

The Narragansett Electric Company

d/b/a National Grid

INVESTIGATION AS TO THE  
PROPRIETY OF PROPOSED TARIFF  
CHANGES

Filing Requirements

Book 1 of 4

November 27, 2017

Submitted to:  
Rhode Island Public Utilities Commission  
RIPUC Docket No. 4770

Submitted by:

**nationalgrid**



Index and Responses to the Commission's  
Rules on Practice and Procedure  
November 2017

Section 1.9

Formal Application

The formal application is included with the filing letter submitted by the Company in this case.



Index and Responses to the Commission's  
Rules on Practice and Procedure  
November 2017

Section 2.4 Notice of Filing Proposed General Rate Changes

The Company will publish notice of this filing within ten (10) days from November 27, 2017. A draft form of notice is provided as an attachment to the filing letter in this case. Also, the Company will include a notice of its proposed general rate schedule changes in the next general customer billing, within sixty (60) days following the filing of the application, or by a separate mailing.



Index and Responses to the Commission's  
Rules on Practice and Procedure  
November 2017

Section 2.5(a) Current and Proposed Rate Schedules and Terms and Conditions

**Electric**

Please see the Joint Pre-filed Direct Testimony and Schedules of Company Witness Scott M. McCabe (Pricing Panel with Company witness Ann E. Leary) and the Pre-filed Direct Testimony of Company witness Howard S. Gorman presenting the current and proposed rate schedules and terms and conditions.

**Gas**

Please see the Joint Pre-filed Direct Testimony and Schedules of Company Witness Ann E. Leary (Pricing Panel with Company witness Scott M. McCabe) and the Pre-filed Direct Testimony of Company witness Paul M. Normand presenting the current and proposed rate schedules and terms and conditions.



Index and Responses to the Commission's  
Rules on Practice and Procedure  
November 2017

Section 2.5(b)      Applicant's complete direct case in support of proposed rates.

Provided herewith are an original and eleven copies of the Company's rate filing, including written testimony and schedules.



Index and Responses to the Commission's  
Rules on Practice and Procedure  
November 2017

Section 2.5(c)(1)      Annual Report to the Commission for the last two years.

Please see Book 2 of 4 for the Annual Report to the PUC for the last two years.



Index and Responses to the Commission's  
Rules on Practice and Procedure  
November 2017

Section 2.5(c)(2) FERC Annual Reports for the last two years.

Please see Book 3 of 4 for the FERC Annual Reports for the last two years.



Index and Responses to the Commission's  
Rules on Practice and Procedure  
November 2017

Section 2.5(c)(3) Latest FERC audit report.

Please see Attachment 2.5(c)(3) for the last FERC audit report for National Grid USA including its service companies and associated companies which include The Narragansett Electric Company for the examination of the years January 1, 2006 through December 31, 2008.

Also included is the last FERC audit report for The Narragansett Electric Company related to the examination of the years 1992 through 1996. There are no unresolved outstanding matters.

FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

In Reply Refer To:  
Office of Enforcement  
Docket No. FA09-10-000  
February 11, 2011

National Grid USA  
Attention: Martin Wheatcroft  
One MetroTech Center  
Brooklyn, New York 11201-3580

Dear Mr. Wheatcroft:

1. The Division of Audits within the Office of Enforcement (OE) has completed the audit of National Grid USA (National Grid), including its service companies and associated companies, from January 1, 2006 through December 31, 2008. The enclosed audit report explains our finding and recommendations.
2. On February 1, 2011, you informed us that National Grid will not contest our audit findings and agrees to implement our recommendations. A copy of your verbatim responses are included as an appendix to this report. I hereby approve the recommended corrective actions. Within 30 days of this letter order, National Grid should submit a plan to comply with the corrective actions. National Grid should make quarterly filings describing how and when it plans to comply with the corrective actions, including the completion dates for each corrective action. The filings should be made no later than 30 days after the end of each calendar quarter, beginning with the first quarter after this audit report is issued, and continuing until all the corrective actions are completed.
3. The Commission delegated the authority to act on this matter to the Director of OE under 18 C.F.R. § 375.311 (2010). This letter order constitutes final agency action. National Grid may file a request for rehearing with the Commission within 30 days of the date of this order under 18 C.F.R. § 385.713 (2010).
4. This letter order is without prejudice to the Commission's right to require hereafter any adjustments it may consider proper from additional information that may come to its attention. In addition, any instance of noncompliance not addressed herein or that may occur in the future may also be subject to investigation and appropriate remedies.

5. I appreciate the courtesies extended to our auditors. If you have any questions, please contact Mr. Bryan K. Craig, Director and Chief Accountant, Division of Audits at (202) 502-8741.

Sincerely,

Norman C. Bay  
Director  
Office of Enforcement

Enclosure



## Federal Energy Regulatory Commission

# **Audit of National Grid USA Affiliate Transactions, including its Compliance with:**

- Cross-Subsidization Restrictions on Affiliate Transactions;
- Regulations Under the Public Utility Holding Company Act of 2005;
- Uniform System of Accounts for Public Utilities' Accounting for Service Company Billings; and
- Merger Conditions.

**Final Audit Report**  
Docket No. FA09-10-000  
February 11, 2011

**Office of Enforcement**  
Division of Audits

## Table of Contents

<b>I. Executive Summary.....</b>	<b>1</b>
A. Overview .....	1
B. Description of National Grid System .....	1
C. Summary of Compliance Findings .....	4
D. Summary of Recommendations .....	6
E. Compliance and Implementation of Recommendations .....	9
<b>II. Background .....</b>	<b>10</b>
A. Service Company Agreements .....	10
B. Corporate Accounting System and Cost Tracking .....	10
C. Service Company Cost Allocation Methods .....	11
D. Operating Company Agreements for Non-power Goods and Services .....	11
E. Global Information Services Cost Allocations .....	12
F. Internal and External Audit Role and Reporting .....	12
G. National Grid-KeySpan Merger .....	14
<b>III. Introduction .....</b>	<b>16</b>
A. Objectives .....	16
B. Scope and Methodology .....	16
<b>IV. Findings and Recommendations .....</b>	<b>22</b>
1. Allocation of Global Information Services Costs .....	22
2. Allocation of Merger-Related Costs .....	27
3. Allocation of Software License Permit Costs .....	30
4. Accounting and Allocation of Expatriate Costs and Officer and Director Expenses .....	32
5. Compromise Settlements Resulting from Discriminatory Employment Practices .....	35

6. Inability of Accounting System to Reconcile to Certain FERC Form No. 60  
Accounts ..... 38

7. Use of Improper Accounts to Record Revenues for Services Rendered to Non-  
associate Companies..... 41

8. Improper Use of Clearing Accounts..... 43

9. Deficiencies in FERC Form No. 60 Notes to Financial Statements ..... 45

10. Reporting of Cost Allocation Information ..... 47

11. Delinquent Filings to the Commission ..... 51

**V. Other Matters.....54**

1. Hold-harmless Provision of the Merger Order ..... 54

**Company Response..... Attachment A**

## I. Executive Summary

### A. Overview

The Division of Audits (DA) within the Office of Enforcement (OE) has completed an audit of National Grid USA (National Grid), including the service companies and associated franchised public utilities in the National Grid holding company system. The audit was initiated to evaluate the companies' compliance with the Federal Energy Regulatory Commission's (FERC or the Commission's): (1) cross-subsidization restrictions on affiliate transactions under 18 C.F.R. Part 35 (2008); (2) accounting, recordkeeping, and reporting requirements under 18 C.F.R. Part 366 (2008); (3) Uniform System of Accounts (USofA) for centralized service companies under 18 C.F.R. Part 367 (2008) and the applicable USofA adopted during the transition period;<sup>1</sup> and (4) preservation of records requirements for holding companies and service companies under 18 C.F.R. Part 368 (2008).

The audit also included selective tests of the service companies' cost allocation methods and billings by the service companies to the associated franchised public utilities and evaluated whether the associated franchised public utilities' accounting for these costs complied with the USofA requirements under 18 C.F.R. Part 101 (2008).

Finally, the audit evaluated whether National Grid plc complied with merger commitments the Commission accepted in Docket Nos. EC06-125-000 and EL06-85-000.<sup>2</sup> The audit covered January 1, 2006 through December 31, 2008.

### B. Description of National Grid System

National Grid plc, an integrated global energy company based in the United Kingdom, is the parent holding company for the National Grid holding company system. National Grid plc conducts its US business principally through National Grid USA (National Grid), a holding company and an indirect wholly owned subsidiary, and through other subsidiaries of National Grid.

---

<sup>1</sup> 18 C.F.R. Part 367 (2008), effective January 1, 2008. Until December 31, 2007, the Commission permitted centralized service companies to follow the Commission's USofA in 18 C.F.R. Parts 101 and 201, or the Securities and Exchange Commission's USofA in 17 C.F.R. Part 256.

<sup>2</sup> *National Grid plc*, 117 FERC ¶ 61,080 (2006).

National Grid USA

Docket No. FA09-10-000

*Description of National Grid USA*

National Grid is a public utility holding company that owns, directly or indirectly, a majority of the outstanding common stock of its public utility subsidiaries and varying percentages of other subsidiaries that provide other non-utility services. The main business of National Grid, through its subsidiaries, is the transmission and distribution of electricity and natural gas. It acquired New England Electric System in 1999, Niagara Mohawk Power Company (Niagara Mohawk) in 2002, and KeySpan Corporation (KeySpan) in 2007. Keyspan is a US-based holding company whose subsidiaries provide utility and non-utility services in the northeastern United States. Pursuant to the merger, KeySpan is a wholly owned subsidiary of National Grid. For the purposes of this report, pre-merger KeySpan companies and pre-merger National Grid companies will be referred to as “legacy KeySpan” and “legacy National Grid,” respectively.

As a result of these transactions, National Grid has five wholly owned subsidiaries that are franchised public utilities (FPU’s) providing electricity. They are: Granite State Electric Company (Granite State), Massachusetts Electric Company (Massachusetts Electric), Nantucket Electric Company (Nantucket Electric), Narragansett Electric Company (Narragansett Electric), and Niagara Mohawk. All of these companies operate in states that have adopted retail-access and their only obligation to sell power at retail is as a provider of last resort.

Four of National Grid’s five FPU subsidiaries own or provide transmission service over Commission-jurisdictional facilities. They are: Massachusetts Electric, Narragansett Electric, Granite State, and Niagara Mohawk. The transmission facilities that Massachusetts Electric, Narragansett Electric, and Granite State own are operated by the New England Power Company under Commission-approved integrated facilities agreements.

All of Niagara Mohawk’s bulk transmission facilities are subject to the operational control of the New York Independent System Operator, Inc. Nantucket does not own any electric transmission facilities subject to Commission jurisdiction.

National Grid also owns three wholesale generation subsidiaries: National Grid Generation LLC, National Grid Glenwood Energy Center LLC, and National Grid Port Jefferson Energy Center LLC. These public utility subsidiaries are on Long Island, NY, and their energy and capacity are wholly committed to the Long Island Power Authority (LIPA), a state authority. Under state law, none of these entities has a franchised service obligation.

National Grid’s remaining public utility subsidiaries are transmission-only subsidiaries that own or operate Commission jurisdictional transmission facilities. These are: New England Electric Transmission Corporation, New England Hydro-Transmission

National Grid USA

Docket No. FA09-10-000

Corporation, and New England Hydro-Transmission Electric Company, Inc. Under state law, none of these has a franchised service obligation.

National Grid has four centralized service company subsidiaries as described in more detail below.<sup>3</sup>

National Grid's subsidiaries deliver electricity to approximately 3.3 million customers in Massachusetts, New Hampshire, New York, and Rhode Island, and manage the electricity network on Long Island under an agreement with LIPA. National Grid also delivers natural gas to approximately 3.4 million customers in New York, Massachusetts, New Hampshire, and Rhode Island.

### *National Grid Service Companies*

National Grid USA Service Company, Inc. (NGUSA) was National Grid's sole centralized service company before it merged with KeySpan Corporation in 2007, and continues to provide 21 types of services to affiliates that are signatories of its service agreement. These services include: construction, customer services, engineering, executive and administrative, financial services, employee relations, information systems, and regulation.

The other three centralized service companies formerly provided services exclusively to KeySpan companies before the merger, but now provide some services to other National Grid affiliates. National Grid Corporate Services LLC (NGCS) provides these services: corporate affairs, customer service, environmental services, executive and administrative, financial services, human resources, IT, legal and regulatory, and operating services. National Grid Utility Services LLC (NGUS) performs these services: executive and administrative, fuel management services, marketing and sales, meter operations, research and development, and transmission and distribution planning. Lastly, National Grid Engineering & Survey Inc. (NGES) services include general engineering, and executive and administrative.

As discussed later in this report, Niagara Mohawk Power Corporation, an affiliate that provides electric transmission and distribution, and gas distribution service to customers in upstate New York, also provides some specific service company-type services to NGUSA. These services include accounts payable, information systems, and customer service. Also, National Grid Electric Services, LLC is a non-utility affiliate that

---

<sup>3</sup> The four service companies are: National Grid USA Service Company, Inc., National Grid Corporate Services LLC, (formerly KeySpan Corporate Services), National Grid Engineering & Survey Inc. (formerly KeySpan Engineering & Survey), and National Grid Utility Services LLC (formerly Keyspan Utility Services).

National Grid USA

Docket No. FA09-10-000

provides transmission and distribution operations services to LIPA under a Management Services Agreement.

### C. Summary of Compliance Findings

Audit staff's compliance findings are summarized below. A detailed discussion of compliance findings is included in section IV of this report. Audit staff found 12 areas of noncompliance:

- *Allocation of Global Information Services Costs:* National Grid used a process for direct-charging global Information Services (IS) costs for senior management personnel to National Grid's UK operations, National Grid USA Service Company, and KeySpan Corporate Services based on budgeted costs, rather than actual labor or travel costs for employees performing this function. Also, budgeted costs used to charge these amounts were not adjusted to reflect actual costs incurred. Lastly, the percentages used to distribute these charges were not based on a documented study of time engaged for a representative period or supported by an appropriate alternative allocation method.
- *Allocation of Merger-related Costs:* National Grid's allocation of merger-related costs to New England Hydro-Transmission Electric Co., Inc. (MA Hydro), New England Hydro-Transmission Corporation (NH Hydro), and New England Electric Transmission Corporation (NEET) was improper because it did not follow its policy, as approved by the New York Public Service Commission (NYPSC) and New Hampshire Public Utilities Commission (NHPUC), which excluded these entities from the allocation process. As a result, National Grid incorrectly charged MA Hydro, NH Hydro, and NEET \$176,770 in merger-related costs. Also, this same \$176,770 had improperly flowed through formula rate billing mechanisms.
- *Allocation of Software License Permit Costs:* NGUSA did not allocate any portion of certain software license permit costs to the LIPA, although LIPA benefitted from the use of this software. As a result, National Grid's affiliates Niagara Mohawk Power Corporation (NIMO), New England Power Company, Massachusetts Electric, and Narragansett Electric were allocated too much of the associated costs.
- *Accounting and Allocation of Expatriate, Officer and Director Expenses:* National Grid may have misallocated or incorrectly accounted for expatriate costs, and other officer and director employee expenses.

National Grid USA

Docket No. FA09-10-000

- Compromise Settlements Resulting from Discriminatory Employment Practices:* NGCS, NGUS, and NGES collectively incorrectly recorded \$411,000 of compromise settlement payments for discriminatory employment practice suits in Account 930.2, Miscellaneous General Expenses, instead of Account 426.5, Other Deductions. Also, the service companies allocated and billed these costs to the FPU's, which incorrectly recorded and reported these costs in their 2007 and 2008 FERC Form No. 1s. Moreover, about \$15,000 may have improperly flowed through formula rate billing mechanisms.
- Inability of Accounting System to Reconcile to Certain FERC Form No. 60 Accounts:* National Grid USA Service Company's (NGUSA) accounting system did not support certain account balances reported in the FERC Form No. 60. During audit staff's testing of transactions, audit staff found it difficult to reconcile certain account balances reported in the company's FERC Form No. 60 to the books and records. Moreover, NGUSA was unable to readily furnish supporting documentation for selective account balances reported on the FERC Form No. 60.
- Use of Improper Accounts to Record Revenues for Services Rendered to Non-associate Companies:* NGUSA did not use Account 458, Services Rendered to Non-associate Companies, to report applicable revenues. The Company's accounting practices resulted in an understatement of revenues reported in Account 458 and an understatement of expenses in Account 921, Office Supplies and Expenses, on its FERC Form No. 60.
- Improper Use of Clearing Accounts:* NGUSA improperly recorded amounts in Account 186, Miscellaneous Deferred Debits, instead of recording such amounts in Account 184, Clearing Accounts. Also, NGUSA cleared amounts remaining in clearing accounts on a fiscal year basis rather than on a calendar year basis as the Commission prescribed.
- Deficiencies in the FERC Form No. 60 Notes to Financial Statements:* NGUSA's FERC Form No. 60 filings for 2006 and 2007 did not contain sufficient notes as to its financial statements or accounts. For example, NGUSA did not provide accompanying notes as to year-end contingent assets or liabilities, increases in services rendered, or increases in expenses incurred during the year.
- Reporting of Cost Allocation Information:* NGUSA and NGCS did not follow instructions on the FERC Form No. 60s filed in 2006 and 2007 by not including all of its cost allocation information during those years. NGUSA and NGCS should have reported all cost allocators and variants used in the FERC Form

National Grid USA

Docket No. FA09-10-000

No. 60s for 2006 and 2007. Further, NGUSA did not follow instructions that required the service company to report the numerator and denominator of all cost allocation ratios as of the 2008 calendar year.

- *Delinquent Filings to the Commission:* Audit staff found two instances where National Grid did not comply with Commission filing requirements. First, National Grid did not file its merger accounting within six months of its merger consummation date. Second, it did not file changes to its cash management agreement within 10 days of changes as required by 18 C.F.R. Part 141.500.
- *Hold Harmless Provision of the Merger Order:* During the audit period, National Grid recovered merger-related costs from its customers before achieving an equal amount of merger savings. Also, National Grid did not have an adequate process for documenting, tracking, and reporting its merger savings.

## **D. Summary of Recommendations**

Audit staff's recommendations to remedy the findings are summarized below. Detailed recommendations are included in section IV.

- *Allocation of Global Information Services Costs:* National Grid must: (1) revise its cost allocation procedures to ensure that the Information Services (IS) function assigns and/or allocates costs based on the actual time or cost expended on activities or an appropriate alternative allocation method. National Grid should complete this revision and submit it to the DA for review no later than 60 days after this audit report is issued; (2) implement procedures to adjust budgeted amounts of global IS costs to reflect actual costs incurred in global IS activities; and (3) conduct and document a study to support the reasonableness of allocated global IS costs to the United States and United Kingdom. National Grid should complete this study and submit it to the DA no later than 180 days after this audit report is issued.
- *Improper Allocation of Merger-related Costs:* National Grid must: (1) strengthen processes and follow its procedures to ensure that all Companies are charged merger-related costs consistent with its cost-to-achieve procedures; (2) record journal entries to reverse \$176,770 recorded on the books of MA Hydro, NH Hydro, and NEET from fiscal years 2007 through 2009; and (3) refund to ratepayers \$176,770 that had improperly flowed through formula rate billing mechanisms, with interest.

National Grid USA

Docket No. FA09-10-000

- *Allocation of Software License Permit Costs:* NGUSA must: (1) strengthen its policies and procedures to ensure that it accurately charges affiliates their appropriate share of software license permit costs; and (2) record a correcting entry to reflect LIPA's 66.6 percent share of software license permit costs. To the extent the costs over-allocated to the National Grid affiliates have flowed through wholesale electric formula rate billing mechanisms, refund all these over-allocated amounts, with interest.
- *Accounting and Allocation of Expatriate, Officer, and Director Expenses:* National Grid must: (1) provide an analysis about the nature, accounting, reporting and ratemaking treatment for expatriate costs, and other officer and director employee expenses; (2) conduct a review of its accounting procedures to ensure that its wholesale ratepayers are not burdened by costs that should be rightfully charged to shareholders; (3) remove all costs determined to be shareholder costs from wholesale electric rates; (4) file a copy of an independent consultant's review of National Grid's accounting for expenses; (5) make any necessary accounting adjustments to ensure that all expenses are properly accounted for; (6) file a copy of all accounting adjustments made as a result of the independent consultant's review with the DA; and (7) make refunds, with interest, to wholesale electric customers, to the extent that costs were over-allocated to, or improperly accounted for, by National Grid affiliates and have flowed through wholesale electric formula rate billing mechanisms.
- *Compromise Settlements Resulting from Discriminatory Employment Practices:* Each service company must: (1) implement procedures to ensure it records all amounts paid for compromise settlements resulting from discriminatory employment practices in the appropriate non-utility expense account; and (2) determine if service company billings for \$15,000 flowed through formula rates during the audit period, refund such amounts to ratepayers to the extent that this was the case, and file the service company's analysis with DA no later than 60 days after this audit report is issued.
- *Inability of Accounting System to Reconcile to Certain FERC Form No. 60 Accounts:* NGUSA must: (1) strengthen its processes and procedures for preparing the FERC Form No. 60 so all reported amounts are reconcilable to supporting source data and documentation; (2) adopt procedures to prepare all FERC Form No. 60s directly from its records at the end of each accounting period, according to prescribed accounts; and (3) submit an update of all procedural and system improvements NGUSA implemented to ensure and facilitate the ready analysis of source data to the amounts reported in the FERC Form No. 60. National Grid should file the update with the DA no later than 60 days after this audit report is issued.

## National Grid USA

Docket No. FA09-10-000

- *Use of Improper Accounts to Record Revenues for Services Rendered to Non-associate Companies:* NGUSA must: (1) strengthen its accounting policies and procedures to ensure that the service company records billings for services rendered to non-associate companies in Account 458; and (2) resubmit NGUSA's FERC Form No. 60s for 2006, 2007, and 2008 to include the corrected amounts of services rendered to non-associate companies. National Grid should file the resubmissions with the DA no later than 60 days after this audit report is issued.
- *Improper Use of Clearing Accounts:* NGUSA must: (1) create procedures to ensure that NGUSA properly uses Accounts 184 and 186 in the future consistent with the USofA; and (2) close its books at the end of each calendar year, including clearing all balances from its clearing accounts, or alternatively request a waiver from the Commission authorizing the company to continue closing its books on March 31 of each fiscal year.
- *Deficiencies in the FERC Form No. 60 Notes to Financial Statements:* NGUSA must improve the notes to NGUSA's FERC Form No. 60 financial statements so they provide sufficient and descriptive details of the nature of any changes to transaction amounts, accounts, and times, as well as the resulting effect on financial statements.
- *Reporting of Cost Allocation Methods:* National Grid must: (1) strengthen its policies and procedures to ensure that each service company accurately reports all the required information in its FERC Form No. 60. National Grid should submit copies of any written policies and procedures developed in response to this recommendation; and (2) include all allocation methods used and variants on such methods in NGUSA's and NGCS's FERC Form No. 60.
- *Delinquent Filings to the Commission:* National Grid must strengthen processes for tracking and submitting compliance filings with the Commission in a timely manner.
- *Hold Harmless Provision of the Merger Order:* National Grid must adopt a policy not to pass merger-related costs through to customers before merger savings have been achieved and documented.

During the course of the audit, National Grid USA made several corrective actions to comply with audit staff's recommendations. These corrective actions are detailed in Section IV of the report.

National Grid USA

Docket No. FA09-10-000

**E. Compliance and Implementation of Recommendations**

Audit staff further recommends that National Grid:

- Submit for audit staff's review, plans for implementing audit staff's recommendations. The company should provide these plans to audit staff within 30 days of the issuance of the final audit report in this docket;
- Submit all correcting entries to the DA, unless otherwise indicated, within 30 days of the issuance of the final report in this docket, including all correcting entries affecting the books for the associated franchised public utilities;
- Submit quarterly reports to the DA describing the Companies' progress in completing each corrective action recommended in the final audit report in this docket. The Companies should make quarterly filings no later than 30 days after the end of each calendar quarter, beginning with the first quarter after the final audit report in this docket is issued, and continuing until the Companies complete all recommended corrective actions; and
- Submit copies of any written policies and procedures developed in response to the recommendations in the final audit report. National Grid should submit these policies and procedures for audit staff's review in the first quarterly filing after the Company completes these products.

National Grid USA

Docket No. FA09-10-000

## **II. Background**

### **A. Service Company Agreements**

All National Grid centralized service companies provide services to affiliates under signed agreements. The terms, conditions, pricing, and allocation methods are similar among all service companies. Each service company prices these services at cost. The agreements state the price will include all costs of doing business, including a reasonable return on capital and all associated taxes. Under service company agreements, National Grid affiliates are required to pay the service company for all costs they incur for, or on behalf of, the affiliate. Also, where one or more entities benefits from a particular service, charges are assigned directly or allocated based on a percentage of total costs.

NGUSA also provides services to National Grid plc under the “National Grid UK Recharge Process” through an agreement with National Grid UK Ltd. The Recharge Process governs the settlement of intercompany transactions between National Grid’s US-based companies and National Grid plc’s UK-based companies.

### **B. Corporate Accounting System and Cost Tracking**

The National Grid service companies use two separate accounting applications. NGUSA uses PeopleSoft while NGCS, NGUS, and NGES use Oracle. National Grid has devised an interface known as a “bridge” that connects the two accounting systems and allows for the accounting and reporting of transactions occurring between the legacy National Grid and legacy KeySpan companies.

PeopleSoft and Oracle systems capture, record, summarize, and allocate all service company costs. As mentioned above, the service companies direct-charge or allocate these costs to National Grid affiliates. The service companies accumulate all allocable costs in bill pools or projects. Specifically, NGUSA accumulates costs in bill pools, and then allocates these to business units based on pre-set allocation percentages. NGCS, NGUS, and NGES assign costs to projects or activities. Every project or activity is assigned an allocation code.

NGUSA uses the PeopleSoft general ledger to accumulate, validate, and summarize costs. The application “code block” function within the general ledger allows National Grid to track costs by charged company and providing company.

NGCS, NGES, and NGUS use a project-based cost accumulation method within the Oracle general ledger system. National Grid specifies projects in the accounting system in which it subsequently accumulates costs.

National Grid USA

Docket No. FA09-10-000

### **C. Service Company Cost Allocation Methods**

NGUSA uses 17 primary cost allocation methods as well as numerous variations of these original methods to reflect different allocation bases. NGCS, NGES, and NGUS use 13 allocation methods.

In 2008, NGUSA's total cost of services was \$556,903,035. Of the legacy KeySpan service companies, NGCS's total cost of service was \$832,234,664; NGES's total cost of service was \$138,035,714; and NGUS's total cost of service was \$46,344,933. Legacy National Grid and legacy KeySpan affiliates were billed the total charges for services.

### **D. Operating Company Agreements for Non-power Goods and Services**

Besides the four service companies, certain other public utility affiliates also provide non-power goods and services to National Grid affiliates. The Mutual Assistance Agreement (MAA) governs services provided by National Grid's franchised public utilities to other affiliates. Several affiliates signed this agreement.<sup>4</sup> The MAA governs, inter alia, franchised public utilities' transactions for general assistance and services provided for utility-related operations. These services also ensure that the National Grid system maintains and operates its assets and equipment according to good utility practices. A description of services provided under the MAA include construction and maintenance, emergency services, engineering services, stores (material, supplies, and equipment), consulting and monitoring, land, and real estate facilities rentals for utility operations. Under the MAA, National Grid's operating companies provide such services at cost.

Niagara Mohawk Power Corporation, an affiliate that provides electric transmission and distribution and gas distribution services to customers in upstate New York, also provides some service company-type services to NGUSA. These services include accounts payable, information systems, and information systems customer service. These services are provided at cost to the service company and then billed at cost to the appropriate operating companies.

---

<sup>4</sup> These are Massachusetts Electric, Nantucket Electric Company, Narragansett Electric Company, Granite State Electric Company, New England Power Company, New England Electric Transmission Corporation, New England Hydro-Transmission Corporation, New England Hydro-Transmission Electric Company, Niagara Mohawk Power Corp., Boston Gas Company, Essex Gas Company, Colonial Gas Company, EnergyNorth Natural Gas, Inc., KeySpan Gas East Corp., Brooklyn Union Gas Company, KeySpan Electric Services, LLC, KeySpan Generation, LLC, KeySpan Engineering & Survey, Inc. and KeySpan Utility Services, LLC.

National Grid USA

Docket No. FA09-10-000

In December 2008, National Grid filed an application seeking waiver of certain affiliate pricing rules established under Order Nos. 707 and 707-A (Docket No. EL09-24-000). Specifically, National Grid requested waivers of the affiliate restrictions under sections 35.44(b)(1) and 35.44(b)(2) for three categories of transactions,<sup>5</sup> so that the Company might instead use cost-based pricing. National Grid filed supplements to its initial filing in May and October 2010. On December 20, 2010, the Commission issued an order accepting National Grid's request.<sup>6</sup>

## **E. Global Information Services Cost Allocations**

As detailed in Section IV of the report, Information Services (IS) is a function within National Grid that operates on a global basis, with one overall chief information and management team. The most senior management employees in IS have global responsibilities. IS costs may relate to a specific part of the business within the UK- or US-based companies. Also, IS costs include common services provided to a number of different and geographically dispersed business entities. IS costs for these senior managers are split between the US- and UK-based companies using percentages determined yearly (subject to personnel changes during the year) on their global lines of business responsibilities as to the IS systems that various National Grid plc subsidiaries use.

The IS function charges these costs directly to the United States and United Kingdom. The costs charged to the US-based subsidiaries are charged directly to either NGUSA or NGCS. They are later allocated across the different operating companies using various allocation methods.

## **F. Internal and External Audit Role and Reporting**

National Grid plc has one Internal Audit department (IAD) that serves the company's global operations. The IAD reports directly to an independent audit committee. This committee is based in the United Kingdom, but oversees both UK and

---

<sup>5</sup> These three categories of transactions include: (1) the provision of services by employees of a public utility to a centralized service company at cost in instances where such employees cannot be transferred to the centralized service company because of union contract restrictions; (2) at-cost pricing for certain services provided under a Mutual Assistance Agreement executed among public utility and non-utility affiliates in the National Grid holding company system; and (3) at-cost pricing for the transfer of certain goods and equipment from public utilities to a centralized service company to implement and expand a centralized inventory management program.

<sup>6</sup> Order Granting Waiver of Affiliate Pricing Rules under Order nos. 707 and 707-A, 133 FERC ¶ 61,241 (Dec. 20, 2010).

National Grid USA

Docket No. FA09-10-000

US audit operations. The global IAD function contains Internal Audit and Information Technology groups that serve the entire holding company system.

During the audit period, the IAD tested such areas as information services cost allocations, merger savings, accounting standards, and timesheet reporting and approvals. The IAD recommended specific actions in the audits of information services cost allocations and merger savings. First, the IAD found information services cost allocation percentages were not updated, and supporting documentation were needed for improvements. Also, the IAD found merger savings and supporting documentation to be inadequate, and some reporting processes required improvements. In both audits, the IAD recommended that National Grid strengthen certain policies, procedures, and supporting documentation. Management agreed to and completed these corrective actions. During the audit, audit staff reviewed the changes implemented to address the IAD's recommendations.

National Grid's external accountant is PricewaterhouseCoopers, LLC (PwC). PwC performed audits for many of the company's public utilities, and provided the auditors' certification for National Grid's FERC Form No. 1. During the audit period, PwC performed a nonroutine evaluation and testing of National Grid's cost allocation process. PwC was engaged to support National Grid's internal project to test the allocation of costs from its four service companies to its regulated and non-regulated companies. Because PwC's engagement did not constitute an audit or review under generally accepted auditing standards, PwC offered no opinion or assurance as to the results of its work.

In September 2010, subsequent to the completion of our audit fieldwork, National Grid retained The Liberty Consulting Group, Inc. (Liberty Consulting) to conduct an independent review and valuation of National Grid's affiliate relationships and transactions that affect or may affect the costs incurred by utility operations of National Grid and its affiliates. National Grid said it expects Liberty Consulting to complete its review in the second quarter of 2011. Since the Liberty Consulting review may impact costs recovered from the Commission's wholesale jurisdictional customers through formula rate mechanisms, audit staff recommends that National Grid submit: (1) the independent consultant report produced by Liberty Consulting to the Division of Audits no later than 30 days from the date of its final issuance; (2) processes, policies, and procedural modifications undertaken as a result of the independent consultant's report, and (3) all the supporting documentation for adjustments made to its books and records, as well as formula rate billings.

Additionally, the New York Public Service Commission (NYPSC) initiated the process of hiring an independent consultant to perform an investigative accounting examination of National Grid's cost allocations and related methods. The examination will focus on allocated costs, and the procedures and methodologies used by the National

National Grid USA

Docket No. FA09-10-000

Grid service companies to allocate these costs, to National Grid's utilities operating in New York State.

The NYPSC stated that the investigation results will be used to determine whether the transactions the National Grid service companies allocated to National Grid's utilities operating in New York State are reasonable and properly includible in the retail revenue requirement. Also, the investigative results will provide the NYPSC with an independent report supporting the evidence and testimony in its pending rate case and possible other proceedings. Moreover, NYPSC stated that the investigative results can be used to improve National Grid's affiliated transaction processes on a going-forward basis to ensure rates are properly established for retail customers.

Since the outcome of this investigation could impact costs recovered from the Commission's wholesale jurisdictional customers through formula rate mechanisms, audit staff will monitor the outcome of this investigation and its potential impacts on wholesale customers. Therefore, we will recommend that National Grid submit: (1) the independent consultant report with the Division of Audits no later than 30 days from the date of the issuance of the final independent consultant report, (2) any processes, policies, and procedural modifications undertaken as a result of the independent consultant's report, and (3) all the supporting documentation for adjustments made to its books and records, as well as wholesale formula rate billings.

## **G. National Grid-KeySpan Merger**

On May 25, 2006, National Grid plc and KeySpan Corporation (Applicants) jointly applied for authorization to merge their operations under section 203 of the Federal Power Act (FPA), Docket Nos. EC06-125-000 and EL06-85. Under the proposal, KeySpan would become an indirect, wholly owned subsidiary of National Grid. National Grid plc and KeySpan also requested a declaratory order allowing KeySpan's utility subsidiaries to pay dividends from pre-merger retained earnings.

The Commission issued an order authorizing the merger on October 20, 2006. The order also granted the request for a declaratory order allowing the payment of dividends. In the merger order, the Commission specified these procedural requirements:

- Applicants were required to make all appropriate filings under section 205 of the FPA, as necessary, to implement the merger;
- Applicants were to notify the Commission within 10 days of the date that the merger and disposition of jurisdictional facilities were consummated;

National Grid USA

Docket No. FA09-10-000

- Applicants were to inform the Commission of any change in circumstances that would reflect a departure from the facts the Commission relied upon in granting the petition; and
- Applicants were to submit their merger accounting to the Commission within six months of the merger. This submission was to provide: (1) all accounting entries necessary to effect the merger, along with narrative explanations describing the basis for entries; and (2) an explanation of accounting for the acquisition premium.

Besides procedural requirements outlined in the merger order, the Commission also imposed conditions on the companies, and the applicants made certain commitments that the Commission accepted. Audit staff tested these merger conditions and commitments:

- Applicants agreed to seek Commission consent before making any bilateral sales from upstate New York generating resources into New York City or Long Island;
- Applicants agreed to hold ratepayers harmless from transaction-related costs above transaction savings for five years;
- Applicants committed that the merger would not change state or Commission regulatory oversight of the affected utilities for retail and wholesale services;
- Applicants agreed to implement a Code of Conduct for all subsidiaries of the merged company similar to National Grid's existing Code of Conduct;
- Applicants committed that any modification of the National Grid money pool that provides for KeySpan subsidiaries' participation would be subject to Commission approval; and
- Applicants may pay dividends out of the common equity of KeySpan's subsidiaries that, before the merger, had been retained earnings. Applicants stated the dividends will not exceed the amounts recorded as retained earnings before the merger, and commit to pay dividends out of common equity up to these amounts. Also, applicants may not pay dividends out of capital if the equity of KeySpan's public utility subsidiaries, as a percentage of total capital, falls below 30 percent.

### III. Introduction

#### A. Objectives

The objectives of the audit were to evaluate the company's compliance with the Commission's: (1) cross-subsidization restrictions on affiliate transactions under 18 C.F.R. Part 35 (2008); (2) accounting, recordkeeping, and reporting requirements under 18 C.F.R. Part 366 (2008); (3) the USofA for centralized service companies under 18 C.F.R. Part 367 (2008) or the applicable USofA adopted during the transition period; and (4) preservation of records requirements for holding companies and service companies under 18 C.F.R. Part 368 (2008). Objectives also included an evaluation of whether the public utilities' accounting for non-power goods and services that the service companies billed complied with the USofA under 18 C.F.R. Part 101 (2008). Finally, the objectives also included evaluating the company's compliance with the conditions under which the merger authorizations were granted in Docket Nos. EC06-125-000 and EI06-85-000.<sup>7</sup> The audit covered January 1, 2006 through December 31, 2008.

#### B. Scope and Methodology

To address the audit objectives, audit staff:

- Reviewed each service company's FERC Form No. 60 annual report filings and National Grid's notification of holding company status FERC-65 filing. Audit staff reviewed these filings to ensure that data was consistent and reliable;
- Reviewed National Grid's corporate annual reports and select filings to the Securities and Exchange Commission (SEC) for background and relevant information as to the audit. Examples of SEC-related materials included such filings as the Form 20-F;<sup>8</sup>
- Reviewed associated franchised public utilities' FERC Form No. 1 filings to ensure that billings from service companies were properly recorded and reported;

---

<sup>7</sup> *National Grid plc*, 117 FERC ¶ 61,080 (2006).

<sup>8</sup> National Grid plc files an "Annual or transition report of foreign private issuers" (Form 20-F) with the SEC. The Form 20-F is used by foreign issuers that have equity securities listed for trading on the US exchanges.

## National Grid USA

Docket No. FA09-10-000

- Identified the standards and criteria to evaluate company compliance with each of the objectives under the audit scope. These standards and criteria include FERC rules, regulations, letter orders, and other requirements as to the holding and service companies, and FERC accounting regulations as to the service and jurisdictional transmission companies;
- Conducted two site visits to National Grid's office in Brooklyn, NY. These visits enabled audit staff to:
  1. Review National Grid's operations, systems, and processes;
  2. Review and test supporting details for service company cost allocation methods;
  3. Sample and select supporting documents to ensure that the service companies' accounting complied with the USofA;
  4. Sample and select supporting documentation to ensure that service company billings and franchised public utilities' accounting complied with USofA;
  5. Interview key company personnel, particularly those familiar with National Grid's accounting, information systems, and the National Grid and KeySpan merger;
  6. Test the holding company and service companies' recordkeeping practices to ensure they complied with preservation of records requirements; and
  7. Review and test processes, procedures, and internal controls implemented to ensure the companies complied with the provisions of the Commission's merger order;
- Conducted interviews and discussions with company personnel to clarify and supplement the company's responses to data requests, and provide additional information for other areas of concern;
- Reviewed relevant audit reports and working papers of PricewaterhouseCoopers LLP, and National Grid's Internal Audit department, focusing on specific work performed within the audit scope. Audit staff also reviewed prior SEC audit reports deemed relevant;
- Conferred with representatives of all state commissions with jurisdiction over National Grid. Staff conferred with the New York Public Service Commission, New Hampshire Public Utilities Commission, Massachusetts Department of Public Utilities, Vermont Public Service Board, and Rhode Island Public Utilities Commission to understand company interaction with these regulatory bodies; and

National Grid USA

Docket No. FA09-10-000

- Conferred with other Commission staff on compliance matters to ensure that audit findings would be wholly consistent with Commission precedent and policy. For instance, audit staff conferred with staff from other divisions within the Office of Enforcement and technical staff from other Commission offices, including the Offices of Energy Market Regulation and General Counsel.

Audit staff performed several specific actions to evaluate company compliance with all relevant requirements of this audit. A summary of these specific actions include:

#### *Cross-subsidization Restrictions*

To evaluate compliance with Commission cross-subsidization restrictions on affiliate transactions, audit staff:

- Reviewed service agreements for non-power goods and services between and among service companies, franchised public utilities, market-regulated power sales affiliates, and non-utility companies;
- Reviewed and tested the pricing of non-power goods and services between franchised public utilities, market-regulated, power-sales affiliates, and non-utility companies; and
- Interviewed company employees, particularly those performing accounting for the service companies and franchised public utilities, and employees processing transfers of non-power goods and services.

#### *Accounting, Recordkeeping, and Financial Reporting*

To evaluate National Grid's compliance with the books, records, and filing requirements, audit staff reviewed the centralized service companies' FERC Form No. 60 annual reports, National Grid's Notification of Holding Company Status – FERC-65 filing, and FERC Form No. 1 reports of the associated franchised public utilities. Audit staff verified select, electronically filed information extracted from the FERC Form No. 60s to supporting books and records to ensure that the required information was accurate and complete.

To facilitate our review of service company compliance with USofA accounting requirements, audit staff reviewed, sampled, analyzed, and tested transactions of the service company's books to ensure that the centralized service company accounting followed USofA. When necessary, audit staff followed up with additional data requests and interviews.

National Grid USA

Docket No. FA09-10-000

To evaluate compliance with the FERC Form No. 60 reporting requirements, audit staff:

- Verified select information in the four National Grid service companies' FERC Form No. 60s with supporting books and records to ensure reported information was accurate and complete;
- Tested select transactions and invoices to ensure the service companies complied with the USofA requirements;
- Tested select transactions in 2007 and 2008 to ensure proper accounting and classification of costs incurred and allocated by the service companies; and
- Reviewed certain charges to the franchised public utilities, and identified accounts used to record them to ensure they properly accounted for service company costs.

#### *Cost Allocations and Billings*

To facilitate our review of service company cost allocation methods and costs the service company billed to the associated public utilities, audit staff identified all cost allocation methods used during the audit period, identified all cost allocation methods previously approved by the SEC, and identified and reviewed all allocation methods the company used. Audit staff reviewed and tested supporting details for selected cost allocation methods and reviewed selected service company billings, and the corresponding jurisdictional utilities' accounting for billings to determine compliance with the USofA.

Audit staff analyzed billings allocated from the service company to its franchised public utilities. To facilitate a review of affiliate transactions between service companies and franchised public utility billings for non-power goods and services, audit staff:

- Identified cost allocation methods used in 2006, 2007, and 2008. Audit staff re-performed the application of cost allocators using the company's cost allocation guidelines;
- Reviewed selected service company billings and the associated franchised public utilities' accounting for them to determine compliance with the USofA; and

National Grid USA

Docket No. FA09-10-000

- Interviewed company employees, particularly those involved in accounting for the service companies and franchised public utilities transactions.

### *Preservation of Records*

To evaluate compliance with the preservation of records requirements for the holding company and service companies, audit staff interviewed National Grid employees responsible for complying with the Commission's record retention requirements. Audit staff also reviewed company policies, procedures, and practices for maintaining company records. Audit staff then requested and performed selective testing of records to ensure the company was following Commission regulations and its own internal policies and procedures.

### *National Grid-KeySpan Commission Merger Order*

Audit staff also evaluated compliance with the conditions of the Commission's National Grid-KeySpan merger order, Docket Nos. EC06-125-000 and EL06-85-000. This list summarizes specific actions audit staff undertook to evaluate compliance:

- Reviewed pre-merger filings as to National Grid and KeySpan's merger, including National Grid's Exhibit M filing and motions to intervene. Audit staff reviewed the National Grid-KeySpan merger order to identify all conditions imposed;
- Discussed the merger with state public utility commissions that regulate National Grid to understand their merger oversight and any concerns related to the post-merger company;
- Reviewed public and nonpublic complaints made to the Commission as to the post-merger company;
- Reviewed Commission filings required by the National Grid-KeySpan merger order, and tested the timeliness and completeness of any required merger filings;
- Evaluated National Grid's implementation process to ensure compliance with the merger "hold-harmless provision," requiring National Grid to hold wholesale power and transmission customers harmless for a period of five years from costs from the merger that may exceed merger-related savings;
- Interviewed employees involved in merger costs and synergy savings tracking;

National Grid USA

Docket No. FA09-10-000

- Tested certain amounts recorded as merger costs and synergy savings to determine appropriate classification and the level of support maintained; and
- Discussed National Grid's procedures to comply with the merger order hold-harmless provision with members of the Offices of Electric Market Regulation and General Counsel.

National Grid USA

Docket No. FA09-10-000

## **IV. Findings and Recommendations**

### **1. Allocation of Global Information Services Costs**

National Grid used a process for direct-charging global Information Services (IS) costs for senior management personnel to National Grid's UK operations, National Grid USA Service Company, and KeySpan Corporate Services based on budgeted costs, rather than based on the labor or travel costs for employees performing this function. Also, budgeted costs used to charge these amounts were not adjusted to reflect actual costs. Lastly, the percentages used to allocate these charges were not based on a documented study of time engaged for a representative period or supported by an appropriate alternative allocation method.

#### **Pertinent Guidance**

18 C.F.R. Part 367.11, Distribution of Pay and Expenses of Employees, states:

The charges to property, operating expense and other accounts for services and expenses of employees engaged in activities chargeable to various accounts, such as construction, maintenance, and operations, must be based upon the actual time engaged in the respective classes of work, or an appropriate allocation method.

18 C.F.R. Part 367.12, Payroll Distribution, states in part:

Underlying accounting data must be maintained so that the distribution of the cost of labor charged directly to the various accounts will be readily available.

18 C.F.R. Part 101, General Instruction 9, states:

The charges to electric plant, operating expense and other accounts for services and expenses of employees engaged in activities chargeable to various accounts, such as construction, maintenance, and operations, shall be based upon the actual time engaged in the respective classes of work, or in case that method is impracticable, upon the basis of a study of the time actually engaged during a representative period.

#### **Background**

As mentioned earlier in this report, National Grid plc is the parent of National Grid USA. National Grid plc, an integrated global energy holding company based in London, England, performs corporate governance functions on behalf of all its

National Grid USA

Docket No. FA09-10-000

subsidiaries. One such global function, IS, provides management oversight and logistical support for companies in both the United States and United Kingdom. During the audit period, National Grid plc used three separate accounting systems, one for each legacy group of companies: National Grid UK businesses (National Grid UK); legacy National Grid businesses constituting National Grid's US affiliates before the merger with KeySpan Corporation (legacy National Grid US); and the legacy KeySpan businesses, made up of those KeySpan companies that joined National Grid during National Grid's merger with KeySpan Corporation (legacy KeySpan)

While some work has been done to align and merge the three systems, in many cases, National Grid UK, legacy National Grid US, and legacy KeySpan still maintain separate suites of systems. Also, IS employees who support and maintain those systems are located throughout the three groups. Accordingly, the time and expenses of those employees are charged directly to their home group. In addition, there are approximately 66 managers who oversee those employees, thereby overseeing all of National Grid's global IS operations, including the three legacy IS systems. These managers' responsibilities cross corporate lines. For example, a manager's home company may be legacy KeySpan, but he or she could be responsible for supervising employees whose work involves all three of the IS systems the various National Grid companies operate globally. Therefore, IS costs for these senior managers are charged to all three legacy groups: National Grid UK, legacy National Grid US, and legacy KeySpan.

To charge IS costs for these senior managers to all three legacy groups, National Grid uses a two-step process. In step one, total global IS costs for the approximately 66 IS managers with global responsibilities are split into three legacy company groups and directly charged to National Grid UK, legacy National Grid US, and legacy KeySpan using annually determined percentages set through the governance process described below. These costs represent payroll, benefits, and travel for the global IS managers. Then, in step two, these costs are allocated among the National Grid companies within the United States using preset cost allocation methodologies that are imbedded in each accounting system.

Audit staff identified several concerns with step one of the two-step process. First, National Grid has not conducted any formal time studies or developed an appropriate allocation method to determine the amount of global IS labor costs for these senior managers that should be charged to National Grid UK, legacy National Grid US, and legacy KeySpan. Second, National Grid used budgeted costs for the next year and did not adjust these amounts to reflect actual costs incurred.

Rather than conduct a formal time study, National Grid stated that it developed the percentages used to charge costs in step one of the charging process through an annual review process involving the finance management team reviewing the scope and the nature of work being performed by IS managers having global responsibilities.

National Grid USA

Docket No. FA09-10-000

Specifically, these managers oversee employees who provide support for three IS systems used by National Grid UK, legacy National Grid US, and legacy KeySpan. Therefore, these managers' costs are charged in various percentages to the three entities, depending on the scope of work performed by each individual manager.

To accomplish this global charging, percentages for each global IS manager were determined through this process of reviewing each person's expected duties over the coming year. Specifically, the percentages were intended to reflect the expected percentage of each manager's responsibilities attributable to overseeing the IS systems used by National Grid UK, legacy National Grid US, and legacy KeySpan. The outcome of these interviews is documented in the "cross-charging matrix," which records the percentages of costs to be charged among the three groups of companies.

For example, an IS manager based in the United Kingdom may have a budgeted payroll of \$100,000, budgeted benefits of \$40,000, and budgeted travel of \$30,000. This manager's costs may be charged 33 percent to legacy National Grid US, 33 percent to legacy KeySpan, and 34 percent to National Grid UK. In the event of an expected equal three-way split in the responsibilities of a specific manager between the IS systems of the three legacy groups, the 34 percent share will be charged to that manager's home group of companies to reflect personnel-related costs likely to occur in the home group of companies. The cross-charging matrix is updated annually, or whenever a global IS personnel change occurs, to include the budgeted costs and percentages for each senior IS manager having global responsibilities.

Rather than charging actual IS costs, National Grid charged budgeted costs, and did not adjust these amounts. For fiscal year 2008, the US companies received \$1,164,402 in budgeted global IS charges from National Grid UK and billed \$1,231,295 in budgeted global IS costs to National Grid UK, for a net charge of \$66,892 from the US companies. For fiscal year 2009, the US companies received \$2,112,364 in global IS charges from National Grid UK and billed \$3,328,825 in global IS costs to National Grid UK, for a net charge of \$1,216,461 from the US companies. These costs were transferred to the books of NGUSA and NGCS. In step two of the charging process, NGUSA uses an Operation and Maintenance (O&M) allocation methodology to allocate these costs to National Grid's US operating companies. NGCS uses a three-point formula,<sup>9</sup> which is a ratio that gives equal weight to three factors: revenues, assets, and expenses, to allocate these costs to National Grid's US operating companies.

---

<sup>9</sup> The 3-Point Formula is a calculated ratio that gives equal weight to three factors: revenues, assets, and expenses. The formula allocates costs based on a single operating company's proportional share of each of the three factors compared to the combined total of the same three factors across all recipient operating companies.

National Grid USA

Docket No. FA09-10-000

During the audit, National Grid took steps to improve its global cost charging process. The National Grid UK Recharge Process, effective in October 2009, describes how costs are to be charged globally, establishing the internal process for the international settling of these charges. However, this process does not affect the percentages used to determine actual costs charged. Also, National Grid has taken steps to improve the documentation resulting from the yearly governance process during which global IS percentages are established. Finally, National Grid has revised its procedures to adjust all payroll and benefits costs for these global IS senior managers annually.

Notwithstanding the improvements made to its global cost charging process, audit staff remains concerned that National Grid continues to use estimated percentages that are unsupported by a formal time study or other appropriate method. Further, audit staff is equally concerned that National Grid continues to charge budgeted amounts for travel expenses.

National Grid has stated that a formal time study would not be useful because the results may not provide an appropriate view of the full-year responsibilities of individual senior managers. The Company has explained that a formal time study may be appropriate for employees whose work is project-based because under those circumstances a formal time study should typically yield information that could be projected accurately for the entire year. However, National Grid has explained that the work performed by the global IS senior managers generally is not project-based and varies widely from day to day and week to week. These managers supervise a broad range of employees in National Grid UK, legacy National Grid US, and legacy KeySpan, who in turn are engaged in multiple projects relating to the IS systems used by their home companies. Because the amount of time each global IS manager spends on matters related to the IS systems used by the three groups of companies can vary significantly daily and weekly, National Grid contends that its practice of performing detailed interviews with these managers is the most efficient and accurate method of deriving the percentages necessary to charge fairly and accurately for their time. Nevertheless, National Grid has stated that it is willing to improve the governance process by reviewing the percentages more frequently than annually to verify that the percentages assigned to each manager remain accurate and incorporate any changes in the cross-charging matrix.

Also, National Grid said it uses budgeted amounts because an adjustment would result in an insignificant difference from the budgeted amounts. National Grid has further explained that, given different processing times and accounting systems used by National Grid UK, legacy National Grid US, and legacy KeySpan to process travel expenses, it is not practical to conduct an adjustment of travel expenses. However, audit staff believes that without comparing budgeted and actual costs, and adjusting budgeted amounts, it is not possible to determine the extent of the difference. National Grid has stated that it will adjust payroll and benefits expenses for these managers annually, but proposes to charge travel-related expenses to each manager's home company.

National Grid USA

Docket No. FA09-10-000

Audit staff concluded that National Grid's global IS personnel costs charged among affiliates should be based on employees' actual time or an appropriate alternative allocation method. Moreover, travel-related costs charged should reflect the actual costs incurred.

## **Recommendations**

We recommend National Grid:

1. Revise its cost allocation procedures to ensure that the IS function assigns and/or allocates costs based on the actual time or costs expended on activities or an appropriate alternative allocation method. National Grid should complete this revision and submit to the DA for review no later than 60 days after this audit report is issued;
2. Implement procedures to adjust budgeted amounts of global IS costs to reflect actual costs incurred in global IS activities; and
3. Conduct and document a study of its IS operations for a representative period to support the reasonableness of allocating global IS costs to its United States and United Kingdom operations. National Grid should complete this study and submit it to the DA no later than 180 days after this audit report is issued.

National Grid USA

Docket No. FA09-10-000

## **2. Allocation of Merger-Related Costs**

National Grid's allocation of merger-related costs to New England Hydro-Transmission Electric Co., Inc. (MA Hydro), New England Hydro-Transmission Corporation (NH Hydro), and New England Electric Transmission Corporation (NEET) was improper because it did not follow its policy, as approved by the New York Public Service Commission (NYPSC) and New Hampshire Public Utilities Commission (NHPUC), which eliminated these entities from the allocation process. As a result, National Grid incorrectly charged MA Hydro, NH Hydro, and NEET, \$176,770 in merger-related costs. Also, this \$176,770 had improperly flowed through formula rate billing mechanisms.

### **Pertinent Guidance**

The National Grid-KeySpan New York Public Service Commission (NYPSC) merger proceedings occurred under NYPSC Docket No. 06-M-0878. The NYPSC approved the merger on August 22, 2007. The New Hampshire Public Utilities Commission (NHPUC) approved the merger on July 13, 2007 under Docket No. DG 06-107.

Within the merger joint proposal as approved by the NYPSC, Appendix 6 requires National Grid to charge merger integration costs to specified National Grid subsidiaries using allocation percentages based on 2004 revenues. MA Hydro, NH Hydro, and NEET were not included among the companies listed on Appendix 6 (i.e., Cost-to-Achieve spreadsheet) and therefore should be excluded from allocation of merger-related costs.

### **Background**

Before the merger, National Grid developed a cost-to-achieve spreadsheet to allocate merger-related costs that the New York and New Hampshire Public Service Commissions approved. Of the National Grid operating companies included on the spreadsheet, the assigned allocation percentages for each company reflects a percentage of 2004 revenues. In concept, National Grid said that the fixed percentages on this spreadsheet represented the projected allocation of synergy savings the merger would achieve. These percentages were used to allocate the underlying costs incurred to achieve merger-related savings. However, audit staff believes National Grid allocated certain merger costs inconsistent with the approved spreadsheet.

Procedurally, the process of allocating merger costs involves two steps. First, National Grid assigns actual merger expenses using standard allocation methodologies. Second, to be consistent with its expressed methodology, the Accounting Services department reverses all merger-related allocations and reassigns them using the

National Grid USA

Docket No. FA09-10-000

methodology that the NYPSC and NHPUC approved. Under this methodology, MA Hydro, NH Hydro, and NEET should not have been assigned costs because they were not included in the methodology the New York and New Hampshire state commissions approved.

In audit discussions, audit staff discovered that MA Hydro, NH Hydro, and NEET were incorrectly billed \$176,770 in merger-related costs, in contrast to the cost-to-achieve computation spreadsheet. Of this amount, MA Hydro received \$65,270; NH Hydro received \$97,165; and NEET received \$14,335. Also, this \$176,770 had improperly flowed through formula rate billing mechanisms.

MA Hydro, NH Hydro, and NEET were incorrectly allocated merger-related costs because they were included in National Grid's standard allocation methodologies used to initially assign merger costs. Subsequently, National Grid did not reverse and correctly reassign these merger costs as appropriate. When the Accounting Services department attempted to reverse and reassign these costs using the approved spreadsheet, it only reversed costs for companies specifically included on the spreadsheet. Because MA Hydro, NH Hydro, and NEET were not listed, the Accounting Services department inadvertently credited National Grid USA Holding Company for amounts it should have credited to the New England hydro companies to reverse these costs.

As a result, National Grid agreed to record correcting journal entries at quarter-end in December 2009 to make these cumulative adjustments. National Grid said that it has modified the process Accounting Services performed to ensure that all merger-related costs incurred are included in the reallocation process.

## Recommendations

We recommend National Grid:

4. Strengthen processes and follow its procedures to ensure that all companies are charged merger-related costs consistent with its cost-to-achieve procedures;
5. Record journal entries to reverse \$176,770 recorded on the books of MA Hydro, NH Hydro, and NEET from fiscal years 2007 through 2009; and
6. Refund to ratepayers the amount that improperly flowed through formula rate billing mechanisms, with interest.

National Grid USA

Docket No. FA09-10-000

**Corrective Actions Taken**

In the fourth quarter of 2009, National Grid recorded journal entries to reverse \$176,770 in cumulative amounts recorded on the books of MA Hydro, NH Hydro, and NEET from fiscal years 2007 through 2009. Also, National Grid modified the process Accounting Services performed to ensure that all merger-related costs incurred are included in the reallocation process.

National Grid USA

Docket No. FA09-10-000

### 3. Allocation of Software License Permit Costs

NGUSA did not allocate any portion of certain software license permit costs to LIPA, although LIPA benefitted from the use of this software. As a result, certain National Grid affiliates such as Niagara Mohawk, New England Power Company, Massachusetts Electric, and Narragansett Electric were allocated too much of the associated costs.

#### Pertinent Guidance

In Order No. 667,<sup>10</sup> the Commission found that “it has a responsibility to ensure that the costs of non-power goods and services provided by a traditional centralized service company to public utilities in the holding company system are just and reasonable, and not unduly discriminatory or preferential.”<sup>11</sup>

Further, the Commission stated that “In reviewing the centralized service company cost allocations, the Commission focus would be on the cost allocated to the associated franchised public utilities, whether the associated franchised public utilities are bearing their fair share of the costs vis-à-vis the non-regulated affiliates (i.e., whether the non-regulated affiliates are receiving an undue preference) and whether the costs are fairly allocated among public utilities.”<sup>12</sup>

#### Background

National Grid manages the electricity network on Long Island under an agreement with the LIPA. Under the arrangement, on behalf of LIPA, the transmission planning functions of legacy National Grid companies and a legacy Keyspan company uses a GE software product to model electric power system operations. The contract for this product was for a three-year, multi-site license with \$127,500 due annually. For 2008 and 2009, NGUSA made two annual payments to GE Energy Network Reliability Services. In both instances, these expenses were subsequently allocated to affiliates using several factors. LIPA was not billed for these expenses.

The contracts and the purchase requisition provides that the software cost be allocated 33.4 percent to National Grid and 66.6 percent to LIPA (through the

---

<sup>10</sup> *Repeal of the Public Utility Holding Company Act of 1935 and Enactment of the Public Utility Holding Company Act of 2005*, Order No. 667, FERC Stats. & Regs. ¶ 31,197 (2005), *order on reh’g*, Order No. 667-A, FERC Stats. & Regs. ¶ 31,213, *order on reh’g*, Order No. 667-B, FERC Stats. & Regs. ¶ 31,224 (2006), *order on reh’g*, Order No. 667-C, 118 FERC ¶ 61,133 (2007).

<sup>11</sup> Order No. 667 at P 167.

<sup>12</sup> *Id.*

National Grid USA

Docket No. FA09-10-000

Management Services Agreement) to accurately reflect the use of the software. However, NGUSA allocated the cost differently. For example, in 2008, NGUSA allocated 1.22 percent of the license permit costs to Massachusetts Electric, 37.73 percent to New England Power Company, 56.43 percent to Niagara Mohawk, and 4.61 percent to Narragansett Electric. In 2009, NGUSA allocated approximately 54 percent to Niagara Mohawk, 16 percent to New England Power Company, 11.5 percent to Narragansett Electric Company, 18 percent to Massachusetts Electric Company, and Granite State and Nantucket Electric Company shared the remaining percent. Despite receiving benefits from the use of this software, NGUSA did not allocate any of these costs to LIPA.

Moreover, these improperly allocated costs were flowed through FERC-jurisdictional formula rates of New England Hydro-Transmission Electric Co., Inc. (MA Hydro), New England Hydro-Transmission Corporation (NH Hydro), New England Electric Transmission Corporation (NEET), New England Power Company, Massachusetts Electric Company, and Narragansett Electric Company.

The New York Public Service Commission (NYPSC) inquired about the cost allocation for the software license during a Niagara Mohawk rate proceeding, and National Grid said that these costs were misallocated, and that an adjustment is needed to reflect LIPA's 66.6 percent share of the software license permit costs.

Because of the incorrect allocation of the software license permit costs, several National Grid affiliates including NIMO, New England Power Company, Massachusetts Electric, and Narragansett Electric bore too much of the associated costs. Also, these allocated costs were improperly flowed through FERC-jurisdictional formula rates of several affiliates.

## Recommendations

We recommend NGUSA:

7. Strengthen its policies and procedures to ensure that it accurately charges affiliates their appropriate share of software license permit costs; and
8. Record a correcting entry to reflect LIPA's 66.6 percent share of software license permit costs. To the extent the costs over-allocated to the National Grid affiliates have flowed through wholesale electric formula rate billing mechanisms, NGUSA should refund the over-allocated amounts, with interest.
9. Submit a copy of the final refund report to DA demonstrating the over-allocated amounts were refunded.

National Grid USA

Docket No. FA09-10-000

#### 4. Accounting and Allocation of Expatriate Costs and Officer and Director Expenses

National Grid was unable to provide support for its accounting and allocation of expatriate costs, and other officer and director employee expenses. Moreover, these expenses were charged through FERC-jurisdictional formula rates for certain affiliates.<sup>13</sup>

#### Pertinent Guidance

In Order No. 667,<sup>14</sup> the Commission stated that “In reviewing the centralized service company cost allocations, the Commission focus would be on the cost allocated to the associated franchised public utilities, whether the associated franchised public utilities are bearing their fair share of the costs vis-à-vis the non-regulated affiliates (i.e., whether the non-regulated affiliates are receiving an undue preference) and whether the costs are fairly allocated among public utilities.”<sup>15</sup>

18 C.F.R. §367.3(a) Records, states in part:

Each service company must keep its books of account, and all other books, records, and memoranda that support the entries in the books of account, so as to be able to furnish full information on any item included in any account. Each entry must be supported by sufficient detailed information that will permit ready identification, analysis, and verification of all facts relevant and related to the records.

#### Background

On January 29, 2010, Niagara Mohawk Power Corporation (NIMO) filed a request with the New York Public Service Commission (NYPSC) to increase its electric distribution rates.<sup>16</sup> On April 16, 2010, Boston Gas Company, Colonial Gas Company, and Essex Gas Company filed requests with the Massachusetts Department of Public

---

<sup>13</sup> National Grid affiliates with formula rates include Niagara Mohawk, Massachusetts Electric, New England Power Company, Narragansett Electric, New England Hydro-Transmission Electric Company, New England Hydro-Transmission Corp., and New England Electric Transmission Corporation.

<sup>14</sup> *Repeal of the Public Utility Holding Company Act of 1935 and Enactment of the Public Utility Holding Company Act of 2005*, Order No. 667, FERC Stats. & Regs. ¶ 31,197 (2005), *order on reh’g*, Order No. 667-A, FERC Stats. & Regs. ¶ 31,213, *order on reh’g*, Order No. 667-B, FERC Stats. & Regs. ¶ 31,224 (2006), *order on reh’g*, Order No. 667-C, 118 FERC ¶ 61,133 (2007).

<sup>15</sup> *Id.*

<sup>16</sup> Docket No. 10-E-0050.

National Grid USA

Docket No. FA09-10-000

Utilities (MDPU) to increase annual distribution revenues.<sup>17</sup> These rate cases revealed that National Grid either misallocated or incorrectly accounted for expatriate expenses, which are the costs related to having United Kingdom employees work in the United States.<sup>18</sup> The rate case also revealed that National Grid may have either misallocated or incorrectly accounted for officers and employees who serve on Board of Directors of the service companies. Subsequently, the Company reviewed the expenses in question, and removed \$3.378 million in expatriate costs and \$784,000 of officer and director employee expenses from the cost of service from the Niagara Mohawk rate proposals. The comparable amounts for the Massachusetts proceeding were \$623,000 and \$167,000 respectively. The Company has stated that it would hire Liberty Consulting to conduct an independent review and valuation of National Grid's affiliate relationships and transactions that affect or may affect the costs incurred by utility operations of National Grid and its affiliates. National Grid stated that it is awaiting the completion of Liberty Consulting's review before making any accounting adjustments or making refunds to FERC-jurisdictional companies.

Staff requested an itemization of expatriate and officer and director expenses from the Company, as well as details of the accounting and allocation of these costs to National Grid affiliates. The Company was unable to provide sufficient details regarding the accounting and allocation of these costs. National Grid explained that multiple sources generate the costs associated with expatriate employees, and it is extremely difficult to isolate these cost within various accounts. Additionally, the Company stated that these transactions are small-dollar/high-volume transactions, making aggregation of the costs difficult for the Company. Lastly, National Grid stated that it is awaiting the completion of the independent consultant's review before making any accounting adjustments or making refunds to FERC-jurisdictional companies.

National Grid's inability to provide details regarding the amounts and allocations of these expenses prevents staff's analysis of the appropriateness of National Grid's accounting and allocation of these costs as well as their effect on FERC-jurisdictional formula rates.

Moreover, while National Grid was unable to provide details regarding the amounts and allocations of these expenses to audit staff during the audit period, these cost were allocated to and flowed through FERC-jurisdictional formula rates of New England Hydro-Transmission Electric Co., Inc. (MA Hydro), New England Hydro-

---

<sup>17</sup> D.P.U. 10-55.

<sup>18</sup> Certain expatriate costs and officer and director expenses could be properly classified in below-the-line accounts, such as Account 426.5, Other Deductions. Typically, below-the-line accounts contain amounts generally presumed not to be recoverable in rates and instead become shareholder expenses.

National Grid USA

Docket No. FA09-10-000

Transmission Corporation (NH Hydro), New England Electric Transmission Corporation (NEET), New England Power Company, Massachusetts Electric Company, Narragansett Electric Company, and Niagara Mohawk Power Corporation.

## Recommendations

We recommend National Grid:

10. Analyze the nature, accounting, reporting, and ratemaking treatment for expatriate costs and other officer and director employee expenses;
11. Review its accounting procedures to ensure that its wholesale ratepayers are not burdened by costs that should be rightfully charged to shareholders;
12. Remove all costs determined to be shareholder costs from wholesale electric rates;
13. File a copy of the independent consultant's (Liberty Consulting) report review of National Grid's accounting for expenses;
14. Make any necessary accounting adjustments to ensure that all expenses are properly accounted for;
15. File a copy of all accounting adjustments made as a result of the recommendations made in the independent consultant's report with the Division of Audits;
16. Make refunds, with interest, to wholesale electric customers, to the extent that costs over allocated to or improperly accounted for by National Grid affiliates have flowed through wholesale electric formula rate billing mechanisms; and
17. Submit to DA a final report of the amounts refunded by National Grid affiliates to its wholesale electric customers, to the extent they were over-allocated, as well as expatriate costs, and officer and director expenses.

National Grid USA

Docket No. FA09-10-000

## 5. **Compromise Settlements Resulting from Discriminatory Employment Practices**

National Grid Corporate Services (NGCS), National Grid Utility Services (NGUS), and National Grid Engineering & Survey (NGES) collectively recorded \$411,000 of compromise settlement payments for discriminatory employment practice lawsuits in Account 930.2, Miscellaneous General Expenses, instead of Account 426.5, Other Deductions. Also, the service companies allocated and billed these costs to the Franchised Public Utilities (FPU), which incorrectly recorded and reported these costs in their 2007 and 2008 FERC Form No. 1s. Moreover, about \$15,000 may have improperly flowed through formula rate billing mechanisms.

### **Pertinent Guidance**

Accounting Release<sup>19</sup> (AR-12), effective February 1, 1980, requires companies to classify in Account 426.5 expenditures resulting from employment practices that were found to be discriminatory by a judicial or administrative decree *or that were the result of a compromise settlement* [emphasis added] or consent decree. AR-12 states:

The Uniform System of Accounts provides that all charges to utility operating expense accounts must be just and reasonable. Expenditures of the nature mentioned above that can be readily identified and quantified should not be considered as just and reasonable charges to utility operations and should be classified to the appropriate Non-operating expense accounts.

Types of expenditures usually related to discriminatory employment practices may include, but are not limited to, the following:

1. Fines or penalties related to judicial or administrative decree imposed by governmental authorities;
2. Legal fees reimbursed to the plaintiffs;
3. In-house and outside legal costs in unsuccessful defense against charges of discriminatory practices;
4. Damage awards to plaintiffs;

---

<sup>19</sup> Accounting releases are informal interpretations of the USofA to be followed in the absence of specific reference to the prescribed accounting regulations and other authoritative decisions of the Commission. The interpretations express the views of the Chief Accountant as to the correct application of the provision of the USofA prescribed by the Commission. As provided for in General Instruction No. 5 in the USofA, these interpretations do not preclude any company from submitting questions of doubtful interpretations to the Commission on matters dealt with in Accounting Releases.

National Grid USA

Docket No. FA09-10-000

5. Duplicate labor costs such as back pay, bonus or other pay awards to plaintiffs where other employees have already been paid by the utility for prior services; and
6. Cost of reporting, training and recruiting undertaken as a result of a court order, administrative decree or settlement which are in addition to those which otherwise would be incurred to assure continuing equal employment opportunity.

Fines or penalties are to be recorded in Account 426.3, Penalties, and all other costs are to be recorded in Account 426.5, Other deductions.

In Order No. 667,<sup>20</sup> the Commission stated that “In reviewing the centralized service company cost allocations, the Commission focus would be on the cost allocated to the associated franchised public utilities, whether the associated franchised public utilities are bearing their fair share of the costs vis-à-vis the non-regulated affiliates (i.e., whether the non-regulated affiliates are receiving an undue preference) and whether the costs are fairly allocated among public utilities.”<sup>21</sup>

## Background

A NGUS employee of KeySpan Energy Delivery Long Island (KEDLI) and KeySpan Energy Delivery New York (KEDNY) sued, alleging discrimination, which was settled for \$165,000. NGUS recorded the settlement amount in Account 930.2, Miscellaneous General Expenses. The company allocated this amount to KEDLI and KEDNY using allocation code G09, based on the 3-Point Formula.<sup>22</sup> Neither KEDLI nor KEDNY have wholesale cost-based rates, and therefore National Grid did not pass these costs to wholesale ratepayers.

NGCS recorded \$17,500 in Account 930.2 in 2007, representing payment to settle an alleged discrimination suit. Moreover, in 2008 NGCS recorded \$188,500 in Account

---

<sup>20</sup> *Repeal of the Public Utility Holding Company Act of 1935 and Enactment of the Public Utility Holding Company Act of 2005*, Order No. 667, FERC Stats. & Regs. ¶ 31,197 (2005), *order on reh’g*, Order No. 667-A, FERC Stats. & Regs. ¶ 31,213, *order on reh’g*, Order No. 667-B, FERC Stats. & Regs. ¶ 31,224 (2006), *order on reh’g*, Order No. 667-C, 118 FERC ¶ 61,133 (2007).

<sup>21</sup> Order No. 667 at P 167.

<sup>22</sup> The 3-Point Formula is a calculated ratio that gives equal weight to three factors: revenues, assets, and expenses. In this case, the 3-Point Formula allocated costs only to KEDLI and KEDNY. The formula compared revenues, assets, and expenses of each operating company with the combined totals for both companies to total allocation percentages.

National Grid USA

Docket No. FA09-10-000

930.2 for several settlement payments, representing: \$17,500 as part of a series of payments to settle an allegation of discrimination, two payments of \$45,000 each as part of a settlement of an allegation of discrimination and wrongful termination, and \$71,000 and \$10,000 as part of a settlement of allegations as to a termination for alleged misconduct. The service company billed these costs to various KeySpan operating companies using the 3-Point Formula. However, none of the entities billed had wholesale cost-based rates, and therefore National Grid did not pass these costs on to wholesale ratepayers.

NGES recorded \$15,000 in Account 930.2 in 2008 to settle a lawsuit alleging discrimination by an employee. National Grid directly billed the charge for this lawsuit to National Grid Generation, which recorded this amount in Account 930.2. Moreover, National Grid Generation sells capacity and energy under cost-based formula rates, and this amount may have flowed through formula rates.

AR-12 provides for the use of Account 426.5 for expenses or payments the utility made for discriminatory employment practices that resulted from a compromise settlement. Significantly, Account 426.5 is a below-the-line account and is generally presumed not to be recoverable in rates; rather, below-the-line expenses are typically borne by shareholders, rather than by ratepayers.

## Recommendations

We recommend the National Grid service companies:

18. Implement procedures to ensure that they record all amounts paid for compromise settlements resulting from discriminatory employment practices in the appropriate non-utility expense account; and
19. Determine if service company billings for \$15,000 flowed through formula rates during the audit period, and refund amounts to ratepayers to the extent that this was the case. File this analysis with the DA no later than 60 days after this audit report is issued.

National Grid USA

Docket No. FA09-10-000

## **6. Inability of Accounting System to Reconcile to Certain FERC Form No. 60 Accounts**

National Grid USA Service Company's (NGUSA) accounting system did not support certain account balances reported in the FERC Form No. 60. During transaction testing, audit staff found it difficult to reconcile certain account balances reported from the company's FERC Form No. 60 to books and records. Moreover, National Grid was unable to readily furnish supporting documentation for selective account balances reported on the FERC Form No. 60.

### **Pertinent Guidance**

Instruction V., Preparation, of The General Instructions for filing FERC Form No. 60 found on page i, states:

Prepare this report in conformity with the Uniform System of Accounts (18 CFR 367) (USofA). Interpret all accounting words and phrases in accordance with the USofA.

18 C.F.R. §367.3(a) Records, states in part:

Each entry must be supported by sufficient detailed information that will permit ready identification, analysis, and verification of all facts relevant and related to the records.

18 C.F.R. §367.4 (b), Numbering System, states in part:

It is intended that the service company's records must be kept so as to permit ready analysis by prescribed accounts (by direct reference to sources of original entry to the extent practicable) and to permit preparation of financial and operating statements directly from the records at the end of each accounting period according to the prescribed accounts.

### **Background**

NGUSA's accounting system consists of two separate ledgers in which it accumulates accounting data. The first is the PeopleSoft general ledger, the service company's internal accounting system, in which all regulated and non-regulated transactions are recorded. The second is the FERC Form No. 60 database, which it uses to perform an annual summarization process to prepare its FERC Form No. 60. During the summarization process, NGUSA pulls all the balances and accounts needed to complete the FERC Form No. 60 from the PeopleSoft general ledger. However, data that links the balances to supporting records are not carried over in this process.

National Grid USA

Docket No. FA09-10-000

Further, NGUSA adjusts the data after it is pulled from the general ledger. Since the service company uses its own internal account numbering system that differs from the USofA, NGUSA must translate the data from its internal account numbering to the USofA. Then, NGUSA makes “topside adjustments” to the accounting data. These adjustments are largely for the removal of convenience payments, which the service company makes for its operating companies. These adjustments further complicate the process of linking the FERC Form No. 60 balances back to general ledger balances and supporting documentation.

During the audit, staff requested supporting documentation for amounts reported on NGUSA’s 2008 FERC Form No. 60. National Grid said that providing such support on a timely basis would not be possible because obtaining support from the PeopleSoft accounting system could potentially take weeks. This is because NGUSA’s accounting system processes some 1.4 million transactions each month. Because of inherent system limitations, the FERC Form No. 60 database does not maintain a record of adjustments necessary to link to the data’s supporting documentation to these transactions. While NGUSA’s general ledger maintains the underlying data supporting the transactions, National Grid’s system could not link these to account balances on NGUSA’s FERC Form No. 60 filings. Through an arduous and complicated process, National Grid would have to link balances on the FERC Form No. 60 back to source data in the PeopleSoft general ledger.

Because of the limitations with National Grid’s FERC Form No. 60 database, audit staff faced difficulties with its analysis of other items mentioned elsewhere in this report. For example, NGUSA’s inability to readily substantiate account balances complicated audit staff’s review of amounts that should have been included in Account 458, Services Rendered to Non-associate Companies. Further, when audit staff analyzed whether NGUSA was properly clearing amounts as of the end of the calendar year unless these items related to a future period, accounting system limitations precluded National Grid from being able to easily identify specific source transactions and documentation for reported amounts.

## **Recommendations**

We recommend NGUSA:

20. Strengthen its processes and procedures for preparing its FERC Form No. 60 so all reported amounts can be reconciled with supporting source data and documentation;
21. Adopt a procedure to prepare all FERC Form No. 60s directly from its records at the end of each accounting period, according to prescribed accounts; and

National Grid USA

Docket No. FA09-10-000

22. Submit an update of all procedural and system improvements NGUSA implemented to ensure and facilitate the ready analysis of source data to the amounts reported in the FERC Form No. 60. NGUSA should file its update with the DA no later than 60 days after this audit report is issued.

### **Corrective Actions Taken**

In 2009, National Grid began corrective steps to improve the functionality of its PeopleSoft system. NGUSA explained that it plans to use recent PeopleSoft functionality to create a link from the FERC Form No. 60 ledger to trace back to the source data in the PeopleSoft general ledger. This functionality is a major improvement that will provide an “online” audit trail from the FERC Form No. 60 ledger back to the source data by retaining in a system log the relevant source data at the times that the summarization process to populate the FERC Form No. 60 ledger is run.

National Grid further explained that this solution has been implemented for the 2010 calendar year and will provide, beginning with the 2010 FERC Form No. 60, the trail from the FERC Form No. 60 ledger balances back through the PeopleSoft general ledger to the subsystems where source transactions are held. As a result of this new functionality, NGUSA will have improved access to the supporting documentation for the amounts in the FERC Form No. 60 ledger. Combined with the topside adjustments made in preparing the FERC Form No. 60 itself, this functionality will allow NGUSA to more easily provide supporting information for the final numbers reported on the FERC Form No. 60 filed each year. This solution will continue until NGUSA moves to an integrated SAP accounting system.

National Grid USA

Docket No. FA09-10-000

## **7. Use of Improper Accounts to Record Revenues for Services Rendered to Non-associate Companies**

NGUSA did not use Account 458, Services Rendered to Non-associate Companies, to report applicable revenues. The company's accounting practices resulted in an understatement of revenues reported in Account 458 and an understatement of expenses in Account 921, Office Supplies and Expenses, on its FERC Form No. 60.

