

March 4, 2019

VIA HAND DELIVERY AND ELECTRONIC MAIL

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

**RE: National Grid's Revised FY 2020 Gas Infrastructure, Safety, and Reliability Plan
Docket No. 4916
Revised Revenue Requirement (Section 3)**

Dear Ms. Massaro:

I have enclosed ten (10) copies of National Grid's¹ revised Section 3 of the Gas Infrastructure, Safety, and Reliability Plan (the Gas ISR Plan or Plan) for Fiscal Year (FY) 2020 (Revised Revenue Requirement). The Company is submitting the Revised Revenue Requirement to reflect changes to the Gas ISR revenue requirement as a result of the following:

- The Company has reflected changes to the Gas ISR revenue requirement as a result of having filed its 2018 federal tax return, which the Company used to calculate the actual deferred federal income taxes included in vintage FY 2018 rate base and to assess the impact to the Gas ISR Plan revenue requirement. *See* Section 3, Attachment 1R, pages 2-3.
- The Company has reflected an estimated incremental federal net operating loss utilization on its vintage FY 2019 revenue requirement. *See* Section 3, Attachment 1R, page 5, line 17.
- The Company has corrected the calculation of the estimated incremental federal net operating loss utilization on its vintage FY 2020 revenue requirement. *See* Section 3, Attachment 1R, pages 8, 11).

The above changes are highlighted in yellow in the revised Section 3, Attachment 1R. The cumulative effect of these changes on the FY 2020 revenue requirement results in a decrease of approximately \$816,000.

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

Luly Massaro, Commission Clerk
Docket 4916 - Gas ISR FY2020 - Revised Section 3
March 4, 2019
Page 2 of 2

The Company will present revisions to Sections 4 of the Plan, which includes the proposed FY 2020 ISR factors and the customer bill impacts of the proposed ISR factors, prior to the Open Meeting currently scheduled for March 18, 2019.

Thank you for your attention to this matter. If you have any questions, please contact me at 401-784-7415.

Very truly yours,



Robert J. Humm

Enclosures

cc: Christy Hetherington, Esq.
Al Mancini, Division
John Bell, Division
Rod Walker, Division
David Effron, 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

March 4, 2019

Date

**Docket No. 4916 - National Grid's FY 2020 Gas Infrastructure, Safety and Reliability (ISR)
Plan - Service List 2/5/2019**

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The Narragansett Electric Company
d/b/a National Grid
FY 2020 Gas ISR Plan Revenue Requirement
Annual Revenue Requirement Summary

Line No.		Approved	Effective	Fiscal Year	Fiscal Year
		Fiscal Year	September 1,	2020	2021
		2019	2018 (a)	(c)	(d)
		(a)	(b)		
	Operation and Maintenance Expenses				
1	Forecasted Gas Infrastructure, Safety, and Reliability O&M Expenses	\$502,000	\$0	\$0	\$0
	Capital Investment:				
2	Actual Revenue Requirement on FY 2012 through FY 2017 Capital included in ISR Rate Base	\$22,068,150		\$0	\$0
3	Actual Annual Revenue Requirement on FY 2018 Capital Included in ISR Rate Base	\$7,433,043		\$663,731	\$679,272
4	Forecasted Annual Revenue Requirement on FY 2019 Capital Included in ISR Rate Base	\$4,353,572		(\$666,404)	(\$679,885)
5	Forecasted Annual Revenue Requirement on FY 2020 Capital Included in ISR Rate Base	\$0		\$4,123,711	\$9,358,728
6	Total Capital Investment Revenue Requirement	<u>\$33,854,765</u>	<u>\$0</u>	<u>\$4,121,038</u>	<u>\$9,358,115</u>
7	FY 2019 Property Tax Recovery Adjustment	\$9,517,495	\$0		
8	FY 2020 Property Tax Recovery Adjustment			\$2,353,682	
9	True-Up for Cumberland LNG Settlement	(\$61,849)			
10	Total Capital Investment Component of Revenue Requirement	<u>\$43,310,411</u>	<u>\$0</u>	<u>\$6,474,720</u>	<u>\$9,358,115</u>
11	Total Fiscal Year Revenue Requirement	<u>\$43,812,411</u>	<u>\$0</u>	<u>\$6,474,720</u>	<u>\$9,358,115</u>
12	Incremental Fiscal Year Rate Adjustment		(\$43,812,411)	\$6,474,720	
13	Revenue Requirement submitted in December 2018			<u>\$7,290,355</u>	
14	Increase/(Decrease) from December filing			<u>(\$815,635)</u>	

(a) 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.

Column/Line Notes:

	RIPUC Docket No. 4781 - FY 2019 Gas Infrastructure, Safety, and Reliability Plan Compliance Filing - Updated Attachments to Sections 3 and 4 of the Plan dated March 2, 2018,
Col (a)	Section 3, Attachment 1-Supp2, Page 1 Col (b) Sum of Lines 1 through 13
3	Page 2 of 19, Line 30, Col. (c) and Col. (d)
4	Page 5 of 19, Line 29, Col. (b) and Col. (c)
5	Page 8 of 19, Line 29, Col. (a) and Col. (b)
6	Sum of Lines 2 through Line 5
8	Page 16 of 19, Line 57, Column (g) × 1,000
10	Sum of Line 7 through Line 9
11	Line 1 + Line 10
12	Col (b)= Line 11 Col (b)-Col (a); Col (c)= Line 11 Col (c)-Col (b)
13	RIPUC Docket No. 4916, Section 3, Attachment 1, Page 1, Line 11, Col (c)
14	Line 11 - Line 13

The Narragansett Electric Company
d/b/a National Grid
FY 2020 Gas ISR Plan Revenue Requirement
Computation of Revenue Requirement on FY 2018 Actual Incremental Gas Capital Investment

Line No.			Fiscal Year 2018 (a)	Fiscal Year 2019 (b)	Fiscal Year 2020 (c)	Fiscal Year 2021 (d)
<u>Depreciable Net Capital Included in ISR Rate Base</u>						
1	Total Allowed Capital Included in ISR Rate Base in Current Year	Page 11 of 19 , Line 3 ,Col (a)	\$4,632,718	\$0	\$0	\$0
2	Retirements	Page 11 of 19 , Line 9 ,Col (a)	\$12,059,428	\$0	\$0	\$0
3	Net Depreciable Capital Included in ISR Rate Base	Line 1 - Line 2	(\$7,426,710)	(\$7,426,710)	(\$7,426,710)	(\$7,426,710)
<u>Change in Net Capital Included in ISR Rate Base</u>						
4	Capital Included in ISR Rate Base	Line 1	\$4,632,718	\$0	\$0	\$0
5	Depreciation Expense		\$0	\$0	\$0	\$0
6	Incremental Capital Amount	Line 4 - Line 5	\$4,632,718	\$4,632,718	\$4,632,718	\$4,632,718
7	Cost of Removal	Page 11 of 19 , Line 6 ,Col (a)	\$1,941,168	\$1,941,168	\$1,941,168	\$1,941,168
8	Net Plant Amount	Line 6 + Line 7	\$6,573,886	\$6,573,886	\$6,573,886	\$6,573,886
<u>Deferred Tax Calculation:</u>						
9	Composite Book Depreciation Rate		1/ 3.38%	3.15%	2.99%	2.99%
10	Tax Depreciation	Col (a)=Page 3 of 19, Line 24, Col (a); Col (b) & forward=Page 3 of 19, Col (d)	\$7,820,728	\$21,720	\$20,089	\$18,585
11	Cumulative Tax Depreciation	Prior Year Line 11 + Current Year Line 10	\$7,820,728	\$7,842,448	\$7,862,538	\$7,881,123
12	Book Depreciation	Col (a) = Line 3 * Line 9 * 50%; Col (b) forward = Line 3 * Line 9	(\$125,511)	(\$234,127)	(\$222,059)	(\$222,059)
13	Cumulative Book Depreciation	Prior Year Line 13 + Current Year Line 12	(\$125,511)	(\$359,638)	(\$581,697)	(\$803,756)
14	Cumulative Book / Tax Timer	Line 11 - Line 13	\$7,946,239	\$8,202,087	\$8,444,235	\$8,684,878
15	Effective Tax Rate		2/ 21.00%	21.00%	21.00%	21.00%
16	Deferred Tax Reserve	Line 14 * Line 15	\$1,668,710	\$1,722,438	\$1,773,289	\$1,823,824
17	Less: FY 2018 Federal NOL	- Page 18 of 19, Line 8, Col (e) (Line 14 * 31.55% blended FY18 tax rate) - Line 16 -	(\$6,051,855)	(\$6,051,855)	(\$6,051,855)	(\$6,051,855)
18	Excess Deferred Tax	Amortization of unprotected Excess of ADIT	\$838,328	\$824,881	\$811,433	\$797,985
19	Net Deferred Tax Reserve before Proration Adjustment	Line 16 + Line 17 + Line 18	(\$3,544,817)	(\$3,504,537)	(\$3,467,133)	(\$3,430,045)
<u>ISR Rate Base Calculation:</u>						
20	Cumulative Incremental Capital Included in ISR Rate Base	Line 8	\$6,573,886	\$6,573,886	\$6,573,886	\$6,573,886
21	Accumulated Depreciation	- Line 13	\$125,511	\$359,638	\$581,697	\$803,756
22	Deferred Tax Reserve	- Line 19	\$3,544,817	\$3,504,537	\$3,467,133	\$3,430,045
23	Year End Rate Base before Deferred Tax Proration	Sum of Lines 20 through 22	\$10,244,214	\$10,438,061	\$10,622,716	\$10,807,687
<u>Revenue Requirement Calculation:</u>						
24	Average Rate Base before Deferred Tax Proration Adjustment	Column (a) = Current Year Line 23 ÷ 2; Column (b) = (Prior Year Line 23 + Current Year Line 23) ÷ 2			\$10,530,388	\$10,715,202
25	Proration Adjustment	Page 4 of 19, Line 41, Col (a) and Col (b)			\$2,183	\$2,169
26	Average ISR Rate Base after Deferred Tax Proration	Line 24 + Line 25			\$10,532,571	\$10,717,371
27	Pre-Tax ROR	Page 19 of 19, Line 37			8.41%	8.41%
28	Return and Taxes	Line 26 * Line 27			\$885,789	\$901,331
29	Book Depreciation	Line 12			(\$222,059)	(\$222,059)
30	Annual Revenue Requirement Revised	Sum of Lines 28 through 29	N/A	N/A	\$663,731	\$679,272
RIPUC Docket No. 4916, Section 3, Attachment 1, Page 2, Line						
31	Annual Revenue Requirement submitted in December 2018	30			\$206,007	\$219,530
32	Increase/(Decrease) from December filing	Line 30 - Line 31			\$457,724	\$459,743

