

August 1, 2019

BY HAND DELIVERY AND ELECTRONIC MAIL

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

RE: Docket 4783 - Fiscal Year 2019 Electric Infrastructure, Safety, and Reliability Plan Reconciliation Filing

Dear Ms. Massaro:

On behalf of National Grid,¹ relating to the Company's Fiscal Year (FY) 2019 Electric Infrastructure, Safety, and Reliability (ISR) Plan, I have enclosed ten (10) copies of the Company's Electric ISR Reconciliation Filing. Pursuant to the approved ISR Plan and the ISR Provision, RIPUC No. 2199, after the end of the ISR Plan year, which runs from April 1 through March 31, the Company must file annually, by August 1 of each year, the proposed CapEx Reconciling Factors and O&M Reconciling Factor that will become effective for the 12 months beginning October 1. The CapEx Reconciling Factors recover or refund the difference between the reconciliation of actual billed revenue generated from the CapEx Factors and the actual Cumulative Revenue Requirement for the applicable plan year. Similarly, the annual O&M Reconciling Factor recovers or refunds the difference between the reconciliation of actual billed revenue from the O&M Factor and actual Inspection and Maintenance (I&M) program expense and actual Vegetation Management (VM) program expense for the ISR Plan year. Additionally, on August 1, the Company must report on the prior fiscal year's ISR Plan activities and include descriptions of deviations from the original plans approved by the Rhode Island Public Utilities Commission (PUC).

This filing provides the actual discretionary and non-discretionary capital investment spending and the actual Vegetation Management (VM) and Inspection and Maintenance (I&M) expenses for the period April 1, 2018 to March 31, 2019. As explained in this filing, the actual capital plant-in-service is compared to the budgeted amounts for these categories, as approved by the PUC in Order No. 23349. The plant-in-service investment and Operation and Maintenance (O&M) expenses for VM and I&M are then used in the calculation of the revenue requirement for the annual reconciliation of investment and expenses for the fiscal year. This revenue requirement is then compared to actual revenue billed, and any difference forms the basis for the proposed

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

Luly E. Massaro, Commission Clerk
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Electric ISR Plan reconciliation factors for effect October 1, 2019. This filing also includes details on the Company's actual discretionary and non-discretionary capital investment spending by category during FY 2019. Finally, this filing includes a summary of the Company's Reliability Performance through December 31, 2018.

The pre-filed direct testimonies of Patricia Easterly, Melissa A. Little, and Robin Pieri are enclosed with this filing. Ms. Easterly presents the Company's FY 2019 Electric ISR Plan Reconciliation Filing related to the FY 2019 Electric ISR Plan, which the PUC approved in this docket. Ms. Little's testimony describes the calculation of the revenue requirement based on the capital plant-in-service and the total annual actual VM and I&M expenses for the fiscal year. Ms. Little's testimony also includes a description of the revenue requirement model and attachments that support the final revenue requirement. As explained in Ms. Little's testimony, for the FY 2019 Electric ISR reconciliation, the Company has an updated revenue requirement of \$22.7 million. The revenue requirement is based on actual cumulative ISR Plan investment through March 2019 which is incremental to the level of ISR-eligible capital investment assumed in base distribution rates under Docket No. 4323 and Docket No. 4770, as the Company transferred recovery of all ISR Plan investment to base distribution rates effective September 1, 2018, and included forecasted FY 2019 ISR Plan investment beginning in September 2018 in rate base in the Company's most-recently completed rate case in Docket 4770. Ms. Pieri describes the reconciliation of the final FY 2019 revenue requirement against revenue billed in support of that revenue requirement, the proposed factors resulting from the reconciliation, and the bill impacts of those proposed factors. As recovery of the FY 2019 revenue requirement was transferred to base distribution rates effective September 1, 2018, the reconciliation reflects billed CapEx Factor revenue through August 2018, including revenue for usage in August 2018 that was billed during September 2018. The impact of the proposed CapEx Reconciling Factor and the proposed O&M Reconciling Factor on a typical residential customer receiving Standard Offer Service and using 500 kWhs per month is an increase of \$0.63 per month, or approximately 0.6%, from \$106.86 to \$107.49 per month.

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

Very truly yours,



Raquel J. Webster

Enclosures

cc: Docket 4783 Service List
Leo Wold, Esq.
John Bell, Division

Certificate of Service

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

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

Joanne M. Scanlon

August 1, 2019
Date

Docket No. 4783 National Grid’s Electric Infrastructure, Safety and Reliability Plan FY 2019 - Service List as of 4/27/18

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National Grid

The Narragansett Electric Company

FY 201; Electric Infrastructure,
Safety and Reliability Plan

Annual Reconciliation

August 1, 201;

Docket No. 49: 5

Submitted to:
Rhode Island Public Utilities Commission

Submitted by:

nationalgrid

**Testimony of
Patricia C. Easterly**

**THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
RIPUC DOCKET NO. 4783
FY 2019 ELECTRIC INFRASTRUCTURE, SAFETY, AND RELIABILITY PLAN
ANNUAL RECONCILIATION FILING
WITNESS: PATRICIA C. EASTERLY**

PRE-FILED DIRECT TESTIMONY

OF

PATRICIA C. EASTERLY

August 1, 2019

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1 **I. Introduction and qualifications**

2 **Q. Ms. Easterly, please state your name and business address.**

3 A. My name is Patricia C. Easterly. My business address is 40 Sylvan Road, Waltham,
4 Massachusetts 02451.

5

6 **Q. Ms. Easterly, by whom are you employed and in what position?**

7 A. I am employed by National Grid USA Service Company, Inc. (NGSC) as Director – New
8 England Electric Performance and Planning. In my position, I am responsible for
9 regulatory compliance for Massachusetts Electric Company (Mass. Electric) and
10 Nantucket Electric Company (Nantucket) each d/b/a National Grid (collectively, the
11 Company) related to electric distribution operations, and, in particular, for capital
12 expenditures, in both Massachusetts and Rhode Island.

13

14 **Q. Ms. Easterly, please describe your educational background and professional
15 experience.**

16 A. In 1983, I earned a Bachelor of Arts degree in Finance from Simmons College. In October
17 1983, I joined Peat, Marwick, and Mitchell in St. Louis, Missouri as a staff auditor,
18 progressing to senior auditor and becoming a Certified Public Accountant in the State of
19 Missouri. In November 1987, I joined Edison Brothers Stores in St. Louis as Assistant
20 Controller. In June 1988, I joined NGSC as a financial analyst in the Accounting division.
21 Since that time, I have held various positions within National Grid, including Manager of

1 Accounting, Director of Internal Audit, Transmission Finance Director, Distribution Finance
2 Director, Director Rhode Island – New Energy Solutions Planning, Budget and Performance,
3 and Director for Finance Performance Management program. In September of 2018, I
4 assumed my current position as Director – New England Electric Performance and Planning.
5

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

8 A. Yes. I have previously testified before the PUC in support of the Company’s Rhode
9 Island Storm Contingency Fund and the Fiscal Year (FY) 2020 Electric Infrastructure,
10 Safety and Reliability Plan in Docket No. 4915.
11

12 **II. Purpose of Testimony**

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

14 A. The purpose of my testimony is to present the Company’s Fiscal Year 2019 (FY 2019)
15 Annual Reconciliation filing related to the FY 2019 Electric ISR Plan approved by the
16 PUC in this docket. This filing provides the actual plant-in-service for discretionary and
17 non-discretionary capital investment and associated cost of removal (COR), the actual
18 vegetation management (VM) operation and maintenance (O&M) expenses, and the
19 actual inspection and maintenance (I&M) O&M expenses for the period April 1, 2018 to
20 March 31, 2019. As described in Ms. Melissa Little’s testimony in this filing, this plant-
21 in-service investment and the O&M expenses for VM and I&M is used to calculate the

1 FY 2019 Electric ISR Plan revenue requirement. As explained in Ms. Robin Pieri's
2 testimony in this filing, the revenue requirement is then reconciled against the actual
3 revenue billed during FY 2019. Specific details by category for the FY 2019 Electric
4 ISR Plan plant-in-service additions, associated COR, and actual capital spending are
5 included in Attachment PCE-1, which is attached to this testimony.

6
7 **III. Plant-In-Service**

8 **Q. Please provide an overview of the plant-in-service for FY 2019.**

9 A. As shown in Table 1 of Attachment PCE-1, in FY 2019, the Company's plant-in-service
10 investment was \$111.2 million. This amount was approximately \$25.9 million over the
11 planned amount of \$85.3 million. The Non-Discretionary Sub-category had
12 approximately \$40.2 million of plant additions placed in service, which was
13 approximately \$9.2 million over the planned amount of \$31 million. This variance was
14 due to more customer-driven work, storm related plant, and increased transformer
15 purchases. The Discretionary Sub-category had \$71 million of plant additions placed in
16 service, which was approximately \$16.7 million over the planned amount of \$54.3
17 million. These increases in System Performance were due primarily to the New London
18 substation project and the Newport line conversion project and VVO additions. These
19 increases were partially offset by lower Chase Hill substation additions. Increases in
20 Asset Condition were primarily due to Underground Cable projects and the West
21 Cranston transformer. These increases were offset by lower South Street substation

1 additions than anticipated. As shown in Table 2 of Attachment PCE-1, in FY 2019, the
2 associated cost of removal (COR) was \$7.9 million which was under-budget by
3 approximately \$3.9 million from the FY 2019 forecast of \$11.8 million. These totals
4 resulted in a net Electric ISR Plan investment of \$119 million, which was approximately
5 \$22 million over the Company's combined plant-in-service and COR planned amount of
6 \$97.2 million. Details on these variances are included in Section I of Attachment PCE-1.

7
8 **IV. Capital Spending**

9 **Q. Please summarize the Company's actual capital spending for FY 2019 for the**
10 **Electric ISR Plan.**

11 A. As shown in Table 3 of Attachment PCE-1, for FY 2019, the Company spent \$111.1
12 million for capital investment under the Electric ISR Plan. This amount was \$8.3 million
13 over the annual approved budget of \$102.8 million. This over-budget variance was
14 driven primarily by capital spending in the Non-Discretionary Sub-category, which was
15 over-budget by \$5.3 million. This was driven primarily by increased Distributed
16 Generation projects and increased transformer purchases.

17
18 For FY 2019, capital spending in the Discretionary Sub-category (excluding Southeast)
19 was \$70.1 million, which was \$3.5 million over the annual approved budget of \$67.4
20 million. This was driven primarily by an increase in spending on the Asset Condition
21 category which was over-budget by \$3.6 million. Capital spending on the Southeast

1 Substation project, which was managed as a separate Discretionary Sub-category, was
2 \$2.2 million, which was \$0.5 million under the annual approved budget of \$2.7 million.

3
4 The key drivers and variances by category are discussed in more detail in Section III of
5 Attachment PCE-1.

6
7 **V. O&M Spending**

8 **Q. Please summarize the Company's actual O&M spending for the FY 2019 Electric**
9 **ISR Plan.**

10 A. As shown in Table 11 of Attachment PCE-1, for FY 2019, the Company's VM O&M
11 spending was \$9.7 million, which was under-budget by \$0.06 million. In addition, as
12 shown in Table 12, the Company's O&M spending for I&M and VVO FY 2019 was
13 approximately \$0.7 million, which was approximately \$0.4 million under the O&M
14 annual approved budget of \$1.1 million. Detailed information regarding the VM and
15 O&M variances and the work completed are discussed in Attachment PCE-1 in
16 Sections IV and Section V, respectively.

17
18 **VI. Reliability Performance**

19 **Q. Please summarize the results of the Company's reliability performance for CY 2018.**

20 A. Section VI of Attachment PCE-1 includes the Company's Reliability Performance for
21 calendar year 2018 (CY 2018). As shown in Table 13, the Company met both its System

1 Average Interruption Frequency Index (SAIFI) and System Average Interruption
2 Duration Index (SAIDI) performance metrics in CY 2018, with SAIFI of 1.001 against a
3 target of 1.05, and SAIDI of 65.11 minutes, against a target of 71.9 minutes. The
4 Company's annual service quality targets are measured excluding major event days.¹ A
5 comparison of reliability performance in CY 2018 relative to that of previous years is
6 shown in Table 13 below.

7 CY 2018 had six days that were characterized as a major event day. Table 14 provides
8 additional details including the event, dates, the total number of customers interrupted,
9 and the daily SAIDI performance metric. Reliability performance, including major event
10 days, is shown in Table 15 for CY 2001 through CY 2018.

11

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

13 A. Yes.

¹ A Major Event Day (MED) is defined as a day on which the daily system SAIDI exceeds a MED threshold value (4.49 minutes for CY 2018). For purposes of calculating daily system SAIDI, any interruption that spans multiple calendar days is accrued to the day on which the interruption began. Statistically, days having a daily system SAIDI greater than the MED are days on which the energy delivery system experiences stress beyond that normally expected, such as during severe weather.

**THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
RIPUC DOCKET NO. 4783
FY 2019 ELECTRIC INFRASTRUCTURE, SAFETY, AND RELIABILITY PLAN
ANNUAL RECONCILIATION FILING
WITNESS: PATRICIA C. EASTERLY**

Attachment PCE-1

FY 2019 Electric Infrastructure, Safety and Reliability Plan Annual Reconciliation Filing

FY 2019 Electric Infrastructure, Safety and Reliability Plan

Annual Reconciliation Filing

EXECUTIVE SUMMARY

In accordance with tariff, RIPUC No. 2044, Sheets 1-4, the Company¹ submits this annual reconciliation filing for the fiscal year 2019 (FY 2019) Electric Infrastructure, Safety and Reliability (Electric ISR) Plan, which the Rhode Island Public Utilities Commission (PUC) approved in Docket No. 4783. This filing provides the actual discretionary and non-discretionary capital investment spending and the actual vegetation management (VM) and other operation and maintenance (O&M) expenses (primarily inspection and maintenance (I&M)) for the period April 1, 2018 to March 31, 2019. As explained in this filing, the actual capital plant-in-service is compared to the planned amounts for these categories, as approved by the RIPUC in Order No. 22174. The capital plant-in-service investment and O&M expenses are then used to calculate the revenue requirement for the annual reconciliation of investment and expenses for the fiscal year. This revenue requirement is then compared to actual revenue billed, and any difference forms the basis for the proposed Electric ISR Plan reconciliation factors for effect October 1, 2019. This filing also includes details on the Company's actual discretionary and non-discretionary capital spending by category in FY 2019. Finally, this filing includes a summary of the Company's reliability performance through December 31, 2018.

For FY 2019, the Company's plant-in-service investment was \$111.2 million, which was higher than the planned amount of \$85.3 million. The associated cost of removal (COR) was \$7.9 million, which is lower than the FY 2019 forecast of \$11.8 million. These totals resulted in a net Electric ISR Plan investment of \$119.1 million, which was approximately \$22 million over the Company's combined plant-in-service and COR planned amount of \$97.2 million. Section I provides a summary overview of the actual plant placed-in-service by category compared to the annual planned amount approved in Docket No. 4783. A similar summary is provided for COR.

For FY 2019, the Company spent \$111 million, which was approximately \$8.3 million over the annual approved budget of \$102.8 million. Section II provides a summary overview of the actual capital spending by category compared to the annual budget approved in Docket No. 4783. Section III provides detailed explanations of capital spending variances by category to the annual approved budget.

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

For FY 2019, the Company's VM O&M spending was slightly under budget at \$9.7 million on a budget of \$9.8 million. Section IV provides a summary overview of O&M expenses by VM sub-category along with variance explanations.

For FY 2019, the Company's Other O&M spending was approximately \$0.7 million, which was \$0.4 million under the annual approved budget of \$1.1 million. Section V provides a summary overview of O&M expenses by sub-category along with variance explanations.

Finally, a summary of the Company's reliability performance through December 31, 2018 is addressed in Section VI.

This filing includes testimony from Ms. Little and Ms. Pieri. Ms. Little's testimony describes the calculation of the revenue requirement based on the capital plant-in-service and the total annual actual VM and I&M O&M expenses for the fiscal year. Ms. Little's testimony also includes a description of the revenue requirement model and attachments that support the final revenue requirement. As shown in Ms. Little's testimony, for the FY 2019 filing, the Company has an updated revenue requirement of approximately \$22.7 million.

Ms. Pieri's testimony provides a description of the reconciliation of the final actual FY 2019 revenue requirement against revenue billed in support of that revenue requirement, the proposed factors resulting from the reconciliation, and the bill impacts of those proposed factors. The impact of the proposed CapEx Reconciling Factor and the proposed O&M Reconciling Factor on a typical residential customer receiving Standard Offer Service and using 500 kWhs per month is an increase of \$0.63, or approximately 0.6% from \$106.86 to \$107.49.

I. FY 2019 Capital for Plant Investment Placed in Service

In its reconciliation filing, the Company is required to submit the annual capital spending for plant additions that were placed in service during the fiscal year. As shown in Table 1 below, for FY 2019, approximately \$111.2 million was placed in service, which was approximately \$25.9 million over the annual planned amount of \$85.3 million. The Non-Discretionary Sub-category had \$40.2 million of plant additions placed in service, which was \$9.2 million over the planned amount of \$31 million. This increase was due to more customer-driven work, storm related plant, and increased transformer purchases. The Discretionary Sub-category had \$71 million of plant additions placed in service, which was approximately \$16.7 million over the planned amount of \$54.3 million. System Performance was driven by the New London substation project and the Newport line conversion project and VVO additions, partially offset by lower Chase Hill Substation additions. Asset Condition was driven primarily by underground cable work and the West Cranston transformer, offset by lower than anticipated South Street additions.

Table 1

FY 2019 Plant Additions by Category

	FY 2019 Annual ISR Forecast	FY 2019 Year End Actuals	Variance of Actual to Forecast*
Customer Request/Public Requirement	\$17,938,000	\$24,011,353	\$6,073,353
Damage Failure	\$13,053,000	\$16,172,306	\$3,119,306
<i>Subtotal Non-Discretionary</i>	\$30,991,000	\$40,183,659	\$9,192,659
Asset Condition	\$31,939,000	\$36,598,524	\$4,659,524
Non-Infrastructure	\$494,000	\$0	(\$494,000)
System Capacity & Performance	\$21,913,000	\$34,460,878	\$12,547,878
<i>Subtotal Discretionary</i>	\$54,346,000	\$71,059,402	\$16,713,402
Total Capital Investment in System	\$85,337,000	\$111,243,061	\$25,906,061
* () denotes an underspend for the period			

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

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

Table 2 provides the total COR for FY 2019, which was \$7.9 million, which was approximately \$3.9 million under the forecast of \$11.8 million for FY 2019. The Non-Discretionary Sub-category was \$3.6 million, which was \$2.9 million under the annual planned amount of \$6.4 million. Key drivers include underspend in New Business Residential and Damage Failure blankets and Distributed Generation. The Discretionary Sub-category was \$4.4 million, which was \$1 million under the annual planned amount of \$5.4 million. Asset Condition was driven by less URD removal costs and Front Street Metalclad removal.

Table 2

FY 2019 Cost of Removal by Category

	FY 2019 Annual ISR Forecast	FY 2019 Year End Actuals	Variance of Actual to Forecast*
Customer Request/Public Requirement	\$3,078,000	\$1,754,578	(\$1,323,422)
Damage Failure	\$3,350,000	\$1,822,362	(\$1,527,638)
<i>Subtotal Non-Discretionary</i>	\$6,428,000	\$3,576,941	(\$2,851,059)
Asset Condition	\$3,272,000	\$2,226,158	(\$1,045,842)
Non- Infrastructure	\$0	\$582	\$582
System Capacity & Performance	\$2,134,000	\$2,145,401	\$11,401
<i>Subtotal Discretionary</i>	\$5,406,000	\$4,372,141	(\$1,033,859)
Total Capital Investment in System	\$11,834,000	\$7,949,082	(\$3,884,918)
* () denotes an underspend for the period			

II. FY 2019 Capital Spending Summary

As shown in Table 3 below, ISR capital spending for FY 2019 totaled \$111.1 million, which is \$8.3 million over the FY 2019 ISR budget of \$102.8 million.

Table 3

FY 2019 Capital Spending by Category

	FY 2019 Total		
	Annual ISR Budget	Actual	Variance*
Customer Request/Public Requirement	\$19,005,000	\$23,988,722	\$4,983,722
Damage Failure	\$13,674,000	\$13,998,590	\$324,590
<i>Subtotal Non-Discretionary</i>	<i>\$32,679,000</i>	<i>\$37,987,311</i>	<i>\$5,308,311</i>
Asset Condition	\$27,067,000	\$30,708,399	\$3,641,399
Non-Infrastructure	\$556,000	\$673,248	\$117,248
System Capacity & Performance	\$39,765,000	\$39,515,067	(\$249,933)
<i>Subtotal Discretionary (Without Southeast)</i>	<i>\$67,388,000</i>	<i>\$70,896,714</i>	<i>\$3,508,714</i>
Southeast Substation Project	\$2,700,000	\$2,188,195	(\$511,805)
<i>Subtotal Discretionary</i>	<i>\$70,088,000</i>	<i>\$73,084,909</i>	<i>\$2,996,909</i>
Total Capital Investment in System	\$102,767,000	\$111,072,221	\$8,305,221
* () denotes an underspend for the period			

III. FY 2019 Capital Spending by Key Driver Category

1. Non- Discretionary Spending

a. Customer Request/Public Requirement - \$5 million over-budget for FY 2019

Capital spending for FY 2019 in the Customer Request/Public Requirement category was approximately \$24 million, which was \$5 million over the FY 2019 budget of \$19 million. This over-budget variance was driven primarily by the following under-budget projects:

- Capital spending for FY 2019 on New Business Residential and Commercial projects and Public Requirements blankets was a combined \$14.1 million, which was \$0.7 million under the FY 2019 budget of \$14.8 million.

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

- The net FY 2019 spending on “Distributed Generation” (DG) projects was \$2.5 million over-budget. There are approximately 70 specific projects with spending activity in FY19, with preliminary work being performed on others, which is considerably more activity than FY18. The FY 2019 variance is primarily driven by preliminary work spending and spending in couple of the larger projects not offset by CIAC’s received in the same year, partially offset by a large project CIAC received that has expected spending in FY20.
- Capital spending for FY 2019 on Transformer Purchases was approximately \$4.5 million, which was \$2.2 million over the 2019 budget of \$2.3 million due to increased issuances of transformers to the field.

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

Table 4
FY 2019 Capital Spending
Customer Request/Public Requirement Category

Category	Budget Classification	FY 2019 Total		
		Annual ISR Budget	Actual	Variance*
Customer Request/Public Requirement	Third-party Attachments	\$81,000	\$399,567	\$318,567
	Distributed Generation	(\$692,000)	\$1,815,176	\$2,507,176
	Land and Land Rights	\$225,000	\$360,245	\$135,245
	Meters – Distribution	\$2,247,000	\$2,331,687	\$84,687
	New Business – Commercial	\$7,061,000	\$7,292,505	\$231,505
	New Business – Residential	\$5,247,000	\$4,336,986	(\$910,014)
	Outdoor Lighting – Capital	\$123,000	\$455,301	\$332,301
	Public & Regulatory Requirement	\$2,454,000	\$2,494,534	\$40,534
	Transformers & Related Equipment	\$2,259,000	\$4,502,719	\$2,243,719
	Customer Request/Public Requirement Sub-Total	\$19,005,000	\$23,988,722	\$4,983,722

* () denotes an underspend for the period

b. Damage/Failure - \$0.3 million over-budget for FY 2019

Capital spending for FY 2019 in the Damage/Failure category was \$14 million, which was approximately \$0.3 million over the FY 2019 budget of \$13.7 million for this category. This variance was driven primarily by the following over-budget projects:

- Capital spending for FY 2019 on the Ocean State Damage/Failure Blanket was approximately \$8.4 million, which was \$2 million under the FY 2019 budget of \$10.4 million.

The following item offsets the variance noted above:

- Capital spending for FY 2019 on the Storm Capital Confirming program was \$3.9 million, which was \$2.3 million over the FY 2019 budget of \$1.6 million.

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

Table 5

**FY 2019 Capital Spending
Damage/Failure Category**

Category	Budget Classification	FY 2019 Total		
		Annual ISR Budget	Actual	Variance*
Damage/Failure	Damage/Failure	\$12,074,000	\$10,087,044	(\$1,986,956)
	Major Storms - Distribution	\$1,600,000	\$3,911,546	\$2,311,546
	Damage/Failure Sub-Total	\$13,674,000	\$13,998,590	\$324,590

* () denotes an underspend for the period

In summary, capital spending for FY 2019 in the entire Non-Discretionary category was \$38 million, which was \$5.3 million over the fiscal year budget of \$32.7 million driven primarily by the Major Storms in the Damage Failure category, and DG CIAC's not received and transformer purchases within the Customer Request/Public Requirements category.

2. Discretionary Spending

a. Asset Condition – (without Southeast Substation) \$3.6 million over-budget for FY 2019

Capital spending for FY 2019 in the Asset Condition category (absent the Southeast project) was approximately \$30.7 million, which was \$3.6 million over the FY 2019 budget of approximately \$27.1 million. The variance for this category was driven primarily by the following under-budget projects:

- The Westerly Substation FY 2019 budget was \$0.5 million, but since the approach to flood mitigation has changed, there was not any spending in FY19.
- Capital spending for FY 2019 on I&M inspections was \$0.7 million, which was \$1 million under the FY 2019 budget of \$1.7 million.
- Capital spending for FY 2019 on the Dyer Street substation was \$0.8 million, which was \$0.3 million under the FY 2019 budget of \$1.1 million. This variance is due to delays in obtaining the required permits.
- Capital spending for FY 2019 on the Providence Study projects was \$0.9 million, which was \$1.3 million under the FY 2019 budget of \$2.2 million.

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

- Capital spending for FY 2019 on the URD and Underground programs was a combined \$7.2 million, which was \$0.3 million over the FY 2019 budget of \$6.9 million.
- Capital spending for FY 2019 on the South Street Substation project was \$5.7 million, which was \$1.9 million over the FY 2019 budget of \$3.7 million. The over-spend is attributed to completing all cutovers early and moving some costs that were expected in FY 2020 to FY 2019.

Capital spending for FY 2019 on the Asset Replacement distribution and substation projects was \$3.7 million, which was \$1.2 million over the FY 2019 budget of \$2.5 million.

- Capital spending for FY19 on the Lee Street and Cottage Street Metalclad retirement projects was approximately \$1.6 million over budget because the work

done in FY19 focused on completing as much of Lee Street as possible. Cottage will be completed in FY20.

b. Asset Condition – Southeast – \$0.5 million under-budget variance for FY 2019.

Capital spending for FY 2019 on the Southeast Substation Replacement project was \$2.2 million, which was \$0.5 million under the fiscal year budget of \$2.7 million. This variance is attributed to design delays due to project complexity.

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

Table 6

**FY 2019 Capital Spending
Asset Condition Category**

Category	Budget Classification	FY 2019 Total		
		Annual ISR Budget	Actual	Variance*
Asset Condition	Asset Replacement	\$24,047,000	\$29,983,527	\$5,936,527
	Asset Replacement – Southeast	\$3,720,000	\$2,188,195	(\$1,531,805)
	Asset Replacement - I&M	\$1,700,000	\$711,713	(\$988,287)
	Safety & Other	\$300,000	\$13,159	(\$286,841)
	Asset Condition Sub-Total	\$29,767,000	\$32,896,594	\$3,129,594

* () denotes an underspend for the period

c. Non-Infrastructure - \$0.1 million over-budget for FY 2019

Capital spending for FY 2019 for the Non-Infrastructure category was approximately \$0.7 million, which was \$0.1 million over the FY 2019 budget of approximately \$0.6 million. This variance is attributed to accounting overhead charges of \$0.25 million. These charges will be transferred from the Non-Infrastructure category to the appropriate work orders through the normal capital allocation process during FY20.

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

Table 7

**FY 2019 Capital Spending
Non-Infrastructure Category**

Category	Budget Classification	FY 2019 Total		
		Annual ISR Budget	Actual	Variance*
Non-Infrastructure	Corporate/Admin/General/Other	\$0	\$251,078	\$251,078
	General Equipment - Distribution	\$306,000	\$218,771	(\$87,229)
	Telecommunications Capital - Distribut	\$250,000	\$203,399	(\$46,601)
	Non-Infrastructure Sub-Total	\$556,000	\$673,248	\$117,248

* () denotes an underspend for the period

d. System Capacity & Performance - \$0.2 million under-budget for FY 2019

Capital spending for FY 2019 for the System Capacity and Performance category was \$39.5 million, which was approximately \$0.25 million under the FY 2019 budget of approximately \$39.8 million. This variance was driven primarily by the following over-budget projects:

- Capital spending through the fourth quarter of FY 2019 on the Chase Hill substation project was \$2.5 million, which was approximately \$1.4 million under the FY 2019 budget of \$3.9 million. The under-spend variance is attributed to resourcing and construction delays that moved work into Q1 of FY 2020.
- Capital spending for FY 2019 on the Flood Contingency project was approximately \$0.2 million, which was \$0.8 million under the FY 2019 budget of \$1 million. The under-spend variance is attributed to a change in the long-term flood contingency strategy.
- Capital Spending on VVO and EMS projects were approximately \$0.9 million under the FY 2019 budget. The VVO program lagged so that work could be coordinated with other substation work being planned.
- Capital Spending planned on related to the Warren substation project of \$0.2 million did not occur as the project is still in the early planning stages.
- Capital Spending in transformer upgrades, and the reliability blanket programs were also below budget by a combined \$0.7 million.

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

- Capital spending for FY 2019 on the Aquidneck Island project was approximately \$24 million, which was \$2.4 million over the FY 2019 budget of approximately \$21.5 million. The over-spend variance is attributed to change orders and soil disposal payments that increased Q4 spend.
- Capital spending through the fourth quarter of FY 2019 on the New London Ave. project was approximately \$8.1 million, which was \$1.7 million over the FY 2019 budget of approximately \$6.4 million. The over-spend variance is attributed to FY18 work that was brought into FY19 to balance resource constraints because crews went to support Puerto Rico restorations.

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

Table 8
FY 2019 Capital Spending
System Capacity & Performance Category

Category	Budget Classification	FY 2019 Total		
		Annual ISR Budget	Actual	Variance*
System Capacity & Performance	Load Relief	\$35,849,000	\$36,545,129	\$696,129
	Reliability	\$3,916,000	\$2,969,938	(\$946,062)
	System Capacity & Performance Sub-Total	\$39,765,000	\$39,515,067	(\$249,933)

* () denotes an underspend for the period

In summary, capital spending for FY 2019 in the entire Discretionary category was \$73.1 million, which was \$3 million over the fiscal year budget of \$70.1 million. This over-budget variance was predominately driven by higher spending in the Asset Condition category. The Company’s goal is to manage the over and under-budget spending on discretionary projects thru the fiscal year to achieve an overall discretionary portfolio close the discretionary budget that excluded the Southeast Substation project. However, while the FY 2019 discretionary spending exceeded budget, there were some costs accelerated in FY 2019, such as South Street cutovers occurring earlier than expected when the FY 2019 budget was set.

Finally, in Docket No. 4473, the PUC ordered the Company to include, beginning with the FY 2017 Electric ISR Plan filing, a proposal to identify and report in quarterly and annual reconciliation filings the projects that exceeded or were under

the fiscal year-to-date and fiscal year-end budgets by ten percent (10%).² For the identified projects, the Company must note whether variances were due to the project being accelerated or delayed, or whether the variances were due to an increase or decrease in total project cost. The Company agreed to provide in the quarterly reports explanations for the portfolio of large projects³ with variances that exceed +/- 10% of the annual fiscal year budget. These projects represented approximately \$55.4 million of the total FY 2019 budget of \$102.8 million. Specific project information is provided in Table 9 below.

² Docket No. 4473 Order No. 21559 at p. 25.

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

Table 9

FY 2019 Project Variance Report

Project Description	Project Funding	FY 2019 Total			Variance Cause
		Budget	Actual	Variance*	
Aquidneck Island Projects (Gate 2, New port, Jepsont)	CD00848, C024169, C016168, C028528, C084054, CD00999	\$21,634	\$23,983	\$2,429	Change order payments and transfer of soil disposal payments increased spend in Q4.
Volt/Var Program	C077201, C078871, C063111, C078387, C048382, C078873, C078388, C077200, C062708, C078288, C080800, C080808, C078300, C078482, C078282, C063111-C	\$1,900	\$1,472	(\$428)	FY 2018 program lagging somewhat to coordinate work with substations.
Lee Street & College Street D-Line and D-Sub	C060788, C061118, C061128, C060790	\$2,000	\$3,699	\$1,599	Lee St. moving ahead of schedule for completion. College St. Q4 material spend.
Lafayette Substation Transformer Replacement	C061824	\$1,160	\$1,483	\$313	Crews were able to mobilize early, at the end of FY 2018.
Flood Contingency Plan NECO - D	C060882	\$1,020	\$201	(\$819)	Long term flood scope removed as short term scope is mitigating flood risk adequately.
Green Development LLC	C078828, C078827, C078828, C078820, C078824	\$0	\$1,360	\$1,360	Customer driven project with a CAC paid prior to construction costs occurring.
New Southeast Substation D-Line and D-Sub	C063887, C063888	\$2,700	\$2,205	(\$494)	Design delays due to project complexity.
Dyer Street Substation	C061206, C061211, C078328, CD00387	\$1,124	\$845	(\$279)	Project spending less than budgeted due to delays in receiving permit approvals.
Southern Bly - Johnston & Cranston RI	C078031, C078081	\$0	(\$400)	(\$400)	Customer driven project with a CAC paid prior to construction costs occurring.
New London Avenue Substation	C028820, C028821	\$8,418	\$8,102	\$1,686	D-line work was supposed to start in Q4 FY 2018 but was deferred to FY19 to avoid resource constraints as a result of on property and contractor crews supporting Puerto Rico restoration. Costs were increased due to contract change orders.
West Cranston Transformer Replacement	C066844	\$2,400	\$2,469	\$59	Completed retainage payment in Q4 2018.
Quonset Sub D-Line and D-Sub	C063848, C063847	\$1,288	\$857	(\$431)	Resource issues required resequencing of work into Q1 of FY 2020.
Cheese Hill D-Line and D-Sub	C024176, C024178	\$3,900	\$2,617	(\$1,383)	Resource issues and construction delays required resequencing of work into Q1 of FY 2020.
South St. D-Line and D-Sub	C061212, C061213, C066823	\$3,720	\$5,862	\$1,932	Completed all cutovers early and moved some costs that were expected in FY 2020 to FY 2018.
Franklin Square Breeler Replacement	C081008	\$0	\$1,143	\$1,143	Accelerated work from future fiscal years.
		\$49,152	\$55,439	\$5,144	

* () denotes an underspend for the period

3. FY 2019 Work Plan Accomplishments

Table 10 below provides actual work plan accomplishments against the goals of the FY 2019 work plan.

Table 10

FY 2019 Work Plan Accomplishments

Program Type	FY 2019 Goals	FY 2019 Accomplishments	Comments
Distribution Transformer Upgrades	175	176	100% Complete
Substation Battery Replacement	3	3	100% Complete
Substation Breaker Replacement	1	1	100% Complete

IV. FY 2019 Vegetation Management

For FY 2019, the Company completed 1,348 miles or 100% of its annual distribution mileage cycle pruning goal of 1,348 miles. This represents an associated spend of 97% of the FY 2019 budget for the cycle pruning program. Overall, for FY 2019, the Company’s VM operation and maintenance (O&M) spending was \$9.7 million. The Company completed 100% of its work plan for FY 2019 within the budget of \$9.8 million.

Table 11 below provides the FY 2019 spending for all sub-components in the VM category.

Table 11

FY 2019 Vegetation Management O&M Spending

	FY 2019 Annual ISR Budget	FY 2019 Actual Spend	Variance of Actual to Budget*	FY 2019 % Spend
Cycle Pruning (Base)	\$6,150	\$5,995	(\$155)	97%
Hazard Tree	\$1,250	\$1,150	(\$100)	92%
Sub-T (on & off road)	\$325	\$358	\$33	110%
Police/Flagman Details	\$850	\$788	(\$62)	93%
Core Crew (all other activities)	\$1,225	\$1,448	\$223	118%
Total VM O&M Spending	\$9,800	\$9,739	(\$61)	99%

* () denotes an underspend for the period

	FY 2019 Goal	FY 2019 Complete	FY 2019 % Complete
Distribution Mileage Trimming	1,348	1,348	100%

V. FY 2019 Operations and Maintenance

For FY 2019, the Company completed 100% of its annual structure inspection goal of 56,613 with an associated spend of approximately \$0.53 million, or approximately 88% of the Repair and Inspections Related Cost subcategory budget. The Repairs and Inspection Related Costs subcategory forecast includes the FY 2019 mobile elevated voltage testing and repairs, which the PUC approved in Docket No. 4237.

Table 12 below provides the total FY 2019 spending for all components in the I&M category.

Table 12

**O&M Spending
FY 2019**

	FY 2019 Annual I&R Budget	FY 2019 Actual Spend	Variance*	FY 2019 % Spent
Opex Related to Capex	\$255	\$65	(\$190)	26%
Repair & Inspections Related Costs	\$612	\$538	(\$74)	88%
System Planning & Protection Coordination Study	\$25	\$27	\$2	107%
VVO/CRV Program	\$244	\$100	(\$144)	41%
Total I&M O&M Spending	\$1,136	\$730	(\$406)	64%
* () denotes an underspend for the period				
	FY 2019 Goal	FY 2019 Completed	FY 2019% Completed	
RI Distribution Overhead Structures Inspected	56,613	56,613	100%	

The Company began performing inspections on its overhead distribution system in FY 2011, and, in FY 2012, began performing the repairs based on those inspections. The Company categorizes the deficiencies found as Level I, II, or III, and repairs Level I deficiencies either immediately or within approximately one week of the inspection. The Company bundles Level II and III work for planned replacement. At the end of the fourth quarter of FY 2019, the Company has completed repairs reported for approximately 31% of the total deficiencies found. Total deficiencies that were found and repairs made-to-date is shown in the table below.

Summary of Deficiencies and Repair Activities RI Distribution				
Year Inspection Performed	Priority Level/Repair Expected	Deficiencies Found (Total)	Repaired as of 03/31/19	Not Repaired as of 03/31/19
FY 2011	I	18	18	0
	II	13,146	13,128	18
	III	28	28	0
FY 2012	I	17	17	0
	II	15,847	15,454	393
	III	626	567	59
FY 2013	I	15	15	0
	II	26,614	16,385	10,229
	III	9,011	4,600	4,411
FY 2014	I	11	11	0
	II	22,772	3,495	19,277
	III	8,665	1,906	6,759
FY 2015	I	5	5	0
	II	21,549	1	21,548
	III	4,392	0	4,392
FY 2016	I	2	2	0
	II	11,596	0	11,596
	III	6,498	0	6,498
FY 2017	I	2	2	0
	II	8,300	0	8,300
	III	7,539	0	7,539
FY 2018	I	11	11	0
	II	8,821	0	8,821
	III	7,237	0	7,237
FY 2019	I	28	28	0
	II	3,699	0	3,699
	III	2,464	0	2,464
Total Since Program Inception	I, II, III	178,913	55,673	123,240

FY 2019 - I&M Level 1 Deficiencies Repaired						
Year Inspection Performed	Deficiencies Found	Structure Number	Location	Description of Work Performed	Inspection Date	Repaired Date
2018	1	123	Orlson St. East Greenwich	Service - non std or unsecured. Completed in field by overhead crew per Supervisor. CL	9/21/2018	11/1/2018
2018	1	191	Pentac Ave. Cranston	Replaced switch tag.	8/23/2018	9/18/2018
2018	1	6	Rangley Rd. Cranston	Replaced switch tag.	8/21/2018	8/23/2018
2018	1	10	Cory's Ln. Portsmouth	Primary on crossarm. Completed in field by overhead crew	8/8/2018	8/8/2018
2018	1	1	Homesead Ave. Smithfield	Replaced switch tag.	7/28/2018	8/14/2018
2018	1	9030	Wellington Ave. Cranston	Switch tag left off to prevent unintentional operation. Feeders cannot be tied. Different system voltages.	8/4/2018	8/8/2018
2018	1	84-1	Chestnut Hill R. Gloucester	Repaired neutral.	6/16/2018	6/16/2018
2018	1	10-1	Wood Rd. Gloucester	Crew opened fan at Pole 10 to de-energize service that was on the ground.	6/16/2018	6/16/2018
2018	1	4	Fara St. North Providence	Spoke with Chris and updated. Per OH Supervisor, pole is safe. Will need new guy (engineering to create a WFR) CATV & TELCO will be notified.	10/1/2018	10/4/2018
2018	1	107-36	Atwell Ave. Providence	Pole - visual rotting ground ins...completed in field by OH crew per Supervisor. CL	10/9/2018	10/17/2018
2018	1	167	Farnum Pike. Smithfield	Switch missing nomenclature. completed in the field by OH Supervisor. CL	10/16/2018	10/28/2018
2018	1	6	Willston Way. Pawtucket	Secondary floating - service called up report to pole. Completed in field by OH crew per OH Supervisor. CL	12/12/2018	12/16/2018
2018	1	98-1	Cindyann Cr. East Greenwich	Insulator floating - completed in field by OH crew per Supervisor. CL	9/29/2018	10/23/2018
2018	1	20-4	South County Tr. East Greenwich	Defective cutout - completed in the field by OH per Supervisor. CL	10/9/2018	10/16/2018
2018	1	14-1	Hamlet Ave. Woonsocket	Ground wire broken/ case-service roped to pole. Completed in field by OH crew per OH Supervisor. CL	10/11/2018	10/16/2018
2018	1	31-1	Park Ave. Woonsocket	Service broken neutral-Level 1. Completed in field by OH crew per OH Supervisor. CL	10/10/2018	10/16/2018

2019	1	71	Douglas Pk. Smithfield	Replaced switch tag.	1/30/2019	2/5/2019
2019	1	71-1	George Washington Hwy, Smithfield	Replaced switch tag.	2/1/2019	2/4/2019
2019	1	101	East Shore Rd, Jamestown	Insulator floating - completed in field by OH crew per Supervisor. CL	1/17/2019	1/18/2019
2019	1	107	East Shore Rd, Jamestown	Riser - Improper cable support/terminate; spoke with Chris regarding bent riser. Completed in field by OH crew per Supervisor. CL	1/18/2019	1/18/2019
2019	1	300	Cranston St, Cranston	Replaced switch tag.	2/20/2019	3/11/2019
2019	1	72	Oaklawn Ave, Cranston	Replaced switch tag.	2/27/2019	3/11/2019
2019	1	0	Park Forest Rd, Cranston	Replaced switch tag.	2/22/2019	3/12/2019
2019	1	35	Pellacoisset Ave, Cranston	Replaced switch tag.	3/5/2019	3/12/2019
2019	1	1	Walker St, Cranston	Secondary floating - service roped to tree limb. Completed in field by OH crew per OH Supervisor. CL	3/1/2019	3/13/2019
2019	1	4	Worthington Rd, Cranston	Replaced switch tag.	3/3/2019	3/13/2019
2019	1	1-4	Commerce Way, Johnston	Braces bent xam twisted bare wire tracking noted. Completed in field by OH crew per Sup. CL	2/8/2019	2/14/2019
2019	1	120	Boonville Rd, Jamestown	Insulator floating - completed in field by OH crew per Supervisor. CL	1/3/2019	1/18/2019

As shown in the table below, results of the Company's manual elevated voltage testing for FY 2019 have not indicated any instances of elevated voltages found through either overhead or manual elevated voltage inspections.