### **Pertinent Guidance**

18 C.F.R. §367.458 – Service Company Accounting for Services Rendered to Non-associate Companies, states:

This account must include amounts billed for services rendered to non-associate companies.

### **Background**

NGUSA provides certain incidental services to non-associate companies, including testing the reliability of rubber goods and charges for the use of the service company's facilities and equipment. The service company reported revenues of \$451,988 in Account 458, Services Rendered to Non-associate Companies on its 2006 FERC Form No. 60 and zero revenue for 2007. During the first site visit, the service company informed audit staff that it provided \$135,012 of services to non-associate companies in 2007, but did not report such revenues in its FERC Form No. 60. In 2008, National Grid Service Company reported in a footnote on the FERC Form No. 60 that it earned \$227,504 in revenues from services rendered to non-associate companies.

NGUSA said that it did not report services rendered to non-associate companies in 2007 because the service company's PeopleSoft general ledger does not contain an account equivalent to the USofA's Account 458, and therefore accounted for these revenues in various other accounts. Audit staff noted each accounting method used by the service company resulted in understated revenues and overstated expenses on its FERC Form No. 60s for 2006 and 2007.

In some cases, rather than reporting revenues, NGUSA offset such revenues against expenses. Specifically, NGUSA decreased Account 921, Office Supplies and Expenses, for each dollar of revenue from services rendered to non-associate companies.

In 2007, NGUSA attempted to account for revenues from non-associate companies in Account 458. However, NGUSA debited Account 458, creating a negative balance in the revenue account. Due to the relatively small amount of annual revenue involved, National Grid decided not to report any revenue from non-associate companies

National Grid USA

Docket No. FA09-10-000

on its FERC Form No. 60 rather than a negative revenue amount. The amount that NGUSA should have reported in Account 458 in 2007 was \$135,012.

Another source of revenues from non-associate companies was from the use of NGUSA's communications equipment. NGUSA allocated these revenues to operating companies, which recorded the billings for these equipment rentals in Account 454, Rent from Electric Property. Therefore, NGUSA did not report the revenues on its 2006 and 2007 FERC Form No. 60s. However, National Grid's incorrect use of these accounts did not affect amounts allocated to its public utility subsidiaries. NGUSA must properly account for revenues from non-associate companies in Account 458.

### **Recommendations**

We recommend National Grid:

23. Strengthen its accounting policies and procedures to ensure that the service company records billings for services rendered to non-associate companies in Account 458; and
24. Resubmit NGUSA's FERC Form No. 60s for 2006, 2007, and 2008 to include the corrected amounts of services rendered to non-associate companies. National Grid should file the resubmissions with the DA no later than 60 days after this audit report is issued.

### **Corrective Actions Taken**

On NGUSA's 2008 FERC Form No. 60, National Grid accounting staff manually input Account 458 amounts in lieu of relying on the PeopleSoft accounting system. This ensured that National Grid reported all 2008 Account 458 revenues under the USofA.

National Grid USA

Docket No. FA09-10-000

## **8. Improper Use of Clearing Accounts**

NGUSA improperly recorded amounts in Account 186, Miscellaneous Deferred Debits, instead of recording such amounts in Account 184, Clearing Accounts. Also, National Grid cleared amounts remaining in clearing accounts on a fiscal year basis rather than on a calendar year basis as the Commission has prescribed.

### **Pertinent Guidance**

18 C.F.R. § 367.1840 Account 184, Clearing Accounts states:

This account must include undistributed balances in clearing accounts at the date of the balance sheet. Balances in clearing accounts must be substantially cleared not later than the end of the calendar year unless the items held relate to a future period.

18 C.F.R. § 367.5 Accounting Period, states in part:

Each service company must close its books at the end of each calendar year unless otherwise authorized by the Commission.

18 C.F.R. § 367.186 Account 186, Miscellaneous Deferred Debits, states in part:

This account must include all debits not provided for elsewhere, such as miscellaneous work in progress, and unusual or extraordinary expenses, not included in other accounts, that are in the process of amortization and items the proper final disposition of which is uncertain.

### **Background**

NGUSA records certain clearing account debits in Account 186, Miscellaneous Deferred Debits. Specifically, Account 186 is used primarily to capture clearing accounts unique to service company payroll overhead. These accounts were created during the PeopleSoft implementation to isolate service company clearing accounts from general clearing accounts recorded in Account 184, and shared by all operating companies.

These amounts are properly includable in Account 184, which provides for inclusion of undistributed balances in clearing accounts as of the balance sheet date. Also, NGUSA did not request an accounting waiver allowing it to clear balances in its clearing accounts on a fiscal year basis rather than on a calendar year basis.

National Grid USA

Docket No. FA09-10-000

NGUSA's practice has been to close its books on March 31 of each year, coinciding with its fiscal year end. Before Congress repealed PUHCA 1935, and regulatory oversight shifted from the SEC to the Commission, National Grid filed its U-13-60<sup>23</sup> each fiscal year. However, Commission regulations state that service companies must close their books at the end of each calendar year, unless the Commission authorizes this activity otherwise. Also, balances in clearing accounts must be substantially cleared no later than the end of the calendar year, unless the items held relate to a future period. NGUSA said that these clearing account items do not relate to future periods, but rather NGUSA clears these items over the fiscal period to which they relate. Also, NGUSA did not request a Commission waiver authorizing the company to continue closing its books on March 31 of each fiscal year end.

### Recommendations

We recommend that National Grid:

25. Create procedures to ensure that NGUSA properly uses Accounts 184 and 186 in the future consistent with the USofA; and
26. Close its books at the end of each calendar year, including clearing all balances from its clearing accounts, or alternatively request a Commission waiver authorizing the company to continue closing its books on March 31 of each fiscal year end.

---

<sup>23</sup> Equivalent to FERC Form No. 60.

National Grid USA

Docket No. FA09-10-000

## **9. Deficiencies in FERC Form No. 60 Notes to Financial Statements**

NGUSA's FERC Form No. 60s for 2006 and 2007 did not contain sufficient notes as to its financial statements or accounts. For example, NGUSA did not provide accompanying notes as to year-end contingent assets or liabilities, increases in services rendered, or increases in expenses incurred during the year.

### **Pertinent Guidance**

Instructions to Schedule XIV- Notes to Financial Statements (Page 204.1) on the FERC Form 60, state in part:

1. Use the space below for important notes regarding the financial statements or any account thereof.
2. Furnish particulars as to any significant contingent assets or liabilities existing at the end of the year and any significant increase in services rendered or expenses incurred during the year.

### **Background**

Since 2006, the centralized service companies in public utility holding company systems have been required annually to file the FERC Form No. 60, an annual financial report of service companies. NGUSA's 2006 and 2007 FERC Form No. 60 included a limited set of notes to the financial statements. Typically, a service company's notes in the FERC Form No. 60 will describe revenue recognition practices, depreciation, and amortization methods, affiliate transactions summaries, cost allocation methods, accounting for pensions and other retirement benefits, use of accounting estimates, stock-based compensation descriptions, use of cash equivalents, accounting reclassifications, and implementation of recent accounting pronouncements. However, notes to the financial statements of NGUSA's FERC Form No. 60 only contained a brief description of the service company's administration of National Grid's money pool.

NGUSA's lack of notes to its financial statements in the FERC Form No. 60 resulted from a long-time practice that existed when National Grid filed its SEC Form U-13-60. Also, the SEC did not object to the lack of notes to the financial statements in the U-13-60.

In 2008, as a result of this audit, NGUSA expanded its notes to its financial statements in its 2008 FERC Form No. 60 to include notes on the organization of the service company, a description of the business, a basis of financial statement presentation, income tax practices, service company property descriptions,

National Grid USA

Docket No. FA09-10-000

implementation of recent accounting pronouncements, accounting for retirement benefits, and accounting for capital and operating leases.

**Recommendations**

27. We recommend National Grid improve the notes of National Grid USA Service Company's FERC Form No. 60 financial statements such that they provide sufficient and descriptive details of the nature of any changes to transaction amounts, accounts, periods of time, and the resultant effect on financial statement accounts.

**Corrective Actions Taken**

In 2008, NGUSA implemented corrective steps and has significantly improved the notes to its financial statements in its 2008 FERC Form No. 60.

National Grid USA

Docket No. FA09-10-000

## 10. Reporting of Cost Allocation Information

NGUSA and NGCS did not follow instructions on the FERC Form No. 60s filed in 2006 and 2007 by not including all of the cost allocation information during those years. NGUSA and NGCS should have reported all cost allocators and variants used in the FERC Form No. 60s for 2006 and 2007. Further, NGUSA did not follow instructions that required the service company to report the numerator and denominator of all cost allocation ratios as of the 2008 calendar year.

### Pertinent Guidance

18 C.F.R. § 366.23(a)(1), FERC Form No. 60, states:

Unless otherwise exempted or granted a waiver by Commission rule or order pursuant to §§366.3 and 366.4, every centralized service company (see §367.2 of this chapter) in a holding company system must file an annual report, FERC Form No. 60, as provided in §369.1 of this chapter. Every report must be submitted on FERC Form No. 60 then in effect and must be prepared in accordance with the instructions incorporated in that form.

The instructions to the FERC Form No. 60, p. 402.1, for 2007 state in part:

List the currently effective methods of allocation being used by the service company.

The instructions to the FERC Form No. 60, p. 402.1, for 2008 state:

Indicate the service department or function and the basis for allocation used when employees render services to more than one department or functional group. If a ratio, include the numerator and denominator. Include any other allocation methods used to allocate costs.

### Background

On its 2007 FERC Form No. 60, NGUSA reported 17 cost allocation methods, and in 2008 reported 16 methods.<sup>24</sup> During a review of NGUSA's service agreements, audit

---

<sup>24</sup> The difference was that in 2007 NGUSA reported "Transmission and distribution operation and maintenance expenses (excluding transmission of electricity by others), customers' accounts, customer service and information, and sales expenses," as well as "Transmission operating and maintenance expenses (excluding transmission of electricity by others)." In 2008, NGUSA reported only "Operation and maintenance expenses."

## National Grid USA

## Docket No. FA09-10-000

staff found other variants of the cost allocators in use that it had not previously reported. When staff asked why NGUSA did not report these methods, National Grid responded that these are variations on the original allocation bases to reflect changes in the organization and the affiliates to which it provides services. For example, the SEC approved National Grid's Operation and Maintenance (O&M) allocation method on January 15, 1999. However, NGUSA now uses O&M distribution-only, O&M transmission, and numerous other variations of the original O&M method. National Grid believes that these variations on the allocation basis do not constitute a change in allocation method and, therefore, it did not separately report them.<sup>25</sup>

Audit staff also found that variations on the allocation bases did not necessarily relate to the allocation method under which National Grid categorized them. For example, National Grid disclosed the allocation method of "Department Specific Costs." NGUSA's service agreement lists five allocation bases within Department Specific Costs:

- Data Center (an allocation ratio derived from the amount of mainframe resources used by NGUSA applications by each National Grid company as a percentage of total resources charged to all National Grid system companies combined);
- Facilities, Grounds, and Buildings (time charged to each National Grid company by service company departments using National Grid's Westborough, MA, facilities is weighted by the amount of square footage occupied by each department);
- Mid-Range Servers (an allocation ratio derived from the amount of mid-range resources charged to each National Grid company as a percentage of total resources charged to all National Grid system companies combined);
- Millbury Training Center (time charged to each National Grid company by service company departments using National Grid's Millbury, MA, facilities is weighted by the amount of square footage occupied by each such department); and

---

<sup>25</sup> During the audit, staff found that National Grid uses other variants of the cost allocation methodologies (Electric Distribution and Generation O&M Expenses, Electric Distribution and Generation, and Gas O&M Expense, and Electric Transmission and Distribution, and Gas O&M Expenses) that were neither included in the service agreements nor listed in FERC Form No. 60 filings. National Grid said that the allocation bases set out in the service agreement had not yet been updated to reflect additional bases that became necessary with the development of National Grid over time, but that the agreement would be updated to reflect these when it is next renewed.

National Grid USA

Docket No. FA09-10-000

- Transportation Supervision (budgeted transportation costs for a National Grid company as a percentage of budgeted transportation costs for all applicable companies combined).

Also, NGUSA and NGCS did not report an allocation method used to allocate merger costs (cost-to-achieve method). This method assigns merger costs based on 2004 revenues of the operating companies expected to realize merger synergy savings.<sup>26</sup> National Grid stated that it did not disclose the cost-to-achieve method in its FERC Form No. 60s because it is not a traditional allocation method. Rather, in concept, National Grid used this to link costs to anticipated merger savings. It will ultimately result in net savings to those operating companies bearing the costs. So, the company viewed this method as part of a rough allocation of net merger savings and not the type of cost allocation method that would be disclosed on the FERC Form No. 60.

Lastly, on its 2008 FERC Form No. 60, NGUSA failed to report the numerators and denominators of its allocation ratios. Based on the FERC Form No. 60 instructions, National Grid must report all of its cost allocation methods, including sub-cost allocation methods, on each FERC Form No. 60 submitted.

The FERC Form No. 60 instructions require the service companies to list their currently effective methods of allocation. While the different allocation bases are variations of National Grid's original allocation methods, audit staff determined that these variants are in fact allocators involving a different mix of affiliate entities and allocation percentages. Audit staff concluded that National Grid should separately report each of the variants in the FERC Form No. 60. Also, while in concept the use of the cost-to-achieve method may result in net synergy savings, in practice this method is used to allocate costs. Therefore, audit staff believes National Grid should disclose this as a cost allocation method. Lastly, in the instructions in the 2008 FERC Form No. 60, NGUSA should report the numerator and denominator of all cost allocation ratios.

## Recommendations

We recommend National Grid:

28. Strengthen its policies and procedures to ensure that each service company accurately reports all the required information in its FERC Form No. 60. Submit copies of any written policies and procedures developed in response to audit staff's recommendations; and

---

<sup>26</sup> This methodology was included in Appendix 6 of the National Grid-KeySpan joint merger proposal, approved by the New York Public Service Commission.

National Grid USA

Docket No. FA09-10-000

29. Include all allocation methods used, and variants to such methodologies on page no. 402 of the FERC Form No. 60 for NGUSA and NGCS.

National Grid USA

Docket No. FA09-10-000

## 11. Delinquent Filings to the Commission

Audit staff found two instances where National Grid did not comply with Commission filing requirements. First, National Grid did not file its merger accounting within six months of its merger consummation date. Second, it did not file changes to its cash management agreement within 10 days of changes made as required by 18 C.F.R. Part 141.500.

### Pertinent Guidance

The Commission's merger order (Docket No. EC06-125-000), states in part:

Applicants shall submit its merger accounting to the Commission within six months after the merger is consummated...

18 C.F.R. § 141.500 Cash Management Programs states in part:

Public utilities and licensees subject to the provisions of the Commission's Uniform System of Accounts ... that participate in cash management programs must file these agreements with the Commission ... subsequent changes to the cash management agreement must be filed with the Commission within 10 days of the change.

### Background

#### *Filing of Merger Accounting Entries*

National Grid did not file its merger accounting within six months of its merger consummation date. On May 25, 2006, National Grid and KeySpan filed for authorization to merge under section 203 of the FPA (Docket No. EC06-125-000). On October 20, 2006, the Commission authorized the merger under certain conditions and filing requirements. One of these requirements was for National Grid to submit its merger accounting to the Commission within six months after the consummation of the merger.<sup>27</sup> The merger occurred on August 24, 2007. On July 11, 2008, National Grid submitted its merger accounting filing, 10 months after the merger.

---

<sup>27</sup> The merger order states, "Applicants shall submit its merger accounting to the Commission within six months after the merger is consummated. The accounting submission shall provide: (1) all accounting entries necessary to effect the merger, along with narrative explanations describing the basis for the entries; and (2) an explanation of the accounting for the acquisition premium."

National Grid USA

Docket No. FA09-10-000

In this filing, National Grid said that because of an “administrative oversight,” the company did not submit the filing within the period prescribed by the merger order. National Grid also explained to audit staff that at the time of the merger proceeding, no formal mechanism was in place to ensure National Grid filed its merger accounting within six months of the merger consummation. As a result, National Grid followed the International Financial Reporting Standards (IFRS) and Generally Accepted Accounting Principles (US GAAP) timetable for finalizing purchase accounting entries, which is one year after an acquisition.

### *Filing of Cash Management Agreement*

National Grid did not file changes to its cash management (money pool) agreement within 10 days of making changes to the agreement.<sup>28</sup> Before the merger, KeySpan operated separate money pools for its utility and non-utility affiliates. After the merger, the former KeySpan companies continued to operate under these two money pool agreements, distinct from the National Grid companies. However, due to a merger requirement imposed by the New York Public Service Commission, National Grid transferred National Grid Generation from KeySpan’s utility money pool to its non-utility money pool, effective January 1, 2008.<sup>29</sup>

Audit staff’s review of contributions and borrowing under each of these agreements showed that on January 2, 2008 National Grid transferred National Grid Generation’s cash balance from the utility to the non-utility money pool, and any subsequent transactions would occur within the non-utility money pool. However, National Grid did not file these changes to the utility and non-utility money pools with the Commission until February 11, 2008.<sup>30</sup>

Before December 2008, National Grid assigned responsibility for particular regulatory filings to individual departments. For example, the Accounting Services department had responsibility for meeting financial filing deadlines. However, National

---

<sup>28</sup> Cash management programs, also known as money pools, match short-term cash surpluses and cash needs of participating affiliates, minimizing total borrowing from outside sources.

<sup>29</sup> The joint merger proposal as approved by the New York Public Service Commission required the creation of separate regulated and unregulated money pools. Participation in the regulated money pool was limited to only “regulated affiliates.” Because National Grid did not consider National Grid Generation a “regulated affiliate” under the New York Public Service Company definition, it moved National Grid Generation from the KeySpan utility to the KeySpan non-utility money pool.

<sup>30</sup> National Grid told audit staff that the signatories did not fully execute the agreements until February 8, 2008, and that it filed the agreements with the Commission three days after their full execution.

National Grid USA

Docket No. FA09-10-000

Grid determined that while this system worked well for regular filings occurring at set times, one-time filing requirements could be missed under this system.

To address this potential risk, National Grid initiated a project in December 2008 to track all regulatory deadlines in a compliance database. This database allows individual staff or teams to be assigned responsibilities for submitting filings and for National Grid to set deadlines and create reminders when deadlines approach. National Grid fully implemented the regulatory filing compliance database in February 2009.

**Recommendations**

30. We recommend National Grid strengthen its processes for tracking and submitting compliance filings with the Commission in a timely manner.

## V. Other Matters

### 1. Hold-harmless Provision of the Merger Order

On October 26, 2006, the Commission issued an order approving the merger of National Grid and KeySpan.<sup>31</sup> In its order, the Commission accepted the companies' commitment to "hold wholesale power and transmission customers harmless for a period of five years from costs related to the merger that exceed merger-related savings."<sup>32</sup> On August 24, 2007, National Grid and KeySpan consummated the merger. During the audit period, National Grid recovered merger-related costs from its customers before achieving an equal amount of merger savings. Also, National Grid did not have an adequate process for documenting, tracking, and reporting its merger savings. After National Grid centralized and formalized its process for determining merger savings, it was able to demonstrate when merger savings were achieved to support the recovery of merger-related costs from its customers.

### Background

On May 25, 2006, National Grid and KeySpan jointly applied for authorization to merge their operations under section 203 of the FPA, Docket Nos. EC06-125-000 and EL06-85-000. Under the proposal, KeySpan would become an indirect, wholly owned subsidiary of National Grid. In their application, the Companies made certain commitments that the Commission accepted. Among them, the Companies agreed to "hold wholesale power and transmission customers harmless for a period of five years from costs related to the merger that exceed merger-related savings" (hold-harmless requirement).<sup>33</sup> On October 26, 2006, the Commission issued an order approving the merger.<sup>34</sup> In the order, the Commission accepted all commitments the companies made, including the hold-harmless requirement. After receiving other necessary regulatory approvals, National Grid and KeySpan consummated the merger on August 24, 2007.

National Grid's merger-related costs totaled \$67 million and \$151 million as of December 31, 2007 and 2008, respectively. These costs primarily relate to voluntary early retirement offers and severance packages, integration consulting costs, information systems costs, and various other general integration-related costs. National Grid claimed merger-related savings totaling \$9 million and \$105 million as of December 31, 2007 and 2008, respectively. National Grid stated that these savings relate to synergies achieved as the result of the merger. For example, National Grid eliminated overlapping positions.

---

<sup>31</sup> *National Grid plc and KeySpan Corporation*, 117 FERC ¶ 61,080 (2006).

<sup>32</sup> *Id.* at 61,425.

<sup>33</sup> *Id.*

<sup>34</sup> *Id.*

National Grid USA

Docket No. FA09-10-000

National Grid explained to audit staff that it interprets the hold-harmless requirement to mean that merger savings must “catch up” to merger costs before the end of the five-year hold harmless period. National Grid argues that over the five-year hold harmless period, merger savings “caught up” to merger costs, and therefore, so long as this happened before the hold-harmless period ended, the company was in compliance. Therefore, during the audit period there were instances when National Grid immediately sought recovery of merger-related costs, before achieving an equal amount of merger savings. Until total savings equaled costs in the first quarter of 2010, National Grid continued to pass through costs not supported by an equal amount of savings. After the first quarter of 2010, the level of savings achieved and documented, supported National Grid’s recovery of merger-related costs.

National Grid allocated merger savings among its affiliates; then, the company allocated merger-related costs to follow these savings. To allocate merger savings, National Grid uses allocation percentages based on 2004 revenues. For example, based on these percentages, New England Power was supposed to be allocated 3.57 percent of merger savings, along with 3.57 percent of associated merger costs.

During its testing, audit staff observed that there were specific points in time where National Grid passed through costs to customers that exceeded merger savings that it had achieved and documented to date.<sup>35</sup> For example, because National Grid only recognized \$9 million in merger savings as of December 31, 2007, audit staff expected New England Power would receive only \$321,000 of merger-related costs in 2007, representing 3.57 percent of the \$9 million. However, New England Power recovered \$1,774,592 of merger-related costs through monthly formula rate billings in 2007.

Audit staff noted that after the August 2007 merger, National Grid did not have a centralized or formalized process for documenting, tracking, and reporting merger savings. Instead, each line of business was responsible for tracking, recording, and supporting its own merger savings. National Grid created a quarterly performance report to compile merger savings for company executives. The first report covered the quarter ending December 31, 2007. However, merger savings for this report were compiled through informal phone inquiries. Beginning in March 2008, National Grid centralized and formalized the merger savings tracking and reporting process. Also, the company gave guidance on documentation standards. National Grid created a database with

---

<sup>35</sup> Additionally, National Grid said it inadvertently charged other merger costs to National Grid subsidiaries New England Hydro-Transmission Corporation, New England Electric-Transmission Corporation, and New England Hydro-Transmission Electric Corporation, as has been addressed elsewhere in this report.

National Grid USA

Docket No. FA09-10-000

breakdowns of all integration targets by initiative and deadlines. Further, National Grid implemented several levels of review of merger savings.

Audit staff is concerned that National Grid recovered merger-related costs from its customers before achieving an equal amount of documented savings. Audit staff believes that the hold-harmless provision in the Commission's merger order is to protect ratepayers from paying for merger-related costs absent from realized merger savings. National Grid's methodology of applying the hold-harmless provision is flawed and inappropriately shifts the risk to ratepayers if merger-related costs are recovered from ratepayers before the actual realization of merger savings. Therefore, audit staff believes that National Grid should not have recovered merger costs before achieving and documenting an equal amount of merger savings. As mentioned earlier, National Grid has implemented a centralized and formalized process for determining merger savings, and eventually compiled support for merger savings that exceeded merger costs after the first quarter of 2010.

### **Recommendations**

Audit staff recommends that going forward, National Grid adopt a policy not to pass merger-related costs through to customers before merger savings have been achieved and documented.

National Grid USA

Docket No. FA09-10-000

## Company Response



February 1, 2011

Bryan K. Craig  
Director and Chief Accountant  
Division of Audits  
Office of Enforcement  
Federal Energy Regulatory Commission  
888 First Street, NE  
RM 51-37  
Washington, DC 20426

Re: Docket No. FA09-10-000

Dear Mr. Craig:

National Grid USA ("National Grid" or "the Company") has carefully reviewed Audit Staff's January 14, 2011 draft Audit Report in the above-referenced docket addressing National Grid's compliance with: (1) the cross-subsidization restrictions on affiliate transactions; (2) accounting, recordkeeping, and reporting requirements; (3) the Uniform System of Accounts; and (4) the preservation of records requirements for holding companies and service companies.

As discussed in more detail below, National Grid agrees with the Audit Report findings and recommendations and, as noted in the Audit Report, has already implemented many of the corrective actions recommended therein. As described below, to the extent not already implemented, National Grid agrees to implement those corrective actions.

### **I. FINDING 1: ALLOCATION OF GLOBAL INFORMATION SERVICES COSTS**

**Recommendation No. 1:** Revise its cost allocation procedures to ensure that the IS function assigns and/or allocates costs based on the actual time or costs expended on activities or an appropriate alternative allocation method. National Grid should complete this revision and submit to the DA for review no later than 60 days after this audit report is issued;

**Recommendation No. 2:** Implement procedures to adjust budgeted amounts of global IS costs to reflect actual costs incurred in global IS activities; and

**Recommendation No. 3:** Conduct and document a study of its IS operations for a representative period to support the reasonableness of allocating global IS costs to its United States and United Kingdom operations. National Grid should complete this study and submit it to the DA no later than 180 days after this audit report is issued.

#### **National Grid USA Response:**

National Grid is revising its cost allocation procedures to ensure that the IS function assigns and/or allocates costs based on the actual time or costs expended on activities or an appropriate alternative allocation method, and will submit these revised procedures to the Division of Audits for review within 60 days of the issuance of the final Audit Report in this docket.

One MetroTech Center, Brooklyn, NY 11201-3850 ■ [www.nationalgrid.com](http://www.nationalgrid.com)

## National Grid USA

## Docket No. FA09-10-000

Bryan K. Craig  
Director and Chief Accountant  
February 1, 2011  
Page 2

National Grid is implementing procedures to adjust budgeted amounts of global IS costs to reflect actual costs incurred in global IS activities. The target completion date for the implementation of this recommendation will be contained in the comprehensive plan for the implementation of the Audit Report recommendations that will be submitted to Audit Staff within 30 days of the issuance of the final Audit Report in this docket.

National Grid is conducting a study of its IS operations for a representative period to support the reasonableness of allocating global IS costs to its United States and United Kingdom operations and will submit the completed study to the Division of Audits within 180 days of the issuance of the final Audit Report in this docket.

## **II. FINDING 2: ALLOCATION OF MERGER-RELATED COSTS**

**Recommendation No. 4:** Strengthen processes and follow its procedures to ensure that all companies are charged merger-related costs consistent with its cost-to-achieve procedures;

**Recommendation No. 5:** Record journal entries to reverse \$176,770 recorded on the books of MA Hydro, NH Hydro, and NEET from fiscal years 2007 through 2009; and

**Recommendation No. 6:** Refund to ratepayers the amount that improperly flowed through formula rate billing mechanisms, with interest.

### **National Grid USA Response:**

National Grid has strengthened its processes and compliance with its procedures to ensure that all companies are charged merger-related costs consistent with the Company's cost-to-achieve procedures. As described in the Audit Report, National Grid modified its processes to ensure that all merger-related costs incurred are included in the reallocation process.

As recognized in the Audit Report, National Grid has recorded journal entries to reverse the \$176,770 in cumulative amounts recorded on the books of MA Hydro, NH Hydro, and NEET from fiscal years 2007 through 2009. The correcting entries have been submitted to Audit Staff.

National Grid has already credited back to ratepayers the amount that improperly flowed through formula rate billing mechanisms, with interest. Documentation that these refunds have been made will be provided in the first quarterly report after this Audit Report is issued.

## **III. FINDING 3: ALLOCATION OF SOFTWARE LICENSE PERMIT COSTS**

**Recommendation No. 7:** Strengthen its policies and procedures to ensure that it accurately charges affiliates their appropriate share of software license permit costs; and

**Recommendation No. 8:** Record a correcting entry to reflect LIPA's 66.6 percent share of software license permit costs. To the extent the costs over-allocated to the National Grid affiliates have flowed through wholesale electric formula rate billing mechanisms, NGUSA should refund the over-allocated amounts, with interest.

## National Grid USA

Docket No. FA09-10-000

Bryan K. Craig  
Director and Chief Accountant  
February 1, 2011  
Page 3

**Recommendation No. 9:** Submit a copy of the final refund report to DA demonstrating the over-allocated amounts were refunded.

National Grid USA Response:

National Grid is strengthening its policies and procedures to ensure that it accurately charges affiliates their appropriate share of software license permit costs. The target completion date for the implementation of this recommendation will be contained in the comprehensive plan for the implementation of the Audit Report recommendations that will be submitted to Audit Staff within 30 days of the issuance of the final Audit Report in this docket.

National Grid has recorded a correcting entry to reflect LIPA's 66.6 percent share of software license permit costs. Documentation of the correcting entry will be submitted to Audit Staff within 30 days after the final Audit Report is issued. National Grid is determining the extent, if any, to which the costs over-allocated to the National Grid affiliates have flowed through wholesale electric formula rate billing mechanisms, and will refund the over-allocated amounts, with interest. The target completion date for the implementation of this recommendation will be contained in the comprehensive plan for the implementation of the Audit Report recommendations that will be submitted to Audit Staff within 30 days of the issuance of the final Audit Report in this docket.

National Grid will submit a copy of the final refund report to Audit Staff demonstrating that the over-allocated amounts were refunded. The target completion date for the implementation of this recommendation will be contained in the comprehensive plan for the implementation of the Audit Report recommendations that will be submitted to Audit Staff within 30 days of the issuance of the final Audit Report in this docket.

**IV. FINDING 4: ACCOUNTING AND ALLOCATION OF EXPATRIATE COSTS AND OFFICER AND DIRECTOR EXPENSES**

**Recommendation No. 10:** Analyze the nature, accounting, reporting, and ratemaking treatment for expatriate costs and other officer and director employee expenses;

**Recommendation No. 11:** Review its accounting procedures to ensure that its wholesale ratepayers are not burdened by costs that should be rightfully charged to shareholders;

**Recommendation No. 12:** Remove all costs determined to be shareholder costs from wholesale electric rates;

**Recommendation No. 13:** File a copy of the independent consultants (Liberty Consulting) report review of National Grid's accounting for expenses;

**Recommendation No. 14:** Make any necessary accounting adjustments to ensure that all expenses are properly accounted for;

**Recommendation No. 15:** File a copy of all accounting adjustments made as a result of the recommendations made in the independent consultant's report with the Division of Audits;

National Grid USA

Docket No. FA09-10-000

Bryan K. Craig  
Director and Chief Accountant  
February 1, 2011  
Page 4

**Recommendation No. 16:** Make refunds, with interest, to wholesale electric customers, to the extent that costs over allocated to or improperly accounted for by National Grid affiliates have flowed through wholesale electric formula rate billing mechanisms; and

**Recommendation No. 17:** Submit to DA a final report of the amounts refunded by National Grid affiliates to its wholesale electric customers, to the extent they were over-allocated, as well as expatriate costs, and officer and director expenses.

National Grid USA Response:

As noted in the Audit Report, National Grid has retained Liberty Consulting Group to conduct an independent analysis of the nature, accounting, reporting, and ratemaking treatment for expatriate costs and other officer and director employee expenses. Liberty Consulting Group is also reviewing National Grid's accounting procedures to ensure that its wholesale ratepayers are not burdened by costs that should be rightfully charged to shareholders. National Grid will remove any costs determined to be shareholder costs from wholesale electric rates.

National Grid will provide Audit Staff with a copy of Liberty Consulting Group's review of National Grid's accounting for expenses following the completion of that review.

National Grid will make any necessary accounting adjustments to ensure that all expenses are properly accounted for following the completion of the review performed by Liberty Consulting Group. National Grid will also provide to Audit Staff a copy of all accounting adjustments made as a result of the recommendations made in Liberty Consulting Group's report following the completion of Liberty Consulting Group's review. National Grid will make refunds, with interest, to wholesale electric customers, to the extent that costs over-allocated to or improperly accounted for by National Grid affiliates have flowed through wholesale electric formula rate billing mechanisms. Finally, National Grid will submit to the Division of Audits a final report of any amounts refunded by National Grid affiliates to its wholesale electric customers as a result of Liberty Consulting Group's review.

The target completion date for the implementation of these recommendations related to the review conducted by Liberty Consulting Group will be addressed in the comprehensive plan for the implementation of the Audit Report recommendations that will be submitted to Audit Staff within 30 days of the issuance of the final Audit Report in this docket.

National Grid USA

Docket No. FA09-10-000

Bryan K. Craig  
Director and Chief Accountant  
February 1, 2011  
Page 5

**V. FINDING 5: COMPROMISE SETTLEMENTS RESULTING FROM DISCRIMINATORY EMPLOYMENT PRACTICES**

**Recommendation No. 18:** Implement procedures to ensure that they record all amounts paid for compromise settlements resulting from discriminatory employment practices in the appropriate non-utility expense account; and

**Recommendation No. 19:** Determine if service company billings for \$15,000 flowed through formula rates during the audit period, and refund amounts to ratepayers to the extent that this was the case. File this analysis with the DA no later than 60 days after this audit report is issued.

National Grid USA Response:

National Grid is implementing procedures to ensure that the Company records all amounts paid for compromise settlements resulting from discriminatory employment practices in the appropriate non-utility expense account. The target completion date for the implementation of this recommendation will be contained in the comprehensive plan for the implementation of the Audit Report recommendations that will be submitted to Audit Staff within 30 days of the issuance of the final report in this docket.

National Grid will determine if service company billings for \$15,000 flowed through formula rates during the audit period, and refund amounts to ratepayers to the extent that this was the case. National Grid will provide this analysis to the Division of Audits within 60 days of the issuance of the final Audit Report in this docket.

**VI. FINDING 6: INABILITY OF ACCOUNTING SYSTEM TO RECONCILE TO CERTAIN FERC FORM NO. 60 ACCOUNTS**

**Recommendation No. 20:** Strengthen its processes and procedures for preparing its FERC Form No. 60 so all reported amounts can be reconciled with supporting source data and documentation;

**Recommendation No. 21:** Adopt a procedure to prepare all FERC Form No. 60s directly from its records at the end of each accounting period, according to prescribed accounts; and

**Recommendation No. 22:** Submit an update of all procedural and system improvements NGUSA implemented to ensure and facilitate the ready analysis of source data to the amounts reported in the FERC Form No. 60. NGUSA should file its update with the DA no later than 60 days after this audit report is issued.

National Grid USA Response:

As noted in the Audit Report, National Grid began corrective steps to improve the functionality of its PeopleSoft system in 2009. National Grid USA Service Company plans to use recent PeopleSoft functionality to create a link from the FERC Form No. 60 ledger to trace back to the source data in the PeopleSoft general ledger. This functionality is a major improvement that will

## National Grid USA

Docket No. FA09-10-000

Bryan K. Craig  
Director and Chief Accountant  
February 1, 2011  
Page 6

provide an "online" audit trail from the FERC Form No. 60 ledger back to the source data by retaining in a system log the relevant source data at the times that the summarization process to populate the FERC Form No. 60 ledger is run.

This solution has been implemented for the 2010 calendar year and will provide, beginning with the 2010 FERC Form No. 60, the trail from the FERC Form No. 60 ledger balances back through the PeopleSoft general ledger to the subsystems where source transactions are held. As a result of this new functionality, National Grid USA Service Company will have improved access to the supporting documentation for the amounts in the FERC Form No. 60 ledger. Combined with the topside adjustments made in preparing the FERC Form No. 60 itself, this functionality will allow National Grid USA Service Company to more easily provide supporting information for the final numbers reported on the FERC Form No. 60 filed each year. This solution will continue until National Grid USA Service Company moves to an integrated SAP accounting system.

National Grid will adopt a procedure to prepare all FERC Form No. 60s directly from its records at the end of each accounting period, according to prescribed accounts. The target completion date for the implementation of this recommendation will be contained in the comprehensive plan for the implementation of the Audit Report recommendations that will be submitted to Audit Staff within 30 days of the issuance of the final Audit Report in this docket.

National Grid will submit to the Division of Audits an update of all procedural and system improvements the Company implemented to ensure and facilitate the ready analysis of source data to the amounts reported in the FERC Form No. 60 within 60 days of the issuance of the final Audit Report in this docket.

**VII. FINDING 7: USE OF IMPROPER ACCOUNTS TO RECORD REVENUES FOR SERVICES RENDERED TO NON-ASSOCIATE COMPANIES**

**Recommendation No. 23:** Strengthen its accounting policies and procedures to ensure that the service company records billings for services rendered to non-associate companies in Account 458; and

**Recommendation No. 24:** Resubmit NGUSA's FERC Form No. 60s for 2006, 2007, and 2008 to include the corrected amounts of services rendered to non-associate companies. National Grid should file the resubmissions with the DA no later than 60 days after this audit report is issued.

**National Grid USA Response:**

National Grid will strengthen its accounting policies and procedures to ensure that the service company records billings for services rendered to non-associate companies in Account 458. The target completion date for the implementation of this recommendation will be contained in the comprehensive plan for the implementation of the Audit Report recommendations that will be submitted to Audit Staff within 30 days of the issuance of the final Audit Report in this docket.

## National Grid USA

## Docket No. FA09-10-000

Bryan K. Craig  
Director and Chief Accountant  
February 1, 2011  
Page 7

As noted in the Audit Report, on National Grid USA Service Company's 2008 FERC Form No. 60, National Grid accounting staff manually input Account 458 amounts in lieu of relying on the FERC Form No. 60 Reporting Database, which ensured that National Grid reported all 2008 Account 458 revenues under the Uniform System of Accounts. National Grid will resubmit National Grid USA Service Company's FERC Form No. 60s for 2006 and 2007 to include the corrected amounts of services rendered to non-associate companies and provide the resubmissions to the Division of Audits within 60 days of the issuance of the final Audit Report in this docket.

**VIII. FINDING 8: IMPROPER USE OF CLEARING ACCOUNTS**

**Recommendation No. 25:** Create procedures to ensure that NGUSA properly uses Accounts 184 and 186 in the future consistent with the USofA; and

**Recommendation No. 26:** Close its books at the end of each calendar year, including clearing all balances from its clearing accounts, or alternatively request a Commission waiver authorizing the company to continue closing its books on March 31 of each fiscal year end.

**National Grid USA Response:**

National Grid will create procedures to ensure that National Grid USA Service Company properly uses Accounts 184 and 186 in the future consistent with the USofA. The target completion date for the implementation of this recommendation will be contained in the comprehensive plan for the implementation of the Audit Report recommendations that will be submitted to Audit Staff within 30 days of the issuance of the final Audit Report in this docket.

With respect to Recommendation No. 26, National Grid offers the following clarification. National Grid does "close its books" for financial reporting purposes, including its Securities and Exchange Commission reporting obligations, on a fiscal year basis, with its fiscal year concluding on March 31st each year. However, National Grid also closes its books at the end of each calendar year in accordance with its regulatory accounting obligations, and in a manner that permits National Grid USA Service Company to provide the information required for FERC Form No. 60 reporting, which is done on a calendar year basis. To the extent amounts remain in the clearing accounts at calendar year-end, such amounts relate to a future period, *i.e.* the last quarter of National Grid's fiscal year, and are therefore consistent with 18 C.F.R. Section 367.1840.

National Grid acknowledges that some of the data responses provided during the audit may not have adequately distinguished between the calendar year-end closing of the books for regulatory accounting purposes and the fiscal year-end close for financial reporting. However, the fact is that National Grid does close its books for regulatory reporting at the end of the calendar year and does use clearing accounts in accordance with the Commission's Uniform System of Accounts. In response to Audit Staff's inquiry dated March 15, 2010, National Grid provided information regarding this distinction and an example of amounts in the clearing accounts being related to a future period, specifically the final period of National Grid's fiscal year.

National Grid USA

Docket No. FA09-10-000

Bryan K. Craig  
Director and Chief Accountant  
February 1, 2011  
Page 8

Given the foregoing clarification, to implement this recommendation National Grid proposes to continue to close its books for FERC regulatory accounting purposes at the end of the calendar year, although it will also maintain fiscal year accounting for financial reporting purposes. Consistent with 18 C.F.R. Section 367.1840, any balances in clearing accounts will be substantially cleared at the end-of-calendar-year close, except to the extent they relate to a future period, in this case the last quarter of the Company's fiscal year.

**IX. FINDING 9: DEFICIENCIES IN FERC FORM NO. 60 NOTES TO FINANCIAL STATEMENTS**

**Recommendation No. 27:** We recommend National Grid improve the notes of National Grid USA Service Company's FERC Form No. 60 financial statements such that they provide sufficient and descriptive details of the nature of any changes to transaction amounts, accounts, periods of time, and the resultant effect on financial statement accounts.

National Grid USA Response:

As noted in the Audit Report, in 2008 National Grid USA Service Company implemented corrective steps and significantly improved the notes to its financial statements, as reflected in its 2008 FERC Form No. 60.

**X. FINDING 10: REPORTING OF COST ALLOCATION INFORMATION**

**Recommendation No. 28:** Strengthen its policies and procedures to ensure that each service company accurately reports all the required information in its FERC Form No. 60. Submit copies of any written policies and procedures developed in response to audit staff's recommendations; and

**Recommendation No. 29:** Include all allocation methods used, and variants to such methodologies on page no. 402 of the FERC Form No. 60 for NGUSA and NGCS.

National Grid USA Response:

National Grid will strengthen its policies and procedures to ensure that each service company accurately reports all the required information in its FERC Form No. 60 and will submit copies of any written policies and procedures developed in response to Audit Staff's recommendations. The target completion date for the implementation of this recommendation will be contained in the comprehensive plan for the implementation of the Audit Report recommendations that will be submitted to Audit Staff within 30 days of the issuance of the final Audit Report in this docket.

In future FERC Form No. 60 filings, National Grid will include all allocation methods used, and the variants to such methodologies, which are not themselves separate allocation methods, on page no. 402 of the FERC Form No. 60 for National Grid USA Service Company and National Grid Corporate Services. The target completion date for the implementation of this recommendation will be contained in the comprehensive plan for the implementation of the Audit Report recommendations that will be submitted to Audit Staff within 30 days of the issuance of the final Audit Report in this docket.

National Grid USA

Docket No. FA09-10-000

Bryan K. Craig  
 Director and Chief Accountant  
 February 1, 2011  
 Page 9

**XI. FINDING 11: DELINQUENT FILINGS TO THE COMMISSION**

**Recommendation No. 30:** We recommend National Grid strengthen its processes for tracking and submitting compliance filings with the Commission in a timely manner.

**National Grid USA Response:**

National Grid has already implemented this recommendation. The Company has strengthened its processes for tracking and submitting compliance filings with the Commission in a timely manner by implementing a regulatory compliance database for tracking all regulatory filing requirements and ensuring that the appropriate individuals and teams within the Company are notified on a timely basis regarding such filings. Final system roll-out of the regulatory compliance database occurred in February 2009.

**XII. OTHER MATTER: HOLD HARMLESS PROVISION OF THE MERGER ORDER**

**Recommendation:** Audit staff recommends that going forward, National Grid adopt a policy not to pass merger-related costs through to customers before merger savings have been achieved and documented.

**National Grid USA Response:**

As noted in the Audit Report, the level of merger savings achieved through National Grid plc's merger with KeySpan Corporation surpassed National Grid's merger costs in the first quarter of 2010, within the five year "hold harmless" period offered by National Grid when it requested FERC approval of the merger.

Going forward, National Grid will adopt a policy not to pass merger-related costs through to customers before merger savings have been achieved and documented. The target completion date for the implementation of this recommendation will be contained in the comprehensive plan for the implementation of the Audit Report recommendations that will be submitted to Audit Staff within 30 days of the issuance of the final Audit Report in this docket.

\* \* \*

Finally, as recommended in the Audit Report, National Grid will: (1) submit for Audit Staff's review, within 30 days of the issuance of the final Audit Report in this docket, plans for implementing Audit Staff's recommendations; (2) submit all correcting entries to Audit Staff, unless otherwise indicated, within 30 days of the issuance of the final Audit Report in this docket, including all correcting entries affecting the books for the associated franchised public utilities; (3) submit quarterly reports to Audit Staff describing the Company's progress in completing each corrective action recommended in the final Audit Report in this docket; and (4) submit copies of any written policies and procedures developed in response to the recommendations in the final Audit Report for Audit Staff's review in the first quarterly filing after the Company completes these products; (5) submit to Audit Staff the New York Public Service Commission's independent consultant report within 30 days of the issuance of the consultant's

National Grid USA

Docket No. FA09-10-000

Bryan K. Craig  
Director and Chief Accountant  
February 1, 2011  
Page 10

final report; (6) submit to Audit Staff any processes, policies, and procedural modifications undertaken as a result of the consultant's report; and (7) submit to Audit Staff all the supporting documentation for adjustments made to its books and records, as well as wholesale formula rate billings.

National Grid appreciates Audit Staff's professionalism in conducting this audit. As a Company, we take our compliance obligations very seriously, and we welcome the opportunity to improve and enhance our regulatory compliance efforts.

Thank you for your time and attention in this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "Martin Wheatcroft".

Martin Wheatcroft  
Vice President & Controller  
US Accounting Services  
National Grid

Document Content(s)

FA09-10-000.DOC.....1-71

**FEDERAL ENERGY REGULATORY COMMISSION**  
WASHINGTON, D.C. 20426

In Reply Refer To:  
OCA-DOA  
Docket No. FA96-59-000

**AUG 15 1997**

Narragansett Electric Company  
Attention: Mr. Howard W. McDowell  
Controller  
c/o New England Power Service Company  
25 Research Drive  
Westborough, MA 01582-0099

Ladies and Gentlemen:

The Division of Audits, Office of the Chief Accountant, has completed the audit of the Narragansett Electric Company for the period of January 1, 1992, through December 31, 1996. We discussed our audit results with you on May 30, 1997. The enclosed audit report further explains our findings and recommendations.

We recommended that you record correcting accounting entries and establish accounting procedures to properly record accounting transactions related to the cost of property leased to others, revenues received from leased property to others, and regulatory liabilities recorded under the Statement of Financial Accounting Standard No. 109. Your June 23, 1997, letter stated that you agreed with our recommendations. A copy of your verbatim response is included as an Appendix to this report.

Please notify the Chief Accountant when you have completed the corrective actions. Your response should state the action taken and the completion date. If you subsequently disagree with our conclusions, you may file a request for rehearing by the Commission under 18 C.F.R. § 385.713 within 30 days of the date of this order.

I approve and direct the corrective actions recommended in the report under 18 C.F.R. § 385.713. This letter order constitutes final agency action on the corrective actions approved and directed in this report. This letter order is without prejudice to the Commission's right to require any later adjustments arising from additional information that may come to our attention.

Sincerely,

  
Joseph A. Frangipane  
Director, Division of Audits

Enclosure

# **FEDERAL ENERGY REGULATORY COMMISSION**

Audit Period: January 1, 1992, through December 31, 1996

## **Audit of Narragansett Electric Company**



**OFFICE OF THE CHIEF ACCOUNTANT  
DIVISION OF AUDITS**

## Table of Contents

<b>Summary</b> .....	<b>1</b>
Overview .....	1
Conclusions .....	1
Corrective Actions .....	1
<b>Introduction</b> .....	<b>3</b>
Background .....	3
Objective .....	3
Scope and Methodology .....	3
<b>Findings, Recommendations, and Corrective Actions</b> .....	<b>4</b>

### Utility Plant

1. Accounting Classification of Utility Plant .....	4
---	---

*The Narragansett Electric Company (NECO) did not have adequate accounting procedures to account properly for the cost of property leased to others and revenues received from the lease of property to others under Title 18 Code of Federal Regulations Part 101 (18 CFR Part 101).*

*We recommend NECO revise procedures to ensure it classifies electric property leased to others and revenues received from the lease of property to others under 18 CFR Part 101 and make a correcting entry to reclassify the original cost of the leased property to Account 104.*

**Table of Contents**  
(continued)

**Taxes**

2. Accounting Classification of Regulatory Liabilities . . . . . 7

*The Narragansett Electric Company (NECO) did not have adequate accounting procedures to account properly for regulatory liabilities recorded under Statement of Financial Accounting Standard No. 109 (SFAS 109).*

*We recommend NECO revise procedures to ensure it properly records regulatory liabilities associated with SFAS 109 under the Chief Accountant's guidance and record a correcting entry to reclassify the SFAS 109 regulatory liabilities.*

**Appendix**

NECO's verbatim responses

## Summary

### Overview

As authorized in the Federal Power Act, we examined the books and records of The Narragansett Electric Company (NECO) from January 1, 1992, through December 31, 1996. This was a financial-related audit to evaluate NECO's compliance with the Commission's accounting and reporting regulations in the Uniform System of Accounts, the FERC Form 1 annual report, and other related FERC policies and procedures.

### Conclusions

We did not find any material misrepresentations on the FERC Form 1 annual reports for 1992 through 1995. However, NECO did not have adequate accounting procedures to account properly for the cost of property leased to others and revenues received from the lease of property to others. Additionally, NECO did not have adequate accounting procedures to account properly for regulatory liabilities related to deferred taxes.

As a result, there were various accounting misclassifications, which resulted in nonmaterial understatements and overstatements on the December 31, 1995, balance sheet and income statement. We recommend NECO:

- Revise procedures to properly classify electric property leased to others
- Revise procedures to ensure it properly records revenues received from leased property
- Revise procedures to properly record regulatory liabilities
- Record correcting entries to reclassify the cost of leased property and regulatory liabilities

### Corrective Actions

NECO agreed with our recommendations and has planned or taken corrective actions to:

- Correct the improper accounting identified in the audit report
- Establish or revise accounting procedures to properly record accounting

transactions related to leased property and regulatory liabilities recorded under  
Statement of Financial Accounting Standards No. 109 (SFAS 109)

## **Introduction**

### **Background**

The Narragansett Electric Company (NECO) is a wholly-owned subsidiary of the New England Electric System (NEES) that operates in Rhode Island. NECO's core business is the distribution and sale of electricity at retail. The Company's service area covers approximately 80 percent of Rhode Island.

NECO's properties include an integrated system of transmission and distribution lines and substations. Under an all-requirements contract with the New England Power Company (NEP), the Company purchases its electric energy requirements from NEP.

The Company is subject to regulatory jurisdiction by the Federal Energy Regulatory Commission (FERC), Rhode Island Public Utilities Commission, and the Securities and Exchange Commission under the Public Utility Holding Company Act of 1935.

### **Objective**

Our objective was to evaluate NECO's compliance with Commission accounting and reporting regulations contained in the Uniform System of Accounts, the FERC Form 1 annual report, and other related FERC policies and procedures.

### **Scope and Methodology**

We conducted the audit from October 10, 1996, to May 30, 1997. We reviewed financial transactions, rate orders, and related supporting documentation from January 1, 1992, to December 31, 1995. The examination included selective tests of the accounting records and a review of the adequacy of internal controls. Specifically, we reviewed:

- NECO's accounting policies and procedures related to depreciation, current and deferred taxes, regulatory assets, plant, pensions, and post retirement benefits.
- The FERC Form 1 annual reports for 1992 through 1995

We also selectively tested NECO's compliance with the Code of Federal Regulations and the FERC orders and guidance.

The audit was conducted using generally accepted auditing standards.

# Findings, Recommendations, and Corrective Actions

## Utility Plant

### 1. Accounting Classification of Utility Plant

#### Synopsis

The Narragansett Electric Company (NECO) did not have adequate accounting procedures to account properly for the cost of property leased to others and revenues received from the lease of property to others under Title 18 Code of Federal Regulations Part 101 (18 CFR Part 101).

This occurred because NECO was unaware of the FERC guidance related to property leased to others. NECO classified \$615,265 of property leased to others, in Account 101 (Electric Plant in Service) instead of Account 104 (Electric Plant Leased to Others). Also, it classified \$382,280 of revenues received from the lease of property to others in Account 454 (Rent from Electric Property) instead of Account 412 (Revenues from Electric Plant Leased to Others).

As a result, it improperly classified costs on the balance sheet and revenues on the income statement. Because the leased property is fully depreciated, the balance sheet misclassification did not have any effect on rate base. However, had the property not been fully depreciated, the classification in Account 101 would have increased NECO's rate base in its rate filings and therefore, amounts collected from customers.

#### Recommendations

We recommend NECO:

- (1) Revise procedures to ensure it classifies electric property leased to others under 18 CFR Part 101 Account 104.
- (2) Revise procedures to ensure it classifies revenues received from the lease of property properly recorded in Account 104 under 18 CFR Part 101 Account 412.
- (3) Record the following correcting entry to reclassify the original cost of the leased property to Account 104:

<u>Account Number</u>	<u>Title</u>	<u>Debit</u>	<u>Credit</u>
104	Electric Plant Leased to Others	\$ 615,265	
101	Electric Plant in Service		\$ 615,265

### **Pertinent Guidance**

18 CFR Part 101 prescribes the Uniform System of Accounts (USofA) for public utilities and licensees subject to the provisions of the Federal Power Act. This section provides the account number, title, and an explanation of what costs utilities should include in the accounts. 18 CFR Part 101 Account 104 requires utilities to include the original cost of electric plant owned but leased to others as an operating unit or system in Account 104. 18 CFR Part 101 also states that Account 101 should only include the original cost of electric plant which the utility owns and uses in its utility operations.

Also, 18 CFR Part 101 Account 412 requires utilities to include revenues received from the lease of property properly classified in Account 104 in Account 412.

Additionally, 18 CFR Part 101 Account 413 (Expenses of Electric Plant Leased to Others) requires utilities to include expenses associated with the lease of property properly classified in Account 104 in Account 413.

### **Detailed Discussion**

In 1991, NECO deactivated its South Street Station Generating Plant (South Street) with the exception of two fully automated diesel driven electric generating units. When NECO deactivated South Street, it transferred the cost to Account 105 (Electric Plant Held for Future Use). In March 1992, it reclassified the cost of the diesel units (\$615,265) from Account 105 to Account 101.

In 1994, NECO leased the two diesel units to Nantucket Electric Company (Nantucket). The lease agreement gave Nantucket exclusive possession of the two diesel units. 18 CFR Part 101 Account 104 requires utilities to record the original cost of electric plant owned but leased to others as an operating unit or system, where the lessee has exclusive possession of the property, in Account 104. Since the two diesel units constitute an operating unit and NECO leased them exclusively to Nantucket, it should have classified them in Account 104 instead of Account 101.

Under the terms of the lease, NECO is to receive \$20,120 per month for 36 months beginning in June 1994. Through December 31, 1995, NECO received \$382,280 of revenues

under the lease. NECO recorded these revenues in Account 454. 18 CFR Part 101 Account 412 requires utilities to record revenues received from the lease of property properly includible in Account 104 in Account 412. Since NECO should have recorded the cost of the property in Account 104, it should have recorded the related revenues in Account 412.

During the lease, NECO incurred costs to maintain the units. It classified the costs in Account 551 (Maintenance Supervision and Engineering). 18 CFR Part 101 Account 413 requires utilities to record costs associated with the lease of property properly includible in Account 104 in Account 413. Since NECO should have recorded the cost of the property in Account 104, it should have recorded the related expenses in Account 413.

As a result of not being familiar with the accounting requirements for the cost of property leased to others and the associated revenues and expenses, NECO:

- Improperly classified \$615,265 in Account 101 instead of Account 104 which resulted in a misclassification on the balance sheet.
- Improperly classified lease revenues in Account 454 instead of Account 412 which resulted in a misclassification on the income statement.
- Improperly classified lease expenses in Account 551 instead of Account 413 which resulted in a misclassification on the income statement.

Beginning in 1997, NECO will not incur any additional maintenance expenses on the diesel units. Therefore, we did not include a recommendation in the report related to the expenses.

### **Corrective Actions**

**NECO's response to recommendation 1.** NECO agreed. The company will revise its procedures by December 31, 1997.

**NECO's response to recommendation 2.** NECO agreed. The company will revise its procedures by December 31, 1997.

**NECO's response to recommendation 3.** NECO agreed. They will make the correcting entry by December 31, 1997.

**FERC's comments on responses 1 through 3.** NECO's planned actions satisfy the recommendations.

## Taxes

### 2. Accounting Classification of Regulatory Liabilities

#### Synopsis

The Narragansett Electric Company (NECO) did not have adequate accounting procedures to account properly for regulatory liabilities recorded under Statement of Financial Accounting Standard No. 109 (SFAS 109).

This occurred because NECO misinterpreted the Chief Accountant's SFAS 109 accounting guidance letter. NECO did not feel the guidance required them to record regulatory assets and liabilities separately. NECO netted the SFAS 109 regulatory assets and liabilities as of December 31, 1995, in Account 182.3 (Other Regulatory Assets). NECO included \$5,428,615 of regulatory liabilities in Account 182.3 instead of Account 254 (Other Regulatory Liabilities).

As a result, it understated the December 31, 1995, balances in Accounts 182.3 and 254 by \$5,428,615.

#### Recommendations

We recommend NECO:

- (4) Revise procedures to ensure it properly records regulatory liabilities associated with SFAS 109 under the Chief Accountant's guidance.
- (5) Record the following correcting entry to reclassify the SFAS 109 regulatory liabilities as of December 31, 1995, to Account 254:

<u>Account Number</u>	<u>Title</u>	<u>Debit</u>	<u>Credit</u>
182.3	Other Regulatory Assets	\$5,428,615	
254	Other Regulatory Liabilities		\$5,428,615

#### Pertinent Guidance

The Chief Accountant's April 23, 1993, guidance letter, pertaining to Accounting for

Income Taxes, provides guidance for recording deferred income taxes (SFAS 109) and the corresponding regulatory assets and liabilities. The guidance requires companies to record regulatory liabilities associated with SFAS 109 deferred taxes in Account 254 and the regulatory assets in Account 182.3.

### **Detailed Discussion**

NECO adopted SFAS 109 during 1993. In implementing the provisions of SFAS 109, NECO recorded deferred taxes in Account 190 (Accumulated Deferred Income Taxes). The Chief Accountant's guidance letter requires companies to record a regulatory liability in Account 254 to offset SFAS 109 deferred taxes recorded in Account 190.

We recomputed NECO's 1995 SFAS 109 calculation and determined it should have recorded \$5,428,751 of deferred taxes in Account 190 as of December 31, 1995. NECO had \$5,428,615 of SFAS 109 deferred taxes recorded in Account 190 as of December 31, 1995. The \$136 difference between our calculation and the amount recorded is due to rounding.

The \$5,428,751 is made up of the following deferred taxes:

- \$4,316,108 on its accumulated deferred investment tax credit balance.
- \$1,112,643 of adjustments to Account 190 deferred tax balances.

Since NECO's SFAS 109 entries resulted in deferred taxes recorded in Account 190, the Chief Accountant's guidance requires a corresponding entry to Account 254. NECO did not classify any amounts in Account 254 related to SFAS 109 as of December 31, 1995. It recorded all SFAS 109 regulatory assets and liabilities in Account 182.3.

As a result of NECO's misinterpretation of the Chief Accountant's guidance letter, it recorded \$5,428,615 in Account 182.3 instead of Account 254 which resulted in a misclassification on the balance sheet.

### **Corrective Actions**

**NECO's response to recommendation 4.** NECO agreed. The company plans to revise its procedures by December 31, 1997.

**NECO's response to recommendation 5.** NECO agreed. The company will make the correcting entry by December 31, 1997

**FERC's comments on responses 4 and 5.** NECO's planned actions satisfy the recommendations.

Narragansett Electric  
*A NEES company*

June 23, 1997

Mr. Joseph A. Frangipane, Director  
Division of Audits  
Office of the Chief Accountant  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426

Dear Mr. Frangipane:

We have reviewed the FERC Audit Staff's draft audit report, including Staff's Compliance Exceptions, which was the result of their examination of Narragansett Electric Company's records from January 1, 1992 through December 31, 1996.

The Company concurs with the Compliance Exceptions and correcting entries included in the draft audit report.

Very truly yours,



Howard W. McDowell  
Controller

HWM/jah  
FERCaud.wpd

280 Melrose Street  
P.O. Box 1438  
Providence, RI 02901-1438  
Telephone: 401-784-7000



Index and Responses to the Commission's  
Rules on Practice and Procedure  
November 2017

Section 2.5(c)(4)      Securities and Exchange Commission reports 10-K and 10-Q for the last two years.

This requirement is not applicable to the Company.



Index and Responses to the Commission's  
Rules on Practice and Procedure  
November 2017

Section 2.5(c)(5)      Prospectus issued during the last two years.

The Company has not issued a prospectus over the prior two years.



Index and Responses to the Commission's  
Rules on Practice and Procedure  
November 2017

Section 2.5(c)(6)      Annual reports to stockholders for the last three years.

Please see Book 4 of 4 for the annual reports to stockholders for fiscal  
years ending March 31, 2014, 2015, and 2016.



Index and Responses to the Commission's  
Rules on Practice and Procedure  
November 2017

Section 2.5(c)(7)      Reconciliation between financial information provided in these filing requirements and the filing.

All significant differences between items shown in the filing and items in any of the above reports are specifically referred to and reconciled in the testimony, schedules, or workpapers filed as part of the case.

FERC Annual Reports for the last two years are provided in Section 2.5(c)(2) and FERC Form 3Q reports for the 6 months ended June 30, 2016 and June 30, 2017 are provided with this response. The 2016 FERC Annual Report and the FERC Form 3Q reports are reconciled to the test year or test year-end amounts in Workpaper MAL-11.

THIS FILING IS	
Item 1: <input checked="" type="checkbox"/> An Initial (Original) Submission	OR <input type="checkbox"/> Resubmission No. ____

Form 1 Approved  
OMB No.1902-0021  
(Expires 11/30/2016)  
Form 1-F Approved  
OMB No.1902-0029  
(Expires 11/30/2016)  
Form 3-Q Approved  
OMB No.1902-0205  
(Expires 11/30/2016)



# **FERC FINANCIAL REPORT**

## **FERC FORM No. 1: Annual Report of Major Electric Utilities, Licensees and Others and Supplemental Form 3-Q: Quarterly Financial Report**

These reports are mandatory under the Federal Power Act, Sections 3, 4(a), 304 and 309, and 18 CFR 141.1 and 141.400. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of confidential nature

<b>Exact Legal Name of Respondent (Company)</b> The Narragansett Electric Company	<b>Year/Period of Report</b> End of <u>2016/Q2</u>
--	---

## INSTRUCTIONS FOR FILING FERC FORM NOS. 1 and 3-Q

### GENERAL INFORMATION

#### I. Purpose

FERC Form No. 1 (FERC Form 1) is an annual regulatory requirement for Major electric utilities, licensees and others (18 C.F.R. § 141.1). FERC Form No. 3-Q (FERC Form 3-Q) is a quarterly regulatory requirement which supplements the annual financial reporting requirement (18 C.F.R. § 141.400). These reports are designed to collect financial and operational information from electric utilities, licensees and others subject to the jurisdiction of the Federal Energy Regulatory Commission. These reports are also considered to be non-confidential public use forms.

#### II. Who Must Submit

Each Major electric utility, licensee, or other, as classified in the Commission's Uniform System of Accounts Prescribed for Public Utilities and Licensees Subject To the Provisions of The Federal Power Act (18 C.F.R. Part 101), must submit FERC Form 1 (18 C.F.R. § 141.1), and FERC Form 3-Q (18 C.F.R. § 141.400).

Note: Major means having, in each of the three previous calendar years, sales or transmission service that exceeds one of the following:

- (1) one million megawatt hours of total annual sales,
- (2) 100 megawatt hours of annual sales for resale,
- (3) 500 megawatt hours of annual power exchanges delivered, or
- (4) 500 megawatt hours of annual wheeling for others (deliveries plus losses).

#### III. What and Where to Submit

(a) Submit FERC Forms 1 and 3-Q electronically through the forms submission software. Retain one copy of each report for your files. Any electronic submission must be created by using the forms submission software provided free by the Commission at its web site: <http://www.ferc.gov/docs-filing/eforms/form-1/elec-subm-soft.asp>. The software is used to submit the electronic filing to the Commission via the Internet.

(b) The Corporate Officer Certification must be submitted electronically as part of the FERC Forms 1 and 3-Q filings.

(c) Submit immediately upon publication, by either eFiling or mail, two (2) copies to the Secretary of the Commission, the latest Annual Report to Stockholders. Unless eFiling the Annual Report to Stockholders, mail the stockholders report to the Secretary of the Commission at:

Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426

(d) For the CPA Certification Statement, submit within 30 days after filing the FERC Form 1, a letter or report (not applicable to filers classified as Class C or Class D prior to January 1, 1984). The CPA Certification Statement can be either eFiled or mailed to the Secretary of the Commission at the address above.

The CPA Certification Statement should:

- a) Attest to the conformity, in all material aspects, of the below listed (schedules and pages) with the Commission's applicable Uniform System of Accounts (including applicable notes relating thereto and the Chief Accountant's published accounting releases), and
- b) Be signed by independent certified public accountants or an independent licensed public accountant certified or licensed by a regulatory authority of a State or other political subdivision of the U. S. (See 18 C.F.R. §§ 41.10-41.12 for specific qualifications.)

<u>Reference Schedules</u>	<u>Pages</u>
Comparative Balance Sheet	110-113
Statement of Income	114-117
Statement of Retained Earnings	118-119
Statement of Cash Flows	120-121
Notes to Financial Statements	122-123

- e) The following format must be used for the CPA Certification Statement unless unusual circumstances or conditions, explained in the letter or report, demand that it be varied. Insert parenthetical phrases only when exceptions are reported.

"In connection with our regular examination of the financial statements of \_\_\_\_\_ for the year ended on which we have reported separately under date of \_\_\_\_\_, we have also reviewed schedules \_\_\_\_\_ of FERC Form No. 1 for the year filed with the Federal Energy Regulatory Commission, for conformity in all material respects with the requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases. Our review for this purpose included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Based on our review, in our opinion the accompanying schedules identified in the preceding paragraph (except as noted below) conform in all material respects with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases."

The letter or report must state which, if any, of the pages above do not conform to the Commission's requirements. Describe the discrepancies that exist.

- (f) Filers are encouraged to file their Annual Report to Stockholders, and the CPA Certification Statement using eFiling. To further that effort, new selections, "Annual Report to Stockholders," and "CPA Certification Statement" have been added to the dropdown "pick list" from which companies must choose when eFiling. Further instructions are found on the Commission's website at <http://www.ferc.gov/help/how-to.asp>.

- (g) Federal, State and Local Governments and other authorized users may obtain additional blank copies of FERC Form 1 and 3-Q free of charge from <http://www.ferc.gov/docs-filing/eforms/form-1/form-1.pdf> and <http://www.ferc.gov/docs-filing/eforms.asp#3Q-gas>.

#### **IV. When to Submit:**

FERC Forms 1 and 3-Q must be filed by the following schedule:

- a) FERC Form 1 for each year ending December 31 must be filed by April 18<sup>th</sup> of the following year (18 CFR § 141.1), and
- b) FERC Form 3-Q for each calendar quarter must be filed within 60 days after the reporting quarter (18 C.F.R. § 141.400).

**V. Where to Send Comments on Public Reporting Burden.**

The public reporting burden for the FERC Form 1 collection of information is estimated to average 1,144 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data-needed, and completing and reviewing the collection of information. The public reporting burden for the FERC Form 3-Q collection of information is estimated to average 150 hours per response.

Send comments regarding these burden estimates or any aspect of these collections of information, including suggestions for reducing burden, to the Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426 (Attention: Information Clearance Officer); and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503 (Attention: Desk Officer for the Federal Energy Regulatory Commission). No person shall be subject to any penalty if any collection of information does not display a valid control number (44 U.S.C. § 3512 (a)).

## GENERAL INSTRUCTIONS

- I. Prepare this report in conformity with the Uniform System of Accounts (18 CFR Part 101) (USofA). Interpret all accounting words and phrases in accordance with the USofA.
- II. Enter in whole numbers (dollars or MWH) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important. The truncating of cents is allowed except on the four basic financial statements where rounding is required.) The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting period, and use for statement of income accounts the current year's year to date amounts.
- III. Complete each question fully and accurately, even if it has been answered in a previous report. Enter the word "None" where it truly and completely states the fact.
- IV. For any page(s) that is not applicable to the respondent, omit the page(s) and enter "NA," "NONE," or "Not Applicable" in column (d) on the List of Schedules, pages 2 and 3.
- V. Enter the month, day, and year for all dates. Use customary abbreviations. **The "Date of Report" included in the header of each page is to be completed only for resubmissions** (see VII. below).
- VI. Generally, except for certain schedules, all numbers, whether they are expected to be debits or credits, must be reported as positive. Numbers having a sign that is different from the expected sign must be reported by enclosing the numbers in parentheses.
- VII. For any resubmissions, submit the electronic filing using the form submission software only. Please explain the reason for the resubmission in a footnote to the data field.
- VIII. Do not make references to reports of previous periods/years or to other reports in lieu of required entries, except as specifically authorized.
- IX. Wherever (schedule) pages refer to figures from a previous period/year, the figures reported must be based upon those shown by the report of the previous period/year, or an appropriate explanation given as to why the different figures were used.

Definitions for statistical classifications used for completing schedules for transmission system reporting are as follows:

FNS - Firm Network Transmission Service for Self. "Firm" means service that can not be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Network Service" is Network Transmission Service as described in Order No. 888 and the Open Access Transmission Tariff. "Self" means the respondent.

FNO - Firm Network Service for Others. "Firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Network Service" is Network Transmission Service as described in Order No. 888 and the Open Access Transmission Tariff.

LFP - for Long-Term Firm Point-to-Point Transmission Reservations. "Long-Term" means one year or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Point-to-Point Transmission Reservations" are described in Order No. 888 and the Open Access Transmission Tariff. For all transactions identified as LFP, provide in a footnote the

termination date of the contract defined as the earliest date either buyer or seller can unilaterally cancel the contract.

OLF - Other Long-Term Firm Transmission Service. Report service provided under contracts which do not conform to the terms of the Open Access Transmission Tariff. "Long-Term" means one year or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. For all transactions identified as OLF, provide in a footnote the termination date of the contract defined as the earliest date either buyer or seller can unilaterally get out of the contract.

SFP - Short-Term Firm Point-to-Point Transmission Reservations. Use this classification for all firm point-to-point transmission reservations, where the duration of each period of reservation is less than one-year.

NF - Non-Firm Transmission Service, where firm means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions.

OS - Other Transmission Service. Use this classification only for those services which can not be placed in the above-mentioned classifications, such as all other service regardless of the length of the contract and service FERC Form. Describe the type of service in a footnote for each entry.

AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment.

#### DEFINITIONS

I. Commission Authorization (Comm. Auth.) -- The authorization of the Federal Energy Regulatory Commission, or any other Commission. Name the commission whose authorization was obtained and give date of the authorization.

II. Respondent -- The person, corporation, licensee, agency, authority, or other Legal entity or instrumentality in whose behalf the report is made.

## EXCERPTS FROM THE LAW

### Federal Power Act, 16 U.S.C. § 791a-825r

Sec. 3. The words defined in this section shall have the following meanings for purposes of this Act, to with:

(3) 'Corporation' means any corporation, joint-stock company, partnership, association, business trust, organized group of persons, whether incorporated or not, or a receiver or receivers, trustee or trustees of any of the foregoing. It shall not include 'municipalities, as hereinafter defined;

(4) 'Person' means an individual or a corporation;

(5) 'Licensee, means any person, State, or municipality Licensed under the provisions of section 4 of this Act, and any assignee or successor in interest thereof;

(7) 'municipality means a city, county, irrigation district, drainage district, or other political subdivision or agency of a State competent under the Laws thereof to carry and the business of developing, transmitting, unitizing, or distributing power; .....

(11) "project' means. a complete unit of improvement or development, consisting of a power house, all water conduits, all dams and appurtenant works and structures (including navigation structures) which are a part of said unit, and all storage, diverting, or fore bay reservoirs directly connected therewith, the primary line or lines transmitting power there from to the point of junction with the distribution system or with the interconnected primary transmission system, all miscellaneous structures used and useful in connection with said unit or any part thereof, and all water rights, rights-of-way, ditches, dams, reservoirs, Lands, or interest in Lands the use and occupancy of which are necessary or appropriate in the maintenance and operation of such unit;

"Sec. 4. The Commission is hereby authorized and empowered

(a) To make investigations and to collect and record data concerning the utilization of the water 'resources of any region to be developed, the water-power industry and its relation to other industries and to interstate or foreign commerce, and concerning the location, capacity, development -costs, and relation to markets of power sites; ... to the extent the Commission may deem necessary or useful for the purposes of this Act."


"Sec. 304. (a) Every Licensee and every public utility shall file with the Commission such annual and other periodic or special\* reports as the Commission may be rules and regulations or other prescribe as necessary or appropriate to assist the Commission in the -proper administration of this Act. The Commission may prescribe the manner and FERC Form in which such reports salt be made, and require from such persons specific answers to all questions upon which the Commission may need information. The Commission may require that such reports shall include, among other things, full information as to assets and Liabilities, capitalization, net investment, and reduction thereof, gross receipts, interest due and paid, depreciation, and other reserves, cost of project and other facilities, cost of maintenance and operation of the project and other facilities, cost of renewals and replacement of the project works and other facilities, depreciation, generation, transmission, distribution, delivery, use, and sale of electric energy. The Commission may require any such person to make adequate provision for currently determining such costs and other facts. Such reports shall be made under oath unless the Commission otherwise specifies\*. 10

"Sec. 309. The Commission shall have power to perform any and all acts, and to prescribe, issue, make, and rescind such orders, rules and regulations as it may find necessary or appropriate to carry out the provisions of this Act. Among other things, such rules and regulations may define accounting, technical, and trade terms used in this Act; and may prescribe the FERC Form or FERC Forms of all statements, declarations, applications, and reports to be filed with the Commission, the information which they shall contain, and the time within which they shall be filed..."

#### **General Penalties**

The Commission may assess up to \$1 million per day per violation of its rules and regulations. *See* FPA § 316(a) (2005), 16 U.S.C. § 825o(a).