1/ 3.38%, Composite Book Depreciation Rate approved per RIPUC Docket No. 4323, in effect until Aug 31, 2018
2.99%, Composite Book Depreciation Rate approved per RIPUC Docket No. 4770, effective on Sep 1, 2018
FY 19 Composite Book Depreciation Rate = 3.38% x 5 / 12 + 2.99% 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 2020 Gas ISR Plan Revenue Requirement
Calculation of Tax Depreciation and Repairs Deduction on FY 2018 Incremental Capital Investments

Line No.			Fiscal Year	(b)	(c)	(d)	(e)																																																																																																												
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1	Plant Additions	Page 2 of 19, Line 1	\$4,632,718	<table border="1"> <thead> <tr> <th colspan="4">20 Year MACRS Depreciation</th> </tr> <tr> <th colspan="4">MACRS basis: \$300,875</th> </tr> <tr> <th colspan="2"></th> <th>Annual</th> <th>Cumulative</th> </tr> <tr> <th>Fiscal Year</th> <th></th> <th></th> <th></th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>3.75%</td> <td>\$11,283</td> <td>\$7,820,728</td> </tr> <tr> <td>2019</td> <td>7.22%</td> <td>\$21,720</td> <td>\$7,842,448</td> </tr> <tr> <td>2020</td> <td>6.68%</td> <td>\$20,089</td> <td>\$7,862,538</td> </tr> <tr> <td>2021</td> <td>6.18%</td> <td>\$18,585</td> <td>\$7,881,123</td> </tr> <tr> <td>2022</td> <td>5.71%</td> <td>\$17,189</td> <td>\$7,898,312</td> </tr> <tr> <td>2023</td> <td>5.29%</td> <td>\$15,901</td> <td>\$7,914,213</td> </tr> <tr> <td>2024</td> <td>4.89%</td> <td>\$14,707</td> <td>\$7,928,920</td> </tr> <tr> <td>2025</td> <td>4.52%</td> <td>\$13,606</td> <td>\$7,942,525</td> </tr> <tr> <td>2026</td> <td>4.46%</td> <td>\$13,425</td> <td>\$7,955,950</td> </tr> <tr> <td>2027</td> <td>4.46%</td> <td>\$13,422</td> <td>\$7,969,372</td> </tr> <tr> <td>2028</td> <td>4.46%</td> <td>\$13,425</td> <td>\$7,982,797</td> </tr> <tr> <td>2029</td> <td>4.46%</td> <td>\$13,422</td> <td>\$7,996,219</td> </tr> <tr> <td>2030</td> <td>4.46%</td> <td>\$13,425</td> <td>\$8,009,644</td> </tr> <tr> <td>2031</td> <td>4.46%</td> <td>\$13,422</td> <td>\$8,023,066</td> </tr> <tr> <td>2032</td> <td>4.46%</td> <td>\$13,425</td> <td>\$8,036,491</td> </tr> <tr> <td>2033</td> <td>4.46%</td> <td>\$13,422</td> <td>\$8,049,913</td> </tr> <tr> <td>2034</td> <td>4.46%</td> <td>\$13,425</td> <td>\$8,063,338</td> </tr> <tr> <td>2035</td> <td>4.46%</td> <td>\$13,422</td> <td>\$8,076,761</td> </tr> <tr> <td>2036</td> <td>4.46%</td> <td>\$13,425</td> <td>\$8,090,186</td> </tr> <tr> <td>2037</td> <td>4.46%</td> <td>\$13,422</td> <td>\$8,103,608</td> </tr> <tr> <td>2038</td> <td>2.23%</td> <td>\$6,713</td> <td>\$8,110,320</td> </tr> <tr> <td colspan="2"></td> <td>100.00%</td> <td>\$300,875</td> </tr> <tr> <td colspan="2"></td> <td></td> <td>\$0 check</td> </tr> </tbody> </table>				20 Year MACRS Depreciation				MACRS basis: \$300,875						Annual	Cumulative	Fiscal Year				2018	3.75%	\$11,283	\$7,820,728	2019	7.22%	\$21,720	\$7,842,448	2020	6.68%	\$20,089	\$7,862,538	2021	6.18%	\$18,585	\$7,881,123	2022	5.71%	\$17,189	\$7,898,312	2023	5.29%	\$15,901	\$7,914,213	2024	4.89%	\$14,707	\$7,928,920	2025	4.52%	\$13,606	\$7,942,525	2026	4.46%	\$13,425	\$7,955,950	2027	4.46%	\$13,422	\$7,969,372	2028	4.46%	\$13,425	\$7,982,797	2029	4.46%	\$13,422	\$7,996,219	2030	4.46%	\$13,425	\$8,009,644	2031	4.46%	\$13,422	\$8,023,066	2032	4.46%	\$13,425	\$8,036,491	2033	4.46%	\$13,422	\$8,049,913	2034	4.46%	\$13,425	\$8,063,338	2035	4.46%	\$13,422	\$8,076,761	2036	4.46%	\$13,425	\$8,090,186	2037	4.46%	\$13,422	\$8,103,608	2038	2.23%	\$6,713	\$8,110,320			100.00%	\$300,875				\$0 check
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6	Plant Additions Net of Capital Repairs Deduction	Line 5 - Line 6	\$674,987																																																																																																																
7	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	100.00%																																																																																																																
8	Plant Eligible for Bonus Depreciation	Line 7 * Line 8	\$674,987																																																																																																																
9	Bonus depreciation 100% category	100% * 15.86%	2/ 15.86%																																																																																																																
10	Bonus depreciation 50% category	50% * 58.05%	2/ 29.03%																																																																																																																
11	Bonus depreciation 40% category	40% * 26.35%	2/ 10.54%																																																																																																																
12	Bonus Depreciation Rate (October 2017 - March 2018)	1 * 50% * 0%	2/ 0.00%																																																																																																																
13	Total Bonus Depreciation Rate	Line 10 + Line 11 + Line 12 + Line 13	55.43%																																																																																																																
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18	Remaining Plant Additions Subject to 20 YR MACRS Tax Depreciation	Line 16 - Line 17 - Line 18	\$300,875																																																																																																																
19	20 YR MACRS Tax Depreciation Rates	IRS Publication 946	3.75%																																																																																																																
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21	FY 18 tax (gain)/loss on retirements	Per Tax Department	3/ \$1,536,434																																																																																																																
22	Cost of Removal	Page 2 of 19, Line 7	\$1,941,168																																																																																																																
23	Total Tax Depreciation and Repairs Deduction	Sum of Lines 3, 15, 21, 22 & 23	\$7,820,728																																																																																																																

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 2020 Gas ISR Plan Revenue Requirement
Calculation of Net Deferred Tax Reserve Proration on Incremental FY 2018 Investment

Line No.			(a) FY20	(b) FY21	
	Deferred Tax Subject to Proration				
1	Book Depreciation	Page 2 of 19, Line 12	(\$222,059)	(\$222,059)	
2	Bonus Depreciation	Page 3 of 19, Line 15	\$0	\$0	
3	Remaining MACRS Tax Depreciation	Col (a)=Page 3 of 19, Line 19(a); Col (b) & forward= Page 3 of 19, Col (d)	(\$20,089)	(\$18,585)	
4	FY18 tax (gain)/loss on retirements	Page 3 of 19, Line 22	\$0	\$0	
5	Cumulative Book / Tax Timer	Sum of Lines 1 through 4	(\$242,148)	(\$240,644)	
6	Effective Tax Rate		\$0	\$0	
7	Deferred Tax Reserve	Line 5 * Line 6	(\$50,851)	(\$50,535)	
	Deferred Tax Not Subject to Proration				
8	Capital Repairs Deduction	Page 3 of 19, Line 3			
9	Cost of Removal	Page 3 of 19, Line 27			
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	(\$50,851)	(\$50,535)	
15	Net Operating Loss		\$0	\$0	
16	Net Deferred Tax Reserve	Line 14 + Line 15	(\$50,851)	(\$50,535)	
	Allocation of FY 2018 Estimated Federal NOL				
17	Cumulative Book/Tax Timer Subject to Proration	Line 5	(\$242,148)	(\$240,644)	
18	Cumulative Book/Tax Timer Not Subject to Proration	Line 11	\$0	\$0	
19	Total Cumulative Book/Tax Timer	Line 17 + Line 18	(\$242,148)	(\$240,644)	
20	Total FY 2018 Federal NOL	Page 2 of 19, Line 17	\$0	\$0	
21	Allocated FY 2018 Federal NOL Not Subject to Proration	(Line 18 / Line 19) * Line 20	\$0	\$0	
22	Allocated FY 2018 Federal NOL Subject to Proration	(Line 17 / Line 19) * Line 20	\$0	\$0	
23	Effective Tax Rate		\$0	\$0	
24	Deferred Tax Benefit subject to proration	Line 22 * Line 23	\$0	\$0	
25	Net Deferred Tax Reserve subject to proration	Line 7 + Line 24	(\$50,851)	(\$50,535)	
	Proration Calculation				
		(h) Number of Days in Month	(i) Proration Percentage	(j) FY20	(k) FY21
26	April	30	91.78%	(\$3,889)	(\$3,865)
27	May	31	83.29%	(\$3,529)	(\$3,507)
28	June	30	75.07%	(\$3,181)	(\$3,161)
29	July	31	66.58%	(\$2,821)	(\$2,804)
30	August	31	58.08%	(\$2,461)	(\$2,446)
31	September	30	49.86%	(\$2,113)	(\$2,100)
32	October	31	41.37%	(\$1,753)	(\$1,742)
33	November	30	33.15%	(\$1,405)	(\$1,396)
34	December	31	24.66%	(\$1,045)	(\$1,038)
35	January	31	16.16%	(\$685)	(\$681)
36	February	28	8.49%	(\$360)	(\$358)
37	March	31	0.00%	\$0	\$0
38	Total	365		(\$23,243)	(\$23,098)
39	Deferred Tax Without Proration	Line 25	(\$50,851)	(\$50,535)	
40	Average Deferred Tax without Proration	Line 25 * 50%	(\$25,426)	(\$25,268)	
41	Proration Adjustment	Line 38 - Line 40	\$2,183	\$2,169	

Column Notes:

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

The Narragansett Electric Company
d/b/a National Grid
FY 2020 Gas ISR Plan Revenue Requirement
Computation of Revenue Requirement on FY 2019 Forecasted incremental Gas Capital Investment

