | (\$2.29) | (\$1.51) | (\$3.82) | (\$0.09) | (\$0.09) | (\$0.09) | (\$0.09) | (\$0.09) | (\$0.09) | (\$0.09) | (\$0.09) | (\$0.09) | (\$0.09) | (\$0.09) | (\$0.09) | (\$0.09) |
| 31 Monthly Under/(Over) Recovery of RPC | (\$72,694) | (\$304) | (\$363) | (\$1,937) | \$2,551 | \$22,181 | \$19,802 | \$5,835 | (\$1,117) | (\$33,813) | (\$85,654) | (\$2,003) | (\$2,003) | (\$2,003) | (\$2,003) | (\$2,003) | (\$2,003) | (\$2,003) | (\$2,003) | (\$2,003) | (\$2,003) | (\$2,003) | (\$2,003) | (\$2,003) |
| 32 Preliminary Ending Balance | (\$72,694) | (\$73,035) | (\$69,549) | (\$55,685) | (\$53,200) | (\$31,077) | (\$11,319) | (\$5,506) | (\$56,631) | (\$90,480) | (\$176,227) | (\$178,389) | (\$178,389) | (\$178,389) | (\$178,389) | (\$178,389) | (\$178,389) | (\$178,389) | (\$178,389) | (\$178,389) | (\$178,389) | (\$178,389) | (\$178,389) | (\$178,389) |
| 33 Average Balance | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.38% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% |
| 34 Bk America Rate less 200 Basis Points | (\$37) | (\$77) | (\$73) | (\$66) | (\$58) | (\$43) | (\$22) | (\$9) | (\$36) | (\$93) | (\$159) | (\$225) | (\$225) | (\$225) | (\$225) | (\$225) | (\$225) | (\$225) | (\$225) | (\$225) | (\$225) | (\$225) | (\$225) | (\$225) |
| 35 Interest Applied | (\$72,731) | (\$73,112) | (\$69,622) | (\$55,752) | (\$53,258) | (\$31,120) | (\$11,341) | (\$5,514) | (\$56,667) | (\$90,573) | (\$176,386) | (\$176,386) | (\$176,386) | (\$176,386) | (\$176,386) | (\$176,386) | (\$176,386) | (\$176,386) | (\$176,386) | (\$176,386) | (\$176,386) | (\$176,386) | (\$176,386) | (\$176,386) |
| 36 Ending Balance Under/(Over) Recovery | | | | | | | | | | | | | | | | | | | | | | | | |

¹ For April 2015 through June 2015 see Schedule SLN-4. For July 2015 through March 2016, data is provided by the Company's billing system.

RDM Reconciliation by Rate Class by Month

| | Apr-15 | May-15 | Jun-15 | Jul-15 | Aug-15 | Sep-15 | Oct-15 | Nov-15 | Dec-15 | Jan-16 | Feb-16 | Mar-16 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Reference | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) | (k) | (l) |
| Small C&I | | | | | | | | | | | | |
| 73 Benchmark Revenue Per Customer (RPC) | \$77.93 | \$50.14 | \$33.47 | \$31.72 | \$29.56 | \$29.40 | \$32.02 | \$46.85 | \$78.12 | \$116.16 | \$101.17 | \$104.13 |
| 74 Beginning Balance Under/(Over) Recovery | \$0 | (\$257,574) | (\$250,214) | (\$226,320) | (\$201,321) | (\$204,200) | (\$212,219) | (\$199,571) | (\$103,115) | (\$41,675) | \$502,254 | \$436,838 |
| 75 Actual Number of Customers | 18,903 | 18,711 | 18,534 | 18,451 | 18,426 | 18,393 | 18,568 | 18,843 | 19,055 | 19,232 | 19,250 | 19,212 |
| 76 Actual Base Revenue | \$1,730,613 | \$930,600 | \$596,270 | \$560,132 | \$547,277 | \$548,646 | \$581,685 | \$786,227 | \$1,427,021 | \$1,690,258 | \$2,013,411 | \$1,838,471 |
| 77 Actual Base Revenue Per Customer | \$91.55 | \$49.74 | \$32.17 | \$30.36 | \$29.70 | \$29.83 | \$31.33 | \$41.73 | \$74.89 | \$87.89 | \$104.59 | \$95.69 |
| 78 RPC Variance (Benchmark- Actual) | (\$13.62) | \$0.41 | \$1.30 | \$1.37 | (\$0.14) | (\$0.42) | \$0.69 | \$5.13 | \$3.23 | \$28.27 | (\$3.43) | \$8.43 |
| 79 Monthly Under/(Over) Recovery of RPC | (\$257,442) | \$7,628 | \$24,138 | \$25,225 | (\$2,664) | (\$7,806) | \$12,866 | \$96,611 | \$61,524 | \$543,637 | (\$65,974) | \$162,043 |
| 80 Preliminary Ending Balance | (\$257,442) | (\$249,945) | (\$226,076) | (\$201,095) | (\$203,985) | (\$212,006) | (\$199,353) | (\$102,960) | (\$41,391) | \$501,962 | \$436,280 | \$598,880 |
| 81 Average Balance | (\$128,721) | (\$253,760) | (\$238,145) | (\$213,708) | (\$202,653) | (\$208,103) | (\$205,786) | (\$151,265) | (\$72,353) | \$230,143 | \$469,267 | \$517,859 |
| 82 Bk America Rate less 200 Basis Points | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.38% | 1.50% | 1.50% | 1.50% |
| 83 Interest Applied | (\$132) | (\$269) | (\$244) | (\$226) | (\$215) | (\$213) | (\$218) | (\$155) | (\$84) | \$292 | \$558 | \$658 |
| 84 Ending Balance Under/(Over) Recovery | (\$257,574) | (\$250,214) | (\$226,320) | (\$201,321) | (\$204,200) | (\$212,219) | (\$199,571) | (\$103,115) | (\$41,675) | \$502,254 | \$436,838 | \$599,538 |
| Medium C&I | | | | | | | | | | | | |
| 85 Benchmark Revenue Per Customer (RPC) | \$390.91 | \$306.74 | \$258.99 | \$228.10 | \$215.25 | \$227.59 | \$250.75 | \$319.05 | \$401.46 | \$503.80 | \$518.03 | \$496.12 |
| 86 Beginning Balance Under/(Over) Recovery | \$0 | (\$238,503) | (\$182,906) | (\$77,516) | (\$62,254) | (\$98,524) | (\$95,282) | (\$49,072) | \$12,917 | (\$307) | \$280,031 | \$281,417 |
| 87 Actual Number of Customers | 4,848 | 4,848 | 4,834 | 4,829 | 4,797 | 4,809 | 4,841 | 4,859 | 4,880 | 4,899 | 4,898 | 4,906 |
| 88 Actual Base Revenue | \$2,133,511 | \$1,431,238 | \$1,146,419 | \$1,086,175 | \$1,068,762 | \$1,091,127 | \$1,167,607 | \$1,488,261 | \$1,972,356 | \$2,187,933 | \$2,536,277 | \$2,300,338 |
| 89 Actual Base Revenue Per Customer | \$440.08 | \$295.22 | \$237.16 | \$224.93 | \$222.80 | \$226.89 | \$241.19 | \$306.29 | \$404.17 | \$446.61 | \$517.82 | \$468.88 |
| 90 RPC Variance (Benchmark- Actual) | (\$49.17) | \$11.51 | \$21.83 | \$3.18 | (\$7.54) | \$0.69 | \$9.56 | \$12.76 | (\$2.71) | \$57.19 | \$0.21 | \$27.24 |
| 91 Monthly Under/(Over) Recovery of RPC | (\$238,381) | \$55,820 | \$105,524 | \$15,336 | (\$36,185) | \$3,341 | \$46,286 | \$62,007 | (\$13,231) | \$280,160 | \$1,053 | \$133,619 |
| 92 Preliminary Ending Balance | (\$238,381) | (\$182,684) | (\$77,383) | (\$62,180) | (\$98,439) | (\$95,183) | (\$48,996) | \$12,935 | (\$314) | \$279,854 | \$281,084 | \$415,037 |
| 93 Average Balance | (\$119,191) | (\$210,593) | (\$130,145) | (\$69,848) | (\$80,346) | (\$96,853) | (\$72,139) | (\$18,069) | \$6,301 | \$139,773 | \$280,558 | \$348,227 |
| 94 Bk America Rate less 200 Basis Points | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.38% | 1.50% | 1.50% | 1.50% |
| 95 Interest Applied | (\$122) | (\$223) | (\$133) | (\$74) | (\$85) | (\$99) | (\$76) | (\$19) | \$7 | \$178 | \$333 | \$442 |
| 96 Ending Balance Under/(Over) Recovery | (\$238,503) | (\$182,906) | (\$177,516) | (\$77,516) | (\$62,254) | (\$98,524) | (\$95,282) | (\$49,072) | (\$12,917) | (\$307) | \$280,031 | \$281,417 |

Adjusted Revenue-Per-Customer Targets

| | Apr (a) | May (b) | Jun (c) | Jul (d) | Aug (e) | Sep (f) | Oct (g) | Nov (h) | Dec (i) | Jan (j) | Feb (k) | Mar (l) | Total (m) |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|---------------|
| 1 Residential Non-Heat (incl Low-Income) | | | | | | | | | | | | | |
| 2 Number of Customers | 26,197 | 26,140 | 26,085 | 26,015 | 25,964 | 25,969 | 25,980 | 26,058 | 26,107 | 26,125 | 26,234 | 26,255 | |
| 3 Number of Accounts Transferred Nov 2014 | (2,600) | (2,600) | (2,600) | (2,600) | (2,600) | (2,600) | (2,600) | (2,600) | (2,600) | (2,600) | (2,600) | (2,600) | (2,600) |
| 4 Number of Accounts Transferred Jun 2015 | (970) | (970) | (970) | (970) | (970) | (970) | (970) | (970) | (970) | (970) | (970) | (970) | (970) |
| 5 Adjusted Number of Customers | 22,627 | 22,570 | 22,515 | 22,445 | 22,394 | 22,399 | 22,410 | 22,488 | 22,537 | 22,555 | 22,664 | 22,685 | |
| 6 Final Revenue Requirement | \$551,147 | \$480,518 | \$440,626 | \$421,958 | \$404,421 | \$411,267 | \$425,590 | \$468,132 | \$543,736 | \$608,707 | \$619,002 | \$604,058 | \$5,979,163 |
| 7 Adjusted RPC | \$24.36 | \$21.29 | \$19.57 | \$18.80 | \$18.06 | \$18.36 | \$18.99 | \$20.82 | \$24.13 | \$26.99 | \$27.31 | \$26.63 | |
| 8 Residential Heating (incl Low-Income) | | | | | | | | | | | | | |
| 9 Number of Customers | 206,526 | 205,560 | 204,853 | 204,218 | 203,713 | 203,918 | 204,929 | 206,779 | 208,036 | 208,864 | 206,524 | 206,734 | |
| 10 Number of Accounts Transferred Nov 2014 | 2,600 | 2,600 | 2,600 | 2,600 | 2,600 | 2,600 | 2,600 | 2,600 | 2,600 | 2,600 | 2,600 | 2,600 | 2,600 |
| 11 Number of Accounts Transferred Jun 2015 | 970 | 970 | 970 | 970 | 970 | 970 | 970 | 970 | 970 | 970 | 970 | 970 | 970 |
| 12 Adjusted Number of Customers | 210,096 | 209,130 | 208,423 | 207,788 | 207,283 | 207,488 | 208,499 | 210,349 | 211,606 | 212,434 | 210,094 | 210,304 | |
| 13 Final Revenue Requirement | \$1,157,590 | \$7,202,607 | \$5,097,052 | \$4,502,584 | \$4,237,221 | \$4,306,645 | \$4,692,464 | \$7,051,595 | \$11,560,624 | \$14,908,187 | \$15,552,475 | \$14,470,701 | \$104,739,746 |
| 14 Adjusted RPC | \$53.11 | \$34.44 | \$24.46 | \$21.67 | \$20.44 | \$20.76 | \$22.51 | \$33.52 | \$54.63 | \$70.18 | \$74.03 | \$68.81 | |
| 15 Small | | | | | | | | | | | | | |
| 16 Number of Customers | 18,697 | 18,524 | 18,381 | 18,270 | 18,221 | 18,243 | 18,367 | 18,680 | 18,856 | 18,995 | 18,800 | 18,800 | |
| 17 Final Revenue Requirement | \$1,457,117 | \$928,852 | \$615,286 | \$579,616 | \$538,554 | \$536,429 | \$588,115 | \$875,201 | \$1,472,999 | \$2,206,366 | \$1,901,912 | \$1,957,612 | \$13,658,058 |
| 18 RPC | \$77.93 | \$50.14 | \$33.47 | \$31.72 | \$29.56 | \$29.40 | \$32.02 | \$46.85 | \$78.12 | \$116.16 | \$101.17 | \$104.13 | |
| 19 Medium C&I | | | | | | | | | | | | | |
| 20 Number of Customers | 4,702 | 4,691 | 4,694 | 4,684 | 4,665 | 4,678 | 4,700 | 4,734 | 4,758 | 4,773 | 4,696 | 4,705 | |
| 21 Final Revenue Requirement | \$1,838,057 | \$1,438,900 | \$1,215,685 | \$1,068,436 | \$1,004,164 | \$1,064,655 | \$1,178,537 | \$1,510,387 | \$1,910,148 | \$2,404,616 | \$2,432,687 | \$2,334,238 | \$19,400,509 |
| 22 RPC | \$390.91 | \$306.74 | \$258.99 | \$228.10 | \$215.25 | \$227.59 | \$250.75 | \$319.05 | \$401.46 | \$503.80 | \$518.03 | \$496.12 | |

Lines 2, 9, 16, 20: Number of customers per Docket 4514, RDM Filing, Schedule SLN-4, Page 1, Lines 2, 6, 10, 14.
Lines 3, 10: Number of customers transferred from Residential Non-Heating to Residential Heating in Docket 4573, RDM Filing, Schedule SLN-3.
Line 4, 11: Number of customers transferred from Residential Non-Heating as of June 2015, see Schedule SLN-4, Line 7 for actual customers impacted month to month.
Lines 6, 13, 17, 21: Final revenue requirement allocations from Docket 4514, RDM Filing, Schedules SLN-4, Page 1, Lines 3, 7, 11, 15.

Billing Determinants and Associated Base Revenues of 970 Residential Customers Transferred

| | Reference | Apr-15 (a) | May-15 (b) | Jun-15 (c) | Total (d) | |
|----|--|--|---------------|---------------|--------------|-----------|
| 1 | <u>Billing Determinants and Billed Base Revenues of Non-Heating Residential Customers Transferred</u> | | | | | |
| | Volumes | | | | | |
| 2 | Residential Non Heat | Data provided from the Company's billing system. | 130,585 | 55,009 | 17,456 | 203,050 |
| 3 | Residential Non Heat Low Income | Data provided from the Company's billing system. | 13,018 | 5,900 | 1,593 | 20,511 |
| 4 | Total | Line 2 + Line 3 | 143,603 | 60,909 | 19,050 | 223,561 |
| | Customer Count | | | | | |
| 5 | Residential Non Heat | Data provided from the Company's billing system. | 859 | 865 | 528 | |
| 6 | Residential Non Heat Low Income | Data provided from the Company's billing system. | 93 | 100 | 52 | |
| 7 | Total | Line 5 + Line 6 | 952 | 965 | 580 | |
| | *Note: There were 5 additional premise numbers in June that were not in the April or May data, the total premise numbers transferred is 970. The transfer was made June 16, 2015 due to billing cycles, approximately half the customers were on the correct rate class for June. | | | | | |
| | Base Rate Revenue | | | | | |
| 8 | Residential Non Heat Base Rate Revenue | Data provided from the Company's billing system. | \$67,442 | \$35,536 | \$13,999 | \$116,977 |
| 9 | Residential Non Heat LI Base Rate Revenue | Data provided from the Company's billing system. | \$6,226 | \$3,499 | \$1,237 | \$10,962 |
| 10 | Total | Line 8 + Line 9 | \$73,668 | \$39,035 | \$15,236 | \$127,939 |
| 11 | <u>Calculation of Associated Heating Revenue</u> | | | | | |
| | Residential Heating | | | | | |
| | <u>Peak</u> | | | | | |
| 12 | Customer Charge | RIPUC NG-Gas No. 101, Section 4, Schedule C, Sheet 1, Ra | \$13.00 | \$13.00 | \$13.00 | |
| 13 | Headblock (up to 125 therms) | RIPUC NG-Gas No. 101, Section 4, Schedule C, Sheet 1, Ra | \$0.4672 | \$0.4672 | \$0.4672 | |
| 14 | Tailblock | RIPUC NG-Gas No. 101, Section 4, Schedule C, Sheet 1, Ra | \$0.3010 | \$0.3010 | \$0.3010 | |
| | <u>Off Peak</u> | | | | | |
| 15 | Customer Charge | RIPUC NG-Gas No. 101, Section 4, Schedule C, Sheet 1, Ra | \$13.00 | \$13.00 | \$13.00 | |
| 16 | Headblock (up to 30 therms) | RIPUC NG-Gas No. 101, Section 4, Schedule C, Sheet 1, Ra | \$0.4672 | \$0.4672 | \$0.4672 | |
| 17 | Tailblock | RIPUC NG-Gas No. 101, Section 4, Schedule C, Sheet 1, Ra | \$0.3010 | \$0.3010 | \$0.3010 | |
| | Residential Heating Low Income | | | | | |
| | <u>Peak</u> | | | | | |
| 18 | Customer Charge | RIPUC NG-Gas No. 101, Section 4, Schedule D, Sheet 1, Ra | \$11.70 | \$11.70 | \$11.70 | |
| 19 | Headblock (up to 125 therms) | RIPUC NG-Gas No. 101, Section 4, Schedule D, Sheet 1, Ra | \$0.4205 | \$0.4205 | \$0.4205 | |
| 20 | Tailblock | RIPUC NG-Gas No. 101, Section 4, Schedule D, Sheet 1, Ra | \$0.2709 | \$0.2709 | \$0.2709 | |
| | <u>Off Peak</u> | | | | | |
| 21 | Customer Charge | RIPUC NG-Gas No. 101, Section 4, Schedule D, Sheet 1, Ra | \$11.70 | \$11.70 | \$11.70 | |
| 22 | Headblock (up to 30 therms) | RIPUC NG-Gas No. 101, Section 4, Schedule D, Sheet 1, Ra | \$0.4205 | \$0.4205 | \$0.4205 | |
| 23 | Tailblock | RIPUC NG-Gas No. 101, Section 4, Schedule D, Sheet 1, Ra | \$0.2709 | \$0.2709 | \$0.2709 | |
| | Volumes | | | | | |
| | <u>Regular</u> | | | | | |
| 24 | Head Block | Company's billing system data calculated for head block volume | 97,996 | 44,573 | 11,935 | 154,504 |
| 25 | Tail Block | Company's billing system data calculated for tail block volume | 32,590 | 10,435 | 5,522 | 48,547 |
| 26 | Total | Line 24 + Line 25 | 130,585 | 55,009 | 17,456 | 203,050 |
| | <u>Low Income</u> | | | | | |
| 27 | Head Block | Company's billing system data calculated for head block volume | 10,573 | 4,833 | 1,265 | 16,670 |
| 28 | Tail Block | Company's billing system data calculated for tail block volume | 2,445 | 1,067 | 329 | 3,841 |
| 29 | Total | Line 27 + Line 28 | 13,018 | 5,900 | 1,593 | 20,511 |
| 30 | Total Volumes: | Line 26 + Line 29 | 143,603 | 60,909 | 19,050 | 223,561 |