**FERC FORM NO. 1/3-Q:  
REPORT OF MAJOR ELECTRIC UTILITIES, LICENSEES AND OTHER**

IDENTIFICATION		
01 Exact Legal Name of Respondent The Narragansett Electric Company		02 Year/Period of Report End of <u>2016/Q2</u>
03 Previous Name and Date of Change (if name changed during year) / /		
04 Address of Principal Office at End of Period (Street, City, State, Zip Code) 280 Melrose Street, Providence, RI 02907		
05 Name of Contact Person Joseph Marrese		06 Title of Contact Person Director
07 Address of Contact Person (Street, City, State, Zip Code) One MetroTech Center, Brooklyn, NY 11201		
08 Telephone of Contact Person, Including Area Code (929) 324-4805	09 This Report Is (1) <input checked="" type="checkbox"/> An Original      (2) <input type="checkbox"/> A Resubmission	10 Date of Report (Mo, Da, Yr) / /
QUARTERLY CORPORATE OFFICER CERTIFICATION		
<p>The undersigned officer certifies that:</p> <p>I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.</p>		
01 Name Sharon Partridge	03 Signature  Sharon Partridge	04 Date Signed (Mo, Da, Yr) <u>08/26/2016</u>
02 Title Vice President, US Financial Contro		
<p>Title 18, U.S.C. 1001 makes it a crime for any person to knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.</p>		



Name of Respondent The Narragansett Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report / /	Year/Period of Report End of 2016/Q2
IMPORTANT CHANGES DURING THE QUARTER/YEAR			
<p>Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Each inquiry should be answered. Enter "none," "not applicable," or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.</p> <ol style="list-style-type: none"> <li>Changes in and important additions to franchise rights: Describe the actual consideration given therefore and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact.</li> <li>Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.</li> <li>Purchase or sale of an operating unit or system: Give a brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission.</li> <li>Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other condition. State name of Commission authorizing lease and give reference to such authorization.</li> <li>Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.</li> <li>Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees including issuance of short-term debt and commercial paper having a maturity of one year or less. Give reference to FERC or State Commission authorization, as appropriate, and the amount of obligation or guarantee.</li> <li>Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.</li> <li>State the estimated annual effect and nature of any important wage scale changes during the year.</li> <li>State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.</li> <li>Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on Page 104 or 105 of the Annual Report Form No. 1, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.</li> <li>(Reserved.)</li> <li>If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by Instructions 1 to 11 above, such notes may be included on this page.</li> <li>Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period.</li> <li>In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio.</li> </ol>			
<p>PAGE 108 INTENTIONALLY LEFT BLANK SEE PAGE 109 FOR REQUIRED INFORMATION.</p>			

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
The Narragansett Electric Company			2016/Q2
IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

1. Changes in Franchise Rights:  
None
2. Information on consolidations, mergers, and reorganizations:  
None
3. Purchase or sale of an operating unit or system:  
None
4. Important Leaseholds:  
None
5. Important extension or reduction of transmission or distribution system:  
None
6. Issuance of securities or assumption of liabilities or guarantees:  
None
7. Changes in Articles of Incorporation:  
None
8. Wage Scale Increase:  
None
9. Status of Legal Proceedings:  
Refer to page 123- Notes to the Financial Statements - Note 10 Commitments and Contingencies
10. Additional Material Transactions Not Reported Elsewhere in this Report:  
None
11. Reserved:  
None
12. N/A
13. Changes in General Officer:  
None
14. N/A

Name of Respondent The Narragansett Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2016/Q2</u>
<b>COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)</b>				
Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	<b>UTILITY PLANT</b>			
2	Utility Plant (101-106, 114)	200-201	4,158,587,782	4,062,349,365
3	Construction Work in Progress (107)	200-201	185,599,082	135,113,656
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		4,344,186,864	4,197,463,021
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200-201	1,180,791,206	1,146,104,952
6	Net Utility Plant (Enter Total of line 4 less 5)		3,163,395,658	3,051,358,069
7	Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab. (120.1)	202-203	0	0
8	Nuclear Fuel Materials and Assemblies-Stock Account (120.2)		0	0
9	Nuclear Fuel Assemblies in Reactor (120.3)		0	0
10	Spent Nuclear Fuel (120.4)		0	0
11	Nuclear Fuel Under Capital Leases (120.6)		0	0
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203	0	0
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)		0	0
14	Net Utility Plant (Enter Total of lines 6 and 13)		3,163,395,658	3,051,358,069
15	Utility Plant Adjustments (116)		0	0
16	Gas Stored Underground - Noncurrent (117)		0	0
17	<b>OTHER PROPERTY AND INVESTMENTS</b>			
18	Nonutility Property (121)		5,281,520	5,281,520
19	(Less) Accum. Prov. for Depr. and Amort. (122)		64,370	58,745
20	Investments in Associated Companies (123)		0	0
21	Investment in Subsidiary Companies (123.1)	224-225	0	0
22	(For Cost of Account 123.1, See Footnote Page 224, line 42)			
23	Noncurrent Portion of Allowances	228-229	0	0
24	Other Investments (124)		2,833,660	2,736,648
25	Sinking Funds (125)		0	0
26	Depreciation Fund (126)		0	0
27	Amortization Fund - Federal (127)		0	0
28	Other Special Funds (128)		5,488,329	5,355,961
29	Special Funds (Non Major Only) (129)		0	0
30	Long-Term Portion of Derivative Assets (175)		0	0
31	Long-Term Portion of Derivative Assets - Hedges (176)		2,962,118	103,142
32	TOTAL Other Property and Investments (Lines 18-21 and 23-31)		16,501,257	13,418,526
33	<b>CURRENT AND ACCRUED ASSETS</b>			
34	Cash and Working Funds (Non-major Only) (130)		0	0
35	Cash (131)		2,871,567	11,530,326
36	Special Deposits (132-134)		6,009,532	22,813,122
37	Working Fund (135)		0	0
38	Temporary Cash Investments (136)		0	0
39	Notes Receivable (141)		0	0
40	Customer Accounts Receivable (142)		161,859,337	182,666,455
41	Other Accounts Receivable (143)		9,090,648	8,310,288
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		24,177,772	27,112,052
43	Notes Receivable from Associated Companies (145)		0	0
44	Accounts Receivable from Assoc. Companies (146)		32,466,886	53,639,881
45	Fuel Stock (151)	227	0	0
46	Fuel Stock Expenses Undistributed (152)	227	0	0
47	Residuals (Elec) and Extracted Products (153)	227	0	0
48	Plant Materials and Operating Supplies (154)	227	12,982,368	11,892,430
49	Merchandise (155)	227	0	0
50	Other Materials and Supplies (156)	227	0	0
51	Nuclear Materials Held for Sale (157)	202-203/227	0	0
52	Allowances (158.1 and 158.2)	228-229	132,480	7,531,472

Name of Respondent The Narragansett Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2016/Q2</u>
<b>COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)(Continued)</b>				
Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
53	(Less) Noncurrent Portion of Allowances		0	0
54	Stores Expense Undistributed (163)	227	0	0
55	Gas Stored Underground - Current (164.1)		7,390,915	9,327,355
56	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)		2,733,364	3,646,413
57	Prepayments (165)		1,170,585	345,636
58	Advances for Gas (166-167)		0	0
59	Interest and Dividends Receivable (171)		0	0
60	Rents Receivable (172)		1,259,300	1,346,455
61	Accrued Utility Revenues (173)		43,585,100	53,000,928
62	Miscellaneous Current and Accrued Assets (174)		66,998	11,371
63	Derivative Instrument Assets (175)		0	0
64	(Less) Long-Term Portion of Derivative Instrument Assets (175)		0	0
65	Derivative Instrument Assets - Hedges (176)		3,101,000	1,117,251
66	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)		0	0
67	Total Current and Accrued Assets (Lines 34 through 66)		260,542,308	340,067,331
68	<b>DEFERRED DEBITS</b>			
69	Unamortized Debt Expenses (181)		1,849,664	1,883,769
70	Extraordinary Property Losses (182.1)	230a	0	0
71	Unrecovered Plant and Regulatory Study Costs (182.2)	230b	0	0
72	Other Regulatory Assets (182.3)	232	612,434,960	618,295,283
73	Prelim. Survey and Investigation Charges (Electric) (183)		2,740,961	1,140,939
74	Preliminary Natural Gas Survey and Investigation Charges 183.1)		67,968	67,968
75	Other Preliminary Survey and Investigation Charges (183.2)		0	0
76	Clearing Accounts (184)		1,067,648	243,198
77	Temporary Facilities (185)		0	0
78	Miscellaneous Deferred Debits (186)	233	55,126	486,632
79	Def. Losses from Disposition of Utility Plt. (187)		0	0
80	Research, Devel. and Demonstration Expend. (188)	352-353	0	0
81	Unamortized Loss on Reaquired Debt (189)		3,020,387	3,118,934
82	Accumulated Deferred Income Taxes (190)	234	302,795,400	290,486,457
83	Unrecovered Purchased Gas Costs (191)		0	0
84	Total Deferred Debits (lines 69 through 83)		924,032,114	915,723,180
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		4,364,471,337	4,320,567,106

Name of Respondent The Narragansett Electric Company		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (mo, da, yr) / /	Year/Period of Report end of 2016/Q2
<b>COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)</b>				
Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)	250-251	56,624,350	56,624,350
3	Preferred Stock Issued (204)	250-251	2,454,450	2,454,450
4	Capital Stock Subscribed (202, 205)		0	0
5	Stock Liability for Conversion (203, 206)		0	0
6	Premium on Capital Stock (207)		0	0
7	Other Paid-In Capital (208-211)	253	1,354,981,569	1,354,971,718
8	Installments Received on Capital Stock (212)	252	0	0
9	(Less) Discount on Capital Stock (213)	254	0	0
10	(Less) Capital Stock Expense (214)	254b	0	0
11	Retained Earnings (215, 215.1, 216)	118-119	429,795,547	378,054,551
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	0	0
13	(Less) Reaquired Capital Stock (217)	250-251	0	0
14	Noncorporate Proprietorship (Non-major only) (218)		0	0
15	Accumulated Other Comprehensive Income (219)	122(a)(b)	-1,496,607	-1,764,418
16	Total Proprietary Capital (lines 2 through 15)		1,842,359,309	1,790,340,651
17	LONG-TERM DEBT			
18	Bonds (221)	256-257	848,839,000	848,839,000
19	(Less) Reaquired Bonds (222)	256-257	0	0
20	Advances from Associated Companies (223)	256-257	0	0
21	Other Long-Term Debt (224)	256-257	0	0
22	Unamortized Premium on Long-Term Debt (225)		0	0
23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		2,469,223	2,581,115
24	Total Long-Term Debt (lines 18 through 23)		846,369,777	846,257,885
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases - Noncurrent (227)		0	0
27	Accumulated Provision for Property Insurance (228.1)		0	0
28	Accumulated Provision for Injuries and Damages (228.2)		11,601,605	10,714,021
29	Accumulated Provision for Pensions and Benefits (228.3)		0	0
30	Accumulated Miscellaneous Operating Provisions (228.4)		0	0
31	Accumulated Provision for Rate Refunds (229)		0	0
32	Long-Term Portion of Derivative Instrument Liabilities		1,480,406	6,066,716
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
34	Asset Retirement Obligations (230)		10,130,302	2,142,917
35	Total Other Noncurrent Liabilities (lines 26 through 34)		23,212,313	18,923,654
36	CURRENT AND ACCRUED LIABILITIES			
37	Notes Payable (231)		0	0
38	Accounts Payable (232)		124,345,397	119,005,020
39	Notes Payable to Associated Companies (233)		140,361,914	199,446,802
40	Accounts Payable to Associated Companies (234)		72,730,979	38,411,164
41	Customer Deposits (235)		13,354,107	13,486,547
42	Taxes Accrued (236)	262-263	6,173,694	434,103
43	Interest Accrued (237)		9,460,676	9,631,274
44	Dividends Declared (238)		27,613	27,613
45	Matured Long-Term Debt (239)		0	0

Name of Respondent The Narragansett Electric Company		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (mo, da, yr) / /	Year/Period of Report end of 2016/Q2
COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS) (Continued)					
Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)	
46	Matured Interest (240)		0	0	
47	Tax Collections Payable (241)		208,295	-464,344	
48	Miscellaneous Current and Accrued Liabilities (242)		24,194,434	47,097,056	
49	Obligations Under Capital Leases-Current (243)		0	0	
50	Derivative Instrument Liabilities (244)		0	0	
51	(Less) Long-Term Portion of Derivative Instrument Liabilities		0	0	
52	Derivative Instrument Liabilities - Hedges (245)		6,632,961	24,760,218	
53	(Less) Long-Term Portion of Derivative Instrument Liabilities-Hedges		0	0	
54	Total Current and Accrued Liabilities (lines 37 through 53)		397,490,070	451,835,453	
55	DEFERRED CREDITS				
56	Customer Advances for Construction (252)		28	27	
57	Accumulated Deferred Investment Tax Credits (255)	266-267	155,152	214,504	
58	Deferred Gains from Disposition of Utility Plant (256)		0	0	
59	Other Deferred Credits (253)	269	320,384,449	321,064,441	
60	Other Regulatory Liabilities (254)	278	107,328,155	105,554,433	
61	Unamortized Gain on Reacquired Debt (257)		0	0	
62	Accum. Deferred Income Taxes-Accel. Amort.(281)	272-277	0	0	
63	Accum. Deferred Income Taxes-Other Property (282)		574,602,775	546,993,582	
64	Accum. Deferred Income Taxes-Other (283)		252,569,309	239,382,476	
65	Total Deferred Credits (lines 56 through 64)		1,255,039,868	1,213,209,463	
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)		4,364,471,337	4,320,567,106	





Name of Respondent The Narragansett Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /		Year/Period of Report End of 2016/Q2	
STATEMENT OF INCOME FOR THE YEAR (continued)							
Line No.	Title of Account (a)	(Ref.) Page No. (b)	TOTAL		Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)	
			Current Year (c)	Previous Year (d)			
27	Net Utility Operating Income (Carried forward from page 114)		74,426,568	65,307,427	29,359,501	16,203,978	
28	Other Income and Deductions						
29	Other Income						
30	Nonutility Operating Income						
31	Revenues From Merchandising, Jobbing and Contract Work (415)						
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)						
33	Revenues From Nonutility Operations (417)		459,720	278,841	160,460	78,979	
34	(Less) Expenses of Nonutility Operations (417.1)		586,384	950,385	20,227	362,908	
35	Nonoperating Rental Income (418)						
36	Equity in Earnings of Subsidiary Companies (418.1)	119					
37	Interest and Dividend Income (419)		2,369,498	3,439,460	1,164,641	1,671,225	
38	Allowance for Other Funds Used During Construction (419.1)		-2,596,765	1,068,548	-46,694	904,651	
39	Miscellaneous Nonoperating Income (421)		83,066	-38,844	-22,107	158,154	
40	Gain on Disposition of Property (421.1)						
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		-270,865	3,797,620	1,236,073	2,450,101	
42	Other Income Deductions						
43	Loss on Disposition of Property (421.2)						
44	Miscellaneous Amortization (425)						
45	Donations (426.1)		694,362	412,186	188,629	203,495	
46	Life Insurance (426.2)		131,477	-37,268	108,133	119,187	
47	Penalties (426.3)		277,547	135,067	16,500	1,000	
48	Exp. for Certain Civic, Political & Related Activities (426.4)		290,523	237,585	143,578	104,163	
49	Other Deductions (426.5)		-3,429,314	777,555	-1,257,253	116,696	
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		-2,035,405	1,525,125	-800,413	544,541	
51	Taxes Applic. to Other Income and Deductions						
52	Taxes Other Than Income Taxes (408.2)	262-263	15,243	176,431	7,622	7,574	
53	Income Taxes-Federal (409.2)	262-263		162,748		301,955	
54	Income Taxes-Other (409.2)	262-263					
55	Provision for Deferred Inc. Taxes (410.2)	234, 272-277	1,549,541		752,617		
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272-277					
57	Investment Tax Credit Adj.-Net (411.5)						
58	(Less) Investment Tax Credits (420)						
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		1,564,784	339,179	760,239	309,529	
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		199,756	1,933,316	1,276,247	1,596,031	
61	Interest Charges						
62	Interest on Long-Term Debt (427)		21,567,184	21,620,434	10,727,727	10,754,274	
63	Amort. of Debt Disc. and Expense (428)		155,042	145,172	72,998	63,952	
64	Amortization of Loss on Reaquired Debt (428.1)		98,548	129,393	46,189	64,696	
65	(Less) Amort. of Premium on Debt-Credit (429)						
66	(Less) Amortization of Gain on Reaquired Debt-Credit (429.1)						
67	Interest on Debt to Assoc. Companies (430)		721,042	437,083	392,395	364,319	
68	Other Interest Expense (431)		-220,590	3,833,878	-397,372	-1,330,779	
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		-508,876	766,880	225,956	627,578	
70	Net Interest Charges (Total of lines 62 thru 69)		22,830,102	25,399,080	10,615,981	9,288,884	
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		51,796,222	41,841,663	20,019,767	8,511,125	
72	Extraordinary Items						
73	Extraordinary Income (434)						
74	(Less) Extraordinary Deductions (435)						
75	Net Extraordinary Items (Total of line 73 less line 74)						
76	Income Taxes-Federal and Other (409.3)	262-263					
77	Extraordinary Items After Taxes (line 75 less line 76)						
78	Net Income (Total of line 71 and 77)		51,796,222	41,841,663	20,019,767	8,511,125	

Name of Respondent The Narragansett Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q2
---	---	---------------------------------------	---

## STATEMENT OF RETAINED EARNINGS

- Do not report Lines 49-53 on the quarterly version.
- Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.
- Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)
- State the purpose and amount of each reservation or appropriation of retained earnings.
- List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
- Show dividends for each class and series of capital stock.
- Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
- Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
- If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)			
1	Balance-Beginning of Period		378,054,551	287,729,569
2	Changes			
3	Adjustments to Retained Earnings (Account 439)			
4				
5				
6				
7				
8				
9	TOTAL Credits to Retained Earnings (Acct. 439)			
10				
11				
12				
13				
14				
15	TOTAL Debits to Retained Earnings (Acct. 439)			
16	Balance Transferred from Income (Account 433 less Account 418.1)		51,796,222	41,841,663
17	Appropriations of Retained Earnings (Acct. 436)			
18				
19				
20				
21				
22	TOTAL Appropriations of Retained Earnings (Acct. 436)			
23	Dividends Declared-Preferred Stock (Account 437)			
24	Dividends Declared-Preferred Stock		-55,226	( 55,226)
25				
26				
27				
28				
29	TOTAL Dividends Declared-Preferred Stock (Acct. 437)		-55,226	( 55,226)
30	Dividends Declared-Common Stock (Account 438)			
31				
32				
33				
34				
35				
36	TOTAL Dividends Declared-Common Stock (Acct. 438)			
37	Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings			
38	Balance - End of Period (Total 1,9,15,16,22,29,36,37)		429,795,547	329,516,006
	APPROPRIATED RETAINED EARNINGS (Account 215)			
39				
40				



Name of Respondent The Narragansett Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q2
<b>STATEMENT OF CASH FLOWS</b>				
<p>(1) Codes to be used: (a) Net Proceeds or Payments; (b) Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.</p> <p>(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.</p> <p>(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.</p> <p>(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.</p>				
Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)	
1	Net Cash Flow from Operating Activities:			
2	Net Income (Line 78(c) on page 117)	51,796,222	41,841,663	
3	Noncash Charges (Credits) to Income:			
4	Depreciation and Depletion	51,110,651	46,669,828	
5	Amortization of Debt Discount and Expense	155,042	145,173	
6	Amortization of Loss on Recquired Debt	98,548	129,393	
7	Amortization of Regulatory Debits and Credits, Net	352,845	-1,497,960	
8	Deferred Income Taxes (Net)	30,503,240	29,793,589	
9	Investment Tax Credit Adjustment (Net)	-59,352	-79,263	
10	Net (Increase) Decrease in Receivables	26,595,461	23,563,329	
11	Net (Increase) Decrease in Inventory	1,759,551	8,757,312	
12	Net (Increase) Decrease in Allowances Inventory	7,398,992	7,487,107	
13	Net Increase (Decrease) in Payables and Accrued Expenses	-11,453,053	-11,485,109	
14	Net (Increase) Decrease in Other Regulatory Assets	2,784,290	-101,579,081	
15	Net Increase (Decrease) in Other Regulatory Liabilities	2,555,915	12,204,189	
16	(Less) Allowance for Other Funds Used During Construction	-2,596,765	1,068,548	
17	(Less) Undistributed Earnings from Subsidiary Companies			
18	Other (provide details in footnote):	-18,922,119	417,725	
19	Net Increase (Decrease) in Deferred Credits	-679,992	61,951,588	
20	Net Decrease (Increase) in Prepaid and Other Current Assets	-880,576	2,763,936	
21				
22	Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21)	145,712,430	120,014,871	
23				
24	Cash Flows from Investment Activities:			
25	Construction and Acquisition of Plant (including land):			
26	Gross Additions to Utility Plant (less nuclear fuel)	-158,547,548	-132,599,000	
27	Gross Additions to Nuclear Fuel			
28	Gross Additions to Common Utility Plant			
29	Gross Additions to Nonutility Plant			
30	(Less) Allowance for Other Funds Used During Construction	2,596,765	-1,068,548	
31	Other (provide details in footnote):	-1,337,571	1,242,461	
32	Cost of Removal	-3,257,496	-7,817,000	
33				
34	Cash Outflows for Plant (Total of lines 26 thru 33)	-165,739,380	-138,104,991	
35				
36	Acquisition of Other Noncurrent Assets (d)			
37	Proceeds from Disposal of Noncurrent Assets (d)			
38				
39	Investments in and Advances to Assoc. and Subsidiary Companies			
40	Contributions and Advances from Assoc. and Subsidiary Companies			
41	Disposition of Investments in (and Advances to)			
42	Associated and Subsidiary Companies			
43				
44	Purchase of Investment Securities (a)			
45	Proceeds from Sales of Investment Securities (a)			

Name of Respondent The Narragansett Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q2
<b>STATEMENT OF CASH FLOWS</b>				
<p>(1) Codes to be used: (a) Net Proceeds or Payments; (b) Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.</p> <p>(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.</p> <p>(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.</p> <p>(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.</p>				
Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)	
46	Loans Made or Purchased			
47	Collections on Loans			
48				
49	Net (Increase) Decrease in Receivables			
50	Net (Increase ) Decrease in Inventory			
51	Net (Increase) Decrease in Allowances Held for Speculation			
52	Net Increase (Decrease) in Payables and Accrued Expenses			
53	Other (provide details in footnote):	-1,797,947	840,321	
54	Decrease (Increase) in Special Deposits	16,803,590	-382,904	
55				
56	Net Cash Provided by (Used in) Investing Activities			
57	Total of lines 34 thru 55)	-150,733,737	-137,647,574	
58				
59	Cash Flows from Financing Activities:			
60	Proceeds from Issuance of:			
61	Long-Term Debt (b)			
62	Preferred Stock			
63	Common Stock			
64	Other (provide details in footnote):			
65	Change in Advances from Associated Companies		-225,000,000	
66	Net Increase in Short-Term Debt (c)			
67	Other (provide details in footnote):			
68				
69				
70	Cash Provided by Outside Sources (Total 61 thru 69)		-225,000,000	
71				
72	Payments for Retirement of:			
73	Long-term Debt (b)			
74	Preferred Stock			
75	Common Stock			
76	Other (provide details in footnote):	9,852	19,872	
77				
78	Net Decrease in Short-Term Debt (c)			
79	Affiliate Moneypool Borrowing and Receivables/Payables, Net	-3,592,078	240,119,466	
80	Dividends on Preferred Stock	-55,226	-55,226	
81	Dividends on Common Stock			
82	Net Cash Provided by (Used in) Financing Activities			
83	(Total of lines 70 thru 81)	-3,637,452	15,084,112	
84				
85	Net Increase (Decrease) in Cash and Cash Equivalents			
86	(Total of lines 22,57 and 83)	-8,658,759	-2,548,591	
87				
88	Cash and Cash Equivalents at Beginning of Period	11,530,326	11,297,464	
89				
90	Cash and Cash Equivalents at End of period	2,871,567	8,748,873	

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q2
The Narragansett Electric Company			
FOOTNOTE DATA			

**Schedule Page: 120 Line No.: 18 Column: b**

<b>Operating Activities - Other</b>	<b>2016</b>
Change in Unamortized Debt Expense	(9,045)
Change in Clearing Accounts	(824,451)
Change in Miscellaneous Deferred Debits	431,506
Change in Accumulated Provision for Injuries and Damages	887,584
Change in Derivatives	(27,556,292)
Change in Asset Retirement Obligations	7,987,385
Change in Deferred Income Taxes	161,194
<b>Total</b>	<b>(18,922,119)</b>

**Schedule Page: 120 Line No.: 18 Column: c**

<b>Operating Activities - Other</b>	<b>2015</b>
Change in Miscellaneous Current and Accrued Assets	53,249
Change in Unamortized Debt Expense	21
Change in Preliminary Survey and Investigation Charges	1,290,423
Change in Clearing Accounts	(2,593,080)
Change in Miscellaneous Deferred Debits	(134,567)
Change in Accumulated Provision for Injuries and Damages	728,834
Change in Derivatives	(12,090,787)
Change in Asset Retirement Obligations	(1,208,211)
Change in Deferred Income Taxes	14,371,843
<b>Total</b>	<b>417,725</b>

**Schedule Page: 120 Line No.: 31 Column: b**

<b>Investing Activities - Other</b>	<b>2016</b>
Change in Utility Plant - Other	(1,337,571)
<b>Total</b>	<b>(1,337,571)</b>

**Schedule Page: 120 Line No.: 31 Column: c**

<b>Investing Activities - Other</b>	<b>2015</b>
Change in Utility Plant - Other	1,242,461
<b>Total</b>	<b>1,242,461</b>

**Schedule Page: 120 Line No.: 53 Column: b**

<b>Investing Activities - Other</b>	<b>2016</b>
Change in Other Investments	(97,012)
Change in Special Funds	(132,368)
Change in Accumulated Other Comprehensive Income	31,455
Change in Preliminary Survey and Investigation Charges	(1,600,022)
<b>Total</b>	<b>(1,797,947)</b>

**Schedule Page: 120 Line No.: 53 Column: c**

<b>Investing Activities - Other</b>	<b>2015</b>
Change in Other Investments	(215,803)

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
The Narragansett Electric Company			2016/Q2
FOOTNOTE DATA			

Change in Special Funds	(174,621)
Change in Investment in Subsidiary Companies	1,230,745
<b>Total</b>	<b>840,321</b>

**Schedule Page: 120 Line No.: 76 Column: b**

<b>Financing Activities - Other</b>	<b>2016</b>
Other Paid in capital	9,852
<b>Total</b>	<b>9,852</b>

**Schedule Page: 120 Line No.: 76 Column: c**

<b>Financing Activities - Other</b>	<b>2015</b>
Capital Contributions	19,872
<b>Total</b>	<b>19,872</b>

Name of Respondent The Narragansett Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report / /	Year/Period of Report End of 2016/Q2
---	---	-----------------------	---

## NOTES TO FINANCIAL STATEMENTS

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.
2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.
3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and plan of disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.
4. Where Accounts 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.
5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 114-121, such notes may be included herein.
7. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.
8. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However were material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.
9. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.

PAGE 122 INTENTIONALLY LEFT BLANK  
SEE PAGE 123 FOR REQUIRED INFORMATION.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report  2016/Q2
The Narragansett Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

**THE NARRAGANSETT ELECTRIC COMPANY  
NOTES TO THE FINANCIAL STATEMENTS**

**1. NATURE OF OPERATIONS AND BASIS OF PRESENTATION**

The Narragansett Electric Company (the "Company") is a retail distribution company providing electric service to approximately 493,000 customers and gas service to approximately 260,000 customers in 38 cities and towns in Rhode Island. The Company's service area covers substantially all of Rhode Island.

The Company is a wholly-owned subsidiary of National Grid USA ("NGUSA" or "Parent"), a public utility holding company with regulated subsidiaries engaged in the generation of electricity and the transmission, distribution and sale of both natural gas and electricity. NGUSA is a direct wholly-owned subsidiary of National Grid North America Inc. ("NGNA") and an indirect wholly-owned subsidiary of National Grid plc, a public limited company incorporated under the laws of England and Wales.

The accompanying financial statements are prepared in accordance with the accounting requirements of the Federal Energy Regulatory Commission ("FERC") as set forth in its applicable Uniform System of Accounts. This is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America ("U.S. GAAP"). The significant differences consist of the following:

- The accumulated amounts collected in rates for cost of removal over spending are included within accumulated depreciation for FERC reporting, but are presented separately as a regulatory liability for U.S. GAAP reporting.
- Intercompany accounts are presented on a gross basis for FERC reporting but are netted together by counterparty for U.S. GAAP reporting.
- Regulatory assets and liabilities are presented on a gross basis and are classified as non-current for FERC reporting, but are presented on a net basis where appropriate with current or long-term classification as applicable for U.S. GAAP reporting.
- All debt is classified as long-term in the balance sheet for FERC reporting. Under U.S. GAAP, the presentation reflects current and long-term debt separately.
- The Company is permitted to recover certain equity costs in rates. A regulatory asset is recognized for such amounts under FERC reporting, but not for U.S. GAAP reporting.
- The liability for uncertain tax positions related to temporary differences is not recognized, and deferred taxes are recognized based on the difference between positions taken in filed tax returns and amounts reported in the financial statements, for FERC reporting. The liability for uncertain tax positions related to temporary differences is recognized and deferred taxes are recognized based on the difference between the positions taken in filed tax returns adjusted for uncertain tax positions related to temporary differences and amounts reported in the financial statements for U.S. GAAP reporting.
- Deferred tax assets and liabilities are presented on a gross basis and are classified as non-current for FERC reporting, but are presented on a net basis where appropriate with current and long-term classification as applicable for U.S. GAAP reporting.

The Company has evaluated subsequent events and transactions through **August 26, 2016**, the date of issuance of these financial statements, and concluded that there were no events or transactions that require adjustment to or disclosure in the financial statements as of and for the six months ended June 30, 2016.

**Financial Statement Reclassifications**

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q2
The Narragansett Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

Certain reclassifications have been made to the financial statements to conform prior year's data to the current year's presentation. These reclassifications had no effect on the Company's results of operations or cash flows.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Use of Estimates

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

### Regulatory Accounting

FERC, the Rhode Island Public Utilities Commission ("RIPUC") and the Rhode Island Division of Public Utilities and Carriers ("Division") regulate the rates the Company charges its customers. In certain cases, the rate actions of the FERC and RIPUC can result in accounting that differs from non-regulated companies. In these cases, the Company defers costs (as regulatory assets) or recognizes obligations (as regulatory liabilities) if it is probable that such amounts will be recovered from or refunded to customers through future rates. Regulatory assets and liabilities are amortized to the statements of income consistent with the treatment of the related costs in the ratemaking process.

### Derivatives

#### *Commodity Derivative Instruments – Regulated Accounting*

The Company uses derivative instruments for commodity price risk management. All derivative instruments are recorded in the accompanying balance sheets at their fair value. All commodity costs, including the impact of derivative instruments, are passed on to customers through the Company's commodity rate adjustment mechanisms. Therefore, gains or losses on the settlement of these contracts are initially deferred and then refunded to, or collected from customers consistent with regulatory requirements.

Certain non-trading contracts for the physical purchase of natural gas qualify for the normal purchase normal sale exception and are accounted for upon settlement. If the Company were to determine that a contract for which it elected the normal purchase normal sale exception, no longer qualifies, the Company would recognize the fair value of the contract in accordance with the regulatory accounting described above.

The Company's accounting policy is to not offset fair value amounts recognized for derivative instruments and related cash collateral receivable or payable with the same counterparty under a master netting agreement, and to record and present the fair value of the derivative on a gross basis, with related cash collateral recorded as special deposits in the accompanying balance sheets.

#### *Commodity Derivative Instruments – Non-Regulated Accounting*

The Company also uses derivative instruments related to storage optimization, such as gas purchase contracts and swaps, to reduce the cash flow variability associated with forecasted purchases and sales of various energy-related commodities which do not receive regulatory recovery. All such derivative instruments are accounted for at fair value in the accompanying balance sheets with all changes in fair value reported in the statements of income.

### Renewable Energy Certificates

Renewable Energy Certificates ("RECs") are used to measure compliance with renewable energy standards and are held primarily for consumption. At June 30, 2016 and December 31, 2015 the Company recorded purchased RECs of \$0.1 million and \$7.5 million

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q2
The Narragansett Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

within allowance inventory and a compliance liability based on retail electricity sales of \$6.5 million and \$15.5 million within other current liabilities in the accompanying balance sheets.

### Fair Value Measurements

The Company measures derivatives and available-for-sale securities at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following is the fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that a company has the ability to access as of the reporting date;
- Level 2: inputs other than quoted prices included within Level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data; and
- Level 3: unobservable inputs, such as internally-developed forward curves and pricing models for the asset or liability due to little or no market activity for the asset or liability with low correlation to observable market inputs.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The Company uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs.

### Asset Retirement Obligations

Asset retirement obligations are recognized for legal obligations associated with the retirement of utility plant, primarily associated with the Company's distribution facilities. Asset retirement obligations are recorded at fair value in the period in which the obligation is incurred, if the fair value can be reasonably estimated. In the period in which new asset retirement obligations, or changes to the timing or amount of existing retirement obligations are recorded, the associated asset retirement costs are capitalized as part of the carrying amount of the related long-lived asset. In each subsequent period the asset retirement obligation is accreted to its present value.

The following table represents the changes in the Company's asset retirement obligations:

	<b>Six Months Ended June 30,</b>	
	<b>2016</b>	<b>2015</b>
	<i>(in thousands of dollars)</i>	
Balance as of the beginning of the year	\$ 2,143	\$ 3,309
Accretion expense	96	100
Liabilities settled	(252)	(1,308)
Liabilities incurred in the current year		
Revaluations to present values of estimated cash flows	8,143	-
Balance as of the end of the year	<u>\$ 10,130</u>	<u>\$ 2,101</u>

At June 30, 2016, a revaluation study of the asset retirement obligations for the Company resulted in an upward revaluation of estimated costs related to its asset retirement obligations. These changes are the result of changes in remediation costs and enhanced asset replacement programs.

### 3. FINANCIAL STATEMENT REVISION

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year/Period of Report
The Narragansett Electric Company		/ /	2016/Q2
NOTES TO FINANCIAL STATEMENTS (Continued)			

During a review of the Company's tax provision for amounts included within Accumulated Other Comprehensive Income ("AOCI"), management determined it had incorrectly accounted for the tax related to a transfer of pension tracker amounts from AOCI to non-current regulatory assets in prior years. An adjustment of \$7.9 million was recorded as a decrease to net income with the correction recorded within income tax expense for the six months ended June 30, 2015, and an increase to opening retained earnings (as of December 31, 2014).

In addition, during a review of the Company's open work orders recorded within capital work in progress, management identified charges that were inappropriately classified as capital instead of expense. A cumulative adjustment of \$5.2 million (net of income taxes) was recorded, of which \$2.9 million was recorded as a decrease to opening retained earnings (as of December 31, 2014), and \$2.3 million was recorded as a decrease to net income with the correction recorded within operations and maintenance expense for the six months ended June 30, 2015.

Furthermore, management also identified an error in the amount of capital-related accruals included in accounts payable, which resulted in an overstatement in net cash provided by operating activities and in net cash used in investing activities of \$2.9 million for the six months ended June 30, 2015.

Finally, the Company has corrected various account balances that were improperly recorded. A cumulative adjustment of \$1.0 million (net of income taxes) was recorded, of which \$0.7 million was recorded as a decrease to opening retained earnings (as of December 31, 2014) and \$0.3 million was recorded as a decrease to net income for the six months ended June 30, 2015.

Statement of Income	As Previously Reported	Adjustments	As Revised
	<i>(in thousands of dollars)</i>		
	June 2015	Variance	June 2015
Total operating expenses	719,420	14,376	733,796
Operating income	79,682	(14,376)	65,306
Net other income and deductions	955	980	1,935
Net interest charges	28,269	(2,870)	25,399
Net income	52,368	(10,527)	41,842

Statement of Cash Flows	As Previously Reported	Adjustments	As Revised
	<i>(in thousands of dollars)</i>		
	June 2015		June 2015
Net cash provided by operating activities	122,995	(2,980)	120,015
Net cash used in investing activities	(140,627)	2,980	(137,648)

Balance Sheet	As Previously Reported	Adjustments	As Revised
	<i>(in thousands of dollars)</i>		
	December 2015		December 2015
Net Utility Plant	3,059,401	(8,043)	3,051,358
Total deferred debits	917,228	(1,505)	915,723
Total deferred credits	1,216,551	(3,342)	1,213,209
Retained Earnings	384,261	(6,206)	378,055
Total Proprietary Capital	1,796,547	(6,206)	1,790,341

#### 4. RATE MATTERS

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q2
The Narragansett Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

## General Rate Case

The RIPUC approved a settlement agreement among the Division, the Department of the Navy, and the Company, which provided for an increase in electric base distribution revenue of \$21.5 million and an increase in gas base distribution revenue of \$11.3 million based on a 9.5% allowed return on equity ("ROE") and a common equity ratio of approximately 49.1%, effective February 1, 2013. The settlement also included reinstatement of base rate recovery of storm fund contributions and implementation of a Pension Adjustment Mechanism for pension and PBOP expenses for the electric business identical to the mechanism in place for the gas business.

## New England East-West Solution ("NEEWS") Project

In September 2008, the Company, its affiliate, New England Power ("NEP"), and Northeast Utilities jointly filed an application with the FERC to recover financial incentives for the NEEWS, pursuant to the FERC's Transmission Pricing Policy Order, Order No. 679. NEEWS consists of a series of inter-related transmission upgrades identified in the New England Regional System Plan and is being undertaken to address a number of reliability problems in Connecticut, Massachusetts, and Rhode Island. The Company's share of the NEEWS-related transmission investment is approximately \$575 million. The Company is fully reimbursed for its transmission revenue requirements on a monthly basis by NEP through NEP's Tariff No. 1. Effective as of November 18, 2008, the FERC granted for NEEWS (1) an incentive ROE of 12.89% (125 basis points above the approved base ROE of 11.64%), (2) 100% construction work in progress in rate base, and (3) recovery of plant abandoned for reasons beyond the companies' control. In conformance with the provisions of NEP's Tariff No. 1 as stated above, NEP has made a FERC filing proposing to reduce the Company's base ROE. Effective as of October 16, 2014, the FERC issued a series of orders establishing a maximum ROE of 11.74% that effectively caps the NEEWS incentive ROE at that level.

As a condition of the FERC's approval, the FERC directed the Company to provide footnote disclosures in the notes to its financial statements which (1) fully explain the impact of construction work in progress ("CWIP") in rate base; (2) include details of AFUDC not capitalized because of CWIP in rate base for the current year, the previous two years, and the sum of all years; and (3) include partial balance sheets consisting of the assets and other debits section of the balance sheets to include the amounts of AFUDC not capitalized because of the inclusion of CWIP in rate base. At June 30, 2016, the Company had total electric utility plant assets on its balance sheets of \$1.73 billion including \$146.02 million of CWIP. At June 30, 2016 and June 30, 2015 the Company's NEEWS-related CWIP and in-service investment totaled \$554.6 million and \$555.23 million respectively.

(in millions)	Current YTD (Jan 16 - Jun 16)	Previous Two CY (Jan 14 - Dec 15)	Sum of All Years (Nov 08 - Jun 16)
Average Monthly NEEWS CWIP Balance	\$0.239	\$65.813	\$70.676
Estimated Annual AFUDC Rate	0.91%	3.65%	4.45%
Avoided AFUDC	\$0.000	\$4.801	\$24.135
Return	\$0.013	\$16.805	\$77.057

## 5. DERIVATIVE CONTRACTS

The Company utilizes derivative instruments, such as options, swaps and gas purchase contracts, to manage commodity price risk associated with its natural gas and electricity purchases. The Company's risk management strategy is to reduce fluctuations in firm gas and electricity sales prices to its customers.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
The Narragansett Electric Company		/ /	2016/Q2
NOTES TO FINANCIAL STATEMENTS (Continued)			

The Company's financial exposures are monitored and managed as an integral part of the Company's overall financial risk management policy. The Company engages in risk management activities only in commodities and financial markets where it has an exposure to, and only in terms and volumes consistent with its core business.

### Volumes

Volumes of outstanding commodity derivative contracts measured in dekatherms ("dths") are as follows:

	June 30, 2016	December 31, 2015
	<i>(in thousands)</i>	
Gas swap contracts (dths)	23,054	19,805
Gas future contracts (dths)	13,830	17,570
Gas purchase contracts (dths)	3,131	3,336
Total:	40,015	40,711

### Amounts Recognized in the Accompanying Balance Sheets

Asset Derivatives				Liability Derivatives			
June 30		December 31		June 30		December 31	
2016		2015		2016		2015	
(in thousands of dollars)				(in thousands of dollars)			
<b>Current assets:</b>				<b>Current liabilities:</b>			
Rate recoverable contracts:				Rate recoverable contracts:			
Gas swap contracts	\$ 1,564	\$ 201		Gas swap contracts	\$ 1,252	\$ 7,946	
Gas future contracts	1,461	686		Gas future contracts	5,092	15,188	
Gas purchase contracts	71	213		Gas purchase contracts	281	1,102	
Contracts not subject to rate recovery:				Contracts not subject to rate recovery:			
Gas swap contracts	-	7		Gas swap contracts	8	19	
Gas purchase contracts	5	10		Gas purchase contracts	-	505	
	3,101	1,117			6,633	24,760	
<b>Non-current assets:</b>				<b>Non-current liabilities:</b>			
Rate recoverable contracts:				Rate recoverable contracts:			
Gas swap contracts	2,889	103		Gas swap contracts	26	1,261	
Gas future contracts	16			Gas future contracts	112		
Gas purchase contracts	57	-		Gas purchase contracts	1,342	4,806	
	2,962	103			1,480	6,067	
Total	\$ 6,063	\$ 1,220		Total	\$ 8,113	\$ 30,827	

The changes in fair value of the Company's rate recoverable contracts are offset by changes in regulatory assets and liabilities. As a result, the changes in fair value of those contracts had no impact in the accompanying statements of income. At June 30, 2016 and 2015 the Company recorded a gain of \$0.5 million and losses of \$0.03 million within purchased gas in the accompanying statements of income for changes in fair value for contracts not subject to rate recovery.

### Credit and Collateral

The Company is exposed to credit risk related to transactions entered for commodity price risk management. Credit risk represents

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
The Narragansett Electric Company			2016/Q2
NOTES TO FINANCIAL STATEMENTS (Continued)			

the risk of loss due to counterparty non-performance. Credit risk is managed by assessing each counterparty's credit profile and negotiating appropriate levels of collateral and credit support.

The credit policy for commodity transactions is managed and monitored by NGUSA's Executive Energy Risk Management Committee ("EERC"), which is responsible for approving risk management policies and objectives for risk assessment, control and valuation, and the monitoring and reporting of risk exposures. NGUSA's Energy Procurement Risk Management Committee ("EPRMC") is responsible for approving transaction strategies, annual supply plans, counterparty credit approval, as well as all valuation and control procedures. The EERC is chaired by the Global Tax and Treasury Director and reports to the Finance Committee. The EPRMC is chaired by the Vice President of U.S. Treasury and reports to the EERC.

The EPRMC monitors counterparty credit exposure and appropriate measures are taken to bring such exposures below the limits, including, without limitation, netting agreements, and limitations on the type and tenor of trades. The Company enters into enabling agreements that allow for payment netting with its counterparties, which reduce its exposure to counterparty risk by providing for the offset of amounts payable to the counterparty against amounts receivable from the counterparty. In instances where a counterparty's credit quality has declined, or credit exposure exceeds certain levels, the Company may limit its credit exposure by restricting new transactions with the counterparty, requiring additional collateral or credit support and negotiating the early termination of certain agreements. Similarly, the Company may be required to post collateral to its counterparties. The Company's credit exposure for all derivative instruments and applicable payables and receivables, net of collateral and instruments that are subject to master netting agreements, was \$1.3 million and \$16.3 million as of June 30, 2016 and December 31, 2015, respectively.

The Company enters into commodity transactions on New York Mercantile Exchange ("NYMEX"). The NYMEX clearing houses act as the counterparty to each trade. Transactions on the NYMEX must adhere to comprehensive collateral and margining requirements. As a result, transactions on NYMEX are significantly collateralized and have limited counterparty credit risk.

In instances where a counterparty's credit quality has declined, or credit exposure exceeds certain levels, the Company may limit its credit exposure by restricting new transactions with the counterparty, requiring additional collateral or credit support and negotiating the early termination of certain agreements. Similarly, the Company may be required to post collateral to its counterparties. The aggregate fair value of the Company's derivative instruments with credit-risk-related contingent features that are in a liability position at June 30, 2016 and December 31, 2015 was \$0.5 million and \$9.4 million, respectively. The Company had no collateral posted for these instruments at June 30, 2016. If the Company's credit rating were to be downgraded by one or two levels, it would not be required to post any additional collateral. If the Company's credit rating were to be downgraded by three levels, it would be required to post \$0.8 million and \$15.1 million additional collateral to its counterparties at June 30, 2016 and December 31, 2015, respectively.

#### Offsetting Information for Derivatives Subject to Master Netting Arrangements

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
The Narragansett Electric Company			2016/Q2
NOTES TO FINANCIAL STATEMENTS (Continued)			

June 30, 2016

## Gross Amounts Not Offset in the Balance Sheets

(in thousands of dollars)

	Gross amounts of recognized assets	Gross amounts offset in the Balance Sheets	Net amounts of assets presented in the Balance Sheets	Financial Instruments	Cash collateral received	Net amount
<b>ASSETS:</b>						
<b>Derivatives</b>						
Gas swap contracts	\$ 4,453	\$ -	\$ 4,453	\$ -	\$ -	\$ 4,453
Gas future contracts	1,477	-	1,477	-	1,477	-
Gas purchase contracts	133	-	133	-	-	133
Total	<u>\$ 6,063</u>	<u>\$ -</u>	<u>\$ 6,063</u>	<u>\$ -</u>	<u>\$ 1,477</u>	<u>\$ 4,586</u>
	Gross amounts of recognized liabilities	Gross amounts offset in the Balance Sheets	Net amounts of liabilities presented in the Balance Sheets	Financial Instruments	Cash collateral paid	Net amount
<b>LIABILITIES:</b>						
<b>Derivatives</b>						
Gas swap contracts	\$ (1,286)	\$ -	\$ (1,286)	\$ -	\$ -	\$ (1,286)
Gas future contracts	(5,204)	-	(5,204)	-	(5,204)	-
Gas purchase contracts	(1,623)	-	(1,623)	-	-	(1,623)
Total	<u>\$ (8,113)</u>	<u>\$ -</u>	<u>\$ (8,113)</u>	<u>\$ -</u>	<u>\$ (5,204)</u>	<u>\$ (2,909)</u>

December 31, 2015

## Gross Amounts Not Offset in the Balance Sheets

(in thousands of dollars)

	Gross amounts of recognized assets	Gross amounts offset in the Balance Sheets	Net amounts of presented in the Balance Sheets	Financial instruments	Cash collateral received	Net amount
<b>ASSETS:</b>						
Description						
<b>Commodity Derivatives</b>						
Gas swap contracts	\$ 311	\$ -	\$ 311	-	\$ -	\$ 311
Gas future contracts	686	-	686	-	686	-
Gas purchase contracts	223	-	223	-	-	223
Total	<u>\$ 1,220</u>	<u>\$ -</u>	<u>\$ 1,220</u>	<u>\$ -</u>	<u>\$ 686</u>	<u>\$ 534</u>
	Gross amounts of recognized assets	Gross amounts offset in the Balance Sheets	Net amounts of presented in the Balance Sheets	Financial instruments	Cash collateral paid	Net amount
<b>LIABILITIES:</b>						
Description						
<b>Commodity Derivatives</b>						
Gas swap contracts	\$ (9,226)	\$ -	\$ (9,226)	\$ -	\$ -	\$ (9,226)
Gas future contracts	(15,188)	-	(15,188)	-	(19,994)	4,806
Gas purchase contracts	(6,413)	-	(6,413)	-	-	(6,413)
Total	<u>\$ (30,827)</u>	<u>\$ -</u>	<u>\$ (30,827)</u>	<u>\$ -</u>	<u>\$ (19,994)</u>	<u>\$ (10,833)</u>

## 6. FAIR VALUE MEASUREMENTS

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
The Narragansett Electric Company		/ /	2016/Q2
NOTES TO FINANCIAL STATEMENTS (Continued)			

The following table presents assets and liabilities measured and recorded at fair value in the accompanying balance sheets on a recurring basis and their level within the fair value hierarchy as of June 30, 2016 and December 31, 2015:

	June 30, 2016			
	Level 1	Level 2	Level 3	Total
	(in thousands of dollars)			
<b>Assets:</b>				
Derivative contracts				
Gas swap contracts	-	\$ 4,453	\$ -	✓\$ 4,453
Gas future contracts	1,477	-	-	1,477
Gas purchase contracts	-	5	128	133
Available-for-sale securities	2,349	3,139	-	5,488
Total	3,826	7,597	128	11,551
<b>Liabilities:</b>				
Derivative contracts				
Gas swap contracts	-	1,286	-	1,286
Gas future contracts	5,204	-	-	5,204
Gas purchase contracts	-	-	1,623	1,623
Total	5,204	1,286	1,623	8,113
<b>Net assets (liabilities)</b>	\$ (1,378)	\$ 6,311	\$ (1,495)	\$ 3,438

	December 31, 2015			
	Level 1	Level 2	Level 3	Total
	(in thousands of dollars)			
<b>Assets:</b>				
Derivative contracts				
Gas swap contracts	\$ -	\$ 311	\$ -	\$ 311
Gas future contracts	686	-	-	686
Gas purchase contracts	-	10	213	223
Available-for-sale securities	2,272	3,084	-	5,356
Total	2,958	3,405	213	6,576
<b>Liabilities:</b>				
Derivative contracts				
Gas swap contracts	-	9,226	-	9,226
Gas future contracts	19,994	-	-	19,994
Gas purchase contracts	-	830	777	1,607
Total	19,994	10,056	777	30,827
<b>Net assets (liabilities)</b>	<b>\$ (17,036)</b>	<b>\$ (6,651)</b>	<b>\$ (564)</b>	<b>\$ (24,251)</b>

**Derivative Contracts:** The Company's Level 2 fair value derivative instruments primarily consist of over-the-counter ("OTC") electric and gas swaps and forward gas purchase contracts with pricing inputs obtained from the NYMEX and Intercontinental Exchange ("ICE"), except in cases where the ICE publishes seasonal averages or where there were no transactions within the last seven days. The Company may utilize discounting based on quoted interest rate curves, including consideration of non-performance risk, and may include a liquidity reserve calculated based on bid/ask spread for the Company's Level 2 derivative instruments. Substantially all

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q2
The Narragansett Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

of these price curves are observable in the marketplace throughout at least 95% of the remaining contractual quantity, or they could be constructed from market observable curves with correlation coefficients of 0.95 or higher.

The Company's Level 3 fair value derivative instruments primarily consist of gas option and electric option and swap transactions, which are valued based on internally-developed models. Industry-standard valuation techniques, such as the Black-Scholes pricing model, Monte Carlo simulation, and Financial Engineering Associates libraries are used for valuing such instruments. A derivative is designated Level 3 when it is valued based on a forward curve that is internally developed, extrapolated or derived from market observable curves with correlation coefficients less than 0.95, where optionality is present, or if non-economic assumptions are made. The internally developed forward curves have a high level of correlation with Platts Mark-to-Market curves and are reviewed by the middle office. The Company considers non-performance risk and liquidity risk in the valuation of derivative contracts categorized in Level 2 and Level 3.

**Available-for-Sale Securities:** Available-for-sale securities are included in other special funds in the accompanying balance sheets and primarily include equity and debt investments based on quoted market prices (Level 1) and municipal and corporate bonds based on quoted prices of similar traded assets in open markets (Level 2).

### Changes in Level 3 Derivatives

The following table presents the fair value reconciliation of Level 3 derivative assets and liabilities measured at fair value on a recurring basis during the six months ended June 30, 2016 and 2015:

	Six Months Ended June 30,	
	2016	2015
	<i>(in thousands of dollars)</i>	
Balance as of the beginning of the year	\$ (564)	\$ (612)
Transfers out of Level 3	-	-
Total gains or losses included in regulatory assets and liabilities	(1,477)	(1,361)
Settlements	546	593
Balance as of the end of the year	<u>\$ (1,495)</u>	<u>\$ (1,379)</u>
The amount of total gains or losses for the year included in net income attributed to the change in unrealized gains or losses related to non-regulatory assets and liabilities at year-end	\$ -	\$ -

A transfer into Level 3 represents existing assets or liabilities that were previously categorized at a higher level for which the inputs became unobservable during the year. A transfer out of Level 3 represents assets and liabilities that were previously classified as Level 3 for which the inputs became observable based on the criteria discussed previously for classification in Level 2. These transfers, which are recognized at the end of each period, result from changes in the observability of forward curves from the beginning to the end of each reporting period. There were no transfers between Level 1 and Level 2, and no transfers into Level 3, during the 6 months ended June 30, 2016 or 2015.

### Quantitative Information about Level 3 Derivatives

The following table provides information about our significant Level 3 valuations, of which the most significant positions are financial commodity option contracts. These option contracts are measured at fair value using the implied volatility as a key input to the option pricing function of the risk management system. The implied volatilities used are an approximation of the actual volatility curves for various strikes and option types and are not observable in the market.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q2
The Narragansett Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

Commodity	Level 3 Position	Fair Value as of June 30, 2016			Valuation Technique(s)	Significant Unobservable Input	Range
		<u>Assets</u>	<u>(Liabilities)</u>	<u>Total</u>			
(thousands of dollars)							
Gas	Purchase contracts	128	(1,623)	(1,495)	Discounted Cash Flow	LNG Forward Curve	\$8.1546 - \$10.7629/dth
	Total	\$ 128	\$ (1,623)	\$ (1,495)			

Commodity	Level 3 Position	Fair Value as of December 31, 2015			Valuation Technique(s)	Significant Unobservable Input	Range
		<u>Assets</u>	<u>(Liabilities)</u>	<u>Total</u>			
		(thousands of dollars)					
Gas	Purchase contracts	-	(518)	(518)	Discounted Cash Flow	LNG Forward Curve	\$6.737 - \$6.7720/dth
Gas	Purchase contracts	213	(259)	(46)	Discounted Cash Flow	Forward Curve	\$0.8920 - \$4.9820/dth
Total		\$ 213	\$ (777)	\$ (564)			

The significant unobservable inputs listed above would have a direct impact on the fair values of the Level 3 instruments if they were adjusted. The significant unobservable inputs used in the fair value measurement of the Company's gas option derivatives and electric option and swap derivatives are implied volatility and gas forward curves. A relative change in commodity price at various locations underlying the open positions can result in significantly different fair value estimates.

#### Other Fair Value Measurements

The Company's balance sheets reflect long-term debt at amortized cost. The fair value of the Company's long-term debt was based on quoted market prices, where available or estimated using quoted market prices for similar debt. The fair value of this debt at June 30, 2016 and December 31, 2015 was \$1.0 billion and \$904.4 million respectively.

All other financial instruments in the accompanying balance sheets such as accounts receivable, accounts payable, and the intercompany money pool are stated at cost, which approximates fair value.

#### 7. EMPLOYEE BENEFITS

The Company participates with other NGUSA subsidiaries in a qualified and non-qualified non-contributory defined benefit plan (the "Pension Plan") and Postretirement Benefit Other than Pension ("PBOP") plan (together with the Pension Plan (the "Plan")), covering substantially all employees.

The Pension Plan is a defined benefit plan which provides union employees, as well as non-union employees hired before January 1, 2011, with a retirement benefit. Supplemental nonqualified, non-contributory executive retirement programs provide additional defined pension benefits for certain executives. The PBOP Plan provides health care and life insurance coverage to eligible retired

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q2
The Narragansett Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

employees. Eligibility is based on age and length of service requirements and, in most cases, retirees must contribute to the cost of their coverage.

Plan assets are commingled and cannot be allocated to an individual company. The Plan's costs are directly charged to the Company based on the Company's employees that participate in the Plan. Costs associated with affiliated service companies' employees are allocated as part of the labor burden for work performed on the Company's behalf. The Company applies deferral accounting treatment for differences between actual pension costs and amounts used to establish rates. Deferred charges are then collected from or refunded to customers in subsequent periods. Pension and PBOP expense is included in operations and maintenance expense in the accompanying statements of income.

The Company's net pension and PBOP expenses directly charged and allocated from affiliated service companies, net of capital, for the six months ended June 30, 2016 and 2015 are as follows:

	Six Months Ended June 30,		Three Months Ended June 30,	
	2016	2015	2016	2015
	<i>(in thousands of dollars)</i>		<i>(in thousands of dollars)</i>	
Pension	\$ 7,044	\$ 4,937	\$ 3,454	\$ 3,881
PBOP	2,624	3,184	1,449	1,656
	<u>\$ 9,668</u>	<u>\$ 8,121</u>	<u>\$ 4,903</u>	<u>\$ 5,537</u>

## 8. CAPITALIZATION

### Debt Authorizations

The Company had regulatory approval from the FERC to issue up to \$400 million of short-term debt, which expired on November 30, 2013. This approval became effective again on January 12, 2015.

The Company had no short-term debt outstanding to third parties as of June 30, 2016 or December 2015.

### Dividend Restrictions

Pursuant to the preferred stock arrangement, as long as any preferred stock is outstanding, certain restrictions on payment of common stock dividends would come into effect if the common stock equity was, or by reason of payment of such dividends became, less than 25% of total capitalization. Common stock equity at June 30, 2016 and December 31, 2015 was 69% and 68%, respectively of total capitalization. Accordingly, the Company was not restricted as to the payment of common stock dividends under the foregoing provisions at June 30, 2016 or December 31, 2015.

## 9. ENVIRONMENTAL MATTERS

The normal ongoing operations and historic activities of the Company are subject to various federal, state and local environmental laws and regulations. Under federal and state Superfund laws, potential liability for the historic contamination of property may be imposed on responsible parties jointly and severally, without regard to fault, even if the activities were lawful when they occurred.

The United States Environmental Protection Agency ("EPA"), the Massachusetts Department of Environmental Protection ("DEP"), and the Rhode Island Department of Environmental Management ("DEM") have alleged that the Company is a potentially

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
The Narragansett Electric Company			2016/Q2
NOTES TO FINANCIAL STATEMENTS (Continued)			

responsible party under state or federal law for a number of sites at which hazardous waste is alleged to have been disposed. The Company's most significant liabilities relate to former Manufactured Gas Plant ("MGP") facilities formerly owned by the Blackstone Valley Gas and Electric Company and the Rhode Island gas distribution assets of New England Gas. The Company is currently investigating and remediating, as necessary, those MGP sites and certain other properties under agreements with the EPA, DEM and DEP. Expenditures incurred for the six months ended June 30, 2016 and 2015 were \$1.5 million and \$0.9 million respectively.

The Company estimated the remaining costs of environmental remediation activities were \$133.8 million and \$130.9 million at June 30, 2016 and December 31, 2015, respectively. These costs are expected to be incurred over the next 39 years, and these undiscounted amounts have been recorded as Other Deferred Credits in the accompanying balance sheets. However, remediation costs for each site may be materially higher than estimated, depending upon changing technologies and regulatory standards, selected end use for each site, and actual environmental conditions encountered. The Company has recovered amounts from certain insurers and potentially responsible parties, and, where appropriate, the Company may seek additional recovery from other insurers and from other potentially responsible parties, but it is uncertain whether, and to what extent, such efforts will be successful.

The RIPUC has approved a settlement agreement that provides for rate recovery of remediation costs of former MGP sites and certain other hazardous waste sites located in Rhode Island. Under that agreement, qualified costs related to these sites are paid out of a special fund established as a regulatory liability in the accompanying balance sheets. Rate-recoverable contributions of approximately \$3 million are added annually to the fund along with interest and any recoveries from insurance carriers and other third parties. Accordingly, as of June 30, 2016 and December 31, 2015, the Company has recorded environmental regulatory assets of \$137.0 million and \$134.8 million, respectively, and environmental regulatory liabilities of \$5.8 million and \$4.8 million, respectively.

The Company believes that its ongoing operations, and its approach to addressing conditions at historic sites, are in substantial compliance with all applicable environmental laws. Where the Company has regulatory recovery, it believes that the obligations imposed on it because of the environmental laws will not have a material impact on its results of operations or financial position.

## 10. COMMITMENTS AND CONTINGENCIES

### Long-Term Contracts for Renewable Energy

#### *Town of Johnston Project*

In June 2010, pursuant to a 2009 Rhode Island law that required the Company to negotiate a contract for an electric generating project fueled by landfill gas from the Rhode Island Central Landfill, the Company entered into a contract with Rhode Island LFG Genco for the Town of Johnston Project, a combined cycle power plant with an average output of 32 megawatts ("MW"). The facility reached commercial operation on May 28, 2013 and is being accounted for as an operating lease.

#### *Deepwater Agreement*

The 2009 law also required the Company to solicit proposals for a small scale renewable energy generation project of up to eight wind turbines with an aggregate nameplate capacity of up to 30 MW to benefit the Town of New Shoreham. The renewable energy generation project also included a transmission cable to be constructed between Block Island and the mainland of Rhode Island. On June 30, 2010, the Company entered into a 20-year Amended Power Purchase Agreement ("PPA") with Deepwater Wind Block Island LLC, which was approved by the RIPUC in August 2010. The Company also negotiated a Transmission Facilities Purchase Agreement ("Facilities Purchase Agreement") with Deepwater Wind Block Island Transmission, LLC ("Deepwater") to purchase from Deepwater the permits, engineering, real estate, and other site development work for construction of the undersea transmission cable (collectively, the "Transmission Facilities"). On April 2, 2014, the Division issued its Consent Decision for the Company to execute the Facilities Purchase Agreement with Deepwater. In late July, 2014, the Company filed with the FERC to recover the costs associated with the cable in transmission rates. On September 2, 2014, FERC approved all four agreements required to implement National Grid's cost recovery for the Project, with no conditions. The agreements went into effect on September 30, 2014. On January 30,

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
The Narragansett Electric Company			2016/Q2
NOTES TO FINANCIAL STATEMENTS (Continued)			

2015, the Company closed on its purchase of the Transmission Facilities from Deepwater.

#### *Annual Solicitations*

The 2009 law also requires that, beginning on July 1, 2010, the Company must conduct four annual solicitations for proposals from renewable energy developers and, provided commercially reasonable proposals have been received, enter into long-term contracts for the purchase of capacity, energy, and attributes from newly developed renewable energy resources. The Company's first three solicitations have resulted in three PPAs that have been approved by the RIPUC:

- First Solicitation: On July 28, 2011, the RIPUC approved a 15-year PPA with Orbit Energy Rhode Island, LLC for a 3.2 MW anaerobic digester biogas project.
- Second Solicitation: On May 11, 2012, the RIPUC approved a 15-year PPA with Black Bear Development Holdings, LLC for a 3.9 MW run-of-river hydroelectric plant located in Orono, Maine ("Black Bear PPA"). The Black Bear facility reached commercial operation on November 22, 2013.
- Third Solicitation: On October 25, 2013, the RIPUC approved a 15-year PPA with Champlain Wind, LLC for a 48 MW land-based wind project located in Carroll Plantation and Kossuth Township, Maine.

#### **Legal Matters**

The Company is subject to various legal proceedings, primarily injury claims, arising out of the ordinary course of its business. The Company does not consider any of such proceedings to be material, individually or in the aggregate, to its business or likely to result in a material adverse effect on its results of operations, financial position, or cash flows.

#### **11. RELATED PARTY TRANSACTIONS**

##### **Advance from Affiliate**

In December 2008, the Company entered into an agreement with NGUSA whereby the Company can borrow up to \$250 million from time to time for working capital needs. The advance is non-interest bearing. At June 30, 2016 and December 31, 2015, the Company had no outstanding advances from affiliates.

##### **Accounts Receivable from and Accounts Payable to Affiliates**

NGUSA and its affiliates provide various services to the Company, including executive and administrative, customer services, financial (including accounting, auditing, risk management, tax and treasury/finance), human resources, information technology, legal and strategic planning that are charged between the companies and charged to each company.

The Company records short-term payables to and receivables from certain of its affiliates in the ordinary course of business. The amounts payable to and receivable from its affiliates do not bear interest and are settled through the intercompany money pool. A summary of net outstanding accounts receivable from affiliates and accounts payable to affiliates balances is as follows:

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q2
The Narragansett Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

	Accounts Receivable from Affiliates		Accounts Payable to Affiliates	
	June 30, 2016	December 31, 2015	June 30, 2016	December 31, 2015
	(in thousands of dollars)		(in thousands of dollars)	
NGUSA Service Company	\$ 6,991	7,800	\$ 25,073	10,297
Massachusetts Electric Company	10,503	3,993	39,919	15,244
New England Power Company	11,588	38,692	3,218	9,228
NG Engineering Srvcs, LLC	1,899	1,899	83	82
Others	1,486	1,256	4,438	3,560
Total	\$ 32,467	\$ 53,640	\$ 72,731	\$ 38,411

### Recovery of Transmission Costs

NEP operates the transmission facilities of its New England affiliates as a single integrated system and reimburses the Company for the cost of its transmission facilities in Rhode Island, including a return on those facilities under NEP's Tariff No. 1. In turn, these costs are allocated among transmission customers in New England in accordance with the ISO New England transmission tariff. According to the FERC order, the Company is compensated for its actual monthly transmission costs with its authorized maximum ROE of 11.74% on certain transmission assets. The amounts reimbursed to the Company by NEP for the six months ended June 30, 2016 and 2015 were \$65.8 million and \$125.6 million, respectively, which are included within the accompanying statements of income. On March 3, 2015, the FERC issued an Order on Rehearing, Opinion No. 531-B, affirming the 10.57% base ROE and clarifying that the 11.74% maximum ROE applies to all individual transmission projects with ROE incentives previously granted by the FERC. NEP will be submitting an amended Tariff No. 1 filing in the near future to reflect the terms of Opinion No. 531-B.

### Intercompany Money Pool

The settlement of the Company's various transactions with NGUSA and certain affiliates generally occurs via the intercompany money pool. The Company is a participant in the Regulated Money Pool and can both borrow and lend funds. Borrowings from the Regulated Money Pool bear interest in accordance with the terms of the intercompany money pool agreement. As the fully participates in the Regulated Money Pool rather than settling intercompany charges with cash, all changes in the intercompany money pool balance and accounts receivable and payable from affiliate balances, are reflected as investing or financing activities in the accompanying statements of cash flows. In addition, for the purpose of presentation in the statement of cash flows, it is assumed all amounts settled through intercompany money pool are constructive cash receipts and payments, and therefore are presented as such.

The Regulated Money Pool is funded by operating funds from participants. Collectively, NGUSA and its subsidiary Keyspan, have the ability to borrow up to \$3 billion from National Grid plc for working capital needs including funding of the intercompany money pools, if necessary. The Company had short-term intercompany money pool borrowings of \$140.4 million and of \$199 million at June 30, 2016 and December 31, 2015, respectively. The average interest rates for the intercompany money pool were 0.96% and 0.65% for the six and twelve months ended June 30, 2016 and December 31, 2015, respectively.

### Service Company Charges

The affiliated service companies of NGUSA provide certain services to the Company at their cost. The service company costs are generally allocated to associated companies through a tiered approach. First and foremost, costs are directly charged to the benefited company whenever practicable. Secondly, in cases where direct charging cannot be readily determined, costs are allocated using cost/causation principles linked to the relationship of that type of service, such as number of employees, number of customers/meters, capital expenditures, value of property owned, total transmission and distribution expenditures. Lastly, all other

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
The Narragansett Electric Company			2016/Q2
NOTES TO FINANCIAL STATEMENTS (Continued)			

costs are allocated based on a general allocator determined using a 3-point formula based on net margin, net utility plant, and operations and maintenance expense.

Net charges from and to the service companies of NGUSA for the six months ended June 30, 2016 and June 30, 2015 were \$118.4 million and \$136.1 million, respectively.

#### Holding Company Charges

NGUSA received charges from National Grid Commercial Holdings Limited (an affiliated company in the U.K.) for certain corporate and administrative services provided by the corporate functions of National Grid plc to its U.S. subsidiaries. These charges, which are recorded on the books of NGUSA, have not been reflected on these financial statements.





Name of Respondent The Narragansett Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2016/Q2</u>
SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION				
Report in Column (c) the amount for electric function, in column (d) the amount for gas function, in column (e), (f), and (g) report other (specify) and in column (h) common function.				
Line No.	Classification (a)	Total Company for the Current Year/Quarter Ended (b)	Electric (c)	
1	Utility Plant			
2	In Service			
3	Plant in Service (Classified)	3,006,240,211	2,028,861,648	
4	Property Under Capital Leases			
5	Plant Purchased or Sold			
6	Completed Construction not Classified	386,155,670	293,152,340	
7	Experimental Plant Unclassified			
8	Total (3 thru 7)	3,392,395,881	2,322,013,988	
9	Leased to Others			
10	Held for Future Use	15,028,308	15,028,308	
11	Construction Work in Progress	185,599,082	139,760,712	
12	Acquisition Adjustments	751,163,593	516,105,537	
13	Total Utility Plant (8 thru 12)	4,344,186,864	2,992,908,545	
14	Accum Prov for Depr, Amort, & Depl	1,180,791,206	781,183,010	
15	Net Utility Plant (13 less 14)	3,163,395,658	2,211,725,535	
16	Detail of Accum Prov for Depr, Amort & Depl			
17	In Service:			
18	Depreciation	1,128,926,064	754,800,350	
19	Amort & Depl of Producing Nat Gas Land/Land Right			
20	Amort of Underground Storage Land/Land Rights			
21	Amort of Other Utility Plant	25,511,340	28,858	
22	Total In Service (18 thru 21)	1,154,437,404	754,829,208	
23	Leased to Others			
24	Depreciation			
25	Amortization and Depletion			
26	Total Leased to Others (24 & 25)			
27	Held for Future Use			
28	Depreciation			
29	Amortization			
30	Total Held for Future Use (28 & 29)			
31	Abandonment of Leases (Natural Gas)			
32	Amort of Plant Acquisition Adj	26,353,802	26,353,802	
33	Total Accum Prov (equals 14) (22,26,30,31,32)	1,180,791,206	781,183,010	

Name of Respondent The Narragansett Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q2
SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION					
Gas (d)	Other (Specify) (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)	Line No.
					1
					2
977,378,563					3
					4
					5
93,003,330					6
					7
1,070,381,893					8
					9
					10
45,838,370					11
235,058,056					12
1,351,278,319					13
399,608,196					14
951,670,123					15
					16
					17
374,125,714					18
					19
					20
25,482,482					21
399,608,196					22
					23
					24
					25
					26
					27
					28
					29
					30
					31
					32
399,608,196					33



Name of Respondent The Narragansett Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q2
Transmission Service and Generation Interconnection Study Costs					
1. Report the particulars (details) called for concerning the costs incurred and the reimbursements received for performing transmission service and generator interconnection studies. 2. List each study separately. 3. In column (a) provide the name of the study. 4. In column (b) report the cost incurred to perform the study at the end of period. 5. In column (c) report the account charged with the cost of the study. 6. In column (d) report the amounts received for reimbursement of the study costs at end of period. 7. In column (e) report the account credited with the reimbursement received for performing the study.					
Line No.	Description (a)	Costs Incurred During Period (b)	Account Charged (c)	Reimbursements Received During the Period (d)	Account Credited With Reimbursement (e)
1	<b>Transmission Studies</b>				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21	<b>Generation Studies</b>				
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					

Name of Respondent The Narragansett Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /		Year/Period of Report End of <u>2016/Q2</u>	
OTHER REGULATORY ASSETS (Account 182.3)							
1. Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable. 2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes. 3. For Regulatory Assets being amortized, show period of amortization.							
Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS		Balance at end of Current Quarter/Year (f)	
				Written off During the Quarter/Year Account Charged (d)	Written off During the Period Amount (e)		
1	Deferred income Tax Asset	12,005,160	578,348	283	909,394	11,674,114	
2							
3	Environmental Response Fund	135,784,564	2,761,933	480,431	1,589,360	136,957,137	
4							
5	Asset Retirement Obligation	11,483,941		403		11,483,941	
6							
7	Postretirement Benefits	271,621,786	4,875,901	253,431	6,105,840	270,391,847	
8							
9	Gas Futures - Gas Supply	23,612,242	8,647,460	245,253	23,618,011	8,641,691	
10							
11	Capital Tracker	14,160,103	4,345,830	480,431	1,937,911	16,568,022	
12							
13	Storm Costs	96,427,822	1,796,418	660	2,775,798	95,448,442	
14							
15	Revenue Decoupling - Electric	10,087,369	1,716,676	419,495	2,276,135	9,527,910	
16							
17	Net Metering Deferral	681,213	39,646	456	11,226	709,633	
18							
19	Advantage System Book Value (2012-2017)	940,922		407	176,425	764,497	
20							
21	Commodity Administration	5,499,748	393,505	456,419	665,083	5,228,170	
22							
23	Under Collect - Commodity	21,024,044	517,328	449,419	14,452,387	7,088,985	
24							
25	Renewable Energy Credit Obligation	6,394,054	2,541,044	660	2,545,111	6,389,987	
26							
27	ISR deferral - Gas	4,932,337	903,961	495	1,755,164	4,081,134	
28							
29	DAC Reconciliation		1,915,358	495	375,415	1,539,943	
30							
31	Gas Cost Recovery						
32							
33	Long Term Contracting for Renewable Energy	13,721,098	4,404,056	456,429	2,029,675	16,095,479	
34							
35	Transmission Revenue - Adj Clause	7,290,814	3,959,473	456,431	4,843,081	6,407,206	
36							
37	Capex Tracker - ISR	1,528,659	76,940	456	1,605,600	-1	
38							
39	Oth A/R-DAC Coll-Syst Pressure	33,264	414,749	480,431	298,291	149,722	
40							
41	DAC Earnings Sharing Mechanism						
42							
43	Gas Cost Recovery		3,287,101			3,287,101	
44	TOTAL	637,229,140	43,175,727		67,969,907	612,434,960	

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
The Narragansett Electric Company			2016/Q2
FOOTNOTE DATA			

**Schedule Page: 232 Line No.: 3 Column: a**

Pursuant to Rhode Island Public Utilities Commission in Docket # 4436, Distribution Adjustment Clause (DAC) is designed to provide for the recovery and reconciliation of the costs of identifiable special programs. It includes an annual System Pressure factor, an Advanced Gas Technology factor, a Low Income Assistance Program factor, an Environmental Response Cost factor, a Pension Adjustment factor, an On-System Margin Credit factor, a Service Quality Performance factor, an Earnings Sharing Mechanism factor, a Revenue Decoupling Adjustment factor, and rate class specific Infrastructure, Safety, and Reliability factors.

The Environmental Response Cost ("ERC") Factor is designed to allow National Grid to recover its reasonable and prudently incurred costs for evaluation, remediation and clean-up of the sites associated with the Company's ownership and/or operation of manufactured gas plants ("MGP"), manufactured gas storage facilities, and MGP-related off-site waste disposal locations. The ERC factor is a per-therm charge that reflects the 10-year amortization of environmental response costs.

**Schedule Page: 232 Line No.: 7 Column: a**

Pursuant to Docket No. 3943, the Commission approved the Company's proposal to reconcile its pension and postretirement benefits other than pensions ("PBOP") expenses annually through the DAC. In accordance with the Company's Tariff, RIPUC NG No. 101, the PBOP adjustment factor is designed to recover or refund the prior year's reconciliation of the Company's actual pension and PBOP expenses to the Company's pension and PBOP expenses that were included in base rates. The adjustment factor is based on this difference.

**Schedule Page: 232 Line No.: 13 Column: a**

Pursuant to Rhode Island Public Utilities Commission Docket # 2509, The Company's Storm Fund was established to provide a mechanism for recovering storm restoration expenses as a result of extraordinary storms without the need to file for rate surcharges or periodic rate relief. For any storm for which the Company incurs incremental operation and maintenance (O&M) storm-related costs above the applicable dollar threshold amount, the Company is authorized to charge the Storm Fund for these expense amounts above the per-storm deductible amount.

**Schedule Page: 232 Line No.: 15 Column: a**

Pursuant to Rhode Island Public Utilities Commission in Docket No. 4206, Company is required to submit its annual RDM revenue reconciliation by May 15 of each year. The reconciliation compares the Annual Target Revenue to actual billed distribution revenue for the RDM year. The Revenue Decoupling amount is the difference (either positive or negative) between the actual billed distribution revenue and the ATR for the RDM Year. The RDM Deferral Amount (either positive or negative), including interest at the rate paid on customer deposits, determines the RDM Adjustment Factor. The RDM Adjustment Factor is a uniform per kWh charge applicable to all customers distribution rates, such as customer charges, distribution energy charges, distribution demand charges, high voltage metering and delivery credits under the Company's general service rate classes, paperless bill credit, and luminaire and pole charges under the Company's street and area lighting rates.

**Schedule Page: 232 Line No.: 17 Column: a**

Company recovers through a Net Metering Charge the sum of 1) all Renewable Net Metering Credits (RNMCS) paid to eligible net metering customers, less any payments from ISONE for the sales of excess generation, and 2) the difference between the payments made to QFs with renewable generation at the SOS rate and the payments received from ISONE for market energy sold. The Net Metering Charge is a uniform per kWh charge applicable to all customers and is included with the distribution kWh charge for billing purposes. Company pays RNMCS to an Eligible Net Metering System ("Host Customer") for up to one hundred percent (100%) of the Host Customer's usage at the Eligible Net Metering System site. For kWh generated by both eligible renewable net metering customers and renewable QFs, the Company receives payments from ISO-NE for the sale of this energy in the market. These payments are used to offset the RNMCS paid to Host Customers and payments to renewable QFs.

**Schedule Page: 232 Line No.: 21 Column: a**

Pursuant to Rhode Island Public Utilities Commission Docket # 4315, Standard Offer Adjustment Provision ("SOAP") recovers administrative costs associated with arranging, administering, and providing SOS. In accordance with the SOAP, on an annual basis, the Company reconciles its administrative cost of providing SOS with its SOS revenue associated with the recovery of administrative costs, and the excess or deficiency, including interest at the interest rate paid on customer deposits, is refunded to, or recovered from, SOS customers in the subsequent year's SOSACA Factor. Administrative costs include the cost of working capital, the administrative costs of complying with the requirements of Renewable Energy Standard, the costs of creating the environmental disclosure label, the costs associated with NEPOOL's Generation Information System ("GIS"), the costs associated with the procurement of SOS including requests for bids, contract negotiation, and execution and contract administration, the costs associated with notifying SOS customers of the rates for SOS, the costs associated with updating rate changes in the Company's billing system, and an allowance for SOS-related uncollectible expense associated with amounts billed through SOS rates and the SOSACA Factors.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
The Narragansett Electric Company			2016/Q2
FOOTNOTE DATA			

**Schedule Page: 232 Line No.: 27 Column: a**

Pursuant to Rhode Island Public Utilities Commission Docket # 4306, the Gas ISR Plan is designed to maintain and upgrade the Company's gas delivery system through proactively replacing leak-prone gas mains and services, upgrading the system's pressure regulating systems, responding to emergency leak situations, and addressing conflicts that arise out of public works projects. The Plan attempts to attain these safety and reliability goals through a cost-effective, coordinated work plan.

Name of Respondent The Narragansett Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q2	
OTHER REGULATORY LIABILITIES (Account 254)						
1. Report below the particulars (details) called for concerning other regulatory liabilities, including rate order docket number, if applicable. 2. Minor items (5% of the Balance in Account 254 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes. 3. For Regulatory Liabilities being amortized, show period of amortization.						
Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Beginning of Current Quarter/Year (b)	DEBITS		Credits (e)	Balance at End of Current Quarter/Year (f)
			Account Credited (c)	Amount (d)		
1	Deferred Income Tax Liability	99,522	191	31,959	15,979	83,542
2						
3	Retirement Plan-Purchase Accounting Adjustment	7,010,163	184	564,357		6,445,806
4						
5	Excess Earnings	516,609	495	13,980,797	17,131,196	3,667,008
6						
7	Environmental Response Fund	5,440,228	431,490	428,773	800,099	5,811,554
8						
9	Service Quality Penalties	254,755	419,480	1,063,962	879,962	70,755
10						
11	Low-Income Home Energy Assistance Program	16,077,272	495,456	395,351	1,018,118	16,700,039
12	Postretirement Benefits	3,306,732	184		8,613	3,315,345
13						
14	Customer Credit Refund Adjustment	8,692,024	431	12,305	21,423	8,701,142
15						
16	Gas futures-Gas Supply	1,579,476	176,186	1,585,090	6,063,527	6,057,913
17						
18	Over Collect-Commodity	401,508	449,419	4,798,026	4,396,518	
19						
20	Energy Efficiency	10,851,383	490,431	3,617,566	5,818,137	13,051,954
21						
22	Infrastructure, Safety, and Reliability Plan	2,267,533	456	105,589	12,412	2,174,356
23						
24	Over Collect-Access Charge	1,992,360	456,419	1,374,649	78,133	695,844
25						
26	Renewable Energy Standard	11,571,533	449,431	909,021	961,491	11,624,003
27	Gas Cost Recovery	977,222	480,419	6,489,133	5,511,910	-1
28	Advanced Gas Technology	1,670,145	480,431	123	71,964	1,741,986
29						
30	Reconciliation Factor	108,732	480,431	108,732		
31	OPEB Expense Deferred Electric		182		1,780,357	1,780,357
32	Pension OPEB Reserve/ Liability	628,145	182	628,145	733,430	733,430
33	Capital Tracker		182		71,168	71,168
34	Revenue Decoupling - Gas	13,279,994	495	14,578,318	8,996,977	7,698,653
35	Gas LCI CoPay EE Reg Liab	500,000	660	1,112,373	2,068,437	1,456,064
36	RI renewable Energy Growth	282,633	456,431		292,261	574,894
37	Electric LCI CoPay EE Reg Liab	13,245,000	660	840,455	2,414,391	14,818,936
38	Firm Revenue Credit				53,407	53,407
39						
40						
41	TOTAL	100,752,969		52,624,724	59,199,910	107,328,155

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
The Narragansett Electric Company			2016/Q2
FOOTNOTE DATA			

**Schedule Page: 278 Line No.: 7 Column: a**

Consistent with Section 3 of the Company's Tariff, RIPUC NG No. 101, the Environmental Response Cost ("ERC") Factor is designed to allow National Grid to recover its reasonable and prudently incurred costs for evaluation, remediation and clean-up of the sites associated with the Company's ownership and/or operation of manufactured gas plants ("MGP"), manufactured gas storage facilities, and MGP-related off-site waste disposal locations. In addition, the ERC Factor includes recovery of environmental costs for removing and replacing mercury regulators and addressing meter disposal issues.

**Schedule Page: 278 Line No.: 9 Column: a**

Pursuant to Rhode Island Public Utilities Commission Docket No. 3628, The Plan provides for penalties and offsets relating to performance standards in the areas of reliability and customer service. Under the Reliability Performance Standards, an interruption is defined as the loss of electric service to more than one customer for more than one minute. The interruption duration is defined as the period of time, measured in minutes, from the initial notification of the interruption event to the time when service has been restored to the customers. Under the Customer Service Standards, the customer contact survey results are based on responses from National Grid's Rhode Island customers. Eight types of transactions are included in the survey, and the overall results are weighted based on the number of these transactions actually performed at the call center during the calendar year.

**Schedule Page: 278 Line No.: 11 Column: a**

Pursuant to Rhode Island Public Utilities Commission Docket No. 4290, R.I.P.U.C. No. 2143, and in accordance with R.I.G.L. § 39-1-27.12, the Company bills to all customers a LIHEAP Enhancement Plan charge approved by the Commission. A LIHEAP Enhancement charge fund is used to account for the combined funds collected through the LIHEAP Enhancement charge from both gas and electric service customers. The State Office of Energy Resource designates to the Company the qualifying customer accounts and the amounts to be credited from the LIHEAP Enhancement fund. The cumulative annual amount of credits applied to customer bills will be limited to an amount no greater than the cumulative aggregate projected LIHEAP Enhancement Plan Charge billed through the end of the current calendar year. Once the aggregate credits applied to customers bills equals the aggregate projected Enhancement Plan charge billed during the calendar year, including interest at the customer deposit interest rate, the Enhancement Plan credits would cease.

