

National Grid

The Narragansett Electric Company

FY 2018 Electric Infrastructure,  
Safety and Reliability Plan

## **Annual Reconciliation**

August 1, 2018

Docket No. 4682

**Submitted to:**  
Rhode Island Public Utilities Commission

Submitted by:

**nationalgrid**



August 1, 2018

**BY HAND DELIVERY AND ELECTRONIC MAIL**

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

**RE: Docket 4682 - Fiscal Year 2018 Electric Infrastructure, Safety, and Reliability Plan Reconciliation Filing**

Dear Ms. Massaro:

On behalf of National Grid,<sup>1</sup> relating to the Company's Fiscal Year (FY) 2018 Electric Infrastructure, Safety, and Reliability (ISR) Plan, I have enclosed ten (10) copies of the Company's Electric ISR Reconciliation Filing. Pursuant to the approved ISR Plan and the ISR Provision, RIPUC No. 2188, after the end of the ISR Plan year, which runs from April 1 through March 31, the Company must file annually, by August 1 of each year, the proposed CapEx Reconciling Factors and O&M Reconciling Factor that will become effective for the 12 months beginning October 1. The CapEx Reconciling Factors recover or refund the difference between the reconciliation of actual billed revenue generated from the CapEx Factors and the actual Cumulative Revenue Requirement for the applicable plan year. Similarly, the annual O&M Reconciling Factor recovers or refunds the difference between the reconciliation of actual billed revenue from the O&M Factor and actual Inspection and Maintenance (I&M) program expense and actual Vegetation Management (VM) program expense for the ISR Plan year. Additionally, on August 1, the Company must report on the prior fiscal year's ISR Plan activities and include descriptions of deviations from the original plans approved by the Rhode Island Public Utilities Commission (PUC).

This filing provides the actual discretionary and non-discretionary capital investment spending and the actual Vegetation Management (VM) and Inspection and Maintenance (I&M) expenses for the period April 1, 2017 to March 31, 2018. As explained in this filing, the actual capital plant-in-service is compared to the budgeted amounts for these categories, as approved by the PUC in Order No. 21559. The plant-in-service investment and Operation and Maintenance (O&M) expenses for VM and I&M are then used in the calculation of the revenue requirement for the annual reconciliation of investment and expenses for the fiscal year. This revenue requirement is then compared to actual revenue billed, and any difference forms the basis for the proposed

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

Luly E. Massaro, Commission Clerk  
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Electric ISR Plan reconciliation factors for effect October 1, 2018. This filing also includes details on the Company's actual discretionary and non-discretionary capital investment spending by category during FY 2018. Finally, this filing includes a summary of the Company's Reliability Performance through December 31, 2017.

The pre-filed direct testimonies of Prabhjot S. Anand, Melissa A. Little, and Adam Crary are enclosed with this filing. Mr. Anand presents the Company's FY 2018 Electric ISR Plan Reconciliation Filing related to the FY 2018 Electric ISR Plan, which the PUC approved in this docket. Ms. Little's testimony describes the calculation of the revenue requirement based on the capital plant-in-service and the total annual actual VM and I&M expenses for the fiscal year. Ms. Little's testimony also includes a description of the revenue requirement model and attachments that support the final revenue requirement. As explained in Ms. Little's testimony, for the FY 2018 Electric ISR reconciliation, the Company has an updated revenue requirement of \$22.7 million. Mr. Crary describes the reconciliation of the final actual FY 2018 revenue requirement against revenue billed in support of that revenue requirement, the proposed factors resulting from the reconciliation, and the bill impacts of those proposed factors. The impact of the proposed CapEx Reconciling Factor and the proposed O&M Reconciling Factor on a typical residential customer receiving Standard Offer Service and using 500 kWhs per month is an increase of \$0.34 per month, or approximately 0.3%, from \$99.63 to \$99.97 per month.

Thank you for your attention to this filing. If you have any questions, please contact me at 781-907-2121.

Very truly yours,



Raquel J. Webster

Enclosures

cc: Docket 4682 Service List  
LeoWold, Esq.  
John Bell, Division

**Testimony of  
Prabhjot S. Anand**

**PRE-FILED DIRECT TESTIMONY**

**OF**

**PRABHJOT S. ANAND**

**August 1, 2018**

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**I. Introduction and Qualifications**

**Q. Mr. Anand, please state your name and business address.**

A. My name is Prabhjot S. Anand. My business address is 40 Sylvan Road, Waltham, Massachusetts 02451.

**Q. Mr. Anand, by whom are you employed and in what position?**

A. I am employed by National Grid USA Service Company, Inc. (Service Company) as Director, Strategy and Performance - Electric, New England. I am responsible for regulatory filings and regulatory compliance related to the electric distribution operation of The Narragansett Electric Company d/b/a National Grid (the Company or National Grid). I am also responsible filings relating to National Grid USA's electric distribution operations in Massachusetts.

**Q. Mr. Anand, please describe your educational background and professional experience.**

A. In 1993, I graduated from Worcester Polytechnic Institute with a Bachelor of Science Degree in Electrical Engineering. In the same year, I was employed by Massachusetts Electric as an Associate Operations Engineer responsible for the design of new distribution facilities for business and capital improvement projects. From 1997 to 2004, I held various roles that involved increasing electric system responsibility relating to the design, implementation, construction and management of sub-transmission and distribution system projects. In 2004, I received a Master of Science degree in Power Systems Management from Worcester



1 Polytechnic Institute. In 2004, I was the Manager of Operations Planning and Schedule with  
2 responsibility for the development and coordination of a regional capital, storm, emergency,  
3 and business continuity work plans. From 2008 thru 2017, I held various positions and was  
4 responsible for the management of complex permitting/high profile projects within the  
5 electric transmission and distribution business in New England and upstate New York. I  
6 assumed my current position in February 2017.

7  
8 **Q. Have you previously testified before the Rhode Island Public Utilities Commission**  
9 **(PUC)?**

10 A. Yes. I have testified in support of the Company's FY 2017 Infrastructure, Safety and  
11 Reliability (ISR) Reconciliation filing in Docket No. 4592, in support of the Company's  
12 Annual FY 2018 ISR Plan in Docket No. 4682, and in the Company's Annual FY 2019  
13 ISR Plan in Docket No. 4783.

14  
15 **II. Purpose of Testimony**

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

17 A. The purpose of my testimony is to present the Company's Fiscal Year 2018 (FY 2018)  
18 Annual Reconciliation filing related to the FY 2018 Electric ISR Plan approved by the  
19 PUC in this docket. This filing provides the actual plant-in-service for discretionary and

1 non-discretionary capital investment and associated cost of removal (COR)<sup>1</sup>, the actual  
2 vegetation management (VM) operation and maintenance (O&M) expenses, and the  
3 actual inspection and maintenance (I&M) O&M expenses for the period April 1, 2017 to  
4 March 31, 2018. As described in Ms. Melissa Little's testimony in this filing, this plant-  
5 in-service investment and the O&M expenses for VM and I&M is used to calculate the  
6 FY 2018 Electric ISR Plan revenue requirement. As explained in Mr. Adam Crary's  
7 testimony in this filing, the revenue requirement is then reconciled against the actual  
8 revenue billed during FY 2018. Specific details by category for the FY 2018 Electric  
9 ISR Plan plant-in-service additions, associated COR, and actual capital spending are  
10 included in Attachment PSA-1, which is attached to this testimony.

11  
12 **III. Plant-In-Service**

13 **Q. Please provide an overview of the plant-in-service for FY 2017.**

14 A. As shown in Table 1 of Attachment PSA-1, in FY 2018, the Company's plant-in-service  
15 investment was \$92.7 million. This amount was approximately \$17.8 million over the  
16 planned amount of \$74.8 million. The Non-Discretionary Sub-category had  
17 approximately \$35.9 million of plant additions placed in service, which was  
18 approximately \$3.2 million over the planned amount of \$32.7 million. The Discretionary  
19 Sub-category had \$56.7 million of plant additions placed in service, which was

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<sup>1</sup> Under the Electric ISR Plan, discretionary capital investment for a fiscal year must be reconciled to the lesser of the actual capital investment placed-in-service and the level of approved spending on a cumulative basis. Non-discretionary capital investment for a fiscal year must be reconciled to the actual capital investment placed-in-service. Docket No. 4218, Report and Order No. 20852 at 6 (December 12, 2011).

1 approximately \$14.6 million over the planned amount of \$42.1 million. This variance  
2 was primarily driven by portions of the South Street project being placed in-service in the  
3 fourth quarter of FY 2018. As shown in Table 2 of Attachment PSA-1, in FY 2018, the  
4 associated cost of removal (COR) was \$9.9 million which was over-budget by  
5 approximately \$0.3 million from the FY 2018 forecast of \$9.6 million. These totals  
6 resulted in a net Electric ISR Plan investment of \$102.6 million, which was  
7 approximately \$18.1 million over the Company's combined plant-in-service and COR  
8 planned amount of \$84.5 million. Details on these variances are included in Section I of  
9 Attachment PSA-1.

10  
11 **IV. Capital Spending**

12 **Q. Please summarize the Company's actual capital spending for FY 2018 for the**  
13 **Electric ISR Plan.**

14 A. As shown in Table 3 of Attachment PSA-1, for FY 2018, the Company spent \$107.1  
15 million for capital investment under the Electric ISR Plan. This amount was \$6.4 million  
16 over the annual approved budget of \$100.6 million. This over-budget variance was  
17 driven primarily by capital spending in the Non-Discretionary Sub-category, which was  
18 over-budget by \$5.6 million. Within this sub-category, the Damage Failure category was  
19 over-budget by \$7.8 million due primarily to increase spending in Major Storms.

1 In addition, this over-budget variance also accounts for a recent adjustment provided in  
2 the revenue requirement in the Company's rate case in Docket No. 4770. Specifically,  
3 the Company increased the actual ISR capital spending for FY 2018 as a result of an  
4 Administrative & General (A&G) activity time study. This A&G study was completed  
5 by a third party consulting firm. As a result of the supporting time study, the Company  
6 determined that an adjustment was necessary in FY 2018 to capitalize work activity  
7 performed in direct or indirect support of construction consistent with commonly  
8 accepted industry practices and allowed for by the FERC Uniform System of Accounts.  
9 The total adjustment to be credited to expense and debited to capital was approximately  
10 \$4.0 million. This resulted in an adjusted FY 2018 ISR capital spending total of \$107.1  
11 million, which is \$6.5 million over the FY 2018 ISR budget of \$100.6 million. The  
12 Company has assigned these A&G costs to the appropriate spending categories in Table 3  
13 of Attachment PSA 1.

14  
15 Accordingly, for FY 2018, capital spending in the Discretionary Sub-category (excluding  
16 South Street) was \$43.5 million, which was \$1.9 million over the annual approved budget  
17 of \$41.6 million. This was driven primarily by an increase in spending on System  
18 Capacity & Performance category which was over-budget by \$2.0 million. Capital  
19 spending on the South Street project, which was managed as a separate Discretionary  
20 Sub-category, was \$24.7 million, which was \$1.0 million under the annual approved  
21 budget of \$25.7 million.

1 The key drivers and variances by category are discussed in more detail in Section III of  
2 Attachment PSA-1.

3  
4 **V. O&M Spending**

5 **Q. Please summarize the Company's actual O&M spending for the FY 2018 Electric**  
6 **ISR Plan.**

7 A. As shown in Table 11 of Attachment PSA-1, for FY 2018, the Company's VM O&M  
8 spending was \$9.5 million, which was over-budget by \$0.1 million. In addition, as  
9 shown in Table 12, the Company's I&M O&M spending for FY 2018 was approximately  
10 \$0.7 million, which was approximately \$0.4 million under the I&M annual approved  
11 budget of \$1.1 million. Detailed information regarding the VM and I&M variances,  
12 along with the work completed, are discussed in Attachment PSA-1 in Sections IV and  
13 Section V, respectively.

14  
15 **VI. Reliability Performance**

16 **Q. Please summarize the results of the Company's reliability performance for CY 2017.**

17 A. Section VI of Attachment PSA-1 includes the Company's Reliability Performance for  
18 calendar year 2017 (CY 2017). As shown in Table 13, the Company met both its System  
19 Average Interruption Frequency Index (SAIFI) and System Average Interruption  
20 Duration Index (SAIDI) performance metrics in CY 2017, with SAIFI of 0.775 against a  
21 target of 1.05, and SAIDI of 59.10 minutes, against a target of 71.9 minutes. The

1 Company's annual service quality targets are measured excluding major event days.<sup>2</sup> A  
2 comparison of reliability performance in CY 2017 relative to that of previous years is  
3 shown in Table 13 below. The Company's performance has shown an improving  
4 downward trend over the past several years with major event days excluded.  
5 CY 2017 had four days that were characterized as a major event day. Table 14 below  
6 provides additional details including the event, dates, the total number of customers  
7 interrupted, and the daily SAIDI performance metric. Reliability performance, including  
8 major event days, is shown in Table 15 for CY 2001 through CY 2017.

9  
10 **Q. Does this conclude your testimony?**

11 **A. Yes.**

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<sup>2</sup> A Major Event Day (MED) is defined as a day on which the daily system SAIDI exceeds a MED threshold value (4.58 minutes for CY 2017). For purposes of calculating daily system SAIDI, any interruption that spans multiple calendar days is accrued to the day on which the interruption began. Statistically, days having a daily system SAIDI greater than the MED are days on which the energy delivery system experiences stress beyond that normally expected, such as during severe weather.



**THE NARRAGANSETT ELECTRIC COMPANY  
d/b/a NATIONAL GRID  
RIPUC DOCKET NO. 4682  
FY 2018 ELECTRIC INFRASTRUCTURE, SAFETY, AND RELIABILITY PLAN  
ANNUAL RECONCILIATION FILING  
WITNESS: PRABHJOT S. ANAND**

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Attachment PSA-1

FY 2018 Electric Infrastructure, Safety and Reliability Plan Annual Reconciliation Filing



## **FY 2018 Electric Infrastructure, Safety and Reliability Plan**

### **Annual Reconciliation Filing**

#### **EXECUTIVE SUMMARY**

In accordance with tariff, RIPUC No. 2044, Sheets 1-4, the Company<sup>1</sup> submits this annual reconciliation filing for the fiscal year 2018 (FY 2018) Electric Infrastructure, Safety and Reliability (Electric ISR) Plan which the Rhode Island Public Utilities Commission (RIPUC) approved in Docket No. 4682. This filing provides the actual discretionary and non-discretionary capital investment spending and the actual vegetation management (VM) and inspection and maintenance (I&M) operation and maintenance (O&M) expenses for the period April 1, 2017 to March 31, 2018. As explained in this filing, the actual capital plant-in-service is compared to the planned amounts for these categories, as approved by the RIPUC in Order No. 22174. The capital plant-in-service investment and O&M expenses for VM and I&M are then used to calculate the revenue requirement for the annual reconciliation of investment and expenses for the fiscal year. This revenue requirement is then compared to actual revenue billed, and any difference forms the basis for the proposed Electric ISR Plan reconciliation factors for effect October 1, 2018. This filing also includes details on the Company's actual discretionary and non-discretionary capital spending by category in FY 2018. Finally, this filing includes a summary of the Company's reliability performance through December 31, 2017.

For FY 2018, the Company's plant-in-service investment was \$92.7 million, which was higher than the planned amount of \$74.8 million. This variance was mainly driven by the fact that portions of the South Street Project were placed in-service in the fourth quarter of FY 2018. The associated cost of removal (COR) was \$9.9 million, which is slightly above the FY 2018 forecast of \$9.6 million. These totals resulted in a net Electric ISR Plan investment of \$102.7 million, which was approximately \$18.2 million over the Company's combined plant-in-service and COR planned amount of \$84.5 million. Section I provides a summary overview of the actual plant placed-in-service by category compared to the annual planned amount approved in Docket No. 4682. A similar summary is provided for COR.

For FY 2018, the Company spent \$107.1 million for capital investment, which was approximately \$6.5 million over the annual approved budget of \$100.6 million. This variance includes a recent adjustment provided in the revenue requirement in the Company's rate case in Docket No. 4770. Specifically, the Company increased actual ISR capital spending for FY 2018 as a result of an Administrative & General (A&G) activity time study. This A&G study was

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

completed by a third-party consulting firm. As a result of that review and supporting time study, the Company determined that an adjustment was necessary to capitalize work activity performed in direct or indirect support of construction consistent with commonly accepted industry practices and allowed for by the FERC Uniform System of Accounts. The total adjustment to be credited to expense and debited to capital was \$4.0 million. The Company's filing reflects the final assignment of these costs to the appropriate spending categories of the FY 2018 ISR. This is consistent with the Company's related operations and maintenance expense adjustment that was reflected as a reduction to the base rate revenue requirement as addressed in Docket 4770. Section II provides a summary overview of the actual capital spending by category compared to the annual budget approved in Docket No. 4682. Section III provides detailed explanations of capital spending variances by category to the annual approved budget.

For FY 2018, the Company's VM O&M spending was slightly over budget at \$9.5 million on a budget of \$9.4 million. Section IV provides a summary overview of O&M expenses by VM sub-category along with variance explanations.

For FY 2018, the Company's I&M O&M spending was approximately \$0.7 million, which was \$0.4 million under the I&M annual approved budget of \$1.1 million. Section V provides a summary overview of O&M expenses by I&M sub-category along with variance explanations.

Finally, a summary of the Company's reliability performance through December 31, 2017 is addressed in Section VI.

This filing includes testimony from Ms. Little and Mr. Crary. Ms. Little's testimony describes the calculation of the revenue requirement based on the capital plant-in-service and the total annual actual VM and I&M O&M expenses for the fiscal year. Ms. Little's testimony also includes a description of the revenue requirement model and attachments that support the final revenue requirement. As shown in Ms. Little's testimony, for the FY 2018 filing, the Company has an updated revenue requirement of approximately \$22.7 million.

Mr. Crary's testimony provides a description of the reconciliation of the final actual FY 2018 revenue requirement against revenue billed in support of that revenue requirement, the proposed factors resulting from the reconciliation, and the bill impacts of those proposed factors. The impact of the proposed CapEx Reconciling Factor and the proposed O&M Reconciling Factor on a typical residential customer receiving Standard Offer Service and using 500 kWhs per month is an increase of \$0.34, or approximately 0.3% from \$99.63 to \$99.97.

## I. FY 2018 Capital for Plant Investment Placed in Service

In its reconciliation filing, the Company is required to submit the annual capital spending for plant additions that were placed in service during the fiscal year. As shown in Table 1 below, for FY 2018, approximately \$92.7 million was placed in service, which was approximately \$17.8 million over the annual planned amount of \$74.8 million. The Non-Discretionary Sub-category had \$36.0 million of plant additions placed in service, which was \$3.2 million over the planned amount of \$32.7 million. This variance was driven primarily by increase spending in the Damage Failure category due to Major Storms.

The Discretionary Sub-category had \$56.7 million of plant additions placed in service, which was approximately \$14.6 million over the planned amount of \$42.1 million. This variance was primarily due to portions of the South Street project going into service in the fourth quarter of FY 2018.

**Table 1**

### FY 2018 Plant Additions by Category

	<b>FY 2018 Annual ISR Forecast</b>	<b>FY 2018 Year End Actual</b>	<b>Variance of Actual to Forecast*</b>
<b>Customer Request/Public Requirement</b>	\$20,202,000	\$20,824,583	\$622,583
<b>Damage Failure</b>	\$12,529,000	\$15,084,814	\$2,555,814
<i>Subtotal Non-Discretionary</i>	<i>\$32,731,000</i>	<i>\$35,909,398</i>	<i>\$3,178,398</i>
<b>Asset Condition (w/South Street)</b>	\$22,199,000	\$44,644,857	\$22,445,857
<b>Non- Infrastructure</b>	\$0	\$2,673	\$2,673
<b>System Capacity &amp; Performance</b>	\$19,913,000	\$12,102,727	(\$7,810,273)
<i>Subtotal Discretionary</i>	<i>\$42,112,000</i>	<i>\$56,750,256</i>	<i>\$14,638,256</i>
<b>Total Capital Investment in System</b>	<b>\$74,843,000</b>	<b>\$92,659,654</b>	<b>\$17,816,654</b>
* ( ) denotes an underspend for the period			

The variances shown in Table 1 reflect the timing of when plant investment is placed into service. In general, once equipment is energized and placed into service to support electric load, capital costs are transferred from FERC Account 107 (Construction Work in Progress or CWIP) to FERC Account 106 (Plant-In-Service), which is when the underlying capital work becomes used and useful in the service of customers. This can differ by the type of plant and facility. For example, electric distribution line equipment is normally placed in service closer to the time it is installed because it is typically energized at that time and begins to support electric load and, therefore, is used and useful in the service of customers.

Because electric distribution line equipment is typically energized as it is installed, a relatively significant amount of plant is placed into service as work progresses. By contrast, substation construction typically involves multi-year projects. Therefore, the assets must pass testing, the work must be commissioned, and the assets must be energized before they can be placed in service. Because substation construction is typically completed in one or more phases as part of a multi-year process, the assets will only be placed in service to serve customers once all work in a particular phase is completed.

Table 2 provides the total COR for FY 2018, which was \$9.8 million, which was approximately \$0.3 million over the forecast of \$9.6 million for FY 2018. The Non-Discretionary Sub-category was \$5.9 million, which was \$0.8 million over the annual planned amount of \$5.1 million. This variance was due primarily to higher spending in the Damage Failure category due to Major Storms. The Discretionary Sub-category was \$4.0 million, which was \$0.4 million under the annual planned amount of \$4.5 million.

**Table 2**

**FY 2017 Cost of Removal by Category**

	<b>Annual ISR Forecast</b>	<b>Actual COR</b>	<b>Variance</b>
<b>Customer Request/Public Requirement</b>	\$2,607,770	\$2,393,216	(\$214,554)
<b>Damage Failure</b>	\$2,528,000	\$3,558,090	\$1,030,090
<i>Subtotal Non-Discretionary</i>	<i>\$5,135,770</i>	<i>\$5,951,306</i>	<i>\$815,536</i>
<b>Asset Condition</b>	\$2,790,500	\$1,648,601	(\$1,141,899)
<b>Non- Infrastructure</b>	\$0	\$688	\$688
<b>System Capacity &amp; Performance</b>	\$1,719,300	\$2,379,103	\$659,803
<i>Subtotal Discretionary</i>	<i>\$4,509,800</i>	<i>\$4,028,392</i>	<i>(\$481,408)</i>
<b>Total Capital Investment in System</b>	<b>\$9,645,570</b>	<b>\$9,979,698</b>	<b>\$334,128</b>
* ( ) denotes an underspend for the period			

## II. FY 2018 Capital Spending Summary

As noted in in Section 1 above, to account for a recent adjustment provided in the revenue requirement in the Company's rate case in Docket No. 4770, the Company increased the actual ISR capital spending for FY 2018 as a result of an Administrative & General (A&G) activity time study. This A&G study was completed by a third party consulting firm. As a result of that review and supporting time study, the Company determined that an adjustment was necessary to capitalize work activity performed in direct or indirect support of construction consistent with commonly accepted industry practices and allowed for by the FERC Uniform System of Accounts. The total adjustment credited to expense and debited to capital is \$4.0 million. As a result, adjusted ISR spending for FY 2018 totaled \$107.1 million, which is \$6.5 million over the FY 2018 ISR budget of \$100.6 million. The Company has assigned these A&G costs to the appropriate spending categories in Table 3 below.

**Table 3**

**FY 2018 Capital Spending by Category**

	FY 2018 Total		
	Budget	Actual	Variance*
<b>Customer Request/Public Requirement</b>	\$21,853,000	\$19,627,243	(\$2,225,757)
<b>Damage Failure</b>	\$11,379,000	\$19,184,118	\$7,805,118
<i>Subtotal Non-Discretionary</i>	<i>\$33,232,000</i>	<i>\$38,811,361</i>	<i>\$5,579,361</i>
<b>Asset Condition</b>	\$17,207,000	\$17,241,994	\$34,994
<b>Non-Infrastructure</b>	\$553,000	\$362,242	(\$190,758)
<b>System Capacity &amp; Performance</b>	\$23,855,000	\$25,905,316	\$2,050,316
<i>Subtotal Discretionary (Without South Street)</i>	<i>\$41,615,000</i>	<i>\$43,509,552</i>	<i>\$1,894,552</i>
<b>South Street Project</b>	\$25,773,000	\$24,737,128	(\$1,035,872)
<i>Subtotal Discretionary</i>	<i>\$67,388,000</i>	<i>\$68,246,680</i>	<i>\$858,680</i>
<b>Total Capital Investment in System</b>	<b>\$100,620,000</b>	<b>\$107,058,041</b>	<b>\$6,438,041</b>
* ( ) denotes an underspend for the period			

### III. FY 2018 Capital Spending by Key Driver Category

#### 1. Non- Discretionary Spending

##### **a. Customer Request/Public Requirement - \$2.2 million under-budget for FY 2018**

Capital spending for FY 2018 in the Customer Request/Public Requirement category (*previously called the Statutory/Regulatory category*) was approximately \$19.7 million, which was \$2.2 million under the FY 2018 budget of \$21.9 million. This under-budget variance was driven primarily by the following under-budget projects:

- The net spending on “Distributed Generation” project spending was \$0.3 million, which results in a total under-budget balance of \$0.8 million. This variance was driven primarily by the Company’s collection of reimbursements for prior and future capital spending on projects.
- Capital spending for FY 2018 on New Business Residential and Commercial projects was \$10.2 million, which was a combined \$3.6 million under the FY 2018 budget of \$13.8 million. This under-budget variance was driven primarily by capital spending on the liquefied natural gas (LNG) Plant service terminal in Providence, which was under-budget FY 2018 by approximately \$2.3 million. This variance was due to a reimbursement the Company received in FY 2018 (April 2017), which the Company expected in FY 2017 (March 2017).

Among the major projects in this category, the following over-budget projects offset these under-budgets projects:

- Capital spending for FY 2018 on the Citizens Bank Infrastructure Project was \$1.0 million. This project was not budgeted for the fiscal year.
- Capital spending for FY 2018 on Meter Purchases was \$2.6 million, which was \$0.8 million over the fiscal year budget of \$1.8 million due to the earlier than planned delivery of the meter inventory.
- Capital spending for FY 2018 on Transformer Purchases was \$2.8 million, which was \$0.7 million over the fiscal year budget of \$2.1 million due to the earlier than planned delivery of the transformer inventory.

Detailed budget and actual spending by budget classification for the Customer Request/Public Requirement category is shown in Table 4 below.

**Table 4**  
**FY 2018 Capital Spending**  
**Customer Request/Public Requirement Category**

Category	Budget Classification	FY 2018 Total		
		Annual ISR Budget	Actual	Variance
Customer Request/Public Requirement	Third-party Attachments	\$204,000	\$122,982	(\$81,018)
	Distributed Generation	\$1,106,000	\$279,561	(\$826,439)
	Land and Land Rights	\$223,000	\$305,488	\$82,488
	Meters – Distribution	\$1,786,000	\$2,627,007	\$841,007
	New Business – Commercial	\$8,183,000	\$5,625,623	(\$2,557,377)
	New Business – Residential	\$5,617,000	\$4,617,523	(\$999,477)
	Outdoor Lighting – Capital	\$153,000	\$185,321	\$32,321
	Public Requirement	\$2,521,000	\$3,078,000	\$557,000
	Transformers & Related Equipment	\$2,060,000	\$2,785,737	\$725,737
	<b>Customer Request/Public Requirement Sub-Total</b>	<b>\$21,853,000</b>	<b>\$19,627,243</b>	<b>(\$2,225,757)</b>

\* ( ) denotes an underspend for the period

***b. Damage/Failure - \$7.8 million over-budget for FY 2018***

Capital spending for FY 2018 in the Damage/Failure category was \$19.2 million, which was approximately \$7.8 million over the FY 2018 budget of \$11.4 million for this category. This variance was driven primarily by the following over-budget projects:

- Capital spending on the Storm Capital Confirming program was \$7.8 million which was \$6.2 million over the FY 2018 budget of approximately \$1.6 million. The October 29, 2017 Wind/Rain Storm and the March 1, 2018 Wind/Snow Storm were the two largest weather events contributing \$2.6 million and \$2.2 million, respectively in this category.
- Capital spending on the Ocean Street Damage/Failure Blanket was \$11.4 million which was \$1.6 million over the FY 2018 budget of \$9.8 million. The Company monitors charges to this blanket to minimize discretionary work from being incorrectly charged to this project.

Detailed budget and actual spending by budget classification for the Damage/Failure category is shown in Table 5 below.

**Table 5**

**FY 2018 Capital Spending  
Damage/Failure Category**

Category	Budget Classification	FY 2018 Total		
		Annual ISR Budget	Actual	Variance
Damage/Failure	Damage/Failure	\$9,828,000	\$11,422,838	\$1,594,838
	Substation	\$0	\$2,869	\$2,869
	Major Storms - Distribution	\$1,551,000	\$7,758,410	\$6,207,410
	<b>Damage/Failure Sub-Total</b>	<b>\$11,379,000</b>	<b>\$19,184,118</b>	<b>\$7,805,118</b>

\* ( ) denotes an underspend for the period

In summary, capital spending for FY 2018 in the entire Non-Discretionary category was \$38.8 million, which was \$5.6 million over the fiscal year budget of \$33.2 million driven primarily by the Major Storms in the Damage Failure category.

**2. Discretionary Spending**

***a. Asset Condition - \$34,994 over-budget for FY 2018***

Capital spending for FY 2018 YTD in the Asset Condition category (absent the South Street project) was approximately \$17.24 million, which was \$34,994 over the FY 2018 budget of approximately \$17.20 million. The total variance for this category was driven primarily by the following under-budget projects:

- Capital spending for FY 2018 on the Underground Residential Development Injection/Rehabilitation projects was \$1.9 million, which was approximately \$0.9 million under the fiscal budget of approximately \$2.8 million.
- Capital spending for FY 2018 for the West Cranston Transformer project was approximately \$0.5 million for the fiscal year, which was \$0.5 million under the fiscal year budget of \$1.0 million due to project schedule partially phased out in FY 2019.

Among the major projects in this category, the following over-budget projects offset these under-spending projects:

- Capital spending for FY 2018 for the Ocean State Asset Replacement Blanket was approximately \$3.0 million, which was \$0.7 million over the fiscal year budget of



\$2.3 million. This variance was due to higher than anticipated spending on small-scale asset replacement work.

- The Company advanced an unbudgeted project to replace the extremely deteriorating structure and equipment at the Geneva Substation. The Company spent \$0.4 million on the project, and construction is complete.

**b. Asset Condition - South Street – \$1.0 million under-budget variance for FY 2018.**

Capital spending for FY 2018 on the South Street Indoor Substation Replacement project was \$24.7 million, which is \$1.0 million under the fiscal year budget of \$25.8 million. The primary driver for this variance was the current capital overhead allocations, which were lower than the original estimates.

Detailed budget and actual spending by budget classification for the Asset Condition category is shown in Table 6 below.

**Table 6**

**FY 2018 Capital Spending  
Asset Condition Category**

Budget Classification	FY 2018 Total		
	Annual ISR Budget	Actual	Variance
Asset Replacement	\$14,954,000	\$14,613,719	(\$340,281)
Asset Replacement – South Street	\$25,773,000	\$24,737,128	(\$1,035,872)
Asset Replacement - I&M	\$1,600,000	\$1,282,446	(\$317,554)
Outdoor Lighting- Capital	\$0	\$25,058	\$25,058
Reliability	\$236,000	\$657,685	\$421,685
Safety	\$417,000	\$211,833	(\$205,167)
Substation	\$0	\$451,253	\$451,253
<b>Asset Condition Sub-Total</b>	<b>\$42,980,000</b>	<b>\$41,979,121</b>	<b>(\$1,000,879)</b>

\* ( ) denotes an underspend for the period

**c. Non-Infrastructure - \$0.2 million under-budget for FY 2018**

Capital spending for FY 2018 for the Non-Infrastructure category was approximately \$0.4 million, which was \$0.2 million under the FY 2018 budget of approximately \$0.6 million. The primary driver of this variance is lower than budgeted general equipment purchases.

