



October 5, 2016

**VIA HAND DELIVERY & ELECTRONIC MAIL**

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

**RE: Docket 4634 - 2016 Distribution Adjustment Charge  
Responses to PUC Data Requests – Set 2**

Dear Ms. Massaro:

Enclosed please find 10 copies of National Grid's<sup>1</sup> response to COMM 2-4.

This transmittal completes the Company's responses to the second set of data requests issued by the Rhode Island Public Utilities Commission in the above-referenced docket.

Thank you for your attention to this filing. If you have any questions, please contact Jennifer Brooks Hutchinson at 401-784-7288 or Robert Humm at 401-784-7415.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Jennifer Brooks Hutchinson", with a long horizontal flourish extending to the right.

Jennifer Brooks Hutchinson

A handwritten signature in blue ink, appearing to read "Robert J. Humm", with a long horizontal flourish extending to the right.

Robert J. Humm

Enclosures

cc: Docket 4634 Service List  
Leo Wold, Esq.  
Steve Scialabba, Division  
Bruce Oliver, Division

---

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

Certificate of Service

I hereby certify that a copy of the cover letter and any materials accompanying this certificate was electronically transmitted to the individuals listed below.

The paper copies of this filing are being hand delivered to the Rhode Island Public Utilities Commission and to the Rhode Island Division of Public Utilities and Carriers.



\_\_\_\_\_  
Joanne M. Scanlon

October 5, 2016

Date

**Docket No. 4634 – National Grid –2016 Annual Distribution Adjustment  
Charge Filing (DAC) - Service List as of 8/22/16**

<b>Name/Address</b>	<b>E-mail</b>	<b>Phone</b>
Jennifer Brooks Hutchinson, Esq. National Grid 280 Melrose St. Providence, RI 02907	<a href="mailto:Jennifer.hutchinson@nationalgrid.com">Jennifer.hutchinson@nationalgrid.com</a> ;	401-784-7288
	<a href="mailto:Celia.obrien@nationalgrid.com">Celia.obrien@nationalgrid.com</a> ;	
	<a href="mailto:Robert.Humm@nationalgrid.com">Robert.Humm@nationalgrid.com</a> ;	
	<a href="mailto:Joanne.scanlon@nationalgrid.com">Joanne.scanlon@nationalgrid.com</a> ;	
Suhila Nouri Nutile Ann Leary National Grid	<a href="mailto:Suhila.NouriNutile@nationalgrid.com">Suhila.NouriNutile@nationalgrid.com</a> ;	
William R. Richer National Grid	<a href="mailto:William.richer@nationalgrid.com">William.richer@nationalgrid.com</a> ;	
Leo Wold, Esq. Dept. of Attorney General 150 South Main St. Providence, RI 02903	<a href="mailto:LWold@riag.ri.gov">LWold@riag.ri.gov</a> ;	401-222-2424
	<a href="mailto:Steve.scialabba@dpuc.ri.gov">Steve.scialabba@dpuc.ri.gov</a> ;	
	<a href="mailto:dmacrae@riag.ri.gov">dmacrae@riag.ri.gov</a> ;	
	<a href="mailto:jmunoz@riag.ri.gov">jmunoz@riag.ri.gov</a> ;	
Bruce Oliver Tim Oliver Revalo Hill Associates 7103 Laketree Drive Fairfax Station, VA 22039	<a href="mailto:Boliver.rha@verizon.net">Boliver.rha@verizon.net</a> ;	703-569-6480
	<a href="mailto:timoliver@revilohill.com">timoliver@revilohill.com</a> ;	
David Effron Berkshire Consulting 12 Pond Path North Hampton, NH 03862-2243	<a href="mailto:Djeffron@aol.com">Djeffron@aol.com</a> ;	603-964-6526
<b>File an original &amp; nine (9) copies w/:</b> Luly E. Massaro, Commission Clerk	<a href="mailto:Luly.massaro@puc.ri.gov">Luly.massaro@puc.ri.gov</a> ;	401-780-2107
	<a href="mailto:Patricia.lucarelli@puc.ri.gov">Patricia.lucarelli@puc.ri.gov</a> ;	

Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888	<a href="mailto:Todd.bianco@puc.ri.gov">Todd.bianco@puc.ri.gov</a> ;	
	<a href="mailto:Sharon.ColbyCamara@puc.ri.gov">Sharon.ColbyCamara@puc.ri.gov</a> ;	

COMM 2-4

Request:

Please provide a copy of the 2013 Gas Earnings Report.

