

The Narragansett Electric Company d/b/a National Grid

Distribution Adjustment Charge Filing

Testimony and Schedules of
Peter R. Blazunas, Jeffrey D. Oliveira,
James H. Allen and Stephanie A. Briggs

August 1, 2022

Submitted to:
Rhode Island Public Utilities Commission
R.I.P.U.C. Docket No. 22-13-NG

Submitted by:



Rhode Island Energy™
a PPL company

August 1, 2022

VIA ELECTRONIC MAIL

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

**RE: The Narragansett Electric Company d/b/a Rhode Island Energy
2022 Distribution Adjustment Clause Filing
Docket No. 22-13-NG**

Dear Ms. Massaro:

In accordance with the provisions of the Distribution Adjustment Clause of Rhode Island Energy's¹ gas tariff, RIPUC NG-GAS No. 101, at Section 3, Schedule A, enclosed please find Rhode Island Energy's annual Distribution Adjustment Charge ("DAC") filing. The DAC was established in Docket No. 3401 to provide for the recovery and reconciliation of the costs of identifiable special programs. Thus, the DAC is comprised of several factors relative to those specific programs.²

The 2022 DAC includes rate-specific Infrastructure, Safety, and Reliability ("ISR") reconciliation factors based on the reconciliation of the fiscal year ("FY") 2022 revenue

¹ The Narragansett Electric Company d/b/a Rhode Island Energy ("Rhode Island Energy" or the "Company").

² The DAC includes an annual System Pressure factor; an Environmental Response Cost factor; a Pension Adjustment Factor; an Arrearage Management Adjustment Factor; a Revenue Decoupling Adjustment factor; rate class specific Infrastructure, Safety, and Reliability factors; a Service Quality Performance factor; two Reconciliation factors for last year's DAC factors; an Earnings Sharing Mechanism factor; and a Low Income Discount Recovery Factor. In addition, the DAC also includes a Storm Net Revenue factor pursuant to Compliance Attachment 23 to the Amended Settlement Agreement in Docket No. 4770. There is no Earnings Sharing Mechanism factor proposed in this filing because the Company's earnings did not reach the threshold for the sharing of earnings with the Company's customers.

Luly E. Massaro, Commission Clerk
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requirement contained in Rhode Island Energy's FY 2022 Gas ISR Plan Reconciliation filing submitted on August 1, 2022 under separate cover in Docket No. 5099, and revenue billed through the ISR Plan factors during the same period.

Please contact me if you have any questions. Thank you for your attention to this matter.

Very truly yours,



Leticia C. Pimentel

Enclosure

cc: Docket 22-13-NG Service List
Leo Wold, Esq.
John Bell, Division
Al Mancini, Division

**Testimony of
Peter R. Blazunas**

**THE NARRAGANSETT ELECTRIC COMPANY
d/b/a RHODE ISLAND ENERGY
R.I.P.U.C. DOCKET NO. 22-13-NG
DISTRIBUTION ADJUSTMENT CHARGE FILING
WITNESS: PETER R. BLAZUNAS
AUGUST 1, 2022**

PRE-FILED DIRECT TESTIMONY

OF

PETER R. BLAZUNAS

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1 **I. Introduction and Qualifications**

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

3 A. My name is Peter R. Blazunas and my business address is 293 Boston Post Road West,
4 Suite 500, Marlborough, Massachusetts 01752.

5

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

7 A. I am a Project Manager for Concentric Energy Advisors, Inc. (“Concentric”), a
8 management consulting firm. I am testifying on behalf of The Narragansett Electric
9 Company d/b/a Rhode Island Energy (the “Company”).

10

11 **Q. Please describe your educational background.**

12 A. I received a Bachelor of Arts degree in Economics from the University of Dayton in 2009
13 and a Master of Arts degree in Economics from the University of Akron in 2011.

14

15 **Q. Please describe your professional background.**

16 A. I began my career with FirstEnergy Corp. in 2012 as a State Regulatory Analyst in the
17 Ohio Rates and Regulatory Affairs Department. In July 2017, I joined the Potomac
18 Electric Power Company (“Pepco”) Regulatory Strategy and Revenue Policy team of the
19 Regulatory Affairs Department of Pepco Holdings Inc. (PHI) as a Senior Rate Analyst. In
20 November 2018, I assumed the position of Manager of Rate Administration for Pepco. In
21 that role, I was responsible for the development of electric rates, including tariff

1 surcharges, for Pepco’s Maryland and District of Columbia jurisdictions, and also
2 participated in the development of Pepco’s policies and practices with respect to rate
3 design and assisted with regulatory compliance matters, including tariff administration
4 and periodic filings. I left Pepco in January 2021 and assumed my current role at
5 Concentric in October 2021.

