nationalgrid

Jennifer Brooks Hutchinson Acting Assistant General Counsel and Director

September 4, 2020

# VIA ELECTRONIC MAIL

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

# RE: Docket 4770 – Electric Earnings Sharing Mechanism Earnings Report - Twelve Months Ended December 31, 2019 <u>Responses to PUC Data Request – Set 2</u>

Dear Ms. Massaro:

On behalf of National Grid,<sup>1</sup> enclosed is an electronic version of the Company's response to data request PUC 2-6 in the above-referenced docket.<sup>2</sup>

This transmittal completes the Company's responses to the Public Utilities Commission's Second Set of Data Requests in this matter.

Thank you for your attention to this transmittal. If you have any questions regarding this filing, please contact me at 401-784-7288.

Very truly yours,

Bus

Jennifer Brooks Hutchinson

Enclosure

cc: Docket 4770 Service List John Bell, Division Christy Hetherington, Esq. Leo Wold, Esq.

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

<sup>&</sup>lt;sup>2</sup> Per practice during the COVID-19 emergency period, the Company is providing a PDF version of this response. The Company will provide the Commission Clerk with a hard copy and, if needed, additional hard copies of this transmittal at a later date.

# <u>PUC 2-6</u>

# Request:

Has the Company reviewed earnings reports that were filed with the Commission for years prior to 2018 to determine if there were any errors in the treatment of transmission expenses or any other calculations, as they related to the determination of the distribution earnings? If so, were there any errors?

# Response:

Yes, the Company has reviewed the CY 2017, CY 2016, and CY 2015 electric distribution earnings filings and determined that errors existed in the treatment of the BITS surcharge and related expenses in CY 2017.

A revised CY 2017 electric distribution earnings report is provided at Attachment PUC 2-6-1. A new column marked as C1 "Less: BITS surcharge" (highlighted in yellow) has been added to the revised Page 2 to exclude the BITS-related revenue and expenses noted above. Resulting changes to the IFA billing adjustments in Column C, on Page 2, have also been highlighted in yellow.

The CY 2017 ROE as revised is 4.72% compared to the CY 2017 ROE as previously reported in the Company's May 1, 2018 earnings filing of 5.41%, a copy of which has been provided for ease of reference in Attachment PUC 2-6-2.

The Company first billed the BITS surcharge to New England Power Company in April 2017. Therefore, after reviewing the CY 2016 and CY 2015 earnings reports and determining that no errors were made in the preparation of those calendar years' earnings reports, the Company did not review any additional reports prior to CY 2015.

The Narragansett Electric Company d/b/a National Grid RIPUC Docket No. 4770 In Re: Electric and Gas Earnings Reports Twelve Months Ended December 31, 2019 Attachment PUC 2-6-1 Page 1 of 6

# The Narragansett Electric Company Return on Rate Base Return on Common Equity Twelve Months Ended December 31, 2017 REVISED

Page 1 of 6

Line				Ionths Ending			
<u>No.</u> 1		Earned 1/	Earned 2/	er 31, 2017 Allowed 3/	Ceiling 3/		
2	Return on Distribution Rate Base	4.81%	5.40%	7.17%	7.17%		
3							
4	Return on Distribution Common Equity	4.72%	5.93%	9.50%	9.50%		
5 6							
0	1/	Excludes Conse	rvation & Load M	anagement ("C&I	LM" aka Energy Effic	ciency) Incentive.	
7			tion Costs, and RE			<u> </u>	
8					Costs, and RE Growt	h Remuneration Costs	
9	3/	Allowed Return	and Ceiling, press	ented below.			
10 11							
12			Al	lowed	С	eiling	
13			Cost	Weighted	Cost	Weighted	
14		Total	Rate	Cost	Rate	Cost	
15	Lana Tama Dahé	40.050/	4.0/0/	2 480/	4.0/0/	2 499/	
16 17	Long Term Debt Short Term Debt	49.95% 0.76%	4.96% 0.79%	2.48% 0.01%	4.96% 0.79%	2.48% 0.01%	
18	Preferred Stock	0.15%	4.50%	0.01%	4.50%	0.01%	
19	Common Equity	49.14%	9.50%	4.67%	9.50%	4.67%	
20		100.00%		7.17%		7.17%	
21							
22	5-Quarter Average						
23 24	DISTRIBUTION Rate Base						
25	as of		EARNED -				
26	12/31/2017		Cost	Weighted		Pre-Tax	
27	\$698,889,355 4/	Total	Rate	Cost	Taxes	Weighted Cost	
28		10.050/	4.0.607			<b>a</b> (00)	
29 30	Long Term Debt \$349,095,233	49.95%	4.96%	2.48%		2.48%	
30 31	Short Term Debt\$5,311,559Preferred Stock\$1,048,334	0.76% 0.15%	0.79% 4.50%	0.01% 0.01%	0.01%	0.01% 0.02%	
32	Common Equity \$343,434,229	49.14%	4.72%	2.32%	1.34% (		
33	\$698,889,355	100.00%		4.82%	1.35%	6.17%	
34							
35					(t	<ul> <li>includes adj. for Flow</li> </ul>	through Items
36	4/From David 2 Line 20, Column (A			DDEEED	DED STOCK EADS	INCO INTEDECT EVD	ENGE
37 38	4/ From Page 3 Line 29, Column (f)			PREFER		<u>IINGS, INTEREST EXP</u> L INCOME TAX	<u>EINSE,</u>
39				CALCUL		UTED CAPITAL STRU	CTURE
40							
41							
42			DI	NEE STOCK	¢(00.000.255.3	7 0.010/ ()	\$000s
43 44				REF. STOCK: ITEREST:	\$698,889,355 X \$698,889,355 X		= \$70 = \$17,402
45				TEREST.	\$070,007,555 7	2.4970 (u)	\$17,402
46			FI	T:	\$698,889,355	K 1.25% (e)	= \$8,768
47				Plus: (Flowthro	ough Items)/65%-(Flo	owthrough Items) (f)	\$623
48					al Income Taxes ("FIT	- · · ·	\$9,392
49							
50			(c	· · ·	Column "Weighted G		
51			(d	) Sum of Lines 2	29 and 30, Column "	Weighted Cost".	
52			(e	) (0.01% + 2.32%	65% - (0.01% + 2	2.32%)	
53			(f)	) Flowthrough It	tems		
54				Investment T	Tax Credit ("ITC") Ar	nortization	(\$43)
55				ITC Basis Re	eduction Depreciation	1	\$74
56				AFUDC Equ	ity Depreciation		\$127
57				Unfunded A	mortization		\$1,000
58							
59							\$1,158