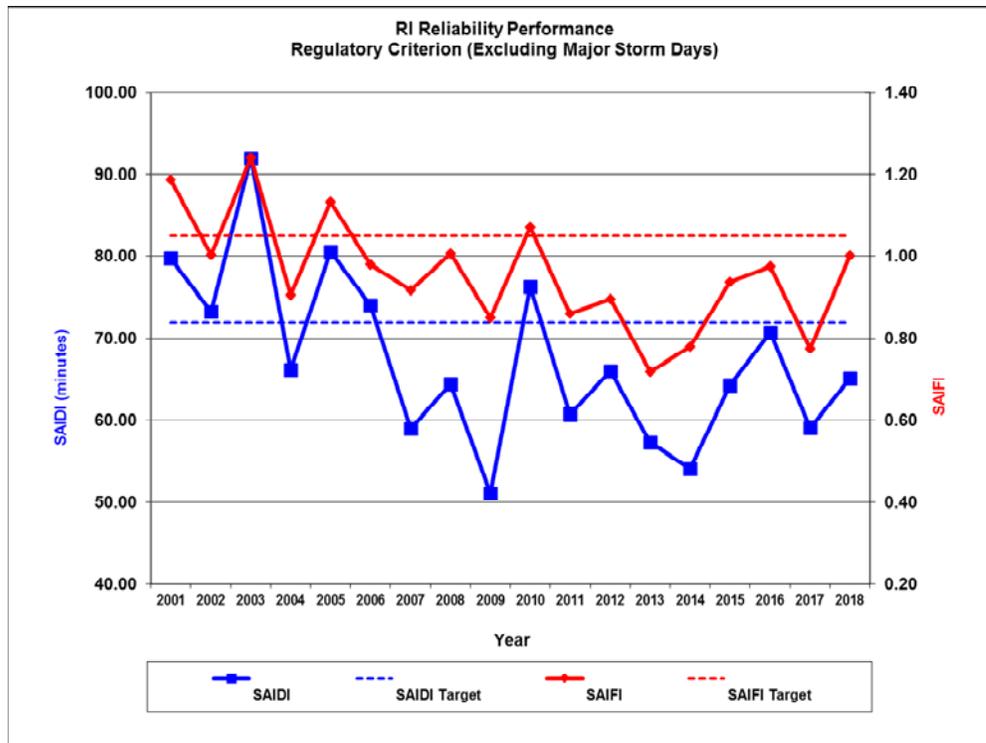
Manual Elevated Voltage Testing				
Manual Elevated Voltage Testing	Total System Units Requiring Testing	FY 2019 Units Completed thru 3/31/19	Units with Voltage Found (>1.0v)	Percent of Units Tested with Voltage (>1.0v)
Distribution Facilities	283,801	54,567	0	0%
Underground Facilities	12,438	6,892	0	0%
Street Lights	4,328	2,028	0	0%

VI. Reliability Performance

The Company met both its System Average Interruption Frequency Index (SAIFI) and System Average Interruption Duration Index (SAIDI) performance metrics in CY 2018, with SAIFI of 1.001 against a target of 1.05, and SAIDI of 65.11 minutes, against a target of 71.9 minutes. The Company’s annual service quality targets are measured excluding major event days.⁴ A comparison of reliability performance in CY 2018 relative to that of previous years is shown in Table 13 below. The Company’s performance has shown an improving downward trend over the past several years with major event days excluded.

Table 13

RI Reliability Performance CY 2001 – CY 2018



⁴ Major Event Day (MED) is defined as a day on which the daily system SAIDI exceeds a MED threshold value (4.49 minutes for CY 2018). For purposes of calculating daily system SAIDI, any interruption that spans multiple calendar days is accrued to the day on which the interruption began. Statistically, days having a daily system SAIDI greater than the MED A are days on which the energy delivery system experiences stress beyond that normally expected, such as during severe weather.

CY 2018 had six days that were characterized as a major event day. Table 14 below provides additional details including the event, dates, the total number of customers interrupted, and the daily SAIDI performance metric.

Table 14

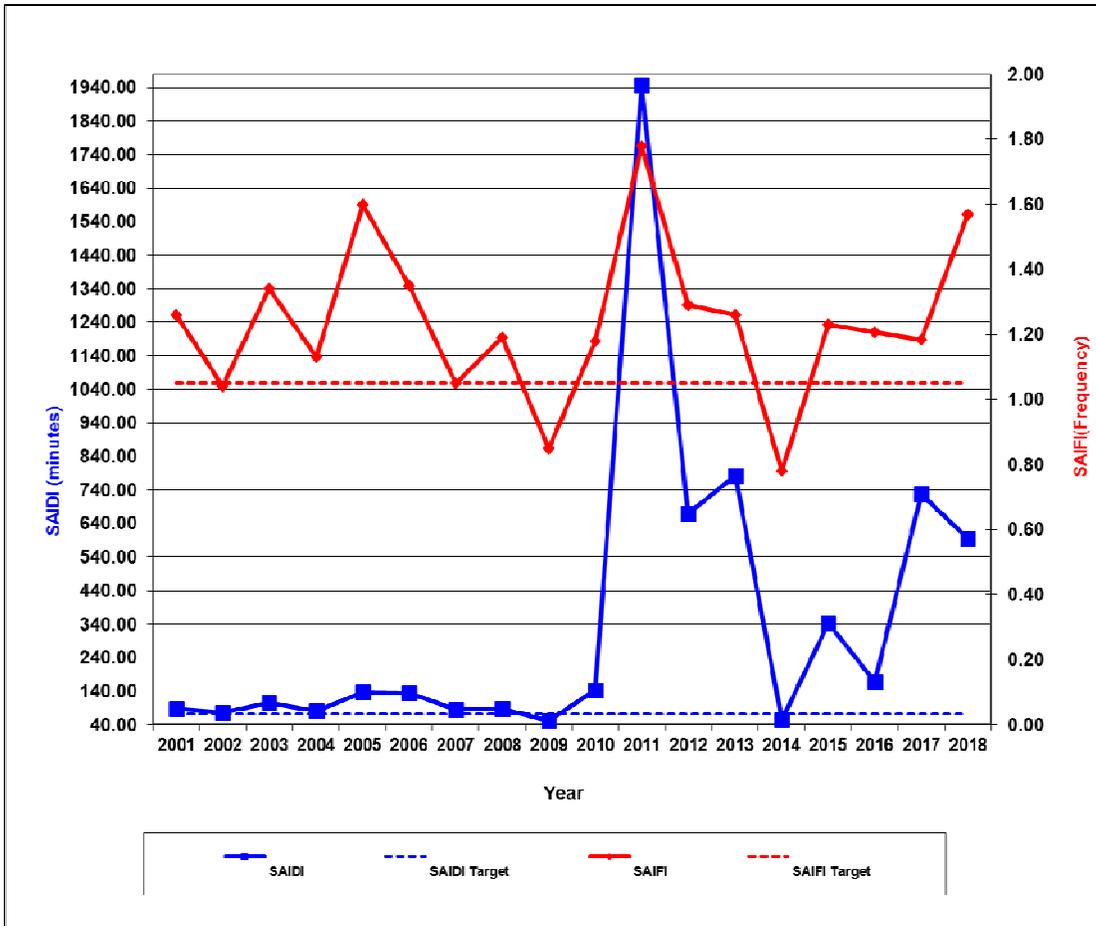
CY 2018 Major Event Days

Event	Days Excluded	Total Customers Interrupted	Daily SAIDI
Winter Storm Riley	3 2 2018	118,051	116.78
Winter Storm Riley	3 3 2018	12,731	10.78
Winter Storm Quinn	03 07 2018	12,960	20.15
Winter Storm Quinn	03 08 2018	17,531	13.26
Winter Storm Skylar	3 13 2018	50,725	35.93
August Lightning Storm	8 18 2018	27,507	5.74

Reliability performance, including major event days, is shown in Table 15 below for CY 2001 through CY 2018. SAIDI for 2011, including major event days, exceeds the scale of the chart, at 1,947 minutes (32.5 hours). This was driven by Tropical Storm Irene. CY 2011 through CY 2013 indicates the greatest differences between performance with and without major event days. In CY 2011, the Company experienced ten major event days from five separate events. Tropical Storm Irene and the October Snowstorm accounted for seven of those major event days. In CY 2012, the Company experienced four major event days from two separate events. Hurricane Sandy accounted for three of those major event days. In CY 2013, the Company experienced three major event days from two separate events. The February 8, 2013 Nor'easter accounted for two of those major event days. In CY 2014, the Company did not experience any major event days, and in CY 2015, the Company experienced only one major event day. For CY 2016, the Company experienced four major event days. While typically a major event day is interpreted to mean a calendar day, since the Labor Day weekend storm began mid-day September 5, 2016, the events of the following day, September 6, 2016, were also considered in determining the storm's impact and it qualifying as a Major Event Day. For CY 2017, the Company experienced four major event days from two separate storms. October 2017 storm accounted for three of the four major storm days. As shown in Table 14, the Company experienced six major event days, five of which occurred in March 2018, which experienced three significant winter storms over a two-week period.

Table 15

RI Reliability Performance CY 2001 – CY 2018



**Testimony of
Melissa A. Little**

PRE-FILED DIRECT TESTIMONY

OF

MELISSA A. LITTLE

August 1, 2019

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1 **I. Introduction**

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

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

5
6 **Q. Please state your position.**

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

14
15 **Q. Please describe your education and professional experience.**

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

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

5
6 **Q. Have you previously testified before the Rhode Island Public Utilities Commission**
7 **(PUC)?**

8 A. Yes. Among other testimony, I testified in support of the Company's revenue
9 requirement (1) for Narragansett, in the 2017 general rate case filing in Docket No. 4770;
10 (2) for Narragansett Electric, in the Fiscal Year 2018 Electric Infrastructure, Safety, and
11 Reliability (ISR) Plan filing in Docket No. 4682 and FY 2020 in Docket No. 4915; and
12 (3) for Narragansett Gas, in the Gas ISR Plan and reconciliation filings for FY 2016 in
13 Docket No. 4540 and FY 2017 in Docket No. 4590, and the Gas ISR Plan and
14 reconciliation filings for FY 2018 in Docket No. 4678 and FY 2020 in Docket No. 4916.

15
16 **Q. What is the purpose of your testimony?**

17 A. In this docket, the PUC approved a new Electric ISR factor, which went into effect on
18 April 1, 2018. That factor was based on a projected FY 2019 ISR revenue requirement of
19 \$30,667,736 for the estimated operation and maintenance (O&M) work associated with
20 the Company's vegetation management (VM) and inspection and maintenance (I&M)
21 programs for the Company's FY ended March 31, 2019, on the estimated ISR plant

1 additions during the Company's FYs ended March 31, 2019 and 2018, and on the actual
2 ISR additions during the Company's FYs ended March 31, 2017, 2016, 2015, 2014,
3 2013, and 2012, which were incremental to the levels reflected in rate base in the
4 Company's last base rate case (Docket No. 4323). On September 1, 2018, new
5 distribution base rates as approved in Docket No. 4770 became effective. The revenue
6 requirements on actual ISR additions made from FY 2012 through FY 2017 plus
7 forecasted ISR additions for FY 2018 and FY 2019 were included in these new base
8 rates. Thus, the purpose of my testimony is to present an updated FY 2019 Electric ISR
9 revenue requirement associated with actual FY 2019 O&M programs, the capital
10 investment levels for each of FY 2012 through FY 2019 incremental to the level of
11 investment assumed in Docket No. 4323 and Docket No. 4770, and actual tax
12 deductibility percentages for FY 2018 capital additions.

13
14 At this time, the Company's Tax Department estimates that it will earn taxable income
15 and utilize prior years' tax net operating losses (NOL) in FY 2019, and therefore no NOL
16 offset to accumulated deferred income taxes has been estimated for FY 2019. The
17 Company's Tax Department calculated taxable income when the Company closed its
18 books for FY 2019, which has formed the basis for the estimate in this reconciliation.
19 Actual tax deductibility percentages for FY 2019 plant additions will not be known until
20 the Company files its FY 2019 income tax return in December 2019. Consequently, the
21 actual tax deductibility percentages for FY 2019 plant additions will be reflected in the

1 Company's FY 2020 Electric ISR Reconciliation filing and will generate a true-up
2 adjustment in that filing.

3
4 The updated FY 2019 revenue requirement also includes an adjustment associated with
5 the property tax recovery formula that was approved in Docket No. 4323 and Docket No.
6 4770. The property tax recovery adjustment became effective for periods subsequent to
7 the rate year in Docket No. 4323, which ended on January 31, 2014. Accordingly, the
8 property tax recovery adjustment covers only the months of February and March of 2014
9 and the 12-month periods ended March 31 in 2015, 2016, 2017, 2018 and 2019.

10
11 As shown on Attachment MAL-1, Page 1 at Line 20, the updated FY 2019 ISR revenue
12 requirement collectible through the Company's ISR factor for the FY 2019 period,
13 including updated tax deductibility percentages and the accumulated deferred income tax
14 proration adjustments to the FY 2018 revenue requirement, totals \$22,704,761. This is
15 an increase of \$3,642,725 from the projected FY 2019 Electric ISR revenue requirement
16 of \$19,062,036, which represents five months of the total FY 2019 Plan revenue
17 requirement of \$30,667,736 previously approved by the PUC². This increase is primarily
18 attributable to the revenue requirement on increased capital investment and

² As a result of the implementation of new base rates pursuant to Docket No. 4770, the capital component of the FY 2019 ISR Factors was set to zero effective September 1, 2018. Therefore, the approved FY 2019 ISR CapEx Factor was a component of customers' bills for the period of April 1, 2018 through August 31, 2018 only (five months).

1 corresponding rate base over the estimated amount of capital investment and rate base in
2 the FY 2019 Electric ISR Plan for vintage years FY 2019 and 2018.

3
4 **Q. Are there any schedules attached to your testimony?**

5 A. Yes, I am sponsoring the following Attachments with my testimony:

- 6 • Attachment MAL-1: Electric Infrastructure, Safety, and Reliability Plan
7 Reconciliation Filing for the five-month period April 1, 2018 through August
8 31, 2018 and total FY 2019 Summary
9
- 10 • Attachment MAL-2: Electric Infrastructure, Safety, and Reliability Plan
11 Revenue Requirement Reconciliation Filing for the seven-month period
12 September 1, 2018 through March 31, 2019
13
14

15 **II. ISR FY 2019 Revenue Requirement**

16 **Q. Did the Company calculate the updated FY 2019 ISR revenue requirement in the**
17 **same fashion as calculated in the previous ISR Factor submissions and the August**
18 **2018 ISR factor reconciliation?**

19 A. Yes, the Company calculated the FY 2019 Electric ISR Plan revenue requirement in the
20 same fashion as calculated in the previous Electric ISR Factor submissions but
21 incorporated the newly approved weighted average cost of capital and depreciation rates
22 from Docket No. 4770 and known tax deductibility percentages while reflecting that the
23 actual revenue requirement on FY 2012 through FY 2017 capital investment in addition
24 to the estimated revenue requirement on FY 2018 and FY 2019 capital investment were
25 included in base rates effective September 1, 2018. Therefore, the updated FY 2019

1 revenue requirement calculation is presented in two parts: (1) the April 1, 2018 through
2 August 31, 2018 revenue requirement on incremental FY 2012 through FY 2019 capital
3 investment (representing the five-month period before new base rates were effective) and
4 (2) the September 1, 2018 through March 31, 2019 revenue requirement on incremental
5 FY 2018 and FY 2019 capital investment (representing the seven-month period after new
6 base rates were effective).

7
8 Other than these changes, the updated FY 2019 ISR revenue requirement calculation is
9 nearly identical to the ISR revenue requirement used for developing the approved ISR
10 factors that became effective April 1, 2018, and as described in previous testimony in this
11 proceeding. I will rely on the testimony included in the Company's FY 2019 Plan
12 Proposal for a detailed description of the revenue requirement calculation and will limit
13 this testimony to the following: (1) a description of the impact of Docket No. 4770 to the
14 Electric ISR revenue requirement, (2) a summary of the revenue requirement update
15 shown on Page 1 of Attachment MAL-1, and (3) the update for the known tax
16 deductibility percentages.

17
18 **Q. Would you describe the impact on the FY 2019 ISR revenue requirement**
19 **recoverable through the FY 2019 ISR factor as a result of the implementation of**
20 **new electric base distribution rates that were approved by the PUC in Docket No.**
21 **4770 and put into effect on September 1, 2018?**

1 A. The ISR mechanism was established to allow the Company to recover outside of base
2 rates its costs associated with capital investment incurred to expand its electric
3 infrastructure and improve the reliability and safety of its electric facilities. When new
4 base rates are implemented, as was the case in Docket No. 4770, the costs being
5 recovered associated with pre-rate case ISR capital investment cease to be recovered
6 through a separate ISR factor, and are instead recovered through base rates, and the
7 underlying ISR capital investment becomes a component of base distribution rate base
8 from that point forward. In November 2017, the Company filed an application with the
9 PUC seeking a change in base rates for its gas and electric distribution businesses. The
10 proceeding culminated with the Commission's approval of a settlement agreement with
11 the Division and numerous intervenors establishing new base rates for the Company. The
12 Company's rate base in that request reflected projected capital investments through
13 August 31, 2019. In its base rate request, the Company proposed to maintain consistency
14 with the existing ISR mechanism for the FY 2018 and FY 2019 periods. Consequently,
15 the forecast used to develop rate base in the first year of the distribution rate case
16 included actual capital investment through the test year ending June 30, 2017, nine
17 months of the ISR approved capital investment levels for vintage FY 2018, 12 months of
18 vintage FY 2019 investment and five months of vintage FY 2020 investment (using the
19 FY 2018 ISR approved level of plant additions as a proxy for FY 2018, FY 2019 and FY
20 2020). The estimated five months of FY 2020 capital investment included in rate base
21 was factored into the FY 2020 ISR Plan Proposal filing and is not a consideration in this

1 filing. The effective date of new rates in Docket No. 4770 was September 1, 2018.

2 Therefore, recovery of the approved FY 2019 ISR capital investment component of
3 revenue requirement via the ISR CapEx Factor stopped on August 31, 2018, and all
4 future recovery of those forecasted FY 2018 and FY 2019 ISR capital investments will be
5 via the Company's base rates.

6
7 **Q. Please continue.**

8 A. As a result of the implementation of new base rates pursuant to Docket No. 4770
9 effective September 1, 2018, the cumulative amount of forecasted ISR capital
10 investments was rolled into base rates effective at that date. Consequently, the Company
11 is reflecting only a five-month (April 1, 2018 through August 31, 2018) amount of the
12 FY 2019 revenue requirement associated with the ISR capital investment that was rolled
13 into base rates effective September 1, 2018. The FY 2019 revenue requirement on FY
14 2018 and FY 2019 ISR investments that are incremental to the estimated level of
15 investment assumed in base rates reflects seven months (September 1, 2018 through
16 March 31, 2019) of a full year FY 2019 revenue requirement as none of these incremental
17 investments are included in the Company's base rate rate-base. These incremental FY
18 2018 and FY 2019 vintage amounts are to remain in the ISR recovery mechanism as
19 provided for in the terms of the Docket No. 4770 approved Settlement. Therefore, the
20 FY 2019 ISR revenue requirement includes two Attachments: Attachment MAL-1
21 presents the summary of the total annual FY 2019 revenue requirement on the ISR O&M

1 and capital recovery components as well as the revenue requirement calculations of
2 actual incremental FY 2012 through FY 2019 capital investment for the five months
3 (April 1, 2018 through August 31, 2018); Attachment MAL-2 reflects the FY 2019
4 revenue requirement of incremental FY 2018 and FY 2019 capital investment for the
5 seven months (September 1, 2018 through March 31, 2019).

6
7 **Q. How was the Electric ISR revenue requirement revised for the change in the federal**
8 **income tax rate from 35 percent to 21 percent?**

9 A. The decrease in the federal income tax rate from 35 percent to 21 percent reduced the
10 amount of income tax to be recovered from customers on the return on equity component
11 of each Electric ISR vintage year revenue requirement. The return on rate base in each
12 revenue requirement is calculated by multiplying the Electric ISR rate base times the
13 weighted average cost of capital (WACC). The equity component of the return on rate
14 base is the taxable component of the Electric ISR revenue requirement. The federal
15 income taxes that the Company must recover from customers are derived by grossing up
16 the WACC to a pre-tax rate of return. Consequently, the Company revised the pre-tax
17 WACC to reflect the change in the federal income tax rate. The calculation of the revised
18 pre-tax WACC is shown on Page 38 of Attachment MAL-1 and Page 15 of Attachment
19 MAL-2. The pre-tax WACC approved in Docket No. 4323 was 9.68 percent at the 35
20 percent tax rate and 8.41 percent at the 21 percent tax rate, effective January 1, 2018, as
21 shown. The pre-tax WACC approved in Docket No. 4770 is 8.23 percent effective

1 September 1, 2018. The Company used the Docket No. 4323 pre-tax WACC of 8.41
2 percent for the revenue requirement calculation of April 1, 2018 through August 31, 2018
3 and the newly approved pre-tax WACC of 8.23 percent to calculate the return on rate
4 base included in the revenue requirement for the period from September 1, 2018 through
5 March 31, 2019.

6
7 **Q. Were there any other revisions to the Electric ISR revenue requirement that were**
8 **the result of the change in the federal income tax rate from 35 percent to 21**
9 **percent?**

10 **A.** Yes, effective December 31, 2017, the Company must restate all of its deferred tax
11 balances based on the new 21 percent federal income tax rate because the Company will
12 be paying income taxes as the book/tax timing differences reverse at that 21 percent
13 federal income tax rate. However, because deferred taxes are an offset to rate base in the
14 Electric ISR revenue requirement, reducing the deferred tax balances based on the 21
15 percent federal income tax rate has the effect of artificially increasing rate base. To
16 counteract this artificial increase to rate base, a new line item called Excess Deferred
17 Income Taxes has been added to each vintage year's revenue requirement calculation
18 reflecting the value of the decrease to ISR rate base as of December 31, 2017. These
19 excess deferred income taxes represent the net benefit as of December 31, 2017 that will
20 eventually be earned by the Company through reduced future income taxes and must

1 ultimately be passed back to customers. The pass back of excess deferred income taxes to
2 customers is fully reflected in base distribution rates under Docket No. 4770 per the
3 Company's Excess Deferred Income Tax True-Up - Second Compliance filing dated May
4 30, 2019 and as approved by the PUC on June 17, 2019; thus, there is no need to adjust
5 the excess deferred tax balance in the ISR revenue requirements.

6
7 **Q. Please describe the calculation of the excess deferred income tax amounts.**

8 A. The excess deferred income taxes are calculated on Page 37 of Attachment MAL-1. The
9 Company derived the excess deferred income tax amounts by calculating the balance of
10 ISR deferred taxes as of December 31, 2017 by vintage fiscal year and multiplying that
11 amount by the 14 percent change in the tax rate (35 percent minus 21 percent).

12
13 **Q. How was the Electric ISR revenue requirement revised for the change in the bonus
14 depreciation rules resulting from the Tax Act?**

15 A. Bonus depreciation, sometimes known as first year bonus depreciation, is an
16 accelerated tax depreciation method that was established first in 2002 as an economic
17 stimulus to incent U.S. corporations to increase capital investments. Bonus depreciation
18 allows companies to take an immediate tax deduction for some portion of certain
19 qualified capital investments based on the bonus depreciation rates in effect for that year
20 of investment. Bonus depreciation rates have ranged from a high of 100 percent in some
21 years, to as low as 30 percent for calendar 2019 as was specified in the tax laws prior to

1 the passage of the Tax Act. Pursuant to those prior tax laws, bonus depreciation was set
2 to expire at the end of calendar year 2019. However, the Tax Act changed the rules for
3 bonus depreciation for certain capital investments, including ISR eligible investments,
4 effective September 28, 2017. Starting September 28, 2017, the rules for bonus
5 depreciation are as follows:

- 6 • 40 percent deduction for investments acquired or started before September 28, 2017
7 and in service between January-March 2018;
- 8 • 50 percent deduction for investments acquired or started before September 28, 2017
9 and in service by December 2017; and
- 10 • 100 percent deduction for investments acquired or started after September 28, 2017
11 and in service by March 31, 2018.

12 Any investments placed into service after March 31, 2018 do not qualify for bonus
13 depreciation. Accordingly, the tax depreciation calculations on actual vintage FY 2018
14 Electric ISR Plan capital investment shown at page 9 of Attachment MAL-1 and page 3
15 of Attachment MAL-2 reflect the calculation of bonus depreciation pursuant to the
16 revised bonus depreciation rules under the Tax Act.

17
18 **Q. Were there any other revisions to the FY 2019 Electric ISR revenue requirement**
19 **calculation?**

20 A. Yes, when initially preparing the calculation of the property tax recovery mechanism on
21 Page 31, the Company noticed a discrepancy between the ending FY 2019 net plant

1 balance per the property tax calculation and the Company's plant records as of March 31,
2 2019. Upon investigation, the Company realized it had improperly over-stated non-ISR
3 plant additions (Column c) in prior years and under-stated non-ISR plant retirements
4 (Column f) in prior years. The result was an over-statement of net plant which drove the
5 annual effective property tax rates calculated for FY 2015 through FY 2018 lower than
6 the actual effective property tax rate. The total cumulative impact of these errors for the
7 periods FY 2015 through FY 2018 is an approximate \$2 million under-recovery of the
8 property tax recovery adjustment. The Company is not requesting recovery of this
9 amount from customers as it is solely due to Company error; however, it is necessary to
10 reflect these prior period corrections to non-ISR additions and retirements in the
11 rollforward of net plant through FY 2019 in order to correctly calculate the effective
12 property tax rate for FY 2019 and forward.

13
14 **Q. Are there any updates to the FY 2018 revenue requirement that are being tried up**
15 **in the FY 2019 Electric ISR Reconciliation?**

16 A. Yes. The Company filed its FY 2018 Electric ISR Reconciliation on August 1, 2018.
17 However, it had not filed its FY 2018 income tax return until later that year in the month
18 of December. As a result, the Company used certain tax assumptions, and the Company
19 has revised its vintage FY 2018 revenue requirement to reflect the following updates on
20 Attachment MAL-1 and Attachment MAL-2: (1) actual capital repairs deduction rate of
21 9.00 percent as shown on Attachment MAL-1, Page 9, Line 2 and Attachment MAL-2,

1 Page 3, Line 2; (2) actual percentage of plant eligible for bonus depreciation of 100
2 percent as shown on Attachment MAL-1 Page 9, Line 8 and Attachment MAL-2 Page 3,
3 Line 7; (3) actual tax loss on retirements of \$1,975,662 as shown on Attachment MAL-1
4 Page 9, Line 21 and Attachment MAL-2 Page 3, Line 21; and (4) actual NOL of
5 \$4,571,409 as shown on Attachment MAL-1 Page 34, Line 13 (o) and Attachment MAL-
6 2 Page 8, Line 11.

7
8 **Q. Please summarize the updated FY 2019 ISR revenue requirement.**

9 A. As shown on Page 1 of Attachment MAL-1, the Company's FY 2019 Electric ISR
10 Program revenue requirement includes two elements: (1) O&M expense associated with
11 the Company's VM activities and system inspection, feeder hardening, and potted
12 porcelain cutouts, as encompassed by the Company's I&M Program (2) the Company's
13 capital investment in electric utility infrastructure. The description of these elements and
14 the related amounts are supported by the direct testimony and supporting attachments of
15 Ms. Patricia Easterly. Line 4 reflects the actual FY 2019 revenue requirement related to
16 O&M expenses of \$10,400,295.

17
18 As shown on Page 1, at Line 16 of Attachment MAL-1, the FY 2019 revenue
19 requirement associated with the Company's actual capital investment totals \$12,304,466.
20 As previously noted, the total FY 2019 revenue requirement includes (1) the five-month
21 (April 1, 2018 through August 31, 2018) revenue requirement on vintages FY 2012

1 through FY 2019 ISR capital investments above or below the level of capital investment
2 reflected in base distribution rates in Docket No. 4323, (2) the seven-month
3 (September 1, 2018 through March 31, 2019) revenue requirement on vintages FY 2018
4 and FY 2019 ISR capital investments above or below the level of capital investment
5 reflected in base distribution rates in Docket No. 4770, (3) the property tax recovery
6 mechanism component, and (4) the FY 2018 revenue requirement true-up for changes to
7 previously estimated tax depreciation expense to align with tax depreciation rates used on
8 the Company's FY 2018 tax return, which was filed in December 2018. The total actual
9 FY 2019 ISR Plan revenue requirement for both O&M expenses and capital investment
10 of \$22,704,761 is shown on Line 17.

11
12 **Q. Please describe how the attachments to your testimony are structured.**

13 A. Page 1 of Attachment MAL-1 summarizes the individual components of the updated FY
14 2019 ISR revenue requirement. Page 1, Column (a) addresses (1) the O&M components
15 for five months of FY 2019 (April 1, 2018 through August 31, 2018); (2) five months of
16 the full year FY 2019 ISR revenue requirements for the incremental FY 2012 through FY
17 2019 ISR investments, or those investments not included in the Company's base rates in
18 Docket No. 4323, and as supported with detailed calculations on Pages 2, 8, 11, 14, 17,
19 20, 23 and 26; and (3) the five-month property tax adjustment on incremental capital not
20 included in the Company's base rates in Docket No. 4323 in addition to the change in
21 effective property rate applied to embedded net plant in Docket No. 4323. Page 1,

1 Column (d) represents (1) the O&M components for seven months of FY 2019
2 (September 1, 2018 through March 31, 2019); (2) seven months of the full year FY 2019
3 ISR revenue requirements for incremental FY 2018 and FY 2019 ISR investments – not
4 included in the Company’s base rates in Docket No. 4770– and as supported with
5 detailed calculations on Attachment MAL-2, Pages 2 and 4; and (3) a seven-month
6 property tax adjustment on incremental capital not included in the Company’s base rates
7 in Docket No. 4770. Line 15 reflects the reconciliation of the approved FY 2018 ISR
8 revenue requirement for vintage FY 2018 plant additions with the actual vintage FY 2018
9 revenue requirement on those investments. As previously discussed, this reconciliation is
10 necessary because the actual level of tax deductibility on FY 2018 investments was not
11 known when the Company filed the FY 2018 ISR reconciliation and FY 2019 ISR Plan
12 proposals. It also reflects a true-up of the proration adjustment calculation as agreed with
13 the Division of Public Utilities and Carriers and discussed in the Company’s Reply
14 Comments in Docket No. 4846 dated October 19, 2018. A detailed calculation of the
15 updated FY 2018 revenue requirement is presented on page 7 of Attachment MAL-1.

16
17 **Q. Has the Company provided support for the actual level of FY 2019 ISR-eligible**
18 **plant investments?**

19 A. Yes. The description of the FY 2019 Electric ISR program and the amount of the
20 incremental plant additions eligible for inclusion in the ISR mechanism are supported by
21 the direct testimony and supporting attachment of Ms. Easterly. The ultimate revenue

1 requirement on the ISR eligible plant additions equals the return on the investment (i.e.
2 average rate base at the weighted average cost of capital), plus depreciation expense and
3 property taxes associated with the investment. Incremental ISR eligible plant additions
4 for this purpose is intended to represent the net change in rate base for electric
5 infrastructure investments, since the establishment of the Company's ISR mechanism
6 effective April 1, 2011, and is defined as capital additions plus cost of removal, less
7 annual depreciation expense included in the Company's rates, net of depreciation expense
8 attributable to general plant. As discussed in the testimony of Ms. Easterly, the actual
9 ISR eligible plant additions for FY 2019 totals \$111.2 million associated with the
10 Company's FY 2019 ISR Plan (electric infrastructure investment net of general plant).

11
12 **Q. Please explain the distinction between non-discretionary and discretionary capital**
13 **spending as they relate to the revenue requirement calculation.**

14 A. For purposes of calculating the capital-related revenue requirement, investments in
15 electric infrastructure have been divided into two categories: (1) non-discretionary capital
16 investments, which principally represent the Company's commitment to meet statutory
17 and/or regulatory obligations; and (2) discretionary capital investments, which represent
18 all other electric infrastructure-related capital investment falling outside of the
19 specifically defined non-discretionary categories. The amount of discretionary
20 investment the Company is allowed to include in the revenue requirement calculation is
21 subject to certain limitations as shown on Page 30 of Attachment MAL-1. The amount of

1 discretionary capital investment the Company uses in the revenue requirement must be no
2 greater than the cumulative amount of discretionary project spend as approved by the
3 PUC in this proceeding. This means that the discretionary investment is limited to the
4 lesser of actual cumulative discretionary capital additions or spending, or cumulative
5 discretionary spending approved by the PUC in this docket. For purposes of the FY 2019
6 revenue requirement, the lesser of these items was actual discretionary capital additions
7 of \$71,059,402, as shown on Attachment MAL-1, Page 30.

8
9 **Q. What is the updated revenue requirement associated with actual plant additions?**

10 A. The updated FY 2019 revenue requirement, associated with the Company's actual FY
11 2012 through FY 2019 ISR eligible plant investments, totals \$12,304,466. This amount
12 includes the updated FY 2019 revenue requirement on FY 2012 through FY 2019 ISR
13 investments, inclusion of the property tax recovery adjustment pursuant to the rate case
14 settlement agreements in Docket No. 4323 and in Docket No. 4770, and the
15 reconciliation of the approved FY 2018 ISR revenue requirements on vintage FY 2018
16 investments with the actual FY 2018 income tax deductibility and ADIT proration
17 adjustment on those investments.

18
19 **III. Conclusion**

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

21 A. Yes, it does.

Index of Attachments

Attachment MAL-1 Electric Infrastructure, Safety, and Reliability Revenue Requirement Calculation: FY 2019 Summary and the five-month period April 1, 2018 through August 31, 2018

Attachment MAL-2 Electric Infrastructure, Safety, and Reliability Revenue Requirement Calculation: the seven-month period September 1, 2018 through March 31, 2019

**THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
RIPUC DOCKET NO. 4783
FY 2019 ELECTRIC INFRASTRUCTURE, SAFETY, AND RELIABILITY PLAN
ANNUAL RECONCILIATION FILING
WITNESS: MELISSA A. LITTLE**

Attachment MAL-1

FY 2019 Electric Infrastructure, Safety and Reliability Plan Revenue Requirement
Calculation: FY 2019 Summary and the five-month period April 1, 2018 through August 31,
2018

The Narragansett Electric Company
d/b/a National Grid
FY 2019 Electric ISR Revenue Requirement Reconciliation
Annual Revenue Requirement Summary

Line		As Approved Fiscal Year	In Rates Fiscal Year	Apr~Aug	Fiscal Year 2019 Sep~Mar	
No.		2019 (a)	2019 (b)	Actuals (c)	Actuals (d)	Actuals (e) = (c) + (d)
Operation and Maintenance (O&M) Expenses:						
1	Current Year Vegetation Management (VM)	\$9,800,000	\$9,800,000	\$4,057,817	\$5,680,943	\$9,738,760
2	Current Year Inspection & Maintenance (I&M)	\$867,000	\$867,000	\$251,277	\$351,787	\$603,064
2a	Current Year Other Programs	\$269,000	\$269,000	\$52,792	\$73,908	\$126,700
3	Electric Contact Voltage expenses included in RIPUC Docket No. 4323	(\$163,749)	(\$163,749)	(\$68,229)		(\$68,229)
4	Total O&M Expense Component of Revenue Requirement	\$10,772,251	\$10,772,251	\$4,293,657	\$6,106,639	\$10,400,295
Capital Investment:						
5	FY 2019 Revenue Requirement on FY 2012 Actual Incremental Capital Investment	\$231,828	\$96,595	\$97,255		\$97,255
6	FY 2019 Revenue Requirement on FY 2013 Actual Incremental Capital Investment	(\$960,140)	(\$400,058)	(\$393,472)		(\$393,472)
7	FY 2019 Revenue Requirement on FY 2014 Actual Incremental Capital Investment	\$645,661	\$269,025	\$271,208		\$271,208
8	FY 2019 Revenue Requirement on FY 2015 Actual Capital Investment	\$3,366,174	\$1,402,573	\$1,404,557		\$1,404,557
9	FY 2019 Revenue Requirement on FY 2016 Actual Capital Investment	\$3,354,459	\$1,397,691	\$1,395,551		\$1,395,551
10	FY 2019 Revenue Requirement on FY 2017 Actual Capital Investment	\$3,189,241	\$1,328,850	\$1,356,179		\$1,356,179
11	FY 2019 Revenue Requirement on FY 2018 Actual Capital Investment	\$4,277,937	\$1,782,474	\$2,494,752	\$1,279,892	\$3,774,644
12	FY 2019 Revenue Requirement on FY 2019 Actual Capital Investment	\$2,908,658	\$1,211,941	\$1,757,124	\$1,360,810	\$3,117,935
13	Subtotal	\$17,013,819	\$7,089,091	\$8,383,155	\$2,640,703	\$11,023,858
14	FY 2019 Property Tax Recovery Adjustment	\$2,881,666	\$1,200,694	\$799,626	\$735,761	\$1,535,387
15	True-Up for FY 2018 (Income Tax, Proration)					(\$254,779)
16	Total Capital Investment Component of Revenue Requirement	\$19,895,485	\$8,289,785		\$3,376,464	\$12,304,466
17	Total Fiscal Year Revenue Requirement	\$30,667,736	\$19,062,036			\$22,704,761
18	Total FY19 Elec ISR Plan Revenue Requirements					\$19,062,036
19	Total Updated Fiscal Year Rate Adjustment					\$3,642,725

Column Notes:

- (a) As approved per RIPUC Docket No. 4783
- (b) = (a)×5÷12, as the FY19 ISR factor was stopped on Sep 1, 2018

Line Notes:

- 1(c) Attachment PCE-1, Page 15, Table 11, ×5÷12
- 1(d) Attachment PCE-1, Page 15, Table 11, ×7÷12
- 2(c)&2a(c) Attachment PCE-1, Page 16, Table 12, ×5÷12
- 2(d)&2a(d) Attachment PCE-1, Page 16, Table 12, ×7÷12
- 3(c) Line 3(a) ×5÷12
- 4 Sum of Lines 1 through 3
- 5(c) Page 26 of 38, Line 32(h)×5÷12
- 6(c) Page 23 of 38, Line 37(g)×5÷12
- 7(c) Page 20 of 38, Line 35(f)×5÷12
- 8(c) Page 17 of 38, Line 37(e)×5÷12
- 9(c) Page 14 of 38, Line 37(d)×5÷12
- 10(c) Page 11 of 38, Line 34(c)×5÷12
- 11(c) Page 8 of 38, Line 34(b)×5÷12
- 11(d) Attachment MAL-2, Page 2 of 15, Line 34, Column (b)×7÷12
- 12(c) Page 2 of 38, Line 37(a)
- 12(d) Attachment MAL-2, Page 4 of 15, Line 36, Column (a)
- 13 Sum of Lines 5 through 12
- 14(c) Page 32 of 38, Line 74(k) × 1,000
- 14(d) Attachment MAL-2, Page 13 of 15, Line 50(c) × 1,000
- 15(e) Page 7 of 38, Line 21 ,Column (a)
- 16 Sum of Lines 13 through 15
- 17 Line 4 + Line 16
- 18 Line 17 Column (b)
- 19 Line 17 - Line 18

The Narragansett Electric Company
d/b/a National Grid
FY 2019 Electric ISR Revenue Requirement Reconciliation
FY 2019 Revenue Requirement on FY 2019 Actual Incremental Capital Investment

Line No.			Fiscal Year 2019 (a)
<u>Capital Investment Allowance</u>			
1	Non-Discretionary Capital	Attachment PCE-1, Page 3, Table 1	\$40,183,659
2	Discretionary Capital Lesser of Actual Cumulative Non-Discretionary Capital Additions or Spending, or Approved Spending	Page 30 of 38, Line 14	\$67,598,776
3	Total Allowed Capital Included in Rate Base	Line 1 + Line 2	\$107,782,435
<u>Depreciable Net Capital Included in Rate Base</u>			
4	Total Allowed Capital Included in Rate Base in Current Year	Line 3	\$107,782,435
5	Retirements		1/ \$12,015,754
6	Net Depreciable Capital Included in Rate Base	Column (a) = Line 4 - Line 5 ; Column (b) = Prior Year Line 6	\$95,766,681
<u>Change in Net Capital Included in Rate Base</u>			
7	Capital Included in Rate Base	Line 3	\$107,782,435
8	Depreciation Expense	Per Settlement Agreement Docket No. 4323, excluding General Plant	\$43,031,774
9	Incremental Capital Amount	Column (a)= Line 7 - Line 8	\$64,750,661
10	Cost of Removal	Attachment PCE-1, Page 4, Table 2	\$7,949,082
11	Total Net Plant in Service	Line 9 + Line 10	\$72,699,743
<u>Deferred Tax Calculation:</u>			
12	Composite Book Depreciation Rate	As approved per R.I.P.U.C. Docket No. 4323	3.40%
13	Vintage Year Tax Depreciation:		
14	2019 Spend	Page 3 of 38, Line 23	\$45,651,583
15	Cumulative Tax Depreciation	Prior Year Line 15 + Current Year Line 14	\$45,651,583
16	Book Depreciation	Column (a) = Line 6 * Line 12 * 50% ; Column (b) = Line 6 * Line 12	\$1,628,034
17	Cumulative Book Depreciation	Prior Year Line 17 + Current Year Line 16	\$1,628,034
18	Cumulative Book / Tax Timer	Line 15 - Line 17	\$44,023,549
19	Effective Tax Rate		2/ 21.00%
20	Deferred Tax Reserve	Line 18 * Line 19	\$9,244,945
21	Add: FY 2019 Federal NOL incremental utilization	Page 34 of 38, Line 12(p)	\$8,197,241
22	Excess Deferred Tax		\$0
23	Net Deferred Tax Reserve before Proration Adjustment	Sum of Lines 20 through 22	\$17,442,186
<u>Rate Base Calculation:</u>			
24	Cumulative Incremental Capital Included in Rate Base	Line 11	\$72,699,743
25	Accumulated Depreciation	-Line 17	(\$1,628,034)
26	Deferred Tax Reserve	-Line 23	(\$17,442,186)
27	Year End Rate Base	Sum of Lines 24 through 26	\$53,629,523
<u>Revenue Requirement Calculation:</u>			
28	Average Rate Base before Deferred Tax Proration Adjustment	Column (a) = Current Year Line 28 ÷ 2; Column (b) = (Prior Year Line 28 + Current Year Line 28) ÷ 2	\$26,814,762
29	Proration Adjustment	Page 4 of 38, Line 41, Column (j)	\$42,768
30	Average ISR Rate Base after Deferred Tax Proration	Line 28 + Line 29	\$26,857,529
31	Pre-Tax ROR	Page 38 of 38, Line 48, column (e)	8.41%
32	Return and Taxes	Line 28 * Line 31	\$2,258,718
33	Book Depreciation	Line 16	\$1,628,034
34	Annual Revenue Requirement	Line 32 + Line 33 + Line 36	\$3,886,752
35	Revenue Requirement of Plant for 5 months (April 1, 2018 - August 31, 2018)	Line 34 x 5/12	\$1,619,480
36	Revenue Requirement of Intangible for 5 months (April 1, 2018 - August 31, 2018)	Page 5 of 38, Line 30, Column (c)	\$137,645
37	Revenue Requirement for 5 months (April 1, 2018 - August 31, 2018)	Line 35 + Line 36	\$1,757,124

1/ Based on actual retirements of capital investment

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

The Narragansett Electric Company
d/b/a National Grid

FY 2019 Electric ISR Revenue Requirement Reconciliation
Calculation of Tax Depreciation and Repairs Deduction on FY2019 Incremental Capital Investments

Line No.		Fiscal Year 2019 (a)	(b)	(c)	(d)	(e)
	<u>Capital Repairs Deduction</u>					
1	Plant Additions	\$107,782,435				
2	Capital Repairs Deduction Rate	1/ 29.08%				
3	Capital Repairs Deduction	\$31,343,132				
	<u>Bonus Depreciation</u>					
4	Plant Additions	\$107,782,435	Line 1			
5	Plant Additions	\$0				
6	Less Capital Repairs Deduction	\$31,343,132	Line 3			
7	Plant Additions Net of Capital Repairs Deduction	\$76,439,303	Line 4 - Line 6			
8	Percent of Plant Eligible for Bonus Depreciation	99.00%	Per Tax Department			
9	Plant Eligible for Bonus Depreciation	\$75,674,910	Line 7 * Line 8			
10	Bonus Depreciation Rate (April 2018 - December 2018)	0.00%	1 * 75% * 0%			
11	Bonus Depreciation Rate (January 2019 - March 2019)	0.00%	1 * 25% * 0%			
12	Total Bonus Depreciation Rate	0.00%	Line 10 + Line 11			
13	Bonus Depreciation	\$0	Line 9 * Line 12			
	<u>Remaining Tax Depreciation</u>					
14	Plant Additions	\$107,782,435	Line 1			
15	Plant Additions	\$0	Line 5			
16	Less Capital Repairs Deduction	\$31,343,132	Line 3			
17	Less Bonus Depreciation	\$0	Line 13			
18	Remaining Plant Additions Subject to 20 YR MACRS Tax Depreciation	\$76,439,303	Line 14 - Line 16 - Line 17			
19	20 YR MACRS Tax Depreciation Rates	3.750%	Per IRS Publication 946			
20	Remaining Tax Depreciation	\$2,866,474	Line 18 * Line 19			
21	FY19 Loss incurred due to retirements	\$3,492,895	Per Tax Department			
22	Cost of Removal	\$7,949,082	Page 2 of 38, Line 10			
23	Total Tax Depreciation and Repairs Deduction	\$45,651,583	Sum of Lines 3, 13, 20, 21, and 22			

20 Year MACRS Depreciation		(b)	(c)	(d)	(e)
MACRS basis:	Line 18				
2019	3.750%	\$2,866,474			\$45,651,583
2020	7.219%	\$5,518,153			\$51,169,736
2021	6.677%	\$5,103,852			\$56,273,589
2022	6.177%	\$4,721,656			\$60,995,244
2023	5.713%	\$4,366,977			\$65,362,222
2024	5.285%	\$4,039,817			\$69,402,039
2025	4.888%	\$3,736,353			\$73,138,392
2026	4.522%	\$3,456,585			\$76,594,977
2027	4.462%	\$3,410,722			\$80,005,699
2028	4.461%	\$3,409,957			\$83,415,656
2029	4.462%	\$3,410,722			\$86,826,378
2030	4.461%	\$3,409,957			\$90,236,335
2031	4.462%	\$3,410,722			\$93,647,057
2032	4.461%	\$3,409,957			\$97,057,014
2033	4.462%	\$3,410,722			\$100,467,736
2034	4.461%	\$3,409,957			\$103,877,693
2035	4.462%	\$3,410,722			\$107,288,415
2036	4.461%	\$3,409,957			\$110,698,372
2037	4.462%	\$3,410,722			\$114,109,094
2038	4.461%	\$3,409,957			\$117,519,051
2039	2.231%	\$1,705,361			\$119,224,412
	100%	\$76,439,303			

1/ Capital Repairs percentage is based on a three year average 2014, 2015, and 2016 of electric property qualifying for the repairs deduction as a percentage of total annual plant additions.