Billing Determinants and Associated Base Revenues of 970 Residential Customers Transferred

| | Reference | Apr-15 (a) | May-15 (b) | Jun-15 (c) | Total (d) | |
|---|--|--|-------------------|------------------|----------------|-------------------|
| Residential Heat Base Rate Revenue | | | | | | |
| 31 | Customer Charge | Line 5 * Line 12 | \$11,167 | \$11,245 | \$6,864 | \$29,276 |
| 32 | Head Block | Line 13 * Line 24 | \$45,783 | \$20,825 | \$5,576 | \$72,184 |
| 33 | Tail Block | Line 14 * Line 25 | \$9,809 | \$3,141 | \$1,662 | \$14,613 |
| 34 | Total | Sum [Line 31: Line 33] | \$66,760 | \$35,211 | \$14,102 | \$116,073 |
| Residential Heat LI Base Rate Revenue | | | | | | |
| 35 | Customer Charge | Line 6 * Line 18 | \$1,088 | \$1,170 | \$608 | \$2,867 |
| 36 | Head Block | Line 19 * Line 27 | \$4,446 | \$2,032 | \$532 | \$7,010 |
| 37 | Tail Block | Line 20 * Line 28 | \$662 | \$289 | \$89 | \$1,041 |
| 38 | Total | Sum [Line 35: Line 37] | \$6,196 | \$3,491 | \$1,229 | \$10,917 |
| 39 | Total Residential Heat Base Rate Revenue | Line 34 + Line 38 | \$72,956 | \$38,702 | \$15,331 | \$126,989 |
| 40 | <u>Adjusted Customer Counts and Base Revenue of Transferred Residential Customers</u> | | | | | |
| Adjustment to Non-Heat Customer Count | | | | | | |
| 41 | Actual Residential Non-Heating Count | Data provided from the Company's billing system. | 22,713 | 22,631 | 21,735 | |
| 42 | Adjustment: Transfer to Heat | - (Line 5) | (859) | (865) | (528) | |
| 43 | Adjusted Residential Non-Heating Count | Line 41 + Line 42 | 21,854 | 21,766 | 21,207 | |
| 44 | Actual Residential Non-Heating LI Count | Data provided from the Company's billing system. | 545 | 568 | 460 | |
| 45 | Adjustment: Transfer to Heat LI | - (Line 6) | (93) | (100) | (52) | |
| 46 | Adjusted Residential Non-Heating LI Cou | Line 44 + Line 45 | 452 | 468 | 408 | |
| Adjustment to Heat Customer Count | | | | | | |
| 47 | Actual Residential Heating Count | Data provided from the Company's billing system. | 192,348 | 190,629 | 190,917 | |
| 48 | Adjustment: Transfer to Heat | Line 5 | 859 | 865 | 528 | |
| 49 | Adjusted Residential Heating Count | Line 47 + Line 48 | 193,207 | 191,494 | 191,445 | |
| 50 | Actual Residential Heating LI Count | Data provided from the Company's billing system. | 21,828 | 22,454 | 22,164 | |
| 51 | Adjustment: Transfer to Heat | Line 6 | 93 | 100 | 52 | |
| 52 | Adjusted Residential Heating LI Count | Line 50 + Line 51 | 21,921 | 22,554 | 22,216 | |
| Adjustment to Non-Heat Base Rate Revenue | | | | | | |
| 53 | Actual Non-Heat Base Rate Revenue | Data provided from the Company's billing system. | \$664,413 | \$497,012 | \$423,512 | \$1,584,937 |
| 54 | Adjustment: Transfer to Heat | - (Line 8) | (\$67,442) | (\$35,536) | (\$13,999) | (\$116,977) |
| 55 | Adjusted Non-Heat Base Rate Revenue | Line 53 + Line 54 | \$596,972 | \$461,475 | \$409,513 | \$1,467,960 |
| 56 | Actual Non-Heat LI Base Rate Revenue | Data provided from the Company's billing system. | \$25,968 | \$16,081 | \$11,311 | \$53,360 |
| 57 | Adjustment: Transfer to Heat LI | - (Line 9) / .9 | (\$6,918) | (\$3,887) | (\$1,375) | (\$12,180) |
| 58 | Adjusted Non-Heat LI Base Rate Revenue | Line 56 + Line 57 | \$19,050 | \$12,193 | \$9,937 | \$41,180 |
| Adjustment to Heat Base Rate Revenue | | | | | | |
| 59 | Actual Heat Base Rate Revenue | Data provided from the Company's billing system. | \$12,430,141 | \$6,938,211 | \$4,658,892 | \$24,027,244 |
| 60 | Adjustment: Transfer to Heat | Line 34 | \$66,760 | \$35,211 | \$14,102 | \$116,073 |
| 61 | Adjusted Heat Base Rate Revenue | Line 59 + Line 60 | \$12,496,901 | \$6,973,422 | \$4,672,994 | \$24,143,317 |
| 62 | Actual Heat LI Base Rate Revenue | Data provided from the Company's billing system. | \$1,366,779 | \$774,722 | \$576,254 | \$2,717,755 |
| 63 | Adjustment: Transfer to Heat LI | Line 38 / .9 | \$6,885 | \$3,879 | \$1,366 | \$12,130 |
| 64 | Adjusted Heat LI Base Rate Revenue | Line 62 + Line 63 | \$1,373,664 | \$778,601 | \$577,620 | \$2,729,885 |
| 65 | <u>Difference: Heating vs. Non-Heating Revenue</u> (Distribution Charges lower under Heating rates) | | (\$682) (\$33) | (\$326) (\$8) | \$103 (\$9) | (\$905) (\$50) |
| 66 | Residential | Line 34 - Line 8 | (\$682) | (\$326) | \$103 | (\$905) |
| 67 | Residential Low-Income | Line 38 / .9 - Line 9 / .9 | (\$33) | (\$8) | (\$9) | (\$50) |
| 68 | Total | Line 66 + Line 67 | (\$715) | (\$334) | \$94 | (\$955) |

Actual vs. Normal Billing Degree Day Comparison for April 2015 - March 2016

| Month/Year | Actual Billing Degree Days (a) | Normal Billing Degree Days (b) |
|----------------------------------|-----------------------------------|-----------------------------------|
| 1 Apr-15 | 748 | 639 |
| 2 May-15 | 288 | 339 |
| 3 Jun-15 | 102 | 118 |
| 4 Jul-15 | 16 | 16 |
| 5 Aug-15 | 0 | 0 |
| 6 Sep-15 | 3 | 17 |
| 7 Oct-15 | 144 | 142 |
| 8 Nov-15 | 367 | 429 |
| 9 Dec-15 | 612 | 767 |
| 10 Jan-16 | 808 | 1,024 |
| 11 Feb-16 | 944 | 1,049 |
| 12 Mar-16 | 808 | 931 |
| Total | 4,838 | 5,470 |
| Degree Day Difference | | 631 |
| Degree Day Difference (%) | | -11.5% |

Source: Normal Heating Degree Day Report

Line 13: Sum of Lines 1 through 12

Line 14: Abs(Line 13 Column (b)) - Line 13 Column (a))

Line 15: (Line 13 Column (a)) / Line 13 Column (b)) - 1

**The Narragansett Electric Company Annual Gas RDM Reconciliation Balance
Excluding Proposed Adjustment for Transferred Customers**

| | | |
|---|--|-------------------|
| 1 | Residential Non-Heat (incl Low Income) | (\$501,080) |
| 2 | Residential Heat (incl Low Income) | (\$587,156) |
| 3 | Small C&I | \$599,538 |
| 4 | Medium C&I | \$415,479 |
| 5 | Net Over Recovery of RPC | <u>(\$73,219)</u> |

- 1 Schedule SLN-6, Page 2, Column (I), Line 36
- 2 Schedule SLN-6, Page 3, Column (I), Line 72
- 3 Schedule SLN-6, Page 4, Column (I), Line 84
- 4 Schedule SLN-6, Page 4, Column (I), Line 96
- 5 Sum of lines 1-4

RDM Reconciliation by Rate Class by Month Without Adjusting Target RPCs and Normalizing Revenue

| Reference | Apr-15 | | May-15 | | Jun-15 | | Jul-15 | | Aug-15 | | Sep-15 | | Oct-15 | | Nov-15 | | Dec-15 | | Jan-16 | | Feb-16 | | Mar-16 | |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 30 | (a) | 31 | (b) | 30 | (c) | 31 | (d) | 31 | (e) | 30 | (f) | 31 | (g) | 30 | (h) | 31 | (i) | 31 | (j) | 29 | (k) | 31 | (l) |
| Residential Non-Heat | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 Benchmark Revenue Per Customer (RPC) | \$23.36 | \$20.41 | \$18.76 | \$18.02 | \$17.31 | \$17.60 | \$18.20 | \$18.20 | \$17.60 | \$17.60 | \$17.60 | \$17.60 | \$18.20 | \$18.20 | \$19.96 | \$23.13 | \$25.87 | \$26.19 | \$25.87 | \$25.87 | \$26.19 | \$26.19 | \$25.54 | \$25.54 |
| 2 Beginning Balance Under/(Over) Recovery | \$0 | (\$133,983) | (\$169,192) | (\$185,093) | (\$187,490) | (\$200,469) | (\$200,469) | (\$200,469) | (\$200,469) | (\$200,469) | (\$200,469) | (\$200,469) | (\$200,469) | (\$200,469) | (\$191,054) | (\$201,630) | (\$318,695) | (\$318,695) | (\$318,695) | (\$318,695) | (\$318,695) | (\$318,695) | (\$419,582) | (\$419,582) |
| 3 Actual Number of Customers | 22,713 | 22,631 | 21,735 | 21,706 | 21,773 | 21,746 | 21,806 | 21,853 | 21,931 | 22,008 | 22,144 | 22,207 | 22,244 | 22,281 | 21,931 | 21,931 | 22,008 | 22,007 | 22,008 | 22,008 | 22,007 | 22,007 | 22,144 | 22,144 |
| 4 Actual Base Revenue | \$664,413 | \$497,012 | \$423,512 | \$393,360 | \$389,656 | \$376,821 | \$393,000 | \$393,000 | \$393,000 | \$393,000 | \$393,000 | \$393,000 | \$393,000 | \$393,000 | \$446,477 | \$573,529 | \$619,627 | \$676,838 | \$619,627 | \$619,627 | \$676,838 | \$676,838 | \$583,662 | \$583,662 |
| 5 Actual Base Revenue Per Customer | \$29.25 | \$21.96 | \$19.49 | \$18.12 | \$17.90 | \$17.33 | \$18.02 | \$18.02 | \$18.02 | \$18.02 | \$18.02 | \$18.02 | \$18.02 | \$18.02 | \$20.43 | \$26.15 | \$28.15 | \$30.76 | \$28.15 | \$28.15 | \$30.76 | \$30.76 | \$26.36 | \$26.36 |
| 6 RPC Variance (Benchmark- Actual) | (\$5.90) | (\$1.55) | (\$0.72) | (\$0.10) | (\$0.59) | \$0.27 | \$0.18 | (\$0.47) | (\$0.59) | (\$0.59) | (\$0.59) | (\$0.59) | (\$0.59) | (\$0.59) | (\$0.47) | (\$3.02) | (\$2.28) | (\$4.56) | (\$2.28) | (\$2.28) | (\$4.56) | (\$4.56) | (\$0.82) | (\$0.82) |
| 7 Monthly Under/(Over) Recovery of RPC | (\$133,914) | (\$35,049) | (\$15,720) | (\$2,200) | (\$12,774) | \$5,883 | \$3,937 | (\$10,374) | (\$12,774) | (\$12,774) | (\$12,774) | (\$12,774) | (\$12,774) | (\$12,774) | (\$10,374) | (\$66,247) | (\$50,172) | (\$100,449) | (\$50,172) | (\$50,172) | (\$100,449) | (\$100,449) | (\$18,189) | (\$18,189) |
| 8 Preliminary Ending Balance | (\$133,914) | (\$169,032) | (\$184,912) | (\$187,293) | (\$190,850) | (\$192,819) | (\$192,819) | (\$192,819) | (\$192,819) | (\$192,819) | (\$192,819) | (\$192,819) | (\$192,819) | (\$192,819) | (\$190,850) | (\$201,429) | (\$234,777) | (\$318,322) | (\$234,777) | (\$234,777) | (\$318,322) | (\$318,322) | (\$419,144) | (\$419,144) |
| 9 Average Balance | (\$66,957) | (\$151,507) | (\$177,052) | (\$186,193) | (\$193,877) | (\$197,527) | (\$197,527) | (\$197,527) | (\$197,527) | (\$197,527) | (\$197,527) | (\$197,527) | (\$197,527) | (\$197,527) | (\$196,242) | (\$234,777) | (\$293,237) | (\$368,919) | (\$293,237) | (\$293,237) | (\$368,919) | (\$368,919) | (\$428,677) | (\$428,677) |
| 10 BK America Rate less 200 Basis Points | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.38% | 1.50% | 1.50% | 1.38% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% |
| 11 Interest Applied | (\$69) | (\$160) | (\$181) | (\$197) | (\$205) | (\$202) | (\$204) | (\$204) | (\$205) | (\$205) | (\$205) | (\$205) | (\$204) | (\$204) | (\$201) | (\$273) | (\$373) | (\$438) | (\$273) | (\$373) | (\$438) | (\$438) | (\$545) | (\$545) |
| 12 Ending Balance Under/(Over) Recovery | (\$133,983) | (\$169,192) | (\$185,093) | (\$187,490) | (\$200,469) | (\$200,469) | (\$200,469) | (\$200,469) | (\$200,469) | (\$200,469) | (\$200,469) | (\$200,469) | (\$200,469) | (\$200,469) | (\$201,630) | (\$268,151) | (\$318,695) | (\$419,582) | (\$268,151) | (\$318,695) | (\$419,582) | (\$419,582) | (\$438,316) | (\$438,316) |
| Residential Non-Heat Low Income | | | | | | | | | | | | | | | | | | | | | | | | |
| 13 Benchmark Revenue Per Customer (RPC) | \$23.36 | \$20.41 | \$18.76 | \$18.02 | \$17.31 | \$17.60 | \$18.20 | \$18.20 | \$17.31 | \$17.60 | \$17.60 | \$17.60 | \$18.20 | \$18.20 | \$19.96 | \$23.13 | \$25.87 | \$26.19 | \$25.87 | \$25.87 | \$26.19 | \$26.19 | \$25.54 | \$25.54 |
| 14 Beginning Balance Under/(Over) Recovery | \$0 | (\$13,245) | (\$17,748) | (\$20,448) | (\$21,595) | (\$22,957) | (\$23,588) | (\$23,588) | (\$21,595) | (\$22,957) | (\$22,957) | (\$22,957) | (\$23,588) | (\$23,588) | (\$25,262) | (\$28,246) | (\$35,390) | (\$44,024) | (\$28,246) | (\$35,390) | (\$44,024) | (\$44,024) | (\$54,409) | (\$54,409) |
| 15 Actual Number of Customers | 545 | 568 | 460 | 457 | 452 | 435 | 421 | 413 | 452 | 435 | 435 | 413 | 413 | 413 | 413 | 405 | 407 | 404 | 405 | 407 | 404 | 404 | 263 | 263 |
| 16 Actual Base Revenue | \$25,968 | \$16,081 | \$11,311 | \$9,360 | \$9,162 | \$8,263 | \$9,312 | \$9,312 | \$9,162 | \$9,162 | \$9,162 | \$9,162 | \$9,312 | \$9,312 | \$11,199 | \$16,474 | \$19,115 | \$20,908 | \$16,474 | \$19,115 | \$20,908 | \$20,908 | \$14,997 | \$14,997 |
| 17 Actual Base Revenue Per Customer | \$47.65 | \$28.31 | \$24.59 | \$20.48 | \$20.27 | \$18.99 | \$22.12 | \$22.12 | \$20.27 | \$20.27 | \$18.99 | \$22.12 | \$22.12 | \$22.12 | \$27.12 | \$40.68 | \$46.97 | \$51.75 | \$40.68 | \$46.97 | \$51.75 | \$51.75 | \$57.02 | \$57.02 |
| 18 RPC Variance (Benchmark- Actual) | (\$24.29) | (\$7.90) | (\$5.83) | (\$2.46) | (\$2.96) | (\$1.40) | (\$3.92) | (\$3.92) | (\$2.96) | (\$2.96) | (\$1.40) | (\$3.92) | (\$3.92) | (\$3.92) | (\$7.16) | (\$17.55) | (\$21.09) | (\$25.36) | (\$17.55) | (\$21.09) | (\$25.36) | (\$25.36) | (\$31.49) | (\$31.49) |
| 19 Monthly Under/(Over) Recovery of RPC | (\$13,239) | (\$4,486) | (\$1,124) | (\$1,339) | (\$1,339) | (\$607) | (\$1,649) | (\$1,649) | (\$1,339) | (\$607) | (\$607) | (\$1,649) | (\$1,649) | (\$1,649) | (\$2,957) | (\$7,106) | (\$8,584) | (\$10,327) | (\$7,106) | (\$8,584) | (\$10,327) | (\$10,327) | (\$8,281) | (\$8,281) |
| 20 Preliminary Ending Balance | (\$13,239) | (\$17,732) | (\$20,429) | (\$21,573) | (\$22,933) | (\$23,564) | (\$23,564) | (\$23,564) | (\$22,933) | (\$23,564) | (\$23,564) | (\$23,564) | (\$23,564) | (\$23,564) | (\$28,219) | (\$35,352) | (\$43,973) | (\$54,351) | (\$35,352) | (\$43,973) | (\$54,351) | (\$62,690) | (\$62,690) | |
| 21 Average Balance | (\$6,619) | (\$15,488) | (\$19,088) | (\$21,010) | (\$22,264) | (\$23,260) | (\$24,412) | (\$24,412) | (\$22,264) | (\$23,260) | (\$23,260) | (\$24,412) | (\$24,412) | (\$24,412) | (\$26,741) | (\$31,799) | (\$39,681) | (\$49,187) | (\$31,799) | (\$39,681) | (\$49,187) | (\$58,550) | (\$58,550) | |
| 22 BK America Rate less 200 Basis Points | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.38% | 1.50% | 1.50% | 1.38% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% |
| 23 Interest Applied | (\$7) | (\$16) | (\$20) | (\$22) | (\$24) | (\$24) | (\$24) | (\$24) | (\$24) | (\$24) | (\$24) | (\$24) | (\$24) | (\$24) | (\$27) | (\$37) | (\$50) | (\$58) | (\$37) | (\$50) | (\$58) | (\$58) | (\$74) | (\$74) |
| 24 Ending Balance Under/(Over) Recovery | (\$13,245) | (\$17,748) | (\$20,448) | (\$21,595) | (\$22,957) | (\$23,588) | (\$23,588) | (\$23,588) | (\$21,595) | (\$22,957) | (\$22,957) | (\$23,588) | (\$23,588) | (\$23,588) | (\$25,262) | (\$28,246) | (\$35,390) | (\$44,024) | (\$28,246) | (\$35,390) | (\$44,024) | (\$44,024) | (\$54,409) | (\$54,409) |
| Residential Non-Heat (incl Low Income) | | | | | | | | | | | | | | | | | | | | | | | | |
| 25 Benchmark Revenue Per Customer (RPC) | \$23.36 | \$20.41 | \$18.76 | \$18.02 | \$17.31 | \$17.60 | \$18.20 | \$18.20 | \$17.31 | \$17.60 | \$17.60 | \$17.60 | \$18.20 | \$18.20 | \$19.96 | \$23.13 | \$25.87 | \$26.19 | \$25.87 | \$25.87 | \$26.19 | \$26.19 | \$25.54 | \$25.54 |
| 26 Beginning Balance Under/(Over) Recovery | \$0 | (\$147,228) | (\$186,940) | (\$205,541) | (\$209,084) | (\$223,426) | (\$23,588) | (\$23,588) | (\$209,084) | (\$223,426) | (\$223,426) | (\$223,426) | (\$23,588) | (\$23,588) | (\$25,262) | (\$28,246) | (\$35,390) | (\$44,024) | (\$23,588) | (\$35,390) | (\$44,024) | (\$44,024) | (\$54,409) | (\$54,409) |
| 27 Actual Number of Customers | 23,258 | 23,199 | 22,195 | 22,163 | 22,225 | 22,181 | 22,227 | 22,266 | 22,225 | 22,181 | 22,181 | 22,181 | 22,227 | 22,227 | 22,266 | 22,336 | 22,415 | 22,411 | 22,336 | 22,415 | 22,411 | 22,411 | 22,407 | 22,407 |
| 28 Actual Base Revenue | \$690,382 | \$513,092 | \$434,823 | \$402,720 | \$398,818 | \$385,084 | \$402,312 | \$402,312 | \$398,818 | \$385,084 | \$385,084 | \$402,312 | \$402,312 | \$402,312 | \$457,676 | \$590,003 | \$638,742 | \$697,746 | \$590,003 | \$638,742 | \$697,746 | \$697,746 | \$598,659 | \$598,659 |
| 29 Actual Base Revenue Per Customer | \$29.68 | \$22.12 | \$19.59 | \$18.17 | \$17.94 | \$17.36 | \$18.10 | \$18.10 | \$17.94 | \$17.36 | \$17.36 | \$18.10 | \$18.10 | \$18.10 | \$20.55 | \$26.41 | \$28.50 | \$31.13 | \$26.41 | \$28.50 | \$31.13 | \$31.13 | \$26.72 | \$26.72 |
| 30 RPC Variance (Benchmark- Actual) | (\$6.33) | (\$1.70) | (\$0.83) | (\$0.15) | (\$0.63) | \$0.24 | \$0.10 | (\$0.60) | (\$0.63) | (\$0.63) | \$0.24 | \$0.10 | \$0.10 | (\$0.60) | (\$0.60) | (\$3.28) | (\$2.62) | (\$4.94) | (\$3.28) | (\$2.62) | (\$4.94) | (\$4.94) | (\$1.18) | (\$1.18) |
| 31 Monthly Under/(Over) Recovery of RPC | (\$147,153) | (\$39,555) | (\$18,400) | (\$3,324) | (\$14,112) | \$5,276 | \$2,289 | (\$2,289) | (\$14,112) | (\$14,112) | \$5,276 | \$2,289 | \$2,289 | (\$2,289) | (\$13,331) | (\$73,353) | (\$58,755) | (\$110,776) | (\$73,353) | (\$58,755) | (\$110,776) | (\$110,776) | (\$26,470) | (\$26,470) |
| 32 Preliminary Ending Balance | (\$147,153) | (\$186,763) | (\$205,340) | (\$208,865) | (\$223,197) | (\$231,149) | (\$231,149) | (\$231,149) | (\$223,197) | (\$231,149) | (\$231,149) | (\$231,149) | (\$231,149) | (\$231,149) | (\$229,648) | (\$303,230) | (\$362,296) | (\$473,495) | (\$303,230) | (\$362,296) | (\$473,495) | (\$500,461) | (\$500,461) | |
| 33 Average Balance | (\$73,576) | (\$166,996) | (\$196,140) | (\$207,203) | (\$216,141) | (\$220,787) | (\$217,231) | (\$217,231) | (\$216,141) | (\$220,787) | (\$220,787) | (\$217,231) | (\$217,231) | (\$217,231) | (\$222,982) | (\$266,553) | (\$332,918) | (\$418,107) | (\$266,553) | (\$332,918) | (\$418,107) | (\$487,226) | (\$487,226) | |
| 34 BK America Rate less 200 Basis Points | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.38% | 1.50% | 1.50% | 1.38% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% |
| 35 Interest Applied | (\$75) | (\$177) | (\$201) | (\$219) | (\$229) | (\$226) | (\$230) | (\$230) | (\$229) | (\$226) | (\$226) | (\$230) | (\$230) | (\$230) | (\$228) | (\$310) | (\$423) | (\$497) | (\$310) | (\$423) | (\$497) | (\$497) | (\$8619) | (\$8619) |
| 36 Ending Balance Under/(Over) Recovery | (\$147,228) | (\$186,940) | (\$205,541) | (\$209,084) | (\$223,426) | (\$23,588) | (\$23,588) | (\$23,588) | (\$209,084) | (\$223,426) | (\$223,426) | (\$23,588) | (\$23,588) | (\$23,588) | (\$25,262) | (\$28,246) | (\$35,390) | (\$44,024) | (\$23,588) | (\$35,390) | (\$44,024) | (\$44,024) | (\$54,409) | (\$54,409) |