The Narragansett Electric Company d/b/a National Grid RIPUC Docket No. 4770 In Re: Electric and Gas Earnings Reports Twelve Months Ended December 31, 2019 Attachment PUC 2-6-1 Page 2 of 6

Page 2 of 6

### THE NARRAGANSETT ELECTRIC COMPANY Return on Equity Calculation Twelve Months Ended December 31, 2017

(\$000s)

			Less: Integrated Facilities Agreement			Electric Distribution	
Line		Total	("IFA") Amount Billed	Less: BITS	Other	Amount	
No.		Electric Business	to NEP	Surcharge	Adjustments	Per Schedules	
	A	B	<u>C</u>	<u>C1</u>	D	E=B-C-C1+D	-
1	Revenue - Sales of Electricity	\$295,321				\$295,321	
2	Other Revenue	\$699,597				\$699,597	1/
3	Total Revenue	\$994,918				\$994,918	•
4	Operating Expenses:	\$794,910				\$794,918	
5	Purchased Power	\$337,430				\$337,430	
6	Transmission Wheeling	\$219,356				\$219,356	
7	Transmission Wheeling - IFA Credit	(\$160,108)	(\$136,607)	(\$23,501)		(\$0)	
8	Uncollectible Expense	\$9,416	(\$150,007)	(\$25,501)	\$1,109	\$10,525	
9	Genl & Admin. O&M	\$118,556	\$17,956		\$1,109	\$10,525	
10	All Other Operation & Maintenance ("O&M") expense	\$166,459	\$7,046		(\$1,671)	\$157,742	2/
11	Company Share of Earned Savings	\$100,439	\$7,040		\$3,250	\$3,250	
11	Depreciation	\$0 \$70,506	\$19,196	\$3,779	\$3,230 \$0	\$3,230	5/
12	Amort Loss on Reaq. Debt	\$487	\$19,196	\$3,779		\$47,352	
13	Amortization - Other	\$63	\$07	\$10	(\$419)	\$63	
14	Gross Earnings Tax	\$35,991				\$05	
15	5	\$49,717	\$19,299	\$2,430		\$27,988	
10	Municipal Tax Other Non-Income taxes	\$4,728	\$19,299	\$2,450		\$27,988	
17	Current and Deferred Income Taxes	\$4,728 \$4,926	\$121		(\$4.026)	\$4,000 \$0	6/
		,			(\$4,926)	\$0 \$8	0/
19	Regulatory Debits	\$8			\$146	\$8 \$0	
20	Accretion Expense	(\$146)	(#27)	(0.0)	\$140	• •	
21	Amortization of ITC	(\$76)	(\$27)	(\$6)		(\$43)	
22	Interest on Customer Deposits	\$278				\$278	4/
23	Donations	\$782				\$782	- 4/
24 25	Total Operating Expenses	\$858,373	(\$72,344)	(\$17,288)	(\$2,512)	\$945,493	
26	Net Operating Income	\$136,546					
27	Distribution Operating Income Before Taxes					\$49,425	•
28	Adjustments:						•
29	Service Quality ("SQ") Penalties Accrued					\$0	5/
30	C&LM Incentive					(\$4,696)	
31	RE Growth Remuneration					(\$24)	9/
32	LTCER Remuneration Costs					(\$1,651)	8/
33							•
34	Adjusted Distribution Operating Income Before Taxes					\$43,054	
35	Interest Charges					\$17,402	6/
36	Income Taxes @ 35% (net of ITC)					\$9,368	7/
37							•
38	Net Income					\$16,283	
39						· · · · · ·	-
40	Less: Preferred Stock Requirements					\$70	6/
41	Earnings Available for Common					\$16,213	-
42	Ç					,	•
43	Average Common Equity - 5-Quarter Average					\$343,434	6/
	Average Common Equity - J-Quarter Average					\$343,434	0/
44 45	Rate of Return on Adjusted Average Common Equity					4.72%	

Notes

1/ Excludes excess earnings accrual of \$0 for the 12 month period.

2/ Excludes \$0, for storm related expenses as incurred \$0.987 million of sales expense was excluded

3/ Pursuant to Docket 4065 Settlement, and as continued in the Docket 4323 settlement, Company share of Earned Savings equals \$3250 annually, effective January 2010.

4/ Below the line items brought above the line for ratemaking.

5/ Effective Dec. 2005, SQ penalties booked below the line.

6/ Calculated using imputed capital structure and cost rates; see Page 1 at Lines 44, 43 and 32, respectively.

7/ Includes impact of flowthrough items from Page 1 at Line 59.

8/ Docket 4805 Schedule ASC-18 Pg 4 Col H

9/ Docket 4707 RE Growth Factor Filing Schedule ASC-3 Page 3 Line 14

The Narragansett Electric Company d/b/a National Grid RIPUC Docket No. 4770 In Re: Electric and Gas Earnings Reports Twelve Months Ended December 31, 2019 Attachment PUC 2-6-1 Page 3 of 6