2/ FY 2019 estimated tax loss on retirements is based on FY 2017 actuals (Page 7 of 29, Line 19).

The Narragansett Electric Company
d/b/a National Grid
FY 2019 Electric ISR Revenue Requirement Reconciliation
Calculation of Net Deferred Tax Reserve Proration on FY 2019 Capital Investment

Line No.	Description	Reference	(a) FY 19
Deferred Tax Subject to Proration			
1	Book Depreciation	RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26a of 29, L 1, C (b)	\$1,017,686
2	Bonus Depreciation	RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26a of 29, L 2, C (b)	\$0
3	Remaining MACRS Tax Depreciation	RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26a of 29, L 3, C (b)	(\$2,269,538)
4	FY18 tax (gain)/loss on retirements	RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26a of 29, L 4, C (b)	(\$3,492,895)
5	Cumulative Book / Tax Timer	Sum of Lines 1 through 4	(\$4,744,747)
6	Effective Tax Rate		21.00%
7	Deferred Tax Reserve	Line 5 * Line 6	(\$996,397)
Deferred Tax Not Subject to Proration			
8	Capital Repairs Deduction	RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26a of 29, L 8, C (b)	(\$24,816,000)
9	Cost of Removal	RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26a of 29, L 9, C (b)	(\$11,834,000)
10	Book/Tax Depreciation Timing Difference at Mar 31		\$0
11	Cumulative Book / Tax Timer	Line 8 + Line 9 + Line 10	(\$36,650,000)
12	Effective Tax Rate		21.00%
13	Deferred Tax Reserve	Line 11 * Line 12	(\$7,696,500)
14	Total Deferred Tax Reserve	Line 7 + Line 13	(\$8,692,897)
15	Net Operating Loss	RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26a of 29, L 15, C (b)	\$0
16	Net Deferred Tax Reserve	Line 14 + Line 15	(\$8,692,897)
Allocation of FY 2018 Estimated Federal NOL			
17	Cumulative Book/Tax Timer Subject to Proration	Col (b) = Line 5	(\$4,744,747)
18	Cumulative Book/Tax Timer Not Subject to Proration	Line 11	(\$36,650,000)
19	Total Cumulative Book/Tax Timer	Line 17 + Line 18	(\$41,394,747)
20	Total FY 2019 Federal NOL	RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26a of 29, L 20, C (b)	\$0
21	Allocated FY 2019 Federal NOL Not Subject to Proration	(Line 18 / Line 19) * Line 20	\$0
22	Allocated FY 2019 Federal NOL Subject to Proration	(Line 17 / Line 19) * Line 20	\$0
23	Effective Tax Rate		21.00%
24	Deferred Tax Benefit subject to proration	Line 22 * Line 23	\$0
25	Net Deferred Tax Reserve subject to proration	Line 7 + Line 24	(\$996,397)
Proration Calculation			
		(h) Number of Days in Month	(i) Proration Percentage
26	43191	30	91.78% (\$76,208)
27	43221	31	83.29% (\$69,156)
28	43252	30	75.07% (\$62,332)
29	43282	31	66.58% (\$55,280)
30	43313	31	58.08% (\$48,227)
31	43344	30	49.86% (\$41,403)
32	43374	31	41.37% (\$34,351)
33	43405	30	33.15% (\$27,526)
34	43435	31	24.66% (\$20,474)
35	43466	31	16.16% (\$13,422)
36	43497	28	8.49% (\$7,052)
37	43525	31	0.00% \$0
38	Total	365	(\$455,431)
39	Deferred Tax Without Proration	Line 25	(\$996,397)
40	Average Deferred Tax without Proration	Line 25 * 50%	(\$498,198)
41	Proration Adjustment	Line 38 - Line 40	\$42,768

Column Notes:

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

**The Narragansett Electric Company
d/b/a National Grid
FY 2019 Electric ISR Revenue Requirement Reconciliation
FY 2019 Revenue Requirement on FY 2019 Intangible Investment**

Line No.	Reference	Item 1 (a)	Item 2 (b)	Total (c) = (a) + (b)
Capital Investment				
1	Start of Rev. Req. Period	Beginning of FY19	04/01/18	04/01/18
2	End of Rev. Req. Period	End of FY19	08/31/18	08/31/18
Volt-Var Optimization for Lincoln Ope. Center				
3	Investment Name	Per Company's Book	90000194754	90000194755
4	Work Order	Per Company's Book	90000194754	90000194755
5	Total Spend		\$2,140,000	\$1,320,626
6	In ServiceDate	Per Company's Book	06/19/18	07/11/18
7	Book AmortizationPeriod	Per Company's Book	84	84
8	04/01/2018 Book Balance	Line 5 ÷ Line 7 × month to 04/01/2018	\$0	\$0
9	08/31/2018 Book Balance	Line 5 ÷ Line 7 × month to 08/31/2018	\$2,089,048	\$1,289,183
10	Average Book Balance	(Line 8 + Line 9) ÷ 2	\$1,044,524	\$644,591
Deferred Tax Calculation:				
11	Tax Amortization Period	Page 6 of 38	36	36
12	Tax Expensing	Per Tax Department	\$0	\$0
13	Tax Bonus Rate	Per Tax Department	0%	0%
14	Bonus Depreciation	Year 1 = (L. 5 - L. 12) × L. 13, after = 0 (L. 5 - L. 12 - L. 14Y1 × 0; Y2 × 33.33%; Y3 × 72.78%; Y4 × 92.59%; Y5 × 100%)	\$0	\$0
15	04/01/2018 Acc. Tax Balance	(L. 5 - L. 12 - L. 14Y1 × 33.33%; Y2 × 77.78%; Y3 × 92.59%; Y4 × 100%)	\$713,262	\$440,165
16	08/31/2018 Acc. Tax Balance	Y3 × 92.59%; Y4 × 100%)	\$356,631	\$220,082
17	Average Acc. Tax Balance	(Line 15 + Line 16) ÷ 2	\$356,631	\$220,082
18	04/01/2018 Acc. Dep. Balance	Line 5 - Line 8	\$0	\$0
19	08/31/2018 Acc. Dep. Balance	Line 5 - Line 9	\$50,952	\$31,443
20	Average Acc. Dep. Balance	(Line 18 + Line 19) ÷ 2	\$25,476	\$15,722
21	Average Book / Tax Timer	Line 17 - Line 20	\$331,155	\$204,361
22	Effective Tax Rate		21%	21%
23	Deferred Tax Reserve	Line 21 × Line 22	\$69,543	\$42,916
Rate Base Calculation:				
24	Average Book Balance	Line 10	\$1,044,524	\$644,591
25	Deferred Tax Reserve	Line 23	\$69,543	\$42,916
26	Average Rate Base	Line 24 - Line 25	\$974,981	\$601,676
Revenue Requirement Calculation:				
27	Pre-Tax ROR	Page 38 of 38, Line 48, column (e) × 5 ÷ 12	3.50%	3.50%
28	Return and Taxes	Line 26 × Line 27	\$34,165	\$21,084
29	Book Depreciation	Line 9 - Line 8	\$50,952	\$31,443
30	Annual Revenue Requirement	Line 28 + Line 29	\$85,117	\$52,527

**The Narragansett Electric Company
d/b/a National Grid
FY 2019 Electric ISR Revenue Requirement Reconciliation
MACRS Tables For Information Systems**

Line No.	Annual Rate			Monthly Cumulative Rate			
	Year			Year	Period	Cumulative Rate	
1	Yr 1	33.33%	33.33%	1	1	33.33%	2.78% Yr 1 - Monthly rate
2	Yr 2	44.45%	77.78%	1	2	33.33%	
3	Yr 3	14.81%	92.59%	1	3	33.33%	
4	Net Salvage Value	7.41%	100.00%	1	4	33.33%	
11				1	11	33.33%	
12				1	12	33.33%	
13				2	13	77.78%	3.70% Yr 2 - Monthly rate
25				3	25	92.59%	1.23% Yr 3 - Monthly rate
36				3	36	92.59%	0.62% Yr 3 - Monthly rate
48				4	48	100.00%	
60				5	60	100.00%	
72				6	72	100.00%	
84				7	84	100.00%	
96				8	96	100.00%	
108				9	108	100.00%	
120				10	120	100.00%	
132				11	132	100.00%	
144				12	144	100.00%	
156				13	156	100.00%	
168				14	168	100.00%	
180				15	180	100.00%	
192				16	192	100.00%	
204				17	204	100.00%	
216				18	216	100.00%	
228				19	228	100.00%	
240				20	240	100.00%	
252				21	252	100.00%	
264				22	264	100.00%	
276				23	276	100.00%	
288				24	288	100.00%	
300				25	300	100.00%	

The Narragansett Electric Company
d/b/a National Grid
FY 2019 Electric ISR Revenue Requirement Reconciliation
FY 2018 Revenue Requirement True-Up for Tax Update and Proration

Line No.		Revised Fiscal Year 2018 (a)	As filed Fiscal Year 2018 (b)	Variance 2018 (c)=(a)-(b)
Operation and Maintenance (O&M) Expenses:				
1	Current Year Vegetation Management (VM)	\$9,515,300	\$9,515,300	\$0
2	Current Year Inspection & Maintenance (I&M)	\$684,744	\$684,744	\$0
3	Electric Contact Voltage expenses included in RIPUC Docket No. 4323	(\$163,749)	(\$163,749)	\$0
4	Total O&M Expense Component of Revenue Requirement	\$10,036,295	\$10,036,295	\$0
Capital Investment:				
5	Actual Revenue Requirement on Incremental FY 2012 Capital included in ISR Rate Base	\$261,852	\$261,894	(\$42)
6	Actual Revenue Requirement on Incremental FY 2013 Capital included in ISR Rate Base	(\$1,025,622)	(\$1,023,497)	(\$2,125)
7	Actual Revenue Requirement on Incremental FY 2014 Capital included in ISR Rate Base	\$704,636	\$702,125	\$2,511
8	Actual Revenue Requirement on FY 2015 Capital included in ISR Rate Base	\$3,704,320	\$3,702,462	\$1,858
9	Actual Revenue Requirement on FY 2016 Capital included in ISR Rate Base	\$3,704,324	\$3,707,299	(\$2,975)
10	Actual Revenue Requirement on FY 2017 Capital included in ISR Rate Base	\$3,595,062	\$3,595,726	(\$664)
11	Actual Revenue Requirement on FY 2018 Capital included in ISR Rate Base	\$3,286,536	\$3,539,880	(\$253,344)
12	Subtotal	\$14,231,108	\$14,485,888	(\$254,780)
13	FY 2018 Property Tax Recovery Adjustment	(\$350,419)	(\$350,419)	\$0
14	True-Up for Net Operating Loss, Bonus Depreciation, Capital Repairs Deduction, and Loss incurred due to retirement of FY 2017 Revenue Requirement Reconciliation RIPUC Docket No. 4592	\$38,904	\$38,904	\$0
15	True-Up for FY 2012 through FY 2016 Transmission - Related Net Operating Losses ("NOL")	(\$932,091)	(\$932,091)	\$0
16	True-Up for FY 2013 through FY 2016 Work Order Write Off Adjustment: Capital Investment	(\$560,347)	(\$560,347)	\$0
17	True-Up for FY 2013 through FY 2016 Work Order Write Off Adjustment: Property Tax	(\$589)	(\$589)	\$0
18	Total Capital Investment Component of Revenue Requirement	\$12,426,565	\$12,681,344	(\$254,779)
19	Total Fiscal Year Revenue Requirement revised	\$22,462,860	\$22,717,639	(\$254,779)
20	Total Fiscal Year Revenue Requirement as in rates	\$22,717,639		
21	True up for FY 2018 ISR Revenue Requirement	(\$254,779)		

Column Notes:

(b) as Approved per RIPUC Docket No. 4783

Line Notes:

1(b)-3(b) Column (a)
4(b) Line 1 + Line 2 + Line 3
5(b) Page 26 of 38, Line 32
6(b) Page 23 of 38, Line 37
7(b) Page 20 of 38, Line 35
8(b) Page 17 of 38, Line 37
9(b) Page 14 of 38, Line 37
10(b) Page 11 of 38, Line 34
11(b) Page 8 of 38, Line 34
12(b) Sum of Lines 5 through 11
13(b) As approved per RIPUC Docket No. 4783
14(b) Page 11 of 38, Line 36
15(b) Page 35 of 38, Line 11
16(b) Page 36 of 38, Line 9
17(b) Page 31 of 38, Sum of Line 36 × 1,000
18(b) Sum of Lines 12 through 17
19(b) Sum of Lines 4 and 18
20(b) Total Fiscal Year Revenue Requirement as in rates
21(b) Line 19 - Line 20

The Narragansett Electric Company
d/b/a National Grid
FY 2019 Electric ISR Revenue Requirement Reconciliation
FY 2019 Revenue Requirement on FY 2018 Actual Incremental Capital Investment

Line No.		Fiscal Year 2018 (a)	Fiscal Year 2019 (b)
Capital Investment Allowance			
1	Non-Discretionary Capital Per RIPUC Docket No. 4682	\$35,909,398	\$0
2	Discretionary Capital Lesser of Actual Cumulative Non-Discretionary Capital Additions or Spending, or Approved Spending Per RIPUC Docket No. 4682	\$56,750,256	\$0
3	Total Allowed Capital Included in Rate Base Line 1 + Line 2	\$92,659,654	\$0
Depreciable Net Capital Included in Rate Base			
4	Total Allowed Capital Included in Rate Base in Current Year Line 3	\$92,659,654	\$0
5	Retirements 1/	\$15,206,748	\$0
6	Net Depreciable Capital Included in Rate Base Year 1 = Line 4 - Line 5; then = Prior Year Line 6	\$77,452,906	\$77,452,906
Change in Net Capital Included in Rate Base			
7	Capital Included in Rate Base Line 3	\$92,659,654	\$0
8	Depreciation Expense Per Settlement Agreement Docket No. 4323, excluding General Plant	\$43,031,774	\$0
9	Incremental Capital Amount Year 1 = Line 7 - Line 8; then = Prior Year Line 9	\$49,627,880	\$49,627,880
10	Cost of Removal Per RIPUC Docket No. 4682	\$9,979,698	\$9,979,698
11	Total Net Plant in Service Line 9 + Line 10	\$59,607,578	\$59,607,578
Deferred Tax Calculation:			
12	Composite Book Depreciation Rate As approved per R.I.P.U.C. Docket No. 4323	3.40%	3.40%
13	Vintage Year Tax Depreciation:		
14	2018 Spend Year 1 = Page 9 of 38, Line 23; then = Page 9 of 38, Column (d), Line 5	\$65,019,515	\$2,969,765
15	Cumulative Tax Depreciation Year 1 = Line 14; then = Prior Year Line 15 + Current Year Line 14	\$65,019,515	\$67,989,280
16	Book Depreciation Year 1 = Line 6 * Line 12 * 50%; then = Line 6 * Line 12	\$1,316,699	\$2,633,399
17	Cumulative Book Depreciation Year 1 = Line 16; then = Prior Year Line 17 + Current Year Line 16	\$1,316,699	\$3,950,098
18	Cumulative Book / Tax Timer Line 15 - Line 17	\$63,702,816	\$64,039,182
19	Effective Tax Rate 2/	21.00%	21.00%
20	Deferred Tax Reserve Line 18 * Line 19	\$13,377,591	\$13,448,228
21	Less: FY 2018 Federal NOL Page 34 of 38, Line 12(o)	(\$2,998,499)	(\$2,998,499)
22	Excess Deferred Tax Page 37 of 38, Line 7(f)	\$6,688,796	\$6,688,796
23	Net Deferred Tax Reserve Sum of Lines 20 through 22	\$17,067,888	\$17,138,525
Rate Base Calculation:			
24	Cumulative Incremental Capital Included in Rate Base Line 11	\$59,607,578	\$59,607,578
25	Accumulated Depreciation -Line 17	(\$1,316,699)	(\$3,950,098)
26	Deferred Tax Reserve -Line 23	(\$17,067,888)	(\$17,138,525)
27	Year End Rate Base Sum of Lines 24 through 26	\$41,222,990	\$38,518,955
Revenue Requirement Calculation:			
28	Average Rate Base before Deferred Tax Proration Adjustment Year 1 = Current Year Line 27 ÷ 2; then Average of (Prior + Current Year Line 27) (a) = Page 10 of 38, Line 41, Column (j); (b) = Page 10 of 38, Line 41,	\$20,611,495.17	\$39,870,972
29	Proration Adjustment Column (k)	\$433,768	\$10,186
30	Average ISR Rate after Deferred Tax Proration Line 28 + Line 29	\$21,045,263	\$39,881,158
31	Pre-Tax ROR (a) = Page 38 of 38, Line 52; (b) = Page 38 of 38, Line 48	9.36%	8.41%
32	Return and Taxes Line 28 * Line 31	\$1,969,837	\$3,354,005
33	Book Depreciation Line 16	\$1,316,699	\$2,633,399
34	Annual Revenue Requirement revised Line 32 + Line 33	\$3,286,536	\$5,987,404
35	As Approved in FY 2018 RIPUC Rec Docket No. 4783	\$3,539,880	
36	True up for FY 2018 ISR Revenue Requirement Line 33 - Line 34	(\$253,344)	
37	Revenue Requirement for 5 months (April 1, 2018 - August 31, 2018) Line 34 x 5/12		\$2,494,752

1/ Actual Retirements

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

The Narragansett Electric Company
d/b/a National Grid
FY 2019 Electric ISR Revenue Requirement Reconciliation
Calculation of Tax Depreciation and Repairs Deduction on FY2018 Incremental Capital Investments

Line No.		Fiscal Year 2018 (a)	(b)	(c)	(d)
	<u>Capital Repairs Deduction</u>				
1	Plant Additions	\$92,659,654			
2	Capital Repairs Deduction Rate	9.00%			
3	Capital Repairs Deduction	\$8,339,369		Line 18	\$41,138,181
	<u>Bonus Depreciation</u>				
4	Plant Additions	\$92,659,654		2018	\$1,542,682
5	Less Capital Repairs Deduction	(\$8,339,369)		2019	\$2,969,765
6	Plant Additions Net of Capital Repairs Deduction	\$84,320,285		2020	\$2,746,796
7	Percent of Plant Eligible for Bonus Depreciation	100.00%		2021	\$2,541,105
8	Plant Eligible for Bonus Depreciation	\$84,320,285		2022	\$2,350,224
9	Bonus depreciation 100% category	16.38%		2023	\$2,174,153
10	Bonus depreciation 50% category	50% * 34.28%		2024	\$2,010,834
11	Bonus depreciation 40% category	40% * 44.23%		2025	\$1,860,269
12	Bonus depreciation 0% category	0% * 5.11%		2026	\$1,835,586
13	Total Bonus Depreciation Rate	0.00%		2027	\$1,835,174
14	Bonus Depreciation	\$1,211,000		2028	\$1,835,586
	<u>Remaining Tax Depreciation</u>				
15	Plant Additions	\$92,659,654		2029	\$89,014,182
16	Less Capital Repairs Deduction	(\$8,339,369)		2030	\$90,849,768
17	Less Bonus Depreciation	(\$43,182,104)		2031	\$92,684,942
18	Remaining Plant Additions Subject to 20 YR MACRS Tax Depreciation	\$41,138,181		2032	\$94,520,527
19	20 YR MACRS Tax Depreciation Rates	3.750%		2033	\$96,355,702
20	Remaining Tax Depreciation	\$1,542,682		2034	\$98,191,287
21	FY18 Loss incurred due to retirements	\$1,975,662		2035	\$100,026,462
22	Cost of Removal	\$9,979,698		2036	\$101,862,047
23	Total Tax Depreciation and Repairs Deduction	\$65,019,515		2037	\$103,697,222
				2038	\$104,615,014
					100%

1/ Actual Capital Repairs FY20
2/ Percent of Plant Eligible for Bonus Depreciation is the actual result of FY2018 tax return
3/ Actual Loss for FY2018

The Narragansett Electric Company
d/b/a National Grid
FY 2019 Electric ISR Revenue Requirement Reconciliation
Calculation of Net Deferred Tax Reserve Proration on FY 2018 Capital Investment

Line No.			(a) FY 18	(b) FY 19	
Deferred Tax Subject to Proration					
1	Book Depreciation	C (a) = RIPUC Docket No. 4682, Reconciliation Filing, Attachment MAL-1, P 24 of 26, L1, C (b); C (b) = RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26a of 29, L1, C(c)	\$992,555	\$1,985,110	
2	Bonus Depreciation	C (a) = RIPUC Docket No. 4682, Reconciliation Filing, Attachment MAL-1, P 24 of 26, L2, C (b); C (b) = RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26a of 29, L2, C(c)	(\$26,966,349)	\$0	
3	Remaining MACRS Tax Depreciation	C (a) = RIPUC Docket No. 4682, Reconciliation Filing, Attachment MAL-1, P 24 of 26, L3, C (b); C (b) = RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26a of 29, L3, C(c)	(\$1,139,188)	(\$3,115,135)	
4	FY18 tax (gain)/loss on retirements	C (a) = RIPUC Docket No. 4682, Reconciliation Filing, Attachment MAL-1, P 24 of 26, L4, C (b); C (b) = RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26a of 29, L4, C(c)	(\$1,760,937)	\$0	
5	Cumulative Book / Tax Timer	Sum of Lines 1 through 4	(\$28,873,919)	(\$1,130,025)	
6	Effective Tax Rate		35.00%	21.00%	
7	Deferred Tax Reserve	Line 5 * Line 6	(\$10,105,872)	(\$237,305)	
Deferred Tax Not Subject to Proration					
8	Capital Repairs Deduction	C (a) = RIPUC Docket No. 4682, Reconciliation Filing, Attachment MAL-1, P 24 of 26, L8, C (b); C (b) = RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26a of 29, L8, C(c)	(\$17,498,293)		
9	Cost of Removal	C (a) = RIPUC Docket No. 4682, Reconciliation Filing, Attachment MAL-1, P 24 of 26, L9, C (b); C (b) = RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26a of 29, L9, C(c)	(\$9,646,000)		
10	Book/Tax Depreciation Timing Difference at 3/31/2017		\$0		
11	Cumulative Book / Tax Timer	Line 8 + Line 9 + Line 10	(\$27,144,293)		
12	Effective Tax Rate		35.00%		
13	Deferred Tax Reserve	Line 11 * Line 12	(\$9,500,503)		
14	Total Deferred Tax Reserve	Line 7 + Line 13	(\$19,606,374)	(\$237,305)	
15	Net Operating Loss	C (a) = RIPUC Docket No. 4682, Reconciliation Filing, Attachment MAL-1, P 24 of 26, L15, C (b); C (b) = RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26a of 29, L15, C(c)	\$0		
16	Net Deferred Tax Reserve	Line 14 + Line 15	(\$19,606,374)	(\$237,305)	
Allocation of FY 2018 Estimated Federal NOL					
17	Cumulative Book/Tax Timer Subject to Proration	Col (b) = Line 5	(\$28,873,919)		
18	Cumulative Book/Tax Timer Not Subject to Proration	Line 11	(\$27,144,293)		
19	Total Cumulative Book/Tax Timer	Line 17 + Line 18	(\$56,018,212)		
20	Total FY 2018 Federal NOL	C (a) = RIPUC Docket No. 4682, Reconciliation Filing, Attachment MAL-1, P 24 of 26, L20, C (b); C (b) = RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26a of 29, L20, C(c)	\$0		
21	Allocated FY 2018 Federal NOL Not Subject to Proration	(Line 18 / Line 19) * Line 20	\$0		
22	Allocated FY 2018 Federal NOL Subject to Proration	(Line 17 / Line 19) * Line 20	\$0		
23	Effective Tax Rate		35.00%		
24	Deferred Tax Benefit subject to proration	Line 22 * Line 23	\$0		
25	Net Deferred Tax Reserve subject to proration	Line 7 + Line 24	(\$10,105,872)	(\$237,305)	
Proration Calculation					
		(h) Number of Days in Month	(i) Proration Percentage	(j) (\$)	(k) (\$)
26	April 2017/2018	30	91.78%	(\$772,938)	(\$18,150)
27	May 2017/2018	31	83.29%	(\$701,412)	(\$16,470)
28	June 2017/2018	30	75.07%	(\$632,194)	(\$14,845)
29	July 2017/2018	31	66.58%	(\$560,668)	(\$13,166)
30	August 2017/2018	31	58.08%	(\$489,143)	(\$11,486)
31	September 2017/2018	30	49.86%	(\$419,924)	(\$9,861)
32	October 2017/2018	31	41.37%	(\$348,399)	(\$8,181)
33	November 2017/2018	30	33.15%	(\$279,180)	(\$6,556)
34	December 2017/2018	31	24.66%	(\$207,655)	(\$4,876)
35	January 2018/2019	31	16.16%	(\$136,129)	(\$3,197)
36	February 2018/2019	28	8.49%	(\$71,526)	(\$1,680)
37	March 2018/2019	31	0.00%	\$0	\$0
38	Total	365		(\$4,619,168)	(\$108,467)
39	Deferred Tax Without Proration	Line 25	(\$10,105,872)	(\$237,305)	
40	Average Deferred Tax without Proration	Line 25 * 50%	(\$5,052,936)	(\$118,653)	
41	Proration Adjustment	Line 38 - Line 40	\$433,768	\$10,186	

Column Notes:

- (i) Sum of remaining days in the year (Col (h)) ÷ 365
j)&(k) Current Year Line 25 ÷ 12 * Current Month Col (i)

The Narragansett Electric Company
d/b/a National Grid
FY 2019 Electric ISR Revenue Requirement Reconciliation
FY 2019 Revenue Requirement on FY 2017 Actual Incremental Capital Investment

Line No.			Fiscal Year 2017 (a)	Fiscal Year 2018 (b)	Fiscal Year 2019 (c)
Capital Additions Allowance					
<i>Non-Discretionary Capital</i>					
1	Non-Discretionary Additions	Per RIPUC Docket No. 4592	\$28,593,675	\$0	\$0
<i>Discretionary Capital</i>					
2	Lesser of Actual Cumulative Discretionary Capital Additions or Spending, or Approved Spending	Per RIPUC Docket No. 4592	\$46,895,663	\$0	\$0
3	Total Allowed Capital Included in Rate Base	Line 1 + Line 2	\$75,489,338	\$0	\$0
Depreciable Net Capital Included in Rate Base					
4	Total Allowed Capital Included in Rate Base in Current Year	Line 3	\$75,489,338	\$0	\$0
5	Retirements		\$22,244,993	\$0	\$0
6	Net Depreciable Capital Included in Rate Base	Year 1 = Line 4- Line 5; Then = Prior year Line 6	\$53,244,345	\$53,244,345	\$53,244,345
Change in Net Capital Included in Rate Base					
7	Capital Included in Rate Base	Line 3	\$75,489,338	\$0	\$0
8	Depreciation Expense	Per Settlement Agreement Docket No. 4323, excluding	\$43,031,774	\$0	\$0
9	Incremental Depreciable Amount	Year 1 = Line 7- Line 8; Then = Prior year Line 9	\$32,457,564	\$32,457,564	\$32,457,564
10	Total Cost of Removal	Per RIPUC Docket No. 4592	\$7,806,949	\$7,806,949	\$7,806,949
11	Total Net Plant in Service	Line 9 + Line 10	\$40,264,513	\$40,264,513	\$40,264,513
Deferred Tax Calculation:					
12	Composite Book Depreciation Rate	As approved per R.I.P.U.C. Docket No. 4323	3.40%	3.40%	3.40%
13	Vintage Year Tax Depreciation:				
14	2017 Spend	1 = Page 12 of 38, Line 21; then = Page 12 of 38, Column (d), L	\$56,129,313	\$2,186,135	\$2,022,001
15	Cumulative Tax Depreciation	Year 1 = Line 14; then = Prior Year Line 15 + Current Year	\$56,129,313	\$58,315,448	\$60,337,449
16	Book Depreciation	Year 1 = Line 6 * Line 12 * 50%; then = Line 6 * Line 12	\$905,154	\$1,810,308	\$1,810,308
17	Cumulative Book Depreciation	Year 1 = Line 16; then = Prior Year Line 17 + Current Year	\$905,154	\$2,715,462	\$4,525,770
18	Cumulative Book / Tax Timer	Line 15 - Line 17	\$55,224,159	\$55,599,986	\$55,811,679
19	Effective Tax Rate		35.00%	21.00%	21.000%
20	Deferred Tax Reserve	Line 18 * Line 19	\$19,328,456	\$11,675,997	\$11,720,453
21	Less: FY 2017 Federal NOL	Page 34 of 38, Line 12(n)	\$0	\$0	\$0
22	Excess Deferred Tax	Page 37 of 38, Line 6(f)	\$0	\$7,770,844	\$7,770,844
23	Net Deferred Tax Reserve	Sum of Lines 20 through 22	\$19,328,456	\$19,446,841	\$19,491,297
Rate Base Calculation:					
24	Cumulative Incremental Capital Included in Rate Base	Line 11	\$40,264,513	\$40,264,513	\$40,264,513
25	Accumulated Depreciation	-Line 17	(\$905,154)	(\$2,715,462)	(\$4,525,770)
26	Deferred Tax Reserve	-Line 23	(\$19,328,456)	(\$19,446,841)	(\$19,491,297)
27	Year End Rate Base	Sum of Lines 24 through 26	\$20,030,904	\$18,102,210	\$16,247,447
Revenue Requirement Calculation:					
28	Average Rate Base before Deferred Tax Proration Adjustment	Column (a) = Current Year Line 28 ÷ 2; Column (b) = (Prior Year Line 28 + Current Year Line 28) ÷ 2	\$10,015,452	\$19,066,557	\$17,174,829
29	Proration Adjustment	(a) = N/A (b) = Page 13 of 38, Line 41, Column (j); (c) = Page 13 of 38, Line 41, Column (k)		\$1,332	\$1,418
30	Average ISR Rate Base after Deferred Tax Proration	Line 28 + Line 29	\$10,015,452	\$19,067,889	\$17,176,246
31	Pre-Tax ROR	Page 38 of 38, Line 52, Line (e)	9.68%	9.36%	8.41%
32	Return and Taxes	Line 28 * Line 31	\$969,496	\$1,784,754	\$1,444,522
33	Book Depreciation	Line 16	\$905,154	\$1,810,308	\$1,810,308
34	Annual Revenue Requirement	Line 32 + Line 33	\$1,874,650	\$3,595,062	\$3,254,830
35	As Approved in RIPUC Docket No. 4592, FY18 Rec Docket No. 4783		\$1,835,746	\$3,595,726	
36	True up		\$38,904	(\$664)	
37	Revenue Requirement for 5 months (April 1, 2018 - August 31, 2018)	Line 34 x 5/12			\$1,356,179

Line Notes:

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

**The Narragansett Electric Company
d/b/a National Grid
FY 2019 Electric ISR Revenue Requirement Reconciliation
Calculation of Tax Depreciation and Repairs Deduction on FY2017 Incremental Capital Investments**

Line No.		Fiscal Year 2017		(b)	(c)	(d)	(e)
		(a)					
1	Capital Repairs Deduction						
2	Plant Additions		\$75,489,338				
3	Capital Repairs Deduction Rate	1/	20.50%				
	Capital Repairs Deduction		\$15,475,314			\$30,283,076	
4	Bonus Depreciation						
5	Plant Additions		\$75,489,338			\$1,135,615	\$56,129,313
6	Less Capital Repairs Deduction		(\$15,475,314)			\$2,186,135	\$58,315,448
7	Plant Additions Net of Capital Repairs Deduction		\$60,014,024			\$2,022,001	\$60,337,449
8	Percent of Plant Eligible for Bonus Depreciation	2/	99.08%			\$1,870,586	\$62,208,035
9	Plant Eligible for Bonus Depreciation		\$59,461,895			\$1,730,072	\$63,938,107
10	Bonus Depreciation Rate (April 2016 - December 2016)		37.50%			\$1,600,461	\$65,538,568
11	Bonus Depreciation Rate (January 2017 - March 2017)		12.50%			\$1,480,237	\$67,018,804
12	Total Bonus Depreciation Rate		50.00%			\$1,369,401	\$68,388,205
	Bonus Depreciation		\$29,730,948			\$1,351,231	\$69,739,436
13	Remaining Tax Depreciation					\$1,350,928	\$71,090,364
14	Plant Additions		\$75,489,338			\$1,351,231	\$72,441,595
15	Less Capital Repairs Deductions		(\$15,475,314)			\$1,350,928	\$73,792,523
16	Less Bonus Depreciation		(\$29,730,948)			\$1,351,231	\$75,143,754
17	Remaining Plant Additions Subject to 20 YR MACRS Tax Depreciation		\$30,283,076			\$1,350,928	\$76,494,682
18	20 YR MACRS Tax Depreciation Rates		3.750%			\$1,351,231	\$77,845,912
	Remaining Tax Depreciation		\$1,135,615			\$1,350,928	\$79,196,840
19	FY17 Loss incurred due to retirements	3/	\$1,980,487			\$1,351,231	\$80,548,071
20	Cost of Removal		\$7,806,949			\$1,350,928	\$81,898,999
	Total Tax Depreciation and Repairs Deduction		\$56,129,313			\$1,350,928	\$83,250,230
21					100.000%	\$675,615	\$84,601,158
						\$30,283,076	\$85,276,774

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

**The Narragansett Electric Company
d/b/a National Grid
FY 2019 Electric ISR Revenue Requirement Reconciliation
Calculation of Net Deferred Tax Reserve Proration on FY 2017 Capital Investment**

Line No.		(a) FY 18	(b) FY 19
	Deferred Tax Subject to Proration		
1	Book Depreciation C (a) = RIPUC Docket No. 4682, Reconciliation Filing, Attachment MAL-1, P 24 of 26, L1, C (c); C (b) = RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26a of 29, L1, C(d)	\$2,122,861	\$1,810,308
2	Bonus Depreciation C (a) = RIPUC Docket No. 4682, Reconciliation Filing, Attachment MAL-1, P 24 of 26, L2, C (c); C (b) = RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26a of 29, L2, C(d)	\$0	\$0
3	Remaining MACRS Tax Depreciation C (a) = RIPUC Docket No. 4682, Reconciliation Filing, Attachment MAL-1, P 24 of 26, L3, C (c); C (b) = RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26a of 29, L3, C(d)	(\$2,211,545)	(\$1,967,605)
4	FY18 tax (gain)/loss on retirements C (a) = RIPUC Docket No. 4682, Reconciliation Filing, Attachment MAL-1, P 24 of 26, L4, C (c); C (b) = RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26a of 29, L4, C(d)	\$0	\$0
5	Cumulative Book / Tax Timer Sum of Lines 1 through 4	(\$88,684)	(\$157,297)
6	Effective Tax Rate	35.00%	21.00%
7	Deferred Tax Reserve Line 5 * Line 6	(\$31,039)	(\$33,032)
	Deferred Tax Not Subject to Proration		
8	Capital Repairs Deduction C (a) = RIPUC Docket No. 4682, Reconciliation Filing, Attachment MAL-1, P 24 of 26, L8, C (c); C (b) = RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26a of 29, L8, C(d)		
9	Cost of Removal C (a) = RIPUC Docket No. 4682, Reconciliation Filing, Attachment MAL-1, P 24 of 26, L9, C (c); C (b) = RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26a of 29, L9, C(d)		
10	Book/Tax Depreciation Timing Difference at 3/31/2017		
11	Cumulative Book / Tax Timer Line 8 + Line 9 + Line 10		
12	Effective Tax Rate		
13	Deferred Tax Reserve Line 11 * Line 12		
14	Total Deferred Tax Reserve Line 7 + Line 13	(\$31,039)	(\$33,032)
15	Net Operating Loss C (a) = RIPUC Docket No. 4682, Reconciliation Filing, Attachment MAL-1, P 24 of 26, L15, C (c); C (b) = RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26a of 29, L15, C(d)		
16	Net Deferred Tax Reserve Line 14 + Line 15	(\$31,039)	(\$33,032)
	Allocation of FY 2018 Estimated Federal NOL		
17	Cumulative Book/Tax Timer Subject to Proration Col (b) = Line 5		
18	Cumulative Book/Tax Timer Not Subject to Proration Line 11		
19	Total Cumulative Book/Tax Timer Line 17 + Line 18		
20	Total FY 2018 Federal NOL C (a) = RIPUC Docket No. 4682, Reconciliation Filing, Attachment MAL-1, P 24 of 26, L20, C (c); C (b) = RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26a of 29, L20, C(d)		
21	Allocated FY 2018 Federal NOL Not Subject to Proration (Line 18 / Line 19) * Line 20		
22	Allocated FY 2018 Federal NOL Subject to Proration (Line 17 / Line 19) * Line 20		
23	Effective Tax Rate		
24	Deferred Tax Benefit subject to proration Line 22 * Line 23		
25	Net Deferred Tax Reserve subject to proration Line 7 + Line 24	(\$31,039)	(\$33,032)
	Proration Calculation		
	(h) <u>Number of Days in Month</u>	(i) <u>Proration Percentage</u>	(j)
26	April 2017/2018	30	91.78%
27	May 2017/2018	31	83.29%
28	June 2017/2018	30	75.07%
29	July 2017/2018	31	66.58%
30	August 2017/2018	31	58.08%
31	September 2017/2018	30	49.86%
32	October 2017/2018	31	41.37%
33	November 2017/2018	30	33.15%
34	December 2017/2018	31	24.66%
35	January 2018/2019	31	16.16%
36	February 2018/2019	28	8.49%
37	March 2018/2019	31	0.00%
38	Total	365	
			(k)
			(\$2,374)
			(\$2,293)
			(\$1,942)
			(\$1,722)
			(\$1,599)
			(\$1,373)
			(\$1,139)
			(\$913)
			(\$679)
			(\$445)
			(\$234)
			\$0
			\$0
			(\$14,187)
			(\$15,098)
39	Deferred Tax Without Proration Line 25	(\$31,039)	(\$33,032)
40	Average Deferred Tax without Proration Line 25 * 50%	(\$15,520)	(\$16,516)
41	Proration Adjustment Line 38 - Line 40	\$1,332	\$1,418

Column Notes:

- (i) Sum of remaining days in the year (Col (h)) ÷ 365
j)&(k) Current Year Line 25 ÷ 12 * Current Month Col (i)

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 4783
FY 2019 Electric Infrastructure, Safety,
and Reliability Plan Reconciliation Filing
Attachment MAL-1
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The Narragansett Electric Company
d/b/a National Grid
FY 2019 Electric ISR Revenue Requirement Reconciliation
FY 2019 Revenue Requirement on FY 2016 Actual Incremental Capital Investment

Line No.			Fiscal Year 2016 (a)	Fiscal Year 2017 (b)	Fiscal Year 2018 (c)	Fiscal Year 2019 (d)
Capital Investment Allowance						
1	Non-Discretionary Capital	Per RIPUC Docket No. 4539	\$35,964,438	\$0	\$0	\$0
2	Work Order Write Off Adjustment	Per Company's books	\$672,272	\$0	\$0	\$0
Discretionary Capital						
3	Lesser of Actual Cumulative Non-Discretionary Capital Additions or Spending, or Approved Spending	Per RIPUC Docket No. 4539	\$35,488,464	\$0	\$0	\$0
4	Work Order Write Off Adjustment	Per Company's books	(\$121,728)	\$0	\$0	\$0
5	Total Allowed Capital Included in Rate Base	Line 1 + Line 2 + Line 3 + Line 4	\$72,003,445	\$0	\$0	\$0
Depreciable Net Capital Included in Rate Base						
6	Total Allowed Capital Included in Rate Base in Current Year	Line 5	\$72,003,445	\$0	\$0	\$0
7	Retirements	1/	\$28,489,814	\$0	\$0	\$0
8	Net Depreciable Capital Included in Rate Base	Year 1 = Line 6 - Line 7; then = Prior Year Line 8	\$43,513,631	\$43,513,631	\$43,513,631	\$43,513,631
Change in Net Capital Included in Rate Base						
9	Capital Included in Rate Base	Line 5	\$72,003,445	\$0	\$0	\$0
10	Depreciation Expense	Per Settlement Agreement Docket No. 4323, excluding General	\$43,031,774	\$0	\$0	\$0
11	Incremental Capital Amount	Year 1 = Line 9 - Line 10; then = Prior Year Line 11	\$28,971,671	\$28,971,671	\$28,971,671	\$28,971,671
12	Cost of Removal	Per RIPUC Docket No. 4539	\$8,192,983	\$8,192,983	\$8,192,983	\$8,192,983
13	Work Order Write Off Adjustment	Per Company's books	(\$19,884)	(\$19,884)	(\$19,884)	(\$19,884)
14	Total Net Plant in Service	Line 11 + Line 12 + Line 13	\$37,144,770	\$37,144,770	\$37,144,770	\$37,144,770
Deferred Tax Calculation:						
15	Composite Book Depreciation Rate	As approved per R.I.P.U.C. Docket No. 4323	3.40%	3.40%	3.40%	3.40%
16	Vintage Year Tax Depreciation:					
17	2016 Spend	ir 1 = Page 15 of 38, Line 21; then = Page 15 of 38, Column (d), Lir	\$60,569,127	\$1,868,699	\$1,728,398	\$1,598,969
18	Cumulative Tax Depreciation	Year 1 = Line 17; then = Prior Year Line 18 + Current Year Line 17	\$60,569,127	\$62,437,826	\$64,166,224	\$65,765,193
19	Book Depreciation	Year 1 = Line 8 * Line 15 * 50%; then = Line 8 * Line 15	\$739,732	\$1,479,463	\$1,479,463	\$1,479,463
20	Cumulative Book Depreciation	Year 1 = Line 19; then = Prior Year Line 20 + Current Year Line 19	\$739,732	\$2,219,195	\$3,698,659	\$5,178,122
21	Cumulative Book / Tax Timor	Line 18 - Line 20	\$59,829,395	\$60,218,631	\$60,467,565	\$60,587,071
22	Effective Tax Rate	2/	35.00%	35.00%	21.00%	21.00%
23	Deferred Tax Reserve	Line 21 * Line 22	\$20,940,288	\$21,076,521	\$12,698,189	\$12,723,285
24	Less: FY 2016 Federal NOL	Page 34 of 38, Line 12(m)	(\$10,693,796)	(\$10,693,796)	(\$10,693,796)	(\$10,693,796)
25	Excess Deferred Tax	Page 37 of 38, Line 5(f)	\$0	\$0	\$8,456,746	\$8,456,746
26	Net Deferred Tax Reserve	Sum of Lines 23 through 25	\$10,246,492	\$10,382,725	\$10,461,139	\$10,486,235
Rate Base Calculation:						
27	Cumulative Incremental Capital Included in Rate Base	Line 14	\$37,144,770	\$37,144,770	\$37,144,770	\$37,144,770
28	Accumulated Depreciation	-Line 20	(\$739,732)	(\$2,219,195)	(\$3,698,659)	(\$5,178,122)
29	Deferred Tax Reserve	-Line 26	(\$10,246,492)	(\$10,382,725)	(\$10,461,139)	(\$10,486,235)
30	Year End Rate Base	Sum of Lines 27 through 29	\$26,158,546	\$24,542,850	\$22,984,972	\$21,480,413
Revenue Requirement Calculation:						
31	Average Rate Base before Deferred Tax Proration Adjustment	Year 1 = Current Year Line 30 ÷ 2; then Average of (Prior + Current Year Line 30)	\$13,079,273	\$25,350,698	\$23,763,911	\$22,232,692
32	Proration Adjustment	(a), (b) = N/A, (c) = Page 16 of 38, Line 41, Column (j); (d) = Page 16 of 38, Line 41, Column (k)			\$5,968	\$1,077
33	Average ISR Rate Base after Deferred Tax Proration	Line 31 + Line 32	\$13,079,273	\$25,350,698	\$23,769,879	\$22,233,770
34	Pre-Tax ROR	Page 38 of 38, Line 52, Line (e)	9.68%	9.68%	9.36%	8.41%
35	Return and Taxes	Line 31 * Line 34	\$1,266,074	\$2,453,948	\$2,224,861	\$1,869,860
36	Book Depreciation	Line 19	\$739,732	\$1,479,463	\$1,479,463	\$1,479,463
37	Annual Revenue Requirement	Line 35 + Line 36	\$2,005,805	\$3,933,411	\$3,704,324	\$3,349,323
36	As Approved in RIPUC Docket No. 4539, FY18 Rec Docket No. 4783		\$2,048,986	\$3,933,411	\$3,707,299	
37	Transmission-related NOL adjustment (True-up included in RIPUC Docket No. 4682)		(\$169,161)			
38	True-Up to reflect actual NOL deferred taxes generated for FY 2016		\$193,024			
39	Work Order Write Off Adjustment (True-up included in RIPUC Docket No. 4682)		\$29,263			
40	True-Up to reflect proration adjustment calculation				(\$2,975)	
41	Revenue Requirement for 5 months (April 1, 2018 - August 31, 2018)	Line 37 x 5/12				\$1,395,551

