

Division 10-49

Request:

NOTE: The references to responses to division data requests refer to docket 4770. Follow Up Questions from Division Set 24 (Docket 4770):

Referring to the response to DIV 24-1(b), the question asked the Company to identify where commissions in National Grid's other jurisdictions have structured other mechanisms to accomplish recovery for transformative initiatives. Except for a reference to the Niagara Mohawk settlement agreement, the response simply referred to "many transformative initiatives in the past" without any specificity as to initiative or whether the mechanism was a fully reconciling tracker similar to what is proposed in Docket 4780. Please respond more fully to the question originally asked, including the following elements:

- a. Identify the distribution affiliate,
- b. Identify the jurisdiction,
- c. Briefly describe the transformative initiative for which the costs were being recovered and why the particular initiative is "transformative,"
- d. Describe with specificity how the rate recovery mechanism operated, including without limitation whether the mechanism was a fully reconciling cost tracker similar to what is being proposed by the Company for the PST initiative in Docket 4780,
- e. Identify the order in which the rate mechanism was approved.

Response:

(a) through (e)

In its response to Division 24-1(b), the Company provided some examples by which so-called transformative initiatives were recovered through separate factors as part of reconciling mechanisms: (1) energy efficiency, (2) stranded generation and transition costs associated with restructuring, and (3) a separate surcharge to phase-in Financial Accounting Standard No. 106 (FAS 106) transition costs when FAS 106 was first introduced.

The Utility Restructuring Act of 1996 (URA), codified in Title 39, Chapter 1 of Rhode Island General Laws, transformed the utility industry at that time. The URA required utilities to file plans for transferring ownership of generation, transmission and distribution facilities into separate affiliates, and to provide nondiscriminatory access to transmission and distribution facilities to wholesale and retail customers and to nonregulated power producers. As a result, several new or "transformative" provisions and mechanisms were put in place, such as the ones listed above. The Company addresses each of these below.

Energy Efficiency:

In Rhode Island, energy efficiency programs, formerly known as Demand Side Management (DSM), date back to 1989 and were historically funded through a conservation and load management adjustment factor, which was approved annually by the Public Utilities Commission (PUC).¹ The URA, as amended, codified a specific charge per kilowatt-hour beginning in 2003.² DSM programs were transformed yet again in Rhode Island with the introduction of least cost procurement in 2008. The state identified least cost procurement to be comprised of system reliability and energy efficiency and conservation procurement, as well as supply procurement as “complementary but distinct activities that have as common purpose meeting electrical and natural gas energy needs in Rhode Island, in a manner that is optimally cost-effective, reliable, prudent and environmentally responsible.”³ Subsection (c)(5) of the least cost procurement law requires that the PUC to approve all energy efficiency measures that are cost effective and lower cost than acquisition of additional supply, and to approve a fully reconciling funding mechanism to fund investments in all such measures.⁴ The Company presently recovers for these investments through a reconciling system benefits charge on all customers’ bills.⁵

Stranded Generation and Transition Charges

As part the URA, and codified at § 39-1-27.4 (a) through (e), the electric distribution company is authorized to recover contract termination fees for all-requirements contracts with wholesale suppliers through a nonbypassable transition charge paid by all customers, associated with the following costs: (1) regulatory assets, including those of affiliated fuel suppliers, and obligations for post-retirement health care costs; (2) nuclear obligations, including decommissioning and costs independent of operation; (3) above-market payments for purchased power plus buyout or buydown payments; and (4) net unrecovered costs of generating plants, including natural gas conversion costs and above-market pipeline demand charges. The base transition charge is reconciled each year by comparing revenue and expenses billed through the transition charge against the contract termination fees billed to National Grid by New England Power. The Company currently recovers these transition charges as part of its annual Electric Retail Rate filing.⁶

¹ See Report and Order No. 17927, Docket No. 3463 (July 28, 2004).

² R.I. Gen. Laws § 39-2-1.2(b). The current version of this provision provides as of 2008 that the electric distribution company “shall include a charge per kilowatt-hour delivered to fund demand-side management programs” for a period of fifteen years.

³ R.I. Gen. Laws § 39-1-27.7

⁴ Id. In Docket No. 4000, the PUC approved the Company’s Energy Efficiency Program Plan for 2009, the first annual plan filed under the least cost procurement statute.

⁵ See e.g., Report and Order No. 22926, Docket No. 4580, 4581 (October 17, 2017) (approving the Company’s 2016 Energy Efficiency Program Plan and System Reliability Procurement Report).

⁶ See e.g., Report and Order No. 22650, Docket No. 4599 (January 11, 2017) (approving the Company’s 2016 Electric Retail Rates filing).

In addition to restructuring, the introduction of FAS 106 required publicly held companies, such as National Grid, to change from the practice of accounting for post-retirement benefits other than pensions (PBOP) on a pay-as-you-go basis to an accrual basis. Under FAS 106, the Company had the option of recording the transition obligation as a one-time charge or amortizing it over twenty years or less. With deference to the concepts of gradualism and rate shock the PUC phased in the increase over a three year period with the shortfall to be made up over the next seven (7) years. This means that in the first year of adoption 33 1/3 percent of the cost would be passed on to Rhode Island customers, in the second year 66 2/3 percent of the cost would be passed on, in the third year 100 percent would be passed on, and starting in the fourth year, for the next seven years, 114.3 percent of the costs would be passed on. Starting in the eleventh year 100 percent of the costs would be passed to Rhode Island customers. The PUC facilitated the rate recovery of the tax deductible amount by permitting annual single-issue filings. The PUC approved FAS 106 in its Report and Order No. 14088 as part of Docket No. 2045.

Also, as discussed in the Company's response to Division 10-57, the Massachusetts Department of Public Utilities (DPU) has recognized the value of a fully-reconciling mechanism to allow recovery for emerging and non-traditional technologies and investments, such as the smart grid pilot program (D.P.U. 11-129), solar generation facilities with integrated storage systems (D.P.U. 15-134), and demand response demonstration projects (D.P.U. 15-168). The Company's Massachusetts affiliate's proposals and the DPU's analysis of an appropriate cost-recovery mechanism discussed in the response to Division 10-57 are most akin to what is being proposed by the Company for the PST initiatives in Docket No. 4780.

(This response is identical to the Company's response to Division 32-49 in Docket No. 4770.)

Division 10-50

Request:

NOTE: The references to responses to division data requests refer to docket 4770. Follow Up Questions from Division Set 24 (Docket 4770):

Referring to the response to DIV 24-1(b), the question asked the Company to identify where commissions in National Grid's other jurisdictions have structured other mechanisms to accomplish recovery for transformative initiatives. The response stated in part: "With the current transformative initiatives, the Earnings Adjustment Mechanism contained in the settlement submitted in Niagara Mohawk Power Corporation's general rate case, which is currently pending before the New York Public Service Commission, proposes the recovery of costs through a surcharge." Please identify the transformative initiative through which the costs are recovered through the reference "surcharge." Please also explain how the surcharge mechanism operates, which costs are recovered, and whether it is a fully reconciling tracker similar to the one proposed in Docket 4780 that allows recovery of both O&M and capital costs whether they exceed original estimates or not.

Response:

Under the Joint Proposal¹ in the Niagara Mohawk rate case (Cases 17-E-0238 and 17-G-0239), which was approved by the New York State Public Service Commission in its *Order Adopting Terms of Joint Proposal and Establishing Electric and Gas Rate Plans* (issued and effective March 15, 2018), Niagara Mohawk is authorized to recover the cost of shareholder incentives (or positive revenue adjustments (PRAs)) earned from the transformative Earnings Adjustment Mechanisms (EAMs) through a surcharge. Electric EAMs include PRAs related to: Peak Reduction, Incremental Energy Efficiency, Commercial and Residential Energy Intensity Reduction, LED Streetlight Conversion, Distributed Energy Resource (DER) Utilization, DER Developer Satisfaction, and Beneficial Electrification. Additionally, there is a gas Incremental Energy Efficiency EAM.

Niagara Mohawk is authorized to recover through the surcharge PRAs earned for performance in achieving targeted outcomes that create value for customers and society. Each EAM contains targets that are set at minimum, midpoint, and maximum performance levels. If any of these performance levels are achieved in a calendar year (CY) between 2018 and 2020, Niagara Mohawk will earn annual, pre-tax PRAs, recoverable through the surcharge. At the maximum level, Niagara Mohawk has the potential to earn PRAs of \$19.49 million in CY 2018, \$22.22 million in CY 2019, and \$23.59 million in CY 2020 for its electric business. With respect to the

¹ On January 19, 2018, Niagara Mohawk Power Corporation (Niagara Mohawk), the New York Department of Public Service Staff, and the other parties in the case entered into a Joint Proposal that memorializes the settlement agreement among the parties.

gas business, Niagara Mohawk has the potential to earn PRAs of \$0.80 million in CY 2018, \$0.86 million in CY 2019, and \$0.93 million in CY 2020 at the maximum performance level.

The recovery of operation and maintenance (O&M) and capital costs for activities and investments that contribute to achievement of the EAM outcomes varies, given the number of drivers for the EAM outcomes. Funding for Niagara Mohawk's Electric Transportation Initiative and Electric Heating Initiatives (both O&M and capital costs) are reflected in the revenue requirement set forth in the Joint Proposal. LED streetlight conversions also contribute to EAMs, and the Joint Proposal includes a two-way reconciling capital investment tracker for LED conversions. The Joint Proposal allows for the recovery of energy efficiency costs in base distribution rates, reallocation of aggregate energy efficiency funding across individual budgeted program components, carry-over of underspend from year-to-year during the course of the three-year rate plan, and a downward-only reconciliation of cumulative energy efficiency spending against the cumulative rate plan allowance at the end of the rate plan. In addition, Niagara Mohawk's electric capital forecast included in the Joint Proposal includes a number of investments that contribute to achievement of the EAMs. Importantly, all of the above provisions are part of a comprehensive negotiated settlement for a three-year, fully forecast rate plan.

(This response is identical to the Company's response to Division 32-50 in Docket No. 4770.)

Division 10-51

Request:

NOTE: The references to responses to division data requests refer to docket 4770. Follow Up Questions from Division Set 24 (Docket 4770):

Referring to the response to DIV 24-4, the question was attempting to ask the Company to explain the New York ratemaking practice which affected Niagara Mohawk's decision not to seek recovery of the non-recurring Gas Business Enablement costs that occurred prior to the filing of the rate case. The response identified ratemaking rules in a way that was not specific to the non-recurring Gas Business Enablement costs. Given the response to DIV 24-4, is it fair to interpret the answer to mean that Niagara Mohawk did not seek recovery of these non-recurring costs that occurred prior to the filing of the rate case because the New York Public Service Commission has ratemaking rules that would have precluded such recovery; as a result, the Company simply did not ask for the recovery? If this interpretation is incorrect, please explain.

Response:

Respectfully, it is not correct to interpret the Company's statements in response to DIV 24-4 in Docket 4770 to imply that Niagara Mohawk Power Corporation (Niagara Mohawk) did not seek recovery of these *non-recurring costs that occurred prior to the filing of the rate case* because the New York Public Service Commission (NYPSC) has ratemaking rules that would have precluded such recovery.

The "ratemaking rules" that the Company is referring to relate to the ratemaking treatment typically afforded by the NYPSC in relation to *future* costs, rather than "non-recurring costs that occurred prior to the filing of the rate case." At the time that Niagara Mohawk made its rate filing, a decision was made to request recovery of *future* costs associated with the implementation of Gas Business Enablement, such as "run the business" operating costs, and to forego the relatively insignificant level of expense that Niagara Mohawk incurred prior to the filing of the rate case in relation to Gas Business Enablement start-up expenses. The NYPSC's ratemaking rules would allow recovery of the non-recurring expense incurred prior to the filing. However, other considerations took priority, including the fact that NYPSC ratemaking rules and settlement practice would allow the recovery of future costs associated with implementation of the Gas Business Enablement Program.

The settlement entered into by Niagara Mohawk was adopted on March 15, 2018, and resolves the pending rate case. The settlement provides recovery of the full amount of Gas Business Enablement Program costs that were requested, including non-recurring expense and capital cost, subject to a timing adjustment in the rate plan period due to the spending profile in New York.

The settlement also includes recovery of incremental annual, "run-the-business costs" for each of the three future rate years FY19, FY20 and FY21.

It should also be noted that the Public Utilities Commission's (PUC) ratemaking precedent allows for recovery of "non-recurring costs that occurred prior to the filing of the rate case," most frequently in relation to the implementation of new computer systems. For example:

In Re Tariff Filing of The Providence Gas Company, Docket No. 1741, Order No. 11436 at 30 (November 28, 1984).¹ The case was filed on February 27, 1984, using a test year period of 12-months ending September 30, 1983. In this decision, the PUC allowed amortization of costs for the implementation of three new computer software packages (including costs of professional services) already purchased or being purchased at a cost of \$392,150, representing costs associated with implementation of a Network Analysis System, used in planning gas supply and distribution; Capital Projects Analysis and Accounting System; and Fixed Assets System used for work orders and continuing property records.

In Re Tariff Filing of The Blackstone Valley Electric Company, Docket No. 1849, Order No. 12231 at 20 (January 12, 1987) This case was filed on April 11, 1986, using a test-year end of December 31, 1985. In this decision, the PUC allowed amortized recovery of the costs allocated to the Company arising out of implementation by Eastern Utilities Associates (EUA) of computerized systems, the most significant of which was the installation in 1985, prior to the rate-case filing, of a new data processing system for EUA.

In Re Tariff Filing of The Providence Gas Company, Docket No. 2286, Order No. 14859 at 31-32 (November 17, 1995). This case was filed on February 16, 1995, using a test-year end of September 30, 1994. In this case, the PUC accepted certain technology upgrades as "Plant Additions - Strategic Technology" in rate base. In addition, the PUC recognized "the benefit and value of the Strategic Technology Plan," which was prepared by Anderson Consulting. The PUC adopted the Company's proposal to amortize the expense incurred for the Anderson Consulting work performed prior to the rate-case filing over the seven-year period of plan implementation. The PUC stated that this treatment is consistent with past practice, citing In Re: Providence Gas Company, Docket 1741 (1984), p. 60. The PUC rejected the Division of Public Utilities and Carriers' argument that Providence Gas Company provided no justification for these costs nor explained why these costs should be deferred for current rate recovery.

(This response is identical to the Company's response to Division 32-51 in Docket No. 4770.)

¹ Page citations refer to the PDF page for the PUC's Order, as available on the RIPUC website.

Division 10-52

Request:

NOTE: The references to responses to division data requests refer to docket 4770. Follow Up Questions from Division Set 24 (Docket 4770):

Referring to the response to DIV 24-3, the response indicates that the Service Company incurred \$39 million of operating and maintenance expenses related to Gas Business Enablement between April 2016 and December 2017. Please provide a schedule showing the total amount of the \$39 million in operating maintenance expenses charged by the Service Company to each affiliate (including Narragansett Electric) in one column and, in a second column, indicate the portion of those charges for which cost recovery was either received or has been sought in pending rate proceedings. Please indicate the docket number through which the costs were either received or are being sought.

Response:

Please refer to Attachment DIV 10-52 for the requested information.

(This response is identical to the Company's response to Division 32-52 in Docket No. 4770.)

<u>Line No.</u>	<u>Operating Company</u>	<u>Segment</u>	<u>Total</u>	<u>Portion Received/ Sought</u>	<u>Cost Recovery Status</u>
1	Boston Gas Company	MAGASD	\$7,998,822	100% [a]	Pending in Rate Case Docket DPU 17-170
2	Brooklyn Union Gas-KEDNY	NYGASD	\$11,254,951	TBD	To Be Decided - no pending base rate request
3	Colonial Gas Company	MAGASD	\$1,894,929	100% [a]	Pending in Rate Case Docket DPU 17-170
4	KeySpan Corporation	PARENT	\$354	n/a	Non Regulated
5	KS Gas East Corp-KEDLI	NYGASD	\$7,266,516	TBD	To Be Decided - no pending base rate request
6	Massachusetts Electric Co	MAELEC/FRTRAN	\$975,565	TBD	To Be Decided - no pending base rate request
7	Nantucket Electric Co	MAELEC	\$12,253	TBD	To Be Decided - no pending base rate request
8	Narragansett Electric Co	RIELEC/RIGAS/FRTRAN	\$3,035,497	100%	Pending in Rate Case RIPUC Docket No. 4770
9	National Grid USA Parent	PARENT	\$281,208	n/a	Non Regulated
10	NE Electric Trans Corp	FRELEC	\$354	100%	Monthly Revenue Requirement per tariff
11	NE Hydro-Trans Corp	FRELEC	\$3,898	100%	Monthly Revenue Requirement per tariff
12	NE Hydro-Trans Elec Co	FRELEC	\$6,025	100%	Monthly Revenue Requirement per tariff
13	New England Power Company	FRTRAN	\$177,201	100%	Monthly Revenue Requirement per tariff
14	NG Development Holdings	NONREG	\$6,379	n/a	Non Regulated
15	NG Generation LLC	FRPGEN	\$143,178	0%	Other O&M costs are fixed per the 2013 Rate Case
16	NG Glenwood Energy Center	FRPGEN	\$4,607	100%	Monthly O&M Billing per tariff
17	NG LNG LP RegulatedEntity	FRGASO	\$6,025	0%	Unrecovered - settled rate
18	NG PortJeff Energy Center	FRPGEN	\$5,316	100%	Monthly O&M Billing per tariff
19	NG Services, Inc.	NONREG	\$5,670	n/a	Non Regulated
20	Niagara Mohawk Power Corp	NYELEC/NYGAS/NYTRAN	\$5,862,546	0%	Not requested in Case 17-E-0238/17-G-0239
21	Transgas Inc	NONREG	\$2,835	n/a	Non Regulated
22					
23	Grand Total		\$38,944,132		

a 100% of total forecasted GBE operating expense to be incurred from inception through the end of the project was used to calculate the five-year "placeholder" amount of GBE recoveries proposed for the MA gas companies in Docket DPU 17-170.

Division 10-53

Request:

NOTE: The references to responses to division data requests refer to docket 4770.

Referring to the response to DIV 24-12, for each of the initiatives identified in the response, please indicate whether there were any special rate recovery mechanisms (outside of base distribution rates) used to recover the costs of the initiative, describe how the special rate recovery mechanism operates, and indicate whether it is a fully reconciling tracker similar to the one proposed in Docket 4780 that allows recovery of O&M and capital costs whether they exceed original estimates or not.

Response:

The table below contains information regarding each project's cost recovery mechanism and whether the recovery mechanism is a fully reconciling tracker similar to the one proposed in Docket No. 4780 that allows recovery of operating and maintenance (O&M) and capital costs whether they exceed original estimates or not. Note that base distribution rates for Niagara Mohawk Power Corporation (NMPC), the Company's affiliate in upstate New York, are based on a three-year forward looking rate case, so proposed revenue requirements are approved in addition to historic additions to rate base, O&M costs are adjusted to include known and measureable impacts to the test year O&M.

Grid Modernization Initiatives in New York and Massachusetts

Project Category	Project/ Initiative Name	Project Description	Cost Recovery Mechanism	Fully Reconciling Tracker
Customer DER Programs	CoolControl Direct Load Control (DLC) Program	DLC program in Kenmore, New York markets and deploys WiFi connected smart plugs, thermostats, and window air conditioning units that can be controlled by Think Eco's demand response platform at National Grid's request.	Dynamic Load Management (DLM) Surcharge (New York)	No
	Connected Solutions DLC Program	DLC program in Massachusetts, upstate New York and Rhode Island uses Whisker Lab's demand response platform to help National Grid control participating thermostats during times of electrical system peak.	Energy Efficiency Provision (Massachusetts and Rhode Island), DLM Surcharge (New York)	Yes
	Kenmore	Contingency demand response	DLM Surcharge	No

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Project Category	Project/ Initiative Name	Project Description	Cost Recovery Mechanism	Fully Reconciling Tracker
	Distribution Load Relief Program (DLRP)	program targeting demand response aggregators and large commercial customers for load relief during distribution electrical emergencies when targeted equipment is expected to exceed its limits.	(New York)	
	Upstate New York Commercial System Relief Program (CSRP)	Peak shaving program targeting demand response aggregators and large commercial customers to relieve the electrical system during summer load peaks when targeted area loads are forecasted to exceed 92 percent of National Grid's 95/5 peak load forecast.	DLM Surcharge (New York)	No
Demonstration Projects	Resiliency Demonstration in Potsdam Project	Project is evaluating the connection of local DERs and a redundant underground distribution system with key community loads. The project will develop an engineering design and an investment grade financial model and evaluate new microgrid utility services.	Deferral Mechanism (New York)	Yes (\$44 million cap for all REV related projects; above \$44 million requires petition)
	Fruit Belt Neighborhood Solar Demonstration Project	Community solar project with National Grid owned solar installed on residential customer rooftops in an area with a significant amount of low income residents. The project will assess the benefits of managing arrears and the impact of distributed solar on the local distribution feeder when solar is installed on the roofs in this community.	Deferral Mechanism (New York)	Yes (\$44 million cap for all REV related projects; above \$44 million requires petition)
	Non-Wires Alternatives (NWA) Program	NWA is an umbrella term for ensuring that a portfolio of alternatives to distribution and/or transmission lines is analyzed and considered in the planning and possible permitting of such facilities. A NWA could include any action or strategy that could help defer or eliminate the need to construct or upgrade components of a transmission and/or distribution system. Seven NWA requests for proposals have been released to the public to date and are being evaluated for their cost effectiveness.	NWA Recovery Mechanism (New York)	No

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Project Category	Project/ Initiative Name	Project Description	Cost Recovery Mechanism	Fully Reconciling Tracker
	Distributed Generation Interconnection Demonstration Project	Program will accelerate the pace and scale of interconnecting distributed generation systems above 50 kilowatts in National Grid's New York service territory. National Grid has completed all construction work in the demonstration areas and the National Grid's Customer Energy Integration department continues to market the program to developers seeking to interconnect in the demonstration areas.	Deferral Mechanism (New York)	Yes (\$44 million cap for all REV related projects; above \$44 million requires petition)
DER Provider Data/Info	System Data Portal Project	The Portal is a collection of data and interactive maps intended to help customers, contractors and developers facilitate the interconnection of DER and its utilization in support of the operation of the distribution grid in National Grid's upstate New York electric service territory.	Base Distribution Rates (New York)	N/A
Locational Value Analysis	Value of DER (VDER) Proceeding Support	National Grid is performing a study to consider how it may develop more accurate valuation and compensation mechanisms for DERs that will more appropriately "reflect and properly reward DER's actual value to the electric system and that ensure all customers pay their fair share for the costs of grid operation and benefit from the value they provide". The initial phase of the study includes performing an enhanced Marginal Cost of Service (MCOS) study or Marginal Avoided Distribution Cost (MADC) that will consider locational values developed through a system-wide assessment. The results from this study will be used to provide time-phased marginal cost values at a location level that may be used for valuation of DER in identified high value areas. National Grid plans to file these cost values in summer 2018.	Base Distribution Rates (New York)	N/A
Hosting Capacity	Hosting Capacity Analysis (HCA)	HCA provides useful information to help guide distributed generation interconnections in National Grid's New York service territory to the most	Base Distribution Rates (New York)	N/A

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Project Category	Project/ Initiative Name	Project Description	Cost Recovery Mechanism	Fully Reconciling Tracker
		suitable locations of the grid by providing an indication of the amount of solar generation that may be interconnected on an individual distribution feeder without the need for significant system upgrades to accommodate the interconnection.		
DER Management	Solar Phase I and II Programs	Program for National Grid to own and operate solar facilities in order to improve its understanding of the potential impact of renewable proliferation, and how solar facilities may be used to help modernize the distribution system. To date, National Grid owns around 20 megawatts of solar, with several additional megawatts in construction. Additionally, National Grid is testing the operation and benefits of energy storage co-located with renewable energy generators in MA.	Solar Cost Adjustment Factor (SCAF) Tariff and Base Rates (Massachusetts)	Yes
	Buffalo Niagara Medical Campus Distributed System Platform (DSP) Demonstration Project	Project is developing a framework for a DSP, where local loads and generators can participate in distribution specific price signals.	Deferral Mechanism (New York)	Yes (\$44 million cap for all REV related projects; above \$44 million requires petition)
	East Pulaski and Kenmore Demonstration Energy Storage Projects	Projects include two 1.5 megawatt/ 3 megawatt-hour substation based energy storage systems. The Kenmore project is designed to assist in alleviating a supply constraint, potentially deferring sub-transmission investment. The East Pulaski project is designed to alleviate the possibility of the substation surpassing its rated capacity and impacting reliability.	Base Distribution Rates (New York)	N/A
Distribution Management System (DMS)	DMS Pilot Project	Pilot was carried out in 2016 in National Grid's New York region to help understand the maturity, strengths, and weaknesses of DMS applications, and the challenges associated with integration of the applications, including the system data	Base Distribution Rates (New York)	N/A

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Project Category	Project/ Initiative Name	Project Description	Cost Recovery Mechanism	Fully Reconciling Tracker
		and personnel requirements necessary to support a larger scale implementation of a DMS. For example, the pilot looked to understand the granular data requirements for the increasing number of distributed energy resources and increasingly diverse loads.		
	Energy Management / Remote Terminal Unit (EMS/RTU) Initiative	Initiative includes the addition of RTUs and related infrastructure at substations presently lacking remote monitoring and control capabilities. RTUs in substations communicate with the EMS and provide the means to leverage substation data that provides operational intelligence and significantly reduces response time to abnormal conditions through real time monitoring and control. National Grid has installed EMS / RTU at several stations across upstate New York over the past five years.	Base Distribution Rates (New York)	N/A
DER and Load Forecasting	Advanced Data Analytics Granular Forecasting Initiative	Initiative is developing new software tools and analytics to generate more granular forecasts of the electrical system including various load, generation, and energy storage technologies. National Grid is beginning bottoms-up, long-term, hourly probabilistic forecasts for each distribution feeder in National Grid's New York service territory and can consider this approach for its other service territories in the future.	Base Distribution Rates (New York)	N/A
Automated Field Devices	Sub-Transmission Distribution Automation (DA) and Distribution Line Reclosers Initiative	Initiative is a reliability-focused strategy designed to meet both state regulatory targets and support first quartile reliability performance. Line reclosers are needed to isolate permanent faults on the distribution system and minimize the scope of the interruption by protecting the feeder breaker. IntellitTeam Logic units have been installed on 34.5kV Sub-Transmission systems across upstate New York and primary line reclosers will be installed on 15 kV class	Base Distribution Rates (New York)	N/A

Project Category	Project/ Initiative Name	Project Description	Cost Recovery Mechanism	Fully Reconciling Tracker
		distribution feeders.		
Sensing and Measurement	Feeder Monitoring Sensor Initiative	Initiative has evaluated a new type of primary metering sensor, commonly referred to as a "feeder monitor" that can be installed with a hot-stick (from the ground) and dramatically reduce the amount of installation effort required. Sensor measurements will yield near real-time as well as forensic data that will provide deeper insight into system performance. Further use of the data will permit studies that may drive design changes for network optimization. These sensors are currently being deployed in New York at a rate of about 50 per year. They are also included in National Grid's Massachusetts Grid Modernization plan, and National Grid's Rhode Island Power Sector Transformation plan.	Base Distribution Rates (New York)	N/A
Operational Communications	Recloser Communication Upgrades Initiative	Initiative will replace the obsolete Sensus radios 2G cellular network with GE Orbit series radios utilizing the Verizon 4G cellular data network in National Grid's New York service territory. This initiative will also develop an internal wireless network that can support a variety of distribution devices and communications mediums allowing National Grid to gather much larger quantities of data at a reduced cost.	Base Distribution Rates (New York)	N/A

Below is a description of each special rate recovery mechanism (outside of base distribution rates) for the project's listed in the table above.

Dynamic Load Management (DLM) Surcharge

According to the NMPC 220 Tariff Rule 64, the costs associated with the DLM program costs are recovered monthly from customers. The surcharge is calculated using actual incurred costs divided by the forecasted monthly usage of the next month. Due to timing, the costs and recovery mechanism is on a two-month lag. The calculated surcharge is included in the delivery line item on customer bills.

The costs eligible for recovery are costs incurred by the NMPC and approved by the New York State Public Service Commission. These costs are participant incentive payments, vendor costs

associated with running the programs, and other costs to further promote the programs. Any base labor, employees expenses, costs not directly related to the administration of the programs, or the Demand Response Management System (DRMS) are not eligible for recovery through the DLM surcharge. At the end of each program year, NMPC performs a reconciliation of any over or under collections to be collected or refunded. Any over or under collection amounts will include interest at the applicable customer deposit rate. Therefore, because the DLM surcharge is only collecting on costs that NMPC actually incurs, and is not forecasting any capital or O&M costs in this process, the table above indicates that this recovery mechanism is not a fully reconciling tracker similar to the one proposed in Docket No. 4780 that allows recovery of O&M and capital costs whether they exceed original estimates or not.

The following Tariff Rule numbers apply to PSC Electricity Tariff No. 220:

- NMPC 220 Tariff Rule 61- Distribution Load Relief Program (DLRP)
- NMPC 220 Tariff Rule 62-Commercial System Relief Program (CSRP)
- NMPC 220 Tariff Rule 63- Direct Load Control Program (DLC)
- NMPC 220 Tariff Rule 64- Dynamic Load Management (DLM) Surcharge

Deferral Mechanism

All incremental costs associated with approved New York Reforming the Energy Vision (REV) demonstration projects are allowed to be deferred. Incremental costs are all costs other than company labor, which is already accounted for in base distribution rates.

NWA Recovery Mechanism

Non-Wires Alternatives (NWAs) allows utilities to defer or avoid traditional capital investments in "wires," potentially resulting in cost savings for customers and environmental benefits while maintaining system reliability and resiliency. NMPC would identify NWA projects for consideration by using the suitability criteria proposed in Case 16-M-0411.

The costs incurred for the implementation of NWAs will be amortized and recovered over a ten-year period, with carrying charges at the pre-tax weighted average cost of capital. The costs would be offset by any carrying charges on traditional infrastructure capital projects that the NWA project would defer. The costs would be recovered through an NWA surcharge to be included in the delivery charge. The NWA surcharge would be added to customers' demand charges or, for service classes billed on an energy-only basis, energy charges. Any base labor, employees expenses, costs not directly related to the administration of the programs are not eligible for recovery through the NWA Surcharge.

Under the terms of the Joint Proposal adopted by the NYPSC's Order in Cases 17-E-0238 and 17G-0239, dated March 15, 2018, where an NWA project displaces a project otherwise included in the NMPC's Average Electric Plant in Service balances, the balances would be reduced to exclude the forecasted net plant associated with the displaced project. The carrying charge

associated with the displaced project would be applied as a credit against the recovery of the associated NWA project cost to be recovered from customers. If the carrying charge on the net plant of a displaced project is higher than the recovery associated with NWA project costs, the difference would be deferred for the benefit of customers.

The Joint Proposal requires NMPC to submit an implementation plan and Benefit-Cost Analysis (BCA) for each NWA project, which would include detailed measurement and verification procedures, the NMPC's portfolio of NWA projects, the anticipated costs of the NWA, a demonstration whether each NWA project's expenditures are incremental to the NMPC's revenue requirement or will displace a project subject to the NMPC's Capital Investment Reconciliation Mechanism, the BCA results when available, and the NMPC's customer and community outreach plan.

The tariff rule that will apply to the NWA surcharge will be Rule 45 in PSC No. 220 Electricity.

Energy Efficiency Provision

The ConnectedSolutions program in Massachusetts is part of the approved Energy Efficiency (EE) Program. The EE budget is recovered pursuant to the Energy Efficiency Provision, M.D.P.U. 1340. Funding for the EE program comes from multiple sources, including a legislatively mandated base EE charge and the Energy Efficiency Reconciling Factor (EERF), which are charged to the retail delivery service customers of the Company's Massachusetts affiliates, Massachusetts Electric Company (MECO) and Nantucket Electric Company (NECO). Recovery of the costs of the EE Program occurs outside of base distribution rates. State law requires that, in addition to the base EE Charge, energy efficiency programs be funded by (1) amounts generated by the distribution companies and municipal aggregators under the Forward Capacity Market program administered by the Independent System Operator-New England; (2) cap and trade pollution control programs, including not less than 80 percent of amounts generated by the carbon dioxide allowance trading mechanism established under the Regional Greenhouse Gas Initiative; and (3) other funding as approved by the Massachusetts Department of Public Utilities (Department).

Annually, MECO and NECO file with the Department proposed EERFs that are designed to collect the estimated incremental costs of the MECO's and NECO's proposed EE programs for the year, which represents those costs that are in excess of the expected funding. MECO and NECO also include in their annual filings the reconciliation of their total actual expenditures, including associated working capital costs and performance based shareholder incentives, incurred to implement the EE programs approved by the Department for the current program year against the total funding available to offset these costs. Any excess or deficiency, including interest at the interest rate paid on customer deposits, are used to adjust the subsequent year's EERF. All costs, which are subject to a prudency review by the Department, are reconcilable.

Solar Cost Adjustment Factor (SCAF) Tariff

Costs associated with Solar Phase I and II programs are recovered pursuant to the Solar Cost Adjustment Provision, M.D.P.U. 1339. The Solar Cost Adjustment Factor (SCAF) is designed to reflect the recovery of the investment and ongoing maintenance costs of Solar Generation Facilities constructed, owned and operated by either MECO or NECO pursuant to Section 1A(f) of Chapter 164 of the General Laws, as amended by the Green Communities Act (Act).

Annually, MECO and NECO file with the Department the annual revenue requirement associated with the Solar Generation Facilities as provided for in the Act not otherwise recovered through base distribution rates. The annual revenue requirement means the return on rate base and associated income taxes relating to MECO's and NECO's investment in the Solar Generation Facilities, along with accumulated depreciation and accumulated deferred taxes, depreciation expense, incremental operation and maintenance expense, property taxes, and amortization of investment tax credits. Any costs for which MECO and NECO seek recovery are subject to a prudence review by the Department.

MECO and NECO also include in their annual filings the reconciliation of the annual revenue requirement approved by the Department in the prior year to the actual amount of revenue billed to customers through the SCAF plus any credits for (1) net proceeds associated with energy sales to the Independent System Operator of New England (ISO-NE), (2) either (a) net proceeds associated with sales of Renewable Energy Certificates (RECs) or (b) the market value of RECs, which were used to comply with the Renewable Portfolio Standards established in Mass. Gen. Laws c. 25A, § 11F and 220 C.M.R. 14.00 – 16.00 et seq., and (3) net proceeds, if any, associated with bidding the capacity of the Solar Generating Facilities into the ISO-NE Forward Capacity Market. Any excess or deficiency, including interest rate paid on customer deposits, is used to adjust the subsequent year's SCAF.

(This response is identical to the Company's response to Division 32-53 in Docket No. 4770.)

Division 10-54

Request:

**NOTE: The references to responses to division data requests refer to docket 4770.
Follow Up Questions from Division Set 24 (Docket 4770):**

If the Commission were to direct the Company to implement its feeder monitoring program beginning in Rate Year 1, are there any Cybersecurity projects included in Section 3.7 of Chapter 3 of PST-1 that would need to go forward in Rate Year 1 to assure a reliable and secure system? If yes, please identify the projects and the revenue requirement associated with each such project for Rate Years 1, 2, and 3.

Response:

Yes. If the Public Utilities Commission were to direct the Company to implement its Feeder Monitoring Sensors project beginning in Rate Year 1, the Company would need to implement some elements of its proposed Cybersecurity project to assure a reliable and secure system. If solely for the Feeder Monitoring Program, however, the project elements would be implemented at a relatively smaller scope and cost than proposed in the Power Sector Transformation (PST) Plan in Docket No 4780. The Company would need to implement scaled-down capabilities for Data Security, Identity and Access Management, Host and Endpoint, Change and Configuration Management, Threat and Vulnerability, Cryptography, and Security Operations Services. The scaled-down Cybersecurity project costs specific to the Feeder Monitoring Sensors project have not been specifically defined at this time, so a revenue requirement cannot be determined.

(This response is identical to the Company's response to Division 32-54 in Docket No. 4770.)

Division 10-55

Request:

**NOTE: The references to responses to division data requests refer to docket 4770.
Follow Up Questions from Division Set 24 (Docket 4770):**

If the Commission were to direct the Company to implement its System Data Portal project beginning in Rate Year 1, are there any Cybersecurity projects included in Section 3.7 of Chapter 3 of PST-1 that would need to go forward in Rate Year 1 to assure a reliable and secure system? If yes, please identify the projects and the revenue requirement associated with each such project for Rate Years 1, 2, and 3.

Response:

Yes. If the Public Utilities Commission were to direct the Company to implement its System Data Portal project beginning in Rate Year 1, the Company would need to implement some elements of its proposed Cybersecurity project to assure a reliable and secure system. If solely for the System Data Portal, however, the project elements would be implemented at a relatively smaller scope and cost than proposed in the Power Sector Transformation (PST) Plan in Docket No. 4780. The Company would need to implement scaled-down capabilities for Data Security, Identity and Access Management, Host and Endpoint, Change and Configuration Management, Threat and Vulnerability, Cryptography, Application Security, Remote Access, Privacy, and Security Operations Services. The scaled-down Cybersecurity project costs specific to the System Data Portal project have not been specifically defined at this time, so a revenue requirement cannot be determined.

(This response is identical to the Company's response to Division 32-55 in Docket No. 4770.)

Division 10-56

Request:

**NOTE: The references to responses to division data requests refer to docket 4770.
Follow Up Questions from Division Set 24 (Docket 4770):**

If the Commission were to direct the Company to implement the GIS Enhancements in Rate Year 1, are there any Cybersecurity projects included in Section 3.7 of Chapter 3 of PST-1 that would need to go forward in Rate Year 1 to assure a reliable and secure system? If yes, please identify the projects and the revenue requirement associated with each such project for Rate Years 1, 2, and 3.

Response:

Yes. If the Public Utilities Commission were to direct the Company to implement its GIS Data Enhancement project beginning in Rate Year 1, the Company would need to implement some elements of its proposed Cybersecurity project to assure a reliable and secure system. The project elements, however, would be implemented at a relatively smaller scope and cost than proposed in the Company's Power Sector Transformation (PST) Plan. The individual projects linked to the GIS Data Enhancement project are Network Security, Data Security, Identity and Access Management, Host and Endpoint, Change and Configuration Management, Threat and Vulnerability, Cryptography, and Security Operations Services. The revenue requirements for Rate Years 1, 2, and 3 for the Cybersecurity project costs specific to the GIS Data Enhancement project are presented in Attachment DIV 10-56-1 through Attachment DIV 10-56-9 for the Rhode Island only scenario and Attachment DIV 10-56-10 through Attachment DIV 10-56-18 for the Multi-jurisdictional scenario. Attachment DIV 10-56-1 and Attachment DIV 10-56-10 are the summary schedules that summarize the eight individual project revenue requirements.

(This response is identical to the Company's response to Division 32-56 in Docket No. 4770.)

The Narragansett Electric Company
d/b/a National Grid
Power Sector Transformation (PST)
Rhode Island Renewable Energy
Cybersecurity GIS Annual Revenue Requirement Summary - RI Only

Line No.		Six Months Ended March 31, 2019	PST Year Ending March 31, 2020	PST Year Ending March 31, 2021	PST Year Ending March 31, 2022
IS Capex - Electric & Gas					
1	Network Security Services	-	8,754.66	20,833.64	21,007.71
2	Data Security Services	-	1,840.38	2,061.41	2,276.45
3	Identity and Access Management	-	11,822.97	13,242.97	14,624.46
4	Threat and Vulnerability Management	-	3,011.98	3,373.72	3,725.66
5	Security Operations Center Services	-	3,583.20	4,013.56	4,432.25
6	Host & Endpoint Security Services	-	1,467.51	1,668.88	1,864.87
7	Cryptography Services	-	1,432.19	1,604.21	1,771.56
8	Change and Configuration Management	-	721.70	808.38	1,310.55
9	Capex Total	\$0	\$31,913	\$46,798	\$49,703
O&M - Electric & Gas					
10	Network Security Services	\$0	\$22,452	\$11,487	\$8,311
11	Data Security Services	\$0	\$14,527	\$7,839	\$5,472
12	Identity and Access Management	\$0	\$14,361	\$8,435	\$6,719
13	Threat and Vulnerability Management	\$0	\$13,114	\$7,188	\$5,472
14	Security Operations Center Services	\$0	\$13,270	\$7,344	\$5,799
15	Host & Endpoint Security Services	\$0	\$13,468	\$7,543	\$5,472
16	Cryptography Services	\$0	\$15,144	\$8,123	\$6,151
17	Change and Configuration Management	\$0	\$13,114	\$7,188	\$5,472
18	O&M Total	\$0	\$119,450	\$65,148	\$48,868
19	Total Revenue Requirement	\$0	\$151,363	\$111,946	\$98,571

The Narragansett Electric Company
d/b/a National Grid
Power Sector Transformation (PST)
Rhode Island Renewable Energy
Cybersecurity GIS Annual Revenue Requirement Summary - RI Only

Line No.		Six Months Ended March 31, 2019	PST Year Ending March 31, 2020	PST Year Ending March 31, 2021	PST Year Ending March 31, 2022
IS Capex - Electric Only					
1	Network Security Services	-	5,672	13,498	13,611
2	Data Security Services	-	1,192	1,336	1,475
3	Identity and Access Management	-	7,660	8,580	9,475
4	Threat and Vulnerability Management	-	1,951	2,186	2,414
5	Security Operations Center Services	-	2,322	2,600	2,872
6	Host & Endpoint Security Services	-	951	1,081	1,208
7	Cyrtography Services	-	928	1,039	1,148
8	Change and Configuration Management	-	468	524	849
9	Capex Total	\$0	\$20,676	\$30,321	\$32,203
O&M - Electric Only					
10	Network Security Services	-	14,547	7,443	5,385
11	Data Security Services	-	9,412	5,079	3,545
12	Identity and Access Management	-	9,304	5,465	4,353
13	Threat and Vulnerability Management	-	8,497	4,657	3,545
14	Security Operations Center Services	-	8,597	4,758	3,757
15	Host & Endpoint Security Services	-	8,726	4,887	3,545
16	Cyrtography Services	-	9,812	5,263	3,985
17	Change and Configuration Management	-	8,497	4,657	3,545
18	O&M Total	\$0	\$77,392	\$42,209	\$31,661
19	Total Revenue Requirement	\$0	\$98,068	\$72,530	\$63,864

The Narragansett Electric Company
d/b/a National Grid
Power Sector Transformation (PST)
Rhode Island Renewable Energy
Cybersecurity GIS Annual Revenue Requirement Summary - RI Only

Line No.		Six Months Ended March 31, 2019	PST Year Ending March 31, 2020	PST Year Ending March 31, 2021	PST Year Ending March 31, 2022
IS Capex - Gas Only					
1	Network Security Services	-	3,083	7,336	7,397
2	Data Security Services	-	648	726	802
3	Identity and Access Management	-	4,163	4,663	5,149
4	Threat and Vulnerability Management	-	1,061	1,188	1,312
5	Security Operations Center Services	-	1,262	1,413	1,561
6	Host & Endpoint Security Services	-	517	588	657
7	Cyrtography Services	-	504	565	624
8	Change and Configuration Management	-	254	285	461
9	Capex Total	\$0	\$11,237	\$16,478	\$17,500
O&M - Gas Only					
10	Network Security Services	-	7,905	4,045	2,926
11	Data Security Services	-	5,115	2,760	1,927
12	Identity and Access Management	-	5,056	2,970	2,366
13	Threat and Vulnerability Management	-	4,617	2,531	1,927
14	Security Operations Center Services	-	4,672	2,586	2,042
15	Host & Endpoint Security Services	-	4,742	2,656	1,927
16	Cyrtography Services	-	5,332	2,860	2,166
17	Change and Configuration Management	-	4,617	2,531	1,927
18	O&M Total	\$0	\$42,058	\$22,938	\$17,206
19	Total Revenue Requirement	\$0	\$53,295	\$39,416	\$34,707

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Grid Mod RI Only - Cybersecurity GIS - Network Security Services
Annual Revenue Requirement Summary

Line No.		Fiscal Year Ending March 31, 2019 (a)	Fiscal Year Ending March 31, 2020 (b)	Fiscal Year Ending March 31, 2021 (c)	Fiscal Year Ending March 31, 2022 (d)
	Electric Operation and Maintenance (O&M) Expenses:				
1	Network Security Services	\$ -	\$ 14,547	\$ 7,443	\$ 5,385
2	Data Security Services	\$ -	\$ -	\$ -	\$ -
3	Identity and Access Management	\$ -	\$ -	\$ -	\$ -
4	Threat and Vulnerability Management	\$ -	\$ -	\$ -	\$ -
5	Security Operations Center Services	\$ -	\$ -	\$ -	\$ -
6	Host & Endpoint Security Services	\$ -	\$ -	\$ -	\$ -
7	Cryptography Services	\$ -	\$ -	\$ -	\$ -
8	Change and Configuration Management	\$ -	\$ -	\$ -	\$ -
9	Total Electric O&M costs		\$ 14,547	\$ 7,443	\$ 5,385
	Sum of Lines 1 through 8				
	Gas Operation and Maintenance (O&M) Expenses:				
10	Network Security Services	\$ -	\$ 7,905	\$ 4,045	\$ 2,926
11	Data Security Services	\$ -	\$ -	\$ -	\$ -
12	Identity and Access Management	\$ -	\$ -	\$ -	\$ -
13	Threat and Vulnerability Management	\$ -	\$ -	\$ -	\$ -
14	Security Operations Center Services	\$ -	\$ -	\$ -	\$ -
15	Host & Endpoint Security Services	\$ -	\$ -	\$ -	\$ -
16	Cryptography Services	\$ -	\$ -	\$ -	\$ -
17	Change and Configuration Management	\$ -	\$ -	\$ -	\$ -
18	Total Gas O&M costs		\$ 7,905	\$ 4,045	\$ 2,926
	Sum of Lines 10 through 17				
19	Total O&M Expenses		\$ 22,452	\$ 11,487	\$ 8,311
	Line 9 + Line 18				
	Electric Capital Investment:				
21	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2020 Capital Investment		\$ 5,672	\$ 10,826	\$ 10,012
22	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2021 Capital Investment			\$ 2,673	\$ 1,834
23	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2022 Capital Investment				\$ 1,765
24	Total Electric Capital Investment Component of Revenue Requirement		\$ 5,672	\$ 13,498	\$ 13,611
	Sum of Lines 21 through 23				
	Gas Capital Investment:				
26	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2020 Capital Investment		\$ 3,083	\$ 5,883	\$ 5,441
27	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2021 Capital Investment			\$ 1,452	\$ 997
28	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2022 Capital Investment				\$ 959
29	Total Gas Capital Investment Component of Revenue Requirement		\$ 3,083	\$ 7,336	\$ 7,397
	Sum of Lines 26 through 28				
30	Total Electric Revenue Requirement		\$ 20,219	\$ 20,941	\$ 18,996
	Line 9 + Line 24				
31	Total Gas Revenue Requirement		\$ 10,988	\$ 11,380	\$ 10,323
	Line 18 + Line 29				
32	Total Electric & Gas Revenue Requirement		\$ 31,207	\$ 32,321	\$ 29,319
	Line 30 + Line 31				

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Revenue Requirement on Estimated IS Capital Investment 12 months ending March 31, 2020
RI Only Grid Mod - Cybersecurity GIS - Network Security Services

Line No.			Fiscal Year Ending March 31, 2020 (a)	Fiscal Year Ending March 31, 2021 (b)	Fiscal Year Ending March 31, 2022 (c)
Estimated Capital Investment					
1	Network Security Services		\$ 80,268		
2	Data Security Services				
3	Identity and Access Management				
4	Threat and Vulnerability Management				
5	Security Operations Center Services				
6	Host & Endpoint Security Services				
7	Cryptography Services				
8	Change and Configuration Management				
9	Total Estimated Capital Investment	Sum of Lines 1 through 8	\$ 80,268	\$ -	\$ -
Depreciable Net Capital Included in Rate Base					
10	Total Allowed Capital Included in Rate Base in Current Year	Line 9	\$ 80,268	\$ 0	\$ 0
11	Retirements	Line 4 * 0%	\$ 0	\$ 0	\$ 0
12	Net Depreciable Capital Included in Rate Base	Column (a) = Line 3 - Line 4; Column (b and c) = Prior Year Line 5	\$ 80,268	\$ 80,268	\$ 80,268
Change in Net Capital Included in Rate Base					
13	Capital Included in Rate Base	Line 9	\$ 80,268	\$ 0	\$ 0
14	Cost of Removal		\$ 0	\$ 0	\$ 0
15	Total Net Plant in Service Including Cost of Removal	Line 13 + Line 14	\$ 80,268	\$ 80,268	\$ 80,268
Tax Depreciation					
16	Vintage Year Tax Depreciation:				
17	FY 2020 Spend	, Line 21	\$ 66,889	\$ 8,920	\$ 2,972
18	Cumulative Tax Depreciation	Prior Year Line 11 + Current Year Line 10	\$ 66,889	\$ 75,809	\$ 78,781
Book Depreciation					
19	Composite Book Depreciation Rate		14.29%	14.29%	14.29%
20	Book Depreciation	Column (a) = Line 1 * Line 12 * 50% ; Column (b and c) = Line 1 * Line 12	\$ 5,733	\$ 11,467	\$ 11,467
21	Cumulative Book Depreciation	Prior Year Line 14 + Current Year Line 13	\$ 5,733	\$ 17,200	\$ 28,667
22	Total Cumulative Book Depreciation	Line 21	\$ 5,733	\$ 17,200	\$ 28,667
Deferred Tax Calculation:					
23	Cumulative Book / Tax Timer	Line 18 - Line 22	\$ 61,156	\$ 58,609	\$ 50,114
24	Effective Tax Rate		21.00%	21.00%	21.00%
25	Deferred Tax Reserve	Line 23 * Line 24	\$ 12,843	\$ 12,308	\$ 10,524
26	Less: FY 2020 Federal NOL		\$ 0	\$ 0	\$ 0
27	Less: Proration Adjustment	Col (a) = , Line 40; Col (b) = , Line 40; Col (c) = , Line 40	\$ (6,973)	\$ 290	\$ 969
28	Net Deferred Tax Reserve	Sum of Lines 25 through 27	\$ 5,870	\$ 12,598	\$ 11,492
Rate Base Calculation:					
29	Cumulative Incremental Capital Included in Rate Base	Line 15	\$ 80,268	\$ 80,268	\$ 80,268
30	Accumulated Depreciation	- Line 22	\$ (5,733)	\$ (17,200)	\$ (28,667)
31	Deferred Tax Reserve	- Line 28	\$ (5,870)	\$ (12,598)	\$ (11,492)
32	Year End Rate Base	Sum of Lines 29 through 31	\$ 68,664	\$ 50,469	\$ 40,108
Revenue Requirement Calculation:					
33	Average Rate Base	Column (a) = Current Year Line 25 ÷ 2; Column (b and c) = (Prior Year Line 25 + Current Year Line 25) ÷ 2	\$ 34,332.22	\$ 59,567	\$ 45,289
34	Pre-Tax ROR		8.80%	8.80%	8.80%
35	Return and Taxes	Line 33 * Line 34	\$ 3,021	\$ 5,242	\$ 3,985
36	Book Depreciation	Line 20	\$ 5,733	\$ 11,467	\$ 11,467
37	Annual Revenue Requirement	Line 35 + Line 36	\$ 8,755	\$ 16,709	\$ 15,452

1/ Weighted Average Cost of Capital as file in R.L.P.U.C. Docket No. 4770, Schedule MAL-6

	Ratio	Rate	Rate	Taxes	Return
Long Term Debt	50.00%	3.70%	1.85%		1.85%
Short Term Debt	0.00%	0.00%	0.00%		0.00%
Preferred Stock	0.00%	0.00%	0.00%		0.00%
Common Equity	50.00%	10.10%	5.05%	1.90%	6.95%
	100.00%		6.90%	1.90%	8.80%

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Tax Depreciation and Repairs Deduction on Fiscal Year 2020 IS Capital Investments
RI Only Grid Mod - Cybersecurity GIS - Network Security Services

Line No.		Fiscal Year Ending March 31, 2020 (a)	Fiscal Year Ending March 31, 2021 (b)	Fiscal Year Ending March 31, 2022 (c)
	<u>Capital Repairs Deduction</u>			
1	Plant Additions	, Line 9 \$80,268		
2	Capital Repairs Deduction Rate	Per Tax Department 0.00%		
3	Capital Repairs Deduction	Line 1 * Line 2 \$0		
	<u>Bonus Depreciation</u>			
4	Plant Additions	Line 1 \$80,268		
5	Less Capital Repairs Deduction	Line 3 \$0		
6	Plant Additions Net of Capital Repairs Deduction	Line 4 - Line 5 \$80,268		
7	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department 100.00%		
8	Plant Eligible for Bonus Depreciation	Line 6 * Line 7 \$80,268		
9	Bonus Depreciation Rate (April 2019 - December 2019)	1 * 75% * 100% 75.00%		
10	Bonus Depreciation Rate (January 2020 - Mar 2020)	1 * 25% * 0% 0.00%		
11	Total Bonus Depreciation Rate	Line 9 + Line 10 75.00%		
12	Bonus Depreciation	Line 8 * Line 11 \$60,201		
	<u>Remaining Tax Depreciation</u>			
13	Plant Additions	Line 1 \$80,268		
14	Less Capital Repairs Deduction	Line 3 \$0		
15	Less Bonus Depreciation	Line 12 \$60,201		
16	Remaining Plant Additions Subject to 3 YR MACRS Tax Depreciation	Line 13 - Line 14 - Line 15 \$20,067	\$20,067	\$20,067
17	3 YR MACRS Tax Depreciation Rates	Per IRS Publication 946 33.330%	44.450%	14.810%
18	Remaining Tax Depreciation	Line 16 * Line 17 \$6,688	\$8,920	\$2,972
19	FY20 Loss incurred due to retirements	\$0	\$0	\$0
20	Cost of Removal	, Line 14 \$0	\$0	\$0
21	Total Tax Depreciation and Repairs Deduction	Sum of Lines 3, 12, 18, and 20 \$66,889	\$8,920	\$2,972

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Revenue Requirement on Estimated IS Capital Investment 12 months ending March 31, 2021
RI Only Grid Mod - Cybersecurity GIS - Network Security Services

Line No.		Fiscal Year Ending March 31, 2021 (a)	Fiscal Year Ending March 31, 2022 (b)
<u>Estimated Capital Investment</u>			
1	Network Security Services	\$ 37,101	
2	Data Security Services		
3	Identity and Access Management		
4	Threat and Vulnerability Management		
5	Security Operations Center Services		
6	Host & Endpoint Security Services		
7	Cyptography Services		
8	Change and Configuration Management		
9	Total Estimated Capital Investment	\$37,101	\$0
<u>Depreciable Net Capital Included in Rate Base</u>			
10	Total Allowed Capital Included in Rate Base in Current Year	Line 9 \$37,101	\$0
11	Retirements	Line 4 * 0% \$0	\$0
12	Net Depreciable Capital Included in Rate Base	Column (a) = Line 3 - Line 4; Column (b) and c) = Prior Year Line 5 \$37,101	\$37,101
<u>Change in Net Capital Included in Rate Base</u>			
13	Capital Included in Rate Base	Line 9 \$37,101	\$0
14	Cost of Removal	\$0	\$0
15	Total Net Plant in Service Including Cost of Removal	Line 12 + Line 14 \$37,101	\$37,101
<u>Tax Depreciation</u>			
16	Vintage Year Tax Depreciation:		
17	FY 2021 Spend	Page 16 of 21, Line 21 \$12,366	\$16,491
18	Cumulative Tax Depreciation	Prior Year Line 11 + Current Year Line 10 \$12,366	\$28,857
<u>Book Depreciation</u>			
19	Composite Book Depreciation Rate	As filed per R.I.P.U.C. Docket No. 4770 14.29%	14.29%
20	Book Depreciation	Column (a) = Line 1 * Line 12 * 50%; Column (b) = Line 1 * Line 12 \$2,650	\$0
21	Cumulative Book Depreciation	Prior Year Line 14 + Current Year Line 13 \$2,650	\$2,650
22	Total Cumulative Book Depreciation	Line 21 \$2,650	\$2,650
<u>Deferred Tax Calculation:</u>			
23	Cumulative Book / Tax Timer	Line 18 - Line 21 \$9,716	\$26,207
24	Effective Tax Rate	21.00%	21.00%
25	Deferred Tax Reserve	Line 23 * Line 24 \$2,040	\$5,503
26	Less: FY 2021 Federal NOL	\$0	\$0
27	Less: Proration Adjustment	Col (a) = , Line 40; Col (b) = , Line 40 (\$1,108)	(\$1,880)
28	Net Deferred Tax Reserve	Sum of Lines 25 through 27 \$933	\$3,623
<u>Rate Base Calculation:</u>			
29	Cumulative Incremental Capital Included in Rate Base	Line 15 \$37,101	\$37,101
30	Accumulated Depreciation	- Line 22 (\$2,650)	(\$2,650)
31	Deferred Tax Reserve	- Line 28 (\$933)	(\$3,623)
32	Year End Rate Base	Sum of Lines 29 through 31 \$33,518	\$30,828
<u>Revenue Requirement Calculation:</u>			
33	Average Rate Base	Column (a) = Current Year Line 25 ÷ 2; Column (b) = (Prior Year Line 25 + Current Year Line 25) ÷ 2 Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, \$16,759.23	\$32,173
34	Pre-Tax ROR	Workpaper MAL-6 8.80%	8.80%
35	Return and Taxes	Line 33 * Line 34 \$1,475	\$2,831
36	Book Depreciation	Line 20 \$2,650	\$0
37	Annual Revenue Requirement	Line 35 + Line 36 \$4,125	\$2,831

1/ Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, Schedule MAL-6

	Ratio	Rate	Rate	Taxes	Return
Long Term Debt	50.00%	3.70%	1.85%		1.85%
Short Term Debt	0.00%	0.00%	0.00%		0.00%
Preferred Stock	0.00%	0.00%	0.00%		0.00%
Common Equity	50.00%	10.10%	5.05%	1.90%	6.95%
	100.00%		6.90%	1.90%	8.80%

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Tax Depreciation and Repairs Deduction on Fiscal Year 2021 IS Capital Investments
RI Only Grid Mod - Cybersecurity GIS - Network Security Services

Line No.			Fiscal Year Ending <u>March 31, 2021</u> (a)	Fiscal Year Ending <u>March 31, 2022</u> (b)
	<u>Capital Repairs Deduction</u>			
1	Plant Additions	, Line 9	\$37,101	
2	Capital Repairs Deduction Rate	Per Tax Department	0.00%	
3	Capital Repairs Deduction	Line 1 * Line 2	<u>\$0</u>	
	<u>Bonus Depreciation</u>			
4	Plant Additions	Line 1	\$37,101	
5	Less Capital Repairs Deduction	Line 3	<u>\$0</u>	
6	Plant Additions Net of Capital Repairs Deduction	Line 4 - Line 5	\$37,101	
7	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	<u>100.00%</u>	
8	Plant Eligible for Bonus Depreciation	Line 6 * Line 7	\$37,101	
9	Bonus Depreciation Rate (April 2020 - December 2020)	0%	0.00%	
10	Bonus Depreciation Rate (January 2021 - Mar 2021)	0%	<u>0.00%</u>	
11	Total Bonus Depreciation Rate	Line 9 + Line 10	0.00%	
12	Bonus Depreciation	Line 8 * Line 11	\$0	
	<u>Remaining Tax Depreciation</u>			
13	Plant Additions	Line 1	\$37,101	
14	Less Capital Repairs Deduction	Line 3	\$0	
15	Less Bonus Depreciation	Line 12	<u>\$0</u>	
16	Remaining Plant Additions Subject to 3 YR MACRS Tax Depreciation	Line 13 - Line 14 - Line 15	\$37,101	\$37,101
17	3 YR MACRS Tax Depreciation Rates	Per IRS Publication 946	<u>33.330%</u>	<u>44.450%</u>
18	Remaining Tax Depreciation	Line 16 * Line 17	\$12,366	\$16,491
19	FY21 Loss incurred due to retirements	Per Tax Department	\$0	\$0
20	Cost of Removal	, Line 14	\$0	\$0
21	Total Tax Depreciation and Repairs Deduction	Sum of Lines 3, 12, 18, 19, and 20	<u>\$12,366</u>	<u>\$16,491</u>

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Revenue Requirement on Estimated IS Capital Investment 12 months ending March 31, 2022
RI Only Grid Mod - Cybersecurity GIS - Network Security Services

Line No.		Fiscal Year Ending March 31, 2022 (a)
<u>Estimated Capital Investment</u>		
1	Network Security Services	\$ 24,503
2	Data Security Services	
3	Identity and Access Management	
4	Threat and Vulnerability Management	
5	Security Operations Center Services	
6	Host & Endpoint Security Services	
7	Cyrtography Services	
8	Change and Configuration Management	
9	Total Estimated Capital Investment	\$ 24,503
	Sum of Lines 1 through 8	
<u>Depreciable Net Capital Included in Rate Base</u>		
10	Total Allowed Capital Included in Rate Base in Current Year	Line 9 \$24,503
11	Retirements	Line 4 * 0% \$0
12	Net Depreciable Capital Included in Rate Base	Column (a) = Line 3 - Line 4 \$24,503
<u>Change in Net Capital Included in Rate Base</u>		
13	Capital Included in Rate Base	Line 9 \$24,503
14	Cost of Removal	\$0
15	Total Net Plant in Service Including Cost of Removal	Line 6 + Line 8 \$24,503
<u>Tax Depreciation</u>		
16	Vintage Year Tax Depreciation:	
17	FY 2022 Spend	, Line 21 \$8,167
18	Cumulative Tax Depreciation	Current Year Line 10 \$8,167
<u>Book Depreciation</u>		
19	Composite Book Depreciation Rate	As approved per R.I.P.U.C. Docket No. 4770 14.29%
20	Book Depreciation	Column (a) = Line 2* Line 12 * 50% \$1,750
21	Cumulative Book Depreciation	Current Year Line 13 \$1,750
22	Total Cumulative Book Depreciation	Line 21 \$1,750
<u>Deferred Tax Calculation:</u>		
23	Cumulative Book / Tax Timer	Line 18 - Line 22 \$6,417
24	Effective Tax Rate	21.00%
25	Deferred Tax Reserve	Line 23 * Line 24 \$1,348
26	Less: FY 2022 Federal NOL	\$0
27	Less: Proration Adjustment	Col = , Line 40 (\$732)
28	Net Deferred Tax Reserve	Sum of Lines 25 through 27 \$616
<u>Rate Base Calculation:</u>		
29	Cumulative Incremental Capital Included in Rate Base	Line 15 \$24,503
30	Accumulated Depreciation	- Line 22 (\$1,750)
31	Deferred Tax Reserve	- Line 28 (\$616)
32	Year End Rate Base	Sum of Lines 29 through 31 \$22,137
<u>Revenue Requirement Calculation:</u>		
33	Average Rate Base	Column (a) = Current Year Line 25 ÷ 2 \$11,068.26
	Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, Workpaper	
34	Pre-Tax ROR	MAL-6 8.80%
35	Return and Taxes	Line 33 * Line 34 \$974
36	Book Depreciation	Line 20 \$1,750
37	Annual Revenue Requirement	Line 35 + Line 36 \$2,724

1/ Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, Schedule MAL-6

	Ratio	Rate	Rate	Taxes	Return
Long Term Debt	50.00%	3.70%	1.85%		1.85%
Short Term Debt	0.00%	0.00%	0.00%		0.00%
Preferred Stock	0.00%	0.00%	0.00%		0.00%
Common Equity	50.00%	10.10%	5.05%	1.90%	6.95%
	<u>100.00%</u>		<u>6.90%</u>	<u>1.90%</u>	<u>8.80%</u>

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Tax Depreciation and Repairs Deduction on Fiscal Year 2022 IS Capital Investments
RI Only Grid Mod - Cybersecurity GIS - Network Security Services

Line No.			Fiscal Year Ending <u>March 31, 2022</u> (a)
	<u>Capital Repairs Deduction</u>		
1	Plant Additions	, Line 9	\$24,503
2	Capital Repairs Deduction Rate	Per Tax Department	0.00%
3	Capital Repairs Deduction	Line 1 * Line 2	<u>\$0</u>
	<u>Bonus Depreciation</u>		
4	Plant Additions	Line 1	\$24,503
5	Less Capital Repairs Deduction	Line 3	<u>\$0</u>
6	Plant Additions Net of Capital Repairs Deduction	Line 4 - Line 5	\$24,503
7	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	<u>100.00%</u>
8	Plant Eligible for Bonus Depreciation	Line 6 * Line 7	\$24,503
9	Bonus Depreciation Rate (April 2020 - December 2020)	0%	0.00%
10	Bonus Depreciation Rate (January 2021 - Mar 2021)	0%	<u>0.00%</u>
11	Total Bonus Depreciation Rate	Line 9 + Line 10	0.00%
12	Bonus Depreciation	Line 8 * Line 11	\$0
	<u>Remaining Tax Depreciation</u>		
13	Plant Additions	Line 1	\$24,503
14	Less Capital Repairs Deduction	Line 3	\$0
15	Less Bonus Depreciation	Line 12	<u>\$0</u>
16	Remaining Plant Additions Subject to 3 YR MACRS Tax Depreciation	Line 13 - Line 14 - Line 15	\$24,503
17	3 YR MACRS Tax Depreciation Rates	Per IRS Publication 946	<u>33.33%</u>
18	Remaining Tax Depreciation	Line 16 * Line 17	\$8,167
19	FY22 Loss incurred due to retirements	Per Tax Department	\$0
20	Cost of Removal	, Line 14	\$0
21	Total Tax Depreciation and Repairs Deduction	Sum of Lines 3, 12, 18, 19, and 20	<u>\$8,167</u>

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Fiscal Year 2020 Net Deferred Tax Reserve IS Proration
RI Only Grid Mod - Cybersecurity GIS - Network Security Services

Line No.		(a)= Column	(b) Vintage Year March 31, 2020		
Deferred Tax Subject to Proration					
1	Book Depreciation, Line 20	\$5,733	\$5,733		
2	Bonus Depreciation, - Line 12	(\$60,201)	(\$60,201)		
3	Remaining MACRS Tax Depreciation, - Line 18	(\$6,688)	(\$6,688)		
4	FY20 tax (gain)/loss on retirements, - Line 19	\$0	\$0		
5	Cumulative Book / Tax Timer, Sum of Lines 1 through 4	(\$61,156)	(\$61,156)		
6	Effective Tax Rate, Per Tax Department	21.00%	21.00%		
7	Deferred Tax Reserve, Line 5 * Line 6	(\$12,843)	(\$12,843)		
Deferred Tax Not Subject to Proration					
8	Capital Repairs Deduction, Line 3	\$0	\$0		
9	Cost of Removal, Line 20	\$0	\$0		
10	Book/Tax Depreciation Timing Difference at 3/31/2020	\$0	\$0		
11	Cumulative Book / Tax Timer, Line 8 + Line 9 + Line 10	\$0	\$0		
12	Effective Tax Rate	21.00%	21.00%		
13	Deferred Tax Reserve, Line 11 * Line 12	\$0	\$0		
14	Total Deferred Tax Reserve, Line 7 + Line 13	(\$12,843)	(\$12,843)		
15	Net Operating Loss, Line 26	\$0	\$0		
16	Net Deferred Tax Reserve, Line 14 + Line 15	(\$12,843)	(\$12,843)		
Allocation of FY 2020 Estimated Federal NOL					
17	Cumulative Book/Tax Timer Subject to Proration, Col (b) = Line 5	(\$61,156)	(\$61,156)		
18	Cumulative Book/Tax Timer Not Subject to Proration, Line 11	\$0	\$0		
19	Total Cumulative Book/Tax Timer, Line 17 + Line 18	(\$61,156)	(\$61,156)		
20	Total FY 2020 Federal NOL, Line 26 / 21%	\$0	\$0		
21	Allocated FY 2020 Federal NOL Not Subject to Proration, (Line 18 / Line 19) * Line 20	\$0	\$0		
22	Allocated FY 2020 Federal NOL Subject to Proration, (Line 17 / Line 19) * Line 20	\$0	\$0		
23	Effective Tax Rate, Per Tax Department	21.00%	21.00%		
24	Deferred Tax Benefit subject to proration, Line 22 * Line 23	\$0	\$0		
25	Net Deferred Tax Reserve subject to proration, Line 7 + Line 24	(\$12,843)	(\$12,843)		
Proration Calculation					
		(i)	(j)		
		Number of Days in			
		Month	Proration Percentage		
			(k)= Sum of (l)		
			(l)		
26	April 2019	30	91.78%	(\$982)	(\$982)
27	May 2019	31	83.29%	(\$891)	(\$891)
28	June 2019	30	75.07%	(\$803)	(\$803)
29	July 2019	31	66.58%	(\$713)	(\$713)
30	August 2019	31	58.08%	(\$622)	(\$622)
31	September 2019	30	49.86%	(\$534)	(\$534)
32	October 2019	31	41.37%	(\$443)	(\$443)
33	November 2019	30	33.15%	(\$355)	(\$355)
34	December 2019	31	24.66%	(\$264)	(\$264)
35	January 2020	31	16.16%	(\$173)	(\$173)
36	February 2020	28	8.49%	(\$91)	(\$91)
37	March 2020	31	0.00%	\$0	\$0
38	Total	365		(\$5,870)	(\$5,870)
39	Deferred Tax Without Proration, Line 25			(\$12,843)	(\$12,843)
40	Proration Adjustment, Line 38 - Line 39			\$6,973	\$6,973

Column Notes:

- (j) Sum of remaining days in the year (Col (i)) ÷ 365
- (l) through (r) = Current Year Line 25 ÷ 12 * Current Month Col (j)

The Narragansett Electric Company
d/b/a National Grid
Power Sector Transformation (PST)
Calculation of Fiscal Year 2021 Net Deferred Tax Reserve IS Proration
RI Only Grid Mod - Cybersecurity GIS - Network Security Services

Line No.			(a)=Sum of (b) through (c)	(b)	(c)	
			Total	Vintage Year March 31, 2021	Vintage Year March 31, 2020	
Deferred Tax Subject to Proration						
1	Book Depreciation	Col (b) = , Line 20; Col (c) = , Line 20	\$14,117	\$2,650	\$11,467	
2	Bonus Depreciation	, Line 12	\$0	\$0		
3	Remaining MACRS Tax Depreciation	Col (b) = , Line 18; Col (c) = , Line 18	(\$21,286)	(\$12,366)	(\$8,920)	
4	FY21 tax (gain)/loss on retirements	Col (b) = , Line 19; Col (c) = , Line 19	\$0	\$0		
5	Cumulative Book / Tax Timer	Sum of Lines 1 through 4	(\$7,169)	(\$9,716)	\$2,547	
6	Effective Tax Rate	Per Tax Department	21.00%	21.00%	21.00%	
7	Deferred Tax Reserve	Line 5 * Line 6	(\$1,506)	(\$2,040)	\$535	
Deferred Tax Not Subject to Proration						
8	Capital Repairs Deduction	, Line 3	\$0	\$0		
9	Cost of Removal	, Line 20	\$0	\$0		
10	Book/Tax Depreciation Timing Difference at 3/31/2021		\$0	\$0		
11	Cumulative Book / Tax Timer	Line 8 + Line 9 + Line 10	\$0	\$0		
12	Effective Tax Rate		21.00%	21.00%		
13	Deferred Tax Reserve	Line 11 * Line 12	\$0	\$0		
14	Total Deferred Tax Reserve	Line 7 + Line 13	(\$1,506)	(\$2,040)	\$535	
15	Net Operating Loss	Col (b) = , Line 26; Col (c) = , Line 26	\$0	\$0	\$0	
16	Net Deferred Tax Reserve	Line 14 + Line 15	(\$1,506)	(\$2,040)	\$535	
Allocation of FY 2021 Estimated Federal NOL						
17	Cumulative Book/Tax Timer Subject to Proration	Col (b) = Line 5	(\$7,169)	(\$9,716)	\$2,547	
18	Cumulative Book/Tax Timer Not Subject to Proration	Line 11	\$0	\$0	\$0	
19	Total Cumulative Book/Tax Timer	Line 17 + Line 18	(\$7,169)	(\$9,716)	\$2,547	
20	Total FY 2021 Federal NOL	Col (b) = , Line 26; Col (c) = , Line 26 / 21%	\$0	\$0	\$0	
21	Allocated FY 2021 Federal NOL Not Subject to Proration	(Line 18 / Line 19) * Line 20	\$0	\$0	\$0	
22	Allocated FY 2021 Federal NOL Subject to Proration	(Line 17 / Line 19) * Line 20	\$0	\$0	\$0	
23	Effective Tax Rate		21.00%	21.00%	21.00%	
24	Deferred Tax Benefit subject to proration	Line 22 * Line 23	\$0	\$0	\$0	
25	Net Deferred Tax Reserve subject to proration	Line 7 + Line 24	(\$1,506)	(\$2,040)	\$535	
Proration Calculation						
		(i) Number of Days in Month	(j) Proration Percentage	(k)= Sum of (l) through (m)	(l)	(m)
26	April 2020	30	91.78%	(\$115)	(\$156)	\$41
27	May 2020	31	83.29%	(\$104)	(\$142)	\$37
28	June 2020	30	75.07%	(\$94)	(\$128)	\$33
29	July 2020	31	66.58%	(\$84)	(\$113)	\$30
30	August 2020	31	58.08%	(\$73)	(\$99)	\$26
31	September 2020	30	49.86%	(\$63)	(\$85)	\$22
32	October 2020	31	41.37%	(\$52)	(\$70)	\$18
33	November 2020	30	33.15%	(\$42)	(\$56)	\$15
34	December 2020	31	24.66%	(\$31)	(\$42)	\$11
35	January 2021	31	16.16%	(\$20)	(\$27)	\$7
36	February 2021	28	8.49%	(\$11)	(\$14)	\$4
37	March 2021	31	0.00%	\$0	\$0	\$0
38	Total	365		(\$688)	(\$933)	\$244
39	Deferred Tax Without Proration	Line 25		(\$1,506)	(\$2,040)	\$535
40	Proration Adjustment	Line 38 - Line 39		\$817	\$1,108	(\$290)

Column Notes:

- (j) Sum of remaining days in the year (Col (i)) ÷ 365
- (l) through (r) = Current Year Line 25 ÷ 12 * Current Month Col (j)

The Narragansett Electric Company
d/b/a National Grid
Power Sector Transformation (PST)
Calculation of Fiscal Year 2022 Net Deferred Tax Reserve IS Proration
RI Only Grid Mod - Cybersecurity GIS - Network Security Services

Line No.			(a)=Sum of (b)	(b)	(c)	(d)	
			through (d)	Vintage Year	Vintage Year	Vintage Year	
			Total	March 31, 2022	March 31, 2021	March 31, 2020	
Deferred Tax Subject to Proration							
1	Book Depreciation	Col (b) = , Line 20; Col (c) = , Line 20; Col (d) = , Line 20	\$13,217	\$1,750	\$0	\$11,467	
2	Bonus Depreciation	, Line 12	\$0	\$0			
3	Remaining MACRS Tax Depreciation	Col (b) = , Line 18; Col (c) = , Line 18; Col (d) = , Line 18	(\$27,630)	(\$8,167)	(\$16,491)	(\$2,972)	
4	FY22 tax (gain)/loss on retirements	Col (b) = , Line 19; Col (c) = , Line 19; Col (d) = , Line 19	\$0	\$0			
5	Cumulative Book / Tax Timer	Sum of Lines 1 through 4	(\$14,413)	(\$6,417)	(\$16,491)	\$8,495	
6	Effective Tax Rate	Per Tax Department	21.00%	21.00%	21.00%	21.00%	
7	Deferred Tax Reserve	Line 5 * Line 6	(\$3,027)	(\$1,348)	(\$3,463)	\$1,784	
Deferred Tax Not Subject to Proration							
8	Capital Repairs Deduction	, Line 3	\$0	\$0			
9	Cost of Removal	, Line 20	\$0	\$0			
10	Book/Tax Depreciation Timing Difference at 3/31/2022		\$0	\$0			
11	Cumulative Book / Tax Timer	Line 8 + Line 9 + Line 10	\$0	\$0			
12	Effective Tax Rate		21.00%	21.00%			
13	Deferred Tax Reserve	Line 11 * Line 12	\$0	\$0			
14	Total Deferred Tax Reserve	Line 7 + Line 13	(\$3,027)	(\$1,348)	(\$3,463)	\$1,784	
15	Net Operating Loss	Col (b) = , Line 26; Col (c) = , Line 26; Col (d) = , Line 26	\$0	\$0	\$0	\$0	
16	Net Deferred Tax Reserve	Line 14 + Line 15	(\$3,027)	(\$1,348)	(\$3,463)	\$1,784	
Allocation of FY 2022 Estimated Federal NOL							
17	Cumulative Book/Tax Timer Subject to Proration	Col (b) = Line 5	(\$14,413)	(\$6,417)	(\$16,491)	\$8,495	
18	Cumulative Book/Tax Timer Not Subject to Proration	Line 11	\$0	\$0	\$0	\$0	
19	Total Cumulative Book/Tax Timer	Line 17 + Line 18	(\$14,413)	(\$6,417)	(\$16,491)	\$8,495	
20	Total FY 2022 Federal NOL	Col (b) = , Line 26; Col (c) = , Line 26; Col (d) = , Line 26 / 21%	\$0	\$0	\$0	\$0	
21	Allocated FY 2022 Federal NOL Not Subject to Proration	(Line 18 / Line 19) * Line 20	\$0	\$0	\$0	\$0	
22	Allocated FY 2022 Federal NOL Subject to Proration	(Line 17 / Line 19) * Line 20	\$0	\$0	\$0	\$0	
23	Effective Tax Rate	Per Tax Department	21.00%	21.00%	21.00%	21.00%	
24	Deferred Tax Benefit subject to proration	Line 22 * Line 23	\$0	\$0	\$0	\$0	
25	Net Deferred Tax Reserve subject to proration	Line 7 + Line 24	(\$3,027)	(\$1,348)	(\$3,463)	\$1,784	
Proration Calculation							
		(i)	(j)	(k)= Sum of (l)	(l)	(m)	(n)
		Number of Days in	Proration Percentage	through (n)			
		Month					
26	April 2021	30	91.78%	(\$231)	(\$103)	(\$265)	\$136
27	May 2021	31	83.29%	(\$210)	(\$94)	(\$240)	\$124
28	June 2021	30	75.07%	(\$189)	(\$84)	(\$217)	\$112
29	July 2021	31	66.58%	(\$168)	(\$75)	(\$192)	\$99
30	August 2021	31	58.08%	(\$146)	(\$65)	(\$168)	\$86
31	September 2021	30	49.86%	(\$126)	(\$56)	(\$144)	\$74
32	October 2021	31	41.37%	(\$104)	(\$46)	(\$119)	\$62
33	November 2021	30	33.15%	(\$84)	(\$37)	(\$96)	\$49
34	December 2021	31	24.66%	(\$62)	(\$28)	(\$71)	\$37
35	January 2022	31	16.16%	(\$41)	(\$18)	(\$47)	\$24
36	February 2022	28	8.49%	(\$21)	(\$10)	(\$25)	\$13
37	March 2022	31	0.00%	\$0	\$0	\$0	\$0
38	Total	365		(\$1,383)	(\$616)	(\$1,583)	\$815
39	Deferred Tax Without Proration	Line 25		(\$3,027)	(\$1,348)	(\$3,463)	\$1,784
40	Proration Adjustment	Line 38 - Line 39		\$1,643	\$732	\$1,880	(\$969)