Line No.		Fiscal Year 2019 (a)	Fiscal Year 2020 (b)	Fiscal Year 2021 (c)
<u>Depreciable Net Capital Included in ISR Rate Base</u>				
1	Total Allowed Capital Included in ISR Rate Base in Current Year	Page 11 of 19 , Line 3 ,Col (b) \$7,595,000	\$0	\$0
2	Retirements	Page 11 of 19 , Line 9 ,Col (b) \$2,150,472	\$0	\$0
3	Net Depreciable Capital Included in ISR Rate Base	Column (a) = Line 1 - Line 2; Column (b) = Prior Year Line	\$5,444,528	\$5,444,528
<u>Change in Net Capital Included in ISR Rate Base</u>				
4	Capital Included in ISR Rate Base	Line 1 \$7,595,000	\$0	\$0
5	Depreciation Expense		\$0	\$0
6	Incremental Capital Amount	Column (a) = Line 4 - Line 5; Column (b) = Prior Year Line 6 \$7,595,000	\$7,595,000	\$7,595,000
7	Cost of Removal	Page 11 of 19 , Line 6 ,Col (b) (\$516,122)	(\$516,122)	(\$516,122)
8	Net Plant Amount	Line 6 + Line 7	\$7,078,879	\$7,078,879
<u>Deferred Tax Calculation:</u>				
9	Composite Book Depreciation Rate	As Approved in RIPUC Docket No. 4323 & 4770 1/ 3.15%	2.99%	2.99%
10	Tax Depreciation	Column (a)=Page 6 of 19, Line 21, Col (a); Columns (b) & (c)=Page 6 of 19, Column (d) \$5,233,373	\$156,315	\$144,579
11	Cumulative Tax Depreciation	Prior Year Line 11 + Current Year Line 10 \$5,233,373	\$5,389,688	\$5,534,267
12	Book Depreciation	Column (a) = Line 3 * Line 9 * 50%; Column (b) = Line 3 * Line 9 \$85,751	\$162,791	\$162,791
13	Cumulative Book Depreciation	Prior Year Line 13 + Current Year Line 12 \$85,751	\$248,542	\$411,334
14	Cumulative Book / Tax Timer	Line 11 - Line 13 \$5,147,622	\$5,141,146	\$5,122,934
15	Effective Tax Rate	21.00%	21.00%	21.00%
16	Deferred Tax Reserve	Line 14 * Line 15 \$1,081,001	\$1,079,641	\$1,075,816
17	Add: FY 2019 Federal NOL incremental utilization	Page 11, Line 12(b) \$15,690,984	\$15,690,984	\$15,690,984
18	Net Deferred Tax Reserve before Proration Adjustment	Line 16 + Line 17 \$16,771,984	\$16,770,624	\$16,766,800
<u>ISR Rate Base Calculation:</u>				
19	Cumulative Incremental Capital Included in ISR Rate Base	Line 8 \$7,078,879	\$7,078,879	\$7,078,879
20	Accumulated Depreciation	- Line 13 (\$85,751)	(\$248,542)	(\$411,334)
21	Deferred Tax Reserve	- Line 18 (\$16,771,984)	(\$16,770,624)	(\$16,766,800)
22	Year End Rate Base before Deferred Tax Proration	Sum of Lines 19 through 21 (\$9,778,857)	(\$9,940,288)	(\$10,099,255)
<u>Revenue Requirement Calculation:</u>				
23	Average Rate Base before Deferred Tax Proration Adjustment	Column (a) = Current Year Line 22 ÷ 2; Column (b) = (Prior Year Line 22 + Current Year Line 22) ÷ 2 (\$9,859,572)	(\$10,019,772)	
24	Proration Adjustment	Page 7 of 19, Line 41, Col (j) and Col (k) (\$58)	(\$164)	
25	Average ISR Rate Base after Deferred Tax Proration	Line 23 + Line 24 (\$9,859,630)	(\$10,019,936)	
26	Pre-Tax ROR		8.41%	8.41%
27	Return and Taxes	Line 25 * Line 26 (\$829,195)	(\$842,677)	
28	Book Depreciation	Line 12 \$162,791	\$162,791	
29	Annual Revenue Requirement Revised	Sum of Lines 27 through 28	N/A	(\$679,885)
RIPUC Docket No. 4916, Section 3, Attachment 1, Page 5,				
30	Annual Revenue Requirement submitted in December 2018	Line 29 \$720,889		\$707,408
31	Increase/(Decrease) from December filing	Line 29 - Line 30 (\$1,387,293)		(\$1,387,293)

1/ 3.4%, Composite Book Depreciation Rate approved per RIPUC Docket No. 4323, in effect until Aug 31, 2018
2.99%, Composite Book Depreciation Rate approved per RIPUC Docket No. 4770, effective on Sep 1, 2018
FY 19 Composite Book Depreciation Rate = 3.38% x 5 / 12 + 2.99% x 7 / 12

The Narragansett Electric Company
d/b/a National Grid
FY 2020 Gas ISR Plan Revenue Requirement
Calculation of Tax Depreciation and Repairs Deduction on FY 2019 Incremental Capital Investments

Line No.			Fiscal Year	(b)	(c)	(d)	(e)
			2019				
			(a)				
Capital Repairs Deduction							
1	Plant Additions	Page 5 of 19, Line 1	\$7,595,000				
2	Capital Repairs Deduction Rate	Per Tax Department 1/	71.49%				
3	Capital Repairs Deduction	Line 2 * Line 3	\$5,429,666				
Bonus Depreciation							
4	Plant Additions	Line 1	\$7,595,000				
5	Less Capital Repairs Deduction	Line 3	\$5,429,666				
6	Plant Additions Net of Capital Repairs Deduction	Line 4 - Line 5	\$2,165,334				
7	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	100.00%				
8	Plant Eligible for Bonus Depreciation	Line 6 * Line 7	\$2,165,334				
9	Bonus Depreciation Rate (April 2018 - December 2018)	1 * 75% * 0%	0.00%				
10	Bonus Depreciation Rate (January 2019 - March 2019)	1 * 25% * 0%	0.00%				
11	Total Bonus Depreciation Rate	Line 9 + Line 10	0.00%				
12	Bonus Depreciation	Line 8 * Line 11	\$0				
Remaining Tax Depreciation							
13	Plant Additions	Line 1	\$7,595,000				
14	Less Capital Repairs Deduction	Line 3	\$5,429,666				
15	Less Bonus Depreciation	Line 12	\$0				
16	Remaining Plant Additions Subject to 20 YR MACRS Tax Depreciation	Line 13 - Line 14 - Line 15	\$2,165,334				
17	20 YR MACRS Tax Depreciation Rates	IRS Publication 946	3.75%				
18	Remaining Tax Depreciation	Line 16 * Line 17	\$81,200				
19	FY19 tax (gain)/loss on retirements	Per Tax Department 2/	\$238,628				
20	Cost of Removal	Page 5 of 19, Line 7	(\$516,122)				
21	Total Tax Depreciation and Repairs Deduction	Sum of Lines 3, 12, 18, 19 & 20	\$5,233,373				

20 Year MACRS Depreciation				
MACRS basis: \$2,165,334				
Annual Cumulative				
Fiscal Year				
2019	3.75%	\$81,200	\$81,200	\$5,233,373
2020	7.22%	\$156,315	\$237,515	\$5,389,688
2021	6.68%	\$144,579	\$382,094	\$5,534,267
2022	6.18%	\$133,753	\$515,847	\$5,668,020
2023	5.71%	\$123,706	\$639,553	\$5,791,726
2024	5.29%	\$114,438	\$753,991	\$5,906,163
2025	4.89%	\$105,842	\$859,833	\$6,012,005
2026	4.52%	\$97,916	\$957,749	\$6,109,921
2027	4.46%	\$96,617	\$1,054,366	\$6,206,539
2028	4.46%	\$96,596	\$1,150,962	\$6,303,134
2029	4.46%	\$96,617	\$1,247,579	\$6,399,751
2030	4.46%	\$96,596	\$1,344,175	\$6,496,347
2031	4.46%	\$96,617	\$1,440,792	\$6,592,964
2032	4.46%	\$96,596	\$1,537,388	\$6,689,560
2033	4.46%	\$96,617	\$1,634,005	\$6,786,177
2034	4.46%	\$96,596	\$1,730,601	\$6,882,772
2035	4.46%	\$96,617	\$1,827,218	\$6,979,390
2036	4.46%	\$96,596	\$1,923,814	\$7,075,985
2037	4.46%	\$96,617	\$2,020,431	\$7,172,602
2038	4.46%	\$96,596	\$2,117,027	\$7,269,198
2039	2.23%	\$48,309	\$2,165,334	\$7,317,506
	100.00%	\$2,165,334		

1/ Capital Repairs percentage is based on a three-year average of FYs 2014, 2015 and 2016 capital repairs rates.
2/ FY 2019 estimated tax loss on retirements is based on FY 2018 estimate

The Narragansett Electric Company
d/b/a National Grid
FY 2020 Gas ISR Plan Revenue Requirement
Calculation of Net Deferred Tax Reserve Proration on Incremental FY 2019 Investment

Line No.	Deferred Tax Subject to Proration		(a) FY20	(b) FY21	
1	Book Depreciation	Page 5 of 19, Line 12	\$162,791	\$162,791	
2	Bonus Depreciation	Page 6 of 19, Line 12	\$0	\$0	
3	Remaining MACRS Tax Depreciation	- Page 6 of 19, Col (d)	(\$156,315)	(\$144,579)	
4	FY19 tax (gain)/loss on retirements	Page 6 of 19, Line 21	\$0	\$0	
5	Cumulative Book / Tax Timer	Sum of Lines 1 through 4	\$6,476	\$18,212	
6	Effective Tax Rate		\$0	\$0	
7	Deferred Tax Reserve	Line 5 * Line 6	\$1,360	\$3,825	
Deferred Tax Not Subject to Proration					
8	Capital Repairs Deduction	Page 6 of 19, Line 3	\$0	\$0	
9	Cost of Removal	Page 6 of 19, Line 20	\$0	\$0	
10	Book/Tax Depreciation Timing Difference at 3/31/2018		\$0	\$0	
11	Cumulative Book / Tax Timer	Line 8 + Line 9 + Line 10	\$0	\$0	
12	Effective Tax Rate		\$0	\$0	
13	Deferred Tax Reserve	Line 11 * Line 12	\$0	\$0	
14	Total Deferred Tax Reserve	Line 7 + Line 13	\$1,360	\$3,825	
15	Net Operating Loss		\$0	\$0	
16	Net Deferred Tax Reserve	Line 14 + Line 15	\$1,360	\$3,825	
Allocation of FY 2018 Estimated Federal NOL					
17	Cumulative Book/Tax Timer Subject to Proration	Line 5	\$6,476	\$18,212	
18	Cumulative Book/Tax Timer Not Subject to Proration	Line 11	\$0	\$0	
19	Total Cumulative Book/Tax Timer	Line 17 + Line 18	\$6,476	\$18,212	
20	Total FY 2019 Federal NOL	Page 5 of 19, Line 17 / 21%	\$0	\$0	
21	Allocated FY 2018 Federal NOL Not Subject to Proration	(Line 18 / Line 19) * Line 20	\$0	\$0	
22	Allocated FY 2018 Federal NOL Subject to Proration	(Line 17 / Line 19) * Line 20	\$0	\$0	
23	Effective Tax Rate		\$0	\$0	
24	Deferred Tax Benefit subject to proration	Line 22 * Line 23	\$0	\$0	
25	Net Deferred Tax Reserve subject to proration	Line 7 + Line 24	\$1,360	\$3,825	
Proration Calculation					
		(h) Number of Days in Month	(i) Proration Percentage	(j) FY20	
			(k) FY21		
26	April	30	91.78%	\$104	\$293
27	May	31	83.29%	\$94	\$265
28	June	30	75.07%	\$85	\$239
29	July	31	66.58%	\$75	\$212
30	August	31	58.08%	\$66	\$185
31	September	30	49.86%	\$57	\$159
32	October	31	41.37%	\$47	\$132
33	November	30	33.15%	\$38	\$106
34	December	31	24.66%	\$28	\$79
35	January	31	16.16%	\$18	\$52
36	February	28	8.49%	\$10	\$27
37	March	31	0.00%	\$0	\$0
38	Total	365		\$622	\$1,748
39	Deferred Tax Without Proration	Line 25	\$1,360	\$3,825	
40	Average Deferred Tax without Proration	Line 25 * 50%	\$680	\$1,912	
41	Proration Adjustment	Line 38 - Line 40	(\$58)	(\$164)	