**Schedule Page: 278 Line No.: 12 Column: a**

Pursuant to Docket No. 3943 and 4223, the Commission approved the Company's proposal to reconcile its pension and postretirement benefits other than pensions ("PBOP") expenses annually. In accordance with the Company's Tariff, RIPUC NG No. 101, the pension & PBOP adjustment factor is designed to recover or refund the prior year's reconciliation of the Company's actual pension and PBOP expenses to the Company's pension and PBOP expenses that were included in base rates. The adjustment factor is based on this difference. The balance reflects the remaining unamortized net pension & PBOP gains from National Grid's acquisition of Narragansett Electric.

**Schedule Page: 278 Line No.: 18 Column: a**

Pursuant to R.I.G.L. 39-1-27.3, each electric distribution company shall arrange for a standard power supply ("standard offer") to customers that have not elected to enter into power supply arrangements with nonregulated power suppliers. The rates that are charged by the electric distribution company to customers for standard offer service shall be approved by the commission and shall be designed to recover the electric distribution company's costs. Pursuant to R.I.P.U.C. No. 2113, Standard Offer Adjustment Provision, the Company shall reconcile its total cost of purchased power for Standard Offer Service supply against its total purchased power revenue, and the excess or deficiency shall be refunded to, or collected from, customers through the rate recovery/refund methodology approved by the Commission at the time the Company files its annual reconciliation. Any positive or negative balance will accrue interest calculated at the rate in effect for customer deposits. The Company procures and prices SOS separately for the Residential Group, Commercial Group, and the Industrial Group and tracks revenue and expenses separately for each group.

**Schedule Page: 278 Line No.: 20 Column: a**

Pursuant to Rhode Island Public Utilities Commission, Docket # 4209, The Energy Efficiency programs offers energy efficiency opportunities to all customer segments, with a focus on providing needed services to low and moderate income residential consumers as a means of reducing bills. These programs include the EnergyWise Program, the Single Family Low Income Services Program, and the ENERGY STAR Homes Program. The objectives of the plan are: 1. To create economic value and cost savings for Rhode Islanders. 2. To ensure all customers have an opportunity to participate in energy efficiency programs. 3. To achieve electric savings targets established in the Least Cost Procurement Plan (LCPP), approved by the Commission in Docket 3931. 4. To develop the infrastructure needed to meet the EERMC's proposed performance targets for saving 2.5% of electric load and 1.2% of natural gas consumption by 2014. and 5. Innovation - The Company's residential pilots provided the foundation for innovation by testing new products like solar thermal hot water and heating for gas systems, ECM pump motors, Wi-fi thermostats, heat pump water heaters and boiler load controls. In accordance with R.I.G.L. § 39-1-27.7 and 39-2-1.2, a charge per dekatherm (Dt) is designed to recover the costs of the Company's gas Energy Efficiency Program (EEP).

**Schedule Page: 278 Line No.: 22 Column: a**

**ELECTRIC:** Pursuant to R.I.G.L. 39-1-27.7.1 and RIPUC 2118, the Electric ISR Plan provides for current recovery of capital investment in support of a safe and reliable distribution system as well as O&M expense for vegetation management and the Company's Inspection and Maintenance program. Each year the Company proposes a plan for the upcoming fiscal year, where it

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q2
The Narragansett Electric Company			
FOOTNOTE DATA			

itemizes the recommended work activities by general category and provides budgets for capital investment and O&M. Recovery begins April 1 for costs associated with that fiscal year. After the end of the fiscal year the Company reconciles the ISR Plan's projected capital used and O&M estimates for establishing the revenue requirement to actual investment and O&M expenditures and reconciles the actual revenue requirement to the revenue billed from the factors implemented at the beginning of each fiscal year. Capital investments are recovered through a capital mechanism that reconciles the plant in service amounts to the lesser of actual plant in service or actual spending on a cumulative basis following the close of the fiscal year. Recovery of balances resulting from the reconciliations are recovered or credited to all customers on October 1 following the close of the applicable fiscal year.

**Schedule Page: 278 Line No.: 24 Column: a**

Pursuant R.I.P.U.C. No. 1188, Non-Bypassable Transition Charge Adjustment Provision, the Non-Bypassable Transition Charge shall collect from customers all Contract Termination Charges billed to the Narragansett Electric Company (the Company) by the New England Power Company or Montaup Electric Company. The Non-Bypassable Transition Charge may be subject to adjustment each time any Contract Termination Charge changes. On an annual basis, the Company shall reconcile its total cost of Contract Termination Charges against its total transition charge revenue to determine any excess or deficiency. Any positive or negative balance will accrue interest calculated at the rate in effect for customer deposits.

**Schedule Page: 278 Line No.: 26 Column: a**

Pursuant to Docket 4393, Standard Offer Adjustment Provision, the Renewable Energy Standard is designed to recover from customers the estimated costs associated with the upcoming RES obligation year and an estimate of the remaining costs for the current RES obligation year. The estimate of the remaining costs for the current RES obligation year is based on a reconciliation of actual RES revenue and actual RES expense for the current year and an estimate of remaining RES expense to satisfy the obligation year. The expected cost of Renewable Energy Certificates ("RECs") to be procured for current and upcoming obligation years is based on the most recently available market data and broker sheets.

**Schedule Page: 278 Line No.: 28 Column: a**

Pursuant to Rhode Island Public Utilities Commission in Docket No. 2025, and Section 3 of the Company's tariff RIPUC NG No. 101, The Advance Gas Technology program was established to promote development of energy-efficient natural gas technologies that increase utilization of natural gas during periods of low demand. Increased off-peak usage reduces the unit cost of gas for all customers by generating distribution revenues to support fixed costs associated with resources needed during peak periods. The AGT program provides rebates for technologies such as natural gas powered fleet vehicles, chilling systems, electrical generators, process heating, desiccant dehumidifiers, as well as for residential high efficiency space heating equipment.

**Schedule Page: 278 Line No.: 36 Column: a**

In accordance with RIPUC No. 2153, Renewable Energy Growth Program Cost Recovery Provision permits for the recovery of incremental costs associated with the RE Growth Program from all retail delivery service customers through a fixed monthly charge per customer. Pursuant to the RE Growth Statute, the Company is required to purchase the output generated by DG projects that have been awarded Certificates of Eligibility through the RE Growth Program enrollment process and to compensate program applicants in the form of PBI Payments. In turn, the applicants will assign to the Company title to all energy, capacity, and RECs (collectively, Market Products) generated by the DG projects.<sup>5</sup> The Company will sell the energy and the RECs as required by the RE Growth Statute. The net proceeds from the sale of the Market Products will be used to offset the cost of the RE Growth Program. In addition, the RE Growth Statute authorizes the Company to recover 1.75 percent of the total PBI Payments as remuneration. Certain implementation, administrative and other costs authorized through various sections of the RE Growth Statute will be tracked and recovered annually.

Name of Respondent The Narragansett Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q2
ELECTRIC OPERATING REVENUES (Account 400)					
<p>1. The following instructions generally apply to the annual version of these pages. Do not report quarterly data in columns (c), (e), (f), and (g). Unbilled revenues and MWH related to unbilled revenues need not be reported separately as required in the annual version of these pages.</p> <p>2. Report below operating revenues for each prescribed account, and manufactured gas revenues in total.</p> <p>3. Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The -average number of customers means the average of twelve figures at the close of each month.</p> <p>4. If increases or decreases from previous period (columns (c),(e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.</p> <p>5. Disclose amounts of \$250,000 or greater in a footnote for accounts 451, 456, and 457.2.</p>					
Line No.	Title of Account (a)	Operating Revenues Year to Date Quarterly/Annual (b)	Operating Revenues Previous year (no Quarterly) (c)		
1	Sales of Electricity				
2	(440) Residential Sales	110,887,479			
3	(442) Commercial and Industrial Sales				
4	Small (or Comm.) (See Instr. 4)	50,586,769			
5	Large (or Ind.) (See Instr. 4)	5,358,829			
6	(444) Public Street and Highway Lighting	292,128			
7	(445) Other Sales to Public Authorities				
8	(446) Sales to Railroads and Railways				
9	(448) Interdepartmental Sales				
10	TOTAL Sales to Ultimate Consumers	167,125,205			
11	(447) Sales for Resale	4			
12	TOTAL Sales of Electricity	167,125,209			
13	(Less) (449.1) Provision for Rate Refunds	-9,323,385			
14	TOTAL Revenues Net of Prov. for Refunds	176,448,594			
15	Other Operating Revenues				
16	(450) Forfeited Discounts	691,002			
17	(451) Miscellaneous Service Revenues	63,008,957			
18	(453) Sales of Water and Water Power				
19	(454) Rent from Electric Property	2,099,409			
20	(455) Interdepartmental Rents				
21	(456) Other Electric Revenues	221,495,082			
22	(456.1) Revenues from Transmission of Electricity of Others				
23	(457.1) Regional Control Service Revenues				
24	(457.2) Miscellaneous Revenues				
25					
26	TOTAL Other Operating Revenues	287,294,450			
27	TOTAL Electric Operating Revenues	463,743,044			



Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
The Narragansett Electric Company			2016/Q2
FOOTNOTE DATA			

**Schedule Page: 300 Line No.: 17 Column: b**

**(451) Miscellaneous Service Revenues**

Open Access Revenue-DSM	33,029,708
Open Access Revenue-Customer Charge	29,362,059
Misc Service Revenue-Electric	617,190
	<u>63,008,957</u>

**Schedule Page: 300 Line No.: 21 Column: b**

**(456) Other Electric Revenues**

Open Access Revenue - Access Charge	4,534,603
Open Access Revenue - Transmission	-82,648,190
Open Access Revenue - GET	-16,404,440
Open Access Revenue - Distribution	-120,599,354
Open Access Revenue - Decoupling	-830,603
Other Elec Revenue - Misc	-4,542,732
Contribution in Aid of Construction	-836,017
Supervision & Admin Burden	-167,267
Interest Income-Regulatory Deferral	-1,082
	<u>221,495,082</u>

Name of Respondent The Narragansett Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q2
REGIONAL TRANSMISSION SERVICE REVENUES (Account 457.1)					
1. The respondent shall report below the revenue collected for each service (i.e., control area administration, market administration, etc.) performed pursuant to a Commission approved tariff. All amounts separately billed must be detailed below.					
Line No.	Description of Service (a)	Balance at End of Quarter 1 (b)	Balance at End of Quarter 2 (c)	Balance at End of Quarter 3 (d)	Balance at End of Year (e)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46	TOTAL				

Name of Respondent The Narragansett Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q2
ELECTRIC PRODUCTION, OTHER POWER SUPPLY EXPENSES, TRANSMISSION AND DISTRIBUTION EXPENSES				
Report Electric production, other power supply expenses, transmission, regional control and market operation, and distribution expenses through the reporting period.				
Line No.	Account (a)	Year to Date Quarter (b)		
1	1. POWER PRODUCTION AND OTHER SUPPLY EXPENSES			
2	Steam Power Generation - Operation (500-509)			
3	Steam Power Generation - Maintenance (510-515)			
4	Total Power Production Expenses - Steam Power			
5	Nuclear Power Generation - Operation (517-525)			
6	Nuclear Power Generation - Maintenance (528-532)			
7	Total Power Production Expenses - Nuclear Power			
8	Hydraulic Power Generation - Operation (535-540.1)			
9	Hydraulic Power Generation - Maintenance (541-545.1)			
10	Total Power Production Expenses - Hydraulic Power			
11	Other Power Generation - Operation (546-550.1)			
12	Other Power Generation - Maintenance (551-554.1)			
13	Total Power Production Expenses - Other Power			
14	Other Power Supply Expenses			
15	Purchased Power (555)	185,813,840		
16	System Control and Load Dispatching (556)			
17	Other Expenses (557)			
18	Total Other Power Supply Expenses (line 15-17)	185,813,840		
19	Total Power Production Expenses (Total of lines 4, 7, 10, 13 and 18)	185,813,840		
20	2. TRANSMISSION EXPENSES			
21	Transmission Operation Expenses			
22	(560) Operation Supervision and Engineering	570,119		
23				
24	(561.1) Load Dispatch-Reliability	1,401		
25	(561.2) Load Dispatch-Monitor and Operate Transmission System	594,257		
26	(561.3) Load Dispatch-Transmission Service and Scheduling			
27	(561.4) Scheduling, System Control and Dispatch Services	2,125,007		
28	(561.5) Reliability, Planning and Standards Development	128,070		
29	(561.6) Transmission Service Studies			
30	(561.7) Generation Interconnection Studies			
31	(561.8) Reliability, Planning and Standards Development Services	25,959		
32	(562) Station Expenses	145,234		
33	(563) Overhead Line Expenses	-16,852		
34	(564) Underground Line Expenses			
35	(565) Transmission of Electricity by Others	13,806,572		
36	(566) Miscellaneous Transmission Expenses	1,661,162		
37	(567) Rents	31,353		
38	(567.1) Operation Supplies and Expenses (Non-Major)			

Name of Respondent The Narragansett Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q2
ELECTRIC PRODUCTION, OTHER POWER SUPPLY EXPENSES, TRANSMISSION AND DISTRIBUTION EXPENSES				
Report Electric production, other power supply expenses, transmission, regional control and market operation, and distribution expenses through the reporting period.				
Line No.	Account (a)	Year to Date Quarter (b)		
39	TOTAL Transmission Operation Expenses (Lines 22 - 38)	19,072,282		
40	Transmission Maintenance Expenses			
41	(568) Maintenance Supervision and Engineering	37,646		
42	(569) Maintenance of Structures			
43	(569.1) Maintenance of Computer Hardware			
44	(569.2) Maintenance of Computer Software			
45	(569.3) Maintenance of Communication Equipment	1,282		
46	(569.4) Maintenance of Miscellaneous Regional Transmission Plant	37,451		
47	(570) Maintenance of Station Equipment	264,143		
48	(571) Maintenance Overhead Lines	820,452		
49	(572) Maintenance of Underground Lines	20,926		
50	(573) Maintenance of Miscellaneous Transmission Plant	13,312		
51	(574) Maintenance of Transmission Plant			
52	TOTAL Transmission Maintenance Expenses (Lines 41 - 51)	1,195,212		
53	Total Transmission Expenses (Lines 39 and 52)	20,267,494		
54	3. REGIONAL MARKET EXPENSES			
55	Regional Market Operation Expenses			
56	(575.1) Operation Supervision			
57	(575.2) Day-Ahead and Real-Time Market Facilitation			
58	(575.3) Transmission Rights Market Facilitation			
59	(575.4) Capacity Market Facilitation			
60	(575.5) Ancillary Services Market Facilitation			
61	(575.6) Market Monitoring and Compliance			
62	(575.7) Market Facilitation, Monitoring and Compliance Services	117,769		
63	Regional Market Operation Expenses (Lines 55 - 62)	117,769		
64	Regional Market Maintenance Expenses			
65	(576.1) Maintenance of Structures and Improvements			
66	(576.2) Maintenance of Computer Hardware			
67	(576.3) Maintenance of Computer Software			
68	(576.4) Maintenance of Communication Equipment			
69	(576.5) Maintenance of Miscellaneous Market Operation Plant			
70	Regional Market Maintenance Expenses (Lines 65-69)			
71	TOTAL Regional Control and Market Operation Expenses (Lines 63,70)	117,769		
72	4. DISTRIBUTION EXPENSES			
73	Distribution Operation Expenses (580-589)	10,734,947		
74	Distribution Maintenance Expenses (590-598)	18,662,869		
75	Total Distribution Expenses (Lines 73 and 74)	29,397,816		

Name of Respondent The Narragansett Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q2
ELECTRIC CUSTOMER ACCOUNTS, SERVICE, SALES, ADMINISTRATIVE AND GENERAL EXPENSES				
Report the amount of expenses for customer accounts, service, sales, and administrative and general expenses year to date.				
Line No.	Account (a)	Year to Date Quarter (b)		
1	(901-905) Customer Accounts Expenses	8,027,393		
2	(907-910) Customer Service and Information Expenses	32,695,669		
3	(911-917) Sales Expenses	246,808		
4	8. ADMINISTRATIVE AND GENERAL EXPENSES			
5	Operations			
6	920 Administrative and General Salaries	9,283,886		
7	921 Office Supplies and Expenses	9,588,290		
8	(Less) 922 Administrative Expenses Transferred-Credit			
9	923 Outside Services Employed	3,181,120		
10	924 Property Insurance	4,078,267		
11	925 Injuries and Damages	931,370		
12	926 Employee Pensions and Benefits	11,774,126		
13	927 Franchise Requirements			
14	928 Regulatory Commission Expenses	2,760,945		
15	(Less) 929 Duplicate Charges-Credit			
16	930.1 General Advertising Expenses			
17	930.2 Miscellaneous General Expenses	2,197,866		
18	931 Rents	8,834,741		
19	TOTAL Operation (Total of lines 6 thru 18)	52,630,611		
20	Maintenance			
21	935 Maintenance of General Plant	45,065		
22	TOTAL Administrative and General Expenses (Total of lines 19 and 21)	52,675,676		

Name of Respondent The Narragansett Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q2
TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1) (Including transactions referred to as 'wheeling')					
<p>1. Report all transmission of electricity, i.e., wheeling, provided for other electric utilities, cooperatives, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers for the quarter.</p> <p>2. Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).</p> <p>3. Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c)</p> <p>4. In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO - Firm Network Service for Others, FNS - Firm Network Transmission Service for Self, LFP - "Long-Term Firm Point to Point Transmission Service, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point to Point Transmission Reservation, NF - non-firm transmission service, OS - Other Transmission Service and AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.</p>					
Line No.	Payment By (Company of Public Authority) (Footnote Affiliation) (a)	Energy Received From (Company of Public Authority) (Footnote Affiliation) (b)	Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c)	Statistical Classification (d)	
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
TOTAL					

Name of Respondent The Narragansett Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /		Year/Period of Report End of 2016/Q2	
TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued) (Including transactions referred to as 'wheeling')							
<p>5. In column (e), identify the FERC Rate Schedule or Tariff Number, On separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (d), is provided.</p> <p>6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the substation, or other appropriate identification for where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for where energy was delivered as specified in the contract.</p> <p>7. Report in column (h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be in megawatts. Footnote any demand not stated on a megawatts basis and explain.</p> <p>8. Report in column (i) and (j) the total megawatthours received and delivered.</p>							
FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.	
				MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)		
						1	
						2	
						3	
						4	
						5	
						6	
						7	
						8	
						9	
						10	
						11	
						12	
						13	
						14	
						15	
						16	
						17	
						18	
						19	
						20	
						21	
						22	
						23	
						24	
						25	
						26	
						27	
						28	
						29	
						30	
						31	
						32	
						33	
						34	
			0	0	0		

Name of Respondent The Narragansett Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2016/Q2</u>
TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued) (Including transactions referred to as 'wheeling')			
<p>9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.</p> <p>10. The total amounts in columns (i) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purposes only on Page 401, Lines 16 and 17, respectively.</p> <p>11. Footnote entries and provide explanations following all required data.</p>			
REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS			
Demand Charges (\$) (k)	Energy Charges (\$) (l)	(Other Charges) (\$) (m)	Total Revenues (\$) (k+l+m) (n)
			Line No.
			1
			2
			3
			4
			5
			6
			7
			8
			9
			10
			11
			12
			13
			14
			15
			16
			17
			18
			19
			20
			21
			22
			23
			24
			25
			26
			27
			28
			29
			30
			31
			32
			33
			34
0	0	0	

Name of Respondent The Narragansett Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q2
TRANSMISSION OF ELECTRICITY BY ISO/RTOs					
<p>1. Report in Column (a) the Transmission Owner receiving revenue for the transmission of electricity by the ISO/RTO.</p> <p>2. Use a separate line of data for each distinct type of transmission service involving the entities listed in Column (a).</p> <p>3. In Column (b) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO – Firm Network Service for Others, FNS – Firm Network Transmission Service for Self, LFP – Long-Term Firm Point-to-Point Transmission Service, OLF – Other Long-Term Firm Transmission Service, SFP – Short-Term Firm Point-to-Point Transmission Reservation, NF – Non-Firm Transmission Service, OS – Other Transmission Service and AD- Out-of-Period Adjustments. Use this code for any accounting adjustments or “true-ups” for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.</p> <p>4. In column (c) identify the FERC Rate Schedule or tariff Number, on separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (b) was provided.</p> <p>5. In column (d) report the revenue amounts as shown on bills or vouchers.</p> <p>6. Report in column (e) the total revenues distributed to the entity listed in column (a).</p>					
Line No.	Payment Received by (Transmission Owner Name) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Total Revenue by Rate Schedule or Tariff (d)	Total Revenue (e)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40	TOTAL				

Name of Respondent The Narragansett Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /		Year/Period of Report End of 2016/Q2		
TRANSMISSION OF ELECTRICITY BY OTHERS (Account 565) (Including transactions referred to as "wheeling")								
<p>1. Report all transmission, i.e. wheeling or electricity provided by other electric utilities, cooperatives, municipalities, other public authorities, qualifying facilities, and others for the quarter.</p> <p>2. In column (a) report each company or public authority that provided transmission service. Provide the full name of the company, abbreviate if necessary, but do not truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation with the transmission service provider. Use additional columns as necessary to report all companies or public authorities that provided transmission service for the quarter reported.</p> <p>3. In column (b) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNS - Firm Network Transmission Service for Self, LFP - Long-Term Firm Point-to-Point Transmission Reservations, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point-to-Point Transmission Reservations, NF - Non-Firm Transmission Service, and OS - Other Transmission Service. See General Instructions for definitions of statistical classifications.</p> <p>4. Report in column (c) and (d) the total megawatt hours received and delivered by the provider of the transmission service.</p> <p>5. Report in column (e), (f) and (g) expenses as shown on bills or vouchers rendered to the respondent. In column (e) report the demand charges and in column (f) energy charges related to the amount of energy transferred. On column (g) report the total of all other charges on bills or vouchers rendered to the respondent, including any out of period adjustments. Explain in a footnote all components of the amount shown in column (g). Report in column (h) the total charge shown on bills rendered to the respondent. If no monetary settlement was made, enter zero in column (h). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.</p> <p>6. Enter "TOTAL" in column (a) as the last line.</p> <p>7. Footnote entries and provide explanations following all required data.</p>								
Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	TRANSFER OF ENERGY		EXPENSES FOR TRANSMISSION OF ELECTRICITY BY OTHERS			Total Cost of Transmission (h)
			Megawatt-hours Received (c)	Megawatt-hours Delivered (d)	Demand Charges (\$) (e)	Energy Charges (\$) (f)	Other Charges (\$) (g)	
1	ISO New England	FNS					28,327,885	28,327,885
2								
3	New England Power	FNS					7,295,097	7,295,097
4								
5	Facility Credits	FNS					-32,615,485	-32,615,485
6								
7	Other	FNS					2,984,992	2,984,992
8								
9								
10								
11								
12								
13								
14								
15								
16								
	TOTAL						5,992,489	5,992,489

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
The Narragansett Electric Company			2016/Q2
FOOTNOTE DATA			

**Schedule Page: 332 Line No.: 3 Column: a**

Schedule 21 Local Network Service  
Affiliate - New England Power

**Schedule Page: 332 Line No.: 5 Column: a**

Integrated Facilities Agreement  
Affiliate - New England Power

**Schedule Page: 332 Line No.: 7 Column: h**

Resettlement of transmission facility charges billed to affiliate (New England Power) amounting to \$4,057,529 reported as 'Other' accrual adjustments in the Narragansett Electric calendar year 2015 FERC Form 1 filing resulting in a higher 'other adjustment' total being reported. Refer to the Refund Report Relative to Amendments to Schedule III-B Integrated Facilities Provisions under FERC Electric Tariff Second Revised Volume Number 1 Docket No. ER16-758-000 filed by New England Power Company ('NEP') d/b/a National Grid.

**Other Adjustments:**

Distribution Surcharge Credit Reclass	168,454.00
Regional Network Service Accrual	2,816,537.77
Total	2,984,991.77



Name of Respondent The Narragansett Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2016/Q2</u>
---	---	---------------------------------------	--

## AMOUNTS INCLUDED IN ISO/RTO SETTLEMENT STATEMENTS

1. The respondent shall report below the details called for concerning amounts it recorded in Account 555, Purchase Power, and Account 447, Sales for Resale, for items shown on ISO/RTO Settlement Statements. Transactions should be separately netted for each ISO/RTO administered energy market for purposes of determining whether an entity is a net seller or purchaser in a given hour. Net megawatt hours are to be used as the basis for determining whether a net purchase or sale has occurred. In each monthly reporting period, the hourly sale and purchase net amounts are to be aggregated and separately reported in Account 447, Sales for Resale, or Account 555, Purchased Power, respectively.

Line No.	Description of Item(s) (a)	Balance at End of Quarter 1 (b)	Balance at End of Quarter 2 (c)	Balance at End of Quarter 3 (d)	Balance at End of Year (e)
1	Energy				
2	Net Purchases (Account 555)	2,389,425	1,868,146		
3	Net Sales (Account 447)				
4	Transmission Rights				
5	Ancillary Services	2,417,581	1,810,736		
6	Other Items (list separately)				
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46	TOTAL	4,807,006	3,678,882		

Name of Respondent The Narragansett Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2016/Q2</u>	
MONTHLY PEAKS AND OUTPUT						
<p>(1) (1) Report the monthly peak load and energy output. If the respondent has two or more power systems which are not physically integrated, furnish the required information for each non- integrated system. In quarter 1 report January, February, and March only. In quarter 2 report April, May, and June only. In quarter 3 report July, August, and September only.</p> <p>(2) Report on column (b) by month the system's output in Megawatt hours for each month.</p> <p>(3) Report on column (c) by month the non-requirements sales for resale. Include in the monthly amounts any energy losses associated with the sales.</p> <p>(4) Report on column (d) by month the system's monthly maximum megawatt load (60 minute integration) associated with the system.</p> <p>(5) Report on columns (e) and (f) the specified information for each monthly peak load reported on column (d).</p> <p>(6) Report Monthly Peak Hours in military time; 0100 for 1:00 AM, 1200 for 12 AM, and 1830 for 6:30 PM, etc.</p>						
NAME OF SYSTEM:						
Line No.	Month (a)	Total Monthly Energy (MWH) (b)	Monthly Non-Requirements Sales for Resale & Associated Losses (c)	MONTHLY PEAK		
				Megawatts (See Instr. 4) (d)	Day of Month (e)	Hour (f)
1	January	362,158		1,219	19	19
2	February	308,764		1,223	15	19
3	March	311,543		1,081	4	19
4	Total	982,465		3,523		
5	April	285,656		1,069	4	20
6	May	283,060		1,263	31	17
7	June	317,792		1,337	29	15
8	Total	886,508		3,669		
9	July				0	0
10	August				0	0
11	September				0	0
12	Total					

Name of Respondent The Narragansett Electric Company				This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /		Year/Period of Report End of 2016/Q2		
MONTHLY TRANSMISSION SYSTEM PEAK LOAD										
<p>(1) Report the monthly peak load on the respondent's transmission system. If the respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.</p> <p>(2) Report on Column (b) by month the transmission system's peak load.</p> <p>(3) Report on Columns (c ) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).</p> <p>(4) Report on Columns (e) through (j) by month the system' monthly maximum megawatt load by statistical classifications. See General Instruction for the definition of each statistical classification.</p>										
NAME OF SYSTEM:										
Line No.	Month (a)	Monthly Peak MW - Total (b)	Day of Monthly Peak (c)	Hour of Monthly Peak (d)	Firm Network Service for Self (e)	Firm Network Service for Others (f)	Long-Term Firm Point-to-point Reservations (g)	Other Long-Term Firm Service (h)	Short-Term Firm Point-to-point Reservation (i)	Other Service (j)
1	January									
2	February									
3	March									
4	Total for Quarter 1									
5	April									
6	May									
7	June									
8	Total for Quarter 2									
9	July									
10	August									
11	September									
12	Total for Quarter 3									
13	October									
14	November									
15	December									
16	Total for Quarter 4									
17	Total Year to Date/Year									

Name of Respondent The Narragansett Electric Company				This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /		Year/Period of Report End of 2016/Q2		
MONTHLY ISO/RTO TRANSMISSION SYSTEM PEAK LOAD										
<p>(1) Report the monthly peak load on the respondent's transmission system. If the Respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.</p> <p>(2) Report on Column (b) by month the transmission system's peak load.</p> <p>(3) Report on Column (c) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).</p> <p>(4) Report on Columns (e) through (i) by month the system's transmission usage by classification. Amounts reported as Through and Out Service in Column (g) are to be excluded from those amounts reported in Columns (e) and (f).</p> <p>(5) Amounts reported in Column (j) for Total Usage is the sum of Columns (h) and (i).</p>										
NAME OF SYSTEM:										
Line No.	Month	Monthly Peak MW - Total	Day of Monthly Peak	Hour of Monthly Peak	Imports into ISO/RTO	Exports from ISO/RTO	Through and Out Service	Network Service Usage	Point-to-Point Service Usage	Total Usage
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1	January									
2	February									
3	March									
4	Total for Quarter 1									
5	April									
6	May									
7	June									
8	Total for Quarter 2									
9	July									
10	August									
11	September									
12	Total for Quarter 3									
13	October									
14	November									
15	December									
16	Total for Quarter 4									
17	Total Year to Date/Year									

INDEX

<u>Schedule</u>	<u>Page No.</u>
Accrued and prepaid taxes .....	262-263
Accumulated Deferred Income Taxes .....	234
	272-277
Accumulated provisions for depreciation of	
common utility plant .....	356
utility plant .....	219
utility plant (summary) .....	200-201
Advances	
from associated companies .....	256-257
Allowances .....	228-229
Amortization	
miscellaneous .....	340
of nuclear fuel .....	202-203
Appropriations of Retained Earnings .....	118-119
Associated Companies	
advances from .....	256-257
corporations controlled by respondent .....	103
control over respondent .....	102
interest on debt to .....	256-257
Attestation .....	i
Balance sheet	
comparative .....	110-113
notes to .....	122-123
Bonds .....	256-257
Capital Stock .....	251
expense .....	254
premiums .....	252
reacquired .....	251
subscribed .....	252
Cash flows, statement of .....	120-121
Changes	
important during year .....	108-109
Construction	
work in progress - common utility plant .....	356
work in progress - electric .....	216
work in progress - other utility departments .....	200-201
Control	
corporations controlled by respondent .....	103
over respondent .....	102
Corporation	
controlled by .....	103
incorporated .....	101
CPA, background information on .....	101
CPA Certification, this report form .....	i-ii

INDEX (continued)

<u>Schedule</u>	<u>Page No.</u>
Deferred	
credits, other .....	269
debits, miscellaneous .....	233
income taxes accumulated - accelerated	
amortization property .....	272-273
income taxes accumulated - other property .....	274-275
income taxes accumulated - other .....	276-277
income taxes accumulated - pollution control facilities .....	234
Definitions, this report form .....	iii
Depreciation and amortization	
of common utility plant .....	356
of electric plant .....	219
	336-337
Directors .....	105
Discount - premium on long-term debt .....	256-257
Distribution of salaries and wages .....	354-355
Dividend appropriations .....	118-119
Earnings, Retained .....	118-119
Electric energy account .....	401
Expenses	
electric operation and maintenance .....	320-323
electric operation and maintenance, summary .....	323
unamortized debt .....	256
Extraordinary property losses .....	230
Filing requirements, this report form	
General information .....	101
Instructions for filing the FERC Form 1 .....	i-iv
Generating plant statistics	
hydroelectric (large) .....	406-407
pumped storage (large) .....	408-409
small plants .....	410-411
steam-electric (large) .....	402-403
Hydro-electric generating plant statistics .....	406-407
Identification .....	101
Important changes during year .....	108-109
Income	
statement of, by departments .....	114-117
statement of, for the year (see also revenues) .....	114-117
deductions, miscellaneous amortization .....	340
deductions, other income deduction .....	340
deductions, other interest charges .....	340
Incorporation information .....	101

INDEX (continued)

<u>Schedule</u>	<u>Page No.</u>
Interest	
charges, paid on long-term debt, advances, etc .....	256-257
Investments	
nonutility property .....	221
subsidiary companies .....	224-225
Investment tax credits, accumulated deferred .....	266-267
Law, excerpts applicable to this report form .....	iv
List of schedules, this report form .....	2-4
Long-term debt .....	256-257
Losses-Extraordinary property .....	230
Materials and supplies .....	227
Miscellaneous general expenses .....	335
Notes	
to balance sheet .....	122-123
to statement of changes in financial position .....	122-123
to statement of income .....	122-123
to statement of retained earnings .....	122-123
Nonutility property .....	221
Nuclear fuel materials .....	202-203
Nuclear generating plant, statistics .....	402-403
Officers and officers' salaries .....	104
Operating	
expenses-electric .....	320-323
expenses-electric (summary) .....	323
Other	
paid-in capital .....	253
donations received from stockholders .....	253
gains on resale or cancellation of reacquired	
capital stock .....	253
miscellaneous paid-in capital .....	253
reduction in par or stated value of capital stock .....	253
regulatory assets .....	232
regulatory liabilities .....	278
Peaks, monthly, and output .....	401
Plant, Common utility	
accumulated provision for depreciation .....	356
acquisition adjustments .....	356
allocated to utility departments .....	356
completed construction not classified .....	356
construction work in progress .....	356
expenses .....	356
held for future use .....	356
in service .....	356
leased to others .....	356
Plant data .....	336-337
	401-429

INDEX (continued)

<u>Schedule</u>	<u>Page No.</u>
Plant - electric	
accumulated provision for depreciation .....	219
construction work in progress .....	216
held for future use .....	214
in service .....	204-207
leased to others .....	213
Plant - utility and accumulated provisions for depreciation	
amortization and depletion (summary) .....	201
Pollution control facilities, accumulated deferred	
income taxes .....	234
Power Exchanges .....	326-327
Premium and discount on long-term debt .....	256
Premium on capital stock .....	251
Prepaid taxes .....	262-263
Property - losses, extraordinary .....	230
Pumped storage generating plant statistics .....	408-409
Purchased power (including power exchanges) .....	326-327
Reacquired capital stock .....	250
Reacquired long-term debt .....	256-257
Receivers' certificates .....	256-257
Reconciliation of reported net income with taxable income	
from Federal income taxes .....	261
Regulatory commission expenses deferred .....	233
Regulatory commission expenses for year .....	350-351
Research, development and demonstration activities .....	352-353
Retained Earnings	
amortization reserve Federal .....	119
appropriated .....	118-119
statement of, for the year .....	118-119
unappropriated .....	118-119
Revenues - electric operating .....	300-301
Salaries and wages	
directors fees .....	105
distribution of .....	354-355
officers' .....	104
Sales of electricity by rate schedules .....	304
Sales - for resale .....	310-311
Salvage - nuclear fuel .....	202-203
Schedules, this report form .....	2-4
Securities	
exchange registration .....	250-251
Statement of Cash Flows .....	120-121
Statement of income for the year .....	114-117
Statement of retained earnings for the year .....	118-119
Steam-electric generating plant statistics .....	402-403
Substations .....	426
Supplies - materials and .....	227

INDEX (continued)

<u>Schedule</u>	<u>Page No.</u>
Taxes	
accrued and prepaid .....	262-263
charged during year .....	262-263
on income, deferred and accumulated .....	234
	272-277
reconciliation of net income with taxable income for .....	261
Transformers, line - electric .....	429
Transmission	
lines added during year .....	424-425
lines statistics .....	422-423
of electricity for others .....	328-330
of electricity by others .....	332
Unamortized	
debt discount .....	256-257
debt expense .....	256-257
premium on debt .....	256-257
Unrecovered Plant and Regulatory Study Costs .....	230

THIS FILING IS	
Item 1: <input checked="" type="checkbox"/> An Initial (Original) Submission	OR <input type="checkbox"/> Resubmission No. ____

Form 1 Approved  
OMB No.1902-0021  
(Expires 12/31/2019)  
Form 1-F Approved  
OMB No.1902-0029  
(Expires 12/31/2019)  
Form 3-Q Approved  
OMB No.1902-0205  
(Expires 12/31/2019)



## FERC FINANCIAL REPORT

### FERC FORM No. 1: Annual Report of Major Electric Utilities, Licensees and Others and Supplemental Form 3-Q: Quarterly Financial Report

These reports are mandatory under the Federal Power Act, Sections 3, 4(a), 304 and 309, and 18 CFR 141.1 and 141.400. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of confidential nature

<b>Exact Legal Name of Respondent (Company)</b> The Narragansett Electric Company	<b>Year/Period of Report</b> End of <u>2017/Q2</u>
--	---

## INSTRUCTIONS FOR FILING FERC FORM NOS. 1 and 3-Q

### GENERAL INFORMATION

#### I. Purpose

FERC Form No. 1 (FERC Form 1) is an annual regulatory requirement for Major electric utilities, licensees and others (18 C.F.R. § 141.1). FERC Form No. 3-Q (FERC Form 3-Q) is a quarterly regulatory requirement which supplements the annual financial reporting requirement (18 C.F.R. § 141.400). These reports are designed to collect financial and operational information from electric utilities, licensees and others subject to the jurisdiction of the Federal Energy Regulatory Commission. These reports are also considered to be non-confidential public use forms.

#### II. Who Must Submit

Each Major electric utility, licensee, or other, as classified in the Commission's Uniform System of Accounts Prescribed for Public Utilities and Licensees Subject To the Provisions of The Federal Power Act (18 C.F.R. Part 101), must submit FERC Form 1 (18 C.F.R. § 141.1), and FERC Form 3-Q (18 C.F.R. § 141.400).

Note: Major means having, in each of the three previous calendar years, sales or transmission service that exceeds one of the following:

- (1) one million megawatt hours of total annual sales,
- (2) 100 megawatt hours of annual sales for resale,
- (3) 500 megawatt hours of annual power exchanges delivered, or
- (4) 500 megawatt hours of annual wheeling for others (deliveries plus losses).

#### III. What and Where to Submit

(a) Submit FERC Forms 1 and 3-Q electronically through the forms submission software. Retain one copy of each report for your files. Any electronic submission must be created by using the forms submission software provided free by the Commission at its web site: <http://www.ferc.gov/docs-filing/forms/form-1/elec-subm-soft.asp>. The software is used to submit the electronic filing to the Commission via the Internet.

(b) The Corporate Officer Certification must be submitted electronically as part of the FERC Forms 1 and 3-Q filings.

(c) Submit immediately upon publication, by either eFiling or mail, two (2) copies to the Secretary of the Commission, the latest Annual Report to Stockholders. Unless eFiling the Annual Report to Stockholders, mail the stockholders report to the Secretary of the Commission at:

Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426

(d) For the CPA Certification Statement, submit within 30 days after filing the FERC Form 1, a letter or report (not applicable to filers classified as Class C or Class D prior to January 1, 1984). The CPA Certification Statement can be either eFiled or mailed to the Secretary of the Commission at the address above.

The CPA Certification Statement should:

- a) Attest to the conformity, in all material aspects, of the below listed (schedules and pages) with the Commission's applicable Uniform System of Accounts (including applicable notes relating thereto and the Chief Accountant's published accounting releases), and
- b) Be signed by independent certified public accountants or an independent licensed public accountant certified or licensed by a regulatory authority of a State or other political subdivision of the U. S. (See 18 C.F.R. §§ 41.10-41.12 for specific qualifications.)

<u>Reference Schedules</u>	<u>Pages</u>
Comparative Balance Sheet	110-113
Statement of Income	114-117
Statement of Retained Earnings	118-119
Statement of Cash Flows	120-121
Notes to Financial Statements	122-123

- e) The following format must be used for the CPA Certification Statement unless unusual circumstances or conditions, explained in the letter or report, demand that it be varied. Insert parenthetical phrases only when exceptions are reported.

"In connection with our regular examination of the financial statements of \_\_\_\_\_ for the year ended on which we have reported separately under date of \_\_\_\_\_, we have also reviewed schedules \_\_\_\_\_ of FERC Form No. 1 for the year filed with the Federal Energy Regulatory Commission, for conformity in all material respects with the requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases. Our review for this purpose included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Based on our review, in our opinion the accompanying schedules identified in the preceding paragraph (except as noted below) conform in all material respects with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases."

The letter or report must state which, if any, of the pages above do not conform to the Commission's requirements. Describe the discrepancies that exist.

- (f) Filers are encouraged to file their Annual Report to Stockholders, and the CPA Certification Statement using eFiling. To further that effort, new selections, "Annual Report to Stockholders," and "CPA Certification Statement" have been added to the dropdown "pick list" from which companies must choose when eFiling. Further instructions are found on the Commission's website at <http://www.ferc.gov/help/how-to.asp>.

- (g) Federal, State and Local Governments and other authorized users may obtain additional blank copies of FERC Form 1 and 3-Q free of charge from <http://www.ferc.gov/docs-filing/forms/form-1/form-1.pdf> and <http://www.ferc.gov/docs-filing/forms.asp#3Q-gas>.

#### **IV. When to Submit:**

FERC Forms 1 and 3-Q must be filed by the following schedule:

- a) FERC Form 1 for each year ending December 31 must be filed by April 18<sup>th</sup> of the following year (18 CFR § 141.1), and
- b) FERC Form 3-Q for each calendar quarter must be filed within 60 days after the reporting quarter (18 C.F.R. § 141.400).

**V. Where to Send Comments on Public Reporting Burden.**

The public reporting burden for the FERC Form 1 collection of information is estimated to average 1,144 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data-needed, and completing and reviewing the collection of information. The public reporting burden for the FERC Form 3-Q collection of information is estimated to average 150 hours per response.

Send comments regarding these burden estimates or any aspect of these collections of information, including suggestions for reducing burden, to the Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426 (Attention: Information Clearance Officer); and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503 (Attention: Desk Officer for the Federal Energy Regulatory Commission). No person shall be subject to any penalty if any collection of information does not display a valid control number (44 U.S.C. § 3512 (a)).

## GENERAL INSTRUCTIONS

- I. Prepare this report in conformity with the Uniform System of Accounts (18 CFR Part 101) (USofA). Interpret all accounting words and phrases in accordance with the USofA.
- II. Enter in whole numbers (dollars or MWH) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important. The truncating of cents is allowed except on the four basic financial statements where rounding is required.) The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting period, and use for statement of income accounts the current year's year to date amounts.
- III. Complete each question fully and accurately, even if it has been answered in a previous report. Enter the word "None" where it truly and completely states the fact.
- IV. For any page(s) that is not applicable to the respondent, omit the page(s) and enter "NA," "NONE," or "Not Applicable" in column (d) on the List of Schedules, pages 2 and 3.
- V. Enter the month, day, and year for all dates. Use customary abbreviations. **The "Date of Report" included in the header of each page is to be completed only for resubmissions** (see VII. below).
- VI. Generally, except for certain schedules, all numbers, whether they are expected to be debits or credits, must be reported as positive. Numbers having a sign that is different from the expected sign must be reported by enclosing the numbers in parentheses.
- VII. For any resubmissions, submit the electronic filing using the form submission software only. Please explain the reason for the resubmission in a footnote to the data field.
- VIII. Do not make references to reports of previous periods/years or to other reports in lieu of required entries, except as specifically authorized.
- IX. Wherever (schedule) pages refer to figures from a previous period/year, the figures reported must be based upon those shown by the report of the previous period/year, or an appropriate explanation given as to why the different figures were used.

Definitions for statistical classifications used for completing schedules for transmission system reporting are as follows:

FNS - Firm Network Transmission Service for Self. "Firm" means service that can not be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Network Service" is Network Transmission Service as described in Order No. 888 and the Open Access Transmission Tariff. "Self" means the respondent.

FNO - Firm Network Service for Others. "Firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Network Service" is Network Transmission Service as described in Order No. 888 and the Open Access Transmission Tariff.

LFP - for Long-Term Firm Point-to-Point Transmission Reservations. "Long-Term" means one year or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Point-to-Point Transmission Reservations" are described in Order No. 888 and the Open Access Transmission Tariff. For all transactions identified as LFP, provide in a footnote the

termination date of the contract defined as the earliest date either buyer or seller can unilaterally cancel the contract.

OLF - Other Long-Term Firm Transmission Service. Report service provided under contracts which do not conform to the terms of the Open Access Transmission Tariff. "Long-Term" means one year or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. For all transactions identified as OLF, provide in a footnote the termination date of the contract defined as the earliest date either buyer or seller can unilaterally get out of the contract.

SFP - Short-Term Firm Point-to-Point Transmission Reservations. Use this classification for all firm point-to-point transmission reservations, where the duration of each period of reservation is less than one-year.

NF - Non-Firm Transmission Service, where firm means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions.

OS - Other Transmission Service. Use this classification only for those services which can not be placed in the above-mentioned classifications, such as all other service regardless of the length of the contract and service FERC Form. Describe the type of service in a footnote for each entry.

AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment.

#### DEFINITIONS

I. Commission Authorization (Comm. Auth.) -- The authorization of the Federal Energy Regulatory Commission, or any other Commission. Name the commission whose authorization was obtained and give date of the authorization.

II. Respondent -- The person, corporation, licensee, agency, authority, or other Legal entity or instrumentality in whose behalf the report is made.

## EXCERPTS FROM THE LAW

### Federal Power Act, 16 U.S.C. § 791a-825r

Sec. 3. The words defined in this section shall have the following meanings for purposes of this Act, to with:

(3) 'Corporation' means any corporation, joint-stock company, partnership, association, business trust, organized group of persons, whether incorporated or not, or a receiver or receivers, trustee or trustees of any of the foregoing. It shall not include 'municipalities, as hereinafter defined;

(4) 'Person' means an individual or a corporation;

(5) 'Licensee, means any person, State, or municipality Licensed under the provisions of section 4 of this Act, and any assignee or successor in interest thereof;

(7) 'municipality means a city, county, irrigation district, drainage district, or other political subdivision or agency of a State competent under the Laws thereof to carry and the business of developing, transmitting, unitizing, or distributing power; .....

(11) "project' means. a complete unit of improvement or development, consisting of a power house, all water conduits, all dams and appurtenant works and structures (including navigation structures) which are a part of said unit, and all storage, diverting, or fore bay reservoirs directly connected therewith, the primary line or lines transmitting power there from to the point of junction with the distribution system or with the interconnected primary transmission system, all miscellaneous structures used and useful in connection with said unit or any part thereof, and all water rights, rights-of-way, ditches, dams, reservoirs, Lands, or interest in Lands the use and occupancy of which are necessary or appropriate in the maintenance and operation of such unit;

"Sec. 4. The Commission is hereby authorized and empowered

(a) To make investigations and to collect and record data concerning the utilization of the water 'resources of any region to be developed, the water-power industry and its relation to other industries and to interstate or foreign commerce, and concerning the location, capacity, development -costs, and relation to markets of power sites; ... to the extent the Commission may deem necessary or useful for the purposes of this Act."

"Sec. 304. (a) Every Licensee and every public utility shall file with the Commission such annual and other periodic or special\* reports as the Commission may be rules and regulations or other prescribe as necessary or appropriate to assist the Commission in the -proper administration of this Act. The Commission may prescribe the manner and FERC Form in which such reports salt be made, and require from such persons specific answers to all questions upon which the Commission may need information. The Commission may require that such reports shall include, among other things, full information as to assets and Liabilities, capitalization, net investment, and reduction thereof, gross receipts, interest due and paid, depreciation, and other reserves, cost of project and other facilities, cost of maintenance and operation of the project and other facilities, cost of renewals and replacement of the project works and other facilities, depreciation, generation, transmission, distribution, delivery, use, and sale of electric energy. The Commission may require any such person to make adequate provision for currently determining such costs and other facts. Such reports shall be made under oath unless the Commission otherwise specifies\*. 10

"Sec. 309. The Commission shall have power to perform any and all acts, and to prescribe, issue, make, and rescind such orders, rules and regulations as it may find necessary or appropriate to carry out the provisions of this Act. Among other things, such rules and regulations may define accounting, technical, and trade terms used in this Act; and may prescribe the FERC Form or FERC Forms of all statements, declarations, applications, and reports to be filed with the Commission, the information which they shall contain, and the time within which they shall be filed..."

#### **General Penalties**

The Commission may assess up to \$1 million per day per violation of its rules and regulations. *See* FPA § 316(a) (2005), 16 U.S.C. § 825o(a).

**FERC FORM NO. 1/3-Q:  
REPORT OF MAJOR ELECTRIC UTILITIES, LICENSEES AND OTHER**

IDENTIFICATION		
01 Exact Legal Name of Respondent The Narragansett Electric Company		02 Year/Period of Report End of <u>2017/Q2</u>
03 Previous Name and Date of Change (if name changed during year) / /		
04 Address of Principal Office at End of Period (Street, City, State, Zip Code) 280 Melrose Street, Providence, RI 02907		
05 Name of Contact Person Joseph Marrese		06 Title of Contact Person Director
07 Address of Contact Person (Street, City, State, Zip Code) One MetroTech Center, Brooklyn, NY 11201		
08 Telephone of Contact Person, Including Area Code (929) 324-4805	09 This Report Is (1) <input checked="" type="checkbox"/> An Original      (2) <input type="checkbox"/> A Resubmission	10 Date of Report (Mo, Da, Yr) 08/22/2017
QUARTERLY CORPORATE OFFICER CERTIFICATION		
<p>The undersigned officer certifies that:</p> <p>I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.</p>		
01 Name George Carlin	03 Signature  George Carlin	04 Date Signed (Mo, Da, Yr) 08/22/2017
02 Title Vice President, NE Controller		
<p>Title 18, U.S.C. 1001 makes it a crime for any person to knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.</p>		

Name of Respondent The Narragansett Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 08/22/2017	Year/Period of Report End of 2017/Q2
LIST OF SCHEDULES (Electric Utility)				
Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".				
Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)	
1	Important Changes During the Quarter	108-109		
2	Comparative Balance Sheet	110-113		
3	Statement of Income for the Quarter	114-117		
4	Statement of Retained Earnings for the Quarter	118-119		
5	Statement of Cash Flows	120-121		
6	Notes to Financial Statements	122-123		
7	Statement of Accum Comp Income, Comp Income, and Hedging Activities	122 (a)(b)		
8	Summary of Utility Plant & Accumulated Provisions for Dep, Amort & Dep	200-201		
9	Electric Plant In Service and Accum Provision For Depr by Function	208		
10	Transmission Service and Generation Interconnection Study Costs	231		
11	Other Regulatory Assets	232		
12	Other Regulatory Liabilities	278		
13	Elec Operating Revenues (Individual Schedule Lines 300-301)	300-301		
14	Regional Transmission Service Revenues (Account 457.1)	302		
15	Electric Prod, Other Power Supply Exp, Trans and Distrib Exp	324		
16	Electric Customer Accts, Service, Sales, Admin and General Expenses	325		
17	Transmission of Electricity for Others	328-330		
18	Transmission of Electricity by ISO/RTOs	331		
19	Transmission of Electricity by Others	332		
20	Deprec, Depl and Amort of Elec Plant (403,403.1,404,and 405) (except A	338		
21	Amounts Included in ISO/RTO Settlement Statements	397		
22	Monthly Peak Loads and Energy Output	399		
23	Monthly Transmission System Peak Load	400		
24	Monthly ISO/RTO Transmission System Peak Load	400a		

Name of Respondent The Narragansett Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 08/22/2017	Year/Period of Report End of 2017/Q2
IMPORTANT CHANGES DURING THE QUARTER/YEAR			
<p>Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Each inquiry should be answered. Enter "none," "not applicable," or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.</p> <ol style="list-style-type: none"> <li>Changes in and important additions to franchise rights: Describe the actual consideration given therefore and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact.</li> <li>Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.</li> <li>Purchase or sale of an operating unit or system: Give a brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission.</li> <li>Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other condition. State name of Commission authorizing lease and give reference to such authorization.</li> <li>Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.</li> <li>Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees including issuance of short-term debt and commercial paper having a maturity of one year or less. Give reference to FERC or State Commission authorization, as appropriate, and the amount of obligation or guarantee.</li> <li>Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.</li> <li>State the estimated annual effect and nature of any important wage scale changes during the year.</li> <li>State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.</li> <li>Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on Page 104 or 105 of the Annual Report Form No. 1, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.</li> <li>(Reserved.)</li> <li>If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by Instructions 1 to 11 above, such notes may be included on this page.</li> <li>Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period.</li> <li>In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio.</li> </ol>			
<p>PAGE 108 INTENTIONALLY LEFT BLANK SEE PAGE 109 FOR REQUIRED INFORMATION.</p>			

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 08/22/2017	Year/Period of Report 2017/Q2
The Narragansett Electric Company			
IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

1. Changes in Franchise Rights:

None

2. Information on consolidations, mergers, and reorganizations:

None

3. Purchase or sale of an operating unit or system:

None

4. Important Leaseholds:

None

5. Important extension or reduction of transmission or distribution system:

None

6. Issuance of securities or assumption of liabilities or guarantees:

None

7. Changes in Articles of Incorporation:

None

8. Wage Scale Increase:

None

9. Status of Legal Proceedings:

Refer to page 123- Notes to the Financial Statements - Note 10 Commitments and Contingencies

10. Additional Material Transactions Not Reported Elsewhere in this Report:

None

11. Reserved:

None

12. N/A

13. Changes in General Officer:

Christopher Kelly appointed as Senior Vice President as of 2/2/2017.  
George Carlin appointed as Vice President and Controller as of 2/6/2017.  
Carlos Nouel appointed as Vice President as of 5/4/2017.  
Jeannette Mills appointed as Senior Vice President as of 5/4/2017.  
Christopher Kelly resigned as Vice President as of 2/22/2017.  
David C. Way resigned as Senior Vice President as of 5/4/2017.  
Michael Laflamme resigned as Vice President as of 5/4/2017.

14. N/A

Name of Respondent The Narragansett Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 08/22/2017	Year/Period of Report End of <u>2017/Q2</u>
<b>COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)</b>					
Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)	
1	<b>UTILITY PLANT</b>				
2	Utility Plant (101-106, 114)	200-201	4,367,542,351	4,280,560,897	
3	Construction Work in Progress (107)	200-201	139,826,449	165,990,682	
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		4,507,368,800	4,446,551,579	
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200-201	1,177,057,909	1,176,357,934	
6	Net Utility Plant (Enter Total of line 4 less 5)		3,330,310,891	3,270,193,645	
7	Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab. (120.1)	202-203	0	0	
8	Nuclear Fuel Materials and Assemblies-Stock Account (120.2)		0	0	
9	Nuclear Fuel Assemblies in Reactor (120.3)		0	0	
10	Spent Nuclear Fuel (120.4)		0	0	
11	Nuclear Fuel Under Capital Leases (120.6)		0	0	
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203	0	0	
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)		0	0	
14	Net Utility Plant (Enter Total of lines 6 and 13)		3,330,310,891	3,270,193,645	
15	Utility Plant Adjustments (116)		0	0	
16	Gas Stored Underground - Noncurrent (117)		0	0	
17	<b>OTHER PROPERTY AND INVESTMENTS</b>				
18	Nonutility Property (121)		5,269,831	5,269,831	
19	(Less) Accum. Prov. for Depr. and Amort. (122)		76,030	59,727	
20	Investments in Associated Companies (123)		0	0	
21	Investment in Subsidiary Companies (123.1)	224-225	0	0	
22	(For Cost of Account 123.1, See Footnote Page 224, line 42)				
23	Noncurrent Portion of Allowances	228-229	0	0	
24	Other Investments (124)		3,011,564	2,899,502	
25	Sinking Funds (125)		0	0	
26	Depreciation Fund (126)		0	0	
27	Amortization Fund - Federal (127)		0	0	
28	Other Special Funds (128)		5,957,860	5,577,385	
29	Special Funds (Non Major Only) (129)		0	0	
30	Long-Term Portion of Derivative Assets (175)		0	0	
31	Long-Term Portion of Derivative Assets - Hedges (176)		78,720	4,249,195	
32	TOTAL Other Property and Investments (Lines 18-21 and 23-31)		14,241,945	17,936,186	
33	<b>CURRENT AND ACCRUED ASSETS</b>				
34	Cash and Working Funds (Non-major Only) (130)		0	0	
35	Cash (131)		8,637,005	11,324,418	
36	Special Deposits (132-134)		651,088	589,095	
37	Working Fund (135)		0	0	
38	Temporary Cash Investments (136)		0	0	
39	Notes Receivable (141)		0	0	
40	Customer Accounts Receivable (142)		167,064,774	177,875,205	
41	Other Accounts Receivable (143)		5,879,837	7,164,925	
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		22,091,399	23,966,240	
43	Notes Receivable from Associated Companies (145)		0	0	
44	Accounts Receivable from Assoc. Companies (146)		88,531,798	50,214,948	
45	Fuel Stock (151)	227	0	0	
46	Fuel Stock Expenses Undistributed (152)	227	0	0	
47	Residuals (Elec) and Extracted Products (153)	227	0	0	
48	Plant Materials and Operating Supplies (154)	227	9,718,925	11,118,906	
49	Merchandise (155)	227	0	0	
50	Other Materials and Supplies (156)	227	0	0	
51	Nuclear Materials Held for Sale (157)	202-203/227	0	0	
52	Allowances (158.1 and 158.2)	228-229	34,552	6,325,159	



Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 08/22/2017	Year/Period of Report 2017/Q2
The Narragansett Electric Company			
FOOTNOTE DATA			

**Schedule Page: 110 Line No.: 72 Column: d**

This amount has been revised from the Company's originally filed FERC Form 1. Certain adjustments were required to align certain recorded account balances to recently concluded rate filings and to adjust Pension and Other Post Retirement Benefit deferrals.

Reported Total	Revised Total
\$ 587,263,015	\$ 579,269,537

**Schedule Page: 110 Line No.: 84 Column: d**

This amount has been revised from the Company's originally filed FERC Form 1. Certain adjustments were required to align certain recorded account balances to recently concluded rate filings and to adjust Pension and Other Post Retirement Benefit deferrals.

Reported Total	Revised Total
\$ 921,184,149	\$ 913,190,671

**Schedule Page: 110 Line No.: 85 Column: d**

This amount has been revised from the Company's originally filed FERC Form 1. Certain adjustments were required to align certain recorded account balances to recently concluded rate filings and to adjust Pension and Other Post Retirement Benefit deferrals.

Reported Total	Revised Total
\$ 4,542,182,079	\$ 4,534,188,601

Name of Respondent The Narragansett Electric Company		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (mo, da, yr) 08/22/2017	Year/Period of Report end of 2017/Q2
COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)				
Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)	250-251	56,624,350	56,624,350
3	Preferred Stock Issued (204)	250-251	2,454,450	2,454,450
4	Capital Stock Subscribed (202, 205)		0	0
5	Stock Liability for Conversion (203, 206)		0	0
6	Premium on Capital Stock (207)		0	0
7	Other Paid-In Capital (208-211)	253	1,355,015,186	1,355,000,622
8	Installments Received on Capital Stock (212)	252	0	0
9	(Less) Discount on Capital Stock (213)	254	0	0
10	(Less) Capital Stock Expense (214)	254b	0	0
11	Retained Earnings (215, 215.1, 216)	118-119	514,738,876	456,367,550
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	0	0
13	(Less) Reaquired Capital Stock (217)	250-251	0	0
14	Noncorporate Proprietorship (Non-major only) (218)		0	0
15	Accumulated Other Comprehensive Income (219)	122(a)(b)	-970,081	-1,268,890
16	Total Proprietary Capital (lines 2 through 15)		1,927,862,781	1,869,178,082
17	LONG-TERM DEBT			
18	Bonds (221)	256-257	847,464,000	847,464,000
19	(Less) Reaquired Bonds (222)	256-257	0	0
20	Advances from Associated Companies (223)	256-257	0	0
21	Other Long-Term Debt (224)	256-257	0	0
22	Unamortized Premium on Long-Term Debt (225)		0	0
23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		2,244,825	2,356,102
24	Total Long-Term Debt (lines 18 through 23)		845,219,175	845,107,898
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases - Noncurrent (227)		0	0
27	Accumulated Provision for Property Insurance (228.1)		0	0
28	Accumulated Provision for Injuries and Damages (228.2)		10,018,792	12,126,998
29	Accumulated Provision for Pensions and Benefits (228.3)		106,595,406	181,829,039
30	Accumulated Miscellaneous Operating Provisions (228.4)		134,714,839	132,650,524
31	Accumulated Provision for Rate Refunds (229)		0	0
32	Long-Term Portion of Derivative Instrument Liabilities		962,649	1,297,331
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
34	Asset Retirement Obligations (230)		10,223,558	10,173,417
35	Total Other Noncurrent Liabilities (lines 26 through 34)		262,515,244	338,077,309
36	CURRENT AND ACCRUED LIABILITIES			
37	Notes Payable (231)		0	0
38	Accounts Payable (232)		119,512,425	129,286,295
39	Notes Payable to Associated Companies (233)		110,130,715	187,623,519
40	Accounts Payable to Associated Companies (234)		150,158,685	92,323,007
41	Customer Deposits (235)		10,612,026	12,800,746
42	Taxes Accrued (236)	262-263	23,546,183	-3,086,115
43	Interest Accrued (237)		9,504,724	9,616,246
44	Dividends Declared (238)		0	27,613
45	Matured Long-Term Debt (239)		0	0

Name of Respondent The Narragansett Electric Company		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (mo, da, yr) 08/22/2017	Year/Period of Report end of 2017/Q2
COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS) (Continued)					
Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)	
46	Matured Interest (240)		0	0	
47	Tax Collections Payable (241)		219,508	-829,823	
48	Miscellaneous Current and Accrued Liabilities (242)		24,815,478	27,715,382	
49	Obligations Under Capital Leases-Current (243)		0	0	
50	Derivative Instrument Liabilities (244)		0	0	
51	(Less) Long-Term Portion of Derivative Instrument Liabilities		0	0	
52	Derivative Instrument Liabilities - Hedges (245)		1,497,300	1,954,573	
53	(Less) Long-Term Portion of Derivative Instrument Liabilities-Hedges		0	0	
54	Total Current and Accrued Liabilities (lines 37 through 53)		449,997,044	457,431,443	
55	DEFERRED CREDITS				
56	Customer Advances for Construction (252)		27	28	
57	Accumulated Deferred Investment Tax Credits (255)	266-267	58,542	98,922	
58	Deferred Gains from Disposition of Utility Plant (256)		0	0	
59	Other Deferred Credits (253)	269	10,346,486	3,934,346	
60	Other Regulatory Liabilities (254)	278	128,368,343	160,474,555	
61	Unamortized Gain on Reacquired Debt (257)		0	0	
62	Accum. Deferred Income Taxes-Accel. Amort.(281)	272-277	0	0	
63	Accum. Deferred Income Taxes-Other Property (282)		630,833,423	612,549,588	
64	Accum. Deferred Income Taxes-Other (283)		221,444,331	247,336,430	
65	Total Deferred Credits (lines 56 through 64)		991,051,152	1,024,393,869	
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)		4,476,645,396	4,534,188,601	

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 08/22/2017	Year/Period of Report 2017/Q2
The Narragansett Electric Company			
FOOTNOTE DATA			

**Schedule Page: 112 Line No.: 11 Column: d**

This amount has been revised from the Company's originally filed FERC Form 1. Certain adjustments (net of tax) were required to align certain recorded account balances to recently concluded rate filings and to adjust Pension and Other Post Retirement Benefit deferrals.

Reported Total	Revised Total
\$ 462,895,447	\$ 456,367,550

**Schedule Page: 112 Line No.: 16 Column: d**

This amount has been revised from the Company's originally filed FERC Form 1. Certain adjustments (net of tax) were required to align certain recorded account balances to recently concluded rate filings and to adjust Pension and Other Post Retirement Benefit deferrals.

Reported Total	Revised Total
\$ 1,875,705,979	\$ 1,869,178,082

**Schedule Page: 112 Line No.: 29 Column: d**

Certain reclassifications have been made to the financial statements to conform prior year's data to the current year's presentation.

Reported Total	Revised Total
\$ 0	\$ 181,829,039

**Schedule Page: 112 Line No.: 30 Column: d**

Certain reclassifications have been made to the financial statements to conform prior year's data to the current year's presentation.

Reported Total	Revised Total
\$ 0	\$ 132,650,524

**Schedule Page: 112 Line No.: 35 Column: d**

Certain reclassifications have been made to the financial statements to conform prior year's data to the current year's presentation.

Reported Total	Revised Total
\$ 23,597,746	\$ 338,077,309

**Schedule Page: 112 Line No.: 59 Column: d**

Certain reclassifications have been made to the financial statements to conform prior year's data to the current year's presentation.

Reported Total	Revised Total
\$ 318,413,909	\$ 3,934,346

**Schedule Page: 112 Line No.: 60 Column: d**

This amount has been revised from the Company's originally filed FERC Form 1. Certain adjustments were required to align certain recorded account balances to recently concluded rate filings.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 08/22/2017	Year/Period of Report 2017/Q2
The Narragansett Electric Company			
FOOTNOTE DATA			

Reported Total	Revised Total
\$ 158,425,115	\$ 160,474,555

**Schedule Page: 112 Line No.: 64 Column: d**

This amount has been revised from the Company's originally filed FERC Form 1. CThis change was due to tax effect on adjustments on previously filed amounts.

Reported Total	Revised Total
\$ 250,851,451	\$ 247,336,430

**Schedule Page: 112 Line No.: 65 Column: d**

This amount has been revised from the Company's originally filed FERC Form 1. Certain adjustments (net of tax) were required to align certain recorded account balances to recently concluded rate filings.

Reported Total	Revised Total
\$ 1,340,339,013	\$ 1,024,393,869

**Schedule Page: 112 Line No.: 66 Column: d**

This amount has been revised from the Company's originally filed FERC Form 1. Certain adjustments (net of tax) were required to align certain recorded account balances to recently concluded rate filings and to adjust Pension and Other Post Retirement Benefit deferrals.

Reported Total	Revised Total
\$ 4,542,182,079	\$ 4,534,188,601





Name of Respondent The Narragansett Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 08/22/2017		Year/Period of Report End of 2017/Q2	
STATEMENT OF INCOME FOR THE YEAR (continued)							
Line No.	Title of Account (a)	(Ref.) Page No. (b)	TOTAL		Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)	
			Current Year (c)	Previous Year (d)			
27	Net Utility Operating Income (Carried forward from page 114)		85,743,577	72,284,035	37,208,197	29,359,501	
28	Other Income and Deductions						
29	Other Income						
30	Nonutility Operating Income						
31	Revenues From Merchandising, Jobbing and Contract Work (415)						
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)						
33	Revenues From Nonutility Operations (417)		366,305	459,720	132,583	160,460	
34	(Less) Expenses of Nonutility Operations (417.1)		1,445,267	586,384	768,956	20,227	
35	Nonoperating Rental Income (418)						
36	Equity in Earnings of Subsidiary Companies (418.1)	119					
37	Interest and Dividend Income (419)		630,244	1,407,316	925,841	1,164,641	
38	Allowance for Other Funds Used During Construction (419.1)		29,929	-2,596,765	38,113	-46,694	
39	Miscellaneous Nonoperating Income (421)		195,908	83,066	59,774	-22,107	
40	Gain on Disposition of Property (421.1)						
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		-222,881	-1,233,047	387,355	1,236,073	
42	Other Income Deductions						
43	Loss on Disposition of Property (421.2)		2,468,239				
44	Miscellaneous Amortization (425)						
45	Donations (426.1)		1,011,555	694,362	246,822	188,629	
46	Life Insurance (426.2)		140,101	131,477	81,245	108,133	
47	Penalties (426.3)		46,872	277,547	19,000	16,500	
48	Exp. for Certain Civic, Political & Related Activities (426.4)		272,013	290,523	100,529	143,578	
49	Other Deductions (426.5)		-534,679	-5,015,702	788,885	-1,257,253	
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		3,404,101	-3,621,793	1,236,481	-800,413	
51	Taxes Applicable to Other Income and Deductions						
52	Taxes Other Than Income Taxes (408.2)	262-263	15,001	15,243	7,534	7,622	
53	Income Taxes-Federal (409.2)	262-263		1,613,793	2,096,766		
54	Income Taxes-Other (409.2)	262-263					
55	Provision for Deferred Inc. Taxes (410.2)	234, 272-277	-398,811	2,544,820	-973,633	752,617	
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272-277					
57	Investment Tax Credit Adj.-Net (411.5)						
58	(Less) Investment Tax Credits (420)						
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		-383,810	4,173,856	1,130,667	760,239	
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		-3,243,172	-1,785,110	-1,979,793	1,276,247	
61	Interest Charges						
62	Interest on Long-Term Debt (427)		21,368,739	21,567,184	10,591,361	10,727,727	
63	Amort. of Debt Disc. and Expense (428)		154,240	155,042	72,998	72,998	
64	Amortization of Loss on Required Debt (428.1)		92,378	98,548	46,189	46,189	
65	(Less) Amort. of Premium on Debt-Credit (429)						
66	(Less) Amortization of Gain on Required Debt-Credit (429.1)						
67	Interest on Debt to Assoc. Companies (430)		836,632	721,042	342,081	392,395	
68	Other Interest Expense (431)		2,069,611	-97,970	991,634	-397,372	
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		420,134	-508,876	246,998	225,956	
70	Net Interest Charges (Total of lines 62 thru 69)		24,101,466	22,952,722	11,797,265	10,615,981	
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		58,398,939	47,546,203	23,431,139	20,019,767	
72	Extraordinary Items						
73	Extraordinary Income (434)						
74	(Less) Extraordinary Deductions (435)						
75	Net Extraordinary Items (Total of line 73 less line 74)						
76	Income Taxes-Federal and Other (409.3)	262-263					
77	Extraordinary Items After Taxes (line 75 less line 76)						
78	Net Income (Total of line 71 and 77)		58,398,939	47,546,203	23,431,139	20,019,767	

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 08/22/2017	Year/Period of Report 2017/Q2
The Narragansett Electric Company			
FOOTNOTE DATA			

**Schedule Page: 114 Line No.: 2 Column: d**

This amount has been revised from the Company's originally filed FERC Form 1. Certain adjustments were required to align certain recorded account balances to recently concluded rate filings.

Reported Total	Revised Total
\$ 666,257,202	\$ 663,982,205

**Schedule Page: 114 Line No.: 4 Column: d**

This amount has been revised from the Company's originally filed FERC Form 1. Certain adjustments were required to adjust Pension and Other Post Retirement Benefit deferrals.

Reported Total	Revised Total
\$ 426,131,904	\$ 430,896,985

**Schedule Page: 114 Line No.: 15 Column: d**

This amount has been revised from the Company's originally filed FERC Form 1. This change was due to tax effect on adjustments on previously filed amounts.

Reported Total	Revised Total
\$ (56,436)	\$ (6,685,152)

**Schedule Page: 114 Line No.: 17 Column: d**

This amount has been revised from the Company's originally filed FERC Form 1. This change was due to tax effect on adjustments on previously filed amounts.

Reported Total	Revised Total
\$ 28,953,699	\$ 30,684,870

**Schedule Page: 114 Line No.: 25 Column: d**

This amount has been revised from the Company's originally filed FERC Form 1. This change was due to tax effect on adjustments on previously filed amounts.

Reported Total	Revised Total
\$ 591,830,634	\$ 591,698,170

**Schedule Page: 114 Line No.: 26 Column: d**

This amount has been revised from the Company's originally filed FERC Form 1. Certain adjustments (net of tax) were required to align certain recorded account balances to recently concluded rate filings.

Reported Total	Revised Total
\$ 74,426,568	\$ 72,284,035

**Schedule Page: 114 Line No.: 27 Column: d**

This amount has been revised from the Company's originally filed FERC Form 1. Certain adjustments (net of tax) were required to align certain recorded account balances to recently concluded rate filings.

Reported Total	Revised Total
----------------	---------------

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 08/22/2017	Year/Period of Report 2017/Q2
The Narragansett Electric Company			
FOOTNOTE DATA			

\$ 74,426,568                      \$ 72,284,035

**Schedule Page: 114 Line No.: 37 Column: d**

This amount has been revised from the Company's originally filed FERC Form 1. Certain adjustments were required to align certain recorded account balances to recently concluded rate filings.

Reported Total	Revised Total
\$ 2,369,498	\$ 1,407,316

**Schedule Page: 114 Line No.: 41 Column: d**

This amount has been revised from the Company's originally filed FERC Form 1. Certain adjustments were required to align certain recorded account balances to recently concluded rate filings.

Reported Total	Revised Total
\$ (270,865)	\$ (1,233,047)

**Schedule Page: 114 Line No.: 49 Column: d**

This amount has been revised from the Company's originally filed FERC Form 1. Certain adjustments were required to align certain recorded account balances to recently concluded rate filings.

Reported Total	Revised Total
\$ (3,429,314)	\$ (5,015,702)

**Schedule Page: 114 Line No.: 50 Column: d**

This amount has been revised from the Company's originally filed FERC Form 1. Certain adjustments were required to align certain recorded account balances to recently concluded rate filings.

Reported Total	Revised Total
\$ (2,035,405)	\$ (3,621,793)

**Schedule Page: 114 Line No.: 53 Column: d**

This amount has been revised from the Company's originally filed FERC Form 1. This change was due to tax effect on adjustments on previously filed amounts.

Reported Total	Revised Total
\$ 0	\$ 1,613,793

**Schedule Page: 114 Line No.: 55 Column: d**

This amount has been revised from the Company's originally filed FERC Form 1. This change was due to tax effect on adjustments on previously filed amounts.

Reported Total	Revised Total
\$ 1,549,541	\$ 2,544,820

**Schedule Page: 114 Line No.: 59 Column: d**

This amount has been revised from the Company's originally filed FERC Form 1. This change was due to tax effect on adjustments on previously filed amounts.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 08/22/2017	Year/Period of Report 2017/Q2
The Narragansett Electric Company			
FOOTNOTE DATA			

Reported Total	Revised Total
\$ 1,564,784	\$ 4,173,856

**Schedule Page: 114 Line No.: 60 Column: d**

This amount has been revised from the Company's originally filed FERC Form 1. Certain adjustments were required to align certain recorded account balances to recently concluded rate filings.

Reported Total	Revised Total
\$ 199,756	\$ (1,785,110)

**Schedule Page: 114 Line No.: 68 Column: d**

This amount has been revised from the Company's originally filed FERC Form 1. Certain adjustments were required to adjust Pension and other Post Retirement Benefit deferrals.

Reported Total	Revised Total
\$ (220,590)	\$ (97,970)

**Schedule Page: 114 Line No.: 70 Column: d**

This amount has been revised from the Company's originally filed FERC Form 1. Certain adjustments were required to adjust Pension and other Post Retirement Benefit deferrals.

Reported Total	Revised Total
\$ 22,830,102	\$ 22,952,722

**Schedule Page: 114 Line No.: 71 Column: d**

This amount has been revised from the Company's originally filed FERC Form 1. Certain adjustments (net of tax) were required to align certain recorded account balances to recently concluded rate filings and to adjust Pension and other Post Retirement Benefit deferrals.

Reported Total	Revised Total
\$ 51,796,222	\$ 47,546,203

**Schedule Page: 114 Line No.: 78 Column: d**

This amount has been revised from the Company's originally filed FERC Form 1. Certain adjustments (net of tax) were required to align certain recorded account balances to recently concluded rate filings and to adjust Pension and other Post Retirement Benefit deferrals.