RDM Reconciliation by Rate Class by Month Without Adjusting Target RPCs and Normalizing Revenue

| Reference | Docket 4573, SLN-3, Line 12 | Apr-15 | | May-15 | | Jun-15 | | Jul-15 | | Aug-15 | | Sep-15 | | Oct-15 | | Nov-15 | | Dec-15 | | Jan-16 | | Feb-16 | | Mar-16 | |
|---|---|-------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------|-----|--------|-----|--------|-----|--------|-----|--------|-----|--------|-----|
| | | 30 | (a) | 31 | (b) | 30 | (c) | 31 | (d) | 31 | (e) | 30 | (f) | 31 | (g) | 30 | (h) | 31 | (i) | 31 | (j) | 29 | (k) | 31 | (l) |
| Residential Heating | | | | | | | | | | | | | | | | | | | | | | | | | |
| 37 | Benchmark Revenue Per Customer (RPC) | \$53.35 | \$34.60 | \$24.57 | \$21.77 | \$20.54 | \$20.85 | \$22.61 | \$33.68 | \$54.88 | \$70.50 | \$74.37 | \$69.13 | | | | | | | | | | | | |
| 38 | Beginning Balance Under/(Over) Recovery | \$0 | (\$2,168,826) | (\$2,513,502) | (\$2,484,186) | (\$2,572,012) | (\$2,682,384) | (\$2,718,445) | (\$2,810,092) | (\$2,486,173) | (\$2,457,558) | (\$1,044,691) | (\$882,204) | | | | | | | | | | | | |
| 39 | Actual Number of Customers | 192,348 | 190,629 | 190,917 | 190,851 | 191,023 | 191,368 | 192,871 | 194,958 | 196,482 | 197,596 | 198,171 | 205,450 | | | | | | | | | | | | |
| 40 | Actual Base Revenue | \$12,430,141 | \$6,938,211 | \$4,658,892 | \$4,240,121 | \$4,030,790 | \$4,024,009 | \$4,449,751 | \$6,239,285 | \$10,752,299 | \$12,515,405 | \$14,574,274 | \$13,573,774 | | | | | | | | | | | | |
| 41 | Actual Base Revenue Per Customer | \$64.62 | \$36.40 | \$24.40 | \$22.22 | \$21.10 | \$21.03 | \$23.07 | \$32.00 | \$54.72 | \$63.34 | \$73.54 | \$66.07 | | | | | | | | | | | | |
| 42 | RPC Variance (Benchmark- Actual) | (\$11.27) | (\$1.80) | \$0.17 | (\$0.45) | (\$0.56) | (\$0.17) | (\$0.46) | \$1.68 | \$0.16 | \$7.16 | \$0.83 | \$3.06 | | | | | | | | | | | | |
| 43 | Monthly Under/(Over) Recovery of RPC | (\$2,167,715) | (\$342,199) | \$31,876 | (\$85,151) | (\$107,592) | (\$33,296) | (\$88,721) | \$326,630 | \$31,492 | \$1,415,090 | \$163,631 | \$628,436 | | | | | | | | | | | | |
| 44 | Preliminary Ending Balance | (\$1,083,858) | (\$2,339,925) | (\$2,481,627) | (\$2,569,337) | (\$2,679,604) | (\$2,713,680) | (\$2,743,461) | (\$2,454,681) | (\$1,042,468) | (\$962,875) | (\$567,986) | (\$881,060) | | | | | | | | | | | | |
| 45 | Average Balance | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.38% | 1.50% | 1.50% | 1.50% | | | | | | | | | | | | |
| 46 | Bk America Rate less 200 Basis Points | (\$1,111) | (\$2,477) | (\$2,559) | (\$2,675) | (\$2,780) | (\$2,765) | (\$2,925) | (\$2,712) | (\$2,877) | (\$2,223) | (\$1,144) | (\$722) | | | | | | | | | | | | |
| 47 | Interest Applied | (\$2,168,826) | (\$2,513,502) | (\$2,484,186) | (\$2,572,012) | (\$2,682,384) | (\$2,718,445) | (\$2,810,092) | (\$2,486,173) | (\$2,457,558) | (\$1,044,691) | (\$882,204) | (\$254,490) | | | | | | | | | | | | |
| 48 | Ending Balance Under/(Over) Recovery | Line 44 + Line 47 | | | | | | | | | | | | | | | | | | | | | | | |
| Residential Heating - Low Income | | | | | | | | | | | | | | | | | | | | | | | | | |
| 49 | Benchmark Revenue Per Customer (RPC) | \$53.35 | \$34.60 | \$24.57 | \$21.77 | \$20.54 | \$20.85 | \$22.61 | \$33.68 | \$54.88 | \$70.50 | \$74.37 | \$69.13 | | | | | | | | | | | | |
| 50 | Beginning Balance Under/(Over) Recovery | \$0 | (\$202,284) | (\$200,282) | (\$232,195) | (\$267,419) | (\$299,154) | (\$325,309) | (\$358,120) | (\$345,164) | (\$351,001) | (\$234,098) | (\$217,314) | | | | | | | | | | | | |
| 51 | Actual Number of Customers | 21,828 | 22,454 | 22,164 | 21,700 | 21,198 | 20,672 | 20,292 | 19,980 | 19,718 | 19,485 | 19,248 | 11,951 | | | | | | | | | | | | |
| 52 | Actual Base Revenue | \$1,366,779 | \$774,722 | \$576,254 | \$507,385 | \$466,796 | \$456,921 | \$491,275 | \$659,582 | \$1,087,642 | \$1,256,417 | \$1,414,414 | \$941,144 | | | | | | | | | | | | |
| 53 | Actual Base Revenue Per Customer | \$62.62 | \$34.50 | \$26.00 | \$23.38 | \$22.02 | \$22.10 | \$24.21 | \$33.01 | \$55.16 | \$64.48 | \$73.48 | \$78.75 | | | | | | | | | | | | |
| 54 | RPC Variance (Benchmark- Actual) | (\$9.26) | (\$0.10) | (\$1.43) | (\$1.61) | (\$1.48) | (\$1.25) | (\$1.60) | \$0.67 | (\$0.28) | \$6.02 | \$0.89 | (\$9.62) | | | | | | | | | | | | |
| 55 | Monthly Under/(Over) Recovery of RPC | (\$202,180) | \$2,215 | (\$31,692) | (\$34,960) | (\$31,436) | (\$25,835) | (\$32,450) | \$13,317 | (\$5,432) | \$117,273 | \$17,053 | (\$115,003) | | | | | | | | | | | | |
| 56 | Preliminary Ending Balance | (\$101,090) | (\$200,069) | (\$231,973) | (\$267,154) | (\$298,854) | (\$324,989) | (\$357,759) | (\$344,804) | (\$350,595) | (\$233,727) | (\$217,045) | (\$332,317) | | | | | | | | | | | | |
| 57 | Average Balance | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.38% | 1.50% | 1.50% | 1.50% | | | | | | | | | | | | |
| 58 | Bk America Rate less 200 Basis Points | (\$104) | (\$213) | (\$221) | (\$264) | (\$300) | (\$320) | (\$362) | (\$360) | (\$405) | (\$371) | (\$268) | (\$349) | | | | | | | | | | | | |
| 59 | Interest Applied | (\$202,284) | (\$200,282) | (\$232,195) | (\$267,419) | (\$299,154) | (\$325,309) | (\$358,120) | (\$345,164) | (\$351,001) | (\$234,098) | (\$217,314) | (\$332,666) | | | | | | | | | | | | |
| 60 | Ending Balance Under/(Over) Recovery | Line 56 + Line 59 | | | | | | | | | | | | | | | | | | | | | | | |
| Residential Heat (incl Low Income) | | | | | | | | | | | | | | | | | | | | | | | | | |
| 61 | Benchmark Revenue Per Customer (RPC) | \$53.35 | \$34.60 | \$24.57 | \$21.77 | \$20.54 | \$20.85 | \$22.61 | \$33.68 | \$54.88 | \$70.50 | \$74.37 | \$69.13 | | | | | | | | | | | | |
| 62 | Beginning Balance Under/(Over) Recovery | \$0 | (\$2,371,109) | (\$2,713,784) | (\$2,716,380) | (\$2,839,431) | (\$2,981,538) | (\$3,043,754) | (\$3,168,212) | (\$2,831,337) | (\$2,808,559) | (\$1,278,789) | (\$1,099,518) | | | | | | | | | | | | |
| 63 | Actual Number of Customers | 214,176 | 213,083 | 213,081 | 212,551 | 212,221 | 212,040 | 213,163 | 214,938 | 216,200 | 217,081 | 217,419 | 217,401 | | | | | | | | | | | | |
| 64 | Actual Base Revenue | \$13,796,920 | \$7,712,934 | \$5,235,146 | \$4,747,506 | \$4,497,586 | \$4,480,930 | \$4,941,026 | \$6,898,867 | \$11,839,940 | \$13,771,821 | \$15,988,687 | \$14,514,919 | | | | | | | | | | | | |
| 65 | Actual Base Revenue Per Customer | \$64.42 | \$36.20 | \$24.57 | \$22.34 | \$21.19 | \$21.13 | \$23.18 | \$32.10 | \$54.76 | \$63.44 | \$73.54 | \$66.77 | | | | | | | | | | | | |
| 66 | RPC Variance (Benchmark- Actual) | (\$11.07) | (\$1.60) | \$0.00 | (\$0.57) | (\$0.66) | (\$0.28) | (\$0.57) | \$1.58 | \$0.12 | \$7.06 | \$0.83 | \$2.36 | | | | | | | | | | | | |
| 67 | Monthly Under/(Over) Recovery of RPC | (\$2,369,895) | (\$339,984) | \$184 | (\$120,111) | (\$139,027) | (\$59,131) | (\$121,171) | \$339,947 | \$26,060 | \$1,532,364 | \$180,684 | \$513,433 | | | | | | | | | | | | |
| 68 | Preliminary Ending Balance | (\$2,369,895) | (\$2,711,093) | (\$2,713,600) | (\$2,836,491) | (\$2,978,458) | (\$3,040,669) | (\$3,164,925) | (\$2,828,265) | (\$2,805,276) | (\$1,276,195) | (\$1,098,105) | (\$586,085) | | | | | | | | | | | | |
| 69 | Average Balance | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.38% | 1.50% | 1.50% | 1.50% | | | | | | | | | | | | |
| 70 | Bk America Rate less 200 Basis Points | (\$1,184,948) | (\$2,541,101) | (\$2,713,692) | (\$2,776,436) | (\$2,908,945) | (\$3,011,103) | (\$3,104,340) | (\$2,998,238) | (\$2,818,307) | (\$2,042,377) | (\$1,188,447) | (\$842,801) | | | | | | | | | | | | |
| 71 | Interest Applied | (\$1,214) | (\$2,690) | (\$2,780) | (\$2,940) | (\$3,080) | (\$3,085) | (\$3,287) | (\$3,072) | (\$3,282) | (\$2,595) | (\$1,412) | (\$1,071) | | | | | | | | | | | | |
| 72 | Ending Balance Under/(Over) Recovery | Line 68 + Line 71 | (\$2,371,109) | (\$2,713,784) | (\$2,716,380) | (\$2,839,431) | (\$2,981,538) | (\$3,043,754) | (\$3,168,212) | (\$2,831,337) | (\$2,808,559) | (\$1,278,789) | (\$1,099,518) | | | | | | | | | | | | |

RDM Reconciliation by Rate Class by Month Without Adjusting Target RPCs and Normalizing Revenue

| Reference | Apr-15 30 (a) | May-15 31 (b) | Jun-15 30 (c) | Jul-15 31 (d) | Aug-15 31 (e) | Sep-15 30 (f) | Oct-15 31 (g) | Nov-15 30 (h) | Dec-15 31 (i) | Jan-16 31 (j) | Feb-16 29 (k) | Mar-16 31 (l) |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Small C&I | | | | | | | | | | | | |
| 73 Benchmark Revenue Per Customer (RPC) | \$77.93 | \$50.14 | \$33.47 | \$31.72 | \$29.56 | \$29.40 | \$32.02 | \$46.85 | \$78.12 | \$116.16 | \$101.17 | \$104.13 |
| 74 Beginning Balance Under/(Over) Recovery | \$0 | (\$257,574) | (\$250,214) | (\$226,320) | (\$201,321) | (\$204,200) | (\$212,219) | (\$199,571) | (\$103,115) | (\$41,675) | \$502,254 | \$436,838 |
| 75 Actual Number of Customers | 18,903 | 18,711 | 18,534 | 18,451 | 18,426 | 18,393 | 18,363 | 18,843 | 19,055 | 19,232 | 19,250 | 19,212 |
| 76 Actual Base Revenue | \$1,730,613 | \$930,600 | \$596,270 | \$560,132 | \$547,277 | \$548,646 | \$581,685 | \$786,227 | \$1,427,021 | \$1,690,258 | \$2,013,411 | \$1,838,471 |
| 77 Actual Base Revenue Per Customer | \$91.55 | \$49.74 | \$32.17 | \$30.36 | \$29.70 | \$29.83 | \$31.33 | \$41.73 | \$74.89 | \$87.89 | \$104.59 | \$95.69 |
| 78 RPC Variance (Benchmark- Actual) | (\$13.62) | \$0.41 | \$1.30 | \$1.37 | (\$0.14) | (\$0.42) | \$0.69 | \$5.13 | \$3.23 | \$28.27 | (\$3.43) | \$8.43 |
| 79 Monthly Under/(Over) Recovery of RPC | (\$257,442) | \$7,628 | \$24,138 | \$25,225 | (\$2,664) | (\$7,806) | \$12,866 | \$96,611 | \$61,524 | \$543,637 | (\$65,974) | \$162,043 |
| 80 Preliminary Ending Balance | (\$257,442) | (\$249,945) | (\$226,076) | (\$201,095) | (\$203,985) | (\$212,006) | (\$199,353) | (\$102,960) | (\$41,591) | \$501,962 | \$436,280 | \$598,880 |
| 81 Average Balance | (\$128,721) | (\$253,760) | (\$238,145) | (\$213,708) | (\$202,653) | (\$208,103) | (\$205,786) | (\$151,265) | (\$72,353) | \$230,143 | \$469,267 | \$517,859 |
| 82 Bk America Rate less 200 Basis Points | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.38% | 1.50% | 1.50% | 1.50% |
| 83 Interest Applied | (\$132) | (\$269) | (\$244) | (\$226) | (\$215) | (\$213) | (\$218) | (\$155) | (\$84) | \$292 | \$558 | \$658 |
| 84 Ending Balance Under/(Over) Recovery | (\$257,574) | (\$250,214) | (\$226,320) | (\$201,321) | (\$204,200) | (\$212,219) | (\$199,571) | (\$103,115) | (\$41,675) | \$502,254 | \$436,838 | \$599,538 |
| Medium C&I | | | | | | | | | | | | |
| 85 Benchmark Revenue Per Customer (RPC) | \$390.91 | \$306.74 | \$258.99 | \$228.10 | \$215.25 | \$227.59 | \$250.75 | \$319.05 | \$401.46 | \$503.80 | \$518.03 | \$496.12 |
| 86 Beginning Balance Under/(Over) Recovery | \$0 | (\$238,503) | (\$182,906) | (\$77,516) | (\$62,254) | (\$98,524) | (\$95,282) | (\$49,072) | \$12,917 | (\$307) | \$280,031 | \$281,417 |
| 87 Actual Number of Customers | 4,848 | 4,848 | 4,834 | 4,829 | 4,797 | 4,809 | 4,841 | 4,859 | 4,880 | 4,899 | 4,898 | 4,906 |
| 88 Actual Base Revenue | \$2,133,511 | \$1,431,238 | \$1,146,419 | \$1,086,175 | \$1,068,762 | \$1,091,127 | \$1,167,607 | \$1,488,261 | \$1,972,356 | \$2,187,933 | \$2,536,277 | \$2,300,338 |
| 89 Actual Base Revenue Per Customer | \$440.08 | \$295.22 | \$237.16 | \$224.93 | \$222.80 | \$226.89 | \$241.19 | \$306.29 | \$404.17 | \$446.61 | \$517.82 | \$468.88 |
| 90 RPC Variance (Benchmark- Actual) | (\$49.17) | \$11.51 | \$21.83 | \$3.18 | (\$7.54) | \$0.69 | \$9.56 | \$12.76 | (\$2.71) | \$71.19 | \$0.21 | \$27.24 |
| 91 Monthly Under/(Over) Recovery of RPC | (\$238,381) | \$55,820 | \$105,524 | \$15,336 | (\$36,185) | \$3,341 | \$46,286 | \$62,007 | (\$13,231) | \$280,160 | \$1,053 | \$133,619 |
| 92 Preliminary Ending Balance | (\$238,381) | (\$182,684) | (\$77,383) | (\$62,180) | (\$98,439) | (\$95,183) | (\$48,996) | \$12,935 | (\$314) | \$279,854 | \$281,084 | \$415,037 |
| 93 Average Balance | (\$119,191) | (\$210,593) | (\$130,145) | (\$69,848) | (\$80,346) | (\$96,853) | (\$72,139) | (\$18,069) | \$6,301 | \$139,773 | \$280,558 | \$348,227 |
| 94 Bk America Rate less 200 Basis Points | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.38% | 1.50% | 1.50% | 1.50% |
| 95 Interest Applied | (\$122) | (\$223) | (\$133) | (\$74) | (\$85) | (\$99) | (\$76) | (\$19) | \$7 | \$178 | \$333 | \$442 |
| 96 Ending Balance Under/(Over) Recovery | (\$238,503) | (\$182,906) | (\$182,906) | (\$77,516) | (\$62,254) | (\$98,524) | (\$95,282) | (\$49,072) | (\$307) | \$280,031 | \$281,417 | \$415,479 |