### THE NARRAGANSETT ELECTRIC COMPANY Rate Base - Electric Distribution Five Quarter Average

Page 3 of 6

Line		(a)	(b) Marah	(c)	(d) Santanhar	(e) December		(f)
Line No.	Description	December 2016	March 2017	June 2017	September 2017	December 2017	5.0	uarter Average
INO.	Description	 2010	2017	 2017	 2017	 2017	<u> </u>	Juarter Average
1	Utility Plant in Service	\$ 1,490,507,033	\$ 1,525,211,443	\$ 1,529,038,072	\$ 1,538,982,120	\$ 1,540,193,364	\$	1,524,786,406
2	IFA allocated Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$	-
3	Block Island Transmission System (BITS) Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$	-
4	Total Distribution Plant	\$ 1,490,507,033	\$ 1,525,211,443	\$ 1,529,038,072	\$ 1,538,982,120	\$ 1,540,193,364	\$	1,524,786,406
5								
6	Property Held for Future Use	2,496,405	2,496,405	2,496,405	2,496,405	2,496,405	\$	2,496,405
7	Less: Contribution in Aid of Construction	2,756	(518,630)	2,756	2,756	(222,216)	\$	(146,515)
8	Less: Accumulated Depreciation	654,105,202	662,588,139	652,283,601	671,251,623	666,908,851	\$	661,427,483
9	Plus: IFA allocated Depreciation	-	-	-	-	-	\$	-
10	Plus: Block Island Transmission System (BITS) Depreciation	-	-	-	-	-	\$	-
11								
12	Net Plant in Service	\$ 838,895,480	\$ 865,638,338	\$ 879,248,120	\$ 870,224,147	\$ 876,003,134	\$	866,001,844
13								
14	Plus:							
15	Materials and Supplies	\$ 4,525,831	\$ 5,510,606	\$ 3,632,412	\$ 3,182,470	\$ 3,695,981	\$	4,109,460
16	Prepayments	1,444,668	1,054,315	(324,171)	1,245,274	1,522,484	\$	988,514
17	Loss on Reacquired Debt	1,854,556	2,318,694	1,709,381	1,785,599	1,752,405	\$	1,884,127
18	Cash Working Capital	4,975,475	4,975,475	4,975,475	4,975,475	4,975,475	\$	4,975,475
19	Cash Working Capital - Commodity & Gross Receipts Tax	25,003,318	23,686,328	23,686,328	23,686,328	23,686,328	\$	23,949,726
20	Unamortized Interest Rate Lock	2,439,092	2,346,659	2,254,226	2,161,793	2,069,360	\$	2,254,226
21	Unamortized Debt Issuance Costs (\$550M)	1,113,997	1,089,529	1,065,062	1,040,594	1,016,126	\$	1,065,062
22	Unamortized Debt Issuance Costs (\$250M 2012)	945,261	\$936,143	\$927,024	\$917,906	\$908,788	\$	927,024
23								
24	Subtotal	\$ 42,302,198	\$ 41,917,749	\$ 37,925,736	\$ 38,995,438	\$ 39,626,947	\$	40,153,614
25								
26	Less:							
27	Accumulated Deferred Federal Income Taxes ("FIT")	\$ 165,941,844	\$ 184,975,771	\$ 196,614,471	\$ 197,535,435	\$ 215,503,710	\$	192,114,246
28	Accumulated Deferred FIT on Loss for Reacquired Debt	649,095	811,543	598,283	624,960	613,342	\$	659,444
29	Customer Deposits	10,276,666	10,154,831	8,699,858	8,743,046	8,961,553	\$	9,367,191
30	Injuries and Damages Reserve - Uninsured Claims	5,691,599	5,771,305	4,570,193	4,658,649	4,934,361	\$	5,125,221
31								
32	Subtotal	\$ 182,559,203	\$ 201,713,450	\$ 210,482,805	\$ 211,562,090	\$ 230,012,966	\$	207,266,103
33		 	· ·	· ·	· · ·			· · · · ·
34	Rate Base	\$ 698,638,476	\$ 705,842,638	\$ 706,691,051	\$ 697,657,495	\$ 685,617,114	\$	698,889,355

### Line Notes

34 Line 12 + Line 24 - Line 32

The Narragansett Electric Company d/b/a National Grid RIPUC Docket No. 4770 In Re: Electric and Gas Earnings Reports Twelve Months Ended December 31, 2019 Attachment PUC 2-6-1 Page 4 of 6

### THE NARRAGANSETT ELECTRIC COMPANY Rate Base - Integrated Facilities Agreement (IFA) Five Quarter Average

Page 4 of 6

Line No.	Description	 (a) December 2016	 (b) March 2017	 (c) June 2017	(d) September 2017	 (e) December 2017	5-Q	(f) Quarter Average
1	Utility Plant in Service	\$ 827,089,826	\$ 835,451,297	\$ 837,552,450	\$ 835,369,555	\$ 840,536,616	\$	835,199,949
2	IFA allocated Plant	\$ 8,992,857	\$ 7,414,569	\$ 7,628,415	\$ 5,393,094	\$ 5,484,673	\$	6,982,722
3	Block Island Transmission System (BITS) Assets	\$ 89,307,077	\$ 100,770,097	\$ 103,499,792	\$ 111,357,580	\$ 111,730,437	\$	103,332,997
4	Total Transmission Plant	\$ 925,389,760	\$ 943,635,963	\$ 948,680,657	\$ 952,120,229	\$ 957,751,726	\$	945,515,667
5								
6								
7	Property Held for Future Use	12,531,903	12,531,903	12,531,903	12,531,903	12,531,903	\$	12,531,903
8	Less: Contribution in Aid of Construction							
9	Less: Accumulated Depreciation	92,361,272	97,279,994	100,336,957	104,198,259	106,968,106	\$	100,228,918
10	Plus: IFA allocated Depreciation	4,005,114	1,702,947	2,370,742	1,686,009	1,722,878	\$	2,297,538
11	Plus: Block Island Transmission System (BITS) Depreciation	 39,143	181,531	191,906	207,312	208,038	\$	165,586
12	Total Accumulated Depreciation	96,405,529	99,164,472	102,899,605	106,091,579	108,899,022	\$	102,692,042
13								
14	Net Plant in Service	\$ 841,516,133	\$ 857,003,394	\$ 858,312,955	\$ 858,560,552	\$ 861,384,607	\$	855,355,528
15								
16	Plus:							
17	Materials and Supplies	\$ 2,720,358	\$ 1,338,323	\$ 2,684,191	\$ 2,183,945	\$ 2,708,039	\$	2,326,971
18	Prepayments	836,202	256,054	475,210	700,079	860,846	\$	625,678
19	Loss on Reacquired Debt	1,073,453	563,126	1,126,251	1,003,844	990,849	\$	951,504
20	Cash Working Capital	2,681,655	3,194,316	2,514,043	1,879,414	3,161,077	\$	2,686,101
21	Unamortized Interest Rate Lock	1,509,520	1,452,316	1,395,112	1,337,908	1,280,704	\$	1,395,112
22	Unamortized Debt Issuance Costs (\$550M)	785,818	674,289	659,146	698,225	677,568	\$	699,009
23	Unamortized Debt Issuance Costs (\$250M 2012)	630,149	579,361	573,718	568,075	562,432	\$	582,747
24								
25	Subtotal	\$ 10,237,155	\$ 8,057,785	\$ 9,427,672	\$ 8,371,489	\$ 10,241,514	\$	9,267,123
26								
27	Less:							
28	Accumulated Deferred FIT	\$ 158,841,895	\$ 168,039,168	\$ 159,376,348	\$ 163,124,188	\$ 139,364,226	\$	157,749,165
29	Accumulated Deferred FIT on Loss on Reaquired Debt	375,709	197,094	394,188	351,345	346,797	\$	333,027
30	Customer Deposits	-	-	-	-	-	\$	-
31	Injuries and Damages Reserve - Uninsured Claims	-	-	-	-	-	\$	-
32								
33	Subtotal	\$ 159,217,604	\$ 168,236,262	\$ 159,770,536	\$ 163,475,534	\$ 139,711,023	\$	158,082,192
34								· · ·
35	Rate Base	\$ 692,535,685	\$ 696,824,918	\$ 707,970,090	\$ 703,456,508	\$ 731,915,098	\$	706,540,460