Detailed budget and actual spending by budget classification for the Non-Infrastructure category is shown in Table 7 below.

**Table 7**

**FY 2018 Capital Spending  
Non-Infrastructure Category**

Budget Classification	FY 2018 Total		
	Annual ISR Budget	Actual	Variance
General Equipment - Distribution	\$378,000	\$207,007	(\$170,993)
Telecommunications	\$175,000	\$116,540	(\$58,460)
Other	\$0	\$38,695	\$38,695
<b>Non-Infrastructure Sub-Total</b>	<b>\$553,000</b>	<b>\$362,242</b>	<b>(\$190,758)</b>

\* ( ) denotes an underspend for the period

**d. System Capacity & Performance - \$2.0 million over-budget for FY 2018**

Capital spending for FY 2018 for the System Capacity and Performance category was \$25.9 million, which was approximately \$2.0 million over the FY 2018 budget of approximately \$23.9 million. This variance was driven primarily by the following over-budget projects:

- Capital spending for FY 2018 on the Aquidneck Island projects was \$6.2 million which was approximately \$1.9 million over the budget of \$4.3 million for the project. The variance was primarily due to first milestone payment to EPC contractor was earlier than original plan.
- Capital spending for FY 2018 on the Quonset Substation Expansion project was approximately \$3.9 million, which was \$1.1 million over the FY 2018 budget of \$2.8 million. This variance was driven by a higher labor cost estimate than planned.

- Capital spending for FY 2018 on the Volt/Var D-Line Project was approximately \$1.7 million, which was \$0.3 million over the fiscal year budget of \$1.4 million. The variance was primarily due to higher communications solution than initially budgeted for the project.
- Capital spending for FY 2018 on the New Highland Drive Substation project was \$1.5 million, which was \$0.2 million over the FY 2018 budget of \$1.3 million for the project.

Major projects in this category that offset these over-budget projects were:

- Capital spending for FY 2018 on the New London projects was \$4.3 million, which was approximately \$1.4 million under the FY 2018 budget of \$5.7 million for the project. The variance was primarily due to a slight delay in start of construction than originally planned.
- Capital spending for FY 2018 on the Chase Hill projects was \$3.0 million, which was approximately \$0.8 million under the FY 2018 budget of \$3.8 million due to the advancement of the project in FY 2017.

Detailed budget and actual spending by budget classification for the System Capacity & Performance category is shown in Table 8 below.

**Table 8**  
**FY 2018 Capital Spending**  
**System Capacity & Performance Category**

Category	Budget Classification	FY 2018 Total		
		Annual ISR Budget	Actual	Variance
System Capacity & Performance	Load Relief	\$21,079,000	\$21,497,320	\$418,320
	Corporate/Admin/General	\$0	\$18,814	\$18,814
	Reliability	\$2,558,000	\$4,145,191	\$1,587,191
	Substation	\$218,000	\$243,991	\$25,991
	<b>System Capacity &amp; Performance Sub-Total</b>	<b>\$23,855,000</b>	<b>\$25,905,316</b>	<b>\$2,050,316</b>

\* ( ) denotes an underspend for the period

In summary, capital spending for FY 2018 in the entire Discretionary category was \$68.2 million, which was \$0.8 million over the fiscal year budget of \$67.4 million. This over-budget variance was predominately driven by higher spending in the System Capacity & Performance category. The Company strived to manage the over and under-budget spending on the remaining discretionary projects thru the fiscal year to achieve an overall

discretionary portfolio approximate to the \$41.6 million discretionary budget that excluded the South Street project. The South Street project, managed within a separate discretionary sub-category, was on plan and came in 4% under its annual budget of \$25.8 million.

Finally, in Docket No. 4473, the PUC ordered the Company to include, beginning with the FY 2017 Electric ISR Plan filing, a proposal to identify and report in quarterly and annual reconciliation filings the projects that exceeded or were under the fiscal year-to-date and fiscal year-end budgets by ten percent (10%).<sup>2</sup> For the identified projects, the Company must note whether variances were due to the project being accelerated or delayed, or whether the variances were due to an increase or decrease in total project cost. The Company agreed to provide in the quarterly reports explanations for the portfolio of large projects<sup>3</sup> with variances that exceed +/- 10% of the annual fiscal year budget. These projects represented approximately \$24.4 million of the total FY 2018 budget of \$100.6 million. Specific project information is provided in Table 9 below.

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<sup>2</sup> Docket No. 4473 Order No. 21559 at p. 25.

<sup>3</sup> Large projects are defined as exceeding \$1.0 million in total project cost.

**Table 9**

**FY 2018 Project Variance Report**

Project Description	Project Funding	FY 2018 Total			Variance Cause
		Budget	Actual	Variance	
Aquidneck Island Projects (Gate 2, New port, Jepson)	CD00649, C024159, C015158, C028628, C054054, CD00656	\$4,302	\$6,419	\$2,117	First milestone payment to EPC contractor performed in FY18, but no change to overall project cost.
Citizens Bank Infrastructure	C073957	\$0	\$993	\$993	Emergent mandatory customer project.
Volt/Var Program	C077201, C075571, C053111, C076367, C046352, C075573, C076365, C077200, C053488, C052708	\$1,400	\$1,674	\$274	Construction completed in Q4. Communication solution higher than initial budget.
New Highland Drive Distribution	CD00978	\$1,329	\$1,568	\$239	Higher labor cost than initial budget. No change to project scope.
Franklin Square Breaker Replacements	C068686	\$1,450	\$1,947	\$497	Schedule breaker carryover of work from FY 2017.
New London Avenue Substation	C028920, C028921	\$5,670	\$4,342	(\$1,328)	Construction start slightly delayed from original plan to ensure safety controls were in place for high risk blasting activity. No change to overall project.
West Cranston Transformer Replacement	C055844	\$1,008	\$474	(\$534)	Project schedule partially phased to FY 2019. No change to project scope.
Quonset Sub D-Line and D-Sub	C053646, C053647	\$2,789	\$3,867	\$1,078	Increase in labor cost estimate from planning to project grade estimate. No change to project scope.
Chase Hill D-Line and D-Sub	C024175, C024176	\$3,856	\$3,135	(\$721)	Advanced project in FY 2017
LNG D-Line and D-Sub	C051203, C051204	\$2,283	(\$46)	(\$2,329)	Reimbursement planned to occur in FY 2017 when budget was set. Reimbursement received in FY 2018.
		<b>\$24,087</b>	<b>\$24,373</b>	<b>\$286</b>	

### 3. **FY 2018 Work Plan Accomplishments**

Table 10 below provides actual work plan accomplishments against the goals of the FY 2018 work plan.

**Table 10**

**FY 2018 Work Plan Accomplishments**

<b>Program Type</b>	<b>FY 2018 Goals</b>	<b>FY 2018 Accomplishments</b>	<b>Comments</b>
Distribution Transformer Upgrades	150	150	100% Complete
I&M Program	N/A	3,780	3 Feeders 100% Complete
Substation Battery Replacement Program	4	4	100% Complete
Substation Breaker Replacement Program	12	13	108% Complete

#### IV. FY 2018 Vegetation Management

For FY 2018, the Company completed 1,233 miles or 100% of its annual distribution mileage cycle pruning goal of 1,233 miles. This represents an associated spend of 99% of the FY 2018 budget for the cycle pruning program. As noted in the FY 2018 Electric ISR third quarter report, the mileage total was reduced from the original 1,270 miles which was forecast to account for mileage which will be deferred to FY 2019. For FY 2018, the Company's VM operation and maintenance (O&M) spending was \$9.5 million which was \$0.1 million over the budget of \$9.4 million.

Table 11 below provides the FY 2018 spending for all sub-components in the VM category.

**Table 11**

#### FY 2018 Vegetation Management O&M Spending

	<b>FY 2018 Annual ISR Budget</b>	<b>FY 2018 Actual Spend</b>	<b>Variance of Actual to Budget*</b>	<b>FY 2018 % Spend</b>
Cycle Pruning (Base)	\$5,500,000	\$5,457,596	(\$42,404)	99%
Hazard Tree	\$1,250,000	\$1,113,119	(\$136,881)	89%
Sub-T (on & off road)	\$650,000	\$467,925	(\$182,075)	72%
Police/Flagman Details	\$775,000	\$910,074	\$135,074	117%
Core Crew (all other activities)	\$1,225,000	\$1,566,586	\$341,586	128%
<b>Total VM O&amp;M Spending</b>	<b>\$9,400,000</b>	<b>\$9,515,300</b>	<b>\$115,300</b>	<b>101%</b>

	<b>FY 2018 Goal</b>	<b>FY 2018 Complete</b>	<b>FY 2018 % Complete</b>
<b>Distribution Mileage Trimming</b>	1,233	1,233	<b>100%</b>

## V. FY 2018 Inspection and Maintenance

For FY 2018, the Company completed 100% of its annual structure inspection goal of 53,128 with an associated spend of approximately \$0.5 million, or approximately 73% of the Repair and Inspections Related Cost subcategory budget. The Repairs and Inspection Related Costs subcategory forecast includes the FY 2018 mobile elevated voltage testing and repairs, which the PUC approved in Docket No. 4237. Table 12 below provides the total FY 2018 spending for all components in the I&M category.

**Table 12**  
**Inspection and Maintenance O&M Spending**  
**FY 2018**

	<b>FY 2018 Annual ISR Budget</b>	<b>FY 2018 Actual Spend</b>	<b>Variance*</b>	<b>FY 2018 % Spent</b>
Opex Related to Capex	\$362,000	\$143,357	(\$218,643)	40%
Repair & Inspections Related Costs	\$623,000	\$454,713	(\$168,287)	73%
System Planning & Protection Coordination Study	\$25,000	\$17,600	(\$7,400)	70%
VVO/CRV Program	\$60,000	\$69,074	\$9,074	115%
<b>Total I&amp;M O&amp;M Spending</b>	<b>\$1,070,000</b>	<b>\$684,744</b>	<b>(\$385,256)</b>	<b>64%</b>
* ( ) denotes an underspend for the period				

	<b>FY 2018 Goal</b>	<b>FY 2018 Completed</b>	<b>FY 2018 % Completed</b>
<b>RI Distribution Overhead Structures Inspected</b>	<b>53,128</b>	<b>53,128</b>	<b>100%</b>

The Company began performing inspections on its overhead distribution system in FY 2011. In FY 2012, the Company began performing the repairs based on those inspections. The Company categorizes the deficiencies found as Level I, II, or III, and repairs Level I deficiencies either immediately or within approximately one week of the inspection. The Company bundles Level II and III work for planned replacement. As the end of FY 2018, the Company has completed repairs reported for approximately 31% of the total deficiencies found. Total deficiencies found and repairs made-to-date is shown in the table below.



<b>Summary of Deficiencies and Repair Activities RI Distribution</b>				
<b>Year Inspection Performed</b>	<b>Priority Level/Repair Expected</b>	<b>Deficiencies Found (Total)</b>	<b>Repaired as of 3/31/18</b>	<b>Not Repaired as of 3/31/18</b>
<b>FY 2011</b>	I	18	18	0
	II	13,146	13,128	18
	III	28	28	0
<b>FY 2012</b>	I	17	17	0
	II	15,847	15,454	393
	III	626	567	59
<b>FY 2013</b>	I	15	15	0
	II	26,877	16,145	10,732
	III	9,052	4,598	4,454
<b>FY 2014</b>	I	11	11	0
	II	23,196	2,727	20,469
	III	8,776	1,455	7,321
<b>FY 2015</b>	I	5	5	0
	II	21,549	1	21,548
	III	4,391	0	4,391
<b>FY 2016</b>	I	2	2	0
	II	11,596	0	11,596
	III	6,498	0	6,498
<b>FY 2017</b>	I	2	2	0
	II	8,300	0	8,300
	III	7,539	0	7,539
<b>FY 2018</b>	I	9	9	0
	II	8,821	0	8,821
	III	7,237	0	7,237
<b>Total Since Program Inception</b>	<b>I, II, III</b>	<b>173,558</b>	<b>54,182</b>	<b>119,376</b>

FY 2018 – I&M Level 1 Deficiencies Repaired						
Year Inspection Performed	Deficiencies Found	Structure Number	Location	Description of Work Performed	Inspection Date	Repaired Date
2017	1	96	Main Rd., Tiverton	Repaired floating insulator	5/11/2017	5/12/2017
	1	91	Armistice Blvd., Pawtucket	Repaired broken neutral	6/14/2017	6/14/2017
	1	21	Cleveland St., Pawtucket	Cut down street light service wire	6/19/2017	6/19/2017
	1	16	Lafayette St., Pawtucket	New service and secondary pole	6/26/2017	6/29/2017
	1	11	Chambers St., Cumberland	Troubleman disconnected and cut down due to st light service hot on ground	8/16/2017	8/16/2017
	1	85-30	Roosevelt Ave., Central Falls	Replaced nomenclature. Completed in field by TW per OH Sup. 12/23/2017	12/21/2017	12/23/2017
2018	1	13	General St., Providence	Limbs removed from primary	12/27/2017	12/28/2017
	1	2	Middle Dr., Providence	Limbs removed from secondary	1/9/2018	1/18/2018
	1	16	Major Potter Rd., Warwick	Repaired damaged crossarm	1/18/2018	1/20/2018
	1	45	Benefit St., Pawtucket	Reattached primary to insulator	1/25/2018	1/25/2018
	1	54-30	Broadway, Newport	Non working switch, taps lifted	2/23/2018	2/27/2018
	1	1	Diamond Hill Rd., Warwick	Nomenclature added	3/20/2018	4/3/2018

As shown in the table below, results of the Company's manual elevated voltage testing for FY 2018 have indicated five instances of elevated voltages found through either overhead or manual elevated voltage inspections.

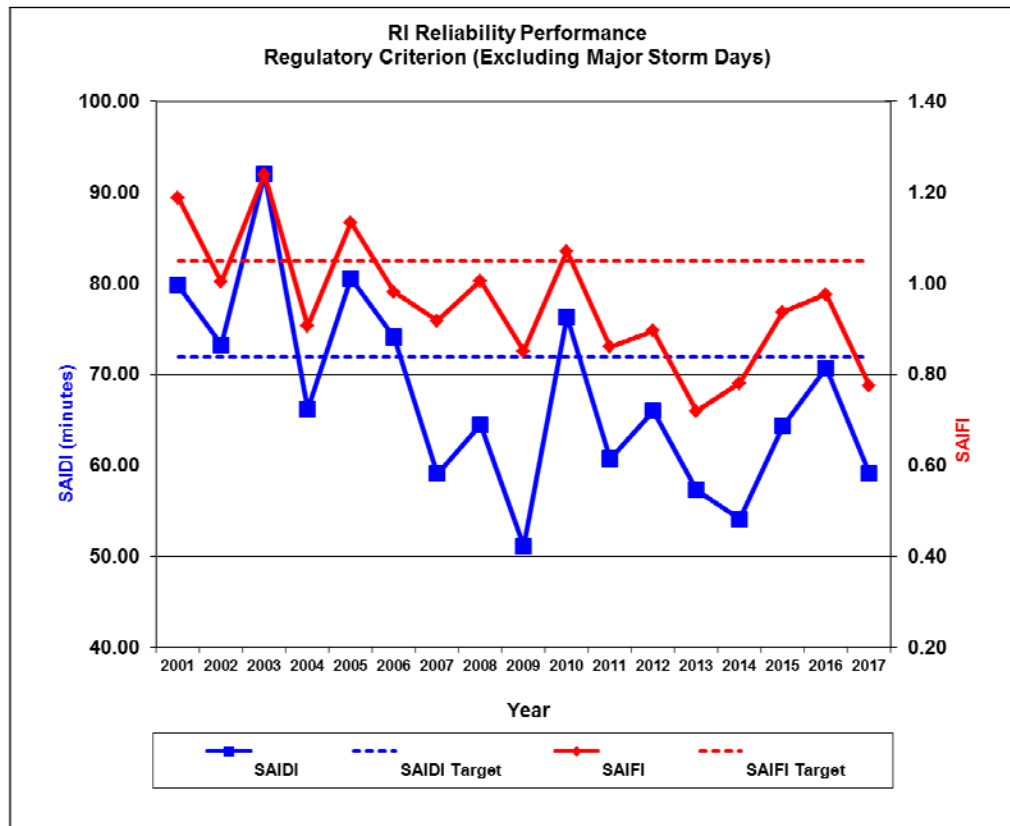
Manual Elevated Voltage Testing				
Manual Elevated Voltage Testing	Total System Units Requiring Testing	FY 2018 Units Completed thru 3/31/18	Units with Voltage Found (>1.0v)	Percent of Units Tested with Voltage (>1.0v)
Distribution Facilities	250,441	51,325	2	0%
Underground Facilities	13,870	2,217	0	0%
Street Lights	5,885	1,520	3	0%

## VI. Reliability Performance

The Company met both its System Average Interruption Frequency Index (SAIFI) and System Average Interruption Duration Index (SAIDI) performance metrics in CY 2017, with SAIFI of 0.775 against a target of 1.05, and SAIDI of 59.10 minutes, against a target of 71.9 minutes. The Company's annual service quality targets are measured excluding major event days.<sup>4</sup> A comparison of reliability performance in CY 2017 relative to that of previous years is shown in Table 13 below. The Company's performance has shown an improving downward trend over the past several years with major event days excluded.

**Table 13**

**RI Reliability Performance CY 2001 – CY 2017**



<sup>4</sup> Major Event Day (MED) is defined as a day on which the daily system SAIDI exceeds a MED threshold value (4.58 minutes for CY 2017). For purposes of calculating daily system SAIDI, any interruption that spans multiple calendar days is accrued to the day on which the interruption began. Statistically, days having a daily system SAIDI greater than the MED A are days on which the energy delivery system experiences stress beyond that normally expected, such as during severe weather.

CY 2017 had four days that were characterized as a major event day. Table 14 below provides additional details including the event, dates, the total number of customers interrupted, and the daily SAIDI performance metric.

**Table 14**

**CY 2017 Major Event Days**

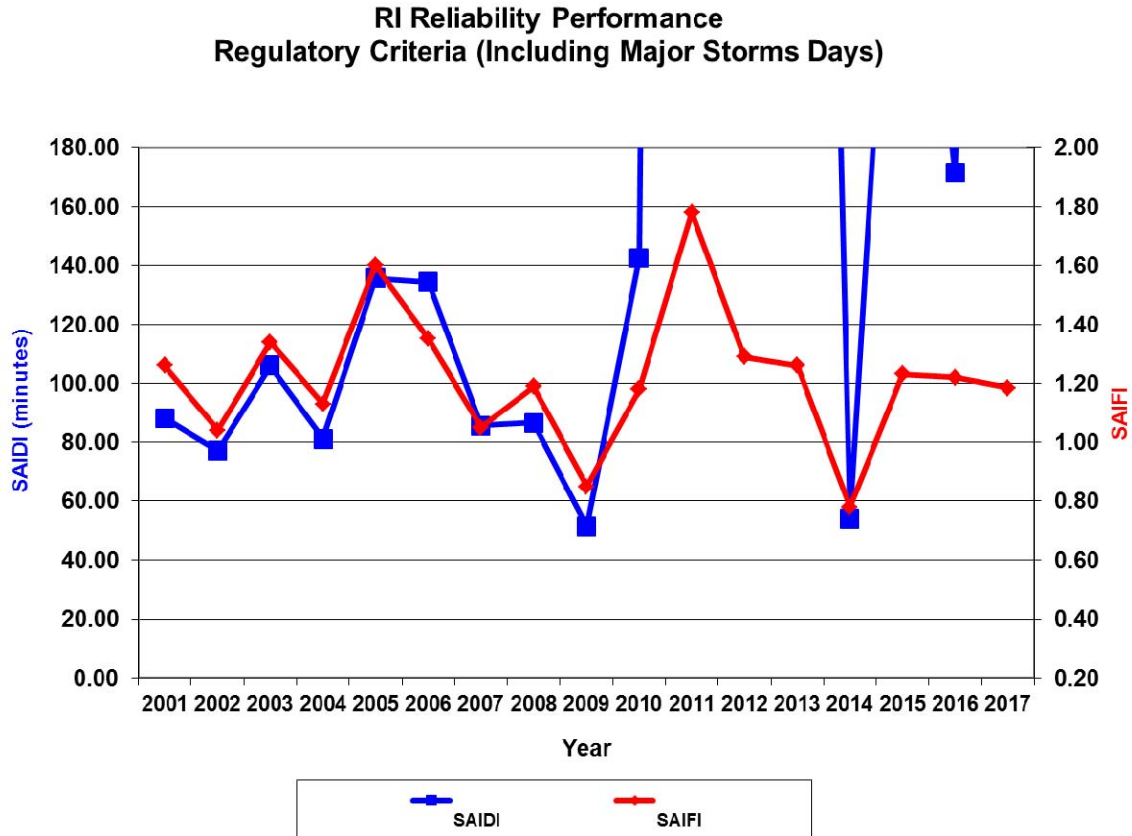
<b>Event</b>	<b>Days Excluded</b>	<b>Total Customers Interrupted</b>	<b>Daily SAIDI</b>
<del>Winter Storm Niko</del>	<del>2/9/2017</del>	<del>31,838</del>	<del>11.2</del>
<del>October Storm</del>	<del>10/29/2017</del>	<del>91,074</del>	<del>389.17</del>
<del>October Storm</del>	<del>10/30/2017</del>	<del>78,921</del>	<del>288.24</del>
<del>October Storm</del>	<del>10/31/2017</del>	<del>2,318</del>	<del>6.81</del>

Reliability performance, including major event days, is shown in Table 15 below for CY 2001 through CY 2017. SAIDI for 2011, including major event days, exceeds the scale of the chart, at 1,947 minutes (32.5 hours). This was driven by Tropical Storm Irene. CY 2011 through CY 2013 indicates the greatest differences between performance with and without major event days. In CY 2011, the Company experienced ten major events days from five separate events. Tropical Storm Irene and the October Snowstorm accounted for seven of those major event days. In CY 2012, the Company experienced four major event days from two separate events. Hurricane Sandy accounted for three of those major event days. In CY 2013, the Company experienced three major events days from two separate events. The February 8<sup>th</sup> Nor'easter accounted for two of those major event days. In CY 2014, the Company did not experience any major event days, and in CY 2015, the Company experienced only one major event day. For CY 2016, the Company experienced four major event days. While typically a major event day is interpreted to mean a calendar day, since the Labor Day weekend storm began mid-day September 5, 2016, the events of the following day, September 6, 2016, were also considered in determining the storm's impact and it qualifying as a Major Event Day.

As shown in Table 14, for CY 2017, the Company experienced four major event days from two separate storms. October 2017 storm accounted for three of the four major storm days.

**Table 15**

**RI Reliability Performance CY 2001 – CY 2017**





**PRE-FILED DIRECT TESTIMONY**

**OF**

**MELISSA A. LITTLE**

**August 1, 2018**

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1    **I.     Introduction**

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

3    A.     My name is Melissa A. Little, and my business address is 40 Sylvan Road, Waltham,  
4           Massachusetts 02451.

6    **Q.     Please state your position.**

7    A.     I am a Director for New England Revenue Requirements in the Regulation and Pricing  
8           department of National Grid USA Service Company, Inc. (Service Company). The  
9           Service Company provides engineering, financial, administrative, and other technical  
10          support to subsidiary companies of National Grid USA (National Grid). My current  
11          duties include revenue requirement responsibilities for National Grid's electric and gas  
12          distribution activities in New England, including the electric operations of The  
13          Narragansett Electric Company d/b/a National Grid (Narragansett or the Company).

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

16   A.     In 2000, I received a Bachelor of Science degree in Accounting Information Systems  
17          from Bentley College (now Bentley University). In September 2000, I joined  
18          Pricewaterhouse Coopers LLP in Boston, Massachusetts, where I worked as an associate  
19          in the Assurance practice. In November 2004, I joined National Grid in the Service  
20          Company as an Analyst in the General Accounting group. After the merger of National  
21          Grid and KeySpan in 2007, I joined the Regulation and Pricing department as a Senior

Analyst in the Regulatory Accounting function, also supporting the Niagara Mohawk Power Corporation Revenue Requirement team. I was promoted to Lead Specialist in July 2011 and moved to the New England Revenue Requirement team. In August 2017, I was promoted to my current position.

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

A. Yes. Among other testimony, I testified in support of the Company's revenue requirement (1) for Narragansett, in the 2017 general rate case filing in Docket No. 4770; (2) for Narragansett Electric, in the Fiscal Year 2018 Electric Infrastructure, Safety, and Reliability (ISR) Plan filing in Docket No. 4682; and (3) for Narragansett Gas, in the Gas ISR Plan and reconciliation filings for FY 2016 in Docket No. 4540 and FY 2017 in Docket No. 4590, and the Gas ISR Plan filing for FY 2018 in Docket No. 4678.

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

A. In this docket, the PUC approved a new Electric ISR factor, which went into effect on April 1, 2017. That factor was based on a projected FY 2018 ISR revenue requirement of \$26,837,179 for the estimated operation and maintenance (O&M) work associated with the Company's vegetation management (VM) and inspection and maintenance (I&M) programs for the Company's FY ended March 31, 2018, and on the estimated ISR plant additions during the Company's FY ended March 31, 2018 and 2017, on the actual ISR

1 additions during the Company's FY ended March 31, 2016, 2015, 2014, 2013, and 2012,  
2 which were incremental to the levels reflected in rate base in the Company's last base  
3 rate case (Docket No. 4323). The purpose of my testimony is to present an updated FY  
4 2018 ISR revenue requirement associated with actual FY 2018 O&M programs, the FY  
5 2012 through FY 2018 incremental plant additions, and actual tax deductibility  
6 percentages for FY 2017 capital additions totaling \$38,904, as well as true-ups for  
7 vintage years FY 2013 through FY 2016 related to the work order write off adjustment  
8 (discussed below) totaling \$(560,347) and the impact to Property Taxes of \$(589); and  
9 true-up for vintage years FY 2012 through FY 2016 related to Transmission-related tax  
10 net operating losses (NOLs) \$(932,091), also discussed below.

11  
12 At this time, the Company's Tax Department estimates it will earn taxable income in FY  
13 2018, and therefore no NOL offset to accumulated deferred income taxes has been  
14 estimated for FY 2018. The Company's Tax Department calculated taxable income  
15 when the Company closed its books for FY 2018, which has formed the basis for the  
16 estimate in this reconciliation. Actual tax deductibility percentages for FY 2018 plant  
17 additions will not be known until the Company files its FY 2018 income tax return in  
18 December 2018. Consequently, the actual tax deductibility percentages for FY 2018  
19 plant additions will be reflected in the Company's FY 2019 Electric ISR Reconciliation  
20 filing next year and will generate a true-up adjustment in that filing.

**THE NARRAGANSETT ELECTRIC COMPANY**  
**d/b/a NATIONAL GRID**  
**RIPUC DOCKET NO. 4682**  
**FY 2018 ELECTRIC INFRASTRUCTURE, SAFETY, AND RELIABILITY PLAN**  
**ANNUAL RECONCILIATION FILING**  
**WITNESS: MELISSA A. LITTLE**  
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1 The updated FY 2018 revenue requirement also includes an adjustment associated with  
2 the property tax recovery formula that was approved in Docket No. 4323. The property  
3 tax recovery adjustment became effective for periods subsequent to the rate year in  
4 Docket No. 4323, which ended on January 31, 2014. Accordingly, the property tax  
5 recovery adjustment covers only the months of February and March of 2014 and the 12-  
6 month periods ended March 31, 2015, March 31, 2016, March 31, 2017 and March 31,  
7 2018.

8  
9 As shown on Attachment MAL-1, Page 1 at Line 19, the updated FY 2018 ISR revenue  
10 requirement collectible through the Company's ISR factor for the FY 2018 period,  
11 including updated tax deductibility percentages for FY 2017, the one-time catch up  
12 adjustment related to the transmission-related NOL, and work order write off impact on  
13 prior fiscal years' revenue requirements, totals \$22,717,639. This is a decrease of  
14 \$4,119,540 from the projected FY 2018 Electric ISR revenue requirement of \$26,837,179  
15 previously approved by the PUC. This decrease is primarily attributable to a reduction in  
16 the recovery of property taxes and I&M costs, as well as a decrease in income taxes due  
17 to the change in the federal income tax rate from 35 percent to 21 percent, partially offset  
18 by the revenue requirement on increased capital investment and corresponding rate base  
19 over the estimated amount of capital investment and rate base in the FY 2018 Electric  
20 ISR Plan for vintage years FY 2018 and 2017.

1   **Q.    Are there any schedules attached to your testimony?**

2   **A.    Yes, I am sponsoring the following Attachment with my testimony:**

- 3                   •   Attachment MAL-1: Electric Infrastructure, Safety, and Reliability Plan  
4                        Reconciliation Filing  
5  
6

7   **II.    ISR FY 2018 Revenue Requirement**

8   **Q.    Did the Company calculate the updated FY 2018 ISR revenue requirement in the**  
9           **same fashion as calculated in the previous ISR Factor submissions and the August**  
10          **2017 ISR factor reconciliation?**

11   **A.    Yes, the Company calculated the FY 2018 Electric ISR Plan revenue requirement in the**  
12           **same fashion as calculated in the previous Electric ISR Factor submissions with the**  
13           **following exceptions: As noted in Section 5 of the FY 2018 Electric ISR Plan, the**  
14           **Company's FY 2018 revenue requirement includes the impact of the Tax Cuts and Jobs**  
15           **Act of 2017 (Tax Act) on vintage FY 2012 through FY 2018 investment. On December**  
16           **22, 2017, the Tax Act went into effect. The Tax Act has many elements, but two**  
17           **particular aspects have an impact on the Electric ISR revenue requirement. The first is the**  
18           **reduction of the federal income tax rate from 35 percent to 21 percent commencing**  
19           **January 1, 2018. The second Tax Act element affecting the Electric ISR revenue**  
20           **requirement is changes to the bonus depreciation rules eliminating bonus depreciation for**  
21           **certain capital investments, including ISR-eligible investments, effective September 28,**  
22           **2017. The change in bonus depreciation rules specifically impacts the tax depreciation**  
23           **that the Company calculated in its original Electric ISR filing for its vintage FY 2018**

1 revenue requirement calculation. Unlike the reduction to the Company's revenue  
2 requirement for the decrease in the federal income tax rate, the change to the bonus  
3 depreciation rules has an increasing effect on the Electric ISR revenue requirement which  
4 I discuss later in my testimony.

5  
6 Other than these changes, the updated FY 2018 ISR revenue requirement calculation is  
7 nearly identical to the ISR revenue requirement used for developing the approved ISR  
8 factors that became effective April 1, 2017, and as described in previous testimony in this  
9 proceeding, incorporates updated ISR investment amounts and known tax deductibility  
10 percentages. I will rely on the testimony included in the Company's FY 2018 Plan  
11 Proposal for a detailed description of the revenue requirement calculation, and will limit  
12 this testimony to summarizing the revenue requirement, and the update for the known tax  
13 deductibility percentages.