1/ Actual Retirements

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

**The Narragansett Electric Company
d/b/a National Grid
FY 2019 Electric ISR Revenue Requirement Reconciliation
Calculation of Tax Depreciation and Repairs Deduction on FY2016 Incremental Capital Investments**

Line No.	Description	Fiscal Year 2016 (a)	(b)	(c)	(d)	(e)
<u>Capital Repairs Deduction</u>						
1	Plant Additions	\$72,003,445				
2	Capital Repairs Deduction Rate	29.67%				
3	Capital Repairs Deduction	\$21,361,075			\$25,885,847	
<u>Bonus Depreciation</u>						
4	Plant Additions	\$72,003,445				
5	Less Capital Repairs Deduction	(\$21,361,075)				
6	Plant Additions Net of Capital Repairs Deduction	\$50,642,370				
7	Percent of Plant Eligible for Bonus Depreciation	97.77%				
8	Plant Eligible for Bonus Depreciation	\$49,513,045				
9	Bonus Depreciation Rate (April 2015 - December 2015)	37.50%				
10	Bonus Depreciation Rate (January 2016 - March 2016)	12.50%				
11	Total Bonus Depreciation Rate	50.00%				
12	Bonus Depreciation	\$24,756,523				
<u>Remaining Tax Depreciation</u>						
13	Plant Additions	\$72,003,445				
14	Less Capital Repairs Deduction	(\$21,361,075)				
15	Less Bonus Depreciation	(\$24,756,523)				
16	Remaining Plant Additions Subject to 20 YR MACRS Tax Depreciation	\$25,885,847				
17	20 YR MACRS Tax Depreciation Rates	3.750%				
18	Remaining Tax Depreciation	\$970,719				
19	FY16 Loss incurred due to retirements					
20	Cost of Removal	\$5,307,711				
		\$8,173,099				
21	Total Tax Depreciation and Repairs Deduction	\$60,569,127				

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

2/ Percent of Plant Eligible for Bonus Depreciation is the actual result of FY2017 tax return

3/ Actual Loss for FY17

**The Narragansett Electric Company
d/b/a National Grid
FY 2019 Electric ISR Revenue Requirement Reconciliation
Calculation of Net Deferred Tax Reserve Proration on FY 2016 Capital Investment**

Line No.			(a) FY 18	(b) FY 19	
Deferred Tax Subject to Proration					
1	Book Depreciation	C (a) = RIPUC Docket No. 4682, Reconciliation Filing, Attachment MAL-1, P 24 of 26, L1, C (d); C (b) = RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26a of 29, L1, C(e)	\$1,479,463	\$1,479,463	
2	Bonus Depreciation	C (a) = RIPUC Docket No. 4682, Reconciliation Filing, Attachment MAL-1, P 24 of 26, L2, C (d); C (b) = RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26a of 29, L2, C(e)	\$0	\$0	
3	Remaining MACRS Tax Depreciation	C (a) = RIPUC Docket No. 4682, Reconciliation Filing, Attachment MAL-1, P 24 of 26, L3, C (d); C (b) = RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26a of 29, L3, C(e)	(\$1,876,746)	(\$1,598,969)	
4	FY18 tax (gain)/loss on retirements	C (a) = RIPUC Docket No. 4682, Reconciliation Filing, Attachment MAL-1, P 24 of 26, L4, C (d); C (b) = RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26a of 29, L4, C(e)	\$0	\$0	
5	Cumulative Book / Tax Timer	Sum of Lines 1 through 4	(\$397,283)	(\$119,506)	
6	Effective Tax Rate		35.00%	21.00%	
7	Deferred Tax Reserve	Line 5 * Line 6	(\$139,049)	(\$25,096)	
Deferred Tax Not Subject to Proration					
8	Capital Repairs Deduction	C (a) = RIPUC Docket No. 4682, Reconciliation Filing, Attachment MAL-1, P 24 of 26, L8, C (d); C (b) = RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26a of 29, L8, C(e)			
9	Cost of Removal	C (a) = RIPUC Docket No. 4682, Reconciliation Filing, Attachment MAL-1, P 24 of 26, L9, C (d); C (b) = RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26a of 29, L9, C(e)			
10	Book/Tax Depreciation Timing Difference at 3/31/2017				
11	Cumulative Book / Tax Timer	Line 8 + Line 9 + Line 10			
12	Effective Tax Rate				
13	Deferred Tax Reserve	Line 11 * Line 12			
14	Total Deferred Tax Reserve	Line 7 + Line 13	(\$139,049)	(\$25,096)	
15	Net Operating Loss	C (a) = RIPUC Docket No. 4682, Reconciliation Filing, Attachment MAL-1, P 24 of 26, L15, C (d); C (b) = RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26a of 29, L15, C(e)			
16	Net Deferred Tax Reserve	Line 14 + Line 15	(\$139,049)	(\$25,096)	
Allocation of FY 2018 Estimated Federal NOL					
17	Cumulative Book/Tax Timer Subject to Proration	Col (b) = Line 5			
18	Cumulative Book/Tax Timer Not Subject to Proration	Line 11			
19	Total Cumulative Book/Tax Timer	Line 17 + Line 18			
20	Total FY 2018 Federal NOL	C (a) = RIPUC Docket No. 4682, Reconciliation Filing, Attachment MAL-1, P 24 of 26, L20, C (d); C (b) = RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26a of 29, L20, C(e)			
21	Allocated FY 2018 Federal NOL Not Subject to Proration	(Line 18 / Line 19) * Line 20			
22	Allocated FY 2018 Federal NOL Subject to Proration	(Line 17 / Line 19) * Line 20			
23	Effective Tax Rate				
24	Deferred Tax Benefit subject to proration	Line 22 * Line 23			
25	Net Deferred Tax Reserve subject to proration	Line 7 + Line 24	(\$139,049)	(\$25,096)	
Proration Calculation					
		(h) Number of Days in Month	(i) Proration Percentage	(j)	(k)
26	April 2017/2018	30	91.78%	(\$10,635)	(\$1,919)
27	May 2017/2018	31	83.29%	(\$9,651)	(\$1,742)
28	June 2017/2018	30	75.07%	(\$8,698)	(\$1,570)
29	July 2017/2018	31	66.58%	(\$7,714)	(\$1,392)
30	August 2017/2018	31	58.08%	(\$6,730)	(\$1,215)
31	September 2017/2018	30	49.86%	(\$5,778)	(\$1,043)
32	October 2017/2018	31	41.37%	(\$4,794)	(\$865)
33	November 2017/2018	30	33.15%	(\$3,841)	(\$693)
34	December 2017/2018	31	24.66%	(\$2,857)	(\$516)
35	January 2018/2019	31	16.16%	(\$1,873)	(\$338)
36	February 2018/2019	28	8.49%	(\$984)	(\$178)
37	March 2018/2019	31	0.00%	\$0	\$0
38	Total	365		(\$63,556)	(\$11,471)
39	Deferred Tax Without Proration	Line 25	(\$139,049)	(\$25,096)	
40	Average Deferred Tax without Proration	Line 25 * 50%	(\$69,524)	(\$12,548)	
41	Proration Adjustment	Line 38 - Line 40	\$5,968	\$1,077	

Column Notes:

(i) Sum of remaining days in the year (Col (h)) ÷ 365
j)&(k) Current Year Line 25 ÷ 12 * Current Month Col (i)

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 4783
FY 2019 Electric Infrastructure, Safety,
and Reliability Plan Reconciliation Filing
Attachment MAL-1
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**The Narragansett Electric Company
d/b/a National Grid
FY 2019 Electric ISR Revenue Requirement Reconciliation
FY 2019 Revenue Requirement on FY 2015 Actual Incremental Capital Investment**

Line No.		Fiscal Year 2015 (a)	Fiscal Year 2016 (b)	Fiscal Year 2017 (c)	Fiscal Year 2018 (d)	Fiscal Year 2019 (e)
Capital Investment Allowance						
1	Non-Discretionary Capital					
2	Work Order Write Off Adjustment	Per RIPUC Docket No. 4473 Per Company's books	\$22,246,664 (\$268,138)	\$0	\$0	\$0
3	Discretionary Capital					
4	Lesser of Actual Cumulative Non-Discretionary Capital Additions or Spending, or Approved Spending	Per RIPUC Docket No. 4473 Per Company's books	\$54,410,377 (\$48,499)	\$0	\$0	\$0
5	Total Allowed Capital Included in Rate Base	Line 1 + Line 2 + Line 3 + Line 4	\$76,340,403	\$0	\$0	\$0
Depreciable Net Capital Included in Rate Base						
6	Total Allowed Capital Included in Rate Base in Current Year	Line 5	\$76,340,403	\$0	\$0	\$0
7	Retirements		\$15,666,095	\$0	\$0	\$0
8	Net Depreciable Capital Included in Rate Base	Year 1 = Line 6 - Line 7; then = Prior Year Line 8	\$60,674,308	\$60,674,308	60,674,308	60,674,308
Change in Net Capital Included in Rate Base						
9	Capital Included in Rate Base	Line 5	\$76,340,403	\$0	\$0	\$0
10	Depreciation Expense	Per Settlement Agreement Docket No. 4323, excluding General Plant	\$43,031,774	\$0	\$0	\$0
11	Incremental Capital Amount	Year 1 = Line 9 - Line 10; then = Prior Year Line 11	\$33,308,629	\$33,308,629	\$33,308,629	\$33,308,629
12	Cost of Removal	Docket No. 4473 FY15 Reconciliation, Att. JHP-1, Page 4, Table 2	\$6,988,398	\$6,988,398	\$6,988,398	\$6,988,398
13	Work Order Write Off Adjustment	Per Company's books	\$22,398.01	\$22,398	\$22,398	\$22,398
14	Total Net Plant in Service	Line 11 + Line 12 + Line 13	\$40,319,425	\$40,319,425	\$40,319,425	\$40,319,425
Deferred Tax Calculation:						
15	Composite Book Depreciation Rate	As approved per R.I.P.U.C. Docket No. 4323	3.40%	3.40%	3.40%	3.40%
16	Vintage Year Tax Depreciation:					
17	2015 Spend	Year 1 = Page 18 of 38, Line 22; then = Page 18 of 38, Column (d), Line 5	\$71,871,022	\$2,120,892	\$1,961,656	\$1,814,760
18	Cumulative Tax Depreciation	Year 1 = Line 17; then = Prior Year Line 18 + Current Year Line 17	\$71,871,022	\$73,991,914	75,953,570	77,768,330
19	Book Depreciation	Year 1 = Line 8 * Line 15 * 50%; then = Line 8 * Line 15	\$1,031,463	\$2,062,926	\$2,062,926	\$2,062,926
20	Cumulative Book Depreciation	Year 1 = Line 19; then = Prior Year Line 20 + Current Year Line 19	\$1,031,463	\$3,094,390	\$5,157,316	\$7,220,243
21	Cumulative Book / Tax Timer	Line 18 - Line 20	\$70,839,559	\$70,897,524	\$70,796,254	\$70,548,087
22	Effective Tax Rate		35.00%	35.00%	35.00%	21.00%
23	Deferred Tax Reserve	Line 21 * Line 22	\$24,793,846	\$24,814,134	\$24,778,689	\$14,815,098
24	Less: FY 2015 Federal NOL	Page 34 of 38, Line 12(l)	(\$8,148,936)	(\$8,148,936)	(\$8,148,936)	(\$8,148,936)
25	Excess Deferred Tax	C (a) through (c) = n/a; Column (d) = Page 37 of 38, Line 4(f)	\$0	\$0	\$0	\$9,885,418
26	Net Deferred Tax Reserve	Sum of Lines 23 through 25	\$16,644,909	\$16,665,197	\$16,629,752	\$16,551,580
Rate Base Calculation:						
27	Cumulative Incremental Capital Included in Rate Base	Line 14	\$40,319,425	\$40,319,425	\$40,319,425	\$40,319,425
28	Accumulated Depreciation	- Line 20	(\$1,031,463)	(\$3,094,390)	(\$5,157,316)	(\$7,220,243)
29	Deferred Tax Reserve	- Line 26	(\$16,644,909)	(\$16,665,197)	(\$16,629,752)	(\$16,551,580)
30	Year End Rate Base	Sum of Lines 27 through 29	\$22,643,053	\$20,559,839	\$18,532,357	\$16,547,603
Revenue Requirement Calculation:						
31	Average Rate Base before Deferred Tax Proration Adjustmen	Year 1 = Current Year Line 30 ÷ 2; then Average of (Prior + Current Year Line 30)	\$11,321,526.47	\$21,601,446	\$19,546,098	\$17,539,980
32	Proration Adjustment	(a) - (c) = N/A, (d) = Page 19 of 38, Line 41, Column (j); (e) = Page 19 of 38, Line 41, Column (k)				(\$3,728)
33	Average ISR Rate Base after Deferred Tax Proration	Line 31 + Line 32	\$11,321,526	\$21,601,446	\$19,546,098	\$17,536,252
34	Pre-Tax ROR	Column (a) through (c) = Page 38 of 38, Line 38; Column (d) = Page 38 of 38,				
35	Return and Taxes	Line 52, Column (e)	9.68%	9.68%	9.68%	9.36%
36	Book Depreciation	Line 31 * Line 34	\$1,095,924	\$2,091,020	\$1,892,062	\$1,641,393
37	Annual Revenue Requirement	Line 35 + Line 36	\$2,127,387	\$4,153,946	\$3,954,989	\$3,704,320
38	As Approved in RIPUC Docket No. 4539, FY18 Rec Docket No. 4783		\$2,335,465	\$4,569,615		\$3,702,462
39	Transmission-related NOL adjustment		(\$191,621)	(\$383,242)		
40	Work Order Write Off Adjustment		(\$16,457)	(\$32,427)		
41	True-Up to reflect proration adjustment calculation				\$1,858	
42	Revenue Requirement for 5 months (April 1, 2018 - August 31, 2018)	Line 37 x 5/12				\$1,404,557

1/ Actual Retirements

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

**The Narragansett Electric Company
d/b/a National Grid
FY 2019 Electric ISR Revenue Requirement Reconciliation
Calculation of Tax Depreciation and Repairs Deduction on FY2015 Incremental Capital Investments**

Line No.		Fiscal Year 2015 (a)	(b)	(c)	(d)	(e)
	<u>Capital Repairs Deduction</u>					
1	Plant Additions	\$76,340,403				
2	Capital Repairs Deduction Rate	1/ 23.10%				
3	Capital Repairs Deduction	\$17,634,633		Line 16	\$29,379,302	
	<u>Bonus Depreciation</u>					
4	Plant Additions	\$76,340,403				
5	Less Capital Repairs Deduction	(\$17,634,633)				
6	Plant Additions Net of Capital Repairs Deduction	\$58,705,770				
7	Percent of Plant Eligible for Bonus Depreciation	99.91%				
8	Plant Eligible for Bonus Depreciation	\$58,652,935				
9	Bonus Depreciation Rate (April 2014 - December 2014)	37.50%				
10	Bonus Depreciation Rate (January 2015 - March 2015)	12.50%				
11	Total Bonus Depreciation Rate	50.00%				
12	Bonus Depreciation	\$29,326,468				
	<u>Remaining Tax Depreciation</u>					
13	Plant Additions	\$76,340,403				
14	Less Capital Repairs Deduction	(\$17,634,633)				
15	Less Bonus Depreciation	(\$29,326,468)				
16	Remaining Plant Additions Subject to 20 YR MACRS Tax Depreciation	\$29,379,302				
17	20 YR MACRS Tax Depreciation Rates	3.750%				
18	Remaining Tax Depreciation	\$1,101,724				
19	481(a) adjustment for partial retirements	\$14,395,754				
20	FY15 Loss incurred due to retirements	\$2,401,647				
21	Cost of Removal	\$7,010,796				
22	Total Tax Depreciation and Repairs Deduction	\$71,871,022				

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

The Narragansett Electric Company
d/b/a National Grid
FY 2019 Electric ISR Revenue Requirement Reconciliation
Calculation of Net Deferred Tax Reserve Proration on FY 2015 Capital Investment

Line No.			(a) FY 18	(b) FY 19
	Deferred Tax Subject to Proration			
1	Book Depreciation	C (a) = RIPUC Docket No. 4682, Reconciliation Filing, Attachment MAL-1, P 24 of 26, L1, C (e); C (b) = RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26b of 29, L1, C(f)	\$2,062,926	\$2,062,926
2	Bonus Depreciation	C (a) = RIPUC Docket No. 4682, Reconciliation Filing, Attachment MAL-1, P 24 of 26, L2, C (e); C (b) = RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26b of 29, L2, C(f)	\$0	\$0
3	Remaining MACRS Tax Depreciation	C (a) = RIPUC Docket No. 4682, Reconciliation Filing, Attachment MAL-1, P 24 of 26, L3, C (e); C (b) = RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26b of 29, L3, C(f)	(\$1,814,760)	(\$1,678,440)
4	FY18 tax (gain)/loss on retirements	C (a) = RIPUC Docket No. 4682, Reconciliation Filing, Attachment MAL-1, P 24 of 26, L4, C (e); C (b) = RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26b of 29, L4, C(f)	\$0	\$0
5	Cumulative Book / Tax Timer	Sum of Lines 1 through 4	\$248,166	\$384,486
6	Effective Tax Rate		35.00%	21.00%
7	Deferred Tax Reserve	Line 5 * Line 6	\$86,858	\$80,742
	Deferred Tax Not Subject to Proration			
8	Capital Repairs Deduction	C (a) = RIPUC Docket No. 4682, Reconciliation Filing, Attachment MAL-1, P 24 of 26, L8, C (e); C (b) = RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26b of 29, L8, C(f)		
9	Cost of Removal	C (a) = RIPUC Docket No. 4682, Reconciliation Filing, Attachment MAL-1, P 24 of 26, L9, C (e); C (b) = RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26b of 29, L9, C(f)		
10	Book/Tax Depreciation Timing Difference at 3/31/2017			
11	Cumulative Book / Tax Timer	Line 8 + Line 9 + Line 10		
12	Effective Tax Rate			
13	Deferred Tax Reserve	Line 11 * Line 12		
14	Total Deferred Tax Reserve	Line 7 + Line 13	\$86,858	\$80,742
15	Net Operating Loss	C (a) = RIPUC Docket No. 4682, Reconciliation Filing, Attachment MAL-1, P 24 of 26, L15, C (e); C (b) = RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26b of 29, L15, C(f)		
16	Net Deferred Tax Reserve	Line 14 + Line 15	\$86,858	\$80,742
	Allocation of FY 2018 Estimated Federal NOL			
17	Cumulative Book/Tax Timer Subject to Proration	Col (b) = Line 5		
18	Cumulative Book/Tax Timer Not Subject to Proration	Line 11		
19	Total Cumulative Book/Tax Timer	Line 17 + Line 18		
20	Total FY 2018 Federal NOL	C (a) = RIPUC Docket No. 4682, Reconciliation Filing, Attachment MAL-1, P 24 of 26, L20, C (e); C (b) = RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26b of 29, L20, C(f)		
21	Allocated FY 2018 Federal NOL Not Subject to Proration	(Line 18 / Line 19) * Line 20		
22	Allocated FY 2018 Federal NOL Subject to Proration	(Line 17 / Line 19) * Line 20		
23	Effective Tax Rate			
24	Deferred Tax Benefit subject to proration	Line 22 * Line 23		
25	Net Deferred Tax Reserve subject to proration	Line 7 + Line 24	\$86,858	\$80,742
	Proration Calculation			
		(h) Number of Days in Month	(i) Proration Percentage	(j) (k)
26	April 2017/2018	30	91.78%	\$6,643 \$6,175
27	May 2017/2018	31	83.29%	\$6,029 \$5,604
28	June 2017/2018	30	75.07%	\$5,434 \$5,051
29	July 2017/2018	31	66.58%	\$4,819 \$4,480
30	August 2017/2018	31	58.08%	\$4,204 \$3,908
31	September 2017/2018	30	49.86%	\$3,609 \$3,355
32	October 2017/2018	31	41.37%	\$2,994 \$2,784
33	November 2017/2018	30	33.15%	\$2,400 \$2,231
34	December 2017/2018	31	24.66%	\$1,785 \$1,659
35	January 2018/2019	31	16.16%	\$1,170 \$1,088
36	February 2018/2019	28	8.49%	\$615 \$571
37	March 2018/2019	31	0.00%	\$0 \$0
38	Total	365		\$39,701 \$36,905
39	Deferred Tax Without Proration	Line 25	\$86,858	\$80,742
40	Average Deferred Tax without Proration	Line 25 * 50%	\$43,429	\$40,371
41	Proration Adjustment	Line 38 - Line 40	(\$3,728)	(\$3,466)

Column Notes:

- (i) Sum of remaining days in the year (Col (h)) ÷ 365
j)&(k) Current Year Line 25 ÷ 12 * Current Month Col (i)

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 4783
FY 2019 Electric Infrastructure, Safety,
and Reliability Plan Reconciliation Filing
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The Narragansett Electric Company
d/b/a National Grid
FY 2019 Electric ISR Revenue Requirement Reconciliation
FY 2019 Revenue Requirement on FY 2014 Actual Incremental Capital Investment

Line No.		Fiscal Year 2014 (a)	Fiscal Year 2015 (b)	Fiscal Year 2016 (c)	Fiscal Year 2017 (d)	Fiscal Year 2018 (e)	Fiscal Year 2019 (f)
Capital Investment Allowance							
1	Non-Discretionary Capital						
2	Work Order Write Off Adjustment	\$6,923,860	\$0	\$0	\$0	\$0	\$0
		(\$472,942)					
Discretionary Capital							
3	Lesser of Actual Cumulative Non-Discretionary Capital Additions or Spending, or Approved Spending						
4	Work Order Write Off Adjustment	\$6,400,406	\$0	\$0	\$0	\$0	\$0
		(\$8,965)					
5	Total Allowed Capital Included in Rate Base	\$12,842,359	\$0	\$0	\$0	\$0	\$0
Depreciable Net Capital Included in Rate Base							
6	Total Allowed Capital Included in Rate Base in Current Year	\$12,842,359	\$0	\$0	\$0	\$0	\$0
7	Retirements	1/ (\$4,165,367)	\$0	\$0	\$0	\$0	\$0
8	Net Depreciable Capital Included in Rate Base	\$17,007,726	\$17,007,726	\$17,007,726	\$17,007,726	\$17,007,726	\$17,007,726
Change in Net Capital Included in Rate Base							
9	Capital Included in Rate Base	\$12,842,359	\$0	\$0	\$0	\$0	\$0
10	Depreciation Expense	\$7,173,397	\$0	\$0	\$0	\$0	\$0
11	Incremental Capital Amount	\$5,668,962	\$5,668,962	\$5,668,962	\$5,668,962	\$5,668,962	\$5,668,962
12	Total Cost of Removal	(\$887,841)	(\$887,841)	(\$887,841)	(\$887,841)	(\$887,841)	(\$887,841)
13	Work Order Write Off Adjustment	(\$37,062)	(\$37,062)	(\$37,062)	(\$37,062)	(\$37,062)	(\$37,062)
14	Total Net Plant in Service	\$4,744,059	\$4,744,059	\$4,744,059	\$4,744,059	\$4,744,059	\$4,744,059
Deferred Tax Calculation:							
15	Composite Book Depreciation Rate	3.40%	3.40%	3.40%	3.40%	3.40%	3.40%
16	Vintage Year Tax Depreciation:						
17	2014 Spend	\$7,826,326	\$306,845	\$283,808	\$262,555	\$242,832	\$224,640
18	Cumulative Tax Depreciation	\$7,826,326	\$8,133,171	\$8,416,979	\$8,679,534	\$8,922,366	\$9,147,006
19	Book Depreciation	\$289,131	\$578,263	\$578,263	\$578,263	\$578,263	\$578,263
20	Cumulative Book Depreciation	\$289,131	\$867,394	\$1,445,657	\$2,023,919	\$2,602,182	\$3,180,445
21	Cumulative Book / Tax Timer	\$7,537,194	\$7,265,777	\$6,971,322	\$6,655,614	\$6,320,184	\$5,966,562
22	Effective Tax Rate	35.00%	35.00%	35.00%	35.00%	21.00%	21.00%
23	Deferred Tax Reserve	\$2,638,018	\$2,543,022	\$2,439,963	\$2,329,465	\$1,327,239	\$1,252,978
24	Less: FY 2014 Federal NOL	(\$1,200,808)	(\$1,200,808)	(\$1,200,808)	(\$1,200,808)	(\$1,200,808)	(\$1,200,808)
25	Excess Deferred Tax	\$0	\$0	\$0	\$0	\$896,566	\$896,566
26	Net Deferred Tax Reserve	\$1,437,210	\$1,342,214	\$1,239,155	\$1,128,657	\$1,022,996	\$948,736
Rate Base Calculation:							
27	Cumulative Incremental Capital Included in Rate Base	\$4,744,059	\$4,744,059	\$4,744,059	\$4,744,059	\$4,744,059	\$4,744,059
28	Accumulated Depreciation	(\$289,131)	(\$867,394)	(\$1,445,657)	(\$2,023,919)	(\$2,602,182)	(\$3,180,445)
29	Deferred Tax Reserve	(\$1,437,210)	(\$1,342,214)	(\$1,239,155)	(\$1,128,657)	(\$1,022,996)	(\$948,736)
30	Year End Rate Base	\$3,017,717	\$2,534,451	\$2,059,247	\$1,591,482	\$1,118,880	\$614,878
Revenue Requirement Calculation:							
31	Average Rate Base before Deferred Tax Proration Adjustment	\$670,654	\$2,776,084	\$2,296,849	\$1,825,365	\$1,355,181	\$866,879
32	Proration Adjustment					(\$5,039)	(\$3,187)
30	Average ISR Rate Base after Deferred Tax Proration	\$670,654	\$2,776,084	\$2,296,849	\$1,825,365	\$1,350,142	\$863,692
32	Pre-Tax ROR	9.68%	9.68%	9.68%	9.68%	9.36%	8.41%
33	Return and Taxes	\$64,919	\$268,725	\$222,335	\$176,695	\$126,373	\$72,636
34	Book Depreciation	\$289,131	\$578,263	\$578,263	\$578,263	\$578,263	\$578,263
35	Annual Revenue Requirement	\$354,051	\$846,988	\$800,598	\$754,958	\$704,636	\$650,899
36	As Approved in RIPUC Docket No. 4539, FY18 Rec Docket No. 4783	\$373,851	\$900,001	\$852,205		\$702,125	
37	Transmission-related NOL adjustment	\$0	\$0	\$0			
38	Work Order Write Off Adjustment	(\$19,800)	(\$53,014)	(\$51,607)			
39	True up for FY 2018 ISR Revenue Requirement					\$2,511	
40	Revenue Requirement for 5 months (April 1, 2018 - August 31, 2018)						\$271,208

Line notes

- 1/ Actual Retirements
- 2/ Depreciation Expense has been prorated for 2 months (February - March 2014)
- 3/ The federal Income Tax rate changed from 35% to 21% on January 1, 2018 per the Tax Cuts and Jobs Act of 2017
- 4/ 23.23% per RIPUC Docket No. 4382 (FY 2014 Elec ISR reconciliation), Attachment WRR-1-Revised, Page 12.

**The Narragansett Electric Company
d/b/a National Grid
FY 2019 Electric ISR Revenue Requirement Reconciliation
Calculation of Tax Depreciation and Repairs Deduction on FY2014 Incremental Capital Investments**

Line No.	Description	Fiscal Year 2014 (a)	(b)	(c)	(d)	(e)
	<u>Capital Repairs Deduction</u>					
1	Plant Additions	\$12,842,359				
2	Capital Repairs Deduction Rate	1/ 34.46%				
3	Capital Repairs Deduction	\$4,425,477			\$4,250,525	
	<u>Bonus Depreciation</u>					
4	Plant Additions	\$12,842,359				
5	Less Capital Repairs Deduction	(\$4,425,477)				
6	Plant Additions Net of Capital Repairs Deduction	\$8,416,882				
7	Percent of Plant Eligible for Bonus Depreciation	99.00%				
8	Plant Eligible for Bonus Depreciation	\$8,332,713				
9	Bonus Depreciation Rate (April 2013 - December 2013)	37.50%				
10	Bonus Depreciation Rate (January 2014 - March 2014)	12.50%				
11	Total Bonus Depreciation Rate	50.00%				
12	Bonus Depreciation	\$4,166,357				
	<u>Remaining Tax Depreciation</u>					
13	Plant Additions	\$12,842,359				
14	Less Capital Repairs Deduction	(\$4,425,477)				
15	Less Bonus Depreciation	(\$4,166,357)				
16	Remaining Plant Additions Subject to 20 YR MACRS Tax Depreciation	\$4,250,525				
17	20 YR MACRS Tax Depreciation Rates	3.750%				
18	Remaining Tax Depreciation	\$159,395				
19	Cost of Removal	(\$924,903)				
20	Total Tax Depreciation and Repairs Deduction	\$7,826,326				
	1/ Capital Repairs percentage is based on the FY 2014 tax return.					

20 Year MACRS Depreciation		(b)	(c)	(d)	(e)
MACRS basis	Line 16				
Fiscal Year					
2014	3.750%	\$159,395			\$7,826,326
2015	7.219%	\$306,845			\$8,133,171
2016	6.677%	\$283,808			\$8,416,979
2017	6.177%	\$262,555			\$8,679,534
2018	5.713%	\$242,832			\$8,922,366
2019	5.285%	\$224,640			\$9,147,006
2020	4.888%	\$207,766			\$9,354,772
2021	4.522%	\$192,209			\$9,546,981
2022	4.462%	\$189,658			\$9,736,639
2023	4.461%	\$189,616			\$9,926,255
2024	4.462%	\$189,658			\$10,115,913
2025	4.461%	\$189,616			\$10,305,529
2026	4.462%	\$189,658			\$10,495,188
2027	4.461%	\$189,616			\$10,684,804
2028	4.462%	\$189,658			\$10,874,462
2029	4.461%	\$189,616			\$11,064,078
2030	4.462%	\$189,658			\$11,253,737
2031	4.461%	\$189,616			\$11,443,352
2032	4.462%	\$189,658			\$11,633,011
2033	4.461%	\$189,616			\$11,822,627
2034	2.231%	\$94,829			\$11,917,456
			100.000%	\$4,250,525	

The Narragansett Electric Company
d/b/a National Grid
FY 2019 Electric ISR Revenue Requirement Reconciliation
Calculation of Net Deferred Tax Reserve Proration on FY 2014 Incremental Capital Investment

Line No.			(a)	(b)	
			FY 18	FY 19	
	Deferred Tax Subject to Proration				
1	Book Depreciation	C (a) = RIPUC Docket No. 4682, Reconciliation Filing, Attachment MAL-1, P 24 of 26, L1, C (f); C (b) = RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26b of 29, L1, C(g)	\$578,263	\$578,263	
2	Bonus Depreciation	C (a) = RIPUC Docket No. 4682, Reconciliation Filing, Attachment MAL-1, P 24 of 26, L2, C (f); C (b) = RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26b of 29, L2, C(g)	\$0	\$0	
3	Remaining MACRS Tax Depreciation	C (a) = RIPUC Docket No. 4682, Reconciliation Filing, Attachment MAL-1, P 24 of 26, L3, C (f); C (b) = RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26b of 29, L3, C(g)	(\$242,832)	(\$224,640)	
4	FY18 tax (gain)/loss on retirements	C (a) = RIPUC Docket No. 4682, Reconciliation Filing, Attachment MAL-1, P 24 of 26, L4, C (f); C (b) = RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26b of 29, L4, C(g)	\$0	\$0	
5	Cumulative Book / Tax Timer	Sum of Lines 1 through 4	\$335,430	\$353,622	
6	Effective Tax Rate		35.00%	21.00%	
7	Deferred Tax Reserve	Line 5 * Line 6	\$117,401	\$74,261	
	Deferred Tax Not Subject to Proration				
8	Capital Repairs Deduction	C (a) = RIPUC Docket No. 4682, Reconciliation Filing, Attachment MAL-1, P 24 of 26, L8, C (f); C (b) = RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26b of 29, L8, C(g)			
9	Cost of Removal	C (a) = RIPUC Docket No. 4682, Reconciliation Filing, Attachment MAL-1, P 24 of 26, L9, C (f); C (b) = RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26b of 29, L9, C(g)			
10	Book/Tax Depreciation Timing Difference at 3/31/2017				
11	Cumulative Book / Tax Timer	Line 8 + Line 9 + Line 10			
12	Effective Tax Rate				
13	Deferred Tax Reserve	Line 11 * Line 12			
14	Total Deferred Tax Reserve	Line 7 + Line 13	\$117,401	\$74,261	
15	Net Operating Loss	C (a) = RIPUC Docket No. 4682, Reconciliation Filing, Attachment MAL-1, P 24 of 26, L15, C (e); C (b) = RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26b of 29, L15, C(f)			
16	Net Deferred Tax Reserve	Line 14 + Line 15	\$117,401	\$74,261	
	Allocation of FY 2018 Estimated Federal NOL				
17	Cumulative Book/Tax Timer Subject to Proration	Col (b) = Line 5			
18	Cumulative Book/Tax Timer Not Subject to Proration	Line 11			
19	Total Cumulative Book/Tax Timer	Line 17 + Line 18			
20	Total FY 2018 Federal NOL	C (a) = RIPUC Docket No. 4682, Reconciliation Filing, Attachment MAL-1, P 24 of 26, L20, C (f); C (b) = RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26b of 29, L20, C(g)			
21	Allocated FY 2018 Federal NOL Not Subject to Proration	(Line 18 / Line 19) * Line 20			
22	Allocated FY 2018 Federal NOL Subject to Proration	(Line 17 / Line 19) * Line 20			
23	Effective Tax Rate				
24	Deferred Tax Benefit subject to proration	Line 22 * Line 23			
25	Net Deferred Tax Reserve subject to proration	Line 7 + Line 24	\$117,401	\$74,261	
	Proration Calculation				
		(h) Number of Days in Month	(i) Proration Percentage	(j)	(k)
26	April 2017/2018	30	91.78%	\$8,979	\$5,680
27	May 2017/2018	31	83.29%	\$8,148	\$5,154
28	June 2017/2018	30	75.07%	\$7,344	\$4,646
29	July 2017/2018	31	66.58%	\$6,513	\$4,120
30	August 2017/2018	31	58.08%	\$5,682	\$3,594
31	September 2017/2018	30	49.86%	\$4,878	\$3,086
32	October 2017/2018	31	41.37%	\$4,047	\$2,560
33	November 2017/2018	30	33.15%	\$3,243	\$2,051
34	December 2017/2018	31	24.66%	\$2,412	\$1,526
35	January 2018/2019	31	16.16%	\$1,581	\$1,000
36	February 2018/2019	28	8.49%	\$831	\$526
37	March 2018/2019	31	0.00%	\$0	\$0
38	Total	365		\$53,661	\$33,943
39	Deferred Tax Without Proration	Line 25		\$117,401	\$74,261
40	Average Deferred Tax without Proration	Line 25 * 50%		\$58,700	\$37,130
41	Proration Adjustment	Line 38 - Line 40		(\$5,039)	(\$3,187)

Column Notes:

- (i) Sum of remaining days in the year (Col (h)) ÷ 365
j)&(k) Current Year Line 25 ÷ 12 * Current Month Col (i)

The Narragansett Electric Company
d/b/a National Grid
FY 2019 Electric ISR Revenue Requirement Reconciliation
FY 2019 Revenue Requirement on FY 2013 Actual Incremental Capital Investment

Line No.	Fiscal Year 2013 (a)	Fiscal Year 2014 (b)	Fiscal Year 2015 (c)	Fiscal Year 2016 (d)	Fiscal Year 2017 (e)	Fiscal Year 2018 (f)	Fiscal Year 2019 (g)
1	(\$5,184,396)	\$0	\$0	\$0	\$0	\$0	\$0
2	(\$576,955)	\$0	\$0	\$0	\$0	\$0	\$0
3	(\$1,850,463)	\$0	\$0	\$0	\$0	\$0	\$0
4	(\$207,197)	\$0	\$0	\$0	\$0	\$0	\$0
5	(\$7,819,012)	\$0	\$0	\$0	\$0	\$0	\$0
6	(\$7,819,012)	\$0	\$0	\$0	\$0	\$0	\$0
7	\$5,838,935	\$0	\$0	\$0	\$0	\$0	\$0
8	(\$13,657,947)	(\$13,657,947)	(\$13,657,947)	(\$13,657,947)	(\$13,657,947)	(\$13,657,947)	(\$13,657,947)
9	(\$7,819,012)	\$0	\$0	\$0	\$0	\$0	\$0
10	(\$7,819,012)	\$0	\$0	\$0	\$0	\$0	\$0
11	(\$1,895,059)	(\$1,895,059)	(\$1,895,059)	(\$1,895,059)	(\$1,895,059)	(\$1,895,059)	(\$1,895,059)
12	(\$106,751)	(\$106,751)	(\$106,751)	(\$106,751)	(\$106,751)	(\$106,751)	(\$106,751)
13	(\$106,751)	(\$106,751)	(\$106,751)	(\$106,751)	(\$106,751)	(\$106,751)	(\$106,751)
14	(\$9,820,822)	(\$9,820,822)	(\$9,820,822)	(\$9,820,822)	(\$9,820,822)	(\$9,820,822)	(\$9,820,822)
15		3.40%	3.40%	3.40%	3.40%	3.40%	3.40%
16	(\$6,531,672)	(\$246,695)	(\$228,173)	(\$211,087)	(\$195,230)	(\$180,604)	(\$167,038)
17	(\$6,531,672)	(\$6,778,367)	(\$7,006,540)	(\$7,217,627)	(\$7,412,857)	(\$7,593,461)	(\$7,760,499)
18	(\$232,185)	(\$464,370)	(\$464,370)	(\$464,370)	(\$464,370)	(\$464,370)	(\$464,370)
19	(\$232,185)	(\$896,555)	(\$1,160,925)	(\$1,625,296)	(\$2,089,666)	(\$2,554,036)	(\$3,018,406)
20	(\$6,299,487)	(\$6,081,812)	(\$5,845,615)	(\$5,592,331)	(\$5,323,191)	(\$5,039,425)	(\$4,742,093)
21	35,000%	35,000%	35,000%	35,000%	35,000%	35,000%	35,000%
22	(\$2,004,820)	(\$2,128,634)	(\$2,045,965)	(\$1,957,316)	(\$1,863,117)	(\$1,768,839)	(\$1,674,561)
23	(\$2,342,381)	(\$2,342,381)	(\$2,342,381)	(\$2,342,381)	(\$2,342,381)	(\$2,342,381)	(\$2,342,381)
24	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25	(\$4,547,202)	(\$4,471,016)	(\$4,388,347)	(\$4,299,697)	(\$4,205,498)	(\$4,116,112)	(\$4,025,672)
26	(\$9,820,822)	(\$9,820,822)	(\$9,820,822)	(\$9,820,822)	(\$9,820,822)	(\$9,820,822)	(\$9,820,822)
27	\$232,185	\$696,555	\$1,160,925	\$1,625,296	\$2,089,666	\$2,554,036	\$3,018,406
28	\$4,547,202	\$4,471,016	\$4,388,347	\$4,299,697	\$4,205,498	\$4,116,112	\$4,025,672
29	(\$5,041,435)	(\$4,653,251)	(\$4,271,550)	(\$3,895,829)	(\$3,525,658)	(\$3,150,674)	(\$2,748,743)
30	(\$2,520,717)	(\$4,847,343)	(\$4,462,400)	(\$4,083,689)	(\$3,710,743)	(\$3,338,166)	(\$2,949,709)
31	(\$2,520,717)	(\$4,847,343)	(\$4,462,400)	(\$4,083,689)	(\$3,710,743)	(\$3,338,166)	(\$2,949,709)
32	9.84%	9.68%	9.68%	9.68%	9.68%	9.68%	9.68%
33	(\$248,039)	(\$469,223)	(\$431,960)	(\$395,301)	(\$359,200)	(\$312,053)	(\$247,845)
34	(\$232,185)	(\$464,370)	(\$464,370)	(\$464,370)	(\$464,370)	(\$464,370)	(\$464,370)
35	\$0	(\$350,952)	(\$374,039)	(\$324,300)	(\$284,593)	(\$249,198)	(\$212,116)
36	(\$480,224)	(\$1,284,545)	(\$1,270,370)	(\$1,183,971)	(\$1,108,163)	(\$1,025,622)	(\$944,332)
37	(\$433,348)	(\$1,160,601)	(\$1,133,816)	(\$1,075,239)	(\$1,023,497)	(\$971,732)	(\$920,000)
38	(\$47,076)	(\$123,944)	(\$136,554)	(\$108,732)	(\$82,125)	(\$59,472)	(\$39,472)

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

The Narragansett Electric Company
d/b/a National Grid

FY 2019 Electric ISR Revenue Requirement Reconciliation
Calculation of Tax Depreciation and Repairs Deduction on FY2013 Incremental Capital Investments

	Fiscal Year 2013		(b)	(c)	(d)	(e)
	(a)					
1	<u>Capital Repairs Deduction</u>					
2	Plant Additions	(\$7,819,012)				
3	Capital Repairs Deduction Rate	1/ 12.59%				
	Capital Repairs Deduction	(\$984,414)			(\$3,417,299)	
4	<u>Bonus Depreciation</u>					
5	Plant Additions	(\$7,819,012)			(\$128,149)	(\$6,531,672)
6	Less Capital Repairs Deduction	\$984,414			(\$246,695)	(\$6,778,367)
7	Plant Additions Net of Capital Repairs Deduction	(\$6,834,598)			(\$228,173)	(\$7,006,540)
8	Percent of Plant Eligible for Bonus Depreciation	100.00%			(\$211,087)	(\$7,217,627)
9	Plant Eligible for Bonus Depreciation	(\$6,834,598)			(\$195,230)	(\$7,412,857)
10	Bonus Depreciation Rate (April 2012 - December 2012)	37.50%			(\$180,604)	(\$7,593,461)
11	Bonus Depreciation Rate (January 2013 - March 2013)	12.50%			(\$167,038)	(\$7,760,499)
12	Total Bonus Depreciation Rate	50.00%			(\$154,530)	(\$7,915,029)
	Bonus Depreciation	(\$3,417,299)			(\$152,480)	(\$8,067,509)
13	<u>Remaining Tax Depreciation</u>				(\$152,446)	(\$8,219,954)
14	Plant Additions	(\$7,819,012)			(\$152,480)	(\$8,372,434)
15	Less Capital Repairs Deduction	\$984,414			(\$152,446)	(\$8,524,880)
	Less Bonus Depreciation	\$3,417,299			(\$152,480)	(\$8,677,360)
16	Remaining Plant Additions Subject to 20 YR MACRS Tax Depreciation	(\$3,417,299)			(\$152,446)	(\$8,829,806)
17	20 YR MACRS Tax Depreciation Rates	3.750%			(\$152,480)	(\$8,982,285)
18	Remaining Tax Depreciation	(\$128,149)			(\$152,446)	(\$9,134,731)
19	Cost of Removal	(\$2,001,810)			(\$152,480)	(\$9,287,211)
20	Total Tax Depreciation and Repairs Deduction	(\$6,531,672)			(\$152,480)	(\$9,439,657)
1/	Capital Repairs percentage is based on the FY 2013 tax return.				(\$152,446)	(\$9,592,137)
					(\$152,446)	(\$9,744,582)
					2.231%	(\$9,820,822)
					100.000%	(\$3,417,299)

Capital Repairs percentage is based on the FY 2013 tax return.