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

9 A. Yes. I have submitted pre-filed testimony before the PUC in support of the Company’s
10 Renewable Energy (RE) Growth Program Factor filing in Docket No. 22-04-REG and the
11 Company’s Gas Revenue Decoupling Mechanism (RDM) Reconciliation filing in Docket
12 No. 22-13-NG.

13
14 **II. Purpose of Testimony**

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

16 A. The purpose of my testimony is to describe the reconciliation of the various components
17 of the DAC and to propose new factors to become effective November 1, 2022. This
18 filing is submitted pursuant to the Company’s currently effective tariff, R.I.P.U.C. NG-
19 GAS No. 101, at Section 3, Schedule A (“DAC Provision”).

20
21 **Q. Are you sponsoring any schedules with your testimony?**

22 A. Yes. I am sponsoring the following schedules with my testimony:

- | | | | |
|----|---|-----------------|--|
| 1 | • | Schedule PRB-1 | Summary of DAC Factors |
| 2 | • | Schedule PRB-2 | System Pressure Factor |
| 3 | • | Schedule PRB-3 | Environmental Response Cost Factor |
| 4 | • | Schedule PRB-4 | Pensions and Postretirement Benefits Other than |
| 5 | | | Pension Adjustment Factor |
| 6 | • | Schedule PRB-5 | Arrearage Management Adjustment Factor |
| 7 | • | Schedule PRB-6 | Revenue Decoupling Adjustment Factor |
| 8 | • | Schedule PRB-7 | Infrastructure, Safety, and Reliability Reconciliation |
| 9 | | | Factors |
| 10 | • | Schedule PRB-8 | Service Quality Performance Factor |
| 11 | • | Schedule PRB-9 | Reconciliation Factors |
| 12 | • | Schedule PRB-10 | Reconciliations for FY 21 |
| 13 | • | Schedule PRB-11 | Earnings Sharing Mechanism Factor |
| 14 | • | Schedule PRB-12 | Low Income Discount Recovery Factor |
| 15 | • | Schedule PRB-13 | Storm Net Revenue Factor |

16

17 **III. DAC Summary**

18 **Q. Please provide an overview of the DAC and its components.**

19 A. The DAC was established in Docket No. 3401 to provide for the recovery and
20 reconciliation of the costs of special programs. As described in the Company's DAC
21 Provision, the DAC includes the following components: an annual System Pressure
22 factor; an Environmental Response Cost factor; a Pension Adjustment Factor; an

1 Arrearage Management Adjustment Factor; a Revenue Decoupling Adjustment (“RDA”)
2 factor; rate class specific Infrastructure, Safety, and Reliability (“ISR”) factors; a Service
3 Quality Performance factor; two Reconciliation factors for last year’s DAC factors; an
4 Earnings Sharing Mechanism factor; and a Low Income Discount Recovery Factor. In
5 addition, the DAC also includes a Storm Net Revenue factor pursuant to Compliance
6 Attachment 23 to the Amended Settlement Agreement (“ASA”) in Docket No. 4770. As
7 discussed in greater detail below, the Company is not proposing either an Advanced Gas
8 Technology Factor or a COVID Deferral Recovery Factor, although reconciling amounts
9 associated with these two items are included as a part of the DAC reconciliation factors
10 for prior periods. Furthermore, the Company may include a proposal to recover waived
11 payment processing fees pursuant to Order No. 24424 in Docket No. 5022 in its
12 supplemental DAC filing to be made on September 1, 2022.

13
14 **Q. What is the Company proposing for its DAC factors?**

15 A. As in prior years, the proposed DAC factors are not final at the time of the initial filing
16 because certain underlying data for the development of all of the component factors is not
17 yet available. Based upon the data that is available, the preliminary rates (including ISR
18 factors that became effective on April 1, 2022) are shown in Schedule PRB-1.