14  
15 **Q. How was the Electric ISR revenue requirement revised for the change in the federal**  
16 **income tax rate from 35 percent to 21 percent?**

17 A. The decrease in the federal income tax rate from 35 percent to 21 percent reduced the  
18 amount of income tax to be recovered from customers on the return on equity component  
19 of each Electric ISR vintage year revenue requirement. The return on rate base in each  
20 revenue requirement is calculated by multiplying the Electric ISR rate base times the  
21 weighted average cost of capital (WACC). The equity component of the return on rate

1 base is the taxable component of the Electric ISR revenue requirement. The federal  
2 income taxes that the Company must recover from customers are derived by grossing up  
3 the WACC to a pre-tax rate of return. Consequently, the Company revised the pre-tax  
4 WACC to reflect the change in the federal income tax rate. The calculation of the revised  
5 pre-tax WACC is shown on Page 26 of Attachment MAL-1. The pre-tax WACC  
6 approved in Docket No. 4323 was 9.68 percent at the 35 percent tax rate as shown, on  
7 Page 26. The new pre-tax WACC at the 21 percent tax rate, which became effective  
8 January 1, 2018, is 8.41 percent. The Company used a blended WACC of 9.36 percent to  
9 calculate the return on rate base on the FY 2018 column of each vintage year revenue  
10 requirement calculation, as the 35 percent federal income tax rate was in effect for nine  
11 months of FY 2018 (April to December) and the 21 percent federal income tax rate was in  
12 effect for three months of FY 2018 (January to March).

13  
14 **Q. Were there any other revisions to the Electric ISR revenue requirement that were**  
15 **the result of the change in the federal income tax rate from 35 percent to 21 percent?**

16 A. Yes, effective December 31, 2017, the Company must restate all of its deferred tax  
17 balances based on the new 21 percent federal income tax rate because the Company will  
18 be paying income taxes as the book/tax timing differences reverse at that 21 percent  
19 federal income tax rate. However, because deferred taxes are an offset to rate base in the  
20 Electric ISR revenue requirement, reducing the deferred tax balances based on the 21  
21 percent federal income tax rate has the effect of artificially increasing rate base. To

1        counteract this artificial increase to rate base, a new line item called Excess Deferred  
2        Income Taxes has been added to each vintage year's revenue requirement calculation  
3        reflecting the value of the decrease to ISR rate base as of December 31, 2017. These  
4        excess deferred income taxes represent the net benefit as of December 31, 2017 that will  
5        eventually be earned by the Company through reduced future income taxes, and  
6        ultimately passed back to customers through base rates, along with non-ISR embedded  
7        plant-related excess deferred taxes and non-plant excess deferred taxes. The period of  
8        time which the pass back of the plant-related excess deferred taxes to customers will take  
9        place will be over the average life of the Company's plant assets, in accordance with the  
10       "protected" plant-related excess deferred tax provisions of the Tax Act. The Company is  
11       currently in the process of calculating the amount of excess deferred taxes and the period  
12       of time to return that amount to customers in connection with the Company's pending  
13       general base distribution rate case, Docket No. 4770.

14  
15    **Q.    Please describe the calculation of the excess deferred income tax amounts.**

16    A.    The excess deferred income taxes are calculated on Page 25 of Attachment MAL-1. The  
17        Company derived the excess deferred income tax amounts by calculating the balance of  
18        ISR deferred taxes as of December 31, 2017 by vintage fiscal year, and multiplying that  
19        amount by the 14 percent change in the tax rate (35 percent minus 21 percent).



1   **Q.     How was the Electric ISR revenue requirement revised for the change in the bonus**  
2       **depreciation rules resulting from the Tax Act?**

3   A.    Bonus depreciation, sometimes known as first year bonus depreciation, is an  
4        accelerated tax depreciation method that was established first in 2002 as an economic  
5        stimulus to incent U.S. corporations to increase capital investments. Bonus depreciation  
6        allows companies to take an immediate tax deduction for some portion of certain  
7        qualified capital investments based on the bonus depreciation rates in effect for that year  
8        of investment. Bonus depreciation rates have ranged from a high of 100 percent in some  
9        years, to as low as 30 percent for calendar 2019 as was specified in the tax laws prior to  
10       the passage of the Tax Act. Pursuant to those prior tax laws, bonus depreciation was set  
11       to expire at the end of calendar year 2019. As described previously in my testimony, the  
12       Tax Act changed the rules for bonus depreciation by eliminating bonus depreciation for  
13       certain capital investments, including ISR eligible investments, effective September 28,  
14       2017. Accordingly, the tax depreciation calculation on page 3 has been updated to  
15       modify the calculation of bonus depreciation on actual vintage FY 2018 Electric ISR Plan  
16       capital investment. Bonus depreciation for FY 2018 in the Company's FY18 Plan filing  
17       was based on bonus depreciation rates of 50 percent and 40 percent for calendar years  
18       2017 to 2018, respectively; however, pursuant to the Tax Act, bonus depreciation is no  
19       longer an eligible deduction as of September 28, 2017. Investment in vintage FY 2018  
20       Electric ISR capital projects occurred over the period April 1, 2017 through March 31,  
21       2018. Since the September 28, 2017 effective date of the change to the bonus

1 depreciation rules occurred during FY 2018, the Company's calculation of vintage FY  
2 2018 tax depreciation on page 3 of Attachment MAL-1 was adjusted to reflect bonus  
3 depreciation eligibility for only a portion of FY 2018.

4  
5 **Q. You stated previously in your testimony that the change to the federal income tax**  
6 **rate from 35 percent to 21 percent reduced the amount of revenue needed to recover**  
7 **from customers, however the change to the bonus depreciation rules under the Tax**  
8 **Act has the opposite effect on the revenue requirement. Please explain how the**  
9 **bonus depreciation rule changes increase the revenue requirement.**

10 A. As described previously, bonus depreciation is a form of accelerated depreciation. This  
11 means the Company is able to depreciate assets on its income tax returns faster than it  
12 depreciates those assets on its books. The difference between tax depreciation and book  
13 depreciation is referred to as book/tax timing differences. Deferred income taxes are  
14 calculated by multiplying book/tax timing differences by the federal income tax rate.  
15 ISR-related deferred income taxes are liabilities for income taxes that will eventually be  
16 paid to the federal government when the underlying book/tax timing difference reverses.  
17 Deferred income taxes reflect the net cash benefit that the Company receives as a result  
18 of accelerated tax depreciation, and this benefit is passed along to customers as a  
19 reduction to rate base upon which the Company earns a return in the Electric ISR revenue  
20 requirement calculation. Lower deferred taxes results in a lower reduction to rate base,  
21 which results in an increase in rate base over the levels included in the originally-filed FY

1        2018 Electric ISR Plan. The change in the bonus depreciation rules pursuant to the Tax  
2        Act have reduced the amount of bonus depreciation in the vintage FY 2018 tax  
3        depreciation calculation from the amount of bonus depreciation reflected in the original  
4        Electric ISR Plan. This lower level of deferred income taxes results in a reduced offset to  
5        Electric ISR rate base, therefore increasing Electric ISR rate base which increases the  
6        corresponding return on rate base. The increase in the return on rate base in turn  
7        increases the revenue requirement on vintage 2018 Electric ISR investment, partially  
8        mitigating the decrease in the revenue requirement for that year as a result of the decrease  
9        in the federal income tax rate from 35 percent to 21 percent.

10  
11  
12    **Q.    Are there any updates to the FY 2017 revenue requirement that are being trued up**  
13        **in the FY 2018 Electric ISR Reconciliation?**

14    A.    Yes. The Company filed its FY 2017 Electric ISR Reconciliation on August 1, 2017.  
15        However it had not filed its FY 2017 income tax return until later that year in the month  
16        of December. As a result, the Company used certain tax assumptions, and the Company  
17        has revised its vintage FY 2017 revenue requirement to reflect the following updates on  
18        Attachment MAL-1: (1) actual capital repairs deduction rate of 20.50 percent as shown  
19        on Page 5, Line 2; (2) actual percentage of plant eligible for bonus depreciation of 99.08  
20        percent as shown on Page 5, Line 7; (3) actual tax loss on retirements of \$1,980,487 as  
21        shown on Page 5, Line 19; and (4) actual NOL of \$0 as shown on Page 4, Line 21.

1   **Q.     Please summarize the updated FY 2018 ISR revenue requirement.**

2   A.     As shown on Page 1, of Attachment MAL-1, the Company's FY 2018 Electric ISR  
3           Program revenue requirement includes two elements: (1) O&M expense associated with  
4           the Company's VM activities and system inspection, feeder hardening, and potted  
5           porcelain cutouts, as encompassed by the Company's I&M Program, and (2) the  
6           Company's capital investment in electric utility infrastructure. The description of these  
7           elements and the related amounts are supported by the direct testimony and supporting  
8           attachments of Mr. Prabhjot S. Anand. Line 4 reflects the actual FY 2018 revenue  
9           requirement related to O&M expenses of \$10,036,295.

10  
11          As shown on Page 1, at Line 18 of Attachment MAL-1, the revenue requirement  
12          associated with the Company's actual FY 2018 capital investment totals \$12,681,344.

13          As previously noted, the total FY 2018 revenue requirement includes the full year  
14          revenue requirement on vintage FY 2012 through FY 2018 incremental ISR plant  
15          additions above or below the level of plant additions reflected in base distribution rates.

16          In addition, the FY 2018 revenue requirement reflects a true-up for changes to previously  
17          estimated tax depreciation expense to align with tax depreciation rates used on the  
18          Company's FY 2017 tax return, which was filed in December 2017. The total actual FY  
19          2018 ISR Plan revenue requirement for both O&M expenses and capital investment of  
20          \$22,717,639 is shown on Line 19.

1   **Q.     Please describe how the attachment to your testimony is structured.**

2   A.     Page 1 of Attachment MAL-1 summarizes the individual components of the updated FY  
3           2018 ISR revenue requirement. Lines 1 through 4 address the O&M components. Lines  
4           5 through 12 represent the full year FY 2018 ISR revenue requirements for the  
5           incremental FY 2012 through FY 2018 ISR investments, or those investments not  
6           included in the Company's base rates, and as supported with detailed calculations on  
7           Pages 2, 4, 6, 8, 10, 12 and 14. Line 13 represents the results of the FY 2018 property tax  
8           recovery adjustment, which is supported by a detailed calculation on pages 18 through 20  
9           and is described below. Line 14 reflects the reconciliation of the approved FY 2017 ISR  
10          revenue requirement for vintage FY 2017 plant additions with the actual vintage FY 2017  
11          revenue requirement on those investments. As previously discussed, this reconciliation is  
12          necessary because the actual level of tax deductibility on FY 2017 investments was not  
13          known when the Company filed the FY 2017 and FY 2018 ISR Factor proposals. A  
14          detailed calculation of the updated FY 2017 revenue requirement is presented on page 4  
15          of Attachment MAL-1.

16  
17          Line 15 represents a correction to prior year tax NOL amounts. The correction to prior  
18          year NOLs is necessary to exclude the portion of tax NOLs that are included in Federal  
19          Energy Regulatory Commission (FERC) jurisdiction transmission rate base amounts that  
20          were incorrectly included in previous vintage year NOL amounts included in ISR rate  
21          base. Finally, Line 16 reflects a true-up to address an adjustment that was recorded in the

1 Company's FY 2016 annual report, in which it wrote off certain work orders that had  
2 been charged to plant in FY 2013 through FY 2016 that should have been charged to  
3 expense. Line 17 reflects the adjustment to Property Taxes associated with the work  
4 order write off adjustment.

5  
6 **Q. Has the Company provided support for the actual level of FY 2018 ISR-eligible**  
7 **plant investments?**

8 A. Yes. The description of the FY 2018 Electric ISR program and the amount of the  
9 incremental plant additions eligible for inclusion in the ISR mechanism are supported by  
10 the direct testimony and supporting attachment of Mr. Anand. The ultimate revenue  
11 requirement on the ISR eligible plant additions equals the return on the investment (i.e.  
12 average rate base at the weighted average cost of capital), plus depreciation expense and  
13 property taxes associated with the investment. Incremental ISR eligible plant additions  
14 for this purpose is intended to represent the net change in rate base for electric  
15 infrastructure investments, since the establishment of the Company's ISR mechanism  
16 effective April 1, 2011, and is defined as capital additions plus cost of removal, less  
17 annual depreciation expense included in the Company's rates, net of depreciation expense  
18 attributable to general plant. As discussed in the testimony of Mr. Anand, the actual ISR  
19 eligible plant additions for FY 2018 totals \$92.7 million associated with the Company's  
20 FY 2018 ISR Plan (electric infrastructure investment net of general plant).

1   **Q.     Please explain the distinction between non-discretionary and discretionary capital**  
2       **spending as they relate to the revenue requirement calculation.**

3   A.   For purposes of calculating the capital-related revenue requirement, investments in  
4       electric infrastructure have been divided into two categories: (1) non-discretionary capital  
5       investments, which principally represent the Company's commitment to meet statutory  
6       and/or regulatory obligations; and (2) discretionary capital investments, which represent  
7       all other electric infrastructure-related capital investment falling outside of the  
8       specifically defined non-discretionary categories. The amount of discretionary  
9       investment the Company is allowed to include in the revenue requirement calculation is  
10      subject to certain limitations as shown on Page 17 of Attachment MAL-1. The amount of  
11      discretionary capital investment the Company uses in the revenue requirement must be no  
12      greater than the cumulative amount of discretionary project spend as approved by the  
13      PUC in this proceeding. This means that the discretionary investment is limited to the  
14      lesser of actual cumulative discretionary capital additions or spending, or cumulative  
15      discretionary spending approved by the PUC in this docket. For purposes of the FY 2018  
16      revenue requirement, the lesser of these items was actual discretionary capital additions  
17      of \$56,750,256, as shown on Attachment MAL-1, Page 17.

18  
19   **Q.     What is the updated revenue requirement associated with actual plant additions?**

20   A.   The updated FY 2018 revenue requirement, associated with the Company's actual FY  
21       2012 through FY 2018 ISR eligible plant investments, totals \$12,681,344. This amount

1 includes the updated FY 2018 revenue requirement on FY 2012 through FY 2018 ISR  
2 investments, reconciliation of the approved FY 2017 ISR revenue requirements on  
3 vintage FY 2017 investments with the actual FY 2017 revenue requirement on those  
4 investments, inclusion of the property tax recovery adjustment pursuant to the rate case  
5 settlement agreement in Docket No. 4323, and true up adjustments for prior year  
6 transmission-related tax NOLs and the write off of prior year charges to capital work  
7 orders.

8  
9 **III. Conclusion**

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

11 **A.** Yes, it does.





**THE NARRAGANSETT ELECTRIC COMPANY  
d/b/a NATIONAL GRID  
RIPUC DOCKET NO. 4682  
FY 2018 ELECTRIC INFRASTRUCTURE, SAFETY, AND RELIABILITY PLAN  
ANNUAL RECONCILIATION FILING  
WITNESS: MELISSA A. LITTLE**

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Attachment MAL-1    Electric Infrastructure, Safety, and Reliability Plan Revenue  
Requirement Calculation

The Narragansett Electric Company  
d/b/a National Grid  
RIPUC DOCKET NO. 4682  
FY 2018 Electric Infrastructure, Safety,  
and Reliability Plan Reconciliation Filing  
Attachment MAL-1  
Page 1 of 26

**The Narragansett Electric Company  
d/b/a National Grid  
FY 2018 Electric ISR Revenue Requirement Reconciliation  
Annual Revenue Requirement Summary**

Line No.		Fiscal Year <u>2018</u>
	<b><u>Operation and Maintenance (O&amp;M) Expenses:</u></b>	
1	Current Year Vegetation Management (VM)	\$9,515,300
2	Current Year Inspection & Maintenance (I&M)	\$684,744
3	Electric Contact Voltage expenses included in RIPUC Docket No. 4323	(\$163,749)
4	<b>Total O&amp;M Expense Component of Revenue Requirement</b>	<b><u>\$10,036,295</u></b>
	<b><u>Capital Investment:</u></b>	
5	Actual Revenue Requirement on Incremental FY 2012 Capital included in ISR Rate Base	\$261,894
6	Actual Revenue Requirement on Incremental FY 2013 Capital included in ISR Rate Base	(\$1,023,497)
7	Actual Revenue Requirement on Incremental FY 2014 Capital included in ISR Rate Base	\$702,125
8	Actual Revenue Requirement on FY 2015 Capital included in ISR Rate Base	\$3,702,462
9	Actual Revenue Requirement on FY 2016 Capital included in ISR Rate Base	\$3,707,299
10	Actual Revenue Requirement on FY 2017 Capital included in ISR Rate Base	\$3,595,726
11	Actual Revenue Requirement on FY 2018 Capital included in ISR Rate Base	<u>\$3,539,880</u>
12	Subtotal	\$14,485,888
13	FY 2018 Property Tax Recovery Adjustment	(\$350,419)
14	True-Up for Net Operating Loss, Bonus Depreciation, Capital Repairs Deduction, and Loss incurred due to retirement of FY 2017 Revenue Requirement Reconciliation RIPUC Docket No. 4592	\$38,904
15	True-Up for FY 2012 through FY 2016 Transmission - Related Net Operating Losses ("NOL")	(\$932,091)
16	True-Up for FY 2013 through FY 2016 Work Order Write Off Adjustment: Capital Investment	(\$560,347)
17	True-Up for FY 2013 through FY 2016 Work Order Write Off Adjustment: Property Tax	(\$589)
18	<b>Total Capital Investment Component of Revenue Requirement</b>	<b><u>\$12,681,344</u></b>
19	<b>Total Fiscal Year Revenue Requirement</b>	<b><u>\$22,717,639</u></b>
20	FY 2018 Plan Revenue Requirement as filed on March 21, 2017	\$26,837,179
21	Decrease in FY 2018 Revenue Requirement	(\$4,119,540)
1	Attachment PSA-1, Page 16, Table 11	
2	Attachment PSA-1, Page 17, Table 12	
4	Line 1 + Line 2 + Line 3	
5	Page 14 of 26, Line 31	
6	Page 12 of 26, Line 36	
7	Page 10 of 26, Line 36	
8	Page 8 of 26, Line 36	
9	Page 6 of 26, Line 36	
10	Page 4 of 26, Line 33	
11	Page 2 of 26, Line 33	
12	Sum of Lines 5 through 11	
13	Page 19 of 26, Line 66 * 1000	
14	Page 4 of 26, Line 35	
15	Page 22 of 26, Line 11	
16	Page 23 of 26, Line 9	
17	Page 18 of 26, Sum of Line 34	
18	Sum of Lines 12 through 17	
19	Sum of Lines 4 and 18	
20	FY 2018 Plan Revenue Requirement as filed on March 21, 2017	
21	Line 19 - Line 20	

The Narragansett Electric Company  
d/b/a National Grid  
RIPUC DOCKET NO. 4682  
FY 2018 Electric Infrastructure, Safety,  
and Reliability Plan Reconciliation Filing  
Attachment MAL-1  
Page 2 of 26

The Narragansett Electric Company  
d/b/a National Grid  
FY 2018 Electric ISR Revenue Requirement Reconciliation  
FY 2018 Revenue Requirement on FY 2018 Actual Incremental Capital Investment

Line No.		Fiscal Year 2018 (a)
<b>Capital Investment Allowance</b>		
1	<i>Non-Discretionary Capital</i>	\$35,909,398
2	<i>Discretionary Capital</i>	
	Lesser of Actual Cumulative Non-Discretionary Capital Additions or Spending, or Approved Spending	
3	Total Allowed Capital Included in Rate Base	\$56,750,256
	Line 1 + Line 2	\$92,659,654
4	Depreciable Net Capital Included in Rate Base	
5	Total Allowed Capital Included in Rate Base in Current Year Retirements	\$92,659,654
6	Net Depreciable Capital Included in Rate Base	\$15,206,748
	Year 1 = Line 4 - Line 5; then = Prior Year Line 6	\$77,452,906
7	Change in Net Capital Included in Rate Base	
	Capital Included in Rate Base	\$92,659,654
8	Depreciation Expense	
9	Incremental Capital Amount	\$43,031,774
	Per Settlement Agreement Docket No. 4323, excluding General Plant	
	Year 1 = Line 7 - Line 8; then = Prior Year Line 9	\$49,627,880
10	Cost of Removal	\$9,979,698
11	<b>Total Net Plant in Service</b>	<b>\$59,607,578</b>
	<b>Line 9 + Line 10</b>	
<b>Deferred Tax Calculation:</b>		
12	Composite Book Depreciation Rate	3.40%
13	Vintage Year Tax Depreciation:	
14	2018 Spend	\$52,979,343
15	Cumulative Tax Depreciation	\$52,979,343
16	Book Depreciation	\$1,316,699
17	Cumulative Book Depreciation	\$1,316,699
18	Cumulative Book / Tax Timer	\$51,662,644
19	Effective Tax Rate	21.00%
20	Deferred Tax Reserve	\$10,849,155
21	Less: FY 2018 Federal NOL	\$0
22	Less: Proration Adjustment	(\$5,486,704)
23	Excess Deferred Tax	\$5,424,578
24	Net Deferred Tax Reserve	\$10,787,029
<b>Rate Base Calculation:</b>		
25	Cumulative Incremental Capital Included in Rate Base	\$59,607,578
26	Accumulated Depreciation	(\$1,316,699)
27	Deferred Tax Reserve	(\$10,787,029)
28	Year End Rate Base	\$47,503,850
<b>Revenue Requirement Calculation:</b>		
29	Average Rate Base	\$23,751,925
30	Pre-Tax ROR	9.36%
31	Return and Taxes	\$2,223,180
32	Book Depreciation	\$1,316,699
33	<b>Annual Revenue Requirement</b>	<b>\$3,539,880</b>
	<b>Line 31 + Line 32</b>	

1/ Actual Retirements

2/ The federal Income Tax rate changed from 35% to 21% on January 1, 2018 per the Tax Cuts and Jobs Act of 2017

The Narragansett Electric Company  
d/b/a National Grid

FY 2018 Electric ISR Revenue Requirement Reconciliation  
Calculation of Tax Depreciation and Repairs Deduction on FY2018 Incremental Capital Investments

Line No.		Fiscal Year 2018 (a)	(b)	(c)	(d)
	<u>Capital Repairs Deduction</u>				
1	Plant Additions	\$92,659,654			
2	Capital Repairs Deduction Rate	1/ 23.38%			
3	Capital Repairs Deduction	\$21,663,827			\$53,424,360
	<u>Bonus Depreciation</u>				
4	Plant Additions	\$92,659,654			\$2,003,414
5	Less Capital Repairs Deduction	(\$21,663,827)		3.750%	\$3,856,705
6	Plant Additions Net of Capital Repairs Deduction			7.219%	\$3,567,145
7	Percent of Plant Eligible for Bonus Depreciation	\$70,995,827		6.677%	\$3,300,023
8	Plant Eligible for Bonus Depreciation	99.00%		2021	\$3,052,134
9	Bonus Depreciation Rate (April 2017 - September 2017)	\$70,285,869		2022	\$2,823,477
10	Bonus Depreciation Rate (Oct 2017 - March 2018)	25.00%		2023	\$2,611,383
11	Total Bonus Depreciation Rate	0.00%		2024	\$2,415,850
12	Bonus Depreciation	\$17,571,467		2025	\$2,383,795
	<u>Remaining Tax Depreciation</u>			2026	\$2,383,261
13	Plant Additions	\$92,659,654		2027	\$2,383,261
14	Less Capital Repairs Deduction	(\$21,663,827)		2028	\$2,383,261
15	Less Bonus Depreciation	(\$17,571,467)		2029	\$2,383,795
16	Remaining Plant Additions Subject to 20 YR MACRS Tax Depreciation	\$53,424,360		2030	\$2,383,261
17	20 YR MACRS Tax Depreciation Rates	3.750%		2031	\$2,383,795
18	Remaining Tax Depreciation	\$2,003,414		2032	\$2,383,261
19	FY18 Loss incurred due to retirements			2033	\$2,383,795
20	Cost of Removal	\$1,760,937		2034	\$2,383,261
		\$9,979,698		2035	\$2,383,795
21	Total Tax Depreciation and Repairs Deduction	\$52,979,343		2036	\$2,383,261
				2037	\$1,191,897
				2038	\$53,424,360

1/ Capital Repairs percentage is based on a three year average 2013, 2014, and 2015 of electric property qualifying for the repairs deduction as a percentage of total annual plant additions.

2/ FY 2018 estimated tax loss on retirements is based on FY 2016 estimate

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The Narragansett Electric Company  
d/b/a National Grid  
FY 2018 Electric ISR Revenue Requirement Reconciliation  
FY 2018 Revenue Requirement on FY 2017 Actual Incremental Capital Investment

Line No.		Fiscal Year 2017 (a)	Fiscal Year 2018 (b)
1	Capital Additions Allowance Non-Discretionary Capital Non-Discretionary Additions	\$28,593,675	\$0
2	Discretionary Capital Lesser of Actual Cumulative Discretionary Capital Additions or Spending, or Approved Spending	\$46,895,663	\$0
3	Total Allowed Capital Included in Rate Base	\$75,489,338	\$0
4	Depreciable Net Capital Included in Rate Base		
5	Total Allowed Capital Included in Rate Base in Current Year	\$75,489,338	\$0
6	Retirements	\$22,244,993	\$0
7	Net Depreciable Capital Included in Rate Base	\$53,244,345	\$53,244,345
8	Change in Net Capital Included in Rate Base		
9	Capital Included in Rate Base	\$75,489,338	\$0
10	Depreciation Expense	\$43,031,774	\$0
11	Incremental Depreciable Amount	\$32,457,564	\$32,457,564
12	Total Cost of Removal	\$7,806,949	\$7,806,949
13	<b>Total Net Plant in Service</b>	<b>\$40,264,513</b>	<b>\$40,264,513</b>
14	Deferred Tax Calculation:		
15	Composite Book Depreciation Rate	3.40%	3.40%
16	Vintage Year Tax Depreciation:		
17	2017 Spend	\$56,129,313	\$2,186,135
18	Cumulative Tax Depreciation	\$56,129,313	\$58,315,448
19	Book Depreciation	\$905,154	\$1,810,308
20	Cumulative Book Depreciation	\$905,154	\$2,715,462
21	Cumulative Book / Tax Timer	\$55,224,159	\$55,599,986
22	Effective Tax Rate	35.00%	21.00%
23	Deferred Tax Reserve	\$19,328,456	\$11,675,997
24	Less: FY 2017 Federal NOL	\$0	\$0
25	Less: Provision Adjustment	\$0	(\$16,852)
26	Excess Deferred Tax	\$0	\$7,770,844
27	Net Deferred Tax Reserve	\$19,328,456	\$19,429,989
28	Rate Base Calculation:		
29	Cumulative Incremental Capital Included in Rate Base	\$40,264,513	\$40,264,513
30	Accumulated Depreciation	(\$905,154)	(\$2,715,462)
31	Deferred Tax Reserve	(\$19,328,456)	(\$19,429,989)
32	Year End Rate Base	\$20,030,904	\$18,119,062
33	Revenue Requirement Calculation:		
34	Average Rate Base	\$10,015,452	\$19,074,983
35	Pre-Tax ROR	9.68%	9.36%
36	Return and Taxes	\$969,496	\$1,785,418
37	Book Depreciation	\$905,154	\$1,810,308
38	<b>Annual Revenue Requirement</b>	<b>\$1,874,650</b>	<b>\$3,595,726</b>
39	As Approved in RIPUC Docket No. 4592	\$1,835,746	
40	True up	\$38,904	
41	1/ Actual Retirement		

2/ The federal Income Tax rate changed from 35% to 21% on January 1, 2018 per the Tax Cuts and Jobs Act of 2017

**The Narragansett Electric Company  
d/b/a National Grid  
FY 2018 Electric ISR Revenue Requirement Reconciliation  
Calculation of Tax Depreciation and Repairs Deduction on FY2017 Incremental Capital Investments**

Line No.		Fiscal Year 2017			
		(a)	(b)	(c)	(d)
	<u>Capital Repairs Deduction</u>				
1	Plant Additions				
2	Capital Repairs Deduction Rate	1/	\$75,489,338		
3	Capital Repairs Deduction		<u>20.50%</u> \$15,475,314		\$30,283,076
	<u>Bonus Depreciation</u>				
4	Plant Additions				
5	Less Capital Repairs Deduction		\$75,489,338		\$1,135,615
6	Plant Additions Net of Capital Repairs Deduction		<u>(\$15,475,314)</u>		\$2,186,135
7	Percent of Plant Eligible for Bonus Depreciation		\$60,014,024		\$2,022,001
8	Plant Eligible for Bonus Depreciation	2/	<u>99.08%</u>		\$1,870,586
9	Bonus Depreciation Rate (April 2016 - December 2016)		\$59,461,895		\$1,730,072
10	Bonus Depreciation Rate (January 2017 - March 2017)		<u>37.50%</u>		\$1,600,461
11	Total Bonus Depreciation Rate		12.50%		\$1,480,237
12	Bonus Depreciation		<u>50.00%</u>		\$1,369,401
	<u>Remaining Tax Depreciation</u>		\$29,730,948		\$1,351,231
13	Plant Additions				\$1,350,928
14	Less Capital Repairs Deductions		\$75,489,338		\$1,351,231
15	Less Bonus Depreciation		<u>(\$15,475,314)</u>		\$1,350,928
16	Remaining Plant Additions Subject to 20 YR MACRS Tax Depreciation		<u>(\$29,730,948)</u>		\$1,351,231
17	20 YR MACRS Tax Depreciation Rates		\$30,283,076		\$1,350,928
18	Remaining Tax Depreciation		<u>3.750%</u>		\$1,351,231
19	FY17 Loss incurred due to retirements		\$1,135,615		\$1,350,928
20	Cost of Removal	3/	\$1,980,487		\$1,351,231
			<u>\$7,806,949</u>		\$1,350,928
21	Total Tax Depreciation and Repairs Deduction		<u>\$56,129,313</u>		\$675,615
				100.000%	\$30,283,076

- 1/ Capital Repairs percentage is based on the actual results of the FY 2017 tax return.  
2/ Percent of Plant Eligible for Bonus Depreciation is the actual result of FY2017 tax return  
3/ Actual Loss for FY17

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FY 2018 Electric ISR Revenue Requirement Reconciliation  
FY 2018 Revenue Requirement on FY 2016 Actual Incremental Capital Investment