Column Notes:

- (j) Sum of remaining days in the year (Col (i)) ÷ 365
- (l) through (r) = Current Year Line 25 ÷ 12 * Current Month Col (j)

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Grid Mod RI Only - Cybersecurity GIS - Data Security Services
Annual Revenue Requirement Summary

Line No.		Fiscal Year Ending March 31, 2019 (a)	Fiscal Year Ending March 31, 2020 (b)	Fiscal Year Ending March 31, 2021 (c)	Fiscal Year Ending March 31, 2022 (d)		
Electric Operation and Maintenance (O&M) Expenses:							
1	Network Security Services	\$ -	\$ -	\$ -	\$ -		
2	Data Security Services	\$ -	\$ 9,412	\$ 5,079	\$ 3,545		
3	Identity and Access Management	\$ -	\$ -	\$ -	\$ -		
4	Threat and Vulnerability Management	\$ -	\$ -	\$ -	\$ -		
5	Security Operations Center Services	\$ -	\$ -	\$ -	\$ -		
6	Host & Endpoint Security Services	\$ -	\$ -	\$ -	\$ -		
7	Cryptography Services	\$ -	\$ -	\$ -	\$ -		
8	Change and Configuration Management	\$ -	\$ -	\$ -	\$ -		
9	Total Electric O&M costs		Sum of Lines 1 through 8	\$ -	\$ 9,412	\$ 5,079	\$ 3,545
Gas Operation and Maintenance (O&M) Expenses:							
10	Network Security Services	\$ -	\$ -	\$ -	\$ -		
11	Data Security Services	\$ -	\$ 5,115	\$ 2,760	\$ 1,927		
12	Identity and Access Management	\$ -	\$ -	\$ -	\$ -		
13	Threat and Vulnerability Management	\$ -	\$ -	\$ -	\$ -		
14	Security Operations Center Services	\$ -	\$ -	\$ -	\$ -		
15	Host & Endpoint Security Services	\$ -	\$ -	\$ -	\$ -		
16	Cryptography Services	\$ -	\$ -	\$ -	\$ -		
17	Change and Configuration Management	\$ -	\$ -	\$ -	\$ -		
18	Total Gas O&M costs		Sum of Lines 10 through 17	\$ -	\$ 5,115	\$ 2,760	\$ 1,927
19	Total O&M Expenses		Line 9 + Line 18	\$ -	\$ 14,527	\$ 7,839	\$ 5,472
Electric Capital Investment:							
21	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2020 Capital Investment		\$1,192	\$776	\$721		
22	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2021 Capital Investment			\$560	\$384		
23	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2022 Capital Investment				\$370		
24	Total Electric Capital Investment Component of Revenue Requirement		Sum of Lines 21 through 23	-	\$1,192	\$1,336	\$1,475
Gas Capital Investment:							
26	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2020 Capital Investment		\$648	\$422	\$392		
27	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2021 Capital Investment			\$304	\$209		
28	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2022 Capital Investment				\$201		
29	Total Gas Capital Investment Component of Revenue Requirement		Sum of Lines 26 through 28	-	\$648	\$726	\$802
30	Total Electric Revenue Requirement		Line 9 + Line 24	-	\$10,604	\$6,414	\$5,020
31	Total Gas Revenue Requirement		Line 18 + Line 29	-	\$5,763	\$3,486	\$2,728
32	Total Electric & Gas Revenue Requirement		Line 30 + Line 31	-	\$ 16,367	\$ 9,900	\$ 7,749

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Revenue Requirement on Estimated IS Capital Investment 12 months ending March 31, 2020
RI Only Grid Mod - Cybersecurity GIS - Data Security Services

Line No.			Fiscal Year Ending March 31, 2020 (a)	Fiscal Year Ending March 31, 2021 (b)	Fiscal Year Ending March 31, 2022 (c)
<u>Estimated Capital Investment</u>					
1	Network Security Services		\$ -		
2	Data Security Services		\$ 16,874		
3	Identity and Access Management		\$ -		
4	Threat and Vulnerability Management		\$ -		
5	Security Operations Center Services		\$ -		
6	Host & Endpoint Security Services		\$ -		
7	Cryptography Services		\$ -		
8	Change and Configuration Management		\$ -		
9	Total Estimated Capital Investment	Sum of Lines 1 through 8	\$ 16,874	\$ -	\$ -
<u>Depreciable Net Capital Included in Rate Base</u>					
10	Total Allowed Capital Included in Rate Base in Current Year	Line 9	\$ 16,874	\$ 0	\$ 0
11	Retirements	Line 4 * 0%	\$ 0	\$ 0	\$ 0
12	Net Depreciable Capital Included in Rate Base	Column (a) = Line 3 - Line 4; Column (b and c) = Prior Year Line 5	\$ 16,874	\$ 16,874	\$ 16,874
<u>Change in Net Capital Included in Rate Base</u>					
13	Capital Included in Rate Base	Line 9	\$ 16,874	\$ 0	\$ 0
14	Cost of Removal		\$ 0	\$ 0	\$ 0
15	Total Net Plant in Service Including Cost of Removal	Line 13 + Line 14	\$ 16,874	\$ 16,874	\$ 16,874
<u>Tax Depreciation</u>					
16	Vintage Year Tax Depreciation:				
17	FY 2020 Spend	, Line 21	\$ 14,062	\$ 1,875	\$ 625
18	Cumulative Tax Depreciation	Prior Year Line 11 + Current Year Line 10	\$ 14,062	\$ 15,937	\$ 16,562
<u>Book Depreciation</u>					
19	Composite Book Depreciation Rate		14.29%	14.29%	14.29%
20	Book Depreciation	Column (a) = Line 1 * Line 12 * 50% ; Column (b and c) = Line 1 * Line 12	\$ 1,205	\$ 0	\$ 0
21	Cumulative Book Depreciation	Prior Year Line 14 + Current Year Line 13	\$ 1,205	\$ 1,205	\$ 1,205
22	Total Cumulative Book Depreciation	Line 21	\$ 1,205	\$ 1,205	\$ 1,205
<u>Deferred Tax Calculation:</u>					
23	Cumulative Book / Tax Timer	Line 18 - Line 22	\$ 12,857	\$ 14,732	\$ 15,357
24	Effective Tax Rate		21.00%	21.00%	21.00%
25	Deferred Tax Reserve	Line 23 * Line 24	\$ 2,700	\$ 3,094	\$ 3,225
26	Less: FY 2020 Federal NOL		\$ 0	\$ 0	\$ 0
27	Less: Proration Adjustment	Col (a) = , Line 40; Col (b) = , Line 40; Col (c) = , Line 40	\$ (1,466)	\$ (214)	\$ (71)
28	Net Deferred Tax Reserve	Sum of Lines 25 through 27	\$ 1,234	\$ 2,880	\$ 3,154
<u>Rate Base Calculation:</u>					
29	Cumulative Incremental Capital Included in Rate Base	Line 15	\$ 16,874	\$ 16,874	\$ 16,874
30	Accumulated Depreciation	- Line 22	\$ (1,205)	\$ (1,205)	\$ (1,205)
31	Deferred Tax Reserve	- Line 28	\$ (1,234)	\$ (2,880)	\$ (3,154)
32	Year End Rate Base	Sum of Lines 29 through 31	\$ 14,434	\$ 12,789	\$ 12,515
<u>Revenue Requirement Calculation:</u>					
33	Average Rate Base	Column (a) = Current Year Line 25 ÷ 2; Column (b and c) = (Prior Year Line 25 + Current Year Line 25) ÷ 2	\$ 7,217.20	\$ 13,611	\$ 12,652
34	Pre-Tax ROR		8.80%	8.80%	8.80%
35	Return and Taxes	Line 33 * Line 34	\$ 635	\$ 1,198	\$ 1,113
36	Book Depreciation	Line 20	\$ 1,205	\$ 0	\$ 0
37	Annual Revenue Requirement	Line 35 + Line 36	\$ 1,840	\$ 1,198	\$ 1,113

1/ Weighted Average Cost of Capital as file in R.L.P.U.C. Docket No. 4770, Schedule MAL-6

	Ratio	Rate	Rate	Taxes	Return
Long Term Debt	50.00%	3.70%	1.85%		1.85%
Short Term Debt	0.00%	0.00%	0.00%		0.00%
Preferred Stock	0.00%	0.00%	0.00%		0.00%
Common Equity	50.00%	10.10%	5.05%	1.90%	6.95%
	<u>100.00%</u>		<u>6.90%</u>	<u>1.90%</u>	<u>8.80%</u>

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Tax Depreciation and Repairs Deduction on Fiscal Year 2020 IS Capital Investments
RI Only Grid Mod - Cybersecurity GIS - Data Security Services

Line No.		Fiscal Year Ending March 31, 2020 (a)	Fiscal Year Ending March 31, 2021 (b)	Fiscal Year Ending March 31, 2022 (c)
	<u>Capital Repairs Deduction</u>			
1	Plant Additions	, Line 9	\$16,874	
2	Capital Repairs Deduction Rate	Per Tax Department	0.00%	
3	Capital Repairs Deduction	Line 1 * Line 2	\$0	
	<u>Bonus Depreciation</u>			
4	Plant Additions	Line 1	\$16,874	
5	Less Capital Repairs Deduction	Line 3	\$0	
6	Plant Additions Net of Capital Repairs Deduction	Line 4 - Line 5	\$16,874	
7	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	100.00%	
8	Plant Eligible for Bonus Depreciation	Line 6 * Line 7	\$16,874	
9	Bonus Depreciation Rate (April 2019 - December 2019)	1 * 75% * 100%	75.00%	
10	Bonus Depreciation Rate (January 2020 - Mar 2020)	1 * 25% * 0%	0.00%	
11	Total Bonus Depreciation Rate	Line 9 + Line 10	75.00%	
12	Bonus Depreciation	Line 8 * Line 11	\$12,656	
	<u>Remaining Tax Depreciation</u>			
13	Plant Additions	Line 1	\$16,874	
14	Less Capital Repairs Deduction	Line 3	\$0	
15	Less Bonus Depreciation	Line 12	\$12,656	
16	Remaining Plant Additions Subject to 3 YR MACRS Tax Depreciation	Line 13 - Line 14 - Line 15	\$4,218	\$4,218
17	3 YR MACRS Tax Depreciation Rates	Per IRS Publication 946	33.330%	44.450%
18	Remaining Tax Depreciation	Line 16 * Line 17	\$1,406	\$1,875
19	FY20 Loss incurred due to retirements		\$0	\$0
20	Cost of Removal	, Line 14	\$0	\$0
21	Total Tax Depreciation and Repairs Deduction	Sum of Lines 3, 12, 18, and 20	\$14,062	\$1,875

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Revenue Requirement on Estimated IS Capital Investment 12 months ending March 31, 2021
RI Only Grid Mod - Cybersecurity GIS - Data Security Services

Line No.		Fiscal Year Ending March 31, 2021 (a)	Fiscal Year Ending March 31, 2022 (b)
<u>Estimated Capital Investment</u>			
1	Network Security Services	\$ -	
2	Data Security Services	\$ 7,768	
3	Identity and Access Management	\$ -	
4	Threat and Vulnerability Management	\$ -	
5	Security Operations Center Services	\$ -	
6	Host & Endpoint Security Services	\$ -	
7	Cyptography Services	\$ -	
8	Change and Configuration Management	\$ -	
9	Total Estimated Capital Investment	\$ 7,768	\$0
<u>Depreciable Net Capital Included in Rate Base</u>			
10	Total Allowed Capital Included in Rate Base in Current Year	Line 9	\$7,768
11	Retirements	Line 4 * 0%	\$0
12	Net Depreciable Capital Included in Rate Base	Column (a) = Line 3 - Line 4; Column (b) and c) = Prior Year Line 5	\$7,768
<u>Change in Net Capital Included in Rate Base</u>			
13	Capital Included in Rate Base	Line 9	\$7,768
14	Cost of Removal	\$0	\$0
15	Total Net Plant in Service Including Cost of Removal	Line 12 + Line 14	\$7,768
<u>Tax Depreciation</u>			
16	Vintage Year Tax Depreciation:		
17	FY 2021 Spend	Page 16 of 21, Line 21	\$2,589
18	Cumulative Tax Depreciation	Prior Year Line 11 + Current Year Line 10	\$2,589
<u>Book Depreciation</u>			
19	Composite Book Depreciation Rate	As filed per R.I.P.U.C. Docket No. 4770	14.29%
20	Book Depreciation	Column (a) = Line 1 * Line 12 * 50% ; Column (b) = Line 1 * Line 12	\$555
21	Cumulative Book Depreciation	Prior Year Line 14 + Current Year Line 13	\$555
22	Total Cumulative Book Depreciation	Line 21	\$555
<u>Deferred Tax Calculation:</u>			
23	Cumulative Book / Tax Timer	Line 18 - Line 21	\$2,034
24	Effective Tax Rate		21.00%
25	Deferred Tax Reserve	Line 23 * Line 24	\$427
26	Less: FY 2021 Federal NOL		\$0
27	Less: Proration Adjustment	Col (a) = , Line 40; Col (b) = , Line 40	(\$232)
28	Net Deferred Tax Reserve	Sum of Lines 25 through 27	\$195
<u>Rate Base Calculation:</u>			
29	Cumulative Incremental Capital Included in Rate Base	Line 15	\$7,768
30	Accumulated Depreciation	- Line 22	(\$555)
31	Deferred Tax Reserve	- Line 28	(\$195)
32	Year End Rate Base	Sum of Lines 29 through 31	\$7,018
<u>Revenue Requirement Calculation:</u>			
33	Average Rate Base	Column (a) = Current Year Line 25 ÷ 2; Column (b) = (Prior Year Line 25 + Current Year Line 25) ÷ 2	\$3,508.77
34	Pre-Tax ROR	Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, Workpaper MAL-6	8.80%
35	Return and Taxes	Line 33 * Line 34	\$309
36	Book Depreciation	Line 20	\$555
37	Annual Revenue Requirement	Line 35 + Line 36	\$864

1/ Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, Schedule MAL-6

	Ratio	Rate	Rate	Taxes	Return
Long Term Debt	50.00%	3.70%	1.85%		1.85%
Short Term Debt	0.00%	0.00%	0.00%		0.00%
Preferred Stock	0.00%	0.00%	0.00%		0.00%
Common Equity	50.00%	10.10%	5.05%	1.90%	6.95%
	100.00%		6.90%	1.90%	8.80%

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Tax Depreciation and Repairs Deduction on Fiscal Year 2021 IS Capital Investments
RI Only Grid Mod - Cybersecurity GIS - Data Security Services

Line No.		Fiscal Year Ending <u>March 31, 2021</u> (a)	Fiscal Year Ending <u>March 31, 2022</u> (b)
	<u>Capital Repairs Deduction</u>		
1	Plant Additions	, Line 9 \$7,768	
2	Capital Repairs Deduction Rate	Per Tax Department 0.00%	
3	Capital Repairs Deduction	Line 1 * Line 2 \$0	
	<u>Bonus Depreciation</u>		
4	Plant Additions	Line 1 \$7,768	
5	Less Capital Repairs Deduction	Line 3 \$0	
6	Plant Additions Net of Capital Repairs Deduction	Line 4 - Line 5 \$7,768	
7	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department 100.00%	
8	Plant Eligible for Bonus Depreciation	Line 6 * Line 7 \$7,768	
9	Bonus Depreciation Rate (April 2020 - December 2020)	0% 0.00%	
10	Bonus Depreciation Rate (January 2021 - Mar 2021)	0% 0.00%	
11	Total Bonus Depreciation Rate	Line 9 + Line 10 0.00%	
12	Bonus Depreciation	Line 8 * Line 11 \$0	
	<u>Remaining Tax Depreciation</u>		
13	Plant Additions	Line 1 \$7,768	
14	Less Capital Repairs Deduction	Line 3 \$0	
15	Less Bonus Depreciation	Line 12 \$0	
16	Remaining Plant Additions Subject to 3 YR MACRS Tax Depreciation	Line 13 - Line 14 - Line 15 \$7,768	\$7,768
17	3 YR MACRS Tax Depreciation Rates	Per IRS Publication 946 33.330%	44.450%
18	Remaining Tax Depreciation	Line 16 * Line 17 \$2,589	\$3,453
19	FY21 Loss incurred due to retirements	Per Tax Department \$0	\$0
20	Cost of Removal	, Line 14 \$0	\$0
21	Total Tax Depreciation and Repairs Deduction	Sum of Lines 3, 12, 18, 19, and 20 \$2,589	\$3,453

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Revenue Requirement on Estimated IS Capital Investment 12 months ending March 31, 2022
RI Only Grid Mod - Cybersecurity GIS - Data Security Services

Line No.		Fiscal Year Ending March 31, 2022 (a)
<u>Estimated Capital Investment</u>		
1	Network Security Services	\$ -
2	Data Security Services	\$ 5,130
3	Identity and Access Management	\$ -
4	Threat and Vulnerability Management	\$ -
5	Security Operations Center Services	\$ -
6	Host & Endpoint Security Services	\$ -
7	Cyrtography Services	\$ -
8	Change and Configuration Management	\$ -
9	Total Estimated Capital Investment	\$ 5,130
	Sum of Lines 1 through 8	
<u>Depreciable Net Capital Included in Rate Base</u>		
10	Total Allowed Capital Included in Rate Base in Current Year	Line 9 \$5,130
11	Retirements	Line 4 * 0% \$0
12	Net Depreciable Capital Included in Rate Base	Column (a) = Line 3 - Line 4 \$5,130
<u>Change in Net Capital Included in Rate Base</u>		
13	Capital Included in Rate Base	Line 9 \$5,130
14	Cost of Removal	\$0
15	Total Net Plant in Service Including Cost of Removal	Line 6 + Line 8 \$5,130
<u>Tax Depreciation</u>		
16	Vintage Year Tax Depreciation:	
17	FY 2022 Spend	, Line 21 \$1,710
18	Cumulative Tax Depreciation	Current Year Line 10 \$1,710
<u>Book Depreciation</u>		
19	Composite Book Depreciation Rate	As approved per R.I.P.U.C. Docket No. 4770 14.29%
20	Book Depreciation	Column (a) = Line 2* Line 12 * 50% \$366
21	Cumulative Book Depreciation	Current Year Line 13 \$366
22	Total Cumulative Book Depreciation	Line 21 \$366
<u>Deferred Tax Calculation:</u>		
23	Cumulative Book / Tax Timer	Line 18 - Line 22 \$1,344
24	Effective Tax Rate	21.00%
25	Deferred Tax Reserve	Line 23 * Line 24 \$282
26	Less: FY 2022 Federal NOL	\$0
27	Less: Proration Adjustment	Col = , Line 40 (\$153)
28	Net Deferred Tax Reserve	Sum of Lines 25 through 27 \$129
<u>Rate Base Calculation:</u>		
29	Cumulative Incremental Capital Included in Rate Base	Line 15 \$5,130
30	Accumulated Depreciation	- Line 22 (\$366)
31	Deferred Tax Reserve	- Line 28 (\$129)
32	Year End Rate Base	Sum of Lines 29 through 31 \$4,635
<u>Revenue Requirement Calculation:</u>		
33	Average Rate Base	Column (a) = Current Year Line 25 ÷ 2 \$2,317.30
	Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, Workpaper	
34	Pre-Tax ROR	MAL-6 8.80%
35	Return and Taxes	Line 33 * Line 34 \$204
36	Book Depreciation	Line 20 \$366
37	Annual Revenue Requirement	Line 35 + Line 36 \$570

1/ Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, Schedule MAL-6

	Ratio	Rate	Rate	Taxes	Return
Long Term Debt	50.00%	3.70%	1.85%		1.85%
Short Term Debt	0.00%	0.00%	0.00%		0.00%
Preferred Stock	0.00%	0.00%	0.00%		0.00%
Common Equity	50.00%	10.10%	5.05%	1.90%	6.95%
	<u>100.00%</u>		<u>6.90%</u>	<u>1.90%</u>	<u>8.80%</u>

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Tax Depreciation and Repairs Deduction on Fiscal Year 2022 IS Capital Investments
RI Only Grid Mod - Cybersecurity GIS - Data Security Services

Line No.			Fiscal Year Ending <u>March 31, 2022</u> (a)
	<u>Capital Repairs Deduction</u>		
1	Plant Additions	, Line 9	\$5,130
2	Capital Repairs Deduction Rate	Per Tax Department	0.00%
3	Capital Repairs Deduction	Line 1 * Line 2	<u>\$0</u>
	<u>Bonus Depreciation</u>		
4	Plant Additions	Line 1	\$5,130
5	Less Capital Repairs Deduction	Line 3	<u>\$0</u>
6	Plant Additions Net of Capital Repairs Deduction	Line 4 - Line 5	\$5,130
7	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	<u>100.00%</u>
8	Plant Eligible for Bonus Depreciation	Line 6 * Line 7	\$5,130
9	Bonus Depreciation Rate (April 2020 - December 2020)	0%	0.00%
10	Bonus Depreciation Rate (January 2021 - Mar 2021)	0%	<u>0.00%</u>
11	Total Bonus Depreciation Rate	Line 9 + Line 10	0.00%
12	Bonus Depreciation	Line 8 * Line 11	\$0
	<u>Remaining Tax Depreciation</u>		
13	Plant Additions	Line 1	\$5,130
14	Less Capital Repairs Deduction	Line 3	\$0
15	Less Bonus Depreciation	Line 12	<u>\$0</u>
16	Remaining Plant Additions Subject to 3 YR MACRS Tax Depreciation	Line 13 - Line 14 - Line 15	\$5,130
17	3 YR MACRS Tax Depreciation Rates	Per IRS Publication 946	<u>33.33%</u>
18	Remaining Tax Depreciation	Line 16 * Line 17	\$1,710
19	FY22 Loss incurred due to retirements	Per Tax Department	\$0
20	Cost of Removal	, Line 14	<u>\$0</u>
21	Total Tax Depreciation and Repairs Deduction	Sum of Lines 3, 12, 18, 19, and 20	<u>\$1,710</u>

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Fiscal Year 2020 Net Deferred Tax Reserve IS Proration
RI Only Grid Mod - Cybersecurity GIS - Data Security Services

Line No.	Deferred Tax Subject to Proration	(a)= Column (b)	(b) Vintage Year March 31, 2020
1	Book Depreciation , Line 20	\$1,205	\$1,205
2	Bonus Depreciation , - Line 12	(\$12,656)	(\$12,656)
3	Remaining MACRS Tax Depreciation , - Line 18	(\$1,406)	(\$1,406)
4	FY20 tax (gain)/loss on retirements , - Line 19	\$0	\$0
5	Cumulative Book / Tax Timer Sum of Lines 1 through 4	(\$12,857)	(\$12,857)
6	Effective Tax Rate Per Tax Department	21.00%	21.00%
7	Deferred Tax Reserve Line 5 * Line 6	(\$2,700)	(\$2,700)
Deferred Tax Not Subject to Proration			
8	Capital Repairs Deduction , Line 3	\$0	\$0
9	Cost of Removal , Line 20	\$0	\$0
10	Book/Tax Depreciation Timing Difference at 3/31/2020	\$0	\$0
11	Cumulative Book / Tax Timer Line 8 + Line 9 + Line 10	\$0	\$0
12	Effective Tax Rate	21.00%	21.00%
13	Deferred Tax Reserve Line 11 * Line 12	\$0	\$0
14	Total Deferred Tax Reserve Line 7 + Line 13	(\$2,700)	(\$2,700)
15	Net Operating Loss , Line 26	\$0	\$0
16	Net Deferred Tax Reserve Line 14 + Line 15	(\$2,700)	(\$2,700)
Allocation of FY 2020 Estimated Federal NOL			
17	Cumulative Book/Tax Timer Subject to Proration Col (b) = Line 5	(\$12,857)	(\$12,857)
18	Cumulative Book/Tax Timer Not Subject to Proration Line 11	\$0	\$0
19	Total Cumulative Book/Tax Timer Line 17 + Line 18	(\$12,857)	(\$12,857)
20	Total FY 2020 Federal NOL , Line 26 / 21%	\$0	\$0
21	Allocated FY 2020 Federal NOL Not Subject to Proration (Line 18 / Line 19) * Line 20	\$0	\$0
22	Allocated FY 2020 Federal NOL Subject to Proration (Line 17 / Line 19) * Line 20	\$0	\$0
23	Effective Tax Rate Per Tax Department	21.00%	21.00%
24	Deferred Tax Benefit subject to proration Line 22 * Line 23	\$0	\$0
25	Net Deferred Tax Reserve subject to proration Line 7 + Line 24	(\$2,700)	(\$2,700)
(i) (j)			
<u>Number of Days in</u>			
Proration Calculation			
	<u>Month</u>	<u>Proration Percentage</u>	(k)= Sum of (l) (l)
26	April 2019	30 91.78%	(\$207) (\$207)
27	May 2019	31 83.29%	(\$187) (\$187)
28	June 2019	30 75.07%	(\$169) (\$169)
29	July 2019	31 66.58%	(\$150) (\$150)
30	August 2019	31 58.08%	(\$131) (\$131)
31	September 2019	30 49.86%	(\$112) (\$112)
32	October 2019	31 41.37%	(\$93) (\$93)
33	November 2019	30 33.15%	(\$75) (\$75)
34	December 2019	31 24.66%	(\$55) (\$55)
35	January 2020	31 16.16%	(\$36) (\$36)
36	February 2020	28 8.49%	(\$19) (\$19)
37	March 2020	31 0.00%	\$0 \$0
38	Total	365	(\$1,234) (\$1,234)
39	Deferred Tax Without Proration Line 25	(\$2,700)	(\$2,700)
40	Proration Adjustment Line 38 - Line 39	\$1,466	\$1,466

Column Notes:

- (j) Sum of remaining days in the year (Col (i)) ÷ 365
- (l) through (r) = Current Year Line 25 ÷ 12 * Current Month Col (j)

The Narragansett Electric Company
d/b/a National Grid
Power Sector Transformation (PST)
Calculation of Fiscal Year 2021 Net Deferred Tax Reserve IS Proration
RI Only Grid Mod - Cybersecurity GIS - Data Security Services

Line No.			(a)=Sum of (b) through (c)	(b)	(c)	
			Total	Vintage Year March 31, 2021	Vintage Year March 31, 2020	
Deferred Tax Subject to Proration						
1	Book Depreciation	Col (b) = , Line 20; Col (c) = , Line 20	\$555	\$555	\$0	
2	Bonus Depreciation	, Line 12	\$0	\$0		
3	Remaining MACRS Tax Depreciation	Col (b) = , Line 18; Col (c) = , Line 18	(\$4,464)	(\$2,589)	(\$1,875)	
4	FY21 tax (gain)/loss on retirements	Col (b) = , Line 19; Col (c) = , Line 19	\$0	\$0		
5	Cumulative Book / Tax Timer	Sum of Lines 1 through 4	(\$3,909)	(\$2,034)	(\$1,875)	
6	Effective Tax Rate	Per Tax Department	21.00%	21.00%	21.00%	
7	Deferred Tax Reserve	Line 5 * Line 6	(\$821)	(\$427)	(\$394)	
Deferred Tax Not Subject to Proration						
8	Capital Repairs Deduction	, Line 3	\$0	\$0		
9	Cost of Removal	, Line 20	\$0	\$0		
10	Book/Tax Depreciation Timing Difference at 3/31/2021		\$0	\$0		
11	Cumulative Book / Tax Timer	Line 8 + Line 9 + Line 10	\$0	\$0		
12	Effective Tax Rate		21.00%	21.00%		
13	Deferred Tax Reserve	Line 11 * Line 12	\$0	\$0		
14	Total Deferred Tax Reserve	Line 7 + Line 13	(\$821)	(\$427)	(\$394)	
15	Net Operating Loss	Col (b) = , Line 26; Col (c) = , Line 26	\$0	\$0	\$0	
16	Net Deferred Tax Reserve	Line 14 + Line 15	(\$821)	(\$427)	(\$394)	
Allocation of FY 2021 Estimated Federal NOL						
17	Cumulative Book/Tax Timer Subject to Proration	Col (b) = Line 5	(\$3,909)	(\$2,034)	(\$1,875)	
18	Cumulative Book/Tax Timer Not Subject to Proration	Line 11	\$0	\$0	\$0	
19	Total Cumulative Book/Tax Timer	Line 17 + Line 18	(\$3,909)	(\$2,034)	(\$1,875)	
20	Total FY 2021 Federal NOL	Col (b) = , Line 26; Col (c) = , Line 26 / 21%	\$0	\$0	\$0	
21	Allocated FY 2021 Federal NOL Not Subject to Proration	(Line 18 / Line 19) * Line 20	\$0	\$0	\$0	
22	Allocated FY 2021 Federal NOL Subject to Proration	(Line 17 / Line 19) * Line 20	\$0	\$0	\$0	
23	Effective Tax Rate		21.00%	21.00%	21.00%	
24	Deferred Tax Benefit subject to proration	Line 22 * Line 23	\$0	\$0	\$0	
25	Net Deferred Tax Reserve subject to proration	Line 7 + Line 24	(\$821)	(\$427)	(\$394)	
Proration Calculation						
		(i) <u>Number of Days in Month</u>	(j) <u>Proration Percentage</u>	(k)= Sum of (l) through (m)	(l)	(m)
26	April 2020	30	91.78%	(\$63)	(\$33)	(\$30)
27	May 2020	31	83.29%	(\$57)	(\$30)	(\$27)
28	June 2020	30	75.07%	(\$51)	(\$27)	(\$25)
29	July 2020	31	66.58%	(\$46)	(\$24)	(\$22)
30	August 2020	31	58.08%	(\$40)	(\$21)	(\$19)
31	September 2020	30	49.86%	(\$34)	(\$18)	(\$16)
32	October 2020	31	41.37%	(\$28)	(\$15)	(\$14)
33	November 2020	30	33.15%	(\$23)	(\$12)	(\$11)
34	December 2020	31	24.66%	(\$17)	(\$9)	(\$8)
35	January 2021	31	16.16%	(\$11)	(\$6)	(\$5)
36	February 2021	28	8.49%	(\$6)	(\$3)	(\$3)
37	March 2021	31	0.00%	\$0	\$0	\$0
38	Total	365		(\$375)	(\$195)	(\$180)
39	Deferred Tax Without Proration	Line 25		(\$821)	(\$427)	(\$394)
40	Proration Adjustment	Line 38 - Line 39		\$446	\$232	\$214

Column Notes:

- (j) Sum of remaining days in the year (Col (i)) ÷ 365
- (l) through (r) = Current Year Line 25 ÷ 12 * Current Month Col (j)

The Narragansett Electric Company
d/b/a National Grid
Power Sector Transformation (PST)
Calculation of Fiscal Year 2022 Net Deferred Tax Reserve IS Proration
RI Only Grid Mod - Cybersecurity GIS - Data Security Services

Line No.			(a)=Sum of (b)	(b)	(c)	(d)	
			through (d)	Vintage Year	Vintage Year	Vintage Year	
		Total	March 31, 2022	March 31, 2021	March 31, 2020		
Deferred Tax Subject to Proration							
1	Book Depreciation	Col (b) = , Line 20; Col (c) = , Line 20; Col (d) = , Line 20	\$366	\$366	\$0	\$0	
2	Bonus Depreciation	, Line 12	\$0	\$0			
3	Remaining MACRS Tax Depreciation	Col (b) = , Line 18; Col (c) = , Line 18; Col (d) = , Line 18	(\$5,788)	(\$1,710)	(\$3,453)	(\$625)	
4	FY22 tax (gain)/loss on retirements	Col (b) = , Line 19; Col (c) = , Line 19; Col (d) = , Line 19	\$0	\$0			
5	Cumulative Book / Tax Timer	Sum of Lines 1 through 4	(\$5,422)	(\$1,344)	(\$3,453)	(\$625)	
6	Effective Tax Rate	Per Tax Department	21.00%	21.00%	21.00%	21.00%	
7	Deferred Tax Reserve	Line 5 * Line 6	(\$1,139)	(\$282)	(\$725)	(\$131)	
Deferred Tax Not Subject to Proration							
8	Capital Repairs Deduction	, Line 3	\$0	\$0			
9	Cost of Removal	, Line 20	\$0	\$0			
10	Book/Tax Depreciation Timing Difference at 3/31/2022		\$0	\$0			
11	Cumulative Book / Tax Timer	Line 8 + Line 9 + Line 10	\$0	\$0			
12	Effective Tax Rate		21.00%	21.00%			
13	Deferred Tax Reserve	Line 11 * Line 12	\$0	\$0			
14	Total Deferred Tax Reserve	Line 7 + Line 13	(\$1,139)	(\$282)	(\$725)	(\$131)	
15	Net Operating Loss	Col (b) = , Line 26; Col (c) = , Line 26; Col (d) = , Line 26	\$0	\$0	\$0	\$0	
16	Net Deferred Tax Reserve	Line 14 + Line 15	(\$1,139)	(\$282)	(\$725)	(\$131)	
Allocation of FY 2022 Estimated Federal NOL							
17	Cumulative Book/Tax Timer Subject to Proration	Col (b) = Line 5	(\$5,422)	(\$1,344)	(\$3,453)	(\$625)	
18	Cumulative Book/Tax Timer Not Subject to Proration	Line 11	\$0	\$0	\$0	\$0	
19	Total Cumulative Book/Tax Timer	Line 17 + Line 18	(\$5,422)	(\$1,344)	(\$3,453)	(\$625)	
20	Total FY 2022 Federal NOL	Col (b) = , Line 26; Col (c) = , Line 26; Col (d) = , Line 26 / 21%	\$0	\$0	\$0	\$0	
21	Allocated FY 2022 Federal NOL Not Subject to Proration	(Line 18 / Line 19) * Line 20	\$0	\$0	\$0	\$0	
22	Allocated FY 2022 Federal NOL Subject to Proration	(Line 17 / Line 19) * Line 20	\$0	\$0	\$0	\$0	
23	Effective Tax Rate	Per Tax Department	21.00%	21.00%	21.00%	21.00%	
24	Deferred Tax Benefit subject to proration	Line 22 * Line 23	\$0	\$0	\$0	\$0	
25	Net Deferred Tax Reserve subject to proration	Line 7 + Line 24	(\$1,139)	(\$282)	(\$725)	(\$131)	
Proration Calculation							
		(i)	(j)	(k)= Sum of (l)	(l)	(m)	(n)
		Number of Days in	Proration Percentage	through (n)			
		Month					
26	April 2021	30	91.78%	(\$87)	(\$22)	(\$55)	(\$10)
27	May 2021	31	83.29%	(\$79)	(\$20)	(\$50)	(\$9)
28	June 2021	30	75.07%	(\$71)	(\$18)	(\$45)	(\$8)
29	July 2021	31	66.58%	(\$63)	(\$16)	(\$40)	(\$7)
30	August 2021	31	58.08%	(\$55)	(\$14)	(\$35)	(\$6)
31	September 2021	30	49.86%	(\$47)	(\$12)	(\$30)	(\$5)
32	October 2021	31	41.37%	(\$39)	(\$10)	(\$25)	(\$5)
33	November 2021	30	33.15%	(\$31)	(\$8)	(\$20)	(\$4)
34	December 2021	31	24.66%	(\$23)	(\$6)	(\$15)	(\$3)
35	January 2022	31	16.16%	(\$15)	(\$4)	(\$10)	(\$2)
36	February 2022	28	8.49%	(\$8)	(\$2)	(\$5)	(\$1)
37	March 2022	31	0.00%	\$0	\$0	\$0	\$0
38	Total	365		(\$520)	(\$129)	(\$331)	(\$60)
39	Deferred Tax Without Proration	Line 25		(\$1,139)	(\$282)	(\$725)	(\$131)
40	Proration Adjustment	Line 38 - Line 39		\$618	\$153	\$394	\$71

Column Notes:

- (j) Sum of remaining days in the year (Col (i)) ÷ 365
- (l) through (r) = Current Year Line 25 ÷ 12 * Current Month Col (j)

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Grid Mod RI Only - Cybersecurity GIS - Identity and Access Management
Annual Revenue Requirement Summary

Line No.		Fiscal Year Ending March 31, 2019 (a)	Fiscal Year Ending March 31, 2020 (b)	Fiscal Year Ending March 31, 2021 (c)	Fiscal Year Ending March 31, 2022 (d)	
Electric Operation and Maintenance (O&M) Expenses:						
1	Network Security Services	\$ -	\$ -	\$ -	\$ -	
2	Data Security Services	\$ -	\$ -	\$ -	\$ -	
3	Identity and Access Management	\$ -	\$ 9,304	\$ 5,465	\$ 4,353	
4	Threat and Vulnerability Management	\$ -	\$ -	\$ -	\$ -	
5	Security Operations Center Services	\$ -	\$ -	\$ -	\$ -	
6	Host & Endpoint Security Services	\$ -	\$ -	\$ -	\$ -	
7	Cryptography Services	\$ -	\$ -	\$ -	\$ -	
8	Change and Configuration Management	\$ -	\$ -	\$ -	\$ -	
9	Total Electric O&M costs		Sum of Lines 1 through 8	\$ 9,304	\$ 5,465	\$ 4,353
Gas Operation and Maintenance (O&M) Expenses:						
10	Network Security Services	\$ -	\$ -	\$ -	\$ -	
11	Data Security Services	\$ -	\$ -	\$ -	\$ -	
12	Identity and Access Management	\$ -	\$ 5,056	\$ 2,970	\$ 2,366	
13	Threat and Vulnerability Management	\$ -	\$ -	\$ -	\$ -	
14	Security Operations Center Services	\$ -	\$ -	\$ -	\$ -	
15	Host & Endpoint Security Services	\$ -	\$ -	\$ -	\$ -	
16	Cryptography Services	\$ -	\$ -	\$ -	\$ -	
17	Change and Configuration Management	\$ -	\$ -	\$ -	\$ -	
18	Total Gas O&M costs		Sum of Lines 10 through 17	\$ 5,056	\$ 2,970	\$ 2,366
19	Total O&M Expenses		Line 9 + Line 18	\$ 14,361	\$ 8,435	\$ 6,719
Electric Capital Investment:						
21	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2020 Capital Investment		\$ 7,660	\$ 4,986	\$ 4,634	
22	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2021 Capital Investment			\$ 3,595	\$ 2,467	
23	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2022 Capital Investment				\$ 2,374	
24	Total Electric Capital Investment Component of Revenue Requirement		Sum of Lines 21 through 23	\$ 7,660	\$ 8,580	\$ 9,475
Gas Capital Investment:						
26	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2020 Capital Investment		\$ 4,163	\$ 2,709	\$ 2,518	
27	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2021 Capital Investment			\$ 1,953	\$ 1,341	
28	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2022 Capital Investment				\$ 1,290	
29	Total Gas Capital Investment Component of Revenue Requirement		Sum of Lines 26 through 28	\$ 4,163	\$ 4,663	\$ 5,149
30	Total Electric Revenue Requirement		Line 9 + Line 24	\$ 16,964	\$ 14,045	\$ 13,828
31	Total Gas Revenue Requirement		Line 18 + Line 29	\$ 9,219	\$ 7,633	\$ 7,515
32	Total Electric & Gas Revenue Requirement		Line 30 + Line 31	\$ 26,184	\$ 21,678	\$ 21,343

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Revenue Requirement on Estimated IS Capital Investment 12 months ending March 31, 2020
RI Only Grid Mod - Cybersecurity GIS - Identity and Access Management

Line No.			Fiscal Year Ending March 31, 2020 (a)	Fiscal Year Ending March 31, 2021 (b)	Fiscal Year Ending March 31, 2022 (c)
<u>Estimated Capital Investment</u>					
1	Network Security Services		\$ -		
2	Data Security Services		\$ -		
3	Identity and Access Management		\$ 108,400		
4	Threat and Vulnerability Management		\$ -		
5	Security Operations Center Services		\$ -		
6	Host & Endpoint Security Services		\$ -		
7	Cryptography Services		\$ -		
8	Change and Configuration Management		\$ -		
9	Total Estimated Capital Investment	Sum of Lines 1 through 8	\$ 108,400	\$ -	\$ -
<u>Depreciable Net Capital Included in Rate Base</u>					
10	Total Allowed Capital Included in Rate Base in Current Year	Line 9	\$ 108,400	\$ 0	\$ 0
11	Retirements	Line 4 * 0%	\$ 0	\$ 0	\$ 0
12	Net Depreciable Capital Included in Rate Base	Column (a) = Line 3 - Line 4; Column (b and c) = Prior Year Line 5	\$ 108,400	\$ 108,400	\$ 108,400
<u>Change in Net Capital Included in Rate Base</u>					
13	Capital Included in Rate Base	Line 9	\$ 108,400	\$ 0	\$ 0
14	Cost of Removal		\$ 0	\$ 0	\$ 0
15	Total Net Plant in Service Including Cost of Removal	Line 13 + Line 14	\$ 108,400	\$ 108,400	\$ 108,400
<u>Tax Depreciation</u>					
16	Vintage Year Tax Depreciation:				
17	FY 2020 Spend	, Line 21	\$ 90,332	\$ 12,046	\$ 4,014
18	Cumulative Tax Depreciation	Prior Year Line 11 + Current Year Line 10	\$ 90,332	\$ 102,378	\$ 106,392
<u>Book Depreciation</u>					
19	Composite Book Depreciation Rate		14.29%	14.29%	14.29%
20	Book Depreciation	Column (a) = Line 1 * Line 12 * 50% ; Column (b and c) = Line 1 * Line 12	\$ 7,743	\$ 0	\$ 0
21	Cumulative Book Depreciation	Prior Year Line 14 + Current Year Line 13	\$ 7,743	\$ 7,743	\$ 7,743
22	Total Cumulative Book Depreciation	Line 21	\$ 7,743	\$ 7,743	\$ 7,743
<u>Deferred Tax Calculation:</u>					
23	Cumulative Book / Tax Timer	Line 18 - Line 22	\$ 82,589	\$ 94,635	\$ 98,649
24	Effective Tax Rate		21.00%	21.00%	21.00%
25	Deferred Tax Reserve	Line 23 * Line 24	\$ 17,344	\$ 19,873	\$ 20,716
26	Less: FY 2020 Federal NOL		\$ 0	\$ 0	\$ 0
27	Less: Proration Adjustment	Col (a) = , Line 40; Col (b) = , Line 40; Col (c) = , Line 40	\$ (9,416)	\$ (1,373)	\$ (458)
28	Net Deferred Tax Reserve	Sum of Lines 25 through 27	\$ 7,927	\$ 18,500	\$ 20,259
<u>Rate Base Calculation:</u>					
29	Cumulative Incremental Capital Included in Rate Base	Line 15	\$ 108,400	\$ 108,400	\$ 108,400
30	Accumulated Depreciation	- Line 22	\$ (7,743)	\$ (7,743)	\$ (7,743)
31	Deferred Tax Reserve	- Line 28	\$ (7,927)	\$ (18,500)	\$ (20,259)
32	Year End Rate Base	Sum of Lines 29 through 31	\$ 92,730	\$ 82,157	\$ 80,399
<u>Revenue Requirement Calculation:</u>					
33	Average Rate Base	Column (a) = Current Year Line 25 ÷ 2; Column (b and c) = (Prior Year Line 25 + Current Year Line 25) ÷ 2	\$ 46,364.89	\$ 87,443	\$ 81,278
34	Pre-Tax ROR		8.80%	8.80%	8.80%
35	Return and Taxes	Line 33 * Line 34	\$ 4,080	\$ 7,695	\$ 7,152
36	Book Depreciation	Line 20	\$ 7,743	\$ 0	\$ 0
37	Annual Revenue Requirement	Line 35 + Line 36	\$ 11,823	\$ 7,695	\$ 7,152

1/ Weighted Average Cost of Capital as file in R.L.P.U.C. Docket No. 4770, Schedule MAL-6

	Ratio	Rate	Rate	Taxes	Return
Long Term Debt	50.00%	3.70%	1.85%		1.85%
Short Term Debt	0.00%	0.00%	0.00%		0.00%
Preferred Stock	0.00%	0.00%	0.00%		0.00%
Common Equity	50.00%	10.10%	5.05%	1.90%	6.95%
	<u>100.00%</u>		<u>6.90%</u>	<u>1.90%</u>	<u>8.80%</u>

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Tax Depreciation and Repairs Deduction on Fiscal Year 2020 IS Capital Investments
RI Only Grid Mod - Cybersecurity GIS - Identity and Access Management

Line No.			Fiscal Year Ending March 31, 2020 (a)	Fiscal Year Ending March 31, 2021 (b)	Fiscal Year Ending March 31, 2022 (c)
	<u>Capital Repairs Deduction</u>				
1	Plant Additions	, Line 9	\$108,400		
2	Capital Repairs Deduction Rate	Per Tax Department	0.00%		
3	Capital Repairs Deduction	Line 1 * Line 2	\$0		
	<u>Bonus Depreciation</u>				
4	Plant Additions	Line 1	\$108,400		
5	Less Capital Repairs Deduction	Line 3	\$0		
6	Plant Additions Net of Capital Repairs Deduction	Line 4 - Line 5	\$108,400		
7	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	100.00%		
8	Plant Eligible for Bonus Depreciation	Line 6 * Line 7	\$108,400		
9	Bonus Depreciation Rate (April 2019 - December 2019)	1 * 75% * 100%	75.00%		
10	Bonus Depreciation Rate (January 2020 - Mar 2020)	1 * 25% * 0%	0.00%		
11	Total Bonus Depreciation Rate	Line 9 + Line 10	75.00%		
12	Bonus Depreciation	Line 8 * Line 11	\$81,300		
	<u>Remaining Tax Depreciation</u>				
13	Plant Additions	Line 1	\$108,400		
14	Less Capital Repairs Deduction	Line 3	\$0		
15	Less Bonus Depreciation	Line 12	\$81,300		
16	Remaining Plant Additions Subject to 3 YR MACRS Tax Depreciation	Line 13 - Line 14 - Line 15	\$27,100	\$27,100	\$27,100
17	3 YR MACRS Tax Depreciation Rates	Per IRS Publication 946	33.330%	44.450%	14.810%
18	Remaining Tax Depreciation	Line 16 * Line 17	\$9,032	\$12,046	\$4,014
19	FY20 Loss incurred due to retirements		\$0	\$0	\$0
20	Cost of Removal	, Line 14	\$0	\$0	\$0
21	Total Tax Depreciation and Repairs Deduction	Sum of Lines 3, 12, 18, and 20	\$90,332	\$12,046	\$4,014

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Revenue Requirement on Estimated IS Capital Investment 12 months ending March 31, 2021
RI Only Grid Mod - Cybersecurity GIS - Identity and Access Management

Line No.		Fiscal Year Ending March 31, 2021 (a)	Fiscal Year Ending March 31, 2022 (b)
<u>Estimated Capital Investment</u>			
1	Network Security Services	\$ -	\$ -
2	Data Security Services	\$ -	\$ -
3	Identity and Access Management	\$ 49,901	\$ -
4	Threat and Vulnerability Management	\$ -	\$ -
5	Security Operations Center Services	\$ -	\$ -
6	Host & Endpoint Security Services	\$ -	\$ -
7	Cyrtography Services	\$ -	\$ -
8	Change and Configuration Management	\$ -	\$ -
9	Total Estimated Capital Investment	\$ 49,901	\$ 0
<u>Depreciable Net Capital Included in Rate Base</u>			
10	Total Allowed Capital Included in Rate Base in Current Year	Line 9 \$49,901	\$0
11	Retirements	Line 4 * 0% \$0	\$0
12	Net Depreciable Capital Included in Rate Base	Column (a) = Line 3 - Line 4; Column (b) and c) = Prior Year Line 5 \$49,901	\$49,901
<u>Change in Net Capital Included in Rate Base</u>			
13	Capital Included in Rate Base	Line 9 \$49,901	\$0
14	Cost of Removal	\$0	\$0
15	Total Net Plant in Service Including Cost of Removal	Line 12 + Line 14 \$49,901	\$49,901
<u>Tax Depreciation</u>			
16	Vintage Year Tax Depreciation:		
17	FY 2021 Spend	Page 16 of 21, Line 21 \$16,632	\$22,181
18	Cumulative Tax Depreciation	Prior Year Line 11 + Current Year Line 10 \$16,632	\$38,813
<u>Book Depreciation</u>			
19	Composite Book Depreciation Rate	As filed per R.I.P.U.C. Docket No. 4770 14.29%	14.29%
20	Book Depreciation	Column (a) = Line 1 * Line 12 * 50%; Column (b) = Line 1 * Line 12 \$3,564	\$0
21	Cumulative Book Depreciation	Prior Year Line 14 + Current Year Line 13 \$3,564	\$3,564
22	Total Cumulative Book Depreciation	Line 21 \$3,564	\$3,564
<u>Deferred Tax Calculation:</u>			
23	Cumulative Book / Tax Timer	Line 18 - Line 21 \$13,068	\$35,249
24	Effective Tax Rate	21.00%	21.00%
25	Deferred Tax Reserve	Line 23 * Line 24 \$2,744	\$7,402
26	Less: FY 2021 Federal NOL	\$0	\$0
27	Less: Proration Adjustment	Col (a) = , Line 40; Col (b) = , Line 40 (\$1,490)	(\$2,529)
28	Net Deferred Tax Reserve	Sum of Lines 25 through 27 \$1,254	\$4,873
<u>Rate Base Calculation:</u>			
29	Cumulative Incremental Capital Included in Rate Base	Line 15 \$49,901	\$49,901
30	Accumulated Depreciation	- Line 22 (\$3,564)	(\$3,564)
31	Deferred Tax Reserve	- Line 28 (\$1,254)	(\$4,873)
32	Year End Rate Base	Sum of Lines 29 through 31 \$45,082	\$41,463
<u>Revenue Requirement Calculation:</u>			
33	Average Rate Base	Column (a) = Current Year Line 25 ÷ 2; Column (b) = (Prior Year Line 25 + Current Year Line 25) ÷ 2 \$22,541.00	\$43,273
34	Pre-Tax ROR	Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, Workpaper MAL-6 8.80%	8.80%
35	Return and Taxes	Line 33 * Line 34 \$1,984	\$3,808
36	Book Depreciation	Line 20 \$3,564	\$0
37	Annual Revenue Requirement	Line 35 + Line 36 \$5,548	\$3,808

1/ Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, Schedule MAL-6

	Ratio	Rate	Rate	Taxes	Return
Long Term Debt	50.00%	3.70%	1.85%		1.85%
Short Term Debt	0.00%	0.00%	0.00%		0.00%
Preferred Stock	0.00%	0.00%	0.00%		0.00%
Common Equity	50.00%	10.10%	5.05%	1.90%	6.95%
	100.00%		6.90%	1.90%	8.80%

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Tax Depreciation and Repairs Deduction on Fiscal Year 2021 IS Capital Investments
RI Only Grid Mod - Cybersecurity GIS - Identity and Access Management

Line No.			Fiscal Year Ending <u>March 31, 2021</u> (a)	Fiscal Year Ending <u>March 31, 2022</u> (b)
	<u>Capital Repairs Deduction</u>			
1	Plant Additions	, Line 9	\$49,901	
2	Capital Repairs Deduction Rate	Per Tax Department	0.00%	
3	Capital Repairs Deduction	Line 1 * Line 2	<u>\$0</u>	
	<u>Bonus Depreciation</u>			
4	Plant Additions	Line 1	\$49,901	
5	Less Capital Repairs Deduction	Line 3	<u>\$0</u>	
6	Plant Additions Net of Capital Repairs Deduction	Line 4 - Line 5	\$49,901	
7	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	<u>100.00%</u>	
8	Plant Eligible for Bonus Depreciation	Line 6 * Line 7	\$49,901	
9	Bonus Depreciation Rate (April 2020 - December 2020)	0%	0.00%	
10	Bonus Depreciation Rate (January 2021 - Mar 2021)	0%	<u>0.00%</u>	
11	Total Bonus Depreciation Rate	Line 9 + Line 10	0.00%	
12	Bonus Depreciation	Line 8 * Line 11	\$0	
	<u>Remaining Tax Depreciation</u>			
13	Plant Additions	Line 1	\$49,901	
14	Less Capital Repairs Deduction	Line 3	\$0	
15	Less Bonus Depreciation	Line 12	<u>\$0</u>	
16	Remaining Plant Additions Subject to 3 YR MACRS Tax Depreciation	Line 13 - Line 14 - Line 15	\$49,901	\$49,901
17	3 YR MACRS Tax Depreciation Rates	Per IRS Publication 946	33.330%	44.450%
18	Remaining Tax Depreciation	Line 16 * Line 17	<u>\$16,632</u>	<u>\$22,181</u>
19	FY21 Loss incurred due to retirements	Per Tax Department	\$0	\$0
20	Cost of Removal	, Line 14	\$0	\$0
21	Total Tax Depreciation and Repairs Deduction	Sum of Lines 3, 12, 18, 19, and 20	<u>\$16,632</u>	<u>\$22,181</u>

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Revenue Requirement on Estimated IS Capital Investment 12 months ending March 31, 2022
RI Only Grid Mod - Cybersecurity GIS - Identity and Access Management

Line No.		Fiscal Year Ending March 31, 2022 (a)
<u>Estimated Capital Investment</u>		
1	Network Security Services	\$ -
2	Data Security Services	\$ -
3	Identity and Access Management	\$ 32,956
4	Threat and Vulnerability Management	\$ -
5	Security Operations Center Services	\$ -
6	Host & Endpoint Security Services	\$ -
7	Cyrtography Services	\$ -
8	Change and Configuration Management	\$ -
9	Total Estimated Capital Investment	\$ 32,956
	Sum of Lines 1 through 8	
<u>Depreciable Net Capital Included in Rate Base</u>		
10	Total Allowed Capital Included in Rate Base in Current Year	Line 9 \$32,956
11	Retirements	Line 4 * 0% \$0
12	Net Depreciable Capital Included in Rate Base	Column (a) = Line 3 - Line 4 \$32,956
<u>Change in Net Capital Included in Rate Base</u>		
13	Capital Included in Rate Base	Line 9 \$32,956
14	Cost of Removal	\$0
15	Total Net Plant in Service Including Cost of Removal	Line 6 + Line 8 \$32,956
<u>Tax Depreciation</u>		
16	Vintage Year Tax Depreciation:	
17	FY 2022 Spend	, Line 21 \$10,984
18	Cumulative Tax Depreciation	Current Year Line 10 \$10,984
<u>Book Depreciation</u>		
19	Composite Book Depreciation Rate	As approved per R.I.P.U.C. Docket No. 4770 14.29%
20	Book Depreciation	Column (a) = Line 2* Line 12 * 50% \$2,354
21	Cumulative Book Depreciation	Current Year Line 13 \$2,354
22	Total Cumulative Book Depreciation	Line 21 \$2,354
<u>Deferred Tax Calculation:</u>		
23	Cumulative Book / Tax Timer	Line 18 - Line 22 \$8,630
24	Effective Tax Rate	21.00%
25	Deferred Tax Reserve	Line 23 * Line 24 \$1,812
26	Less: FY 2022 Federal NOL	\$0
27	Less: Proration Adjustment	Col = , Line 40 (\$984)
28	Net Deferred Tax Reserve	Sum of Lines 25 through 27 \$828
<u>Rate Base Calculation:</u>		
29	Cumulative Incremental Capital Included in Rate Base	Line 15 \$32,956
30	Accumulated Depreciation	- Line 22 (\$2,354)
31	Deferred Tax Reserve	- Line 28 (\$828)
32	Year End Rate Base	Sum of Lines 29 through 31 \$29,773
<u>Revenue Requirement Calculation:</u>		
33	Average Rate Base	Column (a) = Current Year Line 25 ÷ 2 \$14,886.74
	Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, Workpaper	
34	Pre-Tax ROR	MAL-6 8.80%
35	Return and Taxes	Line 33 * Line 34 \$1,310
36	Book Depreciation	Line 20 \$2,354
37	Annual Revenue Requirement	Line 35 + Line 36 \$3,664

1/ Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, Schedule MAL-6

	Ratio	Rate	Rate	Taxes	Return
Long Term Debt	50.00%	3.70%	1.85%		1.85%
Short Term Debt	0.00%	0.00%	0.00%		0.00%
Preferred Stock	0.00%	0.00%	0.00%		0.00%
Common Equity	50.00%	10.10%	5.05%	1.90%	6.95%
	<u>100.00%</u>		<u>6.90%</u>	<u>1.90%</u>	<u>8.80%</u>

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Tax Depreciation and Repairs Deduction on Fiscal Year 2022 IS Capital Investments
RI Only Grid Mod - Cybersecurity GIS - Identity and Access Management

Line No.			Fiscal Year Ending <u>March 31, 2022</u> (a)
	<u>Capital Repairs Deduction</u>		
1	Plant Additions	, Line 9	\$32,956
2	Capital Repairs Deduction Rate	Per Tax Department	0.00%
3	Capital Repairs Deduction	Line 1 * Line 2	<u>\$0</u>
	<u>Bonus Depreciation</u>		
4	Plant Additions	Line 1	\$32,956
5	Less Capital Repairs Deduction	Line 3	<u>\$0</u>
6	Plant Additions Net of Capital Repairs Deduction	Line 4 - Line 5	\$32,956
7	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	<u>100.00%</u>
8	Plant Eligible for Bonus Depreciation	Line 6 * Line 7	\$32,956
9	Bonus Depreciation Rate (April 2020 - December 2020)	0%	0.00%
10	Bonus Depreciation Rate (January 2021 - Mar 2021)	0%	<u>0.00%</u>
11	Total Bonus Depreciation Rate	Line 9 + Line 10	0.00%
12	Bonus Depreciation	Line 8 * Line 11	\$0
	<u>Remaining Tax Depreciation</u>		
13	Plant Additions	Line 1	\$32,956
14	Less Capital Repairs Deduction	Line 3	\$0
15	Less Bonus Depreciation	Line 12	<u>\$0</u>
16	Remaining Plant Additions Subject to 3 YR MACRS Tax Depreciation	Line 13 - Line 14 - Line 15	\$32,956
17	3 YR MACRS Tax Depreciation Rates	Per IRS Publication 946	<u>33.33%</u>
18	Remaining Tax Depreciation	Line 16 * Line 17	\$10,984
19	FY22 Loss incurred due to retirements	Per Tax Department	\$0
20	Cost of Removal	, Line 14	\$0
21	Total Tax Depreciation and Repairs Deduction	Sum of Lines 3, 12, 18, 19, and 20	<u>\$10,984</u>

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Fiscal Year 2020 Net Deferred Tax Reserve IS Proration
RI Only Grid Mod - Cybersecurity GIS - Identity and Access Management

Line No.		(a)= Column	(b) Vintage Year March 31, 2020
Deferred Tax Subject to Proration			
1	Book Depreciation, Line 20	\$7,743	\$7,743
2	Bonus Depreciation, - Line 12	(\$81,300)	(\$81,300)
3	Remaining MACRS Tax Depreciation, - Line 18	(\$9,032)	(\$9,032)
4	FY20 tax (gain)/loss on retirements, - Line 19	\$0	\$0
5	Cumulative Book / Tax Timer, Sum of Lines 1 through 4	(\$82,589)	(\$82,589)
6	Effective Tax Rate, Per Tax Department	21.00%	21.00%
7	Deferred Tax Reserve, Line 5 * Line 6	(\$17,344)	(\$17,344)
Deferred Tax Not Subject to Proration			
8	Capital Repairs Deduction, Line 3	\$0	\$0
9	Cost of Removal, Line 20	\$0	\$0
10	Book/Tax Depreciation Timing Difference at 3/31/2020	\$0	\$0
11	Cumulative Book / Tax Timer, Line 8 + Line 9 + Line 10	\$0	\$0
12	Effective Tax Rate	21.00%	21.00%
13	Deferred Tax Reserve, Line 11 * Line 12	\$0	\$0
14	Total Deferred Tax Reserve, Line 7 + Line 13	(\$17,344)	(\$17,344)
15	Net Operating Loss, Line 26	\$0	\$0
16	Net Deferred Tax Reserve, Line 14 + Line 15	(\$17,344)	(\$17,344)
Allocation of FY 2020 Estimated Federal NOL			
17	Cumulative Book/Tax Timer Subject to Proration, Col (b) = Line 5	(\$82,589)	(\$82,589)
18	Cumulative Book/Tax Timer Not Subject to Proration, Line 11	\$0	\$0
19	Total Cumulative Book/Tax Timer, Line 17 + Line 18	(\$82,589)	(\$82,589)
20	Total FY 2020 Federal NOL, Line 26 / 21%	\$0	\$0
21	Allocated FY 2020 Federal NOL Not Subject to Proration, (Line 18 / Line 19) * Line 20	\$0	\$0
22	Allocated FY 2020 Federal NOL Subject to Proration, (Line 17 / Line 19) * Line 20	\$0	\$0
23	Effective Tax Rate, Per Tax Department	21.00%	21.00%
24	Deferred Tax Benefit subject to proration, Line 22 * Line 23	\$0	\$0
25	Net Deferred Tax Reserve subject to proration, Line 7 + Line 24	(\$17,344)	(\$17,344)

	(i) Number of Days in Month	(j) Proration Percentage	(k)= Sum of (l)	(l)
26	April 2019	30	91.78%	(\$1,327)
27	May 2019	31	83.29%	(\$1,204)
28	June 2019	30	75.07%	(\$1,085)
29	July 2019	31	66.58%	(\$962)
30	August 2019	31	58.08%	(\$839)
31	September 2019	30	49.86%	(\$721)
32	October 2019	31	41.37%	(\$598)
33	November 2019	30	33.15%	(\$479)
34	December 2019	31	24.66%	(\$356)
35	January 2020	31	16.16%	(\$234)
36	February 2020	28	8.49%	(\$123)
37	March 2020	31	0.00%	\$0
38	Total	365		(\$7,927)
39	Deferred Tax Without Proration, Line 25			(\$17,344)
40	Proration Adjustment, Line 38 - Line 39			\$9,416

Column Notes:

- (j) Sum of remaining days in the year (Col (i)) ÷ 365
- (l) through (r) = Current Year Line 25 ÷ 12 * Current Month Col (j)

The Narragansett Electric Company
d/b/a National Grid
Power Sector Transformation (PST)
Calculation of Fiscal Year 2021 Net Deferred Tax Reserve IS Proration
RI Only Grid Mod - Cybersecurity GIS - Identity and Access Management

Line No.			(a)=Sum of (b) through (c)	(b)	(c)	
			Total	Vintage Year March 31, 2021	Vintage Year March 31, 2020	
Deferred Tax Subject to Proration						
1	Book Depreciation	Col (b) = , Line 20; Col (c) = , Line 20	\$3,564	\$3,564	\$0	
2	Bonus Depreciation	, Line 12	\$0	\$0		
3	Remaining MACRS Tax Depreciation	Col (b) = , Line 18; Col (c) = , Line 18	(\$28,678)	(\$16,632)	(\$12,046)	
4	FY21 tax (gain)/loss on retirements	Col (b) = , Line 19; Col (c) = , Line 19	\$0	\$0		
5	Cumulative Book / Tax Timer	Sum of Lines 1 through 4	(\$25,114)	(\$13,068)	(\$12,046)	
6	Effective Tax Rate	Per Tax Department	21.00%	21.00%	21.00%	
7	Deferred Tax Reserve	Line 5 * Line 6	(\$5,274)	(\$2,744)	(\$2,530)	
Deferred Tax Not Subject to Proration						
8	Capital Repairs Deduction	, Line 3	\$0	\$0		
9	Cost of Removal	, Line 20	\$0	\$0		
10	Book/Tax Depreciation Timing Difference at 3/31/2021		\$0	\$0		
11	Cumulative Book / Tax Timer	Line 8 + Line 9 + Line 10	\$0	\$0		
12	Effective Tax Rate		21.00%	21.00%		
13	Deferred Tax Reserve	Line 11 * Line 12	\$0	\$0		
14	Total Deferred Tax Reserve	Line 7 + Line 13	(\$5,274)	(\$2,744)	(\$2,530)	
15	Net Operating Loss	Col (b) = , Line 26; Col (c) = , Line 26	\$0	\$0	\$0	
16	Net Deferred Tax Reserve	Line 14 + Line 15	(\$5,274)	(\$2,744)	(\$2,530)	
Allocation of FY 2021 Estimated Federal NOL						
17	Cumulative Book/Tax Timer Subject to Proration	Col (b) = Line 5	(\$25,114)	(\$13,068)	(\$12,046)	
18	Cumulative Book/Tax Timer Not Subject to Proration	Line 11	\$0	\$0	\$0	
19	Total Cumulative Book/Tax Timer	Line 17 + Line 18	(\$25,114)	(\$13,068)	(\$12,046)	
20	Total FY 2021 Federal NOL	Col (b) = , Line 26; Col (c) = , Line 26 / 21%	\$0	\$0	\$0	
21	Allocated FY 2021 Federal NOL Not Subject to Proration	(Line 18 / Line 19) * Line 20	\$0	\$0	\$0	
22	Allocated FY 2021 Federal NOL Subject to Proration	(Line 17 / Line 19) * Line 20	\$0	\$0	\$0	
23	Effective Tax Rate		21.00%	21.00%	21.00%	
24	Deferred Tax Benefit subject to proration	Line 22 * Line 23	\$0	\$0	\$0	
25	Net Deferred Tax Reserve subject to proration	Line 7 + Line 24	(\$5,274)	(\$2,744)	(\$2,530)	
Proration Calculation						
		(i) Number of Days in Month	(j) Proration Percentage	(k)= Sum of (l) through (m)	(l)	(m)
26	April 2020	30	91.78%	(\$403)	(\$210)	(\$193)
27	May 2020	31	83.29%	(\$366)	(\$190)	(\$176)
28	June 2020	30	75.07%	(\$330)	(\$172)	(\$158)
29	July 2020	31	66.58%	(\$293)	(\$152)	(\$140)
30	August 2020	31	58.08%	(\$255)	(\$133)	(\$122)
31	September 2020	30	49.86%	(\$219)	(\$114)	(\$105)
32	October 2020	31	41.37%	(\$182)	(\$95)	(\$87)
33	November 2020	30	33.15%	(\$146)	(\$76)	(\$70)
34	December 2020	31	24.66%	(\$108)	(\$56)	(\$52)
35	January 2021	31	16.16%	(\$71)	(\$37)	(\$34)
36	February 2021	28	8.49%	(\$37)	(\$19)	(\$18)
37	March 2021	31	0.00%	\$0	\$0	\$0
38	Total	365		(\$2,411)	(\$1,254)	(\$1,156)
39	Deferred Tax Without Proration	Line 25		(\$5,274)	(\$2,744)	(\$2,530)
40	Proration Adjustment	Line 38 - Line 39		\$2,863	\$1,490	\$1,373

Column Notes:

- (j) Sum of remaining days in the year (Col (i)) ÷ 365
- (l) through (r) = Current Year Line 25 ÷ 12 * Current Month Col (j)

The Narragansett Electric Company
d/b/a National Grid
Power Sector Transformation (PST)
Calculation of Fiscal Year 2022 Net Deferred Tax Reserve IS Proration
RI Only Grid Mod - Cybersecurity GIS - Identity and Access Management

Line No.			(a)=Sum of (b) through (d)				
			Total	(b) Vintage Year March 31, 2022	(c) Vintage Year March 31, 2021	(d) Vintage Year March 31, 2020	
Deferred Tax Subject to Proration							
1	Book Depreciation	Col (b) = , Line 20; Col (c) = , Line 20; Col (d) = , Line 20	\$2,354	\$2,354	\$0	\$0	
2	Bonus Depreciation	, Line 12	\$0	\$0			
3	Remaining MACRS Tax Depreciation	Col (b) = , Line 18; Col (c) = , Line 18; Col (d) = , Line 18	(\$37,179)	(\$10,984)	(\$22,181)	(\$4,014)	
4	FY22 tax (gain)/loss on retirements	Col (b) = , Line 19; Col (c) = , Line 19; Col (d) = , Line 19	\$0	\$0			
5	Cumulative Book / Tax Timer	Sum of Lines 1 through 4	(\$34,825)	(\$8,630)	(\$22,181)	(\$4,014)	
6	Effective Tax Rate	Per Tax Department	21.00%	21.00%	21.00%	21.00%	
7	Deferred Tax Reserve	Line 5 * Line 6	(\$7,313)	(\$1,812)	(\$4,658)	(\$843)	
Deferred Tax Not Subject to Proration							
8	Capital Repairs Deduction	, Line 3	\$0	\$0			
9	Cost of Removal	, Line 20	\$0	\$0			
10	Book/Tax Depreciation Timing Difference at 3/31/2022		\$0	\$0			
11	Cumulative Book / Tax Timer	Line 8 + Line 9 + Line 10	\$0	\$0			
12	Effective Tax Rate		21.00%	21.00%			
13	Deferred Tax Reserve	Line 11 * Line 12	\$0	\$0			
14	Total Deferred Tax Reserve	Line 7 + Line 13	(\$7,313)	(\$1,812)	(\$4,658)	(\$843)	
15	Net Operating Loss	Col (b) = , Line 26; Col (c) = , Line 26; Col (d) = , Line 26	\$0	\$0	\$0	\$0	
16	Net Deferred Tax Reserve	Line 14 + Line 15	(\$7,313)	(\$1,812)	(\$4,658)	(\$843)	
Allocation of FY 2022 Estimated Federal NOL							
17	Cumulative Book/Tax Timer Subject to Proration	Col (b) = Line 5	(\$34,825)	(\$8,630)	(\$22,181)	(\$4,014)	
18	Cumulative Book/Tax Timer Not Subject to Proration	Line 11	\$0	\$0	\$0	\$0	
19	Total Cumulative Book/Tax Timer	Line 17 + Line 18	(\$34,825)	(\$8,630)	(\$22,181)	(\$4,014)	
20	Total FY 2022 Federal NOL	Col (b) = , Line 26; Col (c) = , Line 26; Col (d) = , Line 26 / 21%	\$0	\$0	\$0	\$0	
21	Allocated FY 2022 Federal NOL Not Subject to Proration	(Line 18 / Line 19) * Line 20	\$0	\$0	\$0	\$0	
22	Allocated FY 2022 Federal NOL Subject to Proration	(Line 17 / Line 19) * Line 20	\$0	\$0	\$0	\$0	
23	Effective Tax Rate	Per Tax Department	21.00%	21.00%	21.00%	21.00%	
24	Deferred Tax Benefit subject to proration	Line 22 * Line 23	\$0	\$0	\$0	\$0	
25	Net Deferred Tax Reserve subject to proration	Line 7 + Line 24	(\$7,313)	(\$1,812)	(\$4,658)	(\$843)	
Proration Calculation							
		(i)	(j)	(k)= Sum of (l) through (n)	(l)	(m)	(n)
		<u>Number of Days in</u>	<u>Proration Percentage</u>				
		<u>Month</u>					
26	April 2021	30	91.78%	(\$559)	(\$139)	(\$356)	(\$64)
27	May 2021	31	83.29%	(\$508)	(\$126)	(\$323)	(\$59)
28	June 2021	30	75.07%	(\$457)	(\$113)	(\$291)	(\$53)
29	July 2021	31	66.58%	(\$406)	(\$101)	(\$258)	(\$47)
30	August 2021	31	58.08%	(\$354)	(\$88)	(\$225)	(\$41)
31	September 2021	30	49.86%	(\$304)	(\$75)	(\$194)	(\$35)
32	October 2021	31	41.37%	(\$252)	(\$62)	(\$161)	(\$29)
33	November 2021	30	33.15%	(\$202)	(\$50)	(\$129)	(\$23)
34	December 2021	31	24.66%	(\$150)	(\$37)	(\$96)	(\$17)
35	January 2022	31	16.16%	(\$99)	(\$24)	(\$63)	(\$11)
36	February 2022	28	8.49%	(\$52)	(\$13)	(\$33)	(\$6)
37	March 2022	31	0.00%	\$0	\$0	\$0	\$0
38	Total	365		(\$3,343)	(\$828)	(\$2,129)	(\$385)
39	Deferred Tax Without Proration	Line 25		(\$7,313)	(\$1,812)	(\$4,658)	(\$843)
40	Proration Adjustment	Line 38 - Line 39		\$3,971	\$984	\$2,529	\$458

Column Notes:

- (j) Sum of remaining days in the year (Col (i)) ÷ 365
- (l) through (r) = Current Year Line 25 ÷ 12 * Current Month Col (j)

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Grid Mod RI Only - Cybersecurity GIS - Threat and Vulnerability Management
Annual Revenue Requirement Summary

Line No.		Fiscal Year Ending March 31, 2019 (a)	Fiscal Year Ending March 31, 2020 (b)	Fiscal Year Ending March 31, 2021 (c)	Fiscal Year Ending March 31, 2022 (d)
	Electric Operation and Maintenance (O&M) Expenses:				
1	Network Security Services	\$ -	\$ -	\$ -	\$ -
2	Data Security Services	\$ -	\$ -	\$ -	\$ -
3	Identity and Access Management	\$ -	\$ -	\$ -	\$ -
4	Threat and Vulnerability Management	\$ -	\$ 8,497	\$ 4,657	\$ 3,545
5	Security Operations Center Services	\$ -	\$ -	\$ -	\$ -
6	Host & Endpoint Security Services	\$ -	\$ -	\$ -	\$ -
7	Cryptography Services	\$ -	\$ -	\$ -	\$ -
8	Change and Configuration Management	\$ -	\$ -	\$ -	\$ -
9	Total Electric O&M costs		\$ 8,497	\$ 4,657	\$ 3,545
	Sum of Lines 1 through 8				
	Gas Operation and Maintenance (O&M) Expenses:				
10	Network Security Services	\$ -	\$ -	\$ -	\$ -
11	Data Security Services	\$ -	\$ -	\$ -	\$ -
12	Identity and Access Management	\$ -	\$ -	\$ -	\$ -
13	Threat and Vulnerability Management	\$ -	\$ 4,617	\$ 2,531	\$ 1,927
14	Security Operations Center Services	\$ -	\$ -	\$ -	\$ -
15	Host & Endpoint Security Services	\$ -	\$ -	\$ -	\$ -
16	Cryptography Services	\$ -	\$ -	\$ -	\$ -
17	Change and Configuration Management	\$ -	\$ -	\$ -	\$ -
18	Total Gas O&M costs		\$ 4,617	\$ 2,531	\$ 1,927
	Sum of Lines 10 through 17				
19	Total O&M Expenses		\$ 13,114	\$ 7,188	\$ 5,472
	Line 9 + Line 18				
	Electric Capital Investment:				
21	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2020 Capital Investment		\$1,951	\$1,270	\$1,181
22	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2021 Capital Investment			\$916	\$629
23	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2022 Capital Investment				\$605
24	Total Electric Capital Investment Component of Revenue Requirement		\$1,951	\$2,186	\$2,414
	Sum of Lines 21 through 23				
	Gas Capital Investment:				
26	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2020 Capital Investment		\$1,061	\$690	\$642
27	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2021 Capital Investment			\$498	\$342
28	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2022 Capital Investment				\$329
29	Total Gas Capital Investment Component of Revenue Requirement		\$1,061	\$1,188	\$1,312
	Sum of Lines 26 through 28				
30	Total Electric Revenue Requirement		\$10,448	\$6,843	\$5,959
	Line 9 + Line 24				
31	Total Gas Revenue Requirement		\$5,678	\$3,719	\$3,239
	Line 18 + Line 29				
32	Total Electric & Gas Revenue Requirement		\$ 16,126	\$ 10,562	\$ 9,198
	Line 30 + Line 31				

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Revenue Requirement on Estimated IS Capital Investment 12 months ending March 31, 2020
RI Only Grid Mod - Cybersecurity GIS - Threat and Vulnerability Management