Reported Total	Revised Total
\$ 51,796,222	\$ 47,546,203

Name of Respondent The Narragansett Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 08/22/2017	Year/Period of Report End of 2017/Q2
---	---	--	---

## STATEMENT OF RETAINED EARNINGS

- Do not report Lines 49-53 on the quarterly version.
- Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.
- Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)
- State the purpose and amount of each reservation or appropriation of retained earnings.
- List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
- Show dividends for each class and series of capital stock.
- Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
- Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
- If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)			
1	Balance-Beginning of Period		456,367,550	375,776,676
2	Changes			
3	Adjustments to Retained Earnings (Account 439)			
4				
5				
6				
7				
8				
9	TOTAL Credits to Retained Earnings (Acct. 439)			
10				
11				
12				
13				
14				
15	TOTAL Debits to Retained Earnings (Acct. 439)			
16	Balance Transferred from Income (Account 433 less Account 418.1)		58,398,939	47,546,203
17	Appropriations of Retained Earnings (Acct. 436)			
18				
19				
20				
21				
22	TOTAL Appropriations of Retained Earnings (Acct. 436)			
23	Dividends Declared-Preferred Stock (Account 437)			
24	Dividends Declared-Preferred Stock		-27,613	( 55,226)
25				
26				
27				
28				
29	TOTAL Dividends Declared-Preferred Stock (Acct. 437)		-27,613	( 55,226)
30	Dividends Declared-Common Stock (Account 438)			
31				
32				
33				
34				
35				
36	TOTAL Dividends Declared-Common Stock (Acct. 438)			
37	Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings			
38	Balance - End of Period (Total 1,9,15,16,22,29,36,37)		514,738,876	423,267,653
	APPROPRIATED RETAINED EARNINGS (Account 215)			
39				
40				



Name of Respondent The Narragansett Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 08/22/2017	Year/Period of Report End of <u>2017/Q2</u>
<b>STATEMENT OF CASH FLOWS</b>				
<p>(1) Codes to be used: (a) Net Proceeds or Payments; (b) Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.</p> <p>(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.</p> <p>(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.</p> <p>(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.</p>				
Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)	
1	Net Cash Flow from Operating Activities:			
2	Net Income (Line 78(c) on page 117)	58,398,939	47,546,203	
3	Noncash Charges (Credits) to Income:			
4	Depreciation and Depletion	52,192,637	51,110,651	
5	Amortization of Debit Discount and Expense	154,240	155,042	
6	Amortization of Loss on Recquired Debt	92,378	98,548	
7	Amortization of Regulatory Debits and Credits, Net	361,561	352,845	
8	Deferred Income Taxes (Net)	20,545,218	33,229,688	
9	Investment Tax Credit Adjustment (Net)	-40,380	-59,352	
10	Net (Increase) Decrease in Receivables	36,586,102	26,595,461	
11	Net (Increase) Decrease in Inventory	880,601	1,759,551	
12	Net (Increase) Decrease in Allowances Inventory	6,290,607	7,398,992	
13	Net Increase (Decrease) in Payables and Accrued Expenses	12,680,000	-11,453,053	
14	Net (Increase) Decrease in Other Regulatory Assets	65,612,066	8,388,734	
15	Net Increase (Decrease) in Other Regulatory Liabilities	-32,084,469	3,489,966	
16	(Less) Allowance for Other Funds Used During Construction	29,929	-2,596,765	
17	(Less) Undistributed Earnings from Subsidiary Companies			
18	Other (provide details in footnote):	-62,826,490	-34,834,176	
19	Net Increase (Decrease) in Deferred Credits	6,412,140	8,247,379	
20	Net Decrease (Increase) in Prepaid and Other Current Assets	2,426,313	-880,576	
21				
22	Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21)	167,651,534	143,742,668	
23				
24	Cash Flows from Investment Activities:			
25	Construction and Acquisition of Plant (including land):			
26	Gross Additions to Utility Plant (less nuclear fuel)	-103,226,675	-158,547,548	
27	Gross Additions to Nuclear Fuel			
28	Gross Additions to Common Utility Plant			
29	Gross Additions to Nonutility Plant			
30	(Less) Allowance for Other Funds Used During Construction	-29,929	2,596,765	
31	Other (provide details in footnote):	3,053,985	-1,337,571	
32	Cost of Removal	-12,120,890	-3,257,496	
33				
34	Cash Outflows for Plant (Total of lines 26 thru 33)	-112,263,651	-165,739,380	
35				
36	Acquisition of Other Noncurrent Assets (d)			
37	Proceeds from Disposal of Noncurrent Assets (d)			
38				
39	Investments in and Advances to Assoc. and Subsidiary Companies			
40	Contributions and Advances from Assoc. and Subsidiary Companies			
41	Disposition of Investments in (and Advances to)			
42	Associated and Subsidiary Companies			
43				
44	Purchase of Investment Securities (a)			
45	Proceeds from Sales of Investment Securities (a)			

Name of Respondent The Narragansett Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 08/22/2017	Year/Period of Report End of 2017/Q2
<b>STATEMENT OF CASH FLOWS</b>				
<p>(1) Codes to be used: (a) Net Proceeds or Payments; (b) Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.</p> <p>(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.</p> <p>(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.</p> <p>(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.</p>				
Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)	
46	Loans Made or Purchased			
47	Collections on Loans			
48				
49	Net (Increase) Decrease in Receivables			
50	Net (Increase ) Decrease in Inventory			
51	Net (Increase) Decrease in Allowances Held for Speculation			
52	Net Increase (Decrease) in Payables and Accrued Expenses			
53	Other (provide details in footnote):	-11,714	181,667	
54	Decrease (Increase) in Special Deposits	-61,993	16,803,590	
55				
56	Net Cash Provided by (Used in) Investing Activities			
57	Total of lines 34 thru 55)	-112,337,358	-148,754,123	
58				
59	Cash Flows from Financing Activities:			
60	Proceeds from Issuance of:			
61	Long-Term Debt (b)			
62	Preferred Stock			
63	Common Stock			
64	Other (provide details in footnote):			
65				
66	Net Increase in Short-Term Debt (c)			
67	Other (provide details in footnote):			
68				
69				
70	Cash Provided by Outside Sources (Total 61 thru 69)			
71				
72	Payments for Retirement of:			
73	Long-term Debt (b)			
74	Preferred Stock			
75	Common Stock			
76	Other (provide details in footnote):			
77				
78	Net Decrease in Short-Term Debt (c)			
79	Affiliate Moneypool Borrowing and Receivables/Payables, Net	-57,973,976	-3,592,078	
80	Dividends on Preferred Stock	-27,613	-55,226	
81	Dividends on Common Stock			
82	Net Cash Provided by (Used in) Financing Activities			
83	(Total of lines 70 thru 81)	-58,001,589	-3,647,304	
84				
85	Net Increase (Decrease) in Cash and Cash Equivalents			
86	(Total of lines 22,57 and 83)	-2,687,413	-8,658,759	
87				
88	Cash and Cash Equivalents at Beginning of Period	11,324,418	11,530,326	
89				
90	Cash and Cash Equivalents at End of period	8,637,005	2,871,567	

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year/Period of Report
The Narragansett Electric Company		08/22/2017	2017/Q2
FOOTNOTE DATA			

**Schedule Page: 120 Line No.: 18 Column: b**

	2017
<u>Operating Activities - Other</u>	
Change in Unamortized Debt Expense	(9,047)
Change in Clearing Accounts	222,367
Change in Miscellaneous Deferred Debits	3,083,027
Change in Accumulated Provision for Injuries and Damages	(2,108,206)
Change in Miscellaneous Operating Provisions	2,064,315
Change in Derivative	9,305,989
Change in Asset Retirement Obligations	50,141
Change in Accumulated Provision for Pensions & Benefits	(75,233,633)
Change in Other Paid in Capital	14,564
Change in Preliminary Survey and Investigation Charges	(194,889)
Change in Accumulated Other Comprehensive Income	(21,117)
Change in Customer Advances for Construction	(1)
	<u>(62,826,490)</u>

**Schedule Page: 120 Line No.: 18 Column: c**

	2016
<u>Operating Activities - Other</u>	
Change in Unamortized Debt Expense	(9,045)
Change in Clearing Accounts	(824,451)
Change in Miscellaneous Deferred Debits	431,506
Change in Accumulated Other Comprehensive Income	970
Change in Accumulated Provision for Injuries and Damages	887,584
Change in Miscellaneous Operating Provisions	(208,557)
Change in Derivatives	(27,556,292)
Change in Asset Retirement Obligations	7,987,385
Change in Accumulated Provision for Pensions and Benefits	(8,718,814)
Change in Deferred Income Taxes	(5,234,292)
Change in Other Paid in Capital	9,852
Change in Preliminary Survey and Investigation Charges	(1,600,022)
	<u>(34,834,176)</u>

**Schedule Page: 120 Line No.: 31 Column: b**

	2017
<u>Investing Activities - Other</u>	
Change in Utility Plant - Other	3,053,985
	<u>3,053,985</u>

**Schedule Page: 120 Line No.: 31 Column: c**

	2016
<u>Investing Activities - Other</u>	
Change in Utility Plant - Other	(1,337,571)
	<u>(1,337,571)</u>

**Schedule Page: 120 Line No.: 53 Column: b**

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year/Period of Report
The Narragansett Electric Company		08/22/2017	2017/Q2
FOOTNOTE DATA			

	2017
<u>Investing Activities - Other</u>	
Change in Other Investments	(112,062)
Change in Special Funds	(380,475)
Change in Accumulated Other Comprehensive Income	480,823
	<u>(11,714)</u>

**Schedule Page: 120 Line No.: 53 Column: c**

	2016
<u>Investing Activities - Other</u>	
Change in Other Investments	(97,012)
Change in Special Funds	(132,368)
Change in Accumulated Other Comprehensive Income	411,047
	<u>181,667</u>

Name of Respondent The Narragansett Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 08/22/2017	Year/Period of Report End of 2017/Q2
---	---	------------------------------	---

## NOTES TO FINANCIAL STATEMENTS

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.
2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.
3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and plan of disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.
4. Where Accounts 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.
5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 114-121, such notes may be included herein.
7. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.
8. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However were material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.
9. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.

PAGE 122 INTENTIONALLY LEFT BLANK  
SEE PAGE 123 FOR REQUIRED INFORMATION.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 08/22/2017	Year/Period of Report 2017/Q2
The Narragansett Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

**nTHE NARRAGANSETT ELECTRIC COMPANY  
NOTES TO THE FINANCIAL STATEMENTS**

## 1. NATURE OF OPERATIONS AND BASIS OF PRESENTATION

The Narragansett Electric Company ("the Company") is a retail distribution company providing electric service to approximately 500,000 customers and gas service to approximately 268,000 customers in 38 cities and towns in Rhode Island. The Company's service area covers substantially all of Rhode Island.

The Company is a wholly-owned subsidiary of National Grid USA ("NGUSA" or the "Parent"), a public utility holding company with regulated subsidiaries engaged in the generation of electricity and the transmission, distribution and sale of both natural gas and electricity. NGUSA is a direct wholly-owned subsidiary of National Grid North America Inc. ("NGNA") and an indirect wholly-owned subsidiary of National Grid plc, a public limited company incorporated under the laws of England and Wales.

The accompanying financial statements are prepared in accordance with the accounting requirements of the Federal Energy Regulatory Commission ("FERC") as set forth in its applicable Uniform System of Accounts. This is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America ("U.S. GAAP"). The primary differences consist of the following:

- Intercompany accounts are presented on a gross basis for FERC reporting but are netted together by counterparty for U.S. GAAP reporting.
- For FERC reporting, regulatory assets and liabilities are presented on a gross basis and are classified as non-current. For U.S. GAAP reporting, regulatory assets and liabilities are presented on a net basis where appropriate and are classified as current or long-term as applicable.
- The accumulated amounts collected in rates for cost of removal over spending are included within accumulated depreciation for FERC reporting, but are presented separately as a regulatory liability for U.S. GAAP reporting.
- All debt is classified as long-term in the balance sheet for FERC reporting. Under U.S. GAAP, the presentation reflects current and long-term debt separately.
- For FERC reporting, the debt issuance costs related to term loans is presented in the balance sheets within deferred charges and other assets. Under U.S. GAAP, this is presented in the balance sheets as a direct deduction from the carrying value of debt.
- Goodwill is included within utility plant for FERC reporting, but is presented as other non-current assets for U.S. GAAP reporting.
- For FERC reporting, the liability for uncertain tax positions related to temporary differences is not recognized pursuant to FERC guidance and deferred taxes are recognized based on the difference between positions taken in filed tax returns and amounts reported in the financial statements. For U.S. GAAP reporting, the liability for uncertain tax positions related to temporary differences is recognized and deferred taxes are recognized based on the difference between the positions taken in filed tax returns adjusted for uncertain tax positions related to temporary differences and amounts reported in the financial statements.
- For FERC reporting, deferred tax assets and liabilities are presented on a gross basis. For U.S. GAAP reporting, deferred tax assets and liabilities are presented on a net basis.

The Company has evaluated subsequent events and transactions through August 22, 2017, the date of issuance of these financial statements, and concluded that there were no events or transactions that require adjustment to, or disclosure in, the financial statements as of and for the six months ended June 30, 2017.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year/Period of Report
The Narragansett Electric Company		08/22/2017	2017/Q2
NOTES TO FINANCIAL STATEMENTS (Continued)			

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Use of Estimates

In preparing financial statements that conform to FERC requirements, the Company must make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses, and the disclosure of contingent assets and liabilities included in the financial statements. Actual results could differ from those estimates.

### Regulatory Accounting

The FERC, the Rhode Island Public Utilities Commission ("RIPUC"), and the Rhode Island Division of Public Utilities and Carriers ("Division") regulate the rates the Company charges its customers. In certain cases, the rate actions of the FERC and RIPUC can result in accounting that differs from non-regulated companies. In these cases, the Company defers costs (as regulatory assets) or recognizes obligations (as regulatory liabilities) if it is probable that such amounts will be recovered from, or refunded to, customers through future rates. Regulatory assets and liabilities are reflected in the statements of income consistent with the treatment of the related costs in the ratemaking process.

### Revenue Recognition

Revenues are recognized for energy service provided on a monthly billing cycle basis. The Company records unbilled revenues for the estimated amount of services rendered from the time meters were last read to the end of the accounting period.

As approved by the RIPUC, the Company is allowed to pass through commodity-related costs to customers and also bills for approved rate adjustment mechanism. In addition, the Company has an electric revenue decoupling mechanisms ("RDM") which requires the Company to adjust its base rates annually to reflect the over or under recovery of the Company's targeted base distribution revenues from the prior fiscal year. Further, the Company has a gas RDM, which requires the Company to adjust its base rates annually to reflect the over or under recovery of the Company's allowed revenue per customer from the year.

### Cash and Cash Equivalents

Cash equivalents consist of short-term, highly liquid investments with original maturities of three months or less. Cash and cash equivalents are carried at cost which approximates fair value.

### Special Deposits

Special deposits consists of deposits held by ISO new England, Inc. ("ISO-NE"), collateral paid to the Company's counterparties for outstanding derivative instruments, health insurance, and worker's compensation.

### Accounts Receivable and Accumulated Provision for Uncollectible Accounts

The Company recognizes an accumulated provision for uncollectible accounts to record accounts receivable at estimated net realizable value. The provision is determined based on a variety of factors including, for each type of receivable, applying an estimated reserve percentage to each aging category, taking into account historical collection and write-off experience and management's assessment of collectability from individual customers as appropriate. The collectability of receivables is continuously assessed and, if circumstances change, the provision is adjusted accordingly. Receivable balances are written off against the provision for uncollectible accounts when the accounts are disconnected and/or terminated and the balances are deemed to be uncollectible.

### Plant Materials and Operating Supplies and Gas Stored Underground

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 08/22/2017	Year/Period of Report 2017/Q2
The Narragansett Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

Plant materials and operating supplies are stated at the lower of weighted average cost or market and are expensed or capitalized as used. The Company's policy is to write-off obsolete plant materials and operating supplies; there were no material write-offs of obsolete plant materials and operating supplies for June 30, 2017 or 2016.

Gas in storage is stated at weighted average cost and the related cost is recognized when delivered to customers. Existing rate orders allow the Company to pass directly through to customers the cost of gas purchased, along with any applicable authorized delivery surcharge adjustments. Gas costs passed through to customers are subject to regulatory approvals and are reported periodically to the RIPUC.

### Derivative Instruments

#### *Commodity Derivative Instruments – Regulated Accounting*

The Company uses derivative instruments (including purchase, futures, and swap contracts) to manage commodity price risk. All derivative instruments, except those that qualify for the normal purchase normal sale exception, are recorded on the accompanying balance sheet at their fair value. All commodity costs, including the impact of derivative instruments, are passed on to customers through the Company's commodity rate adjustment mechanisms. Therefore, gains or losses on the settlement of these contracts are initially deferred and then refunded to, or collected from customers consistent with regulatory requirements.

The Company has certain non-trading instruments for the physical purchase of electricity that qualify for the normal purchase normal sale exception and are accounted for upon settlement. If the Company were to determine that a contract no longer qualifies for the normal purchase normal sale exception, then the Company would recognize the fair value of the contract in accordance with the regulatory accounting described above.

The Company's accounting policy is to not offset fair value amounts recognized for derivative instruments and related cash collateral receivable or payable with the same counterparty under a master netting agreement, and to record and present the fair value of the derivative instrument on a gross basis, with related cash collateral recorded within restricted cash and special deposits on the accompanying balance sheet.

#### *Commodity Derivative Instruments – Non-Regulated Accounting*

The Company also uses derivative instruments related to storage optimization, such as gas purchase and swaps contracts to maximize the value of its storage and transportation assets and to reduce the cash flow variability associated with forecasted purchases and sales of various energy-related commodities. The gains and losses on these contracts are shared between the company and its customers. The company does not apply regulatory accounting treatment on these contracts since this optimization program is not done solely on behalf of rate payers. All such derivative instruments are accounted for at fair value on the balance sheet with all changes in fair value reported in the accompanying statements of income.

### Renewable Energy Certificates

Renewable Energy Certificates ("RECs") are stated at cost and are used to measure compliance with renewable energy standards. RECs are held primarily for consumption. At June 30, 2017 and December 31, 2016 the Company recorded purchased RECs of \$0.03 million and \$6.3 million within allowances and a compliance liability based on retail electricity sales of \$4.5 million and \$9.7 million within miscellaneous current and accrued liabilities in the accompanying balance sheets.

### Fair Value Measurements

The Company measures derivative instruments and available-for-sale securities at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following is the fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value:

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 08/22/2017	Year/Period of Report 2017/Q2
The Narragansett Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that a company has the ability to access as of the reporting date;
- Level 2: inputs other than quoted prices included within Level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data; and
- Level 3: unobservable inputs, such as internally-developed forward curves and pricing models for the asset or liability due to little or no market activity for the asset or liability with low correlation to observable market inputs.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The Company uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs.

#### Available-For-Sale Securities

The Company provides certain executives with nonqualified retirement and deferred compensation benefits which have been partially secured through separate fund arrangements. As a result, the Company holds available-for-sale securities that include equities, municipal bonds, and corporate bonds. These investments are recorded at fair value and are included in other special funds on the balance sheet. Changes in the fair value of these assets are recorded within other comprehensive income.

#### Asset Retirement Obligations

Asset retirement obligations are recognized for legal obligations associated with the retirement of utility plant, primarily associated with the Company's distribution facilities. Asset retirement obligations are recorded at fair value in the period in which the obligation is incurred, if the fair value can be reasonably estimated. In the period in which new asset retirement obligations, or changes to the timing or amount of existing retirement obligations are recorded, the associated asset retirement costs are capitalized as part of the carrying amount of the related long-lived asset. In each subsequent period the asset retirement obligation is accreted to its present value. The Company applies regulatory accounting guidance and both the depreciation and accretion costs associated with asset retirement obligation are recorded as increases to regulatory assets on the balance sheets. These regulatory assets represent timing differences between the recognition of costs in accordance with FERC reporting and costs recovered through the ratemaking process.

The following table represents the changes in the Company's asset retirement obligations:

	<b>Six Months Ended June 30,</b>	
	<b>2017</b>	<b>2016</b>
	<i>(in thousands of dollars)</i>	
Balance as of the beginning of the year	\$ 10,173	\$ 2,143
Accretion expense	-	96
Liabilities settled	51	(252)
Revaluations to present values of estimated cash flows	-	8,143
Balance as of the end of the year	<u>\$ 10,224</u>	<u>\$ 10,130</u>

At March 31, 2016, the Company carried out a revaluation study that resulted in a net upward revaluation in estimated costs related to the asset retirement obligations. These increases were due to changes in remediation cost and enhanced asset replacement programs.

#### Employee Benefits

The Company participates with other subsidiaries in defined benefit pension plans and postretirement benefit other than pension

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 08/22/2017	Year/Period of Report 2017/Q2
The Narragansett Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

("PBOP") plans for its employees, administered by NGUSA. The Company recognizes its portion of the pension and PBOP plans' funded status in the accompanying balance sheets as a net liability or asset. The cost of providing these plans is recovered through rates; therefore, the net funded status is offset by a regulatory asset or liability. The pension and PBOP plans' assets are commingled and cannot be allocated to an individual company. The Company measures and records its pension and PBOP funded status at the year-end date. Pension and PBOP plans assets are measured at fair value, using the year-end market value of those assets.

## New and Recent Accounting Guidance

### Accounting Guidance Adopted in Calendar Year 2017

#### *Presentation of Financial Statements – Going Concern, Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*

In August 2014, the FASB issued amendments on reporting about an entity's ability to continue as a going concern in ASU 2014-15, "Presentation of Financial Statements – Going Concern (Subtopic 205 - 40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern." The amendments provide guidance about management's responsibility to evaluate whether there is substantial doubt surrounding an entity's ability to continue as a going concern. If management concludes that substantial doubt exists, the amendments require additional disclosures relating to management's evaluation and conclusion. Management is not aware of any indicators giving rise to substantial doubt about the Company's ability to continue to operate and to meet its obligations as they fall due.

### Accounting Guidance Not Yet Adopted

#### *Pension and Postretirement Benefits*

In March 2017, the FASB issued ASU 2017-07, "Compensation Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost," which changes certain presentation and disclosure requirements for employers that sponsor defined benefit pension and other postretirement benefit plans. The ASU requires the service cost component of the net benefit cost to be in the same line item as other compensation in operating income and the other components of net benefit cost to be presented outside of operating income on a retrospective basis. In addition, only the service cost component will be eligible for capitalization when applicable, on a prospective basis. For the Company, the requirements of the new standard will be effective for the fiscal year ended March 31, 2020, with early adoption permitted. The Company is currently evaluating the impact of the new guidance on the presentation, results of its operations, cash flows, and financial position.

#### *Goodwill*

In January 2017, the FASB issued ASU 2017-04, "Intangibles—Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment," which eliminates Step 2 from the goodwill impairment test. For the Company, the requirements of the new standard will be effective for the fiscal year ended March 31, 2023, with early adoption permitted. The Company currently anticipates adopting the ASU in the year ended March 31, 2018.

#### *Measurement of Inventory*

In July 2015, the FASB issued ASU 2015-11, "Simplifying the Measurement of Inventory." The new guidance requires that inventory be measured at the lower of cost or net realizable value (other than inventory measured using "last-in, first out" and the "retail inventory method"). For the Company, the new guidance, which must be applied prospectively, is effective for the fiscal year ended March 31, 2018, and interim periods thereafter, with early adoption permitted. The application of this guidance is not expected to have a material impact on the results of operations, cash flows, or financial position of the Company since the Company's gas in

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year/Period of Report
The Narragansett Electric Company		08/22/2017	2017/Q2
NOTES TO FINANCIAL STATEMENTS (Continued)			

storage is fully recoverable from customers and material and supplies inventory is stated at the lower of cost or market.

### Financial Statement Revision

During 2017, management determined that certain accounting transactions were not properly recorded in the Company's previously issued financial statements. The Company has corrected these errors by revising the prior period financial statements presented herein, the impacts of which are described below. In addition, certain reclassifications have also been made to the financial statements to conform prior year's data to the current year's presentation. The Company concluded that the corrections were not material to any prior periods.

During the Company's review of its regulatory account balances for fiscal year 2017, management identified corrections that were necessary to align certain recorded account balances to recently concluded rate filings, as well as to adjust carrying charge appropriately. A cumulative adjustment of \$2.0 million (net of income taxes) was recorded as a decrease to net income for the six months ended June 30, 2016.

In addition, during a review of the Company's Pension and Other Post Retirement Benefit deferrals, management identified that amounts recovered through the electric transmission rates were not correctly incorporated into the calculation of these deferral balances. A cumulative adjustment of \$4.5 million (net of income taxes) was recorded, of which \$2.3 million was recorded as a decrease to opening retained earnings (as of December 31, 2015) and \$2.2 million was recorded as a decrease to net income for the six months ended June 30, 2016.

The cumulative adjustments did not result in any changes to the Statement of Cash Flows and the Statement of Comprehensive Income for June 2016.

Statement of Income	As Previously Reported	Adjustments	As Revised
	(in thousands of dollars)		
	June 2016		June 2016
Operating revenues	\$ 666,257	(2,275)	\$ 663,982
Total operating expenses	591,831	(132)	591,698
Operating income	74,427	(2,143)	72,284
Net other income and deductions	200	(1,985)	(1,785)
Net Interest charges	22,830	123	22,953
Net income	51,796	(4,250)	47,546

Balance Sheet	As Previously Reported	Adjustments	As Revised
	(in thousands of dollars)		
	December 2016		December 2016
Total deferred debits	921,184	(7,993)	913,191
Total other noncurrent liabilities	23,598	314,480	338,077
Total Proprietary Capital	1,875,706	(6,528)	1,869,178
Total deferred credits	1,340,339	(315,945)	1,024,394
Total Assets	4,542,182	(7,993)	4,534,189
Total Liabilities and Stockholder Equity	4,542,182	(7,993)	4,534,189
Retained Earnings	462,895	(6,528)	456,368

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 08/22/2017	Year/Period of Report 2017/Q2
The Narragansett Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

### 3. RATE MATTERS

#### General Rate Case

The RIPUC approved a settlement agreement among the Division, the Department of the Navy, and the Company, which provided for an increase in electric base distribution revenue of \$21.5 million and an increase in gas base distribution revenue of \$11.3 million based on a 9.5% allowed return on equity ("ROE") and a common equity ratio of approximately 49.1%, effective February 1, 2013. The settlement also included reinstatement of base rate recovery of storm fund contributions and implementation of a Pension Adjustment Mechanism for pension and Postretirement Benefits Other Than Pension (PBOP) expenses for the electric business identical to the mechanism in place for the gas business.

#### Recovery of Transmission Costs

New England Power ("NEP" a company affiliate) operates the transmission facilities of its New England affiliates as a single integrated system and reimburses the Company for the cost of its transmission facilities in Rhode Island, including a return on those facilities under NEP's Tariff No. 1. In turn, these costs are allocated among transmission customers in New England in accordance with the ISO New England Open Access Transmission Tariff ("ISO-NE OATT"). According to the FERC order, the Company is compensated for its actual monthly transmission costs with its authorized maximum ROE of 11.74% on certain transmission assets. The amounts reimbursed to the Company by NEP for the six months ended June 30, 2017 and 2016 were \$81.0 million and \$65.4 million, respectively, which are included within the accompanying statements of income. On October 16, 2014, the FERC issued an order, Opinion No. 531-A, resetting the base ROE applicable to transmission assets under the ISO-NE OATT from 11.14% to 10.57% effective as of October 16, 2014 and establishing a maximum ROE of 11.74%. On March 3, 2015, the FERC issued an Order on Rehearing, Opinion No. 531-B, affirming the 10.57% base ROE and clarifying that the 11.74% maximum ROE applies to all individual transmission projects with ROE incentives previously granted by the FERC. On April 14, 2017, the U.S. Court of Appeals for the D.C. Circuit (Court of Appeals) vacated and remanded FERC's Opinion No. 531 (and successor orders), through which FERC had lowered NETO return on equity from 11.14% to 10.57% and capped the total incentives at 11.74%. Due to this vacatur, on June 5, 2017, the New England Transmission Owners made a filing with FERC to reinstate the base ROE of 11.14% effective June 6, 2017. The procedural posture of ROE complaints 2, 3 and 4 is unclear at this time.

#### New England East-West Solution

In September 2008, the Company, NEP and Northeast Utilities jointly filed an application with the FERC to recover financial incentives for the NEEWS project, pursuant to the FERC's Transmission Pricing Policy Order No. 679. NEEWS consists of a series of inter-related transmission upgrades identified in the New England Regional System Plan and is being undertaken to address a number of reliability problems in Connecticut, Massachusetts, and Rhode Island. The Company's share of the NEEWS-related transmission investment is approximately \$575 million. The Company is fully reimbursed for its transmission revenue requirements on a monthly basis by NEP through NEP's Tariff No. 1. Effective November 18, 2008, the FERC granted (1) an incentive ROE of 12.89% (125 basis points above the approved base ROE of 11.64%), (2) 100% construction work in progress ("CWIP") in rate base, and (3) recovery of plant abandoned for reasons beyond the companies' control. As discussed in the preceding section, effective October 16, 2014, the FERC issued a series of orders establishing a maximum ROE of 11.74% that effectively caps the NEEWS incentive ROE at that level. On April 14, 2017, the Court of Appeals vacated the FERC's orders which had reduced the Company's maximum ROE to 11.74%, though, and remanded the issue back to the FERC.

As a condition of the FERC's approval, the FERC directed the Company to provide footnote disclosures in the notes to its financial statements which (1) fully explain the impact of CWIP in rate base; (2) include details of AFUDC not capitalized because of CWIP in rate base for the current year, the previous two years, and the sum of all years; and (3) include partial balance sheets consisting of the assets and other debits section of the balance sheets to include the amounts of AFUDC not capitalized because of the inclusion of CWIP in rate base. At June 30, 2017, the Company had total net electric utility plant assets on its balance sheets of \$2.31 billion including \$96.43 million of CWIP. At June 30, 2017 and 2016, the Company's NEEWS-related CWIP and in-service investment totaled

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 08/22/2017	Year/Period of Report 2017/Q2
The Narragansett Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

\$603.13 million and \$554.6 million, respectively.

<i>(in millions)</i>	Current YTD (Jan 17 - Jun 17)	Previous two years (Jan 15 - Dec 16)	Sum of All Years (Nov 08 - Jun 17)
Avg Monthly NEEWS related CWIP Balance	\$ 0.668	\$ 40.357	\$ 62.573
Estimated annual AFUDC rate	1.52%	1.33%	4.45%
Avoided AFUDC not capitalized	\$ 0.005	\$ 1.075	\$ 24.141
Return	\$ 0.009	\$ 10.997	\$ 77.103

## 5. DERIVATIVE INSTRUMENTS

The Company utilizes derivative instruments to manage commodity price risk associated with its natural gas purchases. The Company's commodity risk management strategy is to reduce fluctuations in firm gas sales prices to its customers.

The Company's financial exposures are monitored and managed as an integral part of the Company's overall financial risk management policy. The Company engages in risk management activities only in commodities and financial markets where it has an exposure, and only in terms and volumes consistent with its core business.

### Volumes

Volumes of outstanding commodity derivative instruments measured in dekatherms ("dths") are as follows:

	<u>June 30, 2017</u>	<u>December 31, 2016</u>
	<i>(in thousands)</i>	
Gas future contracts	450	6,700
Gas purchase contracts	2,797	4,662
Gas swap contracts	34,078	25,414
Total	<u>37,325</u>	<u>36,776</u>

### Amounts Recognized on the Accompanying Balance Sheet

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 08/22/2017	Year/Period of Report 2017/Q2
The Narragansett Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

Asset Derivatives				Liability Derivatives			
June 30, 2017		December 31, 2016		June 30, 2017		December 31, 2016	
(in thousands of dollars)				(in thousands of dollars)			
<u>Current and accrued assets:</u>				<u>Current and accrued liabilities:</u>			
Rate recoverable				Rate recoverable			
Gas future contracts	\$	36	\$ 2,217	Gas future contracts	\$	186	\$ -
Gas purchase contracts			113	Gas purchase contracts		435	1,551
Gas swap contracts		2,733	6,378	Gas swap contracts		748	332
Contracts not subject to rate recovery:				Contracts not subject to rate recovery:			
Gas purchase contracts		27	86	Gas purchase contracts		-	42
Gas swap contracts		106	36	Gas swap contracts		129	30
		<u>2,902</u>	<u>8,829</u>			<u>1,498</u>	<u>1,955</u>
<u>Other property and investments:</u>				<u>Other noncurrent liabilities:</u>			
Rate recoverable				Rate recoverable			
Gas future contracts			-	Gas future contracts			-
Gas purchase contracts			-	Gas purchase contracts		592	1,287
Gas swap contracts		79	4,249	Gas swap contracts		370	10
		<u>79</u>	<u>4,249</u>			<u>962</u>	<u>1,297</u>
Total	\$	2,981	\$ 13,078	Total	\$	2,460	\$ 3,252

The changes in fair value of the Company's rate recoverable contracts are offset by changes in regulatory assets and liabilities. As a result, the changes in fair value of those contracts had no impact in the accompanying statements of income. As of June 31, 2017 and December 31, 2016 the Company recorded a loss of \$0.05 million and a gain of \$0.5 million respectively within purchased gas in the accompanying statements of income for changes in fair value for contracts not subject to rate recovery.

### Credit and Collateral

The Company is exposed to credit risk related to transactions entered into for commodity price risk management. Credit risk represents the risk of loss due to counterparty non-performance. Credit risk is managed by assessing each counterparty's credit profile and negotiating appropriate levels of collateral and credit support.

The Company enters into commodity transactions on the New York Mercantile Exchange ("NYMEX"). The NYMEX clearing houses act as the counterparty to each trade. Transactions on the NYMEX must adhere to comprehensive collateral and margining requirements. As a result, transactions on the NYMEX are significantly collateralized and have limited counterparty credit risk.

The credit policy for commodity transactions is managed and monitored by the Finance Committee to National Grid plc's Board of Directors ("Finance Committee"), which is responsible for approving risk management policies and objectives for risk assessment, control and valuation, and the monitoring and reporting of risk exposures. NGUSA's Energy Procurement Risk Management Committee ("EPRMC") is responsible for approving transaction strategies, annual supply plans, and counterparty credit approval, as well as all valuation and control procedures. The EPRMC is chaired by the Vice President of U.S. Treasury and reports to both the NGUSA Board of Directors and the Finance Committee.

The EPRMC monitors counterparty credit exposure and appropriate measures are taken to bring such exposures below the limits, including, without limitation, netting agreements, and limitations on the type and tenor of trades. The Company enters into enabling agreements that allow for payment netting with its counterparties, which reduce its exposure to counterparty risk by providing for the offset of amounts payable to the counterparty against amounts receivable from the counterparty. In instances where a counterparty's credit quality has declined, or credit exposure exceeds certain levels, the Company may limit its credit exposure by restricting new transactions with the counterparty, requiring additional collateral or credit support and negotiating the early

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 08/22/2017	Year/Period of Report 2017/Q2
The Narragansett Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

termination of certain agreements. Similarly, the Company may be required to post collateral to its counterparties.

The Company's credit exposure for all commodity derivative instruments, normal purchase normal sale contracts, and applicable payables and receivables, net of collateral, and instruments that are subject to master netting agreements, was an asset of \$0.3 million and \$13.1 million as of June 30, 2017 and December 31, 2016, respectively.

The aggregate fair value of the Company's commodity derivative instruments with credit-risk-related contingent features that were in a liability position at June 30, 2017 and December 31, 2016 was \$0.09 million and \$0.03 million, respectively. The Company had no collateral posted for these instruments at June 30, 2017 or December 31, 2016. The cash collateral in the table below reflects margin posted on the Gas Futures contracts with exchange brokers. If the Company's credit rating were to be downgraded by one or two levels, it would not be required to post any additional collateral. If the Company's credit rating were to be downgraded by three levels, it would be required to post \$0.1 million and \$0.03 million additional collateral to its counterparties at June 30, 2017 and December 31, 2016, respectively.

### Offsetting Information for Derivative Instruments Subject to Master Netting Arrangements

June 30, 2017

#### Gross Amounts Not Offset in the Balance Sheets

(in thousands of dollars)

	Gross amounts of recognized assets	Gross amounts offset in the Balance Sheets	Net amounts of assets presented in the Balance Sheets	Financial Instruments	Cash collateral received	Net amount
<b>ASSETS:</b>						
<b>Derivative instruments</b>						
Gas future contracts	\$ 36	\$ -	\$ 36	\$ -	\$ 36	\$ -
Gas purchase contracts	27	-	27	-	-	27
Gas swap contracts	2,918	-	2,918	-	-	2,918
Total	<u>\$ 2,981</u>	<u>\$ -</u>	<u>\$ 2,981</u>	<u>\$ -</u>	<u>\$ 36</u>	<u>\$ 2,945</u>
	Gross amounts of recognized liabilities	Gross amounts offset in the Balance Sheets	Net amounts of liabilities presented in the Balance Sheets	Financial Instruments	Cash collateral paid	Net amount
<b>LIABILITIES:</b>						
<b>Derivative instruments</b>						
Gas future contracts	\$ 186	\$ -	\$ 186	\$ -	\$ 186	\$ -
Gas purchase contracts	1,027	-	1,027	-	-	1,027
Gas swap contracts	1,247	-	1,247	-	-	1,247
Total	<u>\$ 2,460</u>	<u>\$ -</u>	<u>\$ 2,460</u>	<u>\$ -</u>	<u>\$ 186</u>	<u>\$ 2,274</u>

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 08/22/2017	Year/Period of Report 2017/Q2
The Narragansett Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

**December 31, 2016**  
**Gross Amounts Not Offset in the Balance Sheets**  
*(in thousands of dollars)*

	Gross amounts of recognized assets <i>A</i>	Gross amounts offset in the Balance Sheets <i>B</i>	Net amounts of assets presented in the Balance Sheets <i>C=A+B</i>	Financial instruments <i>Da</i>	Cash collateral received <i>Db</i>	Net amount <i>E=C-D</i>
<b>ASSETS:</b>						
<b>Derivative instruments</b>						
Gas future contracts	\$ 2,216	\$ -	\$ 2,216	\$ -	\$ 2,216	\$ -
Gas purchase contracts	199	-	199	-	-	199
Gas swap contracts	10,663	-	10,663	-	-	10,663
Total	<u>\$ 13,078</u>	<u>\$ -</u>	<u>\$ 13,078</u>	<u>\$ -</u>	<u>\$ 2,216</u>	<u>\$ 10,862</u>
<b>LIABILITIES:</b>						
<b>Derivative instruments</b>						
Gas future contracts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gas purchase contracts	(2,880)	-	(2,880)	-	-	(2,880)
Gas swap contracts	(372)	-	(372)	-	-	(372)
Total	<u>\$ (3,252)</u>	<u>\$ -</u>	<u>\$ (3,252)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,252)</u>

## 6. FAIR VALUE MEASUREMENTS

The following tables present assets and liabilities measured and recorded at fair value on the balance sheet on a recurring basis and their level within the fair value hierarchy as of June 30, 2017 and December 31, 2016:

<b>June 30, 2017</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<i>(in thousands of dollars)</i>				
<b>Assets:</b>				
Derivative instruments				
Gas future contracts	\$ 36	\$ -	\$ -	\$ 36
Gas purchase contracts	-	27	-	27
Gas swap contracts	-	2,918	-	2,918
Available-for-sale securities	2,570	3,388	-	5,958
Total	<u>2,606</u>	<u>6,333</u>	<u>-</u>	<u>8,939</u>
<b>Liabilities:</b>				
Derivative instruments				
Gas future contracts	186	-	-	186
Gas purchase contracts	-	-	1,027	1,027
Gas swap contracts	-	1,247	-	1,247
Total	<u>186</u>	<u>1,247</u>	<u>1,027</u>	<u>2,460</u>
<b>Net (liabilities) assets</b>	<u>\$ 2,420</u>	<u>\$ 5,086</u>	<u>\$ (1,027)</u>	<u>\$ 6,479</u>

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 08/22/2017	Year/Period of Report 2017/Q2
The Narragansett Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

December 31, 2016				
	Level 1	Level 2	Level 3	Total
	<i>(in thousands of dollars)</i>			
<b>Assets:</b>				
Derivative instruments				
Gas future contracts	\$ 2,216	\$ -	\$ -	\$ 2,216
Gas purchase contracts	-	44	155	199
Gas swap contracts	-	10,663	-	10,663
Available-for-sale securities	2,414	3,163	-	5,577
Total	4,630	13,870	155	18,655
<b>Liabilities:</b>				
Derivative instruments				
Gas future contracts	-	-	-	-
Gas purchase contracts	-	950	1,930	2,880
Gas swap contracts	-	372	-	372
Total	-	1,322	1,930	3,252
<b>Net (liabilities) assets</b>	<b>\$ 4,630</b>	<b>\$ 12,548</b>	<b>\$ (1,775)</b>	<b>\$ 15,403</b>

**Derivative instruments:** The Company's Level 1 fair value derivative instruments consist of active exchange-based derivative instruments (e.g. natural gas futures traded on NYMEX) valued based on quoted prices (unadjusted) in active markets for identical assets or liabilities at the measurement date.

The Company's Level 2 fair value derivative instruments consist of over-the-counter ("OTC") gas swaps and purchase contracts with pricing inputs obtained from the NYMEX and the Intercontinental Exchange ("ICE"), except in cases where the ICE publishes seasonal averages or where there were no transactions within the last seven days. The Company may utilize discounting based on quoted interest rate curves, including consideration of non-performance risk, and may include a liquidity reserve calculated based on bid/ask spread for the Company's Level 2 derivative instruments. Substantially all of these price curves are observable in the marketplace throughout at least 95% of the remaining contractual quantity, or they could be constructed from market observable curves with correlation coefficients of 95% or higher.

The Company's Level 3 fair value derivative instruments consist of OTC gas purchase contracts, which are valued based on internally-developed models. Industry-standard valuation techniques, such as the Black-Scholes pricing model, Monte Carlo simulation, and Financial Engineering Associates libraries are used for valuing such instruments. A derivative is designated Level 3 when it is valued based on a forward curve that is internally developed, extrapolated, or derived from market observable curves with correlation coefficients less than 95%, where optionality is present, or if non-economic assumptions are made. The internally developed forward curves have a high level of correlation with published curves and are reviewed by the middle office.

**Available-for-sale securities:** Available-for-sale securities are included in other non-current assets on the balance sheet and primarily include equity and debt investments based on quoted market prices (Level 1) and municipal and corporate bonds based on quoted prices of similar traded assets in open markets (Level 2).

#### Changes in Level 3 Derivative Instruments

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year/Period of Report
The Narragansett Electric Company		08/22/2017	2017/Q2
NOTES TO FINANCIAL STATEMENTS (Continued)			

	Six Months Ended June 30,	
	2017	2016
	<i>(in thousands of dollars)</i>	
Balance as of the beginning of the period	\$ (1,775)	\$ (564)
Total gains or losses included in regulatory assets and liabilities	(91)	(1,477)
Settlements	839	546
Balance as of the end of the period	<u>\$ (1,027)</u>	<u>\$ (1,495)</u>

A transfer into Level 3 represents existing assets or liabilities that were previously categorized at a higher level for which the inputs became unobservable during the year. A transfer out of Level 3 represents assets and liabilities that were previously classified as Level 3 for which the inputs became observable based on the criteria discussed previously for classification in Level 2. These transfers, which are recognized at the end of each period, result from changes in the observability of forward curves from the beginning to the end of each reporting period. There were no transfers between Level 1 and Level 2, and no transfers into or out of Level 3, during the six months ended June 30, 2017 or 2016.

For valuations that include both observable and unobservable inputs, if the unobservable input is determined to be significant to the overall inputs, the entire valuation is categorized in Level 3. This includes derivative instruments valued using indicative price quotations whose contract tenure extends into unobservable periods. In instances where observable data is unavailable, consideration is given to the assumptions that market participants would use in valuing the asset or liability. This includes assumptions about market risks such as liquidity, volatility, and contract duration. Such instruments are categorized in Level 3 as the model inputs generally are not observable. The forward curves used for financial reporting are developed and verified by the middle office. The Company considers non-performance risk and liquidity risk in the valuation of derivative instruments categorized in Level 2 and Level 3.

### Quantitative Information About Level 3 Fair Value Measurements

The following tables provide information about the Company's Level 3 valuations:

Commodity	Level 3 Position	Fair Value as of June 30, 2017			Valuation Technique(s)	Significant Unobservable Input	Range
		Assets	(Liabilities)	Total			
(in thousands of dollars)							
Gas	Purchase contracts	\$ -	\$ (1,027)	\$ (1,027)	Discounted Cash Flow	LNG Forward Curve	\$9.88 - \$10.66/dth
	Total	\$ -	\$ (1,027)	\$ (1,027)			

Commodity	Level 3 Position	Fair Value as of December 31, 2016			Valuation Technique(s)	Significant Unobservable Input	Range
		Assets	(Liabilities)	Total			
(in thousands of dollars)							
Gas	Purchase contracts	\$ 155	\$ (1,930)	\$ (1,775)	Discounted Cash Flow	LNG Forward Curve	\$8.15 - \$10.60/dth
	Total	\$ 155	\$ (1,930)	\$ (1,775)			

The significant unobservable inputs listed above would have a direct impact on the fair values of the Level 3 instruments if they were adjusted. The significant unobservable inputs used in the fair value measurement of the Company's gas purchase derivative

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year/Period of Report
The Narragansett Electric Company		08/22/2017	2017/Q2
NOTES TO FINANCIAL STATEMENTS (Continued)			

instruments are forward liquefied natural gas commodity prices and gas forward curves. A relative change in commodity price at various locations underlying the open positions can result in significantly different fair value estimates.

### Other Fair Value Measurements

The Company's balance sheets reflect long-term debt at amortized cost. The fair value of the Company's long-term debt was based on quoted market prices when available, or estimated using quoted market prices for similar debt. The fair value of this debt at June 30, 2017 and December 31, 2016 was \$961.2 million and \$954.4 million, respectively.

All other financial instruments on the balance sheet such as accounts receivable, accounts payable, and notes receivable from and payable to associated companies are stated at cost, which approximates fair value.

## 7. EMPLOYEE BENEFITS

The Company participates with other NGUSA subsidiaries in a qualified and non-qualified non-contributory defined benefit plan (the "Pension Plan") and PBOP plan (together with the Pension Plan (the "Plan")), covering substantially all employees.

The Pension Plan is a defined benefit plan which provides union employees, as well as non-union employees hired before January 1, 2011, with a retirement benefit. Supplemental nonqualified, non-contributory executive retirement programs provide additional defined pension benefits for certain executives. The PBOP plan provides health care and life insurance coverage to eligible retired employees. Eligibility is based on age and length of service requirements and, in most cases, retirees must contribute to the cost of their coverage.

Plan assets are commingled and cannot be allocated to an individual company. The Plan's costs are first directly charged to the Company based on the Company's employees that participate in the Plan. Costs associated with affiliated service companies' employees are then allocated as part of the labor burden for work performed on the Company's behalf. The Company applies deferral accounting for pension and PBOP expenses associated with its regulated gas and electric operations. Any differences between actual pension costs and amounts used to establish rates are deferred and collected from or refunded to customers in subsequent periods. Pension and PBOP expense are included within operation expenses in the accompanying statements of income.

The Company's net pension and PBOP expenses directly charged and allocated from affiliated service companies, net of capital, for the six months ended June 30, 2017 and 2016 are as follows:

	Six Months Ended June 30,		Three Months Ended June 30,	
	2017	2016	2017	2016
	(in thousands of dollars)		(in thousands of dollars)	
Pension	\$ 16,129	\$ 7,044	\$ 5,256	\$ 3,454
PBOP	8,154	2,624	2,142	1,449
	<u>\$ 24,283</u>	<u>\$ 9,668</u>	<u>\$ 7,398</u>	<u>\$ 4,903</u>

## 8. CAPITALIZATION

### Debt Authorizations

Since January 12, 2015, the Company had regulatory approval from the FERC to issue up to \$400 million of short-term debt internally or externally. The authorization was renewed and is effective for a period of two years that expires on January 10, 2019. The Company had no external short-term debt outstanding as of June 30, 2017 and December 2016, respectively. Refer to the Intercompany Money Pool footnote included in Note 11. Related Party Transactions for short-term debt outstanding to associated

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 08/22/2017	Year/Period of Report 2017/Q2
The Narragansett Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

companies.

### Advances from Associated Companies

In December 2008, the Company entered into an agreement with NGUSA whereby the Company can borrow up to \$250 million from time to time for working capital needs. The advance is non-interest bearing. At June 30, 2017 and December 31, 2016, the Company had no outstanding advances from associated companies.

### Dividend Restrictions

Pursuant to the preferred stock arrangement, as long as any preferred stock is outstanding, certain restrictions on payment of common stock dividends would come into effect if the common stock equity was, or by reason of payment of such dividends became, less than 25% of total capitalization. Common stock equity at June 30, 2017 and December 31, 2016 was approximately 70% and 69%, respectively, of total capitalization. Accordingly, the Company was not restricted as to the payment of common stock dividends under the foregoing provisions at June 30, 2017 or December 31, 2016.

### Cumulative Preferred Stock

The Company has certain issues of non-participating cumulative preferred stock outstanding which can be redeemed at the option of the Company. There are no mandatory redemption provisions on the Company's cumulative preferred stock. A summary of cumulative preferred stock is as follows:

Series	Shares Outstanding		Amount		Call Price
	June 30,		June 30,		
	2017	2016	2017	2016	
	(in thousands of dollars, except per share and number of shares data)				
\$50 par value - 4.50% Series	49,089	49,089	\$ 2,454	\$ 2,454	\$ 55.000

The Company did not redeem any preferred stock during the six months ended June 30, 2017 or 2016. The annual dividend requirement for cumulative preferred stock is \$0.1 million.

## 9. ENVIRONMENTAL MATTERS

The normal ongoing operations and historic activities of the Company are subject to various federal, state and local environmental laws and regulations. Under federal and state Superfund laws, potential liability for the historic contamination of property may be imposed on responsible parties jointly and severally, without regard to fault, even if the activities were lawful when they occurred.

The United States Environmental Protection Agency ("EPA"), the Massachusetts Department of Environmental Protection ("DEP"), and the Rhode Island Department of Environmental Management ("DEM") have alleged that the Company is a potentially responsible party under state or federal law for the remediation of number of sites at which hazardous waste is alleged to have been disposed. The Company's most significant liabilities relate to former Manufactured Gas Plant ("MGP") facilities formerly owned by the Blackstone Valley Gas and Electric Company and the Rhode Island gas distribution assets of New England Gas. The Company is currently investigating and remediating, as necessary, those MGP sites and certain other properties under agreements with the EPA, DEM and DEP. Expenditures incurred for the six months ended June 30, 2017 and 2016 were \$1.0 million and \$1.5 million, respectively.

The Company estimated the remaining costs of environmental remediation activities were \$134.7 million and \$132.7 million at June 30, 2017 and December 31, 2016, respectively. These costs are expected to be incurred over approximately 40 years, and these undiscounted amounts have been recorded as reserves on the balance sheet. However, remediation costs for each site may be

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 08/22/2017	Year/Period of Report 2017/Q2
The Narragansett Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

materially higher than estimated, depending on changing technologies and regulatory standards, selected end use for each site, and actual environmental conditions encountered. The Company has recovered amounts from certain insurers and potentially responsible parties, and, where appropriate, the Company may seek additional recovery from other insurers and from other potentially responsible parties, but it is uncertain whether, and to what extent, such efforts will be successful.

The RIPUC has approved a settlement agreement that provides for rate recovery of remediation costs of former MGP sites and certain other hazardous waste sites located in Rhode Island. Under that agreement, qualified costs related to these sites are paid out of a special fund established as a regulatory liability on the balance sheet. Rate-recoverable contributions of approximately \$3 million are added annually to the fund along with interest and any recoveries from insurance carriers and other third parties. Accordingly, as of June 30, 2017 and December 31, 2016, the Company has recorded environmental regulatory assets of \$138.0 million and \$138.6 million, respectively, and environmental regulatory liabilities of \$12 million and \$6.6 million, respectively.

The Company believes that its ongoing operations, and its approach to addressing conditions at historic sites, are in substantial compliance with all applicable environmental laws. Where the Company has regulatory recovery, it believes that the obligations imposed on it because of the environmental laws will not have a material impact on its results of operations or financial position.

## 10. COMMITMENTS AND CONTINGENCIES

### Long-term Contracts for Renewable Energy

#### *Deepwater Agreement*

The 2009 Rhode Island law also required the Company to solicit proposals for a small scale renewable energy generation project of up to eight wind turbines with an aggregate nameplate capacity of up to 30 MW to benefit the Town of New Shoreham. The renewable energy generation project also included a transmission cable to be constructed between Block Island and the mainland of Rhode Island. On June 30, 2010, the Company entered into a 20-year Amended Power Purchase Agreement ("PPA") with Deepwater Wind Block Island LLC, which was approved by the RIPUC in August 2010. The wind turbines reached commercial operation on December 12, 2016 and the PPA is being accounted for as an operating lease. The Company also negotiated a Transmission Facilities Purchase Agreement ("Facilities Purchase Agreement") with Deepwater Wind Block Island Transmission, LLC ("Deepwater") to purchase from Deepwater the permits, engineering, real estate, and other site development work for construction of the undersea transmission cable (collectively, the "Transmission Facilities"). On April 2, 2014, the Division issued its Consent Decision for the Company to execute the Facilities Purchase Agreement with Deepwater. In July 2014, four agreements were filed with the FERC, in part, for approval to recover the costs associated with the transmission cable and related facilities (the "Project") that will be allocated to the Company and Block Island Power Company through transmission rates. On September 2, 2014, the FERC accepted all four agreements thus approving cost recovery for the Project, with no conditions, that will apply to the Company's costs as well as those of NEP. The agreements went into effect on September 30, 2014. On January 30, 2015, the Company closed on its purchase of the Transmission Facilities from Deepwater. The Company placed the Transmission Facilities into service on October 31, 2016.

#### *Annual Solicitations*

The 2009 Rhode Island law also requires that, beginning on July 1, 2010, the Company conduct four annual solicitations for proposals from renewable energy developers and, provided commercially reasonable proposals have been received, enter into long-term contracts for the purchase of capacity, energy, and attributes from newly developed renewable energy resources. The Company's four solicitations have resulted in four PPAs that have been approved by the RIPUC:

- First Solicitation: On July 28, 2011, the RIPUC approved a 15-year PPA with Orbit Energy Rhode Island, LLC for a 3.2 MW anaerobic digester biogas project.
- Second Solicitation: On May 11, 2012, the RIPUC approved a 15-year PPA with Black Bear Development Holdings, LLC for a 3.9 MW run-of-river hydroelectric plant located in Orono, Maine. The facility reached commercial operation on November 22, 2013.
- Third Solicitation: On October 25, 2013, the RIPUC approved a 15-year PPA with Champlain Wind, LLC for a 48 MW

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 08/22/2017	Year/Period of Report 2017/Q2
The Narragansett Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

land-based wind project located in Carroll Plantation and Kossuth Township, Maine. . The PPA was terminated on January 23, 2017 because one of the required permits for the project was rejected. The impact of this termination is that the Company will need to backfill the MW capacity from that project to meet the 90 MW minimum long-term capacity requirements under the state statute.

- Fourth Solicitation: On October 29, 2015, the RIPUC approved a 15-year PPA with Copenhagen Wind Farm, LLC for an 80 MW land-based wind project located in Denmark, New York.

## Legal Matters

The Company is subject to various legal proceedings arising out of the ordinary course of its business. The Company does not consider any of such proceedings to be material, individually or in the aggregate, to its business or likely to result in a material adverse effect on its results of operations, financial position, or cash flows.

## 11. RELATED PARTY TRANSACTIONS

### Accounts Receivable from and Accounts Payable to Associated Companies

NGUSA and its affiliates provide various services to the Company, including executive and administrative, customer services, financial (including accounting, auditing, risk management, tax, and treasury/finance), human resources, information technology, legal, and strategic planning, that are charged between the companies and charged to each company.

The Company records short-term receivables from, and payables to, certain of its affiliates in the ordinary course of business. The amounts receivable from, and payable to, its affiliates do not bear interest and are settled through the intercompany money pool. A summary of outstanding accounts receivable from associated companies and accounts payable to associated companies is as follows:

	Accounts Receivable from Associated Companies		Accounts Payable to Associated Companies	
	June 30, 2017	December 31, 2016	June 30, 2017	December 31, 2016
<i>(in thousands of dollars)</i>				
Massachusetts Electric Company	\$ 24,238	\$ 25,618	\$ 84,797	\$ 61,359
New England Power Company	32,301	15,712	12,114	3,525
NGUSA Service Company	7,290	5,535	26,612	23,752
Other	24,703	3,350	26,636	3,687
Total	<u>\$ 88,532</u>	<u>\$ 50,215</u>	<u>\$ 150,159</u>	<u>\$ 92,323</u>

### Notes Receivable from and Notes Payable to Associated Companies ("Intercompany Money Pool")

The settlement of the Company's various transactions with NGUSA and certain associated companies generally occurs via the intercompany money pool in which it participates. The Company is a participant in the Regulated Money Pool and can both borrow and invest funds. Borrowings from the Regulated Money Pool bear interest in accordance with the terms of the Regulated Money Pool Agreement. As the Company fully participates in the Regulated Money Pool rather than settling intercompany charges with cash, all changes in the intercompany money pool balance and accounts receivable from associated companies and accounts payable to associated companies balances are reflected as investing or financing activities in the accompanying statements of cash flows. In addition, for the purpose of presentation in the statements of cash flows, it is assumed all amounts settled through the intercompany money pool are constructive cash receipts and payments, and therefore are presented as such.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 08/22/2017	Year/Period of Report 2017/Q2
The Narragansett Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

The Regulated Money Pool is funded by operating funds from participants. Collectively, NGUSA and its subsidiary, KeySpan, have the ability to borrow up to \$3 billion from National Grid plc for working capital needs including funding of the Regulated Money Pool, if necessary. The Company had short-term intercompany money pool borrowings of \$110.1 million and of \$187.6 million at June 30, 2017 and December 31, 2016, respectively. The average interest rates for the intercompany money pool were 1.3% and 1.0% for the six and twelve months ended June 30, 2017 and December 31, 2016, respectively.

### Service Company Charges

The affiliated service companies of NGUSA provide certain services to the Company at their cost. The service company costs are generally allocated to associated companies through a tiered approach. First and foremost, costs are directly charged to the benefited company whenever practicable. Secondly, in cases where direct charging cannot be readily determined, costs are allocated using cost/causation principles linked to the relationship of that type of service, such as number of employees, number of customers/meters, capital expenditures, value of property owned, and total transmission and distribution expenditures. Lastly, when a specific cost/causation principle is not determinable, costs are allocated based on a general allocator determined using a 3-point formula based on net margin, net utility plant, and operations and maintenance expense.

Net charges to and from the service companies of NGUSA, including but not limited to non-power goods and services for the six months ended June 30, 2017 and 2016 were \$112.1 million and \$118.4 million, respectively.

### Holding Company Charges

NGUSA received charges from National Grid Commercial Holdings Limited (an affiliated company in the United Kingdom) for certain corporate and administrative services provided by the corporate functions of National Grid plc to its U.S. subsidiaries. These charges, which are recorded on the books of NGUSA, have not been reflected in these financial statements.





Name of Respondent The Narragansett Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 08/22/2017	Year/Period of Report End of <u>2017/Q2</u>
SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION					
Report in Column (c) the amount for electric function, in column (d) the amount for gas function, in column (e), (f), and (g) report other (specify) and in column (h) common function.					
Line No.	Classification (a)	Total Company for the Current Year/Quarter Ended (b)	Electric (c)		
1	Utility Plant				
2	In Service				
3	Plant in Service (Classified)	3,363,940,553	2,308,850,421		
4	Property Under Capital Leases				
5	Plant Purchased or Sold				
6	Completed Construction not Classified	237,409,897	168,868,308		
7	Experimental Plant Unclassified				
8	Total (3 thru 7)	3,601,350,450	2,477,718,729		
9	Leased to Others				
10	Held for Future Use	15,028,308	15,028,308		
11	Construction Work in Progress	139,826,449	96,433,650		
12	Acquisition Adjustments	751,163,593	516,105,537		
13	Total Utility Plant (8 thru 12)	4,507,368,800	3,105,286,224		
14	Accum Prov for Depr, Amort, & Depl	1,177,057,909	794,889,620		
15	Net Utility Plant (13 less 14)	3,330,310,891	2,310,396,604		
16	Detail of Accum Prov for Depr, Amort & Depl				
17	In Service:				
18	Depreciation	1,130,778,716	768,443,997		
19	Amort & Depl of Producing Nat Gas Land/Land Right				
20	Amort of Underground Storage Land/Land Rights				
21	Amort of Other Utility Plant	19,925,391	91,821		
22	Total In Service (18 thru 21)	1,150,704,107	768,535,818		
23	Leased to Others				
24	Depreciation				
25	Amortization and Depletion				
26	Total Leased to Others (24 & 25)				
27	Held for Future Use				
28	Depreciation				
29	Amortization				
30	Total Held for Future Use (28 & 29)				
31	Abandonment of Leases (Natural Gas)				
32	Amort of Plant Acquisition Adj	26,353,802	26,353,802		
33	Total Accum Prov (equals 14) (22,26,30,31,32)	1,177,057,909	794,889,620		

Name of Respondent The Narragansett Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 08/22/2017	Year/Period of Report End of <u>2017/Q2</u>
SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION					
Gas (d)	Other (Specify) (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)	Line No.
					1
					2
1,055,090,132					3
					4
					5
68,541,589					6
					7
1,123,631,721					8
					9
					10
43,392,799					11
235,058,056					12
1,402,082,576					13
382,168,289					14
1,019,914,287					15
					16
					17
362,334,719					18
					19
					20
19,833,570					21
382,168,289					22
					23
					24
					25
					26
					27
					28
					29
					30
					31
					32
382,168,289					33

Name of Respondent The Narragansett Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 08/22/2017	Year/Period of Report End of <u>2017/Q2</u>
<b>ELECTRIC PLANT IN SERVICE AND ACCUMULATED PROVISION FOR DEPRECIATION BY FUNCTION</b>				
1. Report below the original cost of plant in service by function. In addition to Account 101, include Account 102, and Account 106. Report in column (b) the original cost of plant in service and in column(c) the accumulated provision for depreciation and amortization by function.				
Line No.	Item (a)	Plant in Service Balance at End of Quarter (b)	Accumulated Depreciation and Amortization Balance at End of Quarter (c)	
1	Intangible Plant	440,739	91,821	
2	Steam Production Plant			
3	Nuclear Production Plant			
4	Hydraulic Production - Conventional			
5	Hydraulic Production - Pumped Storage	3,126,434	3,119,445	
6	Other Production			
7	Transmission	938,344,022	100,528,863	
8	Distribution	1,479,943,423	647,434,361	
9	Regional Transmission and Market Operation			
10	General	55,864,111	17,361,328	
11	TOTAL (Total of lines 1 through 10)	2,477,718,729	768,535,818	

Name of Respondent The Narragansett Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 08/22/2017	Year/Period of Report End of 2017/Q2
Transmission Service and Generation Interconnection Study Costs					
<p>1. Report the particulars (details) called for concerning the costs incurred and the reimbursements received for performing transmission service and generator interconnection studies.</p> <p>2. List each study separately.</p> <p>3. In column (a) provide the name of the study.</p> <p>4. In column (b) report the cost incurred to perform the study at the end of period.</p> <p>5. In column (c) report the account charged with the cost of the study.</p> <p>6. In column (d) report the amounts received for reimbursement of the study costs at end of period.</p> <p>7. In column (e) report the account credited with the reimbursement received for performing the study.</p>					
Line No.	Description (a)	Costs Incurred During Period (b)	Account Charged (c)	Reimbursements Received During the Period (d)	Account Credited With Reimbursement (e)
1	<b>Transmission Studies</b>				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21	<b>Generation Studies</b>				
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					

Name of Respondent The Narragansett Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 08/22/2017		Year/Period of Report End of 2017/Q2	
OTHER REGULATORY ASSETS (Account 182.3)							
1. Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable. 2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes. 3. For Regulatory Assets being amortized, show period of amortization.							
Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS		Balance at end of Current Quarter/Year (f)	
				Written off During the Quarter/Year Account Charged (d)	Written off During the Period Amount (e)		
1	Environmental SIR Reserve Offset	130,535,653	4,313,422	254,480	4,732,997	130,116,078	
2	Environmental SIR Costs Amortization	8,488,100	831,891	480,431	1,463,059	7,856,932	
3							
4							
5	FAS158-Pension	162,878,618		253	2,422,410	160,456,208	
6	FAS158-OPEB	33,328,941		253	575,652	32,753,289	
7	Pension/FAS106 Purch Acctg Adj	5,417,987		184	396,438	5,021,549	
8	Pension/OPEB Carrying Charges		2,173,630		2,173,630		
9	OPEB Expense Deferred-Gas		7,470,102	431	7,470,102		
10	Pension Exp Deferred-Gas		2,108,669	184	2,108,669		
11							
12							
13	Revenue Decoupling - Electric	9,498,346	4,304,189	456	1,781,551	12,020,984	
14							
15							
16	Low-Income Home Energy Assistance Program Enhancem		97,241	480,431	97,241		
17	LIHEAP Enhancement Program	14,986,424	3,967,946		34,558	18,919,812	
18							
19							
20	Under Collect-Commodity			449,419			
21	Deferred Financial Accounting Standards 109	10,656,632	317,853	283	601,481	10,373,004	
22	Fiber Optic Lease Income (2003-2015)			253			
23	Storm Costs	97,764,201	1,020,519	924	2,424,097	96,360,623	
24	Renewable Energy Credit Obligation	4,307,419	1,907,659	449	1,727,859	4,487,219	
25	Transmission Revenue Adj Clause			456,431			
26	Under Collect-Access Charge	3,564,634	14,842	456,419	811,000	2,768,476	
27	Commodity Administration			456,419			
28	Asset Retirement Obligation	11,553,986	125,100	403	11,056	11,668,030	
29	Gas Futures - Gas Supply	1,387,437	2,730,025	245,253	1,615,826	2,501,636	
30	ISR Deferral	4,746,512	2,277,701	495	3,733,721	3,290,492	
31	Rate Case Expense			925			
32	Capital Tracker			456			
33	Advantage System Book Value	235,230		407	176,423	58,807	
34	Long-Term Contracting For Renewable Energy Resources	13,941,274	3,616,598	456,429	2,239,241	15,318,631	
35	Net Metering Deferral	3,382,924	725,940	456	5,974	4,102,890	
36	DAC Reconciliation		215,055	495	215,055		
37	Oth A/R-DAC Coll-Syst Pressure	147,314	373,358	480,431	8,774,483	-8,253,811	
38	Gas Cost Recovery	1,245,834		254	1,245,834		
39	DAC-Earnings Sharing Mechanism	8,690	100	431	40	8,750	
40	DAC - Unbilled Gas			495			
41	Renewable Energy Growth	1,052,593	2,788,046	419,456	961,908	2,878,731	
42	Environmental-Purch Gas		13,161		13,161		
43	Storage Deferral			254			
44	TOTAL	519,355,483	41,393,047		48,040,196	512,708,334	

Name of Respondent The Narragansett Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 08/22/2017		Year/Period of Report End of <u>2017/Q2</u>	
OTHER REGULATORY ASSETS (Account 182.3)							
1. Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable. 2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes. 3. For Regulatory Assets being amortized, show period of amortization.							
Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS		Balance at end of Current Quarter/Year (f)	
				Written off During the Quarter/Year Account Charged (d)	Written off During the Period Amount (e)		
1	Derivative Settlements Assets	226,734		254	226,730	4	
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
32							
33							
34							
35							
36							
37							
38							
39							
40							
41							
42							
43							
44	TOTAL	519,355,483	41,393,047		48,040,196	512,708,334	

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 08/22/2017	Year/Period of Report 2017/Q2
The Narragansett Electric Company			
FOOTNOTE DATA			

**Schedule Page: 232 Line No.: 1 Column: a**

Pursuant to Rhode Island Public Utilities Commission in Docket # 4610, the Environmental Response Cost ("ERC") Factor is designed to allow National Grid to recover its reasonable and prudently incurred costs for evaluation, remediation and clean-up of the sites associated with the Company's ownership and/or operation of manufactured gas plants ("MGP"), manufactured gas storage facilities, and MGP-related off-site waste disposal locations. The ERC factor is a per-therm charge that reflects the 10-year amortization of environmental response costs.

**Schedule Page: 232 Line No.: 2 Column: a**

Pursuant to Rhode Island Public Utilities Commission in Docket # 4610, the Environmental Response Cost ("ERC") Factor is designed to allow National Grid to recover its reasonable and prudently incurred costs for evaluation, remediation and clean-up of the sites associated with the Company's ownership and/or operation of manufactured gas plants ("MGP"), manufactured gas storage facilities, and MGP-related off-site waste disposal locations. The ERC factor is a per-therm charge that reflects the 10-year amortization of environmental response costs.

**Schedule Page: 232 Line No.: 5 Column: a**

Pursuant to Docket No. 3943, the Commission approved the Company's proposal to reconcile its pension and postretirement benefits other than pensions ("PBOP") expenses annually through the DAC. In accordance with the Company's Tariff, RIPUC NG No. 101, the PBOP adjustment factor is designed to recover or refund the prior year's reconciliation of the Company's actual pension and PBOP expenses to the Company's pension and PBOP expenses that were included in base rates. The adjustment factor is based on this difference.

**Schedule Page: 232 Line No.: 6 Column: a**

Pursuant to Docket No. 3943, the Commission approved the Company's proposal to reconcile its pension and postretirement benefits other than pensions ("PBOP") expenses annually through the DAC. In accordance with the Company's Tariff, RIPUC NG No. 101, the PBOP adjustment factor is designed to recover or refund the prior year's reconciliation of the Company's actual pension and PBOP expenses to the Company's pension and PBOP expenses that were included in base rates. The adjustment factor is based on this difference.

**Schedule Page: 232 Line No.: 7 Column: a**

Pursuant to Docket No. 3943, the Commission approved the Company's proposal to reconcile its pension and postretirement benefits other than pensions ("PBOP") expenses annually through the DAC. In accordance with the Company's Tariff, RIPUC NG No. 101, the PBOP adjustment factor is designed to recover or refund the prior year's reconciliation of the Company's actual pension and PBOP expenses to the Company's pension and PBOP expenses that were included in base rates. The adjustment factor is based on this difference.

**Schedule Page: 232 Line No.: 8 Column: a**

Pursuant to Docket No. 3943, the Commission approved the Company's proposal to reconcile its pension and postretirement benefits other than pensions ("PBOP") expenses annually through the DAC. In accordance with the Company's Tariff, RIPUC NG No. 101, the PBOP adjustment factor is designed to recover or refund the prior year's reconciliation of the Company's actual pension and PBOP expenses to the Company's pension and PBOP expenses that were included in base rates. The adjustment factor is based on this difference.

**Schedule Page: 232 Line No.: 9 Column: a**

Pursuant to Docket No. 3943, the Commission approved the Company's proposal to reconcile its pension and postretirement benefits other than pensions ("PBOP") expenses annually through the DAC. In accordance with the Company's Tariff, RIPUC NG No. 101, the PBOP adjustment factor is designed to recover or refund the prior year's reconciliation of the Company's actual pension and PBOP expenses to the Company's pension and PBOP expenses that were included in base rates. The adjustment factor is based on this difference.

**Schedule Page: 232 Line No.: 10 Column: a**

Pursuant to Docket No. 3943, the Commission approved the Company's proposal to reconcile its pension and postretirement benefits other than pensions ("PBOP") expenses annually through the DAC. In accordance with the Company's Tariff, RIPUC NG No. 101, the PBOP adjustment factor is designed to recover or refund the prior year's reconciliation of the Company's actual pension and PBOP expenses to the Company's pension and PBOP expenses that were included in base rates. The adjustment factor is based on this difference.

**Schedule Page: 232 Line No.: 13 Column: a**

Pursuant to Rhode Island Public Utilities Commission in Docket No. 4617, Company is required to submit its annual RDM revenue reconciliation by May 15 of each year. The reconciliation compares the Annual Target Revenue to actual billed distribution revenue for

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 08/22/2017	Year/Period of Report 2017/Q2
The Narragansett Electric Company			
FOOTNOTE DATA			

the RDM year. The Revenue Decoupling amount is the difference (either positive or negative) between the actual billed distribution revenue and the ATR for the RDM Year. The RDM Deferral Amount (either positive or negative), including interest at the rate paid on customer deposits, determines the RDM Adjustment Factor. The RDM Adjustment Factor is a uniform per kWh charge applicable to all customers distribution rates, such as customer charges, distribution energy charges, distribution demand charges, high voltage metering and delivery credits under the Company's general service rate classes, paperless bill credit, and luminaire and pole charges under the Company's street and area lighting rates.

**Schedule Page: 232 Line No.: 16 Column: a**

Pursuant to Rhode Island Public Utilities Commission Docket No. 4290, R.I.P.U.C. No. 2143, and in accordance with R.I.G.L. § 39-1-27.12, the Company bills to all customers a LIHEAP Enhancement Plan charge approved by the Commission. A LIHEAP Enhancement charge fund is used to account for the combined funds collected through the LIHEAP Enhancement charge from both gas and electric service customers. The State Office of Energy Resource designates to the Company the qualifying customer accounts and the amounts to be credited from the LIHEAP Enhancement fund. The cumulative annual amount of credits applied to customer bills will be limited to an amount no greater than the cumulative aggregate projected LIHEAP Enhancement Plan Charge billed through the end of the current calendar year. Once the aggregate credits applied to customers bills equals the aggregate projected Enhancement Plan charge billed during the calendar year, including interest at the customer deposit interest rate, the Enhancement Plan credits would cease.

**Schedule Page: 232 Line No.: 17 Column: a**

Pursuant to Rhode Island Public Utilities Commission Docket No. 4290, R.I.P.U.C. No. 2143, and in accordance with R.I.G.L. § 39-1-27.12, the Company bills to all customers a LIHEAP Enhancement Plan charge approved by the Commission. A LIHEAP Enhancement charge fund is used to account for the combined funds collected through the LIHEAP Enhancement charge from both gas and electric service customers. The State Office of Energy Resource designates to the Company the qualifying customer accounts and the amounts to be credited from the LIHEAP Enhancement fund. The cumulative annual amount of credits applied to customer bills will be limited to an amount no greater than the cumulative aggregate projected LIHEAP Enhancement Plan Charge billed through the end of the current calendar year. Once the aggregate credits applied to customers bills equals the aggregate projected Enhancement Plan charge billed during the calendar year, including interest at the customer deposit interest rate, the Enhancement Plan credits would cease.

**Schedule Page: 232 Line No.: 23 Column: a**

Pursuant to Rhode Island Public Utilities Commission Docket # 2509, The Company's Storm Fund was established to provide a mechanism for recovering storm restoration expenses as a result of extraordinary storms without the need to file for rate surcharges or periodic rate relief. For any storm for which the Company incurs incremental operation and maintenance (O&M) storm-related costs above the applicable dollar threshold amount, the Company is authorized to charge the Storm Fund for these expense amounts above the per-storm deductible amount.

**Schedule Page: 232 Line No.: 26 Column: a**

Pursuant to Rhode Island Public Utilities Commission in Docket # 4599, the Transition Charge is intended to recover from all retail delivery service customers the CTC billed to the Company by NEP, including charges in effect under the former Montaup Electric Company ("Montaup") CTC. The Company reconciles Transition Charge revenue and CTC expense in accordance with its Non-Bypassable Transition Charge Adjustment Provision, which provides for an annual reconciliation of the Company's total CTC expense against the Company's total revenue from its Transition Charge. The excess or deficiency is to be refunded to or collected from customers with interest accruing at the rate in effect for customer deposits.

**Schedule Page: 232 Line No.: 27 Column: a**

Pursuant to Rhode Island Public Utilities Commission Docket # 4556, Standard Offer Adjustment Provision ("SOAP") recovers administrative costs associated with arranging, administering, and providing SOS. In accordance with the SOAP, on an annual basis, the Company reconciles its administrative cost of providing SOS with its SOS revenue associated with the recovery of administrative costs, and the excess or deficiency, including interest at the interest rate paid on customer deposits, is refunded to, or recovered from, SOS customers in the subsequent year's SOSACA Factor. Administrative costs include the cost of working capital, the administrative costs of complying with the requirements of Renewable Energy Standard, the costs of creating the environmental disclosure label, the costs associated with NEPOOL's Generation Information System ("GIS"), the costs associated with the procurement of SOS including requests for bids, contract negotiation, and execution and contract administration, the costs associated with notifying SOS customers of the rates for SOS, the costs associated with updating rate changes in the Company's billing system, and an allowance for SOS-related uncollectible expense associated with amounts billed through SOS rates and the SOSACA Factors.

**Schedule Page: 232 Line No.: 30 Column: a**

Pursuant to Rhode Island Public Utilities Commission Docket no. 4590, the Gas ISR Plan is designed to maintain and upgrade the Company's gas delivery system through proactively replacing leak-prone gas mains and services, upgrading the system's pressure regulating systems, responding to emergency leak situations, and addressing conflicts that arise out of public works projects. The Plan attempts to attain these safety and reliability goals through a cost-effective, coordinated work plan.

**Schedule Page: 232 Line No.: 32 Column: a**

Pursuant to Rhode Island Public Utilities Commission in Docket no. 4539, the Electric ISR Plan itemizes the

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 08/22/2017	Year/Period of Report 2017/Q2
The Narragansett Electric Company			
FOOTNOTE DATA			

recommended work activities by general category and provides budgets for capital investment. After the end of the fiscal year the Company would true up the ISR Plan's projected capital used for establishing the revenue requirement to actual or allowed investment and expenditures on a cumulative basis and reconcile the revenue requirement associated with the actual investment and expenditures to the revenue billed from the rate adjustments implemented at the beginning of each fiscal year. Capital investments are recovered through a capital rate adjustment mechanism that reconciles the plant in service amounts associated with this projected spending to the lesser of actual plant in service or actual spending on a cumulative basis following the close of the fiscal year.

**Schedule Page: 232 Line No.: 34 Column: a**

Pursuant to Rhode Island Public Utilities Commission in Docket no. 4599, in regards to Long-Term Contracting for Renewable Energy Recovery (LTCRER), Narragansett Electric is required to enter into contracts with eligible renewable energy resources at fixed prices for the purchase of energy, capacity, and Renewable Energy Certificates ("RECs"). The Company sells the energy purchased through the contracts into the ISO-NE energy market and will use the RECS to satisfy the Company's REC obligation associated with Standard Offer Services. The difference between the cost incurred under each contract and the proceeds that the Company receives for the sale of the Contract Products, is referred to as the above market contract cost. The above market contract costs are to be recovered from all retail delivery service customers through a uniform per kWh factor per the LTCRER Provision. In addition, the Company is authorized to recover 2.75 percent of the total payments made under each contract as remuneration. Certain administrative and other costs are tracked and recovered annually. A debit balance in the accounts represents an under recovery and a credit balance represents an over recovery of costs.

**Schedule Page: 232 Line No.: 35 Column: a**

Pursuant to Rhode Island Public Utilities Commission in Docket no. 4599, the Company recovers through a Net Metering Charge the sum of 1) all Renewable Net Metering Credits (RNMCS) paid to eligible net metering customers, less any payments from ISONE for the sales of excess generation, and 2) the difference between the payments made to QFs with renewable generation at the SOS rate and the payments received from ISONE for market energy sold. The Net Metering Charge is a uniform per kWh charge applicable to all customers and is included with the distribution kWh charge for billing purposes. Company pays RNMCS to an Eligible Net Metering System ("Host Customer") for up to one hundred percent (100%) of the Host Customer's usage at the Eligible Net Metering System site. For kWh generated by both eligible renewable net metering customers and renewable QFs, the Company receives payments from ISO-NE for the sale of this energy in the market. These payments are used to offset the RNMCS paid to Host Customers and payments to renewable QFs.

Name of Respondent The Narragansett Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 08/22/2017	Year/Period of Report End of 2017/Q2	
OTHER REGULATORY LIABILITIES (Account 254)						
1. Report below the particulars (details) called for concerning other regulatory liabilities, including rate order docket number, if applicable. 2. Minor items (5% of the Balance in Account 254 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes. 3. For Regulatory Liabilities being amortized, show period of amortization.						
Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Beginning of Current Quarter/Year (b)	DEBITS		Credits (e)	Balance at End of Current Quarter/Year (f)
			Account Credited (c)	Amount (d)		
1	Pension Exp deferred-Electric	136,179		136,179	1,849,511	1,849,511
2	Retirement Plan-Purchase Accounting Adjustment	4,752,802	184	564,357		4,188,445
3	EUA Pension/OPEB-Purchase Accounting Ad		184			
4						
5						
6	LIHEAP Enhancement Program	20,429,295	495,456	529,417	805,501	20,705,379
7						
8						
9	Deferred Revenue-Gas Cost Recovery		480 & 419	17,598,141	711,965	-16,886,176
10						
11						
12	Financial Accounting Standards 109	42,395	191	18,119	7,248	31,524
13	Over Collect-Commodity	15,545,859	449,419	3,960,143	2,549,433	14,135,149
14	Energy Efficiency	21,422,434	480,431	5,622,808	8,505,152	24,304,778
15	Infrastructure, Safety, and Reliability Plan		456	403,591	403,591	
16	Over Collect - Transmission	644,879	456,431	9,485,475	10,245,883	1,405,287
17	Over Collect-Access Charge		456,419			
18	Over Collect-Admin	119,796		116,689	196,503	199,610
19	Renewable Energy Standard	13,108,198	449,431	974,818	55,626	12,189,006
20	Customer Credit Refund Adjustment	8,545,042	431	26,748	33,926	8,552,220
21	Environmental Response Fund	6,916,008	431,490	5,096,074	10,133,923	11,953,857
22	Nonfirm Margin Sharing	44,487	419,480	8,956	204	35,735
23	Service Quality Penalties	38,573	419,480	25		38,548
24	Excess Earnings	516,610	495	11,867,085	12,738,268	1,387,793
25	Capital Tracker	5,141,171	480,431	69,127	409,916	5,481,960
26	Storage Deferral	214,264	804	214,264	311,477	311,477
27	Pension/ OPEB Reserve Liability	1,940,596	182	1,940,596	2,173,630	2,173,630
28	Pension/Financial Accounting Standards 106 Amor		184			
29	Gas Futures - Gas Supply	6,138,886	176,186	6,151,448	2,860,273	2,847,711
30	Advanced Gas Technology	1,496,996	480,431		74,857	1,571,853
31	Revenue Decoupling - Gas	10,839,227	495	9,219,416	3,003,813	4,623,624
32	RI renewable Energy Growth Mechanism		456,419	855,421	855,421	
33	Gas CoPay EE Regulatory Liability	1,411,760	254	45,692	246,944	1,613,012
34	LCI CoPay EE Regulatory Liability	15,712,638	254,660	2,072,378	1,235,553	14,875,813
35	SCI CoPay EE Regulatory Liability	75,000			75,000	150,000
36	Environmental Recoveries		254			
37	OBR EE Fund Obligation	1,275,602	242,660	1,107,497	2,118,070	2,286,175
38	Firm Revenue Margin Sharing	295,532	480		80,637	376,169
39	Exogenous Event Deferral - Electric		555			
40	OPEB Expense Deferred - Electric	6,020,983	182	6,020,983	7,049,213	7,049,213
41	TOTAL	146,142,903		86,593,049	68,818,489	128,368,343

Name of Respondent The Narragansett Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 08/22/2017	Year/Period of Report End of <u>2017/Q2</u>	
OTHER REGULATORY LIABILITIES (Account 254)						
1. Report below the particulars (details) called for concerning other regulatory liabilities, including rate order docket number, if applicable. 2. Minor items (5% of the Balance in Account 254 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes. 3. For Regulatory Liabilities being amortized, show period of amortization.						
Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Beginning of Current Quarter/Year (b)	DEBITS		Credits (e)	Balance at End of Current Quarter/Year (f)
			Account Credited (c)	Amount (d)		
1	DAC - Unbilled Gas	3,090,961	495	2,260,872	86,951	917,040
2	Derivatives Settlements Liability	226,730	182	226,730		
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41	TOTAL	146,142,903		86,593,049	68,818,489	128,368,343

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 08/22/2017	Year/Period of Report 2017/Q2
The Narragansett Electric Company			
FOOTNOTE DATA			

**Schedule Page: 278 Line No.: 1 Column: a**

Pursuant to Docket No. 3943 and 4223, the Commission approved the Company's proposal to reconcile its pension and postretirement benefits other than pensions ("PBOP") expenses annually. In accordance with the Company's Tariff, RIPUC NG No. 101, the pension & PBOP adjustment factor is designed to recover or refund the prior year's reconciliation of the Company's actual pension and PBOP expenses to the Company's pension and PBOP expenses that were included in base rates. The adjustment factor is based on this difference. The balance reflects the remaining unamortized net pension & PBOP gains from National Grids' acquisition of Narragansett Electric.