Line No.		Fiscal Year 2016 (a)	Fiscal Year 2017 (b)	Fiscal Year 2018 (c)
<b>Capital Investment Allowance</b>				
1	<i>Non-Discretionary Capital</i>			
2	Work Order Write Off Adjustment	\$35,964,438	\$0	\$0
	Per RIPUC Docket No. 4539	\$672,272	\$0	\$0
	Per Company's books			
3	<i>Discretionary Capital</i>			
4	Lesser of Actual Cumulative Non-Discretionary Capital Additions or Spending or Approved Spending	\$35,488,464	\$0	\$0
5	Work Order Write Off Adjustment	(\$121,728)	\$0	\$0
	Per RIPUC Docket No. 4539			
	Per Company's books			
6	Total Allowed Capital Included in Rate Base	\$72,003,445	\$0	\$0
7	Depreciable Net Capital Included in Rate Base			
8	Total Allowed Capital Included in Rate Base in Current Year Retirements	\$72,003,445	\$0	\$0
	Line 5			
9	Net Depreciable Capital Included in Rate Base	\$28,489,814	\$0	\$0
	Year 1 = Line 6 - Line 7; then = Prior Year Line 8	\$43,513,631	\$43,513,631	\$43,513,631
10	Change in Net Capital Included in Rate Base			
11	Capital Included in Rate Base	\$72,003,445	\$0	\$0
12	Depreciation Expense	\$43,031,774	\$28,971,671	\$28,971,671
13	Incremental Capital Amount	\$28,971,671	\$0	\$0
	Per Settlement Agreement Docket No. 4323, excluding General Plant			
	Year 1 = Line 9 - Line 10; then = Prior Year Line 11			
14	Cost of Removal	\$8,192,983	\$8,192,983	\$8,192,983
	Work Order Write Off Adjustment	(\$19,884)	(\$19,884)	(\$19,884)
	Per RIPUC Docket No. 4539			
	Per Company's books			
	<b>Total Net Plant in Service</b>	<b>\$37,144,770</b>	<b>\$37,144,770</b>	<b>\$37,144,770</b>
<b>Deferred Tax Calculations:</b>				
15	Composite Book Depreciation Rate	3.40%	3.40%	3.40%
16	Vintage Year Tax Depreciation:			
17	2016 Spend	\$60,569,127	\$1,868,699	\$1,728,398
18	Cumulative Tax Depreciation	\$60,569,127	\$62,437,826	\$64,166,224
19	Book Depreciation	\$739,732	\$1,479,463	\$1,479,463
20	Cumulative Book Depreciation	\$739,732	\$2,219,195	\$3,698,659
21	Cumulative Book / Tax Timer	\$59,829,395	\$60,218,631	\$60,467,565
22	Effective Tax Rate	35.00%	35.00%	21.00%
23	Deferred Tax Reserve	\$20,940,288	\$21,076,521	\$12,698,189
24	Less: FY 2016 Federal NOL	(\$10,693,796)	(\$10,693,796)	(\$10,693,796)
25	Less: Promotion Adjustment	\$0	\$0	(\$75,493)
26	Excess Deferred Tax	\$0	\$0	\$8,456,746
27	Net Deferred Tax Reserve	\$10,246,492	\$10,382,725	\$10,385,646
<b>Rate Base Calculation:</b>				
28	Cumulative Incremental Capital Included in Rate Base	\$37,144,770	\$37,144,770	\$37,144,770
29	Accumulated Depreciation	(\$739,732)	(\$2,219,195)	(\$3,698,659)
30	Deferred Tax Reserve	\$10,246,492	(\$10,382,725)	(\$10,385,646)
31	Year End Rate Base	\$26,158,546	\$24,542,850	\$23,060,465
<b>Revenue Requirement Calculation:</b>				
32	Average Rate Base	\$13,079,273	\$25,350,698	\$23,801,658
33	Pre-Tax ROR	9.68%	9.68%	9.36%
34	Return and Taxes	\$1,266,074	\$2,453,948	\$2,227,835
35	Book Depreciation	\$739,732	\$1,479,463	\$1,479,463
	Year 1 = Current Year Line 31 + 2; then Average of (Prior + Current Year Line 31)			
	Page 26 of 26, Line 40, Line 54			
	Line 32 + Line 33			
	Line 19			
	<b>Annual Revenue Requirement</b>	<b>\$2,005,805</b>	<b>\$3,933,411</b>	<b>\$3,707,299</b>
36	As Approved in RIPUC Docket No. 4539, and FY 18 and FY 19 Plan			
37	Transmission-related NOL adjustment (True-up included in RIPUC Docket No. 4682)	\$2,048,986	\$3,933,411	
38	True-Up to reflect actual NOL deferred taxes generated for FY 2016	(\$169,161)		
39	Work Order Write Off Adjustment (True-up included in RIPUC Docket No. 4682)	\$193,024		
40		\$29,263		

1/ Actual Retirements

2/ The federal Income Tax rate changed from 35% to 21% on January 1, 2018 per the Tax Cuts and Jobs Act of 2017



The Narragansett Electric Company  
d/b/a National Grid

FY 2018 Electric ISR Revenue Requirement Reconciliation  
Calculation of Tax Depreciation and Repairs Deduction on FY2016 Incremental Capital Investments

Line No.		Fiscal Year 2016 (a)	(b)	(c)	(d)
	<u>Capital Repairs Deduction</u>				
1	Plant Additions	Page 6 of 26, Line 5			
2	Capital Repairs Deduction Rate	Per Tax Department			
3	Capital Repairs Deduction	Line 1 * Line 2	\$72,003,445 1/ \$21,361,075		\$25,885,847
	<u>Bonus Depreciation</u>				
4	Plant Additions	Line 1	\$72,003,445		\$970,719
5	Less Capital Repairs Deduction	- Line 3	(\$21,361,075)		\$1,868,699
6	Plant Additions Net of Capital Repairs Deduction	Line 4 + Line 5	\$50,642,370		\$1,728,398
7	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	97.77%		\$1,598,969
8	Plant Eligible for Bonus Depreciation	Line 6 * Line 7	\$49,513,045		\$1,478,858
9	Bonus Depreciation Rate (April 2015 - December 2015)	1 * 75% * 50%	37.50%		\$1,368,067
10	Bonus Depreciation Rate (January 2016 - March 2016)	1 * 25% * 50%	12.50%		\$1,265,300
11	Total Bonus Depreciation Rate	Line 9 + Line 10	50.00%		\$1,170,558
12	Bonus Depreciation	Line 8 * Line 11	\$24,756,523		\$1,155,026
	<u>Remaining Tax Depreciation</u>				
13	Plant Additions	Line 1	\$72,003,445		\$1,154,768
14	Less Capital Repairs Deduction	- Line 3	(\$21,361,075)		\$1,155,026
15	Less Bonus Depreciation	- Line 12	(\$24,756,523)		\$1,154,768
16	Remaining Plant Additions Subject to 20 YR MACRS Tax Depreciation	Sum of Line 13 through Line 15	\$25,885,847		\$1,155,026
17	20 YR MACRS Tax Depreciation Rates	Per IRS Publication 946	3.750%		\$1,154,768
18	Remaining Tax Depreciation	Line 16 * Line 17	\$970,719		\$1,155,026
19	FY16 Loss incurred due to retirements	Per Tax Department	\$5,307,711		\$1,154,768
20	Cost of Removal	Page 6 of 26, Line 12 + Line 13	\$8,173,099		\$1,155,026
21	Total Tax Depreciation and Repairs Deduction	Sum of Lines 3, 12, 18, 19, and 20	\$60,569,127		\$1,154,768
				100.000%	\$25,885,847

1/ Capital Repairs percentage is based on the actual results of the FY 2016 tax return.

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FY 2018 Electric ISR Revenue Requirement Reconciliation  
FY 2018 Revenue Requirement on FY 2015 Actual Incremental Capital Investment

Line No.		Fiscal Year 2015 (a)	Fiscal Year 2016 (b)	Fiscal Year 2017 (c)	Fiscal Year 2018 (d)
<b>Capital Investment Allowance</b>					
1	<i>Non-Discretionary Capital</i>				
2	Work Order Write Off Adjustment	\$22,246,664 (\$268,138)	\$0	\$0	\$0
3	<i>Discretionary Capital</i>				
4	Lesser of Actual Cumulative Non-Discretionary Capital Additions or Spending or Approved Spending	\$54,410,377 (\$48,499)	\$0	\$0	\$0
5	Work Order Write Off Adjustment				
6	Total Allowed Capital Included in Rate Base	\$76,340,403	\$0	\$0	\$0
7	Depreciable Net Capital Included in Rate Base				
8	Total Allowed Capital Included in Rate Base	\$76,340,403	\$0	\$0	\$0
9	Retirements	\$76,340,403	\$0	\$0	\$0
10	Net Depreciable Capital Included in Rate Base	\$15,666,095	\$0	\$0	\$0
11	Change in Net Capital Included in Rate Base	\$60,674,308	\$60,674,308	\$60,674,308	\$60,674,308
12	Capital Included in Rate Base				
13	Depreciation Expense	\$76,340,403	\$0	\$0	\$0
14	Incremental Capital Amount	\$43,031,774	\$33,308,629	\$33,308,629	\$33,308,629
15	Cost of Removal	\$6,988,398	\$6,988,398	\$6,988,398	\$6,988,398
16	Work Order Write Off Adjustment	\$22,398,01	\$22,398	\$22,398	\$22,398
17	<b>Total Net Plant in Service</b>	<b>\$40,319,425</b>	<b>\$40,319,425</b>	<b>\$40,319,425</b>	<b>\$40,319,425</b>
18	Deferred Tax Calculation:				
19	Composite Book Depreciation Rate	3.40%	3.40%	3.40%	3.40%
20	Vintage Year Tax Depreciation:				
21	2015 Spend	\$71,871,022	\$2,120,892	\$1,961,656	\$1,814,760
22	Cumulative Tax Depreciation	\$71,871,022	\$73,991,914	\$75,953,570	\$77,768,330
23	Book Depreciation	\$1,031,463	\$2,062,926	\$2,062,926	\$2,062,926
24	Cumulative Book Depreciation	\$1,031,463	\$3,094,390	\$5,157,316	\$7,220,243
25	Effective Tax Rate	\$70,839,559	\$70,897,524	\$70,796,254	\$70,548,087
26	Less: FY 2015 Federal NOL	35.00%	35.00%	35.00%	21.00%
27	Excess Deferred Tax	\$24,793,846	\$24,814,134	\$24,778,689	\$14,815,098
28	Net Deferred Tax Reserve	(\$8,148,936)	(\$8,148,936)	(\$8,148,936)	(\$8,148,936)
29	Rate Base Calculation:				
30	Cumulative Incremental Capital Included in Rate Base	\$40,319,425	\$40,319,425	\$40,319,425	\$40,319,425
31	Accumulated Depreciation	(\$1,031,463)	(\$3,094,390)	(\$5,157,316)	(\$7,220,243)
32	Deferred Tax Reserve	(\$16,644,909)	(\$16,665,197)	(\$16,629,752)	(\$16,598,337)
33	Year End Rate Base	\$22,643,053	\$20,559,839	\$18,532,357	\$16,500,445
34	Revenue Requirement Calculation:				
35	Average Rate Base	\$11,321,526.47	\$21,601,446	\$19,546,098	\$17,516,401
36	Pre-Tax ROR	9.68%	9.68%	9.68%	9.36%
37	Return and Taxes	\$1,094,924	\$2,091,020	\$1,892,162	\$1,639,535
38	Book Depreciation	\$1,031,463	\$2,062,926	\$2,062,926	\$2,062,926
39	<b>Annual Revenue Requirement</b>	<b>\$2,127,387</b>	<b>\$4,153,946</b>	<b>\$3,954,989</b>	<b>\$3,702,462</b>
40	As Approved in RIPUC Docket No. 4539	\$2,335,465	\$4,569,615		
41	Transmission-related NOL adjustment	(\$191,621)	(\$383,242)		
42	Work Order Write Off Adjustment	(\$16,457)	(\$32,427)		
43	Actual Retirements				

1/ Actual Retirements

2/ The federal income tax rate changed from 35% to 21% on January 1, 2018 per the Tax Cuts and Jobs Act of 2017

The Narragansett Electric Company  
d/b/a National Grid

FY 2018 Electric ISR Revenue Requirement Reconciliation  
Calculation of Tax Depreciation and Repairs Deduction on FY2015 Incremental Capital Investments

Line No.		Fiscal Year 2015 (a)	(b)	(c)	(d)
	<u>Capital Repairs Deduction</u>				
1	Plant Additions	\$76,340,403			
2	Capital Repairs Deduction Rate	1/ 23.10%			
3	Capital Repairs Deduction	\$17,634,633			\$29,379,302
	<u>Bonus Depreciation</u>				
4	Plant Additions	\$76,340,403	Fiscal Year		\$1,101,724
5	Less Capital Repairs Deduction	(\$17,634,633)	2015	3.750%	
6	Plant Additions Net of Capital Repairs Deduction	\$58,705,770	2016	7.219%	\$2,120,892
7	Percent of Plant Eligible for Bonus Depreciation	99.91%	2017	6.677%	\$1,961,656
8	Plant Eligible for Bonus Depreciation	\$58,652,935	2018	6.177%	\$1,814,760
9	Bonus Depreciation Rate (April 2014 - December 2014)	1 * 75% * 50%	2019	5.713%	\$1,678,440
10	Bonus Depreciation Rate (January 2015 - March 2015)	1 * 25% * 50%	2020	5.285%	\$1,552,696
11	Total Bonus Depreciation Rate	50.00%	2021	4.888%	\$1,436,060
12	Bonus Depreciation	\$29,326,468	2022	4.522%	\$1,328,532
	<u>Remaining Tax Depreciation</u>		2023	4.462%	\$1,310,904
13	Plant Additions	\$76,340,403	2024	4.461%	\$1,310,611
14	Less Capital Repairs Deduction	(\$17,634,633)	2025	4.462%	\$1,310,904
15	Less Bonus Depreciation	(\$29,326,468)	2026	4.461%	\$1,310,611
16	Remaining Plant Additions Subject to 20 YR MACRS Tax Depreciation	\$29,379,302	2027	4.462%	\$1,310,904
17	20 YR MACRS Tax Depreciation Rates	3.750%	2028	4.461%	\$1,310,611
18	Remaining Tax Depreciation	\$1,101,724	2029	4.462%	\$1,310,904
			2030	4.461%	\$1,310,611
			2031	4.462%	\$1,310,904
19	481(a) adjustment for partial retirements	\$14,395,754	2032	4.461%	\$1,310,611
20	FY15 Loss incurred due to retirements	\$2,401,647	2033	4.462%	\$1,310,904
21	Cost of Removal	\$7,010,796	2034	4.461%	\$1,310,611
22	Total Tax Depreciation and Repairs Deduction	\$71,871,022	2035	2.231%	\$655,452
				100.000%	\$29,379,302

1/ Capital Repairs percentage is based on the actual results of the FY 2015 tax return.

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FY 2018 Revenue Requirement on FY 2014 Actual Incremental Capital Investment

Line No.		Fiscal Year 2014 (a)	Fiscal Year 2015 (b)	Fiscal Year 2016 (c)	Fiscal Year 2017 (d)	Fiscal Year 2018 (e)
<b>Capital Investment Allowance</b>						
1	<i>Non-Discretionary Capital</i>					
2	Work Order Write Off Adjustment	\$6,973,860 (\$472,942)	\$0	\$0	\$0	\$0
3	<i>Discretionary Capital</i>					
4	Capital Additions or Spending, or Approved Spending	\$6,400,406 (\$8,965)	\$0	\$0	\$0	\$0
5	Work Order Write Off Adjustment					
6	Total Allowed Capital Included in Rate Base	\$12,842,359	\$0	\$0	\$0	\$0
7	Depreciable Net Capital Included in Rate Base	\$12,842,359	\$0	\$0	\$0	\$0
8	Retirements	(\$4,165,367)	\$0	\$0	\$0	\$0
9	Net Depreciable Capital Included in Rate Base	\$17,007,726	\$17,007,726	\$17,007,726	\$17,007,726	\$17,007,726
10	Change in Net Capital Included in Rate Base					
11	Capital Included in Rate Base	\$12,842,359	\$0	\$0	\$0	\$0
12	Depreciation Expense	\$7,173,397	\$0	\$0	\$0	\$0
13	Incremental Capital Amount	\$5,668,962	\$5,668,962	\$5,668,962	\$5,668,962	\$5,668,962
14	Total Cost of Removal	(\$887,841)	(\$887,841)	(\$887,841)	(\$887,841)	(\$887,841)
15	Work Order Write Off Adjustment	(\$57,062)	(\$57,062)	(\$57,062)	(\$57,062)	(\$57,062)
16	Total Net Plant in Service	<b>\$4,744,059</b>	<b>\$4,744,059</b>	<b>\$4,744,059</b>	<b>\$4,744,059</b>	<b>\$4,744,059</b>
<b>Deferred Tax Calculation:</b>						
17	Composite Book Depreciation Rate	3.40%	3.40%	3.40%	3.40%	3.40%
18	Vintage Year Tax Depreciation:					
19	2014 Spend	\$7,826,326	\$306,845	\$283,808	\$262,555	\$242,832
20	Cumulative Tax Depreciation	\$7,826,326	\$8,133,171	\$8,416,979	\$8,679,534	\$8,922,366
21	Book Depreciation	\$289,131	\$578,263	\$578,263	\$578,263	\$578,263
22	Cumulative Book Depreciation	\$289,131	\$867,394	\$1,445,657	\$2,023,919	\$2,602,182
23	Cumulative Book / Tax Tiner	\$7,537,194	\$7,265,777	\$6,971,322	\$6,655,614	\$6,320,184
24	Effective Tax Rate	35.00%	35.00%	35.00%	35.00%	35.00%
25	Deferred Tax Reserve	\$2,638,018	\$2,543,022	\$2,439,963	\$2,329,465	\$1,327,239
26	Less: FY 2014 Federal NOL	(\$1,200,808)	(\$1,200,808)	(\$1,200,808)	(\$1,200,808)	(\$1,200,808)
27	Less: Proration Adjustment	\$0	\$0	\$0	\$0	\$0
28	Excess Deferred Tax	\$0	\$0	\$0	\$0	\$0
29	Net Deferred Tax Reserve	\$1,437,210	\$1,342,214	\$1,239,155	\$1,128,657	\$1,086,736
30	Rate Base Calculation:					
31	Cumulative Incremental Capital Included in Rate Base	\$4,744,059	\$4,744,059	\$4,744,059	\$4,744,059	\$4,744,059
32	Accumulated Depreciation	(\$289,131)	(\$867,394)	(\$1,445,657)	(\$2,023,919)	(\$2,602,182)
33	Deferred Tax Reserve	(\$1,437,210)	(\$1,342,214)	(\$1,239,155)	(\$1,128,657)	(\$1,086,736)
34	Year End Rate Base	\$3,017,717	\$2,534,451	\$2,059,247	\$1,591,482	\$1,055,141
35	Revenue Requirement Calculation:					
36	Average Rate Base	\$670,654	\$2,776,084	\$2,206,849	\$1,825,265	\$1,232,312
37	Pre-Tax ROR	9.68%	9.68%	9.68%	9.68%	9.68%
38	Return and Taxes	\$64,919	\$268,723	\$222,333	\$176,095	\$123,862
39	Book Depreciation	\$289,131	\$578,263	\$578,263	\$578,263	\$578,263
40	Annual Revenue Requirement	<b>\$354,051</b>	<b>\$846,088</b>	<b>\$800,598</b>	<b>\$754,958</b>	<b>\$702,125</b>
41	As Approved in RIPUC Docket No. 4539	\$373,851	\$900,001	\$852,205	\$800,000	\$750,000
42	Transmission-related NOL adjustment	\$0	\$0	\$0	\$0	\$0
43	Work Order Write Off Adjustment	(\$19,800)	(\$53,014)	(\$51,607)	(\$51,607)	(\$51,607)
44	Actual Retirements					
45	Depreciation Expense has been prorated for 2 months (February - March 2014)					
46	The federal income Tax rate changed from 35% to 21% on January 1, 2018 per the Tax Cuts and Jobs Act of 2017					
47	23.23% per RIPUC Docket No. 4382 (FY 2014 Elec ISR reconciliation), Attachment WRR-1 Revised, Page 12.					

The Narragansett Electric Company  
d/b/a National Grid

FY 2018 Electric ISR Revenue Requirement Reconciliation  
Calculation of Tax Depreciation and Repairs Deduction on FY2014 Incremental Capital Investments

Line No.		Fiscal Year 2014 (a)	(b)	(c)	(d)
	<u>Capital Repairs Deduction</u>				
1	Plant Additions	\$12,842,359			
2	Capital Repairs Deduction Rate	1/ 34.46%			
3	Capital Repairs Deduction	\$4,425,477			\$4,250,525
	<u>Bonus Depreciation</u>				
4	Plant Additions				
5	Less Capital Repairs Deduction	\$12,842,359			\$159,395
6	Plant Additions Net of Capital Repairs Deduction	(\$4,425,477)			\$306,845
7	Percent of Plant Eligible for Bonus Depreciation	\$8,416,882			\$283,808
8	Plant Eligible for Bonus Depreciation	99.00%			\$262,555
9	Bonus Depreciation Rate (April 2013 - December 2013)	\$8,332,713			\$242,832
10	Bonus Depreciation Rate (January 2014 - March 2014)	37.50%			\$224,640
11	Total Bonus Depreciation Rate	12.50%			\$207,766
12	Bonus Depreciation	50.00%			\$192,209
		\$4,166,357			\$189,658
	<u>Remaining Tax Depreciation</u>				
13	Plant Additions	\$12,842,359			\$189,616
14	Less Capital Repairs Deduction	(\$4,425,477)			\$189,658
15	Less Bonus Depreciation	(\$4,166,357)			\$189,658
16	Remaining Plant Additions Subject to 20 YR MACRS Tax Depreciation	\$4,250,525			\$189,616
17	20 YR MACRS Tax Depreciation Rates	3.750%			\$189,616
18	Remaining Tax Depreciation	\$159,395			\$189,616
19	Cost of Removal				\$189,658
20	Total Tax Depreciation and Repairs Deduction	(\$924,903)			\$189,616
		\$7,826,326			\$94,829
				100.000%	\$4,250,525

1/ Capital Repairs percentage is based on the FY 2014 tax return.

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**The Narragansett Electric Company  
d/b/a National Grid  
FY 2018 Electric ISR Revenue Requirement Reconciliation  
FY 2018 Revenue Requirement on FY 2013 Actual Incremental Capital Investment**

Line No.		Fiscal Year 2013 (a)	Fiscal Year 2014 (b)	Fiscal Year 2015 (c)	Fiscal Year 2016 (d)	Fiscal Year 2017 (e)	Fiscal Year 2018 (f)
<b>Capital Additions Allowance</b>							
1	Non-Discretionary Capital						
2	Non-Discretionary Additions						
	Work Order Write Off Adjustment						
3	Discretionary Capital						
4	Lesser of Actual Discretionary Capital Additions or Spending or						
5	Approved Spending						
6	Work Order Write Off Adjustment						
7	Total Allowed Capital Included in Rate Base in Current Year						
8	Net Depreciable Capital Included in Rate Base						
9	Change in Net Capital Included in Rate Base						
10	Capital Included in Rate Base						
11	Depreciation Expense						
12	Incremental Capital Amount						
13	Total Cost of Removal						
14	Work Order Write Off Adjustment						
15	<b>Total Net Plant In Service</b>						
16	Deferred Tax Calculation:						
17	Composite Book Depreciation Rate						
18	Tax Depreciation						
19	Cumulative Tax Depreciation						
20	Book Depreciation						
21	Cumulative Book Depreciation						
22	Cumulative Book / Tax Timer						
23	Effective Tax Rate						
24	Deferred Tax Reserve						
25	Less: FY 2013 Federal NOL						
26	Less: Proration Adjustment						
27	Excess Deferred Tax						
28	Net Deferred Tax Reserve						
29	Rate Base Calculation:						
30	Cumulative Incremental Capital Included in Rate Base						
31	Accumulated Depreciation						
32	Deferred Tax Reserve						
33	Year End Rate Base						
34	Revenue Requirement Calculation:						
35	Average Rate Base						
36	Pre-Tax ROR						
37	Return and Taxes						
38	Book Depreciation						
39	Property Taxes						
40	Annual Revenue Requirement						
41	FY 2013 Revenue Requirement as reconciled through the FY 2016 Reconciliation Filing RIPUC Docket No. 4539						
42	Transmission-related NOL adjustment						
43	Work Order Write Off Adjustment						
44	Actual Retirements						
45	The federal income Tax rate changed from 35% to 21% on January 1, 2018 per the Tax Cuts and Jobs Act of 2017						

**The Narragansett Electric Company  
d/b/a National Grid  
FY 2018 Electric ISR Revenue Requirement Reconciliation  
Calculation of Tax Depreciation and Repairs Deduction on FY2013 Incremental Capital Investments**

		Fiscal Year					
		2013					
		(a)		(b)		(c)	
<u>Capital Repairs Deduction</u>							
1	Plant Additions			Page 12 of 26, Line 5			
2	Capital Repairs Deduction Rate			Per Tax Department			
3	Capital Repairs Deduction			Line 1 * Line 2			
<u>Bonus Depreciation</u>							
4	Plant Additions			Line 1			
5	Less Capital Repairs Deduction			- Line 3			
6	Plant Additions Net of Capital Repairs Deduction			Line 4 + Line 5			
7	Percent of Plant Eligible for Bonus Depreciation						
8	Plant Eligible for Bonus Depreciation			Line 6 * Line 7			
9	Bonus Depreciation Rate (April 2012 - December 2012)			1 * 75% * 50%			
10	Bonus Depreciation Rate (January 2013 - March 2013)			1 * 25% * 50%			
11	Total Bonus Depreciation Rate			Line 9 + Line 10			
12	Bonus Depreciation			Line 8 * Line 11			
<u>Remaining Tax Depreciation</u>							
13	Plant Additions			Line 1			
14	Less Capital Repairs Deduction			- Line 3			
15	Less Bonus Depreciation			- Line 12			
16	Remaining Plant Additions Subject to 20 YR MACRS Tax Depreciation			Sum of Line 13 through Line 15			
17	20 YR MACRS Tax Depreciation Rates			Per IRS Publication 946			
18	Remaining Tax Depreciation			Line 16 * Line 17			
19	Cost of Removal			Page 12 of 26, Line 12 + Line 13			
20	Total Tax Depreciation and Repairs Deduction			Sum of Lines 3, 12, 18, 19			

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The Narragansett Electric Company  
d/b/a National Grid  
FY 2018 Electric ISR Revenue Requirement Reconciliation  
FY 2018 Revenue Requirement on FY 2012 Actual Incremental Capital Investment

Line No.		Fiscal Year 2012 (a)	Fiscal Year 2013 (b)	Fiscal Year 2014 (c)	Fiscal Year 2015 (d)	Fiscal Year 2016 (e)	Fiscal Year 2017 (f)	Fiscal Year 2018 (g)
<b>Capital Additions Allowance</b>								
<i>None-Discretionary Capital</i>								
1	Non-Discretionary	(\$4,019,686)	\$0	\$0	\$0	\$0	\$0	\$0
<i>Discretionary Capital</i>								
2	Approved Spending	\$4,163,942	\$0	\$0	\$0	\$0	\$0	\$0
3	Total Allowed Capital Included in Rate Base	\$144,256	\$0	\$0	\$0	\$0	\$0	\$0
<b>Depreciable Net Capital Included in Rate Base</b>								
4	Total Allowed Capital Included in Rate Base in Current Year	\$144,256	\$0	\$0	\$0	\$0	\$0	\$0
5	Retirements	\$19,938	\$0	\$0	\$0	\$0	\$0	\$0
6	Net Depreciable Capital Included in Rate Base	\$124,318	\$124,318	\$124,318	\$124,318	\$124,318	\$124,318	\$124,318
<b>Change in Net Capital Included in Rate Base</b>								
7	Incremental Capital Amount	\$144,256	\$144,256	\$144,256	\$144,256	\$144,256	\$144,256	\$144,256
8	Cost of Removal	(\$771,131)	(\$771,131)	(\$771,131)	(\$771,131)	(\$771,131)	(\$771,131)	(\$771,131)
9	<b>Total Net Plant in Service</b>	<b>(\$626,875)</b>	<b>(\$626,875)</b>	<b>(\$626,875)</b>	<b>(\$626,875)</b>	<b>(\$626,875)</b>	<b>(\$626,875)</b>	<b>(\$626,875)</b>
<b>Deferred Tax Calculation:</b>								
10	Composite Book Depreciation Rate	3.40%	3.40%	3.40%	3.40%	3.40%	3.40%	3.40%
11	Tax Depreciation	(\$654,965)	\$2,107	\$1,949	\$1,803	\$1,667	\$1,542	\$1,427
12	Cumulative Tax Depreciation	(\$654,965)	(\$652,858)	(\$650,909)	(\$649,107)	(\$647,439)	(\$645,897)	(\$644,471)
13	Book Depreciation	(\$2,113)	(\$4,227)	(\$4,227)	(\$4,227)	(\$4,227)	(\$4,227)	(\$4,227)
14	Cumulative Book Depreciation	(\$2,113)	(\$6,340)	(\$10,567)	(\$14,794)	(\$19,021)	(\$23,247)	(\$27,474)
15	Cumulative Book / Tax Timer	(\$652,852)	(\$646,518)	(\$640,342)	(\$634,313)	(\$628,419)	(\$622,650)	(\$616,996)
16	Effective Tax Rate	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
17	Deferred Tax Reserve	(\$228,498)	(\$226,281)	(\$224,120)	(\$222,009)	(\$219,947)	(\$217,927)	(\$215,969)
18	Less: FY 2013 Federal NOL	(\$3,434,992)	(\$3,434,992)	(\$3,434,992)	(\$3,434,992)	(\$3,434,992)	(\$3,434,992)	(\$3,434,992)
19	Less: Pronation Adjustment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20	Excess Deferred Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$0
21	Net Deferred Tax Reserve	(\$3,663,490)	(\$3,661,274)	(\$3,659,112)	(\$3,657,002)	(\$3,654,939)	(\$3,652,920)	(\$3,652,213)
<b>Rate Base Calculation:</b>								
22	Cumulative Incremental Capital Included in Rate Base	(\$626,875)	(\$626,875)	(\$626,875)	(\$626,875)	(\$626,875)	(\$626,875)	(\$626,875)
23	Pre-Tax ROR	\$2,113	\$6,340	\$10,567	\$14,794	\$19,021	\$23,247	\$27,474
24	Deferred Tax Reserve	\$3,663,490	\$3,661,274	\$3,659,112	\$3,657,002	\$3,654,939	\$3,652,920	\$3,652,213
25	Year End Rate Base	\$3,038,729	\$3,040,739	\$3,042,804	\$3,044,921	\$3,047,085	\$3,049,292	\$3,052,812
<b>Revenue Requirement Calculation:</b>								
26	Average Rate Base	\$1,519,364	\$3,039,734	\$3,041,771	\$3,043,862	\$3,046,003	\$3,048,188	\$3,051,052
27	Pre-Tax ROR	9.30%	9.84%	9.68%	9.68%	9.68%	9.68%	9.36%
28	Return and Taxes	\$141,301	\$299,110	\$294,443	\$294,646	\$294,853	\$295,065	\$285,578
29	Book Depreciation	(\$2,113)	(\$4,227)	(\$4,227)	(\$4,227)	(\$4,227)	(\$4,227)	(\$4,227)
30	Property Taxes	\$0	(\$21,523)	(\$22,710)	(\$24,344)	(\$23,626)	(\$21,108)	(\$19,457)
31	<b>Annual Revenue Requirement</b>	<b>\$139,188</b>	<b>\$273,360</b>	<b>\$267,506</b>	<b>\$266,075</b>	<b>\$267,000</b>	<b>\$269,730</b>	<b>\$261,894</b>

1/ Actual Retirements

2/ The federal Income Tax rate changed from 35% to 21% on January 1, 2018 per the Tax Cuts and Jobs Act of 2017



**The Narragansett Electric Company  
d/b/a National Grid  
FY 2018 Electric ISR Revenue Requirement Reconciliation  
Calculation of Tax Depreciation and Repairs Deduction on FY2012 Incremental Capital Investments**

Line No.		Fiscal Year 2012 (a)	(b)	(c)	(d)
	<u>Capital Repairs Deduction</u>				
1	Plant Additions	\$144,256			
2	Capital Repairs Deduction Rate	1/ 21.05%			
3	Capital Repairs Deduction	\$30,366		Line 16	\$29,184
	<u>Bonus Depreciation</u>				
4	Plant Additions	\$144,256			
5	Less Capital Repairs Deduction	(\$30,366)			
6	Plant Additions Net of Capital Repairs Deduction	\$113,890			
7	Percent of Plant Eligible for Bonus Depreciation	2/ 85.00%			
8	Plant Eligible for Bonus Depreciation	\$96,807			
9	Bonus Depreciation Rate (April 2011 - December 2011)	75.00%			
10	Bonus Depreciation Rate (January 2012 - March 2012)	12.50%			
11	Total Bonus Depreciation Rate	87.50%			
12	Bonus Depreciation	\$84,706			
	<u>Remaining Tax Depreciation</u>				
13	Plant Additions	\$144,256			
14	Less Capital Repairs Deduction	(\$30,366)			
15	Less Bonus Depreciation	(\$84,706)			
16	Remaining Plant Additions Subject to 20 YR MACRS Tax Depreciation	\$29,184			
17	20 YR MACRS Tax Depreciation Rates	3.750%			
18	Remaining Tax Depreciation	\$1,094			
19	Cost of Removal	(\$771,131)			
20	Total Tax Depreciation and Repairs Deduction	(\$654,965)			
				100.000%	\$29,184