The Narragansett Electric Company
d/b/a National Grid
FY 2019 Electric ISR Revenue Requirement Reconciliation
Calculation of Net Deferred Tax Reserve Proration on FY 2013 Incremental Capital Investment

Line No.			(a) FY 18	(b) FY 19
	Deferred Tax Subject to Proration			
1	Book Depreciation	C (a) = RIPUC Docket No. 4682, Reconciliation Filing, Attachment MAL-1, P 24 of 26, L1, C (g); C (b) = RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26b of 29, L1, C(h)	(\$464,370)	(\$464,370)
2	Bonus Depreciation	C (a) = RIPUC Docket No. 4682, Reconciliation Filing, Attachment MAL-1, P 24 of 26, L2, C (g); C (b) = RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26b of 29, L2, C(h)	\$0	\$0
3	Remaining MACRS Tax Depreciation	C (a) = RIPUC Docket No. 4682, Reconciliation Filing, Attachment MAL-1, P 24 of 26, L3, C (g); C (b) = RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26b of 29, L3, C(h)	\$180,604	\$167,038
4	FY18 tax (gain)/loss on retirements	C (a) = RIPUC Docket No. 4682, Reconciliation Filing, Attachment MAL-1, P 24 of 26, L4, C (g); C (b) = RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26b of 29, L4, C(h)	\$0	\$0
5	Cumulative Book / Tax Timer	Sum of Lines 1 through 4	(\$283,766)	(\$297,333)
6	Effective Tax Rate		35.00%	21.00%
7	Deferred Tax Reserve	Line 5 * Line 6	(\$99,318)	(\$62,440)
	Deferred Tax Not Subject to Proration			
8	Capital Repairs Deduction	C (a) = RIPUC Docket No. 4682, Reconciliation Filing, Attachment MAL-1, P 24 of 26, L8, C (g); C (b) = RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26b of 29, L8, C(h)		
9	Cost of Removal	C (a) = RIPUC Docket No. 4682, Reconciliation Filing, Attachment MAL-1, P 24 of 26, L9, C (g); C (b) = RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26b of 29, L9, C(h)		
10	Book/Tax Depreciation Timing Difference at 3/31/2017			
11	Cumulative Book / Tax Timer	Line 8 + Line 9 + Line 10		
12	Effective Tax Rate			
13	Deferred Tax Reserve	Line 11 * Line 12		
14	Total Deferred Tax Reserve	Line 7 + Line 13	(\$99,318)	(\$62,440)
15	Net Operating Loss	C (a) = RIPUC Docket No. 4682, Reconciliation Filing, Attachment MAL-1, P 24 of 26, L15, C (g); C (b) = RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26b of 29, L15, C(h)		
16	Net Deferred Tax Reserve	Line 14 + Line 15	(\$99,318)	(\$62,440)
	Allocation of FY 2018 Estimated Federal NOL			
17	Cumulative Book/Tax Timer Subject to Proration	Col (b) = Line 5		
18	Cumulative Book/Tax Timer Not Subject to Proration	Line 11		
19	Total Cumulative Book/Tax Timer	Line 17 + Line 18		
20	Total FY 2018 Federal NOL	C (a) = RIPUC Docket No. 4682, Reconciliation Filing, Attachment MAL-1, P 24 of 26, L20, C (g); C (b) = RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26b of 29, L20, C(h)		
21	Allocated FY 2018 Federal NOL Not Subject to Proration	(Line 18 / Line 19) * Line 20		
22	Allocated FY 2018 Federal NOL Subject to Proration	(Line 17 / Line 19) * Line 20		
23	Effective Tax Rate			
24	Deferred Tax Benefit subject to proration	Line 22 * Line 23		
25	Net Deferred Tax Reserve subject to proration	Line 7 + Line 24	(\$99,318)	(\$62,440)
	Proration Calculation			
		(h) Number of Days in Month	(i) Proration Percentage	(j) (k)
26	April 2017/2018	30	91.78%	(\$7,596) (\$4,776)
27	May 2017/2018	31	83.29%	(\$6,893) (\$4,334)
28	June 2017/2018	30	75.07%	(\$6,213) (\$3,906)
29	July 2017/2018	31	66.58%	(\$5,510) (\$3,464)
30	August 2017/2018	31	58.08%	(\$4,807) (\$3,022)
31	September 2017/2018	30	49.86%	(\$4,127) (\$2,595)
32	October 2017/2018	31	41.37%	(\$3,424) (\$2,153)
33	November 2017/2018	30	33.15%	(\$2,744) (\$1,725)
34	December 2017/2018	31	24.66%	(\$2,041) (\$1,283)
35	January 2018/2019	31	16.16%	(\$1,338) (\$841)
36	February 2018/2019	28	8.49%	(\$703) (\$442)
37	March 2018/2019	31	0.00%	\$0 \$0
38	Total	365		(\$45,396) (\$28,540)
39	Deferred Tax Without Proration	Line 25	(\$99,318)	(\$62,440)
40	Average Deferred Tax without Proration	Line 25 * 50%	(\$49,659)	(\$31,220)
41	Proration Adjustment	Line 38 - Line 40	\$4,263	\$2,680

Column Notes:

- (i) Sum of remaining days in the year (Col (h)) = 365
- (j)&(k) Current Year Line 25 + 12 * Current Month Col (i)

The Narragansett Electric Company
d/b/a National Grid
FY 2019 Revenue Requirement Reconciliation
FY 2019 Revenue Requirement on FY 2012 Actual Incremental Capital Investment

Line No.		Fiscal Year 2012 (a)	Fiscal Year 2013 (b)	Fiscal Year 2014 (c)	Fiscal Year 2015 (d)	Fiscal Year 2016 (e)	Fiscal Year 2017 (f)	Fiscal Year 2018 (g)	Fiscal Year 2019 (h)	
1	Capital Additions Allowance Non-Discretionary	(\$4,019,686)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
2	Discretionary Capital Approved Spending	\$4,163,942	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
3	Total Allowed Capital Included in Rate Base	\$144,256	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
4	Depreciable Net Capital Included in Rate Base	\$144,256	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
5	Total Allowed Capital Included in Rate Base in Current Year Retirements	\$19,938	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
6	Net Depreciable Capital Included in Rate Base	\$124,318	\$124,318	\$124,318	\$124,318	\$124,318	\$124,318	\$124,318	\$124,318	
Change in Net Capital Included in Rate Base										
7	Incremental Capital Amount	\$144,256	\$144,256	\$144,256	\$144,256	\$144,256	\$144,256	\$144,256	\$144,256	
8	Cost of Removal	(\$771,131)	(\$771,131)	(\$771,131)	(\$771,131)	(\$771,131)	(\$771,131)	(\$771,131)	(\$771,131)	
9	Total Net Plant in Service	(\$626,875)								
Deferred Tax Calculation:										
10	Composite Book Depreciation Rate	3.40%	3.40%	3.40%	3.40%	3.40%	3.40%	3.40%	3.40%	
11	Tax Depreciation	(\$654,965)	\$2,107	\$1,949	\$1,803	\$1,667	\$1,542	\$1,427	\$1,320	
12	Cumulative Tax Depreciation	(\$654,965)	(\$652,858)	(\$650,909)	(\$649,107)	(\$647,439)	(\$644,471)	(\$641,151)	(\$637,431)	
13	Book Depreciation	(\$2,113)	(\$4,227)	(\$4,227)	(\$4,227)	(\$4,227)	(\$4,227)	(\$4,227)	(\$4,227)	
14	Cumulative Book Depreciation	(\$2,113)	(\$6,340)	(\$10,567)	(\$14,794)	(\$19,021)	(\$23,247)	(\$27,474)	(\$31,701)	
15	Cumulative Book / Tax Timer	(\$652,852)	(\$648,118)	(\$643,318)	(\$637,304)	(\$631,762)	(\$626,650)	(\$621,923)	(\$617,450)	
16	Effective Tax Rate	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	
17	Deferred Tax Reserve	(\$228,498)	(\$226,281)	(\$224,120)	(\$222,009)	(\$219,947)	(\$217,927)	(\$215,949)	(\$214,004)	
18	Less: FY 2013 Federal NOL	(\$3,434,992)	(\$3,434,992)	(\$3,434,992)	(\$3,434,992)	(\$3,434,992)	(\$3,434,992)	(\$3,434,992)	(\$3,434,992)	
19	Excess Deferred Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
20	Net Deferred Tax Reserve	(\$3,663,490)	(\$3,661,274)	(\$3,659,112)	(\$3,657,002)	(\$3,654,939)	(\$3,652,920)	(\$3,651,139)	(\$3,649,974)	
Rate Base Calculation:										
21	Cumulative Incremental Capital Included in Rate Base	(\$626,875)	(\$626,875)	(\$626,875)	(\$626,875)	(\$626,875)	(\$626,875)	(\$626,875)	(\$626,875)	
22	Accumulated Depreciation	\$2,113	\$6,340	\$10,567	\$14,794	\$19,021	\$23,247	\$27,474	\$31,701	
23	Deferred Tax Reserve	\$3,663,490	\$3,661,274	\$3,659,112	\$3,657,002	\$3,654,939	\$3,652,920	\$3,651,139	\$3,649,974	
24	Year End Rate Base	\$3,038,729	\$3,040,739	\$3,042,804	\$3,044,921	\$3,047,085	\$3,049,292	\$3,051,738	\$3,054,800	
Revenue Requirement Calculation:										
25	Average ISR Rate Base after Deferred Tax Proration	\$1,519,364	\$3,039,734	\$3,041,771	\$3,043,862	\$3,046,003	\$3,048,188	\$3,050,515	\$3,053,269	
26	Proration Adjustment	\$0	\$0	\$0	\$0	\$0	\$0	\$85	\$50	
27	Average ISR Rate Base after Deferred Tax Proration	\$1,519,364	\$3,039,734	\$3,041,771	\$3,043,862	\$3,046,003	\$3,048,188	\$3,050,600	\$3,053,319	
28	Pre-Tax ROR	9.30%	9.84%	9.68%	9.68%	9.68%	9.68%	9.36%	8.41%	
29	Return and Taxes	\$141,301	\$299,110	\$294,643	\$294,646	\$294,853	\$295,065	\$285,536	\$256,784	
30	Book Depreciation	(\$2,113)	(\$4,227)	(\$4,227)	(\$4,227)	(\$4,227)	(\$4,227)	(\$4,227)	(\$4,227)	
31	Property Taxes	\$0	(\$21,523)	(\$22,710)	(\$24,344)	(\$23,626)	(\$21,108)	(\$19,457)	(\$19,146)	
32	Annual Revenue Requirement	\$139,188	\$273,360	\$267,596	\$266,075	\$267,000	\$269,730	\$261,852	\$235,411	
33	As Approved in FY 2018 RIPUC Rec Docket No. 4783							\$261,894		
34	True up for FY 2018 ISR Revenue Requirement							(\$42)		
35	Revenue Requirement for 5 months (April 1, 2018 - August 31, 2018)								\$97,255	

Line Notes

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

FY 2019 Electric ISR Revenue Requirement Reconciliation
Calculation of Tax Depreciation and Repairs Deduction on FY2012 Incremental Capital Investments

Line No.		Fiscal Year 2012 (a)	(b)	(c)	(d)
	<u>Capital Repairs Deduction</u>				
1	Plant Additions	\$144,256			
2	Capital Repairs Deduction Rate	21.05%			
3	Capital Repairs Deduction	\$30,366	1/	Line 16	\$29,184
	<u>Bonus Depreciation</u>				
4	Plant Additions	\$144,256			\$1,094
5	Less Capital Repairs Deduction	(\$30,366)			\$2,107
6	Plant Additions Net of Capital Repairs Deduction	\$113,890			\$1,949
7	Percent of Plant Eligible for Bonus Depreciation	85.00%	2/		\$1,803
8	Plant Eligible for Bonus Depreciation	\$96,807			\$1,667
9	Bonus Depreciation Rate (April 2011 - December 2011)	75.00%			\$1,542
10	Bonus Depreciation Rate (January 2012 - March 2012)	12.50%			\$1,427
11	Total Bonus Depreciation Rate	87.50%			\$1,320
12	Bonus Depreciation	\$84,706			\$1,302
	<u>Remaining Tax Depreciation</u>				
13	Plant Additions	\$144,256			\$1,302
14	Less Capital Repairs Deduction	(\$30,366)			\$1,302
15	Less Bonus Depreciation	(\$84,706)			\$1,302
	Remaining Plant Additions Subject to 20 YR MACRS Tax Depreciation	\$29,184			\$1,302
16	20 YR MACRS Tax Depreciation Rates	3.750%			\$1,302
17	Remaining Tax Depreciation	\$1,094			\$1,302
18	Cost of Removal	(\$771,131)			\$1,302
19	Total Tax Depreciation and Repairs Deduction	(\$654,965)			\$1,302
20				100.000%	\$29,184

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

The Narragansett Electric Company
d/b/a National Grid
FY 2019 Electric ISR Revenue Requirement Reconciliation
Calculation of Net Deferred Tax Reserve Proration on FY 2012 Incremental Capital Investment

Line No.			(a) FY 18	(b) FY 19
	Deferred Tax Subject to Proration			
1	Book Depreciation	C (a) = RIPUC Docket No. 4682, Reconciliation Filing, Attachment MAL-1, P 24 of 26, L1, C (h); C (b) = RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26b of 29, L1, C(j)	(\$4,227)	(\$4,227)
2	Bonus Depreciation	C (a) = RIPUC Docket No. 4682, Reconciliation Filing, Attachment MAL-1, P 24 of 26, L2, C (h); C (b) = RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26b of 29, L2, C(j)	\$0	\$0
3	Remaining MACRS Tax Depreciation	C (a) = RIPUC Docket No. 4682, Reconciliation Filing, Attachment MAL-1, P 24 of 26, L3, C (h); C (b) = RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26b of 29, L3, C(j)	(\$1,427)	(\$1,320)
4	FY18 tax (gain)/loss on retirements	C (a) = RIPUC Docket No. 4682, Reconciliation Filing, Attachment MAL-1, P 24 of 26, L4, C (h); C (b) = RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26b of 29, L4, C(j)	\$0	\$0
5	Cumulative Book / Tax Timer	Sum of Lines 1 through 4	(\$5,653)	(\$5,547)
6	Effective Tax Rate		35.00%	21.00%
7	Deferred Tax Reserve	Line 5 * Line 6	(\$1,979)	(\$1,165)
	Deferred Tax Not Subject to Proration			
8	Capital Repairs Deduction	C (a) = RIPUC Docket No. 4682, Reconciliation Filing, Attachment MAL-1, P 24 of 26, L8, C (h); C (b) = RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26b of 29, L8, C(j)		
9	Cost of Removal	C (a) = RIPUC Docket No. 4682, Reconciliation Filing, Attachment MAL-1, P 24 of 26, L9, C (h); C (b) = RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26b of 29, L9, C(j)		
10	Book/Tax Depreciation Timing Difference at 3/31/2017			
11	Cumulative Book / Tax Timer	Line 8 + Line 9 + Line 10		
12	Effective Tax Rate			
13	Deferred Tax Reserve	Line 11 * Line 12		
14	Total Deferred Tax Reserve	Line 7 + Line 13	(\$1,979)	(\$1,165)
15	Net Operating Loss	C (a) = RIPUC Docket No. 4682, Reconciliation Filing, Attachment MAL-1, P 24 of 26, L15, C (h); C (b) = RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26b of 29, L15, C(j)		
16	Net Deferred Tax Reserve	Line 14 + Line 15	(\$1,979)	(\$1,165)
	Allocation of FY 2018 Estimated Federal NOL			
17	Cumulative Book/Tax Timer Subject to Proration	Col (b) = Line 5		
18	Cumulative Book/Tax Timer Not Subject to Proration	Line 11		
19	Total Cumulative Book/Tax Timer	Line 17 + Line 18		
20	Total FY 2018 Federal NOL	C (a) = RIPUC Docket No. 4682, Reconciliation Filing, Attachment MAL-1, P 24 of 26, L20, C (h); C (b) = RIPUC Docket No. 4783, Compliance Section 5, Attachment 1, P 26b of 29, L20, C(j)		
21	Allocated FY 2018 Federal NOL Not Subject to Proration	(Line 18 / Line 19) * Line 20		
22	Allocated FY 2018 Federal NOL Subject to Proration	(Line 17 / Line 19) * Line 20		
23	Effective Tax Rate			
24	Deferred Tax Benefit subject to proration	Line 22 * Line 23		
25	Net Deferred Tax Reserve subject to proration	Line 7 + Line 24	(\$1,979)	(\$1,165)
	Proration Calculation			
		(h) Number of Days in Month	(i) Proration Percentage	(j) (k)
26	April 2017/2018	30	91.78%	(\$151) (\$89)
27	May 2017/2018	31	83.29%	(\$137) (\$81)
28	June 2017/2018	30	75.07%	(\$124) (\$73)
29	July 2017/2018	31	66.58%	(\$110) (\$65)
30	August 2017/2018	31	58.08%	(\$96) (\$56)
31	September 2017/2018	30	49.86%	(\$82) (\$48)
32	October 2017/2018	31	41.37%	(\$68) (\$40)
33	November 2017/2018	30	33.15%	(\$55) (\$32)
34	December 2017/2018	31	24.66%	(\$41) (\$24)
35	January 2018/2019	31	16.16%	(\$27) (\$16)
36	February 2018/2019	28	8.49%	(\$14) (\$8)
37	March 2018/2019	31	0.00%	\$0 \$0
38	Total	365		(\$904) (\$532)
39	Deferred Tax Without Proration	Line 25	(\$1,979)	(\$1,165)
40	Average Deferred Tax without Proration	Line 25 * 50%	(\$989)	(\$582)
41	Proration Adjustment	Line 38 - Line 40	\$85	\$50

Column Notes:
(i) Sum of remaining days in the year (Col (h)) ÷ 365
j)&(k) Current Year Line 25 ÷ 12 * Current Month Col (i)

The Narragansett Electric Company
d/b/a National Grid
FY 2019 Electric ISR Revenue Requirement Reconciliation
FY 2012 - 2014 Incremental Capital Investment Summary

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

Col (a) = FY 2012 ISR Reconciliation Filing Docket No. 4218; Col (b) = FY 2013 ISR Reconciliation Filing Docket No. 4307; Col (c) = FY 2014 ISR Reconciliation Filing Docket No. 4382

Per Company's books

Schedule MDL-3-ELEC Page 53, Docket No. 4323; Col (a) = Line Note 1(a); Col (b) = Line Note 2(b); Col (c) = Line Note 3(c)

Line 1 + Line 1a - Line 2

Col (a) = FY 2012 ISR Reconciliation Filing Docket No. 4218; Col (b) = FY 2013 Reconciliation Filing Docket No. 4307; Col (c) = FY 2014 ISR Reconciliation Filing Docket No. 4382

Per Company's books

Workpaper MDL-19-ELEC Page 2, Docket No. 4323; Col (a) = Line Note 1(a); Col (b) = Line Note 2(b); Line Note 3(e)

Line 4 + Line 4a - Line 5

Col (a) = FY 2012 ISR Reconciliation Filing Docket No. 4218; Col (b) = FY 2013 ISR Reconciliation Filing Docket No. 4307; Col (c) = FY 2014 ISR Reconciliation Filing Docket No. 4382

Col (a) = FY 2012 ISR Proposal Filing Docket No. 4218; Col (b) = FY 2013 ISR Proposal Filing Docket No. 4307; Col (c) = Line 2 (c) * 17.44% Retirement rate per Docket 4323 (Workpaper MDL-19-ELEC Page 3)

Line 7 - Line 8

The Narragansett Electric Company
d/b/a National Grid
FY 2019 Capital Investment

Line No.	<u>Discretionary Capital</u>		<u>Actual FY 2019</u> (a)
	Cumulative FY 2018 Discretionary Capital ADDITIONS	Docket No. 4682 FY18 Reconciliation, Attachment MAL-1, Page 17 of 26, Line 3	\$262,676,263
1			
2	FY 2019 Discretionary Capital ADDITIONS	Attachment PCE-1, Page 3, Table 1	\$71,059,402
3	Cumulative Actual Discretionary Capital Additions	Line 1 + Line 2	<u>\$333,735,665</u>
	Cumulative FY 2018 Discretionary Capital SPENDING	Docket No. 4682 FY18 Reconciliation, Attachment MAL-1, Page 17 of 26, Line 6	\$308,569,636
4			
5	FY 2019 Discretionary Capital SPENDING	Attachment PCE-1, Page 5, Table 3	\$73,084,909
6	Cumulative Actual Discretionary Capital Spending	Line 4 + Line 5	<u>\$381,654,545</u>
	Cumulative FY 2018 Approved Discretionary Capital SPENDING	Docket No. 4682 FY18 Reconciliation, Attachment MAL-1, Page 17 of 26, Line 9	\$294,123,536
7			
8	FY 2019 Approved Discretionary Capital SPENDING	Attachment PCE-1, Page 5, Table 3	\$70,088,000
9	Cumulative Actual Approved Discretionary Capital Spending	Line 7 + Line 8	<u>\$364,211,536</u>
	Cumulative Allowed Discretionary Capital Included in Rate Base	Lesser of Line 3, Line 6, or Line 9	\$333,735,665
10			
	Prior Year Cumulative Allowed Discretionary Capital Included in Rate Base	Docket No. 4682 FY18 Reconciliation, Attachment MAL-1, Page 17 of 26, Line 10	\$262,676,263
11			
12	Total Allowed Discretionary Capital Included in Rate Base Current Year	Line 10 - Line 11	\$71,059,402
	Intangible Asset included in Total Allowed Discretionary Capital	Page 5 of 38, Line 5, Column (c)	\$3,460,626
13			
14	Total Allowed Discretionary Capital Included in non-Intangible Rate Base Current Year	Line 12 - Line 13	<u>\$67,598,776</u>

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

Line	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
	RY End	ISR Additions	Non-ISR Adds	Total Adds	Bk Depr (I)	Retirements	COR	End of FY 2014
1	\$1,358,470	\$9,275	\$1,885	\$11,160		\$550		\$1,370,180
2	\$611,570				\$7,498	\$550	(\$828)	\$618,789
3	\$746,900							\$751,391
4	\$29,743							\$27,502
5	3.98%							3.66%
Effective Tax Rate Calculation								
6	End of FY 2014	ISR Additions	Non-ISR Adds	Total Adds	Bk Depr (I)	Retirements	COR	End of FY 2015
7	\$1,370,180	\$76,340	\$33	\$76,374		(\$18,011)		\$1,428,543
8	\$618,789				\$46,376	(\$6,988)		\$640,166
9	\$751,391							\$788,377
10	\$27,502							\$32,549
	3.66%							4.13%
Effective Tax Rate Calculation								
11	End of FY 2015	ISR Additions	Non-ISR Adds	Total Adds	Bk Depr (I)	Retirements	COR	End of FY 2016
12	\$1,428,543	\$72,003	\$7,636	\$79,639		(\$29,506)		\$1,478,677
13	\$640,166				\$48,221	(\$29,506)	(\$8,193)	\$650,689
14	\$788,377							\$827,988
15	\$32,549							\$31,580
	4.13%							3.81%
Property Tax Recovery Calculation								
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
								Cumulative Incom. ISR Prop. Tax for FY15
								Cumulative Incom. ISR Prop. Tax for FY16
16	ISR Additions	\$9,275				\$76,340		72,003
17	Book Depreciation: base allowance on ISR eligible plant	(\$7,173)				(\$43,032)		(43,032)
18	Book Depreciation: current year ISR additions	(\$324)				(\$1,031)		(740)
19	COR	\$828				\$6,988		8,193
20	Net Plant Additions	\$2,605				\$39,266		36,425
21	RY Effective Tax Rate	3.98%				3.98%		3.98%
22	ISR Property Tax Recovery on FY 2014 vintage investment		\$104			\$102		89
23	ISR Property Tax Recovery on FY 2015 vintage investment					\$1,564		1,524
24	ISR Property Tax Recovery on FY 2016 vintage investment							1,451
25	ISR Year Effective Tax Rate	3.66%			4.13%			3.81%
26	RY Effective Tax Rate	3.98%			3.98%			3.98%
27	RY Effective Tax Rate 2 mos for FY 2014	-0.32%			0.15%			-0.17%
28	RY Net Plant times 2 mo rate	-0.05%						
29	FY 2014 Net Adds times ISR Year Effective Tax rate	\$2,605	(\$401)		\$746,900 * 0.15%	\$1,094		746,900 * -0.17%
30	FY 2015 Net Adds times ISR Year Effective Tax rate		(\$8)		\$2,568 * 0.15%	\$4		2,234 * -0.17%
31	FY 2016 Net Adds times ISR Year Effective Tax rate				\$39,266 * 0.15%	\$58		38,274 * -0.17%
32	Total Property Tax due to rate differential		(\$409)			\$1,155		36,425 * -0.17%
33	Total ISR Property Tax Recovery		(\$306)			\$2,821		1,740
34	As Approved in RIPUC Docket No. 4682		0			\$2,590		1,193
35	New Adjustment		0			231		546
36	As Approved in RIPUC Docket No. 4539					\$2,590		1,192
	Work Order Write Off Adjustment in 4786		(2)			(0)		2

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

	(a)	(b)	(c)
Property Tax Recovery Calculation			
Cumulative Incom. ISR Prop. Tax for FY2019			
			7 months
ISR Additions	\$36,400		
Book Depreciation: base allowance on ISR eligible plant	\$0		
Book Depreciation: current year ISR additions	(\$999)		
COR	\$101		
Net Plant Additions	\$35,502		
RY Effective Tax Rate	3.28%		\$352
ISR Property Tax Recovery on FY 2018 Net Incremental	1.91%		\$679
ISR Property Tax Recovery on FY 2019 Net Incremental			
ISR Property Tax Recovery on FY 2020 Net Incremental			
ISR Property Tax Recovery on FY 2021 vintage investment			
ISR Year Effective Tax Rate	3.23%		
RY Effective Tax Rate	3.28%		
RY Effective Tax Rate 7 mos for FY 2019	-0.05%		
RY Net Plant times Rate Difference	* -0.03%		(\$279)
FY 2018 Net Incremental times 7 mo rate difference	* -0.03%		(86)
FY 2019 Net Incremental times 7 mo rate difference	* -0.03%		(\$11)
FY 2020 Net Incremental times rate difference			
FY 2021 Net Adds times rate difference			
Total Property Tax due to rate differential			(\$295)
Total ISR Property Tax Recovery			\$736

Column Notes

(f) Lines 6, 11 and 37 revised based on PowerPlan report
(g) Lines 6, 7, 11, 12, 37, 38, 42 and 43 revised based on PowerPlan report
(h),(i),(j)&(k) Lines 6 through 15 and Lines 37 through 46. Recalculated based on the revised (c) and (f)

Column Notes	Line Notes
16(a)-25(a)	Per RY cost of service in Compliance filing Attachment 2 at Docket No. 4323
16(b)-5(b)	Per FY 2017 Electric ISR Compliance Filing per Docket 4592
6-15	Column (b) and (g), as in FY 2018 Electric ISR Reconciliation Filing Docket 4682
16(a)-32(k)	Recalculated based on updated Column (e), (f), and (h)
33, 35 & 36	As approved in FY 2018 ISR Reconciliation RIPUC Docket No. 4682
34	Line 32 - Line 33
37-46	Column (b) and (g), as in FY 2018 Electric ISR Reconciliation Filing Docket 4682
47(a)	Line 42(b)
47(b)	Page 3 of 38, Line 1+Page 5 of 38, Line 5(e)
47(c)	Per Company's books
47(d)	Line 47(b) + Line 47(e)
47(e)	Page 2 of 38, Line 5
47(f)	Line 47(e) + Line 47(d) + Line 47(f)
47(g)	Per Line 43(h)
48(a)	(Docket 4323 RY depr allowance of \$44,986 + (L 11(d)-(1)) * comp depr rate of 3.40% + (L 6(d)+(6)) * comp depr rate of 3.40% + (L 11(d)-(1)) * comp depr rate of 3.40% + (L 37(d)-(7)) * comp depr rate of 3.40% + (L 42(d)+(42)) * comp depr rate of 3.40% + (L 47(g) -47(f)) * comp depr rate of 3.40% -50%)*5-12+(Docket 4770 RY depr allowance of \$50,128 + Att MAL-2, Page 2, Line 6-comp depr rate of 3.16% + Att MAL-2, Page 4, Line 6-comp depr rate of 3.16% -50%)*7-12
48(e)	66(f) - 72(f)
48(f)	Sum of Lines 58(k) through 72(k)
62(k)	Line 58(j) x Line 72(f)
63(k)	Line 58(j) x Line 73(f)
64(f)	Line 5(a)
64(g)	Line 63(f) - Line 64(f)
65(f)	Line 64(f) x 5 + 12
66(f)	Line 3(a)
67(f)	Line 67(e) - (Line 16(b)+Line 1(f))*3.40%
68(f)	Line 68(e) - (Line 16(f)+Line 6(f))*3.40%
69(f)	Line 69(e) - (Line 16(g)+Line 11(f))*3.40%
70(f)	Line 70(e) - (Line 52(b)+Line 37(f))*3.40%
72(f)	Line 56(f)
73(f)	Line 65(f)
66(k)-72(k)	Lines 66 through 72, Col (f) x 65(f)
73(k)	Sum of Lines 66(k) through 72(k)
74(k)	Sum of Lines 58(k) through 63(k) + Line 73(k)
75	As in FY 2018 ISR Reconciliation Docket No. 4682
76	Line 74 - Line 75
77(a)-96(e)	Attachment MAL-2, Page 13 of 15, Line 31(a), ~ Line 50(g)

The Narragansett Electric Company
d/b/a National Grid
FY 2019 Electric ISR Revenue Requirement Reconciliation
Deferred Income Tax ("DIT") Provisions and Net Operating Losses ("NOL")

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2012	CY 2012	Jan-2013	Feb 13 - Jan 14	FY 2016	FY 2017	FY 2018	FY 2019
1	Total Base Rate Plant DIT Provision								\$15,856,458	\$5,546,827	\$521,151	(\$1,967,911)				
2	Total Base Rate Plant DIT Provision								\$13,279,050	\$4,353,286	(\$1,639,926)	\$0	\$0	\$0	\$0	\$0
3	Incremental FY 12	(\$228,498)	(\$226,281)	(\$224,120)	(\$222,009)	(\$219,947)	(\$216,147)	(\$214,982)	(\$228,498)	\$2,217	\$2,161	\$2,110	\$2,063	\$2,019	\$1,781	\$1,165
4	Incremental FY 13		(\$1,937,607)	(\$1,957,316)	(\$1,957,316)	(\$1,863,117)	(\$1,773,731)	(\$1,711,291)					\$88,649	\$94,199	\$89,386	\$62,440
5	Incremental FY 14		\$2,763,058	\$2,439,963	\$2,329,465	\$2,329,465	\$2,223,804	\$2,149,544				(\$220,036)	(\$103,059)	(\$110,498)	(\$105,661)	(\$74,261)
6	FY 2015			\$24,814,134	\$24,778,689	\$24,700,516	\$24,619,774	\$24,543,022				\$24,793,846	\$20,288	(\$33,445)	(\$78,172)	(\$80,742)
7	FY 2016			\$20,940,288	\$21,076,521	\$19,446,841	\$19,491,297	\$20,137,024				\$20,940,288	\$19,328,456	\$19,328,456	\$118,386	\$44,456
8	FY 2017					\$19,328,456	\$20,066,387	\$20,137,024								\$70,637
9	FY 2018															
10	TOTAL Plant DIT Provision	(\$228,498)	(\$2,239,403)	\$601,331	\$25,068,893	\$46,017,122	\$65,432,086	\$85,602,607	\$13,050,552	\$2,342,381	\$1,200,808	\$24,467,561	\$20,948,229	\$19,414,964	\$20,170,521	\$9,293,736
11	Distribution-related NOL															
12	Lesser of Distribution-related NOL or DIT Provision								\$3,434,992	\$8,552,548	\$13,179,356	\$8,148,936	\$10,693,796	\$0	\$2,998,499	(\$8,197,241)
13	Total NOL								\$3,434,992	\$2,342,381	\$1,200,808	\$8,148,936	\$10,693,796	\$0	\$2,998,499	(\$8,197,241)
14	NOL recovered in transmission rates								\$4,310,461	\$11,442,811	\$19,452,677	\$12,108,052	\$16,267,471	\$0	\$4,571,409	(\$12,460,450)
15	Distribution-related NOL								\$875,468	\$2,890,262	\$6,273,521	\$3,959,116	\$5,573,675	\$0	\$1,572,911	(\$4,263,209)
16	Per Dk 4323 Compliance filing Attachment 1, Page 64 of 71, Line 19(e) less Line 19(e)								\$3,434,992	\$8,552,548	\$13,179,356	\$8,148,936	\$10,693,796	\$0	\$2,998,499	(\$8,197,241)
17	10)-1(k) Per Dk 4323 Compliance filing Attachment 1, Page 70 of 71, Lines 32, 42, and 48															
18	3(a)-9(g) ADIT per vintage year ISR revenue requirement calculations															
19	3(b)-9(b) Year over year change in ADIT shown in Cols (a) through (e)															
20	Sum of Lines 2 through 9															
21	Line 15															
22	Lesser of Line 10 or 11															
23	Per Tax Department															
24	Quarterly average transmission plant allocator per Integrated Facilities Agreement (IFA) * Line 13															
25	Line 13 - Line 14															

The Narragansett Electric Company
d/b/a National Grid
FY 2019 Electric ISR Revenue Requirement Reconciliation
True-Up for FY 2012 through FY 2016 Transmission - Related Net Operating Losses ("NOL")

	(a)	(b)	(c)		(d)	(e)
	FY 2012	FY 2013	Revenue Requirement Year		FY 2015	FY 2016
			FY 2014			
1 Return on Rate Base	9.30%	9.84%	9.68%	9.68%	9.68%	9.68%
			Vintage Capital Investment Year			
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	
2 Lesser of total NOL or DIT Provision (as previously filed)	\$ 4,310,461	\$ 2,342,381	\$ 1,200,808	\$ 12,108,052	\$ 10,200,749	
3 Lesser of Distribution-related NOL or DIT Provision	\$ 3,434,992	\$ 2,342,381	\$ 1,200,808	\$ 8,148,936	\$ 10,693,796	
4 Transmission-related NOL adjustment	\$ (875,469)	\$ 0	\$ 0	\$ (3,959,116)	\$ 493,047	

Revenue Requirement Increase due to NOL

	Revenue Requirement Year					FY 2016
	FY 2012	FY 2013	FY 2014	FY 2015		
Vintage Capital Investment Year						
5 FY 2012	\$ (40,709)	\$ (86,146)	\$ (84,745)	\$ (84,745)	\$ (84,745)	(84,745)
6 FY 2013	\$ -	\$ 0	\$ 0	\$ 0	\$ 0	0
7 FY 2014	\$ -	\$ -	\$ 0	\$ 0	\$ 0	0
8 FY 2015	\$ -	\$ -	\$ -	\$ (191,621)	\$ (191,621)	(383,242)
9 FY 2016	\$ -	\$ -	\$ -	\$ -	\$ -	23,863
10 TOTAL	\$ (40,709)	\$ (86,146)	\$ (84,745)	\$ (276,367)	\$ (276,367)	(444,124)
11 Total FY 2012 through FY 2016 revenue requirement impact					\$	(932,091)

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

**The Narragansett Electric Company
d/b/a National Grid
FY 2019 Electric ISR Revenue Requirement Reconciliation
True-Up for FY 2013 through FY 2016 Work Order Write Off Adjustment**

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

Revenue Requirement Decrease due to Work Order Write Off Adjustment

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

Total FY 2013 through FY 2016 revenue requirement impact

\$ (560,347)

- 1 Per Docket No. 4539
- 2 Per FY 2013 through FY 2016 Total Net Plant in Service reflected in the vintage year revenue requirement calculations
- 3 Line 2 - Line 1
- 4 Col (a) through Col (d) = Page 23 of 38, Line 40
- 5 Col (a) through Col (d) = Page 20 of 38, Line 38
- 6 Col (a) through Col (d) = Page 17 of 38, Line 40
- 7 Col (a) through Col (d) = Page 14 of 38, Line 39
- 8 Sum of Lines 4 through 7
- 9 Line 8(a) + Line 8(b) + Line 8(c)

**The Narragansett Electric Company
d/b/a National Grid
FY 2019 Electric ISR Revenue Requirement Reconciliation
Excess Deferred Taxes**

Line No.	Vintage Year	Cumulative Book	Cumulative Book	Difference (c) = (b)-(a)	Pro-Rated Change as of 12/31/17 (d)= (c) * 75%	Cumulative Timing	Excess Deferred
		Tax Timing Difference at 3/31/17 (a)	Tax Timing Difference at 3/31/18 (b)			Difference through 12/31/17 (e) = (a) + (d)	Taxes at 12/31/17 (f) = (e) * 14%
1	2012	(\$622,650)	(\$616,996)	\$5,653	\$4,240	(\$618,410)	(\$86,577)
2	2013	(\$5,323,191)	(\$5,039,425)	\$283,766	\$212,824	(\$5,110,367)	(\$715,451)
3	2014	\$6,655,614	\$6,320,184	(\$335,430)	(\$251,573)	\$6,404,042	\$896,566
4	2015	\$70,796,254	\$70,548,087	(\$248,166)	(\$186,125)	\$70,610,129	\$9,885,418
5	2016	\$60,218,631	\$60,467,565	\$248,935	\$186,701	\$60,405,332	\$8,456,746
6	2017	\$55,224,159	\$55,599,986	\$375,827	\$281,870	\$55,506,029	\$7,770,844
7	2018	\$0	\$63,702,816	\$63,702,816	\$47,777,112	\$47,777,112	\$6,688,796

Line Notes

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

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

Line
No.

1	Weighted Average Cost of Capital as approved in R.I.P.U.C. Docket No. 4065				
2		(a)	(b)	(c)	(d)
3		Ratio	Rate	Weighted Rate	Taxes
4	Long Term Debt	52.08%	5.30%	2.76%	
5	Short Term Debt	4.98%	1.60%	0.08%	
6	Preferred Stock	0.19%	4.50%	0.01%	
7	Common Equity	42.75%	9.80%	4.19%	2.26%
8		100.00%		7.04%	2.26%
9					9.30%
10	Weighted Average Cost of Capital as approved in R.I.P.U.C. Docket No. 4065 (Settlement)				
11		Ratio	Rate	Weighted Rate	Taxes
12	Long Term Debt	46.05%	5.30%	2.44%	
13	Short Term Debt	4.98%	1.60%	0.08%	
14	Preferred Stock	0.19%	4.50%	0.01%	
15	Common Equity	48.78%	9.80%	4.78%	2.57%
16		100.00%		7.31%	2.57%
17					9.88%
18	Weighted Average Cost of Capital as approved in R.I.P.U.C. Docket No. 4323				
19		Ratio	Rate	Weighted Rate	Taxes
20	Long Term Debt	49.95%	4.96%	2.48%	
21	Short Term Debt	0.76%	0.79%	0.01%	
22	Preferred Stock	0.15%	4.50%	0.01%	
23	Common Equity	49.14%	9.50%	4.67%	2.51%
24		100.00%		7.17%	2.51%
25					9.68%
26		Tax-Effectuated		Blended Tax-Effectuated	
27	R.I.P.U.C. Docket No. 4065	Weighted Cost	Apr 12 - Jan 13	Weighted Cost	
28	R.I.P.U.C. Docket No. 4323	9.88%	Feb 13 - Mar 13	8.23%	
29		9.68%		1.61%	
30				9.84%	
31	Weighted Average Cost of Capital as approved in R.I.P.U.C. Docket No. 4323 at 35% income tax rate				
32		(a)	(b)	(c)	(d)
33		Ratio	Rate	Weighted Rate	Taxes
34	Long Term Debt	49.95%	4.96%	2.48%	
35	Short Term Debt	0.76%	0.79%	0.01%	
36	Preferred Stock	0.15%	4.50%	0.01%	
37	Common Equity	49.14%	9.50%	4.67%	2.51%
38		100.00%		7.17%	2.51%
39					9.68%
40	(d) - Column (c) x 35% divided by (1 - 35%)				
41					
42	Weighted Average Cost of Capital as approved in R.I.P.U.C. Docket No. 4323 at 21% income tax rate				
43		Ratio	Rate	Weighted Rate	Taxes
44	Long Term Debt	49.95%	4.96%	2.48%	
45	Short Term Debt	0.76%	0.79%	0.01%	
46	Preferred Stock	0.15%	4.50%	0.01%	
47	Common Equity	49.14%	9.50%	4.67%	1.24%
48		100.00%		7.17%	1.24%
49					8.41%
50	(d) - Column (c) x 21% divided by (1 - 21%)				
51					
52				FY18 Blended Rate	9.36%
53				Line 17(e) x 75% + Line 27(e) x 25%	

**THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
RIPUC DOCKET NO. 4783
FY 2019 ELECTRIC INFRASTRUCTURE, SAFETY, AND RELIABILITY PLAN
ANNUAL RECONCILIATION FILING
WITNESS: MELISSA A. LITTLE**

Attachment MAL-2

FY 2019 Electric Infrastructure, Safety and Reliability Plan Revenue Requirement
Calculation: the seven-month period September 1, 2018 through March 31, 2019

The Narragansett Electric Company
d/b/a National Grid
FY 2019 Electric ISR Revenue Requirement Reconciliation
Annual Revenue Requirement Summary for 7 months (Sep 1, 2018 - Mar 31, 2019)

Line No.	Approved Fiscal Year 2019 (a)	Actual Sep ~ Mar FY2019 (b)
<u>Operation and Maintenance (O&M) Expenses:</u>		
1	\$5,716,667	\$5,680,943
2	\$505,750	\$351,787
3	\$156,917	\$73,908
4	(\$95,520)	
5	\$6,283,813	\$6,106,639
<u>Capital Investment:</u>		
6		
7		\$1,279,892
8		\$1,360,810
9		
10	\$0	\$2,640,703
11		\$735,761
12	\$0	\$3,376,464
13	\$6,283,813	\$9,483,103
14		\$3,199,290

Column Notes:

- (a) Lines 1 through 5 as Approved per RIPUC Docket No. 4783, ×7÷12
- (a) Lines 6 through 10, pursuant to the Settlement Agreement filed in RIPUC Docket No. 4770, the Capital component of the FY 2019 ISR rate will be reduced to zero coincident with the effective date of new distribution base rates.