Schedule SLN-8
ISR Reconciliation Factors

National Grid - RI Gas
FY 16 ISR Reconciliation Factors
Effective November 1, 2016

| Line No. | Revenue Requirement (a) | Rate Class (b) | Rate Base Allocator % (c) | Allocation to Rate Class (d) | Actual Revenue (e) | Difference (f) | ISR Recon Under/(Over) Recovery (g) | Total Under Recovery by Rate Class (h) | Forecasted Throughput (dth) (i) | ISR Recon (dth) (i) | ISR Recon (therm) (k) |
|----------|-------------------------|----------------|---------------------------|------------------------------|--------------------|----------------|-------------------------------------|--|---------------------------------|---------------------|-----------------------|
| 1 | | Res-NH | 3.73% | \$844,807 | \$439,896 | \$404,911 | \$50,341 | \$455,252 | 749,942 | \$0,6070 | \$0,0607 |
| 2 | \$22,642,848 | Res-H | 61.56% | \$13,938,518 | \$8,447,170 | \$5,491,348 | \$524,674 | \$6,016,021 | 18,714,342 | \$0,3214 | \$0,0321 |
| 3 | | Small | 8.19% | \$1,853,775 | \$1,061,895 | \$791,880 | \$115,892 | \$907,772 | 2,310,988 | \$0,3928 | \$0,0392 |
| 4 | | Medium | 13.58% | \$3,075,652 | \$2,050,032 | \$1,025,621 | \$149,526 | \$1,175,147 | 5,712,259 | \$0,2057 | \$0,0205 |
| 5 | | Large LL | 6.04% | \$1,366,945 | \$789,140 | \$577,805 | \$50,320 | \$628,125 | 2,681,122 | \$0,2342 | \$0,0234 |
| 6 | | Large HL | 2.35% | \$533,087 | \$342,636 | \$190,450 | \$21,080 | \$211,530 | 1,097,479 | \$0,1927 | \$0,0192 |
| 7 | | XL-LL | 0.77% | \$174,107 | \$145,894 | \$28,213 | \$727 | \$28,940 | 1,265,853 | \$0,0228 | \$0,0022 |
| 8 | | XL-HL | 3.78% | \$855,957 | \$763,488 | \$92,469 | \$12,321 | \$104,791 | 6,815,355 | \$0,0153 | \$0,0015 |
| 9 | | Total | 100.00% | \$22,642,848 | \$14,040,151 | \$8,602,697 | \$924,882 | \$9,527,579 | 39,347,340 | | |

(a) Docket 4540, FY 16 Updated ISR Cumulative Revenue Requirement filed August 2016.

(b) Docket 4323, RI 2012 Rate Case

(c) Col (a), Line 2 * Col (c), Lines 3 through 10 respectively

(d) Page 2, Col (m), Lines 10 through 17

(e) Column (d) - Column (c)

(f) SLN-10 - Pages 6-7 Column (l) Lines 8, 16, 24, 32, 40, 48, 56, 64

(g) Column (f) + Column (g)

(h) Per Company Forecast

(i) Column (h) / Column (i)

(k) Column (j) / 10

Schedule SLN-9
Firm Revenue Credit Factor

Revenue Credit per Docket 4323
FY 2016

| Line No. | Month Bill Applies | <u>Distribution Charges</u> | | | | Total | 50% Credit |
|----------|--------------------|-----------------------------|-----------------|---------------------|---------------|-----------|------------|
| | | Therms | Customer Charge | Distribution Charge | Demand Charge | | |
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
| 1 | Mar-2016 | 367,166 | \$425 | \$9,399 | \$36,750 | \$46,575 | \$23,287 |
| 2 | Feb-2016 | 602,129 | \$425 | \$15,414 | \$36,750 | \$52,590 | \$26,295 |
| 3 | Jan-2016 | 637,467 | \$425 | \$16,319 | \$36,750 | \$53,495 | \$26,747 |
| 4 | Dec-2015 | 606,948 | \$425 | \$15,538 | \$36,750 | \$52,713 | \$26,357 |
| 5 | Nov-2015 | 630,165 | \$425 | \$16,132 | \$36,750 | \$53,308 | \$26,654 |
| 6 | Oct-2015 | 679,784 | \$425 | \$17,402 | \$761 | \$18,589 | \$9,294 |
| 7 | Sep-2015 | 593,010 | \$425 | \$15,181 | \$761 | \$16,367 | \$8,184 |
| 8 | Aug-2015 | 687,615 | \$425 | \$17,603 | \$761 | \$18,789 | \$9,395 |
| 9 | Jul-2015 | 712,899 | \$425 | \$18,250 | \$761 | \$19,436 | \$9,718 |
| 10 | Jun-2015 | 599,070 | \$425 | \$15,336 | \$761 | \$16,522 | \$8,261 |
| 11 | May-2015 | 659,515 | \$425 | \$16,884 | \$761 | \$18,070 | \$9,035 |
| 12 | Apr-2015 | 615,010 | \$425 | \$15,744 | \$761 | \$16,930 | \$8,465 |
| 13 | Total | 7,390,777 | \$5,100 | \$189,204 | \$189,080 | \$383,384 | \$191,692 |

Lines 1-12 Columns (a) through (e): Data provided from the Company's billing system.

Col (g) As noted in the Settlement Agreement in Docket 4323, Article III, Section A.4, 50% of distribution revenue will be credited back to customers.

Schedule SLN-10
Reconciliation Factors

**National Grid - RI Gas
Reconciliation Factor effective November 1, 2016**

| Section 1: Reconciliation of Prior Year DAC Factors (All Rate Classes) | | | | | |
|---|--------------------------------|-----------------|---|-----------------------|--|
| Line No. | Description | Schedule | Page # | Ending Balance | Period |
| 1 | System Pressure | | Page 2, line 9 | \$392,133 | Based on Nov 15-Oct 16 |
| 2 | AGT Factor | | Page 2, line 17 | \$32,872 | Based on Apr 15 - Mar 16 |
| 3 | Environmental - DAC | | Page 2, line 25 | \$54,442 | Based on Nov 15-Oct 16 |
| 4 | On-System Margin Credits | | Page 3, line 49 | \$25,390 | Based on Nov 15-Oct 16 |
| 5 | Pension | | Page 3, line 57 | (\$204,723) | Based on Nov 15-Oct 16 |
| 6 | PBOP | | Page 3, line 65 | (\$258,685) | Based on Nov 15-Oct 16 |
| 7 | Previous Reconciliation Factor | | Page 2, line 33 | \$23,811 | Based on Nov 15-Oct 16 |
| 8 | Earnings Sharing Mechanism | | Page 3, line 73 | (\$54,698) | Based on Nov 15-Oct 16 |
| 9 | True-up October 15 | | Page 8, line 23 | (\$89,389) | Based on Actual Oct 15 vs. Oct 15 Forecast |
| 10 | AGT Interest on Fund balance | | SLN-3, page 2, line 16, col (m) | (\$20,718) | Based on Apr 15 - Mar 16 |
| 11 | Revenue Credit per Docket 4323 | | SLN-9, line 13, col (g) | (\$191,692) | |
| 12 | Sub Total | | Sum ([1]: [11]) | (\$291,256) | |
| 13 | Firm Throughput | | Nov 2016 - Oct 2017 | 39,347,340 | dth |
| 14 | Reconciliation Factor | | Line (12) / Line (13) | (\$0.0074) | per dth |
| 15 | Reconciliation Factor | | Line (14) / 10, truncated to 4 decimal places | (\$0.0007) | per therm |

| Section 2: Revenue Decoupling Mechanism Reconciliation | | | | | |
|---|--|-----------------|---|-----------------------|------------------------|
| Line No. | Description | Schedule | Page # | Ending Balance | Period |
| 16 | RDA Reconciliation | | Page 5, line 13 | (\$2,069,991) | Based on Nov 15-Oct 16 |
| 17 | RDM Recon Reconciliation | | Page 5, line 27 | \$94,403 | Based on Nov 15-Oct 16 |
| 18 | Sub Total | | Line (16) + Line (17) | (\$1,975,588) | |
| 19 | Firm Throughput, Residential, Small & Medium C&I | | Nov 2016 - Oct 2017 | 27,487,531 | dth |
| 20 | RDA Reconciliation Factor | | Line (18) / Line (19) | (\$0.0718) | per dth |
| 21 | RDA Reconciliation Factor | | Line (20) / 10, truncated to 4 decimal places | (\$0.0071) | per therm |

| Section 3: Reconciliation of Prior year DAC Factors (Large & X-Large Only) | | | | | |
|---|--|-----------------|---|-----------------------|--------------------------|
| Line No. | Description | Schedule | Page # | Ending Balance | Period |
| 22 | AGT Factor - Base Rates | | Page 4, line 18 | (\$11,790) | Based on Apr 15 - Mar 16 |
| 23 | LIAP Factor - Base Rates | | Page 4, line 30 | (\$70,354) | Based on Apr 15 - Mar 16 |
| 24 | Environmental - Base Rates | | Page 4, line 41 | (\$51,630) | Based on Apr 15 - Mar 16 |
| 25 | Previous Reconciliation Factor | | Page 3, line 41 | (\$11,308) | Based on Nov 15-Oct 16 |
| 26 | Sub Total | | Sum ([22]:[25]) | (\$145,083) | |
| 27 | Firm Throughput, Large and Extra Large C&I | | Nov 2016 - Oct 2017 | 11,859,809 | dth |
| 28 | L / XL Reconciliation Factor | | Line (26) / Line (27) | (\$0.0122) | per dth |
| 29 | L / XL Reconciliation Factor ¹ | | Line (28) / 10, truncated to 4 decimal places | (\$0.0012) | per therm |

¹ This rate will be combined with the Reconciliation factor of (\$0.0007) per therm for an overall Large and Extra Large Reconciliation factor of (\$0.0019) per therm

**National Grid - RI Gas
Non-Base Rate / Gas Year Reconciling Components**

| Line No. | Nov-15 30 Actual | Dec-15 31 Actual | Jan-16 31 Actual | Feb-16 29 Actual | Mar-16 31 Actual | Apr-16 30 Actual | May-16 31 Actual | Jun-16 30 Actual | Jul-16 31 Forecast | Aug-16 31 Forecast | Sep-16 30 Forecast | Oct-16 31 Forecast | 12 month End |
|----------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) | (k) | (l) | (m) |
| 1 | | | | | | | | | | | | | |
| 2 | | | | | | | | | | | | | |
| 3 | | | | | | | | | | | | | |
| 4 | | | | | | | | | | | | | |
| 5 | | | | | | | | | | | | | |
| 6 | | | | | | | | | | | | | |
| 7 | | | | | | | | | | | | | |
| 8 | | | | | | | | | | | | | |
| 9 | | | | | | | | | | | | | |
| 10 | | | | | | | | | | | | | |
| 11 | | | | | | | | | | | | | |
| 12 | | | | | | | | | | | | | |
| 13 | | | | | | | | | | | | | |
| 14 | | | | | | | | | | | | | |
| 15 | | | | | | | | | | | | | |
| 16 | | | | | | | | | | | | | |
| 17 | | | | | | | | | | | | | |
| 18 | | | | | | | | | | | | | |
| 19 | | | | | | | | | | | | | |
| 20 | | | | | | | | | | | | | |
| 21 | | | | | | | | | | | | | |
| 22 | | | | | | | | | | | | | |
| 23 | | | | | | | | | | | | | |
| 24 | | | | | | | | | | | | | |
| 25 | | | | | | | | | | | | | |
| 26 | | | | | | | | | | | | | |
| 27 | | | | | | | | | | | | | |
| 28 | | | | | | | | | | | | | |
| 29 | | | | | | | | | | | | | |
| 30 | | | | | | | | | | | | | |
| 31 | | | | | | | | | | | | | |
| 32 | | | | | | | | | | | | | |
| 33 | | | | | | | | | | | | | |

System Pressure Reconc Adjust.

System Pressure Acct Beg. Balance Under/(Over) Recovery
Actual Costs
Actual Revenue
Ending Balance Under/(Over) Recovery
Average Monthly Balance Under/(Over) Recovery
BK America Rate less 200 Basis Points
Interest Applct.
Sys Pressure End Balance Under/(Over) Recover.

Advanced Gas Technology

AGT Acct Beg. Balance Under/(Over) Recovery
Actual AGT Revenue
Ending AGT Balance
Average Monthly Balance Under/(Over) Recovery
BK America Rate less 200 Basis Points
Interest Applct.
AGT End Balance Under/(Over) Recover.

Environmental Reconc. Adjust - DAC

Environmental Acct Beg. Balance Under/(Over) Recovery
Actual Environmental Revenue
Ending Environmental Balance Under/(Over) Recovery
Average Monthly Balance Under/(Over) Recovery
BK America Rate less 200 Basis Points
Interest Applct.
Environmental Reconc End Balance Under/(Over) Recovery

Reconciliation Factor (Applicable to all) - DAC

Recon Factor Acct Beg. Balance Under/(Over) Recovery
Actual Recon Revenue
Ending Recon Balance Under/(Over) Recovery
Average Monthly Balance Under/(Over) Recovery
BK America Rate less 200 Basis Points
Interest Applct.
Reconciliation End Balance Under/(Over) Recovery

National Grid - RI Gas
Non-Base Rate / Gas Year Reconciling Components

| | Nov-15 | Dec-15 | Jan-16 | Feb-16 | Mar-16 | Apr-16 | May-16 | Jun-16 | Jul-16 | Aug-16 | Sep-16 | Oct-16 | 12 month End |
|----|--------|--------|--------|--------|--------|--------|--------|--------|----------|----------|----------|----------|--------------|
| | 30 | 31 | 31 | 29 | 31 | 30 | 31 | 30 | 31 | 31 | 30 | 31 | |
| | Actual | Forecast | Forecast | Forecast | Forecast | |
| 34 | | | | | | | | | | | | | |
| 35 | | | | | | | | | | | | | |
| 36 | | | | | | | | | | | | | |
| 37 | | | | | | | | | | | | | |
| 38 | | | | | | | | | | | | | |
| 39 | | | | | | | | | | | | | |
| 40 | | | | | | | | | | | | | |
| 41 | | | | | | | | | | | | | |
| 42 | | | | | | | | | | | | | |
| 43 | | | | | | | | | | | | | |
| 44 | | | | | | | | | | | | | |
| 45 | | | | | | | | | | | | | |
| 46 | | | | | | | | | | | | | |
| 47 | | | | | | | | | | | | | |
| 48 | | | | | | | | | | | | | |
| 49 | | | | | | | | | | | | | |
| 50 | | | | | | | | | | | | | |
| 51 | | | | | | | | | | | | | |
| 52 | | | | | | | | | | | | | |
| 53 | | | | | | | | | | | | | |
| 54 | | | | | | | | | | | | | |
| 55 | | | | | | | | | | | | | |
| 56 | | | | | | | | | | | | | |
| 57 | | | | | | | | | | | | | |
| 58 | | | | | | | | | | | | | |
| 59 | | | | | | | | | | | | | |
| 60 | | | | | | | | | | | | | |
| 61 | | | | | | | | | | | | | |
| 62 | | | | | | | | | | | | | |
| 63 | | | | | | | | | | | | | |
| 64 | | | | | | | | | | | | | |
| 65 | | | | | | | | | | | | | |
| 66 | | | | | | | | | | | | | |
| 67 | | | | | | | | | | | | | |
| 68 | | | | | | | | | | | | | |
| 69 | | | | | | | | | | | | | |
| 70 | | | | | | | | | | | | | |
| 71 | | | | | | | | | | | | | |
| 72 | | | | | | | | | | | | | |
| 73 | | | | | | | | | | | | | |

Column (a), Line 11, per Docket 4573, SLN-IS, Page 1, Line 2.
Column (a), Line 19, per Docket 4573, SLN-IS, Page 1, Line 4.
Column (a), Line 27, per Docket 4573, SLN-IS, Page 1, Line 11.
Column (a), Line 35, per Docket 4573, SLN-IS, Page 1, Line 25.
Column (a), Line 43, per Docket 4573, SLN-IS, Page 1, Line 6.
Column (a), Line 51, per Docket 4573, SLN-IS Revised, Page 1, Line 3.
Column (a), Line 59, per Docket 4573, SLN-IS Revised, Page 1, Line 9.
Column (a), Line 67, per Docket 4573, SLN-IS Revised, Page 1, Line 9.