**Schedule Page: 278 Line No.: 2 Column: a**

Pursuant to Docket No. 3943 and 4223, the Commission approved the Company's proposal to reconcile its pension and postretirement benefits other than pensions ("PBOP") expenses annually. In accordance with the Company's Tariff, RIPUC NG No. 101, the pension & PBOP adjustment factor is designed to recover or refund the prior year's reconciliation of the Company's actual pension and PBOP expenses to the Company's pension and PBOP expenses that were included in base rates. The adjustment factor is based on this difference. The balance reflects the remaining unamortized net pension & PBOP gains from National Grids' acquisition of Narragansett Electric.

**Schedule Page: 278 Line No.: 3 Column: a**

Pursuant to Docket No. 3943 and 4223, the Commission approved the Company's proposal to reconcile its pension and postretirement benefits other than pensions ("PBOP") expenses annually. In accordance with the Company's Tariff, RIPUC NG No. 101, the pension & PBOP adjustment factor is designed to recover or refund the prior year's reconciliation of the Company's actual pension and PBOP expenses to the Company's pension and PBOP expenses that were included in base rates. The adjustment factor is based on this difference. The balance reflects the remaining unamortized net pension & PBOP gains from National Grids' acquisition of Narragansett Electric.

**Schedule Page: 278 Line No.: 6 Column: a**

Pursuant to Rhode Island Public Utilities Commission Docket No. 4290, R.I.P.U.C. No. 2143, and in accordance with R.I.G.L. § 39-1-27.12, the Company bills to all customers a LIHEAP Enhancement Plan charge approved by the Commission. A LIHEAP Enhancement charge fund is used to account for the combined funds collected through the LIHEAP Enhancement charge from both gas and electric service customers. The State Office of Energy Resource designates to the Company the qualifying customer accounts and the amounts to be credited from the LIHEAP Enhancement fund. The cumulative annual amount of credits applied to customer bills will be limited to an amount no greater than the cumulative aggregate projected LIHEAP Enhancement Plan Charge billed through the end of the current calendar year. Once the aggregate credits applied to customers bills equals the aggregate projected Enhancement Plan charge billed during the calendar year, including interest at the customer deposit interest rate, the Enhancement Plan credits would cease.

**Schedule Page: 278 Line No.: 13 Column: a**

Pursuant to R.I.G.L. 39-1-27.3, each electric distribution company shall arrange for a standard power supply ("standard offer") to customers that have not elected to enter into power supply arrangements with nonregulated power suppliers. The rates that are charged by the electric distribution company to customers for standard offer service shall be approved by the commission and shall be designed to recover the electric distribution company's costs. Pursuant to R.I.P.U.C. No. 2157 (Docket #4599), Standard Offer Adjustment Provision, the Company shall reconcile its total cost of purchased power for Standard Offer Service supply against its total purchased power revenue, and the excess or deficiency shall be refunded to, or collected from, customers through the rate recovery/refund methodology approved by the Commission at the time the Company files its annual reconciliation. Any positive or negative balance will accrue interest calculated at the rate in effect for customer deposits. The Company procures and prices SOS separately for the Residential Group, Commercial Group, and the Industrial Group and tracks revenue and expenses separately for each group.

**Schedule Page: 278 Line No.: 14 Column: a**

Pursuant to Rhode Island Public Utilities Commission, Docket # 4654, The Energy Efficiency programs offers energy efficiency opportunities to all customer segments, with a focus on providing needed services to low and moderate income residential consumers as a means of reducing bills. These programs include the EnergyWise Program, the Single Family Low Income Services Program, and the ENERGY STAR Homes Program. The objectives of the plan are: 1. To create economic value and cost savings for Rhode Islanders. 2. To ensure all customers have an opportunity to participate in energy efficiency programs. 3. To achieve electric savings targets established in the Least Cost Procurement Plan (LCPP), approved by the Commission in Docket 3931. 4. To develop the infrastructure needed to meet the EERMC's proposed performance targets for saving 2.5% of electric load and 1.2% of natural gas consumption by 2014. and 5. Innovation - The Company's residential pilots provided the foundation for innovation by testing new products like solar thermal hot water and heating for gas systems, ECM pump motors, Wi-fi thermostats, heat pump water heaters and boiler load controls. In accordance with R.I.G.L. § 39-1-27.7 and 39-2-1.2, a charge per dekatherm (Dt) is designed to recover the costs of the Company's gas Energy Efficiency Program (EEP).

**Schedule Page: 278 Line No.: 15 Column: a**

**ELECTRIC:** Pursuant to R.I.G.L. 39-1-27.7.1 and RIPUC 2118, the Electric ISR Plan provides for current recovery of capital investment in support of a safe and reliable distribution system as well as O&M expense for vegetation management and the

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 08/22/2017	Year/Period of Report 2017/Q2
The Narragansett Electric Company			
FOOTNOTE DATA			

Company's Inspection and Maintenance program. Each year the Company proposes a plan for the upcoming fiscal year, where it itemizes the recommended work activities by general category and provides budgets for capital investment and O&M. Recovery begins April 1 for costs associated with that fiscal year. After the end of the fiscal year the Company reconciles the ISR Plan's projected capital used and O&M estimates for establishing the revenue requirement to actual investment and O&M expenditures and reconciles the actual revenue requirement to the revenue billed from the factors implemented at the beginning of each fiscal year. Capital investments are recovered through a capital mechanism that reconciles the plant in service amounts to the lesser of actual plant in service or actual spending on a cumulative basis following the close of the fiscal year. Recovery of balances resulting from the reconciliations are recovered or credited to all customers on October 1 following the close of the applicable fiscal year.

**Schedule Page: 278 Line No.: 16 Column: a**

Pursuant to Rhode Island Public Utilities Commission in Docket no. 4599, The Company records the over or under recovery of Transmission expenses from Independent System Operators - New England (ISO - NE) and New England Power (NEP), and any other transmission service provider that is authorized to bill Narragansett directly for transmission services. Transmission charges are determined annually based upon a forecast of transmission expense for the upcoming year and a transmission adjustment factor which is designed to recover from or refund to customers under or over recoveries of expense from the prior year. The Company is also allowed to recover an allowance for uncollectible expense associated with amounts billed through the transmission charges at the rate approved by the Commission.

**Schedule Page: 278 Line No.: 17 Column: a**

Pursuant R.I.P.U.C. No. 1188 (Docket # 4599), Non-Bypassable Transition Charge Adjustment Provision, the Non-Bypassable Transition Charge shall collect from customers all Contract Termination Charges billed to the Narragansett Electric Company (the Company) by the New England Power Company or Montaup Electric Company. The Non-Bypassable Transition Charge may be subject to adjustment each time any Contract Termination Charge changes. On an annual basis, the Company shall reconcile its total cost of Contract Termination Charges against its total transition charge revenue to determine any excess or deficiency. Any positive or negative balance will accrue interest calculated at the rate in effect for customer deposits.

**Schedule Page: 278 Line No.: 19 Column: a**

Pursuant to Docket 4599, Standard Offer Adjustment Provision, the Renewable Energy Standard is designed to recover from customers the estimated costs associated with the upcoming RES obligation year and an estimate of the remaining costs for the current RES obligation year. The estimate of the remaining costs for the current RES obligation year is based on a reconciliation of actual RES revenue and actual RES expense for the current year and an estimate of remaining RES expense to satisfy the obligation year. The expected cost of Renewable Energy Certificates ("RECs") to be procured for current and upcoming obligation years is based on the most recently available market data and broker sheets.

**Schedule Page: 278 Line No.: 21 Column: a**

Consistent with Section 3 of the Company's Tariff, RIPUC NG No. 101, the Environmental Response Cost ("ERC") Factor is designed to allow National Grid to recover its reasonable and prudently incurred costs for evaluation, remediation and clean-up of the sites associated with the Company's ownership and/or operation of manufactured gas plants ("MGP"), manufactured gas storage facilities, and MGP-related off-site waste disposal locations. In addition, the ERC Factor includes recovery of environmental costs for removing and replacing mercury regulators and addressing meter disposal issues.

**Schedule Page: 278 Line No.: 23 Column: a**

Pursuant to Rhode Island Public Utilities Commission in Docket No. 3628, The Plan provides for penalties and offsets relating to performance standards in the areas of reliability and customer service. Under the Reliability Performance Standards, an interruption is defined as the loss of electric service to more than one customer for more than one minute. The interruption duration is defined as the period of time, measured in minutes, from the initial notification of the interruption event to the time when service has been restored to the customers. Under the Customer Service Standards, the customer contact survey results are based on responses from National Grid's Rhode Island customers. Eight types of transactions are included in the survey, and the overall results are weighted based on the number of these transactions actually performed at the call center during the calendar year.

**Schedule Page: 278 Line No.: 25 Column: a**

Pursuant to Rhode Island Public Utilities Commission in Docket no. 4590, the Gas ISR Plan itemizes the recommended work activities by general category and provides budgets for capital investment. After the end of the fiscal year the Company would true up the ISR Plan's projected capital used for establishing the revenue requirement to actual or allowed investment and expenditures on a cumulative basis and reconcile the revenue requirement associated with the actual investment and expenditures to the revenue billed from the rate adjustments implemented at the beginning of each fiscal year. Capital investments are recovered through a capital rate adjustment mechanism that reconciles the plant in service amounts associated with this projected spending to the lesser of actual plant in service or actual spending on a cumulative basis following the close of the fiscal year.

**Schedule Page: 278 Line No.: 30 Column: a**

Pursuant to Rhode Island Public Utilities Commission in Docket No. 2025, and Section 3 of the Company's tariff RIPUC NG No. 101, The Advance Gas Technology program was established to promote development of energy-efficient natural gas technologies that increase utilization of natural gas during periods of low demand. Increased off-peak usage reduces the unit cost of gas for all

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 08/22/2017	Year/Period of Report 2017/Q2
The Narragansett Electric Company			
FOOTNOTE DATA			

customers by generating distribution revenues to support fixed costs associated with resources needed during peak periods. The AGT program provides rebates for technologies such as natural gas powered fleet vehicles, chilling systems, electrical generators, process heating, desiccant dehumidifiers, as well as for residential high efficiency space heating equipment.

**Schedule Page: 278 Line No.: 31 Column: a**

Pursuant to Rhode Island Public Utilities Commission Docket no. 4634, the Distribution Adjustment Clause (DAC) was established to provide for the recovery of the costs of identifiable special programs. The DAC provision includes several components annual System Pressure (SP) factor; an Advanced Gas Technology (AGT) factor; a Low Income Assistance Program (LIAP) factor; an Environmental Response Cost (ERC) factor; a Pension Adjustment factor (PAF); an On-System Margin Credit (MC) factor; a Service Quality Performance (SQP) factor; a Revenue Decoupling Adjustment (RDA) factor; rate class specific Infrastructure, Safety, and Reliability (ISR) factors; an Earnings Sharing Mechanism (ESM) factor; a Firm Revenue Credit factor; and two Reconciliation (R) factors for the previous year's DAC factors. The Revenue Decoupling Mechanism (RDM) provides for an annual reconciliation of actual base revenue-per-customer by rate class against benchmark revenue-per-customer.

**Schedule Page: 278 Line No.: 32 Column: a**

In accordance with RIPUC No. 2153, Renewable Energy Growth Program Cost Recovery Provision permits for the recovery of incremental costs associated with the RE Growth Program from all retail delivery service customers through a fixed monthly charge per customer. Pursuant to the RE Growth Statute, the Company is required to purchase the output generated by DG projects that have been awarded Certificates of Eligibility through the RE Growth Program enrollment process and to compensate program applicants in the form of PBI Payments. In turn, the applicants will assign to the Company title to all energy, capacity, and RECs (collectively, Market Products) generated by the DG projects.<sup>5</sup> The Company will sell the energy and the RECs as required by the RE Growth Statute. The net proceeds from the sale of the Market Products will be used to offset the cost of the RE Growth Program. In addition, the RE Growth Statute authorizes the Company to recover 1.75 percent of the total PBI Payments as remuneration. Certain implementation, administrative and other costs authorized through various sections of the RE Growth Statute will be tracked and recovered annually.

Name of Respondent The Narragansett Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 08/22/2017	Year/Period of Report End of 2017/Q2
ELECTRIC OPERATING REVENUES (Account 400)				
<p>1. The following instructions generally apply to the annual version of these pages. Do not report quarterly data in columns (c), (e), (f), and (g). Unbilled revenues and MWH related to unbilled revenues need not be reported separately as required in the annual version of these pages.</p> <p>2. Report below operating revenues for each prescribed account, and manufactured gas revenues in total.</p> <p>3. Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The -average number of customers means the average of twelve figures at the close of each month.</p> <p>4. If increases or decreases from previous period (columns (c),(e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.</p> <p>5. Disclose amounts of \$250,000 or greater in a footnote for accounts 451, 456, and 457.2.</p>				
Line No.	Title of Account (a)	Operating Revenues Year to Date Quarterly/Annual (b)	Operating Revenues Previous year (no Quarterly) (c)	
1	Sales of Electricity			
2	(440) Residential Sales	88,799,375		
3	(442) Commercial and Industrial Sales			
4	Small (or Comm.) (See Instr. 4)	37,147,662		
5	Large (or Ind.) (See Instr. 4)	3,988,667		
6	(444) Public Street and Highway Lighting	221,403		
7	(445) Other Sales to Public Authorities			
8	(446) Sales to Railroads and Railways			
9	(448) Interdepartmental Sales			
10	TOTAL Sales to Ultimate Consumers	130,157,107		
11	(447) Sales for Resale			
12	TOTAL Sales of Electricity	130,157,107		
13	(Less) (449.1) Provision for Rate Refunds	-3,602,113		
14	TOTAL Revenues Net of Prov. for Refunds	133,759,220		
15	Other Operating Revenues			
16	(450) Forfeited Discounts	798,273		
17	(451) Miscellaneous Service Revenues	63,138,403		
18	(453) Sales of Water and Water Power			
19	(454) Rent from Electric Property	2,122,520		
20	(455) Interdepartmental Rents			
21	(456) Other Electric Revenues	262,544,992		
22	(456.1) Revenues from Transmission of Electricity of Others			
23	(457.1) Regional Control Service Revenues			
24	(457.2) Miscellaneous Revenues			
25				
26	TOTAL Other Operating Revenues	328,604,188		
27	TOTAL Electric Operating Revenues	462,363,408		



Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 08/22/2017	Year/Period of Report 2017/Q2
The Narragansett Electric Company			
FOOTNOTE DATA			

**Schedule Page: 300 Line No.: 17 Column: b**

Misc Service Revenue-Electric	
Open Access Revenue-DSM	(33,846,915)
Open Access Revenue-Customer Charge	(28,689,644)
Misc Service Revenue-Electric	(601,844)
	(63,138,403)

**Schedule Page: 300 Line No.: 21 Column: b**

Other Electric Revenue	
Open Access Revenue - Access Charge	39,320
Open Access Revenue - Transmission	(97,812,948)
Open Access Revenue - GET	(16,906,692)
Open Access Revenue - Distribution	(129,789,805)
Open Access Revenue - Decoupling	(4,034,487)
Other Elec Revenue - Misc	(12,856,756)
Contribution in Aid of Construction	(930,916)
Supervision & Admin Burden	(252,708)
	(262,544,992)

Name of Respondent The Narragansett Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 08/22/2017	Year/Period of Report End of <u>2017/Q2</u>
REGIONAL TRANSMISSION SERVICE REVENUES (Account 457.1)					
1. The respondent shall report below the revenue collected for each service (i.e., control area administration, market administration, etc.) performed pursuant to a Commission approved tariff. All amounts separately billed must be detailed below.					
Line No.	Description of Service (a)	Balance at End of Quarter 1 (b)	Balance at End of Quarter 2 (c)	Balance at End of Quarter 3 (d)	Balance at End of Year (e)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46	TOTAL				

Name of Respondent The Narragansett Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 08/22/2017	Year/Period of Report End of 2017/Q2
ELECTRIC PRODUCTION, OTHER POWER SUPPLY EXPENSES, TRANSMISSION AND DISTRIBUTION EXPENSES				
Report Electric production, other power supply expenses, transmission, regional control and market operation, and distribution expenses through the reporting period.				
Line No.	Account (a)	Year to Date Quarter (b)		
1	1. POWER PRODUCTION AND OTHER SUPPLY EXPENSES			
2	Steam Power Generation - Operation (500-509)			
3	Steam Power Generation - Maintenance (510-515)			
4	Total Power Production Expenses - Steam Power			
5	Nuclear Power Generation - Operation (517-525)			
6	Nuclear Power Generation - Maintenance (528-532)			
7	Total Power Production Expenses - Nuclear Power			
8	Hydraulic Power Generation - Operation (535-540.1)			
9	Hydraulic Power Generation - Maintenance (541-545.1)			
10	Total Power Production Expenses - Hydraulic Power			
11	Other Power Generation - Operation (546-550.1)			
12	Other Power Generation - Maintenance (551-554.1)			
13	Total Power Production Expenses - Other Power			
14	Other Power Supply Expenses			
15	Purchased Power (555)	157,228,504		
16	System Control and Load Dispatching (556)			
17	Other Expenses (557)			
18	Total Other Power Supply Expenses (line 15-17)	157,228,504		
19	Total Power Production Expenses (Total of lines 4, 7, 10, 13 and 18)	157,228,504		
20	2. TRANSMISSION EXPENSES			
21	Transmission Operation Expenses			
22	(560) Operation Supervision and Engineering	606,102		
23				
24	(561.1) Load Dispatch-Reliability			
25	(561.2) Load Dispatch-Monitor and Operate Transmission System	636,295		
26	(561.3) Load Dispatch-Transmission Service and Scheduling			
27	(561.4) Scheduling, System Control and Dispatch Services	2,212,643		
28	(561.5) Reliability, Planning and Standards Development	95,503		
29	(561.6) Transmission Service Studies			
30	(561.7) Generation Interconnection Studies			
31	(561.8) Reliability, Planning and Standards Development Services	27,930		
32	(562) Station Expenses	144,826		
33	(563) Overhead Line Expenses	-9,848		
34	(564) Underground Line Expenses	1,158		
35	(565) Transmission of Electricity by Others	23,048,821		
36	(566) Miscellaneous Transmission Expenses	634,217		
37	(567) Rents	24,222		
38	(567.1) Operation Supplies and Expenses (Non-Major)			

Name of Respondent The Narragansett Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 08/22/2017	Year/Period of Report End of 2017/Q2
ELECTRIC PRODUCTION, OTHER POWER SUPPLY EXPENSES, TRANSMISSION AND DISTRIBUTION EXPENSES				
Report Electric production, other power supply expenses, transmission, regional control and market operation, and distribution expenses through the reporting period.				
Line No.	Account (a)	Year to Date Quarter (b)		
39	TOTAL Transmission Operation Expenses (Lines 22 - 38)	27,421,869		
40	Transmission Maintenance Expenses			
41	(568) Maintenance Supervision and Engineering	56,946		
42	(569) Maintenance of Structures			
43	(569.1) Maintenance of Computer Hardware			
44	(569.2) Maintenance of Computer Software			
45	(569.3) Maintenance of Communication Equipment			
46	(569.4) Maintenance of Miscellaneous Regional Transmission Plant	-16,112		
47	(570) Maintenance of Station Equipment	252,421		
48	(571) Maintenance Overhead Lines	1,626,069		
49	(572) Maintenance of Underground Lines	111,091		
50	(573) Maintenance of Miscellaneous Transmission Plant	1,007		
51	(574) Maintenance of Transmission Plant			
52	TOTAL Transmission Maintenance Expenses (Lines 41 - 51)	2,031,422		
53	Total Transmission Expenses (Lines 39 and 52)	29,453,291		
54	3. REGIONAL MARKET EXPENSES			
55	Regional Market Operation Expenses			
56	(575.1) Operation Supervision			
57	(575.2) Day-Ahead and Real-Time Market Facilitation			
58	(575.3) Transmission Rights Market Facilitation			
59	(575.4) Capacity Market Facilitation			
60	(575.5) Ancillary Services Market Facilitation			
61	(575.6) Market Monitoring and Compliance			
62	(575.7) Market Facilitation, Monitoring and Compliance Services	133,682		
63	Regional Market Operation Expenses (Lines 55 - 62)	133,682		
64	Regional Market Maintenance Expenses			
65	(576.1) Maintenance of Structures and Improvements			
66	(576.2) Maintenance of Computer Hardware			
67	(576.3) Maintenance of Computer Software			
68	(576.4) Maintenance of Communication Equipment			
69	(576.5) Maintenance of Miscellaneous Market Operation Plant			
70	Regional Market Maintenance Expenses (Lines 65-69)			
71	TOTAL Regional Control and Market Operation Expenses (Lines 63,70)	133,682		
72	4. DISTRIBUTION EXPENSES			
73	Distribution Operation Expenses (580-589)	9,287,500		
74	Distribution Maintenance Expenses (590-598)	15,228,820		
75	Total Distribution Expenses (Lines 73 and 74)	24,516,320		

Name of Respondent The Narragansett Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 08/22/2017	Year/Period of Report End of 2017/Q2
ELECTRIC CUSTOMER ACCOUNTS, SERVICE, SALES, ADMINISTRATIVE AND GENERAL EXPENSES				
Report the amount of expenses for customer accounts, service, sales, and administrative and general expenses year to date.				
Line No.	Account (a)	Year to Date Quarter (b)		
1	(901-905) Customer Accounts Expenses	9,482,883		
2	(907-910) Customer Service and Information Expenses	34,865,729		
3	(911-917) Sales Expenses	557,826		
4	8. ADMINISTRATIVE AND GENERAL EXPENSES			
5	Operations			
6	920 Administrative and General Salaries	8,615,130		
7	921 Office Supplies and Expenses	8,887,504		
8	(Less) 922 Administrative Expenses Transferred-Credit			
9	923 Outside Services Employed	4,461,001		
10	924 Property Insurance	4,100,592		
11	925 Injuries and Damages	-72,200		
12	926 Employee Pensions and Benefits	24,852,670		
13	927 Franchise Requirements			
14	928 Regulatory Commission Expenses	2,523,957		
15	(Less) 929 Duplicate Charges-Credit			
16	930.1 General Advertising Expenses	111		
17	930.2 Miscellaneous General Expenses	-4,679,282		
18	931 Rents	9,257,257		
19	TOTAL Operation (Total of lines 6 thru 18)	57,946,740		
20	Maintenance			
21	935 Maintenance of General Plant	96,839		
22	TOTAL Administrative and General Expenses (Total of lines 19 and 21)	58,043,579		

Name of Respondent The Narragansett Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 08/22/2017	Year/Period of Report End of <u>2017/Q2</u>
TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1) (Including transactions referred to as 'wheeling')					
<p>1. Report all transmission of electricity, i.e., wheeling, provided for other electric utilities, cooperatives, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers for the quarter.</p> <p>2. Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).</p> <p>3. Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c)</p> <p>4. In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO - Firm Network Service for Others, FNS - Firm Network Transmission Service for Self, LFP - "Long-Term Firm Point to Point Transmission Service, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point to Point Transmission Reservation, NF - non-firm transmission service, OS - Other Transmission Service and AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.</p>					
Line No.	Payment By (Company of Public Authority) (Footnote Affiliation) (a)	Energy Received From (Company of Public Authority) (Footnote Affiliation) (b)	Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c)	Statistical Classification (d)	
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
TOTAL					

Name of Respondent The Narragansett Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 08/22/2017	Year/Period of Report End of 2017/Q2	
TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued) (Including transactions referred to as 'wheeling')						
<p>5. In column (e), identify the FERC Rate Schedule or Tariff Number, On separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (d), is provided.</p> <p>6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the substation, or other appropriate identification for where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for where energy was delivered as specified in the contract.</p> <p>7. Report in column (h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be in megawatts. Footnote any demand not stated on a megawatts basis and explain.</p> <p>8. Report in column (i) and (j) the total megawatthours received and delivered.</p>						
FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	
						1
						2
						3
						4
						5
						6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
						17
						18
						19
						20
						21
						22
						23
						24
						25
						26
						27
						28
						29
						30
						31
						32
						33
						34
			0	0	0	

Name of Respondent The Narragansett Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 08/22/2017	Year/Period of Report End of <u>2017/Q2</u>
TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued) (Including transactions referred to as 'wheeling')			
<p>9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.</p> <p>10. The total amounts in columns (i) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purposes only on Page 401, Lines 16 and 17, respectively.</p> <p>11. Footnote entries and provide explanations following all required data.</p>			
REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS			
Demand Charges (\$) (k)	Energy Charges (\$) (l)	(Other Charges) (\$) (m)	Total Revenues (\$) (k+l+m) (n)
			Line No.
			1
			2
			3
			4
			5
			6
			7
			8
			9
			10
			11
			12
			13
			14
			15
			16
			17
			18
			19
			20
			21
			22
			23
			24
			25
			26
			27
			28
			29
			30
			31
			32
			33
			34
0	0	0	

Name of Respondent The Narragansett Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 08/22/2017	Year/Period of Report End of 2017/Q2
TRANSMISSION OF ELECTRICITY BY ISO/RTOs					
<p>1. Report in Column (a) the Transmission Owner receiving revenue for the transmission of electricity by the ISO/RTO.</p> <p>2. Use a separate line of data for each distinct type of transmission service involving the entities listed in Column (a).</p> <p>3. In Column (b) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO – Firm Network Service for Others, FNS – Firm Network Transmission Service for Self, LFP – Long-Term Firm Point-to-Point Transmission Service, OLF – Other Long-Term Firm Transmission Service, SFP – Short-Term Firm Point-to-Point Transmission Reservation, NF – Non-Firm Transmission Service, OS – Other Transmission Service and AD- Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.</p> <p>4. In column (c) identify the FERC Rate Schedule or tariff Number, on separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (b) was provided.</p> <p>5. In column (d) report the revenue amounts as shown on bills or vouchers.</p> <p>6. Report in column (e) the total revenues distributed to the entity listed in column (a).</p>					
Line No.	Payment Received by (Transmission Owner Name) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Total Revenue by Rate Schedule or Tariff (d)	Total Revenue (e)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40	TOTAL				

Name of Respondent The Narragansett Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 08/22/2017	Year/Period of Report End of 2017/Q2			
TRANSMISSION OF ELECTRICITY BY OTHERS (Account 565) (Including transactions referred to as "wheeling")								
<p>1. Report all transmission, i.e. wheeling or electricity provided by other electric utilities, cooperatives, municipalities, other public authorities, qualifying facilities, and others for the quarter.</p> <p>2. In column (a) report each company or public authority that provided transmission service. Provide the full name of the company, abbreviate if necessary, but do not truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation with the transmission service provider. Use additional columns as necessary to report all companies or public authorities that provided transmission service for the quarter reported.</p> <p>3. In column (b) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNS - Firm Network Transmission Service for Self, LFP - Long-Term Firm Point-to-Point Transmission Reservations, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point-to-Point Transmission Reservations, NF - Non-Firm Transmission Service, and OS - Other Transmission Service. See General Instructions for definitions of statistical classifications.</p> <p>4. Report in column (c) and (d) the total megawatt hours received and delivered by the provider of the transmission service.</p> <p>5. Report in column (e), (f) and (g) expenses as shown on bills or vouchers rendered to the respondent. In column (e) report the demand charges and in column (f) energy charges related to the amount of energy transferred. On column (g) report the total of all other charges on bills or vouchers rendered to the respondent, including any out of period adjustments. Explain in a footnote all components of the amount shown in column (g). Report in column (h) the total charge shown on bills rendered to the respondent. If no monetary settlement was made, enter zero in column (h). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.</p> <p>6. Enter "TOTAL" in column (a) as the last line.</p> <p>7. Footnote entries and provide explanations following all required data.</p>								
Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	TRANSFER OF ENERGY		EXPENSES FOR TRANSMISSION OF ELECTRICITY BY OTHERS			Total Cost of Transmission (h)
			Megawatt-hours Received (c)	Megawatt-hours Delivered (d)	Demand Charges (\$) (e)	Energy Charges (\$) (f)	Other Charges (\$) (g)	
1	ISO New England	FNS					27,258,909	27,258,909
2								
3	New England Power	FNS					25,072,371	25,072,371
4								
5	Facility Credits	FNS					-43,020,710	-43,020,710
6								
7	Other	FNS					1,477,138	1,477,138
8								
9								
10								
11								
12								
13								
14								
15								
16								
	TOTAL						10,787,708	10,787,708

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year/Period of Report
The Narragansett Electric Company		08/22/2017	2017/Q2
FOOTNOTE DATA			

**Schedule Page: 332 Line No.: 3 Column: a**

Schedule 21 Local Network Service

Affiliate - New England Power

Block Island Cable Surcharge

Affiliate - New England Power

**Schedule Page: 332 Line No.: 3 Column: h**

New England Power

New England Power - Local Network Service 14,849,315.86

New England Power - Block Island Cable Surcharge 10,223,054.76

Total 25,072,370.62

**Schedule Page: 332 Line No.: 5 Column: a**

Integrated Facilities Agreement

Affiliate - New England Power

**Schedule Page: 332 Line No.: 7 Column: h**Other Adjustments:

Distribution Surcharge Credit Reclass 2,114,363.91

Regional Network Service Accrual 4,914,949.02

New England Power Block Island Cable Surcharge Accrual (5,552,174.54)

Total 1,477,138.39



Name of Respondent The Narragansett Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 08/22/2017	Year/Period of Report End of <u>2017/Q2</u>
AMOUNTS INCLUDED IN ISO/RTO SETTLEMENT STATEMENTS					
1. The respondent shall report below the details called for concerning amounts it recorded in Account 555, Purchase Power, and Account 447, Sales for Resale, for items shown on ISO/RTO Settlement Statements. Transactions should be separately netted for each ISO/RTO administered energy market for purposes of determining whether an entity is a net seller or purchaser in a given hour. Net megawatt hours are to be used as the basis for determining whether a net purchase or sale has occurred. In each monthly reporting period, the hourly sale and purchase net amounts are to be aggregated and separately reported in Account 447, Sales for Resale, or Account 555, Purchased Power, respectively.					
Line No.	Description of Item(s) (a)	Balance at End of Quarter 1 (b)	Balance at End of Quarter 2 (c)	Balance at End of Quarter 3 (d)	Balance at End of Year (e)
1	Energy				
2	Net Purchases (Account 555)	1,968,195	2,237,097		
3	Net Sales (Account 447)				
4	Transmission Rights				
5	Ancillary Services	1,255,148	2,023,382		
6	Other Items (list separately)				
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46	TOTAL	3,223,343	4,260,479		

Name of Respondent The Narragansett Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 08/22/2017	Year/Period of Report End of <u>2017/Q2</u>	
MONTHLY PEAKS AND OUTPUT						
<p>(1) (1) Report the monthly peak load and energy output. If the respondent has two or more power systems which are not physically integrated, furnish the required information for each non- integrated system. In quarter 1 report January, February, and March only. In quarter 2 report April, May, and June only. In quarter 3 report July, August, and September only.</p> <p>(2) Report on column (b) by month the system's output in Megawatt hours for each month.</p> <p>(3) Report on column (c) by month the non-requirements sales for resale. Include in the monthly amounts any energy losses associated with the sales.</p> <p>(4) Report on column (d) by month the system's monthly maximum megawatt load (60 minute integration) associated with the system.</p> <p>(5) Report on columns (e) and (f) the specified information for each monthly peak load reported on column (d).</p> <p>(6) Report Monthly Peak Hours in military time; 0100 for 1:00 AM, 1200 for 12 AM, and 1830 for 6:30 PM, etc.</p>						
NAME OF SYSTEM:						
Line No.	Month (a)	Total Monthly Energy (MWH) (b)	Monthly Non-Requirements Sales for Resale & Associated Losses (c)	MONTHLY PEAK		
				Megawatts (See Instr. 4) (d)	Day of Month (e)	Hour (f)
1	January	325,007		1,217	9	18
2	February	285,975		1,109	10	19
3	March	318,584		1,087	15	20
4	Total	929,566		3,413		
5	April	266,043		987	4	20
6	May	279,142		1,365	19	16
7	June	328,473		1,664	13	16
8	Total	873,658		4,016		
9	July				0	0
10	August				0	0
11	September				0	0
12	Total					

Name of Respondent The Narragansett Electric Company				This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 08/22/2017		Year/Period of Report End of 2017/Q2		
MONTHLY TRANSMISSION SYSTEM PEAK LOAD										
<p>(1) Report the monthly peak load on the respondent's transmission system. If the respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.</p> <p>(2) Report on Column (b) by month the transmission system's peak load.</p> <p>(3) Report on Columns (c ) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).</p> <p>(4) Report on Columns (e) through (j) by month the system' monthly maximum megawatt load by statistical classifications. See General Instruction for the definition of each statistical classification.</p>										
NAME OF SYSTEM:										
Line No.	Month (a)	Monthly Peak MW - Total (b)	Day of Monthly Peak (c)	Hour of Monthly Peak (d)	Firm Network Service for Self (e)	Firm Network Service for Others (f)	Long-Term Firm Point-to-point Reservations (g)	Other Long-Term Firm Service (h)	Short-Term Firm Point-to-point Reservation (i)	Other Service (j)
1	January									
2	February									
3	March									
4	Total for Quarter 1									
5	April									
6	May									
7	June									
8	Total for Quarter 2									
9	July									
10	August									
11	September									
12	Total for Quarter 3									
13	October									
14	November									
15	December									
16	Total for Quarter 4									
17	Total Year to Date/Year									

Name of Respondent The Narragansett Electric Company				This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 08/22/2017		Year/Period of Report End of 2017/Q2		
MONTHLY ISO/RTO TRANSMISSION SYSTEM PEAK LOAD										
<p>(1) Report the monthly peak load on the respondent's transmission system. If the Respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.</p> <p>(2) Report on Column (b) by month the transmission system's peak load.</p> <p>(3) Report on Column (c) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).</p> <p>(4) Report on Columns (e) through (i) by month the system's transmission usage by classification. Amounts reported as Through and Out Service in Column (g) are to be excluded from those amounts reported in Columns (e) and (f).</p> <p>(5) Amounts reported in Column (j) for Total Usage is the sum of Columns (h) and (i).</p>										
NAME OF SYSTEM:										
Line No.	Month	Monthly Peak MW - Total	Day of Monthly Peak	Hour of Monthly Peak	Imports into ISO/RTO	Exports from ISO/RTO	Through and Out Service	Network Service Usage	Point-to-Point Service Usage	Total Usage
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1	January									
2	February									
3	March									
4	Total for Quarter 1									
5	April									
6	May									
7	June									
8	Total for Quarter 2									
9	July									
10	August									
11	September									
12	Total for Quarter 3									
13	October									
14	November									
15	December									
16	Total for Quarter 4									
17	Total Year to Date/Year									

INDEX

<u>Schedule</u>	<u>Page No.</u>
Accrued and prepaid taxes .....	262-263
Accumulated Deferred Income Taxes .....	234
	272-277
Accumulated provisions for depreciation of	
common utility plant .....	356
utility plant .....	219
utility plant (summary) .....	200-201
Advances	
from associated companies .....	256-257
Allowances .....	228-229
Amortization	
miscellaneous .....	340
of nuclear fuel .....	202-203
Appropriations of Retained Earnings .....	118-119
Associated Companies	
advances from .....	256-257
corporations controlled by respondent .....	103
control over respondent .....	102
interest on debt to .....	256-257
Attestation .....	i
Balance sheet	
comparative .....	110-113
notes to .....	122-123
Bonds .....	256-257
Capital Stock .....	251
expense .....	254
premiums .....	252
reacquired .....	251
subscribed .....	252
Cash flows, statement of .....	120-121
Changes	
important during year .....	108-109
Construction	
work in progress - common utility plant .....	356
work in progress - electric .....	216
work in progress - other utility departments .....	200-201
Control	
corporations controlled by respondent .....	103
over respondent .....	102
Corporation	
controlled by .....	103
incorporated .....	101
CPA, background information on .....	101
CPA Certification, this report form .....	i-ii

INDEX (continued)

<u>Schedule</u>	<u>Page No.</u>
Deferred	
credits, other .....	269
debits, miscellaneous .....	233
income taxes accumulated - accelerated	
amortization property .....	272-273
income taxes accumulated - other property .....	274-275
income taxes accumulated - other .....	276-277
income taxes accumulated - pollution control facilities .....	234
Definitions, this report form .....	iii
Depreciation and amortization	
of common utility plant .....	356
of electric plant .....	219
	336-337
Directors .....	105
Discount - premium on long-term debt .....	256-257
Distribution of salaries and wages .....	354-355
Dividend appropriations .....	118-119
Earnings, Retained .....	118-119
Electric energy account .....	401
Expenses	
electric operation and maintenance .....	320-323
electric operation and maintenance, summary .....	323
unamortized debt .....	256
Extraordinary property losses .....	230
Filing requirements, this report form	
General information .....	101
Instructions for filing the FERC Form 1 .....	i-iv
Generating plant statistics	
hydroelectric (large) .....	406-407
pumped storage (large) .....	408-409
small plants .....	410-411
steam-electric (large) .....	402-403
Hydro-electric generating plant statistics .....	406-407
Identification .....	101
Important changes during year .....	108-109
Income	
statement of, by departments .....	114-117
statement of, for the year (see also revenues) .....	114-117
deductions, miscellaneous amortization .....	340
deductions, other income deduction .....	340
deductions, other interest charges .....	340
Incorporation information .....	101

INDEX (continued)

<u>Schedule</u>	<u>Page No.</u>
Interest	
charges, paid on long-term debt, advances, etc .....	256-257
Investments	
nonutility property .....	221
subsidiary companies .....	224-225
Investment tax credits, accumulated deferred .....	266-267
Law, excerpts applicable to this report form .....	iv
List of schedules, this report form .....	2-4
Long-term debt .....	256-257
Losses-Extraordinary property .....	230
Materials and supplies .....	227
Miscellaneous general expenses .....	335
Notes	
to balance sheet .....	122-123
to statement of changes in financial position .....	122-123
to statement of income .....	122-123
to statement of retained earnings .....	122-123
Nonutility property .....	221
Nuclear fuel materials .....	202-203
Nuclear generating plant, statistics .....	402-403
Officers and officers' salaries .....	104
Operating	
expenses-electric .....	320-323
expenses-electric (summary) .....	323
Other	
paid-in capital .....	253
donations received from stockholders .....	253
gains on resale or cancellation of reacquired	
capital stock .....	253
miscellaneous paid-in capital .....	253
reduction in par or stated value of capital stock .....	253
regulatory assets .....	232
regulatory liabilities .....	278
Peaks, monthly, and output .....	401
Plant, Common utility	
accumulated provision for depreciation .....	356
acquisition adjustments .....	356
allocated to utility departments .....	356
completed construction not classified .....	356
construction work in progress .....	356
expenses .....	356
held for future use .....	356
in service .....	356
leased to others .....	356
Plant data .....	336-337
	401-429

INDEX (continued)

<u>Schedule</u>	<u>Page No.</u>
Plant - electric	
accumulated provision for depreciation .....	219
construction work in progress .....	216
held for future use .....	214
in service .....	204-207
leased to others .....	213
Plant - utility and accumulated provisions for depreciation	
amortization and depletion (summary) .....	201
Pollution control facilities, accumulated deferred	
income taxes .....	234
Power Exchanges .....	326-327
Premium and discount on long-term debt .....	256
Premium on capital stock .....	251
Prepaid taxes .....	262-263
Property - losses, extraordinary .....	230
Pumped storage generating plant statistics .....	408-409
Purchased power (including power exchanges) .....	326-327
Reacquired capital stock .....	250
Reacquired long-term debt .....	256-257
Receivers' certificates .....	256-257
Reconciliation of reported net income with taxable income	
from Federal income taxes .....	261
Regulatory commission expenses deferred .....	233
Regulatory commission expenses for year .....	350-351
Research, development and demonstration activities .....	352-353
Retained Earnings	
amortization reserve Federal .....	119
appropriated .....	118-119
statement of, for the year .....	118-119
unappropriated .....	118-119
Revenues - electric operating .....	300-301
Salaries and wages	
directors fees .....	105
distribution of .....	354-355
officers' .....	104
Sales of electricity by rate schedules .....	304
Sales - for resale .....	310-311
Salvage - nuclear fuel .....	202-203
Schedules, this report form .....	2-4
Securities	
exchange registration .....	250-251
Statement of Cash Flows .....	120-121
Statement of income for the year .....	114-117
Statement of retained earnings for the year .....	118-119
Steam-electric generating plant statistics .....	402-403
Substations .....	426
Supplies - materials and .....	227

INDEX (continued)

<u>Schedule</u>	<u>Page No.</u>
Taxes	
accrued and prepaid .....	262-263
charged during year .....	262-263
on income, deferred and accumulated .....	234
	272-277
reconciliation of net income with taxable income for .....	261
Transformers, line - electric .....	429
Transmission	
lines added during year .....	424-425
lines statistics .....	422-423
of electricity for others .....	328-330
of electricity by others .....	332
Unamortized	
debt discount .....	256-257
debt expense .....	256-257
premium on debt .....	256-257
Unrecovered Plant and Regulatory Study Costs .....	230



The Narragansett Electric Company  
d/b/a National Grid  
RIPUC Docket No. 4770  
General Rate Case  
Filing Requirements

Index and Responses to the Commission's  
Rules on Practice and Procedure  
November 2017

Section 2.5(d)      Service Documents

Please see the cover letter accompanying the transmittal of the filing to the Attorney General of the State of Rhode Island.



Index and Responses to the Commission's  
Rules on Practice and Procedure  
November 2017

Section 2.5(e)

Index

The Company's index is comprised in the itemized responses set forth with this filing.



Index and Responses to the Commission's  
Rules on Practice and Procedure  
November 2017

Section 2.6(a)      Test Year

Please see the Pre-filed Direct Testimony and Schedules of Company Witness Melissa A. Little presenting the Company's cost of service and rate base schedules for the test year as the twelve-month period ended June 30, 2017.



Index and Responses to the Commission's  
Rules on Practice and Procedure  
November 2017

Section 2.6(b)

Rate Year

Please see the Pre-filed Direct Testimony and Schedules of Company  
Witness Melissa A. Little presenting that the rate year used by the  
Company as the twelve-month period ended August 31, 2019.



Index and Responses to the Commission's  
Rules on Practice and Procedure  
November 2017

Section 2.6(c)      Adjustments to the test year, normalization adjustments, changes in accounting, and inflationary adjustments.

All adjustments, changes in the manner of recording accounting data, significant nonrecurring items, and inflationary adjustments are set forth in the Pre-filed Direct Testimony and Schedules of Company Witness Melissa A. Little.



Index and Responses to the Commission's  
Rules on Practice and Procedure  
November 2017

Section 2.7

Attestation.

The attestation is included with the filing letter submitted by the Company in this case.

$$2.8(a) - 2.8(w)$$

Index and Responses to the Commission's  
Rules on Practice and Procedure  
November 2017

Section 2.8(a) Rate base schedules for the test year period and for the proposed rate year.

The rate base schedules for the test year and rate year are set forth in the Pre-filed Direct Testimony and Schedules of Company Witness Melissa A. Little.

Index and Responses to the Commission's  
Rules on Practice and Procedure  
November 2017

Section 2.8(b) Cost of service schedules.

The cost of service schedules for the test year and proposed rate year are set forth in the Pre-filed Direct Testimony and Schedules of Company Witness Melissa A. Little.

Index and Responses to the Commission's  
Rules on Practice and Procedure  
November 2017

Section 2.8(c) Capitalization  
(1) test year  
(2) actual  
(3) capital structure

For the capital structure utilized by the Company for the determination of rates, please see the Pre-filed Direct Testimony and Schedules of Company Witness Robert B. Hevert.

Index and Responses to the Commission's  
Rules on Practice and Procedure  
November 2017

Section 2.8(d)      Workpapers supporting any claim for an allowance for working capital.

The calculation supporting the Company's proposed working capital allowance is set forth in the Pre-filed Direct Testimony and Schedules of Company Witness Melissa A. Little.

Index and Responses to the Commission's  
Rules on Practice and Procedure  
November 2017

Section 2.8(e)      Workpapers supporting allocations of rate base and cost of service among jurisdictions.

The allocation of rate base and cost of service among jurisdictions is set forth in the Pre-filed Direct Testimony and Schedules of Company Witness Melissa A. Little.

Index and Responses to the Commission's  
Rules on Practice and Procedure  
November 2017

Section 2.8(f)      Workpapers detailing additions to or retirements from plant and depreciation accounts where proforma amounts differ from the test year.

The calculation supporting the additions to or retirements from plant and depreciation accounts are set forth in the Pre-filed Direct Testimony and Schedules of Company Witnesses Melissa A. Little.

Index and Responses to the Commission's  
Rules on Practice and Procedure  
November 2017

Section 2.8(g)      Analysis of material and supply inventory balances included in rate base  
for the test year and rate year periods.

For materials and supply inventory balances, please see the Pre-filed  
Direct Testimony and Schedules of Company Witness Melissa A. Little.

It should be noted that gas inventory balances are not included in rate base  
as the associated costs are recovered through the Gas Cost Recovery  
Adjustment factor (GCR).

Index and Responses to the Commission's  
Rules on Practice and Procedure  
November 2017

Section 2.8(h)      Workpapers detailing the test year and rate year revenue by source, tariff, rate class.

**Electric**

Details for the test year and rate year revenue by source, sales volumes, and customer counts are contained in the Testimonies and Schedules of Company Witnesses Scott M. McCabe (Pricing Panel with Ann E. Leary), Howard S. Gorman and Joseph F. Gredder.

**Gas**

Details for the test year and rate year revenue by source, sales volumes, and customer counts are contained in the Testimonies and Schedules of Company Witnesses Ann E. Leary (Pricing Panel with Scott M. McCabe), Paul M. Normand and Theodore E. Poe Jr.

Index and Responses to the Commission's  
Rules on Practice and Procedure  
November 2017

Section 2.8(i) For each rate class, the effect of the proposed rate changes shall be presented in comparative billing format for typical usage levels. A copy or sample of the utility's actual billing statement shall be presented.

**Electric**

The effect of the proposed rate changes in a comparable billing format is set forth in the Testimony and Schedules of Company Witness Howard S. Gorman.

A sample of the Company's actual billing statement is provided in Attachment 2.8(i) - Electric.

**Gas**

A comparable billing format is provided in the Attachment of Company Witness Paul M. Normand.

A sample of the Company's actual billing statement is provided in Attachment 2.8(i) - Gas.

**nationalgrid**

SERVICE FOR

BILLING PERIOD

Sep 26, 2018 to Oct 27, 2018

PAGE 1 of 3

ACCOUNT NUMBER

PLEASE PAY BY

AMOUNT DUE

Nov 23, 2018

\$111.93

**ELECTRIC BILL**

www.nationalgridus.com  
CUSTOMER SERVICE  
1-800-322-3223  
CREDIT DEPARTMENT  
1-888-211-1313  
GAS EMERGENCIES  
1-800-640-1595  
POWER OUTAGE OR DOWNED LINE  
1-800-465-1212  
CORRESPONDENCE ADDRESS  
PO Box 960  
Northborough, MA 01532-0960  
PAYMENT ADDRESS  
PO Box 11739  
Newark, NJ 07101-4739  
DATE BILL ISSUED  
Oct 30, 2018

**ACCOUNT BALANCE**

Previous Balance	52.62
Payment Received on OCT 10 (Check) <i>THANK YOU</i>	- 52.62
Current Charges	+111.93
<b>Amount Due ▶</b>	<b>\$111.93</b>

**SUMMARY OF CURRENT CHARGES**

	DELIVERY SERVICES	SUPPLY SERVICES	OTHER CHARGES/ADJUSTMENTS	TOTAL
Electric Service	59.86	47.59		107.45
Other Charges/Adjustments			4.48	4.48
<b>Total Current Charges</b>	<b>\$59.86</b>	<b>\$47.59</b>	<b>\$4.48</b>	<b>\$111.93</b>

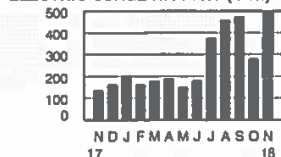
☛ Save time and money! Sign up for paperless billing and receive a \$ 0.37 credit on your monthly bill. Visit our website to enroll today.

☛ The Energy Charge now includes the Renewable Energy Standard Charge which was previously identified separately on the bill. This charge is collected for the purpose of acquiring a portion of Rhode Island's energy supply from renewable energy resources, as required by Rhode Island General Laws section 39-26-1.

☛ **What is the Energy Efficiency Charge on my bill?** This charge funds Energy Efficiency programs that can help consumers lower their energy usage and bills, improve comfort in their homes or businesses, and lower pollutants and carbon emissions in our communities. To learn how to take advantage of these programs and your eligibility, please call 1-866-903-2811 or visit www.ngrid.com/ri-ee.

★ **WILL WE BE ABLE TO REACH YOU DURING A POWER OUTAGE?:** During a power outage, phones with a direct link to a local phone line are able to operate. Phones that are not directly linked (for example, wireless phones with answering machines) need electricity to make/receive calls. If you would like to register another phone number, such as a cell phone, as your account's primary phone number, please go to www.nationalgrid.com/myaccount to update your information so that we may be able to reach you with important information during power outages.

**ELECTRIC USAGE HISTORY (kWh)**



Daily Averages  
kWh Nov 17 6.0 Nov 18 16.1  
Cost \$1.37 \$3.48

■ Actual □ Estimated

KEEP THIS PORTION FOR YOUR RECORDS

RETURN THIS PORTION WITH YOUR PAYMENT

**nationalgrid**

ACCOUNT NUMBER

PLEASE PAY BY

AMOUNT DUE

Nov 23, 2018

\$111.93

PO Box 960  
Northborough MA 01532

ENTER AMOUNT ENCLOSED

\$

Write account number on check and make payable to National Grid

\*\*\*\*\*AUTO\*\*5-DIGIT 02904

008214

NATIONAL GRID  
PO BOX 11739  
NEWARK NJ 07101-4739



SERVICE FOR



BILLING PERIOD

Sep 26, 2018 to Oct 27, 2018

PAGE 2 of 3

ACCOUNT NUMBER



PLEASE PAY BY

Nov 23, 2018

AMOUNT DUE

\$111.93

#### Enrollment Information

To enroll with a supplier or change to another supplier, you will need the following information about your account:

Loadzone Rhodelsland

Acct No: [Redacted] Cycle: 1, [Redacted]

#### Electric Usage History

Month	kWh	Month	kWh
Nov 17	135	Jun 18	182
Dec 17	162	Jul 18	374
Jan 18	204	Aug 18	459
Feb 18	162	Sep 18	474
Mar 18	179	Oct 18	280
Apr 18	190	Nov 18	500
May 18	151		

#### Right To Dispute Your Bill And To An Impartial Hearing

If you believe your bill is inaccurate or for any reason payment may be withheld, you should first contact our Customer Service Department at 1-800-322-3223. If a mutually satisfactory settlement of this matter cannot be made, you have the right to submit this matter to: Reviewing Officer, Division of Public Utilities and Carriers, 89 Jefferson Blvd., Warwick, Rhode Island 02888 Telephone: 401-780-9700. National Grid will not disconnect your service pending proceedings before a reviewing officer appointed by the Public Utilities Administrator.

#### LIHEAP Charge

This charge is required under Rhode Island law and will be used to provide funding for a Low-Income Home Energy Assistance Program ("LIHEAP") Enhancement Plan, designed to assist low-income electric and natural gas households with their home energy and heating needs. By law, this charge may not be more than \$10 per year for each electric or natural gas service account.

#### Explanation of Billing Terms Available

If you would like an explanation of any of the terms used on your bill, you may find them on our web site at [www.nationalgrid.com](http://www.nationalgrid.com) or you may call us at 1-800-322-3223.

#### DETAIL OF CURRENT CHARGES

##### Delivery Services

Service Period	No. of days	Current Reading	Previous Reading	Total Usage
Sep 26 - Oct 27	31	74916 Actual	74416 Actual	500 kWh

METER NUMBER [Redacted] NEXT SCHEDULED READ DATE ON OR ABOUT Nov 30

RATE Basic Residential Rate A-16

Customer Charge		8.50
LIHEAP Enhancement Charge		0.81
Distribution Energy Chg	0.04873 x 500 kWh	24.37
Energy Efficiency Prgrms	0.01154 x 500 kWh	5.77
Renewable Egy Dist Chg	0.00688 x 500 kWh	3.44
Transmission Charge	0.03180 x 500 kWh	15.90
Transition Charge	0.00057 x 500 kWh	0.28
RE Growth Program		0.79
<b>Total Delivery Services</b>		<b>\$ 59.86</b>

##### Supply Services

SUPPLIER National Grid

Energy Charge	0.09518 x 500 kWh	47.59
<b>Total Supply Services</b>		<b>\$ 47.59</b>

##### Other Charges/Adjustments

Gross Earnings Tax	0.04166667 x 107.45	4.48
<b>Total Other Charges/Adjustments</b>		<b>\$ 4.48</b>

#### Right To Electric Service:

**During Serious Illness:** If you or anyone presently and normally living in your home is seriously ill, we will not discontinue your electric service during such illness providing you: have a registered physician certify in writing to us that such illness exists, the nature and duration of the illness and you make satisfactory arrangements to pay your bill. This certification must be received within seven (7) days from the date that your physician initially contacts our Credit Department at 1-888-211-1313.  
**You have a child under twenty four months and a financial hardship:** If you or anyone presently and normally living in your home has a child under twenty four months old we will not terminate your electric service, provided you also have a financial hardship. Please call our Credit Department at 1-888-211-1313 immediately if this applies to you.

#### Notice About Electronic Check Conversion

By sending your completed, signed check to us, you authorize us to use the account information from your check to make an electronic fund transfer from your account for the same amount as the check. If the electronic fund transfer cannot be processed for technical reasons, you authorize us to process the copy of your check.

#### Termination of Service to Elderly or Handicapped Persons

If all residents in your household are 62 years of age or older or if any resident in your household is handicapped, the Company will not terminate your service for failure to pay the past due bill without written approval from the Division of Public Utilities. If you cannot pay your bill all at once, you may be able to work out a payment plan with the Company. The Elderly or Handicapped Forms that must be filled out are available at the Company. The Form also enables you to participate in "Third Party Notification". If you have any questions or want further information, call the Credit Department at 1-888-211-1313.

**nationalgrid**

SERVICE FOR

BILLING PERIOD

Sep 26, 2018 to Oct 27, 2018

PAGE 3 of 3

ACCOUNT NUMBER

PLEASE PAY BY

AMOUNT DUE

Nov 23, 2018

\$111.93

[www.nationalgridus.com](http://www.nationalgridus.com)

## Utility Scam Alert

National Grid continues to receive calls from customers who were contacted by scammers claiming to be from National Grid.

Suspect a scam if:

- You are threatened with immediate service termination (this is NOT our procedure).
- The caller seeks payment when your account is current.
- The caller demands immediate payment by wire transfer or prepaid card (we don't accept payment through these cards).
- The caller is someone you cannot identify.

If you think you have fallen for the scam, call customer service at **1-800-322-3223** and local law enforcement.

### ► For Your Information

Customers can choose to purchase their electric supply from a non-regulated power producer (NPP). National Grid will continue to deliver electricity to you, and will respond to service calls, emergencies, and provide storm restoration. To compare offers, the rate for National Grid's electric supply, known as Standard Offer Service (SOS), is \$0.09518 effective 10/01/2018. The SOS rate is scheduled to change on 04/01/2019. Please note: The electric NPP must submit the enrollment at least 2 business days prior to your next scheduled meter read date, which is 11/30/2018. For more information, visit [www.ripuc.ri.gov](http://www.ripuc.ri.gov).



SERVICE FOR  
[REDACTED]

BILLING PERIOD  
Sep 26, 2018 to Oct 26, 2018

ACCOUNT NUMBER [REDACTED] PLEASE PAY BY Nov 23, 2018 AMOUNT DUE \$ 163.78

# NATURAL GAS BILL

www.nationalgridus.com  
CUSTOMER SERVICE  
1-800-322-3223  
CREDIT DEPARTMENT  
1-888-211-1313  
GAS EMERGENCIES  
1-800-640-1595  
POWER OUTAGE OR DOWNED LINE  
1-800-465-1212  
CORRESPONDENCE ADDRESS  
PO Box 960  
Northborough, MA 01532-0960  
PAYMENT ADDRESS  
PO Box 11739  
Newark, NJ 07101-4739  
DATE BILL ISSUED  
Oct 30, 2018

## ACCOUNT BALANCE

Previous Balance	224.20
Payment Received on OCT 17 (Direct Deposit) THANK YOU	- 224.20
Current Charges	+ 163.78
<b>Amount Due ▶</b>	<b>\$ 163.78</b>

**DO NOT PAY.** Your Automated Payment Transfer will occur on Nov 17, 2018.

## SUMMARY OF CURRENT CHARGES

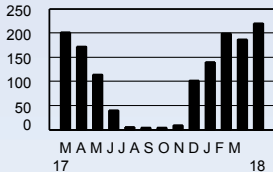
	DELIVERY SERVICES	SUPPLY SERVICES	OTHER CHARGES/ADJUSTMENTS	TOTAL
Gas Service	98.93	59.94		158.87
Other Charges/Adjustments			4.91	4.91
<b>Total Current Charges</b>	<b>\$ 98.93</b>	<b>\$ 59.94</b>	<b>\$ 4.91</b>	<b>\$ 163.78</b>

🔔 Save time and money! Sign up for paperless billing and receive a \$ 0.34 credit on your monthly bill. Visit our website to enroll today.

👤 **What is the Energy Efficiency Charge on my bill?** This charge funds Energy Efficiency programs that can help consumers lower their energy usage and bills, improve comfort in their homes or businesses, and lower pollutants and carbon emissions in our communities. To learn how to take advantage of these programs and your eligibility, please call 1-866-903-2811 or visit www.ngrid.com/ri-ee.

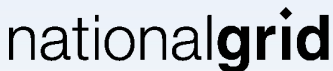
★ **WILL WE BE ABLE TO REACH YOU DURING A POWER OUTAGE?:** During a power outage, phones with a direct link to a local phone line are able to operate. Phones that are **not** directly linked (for example, wireless phones with answering machines) need electricity to make/receive calls. If you would like to register another phone number, such as a cell phone, as your account's primary phone number, please go to www.nationalgrid.com/myaccount to update your information so that we may be able to reach you with important information during power outages.

## GAS USAGE HISTORY (Therms)



Daily Averages	Nov 17	Nov 18
Therms		
Cost	\$ 8.05	\$ 8.91

■ Actual □ Estimated



PO Box 960  
Northborough MA 01532

\*\*\*\*\*AUTO\*\*5-DIGIT 02906

[REDACTED]

027784

**Please do not mail payment**  
Your account is set up for automatic payment. Thank you .

[REDACTED]



SERVICE FOR

BILLING PERIOD

Sep 26, 2018 to Oct 27, 2018

ACCOUNT NUMBER

PLEASE PAY BY

AMOUNT DUE

Nov 23, 2018

\$ 163.78

**Enrollment Information**

To enroll with a supplier or change to another supplier, you will need the following information about your account:

Acct No: [REDACTED] Cycle: 3, [REDACTED]

**Gas Usage History**

Month	Therms	Month	Therms
Mar 17	202.076	Oct 17	10.280
Apr 17	173.208	Nov 17	114.000
May 17	115.136	Dec 17	140.973
Jun 17	41.120	Jan 18	199.626
Jul 17	06.168	Feb 18	187.278
Aug 17	05.140	Mar 18	221.235
Sep 17	05.140		

**DETAIL OF CURRENT CHARGES****Delivery Services**

Service Period	No. of days	Current Reading	-	Previous Reading	=	Measured CCF	x	Therm Factor	=	Therms Used
Sep 26 - Oct 27	31	4920 Actual		4809 Actual		111		1.029		114.000

METER NUMBER [REDACTED] NEXT SCHEDULED READ DATE ON OR ABOUT Nov 30

RATE Residential Heating

Customer Charge										16.00
LIHEAP Enhancement Chg										0.81
Distr Chg				0.6034	x	114.000 Therms				68.79
Distribution Adj Chg				0.0291	x	114.000 Therms				3.32
Energy Efficiency Prgms				0.0878	x	114.000 Therms				10.01

<b>Total Delivery Services</b>	<b>\$ 98.93</b>
--------------------------------	-----------------

**Supply Services**

SUPPLIER National Grid

Cost of Gas	0.5258	x	114.000 Therms	59.94
<b>Total Supply Services</b>				<b>\$ 59.94</b>

**Other Charges/Adjustments**

Gross Earnings Tax	0.0309278	x	158.87	4.91
<b>Total Other Charges/Adjustments</b>				<b>\$ 4.91</b>

Index and Responses to the Commission's  
Rules on Practice and Procedure  
November 2017

Section 2.8(j)      Analysis of revenue and associated expense from the test year pertaining  
to adjustment clauses.

Please refer to Attachments 2.8(j) – Electric and 2.8(j) - Gas.

The Narragansett Electric Company  
Transmission Service Revenue and Expenses  
July 2016 - June 2017

<u>Month</u>	Base Transmission Service <u>Revenue</u> (a)	Less Transmission <u>Expense</u> (b)	Monthly <u>Over/(Under)</u> (c)
Jul-16	\$16,183,271	\$14,950,031	\$1,233,240
Aug-16	\$18,457,754	\$17,842,946	\$614,807
Sep-16	\$17,318,749	\$12,983,844	\$4,334,905
Oct-16	\$13,747,149	\$10,859,253	\$2,887,896
Nov-16	\$12,784,222	\$13,014,694	(\$230,471)
Dec-16	\$13,605,427	\$12,190,432	\$1,414,994
Jan-17	\$14,968,472	\$15,199,636	(\$231,164)
Feb-17	\$14,095,150	\$13,812,551	\$282,599
Mar-17	\$13,722,476	\$14,547,548	(\$825,072)
Apr-17	\$14,760,067	\$12,960,885	\$1,799,181
May-17	\$14,958,349	\$17,130,512	(\$2,172,163)
Jun-17	\$16,824,018	\$20,489,900	(\$3,665,883)
Total	\$181,425,103	\$175,982,234	\$5,442,869

Column Descriptions:

Column (a)	Base Transmission current period revenue, less 1.25% Uncollectibles allowance, per Company reports
Column (b)	per monthly New England Power and ISO New England Bills
Column (c)	Column (a) - Column (b)

The Narragansett Electric Company  
Non-Bypassable Transition Charge Revenue and Expenses  
July 2016 - June 2017

<u>Month</u>	<u>Total Transition Revenues</u> (a)	<u>2015 Over/Under Revenues</u> (b)	<u>2016 Over/Under Revenues</u> (c)	<u>Total Prior Period Adjustment Revenues</u> (d)	<u>Base Transition Service Revenue</u> (e)	<u>Less: Contract Termination Expense</u> (f)	<u>Monthly Over/(Under)</u> (g)
Jul-16	(\$390,855)	(\$477,342)		(\$477,342)	\$86,487	\$97,829	(\$11,342)
Aug-16	(\$448,978)	(\$542,490)		(\$542,490)	\$93,512	\$117,708	(\$24,196)
Sep-16	(\$424,051)	(\$512,615)		(\$512,615)	\$88,564	\$106,875	(\$18,311)
Oct-16	(\$331,887)	(\$403,060)		(\$403,060)	\$71,173	\$78,382	(\$7,209)
Nov-16	(\$305,790)	(\$371,952)		(\$371,952)	\$66,162	\$76,978	(\$10,816)
Dec-16	(\$331,345)	(\$402,580)		(\$402,580)	\$71,235	\$87,040	(\$15,805)
Jan-17	(\$362,732)	(\$441,144)		(\$441,144)	\$78,412	\$84,720	(\$6,308)
Feb-17	(\$340,199)	(\$413,846)		(\$413,846)	\$73,647	\$59,549	\$14,098
Mar-17	(\$333,037)	(\$403,428)		(\$403,428)	\$70,391	\$69,219	\$1,172
Apr-17	(\$63,888)	(\$230,770)	\$100,124	(\$130,646)	\$66,758	\$62,067	\$4,691
May-17	\$302,435		\$249,037	\$249,037	\$53,398	\$54,003	(\$605)
Jun-17	\$333,197		\$273,775	\$273,775	\$59,422	\$72,712	(\$13,290)
Total	(\$2,697,130)	(\$4,199,226)	\$622,937	(\$3,576,290)	\$879,160	\$967,081	(\$87,921)

Column Descriptions:

- Column (a) per Company reports
- Column (b) Revenue refunded to customers for over recoveries incurred during January 2015 - December 2015
- Column (c) Revenue collected from customers for under recoveries incurred during January 2016 - December 2016
- Column (d) Column (b) + Column (c)
- Column (e) Column (a) - Column (d)
- Column (f) From Contract Termination Charge bills to Narragansett Electric Company
- Column (g) Column (e) - Column (f)

The Narragansett Electric Company  
Standard Offer Service Revenue and Expenses  
July 2016 - June 2017

<u>Month</u>	Base Standard Offer Service		Monthly
	<u>Revenue</u>	<u>Expenses</u>	<u>Over/(Under)</u>
	(a)	(b)	(c)
Jul-16	\$29,347,850	\$26,961,056	\$2,386,794
Aug-16	\$34,827,122	\$26,217,349	\$8,609,773
Sep-16	\$30,979,803	\$17,553,675	\$13,426,128
Oct-16	\$21,974,914	\$15,433,533	\$6,541,380
Nov-16	\$19,622,740	\$17,612,681	\$2,010,059
Dec-16	\$22,651,933	\$28,163,226	(\$5,511,292)
Jan-17	\$26,903,863	\$30,318,979	(\$3,415,116)
Feb-17	\$25,911,447	\$25,732,357	\$179,091
Mar-17	\$23,872,820	\$22,271,795	\$1,601,025
Apr-17	\$21,091,474	\$14,320,001	\$6,771,473
May-17	\$15,947,303	\$14,186,846	\$1,760,457
Jun-17	\$18,259,693	\$23,665,469	(\$5,405,776)
Totals	\$291,390,963	\$262,436,967	\$28,953,995

Column Descriptions:

Column (a)	per Company reports per Company monthly invoices - January 2017 through
Column (b)	June 2017 expenses are preliminary and may be modified prior to CY17 SOS Reconciliation Filing
Column (c)	Column (c) - Column (d)

The Narragansett Electric Company  
Standard Offer Service Administrative Cost Factor Revenue and Expense  
July 2016 - June 2017

Month	Standard Offer Service Administrative <u>Cost Factor Revenue</u> (a)	<u>Expenses</u> (b)	Monthly <u>Over/(Under)</u> (c)
Jul-16	\$772,647	\$623,997	\$148,651
Aug-16	\$910,397	\$697,116	\$213,280
Sep-16	\$823,311	\$634,989	\$188,321
Oct-16	\$608,651	\$522,972	\$85,679
Nov-16	\$550,882	\$489,426	\$61,456
Dec-16	\$613,499	\$531,105	\$82,393
Jan-17	\$867,117	\$581,151	\$285,966
Feb-17	\$650,386	\$571,407	\$78,979
Mar-17	\$615,478	\$542,243	\$73,235
Apr-17	\$554,561	\$490,202	\$64,359
May-17	\$395,494	\$410,127	(\$14,634)
Jun-17	\$443,378	\$440,576	\$2,802
Totals	<u>\$7,805,800</u>	<u>6,535,312</u>	<u>\$1,270,487</u>

Column Descriptions:

Column (a): per Company monthly revenue reports

Column (b): from Company monthly reports, invoices and approved allowance for uncollectible accounts equal to 1.25% of Standard Offer Service Revenue

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

The Narragansett Electric Company  
Renewable Energy Standard Charge Revenue and Expense  
July 2016 - June 2017

Month	Renewable Energy Standard Revenue (a)	Renewable Energy Standard Expense (b)	Long-Term Contract/RE Growth Renewable Energy Certificate Purchases (c)	Monthly Over/(Under) (d)
Jul-16	\$1,084,413	\$57,090	\$2,412,069	(\$1,384,746)
Aug-16	\$1,278,938	\$697,500	\$0	\$581,438
Sep-16	\$1,156,091	\$0	\$0	\$1,156,091
Oct-16	\$853,161	\$1,275,000	\$1,751,019	(\$2,172,859)
Nov-16	\$772,578	\$0	\$0	\$772,578
Dec-16	\$861,223	\$0	\$0	\$861,223
Jan-17	\$976,657	\$26,416	\$1,181,583	(\$231,342)
Feb-17	\$911,998	\$0	\$0	\$911,998
Mar-17	\$864,808	\$0	\$0	\$864,808
Apr-17	\$567,021	\$7,248	\$1,096,956	(\$537,183)
May-17	\$108,124	\$320,808	\$0	(\$212,684)
Jun-17	\$116,898	\$302,846	\$0	(\$185,949)
	<u>\$9,551,911</u>	<u>\$2,686,908</u>	<u>\$6,441,627</u>	<u>\$423,375</u>

Column Descriptions:

Column (a) from Company monthly revenue reports

Column (b) from invoices

Column (c) Transfer of Renewable Energy Certificates per Long-term Contracting for Renewable Energy Recovery Provision and RI RE Growth Program

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

The Narragansett Electric Company  
Infrastructure, Safety and Reliability Revenue and Expense  
July 2016 - June 2017

Month	Base CapEx <u>Revenue</u> (a)	Base O&M <u>Revenue</u> (b)	<u>Expenses</u> (c)	Monthly <u>Over/(Under)</u> (d)
Jul-16	\$1,615,825	\$881,579	\$1,647,503	\$849,901
Aug-16	\$1,871,034	\$1,012,510	\$1,647,503	\$1,236,041
Sep-16	\$1,739,445	\$949,773	\$1,647,503	\$1,041,715
Oct-16	\$1,372,719	\$744,613	\$1,647,503	\$469,829
Nov-16	\$1,275,265	\$688,156	\$1,647,503	\$315,918
Dec-16	\$1,362,463	\$751,302	\$1,647,503	\$466,263
Jan-17	\$1,513,814	\$835,129	\$1,647,503	\$701,441
Feb-17	\$1,415,005	\$775,306	\$1,647,503	\$542,808
Mar-17	\$1,357,115	\$743,125	\$1,647,503	\$452,737
Apr-17	\$1,289,581	\$743,051	\$2,236,432	(\$203,799)
May-17	\$1,048,315	\$622,769	\$2,236,432	(\$565,348)
Jun-17	\$1,385,411	\$841,271	\$2,236,432	(\$9,749)
Totals	\$17,245,991	\$9,588,585	\$21,536,821	\$5,297,756

Column Descriptions:

Column (a) - (b) from Company monthly revenue report

Column (c) July 2016 through March 2017 - Annualized Actual Revenue Requirement, FY 2017 Electric Infrastructure, Safety, and Reliability Plan Reconciliation Filing, RIPUC Docket No. 4592, Attachment AM-1 Page 1, Lines (4) and (15); April 2017 - June -2017 - Annualized approved Revenue Requirement FY 2018 Electric Infrastructure, Safety, and Reliability Plan Filing, RIPUC Docket No 4682, Revised Section 5, Attachment 1S, Lines (4) and (18). Actual Revenue Requirement will be calculated prior to FY18 Reconciliation filing in August 2018.