Line Notes:

- 1 Attachment PCE-1, Page 15, Table 11, ×7÷12
- 2 Attachment PCE-1, Page 16, Table 12, ×7÷12
- 3 Attachment PCE-1, Page 16, Table 12, ×7÷12
- 5 Sum of Lines 1 through 4
- 7 Page 2 of 15, Line 35
- 8 Page 4 of 15 Line 36
- 10 Sum of Lines 6 through 9
- 11 Page 12 of 15, Line 50(c) x 1000
- 12 Sum of Lines 10 through 11
- 13 Line 5 + Line 12
- 14 Col (b)= Line 14 Col (b)-Col (a)

The Narragansett Electric Company
d/b/a National Grid
FY 2019 Electric ISR Revenue Requirement Reconciliation
FY 2020 Revenue Requirement on FY 2018 Actual Incremental Capital Investment

Line No.			Fiscal Year 2018 (a)	Fiscal Year 2019 (b)
<u>Capital Investment Allowance</u>				
1	Non-Discretionary Capital		\$3,178,398	\$0
2	Discretionary Capital Lesser of Actual Cumulative Non-Discretionary Capital Additions or Spending, or Approved Spending		\$14,638,256	\$0
3	Total Allowed Capital Included in Rate Base	Page 8 of 15, Line 4	\$17,816,654	\$0
<u>Depreciable Net Capital Included in Rate Base</u>				
4	Total Allowed Capital Included in Rate Base in Current Year	Line 3	\$17,816,654	\$0
5	Retirements	Page 8 of 15, Line 10, Col (a)	(\$5,245,072)	\$0
6	Net Depreciable Capital Included in Rate Base	Year 1 = Line 4 - Line 5; then = Prior Year Line 6	\$23,061,726	\$23,061,726
<u>Change in Net Capital Included in Rate Base</u>				
7	Capital Included in Rate Base	Line 3	\$17,816,654	\$0
8	Depreciation Expense		\$0	\$0
9	Incremental Capital Amount	Year 1 = Line 7 - Line 8; then = Prior Year Line 9	\$17,816,654	\$17,816,654
10	Cost of Removal	Page 8 of 15, Line 7, Col (a)	\$1,719,991	\$1,719,991
11	Total Net Plant in Service	Line 9 + Line 10	\$19,536,645	\$19,536,645
<u>Deferred Tax Calculation:</u>				
12	Composite Book Depreciation Rate	As approved per RIPUC Docket No. 4323 and Docket No. 4770	1/ 3.40%	3.26%
13	Vintage Year Tax Depreciation:			
14	2018 Spend	Year 1 = Page 3 of 15, Line 23; then = Page 3 of 15, Column (d)	\$13,898,861	\$571,028
15	Cumulative Tax Depreciation	Year 1 = Line 14; then = Prior Year Line 15 + Current Year Line 14	\$13,898,861	\$14,469,889
16	Book Depreciation	Year 1 = Line 6 * Line 12 * 50%; then = Line 6 * Line 12	\$392,049	\$751,812
17	Cumulative Book Depreciation	Year 1 = Line 16; then = Prior Year Line 17 + Current Year Line 16	\$392,049	\$1,143,862
18	Cumulative Book / Tax Timer	Line 15 - Line 17	\$13,506,812	\$13,326,028
19	Effective Tax Rate		2/ 21.00%	21.00%
20	Deferred Tax Reserve	Line 18 * Line 19	\$2,836,430	\$2,798,466
21	Less: FY 2018 Federal NOL	- Page 14 of 15, Line 8, Col (c)	(\$2,998,499)	(\$2,998,499)
22	Excess Deferred Tax	(Line 18 * 31.55% blended FY 18 tax rate) - Line 20	\$1,424,969	\$1,424,969
23	Net Deferred Tax Reserve before Proration Adjustment	Sum of Lines 20 through 22	\$1,262,901	\$1,224,936
<u>Rate Base Calculation:</u>				
24	Cumulative Incremental Capital Included in Rate Base	Line 11	\$19,536,645	\$19,536,645
25	Accumulated Depreciation	-Line 17	(\$392,049)	(\$1,143,862)
26	Deferred Tax Reserve	-Line 23	(\$1,262,901)	(\$1,224,936)
27	Year End Rate Base before Deferred Tax Proration	Sum of Lines 24 through 26	\$17,881,695	\$17,167,848
<u>Revenue Requirement Calculation:</u>				
28	Average Rate Base before Deferred Tax Proration Adjustment	Year 1 = Current Year Line 27 ÷ 2; then Average of (Prior + Current Year Line 27)		\$17,524,772
29	Proration Adjustment			\$0
30	Average ISR Rate Base after Deferred Tax Proration	Line 28 + Line 29		\$17,524,772
31	Pre-Tax ROR	Page 15 of 15, Line 36		8.23%
32	Return and Taxes	Line 30 * Line 31		\$1,442,289
33	Book Depreciation	Line 16		\$751,812
34	Annual Revenue Requirement	Line 32 + Line 33	N/A	\$2,194,101
35	Revenue Requirement for 7 months (Sep 1, 2018 - Mar 31, 2019)	Line 34 x 7/12		\$1,279,892

1/ 3.4%, Composite Book Depreciation Rate approved per RIPUC Docket No. 4323, in effect until Aug 31, 2018
3.16%, Composite Book Depreciation Rate for ISR plant, approved per RIPUC Docket No. 4770, effective on Sep 1, 2018, per Page 12 of 18
FY 19 Composite Book Depreciation Rate = 3.4% x 5 / 12 + 3.16% x 7 / 12
2/ The Federal Income Tax rate changed from 35% to 21% on January 1, 2018 per the Tax Cuts and Jobs Act of 2017

The Narragansett Electric Company
d/b/a National Grid
FY 2019 Electric ISR Revenue Requirement Reconciliation
Calculation of Tax Depreciation and Repairs Deduction on FY 2018 Incremental Capital Investments

Line No.		Fiscal Year 2018 (a)	(b)	(c)	(d)	(e)
	<u>Capital Repairs Deduction</u>					
1	Plant Additions	\$17,816,654				
2	Capital Repairs Deduction Rate	9.00%				
3	Capital Repairs Deduction	\$1,603,499				
	<u>Bonus Depreciation</u>					
4	Plant Additions	\$17,816,654				
5	Less Capital Repairs Deduction	(\$1,603,499)				
6	Plant Additions Net of Capital Repairs Deduction	\$16,213,155				
7	Percent of Plant Eligible for Bonus Depreciation	100.00%				
8	Plant Eligible for Bonus Depreciation	\$16,213,155				
9	Bonus depreciation 100% category	16.38%	2/			
10	Bonus depreciation 50% category	17.14%	2/			
11	Bonus depreciation 40% category	17.69%	2/			
12	Bonus depreciation 0% category	0.00%	2/			
13	Total Bonus Depreciation Rate	51.21%				
14	Bonus Depreciation	\$8,303,081				
	<u>Remaining Tax Depreciation</u>					
15	Plant Additions	\$17,816,654				
16	Less Capital Repairs Deduction	\$1,603,499				
17	Less Bonus Depreciation	\$8,303,081				
18	Remaining Plant Additions Subject to 20 YR MACRS Tax Depreciation	\$7,910,074				
19	20 YR MACRS Tax Depreciation Rates	3.750%				
20	Remaining Tax Depreciation	\$296,628				
21	FY18 Loss incurred due to retirements	\$1,975,662	3/			
22	Cost of Removal	\$1,719,991				
23	Total Tax Depreciation and Repairs Deduction	\$13,898,861				

MACRS basis:	Fiscal Year	Line 18	Annual MACRS	20 Year MACRS Depreciation	Cumulative Tax Depr
2018	2018	3.750%	\$296,628	\$7,910,074	\$13,898,861
2019	2019	7.219%	\$571,028		\$14,469,889
2020	2020	6.677%	\$528,156		\$14,998,045
2021	2021	6.177%	\$488,605		\$15,486,650
2022	2022	5.713%	\$451,903		\$15,938,553
2023	2023	5.285%	\$418,047		\$16,356,600
2024	2024	4.888%	\$386,644		\$16,743,245
2025	2025	4.522%	\$357,694		\$17,100,938
2026	2026	4.462%	\$352,948		\$17,453,886
2027	2027	4.461%	\$352,868		\$17,806,754
2028	2028	4.462%	\$352,948		\$18,159,702
2029	2029	4.461%	\$352,868		\$18,512,570
2030	2030	4.462%	\$352,948		\$18,865,518
2031	2031	4.461%	\$352,868		\$19,218,386
2032	2032	4.462%	\$352,948		\$19,571,334
2033	2033	4.461%	\$352,868		\$19,924,202
2034	2034	4.462%	\$352,948		\$20,277,149
2035	2035	4.461%	\$352,868		\$20,630,018
2036	2036	4.462%	\$352,948		\$20,982,965
2037	2037	4.461%	\$352,868		\$21,335,834
2038	2038	2.231%	\$176,474		\$21,512,308
		100.00%	\$7,910,074		

1/ Capital Repairs percentage is based on the actual results of the FY 2018 tax return.
2/ Percent of Plant Eligible for Bonus Depreciation is the actual result of FY2018 tax return
3/ Actual Loss for FY2018

The Narragansett Electric Company
d/b/a National Grid
FY 2019 Electric ISR Revenue Requirement Reconciliation
FY 2020 Revenue Requirement on FY 2019 Forecasted Incremental Capital Investment

Line No.			Fiscal Year 2019 (a)
<u>Capital Investment Allowance</u>			
1	Non-Discretionary Capital		\$7,452,659
2	Discretionary Capital Lesser of Actual Cumulative Non-Discretionary Capital Additions or Spending, or Approved Spending		<u>\$25,486,776</u>
3	Total Allowed Capital Included in Rate Base (non-intangible)	Page 8 of 15, Line 4	\$32,939,435
<u>Depreciable Net Capital Included in Rate Base</u>			
4	Total Allowed Capital Included in Rate Base in Current Year	Line 3	\$32,939,435
5	Retirements	Page 8 of 15, Line 10, Col (b)	<u>(\$10,649,479)</u>
6	Net Depreciable Capital Included in Rate Base	Column (a) = Line 4 - Line 5; Column (b) = Prior Year Line 6	<u>\$43,588,914</u>
<u>Change in Net Capital Included in Rate Base</u>			
7	Capital Included in Rate Base	Line 3	\$32,939,435
8	Depreciation Expense		<u>\$0</u>
9	Incremental Capital Amount	Column (a) = Line 7 - Line 8; Column (b) = Prior Year Line 9	\$32,939,435
10	Cost of Removal	Page 8 of 15, Line 7, Col (b)	\$101,073
11	Total Net Plant in Service	Line 9 + Line 10	<u>\$33,040,508</u>
<u>Deferred Tax Calculation:</u>			
12	Composite Book Depreciation Rate	As approved per RIPUC Docket No. 4323 and Docket No. 4770 1/	3.26%
13	Vintage Year Tax Depreciation:		
14	2019 Spend	Page 5 of 15, Line 22	\$14,048,780
15	Cumulative Tax Depreciation	Prior Year Line 15 + Current Year Line 14	\$14,048,780
16	Book Depreciation	Column (a) = Line 6 * Line 12 * 50%; Column (b) = Line 6 * Line 12	\$710,499
17	Cumulative Book Depreciation	Prior Year Line 17 + Current Year Line 16	\$710,499
18	Cumulative Book / Tax Timer	Line 15 - Line 17	\$13,338,281
19	Effective Tax Rate		<u>21.00%</u>
20	Deferred Tax Reserve	Line 18 * Line 19	\$2,801,039
21	Add: FY 2019 Federal NOL incremental utilization	Page 8 of 15, Line 15, Col (b)	<u>\$8,197,241</u>
22	Net Deferred Tax Reserve before Proration Adjustment	Sum of Lines 20 through 21	<u>\$10,998,280</u>
<u>Rate Base Calculation:</u>			
23	Cumulative Incremental Capital Included in Rate Base	Line 11	\$33,040,508
24	Accumulated Depreciation	-Line 17	(\$710,499)
25	Deferred Tax Reserve	-Line 22	<u>(\$10,998,280)</u>
26	Year End Rate Base before Deferred Tax Proration	Sum of Lines 23 through 25	<u>\$21,331,729</u>
<u>Revenue Requirement Calculation:</u>			
27	Average Rate Base before Deferred Tax Proration Adjustment	Column (a) = Current Year Line 26 ÷ 2; Column (b) & forward = (Prior Year Line 26 + Current Year Line 26) ÷ 2	\$10,665,865
28	Proration Adjustment	Page 7 of 18, Line 41(j)	<u>\$0</u>
29	Average ISR Rate Base after Deferred Tax Proration	Line 27 + Line 28	\$10,665,865
30	Pre-Tax ROR	Year 1 = Page 15 of 15, Line 34; then = Page 15 of 15, Line 36	<u>8.23%</u>
31	Return and Taxes	Line 29 * Line 30	\$877,801
32	Book Depreciation	Line 16	\$710,499
33	Annual Revenue Requirement	Line 31 + Line 32	\$1,588,300
34	Revenue Requirement of Plant for 7 months (Sep 1, 2018 - Mar 31, 2019)	Line 33 x 7/12	\$926,508
35	Revenue Requirement of Intangible for 7 months (Sep 1, 2018 - Mar 31, 2019)	Page 6 of 15, Line 30, Column (c)	\$434,302
36	Revenue Requirement for 7 months (Sep 1, 2018 - Mar 31, 2019)	Line 34 + Line 35	<u>\$1,360,810</u>

1/ 3.4%, Composite Book Depreciation Rate approved per RIPUC Docket No. 4323, in effect until Aug 31, 2018
3.16%, Composite Book Depreciation Rate for ISR plant, approved per RIPUC Docket No. 4770, effective on Sep 1, 2018
FY 19 Composite Book Depreciation Rate = 3.4% x 5 / 12 + 3.16% x 7 / 12

FY 2019 Electric ISR Revenue Requirement Reconciliation
Calculation of Tax Depreciation and Repairs Deduction on FY 2019 Incremental Capital Investments

Line No.		Fiscal Year 2019 (a)	(b)	(c)	(d)	(e)
1	Capital Repairs Deduction	\$32,939,435				
2	Plant Additions	\$0				
3	Capital Repairs Deduction Rate	29.08%	1/			
4	Capital Repairs Deduction	\$9,578,788	Line 1 * Line 2			
5	Bonus Depreciation	\$32,939,435	Line 1			
6	Plant Additions	\$0	Line 3			
7	Less Capital Repairs Deduction	\$9,578,788	Line 4 - Line 6			
8	Plant Additions Net of Capital Repairs Deduction	\$23,360,647	Per Tax Department			
9	Percent of Plant Eligible for Bonus Depreciation	99.00%	Line 7 * Line 8			
10	Plant Eligible for Bonus Depreciation	\$23,127,040	1 * 75% * 0%			
11	Bonus Depreciation Rate (April 2018 - December 2018)	0.00%	1 * 25% * 0%			
12	Bonus Depreciation Rate (January 2019 - March 2019)	0.00%	Line 10 + Line 11			
13	Total Bonus Depreciation Rate	\$0	Line 9 * Line 12			
14	Remaining Tax Depreciation	\$32,939,435	Line 1			
15	Plant Additions	\$9,578,788	Line 3			
16	Less Capital Repairs Deduction	\$0	Line 13			
17	Remaining Plant Additions Subject to 20 YR MACRS Tax Depreciation	\$23,360,647	Line 14 - Line 15 - Line 16			
18	20 YR MACRS Tax Depreciation Rates	3.750%	Per IRS Publication 946			
19	Remaining Tax Depreciation	\$876,024	Line 17 * Line 18			
20	FY19 Loss incurred due to retirements	\$3,492,895	Per Tax Department			
21	Cost of Removal	\$101,073	Page 4 of 15, Line 10			
22	Total Tax Depreciation and Repairs Deduction	\$14,048,780	Sum of Lines 3, 13, 19, 20, and 21			

20 Year MACRS Depreciation		Line 15	Annual	Cumulative
MACRS basis:	Fiscal Year			
	2019	3.750%	\$876,024	\$14,048,780
	2020	7.219%	\$1,686,405	\$15,735,185
	2021	6.677%	\$1,559,790	\$17,294,976
	2022	6.177%	\$1,442,987	\$18,737,963
	2023	5.713%	\$1,334,594	\$20,072,556
	2024	5.285%	\$1,234,610	\$21,307,167
	2025	4.888%	\$1,141,868	\$22,449,035
	2026	4.522%	\$1,056,368	\$23,505,404
	2027	4.462%	\$1,042,352	\$24,547,756
	2028	4.461%	\$1,042,118	\$25,589,874
	2029	4.462%	\$1,042,352	\$26,632,226
	2030	4.461%	\$1,042,118	\$27,674,345
	2031	4.462%	\$1,042,352	\$28,716,697
	2032	4.461%	\$1,042,118	\$29,758,815
	2033	4.462%	\$1,042,352	\$30,801,167
	2034	4.461%	\$1,042,118	\$31,843,286
	2035	4.462%	\$1,042,352	\$32,885,638
	2036	4.461%	\$1,042,118	\$33,927,756
	2037	4.462%	\$1,042,352	\$34,970,108
	2038	4.461%	\$1,042,118	\$36,012,227
	2039	2.231%	\$521,176	\$36,533,403
		100.00%	\$23,360,647	

1/ FY 2019 Electric ISR Plan, Docket 4783, Compliance Section 5: Attachment 1, P3, Line 2
2/ FY 2019 Electric ISR Plan, Docket 4783, Compliance Section 5: Attachment 1, P3, Line 21

**The Narragansett Electric Company
d/b/a National Grid
FY 2019 Electric ISR Revenue Requirement Reconciliation
FY 2019 Revenue Requirement on FY 2019 Intangible Investment**

Line No.	Reference	Item 1 (a)	Item 2 (b)	Total (c) = (a) + (b)	
<u>Capital Investment</u>					
1	Start of Rev. Req. Period	09/01/18	09/01/18		
2	End of Rev. Req. Period	03/31/19	03/31/19		
		Volt-Var Optimization for Lincoln Ope. Center	Volt-Var Optimization IS		
3	Investment Name	Per Company's Book			
4	Work Order	Per Company's Book			
5	Total Spend	90000194754	90000194755		
6	In ServiceDate	\$2,140,000	\$1,320,626	\$3,460,626	
7	Book AmortizationPeriod	06/19/18	07/11/18		
8	09/01/2018 Book Balance	84	84		
9	03/31/2019 Book Balance	Line 5 ÷ Line 7 × month to 09/01/2018	\$2,089,048	\$1,289,183	\$3,378,230
10	Average Book Balance	Line 5 ÷ Line 7 × month to 03/31/2019	\$1,910,714	\$1,179,131	\$3,089,845
		(Line 8 + Line 9) ÷ 2	\$1,999,881	\$1,234,157	\$3,234,038
<u>Deferred Tax Calculation:</u>					
11	Tax Amortization Period	Page 7 of 15	36	36	
12	Tax Expensing	Per Tax Department	\$0	\$0	
13	Tax Bonus Rate	Per Tax Department	0%	0%	
14	Bonus Depreciation	Year 1 = (L. 5 - L. 12) × L.13, after = 0 (L. 5 - L. 12 - L.14Y1 × 0; Y2 × 33.33%; Y3 × 72.78%; Y4 × 92.59%; Y5 × 100%)	\$0	\$0	\$0
15	09/01/2018 Acc. Tax Balance	(L. 5 - L. 12 - L.14Y1 × 33.33%; Y2 × 77.78%; Y3 × 92.59%; Y4 × 100%)	\$713,262	\$440,165	\$1,153,427
16	03/31/2019 Acc. Tax Balance	(Line 15 + Line 16) ÷ 2	\$713,262	\$440,165	\$1,153,427
17	Average Acc. Tax Balance		\$713,262	\$440,165	\$1,153,427
18	09/01/2018 Acc. Dep. Balance	Line 5 - Line 8	\$50,952	\$31,443	\$82,396
19	03/31/2019 Acc. Dep. Balance	Line 5 - Line 9	\$229,286	\$141,496	\$370,781
20	Average Acc. Dep. Balance	(Line 18 + Line 19) ÷ 2	\$140,119	\$86,470	\$226,589
21	Average Book / Tax Timer	Line 17 - Line 20	\$573,143	\$353,695	\$926,838
22	Effective Tax Rate		21%	21%	
23	Deferred Tax Reserve	Line 21 × Line 22	\$120,360	\$74,276	\$194,636
<u>Rate Base Calculation:</u>					
24	Average Book Balance	Line 10	\$1,999,881	\$1,234,157	\$3,234,038
25	Deferred Tax Reserve	Line 23	\$120,360	\$74,276	\$194,636
26	Average Rate Base	Line 24 - Line 25	\$1,879,521	\$1,159,881	\$3,039,402
<u>Revenue Requirement Calculation:</u>					
27	Pre-Tax ROR	Page 15 of 15, Line 28, column (e)×7÷12	4.80%	4.80%	
28	Return and Taxes	Line 26 × Line 27	\$90,233	\$55,684	\$145,917
29	Book Depreciation	Line 9 - Line 8	\$178,333	\$110,052	\$288,386
30	Annual Revenue Requirement	Line 28 + Line 29	\$268,566	\$165,736	\$434,302

**The Narragansett Electric Company
d/b/a National Grid
FY 2019 Electric ISR Revenue Requirement Reconciliation
MACRS Tables For Information Systems**

Line No.	Annual Rate			Monthly Cumulative Rate				
	Year			Year	Period	Cumulative Rate		
1	Yr 1	33.33%	33.33%	1	1	33.33%	2.78%	Yr 1 - Monthly rate
2	Yr 2	44.45%	77.78%	1	2	33.33%		
3	Yr 3	14.81%	92.59%	1	3	33.33%		
4	Net Salvage Value	7.41%	100.00%	1	4	33.33%		
11				1	11	33.33%		
12				1	12	33.33%		
13				2	13	77.78%	3.70%	Yr 2 - Monthly rate
25				3	25	92.59%	1.23%	Yr 3 - Monthly rate
36				3	36	92.59%	0.62%	Yr 3 - Monthly rate
48				4	48	100.00%		
60				5	60	100.00%		
72				6	72	100.00%		
84				7	84	100.00%		
96				8	96	100.00%		
108				9	108	100.00%		
120				10	120	100.00%		
132				11	132	100.00%		
144				12	144	100.00%		
156				13	156	100.00%		
168				14	168	100.00%		
180				15	180	100.00%		
192				16	192	100.00%		
204				17	204	100.00%		
216				18	216	100.00%		
228				19	228	100.00%		
240				20	240	100.00%		
252				21	252	100.00%		
264				22	264	100.00%		
276				23	276	100.00%		
288				24	288	100.00%		
300				25	300	100.00%		

The Narragansett Electric Company
d/b/a National Grid
FY 2019 Electric ISR Revenue Requirement Reconciliation
FY 2018 - 2019 Incremental Capital Investment Summary

Line No.			Fiscal Year 2018 (a)	Fiscal Year 2019 (b)
Capital Investment				
1	ISR - Eligible Capital Investment	Col (a) = FY 2018 ISR Docket No.4682, Att MAL-1 P2, L3; Col (b)=FY 2019 ISR Docket No.4783, Att PCE-1 P3, Table 1	\$92,659,654	\$111,243,061
2	Intangible Asset included in Total Allowed Discretionary Capital	Col (a) = 0; Col (b) = Attachment MAL-1, Page 30 of 38, Line 13	\$0	\$3,460,626
3	ISR - Eligible Capital Additions included in Rate Base per RIPUC Docket No. 4770	Docket No. 4770, Schedule 11-ELEC, P5, L1, Col (a) = Col(a)+Col(b); Col(b)=Col(c)+Col(d)	\$74,843,000	\$74,843,000
4	Incremental ISR Capital Investment (non-intangible)	Line 1 - Line 2 - Line 3	\$17,816,654	\$32,939,435
Cost of Removal				
5	ISR - Eligible Cost of Removal	Col (a) =FY 2018 ISR Reconciliation Filing Docket No. 4682; Col (b) = FY 2019 ISR Filing Docket No. 4783, Att PCE-1 P3, Table 2	\$9,979,698	\$7,949,082
6	ISR - Eligible Cost of Removal in Rate Base per RIPUC Docket No. 4770	Schedule 6-ELEC, Docket No. 4770: Col(a)=Docket No. 4682, FY2018 ISR Elec Rec, [P2]L10×3÷12, [P1]L26+L45×7÷12; Col(b)=[P1]L45×5÷12+[P2]L18×7÷12	\$8,259,707	\$7,848,009
7	Incremental Cost of Removal	Line 5 - Line 6	\$1,719,991	\$101,073
Retirements				
8	ISR - Eligible Retirements/Actual	Col (a) =FY 2018 ISR Reconciliation Filing Docket No. 4682; Col (b) = Att. MAL-1, P2, L5	\$15,206,748	\$12,015,754
9	ISR - Eligible Retirements in Rate Base per RIPUC Docket No. 4770	Schedule 6-ELEC, Docket No. 4770: Col(a)=Docket No. 4682, FY2018 ISR Elec Rec, [P2]L5×3÷12+[P1]L25+L27+L46×7÷12; Col(b)=[P1]L46×5÷12+[P2]L19×7÷12	\$20,451,820	\$22,665,233
10	Incremental Retirements	Line 8 - Line 9	(\$5,245,072)	(\$10,649,479)
Net NOL Position				
11	ISR - (NOL)/Utilization	Per Tax Department	(\$4,571,409)	\$12,460,450
12	less: (NOL)/Utilization recovered in transmission rates	Quarterly average transmission plant allocator per Integrated Facilities Agreement (IFA) * Line 10	(\$1,572,911)	\$4,263,209
13	Distribution-related (NOL)/Utilization	Line 11 - Line 12	(\$2,998,499)	\$8,197,241
14	ISR - NOL/Utilization in Rate Base per RIPUC Docket No. 4770	Schedule 11-ELEC Page 12, Docket No. 4770	\$0	\$0
15	Incremental (NOL)/Utilization	Line 13 - Line 14	(\$2,998,499)	\$8,197,241

The Narragansett Electric Company
d/b/a National Grid
FY 2019 Electric ISR Revenue Requirement Reconciliation
Deferred Income Tax ("DIT") Provisions and Net Operating Losses ("NOL")

	(a)	(b)	(c)	(d)	(e)
			Jul & Aug 2017	12 Mths Aug 31 2018	12 Mths Aug 31 2019
1 Total Base Rate Plant DIT Provision			\$2,580,654	\$5,847,765	\$4,355,117
2 Excess DIT Amortization					(\$1,698,039)
	FY 2018	FY 2019	FY 2018	FY 2019	FY 2020
3 Total Base Rate Plant DIT Provision			\$5,991,850.42	\$3,986,531	\$529,042.45
4 Incremental FY 18	\$4,261,399	\$4,223,434	\$4,261,399	(\$37,965)	(\$1,467,094)
5 Incremental FY 19	\$0	\$2,801,039	\$0	\$2,801,039	\$64,889
6 TOTAL Plant DIT Provision	\$4,261,399	\$7,024,473	\$10,253,250	\$6,749,605	(\$873,162)
7 Distribution-related NOL			\$2,998,499	\$0	
8 Lesser of Distribution-related NOL or DIT Provision			\$2,998,499	\$0	(\$873,162)

Line Notes:

- 1(c) RIPUC Docket Nos. 4770/4780, Compliance Attachment 2, Schedule 11-ELEC, Page 11 of 20, Line 3
- 1(d) RIPUC Docket Nos. 4770/4780, Compliance Attachment 2, Schedule 11-ELEC, Page 11 of 20, Line 7
- 2(d) RIPUC Docket Nos. 4770/4780, Supplemental Compliance Attachment 2, Schedule 11-ELEC, Page 11 of 20, Line 51
- 3 Col(c) = Line1(c) + Line1(d)×7÷12 ; Col (d) = Line 1(d)×5÷12 + (Line 1(c)+ 2(e))×7÷12; Col (e) = (Line 1(e) + 2(e))×5÷12 + (Line1(f) +2(f))×7÷12
- 4(a)-5(d) Cumulative DIT per vintage year ISR revenue requirement calculations (Page 2, Line 20; Page 5, Line 20; Page 8, Line 20)
- 4(e) -5(f) Year over year change in cumulative DIT shown in Cols (a) through (d)
- 6 Sum of Lines 2 through 5
- 7 Page 8 of 15, Line 15
- 8 Lesser of Line 6 or Line 7

THE NARRAGANSETT ELECTRIC COMPANY d/b/a NATIONAL GRID RIPUC Docket Nos. 4770/4780 Compliance Attachment 2 Schedule 6-ELEC Page 3 of 5				
The Narragansett Electric Company d/b/a National Grid Depreciation Expense - Electric For the Test Year Ended June 30, 2017 and the Rate Year Ending August 31, 2019				
		Adjusted Plant Balance (a)	Approved Rate (b)	Test Year Depreciation (c) = (a) x (b)
Intangible Plant				
1	303.00			
2				
3				
4				
5				
6				
7	330.00			
8	331.00			
9	332.00			
10				
11				
12				
13				
14				
15				
16				
17	360			
18	362			
19	365			
20	367.1			
21	360.00			
22	360.10			
23	361.00			
24	362.00			
25	362.10			
26	362.55			
27	364.00			
28	365.00			
29	366.10			
30	366.20			
31	367.10			
32	368.10			
33	368.20			
34	368.30			
35	369.10			
36	369.20			
37	369.21			
38	370.10			
39	370.20			
40	370.30			
41	370.35			
42	371.00			
43	373.10			
44	373.20			
45	374.00			
46				
47				
48				
49				
50				
51	389.00			
52	390.00			
53	391.00			
54	391.00			
55	393.00			
56	394.00			
57	395.00			
58	395.00			
59	397.00			
60	397.10			
61	397.50			
62	398.00			
63	399.00			
64	399.10			
65				
66				
67				
68				

The Narragansett Electric Company d/b/a National Grid ISR Depreciation Rate per RIPUC Docket No. 4770			
	Adjusted Plant Balance (d)	Average Rate (e)=(f)/(g)	Approved Depreciation (f)
1	\$ 1,463,098,971	3.16%	\$ 46,183,339
2	\$ 7,918,047	4.65%	\$ 368,062
3	\$ 1,471,017,018	3.16%	\$ 46,551,401
4			
5	\$ 42,889,885		
6	\$ 1,513,906,902		

Line Notes:
1 Docket No. 4770, Schedule 6-ELEC: [P3 and P4] on left Line 47
2 Docket No. 4770, Schedule 6-ELEC: [P3 and P4] on Left Lines 59 through 61
3 Line 1+Line 2
5 Docket No. 4770, Schedule 6-ELEC: [P3 and P4] on Left Lines 59 through 61
6 Line 3+Line 6

Column Notes:
(a) - (c) - Per Docket 4770/4780 Compliance Attachment 2, Schedule 6 ELEC, Pages 3 & 4

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
RIPUC Docket Nos. 4770/4780
Compliance Attachment 2
Schedule 6-ELEC
Page 1 of 5

The Narragansett Electric Company d/b/a National Grid
Depreciation Expense - Electric
For the Test Year Ended June 30, 2017 and the Rate Year Ending August 31, 2019

The Narragansett Electric Company
d/b/a National Grid
ISR Depreciation Expense in Base Rates

Line No.	Description	Reference (a)	Amount (b)	ISR Depreciation Expense in Base Rates	
				less non-ISR eligible plant (c)	ISR Eligible Amount (d)
1	Total Company Rate Year Distribution Depreciation Expense	Sum of Page 2, Line 16 and Line 17	\$50,128,332		
2	Test Year Depreciation Expense	Per Company Books	\$69,031,187		
3	Less: Test Year IFA related Depreciation Expense	Page 4, Line 30, Column (c)	(\$19,814,202)		
4	Less: ARO and other adjustments	Page 4, Line 30, Column (b) + Column (d)	(\$55,610)		
5	Adjusted Total Company Test Year Distribution Depreciation Expense	Sum of Line 2 through Line 4	\$49,161,375		
6	Depreciation Expense Adjustment	Line 1 - Line 5	\$966,957		
7					
8					
9	Test Year Depreciation Expense 12 Months Ended 06/30/17:		Per Book Amount		
10	Total Distribution Utility Plant 06/30/17	Page 4, Line 28, Column (e)	\$2,141,474,644	(\$39,763,450)	\$2,101,711,193
11	Less Non Depreciable Plant	Page 4, Line 26, Column (e)	(\$627,567,742)		(\$627,567,742)
12	Depreciable Utility Plant 6/30/17	Line 10 + Line 11	\$1,513,906,902	(\$39,763,450)	\$1,474,143,451
13					
14	Plus: Added Plant 2 Mos Ended 08/31/17	Schedule 11-ELEC, Page 6, Line 7	\$12,473,833	\$0	\$12,473,833
15	Less: Streetlights retired in the 2 Mos Ended 08/31/17	Per Company Books	(\$1,057,011)	\$0	(\$1,057,011)
16	Less: Retired Plant 2 Months Ended 08/31/17	1/ Line 14 x Retirement Rate	(\$3,699,739)	\$0	(\$3,699,739)
17	Depreciable Utility Plant 08/31/17	Line 12 + Line 14 + Line 16	\$1,521,623,985	(\$39,763,450)	\$1,481,860,535
18					
19	Average Depreciable Plant from 06/30/17 to 08/31/17	(Line 12 + Line 17)/2	\$1,517,765,443		\$1,478,001,993
20					
21	Composite Book Rate %	As Approved in RIPUC Docket No. 4323	3.40%		3.40%
22					
23	Book Depreciation Reserve 06/30/17	Page 5, Line 69, Column (e)	\$652,405,159		
24	Plus: Book Depreciation Expense excluding Streetlight Retirement	1/6 of (Line 19 excl. Line 15 x Line 21)	\$8,603,666		\$8,381,334
25	Less: Streetlights retired in the 2 Mos Ended 08/31/17 and Dep. for 2 Mos	1/12 of (Line 15 x SL Dep Rate)	(\$1,307)		(\$1,307)
26	Less: Net Cost of Removal/(Salvage)	2/ Line 14 x Cost of Removal Rate	(\$1,281,063)		
27	Less: Retired Plant	Line 16	(\$3,699,739)		
28	Book Depreciation Reserve 08/31/17	Sum of Line 23 through Line 27	\$656,026,715		
29					
30	Depreciation Expense 12 Months Ended 08/31/18				
31	Total Utility Plant 08/31/17	Line 10 + Line 14 + Line 15 + Line 16	\$2,149,191,727	(\$39,763,450)	\$2,109,428,277
32	Less Non Depreciable Plant	Line 11	(\$627,567,742)	\$0	(\$627,567,742)
33	Depreciable Utility Plant 08/31/17	Line 31 + Line 32	\$1,521,623,985	(\$39,763,450)	\$1,481,860,535
34					
35	Plus: Plant Added in 12 Months Ended 08/31/18	Schedule 11-ELEC, Page 6, Line 14	\$74,843,000	\$0	\$74,843,000
36	Less: Plant Retired in 12 Months Ended 08/31/18	1/ Line 35 x Retirement rate	(\$22,198,434)	\$0	(\$22,198,434)
37	Depreciable Utility Plant 08/31/18	Sum of Line 33 through Line 36	\$1,574,268,551	(\$39,763,450)	\$1,534,505,101
38					
39	Average Depreciable Plant for 12 Months Ended 08/31/18	(Line 33 + Line 37)/2	\$1,547,946,268	(\$39,763,450)	\$1,508,182,818
40					
41	Composite Book Rate %	As Approved in RIPUC Docket No. 4323	3.40%		3.40%
42					
43	Book Depreciation Reserve 08/31/17	Line 28	\$656,026,715		
44	Plus: Book Depreciation 08/31/18	Line 39 x Line 41	\$52,630,173		\$51,278,216
45	Less: Net Cost of Removal/(Salvage)	2/ Line 35 x Cost of Removal Rate	(\$7,686,376)		
46	Less: Retired Plant	Line 36	(\$22,198,434)		
47	Book Depreciation Reserve 08/31/18	Sum of Line 43 through Line 46	\$678,772,079		
1/	3 year average retirement over plant addition in service FY 15 ~ FY17		29.66%	Retirements	
2/	3 year average Cost of Removal over plant addition in service FY 15 ~ FY17		10.27%	COR	

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 4783
FY 2019 Electric Infrastructure, Safety,
and Reliability Plan Reconciliation Filing
Attachment MAL-2
Page 12 of 15

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
RIPUC Docket Nos. 4770/4780
Compliance Attachment 2
Schedule 6-ELEC
Page 2 of 5

The Narragansett Electric Company d/b/a National Grid
Depreciation Expense - Electric

For the Test Year Ended June 30, 2017 and the Rate Year Ending August 31, 2019

**The Narragansett Electric Company
d/b/a National Grid
ISR Depreciation Expense in Base Rates
(Continued)**

Line No.	Description	Reference (a)	Amount (b)	less non-ISR eligible plant (c)	ISR Eligible Amount (d)
1	Rate Year Depreciation Expense 12 Months Ended 08/31/19:				
2	Total Utility Plant 08/31/18	Page 1, Line 31 + Line 35 + Line 36	\$2,201,836,293	(\$39,763,450)	\$2,162,072,843
3	Less Non-Depreciable Plant	Page 1, Line 11	(\$627,567,742)	\$0	(\$627,567,742)
4	Depreciable Utility Plant 08/31/18	Line 2 + Line 3	\$1,574,268,551	(\$39,763,450)	\$1,534,505,101
5					
6	Plus: Added Plant 12 Months Ended 08/31/19	Schedule 11-ELEC, Page 6, Line 38	\$77,541,000	(\$2,698,000)	\$74,843,000
7	Less: Depreciable Retired Plant	1/ Line 6 x Retirement rate	(\$22,998,661)	\$800,227	(\$22,198,434)
8					
9	Depreciable Utility Plant 08/31/19	Sum of Line 4 through Line 7	\$1,628,810,891	(\$41,661,224)	\$1,587,149,667
10					
11	Average Depreciable Plant for Rate Year Ended 08/31/19	(Line 4 + Line 9)/2	\$1,601,539,721	(\$40,712,337)	\$1,560,827,384
12					
13	Proposed Composite Rate %	Page 4, Line 18, Columnn (f)	3.15%		3.16%
14					
15	Book Depreciation Reserve 08/31/18	Page 1, Line 47	\$678,772,079		
16	Plus: Book Depreciation Expense	Line 11 x Line 13	\$50,375,341		\$49,322,145
17	Plus: Unrecovered Reserve Adjustment	Schedule NWA-1-ELECTRIC, Part VI, Page 6	(\$247,009)		(\$247,009)
18	Less: Net Cost of Removal/(Salvage)	2/ Line 6 x Cost of Removal Rate	(\$7,963,461)		
19	Less: Retired Plant	Line 7	(\$22,998,661)		
20	Book Depreciation Reserve 08/31/19	Sum of Line 15 through Line 19	\$697,938,290		\$49,075,136
21					
22	Rate Year Depreciation Expense 12 Months Ended 08/31/20:				
23	Total Utility Plant 08/31/19	Line 2 + Line 6 + Line 7	\$2,256,378,633	(\$41,661,224)	\$2,214,717,409
24	Less Non-Depreciable Plant	Page 1, Line 11	(\$627,567,742)	\$0	(\$627,567,742)
25	Depreciable Utility Plant 08/31/19	Line 23 + Line 24	\$1,628,810,891	(\$41,661,224)	\$1,587,149,667
26					
27	Plus: Added Plant 12 Months Ended 08/31/20	Schedule 11-ELEC, Page 5, Line 15(i)	\$2,000,000	(\$2,000,000)	\$0
28	Less: Depreciable Retired Plant	1/ Line 27 x Retirement rate	(\$593,200)	\$593,200	\$0
29					
30	Depreciable Utility Plant 08/31/20	Sum of Line 25 through Line 28	\$1,630,217,691	(\$43,068,024)	\$1,587,149,667
31					
32	Average Depreciable Plant for Rate Year Ended 08/31/20	(Line 25 + Line 30)/2	\$1,629,514,291	(\$42,364,624)	\$1,587,149,667
33					
34	Proposed Composite Rate %	Page 4, Line 18, Column (f)	3.15%		3.16%
35					
36	Book Depreciation Reserve 08/31/20	Line 20	\$697,938,290		
37	Plus: Book Depreciation Expense	Line 32 x Line 34	\$51,255,262		\$50,153,929
38	Plus: Unrecovered Reserve Adjustment	Schedule NWA-1-ELECTRIC, Part VI, Page 6	(\$247,009)		(\$247,009)
39	Less: Net Cost of Removal/(Salvage)	2/ Line 27 x Cost of Removal Rate	(\$205,400)		
40	Less: Retired Plant	Line 28	(\$593,200)		
41	Book Depreciation Reserve 08/31/20	Sum of Line 36 through Line 40	\$748,147,943	7 mos FY20 \$ 436,419,633	12 mos \$49,906,920
42					
43	Rate Year Depreciation Expense 12 Months Ended 08/31/21:				
44	Total Utility Plant 08/31/20	Line 23 + Line 27 + Line 28	\$2,257,785,433	(\$43,068,024)	\$2,214,717,409
45	Less Non-Depreciable Plant	Page 1, Line 11	(\$627,567,742)	\$0	(\$627,567,742)
46	Depreciable Utility Plant 08/31/20	Line 44 + Line 45	\$1,630,217,691	(\$43,068,024)	\$1,587,149,667
47					
48	Plus: Added Plant 12 Months Ended 08/31/21	Schedule 11-ELEC, Page 5, Line 15(l)	\$2,000,000	(\$2,000,000)	\$0
49	Less: Depreciable Retired Plant	1/ Line 48 x Retirement rate	(\$593,200)	\$593,200	\$0
50					
51	Depreciable Utility Plant 08/31/21	Sum of Line 46 through Line 49	\$1,631,624,491	(\$44,474,824)	\$1,587,149,667
52					
53	Average Depreciable Plant for Rate Year Ended 08/31/21	(Line 46 + Line 51)/2	\$1,630,921,091	(\$43,771,424)	\$1,587,149,667
54					
55	Proposed Composite Rate %	Page 4, Line 18, Columnn (f)	3.15%		3.16%
56					
57	Book Depreciation Reserve 08/31/20	Line 41	\$748,147,943		
58	Plus: Book Depreciation Expense	Line 53 x Line 55	\$51,299,512		\$50,153,929
59	Plus: Unrecovered Reserve Adjustment	Schedule NWA-1-ELECTRIC, Part VI, Page 6	(\$247,009)		(\$247,009)
60	Less: Net Cost of Removal/(Salvage)	2/ Line 48 x Cost of Removal Rate	(\$205,400)		
61	Less: Retired Plant	Line 49	(\$593,200)		
62	Book Depreciation Reserve 08/31/21	Sum of Line 57 through Line 61	\$798,401,846		\$49,906,920
1/	3 year average retirement over plant addition in service FY 15 ~ FY17		29.66%		Retirements
2/	3 year average Cost of Removal over plant addition in service FY 15 ~ FY17		10.27%		COR

The Narragansett Electric Company
d/b/a National Grid
FY 2019 ISR Property Tax Recovery Adjustment
(000s)

Line	(a) End of FY 2018	(b) ISR Additions	(c) Non-ISR Add's	(d) Total Add's	(e) Bk Depr (1)	(f) Retirements	(g) COR	(h) End of FY 2019
1	\$1,595,499	\$111,243	\$3,137	\$114,380	\$	(\$12,016)		\$1,697,863
2	\$672,116				\$ 52,896	(\$12,016)	(\$7,949)	\$705,047
3	\$923,383							\$992,816
4	\$30,354							\$32,077
5	3.29%							3.23%
Property Tax Recovery Calculation								
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	
Cumulative Increm. ISR Prop. Tax for FY2018								
6		\$92,660				\$111,243		
7		(\$43,032)				(\$43,032)		
8		(\$1,317)				(\$1,628)		
9		\$9,980				\$7,949		
10		\$58,291				\$74,532		
11		3.98%				3.98%		
12			\$62		5 month	1.66%	\$20	
13			\$1,366				\$536	
14			\$1,335				\$532	
15			\$1,521				\$615	
16			\$2,321				\$927	
17							\$1,237	
18			6,606				3,867	
19	3.29%				3.23%			
20	3.98%	-0.69%			3.98%	-0.75%		
21		-0.69%			5 month	-0.31%		
22			\$746,900			\$1,232	(\$2,338)	
23			(\$5,191)			*-0.31%	(\$4)	
24			(\$11)			*-0.31%	(\$101)	
25			(\$238)			*-0.31%	(\$100)	
26			(\$233)			*-0.31%	(\$116)	
27			(\$265)			*-0.31%	(\$175)	
28			(\$405)			*-0.31%	(\$233)	
29			(\$6,343)				(\$3,068)	
30			\$263				\$800	

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

Line
No.

	(a)	(b)	(c)	(d)	(e)
1	Weighted Average Cost of Capital as approved in RIPUC Docket No. 4323 at 35% income tax rate effective April 1, 2013				
2					
3					
4					
5					
6					
7					
8					
9	(d) - Column (c) x 35% divided by (1 - 35%)				
10					
11	Weighted Average Cost of Capital as approved in RIPUC Docket No. 4323 at 21% income tax rate effective January 1, 2018				
12					
13					
14					
15					
16					
17					
18					
19	(d) - Column (c) x 21% divided by (1 - 21%)				
20					
21					
22	Weighted Average Cost of Capital as approved in RIPUC Docket No. 4770 effective September 1, 2018				
23					
24					
25					
26					
27					
28					
29					
30	(d) - Column (c) x 21% divided by (1 - 21%)				
31					
32	FY18 Blended Rate	Line 7(e) x 75% + Line 17(e) x 25%			9.36%
33					
34	FY19 Blended Rate	Line 17 x 5 ÷ 12 + Line 28 x 7 ÷ 12			8.31%
35					
36	FY20 Rate	Line 28(e)			8.23%

**Testimony of
Robin E. Pieri**

PRE-FILED DIRECT TESTIMONY

OF

ROBIN E. PIERI

August 1, 2019

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1 **I. Introduction and Qualifications**

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

3 A. My name is Robin E. Pieri, and my business address is 40 Sylvan Road, Waltham,
4 Massachusetts 02451.

5
6 **Q. By whom are you employed and in what capacity?**

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

11
12 **Q. Please describe your educational background and training.**

13 A. In 1998, I graduated from the University of Massachusetts in Lowell, MA with a
14 Bachelor of Psychology degree.

15
16 **Q. Please describe your professional experience.**

17 A. For approximately fifteen years before joining National Grid, I was employed by
18 Advantage Resourcing America (Advantage) as a Senior Financial Analyst, responsible
19 for budgeting, forecasting, and analysis for numerous Advantage business units around
20 the world, as well as Advantage's Corporate Division. Prior to my employment at

21

1 Advantage, I held various positions in accounting and finance. I began my employment
2 with National Grid as a Senior Analyst in New England Electric Pricing in March 2015.