Narragansett Electric Company
Base Rate / Fiscal Year Reconciling Components

| Line No. | Source | National Grid - RI Gas | | | | | | | | | | | | Mar-16 | 12 month End | |
|----------|---|------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|------------------|------------------|------------------|------------------|--------------|----------|
| | | Apr-15 | May-15 | Jun-15 | Jul-15 | Aug-15 | Sep-15 | Oct-15 | Nov-15 | Dec-15 | Jan-16 | Feb-16 | 31 | | | |
| 1 | AGT Factor - Base Rates | \$0.0084 | \$0.0084 | \$0.0084 | \$0.0084 | \$0.0084 | \$0.0084 | \$0.0084 | \$0.0084 | \$0.0084 | \$0.0084 | \$0.0084 | \$0.0084 | \$0.0084 | \$0.0084 | \$0.0084 |
| 2 | LIAP Factor - Base Rates | \$0.0500 | \$0.0500 | \$0.0500 | \$0.0500 | \$0.0500 | \$0.0500 | \$0.0500 | \$0.0500 | \$0.0500 | \$0.0500 | \$0.0500 | \$0.0500 | \$0.0500 | \$0.0500 | \$0.0500 |
| 3 | LIHEAP Factor - Base Rates | \$0.0444 | \$0.0444 | \$0.0444 | \$0.0444 | \$0.0444 | \$0.0444 | \$0.0444 | \$0.0444 | \$0.0444 | \$0.0444 | \$0.0444 | \$0.0444 | \$0.0444 | \$0.0444 | \$0.0444 |
| 4 | Low Income Weatherization Factor - Base Rates | \$0.0056 | \$0.0056 | \$0.0056 | \$0.0056 | \$0.0056 | \$0.0056 | \$0.0056 | \$0.0056 | \$0.0056 | \$0.0056 | \$0.0056 | \$0.0056 | \$0.0056 | \$0.0056 | \$0.0056 |
| 5 | Environmental - Base Rates | \$0.0367 | \$0.0367 | \$0.0367 | \$0.0367 | \$0.0367 | \$0.0367 | \$0.0367 | \$0.0367 | \$0.0367 | \$0.0367 | \$0.0367 | \$0.0367 | \$0.0367 | \$0.0367 | \$0.0367 |
| 6 | RI Firm Forecasted Throughput (dth) Feb 13 - Jan 14 (Rate Year) | 3,826,443 | 2,321,424 | 1,505,558 | 1,230,159 | 1,063,069 | 1,175,941 | 1,391,267 | 2,407,560 | 4,054,661 | 5,577,080 | 5,765,550 | 5,359,362 | 35,678,072 | | |
| 7 | RI Firm L-XL Forecasted Throughput (dth) | 992,288 | 720,015 | 553,276 | 530,577 | 477,149 | 548,615 | 587,911 | 770,135 | 1,063,665 | 1,163,568 | 1,264,681 | 1,195,353 | 9,867,232 | | |
| | Actual RI Firm L-XL Firm through-put (dth) | 1,351,331 | 644,643 | 555,273 | 593,821 | 637,806 | 637,432 | 623,587 | 947,355 | 1,136,071 | 1,223,013 | 1,624,951 | 1,289,333 | 8,713,370 | | |

AGT Recon. Adjustment - Base Rates L-XL

| Line No. | Description | Apr-15 | May-15 | Jun-15 | Jul-15 | Aug-15 | Sep-15 | Oct-15 | Nov-15 | Dec-15 | Jan-16 | Feb-16 | 31 | Target Collection L-XL |
|----------|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|------------------------|
| 8 | AGT Recon. Acct Beg. Balance Under/(Over) Recovery | \$0 | (\$3,021) | (\$2,388) | (\$2,406) | (\$2,940) | (\$4,293) | (\$5,042) | (\$5,345) | (\$6,839) | (\$7,452) | (\$7,957) | (\$10,993) | \$82,980 |
| 9 | Fest Firm Through-put L-XL | 992,288 | 720,015 | 553,276 | 530,577 | 477,149 | 548,615 | 587,911 | 770,135 | 1,063,665 | 1,163,568 | 1,264,681 | 1,195,353 | 9,867,232 |
| 10 | Fest L/XL AGT Collections | \$8,344 | \$6,054 | \$4,652 | \$4,461 | \$4,012 | \$4,613 | \$4,943 | \$6,476 | \$9,784 | \$10,634 | \$10,051 | \$10,051 | \$82,968 |
| 11 | Actual Firm Through-put L-XL | 1,351,331 | 644,643 | 555,273 | 593,821 | 637,806 | 637,432 | 623,587 | 947,355 | 1,136,071 | 1,223,013 | 1,624,951 | 1,289,333 | 11,264,617 |
| 12 | Actual AGT Collections | \$11,363 | \$3,420 | \$4,669 | \$4,993 | \$5,360 | \$5,243 | \$5,243 | \$7,966 | \$9,553 | \$10,284 | \$13,663 | \$10,841 | \$94,718 |
| 13 | Collection Variance | (\$3,019) | \$634 | (\$17) | (\$532) | (\$1,351) | (\$747) | (\$300) | (\$1,490) | (\$609) | (\$500) | (\$1,986) | (\$790) | |
| 14 | Ending Balance Under/(Over) Recovery | (\$3,019) | (\$2,387) | (\$2,405) | (\$2,938) | (\$4,291) | (\$5,040) | (\$5,342) | (\$6,835) | (\$7,448) | (\$7,952) | (\$10,986) | (\$11,783) | |
| 15 | Average Balance Under/(Over) Recovery | (\$1,510) | (\$1,193) | (\$1,202) | (\$1,469) | (\$2,145) | (\$2,520) | (\$2,671) | (\$3,418) | (\$3,724) | (\$3,976) | (\$5,493) | (\$5,891) | |
| 16 | Bk America Rate less 200 Basis Points | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.38% | 1.50% | 1.50% | 1.50% | |
| 17 | Interest Applied | (\$2) | (\$1) | (\$1) | (\$2) | (\$2) | (\$3) | (\$3) | (\$4) | (\$4) | (\$5) | (\$7) | (\$7) | (\$40) |
| 18 | AGT End Balance Under/(Over) Recovery | (\$3,021) | (\$2,388) | (\$2,406) | (\$2,940) | (\$4,293) | (\$5,042) | (\$5,345) | (\$6,839) | (\$7,452) | (\$7,957) | (\$10,993) | (\$11,790) | (\$11,790) |

LIAP Recon. Adjustment - Base Rates L-XL

| Line No. | Description | Apr-15 | May-15 | Jun-15 | Jul-15 | Aug-15 | Sep-15 | Oct-15 | Nov-15 | Dec-15 | Jan-16 | Feb-16 | 31 | Target Collection L-XL |
|----------|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------------------|
| 19 | LIAP Recon. Acct Beg. Balance Under/(Over) Recovery | \$0 | (\$17,972) | (\$14,218) | (\$14,333) | (\$17,515) | (\$25,576) | (\$30,047) | (\$31,865) | (\$40,769) | (\$44,441) | (\$47,473) | (\$70,354) | \$493,731 |
| 20 | Fest Firm Through-put L-XL | 992,288 | 720,015 | 553,276 | 530,577 | 477,149 | 548,615 | 587,911 | 770,135 | 1,063,665 | 1,163,568 | 1,264,681 | 1,195,353 | 9,867,232 |
| 21 | Fest LIAP Collections | \$49,645 | \$36,023 | \$27,681 | \$26,545 | \$23,872 | \$27,448 | \$29,414 | \$38,530 | \$53,216 | \$58,214 | \$63,273 | \$59,804 | \$493,665 |
| 22 | Actual Firm Through-put L-XL | 1,351,331 | 644,643 | 555,273 | 593,821 | 637,806 | 637,432 | 623,587 | 947,355 | 1,136,071 | 1,223,013 | 1,624,951 | 1,289,333 | 11,264,617 |
| 23 | Actual LIAP Collections No EE | \$60,033 | \$28,638 | \$24,668 | \$26,381 | \$28,335 | \$28,318 | \$27,703 | \$42,086 | \$50,470 | \$54,332 | \$72,189 | \$57,279 | \$500,432 |
| 24 | Actual LIAP Collections EE Only | \$7,575 | \$3,614 | \$3,113 | \$3,329 | \$3,575 | \$3,573 | \$3,496 | \$5,311 | \$6,368 | \$6,856 | \$9,109 | \$7,228 | \$63,147 |
| 25 | Collection Variance | (\$17,963) | \$3,771 | (\$100) | (\$3,165) | (\$8,038) | (\$4,443) | (\$1,785) | (\$8,867) | (\$3,622) | (\$2,974) | (\$18,025) | (\$4,703) | |
| 26 | Ending Balance Under/(Over) Recovery | (\$17,963) | (\$14,201) | (\$14,318) | (\$17,498) | (\$25,553) | (\$30,019) | (\$31,832) | (\$40,732) | (\$44,391) | (\$47,415) | (\$65,498) | (\$70,268) | |
| 27 | Average Balance Under/(Over) Recovery | (\$8,982) | (\$6,087) | (\$6,268) | (\$6,915) | (\$12,534) | (\$15,259) | (\$15,939) | (\$20,381) | (\$22,370) | (\$23,708) | (\$32,744) | (\$35,134) | |
| 28 | Bk America Rate less 200 Basis Points | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.38% | 1.50% | 1.50% | 1.50% | |
| 29 | Interest Applied | (\$9) | (\$7) | (\$15) | (\$17) | (\$28) | (\$28) | (\$33) | (\$37) | (\$50) | (\$58) | (\$67) | (\$86) | (\$440) |
| 30 | LIAP End Balance Under/(Over) Recovery | (\$17,972) | (\$14,218) | (\$14,333) | (\$17,515) | (\$25,576) | (\$30,047) | (\$31,865) | (\$40,769) | (\$44,441) | (\$47,473) | (\$65,565) | (\$70,354) | (\$70,354) |

Environmental Recon. Adjust - Base Rates L-XL

| Line No. | Description | Apr-15 | May-15 | Jun-15 | Jul-15 | Aug-15 | Sep-15 | Oct-15 | Nov-15 | Dec-15 | Jan-16 | Feb-16 | 31 | Target Collection L-XL |
|----------|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------------------|
| 31 | Environmental Recon. Acct Beg. Balance Under/(Over) Recovery | \$0 | (\$13,190) | (\$10,435) | (\$10,519) | (\$12,853) | (\$18,768) | (\$22,050) | (\$23,384) | (\$29,918) | (\$32,613) | (\$34,839) | (\$48,116) | \$362,346 |
| 32 | Fest Firm Through-put L-XL | 992,288 | 720,015 | 553,276 | 530,577 | 477,149 | 548,615 | 587,911 | 770,135 | 1,063,665 | 1,163,568 | 1,264,681 | 1,195,353 | 9,867,232 |
| 33 | Fest Environmental Collections | \$36,434 | \$26,437 | \$20,315 | \$19,481 | \$17,520 | \$20,144 | \$21,586 | \$28,277 | \$39,055 | \$42,723 | \$46,436 | \$43,890 | \$362,298 |
| 34 | Actual Firm Through-put L-XL | 1,351,331 | 644,643 | 555,273 | 593,821 | 637,806 | 637,432 | 623,587 | 947,355 | 1,136,071 | 1,223,013 | 1,624,951 | 1,289,333 | 11,264,617 |
| 35 | Actual Environmental Collections | \$13,183 | \$2,767 | (\$73) | (\$2,322) | (\$5,898) | (\$3,261) | (\$1,310) | (\$6,507) | (\$2,658) | (\$2,183) | (\$13,228) | (\$3,451) | \$413,605 |
| 36 | Collection Variance | (\$13,183) | (\$10,423) | (\$10,508) | (\$12,841) | (\$18,751) | (\$22,029) | (\$23,360) | (\$29,891) | (\$32,576) | (\$34,796) | (\$48,067) | (\$51,567) | |
| 37 | Ending Environmental Balance Under/(Over) Recovery | (\$6,592) | (\$11,806) | (\$10,472) | (\$12,680) | (\$18,802) | (\$20,399) | (\$22,704) | (\$33,704) | (\$31,247) | (\$33,704) | (\$41,453) | (\$49,841) | |
| 38 | Average Balance Under/(Over) Recovery | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.38% | 1.50% | 1.50% | 1.50% | |
| 39 | Bk America Rate less 200 Basis Points | (\$7) | (\$12) | (\$11) | (\$12) | (\$17) | (\$21) | (\$24) | (\$27) | (\$36) | (\$43) | (\$49) | (\$63) | (\$323) |
| 40 | Interest Applied | (\$13,190) | (\$10,435) | (\$10,519) | (\$12,853) | (\$18,768) | (\$22,050) | (\$23,384) | (\$29,918) | (\$32,613) | (\$34,839) | (\$48,116) | (\$51,630) | (\$51,630) |

**National Grid - RI Gas
RDA Reconciliation**

| Line No. | Nov-15 Actual (a) | Dec-15 Actual (b) | Jan-16 Actual (c) | Feb-16 Actual (d) | Mar-16 Actual (e) | Apr-16 Actual (f) | May-16 Actual (g) | Jun-16 Actual (h) | Jul-16 Forecast (i) | Aug-16 Forecast (j) | Sep-16 Forecast (k) | Oct-16 Forecast (l) | Total (m) |
|----------|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|---------------------------|---------------------------|---------------------------|---------------------------|----------------------|
| 1 | | | | | | | | | | | | | |
| 2 | 38,408 | 62,658 | 78,888 | 92,769 | 69,854 | 62,960 | 41,123 | 29,766 | 24,471 | 22,307 | 24,221 | 28,799 | 576,223 |
| 3 | 988,175 | 1,951,930 | 2,536,996 | 3,133,546 | 2,710,788 | 1,930,631 | 1,162,655 | 629,482 | 425,245 | 352,061 | 402,675 | 561,110 | 16,785,392 |
| 4 | 106,549 | 241,297 | 328,813 | 440,658 | 376,259 | 245,627 | 129,552 | 71,339 | 59,708 | 45,820 | 48,939 | 71,448 | 2,166,010 |
| 5 | 348,671 | 568,689 | 710,649 | 902,877 | 764,825 | 558,619 | 369,646 | 211,771 | 202,482 | 178,069 | 180,123 | 246,393 | 5,242,814 |
| 6 | 1,481,803 | 2,824,574 | 3,655,345 | 4,569,851 | 3,921,725 | 2,797,837 | 1,702,976 | 942,458 | 711,905 | 598,258 | 655,958 | 907,750 | 24,770,440 |
| 7 | RDM Acct Beg. Balance | | | | | | | | | | | | |
| 8 | Actual RDM Revenue | (\$13,672,833) | (\$12,292,617) | (\$10,481,206) | (\$8,206,966) | (\$6,250,652) | (\$4,854,371) | (\$3,956,912) | (\$3,492,704) | (\$3,140,962) | (\$2,845,634) | (\$2,520,952) | (\$195,639) |
| 9 | Ending RDM Balance Under/(Over) Recovery | (\$13,658,517) | (\$12,277,505) | (\$10,466,448) | (\$8,195,867) | (\$6,241,473) | (\$4,847,548) | (\$3,951,318) | (\$3,136,751) | (\$2,841,834) | (\$2,517,655) | (\$2,067,077) | (\$1,077,817) |
| 10 | Average Monthly Balance | (\$13,972,182) | (\$12,975,169) | (\$11,379,682) | (\$9,338,536) | (\$7,224,220) | (\$5,349,100) | (\$3,722,519) | (\$3,314,227) | (\$2,991,398) | (\$2,681,645) | (\$2,294,014) | (\$1,231,235) |
| 11 | Bk America Rate less 200 Basis Points | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 12 | Interest Applied | (\$14,316) | (\$15,111) | (\$14,458) | (\$11,099) | (\$9,178) | (\$5,594) | (\$4,577) | (\$4,211) | (\$3,801) | (\$3,297) | (\$2,915) | (\$195,639) |
| 13 | RDM Recon End Balance Under/(Over) Recovery | (\$13,672,833) | (\$12,292,617) | (\$10,481,206) | (\$8,206,966) | (\$6,250,652) | (\$4,854,371) | (\$3,956,912) | (\$3,140,962) | (\$2,845,634) | (\$2,520,952) | (\$2,069,991) | (\$1,077,817) |
| 14 | RDM Revenue per rate class | | | | | | | | | | | | |
| 15 | Res-NH | (\$16,260) | (\$30,953) | (\$39,405) | (\$46,393) | (\$35,009) | (\$21,807) | (\$14,806) | (\$12,235) | (\$11,154) | (\$12,110) | (\$14,400) | (\$286,106) |
| 16 | Res-H | (\$418,350) | (\$964,245) | (\$1,267,246) | (\$1,567,057) | (\$1,358,594) | (\$616,532) | (\$313,158) | (\$212,622) | (\$176,030) | (\$201,337) | (\$280,555) | (\$8,343,930) |
| 17 | Small | (\$45,108) | (\$119,200) | (\$164,244) | (\$220,369) | (\$188,574) | (\$68,699) | (\$35,485) | (\$29,854) | (\$22,910) | (\$24,470) | (\$35,724) | (\$1,077,817) |
| 18 | Medium | (\$147,612) | (\$280,930) | (\$354,974) | (\$451,520) | (\$383,315) | (\$196,016) | (\$105,336) | (\$101,241) | (\$89,035) | (\$90,062) | (\$123,197) | (\$2,603,382) |
| 19 | Total | (\$627,330) | (\$1,395,328) | (\$1,825,869) | (\$2,285,339) | (\$1,965,492) | (\$903,053) | (\$468,785) | (\$355,953) | (\$299,129) | (\$327,979) | (\$453,875) | (\$12,311,235) |
| 20 | RDM Recon Adjustment | | | | | | | | | | | | |
| 21 | RDM Recon Acct Beg. Balance Under/(Over) Recovery | \$384,480 | \$395,525 | \$359,687 | \$312,641 | \$253,559 | \$166,492 | \$143,209 | \$131,189 | \$122,095 | \$114,468 | \$106,077 | \$384,480 |
| 22 | Actual RDM Recon Revenue | (\$10,646) | \$36,278 | \$47,472 | \$59,419 | \$51,102 | \$23,480 | \$12,188 | \$9,255 | \$7,777 | \$8,527 | \$11,801 | \$293,134 |
| 23 | Ending RDM Recon Balance Under/(Over) Recovery | \$395,126 | \$359,247 | \$312,215 | \$253,222 | \$202,457 | \$143,012 | \$131,021 | \$121,934 | \$114,318 | \$105,941 | \$94,276 | \$91,346 |
| 24 | Average Monthly Balance Under/(Over) Recovery | \$389,805 | \$377,386 | \$335,951 | \$282,932 | \$228,008 | \$154,752 | \$137,115 | \$126,562 | \$118,207 | \$110,206 | \$100,176 | \$100,176 |
| 25 | Bk America Rate less 200 Basis Points | 1.25% | 1.38% | 1.50% | 1.80% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% |
| 26 | Interest Applied | \$399 | \$440 | \$427 | \$336 | \$290 | \$197 | \$169 | \$161 | \$150 | \$135 | \$127 | \$3,057 |
| 27 | RDM Recon Adjustment End Balance Under/(Over) Recovery | \$395,525 | \$359,687 | \$312,641 | \$253,559 | \$202,746 | \$143,209 | \$131,189 | \$122,095 | \$114,468 | \$106,077 | \$94,403 | \$94,403 |
| 28 | RDM Recon and Recon Adj End Balance Under/(Over) Recovery | | | | | | | | | | | | (\$1,975,588) |

6 Sum Lines (2) through (5).
7 (a) Beginning balance, Docket 4573, Schedule SLN-1S, Line 13 + monthly interest calculated from April - October at Bk America rate less 200 basis points.
19 Sum Lines (14) through (18).
21 (a) Beginning balance, Docket 4573, SLN-1S, Line 14.
28 Line 13 + Line 27.