1/ Per Docket 4307 FY 2013 Electric ISR Reconciliation Filing at Attachment WRR-1, Page 8, Line 2  
2/ Since not all property additions qualify for bonus depreciation and because a project must be started after the beginning of the bonus period, January 1,

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FY 2018 Electric Infrastructure, Safety,  
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**The Narragansett Electric Company  
d/b/a National Grid  
FY 2018 Electric ISR Revenue Requirement Reconciliation  
FY 2012 - 2014 Incremental Capital Investment Summary**

Line No.			Actual Fiscal Year <u>2012</u> (a)	Actual Fiscal Year <u>2013</u> (b)	Fiscal Year <u>2014</u> (c)
<b><u>Capital Investment</u></b>					
1	ISR - Eligible Capital Investment	Col (a) =FY 2012 ISR Reconciliation Filing Docket No. 4218; Col (b) = FY 2013 ISR Reconciliation Filing Docket No. 4307; Col (c) = FY 2014 ISR Reconciliation Filing Docket No. 4382	\$48,946,456	\$44,331,141	\$56,129,551
1a	Work Order Write Off Adjustment	Per Company's books	\$0	(\$784,153)	(\$481,907)
2	ISR - Eligible Capital Additions included in Rate Base per R.I.P.U.C. Docket No. 4323	Schedule MDL-3-ELEC Page 53, Docket No. 4323: Col (a)= Line Note 1(a); Col (b)= Line Note 2(b); Col (c)= Line Note 3(e) )	\$48,802,200	\$51,366,341	\$42,805,284
3	Incremental ISR Capital Investment	Line 1 + Line 1a - Line 2	<u>\$144,256</u>	<u>(\$7,819,353)</u>	<u>\$12,842,360</u>
<b><u>Cost of Removal</u></b>					
4	ISR - Eligible Cost of Removal	Col (a) =FY 2012 ISR Reconciliation Filing Docket No. 4218; Col (b)= FY 2013 Reconciliation Filing Docket No. 4307; Col (c) = FY 2014 ISR Reconciliation Filing Docket No. 4382	\$5,807,869	\$5,179,941	\$5,007,992
4a	Work Order Write Off Adjustment	Per Company's books	\$0	(\$106,751)	(\$37,062)
5	ISR - Eligible Cost of Removal in Rate Base per R.I.P.U.C. Docket No. 4323	Workpaper MDL-19-ELEC Page 2, Docket No. 4323: Col (a)= Line Note 1(a); Col (b)= Line Note 2(b); Line Note 3(e) )	\$6,579,000	\$7,075,000	\$5,895,833
6	Incremental Cost of Removal	Line 4 + Line 4a - Line 5	<u>(\$771,131)</u>	<u>(\$2,001,810)</u>	<u>(\$924,903)</u>
<b><u>Retirements</u></b>					
7	ISR - Eligible Retirements/Actual	Col (a)= FY 2012 ISR Reconciliation Filing Docket No. 4218; Col (b) = FY 2013 ISR Reconciliation Filing Docket No. 4307; Col (c) = FY 2014 ISR Reconciliation Filing Docket No. 4382	\$7,740,446	\$14,255,714	\$3,299,874
8	ISR - Eligible Retirements/Estimated	Col (a)= FY 2012 ISR Proposal Filing Docket No. 4218; Col (b)= FY 2013 ISR Proposal Filing Docket No. 4307; Col (c) = Line 2 (c) * 17.44% Retirement rate per Docket 4323 (Workpaper MDL-19-ELEC Page 3)	\$7,720,508	\$8,416,779	\$7,465,242
9	Incremental Retirements	Line 7 - Line 8	<u>\$19,938</u>	<u>\$5,838,935</u>	<u>(\$4,165,367)</u>

The Narragansett Electric Company  
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FY 2018 Electric ISR Revenue Requirement Reconciliation  
FY 2018 Capital Investment

Line No.	<u>Discretionary Capital</u>	Actuals (a)
1	Cumulative FY 2017 Discretionary Capital ADDITIONS	\$205,926,007
2	FY 2018 Discretionary Capital ADDITIONS	\$56,750,256
3	Cumulative Actual Discretionary Capital Additions	\$262,676,263
4	Cumulative FY 2017 Discretionary Capital SPENDING	\$240,322,956
5	FY 2018 Discretionary Capital SPENDING	\$68,246,680
6	Cumulative Actual Discretionary Capital Spending	\$308,569,636
<b>As Approved in Docket No. 4539</b>		
7	Cumulative FY 2017 Approved Discretionary Capital SPENDING	\$226,735,536
8	FY 2018 Approved Discretionary Capital SPENDING	\$67,388,000
9	Cumulative Actual Approved Discretionary Capital Spending	\$294,123,536
<b>Total Allowed</b>		
10	Cumulative Allowed Discretionary Capital Included in Rate Base	\$262,676,263
11	Prior Year Cumulative Allowed Discretionary Capital Included in Rate Base	\$205,926,007
12	<b>Total Allowed Discretionary Capital Included in Rate Base Current Year</b>	<b>\$56,750,256</b>

Docket No. 4592 FY17 Reconciliation Att. AM-1 Page 15,  
Line 3  
Attachment PSA-1, Page 3, Table 1  
Line 1 + Line 2

Docket No. 4592 FY17 Reconciliation Att. AM-1 Page 15,  
Line 6  
Attachment PSA-1, Page 5, Table 3  
Line 4 + Line 5

Docket No. 4592 FY17 Reconciliation Att. AM-1 Page 15,  
Line 9  
Attachment PSA-1, Page 5, Table 3  
Line 7 + Line 8

Lesser of Line 3, Line 6, or Line 9  
Docket No. 4592 FY17 Reconciliation Att. AM-1 Page 15,  
Line 10  
Line 10 - Line 11

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The Narragansett Electric Company  
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FY 2018 ISR Property Tax Recovery Adjustment  
(000s)

Line	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
	<u>RY End</u>	<u>ISR Additions</u>	<u>Non-ISR Add's</u>	<u>Total Add's</u>	<u>Bk. Depr. (I)</u>	<u>Retirements</u>	<u>COR</u>	<u>End of FY 2014</u>
1	Plant In Service	\$1,358,470	\$9,275	\$1,885	\$11,160	\$550		\$1,370,180
2	Accumulated Depr	\$611,570				\$550	(\$828)	\$618,789
3	Net Plant	\$746,900			\$7,498			\$751,391
4	Property Tax Expense	\$29,743						\$27,502
5	Effective Prop tax Rate	3.98%						3.66%
	<u>End of FY 2014</u>	<u>ISR Additions</u>	<u>Non-ISR Add's</u>	<u>Total Add's</u>	<u>Bk. Depr. (I)</u>	<u>Retirements</u>	<u>COR</u>	<u>End of FY 2015</u>
6	Plant In Service	\$1,370,180	\$76,340	\$5,801	\$82,141	(\$15,666)		\$1,436,655
7	Accumulated Depr	\$618,789			\$46,514	(\$15,666)	(\$6,988)	\$642,649
8	Net Plant	\$751,391						\$794,006
9	Property Tax Expense	\$27,502						\$32,549
10	Effective Prop tax Rate	3.66%						4.10%
	<u>End of FY 2015</u>	<u>ISR Additions</u>	<u>Non-ISR Add's</u>	<u>Total Add's</u>	<u>Bk. Depr. (I)</u>	<u>Retirements</u>	<u>COR</u>	<u>End of FY 2016</u>
11	Plant In Service	\$1,436,655	\$72,003	\$17,773	\$89,777	(\$28,490)		\$1,497,942
12	Accumulated Depr	\$642,649			\$48,686	(\$28,490)	(\$8,193)	\$654,652
13	Net Plant	\$794,006						\$843,290
14	Property Tax Expense	\$32,549						\$31,580
15	Effective Prop tax Rate	4.10%						3.74%
	<u>(a)</u>	<u>(b)</u>	<u>(c)</u>	<u>(d)</u>	<u>(e)</u>	<u>(f)</u>	<u>(g)</u>	<u>(h)</u>
	<u>Cumulative Increrm. ISR Prop. Tax for FY14</u>	<u>Cumulative Increrm. ISR Prop. Tax for FY15</u>						<u>Cumulative Increrm. ISR Prop. Tax for FY16</u>
16	ISR Additions	\$9,275			\$76,340			\$72,003
17	Book Depreciation: base allowance on ISR eligible plant	(\$7,173)			(\$43,032)			(\$43,032)
18	Book Depreciation: current year ISR additions	(\$324)			(\$1,031)			(\$740)
19	COR	\$828			\$6,988			\$8,193
20	Net Plant Additions	\$2,605			\$39,266			\$36,425
21	RY Effective Tax Rate	3.98%			3.98%			3.98%
22	ISR Property Tax Recovery on FY 2014 vintage investment		\$104				\$102	\$89
23	ISR Property Tax Recovery on FY 2015 vintage investment						\$1,564	\$1,523
24	ISR Property Tax Recovery on FY 2016 vintage investment							\$1,451
25	ISR Year Effective Tax Rate	3.66%			4.10%			3.74%
26	RY Effective Tax Rate	3.98%			3.98%			3.98%
27	RY Effective Tax Rate 2 mos for FY 2014	-0.32%			0.12%			-0.24%
28	RY Net Plant times 2 mo rate	-0.05%			\$746,900 * 0.12%		\$875	\$746,900 * -0.24%
29	FY 2014 Net Adds times ISR Year Effective Tax rate	-0.05%	(\$401)		\$2,568 * 0.12%		\$3	\$2,234 * -0.24%
30	FY 2015 Net Adds times ISR Year Effective Tax rate	-0.32%	(\$8)		\$39,266 * 0.12%		\$46	\$38,234 * -0.24%
31	FY 2016 Net Adds times ISR Year Effective Tax rate							\$56,425 * -0.24%
32	Total Property Tax due to rate differential		(\$409)				\$924	(\$86)
								(\$1,869)
32	Total ISR Property Tax Recovery		(\$306)				\$2,590	\$1,193
33	As Approved in RIPUC Docket No. 4539		(\$304)					\$1,192
34	Work Order Write Off Adjustment		(2)				(0)	2

The Narragansett Electric Company  
d/b/a National Grid  
FY 2018 ISR Property Tax Recovery Adjustment (continued)  
(000s)

<u>Effective tax rate Calculation</u>		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
		<u>End of FY 2016</u>	<u>ISR Additions</u>	<u>Non-ISR Add's</u>	<u>Total Add's</u>	<u>Bk. Depr. (L)</u>	<u>Retirements</u>	<u>COR</u>	<u>End of FY 2017</u>
35	Plant In Service	\$1,497,942	\$75,489	\$10,718	\$86,207		(\$22,245)		\$1,561,904
36	Accumulated Depr	\$654,652				\$50,815	(\$22,245)	(\$7,807)	\$675,416
37	Net Plant	\$843,290							\$886,489
38	Property Tax Expense	\$31,580							\$30,784
39	Effective Prop tax rate	3.47%							3.47%
<u>Effective tax rate Calculation</u>		<u>End of FY 2017</u>	<u>ISR Additions</u>	<u>Non-ISR Add's</u>	<u>Total Add's</u>	<u>Bk. Depr. (L)</u>	<u>Retirements</u>	<u>COR</u>	<u>End of FY 2018</u>
40	Plant In Service	\$1,561,904	\$92,660	\$5,901	\$98,560		(\$15,207)		\$1,645,258
41	Accumulated Depr	\$675,416				\$53,320	(\$15,207)	(\$9,980)	\$703,549
42	Net Plant	\$886,489							\$941,709
43	Property Tax Expense	\$30,784							\$30,354
44	Effective Prop tax rate	3.47%							3.22%
<u>Property Tax Recovery Calculation</u>		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
		<u>Cumulative Increrm. ISR Prop. Tax for FY17</u>							
45	ISR Additions		\$75,489				\$92,660		
46	Book Depreciation: base allowance on ISR eligible plant		(\$43,032)				(\$43,032)		
47	Book Depreciation: current year ISR additions		(\$905)				(\$1,317)		
48	COR		\$7,807				\$9,980		
49	Net Plant Additions		\$39,359				\$58,291		
50	RY Effective Tax Rate		3.98%				3.98%		\$62
51	ISR Property Tax Recovery on FY 2014 vintage investment			\$76					\$1,358
52	ISR Property Tax Recovery on FY 2015 vintage investment			\$1,440					\$1,333
53	ISR Property Tax Recovery on FY 2016 vintage investment			\$1,392					\$1,495
54	ISR Property Tax Recovery on FY 2017 vintage investment			\$1,567					\$2,321
55	ISR Property Tax Recovery on FY 2018 vintage investment								
56	ISR Year Effective Tax Rate	3.47%					3.22%		
57	RY Effective Tax Rate	3.98%					3.98%		
58	RY Effective Tax Rate 2 mos. for FY 2014							-0.76%	
59	RY Net Plant times 2 mo rate								
60	FY 2014 Net Adds times ISR Year Effective Tax rate	\$746,900 * -0.51%		(\$3,807)			\$746,900 * -0.76%		(\$5,668)
61	FY 2015 Net Adds times ISR Year Effective Tax rate	\$1,900 * -0.51%		(\$10)			\$1,566 * -0.76%		(\$12)
62	FY 2016 Net Adds times ISR Year Effective Tax rate	\$36,171 * -0.51%		(\$184)			\$34,108 * -0.76%		(\$259)
63	FY 2017 Net Adds times ISR Year Effective Tax rate	\$34,945 * -0.51%		(\$178)			\$33,466 * -0.76%		(\$254)
64	FY 2018 Net Adds times ISR Year Effective Tax rate	\$39,359 * -0.51%		(\$201)			\$37,549 * -0.76%		(\$285)
65	Total Property Tax due to rate differential			(\$4,379)			\$58,291 * -0.76%		(\$442)
66	Total ISR Property Tax Recovery			\$96					(\$350)

The Narragansett Electric Company  
d/b/a National Grid  
FY 2018 ISR Property Tax Recovery Adjustment (continued)  
(00%)

Line Notes	Line Notes
1(a) - 5(a)	Per Rate Year cost of service
1(b) - 5(b)	Per FY 2017 Electric ISR Compliance Filing per Docket 4592
6(a) - 10(b)	Per FY 2017 Electric ISR Compliance Filing per Docket 4592
11(a) - 15(b)	Per FY 2017 Electric ISR Compliance Filing per Docket 4592
16(a) - 34(k)	Per FY 2017 Electric ISR Compliance Filing per Docket 4592
35(a) - 39(b)	Per FY 2017 Electric ISR Compliance Filing per Docket 4592
40(c)	Line 35(b)
40(b)	Per Page 3 of 26, Line 1
40(c)	Per Company's books
40(d)	Line 40(b) + Line 40(c)
40(f)	Page 2 of 26, Line 5
40(b)	Line 40(a) + Line 40(d) + Line 40(f)
41(c)	Per Line 36(h)
41(e)	Rate Year depr allowance of \$44,986 + (Line 1(d)+(f)*comp depr rate of 3.40%) + (Line 6(d)+6(f)*comp depr rate of 3.40%) + (Line , 11(d)+11(f)*comp depr rate of 3.40%) + (Line , 35(d)+35(f)*comp depr rate of 3.40%) + (Line 40(d) +40(f)*comp depr rate of 3.40% +50%)
41(f)	40(f)
41(g)	Page 2 of 26, Line 10
41(h)	Line 41(a) + Line 41(e) + Line 41(f) + Line 41(g)
42(a)	Line 37(b)
42(a)	Line 42(b) * Line 44(b)
43(a)	Per Company's books
43(b)	Line 39(b)
44(a)	Line 43(b) / Line 42(b)
44(b)	
	45(f) - 66(c)
	Line 40(b)
	Per Page 2 of 26, Line 8
	Line 41(g)
	Sum of Lines 45 through 48
	Line 5(a)
	Line 50(f) * Line 60(f)
	Line 50(f) * Line 61(f)
	Line 50(f) * Line 62(f)
	Line 50(f) * Line 63(f)
	Line 50(f) * Line 64(f)
	Line 44(b)
	Line 5(a)
	Line 56(f) - Line 57(f)
	Line 3(a)
	Line 60(a) - ((Line 16(b)+Line 1(f))*3.40%)
	Line 61(a) - ((Line 16(f)+Line 6(f))*3.40%)
	Line 62(a) - ((Line 16(g)+Line 11(f))*3.40%)
	Line 63(a) - ((Line 45(b)+Line 35(f))*3.40%)
	Line 49(f)
	Line 57(g)
	Line 59(b) through 64(h), Col (f) * Col (g)
	Sum of Lines 59(b) through 64(h)
	Sum of Lines 51(b) through 55(b) + Line 65(h)

The Narragansett Electric Company  
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The Narragansett Electric Company  
d/b/a National Grid  
FY 2018 Electric ISR Revenue Requirement Reconciliation  
Deferred Income Tax ("DIT") Provisions and Net Operating Losses ("NOL")

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
1 Total Base Rate Plant DIT Provision								CY 2011 \$15,856,458	CY 2012 \$5,546,827	Jan-2013 \$521,151	Feb 13 - Jan 14 (\$1,967,911)			
2 Total Base Rate Plant DIT Provision								FY 2012 \$13,279,050	FY 2013 \$4,353,386	FY 2014 (\$1,699,266)	FY 2015 \$0	FY 2016 \$0	FY 2017 \$0	FY 2018 \$0
3 Incremental FY 12	(\$228,498)	(\$226,281)	(\$224,120)	(\$222,009)	(\$219,947)	(\$217,927)	(\$129,569)	(\$228,498)	\$2,217	\$2,161	\$2,110	\$2,063	\$2,019	\$88,358
4 Incremental FY 13		(\$2,013,121)	(\$1,937,607)	(\$2,045,965)	(\$1,957,316)	(\$1,863,117)	(\$1,058,279)							\$804,838
5 Incremental FY 14			\$2,763,058	\$2,543,022	\$2,439,963	\$2,329,465	\$1,327,239		(\$2,013,121)	\$75,514	(\$108,358)	\$88,649	\$94,199	
6 FY 2015				\$24,793,846	\$24,814,134	\$24,778,689	\$14,815,098		\$2,763,058	\$2,763,058	(\$220,036)	(\$103,059)	(\$110,498)	(\$1,002,226)
7 FY 2016											\$24,793,846	\$20,288	(\$35,445)	(\$9,963,590)
8 FY 2017					\$20,940,288	\$21,076,521	\$12,698,189					\$136,232	\$136,232	(\$8,378,332)
9 FY 2018						\$19,338,456	\$11,675,997							(\$7,652,459)
10 TOTAL Plant DIT Provision	(\$228,498)	(\$2,239,403)	\$601,331	\$25,068,893	\$46,017,122	\$65,432,086	\$50,177,829	\$13,050,552	\$2,342,381	\$1,200,808	\$24,467,561	\$20,948,229	\$19,414,964	(\$15,254,257)
11 Distribution-related NOL								\$3,434,992	\$8,552,548	\$13,179,356	\$8,148,936	\$10,693,796	\$0	\$0
12 Lesser of Distribution-related NOL or DIT Provision								\$3,434,992	\$2,342,381	\$1,200,808	\$8,148,936	\$10,693,796	\$0	\$0
13 Total NOL								\$4,310,461	\$11,442,811	\$19,452,677	\$12,108,052	\$16,267,471	\$0	\$0
14 NOL recovered in transmission rates								\$875,468	\$2,890,262	\$6,273,321	\$3,959,116	\$5,573,675	\$0	\$0
15 Distribution-related NOL								\$3,434,992	\$8,552,548	\$13,179,356	\$8,148,936	\$10,693,796	\$0	\$0

1(h) Per Dkt. 4323 Compliance filing Attachment 1, Page 64 of 71, Line 19(e) less Line 19(a)  
 1(i)-(k) Per Dkt. 4323 Compliance filing Attachment 1, Page 70 of 71, Lines 32, 42, and 48  
 3(a)-(9)(g) ADIT per vintage year ISR revenue requirement calculations  
 3(b)-(9)(n) Year over year change in ADIT shown in Cols (a) through (e)  
 10 Sum of Lines 2 through 9  
 11 Line 15  
 12 Lesser of Line 10 or 11  
 13 Per Tax Department  
 14 Quarterly average transmission plant allocator per Integrated Facilities Agreement (IFA) \* Line 13  
 15 Line 13 - Line 14

The Narragansett Electric Company  
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**The Narragansett Electric Company  
d/b/a National Grid  
FY 2018 Electric ISR Revenue Requirement Reconciliation  
True-Up for FY 2012 through FY 2016 Transmission - Related Net Operating Losses ("NOL")**

	(a)	(b)	(c)	(d)	(e)
	FY 2012	FY 2013	Revenue Requirement Year		FY 2016
			FY 2014	FY 2015	
1 Return on Rate Base	9.30%	9.84%	9.68%	9.68%	9.68%
			Vintage Capital Investment Year		
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
2 Lesser of total NOL or DIT Provision (as previously filed)	\$ 4,310,461	\$ 2,342,381	\$ 1,200,808	\$ 12,108,052	\$ 10,200,749
3 Lesser of Distribution-related NOL or DIT Provision	\$ 3,434,992	\$ 2,342,381	\$ 1,200,808	\$ 8,148,936	\$ 10,693,796
4 Transmission-related NOL adjustment	\$ (875,469)	\$ 0	\$ 0	\$ (3,959,116)	\$ 493,047
<u>Revenue Requirement Increase due to NOL</u>					
			Revenue Requirement Year		
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
5 FY 2012	\$ (40,709)	\$ (86,146)	\$ (84,745)	\$ (84,745)	\$ (84,745)
6 FY 2013	\$ -	\$ 0	\$ 0	\$ 0	\$ 0
7 FY 2014	\$ -	\$ -	\$ 0	\$ 0	\$ 0
8 FY 2015	\$ -	\$ -	\$ -	\$ (191,621)	\$ (383,242)
9 FY 2016	\$ -	\$ -	\$ -	\$ -	\$ 23,863
10 TOTAL	\$ (40,709)	\$ (86,146)	\$ (84,745)	\$ (276,367)	\$ (444,124)
11 Total FY 2012 through FY 2016 revenue requirement impact				\$	(932,091)

- 1 Per Docket No. 4065
- 2 Per Docket No. 4539
- 3 Per Page 21 of 26, Line 12
- 4 Line 3 - Line 2
- 5 Line 4(a) \* Line 1(a) \* 50%; Line 4(a) \* Line 1(b); Line 4(a) \* Line 1(c); Line 4(a) \* Line 1(d); Line 4(a) \* Line 1(e)
- 6 Line 4(b) \* Line 3(b) \* 50%; Line 4(b) \* Line 1(c); Line 4(b) \* Line 1(d); Line 4(b) \* Line 1(e)
- 7 Line 4(c) \* Line 1(c) \* 22.22%; Line 4(c) \* Line 1(d); Line 4(c) \* Line 1(e)
- 8 Line 4(d) \* Line 1(d) \* 50%; Line 4(d) \* Line 1(e)
- 9 Line 4(e) \* Line 1(e) \* 50%
- 10 Sum of Lines 5 through 9
- 11 Line 10(a) + Line 10(b) + Line 10(c) + Line 10(d) + Line 10(e)



**The Narragansett Electric Company  
d/b/a National Grid**

**FY 2018 Electric ISR Revenue Requirement Reconciliation  
True-Up for FY 2013 through FY 2016 Work Order Write Off Adjustment**

	(a) FY 2013	(b) FY 2014	(c) FY 2015	(d) FY 2016
1 Total Net Plant in Service (as previously filed)	\$ (8,929,918)	\$ 5,263,028	\$ 40,613,665	\$ 36,614,111
2 Total Net Plant in Service	\$ (9,820,822)	\$ 4,744,059	\$ 40,319,425	\$ 37,144,770
3 Work Order Write Off Adjustment	\$ (890,904)	\$ (518,969)	\$ (294,240)	\$ 530,659

**Revenue Requirement Decrease due to Work Order Write Off Adjustment**

	Vintage Capital Investment Year				Revenue Requirement Year			
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2013	FY 2014	FY 2015	FY 2016
4 FY 2013	\$ (47,076)	\$ (123,944)	\$ (136,554)	\$ (108,732)				
5 FY 2014	\$ -	\$ (19,800)	\$ (53,014)	\$ (51,607)				
6 FY 2015	\$ -	\$ -	\$ (16,457)	\$ (32,427)				
7 FY 2016	\$ -	\$ -	\$ -	\$ 29,263				
8 TOTAL	\$ (47,076)	\$ (143,744)	\$ (206,024)	\$ (163,503)				

**Total FY 2013 through FY 2016 revenue requirement impact**

1 Per Docket No. 4539								
2 Per FY 2013 through FY 2016 Total Net Plant in Service reflected in the vintage year revenue requirement calculations								
3 Line 2 - Line 1								
4 Col (a) through Col (d) = Page 12 of 26 , Line 39								
5 Col (a) through Col (d) = Page 10 of 26 , Line 39								
6 Col (a) through Col (d) = Page 8 of 26 , Line 39								
7 Col (a) through Col (d) = Page 6 of 26 , Line 40								
8 Sum of Lines 4 through 7								
9 Line 8(a) + Line 8(b) + Line 8(c)								

The Narragansett Electric Company  
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The Narragansett Electric Company  
d/b/a National Grid  
FY 2018 Electric ISR Revenue Requirement Reconciliation  
Calculation of FY 2018 Net Deferred Tax Reserve Proration

Line No.	Deferred Tax Subject to Proration	(a) = Sum of (b) through (h)	(b) Vintage Year 2018	(c) Vintage Year 2017	(d) Vintage Year 2016	(e) Vintage Year 2015	(f) Vintage Year 2014	(g) Vintage Year 2013	(h) Vintage Year 2012
		Total							
1	Book Depreciation	Col (b) = Page 2 of 26, Line 16; Col (c) = Page 4 of 26, Line 16; Col (d) = Page 6 of 26, Line 19; Col (e) = Page 8 of 26, Line 19; Col (f) = Page 10 of 26, Line 19; Col (g) = Page 12 of 26, Line 19; Col (h) = Page 14 of 26, Line 13	\$6,767,472 (\$26,966,349)	\$2,122,861 \$0	\$1,479,463 \$0	\$2,062,926 \$0	\$578,263 \$0	(\$464,370) \$0	(\$4,227) \$0
2	Bonus Depreciation	Page 3 of 26, Line 12	\$99,555 (\$26,966,349)						
3	Remaining MACRS Tax Depreciation	Col (b) = Page 3 of 26, Line 18; Col (c) = Page 5 of 26, Line 18; Col (d) = Page 7 of 26, Line 18; Col (e) = Page 9 of 26, Line 18; Col (f) = Page 11 of 26, Line 18; Col (g) = Page 13 of 26, Line 18; Col (h) = Page 15 of 26, Line 18							
4	FY 18 tax (gain)/loss on retirements	Page 3 of 26, Line 19							
5	Cumulative Book/ Tax Timer	Sum of Lines 1 through 4							
6	Effective Tax Rate	Line 5 * Line 6							
7	Deferred Tax Reserve								
8	Capital Repairs Deduction	Page 3 of 26, Line 3							
9	Cost of Removal	Page 3 of 26, Line 20							
10	Book/Tax Depreciation Timing Difference at 3/31/2017	Line 8 + Line 9 + Line 10							
11	Cumulative Book/ Tax Timer	Line 11 * Line 12							
12	Effective Tax Rate	Line 7 + Line 13							
13	Deferred Tax Reserve	Page 2 of 26, Line 21							
14	Total Deferred Tax Reserve	Line 14 + Line 15							
15	Net Operating Loss								
16	Net Deferred Tax Reserve								
17	Allocation of FY 2018 Estimated Federal NOL								
18	Cumulative Book/Tax Timer Subject to Proration	Col (b) = Line 5							
19	Total Cumulative Book/Tax Timer	Line 11							
20	Total FY 2018 Federal NOL	Line 17 + Line 18							
21	Allocated FY 2018 Federal NOL Not Subject to Proration	(Page 2 of 26, Line 21) / 35%							
22	Allocated FY 2018 Federal NOL Subject to Proration	(Line 18 / Line 19) * Line 20							
23	Effective Tax Rate	(Line 17 / Line 19) * Line 20							
24	Deferred Tax Benefits subject to proration	Line 22 * Line 23							
25	Net Deferred Tax Reserve subject to proration	Line 7 + Line 24							
26	Proration Calculation	(i) Number of Days in Month							
27	April 2017	30							
28	May 2017	31							
29	June 2017	30							
30	July 2017	31							
31	August 2017	31							
32	September 2017	30							
33	October 2017	31							
34	November 2017	30							
35	December 2017	31							
36	January 2018	31							
37	February 2018	28							
38	March 2018	31							
39	Deferred Tax Without Proration	Line 25							
40	Proration Adjustment	Line 38 - Line 39							

**Column Notes:**  
(i) Sum of remaining days in the year: Col (b) ÷ 365  
(j) through (j) = Current Year Line 25 ÷ 12 \* Current Month Col (j)

The Narragansett Electric Company  
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**The Narragansett Electric Company  
d/b/a National Grid  
FY 2018 Electric ISR Revenue Requirement Reconciliation  
Excess Deferred Taxes**

Line No.	Vintage Year	Cumulative Book Tax Timing Difference at 3/31/17 (a)	Cumulative Book Tax Timing Difference at 3/31/18 (b)	Difference (c ) = (b)-(a)	Pro-Rated Change as of 12/31/17 (d)= (c ) * 75%	Cumulative Timing Difference through 12/31/17 (e )= (a) + (d)	Excess Deferred Taxes at 12/31/17 (f) = (e ) *14%
1	2012	(\$622,650)	(\$616,996)	\$5,653	\$4,240	(\$618,410)	(\$86,577)
2	2013	(\$5,323,191)	(\$5,039,425)	\$283,766	\$212,824	(\$5,110,367)	(\$715,451)
3	2014	\$6,655,614	\$6,320,184	(\$335,430)	(\$251,573)	\$6,404,042	\$896,566
4	2015	\$70,796,254	\$70,548,087	(\$248,166)	(\$186,125)	\$70,610,129	\$9,885,418
5	2016	\$60,218,631	\$60,467,565	\$248,935	\$186,701	\$60,405,332	\$8,456,746
6	2017	\$55,224,159	\$55,599,986	\$375,827	\$281,870	\$55,506,029	\$7,770,844
7	2018	\$0	\$51,662,644	\$51,662,644	\$38,746,983	\$38,746,983	\$5,424,578

**Line Notes**

1(a)	Page 16, Line 15(f)
1(b)	Page 16, Line 15(h)
2(a)	Page 14, Line 17(e)
2(b)	Page 14, Line 17(g)
3(a)	Page 12, Line 18(d)
3(b)	Page 12, Line 18(f)
4(a)	Page 10 Line 18(c)
4(b)	Page 10, Line 18(e)
5(a)	Page 8, Line 18(b)
5(b)	Page 8, Line 18(d)
6(a)	Page 6, Line 18(a)
6(b)	Page 6, Line 18(b)
7(b)	Page 4, Line 18(a)

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The Narragansett Electric Company  
d/b/a National Grid  
Electric Infrastructure, Safety, and Reliability (ISR) Plan  
Calculation of Weighted Average Cost of Capital

Line  
No.