Line No.			Fiscal Year Ending March 31, 2020 (a)	Fiscal Year Ending March 31, 2021 (b)	Fiscal Year Ending March 31, 2022 (c)
Estimated Capital Investment					
1	Network Security Services		\$ -		
2	Data Security Services		\$ -		
3	Identity and Access Management		\$ -		
4	Threat and Vulnerability Management		\$ 27,616		
5	Security Operations Center Services		\$ -		
6	Host & Endpoint Security Services		\$ -		
7	Cryptography Services		\$ -		
8	Change and Configuration Management		\$ -		
9	Total Estimated Capital Investment	Sum of Lines 1 through 8	\$ 27,616	\$ -	\$ -
Depreciable Net Capital Included in Rate Base					
10	Total Allowed Capital Included in Rate Base in Current Year	Line 9	\$ 27,616	\$ 0	\$ 0
11	Retirements	Line 4 * 0%	\$ 0	\$ 0	\$ 0
12	Net Depreciable Capital Included in Rate Base	Column (a) = Line 3 - Line 4; Column (b and c) = Prior Year Line 5	\$ 27,616	\$ 27,616	\$ 27,616
Change in Net Capital Included in Rate Base					
13	Capital Included in Rate Base	Line 9	\$ 27,616	\$ 0	\$ 0
14	Cost of Removal		\$ 0	\$ 0	\$ 0
15	Total Net Plant in Service Including Cost of Removal	Line 13 + Line 14	\$ 27,616	\$ 27,616	\$ 27,616
Tax Depreciation					
16	Vintage Year Tax Depreciation:				
17	FY 2020 Spend	, Line 21	\$ 23,013	\$ 3,069	\$ 1,022
18	Cumulative Tax Depreciation	Prior Year Line 11 + Current Year Line 10	\$ 23,013	\$ 26,082	\$ 27,104
Book Depreciation					
19	Composite Book Depreciation Rate		14.29%	14.29%	14.29%
20	Book Depreciation	Column (a) = Line 1 * Line 12 * 50% ; Column (b and c) = Line 1 * Line 12	\$ 1,973	\$ 0	\$ 0
21	Cumulative Book Depreciation	Prior Year Line 14 + Current Year Line 13	\$ 1,973	\$ 1,973	\$ 1,973
22	Total Cumulative Book Depreciation	Line 21	\$ 1,973	\$ 1,973	\$ 1,973
Deferred Tax Calculation:					
23	Cumulative Book / Tax Timer	Line 18 - Line 22	\$ 21,040	\$ 24,109	\$ 25,131
24	Effective Tax Rate		21.00%	21.00%	21.00%
25	Deferred Tax Reserve	Line 23 * Line 24	\$ 4,418	\$ 5,063	\$ 5,278
26	Less: FY 2020 Federal NOL		\$ 0	\$ 0	\$ 0
27	Less: Proration Adjustment	Col (a) = , Line 40; Col (b) = , Line 40; Col (c) = , Line 40	\$ (2,399)	\$ (350)	\$ (117)
28	Net Deferred Tax Reserve	Sum of Lines 25 through 27	\$ 2,020	\$ 4,713	\$ 5,161
Rate Base Calculation:					
29	Cumulative Incremental Capital Included in Rate Base	Line 15	\$ 27,616	\$ 27,616	\$ 27,616
30	Accumulated Depreciation	- Line 22	\$ (1,973)	\$ (1,973)	\$ (1,973)
31	Deferred Tax Reserve	- Line 28	\$ (2,020)	\$ (4,713)	\$ (5,161)
32	Year End Rate Base	Sum of Lines 29 through 31	\$ 23,623	\$ 20,930	\$ 20,482
Revenue Requirement Calculation:					
33	Average Rate Base	Column (a) = Current Year Line 25 ÷ 2; Column (b and c) = (Prior Year Line 25 + Current Year Line 25) ÷ 2	\$ 11,811.73	\$ 22,277	\$ 20,706
34	Pre-Tax ROR		8.80%	8.80%	8.80%
35	Return and Taxes	Line 33 * Line 34	\$ 1,039	\$ 1,960	\$ 1,822
36	Book Depreciation	Line 20	\$ 1,973	\$ 0	\$ 0
37	Annual Revenue Requirement	Line 35 + Line 36	\$ 3,012	\$ 1,960	\$ 1,822

1/ Weighted Average Cost of Capital as file in R.L.P.U.C. Docket No. 4770, Schedule MAL-6

	Ratio	Rate	Rate	Taxes	Return
Long Term Debt	50.00%	3.70%	1.85%		1.85%
Short Term Debt	0.00%	0.00%	0.00%		0.00%
Preferred Stock	0.00%	0.00%	0.00%		0.00%
Common Equity	50.00%	10.10%	5.05%	1.90%	6.95%
	<u>100.00%</u>		<u>6.90%</u>	<u>1.90%</u>	<u>8.80%</u>

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Tax Depreciation and Repairs Deduction on Fiscal Year 2020 IS Capital Investments
RI Only Grid Mod - Cybersecurity GIS - Threat and Vulnerability Management

Line No.		Fiscal Year Ending March 31, 2020 (a)	Fiscal Year Ending March 31, 2021 (b)	Fiscal Year Ending March 31, 2022 (c)
	<u>Capital Repairs Deduction</u>			
1	Plant Additions	, Line 9	\$27,616	
2	Capital Repairs Deduction Rate	Per Tax Department	0.00%	
3	Capital Repairs Deduction	Line 1 * Line 2	\$0	
	<u>Bonus Depreciation</u>			
4	Plant Additions	Line 1	\$27,616	
5	Less Capital Repairs Deduction	Line 3	\$0	
6	Plant Additions Net of Capital Repairs Deduction	Line 4 - Line 5	\$27,616	
7	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	100.00%	
8	Plant Eligible for Bonus Depreciation	Line 6 * Line 7	\$27,616	
9	Bonus Depreciation Rate (April 2019 - December 2019)	1 * 75% * 100%	75.00%	
10	Bonus Depreciation Rate (January 2020 - Mar 2020)	1 * 25% * 0%	0.00%	
11	Total Bonus Depreciation Rate	Line 9 + Line 10	75.00%	
12	Bonus Depreciation	Line 8 * Line 11	\$20,712	
	<u>Remaining Tax Depreciation</u>			
13	Plant Additions	Line 1	\$27,616	
14	Less Capital Repairs Deduction	Line 3	\$0	
15	Less Bonus Depreciation	Line 12	\$20,712	
16	Remaining Plant Additions Subject to 3 YR MACRS Tax Depreciation	Line 13 - Line 14 - Line 15	\$6,904	\$6,904
17	3 YR MACRS Tax Depreciation Rates	Per IRS Publication 946	33.330%	44.450%
18	Remaining Tax Depreciation	Line 16 * Line 17	\$2,301	\$3,069
19	FY20 Loss incurred due to retirements		\$0	\$0
20	Cost of Removal	, Line 14	\$0	\$0
21	Total Tax Depreciation and Repairs Deduction	Sum of Lines 3, 12, 18, and 20	\$23,013	\$3,069

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Revenue Requirement on Estimated IS Capital Investment 12 months ending March 31, 2021
RI Only Grid Mod - Cybersecurity GIS - Threat and Vulnerability Management

Line No.		Fiscal Year Ending March 31, 2021 (a)	Fiscal Year Ending March 31, 2022 (b)
<u>Estimated Capital Investment</u>			
1	Network Security Services	\$ -	\$ -
2	Data Security Services	\$ -	\$ -
3	Identity and Access Management	\$ -	\$ -
4	Threat and Vulnerability Management	\$ 12,713	\$ -
5	Security Operations Center Services	\$ -	\$ -
6	Host & Endpoint Security Services	\$ -	\$ -
7	Cyptography Services	\$ -	\$ -
8	Change and Configuration Management	\$ -	\$ -
9	Total Estimated Capital Investment	\$ 12,713	\$ 0
<u>Depreciable Net Capital Included in Rate Base</u>			
10	Total Allowed Capital Included in Rate Base in Current Year	Line 9 \$12,713	\$0
11	Retirements	Line 4 * 0% \$0	\$0
12	Net Depreciable Capital Included in Rate Base	Column (a) = Line 3 - Line 4; Column (b) and c) = Prior Year Line 5 \$12,713	\$12,713
<u>Change in Net Capital Included in Rate Base</u>			
13	Capital Included in Rate Base	Line 9 \$12,713	\$0
14	Cost of Removal	\$0	\$0
15	Total Net Plant in Service Including Cost of Removal	Line 12 + Line 14 \$12,713	\$12,713
<u>Tax Depreciation</u>			
16	Vintage Year Tax Depreciation:		
17	FY 2021 Spend	Page 16 of 21, Line 21 \$4,237	\$5,651
18	Cumulative Tax Depreciation	Prior Year Line 11 + Current Year Line 10 \$4,237	\$9,888
<u>Book Depreciation</u>			
19	Composite Book Depreciation Rate	As filed per R.I.P.U.C. Docket No. 4770 14.29%	14.29%
20	Book Depreciation	Column (a) = Line 1 * Line 12 * 50% ; Column (b) = Line 1 * Line 12 \$908	\$0
21	Cumulative Book Depreciation	Prior Year Line 14 + Current Year Line 13 \$908	\$908
22	Total Cumulative Book Depreciation	Line 21 \$908	\$908
<u>Deferred Tax Calculation:</u>			
23	Cumulative Book / Tax Timer	Line 18 - Line 21 \$3,329	\$8,980
24	Effective Tax Rate	21.00%	21.00%
25	Deferred Tax Reserve	Line 23 * Line 24 \$699	\$1,886
26	Less: FY 2021 Federal NOL	\$0	\$0
27	Less: Proration Adjustment	Col (a) = , Line 40; Col (b) = , Line 40 (\$380)	(\$644)
28	Net Deferred Tax Reserve	Sum of Lines 25 through 27 \$320	\$1,242
<u>Rate Base Calculation:</u>			
29	Cumulative Incremental Capital Included in Rate Base	Line 15 \$12,713	\$12,713
30	Accumulated Depreciation	- Line 22 (\$908)	(\$908)
31	Deferred Tax Reserve	- Line 28 (\$320)	(\$1,242)
32	Year End Rate Base	Sum of Lines 29 through 31 \$11,485	\$10,563
<u>Revenue Requirement Calculation:</u>			
33	Average Rate Base	Column (a) = Current Year Line 25 ÷ 2; Column (b) = (Prior Year Line 25 + Current Year Line 25) ÷ 2 Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, \$5,742.47	\$11,024
34	Pre-Tax ROR	Workpaper MAL-6 8.80%	8.80%
35	Return and Taxes	Line 33 * Line 34 \$505	\$970
36	Book Depreciation	Line 20 \$908	\$0
37	Annual Revenue Requirement	Line 35 + Line 36 \$1,413	\$970

1/ Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, Schedule MAL-6

	Ratio	Rate	Rate	Taxes	Return
Long Term Debt	50.00%	3.70%	1.85%		1.85%
Short Term Debt	0.00%	0.00%	0.00%		0.00%
Preferred Stock	0.00%	0.00%	0.00%		0.00%
Common Equity	50.00%	10.10%	5.05%	1.90%	6.95%
	100.00%		6.90%	1.90%	8.80%

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Tax Depreciation and Repairs Deduction on Fiscal Year 2021 IS Capital Investments
RI Only Grid Mod - Cybersecurity GIS - Threat and Vulnerability Management

Line No.		Fiscal Year Ending <u>March 31, 2021</u> (a)	Fiscal Year Ending <u>March 31, 2022</u> (b)
	<u>Capital Repairs Deduction</u>		
1	Plant Additions	, Line 9 \$12,713	
2	Capital Repairs Deduction Rate	Per Tax Department 0.00%	
3	Capital Repairs Deduction	Line 1 * Line 2 \$0	
	<u>Bonus Depreciation</u>		
4	Plant Additions	Line 1 \$12,713	
5	Less Capital Repairs Deduction	Line 3 \$0	
6	Plant Additions Net of Capital Repairs Deduction	Line 4 - Line 5 \$12,713	
7	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department 100.00%	
8	Plant Eligible for Bonus Depreciation	Line 6 * Line 7 \$12,713	
9	Bonus Depreciation Rate (April 2020 - December 2020)	0%	0.00%
10	Bonus Depreciation Rate (January 2021 - Mar 2021)	0%	0.00%
11	Total Bonus Depreciation Rate	Line 9 + Line 10 0.00%	
12	Bonus Depreciation	Line 8 * Line 11 \$0	
	<u>Remaining Tax Depreciation</u>		
13	Plant Additions	Line 1 \$12,713	
14	Less Capital Repairs Deduction	Line 3 \$0	
15	Less Bonus Depreciation	Line 12 \$0	
16	Remaining Plant Additions Subject to 3 YR MACRS Tax Depreciation	Line 13 - Line 14 - Line 15 \$12,713	\$12,713
17	3 YR MACRS Tax Depreciation Rates	Per IRS Publication 946 33.330%	44.450%
18	Remaining Tax Depreciation	Line 16 * Line 17 \$4,237	\$5,651
19	FY21 Loss incurred due to retirements	Per Tax Department \$0	\$0
20	Cost of Removal	, Line 14 \$0	\$0
21	Total Tax Depreciation and Repairs Deduction	Sum of Lines 3, 12, 18, 19, and 20 \$4,237	\$5,651

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Revenue Requirement on Estimated IS Capital Investment 12 months ending March 31, 2022
RI Only Grid Mod - Cybersecurity GIS - Threat and Vulnerability Management

Line No.		Fiscal Year Ending March 31, 2022 (a)
<u>Estimated Capital Investment</u>		
1	Network Security Services	\$ -
2	Data Security Services	\$ -
3	Identity and Access Management	\$ -
4	Threat and Vulnerability Management	\$ 8,396
5	Security Operations Center Services	\$ -
6	Host & Endpoint Security Services	\$ -
7	Cyrtography Services	\$ -
8	Change and Configuration Management	\$ -
9	Total Estimated Capital Investment	\$ 8,396
	Sum of Lines 1 through 8	
<u>Depreciable Net Capital Included in Rate Base</u>		
10	Total Allowed Capital Included in Rate Base in Current Year	Line 9 \$8,396
11	Retirements	Line 4 * 0% \$0
12	Net Depreciable Capital Included in Rate Base	Column (a) = Line 3 - Line 4 \$8,396
<u>Change in Net Capital Included in Rate Base</u>		
13	Capital Included in Rate Base	Line 9 \$8,396
14	Cost of Removal	\$0
15	Total Net Plant in Service Including Cost of Removal	Line 6 + Line 8 \$8,396
<u>Tax Depreciation</u>		
16	Vintage Year Tax Depreciation:	
17	FY 2022 Spend	, Line 21 \$2,798
18	Cumulative Tax Depreciation	Current Year Line 10 \$2,798
<u>Book Depreciation</u>		
19	Composite Book Depreciation Rate	As approved per R.I.P.U.C. Docket No. 4770 14.29%
20	Book Depreciation	Column (a) = Line 2* Line 12 * 50% \$600
21	Cumulative Book Depreciation	Current Year Line 13 \$600
22	Total Cumulative Book Depreciation	Line 21 \$600
<u>Deferred Tax Calculation:</u>		
23	Cumulative Book / Tax Timer	Line 18 - Line 22 \$2,198
24	Effective Tax Rate	21.00%
25	Deferred Tax Reserve	Line 23 * Line 24 \$462
26	Less: FY 2022 Federal NOL	\$0
27	Less: Proration Adjustment	Col = , Line 40 (\$251)
28	Net Deferred Tax Reserve	Sum of Lines 25 through 27 \$211
<u>Rate Base Calculation:</u>		
29	Cumulative Incremental Capital Included in Rate Base	Line 15 \$8,396
30	Accumulated Depreciation	- Line 22 (\$600)
31	Deferred Tax Reserve	- Line 28 (\$211)
32	Year End Rate Base	Sum of Lines 29 through 31 \$7,585
<u>Revenue Requirement Calculation:</u>		
33	Average Rate Base	Column (a) = Current Year Line 25 ÷ 2 \$3,792.49
	Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, Workpaper	
34	Pre-Tax ROR	MAL-6 8.80%
35	Return and Taxes	Line 33 * Line 34 \$334
36	Book Depreciation	Line 20 \$600
37	Annual Revenue Requirement	Line 35 + Line 36 \$933

1/ Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, Schedule MAL-6

	Ratio	Rate	Rate	Taxes	Return
Long Term Debt	50.00%	3.70%	1.85%		1.85%
Short Term Debt	0.00%	0.00%	0.00%		0.00%
Preferred Stock	0.00%	0.00%	0.00%		0.00%
Common Equity	50.00%	10.10%	5.05%	1.90%	6.95%
	<u>100.00%</u>		<u>6.90%</u>	<u>1.90%</u>	<u>8.80%</u>

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Tax Depreciation and Repairs Deduction on Fiscal Year 2022 IS Capital Investments
RI Only Grid Mod - Cybersecurity GIS - Threat and Vulnerability Management

Line No.			Fiscal Year Ending <u>March 31, 2022</u> (a)
	<u>Capital Repairs Deduction</u>		
1	Plant Additions	, Line 9	\$8,396
2	Capital Repairs Deduction Rate	Per Tax Department	0.00%
3	Capital Repairs Deduction	Line 1 * Line 2	<u>\$0</u>
	<u>Bonus Depreciation</u>		
4	Plant Additions	Line 1	\$8,396
5	Less Capital Repairs Deduction	Line 3	<u>\$0</u>
6	Plant Additions Net of Capital Repairs Deduction	Line 4 - Line 5	\$8,396
7	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	<u>100.00%</u>
8	Plant Eligible for Bonus Depreciation	Line 6 * Line 7	\$8,396
9	Bonus Depreciation Rate (April 2020 - December 2020)	0%	0.00%
10	Bonus Depreciation Rate (January 2021 - Mar 2021)	0%	<u>0.00%</u>
11	Total Bonus Depreciation Rate	Line 9 + Line 10	0.00%
12	Bonus Depreciation	Line 8 * Line 11	\$0
	<u>Remaining Tax Depreciation</u>		
13	Plant Additions	Line 1	\$8,396
14	Less Capital Repairs Deduction	Line 3	\$0
15	Less Bonus Depreciation	Line 12	<u>\$0</u>
16	Remaining Plant Additions Subject to 3 YR MACRS Tax Depreciation	Line 13 - Line 14 - Line 15	\$8,396
17	3 YR MACRS Tax Depreciation Rates	Per IRS Publication 946	<u>33.33%</u>
18	Remaining Tax Depreciation	Line 16 * Line 17	\$2,798
19	FY22 Loss incurred due to retirements	Per Tax Department	\$0
20	Cost of Removal	, Line 14	\$0
21	Total Tax Depreciation and Repairs Deduction	Sum of Lines 3, 12, 18, 19, and 20	<u>\$2,798</u>

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Fiscal Year 2020 Net Deferred Tax Reserve IS Proration
RI Only Grid Mod - Cybersecurity GIS - Threat and Vulnerability Management

Line No.		(a)= Column (b)	(b) Vintage Year March 31, 2020
Deferred Tax Subject to Proration			
1	Book Depreciation, Line 20	\$1,973	\$1,973
2	Bonus Depreciation, - Line 12	(\$20,712)	(\$20,712)
3	Remaining MACRS Tax Depreciation, - Line 18	(\$2,301)	(\$2,301)
4	FY20 tax (gain)/loss on retirements, - Line 19	\$0	\$0
5	Cumulative Book / Tax Timer, Sum of Lines 1 through 4	(\$21,040)	(\$21,040)
6	Effective Tax Rate, Per Tax Department	21.00%	21.00%
7	Deferred Tax Reserve, Line 5 * Line 6	(\$4,418)	(\$4,418)
Deferred Tax Not Subject to Proration			
8	Capital Repairs Deduction, Line 3	\$0	\$0
9	Cost of Removal, Line 20	\$0	\$0
10	Book/Tax Depreciation Timing Difference at 3/31/2020	\$0	\$0
11	Cumulative Book / Tax Timer, Line 8 + Line 9 + Line 10	\$0	\$0
12	Effective Tax Rate	21.00%	21.00%
13	Deferred Tax Reserve, Line 11 * Line 12	\$0	\$0
14	Total Deferred Tax Reserve, Line 7 + Line 13	(\$4,418)	(\$4,418)
15	Net Operating Loss, Line 26	\$0	\$0
16	Net Deferred Tax Reserve, Line 14 + Line 15	(\$4,418)	(\$4,418)
Allocation of FY 2020 Estimated Federal NOL			
17	Cumulative Book/Tax Timer Subject to Proration, Col (b) = Line 5	(\$21,040)	(\$21,040)
18	Cumulative Book/Tax Timer Not Subject to Proration, Line 11	\$0	\$0
19	Total Cumulative Book/Tax Timer, Line 17 + Line 18	(\$21,040)	(\$21,040)
20	Total FY 2020 Federal NOL, Line 26 / 21%	\$0	\$0
21	Allocated FY 2020 Federal NOL Not Subject to Proration, (Line 18 / Line 19) * Line 20	\$0	\$0
22	Allocated FY 2020 Federal NOL Subject to Proration, (Line 17 / Line 19) * Line 20	\$0	\$0
23	Effective Tax Rate, Per Tax Department	21.00%	21.00%
24	Deferred Tax Benefit subject to proration, Line 22 * Line 23	\$0	\$0
25	Net Deferred Tax Reserve subject to proration, Line 7 + Line 24	(\$4,418)	(\$4,418)

Line No.	Proration Calculation	Number of Days in		(k)= Sum of (l)	(l)
		Month	Proration Percentage		
26	April 2019	30	91.78%	(\$338)	(\$338)
27	May 2019	31	83.29%	(\$307)	(\$307)
28	June 2019	30	75.07%	(\$276)	(\$276)
29	July 2019	31	66.58%	(\$245)	(\$245)
30	August 2019	31	58.08%	(\$214)	(\$214)
31	September 2019	30	49.86%	(\$184)	(\$184)
32	October 2019	31	41.37%	(\$152)	(\$152)
33	November 2019	30	33.15%	(\$122)	(\$122)
34	December 2019	31	24.66%	(\$91)	(\$91)
35	January 2020	31	16.16%	(\$60)	(\$60)
36	February 2020	28	8.49%	(\$31)	(\$31)
37	March 2020	31	0.00%	\$0	\$0
38	Total	365		(\$2,020)	(\$2,020)
39	Deferred Tax Without Proration, Line 25			(\$4,418)	(\$4,418)
40	Proration Adjustment, Line 38 - Line 39			\$2,399	\$2,399

Column Notes:

- (j) Sum of remaining days in the year (Col (i)) ÷ 365
- (l) through (r) = Current Year Line 25 ÷ 12 * Current Month Col (j)

**The Narragansett Electric Company
d/b/a National Grid
Power Sector Transformation (PST)
Calculation of Fiscal Year 2021 Net Deferred Tax Reserve IS Proration
RI Only Grid Mod - Cybersecurity GIS - Threat and Vulnerability Management**

Line No.		(a)=Sum of (b) through (c)	(b) Vintage Year March 31, 2021	(c) Vintage Year March 31, 2020	
Line No.	Deferred Tax Subject to Proration	Total	March 31, 2021	March 31, 2020	
1	Book Depreciation	Col (b) = , Line 20; Col (c) = , Line 20	\$908	\$908	\$0
2	Bonus Depreciation	, Line 12	\$0	\$0	
3	Remaining MACRS Tax Depreciation	Col (b) = , Line 18; Col (c) = , Line 18	(\$7,306)	(\$4,237)	(\$3,069)
4	FY21 tax (gain)/loss on retirements	Col (b) = , Line 19; Col (c) = , Line 19	\$0	\$0	
5	Cumulative Book / Tax Timer	Sum of Lines 1 through 4	(\$6,398)	(\$3,329)	(\$3,069)
6	Effective Tax Rate	Per Tax Department	21.00%	21.00%	21.00%
7	Deferred Tax Reserve	Line 5 * Line 6	(\$1,344)	(\$699)	(\$644)
Deferred Tax Not Subject to Proration					
8	Capital Repairs Deduction	, Line 3	\$0	\$0	
9	Cost of Removal	, Line 20	\$0	\$0	
10	Book/Tax Depreciation Timing Difference at 3/31/2021		\$0	\$0	
11	Cumulative Book / Tax Timer	Line 8 + Line 9 + Line 10	\$0	\$0	
12	Effective Tax Rate		21.00%	21.00%	
13	Deferred Tax Reserve	Line 11 * Line 12	\$0	\$0	
14	Total Deferred Tax Reserve	Line 7 + Line 13	(\$1,344)	(\$699)	(\$644)
15	Net Operating Loss	Col (b) = , Line 26; Col (c) = , Line 26	\$0	\$0	\$0
16	Net Deferred Tax Reserve	Line 14 + Line 15	(\$1,344)	(\$699)	(\$644)
Allocation of FY 2021 Estimated Federal NOL					
17	Cumulative Book/Tax Timer Subject to Proration	Col (b) = Line 5	(\$6,398)	(\$3,329)	(\$3,069)
18	Cumulative Book/Tax Timer Not Subject to Proration	Line 11	\$0	\$0	\$0
19	Total Cumulative Book/Tax Timer	Line 17 + Line 18	(\$6,398)	(\$3,329)	(\$3,069)
20	Total FY 2021 Federal NOL	Col (b) = , Line 26; Col (c) = , Line 26 / 21%	\$0	\$0	\$0
21	Allocated FY 2021 Federal NOL Not Subject to Proration	(Line 18 / Line 19) * Line 20	\$0	\$0	\$0
22	Allocated FY 2021 Federal NOL Subject to Proration	(Line 17 / Line 19) * Line 20	\$0	\$0	\$0
23	Effective Tax Rate		21.00%	21.00%	21.00%
24	Deferred Tax Benefit subject to proration	Line 22 * Line 23	\$0	\$0	\$0
25	Net Deferred Tax Reserve subject to proration	Line 7 + Line 24	(\$1,344)	(\$699)	(\$644)
(i) (j)					
Proration Calculation					
		(i) <u>Number of Days in</u> Month	(j) <u>Proration Percentage</u>	(k)= Sum of (l) through (m)	(l) (m)
26	April 2020	30	91.78%	(\$103)	(\$53) (\$49)
27	May 2020	31	83.29%	(\$93)	(\$49) (\$45)
28	June 2020	30	75.07%	(\$84)	(\$44) (\$40)
29	July 2020	31	66.58%	(\$75)	(\$39) (\$36)
30	August 2020	31	58.08%	(\$65)	(\$34) (\$31)
31	September 2020	30	49.86%	(\$56)	(\$29) (\$27)
32	October 2020	31	41.37%	(\$46)	(\$24) (\$22)
33	November 2020	30	33.15%	(\$37)	(\$19) (\$18)
34	December 2020	31	24.66%	(\$28)	(\$14) (\$13)
35	January 2021	31	16.16%	(\$18)	(\$9) (\$9)
36	February 2021	28	8.49%	(\$10)	(\$5) (\$5)
37	March 2021	31	0.00%	\$0	\$0 \$0
38	Total	365		(\$614)	(\$320) (\$295)
39	Deferred Tax Without Proration	Line 25		(\$1,344)	(\$699) (\$644)
40	Proration Adjustment	Line 38 - Line 39		\$729	\$380 \$350

Column Notes:

- (j) Sum of remaining days in the year (Col (i)) ÷ 365
- (l) through (r) = Current Year Line 25 ÷ 12 * Current Month Col (j)

The Narragansett Electric Company
d/b/a National Grid
Power Sector Transformation (PST)
Calculation of Fiscal Year 2022 Net Deferred Tax Reserve IS Proration
RI Only Grid Mod - Cybersecurity GIS - Threat and Vulnerability Management

Line No.			(a)=Sum of (b)	(b)	(c)	(d)	
			through (d)	Vintage Year	Vintage Year	Vintage Year	
		Total	March 31, 2022	March 31, 2021	March 31, 2020		
Deferred Tax Subject to Proration							
1	Book Depreciation	Col (b) = , Line 20; Col (c) = , Line 20; Col (d) = , Line 20	\$600	\$600	\$0	\$0	
2	Bonus Depreciation	, Line 12	\$0	\$0			
3	Remaining MACRS Tax Depreciation	Col (b) = , Line 18; Col (c) = , Line 18; Col (d) = , Line 18	(\$9,471)	(\$2,798)	(\$5,651)	(\$1,022)	
4	FY22 tax (gain)/loss on retirements	Col (b) = , Line 19; Col (c) = , Line 19; Col (d) = , Line 19	\$0	\$0			
5	Cumulative Book / Tax Timer	Sum of Lines 1 through 4	(\$8,871)	(\$2,198)	(\$5,651)	(\$1,022)	
6	Effective Tax Rate	Per Tax Department	21.00%	21.00%	21.00%	21.00%	
7	Deferred Tax Reserve	Line 5 * Line 6	(\$1,863)	(\$462)	(\$1,187)	(\$215)	
Deferred Tax Not Subject to Proration							
8	Capital Repairs Deduction	, Line 3	\$0	\$0			
9	Cost of Removal	, Line 20	\$0	\$0			
10	Book/Tax Depreciation Timing Difference at 3/31/2022		\$0	\$0			
11	Cumulative Book / Tax Timer	Line 8 + Line 9 + Line 10	\$0	\$0			
12	Effective Tax Rate		21.00%	21.00%			
13	Deferred Tax Reserve	Line 11 * Line 12	\$0	\$0			
14	Total Deferred Tax Reserve	Line 7 + Line 13	(\$1,863)	(\$462)	(\$1,187)	(\$215)	
15	Net Operating Loss	Col (b) = , Line 26; Col (c) = , Line 26; Col (d) = , Line 26	\$0	\$0	\$0	\$0	
16	Net Deferred Tax Reserve	Line 14 + Line 15	(\$1,863)	(\$462)	(\$1,187)	(\$215)	
Allocation of FY 2022 Estimated Federal NOL							
17	Cumulative Book/Tax Timer Subject to Proration	Col (b) = Line 5	(\$8,871)	(\$2,198)	(\$5,651)	(\$1,022)	
18	Cumulative Book/Tax Timer Not Subject to Proration	Line 11	\$0	\$0	\$0	\$0	
19	Total Cumulative Book/Tax Timer	Line 17 + Line 18	(\$8,871)	(\$2,198)	(\$5,651)	(\$1,022)	
20	Total FY 2022 Federal NOL	Col (b) = , Line 26; Col (c) = , Line 26; Col (d) = , Line 26 / 21%	\$0	\$0	\$0	\$0	
21	Allocated FY 2022 Federal NOL Not Subject to Proration	(Line 18 / Line 19) * Line 20	\$0	\$0	\$0	\$0	
22	Allocated FY 2022 Federal NOL Subject to Proration	(Line 17 / Line 19) * Line 20	\$0	\$0	\$0	\$0	
23	Effective Tax Rate	Per Tax Department	21.00%	21.00%	21.00%	21.00%	
24	Deferred Tax Benefit subject to proration	Line 22 * Line 23	\$0	\$0	\$0	\$0	
25	Net Deferred Tax Reserve subject to proration	Line 7 + Line 24	(\$1,863)	(\$462)	(\$1,187)	(\$215)	
Proration Calculation							
		(i)	(j)	(k)= Sum of (l)	(l)	(m)	(n)
		<u>Number of Days in</u>	<u>Proration Percentage</u>	through (n)			
		<u>Month</u>					
26	April 2021	30	91.78%	(\$142)	(\$35)	(\$91)	(\$16)
27	May 2021	31	83.29%	(\$129)	(\$32)	(\$82)	(\$15)
28	June 2021	30	75.07%	(\$117)	(\$29)	(\$74)	(\$13)
29	July 2021	31	66.58%	(\$103)	(\$26)	(\$66)	(\$12)
30	August 2021	31	58.08%	(\$90)	(\$22)	(\$57)	(\$10)
31	September 2021	30	49.86%	(\$77)	(\$19)	(\$49)	(\$9)
32	October 2021	31	41.37%	(\$64)	(\$16)	(\$41)	(\$7)
33	November 2021	30	33.15%	(\$51)	(\$13)	(\$33)	(\$6)
34	December 2021	31	24.66%	(\$38)	(\$9)	(\$24)	(\$4)
35	January 2022	31	16.16%	(\$25)	(\$6)	(\$16)	(\$3)
36	February 2022	28	8.49%	(\$13)	(\$3)	(\$8)	(\$2)
37	March 2022	31	0.00%	\$0	\$0	\$0	\$0
38	Total	365		(\$852)	(\$211)	(\$542)	(\$98)
39	Deferred Tax Without Proration	Line 25		(\$1,863)	(\$462)	(\$1,187)	(\$215)
40	Proration Adjustment	Line 38 - Line 39		\$1,011	\$251	\$644	\$117

Column Notes:

- (j) Sum of remaining days in the year (Col (i)) ÷ 365
- (l) through (r) = Current Year Line 25 ÷ 12 * Current Month Col (j)

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Grid Mod RI Only - Cybersecurity GIS - Security Operations Center Services
Annual Revenue Requirement Summary

Line No.		Fiscal Year Ending March 31, 2019 (a)	Fiscal Year Ending March 31, 2020 (b)	Fiscal Year Ending March 31, 2021 (c)	Fiscal Year Ending March 31, 2022 (d)
	Electric Operation and Maintenance (O&M) Expenses:				
1	Network Security Services	\$ -	\$ -	\$ -	\$ -
2	Data Security Services	\$ -	\$ -	\$ -	\$ -
3	Identity and Access Management	\$ -	\$ -	\$ -	\$ -
4	Threat and Vulnerability Management	\$ -	\$ -	\$ -	\$ -
5	Security Operations Center Services	\$ -	\$ 8,597	\$ 4,758	\$ 3,757
6	Host & Endpoint Security Services	\$ -	\$ -	\$ -	\$ -
7	Cryptography Services	\$ -	\$ -	\$ -	\$ -
8	Change and Configuration Management	\$ -	\$ -	\$ -	\$ -
9	Total Electric O&M costs		\$ 8,597	\$ 4,758	\$ 3,757
	Sum of Lines 1 through 8				
	Gas Operation and Maintenance (O&M) Expenses:				
10	Network Security Services	\$ -	\$ -	\$ -	\$ -
11	Data Security Services	\$ -	\$ -	\$ -	\$ -
12	Identity and Access Management	\$ -	\$ -	\$ -	\$ -
13	Threat and Vulnerability Management	\$ -	\$ -	\$ -	\$ -
14	Security Operations Center Services	\$ -	\$ 4,672	\$ 2,586	\$ 2,042
15	Host & Endpoint Security Services	\$ -	\$ -	\$ -	\$ -
16	Cryptography Services	\$ -	\$ -	\$ -	\$ -
17	Change and Configuration Management	\$ -	\$ -	\$ -	\$ -
18	Total Gas O&M costs		\$ 4,672	\$ 2,586	\$ 2,042
	Sum of Lines 10 through 17				
19	Total O&M Expenses		\$ 13,270	\$ 7,344	\$ 5,799
	Line 9 + Line 18				
	Electric Capital Investment:				
21	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2020 Capital Investment		\$ 2,322	\$ 1,511	\$ 1,404
22	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2021 Capital Investment			\$ 1,089	\$ 748
23	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2022 Capital Investment				\$ 719
24	Total Electric Capital Investment Component of Revenue Requirement		\$ 2,322	\$ 2,600	\$ 2,872
	Sum of Lines 21 through 23				
	Gas Capital Investment:				
26	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2020 Capital Investment		\$ 1,262	\$ 821	\$ 763
27	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2021 Capital Investment			\$ 592	\$ 406
28	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2022 Capital Investment				\$ 391
29	Total Gas Capital Investment Component of Revenue Requirement		\$ 1,262	\$ 1,413	\$ 1,561
	Sum of Lines 26 through 28				
30	Total Electric Revenue Requirement		\$ 10,919	\$ 7,359	\$ 6,629
	Line 9 + Line 24				
31	Total Gas Revenue Requirement		\$ 5,934	\$ 3,999	\$ 3,602
	Line 18 + Line 29				
32	Total Electric & Gas Revenue Requirement		\$ 16,853	\$ 11,358	\$ 10,231
	Line 30 + Line 31				

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Revenue Requirement on Estimated IS Capital Investment 12 months ending March 31, 2020
RI Only Grid Mod - Cybersecurity GIS - Security Operations Center Services

Line No.			Fiscal Year Ending March 31, 2020 (a)	Fiscal Year Ending March 31, 2021 (b)	Fiscal Year Ending March 31, 2022 (c)
Estimated Capital Investment					
1	Network Security Services		\$ -		
2	Data Security Services		\$ -		
3	Identity and Access Management		\$ -		
4	Threat and Vulnerability Management		\$ -		
5	Security Operations Center Services		\$ 32,853		
6	Host & Endpoint Security Services		\$ -		
7	Cryptography Services		\$ -		
8	Change and Configuration Management		\$ -		
9	Total Estimated Capital Investment	Sum of Lines 1 through 8	\$ 32,853	\$ -	\$ -
Depreciable Net Capital Included in Rate Base					
10	Total Allowed Capital Included in Rate Base in Current Year	Line 9	\$ 32,853	\$ 0	\$ 0
11	Retirements	Line 4 * 0%	\$ 0	\$ 0	\$ 0
12	Net Depreciable Capital Included in Rate Base	Column (a) = Line 3 - Line 4; Column (b and c) = Prior Year Line 5	\$ 32,853	\$ 32,853	\$ 32,853
Change in Net Capital Included in Rate Base					
13	Capital Included in Rate Base	Line 9	\$ 32,853	\$ 0	\$ 0
14	Cost of Removal		\$ 0	\$ 0	\$ 0
15	Total Net Plant in Service Including Cost of Removal	Line 13 + Line 14	\$ 32,853	\$ 32,853	\$ 32,853
Tax Depreciation					
16	Vintage Year Tax Depreciation:				
17	FY 2020 Spend	, Line 21	\$ 27,377	\$ 3,651	\$ 1,216
18	Cumulative Tax Depreciation	Prior Year Line 11 + Current Year Line 10	\$ 27,377	\$ 31,028	\$ 32,244
Book Depreciation					
19	Composite Book Depreciation Rate		14.29%	14.29%	14.29%
20	Book Depreciation	Column (a) = Line 1 * Line 12 * 50% ; Column (b and c) = Line 1 * Line 12	\$ 2,347	\$ 0	\$ 0
21	Cumulative Book Depreciation	Prior Year Line 14 + Current Year Line 13	\$ 2,347	\$ 2,347	\$ 2,347
22	Total Cumulative Book Depreciation	Line 21	\$ 2,347	\$ 2,347	\$ 2,347
Deferred Tax Calculation:					
23	Cumulative Book / Tax Timer	Line 18 - Line 22	\$ 25,030	\$ 28,681	\$ 29,897
24	Effective Tax Rate		21.00%	21.00%	21.00%
25	Deferred Tax Reserve	Line 23 * Line 24	\$ 5,256	\$ 6,023	\$ 6,278
26	Less: FY 2020 Federal NOL		\$ 0	\$ 0	\$ 0
27	Less: Proration Adjustment	Col (a) = , Line 40; Col (b) = , Line 40; Col (c) = , Line 40	\$ (2,854)	\$ (416)	\$ (139)
28	Net Deferred Tax Reserve	Sum of Lines 25 through 27	\$ 2,403	\$ 5,607	\$ 6,140
Rate Base Calculation:					
29	Cumulative Incremental Capital Included in Rate Base	Line 15	\$ 32,853	\$ 32,853	\$ 32,853
30	Accumulated Depreciation	- Line 22	\$ (2,347)	\$ (2,347)	\$ (2,347)
31	Deferred Tax Reserve	- Line 28	\$ (2,403)	\$ (5,607)	\$ (6,140)
32	Year End Rate Base	Sum of Lines 29 through 31	\$ 28,104	\$ 24,899	\$ 24,366
Revenue Requirement Calculation:					
33	Average Rate Base	Column (a) = Current Year Line 25 ÷ 2; Column (b and c) = (Prior Year Line 25 + Current Year Line 25) ÷ 2	\$ 14,051.85	\$ 26,502	\$ 24,633
34	Pre-Tax ROR		8.80%	8.80%	8.80%
35	Return and Taxes	Line 33 * Line 34	\$ 1,237	\$ 2,332	\$ 2,168
36	Book Depreciation	Line 20	\$ 2,347	\$ 0	\$ 0
37	Annual Revenue Requirement	Line 35 + Line 36	\$ 3,583	\$ 2,332	\$ 2,168

1/ Weighted Average Cost of Capital as file in R.L.P.U.C. Docket No. 4770, Schedule MAL-6

	Ratio	Rate	Rate	Taxes	Return
Long Term Debt	50.00%	3.70%	1.85%		1.85%
Short Term Debt	0.00%	0.00%	0.00%		0.00%
Preferred Stock	0.00%	0.00%	0.00%		0.00%
Common Equity	50.00%	10.10%	5.05%	1.90%	6.95%
	100.00%		6.90%	1.90%	8.80%

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Tax Depreciation and Repairs Deduction on Fiscal Year 2020 IS Capital Investments
RI Only Grid Mod - Cybersecurity GIS - Security Operations Center Services

Line No.			Fiscal Year Ending March 31, 2020 (a)	Fiscal Year Ending March 31, 2021 (b)	Fiscal Year Ending March 31, 2022 (c)
	<u>Capital Repairs Deduction</u>				
1	Plant Additions	, Line 9	\$32,853		
2	Capital Repairs Deduction Rate	Per Tax Department	0.00%		
3	Capital Repairs Deduction	Line 1 * Line 2	\$0		
	<u>Bonus Depreciation</u>				
4	Plant Additions	Line 1	\$32,853		
5	Less Capital Repairs Deduction	Line 3	\$0		
6	Plant Additions Net of Capital Repairs Deduction	Line 4 - Line 5	\$32,853		
7	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	100.00%		
8	Plant Eligible for Bonus Depreciation	Line 6 * Line 7	\$32,853		
9	Bonus Depreciation Rate (April 2019 - December 2019)	1 * 75% * 100%	75.00%		
10	Bonus Depreciation Rate (January 2020 - Mar 2020)	1 * 25% * 0%	0.00%		
11	Total Bonus Depreciation Rate	Line 9 + Line 10	75.00%		
12	Bonus Depreciation	Line 8 * Line 11	\$24,640		
	<u>Remaining Tax Depreciation</u>				
13	Plant Additions	Line 1	\$32,853		
14	Less Capital Repairs Deduction	Line 3	\$0		
15	Less Bonus Depreciation	Line 12	\$24,640		
16	Remaining Plant Additions Subject to 3 YR MACRS Tax Depreciation	Line 13 - Line 14 - Line 15	\$8,213	\$8,213	\$8,213
17	3 YR MACRS Tax Depreciation Rates	Per IRS Publication 946	33.330%	44.450%	14.810%
18	Remaining Tax Depreciation	Line 16 * Line 17	\$2,737	\$3,651	\$1,216
19	FY20 Loss incurred due to retirements		\$0	\$0	\$0
20	Cost of Removal	, Line 14	\$0	\$0	\$0
21	Total Tax Depreciation and Repairs Deduction	Sum of Lines 3, 12, 18, and 20	\$27,377	\$3,651	\$1,216

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Revenue Requirement on Estimated IS Capital Investment 12 months ending March 31, 2021
RI Only Grid Mod - Cybersecurity GIS - Security Operations Center Services

Line No.		Fiscal Year Ending March 31, 2021 (a)	Fiscal Year Ending March 31, 2022 (b)
<u>Estimated Capital Investment</u>			
1	Network Security Services	\$ -	\$ -
2	Data Security Services	\$ -	\$ -
3	Identity and Access Management	\$ -	\$ -
4	Threat and Vulnerability Management	\$ -	\$ -
5	Security Operations Center Services	\$ 15,123	\$ -
6	Host & Endpoint Security Services	\$ -	\$ -
7	Cyptography Services	\$ -	\$ -
8	Change and Configuration Management	\$ -	\$ -
9	Total Estimated Capital Investment	\$ 15,123	\$ 0
<u>Depreciable Net Capital Included in Rate Base</u>			
10	Total Allowed Capital Included in Rate Base in Current Year	Line 9 \$15,123	\$0
11	Retirements	Line 4 * 0% \$0	\$0
12	Net Depreciable Capital Included in Rate Base	Column (a) = Line 3 - Line 4; Column (b) and c) = Prior Year Line 5 \$15,123	\$15,123
<u>Change in Net Capital Included in Rate Base</u>			
13	Capital Included in Rate Base	Line 9 \$15,123	\$0
14	Cost of Removal	\$0	\$0
15	Total Net Plant in Service Including Cost of Removal	Line 12 + Line 14 \$15,123	\$15,123
<u>Tax Depreciation</u>			
16	Vintage Year Tax Depreciation:		
17	FY 2021 Spend	Page 16 of 21, Line 21 \$5,041	\$6,722
18	Cumulative Tax Depreciation	Prior Year Line 11 + Current Year Line 10 \$5,041	\$11,763
<u>Book Depreciation</u>			
19	Composite Book Depreciation Rate	As filed per R.I.P.U.C. Docket No. 4770 14.29%	14.29%
20	Book Depreciation	Column (a) = Line 1 * Line 12 * 50% ; Column (b) = Line 1 * Line 12 \$1,080	\$0
21	Cumulative Book Depreciation	Prior Year Line 14 + Current Year Line 13 \$1,080	\$1,080
22	Total Cumulative Book Depreciation	Line 21 \$1,080	\$1,080
<u>Deferred Tax Calculation:</u>			
23	Cumulative Book / Tax Timer	Line 18 - Line 21 \$3,961	\$10,683
24	Effective Tax Rate	21.00%	21.00%
25	Deferred Tax Reserve	Line 23 * Line 24 \$832	\$2,243
26	Less: FY 2021 Federal NOL	\$0	\$0
27	Less: Proration Adjustment	Col (a) = , Line 40; Col (b) = , Line 40 (\$452)	(\$766)
28	Net Deferred Tax Reserve	Sum of Lines 25 through 27 \$380	\$1,477
<u>Rate Base Calculation:</u>			
29	Cumulative Incremental Capital Included in Rate Base	Line 15 \$15,123	\$15,123
30	Accumulated Depreciation	- Line 22 (\$1,080)	(\$1,080)
31	Deferred Tax Reserve	- Line 28 (\$380)	(\$1,477)
32	Year End Rate Base	Sum of Lines 29 through 31 \$13,663	\$12,566
<u>Revenue Requirement Calculation:</u>			
33	Average Rate Base	Column (a) = Current Year Line 25 ÷ 2; Column (b) = (Prior Year Line 25 + Current Year Line 25) ÷ 2 Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, \$6,831.50	\$13,115
34	Pre-Tax ROR	Workpaper MAL-6 8.80%	8.80%
35	Return and Taxes	Line 33 * Line 34 \$601	\$1,154
36	Book Depreciation	Line 20 \$1,080	\$0
37	Annual Revenue Requirement	Line 35 + Line 36 \$1,681	\$1,154

1/ Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, Schedule MAL-6

	Ratio	Rate	Rate	Taxes	Return
Long Term Debt	50.00%	3.70%	1.85%		1.85%
Short Term Debt	0.00%	0.00%	0.00%		0.00%
Preferred Stock	0.00%	0.00%	0.00%		0.00%
Common Equity	50.00%	10.10%	5.05%	1.90%	6.95%
	100.00%		6.90%	1.90%	8.80%

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Tax Depreciation and Repairs Deduction on Fiscal Year 2021 IS Capital Investments
RI Only Grid Mod - Cybersecurity GIS - Security Operations Center Services

Line No.		Fiscal Year Ending <u>March 31, 2021</u> (a)	Fiscal Year Ending <u>March 31, 2022</u> (b)
	<u>Capital Repairs Deduction</u>		
1	Plant Additions	, Line 9 \$15,123	
2	Capital Repairs Deduction Rate	Per Tax Department 0.00%	
3	Capital Repairs Deduction	Line 1 * Line 2 \$0	
	<u>Bonus Depreciation</u>		
4	Plant Additions	Line 1 \$15,123	
5	Less Capital Repairs Deduction	Line 3 \$0	
6	Plant Additions Net of Capital Repairs Deduction	Line 4 - Line 5 \$15,123	
7	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department 100.00%	
8	Plant Eligible for Bonus Depreciation	Line 6 * Line 7 \$15,123	
9	Bonus Depreciation Rate (April 2020 - December 2020)	0%	0.00%
10	Bonus Depreciation Rate (January 2021 - Mar 2021)	0%	0.00%
11	Total Bonus Depreciation Rate	Line 9 + Line 10 0.00%	
12	Bonus Depreciation	Line 8 * Line 11 \$0	
	<u>Remaining Tax Depreciation</u>		
13	Plant Additions	Line 1 \$15,123	
14	Less Capital Repairs Deduction	Line 3 \$0	
15	Less Bonus Depreciation	Line 12 \$0	
16	Remaining Plant Additions Subject to 3 YR MACRS Tax Depreciation	Line 13 - Line 14 - Line 15 \$15,123	\$15,123
17	3 YR MACRS Tax Depreciation Rates	Per IRS Publication 946 33.330%	44.450%
18	Remaining Tax Depreciation	Line 16 * Line 17 \$5,041	\$6,722
19	FY21 Loss incurred due to retirements	Per Tax Department \$0	\$0
20	Cost of Removal	, Line 14 \$0	\$0
21	Total Tax Depreciation and Repairs Deduction	Sum of Lines 3, 12, 18, 19, and 20 \$5,041	\$6,722

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Revenue Requirement on Estimated IS Capital Investment 12 months ending March 31, 2022
RI Only Grid Mod - Cybersecurity GIS - Security Operations Center Services

Line No.		Fiscal Year Ending March 31, 2022 (a)
<u>Estimated Capital Investment</u>		
1	Network Security Services	\$ -
2	Data Security Services	\$ -
3	Identity and Access Management	\$ -
4	Threat and Vulnerability Management	\$ -
5	Security Operations Center Services	\$ 9,988
6	Host & Endpoint Security Services	\$ -
7	Cyrtography Services	\$ -
8	Change and Configuration Management	\$ -
9	Total Estimated Capital Investment	\$ 9,988
	Sum of Lines 1 through 8	
<u>Depreciable Net Capital Included in Rate Base</u>		
10	Total Allowed Capital Included in Rate Base in Current Year	Line 9 \$9,988
11	Retirements	Line 4 * 0% \$0
12	Net Depreciable Capital Included in Rate Base	Column (a) = Line 3 - Line 4 \$9,988
<u>Change in Net Capital Included in Rate Base</u>		
13	Capital Included in Rate Base	Line 9 \$9,988
14	Cost of Removal	\$0
15	Total Net Plant in Service Including Cost of Removal	Line 6 + Line 8 \$9,988
<u>Tax Depreciation</u>		
16	Vintage Year Tax Depreciation:	
17	FY 2022 Spend	, Line 21 \$3,329
18	Cumulative Tax Depreciation	Current Year Line 10 \$3,329
<u>Book Depreciation</u>		
19	Composite Book Depreciation Rate	As approved per R.I.P.U.C. Docket No. 4770 14.29%
20	Book Depreciation	Column (a) = Line 2* Line 12 * 50% \$713
21	Cumulative Book Depreciation	Current Year Line 13 \$713
22	Total Cumulative Book Depreciation	Line 21 \$713
<u>Deferred Tax Calculation:</u>		
23	Cumulative Book / Tax Timer	Line 18 - Line 22 \$2,616
24	Effective Tax Rate	21.00%
25	Deferred Tax Reserve	Line 23 * Line 24 \$549
26	Less: FY 2022 Federal NOL	\$0
27	Less: Proration Adjustment	Col = , Line 40 (\$298)
28	Net Deferred Tax Reserve	Sum of Lines 25 through 27 \$251
<u>Rate Base Calculation:</u>		
29	Cumulative Incremental Capital Included in Rate Base	Line 15 \$9,988
30	Accumulated Depreciation	- Line 22 (\$713)
31	Deferred Tax Reserve	- Line 28 (\$251)
32	Year End Rate Base	Sum of Lines 29 through 31 \$9,024
<u>Revenue Requirement Calculation:</u>		
33	Average Rate Base	Column (a) = Current Year Line 25 ÷ 2 \$4,511.76
	Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, Workpaper	
34	Pre-Tax ROR	MAL-6 8.80%
35	Return and Taxes	Line 33 * Line 34 \$397
36	Book Depreciation	Line 20 \$713
37	Annual Revenue Requirement	Line 35 + Line 36 \$1,110

1/ Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, Schedule MAL-6

	Ratio	Rate	Rate	Taxes	Return
Long Term Debt	50.00%	3.70%	1.85%		1.85%
Short Term Debt	0.00%	0.00%	0.00%		0.00%
Preferred Stock	0.00%	0.00%	0.00%		0.00%
Common Equity	50.00%	10.10%	5.05%	1.90%	6.95%
	<u>100.00%</u>		<u>6.90%</u>	<u>1.90%</u>	<u>8.80%</u>

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Tax Depreciation and Repairs Deduction on Fiscal Year 2022 IS Capital Investments
RI Only Grid Mod - Cybersecurity GIS - Security Operations Center Services

Line No.			Fiscal Year Ending <u>March 31, 2022</u> (a)
	<u>Capital Repairs Deduction</u>		
1	Plant Additions	, Line 9	\$9,988
2	Capital Repairs Deduction Rate	Per Tax Department	0.00%
3	Capital Repairs Deduction	Line 1 * Line 2	<u>\$0</u>
	<u>Bonus Depreciation</u>		
4	Plant Additions	Line 1	\$9,988
5	Less Capital Repairs Deduction	Line 3	<u>\$0</u>
6	Plant Additions Net of Capital Repairs Deduction	Line 4 - Line 5	\$9,988
7	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	<u>100.00%</u>
8	Plant Eligible for Bonus Depreciation	Line 6 * Line 7	\$9,988
9	Bonus Depreciation Rate (April 2020 - December 2020)	0%	0.00%
10	Bonus Depreciation Rate (January 2021 - Mar 2021)	0%	<u>0.00%</u>
11	Total Bonus Depreciation Rate	Line 9 + Line 10	0.00%
12	Bonus Depreciation	Line 8 * Line 11	\$0
	<u>Remaining Tax Depreciation</u>		
13	Plant Additions	Line 1	\$9,988
14	Less Capital Repairs Deduction	Line 3	\$0
15	Less Bonus Depreciation	Line 12	<u>\$0</u>
16	Remaining Plant Additions Subject to 3 YR MACRS Tax Depreciation	Line 13 - Line 14 - Line 15	\$9,988
17	3 YR MACRS Tax Depreciation Rates	Per IRS Publication 946	<u>33.33%</u>
18	Remaining Tax Depreciation	Line 16 * Line 17	\$3,329
19	FY22 Loss incurred due to retirements	Per Tax Department	\$0
20	Cost of Removal	, Line 14	\$0
21	Total Tax Depreciation and Repairs Deduction	Sum of Lines 3, 12, 18, 19, and 20	<u>\$3,329</u>

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Fiscal Year 2020 Net Deferred Tax Reserve IS Proration
RI Only Grid Mod - Cybersecurity GIS - Security Operations Center Services

Line No.	Description	(a)= Column (b)	(b)		
			Total	Vintage Year March 31, 2020	
Deferred Tax Subject to Proration					
1	Book Depreciation, Line 20		\$2,347	\$2,347	
2	Bonus Depreciation, - Line 12		(\$24,640)	(\$24,640)	
3	Remaining MACRS Tax Depreciation, - Line 18		(\$2,737)	(\$2,737)	
4	FY20 tax (gain)/loss on retirements, - Line 19		\$0	\$0	
5	Cumulative Book / Tax Timer, Sum of Lines 1 through 4		(\$25,030)	(\$25,030)	
6	Effective Tax Rate, Per Tax Department		21.00%	21.00%	
7	Deferred Tax Reserve, Line 5 * Line 6		(\$5,256)	(\$5,256)	
Deferred Tax Not Subject to Proration					
8	Capital Repairs Deduction, Line 3		\$0	\$0	
9	Cost of Removal, Line 20		\$0	\$0	
10	Book/Tax Depreciation Timing Difference at 3/31/2020		\$0	\$0	
11	Cumulative Book / Tax Timer, Line 8 + Line 9 + Line 10		\$0	\$0	
12	Effective Tax Rate		21.00%	21.00%	
13	Deferred Tax Reserve, Line 11 * Line 12		\$0	\$0	
14	Total Deferred Tax Reserve, Line 7 + Line 13		(\$5,256)	(\$5,256)	
15	Net Operating Loss, Line 26		\$0	\$0	
16	Net Deferred Tax Reserve, Line 14 + Line 15		(\$5,256)	(\$5,256)	
Allocation of FY 2020 Estimated Federal NOL					
17	Cumulative Book/Tax Timer Subject to Proration, Col (b) = Line 5		(\$25,030)	(\$25,030)	
18	Cumulative Book/Tax Timer Not Subject to Proration, Line 11		\$0	\$0	
19	Total Cumulative Book/Tax Timer, Line 17 + Line 18		(\$25,030)	(\$25,030)	
20	Total FY 2020 Federal NOL, Line 26 / 21%		\$0	\$0	
21	Allocated FY 2020 Federal NOL Not Subject to Proration, (Line 18 / Line 19) * Line 20		\$0	\$0	
22	Allocated FY 2020 Federal NOL Subject to Proration, (Line 17 / Line 19) * Line 20		\$0	\$0	
23	Effective Tax Rate, Per Tax Department		21.00%	21.00%	
24	Deferred Tax Benefit subject to proration, Line 22 * Line 23		\$0	\$0	
25	Net Deferred Tax Reserve subject to proration, Line 7 + Line 24		(\$5,256)	(\$5,256)	
Proration Calculation					
		(i)	(j)	(k)= Sum of (l)	(l)
		<u>Number of Days in</u>			
		<u>Month</u>	<u>Proration Percentage</u>		
26	April 2019	30	91.78%	(\$402)	(\$402)
27	May 2019	31	83.29%	(\$365)	(\$365)
28	June 2019	30	75.07%	(\$329)	(\$329)
29	July 2019	31	66.58%	(\$292)	(\$292)
30	August 2019	31	58.08%	(\$254)	(\$254)
31	September 2019	30	49.86%	(\$218)	(\$218)
32	October 2019	31	41.37%	(\$181)	(\$181)
33	November 2019	30	33.15%	(\$145)	(\$145)
34	December 2019	31	24.66%	(\$108)	(\$108)
35	January 2020	31	16.16%	(\$71)	(\$71)
36	February 2020	28	8.49%	(\$37)	(\$37)
37	March 2020	31	0.00%	\$0	\$0
38	Total	365		(\$2,403)	(\$2,403)
39	Deferred Tax Without Proration, Line 25			(\$5,256)	(\$5,256)
40	Proration Adjustment, Line 38 - Line 39			\$2,854	\$2,854

Column Notes:

- (j) Sum of remaining days in the year (Col (i)) ÷ 365
- (l) through (r) = Current Year Line 25 ÷ 12 * Current Month Col (j)

The Narragansett Electric Company
d/b/a National Grid
Power Sector Transformation (PST)
Calculation of Fiscal Year 2021 Net Deferred Tax Reserve IS Proration
RI Only Grid Mod - Cybersecurity GIS - Security Operations Center Services

Line No.			(a)=Sum of (b)	(b)	(c)	
			through (c)	Vintage Year	Vintage Year	
			Total	March 31, 2021	March 31, 2020	
Deferred Tax Subject to Proration						
1	Book Depreciation	Col (b) = , Line 20; Col (c) = , Line 20	\$1,080	\$1,080	\$0	
2	Bonus Depreciation	, Line 12	\$0	\$0		
3	Remaining MACRS Tax Depreciation	Col (b) = , Line 18; Col (c) = , Line 18	(\$8,692)	(\$5,041)	(\$3,651)	
4	FY21 tax (gain)/loss on retirements	Col (b) = , Line 19; Col (c) = , Line 19	\$0	\$0		
5	Cumulative Book / Tax Timer	Sum of Lines 1 through 4	(\$7,612)	(\$3,961)	(\$3,651)	
6	Effective Tax Rate	Per Tax Department	21.00%	21.00%	21.00%	
7	Deferred Tax Reserve	Line 5 * Line 6	(\$1,598)	(\$832)	(\$767)	
Deferred Tax Not Subject to Proration						
8	Capital Repairs Deduction	, Line 3	\$0	\$0		
9	Cost of Removal	, Line 20	\$0	\$0		
10	Book/Tax Depreciation Timing Difference at 3/31/2021		\$0	\$0		
11	Cumulative Book / Tax Timer	Line 8 + Line 9 + Line 10	\$0	\$0		
12	Effective Tax Rate		21.00%	21.00%		
13	Deferred Tax Reserve	Line 11 * Line 12	\$0	\$0		
14	Total Deferred Tax Reserve	Line 7 + Line 13	(\$1,598)	(\$832)	(\$767)	
15	Net Operating Loss	Col (b) = , Line 26; Col (c) = , Line 26	\$0	\$0	\$0	
16	Net Deferred Tax Reserve	Line 14 + Line 15	(\$1,598)	(\$832)	(\$767)	
Allocation of FY 2021 Estimated Federal NOL						
17	Cumulative Book/Tax Timer Subject to Proration	Col (b) = Line 5	(\$7,612)	(\$3,961)	(\$3,651)	
18	Cumulative Book/Tax Timer Not Subject to Proration	Line 11	\$0	\$0	\$0	
19	Total Cumulative Book/Tax Timer	Line 17 + Line 18	(\$7,612)	(\$3,961)	(\$3,651)	
20	Total FY 2021 Federal NOL	Col (b) = , Line 26; Col (c) = , Line 26 / 21%	\$0	\$0	\$0	
21	Allocated FY 2021 Federal NOL Not Subject to Proration	(Line 18 / Line 19) * Line 20	\$0	\$0	\$0	
22	Allocated FY 2021 Federal NOL Subject to Proration	(Line 17 / Line 19) * Line 20	\$0	\$0	\$0	
23	Effective Tax Rate		21.00%	21.00%	21.00%	
24	Deferred Tax Benefit subject to proration	Line 22 * Line 23	\$0	\$0	\$0	
25	Net Deferred Tax Reserve subject to proration	Line 7 + Line 24	(\$1,598)	(\$832)	(\$767)	
Proration Calculation						
		(i) Number of Days in Month	(j) Proration Percentage	(k)= Sum of (l) through (m)	(l)	(m)
26	April 2020	30	91.78%	(\$122)	(\$64)	(\$59)
27	May 2020	31	83.29%	(\$111)	(\$58)	(\$53)
28	June 2020	30	75.07%	(\$100)	(\$52)	(\$48)
29	July 2020	31	66.58%	(\$89)	(\$46)	(\$43)
30	August 2020	31	58.08%	(\$77)	(\$40)	(\$37)
31	September 2020	30	49.86%	(\$66)	(\$35)	(\$32)
32	October 2020	31	41.37%	(\$55)	(\$29)	(\$26)
33	November 2020	30	33.15%	(\$44)	(\$23)	(\$21)
34	December 2020	31	24.66%	(\$33)	(\$17)	(\$16)
35	January 2021	31	16.16%	(\$22)	(\$11)	(\$10)
36	February 2021	28	8.49%	(\$11)	(\$6)	(\$5)
37	March 2021	31	0.00%	\$0	\$0	\$0
38	Total	365		(\$731)	(\$380)	(\$350)
39	Deferred Tax Without Proration	Line 25		(\$1,598)	(\$832)	(\$767)
40	Proration Adjustment	Line 38 - Line 39		\$868	\$452	\$416

Column Notes:

- (j) Sum of remaining days in the year (Col (i)) ÷ 365
- (l) through (r) = Current Year Line 25 ÷ 12 * Current Month Col (j)

The Narragansett Electric Company
d/b/a National Grid
Power Sector Transformation (PST)
Calculation of Fiscal Year 2022 Net Deferred Tax Reserve IS Proration
RI Only Grid Mod - Cybersecurity GIS - Security Operations Center Services

Line No.			(a)=Sum of (b)	(b)	(c)	(d)	
			through (d)	Vintage Year	Vintage Year	Vintage Year	
			Total	March 31, 2022	March 31, 2021	March 31, 2020	
Deferred Tax Subject to Proration							
1	Book Depreciation	Col (b) = , Line 20; Col (c) = , Line 20; Col (d) = , Line 20	\$713	\$713	\$0	\$0	
2	Bonus Depreciation	, Line 12	\$0	\$0			
3	Remaining MACRS Tax Depreciation	Col (b) = , Line 18; Col (c) = , Line 18; Col (d) = , Line 18	(\$11,267)	(\$3,329)	(\$6,722)	(\$1,216)	
4	FY22 tax (gain)/loss on retirements	Col (b) = , Line 19; Col (c) = , Line 19; Col (d) = , Line 19	\$0	\$0			
5	Cumulative Book / Tax Timer	Sum of Lines 1 through 4	(\$10,554)	(\$2,616)	(\$6,722)	(\$1,216)	
6	Effective Tax Rate	Per Tax Department	21.00%	21.00%	21.00%	21.00%	
7	Deferred Tax Reserve	Line 5 * Line 6	(\$2,216)	(\$549)	(\$1,412)	(\$255)	
Deferred Tax Not Subject to Proration							
8	Capital Repairs Deduction	, Line 3	\$0	\$0			
9	Cost of Removal	, Line 20	\$0	\$0			
10	Book/Tax Depreciation Timing Difference at 3/31/2022		\$0	\$0			
11	Cumulative Book / Tax Timer	Line 8 + Line 9 + Line 10	\$0	\$0			
12	Effective Tax Rate		21.00%	21.00%			
13	Deferred Tax Reserve	Line 11 * Line 12	\$0	\$0			
14	Total Deferred Tax Reserve	Line 7 + Line 13	(\$2,216)	(\$549)	(\$1,412)	(\$255)	
15	Net Operating Loss	Col (b) = , Line 26; Col (c) = , Line 26; Col (d) = , Line 26	\$0	\$0	\$0	\$0	
16	Net Deferred Tax Reserve	Line 14 + Line 15	(\$2,216)	(\$549)	(\$1,412)	(\$255)	
Allocation of FY 2022 Estimated Federal NOL							
17	Cumulative Book/Tax Timer Subject to Proration	Col (b) = Line 5	(\$10,554)	(\$2,616)	(\$6,722)	(\$1,216)	
18	Cumulative Book/Tax Timer Not Subject to Proration	Line 11	\$0	\$0	\$0	\$0	
19	Total Cumulative Book/Tax Timer	Line 17 + Line 18	(\$10,554)	(\$2,616)	(\$6,722)	(\$1,216)	
20	Total FY 2022 Federal NOL	Col (b) = , Line 26; Col (c) = , Line 26; Col (d) = , Line 26 / 21%	\$0	\$0	\$0	\$0	
21	Allocated FY 2022 Federal NOL Not Subject to Proration	(Line 18 / Line 19) * Line 20	\$0	\$0	\$0	\$0	
22	Allocated FY 2022 Federal NOL Subject to Proration	(Line 17 / Line 19) * Line 20	\$0	\$0	\$0	\$0	
23	Effective Tax Rate	Per Tax Department	21.00%	21.00%	21.00%	21.00%	
24	Deferred Tax Benefit subject to proration	Line 22 * Line 23	\$0	\$0	\$0	\$0	
25	Net Deferred Tax Reserve subject to proration	Line 7 + Line 24	(\$2,216)	(\$549)	(\$1,412)	(\$255)	
Proration Calculation							
		(i)	(j)	(k)= Sum of (l)	(l)	(m)	(n)
		Number of Days in	Proration Percentage	through (n)			
		Month					
26	April 2021	30	91.78%	(\$170)	(\$42)	(\$108)	(\$20)
27	May 2021	31	83.29%	(\$154)	(\$38)	(\$98)	(\$18)
28	June 2021	30	75.07%	(\$139)	(\$34)	(\$88)	(\$16)
29	July 2021	31	66.58%	(\$123)	(\$30)	(\$78)	(\$14)
30	August 2021	31	58.08%	(\$107)	(\$27)	(\$68)	(\$12)
31	September 2021	30	49.86%	(\$92)	(\$23)	(\$59)	(\$11)
32	October 2021	31	41.37%	(\$76)	(\$19)	(\$49)	(\$9)
33	November 2021	30	33.15%	(\$61)	(\$15)	(\$39)	(\$7)
34	December 2021	31	24.66%	(\$46)	(\$11)	(\$29)	(\$5)
35	January 2022	31	16.16%	(\$30)	(\$7)	(\$19)	(\$3)
36	February 2022	28	8.49%	(\$16)	(\$4)	(\$10)	(\$2)
37	March 2022	31	0.00%	\$0	\$0	\$0	\$0
38	Total	365		(\$1,013)	(\$251)	(\$645)	(\$117)
39	Deferred Tax Without Proration	Line 25		(\$2,216)	(\$549)	(\$1,412)	(\$255)
40	Proration Adjustment	Line 38 - Line 39		\$1,203	\$298	\$766	\$139

Column Notes:

- (j) Sum of remaining days in the year (Col (i)) ÷ 365
- (l) through (r) = Current Year Line 25 ÷ 12 * Current Month Col (j)

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Grid Mod RI Only - Cybersecurity GIS - Host and Endpoint Security Services
Annual Revenue Requirement Summary

Line No.		Fiscal Year Ending March 31, 2019 (a)	Fiscal Year Ending March 31, 2020 (b)	Fiscal Year Ending March 31, 2021 (c)	Fiscal Year Ending March 31, 2022 (d)
Electric Operation and Maintenance (O&M) Expenses:					
1	Network Security Services	\$ -	\$ -	\$ -	\$ -
2	Data Security Services	\$ -	\$ -	\$ -	\$ -
3	Identity and Access Management	\$ -	\$ -	\$ -	\$ -
4	Threat and Vulnerability Management	\$ -	\$ -	\$ -	\$ -
5	Security Operations Center Services	\$ -	\$ -	\$ -	\$ -
6	Host & Endpoint Security Services	\$ -	\$ 8,726	\$ 4,887	\$ 3,545
7	Cryptography Services	\$ -	\$ -	\$ -	\$ -
8	Change and Configuration Management	\$ -	\$ -	\$ -	\$ -
9	Total Electric O&M costs		\$ 8,726	\$ 4,887	\$ 3,545
		Sum of Lines 1 through 8			
Gas Operation and Maintenance (O&M) Expenses:					
10	Network Security Services	\$ -	\$ -	\$ -	\$ -
11	Data Security Services	\$ -	\$ -	\$ -	\$ -
12	Identity and Access Management	\$ -	\$ -	\$ -	\$ -
13	Threat and Vulnerability Management	\$ -	\$ -	\$ -	\$ -
14	Security Operations Center Services	\$ -	\$ -	\$ -	\$ -
15	Host & Endpoint Security Services	\$ -	\$ 4,742	\$ 2,656	\$ 1,927
16	Cryptography Services	\$ -	\$ -	\$ -	\$ -
17	Change and Configuration Management	\$ -	\$ -	\$ -	\$ -
18	Total Gas O&M costs		\$ 4,742	\$ 2,656	\$ 1,927
		Sum of Lines 10 through 17			
19	Total O&M Expenses		\$ 13,468	\$ 7,543	\$ 5,472
		Line 9 + Line 18			
Electric Capital Investment:					
21	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2020 Capital Investment		\$951	\$619	\$575
22	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2021 Capital Investment			\$462	\$317
23	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2022 Capital Investment				\$316
24	Total Electric Capital Investment Component of Revenue Requirement		\$951	\$1,081	\$1,208
		Sum of Lines 21 through 23			
Gas Capital Investment:					
26	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2020 Capital Investment		\$517	\$336	\$313
27	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2021 Capital Investment			\$251	\$172
28	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2022 Capital Investment				\$172
29	Total Gas Capital Investment Component of Revenue Requirement		\$517	\$588	\$657
		Sum of Lines 26 through 28			
30	Total Electric Revenue Requirement		\$9,677	\$5,968	\$4,754
		Line 9 + Line 24			
31	Total Gas Revenue Requirement		\$5,259	\$3,243	\$2,583
		Line 18 + Line 29			
32	Total Electric & Gas Revenue Requirement		\$ 14,936	\$ 9,212	\$ 7,337
		Line 30 + Line 31			

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Revenue Requirement on Estimated IS Capital Investment 12 months ending March 31, 2020
RI Only Grid Mod - Cybersecurity GIS - Host and Endpoint Security Services

Line No.			Fiscal Year Ending March 31, 2020 (a)	Fiscal Year Ending March 31, 2021 (b)	Fiscal Year Ending March 31, 2022 (c)
Estimated Capital Investment					
1	Network Security Services		\$ -		
2	Data Security Services		\$ -		
3	Identity and Access Management		\$ -		
4	Threat and Vulnerability Management		\$ -		
5	Security Operations Center Services		\$ -		
6	Host & Endpoint Security Services		\$ 13,455		
7	Cryptography Services		\$ -		
8	Change and Configuration Management		\$ -		
9	Total Estimated Capital Investment	Sum of Lines 1 through 8	\$ 13,455	\$ -	\$ -
Depreciable Net Capital Included in Rate Base					
10	Total Allowed Capital Included in Rate Base in Current Year	Line 9	\$ 13,455	\$ 0	\$ 0
11	Retirements	Line 4 * 0%	\$ 0	\$ 0	\$ 0
12	Net Depreciable Capital Included in Rate Base	Column (a) = Line 3 - Line 4; Column (b and c) = Prior Year Line 5	\$ 13,455	\$ 13,455	\$ 13,455
Change in Net Capital Included in Rate Base					
13	Capital Included in Rate Base	Line 9	\$ 13,455	\$ 0	\$ 0
14	Cost of Removal		\$ 0	\$ 0	\$ 0
15	Total Net Plant in Service Including Cost of Removal	Line 13 + Line 14	\$ 13,455	\$ 13,455	\$ 13,455
Tax Depreciation					
16	Vintage Year Tax Depreciation:				
17	FY 2020 Spend	, Line 21	\$ 11,212	\$ 1,495	\$ 498
18	Cumulative Tax Depreciation	Prior Year Line 11 + Current Year Line 10	\$ 11,212	\$ 12,707	\$ 13,205
Book Depreciation					
19	Composite Book Depreciation Rate		14.29%	14.29%	14.29%
20	Book Depreciation	Column (a) = Line 1 * Line 12 * 50% ; Column (b and c) = Line 1 * Line 12	\$ 961	\$ 0	\$ 0
21	Cumulative Book Depreciation	Prior Year Line 14 + Current Year Line 13	\$ 961	\$ 961	\$ 961
22	Total Cumulative Book Depreciation	Line 21	\$ 961	\$ 961	\$ 961
Deferred Tax Calculation:					
23	Cumulative Book / Tax Timer	Line 18 - Line 22	\$ 10,251	\$ 11,746	\$ 12,244
24	Effective Tax Rate		21.00%	21.00%	21.00%
25	Deferred Tax Reserve	Line 23 * Line 24	\$ 2,153	\$ 2,467	\$ 2,571
26	Less: FY 2020 Federal NOL		\$ 0	\$ 0	\$ 0
27	Less: Proration Adjustment	Col (a) = , Line 40; Col (b) = , Line 40; Col (c) = , Line 40	\$ (1,169)	\$ (170)	\$ (57)
28	Net Deferred Tax Reserve	Sum of Lines 25 through 27	\$ 984	\$ 2,296	\$ 2,514
Rate Base Calculation:					
29	Cumulative Incremental Capital Included in Rate Base	Line 15	\$ 13,455	\$ 13,455	\$ 13,455
30	Accumulated Depreciation	- Line 22	\$ (961)	\$ (961)	\$ (961)
31	Deferred Tax Reserve	- Line 28	\$ (984)	\$ (2,296)	\$ (2,514)
32	Year End Rate Base	Sum of Lines 29 through 31	\$ 11,510	\$ 10,198	\$ 9,979
Revenue Requirement Calculation:					
33	Average Rate Base	Column (a) = Current Year Line 25 ÷ 2; Column (b and c) = (Prior Year Line 25 + Current Year Line 25) ÷ 2	\$ 5,754.99	\$ 10,854	\$ 10,089
34	Pre-Tax ROR		8.80%	8.80%	8.80%
35	Return and Taxes	Line 33 * Line 34	\$ 506	\$ 955	\$ 888
36	Book Depreciation	Line 20	\$ 961	\$ 0	\$ 0
37	Annual Revenue Requirement	Line 35 + Line 36	\$ 1,468	\$ 955	\$ 888

1/ Weighted Average Cost of Capital as file in R.L.P.U.C. Docket No. 4770, Schedule MAL-6

	Ratio	Rate	Rate	Taxes	Return
Long Term Debt	50.00%	3.70%	1.85%		1.85%
Short Term Debt	0.00%	0.00%	0.00%		0.00%
Preferred Stock	0.00%	0.00%	0.00%		0.00%
Common Equity	50.00%	10.10%	5.05%	1.90%	6.95%
	<u>100.00%</u>		<u>6.90%</u>	<u>1.90%</u>	<u>8.80%</u>

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Tax Depreciation and Repairs Deduction on Fiscal Year 2020 IS Capital Investments
RI Only Grid Mod - Cybersecurity GIS - Host and Endpoint Security Services

Line No.		Fiscal Year Ending March 31, 2020 (a)	Fiscal Year Ending March 31, 2021 (b)	Fiscal Year Ending March 31, 2022 (c)
	<u>Capital Repairs Deduction</u>			
1	Plant Additions	, Line 9	\$13,455	
2	Capital Repairs Deduction Rate	Per Tax Department	0.00%	
3	Capital Repairs Deduction	Line 1 * Line 2	\$0	
	<u>Bonus Depreciation</u>			
4	Plant Additions	Line 1	\$13,455	
5	Less Capital Repairs Deduction	Line 3	\$0	
6	Plant Additions Net of Capital Repairs Deduction	Line 4 - Line 5	\$13,455	
7	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	100.00%	
8	Plant Eligible for Bonus Depreciation	Line 6 * Line 7	\$13,455	
9	Bonus Depreciation Rate (April 2019 - December 2019)	1 * 75% * 100%	75.00%	
10	Bonus Depreciation Rate (January 2020 - Mar 2020)	1 * 25% * 0%	0.00%	
11	Total Bonus Depreciation Rate	Line 9 + Line 10	75.00%	
12	Bonus Depreciation	Line 8 * Line 11	\$10,091	
	<u>Remaining Tax Depreciation</u>			
13	Plant Additions	Line 1	\$13,455	
14	Less Capital Repairs Deduction	Line 3	\$0	
15	Less Bonus Depreciation	Line 12	\$10,091	
16	Remaining Plant Additions Subject to 3 YR MACRS Tax Depreciation	Line 13 - Line 14 - Line 15	\$3,364	\$3,364
17	3 YR MACRS Tax Depreciation Rates	Per IRS Publication 946	33.330%	44.450%
18	Remaining Tax Depreciation	Line 16 * Line 17	\$1,121	\$1,495
19	FY20 Loss incurred due to retirements		\$0	\$0
20	Cost of Removal	, Line 14	\$0	\$0
21	Total Tax Depreciation and Repairs Deduction	Sum of Lines 3, 12, 18, and 20	\$11,212	\$1,495