### Line Notes

35 Line 14 + Line 24 - Line 33

The Narragansett Electric Company d/b/a National Grid RIPUC Docket No. 4770 In Re: Electric and Gas Earnings Reports Twelve Months Ended December 31, 2019 Attachment PUC 2-6-1 Page 5 of 6

### THE NARRAGANSETT ELECTRIC COMPANY Rate Base - Electric Total Distribution and IFA Five Quarter Average

Page 5 of 6

Line No.	Description		(a) December 2016		(b) March 2017		(c) June 2017		(d) September 2017		(e) December 2017	5-0	(f) Quarter Average
1 2 3	Utility Plant in Service IFA allocated Plant Block Island Transmission Assets (BITS)	\$ \$ \$	2,317,596,859 8,992,857 89,307,077	\$ \$ \$	2,360,662,739 7,414,569 100,770,097	\$ \$ \$	2,366,590,522 7,628,415 103,499,792	\$ \$ \$	2,374,351,675 5,393,094 111,357,580	\$ \$ \$	2,380,729,980 5,484,673 111,730,437	\$ \$ \$	2,359,986,355 6,982,722 103,332,997
4 5 6	Total Utility Plant in Service	\$	2,415,896,793	_	2,468,847,406	_	2,477,718,729		2,491,102,349	_	2,497,945,090	\$	2,470,302,073
7 8 9	Property Held for Future Use Less: Contribution in Aid of Construction Less: Accumulated Depreciation		15,028,308 2,756 746,466,474		15,028,308 (518,630) 759,868,133		15,028,308 2,756 752,620,557		15,028,308 2,756 775,449,882		15,028,308 (222,216) 773,876,957	\$ \$ \$	15,028,308 (146,515) 761,656,401
10 11 12	Less: IFA allocated Depreciation Less: Block Island Transmission System (BITS) Depreciation Net Plant in Service	\$	4,005,114 39,143 1,680,411,614	\$	1,702,947 181,531 1,722,641,733	\$	2,370,742 191,906 1,737,561,075	\$	1,686,009 207,312 1,728,784,699	\$	1,722,878 208,038 1,737,387,741	\$ \$ \$	2,297,538 165,586 1,721,357,372
13 14 15	Plus: Materials and Supplies	\$	7,246,188	\$	6,848,929	\$	6,316,603	\$	5,366,415	\$	6,404,020	\$	6,436,431
16 17 18	Prepayments Loss on Reacquired Debt		2,280,870 2,928,009		1,310,370 2,881,820		151,039 2,835,632		1,945,353 2,789,443		2,383,330 2,743,254		1,614,192 2,835,632
19 20 21	Cash Working Capital Cash Working Capital - Commodity & Gross Receipts Tax Unamortized Interest Rate Lock		7,657,130 25,003,318 3,948,612		8,169,791 23,686,328 3,798,975		7,489,518 23,686,328 3,649,338		6,854,889 23,686,328 3,499,701		8,136,552 23,686,328 3,350,064		7,661,576 23,949,726 3,649,338
22 23 24	Unamortized Debt Issuance Costs (\$550M) Unamortized Debt Issuance Costs (\$250M 2012)		1,899,815 1,575,410		1,763,818 1,515,504		1,724,208 1,500,743		1,738,818 1,485,981		1,693,694 1,471,220		1,764,071 1,509,772
25 26 27	Subtotal Less:	\$	52,539,353	\$	49,975,534	\$	47,353,408	\$	47,366,927	\$	49,868,461	\$	49,420,737
28 29 30	Accumulated Deferred FIT Accumulated Deferred FIT on Loss for Reacquired Debt Customer deposits	\$	324,783,739 1,024,803 \$10,276,666	\$	353,014,939 1,008,637 \$10,154,831	\$	355,990,819 992,471 \$8,699,858	\$	360,659,623 976,305 \$8,743,046	\$	354,867,936 960,139 \$8,961,553	\$ \$ \$	349,863,411 992,471 9,367,191
31 32 33	Injuries and Damages Reserve - Uninsured Claims Subtotal	\$	\$5,691,599 341,776,807	\$	\$5,771,305 369,949,711	\$	\$4,570,193 370,253,341	\$	\$4,658,649 375,037,623	\$	\$4,934,361 369,723,989	\$ \$	5,125,221 365,348,294
34 35	Rate Base	\$	1,391,174,160	\$	1,402,667,556	\$	1,414,661,141	\$	1,401,114,003	\$	1,417,532,213	\$	1,405,429,814

### Line Notes

35 Line 12 + Line 25 - Line 33

The Narragansett Electric Company d/b/a National Grid RIPUC Docket No. 4770 In Re: Electric and Gas Earnings Reports Twelve Months Ended December 31, 2019 Attachment PUC 2-6-1 Page 6 of 6

Page 6 of 6

# THE NARRAGANSETT ELECTRIC COMPANY Calculation of Excess Earnings for Twelve months ended December 31, 2017 (\$000)

# Line

1	Actual Distribution Earnings Available for Common	\$16,213 (a				
2	Actual Distribution Earnings Available for Common	\$10,213 (a	(a)			
3						
4	Actual Average Common Equity	\$343,434 (a	(a)			
5		<i>ve ie</i> , <i>ie i</i> (i	()			
6						Customer
7	Average Annual Return		4.72%	(b)		Share
8	-				-	
9	ROE in 50%/50% Bandwith (>9.50%, <10.50%)		0.00%	* 50.00%	=	0.00%
10	ROE in 75%/25% Bandwith (>10.50%)		0.00%	* 75.00%	=	0.00%
11					_	
12	Total Customer ROE Sharing					0.00%
13	Actual Average Common Equity				_	\$343,434
14						
15	Actual Annual Customer Shared Earnings					\$0
16	Tax Gross-up				_	/ 65.00%
17						
18	Annual Customer Shared Earnings - Pre-tax					-
19						
20	Total Customer Shared Earnings for the twelve mo	nths ending Decembe	er 31, 2017		_	\$ -
					_	
<u>Notes</u>						

(a) From Page 2 of 6, Line 39 and Line 41.

(b) Line 1 divided by Line 4; equals Page 2 of 6 at Line 43.