**National Grid – RI Gas
ISR Reconciliation for FY 15**

| Line No. | | Nov-15 30 Actual (a) | Dec-15 31 Actual (b) | Jan-16 31 Actual (c) | Feb-16 29 Actual (d) | Mar-16 31 Actual (e) | Apr-16 30 Actual (f) | May-16 31 Actual (g) | Jun-16 30 Actual (h) | Jul-16 31 Forecast (i) | Aug-16 31 Forecast (j) | Sep-16 30 Forecast (k) | Oct-16 31 Forecast (l) | Total |
|----------|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|-------|
| 1 | ISR Res-NH Act Beg. Balance Under/(Over-Recovery) | \$233,598 | \$237,052 | \$215,710 | \$188,462 | \$156,285 | \$132,031 | \$110,141 | \$95,050 | \$84,827 | \$76,389 | \$68,696 | \$60,322 | |
| 2 | FY 2014 Recon | \$11,806 | | | | | | | | | | | | |
| 3 | Actual Res-NH Revenue | \$8,593 | \$21,605 | \$27,505 | \$32,382 | \$24,437 | \$22,039 | \$15,221 | \$10,334 | \$8,540 | \$7,785 | \$8,453 | \$10,051 | |
| 4 | Ending Res-NH Balance Under/(Over) Recovery | \$236,811 | \$215,447 | \$188,205 | \$156,080 | \$131,848 | \$109,992 | \$94,920 | \$84,716 | \$76,287 | \$68,604 | \$60,243 | \$50,271 | |
| 5 | Average Monthly Balance Under/(Over) Recovery | \$235,205 | \$226,249 | \$201,958 | \$172,271 | \$144,066 | \$121,012 | \$102,531 | \$89,883 | \$80,557 | \$72,496 | \$64,469 | \$55,296 | |
| 6 | Bk America Rate less 200 Basis Points | 1.25% | 1.38% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | |
| 7 | Interest Applied | \$241 | \$263 | \$257 | \$205 | \$183 | \$149 | \$130 | \$111 | \$102 | \$92 | \$79 | \$70 | |
| 8 | ISR Res-NH Recon End Balance Under/(Over) Recovery | \$237,052 | \$215,710 | \$188,462 | \$156,285 | \$132,031 | \$110,141 | \$95,050 | \$84,827 | \$76,389 | \$68,696 | \$60,322 | \$50,341 | |
| 9 | ISR Res-H Act Beg. Balance Under/(Over) Recovery | \$3,841,784 | \$3,705,313 | \$3,319,847 | \$2,811,772 | \$2,181,647 | \$1,635,198 | \$1,245,814 | \$998,160 | \$872,793 | \$787,948 | \$717,788 | \$637,280 | |
| 10 | FY 2014 Recon | (\$23,197) | | | | | | | | | | | | |
| 11 | Actual Res-H Revenue | \$117,138 | \$389,555 | \$511,967 | \$633,091 | \$548,872 | \$391,154 | \$249,078 | \$126,516 | \$85,899 | \$71,116 | \$81,340 | \$113,344 | |
| 12 | Ending Res-H Balance Under/(Over) Recovery | \$3,701,449 | \$3,315,758 | \$2,807,879 | \$2,178,681 | \$1,632,775 | \$1,244,044 | \$996,736 | \$871,644 | \$786,894 | \$716,832 | \$636,448 | \$523,936 | |
| 13 | Average Monthly Balance Under/(Over) Recovery | \$3,771,616 | \$3,510,536 | \$3,063,863 | \$2,495,227 | \$1,907,211 | \$1,439,621 | \$1,121,275 | \$934,902 | \$829,844 | \$752,390 | \$677,118 | \$580,608 | |
| 14 | Bk America Rate less 200 Basis Points | 1.25% | 1.38% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | |
| 15 | Interest Applied | \$3,864 | \$4,088 | \$3,893 | \$2,966 | \$2,423 | \$1,770 | \$1,425 | \$1,149 | \$1,054 | \$956 | \$833 | \$738 | |
| 16 | ISR Res-H Recon End Balance Under/(Over) Recovery | \$3,705,313 | \$3,319,847 | \$2,811,772 | \$2,181,647 | \$1,635,198 | \$1,245,814 | \$998,160 | \$872,793 | \$787,948 | \$717,788 | \$637,280 | \$524,674 | |
| 17 | ISR Small C&I Act Beg. Balance Under/(Over) Recovery | \$491,741 | \$474,188 | \$432,996 | \$376,024 | \$299,296 | \$233,634 | \$190,781 | \$166,963 | \$154,742 | \$144,483 | \$136,643 | \$128,241 | |
| 18 | FY 2014 Recon | (\$6,894) | | | | | | | | | | | | |
| 19 | Actual Small C&I Revenue | \$11,154 | \$41,720 | \$57,485 | \$77,129 | \$66,000 | \$43,114 | \$24,045 | \$12,419 | \$10,449 | \$8,019 | \$8,564 | \$12,503 | |
| 20 | Ending Small C&I Balance Under/(Over) Recovery | \$473,693 | \$432,468 | \$375,510 | \$298,895 | \$233,296 | \$190,520 | \$166,736 | \$154,544 | \$144,293 | \$136,464 | \$128,078 | \$115,738 | |
| 21 | Average Monthly Balance Under/(Over) Recovery | \$482,717 | \$453,328 | \$404,253 | \$337,459 | \$266,296 | \$212,077 | \$178,759 | \$160,754 | \$149,517 | \$140,473 | \$132,360 | \$121,989 | |
| 22 | Bk America Rate less 200 Basis Points | 1.25% | 1.38% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | |
| 23 | Interest Applied | \$495 | \$528 | \$514 | \$401 | \$338 | \$261 | \$227 | \$198 | \$190 | \$178 | \$163 | \$155 | |
| 24 | ISR Small C&I Recon End Balance Under/(Over) Recovery | \$474,188 | \$432,996 | \$376,024 | \$299,296 | \$233,634 | \$190,781 | \$166,963 | \$154,742 | \$144,483 | \$136,643 | \$128,241 | \$115,892 | |
| 25 | ISR Medium Act Beg. Balance Under/(Over) Recovery | \$816,134 | \$773,103 | \$702,044 | \$612,005 | \$497,074 | \$399,514 | \$328,245 | \$278,449 | \$251,809 | \$226,194 | \$203,674 | \$180,855 | |
| 26 | FY 2014 Recon | (\$16,649) | | | | | | | | | | | | |
| 27 | Actual Medium Revenue | \$27,196 | \$71,918 | \$90,873 | \$115,589 | \$98,129 | \$71,717 | \$50,180 | \$26,966 | \$25,918 | \$22,793 | \$23,056 | \$31,538 | |
| 28 | Ending Medium Balance Under/(Over) Recovery | \$772,289 | \$701,185 | \$611,170 | \$496,416 | \$398,945 | \$327,797 | \$278,064 | \$251,483 | \$225,891 | \$203,402 | \$180,619 | \$149,317 | |
| 29 | Average Monthly Balance Under/(Over) Recovery | \$794,212 | \$737,144 | \$656,607 | \$554,210 | \$448,010 | \$363,656 | \$303,154 | \$264,966 | \$238,850 | \$214,798 | \$192,147 | \$165,086 | |
| 30 | Bk America Rate less 200 Basis Points | 1.25% | 1.38% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | |
| 31 | Interest Applied | \$814 | \$858 | \$834 | \$659 | \$569 | \$447 | \$385 | \$326 | \$303 | \$273 | \$236 | \$210 | |
| 32 | ISR Medium Recon End Balance Under/(Over) Recovery | \$773,103 | \$702,044 | \$612,005 | \$497,074 | \$399,514 | \$328,245 | \$278,449 | \$251,809 | \$226,194 | \$203,674 | \$180,855 | \$149,526 | |

**National Grid - RI Gas
ISR Reconciliation for FY 15**

| Line No. | Nov-15 30 Actual (a) | Dec-15 31 Actual (b) | Jan-16 31 Actual (c) | Feb-16 29 Actual (d) | Mar-16 31 Actual (e) | Apr-16 30 Actual (f) | May-16 31 Actual (g) | Jun-16 30 Actual (h) | Jul-16 31 Forecast (i) | Aug-16 31 Forecast (j) | Sep-16 30 Forecast (k) | Oct-16 31 Forecast (l) | Total |
|----------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|-------|
| 33 | | | | | | | | | | | | | |
| 34 | | | | | | | | | | | | | |
| 35 | | | | | | | | | | | | | |
| 36 | | | | | | | | | | | | | |
| 37 | | | | | | | | | | | | | |
| 38 | | | | | | | | | | | | | |
| 39 | | | | | | | | | | | | | |
| 40 | | | | | | | | | | | | | |
| 41 | | | | | | | | | | | | | |
| 42 | | | | | | | | | | | | | |
| 43 | | | | | | | | | | | | | |
| 44 | | | | | | | | | | | | | |
| 45 | | | | | | | | | | | | | |
| 46 | | | | | | | | | | | | | |
| 47 | | | | | | | | | | | | | |
| 48 | | | | | | | | | | | | | |
| 49 | | | | | | | | | | | | | |
| 50 | | | | | | | | | | | | | |
| 51 | | | | | | | | | | | | | |
| 52 | | | | | | | | | | | | | |
| 53 | | | | | | | | | | | | | |
| 54 | | | | | | | | | | | | | |
| 55 | | | | | | | | | | | | | |
| 56 | | | | | | | | | | | | | |
| 57 | | | | | | | | | | | | | |
| 58 | | | | | | | | | | | | | |
| 59 | | | | | | | | | | | | | |
| 60 | | | | | | | | | | | | | |
| 61 | | | | | | | | | | | | | |
| 62 | | | | | | | | | | | | | |
| 63 | | | | | | | | | | | | | |
| 64 | | | | | | | | | | | | | |

Approved Amount to be Recovered¹
Under/(Over) Recovery

\$6,117,283
\$924,882

¹Docket 4573, SLN-8C, Page 1 of 2

**National Grid - RI Gas
Non-Base Rate / Gas Year Reconciling Components**

October 31, 2015 Ending Deferred Balances

| Line No. | Description | Forecast ¹ | Actual | Variance |
|----------|--|-----------------------|------------------|-------------------|
| | | (a) | (b) | (c) = (b) - (a) |
| 1 | System Pressure | \$418,587 | \$427,955 | \$9,368 |
| 2 | Advanced Gas Technology | \$85,955 | \$79,712 | (\$6,244) |
| 3 | Environmental - DAC | (\$40,282) | (\$37,639) | \$2,643 |
| 4 | Previous Reconciliation Factor - Applicable to All | (\$195,082) | (\$185,954) | \$9,128 |
| 5 | Previous Reconciliation Factor - Large & Extra Large | \$16,556 | \$17,206 | \$650 |
| 6 | On-System Margin Credits | \$27,780 | \$28,500 | \$720 |
| 7 | Pension | (\$31,731) | (\$34,853) | (\$3,123) |
| 8 | PBOP | \$134,593 | \$125,224 | (\$9,368) |
| 9 | RDM | | | |
| 10 | RDA Reconciliation | \$359,338 | \$265,059 | (\$94,279) |
| 11 | RDM Recon Reconciliation | <u>\$25,142</u> | <u>\$17,310</u> | <u>(\$7,832)</u> |
| 12 | | \$384,480 | \$282,369 | (\$102,111) |
| 13 | ISR Recon | | | |
| 14 | Residential Non-Heating | \$11,806 | \$13,330 | \$1,524 |
| 15 | Residential Heating | (\$23,197) | (\$17,258) | \$5,939 |
| 16 | Small C&I | (\$6,894) | (\$6,316) | \$578 |
| 17 | Medium C&I | (\$16,649) | (\$15,500) | \$1,149 |
| 18 | Large Low Load C&I | (\$1,540) | \$700 | \$2,239 |
| 19 | Large High Load C&I | \$842 | (\$653) | (\$1,495) |
| 20 | Extra Large Low Load C&I | \$1,362 | \$1,509 | \$147 |
| 21 | Extra Large High Load C&I | <u>\$1,080</u> | <u>(\$54)</u> | <u>(\$1,133)</u> |
| 22 | | (\$33,190) | (\$24,243) | \$8,947 |
| 23 | | | | |
| | Total | <u>\$767,667</u> | <u>\$678,278</u> | <u>(\$89,389)</u> |

¹Docket 4573, SLN-10S, Pages 2-3, 5-7 filed on September 1, 2015.

- 2 See SLN-11, Page 1, Line 13
- 3 See SLN-11, Page 1, Line 24
- 4 See SLN-11, Page 2, Line 36
- 5 See SLN-11, Page 2, Line 48
- 6 See SLN-11, Page 2, Line 60
- 7 See SLN-11, Page 3, Line 72
- 8 See SLN-11, Page 3, Line 84
- 9 See SLN-11, Page 4, Lines 9 and 28
- 13 See SLN-11, Pages 5-8, Lines 2, 14, 26, 38, 50, 62, 74, 86
- 23 Net owed to Company, sum[Lines(1:8)] + Line 12 + Line 22

Schedule SLN-11
Reconciliations for FY 16

**National Grid - RI Gas
Non-Base Rate / Gas Year Reconciling Components (April 2015 - March 2016)**

| Line No. | System Pressure Recon Adjust. | Apr-15 | | May-15 | | Jun-15 | | Jul-15 | | Aug-15 | | Sep-15 | | Oct-15 | | Nov-15 | | Dec-15 | | Jan-16 | | Feb-16 | | Mar-16 | | |
|----------|---|-----------|-----|-----------|-----|-----------|-----|-----------|-----|-----------|-----|-----------|-----|-----------|-----|-----------|-----|-----------|-----|-----------|-----|-----------|-----|-----------|-----|-----------|
| | | Actual | (a) | Actual | (b) | Actual | (c) | Actual | (d) | Actual | (e) | Actual | (f) | Actual | (g) | Actual | (h) | Actual | (i) | Actual | (j) | Actual | (k) | Actual | (l) | |
| 1 | System Pressure Recon Adjust. | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | System Pressure Acct Beg. Balance Under/(Over) Recovery | \$134,864 | | \$52,546 | | \$60,591 | | \$131,100 | | \$205,410 | | \$281,864 | | \$357,702 | | \$0 | | \$41,158 | | \$20,572 | | \$124,161 | | \$355,869 | | \$91,054 |
| 3 | Actual Costs | \$206,480 | | \$124,066 | | \$124,066 | | \$124,066 | | \$124,066 | | \$124,066 | | \$124,066 | | \$135,874 | | \$124,161 | | \$124,161 | | \$180,321 | | \$229,250 | | \$126,032 |
| 4 | Ending Balance Under/(Over) Recovery | \$52,450 | | \$116,081 | | \$53,655 | | \$99,934 | | \$47,870 | | \$48,556 | | \$54,230 | | \$94,737 | | \$144,784 | | \$144,784 | | \$35,588 | | \$91,021 | | \$23,822 |
| 5 | Average Monthly Balance Under/(Over) Recovery | \$93,657 | | \$60,531 | | \$131,001 | | \$205,231 | | \$281,606 | | \$357,374 | | \$427,538 | | \$41,021 | | \$20,536 | | \$20,536 | | \$7,508 | | \$27,712 | | \$57,438 |
| 6 | Bk America Rate less 200 Basis Points | 1.25% | | 1.25% | | 1.25% | | 1.25% | | 1.25% | | 1.25% | | 1.25% | | 1.25% | | 1.38% | | 1.50% | | \$30,847 | | \$1,500 | | \$1,500 |
| 7 | Interest Applied | \$96 | | \$60 | | \$98 | | \$179 | | \$259 | | \$328 | | \$417 | | \$21 | | \$36 | | \$36 | | \$10 | | \$33 | | \$73 |
| 8 | Sys Pressure End Balance Under/(Over) Recovery | \$52,546 | | \$60,591 | | \$131,100 | | \$205,410 | | \$281,864 | | \$357,702 | | \$427,955 | | \$41,158 | | \$20,572 | | \$20,572 | | \$35,598 | | \$91,054 | | \$23,895 |
| 9 | Advanced Gas Technology | | | | | | | | | | | | | | | | | | | | | | | | | |
| 10 | AGT Acct Beg. Balance Under/(Over) Recovery | | | | | | | | | | | | | | | | | | | | | | | | | |
| 11 | Transfer to 2015-2016 Recon Factor | | | | | | | | | | | | | | | | | | | | | | | | | |
| 12 | AGT DAC True-up | | | | | | | | | | | | | | | | | | | | | | | | | |
| 13 | Subtotal | | | | | | | | | | | | | | | | | | | | | | | | | |
| 14 | Actual AGT Revenue | | | | | | | | | | | | | | | | | | | | | | | | | |
| 15 | Ending AGT Balance Under/(Over) Recovery | | | | | | | | | | | | | | | | | | | | | | | | | |
| 16 | Average Monthly Balance Under/(Over) Recovery | | | | | | | | | | | | | | | | | | | | | | | | | |
| 17 | Bk America Rate less 200 Basis Points | | | | | | | | | | | | | | | | | | | | | | | | | |
| 18 | Interest Applied | | | | | | | | | | | | | | | | | | | | | | | | | |
| 19 | AGT End Balance Under/(Over) Recovery | | | | | | | | | | | | | | | | | | | | | | | | | |
| 20 | Environmental Recon. Adjust - DAC | | | | | | | | | | | | | | | | | | | | | | | | | |
| 21 | Environmental Acct Beg. Balance Under/(Over) Recovery | | | | | | | | | | | | | | | | | | | | | | | | | |
| 22 | Transfer to 2015-2016 Recon Factor | | | | | | | | | | | | | | | | | | | | | | | | | |
| 23 | Environmental DAC True-up | | | | | | | | | | | | | | | | | | | | | | | | | |
| 24 | Subtotal | | | | | | | | | | | | | | | | | | | | | | | | | |
| 25 | Actual Environmental Revenue | | | | | | | | | | | | | | | | | | | | | | | | | |
| 26 | Ending Environmental Balance Under/(Over) Recovery | | | | | | | | | | | | | | | | | | | | | | | | | |
| 27 | Average Monthly Balance Under/(Over) Recovery | | | | | | | | | | | | | | | | | | | | | | | | | |
| 28 | Bk America Rate less 200 Basis Points | | | | | | | | | | | | | | | | | | | | | | | | | |
| 29 | Interest Applied | | | | | | | | | | | | | | | | | | | | | | | | | |
| 30 | Environmental Recon End Balance Under/(Over) Recovery | | | | | | | | | | | | | | | | | | | | | | | | | |
| 31 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 32 | | | | | | | | | | | | | | | | | | | | | | | | | | |

12 Docket 4573, SLN-10S, Page 1, Ln 2
13 SLN-10, Page 8, Ln 2
14 Col (b): Sum Lines (1:1:3)
23 Docket 4573, SLN-10S, Page 1, Ln 3
24 SLN-10, Page 8, Ln 3
25 Col (b) per Docket 4573, SLN-IS, Pg 1, Ln 4
26 Col (b): Sum Lines(22:25)