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Revenue Requirement on Estimated IS Capital Investment 12 months ending March 31, 2021
RI Only Grid Mod - Cybersecurity GIS - Host and Endpoint Security Services

Line No.		Fiscal Year Ending March 31, 2021 (a)	Fiscal Year Ending March 31, 2022 (b)
<u>Estimated Capital Investment</u>			
1	Network Security Services	\$ -	\$ -
2	Data Security Services	\$ -	\$ -
3	Identity and Access Management	\$ -	\$ -
4	Threat and Vulnerability Management	\$ -	\$ -
5	Security Operations Center Services	\$ -	\$ -
6	Host & Endpoint Security Services	\$ 6,420	\$ -
7	Cryptography Services	\$ -	\$ -
8	Change and Configuration Management	\$ -	\$ -
9	Total Estimated Capital Investment	\$ 6,420	\$ 0
<u>Depreciable Net Capital Included in Rate Base</u>			
10	Total Allowed Capital Included in Rate Base in Current Year	Line 9 \$ 6,420	\$ 0
11	Retirements	Line 4 * 0% \$ 0	\$ 0
12	Net Depreciable Capital Included in Rate Base	Column (a) = Line 3 - Line 4; Column (b) and c) = Prior Year Line 5 \$ 6,420	\$ 6,420
<u>Change in Net Capital Included in Rate Base</u>			
13	Capital Included in Rate Base	Line 9 \$ 6,420	\$ 0
14	Cost of Removal	\$ 0	\$ 0
15	Total Net Plant in Service Including Cost of Removal	Line 12 + Line 14 \$ 6,420	\$ 6,420
<u>Tax Depreciation</u>			
16	Vintage Year Tax Depreciation:		
17	FY 2021 Spend	Page 16 of 21, Line 21 \$ 2,140	\$ 2,854
18	Cumulative Tax Depreciation	Prior Year Line 11 + Current Year Line 10 \$ 2,140	\$ 4,994
<u>Book Depreciation</u>			
19	Composite Book Depreciation Rate	As filed per R.I.P.U.C. Docket No. 4770 14.29%	14.29%
20	Book Depreciation	Column (a) = Line 1 * Line 12 * 50%; Column (b) = Line 1 * Line 12 \$ 459	\$ 0
21	Cumulative Book Depreciation	Prior Year Line 14 + Current Year Line 13 \$ 459	\$ 459
22	Total Cumulative Book Depreciation	Line 21 \$ 459	\$ 459
<u>Deferred Tax Calculation:</u>			
23	Cumulative Book / Tax Timer	Line 18 - Line 21 \$ 1,681	\$ 4,535
24	Effective Tax Rate	21.00%	21.00%
25	Deferred Tax Reserve	Line 23 * Line 24 \$ 353	\$ 952
26	Less: FY 2021 Federal NOL	\$ 0	\$ 0
27	Less: Proration Adjustment	Col (a) = , Line 40; Col (b) = , Line 40 (\$ 192)	(\$ 325)
28	Net Deferred Tax Reserve	Sum of Lines 25 through 27 \$ 161	\$ 627
<u>Rate Base Calculation:</u>			
29	Cumulative Incremental Capital Included in Rate Base	Line 15 \$ 6,420	\$ 6,420
30	Accumulated Depreciation	- Line 22 (\$ 459)	(\$ 459)
31	Deferred Tax Reserve	- Line 28 (\$ 161)	(\$ 627)
32	Year End Rate Base	Sum of Lines 29 through 31 \$ 5,800	\$ 5,334
<u>Revenue Requirement Calculation:</u>			
33	Average Rate Base	Column (a) = Current Year Line 25 ÷ 2; Column (b) = (Prior Year Line 25 + Current Year Line 25) ÷ 2 \$ 2,899.89	\$ 5,567
34	Pre-Tax ROR	Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, Workpaper MAL-6 8.80%	8.80%
35	Return and Taxes	Line 33 * Line 34 \$ 255	\$ 490
36	Book Depreciation	Line 20 \$ 459	\$ 0
37	Annual Revenue Requirement	Line 35 + Line 36 \$ 714	\$ 490

1/ Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, Schedule MAL-6

	Ratio	Rate	Rate	Taxes	Return
Long Term Debt	50.00%	3.70%	1.85%		1.85%
Short Term Debt	0.00%	0.00%	0.00%		0.00%
Preferred Stock	0.00%	0.00%	0.00%		0.00%
Common Equity	50.00%	10.10%	5.05%	1.90%	6.95%
	100.00%		6.90%	1.90%	8.80%

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Tax Depreciation and Repairs Deduction on Fiscal Year 2021 IS Capital Investments
RI Only Grid Mod - Cybersecurity GIS - Host and Endpoint Security Services

Line No.			Fiscal Year Ending <u>March 31, 2021</u> (a)	Fiscal Year Ending <u>March 31, 2022</u> (b)
	<u>Capital Repairs Deduction</u>			
1	Plant Additions	, Line 9	\$6,420	
2	Capital Repairs Deduction Rate	Per Tax Department	0.00%	
3	Capital Repairs Deduction	Line 1 * Line 2	<u>\$0</u>	
	<u>Bonus Depreciation</u>			
4	Plant Additions	Line 1	\$6,420	
5	Less Capital Repairs Deduction	Line 3	<u>\$0</u>	
6	Plant Additions Net of Capital Repairs Deduction	Line 4 - Line 5	\$6,420	
7	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	<u>100.00%</u>	
8	Plant Eligible for Bonus Depreciation	Line 6 * Line 7	\$6,420	
9	Bonus Depreciation Rate (April 2020 - December 2020)	0%	0.00%	
10	Bonus Depreciation Rate (January 2021 - Mar 2021)	0%	<u>0.00%</u>	
11	Total Bonus Depreciation Rate	Line 9 + Line 10	0.00%	
12	Bonus Depreciation	Line 8 * Line 11	\$0	
	<u>Remaining Tax Depreciation</u>			
13	Plant Additions	Line 1	\$6,420	
14	Less Capital Repairs Deduction	Line 3	\$0	
15	Less Bonus Depreciation	Line 12	<u>\$0</u>	
16	Remaining Plant Additions Subject to 3 YR MACRS Tax Depreciation	Line 13 - Line 14 - Line 15	\$6,420	\$6,420
17	3 YR MACRS Tax Depreciation Rates	Per IRS Publication 946	<u>33.330%</u>	<u>44.450%</u>
18	Remaining Tax Depreciation	Line 16 * Line 17	\$2,140	\$2,854
19	FY21 Loss incurred due to retirements	Per Tax Department	\$0	\$0
20	Cost of Removal	, Line 14	\$0	\$0
21	Total Tax Depreciation and Repairs Deduction	Sum of Lines 3, 12, 18, 19, and 20	<u>\$2,140</u>	<u>\$2,854</u>

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Revenue Requirement on Estimated IS Capital Investment 12 months ending March 31, 2022
RI Only Grid Mod - Cybersecurity GIS - Host and Endpoint Security Services

Line No.		Fiscal Year Ending March 31, 2022 (a)
<u>Estimated Capital Investment</u>		
1	Network Security Services	\$ -
2	Data Security Services	\$ -
3	Identity and Access Management	\$ -
4	Threat and Vulnerability Management	\$ -
5	Security Operations Center Services	\$ -
6	Host & Endpoint Security Services	\$ 4,382
7	Cyrtography Services	\$ -
8	Change and Configuration Management	\$ -
9	Total Estimated Capital Investment	\$ 4,382
	Sum of Lines 1 through 8	
<u>Depreciable Net Capital Included in Rate Base</u>		
10	Total Allowed Capital Included in Rate Base in Current Year	Line 9 \$4,382
11	Retirements	Line 4 * 0% \$0
12	Net Depreciable Capital Included in Rate Base	Column (a) = Line 3 - Line 4 \$4,382
<u>Change in Net Capital Included in Rate Base</u>		
13	Capital Included in Rate Base	Line 9 \$4,382
14	Cost of Removal	\$0
15	Total Net Plant in Service Including Cost of Removal	Line 6 + Line 8 \$4,382
<u>Tax Depreciation</u>		
16	Vintage Year Tax Depreciation:	
17	FY 2022 Spend	, Line 21 \$1,461
18	Cumulative Tax Depreciation	Current Year Line 10 \$1,461
<u>Book Depreciation</u>		
19	Composite Book Depreciation Rate	As approved per R.I.P.U.C. Docket No. 4770 14.29%
20	Book Depreciation	Column (a) = Line 2* Line 12 * 50% \$313
21	Cumulative Book Depreciation	Current Year Line 13 \$313
22	Total Cumulative Book Depreciation	Line 21 \$313
<u>Deferred Tax Calculation:</u>		
23	Cumulative Book / Tax Timer	Line 18 - Line 22 \$1,148
24	Effective Tax Rate	21.00%
25	Deferred Tax Reserve	Line 23 * Line 24 \$241
26	Less: FY 2022 Federal NOL	\$0
27	Less: Proration Adjustment	Col = , Line 40 (\$131)
28	Net Deferred Tax Reserve	Sum of Lines 25 through 27 \$110
<u>Rate Base Calculation:</u>		
29	Cumulative Incremental Capital Included in Rate Base	Line 15 \$4,382
30	Accumulated Depreciation	- Line 22 (\$313)
31	Deferred Tax Reserve	- Line 28 (\$110)
32	Year End Rate Base	Sum of Lines 29 through 31 \$3,959
<u>Revenue Requirement Calculation:</u>		
33	Average Rate Base	Column (a) = Current Year Line 25 ÷ 2 \$1,979.38
	Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, Workpaper	
34	Pre-Tax ROR	MAL-6 8.80%
35	Return and Taxes	Line 33 * Line 34 \$174
36	Book Depreciation	Line 20 \$313
37	Annual Revenue Requirement	Line 35 + Line 36 \$487

1/ Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, Schedule MAL-6

	Ratio	Rate	Rate	Taxes	Return
Long Term Debt	50.00%	3.70%	1.85%		1.85%
Short Term Debt	0.00%	0.00%	0.00%		0.00%
Preferred Stock	0.00%	0.00%	0.00%		0.00%
Common Equity	50.00%	10.10%	5.05%	1.90%	6.95%
	<u>100.00%</u>		<u>6.90%</u>	<u>1.90%</u>	<u>8.80%</u>

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Tax Depreciation and Repairs Deduction on Fiscal Year 2022 IS Capital Investments
RI Only Grid Mod - Cybersecurity GIS - Host and Endpoint Security Services

Line No.			Fiscal Year Ending <u>March 31, 2022</u> (a)
	<u>Capital Repairs Deduction</u>		
1	Plant Additions	, Line 9	\$4,382
2	Capital Repairs Deduction Rate	Per Tax Department	0.00%
3	Capital Repairs Deduction	Line 1 * Line 2	<u>\$0</u>
	<u>Bonus Depreciation</u>		
4	Plant Additions	Line 1	\$4,382
5	Less Capital Repairs Deduction	Line 3	<u>\$0</u>
6	Plant Additions Net of Capital Repairs Deduction	Line 4 - Line 5	\$4,382
7	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	<u>100.00%</u>
8	Plant Eligible for Bonus Depreciation	Line 6 * Line 7	\$4,382
9	Bonus Depreciation Rate (April 2020 - December 2020)	0%	0.00%
10	Bonus Depreciation Rate (January 2021 - Mar 2021)	0%	<u>0.00%</u>
11	Total Bonus Depreciation Rate	Line 9 + Line 10	0.00%
12	Bonus Depreciation	Line 8 * Line 11	\$0
	<u>Remaining Tax Depreciation</u>		
13	Plant Additions	Line 1	\$4,382
14	Less Capital Repairs Deduction	Line 3	\$0
15	Less Bonus Depreciation	Line 12	<u>\$0</u>
16	Remaining Plant Additions Subject to 3 YR MACRS Tax Depreciation	Line 13 - Line 14 - Line 15	\$4,382
17	3 YR MACRS Tax Depreciation Rates	Per IRS Publication 946	<u>33.33%</u>
18	Remaining Tax Depreciation	Line 16 * Line 17	\$1,461
19	FY22 Loss incurred due to retirements	Per Tax Department	\$0
20	Cost of Removal	, Line 14	\$0
21	Total Tax Depreciation and Repairs Deduction	Sum of Lines 3, 12, 18, 19, and 20	<u>\$1,461</u>

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Fiscal Year 2020 Net Deferred Tax Reserve IS Proration
RI Only Grid Mod - Cybersecurity GIS - Host and Endpoint Security Services

Line No.		(a)= Column	(b) Vintage Year
		Total	March 31, 2020
Deferred Tax Subject to Proration			
1	Book Depreciation, Line 20	\$961	\$961
2	Bonus Depreciation, - Line 12	(\$10,091)	(\$10,091)
3	Remaining MACRS Tax Depreciation, - Line 18	(\$1,121)	(\$1,121)
4	FY20 tax (gain)/loss on retirements, - Line 19	\$0	\$0
5	Cumulative Book / Tax Timer, Sum of Lines 1 through 4	(\$10,251)	(\$10,251)
6	Effective Tax Rate, Per Tax Department	21.00%	21.00%
7	Deferred Tax Reserve, Line 5 * Line 6	(\$2,153)	(\$2,153)
Deferred Tax Not Subject to Proration			
8	Capital Repairs Deduction, Line 3	\$0	\$0
9	Cost of Removal, Line 20	\$0	\$0
10	Book/Tax Depreciation Timing Difference at 3/31/2020	\$0	\$0
11	Cumulative Book / Tax Timer, Line 8 + Line 9 + Line 10	\$0	\$0
12	Effective Tax Rate	21.00%	21.00%
13	Deferred Tax Reserve, Line 11 * Line 12	\$0	\$0
14	Total Deferred Tax Reserve, Line 7 + Line 13	(\$2,153)	(\$2,153)
15	Net Operating Loss, Line 26	\$0	\$0
16	Net Deferred Tax Reserve, Line 14 + Line 15	(\$2,153)	(\$2,153)
Allocation of FY 2020 Estimated Federal NOL			
17	Cumulative Book/Tax Timer Subject to Proration, Col (b) = Line 5	(\$10,251)	(\$10,251)
18	Cumulative Book/Tax Timer Not Subject to Proration, Line 11	\$0	\$0
19	Total Cumulative Book/Tax Timer, Line 17 + Line 18	(\$10,251)	(\$10,251)
20	Total FY 2020 Federal NOL, Line 26 / 21%	\$0	\$0
21	Allocated FY 2020 Federal NOL Not Subject to Proration, (Line 18 / Line 19) * Line 20	\$0	\$0
22	Allocated FY 2020 Federal NOL Subject to Proration, (Line 17 / Line 19) * Line 20	\$0	\$0
23	Effective Tax Rate, Per Tax Department	21.00%	21.00%
24	Deferred Tax Benefit subject to proration, Line 22 * Line 23	\$0	\$0
25	Net Deferred Tax Reserve subject to proration, Line 7 + Line 24	(\$2,153)	(\$2,153)

	(i) Number of Days in	(j) Proration Percentage	(k)= Sum of (l)	(l)
	Month			
26	April 2019	30	91.78%	(\$165)
27	May 2019	31	83.29%	(\$149)
28	June 2019	30	75.07%	(\$135)
29	July 2019	31	66.58%	(\$119)
30	August 2019	31	58.08%	(\$104)
31	September 2019	30	49.86%	(\$89)
32	October 2019	31	41.37%	(\$74)
33	November 2019	30	33.15%	(\$59)
34	December 2019	31	24.66%	(\$44)
35	January 2020	31	16.16%	(\$29)
36	February 2020	28	8.49%	(\$15)
37	March 2020	31	0.00%	\$0
38	Total	365		(\$984)
39	Deferred Tax Without Proration, Line 25			(\$2,153)
40	Proration Adjustment, Line 38 - Line 39			\$1,169

Column Notes:

- (j) Sum of remaining days in the year (Col (i)) ÷ 365
- (l) through (r) = Current Year Line 25 ÷ 12 * Current Month Col (j)

**The Narragansett Electric Company
d/b/a National Grid
Power Sector Transformation (PST)
Calculation of Fiscal Year 2021 Net Deferred Tax Reserve IS Proration
RI Only Grid Mod - Cybersecurity GIS - Host and Endpoint Security Services**

Line No.		(a)=Sum of (b) through (c)	(b) Vintage Year March 31, 2021	(c) Vintage Year March 31, 2020	
Line No.	Total	Total	Vintage Year March 31, 2021	Vintage Year March 31, 2020	
Deferred Tax Subject to Proration					
1	Book Depreciation	Col (b) = , Line 20; Col (c) = , Line 20	\$459	\$459	
2	Bonus Depreciation	, Line 12	\$0	\$0	
3	Remaining MACRS Tax Depreciation	Col (b) = , Line 18; Col (c) = , Line 18	(\$3,635)	(\$2,140)	
4	FY21 tax (gain)/loss on retirements	Col (b) = , Line 19; Col (c) = , Line 19	\$0	\$0	
5	Cumulative Book / Tax Timer	Sum of Lines 1 through 4	(\$3,176)	(\$1,681)	
6	Effective Tax Rate	Per Tax Department	21.00%	21.00%	
7	Deferred Tax Reserve	Line 5 * Line 6	(\$667)	(\$353)	
Deferred Tax Not Subject to Proration					
8	Capital Repairs Deduction	, Line 3	\$0	\$0	
9	Cost of Removal	, Line 20	\$0	\$0	
10	Book/Tax Depreciation Timing Difference at 3/31/2021		\$0	\$0	
11	Cumulative Book / Tax Timer	Line 8 + Line 9 + Line 10	\$0	\$0	
12	Effective Tax Rate		21.00%	21.00%	
13	Deferred Tax Reserve	Line 11 * Line 12	\$0	\$0	
14	Total Deferred Tax Reserve	Line 7 + Line 13	(\$667)	(\$353)	
15	Net Operating Loss	Col (b) = , Line 26; Col (c) = , Line 26	\$0	\$0	
16	Net Deferred Tax Reserve	Line 14 + Line 15	(\$667)	(\$353)	
Allocation of FY 2021 Estimated Federal NOL					
17	Cumulative Book/Tax Timer Subject to Proration	Col (b) = Line 5	(\$3,176)	(\$1,681)	
18	Cumulative Book/Tax Timer Not Subject to Proration	Line 11	\$0	\$0	
19	Total Cumulative Book/Tax Timer	Line 17 + Line 18	(\$3,176)	(\$1,681)	
20	Total FY 2021 Federal NOL	Col (b) = , Line 26; Col (c) = , Line 26 / 21%	\$0	\$0	
21	Allocated FY 2021 Federal NOL Not Subject to Proration	(Line 18 / Line 19) * Line 20	\$0	\$0	
22	Allocated FY 2021 Federal NOL Subject to Proration	(Line 17 / Line 19) * Line 20	\$0	\$0	
23	Effective Tax Rate		21.00%	21.00%	
24	Deferred Tax Benefit subject to proration	Line 22 * Line 23	\$0	\$0	
25	Net Deferred Tax Reserve subject to proration	Line 7 + Line 24	(\$667)	(\$353)	
(i) (j)					
Proration Calculation					
	<u>Number of Days in</u>	<u>Proration Percentage</u>	(k)= Sum of (l) through (m)	(l)	(m)
26	April 2020	30 91.78%	(\$51)	(\$27)	(\$24)
27	May 2020	31 83.29%	(\$46)	(\$25)	(\$22)
28	June 2020	30 75.07%	(\$42)	(\$22)	(\$20)
29	July 2020	31 66.58%	(\$37)	(\$20)	(\$17)
30	August 2020	31 58.08%	(\$32)	(\$17)	(\$15)
31	September 2020	30 49.86%	(\$28)	(\$15)	(\$13)
32	October 2020	31 41.37%	(\$23)	(\$12)	(\$11)
33	November 2020	30 33.15%	(\$18)	(\$10)	(\$9)
34	December 2020	31 24.66%	(\$14)	(\$7)	(\$6)
35	January 2021	31 16.16%	(\$9)	(\$5)	(\$4)
36	February 2021	28 8.49%	(\$5)	(\$2)	(\$2)
37	March 2021	31 0.00%	\$0	\$0	\$0
38	Total	365	(\$305)	(\$161)	(\$143)
39	Deferred Tax Without Proration	Line 25	(\$667)	(\$353)	(\$314)
40	Proration Adjustment	Line 38 - Line 39	\$362	\$192	\$170

Column Notes:

- (j) Sum of remaining days in the year (Col (i)) ÷ 365
- (l) through (r) = Current Year Line 25 ÷ 12 * Current Month Col (j)

The Narragansett Electric Company
d/b/a National Grid
Power Sector Transformation (PST)
Calculation of Fiscal Year 2022 Net Deferred Tax Reserve IS Proration
RI Only Grid Mod - Cybersecurity GIS - Host and Endpoint Security Services

Line No.			(a)=Sum of (b)	(b)	(c)	(d)	
			through (d)	Vintage Year	Vintage Year	Vintage Year	
			Total	March 31, 2022	March 31, 2021	March 31, 2020	
Deferred Tax Subject to Proration							
1	Book Depreciation	Col (b) = , Line 20; Col (c) = , Line 20; Col (d) = , Line 20	\$313	\$313	\$0	\$0	
2	Bonus Depreciation	, Line 12	\$0	\$0			
3	Remaining MACRS Tax Depreciation	Col (b) = , Line 18; Col (c) = , Line 18; Col (d) = , Line 18	(\$4,813)	(\$1,461)	(\$2,854)	(\$498)	
4	FY22 tax (gain)/loss on retirements	Col (b) = , Line 19; Col (c) = , Line 19; Col (d) = , Line 19	\$0	\$0			
5	Cumulative Book / Tax Timer	Sum of Lines 1 through 4	(\$4,500)	(\$1,148)	(\$2,854)	(\$498)	
6	Effective Tax Rate	Per Tax Department	21.00%	21.00%	21.00%	21.00%	
7	Deferred Tax Reserve	Line 5 * Line 6	(\$945)	(\$241)	(\$599)	(\$105)	
Deferred Tax Not Subject to Proration							
8	Capital Repairs Deduction	, Line 3	\$0	\$0			
9	Cost of Removal	, Line 20	\$0	\$0			
10	Book/Tax Depreciation Timing Difference at 3/31/2022		\$0	\$0			
11	Cumulative Book / Tax Timer	Line 8 + Line 9 + Line 10	\$0	\$0			
12	Effective Tax Rate		21.00%	21.00%			
13	Deferred Tax Reserve	Line 11 * Line 12	\$0	\$0			
14	Total Deferred Tax Reserve	Line 7 + Line 13	(\$945)	(\$241)	(\$599)	(\$105)	
15	Net Operating Loss	Col (b) = , Line 26; Col (c) = , Line 26; Col (d) = , Line 26	\$0	\$0	\$0	\$0	
16	Net Deferred Tax Reserve	Line 14 + Line 15	(\$945)	(\$241)	(\$599)	(\$105)	
Allocation of FY 2022 Estimated Federal NOL							
17	Cumulative Book/Tax Timer Subject to Proration	Col (b) = Line 5	(\$4,500)	(\$1,148)	(\$2,854)	(\$498)	
18	Cumulative Book/Tax Timer Not Subject to Proration	Line 11	\$0	\$0	\$0	\$0	
19	Total Cumulative Book/Tax Timer	Line 17 + Line 18	(\$4,500)	(\$1,148)	(\$2,854)	(\$498)	
20	Total FY 2022 Federal NOL	Col (b) = , Line 26; Col (c) = , Line 26; Col (d) = , Line 26 / 21%	\$0	\$0	\$0	\$0	
21	Allocated FY 2022 Federal NOL Not Subject to Proration	(Line 18 / Line 19) * Line 20	\$0	\$0	\$0	\$0	
22	Allocated FY 2022 Federal NOL Subject to Proration	(Line 17 / Line 19) * Line 20	\$0	\$0	\$0	\$0	
23	Effective Tax Rate	Per Tax Department	21.00%	21.00%	21.00%	21.00%	
24	Deferred Tax Benefit subject to proration	Line 22 * Line 23	\$0	\$0	\$0	\$0	
25	Net Deferred Tax Reserve subject to proration	Line 7 + Line 24	(\$945)	(\$241)	(\$599)	(\$105)	
Proration Calculation							
		(i)	(j)	(k)= Sum of (l)	(l)	(m)	(n)
		<u>Number of Days in</u>	<u>Proration Percentage</u>	<u>through (n)</u>			
		<u>Month</u>					
26	April 2021	30	91.78%	(\$72)	(\$18)	(\$46)	(\$8)
27	May 2021	31	83.29%	(\$66)	(\$17)	(\$42)	(\$7)
28	June 2021	30	75.07%	(\$59)	(\$15)	(\$37)	(\$7)
29	July 2021	31	66.58%	(\$52)	(\$13)	(\$33)	(\$6)
30	August 2021	31	58.08%	(\$46)	(\$12)	(\$29)	(\$5)
31	September 2021	30	49.86%	(\$39)	(\$10)	(\$25)	(\$4)
32	October 2021	31	41.37%	(\$33)	(\$8)	(\$21)	(\$4)
33	November 2021	30	33.15%	(\$26)	(\$7)	(\$17)	(\$3)
34	December 2021	31	24.66%	(\$19)	(\$5)	(\$12)	(\$2)
35	January 2022	31	16.16%	(\$13)	(\$3)	(\$8)	(\$1)
36	February 2022	28	8.49%	(\$7)	(\$2)	(\$4)	(\$1)
37	March 2022	31	0.00%	\$0	\$0	\$0	\$0
38	Total	365		(\$432)	(\$110)	(\$274)	(\$48)
39	Deferred Tax Without Proration	Line 25		(\$945)	(\$241)	(\$599)	(\$105)
40	Proration Adjustment	Line 38 - Line 39		\$513	\$131	\$325	\$57

Column Notes:

- (j) Sum of remaining days in the year (Col (i)) ÷ 365
- (l) through (r) = Current Year Line 25 ÷ 12 * Current Month Col (j)

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Grid Mod RI Only - Cybersecurity GIS - Cryptography Services
Annual Revenue Requirement Summary

Line No.		Fiscal Year Ending March 31, 2019 (a)	Fiscal Year Ending March 31, 2020 (b)	Fiscal Year Ending March 31, 2021 (c)	Fiscal Year Ending March 31, 2022 (d)
Electric Operation and Maintenance (O&M) Expenses:					
1	Network Security Services	\$ -	\$ -	\$ -	\$ -
2	Data Security Services	\$ -	\$ -	\$ -	\$ -
3	Identity and Access Management	\$ -	\$ -	\$ -	\$ -
4	Threat and Vulnerability Management	\$ -	\$ -	\$ -	\$ -
5	Security Operations Center Services	\$ -	\$ -	\$ -	\$ -
6	Host & Endpoint Security Services	\$ -	\$ -	\$ -	\$ -
7	Cryptography Services	\$ -	\$ 9,812	\$ 5,263	\$ 3,985
8	Change and Configuration Management	\$ -	\$ -	\$ -	\$ -
9	Total Electric O&M costs		\$ 9,812	\$ 5,263	\$ 3,985
Gas Operation and Maintenance (O&M) Expenses:					
10	Network Security Services	\$ -	\$ -	\$ -	\$ -
11	Data Security Services	\$ -	\$ -	\$ -	\$ -
12	Identity and Access Management	\$ -	\$ -	\$ -	\$ -
13	Threat and Vulnerability Management	\$ -	\$ -	\$ -	\$ -
14	Security Operations Center Services	\$ -	\$ -	\$ -	\$ -
15	Host & Endpoint Security Services	\$ -	\$ -	\$ -	\$ -
16	Cryptography Services	\$ -	\$ 5,332	\$ 2,860	\$ 2,166
17	Change and Configuration Management	\$ -	\$ -	\$ -	\$ -
18	Total Gas O&M costs		\$ 5,332	\$ 2,860	\$ 2,166
19	Total O&M Expenses	Line 9 + Line 18	\$ 15,144	\$ 8,123	\$ 6,151
Electric Capital Investment:					
21	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2020 Capital Investment		\$928	\$604	\$561
22	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2021 Capital Investment			\$435	\$299
23	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2022 Capital Investment				\$288
24	Total Electric Capital Investment Component of Revenue Requirement	Sum of Lines 21 through 23	\$928	\$1,039	\$1,148
Gas Capital Investment:					
26	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2020 Capital Investment		\$504	\$328	\$305
27	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2021 Capital Investment			\$237	\$162
28	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2022 Capital Investment				\$156
29	Total Gas Capital Investment Component of Revenue Requirement	Sum of Lines 26 through 28	\$504	\$565	\$624
30	Total Electric Revenue Requirement	Line 9 + Line 24	\$10,739	\$6,302	\$5,133
31	Total Gas Revenue Requirement	Line 18 + Line 29	\$5,836	\$3,425	\$2,789
32	Total Electric & Gas Revenue Requirement	Line 30 + Line 31	\$ 16,576	\$ 9,727	\$ 7,922

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Revenue Requirement on Estimated IS Capital Investment 12 months ending March 31, 2020
RI Only Grid Mod - Cybersecurity GIS - Cryptography Services

Line No.			Fiscal Year Ending March 31, 2020 (a)	Fiscal Year Ending March 31, 2021 (b)	Fiscal Year Ending March 31, 2022 (c)
Estimated Capital Investment					
1	Network Security Services		\$ -		
2	Data Security Services		\$ -		
3	Identity and Access Management		\$ -		
4	Threat and Vulnerability Management		\$ -		
5	Security Operations Center Services		\$ -		
6	Host & Endpoint Security Services		\$ -		
7	Cryptography Services		\$ 13,131		
8	Change and Configuration Management		\$ -		
9	Total Estimated Capital Investment	Sum of Lines 1 through 8	\$ 13,131	\$ -	\$ -
Depreciable Net Capital Included in Rate Base					
10	Total Allowed Capital Included in Rate Base in Current Year	Line 9	\$ 13,131	\$ 0	\$ 0
11	Retirements	Line 4 * 0%	\$ 0	\$ 0	\$ 0
12	Net Depreciable Capital Included in Rate Base	Column (a) = Line 3 - Line 4; Column (b and c) = Prior Year Line 5	\$ 13,131	\$ 13,131	\$ 13,131
Change in Net Capital Included in Rate Base					
13	Capital Included in Rate Base	Line 9	\$ 13,131	\$ 0	\$ 0
14	Cost of Removal		\$ 0	\$ 0	\$ 0
15	Total Net Plant in Service Including Cost of Removal	Line 13 + Line 14	\$ 13,131	\$ 13,131	\$ 13,131
Tax Depreciation					
16	Vintage Year Tax Depreciation:				
17	FY 2020 Spend	, Line 21	\$ 10,942	\$ 1,459	\$ 486
18	Cumulative Tax Depreciation	Prior Year Line 11 + Current Year Line 10	\$ 10,942	\$ 12,401	\$ 12,887
Book Depreciation					
19	Composite Book Depreciation Rate		14.29%	14.29%	14.29%
20	Book Depreciation	Column (a) = Line 1 * Line 12 * 50% ; Column (b and c) = Line 1 * Line 12	\$ 938	\$ 0	\$ 0
21	Cumulative Book Depreciation	Prior Year Line 14 + Current Year Line 13	\$ 938	\$ 938	\$ 938
22	Total Cumulative Book Depreciation	Line 21	\$ 938	\$ 938	\$ 938
Deferred Tax Calculation:					
23	Cumulative Book / Tax Timer	Line 18 - Line 22	\$ 10,004	\$ 11,463	\$ 11,949
24	Effective Tax Rate		21.00%	21.00%	21.00%
25	Deferred Tax Reserve	Line 23 * Line 24	\$ 2,101	\$ 2,407	\$ 2,509
26	Less: FY 2020 Federal NOL		\$ 0	\$ 0	\$ 0
27	Less: Proration Adjustment	Col (a) = , Line 40; Col (b) = , Line 40; Col (c) = , Line 40	\$ (1,141)	\$ (166)	\$ (555)
28	Net Deferred Tax Reserve	Sum of Lines 25 through 27	\$ 960	\$ 2,241	\$ 2,454
Rate Base Calculation:					
29	Cumulative Incremental Capital Included in Rate Base	Line 15	\$ 13,131	\$ 13,131	\$ 13,131
30	Accumulated Depreciation	- Line 22	\$ (938)	\$ (938)	\$ (938)
31	Deferred Tax Reserve	- Line 28	\$ (960)	\$ (2,241)	\$ (2,454)
32	Year End Rate Base	Sum of Lines 29 through 31	\$ 11,233	\$ 9,952	\$ 9,739
Revenue Requirement Calculation:					
33	Average Rate Base	Column (a) = Current Year Line 25 ÷ 2; Column (b and c) = (Prior Year Line 25 + Current Year Line 25) ÷ 2	\$ 5,616.50	\$ 10,593	\$ 9,846
34	Pre-Tax ROR		8.80%	8.80%	8.80%
35	Return and Taxes	Line 33 * Line 34	\$ 494	\$ 932	\$ 866
36	Book Depreciation	Line 20	\$ 938	\$ 0	\$ 0
37	Annual Revenue Requirement	Line 35 + Line 36	\$ 1,432	\$ 932	\$ 866

1/ Weighted Average Cost of Capital as file in R.L.P.U.C. Docket No. 4770, Schedule MAL-6

	Ratio	Rate	Rate	Taxes	Return
Long Term Debt	50.00%	3.70%	1.85%		1.85%
Short Term Debt	0.00%	0.00%	0.00%		0.00%
Preferred Stock	0.00%	0.00%	0.00%		0.00%
Common Equity	50.00%	10.10%	5.05%	1.90%	6.95%
	<u>100.00%</u>		<u>6.90%</u>	<u>1.90%</u>	<u>8.80%</u>

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Tax Depreciation and Repairs Deduction on Fiscal Year 2020 IS Capital Investments
RI Only Grid Mod - Cybersecurity GIS - Cryptography Services

Line No.		Fiscal Year Ending March 31, 2020 (a)	Fiscal Year Ending March 31, 2021 (b)	Fiscal Year Ending March 31, 2022 (c)
	<u>Capital Repairs Deduction</u>			
1	Plant Additions	, Line 9 \$13,131		
2	Capital Repairs Deduction Rate	Per Tax Department 0.00%		
3	Capital Repairs Deduction	Line 1 * Line 2 \$0		
	<u>Bonus Depreciation</u>			
4	Plant Additions	Line 1 \$13,131		
5	Less Capital Repairs Deduction	Line 3 \$0		
6	Plant Additions Net of Capital Repairs Deduction	Line 4 - Line 5 \$13,131		
7	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department 100.00%		
8	Plant Eligible for Bonus Depreciation	Line 6 * Line 7 \$13,131		
9	Bonus Depreciation Rate (April 2019 - December 2019)	1 * 75% * 100% 75.00%		
10	Bonus Depreciation Rate (January 2020 - Mar 2020)	1 * 25% * 0% 0.00%		
11	Total Bonus Depreciation Rate	Line 9 + Line 10 75.00%		
12	Bonus Depreciation	Line 8 * Line 11 \$9,848		
	<u>Remaining Tax Depreciation</u>			
13	Plant Additions	Line 1 \$13,131		
14	Less Capital Repairs Deduction	Line 3 \$0		
15	Less Bonus Depreciation	Line 12 \$9,848		
16	Remaining Plant Additions Subject to 3 YR MACRS Tax Depreciation	Line 13 - Line 14 - Line 15 \$3,283	\$3,283	\$3,283
17	3 YR MACRS Tax Depreciation Rates	Per IRS Publication 946 33.330%	44.450%	14.810%
18	Remaining Tax Depreciation	Line 16 * Line 17 \$1,094	\$1,459	\$486
19	FY20 Loss incurred due to retirements	\$0	\$0	\$0
20	Cost of Removal	, Line 14 \$0	\$0	\$0
21	Total Tax Depreciation and Repairs Deduction	Sum of Lines 3, 12, 18, and 20 \$10,942	\$1,459	\$486

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Revenue Requirement on Estimated IS Capital Investment 12 months ending March 31, 2021
RI Only Grid Mod - Cybersecurity GIS - Cryptography Services

Line No.		Fiscal Year Ending March 31, 2021 (a)	Fiscal Year Ending March 31, 2022 (b)
<u>Estimated Capital Investment</u>			
1	Network Security Services	\$ -	\$ -
2	Data Security Services	\$ -	\$ -
3	Identity and Access Management	\$ -	\$ -
4	Threat and Vulnerability Management	\$ -	\$ -
5	Security Operations Center Services	\$ -	\$ -
6	Host & Endpoint Security Services	\$ -	\$ -
7	Cryptography Services	\$ 6,045	\$ -
8	Change and Configuration Management	\$ -	\$ -
9	Total Estimated Capital Investment	\$ 6,045	\$ 0
<u>Depreciable Net Capital Included in Rate Base</u>			
10	Total Allowed Capital Included in Rate Base in Current Year	Line 9	\$ 6,045
11	Retirements	Line 4 * 0%	\$ 0
12	Net Depreciable Capital Included in Rate Base	Column (a) = Line 3 - Line 4; Column (b) and c) = Prior Year Line 5	\$ 6,045
<u>Change in Net Capital Included in Rate Base</u>			
13	Capital Included in Rate Base	Line 9	\$ 6,045
14	Cost of Removal	\$ 0	\$ 0
15	Total Net Plant in Service Including Cost of Removal	Line 12 + Line 14	\$ 6,045
<u>Tax Depreciation</u>			
16	Vintage Year Tax Depreciation:		
17	FY 2021 Spend	Page 16 of 21, Line 21	\$ 2,015
18	Cumulative Tax Depreciation	Prior Year Line 11 + Current Year Line 10	\$ 2,015
<u>Book Depreciation</u>			
19	Composite Book Depreciation Rate	As filed per R.I.P.U.C. Docket No. 4770	14.29%
20	Book Depreciation	Column (a) = Line 1 * Line 12 * 50% ; Column (b) = Line 1 * Line 12	\$ 432
21	Cumulative Book Depreciation	Prior Year Line 14 + Current Year Line 13	\$ 432
22	Total Cumulative Book Depreciation	Line 21	\$ 432
<u>Deferred Tax Calculation:</u>			
23	Cumulative Book / Tax Timer	Line 18 - Line 21	\$ 1,583
24	Effective Tax Rate		21.00%
25	Deferred Tax Reserve	Line 23 * Line 24	\$ 332
26	Less: FY 2021 Federal NOL		\$ 0
27	Less: Proration Adjustment	Col (a) = , Line 40; Col (b) = , Line 40	(\$ 181)
28	Net Deferred Tax Reserve	Sum of Lines 25 through 27	\$ 152
<u>Rate Base Calculation:</u>			
29	Cumulative Incremental Capital Included in Rate Base	Line 15	\$ 6,045
30	Accumulated Depreciation	- Line 22	(\$ 432)
31	Deferred Tax Reserve	- Line 28	(\$ 152)
32	Year End Rate Base	Sum of Lines 29 through 31	\$ 5,461
<u>Revenue Requirement Calculation:</u>			
33	Average Rate Base	Column (a) = Current Year Line 25 ÷ 2; Column (b) = (Prior Year Line 25 + Current Year Line 25) ÷ 2	\$ 2,730.52
34	Pre-Tax ROR	Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, Workpaper MAL-6	8.80%
35	Return and Taxes	Line 33 * Line 34	\$ 240
36	Book Depreciation	Line 20	\$ 0
37	Annual Revenue Requirement	Line 35 + Line 36	\$ 672

1/ Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, Schedule MAL-6

	Ratio	Rate	Rate	Taxes	Return
Long Term Debt	50.00%	3.70%	1.85%		1.85%
Short Term Debt	0.00%	0.00%	0.00%		0.00%
Preferred Stock	0.00%	0.00%	0.00%		0.00%
Common Equity	50.00%	10.10%	5.05%	1.90%	6.95%
	100.00%		6.90%	1.90%	8.80%

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Tax Depreciation and Repairs Deduction on Fiscal Year 2021 IS Capital Investments
RI Only Grid Mod - Cybersecurity GIS - Cryptography Services

Line No.			Fiscal Year Ending <u>March 31, 2021</u> (a)	Fiscal Year Ending <u>March 31, 2022</u> (b)
	<u>Capital Repairs Deduction</u>			
1	Plant Additions	, Line 9	\$6,045	
2	Capital Repairs Deduction Rate	Per Tax Department	0.00%	
3	Capital Repairs Deduction	Line 1 * Line 2	<u>\$0</u>	
	<u>Bonus Depreciation</u>			
4	Plant Additions	Line 1	\$6,045	
5	Less Capital Repairs Deduction	Line 3	<u>\$0</u>	
6	Plant Additions Net of Capital Repairs Deduction	Line 4 - Line 5	\$6,045	
7	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	<u>100.00%</u>	
8	Plant Eligible for Bonus Depreciation	Line 6 * Line 7	\$6,045	
9	Bonus Depreciation Rate (April 2020 - December 2020)	0%	0.00%	
10	Bonus Depreciation Rate (January 2021 - Mar 2021)	0%	<u>0.00%</u>	
11	Total Bonus Depreciation Rate	Line 9 + Line 10	0.00%	
12	Bonus Depreciation	Line 8 * Line 11	\$0	
	<u>Remaining Tax Depreciation</u>			
13	Plant Additions	Line 1	\$6,045	
14	Less Capital Repairs Deduction	Line 3	\$0	
15	Less Bonus Depreciation	Line 12	<u>\$0</u>	
16	Remaining Plant Additions Subject to 3 YR MACRS Tax Depreciation	Line 13 - Line 14 - Line 15	\$6,045	\$6,045
17	3 YR MACRS Tax Depreciation Rates	Per IRS Publication 946	<u>33.330%</u>	<u>44.450%</u>
18	Remaining Tax Depreciation	Line 16 * Line 17	\$2,015	\$2,687
19	FY21 Loss incurred due to retirements	Per Tax Department	\$0	\$0
20	Cost of Removal	, Line 14	\$0	\$0
21	Total Tax Depreciation and Repairs Deduction	Sum of Lines 3, 12, 18, 19, and 20	<u>\$2,015</u>	<u>\$2,687</u>

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Revenue Requirement on Estimated IS Capital Investment 12 months ending March 31, 2022
RI Only Grid Mod - Cybersecurity GIS - Cryptography Services

Line No.		Fiscal Year Ending March 31, 2022 (a)
<u>Estimated Capital Investment</u>		
1	Network Security Services	\$ -
2	Data Security Services	\$ -
3	Identity and Access Management	\$ -
4	Threat and Vulnerability Management	\$ -
5	Security Operations Center Services	\$ -
6	Host & Endpoint Security Services	\$ -
7	Cyrtography Services	\$ 3,992
8	Change and Configuration Management	\$ -
9	Total Estimated Capital Investment	\$ 3,992
	Sum of Lines 1 through 8	
<u>Depreciable Net Capital Included in Rate Base</u>		
10	Total Allowed Capital Included in Rate Base in Current Year	Line 9 \$3,992
11	Retirements	Line 4 * 0% \$0
12	Net Depreciable Capital Included in Rate Base	Column (a) = Line 3 - Line 4 \$3,992
<u>Change in Net Capital Included in Rate Base</u>		
13	Capital Included in Rate Base	Line 9 \$3,992
14	Cost of Removal	\$0
15	Total Net Plant in Service Including Cost of Removal	Line 6 + Line 8 \$3,992
<u>Tax Depreciation</u>		
16	Vintage Year Tax Depreciation:	
17	FY 2022 Spend	, Line 21 \$1,331
18	Cumulative Tax Depreciation	Current Year Line 10 \$1,331
<u>Book Depreciation</u>		
19	Composite Book Depreciation Rate	As approved per R.I.P.U.C. Docket No. 4770 14.29%
20	Book Depreciation	Column (a) = Line 2* Line 12 * 50% \$285
21	Cumulative Book Depreciation	Current Year Line 13 \$285
22	Total Cumulative Book Depreciation	Line 21 \$285
<u>Deferred Tax Calculation:</u>		
23	Cumulative Book / Tax Timer	Line 18 - Line 22 \$1,046
24	Effective Tax Rate	21.00%
25	Deferred Tax Reserve	Line 23 * Line 24 \$220
26	Less: FY 2022 Federal NOL	\$0
27	Less: Proration Adjustment	Col = , Line 40 (\$119)
28	Net Deferred Tax Reserve	Sum of Lines 25 through 27 \$100
<u>Rate Base Calculation:</u>		
29	Cumulative Incremental Capital Included in Rate Base	Line 15 \$3,992
30	Accumulated Depreciation	- Line 22 (\$285)
31	Deferred Tax Reserve	- Line 28 (\$100)
32	Year End Rate Base	Sum of Lines 29 through 31 \$3,607
<u>Revenue Requirement Calculation:</u>		
33	Average Rate Base	Column (a) = Current Year Line 25 ÷ 2 \$1,803.32
	Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, Workpaper	
34	Pre-Tax ROR	MAL-6 8.80%
35	Return and Taxes	Line 33 * Line 34 \$159
36	Book Depreciation	Line 20 \$285
37	Annual Revenue Requirement	Line 35 + Line 36 \$444

1/ Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, Schedule MAL-6

	Ratio	Rate	Rate	Taxes	Return
Long Term Debt	50.00%	3.70%	1.85%		1.85%
Short Term Debt	0.00%	0.00%	0.00%		0.00%
Preferred Stock	0.00%	0.00%	0.00%		0.00%
Common Equity	50.00%	10.10%	5.05%	1.90%	6.95%
	<u>100.00%</u>		<u>6.90%</u>	<u>1.90%</u>	<u>8.80%</u>

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Tax Depreciation and Repairs Deduction on Fiscal Year 2022 IS Capital Investments
RI Only Grid Mod - Cybersecurity GIS - Cryptography Services

Line No.			Fiscal Year Ending <u>March 31, 2022</u> (a)
	<u>Capital Repairs Deduction</u>		
1	Plant Additions	, Line 9	\$3,992
2	Capital Repairs Deduction Rate	Per Tax Department	0.00%
3	Capital Repairs Deduction	Line 1 * Line 2	<u>\$0</u>
	<u>Bonus Depreciation</u>		
4	Plant Additions	Line 1	\$3,992
5	Less Capital Repairs Deduction	Line 3	<u>\$0</u>
6	Plant Additions Net of Capital Repairs Deduction	Line 4 - Line 5	\$3,992
7	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	<u>100.00%</u>
8	Plant Eligible for Bonus Depreciation	Line 6 * Line 7	\$3,992
9	Bonus Depreciation Rate (April 2020 - December 2020)	0%	0.00%
10	Bonus Depreciation Rate (January 2021 - Mar 2021)	0%	<u>0.00%</u>
11	Total Bonus Depreciation Rate	Line 9 + Line 10	0.00%
12	Bonus Depreciation	Line 8 * Line 11	\$0
	<u>Remaining Tax Depreciation</u>		
13	Plant Additions	Line 1	\$3,992
14	Less Capital Repairs Deduction	Line 3	\$0
15	Less Bonus Depreciation	Line 12	<u>\$0</u>
16	Remaining Plant Additions Subject to 3 YR MACRS Tax Depreciation	Line 13 - Line 14 - Line 15	\$3,992
17	3 YR MACRS Tax Depreciation Rates	Per IRS Publication 946	<u>33.33%</u>
18	Remaining Tax Depreciation	Line 16 * Line 17	\$1,331
19	FY22 Loss incurred due to retirements	Per Tax Department	\$0
20	Cost of Removal	, Line 14	<u>\$0</u>
21	Total Tax Depreciation and Repairs Deduction	Sum of Lines 3, 12, 18, 19, and 20	<u>\$1,331</u>

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Fiscal Year 2020 Net Deferred Tax Reserve IS Proration
RI Only Grid Mod - Cybersecurity GIS - Cryptography Services

Line No.		(a)= Column (b)	(b) Vintage Year March 31, 2020
Deferred Tax Subject to Proration			
1	Book Depreciation , Line 20	\$938	\$938
2	Bonus Depreciation , - Line 12	(\$9,848)	(\$9,848)
3	Remaining MACRS Tax Depreciation , - Line 18	(\$1,094)	(\$1,094)
4	FY20 tax (gain)/loss on retirements , - Line 19	\$0	\$0
5	Cumulative Book / Tax Timer Sum of Lines 1 through 4	(\$10,004)	(\$10,004)
6	Effective Tax Rate Per Tax Department	21.00%	21.00%
7	Deferred Tax Reserve Line 5 * Line 6	(\$2,101)	(\$2,101)
Deferred Tax Not Subject to Proration			
8	Capital Repairs Deduction , Line 3	\$0	\$0
9	Cost of Removal , Line 20	\$0	\$0
10	Book/Tax Depreciation Timing Difference at 3/31/2020	\$0	\$0
11	Cumulative Book / Tax Timer Line 8 + Line 9 + Line 10	\$0	\$0
12	Effective Tax Rate	21.00%	21.00%
13	Deferred Tax Reserve Line 11 * Line 12	\$0	\$0
14	Total Deferred Tax Reserve Line 7 + Line 13	(\$2,101)	(\$2,101)
15	Net Operating Loss , Line 26	\$0	\$0
16	Net Deferred Tax Reserve Line 14 + Line 15	(\$2,101)	(\$2,101)
Allocation of FY 2020 Estimated Federal NOL			
17	Cumulative Book/Tax Timer Subject to Proration Col (b) = Line 5	(\$10,004)	(\$10,004)
18	Cumulative Book/Tax Timer Not Subject to Proration Line 11	\$0	\$0
19	Total Cumulative Book/Tax Timer Line 17 + Line 18	(\$10,004)	(\$10,004)
20	Total FY 2020 Federal NOL , Line 26 / 21%	\$0	\$0
21	Allocated FY 2020 Federal NOL Not Subject to Proration (Line 18 / Line 19) * Line 20	\$0	\$0
22	Allocated FY 2020 Federal NOL Subject to Proration (Line 17 / Line 19) * Line 20	\$0	\$0
23	Effective Tax Rate Per Tax Department	21.00%	21.00%
24	Deferred Tax Benefit subject to proration Line 22 * Line 23	\$0	\$0
25	Net Deferred Tax Reserve subject to proration Line 7 + Line 24	(\$2,101)	(\$2,101)
Proration Calculation			
		(i)	(j)
		Number of Days in	
		Month	Proration Percentage
26	April 2019	30	91.78%
27	May 2019	31	83.29%
28	June 2019	30	75.07%
29	July 2019	31	66.58%
30	August 2019	31	58.08%
31	September 2019	30	49.86%
32	October 2019	31	41.37%
33	November 2019	30	33.15%
34	December 2019	31	24.66%
35	January 2020	31	16.16%
36	February 2020	28	8.49%
37	March 2020	31	0.00%
38	Total	365	
			(k)= Sum of (l)
			(l)
			(\$161)
			(\$146)
			(\$131)
			(\$117)
			(\$102)
			(\$87)
			(\$72)
			(\$58)
			(\$43)
			(\$28)
			(\$15)
			\$0
			(\$960)
39	Deferred Tax Without Proration Line 25	(\$2,101)	(\$2,101)
40	Proration Adjustment Line 38 - Line 39	\$1,141	\$1,141

Column Notes:

- (j) Sum of remaining days in the year (Col (i)) ÷ 365
- (l) through (r) = Current Year Line 25 ÷ 12 * Current Month Col (j)

The Narragansett Electric Company
d/b/a National Grid
Power Sector Transformation (PST)
Calculation of Fiscal Year 2021 Net Deferred Tax Reserve IS Proration
RI Only Grid Mod - Cybersecurity GIS - Cryptography Services

Line No.			(a)=Sum of (b) through (c)	(b)	(c)	
			Total	Vintage Year March 31, 2021	Vintage Year March 31, 2020	
Deferred Tax Subject to Proration						
1	Book Depreciation	Col (b) = , Line 20; Col (c) = , Line 20	\$432	\$432	\$0	
2	Bonus Depreciation	, Line 12	\$0	\$0		
3	Remaining MACRS Tax Depreciation	Col (b) = , Line 18; Col (c) = , Line 18	(\$3,474)	(\$2,015)	(\$1,459)	
4	FY21 tax (gain)/loss on retirements	Col (b) = , Line 19; Col (c) = , Line 19	\$0	\$0		
5	Cumulative Book / Tax Timer	Sum of Lines 1 through 4	(\$3,042)	(\$1,583)	(\$1,459)	
6	Effective Tax Rate	Per Tax Department	21.00%	21.00%	21.00%	
7	Deferred Tax Reserve	Line 5 * Line 6	(\$639)	(\$332)	(\$306)	
Deferred Tax Not Subject to Proration						
8	Capital Repairs Deduction	, Line 3	\$0	\$0		
9	Cost of Removal	, Line 20	\$0	\$0		
10	Book/Tax Depreciation Timing Difference at 3/31/2021		\$0	\$0		
11	Cumulative Book / Tax Timer	Line 8 + Line 9 + Line 10	\$0	\$0		
12	Effective Tax Rate		21.00%	21.00%		
13	Deferred Tax Reserve	Line 11 * Line 12	\$0	\$0		
14	Total Deferred Tax Reserve	Line 7 + Line 13	(\$639)	(\$332)	(\$306)	
15	Net Operating Loss	Col (b) = , Line 26; Col (c) = , Line 26	\$0	\$0	\$0	
16	Net Deferred Tax Reserve	Line 14 + Line 15	(\$639)	(\$332)	(\$306)	
Allocation of FY 2021 Estimated Federal NOL						
17	Cumulative Book/Tax Timer Subject to Proration	Col (b) = Line 5	(\$3,042)	(\$1,583)	(\$1,459)	
18	Cumulative Book/Tax Timer Not Subject to Proration	Line 11	\$0	\$0	\$0	
19	Total Cumulative Book/Tax Timer	Line 17 + Line 18	(\$3,042)	(\$1,583)	(\$1,459)	
20	Total FY 2021 Federal NOL	Col (b) = , Line 26; Col (c) = , Line 26 / 21%	\$0	\$0	\$0	
21	Allocated FY 2021 Federal NOL Not Subject to Proration	(Line 18 / Line 19) * Line 20	\$0	\$0	\$0	
22	Allocated FY 2021 Federal NOL Subject to Proration	(Line 17 / Line 19) * Line 20	\$0	\$0	\$0	
23	Effective Tax Rate		21.00%	21.00%	21.00%	
24	Deferred Tax Benefit subject to proration	Line 22 * Line 23	\$0	\$0	\$0	
25	Net Deferred Tax Reserve subject to proration	Line 7 + Line 24	(\$639)	(\$332)	(\$306)	
Proration Calculation						
		(i) Number of Days in Month	(j) Proration Percentage	(k)= Sum of (l) through (m)	(l)	(m)
26	April 2020	30	91.78%	(\$49)	(\$25)	(\$23)
27	May 2020	31	83.29%	(\$44)	(\$23)	(\$21)
28	June 2020	30	75.07%	(\$40)	(\$21)	(\$19)
29	July 2020	31	66.58%	(\$35)	(\$18)	(\$17)
30	August 2020	31	58.08%	(\$31)	(\$16)	(\$15)
31	September 2020	30	49.86%	(\$27)	(\$14)	(\$13)
32	October 2020	31	41.37%	(\$22)	(\$11)	(\$11)
33	November 2020	30	33.15%	(\$18)	(\$9)	(\$8)
34	December 2020	31	24.66%	(\$13)	(\$7)	(\$6)
35	January 2021	31	16.16%	(\$9)	(\$4)	(\$4)
36	February 2021	28	8.49%	(\$5)	(\$2)	(\$2)
37	March 2021	31	0.00%	\$0	\$0	\$0
38	Total	365		(\$292)	(\$152)	(\$140)
39	Deferred Tax Without Proration	Line 25		(\$639)	(\$332)	(\$306)
40	Proration Adjustment	Line 38 - Line 39		\$347	\$181	\$166

Column Notes:

- (j) Sum of remaining days in the year (Col (i)) ÷ 365
- (l) through (r) = Current Year Line 25 ÷ 12 * Current Month Col (j)

The Narragansett Electric Company
d/b/a National Grid
Power Sector Transformation (PST)
Calculation of Fiscal Year 2022 Net Deferred Tax Reserve IS Proration
RI Only Grid Mod - Cybersecurity GIS - Cryptography Services

Line No.			(a)=Sum of (b)	(b)	(c)	(d)	
			through (d)	Vintage Year	Vintage Year	Vintage Year	
		Total	March 31, 2022	March 31, 2021	March 31, 2020		
Deferred Tax Subject to Proration							
1	Book Depreciation	Col (b) = , Line 20; Col (c) = , Line 20; Col (d) = , Line 20	\$285	\$285	\$0	\$0	
2	Bonus Depreciation	, Line 12	\$0	\$0			
3	Remaining MACRS Tax Depreciation	Col (b) = , Line 18; Col (c) = , Line 18; Col (d) = , Line 18	(\$4,504)	(\$1,331)	(\$2,687)	(\$486)	
4	FY22 tax (gain)/loss on retirements	Col (b) = , Line 19; Col (c) = , Line 19; Col (d) = , Line 19	\$0	\$0			
5	Cumulative Book / Tax Timer	Sum of Lines 1 through 4	(\$4,219)	(\$1,046)	(\$2,687)	(\$486)	
6	Effective Tax Rate	Per Tax Department	21.00%	21.00%	21.00%	21.00%	
7	Deferred Tax Reserve	Line 5 * Line 6	(\$886)	(\$220)	(\$564)	(\$102)	
Deferred Tax Not Subject to Proration							
8	Capital Repairs Deduction	, Line 3	\$0	\$0			
9	Cost of Removal	, Line 20	\$0	\$0			
10	Book/Tax Depreciation Timing Difference at 3/31/2022		\$0	\$0			
11	Cumulative Book / Tax Timer	Line 8 + Line 9 + Line 10	\$0	\$0			
12	Effective Tax Rate		21.00%	21.00%			
13	Deferred Tax Reserve	Line 11 * Line 12	\$0	\$0			
14	Total Deferred Tax Reserve	Line 7 + Line 13	(\$886)	(\$220)	(\$564)	(\$102)	
15	Net Operating Loss	Col (b) = , Line 26; Col (c) = , Line 26; Col (d) = , Line 26	\$0	\$0	\$0	\$0	
16	Net Deferred Tax Reserve	Line 14 + Line 15	(\$886)	(\$220)	(\$564)	(\$102)	
Allocation of FY 2022 Estimated Federal NOL							
17	Cumulative Book/Tax Timer Subject to Proration	Col (b) = Line 5	(\$4,219)	(\$1,046)	(\$2,687)	(\$486)	
18	Cumulative Book/Tax Timer Not Subject to Proration	Line 11	\$0	\$0	\$0	\$0	
19	Total Cumulative Book/Tax Timer	Line 17 + Line 18	(\$4,219)	(\$1,046)	(\$2,687)	(\$486)	
20	Total FY 2022 Federal NOL	Col (b) = , Line 26; Col (c) = , Line 26; Col (d) = , Line 26 / 21%	\$0	\$0	\$0	\$0	
21	Allocated FY 2022 Federal NOL Not Subject to Proration	(Line 18 / Line 19) * Line 20	\$0	\$0	\$0	\$0	
22	Allocated FY 2022 Federal NOL Subject to Proration	(Line 17 / Line 19) * Line 20	\$0	\$0	\$0	\$0	
23	Effective Tax Rate	Per Tax Department	21.00%	21.00%	21.00%	21.00%	
24	Deferred Tax Benefit subject to proration	Line 22 * Line 23	\$0	\$0	\$0	\$0	
25	Net Deferred Tax Reserve subject to proration	Line 7 + Line 24	(\$886)	(\$220)	(\$564)	(\$102)	
Proration Calculation							
		(i)	(j)	(k)= Sum of (l)	(l)	(m)	(n)
		<u>Number of Days in</u>	<u>Proration Percentage</u>	<u>through (n)</u>			
		<u>Month</u>					
26	April 2021	30	91.78%	(\$68)	(\$17)	(\$43)	(\$8)
27	May 2021	31	83.29%	(\$61)	(\$15)	(\$39)	(\$7)
28	June 2021	30	75.07%	(\$55)	(\$14)	(\$35)	(\$6)
29	July 2021	31	66.58%	(\$49)	(\$12)	(\$31)	(\$6)
30	August 2021	31	58.08%	(\$43)	(\$11)	(\$27)	(\$5)
31	September 2021	30	49.86%	(\$37)	(\$9)	(\$23)	(\$4)
32	October 2021	31	41.37%	(\$31)	(\$8)	(\$19)	(\$4)
33	November 2021	30	33.15%	(\$24)	(\$6)	(\$16)	(\$3)
34	December 2021	31	24.66%	(\$18)	(\$5)	(\$12)	(\$2)
35	January 2022	31	16.16%	(\$12)	(\$3)	(\$8)	(\$1)
36	February 2022	28	8.49%	(\$6)	(\$2)	(\$4)	(\$1)
37	March 2022	31	0.00%	\$0	\$0	\$0	\$0
38	Total	365		(\$405)	(\$100)	(\$258)	(\$47)
39	Deferred Tax Without Proration	Line 25		(\$886)	(\$220)	(\$564)	(\$102)
40	Proration Adjustment	Line 38 - Line 39		\$481	\$119	\$306	\$55

Column Notes:

- (j) Sum of remaining days in the year (Col (i)) ÷ 365
- (l) through (r) = Current Year Line 25 ÷ 12 * Current Month Col (j)

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Grid Mod RI Only - Cybersecurity GIS - Change and Configuration Management
Annual Revenue Requirement Summary

Line No.		Fiscal Year Ending March 31, 2019 (a)	Fiscal Year Ending March 31, 2020 (b)	Fiscal Year Ending March 31, 2021 (c)	Fiscal Year Ending March 31, 2022 (d)
Electric Operation and Maintenance (O&M) Expenses:					
1	Network Security Services	\$ -	\$ -	\$ -	\$ -
2	Data Security Services	\$ -	\$ -	\$ -	\$ -
3	Identity and Access Management	\$ -	\$ -	\$ -	\$ -
4	Threat and Vulnerability Management	\$ -	\$ -	\$ -	\$ -
5	Security Operations Center Services	\$ -	\$ -	\$ -	\$ -
6	Host & Endpoint Security Services	\$ -	\$ -	\$ -	\$ -
7	Cryptography Services	\$ -	\$ -	\$ -	\$ -
8	Change and Configuration Management	\$ -	\$ 8,497	\$ 4,657	\$ 3,545
9	Total Electric O&M costs		\$ 8,497	\$ 4,657	\$ 3,545
Gas Operation and Maintenance (O&M) Expenses:					
10	Network Security Services	\$ -	\$ -	\$ -	\$ -
11	Data Security Services	\$ -	\$ -	\$ -	\$ -
12	Identity and Access Management	\$ -	\$ -	\$ -	\$ -
13	Threat and Vulnerability Management	\$ -	\$ -	\$ -	\$ -
14	Security Operations Center Services	\$ -	\$ -	\$ -	\$ -
15	Host & Endpoint Security Services	\$ -	\$ -	\$ -	\$ -
16	Cryptography Services	\$ -	\$ -	\$ -	\$ -
17	Change and Configuration Management	\$ -	\$ 4,617	\$ 2,531	\$ 1,927
18	Total Gas O&M costs		\$ 4,617	\$ 2,531	\$ 1,927
19	Total O&M Expenses	Line 9 + Line 18	\$ 13,114	\$ 7,188	\$ 5,472
Electric Capital Investment:					
21	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2020 Capital Investment		\$468	\$304	\$283
22	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2021 Capital Investment			\$219	\$421
23	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2022 Capital Investment				\$145
24	Total Electric Capital Investment Component of Revenue Requirement	Sum of Lines 21 through 23	\$468	\$524	\$849
Gas Capital Investment:					
26	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2020 Capital Investment		\$254	\$165	\$154
27	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2021 Capital Investment			\$119	\$229
28	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2022 Capital Investment				\$79
29	Total Gas Capital Investment Component of Revenue Requirement	Sum of Lines 26 through 28	\$254	\$285	\$461
30	Total Electric Revenue Requirement	Line 9 + Line 24	\$8,964	\$5,181	\$4,394
31	Total Gas Revenue Requirement	Line 18 + Line 29	\$4,872	\$2,816	\$2,388
32	Total Electric & Gas Revenue Requirement	Line 30 + Line 31	\$13,836	\$7,997	\$6,783

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Revenue Requirement on Estimated IS Capital Investment 12 months ending March 31, 2020
RI Only Grid Mod - Cybersecurity GIS - Change and Configuration Management

Line No.			Fiscal Year Ending March 31, 2020 (a)	Fiscal Year Ending March 31, 2021 (b)	Fiscal Year Ending March 31, 2022 (c)
Estimated Capital Investment					
1	Network Security Services		\$ -		
2	Data Security Services		\$ -		
3	Identity and Access Management		\$ -		
4	Threat and Vulnerability Management		\$ -		
5	Security Operations Center Services		\$ -		
6	Host & Endpoint Security Services		\$ -		
7	Cryptography Services		\$ -		
8	Change and Configuration Management		\$ 6,617		
9	Total Estimated Capital Investment	Sum of Lines 1 through 8	\$ 6,617	\$ -	\$ -
Depreciable Net Capital Included in Rate Base					
10	Total Allowed Capital Included in Rate Base in Current Year	Line 9	\$ 6,617	\$ 0	\$ 0
11	Retirements	Line 4 * 0%	\$ 0	\$ 0	\$ 0
12	Net Depreciable Capital Included in Rate Base	Column (a) = Line 3 - Line 4; Column (b and c) = Prior Year Line 5	\$ 6,617	\$ 6,617	\$ 6,617
Change in Net Capital Included in Rate Base					
13	Capital Included in Rate Base	Line 9	\$ 6,617	\$ 0	\$ 0
14	Cost of Removal		\$ 0	\$ 0	\$ 0
15	Total Net Plant in Service Including Cost of Removal	Line 13 + Line 14	\$ 6,617	\$ 6,617	\$ 6,617
Tax Depreciation					
16	Vintage Year Tax Depreciation:				
17	FY 2020 Spend	, Line 21	\$ 5,514	\$ 735	\$ 245
18	Cumulative Tax Depreciation	Prior Year Line 11 + Current Year Line 10	\$ 5,514	\$ 6,249	\$ 6,494
Book Depreciation					
19	Composite Book Depreciation Rate		14.29%	14.29%	14.29%
20	Book Depreciation	Column (a) = Line 1 * Line 12 * 50% ; Column (b and c) = Line 1 * Line 12	\$ 473	\$ 0	\$ 0
21	Cumulative Book Depreciation	Prior Year Line 14 + Current Year Line 13	\$ 473	\$ 473	\$ 473
22	Total Cumulative Book Depreciation	Line 21	\$ 473	\$ 473	\$ 473
Deferred Tax Calculation:					
23	Cumulative Book / Tax Timer	Line 18 - Line 22	\$ 5,041	\$ 5,776	\$ 6,021
24	Effective Tax Rate		21.00%	21.00%	21.00%
25	Deferred Tax Reserve	Line 23 * Line 24	\$ 1,059	\$ 1,213	\$ 1,264
26	Less: FY 2020 Federal NOL		\$ 0	\$ 0	\$ 0
27	Less: Proration Adjustment	Col (a) = , Line 40; Col (b) = , Line 40; Col (c) = , Line 40	(\$ 575)	(\$ 84)	(\$ 28)
28	Net Deferred Tax Reserve	Sum of Lines 25 through 27	\$ 484	\$ 1,129	\$ 1,237
Rate Base Calculation:					
29	Cumulative Incremental Capital Included in Rate Base	Line 15	\$ 6,617	\$ 6,617	\$ 6,617
30	Accumulated Depreciation	- Line 22	(\$ 473)	(\$ 473)	(\$ 473)
31	Deferred Tax Reserve	- Line 28	(\$ 484)	(\$ 1,129)	(\$ 1,237)
32	Year End Rate Base	Sum of Lines 29 through 31	\$ 5,660	\$ 5,015	\$ 4,908
Revenue Requirement Calculation:					
33	Average Rate Base	Column (a) = Current Year Line 25 ÷ 2; Column (b and c) = (Prior Year Line 25 + Current Year Line 25) ÷ 2	\$ 2,830.20	\$ 5,338	\$ 4,961
34	Pre-Tax ROR		8.80%	8.80%	8.80%
35	Return and Taxes	Line 33 * Line 34	\$ 249	\$ 470	\$ 437
36	Book Depreciation	Line 20	\$ 473	\$ 0	\$ 0
37	Annual Revenue Requirement	Line 35 + Line 36	\$ 722	\$ 470	\$ 437

1/ Weighted Average Cost of Capital as file in R.L.P.U.C. Docket No. 4770, Schedule MAL-6

	Ratio	Rate	Rate	Taxes	Return
Long Term Debt	50.00%	3.70%	1.85%		1.85%
Short Term Debt	0.00%	0.00%	0.00%		0.00%
Preferred Stock	0.00%	0.00%	0.00%		0.00%
Common Equity	50.00%	10.10%	5.05%	1.90%	6.95%
	<u>100.00%</u>		<u>6.90%</u>	<u>1.90%</u>	<u>8.80%</u>

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Tax Depreciation and Repairs Deduction on Fiscal Year 2020 IS Capital Investments
RI Only Grid Mod - Cybersecurity GIS - Change and Configuration Management

Line No.		Fiscal Year Ending March 31, 2020 (a)	Fiscal Year Ending March 31, 2021 (b)	Fiscal Year Ending March 31, 2022 (c)
	<u>Capital Repairs Deduction</u>			
1	Plant Additions	, Line 9	\$6,617	
2	Capital Repairs Deduction Rate	Per Tax Department	0.00%	
3	Capital Repairs Deduction	Line 1 * Line 2	\$0	
	<u>Bonus Depreciation</u>			
4	Plant Additions	Line 1	\$6,617	
5	Less Capital Repairs Deduction	Line 3	\$0	
6	Plant Additions Net of Capital Repairs Deduction	Line 4 - Line 5	\$6,617	
7	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	100.00%	
8	Plant Eligible for Bonus Depreciation	Line 6 * Line 7	\$6,617	
9	Bonus Depreciation Rate (April 2019 - December 2019)	1 * 75% * 100%	75.00%	
10	Bonus Depreciation Rate (January 2020 - Mar 2020)	1 * 25% * 0%	0.00%	
11	Total Bonus Depreciation Rate	Line 9 + Line 10	75.00%	
12	Bonus Depreciation	Line 8 * Line 11	\$4,963	
	<u>Remaining Tax Depreciation</u>			
13	Plant Additions	Line 1	\$6,617	
14	Less Capital Repairs Deduction	Line 3	\$0	
15	Less Bonus Depreciation	Line 12	\$4,963	
16	Remaining Plant Additions Subject to 3 YR MACRS Tax Depreciation	Line 13 - Line 14 - Line 15	\$1,654	\$1,654
17	3 YR MACRS Tax Depreciation Rates	Per IRS Publication 946	33.330%	44.450%
18	Remaining Tax Depreciation	Line 16 * Line 17	\$551	\$735
19	FY20 Loss incurred due to retirements		\$0	\$0
20	Cost of Removal	, Line 14	\$0	\$0
21	Total Tax Depreciation and Repairs Deduction	Sum of Lines 3, 12, 18, and 20	\$5,514	\$735

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Revenue Requirement on Estimated IS Capital Investment 12 months ending March 31, 2021
RI Only Grid Mod - Cybersecurity GIS - Change and Configuration Management

Line No.		Fiscal Year Ending March 31, 2021 (a)	Fiscal Year Ending March 31, 2022 (b)
<u>Estimated Capital Investment</u>			
1	Network Security Services	\$ -	\$ -
2	Data Security Services	\$ -	\$ -
3	Identity and Access Management	\$ -	\$ -
4	Threat and Vulnerability Management	\$ -	\$ -
5	Security Operations Center Services	\$ -	\$ -
6	Host & Endpoint Security Services	\$ -	\$ -
7	Cryptography Services	\$ -	\$ -
8	Change and Configuration Management	\$ 3,046	\$ -
9	Total Estimated Capital Investment	\$ 3,046	\$ 0
<u>Depreciable Net Capital Included in Rate Base</u>			
10	Total Allowed Capital Included in Rate Base in Current Year	Line 9 \$3,046	\$0
11	Retirements	Line 4 * 0% \$0	\$0
12	Net Depreciable Capital Included in Rate Base	Column (a) = Line 3 - Line 4; Column (b) and c) = Prior Year Line 5 \$3,046	\$3,046
<u>Change in Net Capital Included in Rate Base</u>			
13	Capital Included in Rate Base	Line 9 \$3,046	\$0
14	Cost of Removal	\$0	\$0
15	Total Net Plant in Service Including Cost of Removal	Line 12 + Line 14 \$3,046	\$3,046
<u>Tax Depreciation</u>			
16	Vintage Year Tax Depreciation:		
17	FY 2021 Spend	Page 16 of 21, Line 21 \$1,015	\$1,354
18	Cumulative Tax Depreciation	Prior Year Line 11 + Current Year Line 10 \$1,015	\$2,369
<u>Book Depreciation</u>			
19	Composite Book Depreciation Rate	As filed per R.I.P.U.C. Docket No. 4770 14.29%	14.29%
20	Book Depreciation	Column (a) = Line 1 * Line 12 * 50% ; Column (b) = Line 1 * Line 12 \$218	\$435
21	Cumulative Book Depreciation	Prior Year Line 14 + Current Year Line 13 \$218	\$653
22	Total Cumulative Book Depreciation	Line 21 \$218	\$653
<u>Deferred Tax Calculation:</u>			
23	Cumulative Book / Tax Timer	Line 18 - Line 21 \$797	\$1,716
24	Effective Tax Rate	21.00%	21.00%
25	Deferred Tax Reserve	Line 23 * Line 24 \$167	\$360
26	Less: FY 2021 Federal NOL	\$0	\$0
27	Less: Proration Adjustment	Col (a) = , Line 40; Col (b) = , Line 40 (\$91)	(\$105)
28	Net Deferred Tax Reserve	Sum of Lines 25 through 27 \$77	\$256
<u>Rate Base Calculation:</u>			
29	Cumulative Incremental Capital Included in Rate Base	Line 15 \$3,046	\$3,046
30	Accumulated Depreciation	- Line 22 (\$218)	(\$653)
31	Deferred Tax Reserve	- Line 28 (\$77)	(\$256)
32	Year End Rate Base	Sum of Lines 29 through 31 \$2,752	\$2,138
<u>Revenue Requirement Calculation:</u>			
33	Average Rate Base	Column (a) = Current Year Line 25 ÷ 2; Column (b) = (Prior Year Line 25 + Current Year Line 25) ÷ 2 Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, \$1,375.96	\$2,445
34	Pre-Tax ROR	Workpaper MAL-6 8.80%	8.80%
35	Return and Taxes	Line 33 * Line 34 \$121	\$215
36	Book Depreciation	Line 20 \$218	\$435
37	Annual Revenue Requirement	Line 35 + Line 36 \$339	\$650

1/ Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, Schedule MAL-6

	Ratio	Rate	Rate	Taxes	Return
Long Term Debt	50.00%	3.70%	1.85%		1.85%
Short Term Debt	0.00%	0.00%	0.00%		0.00%
Preferred Stock	0.00%	0.00%	0.00%		0.00%
Common Equity	50.00%	10.10%	5.05%	1.90%	6.95%
	100.00%		6.90%	1.90%	8.80%

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Tax Depreciation and Repairs Deduction on Fiscal Year 2021 IS Capital Investments
RI Only Grid Mod - Cybersecurity GIS - Change and Configuration Management

Line No.			Fiscal Year Ending <u>March 31, 2021</u> (a)	Fiscal Year Ending <u>March 31, 2022</u> (b)
	<u>Capital Repairs Deduction</u>			
1	Plant Additions	, Line 9	\$3,046	
2	Capital Repairs Deduction Rate	Per Tax Department	0.00%	
3	Capital Repairs Deduction	Line 1 * Line 2	<u>\$0</u>	
	<u>Bonus Depreciation</u>			
4	Plant Additions	Line 1	\$3,046	
5	Less Capital Repairs Deduction	Line 3	<u>\$0</u>	
6	Plant Additions Net of Capital Repairs Deduction	Line 4 - Line 5	\$3,046	
7	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	<u>100.00%</u>	
8	Plant Eligible for Bonus Depreciation	Line 6 * Line 7	\$3,046	
9	Bonus Depreciation Rate (April 2020 - December 2020)	0%	0.00%	
10	Bonus Depreciation Rate (January 2021 - Mar 2021)	0%	<u>0.00%</u>	
11	Total Bonus Depreciation Rate	Line 9 + Line 10	0.00%	
12	Bonus Depreciation	Line 8 * Line 11	\$0	
	<u>Remaining Tax Depreciation</u>			
13	Plant Additions	Line 1	\$3,046	
14	Less Capital Repairs Deduction	Line 3	\$0	
15	Less Bonus Depreciation	Line 12	<u>\$0</u>	
16	Remaining Plant Additions Subject to 3 YR MACRS Tax Depreciation	Line 13 - Line 14 - Line 15	\$3,046	\$3,046
17	3 YR MACRS Tax Depreciation Rates	Per IRS Publication 946	<u>33.330%</u>	44.450%
18	Remaining Tax Depreciation	Line 16 * Line 17	\$1,015	\$1,354
19	FY21 Loss incurred due to retirements	Per Tax Department	\$0	\$0
20	Cost of Removal	, Line 14	\$0	\$0
21	Total Tax Depreciation and Repairs Deduction	Sum of Lines 3, 12, 18, 19, and 20	<u>\$1,015</u>	<u>\$1,354</u>

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Revenue Requirement on Estimated IS Capital Investment 12 months ending March 31, 2022
RI Only Grid Mod - Cybersecurity GIS - Change and Configuration Management