3
4 **Q. Have you testified previously before Rhode Island Public Utilities Commission**
5 **(PUC)?**

6 A. Yes, I have submitted pre-filed testimony in the Company-Owned LED Streetlighting
7 Offering in Docket No. 4628, and the last four Revenue Decoupling Mechanism filings
8 (Docket Nos. 4617, 4699, 4824 and 4953). Additionally, I have appeared before the PUC
9 at the evidentiary hearings regarding the Arrearage Management Program (Docket No.
10 4651) and the Storm Fund Recovery Factor (Docket No. 4686), and most recently, the
11 2019 Electric Annual Retail Rate Filing (Docket No. 4930).

12
13 **II. Purpose of Testimony**

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

15 A. My testimony presents the proposed CapEx and O&M Reconciling Factors, as those
16 terms are defined in the Company's Infrastructure, Safety, and Reliability Provision,
17 RIPUC No. 2199 effective September 1, 2018 (ISR Provision), resulting from the
18 reconciliation of actual costs and revenue associated with the Fiscal Year (FY) 2019 ISR
19 Plan (ISR Plan or Plan). In support of the proposed factors, my testimony presents the
20 following:

21

- 1 • the results of the annual reconciliation of the actual FY 2019 capital investment
2 (CapEx) revenue requirement and the Operation and Maintenance (O&M)
3 expense to the actual revenue billed;
- 4 • the status of the FY 2017 CapEx and O&M reconciliations;
- 5 • the status of the FY 2018 CapEx and O&M reconciliations;
- 6 • the calculation of the proposed CapEx and O&M Reconciling Factors to be
7 effective October 1, 2019; and
- 8 • the typical bill impacts related to the proposed reconciling factors.

9

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

11 A. My testimony is organized as follows:

- 12 • Section III presents the Summary of FY 2019 CapEx and O&M Reconciliations;
- 13 • Section IV presents the results of the FY 2019 CapEx Revenue and the Actual
14 CapEx Revenue Requirement Reconciliation, the calculation of the proposed
15 CapEx Reconciling Factors, and the status of the refunds of the FY 2017 and FY
16 2018 CapEx over-recovery reconciliation balances;
- 17 • Section V presents the results of the FY 2019 O&M Revenue and Expense
18 Reconciliation, the calculation of the proposed O&M Reconciling Factor, and the
19 status of the refunds of the FY 2017 O&M and FY 2018 O&M over-recovery
20 reconciliation balances; and
- 21 • Section VI presents the rate class bill impact analysis.

1 **III. Summary of FY 2019 Capex and O&M Reconciliations**

2 **Q. Please summarize the results of the FY 2019 CapEx and O&M reconciliations.**

3 A. A summary of the results of the FY 2019 CapEx and O&M reconciliations is presented in
4 Attachment REP-1. Pursuant to the ISR Provision, the annual reconciliations compare
5 the actual revenue billed during the Plan year through the approved CapEx and O&M
6 Factors to the actual CapEx and O&M revenue requirement. The calculation of the
7 actual revenue requirement is presented in the testimony of Company Witness Melissa
8 Little. As reflected in Attachment REP-1, the result of the CapEx reconciliation is an
9 under-recovery of approximately \$3.4 million; the result of the O&M reconciliation is an
10 over-recovery of approximately \$591,000.

11

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

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

18

19 In the ISR Plan filing for the upcoming year, the Company determines the CapEx
20 Factors, which are designed to recover the revenue requirement on the forecasted capital
21 investment for the ISR Plan's investment year plus cumulative capital investment in prior

1 years' ISR Plans and determines the O&M Factors based on the forecasted O&M
2 expense for the Plan year. On an annual basis, the Company is required to reconcile the
3 annual CapEx revenue requirement on actual cumulative ISR capital investment and the
4 actual O&M expense incurred to actual billed revenue generated from the CapEx Factors
5 and the O&M Factors. The over or under-recovered balances resulting from the CapEx
6 and O&M reconciliations are either credited to or recovered from customers through the
7 CapEx Reconciling Factors and the O&M Reconciling Factor, respectively.

8
9 **IV. Capex Reconciliation and Proposed Capex Reconciling Factors**

10 **Q. What is the result of the CapEx reconciliation for FY 2019?**

11 A. The FY 2019 CapEx reconciliation by rate class is presented in Attachment REP-2, page
12 1. Line (5) represents the CapEx revenue billed during the period April 1, 2018 through
13 March 31, 2019 of approximately \$8.9 million. Line (4) reflects the CapEx revenue
14 requirement on actual cumulative ISR capital investment of approximately \$12.3 million.
15 Line (6) identifies the under-recovery by rate class of the CapEx revenue requirement,
16 which totals approximately \$3.4 million.

17
18 **Q. Why has the Company prepared the CapEx reconciliation by rate class?**

19 A. The ISR Provision requires that the CapEx Reconciling Factors be calculated as class-
20 specific per-kWh factors designed to recover or credit the under- or over-recovery of the
21 actual Cumulative Revenue Requirement, as allocated to each rate class by the Rate Base

1 Allocator, for the prior fiscal year. The Rate Base Allocator is the percentage of total rate
2 base allocated to each rate class determined in the most recently-approved allocated cost
3 of service study. Page 1, Line (4) of Attachment REP-2 shows the allocation of the
4 CapEx revenue requirement to each rate class based upon the Rate Base Allocator
5 approved in the Company's 2017 general rate case in Docket No. 4770.

6
7 **Q. Please describe the results of the rate class reconciliation.**

8 A. As shown in Attachment REP-2, page 1, the allocated FY 2019 revenue requirement on
9 actual cumulative capital investment (Line (4)) is subtracted from the CapEx Factor
10 revenue billed for each rate class (Line (5)), resulting in the net under-recovery of
11 approximately \$3.4 million (Line (6)). The detail of the CapEx revenue billed for each
12 rate class is provided in Attachment REP-2, page 2.

13
14 **Q. Please explain why there no base CapEx Factor revenue for the months of October**
15 **2018 through April 2019 on Page 2 of Attachment REP-2?**

16 A. As a result of the implementation of the Company's general rate case in Docket No.
17 4770, the recovery of forecasted capital investment associated with the FY 2019 ISR Plan
18 was transferred to base distribution rates effective September 1, 2018. At the same time,
19 the CapEx Factors were eliminated effective for usage on and after September 1, 2018 to
20 avoid recovery of the revenue requirement on the capital investment. Therefore, there is
21 no base CapEx Factor revenue beginning in October 2018.

1 **Q. Please describe the amounts included on Line (7) of Attachment REP-2.**

2 A. The amounts presented on Page 1, Line (7) reflect the final balance of the over-recovery
3 resulting from the FY 2017 CapEx reconciliation. The net refund of the FY 2017 CapEx
4 reconciliation balance is presented on page 3. Of the net \$7.3 million over-recovery for
5 FY 2017 to be credited to customers via CapEx Reconciling Factors approved by the
6 PUC, the Company refunded \$7.5 million from October 1, 2017 through September 30,
7 2018. The remaining balance is a net under-recovery amount of approximately \$207,000,
8 as shown on Line (7), Column (a). As described in Docket No. 4539, the Company is
9 including each rate class' residual balance associated with the net under-recovery of the
10 FY 2017 deferral as an adjustment to the FY 2019 CapEx reconciliation balance, to
11 ensure the Company does not over-credit or under-credit customers any amounts
12 associated with the FY 2017 Plan.

13
14 **Q. How is the Company proposing to credit the FY 2019 CapEx net under-recovery?**

15 A. The Company is proposing to implement a CapEx Reconciling Factor for each rate class
16 that is consistent with the results of the rate class reconciliation. The calculation of the
17 proposed CapEx Reconciling Factors is presented in Attachment REP-2, page 1. The
18 over or under-recovery by rate class on Line (8) is divided by each rate class' forecasted
19 kWh deliveries for the period October 1, 2019 through September 30, 2020 on Line (9).
20 The class-specific CapEx Reconciling Factors are shown on Line (10).

21

1 **Q. Is the Company providing the status of the net over-recovery from the FY 2018**
2 **CapEx reconciliation?**

3 A. Yes. The status of the FY 2018 CapEx reconciliation net over-recovery balance is
4 presented in Attachment REP-2, page 4. As of June 30, 2019, the balance reflects a
5 remaining net over-recovery of approximately \$1.4 million, which the Company will
6 continue to credit customers through September 30, 2019.

7

8 **Q. How will the Company propose to credit or recover any residual balances as of**
9 **September 30, 2019?**

10 A. Pursuant to the ISR Provision, the amount approved for recovery or refund through the
11 CapEx Reconciling Factors is subject to reconciliation. Therefore, the Company will
12 present the final reconciliation of balances from the FY 2018 CapEx reconciliation in the
13 FY 2020 ISR Plan Reconciliation Filing and include each rate class' residual balance
14 from the FY 2018 CapEx reconciliation with the balances resulting from the FY 2020
15 CapEx reconciliation and will propose CapEx Reconciling Factors on the total.

16

17 **V. O&M Reconciliation and Proposed O&M Reconciling Factor**

18 **Q. What is the result of the O&M reconciliation for FY 2019?**

19 A. The O&M reconciliation for FY 2019 is presented in Attachment REP-3, page 1. Line
20 (1) shows the actual O&M expense for FY 2019 of approximately \$10.4 million, which is
21 supported in the testimony of Company Witnesses Mr. Prabhjot S. Anand and Ms. Little.

1 Line (2) shows O&M revenue billed through the O&M Factors from April 1, 2018
2 through March 31, 2019 of approximately \$11.0 million. Line (3) shows the difference
3 of approximately \$591,000, representing an over-recovery of actual O&M expense.
4

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

6 A. The amount presented on Line (4) reflects the remaining balance of the over-recovery
7 resulting from FY 2017 O&M reconciliation. The crediting to customers of the over-
8 recovery is presented on page 3. Of the \$110,823 over-recovery that formed the basis for
9 the O&M Reconciling Factor approved by the PUC, the Company credited customers
10 \$75,394 from October 1, 2017 through September 30, 2018, leaving \$35,429 to be
11 credited to customers. As described in Docket No. 4682, the Company is including the
12 residual balance with the FY 2019 O&M reconciliation balance.
13

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

15 A. Yes. Attachment REP-3, page 2 presents the O&M Factor revenue billed by month.
16

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

18 A. The proposed O&M Reconciling Factor is calculated on Attachment REP-3, page 1. The
19 total over-recovery of \$626,839 on Line (5) is divided by the forecasted kWhs during the
20 refund period, October 1, 2019 through September 30, 2020, on Line (6), resulting in a
21

1 credit of 0.008¢ per kWh on Line (7). Pursuant to the ISR Provision, the O&M
2 Reconciling Factor is a uniform per-kWh factor.

3
4 **Q. Is the Company providing the status of the over-recovery of the FY 2018 O&M**
5 **reconciliation?**

6 A. Yes. The status of the balance from the FY 2018 O&M reconciliation is presented in
7 Attachment REP-3, page 4. As of June 30, 2019, there is a remaining over-recovery
8 balance of approximately \$104,000, which the Company will continue to credit to
9 customers through September 30, 2019.

10
11 **Q. How does the Company propose to credit or recover the residual balance at**
12 **September 30, 2019?**

13 A. Pursuant to the ISR Provision, the amount approved for recovery or refund through the
14 O&M Reconciling Factor is subject to reconciliation. Therefore, the Company will
15 present the final reconciliation of the balance from the FY 2018 O&M reconciliation in
16 the FY 2020 ISR Reconciliation Filing and include the residual balance of the FY 2018
17 O&M reconciliation with the results of the FY 2020 O&M reconciliation and will
18 propose an O&M Reconciling Factor on the total.

19

1 **VI. Typical Bill Analysis**

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

4 A. Yes. The typical bill analysis illustrating the monthly bill impact of the proposed rate
5 changes for each rate class is provided in Attachment REP-4. The impact of the proposed
6 CapEx Reconciling Factor and the proposed O&M Reconciling Factor on a typical
7 residential customer receiving Standard Offer Service and using 500 kWhs per month is
8 an increase of \$0.63, or approximately 0.6%, from \$106.86 to \$107.49.

9

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

11 **Q. Is the Company providing a proposed Summary of Retail Delivery Rates, Tariff No.**
12 **2095, reflecting the reconciling factors proposed in this filing?**

13 A. No, not at this time. Concurrent with this filing, the Company is submitting its Pension
14 and Post-retirement Benefits Other than Pension (PBOP) Adjustment Factor (PAF) filing
15 in which the Company will propose a PAF, effective October 1, 2019. The Company has
16 also submitted a Renewable Energy (RE) Growth Factor Filing with proposed factors
17 also effective October 1, 2019. The Company will file a Summary of Retail Delivery
18 Rates tariff reflecting all rates proposed for October 1, 2019 in compliance with the
19 PUC's orders in this proceeding, and the PAF and the RE Growth proceedings.

20

21

1 **VIII. Conclusion**

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

3 **A. Yes.**

List of Attachments

- Attachment REP-1 FY2019 ISR Plan Annual Reconciliation Summary

- Attachment REP-2 CapEx Reconciliations and Proposed CapEx Reconciling Factors

- Attachment REP-3 O&M Reconciliations and Proposed O&M Reconciling Factor

- Attachment REP-4 Typical Bill Analysis

**THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
RIPUC DOCKET NO. 4783
FY 2019 ELECTRIC INFRASTRUCTURE, SAFETY, AND RELIABILITY PLAN
ANNUAL RECONCILIATION FILING
WITNESS: ROBIN E. PIERI**

Attachment REP-1

FY2019 ISR Plan Annual Reconciliation Summary

FY 2019 ISR Plan Annual Reconciliation Summary

	<u>CapEx</u>	<u>O&M</u>	<u>Total</u>
	(a)	(b)	(c)
(1) Actual Revenue Requirement	\$12,304,466	\$10,400,295	\$22,704,761
(2) Revenue Billed	<u>\$8,902,311</u>	<u>\$10,991,705</u>	<u>\$19,894,016</u>
(3) Total Over/(Under) Recovery	(\$3,402,155)	\$591,410	(\$2,810,745)

- (1) Column (a) per Attachment MAL-1, Page 1, Line (16), Column (e)
Column (b) per Attachment MAL-1, Page 1, Line (4), Column (e)
Column (c) sum of columns (a) and (b)
- (2) Column (a) per Attachment REP-2, page 1, Line (5); Column (b) per Attachment REP-3, page 1, line (2)
- (3) Line (2) - Line (1)

**THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
RIPUC DOCKET NO. 4783
FY 2019 ELECTRIC INFRASTRUCTURE, SAFETY, AND RELIABILITY PLAN
ANNUAL RECONCILIATION FILING
WITNESS: ROBIN E. PIERI**

Attachment REP-2

CapEx Reconciliations and Proposed CapEx Reconciling Factors

Proposed CapEx Reconciling Factors
For Fiscal Year 2019 ISR Plan
For the Recovery (Refund) Period October 1, 2019 through September 30, 2020

	<u>Total</u> (a)	<u>Residential</u> <u>A-16 / A-60</u> (b)	<u>Small C&I</u> <u>C-06</u> (c)	<u>General C&I</u> <u>G-02</u> (d)	<u>200 kW Demand</u> <u>B-32 / G-32</u> (e)	<u>Lighting</u> <u>S-05/S-06/S-10/S-14</u> (g)	<u>Propulsion</u> <u>X-01</u> (h)
(1) Actual FY2019 Capital Investment Revenue Requirement	\$12,304,466						
(2) Total Rate Base (\$000s)	\$729,512	\$404,995	\$75,009	\$117,155	\$123,849	\$8,296	\$208
(3) Rate Base as Percentage of Total	100.00%	55.52%	10.28%	16.06%	16.98%	1.14%	0.03%
(4) Allocated Actual FY2019 Capital Investment Revenue Requirement	\$12,304,466	\$6,830,932	\$1,265,155	\$1,976,019	\$2,088,925	\$139,926	\$3,508
(5) CapEx Revenue Billed	\$8,902,311	\$4,972,328	\$856,508	\$1,270,532	\$1,479,790	\$295,292	\$27,861
(6) Total Over (Under) Recovery for FY 2019	(\$3,402,155)	(\$1,858,604)	(\$408,647)	(\$705,487)	(\$609,135)	\$155,366	\$24,353
(7) Remaining Over (Under) For FY 2017	(\$207,299)	(\$155,360)	(\$36,083)	(\$20,719)	(\$2,043)	\$6,561	\$345
(8) Total Over (Under) Recovery	(\$3,609,454)	(\$2,013,964)	(\$444,730)	(\$726,206)	(\$611,178)	\$161,927	\$24,698
(9) Forecasted kWhs - October 1, 2019 through September 30, 2020	7,004,422,803	2,825,596,449	600,788,358	1,236,846,349	2,263,448,195	55,219,107	22,524,345
(10) Proposed Class-specific CapEx Reconciling Factor (Charge) per kWh		\$0.00071	\$0.00074	\$0.00058	\$0.00027	(\$0.00293)	(\$0.00109)

- (1) per Attachment MAL-1, Page 1, Line (16), Column (e)
(2) RIPUC 4770/4780, Compliance Attachment 6, (Schedule 1A), page 1, Line 9
(3) Line (2) ÷ Line (2) Total Column
(4) Line (1) Total Column x Line (3)
(5) per page 2
(6) Line (5) - Line (4)
(7) per page 3
(8) Line (6) + Line (7)
(9) per Company forecasts
(10) -1 x [Line (8) ÷ Line (9)], truncated to 5 decimal places

Fiscal Year 2019 CapEx Reconciliation
For the Period April 1, 2018 through March 31, 2019
For the Recovery/Refund Period October 1, 2019 through September 30, 2020

CapEx Revenue By Rate Class:

Month	Residential A-16 / A-60			Small C&I C-06			General C&I G-02			200 kW Demand B-32 / G-32		
	Total Revenue	CapEx Rec Factor Revenue	Base Revenue	Total Revenue	CapEx Rec Factor Revenue	Base Revenue	Total Revenue	CapEx Rec Factor Revenue	Base Revenue	Total Revenue	CapEx Rec Factor Revenue	Base Revenue
	(a)	(b)	(c)	(a)	(b)	(c)	(a)	(b)	(c)	(a)	(b)	(c)
(1) Apr-18	\$194,874	(\$122,855)	\$317,729	\$37,087	(\$23,923)	\$61,010	\$54,401	(\$40,373)	\$94,774	(\$22,370)	(\$31,368)	\$8,998
May-18	\$466,156	(\$286,975)	\$753,131	\$92,915	(\$57,143)	\$150,058	\$137,394	(\$99,146)	\$236,540	\$155,358	(\$76,658)	\$232,016
Jun-18	\$468,331	(\$287,446)	\$755,777	\$93,370	(\$57,687)	\$151,057	\$134,973	(\$104,340)	\$239,313	\$159,513	(\$81,484)	\$240,997
Jul-18	\$695,647	(\$426,847)	\$1,122,494	\$112,356	(\$68,726)	\$181,082	\$147,105	(\$118,880)	\$265,985	\$174,220	(\$83,654)	\$257,874
Aug-18	\$772,248	(\$473,865)	\$1,246,113	\$118,822	(\$71,929)	\$190,751	\$142,451	(\$123,962)	\$266,413	\$172,408	(\$91,035)	\$263,443
Sep-18	\$307,548	(\$469,536)	\$777,084	\$49,203	(\$73,347)	\$122,550	\$42,376	(\$125,131)	\$167,507	\$82,556	(\$90,613)	\$173,169
Oct-18	(\$224,249)	(\$224,249)	\$0	(\$43,136)	(\$43,136)	\$0	(\$71,113)	(\$71,113)	\$0	(\$73,837)	(\$73,837)	\$0
Nov-18	(\$117,172)	(\$117,172)	\$0	(\$22,454)	(\$22,454)	\$0	(\$27,239)	(\$27,239)	\$0	(\$50,279)	(\$50,279)	\$0
Dec-18	(\$135,939)	(\$135,939)	\$0	(\$25,544)	(\$25,544)	\$0	(\$29,403)	(\$29,403)	\$0	(\$57,296)	(\$57,296)	\$0
Jan-19	(\$151,429)	(\$151,429)	\$0	(\$28,283)	(\$28,283)	\$0	(\$31,687)	(\$31,687)	\$0	(\$55,590)	(\$55,590)	\$0
Feb-19	(\$142,605)	(\$142,605)	\$0	(\$27,954)	(\$27,954)	\$0	(\$29,285)	(\$29,285)	\$0	(\$50,786)	(\$50,786)	\$0
Mar-19	(\$130,950)	(\$130,950)	\$0	(\$27,022)	(\$27,022)	\$0	(\$33,771)	(\$33,771)	\$0	(\$58,481)	(\$58,481)	\$0
(2) Apr-19	(\$63,980)	(\$63,980)	\$0	(\$16,009)	(\$16,009)	\$0	(\$16,016)	(\$16,016)	\$0	(\$33,822)	(\$33,822)	\$0
Total	\$1,938,480	(\$3,033,848)	\$4,972,328	\$313,351	(\$543,157)	\$856,508	\$420,186	(\$850,346)	\$1,270,532	\$341,594	(\$834,903)	\$1,176,497

Month	200 kW Demand B-62 / G-62			Lighting S-05/S-06/S-10/S-14			Propulsion X-01		
	Total Revenue	CapEx Rec Factor Revenue	Base Revenue	Total Revenue	CapEx Rec Factor Revenue	Base Revenue	Total Revenue	CapEx Rec Factor Revenue	Base Revenue
	(a)	(b)	(c)	(a)	(b)	(c)	(a)	(b)	(c)
(1) Apr-18	\$16,362	(\$6,345)	\$22,707	\$37,101	(\$2,065)	\$39,166	\$775	(\$700)	\$1,475
May-18	\$39,099	(\$12,719)	\$51,818	\$56,277	(\$4,117)	\$60,394	\$3,234	(\$2,165)	\$5,399
Jun-18	\$41,351	(\$13,277)	\$54,628	\$55,571	(\$4,122)	\$59,693	\$3,253	(\$2,120)	\$5,373
Jul-18	\$45,045	(\$13,989)	\$59,034	\$53,239	(\$3,898)	\$57,137	\$3,102	(\$2,022)	\$5,124
Aug-18	\$47,679	(\$15,294)	\$62,973	\$53,479	(\$3,920)	\$57,399	\$3,273	(\$2,134)	\$5,407
Sep-18	\$31,991	(\$20,142)	\$52,133	\$16,192	(\$5,311)	\$21,503	\$3,077	(\$2,006)	\$5,083
Oct-18	(\$4,880)	(\$4,880)	\$0	(\$26,219)	(\$26,219)	\$0	(\$2,914)	(\$2,914)	\$0
Nov-18	\$0	\$0	\$0	(\$60,255)	(\$60,255)	\$0	(\$3,942)	(\$3,942)	\$0
Dec-18	\$0	\$0	\$0	(\$54,492)	(\$54,492)	\$0	(\$4,100)	(\$4,100)	\$0
Jan-19	\$0	\$0	\$0	(\$62,837)	(\$62,837)	\$0	(\$4,012)	(\$4,012)	\$0
Feb-19	\$0	\$0	\$0	(\$29,507)	(\$29,507)	\$0	(\$3,887)	(\$3,887)	\$0
Mar-19	\$0	\$0	\$0	(\$55,928)	(\$55,928)	\$0	(\$3,841)	(\$3,841)	\$0
(2) Apr-19	\$0	\$0	\$0	(\$28,026)	(\$28,026)	\$0	(\$2,303)	(\$2,303)	\$0
Total	\$216,647	(\$86,646)	\$303,293	(\$45,405)	(\$340,697)	\$295,292	(\$8,285)	(\$36,146)	\$27,861

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

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

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

	Total	Residential A-16 / A-60		Small C&I C-06		General C&I G-02		200 kW Demand B-32 / G-32		
		(a)	(b)	(c)	(b)	(c)	(b)	(c)	(b)	(c)
(1) Beginning Over(Under) Recovery	\$7,300,262			\$4,068,851		\$712,749		\$1,259,041		\$981,324
(2) CapEx Reconciling Factors				(\$0.00135)		(\$0.00119)		(\$0.00098)		(\$0.00050)
(2a) CapEx Reconciling Factors Updated										(\$0.00048)
(3)			CapEx Reconciling Factor Revenue		CapEx Reconciling Factor Revenue		CapEx Reconciling Factor Revenue		CapEx Reconciling Factor Revenue	
		kWhs		kWhs		kWhs		kWhs		kWhs
Oct-17	(\$239,727)	93,170,695	(\$125,780)	19,934,393	(\$23,722)	46,027,022	(\$45,106)	71,888,694	(\$35,944)	
Nov-17	(\$554,029)	220,757,188	(\$298,022)	46,410,703	(\$55,229)	102,566,639	(\$100,515)	154,697,974	(\$77,349)	
Dec-17	(\$566,733)	234,258,554	(\$316,249)	47,204,661	(\$56,174)	97,766,022	(\$95,811)	156,147,641	(\$78,074)	
Jan-18	(\$721,140)	308,349,251	(\$416,271)	59,473,796	(\$70,774)	114,009,381	(\$111,729)	169,594,910	(\$84,797)	
Feb-18	(\$611,994)	256,487,509	(\$346,258)	53,603,746	(\$63,788)	102,265,595	(\$100,220)	148,261,655	(\$74,131)	
Mar-18	(\$563,395)	227,392,076	(\$306,979)	50,212,182	(\$59,752)	100,761,788	(\$98,747)	155,480,615	(\$77,740)	
Apr-18	(\$551,829)	220,614,246	(\$297,829)	48,735,673	(\$57,995)	99,871,348	(\$97,874)	152,085,185	(\$76,043)	
May-18	(\$538,923)	212,573,817	(\$286,975)	48,019,444	(\$57,143)	101,169,485	(\$99,146)	153,316,410	(\$76,658)	
Jun-18	(\$550,476)	212,923,032	(\$287,446)	48,476,817	(\$57,687)	106,468,903	(\$104,340)	162,967,927	(\$81,484)	
Jul-18	(\$718,016)	316,182,767	(\$426,847)	57,752,960	(\$68,726)	121,306,037	(\$118,880)	167,308,079	(\$83,654)	
Aug-18	(\$782,139)	351,011,306	(\$473,865)	60,444,536	(\$71,929)	126,491,466	(\$123,962)	182,069,045	(\$91,035)	
Sep-18	(\$786,086)	347,804,523	(\$469,536)	61,636,059	(\$73,347)	127,684,248	(\$125,131)	188,777,712	(\$90,613)	
Oct-18	(\$313,985)	127,521,495	(\$172,154)	27,366,682	(\$32,566)	59,489,021	(\$58,299)	106,179,290	(\$50,966)	
(5) Total	(\$7,507,561)		(\$4,224,211)		(\$748,832)		(\$1,279,760)		(\$978,488)	
(6) Ending Over(Under) Recovery	(\$207,299)		(\$155,360)		(\$36,083)		(\$20,719)		\$2,836	

	Total	3000 kW Demand B-62 / G-62		Lighting S-05/ S-06/ S-10 / S-14		Propulsion X-01	
		(b)	(c)	(b)	(c)	(b)	(c)
(1) Beginning Over(Under) Recovery			\$162,555		\$91,086		\$24,656
(2) CapEx Reconciling Factors			(\$0.00038)		(\$0.00151)		(\$0.00103)
(2a) CapEx Reconciling Factors Updated			(\$0.00048)				
(3)		kWhs	CapEx Reconciling Factor Revenue	kWhs	CapEx Reconciling Factor Revenue	kWhs	CapEx Reconciling Factor Revenue
Oct-17		16,685,140	(\$6,340)	1,323,076	(\$1,998)	812,684	(\$837)
Nov-17		36,838,671	(\$13,999)	4,484,913	(\$6,772)	2,080,524	(\$2,143)
Dec-17		28,798,003	(\$10,943)	4,881,579	(\$7,371)	2,049,985	(\$2,111)
Jan-18		41,327,869	(\$15,705)	13,202,486	(\$19,936)	1,871,652	(\$1,928)
Feb-18		30,687,841	(\$11,661)	9,213,221	(\$13,912)	1,964,976	(\$2,024)
Mar-18		34,479,589	(\$13,102)	3,391,718	(\$5,121)	1,896,605	(\$1,954)
Apr-18		40,481,431	(\$15,383)	3,315,812	(\$5,007)	1,648,197	(\$1,698)
May-18		33,470,583	(\$12,719)	2,726,776	(\$4,117)	2,101,865	(\$2,165)
Jun-18		34,940,102	(\$13,277)	2,729,968	(\$4,122)	2,058,609	(\$2,120)
Jul-18		36,813,548	(\$13,989)	2,581,603	(\$3,898)	1,963,397	(\$2,022)
Aug-18		40,247,284	(\$15,294)	2,596,057	(\$3,920)	2,071,594	(\$2,134)
Sep-18		41,961,974	(\$20,142)	3,516,990	(\$5,311)	1,947,751	(\$2,006)
Oct-18		10,167,132	(\$4,880)	2,013,265	(\$3,040)	1,134,826	(\$1,169)
(5) Total		426,899,168	(\$167,434)	55,977,463	(\$84,525)	23,602,665	(\$24,311)
(6) Ending Over(Under) Recovery			(\$4,879)		\$6,561		\$345

(1) per RIPUC. Docket No. 4592, Attachment ASC-2 page 1, line (8)
(2) per RIPUC. Docket No. 4592, Attachment ASC-2 page 1, line (10)
(2a) per RIPUC. Docket No. 4470, Compliance Attachment 12, Page 5, Line (17) and Page 6, Line (19)
(3) prorated for usage on and after October 1, 2017
(4) prorated for usage prior to October 1st, 2018
(5) sum of kWhs & revenue
(6) Line (1) + Line (5)
(a) sum of Column (b) from each rate
(b) from Company revenue report
(c) Column (b) x CapEx Reconciling Factor

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

	Total	Residential A-16 / A-60		Small C&I C-06		General C&I G-02		200 kW Demand B-32 / G-32	
		(a)	(b)	(c)	(b)	(c)	(b)	(c)	(b)
(1) Beginning Over(Under) Recovery	\$3,795,896		\$1,630,297		\$314,901		\$376,196		\$707,526
(2) CapEx Reconciling Factors			(\$0.00055)		(\$0.00052)		(\$0.00029)		(\$0.00029)
(3)			CapEx Reconciling Factor Revenue		CapEx Reconciling Factor Revenue		CapEx Reconciling Factor Revenue		CapEx Reconciling Factor Revenue
			kWhs		kWhs		kWhs		kWhs
Oct-18	(\$78,853)		(\$52,095)		(\$10,570)		(\$12,814)		(\$1,629)
Nov-18	(\$281,341)		(\$117,172)		(\$22,454)		(\$27,239)		(\$50,279)
Dec-18	(\$306,774)		(\$135,939)		(\$25,544)		(\$29,403)		(\$57,296)
Jan-19	(\$333,838)		(\$151,429)		(\$28,283)		(\$31,687)		(\$55,590)
Feb-19	(\$284,024)		(\$142,605)		(\$27,954)		(\$29,285)		(\$50,786)
Mar-19	(\$309,993)		(\$130,950)		(\$27,022)		(\$33,771)		(\$58,481)
Apr-19	(\$274,536)	199,405,712	(\$109,673)	52,774,534	(\$27,443)	94,668,173	(\$27,454)	199,921,181	(\$57,977)
May-19	(\$261,746)	201,191,847	(\$110,656)	50,200,370	(\$26,104)	98,788,856	(\$28,649)	177,599,245	(\$51,504)
Jun-19	(\$266,383)	207,040,309	(\$113,872)	52,872,891	(\$27,494)	99,241,600	(\$28,780)	183,664,420	(\$53,263)
Jul-19	\$0	-	\$0	-	\$0	-	\$0	-	\$0
Aug-19	\$0	-	\$0	-	\$0	-	\$0	-	\$0
Sep-19	\$0	-	\$0	-	\$0	-	\$0	-	\$0
(4) Total	(\$2,397,488)		(\$1,064,391)		(\$222,868)		(\$249,082)		(\$436,805)
(5) Ending Over(Under) Recovery	\$1,398,408		\$565,906		\$92,033		\$127,114		\$270,721
			(\$173,653)						

	Lighting S-05/ S-06/ S-10 / S-14	Propulsion X-01		
			(b)	(c)
(1) Beginning Over(Under) Recovery		\$717,341		\$49,635
(2) CapEx Reconciling Factors		(\$0.01550)		(\$0.00207)
(3)		CapEx Reconciling Factor Revenue		CapEx Reconciling Factor Revenue
		kWhs		kWhs
Oct-18	-	\$0		(\$1,745)
Nov-18		(\$60,255)		(\$3,942)
Dec-18		(\$54,492)		(\$4,100)
Jan-19		(\$62,837)		(\$4,012)
Feb-19		(\$29,507)		(\$3,887)
Mar-19		(\$55,928)		(\$3,841)
Apr-19	3,099,428	(\$48,041)	1,907,341	(\$3,948)
May-19	2,611,252	(\$40,474)	2,105,713	(\$4,359)
Jun-19	2,485,539	(\$38,526)	2,148,851	(\$4,448)
Jul-19	-	\$0	-	\$0
Aug-19	-	\$0	-	\$0
Sep-19	-	\$0	-	\$0
(4) Total		(\$390,060)		(\$34,282)
(5) Ending Over(Under) Recovery		\$327,281		\$15,353

(1) per RIPUC. Docket No. 4682, Attachment ASC-2 Revised, page 1, line (8)
(2) per RIPUC. Docket No. 4682, Attachment ASC-2 Revised page 1, line (10)
(3) prorated for usage on and after October. 1, 2018
(4) prorated for usage prior to October 1st, 2019
(5) sum of kWhs & revenue
(6) Line (1) + Line (5)

(a) sum of Column (b) from each rate
(b) from Company revenue report
(c) October 2018 through March 2019 per Company Revenue Reports, thereafter, Column (b) x CapEx Reconciling Factor

**THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
RIPUC DOCKET NO. 4783
FY 2019 ELECTRIC INFRASTRUCTURE, SAFETY, AND RELIABILITY PLAN
ANNUAL RECONCILIATION FILING
WITNESS: ROBIN E. PIERI**

Attachment REP-3

O&M Reconciliations and Proposed O&M Reconciling Factor

Fiscal Year 2019 Operation & Maintenance Reconciliation and Proposed Factor
Reconciliation of O&M Revenue and Actual O&M Revenue Requirement
For Fiscal Year 2019 ISR Plan
For the Recovery (Refund) Period October 1, 2019 through September 30, 2020

(1)	Actual FY 2019 O&M Revenue Requirement	\$10,400,295
(2)	O&M Revenue Billed	<u>\$10,991,705</u>
(3)	Total Over (Under) Recovery for FY 2019	\$591,410
(4)	Remaining Over (Under) For FY 2017	<u>\$35,429</u>
(5)	Total Over (Under) Recovery	\$626,839
(6)	Forecasted kWhs - October 1, 2019 through September 30, 2020	<u>7,004,422,803</u>
(7)	Proposed O&M Reconciling Factor (Credit) per kWh	(\$0.00008)

- (1) per Attachment MAL-1, Page 1, Line (4), Column (e)
- (2) per Page 2
- (3) Line (2) - Line (1)
- (4) per page 3 Line (4)
- (5) Line (3) + Line (4)
- (6) per Company forecast
- (7) [Line (5) ÷ Line (6)] x -1, truncated to 5 decimal places

Fiscal Year 2019 Operations & Maintenance Reconciliation
For the Period April 1, 2018 through March 31, 2019
For the Recovery/Refund Period October 1, 2019 through September 30, 2020

O&M Factor Revenue:

	<u>Month</u>	O&M <u>Revenue</u> (a)	Prior Period Reconciliation Factor <u>Revenue</u> (b)	Base O&M <u>Revenue</u> (c)
(1)	Apr-18	\$320,941	(\$2,338)	\$323,279
	May-18	\$783,120	(\$5,534)	\$788,654
	Jun-18	\$799,990	(\$5,706)	\$805,696
	Jul-18	\$1,019,083	(\$7,039)	\$1,026,122
	Aug-18	\$1,106,894	(\$7,649)	\$1,114,543
	Sep-18	\$1,128,576	(\$7,733)	\$1,136,309
	Oct-18	\$830,418	(\$8,299)	\$838,717
	Nov-18	\$779,509	(\$10,777)	\$790,286
	Dec-18	\$871,582	(\$12,126)	\$883,708
	Jan-19	\$937,910	(\$12,768)	\$950,678
	Feb-19	\$995,796	(\$12,144)	\$1,007,940
	Mar-19	\$852,973	(\$11,837)	\$864,810
(2)	Apr-19	<u>\$454,525</u>	<u>(\$6,438)</u>	<u>\$460,963</u>
	Total	\$10,881,317	(\$110,388)	\$10,991,705

- (1) Reflects kWhs consumed on and after April 1
(2) Reflects kWhs consumed prior to April 1

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

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

		<u>Total</u>	
(1)	Over (Under) Recovery	\$110,823	
(2)	O&M Reconciling Factor	(\$0.00001)	
		<u>Total kWhs</u>	<u>Total Revenue</u>
		(a)	(b)
	Oct-17	249,841,705	(\$2,498)
	Nov-17	567,836,612	(\$5,678)
	Dec-17	571,106,445	(\$5,711)
	Jan-18	707,829,345	(\$7,078)
	Feb-18	602,484,543	(\$6,025)
	Mar-18	573,614,573	(\$5,736)
	Apr-18	566,751,892	(\$5,668)
	May-18	553,378,380	(\$5,534)
	Jun-18	570,565,358	(\$5,706)
	Jul-18	703,908,391	(\$7,039)
	Aug-18	764,931,288	(\$7,649)
	Sep-18	773,329,257	(\$7,733)
	Oct-18	333,871,711	<u>(\$3,339)</u>
(3)	Total	7,539,449,500	(\$75,394)
(4)	Over (Under) Recovery		\$35,429

(1) per RIPUC Docket No. 4592, Attachment ASC-3, page 1, line (5)

(2) per RIPUC Docket No. 4592, Attachment ASC-3, page 1, line (7)

(3) sum of kWhs & revenue

(4) Line (1) + Line (3)

(a) per Company Records

(b) Line (2) x Column (a)

Fiscal Year 2018 O&M Reconciliation of Under Recovery
For the Period April 1, 2017 through March 31, 2018
For the Recovery Period October 1, 2018 through September 30, 2019

		<u>Total</u>	
(1)	Over (Under) Recovery	\$200,962	
(2)	O&M Reconciling Factor	(\$0.00002)	
		<u>Total kWhs</u>	<u>Total Revenue</u>
		(a)	(b)
	Oct-18	247,989,061	(\$4,960)
	Nov-18	538,841,231	(\$10,777)
	Dec-18	606,304,493	(\$12,126)
	Jan-19	638,390,517	(\$12,768)
	Feb-19	607,192,348	(\$12,144)
	Mar-19	591,845,970	(\$11,837)
	Apr-19	551,776,369	(\$11,036)
	May-19	532,497,283	(\$10,650)
	Jun-19	547,453,610	(\$10,949)
	Jul-19	-	\$0
	Aug-19	-	\$0
	Sep-19	-	\$0
	Oct-19	-	<u>\$0</u>
(3)	Total	4,862,290,882	(\$97,247)
(4)	Over (Under) Recovery		\$103,715

- (1) per RIPUC. Docket No. 4682, Attachment ASC-3 page 1, line (5)
- (2) per RIPUC. Docket No. 4682, Attachment ASC-3 page 1, line (7)
- (3) sum of kWhs & revenue
- (4) Line (1) + Line (3)

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

**THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
RIPUC DOCKET NO. 4783
FY 2019 ELECTRIC INFRASTRUCTURE, SAFETY, AND RELIABILITY PLAN
ANNUAL RECONCILIATION FILING
WITNESS: ROBIN E. PIERI**

Attachment REP-4

Typical Bill Analysis

The Narragansett Electric Company
Calculation of Monthly Typical Bill
Total Bill Impact of Standard Offer Service Rate Filing
Rates Applicable to A-16 Rate Customers

Monthly kWh (a)	Rates Effective July 1, 2019			Proposed Rates Effective October 1, 2019			\$ Increase (Decrease)			Increase (Decrease) % of Total Bill			Percentage of Customers (r)				
	Delivery Services (b)	Supply Services (c)	GET (d)	Total (e) = (a) + (b) + (c)	Delivery Services (f)	Supply Services (g)	GET (h)	Total (i) = (f) + (g) + (h)	Delivery Services (j) = (f) - (b)	Supply Services (k) = (g) - (c)	GET (l) = (h) - (d)	Total (m) = (j) + (k) + (l)		Delivery Services (n) = (j) / (e)	Supply Services (o) = (k) / (e)	GET (p) = (l) / (e)	Total (q) = (m) / (e)
150	\$22.80	\$13.86	\$1.53	\$38.19	\$22.98	\$13.86	\$1.54	\$38.38	\$0.18	\$0.00	\$0.01	\$0.19	0.5%	0.0%	0.0%	0.5%	30.1%
300	\$37.19	\$27.72	\$2.70	\$67.61	\$37.55	\$27.72	\$2.72	\$67.99	\$0.36	\$0.00	\$0.02	\$0.38	0.5%	0.0%	0.0%	0.6%	12.9%
400	\$46.79	\$36.96	\$3.49	\$87.24	\$47.27	\$36.96	\$3.51	\$87.74	\$0.48	\$0.00	\$0.02	\$0.50	0.6%	0.0%	0.0%	0.6%	11.6%
500	\$56.39	\$46.20	\$4.27	\$106.86	\$56.99	\$46.20	\$4.30	\$107.49	\$0.60	\$0.00	\$0.03	\$0.63	0.6%	0.0%	0.0%	0.6%	9.6%
600	\$65.98	\$55.44	\$5.06	\$126.48	\$66.70	\$55.44	\$5.09	\$127.23	\$0.72	\$0.00	\$0.03	\$0.75	0.6%	0.0%	0.0%	0.6%	7.7%
700	\$75.58	\$64.68	\$5.84	\$146.10	\$76.42	\$64.68	\$5.88	\$146.98	\$0.84	\$0.00	\$0.04	\$0.88	0.6%	0.0%	0.0%	0.6%	19.0%
1,200	\$123.56	\$110.88	\$9.77	\$244.21	\$125.00	\$110.88	\$9.83	\$245.71	\$1.44	\$0.00	\$0.06	\$1.50	0.6%	0.0%	0.0%	0.6%	6.8%
2,000	\$200.34	\$184.80	\$16.05	\$401.19	\$202.74	\$184.80	\$16.15	\$403.69	\$2.40	\$0.00	\$0.10	\$2.50	0.6%	0.0%	0.0%	0.6%	2.3%

Rates Effective July 1, 2019

Line Item	Amount
(1) Distribution Customer Charge	\$6.00
(2) LIHEAP Enhancement Charge	\$0.80
(3) Renewable Energy Growth Program Charge	\$1.60
(4) Distribution Charge (per kWh)	\$0.04298
(5) Operating & Maintenance Expense Charge	\$0.00204
(6) Operating & Maintenance Expense Reconciliation Factor	(\$0.00002)
(7) FY20 CapEx Factor Charge	\$0.00116
(8) CapEx Reconciliation Factor	(\$0.00055)
(9) Revenue Decoupling Adjustment Factor	(\$0.00061)
(10) Pension Adjustment Factor	(\$0.00023)
(11) Storm Fund Replenishment Factor	\$0.00288
(12) Average Management Adjustment Factor	\$0.00010
(13) Low Income Discount Recovery Factor	\$0.00152
(14) Long-term Contracting for Renewable Energy Charge	\$0.00711
(15) Net Metering Charge	\$0.00068
(16) Base Transmission Charge	\$0.03034
(17) Transmission Adjustment Factor	(\$0.00217)
(18) Transmission Unallocable Factor	\$0.00037
(19) Base Transition Charge	(\$0.00093)
(20) Transition Adjustment	(\$0.00021)
(21) Energy Efficiency Program Charge	\$0.01151
(22) Standard Offer Service Base Charge	\$0.09167
(23) SOS Adjustment Factor	(\$0.00223)
(24) SOS Administrative Cost Adjustment Factor	\$0.00233
(25) Renewable Energy Standard Charge	\$0.00063

Proposed Rates Effective October 1, 2019

Line Item	Amount
(1) Distribution Customer Charge	\$6.00
(2) LIHEAP Enhancement Charge	\$0.80
(3) Renewable Energy Growth Program Charge	\$1.60
(4) Distribution Charge (per kWh)	\$0.04298
(5) Operating & Maintenance Expense Charge	\$0.00204
(6) Operating & Maintenance Expense Reconciliation Factor	(\$0.00008)
(7) FY20 CapEx Factor Charge	\$0.00116
(8) CapEx Reconciliation Factor	(\$0.00071)
(9) Revenue Decoupling Adjustment Factor	(\$0.00061)
(10) Pension Adjustment Factor	(\$0.00023)
(11) Storm Fund Replenishment Factor	\$0.00288
(12) Average Management Adjustment Factor	\$0.00010
(13) Low Income Discount Recovery Factor	\$0.00152
(14) Long-term Contracting for Renewable Energy Charge	\$0.00711
(15) Net Metering Charge	\$0.00068
(16) Base Transmission Charge	\$0.03034
(17) Transmission Adjustment Factor	(\$0.00217)
(18) Transmission Unallocable Factor	\$0.00037
(19) Base Transition Charge	(\$0.00093)
(20) Transition Adjustment	(\$0.00021)
(21) Energy Efficiency Program Charge	\$0.01151
(22) Standard Offer Service Base Charge	\$0.09167
(23) SOS Adjustment Factor	(\$0.00223)
(24) SOS Administrative Cost Adjustment Factor	\$0.00233
(25) Renewable Energy Standard Charge	\$0.00063