The Narragansett Electric Company d/b/a National Grid RIPUC Docket No. 4770 In Re: Electric and Gas Earnings Reports Twelve Months Ended December 31, 2019 Attachment PUC 2-6-2 Page 1 of 7

Jennifer Brooks Hutchinson Senior Counsel

# national**grid**

May 1, 2018

# VIA HAND DELIVERY & ELECTRONIC MAIL

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

## RE: Docket 4323 – Electric Earnings Report Twelve Months Ended December 31, 2017

Dear Ms. Massaro:

In accordance with the Amended Settlement Agreement approved by the Rhode Island Public Utilities Commission (PUC) in Order No. 21011 (April 11, 2013) in Docket No. 4323, enclosed are 10 copies of the electric earnings report for the twelve-month period ended December 31, 2017 for The Narragansett Electric Company.<sup>1</sup>

Thank you for your attention to this transmittal. If you have any questions regarding this filing, please contact me at 401-784-7288.

Very truly yours,

Jennifer Brooks Hutchinson

Enclosures

cc: John Bell, Division David Effron, Division Leo Wold, Esq.

<sup>&</sup>lt;sup>1</sup> The Narragansett Electric Company d/b/a National Grid.

The Narragansett Electric Company d/b/a National Grid RIPUC Docket No. 4770 In Re: Electric and Gas Earnings Reports Twelve Months Ended December 31, 2019 Attachment PUC 2-6-2 Page 2 of 7

# The Narragansett Electric Company Return on Rate Base Return on Common Equity Twelve Months Ended December 31, 2017

Page 1 of 6

<u>ine</u> No.		<b>P</b> 11/	Decen	Months Ending hber 31, 2017	0.11. 2/			
1 2 3	Return on Distribution Rate Base	Earned 1/ 5.15%	Earned 2/ 5.74%	<u>Allowed 3/</u> 7.17%	<u>Ceiling 3/</u> 7.17%			
5 4 5	Return on Distribution Common Equity	5.41%	6.61%	9.50%	9.50%			
6	1/-	Evoludos Conso	mustion & Lood	Management ("C &	LM" aka Energy Effi	aianaw) Incontina		
7				RE Growth Remun		ciency) incentive,		
8					Costs, and RE Grow	th Remuneration Costs	<u>.</u>	
9 10	<u>3/</u>	Allowed Return	and Ceiling, pr	esented below.				
10								
12			1	Allowed	C	eiling		
13		T ( 1	Cost	Weighted	Cost	Weighted		
4		<u>Total</u>	Rate	Cost	Rate	Cost		
.6	Long Term Debt	49.95%	4.96%	2.48%	4.96%	2.48%		
7	Short Term Debt	0.76%	0.79%	0.01%	0.79%	0.01%		
3	Preferred Stock	0.15%	4.50%	0.01%	4.50%	0.01%		
.9 20	Common Equity	49.14%	9.50%	4.67%	9.50%	4.67%		
		100.0070		7.1770		7.1770		
2	5-Quarter Average							
3	DISTRIBUTION							
ļ	Rate Base		EADNEE					
5	as of 12/31/2017		EARNED Cost	Weighted		Pre-Tax		
7	\$698,889,355 4/	Total	Rate	Cost	Taxes	Weighted Cost		
8								
9	Long Term Debt \$349,095,233	49.95%	4.96%	2.48%		2.48%		
0 1	Short Term Debt \$5,311,559 Preferred Stock \$1,048,334	0.76%	0.79%	0.01%	0.01%	0.01% 0.02%		
2	Preferred Stock \$1,048,334 Common Equity \$343,434,229	0.15% 49.14%	4.50% 5.41%	0.01% 2.66%	1.52% (1			
3	\$698,889,355	100.00%	0.11/0	5.16%	1.53%	6.69%		
4								
5					(t	b) includes adj. for Flo	owthro	ough Items
7	4/ From Page 3 Line 29, Column (f)			PREFER	RED STOCK EARN	INGS, INTEREST EX	PENS	E,
8	-				AND FEDERAL	L INCOME TAX		
9				CALCUI	LATED USING IMPU	JTED CAPITAL STRU	JCTU	RE
) l								
								<u>\$000s</u>
3			1	PREF. STOCK:	\$698,889,355 X	C 0.01% (c)	=	\$70
Ļ			1	INTEREST:	\$698,889,355 X	X 2.49% (d)	=	\$17,402
5			1	FIT:	\$698,889,355 X	X 1.44% (e)	=	\$10,048
							-	
3					ough Items)/65%-(Fl al Income Taxes ("Fl		_	\$620 \$10,668
				Total Feder	ai income Taxes (11	1)	-	\$10,000
0				(c) From Line 31,	, Column "Weighted (	Cost"		
1				(d) Sum of Lines	29 and 30, Column "	Weighted Cost".		
2				(e) $(0.01\% + 2.66\%)$	%) / 65% - (0.01% + 2	2.66%)		
3				(f) Flowthrough I	ltems			
4					Tax Credit ("ITC") Aı	nortization		(\$48
5					eduction Depreciation			\$74
5					uity Depreciation			\$127
7				Unfunded A				\$1,000
8							_	
9								\$1,152

The Narragansett Electric Company d/b/a National Grid RIPUC Docket No. 4770 In Re: Electric and Gas Earnings Reports Twelve Months Ended December 31, 2019 Attachment PUC 2-6-2 Page 3 of 7

### THE NARRAGANSETT ELECTRIC COMPANY Return on Equity Calculation Twelve Months Ended December 31, 2017

(\$000s)