Line No.		Fiscal Year Ending March 31, 2022 (a)
<u>Estimated Capital Investment</u>		
1	Network Security Services	\$ -
2	Data Security Services	\$ -
3	Identity and Access Management	\$ -
4	Threat and Vulnerability Management	\$ -
5	Security Operations Center Services	\$ -
6	Host & Endpoint Security Services	\$ -
7	Cyrtography Services	\$ -
8	Change and Configuration Management	\$ 2,012
9	Total Estimated Capital Investment	\$ 2,012
	Sum of Lines 1 through 8	
<u>Depreciable Net Capital Included in Rate Base</u>		
10	Total Allowed Capital Included in Rate Base in Current Year	Line 9 \$2,012
11	Retirements	Line 4 * 0% \$0
12	Net Depreciable Capital Included in Rate Base	Column (a) = Line 3 - Line 4 \$2,012
<u>Change in Net Capital Included in Rate Base</u>		
13	Capital Included in Rate Base	Line 9 \$2,012
14	Cost of Removal	\$0
15	Total Net Plant in Service Including Cost of Removal	Line 6 + Line 8 \$2,012
<u>Tax Depreciation</u>		
16	Vintage Year Tax Depreciation:	
17	FY 2022 Spend	, Line 21 \$671
18	Cumulative Tax Depreciation	Current Year Line 10 \$671
<u>Book Depreciation</u>		
19	Composite Book Depreciation Rate	As approved per R.I.P.U.C. Docket No. 4770 14.29%
20	Book Depreciation	Column (a) = Line 2* Line 12 * 50% \$144
21	Cumulative Book Depreciation	Current Year Line 13 \$144
22	Total Cumulative Book Depreciation	Line 21 \$144
<u>Deferred Tax Calculation:</u>		
23	Cumulative Book / Tax Timer	Line 18 - Line 22 \$527
24	Effective Tax Rate	21.00%
25	Deferred Tax Reserve	Line 23 * Line 24 \$111
26	Less: FY 2022 Federal NOL	\$0
27	Less: Proration Adjustment	Col = , Line 40 (\$60)
28	Net Deferred Tax Reserve	Sum of Lines 25 through 27 \$51
<u>Rate Base Calculation:</u>		
29	Cumulative Incremental Capital Included in Rate Base	Line 15 \$2,012
30	Accumulated Depreciation	- Line 22 (\$144)
31	Deferred Tax Reserve	- Line 28 (\$51)
32	Year End Rate Base	Sum of Lines 29 through 31 \$1,817
<u>Revenue Requirement Calculation:</u>		
33	Average Rate Base	Column (a) = Current Year Line 25 ÷ 2 \$908.70
34	Pre-Tax ROR	Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, Workpaper MAL-6 8.80%
35	Return and Taxes	Line 33 * Line 34 \$80
36	Book Depreciation	Line 20 \$144
37	Annual Revenue Requirement	Line 35 + Line 36 \$224

1/ Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, Schedule MAL-6

	Ratio	Rate	Rate	Taxes	Return
Long Term Debt	50.00%	3.70%	1.85%		1.85%
Short Term Debt	0.00%	0.00%	0.00%		0.00%
Preferred Stock	0.00%	0.00%	0.00%		0.00%
Common Equity	50.00%	10.10%	5.05%	1.90%	6.95%
	<u>100.00%</u>		<u>6.90%</u>	<u>1.90%</u>	<u>8.80%</u>

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Tax Depreciation and Repairs Deduction on Fiscal Year 2022 IS Capital Investments
RI Only Grid Mod - Cybersecurity GIS - Change and Configuration Management

Line No.			Fiscal Year Ending <u>March 31, 2022</u> (a)
	<u>Capital Repairs Deduction</u>		
1	Plant Additions	, Line 9	\$2,012
2	Capital Repairs Deduction Rate	Per Tax Department	0.00%
3	Capital Repairs Deduction	Line 1 * Line 2	<u>\$0</u>
	<u>Bonus Depreciation</u>		
4	Plant Additions	Line 1	\$2,012
5	Less Capital Repairs Deduction	Line 3	<u>\$0</u>
6	Plant Additions Net of Capital Repairs Deduction	Line 4 - Line 5	\$2,012
7	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	<u>100.00%</u>
8	Plant Eligible for Bonus Depreciation	Line 6 * Line 7	\$2,012
9	Bonus Depreciation Rate (April 2020 - December 2020)	0%	0.00%
10	Bonus Depreciation Rate (January 2021 - Mar 2021)	0%	<u>0.00%</u>
11	Total Bonus Depreciation Rate	Line 9 + Line 10	0.00%
12	Bonus Depreciation	Line 8 * Line 11	\$0
	<u>Remaining Tax Depreciation</u>		
13	Plant Additions	Line 1	\$2,012
14	Less Capital Repairs Deduction	Line 3	\$0
15	Less Bonus Depreciation	Line 12	<u>\$0</u>
16	Remaining Plant Additions Subject to 3 YR MACRS Tax Depreciation	Line 13 - Line 14 - Line 15	\$2,012
17	3 YR MACRS Tax Depreciation Rates	Per IRS Publication 946	<u>33.33%</u>
18	Remaining Tax Depreciation	Line 16 * Line 17	\$671
19	FY22 Loss incurred due to retirements	Per Tax Department	\$0
20	Cost of Removal	, Line 14	<u>\$0</u>
21	Total Tax Depreciation and Repairs Deduction	Sum of Lines 3, 12, 18, 19, and 20	<u>\$671</u>

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Fiscal Year 2020 Net Deferred Tax Reserve IS Proration
RI Only Grid Mod - Cybersecurity GIS - Change and Configuration Management

Line No.		(a)= Column	(b) Vintage Year March 31, 2020
Deferred Tax Subject to Proration			
1	Book Depreciation , Line 20	\$473	\$473
2	Bonus Depreciation , - Line 12	(\$4,963)	(\$4,963)
3	Remaining MACRS Tax Depreciation , - Line 18	(\$551)	(\$551)
4	FY20 tax (gain)/loss on retirements , - Line 19	\$0	\$0
5	Cumulative Book / Tax Timer Sum of Lines 1 through 4	(\$5,041)	(\$5,041)
6	Effective Tax Rate Per Tax Department	21.00%	21.00%
7	Deferred Tax Reserve Line 5 * Line 6	(\$1,059)	(\$1,059)
Deferred Tax Not Subject to Proration			
8	Capital Repairs Deduction , Line 3	\$0	\$0
9	Cost of Removal , Line 20	\$0	\$0
10	Book/Tax Depreciation Timing Difference at 3/31/2020	\$0	\$0
11	Cumulative Book / Tax Timer Line 8 + Line 9 + Line 10	\$0	\$0
12	Effective Tax Rate	21.00%	21.00%
13	Deferred Tax Reserve Line 11 * Line 12	\$0	\$0
14	Total Deferred Tax Reserve Line 7 + Line 13	(\$1,059)	(\$1,059)
15	Net Operating Loss , Line 26	\$0	\$0
16	Net Deferred Tax Reserve Line 14 + Line 15	(\$1,059)	(\$1,059)
Allocation of FY 2020 Estimated Federal NOL			
17	Cumulative Book/Tax Timer Subject to Proration Col (b) = Line 5	(\$5,041)	(\$5,041)
18	Cumulative Book/Tax Timer Not Subject to Proration Line 11	\$0	\$0
19	Total Cumulative Book/Tax Timer Line 17 + Line 18	(\$5,041)	(\$5,041)
20	Total FY 2020 Federal NOL , Line 26 / 21%	\$0	\$0
21	Allocated FY 2020 Federal NOL Not Subject to Proration (Line 18 / Line 19) * Line 20	\$0	\$0
22	Allocated FY 2020 Federal NOL Subject to Proration (Line 17 / Line 19) * Line 20	\$0	\$0
23	Effective Tax Rate Per Tax Department	21.00%	21.00%
24	Deferred Tax Benefit subject to proration Line 22 * Line 23	\$0	\$0
25	Net Deferred Tax Reserve subject to proration Line 7 + Line 24	(\$1,059)	(\$1,059)
Proration Calculation			
		(i) Number of Days in Month	(j) Proration Percentage
26	April 2019	30	91.78%
27	May 2019	31	83.29%
28	June 2019	30	75.07%
29	July 2019	31	66.58%
30	August 2019	31	58.08%
31	September 2019	30	49.86%
32	October 2019	31	41.37%
33	November 2019	30	33.15%
34	December 2019	31	24.66%
35	January 2020	31	16.16%
36	February 2020	28	8.49%
37	March 2020	31	0.00%
38	Total	365	
			(k)= Sum of (l)
			(l)
39	Deferred Tax Without Proration Line 25	(\$1,059)	(\$1,059)
40	Proration Adjustment Line 38 - Line 39	\$575	\$575

Column Notes:

- (j) Sum of remaining days in the year (Col (i)) ÷ 365
- (l) through (r) = Current Year Line 25 ÷ 12 * Current Month Col (j)

The Narragansett Electric Company
d/b/a National Grid
Power Sector Transformation (PST)
Calculation of Fiscal Year 2021 Net Deferred Tax Reserve IS Proration
RI Only Grid Mod - Cybersecurity GIS - Change and Configuration Management

Line No.			(a)=Sum of (b)	(b)	(c)	
			through (c)	Vintage Year	Vintage Year	
			Total	March 31, 2021	March 31, 2020	
Deferred Tax Subject to Proration						
1	Book Depreciation	Col (b) = , Line 20; Col (c) = , Line 20	\$218	\$218	\$0	
2	Bonus Depreciation	, Line 12	\$0	\$0		
3	Remaining MACRS Tax Depreciation	Col (b) = , Line 18; Col (c) = , Line 18	(\$1,750)	(\$1,015)	(\$735)	
4	FY21 tax (gain)/loss on retirements	Col (b) = , Line 19; Col (c) = , Line 19	\$0	\$0		
5	Cumulative Book / Tax Timer	Sum of Lines 1 through 4	(\$1,532)	(\$797)	(\$735)	
6	Effective Tax Rate	Per Tax Department	21.00%	21.00%	21.00%	
7	Deferred Tax Reserve	Line 5 * Line 6	(\$322)	(\$167)	(\$154)	
Deferred Tax Not Subject to Proration						
8	Capital Repairs Deduction	, Line 3	\$0	\$0		
9	Cost of Removal	, Line 20	\$0	\$0		
10	Book/Tax Depreciation Timing Difference at 3/31/2021		\$0	\$0		
11	Cumulative Book / Tax Timer	Line 8 + Line 9 + Line 10	\$0	\$0		
12	Effective Tax Rate		21.00%	21.00%		
13	Deferred Tax Reserve	Line 11 * Line 12	\$0	\$0		
14	Total Deferred Tax Reserve	Line 7 + Line 13	(\$322)	(\$167)	(\$154)	
15	Net Operating Loss	Col (b) = , Line 26; Col (c) = , Line 26	\$0	\$0	\$0	
16	Net Deferred Tax Reserve	Line 14 + Line 15	(\$322)	(\$167)	(\$154)	
Allocation of FY 2021 Estimated Federal NOL						
17	Cumulative Book/Tax Timer Subject to Proration	Col (b) = Line 5	(\$1,532)	(\$797)	(\$735)	
18	Cumulative Book/Tax Timer Not Subject to Proration	Line 11	\$0	\$0	\$0	
19	Total Cumulative Book/Tax Timer	Line 17 + Line 18	(\$1,532)	(\$797)	(\$735)	
20	Total FY 2021 Federal NOL	Col (b) = , Line 26; Col (c) = , Line 26 / 21%	\$0	\$0	\$0	
21	Allocated FY 2021 Federal NOL Not Subject to Proration	(Line 18 / Line 19) * Line 20	\$0	\$0	\$0	
22	Allocated FY 2021 Federal NOL Subject to Proration	(Line 17 / Line 19) * Line 20	\$0	\$0	\$0	
23	Effective Tax Rate		21.00%	21.00%	21.00%	
24	Deferred Tax Benefit subject to proration	Line 22 * Line 23	\$0	\$0	\$0	
25	Net Deferred Tax Reserve subject to proration	Line 7 + Line 24	(\$322)	(\$167)	(\$154)	
Proration Calculation						
		(i) Number of Days in Month	(j) Proration Percentage	(k)= Sum of (l) through (m)	(l)	(m)
26	April 2020	30	91.78%	(\$25)	(\$13)	(\$12)
27	May 2020	31	83.29%	(\$22)	(\$12)	(\$11)
28	June 2020	30	75.07%	(\$20)	(\$10)	(\$10)
29	July 2020	31	66.58%	(\$18)	(\$9)	(\$9)
30	August 2020	31	58.08%	(\$16)	(\$8)	(\$7)
31	September 2020	30	49.86%	(\$13)	(\$7)	(\$6)
32	October 2020	31	41.37%	(\$11)	(\$6)	(\$5)
33	November 2020	30	33.15%	(\$9)	(\$5)	(\$4)
34	December 2020	31	24.66%	(\$7)	(\$3)	(\$3)
35	January 2021	31	16.16%	(\$4)	(\$2)	(\$2)
36	February 2021	28	8.49%	(\$2)	(\$1)	(\$1)
37	March 2021	31	0.00%	\$0	\$0	\$0
38	Total	365		(\$147)	(\$77)	(\$71)
39	Deferred Tax Without Proration	Line 25		(\$322)	(\$167)	(\$154)
40	Proration Adjustment	Line 38 - Line 39		\$175	\$91	\$84

Column Notes:

- (j) Sum of remaining days in the year (Col (i)) ÷ 365
- (l) through (r) = Current Year Line 25 ÷ 12 * Current Month Col (j)

The Narragansett Electric Company
d/b/a National Grid
Power Sector Transformation (PST)
Calculation of Fiscal Year 2022 Net Deferred Tax Reserve IS Proration
RI Only Grid Mod - Cybersecurity GIS - Change and Configuration Management

Line No.			(a)=Sum of (b)	(b)	(c)	(d)	
			through (d)	Vintage Year	Vintage Year	Vintage Year	
			Total	March 31, 2022	March 31, 2021	March 31, 2020	
Deferred Tax Subject to Proration							
1	Book Depreciation	Col (b) = , Line 20; Col (c) = , Line 20; Col (d) = , Line 20	\$579	\$144	\$435	\$0	
2	Bonus Depreciation	, Line 12	\$0	\$0			
3	Remaining MACRS Tax Depreciation	Col (b) = , Line 18; Col (c) = , Line 18; Col (d) = , Line 18	(\$2,270)	(\$671)	(\$1,354)	(\$245)	
4	FY22 tax (gain)/loss on retirements	Col (b) = , Line 19; Col (c) = , Line 19; Col (d) = , Line 19	\$0	\$0			
5	Cumulative Book / Tax Timer	Sum of Lines 1 through 4	(\$1,691)	(\$527)	(\$919)	(\$245)	
6	Effective Tax Rate	Per Tax Department	21.00%	21.00%	21.00%	21.00%	
7	Deferred Tax Reserve	Line 5 * Line 6	(\$355)	(\$111)	(\$193)	(\$51)	
Deferred Tax Not Subject to Proration							
8	Capital Repairs Deduction	, Line 3	\$0	\$0			
9	Cost of Removal	, Line 20	\$0	\$0			
10	Book/Tax Depreciation Timing Difference at 3/31/2022		\$0	\$0			
11	Cumulative Book / Tax Timer	Line 8 + Line 9 + Line 10	\$0	\$0			
12	Effective Tax Rate		21.00%	21.00%			
13	Deferred Tax Reserve	Line 11 * Line 12	\$0	\$0			
14	Total Deferred Tax Reserve	Line 7 + Line 13	(\$355)	(\$111)	(\$193)	(\$51)	
15	Net Operating Loss	Col (b) = , Line 26; Col (c) = , Line 26; Col (d) = , Line 26	\$0	\$0	\$0	\$0	
16	Net Deferred Tax Reserve	Line 14 + Line 15	(\$355)	(\$111)	(\$193)	(\$51)	
Allocation of FY 2022 Estimated Federal NOL							
17	Cumulative Book/Tax Timer Subject to Proration	Col (b) = Line 5	(\$1,691)	(\$527)	(\$919)	(\$245)	
18	Cumulative Book/Tax Timer Not Subject to Proration	Line 11	\$0	\$0	\$0	\$0	
19	Total Cumulative Book/Tax Timer	Line 17 + Line 18	(\$1,691)	(\$527)	(\$919)	(\$245)	
20	Total FY 2022 Federal NOL	Col (b) = , Line 26; Col (c) = , Line 26; Col (d) = , Line 26 / 21%	\$0	\$0	\$0	\$0	
21	Allocated FY 2022 Federal NOL Not Subject to Proration	(Line 18 / Line 19) * Line 20	\$0	\$0	\$0	\$0	
22	Allocated FY 2022 Federal NOL Subject to Proration	(Line 17 / Line 19) * Line 20	\$0	\$0	\$0	\$0	
23	Effective Tax Rate	Per Tax Department	21.00%	21.00%	21.00%	21.00%	
24	Deferred Tax Benefit subject to proration	Line 22 * Line 23	\$0	\$0	\$0	\$0	
25	Net Deferred Tax Reserve subject to proration	Line 7 + Line 24	(\$355)	(\$111)	(\$193)	(\$51)	
Proration Calculation							
		(i)	(j)	(k)= Sum of (l)	(l)	(m)	(n)
		<u>Number of Days in</u>	<u>Proration Percentage</u>	through (n)			
		<u>Month</u>					
26	April 2021	30	91.78%	(\$27)	(\$8)	(\$15)	(\$4)
27	May 2021	31	83.29%	(\$25)	(\$8)	(\$13)	(\$4)
28	June 2021	30	75.07%	(\$22)	(\$7)	(\$12)	(\$3)
29	July 2021	31	66.58%	(\$20)	(\$6)	(\$11)	(\$3)
30	August 2021	31	58.08%	(\$17)	(\$5)	(\$9)	(\$2)
31	September 2021	30	49.86%	(\$15)	(\$5)	(\$8)	(\$2)
32	October 2021	31	41.37%	(\$12)	(\$4)	(\$7)	(\$2)
33	November 2021	30	33.15%	(\$10)	(\$3)	(\$5)	(\$1)
34	December 2021	31	24.66%	(\$7)	(\$2)	(\$4)	(\$1)
35	January 2022	31	16.16%	(\$5)	(\$1)	(\$3)	(\$1)
36	February 2022	28	8.49%	(\$3)	(\$1)	(\$1)	(\$0)
37	March 2022	31	0.00%	\$0	\$0	\$0	\$0
38	Total	365		(\$162)	(\$51)	(\$88)	(\$24)
39	Deferred Tax Without Proration	Line 25		(\$355)	(\$111)	(\$193)	(\$51)
40	Proration Adjustment	Line 38 - Line 39		\$193	\$60	\$105	\$28

Column Notes:

- (j) Sum of remaining days in the year (Col (i)) ÷ 365
- (l) through (r) = Current Year Line 25 ÷ 12 * Current Month Col (j)

The Narragansett Electric Company
d/b/a National Grid
Power Sector Transformation (PST)
Rhode Island Renewable Energy
Cybersecurity GIS Annual Revenue Requirement Summary - RI Only

Line No.		Six Months Ended March 31, 2019	PST Year Ending March 31, 2020	PST Year Ending March 31, 2021	PST Year Ending March 31, 2022
IS Capex - Electric & Gas					
1	Network Security Services	\$0	3,384	8,051	10,082
2	Data Security Services	\$0	493	552	894
3	Identity and Access Management	\$0	2,970	3,327	5,393
4	Threat and Vulnerability Management	\$0	757	847	1,374
5	Security Operations Center Services	\$0	934	1,047	1,697
6	Host & Endpoint Security Services	\$0	403	476	812
7	Cyrtography Services	\$0	360	403	653
8	Change and Configuration Management	\$0	213	238	386
9	Capex Total	\$0	\$9,300	\$14,702	\$20,905
O&M - Electric & Gas					
10	Network Security Services	Pg. 44	\$0	\$12,372	\$5,984
11	Data Security Services	Pg. 24	\$0	\$3,649	\$1,969
12	Identity and Access Management	Pg. 66	\$0	\$4,541	\$3,053
13	Threat and Vulnerability Management	Pg. 4	\$0	\$3,294	\$1,806
14	Security Operations Center Services	Pg. 87	\$0	\$3,333	\$1,845
15	Host & Endpoint Security Services	Pg. 14	\$0	\$3,649	\$2,160
16	Cyrtography Services	Pg. 34	\$0	\$3,804	\$2,040
17	Change and Configuration Management	Pg. 54	\$0	\$3,294	\$1,806
18	O&M Total		\$0	\$37,936	\$20,663
19	Total Revenue Requirement		\$0	\$47,237	\$35,365

The Narragansett Electric Company
d/b/a National Grid
Power Sector Transformation (PST)
Rhode Island Renewable Energy
Cybersecurity GIS Annual Revenue Requirement Summary - RI Only

Line No.		Six Months Ended March 31, 2019	PST Year Ending March 31, 2020	PST Year Ending March 31, 2021	PST Year Ending March 31, 2022
IS Capex - Electric Only					
1	Network Security Services	\$0	2,193	5,216	6,532
2	Data Security Services	\$0	319	357	580
3	Identity and Access Management	\$0	1,924	2,155	3,494
4	Threat and Vulnerability Management	\$0	490	549	890
5	Security Operations Center Services	\$0	605	678	1,099
6	Host & Endpoint Security Services	\$0	261	309	526
7	Cyrtography Services	\$0	233	261	423
8	Change and Configuration Management	\$0	138	154	250
9	Capex Total	\$0	\$6,026	\$9,526	\$13,545
O&M - Electric Only					
10	Network Security Services	\$0	8,016	3,877	2,679
11	Data Security Services	\$0	2,364	1,276	891
12	Identity and Access Management	\$0	2,942	1,978	1,698
13	Threat and Vulnerability Management	\$0	2,134	1,170	891
14	Security Operations Center Services	\$0	2,160	1,195	944
15	Host & Endpoint Security Services	\$0	2,364	1,399	891
16	Cyrtography Services	\$0	2,465	1,322	1,001
17	Change and Configuration Management	\$0	2,134	1,170	891
18	O&M Total	\$0	24,579	\$13,388	\$9,884
19	Total Revenue Requirement	\$0	\$30,605	\$22,913	\$23,429

The Narragansett Electric Company
d/b/a National Grid
Power Sector Transformation (PST)
Rhode Island Renewable Energy
Cybersecurity GIS Annual Revenue Requirement Summary - RI Only

Line No.		Six Months Ended March 31, 2019	PST Year Ending March 31, 2020	PST Year Ending March 31, 2021	PST Year Ending March 31, 2022
IS Capex - Gas Only					
1	Network Security Services	\$0	1,192	2,835	3,550
2	Data Security Services	\$0	173	194	315
3	Identity and Access Management	\$0	1,046	1,171	1,899
4	Threat and Vulnerability Management	\$0	266	298	484
5	Security Operations Center Services	\$0	329	368	597
6	Host & Endpoint Security Services	\$0	142	168	286
7	Cyrtography Services	\$0	127	142	230
8	Change and Configuration Management	\$0	75	84	136
9	Capex Total	\$0	\$3,275	\$5,177	\$7,361
O&M - Gas Only					
10	Network Security Services	\$0	\$4,356	\$2,107	\$1,456
11	Data Security Services	\$0	\$1,285	\$693	\$484
12	Identity and Access Management	\$0	\$1,599	\$1,075	\$923
13	Threat and Vulnerability Management	\$0	\$1,160	\$636	\$484
14	Security Operations Center Services	\$0	\$1,174	\$650	\$513
15	Host & Endpoint Security Services	\$0	\$1,285	\$761	\$484
16	Cyrtography Services	\$0	\$1,339	\$718	\$544
17	Change and Configuration Management	\$0	\$1,160	\$636	\$484
18	O&M Total	\$0	\$13,357	\$7,275	\$5,372
19	Total Revenue Requirement	\$0	\$16,632	\$12,452	\$12,732

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Grid Mod Synergy - Cybersecurity GIS - Network Security Services
Annual Revenue Requirement Summary

Line No.		Fiscal Year Ending March 31, 2019 (a)	Fiscal Year Ending March 31, 2020 (b)	Fiscal Year Ending March 31, 2021 (c)	Fiscal Year Ending March 31, 2022 (d)
	Electric Operation and Maintenance (O&M) Expenses:				
1	Network Security Services	\$ -	\$ 12,372	\$ 5,984	\$ 4,134
2	Data Security Services	\$ -	\$ -	\$ -	\$ -
3	Identity and Access Management	\$ -	\$ -	\$ -	\$ -
4	Threat and Vulnerability Management	\$ -	\$ -	\$ -	\$ -
5	Security Operations Center Services	\$ -	\$ -	\$ -	\$ -
6	Host & Endpoint Security Services	\$ -	\$ -	\$ -	\$ -
7	Cryptography Services	\$ -	\$ -	\$ -	\$ -
8	Change and Configuration Management	\$ -	\$ -	\$ -	\$ -
9	Total Electric O&M costs		Sum of Lines 1 through 8	\$ 5,984	\$ 4,134
	Gas Operation and Maintenance (O&M) Expenses:				
10	Network Security Services	\$ -	\$ 4,356	\$ 2,107	\$ 1,456
11	Data Security Services	\$ -	\$ -	\$ -	\$ -
12	Identity and Access Management	\$ -	\$ -	\$ -	\$ -
13	Threat and Vulnerability Management	\$ -	\$ -	\$ -	\$ -
14	Security Operations Center Services	\$ -	\$ -	\$ -	\$ -
15	Host & Endpoint Security Services	\$ -	\$ -	\$ -	\$ -
16	Cryptography Services	\$ -	\$ -	\$ -	\$ -
17	Change and Configuration Management	\$ -	\$ -	\$ -	\$ -
18	Total Gas O&M costs		Sum of Lines 10 through 17	\$ 2,107	\$ 1,456
19	Total O&M Expenses		Line 9 + Line 18	\$ 8,092	\$ 5,590
	Electric Capital Investment:				
21	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2020 Capital Investment		\$ 2,193	\$ 4,185	\$ 3,870
22	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2021 Capital Investment			\$ 1,032	\$ 1,981
23	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2022 Capital Investment				\$ 681
24	Total Electric Capital Investment Component of Revenue Requirement		Sum of Lines 21 through 23	\$ 5,216	\$ 6,532
	Gas Capital Investment:				
26	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2020 Capital Investment		\$ 1,192	\$ 2,274	\$ 2,103
27	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2021 Capital Investment			\$ 561	\$ 1,076
28	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2022 Capital Investment				\$ 370
29	Total Gas Capital Investment Component of Revenue Requirement		Sum of Lines 26 through 28	\$ 2,835	\$ 3,550
30	Total Electric Revenue Requirement		Line 9 + Line 24	\$ 11,200	\$ 10,666
31	Total Gas Revenue Requirement		Line 18 + Line 29	\$ 4,942	\$ 5,005
32	Total Electric & Gas Revenue Requirement		Line 30 + Line 31	\$ 16,142	\$ 15,672

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Revenue Requirement on Estimated IS Capital Investment 12 months ending March 31, 2020
Synergy Grid Mod - Cybersecurity GIS - Network Security Services

Line No.			Fiscal Year Ending March 31, 2020 (a)	Fiscal Year Ending March 31, 2021 (b)	Fiscal Year Ending March 31, 2022 (c)
<u>Estimated Capital Investment</u>					
1	Network Security Services		\$ 31,027		
2	Data Security Services		\$ -		
3	Identity and Access Management		\$ -		
4	Threat and Vulnerability Management		\$ -		
5	Security Operations Center Services		\$ -		
6	Host & Endpoint Security Services		\$ -		
7	Cryptography Services		\$ -		
8	Change and Configuration Management		\$ -		
9	Total Estimated Capital Investment	Sum of Lines 1 through 8	\$ 31,027	\$ -	\$ -
<u>Depreciable Net Capital Included in Rate Base</u>					
10	Total Allowed Capital Included in Rate Base in Current Year	Line 9	\$ 31,027	\$ 0	\$ 0
11	Retirements	Line 4 * 0%	\$ 0	\$ 0	\$ 0
12	Net Depreciable Capital Included in Rate Base	Column (a) = Line 3 - Line 4; Column (b and c) = Prior Year Line 5	\$ 31,027	\$ 31,027	\$ 31,027
<u>Change in Net Capital Included in Rate Base</u>					
13	Capital Included in Rate Base	Line 9	\$ 31,027	\$ 0	\$ 0
14	Cost of Removal		\$ 0	\$ 0	\$ 0
15	Total Net Plant in Service Including Cost of Removal	Line 13 + Line 14	\$ 31,027	\$ 31,027	\$ 31,027
<u>Tax Depreciation</u>					
16	Vintage Year Tax Depreciation:				
17	FY 2020 Spend	, Line 21	\$ 25,855	\$ 3,448	\$ 1,149
18	Cumulative Tax Depreciation	Prior Year Line 11 + Current Year Line 10	\$ 25,855	\$ 29,303	\$ 30,452
<u>Book Depreciation</u>					
19	Composite Book Depreciation Rate		14.29%	14.29%	14.29%
20	Book Depreciation	Column (a) = Line 1 * Line 12 * 50% ; Column (b and c) = Line 1 * Line 12	\$ 2,216	\$ 4,432	\$ 4,432
21	Cumulative Book Depreciation	Prior Year Line 14 + Current Year Line 13	\$ 2,216	\$ 6,649	\$ 11,081
22	Total Cumulative Book Depreciation	Line 21	\$ 2,216	\$ 6,649	\$ 11,081
<u>Deferred Tax Calculation:</u>					
23	Cumulative Book / Tax Timer	Line 18 - Line 22	\$ 23,639	\$ 22,654	\$ 19,371
24	Effective Tax Rate		21.00%	21.00%	21.00%
25	Deferred Tax Reserve	Line 23 * Line 24	\$ 4,964	\$ 4,757	\$ 4,068
26	Less: FY 2020 Federal NOL		\$ 0	\$ 0	\$ 0
27	Less: Proration Adjustment	Col (a) = , Line 40; Col (b) = , Line 40; Col (c) = , Line 40	\$ (2,695)	\$ 112	\$ 374
28	Net Deferred Tax Reserve	Sum of Lines 25 through 27	\$ 2,269	\$ 4,870	\$ 4,442
<u>Rate Base Calculation:</u>					
29	Cumulative Incremental Capital Included in Rate Base	Line 15	\$ 31,027	\$ 31,027	\$ 31,027
30	Accumulated Depreciation	- Line 22	\$ (2,216)	\$ (6,649)	\$ (11,081)
31	Deferred Tax Reserve	- Line 28	\$ (2,269)	\$ (4,870)	\$ (4,442)
32	Year End Rate Base	Sum of Lines 29 through 31	\$ 26,541	\$ 19,508	\$ 15,503
<u>Revenue Requirement Calculation:</u>					
33	Average Rate Base	Column (a) = Current Year Line 25 ÷ 2; Column (b and c) = (Prior Year Line 25 + Current Year Line 25) ÷ 2	\$ 13,270.73	\$ 23,025	\$ 17,506
34	Pre-Tax ROR		8.80%	8.80%	8.80%
35	Return and Taxes	Line 33 * Line 34	\$ 1,168	\$ 2,026	\$ 1,541
36	Book Depreciation	Line 20	\$ 2,216	\$ 4,432	\$ 4,432
37	Annual Revenue Requirement	Line 35 + Line 36	\$ 3,384	\$ 6,459	\$ 5,973

1/ Weighted Average Cost of Capital as file in R.L.P.U.C. Docket No. 4770, Schedule MAL-6

	Ratio	Rate	Rate	Taxes	Return
Long Term Debt	50.00%	3.70%	1.85%		1.85%
Short Term Debt	0.00%	0.00%	0.00%		0.00%
Preferred Stock	0.00%	0.00%	0.00%		0.00%
Common Equity	50.00%	10.10%	5.05%	1.90%	6.95%
	<u>100.00%</u>		<u>6.90%</u>	<u>1.90%</u>	<u>8.80%</u>

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Tax Depreciation and Repairs Deduction on Fiscal Year 2020 IS Capital Investments
Synergy Grid Mod - Cybersecurity GIS - Network Security Services

Line No.			Fiscal Year Ending March 31, 2020 (a)	Fiscal Year Ending March 31, 2021 (b)	Fiscal Year Ending March 31, 2022 (c)
	<u>Capital Repairs Deduction</u>				
1	Plant Additions	, Line 9	\$31,027		
2	Capital Repairs Deduction Rate	Per Tax Department	0.00%		
3	Capital Repairs Deduction	Line 1 * Line 2	\$0		
	<u>Bonus Depreciation</u>				
4	Plant Additions	Line 1	\$31,027		
5	Less Capital Repairs Deduction	Line 3	\$0		
6	Plant Additions Net of Capital Repairs Deduction	Line 4 - Line 5	\$31,027		
7	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	100.00%		
8	Plant Eligible for Bonus Depreciation	Line 6 * Line 7	\$31,027		
9	Bonus Depreciation Rate (April 2019 - December 2019)	1 * 75% * 100%	75.00%		
10	Bonus Depreciation Rate (January 2020 - Mar 2020)	1 * 25% * 0%	0.00%		
11	Total Bonus Depreciation Rate	Line 9 + Line 10	75.00%		
12	Bonus Depreciation	Line 8 * Line 11	\$23,270		
	<u>Remaining Tax Depreciation</u>				
13	Plant Additions	Line 1	\$31,027		
14	Less Capital Repairs Deduction	Line 3	\$0		
15	Less Bonus Depreciation	Line 12	\$23,270		
16	Remaining Plant Additions Subject to 3 YR MACRS Tax Depreciation	Line 13 - Line 14 - Line 15	\$7,757	\$7,757	\$7,757
17	3 YR MACRS Tax Depreciation Rates	Per IRS Publication 946	33.330%	44.450%	14.810%
18	Remaining Tax Depreciation	Line 16 * Line 17	\$2,585	\$3,448	\$1,149
19	FY20 Loss incurred due to retirements		\$0	\$0	\$0
20	Cost of Removal	, Line 14	\$0	\$0	\$0
21	Total Tax Depreciation and Repairs Deduction	Sum of Lines 3, 12, 18, and 20	\$25,855	\$3,448	\$1,149

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Revenue Requirement on Estimated IS Capital Investment 12 months ending March 31, 2021
Synergy Grid Mod - Cybersecurity GIS - Network Security Services

Line No.		Fiscal Year Ending March 31, 2021 (a)	Fiscal Year Ending March 31, 2022 (b)
<u>Estimated Capital Investment</u>			
1	Network Security Services	\$ 14,321	
2	Data Security Services	\$ -	
3	Identity and Access Management	\$ -	
4	Threat and Vulnerability Management	\$ -	
5	Security Operations Center Services	\$ -	
6	Host & Endpoint Security Services	\$ -	
7	Cryptography Services	\$ -	
8	Change and Configuration Management	\$ -	
9	Total Estimated Capital Investment	\$ 14,321	\$0
<u>Depreciable Net Capital Included in Rate Base</u>			
10	Total Allowed Capital Included in Rate Base in Current Year	Line 9 \$14,321	\$0
11	Retirements	Line 4 * 0% \$0	\$0
12	Net Depreciable Capital Included in Rate Base	Column (a) = Line 3 - Line 4; Column (b) and c) = Prior Year Line 5 \$14,321	\$14,321
<u>Change in Net Capital Included in Rate Base</u>			
13	Capital Included in Rate Base	Line 9 \$14,321	\$0
14	Cost of Removal	\$0	\$0
15	Total Net Plant in Service Including Cost of Removal	Line 12 + Line 14 \$14,321	\$14,321
<u>Tax Depreciation</u>			
16	Vintage Year Tax Depreciation:		
17	FY 2021 Spend	Page 16 of 21, Line 21 \$4,773	\$6,366
18	Cumulative Tax Depreciation	Prior Year Line 11 + Current Year Line 10 \$4,773	\$11,139
<u>Book Depreciation</u>			
19	Composite Book Depreciation Rate	As filed per R.I.P.U.C. Docket No. 4770 14.29%	14.29%
20	Book Depreciation	Column (a) = Line 1 * Line 12 * 50% ; Column (b) = Line 1 * Line 12 \$1,023	\$2,046
21	Cumulative Book Depreciation	Prior Year Line 14 + Current Year Line 13 \$1,023	\$3,069
22	Total Cumulative Book Depreciation	Line 21 \$1,023	\$3,069
<u>Deferred Tax Calculation:</u>			
23	Cumulative Book / Tax Timer	Line 18 - Line 21 \$3,750	\$8,070
24	Effective Tax Rate	21.00%	21.00%
25	Deferred Tax Reserve	Line 23 * Line 24 \$788	\$1,695
26	Less: FY 2021 Federal NOL	\$0	\$0
27	Less: Proration Adjustment	Col (a) = , Line 40; Col (b) = , Line 40 (\$428)	(\$493)
28	Net Deferred Tax Reserve	Sum of Lines 25 through 27 \$360	\$1,202
<u>Rate Base Calculation:</u>			
29	Cumulative Incremental Capital Included in Rate Base	Line 15 \$14,321	\$14,321
30	Accumulated Depreciation	- Line 22 (\$1,023)	(\$3,069)
31	Deferred Tax Reserve	- Line 28 (\$360)	(\$1,202)
32	Year End Rate Base	Sum of Lines 29 through 31 \$12,938	\$10,050
<u>Revenue Requirement Calculation:</u>			
33	Average Rate Base	Column (a) = Current Year Line 25 ÷ 2; Column (b) = (Prior Year Line 25 + Current Year Line 25) ÷ 2 Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, \$6,468.88	\$11,494
34	Pre-Tax ROR	Workpaper MAL-6 8.80%	8.80%
35	Return and Taxes	Line 33 * Line 34 \$569	\$1,011
36	Book Depreciation	Line 20 \$1,023	\$2,046
37	Annual Revenue Requirement	Line 35 + Line 36 \$1,592	\$3,057

1/ Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, Schedule MAL-6

	Ratio	Rate	Rate	Taxes	Return
Long Term Debt	50.00%	3.70%	1.85%		1.85%
Short Term Debt	0.00%	0.00%	0.00%		0.00%
Preferred Stock	0.00%	0.00%	0.00%		0.00%
Common Equity	50.00%	10.10%	5.05%	1.90%	6.95%
	100.00%		6.90%	1.90%	8.80%

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Tax Depreciation and Repairs Deduction on Fiscal Year 2021 IS Capital Investments
Synergy Grid Mod - Cybersecurity GIS - Network Security Services

Line No.			Fiscal Year Ending <u>March 31, 2021</u> (a)	Fiscal Year Ending <u>March 31, 2022</u> (b)
	<u>Capital Repairs Deduction</u>			
1	Plant Additions	, Line 9	\$14,321	
2	Capital Repairs Deduction Rate	Per Tax Department	0.00%	
3	Capital Repairs Deduction	Line 1 * Line 2	<u>\$0</u>	
	<u>Bonus Depreciation</u>			
4	Plant Additions	Line 1	\$14,321	
5	Less Capital Repairs Deduction	Line 3	<u>\$0</u>	
6	Plant Additions Net of Capital Repairs Deduction	Line 4 - Line 5	\$14,321	
7	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	<u>100.00%</u>	
8	Plant Eligible for Bonus Depreciation	Line 6 * Line 7	\$14,321	
9	Bonus Depreciation Rate (April 2020 - December 2020)	0%	0.00%	
10	Bonus Depreciation Rate (January 2021 - Mar 2021)	0%	<u>0.00%</u>	
11	Total Bonus Depreciation Rate	Line 9 + Line 10	0.00%	
12	Bonus Depreciation	Line 8 * Line 11	\$0	
	<u>Remaining Tax Depreciation</u>			
13	Plant Additions	Line 1	\$14,321	
14	Less Capital Repairs Deduction	Line 3	\$0	
15	Less Bonus Depreciation	Line 12	<u>\$0</u>	
16	Remaining Plant Additions Subject to 3 YR MACRS Tax Depreciation	Line 13 - Line 14 - Line 15	\$14,321	\$14,321
17	3 YR MACRS Tax Depreciation Rates	Per IRS Publication 946	33.330%	44.450%
18	Remaining Tax Depreciation	Line 16 * Line 17	<u>\$4,773</u>	<u>\$6,366</u>
19	FY21 Loss incurred due to retirements	Per Tax Department	\$0	\$0
20	Cost of Removal	, Line 14	\$0	\$0
21	Total Tax Depreciation and Repairs Deduction	Sum of Lines 3, 12, 18, 19, and 20	<u>\$4,773</u>	<u>\$6,366</u>

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Revenue Requirement on Estimated IS Capital Investment 12 months ending March 31, 2022
Synergy Grid Mod - Cybersecurity GIS - Network Security Services

Line No.		Fiscal Year Ending March 31, 2022 (a)
<u>Estimated Capital Investment</u>		
1	Network Security Services	\$ 9,458
2	Data Security Services	\$ -
3	Identity and Access Management	\$ -
4	Threat and Vulnerability Management	\$ -
5	Security Operations Center Services	\$ -
6	Host & Endpoint Security Services	\$ -
7	Cyrtography Services	\$ -
8	Change and Configuration Management	\$ -
9	Total Estimated Capital Investment	\$ 9,458
	Sum of Lines 1 through 8	
<u>Depreciable Net Capital Included in Rate Base</u>		
10	Total Allowed Capital Included in Rate Base in Current Year	Line 9 \$9,458
11	Retirements	Line 4 * 0% \$0
12	Net Depreciable Capital Included in Rate Base	Column (a) = Line 3 - Line 4 \$9,458
<u>Change in Net Capital Included in Rate Base</u>		
13	Capital Included in Rate Base	Line 9 \$9,458
14	Cost of Removal	\$0
15	Total Net Plant in Service Including Cost of Removal	Line 6 + Line 8 \$9,458
<u>Tax Depreciation</u>		
16	Vintage Year Tax Depreciation:	
17	FY 2022 Spend	, Line 21 \$3,152
18	Cumulative Tax Depreciation	Current Year Line 10 \$3,152
<u>Book Depreciation</u>		
19	Composite Book Depreciation Rate	As approved per R.I.P.U.C. Docket No. 4770 14.29%
20	Book Depreciation	Column (a) = Line 2* Line 12 * 50% \$676
21	Cumulative Book Depreciation	Current Year Line 13 \$676
22	Total Cumulative Book Depreciation	Line 21 \$676
<u>Deferred Tax Calculation:</u>		
23	Cumulative Book / Tax Timer	Line 18 - Line 22 \$2,476
24	Effective Tax Rate	21.00%
25	Deferred Tax Reserve	Line 23 * Line 24 \$520
26	Less: FY 2022 Federal NOL	\$0
27	Less: Proration Adjustment	Col = , Line 40 (\$282)
28	Net Deferred Tax Reserve	Sum of Lines 25 through 27 \$238
<u>Rate Base Calculation:</u>		
29	Cumulative Incremental Capital Included in Rate Base	Line 15 \$9,458
30	Accumulated Depreciation	- Line 22 (\$676)
31	Deferred Tax Reserve	- Line 28 (\$238)
32	Year End Rate Base	Sum of Lines 29 through 31 \$8,544
<u>Revenue Requirement Calculation:</u>		
33	Average Rate Base	Column (a) = Current Year Line 25 ÷ 2 \$4,272.24
34	Pre-Tax ROR	Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, Workpaper MAL-6 8.80%
35	Return and Taxes	Line 33 * Line 34 \$376
36	Book Depreciation	Line 20 \$676
37	Annual Revenue Requirement	Line 35 + Line 36 \$1,052

1/ Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, Schedule MAL-6

	Ratio	Rate	Rate	Taxes	Return
Long Term Debt	50.00%	3.70%	1.85%		1.85%
Short Term Debt	0.00%	0.00%	0.00%		0.00%
Preferred Stock	0.00%	0.00%	0.00%		0.00%
Common Equity	50.00%	10.10%	5.05%	1.90%	6.95%
	<u>100.00%</u>		<u>6.90%</u>	<u>1.90%</u>	<u>8.80%</u>

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Tax Depreciation and Repairs Deduction on Fiscal Year 2022 IS Capital Investments
Synergy Grid Mod - Cybersecurity GIS - Network Security Services

Line No.			Fiscal Year Ending <u>March 31, 2022</u> (a)
	<u>Capital Repairs Deduction</u>		
1	Plant Additions	, Line 9	\$9,458
2	Capital Repairs Deduction Rate	Per Tax Department	0.00%
3	Capital Repairs Deduction	Line 1 * Line 2	<u>\$0</u>
	<u>Bonus Depreciation</u>		
4	Plant Additions	Line 1	\$9,458
5	Less Capital Repairs Deduction	Line 3	<u>\$0</u>
6	Plant Additions Net of Capital Repairs Deduction	Line 4 - Line 5	\$9,458
7	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	<u>100.00%</u>
8	Plant Eligible for Bonus Depreciation	Line 6 * Line 7	\$9,458
9	Bonus Depreciation Rate (April 2020 - December 2020)	0%	0.00%
10	Bonus Depreciation Rate (January 2021 - Mar 2021)	0%	<u>0.00%</u>
11	Total Bonus Depreciation Rate	Line 9 + Line 10	0.00%
12	Bonus Depreciation	Line 8 * Line 11	\$0
	<u>Remaining Tax Depreciation</u>		
13	Plant Additions	Line 1	\$9,458
14	Less Capital Repairs Deduction	Line 3	\$0
15	Less Bonus Depreciation	Line 12	<u>\$0</u>
16	Remaining Plant Additions Subject to 3 YR MACRS Tax Depreciation	Line 13 - Line 14 - Line 15	\$9,458
17	3 YR MACRS Tax Depreciation Rates	Per IRS Publication 946	<u>33.33%</u>
18	Remaining Tax Depreciation	Line 16 * Line 17	\$3,152
19	FY22 Loss incurred due to retirements	Per Tax Department	\$0
20	Cost of Removal	, Line 14	\$0
21	Total Tax Depreciation and Repairs Deduction	Sum of Lines 3, 12, 18, 19, and 20	<u>\$3,152</u>

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Fiscal Year 2020 Net Deferred Tax Reserve IS Proration
Synergy Grid Mod - Cybersecurity GIS - Network Security Services

Line No.		(a)= Column	(b) Vintage Year March 31, 2020
Deferred Tax Subject to Proration			
1	Book Depreciation, Line 20	\$2,216	\$2,216
2	Bonus Depreciation, - Line 12	(\$23,270)	(\$23,270)
3	Remaining MACRS Tax Depreciation, - Line 18	(\$2,585)	(\$2,585)
4	FY20 tax (gain)/loss on retirements, - Line 19	\$0	\$0
5	Cumulative Book / Tax Timer, Sum of Lines 1 through 4	(\$23,639)	(\$23,639)
6	Effective Tax Rate, Per Tax Department	21.00%	21.00%
7	Deferred Tax Reserve, Line 5 * Line 6	(\$4,964)	(\$4,964)
Deferred Tax Not Subject to Proration			
8	Capital Repairs Deduction, Line 3	\$0	\$0
9	Cost of Removal, Line 20	\$0	\$0
10	Book/Tax Depreciation Timing Difference at 3/31/2020	\$0	\$0
11	Cumulative Book / Tax Timer, Line 8 + Line 9 + Line 10	\$0	\$0
12	Effective Tax Rate	21.00%	21.00%
13	Deferred Tax Reserve, Line 11 * Line 12	\$0	\$0
14	Total Deferred Tax Reserve, Line 7 + Line 13	(\$4,964)	(\$4,964)
15	Net Operating Loss, Line 26	\$0	\$0
16	Net Deferred Tax Reserve, Line 14 + Line 15	(\$4,964)	(\$4,964)
Allocation of FY 2020 Estimated Federal NOL			
17	Cumulative Book/Tax Timer Subject to Proration, Col (b) = Line 5	(\$23,639)	(\$23,639)
18	Cumulative Book/Tax Timer Not Subject to Proration, Line 11	\$0	\$0
19	Total Cumulative Book/Tax Timer, Line 17 + Line 18	(\$23,639)	(\$23,639)
20	Total FY 2020 Federal NOL, Line 26 / 21%	\$0	\$0
21	Allocated FY 2020 Federal NOL Not Subject to Proration, (Line 18 / Line 19) * Line 20	\$0	\$0
22	Allocated FY 2020 Federal NOL Subject to Proration, (Line 17 / Line 19) * Line 20	\$0	\$0
23	Effective Tax Rate, Per Tax Department	21.00%	21.00%
24	Deferred Tax Benefit subject to proration, Line 22 * Line 23	\$0	\$0
25	Net Deferred Tax Reserve subject to proration, Line 7 + Line 24	(\$4,964)	(\$4,964)

Line No.	Proration Calculation	Number of Days in		(k)= Sum of (l)	(l)
		Month	Proration Percentage		
26	April 2019	30	91.78%	(\$380)	(\$380)
27	May 2019	31	83.29%	(\$345)	(\$345)
28	June 2019	30	75.07%	(\$311)	(\$311)
29	July 2019	31	66.58%	(\$275)	(\$275)
30	August 2019	31	58.08%	(\$240)	(\$240)
31	September 2019	30	49.86%	(\$206)	(\$206)
32	October 2019	31	41.37%	(\$171)	(\$171)
33	November 2019	30	33.15%	(\$137)	(\$137)
34	December 2019	31	24.66%	(\$102)	(\$102)
35	January 2020	31	16.16%	(\$67)	(\$67)
36	February 2020	28	8.49%	(\$35)	(\$35)
37	March 2020	31	0.00%	\$0	\$0
38	Total	365		(\$2,269)	(\$2,269)
39	Deferred Tax Without Proration, Line 25			(\$4,964)	(\$4,964)
40	Proration Adjustment, Line 38 - Line 39			\$2,695	\$2,695

Column Notes:

- (j) Sum of remaining days in the year (Col (i)) ÷ 365
- (l) through (r) = Current Year Line 25 ÷ 12 * Current Month Col (j)

**The Narragansett Electric Company
d/b/a National Grid
Power Sector Transformation (PST)
Calculation of Fiscal Year 2021 Net Deferred Tax Reserve IS Proration
Synergy Grid Mod - Cybersecurity GIS - Network Security Services**

Line No.			(a)=Sum of (b)	(b)	(c)
			through (c)	Vintage Year	Vintage Year
			Total	March 31, 2021	March 31, 2020
Deferred Tax Subject to Proration					
1	Book Depreciation	Col (b) = , Line 20; Col (c) = , Line 20	\$5,455	\$1,023	\$4,432
2	Bonus Depreciation	, Line 12	\$0	\$0	
3	Remaining MACRS Tax Depreciation	Col (b) = , Line 18; Col (c) = , Line 18	(\$8,221)	(\$4,773)	(\$3,448)
4	FY21 tax (gain)/loss on retirements	Col (b) = , Line 19; Col (c) = , Line 19	\$0	\$0	
5	Cumulative Book / Tax Timer	Sum of Lines 1 through 4	(\$2,766)	(\$3,750)	\$984
6	Effective Tax Rate	Per Tax Department	21.00%	21.00%	21.00%
7	Deferred Tax Reserve	Line 5 * Line 6	(\$581)	(\$788)	\$207
Deferred Tax Not Subject to Proration					
8	Capital Repairs Deduction	, Line 3	\$0	\$0	
9	Cost of Removal	, Line 20	\$0	\$0	
10	Book/Tax Depreciation Timing Difference at 3/31/2021		\$0	\$0	
11	Cumulative Book / Tax Timer	Line 8 + Line 9 + Line 10	\$0	\$0	
12	Effective Tax Rate		21.00%	21.00%	
13	Deferred Tax Reserve	Line 11 * Line 12	\$0	\$0	
14	Total Deferred Tax Reserve	Line 7 + Line 13	(\$581)	(\$788)	\$207
15	Net Operating Loss	Col (b) = , Line 26; Col (c) = , Line 26	\$0	\$0	\$0
16	Net Deferred Tax Reserve	Line 14 + Line 15	(\$581)	(\$788)	\$207
Allocation of FY 2021 Estimated Federal NOL					
17	Cumulative Book/Tax Timer Subject to Proration	Col (b) = Line 5	(\$2,766)	(\$3,750)	\$984
18	Cumulative Book/Tax Timer Not Subject to Proration	Line 11	\$0	\$0	\$0
19	Total Cumulative Book/Tax Timer	Line 17 + Line 18	(\$2,766)	(\$3,750)	\$984
20	Total FY 2021 Federal NOL	Col (b) = , Line 26; Col (c) = , Line 26 / 21%	\$0	\$0	\$0
21	Allocated FY 2021 Federal NOL Not Subject to Proration	(Line 18 / Line 19) * Line 20	\$0	\$0	\$0
22	Allocated FY 2021 Federal NOL Subject to Proration	(Line 17 / Line 19) * Line 20	\$0	\$0	\$0
23	Effective Tax Rate		21.00%	21.00%	21.00%
24	Deferred Tax Benefit subject to proration	Line 22 * Line 23	\$0	\$0	\$0
25	Net Deferred Tax Reserve subject to proration	Line 7 + Line 24	(\$581)	(\$788)	\$207

		(i)	(j)	(k)= Sum of (l)	(l)	(m)
		Number of Days in Month	Proration Percentage	through (m)		
Proration Calculation						
26	April 2020	30	91.78%	(\$44)	(\$60)	\$16
27	May 2020	31	83.29%	(\$40)	(\$55)	\$14
28	June 2020	30	75.07%	(\$36)	(\$49)	\$13
29	July 2020	31	66.58%	(\$32)	(\$44)	\$11
30	August 2020	31	58.08%	(\$28)	(\$38)	\$10
31	September 2020	30	49.86%	(\$24)	(\$33)	\$9
32	October 2020	31	41.37%	(\$20)	(\$27)	\$7
33	November 2020	30	33.15%	(\$16)	(\$22)	\$6
34	December 2020	31	24.66%	(\$12)	(\$16)	\$4
35	January 2021	31	16.16%	(\$8)	(\$11)	\$3
36	February 2021	28	8.49%	(\$4)	(\$6)	\$1
37	March 2021	31	0.00%	\$0	\$0	\$0
38	Total	365		(\$265)	(\$360)	\$94
39	Deferred Tax Without Proration	Line 25		(\$581)	(\$788)	\$207
40	Proration Adjustment	Line 38 - Line 39		\$315	\$428	(\$112)

Column Notes:

- (j) Sum of remaining days in the year (Col (i)) ÷ 365
- (l) through (r) = Current Year Line 25 ÷ 12 * Current Month Col (j)

The Narragansett Electric Company
d/b/a National Grid
Power Sector Transformation (PST)
Calculation of Fiscal Year 2022 Net Deferred Tax Reserve IS Proration
Synergy Grid Mod - Cybersecurity GIS - Network Security Services

Line No.			(a)=Sum of (b)	(b)	(c)	(d)	
			through (d)	Vintage Year	Vintage Year	Vintage Year	
			Total	March 31, 2022	March 31, 2021	March 31, 2020	
Deferred Tax Subject to Proration							
1	Book Depreciation	Col (b) = , Line 20; Col (c) = , Line 20; Col (d) = , Line 20	\$7,154	\$676	\$2,046	\$4,432	
2	Bonus Depreciation	, Line 12	\$0	\$0			
3	Remaining MACRS Tax Depreciation	Col (b) = , Line 18; Col (c) = , Line 18; Col (d) = , Line 18	(\$10,667)	(\$3,152)	(\$6,366)	(\$1,149)	
4	FY22 tax (gain)/loss on retirements	Col (b) = , Line 19; Col (c) = , Line 19; Col (d) = , Line 19	\$0	\$0			
5	Cumulative Book / Tax Timer	Sum of Lines 1 through 4	(\$3,513)	(\$2,476)	(\$4,320)	\$3,283	
6	Effective Tax Rate	Per Tax Department	21.00%	21.00%	21.00%	21.00%	
7	Deferred Tax Reserve	Line 5 * Line 6	(\$738)	(\$520)	(\$907)	\$690	
Deferred Tax Not Subject to Proration							
8	Capital Repairs Deduction	, Line 3	\$0	\$0			
9	Cost of Removal	, Line 20	\$0	\$0			
10	Book/Tax Depreciation Timing Difference at 3/31/2022		\$0	\$0			
11	Cumulative Book / Tax Timer	Line 8 + Line 9 + Line 10	\$0	\$0			
12	Effective Tax Rate		21.00%	21.00%			
13	Deferred Tax Reserve	Line 11 * Line 12	\$0	\$0			
14	Total Deferred Tax Reserve	Line 7 + Line 13	(\$738)	(\$520)	(\$907)	\$690	
15	Net Operating Loss	Col (b) = , Line 26; Col (c) = , Line 26; Col (d) = , Line 26	\$0	\$0	\$0	\$0	
16	Net Deferred Tax Reserve	Line 14 + Line 15	(\$738)	(\$520)	(\$907)	\$690	
Allocation of FY 2022 Estimated Federal NOL							
17	Cumulative Book/Tax Timer Subject to Proration	Col (b) = Line 5	(\$3,513)	(\$2,476)	(\$4,320)	\$3,283	
18	Cumulative Book/Tax Timer Not Subject to Proration	Line 11	\$0	\$0	\$0	\$0	
19	Total Cumulative Book/Tax Timer	Line 17 + Line 18	(\$3,513)	(\$2,476)	(\$4,320)	\$3,283	
20	Total FY 2022 Federal NOL	Col (b) = , Line 26; Col (c) = , Line 26; Col (d) = , Line 26 / 21%	\$0	\$0	\$0	\$0	
21	Allocated FY 2022 Federal NOL Not Subject to Proration	(Line 18 / Line 19) * Line 20	\$0	\$0	\$0	\$0	
22	Allocated FY 2022 Federal NOL Subject to Proration	(Line 17 / Line 19) * Line 20	\$0	\$0	\$0	\$0	
23	Effective Tax Rate	Per Tax Department	21.00%	21.00%	21.00%	21.00%	
24	Deferred Tax Benefit subject to proration	Line 22 * Line 23	\$0	\$0	\$0	\$0	
25	Net Deferred Tax Reserve subject to proration	Line 7 + Line 24	(\$738)	(\$520)	(\$907)	\$690	
Proration Calculation							
		(i)	(j)	(k)= Sum of (l)	(l)	(m)	(n)
		<u>Number of Days in</u>	<u>Proration Percentage</u>	<u>through (n)</u>			
		<u>Month</u>					
26	April 2021	30	91.78%	(\$56)	(\$40)	(\$69)	\$53
27	May 2021	31	83.29%	(\$51)	(\$36)	(\$63)	\$48
28	June 2021	30	75.07%	(\$46)	(\$33)	(\$57)	\$43
29	July 2021	31	66.58%	(\$41)	(\$29)	(\$50)	\$38
30	August 2021	31	58.08%	(\$36)	(\$25)	(\$44)	\$33
31	September 2021	30	49.86%	(\$31)	(\$22)	(\$38)	\$29
32	October 2021	31	41.37%	(\$25)	(\$18)	(\$31)	\$24
33	November 2021	30	33.15%	(\$20)	(\$14)	(\$25)	\$19
34	December 2021	31	24.66%	(\$15)	(\$11)	(\$19)	\$14
35	January 2022	31	16.16%	(\$10)	(\$7)	(\$12)	\$9
36	February 2022	28	8.49%	(\$5)	(\$4)	(\$6)	\$5
37	March 2022	31	0.00%	\$0	\$0	\$0	\$0
38	Total	365		(\$337)	(\$238)	(\$415)	\$315
39	Deferred Tax Without Proration	Line 25		(\$738)	(\$520)	(\$907)	\$690
40	Proration Adjustment	Line 38 - Line 39		\$401	\$282	\$493	(\$374)

Column Notes:

- (j) Sum of remaining days in the year (Col (i)) ÷ 365
- (l) through (r) = Current Year Line 25 ÷ 12 * Current Month Col (j)

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Grid Mod Synergy - Cybersecurity GIS - Data Security Services
Annual Revenue Requirement Summary

Line No.		Fiscal Year Ending March 31, 2019 (a)	Fiscal Year Ending March 31, 2020 (b)	Fiscal Year Ending March 31, 2021 (c)	Fiscal Year Ending March 31, 2022 (d)
	Electric Operation and Maintenance (O&M) Expenses:				
1	Network Security Services	\$ -	\$ -	\$ -	\$ -
2	Data Security Services	\$ -	\$ 2,364	\$ 1,276	\$ 891
3	Identity and Access Management	\$ -	\$ -	\$ -	\$ -
4	Threat and Vulnerability Management	\$ -	\$ -	\$ -	\$ -
5	Security Operations Center Services	\$ -	\$ -	\$ -	\$ -
6	Host & Endpoint Security Services	\$ -	\$ -	\$ -	\$ -
7	Cryptography Services	\$ -	\$ -	\$ -	\$ -
8	Change and Configuration Management	\$ -	\$ -	\$ -	\$ -
9	Total Electric O&M costs		\$ 2,364	\$ 1,276	\$ 891
	Sum of Lines 1 through 8				
	Gas Operation and Maintenance (O&M) Expenses:				
10	Network Security Services	\$ -	\$ -	\$ -	\$ -
11	Data Security Services	\$ -	\$ 1,285	\$ 693	\$ 484
12	Identity and Access Management	\$ -	\$ -	\$ -	\$ -
13	Threat and Vulnerability Management	\$ -	\$ -	\$ -	\$ -
14	Security Operations Center Services	\$ -	\$ -	\$ -	\$ -
15	Host & Endpoint Security Services	\$ -	\$ -	\$ -	\$ -
16	Cryptography Services	\$ -	\$ -	\$ -	\$ -
17	Change and Configuration Management	\$ -	\$ -	\$ -	\$ -
18	Total Gas O&M costs		\$ 1,285	\$ 693	\$ 484
	Sum of Lines 10 through 17				
19	Total O&M Expenses		\$ 3,649	\$ 1,969	\$ 1,375
	Line 9 + Line 18				
	Electric Capital Investment:				
21	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2020 Capital Investment		\$319	\$208	\$193
22	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2021 Capital Investment			\$150	\$288
23	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2022 Capital Investment				\$99
24	Total Electric Capital Investment Component of Revenue Requirement		\$319	\$357	\$580
	Sum of Lines 21 through 23				
	Gas Capital Investment:				
26	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2020 Capital Investment		\$173	\$113	\$105
27	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2021 Capital Investment			\$81	\$156
28	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2022 Capital Investment				\$54
29	Total Gas Capital Investment Component of Revenue Requirement		\$173	\$194	\$315
	Sum of Lines 26 through 28				
30	Total Electric Revenue Requirement		\$2,683	\$1,633	\$1,470
	Line 9 + Line 24				
31	Total Gas Revenue Requirement		\$1,458	\$888	\$799
	Line 18 + Line 29				
32	Total Electric & Gas Revenue Requirement		\$ 4,142	\$ 2,521	\$ 2,269
	Line 30 + Line 31				

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Revenue Requirement on Estimated IS Capital Investment 12 months ending March 31, 2020
Synergy Grid Mod - Cybersecurity GIS - Data Security Services

Line No.			Fiscal Year Ending March 31, 2020 (a)	Fiscal Year Ending March 31, 2021 (b)	Fiscal Year Ending March 31, 2022 (c)
Estimated Capital Investment					
1	Network Security Services		\$ -		
2	Data Security Services		\$ 4,516		
3	Identity and Access Management		\$ -		
4	Threat and Vulnerability Management		\$ -		
5	Security Operations Center Services		\$ -		
6	Host & Endpoint Security Services		\$ -		
7	Cryptography Services		\$ -		
8	Change and Configuration Management		\$ -		
9	Total Estimated Capital Investment	Sum of Lines 1 through 8	\$ 4,516	\$ -	\$ -
Depreciable Net Capital Included in Rate Base					
10	Total Allowed Capital Included in Rate Base in Current Year	Line 9	\$ 4,516	\$ 0	\$ 0
11	Retirements	Line 4 * 0%	\$ 0	\$ 0	\$ 0
12	Net Depreciable Capital Included in Rate Base	Column (a) = Line 3 - Line 4; Column (b and c) = Prior Year Line 5	\$ 4,516	\$ 4,516	\$ 4,516
Change in Net Capital Included in Rate Base					
13	Capital Included in Rate Base	Line 9	\$ 4,516	\$ 0	\$ 0
14	Cost of Removal		\$ 0	\$ 0	\$ 0
15	Total Net Plant in Service Including Cost of Removal	Line 13 + Line 14	\$ 4,516	\$ 4,516	\$ 4,516
Tax Depreciation					
16	Vintage Year Tax Depreciation:				
17	FY 2020 Spend	, Line 21	\$ 3,763	\$ 502	\$ 167
18	Cumulative Tax Depreciation	Prior Year Line 11 + Current Year Line 10	\$ 3,763	\$ 4,265	\$ 4,432
Book Depreciation					
19	Composite Book Depreciation Rate		14.29%	14.29%	14.29%
20	Book Depreciation	Column (a) = Line 1 * Line 12 * 50% ; Column (b and c) = Line 1 * Line 12	\$ 323	\$ 0	\$ 0
21	Cumulative Book Depreciation	Prior Year Line 14 + Current Year Line 13	\$ 323	\$ 323	\$ 323
22	Total Cumulative Book Depreciation	Line 21	\$ 323	\$ 323	\$ 323
Deferred Tax Calculation:					
23	Cumulative Book / Tax Timer	Line 18 - Line 22	\$ 3,440	\$ 3,942	\$ 4,109
24	Effective Tax Rate		21.00%	21.00%	21.00%
25	Deferred Tax Reserve	Line 23 * Line 24	\$ 722	\$ 828	\$ 863
26	Less: FY 2020 Federal NOL		\$ 0	\$ 0	\$ 0
27	Less: Proration Adjustment	Col (a) = , Line 40; Col (b) = , Line 40; Col (c) = , Line 40	(\$ 392)	(\$ 57)	(\$ 19)
28	Net Deferred Tax Reserve	Sum of Lines 25 through 27	\$ 330	\$ 771	\$ 844
Rate Base Calculation:					
29	Cumulative Incremental Capital Included in Rate Base	Line 15	\$ 4,516	\$ 4,516	\$ 4,516
30	Accumulated Depreciation	- Line 22	(\$ 323)	(\$ 323)	(\$ 323)
31	Deferred Tax Reserve	- Line 28	(\$ 330)	(\$ 771)	(\$ 844)
32	Year End Rate Base	Sum of Lines 29 through 31	\$ 3,863	\$ 3,423	\$ 3,350
Revenue Requirement Calculation:					
33	Average Rate Base	Column (a) = Current Year Line 25 ÷ 2; Column (b and c) = (Prior Year Line 25 + Current Year Line 25) ÷ 2	\$ 1,931.72	\$ 3,643	\$ 3,386
34	Pre-Tax ROR		8.80%	8.80%	8.80%
35	Return and Taxes	Line 33 * Line 34	\$ 170	\$ 321	\$ 298
36	Book Depreciation	Line 20	\$ 323	\$ 0	\$ 0
37	Annual Revenue Requirement	Line 35 + Line 36	\$ 493	\$ 321	\$ 298

1/ Weighted Average Cost of Capital as file in R.L.P.U.C. Docket No. 4770, Schedule MAL-6

	Ratio	Rate	Rate	Taxes	Return
Long Term Debt	50.00%	3.70%	1.85%		1.85%
Short Term Debt	0.00%	0.00%	0.00%		0.00%
Preferred Stock	0.00%	0.00%	0.00%		0.00%
Common Equity	50.00%	10.10%	5.05%	1.90%	6.95%
	<u>100.00%</u>		<u>6.90%</u>	<u>1.90%</u>	<u>8.80%</u>

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Tax Depreciation and Repairs Deduction on Fiscal Year 2020 IS Capital Investments
Synergy Grid Mod - Cybersecurity GIS - Data Security Services

Line No.		Fiscal Year Ending March 31, 2020 (a)	Fiscal Year Ending March 31, 2021 (b)	Fiscal Year Ending March 31, 2022 (c)
	<u>Capital Repairs Deduction</u>			
1	Plant Additions	, Line 9	\$4,516	
2	Capital Repairs Deduction Rate	Per Tax Department	0.00%	
3	Capital Repairs Deduction	Line 1 * Line 2	\$0	
	<u>Bonus Depreciation</u>			
4	Plant Additions	Line 1	\$4,516	
5	Less Capital Repairs Deduction	Line 3	\$0	
6	Plant Additions Net of Capital Repairs Deduction	Line 4 - Line 5	\$4,516	
7	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	100.00%	
8	Plant Eligible for Bonus Depreciation	Line 6 * Line 7	\$4,516	
9	Bonus Depreciation Rate (April 2019 - December 2019)	1 * 75% * 100%	75.00%	
10	Bonus Depreciation Rate (January 2020 - Mar 2020)	1 * 25% * 0%	0.00%	
11	Total Bonus Depreciation Rate	Line 9 + Line 10	75.00%	
12	Bonus Depreciation	Line 8 * Line 11	\$3,387	
	<u>Remaining Tax Depreciation</u>			
13	Plant Additions	Line 1	\$4,516	
14	Less Capital Repairs Deduction	Line 3	\$0	
15	Less Bonus Depreciation	Line 12	\$3,387	
16	Remaining Plant Additions Subject to 3 YR MACRS Tax Depreciation	Line 13 - Line 14 - Line 15	\$1,129	\$1,129
17	3 YR MACRS Tax Depreciation Rates	Per IRS Publication 946	33.330%	44.450%
18	Remaining Tax Depreciation	Line 16 * Line 17	\$376	\$502
19	FY20 Loss incurred due to retirements		\$0	\$0
20	Cost of Removal	, Line 14	\$0	\$0
21	Total Tax Depreciation and Repairs Deduction	Sum of Lines 3, 12, 18, and 20	\$3,763	\$502

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Revenue Requirement on Estimated IS Capital Investment 12 months ending March 31, 2021
Synergy Grid Mod - Cybersecurity GIS - Data Security Services

Line No.		Fiscal Year Ending March 31, 2021 (a)	Fiscal Year Ending March 31, 2022 (b)
<u>Estimated Capital Investment</u>			
1	Network Security Services	\$ -	
2	Data Security Services	\$ 2,079	
3	Identity and Access Management	\$ -	
4	Threat and Vulnerability Management	\$ -	
5	Security Operations Center Services	\$ -	
6	Host & Endpoint Security Services	\$ -	
7	Cyptography Services	\$ -	
8	Change and Configuration Management	\$ -	
9	Total Estimated Capital Investment	\$ 2,079	\$0
<u>Depreciable Net Capital Included in Rate Base</u>			
10	Total Allowed Capital Included in Rate Base in Current Year	Line 9	\$2,079
11	Retirements	Line 4 * 0%	\$0
12	Net Depreciable Capital Included in Rate Base	Column (a) = Line 3 - Line 4; Column (b) and c) = Prior Year Line 5	\$2,079
<u>Change in Net Capital Included in Rate Base</u>			
13	Capital Included in Rate Base	Line 9	\$2,079
14	Cost of Removal	\$0	\$0
15	Total Net Plant in Service Including Cost of Removal	Line 12 + Line 14	\$2,079
<u>Tax Depreciation</u>			
16	Vintage Year Tax Depreciation:		
17	FY 2021 Spend	Page 16 of 21, Line 21	\$693
18	Cumulative Tax Depreciation	Prior Year Line 11 + Current Year Line 10	\$693
<u>Book Depreciation</u>			
19	Composite Book Depreciation Rate	As filed per R.I.P.U.C. Docket No. 4770	14.29%
20	Book Depreciation	Column (a) = Line 1 * Line 12 * 50% ; Column (b) = Line 1 * Line 12	\$149
21	Cumulative Book Depreciation	Prior Year Line 14 + Current Year Line 13	\$149
22	Total Cumulative Book Depreciation	Line 21	\$149
<u>Deferred Tax Calculation:</u>			
23	Cumulative Book / Tax Timer	Line 18 - Line 21	\$544
24	Effective Tax Rate		21.00%
25	Deferred Tax Reserve	Line 23 * Line 24	\$114
26	Less: FY 2021 Federal NOL		\$0
27	Less: Proration Adjustment	Col (a) = , Line 40; Col (b) = , Line 40	(\$62)
28	Net Deferred Tax Reserve	Sum of Lines 25 through 27	\$52
<u>Rate Base Calculation:</u>			
29	Cumulative Incremental Capital Included in Rate Base	Line 15	\$2,079
30	Accumulated Depreciation	- Line 22	(\$149)
31	Deferred Tax Reserve	- Line 28	(\$52)
32	Year End Rate Base	Sum of Lines 29 through 31	\$1,878
<u>Revenue Requirement Calculation:</u>			
33	Average Rate Base	Column (a) = Current Year Line 25 ÷ 2; Column (b) = (Prior Year Line 25 + Current Year Line 25) ÷ 2	\$939.12
34	Pre-Tax ROR	Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, Workpaper MAL-6	8.80%
35	Return and Taxes	Line 33 * Line 34	\$83
36	Book Depreciation	Line 20	\$149
37	Annual Revenue Requirement	Line 35 + Line 36	\$231

1/ Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, Schedule MAL-6

	Ratio	Rate	Rate	Taxes	Return
Long Term Debt	50.00%	3.70%	1.85%		1.85%
Short Term Debt	0.00%	0.00%	0.00%		0.00%
Preferred Stock	0.00%	0.00%	0.00%		0.00%
Common Equity	50.00%	10.10%	5.05%	1.90%	6.95%
	100.00%		6.90%	1.90%	8.80%

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Tax Depreciation and Repairs Deduction on Fiscal Year 2021 IS Capital Investments
Synergy Grid Mod - Cybersecurity GIS - Data Security Services

Line No.			Fiscal Year Ending	Fiscal Year Ending
			March 31, 2021 (a)	March 31, 2022 (b)
	<u>Capital Repairs Deduction</u>			
1	Plant Additions	, Line 9	\$2,079	
2	Capital Repairs Deduction Rate	Per Tax Department	0.00%	
3	Capital Repairs Deduction	Line 1 * Line 2	<u>\$0</u>	
	<u>Bonus Depreciation</u>			
4	Plant Additions	Line 1	\$2,079	
5	Less Capital Repairs Deduction	Line 3	<u>\$0</u>	
6	Plant Additions Net of Capital Repairs Deduction	Line 4 - Line 5	\$2,079	
7	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	<u>100.00%</u>	
8	Plant Eligible for Bonus Depreciation	Line 6 * Line 7	\$2,079	
9	Bonus Depreciation Rate (April 2020 - December 2020)	0%	0.00%	
10	Bonus Depreciation Rate (January 2021 - Mar 2021)	0%	<u>0.00%</u>	
11	Total Bonus Depreciation Rate	Line 9 + Line 10	0.00%	
12	Bonus Depreciation	Line 8 * Line 11	\$0	
	<u>Remaining Tax Depreciation</u>			
13	Plant Additions	Line 1	\$2,079	
14	Less Capital Repairs Deduction	Line 3	\$0	
15	Less Bonus Depreciation	Line 12	<u>\$0</u>	
16	Remaining Plant Additions Subject to 3 YR MACRS Tax Depreciation	Line 13 - Line 14 - Line 15	\$2,079	\$2,079
17	3 YR MACRS Tax Depreciation Rates	Per IRS Publication 946	33.330%	44.450%
18	Remaining Tax Depreciation	Line 16 * Line 17	<u>\$693</u>	<u>\$924</u>
19	FY21 Loss incurred due to retirements	Per Tax Department	\$0	\$0
20	Cost of Removal	, Line 14	\$0	\$0
21	Total Tax Depreciation and Repairs Deduction	Sum of Lines 3, 12, 18, 19, and 20	<u>\$693</u>	<u>\$924</u>

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Revenue Requirement on Estimated IS Capital Investment 12 months ending March 31, 2022
Synergy Grid Mod - Cybersecurity GIS - Data Security Services

Line No.		Fiscal Year Ending March 31, 2022 (a)
<u>Estimated Capital Investment</u>		
1	Network Security Services	\$ -
2	Data Security Services	\$ 1,373
3	Identity and Access Management	\$ -
4	Threat and Vulnerability Management	\$ -
5	Security Operations Center Services	\$ -
6	Host & Endpoint Security Services	\$ -
7	Cyrtography Services	\$ -
8	Change and Configuration Management	\$ -
9	Total Estimated Capital Investment	\$ 1,373
	Sum of Lines 1 through 8	
<u>Depreciable Net Capital Included in Rate Base</u>		
10	Total Allowed Capital Included in Rate Base in Current Year	Line 9 \$1,373
11	Retirements	Line 4 * 0% \$0
12	Net Depreciable Capital Included in Rate Base	Column (a) = Line 3 - Line 4 \$1,373
<u>Change in Net Capital Included in Rate Base</u>		
13	Capital Included in Rate Base	Line 9 \$1,373
14	Cost of Removal	\$0
15	Total Net Plant in Service Including Cost of Removal	Line 6 + Line 8 \$1,373
<u>Tax Depreciation</u>		
16	Vintage Year Tax Depreciation:	
17	FY 2022 Spend	, Line 21 \$458
18	Cumulative Tax Depreciation	Current Year Line 10 \$458
<u>Book Depreciation</u>		
19	Composite Book Depreciation Rate	As approved per R.I.P.U.C. Docket No. 4770 14.29%
20	Book Depreciation	Column (a) = Line 2* Line 12 * 50% \$98
21	Cumulative Book Depreciation	Current Year Line 13 \$98
22	Total Cumulative Book Depreciation	Line 21 \$98
<u>Deferred Tax Calculation:</u>		
23	Cumulative Book / Tax Timer	Line 18 - Line 22 \$360
24	Effective Tax Rate	21.00%
25	Deferred Tax Reserve	Line 23 * Line 24 \$76
26	Less: FY 2022 Federal NOL	\$0
27	Less: Proration Adjustment	Col = , Line 40 (\$41)
28	Net Deferred Tax Reserve	Sum of Lines 25 through 27 \$35
<u>Rate Base Calculation:</u>		
29	Cumulative Incremental Capital Included in Rate Base	Line 15 \$1,373
30	Accumulated Depreciation	- Line 22 (\$98)
31	Deferred Tax Reserve	- Line 28 (\$35)
32	Year End Rate Base	Sum of Lines 29 through 31 \$1,240
<u>Revenue Requirement Calculation:</u>		
33	Average Rate Base	Column (a) = Current Year Line 25 ÷ 2 \$620.21
34	Pre-Tax ROR	Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, Workpaper MAL-6 8.80%
35	Return and Taxes	Line 33 * Line 34 \$55
36	Book Depreciation	Line 20 \$98
37	Annual Revenue Requirement	Line 35 + Line 36 \$153