National Grid - RI Gas
Non-Base Rate / Gas Year Reconciling Components (April 2015 - March 2016)

| | Apr-15 | May-15 | Jun-15 | Jul-15 | Aug-15 | Sep-15 | Oct-15 | Nov-15 | Dec-15 | Jan-16 | Feb-16 | Mar-16 |
|---|------------|------------|------------|------------|------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 30 | 31 | 30 | 31 | 31 | 30 | 31 | 30 | 31 | 31 | 29 | 31 |
| | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual |
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) | (k) | (l) |
| 33 Reconciliation Factor (Applicable to all) - DAC | | | | | | | | | | | | |
| 34 Recon Factor Acct Beg. Balance Under/(Over) Recovery | \$375,979 | \$175,077 | \$62,098 | \$9,855 | (\$38,813) | (\$85,521) | (\$132,944) | (\$185,954) | \$292,268 | \$261,285 | \$222,605 | \$173,273 |
| 35 Transfer to 2015-2016 Recon Factor | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$195,082 | \$0 | \$0 | \$0 | \$0 |
| 36 Reconciliation (All) DAC True-up | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | (\$9,128) | \$0 | \$0 | \$0 | \$0 |
| 37 Reconciliation (All) Factor Balance Under/(Over) Recovery | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$349,281 | \$0 | \$0 | \$0 | \$0 |
| 38 Subtotal | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$349,281 | \$0 | \$0 | \$0 | \$0 |
| 39 Actual Recon Revenue | \$201,185 | \$113,105 | \$52,280 | \$48,653 | \$46,642 | \$47,311 | \$52,840 | \$57,341 | \$31,305 | \$38,988 | \$49,567 | \$41,786 |
| 40 Ending Recon Balance Under/(Over) Recovery | \$174,794 | \$61,972 | \$9,818 | (\$38,798) | (\$85,455) | (\$132,832) | (\$185,784) | \$291,940 | \$260,963 | \$222,297 | \$173,038 | \$131,487 |
| 41 Average Monthly Balance Under/(Over) Recovery | \$275,387 | \$118,525 | \$35,958 | (\$14,471) | (\$62,134) | (\$109,177) | (\$159,364) | \$320,610 | \$276,616 | \$241,791 | \$197,821 | \$152,380 |
| 42 Bk America Rate less 200 Basis Points | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.38% | 1.50% | 1.50% | 1.50% |
| 43 Interest Applied | \$283 | \$126 | \$37 | (\$15) | (\$66) | (\$112) | (\$169) | \$328 | \$322 | \$307 | \$235 | \$194 |
| 44 Reconciliation End Balance Under/(Over) Recovery | \$175,077 | \$62,098 | \$9,855 | (\$38,813) | (\$85,521) | (\$132,944) | (\$185,954) | \$292,268 | \$261,285 | \$222,605 | \$173,273 | \$131,680 |
| 45 Reconciliation Factor (L & XL) - DAC | | | | | | | | | | | | |
| 46 Recon Factor Acct Beg. Balance Under/(Over) Recovery | (\$51,408) | (\$33,025) | (\$22,085) | (\$15,024) | (\$7,337) | \$828 | \$9,134 | \$17,206 | (\$166,194) | (\$149,541) | (\$131,393) | (\$107,156) |
| 47 Transfer to 2015-2016 Recon Factor | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | (\$16,556) | \$0 | \$0 | \$0 | \$0 |
| 48 Reconciliation (L & XL) DAC True-up | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | (\$650) | \$0 | \$0 | \$0 | \$0 |
| 49 Reconciliation (L & XL) Factor Balance Under/(Over) Recovery | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | (\$179,629) | \$0 | \$0 | \$0 | \$0 |
| 50 Subtotal | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | (\$179,629) | \$0 | \$0 | \$0 | \$0 |
| 51 Actual Recon Revenue (L & XL) | (\$18,426) | (\$10,969) | (\$7,080) | (\$7,699) | (\$8,169) | (\$8,301) | (\$8,058) | (\$13,612) | (\$16,836) | (\$18,327) | (\$24,378) | (\$19,386) |
| 52 Ending Recon Balance Under/(Over) Recovery | (\$32,982) | (\$22,056) | (\$15,005) | (\$7,325) | \$832 | \$9,129 | \$17,192 | (\$166,017) | (\$149,358) | (\$131,214) | (\$107,015) | (\$87,770) |
| 53 Average Monthly Balance Under/(Over) Recovery | (\$42,195) | (\$27,541) | (\$18,545) | (\$11,175) | (\$3,253) | \$4,979 | \$13,163 | (\$172,823) | (\$157,776) | (\$140,378) | (\$119,204) | (\$97,463) |
| 54 Bk America Rate less 200 Basis Points | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.38% | 1.50% | 1.50% | 1.50% |
| 55 Interest Applied | (\$43) | (\$29) | (\$19) | (\$12) | (\$3) | \$5 | \$14 | (\$177) | (\$184) | (\$178) | (\$142) | (\$124) |
| 56 Reconciliation End Balance Under/(Over) Recovery | (\$33,025) | (\$22,085) | (\$15,024) | (\$7,337) | \$828 | \$9,134 | \$17,206 | (\$166,194) | (\$149,541) | (\$131,393) | (\$107,156) | (\$87,894) |
| 57 On-system Credits Recon. Adjust. - DAC | | | | | | | | | | | | |
| 58 On-system Credit Acct Beg. Balance Under/(Over) Recovery | \$72,548 | \$56,732 | \$47,857 | \$43,777 | \$39,981 | \$36,339 | \$32,640 | \$28,500 | \$125,839 | \$114,239 | \$99,754 | \$81,275 |
| 59 Transfer to 2015-2016 Recon Factor | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | (\$27,780) | \$0 | \$0 | \$0 | \$0 |
| 60 On-system DAC True-up | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | (\$720) | \$0 | \$0 | \$0 | \$0 |
| 61 On-system Credit Cost | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$133,185 | \$0 | \$0 | \$0 | \$0 |
| 62 Subtotal | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$133,185 | \$0 | \$0 | \$0 | \$0 |
| 63 Actual On-system Revenue | \$15,883 | \$8,930 | \$4,127 | \$3,841 | \$3,682 | \$3,735 | \$4,172 | \$7,479 | \$11,739 | \$14,621 | \$18,587 | \$15,670 |
| 64 Ending On-system Balance Under/(Over) Recovery | \$56,665 | \$47,802 | \$43,730 | \$39,936 | \$36,299 | \$32,604 | \$28,468 | \$25,706 | \$114,100 | \$99,618 | \$81,167 | \$65,605 |
| 65 Average Monthly Balance Under/(Over) Recovery | \$64,607 | \$52,267 | \$45,794 | \$41,857 | \$38,140 | \$34,472 | \$30,554 | \$129,445 | \$119,969 | \$106,929 | \$90,461 | \$73,440 |
| 66 Bk America Rate less 200 Basis Points | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.38% | 1.50% | 1.50% | 1.50% |
| 67 Interest Applied | \$66 | \$55 | \$47 | \$44 | \$40 | \$35 | \$32 | \$133 | \$140 | \$136 | \$108 | \$93 |
| 68 On-system Credit End Balance Under/(Over) Recovery | \$56,732 | \$47,857 | \$43,777 | \$39,981 | \$36,339 | \$32,640 | \$28,500 | \$125,839 | \$114,239 | \$99,754 | \$81,275 | \$65,698 |

35 Docket 4573, SLN-10S, Page 1, Ln 7
36 SLN-10, Page 8, Ln 4
37 Col (h) per Docket 4573, SLN-10S, Pg 1, Ln 11
38 Col (h): Sum Lines(34,37)
47 Docket 4573, SLN-10S, Page 1, Ln 24
48 SLN-10, Page 8, Ln 5
49 Col (h) per Docket 4573, SLN-10S, Pg 1, Ln 25
50 Col (h): Sum Lines(46,49)
59 Docket 4573, SLN-10S, Page 1, Ln 4
60 SLN-10, Page 8, Ln 6
61 Col (h) per Docket 4573, SLN-1S, Pg 1, Ln 6
62 Col (h): Sum Lines(58,61)

National Grid - RI Gas
Non-Base Rate / Gas Year Reconciling Components (April 2015 - March 2016)

| | Apr-15 | May-15 | Jun-15 | Jul-15 | Aug-15 | Sep-15 | Oct-15 | Nov-15 | Dec-15 | Jan-16 | Feb-16 | Mar-16 |
|---|-------------|-------------|-------------|-------------|------------|------------|------------|---------------|---------------|---------------|---------------|---------------|
| | 30 | 31 | 30 | 31 | 31 | 30 | 31 | 30 | 31 | 31 | 29 | 31 |
| | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual |
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) | (k) | (l) |
| Pension Adjustment | | | | | | | | | | | | |
| 69 Pen Acct Beg. Balance Under/(Over) Recovery | (\$226,374) | (\$157,745) | (\$119,197) | (\$101,426) | (\$84,881) | (\$69,006) | (\$52,884) | (\$34,853) | (\$1,377,864) | (\$1,242,431) | (\$1,073,327) | (\$857,617) |
| 70 Transfer to 2015-2016 Recon Factor | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 71 Pension DAC True-up | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 72 Pension Cost | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 73 Subtotal | (\$68,827) | (\$38,694) | (\$17,885) | (\$16,644) | (\$15,956) | (\$16,185) | (\$18,077) | (\$9,834) | (\$136,958) | (\$170,574) | (\$216,857) | (\$182,818) |
| 74 Actual Pension Revenue | (\$157,547) | (\$119,051) | (\$101,312) | (\$84,782) | (\$68,925) | (\$52,821) | (\$34,807) | (\$1,376,423) | (\$1,240,906) | (\$1,071,857) | (\$856,470) | (\$674,799) |
| 75 Ending Pension Balance Under/(Over) Recovery | (\$191,961) | (\$138,398) | (\$110,255) | (\$93,104) | (\$76,903) | (\$60,914) | (\$43,845) | (\$1,406,340) | (\$1,309,385) | (\$1,157,144) | (\$964,899) | (\$766,208) |
| 76 Bk America Rate less 200 Basis Points | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.38% | 1.50% | 1.50% | 1.50% |
| 77 Interest Applied | (\$197) | (\$147) | (\$113) | (\$99) | (\$82) | (\$63) | (\$47) | (\$1,441) | (\$1,325) | (\$1,470) | (\$1,147) | (\$973) |
| 78 Pension Adjustment End Balance Under/(Over) Recovery | (\$157,745) | (\$119,197) | (\$101,426) | (\$84,881) | (\$69,006) | (\$52,884) | (\$34,853) | (\$1,377,864) | (\$1,242,431) | (\$1,073,327) | (\$857,617) | (\$675,772) |
| PBOP Adjustment | | | | | | | | | | | | |
| 81 PBOP Acct Beg. Balance Under/(Over) Recovery | (\$451,018) | (\$244,895) | (\$129,012) | (\$75,462) | (\$25,582) | \$22,286 | \$70,890 | \$125,224 | (\$2,237,441) | (\$2,009,040) | (\$1,723,871) | (\$1,360,143) |
| 82 Transfer to 2015-2016 Recon Factor | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 83 PBOP DAC True-up | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 84 PBOP Cost | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 85 Subtotal | (\$206,480) | (\$116,081) | (\$53,655) | (\$49,934) | (\$47,870) | (\$48,556) | (\$54,230) | (\$122,161) | (\$230,872) | (\$287,539) | (\$365,559) | (\$308,178) |
| 86 Actual PBOP Revenue | (\$244,538) | (\$128,814) | (\$75,357) | (\$25,528) | \$22,288 | \$70,842 | \$125,120 | (\$2,335,088) | (\$2,006,569) | (\$1,721,501) | (\$1,358,312) | (\$1,051,965) |
| 87 Ending PBOP Balance Under/(Over) Recovery | (\$347,778) | (\$186,854) | (\$102,185) | (\$50,495) | (\$1,647) | \$46,564 | \$98,005 | (\$2,296,168) | (\$2,122,005) | (\$1,865,270) | (\$1,541,091) | (\$1,206,054) |
| 88 Bk America Rate less 200 Basis Points | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.38% | 1.50% | 1.50% | 1.50% |
| 89 Interest Applied | (\$357) | (\$198) | (\$105) | (\$54) | (\$2) | \$48 | \$104 | (\$2,353) | (\$2,471) | (\$2,370) | (\$1,832) | (\$1,532) |
| 90 PBOP Adjustment End Balance Under/(Over) Recovery | (\$244,895) | (\$129,012) | (\$75,462) | (\$25,582) | \$22,286 | \$70,890 | \$125,224 | (\$2,237,441) | (\$2,009,040) | (\$1,723,871) | (\$1,360,143) | (\$1,053,498) |
| Earnings Sharing Mechanism | | | | | | | | | | | | |
| 93 ESM Acct Beg. Balance Under/(Over) Recovery | | | | | | | | | | | | |
| 94 Actual ESM Revenue | | | | | | | | | | | | |
| 95 Ending ESM Balance Under/(Over) Recovery | | | | | | | | | | | | |
| 96 Average Monthly Balance Under/(Over) Recovery | | | | | | | | | | | | |
| 97 Bk America Rate less 200 Basis Points | | | | | | | | | | | | |
| 98 Interest Applied | | | | | | | | | | | | |
| 99 ESM Adjustment End Balance Under/(Over) Recovery | | | | | | | | | | | | |

71 Docket 4573, SLN-10S, Page 1, Ln 5
72 SLN-10, Page 8, Ln 7
73 Col (h) per Docket 4573, SLN-SS Revised, Pg 1, Ln 3
74 Col (h) per Docket 4573, SLN-SS Revised, Pg 1, Ln 6
75 Docket 4573, SLN-10S, Page 1, Ln 6
76 SLN-10, Page 8, Ln 8
77 Col (h) per Docket 4573, SLN-SS Revised, Pg 1, Ln 9
78 Col (h) per Docket 4573, SLN-SS Revised, Pg 1, Ln 9
79 Col (h) per Docket 4573, SLN-SS Revised, Pg 1, Ln 9

National Grid - RI Gas
ISR Reconciliation (April 2015 - March 2016)

| Line No. | Apr-15 30 Actual (a) | May-15 31 Actual (b) | Jun-15 30 Actual (c) | Jul-15 31 Actual (d) | Aug-15 31 Actual (e) | Sep-15 30 Actual (f) | Oct-15 31 Actual (g) | Nov-15 30 Actual (h) | Dec-15 31 Actual (i) | Jan-16 31 Actual (j) | Feb-16 29 Actual (k) | Mar-16 31 Actual (l) |
|----------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| 1 | \$37,271 | \$29,279 | \$23,911 | \$21,328 | \$19,214 | \$17,355 | \$15,504 | \$13,330 | \$237,052 | \$215,710 | \$188,462 | \$156,285 |
| 2 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | (\$1,524) | \$0 | \$0 | \$0 | \$0 |
| 3 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$11,806 | \$0 | \$0 | \$0 | \$0 |
| 4 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$231,893 | \$0 | \$0 | \$0 | \$0 |
| 5 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,705 | \$0 | \$0 | \$0 | \$0 |
| 6 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$233,598 | \$0 | \$0 | \$0 | \$0 |
| 7 | \$8,026 | \$5,396 | \$2,607 | \$2,135 | \$1,879 | \$1,867 | \$2,190 | \$8,593 | \$21,605 | \$27,505 | \$32,382 | \$24,437 |
| 8 | \$29,245 | \$23,883 | \$21,305 | \$19,193 | \$17,335 | \$15,488 | \$13,315 | \$236,811 | \$215,447 | \$188,205 | \$156,080 | \$131,848 |
| 9 | \$33,258 | \$26,581 | \$22,608 | \$20,260 | \$18,275 | \$16,421 | \$14,410 | \$235,205 | \$226,249 | \$201,958 | \$172,271 | \$144,066 |
| 10 | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.38% | 1.50% | 1.50% | 1.50% |
| 11 | \$34 | \$28 | \$23 | \$22 | \$19 | \$17 | \$15 | \$241 | \$263 | \$257 | \$205 | \$183 |
| 12 | \$29,279 | \$23,911 | \$21,328 | \$19,214 | \$17,355 | \$15,504 | \$13,330 | \$237,052 | \$215,710 | \$188,462 | \$156,285 | \$132,031 |
| 13 | \$167,940 | \$90,618 | \$48,381 | \$32,383 | \$19,370 | \$8,324 | (\$2,812) | (\$17,258) | \$3,705,313 | \$3,319,847 | \$2,811,772 | \$2,181,647 |
| 14 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | (\$5,939) | \$0 | \$0 | \$0 | \$0 |
| 15 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | (\$23,197) | \$0 | \$0 | \$0 | \$0 |
| 16 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$3,813,746 | \$0 | \$0 | \$0 | \$0 |
| 17 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$28,038 | \$0 | \$0 | \$0 | \$0 |
| 18 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$3,841,784 | \$0 | \$0 | \$0 | \$0 |
| 19 | \$77,454 | \$42,311 | \$16,040 | \$13,040 | \$11,061 | \$11,139 | \$14,436 | \$117,138 | \$389,555 | \$511,967 | \$633,091 | \$548,872 |
| 20 | \$90,486 | \$48,308 | \$32,341 | \$19,343 | \$8,310 | (\$2,815) | (\$17,248) | \$3,701,449 | \$3,315,758 | \$2,807,879 | \$2,178,681 | \$1,652,775 |
| 21 | \$129,213 | \$69,463 | \$40,361 | \$25,863 | \$13,840 | \$2,755 | (\$10,030) | \$3,771,616 | \$3,510,536 | \$3,063,863 | \$2,495,227 | \$1,907,211 |
| 22 | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.38% | 1.50% | 1.50% | 1.50% |
| 23 | \$133 | \$74 | \$41 | \$27 | \$15 | \$3 | (\$11) | \$3,864 | \$4,088 | \$3,893 | \$2,966 | \$2,423 |
| 24 | \$90,618 | \$48,381 | \$32,383 | \$19,370 | \$8,324 | (\$2,812) | (\$17,258) | \$3,705,313 | \$3,319,847 | \$2,811,772 | \$2,181,647 | \$1,655,198 |

- 2 SLN-10, Pg 8, Line 14
- 3 DKt 4573, SLN-8C, Pg 1, Line 10, Col (g)
- 4 DKt 4573, SLN-8C, Pg 1, Line 10, Col (f)
- 5 Apr15-Oct15 @ BOA Rate less 200 Basis Points
- 6 Line 4 + Line 5
- 14 SLN-10, Pg 8, Line 15
- 15 DKt 4573, SLN-8C, Pg 1, Line 11, Col (g)
- 16 DKt 4573, SLN-8C, Pg 1, Line 11, Col (f)
- 17 Apr15-Oct15 @ BOA Rate less 200 Basis Points
- 18 Line 16 + Line 17