Response:

The Company's 2013 Gas Earnings Report is provided as Attachment COMM 2-4.

**National Grid**  
**Gas Earnings Sharing Mechanism**  
**Docket No. 4323**

**National Grid - RI Gas**  
**For the Twelve Months ended March 31, 2013**

**Table of Contents**

<b>Earnings Sharing Calculation</b>	<b>1</b>
<b>Income Statement</b>	<b>2</b>
<b>Federal Income Tax Calculation</b>	<b>3</b>
<b>Applicable Capital Structure, Interest Expense and Preferred Dividends</b>	<b>4</b>
<b>Rate Base</b>	<b>5</b>
<b>Cash Working Capital Calculation</b>	<b>6</b>
<b>Detail Other Revenue/(Expense)</b>	<b>7</b>
<b>Detail Other Interest Expense</b>	<b>8</b>
<b>Detail Non-Operating Income / (Expense)</b>	<b>9</b>
<b>Calculation of Average Long-Term Debt Interest Rate</b>	<b>10</b>
<b>Calculation of Average Short-Term Debt Interest Rate</b>	<b>11</b>
<b>Merger Hold Harmless Rate Base Credit</b>	<b>12</b>
<b>Projected Deferred Tax Schedule</b>	<b>13</b>

**National Grid**  
**Gas Earnings Sharing Mechanism**  
**Docket No. 4323**  
**Page 1 of 13**

**National Grid - RI Gas**  
**Earnings Sharing Calculation**  
**For the Twelve Months ended March 31, 2013**

1	Average Rate Base	\$361,679,538
2	Equity Component of Rate Base	47.95%
3	Average Common Equity	<u>\$173,419,311</u>
4		
5	Net Income Available for Common Stock	\$13,985,155
6	Return on Common Equity	<u>8.06%</u>
7		
8	<u>Return on Equity &gt; 10.33% and &lt; 11.33%</u>	0.00%
9	Earnings to be Shared	<u>\$0</u>
10	Earnings to Customers - 50%	<u>\$0</u>
11		
12	Return on Equity > 11.33 %	0.00%
13	Earnings to be Shared	<u>\$0</u>
14	Earnings to Customers - 75%	<u>\$0</u>
15		
16	Total After tax Earnings Credited to Customers	<u><u>\$0</u></u>
17		
18	Total Earnings Credited to DAC	<u><u>\$0</u></u>

Notes:

- 1 From Page 5 of 13 line 23(f)
- 2 From Page 4 of 13 line 8
- 3 Line 1 times line 2
- 5 From Page 2 of 13 line 48
- 6 Line 5 divided by line 3
- 8 Smaller of 11.33% or Line 6 minus 10.33%
- 9 Line 3 times line 8
- 10 Line 9 times 50%
- 12 If Line 6 is greater than 11.33%, line 6 minus 11.33%, if not, 0%
- 13 Line 3 times line 12
- 14 Line 13 times 75%
- 16 Line 10 plus line 14
- 18 Line 16 divided by 65%