			Less: Integrated Facilities Agreement		Electric Distribution
Line		Total	("IFA") Amount Billed	Other	Amount
No.		Electric Business	to NEP	Adjustments	Per Schedules
	<u>A</u>	B	<u>C</u>	<u>D</u>	E=B-C+D
1	Revenue - Sales of Electricity	\$295,321			\$295,321
2	Other Revenue	\$699,597			\$699,597 1/
3	Total Revenue	\$994,918			\$994,918
4	Operating Expenses:	\$77.1,710			<i>477</i> 1,7 10
5	Purchased Power	\$337,430			\$337,430
6	Transmission Wheeling	\$219,356			\$219,356
7	Transmission Wheeling - IFA Credit	(\$160,108)	(\$160,108)		\$0
8	Uncollectible Expense	\$9,416	(+)	\$1,109	\$10,525
9	Genl & Admin. O&M	\$118,556	\$2,070	+ - , - • -	\$116,486
10	All Other Operation & Maintenance ("O&M") expense	\$166,459	\$32,982	(\$1,671)	\$131,806 2/
11	Company Share of Earned Savings	\$0	1- 7-	\$3,250	\$3,250 3/
12	Depreciation	\$70,506	\$19,324	\$0	\$51,182
13	Amort Loss on Reaq. Debt	\$487	\$68	(\$419)	(\$0)
14	Amortization - Other	\$63	100	(+ · · · · )	\$63
15	Gross Earnings Tax	\$35,991			\$35,991
16	Municipal Tax	\$49,717	\$19,152		\$30,565
17	Other Non-Income taxes	\$4,728	\$519		\$4,209
18	Current and Deferred Income Taxes	\$4,926	44.17	(\$4,926)	\$0 6/
19	Regulatory Debits	\$8		(01,020)	\$8
20	Accretion Expense	(\$146)		\$146	\$0
21	Amortization of ITC	(\$76)	(\$28)	+	(\$48)
22	Interest on Customer Deposits	\$278	(\$20)		\$278 4/
23	Donations	\$782			\$782 4/
24 25	Total Operating Expenses	\$858,373	(\$86,021)	(\$2,512)	\$941,882
26	Net Operating Income	\$136,546			
27	Distribution Operating Income Before Taxes				\$53,036
28	Adjustments:				· · · · · · · · · · · · · · · · · · ·
29	Service Quality ("SQ") Penalties Accrued				\$0 5/
30	C&LM Incentive				(\$4,696)
31	RE Growth Remuneration				(\$24) 9/
32	LTCER Remuneration Costs				(\$1,651) 8/
33					<u></u>
34	Adjusted Distribution Operating Income Before Taxes				\$46,665
35	Interest Charges				\$17,402 6/
36	Income Taxes @ 35% (net of ITC)				\$10,628 7/
37					
38	Net Income				\$18,634
39					
40	Less: Preferred Stock Requirements				\$70 6/
41	Earnings Available for Common				\$18,564
42	, and the second s				
43	Average Common Equity - 5-Quarter Average				\$343,434 6/
44	-				
45	Rate of Return on Adjusted Average Common Equity				5.41%

Notes

1/ Excludes excess earnings accrual of \$0 for the 12 month period.

2/ Excludes \$0, for storm related expenses as incurred \$0.987 million of sales expense was excluded

3/ Pursuant to Docket 4065 Settlement, and as continued in the Docket 4323 settlement, Company share of Earned Savings equals \$3250 annually, effective January 2010.

4/ Below the line items brought above the line for ratemaking.

5/ Effective Dec. 2005, SQ penalties booked below the line.

6/ Calculated using imputed capital structure and cost rates; see Page 1 at Lines 44, 43 and 32, respectively.

7/ Includes impact of flowthrough items from Page 1 at Line 59.

8/ Docket 4805 Schedule ASC-18 Pg 4 Col H

9/ Docket 4707 RE Growth Factor Filing Schedule ASC-3 Page 3 Line 14

Page 2 of 6

The Narragansett Electric Company d/b/a National Grid RIPUC Docket No. 4770 In Re: Electric and Gas Earnings Reports Twelve Months Ended December 31, 2019 Attachment PUC 2-6-2 Page 4 of 7

### THE NARRAGANSETT ELECTRIC COMPANY Rate Base - Electric Distribution Five Quarter Average

Line No.	Description		(a) December 2016		(b) March 2017		(c) June 2017		(d) September 2017		(e) December 2017	<u>5-Q</u>	(f) Quarter Average
1	Utility Plant in Service	\$	1.490.507.033	\$	1,525,211,443	\$	1.529.038.072	\$	1,538,982,120	¢	1.540.193.364	¢	1,524,786,406
1 2	IFA allocated Plant	ծ Տ	1,490,507,055	ֆ Տ	1,525,211,445	ծ Տ	1,529,038,072	ծ Տ	1,538,982,120	Դ Տ	1,540,195,564	ծ Տ	1,524,780,400
2	Block Island Transmission System (BITS) Assets	ծ Տ	-	ֆ Տ	-	ծ Տ	-	ծ Տ	-	Դ Տ	-	ծ Տ	-
4	Total Distribution Plant	\$	1,490,507,033		-	\$ \$	- 1,529,038,072		1,538,982,120		-		-
4 5	Total Distribution Plant	\$	1,490,507,035	\$	1,525,211,445	\$	1,529,038,072	\$	1,538,982,120	\$	1,540,195,564	\$	1,524,780,400
5 6	Description Held for Frating Her		2 406 405		2 406 405		2 406 405		2 406 405		2 406 405	¢	2 406 405
0 7	Property Held for Future Use Less: Contribution in Aid of Construction		2,496,405 2,756		2,496,405 (518,630)		2,496,405 2,756		2,496,405 2,756		2,496,405 (222,216)	\$ \$	2,496,405 (146,515)
8	Less: Accumulated Depreciation		654,105,202		662,588,139		652,283,601		671,251,623		666,908,851	.թ Տ	661,427,483
8 9	Plus: IFA allocated Depreciation		034,103,202		002,388,139		032,283,001		0/1,231,025		000,908,831	.թ Տ	001,427,485
9 10	Plus: Block Island Transmission System (BITS) Depreciation		-		-		-		-		-	.թ Տ	-
10	Flus. Block Island Hansinission System (BHS) Depreciation		-		-		-		-		-	φ	-
12	Net Plant in Service	\$	838,895,480	\$	865,638,338	\$	879,248,120	\$	870,224,147	\$	876,003,134	\$	866,001,844
12	Net I fait in Service	φ	030,075,400	φ	805,058,558	ψ	879,248,120	φ	870,224,147	φ	870,005,154	φ	800,001,844
13	Plus:												
15	Materials and Supplies	\$	4,525,831	\$	5,510,606	\$	3,632,412	\$	3,182,470	\$	3,695,981	\$	4,109,460
16	Prepayments	Ψ	1,444,668	Ψ	1,054,315	Ψ	(324,171)	Ψ	1,245,274	Ψ	1,522,484	\$	988,514
17	Loss on Reacquired Debt		1,854,556		2,318,694		1,709,381		1,785,599		1,752,405	\$	1,884,127
18	Cash Working Capital		4,975,475		4,975,475		4,975,475		4,975,475		4,975,475	\$	4,975,475
19	Cash Working Capital - Commodity & Gross Receipts Tax		25,003,318		23,686,328		23,686,328		23,686,328		23,686,328	\$	23,949,726
20	Unamortized Interest Rate Lock		2,439,092		2,346,659		2,254,226		2,161,793		2,069,360	\$	2,254,226
20	Unamortized Debt Issuance Costs (\$550M)		1,113,997		1,089,529		1,065,062		1,040,594		1,016,126	\$	1,065,062
22	Unamortized Debt Issuance Costs (\$250M 2012)		945,261		\$936,143		\$927.024		\$917,906		\$908,788	\$	927,024
23	Chamorazed Debt Issuance Costs (\$25011 2012)		715,201		¢>50,115		\$27,021		φ)17,900		\$700,700	Ψ	,021
24	Subtotal	\$	42,302,198	\$	41,917,749	\$	37,925,736	\$	38,995,438	\$	39,626,947	\$	40,153,614
25	Success	<u> </u>	12,002,170	<u> </u>	,		51,720,700	<u> </u>	50,770,100		59,020,917	<u> </u>	10,100,011
26	Less:												
27	Accumulated Deferred Federal Income Taxes ("FIT")	\$	165,941,844	\$	184,975,771	\$	196,614,471	\$	197,535,435	\$	215,503,710	\$	192,114,246
28	Accumulated Deferred FIT on Loss for Reacquired Debt	Ŧ	649,095	Ŧ	811,543	+	598,283	+	624,960	Ŧ	613,342	\$	659,444
29	Customer Deposits		10,276,666		10,154,831		8,699,858		8,743,046		8,961,553	\$	9,367,191
30	Injuries and Damages Reserve - Uninsured Claims		5,691,599		5,771,305		4,570,193		4,658,649		4,934,361	\$	5,125,221
31			-,		-,		.,		.,		.,, = .,= = =	Ŧ	-,,
32	Subtotal	\$	182,559,203	\$	201,713,450	\$	210,482,805	\$	211,562,090	\$	230,012,966	\$	207,266,103
33			- ,, /2		- ,, -		-, - ,			ć			.,,
34	Rate Base	\$	698,638,476	\$	705,842,638	\$	706,691,051	\$	697,657,495	\$	685,617,114	\$	698,889,355