Line Item on Bill	Amount
(26) Customer Charge	\$6.00
(27) LIHEAP Enhancement Charge	\$0.80
(28) RE Growth Program	\$1.60
(29) Transmission Charge	\$0.02854
(30) Distribution Energy Charge	\$0.04927
(31) Transition Charge	(\$0.00114)
(32) Energy Efficiency Programs	\$0.01151
(33) Renewable Energy Distribution Charge	\$0.00779
(34) Supply Services Energy Charge	\$0.09240

Column (s) per Summary of Retail Delivery Service Rates, R.I.P.U.C. No. 2095 effective 7/1/2019, and Summary of Rates Standard Offer Service tariff, R.I.P.U.C. No. 2096, effective 7/1/2019
Column (t) per REP-3, Page 1, Line (7); Line (8) per REP-2, Page 1, Line (10), Column (b)

The Narragansett Electric Company
Calculation of Monthly Typical Bill
Total Bill Impact of Standard Offer Service Rate Filing
Rates Applicable to A-60 Rate Customers

Monthly kWh	Rates Effective July 1, 2019				Proposed Rates Effective October 1, 2019				Increase (Decrease) % of Total Bill				Percentage of Customers				
	Delivery Services (b)	Supply Services (c)	Low Income Discount (d) = [(b)+(c)] x .25	Total (e) = (b) + (c) + (d)	Delivery Services (h)	Supply Services (i)	Low Income Discount (j) = [(h)+(i)] x .25	Total (m) = (h) + (i) + (j)	Delivery Services (n) = [(h)+(i)] - [(b)+(d)]	Supply Services (o) = (i) - (c)	GET (p) = (l) - (f)	Total (q) = (n) + (o) + (p)		GET (r) = (q) - (e)	(s) = (o) + (c) - (p) = (l) - (f)		
150	\$18.57	\$13.86	(\$8.11)	\$24.32	\$18.75	\$13.86	(\$8.15)	\$24.46	\$0.14	\$0.00	\$0.01	\$0.15	0.6%	0.0%	0.0%	0.6%	32.1%
300	\$32.74	\$27.72	(\$15.12)	\$45.34	\$33.10	\$27.72	(\$15.21)	\$45.61	\$0.27	\$0.00	\$0.01	\$0.28	0.6%	0.0%	0.0%	0.6%	15.4%
400	\$42.18	\$36.96	(\$19.79)	\$59.35	\$42.66	\$36.96	(\$19.91)	\$59.71	\$0.36	\$0.00	\$0.02	\$0.38	0.6%	0.0%	0.0%	0.6%	12.5%
500	\$51.63	\$46.20	(\$24.46)	\$73.37	\$52.23	\$46.20	(\$24.61)	\$73.82	\$0.45	\$0.00	\$0.02	\$0.47	0.6%	0.0%	0.0%	0.6%	9.6%
600	\$61.07	\$55.44	(\$29.13)	\$87.38	\$61.79	\$55.44	(\$29.31)	\$87.92	\$0.54	\$0.00	\$0.02	\$0.56	0.6%	0.0%	0.0%	0.6%	7.2%
700	\$70.52	\$64.68	(\$33.80)	\$101.40	\$71.36	\$64.68	(\$34.01)	\$102.03	\$0.63	\$0.00	\$0.02	\$0.65	0.6%	0.0%	0.0%	0.6%	16.4%
1,200	\$117.74	\$110.88	(\$57.16)	\$171.46	\$119.18	\$110.88	(\$57.52)	\$172.54	\$1.08	\$0.00	\$0.05	\$1.13	0.6%	0.0%	0.0%	0.6%	5.2%
2,000	\$193.30	\$184.80	(\$94.53)	\$283.57	\$195.70	\$184.80	(\$95.13)	\$285.37	\$1.80	\$0.00	\$0.07	\$1.87	0.6%	0.0%	0.0%	0.6%	1.6%

Rates Effective July 1, 2019

Line Item on Bill	(w)	(x)
(1) Distribution Customer Charge	\$2.00	\$2.00
(2) LIHEAP Enhancement Charge	\$0.80	\$0.80
(3) Renewable Energy Growth Program Charge	\$1.60	\$1.60
(4) Distribution Charge (per kWh)	\$0.02298	\$0.02298
(5) Operating & Maintenance Expense Reconciliation Factor	\$0.00204	\$0.00204
(6) Operating & Maintenance Expense Reconciliation Factor	(\$0.00002)	(\$0.00002)
(7) FY20 CapEx Factor Charge	\$0.00116	\$0.00116
(8) CapEx Reconciliation Factor	(\$0.00055)	(\$0.00055)
(9) Revenue Decoupling Adjustment Factor	(\$0.00061)	(\$0.00061)
(10) Pension Adjustment Factor	(\$0.00023)	(\$0.00023)
(11) Storm Fund Replenishment Factor	\$0.00288	\$0.00288
(12) Arrage Management Adjustment Factor	\$0.00010	\$0.00010
(13) Low Income Discount Recovery Factor	\$0.00000	\$0.00000
(14) Long-term Contracting for Renewable Energy Charge	\$0.00711	\$0.00711
(15) Net Metering Charge	\$0.00068	\$0.00068
(16) Base Transmission Charge	\$0.03034	\$0.03034
(17) Transmission Adjustment Factor	(\$0.00217)	(\$0.00217)
(18) Transmission Unrecoverable Factor	\$0.00037	\$0.00037
(19) Base Transition Charge	(\$0.00093)	(\$0.00093)
(20) Transition Adjustment	(\$0.00021)	(\$0.00021)
(21) Energy Efficiency Program Charge	\$0.01151	\$0.01151
(22) Standard Offer Service Base Charge	\$0.09167	\$0.09167
(23) SOS Adjustment Factor	(\$0.00223)	(\$0.00223)
(24) SOS Administrative Cost Adjustment Factor	\$0.00233	\$0.00233
(25) Renewable Energy Standard Charge	\$0.00063	\$0.00063

Line Item on Bill	(w)	(x)
(26) Customer Charge	\$2.00	\$2.00
(27) LIHEAP Enhancement Charge	\$0.80	\$0.80
(28) RE Growth Program	\$1.60	\$1.60
(29) Transition Charge	\$0.02854	\$0.02854
(30) Distribution Energy Charge	\$0.04775	\$0.04775
(31) Transition Charge	(\$0.00114)	(\$0.00114)
(32) Energy Efficiency Programs	\$0.01151	\$0.01151
(33) Renewable Energy Distribution Charge	\$0.00779	\$0.00779
(34) Supply Services Energy Charge	\$0.09240	\$0.09240
(35) Discount Percentage	2.5%	2.5%

Column (w) per Summary of Retail Delivery Service Rates, R.I.P.U.C. No. 2005 effective 7/1/2019, and Summary of Rates Standard Offer Service tariff, R.I.P.U.C. No. 2006, effective 7/1/2019
Column (x) Line (6) per REP-3, Page 1, Line (7); Line (8) per REP-2, Page 1, Line (10), Column (b)

The Narragansett Electric Company
Calculation of Monthly Typical Bill
Total Bill Impact of Standard Offer Service Rate Filing
Rates Applicable to A-60 Rate Customers

Monthly kWh	Rates Effective July 1, 2019				Proposed Rates Effective October 1, 2019				Increase (Decrease) % of Total Bill				Percentage of Customers	
	Delivery Services (b)	Supply Services (c)	Low Income Discount (d) = [(b)+(c)] x .30	Total (e) = (b) + (c) + (d)	Delivery Services (h)	Supply Services (i)	Low Income Discount (j) = [(h)+(i)] x .30	Total (m) = (h) + (i) + (j)	Delivery Services (n) = [(h)+(i)] - [(b)+(d)]	Supply Services (o) = (i) - (c)	GET (p) = (l) - (f)	Total (q) = (n) + (o) + (p)		(r) = (m) + (q) - (e)
150	\$18.57	\$13.86	(\$9.73)	\$22.70	\$18.75	\$13.86	(\$9.78)	\$22.83	\$0.13	\$0.00	\$0.00	\$0.13	0.5%	32.1%
300	\$32.74	\$27.72	(\$18.14)	\$42.32	\$33.10	\$27.72	(\$18.25)	\$42.57	\$0.25	\$0.00	\$0.01	\$0.26	0.6%	15.4%
400	\$42.18	\$36.96	(\$23.74)	\$55.40	\$42.66	\$36.96	(\$23.89)	\$55.73	\$0.33	\$0.00	\$0.01	\$0.34	0.6%	12.5%
500	\$51.63	\$46.20	(\$29.35)	\$68.48	\$52.23	\$46.20	(\$29.53)	\$68.90	\$0.42	\$0.00	\$0.02	\$0.44	0.6%	9.6%
600	\$61.07	\$55.44	(\$34.95)	\$81.56	\$61.79	\$55.44	(\$35.17)	\$82.06	\$0.50	\$0.00	\$0.02	\$0.52	0.6%	7.2%
700	\$70.52	\$64.68	(\$40.56)	\$94.64	\$71.36	\$64.68	(\$40.81)	\$95.23	\$0.59	\$0.00	\$0.03	\$0.62	0.6%	16.4%
1,200	\$117.74	\$110.88	(\$68.59)	\$160.03	\$119.18	\$110.88	(\$69.02)	\$161.04	\$1.01	\$0.00	\$0.04	\$1.05	0.6%	5.2%
2,000	\$193.30	\$184.80	(\$113.43)	\$264.67	\$195.70	\$184.80	(\$114.15)	\$266.35	\$1.68	\$0.00	\$0.07	\$1.75	0.6%	1.6%

Rates Effective July 1, 2019

(w)	(x)
\$2.00	\$2.00
\$0.80	\$0.80
\$1.60	\$1.60
\$0.02328	\$0.04298
\$0.00204	\$0.00204
\$0.00021	\$0.00063
\$0.00116	\$0.00116
\$0.00055	\$0.00071
\$0.00061	\$0.00061
\$0.00023	\$0.00023
\$0.00288	\$0.00288
\$0.00010	\$0.00010
\$0.00000	\$0.00000
\$0.00711	\$0.00711
\$0.00068	\$0.00068
\$0.03034	\$0.03034
\$0.00217	\$0.00217
\$0.00037	\$0.00037
\$0.00093	\$0.00093
\$0.00021	\$0.00021
\$0.01151	\$0.01151
\$0.09167	\$0.09167
\$0.00223	\$0.00223
\$0.00233	\$0.00233
\$0.00063	\$0.00063

Proposed Rates Effective October 1, 2019

(y)	(z)
\$2.00	\$2.00
\$0.80	\$0.80
\$1.60	\$1.60
\$0.04298	\$0.04298
\$0.00063	\$0.00063
\$0.00116	\$0.00116
\$0.00071	\$0.00071
\$0.00061	\$0.00061
\$0.00023	\$0.00023
\$0.00288	\$0.00288
\$0.00010	\$0.00010
\$0.00000	\$0.00000
\$0.00711	\$0.00711
\$0.00068	\$0.00068
\$0.03034	\$0.03034
\$0.00217	\$0.00217
\$0.00037	\$0.00037
\$0.00093	\$0.00093
\$0.00021	\$0.00021
\$0.01151	\$0.01151
\$0.09167	\$0.09167
\$0.00223	\$0.00223
\$0.00233	\$0.00233
\$0.00063	\$0.00063

Line Item on Bill	Amount
(1) Distribution Customer Charge	\$2.00
(2) LIHEAP Enhancement Charge	\$0.80
(3) Renewable Energy Growth Program Charge	\$1.60
(4) Distribution Charge (per kWh)	\$0.04298
(5) Operating & Maintenance Expense Reconciliation Factor	\$0.00063
(6) FY19 CapEx Factor Charge	\$0.00116
(7) CapEx Reconciliation Factor	\$0.00071
(8) Revenue Decoupling Adjustment Factor	\$0.00061
(9) Pension Adjustment Factor	\$0.00023
(10) Storm Fund Replenishment Factor	\$0.00288
(11) Arrangement Management Adjustment Factor	\$0.00010
(12) Low Income Discount Recovery Factor	\$0.00000
(13) Long-term Contracting for Renewable Energy Charge	\$0.00711
(14) Net Metering Charge	\$0.00068
(15) Base Transmission Charge	\$0.03034
(16) Transmission Adjustment Factor	\$0.00217
(17) Transmission Unrecoverable Factor	\$0.00037
(18) Base Transition Charge	\$0.00093
(19) Transition Adjustment	\$0.00021
(20) Energy Efficiency Program Charge	\$0.01151
(21) Standard Offer Service Base Charge	\$0.09167
(22) SOS Adjustment Factor	\$0.00223
(23) Administrative Cost Adjustment Factor	\$0.00233
(24) Renewable Energy Standard Charge	\$0.00063
(25) Customer Charge	\$2.00
(26) LIHEAP Enhancement Charge	\$0.80
(27) RE Growth Program	\$1.60
(28) Distribution Energy Charge	\$0.02854
(29) Distribution Energy Charge	\$0.04775
(30) Transition Charge	\$0.00014
(31) Energy Efficiency Programs	\$0.01151
(32) Renewable Energy Distribution Charge	\$0.00779
(33) Supply Services Energy Charge	\$0.09240
(34) Discount Percentage	30%

Column (w) per Summary of Retail Delivery Service Rates, R.I.P.U.C. No. 2005 effective 7/1/2019, and Summary of Rates Standard Offer Service tariff, R.I.P.U.C. No. 2006, effective 7/1/2019
Column (x) per REP-3, Page 1, Line (7); Line (8) per REP-2, Page 1, Line (10), Column (b)

The Narragansett Electric Company
Calculation of Monthly Typical Bill
Total Bill Impact of Standard Offer Service Rate Filing
Rates Applicable to C-06 Rate Customers

Monthly kWh (a)	Rates Effective July 1, 2019			Proposed Rates Effective October 1, 2019			\$ Increase (Decrease)			Increase (Decrease) % of Total Bill			Percentage of Customers (n)	
	Delivery Services (b)	Supply Services (c)	G&T (d)	Delivery Services (b)	Supply Services (c)	G&T (d)	Delivery Services (f)	Supply Services (g)	G&T (h)	Delivery Services (i)	Supply Services (k)	G&T (l)		Total (m)
250	\$36.16	\$22.78	\$2.46	\$36.46	\$22.78	\$2.47	\$0.30	\$0.00	\$0.01	\$0.31	0.5%	0.0%	0.5%	56.3%
500	\$59.01	\$45.57	\$4.36	\$59.61	\$45.57	\$4.38	\$0.60	\$0.00	\$0.02	\$0.62	0.6%	0.0%	0.6%	16.9%
1,000	\$104.72	\$91.13	\$8.16	\$105.92	\$91.13	\$8.21	\$1.20	\$0.00	\$0.05	\$1.25	0.6%	0.0%	0.6%	8.1%
1,500	\$150.43	\$136.70	\$11.96	\$152.23	\$136.70	\$12.04	\$1.80	\$0.00	\$0.08	\$1.88	0.6%	0.0%	0.6%	5.0%
2,000	\$196.14	\$182.26	\$15.77	\$198.54	\$182.26	\$15.87	\$2.40	\$0.00	\$0.10	\$2.50	0.6%	0.0%	0.6%	13.6%

Line Item on Bill	Rates Effective July 1, 2019			Proposed Rates Effective October 1, 2019			Line Item on Bill
	(o)	(p)	(q)	(r)	(s)	(t)	
(1) Distribution Customer Charge	\$10.00	\$10.00		\$10.00	\$10.00		Customer Charge
(2) LIHEAP Enhancement Charge	\$0.80	\$0.80		\$0.80	\$0.80		LIHEAP Enhancement Charge
(3) Renewable Energy Growth Program Charge	\$2.50	\$2.50		\$2.50	\$2.50		RE Growth Program
(4) Distribution Charge (per kWh)	\$0.04207	\$0.04207		\$0.04207	\$0.04207		
(5) Operating & Maintenance Expense Charge	\$0.00209	\$0.00209		\$0.00209	\$0.00209		
(6) Operating & Maintenance Expense Reconciliation Factor	(\$0.00002)	(\$0.00002)		(\$0.00002)	(\$0.00002)		
(7) FY20 CapEx Factor Charge	\$0.00101	\$0.00101		\$0.00101	\$0.00101		
(8) CapEx Reconciliation Factor	(\$0.00052)	(\$0.00052)		(\$0.00052)	(\$0.00052)		Distribution Energy Charge
(9) Revenue Decoupling Adjustment Factor	(\$0.00061)	(\$0.00061)		(\$0.00061)	(\$0.00061)		
(10) Pension Adjustment Factor	(\$0.00023)	(\$0.00023)		(\$0.00023)	(\$0.00023)		
(11) Storm Fund Replenishment Factor	\$0.00288	\$0.00288		\$0.00288	\$0.00288		
(12) Arrearage Management Adjustment Factor	\$0.00010	\$0.00010		\$0.00010	\$0.00010		
(13) Low Income Discount Recovery Factor	\$0.00152	\$0.00152		\$0.00152	\$0.00152		
(14) Long-term Contracting for Renewable Energy Charge	\$0.00711	\$0.00711		\$0.00711	\$0.00711		Renewable Energy Distribution Charge
(15) Net Metering Charge	\$0.00068	\$0.00068		\$0.00068	\$0.00068		
(16) Base Transmission Charge	\$0.03047	\$0.03047		\$0.03047	\$0.03047		
(17) Transmission Adjustment Factor	(\$0.00582)	(\$0.00582)		(\$0.00582)	(\$0.00582)		Transmission Charge
(18) Transmission Uncollectible Factor	\$0.00032	\$0.00032		\$0.00032	\$0.00032		
(19) Base Transition Charge	(\$0.00093)	(\$0.00093)		(\$0.00093)	(\$0.00093)		Transition Charge
(20) Transition Adjustment	(\$0.00021)	(\$0.00021)		(\$0.00021)	(\$0.00021)		Energy Efficiency Programs
(21) Energy Efficiency Program Charge	\$0.01151	\$0.01151		\$0.01151	\$0.01151		
(22) Standard Offer Service Base Charge	\$0.08679	\$0.08679		\$0.08679	\$0.08679		
(23) SOS Adjustment Factor	\$0.00154	\$0.00154		\$0.00154	\$0.00154		Supply Services Energy Charge
(24) SOS Administrative Cost Adjustment Factor	\$0.00217	\$0.00217		\$0.00217	\$0.00217		
(25) Renewable Energy Standard Charge	\$0.00063	\$0.00063		\$0.00063	\$0.00063		
(26) Customer Charge	\$10.00	\$10.00		\$10.00	\$10.00		
(27) LIHEAP Enhancement Charge	\$0.80	\$0.80		\$0.80	\$0.80		
(28) RE Growth Program	\$2.50	\$2.50		\$2.50	\$2.50		
(29) Transmission Charge	\$0.02497	\$0.02497		\$0.02497	\$0.02497		
(30) Distribution Energy Charge	\$0.04829	\$0.04829		\$0.04829	\$0.04829		
(31) Transition Charge	(\$0.00114)	(\$0.00114)		(\$0.00114)	(\$0.00114)		
(32) Energy Efficiency Programs	\$0.01151	\$0.01151		\$0.01151	\$0.01151		
(33) Renewable Energy Distribution Charge	\$0.00779	\$0.00779		\$0.00779	\$0.00779		
(34) Supply Services Energy Charge	\$0.09113	\$0.09113		\$0.09113	\$0.09113		

Column (o): per Summary of Retail Delivery Service Rates, R.I.P.U.C. No. 2095 effective 7/1/2019, and Summary of Rates Standard Offer Service tariff, R.I.P.U.C. No. 2096, effective 7/1/2019
Column (p): Line (6) per REP-3, Page 1, Line (7); Line (8) per REP-2, Page 1, Line (10), Column (c)

The Narragansett Electric Company
Calculation of Monthly Typical Bill
Total Bill Impact of Standard Offer Service Rate Filing
Rates Applicable to G&O Rate Customers

kW	Monthly Power Hours Use	Rates Effective July 1, 2019				Proposed Rates Effective October 1, 2019				\$ Increase (Decrease)				Increase (Decrease) % of Total Bill			
		Delivery Services (b)	Supply Services (c)	GET (d)	Total (e)	Delivery Services (b)	Supply Services (c)	GET (d)	Total (e)	Delivery Services (f)	Supply Services (g)	GET (h)	Total (i)	Delivery Services (j)	Supply Services (k)	GET (l)	Total (m)
20	200	\$461.02	\$331.60	\$53.03	\$825.65	\$464.26	\$331.60	\$53.16	\$829.02	\$3.24	\$0.00	\$0.13	\$3.37	0.4%	0.0%	0.0%	0.4%
50	200	\$1,000.30	\$829.00	\$76.22	\$1,905.52	\$1,008.40	\$829.00	\$76.56	\$1,913.96	\$8.10	\$0.00	\$0.34	\$8.44	0.4%	0.0%	0.0%	0.4%
100	200	\$1,899.10	\$1,658.00	\$148.21	\$3,705.31	\$1,918.40	\$1,658.00	\$148.89	\$3,722.19	\$19.30	\$0.00	\$0.68	\$19.98	0.4%	0.0%	0.0%	0.5%
150	200	\$2,797.90	\$2,487.00	\$220.20	\$5,505.10	\$2,822.20	\$2,487.00	\$221.22	\$5,530.42	\$24.30	\$0.00	\$1.02	\$25.32	0.4%	0.0%	0.0%	0.5%
20	300	\$529.38	\$497.40	\$42.78	\$1,069.56	\$534.24	\$497.40	\$42.99	\$1,074.63	\$4.86	\$0.00	\$0.21	\$5.07	0.5%	0.0%	0.0%	0.5%
50	300	\$1,171.20	\$1,243.50	\$100.61	\$2,515.31	\$1,183.35	\$1,243.50	\$101.12	\$2,527.97	\$12.15	\$0.00	\$0.51	\$12.66	0.5%	0.0%	0.0%	0.5%
100	300	\$2,240.90	\$2,487.00	\$197.00	\$4,924.90	\$2,265.20	\$2,487.00	\$198.01	\$4,950.21	\$24.30	\$0.00	\$1.01	\$25.31	0.5%	0.0%	0.0%	0.5%
150	300	\$3,310.60	\$3,730.50	\$293.38	\$7,334.48	\$3,347.05	\$3,730.50	\$294.90	\$7,372.45	\$36.45	\$0.00	\$1.52	\$37.97	0.5%	0.0%	0.0%	0.5%
20	400	\$597.74	\$665.20	\$52.54	\$1,315.48	\$604.22	\$665.20	\$52.81	\$1,320.23	\$6.48	\$0.00	\$0.27	\$6.75	0.5%	0.0%	0.0%	0.5%
50	400	\$1,342.10	\$1,658.00	\$125.00	\$3,125.10	\$1,358.30	\$1,658.00	\$125.68	\$3,141.98	\$16.20	\$0.00	\$0.68	\$16.88	0.5%	0.0%	0.0%	0.5%
100	400	\$2,582.70	\$3,316.00	\$245.78	\$6,144.48	\$2,615.10	\$3,316.00	\$247.13	\$6,178.23	\$32.40	\$0.00	\$1.35	\$33.75	0.5%	0.0%	0.0%	0.5%
150	400	\$3,823.30	\$4,974.00	\$366.55	\$9,163.85	\$3,871.90	\$4,974.00	\$368.58	\$9,214.48	\$48.60	\$0.00	\$2.03	\$50.63	0.5%	0.0%	0.0%	0.6%
20	500	\$10,000	\$829.00	\$62.30	\$1,557.40	\$674.20	\$829.00	\$62.63	\$1,565.83	\$8.10	\$0.00	\$0.33	\$8.43	0.5%	0.0%	0.0%	0.6%
50	500	\$25,000	\$2,072.50	\$149.40	\$3,734.90	\$1,533.25	\$2,072.50	\$150.24	\$3,755.99	\$20.25	\$0.00	\$0.84	\$21.09	0.5%	0.0%	0.0%	0.6%
100	500	\$2,924.50	\$4,145.00	\$294.56	\$7,364.06	\$2,965.00	\$4,145.00	\$296.25	\$7,406.25	\$40.50	\$0.00	\$1.69	\$42.19	0.5%	0.0%	0.0%	0.6%
150	500	\$4,336.00	\$6,217.50	\$439.73	\$10,993.23	\$4,396.75	\$6,217.50	\$442.26	\$11,056.51	\$60.75	\$0.00	\$2.53	\$63.28	0.6%	0.0%	0.0%	0.6%
20	600	\$734.46	\$994.80	\$72.05	\$1,801.31	\$744.18	\$994.80	\$72.46	\$1,811.44	\$9.72	\$0.00	\$0.41	\$10.13	0.5%	0.0%	0.0%	0.6%
50	600	\$1,683.90	\$2,487.00	\$173.79	\$4,344.69	\$1,708.20	\$2,487.00	\$174.80	\$4,370.00	\$24.30	\$0.00	\$1.01	\$25.31	0.6%	0.0%	0.0%	0.6%
100	600	\$3,266.30	\$4,974.00	\$343.35	\$8,583.65	\$3,314.90	\$4,974.00	\$345.37	\$8,634.27	\$48.60	\$0.00	\$2.02	\$50.62	0.6%	0.0%	0.0%	0.6%
150	600	\$4,848.70	\$7,461.00	\$512.90	\$12,822.60	\$4,921.60	\$7,461.00	\$515.94	\$12,898.54	\$72.90	\$0.00	\$3.04	\$75.94	0.6%	0.0%	0.0%	0.6%

Rates Effective July 1, 2019

Proposed Rates Effective October 1, 2019

Line Item on Bill

(1) Distribution Customer Charge	\$145.00	Customer Charge	\$145.00
(2) LIHEAP Enhancement Charge	\$0.80	LIHEAP Enhancement Charge	\$0.80
(3) Renewable Energy Growth Program Charge	\$23.40	RE Growth Program	\$23.40
(4) Base Distribution Demand Charge (per kW = 10kW)	\$6.50	Distribution Demand Charge	\$6.50
(5) FY20 CapEx Factor Demand Charge (per kW = 10kW)	\$0.27		\$0.27
(6) Distribution Charge (per kWh)	\$0.00409		\$0.00409
(7) Operating & Maintenance Expense Charge	\$0.00156		\$0.00156
(8) CapEx Reconciliation Factor	(\$0.00029)		(\$0.00029)
(9) Revenue Decoupling Adjustment Factor	(\$0.00061)		(\$0.00061)
(10) Storm Fund Replenishment Factor	(\$0.00023)		(\$0.00023)
(11) Average Management Adjustment Factor	\$0.00288		\$0.00288
(12) Low Income Discount Recovery Factor	\$0.00010		\$0.00010
(13) Long-term Contracting for Renewable Energy Charge	\$0.00711	Renewable Energy Distribution Charge	\$0.00711
(14) Net Metering Charge	\$0.00068	Transmission Demand Charge	\$0.00068
(15) Transmission Demand Charge	\$4.37		\$4.37
(16) Base Transmission Charge	\$0.01154		\$0.01154
(17) Transmission Adjustment Factor	(\$0.00481)	Transmission Adjustment	(\$0.00481)
(18) Transmission Uncollectible Factor	\$0.00029		\$0.00029
(19) Base Transition Charge	(\$0.00093)	Transition Charge	(\$0.00093)
(20) Transition Adjustment	(\$0.00021)	Energy Efficiency Programs	(\$0.00021)
(21) Energy Efficiency Program Charge	\$0.01151		\$0.01151
(22) Standard Offer Service Base Charge	\$0.07856	Supply Services Energy Charge	\$0.07856
(23) SOS Adjustment Factor	\$0.00154		\$0.00154
(24) SOS Administrative Cost Adjustment Factor	\$0.00217		\$0.00217
(25) Renewable Energy Standard Charge	\$0.00063		\$0.00063
(26) Customer Charge	\$145.00		\$145.00
(27) LIHEAP Enhancement Charge	\$0.80		\$0.80
(28) RE Growth Program	\$23.40		\$23.40
(29) Distribution Energy Charge	\$0.00702		\$0.00702
(30) Distribution Demand Charge	\$0.00900		\$0.00900
(31) Transition Charge	\$6.77		\$6.77
(32) Transition Adjustment	\$4.37		\$4.37
(33) Energy Efficiency Programs	(\$0.00114)		(\$0.00114)
(34) Supply Services Energy Charge	\$0.01151		\$0.01151
(35) Renewable Energy Distribution Charge	\$0.00779		\$0.00779
(36) Supply Services Energy Charge	\$0.08290		\$0.08290

Column (6) - per Summary of Retail Delivery Service Rates, RIPUC No. 2005 effective 7/1/2019, and Summary of Rates Standard Offer Service tariff, RIPUC No. 2006, effective 7/1/2019
Column (9) - per REP-3, Page 1, Line (7); Line (9) per REP-2, Page 1, Line (10), Column (d)

kW	Monthly Power Hours Use	kWh	Rates Effective July 1, 2019				Proposed Rates Effective October 1, 2019				Increase (Decrease)				Increase (Decrease) % of Total Bill			
			Delivery Services (b)	Supply Services (c)	GET (d)	Total (e)	Delivery Services (b)	Supply Services (c)	GET (d)	Total (e)	Delivery Services (b)	Supply Services (c)	GET (d)	Total (e)	Delivery Services (b)	Supply Services (c)	GET (d)	Total (e)
200	200	40,000	\$3,613.58	\$2,896.80	\$272.10	\$6,782.48	\$3,613.58	\$2,896.80	\$272.10	\$6,800.28	\$0.00	\$0.00	\$0.00	\$0.00	0.3%	0.0%	0.0%	0.3%
750	200	150,000	\$12,886.58	\$10,863.00	\$989.57	\$24,739.15	\$12,886.58	\$10,863.00	\$989.57	\$24,812.15	\$0.00	\$0.00	\$0.00	\$0.00	0.3%	0.0%	0.0%	0.3%
1,000	200	200,000	\$17,101.58	\$14,484.00	\$1,316.07	\$32,901.65	\$17,101.58	\$14,484.00	\$1,316.07	\$33,002.65	\$0.00	\$0.00	\$0.00	\$0.00	0.3%	0.0%	0.0%	0.3%
1,500	200	300,000	\$25,331.58	\$21,726.00	\$1,969.07	\$49,226.65	\$25,331.58	\$21,726.00	\$1,969.07	\$49,362.65	\$0.00	\$0.00	\$0.00	\$0.00	0.3%	0.0%	0.0%	0.3%
2,500	200	500,000	\$42,391.58	\$36,210.00	\$3,275.07	\$81,876.65	\$42,391.58	\$36,210.00	\$3,275.07	\$82,137.65	\$0.00	\$0.00	\$0.00	\$0.00	0.3%	0.0%	0.0%	0.3%
5,000	200	1,000,000	\$84,541.58	\$72,420.00	\$6,540.07	\$163,501.65	\$84,541.58	\$72,420.00	\$6,540.07	\$164,022.65	\$0.00	\$0.00	\$0.00	\$0.00	0.3%	0.0%	0.0%	0.3%
7,500	200	1,500,000	\$126,691.58	\$108,630.00	\$9,805.07	\$245,126.65	\$126,691.58	\$108,630.00	\$9,805.07	\$246,907.65	\$0.00	\$0.00	\$0.00	\$0.00	0.3%	0.0%	0.0%	0.3%
10,000	200	2,000,000	\$168,841.58	\$144,840.00	\$13,070.07	\$326,751.65	\$168,841.58	\$144,840.00	\$13,070.07	\$329,971.65	\$0.00	\$0.00	\$0.00	\$0.00	0.3%	0.0%	0.0%	0.3%
20,000	200	4,000,000	\$337,681.58	\$289,680.00	\$26,130.07	\$653,491.65	\$337,681.58	\$289,680.00	\$26,130.07	\$659,911.65	\$0.00	\$0.00	\$0.00	\$0.00	0.3%	0.0%	0.0%	0.3%
200	300	60,000	\$4,326.58	\$4,346.20	\$81.32	\$9,053.10	\$4,326.58	\$4,346.20	\$81.32	\$9,064.35	\$0.00	\$0.00	\$0.00	\$0.00	0.3%	0.0%	0.0%	0.3%
750	300	225,000	\$15,560.33	\$16,294.50	\$1,327.28	\$33,182.11	\$15,560.33	\$16,294.50	\$1,327.28	\$33,299.30	\$0.00	\$0.00	\$0.00	\$0.00	0.3%	0.0%	0.0%	0.3%
1,000	300	300,000	\$20,666.58	\$21,726.00	\$1,766.36	\$44,158.94	\$20,666.58	\$21,726.00	\$1,766.36	\$44,319.94	\$0.00	\$0.00	\$0.00	\$0.00	0.3%	0.0%	0.0%	0.3%
1,500	300	450,000	\$30,879.08	\$32,589.00	\$2,644.50	\$66,112.58	\$30,879.08	\$32,589.00	\$2,644.50	\$66,346.96	\$0.00	\$0.00	\$0.00	\$0.00	0.3%	0.0%	0.0%	0.3%
2,500	300	750,000	\$51,304.08	\$54,315.00	\$4,400.80	\$110,019.88	\$51,304.08	\$54,315.00	\$4,400.80	\$110,410.50	\$0.00	\$0.00	\$0.00	\$0.00	0.3%	0.0%	0.0%	0.3%
5,000	300	1,500,000	\$102,366.58	\$108,630.00	\$8,791.52	\$219,788.10	\$102,366.58	\$108,630.00	\$8,791.52	\$220,569.35	\$0.00	\$0.00	\$0.00	\$0.00	0.3%	0.0%	0.0%	0.3%
7,500	300	2,250,000	\$153,429.08	\$162,945.00	\$13,182.25	\$329,556.33	\$153,429.08	\$162,945.00	\$13,182.25	\$330,728.21	\$0.00	\$0.00	\$0.00	\$0.00	0.3%	0.0%	0.0%	0.3%
10,000	300	3,000,000	\$204,491.58	\$217,260.00	\$17,572.98	\$439,324.56	\$204,491.58	\$217,260.00	\$17,572.98	\$440,887.06	\$0.00	\$0.00	\$0.00	\$0.00	0.3%	0.0%	0.0%	0.3%
20,000	300	6,000,000	\$408,981.58	\$434,520.00	\$35,135.90	\$878,397.48	\$408,981.58	\$434,520.00	\$35,135.90	\$881,522.48	\$0.00	\$0.00	\$0.00	\$0.00	0.3%	0.0%	0.0%	0.3%
200	400	80,000	\$5,939.58	\$5,793.60	\$451.38	\$11,284.56	\$5,939.58	\$5,793.60	\$451.38	\$11,326.23	\$0.00	\$0.00	\$0.00	\$0.00	0.4%	0.0%	0.0%	0.4%
750	400	300,000	\$18,234.08	\$21,726.00	\$1,665.00	\$41,625.08	\$18,234.08	\$21,726.00	\$1,665.00	\$41,781.33	\$0.00	\$0.00	\$0.00	\$0.00	0.4%	0.0%	0.0%	0.4%
1,000	400	400,000	\$24,231.58	\$28,968.00	\$2,216.65	\$55,416.23	\$24,231.58	\$28,968.00	\$2,216.65	\$55,624.56	\$0.00	\$0.00	\$0.00	\$0.00	0.4%	0.0%	0.0%	0.4%
1,500	400	600,000	\$36,226.58	\$43,452.00	\$3,319.94	\$82,998.52	\$36,226.58	\$43,452.00	\$3,319.94	\$83,311.02	\$0.00	\$0.00	\$0.00	\$0.00	0.4%	0.0%	0.0%	0.4%
2,500	400	1,000,000	\$60,216.58	\$72,420.00	\$5,256.52	\$138,163.10	\$60,216.58	\$72,420.00	\$5,256.52	\$138,683.94	\$0.00	\$0.00	\$0.00	\$0.00	0.4%	0.0%	0.0%	0.4%
5,000	400	2,000,000	\$120,191.58	\$144,840.00	\$11,042.98	\$276,074.56	\$120,191.58	\$144,840.00	\$11,042.98	\$277,116.23	\$0.00	\$0.00	\$0.00	\$0.00	0.4%	0.0%	0.0%	0.4%
7,500	400	3,000,000	\$180,166.58	\$217,260.00	\$16,659.44	\$413,966.02	\$180,166.58	\$217,260.00	\$16,659.44	\$415,548.52	\$0.00	\$0.00	\$0.00	\$0.00	0.4%	0.0%	0.0%	0.4%
10,000	400	4,000,000	\$240,141.58	\$289,680.00	\$22,075.90	\$551,897.48	\$240,141.58	\$289,680.00	\$22,075.90	\$553,981.81	\$0.00	\$0.00	\$0.00	\$0.00	0.4%	0.0%	0.0%	0.4%
20,000	400	8,000,000	\$480,281.58	\$579,360.00	\$44,141.74	\$1,105,543.32	\$480,281.58	\$579,360.00	\$44,141.74	\$1,107,709.98	\$0.00	\$0.00	\$0.00	\$0.00	0.4%	0.0%	0.0%	0.4%
200	500	100,000	\$5,752.58	\$7,242.00	\$551.44	\$13,536.02	\$5,752.58	\$7,242.00	\$551.44	\$13,588.10	\$0.00	\$0.00	\$0.00	\$0.00	0.4%	0.0%	0.0%	0.4%
750	500	375,000	\$20,907.83	\$27,157.50	\$2,002.72	\$50,068.05	\$20,907.83	\$27,157.50	\$2,002.72	\$50,263.36	\$0.00	\$0.00	\$0.00	\$0.00	0.4%	0.0%	0.0%	0.4%
1,000	500	500,000	\$27,796.58	\$36,210.00	\$2,666.94	\$66,673.52	\$27,796.58	\$36,210.00	\$2,666.94	\$66,935.94	\$0.00	\$0.00	\$0.00	\$0.00	0.4%	0.0%	0.0%	0.4%
1,500	500	750,000	\$41,574.08	\$54,315.00	\$3,995.38	\$99,884.46	\$41,574.08	\$54,315.00	\$3,995.38	\$100,275.08	\$0.00	\$0.00	\$0.00	\$0.00	0.4%	0.0%	0.0%	0.4%
2,500	500	1,250,000	\$69,129.08	\$90,525.00	\$6,652.25	\$166,306.33	\$69,129.08	\$90,525.00	\$6,652.25	\$166,957.38	\$0.00	\$0.00	\$0.00	\$0.00	0.4%	0.0%	0.0%	0.4%
5,000	500	2,500,000	\$138,016.58	\$181,050.00	\$13,294.44	\$332,361.02	\$138,016.58	\$181,050.00	\$13,294.44	\$333,361.11	\$0.00	\$0.00	\$0.00	\$0.00	0.4%	0.0%	0.0%	0.4%
7,500	500	3,750,000	\$206,944.08	\$271,575.00	\$19,936.63	\$498,415.71	\$206,944.08	\$271,575.00	\$19,936.63	\$499,368.83	\$0.00	\$0.00	\$0.00	\$0.00	0.4%	0.0%	0.0%	0.4%
10,000	500	5,000,000	\$275,791.58	\$362,100.00	\$26,578.82	\$664,470.40	\$275,791.58	\$362,100.00	\$26,578.82	\$665,074.56	\$0.00	\$0.00	\$0.00	\$0.00	0.4%	0.0%	0.0%	0.4%
20,000	500	10,000,000	\$551,581.58	\$724,200.00	\$53,147.57	\$1,328,669.13	\$551,581.58	\$724,200.00	\$53,147.57	\$1,331,897.48	\$0.00	\$0.00	\$0.00	\$0.00	0.4%	0.0%	0.0%	0.4%
200	600	120,000	\$6,465.58	\$8,690.40	\$631.50	\$15,787.48	\$6,465.58	\$8,690.40	\$631.50	\$15,849.98	\$0.00	\$0.00	\$0.00	\$0.00	0.4%	0.0%	0.0%	0.4%
750	600	450,000	\$23,381.58	\$32,589.00	\$2,117.41	\$58,147.99	\$23,381.58	\$32,589.00	\$2,117.41	\$58,264.40	\$0.00	\$0.00	\$0.00	\$0.00	0.4%	0.0%	0.0%	0.4%
1,000	600	600,000	\$31,601.58	\$44,456.00	\$2,817.81	\$78,875.39	\$31,601.58	\$44,456.00	\$2,817.81	\$79,093.20	\$0.00	\$0.00	\$0.00	\$0.00	0.4%	0.0%	0.0%	0.4%
1,500	600	900,000	\$47,801.58	\$64,674.00	\$4,177.81	\$116,779.40	\$47,801.58	\$64,674.00	\$4,177.81	\$117,001.21	\$0.00	\$0.00	\$0.00	\$0.00	0.4%	0.0%	0.0%	0.4%
2,500	600	1,500,000	\$78,041.58	\$106,630.00	\$7,777.88	\$194,440.48	\$78,041.58	\$106,630.00	\$7,777.88	\$194,733.31	\$0.00	\$0.00	\$0.00	\$0.00	0.4%	0.0%	0.0%	0.4%
5,000	600	3,000,000	\$156,081.58	\$213,260.00	\$15,555.76	\$394,440.48	\$156,081.58	\$213,260.00	\$15,555.76	\$395,000.29	\$0.00	\$0.00	\$0.00	\$0.00	0.4%	0.0%	0.0%	0.4%
7,500	600	4,500,000	\$234,121.58	\$319,890.00	\$23,333.12	\$584,440.48	\$234,121.58	\$319,890.00	\$23,333.12	\$585,189.15	\$0.00	\$0.00	\$0.00	\$0.00	0.4%	0.0%	0.0%	0.4%
10,000	600	6,000,000	\$312,161.58	\$434,520.00	\$31,368.73	\$777,043.31	\$312,161.58	\$434,520.00	\$31,368.73	\$778,168.31	\$0.00	\$0.00	\$0.00	\$0.00	0.4%	0.0%	0.0%	0.4%
20,000	600	12,000,000	\$624,321.58	\$869,040.00	\$62,737.46	\$1,553,834.98	\$624,321.58	\$869,040.00	\$62,737.46	\$1,560,084.98	\$0.00	\$0.00	\$0.00	\$0.00	0.4%	0.0%	0.0%	0.4%

Line Item on Bill
Proposed Rates Effective October 1, 2019
Rates Effective July 1, 2019

(1) Distribution Customer Charge	\$1,100.00	Customer Charge	\$1,100.00
(2) LIHEAP Enhancement Charge	\$0.80	LIHEAP Enhancement Charge	\$0.80
(3) Renewable Energy Growth Program Charge	\$192.78	RE Growth Program	\$192.78
(4) Base Distribution Demand Charge (per kW > 200kW)	\$5.00	Distribution Demand Charge	\$5.00
(5) Base Distribution Demand Charge (per kW < 200kW)	\$0.0079	Distribution Demand Charge	\$0.0079
(6) Operating & Maintenance Expense Reconciliation Factor	(\$0.0008)		(\$0.0008)
(7) Operating & Maintenance Expense Reconciliation Factor	(\$0.0002)		(\$0.0002)
(8) CapEx Reconciliation Factor	(\$0.0006)		(\$0.0006)
(9) Revenue Decoupling Adjustment Factor	(\$0.0002)		(\$0.0002)
(10) Storm Fund Reconciliation Factor	(\$0.0006)		(\$0.0006)
(11) Storm Fund Reconciliation Factor	(\$0.0002)		(\$0.0002)
(12) Average Management Adjustment Factor	\$0.00288		\$0.00288
(13) Average Management Adjustment Factor	\$0.0010		\$0.0010
(14) Low Income Discount Recovery Factor	\$0.00152		\$0.00152
(15) Long-term Contracting for Renewable Energy Charge	\$0.00711	Renewable Energy Distribution Charge	\$0.00711
(16) Net Metering Charge	\$0.0068	Transmission Demand Charge	\$0.0068
(17) Transmission Demand Charge	\$4.47	Transmission Demand Charge	\$4.47
(18) Base Transmission Adjustable Charge	(\$0.00245)	Transmission Adjustment	(\$0.00245)
(19) Transmission Adjustable Charge	\$0.0029	Transmission Adjustment	\$0.0029
(20) Transmission Uncollectible			