**National Grid**  
**Gas Earnings Sharing Mechanism**  
**Docket No. 4323**  
**Page 2 of 13**

**National Grid - RI Gas**  
**Income Statement**  
**For the Twelve Months ended March 31, 2013**

	<b><u>2013</u></b>
1 <b><u>Operating Revenues</u></b>	
2 Total Firm Gas	\$365,958,964
3 Transportation	\$27,612,431
4 Other Revenues	\$478,976
5 FY13 Customer Portion of On System Non-Firm Margin not booked in FY13	(\$665,646)
6 FY12 Customer Portion of On System Non-Firm Margin booked in FY13	\$673,147
7 Total Operating Revenues	<u>\$394,057,872</u>
8	
9 <i>Adjustment to Operating Revenue:</i>	
10 ISR Revenue Requirement Increase due to NOL (recorded in FY16)	\$1,058,362
11 Inventory Financing	(\$2,219,707)
12 Total Adjusted Operating Revenues	<u>\$392,896,527</u>
13	
14 <b><u>Operating Expenses</u></b>	
15 Production (Gas Costs)	\$202,776,709
16 Storage	\$892,837
17 Transmission	\$247,942
18 Distribution	\$25,928,751
19 Customer Accounts	\$32,709,852
20 Sales	\$0
21 Administrative and General	\$42,519,958
22 Total Operating Expenses	<u>\$305,076,049</u>
23	
24 <i>Adjustments to Operating Expense:</i>	
25 Savings Imputed in Base Rates	\$2,450,000
26 Total Adjusted Operating Expenses	<u>\$307,526,049</u>
27	
28 <b><u>Other Expenses</u></b>	
29 Depreciation and Amortization	\$28,898,391
30 Local and Other Taxes	\$16,282,835
31 Revenue Related Taxes (Gross Earnings Tax - GET)	\$11,223,937
32 Federal Income Taxes @ 35%	\$7,532,659
33 Total Other Expenses	<u>\$63,937,823</u>
34	
35 <b>Income Before Interest Expense</b>	<u>\$21,432,656</u>
36	
37 <b><u>Interest Expense</u></b>	
38 Short-Term Debt	\$153,086
39 Long-Term Debt	\$8,238,698
40 Other Interest Expense	\$0
41 AFUDC	(\$948,352)
42 Total Interest Expense	<u>\$7,443,432</u>
43	
44 <b>Net Income / (Loss)</b>	<u>\$13,989,224</u>
45	
46 Preferred Dividends	<u>\$4,069</u>
47	
48 <b>Net Income / (Loss) Applicable to Common Equity</b>	<u><u>\$13,985,155</u></u>

Notes:

- 4 From Page 7 of 13 line 10
- 25 Docket No. 3943 (4/4/2008) Attachment NG-MDL-4 Page 1 of 6 Line 7
- 30 From Page 6 of 13 sum of line 3 through line 5
- 32 From Page 3 of 13 line 20
- 38 From Page 4 of 13 line 25(d)
- 39 From Page 4 of 13 line 17(d)
- 40 From Page 8 of 13 line 3
- 46 From Page 4 of 13 line 34(d)

**National Grid**  
**Gas Earnings Sharing Mechanism**  
**Docket No. 4323**  
**Page 3 of 13**

**National Grid - RI Gas**  
**Federal Income Tax Calculation**  
**For the Twelve Months ended March 31, 2013**

1	Operating Revenues	\$392,896,527
2		
3	Less:	
4		
5	Operating Expenses	\$307,526,049
6	Depreciation and Amortization	\$28,898,391
7	Local and Other Taxes	\$16,282,835
8	Revenue Related Taxes (GET)	\$11,223,937
9	Interest - Short-Term Debt	\$153,086
10	Interest - Long-Term Debt	\$8,238,698
11	Other Interest	\$0
12	AFUDC	<u>(\$948,352)</u>
13		
14	Total Deductions	<u>\$371,374,645</u>
15		
16	Taxable Income	\$21,521,882
17		
18	Federal Income Tax Rate	<u>35%</u>
19		
20	Federal Income Tax Expense	<u><u>\$7,532,659</u></u>

Notes:

- 1 From Page 2 of 13 line 12
- 5 From Page 2 of 13 line 26
- 6 From Page 2 of 13 line 29
- 7 From Page 2 of 13 line 30
- 8 From Page 2 of 13 line 31
- 9 From Page 2 of 13 line 38
- 10 From Page 2 of 13 line 39
- 11 From Page 2 of 13 line 40
- 12 From Page 2 of 13 line 41
- 14 Sum of Line 5 through Line 12
- 16 Line 1 minus Line 14
- 20 Line 16 times Line 18



**National Grid**  
**Gas Earnings Sharing Mechanism**  
**Docket No. 4323**  
**Page 4 of 13**

**National Grid - RI Gas**  
**Applicable Capital Structure, Interest Expense and Preferred Dividends**  
**For the Twelve Months ended March 31, 2013**