Column (d) Column (a) + Column (b) - Column (c)

The Narragansett Electric Company  
Net Metering Credits QF Recoverable Costs and ISO Energy Sales  
July 2016 - June 2017

<u>Month</u>	Total Renewable Generation Credits (a)	Energy Sales to ISO-NE for Net-Metered Customers (b)	Qualifying Facilities Power Purchase Recoverable Costs (c)	Monthly Over/(Under) (d)
Jul-16	(\$36,737)	\$4,397	(\$1,266)	(\$33,607)
Aug-16	(\$28,988)	\$4,487	(\$544)	(\$25,045)
Sep-16	(\$41,918)	\$3,940	(\$150)	(\$38,129)
Oct-16	(\$401,328)	\$3,995	(\$7,495)	(\$404,828)
Nov-16	(\$370,701)	\$7,891	(\$17,429)	(\$380,239)
Dec-16	(\$363,545)	\$16,893	(\$17,662)	(\$364,315)
Jan-17	(\$403,127)	\$9,013	(\$85,981)	(\$480,095)
Feb-17	(\$320,158)	\$12,073	(\$82,223)	(\$390,308)
Mar-17	(\$523,729)	\$25,477	(\$41,979)	(\$540,232)
Apr-17	(\$406,665)	\$9,365	(\$36,410)	(\$433,709)
May-17	(\$321,435)	\$9,098	(\$34,398)	(\$346,735)
Jun-17	(\$235,914)	\$41,227	(\$48,177)	(\$242,864)
	(\$3,454,246)	\$147,854	(\$373,714)	(\$3,680,107)

Column Descriptions:

- (a) per company reports
- (b) from ISO New England monthly bill
- (c) per invoices
- (d) Col (a) + Col (b) + Col (c)

The Narragansett Electric Company  
Long-Term Contracting For Renewable Energy Recovery (LTCRER) Revenue and Expense  
July 2016 - June 2017

	Net LTCRER Revenue Adjusted for Uncollectibles	Contract Cost Less Capacity Revenue	Energy Market Proceeds	REC Proceeds	Above(Below) Market Cost	Other Charges & (Credits)	Remuneration	Total Costs	Monthly Over/(Under)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Jul-16	\$1,144,482	\$3,136,201	\$699,082	\$2,410,488	\$26,632	\$0	\$86,246	\$112,877	\$1,031,605
Aug-16	\$1,711,597	\$3,251,092	\$828,072	\$0	\$2,423,020	\$0	\$89,405	\$2,512,425	(\$800,828)
Sep-16	\$1,620,740	\$2,923,090	\$595,564	\$0	\$2,327,526	\$0	\$80,385	\$2,407,911	(\$787,170)
Oct-16	\$1,273,890	\$2,485,997	\$372,663	\$1,744,289	\$369,046	(\$45,570)	\$68,365	\$391,841	\$882,049
Nov-16	\$1,176,260	\$2,644,390	\$487,150	\$0	\$2,157,241	\$0	\$72,721	\$2,229,961	(\$1,053,702)
Dec-16	\$1,272,099	\$3,593,392	\$1,246,291	\$0	\$2,347,101	\$0	\$98,818	\$2,445,919	(\$1,173,820)
Jan-17	\$2,200,785	\$4,886,254	\$1,149,583	\$1,164,188	\$2,572,483	\$0	\$134,372	\$2,706,855	(\$506,070)
Feb-17	\$3,239,487	\$4,663,328	\$797,568	\$0	\$3,865,761	\$0	\$128,242	\$3,994,002	(\$754,515)
Mar-17	\$3,177,466	\$5,643,333	\$1,137,745	\$0	\$4,505,588	\$0	\$155,192	\$4,660,780	(\$1,483,314)
Apr-17	\$3,158,409	\$5,164,950	\$976,714	\$1,064,969	\$3,123,268	\$0	\$142,036	\$3,265,304	(\$106,894)
May-17	\$2,814,427	\$5,016,433	\$872,138	\$0	\$4,144,294	\$0	\$137,952	\$4,282,246	(\$1,467,819)
Jun-17	\$3,164,012	\$5,560,632	\$831,748	\$0	\$4,728,884	\$0	\$152,917	\$4,881,801	(\$1,717,790)
Totals	\$25,953,654	\$48,969,092	\$9,994,317	\$6,383,933	\$32,590,842	(\$45,570)	\$1,346,650	\$33,891,922	(\$7,938,268)

Column Descriptions:

- (a) LTCRER current period revenue, less 1.25% Uncollectibles allowance, per Company reports
- (b) per Contract invoices, less any capacity revenues
- (c) per ISO invoices
- (d) per Company records (number of RECs received x transfer price)
- (e) Column (b) - Col (c) - Col (d)
- (f) Performance Guarantee Deposit refunds for terminated contracts
- (g) Total Contract Cost x 2.75%
- (h) Column (e) + Column (f) + Column (g)
- (i) Column (a) - Column (h)

The Narragansett Electric Company  
Energy Efficiency Revenue and Expenses  
July 2016 - June 2017

<u>Month</u>	<u>Energy Efficiency Revenue</u>	<u>Energy Efficiency Expense</u>	<u>Monthly Over/(Under)</u>
	(a)	(b)	(c)
Jul-16	\$10,356,778	\$5,847,203	\$4,509,575
Aug-16	\$8,887,754	\$5,406,298	\$3,481,456
Sep-16	\$6,374,407	\$4,564,453	\$1,809,954
Oct-16	\$8,385,338	\$7,255,269	\$1,130,069
Nov-16	\$6,309,989	\$7,703,173	(\$1,393,185)
Dec-16	\$4,851,446	\$9,971,856	(\$5,120,410)
Jan-17	\$7,287,567	\$4,419,410	\$2,868,157
Feb-17	\$6,484,329	\$3,676,057	\$2,808,271
Mar-17	\$6,924,572	\$5,080,581	\$1,843,991
Apr-17	\$6,271,182	\$5,093,551	\$1,177,631
May-17	\$6,444,518	\$6,140,620	\$303,898
Jun-17	\$7,133,934	\$8,251,501	(\$1,117,567)
	<u>\$85,711,813</u>	<u>\$73,409,973</u>	<u>\$12,301,840</u>

Column Descriptions:

Column (a): per Company reports

Column (b): per Company expense accounting

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

The Narragansett Electric Company  
Renewable Energy Growth Revenue and Expenses  
July 2016 - June 2017

		Net RE Growth Revenue Adjusted for <u>Uncollectibles</u>	Net <u>PBI Payments</u>	Total <u>Administrative Costs</u>	Monthly <u>Over/(Under)</u>
		(a)	(b)	(c)	(d)
(1)	Jul-16	\$135,215	\$117,928	\$51,153	(\$33,866)
(2)	Aug-16	\$134,732	\$144,173	\$53,362	(\$62,803)
(3)	Sep-16	\$135,414	\$176,700	\$90,593	(\$131,879)
(4)	Oct-16	\$192,052	\$140,248	\$115,351	(\$63,547)
(5)	Nov-16	\$201,976	\$134,216	\$122,358	(\$54,598)
(6)	Dec-16	\$191,149	\$106,503	\$65,640	\$19,007
(7)	Jan-17	\$204,158	\$71,403	\$55,134	\$77,620
(8)	Feb-17	\$201,488	\$107,557	\$69,569	\$24,361
(9)	Mar-17	\$197,852	\$206,551	\$144,234	(\$152,934)
(10)	Apr-17	\$197,576	\$1,463,849	\$165,385	(\$1,431,658)
(11)	May-17	\$183,755	\$378,555	\$89,299	(\$284,098)
(12)	Jun-17	\$204,871	\$970,974	\$105,058	(\$871,161)
Totals		\$2,180,239	\$4,018,657	\$1,127,136	(\$2,965,554)

Column Descriptions:

- (a) Company revenue reports, adjusted for approved 1.25% Uncollectible Allowance
- (b) per Company reports, less proceeds of Market Products
- (c) per Company invoiced expenses for incremental costs, Meter and Billing System modification Revenue Requirements, direct incremental labor, and 1.75% Remuneration on Total PBI Payments; April 2017 through June 2017 costs are estimates, and may change prior to The Company's RE Growth Cost Recovery and Reconciliation Filing for Program Year 2018, to be filed no later than June 30, 2018
- (d) Column (a) - Column (b) - Column (c)

The Narragansett Electric Company  
Revenue Decoupling Mechanism  
July 2016 - June 2017

	Billed Distribution Revenue	Annual Target Revenue	Monthly Over/(Under)
	(a)	(b)	(c)
Jul-16	\$22,331,646	\$23,347,282	(\$1,015,636)
Aug-16	\$25,083,491	\$24,159,219	\$924,273
Sep-16	\$23,528,450	\$22,479,060	\$1,049,391
Oct-16	\$19,165,149	\$19,846,887	(\$681,738)
Nov-16	\$18,145,909	\$19,078,023	(\$932,114)
Dec-16	\$19,048,214	\$21,144,507	(\$2,096,293)
Jan-17	\$21,084,569	\$21,829,337	(\$744,768)
Feb-17	\$19,930,353	\$20,593,609	(\$663,257)
Mar-17	\$19,279,694	\$20,440,472	(\$1,160,777)
Apr-17	\$18,932,208	\$20,015,029	(\$1,082,821)
May-17	\$16,426,724	\$18,401,487	(\$1,974,763)
Jun-17	\$19,296,137	\$19,838,090	(\$541,952)
	\$242,252,545	\$251,173,000	(\$8,920,455)

Column Descriptions:

(a) per Company reports

(b) Annual Target Revenue per RIPUC Docket No. 4323,  
Compliance (Book 2) Attachment 3B (Schedule JAL-1),  
page 1, Line 45

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

The Narragansett Electric Company  
d/b/a National Grid  
Pension/PBOP (PAF Revenues and Expenses)  
July 2016 - June 2017

<u>Month</u>	<u>Pension/PBOB Adjustment Factor Revenue</u>	<u>Pension/PBOB Pension Expense</u>	<u>Monthly Over(Under)</u>
	(a)	(b)	(c)
Jul-16	\$82,972	\$81,080	\$1,892
Aug-16	\$94,331	\$81,080	\$13,250
Sep-16	\$89,140	\$81,080	\$8,060
Oct-16	\$254,200	\$584,481	(\$330,281)
Nov-16	\$486,709	\$584,481	(\$97,772)
Dec-16	\$530,309	\$584,481	(\$54,172)
Jan-17	\$581,826	\$584,481	(\$2,655)
Feb-17	\$545,311	\$584,481	(\$39,169)
Mar-17	\$531,360	\$584,481	(\$53,121)
Apr-17	\$528,358	\$584,481	(\$56,123)
May-17	\$470,377	\$584,481	(\$114,104)
Jun-17	\$529,783	\$584,481	(\$54,698)
Total	\$4,724,675	\$5,503,568	(\$778,893)

Column Descriptions:

(a) per Company reports

(b) July 16 - Sep 16 per Pension Adjustment Mechanism Filing Docket No. 4518  
Revised Schedule WRR-3

Oct 16 - June 17 per Pension Adjustment Mechanism Filing Docket No. 4637  
Revised Schedule WRR-2

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

Narragansett Gas  
Gas Cost Recovery (GCR) Revenues and Expenses  
July 2016 - June 2017

	Month	Revenue Collections (a)	Gas Costs (b)	Monthly Over/Under (c)= (a) - (b)
(1)	July-16	\$3,491,316	\$4,339,160	(\$847,844)
(2)	August-16	\$3,074,790	\$4,976,558	(\$1,901,768)
(3)	September-16	\$3,070,679	\$2,679,803	\$390,876
(4)	October-16	\$4,187,279	\$5,917,402	(\$1,730,124)
(5)	November-16	\$8,225,926	\$9,250,599	(\$1,024,674)
(6)	December-16	\$13,906,212	\$20,381,206	(\$6,474,995)
(7)	January-17	\$20,188,196	\$19,735,341	\$452,855
(8)	February-17	\$19,923,602	\$16,578,347	\$3,345,255
(9)	March-17	\$18,072,402	\$21,488,817	(\$3,416,415)
(10)	April-17	\$15,796,541	\$8,539,205	\$7,257,335
(11)	May-17	\$7,128,672	\$6,959,673	\$168,999
(12)	June-17	\$4,786,957	\$8,672,837	(\$3,885,880)
(13)	Total	\$121,852,571	\$129,518,949	(\$7,666,378)

Footnotes

Ln (1) - (9)

Col (a): RIPUC Docket No. 4647, FY 17 Annual GCR reconciliation (PUC 6-30-17), Schedule 1, Page 1, Line 44

Col (b): RIPUC Docket No. 4647, FY 17 Annual GCR reconciliation (PUC 6-30-17), Schedule 1, Page 1, Line 43

Ln (10) - (12)

Col (a): RIPUC Docket No. 4719, Attachment AEL-1 Revised, Page 6, Line (43)

Col (b): RIPUC Docket No. 4719, Attachment AEL-1 Revised, Page , Line (42)

Ln (13) Sum[(1) : (12)]

Narragansett Gas  
Distribution Adjustment Charges (DAC) Revenues and Expenses  
July 2016 - June 2017

	Month	Revenue Collections (a) *	DAC Costs (b)*	Monthly Over/Under (c)= (a) - (b)
(1)	July-16	\$412,261	\$632,167	(\$219,906)
(2)	August-16	\$379,118	\$600,616	(\$221,498)
(3)	September-16	\$389,641	\$626,112	(\$236,472)
(4)	October-16	\$494,433	\$698,812	(\$204,379)
(5)	November-16	\$1,478,505	\$2,225,415	(\$746,910)
(6)	December-16	\$3,623,713	\$3,715,238	(\$91,525)
(7)	January-17	\$5,214,131	\$4,345,437	\$868,694
(8)	February-17	\$5,005,407	\$5,484,230	(\$478,823)
(9)	March-17	\$4,524,226	\$4,875,755	(\$351,529)
(10)	April-17	\$4,534,471	\$4,523,179	\$11,292
(11)	May-17	\$2,443,072	\$3,164,836	(\$721,764)
(12)	June-17	\$1,670,989	\$1,942,183	(\$271,195)
(13)	Total	\$30,169,966	\$32,833,981	(\$2,664,015)

Footnotes

\* DAC includes revenues and costs associated with Sytem Pressure Factor, Environmental Response Factor, Prior Period Reconciliation Factors, On System Margin Factor, Pension & PBOB Factors, Earning Sharing Mechanism Factor, Revenue Decoupling Factor, Revenue Decoupling Reconciliation Factor, Infrastructure, Reliability, and Safety (ISR) Factor, and ISR Reconciliation Factor.

Ln (1)-(9) Col (a): RIPUC Docket No. 4708, Schedule 11 Pg1 Ln (4+27)+Pg 2 Ln (39+51+63)+Pg 3 Ln (75+87+99)+Pg 4 Ln (13+31)+ Pg 5 Ln (7+19)+Pg 6 Ln (31+43)+Pg 7 Ln (55+67)+Pg 8 Ln (79+91)+Schedule 8-S Pg 2 Ln ( 24-31)

Ln (10)-(12) Col (a) : RIPUC Docket No. 4708, Schedule 10-S Pg 2 Ln (4+20+28)+Pg 3 Ln (36+44+52+60+68)+Pg 5 Ln (8+22)+Pg 6 Ln(20+28+36+44)+Pg7 Ln (52+60+68+76)+Company ISR Revenues for Apr 17-Jun 17

Ln (1)-(4) Col (b): (RIPUC Docket No. 4634, Schedule 10-S Pg 2 Ln (19+27)+Pg 3 Ln (35+43+51+59+67)+Pg 5 Ln (7+21)+Pg 6 Ln(18+19+26+27+34+35+42+43)+Pg7 Ln (55+67+79+91)+RIPUC Dk No. 4590) spread volumetrically over the year

Ln (5)-(12) Col (b) : (RIPUC Docket No. 4708, Schedule 10-S Pg 2 Ln (19+27)+Pg 3 Ln (35+43+51+59+67)+Pg 5 Ln (7+21)+Pg 6 Ln(18+19+26+27+34+35+42+43)+Pg7 Ln (55+67+79+91)+RIPUC Dk No. 4678) spread volumetrically over the year

Narragansett Gas  
Energy Efficiency (EE) Revenues and Expenses  
July 2016 - June 2017

Month	Energy Efficiency Revenue (a) *	Energy Efficiency Expense (b)*	Over/Under (c)= (a) - (b)
(1) July-16	883,335	1,953,638	(1,070,303)
(2) August-16	625,853	1,295,336	(669,482)
(3) September-16	427,367	1,994,351	(1,566,985)
(4) October-16	375,721	1,418,067	(1,042,346)
(5) November-16	1,070,024	2,495,881	(1,425,858)
(6) December-16	1,098,809	4,874,123	(3,775,313)
(7) January-17	4,528,002	1,430,439	3,097,563
(8) February-17	4,275,195	1,399,948	2,875,247
(9) March-17	3,500,429	969,362	2,531,066
(10) April-17	2,240,413	2,710,525	(470,112)
(11) May-17	2,164,277	1,611,802	552,475
(12) June-17	1,432,104	2,002,152	(570,049)
(13) Total	\$22,621,529	\$24,155,624	(\$1,534,095)

\*- Company data

Index and Responses to the Commission's  
Rules on Practice and Procedure  
November 2017

Section 2.8(k) Calculation of the test year and rate year federal income tax amounts.

For regulatory purposes, recovered federal income taxes are calculated assuming an imputed capital structure and imputed interest deduction based on the weighted cost of debt times rate base.

Index and Responses to the Commission's  
Rules on Practice and Procedure  
November 2017

Section 2.8(1) Calculation of the test year and rate year deferred federal income tax amounts.

The test year and rate year deferred income tax amounts are set forth in the Pre-filed Direct Testimony and Schedules of Company Witness Melissa A. Little.

Index and Responses to the Commission's  
Rules on Practice and Procedure  
November 2017

Section 2.8(m) Description of the treatment of investment tax credits and any elections made under the Internal Revenue Code.

**Electric**

The investment tax credits being amortized on the books of the Narragansett Electric Company over the lives of the underlying assets were generated before the repeal of the regular percentage investment tax credit (ITC) provisions of the Internal Revenue Code. The regular percentage ITC was 10 percent of the qualified investment in property owned and in certain cases (by election) leased by the Company. An additional ITC was elected for certain pre-1987 years to fund a tax credit employee stock ownership plan.

**Gas**

This requirement is no longer applicable to the Company.

Index and Responses to the Commission's  
Rules on Practice and Procedure  
November 2017

Section 2.8(n) Consolidated tax return.

The Company's recoverable income tax is based on an imputed capital structure and imputed interest deduction and is not based on the Company's participation in a consolidated tax return.

Index and Responses to the Commission's  
Rules on Practice and Procedure  
November 2017

Section 2.8(o)	Calculation of the rate year tax expense for the Rhode Island Gross Receipts Tax.
	The revenue requirement analysis set forth in the Pre-filed Direct Testimony and Schedules of Company Witness Melissa A. Little excludes the impact of the Rhode Island Gross Receipts Tax.

Index and Responses to the Commission's  
Rules on Practice and Procedure  
November 2017

Section 2.8(p) Calculation and explanation of the method used to calculate the rate year municipal tax expense and the municipal tax expense by city/town for the prior three years.

Please refer to the Pre-filed Direct Testimony and Schedules of Company Witness Melissa A. Little for the calculation and explanation of the method used to calculate rate year municipal tax expense and municipal tax expense for the prior three years.

Index and Responses to the Commission's  
Rules on Practice and Procedure  
November 2017

Section 2.8(q)      Number of employees at the beginning and end of the test year and the dollar amount of overtime during the test year and the prior year. Number of employees and overtime reflected in the rate year.

The number of Electric Company employees at the beginning and end of the test year is 363 and 392, respectively. The number of Gas Company employees at the beginning and end of the test year is 366 and 342, respectively. The number of Electric Company employees at the beginning and end of the rate year is 392 and 450, respectively. The number of Gas Company employees at the beginning and end of the rate year is 342 and 381, respectively.

The dollar amount of overtime paid to Company employees during the test year, the previous calendar year and the rate year is as follows:

**Electric**

<u>Period</u>	<u>Amount</u>
Rate Year 1 ending August 31, 2019	\$10,932,596
Test Year ended June 30, 2017	\$10,575,275
Calendar Year ended June 30, 2016	\$10,997,860

**Gas**

<u>Period</u>	<u>Amount</u>
Rate Year 1 ending August 31, 2019	\$10,378,222
Test Year ended June 30, 2017	\$10,083,549
Calendar Year ended June 30, 2016	\$8,873,396

Index and Responses to the Commission's  
Rules on Practice and Procedure  
November 2017

- Section 2.8(r)      Summary of transactions with affiliated companies, officers, and stockholders which occurred during the test year.
- A summary of the net receivable / (payable) balances representing transactions with affiliates at the beginning and end of the test year as well as the latest balances prior to the filing, is as follows:

The Narragansett Electric Company  
d/b/a National Grid  
RIPUC Docket No. 4770  
General Rate Case  
Filing Requirements

Index and Responses to the Commission's  
Rules on Practice and Procedure  
November 2017

	June 2016	June 2017	September 2017
NGUSA Service Company	\$ (18,082,234)	\$ (19,322,081)	\$ (12,274,182)
NG Engineering Svcs, LLC	\$ 1,816,512	\$ 1,822,240	\$ 1,821,405
Massachusetts Electric Company	\$ (29,416,741)	\$ (60,559,107)	\$ (68,185,609)
New England Power Company	\$ 8,369,513	\$ 20,186,446	\$ 17,726,431
National Grid USA Parent	\$ (1,097,282)	\$ (989,478)	\$ (351,212)
KeySpan Corporation	\$ -	\$ -	\$ -
NG NEHoldings 2 LLC	\$ -	\$ -	\$ -
National Grid Electric Service	\$ (82,677)	\$ (82,677)	\$ (82,677)
PSEG Electric Service TSA Co	\$ (339)	\$ (339)	\$ (339)
Niagara Mohawk Power Corp	\$ (198,493)	\$ (556,988)	\$ (29,310)
Brooklyn Union Gas-KEDNY	\$ 11,281	\$ 11,525	\$ 10,883
KS Gas East Corp-KEDLI	\$ (493)	\$ (35,167)	\$ (200)
Nantucket Electric Co	\$ (1,083)	\$ 153	\$ 2,886
Boston Gas Company	\$ (46,282)	\$ (16,079)	\$ (21,094)
Colonial Gas Company	\$ (106)	\$ (247)	\$ 1,537
Granite St Elec-Post Sale	\$ -	\$ -	\$ -
NE Hydro-Trans Elec Co	\$ -	\$ -	\$ -
NE Hydro-Trans Corp	\$ (84)	\$ (84)	\$ (13)
NE Electric Trans Corp	\$ -	\$ -	\$ -
NG LNG LP RegulatedEntity	\$ 108,804	\$ 107,865	\$ 108,203
NG Generation LLC	\$ 81,530	\$ 82,149	\$ 82,149
Metrowest Realty LLC	\$ (167,777)	\$ (167,778)	\$ (167,778)
Wayfinder Group, Inc.	\$ 169,451	\$ 169,451	\$ 169,451
Prudence Corporation	\$ (245,716)	\$ (245,715)	\$ (245,716)
NG Energy Trading Svcs	\$ 244,093	\$ 244,093	\$ 244,093
NG Development Holdings Corp	\$ (182)	\$ (183)	\$ (182)
KS Home Energy Svcs, LL	\$ (650,958)	\$ (650,958)	\$ (650,958)
Valley Appliance & Merch	\$ (1,074,829)	\$ (1,623,928)	\$ (1,481,543)
Net receivable (payable)	\$ (40,264,092)	\$ (61,626,886)	\$ (63,323,773)

Index and Responses to the Commission's  
Rules on Practice and Procedure  
November 2017

Section 2.8(s)      Statements or financial data are to be provided when the test year does not coincide with the latest fiscal year:

- (1) balance sheet
- (2) income statement
- (3) statement of changes in retained earnings

Please refer to Workpaper MAL-11 provided in the Company's rate filing, RIPUC Docket No. 4770, for the requested information.

Index and Responses to the Commission's  
Rules on Practice and Procedure  
November 2017

Section 2.8(t)      Utility assets pledged as security.

**Electric**

None of the Company's electric utility assets are currently pledged as security on loans, notes or any other form of debt instrument.

**Gas**

Virtually all the Company's utility assets are pledged as security in its First Mortgage Bonds. A full set of the various bond purchase agreements and covenants will be provided upon request.

Index and Responses to the Commission's  
Rules on Practice and Procedure  
November 2017

Section 2.8(u)      Summary of expenses related to the instant rate case and unamortized  
amounts from prior rate filings.

For a summary of rate case expenses associated with this proceeding,  
please see the Pre-filed Direct Testimony and Schedules of Company  
Witness Melissa A Little. The Narragansett Electric Company does not  
have an unamortized balance from its 2012 Electric and Gas Rate Filing,  
RIPUC Docket No. 4323.

Index and Responses to the Commission's  
Rules on Practice and Procedure  
November 2017

Section 2.8(v) Information for the preceding five years disclosing the following:

- (1) non-accounted for water
- (2) loss on transmission of electricity or gas
- (3) utility's use of water, electricity, or gas

Only sections (2) and (3) are applicable to the Company.

**Electric**

<u>Year</u>	<u>Losses &amp; Unaccounted for (MWH)</u>	<u>Own Use of (MWH)</u>
2012	(383,817)	9,381
2013	197,111	10,402
2014	(329,069)	13,007
2015	(486,503)	12,012
2016	(244,199)	12,530

**Gas**

<u>Year</u>	<u>Line Loss Unaccounted (mcf)</u>	<u>Gas Used (mcf)</u>
2012 - 2013	1,364,200	41,903
2013 - 2014	1,242,411	45,928
2014 - 2015	1,369,861	45,973
2015 - 2016	1,222,236	37,350
2016 - 2017	1,191,940	34,770

Index and Responses to the Commission's  
Rules on Practice and Procedure  
November 2017

Section 2.8(w)      Summary of the status of compliance and reporting required by prior  
Commission orders.

To the best of the Company's knowledge, the Company is in compliance  
with prior Commission orders.



The Narragansett Electric Company  
d/b/a National Grid  
RIPUC Docket No. 4770  
General Rate Case  
Filing Requirements

Index and Responses to the Commission's  
Rules on Practice and Procedure  
November 2017

Summary of Advertising Expenses by Account - Electric

The Narragansett Electric Company d/b/a National Grid						
Summary of Advertising Expenses by Account						
Test Year Ended June 30, 2017						
			(a)	(b)	(c)	(d)
<u>Account</u>	<u>Account Description</u>		<u>Total Test Year</u> <u>Advertising</u> <u>Expenses</u>	<u>Advertising</u> <u>Expenses</u> <u>Included in</u> <u>COS</u>	<u>Advertising</u> <u>Expenses</u> <u>Excluded from</u> <u>COS</u>	<u>Advertising</u> <u>Expenses</u> <u>Included in</u> <u>COS</u>
426	Below the line		\$0.00	\$165,585	\$0.00	\$165,585
908	Customer Assistance expenses		\$109,732	\$0.00	\$0.00	\$109,732
909	Informational and Instructional Advertising Expenses		\$119,422	\$0.00	\$0.00	\$119,422
913	Advertising Expenses		\$41,495	\$0.00	\$895	\$40,601
920	Administrative & General salaries		\$8,792	\$0.00	\$114	\$8,678
921	Office Supplies and Expenses		\$1,813	\$0.00	\$0	\$1,813
923	Outside Services		\$9,045	\$0.00	\$354	\$8,691
	<b>Total Advertising Expenses</b>		<b>\$290,299</b>	<b>\$165,585</b>	<b>\$1,362</b>	<b>\$454,522</b>
<b>Column Notes</b>						
(d)	Column (a) + (b) - (c)					

The Narragansett Electric Company  
d/b/a National Grid  
RIPUC Docket No. 4770  
General Rate Case  
Filing Requirements

Index and Responses to the Commission's  
Rules on Practice and Procedure  
November 2017

Summary of Advertising Expenses by Account - Gas

The Narragansett Electric Company d/b/a National Grid -Gas Division							
Summary of Advertising Expenses by Account							
Test Year Ended June 30, 2017							
			(a)	(b)	(c)	(d)	
			<u>Total Test Year</u>	<u>Advertising</u>	<u>Advertising</u>	<u>Advertising</u>	
			<u>Advertising</u>	<u>Expenses</u>	<u>Expenses</u>	<u>Expenses</u>	
			<u>Expenses</u>	<u>Included in</u>	<u>Excluded from</u>	<u>Included in</u>	
				<u>COS</u>	<u>COS</u>	<u>COS</u>	
<u>Account</u>	<u>Account Description</u>						
426	Below the line		\$0.00	\$150,585			\$150,585
908	Customer Assistance expenses		\$97,498				\$97,498
909	Informational and Instructional Advertising Expenses		\$25,939				\$25,939
912	Demonstrating and Selling Expenses		\$150				\$150
913	Advertising Expenses		\$42,181		\$393		\$41,788
920	Administrative & General salaries		\$5,101		\$114		\$4,987
921	Office Supplies and Expenses		\$985				\$985
923	Outside Services		\$3,137		\$192		\$2,945
	<b>Total Advertising Expenses</b>		<u>\$174,991</u>	<u>\$150,585</u>	<u>\$699</u>		<u>\$324,877</u>
<b>Column Notes</b>							
(d) Column (a) + (b) - (c)							

The Narragansett Electric Company d/b/a National Grid			
Summary of Advertising Expenses by Account			
Test Year Ended June 30, 2017			
Vendor Name	Invoice #	Total Invoice	Allocated to Electric
THE PROVIDENCE JOURNAL CO.	200302800	\$55,000	\$32,500
MEDIA GENERAL / WPRI / LIN TELEVISI	NG2017	\$66,000	\$33,000
PAWTUCKET RED SOX	1962	\$55,000	\$27,500
PSE AGENCY	3092	\$170	\$85
RHODE ISLAND ZOOLOGICAL SOCIETY	8-17	\$15,000	\$7,500
THE PROVIDENCE JOURNAL CO.	20160615	\$50,000	\$25,000
WATERFIRE PROVIDENCE	1783A	\$80,000	\$40,000
KELLIHER SAMETS VOLK	19978	\$24,100	\$1,205
KELLIHER SAMETS VOLK	19861	\$55,100	\$2,755
KELLIHER SAMETS VOLK	19703	\$43,000	\$2,150
KELLIHER SAMETS VOLK	20331	\$32,400	\$1,620
KELLIHER SAMETS VOLK	20511	\$62,400	\$3,120
KELLIHER SAMETS VOLK	20825	\$14,000	\$7,000
KELLIHER SAMETS VOLK	20734	\$1,422	\$711
KELLIHER SAMETS VOLK	20051	\$35,176	\$1,759
KELLIHER SAMETS VOLK	19707	\$210,968	\$10,548
KELLIHER SAMETS VOLK	19576	\$174,500	\$8,725
KELLIHER SAMETS VOLK	20221	\$380,114	\$15,125
KELLIHER SAMETS VOLK	19909	\$77,593	\$3,880
KELLIHER SAMETS VOLK	19757	\$85,782	\$4,289
KELLIHER SAMETS VOLK	20270	\$219	\$52
KELLIHER SAMETS VOLK	20644	\$125,000	\$6,250
KELLIHER SAMETS VOLK	20180	\$17,200	\$860
KELLIHER SAMETS VOLK	21316	\$25,000	\$1,250
KELLIHER SAMETS VOLK	19349	\$82,000	\$4,100
KELLIHER SAMETS VOLK	21472	\$75,000	\$5,205
KELLIHER SAMETS VOLK	21635	\$419,730	\$29,129
BITLY INC	11745	\$11,400	\$1,492
MRY US LLC	24543	\$42,394	\$3,260
MRY US LLC	24573	\$42,394	\$3,260
MRY US LLC	24805	\$42,394	\$3,260
MRY US LLC	24935	\$42,394	\$3,260
MRY US LLC	25066	\$42,394	\$3,260
MRY US LLC	25245	\$42,394	\$3,260
MRY US LLC	25262	\$42,394	\$3,260
MRY US LLC	25410	\$42,394	\$3,260
MRY US LLC	25695	\$42,394	\$3,260
MRY US LLC	25789	\$42,394	\$3,158
MRY US LLC	23524	\$42,021	\$3,158
MRY US LLC	24234	\$42,021	\$3,158
MRY US LLC	23523	\$3,890	\$292
SPRINKLR, INC.	18611	\$98,908	\$7,473
VEER WEST LLC	2590	\$5,750	\$434
MRY US LLC	24236	\$24,000	\$1,813
INNERWORKINGS INC	5006934-1	\$13,727	\$13,727
INNERWORKINGS INC.	2633234-1	\$2,102	\$2,102
INNERWORKINGS INC	5005383-1	\$13,727	\$13,727
INNERWORKINGS INC.	2676302-1	\$86,549	\$6,933
INNERWORKINGS INC	2790748-1	\$3,965	\$1,308
INNERWORKINGS INC.	2743424-1	\$39,836	\$11,951
INNERWORKINGS INC	2659994-1	\$9,647	\$9,647
INNERWORKINGS INC.	5005385-1	\$5,809	\$5,809
INNERWORKINGS INC	2744867-1	\$86,278	\$6,902
INNERWORKINGS INC.	5005823-1	\$86,278	\$6,902
INNERWORKINGS INC	5005822-1	\$86,212	\$6,897
INNERWORKINGS INC.	5005781-1	\$9,388	\$9,388
INNERWORKINGS INC	5005820-1	\$14,366	\$4,022
INNERWORKINGS INC.	5005387-1	\$14,633	\$4,097
INNERWORKINGS INC	5008781-1	\$7,612	\$2,131
INNERWORKINGS INC.	2604732-1	\$86,449	\$6,916
INNERWORKINGS INC.	5010037-1	\$87,011	\$6,961
CONSOLIDATED MARKETING SVCS	369948	\$937	\$466
WESTERLY ARMORY RESTORATION	1	\$380	\$190
BANNER SEVENTEEN LLC	PDL5405890	\$945	\$114
CVENT INC.	249716	\$42,884	\$4,625
DOUBLEDUTCH INC	SIN005342	\$7,500	\$553
SACKS EXHIBITS	16-3419	\$28,000	\$2,998
SACKS EXHIBITS	16-2672	\$1,565	\$168
SACKS EXHIBITS	16-3252	\$2,660	\$285
INTEGRATED MARKETING SERVICES INC.	3187-16	\$75	\$8
INTEGRATED MARKETING SERVICES INC.	2987-16	\$510	\$55
<b>Grand Total</b>			<b>\$454,522</b>

The Narragansett Electric Company d/b/a National Grid - Gas Division			
Summary of Advertising Expenses by Account			
Test Year Ended June 30, 2017			
Vendor Name	Invoice #	Total Invoice	Allocated to Gas
THE PROVIDENCE JOURNAL CO.	200302800	\$55,000	\$17,500
MEDIA GENERAL / WPRI / LIN TELEVISI	NG2017	\$66,000	\$33,000
PAWTUCKET RED SOX	1962	\$55,000	\$27,500
PSE AGENCY	3092	\$170	\$85
RHODE ISLAND ZOOLOGICAL SOCIETY	8-17	\$15,000	\$7,500
THE PROVIDENCE JOURNAL CO.	20160615	\$50,000	\$25,000
WATERFIRE PROVIDENCE	1783A	\$80,000	\$40,000
KELLIHER SAMETS VOLK	19978	\$24,100	\$1,205
KELLIHER SAMETS VOLK	19861	\$55,100	\$2,755
KELLIHER SAMETS VOLK	19703	\$43,000	\$2,150
KELLIHER SAMETS VOLK	20331	\$32,400	\$1,620
KELLIHER SAMETS VOLK	20511	\$62,400	\$3,120
KELLIHER SAMETS VOLK	20825	\$14,000	\$7,000
KELLIHER SAMETS VOLK	20734	\$1,422	\$711
KELLIHER SAMETS VOLK	20051	\$35,176	\$1,759
KELLIHER SAMETS VOLK	19707	\$210,968	\$10,548
KELLIHER SAMETS VOLK	20666A	\$3,500	\$3,500
KELLIHER SAMETS VOLK	19576	\$174,500	\$8,725
KELLIHER SAMETS VOLK	20221	\$380,114	\$15,125
KELLIHER SAMETS VOLK	19909	\$77,593	\$3,880
KELLIHER SAMETS VOLK	19757	\$85,782	\$4,289
KELLIHER SAMETS VOLK	20644	\$125,000	\$6,250
KELLIHER SAMETS VOLK	20180	\$17,200	\$860
KELLIHER SAMETS VOLK	21316	\$25,000	\$1,250
KELLIHER SAMETS VOLK	19349	\$82,000	\$4,100
KELLIHER SAMETS VOLK	21472	\$75,000	\$2,828
KELLIHER SAMETS VOLK	21635	\$419,730	\$15,824
BITLY INC	11745	\$11,400	\$651
MRY US LLC	24543	\$42,394	\$1,301
MRY US LLC	24573	\$42,394	\$1,301
MRY US LLC	24805	\$42,394	\$1,301
MRY US LLC	24935	\$42,394	\$1,301
MRY US LLC	25066	\$42,394	\$1,301
MRY US LLC	25245	\$42,394	\$1,301
MRY US LLC	25262	\$42,394	\$1,301
MRY US LLC	25410	\$42,394	\$1,301
MRY US LLC	25695	\$42,394	\$1,301
MRY US LLC	25789	\$42,394	\$1,378
MRY US LLC	23524	\$42,021	\$1,378
MRY US LLC	24234	\$42,021	\$1,378
MRY US LLC	23523	\$3,890	\$126
SPRINKLR, INC.	18611	\$98,908	\$4,060
VEER WEST LLC	2590	\$5,750	\$236
MRY US LLC	24236	\$24,000	\$985
SPPRO INC	41997	\$750	\$150
IDEAS AGENCY INC.	3835	\$780	\$390
IDEAS AGENCY INC.	3836	\$350	\$350
IDEAS AGENCY INC.	3889	\$300	\$75
IDEAS AGENCY INC.	3920	\$1,000	\$500
IDEAS AGENCY INC.	3977	\$9,075	\$1,815
QUESTLINE INC.	31017F	\$1,815	\$453
INNERWORKINGS INC	2685337-2	\$12,351	\$12,351
INNERWORKINGS INC	2685337-1	\$9,230	\$9,230
INNERWORKINGS INC.	2676302-1	\$86,549	\$4,327
INNERWORKINGS INC	2744867-1	\$86,278	\$4,314
INNERWORKINGS INC.	5005823-1	\$86,278	\$4,314
INNERWORKINGS INC	5005822-1	\$86,212	\$4,311
INNERWORKINGS INC.	2604732-1	\$86,449	\$4,322
INNERWORKINGS INC.	5010037-1	\$87,011	\$4,351
CONSOLIDATED MARKETING SERVICES	369,948	\$937	\$466
WESTERLY ARMORY RESTORATION INC	1	\$380	\$190
BANNER SEVENTEEN LLC	PDL5405890	\$945	\$36
CVENT INC.	249,716	\$42,884	\$2,645
DOUBLEDUTCH INC	SIN005342	\$7,500	\$300
<b>Grand Total</b>			<b>\$324,877</b>

FOR INVOICE INQUIRIES CALL:  
401.277.7211  
E-mail: jnkun@providencejournal.com  
FOR PAYMENT INQUIRIES CALL:  
401.277.7407

INVOICE DATE: 04/27/17

# PROVIDENCE Journal

Advertising Invoice & Statement  
Federal ID 47-1273785

Advertiser/Agency	ACCOUNT#
NATIONAL GRID	200302900
Client	ACCOUNT#
NATIONAL GRID	200302900

PAGE 1 of 1

Date	Description/Comments	Net Amount
08/21/17	AS State Title Sponsorship	\$0.00
08/21/17	AS State Student Scholarship	\$0.00
We appreciate your business		

CURRENT AMOUNT	OVER 30 DAYS	OVER 60 DAYS	OVER 90 DAYS	PAID ON ACCOUNT	TOTAL ACCOUNT DUE
\$55,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$55,000.00

INVOICE DATE: 04/27/17

To ensure proper credit, please include your account number on your check; detach and return this portion with your remittance.

CURRENT AMOUNT	OVER 30 DAYS	OVER 60 DAYS	OVER 90 DAYS	PAID ON ACCOUNT	TOTAL ACCOUNT DUE
\$55,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$55,000.00

Advertiser	Advertiser Account #	Client Name	Client Account #	Invoice Date
NATIONAL GRID	200302900	NATIONAL GRID	200302900	08/01/17

## REMIT TO:

The Providence Journal  
P.O. Box 382803  
Pittsburgh, PA 15251-8803

NATIONAL GRID  
40 SYLVAN RD  
WALTHAM, MA 02451

<b>nationalgrid</b>		<b>PAY IMMEDIATELY</b>		<b>PAYMENT REQUEST</b> <span style="float: right;">7340</span>	
Date: <u>5/24/2017</u>		Due Date: <u>5/24/17 - PAST DUE</u>			
Check One Method of Payment					
<input checked="" type="checkbox"/> CHECK		<input type="checkbox"/> ACH		<input type="checkbox"/> WIRE	
Check Stub Message: (max. limit of 50 Characters)		Bank Name:		Bank Name:	
		Routing #:		Routing #:	
(Check One): Separate Check: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Mail Check to Payee: <input checked="" type="checkbox"/> <input type="checkbox"/> OR Mail Check to Internal Location:		Account #:		Account #:	
		Reference Information for Beneficiary			
Location of Service (Required Information):		AP Use Only			
City: <u>1 Metrotech Ctr, Brooklyn</u> State: <u>NY</u> Zip Code: <u>11201</u>		Wired By:		Authorized By:	
		Value Date:		ET #:	
Vendor Information					
Payable To: <u>The Providence Journal</u>				Vendor #: <u>1000013185</u>	
Address: <u>P.O. Box 382803, Pittsburgh, PA, 15251-8803</u>				Invoice #: <u>200302800</u>	
Reason for Payment: <u>Sponsorship Fees</u>				Company Code: <u>5360</u> Amount: <u>\$55,000.00</u>	
National Grid Accounting					
G/L Account	Profit Center	WBS	Order	Operation	Amount
<u>C6604410</u>			<u>Y5360087835</u>		<u>\$5,000.00</u>
<u>C6604410</u>	<u>RIE1000</u>		<u>N0000261712</u>		<u>\$32,500.00</u>
	<u>Cost Ctr:3205</u>				
<u>C6604410</u>	<u>RIG1000</u>		<u>N0000261713</u>		<u>\$17,500.00</u>
	<u>Cost Ctr:3205</u>				
Approver's Name:			Approver Employee ID #/APB: <u>72019483</u>		
Preparer's Name:			Preparer Phone: <u>929-324-4356</u>		
NON-PURCHASE ORDER CATEGORY					
01 Advertising	04 Subscriptions	12 Membership/Marketing Programs	24 Outside Services	33 Subscription	
02 Agency/Office	05 Printing	25 Insurance/Reinsurance	25 Outside Services	34 Insurance/Reins/Tolls	
03 Personal Payment	13 Post Paid*	26 Legal Professional Services	27 Payments on Behalf of EPA	35 Tax Payments/Reimbursements	
04 Charitable/Nonprofit	14 Post Leasing*	27 Legal Professional/Claims	28 Public/Charity/Nonprofit	36 Training/Registration/Events	
05 Charitable/Nonprofit	15 Freight/Freight	28 Member B2B	29 Real Estate Rentals/Leases	37 Utility/Telephone/Internet/Net	
06 Charitable/Nonprofit	16 Government/Municipality	29 Outside Services	30 Outside Services	38 Other-Event by approved AP	
07 Charitable/Nonprofit	17 Outside Services	30 Transportation Services	31 Refund/Adjustment/Reimburse		
08 Charitable/Nonprofit	18 Outside Services	31 Refund/Adjustment/Reimburse	32 A&S Initiatives		
09 Charitable/Nonprofit	19 Outside Services	32 A&S Initiatives			
Please Choose One					

\*Sales tax paid for these services/materials

Forward tax Accounts Payable Administrator for Processing

Accounts Payable 05-24-17: 13:21:37 Received

KOBI

7286



# MEMO INVOICE

Remit Payments to:  
WPRI-TV  
P.O. Box 423111  
Atlanta, GA 30384

Overnight Remit to:  
WPRI  
6000 Peachtree Rd.  
College Park, GA 30048

BILL TO:		Advertiser Name:		National Grid	
National Grid USA Ser		Billing Period:		2/2017 - 2/2018	
40 Sylvan Road		Salesperson/Office:		Chapman / WPRI - East Providence, RI	
Waltham, MA 02451		Rev. Type:			
		Est#: NG2017			
Comments:		MEMO BILL ONLY			
		Scheduled			
Ordered	Rate		Description		
Severe Weather Week Sponsorship	\$ 5,000.00		Min. 30s :30 sec commercial spots airing across Eyewitness News premium day parts		
(Week TBD)	(\$5,000/total)		Min. 100 Shared SWW promotional spots on WPRI, WNAC, & MyRI		
			On-Line Field digital ad placement on WPRI.com Severe Weather Week page		
			WPRI.com home page billboard - 1 day of choice during the week		
			Data TBD		
Event Trigger Campaigns	\$3,750/Ea		Min. 4 w/ client approval (more are available- rate would be adjusted)		
(4x / year)	(\$15,000/total)		Inclement weather, own wpri.com with billboard and roadblock		
Rhode Show Appearances w/ Facebook Extension and Digital ROA of 100K	\$3000/ Ea.		Each quarter a 3 min segment on Rhode Show, 100 000 ROS Impressions on WPRI.com desktop & mobile		
(4 x / year)	(\$12,000/total)		Facebook extension of segment targeted to the RI & Southeastern, MA designated market area- min. 300 video views		
Facebook Branded Post on WPRI's & rhodeshow's Facebook pages	\$1,000 / Ea.		Direct access to wpri and rhodeshow's Facebook pages and followers (Over 150 000 currently) 1 post for quarter- NG can dictate the content.		
(4x / year)	(\$4,000/total)				
School Closing Sponsorship	\$ 12,000.00		Only sponsorship integration with WPRI / WNAC News and weather. Logo will appear on scroll at bottom. List of school closings.		
(Dec/Jan/Feb/March)	(\$12,000/total)		> 1,000,000 ROA Impressions on WPRI.com desktop, mobile & tablet, Logo Inclusion & 300 x 250 on the Pinpoint Closing Page on WPRI.com		
			> Minimum of 25s Promotional Spots on WPRI, WNAC & MYRI listing NG as supporting sponsor		
Wpri Weather App - Supporting Sponsor	\$ 18,000.00		Supporting Sponsor of the WPRI mobile weather app.		
	(\$18,000/total)		> cpm 50% of the ad impression / own 50% of the video pre-roll		
			> 200,000 monthly impressions on wpri.com's desktop & mobile sites		
Total Gross	\$ 66,000.00				
Net Due					

National Grid  
Signature

Date: \_\_\_\_\_

WPRI  
Signature

Date: \_\_\_\_\_

Accounts Payable 01-30-17: 08:26:36 Received

nationalgrid		PAY IMMEDIATELY		PAYMENT REQUEST		7	
Date: 27-Jan				Due Date: 1/27/17 - PAY IMMEDIATELY			
Check One Method of Payment							
<input checked="" type="checkbox"/> CHECK		<input type="checkbox"/> ACH		<input type="checkbox"/> WIRE			
Check Stub Message: (max. limit of 50 Characters)		Bank Name		Bank Name			
		Routing #		Routing #			
(Check One): Yes No		Account #		Account #			
Separate Check		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>			
Mail Check to Payee		<input checked="" type="checkbox"/>		Reference Information for Beneficiary			
OR							
Mail Check to Internal Location:							
Location of Service (Required Information):		AP Use Only:					
City: Brooklyn		Wired By:		Authorized By:			
State: NY		Zip Code: 11201		Value Date:		ET #:	
Vendor Information							
Payable To: WPRI-TV				Vendor #: 1000038763			
Address: PO Box 403911, Atlanta, GA 30384				Invoice #: NG2017			
Reason for Payment: 2017 Advertising/Sponsorship				Paying Company: 5360		Amount: \$66,000.00	
National Grid Accounting							
G/L Account	Profit Center	WBS	Order	Operation	Amount		
C6604300	RIE1000		N0000261712		\$33,000.00		
	Cost Ctr:3205						
C6604300	RIG1000		N0000261713		\$33,000.00		
	Cost Ctr:3205						
Approver's Name:		Alyssa Keller		72019483			
Preparer's Name:		Lystine Cuth (71026501)		929-324-4356			
NON-PURCHASE ORDER CATEGORY							
01 Advertising	09 Investments	17 Insurance/Marketing Programs	25 Satellite Services	33 Subscriptions			
02 Assets/Gifts	10 Funding	18 Inspection/Maintenance	Inactive	34 Surveys/DNR/Title			
03 Capital Payment	11 Fleet Fuel*	19 Legal Fees and Services	27 Payments on Behalf of EPA	35 Tax Payments/Assessments			
Inactive	12 Fleet Leasing*	20 Legal/Retirement/Claims	28 Police/Security/Marshall	36 Training/Registration/Summit			
04 Charitable/Sponsorship	13 Freight/Freightage	21 Marketing & PR	29 Real Estate Broker/Leases	37 Utility/Telephone/Internet/Ad			
05 Charities/Safety Shows	14 Government/Municipality	Inactive	30 Safety Program	38 Other must be approved AP			
Inactive	15 Materials/Landfill*	22 Transportation Services	31 Deferred/Adm. Services	Please Choose One			
06 Dues/Fees/Permits	16 PPE/Mod/Weather on Equip	23 Natural Gas/Energy Purch	32 ASO Inactive				

\*Sales tax paid for these services/materials

Forward to: Accounts Payable Administrator for Processing

Accounts Payable 01-30-17: 08:26:36 Received

Pawtucket Red Sox Baseball Club  
1 Columbus Ave  
Pawtucket, RI 02860  
(401) 724-7300  
www.pawsox.com



INVOICE # 1962  
DATE 01/18/2017  
DUE DATE 04/01/2017

**BILL TO**  
~~Gardner Nelson & Partners~~  
National Grid  
Sara Merena  
40 Sylvan Road  
Waltham, MA 02451

Please detach top portion and return with your payment.

2017 Sponsorship Agreement

55,000.00

**BALANCE DUE**

**\$55,000.00**

**Accounts Payable 01-30-17: 08:26:06 Received**

<b>nationalgrid</b>		PAY IMMEDIATELY		PAYMENT REQUEST <span style="color: red; font-size: 1.5em;">7285</span>	
Date: <u>27-Jan</u>		Due Date: <u>1/27/17 - PAY IMMEDIATELY</u>			
Check One Method of Payment					
<input checked="" type="checkbox"/> CHECK		<input type="checkbox"/> ACH		<input type="checkbox"/> WIRE	
Check Stub Message (max. limit of 50 Characters)		Bank Name:		Bank Name:	
		Routing #		Routing #	
(Check One) Yes: No:		Account #		Account #	
Separate Check <input type="checkbox"/>					
Mail Check to Payee <input checked="" type="checkbox"/>					
OR					
Mail Check to Internal Location				Reference Information for Beneficiary	
Location of Service (Required Information):		AP Use Only:			
City: <u>Brooklyn</u>	State: <u>NY</u>	Zip Code: <u>11201</u>	Wired By: _____		Authorized By: _____
			Value Date: _____		ET #: _____
Vendor Information					
Payable To: <b>Pawtucket Red Sox Baseball Club, Inc.</b>			Vendor #: <b>1000002276</b>		
Address: <b>PO Box 2365, Pawtucket, RI 02861</b>			Invoice #: <b>1962</b>		
Reason for Payment: <b>2017 Sponsorship Agreement</b>			Paying Company: <b>5360</b>		Amount: <b>\$55,000.00</b>
National Grid Accounting					
G/L Account	Profit Center	WBS	Order	Operation	Amount
C6604300	RIE1000		N0000261712		\$27,500.00
	Cost Ctr=3205				
C6604300	RIG1000		N0000261713		\$27,500.00
	Cost Ctr=3205				
Please Print			Employee ID#		
Approver's Name: <b>Alyssa Keller</b>			72019483		
Please Print			Phone Number		
Preparer's Name: <b>Lystine Cuth (71026501)</b>			929-324-4356		
NON-PURCHASE ORDER CATEGORY					
01 Advertising	08 Leases	07 Promotional Marketing Program	25 Outside Services	32 In-Store Location	
02 Awards/Grants	09 Flagging	08 Inspection/Insurance	04 Insurance/DMV/Traffic	04 Insurance/DMV/Traffic	
03 Financial Payment	10 Fleet Fuel	09 Legal Professional Services	07 Payments on Behalf of JSA	25 Tax Payment of Assets/Assets	
04 Insurance	11 Fleet Leasing	10 Legal/Settlement/Claims	08 Public/Spent for Materials	06 Training/Registration/Person	
05 Charitable/ Sponsorship	12 Freight/Postage	11 Marketing Bill	09 Real Estate Rental Expenses	17 Utility/Telephone/Internet/Ad	
06 Clothing/ Safety Shoes	13 Government/Reliance/Relief	04 Insurance	10 Rebate Program	16 Other must be approved AP	
07 Charitable/ Sponsorship	14 Freight/Loading	12 Transportation Services	11 Refund/Adjust/Re-estimate		
08 Clothing/ Safety Shoes	15 Real Estate/Personal Care	13 Real Estate/Personal Care	11 ASB on Letter		
09 Charitable/ Sponsorship	16 Real Estate/Personal Care	14 Real Estate/Personal Care			
Please Choose One					
*Sales tax paid for these services/materials					
Forward to: Accounts Payable Administrator for Processing					

Accounts Payable 01-30-17: 08:26:06 Received

PSE Agency  
1 La Salle Sq  
Providence, RI 02903  
(401) 273-5000  
www.pseagency.com/



# INVOICE

INVOICE # 3092  
DATE 08/15/2016  
DUE DATE 09/01/2016

**BILL TO**  
Sara Merena  
National Grid  
40 Sylvan Road  
Waltham, MA 02451

Please detach top portion and return with your payment.

ACTIVITY	QTY	AMOUNT
Rinkboard Advertising	2	169.60

You can remit your balance due over the phone by credit card or payments via check can made out to PSE Agency and mailed to:

**BALANCE DUE**

**\$169.60**

Matt Generali  
1 La Salle Square  
Providence, RI 02903

## G/L: C6604410 (Sponsorship)

Order	Description	Company Code	4-digit cc	Responsible Cctr	Profit Center	WBS element
N0000261712	5360E-Sponsorships - NarrElec	5360	3205	32055360E	R1E1000	N012127.426101
N0000261713	5360G-Sponsorships - NarrGas	5360	3205	32055360G	R1G1000	N012128.426101

50%- 50%



7331

INVOICE # 8-17

February 10, 2017

Sara Merena  
Senior Program Manager/Customer Communications  
National Grid  
40 Sylvan Road  
Waltham, MA 02451  
781 907-2242

Sponsorship for Jack-O-Lantern Spectacular and Spooky Zoo 2017

<b>TOTAL DUE</b>	<b>\$15,000.00</b>
------------------	--------------------

Due upon receipt

Please remit payment to:

Rhode Island Zoological Society  
Attn: Judy Lockard/Development  
1000 Elmwood Avenue  
Providence, RI 02907

*Thank you!*

Roger Williams Park Zoo/Rhode Island Zoological Society 1000 Elmwood Avenue Providence, RI 02907 401-785-3510 Ext 318

**Accounts Payable 04-28-17: 08:45:04 Received**

<b>nationalgrid</b>		PAY IMMEDIATELY		PAYMENT REQUEST <span style="color: red; font-size: 1.5em;">7331</span>	
Date <u>27-Apr</u>		Due Date <u>4/27/17 - PAY IMMEDIATELY</u>			
<b>Check One Method of Payment</b>					
<input checked="" type="checkbox"/> <b>CHECK</b>		<input type="checkbox"/> <b>ACH</b>		<input type="checkbox"/> <b>WIRE</b>	
Check Stub Message (Max. limit of 50 Characters)		Bank Name: _____		Bank Name: _____	
		Routing #: _____		Routing #: _____	
(Check One) Yes No Separate Check <input type="checkbox"/> <input checked="" type="checkbox"/>		Account #: _____		Account #: _____	
Mail Check to Payee <input checked="" type="checkbox"/> <input type="checkbox"/>		Reference Information for Beneficiary			
OR					
Mail Check to Internal Location					
Location of Service (Required Information)		AP Use Only:			
City <u>Brooklyn</u> State <u>NY</u> Zip Code <u>11201</u>		Wired By _____		Authorized By _____	
		Value Date _____		ET # _____	
<b>Vendor Information</b>					
Payable To: <u>Rhode Island Zoological Society</u>				Vendor #: <u>1000028092</u>	
Address: <u>Attn: Judy Lockard/Development, 1000 Elmwood Avenue, Providence, RI 02907</u>				Invoice #: <u>8-17</u>	
Reason for Payment: <u>Sponsorship Jack O Lantern and Spooky Zoo 2017</u>				Paying Company <u>5360</u> Amount <u>\$15,000.00</u>	
<b>National Grid Accounting</b>					
G/L Account	Profit Center	WBS	Order	Operation	Amount
<u>C6604300</u>	<u>RIE1000</u>		<u>N0000261712</u>		<u>\$7,500.00</u>
	<u>Cost Ctr=3205</u>				
<u>C6604300</u>	<u>RIG1000</u>		<u>N0000261713</u>		<u>\$7,500.00</u>
	<u>Cost Ctr=3205</u>				
Approver's Name: _____		Please Print <u>Alyssa Keller</u>		Employee ID# <u>72019483</u>	
Preparer's Name: _____		Please Print <u>Lystine Cush (71026501)</u>		Phone Number <u>929-324-4356</u>	
<b>NON-PURCHASE ORDER CATEGORY</b>					
01 Advertising	09 Leases/rents	17 Incentive/Marketing Program	25 Outside Services	33 Subscription	
02 Awards/Grants	10 Flagging	18 Inspection/Insurances	Insights	34 Equipment/Tools/Tools	
03 Financial Payment	11 Fleet Fuel**	19 Legal/Professional Services	27 Payments on Behalf of EPA	35 Tax Payments/Assessments	
04 Insurance	12 Fleet Leasing**	20 Legal/Transportation/Class	28 Policy/Shortly/Markets	36 Training/Regulatory/Compliance	
05 Construction/Sponsorship	21 Freight/Postage	21 Marketing Bill	29 Real Estate/Rentals/Leases	37 Utility/Telephone/Fax/Internet	
06 Clothing/ Safety Items	22 Government/Responsibility	22 Shipping	30 Rebate Program	38 Other must be approved AP	
07 Hardware/Leasing	23 Materials/Lodging*	23 Transportation Service	31 Reimbursement/Reimburse		
08 Boats/Tools/Permits	24 Misc/Mod/Workman Camp	24 Natural Gas/Energy Purch	32 R&D Incentive		
Please Choose One					

\*Sales tax paid for these services/materials

Forward to: Accounts Payable Administrator for Processing

Accounts Payable 04-28-17: 08:45:04 Received

FOR INVOICE INQUIRIES CALL  
401 277 7211  
E-mail: [advertising@providencejournal.com](mailto:advertising@providencejournal.com)  
FOR PAYMENT INQUIRIES CALL  
401 277 7407  
INVOICE DATE: 06/15/16

# PROVIDENCE Journal

Advertising Invoice & Statement  
Federal ID 47 1273755

Advertiser/Agency NATIONAL GRID	ACCOUNT# 294162900
Client NATIONAL GRID	ACCOUNT# 29 0362919

7246

PAGE 1 of 1

Date	Description/Comments	Net Amount
06/15/16	All State Title Sponsorship	\$0 000 00
We appreciate your business		

Inv'd  
2016.06.15

CURRENT AMOUNT	OVER 30 DAYS	OVER 60 DAYS	OVER 90 DAYS	PAID ON ACCOUNT	TOTAL AMOUNT DUE
\$50,000 00	\$0 00	\$0 00	\$0 00	\$0 00	\$50,000 00

INVOICE DATE: 06/15/16

To ensure proper credit, please include your account number on your check; detach and return this portion with your remittance.

CURRENT AMOUNT	OVER 30 DAYS	OVER 60 DAYS	OVER 90 DAYS	PAID ON ACCOUNT	TOTAL AMOUNT DUE
\$50,000 00	\$0 00	\$0 00	\$0 00	\$0 00	\$50,000 00

ADVERTISER	ADVERTISER ACCOUNT #	CLIENT NAME	CLIENT ACCOUNT #	DATE DATE
NATIONAL GRID	200302900	NATIONAL GRID	200302900	06/15/16

—  
—  
—  
—  
NATIONAL GRID  
40 SYLVAN RD  
WALTHAM, MA 02451

REMIT TO:  
The Providence Journal  
P.O. Box 382803  
Pittsburgh, PA 15251-8803

Accounts Payable 07-27-16: 15:41:20 Received

Accounts Payable 07-27-16: 15:41:20 Received

7305

WaterFire Providence  
101 Regent Avenue  
Providence, RI 02908

Invoice

Date	Invoice #
2/23/2017	1783A

Bill To
National Grid Sara Merena Senior Program Manager 40 Sylvan Road, E1.586 Waltham, MA 02451

Quantity	Description	Rate	Amount
	WaterFire 2017 Season Sponsorship and Lead Fire Sponsorship (TBD)	80,000.00	80,000.00
	Due upon receipt		
Thank you for your support of WaterFire Providence		<b>Total</b>	<b>\$80,000.00</b>
		<b>Payments/Credits</b>	<b>\$0.00</b>
		<b>Balance Due</b>	<b>\$80,000.00</b>

Accounts Payable 03-17-17: 08:07:30 Received

[illegible]

Accounts Payable 03-17-17: 08:07:30 Received

Confirmation Number: 6000738113	
Purchase Order Number: 3200228922	
Status: In Process	
Confirmed Value: 24,100.00 USD	Order: <input type="text"/>
Date: 12/1/16	N0000261587
Orders:	N0000261588
	N0000261599
	N0000261604
	N0000261609
	N0000261613
	N0000261618
	N0000261623
	N0000261629
	N0000261630



Rocky DiChiara  
National Grid  
1 Metro Tech Center, 13th Floor  
Brooklyn, NY 11201

Invoice: 019978-0000  
Date: 8/19/2016  
Page: 1  
PO:

## INVOICE

Job: 003732 nation 2016 Customer Communications

Description	Amount
Marketing Communications Services	\$24,100.00
<b>Subtotal:</b>	<b>\$24,100.00</b>

TAX: \$0.00  
TOTAL: \$24,100.00

### PAYMENT TERMS: Net 30 Days

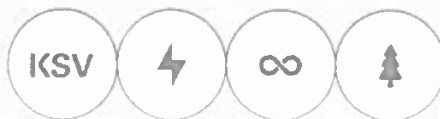
A finance charge of 1.5% per month will be applied to unpaid balances over 45 days.

Please remit to:  
KSV  
212 Battery Street, Suite 2  
Burlington, VT 05401

R 2410 < 1,205  
1,205

Confirmation Number 6000686408  
Purchase Order Number: 3200228922  
Confirmed Value 55,100.00 USD  
Date: 8/19/16  
Orders: 

Order	:
N0000261584	
N0000261585	
N0000261598	
N0000261603	
N0000261608	
N0000261612	
N0000261617	
N0000261622	
N0000261627	
N0000261628	



Rocky DiChiara  
National Grid  
1 Metro Tech Center, 13th Floor  
Brooklyn, NY 11201

## INVOICE

Invoice: 019861-0000  
Date: 7/22/2016  
Page: 1  
PO:

Job: 003732 nation 2016 Customer Communications

Description	Amount
Marketing Communications Services	\$35,600.00
Q3 Connections Strategy, Planning, Buying, Monthly Media Management & Optimization Services	\$19,500.00
<b>Subtotal:</b>	<b>\$55,100.00</b>

TAX: \$0.00  
TOTAL: \$55,100.00

PAYMENT TERMS: Net 30 Days

A finance charge of 1.5% per month will be applied to unpaid balances over 45 days.

Please remit to:  
KSV  
212 Battery Street, Suite 2  
Burlington, VT 05401

RI 5,510 / 2,755

DIGITAL\_  
www.ksvc.com

NUMBERS\_  
802.862.8261

ADDRESS\_  
212 Battery Street, Suite 2, Burlington, Vermont 05401

Confirmation # 6000669553  
PO#: 3200228922  
Confirmed Value: \$43,000.00 USD  
Date: 7/20/16  
Orders

Order  
N0000261587 N0000261613  
N0000261588 N0000261614  
N0000261590 N0000261618  
N0000261591 N0000261619  
N0000261592 N0000261623  
N0000261599 N0000261624  
N0000261600 N0000261629  
N0000261604 N0000261630  
N0000261605 N0000261631  
N0000261609 N0000261632  
N0000261610



## INVOICE

Rocky DiChiara  
National Grid  
1 Metro Tech Center, 13th Floor  
Brooklyn, NY 11201

Invoice: 019703-0000  
Date: 6/23/2016  
Page: 1  
PO:

Job: 003732-02 nation 2016 Customer Communications

Description	Amount
Marketing Communications Services	\$18,000.00
Marketing Communications Production	\$25,000.00
<b>Subtotal:</b>	<b>\$43,000.00</b>

TAX: \$0.00  
TOTAL: \$43,000.00

PAYMENT TERMS: Net 30 Days

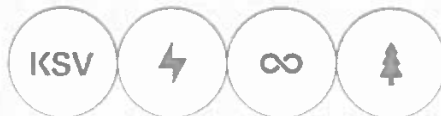
A finance charge of 1.5% per month will be applied to unpaid balances over 45 days.

Please remit to:  
KSV  
212 Battery Street, Suite 2  
Burlington, VT 05401

R1. 4300 { 2/50  
2/50

Confirmation #: 6000718950  
Purchase Order Number: 3200228922  
Confirmed Value 32,400.00 USD  
Date: 10/20/16  
Orders: 

Order
N0000261587
N0000261588
N0000261599
N0000261604
N0000261609
N0000261613
N0000261618
N0000261623
N0000261629
N0000261630



Rocky DiChiara  
National Grid  
1 Metro Tech Center, 13th Floor  
Brooklyn, NY 11201

## INVOICE

Invoice: 020331-0000  
Date: 10/19/2016  
Page: 1  
PO:

Job: 003732 nation 2016 Customer Communications

Description	Amount
Marketing Communications Services	\$12,900.00
Q4 Connections Strategy, Planning, Buying, Monthly Media Management & Optimization Services	\$19,500.00
<b>Subtotal:</b>	<b>\$32,400.00</b>

TAX: \$0.00  
TOTAL: \$32,400.00

### PAYMENT TERMS: Net 30 Days

A finance charge of 1.5% per month will be applied to unpaid balances over 45 days.

Please remit to:  
KSV  
212 Battery Street, Suite 2  
Burlington, VT 05401

*Handwritten:* (P1) \$3240 < \$1620 / \$1620

Confirmation Number: 6000737783	
Purchase Order Number: 3200228922	
Status: In Process	Order <input type="text"/>
Confirmed Value: 62,400.00 USD	N0000261587
Date: 11/30/16	N0000261588
Orders:	N0000261599
	N0000261604
	N0000261609
	N0000261613
	N0000261618
	N0000261623
	N0000261629
	N0000261630



Rocky DiChiara  
National Grid  
1 Metro Tech Center, 13th Floor  
Brooklyn, NY 11201

## INVOICE

Invoice: 020511-0000  
Date: 11/17/2016  
Page: 1  
PO:

Job: 003732 nation 2016 Customer Communications

Description	Amount
Marketing Communications Services	\$15,400.00
Connections Strategy, Planning, Buying, Monthly Media Management & Optimization Services	\$19,500.00
Production Expenses	\$27,500.00
<b>Subtotal:</b>	<b>\$62,400.00</b>

TAX: \$0.00

TOTAL: \$62,400.00

PAYMENT TERMS: Net 30 Days

A finance charge of 1.5% per month will be applied to unpaid balances over 45 days.

Please remit to:  
KSV  
212 Battery Street, Suite 2  
Burlington, VT 05401

R1 6,240 3,120 3,120

Confirmation Number: 6000766731  
Purchase Order Number: 3200228922  
Confirmed Value 14,000.00 USD  
Date: 1/26/17  
Orders:

Order

N0000261635

N0000261636



## INVOICE

Rocky DiChiara  
National Grid  
1 Metro Tech Center, 13th Floor  
Brooklyn, NY 11201

Invoice: 020825-0000  
Date: 1/23/2017  
Page: 1  
PO:

Job: 003732-02 nation FY17 Customer Communications

Description	Amount
Marketing Communications Services	\$14,000.00
<b>Subtotal:</b>	<b>\$14,000.00</b>

TAX: \$0.00  
TOTAL: \$14,000.00

**PAYMENT TERMS: Net 30 Days**

*A finance charge of 1.5% per month will be applied to unpaid balances over 45 days.*


Please remit to:  
KSV  
212 Battery Street, Suite 2  
Burlington, VT 05401

*\$14K LG-7K  
E-7K*

DIGITAL\_  
www.ksvc.com

NUMBERS\_  
802.862.8261

ADDRESS\_  
212 Battery Street, Suite 2, Burlington, Vermont 05401

Confirmation Number: 6000766735  
Purchase Order Number: 3200228922  
Confirmed Value 1,421.56 USD  
Date: 1/26/17  
Order:   
Order:   
N0000261635  
N0000261636



## INVOICE

Invoice: 20734  
Date: 1/13/2017

Rocky DiChiara  
National Grid  
1 Metro Tech Center, 13th Floor  
Brooklyn, New York 11201

Campaign: nation 2017 Customer Communications Storm Response  
Division: National Grid

Media Description	Amount
Internet – Storm Response Media	\$1,421.56
<b>Campaign Subtotal:</b>	<b>\$1,421.56</b>
<b>TAX:</b>	<b><del>\$0.00</del></b>
<b>TOTAL:</b>	<b>\$1,421.56</b>

**PAYMENT TERMS: Due Upon Receipt**

*A finance charge of 1.5% per month will be applied to unpaid balances over 45 days.*

Please remit to:  
KSV  
212 Battery Street, Suite 2  
Burlington, VT 05401

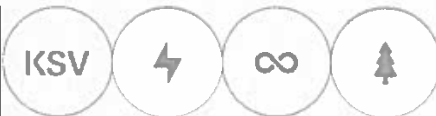
G \$710<sup>50</sup>  
E \$710<sup>50</sup>

DIGITAL\_  
www.ksvc.com

NUMBERS\_  
802.862.8261

ADDRESS\_  
212 Battery Street, Suite 2, Burlington, Vermont 05401

Confirmation Number: 6000697550  
Purchase Order: 3200228922  
Confirmed Value: 35,175.56 USD  
Date: 9/12/16 Orders:



Rocky DiChiara  
National Grid  
1 Metro Tech Center, 13th Floor  
Brooklyn, New York 11201

- N0000261584
- N0000261585
- N0000261598
- N0000261803
- N0000261808
- N0000261812
- N0000261817
- N0000261822
- N0000261827
- N0000261828

Invoice: 20051  
Date: 9/17/2016

## INVOICE

Campaign: nation FY 2017 Customer Communications  
Division: National Grid

Media Description	Amount
FY 2017 - Internet	\$35,175.56
<b>Campaign Subtotal:</b>	<b>\$35,175.56</b>
<b>TAX:</b>	<b>\$0.00</b>
<b>TOTAL:</b>	<b>\$35,175.56</b>

**PAYMENT TERMS: Due Upon Receipt**

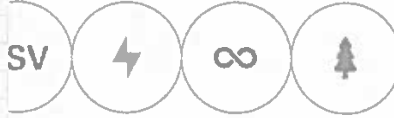
*A finance charge of 1.5% per month will be applied to unpaid balances over 45 days.*

Please remit to:  
KSV  
212 Battery Street, Suite 2  
Burlington, VT 05401

*RI-35,175.56* *\$1,758.78*  
*\$1,758.78*

Confirmation #6000670611  
PO #3200228922  
Confirmed Value: 210,968.30  
USD  
Date: 7/21/16

Order  
N0000261584  
N0000261585  
N0000261586  
N0000261598  
N0000261603  
N0000261608  
N0000261612  
N0000261617  
N0000261622  
N0000261627  
N0000261628



Rocky DiChiara  
National Grid  
1 Metro Tech Center, 13th Floor  
Brooklyn, New York 11201

Invoice: 19707  
Date: 6/23/2016

## INVOICE

Campaign: nation FY 2017 Customer Communications  
Division: National Grid

Media Description	Amount
FY 2017 - Television	\$210,968.30
<b>Campaign Subtotal:</b>	<b>\$210,968.30</b>
<b>TAX:</b>	<b>\$0.00</b>
<b>TOTAL:</b>	<b>\$210,968.30</b>

### PAYMENT TERMS: Due Upon Receipt

A finance charge of 1.5% per month will be applied to unpaid balances over 45 days.

Please remit to:  
KSV  
212 Battery Street, Suite 2  
Burlington, VT 05401

*Handwritten:* P1-21,096<sup>83</sup> < \$10,548<sup>42</sup>  
\$10,548<sup>44</sup>

DIGITAL\_  
www.ksvc.com

NUMBERS\_  
802 862 8261

ADDRESS\_  
212 Battery Street, Suite 2, Burlington, Vermont 05401



Confirmation Number 6000747421  
Purchase Order Number: 3200228922  
Confirmed Value 3,500.00 USD  
Date 12/19/16  
Order N0000261628

Rocky DiChiara  
National Grid  
1 Metro Tech Center, 13th Floor  
Brooklyn, NY 11201

## INVOICE

Invoice: 020666A-0000  
Date: 12/14/2016  
Page: 1  
PO:

Job: 003759-01 nation 2016 Allens Avenue Billboard

Description	Amount
KSV Agency Services	\$750.00
Production Expenses	\$2,750.00
<b>Subtotal:</b>	<b>\$3,500.00</b>

**TAX:** \$0.00

**TOTAL:** \$3,500.00

**PAYMENT TERMS: Net 30 Days**

*A finance charge of 1.5% per month will be applied to unpaid balances over 45 days.*

Please remit to:  
KSV  
212 Battery Street, Suite 2  
Burlington, VT 05401

RI-G. \$3,500

DIGITAL\_  
www.ksvc.com

NUMBERS\_  
802.862.8261

ADDRESS\_  
212 Battery Street, Suite 2, Burlington, Vermont 05401

Confirmation Number: 6000637434  
Purchase Order Number: 3200228922  
Confirmed Value: 174,500.00 USD  
Date 5/26/2016

Order -  
N0000261584  
N0000261585  
N0000261598  
N0000261603  
N0000261608  
N0000261617  
N0000261627  
N0000261628



## INVOICE

Invoice: 19576  
Date: 5/26/2016

Rocky DiChiara  
National Grid  
1 Metro Tech Center, 13th Floor  
Brooklyn, New York 11201

Campaign: nation FY 2017 Customer Communications  
Division: National Grid

Media Description	Amount
FY 2017 - Internet	\$44,000.00
FY 2017 - Out-of-Home	\$130,500.00
<b>Campaign Subtotal:</b>	<b>\$174,500.00</b>
<b>TAX:</b>	<b>\$0.00</b>
<b>TOTAL:</b>	<b>\$174,500.00</b>

**PAYMENT TERMS: Due Upon Receipt**

*A finance charge of 1.5% per month will be applied to unpaid balances over 45 days.*

Please remit to:  
KSV  
212 Battery Street, Suite 2  
Burlington, VT 05401

RI - 17,450  
\$8,725  
\$8,725

DIGITAL\_  
www.ksvc.com

NUMBERS\_  
802.862.8261

ADDRESS\_  
212 Battery Street, Suite 2, Burlington, Vermont 05401

Confirmation# 6000730824	Order
PO#:3200228922	N0000261584
Total 380,114.22 USD	N0000261585
Date 11/15/16	N0000261598
Orders:	N0000261603
	N0000261608
	N0000261612
	N0000261617
	N0000261622
	N0000261627
	N0000261628



## INVOICE

Invoice: 20221  
Date: 10/1/2016

Rocky DiChiara  
National Grid  
1 Metro Tech Center, 13th Floor  
Brooklyn, New York 11201

Campaign: nation FY 2017 Customer Communications  
Division: National Grid

Media Description	Amount
-------------------	--------

### Massachusetts

FY 2017 - Internet	\$49,627.44
FY 2017 - Television	\$18,762.51
FY 2017 - Radio	\$36,720.00
<b>Massachusetts Subtotal:</b>	<b>\$105,109.95</b>

### Rhode Island

FY 2017 - Internet	\$15,495.37
FY 2017 - Television	\$5,914.96
FY 2017 - Radio	\$8,840.00
<b>Rhode Island Subtotal:</b>	<b>\$30,250.33</b>

### Upstate New York

FY 2017 - Internet	\$65,914.79
FY 2017 - Television	\$9,584.78
FY 2017 - Radio	\$116,283.40
<b>Upstate New York Subtotal:</b>	<b>\$191,782.97</b>

### Downstate New York

FY 2017 - Internet - NYC	\$9,986.36
FY 2017 - Internet - LI	\$9,986.36
FY 2017 - Television - DNY	\$32,998.25
<b>Downstate New York Subtotal:</b>	<b>\$52,970.97</b>

<b>Campaign Subtotal:</b>	<b>\$380,114.22</b>
---------------------------	---------------------

<b>TAX:</b>	<b>\$0.00</b>
-------------	---------------

<b>TOTAL:</b>	<b>\$380,114.22</b>
---------------	---------------------

### **PAYMENT TERMS: Due Upon Receipt**

A finance charge of 1.5% per month will be applied to unpaid balances over 45 days.

Please remit to:  
KSV  
212 Battery Street, Suite 2  
Burlington, VT 05401

DIGITAL\_  
www.ksvc.com

NUMBERS\_  
802.862.8261

ADDRESS\_  
212 Battery Street, Suite 2, Burlington, Vermont 05401

RI = 30,250  
\$15,125 = \$15,125

Confirmation Number: 6000682081  
Purchase Order Number: 3200228922  
Confirmed Value 77,593.43 USD  
Orders:  Date: 8/11/16  
N0000261584  
N0000261585  
N0000261598  
N0000261603  
N0000261608  
N0000261612  
N0000261617  
N0000261622  
N0000261627  
N0000261628



Rocky DiChiara  
National Grid  
1 Metro Tech Center, 13th Floor  
Brooklyn, New York 11201

**INVOICE**  
Invoice: 19909  
Date: 8/1/2016

Campaign: nation FY 2017 Customer Communications  
Division: National Grid

Media Description	Amount
FY 2017 - Internet	\$54,340.53
FY 2017 - Out-of-Home	(\$5,625.00)
FY 2017 - Radio	\$28,877.90
<b>Campaign Subtotal:</b>	<b>\$77,593.43</b>
<b>TAX:</b>	<b>\$0.00</b>
<b>TOTAL:</b>	<b>\$77,593.43</b>

**PAYMENT TERMS: Due Upon Receipt**

*A finance charge of 1.5% per month will be applied to unpaid balances over 45 days.*

Please remit to:  
KSV  
212 Battery Street, Suite 2  
Burlington, VT 05401

RI- \$7,759<sup>39</sup> < \$3,879<sup>67</sup>  
\$3,879<sup>67</sup>

DIGITAL\_  
www.ksvc.com

NUMBERS\_  
802.862.8261

ADDRESS\_  
212 Battery Street, Suite 2, Burlington, Vermont 05401

Confirmation Number: 6000682676  
Purchase Order Number: 3200228922  
Confirmed Value: 85,781.68 USD  
Orders:  DATE: 8/12/16  
N0000261584  
N0000261585  
N0000261598  
N0000261603  
N0000261608  
N0000261612  
N0000261617  
N0000261622  
N0000261627  
N0000261628



## INVOICE

Rocky DiChiara  
National Grid  
1 Metro Tech Center, 13th Floor  
Brooklyn, New York 11201

Invoice: 19757  
Date: 7/1/2016

Campaign: nation FY 2017 Customer Communications  
Division: National Grid

Media Description	Amount
FY 2017 - Internet	\$29,902.13
FY 2017 - Out-of-Home	\$5,625.00
FY 2017 - Radio	\$50,254.55
<b>Campaign Subtotal:</b>	<b>\$85,781.68</b>
<b>TAX:</b>	<b>\$0.00</b>
<b>TOTAL:</b>	<b>\$85,781.68</b>

### PAYMENT TERMS: Due Upon Receipt

A finance charge of 1.5% per month will be applied to unpaid balances over 45 days.

Please remit to:  
KSV  
212 Battery Street, Suite 2  
Burlington, VT 05401

RI- 85,781.68 <sup>16</sup> < 4,289.08  
4,289.08

DIGITAL\_  
www.ksvc.com

NUMBERS\_  
802.862.8261

ADDRESS\_  
212 Battery Street, Suite 2, Burlington, Vermont 05401

Confirmation Number 6000718920  
Purchase Order Number:3200228922  
Confirmed Value 218.67 USD  
Date: 10/20/16  
Orders: **Order**  
N0000261584  
N0000261608  
N0000261612  
N0000261627



## INVOICE

Invoice: 20270  
Date: 10/13/2016

Rocky DiChiara  
National Grid  
1 Metro Tech Center, 13th Floor  
Brooklyn, New York 11201

Campaign: nation FY 2017 Customer Communications Storm Response  
Division: National Grid

Media Description	Amount
<b><u>Massachusetts</u></b>	
FY 2017 - Internet	\$103.88
<b>Massachusetts Subtotal:</b>	<b>\$103.88</b>
<b><u>Rhode Island</u></b>	
FY 2017 - Internet	\$51.58
<b>Rhode Island Subtotal:</b>	<b>\$51.58</b>
<b><u>Upstate New York</u></b>	
FY 2017 - Internet	\$63.21
<b>Upstate New York Subtotal:</b>	<b>\$63.21</b>
<b>Campaign Subtotal:</b>	<b>\$218.67</b>
<b>TAX:</b>	<b>\$0.00</b>
<b>TOTAL:</b>	<b>\$218.67</b>

**PAYMENT TERMS: Due Upon Receipt**

*A finance charge of 1.5% per month will be applied to unpaid balances over 45 days.*

Please remit to:  
KSV  
212 Battery Street, Suite 2  
Burlington, VT 05401

RI - \$51.58

DIGITAL\_  
www.ksvc.com

NUMBERS\_  
802.862.8261

ADDRESS\_  
212 Battery Street, Suite 2, Burlington, Vermont 05401

Confirmation Number 6000747492  
Purchase Order Number: 3200228922  
Confirmed Value 125,000.00 USD  
Date: 12/19/16  
Orders:

Order  
N0000261596  
N0000261597  
N0000261602  
N0000261607  
N0000261616  
N0000261621  
N0000261626  
N0000261635  
N0000261636



Rocky DiChiara  
National Grid  
1 Metro Tech Center, 13th Floor  
Brooklyn, NY 11201

## INVOICE

Invoice: 020644-0000  
Date: 12/12/2016  
Page: 1  
PO:

Job: 003732 nation 2016 Customer Communications

Description	Amount
Marketing Communications Services	\$15,000.00
Production/Media Expenses	\$110,000.00
<b>Subtotal:</b>	<b>\$125,000.00</b>

**TAX:** \$0.00  
**TOTAL:** \$125,000.00

**PAYMENT TERMS: Net 30 Days**

*A finance charge of 1.5% per month will be applied to unpaid balances over 45 days.*

Please remit to:  
KSV  
212 Battery Street, Suite 2  
Burlington, VT 05401

RI - 12,500 < 6,250

DIGITAL\_  
www.ksvc.com

NUMBERS\_  
802.862.8261

ADDRESS\_  
212 Battery Street, Suite 2, Burlington, Vermont 05401

Confirmation Number: 6000703478  
Purchase Order 3200228922  
Confirmed Value 17,200.00 USD  
Date 9/21/16   
Orders: N0000261587  
N0000261588  
N0000261599  
N0000261604  
N0000261609  
N0000261613  
N0000261618  
N0000261623  
N0000261629  
N0000261630



Rocky DiChiara  
National Grid  
1 Metro Tech Center, 13th Floor  
Brooklyn, NY 11201

**INVOICE**  
Invoice: 020180-0000  
Date: 9/19/2016  
Page: 1  
PO:

Job: 003732 nation 2016 Customer Communications

Description	Amount
Marketing Communications Services	\$17,200.00
<b>Subtotal:</b>	<b>\$17,200.00</b>

TAX: \$0.00  
TOTAL: \$17,200.00

**PAYMENT TERMS: Net 30 Days**

*A finance charge of 1.5% per month will be applied to unpaid balances over 45 days.*

Please remit to:  
KSV  
212 Battery Street, Suite 2  
Burlington, VT 05401

*Handwritten:* R 11,720 \$860 \$860

Confirmation Number 6000813953  
Purchase Order Number: 3200303875  
Confirmed Value 25,000.00 US  
Date: 4/25/17  
Orders:

Order
N0000261587
N0000261588
N0000261599
N0000261604
N0000261609
N0000261613
N0000261618
N0000261623
N0000261629
N0000261630



Rocky DiChiara  
National Grid  
1 Metro Tech Center, 13th Floor  
Brooklyn, NY 11201

**INVOICE**  
Invoice: 021316-0000  
Date: 4/20/2017  
Page: 1  
PO:

Job: 003767-01 nation FY18 Customer Communications

Description	Amount
Marketing Communications Services	\$25,000.00
<b>Subtotal:</b>	<b>\$25,000.00</b>

TAX: \$0.00  
TOTAL: \$25,000.00

**PAYMENT TERMS: Net 30 Days**

*A finance charge of 1.5% per month will be applied to unpaid balances over 45 days.*

Please remit to:  
KSV  
212 Battery Street, Suite 2  
Burlington, VT 05401

*R1 \$2,500 { \$1,250  
\$1,250*

DIGITAL\_  
www.ksvc.com

NUMBERS\_  
802.862.8261

ADDRESS\_  
212 Battery Street, Suite 2, Burlington, Vermont 05401



Confirmation #: 6000668701  
PO # 3200228922  
Orders: N0000261593, N0000261594, N0000261601, N0000261606, N0000261611, N0000261615, N0000261620, N0000261625, N0000261633, N0000261634  
Amount: \$82,000  
Date: 7/19/16

# INVOICE

Rocky DiChiara  
National Grid  
1 Metro Tech Center, 13th Floor  
Brooklyn, NY 11201

Invoice: 019349-0000  
Date: 4/21/2016  
Page: 1  
PO:

**Job: 003732-03 nation 2016 Customer Communications – Media Planning & Buying Services**

Description	Amount
April 2016 Connections Strategy, Planning, Buying, Monthly Media Management & Optimization Services	\$82,000.00
<b>Subtotal:</b>	<b>\$82,000.00</b>

**TAX:** \$0.00

**TOTAL:** \$82,000.00

**PAYMENT TERMS: Net 30 Days**

*A finance charge of 1.5% per month will be applied to unpaid balances over 45 days.*

Please remit to:  
KSV  
212 Battery Street, Suite 2  
Burlington, VT 05401

*Pl \$ 8,200 [ 4,100  
4,100*

DIGITAL\_  
www.ksvc.com

NUMBERS\_  
802.862.8261

ADDRESS\_  
212 Battery Street, Suite 2, Burlington, Vermont 05401

Confirmation Number 6000828824  
Purchase Order Number:3200303875  
Status In Process  
Confirmed Value 75,000.00 USD  
Date: 5/24/17  
Orders:



Rocky DiChiara  
National Grid  
1 Metro Tech Center, 13th Floor  
Brooklyn, NY 11201

Order  
N0000261587  
N0000261588  
N0000261599  
N0000261604  
N0000261609  
N0000261613  
N0000261618  
N0000261623  
N0000261629  
N0000261630

# INVOICE

Invoice: 021472-0000  
Date: 5/22/2017  
Page: 1  
PO:

Job: 003767-01 nation FY18 Customer Communications

Description	Amount
Marketing Communications Services	\$75,000.00
<b>Subtotal:</b>	<b>\$75,000.00</b>

TAX: \$0.00  
TOTAL: \$75,000.00

PAYMENT TERMS: Net 30 Days

A finance charge of 1.5% per month will be applied to unpaid balances over 45 days.