### Line Notes

34 Line 12 + Line 24 - Line 32

The Narragansett Electric Company d/b/a National Grid RIPUC Docket No. 4770 In Re: Electric and Gas Earnings Reports Twelve Months Ended December 31, 2019 Attachment PUC 2-6-2 Page 5 of 7

Page 4 of 6

### **Five Quarter Average** (a) (b) (c) (d) (e) (f) Line December March June September December No. Description 2016 2017 2017 2017 2017 5-Quarter Average 1 Utility Plant in Service \$ 827,089,826 \$ 835,451,297 \$ 837,552,450 \$ 835,369,555 \$ 840,536,616 \$ 835,199,949 2 IFA allocated Plant \$ 8,992,857 \$ 7,414,569 \$ 7,628,415 \$ 5,393,094 \$ 5,484,673 \$ 6,982,722 3 Block Island Transmission System (BITS) Assets \$ 89.307.077 \$ 100.770.097 \$ 103,499,792 \$ 111.357.580 \$ 111.730.437 \$ 103.332.997 Total Transmission Plant 925,389,760 \$ 943.635.963 \$ 948.680.657 \$ 952,120,229 \$ 957,751,726 \$ 945,515,667 4 \$ 5 6 7 Property Held for Future Use 12,531,903 12,531,903 12,531,903 \$ 12,531,903 12,531,903 12,531,903 Less: Contribution in Aid of Construction 8 Less: Accumulated Depreciation 92.361.272 97.279.994 100.336.957 104.198.259 106,968,106 \$ 100.228.918 9 10 Plus: IFA allocated Depreciation 4.005.114 1.702.947 2.370.742 1.686.009 1.722.878 \$ 2.297.538 Plus: Block Island Transmission System (BITS) Depreciation 39,143 181,531 191,906 207,312 208,038 \$ 11 165,586 Total Accumulated Depreciation 96,405,529 99,164,472 102,899,605 106,091,579 108,899,022 \$ 102,692,042 12 13 841,516,133 858,312,955 858,560,552 855,355,528 Net Plant in Service 857.003.394 861.384.607 \$ 14 \$ \$ \$ S \$ 15 16 Plus: 17 Materials and Supplies \$ 2,720,358 \$ 1,338,323 \$ 2,684,191 \$ 2,183,945 \$ 2,708,039 \$ 2,326,971 \$ 475,210 18 Prepayments 836,202 256,054 700,079 860,846 625,678 Loss on Reacquired Debt 1,073,453 563,126 1,126,251 1,003,844 990,849 \$ 951,504 19 20 Cash Working Capital 2,681,655 3,194,316 2,514,043 1,879,414 3,161,077 \$ 2,686,101 21 Unamortized Interest Rate Lock 1,509,520 1,452,316 1,395,112 1,337,908 1,280,704 \$ 1,395,112 Unamortized Debt Issuance Costs (\$550M) 674,289 698,225 677,568 \$ 22 785,818 659,146 699,009 Unamortized Debt Issuance Costs (\$250M 2012) \$ 23 630,149 579,361 573,718 568,075 562,432 582,747 24 10,237,155 8,057,785 9,427,672 8,371,489 10,241,514 \$ 9,267,123 25 Subtotal \$ \$ \$ \$ S 26 27 Less: Accumulated Deferred FIT \$ 158,841,895 \$ \$ 159,376,348 \$ \$ \$ 157,749,165 28 168,039,168 163,124,188 139,364,226 394,188 29 Accumulated Deferred FIT on Loss on Reaquired Debt 375,709 197,094 351,345 346,797 \$ 333,027 30 Customer Deposits \$ 31 Injuries and Damages Reserve - Uninsured Claims \$ \_ -\_ 32 33 Subtotal \$ 159,217,604 \$ 168,236,262 \$ 159,770,536 \$ 163,475,534 \$ 139,711,023 \$ 158,082,192 34 35 Rate Base \$ 692.535.685 \$ 696.824.918 \$ 707.970.090 \$ 703.456.508 \$ 731.915.098 \$ 706.540.460

THE NARRAGANSETT ELECTRIC COMPANY Rate Base - Integrated Facilities Agreement (IFA)

### Line Notes

35 Line 14 + Line 24 - Line 33

The Narragansett Electric Company d/b/a National Grid RIPUC Docket No. 4770 In Re: Electric and Gas Earnings Reports Twelve Months Ended December 31, 2019 Attachment PUC 2-6-2 Page 6 of 7