		<u>%</u>	<u>%</u>	<u>%</u>	<u>\$</u>
		(a)	(b)	(c)	(d)
1	Rate Base				<u>\$361,679,538</u>
2					
3	<b>Capital Structure</b>				
4		<u>Docket 3943</u>	<u>Docket 4323</u>	<u>Blended Rate</u>	
5	Short-Term Debt	11.66%	0.76%	9.84%	\$35,601,323
6	Long-Term Debt	40.63%	49.95%	42.18%	\$152,568,485
7	Preferred Stock	0.00%	0.15%	0.03%	\$90,420
8	Common Equity	<u>47.71%</u>	<u>49.14%</u>	<u>47.95%</u>	<u>\$173,419,311</u>
9		<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>\$361,679,539</u>
10	<b>Interest Expense</b>				
11					
12					
13	Long-Term Debt Portion			42.18%	\$152,568,485
14					
15	Cost of Long-Term Debt March 2013				5.40%
16					
17	Proforma Long-Term Debt Interest For the Twelve Months ended March 31, 2013				<u>\$8,238,698</u>
18					
19					
20					
21	Short-Term Debt Portion			9.84%	\$35,601,323
22					
23	Cost of Short-Term Debt March 2013				0.43%
24					
25	Proforma Short-Term Debt Interest For the Twelve Months ended March 31, 2013				<u>\$153,086</u>
26					
27	<b>Preferred Dividends</b>				
28					
29					
30	Preferred Stock Portion			0.03%	\$90,420
31					
32	Cost of Preferred Stock				4.50%
33					
34	Proforma Preferred Stock For the Twelve Months ended March 31, 2013				<u>\$4,069</u>

Notes:

- 1(d) From Page 5 of 13 line 23(f)  
5(a)-8(a) Imputed capital structure per Docket No. 3943, Attachment NG-MDL-1, Page 32 of 33  
5(b)-8(b) Imputed capital structure per Docket No. 4323, Attachment 6, Schedule MDL-3-GAS-S, Page 56 of 65  
5(c)-8(c)  $5(a)-8(a)/12*10 + 5(b)-8(b)/12*2$   
5(d)-8(d) Line 1(d) times Line 5(c) through Line 8(c)  
13 Line 1(d) times Line 13(c)  
15 From Page 10 of 13 line 11(e)  
17 Line 13(d) times Line 15(d)  
21 Line 1(d) times Line 21(c)  
23 From Page 11 of 13 line 14(b)  
25 Line 21(d) times Line 23(d)  
30 Line 1(d) times Line 30(c)  
32 Cost rate per Docket No. 4323, Attachment 6, Schedule MDL-3-GAS, Page 56 of 65  
34 Line 30(d) times Line 32(d)

**National Grid**  
**Gas Earnings Sharing Mechanism**  
**Docket No. 4323**  
**Page 5 of 13**

**National Grid - RI Gas**  
**Rate Base**  
**For the Twelve Months ended March 31, 2013**

		March 2012 (a)	June 2012 (b)	September 2012 (c)	December 2012 (d)	March 2013 (e)	Average March 2013 (f)
1	Gas Plant In Service	\$698,916,387	\$710,787,522	\$741,522,529	\$749,807,521	\$755,625,958	\$731,331,983
2	CWIP	\$50,920,884	\$55,909,131	\$37,071,871	\$46,875,869	\$58,020,581	\$49,759,667
3	Less: Accumulated Depreciation	\$308,505,930	\$313,391,340	\$316,503,064	\$322,028,216	\$326,007,433	\$317,287,197
4	Less: Contribution in Aid of Construction	\$5,587,250	\$5,586,650	\$5,356,673	\$5,356,673	\$5,356,673	\$5,448,784
5							
6	Net Plant	\$435,744,091	\$447,718,663	\$456,734,663	\$469,298,501	\$482,282,433	\$458,355,670
7							
8	Materials and Supplies	\$2,957,600	\$2,716,989	\$2,906,593	\$3,411,005	\$3,351,237	\$3,068,685
9	Prepaid Expenses, Excluding Taxes	\$440,375	\$0	\$102,098	\$0	\$380,418	\$184,578
10	Deferred Debits	\$4,483,685	\$4,247,262	\$4,010,839	\$3,774,417	\$3,537,994	\$4,010,839
11	Unamortized debt expense and Interest Rate Lock	\$2,741,231	\$2,684,310	\$2,627,391	\$2,888,047	\$2,828,465	\$2,753,889
12	Cash Working Capital	\$22,551,215	\$21,795,565	\$21,795,565	\$21,795,565	\$21,795,565	\$21,946,695
13							
14	Subtotal	\$33,174,106	\$31,444,126	\$31,442,486	\$31,869,033	\$31,893,678	\$31,964,686
15							
16	Accumulated Deferred FIT	\$96,440,213	\$100,961,060	\$97,028,479	\$95,009,640	\$96,704,769	\$97,228,832
17	Hold Harmless	\$26,374,450	\$26,190,670	\$26,006,891	\$25,823,111	\$25,674,670	\$26,013,958
18	Customer Deposits	\$4,718,154	\$4,718,154	\$4,718,154	\$4,718,154	\$4,718,048	\$4,718,132
19	Injuries and Damages Reserve	\$685,387	\$850,387	\$651,887	\$620,516	\$591,297	\$679,895
20							
21	Subtotal	\$128,218,203	\$132,720,271	\$128,405,410	\$126,171,421	\$127,688,784	\$128,640,818
22							
23	Rate Base	\$340,699,994	\$346,442,518	\$359,771,738	\$374,996,113	\$386,487,328	\$361,679,538