1/ Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, Schedule MAL-6

	Ratio	Rate	Rate	Taxes	Return
Long Term Debt	50.00%	3.70%	1.85%		1.85%
Short Term Debt	0.00%	0.00%	0.00%		0.00%
Preferred Stock	0.00%	0.00%	0.00%		0.00%
Common Equity	50.00%	10.10%	5.05%	1.90%	6.95%
	<u>100.00%</u>		<u>6.90%</u>	<u>1.90%</u>	<u>8.80%</u>

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Tax Depreciation and Repairs Deduction on Fiscal Year 2022 IS Capital Investments
Synergy Grid Mod - Cybersecurity GIS - Data Security Services

Line No.			Fiscal Year Ending <u>March 31, 2022</u> (a)
	<u>Capital Repairs Deduction</u>		
1	Plant Additions	, Line 9	\$1,373
2	Capital Repairs Deduction Rate	Per Tax Department	0.00%
3	Capital Repairs Deduction	Line 1 * Line 2	<u>\$0</u>
	<u>Bonus Depreciation</u>		
4	Plant Additions	Line 1	\$1,373
5	Less Capital Repairs Deduction	Line 3	<u>\$0</u>
6	Plant Additions Net of Capital Repairs Deduction	Line 4 - Line 5	\$1,373
7	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	<u>100.00%</u>
8	Plant Eligible for Bonus Depreciation	Line 6 * Line 7	\$1,373
9	Bonus Depreciation Rate (April 2020 - December 2020)	0%	0.00%
10	Bonus Depreciation Rate (January 2021 - Mar 2021)	0%	<u>0.00%</u>
11	Total Bonus Depreciation Rate	Line 9 + Line 10	0.00%
12	Bonus Depreciation	Line 8 * Line 11	\$0
	<u>Remaining Tax Depreciation</u>		
13	Plant Additions	Line 1	\$1,373
14	Less Capital Repairs Deduction	Line 3	\$0
15	Less Bonus Depreciation	Line 12	<u>\$0</u>
16	Remaining Plant Additions Subject to 3 YR MACRS Tax Depreciation	Line 13 - Line 14 - Line 15	\$1,373
17	3 YR MACRS Tax Depreciation Rates	Per IRS Publication 946	<u>33.33%</u>
18	Remaining Tax Depreciation	Line 16 * Line 17	\$458
19	FY22 Loss incurred due to retirements	Per Tax Department	\$0
20	Cost of Removal	, Line 14	\$0
21	Total Tax Depreciation and Repairs Deduction	Sum of Lines 3, 12, 18, 19, and 20	<u>\$458</u>

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Fiscal Year 2020 Net Deferred Tax Reserve IS Proration
Synergy Grid Mod - Cybersecurity GIS - Data Security Services

Line No.	Deferred Tax Subject to Proration		(a)=	(b)
			Column	Vintage Year
			Total	March 31, 2020
1	Book Depreciation	, Line 20	\$323	\$323
2	Bonus Depreciation	, - Line 12	(\$3,387)	(\$3,387)
3	Remaining MACRS Tax Depreciation	, - Line 18	(\$376)	(\$376)
4	FY20 tax (gain)/loss on retirements	, - Line 19	\$0	\$0
5	Cumulative Book / Tax Timer	Sum of Lines 1 through 4	(\$3,440)	(\$3,440)
6	Effective Tax Rate	Per Tax Department	21.00%	21.00%
7	Deferred Tax Reserve	Line 5 * Line 6	(\$722)	(\$722)
Deferred Tax Not Subject to Proration				
8	Capital Repairs Deduction	, Line 3	\$0	\$0
9	Cost of Removal	, Line 20	\$0	\$0
10	Book/Tax Depreciation Timing Difference at 3/31/2020		\$0	\$0
11	Cumulative Book / Tax Timer	Line 8 + Line 9 + Line 10	\$0	\$0
12	Effective Tax Rate		21.00%	21.00%
13	Deferred Tax Reserve	Line 11 * Line 12	\$0	\$0
14	Total Deferred Tax Reserve	Line 7 + Line 13	(\$722)	(\$722)
15	Net Operating Loss	, Line 26	\$0	\$0
16	Net Deferred Tax Reserve	Line 14 + Line 15	(\$722)	(\$722)
Allocation of FY 2020 Estimated Federal NOL				
17	Cumulative Book/Tax Timer Subject to Proration	Col (b) = Line 5	(\$3,440)	(\$3,440)
18	Cumulative Book/Tax Timer Not Subject to Proration	Line 11	\$0	\$0
19	Total Cumulative Book/Tax Timer	Line 17 + Line 18	(\$3,440)	(\$3,440)
20	Total FY 2020 Federal NOL	, Line 26 / 21%	\$0	\$0
21	Allocated FY 2020 Federal NOL Not Subject to Proration	(Line 18 / Line 19) * Line 20	\$0	\$0
22	Allocated FY 2020 Federal NOL Subject to Proration	(Line 17 / Line 19) * Line 20	\$0	\$0
23	Effective Tax Rate	Per Tax Department	21.00%	21.00%
24	Deferred Tax Benefit subject to proration	Line 22 * Line 23	\$0	\$0
25	Net Deferred Tax Reserve subject to proration	Line 7 + Line 24	(\$722)	(\$722)

Proration Calculation	Number of Days in		(k)= Sum of (l)	(l)
	Month	Proration Percentage		
26 April 2019	30	91.78%	(\$55)	(\$55)
27 May 2019	31	83.29%	(\$50)	(\$50)
28 June 2019	30	75.07%	(\$45)	(\$45)
29 July 2019	31	66.58%	(\$40)	(\$40)
30 August 2019	31	58.08%	(\$35)	(\$35)
31 September 2019	30	49.86%	(\$30)	(\$30)
32 October 2019	31	41.37%	(\$25)	(\$25)
33 November 2019	30	33.15%	(\$20)	(\$20)
34 December 2019	31	24.66%	(\$15)	(\$15)
35 January 2020	31	16.16%	(\$10)	(\$10)
36 February 2020	28	8.49%	(\$5)	(\$5)
37 March 2020	31	0.00%	\$0	\$0
38 Total	365		(\$330)	(\$330)
39 Deferred Tax Without Proration	Line 25		(\$722)	(\$722)
40 Proration Adjustment	Line 38 - Line 39		\$392	\$392

Column Notes:

- (j) Sum of remaining days in the year (Col (i)) ÷ 365
- (l) through (r) = Current Year Line 25 ÷ 12 * Current Month Col (j)

The Narragansett Electric Company
d/b/a National Grid
Power Sector Transformation (PST)
Calculation of Fiscal Year 2021 Net Deferred Tax Reserve IS Proration
Synergy Grid Mod - Cybersecurity GIS - Data Security Services

Line No.			(a)=Sum of (b) through (c)	(b)	(c)	
			Total	Vintage Year March 31, 2021	Vintage Year March 31, 2020	
Deferred Tax Subject to Proration						
1	Book Depreciation	Col (b) = , Line 20; Col (c) = , Line 20	\$149	\$149	\$0	
2	Bonus Depreciation	, Line 12	\$0	\$0		
3	Remaining MACRS Tax Depreciation	Col (b) = , Line 18; Col (c) = , Line 18	(\$1,195)	(\$693)	(\$502)	
4	FY21 tax (gain)/loss on retirements	Col (b) = , Line 19; Col (c) = , Line 19	\$0	\$0		
5	Cumulative Book / Tax Timer	Sum of Lines 1 through 4	(\$1,046)	(\$544)	(\$502)	
6	Effective Tax Rate	Per Tax Department	21.00%	21.00%	21.00%	
7	Deferred Tax Reserve	Line 5 * Line 6	(\$220)	(\$114)	(\$105)	
Deferred Tax Not Subject to Proration						
8	Capital Repairs Deduction	, Line 3	\$0	\$0		
9	Cost of Removal	, Line 20	\$0	\$0		
10	Book/Tax Depreciation Timing Difference at 3/31/2021		\$0	\$0		
11	Cumulative Book / Tax Timer	Line 8 + Line 9 + Line 10	\$0	\$0		
12	Effective Tax Rate		21.00%	21.00%		
13	Deferred Tax Reserve	Line 11 * Line 12	\$0	\$0		
14	Total Deferred Tax Reserve	Line 7 + Line 13	(\$220)	(\$114)	(\$105)	
15	Net Operating Loss	Col (b) = , Line 26; Col (c) = , Line 26	\$0	\$0	\$0	
16	Net Deferred Tax Reserve	Line 14 + Line 15	(\$220)	(\$114)	(\$105)	
Allocation of FY 2021 Estimated Federal NOL						
17	Cumulative Book/Tax Timer Subject to Proration	Col (b) = Line 5	(\$1,046)	(\$544)	(\$502)	
18	Cumulative Book/Tax Timer Not Subject to Proration	Line 11	\$0	\$0	\$0	
19	Total Cumulative Book/Tax Timer	Line 17 + Line 18	(\$1,046)	(\$544)	(\$502)	
20	Total FY 2021 Federal NOL	Col (b) = , Line 26; Col (c) = , Line 26 / 21%	\$0	\$0	\$0	
21	Allocated FY 2021 Federal NOL Not Subject to Proration	(Line 18 / Line 19) * Line 20	\$0	\$0	\$0	
22	Allocated FY 2021 Federal NOL Subject to Proration	(Line 17 / Line 19) * Line 20	\$0	\$0	\$0	
23	Effective Tax Rate		21.00%	21.00%	21.00%	
24	Deferred Tax Benefit subject to proration	Line 22 * Line 23	\$0	\$0	\$0	
25	Net Deferred Tax Reserve subject to proration	Line 7 + Line 24	(\$220)	(\$114)	(\$105)	
Proration Calculation						
		(i) Number of Days in Month	(j) Proration Percentage	(k)= Sum of (l) through (m)	(l)	(m)
26	April 2020	30	91.78%	(\$17)	(\$9)	(\$8)
27	May 2020	31	83.29%	(\$15)	(\$8)	(\$7)
28	June 2020	30	75.07%	(\$14)	(\$7)	(\$7)
29	July 2020	31	66.58%	(\$12)	(\$6)	(\$6)
30	August 2020	31	58.08%	(\$11)	(\$6)	(\$5)
31	September 2020	30	49.86%	(\$9)	(\$5)	(\$4)
32	October 2020	31	41.37%	(\$8)	(\$4)	(\$4)
33	November 2020	30	33.15%	(\$6)	(\$3)	(\$3)
34	December 2020	31	24.66%	(\$5)	(\$2)	(\$2)
35	January 2021	31	16.16%	(\$3)	(\$2)	(\$1)
36	February 2021	28	8.49%	(\$2)	(\$1)	(\$1)
37	March 2021	31	0.00%	\$0	\$0	\$0
38	Total	365		(\$100)	(\$52)	(\$48)
39	Deferred Tax Without Proration	Line 25		(\$220)	(\$114)	(\$105)
40	Proration Adjustment	Line 38 - Line 39		\$119	\$62	\$57

Column Notes:

- (j) Sum of remaining days in the year (Col (i)) ÷ 365
- (l) through (r) = Current Year Line 25 ÷ 12 * Current Month Col (j)

The Narragansett Electric Company
d/b/a National Grid
Power Sector Transformation (PST)
Calculation of Fiscal Year 2022 Net Deferred Tax Reserve IS Proration
Synergy Grid Mod - Cybersecurity GIS - Data Security Services

Line No.			(a)=Sum of (b)	(b)	(c)	(d)	
			through (d)	Vintage Year	Vintage Year	Vintage Year	
		Total	March 31, 2022	March 31, 2021	March 31, 2020		
Deferred Tax Subject to Proration							
1	Book Depreciation	Col (b) = , Line 20; Col (c) = , Line 20; Col (d) = , Line 20	\$395	\$98	\$297	\$0	
2	Bonus Depreciation	, Line 12	\$0	\$0			
3	Remaining MACRS Tax Depreciation	Col (b) = , Line 18; Col (c) = , Line 18; Col (d) = , Line 18	(\$1,549)	(\$458)	(\$924)	(\$167)	
4	FY22 tax (gain)/loss on retirements	Col (b) = , Line 19; Col (c) = , Line 19; Col (d) = , Line 19	\$0	\$0			
5	Cumulative Book / Tax Timer	Sum of Lines 1 through 4	(\$1,154)	(\$360)	(\$627)	(\$167)	
6	Effective Tax Rate	Per Tax Department	21.00%	21.00%	21.00%	21.00%	
7	Deferred Tax Reserve	Line 5 * Line 6	(\$242)	(\$76)	(\$132)	(\$35)	
Deferred Tax Not Subject to Proration							
8	Capital Repairs Deduction	, Line 3	\$0	\$0			
9	Cost of Removal	, Line 20	\$0	\$0			
10	Book/Tax Depreciation Timing Difference at 3/31/2022		\$0	\$0			
11	Cumulative Book / Tax Timer	Line 8 + Line 9 + Line 10	\$0	\$0			
12	Effective Tax Rate		21.00%	21.00%			
13	Deferred Tax Reserve	Line 11 * Line 12	\$0	\$0			
14	Total Deferred Tax Reserve	Line 7 + Line 13	(\$242)	(\$76)	(\$132)	(\$35)	
15	Net Operating Loss	Col (b) = , Line 26; Col (c) = , Line 26; Col (d) = , Line 26	\$0	\$0	\$0	\$0	
16	Net Deferred Tax Reserve	Line 14 + Line 15	(\$242)	(\$76)	(\$132)	(\$35)	
Allocation of FY 2022 Estimated Federal NOL							
17	Cumulative Book/Tax Timer Subject to Proration	Col (b) = Line 5	(\$1,154)	(\$360)	(\$627)	(\$167)	
18	Cumulative Book/Tax Timer Not Subject to Proration	Line 11	\$0	\$0	\$0	\$0	
19	Total Cumulative Book/Tax Timer	Line 17 + Line 18	(\$1,154)	(\$360)	(\$627)	(\$167)	
20	Total FY 2022 Federal NOL	Col (b) = , Line 26; Col (c) = , Line 26; Col (d) = , Line 26 / 21%	\$0	\$0	\$0	\$0	
21	Allocated FY 2022 Federal NOL Not Subject to Proration	(Line 18 / Line 19) * Line 20	\$0	\$0	\$0	\$0	
22	Allocated FY 2022 Federal NOL Subject to Proration	(Line 17 / Line 19) * Line 20	\$0	\$0	\$0	\$0	
23	Effective Tax Rate	Per Tax Department	21.00%	21.00%	21.00%	21.00%	
24	Deferred Tax Benefit subject to proration	Line 22 * Line 23	\$0	\$0	\$0	\$0	
25	Net Deferred Tax Reserve subject to proration	Line 7 + Line 24	(\$242)	(\$76)	(\$132)	(\$35)	
Proration Calculation							
		(i)	(j)	(k)= Sum of (l)	(l)	(m)	(n)
		Number of Days in	Proration Percentage	through (n)			
		Month					
26	April 2021	30	91.78%	(\$19)	(\$6)	(\$10)	(\$3)
27	May 2021	31	83.29%	(\$17)	(\$5)	(\$9)	(\$2)
28	June 2021	30	75.07%	(\$15)	(\$5)	(\$8)	(\$2)
29	July 2021	31	66.58%	(\$13)	(\$4)	(\$7)	(\$2)
30	August 2021	31	58.08%	(\$12)	(\$4)	(\$6)	(\$2)
31	September 2021	30	49.86%	(\$10)	(\$3)	(\$5)	(\$1)
32	October 2021	31	41.37%	(\$8)	(\$3)	(\$5)	(\$1)
33	November 2021	30	33.15%	(\$7)	(\$2)	(\$4)	(\$1)
34	December 2021	31	24.66%	(\$5)	(\$2)	(\$3)	(\$1)
35	January 2022	31	16.16%	(\$3)	(\$1)	(\$2)	(\$0)
36	February 2022	28	8.49%	(\$2)	(\$1)	(\$1)	(\$0)
37	March 2022	31	0.00%	\$0	\$0	\$0	\$0
38	Total	365		(\$111)	(\$35)	(\$60)	(\$16)
39	Deferred Tax Without Proration	Line 25		(\$242)	(\$76)	(\$132)	(\$35)
40	Proration Adjustment	Line 38 - Line 39		\$132	\$41	\$71	\$19

Column Notes:

- (j) Sum of remaining days in the year (Col (i)) ÷ 365
- (l) through (r) = Current Year Line 25 ÷ 12 * Current Month Col (j)

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Grid Mod Synergy - Cybersecurity GIS - Identity and Access Management
Annual Revenue Requirement Summary

Line No.		Fiscal Year Ending March 31, 2019 (a)	Fiscal Year Ending March 31, 2020 (b)	Fiscal Year Ending March 31, 2021 (c)	Fiscal Year Ending March 31, 2022 (d)		
Electric Operation and Maintenance (O&M) Expenses:							
1	Network Security Services	\$ -	\$ -	\$ -	\$ -		
2	Data Security Services	\$ -	\$ -	\$ -	\$ -		
3	Identity and Access Management	\$ -	\$ 2,942	\$ 1,978	\$ 1,698		
4	Threat and Vulnerability Management	\$ -	\$ -	\$ -	\$ -		
5	Security Operations Center Services	\$ -	\$ -	\$ -	\$ -		
6	Host & Endpoint Security Services	\$ -	\$ -	\$ -	\$ -		
7	Cryptography Services	\$ -	\$ -	\$ -	\$ -		
8	Change and Configuration Management	\$ -	\$ -	\$ -	\$ -		
9	Total Electric O&M costs		Sum of Lines 1 through 8	\$ -	\$ 2,942	\$ 1,978	\$ 1,698
Gas Operation and Maintenance (O&M) Expenses:							
10	Network Security Services	\$ -	\$ -	\$ -	\$ -		
11	Data Security Services	\$ -	\$ -	\$ -	\$ -		
12	Identity and Access Management	\$ -	\$ 1,599	\$ 1,075	\$ 923		
13	Threat and Vulnerability Management	\$ -	\$ -	\$ -	\$ -		
14	Security Operations Center Services	\$ -	\$ -	\$ -	\$ -		
15	Host & Endpoint Security Services	\$ -	\$ -	\$ -	\$ -		
16	Cryptography Services	\$ -	\$ -	\$ -	\$ -		
17	Change and Configuration Management	\$ -	\$ -	\$ -	\$ -		
18	Total Gas O&M costs		Sum of Lines 10 through 17	\$ -	\$ 1,599	\$ 1,075	\$ 923
19	Total O&M Expenses		Line 9 + Line 18	\$ -	\$ 4,541	\$ 3,053	\$ 2,621
Electric Capital Investment:							
21	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2020 Capital Investment		\$ 1,924	\$ 1,252	\$ 1,164		
22	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2021 Capital Investment			\$ 903	\$ 1,734		
23	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2022 Capital Investment				\$ 596		
24	Total Electric Capital Investment Component of Revenue Requirement		Sum of Lines 21 through 23	\$ -	\$ 1,924	\$ 2,155	\$ 3,494
Gas Capital Investment:							
26	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2020 Capital Investment		\$ 1,046	\$ 681	\$ 633		
27	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2021 Capital Investment			\$ 491	\$ 942		
28	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2022 Capital Investment				\$ 324		
29	Total Gas Capital Investment Component of Revenue Requirement		Sum of Lines 26 through 28	\$ -	\$ 1,046	\$ 1,171	\$ 1,899
30	Total Electric Revenue Requirement		Line 9 + Line 24	\$ -	\$ 4,866	\$ 4,133	\$ 5,193
31	Total Gas Revenue Requirement		Line 18 + Line 29	\$ -	\$ 2,645	\$ 2,246	\$ 2,822
32	Total Electric & Gas Revenue Requirement		Line 30 + Line 31	\$ -	\$ 7,511	\$ 6,379	\$ 8,015

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Revenue Requirement on Estimated IS Capital Investment 12 months ending March 31, 2020
Synergy Grid Mod - Cybersecurity GIS - Identity and Access Management

Line No.			Fiscal Year Ending March 31, 2020 (a)	Fiscal Year Ending March 31, 2021 (b)	Fiscal Year Ending March 31, 2022 (c)
Estimated Capital Investment					
1	Network Security Services		\$ -		
2	Data Security Services		\$ -		
3	Identity and Access Management		\$ 27,230		
4	Threat and Vulnerability Management		\$ -		
5	Security Operations Center Services		\$ -		
6	Host & Endpoint Security Services		\$ -		
7	Cryptography Services		\$ -		
8	Change and Configuration Management		\$ -		
9	Total Estimated Capital Investment	Sum of Lines 1 through 8	\$ 27,230	\$ -	\$ -
Depreciable Net Capital Included in Rate Base					
10	Total Allowed Capital Included in Rate Base in Current Year	Line 9	\$ 27,230	\$ 0	\$ 0
11	Retirements	Line 4 * 0%	\$ 0	\$ 0	\$ 0
12	Net Depreciable Capital Included in Rate Base	Column (a) = Line 3 - Line 4; Column (b and c) = Prior Year Line 5	\$ 27,230	\$ 27,230	\$ 27,230
Change in Net Capital Included in Rate Base					
13	Capital Included in Rate Base	Line 9	\$ 27,230	\$ 0	\$ 0
14	Cost of Removal		\$ 0	\$ 0	\$ 0
15	Total Net Plant in Service Including Cost of Removal	Line 13 + Line 14	\$ 27,230	\$ 27,230	\$ 27,230
Tax Depreciation					
16	Vintage Year Tax Depreciation:				
17	FY 2020 Spend	, Line 21	\$ 22,692	\$ 3,026	\$ 1,008
18	Cumulative Tax Depreciation	Prior Year Line 11 + Current Year Line 10	\$ 22,692	\$ 25,718	\$ 26,726
Book Depreciation					
19	Composite Book Depreciation Rate		14.29%	14.29%	14.29%
20	Book Depreciation	Column (a) = Line 1 * Line 12 * 50% ; Column (b and c) = Line 1 * Line 12	\$ 1,945	\$ 0	\$ 0
21	Cumulative Book Depreciation	Prior Year Line 14 + Current Year Line 13	\$ 1,945	\$ 1,945	\$ 1,945
22	Total Cumulative Book Depreciation	Line 21	\$ 1,945	\$ 1,945	\$ 1,945
Deferred Tax Calculation:					
23	Cumulative Book / Tax Timer	Line 18 - Line 22	\$ 20,747	\$ 23,773	\$ 24,781
24	Effective Tax Rate		21.00%	21.00%	21.00%
25	Deferred Tax Reserve	Line 23 * Line 24	\$ 4,357	\$ 4,992	\$ 5,204
26	Less: FY 2020 Federal NOL		\$ 0	\$ 0	\$ 0
27	Less: Proration Adjustment	Col (a) = , Line 40; Col (b) = , Line 40; Col (c) = , Line 40	\$ (2,365)	\$ (345)	\$ (115)
28	Net Deferred Tax Reserve	Sum of Lines 25 through 27	\$ 1,991	\$ 4,647	\$ 5,089
Rate Base Calculation:					
29	Cumulative Incremental Capital Included in Rate Base	Line 15	\$ 27,230	\$ 27,230	\$ 27,230
30	Accumulated Depreciation	- Line 22	\$ (1,945)	\$ (1,945)	\$ (1,945)
31	Deferred Tax Reserve	- Line 28	\$ (1,991)	\$ (4,647)	\$ (5,089)
32	Year End Rate Base	Sum of Lines 29 through 31	\$ 23,294	\$ 20,638	\$ 20,196
Revenue Requirement Calculation:					
33	Average Rate Base	Column (a) = Current Year Line 25 ÷ 2; Column (b and c) = (Prior Year Line 25 + Current Year Line 25) ÷ 2	\$ 11,646.83	\$ 21,966	\$ 20,417
34	Pre-Tax ROR		8.80%	8.80%	8.80%
35	Return and Taxes	Line 33 * Line 34	\$ 1,025	\$ 1,933	\$ 1,797
36	Book Depreciation	Line 20	\$ 1,945	\$ 0	\$ 0
37	Annual Revenue Requirement	Line 35 + Line 36	\$ 2,970	\$ 1,933	\$ 1,797

1/ Weighted Average Cost of Capital as file in R.L.P.U.C. Docket No. 4770, Schedule MAL-6

	Ratio	Rate	Rate	Taxes	Return
Long Term Debt	50.00%	3.70%	1.85%		1.85%
Short Term Debt	0.00%	0.00%	0.00%		0.00%
Preferred Stock	0.00%	0.00%	0.00%		0.00%
Common Equity	50.00%	10.10%	5.05%	1.90%	6.95%
	<u>100.00%</u>		<u>6.90%</u>	<u>1.90%</u>	<u>8.80%</u>

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Tax Depreciation and Repairs Deduction on Fiscal Year 2020 IS Capital Investments
Synergy Grid Mod - Cybersecurity GIS - Identity and Access Management

Line No.		Fiscal Year Ending March 31, 2020 (a)	Fiscal Year Ending March 31, 2021 (b)	Fiscal Year Ending March 31, 2022 (c)
	<u>Capital Repairs Deduction</u>			
1	Plant Additions	, Line 9	\$27,230	
2	Capital Repairs Deduction Rate	Per Tax Department	0.00%	
3	Capital Repairs Deduction	Line 1 * Line 2	\$0	
	<u>Bonus Depreciation</u>			
4	Plant Additions	Line 1	\$27,230	
5	Less Capital Repairs Deduction	Line 3	\$0	
6	Plant Additions Net of Capital Repairs Deduction	Line 4 - Line 5	\$27,230	
7	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	100.00%	
8	Plant Eligible for Bonus Depreciation	Line 6 * Line 7	\$27,230	
9	Bonus Depreciation Rate (April 2019 - December 2019)	1 * 75% * 100%	75.00%	
10	Bonus Depreciation Rate (January 2020 - Mar 2020)	1 * 25% * 0%	0.00%	
11	Total Bonus Depreciation Rate	Line 9 + Line 10	75.00%	
12	Bonus Depreciation	Line 8 * Line 11	\$20,423	
	<u>Remaining Tax Depreciation</u>			
13	Plant Additions	Line 1	\$27,230	
14	Less Capital Repairs Deduction	Line 3	\$0	
15	Less Bonus Depreciation	Line 12	\$20,423	
16	Remaining Plant Additions Subject to 3 YR MACRS Tax Depreciation	Line 13 - Line 14 - Line 15	\$6,807	\$6,807
17	3 YR MACRS Tax Depreciation Rates	Per IRS Publication 946	33.330%	44.450%
18	Remaining Tax Depreciation	Line 16 * Line 17	\$2,269	\$3,026
19	FY20 Loss incurred due to retirements		\$0	\$0
20	Cost of Removal	, Line 14	\$0	\$0
21	Total Tax Depreciation and Repairs Deduction	Sum of Lines 3, 12, 18, and 20	\$22,692	\$3,026

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Revenue Requirement on Estimated IS Capital Investment 12 months ending March 31, 2021
Synergy Grid Mod - Cybersecurity GIS - Identity and Access Management

Line No.		Fiscal Year Ending March 31, 2021 (a)	Fiscal Year Ending March 31, 2022 (b)
<u>Estimated Capital Investment</u>			
1	Network Security Services	\$ -	\$ -
2	Data Security Services	\$ -	\$ -
3	Identity and Access Management	\$ 12,535	\$ -
4	Threat and Vulnerability Management	\$ -	\$ -
5	Security Operations Center Services	\$ -	\$ -
6	Host & Endpoint Security Services	\$ -	\$ -
7	Cyptography Services	\$ -	\$ -
8	Change and Configuration Management	\$ -	\$ -
9	Total Estimated Capital Investment	\$ 12,535	\$ 0
<u>Depreciable Net Capital Included in Rate Base</u>			
10	Total Allowed Capital Included in Rate Base in Current Year	Line 9 \$12,535	\$0
11	Retirements	Line 4 * 0% \$0	\$0
12	Net Depreciable Capital Included in Rate Base	Column (a) = Line 3 - Line 4; Column (b) and c) = Prior Year Line 5 \$12,535	\$12,535
<u>Change in Net Capital Included in Rate Base</u>			
13	Capital Included in Rate Base	Line 9 \$12,535	\$0
14	Cost of Removal	\$0	\$0
15	Total Net Plant in Service Including Cost of Removal	Line 12 + Line 14 \$12,535	\$12,535
<u>Tax Depreciation</u>			
16	Vintage Year Tax Depreciation:		
17	FY 2021 Spend	Page 16 of 21, Line 21 \$4,178	\$5,572
18	Cumulative Tax Depreciation	Prior Year Line 11 + Current Year Line 10 \$4,178	\$9,750
<u>Book Depreciation</u>			
19	Composite Book Depreciation Rate	As filed per R.I.P.U.C. Docket No. 4770 14.29%	14.29%
20	Book Depreciation	Column (a) = Line 1 * Line 12 * 50% ; Column (b) = Line 1 * Line 12 \$895	\$1,791
21	Cumulative Book Depreciation	Prior Year Line 14 + Current Year Line 13 \$895	\$2,686
22	Total Cumulative Book Depreciation	Line 21 \$895	\$2,686
<u>Deferred Tax Calculation:</u>			
23	Cumulative Book / Tax Timer	Line 18 - Line 21 \$3,283	\$7,064
24	Effective Tax Rate	21.00%	21.00%
25	Deferred Tax Reserve	Line 23 * Line 24 \$689	\$1,483
26	Less: FY 2021 Federal NOL	\$0	\$0
27	Less: Proration Adjustment	Col (a) = , Line 40; Col (b) = , Line 40 (\$374)	(\$431)
28	Net Deferred Tax Reserve	Sum of Lines 25 through 27 \$315	\$1,052
<u>Rate Base Calculation:</u>			
29	Cumulative Incremental Capital Included in Rate Base	Line 15 \$12,535	\$12,535
30	Accumulated Depreciation	- Line 22 (\$895)	(\$2,686)
31	Deferred Tax Reserve	- Line 28 (\$315)	(\$1,052)
32	Year End Rate Base	Sum of Lines 29 through 31 \$11,325	\$8,797
<u>Revenue Requirement Calculation:</u>			
33	Average Rate Base	Column (a) = Current Year Line 25 ÷ 2; Column (b) = (Prior Year Line 25 + Current Year Line 25) ÷ 2 Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, \$5,662.30	\$10,061
34	Pre-Tax ROR	Workpaper MAL-6 8.80%	8.80%
35	Return and Taxes	Line 33 * Line 34 \$498	\$885
36	Book Depreciation	Line 20 \$895	\$1,791
37	Annual Revenue Requirement	Line 35 + Line 36 \$1,394	\$2,676

1/ Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, Schedule MAL-6

	Ratio	Rate	Rate	Taxes	Return
Long Term Debt	50.00%	3.70%	1.85%		1.85%
Short Term Debt	0.00%	0.00%	0.00%		0.00%
Preferred Stock	0.00%	0.00%	0.00%		0.00%
Common Equity	50.00%	10.10%	5.05%	1.90%	6.95%
	100.00%		6.90%	1.90%	8.80%

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Tax Depreciation and Repairs Deduction on Fiscal Year 2021 IS Capital Investments
Synergy Grid Mod - Cybersecurity GIS - Identity and Access Management

Line No.			Fiscal Year Ending <u>March 31, 2021</u> (a)	Fiscal Year Ending <u>March 31, 2022</u> (b)
	<u>Capital Repairs Deduction</u>			
1	Plant Additions	, Line 9	\$12,535	
2	Capital Repairs Deduction Rate	Per Tax Department	0.00%	
3	Capital Repairs Deduction	Line 1 * Line 2	<u>\$0</u>	
	<u>Bonus Depreciation</u>			
4	Plant Additions	Line 1	\$12,535	
5	Less Capital Repairs Deduction	Line 3	<u>\$0</u>	
6	Plant Additions Net of Capital Repairs Deduction	Line 4 - Line 5	\$12,535	
7	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	<u>100.00%</u>	
8	Plant Eligible for Bonus Depreciation	Line 6 * Line 7	\$12,535	
9	Bonus Depreciation Rate (April 2020 - December 2020)	0%	0.00%	
10	Bonus Depreciation Rate (January 2021 - Mar 2021)	0%	<u>0.00%</u>	
11	Total Bonus Depreciation Rate	Line 9 + Line 10	0.00%	
12	Bonus Depreciation	Line 8 * Line 11	\$0	
	<u>Remaining Tax Depreciation</u>			
13	Plant Additions	Line 1	\$12,535	
14	Less Capital Repairs Deduction	Line 3	\$0	
15	Less Bonus Depreciation	Line 12	<u>\$0</u>	
16	Remaining Plant Additions Subject to 3 YR MACRS Tax Depreciation	Line 13 - Line 14 - Line 15	\$12,535	\$12,535
17	3 YR MACRS Tax Depreciation Rates	Per IRS Publication 946	33.330%	44.450%
18	Remaining Tax Depreciation	Line 16 * Line 17	<u>\$4,178</u>	<u>\$5,572</u>
19	FY21 Loss incurred due to retirements	Per Tax Department	\$0	\$0
20	Cost of Removal	, Line 14	\$0	\$0
21	Total Tax Depreciation and Repairs Deduction	Sum of Lines 3, 12, 18, 19, and 20	<u>\$4,178</u>	<u>\$5,572</u>

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Revenue Requirement on Estimated IS Capital Investment 12 months ending March 31, 2022
Synergy Grid Mod - Cybersecurity GIS - Identity and Access Management

Line No.		Fiscal Year Ending March 31, 2022 (a)
<u>Estimated Capital Investment</u>		
1	Network Security Services	\$ -
2	Data Security Services	\$ -
3	Identity and Access Management	\$ 8,279
4	Threat and Vulnerability Management	\$ -
5	Security Operations Center Services	\$ -
6	Host & Endpoint Security Services	\$ -
7	Cyrtography Services	\$ -
8	Change and Configuration Management	\$ -
9	Total Estimated Capital Investment	\$ 8,279
	Sum of Lines 1 through 8	
<u>Depreciable Net Capital Included in Rate Base</u>		
10	Total Allowed Capital Included in Rate Base in Current Year	Line 9 \$8,279
11	Retirements	Line 4 * 0% \$0
12	Net Depreciable Capital Included in Rate Base	Column (a) = Line 3 - Line 4 \$8,279
<u>Change in Net Capital Included in Rate Base</u>		
13	Capital Included in Rate Base	Line 9 \$8,279
14	Cost of Removal	\$0
15	Total Net Plant in Service Including Cost of Removal	Line 6 + Line 8 \$8,279
<u>Tax Depreciation</u>		
16	Vintage Year Tax Depreciation:	
17	FY 2022 Spend	, Line 21 \$2,759
18	Cumulative Tax Depreciation	Current Year Line 10 \$2,759
<u>Book Depreciation</u>		
19	Composite Book Depreciation Rate	As approved per R.I.P.U.C. Docket No. 4770 14.29%
20	Book Depreciation	Column (a) = Line 2* Line 12 * 50% \$591
21	Cumulative Book Depreciation	Current Year Line 13 \$591
22	Total Cumulative Book Depreciation	Line 21 \$591
<u>Deferred Tax Calculation:</u>		
23	Cumulative Book / Tax Timer	Line 18 - Line 22 \$2,168
24	Effective Tax Rate	21.00%
25	Deferred Tax Reserve	Line 23 * Line 24 \$455
26	Less: FY 2022 Federal NOL	\$0
27	Less: Proration Adjustment	Col = , Line 40 (\$247)
28	Net Deferred Tax Reserve	Sum of Lines 25 through 27 \$208
<u>Rate Base Calculation:</u>		
29	Cumulative Incremental Capital Included in Rate Base	Line 15 \$8,279
30	Accumulated Depreciation	- Line 22 (\$591)
31	Deferred Tax Reserve	- Line 28 (\$208)
32	Year End Rate Base	Sum of Lines 29 through 31 \$7,479
<u>Revenue Requirement Calculation:</u>		
33	Average Rate Base	Column (a) = Current Year Line 25 ÷ 2 \$3,739.56
	Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, Workpaper	
34	Pre-Tax ROR	MAL-6 8.80%
35	Return and Taxes	Line 33 * Line 34 \$329
36	Book Depreciation	Line 20 \$591
37	Annual Revenue Requirement	Line 35 + Line 36 \$920

1/ Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, Schedule MAL-6

	Ratio	Rate	Rate	Taxes	Return
Long Term Debt	50.00%	3.70%	1.85%		1.85%
Short Term Debt	0.00%	0.00%	0.00%		0.00%
Preferred Stock	0.00%	0.00%	0.00%		0.00%
Common Equity	50.00%	10.10%	5.05%	1.90%	6.95%
	<u>100.00%</u>		<u>6.90%</u>	<u>1.90%</u>	<u>8.80%</u>

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Tax Depreciation and Repairs Deduction on Fiscal Year 2022 IS Capital Investments
Synergy Grid Mod - Cybersecurity GIS - Identity and Access Management

Line No.			Fiscal Year Ending <u>March 31, 2022</u> (a)
	<u>Capital Repairs Deduction</u>		
1	Plant Additions	, Line 9	\$8,279
2	Capital Repairs Deduction Rate	Per Tax Department	0.00%
3	Capital Repairs Deduction	Line 1 * Line 2	<u>\$0</u>
	<u>Bonus Depreciation</u>		
4	Plant Additions	Line 1	\$8,279
5	Less Capital Repairs Deduction	Line 3	<u>\$0</u>
6	Plant Additions Net of Capital Repairs Deduction	Line 4 - Line 5	\$8,279
7	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	<u>100.00%</u>
8	Plant Eligible for Bonus Depreciation	Line 6 * Line 7	\$8,279
9	Bonus Depreciation Rate (April 2020 - December 2020)	0%	0.00%
10	Bonus Depreciation Rate (January 2021 - Mar 2021)	0%	<u>0.00%</u>
11	Total Bonus Depreciation Rate	Line 9 + Line 10	0.00%
12	Bonus Depreciation	Line 8 * Line 11	\$0
	<u>Remaining Tax Depreciation</u>		
13	Plant Additions	Line 1	\$8,279
14	Less Capital Repairs Deduction	Line 3	\$0
15	Less Bonus Depreciation	Line 12	<u>\$0</u>
16	Remaining Plant Additions Subject to 3 YR MACRS Tax Depreciation	Line 13 - Line 14 - Line 15	\$8,279
17	3 YR MACRS Tax Depreciation Rates	Per IRS Publication 946	<u>33.33%</u>
18	Remaining Tax Depreciation	Line 16 * Line 17	\$2,759
19	FY22 Loss incurred due to retirements	Per Tax Department	\$0
20	Cost of Removal	, Line 14	\$0
21	Total Tax Depreciation and Repairs Deduction	Sum of Lines 3, 12, 18, 19, and 20	<u>\$2,759</u>

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Fiscal Year 2020 Net Deferred Tax Reserve IS Proration
Synergy Grid Mod - Cybersecurity GIS - Identity and Access Management

Line No.		(a)= Column (b)	(b) Vintage Year March 31, 2020
Deferred Tax Subject to Proration			
1	Book Depreciation, Line 20	\$1,945	\$1,945
2	Bonus Depreciation, - Line 12	(\$20,423)	(\$20,423)
3	Remaining MACRS Tax Depreciation, - Line 18	(\$2,269)	(\$2,269)
4	FY20 tax (gain)/loss on retirements, - Line 19	\$0	\$0
5	Cumulative Book / Tax Timer, Sum of Lines 1 through 4	(\$20,747)	(\$20,747)
6	Effective Tax Rate, Per Tax Department	21.00%	21.00%
7	Deferred Tax Reserve, Line 5 * Line 6	(\$4,357)	(\$4,357)
Deferred Tax Not Subject to Proration			
8	Capital Repairs Deduction, Line 3	\$0	\$0
9	Cost of Removal, Line 20	\$0	\$0
10	Book/Tax Depreciation Timing Difference at 3/31/2020	\$0	\$0
11	Cumulative Book / Tax Timer, Line 8 + Line 9 + Line 10	\$0	\$0
12	Effective Tax Rate	21.00%	21.00%
13	Deferred Tax Reserve, Line 11 * Line 12	\$0	\$0
14	Total Deferred Tax Reserve, Line 7 + Line 13	(\$4,357)	(\$4,357)
15	Net Operating Loss, Line 26	\$0	\$0
16	Net Deferred Tax Reserve, Line 14 + Line 15	(\$4,357)	(\$4,357)
Allocation of FY 2020 Estimated Federal NOL			
17	Cumulative Book/Tax Timer Subject to Proration, Col (b) = Line 5	(\$20,747)	(\$20,747)
18	Cumulative Book/Tax Timer Not Subject to Proration, Line 11	\$0	\$0
19	Total Cumulative Book/Tax Timer, Line 17 + Line 18	(\$20,747)	(\$20,747)
20	Total FY 2020 Federal NOL, Line 26 / 21%	\$0	\$0
21	Allocated FY 2020 Federal NOL Not Subject to Proration, (Line 18 / Line 19) * Line 20	\$0	\$0
22	Allocated FY 2020 Federal NOL Subject to Proration, (Line 17 / Line 19) * Line 20	\$0	\$0
23	Effective Tax Rate, Per Tax Department	21.00%	21.00%
24	Deferred Tax Benefit subject to proration, Line 22 * Line 23	\$0	\$0
25	Net Deferred Tax Reserve subject to proration, Line 7 + Line 24	(\$4,357)	(\$4,357)

Line No.	Proration Calculation	Number of Days in		(k)= Sum of (l)	(l)
		Month	Proration Percentage		
26	April 2019	30	91.78%	(\$333)	(\$333)
27	May 2019	31	83.29%	(\$302)	(\$302)
28	June 2019	30	75.07%	(\$273)	(\$273)
29	July 2019	31	66.58%	(\$242)	(\$242)
30	August 2019	31	58.08%	(\$211)	(\$211)
31	September 2019	30	49.86%	(\$181)	(\$181)
32	October 2019	31	41.37%	(\$150)	(\$150)
33	November 2019	30	33.15%	(\$120)	(\$120)
34	December 2019	31	24.66%	(\$90)	(\$90)
35	January 2020	31	16.16%	(\$59)	(\$59)
36	February 2020	28	8.49%	(\$31)	(\$31)
37	March 2020	31	0.00%	\$0	\$0
38	Total	365		(\$1,991)	(\$1,991)
39	Deferred Tax Without Proration, Line 25			(\$4,357)	(\$4,357)
40	Proration Adjustment, Line 38 - Line 39			\$2,365	\$2,365

Column Notes:

- (j) Sum of remaining days in the year (Col (i)) ÷ 365
- (l) through (r) = Current Year Line 25 ÷ 12 * Current Month Col (j)

The Narragansett Electric Company
d/b/a National Grid
Power Sector Transformation (PST)
Calculation of Fiscal Year 2021 Net Deferred Tax Reserve IS Proration
Synergy Grid Mod - Cybersecurity GIS - Identity and Access Management

Line No.			(a)=Sum of (b)	(b)	(c)	
			through (c)	Vintage Year	Vintage Year	
			Total	March 31, 2021	March 31, 2020	
Deferred Tax Subject to Proration						
1	Book Depreciation	Col (b) = , Line 20; Col (c) = , Line 20	\$895	\$895	\$0	
2	Bonus Depreciation	, Line 12	\$0	\$0		
3	Remaining MACRS Tax Depreciation	Col (b) = , Line 18; Col (c) = , Line 18	(\$7,204)	(\$4,178)	(\$3,026)	
4	FY21 tax (gain)/loss on retirements	Col (b) = , Line 19; Col (c) = , Line 19	\$0	\$0		
5	Cumulative Book / Tax Timer	Sum of Lines 1 through 4	(\$6,309)	(\$3,283)	(\$3,026)	
6	Effective Tax Rate	Per Tax Department	21.00%	21.00%	21.00%	
7	Deferred Tax Reserve	Line 5 * Line 6	(\$1,325)	(\$689)	(\$635)	
Deferred Tax Not Subject to Proration						
8	Capital Repairs Deduction	, Line 3	\$0	\$0		
9	Cost of Removal	, Line 20	\$0	\$0		
10	Book/Tax Depreciation Timing Difference at 3/31/2021		\$0	\$0		
11	Cumulative Book / Tax Timer	Line 8 + Line 9 + Line 10	\$0	\$0		
12	Effective Tax Rate		21.00%	21.00%		
13	Deferred Tax Reserve	Line 11 * Line 12	\$0	\$0		
14	Total Deferred Tax Reserve	Line 7 + Line 13	(\$1,325)	(\$689)	(\$635)	
15	Net Operating Loss	Col (b) = , Line 26; Col (c) = , Line 26	\$0	\$0	\$0	
16	Net Deferred Tax Reserve	Line 14 + Line 15	(\$1,325)	(\$689)	(\$635)	
Allocation of FY 2021 Estimated Federal NOL						
17	Cumulative Book/Tax Timer Subject to Proration	Col (b) = Line 5	(\$6,309)	(\$3,283)	(\$3,026)	
18	Cumulative Book/Tax Timer Not Subject to Proration	Line 11	\$0	\$0	\$0	
19	Total Cumulative Book/Tax Timer	Line 17 + Line 18	(\$6,309)	(\$3,283)	(\$3,026)	
20	Total FY 2021 Federal NOL	Col (b) = , Line 26; Col (c) = , Line 26 / 21%	\$0	\$0	\$0	
21	Allocated FY 2021 Federal NOL Not Subject to Proration	(Line 18 / Line 19) * Line 20	\$0	\$0	\$0	
22	Allocated FY 2021 Federal NOL Subject to Proration	(Line 17 / Line 19) * Line 20	\$0	\$0	\$0	
23	Effective Tax Rate		21.00%	21.00%	21.00%	
24	Deferred Tax Benefit subject to proration	Line 22 * Line 23	\$0	\$0	\$0	
25	Net Deferred Tax Reserve subject to proration	Line 7 + Line 24	(\$1,325)	(\$689)	(\$635)	
Proration Calculation						
		(i) Number of Days in Month	(j) Proration Percentage	(k)= Sum of (l) through (m)	(l)	(m)
26	April 2020	30	91.78%	(\$101)	(\$53)	(\$49)
27	May 2020	31	83.29%	(\$92)	(\$48)	(\$44)
28	June 2020	30	75.07%	(\$83)	(\$43)	(\$40)
29	July 2020	31	66.58%	(\$73)	(\$38)	(\$35)
30	August 2020	31	58.08%	(\$64)	(\$33)	(\$31)
31	September 2020	30	49.86%	(\$55)	(\$29)	(\$26)
32	October 2020	31	41.37%	(\$46)	(\$24)	(\$22)
33	November 2020	30	33.15%	(\$37)	(\$19)	(\$18)
34	December 2020	31	24.66%	(\$27)	(\$14)	(\$13)
35	January 2021	31	16.16%	(\$18)	(\$9)	(\$9)
36	February 2021	28	8.49%	(\$9)	(\$5)	(\$4)
37	March 2021	31	0.00%	\$0	\$0	\$0
38	Total	365		(\$606)	(\$315)	(\$290)
39	Deferred Tax Without Proration	Line 25		(\$1,325)	(\$689)	(\$635)
40	Proration Adjustment	Line 38 - Line 39		\$719	\$374	\$345

Column Notes:

- (j) Sum of remaining days in the year (Col (i)) ÷ 365
- (l) through (r) = Current Year Line 25 ÷ 12 * Current Month Col (j)

The Narragansett Electric Company
d/b/a National Grid
Power Sector Transformation (PST)
Calculation of Fiscal Year 2022 Net Deferred Tax Reserve IS Proration
Synergy Grid Mod - Cybersecurity GIS - Identity and Access Management

Line No.			(a)=Sum of (b) through (d)	(b)	(c)	(d)	
			Total	Vintage Year March 31, 2022	Vintage Year March 31, 2021	Vintage Year March 31, 2020	
Deferred Tax Subject to Proration							
1	Book Depreciation	Col (b) = , Line 20; Col (c) = , Line 20; Col (d) = , Line 20	\$2,382	\$591	\$1,791	\$0	
2	Bonus Depreciation	, Line 12	\$0	\$0			
3	Remaining MACRS Tax Depreciation	Col (b) = , Line 18; Col (c) = , Line 18; Col (d) = , Line 18	(\$9,339)	(\$2,759)	(\$5,572)	(\$1,008)	
4	FY22 tax (gain)/loss on retirements	Col (b) = , Line 19; Col (c) = , Line 19; Col (d) = , Line 19	\$0	\$0			
5	Cumulative Book / Tax Timer	Sum of Lines 1 through 4	(\$6,957)	(\$2,168)	(\$3,781)	(\$1,008)	
6	Effective Tax Rate	Per Tax Department	21.00%	21.00%	21.00%	21.00%	
7	Deferred Tax Reserve	Line 5 * Line 6	(\$1,461)	(\$455)	(\$794)	(\$212)	
Deferred Tax Not Subject to Proration							
8	Capital Repairs Deduction	, Line 3	\$0	\$0			
9	Cost of Removal	, Line 20	\$0	\$0			
10	Book/Tax Depreciation Timing Difference at 3/31/2022		\$0	\$0			
11	Cumulative Book / Tax Timer	Line 8 + Line 9 + Line 10	\$0	\$0			
12	Effective Tax Rate		21.00%	21.00%			
13	Deferred Tax Reserve	Line 11 * Line 12	\$0	\$0			
14	Total Deferred Tax Reserve	Line 7 + Line 13	(\$1,461)	(\$455)	(\$794)	(\$212)	
15	Net Operating Loss	Col (b) = , Line 26; Col (c) = , Line 26; Col (d) = , Line 26	\$0	\$0	\$0	\$0	
16	Net Deferred Tax Reserve	Line 14 + Line 15	(\$1,461)	(\$455)	(\$794)	(\$212)	
Allocation of FY 2022 Estimated Federal NOL							
17	Cumulative Book/Tax Timer Subject to Proration	Col (b) = Line 5	(\$6,957)	(\$2,168)	(\$3,781)	(\$1,008)	
18	Cumulative Book/Tax Timer Not Subject to Proration	Line 11	\$0	\$0	\$0	\$0	
19	Total Cumulative Book/Tax Timer	Line 17 + Line 18	(\$6,957)	(\$2,168)	(\$3,781)	(\$1,008)	
20	Total FY 2022 Federal NOL	Col (b) = , Line 26; Col (c) = , Line 26; Col (d) = , Line 26 / 21%	\$0	\$0	\$0	\$0	
21	Allocated FY 2022 Federal NOL Not Subject to Proration	(Line 18 / Line 19) * Line 20	\$0	\$0	\$0	\$0	
22	Allocated FY 2022 Federal NOL Subject to Proration	(Line 17 / Line 19) * Line 20	\$0	\$0	\$0	\$0	
23	Effective Tax Rate	Per Tax Department	21.00%	21.00%	21.00%	21.00%	
24	Deferred Tax Benefit subject to proration	Line 22 * Line 23	\$0	\$0	\$0	\$0	
25	Net Deferred Tax Reserve subject to proration	Line 7 + Line 24	(\$1,461)	(\$455)	(\$794)	(\$212)	
Proration Calculation							
		(i)	(j)	(k)= Sum of (l) through (n)	(l)	(m)	(n)
		<u>Number of Days in</u>	<u>Proration Percentage</u>				
		<u>Month</u>					
26	April 2021	30	91.78%	(\$112)	(\$35)	(\$61)	(\$16)
27	May 2021	31	83.29%	(\$101)	(\$32)	(\$55)	(\$15)
28	June 2021	30	75.07%	(\$91)	(\$28)	(\$50)	(\$13)
29	July 2021	31	66.58%	(\$81)	(\$25)	(\$44)	(\$12)
30	August 2021	31	58.08%	(\$71)	(\$22)	(\$38)	(\$10)
31	September 2021	30	49.86%	(\$61)	(\$19)	(\$33)	(\$9)
32	October 2021	31	41.37%	(\$50)	(\$16)	(\$27)	(\$7)
33	November 2021	30	33.15%	(\$40)	(\$13)	(\$22)	(\$6)
34	December 2021	31	24.66%	(\$30)	(\$9)	(\$16)	(\$4)
35	January 2022	31	16.16%	(\$20)	(\$6)	(\$11)	(\$3)
36	February 2022	28	8.49%	(\$10)	(\$3)	(\$6)	(\$1)
37	March 2022	31	0.00%	\$0	\$0	\$0	\$0
38	Total	365		(\$668)	(\$208)	(\$363)	(\$97)
39	Deferred Tax Without Proration	Line 25		(\$1,461)	(\$455)	(\$794)	(\$212)
40	Proration Adjustment	Line 38 - Line 39		\$793	\$247	\$431	\$115

Column Notes:

- (j) Sum of remaining days in the year (Col (i)) ÷ 365
- (l) through (r) = Current Year Line 25 ÷ 12 * Current Month Col (j)

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Grid Mod Synergy - Cybersecurity GIS - Threat and Vulnerability Management
Annual Revenue Requirement Summary

Line No.		Fiscal Year Ending March 31, 2019 (a)	Fiscal Year Ending March 31, 2020 (b)	Fiscal Year Ending March 31, 2021 (c)	Fiscal Year Ending March 31, 2022 (d)
Electric Operation and Maintenance (O&M) Expenses:					
1	Network Security Services	\$ -	\$ -	\$ -	\$ -
2	Data Security Services	\$ -	\$ -	\$ -	\$ -
3	Identity and Access Management	\$ -	\$ -	\$ -	\$ -
4	Threat and Vulnerability Management	\$ -	\$ 2,134	\$ 1,170	\$ 891
5	Security Operations Center Services	\$ -	\$ -	\$ -	\$ -
6	Host & Endpoint Security Services	\$ -	\$ -	\$ -	\$ -
7	Cryptography Services	\$ -	\$ -	\$ -	\$ -
8	Change and Configuration Management	\$ -	\$ -	\$ -	\$ -
9	Total Electric O&M costs		\$ 2,134	\$ 1,170	\$ 891
Gas Operation and Maintenance (O&M) Expenses:					
10	Network Security Services	\$ -	\$ -	\$ -	\$ -
11	Data Security Services	\$ -	\$ -	\$ -	\$ -
12	Identity and Access Management	\$ -	\$ -	\$ -	\$ -
13	Threat and Vulnerability Management	\$ -	\$ 1,160	\$ 636	\$ 484
14	Security Operations Center Services	\$ -	\$ -	\$ -	\$ -
15	Host & Endpoint Security Services	\$ -	\$ -	\$ -	\$ -
16	Cryptography Services	\$ -	\$ -	\$ -	\$ -
17	Change and Configuration Management	\$ -	\$ -	\$ -	\$ -
18	Total Gas O&M costs		\$ 1,160	\$ 636	\$ 484
19	Total O&M Expenses	Line 9 + Line 18	\$ 3,294	\$ 1,806	\$ 1,375
Electric Capital Investment:					
21	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2020 Capital Investment		\$490	\$319	\$297
22	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2021 Capital Investment			\$230	\$442
23	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2022 Capital Investment				\$152
24	Total Electric Capital Investment Component of Revenue Requirement	Sum of Lines 21 through 23	\$490	\$549	\$890
Gas Capital Investment:					
26	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2020 Capital Investment		\$266	\$173	\$161
27	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2021 Capital Investment			\$125	\$240
28	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2022 Capital Investment				\$83
29	Total Gas Capital Investment Component of Revenue Requirement	Sum of Lines 26 through 28	\$266	\$298	\$484
30	Total Electric Revenue Requirement	Line 9 + Line 24	\$2,625	\$1,719	\$1,781
31	Total Gas Revenue Requirement	Line 18 + Line 29	\$1,426	\$934	\$968
32	Total Electric & Gas Revenue Requirement	Line 30 + Line 31	\$4,051	\$2,653	\$2,749

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Revenue Requirement on Estimated IS Capital Investment 12 months ending March 31, 2020
Synergy Grid Mod - Cybersecurity GIS - Threat and Vulnerability Management

Line No.			Fiscal Year Ending March 31, 2020 (a)	Fiscal Year Ending March 31, 2021 (b)	Fiscal Year Ending March 31, 2022 (c)
Estimated Capital Investment					
1	Network Security Services		\$ -		
2	Data Security Services		\$ -		
3	Identity and Access Management		\$ -		
4	Threat and Vulnerability Management		\$ 6,937		
5	Security Operations Center Services		\$ -		
6	Host & Endpoint Security Services		\$ -		
7	Cryptography Services		\$ -		
8	Change and Configuration Management		\$ -		
9	Total Estimated Capital Investment	Sum of Lines 1 through 8	\$ 6,937	\$ -	\$ -
Depreciable Net Capital Included in Rate Base					
10	Total Allowed Capital Included in Rate Base in Current Year	Line 9	\$ 6,937	\$ 0	\$ 0
11	Retirements	Line 4 * 0%	\$ 0	\$ 0	\$ 0
12	Net Depreciable Capital Included in Rate Base	Column (a) = Line 3 - Line 4; Column (b and c) = Prior Year Line 5	\$ 6,937	\$ 6,937	\$ 6,937
Change in Net Capital Included in Rate Base					
13	Capital Included in Rate Base	Line 9	\$ 6,937	\$ 0	\$ 0
14	Cost of Removal		\$ 0	\$ 0	\$ 0
15	Total Net Plant in Service Including Cost of Removal	Line 13 + Line 14	\$ 6,937	\$ 6,937	\$ 6,937
Tax Depreciation					
16	Vintage Year Tax Depreciation:				
17	FY 2020 Spend	, Line 21	\$ 5,781	\$ 771	\$ 257
18	Cumulative Tax Depreciation	Prior Year Line 11 + Current Year Line 10	\$ 5,781	\$ 6,552	\$ 6,809
Book Depreciation					
19	Composite Book Depreciation Rate		14.29%	14.29%	14.29%
20	Book Depreciation	Column (a) = Line 1 * Line 12 * 50%; Column (b and c) = Line 1 * Line 12	\$ 496	\$ 0	\$ 0
21	Cumulative Book Depreciation	Prior Year Line 14 + Current Year Line 13	\$ 496	\$ 496	\$ 496
22	Total Cumulative Book Depreciation	Line 21	\$ 496	\$ 496	\$ 496
Deferred Tax Calculation:					
23	Cumulative Book / Tax Timer	Line 18 - Line 22	\$ 5,285	\$ 6,056	\$ 6,313
24	Effective Tax Rate		21.00%	21.00%	21.00%
25	Deferred Tax Reserve	Line 23 * Line 24	\$ 1,110	\$ 1,272	\$ 1,326
26	Less: FY 2020 Federal NOL		\$ 0	\$ 0	\$ 0
27	Less: Proration Adjustment	Col (a) = , Line 40; Col (b) = , Line 40; Col (c) = , Line 40	(\$603)	(\$88)	(\$29)
28	Net Deferred Tax Reserve	Sum of Lines 25 through 27	\$ 507	\$ 1,184	\$ 1,297
Rate Base Calculation:					
29	Cumulative Incremental Capital Included in Rate Base	Line 15	\$ 6,937	\$ 6,937	\$ 6,937
30	Accumulated Depreciation	- Line 22	(\$496)	(\$496)	(\$496)
31	Deferred Tax Reserve	- Line 28	(\$507)	(\$1,184)	(\$1,297)
32	Year End Rate Base	Sum of Lines 29 through 31	\$ 5,934	\$ 5,258	\$ 5,145
Revenue Requirement Calculation:					
33	Average Rate Base	Column (a) = Current Year Line 25 ÷ 2; Column (b and c) = (Prior Year Line 25 + Current Year Line 25) ÷ 2	\$ 2,967.10	\$ 5,596	\$ 5,201
34	Pre-Tax ROR		8.80%	8.80%	8.80%
35	Return and Taxes	Line 33 * Line 34	\$ 261	\$ 492	\$ 458
36	Book Depreciation	Line 20	\$ 496	\$ 0	\$ 0
37	Annual Revenue Requirement	Line 35 + Line 36	\$ 757	\$ 492	\$ 458

1/ Weighted Average Cost of Capital as file in R.L.P.U.C. Docket No. 4770, Schedule MAL-6

	Ratio	Rate	Rate	Taxes	Return
Long Term Debt	50.00%	3.70%	1.85%		1.85%
Short Term Debt	0.00%	0.00%	0.00%		0.00%
Preferred Stock	0.00%	0.00%	0.00%		0.00%
Common Equity	50.00%	10.10%	5.05%	1.90%	6.95%
	<u>100.00%</u>		<u>6.90%</u>	<u>1.90%</u>	<u>8.80%</u>

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Tax Depreciation and Repairs Deduction on Fiscal Year 2020 IS Capital Investments
Synergy Grid Mod - Cybersecurity GIS - Threat and Vulnerability Management

Line No.		Fiscal Year Ending March 31, 2020 (a)	Fiscal Year Ending March 31, 2021 (b)	Fiscal Year Ending March 31, 2022 (c)
	<u>Capital Repairs Deduction</u>			
1	Plant Additions	, Line 9	\$6,937	
2	Capital Repairs Deduction Rate	Per Tax Department	0.00%	
3	Capital Repairs Deduction	Line 1 * Line 2	\$0	
	<u>Bonus Depreciation</u>			
4	Plant Additions	Line 1	\$6,937	
5	Less Capital Repairs Deduction	Line 3	\$0	
6	Plant Additions Net of Capital Repairs Deduction	Line 4 - Line 5	\$6,937	
7	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	100.00%	
8	Plant Eligible for Bonus Depreciation	Line 6 * Line 7	\$6,937	
9	Bonus Depreciation Rate (April 2019 - December 2019)	1 * 75% * 100%	75.00%	
10	Bonus Depreciation Rate (January 2020 - Mar 2020)	1 * 25% * 0%	0.00%	
11	Total Bonus Depreciation Rate	Line 9 + Line 10	75.00%	
12	Bonus Depreciation	Line 8 * Line 11	\$5,203	
	<u>Remaining Tax Depreciation</u>			
13	Plant Additions	Line 1	\$6,937	
14	Less Capital Repairs Deduction	Line 3	\$0	
15	Less Bonus Depreciation	Line 12	\$5,203	
16	Remaining Plant Additions Subject to 3 YR MACRS Tax Depreciation	Line 13 - Line 14 - Line 15	\$1,734	\$1,734
17	3 YR MACRS Tax Depreciation Rates	Per IRS Publication 946	33.330%	44.450%
18	Remaining Tax Depreciation	Line 16 * Line 17	\$578	\$771
19	FY20 Loss incurred due to retirements		\$0	\$0
20	Cost of Removal	, Line 14	\$0	\$0
21	Total Tax Depreciation and Repairs Deduction	Sum of Lines 3, 12, 18, and 20	\$5,781	\$771

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Revenue Requirement on Estimated IS Capital Investment 12 months ending March 31, 2021
Synergy Grid Mod - Cybersecurity GIS - Threat and Vulnerability Management

Line No.		Fiscal Year Ending March 31, 2021 (a)	Fiscal Year Ending March 31, 2022 (b)
<u>Estimated Capital Investment</u>			
1	Network Security Services	\$ -	\$ -
2	Data Security Services	\$ -	\$ -
3	Identity and Access Management	\$ -	\$ -
4	Threat and Vulnerability Management	\$ 3,193	\$ -
5	Security Operations Center Services	\$ -	\$ -
6	Host & Endpoint Security Services	\$ -	\$ -
7	Cryptography Services	\$ -	\$ -
8	Change and Configuration Management	\$ -	\$ -
9	Total Estimated Capital Investment	\$ 3,193	\$ 0
<u>Depreciable Net Capital Included in Rate Base</u>			
10	Total Allowed Capital Included in Rate Base in Current Year	Line 9	\$ 3,193
11	Retirements	Line 4 * 0%	\$ 0
12	Net Depreciable Capital Included in Rate Base	Column (a) = Line 3 - Line 4; Column (b) and c) = Prior Year Line 5	\$ 3,193
<u>Change in Net Capital Included in Rate Base</u>			
13	Capital Included in Rate Base	Line 9	\$ 3,193
14	Cost of Removal	\$ 0	\$ 0
15	Total Net Plant in Service Including Cost of Removal	Line 12 + Line 14	\$ 3,193
<u>Tax Depreciation</u>			
16	Vintage Year Tax Depreciation:		
17	FY 2021 Spend	Page 16 of 21, Line 21	\$ 1,064
18	Cumulative Tax Depreciation	Prior Year Line 11 + Current Year Line 10	\$ 1,064
<u>Book Depreciation</u>			
19	Composite Book Depreciation Rate	As filed per R.I.P.U.C. Docket No. 4770	14.29%
20	Book Depreciation	Column (a) = Line 1 * Line 12 * 50% ; Column (b) = Line 1 * Line 12	\$ 228
21	Cumulative Book Depreciation	Prior Year Line 14 + Current Year Line 13	\$ 228
22	Total Cumulative Book Depreciation	Line 21	\$ 228
<u>Deferred Tax Calculation:</u>			
23	Cumulative Book / Tax Timer	Line 18 - Line 21	\$ 836
24	Effective Tax Rate		21.00%
25	Deferred Tax Reserve	Line 23 * Line 24	\$ 176
26	Less: FY 2021 Federal NOL		\$ 0
27	Less: Proration Adjustment	Col (a) = , Line 40; Col (b) = , Line 40	(\$ 95)
28	Net Deferred Tax Reserve	Sum of Lines 25 through 27	\$ 80
<u>Rate Base Calculation:</u>			
29	Cumulative Incremental Capital Included in Rate Base	Line 15	\$ 3,193
30	Accumulated Depreciation	- Line 22	(\$ 228)
31	Deferred Tax Reserve	- Line 28	(\$ 80)
32	Year End Rate Base	Sum of Lines 29 through 31	\$ 2,885
<u>Revenue Requirement Calculation:</u>			
33	Average Rate Base	Column (a) = Current Year Line 25 ÷ 2; Column (b) = (Prior Year Line 25 + Current Year Line 25) ÷ 2	\$ 1,442.52
34	Pre-Tax ROR	Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, Workpaper MAL-6	8.80%
35	Return and Taxes	Line 33 * Line 34	\$ 127
36	Book Depreciation	Line 20	\$ 228
37	Annual Revenue Requirement	Line 35 + Line 36	\$ 355

1/ Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, Schedule MAL-6

	Ratio	Rate	Rate	Taxes	Return
Long Term Debt	50.00%	3.70%	1.85%		1.85%
Short Term Debt	0.00%	0.00%	0.00%		0.00%
Preferred Stock	0.00%	0.00%	0.00%		0.00%
Common Equity	50.00%	10.10%	5.05%	1.90%	6.95%
	100.00%		6.90%	1.90%	8.80%

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Tax Depreciation and Repairs Deduction on Fiscal Year 2021 IS Capital Investments
Synergy Grid Mod - Cybersecurity GIS - Threat and Vulnerability Management

Line No.			Fiscal Year Ending	Fiscal Year Ending
			March 31, 2021 (a)	March 31, 2022 (b)
	<u>Capital Repairs Deduction</u>			
1	Plant Additions	, Line 9	\$3,193	
2	Capital Repairs Deduction Rate	Per Tax Department	0.00%	
3	Capital Repairs Deduction	Line 1 * Line 2	<u>\$0</u>	
	<u>Bonus Depreciation</u>			
4	Plant Additions	Line 1	\$3,193	
5	Less Capital Repairs Deduction	Line 3	<u>\$0</u>	
6	Plant Additions Net of Capital Repairs Deduction	Line 4 - Line 5	\$3,193	
7	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	<u>100.00%</u>	
8	Plant Eligible for Bonus Depreciation	Line 6 * Line 7	\$3,193	
9	Bonus Depreciation Rate (April 2020 - December 2020)	0%	0.00%	
10	Bonus Depreciation Rate (January 2021 - Mar 2021)	0%	<u>0.00%</u>	
11	Total Bonus Depreciation Rate	Line 9 + Line 10	0.00%	
12	Bonus Depreciation	Line 8 * Line 11	\$0	
	<u>Remaining Tax Depreciation</u>			
13	Plant Additions	Line 1	\$3,193	
14	Less Capital Repairs Deduction	Line 3	\$0	
15	Less Bonus Depreciation	Line 12	<u>\$0</u>	
16	Remaining Plant Additions Subject to 3 YR MACRS Tax Depreciation	Line 13 - Line 14 - Line 15	\$3,193	\$3,193
17	3 YR MACRS Tax Depreciation Rates	Per IRS Publication 946	33.330%	44.450%
18	Remaining Tax Depreciation	Line 16 * Line 17	<u>\$1,064</u>	\$1,419
19	FY21 Loss incurred due to retirements	Per Tax Department	\$0	\$0
20	Cost of Removal	, Line 14	\$0	\$0
21	Total Tax Depreciation and Repairs Deduction	Sum of Lines 3, 12, 18, 19, and 20	<u>\$1,064</u>	<u>\$1,419</u>

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Revenue Requirement on Estimated IS Capital Investment 12 months ending March 31, 2022
Synergy Grid Mod - Cybersecurity GIS - Threat and Vulnerability Management

Line No.		Fiscal Year Ending March 31, 2022 (a)
<u>Estimated Capital Investment</u>		
1	Network Security Services	\$ -
2	Data Security Services	\$ -
3	Identity and Access Management	\$ -
4	Threat and Vulnerability Management	\$ 2,109
5	Security Operations Center Services	\$ -
6	Host & Endpoint Security Services	\$ -
7	Cyrtography Services	\$ -
8	Change and Configuration Management	\$ -
9	Total Estimated Capital Investment	\$ 2,109
	Sum of Lines 1 through 8	
<u>Depreciable Net Capital Included in Rate Base</u>		
10	Total Allowed Capital Included in Rate Base in Current Year	Line 9 \$2,109
11	Retirements	Line 4 * 0% \$0
12	Net Depreciable Capital Included in Rate Base	Column (a) = Line 3 - Line 4 \$2,109
<u>Change in Net Capital Included in Rate Base</u>		
13	Capital Included in Rate Base	Line 9 \$2,109
14	Cost of Removal	\$0
15	Total Net Plant in Service Including Cost of Removal	Line 6 + Line 8 \$2,109
<u>Tax Depreciation</u>		
16	Vintage Year Tax Depreciation:	
17	FY 2022 Spend	, Line 21 \$703
18	Cumulative Tax Depreciation	Current Year Line 10 \$703
<u>Book Depreciation</u>		
19	Composite Book Depreciation Rate	As approved per R.I.P.U.C. Docket No. 4770 14.29%
20	Book Depreciation	Column (a) = Line 2* Line 12 * 50% \$151
21	Cumulative Book Depreciation	Current Year Line 13 \$151
22	Total Cumulative Book Depreciation	Line 21 \$151
<u>Deferred Tax Calculation:</u>		
23	Cumulative Book / Tax Timer	Line 18 - Line 22 \$552
24	Effective Tax Rate	21.00%
25	Deferred Tax Reserve	Line 23 * Line 24 \$116
26	Less: FY 2022 Federal NOL	\$0
27	Less: Proration Adjustment	Col = , Line 40 (\$63)
28	Net Deferred Tax Reserve	Sum of Lines 25 through 27 \$53
<u>Rate Base Calculation:</u>		
29	Cumulative Incremental Capital Included in Rate Base	Line 15 \$2,109
30	Accumulated Depreciation	- Line 22 (\$151)
31	Deferred Tax Reserve	- Line 28 (\$53)
32	Year End Rate Base	Sum of Lines 29 through 31 \$1,905
<u>Revenue Requirement Calculation:</u>		
33	Average Rate Base	Column (a) = Current Year Line 25 ÷ 2 \$952.67
	Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, Workpaper	
34	Pre-Tax ROR	MAL-6 8.80%
35	Return and Taxes	Line 33 * Line 34 \$84
36	Book Depreciation	Line 20 \$151
37	Annual Revenue Requirement	Line 35 + Line 36 \$234

1/ Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, Schedule MAL-6

	Ratio	Rate	Rate	Taxes	Return
Long Term Debt	50.00%	3.70%	1.85%		1.85%
Short Term Debt	0.00%	0.00%	0.00%		0.00%
Preferred Stock	0.00%	0.00%	0.00%		0.00%
Common Equity	50.00%	10.10%	5.05%	1.90%	6.95%
	<u>100.00%</u>		<u>6.90%</u>	<u>1.90%</u>	<u>8.80%</u>

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Tax Depreciation and Repairs Deduction on Fiscal Year 2022 IS Capital Investments
Synergy Grid Mod - Cybersecurity GIS - Threat and Vulnerability Management

Line No.			Fiscal Year Ending <u>March 31, 2022</u> (a)
	<u>Capital Repairs Deduction</u>		
1	Plant Additions	, Line 9	\$2,109
2	Capital Repairs Deduction Rate	Per Tax Department	0.00%
3	Capital Repairs Deduction	Line 1 * Line 2	<u>\$0</u>
	<u>Bonus Depreciation</u>		
4	Plant Additions	Line 1	\$2,109
5	Less Capital Repairs Deduction	Line 3	<u>\$0</u>
6	Plant Additions Net of Capital Repairs Deduction	Line 4 - Line 5	\$2,109
7	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	<u>100.00%</u>
8	Plant Eligible for Bonus Depreciation	Line 6 * Line 7	\$2,109
9	Bonus Depreciation Rate (April 2020 - December 2020)	0%	0.00%
10	Bonus Depreciation Rate (January 2021 - Mar 2021)	0%	<u>0.00%</u>
11	Total Bonus Depreciation Rate	Line 9 + Line 10	0.00%
12	Bonus Depreciation	Line 8 * Line 11	\$0
	<u>Remaining Tax Depreciation</u>		
13	Plant Additions	Line 1	\$2,109
14	Less Capital Repairs Deduction	Line 3	\$0
15	Less Bonus Depreciation	Line 12	<u>\$0</u>
16	Remaining Plant Additions Subject to 3 YR MACRS Tax Depreciation	Line 13 - Line 14 - Line 15	\$2,109
17	3 YR MACRS Tax Depreciation Rates	Per IRS Publication 946	<u>33.33%</u>
18	Remaining Tax Depreciation	Line 16 * Line 17	\$703
19	FY22 Loss incurred due to retirements	Per Tax Department	\$0
20	Cost of Removal	, Line 14	\$0
21	Total Tax Depreciation and Repairs Deduction	Sum of Lines 3, 12, 18, 19, and 20	<u>\$703</u>

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Fiscal Year 2020 Net Deferred Tax Reserve IS Proration
Synergy Grid Mod - Cybersecurity GIS - Threat and Vulnerability Management

Line No.		(a)= Column	(b) Vintage Year March 31, 2020
Deferred Tax Subject to Proration			
1	Book Depreciation , Line 20	\$496	\$496
2	Bonus Depreciation , - Line 12	(\$5,203)	(\$5,203)
3	Remaining MACRS Tax Depreciation , - Line 18	(\$578)	(\$578)
4	FY20 tax (gain)/loss on retirements , - Line 19	\$0	\$0
5	Cumulative Book / Tax Timer Sum of Lines 1 through 4	(\$5,285)	(\$5,285)
6	Effective Tax Rate Per Tax Department	21.00%	21.00%
7	Deferred Tax Reserve Line 5 * Line 6	(\$1,110)	(\$1,110)
Deferred Tax Not Subject to Proration			
8	Capital Repairs Deduction , Line 3	\$0	\$0
9	Cost of Removal , Line 20	\$0	\$0
10	Book/Tax Depreciation Timing Difference at 3/31/2020	\$0	\$0
11	Cumulative Book / Tax Timer Line 8 + Line 9 + Line 10	\$0	\$0
12	Effective Tax Rate	21.00%	21.00%
13	Deferred Tax Reserve Line 11 * Line 12	\$0	\$0
14	Total Deferred Tax Reserve Line 7 + Line 13	(\$1,110)	(\$1,110)
15	Net Operating Loss , Line 26	\$0	\$0
16	Net Deferred Tax Reserve Line 14 + Line 15	(\$1,110)	(\$1,110)
Allocation of FY 2020 Estimated Federal NOL			
17	Cumulative Book/Tax Timer Subject to Proration Col (b) = Line 5	(\$5,285)	(\$5,285)
18	Cumulative Book/Tax Timer Not Subject to Proration Line 11	\$0	\$0
19	Total Cumulative Book/Tax Timer Line 17 + Line 18	(\$5,285)	(\$5,285)
20	Total FY 2020 Federal NOL , Line 26 / 21%	\$0	\$0
21	Allocated FY 2020 Federal NOL Not Subject to Proration (Line 18 / Line 19) * Line 20	\$0	\$0
22	Allocated FY 2020 Federal NOL Subject to Proration (Line 17 / Line 19) * Line 20	\$0	\$0
23	Effective Tax Rate Per Tax Department	21.00%	21.00%
24	Deferred Tax Benefit subject to proration Line 22 * Line 23	\$0	\$0
25	Net Deferred Tax Reserve subject to proration Line 7 + Line 24	(\$1,110)	(\$1,110)
Proration Calculation			
		(i) Number of Days in Month	(j) Proration Percentage
26	April 2019	30	91.78%
27	May 2019	31	83.29%
28	June 2019	30	75.07%
29	July 2019	31	66.58%
30	August 2019	31	58.08%
31	September 2019	30	49.86%
32	October 2019	31	41.37%
33	November 2019	30	33.15%
34	December 2019	31	24.66%
35	January 2020	31	16.16%
36	February 2020	28	8.49%
37	March 2020	31	0.00%
38	Total	365	
			(k)= Sum of (l)
			(l)
39	Deferred Tax Without Proration Line 25	(\$1,110)	(\$1,110)
40	Proration Adjustment Line 38 - Line 39	\$603	\$603

Column Notes:

- (j) Sum of remaining days in the year (Col (i)) ÷ 365
- (l) through (r) = Current Year Line 25 ÷ 12 * Current Month Col (j)

The Narragansett Electric Company
d/b/a National Grid
Power Sector Transformation (PST)
Calculation of Fiscal Year 2021 Net Deferred Tax Reserve IS Proration
Synergy Grid Mod - Cybersecurity GIS - Threat and Vulnerability Management