1	Weighted Average Cost of Capital as approved in R.I.P.U.C. Docket No. 4065				
2		(a)	(b)	(c )	(d)
3		Ratio	Rate	Weighted Rate	Taxes
4	Long Term Debt	52.08%	5.30%	2.76%	
5	Short Term Debt	4.98%	1.60%	0.08%	
6	Preferred Stock	0.19%	4.50%	0.01%	
7	Common Equity	42.75%	9.80%	4.19%	2.26%
8		100.00%		7.04%	2.26%
9					
10	Weighted Average Cost of Capital as approved in R.I.P.U.C. Docket No. 4065 (Settlement)				
11		Ratio	Rate	Weighted Rate	Taxes
12	Long Term Debt	46.05%	5.30%	2.44%	
13	Short Term Debt	4.98%	1.60%	0.08%	
14	Preferred Stock	0.19%	4.50%	0.01%	
15	Common Equity	48.78%	9.80%	4.78%	2.57%
16		100.00%		7.31%	2.57%
17					
18	Weighted Average Cost of Capital as approved in R.I.P.U.C. Docket No. 4323				
19		Ratio	Rate	Weighted Rate	Taxes
20	Long Term Debt	49.95%	4.96%	2.48%	
21	Short Term Debt	0.76%	0.79%	0.01%	
22	Preferred Stock	0.15%	4.50%	0.01%	
23	Common Equity	49.14%	9.50%	4.67%	2.51%
24		100.00%		7.17%	2.51%
25					
26		<b>Tax-Effectuated</b>		<b>Blended Tax-Effectuated</b>	
27	R.I.P.U.C. Docket No. 4065	<b>Weighted Cost</b>		<b>Weighted Cost</b>	
28	R.I.P.U.C. Docket No. 4323	9.88%	Apr 12 - Jan 13	8.23%	
29		9.68%	Feb 13 - Mar 13	1.61%	
30				9.84%	
31					
32					
33	Weighted Average Cost of Capital as approved in R.I.P.U.C. Docket No. 4323 at 35% income tax rate				
34		(a)	(b)	(c )	(d)
35		Ratio	Rate	Weighted Rate	Taxes
36	Long Term Debt	49.95%	4.96%	2.48%	
37	Short Term Debt	0.76%	0.79%	0.01%	
38	Preferred Stock	0.15%	4.50%	0.01%	
39	Common Equity	49.14%	9.50%	4.67%	2.51%
40		100.00%		7.17%	2.51%
41					
42	(d) - Column (c) x 35% divided by (1 - 35%)				
43					
44	Weighted Average Cost of Capital as approved in R.I.P.U.C. Docket No. 4323 at 21% income tax rate				
45		Ratio	Rate	Weighted Rate	Taxes
46	Long Term Debt	49.95%	4.96%	2.48%	
47	Short Term Debt	0.76%	0.79%	0.01%	
48	Preferred Stock	0.15%	4.50%	0.01%	
49	Common Equity	49.14%	9.50%	4.67%	1.24%
50		100.00%		7.17%	1.24%
51					
52	(d) - Column (c) x 21% divided by (1 - 21%)				
53					
54					
55					
				FY18 Blended Rate	9.36%
				Line 17(e) x 75% + Line 27(e) x 25%	



**PRE-FILED DIRECT TESTIMONY**

**OF**

**ADAM S. CRARY**

**August 1, 2018**

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1    **I.    Introduction and Qualifications**

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

3    A.    My name is Adam S. Crary, and my business address is 40 Sylvan Road, Waltham,  
4           Massachusetts 02451.

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

7    A.    I am a Senior Analyst for Electric Pricing, New England in the Regulation and Pricing  
8           Department of National Grid USA Service Company, Inc. This department provides  
9           rate-related support to The Narragansett Electric Company d/b/a National Grid (the  
10          Company or National Grid).

12   **Q.    Please describe your educational background and training.**

13   A.    In 1995, I graduated from Berklee College of Music in Boston, MA with a Bachelor of  
14          Music degree.

16   **Q.    Please describe your professional experience.**

17   A.    For approximately eight years between 2000 and 2014, I was employed by Computer  
18          Sciences Corporation as a Pricing Analyst for their Managed Hosting and Cloud  
19          Computing business divisions. I began my employment as a Senior Pricing Analyst with  
20          National Grid in June 2014.



1   **Q.    Have you testified previously before Rhode Island Public Utilities Commission**  
2           **(PUC)?**

3   **A.    Yes.**

4  
5   **II.    Purpose of Testimony**

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

7   **A.    My testimony presents the proposed CapEx and O&M Reconciling Factors, as those**  
8           **terms are defined in the Company’s Infrastructure, Safety, and Reliability Provision,**  
9           **RIPUC No. 2118 effective February 1, 2013 (ISR Provision), resulting from the**  
10          **reconciliation of actual costs and revenue associated with the Fiscal Year (FY) 2018 ISR**  
11          **Plan (ISR Plan or Plan). In support of the proposed factors, my testimony presents the**  
12          **following:**

- 13           •   the results of the annual reconciliation of the actual FY 2018 capital investment  
14               (CapEx) revenue requirement and the Operations and Maintenance (O&M)  
15               expense to the actual revenue billed;
- 16           •   the status of the FY 2016 CapEx and O&M reconciliations;
- 17           •   the status of the FY 2017 CapEx and O&M reconciliations;
- 18           •   the calculation of the proposed CapEx and O&M Reconciling Factors to be  
19               effective October 1, 2018; and
- 20           •   the typical bill impacts related to the proposed reconciling factors.

1   **Q.     How is your testimony organized?**

2   **A.     My testimony is organized as follows:**

- 3           •   Section III presents the Summary of FY 2018 CapEx and O&M Reconciliations;
- 4           •   Section IV presents the results of the FY 2018 CapEx Revenue and the Actual
- 5               CapEx Revenue Requirement Reconciliation, the calculation of the proposed
- 6               CapEx Reconciling Factors, and the status of the refunds of the FY 2016 and FY
- 7               2017 CapEx over-recovery reconciliation balances;
- 8           •   Section V presents the results of the FY 2018 O&M Revenue and Expense
- 9               Reconciliation, the calculation of the proposed O&M Reconciling Factor, and the
- 10              status of the refunds of the FY 2016 O&M and FY 2017 O&M over-recovery
- 11              reconciliation balances; and
- 12           •   Section VI presents the rate class bill impact analysis.

13  
14   **III.   Summary of FY 2018 Capex and O&M Reconciliations**

15   **Q.     Please summarize the results of the FY 2018 CapEx and O&M reconciliations.**

16   **A.     A summary of the results of the FY 2018 CapEx and O&M reconciliations is presented in**  
17           Attachment ASC-1. Pursuant to the ISR Provision, the annual reconciliations compare  
18           the actual revenue billed during the Plan year through the approved CapEx and O&M  
19           Factors to the actual CapEx and O&M revenue requirement. The calculation of the  
20           actual revenue requirement is presented in the testimony of Company Witness Melissa  
21           Little. As reflected in Attachment ASC-1, the result of the CapEx reconciliation is an

1 over-recovery of approximately \$3.8 million; the result of the O&M reconciliation is an  
2 over-recovery of approximately \$49,500.

3  
4 **Q. Please briefly summarize the operation of the tariff provision that enables the**  
5 **Company to recover certain costs through the ISR Plan.**

6 A. In accordance with the ISR Provision, the Company is allowed to recover the revenue  
7 requirement related to capital investments through CapEx Factors and to recover certain  
8 expenditures for Inspection and Maintenance (I&M) and Vegetation Management (VM)  
9 activities through O&M Factors.

10  
11 In the ISR Plan filing for the upcoming year, the Company determines the CapEx  
12 Factors, which are designed to recover the revenue requirement on the forecasted capital  
13 investment for the ISR Plan's investment year plus cumulative capital investment in prior  
14 years' ISR Plans, and determines the O&M Factors based on the forecasted O&M  
15 expense for the Plan year. On an annual basis, the Company is required to reconcile the  
16 actual annual CapEx revenue requirement on cumulative ISR capital investment and the  
17 actual O&M expense incurred to actual billed revenue generated from the CapEx Factors  
18 and the O&M Factors. The over or under-recovered balances resulting from the CapEx  
19 and O&M reconciliations are either credited to or recovered from customers through the  
20 CapEx Reconciling Factors and the O&M Reconciling Factor, respectively.

1    **IV.    Capex Reconciliation and Proposed Capex Reconciling Factors**

2    **Q.    What is the result of the CapEx reconciliation for FY 2018?**

3    A.    The FY 2018 CapEx reconciliation by rate class is presented in Attachment ASC-2, page  
4        1. Line (5) represents the CapEx revenue billed during the period April 1, 2017 through  
5        March 31, 2018 of approximately \$16.5 million. Line (4) reflects the actual CapEx  
6        revenue requirement of approximately \$12.7 million. Line (6) identifies the over-  
7        recovery by rate class of the CapEx revenue requirement, which totals approximately  
8        \$3.8 million.

10   **Q.    Why has the Company prepared the CapEx reconciliation by rate class?**

11   A.    The ISR Provision requires that the CapEx Reconciling Factors be calculated as class-  
12        specific per-kWh factors designed to recover or credit the under- or over-recovery of the  
13        actual Cumulative Revenue Requirement, as allocated to each rate class by the Rate Base  
14        Allocator, for the prior fiscal year. The Rate Base Allocator is the percentage of total rate  
15        base allocated to each rate class determined in the most recently-approved allocated cost  
16        of service study. Page 1, Line (4) of Attachment ASC-2 shows the allocation of the  
17        actual CapEx revenue requirement to each rate class based upon the Rate Base Allocator  
18        approved in the Company's 2012 general rate case in Docket No. 4323.

1   **Q.     Does the Company anticipate making any updates to the proposed Cap Ex**  
2       **Reconciling Factors subsequent to this initial filing?**

3   A.     The Company currently has a settlement agreement pending PUC approval in its general  
4       rate case in Docket No. 4770. Part of the settlement agreement is a proposal is to  
5       eliminate rate class G-62. If that proposal is approved, the Company will make a  
6       supplemental filing in this proceeding to revise the proposed Cap Ex Reconciling Factors  
7       to reflect the elimination of rate class G-62. The Company will also update the Rate Base  
8       Allocator from that approved in Docket No. 4323 to that approved in Docket No. 4770.

10   **Q.     Please describe the results of the rate class reconciliation.**

11   A.     As shown in Attachment ASC-2, page 1, the allocated actual FY 2018 revenue  
12       requirement on cumulative capital investment (Line (4)) is subtracted from the CapEx  
13       Factor revenue billed for each rate class (Line (5)), resulting in the over-recovery of  
14       approximately \$3.8 million (Line (6)). The detail of the CapEx revenue billed for each  
15       rate class is provided in Attachment ASC-2, page 2.

17   **Q.     Please describe the amount included on Line (7) of Attachment ASC-2.**

18   A.     The amounts presented on Line (7) reflect the final balance of the over-recovery resulting  
19       from the FY 2016 CapEx reconciliation. The net refund of the FY 2016 CapEx  
20       reconciliation balance is presented on page 3. Of the net \$306,323 over-recovery for FY  
21       2016 to be credited to customers via CapEx Reconciling Factors approved by the PUC,

1 the Company refunded \$280,324 from October 1, 2016 through September 30, 2017.

2 The remaining balance is a net over-recovery amount of \$26,089, as shown on Line (7),  
3 Column (a). As described in Docket No. 4539, the Company is including each rate class'  
4 residual balance associated with the net over-recovery of the FY 2016 deferral as an  
5 adjustment to the FY 2018 CapEx reconciliation balance, to ensure the Company does  
6 not over-credit or under-credit customers any amounts associated with the FY 2016 Plan.

7  
8 **Q. How is the Company proposing to credit the FY 2018 CapEx over-recovery?**

9 A. The Company is proposing to implement a CapEx Reconciling Factor for each rate class  
10 that is consistent with the results of the rate class reconciliation. The calculation of the  
11 proposed CapEx Reconciling Factors is presented in Attachment ASC-2, page 1. The  
12 over-recovery by rate class on Line (8) is divided by each rate class' forecasted kWh  
13 deliveries for the period October 1, 2018 through September 30, 2019 on Line (9). The  
14 class-specific CapEx Reconciling Factors are shown on Line (10).

15  
16 **Q. Is the Company providing the status of the net over-recovery from the FY 2017**  
17 **CapEx reconciliation?**

18 A. Yes. The status of the FY 2017 CapEx reconciliation net over-recovery balance is  
19 presented in Attachment ASC-2, page 4. As of June 30, 2018, the balance reflects a  
20 remaining net over-recovery of approximately \$2.4 million, which the Company will  
21 continue to credit customers through September 30, 2018.

1   **Q.     How will the Company propose to credit or recover any residual balances as of**  
2       **September 30, 2018?**

3   A.     Pursuant to the ISR Provision, the amount approved for recovery or refund through the  
4       CapEx Reconciling Factors is subject to reconciliation. Therefore, the Company will  
5       present the final reconciliation of balances from the FY 2017 CapEx reconciliation in the  
6       FY 2019 ISR Plan Reconciliation Filing and include each rate class' residual balance  
7       from the FY 2017 CapEx reconciliation with the balances resulting from the FY 2019  
8       CapEx reconciliation, and will propose CapEx Reconciling Factors on the total.

9  
10   **V.     O&M Reconciliation and Proposed O&M Reconciling Factor**

11   **Q.     What is the result of the O&M reconciliation for FY 2018?**

12   A.     The O&M reconciliation for FY 2018 is presented in Attachment ASC-3, page 1. Line  
13       (1) shows the actual O&M expense for FY 2018 of approximately \$10.04 million, which  
14       is supported in the testimony of Company Witnesses Mr. Prabhjot S. Anand and Ms.  
15       Little. Line (2) shows O&M revenue billed through the O&M Factors from April 1, 2017  
16       through March 31, 2018 of approximately \$10.09 million. Line (3) shows the difference  
17       of approximately \$49,500, representing an over-recovery of actual O&M expense.

18  
19   **Q.     Please describe the amount included on Line (4).**

20   A.     The amount presented on Line (4) reflects the remaining balance of the over-recovery  
21       resulting from FY 2016 O&M reconciliation. The crediting to customers of the over-

1 recovery is presented on page 3. Of the \$1,753,429 over-recovery that formed the basis  
2 for the O&M Reconciling Factor approved by the PUC, the Company credited customers  
3 \$1,601,971 from October 1, 2016 through September 30, 2017, leaving \$151,458 to be  
4 credited to customers. As described in Docket No. 4539, the Company is including the  
5 residual balance with the FY 2018 O&M reconciliation balance.

6  
7 **Q. Is the Company providing the O&M Factor revenue?**

8 A. Yes. Attachment ASC-3, page 2 presents the O&M Factor revenue billed by month.  
9

10 **Q. What is the proposed O&M Reconciling Factor?**

11 A. The proposed O&M Reconciling Factor is calculated on Attachment ASC-3, page 1. The  
12 total over-recovery of \$200,962 on Line (5) is divided by the forecasted kWhs during the  
13 refund period, October 1, 2018 through September 30, 2019, on Line (6), resulting in a  
14 credit of 0.002¢ per kWh on Line (7).  
15

16 **Q. Why is the Company proposing a uniform per kWh O&M Reconciling Factor?**

17 A. Pursuant to the ISR Provision, the O&M Reconciling Factor is a uniform per-kWh factor,  
18 which is designed to recover or refund the under- or over-recovery of actual I&M and  
19 VM expense for the prior fiscal year, based on forecasted kWhs during the recovery or  
20 refund period beginning October 1.  
21



1   **Q.    Is the Company providing the status of the over-recovery of the FY 2017 O&M**  
2       **reconciliation?**

3    A.    Yes. The status of the balance from the FY 2017 O&M reconciliation is presented in  
4       Attachment ASC-3, page 4. As of June 30, 2018, there is a remaining over-recovery  
5       balance of \$61,189, which the Company will continue to credit customers through  
6       September 30, 2018.

7  
8   **Q.    How does the Company propose to credit or recover the residual balance at**  
9       **September 30, 2018?**

10   A.    Pursuant to the ISR Provision, the amount approved for recovery or refund through the  
11       O&M Reconciling Factor is subject to reconciliation. Therefore, the Company will  
12       present the final reconciliation of the balance from the FY 2017 O&M reconciliation in  
13       the FY 2019 ISR Reconciliation Filing and include the residual balance of the FY 2017  
14       O&M reconciliation with the results of the FY 2019 O&M reconciliation, and will  
15       propose an O&M Reconciling Factor on the total.

16  
17   **VI.   Typical Bill Analysis**

18   **Q.    Is the Company providing a typical bill analysis to illustrate the impact of the**  
19       **proposed rates on each of the Company's rate classes?**

20   A.    Yes. The typical bill analysis illustrating the monthly bill impact of the proposed rate  
21       changes for each rate class is provided in Attachment ASC-4. The impact of the

1 proposed CapEx Reconciling Factor and the proposed O&M Reconciling Factor on a  
2 typical residential customer receiving Standard Offer Service and using 500 kWhs per  
3 month is an increase of \$0.34, or approximately 0.3%, from \$99.63 to \$99.97.  
4

5 **VII. Summary of Retail Delivery Rates**

6 **Q. Is the Company providing a proposed Summary of Retail Delivery Rates, Tariff No.**  
7 **2095, reflecting the reconciling factors proposed in this filing?**

8 A. No, not at this time. The Company currently has proposed rate changes for effect  
9 September 1, 2018 pending approval in its general rate case in Docket No. 4770. In  
10 addition, concurrent with this filing, the Company is submitting its Pension and Post-  
11 retirement Benefits Other than Pension (PBOP) Adjustment Factor (PAF) filing in which  
12 the Company will propose a PAF, effective October 1, 2018. The Company has also  
13 submitted a Renewable Energy (RE) Growth Factor Filing with proposed factors also  
14 effective October 1, 2018. The Company will file a Summary of Retail Delivery Rates  
15 tariff reflecting all rates proposed for October 1, 2018 in compliance with the PUC's  
16 orders in this proceeding, and the PAF and the RE Growth proceedings.  
17

18 **VIII. Conclusion**

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

20 A. Yes.

### **List of Attachments**

Attachment ASC-1	FY2018 ISR Plan Annual Reconciliation Summary
Attachment ASC-2	CapEx Reconciliations and Proposed CapEx Reconciling Factors
Attachment ASC-3	O&M Reconciliations and Proposed O&M Reconciling Factor
Attachment ASC-4	Typical Bill Analysis



The Narragansett Electric Company  
d/b/a National Grid  
RIPUC Docket No. 4682  
FY 2018 Electric Infrastructure, Safety and Reliability Plan  
Annual Reconciliation Filing  
Witness: Adam S. Crary

Attachment ASC-1

FY2018 ISR Plan Annual Reconciliation Summary

FY 2018 ISR Plan Annual Reconciliation Summary

	<u>CapEx</u>	<u>O&amp;M</u>	<u>Total</u>
	(a)	(b)	(c)
(1) Actual Revenue Requirement	\$12,681,344	\$10,036,295	\$22,717,639
(2) Revenue Billed	\$16,451,151	\$10,085,799	\$26,536,950
(3) Total Over Recovery	\$3,769,807	\$49,504	\$3,819,311

- (1) Column (a) per RIPUC Docket No. 4682, Attachment MAL-1, Page 1 of 26, Column (a), Line (18)  
Column (a) per RIPUC Docket No. 4682, Attachment MAL-1, Page 1 of 26, Column (a), Line (4)  
Column (c) sum of columns (a) and (b)
- (2) Column (a) per Attachment ASC-2, page 1, Line (5); Column (b) per Attachment ASC-3, page 1, Line (2)
- (3) Line (2) - Line (1)



Attachment ASC-2

CapEx Reconciliations and Proposed CapEx Reconciling Factors



Proposed CapEx Reconciling Factors  
For Fiscal Year 2018 ISR Plan  
For the Recovery (Refund) Period October 1, 2018 through September 30, 2019

	Total (a)	Residential $\frac{A-16}{A-60}$ (b)	Small C&I $\frac{C-06}{C-06}$ (c)	General C&I $\frac{G-02}{G-02}$ (d)	200 kW Demand $\frac{B-32}{G-32}$ (e)	5000 kW Demand $\frac{B-62}{G-62}$ (f)	Lighting $\frac{S-05}{S-06} / \frac{S-10}{S-14}$ (g)	Propulsion $\frac{X-01}{X-01}$ (h)
(1) Actual FY2018 Capital Investment Revenue Requirement	\$12,681,344							
(2) Total Rate Base (\$000s)	\$561,738	\$296,490	\$54,542	\$82,460	\$77,651	\$19,545	\$29,286	\$1,764
(3) Rate Base as Percentage of Total	100.00%	52.78%	9.71%	14.68%	13.82%	3.48%	5.21%	0.31%
(4) Allocated Actual FY2018 Capital Investment Revenue Requirement	\$12,681,344	\$6,693,313	\$1,231,298	\$1,861,551	\$1,752,990	\$441,234	\$661,145	\$39,814
(5) CapEx Revenue Billed	\$16,451,151	\$8,663,360	\$1,615,272	\$2,406,993	\$2,337,392	\$521,824	\$853,197	\$53,114
(6) Total Over (Under) Recovery for FY 2018	\$3,769,807	\$1,970,047	\$383,974	\$545,442	\$584,402	\$80,590	\$192,052	\$13,300
(7) Remaining Over (Under) For FY 2016	\$26,089	\$7,101	\$3,533	\$5,753	\$15,634	(\$14,412)	\$8,349	\$132
(8) Total Over (Under) Recovery	\$3,795,896	\$1,977,149	\$387,506	\$551,194	\$600,036	\$66,178	\$200,401	\$13,432
(9) Forecasted kWhs - October 1, 2018 through September 30, 2019	7,269,805,668	2,941,292,999	598,539,005	1,289,840,620	1,950,296,127	419,617,985	46,271,538	23,947,394
(10) Proposed Class-specific CapEx Reconciling Factor (Charge) per kWh		(\$0.00067)	(\$0.00064)	(\$0.00042)	(\$0.00030)	(\$0.00015)	(\$0.00433)	(\$0.00056)

- (1) Column (a) per RIPUC Docket No. 4682, Attachment MAL-1, Page 1 of 26, Column (a), Line (18)  
(2) per RIPUC 4323, Compliance Attachment 3A, (Schedule HSG-1), page 2, Line (10)  
(3) Line (2) ÷ Line (2) Total Column  
(4) Line (1) Total Column x Line (3)  
(5) per Page 2  
(6) Line (5) - Line (4)  
(7) per Column (a), Line (6)  
(8) Line (6) + Line (7)  
(9) per Company forecasts  
(10) - 1 x [Line (8) ÷ Line (9)], truncated to 5 decimal places

The Narragansett Electric Company  
d/b/a National Grid  
RIPUC Docket No. 4682  
FY 2018 Electric Infrastructure, Safety,  
and Reliability Plan Reconciliation  
Attachment ASC-2  
Page 2 of 4

Fiscal Year 2018 CapEx Reconciliation  
For the Period April 1, 2017 through March 31, 2018  
For the Recovery/Refund Period October 1, 2018 through September 30, 2019

**CapEx Revenue By Rate Class:**

Month	Residential A-16 / A-60			Small C&I C-06			General C&I G-02			200 kW Demand B-32 / G-32		
	Total Revenue (a)	CapEx Rec Factor Revenue (b)	Base Revenue (c)	Total Revenue (a)	CapEx Rec Factor Revenue (b)	Base Revenue (c)	Total Revenue (a)	CapEx Rec Factor Revenue (b)	Base Revenue (c)	Total Revenue (a)	CapEx Rec Factor Revenue (b)	Base Revenue (c)
(1) Apr-17	\$281,559	(\$974)	\$282,533	\$55,060	(\$624)	\$55,684	\$78,715	(\$2,581)	\$81,296	(\$13,559)	(\$6,771)	(\$6,788)
(2) May-17	\$565,812	(\$1,971)	\$567,782	\$113,852	(\$1,374)	\$115,226	\$184,377	(\$5,734)	\$190,111	\$168,889	(\$15,259)	\$184,148
(3) Jun-17	\$644,553	(\$2,246)	\$646,798	\$122,296	(\$1,548)	\$123,844	\$205,664	(\$6,314)	\$211,978	\$186,636	(\$16,224)	\$202,860
(4) Jul-17	\$883,099	(\$3,077)	\$886,176	\$147,251	(\$1,689)	\$148,941	\$210,253	(\$7,308)	\$217,561	\$193,240	(\$17,703)	\$210,943
(5) Aug-17	\$898,065	(\$3,129)	\$901,194	\$146,996	(\$1,678)	\$148,674	\$211,386	(\$7,225)	\$218,611	\$194,945	(\$17,804)	\$212,749
(6) Sep-17	\$765,687	(\$2,668)	\$768,355	\$137,955	(\$1,581)	\$139,536	\$202,483	(\$6,957)	\$209,441	\$179,419	(\$16,629)	\$196,048
(7) Oct-17	\$513,396	(\$1,027)	\$640,422	\$100,995	(\$24,522)	\$125,517	\$161,435	(\$48,800)	\$210,235	\$162,301	(\$45,560)	\$207,861
(8) Nov-17	\$342,218	(\$298,022)	\$640,240	\$68,640	(\$55,229)	\$123,869	\$99,378	(\$100,515)	\$199,893	\$111,788	(\$77,349)	\$189,137
(9) Dec-17	\$358,358	(\$316,249)	\$674,607	\$68,602	(\$56,174)	\$124,776	\$84,719	(\$95,811)	\$180,530	\$103,797	(\$78,074)	\$181,870
(10) Jan-18	\$471,864	(\$416,271)	\$888,136	\$87,060	(\$70,774)	\$157,833	\$93,421	(\$111,729)	\$205,150	\$107,806	(\$84,797)	\$192,603
(11) Feb-18	\$392,621	(\$346,258)	\$738,879	\$78,015	(\$63,788)	\$141,803	\$84,606	(\$100,220)	\$184,827	\$127,595	(\$74,131)	\$201,726
(12) Mar-18	\$347,977	(\$306,979)	\$654,956	\$72,795	(\$59,752)	\$132,548	\$87,057	(\$98,747)	\$185,804	\$100,796	(\$77,740)	\$178,536
(13) Apr-18	\$198,305	(\$174,975)	\$373,279	\$42,948	(\$34,072)	\$77,021	\$54,056	(\$57,501)	\$111,557	\$141,024	(\$44,675)	\$185,699
Total	\$6,663,514	(\$1,999,846)	\$8,663,360	\$1,242,466	(\$372,806)	\$1,615,272	\$1,757,551	(\$649,442)	\$2,406,993	\$1,764,676	(\$572,716)	\$2,337,392

Month	5000 kW Demand B-62 / G-62			Lighting S-05 / S-06 / S-10 / S-14			Propulsion X-01		
	Total Revenue (a)	CapEx Rec Factor Revenue (b)	Base Revenue (c)	Total Revenue (a)	CapEx Rec Factor Revenue (b)	Base Revenue (c)	Total Revenue (a)	CapEx Rec Factor Revenue (b)	Base Revenue (c)
(1) Apr-17	\$19,498	\$1,919	\$17,578	\$13,347	\$(414,73)	\$13,761	\$2,241	\$0	\$2,241
(2) May-17	\$40,874	\$3,851	\$37,023	\$(49,240)	\$1,314	\$(50,554)	\$4,579	\$0	\$4,579
(3) Jun-17	\$53,488	\$4,936	\$48,551	\$143,578	\$(3,499)	\$147,077	\$4,303	\$0	\$4,303
(4) Jul-17	\$51,483	\$4,773	\$46,710	\$60,148	\$(1,689)	\$61,838	\$4,368	\$0	\$4,368
(5) Aug-17	\$52,293	\$5,102	\$47,190	\$45,549	\$(1,271)	\$46,821	\$4,499	\$0	\$4,499
(6) Sep-17	\$51,294	\$4,944	\$46,350	\$41,340	\$(1,166)	\$42,506	\$4,459	\$0	\$4,459
(7) Oct-17	\$47,504	\$(3,439)	\$50,943	\$39,991	\$(2,688)	\$42,679	\$4,122	\$(837)	\$4,959
(8) Nov-17	\$28,945	\$(13,999)	\$42,944	\$57,760	\$(6,772)	\$64,532	\$2,573	\$(2,143)	\$4,716
(9) Dec-17	\$22,523	\$(10,943)	\$33,467	\$62,986	\$(7,371)	\$70,358	\$2,337	\$(2,111)	\$4,448
(10) Jan-18	\$31,353	\$(15,705)	\$47,057	\$183,165	\$(19,936)	\$203,100	\$2,134	\$(1,928)	\$4,061
(11) Feb-18	\$24,451	\$(11,661)	\$36,112	\$121,244	\$(13,912)	\$135,156	\$2,240	\$(2,024)	\$4,264
(12) Mar-18	\$27,733	\$(13,102)	\$40,835	\$43,101	\$(5,121)	\$48,222	\$2,162	\$(1,954)	\$4,116
(13) Apr-18	\$18,027	\$(9,037)	\$27,064	\$24,760	\$(2,942)	\$27,701	\$1,104	\$(997)	\$2,101
Total	\$469,464	\$(52,360)	\$521,824	\$787,728	\$(65,469)	\$853,197	\$41,120	\$(11,994)	\$53,114

(1) Reflects revenue associated with consumption on and after April 1  
(13) Reflects revenue associated with consumption prior to April 1

(a) from monthly revenue reports  
(b) per Page 3 and Page 4  
(c) Column (a) - Column (b)

The Narragansett Electric Company  
d/b/a National Grid  
RIPUC Docket No. 4682  
FY 2018 Electric Infrastructure, Safety,  
and Reliability Plan Reconciliation  
Attachment ASC-2  
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Fiscal Year 2016 CapEx Reconciliation of Over Recovery  
For the Period April 1, 2015 through March 31, 2016  
For the Recovery Period October 1, 2016 through September 30, 2017