Notes:

- 1(a)-4(e) From Company Financial Statements
- 1(f)-4(f) Average of Column (a) through Column (e)
- 6(a)-6(e) Line 1 plus line 2 minus line 3 minus line 4
- 6(f) Average of Column (a) through Column (e)
- 8(a)-11(e) From Company Financial Statements
- 8(f)-11(f) Average of Column (a) through Column (e)
- 10 Reflects the amortization of Y2K related costs per Docket No. 3401 and Advantage System amortization
- 12 From Page 6 of 13 Line 13
- 14 Sum of Line 8 through Line 12
- 16(a)-19(e) From Company Financial Statements
- 16(f)-19(f) Average of Column (a) through Column (e)
- 17 Hold Harmless rate base credit per Docket No. 3859
- 21 Sum of Line 16 through Line 19
- 23 Line 6 + Line 14 - Line 21

**National Grid  
Gas Earnings Sharing Mechanism  
Docket No. 4323  
Page 6 of 13**

**National Grid - RI Gas  
Cash Working Capital Calculation  
For the Twelve Months ended March 31, 2013**

1	Gas Costs	\$202,776,709
2	Operating Expenses	\$102,299,339
3	Payroll Taxes	\$2,589,508
4	Property Taxes	\$13,055,028
5	State Taxes Other	\$638,299
6	Revenue Related Taxes (GET)	\$11,223,937
7	Total	<u>\$332,582,821</u>
8		
9	Daily Cash Requirement	\$911,186
10		
11	Net Lag Days	23.92
12		
13	Total Working Capital	<u><u>\$21,795,565</u></u>

Notes:

- 1 From Page 2 of 13 Line 15
- 2 From Page 2 of 13 Lines 16 - 21
- 3-5 From Company Financial Statements
- 6 From Page 2 of 13 Line 31
- 7 Sum of Lines 1 through Line 6
- 9 Line 7 divided by 365 days
- 11 10 months Per Docket No. 3943 and 2 months Per Docket No. 4323
- 13 Line 9 times Line 11

**National Grid**  
**Gas Earnings Sharing Mechanism**  
**Docket No. 4323**  
**Page 7 of 13**

**National Grid - RI Gas**  
**Detail Other Revenue/(Expense)**  
**For the Twelve Months ended March 31, 2013**

1	Rent from Gas Property	\$306,561
2	Displacement Revenue	(\$0)
3	Recovery of Supervision & Administrative Costs	\$80,840
4	Other Revenue	\$511,314
5	RDM Revenue	(\$1,038,625)
6	LIEAP Revenue	(\$37,374)
7	Misc Revenue	\$0
8	Interest on Customer Arrears	<u>\$656,260</u>
9		
10	Total Other Revenue	<u><u>\$478,976</u></u>

Notes:

- 1-8 From Company Financial Statements
- 10 Sum of line 1 through line 8

**National Grid**  
**Gas Earnings Sharing Mechanism**  
**Docket No. 4323**  
**Page 8 of 13**

**National Grid - RI Gas**  
**Detail Other Interest Expense**  
**For the Twelve Months ended March 31, 2013**

1	Interest on Customer Deposits	\$0
2		
3	Total Other Interest Expense	<u>\$0</u>

Notes:

- 1 From Company Financial Statements
- 3 Line 1

**National Grid**  
**Gas Earnings Sharing Mechanism**  
**Docket No. 4323**  
**Page 9 of 13**

**National Grid - RI Gas**  
**Detail Non-Operating Income / (Expense)**  
**For the Twelve Months ended March 31, 2013**

