

## **Memorandum**

**TO: RHODE ISLAND PUBLIC UTILITIES COMMISSION**

**FROM: DAVID EFFRON, BERKSHIRE CONSULTING SERVICES,  
ON BEHALF OF THE DIVISION OF PUBLIC UTILITIES AND CARRIERS**

**DATE: FEBRUARY 8, 2017**

### **Gas Infrastructure, Safety, and Reliability Plan FY 2018, Docket 4678**

The Narragansett Electric Company d/b/a National Grid (“Narragansett” or “the Company”) submitted its Fiscal Year 2018 Infrastructure, Safety, and Reliability (ISR) Plan on December 1, 2016. Calculations supporting the revenue requirements associated with the safety and reliability expenses and qualifying capital investment components are included in the Gas ISR Plan. The Company filed a revised Gas ISR Plan on January 26, 2017. The purpose of the revised filing was to incorporate costs related to Phase 3 of the decommissioning of the liquefied natural gas (LNG) facility in Cumberland. In addition, the revised filing reflected a forecast of positive taxable income in FY 2018, thereby eliminating the incremental FY 2018 tax NOL that had been included in the original calculation of the FY 2018 Gas ISR revenue requirement.

At the request of the Division, I have reviewed the filing for the purpose of verifying the accuracy of the filed revenue requirements associated with the FY 2018 activity under the ISR programs.

Based on my review, I believe the revenue requirement associated with the filed FY 2018 Gas ISR Plan is reasonably calculated, for effect April 1, 2017, subject to the future reconciliation of the FY 2018 Plan revenue requirement.