		Total	Residential A-16 / A-60		Small C&I C-06		General C&I G-02		200 kW Demand B-32 / G-32	
		(a)	(b)	(c)	(b)	(c)	(b)	(c)	(b)	(c)
(1)	Beginning Over(Under) Recovery	\$306,323		\$36,730		\$21,445		\$82,339		\$210,381
(2)	CapEx Reconciling Factors			(\$0.00001)		(\$0.00003)		(\$0.00006)		(\$0.00010)
			kWhs	CapEx Reconciling Factor Revenue	kWhs	CapEx Reconciling Factor Revenue	kWhs	CapEx Reconciling Factor Revenue	kWhs	CapEx Reconciling Factor Revenue
(3)	Oct-16	(\$9,794)	95,473,615	(\$955)	19,647,685	(\$589)	45,046,273	(\$2,703)	69,226,706	(\$6,923)
(4)	Nov-16	(\$21,907)	206,273,900	(\$2,063)	41,891,243	(\$1,257)	96,570,758	(\$5,794)	154,652,793	(\$15,465)
(5)	Dec-16	(\$22,619)	238,467,830	(\$2,385)	45,270,239	(\$1,358)	99,457,256	(\$5,967)	157,570,354	(\$15,757)
(6)	Jan-17	(\$24,447)	273,001,763	(\$2,730)	52,071,331	(\$1,562)	107,697,512	(\$6,462)	163,683,007	(\$16,368)
(7)	Feb-17	(\$22,485)	251,907,544	(\$2,519)	50,739,090	(\$1,522)	101,923,880	(\$6,115)	152,903,424	(\$15,290)
(8)	Mar-17	(\$22,722)	234,127,726	(\$2,341)	49,350,049	(\$1,481)	103,684,327	(\$6,221)	157,278,833	(\$15,728)
(9)	Apr-17	(\$22,294)	229,957,624	(\$2,300)	49,091,325	(\$1,473)	101,534,869	(\$6,092)	159,809,235	(\$15,981)
(10)	May-17	(\$19,173)	197,051,306	(\$1,971)	45,798,429	(\$1,374)	95,569,388	(\$5,734)	152,590,449	(\$15,259)
(11)	Jun-17	(\$24,894)	224,582,709	(\$2,246)	51,611,634	(\$1,548)	105,225,996	(\$6,314)	162,235,622	(\$16,224)
(12)	Jul-17	(\$26,693)	307,702,465	(\$3,077)	56,312,799	(\$1,689)	121,798,204	(\$7,308)	177,028,615	(\$17,703)
(13)	Aug-17	(\$26,005)	312,917,236	(\$3,129)	55,930,004	(\$1,678)	120,414,340	(\$7,225)	178,042,241	(\$17,804)
(14)	Sep-17	(\$24,057)	266,799,874	(\$2,668)	52,705,602	(\$1,581)	115,953,161	(\$6,957)	166,293,817	(\$16,629)
(15)	Oct-17	(\$13,144)	124,619,616	(\$1,246)	26,663,066	(\$800)	61,563,025	(\$3,694)	96,154,070	(\$9,615)
(16)	Total	(\$280,234)		(\$29,629)		(\$17,912)		(\$76,586)		(\$194,747)
(17)	Ending Over(Under) Recovery	\$26,089		\$7,101		\$3,533		\$5,753		\$15,634

		5000 kW Demand B-62 / G-62		Lighting S-05/ S-06/ S-10 / S-14		Propulsion X-01	
		(b)	(c)	(b)	(c)	(b)	(c)
(1)	Beginning Over(Under) Recovery		(\$70,276)		\$25,572		\$132
(2)	CapEx Reconciling Factors		\$0.00013		(\$0.00039)		\$0.00000
		kWhs	CapEx Reconciling Factor Revenue	kWhs	CapEx Reconciling Factor Revenue	kWhs	CapEx Reconciling Factor Revenue
(3)	Oct-16	15,858,307	\$2,062	1,758,847	(\$686)	832,892	\$0
(4)	Nov-16	33,362,351	\$4,337	4,268,515	(\$1,665)	1,890,091	\$0
(5)	Dec-16	35,801,268	\$4,654	4,630,537	(\$1,806)	2,119,277	\$0
(6)	Jan-17	35,885,141	\$4,665	5,101,139	(\$1,989)	1,829,122	\$0
(7)	Feb-17	35,365,105	\$4,597	4,193,967	(\$1,636)	1,943,050	\$0
(8)	Mar-17	34,687,874	\$4,509	3,744,260	(\$1,460)	1,804,590	\$0
(9)	Apr-17	34,848,293	\$4,530	2,510,705	(\$979)	2,203,445	\$0
(10)	May-17	29,619,450	\$3,851	(3,369,134)	\$1,314	2,096,059	\$0
(11)	Jun-17	37,972,397	\$4,936	8,972,493	(\$3,499)	1,982,779	\$0
(12)	Jul-17	36,718,921	\$4,773	4,331,961	(\$1,689)	2,012,947	\$0
(13)	Aug-17	39,249,804	\$5,102	3,259,913	(\$1,271)	2,073,479	\$0
(14)	Sep-17	38,034,526	\$4,944	2,989,350	(\$1,166)	2,054,627	\$0
(15)	Oct-17	22,317,058	\$2,901	1,769,668	(\$690)	1,086,998	\$0
(16)	Total	429,720,495	\$55,864	44,162,221	(\$17,223)	23,929,356	\$0
(17)	Ending Over(Under) Recovery		(\$14,412)		\$8,349		\$132

- (1) per RIPUC Docket No. 4539, Attachment ASC-2, page 1, line (8)  
(2) per RIPUC Docket No. 4539, Attachment ASC-2, page 1, line (10)  
(3) prorated for usage on and after October 1, 2016  
(15) prorated for usage prior to October 1, 2017  
(16) sum of kWhs & revenue  
(17) Line -1 + Line -16

- (a) sum of Column (b) from each rate  
(b) from Company revenue report  
(c) Column (b) x CapEx Reconciling Factor

The Narragansett Electric Company  
d/b/a National Grid  
RIPUC Docket No. 4682  
FY 2018 Electric Infrastructure, Safety,  
and Reliability Plan Reconciliation  
Attachment ASC-2  
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Fiscal Year 2017 CapEx Reconciliation of Over Recovery  
For the Period April 1, 2016 through March 31, 2017  
For the Recovery Period October 1, 2017 through September 30, 2018

Line No.		Total	Residential		Small C&I		General C&I		200 kW Demand	
		(a)	A-16 / A-60		C-06		G-02		B-32 / G-32	
(1)	Beginning Over(Under) Recovery	\$7,300,262	(b)	(c)	(b)	(c)	(b)	(c)	(b)	(c)
(2)	CapEx Reconciling Factors			(\$0.00135)		(\$0.00119)		(\$0.00098)		(\$0.00050)
			CapEx Reconciling		CapEx Reconciling		CapEx Reconciling		CapEx Reconciling	
			kWhs	Factor Revenue	kWhs	Factor Revenue	kWhs	Factor Revenue	kWhs	Factor Revenue
(3)	Oct-17	(\$239,728)	93,170,695	(\$125,780)	19,934,393	(\$23,722)	46,027,022	(\$45,106)	71,888,694	(\$35,944)
(4)	Nov-17	(\$554,029)	220,757,188	(\$298,022)	46,410,703	(\$55,229)	102,566,639	(\$100,515)	154,697,974	(\$77,349)
(5)	Dec-17	(\$566,733)	234,258,554	(\$316,249)	47,204,661	(\$56,174)	97,766,022	(\$95,811)	156,147,641	(\$78,074)
(6)	Jan-18	(\$721,140)	308,349,251	(\$416,271)	59,473,796	(\$70,774)	114,009,381	(\$111,729)	169,594,910	(\$84,797)
(7)	Feb-18	(\$611,995)	256,487,509	(\$346,258)	53,603,746	(\$63,788)	102,265,595	(\$100,220)	148,261,655	(\$74,131)
(8)	Mar-18	(\$563,396)	227,392,076	(\$306,979)	50,212,182	(\$59,752)	100,761,788	(\$98,747)	155,480,615	(\$77,740)
(9)	Apr-18	(\$551,829)	220,614,246	(\$297,829)	48,735,673	(\$57,995)	99,871,348	(\$97,874)	152,085,185	(\$76,043)
(10)	May-18	(\$538,923)	212,573,817	(\$286,975)	48,019,444	(\$57,143)	101,169,485	(\$99,146)	153,316,410	(\$76,658)
(11)	Jun-18	(\$550,477)	212,923,032	(\$287,446)	48,476,817	(\$57,687)	106,468,903	(\$104,340)	162,967,927	(\$81,484)
(12)	Jul-18	\$0	-	\$0	-	\$0	-	\$0	-	\$0
(13)	Aug-18	\$0	-	\$0	-	\$0	-	\$0	-	\$0
(14)	Sep-18	\$0	-	\$0	-	\$0	-	\$0	-	\$0
(15)	Total	(\$4,898,250)		(\$2,681,811)		(\$502,265)		(\$853,488)		(\$662,221)
(16)	Ending Over(Under) Recovery	\$2,402,012		\$1,387,040		\$210,484		\$405,553		\$319,103

			5000 kW Demand		Lighting		Propulsion	
			B-62 / G-62		S-05/ S-06/ S-10 / S-14		X-01	
(1)	Beginning Over(Under) Recovery		(b)	(c)	(b)	(c)	(b)	(c)
(2)	CapEx Reconciling Factors			(\$0.00038)		(\$0.00151)		(\$0.00103)
			CapEx Reconciling		CapEx Reconciling		CapEx Reconciling	
			kWhs	Factor Revenue	kWhs	Factor Revenue	kWhs	Factor Revenue
(3)	Oct-17		16,685,140	(\$6,340)	1,323,076	(\$1,998)	812,684	(\$837)
(4)	Nov-17		36,838,671	(\$13,999)	4,484,913	(\$6,772)	2,080,524	(\$2,143)
(5)	Dec-17		28,798,003	(\$10,943)	4,881,579	(\$7,371)	2,049,985	(\$2,111)
(6)	Jan-18		41,327,869	(\$15,705)	13,202,486	(\$19,936)	1,871,652	(\$1,928)
(7)	Feb-18		30,687,841	(\$11,661)	9,213,221	(\$13,912)	1,964,976	(\$2,024)
(8)	Mar-18		34,479,589	(\$13,102)	3,391,718	(\$5,121)	1,896,605	(\$1,954)
(9)	Apr-18		40,481,431	(\$15,383)	3,315,812	(\$5,007)	1,648,197	(\$1,698)
(10)	May-18		33,470,583	(\$12,719)	2,726,776	(\$4,117)	2,101,865	(\$2,165)
(11)	Jun-18		34,940,102	(\$13,277)	2,729,968	(\$4,122)	2,058,609	(\$2,120)
(12)	Jul-18		-	\$0	-	\$0	-	\$0
(13)	Aug-18		-	\$0	-	\$0	-	\$0
(14)	Sep-18		-	\$0	-	\$0	-	\$0
(15)	Total		297,709,229	(\$113,130)	45,269,549	(\$68,357)	16,485,097	(\$16,980)
(16)	Ending Over(Under) Recovery			\$49,425		\$22,729		\$7,676

- (1) per RIPUC, Docket No. 4592, Attachment ASC-2 page 1, line (8)  
(2) per RIPUC, Docket No. 4592, Attachment ASC-2 page 1, line (10)  
(3) prorated for usage on and after October 1, 2017  
(14) prorated for usage prior to October 1, 2018  
(15) sum of kWhs & revenue  
(16) Line -1 + Line -15

- (a) sum of Column (b) from each rate  
(b) from Company revenue report  
(c) Column (b) x CapEx Reconciling Factor



Attachment ASC-3

O&M Reconciliations and Proposed O&M Reconciling Factor

Fiscal Year 2018 Operation & Maintenance Reconciliation and Proposed Factor  
Reconciliation of O&M Revenue and Actual O&M Revenue Requirement  
For Fiscal Year 2018 ISR Plan  
For the Recovery (Refund) Period October 1, 2018 through September 30, 2019

(1)	Actual FY 2018 O&M Revenue Requirement	\$10,036,295
(2)	O&M Revenue Billed	<u>\$10,085,799</u>
(3)	Total Over (Under) Recovery for FY 2018	\$49,504
(4)	Remaining Over (Under) For FY 2016	<u>\$151,458</u>
(5)	Total Over (Under) Recovery	\$200,962
(6)	Forecasted kWhs - October 1, 2018 through September 30, 2019	<u>7,269,805,668</u>
(7)	Proposed O&M Reconciling Factor (Credit) per kWh	(\$0.00002)

- (1) per RIPUC Docket No. 4682, Attachment MAL-1, Page 1 of 26, Column (a), Line (4)
- (2) per Page 2
- (3) Line (2) - Line (1)
- (4) per Page 3 Line (4)
- (5) Line (3) + Line (4)
- (6) per Company forecast
- (7) [Line (5) ÷ Line (6)], truncated to 5 decimal places

Fiscal Year 2018 Operations & Maintenance Reconciliation  
For the Period April 1, 2017 through March 31, 2018  
For the Recovery/Refund Period October 1, 2018 through September 30, 2019

**O&M Factor Revenue:**

<u>Line No.</u>	<u>Month</u>	<u>O&amp;M Revenue</u> (a)	<u>Prior Period Reconciliation Factor Revenue</u> (b)	<u>Base O&amp;M Revenue</u> (c)
(1)	Apr-17	\$260,771	(\$54,060)	\$314,831
(2)	May-17	\$508,510	(\$114,258)	\$622,769
(3)	Jun-17	\$710,903	(\$130,368)	\$841,271
(4)	Jul-17	\$814,929	(\$155,299)	\$970,228
(5)	Aug-17	\$808,931	(\$156,615)	\$965,546
(6)	Sep-17	\$724,908	(\$141,863)	\$866,771
(7)	Oct-17	\$687,494	(\$76,017)	\$763,510
(8)	Nov-17	\$763,081	(\$5,678)	\$768,760
(9)	Dec-17	\$781,855	(\$5,711)	\$787,566
(10)	Jan-18	\$1,055,826	(\$7,078)	\$1,062,905
(11)	Feb-18	\$884,277	(\$6,025)	\$890,302
(12)	Mar-18	\$765,176	(\$5,736)	\$770,913
(13)	Apr-18	\$457,098	(\$3,330)	\$460,427
	Total	\$9,223,760	(\$862,039)	\$10,085,799

(1) Reflects kWhs consumed on and after April 1

(13) Reflects kWhs consumed prior to April 1

(a) from monthly revenue reports

(b) per Page 3, Column (b) and Page 4, Column (b)

(c) Column (a) - Column (b)



Fiscal Year 2016 O&M Reconciliation of Over Recovery  
For the Period April 1, 2015 through March 31, 2016  
For the Recovery Period October 1, 2016 through September 30, 2017

		<u>Total</u>		
(1)	Over (Under) Recovery	\$1,753,429		
(2)	O&M Reconciling Factor	(\$0.00022)		
		<u>Total kWhs</u>	<u>Total Revenue</u>	
		(a)	(b)	
(3)	Oct-16	247,843,091	(\$54,525)	
(4)	Nov-16	538,909,651	(\$118,560)	
(5)	Dec-16	583,316,761	(\$128,330)	
(6)	Jan-17	639,269,015	(\$140,639)	
(7)	Feb-17	598,976,060	(\$131,775)	
(8)	Mar-17	584,677,659	(\$128,629)	
(9)	Apr-17	579,955,496	(\$127,590)	
(10)	May-17	519,355,947	(\$114,258)	
(11)	Jun-17	592,583,630	(\$130,368)	
(12)	Jul-17	705,905,912	(\$155,299)	
(13)	Aug-17	711,887,017	(\$156,615)	
(14)	Sep-17	644,830,957	(\$141,863)	
(15)	Oct-17	334,173,500	(\$73,518)	
(16)	Total	7,281,684,696	(\$1,601,971)	
(17)	Over (Under) Recovery			\$151,458

(1) per RIPUC Docket No. 4539, Attachment ASC-3, page 1, line (5)  
(2) per RIPUC Docket No. 4539, Attachment ASC-3, page 1, line (7)  
(16) sum of kWhs & revenue  
(17) Line (1) + Line (3)

(a) per Company Records  
(b) Line (2) x Column (a)

Fiscal Year 2017 O&M Reconciliation of Over Recovery  
For the Period April 1, 2016 through March 31, 2017  
For the Recovery Period October 1, 2017 through September 30, 2018

<u>Line No.</u>		<u>Total</u>	
(1)	Over (Under) Recovery	\$110,823	
(2)	O&M Reconciling Factor	(\$0.00001)	
		<u>Total kWhs</u>	<u>Total Revenue</u>
		(a)	(b)
(3)	Oct-17	249,841,705	(\$2,498)
(4)	Nov-17	567,836,612	(\$5,678)
(5)	Dec-17	571,106,445	(\$5,711)
(6)	Jan-18	707,829,345	(\$7,078)
(7)	Feb-18	602,484,543	(\$6,025)
(8)	Mar-18	573,614,573	(\$5,736)
(9)	Apr-18	566,751,892	(\$5,668)
(10)	May-18	553,378,380	(\$5,534)
(11)	Jun-18	570,565,358	(\$5,706)
(12)	Jul-18	-	\$0
(13)	Aug-18	-	\$0
(14)	Sep-18	-	\$0
(15)	Oct-18	-	\$0
(16)	Total	4,963,408,853	(\$49,634)
(17)	Over (Under) Recovery		<u>\$61,189</u>

- (1) per RIPUC. Docket No. 4592, Attachment ASC-3 page 1, line (5)  
(2) per RIPUC. Docket No. 4592, Attachment ASC-3 page 1, line (7)  
(16) sum of kWhs & revenue  
(17) Line (1) + Line (3)

- (a) per Company Records  
(b) Line (2) x Column (a)



Attachment ASC-4

Typical Bill Analysis

The Narragansett Electric Company  
Calculation of Monthly Typical Bill  
Total Bill Impact of Proposed  
Rates Applicable to A-16 Rate Customers

Monthly kWh (a)	Present Rates				Proposed Rates Effective October 1, 2018				\$ Increase (Decrease)				Increase (Decrease) % of Total Bill				Percentage of Customers (n)
	Delivery Services (b)	Supply Services (c)	GET (d)	Total (e)	Delivery Services (b)	Supply Services (c)	GET (d)	Total (e)	Delivery Services (f)	Supply Services (g)	GET (h)	Total (i)	Delivery Services (j)	Supply Services (k)	GET (l)	Total (m)	
150	\$20.57	\$12.73	\$1.39	\$34.69	\$20.68	\$12.73	\$1.39	\$34.80	\$0.11	\$0.00	\$0.00	\$0.11	0.3%	0.0%	0.0%	0.3%	30.1%
300	\$34.56	\$25.46	\$2.50	\$62.52	\$34.76	\$25.46	\$2.51	\$62.73	\$0.20	\$0.00	\$0.01	\$0.21	0.3%	0.0%	0.0%	0.3%	12.9%
400	\$43.88	\$33.94	\$3.24	\$81.06	\$44.15	\$33.94	\$3.25	\$81.34	\$0.27	\$0.00	\$0.01	\$0.28	0.3%	0.0%	0.0%	0.3%	11.6%
500	\$53.21	\$42.43	\$3.99	\$99.63	\$53.54	\$42.43	\$4.00	\$99.97	\$0.33	\$0.00	\$0.01	\$0.34	0.3%	0.0%	0.0%	0.3%	9.6%
600	\$62.53	\$50.92	\$4.73	\$118.18	\$62.93	\$50.92	\$4.74	\$118.59	\$0.40	\$0.00	\$0.01	\$0.41	0.3%	0.0%	0.0%	0.3%	7.7%
700	\$71.85	\$59.40	\$5.47	\$136.72	\$72.32	\$59.40	\$5.49	\$137.21	\$0.47	\$0.00	\$0.02	\$0.49	0.3%	0.0%	0.0%	0.4%	19.0%
1,200	\$118.47	\$101.83	\$9.18	\$229.48	\$119.27	\$101.83	\$9.21	\$230.31	\$0.80	\$0.00	\$0.03	\$0.83	0.3%	0.0%	0.0%	0.4%	6.8%
2,000	\$193.05	\$169.72	\$15.12	\$377.89	\$194.39	\$169.72	\$15.17	\$379.28	\$1.34	\$0.00	\$0.05	\$1.39	0.4%	0.0%	0.0%	0.4%	2.3%

	Present Rates		Proposed Rates Effective October 1, 2018		Line Item on Bill
	(o)	(p)			
(1) Distribution Customer Charge	\$5.00		\$5.00		Customer Charge
(2) LIHEAP Enhancement Charge	\$0.81		\$0.81		LIHEAP Enhancement Charge
(3) Renewable Energy Growth Program Charge	\$0.78		\$0.78		RE Growth Program

(4) Distribution Charge (per kWh)	\$0.03664			\$0.03664					
(5) Operating & Maintenance Expense Charge	\$0.00175			\$0.00175					
(6) Operating & Maintenance Expense Reconciliation Factor	(\$0.00001)			(\$0.00001)					
(7) FY18 CapEx Factor Charge	\$0.00355			\$0.00355					
(8) CapEx Reconciliation Factor	(\$0.00135)			(\$0.00135)					Distribution Energy Charge

(9) Revenue Decoupling Adjustment Factor	\$0.00184			\$0.00184					
(10) Pension Adjustment Factor	(\$0.00085)			(\$0.00085)					
(11) Storm Fund Replenishment Factor	\$0.00288			\$0.00288					
(12) Arrangement Management Adjustment Factor	\$0.00002			\$0.00002					
(13) Long-term Contracting for Renewable Energy Charge	\$0.00647			\$0.00647					Renewable Energy Distribution Charge
(14) Net Metering Charge	\$0.00043			\$0.00043					

(15) Base Transmission Charge	\$0.03154			\$0.03154					
(16) Transmission Adjustment Factor	\$0.00076			\$0.00076					Transmission Charge
(17) Transmission Uncollectible Factor	\$0.00041			\$0.00041					
(18) Base Transition Charge	(\$0.00083)			(\$0.00083)					Transition Charge
(19) Transition Adjustment	(\$0.00004)			(\$0.00004)					Energy Efficiency Programs

(20) Energy Efficiency Program Charge	\$0.01002			\$0.01002					
(21) Standard Offer Service Base Charge	\$0.08315			\$0.08315					
(22) SOS Adjustment Factor	\$0.00007			\$0.00007					
(23) SOS Administrative Cost Adjustment Factor	\$0.00160			\$0.00160					Supply Services Energy Charge
(24) Renewable Energy Standard Charge	\$0.00004			\$0.00004					

(25) Customer Charge	\$5.00			\$5.00					
(26) LIHEAP Enhancement Charge	\$0.81			\$0.81					
(27) RE Growth Program	\$0.78			\$0.78					
(28) Transmission Charge	kWh x \$0.03271			\$0.03271					
(29) Distribution Energy Charge	kWh x \$0.04447			\$0.04447					
(30) Transition Charge	kWh x (\$0.00087)			(\$0.00087)					
(31) Energy Efficiency Programs	kWh x \$0.01002			\$0.01002					
(32) Renewable Energy Distribution Charge	kWh x \$0.00690			\$0.00690					
(33) Supply Services Energy Charge	kWh x \$0.08486			\$0.08486					

Column (o): per Summary of Retail Delivery Service Rates, R.I.P.U.C. No. 2095 effective 7/1/2018, and Summary of Rates Standard Offer Service tariff, R.I.P.U.C. No. 2096, effective 7/1/2018  
Column (p): Lines (1) through (5), (7), (9) through (24) per Summary of Retail Delivery Service Rates, R.I.P.U.C. No. 2095 effective 7/1/2018, and Summary of Rates Standard Offer Service tariff, R.I.P.U.C. No. 2096, effective 7/1/2018  
Line (6) per Att. ASC-3, Page 1, Line (7); Line (9) per Att. ASC-2, Page 1, Column (b), Line (10)

The Narragansett Electric Company  
Calculation of Monthly Typical Bill  
Total Bill Impact of Proposed  
Rates Applicable to A-60 Rate Customers

Monthly kWh	Present Rates			Proposed Rates Effective October 1, 2018				\$ Increase (Decrease)				Increase (Decrease) % of Total Bill				Percentage of Customers	
	Delivery Services (b)	Supply Services (c)	GET (d)	Total (e)	Delivery Services (b)	Supply Services (c)	GET (d)	Total (e)	Delivery Services (f)	Supply Services (g)	GET (h)	Total (i)	Delivery Services (j)	Supply Services (k)	GET (l)		Total (m)
150	\$13.55	\$12.73	\$1.10	\$27.38	\$13.65	\$12.73	\$1.10	\$27.48	\$0.10	\$0.00	\$0.00	\$0.10	0.4%	0.0%	0.0%	0.4%	32.1%
300	\$25.52	\$25.46	\$2.12	\$53.10	\$25.72	\$25.46	\$2.13	\$53.31	\$0.20	\$0.00	\$0.01	\$0.21	0.4%	0.0%	0.0%	0.4%	15.4%
400	\$33.49	\$33.94	\$2.81	\$70.24	\$33.76	\$33.94	\$2.82	\$70.52	\$0.27	\$0.00	\$0.01	\$0.28	0.4%	0.0%	0.0%	0.4%	12.5%
500	\$41.47	\$42.43	\$3.50	\$87.40	\$41.81	\$42.43	\$3.51	\$87.75	\$0.34	\$0.00	\$0.01	\$0.35	0.4%	0.0%	0.0%	0.4%	9.6%
600	\$49.45	\$50.92	\$4.18	\$104.55	\$49.85	\$50.92	\$4.20	\$104.97	\$0.40	\$0.00	\$0.02	\$0.42	0.4%	0.0%	0.0%	0.4%	7.2%
700	\$57.42	\$59.40	\$4.87	\$121.69	\$57.89	\$59.40	\$4.89	\$122.18	\$0.47	\$0.00	\$0.02	\$0.49	0.4%	0.0%	0.0%	0.4%	16.4%
1,200	\$97.30	\$101.83	\$8.30	\$207.43	\$98.11	\$101.83	\$8.33	\$208.27	\$0.81	\$0.00	\$0.03	\$0.84	0.4%	0.0%	0.0%	0.4%	5.2%
2,000	\$161.11	\$169.72	\$13.78	\$344.61	\$162.45	\$169.72	\$13.84	\$346.01	\$1.34	\$0.00	\$0.06	\$1.40	0.4%	0.0%	0.0%	0.4%	1.6%

Present Rates

Proposed Rates Effective October 1, 2018

Line Item on Bill

(1) Distribution Customer Charge	\$0.00				\$0.00												
(2) LIHEAP Enhancement Charge	\$0.81				\$0.81												
(3) Renewable Energy Growth Program Charge	\$0.78				\$0.78												
(4) Distribution Charge (per kWh)	\$0.02317				\$0.02317												
(5) Operating & Maintenance Expense Charge	\$0.00175				\$0.00175												
(6) Operating & Maintenance Expense Reconciliation Factor	(\$0.00001)				(\$0.00002)												
(7) FY18 CapEx Factor Charge	\$0.00355				\$0.00355												
(8) CapEx Reconciliation Factor	(\$0.00135)				(\$0.00067)												
(9) Revenue Decoupling Adjustment Factor	\$0.00184				\$0.00184												
(10) Pension Adjustment Factor	(\$0.00085)				(\$0.00085)												
(11) Storm Fund Replenishment Factor	\$0.00288				\$0.00288												
(12) Average Management Adjustment Factor	\$0.00002				\$0.00002												
(13) Long-term Contracting for Renewable Energy Charge	\$0.00647				\$0.00647												
(14) Net Metering Charge	\$0.00043				\$0.00043												
(15) Base Transmission Charge	\$0.03154				\$0.03154												
(16) Transmission Adjustment Factor	\$0.00076				\$0.00076												
(17) Transmission Uncollectible Factor	\$0.00041				\$0.00041												
(18) Base Transition Charge	(\$0.00083)				(\$0.00083)												
(19) Transition Adjustment	(\$0.00004)				(\$0.00004)												
(20) Energy Efficiency Program Charge	\$0.01002				\$0.01002												
(21) Standard Offer Service Base Charge	\$0.08315				\$0.08315												
(22) SOS Adjustment Factor	\$0.00007				\$0.00007												
(23) SOS Administrative Cost Adjustment Factor	\$0.00160				\$0.00160												
(24) Renewable Energy Standard Charge	\$0.00004				\$0.00004												

Line Item on Bill

(25) Customer Charge	\$0.00				\$0.00												
(26) LIHEAP Enhancement Charge	\$0.81				\$0.81												
(27) RE Growth Program	\$0.78				\$0.78												
(28) Transmission Charge	\$0.03271				\$0.03271												
(29) Distribution Energy Charge	\$0.03100				\$0.03167												
(30) Transition Charge	(\$0.00087)				(\$0.00087)												
(31) Energy Efficiency Programs	\$0.01002				\$0.01002												
(32) Renewable Energy Distribution Charge	\$0.00690				\$0.00690												
(33) Supply Services Energy Charge	\$0.08486				\$0.08486												

Column (o): per Summary of Retail Delivery Service Rates, R.I.P.U.C. No. 2095 effective 7/1/2018, and Summary of Rates Standard Offer Service tariff, R.I.P.U.C. No. 2096, effective 7/1/2018

Column (p): Lines (1) through (5), (7), (9) through (24) per Summary of Retail Delivery Service Rates, R.I.P.U.C. No. 2095 effective 7/1/2018, and Summary of Rates Standard Offer Service tariff, R.I.P.U.C. No. 2096, effective 7/1/2018

Line (6) per Att. ASC-3, Page 1, Line (7); Line (8) per Att. ASC-2, Page 1, Column (b), Line (10)

The Narragansett Electric Company  
Calculation of Monthly Typical Bill  
Total Bill Impact of Proposed  
Rates Applicable to C-06 Rate Customers

Monthly kWh (a)	Present Rates			Proposed Rates Effective October 1, 2018				\$ Increase (Decrease)				Increase (Decrease) % of Total Bill				Percentage of Customers (n)	
	Delivery Services (b)	Supply Services (c)	GET (d)	Total (e)	Delivery Services (b)	Supply Services (c)	GET (d)	Total (e)	Delivery Services (f)	Supply Services (g)	GET (h)	Total (i)	Delivery Services (j)	Supply Services (k)	GET (l)		Total (m)
250	\$32.95	\$20.48	\$2.23	\$55.66	\$33.08	\$20.48	\$2.23	\$55.79	\$0.13	\$0.00	\$0.00	\$0.13	0.2%	0.0%	0.0%	0.2%	56.3%
500	\$53.83	\$40.95	\$3.95	\$98.73	\$54.10	\$40.95	\$3.96	\$99.01	\$0.27	\$0.00	\$0.01	\$0.28	0.3%	0.0%	0.0%	0.3%	16.9%
1,000	\$95.58	\$81.90	\$7.40	\$184.88	\$96.12	\$81.90	\$7.42	\$185.44	\$0.54	\$0.00	\$0.02	\$0.56	0.3%	0.0%	0.0%	0.3%	8.1%
1,500	\$137.34	\$122.85	\$10.84	\$271.03	\$138.15	\$122.85	\$10.88	\$271.88	\$0.81	\$0.00	\$0.04	\$0.85	0.3%	0.0%	0.0%	0.3%	5.0%
2,000	\$179.09	\$163.80	\$14.29	\$357.18	\$180.17	\$163.80	\$14.33	\$358.30	\$1.08	\$0.00	\$0.04	\$1.12	0.3%	0.0%	0.0%	0.3%	13.6%

Present Rates

Proposed Rates Effective October 1, 2018

Line Item on Bill

(1) Distribution Customer Charge	(o)	(p)
(2) LIHEAP Enhancement Charge	\$10.00	\$10.00
(3) Renewable Energy Growth Program Charge	\$0.81	\$0.81
(4) Distribution Charge (per kWh)	\$1.26	\$1.26
(5) Operating & Maintenance Expense Charge	\$0.03253	\$0.03253
(6) Operating & Maintenance Expense Reconciliation Factor	\$0.00176	\$0.00176
(7) FY18 CapEx Factor Charge	(\$0.00001)	(\$0.00002)
(8) CapEx Reconciliation Factor	\$0.00322	\$0.00322
(9) Revenue Decoupling Adjustment Factor	(\$0.00119)	(\$0.00064)
(10) Pension Adjustment Factor	\$0.00184	\$0.00184
(11) Storm Fund Replenishment Factor	(\$0.00085)	(\$0.00085)
(12) Average Management Adjustment Factor	\$0.00288	\$0.00288
(13) Long-term Contracting for Renewable Energy Charge	\$0.00002	\$0.00002
(14) Net Metering Charge	\$0.00647	\$0.00647
(15) Base Transmission Charge	\$0.00043	\$0.00043
(16) Transmission Adjustment Factor	\$0.03167	\$0.03167
(17) Transmission Uncollectible Factor	(\$0.00474)	(\$0.00474)
(18) Base Transition Charge	\$0.00033	\$0.00033
(19) Transition Adjustment	(\$0.00083)	(\$0.00083)
(20) Energy Efficiency Program Charge	(\$0.00044)	(\$0.00044)
(21) Standard Offer Service Base Charge	\$0.01002	\$0.01002
(22) SOS Adjustment Factor	\$0.08068	\$0.08068
(23) SOS Administrative Cost Adjustment Factor	(\$0.00041)	(\$0.00041)
(24) Renewable Energy Standard Charge	\$0.00159	\$0.00159
	\$0.00004	\$0.00004
Line Item on Bill		
(25) Customer Charge	\$10.00	\$10.00
(26) LIHEAP Enhancement Charge	\$0.81	\$0.81
(27) RE Growth Program	\$1.26	\$1.26
(28) Transmission Charge	\$0.02726	\$0.02726
(29) Distribution Energy Charge	\$0.04020	\$0.04074
(30) Transition Charge	(\$0.00087)	(\$0.00087)
(31) Energy Efficiency Programs	\$0.01002	\$0.01002
(32) Renewable Energy Distribution Charge	\$0.00690	\$0.00690
(33) Supply Services Energy Charge	\$0.08190	\$0.08190