### THE NARRAGANSETT ELECTRIC COMPANY Rate Base - Electric Total Distribution and IFA Five Quarter Average

(a) (b) (c) (d) (e) (f) March Line December June September December No. Description 2016 2017 2017 2017 2017 5-Quarter Average Utility Plant in Service 2,359,986,355 1 \$ 2,317,596,859 \$ 2.360.662.739 \$ 2,366,590,522 \$ 2,374,351,675 \$ 2,380,729,980 \$ 2 IFA allocated Plant \$ 8.992.857 \$ 7.414.569 \$ 7.628.415 \$ 5.393.094 \$ 5.484.673 \$ 6.982.722 3 Block Island Transmission Assets (BITS) \$ 89,307,077 \$ 100,770,097 \$ 103,499,792 \$ 111,357,580 \$ 111,730,437 \$ 103,332,997 4 Total Utility Plant in Service \$ 2,415,896,793 \$ 2,468,847,406 \$ 2,477,718,729 \$ 2,491,102,349 \$ 2,497,945,090 \$ 2,470,302,073 5 6 15.028.308 15.028.308 \$ 7 Property Held for Future Use 15.028.308 15.028.308 15.028.308 15.028.308 Less: Contribution in Aid of Construction 2,756 (518,630) 2,756 2,756 (222, 216)\$ (146,515) 8 9 Less: Accumulated Depreciation 746,466,474 759,868,133 752,620,557 775,449,882 773,876,957 \$ 761,656,401 \$ 10 Less: IFA allocated Depreciation 4.005.114 1.702.947 2.370.742 1.686.009 1.722.878 2,297,538 11 Less: Block Island Transmission System (BITS) Depreciation 39,143 181,531 191,906 207,312 208,038 \$ 165,586 12 Net Plant in Service 1,680,411,614 \$ 1,722,641,733 \$ 1,737,561,075 \$ 1,728,784,699 \$ 1,737,387,741 \$ 1,721,357,372 \$ 13 14 Plus: 15 Materials and Supplies \$ 7.246.188 \$ 6.848.929 \$ 6.316.603 \$ 5.366.415 \$ 6,404,020 \$ 6,436,431 2.280.870 1.310.370 1.945.353 2.383.330 Prepayments 151.039 1.614.192 16 Loss on Reacquired Debt 2,928,009 2,881,820 2,835,632 2,789,443 2,743,254 2,835,632 17 18 19 Cash Working Capital 7,657,130 8.169.791 7.489.518 6.854.889 8,136,552 7,661,576 Cash Working Capital - Commodity & Gross Receipts Tax 25.003.318 23.686.328 23,686,328 23,686,328 23,686,328 23,949,726 20 21 Unamortized Interest Rate Lock 3.948.612 3,798,975 3.649.338 3,499,701 3.350.064 3,649,338 Unamortized Debt Issuance Costs (\$550M) 1,899,815 1,763,818 1,724,208 1,738,818 1,693,694 1,764,071 22 23 Unamortized Debt Issuance Costs (\$250M 2012) 1,500,743 1,575,410 1,515,504 1,485,981 1,471,220 1,509,772 24 Subtotal 52,539,353 49,975,534 47.353.408 47.366.927 49,868,461 49,420,737 25 \$ \$ \$ \$ \$ 26 27 Less: 349,863,411 28 Accumulated Deferred FIT \$ 324,783,739 \$ 353,014,939 \$ 355,990,819 \$ 360,659,623 \$ 354,867,936 \$ Accumulated Deferred FIT on Loss for Reacquired Debt 1,008,637 \$ 29 1,024,803 992,471 976,305 960,139 992,471 30 \$10,276,666 \$8,699,858 \$8,743,046 \$ 9,367,191 Customer deposits \$10,154,831 \$8,961,553 \$5,771,305 \$4,570,193 \$4,658,649 \$4,934,361 5,125,221 31 Injuries and Damages Reserve - Uninsured Claims \$5,691,599 \$ 32 33 341,776,807 369,949,711 \$ Subtotal \$ 370,253,341 \$ 375,037,623 \$ 369,723,989 \$ 365,348,294 34 35 Rate Base \$ 1,391,174,160 \$ 1,402,667,556 \$ 1,414,661,141 \$ 1,401,114,003 \$ 1.417.532.213 \$ 1.405.429.814

### Line Notes

35 Line 12 + Line 25 - Line 33

Page 5 of 6

The Narragansett Electric Company d/b/a National Grid RIPUC Docket No. 4770 In Re: Electric and Gas Earnings Reports Twelve Months Ended December 31, 2019 Attachment PUC 2-6-2 Page 7 of 7

Page 6 of 6

## THE NARRAGANSETT ELECTRIC COMPANY Calculation of Excess Earnings for Twelve months ended December 31, 2017 (\$000)

### Line

1	Actual Distribution Earnings Available for Common	\$18,564	(a)					
2								
3								
4	Actual Average Common Equity	\$343,434	(a)					
5								
6								Customer
7	Average Annual Return			5.41%	(b)		_	Share
8								
9	ROE in 50%/50% Bandwith (>9.50%, <10.50%)			0.00%	*	50.00%	=	0.00%
10	ROE in 75%/25% Bandwith (>10.50%)			0.00%	*	75.00%	= _	0.00%
11								
12	Total Customer ROE Sharing							0.00%
13	Actual Average Common Equity						_	\$343,434
14								
15	Actual Annual Customer Shared Earnings							\$0
16	Tax Gross-up						_	/ 65.00%
17								
18	Annual Customer Shared Earnings - Pre-tax							-
19								
20	Total Customer Shared Earnings for the twelve month	hs ending December	er 31, 20	17			_	\$ -
							-	

Notes

- (a) From Page 2 of 6, Line 39 and Line 41.
- (b) Line 1 divided by Line 4 ; equals Page 2 of 6 at Line 43.

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

Joanne M. Scanlon

<u>September 4, 2020</u> Date

National Grid Docket No. 4770 (Rate Application) & Docket No. 4780 (PST) Combined Service list updated 7/20/2020

Docket No. 4770 Name/Address	E-mail Distribution List	Phone
National Grid	Jennifer.hutchinson@nationalgrid.com;	781-907-2153
Jennifer Hutchinson, Esq.	Andrew.marcaccio@nationalgrid.com;	401-784-7288
Celia O'Brien, Esq.	Celia.obrien@nationalgrid.com;	
National Grid	Najat.coye@nationalgrid.com;	
280 Melrose St.	Joanne.scanlon@nationalgrid.com;	
Providence, RI 02907	Bill.Malee@nationalgrid.com;	
	Melissa.little@nationalgrid.com;	
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