Please remit to:  
KSV  
212 Battery Street, Suite 2  
Burlington, VT 05401

NEW ALLOCATION  
MAY  
\$5,205 (6.94%)  
\$2,827 (3.71%)  
R1 \$8,325

DIGITAL\_  
www.ksvc.com

NUMBERS\_  
802.862.8261

ADDRESS\_  
212 Battery Street, Suite 2, Burlington, Vermont 05401



# INVOICE

Rocky DiChiara  
National Grid  
1 Metro Tech Center, 13th Floor  
Brooklyn, NY 11201

Invoice: 21635  
Date: 6/23/2017  
Page: 1  
PO:

Campaign: nation FY 2018 Customer Communications  
Division: National Grid

Media Description	Amount
-------------------	--------

## Massachusetts

Radio	\$174,250.00
-------	--------------

<b>Massachusetts Subtotal:</b>	<b>\$174,250.00</b>
--------------------------------	---------------------

## Rhode Island

Radio	\$54,400.00
-------	-------------

<b>Rhode Island Subtotal:</b>	<b>\$54,400.00</b>
-------------------------------	--------------------

## New York

Out-of-Home	\$82,008.00
-------------	-------------

Radio	\$109,072.00
-------	--------------

<b>New York Subtotal:</b>	<b>\$191,080.00</b>
---------------------------	---------------------

<b>TAX:</b>	<b>\$0.00</b>
-------------	---------------

<b>TOTAL:</b>	<b>\$419,730.00</b>
---------------	---------------------

**PAYMENT TERMS: Due Upon Receipt**

A finance charge of 1.5% per month will be applied to unpaid balances over 45 days.

Please remit to:

KSV  
212 Battery Street, Suite 2  
Burlington, VT 05401

Confirmation Number 6000845140  
Purchase Order Number: 3200303875  
Status In Process  
Confirmed Value 419,730.00 USD  
Date: 6/23/17  
Orders:

Order  
N0000261584  
N0000261585  
N0000261598  
N0000261603  
N0000261608  
N0000261612  
N0000261617  
N0000261622  
N0000261627  
N0000261628

MAY  
ALLOCATION  
\$441,953.10  
6.94% - \$29,129.27  
3.77% - \$15,823.83

DIGITAL  
www.ksvc.com

NUMBERS  
802.862.8261

ADDRESS  
212 Battery Street, Suite 2, Burlington, Vermont 05401

7333

# Invoice



**BITLY, INC**  
139 5th Avenue, Floor 6  
New York, NY 10010  
Tax ID/EIN: 28-3895205  
Phone (646) 525-4078  
:

Page: 1 of 1  
Number: 0011745  
Invoice Date: 04/12/2017  
Due Date: 05/12/2017  
Terms: Net 30  
Customer PO:

**Billing  
Address**  
National Grid  
New York, NY

Contact: National Grid / KSV

Item	Description	Quantity	Price	Amount
S-003-BBT	Bitly Brand Tools Annual Billing 4/8/2017-4/7/2018	12.00	\$950.00	\$11,400.00

Subtotal: \$11,400.00  
Sales Tax: \$0.00  
Invoice Total: USD \$11,400.00

## BANK INFORMATION

Beneficiary:  
Beneficiary's Bank:  
Bank Address:

Bitly, Inc.  
City National Bank  
2001 North Main Street, Suite 200  
Walnut Creek, CA 94596

## Mail Checks to:

Bitly, Inc.  
139 5th Avenue, Floor 6  
New York, NY 10010

Bank Swift Code:  
Routing Number:  
Account Number:

CINAUS33 (International)  
122016088  
450214108

For questions regarding this invoice please send an email to [accounting@bit.ly](mailto:accounting@bit.ly)  
or call our finance group at 646-678-8263. Thanks for your business

(E) 11,492  
(G) 651

Accounts Payable 05-11-17: 13:58:19 Received

# MRY

*July*

National Grid US  
300 Erie Blvd West  
Syracuse, NY 13202  
USA  
Attn:

**INVOICE**  
Invoice Number : 024543-00 ✓  
Date : 8/5/2016 Due : 9/4/2016  
Page : 1  
Client PO : 3200238516

		Current
Job: 003474 - National Grid FY17 Retainer		
Component: 01 - National Grid FY17 Retainer		
July Fee		42,393.96
Total for Job		42,393.96
Total		\$42,393.96

Wire/ACH Information:  
Beneficiary: MRY US, LLC  
Bank Name: Citibank, N.A.  
Bank Address: 111 Wall Street, New York, NY 10001  
Routing Number: 021000089  
SWIFT Code: CITIUS33  
Account Number: 30936803

*E-3260  
G-1301*

# MRY

Aug.

INVOICE

National Grid US  
300 Erie Blvd West  
Syracuse, NY 13202  
USA  
Attn: Emily Johnson

Invoice Number: 024573-00  
Date: 8/16/2016  
Page: 1  
Client PO: 3200238516  
Due: 9/15/2016

		Current
Job: 003474 - National Grid FY17 Retainer		
Component: 01 - National Grid FY17 Retainer		
August Fee		42,393.96
Total for Job		42,393.96
Total		\$42,393.96

Wire/ACH Information:  
Beneficiary: MRY US, LLC  
Bank Name: Citibank, N.A.  
Bank Address: 111 Wall Street, New York, NY 10001  
Routing Number: 021000089  
SWIFT Code: CITIUS33  
Account Number: 30936803

3260  
31301  
11

# MRY

National Grid US  
300 Erie Blvd West  
Syracuse, NY 13202  
USA  
Attn: Emily Johnson

**INVOICE** *Sept.*  
Invoice Number: 024805-00  
Date: 9/16/2016 Due: 10/16/2016  
Page: 1  
Client PO: 3200238516

		Current
Job: 003474 - National Grid FY17 Retainer		
Component: 01 - National Grid FY17 Retainer		
September Fee		42,393.96
Total for Job		42,393.96
Total		\$42,393.96

Wire/ACH Information:  
Beneficiary: MRY US, LLC  
Bank Name: Citibank, N.A.  
Bank Address: 111 Wall Street, New York, NY 10001  
Routing Number: 021000089  
SWIFT Code: CITIUS33  
Account Number: 30936803

# MRY

Oct.

## INVOICE

National Grid US  
300 Erie Blvd West  
Syracuse, NY 13202  
USA  
Attn: Emily Johnson

Invoice Number : 024935-00  
Date : 10/7/2016 Due : 11/6/2016  
Page : 1  
Client PO : 3200238516

		Current
Job: 003474 - National Grid FY17 Retainer		
Component: 01 - National Grid FY17 Retainer		
October Fee		42,393.96
Total for Job		42,393.96
Total		\$42,393.96

Wire/ACH Information:  
Beneficiary: MRY US, LLC  
Bank Name: Citibank, N.A.  
Bank Address: 111 Wall Street, New York, NY 10001  
Routing Number: 021000089  
SWIFT Code: CITIUS33  
Account Number: 30936803

3,260<sup>09</sup>  
1,301<sup>49</sup>

# MRY

Nov.

National Grid US  
300 Erie Blvd West  
Syracuse, NY 13202  
USA  
Attn: Emily Johnson

**INVOICE**  
Invoice Number: 025066-00  
Date: 11/7/2016 Due: 12/7/2016  
Page: 1  
Client PO: 3200238516

	Current
Job: 003474 - National Grid FY17 Retainer	
Component: 01 - National Grid FY17 Retainer	
November Fee	42,393.97
Total for Job	42,393.97
Total	\$42,393.97

Wire/ACH Information:  
Beneficiary: MRY US, LLC  
Bank Name: Citibank, N.A.  
Bank Address: 111 Wall Street, New York, NY 10001  
Routing Number: 021000089  
SWIFT Code: CITIUS33  
Account Number: 30936803

3,260<sup>90</sup>  
1,301<sup>49</sup>

# MRY

National Grid US  
300 Erie Blvd West  
Syracuse, NY 13202  
USA  
Attn: Emily Johnson

**INVOICE** *Dec*  
Invoice Number: 025245-00  
Date: 12/7/2016 Due: 1/6/2017  
Page: 1  
Client PO: 3200238516

	Current
Job: 003474 - National Grid FY17 Retainer	
Component: 01 - National Grid FY17 Retainer	
December Fee	42,393.97
<b>Total for Job</b>	<b>42,393.97</b>

<b>Total</b>	<b>\$42,393.97</b>
--------------	--------------------

Wire/ACH Information:  
Beneficiary: MRYS, LLC  
Bank Name: Citibank, N.A.  
Bank Address: 111 Wall Street, New York, NY 10001  
Routing Number: 021000089  
SWIFT Code: CITIUS33  
Account Number: 30936803

*31260<sup>09</sup>  
11301<sup>49</sup>*

# MRY

Jan.

## INVOICE

National Grid US 300  
Erie Blvd West  
Syracuse, NY 13202  
USA  
Attn: Emily Johnson

Invoice Number : 025262-00  
Date : 12/20/2016 Due : 1/2/2017  
Page : 1  
Client PO : 3200238516

Current

Job: 003474 - National Grid FY17 Retainer  
Component: 01 - National Grid FY17 Retainer  
January Fee

42,393.97

Total for Job

42,393.97

Total	\$42,393.97
-------	-------------

Wire/ACH Information:  
Beneficiary: MRY US, LLC  
Bank Name: Citibank, N.A.  
Bank Address: 111 Wall Street, New York, NY 10001  
Routing Number: 021000089  
SWIFT Code: CITIUS33  
Account Number: 30936803

3,260<sup>09</sup>  
1,301<sup>49</sup>

# MRY

Feb.

## INVOICE

National Grid US  
300 Erie Blvd West  
Syracuse, NY 13202  
USA  
Attn: Emily Johnson

Invoice Number : 025410-00  
Date : 1/23/2017 Due : 2/22/2017  
Page : 1  
Client PO : 3200238516

Current

Job: 003474 - National Grid FY17 Retainer  
Component: 01 - National Grid FY17 Retainer  
February Fee

42,393.97

Total for Job

42,393.97

Total	\$42,393.97
-------	-------------

Wire/ACH Information:  
Beneficiary: MRY US, LLC  
Bank Name: Citibank, N.A.  
Bank Address: 111 Wall Street, New York, NY 10001  
Routing Number: 021000089  
SWIFT Code: CITIUS33  
Account Number: 30936803

326009  
1,301.49

# MRY

*File April*

## INVOICE

National Grid US  
300 Erie Blvd West  
Syracuse, NY 13202  
USA  
Attn: Emily Johnson

Invoice Number: 025695-00  
Date: 4/7/2017 Due: 5/7/2017  
Page: 1  
Client PO: 3200238516

	Current
Job: 003474 - National Grid FY17 Retainer	
Component: 01 - National Grid FY17 Retainer	
April Fee	42,393.97
<b>Total for Job</b>	<b>42,393.97</b>
<b>Total</b>	<b>\$42,393.97</b>

Wire/ACH Information:  
Beneficiary: MRY US, LLC  
Bank Name: Citibank, N.A.  
Bank Address: 111 Wall Street, New York, NY 10001  
Routing Number: 021000089  
SWIFT Code: CITIUS33  
Account Number: 30936803

*32609  
1130149*

# MRY

*May*

**INVOICE**

National Grid US  
300 Erie Blvd West  
Syracuse, NY 13202  
USA  
Attn: Emily Johnson

Invoice Number: 025789-00  
Date: 5/4/2017 Due: 6/3/2017  
Page: 1  
Client PO: 3200238516

	Current		
Job: 003474 - National Grid FY17 Retainer			
Component: 01 - National Grid FY17 Retainer			
May Fee	42,393.97		
<b>Total for Job</b>	<b>42,393.97</b>		
<table border="1"> <tr> <td><b>Total</b></td><td><b>\$42,393.97</b></td></tr> </table>		<b>Total</b>	<b>\$42,393.97</b>
<b>Total</b>	<b>\$42,393.97</b>		

Wire/ACH Information:  
Beneficiary: MRYS, LLC  
Bank Name: Citibank, N.A.  
Bank Address: 111 Wall Street, New York, NY 10001  
Routing Number: 021000089  
SWIFT Code: CITIUS33  
Account Number: 30936803

*3,158<sup>35</sup>*  
*1,137<sup>80</sup>*

# MRY

## INVOICE

National Grid US  
300 Erie Blvd West  
Syracuse, NY 13202  
USA  
Attn:

Invoice Number : 023524-00  
Date : 3/17/2016 Due : 4/16/2016  
Page : 1  
Client PO : 3200174632

		Current
Job: 003084 - National Grid FY16 Retainer		
Component: 01 - National Grid FY16 Retainer		
March Fee		42,021.00
Total for Job		42,021.00

Total	\$42,021.00
-------	-------------

Wire/ACH Information:  
Beneficiary: MRY US, LLC  
Bank Name: Citibank, N.A.  
Bank Address: 111 Wall Street, New York, NY 10001  
Routing Number: 021000089  
SWIFT Code: CITIUS33  
Account Number: 30936803

3158  
1377

# MRY

## INVOICE

National Grid US  
300 Erie Blvd West  
Syracuse, NY 13202  
USA  
Attn:

Invoice Number : 023523-00  
Date : 3/17/2016 Due : 4/16/2016  
Page : 1  
Client PO : 3200174632

		Current
Job: 003400 - National Grid: Emerging Reserve Fund		
Component: 01 - National Grid: Emerging Reserve Fund		
Service Fee		3,890.00
Total for Job		3,890.00

Total	\$3,890.00
-------	------------

Wire/ACH Information:  
Beneficiary: MRY US, LLC  
Bank Name: Citibank, N.A.  
Bank Address: 111 Wall Street, New York, NY 10001  
Routing Number: 021000089  
SWIFT Code: CITIUS33  
Account Number: 30936803

*Paid Media  
targeting/promotion  
SM posts/ads.*

*E-292<sup>38</sup>  
G-  
Allocation?*

# MRY

## INVOICE

National Grid US  
300 Erie Blvd West  
Syracuse, NY 13202  
USA  
Attn:

Invoice Number : 024234-00  
Date : 6/16/2016 Due : 7/16/2016  
Page : 1  
Client PO : 3200174632

Current

Job: 003084 - National Grid FY16 Retainer  
Component: 01 - National Grid FY16 Retainer  
June Fee

42,021.00

Total for Job

42,021.00

Total

\$42,021.00

Wire/ACH Information:  
Beneficiary: MRY US, LLC  
Bank Name: Citibank, N.A.  
Bank Address: 111 Wall Street, New York, NY 10001  
Routing Number: 021000089  
SWIFT Code: CITIUS33  
Account Number: 30936803

MRY • 11 W 19th St • 3rd Floor • New York NY 10011 • (212) 779-8700 • (212) 710-8965 Fax • ar@mry.com •

Accounts Payable 06-17-16: 07:49:03 Received



146 Cedar Lake Road  
Blairstown, NJ 07825  
908-362-5869 Fax: 908-362-6834

Submitted On: 9/8/2016

**Company:** National Grid  
175 East Old Country Road-Ops 3  
Hicksville New York 11801

**Client Contact:** Michael Presti

**Project Name:** NE Contact List

6000696068

**Invoice #** 3835

**Job #** NG 861

**Date:** 9/1/16

IDEAS Agency  
Vendor#1000010221

**PO#** 3200225391

**CREATIVE**

\$780.00

**TOTAL**

\$780.00

32025110H	AG0268	5330	Y5330066894	C6604300	MAG1000	\$195.00	25%
32025110H	AG0268	5340	Y5340074934	C6604300	MAG1000	\$195.00	25%
32025110H	AG0268	5360	Y5360088391	C6604300	RIG1000	\$390.00	50%

To be paid within 30 days of invoice date



146 Cedar Lake Road  
Blairstown, NJ 07825  
908-362-5869 Fax: 908-362-6834

Submitted On: 9/8/2016

**Company:** National Grid  
175 East Old Country Road-Ops 3  
Hicksville New York 11801

**Client Contact:** Michael Presti

**Project Name:** RI Gas Growth

6000696079

**Invoice #** 3836

**Job #** NG 964

**Date:** 9/1/16

IDEAS Agency  
Vendor#1000010221

**PO#** 3200225391

**CREATIVE/PRODUCTION** \$350.00

**TOTAL** \$350.00

32025110H	AG0268	5360	Y5360088391	C6604300	RIG1000	\$350.00	100%
-----------	--------	------	-------------	----------	---------	----------	------

To be paid within 30 days of invoice date



146 Cedar Lake Road  
Blairstown, NJ 07825  
908-362-5869 Fax: 908-362-6834

Submitted On: 12/14/2016

**Company:** National Grid  
175 East Old Country Road-Ops 3  
Hicksville New York 11801

**Client Contact:** Michael Presti

**Project Name:** EOFs/SLAs

6000745205

**Invoice #** 3889

**Job #** NG 851

**Date:** 12/9/16

IDEAS Agency  
Vendor#1000010221

**PO#** 3200225391

**CREATIVE** \$300.00

**TOTAL** \$300.00

32025110H	AG0268	5220	Y5220028962	C6604300	NYG1000	\$75.00	20%
32025110H	AG0268	5230	Y5230036430	C6604300	NYG1000	\$75.00	20%
32025110H	AG0268	5330	Y5330066894	C6604300	MAG1000	\$38.00	20%
32025110H	AG0268	5340	Y5340074934	C6604300	MAG1000	\$37.00	20%
32025110H	AG0268	5360	Y5360088391	C6604300	RIG1000	\$75.00	20%

To be paid within 30 days of invoice date



146 Cedar Lake Road  
Blairstown, NJ 07825  
908-362-5869 Fax: 908-362-6834

Submitted On: 2/17/2017

**Company:** National Grid  
175 East Old Country Road-Ops 3  
Hicksville New York 11801

**Client Contact:** Michael Presti

**Project Name:** SLAs (Commercial/Residential – MA & RI)

Confirmation: 6000777609

Invoice # 3920

Job # NG 851

Date: 2/15/17

IDEAS Agency  
Vendor#1000010221

PO# 3200225391

**CREATIVE /WRITABLES**

**\$1,000.00**

**TOTAL**

**\$1,000.00**

32025110H	AG0268	5330	Y5330066894	C6604300	MAG1000	\$250.00	13%
32025110H	AG0268	5340	Y5340074934	C6604300	MAG1000	<del>\$250.00</del>	12%
32025110H	AG0268	5360	Y5360088391	C6604300	RIG1000	\$500.00	25%

To be paid within 30 days of invoice date

Submitted: 04/17/17

Confirmation: 6000809356



146 Cedar Lake Road  
Blairstown, NJ 07825  
908-362-5869 Fax: 908-362-6834

Invoice # 3977

Job # NG 892

Date: 4/15/17

IDEAS Agency  
Vendor#1000010221

PO# 3200295871

**Company:** National Grid  
175 East Old Country Road-Ops 3  
Hicksville New York 11801

**Client Contact:** Christine Kiviat

**Project Name:** PEX Collateral

**CREATIVE**

**\$9,075.00**

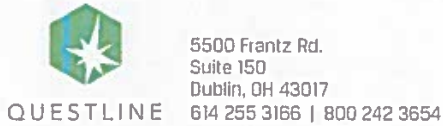
**TOTAL**

**\$9,075.00**

32025110H AG0268 5330 Y5330066894 C6604300 MAG1000 \$1,815.00 20%  
32025110H AG0268 5340 Y5340074934 C6604300 MAG1000 \$1,815.00 20%  
32025110H AG0268 5360 Y5360088391 C6604300 RIG1000 \$1,815.00 20%  
32025110H AG0268 5220 Y5220028958 C6604300 NYG1000 \$1,815.00 20%  
32025110H AG0268 5230 Y5230036427 C6604300 NYG1000 \$1,815.00 20%

RIG \$ 1,815

To be paid within 30 days of invoice date



Confirmation: 6000788552

Submitted On: 3/10/2017

## INVOICE

National Grid  
Attn: Accounts Payable  
300 Erie Blvd W  
Syracuse, NY 13202

Invoice #  
031017F

SFC #  
2419

Invoice Date  
3/10/17

Due Date  
4/9/17

PO: 3200227057

Description	Amount
Total estimated charges National Grid PEX folder hosting and maintenance, for the term April 1, 2017 to March 31, 2018	
Annual hosting of up to 5 pages and 5,000 page views: \$495	495.00
Prepay up to 8 hours of design/coding for ongoing maintenance @\$165/hour	1,320.00

32025110H	AG0268	5220	Y5220028962	C6604300	NYG1000	\$453.75	25%
32025110H	AG0268	5230	Y5230036430	C6604300	NYG1000	\$453.75	25%
32025110H	AG0268	5330	Y5330066894	C6604300	MAG1000	\$226.88	13%
32025110H	AG0268	5340	Y5340074934	C6604300	MAG1000	\$226.87	12%
32025110H	AG0268	5360	Y5360088391	C6604300	RIG1000	\$453.75	25%

	TOTAL	\$1,815.00
Questline moved in June 2016. Please direct correspondence to the Dublin, OH address	PAYMENTS/CREDITS	\$0.00
	BALANCE DUE	\$1,815.00

We Make Energy Engaging



Invoice Date: 09/23/2016  
Ship Date: 09/23/2016

INVOICE: 2685337-2

# INVOICE

Billed to: National Grid  
Syracuse SOC  
300 Erie Blvd W  
Syracuse, NY 13202  
United States

Shipped to: U.S.P.S.  
5640 East Taft Road  
Syracuse, NY 13220  
United States

Confirmation: 6000705695

Submitted On: 9/26/2016

Attn: Heather Thompson

Attn:

PO#	JOB	SALES CONTACT	PRINT MGR.
3200226831	RI Gas Campaign DM		Olivia Erwin
Business Unit:	Cost Center: Christine Kiviat	Ordered by:	

QTY	DESCRIPTION	EACH	AMOUNT
56459	RI Gas Campaign DM: Postage	\$0.2188	\$12,350.74

Terms: Net 30  
Payment Due Date: 10/23/2016

**FOR IMMEDIATE PAYMENT!**  
**DUE: 09/23/2016**

Sub Total: \$12,350.74

Program:

Postage:

Shipping:

Tax: \$0.00

Invoice Total: \$12,350.74

Payments: \$0.00

**BALANCE DUE: \$12,350.74**

Please reference the invoice number on your payment.

32025110H	AG0268	5360	Y5360088391	C6604300	RIG1000	\$12,350.74	100%
-----------	--------	------	-------------	----------	---------	-------------	------

**BALANCE DUE: \$12,350.74**

National Grid  
Syracuse SOC  
300 Erie Blvd W  
Syracuse, NY 13202  
United States  
Attn: Heather Thompson

REMIT TO: InnerWorkings  
Accounts Receivable  
7503 Solution Center  
Chicago, IL 60677-7005

Invoice #: 2685337-2

Questions: AR@inwk.com | 1440 Broadway 22nd Floor New York, NY 10018 | 212-213-0900 | [www.inwk.com](http://www.inwk.com)



Invoice Date: 10/06/2016  
Ship Date: 10/06/2016

Confirmation: 6000715995

INVOICE: 2685337-1

Submitted On: 10/14/2016

# INVOICE

Billed to: National Grid  
Syracuse SOC  
300 Erie Blvd W  
Syracuse, NY 13202  
United States

Shipped to: U.S.P.S.  
5640 East Taft Road  
Syracuse, NY 13220  
United States

Attn: Heather Thompson

Attn:

PO#	JOB	SALES CONTACT	PRINT MGR.
3200226831	RI Gas Campaign DM		Olivia Erwin
Business Unit:	Cost Center: Christine Kiviat	Ordered by:	

QTY	DESCRIPTION	EACH	AMOUNT
32500	RI Gas Campaign DM: Letter Shell Printing	\$0.0567	\$1,841.46
32500	RI Gas Campaign DM: #10 Outer Window Envelopes	\$0.0636	\$2,067.07
32500	RI Gas Campaign DM: BRE Envelopes	\$0.0304	\$987.80
32112	RI Gas Campaign DM: Lettershop-Variable Printing & Mailing	\$0.135	\$4,334.15

Sub Total: \$9,230.48

Program:

Postage:

Shipping:

Tax: \$0.00

Invoice Total: \$9,230.48

Payments: \$0.00

**BALANCE DUE: \$9,230.48**

Terms: Net 30

Payment Due Date: 11/05/2016

Please reference the invoice number on your payment.

32025110H	AG0268	5360	Y5360088391	C6604300	RIG1000	\$9,230.49	100%
-----------	--------	------	-------------	----------	---------	------------	------

**BALANCE DUE:**

**\$9,230.48**

National Grid  
Syracuse SOC  
300 Erie Blvd W  
Syracuse, NY 13202  
United States  
Attn: Heather Thompson

REMIT TO: InnerWorkings  
Accounts Receivable  
7503 Solution Center  
Chicago, IL 60677-7005

Invoice #: 2685337-1

Questions: AR@inwk.com | 1440 Broadway 22nd Floor New York, NY 10018 | 212-213-0900 | [www.inwk.com](http://www.inwk.com)



Sprinklr, Inc.  
20 West 36th St, 8th Fl  
New York, NY 10001  
917-833-7800 | [sales@sprinklr.com](mailto:sales@sprinklr.com) | [sprinklr.com](http://sprinklr.com)

**Invoice** <sup>730:</sup>

Date	Invoice #
6-Mar-2017	16611
Terms	Due Date
Net 30	5-Apr-2017
Currency	PO #
USD	
Sales Order / Insertion Order #SD7772	

**Bill To**  
National Grid USA Service Company, Inc.  
40 Sylvan Road  
Waltham MA 02451

**Ship To**  
National Grid USA Service Company, Inc.  
40 Sylvan Road  
Waltham MA 02451

Description	Term Start Date	Term End Date	Amount	Tax Rate
Core Seats up to 7 users year 1	24-Mar-2017	23-Mar-2018	44,940.00	6.25%
Listening Insights up to 5MM Mentions year 1	24-Mar-2017	23-Mar-2018	48,150.00	6.25%
Sprinklr Circuit Admin Certification	24-Mar-2017	31-Mar-2019	0.00	

Please make checks payable to SPRINKLR, INC.  
ACH or Wire in USD:  
Silicon Valley Bank  
ABA Routing: 121140399  
Account Number: 3300895470  
SWIFT: SVBKUS66

<b>Subtotal</b>	93,090.00
<b>Tax Total</b>	5,818.13
<b>Total</b>	\$98,908.13

Accounts Payable 03-27-17: 10:01:56 Received

(E) \$7,473<sup>42</sup>  
(G) 4,059<sup>27</sup>



Veer West LLC dba FormAssembly.com  
101 W. Kirkwood Ave  
Suite 224  
Bloomington, IN 47404  
(812)333-6505  
ar@veerwest.com  
http://formassembly.com

7272

## INVOICE

**BILL TO**  
National Grid  
One Metrotech Center  
Brooklyn, NY 11201

**INVOICE #** 2580  
**DATE** 12/08/2016  
**DUE DATE** 01/07/2017  
**TERMS** Net 30

DATE	ACTIVITY	AMOUNT
12/07/2016	FormAssembly Subscriptions FormAssembly.com Enterprise Cloud Annual Subscription - 3 Users	5,750.00

**BALANCE DUE** **\$5,750.00**

Acc #  
XC151002599  
5110 S  
Steven Abatillo  
web operations  
06604000

(E) 434 <sup>47</sup>/<sub>100</sub>  
(G) 236 <sup>01</sup>/<sub>100</sub>

Make all checks payable to Veer West LLC. Contact us for wire transfer information. | Please note that any wire fees you incur are your responsibility. | Prices are in US dollars.

**Accounts Payable 12-21-16: 15:01:37 Received**

**Consolidated  
Marketing  
Services**

28 Cobble Hill Road, Somerville, MA 02143  
978-658-5756  
www.cmsassociates.com

**Invoice**

Invoice # 369948  
Date 06/22/2017

S National Grid (Event Material  
O T Stephen Schindel  
L O One Metrotech Center  
D 13th Floor  
Brooklyn NY 11201

S Erin Motta  
H T National Grid  
I O 280 Metrose St  
P 2nd Floor  
Providence RI 02907-

Carrier  
Carrier Acct#

CMS Order# 935757  
Customer PO # 3200301801  
GL#  
Cost Center#

Quantity	Description	Taxable	Unit Price	Tax	Extended Price
6	Branded Table Throws for National Grid Events across Rhode Island (NECO)***		\$150.00		\$900.00
1	Shipping & Handling		\$31.38		\$31.38

Net Amount  
\$931.38

Tax  
\$0.00

Invoice Total  
\$931.38

Terms: Due Upon Receipt

465<sup>69</sup> = each  
67 E

## WESTERLY ARMORY RESTORATION, INC.

*A Save America's Treasures Site  
& National Register Building*



*Connecting the Community & Remembering Its History*

INVOICE #0001

Emily M. Smaldino  
Event Marketing & Sponsorships  
National Grid  
40 Sylvan Road  
Waltham, MA 02451

### Rental of the Westerly Armory

Event: Community Public Meeting  
Date: June 13, 2017  
Time: Start 4:00 P.M./End 8:00 P.M.

Rental Fee: \$95/hour

Balance due: \$380

Proof of liability insurance is required in advance naming Westerly Armory Restoration, Inc. as additionally insured.

Make check payable to Westerly Armory Restoration, Inc.

Please don't hesitate to contact me if there are any questions.  
Cell: 401-392-0537  
[Jhumble417@aol.com](mailto:Jhumble417@aol.com)

John Humble  
Operations Manager

P.O. Box 614  
Westerly, RI 02891  
website: [www.westerlyarmory.com](http://www.westerlyarmory.com)

Telephone: (401) 596-8554  
FAX: (401) 596-9529  
email: [westerlyarmory@aol.com](mailto:westerlyarmory@aol.com)



SAP Conf #: 6000837297  
PO#: 3200302938

**BANNER SEVENTEEN, LLC**

**INVOICE**

**BILL TO**  
Company: National Grid  
Name: Paul Cantello  
Address:

Date	Invoice #
6/9/2017	PDL5405890

**DESCRIPTION**

2017 Sponsor Summit			
# of People	3		
Continental Breakfast (Day 1)	\$ 13.00	\$	39.00
lunch ( Day 1 )	\$ 60.00	\$	180.00
Break (Day 1)	\$ 14.00	\$	42.00
Dinner (Day 1)	\$ 80.00	\$	240.00
Full Breakfast ( Day 2 )	\$ 64.00	\$	192.00
Continental Breakfast (Day 2)	\$ 13.00	\$	39.00
Break ( Day 2 )	\$ 11.00	\$	33.00
lunch ( Day 2 )	\$ 60.00	\$	180.00

**DUE DATE**  
Payment due upon receipt

**REMITTANCE INFO**  
Banner Seventeen, LLC  
Attn: Patrick Lynch  
226 Causeway Street, 4th Floor  
Boston, MA 02114  
Company Tax ID. 300136909

**TOTAL AMOUNT DUE:** \$945.00

(E) \$114  
(G) \$35

# MRY

7238

## INVOICE

National Grid US  
300 Erie Blvd West  
Syracuse, NY 13202  
USA  
Attn:

Invoice Number : 024238-00  
Date : 6/16/2016 Due : 7/16/2016  
Page : 1  
Client PO :

Current

Job: 003428 - National Grid SEO Audit

Component: 01 - National Grid SEO Audit

Service Fee

24,000.00

Total for Job

24,000.00

Total

\$24,000.00

Wire/ACH Information:  
Beneficiary: MRY US, LLC  
Bank Name: Citibank, N.A.  
Bank Address: 111 Wall Street, New York, NY 10001  
Routing Number: 021000089  
SWIFT Code: CITIUS33  
Account Number: 30936803

E- 1,813<sup>42</sup>  
G- 985<sup>10</sup>  
SEO

MRY • 11 W 19th St • 3rd Floor • New York NY 10011 • (212) 779-8700 • (212) 710-8865 Fax • [ar@mry.com](mailto:ar@mry.com) •

Accounts Payable 07-01-16: 15:06:35 Received



**SPPro Inc.**  
3214 Oxford Ave.  
Bronx, NY 10463

Submitted: 10/05/2016

Confirmation: 6000710984

Invoice #: 00041997

Date: 10/1/2016

Ship Via:

Page: 1

Your Order #:

3200225392

Bill To:

National Grid  
Accounts Payable Department C-1  
300 Erie Blvd West  
Syracuse, NY 13202

Ship To:

Vendor #: 1000027188  
PO #: 3200225392  
Attn: Christine Kiviat  
Lead, Gas Growth  
25 Hub Drive- W43  
Melville, New York 11747  
christine.kiviat@nationalgrid.com

Description	Amount	Tx
Website/Database hosting, myngrid.com, Oct. 2016-Sept. 2017	\$750.00	
<div> <p>32025110H AG0268 5230 Y5230036435 C6604300 NYG1000 \$150.00 20%</p> <p>32025110H AG0268 5220 Y5220028966 C6604300 NYG1000 \$150.00 20%</p> <p>32025110H AG0268 5330 Y5330066902 C6604300 MAG1000 \$150.00 20%</p> <p>32025110H AG0268 5340 Y5340074942 C6604300 MAG1000 \$150.00 20%</p> <p>32025110H AG8023 5360 Y5360088399 C6604300 RIG1000 \$150.00 20%</p> <p><b>Total: \$750.00 100%</b></p> </div>		

Shipping Date:

Terms: C.O.D.

Freight: \$0.00

Sales Tax: \$0.00

Total Amount: \$750.00

Amount Applied: \$0.00

Balance Due: \$750.00

 InnerWorkings.

600 West Chicago Avenue • Chicago, IL 60654 • 312.642.3700

DATE: 03/23/2017  
SHIP: 03/23/2017

CONF# 6000828177  
processed 05/23/17

CONF#  
6000828177

INVOICE NUMBER:  
CUSTOMER ACCOUNT NUMBER:  
JOB NUMBER:

5006934-1  
1000-044929  
1000-00007995

## INVOICE

Billed To: National Grid - Enterprise  
300 Erie Blvd West  
Syracuse, NY 13202  
USA

Shipped to: Novitex  
Bob Cleveland / Narvin Hemraj  
758 Rainbow Rd  
Windsor, CT 06095  
USA

CUSTOMER PO NUMBER	JOB	SALES CONTACT	PRINT MGR.
3200298743	CM4383 1/17 RI-E EXPLANATION OF GENERAL BILLING		Olivia Erwin

Business Unit:

Cost Center: Erin Moro

Ordered By:

DESCRIPTION	QUANTITY	EACH	AMOUNT
CM4383 1/17 RI-E Explanation of General Billing	617000	\$0.02091976	\$12,907.49

### Customer Notes

Terms: Net 30 Days  
Due Date: 04/22/2017

Sub Total: \$12,907.49

Tax: \$819.63

Invoice Total: \$13,727.12

Payments: \$0.00

BALANCE DUE: \$13,727.12

NO0000261687-100%

Please refer to Invoice number on your payment

Billed To: National Grid - Enterprise  
300 Erie Blvd West  
Syracuse, NY 13202  
USA

REMIT TO: InnerWorkings  
Accounts Receivable  
7503 Solution Center  
Chicago, IL 60677-7005  
USA



InnerWorkings

Conf#  
6000715581

Invoice Date: 08/24/2016  
Ship Date: 08/24/2016

INVOICE:

2633234-1

# INVOICE

Conf#

6000715581

Billed to: National Grid  
Syracuse SOC  
300 Erie Blvd W  
Syracuse, NY 13202  
United States

Shipped to: NOVITEX  
25 International Drive  
Windsor, CT 06095  
United States

Attn: Heather Thompson

Attn: Bob Cleveland

PO#	JOB	SALES CONTACT	PRINT MGR.
3200230008	CM4399 RI-E 8/16 Important Information		Olivia Erwin
Business Unit:	Cost Center: Heather Thompson	Ordered by:	

QTY	DESCRIPTION	EACH	AMOUNT
75000	CM4399 RI-E 8/16 Important Information	\$0.0264	\$1,976.73

Terms: Net 30  
Payment Due Date: 09/23/2016

Sub Total: \$1,976.73

Program:

Postage:

Shipping:

Tax: \$125.52

Invoice Total: \$2,102.25

Payments: \$0.00

**BALANCE DUE: \$2,102.25**

Please reference the invoice number on your payment.

100%  
NOO.00 261687

**BALANCE DUE:**

**\$2,102.25**


National Grid  
Syracuse SOC  
300 Erie Blvd W  
Syracuse, NY 13202  
United States  
Attn: Heather Thompson

REMIT TO: InnerWorkings  
Accounts Receivable  
7503 Solution Center  
Chicago, IL 60677-7005

Invoice #: 2633234-1

Questions: AR@inwk.com | 1440 Broadway 22nd Floor New York, NY 10018 | 212-213-0900 | [www.inwk.com](http://www.inwk.com)

5471382

 InnerWorkings.

609 West Chicago Avenue Chicago, IL 60654 312 642 5700

DATE: 01/26/2017  
SHIP: 01/24/2017

INVOICE NUMBER: 5005383-1  
CUSTOMER ACCOUNT NUMBER: 1000-044929  
JOB NUMBER: 1000-00006184

## INVOICE

3/20

Billed To: National Grid - Enterprise  
300 Erie Blvd West  
Syracuse, NY 13202  
USA

Shipped to: Novitex  
758 Rainbow Rd  
Windsor, CT 06095  
USA

CUSTOMER PO NUMBER	JOB	SALES CONTACT	PRINT MGR.
320023008	CM4383 1/17 RI-E EXPLANATION OF GENERAL BILLING		Olivia Erwin

Business Unit: Cost Center: Ordered By:

DESCRIPTION	QUANTITY	EACH	AMOUNT
CM4383 1/17 RI-E Explanation of General Billing	617000	\$0 02091976	\$12,907.49

### Customer Notes

Terms: Net 30 Days  
Due Date: 02/25/2017

Sub Total: \$12,907.49

Tax: \$819.63

Invoice Total: \$13,727.12

Payments: \$0.00

BALANCE DUE: \$13,727.12

Please refer to invoice number on your payment

45360078398  
AG0125

CONF# 6000291661  
processed 3/14/17  
↓

Billed To: National Grid - Enterprise  
40 Sylvan Road  
Waltham, MA 02451  
USA

REMIT TO: InnerWorkings  
Accounts Receivable  
7503 Solution Center  
Chicago, IL 60677-7005  
USA

INVOICE 5005383-1



InnerWorkings.

Invoice Date: 10/28/2016  
Ship Date: 10/24/2016

INVOICE: 2676302-1

# INVOICE

Billed to: National Grid  
40 Sylvan Road  
Waltham, MA 02451  
United States

Shipped to: NOVITEX  
25 International Drive  
Windsor, CT 06095  
United States

Attn: Heather Thompson

Attn:

PO#	JOB	SALES CONTACT	PRINT MGR.
3200230008	We Connect Newsletter- Nov/ Dec 2016		Olivia Erwin

Business Unit:

Cost Center:  
Heather Thompson

Ordered by:  
Heather Thompson

QTY	DESCRIPTION	EACH	AMOUNT
5804250	WeConnect Newsletter Nov/Dec - 6 versions		\$81,064.28
1	2 Rounds of AA's		\$317.07

Terms: Net 30

Payment Due Date: 11/27/2016

*Need to tax  
pay  
paying tax  
separate*

Sub Total: \$81,381.35

Program:

Postage:

Shipping:

Tax: \$5,167.72

Invoice Total: \$86,549.07

Payments: \$0.00

**BALANCE DUE: \$86,549.07**

Please reference the invoice number on your payment.

*Conf#  
6000734698  
processed  
11/22/14*

*N0000261687-8%-6923<sup>93</sup>  
N0000261690-5%-4327<sup>45</sup>*

**BALANCE DUE:**

**\$86,549.07**

National Grid  
40 Sylvan Road  
Waltham, MA 02451  
United States  
Attn: Heather Thompson

REMIT TO: InnerWorkings  
Accounts Receivable  
7503 Solution Center  
Chicago, IL 60677-7005

Invoice #: 2676302-1

Questions: AR@lnwk.com | 1440 Broadway 22nd Floor New York, NY 10018 | 212-213-0900 | [www.lnw.com](http://www.lnw.com)

Conf# 6000 742179



InnerWorkings

Invoice Date 01/11/2017  
Ship Date 01/11/2017

INVOICE 2790748-1

# INVOICE

pci  
1/20/17

Billed to: National Grid  
Syracuse SOC  
300 Erie Blvd W  
Syracuse, NY 13202  
United States

Shipped to: Novitex  
758 Rainbow Rd  
Windsor, CT 06095  
United States

Attn: Heather Thompson

Attn: Bob Cleveland

PO#	JOB	SALES CONTACT	PRINT MGR.
320023008	CM4444 Summary of Rates - MA & RI		Olivia Erwin
Business Unit:	Cost Center: Heather Thompson	Ordered by:	

QTY	DESCRIPTION	EACH	AMOUNT
150000	CM4444 Summary of Rates - MA & RI	\$0.0249	\$3,728.29
	CM4444 MA-E: Qty= 100,000		
	CM4444 RI-E: Qty= 50,000		

Terms: Net 30  
Payment Due Date: 02/10/2017

Sub Total: \$3,728.29  
Program:  
Postage:  
Shipping:  
Tax: \$236.75

Invoice Total: \$3,965.04  
Payments: \$0.00  
BALANCE DUE: \$3,965.04

Please reference the invoice number on your payment.

MA - N0000261669 - 67<sup>th</sup>

RI - N0000261687 - 33<sup>rd</sup> - 1308 <sup>46</sup>

BALANCE DUE: \$3,965.04

National Grid  
Syracuse SOC  
300 Erie Blvd W  
Syracuse, NY 13202  
United States  
Attn: Heather Thompson

REMIT TO: InnerWorkings  
Accounts Receivable  
7503 Solution Center  
Chicago, IL 60677-7005

Invoice #: 2790748-1

Questions: AR@inwk.com | 1440 Broadway 22nd Floor New York, NY 10018 | 212-213-9900 | www.inwk.com



InnerWorkings

*Conf 6000734740  
processed  
11/22/16*

Invoice Date: 11/17/2016  
Ship Date: 11/17/2016

INVOICE: 2743424-1

# INVOICE

Billed to: National Grid  
Syracuse SOC  
300 Erie Blvd W  
Syracuse, NY 13202  
United States

Shipped to: Novitex  
758 Rainbow Rd  
Windsor, CT 06095  
United States

Attn: Heather Thompson

Attn: Bob Cleavland

PO#	JOB	SALES CONTACT	PRINT MGR.
3200230008	CM4394 Summary of Rates Bill Inserts		Olivia Erwin

Business Unit: Cost Center: Heather Thompson Ordered by:

QTY	DESCRIPTION	EACH	AMOUNT
1943000	CM4394 Summary of Rates Bill Inserts-3 versions	\$0.0193	\$37,457.42
	CM4394 (11/16) RI Res & Bus: Qty= 573,000 <i>30%</i>		
	CM4394 (11/16) NAN: Qty= 20,000 <i>1%</i>		
	CM4394 (11/16) MA: Qty=1,350,000 <i>69%</i>		

Terms: Net 30  
Payment Due Date: 12/17/2016

Sub Total: \$37,457.42  
Program:  
Postage:  
Shipping:  
Tax: \$2,378.55  
Invoice Total: \$39,835.97  
Payments: \$0.00  
BALANCE DUE: \$39,835.97

*RI - N0000261687-30% 1195079*

Please reference the invoice number on your payment.

*NAN - N0000261674  
MA - N0000261689*

*taxes paid  
separately  
11/28/16*

**BALANCE DUE: \$39,835.97**

National Grid  
Syracuse SOC  
300 Erie Blvd W  
Syracuse, NY 13202  
United States  
Attn: Heather Thompson

REMIT TO: InnerWorkings  
Accounts Receivable  
7503 Solution Center  
Chicago, IL 60677-7005

Invoice #: 2743424-1

Questions: AR@inwk.com | 1440 Broadway 22nd Floor New York, NY 10018 | 212-213-0980 | [www.inwk.com](http://www.inwk.com)



InnerWorkings

Invoice Date: 09/28/2016  
Ship Date: 09/23/2016

INVOICE

2659994-1

# INVOICE

Billed to: National Grid  
Syracuse SOC  
300 Erie Blvd W  
Syracuse, NY 13202  
United States

Shipped to: Novitex  
758 Rainbow Rd  
Windsor, CT 06095  
United States

Attn: Heather Thompson

Attn: Bob Cleveland

PO#	JOB	SALES CONTACT	PRINT MGR.
3200230008	CM4425 RI Bi-annual insert		Olivia Erwin
Business Unit:	Cost Center: Heather Thompson	Ordered by:	

QTY	DESCRIPTION	EACH	AMOUNT
714000	CM4425 RI Bi-annual insert	\$0.0124	\$8,827.10
1	AA- typo on press, new plate	\$243.90	\$243.90
	Sub Total:		\$9,071.00

Terms: Net 30

Payment Due Date: 10/28/2016

Program:

Postage:

Shipping:

Tax:

\$576.01

Invoice Total:

\$9,647.01

Payments:

\$0.00

BALANCE DUE:

\$9,647.01

100%  
NO000261687

Please reference the invoice number on your payment.

CONF#  
600075367

100%  
NO000261687

BALANCE DUE:

\$9,647.01

National Grid  
Syracuse SOC  
300 Erie Blvd W  
Syracuse, NY 13202  
United States  
Attn: Heather Thompson

REMIT TO: InnerWorkings  
Accounts Receivable  
7503 Solution Center  
Chicago, IL 60677-7005

Invoice #: 2659994-1

Questions: AR@lnwk.com | 1440 Broadway 22nd Floor New York, NY 10018 | 212-213-0900 | [www.lnwk.com](http://www.lnwk.com)

Conf# 6000791611

 InnerWorkings.

600 West Chicago Avenue • Chicago, IL 60654 • 312.612.3700

DATE: 01/26/2017  
SHIP: 01/24/2017

INVOICE NUMBER: 5005385-1  
CUSTOMER ACCOUNT NUMBER: 1000-044929  
JOB NUMBER: 1000-00008237

## INVOICE

3/20

Billed To: National Grid - Enterprise  
300 Erie Blvd West  
Syracuse, NY 13202  
USA

Shipped to: Novitex  
758 Rainbow Rd  
Windsor, CT 06095  
USA

CUSTOMER PO NUMBER	JOB	SALES CONTACT	PRINT MGR.
3200230008	CM4394 11/16 RI RES & BUS SUMMARY OF RATES		Olivia Erwin

Business Unit: Cost Center: Ordered By:

DESCRIPTION	QUANTITY	EACH	AMOUNT
CM4394 11/16 RI Res & Bus Summary of Rates	160000	\$0.03413872	\$5,462.20

### Customer Notes

Terms: Net 30 Days  
Due Date: 02/25/2017

Sub Total:	\$5,462.20
Tax:	\$346.85
Invoice Total:	\$5,809.05
Payments:	\$0.00
<b>BALANCE DUE:</b>	<b>\$5,809.05</b>

NO0000261687

Please refer to invoice number on your payment

Billed To: National Grid - Enterprise  
40 Sylvan Road  
Waltham, MA 02451  
USA

REMIT TO: InnerWorkings  
Accounts Receivable  
7503 Solution Center  
Chicago, IL 60677-7005  
USA

INVOICE: 5005385-1



InnerWorkings

Conf# 6000762206  
processed 1/18/17

Invoice Date: 12/23/2016  
Ship Date: 12/23/2016

INVOICE

2744867-1

# INVOICE

pd ck  
1/20/17

Billed to: National Grid  
Syracuse SOC  
300 Erie Blvd W  
Syracuse, NY 13202  
United States

Shipped to: Novitex  
758 Rainbow Rd  
Windsor, CT 06095  
United States

Attn: Heather Thompson

Attn: Bob Cleveland

PO#	JOB	SALES CONTACT	PRINT MGR.
3200230008	WeConnect Newsletter Jan/Feb 2017		Olivia Erwin

Business Unit:

Cost Center:  
Heather Thompson

Ordered by:

QTY	DESCRIPTION	EACH	AMOUNT
5804250	CM6530 (1/17) WeConnect Newsletter Jan/Feb - 6 versions	\$0.014	\$81,064.28
	CM6530 MA Electric: 1,125,250		
	CM6530 RI Gas & Electric: 671,000		
	CM6530 MA Gas: 834,000		
	CM6530 NYC: 1,200,000		
	CM6530 LI Gas: 500,000		
	CM6530 UNY Gas & Electric: 1,474,000		

Terms: Net 30

Payment Due Date: 01/22/2017

Sub Total: \$81,064.28

Program:

Postage:

Shipping:

Tax:

Invoice Total:

Payments:

BALANCE DUE:

\$62.31

\$5,151.54

\$86,278.13

\$0.00

\$86,278.13

Please reference the invoice number on your payment.

NO0000261687-8% - 6902<sup>25</sup>

NO0000261690-5% 4313<sup>91</sup>

BALANCE DUE:


\$86,278.13

National Grid  
Syracuse SOC  
300 Erie Blvd W  
Syracuse, NY 13202  
United States  
Attn: Heather Thompson

REMIT TO: InnerWorkings  
Accounts Receivable  
7503 Solution Center  
Chicago, IL 60677-7005

Invoice #: 2744867-1

Questions: AR@inwk.com | 1440 Broadway 22nd Floor New York, NY 10018 | 212-213-0900 | [www.inwk.com](http://www.inwk.com)

 InnerWorkings.

600 West Chicago Avenue • Chicago, IL 60654 • 312.642.3700

DATE: 02/13/2017  
SHIP: 02/13/2017

*Conf# 600079665*

INVOICE NUMBER: 5005823-1  
CUSTOMER ACCOUNT NUMBER: 1000-044829  
JOB NUMBER: 1000-00008876

## INVOICE

Billed To: National Grid - Enterprise  
300 Erie Blvd West  
Syracuse, NY 13202  
USA

Shipped to: Novitex  
758 Rainbow Rd  
Windsor, CT 06095

CUSTOMER PO NUMBER	JOB	SALES C	ACT	PRINT MGR.
3200230008	WE CONNECT NEWSLETTER MAY/JUNE 2017			Olivia Erwin

Business Unit: Cost Center: Heather Thompson Ordered By:

DESCRIPTION	QUANTITY	EACH	AMOUNT
WeConnect Newsletter May/June 2017	5804250	\$0.01396637	\$81,064.30
Distribution List	1280	\$0.00	\$0.00

### Customer Notes

Terms: Net 30 Days  
Due Date: 03/15/2017

*NU0000261687 - 8% - 6902<sup>25</sup>*  
*NU0000261690 - 5% - 4313<sup>91</sup>*

Sub Total:	\$81,064.30
Delivery	\$ 62.31
Tax:	\$5,151.54
Invoice Total:	\$86,278.15
Payments:	\$0.00
<b>BALANCE DUE:</b>	<b>\$86,278.15</b>

Please refer to invoice number on your payment

Billed To: National Grid - Enterprise  
300 Erie Blvd West  
Syracuse, NY 13209  
USA

REMIT TO: InnerWorkings  
Accounts Receivable  
7503 Solution Center  
Chicago, IL 60677-7005  
USA

INVOICE 5005823-1

Conf# 6000779684

 InnerWorkings.

600 West Chicago Avenue • Chicago, IL 60654 • 312.642.4700

DATE: 02/13/2017  
SHIP: 01/16/2017

INVOICE NUMBER: 5005822-1  
CUSTOMER ACCOUNT NUMBER: 1000-044829  
JOB NUMBER: 1000-00006253

## INVOICE

Billed To: National Grid - Enterprise  
300 Erie Blvd West  
Syracuse, NY 13202  
USA

Shipped to: Novitex  
758 Rainbow Rd  
Windsor, CT 06095

CUSTOMER PO NUMBER	JOB	SALES C	ACT	PRINT MGR.
3200230008	WECONNECT NEWSLETTER MARCH/APRIL 2017			Olivia Erwin

Business Unit: Cost Center: Heather Thompson Ordered By:

DESCRIPTION	QUANTITY	EACH	AMOUNT
WeConnect Newsletter March/April 2017	5804250	\$0.01396637	\$81,064.30

### Customer Notes

Terms: Net 30 Days  
Due Date: 03/15/2017

Sub Total: \$81,064.30

Tax: \$5,147.58

Invoice Total: \$86,211.88

Payments: \$0.00

BALANCE DUE: \$86,211.88

N0000261687-8% - \$6896.95

N0000261690-5% - \$4310.51

Please refer to Invoice number on your payment

Billed To: National Grid - Enterprise  
300 Erie Blvd West  
Syracuse, NY 13202  
USA

REMIT TO: InnerWorkings  
Accounts Receivable  
7503 Solution Center  
Chicago, IL 60677-7005  
USA

INVOICE 5005822-1

CONF# 6000779782

 InnerWorkings.

500 West Chicago Avenue • Chicago, IL 60654 • 312.647.3700

DATE: 02/13/2017  
SHIP: 02/09/2017

INVOICE NUMBER: 5005781-1  
CUSTOMER ACCOUNT NUMBER: 1000-044929  
JOB NUMBER: 1000-00008821

## INVOICE

Billed To: National Grid - Enterprise  
300 Erie Blvd West  
Syracuse, NY 13202  
USA

Shipped to: Novitex  
758 Rainbow Rd  
Windsor, CT 06095

CUSTOMER PO NUMBER	JOB	SALES CONTACT	PRINT MGR.
3200230008	CM4425 RI (1/17) BI-ANNUAL INSERT		Olivia Erwin

Business Unit: Cost Center: Heather Thompson Ordered By:

DESCRIPTION	QUANTITY	EACH	AMOUNT
CM4425 RI (1/17) Bi-annual Insert	714000	\$0.01236289	\$8,827.10

### Customer Notes

Terms: Net 30 Days  
Due Date: 03/15/2017

Sub Total: \$8,827.10

Tax: \$560.52

Invoice Total: \$9,387.62

Payments: \$0.00

BALANCE DUE: \$9,387.62

Please refer to invoice number on your payment

NO0000261687

NO0000261687-100%

Billed To: National Grid - Enterprise  
300 Erie Blvd West  
Syracuse, NY 13202  
USA

REMIT TO: InnerWorkings  
Accounts Receivable  
7503 Solution Center  
Chicago, IL 60677-7005  
USA

INVOICE 5005781-1

Conf# 6000 779787

 InnerWorkings.

660 West Chicago Avenue Chicago, IL 60654 • 312.642.3700

DATE: 02/13/2017  
SHIP: 02/13/2017

INVOICE NUMBER: 5005820-1  
CUSTOMER ACCOUNT NUMBER: 1000-044929  
JOB NUMBER: 1000-00006867

## INVOICE

Billed To: National Grid - Enterprise  
300 Erie Blvd West  
Syracuse, NY 13202  
USA

Shipped to: Novitex  
758 Rainbow Rd  
Windsor, CT 06095

CUSTOMER PO NUMBER	JOB	SALES C	ACT	PRINT MGR.
3200230008	CM4391 DISCLOSURE LABELS - 2 LOTS			Olivia Erwin

Business Unit: Cost Center: Heather Thompson Ordered By:

DESCRIPTION	QUANTITY	EACH	AMOUNT
CM4391 Disclosure Labels - 2 lots	1774500	\$0.00761227	\$13,507.97

### Customer Notes

Terms: Net 30 Days  
Due Date: 03/15/2017

*4/26/17  
called the  
paid via  
check # 700164679  
Amount \$201,948.62  
check 03/01/17  
called 03/01/17*

MA - 68%

N0000261669

Sub Total:	\$13,507.97
Tax:	\$857.76
Invoice Total:	\$14,365.73
Payments:	\$0.00
<b>BALANCE DUE:</b>	<b>\$14,365.73</b>

Please refer to invoice number on your payment

MAN - 4% - N0000261674


RI - 28% - N0000261687 - \$402240

Billed To: National Grid - Enterprise  
300 Erie Blvd West  
Syracuse, NY 13202  
USA

REMIT TO: InnerWorkings  
Accounts Receivable  
7503 Solution Center  
Chicago, IL 60677-7005  
USA

INVOICE 5005820-1

Conf # 6000791531 processed 03/14/17

 InnerWorkings.

600 West Chicago Avenue • Chicago, IL 60654 • 312.642.3700

DATE: 01/26/2017  
SHIP: 01/24/2017

INVOICE NUMBER: 5005387-1  
CUSTOMER ACCOUNT NUMBER: 1000-044929  
JOB NUMBER: 1000-00006186

## INVOICE

3/20

Billed To: National Grid - Enterprise  
300 Erie Blvd West  
Syracuse, NY 13202  
USA

Shipped to: Navitex  
758 Rainbow Rd  
Windsor, CT 06095  
USA

CUSTOMER PO NUMBER	JOB	SALES CONTACT	PRINT MGR.
3200230008	CM4391 (1/17) RI-E AND CM4391 (1/17) MA-E, NAN-E DISCLOSURE LABELS		Olivia Erwin

Business Unit: Cost Center: Ordered By:

DESCRIPTION	QUANTITY	EACH	AMOUNT
CM4391 1/17 MA-NAN and RI Disclosure Labels	1774500	\$0.00775406	\$13,759.58

### Customer Notes

Terms: Net 30 Days  
Due Date: 02/25/2017

Sub Total: \$13,759.58

Tax: \$873.73

Invoice Total: \$14,633.31

Payments: \$0.00

BALANCE DUE: \$14,633.31

Please refer to invoice number on your payment

28% =

NOV0000261687

\$4097.33

Billed To: National Grid - Enterprise  
40 Sylvan Road  
Waltham, MA 02451  
USA

REMIT TO: InnerWorkings  
Accounts Receivable  
7503 Solution Center  
Chicago, IL 60677-7005  
USA

INVOICE: 5005387-1



600 West Chicago Avenue • Chicago, IL 60654 • 312.642.3700

DATE: 05/17/2017  
SHIP: 05/04/2017

CONF# 6000828173  
processed 5/23/17

INVOICE NUMBER: 5008781-1  
CUSTOMER ACCOUNT NUMBER: 1000-044929  
JOB NUMBER: 1000-00009575

# INVOICE

Billed To: National Grid - Enterprise  
300 Erie Blvd West  
Syracuse, NY 13202  
USA

Shipped to: Novitex  
Bob Cleveland / Narvin Hemraj  
758 Rainbow Rd  
Windsor, CT 06095  
USA

CUSTOMER PO NUMBER	JOB	SALES CONTACT	PRINT MGR.
3200298743	CM4391 (4/17) MA-E, NAN-E AND CM4391 (4/17) RI-E DISCLOSURE LABELS		Olivia Erwin

Business Unit: Cost Center: Heather Thompson Ordered By: Heather Thompson

DESCRIPTION	QUANTITY	EACH	AMOUNT
CM4391 (4/17) MA-E, NAN-E and CM4391 (4/17) RI-E Disclosure Labels- 2 lots	1774500	\$0.00761227	\$13,507.97

## Customer Notes

Terms: Net 30 Days  
Due Date: 06/16/2017

Sub Total:	\$13,507.97
Rebate	(\$ 6,753.98)
Tax:	\$857.76
Invoice Total:	\$7,611.75
Payments:	\$0.00
BALANCE DUE:	\$7,611.75

NAN - 4%  
~~0000261674~~ N0000261674  
RT 28%  
N0000261687 - 213129  
MA - 68%  
N0000261669

Please refer to invoice number on your payment

Billed To: National Grid - Enterprise  
300 Erie Blvd West  
Syracuse, NY 13202  
USA

REMIT TO: InnerWorkings  
Accounts Receivable  
7503 Solution Center  
Chicago, IL 60677-7005  
USA



InnerWorkings

Conf# 6000715588

Invoice Date: 08/25/2016  
Ship Date: 08/25/2016

INVOICE: 2604732-1

# INVOICE

Billed to: National Grid  
Syracuse SOC  
300 Erie Blvd W  
Syracuse, NY 13202  
United States

Shipped to: Novitex  
758 Rainbow Rd  
Windsor, CT 06095  
United States

Attn: Heather Thompson

Attn: Bob Cleveland

PO#	JOB	SALES CONTACT	PRINT MGR.
320023008	WeConnect Newsletter Sept/Oct 2016		Olivia Erwin
Business Unit:	Cost Center: Heather Thompson	Ordered by:	

QTY	DESCRIPTION	EACH	AMOUNT
-----	-------------	------	--------

5804250	WeConnect Newsletter Sept/Oct - 6 versions	\$0.014	\$81,064.28
---------	--	---------	-------------

MA Electric: 1,125,250

RI Gas & Electric: 671,000

MA Gas: 834,000

NYC: 1,200,000

LI Gas: 500,000

UNY Gas & Electric: 1,474,000

AA's-new files provided for 2 versions, new proofs

\$158.14

Terms: Net 30

Payment Due Date: 09/24/2016

Sub Total: \$81,222.42

Program:

Postage:

Shipping: \$65.12

Tax: \$5,161.76

Invoice Total: \$86,449.30

Payments: \$0.00

BALANCE DUE: \$86,449.30

N0000261687 - 8%

- \$16915.94

Please reference the invoice number on your payment.

N0000261687 - 5%

- 432247

BALANCE DUE: \$86,449.30

National Grid  
Syracuse SOC  
300 Erie Blvd W  
Syracuse, NY 13202  
United States  
Attn: Heather Thompson

REMIT TO: InnerWorkings  
Accounts Receivable  
7503 Solution Center  
Chicago, IL 60677-7005

Invoice #: 2604732-1

Questions: AR@inwk.com | 1440 Broadway 22nd Floor New York, NY 10018 | 212-213-0900 | www.inwk.com



680 Wab Chicago Avenue Chicago, IL 60654 312.617.3700

Date: 06/20/2017  
Ship: 06/19/2017

Invoice Number: 5010037-1  
Customer Account Number: 1000-044929  
Job Number: 1000-00010107

*Conf# 6000844745  
processed  
06/22/17*  
Invoice

Billed To: National Grid - Enterprise  
Heather Thompson  
300 Erie Blvd West  
Syracuse, NY 13202  
USA

Shipped To: National Grid - Enterprise  
Bob Cleveland / Narvin Hemraj  
758 Rainbow Rd  
Windsor, CT 06095  
USA

Customer PO Number	Job	Print Manager
3200298743	WeConnect Newsletter - July/August 2017	Olivia Erwin

Business Unit	Cost Center	Ordered By
	Heather Thompson	Heather Thompson

Description	Quantity	Each	Amount
CM6716 (6/17) WeConnect Newsletter -July/August 2017	5854250	0.01	81,757.53
UNY 1,499,000			
RI 671,000			
MA-E 1,125,250			
MA-G 834,000			
NYC 1,200,000			
LI-G 525,000			
Sub Total:			81,757.53
Charges:			58.17
Tax:			5,195.29

Terms: Net 30

Due Date: 07/20/2017

Billed To: National Grid - Enterprise  
distribution list  
300 Erie Blvd West  
Syracuse, NY 13202  
USA

Remit To: InnerWorkings  
Accounts Receivable  
7503 Solution Center  
Chicago, IL 60677-7005  
USA

Invoice: 5010037-1

we make marketing happen.



650 West Chicago Avenue • Chicago, IL 60654 • 312.642.3700

Date: 06/20/2017  
Ship: 06/19/2017

Invoice Number: 5010037-1  
Customer Account Number: 1000-044929  
Job Number: 1000-00010107

## Invoice

---

Invoice Total:	87,010.99
----------------	-----------

Payments:	0.00
-----------	------

---

<b>BALANCE DUE:</b>	<b>87,010.99</b>
---------------------	------------------

Please refer to invoice number on your payment

**Billed To:** National Grid - Enterprise  
distribution list  
300 Erie Blvd West  
Syracuse, NY 13202  
USA

**Remit To:** InnerWorkings  
Accounts Receivable  
7503 Solution Center  
Chicago, IL 60677-7005  
USA

Invoice: 5010037-1

we make marketing happen

**Cvent, Inc.**  
1755 Greensboro Station Place  
7th Floor,  
Tyson's Corner VA 22102, USA

# INVOICE

**cvent**

7293

**Bill To:**  
National Grid  
One Metro Tech Center, 13th Floor  
Brooklyn, NY 11201  
USA  
Attention: Paul Carletto

Invoice Number: 249716  
Invoice Date: 01/19/2017  
PO #:

Page #: 1 of 1

Item #	Item Description	Qty	Unit Price	Amount	Tax Amount	Total
ENTERPRISE	Maintenance Fee	1.00	2,000.00	2,000.00	177.80	2,177.80
ENTERPRISE	Prepaid Registration Fee	3,000.00	4.84	14,520.00	1,308.78	14,828.78
ENTERPRISE	Meetings Planning Module - Enterprise; API; Additional User Login	1.00	20,250.00	20,250.00	1,797.19	22,047.19
ENTERPRISE	License Fee	1.00	8,500.00	8,500.00	310.63	8,810.63
				<b>USD 38,370.00</b>	<b>3,484.10</b>	<b>42,854.10</b>

Subtotal: 42,854.10

Trade Discount:

Total Invoice Amount: **USD 42,854.10**

**Special Notice and Instructions:**  
If Payment is received after 2/15/2017, a USD 100 late fee will be assessed in addition to a 2% interest charge.

Please detach the portion below and return it with your payment

Payment Instructions via ACH/EFT	Payment Instructions via Check	General Information
<b>Beneficiary Name:</b> CVENT, Inc <b>Beneficiary Account:</b> 6360767434 <b>Beneficiary Contact:</b> 703-228-3822  <b>Bank Name:</b> PNC Bank  <b>ABA Routing Number ACH:</b> For Clients from <u>United States:</u> 054000030  <b>ABA Routing Number WIRE:</b> For Clients from <u>Outside United States:</u> 031000033  <b>SWIFT:</b> PNCUS33	<b>Mail Check payment to the following address:</b>  Cvent, Inc. P.O. Box 622998, Philadelphia, PA 19182 2998, USA  <b>Overnight Check payment to the following address:</b>  PNC Bank c/o Cvent Lockbox Number 622998 Rt 98 and East Gate Drive Moorestown, NJ 08057	<b>Invoice Details</b>  Invoice# 249716 Date: 01/19/2017 Due Date: 2/15/2017 Amount Payable: USD 42,854.10  Cvent Federal Tax ID Number: 64-1854488  For any queries, please contact Billing via: Email: <a href="mailto:accounts@cvent.com">accounts@cvent.com</a>  <b>Phone:</b> USA: (703) 228 3822 Australia (Toll Free) (1800) 802 529 X 8822 UK (Toll Free): (0800) 234 4540 X 3522

Accounts Payable 02-22-17: 08:22:21 Received

**doubledutch**

350 Rhode Island St, Suite 375, San Francisco, CA, 94103. USA  
Phone: (800) 748-9024 Fax: (650) 636-9685  
<http://www.doubledutch.me>  
ar@doubledutch.me

*processed  
check request  
for Jan 24/17*

**INVOICE**

**Billing Address**

National Grid USA Services Company  
One Metro Tech Center, 13th Floor  
Brooklyn NY 11201  
US

<b>Invoice Number</b>	SIN005342
<b>Invoice Date</b>	12-Dec-2016
<b>Net Terms</b>	Net 30

<b>Order Number</b>	<b>Invoice Currency</b>	<b>Due Date</b>
038947	USD	1/11/2017

	Product Name	Quantity	Unit Price	Tax Code	Tax Value	Net Value
1	DoubleDutch Events - Basic Includes 1 Event License	1.50	\$3,333.34		\$0.00	\$5,000.01
2	DoubleDutch Events - Basic Platform Includes 1 Event License + CMS platform, Basic Service	0.50	\$5,000.00		\$0.00	\$2,500.00
<b>Net Total</b>						\$7,500.01
<b>Tax Total</b>						\$0.00
<b>Invoice Total</b>						\$7,500.01

*XC15100207*

Remit To Information
<p>For faster processing, remittance by wire/ACH may be sent to</p> <p>DoubleDutch, Inc., 350 Rhode Island St. Suite 375, San Francisco, CA 94103  Bank Name: Silicon Valley Bank  Bank Address: Santa Clara, CA  Routing#: 121140399 Account#: 3301369299  Swift Code: SVBKUS66</p> <p><b>** Please INCLUDE your Invoice Number SIN005342 in payment Memo / Notes **</b></p> <p>Link to DoubleDutch Secure Online Payments : <a href="https://doubledutch.me/onlinepay">https://doubledutch.me/onlinepay</a> **Convenience fee applies**</p> <p>For checks, please send to DoubleDutch, Inc. at our lockbox address:</p> <p>DoubleDutch, Inc.  DEPT LA 24298  PASADENA CA 91185-4298</p> <p>Tax ID : 90-0646860  Link to W9 Form : <a href="https://doubledutch.me/rd-w9-2016.pdf">https://doubledutch.me/rd-w9-2016.pdf</a></p> <p>Thank you!  Sincerely,  Accounts Receivable  DoubleDutch, Inc.</p>

*E - 553.03  
G - 300.42*

[illegible]



Exhibits  
Events  
Environments

INVOICE

SACKS EXHIBITS 44 LOWELL JUNCTION ROAD ANDOVER MA 01810 (P) 978.988.1100 (F) 978.988.1128  
www.sacksexhibits.com

**BILL TO:**

National Grid  
Paul Cantello  
One MetroTech Center, 13th Floor  
Brooklyn, NY 11201

Invoice Date 11/21/2016

Invoice No. 16-3419

Work Order # 161556 Tents 2017

Client PO #: 3200238479

AE/AM: SS/ss

Ship Date 1/9/2017

**SHIP TO ADDRESS:**

TBD

SAP Confirmation Number: 6000736222

TERMS: Net 30

Payment Due 12/21/2016

DESCRIPTION	QTY	Price/Unit	AMOUNT
<b>EXHIBIT</b>			
MQ20s, full tent systems with printed tops stack and straps to bundle tubes of 2 tents set up tool walls with windows. 20'x9 25' size Gutter 20'	2.00	14,000.00	28,000.00
<b>EXHIBIT SUB-TOTAL</b>			28,000.00
WATERFIRE			
<p>*All Shipping Costs to &amp; from Manufacturers, Sacks, or Client are to be Paid by Client</p> <p>Please Note - A monthly late fee of 1.5 % will be charged on all past due balances. Balance must be paid prior to shipment. Thank you.</p> <p>Please remit payment to: Sacks Exhibits 44 Lowell Junction Road Andover, MA 01810</p>			<p><b>Subtotal</b> \$28,000.00</p> <p><b>Sales Tax (0.00%)</b> \$0.00</p> <p><b>Total</b> \$28,000.00</p> <p><b>Payments/Credits</b> \$0.00</p> <p><b>Balance Due</b> \$28,000.00</p>

Accounts Payable 11-23-16: 10:03:16 Received

R1-E \$2998



Exhibits  
Events  
Environments

**INVOICE**

SACKS EXHIBITS 44 LOWELL JUNCTION ROAD ANDOVER MA 01810 (P) 978.988.1100 (F) 978.988.1128  
www.sacks Exhibits.com

**BILL TO:**

National Grid  
Paul Cantello  
One MetroTech Center, 13th Floor  
Brooklyn, NY 11201

Invoice Date 8/26/2016

Invoice No. 16-2672

Work Order # 161162\_Repairs

Client PO #: 3200238479

AE/AM: SS/ss

Ship Date 9/26/2016

TERMS: Net 30

Payment Due 9/25/2016

**SHIP TO ADDRESS**

Sacks Exhibits  
44 Lowell Junction Rd  
Andover, MA 01810

SAP Confirmation Number 6000735285

DESCRIPTION	QTY	Price/Unit	AMOUNT
<b>REPAIRS FROM DAMAGES</b>			
Counter top - Scratch on Side replace	1.00	225.00	225.00
Back Wall Counter - Left - Chips In Laminate on SIDE (Exposed) Front (Exposed) Small chips on bottom edge Relaminate Back and front	1.00	670.00	670.00
Back Wall Counter - Right - Chip In Laminate Lower Left Corner on Back Side (Exposed) relaminate	1.00	335.00	335.00
Lead Counter - Chip In Laminate Back Side (Exposed) Relaminate	1.00	335.00	335.00
This will need to be complete before next shipment on 9/26/16 to Capital Home show for Jackie Vando			
<p style="font-size: 2em; transform: rotate(-30deg); opacity: 0.5;">WATERFIRE</p>			
<p><small>*All Shipping Costs to &amp; from Manufacturers, Sacks, or Client are to be Paid by Client</small></p> <p><small>Please Note - A monthly late fee of 1.5 % will be charged on all past due balances. Balance must be paid prior to shipment. Thank you.</small></p> <p>Please remit payment to: Sacks Exhibits 44 Lowell Junction Road, Andover, MA 01810</p>			<p><b>Subtotal</b> \$1,565.00</p> <p><b>Sales Tax (6.25%)</b> \$0.00</p> <p><b>Total</b> \$1,565.00</p> <p><b>Payments/Credits</b> \$0.00</p> <p><b>Balance Due</b> \$1,565.00</p>

Accounts Payable 11-23-16 11:28:26 Received

RIE-167<sup>cel</sup>



Exhibits  
Events  
Environments

INVOICE

SACKS EXHIBITS 44 LOWELL JUNCTION ROAD ANDOVER MA 01810 (P) 978.988.1100 (F) 978.988.1128  
www.sacksexhibits.com

**BILL TO:**

National Grid  
Benjamin Veri  
40 Sylvan Road  
Waltham, MA 02451

PO 3200238479

161109-000332  
Gail Dettman

**SHIP TO ADDRESS:**

Revere Hotel Boston Common  
200 Stuart St.  
Boston, MA 02116

Invoice Date 11/1/2016

Invoice No. 16-3252

Work Order # 161165-Bucket Wrap

Client PO #: ~~3200238477~~

AE/AM: SS/ss

Ship Date 11/1/2016

TERMS: Net 30

Payment Due 12/1/2016

DESCRIPTION	QTY	Price/Unit	AMOUNT
Revere Hotel Boston Common 200 Stuart St. Boston, MA 02116 Berkley Room Deliver 11/1/16 4 PM			
GRAPHICS - OPTION 4			
Vinyl Logo applied to bucket on	3.00	120.00	360.00
Labor hours to remove old logo and apply new logo	6.00	125.00	750.00
GRAPHICS SUB-TOTAL			1,110.00
LABOR			
Hours for Sacks Exhibit Technician clean Bucket	4.00	125.00	500.00
CUSTOMER SERVICE SUB-TOTAL			500.00
FREIGHT			
Shipping & Handling from RI to Mass	1.00	375.00	375.00
Shipping & Handling from Ma to Event TBD once location is determined	1.00	675.00	675.00
FREIGHT SUB-TOTAL			1,050.00
WATERPIRE			
<p>*All Shipping Costs to &amp; from Manufacturers, Sacks, or Client are to be Paid by Client</p> <p>Please Note - A monthly late fee of 1.5 % will be charged on all past due balances Balance must be paid prior to shipment. Thank you</p> <p>Please remit payment to: Sacks Exhibits 44 Lowell Junction Road Andover, MA 01810</p>			<p><b>Subtotal</b> \$2,660.00</p> <p><b>Sales Tax (6.25%)</b> \$0.00</p> <p><b>Total</b> \$2,660.00</p> <p><b>Payments/Credits</b> \$0.00</p> <p><b>Balance Due</b> \$2,660.00</p>

Accounts Payable 11-02-16: 11:57:59 Received

PA-E-284<sup>89</sup>

# integrated marketing SERVICES, INC.

4692 Crossroads Park Drive • Liverpool, New York 13088-3516  
PH: 315.433.1190 • FAX: 315.433.1134 • [intmarkserv.com](http://intmarkserv.com)

## INVOICE

DATE INVOICE

8/19/2016 2987-16

A discount of 2% per month (24% per annum) will be added to all accounts not paid within terms of invoice.

### BILL TO:

National Grid  
Heather Thompson  
300 Erie Blvd West  
Syracuse, NY 13202

SAP Confirmation Number: 8000687332

P.O. NUMBER TERMS

Net 30

QUANTITY	DESCRIPTION	RATE	AMOUNT
	NATIONAL GRID BRANDING / ERIE FAIR AND NYSF INSTAGRAM PROP CUTOUTS		
2	29" x 44" White 6 mil Komatex Prints	97.47	194.94
1	Less Discount	-97.47	-97.47
1	Precision Cutting	75.00	75.00
4	Handles - Material / Assembly	31.25	125.00
1	Less Discount	-62.50	-62.50
1	Design / File Prep	200.00	200.00
1	Technical Illustration	75.00	75.00
1	UPS Shipping	85.94	85.94
1	Less Shipping Discount	-85.94	-85.94
1	UPS Shipping	11.47	11.47
1	Less Shipping Discount	-11.47	-11.47

Thank You! We Appreciate Your Business

TOTAL

\$509.97



Advertising Invoices

Accounts Payable 09-12-16: 12:11:41 Received

E-54.56

# integrated marketing SERVICES INC

4682 Crossroads Park Drive • Liverpool, New York 13088-3571  
PH: 315 433 1190 • FAX: 315 433 1134 • [integratedmarketing.com](http://integratedmarketing.com)

## INVOICE

DATE	INVOICE
8/12/2016	3187-16

A payment in full of \$75.00 must be received within 30 days of invoice date. All accounts are subject to our terms of service.

### BILL TO:

National Grid  
Heather Thompson  
300 Erie Blvd, West  
Syracuse, NY 13202

P.O. NUMBER

TERMS

Net 30

QUANTITY	DESCRIPTION	RATE	AMOUNT
1	EMOJI FANBACK EDITS Desktop Publishing Edits	75.00	75.00

part of  
\$ 244.42

WATERPIRE

Thank You! We Appreciate Your Business

TOTAL

\$75.00