1	Service Contract Revenue	\$4,197
2	Share Awards	(\$593,000)
3	Interest on Over / (Under) Collections, primarily Deferred Gas Costs	(\$2,150,274)
4	Deferred Compensation - Life Insurance	(\$7,159)
5	Federal Income Taxes on Non-Operating Income	(\$44,745)
6	NGPMP per Docket 4038	(\$1,000,000)
7	Lobbying / Legal and Political Expense	(\$122,199)
8	Penalties	(\$210,625)
9	Other	\$423,703
10	Total Non-Operating Income/(Expense)	<u><u>(\$3,700,103)</u></u>

Notes:

- 1-9 From Company Financial Statements
- 10 Sum of line 1 through line 9

**National Grid**  
**Gas Earnings Sharing Mechanism**  
**Docket No. 4323**  
**Page 10 of 13**

**National Grid**  
**Calculation of Average Long-Term Debt Interest Rate**  
**For the Twelve Months ended March 31, 2013**

	<u>Description</u>	(a) Average Long-Term Debt Balance	(b) Rate	(c) Long-Term Interest Expense	(d) Annual Amortization of DD&E	(e) Total Expense
1	Providence Gas FMB S	\$14,464,000	6.82%	\$986,445	\$7,000	\$993,445
2	Providence Gas FMB N	\$10,000,000	9.63%	\$963,000	\$4,100	\$967,100
3	Providence Gas FMB O	\$12,500,000	8.46%	\$1,057,500	\$4,300	\$1,061,800
4	Providence Gas FMB P (Annual sinking fund 9/30 \$625,000)	\$6,562,500	8.09%	\$530,906	\$3,500	\$534,406
5	Providence Gas FMB R (Annual sinking fund 12/15 \$750,000)	\$10,281,250	7.50%	\$771,094	\$4,100	\$775,194
6	Narragansett Senior Note \$250M due 3-15-2020	\$250,000,000	4.53%	\$11,325,000	\$664,600	\$11,989,600
7	Narragansett Senior Note \$300M due 3-15-2040	\$300,000,000	5.64%	\$16,920,000	\$279,300	\$17,199,300
8	Narragansett Senior Note \$250M due 12-10-2042 (issued 12-10-2012)	\$76,388,889	4.17%	\$3,185,417	\$22,917	\$3,208,334
9	Totals	<u>\$680,196,639</u>		<u>\$35,739,362</u>	<u>\$989,817</u>	<u>\$36,729,179</u>
10						
11				Cost of Debt = (Total Expense / Average Long-Term Debt Balance)		<b>5.40%</b>

Notes:

- 1-8 From Financial Statements  
11(e) 9(c) divided by 9(a)

1(a)-8(a) \*Average amounts represent Narragansett Electric Company consolidated amounts as the Gas division is not a legal entity.

**National Grid**  
**Gas Earnings Sharing Mechanism**  
**Docket No. 4323**  
**Page 11 of 13**

**National Grid - RI Gas**  
**Calculation of Average Short-Term Debt Interest Rate**  
**For the Twelve Months ended March 31, 2013**

		(a) Average Short-Term <u>Debt Balance</u>	(b) Weighted <u>Cost Rate</u>	(c) Short-Term <u>Interest Expense</u>
	<u>Month</u>			
1	Apr-15	\$175,497,500	0.19%	\$27,787
2	May-15	\$183,440,323	0.17%	\$25,987
3	Jun-15	\$190,861,667	0.16%	\$25,448
4	Jul-15	\$227,976,613	0.17%	\$32,297
5	Aug-15	\$243,981,452	0.16%	\$32,531
6	Sep-15	\$232,138,333	0.15%	\$29,017
7	Oct-15	\$236,370,161	0.14%	\$27,577
8	Nov-15	\$256,214,781	1.14%	\$244,040
9	Dec-15	\$112,079,403	1.50%	\$139,856
10	Jan-16	\$26,071,506	0.83%	\$18,018
11	Feb-16	\$60,279,051	0.97%	\$48,927
12	Mar-16	\$78,763,827	1.15%	\$75,414
13				
14	Average	\$168,639,551	0.43%	\$726,899

Notes:

1(a)-12(a) Average amounts represent Narragansett Electric Company consolidated amounts as the Gas division is not a legal entity and participates in the National Grid money pool as a division of Narragansett Electric