Line No.			(a)=Sum of (b)	(b)	(c)	
			through (c)	Vintage Year	Vintage Year	
			Total	March 31, 2021	March 31, 2020	
Deferred Tax Subject to Proration						
1	Book Depreciation	Col (b) = , Line 20; Col (c) = , Line 20	\$228	\$228	\$0	
2	Bonus Depreciation	, Line 12	\$0	\$0		
3	Remaining MACRS Tax Depreciation	Col (b) = , Line 18; Col (c) = , Line 18	(\$1,835)	(\$1,064)	(\$771)	
4	FY21 tax (gain)/loss on retirements	Col (b) = , Line 19; Col (c) = , Line 19	\$0	\$0		
5	Cumulative Book / Tax Timer	Sum of Lines 1 through 4	(\$1,607)	(\$836)	(\$771)	
6	Effective Tax Rate	Per Tax Department	21.00%	21.00%	21.00%	
7	Deferred Tax Reserve	Line 5 * Line 6	(\$337)	(\$176)	(\$162)	
Deferred Tax Not Subject to Proration						
8	Capital Repairs Deduction	, Line 3	\$0	\$0		
9	Cost of Removal	, Line 20	\$0	\$0		
10	Book/Tax Depreciation Timing Difference at 3/31/2021		\$0	\$0		
11	Cumulative Book / Tax Timer	Line 8 + Line 9 + Line 10	\$0	\$0		
12	Effective Tax Rate		21.00%	21.00%		
13	Deferred Tax Reserve	Line 11 * Line 12	\$0	\$0		
14	Total Deferred Tax Reserve	Line 7 + Line 13	(\$337)	(\$176)	(\$162)	
15	Net Operating Loss	Col (b) = , Line 26; Col (c) = , Line 26	\$0	\$0	\$0	
16	Net Deferred Tax Reserve	Line 14 + Line 15	(\$337)	(\$176)	(\$162)	
Allocation of FY 2021 Estimated Federal NOL						
17	Cumulative Book/Tax Timer Subject to Proration	Col (b) = Line 5	(\$1,607)	(\$836)	(\$771)	
18	Cumulative Book/Tax Timer Not Subject to Proration	Line 11	\$0	\$0	\$0	
19	Total Cumulative Book/Tax Timer	Line 17 + Line 18	(\$1,607)	(\$836)	(\$771)	
20	Total FY 2021 Federal NOL	Col (b) = , Line 26; Col (c) = , Line 26 / 21%	\$0	\$0	\$0	
21	Allocated FY 2021 Federal NOL Not Subject to Proration	(Line 18 / Line 19) * Line 20	\$0	\$0	\$0	
22	Allocated FY 2021 Federal NOL Subject to Proration	(Line 17 / Line 19) * Line 20	\$0	\$0	\$0	
23	Effective Tax Rate		21.00%	21.00%	21.00%	
24	Deferred Tax Benefit subject to proration	Line 22 * Line 23	\$0	\$0	\$0	
25	Net Deferred Tax Reserve subject to proration	Line 7 + Line 24	(\$337)	(\$176)	(\$162)	
Proration Calculation						
		(i) Number of Days in Month	(j) Proration Percentage	(k)= Sum of (l) through (m)	(l)	(m)
26	April 2020	30	91.78%	(\$26)	(\$13)	(\$12)
27	May 2020	31	83.29%	(\$23)	(\$12)	(\$11)
28	June 2020	30	75.07%	(\$21)	(\$11)	(\$10)
29	July 2020	31	66.58%	(\$19)	(\$10)	(\$9)
30	August 2020	31	58.08%	(\$16)	(\$8)	(\$8)
31	September 2020	30	49.86%	(\$14)	(\$7)	(\$7)
32	October 2020	31	41.37%	(\$12)	(\$6)	(\$6)
33	November 2020	30	33.15%	(\$9)	(\$5)	(\$4)
34	December 2020	31	24.66%	(\$7)	(\$4)	(\$3)
35	January 2021	31	16.16%	(\$5)	(\$2)	(\$2)
36	February 2021	28	8.49%	(\$2)	(\$1)	(\$1)
37	March 2021	31	0.00%	\$0	\$0	\$0
38	Total	365		(\$154)	(\$80)	(\$74)
39	Deferred Tax Without Proration	Line 25		(\$337)	(\$176)	(\$162)
40	Proration Adjustment	Line 38 - Line 39		\$183	\$95	\$88

Column Notes:

- (j) Sum of remaining days in the year (Col (i)) ÷ 365
- (l) through (r) = Current Year Line 25 ÷ 12 * Current Month Col (j)

The Narragansett Electric Company
d/b/a National Grid
Power Sector Transformation (PST)
Calculation of Fiscal Year 2022 Net Deferred Tax Reserve IS Proration
Synergy Grid Mod - Cybersecurity GIS - Threat and Vulnerability Management

Line No.			(a)=Sum of (b)	(b)	(c)	(d)	
			through (d)	Vintage Year	Vintage Year	Vintage Year	
			Total	March 31, 2022	March 31, 2021	March 31, 2020	
Deferred Tax Subject to Proration							
1	Book Depreciation	Col (b) = , Line 20; Col (c) = , Line 20; Col (d) = , Line 20	\$607	\$151	\$456	\$0	
2	Bonus Depreciation	, Line 12	\$0	\$0			
3	Remaining MACRS Tax Depreciation	Col (b) = , Line 18; Col (c) = , Line 18; Col (d) = , Line 18	(\$2,379)	(\$703)	(\$1,419)	(\$257)	
4	FY22 tax (gain)/loss on retirements	Col (b) = , Line 19; Col (c) = , Line 19; Col (d) = , Line 19	\$0	\$0			
5	Cumulative Book / Tax Timer	Sum of Lines 1 through 4	(\$1,772)	(\$552)	(\$963)	(\$257)	
6	Effective Tax Rate	Per Tax Department	21.00%	21.00%	21.00%	21.00%	
7	Deferred Tax Reserve	Line 5 * Line 6	(\$372)	(\$116)	(\$202)	(\$54)	
Deferred Tax Not Subject to Proration							
8	Capital Repairs Deduction	, Line 3	\$0	\$0			
9	Cost of Removal	, Line 20	\$0	\$0			
10	Book/Tax Depreciation Timing Difference at 3/31/2022		\$0	\$0			
11	Cumulative Book / Tax Timer	Line 8 + Line 9 + Line 10	\$0	\$0			
12	Effective Tax Rate		21.00%	21.00%			
13	Deferred Tax Reserve	Line 11 * Line 12	\$0	\$0			
14	Total Deferred Tax Reserve	Line 7 + Line 13	(\$372)	(\$116)	(\$202)	(\$54)	
15	Net Operating Loss	Col (b) = , Line 26; Col (c) = , Line 26; Col (d) = , Line 26	\$0	\$0	\$0	\$0	
16	Net Deferred Tax Reserve	Line 14 + Line 15	(\$372)	(\$116)	(\$202)	(\$54)	
Allocation of FY 2022 Estimated Federal NOL							
17	Cumulative Book/Tax Timer Subject to Proration	Col (b) = Line 5	(\$1,772)	(\$552)	(\$963)	(\$257)	
18	Cumulative Book/Tax Timer Not Subject to Proration	Line 11	\$0	\$0	\$0	\$0	
19	Total Cumulative Book/Tax Timer	Line 17 + Line 18	(\$1,772)	(\$552)	(\$963)	(\$257)	
20	Total FY 2022 Federal NOL	Col (b) = , Line 26; Col (c) = , Line 26; Col (d) = , Line 26 / 21%	\$0	\$0	\$0	\$0	
21	Allocated FY 2022 Federal NOL Not Subject to Proration	(Line 18 / Line 19) * Line 20	\$0	\$0	\$0	\$0	
22	Allocated FY 2022 Federal NOL Subject to Proration	(Line 17 / Line 19) * Line 20	\$0	\$0	\$0	\$0	
23	Effective Tax Rate	Per Tax Department	21.00%	21.00%	21.00%	21.00%	
24	Deferred Tax Benefit subject to proration	Line 22 * Line 23	\$0	\$0	\$0	\$0	
25	Net Deferred Tax Reserve subject to proration	Line 7 + Line 24	(\$372)	(\$116)	(\$202)	(\$54)	
Proration Calculation							
		(i)	(j)	(k)= Sum of (l)	(l)	(m)	(n)
		<u>Number of Days in</u>	<u>Proration Percentage</u>	through (n)			
		<u>Month</u>					
26	April 2021	30	91.78%	(\$28)	(\$9)	(\$15)	(\$4)
27	May 2021	31	83.29%	(\$26)	(\$8)	(\$14)	(\$4)
28	June 2021	30	75.07%	(\$23)	(\$7)	(\$13)	(\$3)
29	July 2021	31	66.58%	(\$21)	(\$6)	(\$11)	(\$3)
30	August 2021	31	58.08%	(\$18)	(\$6)	(\$10)	(\$3)
31	September 2021	30	49.86%	(\$15)	(\$5)	(\$8)	(\$2)
32	October 2021	31	41.37%	(\$13)	(\$4)	(\$7)	(\$2)
33	November 2021	30	33.15%	(\$10)	(\$3)	(\$6)	(\$1)
34	December 2021	31	24.66%	(\$8)	(\$2)	(\$4)	(\$1)
35	January 2022	31	16.16%	(\$5)	(\$2)	(\$3)	(\$1)
36	February 2022	28	8.49%	(\$3)	(\$1)	(\$1)	(\$0)
37	March 2022	31	0.00%	\$0	\$0	\$0	\$0
38	Total	365		(\$170)	(\$53)	(\$92)	(\$25)
39	Deferred Tax Without Proration	Line 25		(\$372)	(\$116)	(\$202)	(\$54)
40	Proration Adjustment	Line 38 - Line 39		\$202	\$63	\$110	\$29

Column Notes:

- (j) Sum of remaining days in the year (Col (i)) ÷ 365
- (l) through (r) = Current Year Line 25 ÷ 12 * Current Month Col (j)

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Grid Mod Synergy - Cybersecurity GIS - Security Operations Center Services
Annual Revenue Requirement Summary

Line No.		Fiscal Year Ending March 31, 2019 (a)	Fiscal Year Ending March 31, 2020 (b)	Fiscal Year Ending March 31, 2021 (c)	Fiscal Year Ending March 31, 2022 (d)
	Electric Operation and Maintenance (O&M) Expenses:				
1	Network Security Services	\$ -	\$ -	\$ -	\$ -
2	Data Security Services	\$ -	\$ -	\$ -	\$ -
3	Identity and Access Management	\$ -	\$ -	\$ -	\$ -
4	Threat and Vulnerability Management	\$ -	\$ -	\$ -	\$ -
5	Security Operations Center Services	\$ -	\$ 2,160	\$ 1,195	\$ 944
6	Host & Endpoint Security Services	\$ -	\$ -	\$ -	\$ -
7	Cryptography Services	\$ -	\$ -	\$ -	\$ -
8	Change and Configuration Management	\$ -	\$ -	\$ -	\$ -
9	Total Electric O&M costs		\$ 2,160	\$ 1,195	\$ 944
	Sum of Lines 1 through 8				
	Gas Operation and Maintenance (O&M) Expenses:				
10	Network Security Services	\$ -	\$ -	\$ -	\$ -
11	Data Security Services	\$ -	\$ -	\$ -	\$ -
12	Identity and Access Management	\$ -	\$ -	\$ -	\$ -
13	Threat and Vulnerability Management	\$ -	\$ -	\$ -	\$ -
14	Security Operations Center Services	\$ -	\$ 1,174	\$ 650	\$ 513
15	Host & Endpoint Security Services	\$ -	\$ -	\$ -	\$ -
16	Cryptography Services	\$ -	\$ -	\$ -	\$ -
17	Change and Configuration Management	\$ -	\$ -	\$ -	\$ -
18	Total Gas O&M costs		\$ 1,174	\$ 650	\$ 513
	Sum of Lines 10 through 17				
19	Total O&M Expenses		\$ 3,333	\$ 1,845	\$ 1,457
	Line 9 + Line 18				
	Electric Capital Investment:				
21	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2020 Capital Investment		\$605	\$394	\$366
22	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2021 Capital Investment			\$284	\$545
23	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2022 Capital Investment				\$188
24	Total Electric Capital Investment Component of Revenue Requirement		\$605	\$678	\$1,099
	Sum of Lines 21 through 23				
	Gas Capital Investment:				
26	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2020 Capital Investment		\$329	\$214	\$199
27	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2021 Capital Investment			\$154	\$296
28	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2022 Capital Investment				\$102
29	Total Gas Capital Investment Component of Revenue Requirement		\$329	\$368	\$597
	Sum of Lines 26 through 28				
30	Total Electric Revenue Requirement		\$2,765	\$1,873	\$2,043
	Line 9 + Line 24				
31	Total Gas Revenue Requirement		\$1,503	\$1,018	\$1,110
	Line 18 + Line 29				
32	Total Electric & Gas Revenue Requirement		\$ 4,268	\$ 2,891	\$ 3,153
	Line 30 + Line 31				

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Revenue Requirement on Estimated IS Capital Investment 12 months ending March 31, 2020
Synergy Grid Mod - Cybersecurity GIS - Security Operations Center Services

Line No.		Fiscal Year Ending March 31, 2020 (a)	Fiscal Year Ending March 31, 2021 (b)	Fiscal Year Ending March 31, 2022 (c)
Estimated Capital Investment				
1	Network Security Services	\$ -		
2	Data Security Services	\$ -		
3	Identity and Access Management	\$ -		
4	Threat and Vulnerability Management	\$ -		
5	Security Operations Center Services	\$ 8,567		
6	Host & Endpoint Security Services	\$ -		
7	Cryptography Services	\$ -		
8	Change and Configuration Management	\$ -		
9	Total Estimated Capital Investment	\$ 8,567	\$ -	\$ -
Depreciable Net Capital Included in Rate Base				
10	Total Allowed Capital Included in Rate Base in Current Year	Line 9 \$ 8,567	\$0	\$0
11	Retirements	Line 4 * 0% \$0	\$0	\$0
12	Net Depreciable Capital Included in Rate Base	Column (a) = Line 3 - Line 4; Column (b and c) = Prior Year Line 5 \$ 8,567	\$8,567	\$8,567
Change in Net Capital Included in Rate Base				
13	Capital Included in Rate Base	Line 9 \$ 8,567	\$0	\$0
14	Cost of Removal	\$0	\$0	\$0
15	Total Net Plant in Service Including Cost of Removal	Line 13 + Line 14 \$8,567	\$8,567	\$8,567
Tax Depreciation				
16	Vintage Year Tax Depreciation:			
17	FY 2020 Spend	, Line 21 \$7,139	\$952	\$317
18	Cumulative Tax Depreciation	Prior Year Line 11 + Current Year Line 10 \$7,139	\$8,091	\$8,408
Book Depreciation				
19	Composite Book Depreciation Rate	14.29%	14.29%	14.29%
20	Book Depreciation	Column (a) = Line 1 * Line 12 * 50%; Column (b and c) = Line 1 * Line 12 \$612	\$0	\$0
21	Cumulative Book Depreciation	Prior Year Line 14 + Current Year Line 13 \$612	\$612	\$612
22	Total Cumulative Book Depreciation	Line 21 \$612	\$612	\$612
Deferred Tax Calculation:				
23	Cumulative Book / Tax Timer	Line 18 - Line 22 \$6,527	\$7,479	\$7,796
24	Effective Tax Rate	21.00%	21.00%	21.00%
25	Deferred Tax Reserve	Line 23 * Line 24 \$1,371	\$1,571	\$1,637
26	Less: FY 2020 Federal NOL	\$0	\$0	\$0
27	Less: Proration Adjustment	Col (a) = , Line 40; Col (b) = , Line 40; Col (c) = , Line 40 (\$744)	(\$109)	(\$36)
28	Net Deferred Tax Reserve	Sum of Lines 25 through 27 \$627	\$1,462	\$1,601
Rate Base Calculation:				
29	Cumulative Incremental Capital Included in Rate Base	Line 15 \$8,567	\$8,567	\$8,567
30	Accumulated Depreciation	- Line 22 (\$612)	(\$612)	(\$612)
31	Deferred Tax Reserve	- Line 28 (\$627)	(\$1,462)	(\$1,601)
32	Year End Rate Base	Sum of Lines 29 through 31 \$7,328	\$6,493	\$6,354
Revenue Requirement Calculation:				
33	Average Rate Base	Column (a) = Current Year Line 25 ÷ 2; Column (b and c) = (Prior Year Line 25 + Current Year Line 25) ÷ 2 \$3,664.13	\$6,910	\$6,423
34	Pre-Tax ROR	1/ 8.80%	8.80%	8.80%
35	Return and Taxes	Line 33 * Line 34 \$322	\$608	\$565
36	Book Depreciation	Line 20 \$612	\$0	\$0
37	Annual Revenue Requirement	Line 35 + Line 36 \$934	\$608	\$565

1/ Weighted Average Cost of Capital as file in R.L.P.U.C. Docket No. 4770, Schedule MAL-6

	Ratio	Rate	Rate	Taxes	Return
Long Term Debt	50.00%	3.70%	1.85%		1.85%
Short Term Debt	0.00%	0.00%	0.00%		0.00%
Preferred Stock	0.00%	0.00%	0.00%		0.00%
Common Equity	50.00%	10.10%	5.05%	1.90%	6.95%
	<u>100.00%</u>		<u>6.90%</u>	<u>1.90%</u>	<u>8.80%</u>

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Tax Depreciation and Repairs Deduction on Fiscal Year 2020 IS Capital Investments
Synergy Grid Mod - Cybersecurity GIS - Security Operations Center Services

Line No.		Fiscal Year Ending March 31, 2020 (a)	Fiscal Year Ending March 31, 2021 (b)	Fiscal Year Ending March 31, 2022 (c)
	<u>Capital Repairs Deduction</u>			
1	Plant Additions	, Line 9	\$8,567	
2	Capital Repairs Deduction Rate	Per Tax Department	0.00%	
3	Capital Repairs Deduction	Line 1 * Line 2	\$0	
	<u>Bonus Depreciation</u>			
4	Plant Additions	Line 1	\$8,567	
5	Less Capital Repairs Deduction	Line 3	\$0	
6	Plant Additions Net of Capital Repairs Deduction	Line 4 - Line 5	\$8,567	
7	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	100.00%	
8	Plant Eligible for Bonus Depreciation	Line 6 * Line 7	\$8,567	
9	Bonus Depreciation Rate (April 2019 - December 2019)	1 * 75% * 100%	75.00%	
10	Bonus Depreciation Rate (January 2020 - Mar 2020)	1 * 25% * 0%	0.00%	
11	Total Bonus Depreciation Rate	Line 9 + Line 10	75.00%	
12	Bonus Depreciation	Line 8 * Line 11	\$6,425	
	<u>Remaining Tax Depreciation</u>			
13	Plant Additions	Line 1	\$8,567	
14	Less Capital Repairs Deduction	Line 3	\$0	
15	Less Bonus Depreciation	Line 12	\$6,425	
16	Remaining Plant Additions Subject to 3 YR MACRS Tax Depreciation	Line 13 - Line 14 - Line 15	\$2,142	\$2,142
17	3 YR MACRS Tax Depreciation Rates	Per IRS Publication 946	33.330%	44.450%
18	Remaining Tax Depreciation	Line 16 * Line 17	\$714	\$952
19	FY20 Loss incurred due to retirements		\$0	\$0
20	Cost of Removal	, Line 14	\$0	\$0
21	Total Tax Depreciation and Repairs Deduction	Sum of Lines 3, 12, 18, and 20	\$7,139	\$952

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Revenue Requirement on Estimated IS Capital Investment 12 months ending March 31, 2021
Synergy Grid Mod - Cybersecurity GIS - Security Operations Center Services

Line No.		Fiscal Year Ending March 31, 2021 (a)	Fiscal Year Ending March 31, 2022 (b)
<u>Estimated Capital Investment</u>			
1	Network Security Services	\$ -	\$ -
2	Data Security Services	\$ -	\$ -
3	Identity and Access Management	\$ -	\$ -
4	Threat and Vulnerability Management	\$ -	\$ -
5	Security Operations Center Services	\$ 3,944	\$ -
6	Host & Endpoint Security Services	\$ -	\$ -
7	Cyptography Services	\$ -	\$ -
8	Change and Configuration Management	\$ -	\$ -
9	Total Estimated Capital Investment	\$ 3,944	\$ 0
<u>Depreciable Net Capital Included in Rate Base</u>			
10	Total Allowed Capital Included in Rate Base in Current Year	Line 9 \$3,944	\$0
11	Retirements	Line 4 * 0% \$0	\$0
12	Net Depreciable Capital Included in Rate Base	Column (a) = Line 3 - Line 4; Column (b) and c) = Prior Year Line 5 \$3,944	\$3,944
<u>Change in Net Capital Included in Rate Base</u>			
13	Capital Included in Rate Base	Line 9 \$3,944	\$0
14	Cost of Removal	\$0	\$0
15	Total Net Plant in Service Including Cost of Removal	Line 12 + Line 14 \$3,944	\$3,944
<u>Tax Depreciation</u>			
16	Vintage Year Tax Depreciation:		
17	FY 2021 Spend	Page 16 of 21, Line 21 \$1,314	\$1,753
18	Cumulative Tax Depreciation	Prior Year Line 11 + Current Year Line 10 \$1,314	\$3,067
<u>Book Depreciation</u>			
19	Composite Book Depreciation Rate	As filed per R.I.P.U.C. Docket No. 4770 14.29%	14.29%
20	Book Depreciation	Column (a) = Line 1 * Line 12 * 50% ; Column (b) = Line 1 * Line 12 \$282	\$563
21	Cumulative Book Depreciation	Prior Year Line 14 + Current Year Line 13 \$282	\$845
22	Total Cumulative Book Depreciation	Line 21 \$282	\$845
<u>Deferred Tax Calculation:</u>			
23	Cumulative Book / Tax Timer	Line 18 - Line 21 \$1,032	\$2,222
24	Effective Tax Rate	21.00%	21.00%
25	Deferred Tax Reserve	Line 23 * Line 24 \$217	\$467
26	Less: FY 2021 Federal NOL	\$0	\$0
27	Less: Proration Adjustment	Col (a) = , Line 40; Col (b) = , Line 40 (\$118)	(\$136)
28	Net Deferred Tax Reserve	Sum of Lines 25 through 27 \$99	\$331
<u>Rate Base Calculation:</u>			
29	Cumulative Incremental Capital Included in Rate Base	Line 15 \$3,944	\$3,944
30	Accumulated Depreciation	- Line 22 (\$282)	(\$845)
31	Deferred Tax Reserve	- Line 28 (\$99)	(\$331)
32	Year End Rate Base	Sum of Lines 29 through 31 \$3,563	\$2,768
<u>Revenue Requirement Calculation:</u>			
33	Average Rate Base	Column (a) = Current Year Line 25 ÷ 2; Column (b) = (Prior Year Line 25 + Current Year Line 25) ÷ 2 Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, \$1,781.40	\$3,165
34	Pre-Tax ROR	Workpaper MAL-6 8.80%	8.80%
35	Return and Taxes	Line 33 * Line 34 \$157	\$279
36	Book Depreciation	Line 20 \$282	\$563
37	Annual Revenue Requirement	Line 35 + Line 36 \$438	\$842

1/ Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, Schedule MAL-6

	Ratio	Rate	Rate	Taxes	Return
Long Term Debt	50.00%	3.70%	1.85%		1.85%
Short Term Debt	0.00%	0.00%	0.00%		0.00%
Preferred Stock	0.00%	0.00%	0.00%		0.00%
Common Equity	50.00%	10.10%	5.05%	1.90%	6.95%
	100.00%		6.90%	1.90%	8.80%

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Tax Depreciation and Repairs Deduction on Fiscal Year 2021 IS Capital Investments
Synergy Grid Mod - Cybersecurity GIS - Security Operations Center Services

Line No.			Fiscal Year Ending <u>March 31, 2021</u> (a)	Fiscal Year Ending <u>March 31, 2022</u> (b)
	<u>Capital Repairs Deduction</u>			
1	Plant Additions	, Line 9	\$3,944	
2	Capital Repairs Deduction Rate	Per Tax Department	0.00%	
3	Capital Repairs Deduction	Line 1 * Line 2	<u>\$0</u>	
	<u>Bonus Depreciation</u>			
4	Plant Additions	Line 1	\$3,944	
5	Less Capital Repairs Deduction	Line 3	<u>\$0</u>	
6	Plant Additions Net of Capital Repairs Deduction	Line 4 - Line 5	\$3,944	
7	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	<u>100.00%</u>	
8	Plant Eligible for Bonus Depreciation	Line 6 * Line 7	\$3,944	
9	Bonus Depreciation Rate (April 2020 - December 2020)	0%	0.00%	
10	Bonus Depreciation Rate (January 2021 - Mar 2021)	0%	<u>0.00%</u>	
11	Total Bonus Depreciation Rate	Line 9 + Line 10	0.00%	
12	Bonus Depreciation	Line 8 * Line 11	\$0	
	<u>Remaining Tax Depreciation</u>			
13	Plant Additions	Line 1	\$3,944	
14	Less Capital Repairs Deduction	Line 3	\$0	
15	Less Bonus Depreciation	Line 12	<u>\$0</u>	
16	Remaining Plant Additions Subject to 3 YR MACRS Tax Depreciation	Line 13 - Line 14 - Line 15	\$3,944	\$3,944
17	3 YR MACRS Tax Depreciation Rates	Per IRS Publication 946	<u>33.330%</u>	44.450%
18	Remaining Tax Depreciation	Line 16 * Line 17	\$1,314	\$1,753
19	FY21 Loss incurred due to retirements	Per Tax Department	\$0	\$0
20	Cost of Removal	, Line 14	\$0	\$0
21	Total Tax Depreciation and Repairs Deduction	Sum of Lines 3, 12, 18, 19, and 20	<u>\$1,314</u>	<u>\$1,753</u>

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Revenue Requirement on Estimated IS Capital Investment 12 months ending March 31, 2022
Synergy Grid Mod - Cybersecurity GIS - Security Operations Center Services

Line No.		Fiscal Year Ending March 31, 2022 (a)
<u>Estimated Capital Investment</u>		
1	Network Security Services	\$ -
2	Data Security Services	\$ -
3	Identity and Access Management	\$ -
4	Threat and Vulnerability Management	\$ -
5	Security Operations Center Services	\$ 2,604
6	Host & Endpoint Security Services	\$ -
7	Cyrtography Services	\$ -
8	Change and Configuration Management	\$ -
9	Total Estimated Capital Investment	\$ 2,604
	Sum of Lines 1 through 8	
<u>Depreciable Net Capital Included in Rate Base</u>		
10	Total Allowed Capital Included in Rate Base in Current Year	Line 9 \$2,604
11	Retirements	Line 4 * 0% \$0
12	Net Depreciable Capital Included in Rate Base	Column (a) = Line 3 - Line 4 \$2,604
<u>Change in Net Capital Included in Rate Base</u>		
13	Capital Included in Rate Base	Line 9 \$2,604
14	Cost of Removal	\$0
15	Total Net Plant in Service Including Cost of Removal	Line 6 + Line 8 \$2,604
<u>Tax Depreciation</u>		
16	Vintage Year Tax Depreciation:	
17	FY 2022 Spend	, Line 21 \$868
18	Cumulative Tax Depreciation	Current Year Line 10 \$868
<u>Book Depreciation</u>		
19	Composite Book Depreciation Rate	As approved per R.I.P.U.C. Docket No. 4770 14.29%
20	Book Depreciation	Column (a) = Line 2* Line 12 * 50% \$186
21	Cumulative Book Depreciation	Current Year Line 13 \$186
22	Total Cumulative Book Depreciation	Line 21 \$186
<u>Deferred Tax Calculation:</u>		
23	Cumulative Book / Tax Timer	Line 18 - Line 22 \$682
24	Effective Tax Rate	21.00%
25	Deferred Tax Reserve	Line 23 * Line 24 \$143
26	Less: FY 2022 Federal NOL	\$0
27	Less: Proration Adjustment	Col = , Line 40 (\$78)
28	Net Deferred Tax Reserve	Sum of Lines 25 through 27 \$65
<u>Rate Base Calculation:</u>		
29	Cumulative Incremental Capital Included in Rate Base	Line 15 \$2,604
30	Accumulated Depreciation	- Line 22 (\$186)
31	Deferred Tax Reserve	- Line 28 (\$65)
32	Year End Rate Base	Sum of Lines 29 through 31 \$2,353
<u>Revenue Requirement Calculation:</u>		
33	Average Rate Base	Column (a) = Current Year Line 25 ÷ 2 \$1,176.48
	Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, Workpaper	
34	Pre-Tax ROR	MAL-6 8.80%
35	Return and Taxes	Line 33 * Line 34 \$104
36	Book Depreciation	Line 20 \$186
37	Annual Revenue Requirement	Line 35 + Line 36 \$290

1/ Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, Schedule MAL-6

	Ratio	Rate	Rate	Taxes	Return
Long Term Debt	50.00%	3.70%	1.85%		1.85%
Short Term Debt	0.00%	0.00%	0.00%		0.00%
Preferred Stock	0.00%	0.00%	0.00%		0.00%
Common Equity	50.00%	10.10%	5.05%	1.90%	6.95%
	<u>100.00%</u>		<u>6.90%</u>	<u>1.90%</u>	<u>8.80%</u>

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Tax Depreciation and Repairs Deduction on Fiscal Year 2022 IS Capital Investments
Synergy Grid Mod - Cybersecurity GIS - Security Operations Center Services

Line No.			Fiscal Year Ending <u>March 31, 2022</u> (a)
	<u>Capital Repairs Deduction</u>		
1	Plant Additions	, Line 9	\$2,604
2	Capital Repairs Deduction Rate	Per Tax Department	0.00%
3	Capital Repairs Deduction	Line 1 * Line 2	<u>\$0</u>
	<u>Bonus Depreciation</u>		
4	Plant Additions	Line 1	\$2,604
5	Less Capital Repairs Deduction	Line 3	<u>\$0</u>
6	Plant Additions Net of Capital Repairs Deduction	Line 4 - Line 5	\$2,604
7	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	<u>100.00%</u>
8	Plant Eligible for Bonus Depreciation	Line 6 * Line 7	\$2,604
9	Bonus Depreciation Rate (April 2020 - December 2020)	0%	0.00%
10	Bonus Depreciation Rate (January 2021 - Mar 2021)	0%	<u>0.00%</u>
11	Total Bonus Depreciation Rate	Line 9 + Line 10	0.00%
12	Bonus Depreciation	Line 8 * Line 11	\$0
	<u>Remaining Tax Depreciation</u>		
13	Plant Additions	Line 1	\$2,604
14	Less Capital Repairs Deduction	Line 3	\$0
15	Less Bonus Depreciation	Line 12	<u>\$0</u>
16	Remaining Plant Additions Subject to 3 YR MACRS Tax Depreciation	Line 13 - Line 14 - Line 15	\$2,604
17	3 YR MACRS Tax Depreciation Rates	Per IRS Publication 946	<u>33.33%</u>
18	Remaining Tax Depreciation	Line 16 * Line 17	\$868
19	FY22 Loss incurred due to retirements	Per Tax Department	\$0
20	Cost of Removal	, Line 14	\$0
21	Total Tax Depreciation and Repairs Deduction	Sum of Lines 3, 12, 18, 19, and 20	<u>\$868</u>

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Fiscal Year 2020 Net Deferred Tax Reserve IS Proration
Synergy Grid Mod - Cybersecurity GIS - Security Operations Center Services

Line No.		(a)= Column (b)	(b) Vintage Year March 31, 2020
Deferred Tax Subject to Proration			
1	Book Depreciation, Line 20	\$612	\$612
2	Bonus Depreciation, - Line 12	(\$6,425)	(\$6,425)
3	Remaining MACRS Tax Depreciation, - Line 18	(\$714)	(\$714)
4	FY20 tax (gain)/loss on retirements, - Line 19	\$0	\$0
5	Cumulative Book / Tax Timer, Sum of Lines 1 through 4	(\$6,527)	(\$6,527)
6	Effective Tax Rate, Per Tax Department	21.00%	21.00%
7	Deferred Tax Reserve, Line 5 * Line 6	(\$1,371)	(\$1,371)
Deferred Tax Not Subject to Proration			
8	Capital Repairs Deduction, Line 3	\$0	\$0
9	Cost of Removal, Line 20	\$0	\$0
10	Book/Tax Depreciation Timing Difference at 3/31/2020	\$0	\$0
11	Cumulative Book / Tax Timer, Line 8 + Line 9 + Line 10	\$0	\$0
12	Effective Tax Rate	21.00%	21.00%
13	Deferred Tax Reserve, Line 11 * Line 12	\$0	\$0
14	Total Deferred Tax Reserve, Line 7 + Line 13	(\$1,371)	(\$1,371)
15	Net Operating Loss, Line 26	\$0	\$0
16	Net Deferred Tax Reserve, Line 14 + Line 15	(\$1,371)	(\$1,371)
Allocation of FY 2020 Estimated Federal NOL			
17	Cumulative Book/Tax Timer Subject to Proration, Col (b) = Line 5	(\$6,527)	(\$6,527)
18	Cumulative Book/Tax Timer Not Subject to Proration, Line 11	\$0	\$0
19	Total Cumulative Book/Tax Timer, Line 17 + Line 18	(\$6,527)	(\$6,527)
20	Total FY 2020 Federal NOL, Line 26 / 21%	\$0	\$0
21	Allocated FY 2020 Federal NOL Not Subject to Proration, (Line 18 / Line 19) * Line 20	\$0	\$0
22	Allocated FY 2020 Federal NOL Subject to Proration, (Line 17 / Line 19) * Line 20	\$0	\$0
23	Effective Tax Rate, Per Tax Department	21.00%	21.00%
24	Deferred Tax Benefit subject to proration, Line 22 * Line 23	\$0	\$0
25	Net Deferred Tax Reserve subject to proration, Line 7 + Line 24	(\$1,371)	(\$1,371)

Line No.	Proration Calculation	Number of Days in		(k)= Sum of (l)	(l)
		Month	Proration Percentage		
26	April 2019	30	91.78%	(\$105)	(\$105)
27	May 2019	31	83.29%	(\$95)	(\$95)
28	June 2019	30	75.07%	(\$86)	(\$86)
29	July 2019	31	66.58%	(\$76)	(\$76)
30	August 2019	31	58.08%	(\$66)	(\$66)
31	September 2019	30	49.86%	(\$57)	(\$57)
32	October 2019	31	41.37%	(\$47)	(\$47)
33	November 2019	30	33.15%	(\$38)	(\$38)
34	December 2019	31	24.66%	(\$28)	(\$28)
35	January 2020	31	16.16%	(\$18)	(\$18)
36	February 2020	28	8.49%	(\$10)	(\$10)
37	March 2020	31	0.00%	\$0	\$0
38	Total	365		(\$627)	(\$627)
39	Deferred Tax Without Proration, Line 25			(\$1,371)	(\$1,371)
40	Proration Adjustment, Line 38 - Line 39			\$744	\$744

Column Notes:

- (j) Sum of remaining days in the year (Col (i)) ÷ 365
- (l) through (r) = Current Year Line 25 ÷ 12 * Current Month Col (j)

The Narragansett Electric Company
d/b/a National Grid
Power Sector Transformation (PST)
Calculation of Fiscal Year 2022 Net Deferred Tax Reserve IS Proration
Synergy Grid Mod - Cybersecurity GIS - Security Operations Center Services

Line No.			(a)=Sum of (b)	(b)	(c)	(d)	
			through (d)	Vintage Year	Vintage Year	Vintage Year	
			Total	March 31, 2022	March 31, 2021	March 31, 2020	
Deferred Tax Subject to Proration							
1	Book Depreciation	Col (b) = , Line 20; Col (c) = , Line 20; Col (d) = , Line 20	\$749	\$186	\$563	\$0	
2	Bonus Depreciation	, Line 12	\$0	\$0			
3	Remaining MACRS Tax Depreciation	Col (b) = , Line 18; Col (c) = , Line 18; Col (d) = , Line 18	(\$2,938)	(\$868)	(\$1,753)	(\$317)	
4	FY22 tax (gain)/loss on retirements	Col (b) = , Line 19; Col (c) = , Line 19; Col (d) = , Line 19	\$0	\$0			
5	Cumulative Book / Tax Timer	Sum of Lines 1 through 4	(\$2,189)	(\$682)	(\$1,190)	(\$317)	
6	Effective Tax Rate	Per Tax Department	21.00%	21.00%	21.00%	21.00%	
7	Deferred Tax Reserve	Line 5 * Line 6	(\$460)	(\$143)	(\$250)	(\$67)	
Deferred Tax Not Subject to Proration							
8	Capital Repairs Deduction	, Line 3	\$0	\$0			
9	Cost of Removal	, Line 20	\$0	\$0			
10	Book/Tax Depreciation Timing Difference at 3/31/2022		\$0	\$0			
11	Cumulative Book / Tax Timer	Line 8 + Line 9 + Line 10	\$0	\$0			
12	Effective Tax Rate		21.00%	21.00%			
13	Deferred Tax Reserve	Line 11 * Line 12	\$0	\$0			
14	Total Deferred Tax Reserve	Line 7 + Line 13	(\$460)	(\$143)	(\$250)	(\$67)	
15	Net Operating Loss	Col (b) = , Line 26; Col (c) = , Line 26; Col (d) = , Line 26	\$0	\$0	\$0	\$0	
16	Net Deferred Tax Reserve	Line 14 + Line 15	(\$460)	(\$143)	(\$250)	(\$67)	
Allocation of FY 2022 Estimated Federal NOL							
17	Cumulative Book/Tax Timer Subject to Proration	Col (b) = Line 5	(\$2,189)	(\$682)	(\$1,190)	(\$317)	
18	Cumulative Book/Tax Timer Not Subject to Proration	Line 11	\$0	\$0	\$0	\$0	
19	Total Cumulative Book/Tax Timer	Line 17 + Line 18	(\$2,189)	(\$682)	(\$1,190)	(\$317)	
20	Total FY 2022 Federal NOL	Col (b) = , Line 26; Col (c) = , Line 26; Col (d) = , Line 26 / 21%	\$0	\$0	\$0	\$0	
21	Allocated FY 2022 Federal NOL Not Subject to Proration	(Line 18 / Line 19) * Line 20	\$0	\$0	\$0	\$0	
22	Allocated FY 2022 Federal NOL Subject to Proration	(Line 17 / Line 19) * Line 20	\$0	\$0	\$0	\$0	
23	Effective Tax Rate	Per Tax Department	21.00%	21.00%	21.00%	21.00%	
24	Deferred Tax Benefit subject to proration	Line 22 * Line 23	\$0	\$0	\$0	\$0	
25	Net Deferred Tax Reserve subject to proration	Line 7 + Line 24	(\$460)	(\$143)	(\$250)	(\$67)	
Proration Calculation							
		(i)	(j)	(k)= Sum of (l)	(l)	(m)	(n)
		<u>Number of Days in</u>	<u>Proration Percentage</u>	through (n)			
		<u>Month</u>					
26	April 2021	30	91.78%	(\$35)	(\$11)	(\$19)	(\$5)
27	May 2021	31	83.29%	(\$32)	(\$10)	(\$17)	(\$5)
28	June 2021	30	75.07%	(\$29)	(\$9)	(\$16)	(\$4)
29	July 2021	31	66.58%	(\$25)	(\$8)	(\$14)	(\$4)
30	August 2021	31	58.08%	(\$22)	(\$7)	(\$12)	(\$3)
31	September 2021	30	49.86%	(\$19)	(\$6)	(\$10)	(\$3)
32	October 2021	31	41.37%	(\$16)	(\$5)	(\$9)	(\$2)
33	November 2021	30	33.15%	(\$13)	(\$4)	(\$7)	(\$2)
34	December 2021	31	24.66%	(\$9)	(\$3)	(\$5)	(\$1)
35	January 2022	31	16.16%	(\$6)	(\$2)	(\$3)	(\$1)
36	February 2022	28	8.49%	(\$3)	(\$1)	(\$2)	(\$0)
37	March 2022	31	0.00%	\$0	\$0	\$0	\$0
38	Total	365		(\$210)	(\$65)	(\$114)	(\$30)
39	Deferred Tax Without Proration	Line 25		(\$460)	(\$143)	(\$250)	(\$67)
40	Proration Adjustment	Line 38 - Line 39		\$250	\$78	\$136	\$36

Column Notes:

- (j) Sum of remaining days in the year (Col (i)) ÷ 365
- (l) through (r) = Current Year Line 25 ÷ 12 * Current Month Col (j)

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Grid Mod Synergy - Cybersecurity GIS - Host & Endpoint Security Services
Annual Revenue Requirement Summary

Line No.		Fiscal Year Ending March 31, 2019 (a)	Fiscal Year Ending March 31, 2020 (b)	Fiscal Year Ending March 31, 2021 (c)	Fiscal Year Ending March 31, 2022 (d)
	Electric Operation and Maintenance (O&M) Expenses:				
1	Network Security Services	\$ -	\$ -	\$ -	\$ -
2	Data Security Services	\$ -	\$ -	\$ -	\$ -
3	Identity and Access Management	\$ -	\$ -	\$ -	\$ -
4	Threat and Vulnerability Management	\$ -	\$ -	\$ -	\$ -
5	Security Operations Center Services	\$ -	\$ -	\$ -	\$ -
6	Host & Endpoint Security Services	\$ -	\$ 2,364	\$ 1,399	\$ 891
7	Cryptography Services	\$ -	\$ -	\$ -	\$ -
8	Change and Configuration Management	\$ -	\$ -	\$ -	\$ -
9	Total Electric O&M costs		\$ 2,364	\$ 1,399	\$ 891
	Sum of Lines 1 through 8				
	Gas Operation and Maintenance (O&M) Expenses:				
10	Network Security Services	\$ -	\$ -	\$ -	\$ -
11	Data Security Services	\$ -	\$ -	\$ -	\$ -
12	Identity and Access Management	\$ -	\$ -	\$ -	\$ -
13	Threat and Vulnerability Management	\$ -	\$ -	\$ -	\$ -
14	Security Operations Center Services	\$ -	\$ -	\$ -	\$ -
15	Host & Endpoint Security Services	\$ -	\$ 1,285	\$ 761	\$ 484
16	Cryptography Services	\$ -	\$ -	\$ -	\$ -
17	Change and Configuration Management	\$ -	\$ -	\$ -	\$ -
18	Total Gas O&M costs		\$ 1,285	\$ 761	\$ 484
	Sum of Lines 10 through 17				
19	Total O&M Expenses		\$ 3,649	\$ 2,160	\$ 1,375
	Line 9 + Line 18				
	Electric Capital Investment:				
21	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2020 Capital Investment		\$261	\$170	\$158
22	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2021 Capital Investment			\$139	\$266
23	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2022 Capital Investment				\$102
24	Total Electric Capital Investment Component of Revenue Requirement		\$261	\$309	\$526
	Sum of Lines 21 through 23				
	Gas Capital Investment:				
26	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2020 Capital Investment		\$142	\$92	\$86
27	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2021 Capital Investment			\$75	\$145
28	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2022 Capital Investment				\$55
29	Total Gas Capital Investment Component of Revenue Requirement		\$142	\$168	\$286
	Sum of Lines 26 through 28				
30	Total Electric Revenue Requirement		\$2,625	\$1,708	\$1,417
	Line 9 + Line 24				
31	Total Gas Revenue Requirement		\$1,426	\$928	\$770
	Line 18 + Line 29				
32	Total Electric & Gas Revenue Requirement		\$ 4,051	\$ 2,636	\$ 2,187
	Line 30 + Line 31				

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Revenue Requirement on Estimated IS Capital Investment 12 months ending March 31, 2020
Synergy Grid Mod - Cybersecurity GIS - Host & Endpoint Security Services

Line No.		Fiscal Year Ending March 31, 2020 (a)	Fiscal Year Ending March 31, 2021 (b)	Fiscal Year Ending March 31, 2022 (c)
Estimated Capital Investment				
1	Network Security Services	\$ -		
2	Data Security Services	\$ -		
3	Identity and Access Management	\$ -		
4	Threat and Vulnerability Management	\$ -		
5	Security Operations Center Services	\$ -		
6	Host & Endpoint Security Services	\$ 3,693		
7	Cryptography Services	\$ -		
8	Change and Configuration Management	\$ -		
9	Total Estimated Capital Investment	\$ 3,693	\$ -	\$ -
Depreciable Net Capital Included in Rate Base				
10	Total Allowed Capital Included in Rate Base in Current Year	Line 9	\$ 3,693	\$0
11	Retirements	Line 4 * 0%	\$0	\$0
12	Net Depreciable Capital Included in Rate Base	Column (a) = Line 3 - Line 4; Column (b and c) = Prior Year Line 5	\$ 3,693	\$3,693
Change in Net Capital Included in Rate Base				
13	Capital Included in Rate Base	Line 9	\$ 3,693	\$0
14	Cost of Removal		\$0	\$0
15	Total Net Plant in Service Including Cost of Removal	Line 13 + Line 14	\$3,693	\$3,693
Tax Depreciation				
16	Vintage Year Tax Depreciation:			
17	FY 2020 Spend	, Line 21	\$3,078	\$410
18	Cumulative Tax Depreciation	Prior Year Line 11 + Current Year Line 10	\$3,078	\$3,488
Book Depreciation				
19	Composite Book Depreciation Rate		14.29%	14.29%
20	Book Depreciation	Column (a) = Line 1 * Line 12 * 50%; Column (b and c) = Line 1 * Line 12	\$264	\$0
21	Cumulative Book Depreciation	Prior Year Line 14 + Current Year Line 13	\$264	\$264
22	Total Cumulative Book Depreciation	Line 21	\$264	\$264
Deferred Tax Calculation:				
23	Cumulative Book / Tax Timer	Line 18 - Line 22	\$2,814	\$3,224
24	Effective Tax Rate		21.00%	21.00%
25	Deferred Tax Reserve	Line 23 * Line 24	\$591	\$677
26	Less: FY 2020 Federal NOL		\$0	\$0
27	Less: Proration Adjustment	Col (a) = , Line 40; Col (b) = , Line 40; Col (c) = , Line 40	(\$321)	(\$47)
28	Net Deferred Tax Reserve	Sum of Lines 25 through 27	\$270	\$630
Rate Base Calculation:				
29	Cumulative Incremental Capital Included in Rate Base	Line 15	\$3,693	\$3,693
30	Accumulated Depreciation	- Line 22	(\$264)	(\$264)
31	Deferred Tax Reserve	- Line 28	(\$270)	(\$630)
32	Year End Rate Base	Sum of Lines 29 through 31	\$3,159	\$2,799
Revenue Requirement Calculation:				
33	Average Rate Base	Column (a) = Current Year Line 25 ÷ 2; Column (b and c) = (Prior Year Line 25 + Current Year Line 25) ÷ 2	\$1,579.73	\$2,979
34	Pre-Tax ROR		8.80%	8.80%
35	Return and Taxes	Line 33 * Line 34	\$139	\$262
36	Book Depreciation	Line 20	\$264	\$0
37	Annual Revenue Requirement	Line 35 + Line 36	\$403	\$262

1/ Weighted Average Cost of Capital as file in R.L.P.U.C. Docket No. 4770, Schedule MAL-6

	Ratio	Rate	Rate	Taxes	Return
Long Term Debt	50.00%	3.70%	1.85%		1.85%
Short Term Debt	0.00%	0.00%	0.00%		0.00%
Preferred Stock	0.00%	0.00%	0.00%		0.00%
Common Equity	50.00%	10.10%	5.05%	1.90%	6.95%
	<u>100.00%</u>		<u>6.90%</u>	<u>1.90%</u>	<u>8.80%</u>

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Tax Depreciation and Repairs Deduction on Fiscal Year 2020 IS Capital Investments
Synergy Grid Mod - Cybersecurity GIS - Host & Endpoint Security Services

Line No.		Fiscal Year Ending March 31, 2020 (a)	Fiscal Year Ending March 31, 2021 (b)	Fiscal Year Ending March 31, 2022 (c)
	<u>Capital Repairs Deduction</u>			
1	Plant Additions	, Line 9	\$3,693	
2	Capital Repairs Deduction Rate	Per Tax Department	0.00%	
3	Capital Repairs Deduction	Line 1 * Line 2	\$0	
	<u>Bonus Depreciation</u>			
4	Plant Additions	Line 1	\$3,693	
5	Less Capital Repairs Deduction	Line 3	\$0	
6	Plant Additions Net of Capital Repairs Deduction	Line 4 - Line 5	\$3,693	
7	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	100.00%	
8	Plant Eligible for Bonus Depreciation	Line 6 * Line 7	\$3,693	
9	Bonus Depreciation Rate (April 2019 - December 2019)	1 * 75% * 100%	75.00%	
10	Bonus Depreciation Rate (January 2020 - Mar 2020)	1 * 25% * 0%	0.00%	
11	Total Bonus Depreciation Rate	Line 9 + Line 10	75.00%	
12	Bonus Depreciation	Line 8 * Line 11	\$2,770	
	<u>Remaining Tax Depreciation</u>			
13	Plant Additions	Line 1	\$3,693	
14	Less Capital Repairs Deduction	Line 3	\$0	
15	Less Bonus Depreciation	Line 12	\$2,770	
16	Remaining Plant Additions Subject to 3 YR MACRS Tax Depreciation	Line 13 - Line 14 - Line 15	\$923	\$923
17	3 YR MACRS Tax Depreciation Rates	Per IRS Publication 946	33.330%	44.450%
18	Remaining Tax Depreciation	Line 16 * Line 17	\$308	\$137
19	FY20 Loss incurred due to retirements		\$0	\$0
20	Cost of Removal	, Line 14	\$0	\$0
21	Total Tax Depreciation and Repairs Deduction	Sum of Lines 3, 12, 18, and 20	\$3,078	\$410

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Revenue Requirement on Estimated IS Capital Investment 12 months ending March 31, 2021
Synergy Grid Mod - Cybersecurity GIS - Host & Endpoint Security Services

Line No.		Fiscal Year Ending March 31, 2021 (a)	Fiscal Year Ending March 31, 2022 (b)
<u>Estimated Capital Investment</u>			
1	Network Security Services	\$ -	\$ -
2	Data Security Services	\$ -	\$ -
3	Identity and Access Management	\$ -	\$ -
4	Threat and Vulnerability Management	\$ -	\$ -
5	Security Operations Center Services	\$ -	\$ -
6	Host & Endpoint Security Services	\$ 1,926	\$ -
7	Cryptography Services	\$ -	\$ -
8	Change and Configuration Management	\$ -	\$ -
9	Total Estimated Capital Investment	\$ 1,926	\$ 0
<u>Depreciable Net Capital Included in Rate Base</u>			
10	Total Allowed Capital Included in Rate Base in Current Year	Line 9 \$ 1,926	\$ 0
11	Retirements	Line 4 * 0% \$ 0	\$ 0
12	Net Depreciable Capital Included in Rate Base	Column (a) = Line 3 - Line 4; Column (b) and c) = Prior Year Line 5 \$ 1,926	\$ 1,926
<u>Change in Net Capital Included in Rate Base</u>			
13	Capital Included in Rate Base	Line 9 \$ 1,926	\$ 0
14	Cost of Removal	\$ 0	\$ 0
15	Total Net Plant in Service Including Cost of Removal	Line 12 + Line 14 \$ 1,926	\$ 1,926
<u>Tax Depreciation</u>			
16	Vintage Year Tax Depreciation:		
17	FY 2021 Spend	Page 16 of 21, Line 21 \$ 642	\$ 856
18	Cumulative Tax Depreciation	Prior Year Line 11 + Current Year Line 10 \$ 642	\$ 1,498
<u>Book Depreciation</u>			
19	Composite Book Depreciation Rate	As filed per R.I.P.U.C. Docket No. 4770 14.29%	14.29%
20	Book Depreciation	Column (a) = Line 1 * Line 12 * 50%; Column (b) = Line 1 * Line 12 \$ 138	\$ 275
21	Cumulative Book Depreciation	Prior Year Line 14 + Current Year Line 13 \$ 138	\$ 413
22	Total Cumulative Book Depreciation	Line 21 \$ 138	\$ 413
<u>Deferred Tax Calculation:</u>			
23	Cumulative Book / Tax Timer	Line 18 - Line 21 \$ 504	\$ 1,085
24	Effective Tax Rate	21.00%	21.00%
25	Deferred Tax Reserve	Line 23 * Line 24 \$ 106	\$ 228
26	Less: FY 2021 Federal NOL	\$ 0	\$ 0
27	Less: Proration Adjustment	Col (a) = , Line 40; Col (b) = , Line 40 (\$58)	(\$66)
28	Net Deferred Tax Reserve	Sum of Lines 25 through 27 \$ 48	\$ 162
<u>Rate Base Calculation:</u>			
29	Cumulative Incremental Capital Included in Rate Base	Line 15 \$ 1,926	\$ 1,926
30	Accumulated Depreciation	- Line 22 (\$138)	(\$413)
31	Deferred Tax Reserve	- Line 28 (\$48)	(\$162)
32	Year End Rate Base	Sum of Lines 29 through 31 \$ 1,740	\$ 1,352
<u>Revenue Requirement Calculation:</u>			
33	Average Rate Base	Column (a) = Current Year Line 25 ÷ 2; Column (b) = (Prior Year Line 25 + Current Year Line 25) ÷ 2 \$ 870.07	\$ 1,546
34	Pre-Tax ROR	Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, Workpaper MAL-6 8.80%	8.80%
35	Return and Taxes	Line 33 * Line 34 \$ 77	\$ 136
36	Book Depreciation	Line 20 \$ 138	\$ 275
37	Annual Revenue Requirement	Line 35 + Line 36 \$ 214	\$ 411

1/ Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, Schedule MAL-6

	Ratio	Rate	Rate	Taxes	Return
Long Term Debt	50.00%	3.70%	1.85%		1.85%
Short Term Debt	0.00%	0.00%	0.00%		0.00%
Preferred Stock	0.00%	0.00%	0.00%		0.00%
Common Equity	50.00%	10.10%	5.05%	1.90%	6.95%
	100.00%		6.90%	1.90%	8.80%

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Tax Depreciation and Repairs Deduction on Fiscal Year 2021 IS Capital Investments
Synergy Grid Mod - Cybersecurity GIS - Host & Endpoint Security Services

Line No.			Fiscal Year Ending <u>March 31, 2021</u> (a)	Fiscal Year Ending <u>March 31, 2022</u> (b)
	<u>Capital Repairs Deduction</u>			
1	Plant Additions	, Line 9	\$1,926	
2	Capital Repairs Deduction Rate	Per Tax Department	0.00%	
3	Capital Repairs Deduction	Line 1 * Line 2	<u>\$0</u>	
	<u>Bonus Depreciation</u>			
4	Plant Additions	Line 1	\$1,926	
5	Less Capital Repairs Deduction	Line 3	<u>\$0</u>	
6	Plant Additions Net of Capital Repairs Deduction	Line 4 - Line 5	\$1,926	
7	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	<u>100.00%</u>	
8	Plant Eligible for Bonus Depreciation	Line 6 * Line 7	\$1,926	
9	Bonus Depreciation Rate (April 2020 - December 2020)	0%	0.00%	
10	Bonus Depreciation Rate (January 2021 - Mar 2021)	0%	<u>0.00%</u>	
11	Total Bonus Depreciation Rate	Line 9 + Line 10	0.00%	
12	Bonus Depreciation	Line 8 * Line 11	\$0	
	<u>Remaining Tax Depreciation</u>			
13	Plant Additions	Line 1	\$1,926	
14	Less Capital Repairs Deduction	Line 3	\$0	
15	Less Bonus Depreciation	Line 12	<u>\$0</u>	
16	Remaining Plant Additions Subject to 3 YR MACRS Tax Depreciation	Line 13 - Line 14 - Line 15	\$1,926	\$1,926
17	3 YR MACRS Tax Depreciation Rates	Per IRS Publication 946	33.330%	44.450%
18	Remaining Tax Depreciation	Line 16 * Line 17	<u>\$642</u>	<u>\$856</u>
19	FY21 Loss incurred due to retirements	Per Tax Department	\$0	\$0
20	Cost of Removal	, Line 14	\$0	\$0
21	Total Tax Depreciation and Repairs Deduction	Sum of Lines 3, 12, 18, 19, and 20	<u>\$642</u>	<u>\$856</u>

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Revenue Requirement on Estimated IS Capital Investment 12 months ending March 31, 2022
Synergy Grid Mod - Cybersecurity GIS - Host & Endpoint Security Services

Line No.		Fiscal Year Ending March 31, 2022 (a)
<u>Estimated Capital Investment</u>		
1	Network Security Services	\$ -
2	Data Security Services	\$ -
3	Identity and Access Management	\$ -
4	Threat and Vulnerability Management	\$ -
5	Security Operations Center Services	\$ -
6	Host & Endpoint Security Services	\$ 1,414
7	Cyrtography Services	\$ -
8	Change and Configuration Management	\$ -
9	Total Estimated Capital Investment	\$ 1,414
	Sum of Lines 1 through 8	
<u>Depreciable Net Capital Included in Rate Base</u>		
10	Total Allowed Capital Included in Rate Base in Current Year	Line 9 \$1,414
11	Retirements	Line 4 * 0% \$0
12	Net Depreciable Capital Included in Rate Base	Column (a) = Line 3 - Line 4 \$1,414
<u>Change in Net Capital Included in Rate Base</u>		
13	Capital Included in Rate Base	Line 9 \$1,414
14	Cost of Removal	\$0
15	Total Net Plant in Service Including Cost of Removal	Line 6 + Line 8 \$1,414
<u>Tax Depreciation</u>		
16	Vintage Year Tax Depreciation:	
17	FY 2022 Spend	, Line 21 \$471
18	Cumulative Tax Depreciation	Current Year Line 10 \$471
<u>Book Depreciation</u>		
19	Composite Book Depreciation Rate	As approved per R.I.P.U.C. Docket No. 4770 14.29%
20	Book Depreciation	Column (a) = Line 2* Line 12 * 50% \$101
21	Cumulative Book Depreciation	Current Year Line 13 \$101
22	Total Cumulative Book Depreciation	Line 21 \$101
<u>Deferred Tax Calculation:</u>		
23	Cumulative Book / Tax Timer	Line 18 - Line 22 \$370
24	Effective Tax Rate	21.00%
25	Deferred Tax Reserve	Line 23 * Line 24 \$78
26	Less: FY 2022 Federal NOL	\$0
27	Less: Proration Adjustment	Col = , Line 40 (\$42)
28	Net Deferred Tax Reserve	Sum of Lines 25 through 27 \$36
<u>Rate Base Calculation:</u>		
29	Cumulative Incremental Capital Included in Rate Base	Line 15 \$1,414
30	Accumulated Depreciation	- Line 22 (\$101)
31	Deferred Tax Reserve	- Line 28 (\$36)
32	Year End Rate Base	Sum of Lines 29 through 31 \$1,278
<u>Revenue Requirement Calculation:</u>		
33	Average Rate Base	Column (a) = Current Year Line 25 ÷ 2 \$638.85
	Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, Workpaper	
34	Pre-Tax ROR	MAL-6 8.80%
35	Return and Taxes	Line 33 * Line 34 \$56
36	Book Depreciation	Line 20 \$101
37	Annual Revenue Requirement	Line 35 + Line 36 \$157

1/ Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, Schedule MAL-6

	Ratio	Rate	Rate	Taxes	Return
Long Term Debt	50.00%	3.70%	1.85%		1.85%
Short Term Debt	0.00%	0.00%	0.00%		0.00%
Preferred Stock	0.00%	0.00%	0.00%		0.00%
Common Equity	50.00%	10.10%	5.05%	1.90%	6.95%
	<u>100.00%</u>		<u>6.90%</u>	<u>1.90%</u>	<u>8.80%</u>

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Tax Depreciation and Repairs Deduction on Fiscal Year 2022 IS Capital Investments
Synergy Grid Mod - Cybersecurity GIS - Host & Endpoint Security Services

Line No.			Fiscal Year Ending <u>March 31, 2022</u> (a)
	<u>Capital Repairs Deduction</u>		
1	Plant Additions	, Line 9	\$1,414
2	Capital Repairs Deduction Rate	Per Tax Department	0.00%
3	Capital Repairs Deduction	Line 1 * Line 2	<u>\$0</u>
	<u>Bonus Depreciation</u>		
4	Plant Additions	Line 1	\$1,414
5	Less Capital Repairs Deduction	Line 3	<u>\$0</u>
6	Plant Additions Net of Capital Repairs Deduction	Line 4 - Line 5	\$1,414
7	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	<u>100.00%</u>
8	Plant Eligible for Bonus Depreciation	Line 6 * Line 7	\$1,414
9	Bonus Depreciation Rate (April 2020 - December 2020)	0%	0.00%
10	Bonus Depreciation Rate (January 2021 - Mar 2021)	0%	<u>0.00%</u>
11	Total Bonus Depreciation Rate	Line 9 + Line 10	0.00%
12	Bonus Depreciation	Line 8 * Line 11	\$0
	<u>Remaining Tax Depreciation</u>		
13	Plant Additions	Line 1	\$1,414
14	Less Capital Repairs Deduction	Line 3	\$0
15	Less Bonus Depreciation	Line 12	<u>\$0</u>
16	Remaining Plant Additions Subject to 3 YR MACRS Tax Depreciation	Line 13 - Line 14 - Line 15	\$1,414
17	3 YR MACRS Tax Depreciation Rates	Per IRS Publication 946	<u>33.33%</u>
18	Remaining Tax Depreciation	Line 16 * Line 17	\$471
19	FY22 Loss incurred due to retirements	Per Tax Department	\$0
20	Cost of Removal	, Line 14	\$0
21	Total Tax Depreciation and Repairs Deduction	Sum of Lines 3, 12, 18, 19, and 20	<u>\$471</u>

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Fiscal Year 2020 Net Deferred Tax Reserve IS Proration
Synergy Grid Mod - Cybersecurity GIS - Host & Endpoint Security Services

Line No.		(a)= Column (b)	(b) Vintage Year March 31, 2020
Deferred Tax Subject to Proration			
1	Book Depreciation, Line 20	\$264	\$264
2	Bonus Depreciation, - Line 12	(\$2,770)	(\$2,770)
3	Remaining MACRS Tax Depreciation, - Line 18	(\$308)	(\$308)
4	FY20 tax (gain)/loss on retirements, - Line 19	\$0	\$0
5	Cumulative Book / Tax Timer Sum of Lines 1 through 4	(\$2,814)	(\$2,814)
6	Effective Tax Rate Per Tax Department	21.00%	21.00%
7	Deferred Tax Reserve Line 5 * Line 6	(\$591)	(\$591)
Deferred Tax Not Subject to Proration			
8	Capital Repairs Deduction, Line 3	\$0	\$0
9	Cost of Removal, Line 20	\$0	\$0
10	Book/Tax Depreciation Timing Difference at 3/31/2020	\$0	\$0
11	Cumulative Book / Tax Timer Line 8 + Line 9 + Line 10	\$0	\$0
12	Effective Tax Rate	21.00%	21.00%
13	Deferred Tax Reserve Line 11 * Line 12	\$0	\$0
14	Total Deferred Tax Reserve Line 7 + Line 13	(\$591)	(\$591)
15	Net Operating Loss, Line 26	\$0	\$0
16	Net Deferred Tax Reserve Line 14 + Line 15	(\$591)	(\$591)
Allocation of FY 2020 Estimated Federal NOL			
17	Cumulative Book/Tax Timer Subject to Proration Col (b) = Line 5	(\$2,814)	(\$2,814)
18	Cumulative Book/Tax Timer Not Subject to Proration Line 11	\$0	\$0
19	Total Cumulative Book/Tax Timer Line 17 + Line 18	(\$2,814)	(\$2,814)
20	Total FY 2020 Federal NOL , Line 26 / 21%	\$0	\$0
21	Allocated FY 2020 Federal NOL Not Subject to Proration (Line 18 / Line 19) * Line 20	\$0	\$0
22	Allocated FY 2020 Federal NOL Subject to Proration (Line 17 / Line 19) * Line 20	\$0	\$0
23	Effective Tax Rate Per Tax Department	21.00%	21.00%
24	Deferred Tax Benefit subject to proration Line 22 * Line 23	\$0	\$0
25	Net Deferred Tax Reserve subject to proration Line 7 + Line 24	(\$591)	(\$591)
Proration Calculation			
		(i)	(j)
		Number of Days in	
		Month	Proration Percentage
26	April 2019	30	91.78%
27	May 2019	31	83.29%
28	June 2019	30	75.07%
29	July 2019	31	66.58%
30	August 2019	31	58.08%
31	September 2019	30	49.86%
32	October 2019	31	41.37%
33	November 2019	30	33.15%
34	December 2019	31	24.66%
35	January 2020	31	16.16%
36	February 2020	28	8.49%
37	March 2020	31	0.00%
38	Total	365	
			(k)= Sum of (l)
			(l)
26			(\$45)
27			(\$41)
28			(\$37)
29			(\$33)
30			(\$29)
31			(\$25)
32			(\$20)
33			(\$16)
34			(\$12)
35			(\$8)
36			(\$4)
37			\$0
38			(\$270)
39	Deferred Tax Without Proration Line 25		(\$591)
40	Proration Adjustment Line 38 - Line 39		\$321

Column Notes:

- (j) Sum of remaining days in the year (Col (i)) ÷ 365
- (l) through (r) = Current Year Line 25 ÷ 12 * Current Month Col (j)

The Narragansett Electric Company
d/b/a National Grid
Power Sector Transformation (PST)
Calculation of Fiscal Year 2021 Net Deferred Tax Reserve IS Proration
Synergy Grid Mod - Cybersecurity GIS - Host & Endpoint Security Services

Line No.			(a)=Sum of (b)	(b)	(c)	
			through (c)	Vintage Year	Vintage Year	
			Total	March 31, 2021	March 31, 2020	
Deferred Tax Subject to Proration						
1	Book Depreciation	Col (b) = , Line 20; Col (c) = , Line 20	\$138	\$138	\$0	
2	Bonus Depreciation	, Line 12	\$0	\$0		
3	Remaining MACRS Tax Depreciation	Col (b) = , Line 18; Col (c) = , Line 18	(\$1,052)	(\$642)	(\$410)	
4	FY21 tax (gain)/loss on retirements	Col (b) = , Line 19; Col (c) = , Line 19	\$0	\$0		
5	Cumulative Book / Tax Timer	Sum of Lines 1 through 4	(\$914)	(\$504)	(\$410)	
6	Effective Tax Rate	Per Tax Department	21.00%	21.00%	21.00%	
7	Deferred Tax Reserve	Line 5 * Line 6	(\$192)	(\$106)	(\$86)	
Deferred Tax Not Subject to Proration						
8	Capital Repairs Deduction	, Line 3	\$0	\$0		
9	Cost of Removal	, Line 20	\$0	\$0		
10	Book/Tax Depreciation Timing Difference at 3/31/2021		\$0	\$0		
11	Cumulative Book / Tax Timer	Line 8 + Line 9 + Line 10	\$0	\$0		
12	Effective Tax Rate		21.00%	21.00%		
13	Deferred Tax Reserve	Line 11 * Line 12	\$0	\$0		
14	Total Deferred Tax Reserve	Line 7 + Line 13	(\$192)	(\$106)	(\$86)	
15	Net Operating Loss	Col (b) = , Line 26; Col (c) = , Line 26	\$0	\$0	\$0	
16	Net Deferred Tax Reserve	Line 14 + Line 15	(\$192)	(\$106)	(\$86)	
Allocation of FY 2021 Estimated Federal NOL						
17	Cumulative Book/Tax Timer Subject to Proration	Col (b) = Line 5	(\$914)	(\$504)	(\$410)	
18	Cumulative Book/Tax Timer Not Subject to Proration	Line 11	\$0	\$0	\$0	
19	Total Cumulative Book/Tax Timer	Line 17 + Line 18	(\$914)	(\$504)	(\$410)	
20	Total FY 2021 Federal NOL	Col (b) = , Line 26; Col (c) = , Line 26 / 21%	\$0	\$0	\$0	
21	Allocated FY 2021 Federal NOL Not Subject to Proration	(Line 18 / Line 19) * Line 20	\$0	\$0	\$0	
22	Allocated FY 2021 Federal NOL Subject to Proration	(Line 17 / Line 19) * Line 20	\$0	\$0	\$0	
23	Effective Tax Rate		21.00%	21.00%	21.00%	
24	Deferred Tax Benefit subject to proration	Line 22 * Line 23	\$0	\$0	\$0	
25	Net Deferred Tax Reserve subject to proration	Line 7 + Line 24	(\$192)	(\$106)	(\$86)	
Proration Calculation						
		(i) Number of Days in Month	(j) Proration Percentage	(k)= Sum of (l) through (m)	(l)	(m)
26	April 2020	30	91.78%	(\$15)	(\$8)	(\$7)
27	May 2020	31	83.29%	(\$13)	(\$7)	(\$6)
28	June 2020	30	75.07%	(\$12)	(\$7)	(\$5)
29	July 2020	31	66.58%	(\$11)	(\$6)	(\$5)
30	August 2020	31	58.08%	(\$9)	(\$5)	(\$4)
31	September 2020	30	49.86%	(\$8)	(\$4)	(\$4)
32	October 2020	31	41.37%	(\$7)	(\$4)	(\$3)
33	November 2020	30	33.15%	(\$5)	(\$3)	(\$2)
34	December 2020	31	24.66%	(\$4)	(\$2)	(\$2)
35	January 2021	31	16.16%	(\$3)	(\$1)	(\$1)
36	February 2021	28	8.49%	(\$1)	(\$1)	(\$1)
37	March 2021	31	0.00%	\$0	\$0	\$0
38	Total	365		(\$88)	(\$48)	(\$39)
39	Deferred Tax Without Proration	Line 25		(\$192)	(\$106)	(\$86)
40	Proration Adjustment	Line 38 - Line 39		\$104	\$58	\$47

Column Notes:

- (j) Sum of remaining days in the year (Col (i)) ÷ 365
- (l) through (r) = Current Year Line 25 ÷ 12 * Current Month Col (j)

The Narragansett Electric Company
d/b/a National Grid
Power Sector Transformation (PST)
Calculation of Fiscal Year 2022 Net Deferred Tax Reserve IS Proration
Synergy Grid Mod - Cybersecurity GIS - Host & Endpoint Security Services

Line No.			(a)=Sum of (b)	(b)	(c)	(d)	
			through (d)	Vintage Year	Vintage Year	Vintage Year	
			Total	March 31, 2022	March 31, 2021	March 31, 2020	
Deferred Tax Subject to Proration							
1	Book Depreciation	Col (b) = , Line 20; Col (c) = , Line 20; Col (d) = , Line 20	\$376	\$101	\$275	\$0	
2	Bonus Depreciation	, Line 12	\$0	\$0			
3	Remaining MACRS Tax Depreciation	Col (b) = , Line 18; Col (c) = , Line 18; Col (d) = , Line 18	(\$1,464)	(\$471)	(\$856)	(\$137)	
4	FY22 tax (gain)/loss on retirements	Col (b) = , Line 19; Col (c) = , Line 19; Col (d) = , Line 19	\$0	\$0			
5	Cumulative Book / Tax Timer	Sum of Lines 1 through 4	(\$1,088)	(\$370)	(\$581)	(\$137)	
6	Effective Tax Rate	Per Tax Department	21.00%	21.00%	21.00%	21.00%	
7	Deferred Tax Reserve	Line 5 * Line 6	(\$228)	(\$78)	(\$122)	(\$29)	
Deferred Tax Not Subject to Proration							
8	Capital Repairs Deduction	, Line 3	\$0	\$0			
9	Cost of Removal	, Line 20	\$0	\$0			
10	Book/Tax Depreciation Timing Difference at 3/31/2022		\$0	\$0			
11	Cumulative Book / Tax Timer	Line 8 + Line 9 + Line 10	\$0	\$0			
12	Effective Tax Rate		21.00%	21.00%			
13	Deferred Tax Reserve	Line 11 * Line 12	\$0	\$0			
14	Total Deferred Tax Reserve	Line 7 + Line 13	(\$228)	(\$78)	(\$122)	(\$29)	
15	Net Operating Loss	Col (b) = , Line 26; Col (c) = , Line 26; Col (d) = , Line 26	\$0	\$0	\$0	\$0	
16	Net Deferred Tax Reserve	Line 14 + Line 15	(\$228)	(\$78)	(\$122)	(\$29)	
Allocation of FY 2022 Estimated Federal NOL							
17	Cumulative Book/Tax Timer Subject to Proration	Col (b) = Line 5	(\$1,088)	(\$370)	(\$581)	(\$137)	
18	Cumulative Book/Tax Timer Not Subject to Proration	Line 11	\$0	\$0	\$0	\$0	
19	Total Cumulative Book/Tax Timer	Line 17 + Line 18	(\$1,088)	(\$370)	(\$581)	(\$137)	
20	Total FY 2022 Federal NOL	Col (b) = , Line 26; Col (c) = , Line 26; Col (d) = , Line 26 / 21%	\$0	\$0	\$0	\$0	
21	Allocated FY 2022 Federal NOL Not Subject to Proration	(Line 18 / Line 19) * Line 20	\$0	\$0	\$0	\$0	
22	Allocated FY 2022 Federal NOL Subject to Proration	(Line 17 / Line 19) * Line 20	\$0	\$0	\$0	\$0	
23	Effective Tax Rate	Per Tax Department	21.00%	21.00%	21.00%	21.00%	
24	Deferred Tax Benefit subject to proration	Line 22 * Line 23	\$0	\$0	\$0	\$0	
25	Net Deferred Tax Reserve subject to proration	Line 7 + Line 24	(\$228)	(\$78)	(\$122)	(\$29)	
Proration Calculation							
		(i)	(j)	(k)= Sum of (l)	(l)	(m)	(n)
		<u>Number of Days in</u>	<u>Proration Percentage</u>	through (n)			
		<u>Month</u>					
26	April 2021	30	91.78%	(\$17)	(\$6)	(\$9)	(\$2)
27	May 2021	31	83.29%	(\$16)	(\$5)	(\$8)	(\$2)
28	June 2021	30	75.07%	(\$14)	(\$5)	(\$8)	(\$2)
29	July 2021	31	66.58%	(\$13)	(\$4)	(\$7)	(\$2)
30	August 2021	31	58.08%	(\$11)	(\$4)	(\$6)	(\$1)
31	September 2021	30	49.86%	(\$9)	(\$3)	(\$5)	(\$1)
32	October 2021	31	41.37%	(\$8)	(\$3)	(\$4)	(\$1)
33	November 2021	30	33.15%	(\$6)	(\$2)	(\$3)	(\$1)
34	December 2021	31	24.66%	(\$5)	(\$2)	(\$3)	(\$1)
35	January 2022	31	16.16%	(\$3)	(\$1)	(\$2)	(\$0)
36	February 2022	28	8.49%	(\$2)	(\$1)	(\$1)	(\$0)
37	March 2022	31	0.00%	\$0	\$0	\$0	\$0
38	Total	365		(\$104)	(\$36)	(\$56)	(\$13)
39	Deferred Tax Without Proration	Line 25		(\$228)	(\$78)	(\$122)	(\$29)
40	Proration Adjustment	Line 38 - Line 39		\$124	\$42	\$66	\$16

Column Notes:

- (j) Sum of remaining days in the year (Col (i)) ÷ 365
- (l) through (r) = Current Year Line 25 ÷ 12 * Current Month Col (j)

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Grid Mod Synergy - Cybersecurity GIS - Cryptography Services
Annual Revenue Requirement Summary

Line No.		Fiscal Year Ending March 31, 2019 (a)	Fiscal Year Ending March 31, 2020 (b)	Fiscal Year Ending March 31, 2021 (c)	Fiscal Year Ending March 31, 2022 (d)
	Electric Operation and Maintenance (O&M) Expenses:				
1	Network Security Services	\$ -	\$ -	\$ -	\$ -
2	Data Security Services	\$ -	\$ -	\$ -	\$ -
3	Identity and Access Management	\$ -	\$ -	\$ -	\$ -
4	Threat and Vulnerability Management	\$ -	\$ -	\$ -	\$ -
5	Security Operations Center Services	\$ -	\$ -	\$ -	\$ -
6	Host & Endpoint Security Services	\$ -	\$ -	\$ -	\$ -
7	Cryptography Services	\$ -	\$ 2,465	\$ 1,322	\$ 1,001
8	Change and Configuration Management	\$ -	\$ -	\$ -	\$ -
9	Total Electric O&M costs		\$ 2,465	\$ 1,322	\$ 1,001
	Sum of Lines 1 through 8				
	Gas Operation and Maintenance (O&M) Expenses:				
10	Network Security Services	\$ -	\$ -	\$ -	\$ -
11	Data Security Services	\$ -	\$ -	\$ -	\$ -
12	Identity and Access Management	\$ -	\$ -	\$ -	\$ -
13	Threat and Vulnerability Management	\$ -	\$ -	\$ -	\$ -
14	Security Operations Center Services	\$ -	\$ -	\$ -	\$ -
15	Host & Endpoint Security Services	\$ -	\$ -	\$ -	\$ -
16	Cryptography Services	\$ -	\$ 1,339	\$ 718	\$ 544
17	Change and Configuration Management	\$ -	\$ -	\$ -	\$ -
18	Total Gas O&M costs		\$ 1,339	\$ 718	\$ 544
	Sum of Lines 10 through 17				
19	Total O&M Expenses		\$ 3,804	\$ 2,040	\$ 1,545
	Line 9 + Line 18				
	Electric Capital Investment:				
21	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2020 Capital Investment		\$233	\$152	\$141
22	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2021 Capital Investment			\$109	\$210
23	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2022 Capital Investment				\$72
24	Total Electric Capital Investment Component of Revenue Requirement		\$233	\$261	\$423
	Sum of Lines 21 through 23				
	Gas Capital Investment:				
26	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2020 Capital Investment		\$127	\$82	\$77
27	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2021 Capital Investment			\$59	\$114
28	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2022 Capital Investment				\$39
29	Total Gas Capital Investment Component of Revenue Requirement		\$127	\$142	\$230
	Sum of Lines 26 through 28				
30	Total Electric Revenue Requirement		\$2,698	\$1,583	\$1,424
	Line 9 + Line 24				
31	Total Gas Revenue Requirement		\$1,466	\$860	\$774
	Line 18 + Line 29				
32	Total Electric & Gas Revenue Requirement		\$ 4,164	\$ 2,443	\$ 2,198
	Line 30 + Line 31				

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Revenue Requirement on Estimated IS Capital Investment 12 months ending March 31, 2020
Synergy Grid Mod - Cybersecurity GIS - Cryptography Services