National Grid - RI Gas
ISR Reconciliation (April 2015 - March 2016)

| Line No. | Apr-15 30 Actual (a) | May-15 31 Actual (b) | Jun-15 30 Actual (c) | Jul-15 31 Actual (d) | Aug-15 31 Actual (e) | Sep-15 30 Actual (f) | Oct-15 31 Actual (g) | Nov-15 30 Actual (h) | Dec-15 31 Actual (i) | Jan-16 31 Actual (j) | Feb-16 29 Actual (k) | Mar-16 31 Actual (l) |
|----------|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| 25 | | | | | | | | | | | | |
| 26 | \$16,438 | \$5,890 | \$984 | (\$743) | (\$2,164) | (\$3,452) | (\$4,745) | (\$6,316) | \$474,188 | \$432,996 | \$376,024 | \$299,296 |
| 27 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | (\$578) | \$0 | \$0 | \$0 | \$0 |
| 28 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | (\$6,894) | \$0 | \$0 | \$0 | \$0 |
| 29 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$488,152 | \$0 | \$0 | \$0 | \$0 |
| 30 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$491,741 | \$0 | \$0 | \$0 | \$0 |
| 31 | \$10,559 | \$4,910 | \$1,727 | \$1,419 | \$1,286 | \$1,288 | \$1,565 | \$1,154 | \$41,720 | \$57,485 | \$77,129 | \$66,000 |
| 32 | \$5,879 | \$980 | (\$743) | (\$2,162) | (\$3,449) | (\$4,741) | (\$6,310) | \$473,693 | \$432,468 | \$375,510 | \$298,895 | \$233,296 |
| 33 | \$11,158 | \$3,435 | \$120 | (\$1,453) | (\$2,807) | (\$4,096) | (\$5,528) | \$482,717 | \$453,328 | \$404,253 | \$337,459 | \$266,296 |
| 34 | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.38% | 1.50% | 1.50% | 1.50% |
| 35 | \$11 | \$4 | \$0 | (\$2) | (\$3) | (\$4) | (\$6) | \$495 | \$528 | \$514 | \$401 | \$338 |
| 36 | \$5,890 | \$984 | (\$743) | (\$2,164) | (\$3,452) | (\$4,745) | (\$6,316) | \$474,188 | \$432,996 | \$376,024 | \$299,296 | \$233,634 |
| 37 | | | | | | | | | | | | |
| 38 | \$33,633 | \$15,666 | \$5,061 | \$539 | (\$3,423) | (\$7,069) | (\$10,835) | (\$15,500) | \$773,103 | \$702,044 | \$612,005 | \$497,074 |
| 39 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | (\$1,149) | \$0 | \$0 | \$0 | \$0 |
| 40 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | (\$16,649) | \$0 | \$0 | \$0 | \$0 |
| 41 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$810,178 | \$0 | \$0 | \$0 | \$0 |
| 42 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$5,956 | \$0 | \$0 | \$0 | \$0 |
| 43 | \$17,992 | \$10,616 | \$4,525 | \$3,960 | \$3,641 | \$3,757 | \$4,651 | \$816,134 | \$71,918 | \$90,873 | \$115,589 | \$98,129 |
| 44 | \$15,640 | \$5,050 | \$536 | (\$3,421) | (\$7,063) | (\$10,826) | (\$15,486) | \$772,289 | \$701,185 | \$611,170 | \$496,416 | \$398,945 |
| 45 | \$24,637 | \$10,358 | \$2,799 | (\$1,441) | (\$5,243) | (\$8,948) | (\$13,161) | \$794,212 | \$737,144 | \$656,607 | \$554,210 | \$448,010 |
| 46 | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.38% | 1.50% | 1.50% | 1.50% |
| 47 | \$25 | \$11 | \$3 | (\$2) | (\$6) | (\$9) | (\$14) | \$814 | \$858 | \$834 | \$659 | \$569 |
| 48 | \$15,666 | \$5,061 | \$539 | (\$3,423) | (\$7,069) | (\$10,835) | (\$15,500) | \$773,103 | \$702,044 | \$612,005 | \$497,074 | \$399,514 |
| 26 | SLN-10, Pg 8, Line 16 | | | | | | | | | | | |
| 27 | DKt 4573, SLN-8C, Pg 1, Line 12, Col (g) | | | | | | | | | | | |
| 28 | DKt 4573, SLN-8C, Pg 1, Line 12, Col (f) | | | | | | | | | | | |
| 29 | April 5-Oct 15 @ BOA Rate less 200 Basis Points | | | | | | | | | | | |
| 30 | Line 28 + Line 29 | | | | | | | | | | | |
| 38 | SLN-10, Pg 8, Line 17 | | | | | | | | | | | |
| 39 | DKt 4573, SLN-8C, Pg 1, Line 13, Col (g) | | | | | | | | | | | |
| 40 | DKt 4573, SLN-8C, Pg 1, Line 13, Col (f) | | | | | | | | | | | |
| 41 | April 5-Oct 15 @ BOA Rate less 200 Basis Points | | | | | | | | | | | |
| 42 | Line 40 + Line 41 | | | | | | | | | | | |

Schedule SLN-12
Earnings Sharing Mechanism Factor

This page is intentionally left blank.

**Testimony of
William R. Richer**

DIRECT TESTIMONY

OF

WILLIAM R. RICHER

Table of Contents

I. Introduction and Qualifications..... 1

II. Purpose of Testimony 2

III. Pension and PBOP Expense Reconciliation..... 3

V. Conclusion 4

1 **I. Introduction and Qualifications**

2 **Q. Please state your full name and business address.**

3 A. My name is William R. Richer and my business address is 40 Sylvan Road, Waltham,
4 Massachusetts 02451.

5

6 **Q. By whom are you employed and in what position?**

7 A. I am the Director of Revenue Requirements, Rhode Island, for National Grid USA
8 Service Company, Inc. (Service Company). In this role, I provide services to the gas and
9 electric businesses of The Narragansett Electric Company (the Company).

10

11 **Q. Please describe your education and professional experience.**

12 A. In 1985, I earned a Bachelor of Science degree in Accounting from Northeastern
13 University. During my schooling, I interned at the public accounting firm, Pannell Kerr
14 Forster in Boston, Massachusetts, as a staff auditor and continued with this firm after my
15 graduation. In February 1986, I joined Price Waterhouse in Providence, Rhode Island,
16 where I worked as a staff auditor and senior auditor. During this time, I earned my
17 certified public accountants license in the State of Rhode Island. In June 1990, I joined
18 National Grid in the Service Company (then known as New England Power Service
19 Company, Inc.) as a supervisor of Plant Accounting. Since that time, I have held various
20 positions within the Service Company, including Manager of Financial Reporting,

21

1 Principal Rate Department Analyst, Manager of General Accounting, Director of
2 Accounting Services, and Assistant Controller.

3
4 **Q. Have you previously testified before the Rhode Island Public Utilities Commission?**

5 A. Yes. I have testified before the Rhode Island Public Utilities Commission (PUC) on
6 numerous occasions.

7
8 **II. Purpose of Testimony**

9 **Q. What is the purpose of your testimony in this proceeding?**

10 A. My testimony describes the origin of the Company's pension and postretirement benefits
11 other than pensions (PBOP) factor (PAF), and provides the calculation of the
12 reconciliation of pension and PBOP costs to the allowance for recovery in base
13 distribution rates as provided for in the Company's Pension Adjustment Mechanism
14 Provision, R.I.P.U.C. No. 101, Section 3, Schedule A, Item 3.6.

15
16 **Q. Are there any schedules to your testimony?**

17 A. Yes, I am sponsoring the following schedule:

- 18 • Schedule WRR-1 - Pension and Post-Retirement Benefits Other Than Pension
19 (PBOP) Expense Reconciliation

20

21

1 **III. Pension and PBOP Expense Reconciliation**

2 **Q. Generally, how does the reconciliation of pension and PBOP expense operate?**

3 A. In the Company's 2008 general rate case in Docket No. 3943 (2008 Rate Case), the PUC
4 approved the Company's proposal to reconcile its PBOP expenses against the allowance
5 in base rates and recover/refund any difference annually through the DAC. In accordance
6 with the Company's Tariff, RIPUC NG No. 101, Section 3, Schedule A, Item 3.6, the
7 pension adjustment factor (PAF) is designed to recover or refund the prior year's
8 reconciliation of the Company's actual pension and PBOP expenses to the Company's
9 pension and PBOP expenses included in base rates. The adjustment factor is based on this
10 difference.

11
12 In the 2012 Rate Case, the rate allowances for both pension and PBOP were established
13 at then-current levels.

14
15 The PAF is based on the difference between the Company's actual pension and PBOP
16 expense for the prior twelve month period ended March 31, 2016 and the allowance
17 included in base distribution rates. In addition, the Company will contribute to the
18 pension and PBOP plans at the "Minimum Funding Obligation" level. The Minimum
19 Funding Obligation level is equal to the amount billed to customers plus the amounts of
20 capitalized pension and PBOP costs. The amount billed to customers includes: (1) the
21 pension and PBOP allowance in base distribution rates, and (2) plus or minus the amount

1 billed or credited to customers through the PAF. If the Company does not fund its
2 pension and PBOP plans at the Minimum Funding Obligation level, the Company will
3 pay a carrying charge to customers at the weighted average cost of capital. This payment
4 would be applied to the cumulative five quarter average shortfall between the Minimum
5 Funding Obligation level and amounts the Company contributes to the pension and PBOP
6 plans, plus amounts paid to the Service Company for allocated pension and PBOP costs.
7

8 **Q. Has the Company performed this reconciliation for the period ending March 2016?**

9 A. Yes. This reconciliation is included as Schedule WRR-1.
10

11 **Q. What is the result of the Company's reconciliation?**

12 A. The Company's reconciliation indicates that it has over-recovered pension expense in the
13 amount of (\$93,635) and over-recovered PBOP expenses in the amount of (\$1,855,809)
14 for the twelve months ending March 2016. In addition, the pension liability was under-
15 funded during this time, resulting in a carrying charge of \$204,381. The PBOP liability
16 was over-funded during this time and has no carrying charge in this reconciliation.
17

18 **V. Conclusion**

19 **Q. Does this conclude your testimony?**

20 A. Yes.

**Narragansett Electric - Gas Operations
Pension Costs
12 Months Ended March 31, 2016**

| Line No. | | April 2015 thru March 2016 |
|-------------|--|-------------------------------|
| 1 | <u>Rate Allowance:</u> | |
| 2 | National Grid - RI Gas Pension Costs Allowance | \$4,702,324 |
| 3 | National Grid - Service Company Allocated Pension Costs Allowance | <u>\$2,977,528</u> |
| 4 | Total Pension Costs in Base Rates | \$7,679,852 |
| 5 | <u>Expense Reconciliation:</u> | |
| 6 | Current Year actual Pension Expense Direct | \$4,211,684 |
| 7 | Current Year actual Service Company Allocated Pension Expense | \$3,292,812 |
| 8 | Current Year actual Affiliated Allocated Pension Expense | <u>\$81,721</u> |
| 9 | Total Current Year Pension Expense Including Service Company-Allocated Expense | \$7,586,217 |
| 10 | Rate Allowance | \$7,679,852 |
| 11 | Current Year Pension Expense Reconciliation | (\$93,635) |
| 12 | Funding Carrying Charge | \$204,381 |

Line Notes:

- 2 Docket No. 4323 Attachment MDL-3-GAS page 36 of 65 Line 1 (e)
- 3 Docket No. 4323 Attachment MDL-3-GAS page 36 of 65 sum of Lines 2 (e) through 5 (e)
- 4 Line 2 plus Line 3
- 6-8 Per Company Books
- 9 Sum of Lines 6 through 8
- 10 Line 4
- 11 Line 9 minus Line 10
- 12 Page 3 of 4 Line 18 (f)

Narragansett Electric - Gas Operations
Post-Retirement Benefits Other Than Pension (PBOP) Costs
12 Months Ended March 31, 2016

| Line No. | | April 2015 thru March 2016 |
|-------------|---|-------------------------------|
| 1 | <u>Rate Allowance</u> | |
| 2 | National Grid - RI Gas PBOP Costs Allowance | \$2,470,365 |
| 3 | National Grid - Service Company Allocated PBOP Costs Allowance | 1,852,439 |
| 4 | Total PBOP Costs | <u>\$4,322,804</u> |
| 5 | <u>Expense Reconciliation</u> | |
| 6 | Current Year actual PBOP Expense Direct | \$1,206,849 |
| 7 | Current Year actual Service Company Allocated PBOP Expense | \$1,169,324 |
| 8 | Current Year actual Affiliated Allocated PBOP Expense | \$90,822 |
| 9 | Total Current Year PBOP Expense Including Service Company-Allocated Expense | <u>\$2,466,995</u> |
| 10 | Rate Allowance | \$4,322,804 |
| 11 | Current Year PBOP Expense Reconciliation | (\$1,855,809) |
| 12 | Total Funding Carrying Charge | \$0 |

Line Notes:

- 2 Docket No. 4323 Attachment MDL-3-GAS page 35 of 65 Line 1 (e)
- 3 Docket No. 4323 Attachment MDL-3-GAS page 35 of 65 sum of Lines 2 (e) thru 5 (e)
- 4 Line 2 plus Line 3
- 6-8 Per Company Books
- 9 Sum of Lines 6 through 8
- 10 Line 4
- 11 Line 9 minus Line 10
- 12 Page 4 of 4 Line 18 (f)

**Narragansett Electric - Gas Operations
Pension Funding Carrying Charges
12 Months Ended March 31, 2016**

| | (a) Dkt 4323 | (b) Mar-2015 | (c) Jun-2015 | (d) Sep-2015 | (e) Dec-2015 | (f) Mar-2016 |
|---|-----------------|-----------------------|-------------------------|-------------------------|-------------------------|-----------------------|
| Customer Funding | | | | | | |
| 1 Base Rate Recovery: | | | | | | |
| 2 Direct | \$4,702,324 | \$1,175,581 | \$1,175,581 | \$1,175,581 | \$1,175,581 | \$1,175,581 |
| 3 Servco | \$2,977,528 | \$744,382 | \$744,382 | \$744,382 | \$744,382 | \$744,382 |
| 4 PAM Surcharge Recovery: | | (\$39,978) | (39,978) | (39,978) | (\$182,099) | (\$253,160) |
| 5 Pension Capitalized Amount: | | | | | | |
| 6 Direct | | \$708,066 | \$1,279,117 | \$1,531,942 | \$1,614,286 | \$921,980 |
| 7 Servco/Other Affiliates | | \$290,571 | \$322,023 | \$406,539 | \$422,216 | \$382,367 |
| 8 Total Customer Funding: | | \$2,878,622 | \$3,481,125 | \$3,818,466 | \$3,774,366 | \$2,971,150 |
| 9 Company Contributions¹ | | | | | | |
| 10 Pension | | Jun-2015 9,138,750 | Sep-2015 \$1,138,750 | Dec-2015 \$1,138,750 | Mar-2016 \$1,138,750 | Jun-2016 1,422,000 |
| 11 Service Company Allocated Costs | | \$1,034,953 | \$1,066,405 | \$1,150,921 | \$1,166,598 | \$1,126,749 |
| 12 Total Contributions | | \$10,173,703 | \$2,205,155 | \$2,289,671 | \$2,305,348 | \$2,548,749 |
| 13 Under/(Over) Funding | | (\$7,295,081) | \$1,275,970 | \$1,528,795 | \$1,469,018 | \$422,401 |
| 14 Cumulative Under/(Over) Funding | | (\$576,499) | \$699,470 | \$2,228,266 | \$3,697,284 | \$4,119,685 |
| 15 Five Quarter Average | | | | | | \$2,033,641 |
| 16 Base for Carrying Charge (greater of line 22 or zero) | | | | | | \$2,033,641 |
| 17 Pre-tax WACC | | | | | | 10.05% |
| 18 Carrying Charge | | | | | | \$204,381 |

Company Contributions¹-This amount represents dollars funded in the subsequent quarter

Line Notes

- 2(a) Docket No. 4323 Attachment MDL-3-GAS page 36 of 65 line 1 (e)
- 2(b) - 2(f) Line 2 (a) divided by 12 times 3
- 3(a) Docket No. 4323 Attachment MDL-3-GAS page 36 of 65 sum of lines 2 (e) through 5 (e)
- 3(b) - 3(f) Line 3 (a) divided by 12 times 3
- 4(b) - 4(d) Docket No. 4514 Schedule WRR-1, page 1 of 6, Line 9 divided by 12 times 3
- 4(e) Docket No. 4514 Schedule WRR-1, page 1 of 6, Line 9 divided by 12 times 1 plus Docket No. 4573 Schedule WRR-3 Revised, page 1 of 4, Line 11 divided by 12 times 2
- 4(f) Docket No. 4573 Schedule WRR-3 Revised, page 1 of 4, Line 11 divided by 12 times 3
- 6(b) - 6(f) Per Company Books
- 7(b) - 7(f) Per Company Books
- 8(b) - 8(f) Sum of Line 2 through Line 7
- 10 Per Company Books
- 11 Line 3 plus line 7
- 12 Line 10 plus Line 11
- 13 Line 8 minus Line 12
- 14 Current year Line 13 plus prior year Line 14
- 15 Average of column (b) through column (e)
- 16 If Line 15 is greater than zero, Line 15 if not, zero
- 17 Docket No 4323
- 18 Line 16 times Line 17

**Narragansett Electric - Gas Operations
PBOP Funding - Carrying Charges
12 Months Ended March 31, 2016**

| | (a) Dkt 4323 | (b) Mar-2015 | (c) Jun-2015 | (d) Sep-2015 | (e) Dec-2015 | (f) Mar-2016 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Customer Funding | | | | | | |
| 1 Base Rate Recovery: | | | | | | |
| 2 Direct | \$2,470,365 | \$617,591 | \$617,591 | \$617,591 | \$617,591 | \$617,591 |
| 3 Servco | \$1,852,439 | \$463,110 | \$463,110 | \$463,110 | \$463,110 | \$463,110 |
| 4 PAM Surcharge Recovery: | | (\$237,076) | (\$237,076) | (\$237,076) | (\$424,288) | (\$517,894) |
| 5 PBOP Capitalized Amount: | | | | | | |
| 6 Direct | | \$216,894 | \$366,528 | \$438,975 | \$462,570 | \$264,191 |
| 7 Servco/Other Affiliates | | \$104,122 | \$123,740 | \$163,890 | \$127,845 | \$140,829 |
| 8 Total Customer Funding: | | \$1,164,641 | \$1,333,894 | \$1,446,490 | \$1,246,829 | \$967,827 |
| 9 Company Contributions¹ | | <u>Jun-2015</u> | <u>Sep-2015</u> | <u>Dec-2015</u> | <u>Mar-2016</u> | <u>Jun-2016</u> |
| 10 PBOP | | \$8,060,500 | \$60,755 | \$60,637 | \$60,500 | \$263,826 |
| 11 Service Company Allocated Costs | | 567,232 | 586,850 | 627,000 | 590,955 | 603,939 |
| 12 | | \$8,627,732 | \$647,605 | \$687,637 | \$651,455 | \$867,765 |
| 13 Under/(Over) Funding | | (\$7,463,091) | \$686,289 | \$758,853 | \$595,373 | \$100,062 |
| 14 Cumulative Funding Under/(Over) Funding | | (\$2,175,069) | (\$1,488,780) | (\$729,927) | (\$134,553) | (\$34,491) |
| 15 Five Quarter Average | | | | | | (\$912,564) |
| 16 Base for Carrying Charge (greater of line 22 or zero) | | | | | | \$0 |
| 17 Pre-tax WACC | | | | | | 10.05% |
| 18 Carrying Charge | | | | | | <u>\$0</u> |

Company Contributions¹-This amount represents dollars funded in the subsequent quarter

Line Notes

- 2(a) Docket No. 4323 Attachment MDL-3-GAS page 36 of 65 line 1 (e)
- 2(b) - 2(f) Line 2 (a) divided by 12 times 3
- 3(a) Docket No. 4323 Attachment MDL-3-GAS page 36 of 65 sum of lines 2 (e) thru 5 (e)
- 3(b) - 3(f) Line 3 (a) divided by 12 times 3
- 4(b) - 4(d) Docket No. 4514 Schedule WRR-1, page 2 of 6, Line 9 divided by 12 times 3
- 4(e) Docket No. 4514 Schedule WRR-1, page 2 of 6, Line 9 divided by 12 times 1 plus Docket No. 4573 Schedule WRR-3 Revised, page 2 of 4, Line 11 divided by 12 times 2
- 4(f) Docket No. 4573 Schedule WRR-3 Revised, page 2 of 4, Line 11 divided by 12 times 3
- 6(b) - 6(f) Per Company Books
- 7(b) - 7(f) Per Company Books
- 8 (b) - 8(f) Sum of Line 2 through Line 7
- 10 Per Company Books
- 11 Line 3 plus line 7
- 12 Line 10 plus Line 11
- 13 Line 8 minus Line 12
- 14 Current year Line 13 plus prior year Line 14
- 15 Average of column (b) through column (e)
- 16 If Line 15 is greater than zero, Line 15 if not, zero
- 17 Docket No 4323
- 18 Line 16 times Line 17