lumn Notes:

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

The Narragansett Electric Company
d/b/a National Grid
FY 2020 Gas ISR Plan Revenue Requirement
Computation of Revenue Requirement on FY 2020 Forecasted Incremental Gas Capital Investment

Line No.			Fiscal Year 2020 (a)	Fiscal Year 2021 (b)
<u>Depreciable Net Capital Included in ISR Rate Base</u>				
1	Total Allowed Capital Included in ISR Rate Base in Current Year	Page 11 of 19 , Line 3 ,Col (c)	\$115,727,842	\$0
2	Retirements	Page 11 of 19 , Line 9 ,Col (c)	1/ \$10,634,424	\$0
3	Net Depreciable Capital Included in ISR Rate Base	Column (a) = Line 1 - Line 2; Column (b) = Prior Year Line 3	\$105,093,417	\$105,093,417
<u>Change in Net Capital Included in ISR Rate Base</u>				
4	Capital Included in ISR Rate Base	Line 1	\$115,727,842	\$0
5	Depreciation Expense	Page 14 of 19, Line 72(c)	\$23,534,853	\$0
6	Incremental Capital Amount	Column (a) = Line 4 - Line 5; Column (b) = Prior Year Line 6	\$92,192,989	\$92,192,989
7	Cost of Removal	Page 11 of 19 , Line 6 ,Col (c)	\$4,804,530	\$4,804,530
8	Net Plant Amount	Line 6 + Line 7	\$96,997,519	\$96,997,519
<u>Deferred Tax Calculation:</u>				
9	Composite Book Depreciation Rate	Page 12 of 19, Line 86(e)	1/ 2.99%	2.99%
10	Tax Depreciation	Page 9 of 19 , Line 21 ,Col (a)	\$87,250,149	\$2,598,216
11	Cumulative Tax Depreciation	Prior Year Line 11 + Current Year Line 10	\$87,250,149	\$89,848,365
12	Book Depreciation	Column (a) = Line 3 * Line 9 * 50% ;	\$1,571,147	\$3,142,293
13	Cumulative Book Depreciation	Prior Year Line 13 + Current Year Line 12	\$1,571,147	\$4,713,440
14	Cumulative Book / Tax Timer	Line 11 - Line 13	\$85,679,003	\$85,134,926
15	Effective Tax Rate		21.00%	21.00%
16	Deferred Tax Reserve	Line 14 * Line 15	\$17,992,591	\$17,878,334
17	Add: FY 2020 Federal NOL utilization	Page 11, Line 12(c)	\$1,997,796	\$1,997,796
18	Net Deferred Tax Reserve before Proration Adjustment	Line 16 + Line 17 + Line 24	\$19,990,387	\$19,876,131
<u>ISR Rate Base Calculation:</u>				
19	Cumulative Incremental Capital Included in ISR Rate Base	Line 8	\$96,997,519	\$96,997,519
20	Accumulated Depreciation	- Line 13	(\$1,571,147)	(\$4,713,440)
21	Deferred Tax Reserve	- Line 18	(\$19,990,387)	(\$19,876,131)
22	Year End Rate Base before Deferred Tax Proration	Sum of Lines 19 through 21	\$75,435,986	\$72,407,949
<u>Revenue Requirement Calculation:</u>				
23	Average Rate Base before Deferred Tax Proration Adjustment	Column (a) = Current Year Line 22 ÷ 2; Column (b) = (Prior Year Line 22 + Current Year Line 22) ÷ 2	\$30,340,353	\$73,921,967
24	Proration Adjustment	Page 10 of 19, Line 41, Col (j) and Col (k)	\$11,181	(\$4,787)
25	Average ISR Rate Base after Deferred Tax Proration	Line 23 + Line 24	\$30,351,534	\$73,917,180
26	Pre-Tax ROR		8.41%	8.41%
27	Return and Taxes	Line 25 * Line 26	\$2,552,564	\$6,216,435
28	Book Depreciation	Line 12	\$1,571,147	\$3,142,293
29	Annual Revenue Requirement Revised	Sum of Lines 27 through 28	\$4,123,711	\$9,358,728
RIPUC Docket No. 4916, Section 3, Attachment				
30	Annual Revenue Requirement submitted in December 2018	1, Page 8, Line 29	\$4,009,777	\$9,074,973
31	Increase/(Decrease) from December filing	Line 29 - Line 30	\$113,934	\$283,755

1/ 2.99%, Composite Book Depreciation Rate approved per RIPUC Docket No. 4770, effective on Sep 1, 2018

The Narragansett Electric Company
d/b/a National Grid
FY 2020 Gas ISR Plan Revenue Requirement
Calculation of Tax Depreciation and Repairs Deduction on FY 2020 Incremental Capital Investments

Line No.			Fiscal Year						
			2020 (a)	(b)	(c)	(d)	(e)		
	Capital Repairs Deduction								
1	Plant Additions	Page 8 of 19, Line 1	\$115,727,842						
2	Capital Repairs Deduction Rate	Per Tax Department	1/ 68.90%						
3	Capital Repairs Deduction	Line 2 * Line 3	\$79,736,483						
	Bonus Depreciation								
4	Plant Additions	Line 1	\$115,727,842						
5	Less Capital Repairs Deduction	Line 3	\$79,736,483						
6	Plant Additions Net of Capital Repairs Deduction	Line 4 - Line 5	\$35,991,359						
7	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	0.00%						
8	Plant Eligible for Bonus Depreciation	Line 6 * Line 7	\$0						
9	Bonus Depreciation Rate (April 2018 - December 2018)	1 * 75% * 0%	0.00%						
10	Bonus Depreciation Rate (January 2019 - March 2019)	1 * 25% * 0%	0.00%						
11	Total Bonus Depreciation Rate	Line 9 + Line 10	0.00%						
12	Bonus Depreciation	Line 8 * Line 11	\$0						
	Remaining Tax Depreciation								
13	Plant Additions	Line 1	\$115,727,842						
14	Less Capital Repairs Deduction	Line 3	\$79,736,483						
15	Less Bonus Depreciation	Line 12	\$0						
16	Remaining Plant Additions Subject to 20 YR MACRS Tax Depreciation	Line 13 - Line 14 - Line 15	\$35,991,359						
17	20 YR MACRS Tax Depreciation Rates	IRS Publication 946	3.75%						
18	Remaining Tax Depreciation	Line 16 * Line 17	\$1,349,676						
19	FY19 tax (gain)/loss on retirements	Per Tax Department	2/ \$1,359,460						
20	Cost of Removal	Page 8 of 19, Line 7	\$4,804,530						
21	Total Tax Depreciation and Repairs Deduction	Sum of Lines 3, 12, 18, 19 & 20	\$87,250,149						

20 Year MACRS Depreciation				
MACRS basis: \$35,991,359				
Annual Cumulative				
Fiscal Year				
2020	3.75%	\$1,349,676		\$87,250,149
2021	7.22%	\$2,598,216		\$89,848,365
2022	6.68%	\$2,403,143		\$92,251,508
2023	6.18%	\$2,223,186		\$94,474,695
2024	5.71%	\$2,056,186		\$96,530,881
2025	5.29%	\$1,902,143		\$98,433,024
2026	4.89%	\$1,759,258		\$100,192,282
2027	4.52%	\$1,627,529		\$101,819,811
2028	4.46%	\$1,605,934		\$103,425,746
2029	4.46%	\$1,605,575		\$105,031,320
2030	4.46%	\$1,605,934		\$106,637,255
2031	4.46%	\$1,605,575		\$108,242,829
2032	4.46%	\$1,605,934		\$109,848,763
2033	4.46%	\$1,605,575		\$111,454,338
2034	4.46%	\$1,605,934		\$113,060,272
2035	4.46%	\$1,605,575		\$114,665,847
2036	4.46%	\$1,605,934		\$116,271,781
2037	4.46%	\$1,605,575		\$117,877,356
2038	4.46%	\$1,605,934		\$119,483,290
2039	4.46%	\$1,605,575		\$121,088,865
2040	2.23%	\$802,967		\$121,891,832
	100.00%	\$35,991,359		

1/ FY 2020 estimated capital repair deduction is based on FY 2018 estimate
2/ FY 2020 estimated tax loss on retirements is based on FY 2018 estimate

The Narragansett Electric Company
d/b/a National Grid
FY 2020 Gas ISR Plan Revenue Requirement
Calculation of Net Deferred Tax Reserve Proration on Incremental FY 2020 Investment