14(b) Average of Line 1 through Line 12



**National Grid**  
**Gas Earnings Sharing Mechanism**  
**Docket No. 4323**  
**Page 12 of 13**

**National Grid - RI Gas**  
**Merger Hold Harmless Rate Base Credit**

Attachment NG-MDL-1  
Docket No. \_\_\_\_\_  
April 1, 2008  
Page 30 of 33

**National Grid - RI Gas**  
**Rate Base Adjustments**  
**Merger Hold Harmless Rate Base Credit**

Line No.			
1	Balance as of September 30, 2007	\$34,139,677	1/
2			
3	Increase / (Decrease) 12 Months Ended 9/30/08	(2,624,545)	
4			
5	Balance as of: 9/30/08	\$31,515,132	1/
6			
7			
8	10/31/08	31,283,677	
9	11/30/08	31,052,222	
10	12/31/08	30,820,767	1/
11	1/31/09	30,647,907	
12	2/28/09	30,475,046	
13	3/31/09	30,302,186	1/
14	4/30/09	30,129,326	
15	5/31/09	29,956,466	
16	6/30/09	29,783,606	1/
17	7/31/09	29,610,746	
18	8/31/09	29,437,886	
19	9/30/09	29,265,026	1/
20			
21	Rate Year Merger Hold Harmless - Five Quarter Average	<u>\$30,337,343</u>	

1/ Hold Harmless Rate Base Credit Per DJE-2 (Revised) from Docket No. 3859.

@ 12/31/06 per DJE-2 Revised	35,764,025
Imputed 3/31/07	35,222,576
Imputed 6/30/07	34,681,127
Imputed 9/30/07	34,139,677
@ 12/31/07 per DJE-2 Revised	33,598,228
Imputed 3/31/08	32,903,863
Imputed 6/30/08	32,209,497
Imputed 9/30/08	31,515,132
@ 12/31/08 per DJE-2 Revised	30,820,767
Imputed 3/31/09	30,302,186
Imputed 6/30/09	29,783,606
Imputed 9/30/09	29,265,026
@ 12/31/09 per DJE-2 Revised	28,746,445

**National Grid**  
**Gas Earnings Sharing Mechanism**  
**Docket No. 4323**  
**Page 13 of 13**

Schedule DJE-2  
Revised

NATIONAL GRID  
MERGER ADJUSTMENT TO ADIT  
Projected Deferred Tax Schedule  
(\$000)

<u>As of</u> <u>31-Dec</u>	<u>Southern</u> <u>Union</u> <u>ADIT</u>	<u>National</u> <u>Grid</u> <u>ADIT</u>	<u>Difference</u>	<u>Southern</u> <u>Union</u> <u>ADITC</u>	<u>ADIT</u> <u>Merger</u> <u>Adjustment</u>
2006	\$ 34,845	\$ 214	\$ 34,631	\$ 1,133	\$ 35,764
2007	\$ 33,908	\$ 1,238	\$ 32,670	\$ 928	\$ 33,598
2008	\$ 32,170	\$ 2,073	\$ 30,097	\$ 724	\$ 30,821
2009	\$ 30,086	\$ 1,859	\$ 28,227	\$ 519	\$ 28,746
2010	\$ 29,473	\$ 2,238	\$ 27,235	\$ 315	\$ 27,549
2011	\$ 29,632	\$ 3,184	\$ 26,448	\$ 110	\$ 26,558
2012	\$ 29,583	\$ 3,760	\$ 25,823		\$ 25,823
2013	\$ 29,515	\$ 4,286	\$ 25,229		\$ 25,229
2014	\$ 29,199	\$ 4,628	\$ 24,572		\$ 24,572
2015	\$ 29,095	\$ 5,530	\$ 23,566		\$ 23,566
2016	\$ 28,823	\$ 6,531	\$ 22,292		\$ 22,292
2017	\$ 28,342	\$ 7,568	\$ 20,774		\$ 20,774
2018	\$ 27,627	\$ 8,606	\$ 19,020		\$ 19,020
2019	\$ 26,847	\$ 9,842	\$ 17,005		\$ 17,005
2020	\$ 25,922	\$ 11,305	\$ 14,617		\$ 14,617
2021	\$ 24,732	\$ 12,797	\$ 11,934		\$ 11,934
2022	\$ 23,374	\$ 14,311	\$ 9,064		\$ 9,064