Column (o): per Summary of Retail Delivery Service Rates, R.I.P.U.C. No. 2095 effective 7/1/2018, and Summary of Rates Standard Offer Service tariff, R.I.P.U.C. No. 2096, effective 7/1/2018  
Column (p): Lines (1) through (5), (7), (9) through (24) per Summary of Retail Delivery Service Rates, R.I.P.U.C. No. 2095 effective 7/1/2018, and Summary of Rates Standard Offer Service tariff, R.I.P.U.C. No. 2096, effective 7/1/2018  
Line (6) per Att. ASC-3, Page 1, Line (7); Line (8) per Att. ASC-2, Page 1, Column (c), Line (10)

The Narragansett Electric Company  
d/b/a National Grid  
RIPUC Docket No. 4682  
FY 2018 Electric Infrastructure, Safety,  
and Reliability Plan Reconciliation  
Attachment ASC-4  
Page 4 of 6

The Narragansett Electric Company  
Calculation of Monthly Typical Bill  
Total Bill Impact of Proposed  
Rates Applicable to G-02 Rate Customers

Monthly Power Hours Use		Present Rates			Proposed Rates Effective October 1, 2018			\$ Increase (Decrease)			Increase (Decrease) % of Total Bill		
		Delivery Services (b)	Supply Services (c)	GET (d)	Total (e)	Delivery Services (b)	Supply Services (c)	GET (d)	Total (e)	Delivery Services (f)	Supply Services (g)	GET (h)	Total (i)
20	200	\$432.32	\$327.60	\$31.66	\$791.58	\$434.52	\$327.60	\$31.76	\$793.88	\$2.20	\$0.00	\$0.10	\$2.30
50	200	\$944.06	\$819.00	\$73.46	\$1,836.52	\$949.56	\$819.00	\$73.69	\$1,842.25	\$5.50	\$0.00	\$0.23	\$5.73
100	200	\$1,796.96	\$1,638.00	\$143.12	\$3,578.08	\$1,807.96	\$1,638.00	\$143.58	\$3,589.54	\$11.00	\$0.00	\$0.46	\$11.46
150	200	\$2,649.86	\$2,457.00	\$212.79	\$5,319.65	\$2,666.36	\$2,457.00	\$213.47	\$5,336.83	\$16.50	\$0.00	\$0.68	\$17.18
20	300	\$502.70	\$491.40	\$41.42	\$1,035.52	\$506.00	\$491.40	\$41.56	\$1,038.96	\$3.30	\$0.00	\$0.14	\$3.44
50	300	\$1,120.01	\$1,228.50	\$97.85	\$2,446.36	\$1,128.26	\$1,228.50	\$98.20	\$2,454.96	\$8.25	\$0.00	\$0.35	\$8.60
100	300	\$2,148.86	\$2,457.00	\$191.91	\$4,797.77	\$2,165.36	\$2,457.00	\$192.60	\$4,814.96	\$16.50	\$0.00	\$0.69	\$17.19
150	300	\$3,177.71	\$3,685.50	\$285.97	\$7,149.18	\$3,202.46	\$3,685.50	\$287.00	\$7,174.96	\$24.75	\$0.00	\$1.03	\$25.78
20	400	\$573.08	\$655.20	\$51.18	\$1,279.46	\$577.48	\$655.20	\$51.36	\$1,284.04	\$4.40	\$0.00	\$0.18	\$4.58
50	400	\$1,295.96	\$1,638.00	\$122.25	\$3,056.21	\$1,306.96	\$1,638.00	\$122.71	\$3,067.67	\$11.00	\$0.00	\$0.46	\$11.46
100	400	\$2,500.76	\$3,276.00	\$240.70	\$6,017.46	\$2,522.76	\$3,276.00	\$241.62	\$6,040.38	\$22.00	\$0.00	\$0.92	\$22.92
150	400	\$3,705.56	\$4,914.00	\$359.15	\$8,978.71	\$3,738.56	\$4,914.00	\$360.52	\$9,013.08	\$33.00	\$0.00	\$1.37	\$34.37
20	500	\$643.46	\$819.00	\$60.94	\$1,523.40	\$648.96	\$819.00	\$61.17	\$1,529.13	\$5.50	\$0.00	\$0.23	\$5.73
50	500	\$1,471.91	\$2,047.50	\$146.64	\$3,666.05	\$1,485.66	\$2,047.50	\$147.22	\$3,680.38	\$13.75	\$0.00	\$0.58	\$14.33
100	500	\$2,852.66	\$4,095.00	\$289.49	\$7,237.15	\$2,880.16	\$4,095.00	\$290.63	\$7,265.79	\$27.50	\$0.00	\$1.14	\$28.64
150	500	\$4,233.41	\$6,142.50	\$432.33	\$10,808.24	\$4,274.66	\$6,142.50	\$434.05	\$10,851.21	\$41.25	\$0.00	\$1.72	\$42.97
20	600	\$713.84	\$982.80	\$70.69	\$1,767.33	\$720.44	\$982.80	\$70.97	\$1,774.21	\$6.60	\$0.00	\$0.28	\$6.88
50	600	\$1,647.86	\$2,457.00	\$171.04	\$4,275.90	\$1,664.36	\$2,457.00	\$171.72	\$4,295.08	\$16.50	\$0.00	\$0.68	\$17.18
100	600	\$3,204.56	\$4,914.00	\$338.27	\$8,456.83	\$3,237.56	\$4,914.00	\$339.65	\$8,491.21	\$33.00	\$0.00	\$1.38	\$34.38
150	600	\$4,761.26	\$7,371.00	\$505.51	\$12,637.77	\$4,810.76	\$7,371.00	\$507.57	\$12,689.33	\$49.50	\$0.00	\$2.06	\$51.56

Line Item on Bill	Present Rates		Proposed Rates Effective October 1, 2018		Line Item on Bill	
	(o)	(p)				
(1) Distribution Customer Charge		\$135.00		\$135.00	Customer Charge	
(2) LIHEAP Enhancement Charge		\$0.81		\$0.81	LIHEAP Enhancement Charge	
(3) Renewable Energy Growth Program Charge		\$11.85		\$11.85	RE Growth Program	
(4) Base Distribution Demand Charge (per kW > 10kW)		\$4.85		\$4.85	Distribution Demand Charge	
(5) Distribution Charge (per kWh)		\$0.00468		\$0.00468		
(6) Operating & Maintenance Expense Charge		\$0.00128		\$0.00128		
(7) Operating & Maintenance Expense Reconciliation Factor		\$0.00001				
(8) FY18 CapEx Factor Demand Charge (per kW > 10kW)		\$0.80		\$0.80	Distribution Energy Charge	
(9) CapEx Reconciliation Factor		\$0.00098				
(10) Revenue Decoupling Adjustment Factor		\$0.00184				
(11) Pension Adjustment Factor		\$0.00085				
(12) Storm Fund Replenishment Factor		\$0.00288				
(13) Arrangement Management Adjustment Factor		\$0.00002				
(14) Long-term Contracting for Renewable Energy Charge		\$0.00647		\$0.00647	Renewable Energy Distribution Charge	
(15) Net Metering Charge		\$0.00043		\$0.00043		
(16) Transmission Demand Charge		\$4.37		\$4.37	Transmission Demand Charge	
(17) Base Transmission Charge		\$0.01231		\$0.01231	Transmission Adjustment	
(18) Transmission Adjustment Factor		\$0.00236				
(19) Transmission Uncollectible Factor		\$0.00033				
(20) Base Transition Charge		\$0.00083			Transition Charge	
(21) Transition Adjustment		\$0.00004				
(22) Energy Efficiency Program Charge		\$0.01002		\$0.01002	Energy Efficiency Programs	
(23) Standard Offer Service Base Charge		\$0.08068		\$0.08068		
(24) SOS Adjustment Factor		\$0.00041			Supply Services Energy Charge	
(25) SOS Administrative Cost Adjustment Factor		\$0.00159				
(26) Renewable Energy Standard Charge		\$0.00004				

Line Item on Bill		
(27) Customer Charge		\$135.00
(29) LIHEAP Enhancement Charge		\$0.81
(28) RE Growth Program		\$11.85
(30) Transmission Adjustment		\$0.01028
(31) Distribution Energy Charge		\$0.00941
(32) Distribution Demand Charge		\$5.65
(33) Transmission Demand Charge		\$4.37
(32) Transition Charge		\$0.00087
(33) Energy Efficiency Programs		\$0.01002
(34) Renewable Energy Distribution Charge		\$0.00690
(35) Supply Services Energy Charge		\$0.08190

Column (o): per Summary of Retail Delivery Service Rates, R.I.P.U.C. No. 2095 effective 7/1/2018, and Summary of Rates Standard Offer Service Rates, R.I.P.U.C. No. 2096 effective 7/1/2018  
Column (p): Lines (1) through (6), (8), (10) through (26) per Summary of Retail Delivery Service Rates, R.I.P.U.C. No. 2095 effective 7/1/2018, and Summary of Rates Standard Offer Service Rates, R.I.P.U.C. No. 2096 effective 7/1/2018  
Line (7) per Att. ASC-3, Page 1, Line (7); Line (9) per Att. ASC-2, Page 1, Column (d), Line (10)



The Narragansett Electric Company  
d/b/a National Grid  
RIPUC Docket No. 4682  
FY 2018 Electric Infrastructure, Safety,  
and Reliability Plan Reconciliation  
Attachment ASC-4  
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The Narragansett Electric Company  
Calculation of Monthly Typical Bill  
Total Bill Impact of Proposed  
Rates Applicable to G-32 Rate Customers

			Present Rates			Proposed Rates Effective October 1, 2018			\$ Increase (Decrease)			Increase (Decrease) % of Total Bill		
kW	Monthly Power Hours Use	kWh	Delivery Services (b)	Supply Services (c)	GET (d)	Total (e)	Delivery Services (b)	Supply Services (c)	GET (d)	Total (e)	Delivery Services (f)	Supply Services (g)	GET (h)	Total (i)
200	200	40,000	\$3,316.67	\$2,883.60	\$258.34	\$6,458.61	\$3,324.27	\$2,883.60	\$238.66	\$6,458.61	\$7.60	\$0.00	\$0.32	\$7.92
750	200	150,000	\$12,441.17	\$10,813.50	\$968.94	\$24,223.61	\$12,469.67	\$10,813.50	\$970.13	\$24,253.30	\$28.50	\$0.00	\$1.19	\$29.69
1,000	200	200,000	\$16,588.67	\$14,418.00	\$1,291.94	\$32,298.61	\$16,624.67	\$14,418.00	\$1,293.53	\$32,338.20	\$38.00	\$0.00	\$1.59	\$39.59
1,500	200	300,000	\$24,883.67	\$21,627.00	\$1,937.94	\$48,448.61	\$24,940.67	\$21,627.00	\$1,940.32	\$48,507.99	\$57.00	\$0.00	\$2.38	\$59.38
2,500	200	500,000	\$41,473.67	\$36,045.00	\$3,229.94	\$80,748.61	\$41,568.67	\$36,045.00	\$3,233.90	\$80,847.57	\$95.00	\$0.00	\$3.96	\$98.96
200	300	60,000	\$4,048.67	\$4,325.40	\$348.96	\$8,724.03	\$4,061.07	\$4,325.40	\$349.44	\$8,735.91	\$11.40	\$0.00	\$0.48	\$11.88
750	300	225,000	\$15,189.92	\$16,220.25	\$1,308.76	\$32,718.93	\$15,252.67	\$16,220.25	\$1,310.54	\$32,763.46	\$42.75	\$0.00	\$1.78	\$44.53
1,000	300	350,000	\$20,253.67	\$21,627.00	\$1,745.03	\$43,625.70	\$20,310.67	\$21,627.00	\$1,747.40	\$43,685.07	\$57.00	\$0.00	\$2.37	\$59.37
1,500	300	450,000	\$30,381.17	\$32,440.50	\$2,617.87	\$65,439.54	\$30,466.67	\$32,440.50	\$2,621.13	\$65,528.30	\$85.50	\$0.00	\$3.56	\$89.06
2,500	300	750,000	\$50,636.17	\$54,067.50	\$4,362.65	\$109,066.32	\$50,778.67	\$54,067.50	\$4,368.59	\$109,214.76	\$142.50	\$0.00	\$5.94	\$148.44
200	400	80,000	\$4,782.67	\$5,767.20	\$439.58	\$10,989.45	\$4,797.87	\$5,767.20	\$440.21	\$11,005.26	\$15.20	\$0.00	\$0.63	\$15.83
750	400	300,000	\$17,938.67	\$21,627.00	\$1,648.57	\$41,214.24	\$17,995.67	\$21,627.00	\$1,650.94	\$41,273.61	\$57.00	\$0.00	\$2.37	\$59.37
1,000	400	400,000	\$23,918.67	\$28,836.00	\$2,198.11	\$54,952.78	\$23,994.67	\$28,836.00	\$2,201.98	\$55,031.95	\$76.00	\$0.00	\$3.17	\$79.17
1,500	400	600,000	\$35,878.67	\$43,254.00	\$3,297.19	\$82,429.86	\$35,992.67	\$43,254.00	\$3,301.94	\$82,548.61	\$114.00	\$0.00	\$4.75	\$118.75
2,500	400	1,000,000	\$59,798.67	\$72,090.00	\$5,495.36	\$137,384.03	\$59,985.67	\$72,090.00	\$5,503.28	\$137,581.95	\$190.00	\$0.00	\$7.92	\$197.92
200	500	100,000	\$5,515.67	\$7,209.00	\$530.19	\$13,254.86	\$5,534.67	\$7,209.00	\$530.99	\$13,274.66	\$19.00	\$0.00	\$0.80	\$19.80
750	500	375,000	\$20,687.42	\$27,033.75	\$1,988.38	\$49,709.55	\$20,758.67	\$27,033.75	\$1,991.35	\$49,783.77	\$71.25	\$0.00	\$2.97	\$74.22
1,000	500	500,000	\$27,583.67	\$36,045.00	\$2,651.19	\$66,279.86	\$27,678.67	\$36,045.00	\$2,655.15	\$66,378.82	\$95.00	\$0.00	\$3.96	\$98.96
1,500	500	750,000	\$41,376.17	\$54,067.50	\$3,976.82	\$99,420.49	\$41,518.67	\$54,067.50	\$3,982.76	\$99,568.93	\$142.50	\$0.00	\$5.94	\$148.44
2,500	500	1,250,000	\$68,961.17	\$90,112.50	\$6,628.07	\$165,701.74	\$69,198.67	\$90,112.50	\$6,637.97	\$165,949.14	\$277.50	\$0.00	\$9.90	\$247.40
200	600	120,000	\$6,248.67	\$8,650.80	\$620.81	\$15,520.28	\$6,271.47	\$8,650.80	\$621.76	\$15,544.03	\$22.80	\$0.00	\$0.95	\$23.75
750	600	450,000	\$23,436.17	\$32,440.50	\$2,328.19	\$58,204.86	\$23,521.67	\$32,440.50	\$2,331.76	\$58,293.93	\$85.50	\$0.00	\$3.57	\$89.07
1,000	600	600,000	\$31,248.67	\$43,254.00	\$3,104.28	\$77,606.95	\$31,362.67	\$43,254.00	\$3,109.03	\$77,725.70	\$114.00	\$0.00	\$4.75	\$118.75
1,500	600	900,000	\$46,873.67	\$64,881.00	\$4,656.44	\$116,411.11	\$47,044.67	\$64,881.00	\$4,663.57	\$116,589.24	\$171.00	\$0.00	\$7.13	\$178.13
2,500	600	1,500,000	\$78,123.67	\$108,135.00	\$7,760.78	\$194,019.45	\$78,408.67	\$108,135.00	\$7,772.65	\$194,316.32	\$285.00	\$0.00	\$11.87	\$296.87

Line Item on Bill

Proposed Rates Effective October 1, 2018

Present Rates

(1) Distribution Customer Charge	\$825.00	\$0.81	\$86.86
(2) LIHEAP Enhancement Charge	\$0.81	\$0.81	\$86.86
(3) Renewable Energy Growth Program Charge	\$0.81	\$0.81	\$86.86
(4) Base Distribution Demand Charge (per kW > 200kW)	\$3.70	\$3.70	\$3.70
(5) Distribution Charge (per kWh)	\$0.00551	\$0.00551	\$0.00551
(6) Operating & Maintenance Expense Charge	\$0.00083	\$0.00083	\$0.00083
(7) Operating & Maintenance Expense Reconciliation Factor	\$0.00001	\$0.00001	\$0.00001
(8) FY18 CapEx Factor Demand Charge (per kW > 200kW)	\$0.87	\$0.87	\$0.87
(9) CapEx Reconciliation Factor	\$0.00050	\$0.00050	\$0.00050
(10) Revenue Decoupling Adjustment Factor	\$0.00184	\$0.00184	\$0.00184
(11) Pension Adjustment Factor	\$0.00085	\$0.00085	\$0.00085
(12) Storm Fund Replenishment Factor	\$0.00288	\$0.00288	\$0.00288
(13) Average Management Adjustment Factor	\$0.00002	\$0.00002	\$0.00002
(14) Long-term Contracting for Renewable Energy Charge	\$0.00647	\$0.00647	\$0.00647
(15) Net Metering Charge	\$0.00043	\$0.00043	\$0.00043
(16) Transmission Demand Charge	\$4.69	\$4.69	\$4.69
(17) Base Transmission Charge	\$0.01159	\$0.01159	\$0.01159
(18) Transmission Adjustment Factor	\$0.00100	\$0.00100	\$0.00100
(19) Transmission Uncollectible Factor	\$0.00029	\$0.00029	\$0.00029
(20) Base Transition Charge	\$0.00083	\$0.00083	\$0.00083
(21) Transition Adjustment	\$0.00004	\$0.00004	\$0.00004
(22) Energy Efficiency Program Charge	\$0.01002	\$0.01002	\$0.01002
(23) Standard Offer Service Base Charge	\$0.07861	\$0.07861	\$0.07861
(24) SOS Adjustment Factor	\$0.00830	\$0.00830	\$0.00830
(25) SOS Administrative Cost Adjustment Factor	\$0.00174	\$0.00174	\$0.00174
(26) Renewable Energy Standard Charge	\$0.00004	\$0.00004	\$0.00004

Line Item on Bill

(27) Customer Charge	\$825.00	\$0.81	\$86.86
(28) LIHEAP Enhancement Charge	\$0.81	\$0.81	\$86.86
(29) RE Growth Program	\$0.81	\$0.81	\$86.86
(30) Transmission Adjustment	\$0.01088	\$0.01088	\$0.01088
(31) Distribution Energy Charge	\$0.00972	\$0.00972	\$0.00972
(32) Distribution Demand Charge	\$4.57	\$4.57	\$4.57
(33) Transmission Demand Charge	\$4.69	\$4.69	\$4.69
(34) Transition Charge	\$0.00830	\$0.00830	\$0.00830
(35) Energy Efficiency Programs	\$0.01002	\$0.01002	\$0.01002
(36) Renewable Energy Distribution Charge	\$0.00690	\$0.00690	\$0.00690
(37) Supply Services Energy Charge	\$0.07209	\$0.07209	\$0.07209

Column (a): per Summary of Retail Delivery Service Rates, R.I.P.U.C. No. 2005 effective 7/1/2018, and Summary of Rates Standard Offer Service tariff, R.I.P.U.C. No. 2006, effective 7/1/2018  
Column (b): Lines (1) through (6), (8), (10) through (26) per Summary of Retail Delivery Service Rates, R.I.P.U.C. No. 2005 effective 7/1/2018, and Summary of Rates Standard Offer Service tariff, R.I.P.U.C. No. 2006, effective 7/1/2018  
Line (7) per Att. ASC-3, Page 1, Line (7); Line (9) per Att. ASC-2, Page 1, Column (e), Line (10)

The Narragansett Electric Company  
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The Narragansett Electric Company  
Calculation of Monthly Typical Bill  
Total Bill Impact of Proposed  
Rates Applicable to G-62 Rate Customers

Monthly Power kW	Hours Use (a)	kWh	Present Rates			Proposed Rates Effective October 1, 2018			Increase (Decrease)			Increase (Decrease) % of Total Bill			
			Delivery Services (b)	Supply Services (c)	GET (d)	Delivery Services (b)	Supply Services (c)	GET (d)	Delivery Services (f)	Supply Services (g)	GET (h)	Delivery Services (i)	Supply Services (k)	GET (l)	Total (m)
3,000	200	600000	\$63,796.89	\$43,254.00	\$11,511.34	\$63,796.89	\$43,254.00	\$11,511.34	\$132.00	\$0.00	\$5.50	\$137.50	0.1%	0.0%	0.1%
5,000	200	1000000	\$93,708.89	\$72,090.00	\$17,270.18	\$93,708.89	\$72,090.00	\$17,270.18	\$220.00	\$0.00	\$9.16	\$229.16	0.1%	0.0%	0.1%
7,500	200	1500000	\$131,098.89	\$108,135.00	\$24,901.97	\$131,098.89	\$108,135.00	\$24,901.97	\$330.00	\$0.00	\$13.75	\$343.75	0.1%	0.0%	0.1%
10,000	200	2000000	\$168,488.89	\$144,180.00	\$32,696.76	\$168,488.89	\$144,180.00	\$32,696.76	\$440.00	\$0.00	\$18.33	\$458.33	0.1%	0.0%	0.1%
20,000	200	4000000	\$318,048.89	\$288,360.00	\$63,167.53	\$318,048.89	\$288,360.00	\$63,167.53	\$880.00	\$0.00	\$36.67	\$916.67	0.1%	0.0%	0.1%
3,000	300	900000	\$74,950.89	\$64,881.00	\$15,826.33	\$74,950.89	\$64,881.00	\$15,826.33	\$198.00	\$0.00	\$8.25	\$206.25	0.1%	0.0%	0.1%
5,000	300	1500000	\$112,298.89	\$108,135.00	\$22,618.64	\$112,298.89	\$108,135.00	\$22,618.64	\$330.00	\$0.00	\$13.75	\$343.75	0.1%	0.0%	0.1%
7,500	300	2250000	\$158,983.89	\$162,202.50	\$33,569.16	\$158,983.89	\$162,202.50	\$33,569.16	\$495.00	\$0.00	\$20.62	\$515.62	0.1%	0.0%	0.2%
10,000	300	3000000	\$205,668.89	\$216,270.00	\$43,951.68	\$205,668.89	\$216,270.00	\$43,951.68	\$660.00	\$0.00	\$27.50	\$687.50	0.2%	0.0%	0.2%
20,000	300	6000000	\$392,408.89	\$432,540.00	\$85,931.76	\$392,408.89	\$432,540.00	\$85,931.76	\$1,320.00	\$0.00	\$55.00	\$1,375.00	0.2%	0.0%	0.2%
3,000	400	1200000	\$86,104.89	\$86,508.00	\$7,192.20	\$86,104.89	\$86,508.00	\$7,192.20	\$264.00	\$0.00	\$11.00	\$275.00	0.1%	0.0%	0.2%
5,000	400	2000000	\$130,888.89	\$144,180.00	\$11,461.20	\$130,888.89	\$144,180.00	\$11,461.20	\$440.00	\$0.00	\$18.34	\$458.34	0.2%	0.0%	0.2%
7,500	400	3000000	\$186,868.89	\$216,270.00	\$16,797.46	\$186,868.89	\$216,270.00	\$16,797.46	\$660.00	\$0.00	\$27.50	\$687.50	0.2%	0.0%	0.2%
10,000	400	4000000	\$242,848.89	\$288,360.00	\$22,133.71	\$242,848.89	\$288,360.00	\$22,133.71	\$880.00	\$0.00	\$36.66	\$916.66	0.2%	0.0%	0.2%
20,000	400	8000000	\$466,768.89	\$576,720.00	\$43,478.71	\$466,768.89	\$576,720.00	\$43,478.71	\$1,760.00	\$0.00	\$73.33	\$1,833.33	0.2%	0.0%	0.2%
3,000	500	1500000	\$97,258.89	\$108,135.00	\$8,558.08	\$97,258.89	\$108,135.00	\$8,558.08	\$330.00	\$0.00	\$13.75	\$343.75	0.2%	0.0%	0.2%
5,000	500	2500000	\$149,478.89	\$180,225.00	\$13,737.66	\$149,478.89	\$180,225.00	\$13,737.66	\$550.00	\$0.00	\$22.92	\$572.92	0.2%	0.0%	0.2%
7,500	500	3750000	\$214,753.89	\$270,337.50	\$20,212.14	\$214,753.89	\$270,337.50	\$20,212.14	\$825.00	\$0.00	\$34.38	\$859.38	0.2%	0.0%	0.2%
10,000	500	5000000	\$280,028.89	\$360,450.00	\$26,886.62	\$280,028.89	\$360,450.00	\$26,886.62	\$1,100.00	\$0.00	\$45.84	\$1,145.84	0.2%	0.0%	0.2%
20,000	500	10000000	\$541,128.89	\$720,900.00	\$52,676.21	\$541,128.89	\$720,900.00	\$52,676.21	\$2,200.00	\$0.00	\$91.67	\$2,291.67	0.2%	0.0%	0.2%
3,000	600	1800000	\$108,412.89	\$129,762.00	\$9,940.45	\$108,412.89	\$129,762.00	\$9,940.45	\$396.00	\$0.00	\$16.50	\$412.50	0.2%	0.0%	0.2%
5,000	600	3000000	\$168,068.89	\$216,270.00	\$16,041.62	\$168,068.89	\$216,270.00	\$16,041.62	\$660.00	\$0.00	\$27.50	\$687.50	0.2%	0.0%	0.2%
7,500	600	4500000	\$242,638.89	\$324,405.00	\$23,668.08	\$242,638.89	\$324,405.00	\$23,668.08	\$990.00	\$0.00	\$41.25	\$1,031.25	0.2%	0.0%	0.2%
10,000	600	6000000	\$317,208.89	\$432,540.00	\$31,294.54	\$317,208.89	\$432,540.00	\$31,294.54	\$1,320.00	\$0.00	\$55.00	\$1,375.00	0.2%	0.0%	0.2%
20,000	600	12000000	\$615,488.89	\$865,080.00	\$61,690.38	\$615,488.89	\$865,080.00	\$61,690.38	\$2,640.00	\$0.00	\$110.00	\$2,750.00	0.2%	0.0%	0.2%

	Present Rates (o)	Proposed Rates Effective October 1, 2018 (p)	
		Customer Charge	LIHEAP Enhancement Charge
(1) Distribution Customer Charge	\$17,000.00	\$0.81	\$1,928.08
(2) LIHEAP Enhancement Charge	\$17,000.00	\$0.81	\$1,928.08
(3) Renewable Energy Growth Program Charge	\$1,928.08	\$2.99	\$0.00000
(4) Base Distribution Demand Charge per kW	\$2.99	\$0.41	(\$0.00002)
(5) Distribution Charge (per kWh)	\$0.00000	\$0.72	(\$0.0015)
(6) Operating & Maintenance Expense Charge per kW	\$0.41	\$0.00184	(\$0.00085)
(7) Operating & Maintenance Expense Reconciliation Factor	(\$0.00001)	\$0.00288	\$0.00288
(8) FY18 CapEx Factor Demand Charge per kW	\$0.72	\$0.00647	\$0.00647
(9) CapEx Reconciliation Factor	(\$0.0038)	\$0.00443	\$0.00443
(10) Revenue Decoupling Adjustment Factor	\$0.00184	\$0.01489	\$0.01489
(11) Pension Adjustment Factor	(\$0.00085)	\$0.00242	\$0.00242
(12) Storm Fund Replenishment Factor	\$0.00288	\$0.00332	\$0.00332
(13) Average Management Adjustment Factor	\$0.00002	\$0.00083	\$0.00083
(14) Long-term Contracting for Renewable Energy Charge	\$0.00647	\$0.00044	\$0.00044
(15) Net Metering Charge	\$0.00443	\$3.40	\$3.40
(16) Transmission Demand Charge	\$3.40	\$0.01489	\$0.01489
(17) Base Transmission Charge	\$0.01489	\$0.00242	\$0.00242
(18) Transmission Adjustment Factor	\$0.00242	\$0.00332	\$0.00332
(19) Transmission Uncollectible Factor	\$0.00332	\$0.00083	\$0.00083
(20) Base Transition Charge	\$0.00083	\$0.01002	\$0.01002
(21) Transition Adjustment	\$0.01002	\$0.007861	\$0.007861
(22) Energy Efficiency Program Charge	\$0.007861	(\$0.00630)	(\$0.00630)
(23) Standard Offer Service Base Charge	(\$0.00630)	\$0.00174	\$0.00174
(24) SOG Adjustment Factor	\$0.00174	\$0.00004	\$0.00004
(25) SOG Administrative Cost Adjustment Factor	\$0.00004	\$17,000.00	\$17,000.00
(26) Renewable Energy Standard Charge	\$17,000.00	\$0.81	\$1,928.08
Line Item on Bill		\$1,928.08	\$0.00763
(27) Customer Charge		\$0.81	\$0.00372
(28) LIHEAP Enhancement Charge		\$1,928.08	\$4.12
(29) RE Growth Program		\$0.00763	\$3.40
(30) Transmission Adjustment		\$0.00372	(\$0.00087)
(31) Distribution Energy Charge		\$4.12	\$0.01002
(32) Distribution Demand Charge		\$3.40	\$0.00690
(33) Transmission Demand Charge		\$0.00087	\$0.007209
(34) Energy Efficiency Programs		\$0.01002	
(35) Renewable Energy Distribution Charge		\$0.00690	
(36) Supply Services Energy Charge		\$0.007209	

Line Item on Bill

(27) Customer Charge

(28) LIHEAP Enhancement Charge

(29) RE Growth Program

(30) Transmission Adjustment

(31) Distribution Energy Charge

(32) Distribution Demand Charge

(33) Transmission Demand Charge

(34) Energy Efficiency Programs

(35) Renewable Energy Distribution Charge

(36) Supply Services Energy Charge

Column (o): per Summary of Retail Delivery Service Rates, R.I.P.U.C. No. 2005 effective 7/1/2018, and Summary of Rates Standard Offer Service tariff, R.I.P.U.C. No. 2006, effective 7/1/2018

Column (p): Lines (1) through (6), (8), (10) through (26) per Summary of Retail Delivery Service Rates, R.I.P.U.C. No. 2005 effective 7/1/2018, and Summary of Rates Standard Offer Service tariff, R.I.P.U.C. No. 2006, effective 7/1/2018

Line (7) per Att. ASC-3, Page 1, Line (9) per Att. ASC-2, Page 1, Column (f), Line (10)