Line No.		(a) FY20	(b) FY21
Deferred Tax Subject to Proration			
1	Book Depreciation	Page 8 of 19, Line 12	\$1,571,147
2	Bonus Depreciation	Page 9 of 19, Line 12	\$3,142,293
3	Remaining MACRS Tax Depreciation	Col(a) = Page 9 of 19, Line 18(a); Col(b) = Page 9 of 19, Col (d)	(\$1,349,676) (\$2,598,216)
4	FY19 tax (gain)/loss on retirements	Page 9 of 19, Line 19	(\$1,359,460) \$0
5	Cumulative Book / Tax Timer	Sum of Lines 1 through 4	(\$1,137,989) \$544,077
6	Effective Tax Rate		\$0 \$0
7	Deferred Tax Reserve	Line 5 * Line 6	(\$238,978) \$114,256
Deferred Tax Not Subject to Proration			
8	Capital Repairs Deduction	Page 9 of 19, Line 3	(\$79,736,483)
9	Cost of Removal	Page 9 of 19, Line 20	(\$4,804,530)
10	Book/Tax Depreciation Timing Difference at 3/31/2019		
11	Cumulative Book / Tax Timer	Line 8 + Line 9 + Line 10	(\$84,541,013)
12	Effective Tax Rate		\$0
13	Deferred Tax Reserve	Line 11 * Line 12	(\$17,753,613)
14	Total Deferred Tax Reserve	Line 7 + Line 13	(\$17,992,591) \$114,256
15	Net Operating Loss		
16	Net Deferred Tax Reserve	Line 14 + Line 15	(\$17,992,591) \$114,256
Allocation of FY 2018 Estimated Federal NOL			
17	Cumulative Book/Tax Timer Subject to Proration	Line 5	(\$1,137,989) \$544,077
18	Cumulative Book/Tax Timer Not Subject to Proration	Line 11	(\$84,541,013) \$0
19	Total Cumulative Book/Tax Timer	Line 17 + Line 18	(\$85,679,003) \$544,077
20	Total FY 2020 Federal NOL	Page 8 of 19, Line 17 / 21%	(\$9,513,316) \$0
21	Allocated FY 2018 Federal NOL Not Subject to Proration	(Line 18 / Line 19) * Line 20	(\$9,386,960) \$0
22	Allocated FY 2018 Federal NOL Subject to Proration	(Line 17 / Line 19) * Line 20	(\$126,356) \$0
23	Effective Tax Rate		\$0 \$0
24	Deferred Tax Benefit subject to proration	Line 22 * Line 23	(\$26,535) \$0
25	Net Deferred Tax Reserve subject to proration	Line 7 + Line 24	(\$265,513) \$114,256
Proration Calculation			
		(h) Number of Days in Month	(i) Proration Percentage
26	April	30	91.80%
27	May	31	83.33%
28	June	30	75.14%
29	July	31	66.67%
30	August	31	58.20%
31	September	30	50.00%
32	October	31	41.53%
33	November	30	33.33%
34	December	31	24.86%
35	January	31	16.39%
36	February	29	8.47%
37	March	31	0.00%
38	Total	366	
39	Deferred Tax Without Proration	Line 25	(\$265,513) \$114,256
40	Average Deferred Tax without Proration	(j): Line 39 × Page 17 of 19, Line 16; (k): Line 39 × 0.5	(\$106,789) \$57,128
41	Proration Adjustment	Line 38 - Line 40	\$11,181 (\$4,787)

Column Notes:

- (i) Sum of remaining days in the year (Col (i)) divided by 365
- (j) Current Year Line 25 × Page 17 of 19, Col (f) × Current Month Col (i)
- (k) Current Year Line 25 ÷ 12 × Current Month Col (i)

The Narragansett Electric Company
d/b/a National Grid
FY 2020 Gas ISR Plan Revenue Requirement
FY 2018 - FY 2020 Incremental Capital Investment Summary

Line No.		Actual Fiscal Year 2018 (a)	Plan Fiscal Year 2019 (b)	Plan Fiscal Year 2020 (c)	
<u>Capital Investment</u>					
1	ISR-eligible Capital Investment	Col (a) Docket No. 4678 FY 2018 ISR Reconciliation Filing; Col (b) Docket No. 4781 FY 2019 ISR Plan Filing; Col (c) forecasted FY20 Planned Investment	\$97,809,718	\$100,772,000	\$154,551,592
2	ISR-eligible Capital Additions included in Rate Base per RIPUC Docket No. 4770	Docket No. 4770 Schedule MAL-11-Gas Page 5, Line Notes 1(a) + 1(b), 1(c) + 1(d) and 1(e)	\$93,177,000	\$93,177,000	\$38,823,750
3	Incremental ISR Capital Investment	Line 1 - Line 2	\$4,632,718	\$7,595,000	\$115,727,842
<u>Cost of Removal</u>					
4	ISR-eligible Cost of Removal	Col (a) Docket No. 4678 FY 2018 ISR Reconciliation Filing; Col (b) Docket No. 4781 FY 2019 ISR Plan Filing; Column (c) forecasted FY20 Planned Investment	\$8,603,224	\$5,440,400	\$7,910,408
5	ISR-eligible Cost of Removal in Rate Base per RIPUC Docket No. 4770	Schedule 6-GAS, Docket No. 4770: Col(a)=[P1]L23+L42×7÷12+Docket 4678 Page 2, Line 7×3÷12; Col(b)=[P1]L42×5÷12+[P2]L18×7÷12; Col (c)=[P2]L18×5÷12+L39×7÷12; Col (d) = L39×5÷12+L60×7÷12; Col (a)= L60×5÷12	\$6,662,056	\$5,956,522	\$3,105,878
6	Incremental Cost of Removal	Line 4 - Line 5	\$1,941,168	(\$516,122)	\$4,804,530
<u>Retirements</u>					
7	ISR-eligible Retirements	Col (a) Docket No. 4678 FY 2018 ISR Reconciliation Filing; Col (b) Docket No. 4781 FY 2019 ISR Plan Filing; (c) forecasted FY20 Planned Investment x 3-year average actual retirement rate FY16 - FY18	\$24,056,661	\$10,050,337	\$14,753,610
8	ISR-eligible Retirements per RIPUC Docket No. 4770	Schedule 6-GAS, Docket No. 4770: Col(a)=[P1]L24+L43×7÷12+ Docket 4678 Page 2, Line 2×3÷12; Col(b)=[P1]L46×5÷12+[P2]L19×7÷12; Col (c)=[P2]L19×5÷12+L40×7÷12; Col (d) = L40×5÷12+L61×7÷12; Col (e)= L61×5÷12	\$11,997,233	\$7,899,865	\$4,119,186
9	Incremental Retirements	Line 7 - Line 8	\$12,059,428	\$2,150,472	\$10,634,424
<u>(NOL)/ NOL Utilization</u>					
10	ISR (NOL)/NOL Utilization Per ISR	Per Tax Department	(\$6,051,855)	\$16,495,753	\$5,060,855
11	ISR NOL Utilization Per Docket 4770	Schedule 11-Gas Page 12, Docket No. 4770: Col (c)= L39×5÷12; Col (d) = L39×7÷12+L49×5÷12; Col (e) = L49×7÷12	\$0	\$804,769	\$3,063,059
12	Incremental (NOL)/NOL Utilization	Line 10 - Line 11	(\$6,051,855)	\$15,690,984	\$1,997,796

The Narragansett Electric Company
RIPUC Docket No. 4916
FY 2020 Gas Infrastructure, Safety,
and Reliability Plan Filing
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The Narragansett Electric Company
d/b/a National Grid
ISR Depreciation Expense per Rate Case RIPUC Docket No. 4770