Line No.			Fiscal Year Ending March 31, 2020 (a)	Fiscal Year Ending March 31, 2021 (b)	Fiscal Year Ending March 31, 2022 (c)
<u>Estimated Capital Investment</u>					
1	Network Security Services		\$ -		
2	Data Security Services		\$ -		
3	Identity and Access Management		\$ -		
4	Threat and Vulnerability Management		\$ -		
5	Security Operations Center Services		\$ -		
6	Host & Endpoint Security Services		\$ -		
7	Cryptography Services		\$ 3,299		
8	Change and Configuration Management		\$ -		
9	Total Estimated Capital Investment	Sum of Lines 1 through 8	\$ 3,299	\$ -	\$ -
<u>Depreciable Net Capital Included in Rate Base</u>					
10	Total Allowed Capital Included in Rate Base in Current Year	Line 9	\$ 3,299	\$ 0	\$ 0
11	Retirements	Line 4 * 0%	\$ 0	\$ 0	\$ 0
12	Net Depreciable Capital Included in Rate Base	Column (a) = Line 3 - Line 4; Column (b and c) = Prior Year Line 5	\$ 3,299	\$ 3,299	\$ 3,299
<u>Change in Net Capital Included in Rate Base</u>					
13	Capital Included in Rate Base	Line 9	\$ 3,299	\$ 0	\$ 0
14	Cost of Removal		\$ 0	\$ 0	\$ 0
15	Total Net Plant in Service Including Cost of Removal	Line 13 + Line 14	\$ 3,299	\$ 3,299	\$ 3,299
<u>Tax Depreciation</u>					
16	Vintage Year Tax Depreciation:				
17	FY 2020 Spend	, Line 21	\$ 2,749	\$ 367	\$ 122
18	Cumulative Tax Depreciation	Prior Year Line 11 + Current Year Line 10	\$ 2,749	\$ 3,116	\$ 3,238
<u>Book Depreciation</u>					
19	Composite Book Depreciation Rate		14.29%	14.29%	14.29%
20	Book Depreciation	Column (a) = Line 1 * Line 12 * 50% ; Column (b and c) = Line 1 * Line 12	\$ 236	\$ 0	\$ 0
21	Cumulative Book Depreciation	Prior Year Line 14 + Current Year Line 13	\$ 236	\$ 236	\$ 236
22	Total Cumulative Book Depreciation	Line 21	\$ 236	\$ 236	\$ 236
<u>Deferred Tax Calculation:</u>					
23	Cumulative Book / Tax Timer	Line 18 - Line 22	\$ 2,513	\$ 2,880	\$ 3,002
24	Effective Tax Rate		21.00%	21.00%	21.00%
25	Deferred Tax Reserve	Line 23 * Line 24	\$ 528	\$ 605	\$ 631
26	Less: FY 2020 Federal NOL		\$ 0	\$ 0	\$ 0
27	Less: Proration Adjustment	Col (a) = , Line 40; Col (b) = , Line 40; Col (c) = , Line 40	(\$ 287)	(\$ 42)	(\$ 14)
28	Net Deferred Tax Reserve	Sum of Lines 25 through 27	\$ 241	\$ 563	\$ 617
<u>Rate Base Calculation:</u>					
29	Cumulative Incremental Capital Included in Rate Base	Line 15	\$ 3,299	\$ 3,299	\$ 3,299
30	Accumulated Depreciation	- Line 22	(\$ 236)	(\$ 236)	(\$ 236)
31	Deferred Tax Reserve	- Line 28	(\$ 241)	(\$ 563)	(\$ 617)
32	Year End Rate Base	Sum of Lines 29 through 31	\$ 2,822	\$ 2,500	\$ 2,446
<u>Revenue Requirement Calculation:</u>					
33	Average Rate Base	Column (a) = Current Year Line 25 ÷ 2; Column (b and c) = (Prior Year Line 25 + Current Year Line 25) ÷ 2	\$ 1,410.85	\$ 2,661	\$ 2,473
34	Pre-Tax ROR		8.80%	8.80%	8.80%
35	Return and Taxes	Line 33 * Line 34	\$ 124	\$ 234	\$ 218
36	Book Depreciation	Line 20	\$ 236	\$ 0	\$ 0
37	Annual Revenue Requirement	Line 35 + Line 36	\$ 360	\$ 234	\$ 218

1/ Weighted Average Cost of Capital as file in R.L.P.U.C. Docket No. 4770, Schedule MAL-6

	Ratio	Rate	Rate	Taxes	Return
Long Term Debt	50.00%	3.70%	1.85%		1.85%
Short Term Debt	0.00%	0.00%	0.00%		0.00%
Preferred Stock	0.00%	0.00%	0.00%		0.00%
Common Equity	50.00%	10.10%	5.05%	1.90%	6.95%
	<u>100.00%</u>		<u>6.90%</u>	<u>1.90%</u>	<u>8.80%</u>

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Tax Depreciation and Repairs Deduction on Fiscal Year 2020 IS Capital Investments
Synergy Grid Mod - Cybersecurity GIS - Cryptography Services

Line No.			Fiscal Year Ending March 31, 2020 (a)	Fiscal Year Ending March 31, 2021 (b)	Fiscal Year Ending March 31, 2022 (c)
	<u>Capital Repairs Deduction</u>				
1	Plant Additions	, Line 9	\$3,299		
2	Capital Repairs Deduction Rate	Per Tax Department	0.00%		
3	Capital Repairs Deduction	Line 1 * Line 2	\$0		
	<u>Bonus Depreciation</u>				
4	Plant Additions	Line 1	\$3,299		
5	Less Capital Repairs Deduction	Line 3	\$0		
6	Plant Additions Net of Capital Repairs Deduction	Line 4 - Line 5	\$3,299		
7	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	100.00%		
8	Plant Eligible for Bonus Depreciation	Line 6 * Line 7	\$3,299		
9	Bonus Depreciation Rate (April 2019 - December 2019)	1 * 75% * 100%	75.00%		
10	Bonus Depreciation Rate (January 2020 - Mar 2020)	1 * 25% * 0%	0.00%		
11	Total Bonus Depreciation Rate	Line 9 + Line 10	75.00%		
12	Bonus Depreciation	Line 8 * Line 11	\$2,474		
	<u>Remaining Tax Depreciation</u>				
13	Plant Additions	Line 1	\$3,299		
14	Less Capital Repairs Deduction	Line 3	\$0		
15	Less Bonus Depreciation	Line 12	\$2,474		
16	Remaining Plant Additions Subject to 3 YR MACRS Tax Depreciation	Line 13 - Line 14 - Line 15	\$825	\$825	\$825
17	3 YR MACRS Tax Depreciation Rates	Per IRS Publication 946	33.330%	44.450%	14.810%
18	Remaining Tax Depreciation	Line 16 * Line 17	\$275	\$367	\$122
19	FY20 Loss incurred due to retirements		\$0	\$0	\$0
20	Cost of Removal	, Line 14	\$0	\$0	\$0
21	Total Tax Depreciation and Repairs Deduction	Sum of Lines 3, 12, 18, and 20	\$2,749	\$367	\$122

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Revenue Requirement on Estimated IS Capital Investment 12 months ending March 31, 2021
Synergy Grid Mod - Cybersecurity GIS - Cryptography Services

Line No.		Fiscal Year Ending March 31, 2021 (a)	Fiscal Year Ending March 31, 2022 (b)
<u>Estimated Capital Investment</u>			
1	Network Security Services	\$ -	\$ -
2	Data Security Services	\$ -	\$ -
3	Identity and Access Management	\$ -	\$ -
4	Threat and Vulnerability Management	\$ -	\$ -
5	Security Operations Center Services	\$ -	\$ -
6	Host & Endpoint Security Services	\$ -	\$ -
7	Cryptography Services	\$ 1,518	\$ -
8	Change and Configuration Management	\$ -	\$ -
9	Total Estimated Capital Investment	\$ 1,518	\$ 0
<u>Depreciable Net Capital Included in Rate Base</u>			
10	Total Allowed Capital Included in Rate Base in Current Year	Line 9 \$ 1,518	\$ 0
11	Retirements	Line 4 * 0% \$ 0	\$ 0
12	Net Depreciable Capital Included in Rate Base	Column (a) = Line 3 - Line 4; Column (b) and c) = Prior Year Line 5 \$ 1,518	\$ 1,518
<u>Change in Net Capital Included in Rate Base</u>			
13	Capital Included in Rate Base	Line 9 \$ 1,518	\$ 0
14	Cost of Removal	\$ 0	\$ 0
15	Total Net Plant in Service Including Cost of Removal	Line 12 + Line 14 \$ 1,518	\$ 1,518
<u>Tax Depreciation</u>			
16	Vintage Year Tax Depreciation:		
17	FY 2021 Spend	Page 16 of 21, Line 21 \$ 506	\$ 675
18	Cumulative Tax Depreciation	Prior Year Line 11 + Current Year Line 10 \$ 506	\$ 1,181
<u>Book Depreciation</u>			
19	Composite Book Depreciation Rate	As filed per R.I.P.U.C. Docket No. 4770 14.29%	14.29%
20	Book Depreciation	Column (a) = Line 1 * Line 12 * 50%; Column (b) = Line 1 * Line 12 \$ 108	\$ 217
21	Cumulative Book Depreciation	Prior Year Line 14 + Current Year Line 13 \$ 108	\$ 325
22	Total Cumulative Book Depreciation	Line 21 \$ 108	\$ 325
<u>Deferred Tax Calculation:</u>			
23	Cumulative Book / Tax Timer	Line 18 - Line 21 \$ 398	\$ 856
24	Effective Tax Rate	21.00%	21.00%
25	Deferred Tax Reserve	Line 23 * Line 24 \$ 83	\$ 180
26	Less: FY 2021 Federal NOL	\$ 0	\$ 0
27	Less: Proration Adjustment	Col (a) = , Line 40; Col (b) = , Line 40 (\$45)	(\$52)
28	Net Deferred Tax Reserve	Sum of Lines 25 through 27 \$ 38	\$ 127
<u>Rate Base Calculation:</u>			
29	Cumulative Incremental Capital Included in Rate Base	Line 15 \$ 1,518	\$ 1,518
30	Accumulated Depreciation	- Line 22 (\$108)	(\$325)
31	Deferred Tax Reserve	- Line 28 (\$38)	(\$127)
32	Year End Rate Base	Sum of Lines 29 through 31 \$ 1,372	\$ 1,066
<u>Revenue Requirement Calculation:</u>			
33	Average Rate Base	Column (a) = Current Year Line 25 ÷ 2; Column (b) = (Prior Year Line 25 + Current Year Line 25) ÷ 2 \$ 685.91	\$ 1,219
34	Pre-Tax ROR	Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, Workpaper MAL-6 8.80%	8.80%
35	Return and Taxes	Line 33 * Line 34 \$ 60	\$ 107
36	Book Depreciation	Line 20 \$ 108	\$ 217
37	Annual Revenue Requirement	Line 35 + Line 36 \$ 169	\$ 324

1/ Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, Schedule MAL-6

	Ratio	Rate	Rate	Taxes	Return
Long Term Debt	50.00%	3.70%	1.85%		1.85%
Short Term Debt	0.00%	0.00%	0.00%		0.00%
Preferred Stock	0.00%	0.00%	0.00%		0.00%
Common Equity	50.00%	10.10%	5.05%	1.90%	6.95%
	100.00%		6.90%	1.90%	8.80%

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Tax Depreciation and Repairs Deduction on Fiscal Year 2021 IS Capital Investments
Synergy Grid Mod - Cybersecurity GIS - Cryptography Services

Line No.			Fiscal Year Ending	Fiscal Year Ending
			March 31, 2021 (a)	March 31, 2022 (b)
	<u>Capital Repairs Deduction</u>			
1	Plant Additions	, Line 9	\$1,518	
2	Capital Repairs Deduction Rate	Per Tax Department	0.00%	
3	Capital Repairs Deduction	Line 1 * Line 2	<u>\$0</u>	
	<u>Bonus Depreciation</u>			
4	Plant Additions	Line 1	\$1,518	
5	Less Capital Repairs Deduction	Line 3	<u>\$0</u>	
6	Plant Additions Net of Capital Repairs Deduction	Line 4 - Line 5	\$1,518	
7	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	<u>100.00%</u>	
8	Plant Eligible for Bonus Depreciation	Line 6 * Line 7	\$1,518	
9	Bonus Depreciation Rate (April 2020 - December 2020)	0%	0.00%	
10	Bonus Depreciation Rate (January 2021 - Mar 2021)	0%	<u>0.00%</u>	
11	Total Bonus Depreciation Rate	Line 9 + Line 10	0.00%	
12	Bonus Depreciation	Line 8 * Line 11	\$0	
	<u>Remaining Tax Depreciation</u>			
13	Plant Additions	Line 1	\$1,518	
14	Less Capital Repairs Deduction	Line 3	\$0	
15	Less Bonus Depreciation	Line 12	<u>\$0</u>	
16	Remaining Plant Additions Subject to 3 YR MACRS Tax Depreciation	Line 13 - Line 14 - Line 15	\$1,518	\$1,518
17	3 YR MACRS Tax Depreciation Rates	Per IRS Publication 946	33.330%	44.450%
18	Remaining Tax Depreciation	Line 16 * Line 17	<u>\$506</u>	\$675
19	FY21 Loss incurred due to retirements	Per Tax Department	\$0	\$0
20	Cost of Removal	, Line 14	\$0	\$0
21	Total Tax Depreciation and Repairs Deduction	Sum of Lines 3, 12, 18, 19, and 20	<u>\$506</u>	<u>\$675</u>

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Revenue Requirement on Estimated IS Capital Investment 12 months ending March 31, 2022
Synergy Grid Mod - Cybersecurity GIS - Cryptography Services

Line No.		Fiscal Year Ending March 31, 2022 (a)
<u>Estimated Capital Investment</u>		
1	Network Security Services	\$ -
2	Data Security Services	\$ -
3	Identity and Access Management	\$ -
4	Threat and Vulnerability Management	\$ -
5	Security Operations Center Services	\$ -
6	Host & Endpoint Security Services	\$ -
7	Cyrtography Services	\$ 1,003
8	Change and Configuration Management	\$ -
9	Total Estimated Capital Investment	\$ 1,003
	Sum of Lines 1 through 8	
<u>Depreciable Net Capital Included in Rate Base</u>		
10	Total Allowed Capital Included in Rate Base in Current Year	Line 9 \$1,003
11	Retirements	Line 4 * 0% \$0
12	Net Depreciable Capital Included in Rate Base	Column (a) = Line 3 - Line 4 \$1,003
<u>Change in Net Capital Included in Rate Base</u>		
13	Capital Included in Rate Base	Line 9 \$1,003
14	Cost of Removal	\$0
15	Total Net Plant in Service Including Cost of Removal	Line 6 + Line 8 \$1,003
<u>Tax Depreciation</u>		
16	Vintage Year Tax Depreciation:	
17	FY 2022 Spend	, Line 21 \$334
18	Cumulative Tax Depreciation	Current Year Line 10 \$334
<u>Book Depreciation</u>		
19	Composite Book Depreciation Rate	As approved per R.I.P.U.C. Docket No. 4770 14.29%
20	Book Depreciation	Column (a) = Line 2* Line 12 * 50% \$72
21	Cumulative Book Depreciation	Current Year Line 13 \$72
22	Total Cumulative Book Depreciation	Line 21 \$72
<u>Deferred Tax Calculation:</u>		
23	Cumulative Book / Tax Timer	Line 18 - Line 22 \$262
24	Effective Tax Rate	21.00%
25	Deferred Tax Reserve	Line 23 * Line 24 \$55
26	Less: FY 2022 Federal NOL	\$0
27	Less: Proration Adjustment	Col = , Line 40 (\$30)
28	Net Deferred Tax Reserve	Sum of Lines 25 through 27 \$25
<u>Rate Base Calculation:</u>		
29	Cumulative Incremental Capital Included in Rate Base	Line 15 \$1,003
30	Accumulated Depreciation	- Line 22 (\$72)
31	Deferred Tax Reserve	- Line 28 (\$25)
32	Year End Rate Base	Sum of Lines 29 through 31 \$906
<u>Revenue Requirement Calculation:</u>		
33	Average Rate Base	Column (a) = Current Year Line 25 ÷ 2 \$453.01
34	Pre-Tax ROR	Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, Workpaper MAL-6 8.80%
35	Return and Taxes	Line 33 * Line 34 \$40
36	Book Depreciation	Line 20 \$72
37	Annual Revenue Requirement	Line 35 + Line 36 \$111

1/ Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, Schedule MAL-6

	Ratio	Rate	Rate	Taxes	Return
Long Term Debt	50.00%	3.70%	1.85%		1.85%
Short Term Debt	0.00%	0.00%	0.00%		0.00%
Preferred Stock	0.00%	0.00%	0.00%		0.00%
Common Equity	50.00%	10.10%	5.05%	1.90%	6.95%
	<u>100.00%</u>		<u>6.90%</u>	<u>1.90%</u>	<u>8.80%</u>

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Tax Depreciation and Repairs Deduction on Fiscal Year 2022 IS Capital Investments
Synergy Grid Mod - Cybersecurity GIS - Cryptography Services

Line No.			Fiscal Year Ending <u>March 31, 2022</u> (a)
	<u>Capital Repairs Deduction</u>		
1	Plant Additions	, Line 9	\$1,003
2	Capital Repairs Deduction Rate	Per Tax Department	0.00%
3	Capital Repairs Deduction	Line 1 * Line 2	<u>\$0</u>
	<u>Bonus Depreciation</u>		
4	Plant Additions	Line 1	\$1,003
5	Less Capital Repairs Deduction	Line 3	<u>\$0</u>
6	Plant Additions Net of Capital Repairs Deduction	Line 4 - Line 5	\$1,003
7	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	<u>100.00%</u>
8	Plant Eligible for Bonus Depreciation	Line 6 * Line 7	\$1,003
9	Bonus Depreciation Rate (April 2020 - December 2020)	0%	0.00%
10	Bonus Depreciation Rate (January 2021 - Mar 2021)	0%	<u>0.00%</u>
11	Total Bonus Depreciation Rate	Line 9 + Line 10	0.00%
12	Bonus Depreciation	Line 8 * Line 11	\$0
	<u>Remaining Tax Depreciation</u>		
13	Plant Additions	Line 1	\$1,003
14	Less Capital Repairs Deduction	Line 3	\$0
15	Less Bonus Depreciation	Line 12	<u>\$0</u>
16	Remaining Plant Additions Subject to 3 YR MACRS Tax Depreciation	Line 13 - Line 14 - Line 15	\$1,003
17	3 YR MACRS Tax Depreciation Rates	Per IRS Publication 946	<u>33.33%</u>
18	Remaining Tax Depreciation	Line 16 * Line 17	\$334
19	FY22 Loss incurred due to retirements	Per Tax Department	\$0
20	Cost of Removal	, Line 14	<u>\$0</u>
21	Total Tax Depreciation and Repairs Deduction	Sum of Lines 3, 12, 18, 19, and 20	<u>\$334</u>

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Fiscal Year 2020 Net Deferred Tax Reserve IS Proration
Synergy Grid Mod - Cybersecurity GIS - Cryptography Services

Line No.	Deferred Tax Subject to Proration		(a)=	(b)	
			Column	Vintage Year	
			Total	March 31, 2020	
1	Book Depreciation	, Line 20	\$236	\$236	
2	Bonus Depreciation	, - Line 12	(\$2,474)	(\$2,474)	
3	Remaining MACRS Tax Depreciation	, - Line 18	(\$275)	(\$275)	
4	FY20 tax (gain)/loss on retirements	, - Line 19	\$0	\$0	
5	Cumulative Book / Tax Timer	Sum of Lines 1 through 4	(\$2,513)	(\$2,513)	
6	Effective Tax Rate	Per Tax Department	21.00%	21.00%	
7	Deferred Tax Reserve	Line 5 * Line 6	(\$528)	(\$528)	
Deferred Tax Not Subject to Proration					
8	Capital Repairs Deduction	, Line 3	\$0	\$0	
9	Cost of Removal	, Line 20	\$0	\$0	
10	Book/Tax Depreciation Timing Difference at 3/31/2020		\$0	\$0	
11	Cumulative Book / Tax Timer	Line 8 + Line 9 + Line 10	\$0	\$0	
12	Effective Tax Rate		21.00%	21.00%	
13	Deferred Tax Reserve	Line 11 * Line 12	\$0	\$0	
14	Total Deferred Tax Reserve	Line 7 + Line 13	(\$528)	(\$528)	
15	Net Operating Loss	, Line 26	\$0	\$0	
16	Net Deferred Tax Reserve	Line 14 + Line 15	(\$528)	(\$528)	
Allocation of FY 2020 Estimated Federal NOL					
17	Cumulative Book/Tax Timer Subject to Proration	Col (b) = Line 5	(\$2,513)	(\$2,513)	
18	Cumulative Book/Tax Timer Not Subject to Proration	Line 11	\$0	\$0	
19	Total Cumulative Book/Tax Timer	Line 17 + Line 18	(\$2,513)	(\$2,513)	
20	Total FY 2020 Federal NOL	, Line 26 / 21%	\$0	\$0	
21	Allocated FY 2020 Federal NOL Not Subject to Proration	(Line 18 / Line 19) * Line 20	\$0	\$0	
22	Allocated FY 2020 Federal NOL Subject to Proration	(Line 17 / Line 19) * Line 20	\$0	\$0	
23	Effective Tax Rate	Per Tax Department	21.00%	21.00%	
24	Deferred Tax Benefit subject to proration	Line 22 * Line 23	\$0	\$0	
25	Net Deferred Tax Reserve subject to proration	Line 7 + Line 24	(\$528)	(\$528)	
Proration Calculation					
		(i)	(j)	(k)= Sum of (l)	(l)
		Number of Days in			
		Month	Proration Percentage		
26	April 2019	30	91.78%	(\$40)	(\$40)
27	May 2019	31	83.29%	(\$37)	(\$37)
28	June 2019	30	75.07%	(\$33)	(\$33)
29	July 2019	31	66.58%	(\$29)	(\$29)
30	August 2019	31	58.08%	(\$26)	(\$26)
31	September 2019	30	49.86%	(\$22)	(\$22)
32	October 2019	31	41.37%	(\$18)	(\$18)
33	November 2019	30	33.15%	(\$15)	(\$15)
34	December 2019	31	24.66%	(\$11)	(\$11)
35	January 2020	31	16.16%	(\$7)	(\$7)
36	February 2020	28	8.49%	(\$4)	(\$4)
37	March 2020	31	0.00%	\$0	\$0
38	Total	365		(\$241)	(\$241)
39	Deferred Tax Without Proration	Line 25		(\$528)	(\$528)
40	Proration Adjustment	Line 38 - Line 39		\$287	\$287

Column Notes:

- (j) Sum of remaining days in the year (Col (i)) ÷ 365
- (l) through (r) = Current Year Line 25 ÷ 12 * Current Month Col (j)

The Narragansett Electric Company
d/b/a National Grid
Power Sector Transformation (PST)
Calculation of Fiscal Year 2021 Net Deferred Tax Reserve IS Proration
Synergy Grid Mod - Cybersecurity GIS - Cryptography Services

Line No.			(a)=Sum of (b) through (c)	(b)	(c)	
			Total	Vintage Year March 31, 2021	Vintage Year March 31, 2020	
Deferred Tax Subject to Proration						
1	Book Depreciation	Col (b) = , Line 20; Col (c) = , Line 20	\$108	\$108	\$0	
2	Bonus Depreciation	, Line 12	\$0	\$0		
3	Remaining MACRS Tax Depreciation	Col (b) = , Line 18; Col (c) = , Line 18	(\$873)	(\$506)	(\$367)	
4	FY21 tax (gain)/loss on retirements	Col (b) = , Line 19; Col (c) = , Line 19	\$0	\$0		
5	Cumulative Book / Tax Timer	Sum of Lines 1 through 4	(\$765)	(\$398)	(\$367)	
6	Effective Tax Rate	Per Tax Department	21.00%	21.00%	21.00%	
7	Deferred Tax Reserve	Line 5 * Line 6	(\$161)	(\$83)	(\$77)	
Deferred Tax Not Subject to Proration						
8	Capital Repairs Deduction	, Line 3	\$0	\$0		
9	Cost of Removal	, Line 20	\$0	\$0		
10	Book/Tax Depreciation Timing Difference at 3/31/2021		\$0	\$0		
11	Cumulative Book / Tax Timer	Line 8 + Line 9 + Line 10	\$0	\$0		
12	Effective Tax Rate		21.00%	21.00%		
13	Deferred Tax Reserve	Line 11 * Line 12	\$0	\$0		
14	Total Deferred Tax Reserve	Line 7 + Line 13	(\$161)	(\$83)	(\$77)	
15	Net Operating Loss	Col (b) = , Line 26; Col (c) = , Line 26	\$0	\$0	\$0	
16	Net Deferred Tax Reserve	Line 14 + Line 15	(\$161)	(\$83)	(\$77)	
Allocation of FY 2021 Estimated Federal NOL						
17	Cumulative Book/Tax Timer Subject to Proration	Col (b) = Line 5	(\$765)	(\$398)	(\$367)	
18	Cumulative Book/Tax Timer Not Subject to Proration	Line 11	\$0	\$0	\$0	
19	Total Cumulative Book/Tax Timer	Line 17 + Line 18	(\$765)	(\$398)	(\$367)	
20	Total FY 2021 Federal NOL	Col (b) = , Line 26; Col (c) = , Line 26 / 21%	\$0	\$0	\$0	
21	Allocated FY 2021 Federal NOL Not Subject to Proration	(Line 18 / Line 19) * Line 20	\$0	\$0	\$0	
22	Allocated FY 2021 Federal NOL Subject to Proration	(Line 17 / Line 19) * Line 20	\$0	\$0	\$0	
23	Effective Tax Rate		21.00%	21.00%	21.00%	
24	Deferred Tax Benefit subject to proration	Line 22 * Line 23	\$0	\$0	\$0	
25	Net Deferred Tax Reserve subject to proration	Line 7 + Line 24	(\$161)	(\$83)	(\$77)	
Proration Calculation						
		(i) Number of Days in Month	(j) Proration Percentage	(k)= Sum of (l) through (m)	(l)	(m)
26	April 2020	30	91.78%	(\$12)	(\$6)	(\$6)
27	May 2020	31	83.29%	(\$11)	(\$6)	(\$5)
28	June 2020	30	75.07%	(\$10)	(\$5)	(\$5)
29	July 2020	31	66.58%	(\$9)	(\$5)	(\$4)
30	August 2020	31	58.08%	(\$8)	(\$4)	(\$4)
31	September 2020	30	49.86%	(\$7)	(\$3)	(\$3)
32	October 2020	31	41.37%	(\$6)	(\$3)	(\$3)
33	November 2020	30	33.15%	(\$4)	(\$2)	(\$2)
34	December 2020	31	24.66%	(\$3)	(\$2)	(\$2)
35	January 2021	31	16.16%	(\$2)	(\$1)	(\$1)
36	February 2021	28	8.49%	(\$1)	(\$1)	(\$1)
37	March 2021	31	0.00%	\$0	\$0	\$0
38	Total	365		(\$73)	(\$38)	(\$35)
39	Deferred Tax Without Proration	Line 25		(\$161)	(\$83)	(\$77)
40	Proration Adjustment	Line 38 - Line 39		\$87	\$45	\$42

Column Notes:

- (j) Sum of remaining days in the year (Col (i)) ÷ 365
- (l) through (r) = Current Year Line 25 ÷ 12 * Current Month Col (j)

The Narragansett Electric Company
d/b/a National Grid
Power Sector Transformation (PST)
Calculation of Fiscal Year 2022 Net Deferred Tax Reserve IS Proration
Synergy Grid Mod - Cybersecurity GIS - Cryptography Services

Line No.			(a)=Sum of (b)	(b)	(c)	(d)	
			through (d)	Vintage Year	Vintage Year	Vintage Year	
		Total	March 31, 2022	March 31, 2021	March 31, 2020		
Deferred Tax Subject to Proration							
1	Book Depreciation	Col (b) = , Line 20; Col (c) = , Line 20; Col (d) = , Line 20	\$289	\$72	\$217	\$0	
2	Bonus Depreciation	, Line 12	\$0	\$0			
3	Remaining MACRS Tax Depreciation	Col (b) = , Line 18; Col (c) = , Line 18; Col (d) = , Line 18	(\$1,131)	(\$334)	(\$675)	(\$122)	
4	FY22 tax (gain)/loss on retirements	Col (b) = , Line 19; Col (c) = , Line 19; Col (d) = , Line 19	\$0	\$0			
5	Cumulative Book / Tax Timer	Sum of Lines 1 through 4	(\$842)	(\$262)	(\$458)	(\$122)	
6	Effective Tax Rate	Per Tax Department	21.00%	21.00%	21.00%	21.00%	
7	Deferred Tax Reserve	Line 5 * Line 6	(\$177)	(\$55)	(\$96)	(\$26)	
Deferred Tax Not Subject to Proration							
8	Capital Repairs Deduction	, Line 3	\$0	\$0			
9	Cost of Removal	, Line 20	\$0	\$0			
10	Book/Tax Depreciation Timing Difference at 3/31/2022		\$0	\$0			
11	Cumulative Book / Tax Timer	Line 8 + Line 9 + Line 10	\$0	\$0			
12	Effective Tax Rate		21.00%	21.00%			
13	Deferred Tax Reserve	Line 11 * Line 12	\$0	\$0			
14	Total Deferred Tax Reserve	Line 7 + Line 13	(\$177)	(\$55)	(\$96)	(\$26)	
15	Net Operating Loss	Col (b) = , Line 26; Col (c) = , Line 26; Col (d) = , Line 26	\$0	\$0	\$0	\$0	
16	Net Deferred Tax Reserve	Line 14 + Line 15	(\$177)	(\$55)	(\$96)	(\$26)	
Allocation of FY 2022 Estimated Federal NOL							
17	Cumulative Book/Tax Timer Subject to Proration	Col (b) = Line 5	(\$842)	(\$262)	(\$458)	(\$122)	
18	Cumulative Book/Tax Timer Not Subject to Proration	Line 11	\$0	\$0	\$0	\$0	
19	Total Cumulative Book/Tax Timer	Line 17 + Line 18	(\$842)	(\$262)	(\$458)	(\$122)	
20	Total FY 2022 Federal NOL	Col (b) = , Line 26; Col (c) = , Line 26; Col (d) = , Line 26 / 21%	\$0	\$0	\$0	\$0	
21	Allocated FY 2022 Federal NOL Not Subject to Proration	(Line 18 / Line 19) * Line 20	\$0	\$0	\$0	\$0	
22	Allocated FY 2022 Federal NOL Subject to Proration	(Line 17 / Line 19) * Line 20	\$0	\$0	\$0	\$0	
23	Effective Tax Rate	Per Tax Department	21.00%	21.00%	21.00%	21.00%	
24	Deferred Tax Benefit subject to proration	Line 22 * Line 23	\$0	\$0	\$0	\$0	
25	Net Deferred Tax Reserve subject to proration	Line 7 + Line 24	(\$177)	(\$55)	(\$96)	(\$26)	
Proration Calculation							
		(i)	(j)	(k)= Sum of (l)	(l)	(m)	(n)
		Number of Days in	Proration Percentage	through (n)			
		Month					
26	April 2021	30	91.78%	(\$14)	(\$4)	(\$7)	(\$2)
27	May 2021	31	83.29%	(\$12)	(\$4)	(\$7)	(\$2)
28	June 2021	30	75.07%	(\$11)	(\$3)	(\$6)	(\$2)
29	July 2021	31	66.58%	(\$10)	(\$3)	(\$5)	(\$1)
30	August 2021	31	58.08%	(\$9)	(\$3)	(\$5)	(\$1)
31	September 2021	30	49.86%	(\$7)	(\$2)	(\$4)	(\$1)
32	October 2021	31	41.37%	(\$6)	(\$2)	(\$3)	(\$1)
33	November 2021	30	33.15%	(\$5)	(\$2)	(\$3)	(\$1)
34	December 2021	31	24.66%	(\$4)	(\$1)	(\$2)	(\$1)
35	January 2022	31	16.16%	(\$2)	(\$1)	(\$1)	(\$0)
36	February 2022	28	8.49%	(\$1)	(\$0)	(\$1)	(\$0)
37	March 2022	31	0.00%	\$0	\$0	\$0	\$0
38	Total	365		(\$81)	(\$25)	(\$44)	(\$12)
39	Deferred Tax Without Proration	Line 25		(\$177)	(\$55)	(\$96)	(\$26)
40	Proration Adjustment	Line 38 - Line 39		\$96	\$30	\$52	\$14

Column Notes:

- (j) Sum of remaining days in the year (Col (i)) ÷ 365
- (l) through (r) = Current Year Line 25 ÷ 12 * Current Month Col (j)

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Grid Mod Synergy - Cybersecurity GIS - Change and Configuration Management
Annual Revenue Requirement Summary

Line No.		Fiscal Year Ending March 31, 2019 (a)	Fiscal Year Ending March 31, 2020 (b)	Fiscal Year Ending March 31, 2021 (c)	Fiscal Year Ending March 31, 2022 (d)
Electric Operation and Maintenance (O&M) Expenses:					
1	Network Security Services	\$ -	\$ -	\$ -	\$ -
2	Data Security Services	\$ -	\$ -	\$ -	\$ -
3	Identity and Access Management	\$ -	\$ -	\$ -	\$ -
4	Threat and Vulnerability Management	\$ -	\$ -	\$ -	\$ -
5	Security Operations Center Services	\$ -	\$ -	\$ -	\$ -
6	Host & Endpoint Security Services	\$ -	\$ -	\$ -	\$ -
7	Cryptography Services	\$ -	\$ -	\$ -	\$ -
8	Change and Configuration Management	\$ -	\$ 2,134	\$ 1,170	\$ 891
9	Total Electric O&M costs		\$ 2,134	\$ 1,170	\$ 891
Gas Operation and Maintenance (O&M) Expenses:					
10	Network Security Services	\$ -	\$ -	\$ -	\$ -
11	Data Security Services	\$ -	\$ -	\$ -	\$ -
12	Identity and Access Management	\$ -	\$ -	\$ -	\$ -
13	Threat and Vulnerability Management	\$ -	\$ -	\$ -	\$ -
14	Security Operations Center Services	\$ -	\$ -	\$ -	\$ -
15	Host & Endpoint Security Services	\$ -	\$ -	\$ -	\$ -
16	Cryptography Services	\$ -	\$ -	\$ -	\$ -
17	Change and Configuration Management	\$ -	\$ 1,160	\$ 636	\$ 484
18	Total Gas O&M costs		\$ 1,160	\$ 636	\$ 484
19	Total O&M Expenses	Line 9 + Line 18	\$ 3,294	\$ 1,806	\$ 1,375
Electric Capital Investment:					
21	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2020 Capital Investment		\$138	\$90	\$83
22	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2021 Capital Investment			\$65	\$124
23	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2022 Capital Investment				\$43
24	Total Electric Capital Investment Component of Revenue Requirement	Sum of Lines 21 through 23	\$138	\$154	\$250
Gas Capital Investment:					
26	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2020 Capital Investment		\$75	\$49	\$45
27	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2021 Capital Investment			\$35	\$67
28	Estimated Revenue Requirement on Fiscal Year Ending March 31, 2022 Capital Investment				\$23
29	Total Gas Capital Investment Component of Revenue Requirement	Sum of Lines 26 through 28	\$75	\$84	\$136
30	Total Electric Revenue Requirement	Line 9 + Line 24	\$2,272	\$1,324	\$1,141
31	Total Gas Revenue Requirement	Line 18 + Line 29	\$1,235	\$720	\$620
32	Total Electric & Gas Revenue Requirement	Line 30 + Line 31	\$ 3,507	\$ 2,044	\$ 1,761

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Revenue Requirement on Estimated IS Capital Investment 12 months ending March 31, 2020
Synergy Grid Mod - Cybersecurity GIS - Change and Configuration Management

Line No.			Fiscal Year Ending March 31, 2020 (a)	Fiscal Year Ending March 31, 2021 (b)	Fiscal Year Ending March 31, 2022 (c)
Estimated Capital Investment					
1	Network Security Services		\$ -		
2	Data Security Services		\$ -		
3	Identity and Access Management		\$ -		
4	Threat and Vulnerability Management		\$ -		
5	Security Operations Center Services		\$ -		
6	Host & Endpoint Security Services		\$ -		
7	Cryptography Services		\$ -		
8	Change and Configuration Management		\$ 1,949		
9	Total Estimated Capital Investment	Sum of Lines 1 through 8	\$ 1,949	\$ -	\$ -
Depreciable Net Capital Included in Rate Base					
10	Total Allowed Capital Included in Rate Base in Current Year	Line 9	\$ 1,949	\$ 0	\$ 0
11	Retirements	Line 4 * 0%	\$ 0	\$ 0	\$ 0
12	Net Depreciable Capital Included in Rate Base	Column (a) = Line 3 - Line 4; Column (b and c) = Prior Year Line 5	\$ 1,949	\$ 1,949	\$ 1,949
Change in Net Capital Included in Rate Base					
13	Capital Included in Rate Base	Line 9	\$ 1,949	\$ 0	\$ 0
14	Cost of Removal		\$ 0	\$ 0	\$ 0
15	Total Net Plant in Service Including Cost of Removal	Line 13 + Line 14	\$ 1,949	\$ 1,949	\$ 1,949
Tax Depreciation					
16	Vintage Year Tax Depreciation:				
17	FY 2020 Spend	, Line 21	\$ 1,624	\$ 216	\$ 72
18	Cumulative Tax Depreciation	Prior Year Line 11 + Current Year Line 10	\$ 1,624	\$ 1,840	\$ 1,912
Book Depreciation					
19	Composite Book Depreciation Rate		14.29%	14.29%	14.29%
20	Book Depreciation	Column (a) = Line 1 * Line 12 * 50% ; Column (b and c) = Line 1 * Line 12	\$ 139	\$ 0	\$ 0
21	Cumulative Book Depreciation	Prior Year Line 14 + Current Year Line 13	\$ 139	\$ 139	\$ 139
22	Total Cumulative Book Depreciation	Line 21	\$ 139	\$ 139	\$ 139
Deferred Tax Calculation:					
23	Cumulative Book / Tax Timer	Line 18 - Line 22	\$ 1,485	\$ 1,701	\$ 1,773
24	Effective Tax Rate		21.00%	21.00%	21.00%
25	Deferred Tax Reserve	Line 23 * Line 24	\$ 312	\$ 357	\$ 372
26	Less: FY 2020 Federal NOL		\$ 0	\$ 0	\$ 0
27	Less: Proration Adjustment	Col (a) = , Line 40; Col (b) = , Line 40; Col (c) = , Line 40	(\$169)	(\$25)	(\$8)
28	Net Deferred Tax Reserve	Sum of Lines 25 through 27	\$ 143	\$ 333	\$ 364
Rate Base Calculation:					
29	Cumulative Incremental Capital Included in Rate Base	Line 15	\$ 1,949	\$ 1,949	\$ 1,949
30	Accumulated Depreciation	- Line 22	(\$139)	(\$139)	(\$139)
31	Deferred Tax Reserve	- Line 28	(\$143)	(\$333)	(\$364)
32	Year End Rate Base	Sum of Lines 29 through 31	\$ 1,667	\$ 1,477	\$ 1,446
Revenue Requirement Calculation:					
33	Average Rate Base	Column (a) = Current Year Line 25 ÷ 2; Column (b and c) = (Prior Year Line 25 + Current Year Line 25) ÷ 2	\$ 833.65	\$ 1,572	\$ 1,462
34	Pre-Tax ROR		8.80%	8.80%	8.80%
35	Return and Taxes	Line 33 * Line 34	\$ 73	\$ 138	\$ 129
36	Book Depreciation	Line 20	\$ 139	\$ 0	\$ 0
37	Annual Revenue Requirement	Line 35 + Line 36	\$ 213	\$ 138	\$ 129

1/ Weighted Average Cost of Capital as file in R.L.P.U.C. Docket No. 4770, Schedule MAL-6

	Ratio	Rate	Rate	Taxes	Return
Long Term Debt	50.00%	3.70%	1.85%		1.85%
Short Term Debt	0.00%	0.00%	0.00%		0.00%
Preferred Stock	0.00%	0.00%	0.00%		0.00%
Common Equity	50.00%	10.10%	5.05%	1.90%	6.95%
	<u>100.00%</u>		<u>6.90%</u>	<u>1.90%</u>	<u>8.80%</u>

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Tax Depreciation and Repairs Deduction on Fiscal Year 2020 IS Capital Investments
Synergy Grid Mod - Cybersecurity GIS - Change and Configuration Management

Line No.			Fiscal Year Ending March 31, 2020 (a)	Fiscal Year Ending March 31, 2021 (b)	Fiscal Year Ending March 31, 2022 (c)
	<u>Capital Repairs Deduction</u>				
1	Plant Additions	, Line 9	\$1,949		
2	Capital Repairs Deduction Rate	Per Tax Department	0.00%		
3	Capital Repairs Deduction	Line 1 * Line 2	\$0		
	<u>Bonus Depreciation</u>				
4	Plant Additions	Line 1	\$1,949		
5	Less Capital Repairs Deduction	Line 3	\$0		
6	Plant Additions Net of Capital Repairs Deduction	Line 4 - Line 5	\$1,949		
7	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	100.00%		
8	Plant Eligible for Bonus Depreciation	Line 6 * Line 7	\$1,949		
9	Bonus Depreciation Rate (April 2019 - December 2019)	1 * 75% * 100%	75.00%		
10	Bonus Depreciation Rate (January 2020 - Mar 2020)	1 * 25% * 0%	0.00%		
11	Total Bonus Depreciation Rate	Line 9 + Line 10	75.00%		
12	Bonus Depreciation	Line 8 * Line 11	\$1,462		
	<u>Remaining Tax Depreciation</u>				
13	Plant Additions	Line 1	\$1,949		
14	Less Capital Repairs Deduction	Line 3	\$0		
15	Less Bonus Depreciation	Line 12	\$1,462		
16	Remaining Plant Additions Subject to 3 YR MACRS Tax Depreciation	Line 13 - Line 14 - Line 15	\$487	\$487	\$487
17	3 YR MACRS Tax Depreciation Rates	Per IRS Publication 946	33.330%	44.450%	14.810%
18	Remaining Tax Depreciation	Line 16 * Line 17	\$162	\$216	\$72
19	FY20 Loss incurred due to retirements		\$0	\$0	\$0
20	Cost of Removal	, Line 14	\$0	\$0	\$0
21	Total Tax Depreciation and Repairs Deduction	Sum of Lines 3, 12, 18, and 20	\$1,624	\$216	\$72

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Revenue Requirement on Estimated IS Capital Investment 12 months ending March 31, 2021
Synergy Grid Mod - Cybersecurity GIS - Change and Configuration Management

Line No.		Fiscal Year Ending March 31, 2021 (a)	Fiscal Year Ending March 31, 2022 (b)
<u>Estimated Capital Investment</u>			
1	Network Security Services	\$ -	\$ -
2	Data Security Services	\$ -	\$ -
3	Identity and Access Management	\$ -	\$ -
4	Threat and Vulnerability Management	\$ -	\$ -
5	Security Operations Center Services	\$ -	\$ -
6	Host & Endpoint Security Services	\$ -	\$ -
7	Cryptography Services	\$ -	\$ -
8	Change and Configuration Management	\$ 897	\$ -
9	Total Estimated Capital Investment	\$ 897	\$ 0
<u>Depreciable Net Capital Included in Rate Base</u>			
10	Total Allowed Capital Included in Rate Base in Current Year	Line 9 \$ 897	\$ 0
11	Retirements	Line 4 * 0% \$ 0	\$ 0
12	Net Depreciable Capital Included in Rate Base	Column (a) = Line 3 - Line 4; Column (b) and c) = Prior Year Line 5 \$ 897	\$ 897
<u>Change in Net Capital Included in Rate Base</u>			
13	Capital Included in Rate Base	Line 9 \$ 897	\$ 0
14	Cost of Removal	\$ 0	\$ 0
15	Total Net Plant in Service Including Cost of Removal	Line 12 + Line 14 \$ 897	\$ 897
<u>Tax Depreciation</u>			
16	Vintage Year Tax Depreciation:		
17	FY 2021 Spend	Page 16 of 21, Line 21 \$ 299	\$ 399
18	Cumulative Tax Depreciation	Prior Year Line 11 + Current Year Line 10 \$ 299	\$ 698
<u>Book Depreciation</u>			
19	Composite Book Depreciation Rate	As filed per R.I.P.U.C. Docket No. 4770 14.29%	14.29%
20	Book Depreciation	Column (a) = Line 1 * Line 12 * 50%; Column (b) = Line 1 * Line 12 \$ 64	\$ 128
21	Cumulative Book Depreciation	Prior Year Line 14 + Current Year Line 13 \$ 64	\$ 192
22	Total Cumulative Book Depreciation	Line 21 \$ 64	\$ 192
<u>Deferred Tax Calculation:</u>			
23	Cumulative Book / Tax Timer	Line 18 - Line 21 \$ 235	\$ 506
24	Effective Tax Rate	21.00%	21.00%
25	Deferred Tax Reserve	Line 23 * Line 24 \$ 49	\$ 106
26	Less: FY 2021 Federal NOL	\$ 0	\$ 0
27	Less: Proration Adjustment	Col (a) = , Line 40; Col (b) = , Line 40 (\$ 27)	(\$ 31)
28	Net Deferred Tax Reserve	Sum of Lines 25 through 27 \$ 23	\$ 75
<u>Rate Base Calculation:</u>			
29	Cumulative Incremental Capital Included in Rate Base	Line 15 \$ 897	\$ 897
30	Accumulated Depreciation	- Line 22 (\$ 64)	(\$ 192)
31	Deferred Tax Reserve	- Line 28 (\$ 23)	(\$ 75)
32	Year End Rate Base	Sum of Lines 29 through 31 \$ 811	\$ 630
<u>Revenue Requirement Calculation:</u>			
33	Average Rate Base	Column (a) = Current Year Line 25 ÷ 2; Column (b) = (Prior Year Line 25 + Current Year Line 25) ÷ 2 \$ 405.29	\$ 720
34	Pre-Tax ROR	Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, Workpaper MAL-6 8.80%	8.80%
35	Return and Taxes	Line 33 * Line 34 \$ 36	\$ 63
36	Book Depreciation	Line 20 \$ 64	\$ 128
37	Annual Revenue Requirement	Line 35 + Line 36 \$ 100	\$ 192

1/ Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, Schedule MAL-6

	Ratio	Rate	Rate	Taxes	Return
Long Term Debt	50.00%	3.70%	1.85%		1.85%
Short Term Debt	0.00%	0.00%	0.00%		0.00%
Preferred Stock	0.00%	0.00%	0.00%		0.00%
Common Equity	50.00%	10.10%	5.05%	1.90%	6.95%
	100.00%		6.90%	1.90%	8.80%

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Tax Depreciation and Repairs Deduction on Fiscal Year 2021 IS Capital Investments
Synergy Grid Mod - Cybersecurity GIS - Change and Configuration Management

Line No.			Fiscal Year Ending <u>March 31, 2021</u> (a)	Fiscal Year Ending <u>March 31, 2022</u> (b)
	<u>Capital Repairs Deduction</u>			
1	Plant Additions	, Line 9	\$897	
2	Capital Repairs Deduction Rate	Per Tax Department	0.00%	
3	Capital Repairs Deduction	Line 1 * Line 2	<u>\$0</u>	
	<u>Bonus Depreciation</u>			
4	Plant Additions	Line 1	\$897	
5	Less Capital Repairs Deduction	Line 3	<u>\$0</u>	
6	Plant Additions Net of Capital Repairs Deduction	Line 4 - Line 5	\$897	
7	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	<u>100.00%</u>	
8	Plant Eligible for Bonus Depreciation	Line 6 * Line 7	\$897	
9	Bonus Depreciation Rate (April 2020 - December 2020)	0%	0.00%	
10	Bonus Depreciation Rate (January 2021 - Mar 2021)	0%	<u>0.00%</u>	
11	Total Bonus Depreciation Rate	Line 9 + Line 10	0.00%	
12	Bonus Depreciation	Line 8 * Line 11	\$0	
	<u>Remaining Tax Depreciation</u>			
13	Plant Additions	Line 1	\$897	
14	Less Capital Repairs Deduction	Line 3	\$0	
15	Less Bonus Depreciation	Line 12	<u>\$0</u>	
16	Remaining Plant Additions Subject to 3 YR MACRS Tax Depreciation	Line 13 - Line 14 - Line 15	\$897	\$897
17	3 YR MACRS Tax Depreciation Rates	Per IRS Publication 946	33.330%	44.450%
18	Remaining Tax Depreciation	Line 16 * Line 17	<u>\$299</u>	<u>\$399</u>
19	FY21 Loss incurred due to retirements	Per Tax Department	\$0	\$0
20	Cost of Removal	, Line 14	\$0	\$0
21	Total Tax Depreciation and Repairs Deduction	Sum of Lines 3, 12, 18, 19, and 20	<u>\$299</u>	<u>\$399</u>

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Revenue Requirement on Estimated IS Capital Investment 12 months ending March 31, 2022
Synergy Grid Mod - Cybersecurity GIS - Change and Configuration Management

Line No.		Fiscal Year Ending March 31, 2022 (a)
<u>Estimated Capital Investment</u>		
1	Network Security Services	\$ -
2	Data Security Services	\$ -
3	Identity and Access Management	\$ -
4	Threat and Vulnerability Management	\$ -
5	Security Operations Center Services	\$ -
6	Host & Endpoint Security Services	\$ -
7	Cyrtography Services	\$ -
8	Change and Configuration Management	\$ 593
9	Total Estimated Capital Investment	\$ 593
	Sum of Lines 1 through 8	
<u>Depreciable Net Capital Included in Rate Base</u>		
10	Total Allowed Capital Included in Rate Base in Current Year	Line 9 \$593
11	Retirements	Line 4 * 0% \$0
12	Net Depreciable Capital Included in Rate Base	Column (a) = Line 3 - Line 4 \$593
<u>Change in Net Capital Included in Rate Base</u>		
13	Capital Included in Rate Base	Line 9 \$593
14	Cost of Removal	\$0
15	Total Net Plant in Service Including Cost of Removal	Line 6 + Line 8 \$593
<u>Tax Depreciation</u>		
16	Vintage Year Tax Depreciation:	
17	FY 2022 Spend	, Line 21 \$197
18	Cumulative Tax Depreciation	Current Year Line 10 \$197
<u>Book Depreciation</u>		
19	Composite Book Depreciation Rate	As approved per R.I.P.U.C. Docket No. 4770 14.29%
20	Book Depreciation	Column (a) = Line 2* Line 12 * 50% \$42
21	Cumulative Book Depreciation	Current Year Line 13 \$42
22	Total Cumulative Book Depreciation	Line 21 \$42
<u>Deferred Tax Calculation:</u>		
23	Cumulative Book / Tax Timer	Line 18 - Line 22 \$155
24	Effective Tax Rate	21.00%
25	Deferred Tax Reserve	Line 23 * Line 24 \$32
26	Less: FY 2022 Federal NOL	\$0
27	Less: Proration Adjustment	Col = , Line 40 (\$18)
28	Net Deferred Tax Reserve	Sum of Lines 25 through 27 \$15
<u>Rate Base Calculation:</u>		
29	Cumulative Incremental Capital Included in Rate Base	Line 15 \$593
30	Accumulated Depreciation	- Line 22 (\$42)
31	Deferred Tax Reserve	- Line 28 (\$15)
32	Year End Rate Base	Sum of Lines 29 through 31 \$535
<u>Revenue Requirement Calculation:</u>		
33	Average Rate Base	Column (a) = Current Year Line 25 ÷ 2 \$267.69
34	Pre-Tax ROR	Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, Workpaper MAL-6 8.80%
35	Return and Taxes	Line 33 * Line 34 \$24
36	Book Depreciation	Line 20 \$42
37	Annual Revenue Requirement	Line 35 + Line 36 \$66

1/ Weighted Average Cost of Capital as file in R.I.P.U.C. Docket No. 4770, Schedule MAL-6

	Ratio	Rate	Rate	Taxes	Return
Long Term Debt	50.00%	3.70%	1.85%		1.85%
Short Term Debt	0.00%	0.00%	0.00%		0.00%
Preferred Stock	0.00%	0.00%	0.00%		0.00%
Common Equity	50.00%	10.10%	5.05%	1.90%	6.95%
	<u>100.00%</u>		<u>6.90%</u>	<u>1.90%</u>	<u>8.80%</u>

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Tax Depreciation and Repairs Deduction on Fiscal Year 2022 IS Capital Investments
Synergy Grid Mod - Cybersecurity GIS - Change and Configuration Management

Line No.			Fiscal Year Ending <u>March 31, 2022</u> (a)
	<u>Capital Repairs Deduction</u>		
1	Plant Additions	, Line 9	\$593
2	Capital Repairs Deduction Rate	Per Tax Department	0.00%
3	Capital Repairs Deduction	Line 1 * Line 2	<u>\$0</u>
	<u>Bonus Depreciation</u>		
4	Plant Additions	Line 1	\$593
5	Less Capital Repairs Deduction	Line 3	<u>\$0</u>
6	Plant Additions Net of Capital Repairs Deduction	Line 4 - Line 5	\$593
7	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	<u>100.00%</u>
8	Plant Eligible for Bonus Depreciation	Line 6 * Line 7	\$593
9	Bonus Depreciation Rate (April 2020 - December 2020)	0%	0.00%
10	Bonus Depreciation Rate (January 2021 - Mar 2021)	0%	<u>0.00%</u>
11	Total Bonus Depreciation Rate	Line 9 + Line 10	0.00%
12	Bonus Depreciation	Line 8 * Line 11	\$0
	<u>Remaining Tax Depreciation</u>		
13	Plant Additions	Line 1	\$593
14	Less Capital Repairs Deduction	Line 3	\$0
15	Less Bonus Depreciation	Line 12	<u>\$0</u>
16	Remaining Plant Additions Subject to 3 YR MACRS Tax Depreciation	Line 13 - Line 14 - Line 15	\$593
17	3 YR MACRS Tax Depreciation Rates	Per IRS Publication 946	<u>33.33%</u>
18	Remaining Tax Depreciation	Line 16 * Line 17	\$197
19	FY22 Loss incurred due to retirements	Per Tax Department	\$0
20	Cost of Removal	, Line 14	<u>\$0</u>
21	Total Tax Depreciation and Repairs Deduction	Sum of Lines 3, 12, 18, 19, and 20	<u>\$197</u>

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
Power Sector Transformation (PST)
Calculation of Fiscal Year 2020 Net Deferred Tax Reserve IS Proration
Synergy Grid Mod - Cybersecurity GIS - Change and Configuration Management

Line No.		(a)= Column	(b) Vintage Year
		Total	March 31, 2020
Deferred Tax Subject to Proration			
1	Book Depreciation, Line 20	\$139	\$139
2	Bonus Depreciation, - Line 12	(\$1,462)	(\$1,462)
3	Remaining MACRS Tax Depreciation, - Line 18	(\$162)	(\$162)
4	FY20 tax (gain)/loss on retirements, - Line 19	\$0	\$0
5	Cumulative Book / Tax Timer, Sum of Lines 1 through 4	(\$1,485)	(\$1,485)
6	Effective Tax Rate, Per Tax Department	21.00%	21.00%
7	Deferred Tax Reserve, Line 5 * Line 6	(\$312)	(\$312)
Deferred Tax Not Subject to Proration			
8	Capital Repairs Deduction, Line 3	\$0	\$0
9	Cost of Removal, Line 20	\$0	\$0
10	Book/Tax Depreciation Timing Difference at 3/31/2020	\$0	\$0
11	Cumulative Book / Tax Timer, Line 8 + Line 9 + Line 10	\$0	\$0
12	Effective Tax Rate	21.00%	21.00%
13	Deferred Tax Reserve, Line 11 * Line 12	\$0	\$0
14	Total Deferred Tax Reserve, Line 7 + Line 13	(\$312)	(\$312)
15	Net Operating Loss, Line 26	\$0	\$0
16	Net Deferred Tax Reserve, Line 14 + Line 15	(\$312)	(\$312)
Allocation of FY 2020 Estimated Federal NOL			
17	Cumulative Book/Tax Timer Subject to Proration, Col (b) = Line 5	(\$1,485)	(\$1,485)
18	Cumulative Book/Tax Timer Not Subject to Proration, Line 11	\$0	\$0
19	Total Cumulative Book/Tax Timer, Line 17 + Line 18	(\$1,485)	(\$1,485)
20	Total FY 2020 Federal NOL, Line 26 / 21%	\$0	\$0
21	Allocated FY 2020 Federal NOL Not Subject to Proration, (Line 18 / Line 19) * Line 20	\$0	\$0
22	Allocated FY 2020 Federal NOL Subject to Proration, (Line 17 / Line 19) * Line 20	\$0	\$0
23	Effective Tax Rate, Per Tax Department	21.00%	21.00%
24	Deferred Tax Benefit subject to proration, Line 22 * Line 23	\$0	\$0
25	Net Deferred Tax Reserve subject to proration, Line 7 + Line 24	(\$312)	(\$312)

	(i) Number of Days in	(j) Proration Percentage	(k)= Sum of (l)	(l)
	Month			
26	April 2019	30	91.78%	(\$24)
27	May 2019	31	83.29%	(\$22)
28	June 2019	30	75.07%	(\$20)
29	July 2019	31	66.58%	(\$17)
30	August 2019	31	58.08%	(\$15)
31	September 2019	30	49.86%	(\$13)
32	October 2019	31	41.37%	(\$11)
33	November 2019	30	33.15%	(\$9)
34	December 2019	31	24.66%	(\$6)
35	January 2020	31	16.16%	(\$4)
36	February 2020	28	8.49%	(\$2)
37	March 2020	31	0.00%	\$0
38	Total	365		(\$143)
39	Deferred Tax Without Proration, Line 25			(\$312)
40	Proration Adjustment, Line 38 - Line 39			\$169

Column Notes:

- (j) Sum of remaining days in the year (Col (i)) ÷ 365
- (l) through (r) = Current Year Line 25 ÷ 12 * Current Month Col (j)

The Narragansett Electric Company
d/b/a National Grid
Power Sector Transformation (PST)
Calculation of Fiscal Year 2021 Net Deferred Tax Reserve IS Proration
Synergy Grid Mod - Cybersecurity GIS - Change and Configuration Management

Line No.			(a)=Sum of (b)	(b)	(c)	
			through (c)	Vintage Year	Vintage Year	
			Total	March 31, 2021	March 31, 2020	
Deferred Tax Subject to Proration						
1	Book Depreciation	Col (b) = , Line 20; Col (c) = , Line 20	\$64	\$64	\$0	
2	Bonus Depreciation	, Line 12	\$0	\$0		
3	Remaining MACRS Tax Depreciation	Col (b) = , Line 18; Col (c) = , Line 18	(\$515)	(\$299)	(\$216)	
4	FY21 tax (gain)/loss on retirements	Col (b) = , Line 19; Col (c) = , Line 19	\$0	\$0		
5	Cumulative Book / Tax Timer	Sum of Lines 1 through 4	(\$451)	(\$235)	(\$216)	
6	Effective Tax Rate	Per Tax Department	21.00%	21.00%	21.00%	
7	Deferred Tax Reserve	Line 5 * Line 6	(\$95)	(\$49)	(\$45)	
Deferred Tax Not Subject to Proration						
8	Capital Repairs Deduction	, Line 3	\$0	\$0		
9	Cost of Removal	, Line 20	\$0	\$0		
10	Book/Tax Depreciation Timing Difference at 3/31/2021		\$0	\$0		
11	Cumulative Book / Tax Timer	Line 8 + Line 9 + Line 10	\$0	\$0		
12	Effective Tax Rate		21.00%	21.00%		
13	Deferred Tax Reserve	Line 11 * Line 12	\$0	\$0		
14	Total Deferred Tax Reserve	Line 7 + Line 13	(\$95)	(\$49)	(\$45)	
15	Net Operating Loss	Col (b) = , Line 26; Col (c) = , Line 26	\$0	\$0	\$0	
16	Net Deferred Tax Reserve	Line 14 + Line 15	(\$95)	(\$49)	(\$45)	
Allocation of FY 2021 Estimated Federal NOL						
17	Cumulative Book/Tax Timer Subject to Proration	Col (b) = Line 5	(\$451)	(\$235)	(\$216)	
18	Cumulative Book/Tax Timer Not Subject to Proration	Line 11	\$0	\$0	\$0	
19	Total Cumulative Book/Tax Timer	Line 17 + Line 18	(\$451)	(\$235)	(\$216)	
20	Total FY 2021 Federal NOL	Col (b) = , Line 26; Col (c) = , Line 26 / 21%	\$0	\$0	\$0	
21	Allocated FY 2021 Federal NOL Not Subject to Proration	(Line 18 / Line 19) * Line 20	\$0	\$0	\$0	
22	Allocated FY 2021 Federal NOL Subject to Proration	(Line 17 / Line 19) * Line 20	\$0	\$0	\$0	
23	Effective Tax Rate		21.00%	21.00%	21.00%	
24	Deferred Tax Benefit subject to proration	Line 22 * Line 23	\$0	\$0	\$0	
25	Net Deferred Tax Reserve subject to proration	Line 7 + Line 24	(\$95)	(\$49)	(\$45)	
Proration Calculation						
		(i) Number of Days in Month	(j) Proration Percentage	(k)= Sum of (l) through (m)	(l)	(m)
26	April 2020	30	91.78%	(\$7)	(\$4)	(\$3)
27	May 2020	31	83.29%	(\$7)	(\$3)	(\$3)
28	June 2020	30	75.07%	(\$6)	(\$3)	(\$3)
29	July 2020	31	66.58%	(\$5)	(\$3)	(\$3)
30	August 2020	31	58.08%	(\$5)	(\$2)	(\$2)
31	September 2020	30	49.86%	(\$4)	(\$2)	(\$2)
32	October 2020	31	41.37%	(\$3)	(\$2)	(\$2)
33	November 2020	30	33.15%	(\$3)	(\$1)	(\$1)
34	December 2020	31	24.66%	(\$2)	(\$1)	(\$1)
35	January 2021	31	16.16%	(\$1)	(\$1)	(\$1)
36	February 2021	28	8.49%	(\$1)	(\$0)	(\$0)
37	March 2021	31	0.00%	\$0	\$0	\$0
38	Total	365		(\$43)	(\$23)	(\$21)
39	Deferred Tax Without Proration	Line 25		(\$95)	(\$49)	(\$45)
40	Proration Adjustment	Line 38 - Line 39		\$51	\$27	\$25

Column Notes:

- (j) Sum of remaining days in the year (Col (i)) ÷ 365
- (l) through (r) = Current Year Line 25 ÷ 12 * Current Month Col (j)

The Narragansett Electric Company
d/b/a National Grid
Power Sector Transformation (PST)
Calculation of Fiscal Year 2022 Net Deferred Tax Reserve IS Proration
Synergy Grid Mod - Cybersecurity GIS - Change and Configuration Management

Line No.			(a)=Sum of (b)	(b)	(c)	(d)	
			through (d)	Vintage Year	Vintage Year	Vintage Year	
			Total	March 31, 2022	March 31, 2021	March 31, 2020	
Deferred Tax Subject to Proration							
1	Book Depreciation	Col (b) = , Line 20; Col (c) = , Line 20; Col (d) = , Line 20	\$170	\$42	\$128	\$0	
2	Bonus Depreciation	, Line 12	\$0	\$0			
3	Remaining MACRS Tax Depreciation	Col (b) = , Line 18; Col (c) = , Line 18; Col (d) = , Line 18	(\$668)	(\$197)	(\$399)	(\$72)	
4	FY22 tax (gain)/loss on retirements	Col (b) = , Line 19; Col (c) = , Line 19; Col (d) = , Line 19	\$0	\$0			
5	Cumulative Book / Tax Timer	Sum of Lines 1 through 4	(\$498)	(\$155)	(\$271)	(\$72)	
6	Effective Tax Rate	Per Tax Department	21.00%	21.00%	21.00%	21.00%	
7	Deferred Tax Reserve	Line 5 * Line 6	(\$104)	(\$32)	(\$57)	(\$15)	
Deferred Tax Not Subject to Proration							
8	Capital Repairs Deduction	, Line 3	\$0	\$0			
9	Cost of Removal	, Line 20	\$0	\$0			
10	Book/Tax Depreciation Timing Difference at 3/31/2022		\$0	\$0			
11	Cumulative Book / Tax Timer	Line 8 + Line 9 + Line 10	\$0	\$0			
12	Effective Tax Rate		21.00%	21.00%			
13	Deferred Tax Reserve	Line 11 * Line 12	\$0	\$0			
14	Total Deferred Tax Reserve	Line 7 + Line 13	(\$104)	(\$32)	(\$57)	(\$15)	
15	Net Operating Loss	Col (b) = , Line 26; Col (c) = , Line 26; Col (d) = , Line 26	\$0	\$0	\$0	\$0	
16	Net Deferred Tax Reserve	Line 14 + Line 15	(\$104)	(\$32)	(\$57)	(\$15)	
Allocation of FY 2022 Estimated Federal NOL							
17	Cumulative Book/Tax Timer Subject to Proration	Col (b) = Line 5	(\$498)	(\$155)	(\$271)	(\$72)	
18	Cumulative Book/Tax Timer Not Subject to Proration	Line 11	\$0	\$0	\$0	\$0	
19	Total Cumulative Book/Tax Timer	Line 17 + Line 18	(\$498)	(\$155)	(\$271)	(\$72)	
20	Total FY 2022 Federal NOL	Col (b) = , Line 26; Col (c) = , Line 26; Col (d) = , Line 26 / 21%	\$0	\$0	\$0	\$0	
21	Allocated FY 2022 Federal NOL Not Subject to Proration	(Line 18 / Line 19) * Line 20	\$0	\$0	\$0	\$0	
22	Allocated FY 2022 Federal NOL Subject to Proration	(Line 17 / Line 19) * Line 20	\$0	\$0	\$0	\$0	
23	Effective Tax Rate	Per Tax Department	21.00%	21.00%	21.00%	21.00%	
24	Deferred Tax Benefit subject to proration	Line 22 * Line 23	\$0	\$0	\$0	\$0	
25	Net Deferred Tax Reserve subject to proration	Line 7 + Line 24	(\$104)	(\$32)	(\$57)	(\$15)	
Proration Calculation							
		(i)	(j)	(k)= Sum of (l)	(l)	(m)	(n)
		<u>Number of Days in</u>	<u>Proration Percentage</u>	through (n)			
		<u>Month</u>					
26	April 2021	30	91.78%	(\$8)	(\$2)	(\$4)	(\$1)
27	May 2021	31	83.29%	(\$7)	(\$2)	(\$4)	(\$1)
28	June 2021	30	75.07%	(\$7)	(\$2)	(\$4)	(\$1)
29	July 2021	31	66.58%	(\$6)	(\$2)	(\$3)	(\$1)
30	August 2021	31	58.08%	(\$5)	(\$2)	(\$3)	(\$1)
31	September 2021	30	49.86%	(\$4)	(\$1)	(\$2)	(\$1)
32	October 2021	31	41.37%	(\$4)	(\$1)	(\$2)	(\$1)
33	November 2021	30	33.15%	(\$3)	(\$1)	(\$2)	(\$0)
34	December 2021	31	24.66%	(\$2)	(\$1)	(\$1)	(\$0)
35	January 2022	31	16.16%	(\$1)	(\$0)	(\$1)	(\$0)
36	February 2022	28	8.49%	(\$1)	(\$0)	(\$0)	(\$0)
37	March 2022	31	0.00%	\$0	\$0	\$0	\$0
38	Total	365		(\$48)	(\$15)	(\$26)	(\$7)
39	Deferred Tax Without Proration	Line 25		(\$104)	(\$32)	(\$57)	(\$15)
40	Proration Adjustment	Line 38 - Line 39		\$57	\$18	\$31	\$8

Column Notes:

- (j) Sum of remaining days in the year (Col (i)) ÷ 365
- (l) through (r) = Current Year Line 25 ÷ 12 * Current Month Col (j)

Division 10-57

Request:

NOTE: The references to responses to division data requests refer to docket 4770. Follow Up Questions from Division Set 24 (Docket 4770):

Referring to the response to DIV 24-1, the response contained the following statement about a Massachusetts DPU case:

“In fact, in Massachusetts, the Department of Public Utilities recently found that, because grid modernization will evolve substantially over the next five years, cost recovery for these investments is more appropriate outside of base rates. See NSTAR Electric Company and Western Massachusetts Electric Company, D.P.U. 17-05, at 442 (November 30, 2017) (discussing cost recovery through a grid modernization cost recovery reconciling factor).”

The Division researched this case. But all it was able to find on the cited order page was the following statement about not including grid modernization projects as a part of a performance based ratemaking proposal:

“[W]ith the exception of the energy storage and electric vehicle proposals addressed below, the Department declines to make any findings in this case regarding pre-approval of the proposed budgets or investments included in the grid modernization base commitment. Rather, for the reasons stated above, the Department will address these issues in our forthcoming Order in D.P.U. 15-122.

“In the future, as we gain experience with grid modernization, it may be appropriate to include grid modernization investments together with other capital investments in a PBR. However, given our expectations that grid modernization will evolve substantially over the next five years, the Department finds that a more robust review of grid modernization investments than can be afforded by including these investments in the PBR is necessary in the short term. Accordingly, based on the above, the Department finds that it is in the public interest to address the Companies' proposed grid modernization base commitment investments outside of the PBR.

“Consistent with this finding, the Department will address the structure of the grid modernization regulatory review process in the context of our review of the proposed grid modernization investments in our forthcoming Order in D.P.U. 15-122.”

- a. Please confirm that this quoted section of the DPU order is what the Company's response was referring to. If not, please provide the correct quote from the order.

- b. Referring to the cited DPU order, does the Company generally agree with the following description of what transpired in that order regarding the Eversource grid modernization PBR proposal?

The cited case related to the most recent Eversource rate case in which the Eversource companies proposed grid modernization projects in its rate case as a part of a Performance Based Ratemaking ("PBR") proposal that would have granted pre-approval for the companies to undertake grid modernization projects. Specifically, the Eversource companies proposed to spend \$400 million in incremental grid modernization capital investments over five years and to absorb the revenue requirement associated with these investments through the PBR until their next rate case five years from now. But the projects proposed in the rate case also overlapped with proposals that were pending in a separate grid modernization docket. In response, the Department decided that all but two of the grid modernization proposals would be taken up in the parallel grid modernization docket and not be addressed as a part of the "PBR" proposal in the rate case. The Department was not necessarily drawing a general conclusion that cost recovery for grid modernization projects is inappropriate for recovery through base rates. Further, the Department has not authorized a fully reconciling factor for the recovery of both capital and O&M grid modernization costs like the one proposed in Docket 4780. Rather, the Department has proposed in its grid modernization docket that a utility may obtain pre-approval for the capital costs of grid modernization projects that meet certain requirements specified by the Department. Once pre-approval is obtained, the utility may advance the project and later seek recovery of the revenue requirement of the capital costs after-the-fact through a filing with the Department. But recovery of the revenue requirement does not commence until after the capital project is in service and the mechanism makes no provision for the recovery of operation and maintenance expenses associated with grid modernization (whether past or future) through the capital tracker.

Response:

- a. No, the referenced quote is not what the Company was referring to in its response to Division 24-1. On Page 442 of the Massachusetts Department of Public Utilities' (Department) decision in Docket D.P.U. 17-05, just below the paragraph quoted in the question above, the Department states as follows:

In the future, as we gain experience with grid modernization, it may be appropriate to include grid modernization investments together with other capital investments in a PBR. However, given our expectations that grid modernization will evolve substantially over the next five years, the Department finds that a more robust review of grid modernization investments than can be afforded by including these investments in the PBR is necessary in the short term. Accordingly, based on the above, the Department finds that it is in the public interest to address the Companies'

proposed grid modernization base commitment investments outside of the PBR.

Consistent with this finding, the Department will address the structure of the grid modernization regulatory review process in the context of our review of the proposed grid modernization investments in our forthcoming Order in D.P.U. 15-122. **In that Order, the Department intends to establish an appropriate cost recovery mechanism for eligible grid modernization investments that, to the extent practicable, will be consistent for all electric distribution companies.**

NSTAR Electric Company and Western Massachusetts Electric Company each d/b/a Eversource Energy, D.P.U. 17-05, at 442 (emphasis added).¹

- b. No, the Company does not agree with the description above of what transpired in the order regarding the Eversource grid modernization/performance-based ratemaking (PBR) proposal for several reasons.

First, it is important to note that the purpose of the “performance-based ratemaking mechanism,” or “PBRM” as presented by Eversource in that case, was to implement an annual adjustment to *base distribution rates*. With the PBRM in place, base distribution rates for Eversource’s electric company will be adjusted annually based on the revenue-cap formula approved by the Department. There is no separate mechanism that operates outside of base distribution rates. The concept is that base distribution rates are adjusted so as to provide the utility with a level of revenue support for its ongoing capital investments and operating and maintenance cost increases between rate cases, in lieu of the sales growth that was available historically to offset those cost pressures. Eversource effectively proposed to use a portion of the annual *base distribution rate* adjustment to pay for \$400 million in grid-modernization investments. The Department, however, found that separate cost recovery was more appropriate.

Therefore, in making the following statement, the Department is affirming its perspective that the recovery of grid-modernization investments does not belong in *base distribution rates* in the short term, but rather should be established separately:

¹ To assure that the reference page numbers and quotations are retrievable by the Division, the Company is including a PDF copy of the referenced decision issued by the Massachusetts Department of Public Utilities on November 1, 2017.

In the future, as we gain experience with grid modernization, *it may be appropriate to include grid modernization investments together with other capital investments in a PBR*. However, given our expectations that grid modernization will evolve substantially over the next five years, *the Department finds that a more robust review of grid modernization investments than can be afforded by including these investments in the PBR is necessary in the short term*.

D.P.U. 17-05, at 442 (emphasis added).

In the context of the Eversource proposal, the Department found that more flexibility was needed to allow for oversight and review of grid-modernization investments as expectations evolve about those investments. Accordingly, the Department stated expressly that it would establish separate cost recovery through a reconciling mechanism as part of its decision in the grid modernization docket, which is D.P.U. 15-122/15-123 for the Eversource electric companies. D.P.U. 17-05, at 442 (quoted above).

Second, in the description stated above as part of the question, the assertion is made that:

The cited case related to the most recent Eversource rate case in which the Eversource companies proposed grid modernization projects in its rate case as a part of a Performance Based Ratemaking ("PBR") proposal that would have granted pre-approval for the companies to undertake grid modernization projects.

Although Eversource did request "pre-approval" of certain categories of grid-modernization investments in its initial filing in D.P.U. 17-05, this was not the crux of the request. The crux of the request was for the Department to approve a revenue-cap formula, *as proposed by Eversource*. Eversource proposed to fund capital and O&M expenditures for grid modernization in an amount equal to approximately 1.08 percent of the annual revenue adjustment factor of inflation plus 2.64 percent. The Department rejected this recovery structure, and instead, reduced the Company's proposed annual adjustment to inflation plus 1.56 percent (*i.e.*, 2.64 percent minus 1.08 percent), and stated that it would move recovery of expenditures for grid modernization into a separate reconciling mechanism. D.P.U. 17-05, at 442 (quoted above).

Third, in the description stated above as part of the question, the assertion is made that:

The Department was not necessarily drawing a general conclusion that cost recovery for grid modernization projects is inappropriate for recovery through base rates. Further, the Department has not authorized a fully

reconciling factor for the recovery of both capital and O&M grid modernization costs like the one proposed in Docket 4780.

National Grid does not agree with either of these assertions.

As stated above, Eversource's proposal was to include recovery of the capital and O&M costs associated with grid modernization investments *through base distribution rates*. The PBRM is designed to adjust base distribution rates annually and Eversource's proposal was that it would go ahead and incur the costs of grid modernization *without a separate mechanism* and that a portion of the annual base distribution-rate adjustment (1.08 percent) would go to covering those costs. The Department rejected this proposal; subtracted the 1.08 percent from the annual base distribution-rate adjustment factor; and stated its perspective that, in the short term, more flexibility was needed while expectations are evolving on grid modernization; therefore, a separate reconciling factor would be established in the forthcoming decision in the grid-modernization docket to provide cost recovery. Accordingly, the Department has *explicitly* rejected the base distribution-rate approach and instead has set the expectation for both Eversource and National Grid that a separate ratemaking mechanism is more appropriate.

Although the Department has not yet issued its final decision in the grid modernization dockets, the Department has already approved separate fully reconciling mechanisms to allow recovery for other emerging and non-traditional technologies and investments, such as the smart grid pilot program (D.P.U. 11-129), solar generation facilities with integrated storage systems (D.P.U. 15-134), and demand response demonstration projects (D.P.U. 15-168). Moreover, the Department's explicit findings in D.P.U. 17-05 provide an indication that the decision allowing separate recovery is forthcoming.

Lastly, in the description stated above as part of the question, the assertion is made that:

Once pre-approval is obtained, the utility may advance the project and later seek recovery of the revenue requirement of the capital costs after-the-fact through a filing with the Department. But recovery of the revenue requirement does not commence **until after the capital project is in service** and the mechanism makes **no provision for the recovery of operation and maintenance expenses** associated with grid modernization (whether past or future) through the capital tracker.

(emphasis added).

These two points (i.e., that recovery commences after a project is in service and that there is no provision for recovery of O&M expense) are not yet known because the Department has not yet issued its final decision establishing the separate cost recovery mechanism referenced in D.P.U. 17-05, at 442. The mechanisms proposed in the grid-modernization docket by both Eversource and National Grid contain features addressing these two points. Moreover, the Department stated in D.P.U. 12-76-B that, in the context of investments requiring multi-year installation such as advanced metering functionality, recovery would need to start before the entire project is "used and useful" and represents "construction work in progress." D.P.U. 12-76-B at 24-25.

Moreover, these two points relate to the design of a separate mechanism and not to the original question as to whether recovery should be afforded outside of base distribution rates.

(This response is identical to the Company's response to Division 32-57 in Docket No. 4770.)