Account No.	Account Title	Test Year June 30, 2017 (a)	1/ ARO Adjustment (b)	Adjustments June 30, 2017 (c)	Adjusted Balance (d) = (a) + (b) + (c)	Proposed Rate (e)	Depreciation Expense (f) = (d) x (e)
	Intangible Plant						
1	302.00 Franchises And Consents	\$213,499	\$0	\$0	\$213,499	0.00%	\$0
2	303.00 Misc. Intangible Plant	\$25,427	\$0	\$0	\$25,427	0.00%	\$0
3	303.01 Misc. Int Cap Software	\$19,833,570	\$0	\$9,991,374	\$29,824,944	0.00%	\$0
4							
5	Total Intangible Plant	\$20,072,496	\$0	\$9,991,374	\$30,063,870		\$0
6							
7	Production Plant						
8							
9	304.00 Production Land Land Rights	\$364,912	\$0	\$0	\$364,912	0.00%	\$0
10	305.00 Prod. Structures & Improvements	\$2,693,397	\$0	\$0	\$2,693,397	15.05%	\$405,356
11	307.00 Production Other Power	\$46,159	\$0	\$0	\$46,159	7.16%	\$3,305
12	311.00 Production LNG Equipme	\$3,167,445	\$0	\$0	\$3,167,445	11.40%	\$361,089
13	320.00 Prod. Other Equipment	\$1,106,368	\$0	\$0	\$1,106,368	6.69%	\$74,016
14							
15	Total Production Plant	\$7,378,281	\$0	\$0	\$7,378,281		\$843,766
16							
17	Storage Plant						
18							
19	360.00 Stor Land & Land Rights	\$261,151	\$0	\$0	\$261,151	0.00%	\$0
20	361.03 Storage Structures Improvements	\$3,385,049	\$0	\$0	\$3,385,049	0.99%	\$33,512
21	362.04 Storage Gas Holders	\$4,606,338	\$0	\$0	\$4,606,338	0.04%	\$1,843
22	363.00 Stor. Purification Equipment	\$13,891,210	\$0	\$0	\$13,891,210	3.37%	\$468,134
23							
24	Total Storage Plant	\$22,143,748	\$0	\$0	\$22,143,748		\$503,488
25							
26	Distribution Plant						
27							
28	374.00 Dist. Land & Land Rights	\$956,717	\$0	\$0	\$956,717	0.00%	\$0
29	375.00 Gas Dist Station Structure	\$10,642,632	\$0	\$0	\$10,642,632	1.15%	\$122,390
30	376.00 Distribution Mains	\$4,080,760	\$0	\$0	\$4,080,760	3.61%	\$1,663,515
31	376.03 Dist. River Crossing Main	\$695,165	\$0	\$0	\$695,165	3.61%	\$25,095
32	376.04 Mains - Steel And Other - SI	\$4,190	\$0	\$0	\$4,190	0.00%	\$0
33	376.06 Dist. District Regulator	\$14,213,837	\$0	\$0	\$14,213,837	3.61%	\$513,120
34	376.11 Gas Mains Steel	\$57,759,572	\$0	\$0	\$57,759,572	3.31%	\$1,908,954
35	376.12 Gas Mains Plastic	\$382,797,443	\$0	\$0	\$382,797,443	2.70%	\$10,316,391
36	376.13 Gas Mains Cast Iron	\$5,556,209	\$0	\$0	\$5,556,209	8.39%	\$465,888
37	376.14 Gas Mains Valves	\$222,104	\$0	\$0	\$222,104	3.61%	\$8,018
38	376.15 Propane Lines	\$0	\$0	\$0	\$0	3.61%	\$0
39	376.16 Dist. Cathodic Protect	\$1,569,576	\$0	\$0	\$1,569,576	3.61%	\$56,662
40	376.17 Dist. Joint Seals	\$63,067,055	\$0	\$0	\$63,067,055	4.63%	\$2,920,005
41	377.00 T&D Compressor Sta Equipment	\$248,656	\$0	\$0	\$248,656	1.07%	\$2,661
42	377.62 1/5360-Tanks ARO	\$299	(\$299)	\$0	\$0	0.00%	\$0
43	378.10 Gas Measur & Reg Sta Equipment	\$19,586,255	\$0	\$0	\$19,586,255	2.08%	\$407,394
44	378.55 Gas M&Reg Sta Eq RTU	\$372,772	\$0	\$0	\$372,772	6.35%	\$23,671
45	379.00 Dist. Measur. Reg. Gs	\$11,033,164	\$0	\$0	\$11,033,164	2.22%	\$244,936
46	379.01 Dist. Meas. Reg. Gs Eq	\$1,399,586	\$0	\$0	\$1,399,586	0.00%	\$0
47	380.00 Gas Services All Sizes	\$331,205,854	\$0	\$0	\$331,205,854	3.05%	\$10,101,779
48	381.10 Sml Meter& Reg Bare Co	\$26,829,565	\$0	\$0	\$26,829,565	1.76%	\$472,200
49	381.30 Lrg Meter& Reg Bare Co	\$15,779,214	\$0	\$0	\$15,779,214	1.76%	\$277,714
50	381.40 Meters	\$9,332,227	\$0	\$0	\$9,332,227	0.96%	\$89,589
51	382.00 Meter Installations	\$675,201	\$0	\$0	\$675,201	3.66%	\$24,712
52	382.20 Sml Meter& Reg Installation	\$43,145,998	\$0	\$0	\$43,145,998	3.66%	\$1,579,144
53	382.30 Lrg Meter&Reg Installation	\$2,524,025	\$0	\$0	\$2,524,025	3.66%	\$92,379
54	383.00 Dist. House Regulators	\$937,222	\$0	\$0	\$937,222	0.67%	\$6,279
55	384.00 T&D Gas Reg Installs	\$1,216,551	\$0	\$0	\$1,216,551	1.56%	\$18,978
56	385.00 Industrial Measuring And Regulating Station E	\$540,187	\$0	\$0	\$540,187	4.18%	\$22,580
57	385.01 Industrial Measuring And Regulating Station E	\$255,921	\$0	\$0	\$255,921	0.00%	\$0
58	386.00 Other Property On Customer Premises	\$271,765	\$0	\$0	\$271,765	0.23%	\$625
59	386.02 Dist. Consumer Prem Equipment	\$110,131	\$0	\$0	\$110,131	0.00%	\$0
60	387.00 Dist. Other Equipment	\$930,079	\$0	\$0	\$930,079	2.15%	\$19,997
61	388.00 1/ ARO	\$5,736,827	(\$5,736,827)	\$0	\$0	0.00%	\$0
62							
63	Total Distribution Plant	\$1,055,696,761	(\$5,737,126)	\$0	\$1,049,959,635	2.99%	\$31,384,677
64							
65	General Plant						
66							
67	389.01 General Plant Land Lan	\$285,357	\$0	\$0	\$285,357	0.00%	\$0
68	390.00 Structures And Improvements	\$7,094,532	\$0	\$0	\$7,094,532	3.12%	\$221,349
69	391.01 Gas Office Furniture & Fixture	\$274,719	\$0	\$0	\$274,719	6.67%	\$18,324
70	394.00 General Plant Tools Shop (Fully Dep)	\$26,487	\$0	\$0	\$26,487	0.00%	\$0
71	394.00 General Plant Tools Shop	\$5,513,613	\$0	\$0	\$5,513,613	5.00%	\$275,681
72	395.00 General Plant Laboratory	\$221,565	\$0	\$0	\$221,565	6.67%	\$14,778
73	397.30 Communication Radio Site Specific	\$387,650	\$0	\$0	\$387,650	5.00%	\$19,383
74	397.42 Communication Equip Tel Site	\$63,481	\$0	\$0	\$63,481	20.00%	\$12,696
75	398.10 Miscellaneous Equipment (Fully Dep)	\$1,341,386	\$0	\$0	\$1,341,386	0.00%	\$0
76	398.10 Miscellaneous Equipment	\$2,789,499	\$0	\$0	\$2,789,499	6.67%	\$186,060
77	399.10 1/ ARO	\$342,146	(\$342,146)	\$0	\$0	0.00%	\$0
78							
79	Total General Plant	\$18,340,436	(\$342,146)	\$0	\$17,998,289	4.16%	\$748,271
80							
81	Grand Total - All Categories	\$1,123,631,722	(\$6,079,273)	\$9,991,374	\$1,127,543,823	3.05%	\$33,480,202
82							
83	Other Utility Plant Assets						
84		Line 63		Total Distribution PI	\$1,049,959,635	2.99%	\$31,384,677
85		Line73+ Line 74		Communication Equ	\$451,132	7.11%	\$32,079
86				Total ISR Tangible I	\$1,050,410,767	2.99%	\$31,416,756

Non ISR Assets \$77,133,057

The Narragansett Electric Company
RIPUC Docket No. 4916
FY 2020 Gas Infrastructure, Safety,
and Reliability Plan Filing
Revised Section 3, Attachment 1R

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

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

Line No	Description	Reference	Amount (a)	Less non-ISR eligible	
				Plant (b)	ISR Amount (c)
1	Total Company Rate Year Depreciation	Sum of Page 2, Line 16 and Line 17	\$39,136,909		
2	Total Company Test Year Depreciation	Per Company Books	\$33,311,851		
3	Less: Reserve adjustments	Page 4, Line 29, Col (b) + Col (c)	(\$15,649)		
4	Adjusted Total Company Test Year Depreciation Expense	Line 2 + Line 3	\$33,296,202		
5	Depreciation Expense Adjustment	Line 1 - Line 4	\$5,840,707		
6					
7			Per Book		
8	Test Year Depreciation Expense 12 Months Ended 06/30/17:		Amount		
9	Total Gas Utility Plant 06/30/17	Page 4, Line 27, Col (d) Sum of Page 3, Line 5, Col (d) and Page 4, Line 25, Col (e)	\$1,405,994,678	(\$77,133,057)	\$1,328,861,622
10	Less Non Depreciable Plant		(\$308,514,725)		(\$308,514,725)
11	Depreciable Utility Plant 06/30/17	Line 9 + Line 10	\$1,097,479,953	(\$77,133,057)	\$1,020,346,897
12					
13	Plus: Added Plant 2 Mos Ended 08/31/17	Schedule 11-GAS, Page 3, Line 4	\$19,592,266		\$19,592,266
14	Less: Retired Plant 2 Months Ended 08/31/17	1/ Line 13 x Retirement Rate	(\$1,345,989)		(\$1,345,989)
15	Depreciable Utility Plant 08/31/17	Line 11 + Line 13 + Line 14	\$1,115,726,231	(\$77,133,057)	\$1,020,346,897
16					
17	Average Depreciable Plant for Year Ended 08/31/17	(Line 11 + Line 15)/2	\$1,106,603,092		\$1,106,603,092
18					
19	Composite Book Rate %	As Approved in RIPUC Docket No. 4323	3.38%		
20					
21	Book Depreciation Reserve 06/30/17	Page 5, Line 72, Col (d)	\$357,576,825		\$357,576,825
22	Plus: Book Depreciation Expense	Line 17 x Line 20	\$6,233,864		\$6,233,864
23	Less: Net Cost of Removal/(Salvage)	2/ Line 13 x Cost of Removal Rate	(\$1,014,879)		(\$1,014,879)
24	Less: Retired Plant	Line 14	(\$1,345,989)		(\$1,345,989)
25	Book Depreciation Reserve 08/31/17	Sum of Line 21 through Line 24	\$361,449,821		
26					
27	Depreciation Expense 12 Months Ended 08/31/18				
28	Total Utility Plant 08/31/17	Line 9 + Line 13 + Line 14	\$1,424,240,956	(\$77,133,057)	\$1,347,107,900
29	Less Non Depreciable Plant	Line 10	(\$308,514,725)		(\$308,514,725)
30	Depreciable Utility Plant 08/31/17	Line 28 + Line 29	\$1,115,726,231		\$1,038,593,175
31					
32	Plus: Plant Added in 12 Months Ended 08/31/18	Schedule 11-GAS, Page 3, Line 11	\$115,710,016		\$115,710,016
33	Less: Plant Retired in 12 Months Ended 08/31/18	Line 32 x Retirement rate	(\$7,949,278)		(\$7,949,278)
34	Depreciable Utility Plant 08/31/18	Sum of Line 30 through Line 33	\$1,223,486,969		\$1,146,353,912
35					
36	Average Depreciable Plant for 12 Months Ended 08/31/18	(Line 30 + Line 34)/2	\$1,169,606,600		\$1,092,473,543
37					
38	Composite Book Rate %	As Approved in RIPUC Docket No. 4323	3.38%		3.38%
39					
40	Book Depreciation Reserve 08/31/17	Line 25	\$361,449,821		
41	Plus: Book Depreciation 08/31/18	Line 36 x Line 38	\$39,532,703		\$36,925,606
42	Less: Net Cost of Removal/(Salvage)	Line 32 x Cost of Removal Rate	(\$5,993,779)		
43	Less: Retired Plant	Line 33	(\$7,949,278)		
44	Book Depreciation Reserve 08/31/18	Sum of Line 40 through Line 43	\$387,039,467		

1/ 3 year average retirement over plant addition in service FY 15 ~ FY17
2/ 3 year average Cost of Removal over plant addition in service FY 15 ~ FY17

6.87% Retirements
5.18% COR

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

The Narragansett Electric Company d/b/a National Grid
Depreciation Expense - Gas
For the Test Year Ended June 30, 2017 and the Rate Year Ending August 31, 2021

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

Line No	Description	Reference	Amount (a)	Less non-ISR eligible	
				Plant (b)	ISR Amount (c)
1	Rate Year Depreciation Expense 12 Months Ended 08/31/19:				
2	Total Utility Plant 08/31/18	Page 1, Line 28 + Line 32 + Line 33	\$1,532,001,694	(\$77,133,057)	\$1,454,868,637
3	Less Non-Depreciable Plant	Page 1, Line 10	(\$308,514,725)		(\$308,514,725)
4	Depreciable Utility Plant 08/31/18	Line 2 + Line 3	\$1,223,486,969		\$1,146,353,912
5					
6	Plus: Added Plant 12 Months Ended 08/31/19	Schedule 11-GAS, Page 3, Line 35	\$114,477,000	(\$1,348,000)	\$113,129,000
7	Less: Depreciable Retired Plant	1/ Line 6 x Retirement rate	(\$7,864,570)	\$92,608	(\$7,771,962)
8					
9	Depreciable Utility Plant 08/31/19	Sum of Line 4 through Line 7	\$1,330,099,399	(\$78,388,449)	\$1,251,710,950
10					
11	Average Depreciable Plant for Rate Year Ended 08/31/19	(Line 4 + Line 9)/2	\$1,276,793,184		\$1,199,032,431
12					
13	Proposed Composite Rate %	Page 4, Line 17, Col (e)	3.05%		2.99%
14					
15	Book Depreciation Reserve 08/31/18	Page 1, Line 44	\$387,039,467		\$0
16	Plus: Book Depreciation Expense	Line 11 x Line 13	\$38,950,409		\$35,851,070
17	Plus: Unrecovered Reserve Adjustment	Schedule NWA-1-GAS, Part VI, Page 6	\$186,500		\$186,500
18	Less: Net Cost of Removal/(Salvage)	2/ Line 6 x Cost of Removal Rate	(\$5,929,909)		\$0
19	Less: Retired Plant	Line 7	(\$7,864,570)		\$0
20	Book Depreciation Reserve 08/31/19	Sum of Line 15 through Line 19	\$412,381,898		\$36,037,570
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	\$1,638,614,124	(\$78,388,449)	\$1,560,225,675
24	Less Non-Depreciable Plant	Page 1, Line 10	(\$308,514,725)		(\$308,514,725)
25	Depreciable Utility Plant 08/31/19	Line 23 + Line 24	\$1,330,099,399		\$1,251,710,950
26					
27	Plus: Added Plant 12 Months Ended 08/31/20	Schedule 11-GAS, Page 5, Line 11(i)	\$21,017,630	(\$750,000)	\$20,267,630
28	Less: Depreciable Retired Plant	1/ Line 27 x Retirement rate	(\$1,443,911)	\$51,525	(\$1,392,386)
29					\$0
30	Depreciable Utility Plant 08/31/20	Sum of Line 25 through Line 28	\$1,349,673,118	(\$79,086,924)	\$1,270,586,194
31					
32	Average Depreciable Plant for Rate Year Ended 08/31/20	(Line 25 + Line 30)/2	\$1,339,886,258		\$1,261,148,572
33					
34	Proposed Composite Rate %	Page 4, Line 17, Col (e)	3.05%		2.99%
35					
36	Book Depreciation Reserve 08/31/20	Line 20	\$412,381,898		\$0
37	Plus: Book Depreciation Expense	Line 32 x Line 34	\$40,875,154		\$37,708,342
38	Plus: Unrecovered Reserve Adjustment	Schedule NWA-1-GAS, Part VI, Page 6	\$186,500		\$186,500
39	Less: Net Cost of Removal/(Salvage)	2/ Line 27 x Cost of Removal Rate	(\$1,088,713)		\$0
40	Less: Retired Plant	Line 28	(\$1,443,911)		\$0
41	Book Depreciation Reserve 08/31/20	Sum of Line 37 through Line 40	\$450,910,927		\$37,894,842
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	\$1,658,187,843	(\$79,086,924)	\$1,579,100,919
45	Less Non-Depreciable Plant	Page 1, Line 10	(\$308,514,725)		(\$308,514,725)
46	Depreciable Utility Plant 08/31/20	Line 44 + Line 45	\$1,349,673,118		\$1,270,586,194
47					
48	Plus: Added Plant 12 Months Ended 08/31/21	Schedule 11-GAS, Page 5, Line 11(i)	\$21,838,436	(\$750,000)	\$21,088,436
49	Less: Depreciable Retired Plant	1/ Line 48 x Retirement rate	(\$1,500,301)	\$51,525	(\$1,448,776)
50					
51	Depreciable Utility Plant 08/31/21	Sum of Line 46 through Line 49	\$1,370,011,253	(\$79,785,399)	\$1,290,225,854
52					
53	Average Depreciable Plant for Rate Year Ended 08/31/21	(Line 46 + Line 51)/2	\$1,359,842,185		\$1,359,842,185
54					
55	Proposed Composite Rate %	Page 4, Line 17, Col (e)	3.05%		2.99%
56					
57	Book Depreciation Reserve 08/31/20	Line 41	\$450,910,927		\$0
58	Plus: Book Depreciation Expense	Line 53 x Line 55	\$41,483,938		\$40,659,281
59	Plus: Unrecovered Reserve Adjustment	Schedule NWA-1-GAS, Part VI, Page 6	\$186,500		\$186,500
60	Less: Net Cost of Removal/(Salvage)	2/ Line 48 x Cost of Removal Rate	(\$1,131,231)		\$0
61	Less: Retired Plant	Line 49	(\$1,500,301)		\$0
62	Book Depreciation Reserve 08/31/21	Sum of Line 57 through Line 61	\$489,949,834		\$40,845,781
63					
64	1/ 3 year average retirement over plant addition in service FY 15 ~ FY17		0.0687	Retirements	
65	2/ 3 year average Cost of Removal over plant addition in service FY 15 ~ FY17		0.0518	COR	
66					
67	Depreciation Offset Calculation	Line 37 + Line 38			\$41,061,654
68	Less: General Plant Depreciation	Page 10, Line 79(f)			(\$748,271)
69	Plus: Comm Equipment Depreciation	Page 10, Line 73 + Line 74			\$32,079
70	Total				\$40,345,462
71	7 Months				x7/12
72	FY 2020 Depreciation Expense				\$23,534,853

The Narragansett Electric Company
d/b/a National Grid
FY 2020 ISR Property Tax Recovery Adjustment
(000s)

Line	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
	<u>End of FY 2018</u>	<u>ISR Additions</u>	<u>Non-ISR Add's</u>	<u>Total Add's</u>	<u>Bk Depr (I)</u>	<u>Retirements</u>	<u>COR</u>	<u>End of FY 2019</u>			
1	Plant In Service	\$1,236,719	\$100,772	\$2,800	\$103,572	(\$10,050)		\$1,330,241			
2	Accumulated Depr	\$457,806				(\$10,050)	(\$5,540)	\$482,581			
3	Net Plant	\$778,913			\$40,365			\$847,660			
4	Property Tax Expense	\$22,678						\$26,013			
5	Effective Prop tax Rate	2.91%						3.07%			
6	Effective tax Rate Calculation										
	<u>End of FY 2019</u>	<u>ISR Additions</u>	<u>Non-ISR Add's</u>	<u>Total Add's</u>	<u>Bk Depr (I)</u>	<u>Retirements</u>	<u>COR</u>	<u>End of FY 2020</u>			
7	Plant In Service	\$1,330,241	\$154,552	\$19,341	\$173,893	(\$14,754)		\$1,489,380			
8	Accumulated Depr	\$482,581			\$45,773	(\$14,754)	(\$7,910)	\$505,689			
9	Net Plant	\$847,660						\$983,691			
10	Property Tax Expense	\$26,013						\$28,640			
11	Effective Prop tax Rate	3.07%						2.91%			
12	Property Tax Recovery Calculation										
		<u>Cumulative Increm. ISR Prop. Tax for FY2018</u>							<u>Cumulative Increm. ISR Prop. Tax for FY2019</u>		
13	Incremental ISR Additions	\$97,810						\$100,772			
14	Book Depreciation: base allowance on ISR eligible plant	(\$24,356)						(\$24,356)			
15	Book Depreciation: current year ISR additions	(\$1,246)						(\$1,533)			
16	COR	\$8,603						\$5,440			
17	Net Plant Additions	\$80,811						\$80,323			
18	RY Effective Tax Rate	3.06%						3.06%			
19	ISR Property Tax Recovery on FY 2014 vintage investment	\$194						\$76			
20	ISR Property Tax Recovery on FY 2015 vintage investment	\$1,311						\$508			
21	ISR Property Tax Recovery on FY 2016 vintage investment	\$1,819						\$709			
22	ISR Property Tax Recovery on FY 2017 vintage investment	\$1,757						\$679			
23	ISR Property Tax Recovery on FY 2018 vintage investment	\$2,469						\$908			
24	ISR Property Tax Recovery on FY 2019 vintage investment	\$7,549						\$1,023			
25	Total Property Tax due to ISR	\$7,549						\$3,902			
26	ISR Year Effective Tax Rate	2.91%						3.07%			
27	RY Effective Tax Rate	3.06%						3.06%			
28	RY Effective Tax Rate 5 mos for FY 2019	-0.14%						0.01%			
29	RY Net Plant times 5 mo rate 7 month	\$458,057						\$458,057			
30	FY 2014 Net Adds times ISR 7 month	(\$659)						\$26			
31	FY 2015 Net Adds times ISR 7 month	(\$89)						\$0			
32	FY 2016 Net Adds times ISR Year Effective Tax rate	(\$86)						\$3			
33	FY 2017 Net Adds times ISR Year Effective Tax rate	(\$86)						\$3			
34	FY 2018 Net Adds times ISR Year Effective Tax rate	(\$83)						\$3			
35	FY 2019 Net Adds times ISR Year Effective Tax rate	(\$116)						\$4			
36	Total Property Tax due to rate differential	(\$1,014)						\$43			
37	Total ISR Property Tax Recovery	\$6,535						\$3,945			

		Cumulative Increm. ISR Prop. Tax for FY 2019		Cumulative Increm. ISR Prop. Tax for FY 2020	
		7 months			
38	Incremental ISR Additions		\$7,595		\$115,728
39	Book Depreciation: base allowance on ISR eligible plant		\$0		(\$23,535)
40	Book Depreciation: current year ISR additions		(\$86)		(\$1,571)
41	COR		(\$516)		\$4,805
42	Net Plant Additions		\$6,993		\$95,426
43	RY Effective Tax Rate		2.93%		2.96%
44	ISR Property Tax Recovery on FY 2018 Net Incremental		(\$88)		(\$145)
45	ISR Property Tax Recovery on FY 2019 Net Incremental		\$119		\$202
46	ISR Property Tax Recovery on FY 2020 Net Incremental				\$2,828
47	ISR Property Tax Recovery on FY 2021 vintage investment				
48	ISR Year Effective Tax Rate	3.07%		2.91%	
49	RY Effective Tax Rate	2.93%		2.96%	
50	RY Effective Tax Rate 7 mos for FY 2019	0.14%		-0.05%	
51	RY Net Plant times Rate Diff 7 month	0.08% 7 mos		-0.05%	
52	FY 2018 Net Incremental time 7 month	\$917,718 * 0.08%	\$755	\$917,718 * -0.05%	(\$481)
53	FY 2019 Net Incremental time 7 month	(\$5,126) * 0.08%	(\$4)	(\$4,904) * -0.05%	\$3
54	FY 2020 Net Incremental times rate difference	\$6,993 * 0.08%	\$6	\$6,830 * -0.05%	(\$4)
55	FY 2021 Net Adds times rate difference			\$95,426 * -0.05%	(\$50)
56	Total Property Tax due to rate differential		\$756		(\$532)
57	Total ISR Property Tax Recovery		\$788		\$2,354

Line Notes	Line Notes	Line Notes
1(a) - 5(a)	Sum of 19(g) thru 24(g)	Page 6 of 20, (3(a)-8(a)+10(e)-16(a)-16(b)) ÷ 1,000
1(b) - 1(g)	25(g)	52(a) =52(a)×50(b)
1(h)	26(e)	52(c) =52(b)×50(b)
	27(e)	53(c) 42(b)
2(c)	27(f)	53(c) =53(a)×50(b)
2(d) & 2(g)	28(e)	56(c) sum of 51(e) through 53(c)
3(h)	29(e) - 35(e)	57(c) =44(c)+45(e)+56(c)
4(b)	30(g)	38(f) Page 2 of 20, L4, Col(a) + 1,000
4(c)	31(g)	39(f) Page 2 of 20, L5, Col(a) + 1,000
5(b)	32(g)	40(c) Page 2 of 20, L12, Col(a) ÷ 1,000
7(a) - 11(a)	33(g)	41(f) Page 2 of 20, L7, Col(a) + 1,000
7(b)	34(g)	42(f) Sum of Lines 38(f) through 41(f)
7(c)	35(g)	43(f) G, P2, L15, Col (c)×5+12+(Sch 1-G, P3, L15, Col
7(d)	36(g)	44(g) 52(e)×43(f)
7(e)	37(g)	45(g) 53(e)×43(f)
7(f)	38(b)	46(g) 54(e)×43(f)
7(g)	39(b)	48(e) =11(b)
7(h)	40(b)	49(e) =43(b)
7(i)	41(b)	49(f) 48(e)-49(e)
7(j)	42(b)	50(f) =49(f)
8(e)	43(b)	51(e) =51(e)
8(f)	44(c)	51(g) 51(e)×49(f)
8(g)	45(c)	52(e) 52(a)-(Page 6 of 20,12(c) + 1,000
9(b)	48(a)	52(f) =52(e)×49(f)
10(b)	49(a)	53(e) 53(a)-(Page 4 of 20,12(b)) + 1,000
11(h)	50(b)	53(g) =53×49(f)
13(a) - 37(c)	51(a)	54(g) =42(f)
13(f) - 18(f)	51(c)	54(h) =54×49(f)
19(g)		56(g) Sum of 51(g) through 54(g)
20(g)		57(g) =44(g)+45(g)+46(g)+50(g)
21(g)		
22(g)		
23(g)		
24(g)		

The Narragansett Electric Company
d/b/a National Grid
FY 2020 Gas ISR Plan Revenue Requirement
ISR Additions April through August 2020

Line No.	Month No.	Month	FY 2020 ISR Additions (a)	In Rates (b)	Not In Rates (c) = (a) - (b)	Weight for Days (d)	Weighted Average (e) = (d) * (c)	Weight for Investment (f)=(c)/Total(c)
1								
2	1	Apr-19	\$12,879,299	\$7,764,750	\$5,114,549	0.958	\$4,901,443	4.42%
3	2	May-19	\$12,879,299	\$7,764,750	\$5,114,549	0.875	\$4,475,231	4.42%
4	3	Jun-19	\$12,879,299	\$7,764,750	\$5,114,549	0.792	\$4,049,018	4.42%
5	4	Jul-19	\$12,879,299	\$7,764,750	\$5,114,549	0.708	\$3,622,806	4.42%
6	5	Aug-19	\$12,879,299	\$7,764,750	\$5,114,549	0.625	\$3,196,593	4.42%
7	6	Sep-19	\$12,879,299	\$0	\$12,879,299	0.542	\$6,976,287	11.13%
8	7	Oct-19	\$12,879,299	\$0	\$12,879,299	0.458	\$5,903,012	11.13%
9	8	Nov-19	\$12,879,299	\$0	\$12,879,299	0.375	\$4,829,737	11.13%
10	9	Dec-19	\$12,879,299	\$0	\$12,879,299	0.292	\$3,756,462	11.13%
11	10	Jan-20	\$12,879,299	\$0	\$12,879,299	0.208	\$2,683,187	11.13%
12	11	Feb-20	\$12,879,299	\$0	\$12,879,299	0.125	\$1,609,912	11.13%
13	12	Mar-20	\$12,879,299	\$0	\$12,879,299	0.042	\$536,637	11.13%
14		Total	\$154,551,592	\$38,823,750	\$115,727,842		\$46,540,327	100.00%
15	Total Additions September 2019 through March 2020				\$90,155,095			
16	FY 2020 Weighted Average Incremental Rate Base Percentage						40.22%	

Column (a) = Page 12 of 20, Line 1(c)
Column (b) = Page 8 of 17, Line 2(c)
Column (d) = (12.5 - Month No.) ÷ 12
Line 15 = Sum of Lines 7(c) through 13(c)
Line 16 = Line 14(e)/Line 14(c)

The Narragansett Electric Company
d/b/a National Grid
FY 2020 Gas ISR Plan Revenue Requirement
Deferred Income Tax ("DIT") Provisions and Net Operating Losses ("NOL")

	(a)	(b)	(c)	(d)	(e) <u>Jul & Aug</u> 2017	(f) <u>12 Mths Aug</u> 31 2018	(g) <u>12 Mths Aug</u> 31 2019	(h) <u>12 Mths Aug</u> 31 2020
1 Total Base Rate Plant DIT Provision					\$5,223,437	\$20,453,237	\$16,078,372	\$5,085,206
	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
2 Total Base Rate Plant DIT Provision					\$17,154,492	\$17,901,233	\$9,665,692	\$6,637,870
3 Incremental FY 18	\$1,668,710	\$1,722,438	\$1,773,289	\$1,823,824	\$1,668,710	\$53,728	\$50,851	\$50,535
4 Incremental FY 19	\$0	\$1,081,001	\$1,079,641	\$1,075,816	\$0	\$1,081,001	(\$1,360)	(\$3,825)
5 Incremental FY 20	\$0	\$0	\$17,992,591	\$17,878,334	\$0	\$0	\$17,992,591	(\$114,256)
6 TOTAL Plant DIT Provision	\$1,668,710	\$2,803,439	\$20,845,520	\$20,777,975	\$18,823,202	\$19,035,961	\$27,707,774	\$6,570,325
7 NOL					\$6,051,855	\$0	\$0	\$0
8 Lesser of NOL or DIT Provision					\$6,051,855	\$0	\$0	\$0

Line Notes:

- 1(e) RIPUC Docket Nos. 4770/4780, Compliance Attachment 2, Schedule 11-GAS, Page 11 of 23, Line 3 plus Line 4
- 1(f) RIPUC Docket Nos. 4770/4780, Compliance Attachment 2, Schedule 11-GAS, Page 11 of 23, Line 7
- 1(g) RIPUC Docket Nos. 4770/4780, Compliance Attachment 2, Schedule 11-GAS, Page 11 of 23, Line 49
- 1(h) RIPUC Docket Nos. 4770/4780, Compliance Attachment 2, Schedule 11-GAS, Page 12 of 23, Line 41
- Col(e) = Line 1(e) + Line 1(f)×7÷12 ; Col (f) = Line 1(f)×5÷12 + Line 1(g)×7÷12; Col (g) = Line 1(g)×5÷12 + Line 1(h)×7÷12; Col (h) = Line 1(h)×5÷12 + Line 1(i)×7÷12
- 2 1(h)×5÷12 + Line 1(i)×7÷12
- 3(a)-5(d) Cumulative DIT per vintage year ISR revenue requirement calculations (Page 2, Line 20; Page 5, Line 20; Page 8, Line 20)
- 3(e) -5(h) Year over year change in cumulative DIT shown in Cols (a) through (d)
- 6 Sum of Lines 2 through 5
- 7 Page 11 of 20, Line 12
- 8 Lesser of Line 6 or Line 7

The Narragansett Electric Company
d/b/a National Grid
FY 2020 Gas ISR Plan Revenue Requirement
Calculation of Weighted Average Cost of Capital

Line No.

1	Weighted Average Cost of Capital as approved in RIPUC Docket No. 4323 at 35% income tax rate effective April 1, 2013				
2	(a)	(b)	(c)	(d)	(e)
3	Ratio	Rate	Weighted Rate	Taxes	Return
4	Long Term Debt	49.95%	5.70%	2.85%	2.85%
5	Short Term Debt	0.76%	0.80%	0.01%	0.01%
6	Preferred Stock	0.15%	4.50%	0.01%	0.01%
7	Common Equity	49.14%	9.50%	4.67%	7.18%
8		100.00%	7.54%	2.51%	10.05%
9					
10	(d) - Column (c) x 35% divided by (1 - 35%)				
11					
12					
13	Weighted Average Cost of Capital as approved in RIPUC Docket No. 4323 at 21% income tax rate effective January 1, 2018				
14	(a)	(b)	(c)	(d)	(e)
15	Ratio	Rate	Weighted Rate	Taxes	Return
16	Long Term Debt	49.95%	5.70%	2.85%	2.85%
17	Short Term Debt	0.76%	0.80%	0.01%	0.01%
18	Preferred Stock	0.15%	4.50%	0.01%	0.01%
19	Common Equity	49.14%	9.50%	4.67%	5.91%
20		100.00%	7.54%	1.24%	8.78%
21	(d) - Column (c) x 21% divided by (1 - 21%)				
22					
23	Weighted Average Cost of Capital as approved in RIPUC Docket No. 4770 effective September 1, 2018				
24	(a)	(b)	(c)	(d)	(e)
25	Ratio	Rate	Weighted Rate	Taxes	Return
26	Long Term Debt	48.35%	4.98%	2.41%	2.41%
27	Short Term Debt	0.60%	1.76%	0.01%	0.01%
28	Preferred Stock	0.10%	4.50%	0.00%	0.00%
29	Common Equity	50.95%	9.28%	4.73%	5.99%
30		100.00%	7.15%	1.26%	8.41%
31	(d) - Column (c) x 21% divided by (1 - 21%)				
32					
33	FY18 Blended Rate		Line 8(e) x 75% + Line 20(e) x 25%		9.73%
34					
35	FY19 Blended Rate		Line 20 x 5 ÷ 12 + Line 30 x 7 ÷ 12		8.56%
36					
37	FY 20 Rate				8.41%