19 As discussed later in my testimony, the Company will supplement this filing with
20 updated information in a supplemental DAC filing on or around September 1, 2022. The
21 supplemental DAC filing will incorporate all proposed DAC factors and include a bill

1 impact analysis to reflect the final proposed DAC factors. Consistent with the
2 Company's DAC Provision, the proposed DAC factors, if approved, will take effect and
3 be applicable to gas consumption beginning November 1, 2022.
4

5 **IV. DAC Component Details**

6 **1. System Pressure**

7 **Q. What is the System Pressure component of the DAC?**

8 A. Maintaining proper operating pressure of the Company's distribution system requires the
9 occasional use of various Company facilities. Historically, the Company relied on the
10 use of its liquefied natural gas ("LNG") facilities to maintain system pressure. Pursuant
11 to Docket No. 4846, the Company will determine on an annual basis whether any LNG-
12 related costs should be recovered through the System Pressure factor. Additionally,
13 pursuant to Docket No. 5066, the Company will also determine on an annual basis
14 whether any costs incurred to meet hourly peaking requirements should be recovered
15 from all customers through the System Pressure component of the DAC.
16

17 **Q. Is the Company providing a System Pressure factor in this filing?**

18 A. No. The Company will file its System Pressure cost and proposed factor as a part of its
19 September 1 supplemental DAC filing concurrent with the Company's Gas Cost
20 Recovery ("GCR") Factor filing when hourly peaking asset costs are known. Therefore,
21 Schedule PRB-2 in this filing is a placeholder for the System Pressure factor.

1 **2. Environmental Response Costs**

2 **Q. What is the purpose of the Environmental Response Cost factor?**

3 A. The Environmental Response Cost factor is designed to provide the Company with
4 recovery of its reasonable and prudently incurred costs for evaluation, remediation, and
5 clean-up of sites associated with the Company's ownership and/or operation of
6 manufactured gas plants ("MGP"), manufactured gas storage facilities, and MGP-related
7 off-site waste disposal locations. In addition, the Environmental Response Cost factor
8 includes recovery of environmental costs for removing and replacing mercury regulators
9 and addressing meter disposal issues, among other work.

10
11 **Q. Please describe the proposed Environmental Response Cost factor.**

12 A. Consistent with the Company's DAC Provision at Item 3.3, the Environmental Response
13 Cost factor reflects recovery of the 10-year amortization of annual environmental
14 response costs in excess of the annual amount recovered in base distribution rates. As
15 shown on Schedule PRB-3, Page 1, the proposed Environmental Response Cost factor
16 reflects annual amortization of \$1,748,725 for the period April 2022 through March 2023
17 to be recovered over the 12 months beginning November 2022. A yearly breakdown of
18 this amortization is provided on Pages 2 and 3 of Schedule PRB-3. Environmental
19 project-specific expenses for the 12 months ending March 31, 2022 are provided on Page
20 4 of Schedule PRB-3. In-depth descriptions of the environmental projects and FY 2022
21 activities are included in the annual Environmental Report filed with the PUC on July 29,

1 2022. The Company currently recovers \$1,310,000 annually for environmental costs in
2 base distribution rates. Netting the annual base rate allowance of \$1,310,000 against the
3 amortization expenses of \$1,748,725 results in environmental costs of \$438,725 to be
4 recovered from customers over the period November 2022 through October 2023 through
5 the DAC. This amount is divided by forecasted throughput of 39,896,251 dekatherms for
6 the 12-month period and divided by 10 to derive a factor of \$0.0010 per therm.

7
8 **3. Pension and PBOP Costs**

9 **Q. Please describe the Pension Adjustment Factor and what it is intended to recover.**

10 A. In accordance with the Company's DAC Provision at Item 3.4, the Pension Adjustment
11 Factor is designed to recover from or credit to customers the prior year's reconciliation
12 balance that results from the comparison of the Company's actual Pension and
13 Postretirement Benefits Other than Pensions ("PBOP") expenses to the Company's
14 Pension and PBOP allowances included in base distribution rates, plus carrying
15 charges. The adjustment factor is based on this difference.

16
17 **Q. Is the Company providing Pension and PBOP costs in this filing?**

18 A. Yes. The schedules that present the reconciliation of the Company's actual Pension and
19 PBOP expenses and the base rate allowances for the 12-month period ending March 31,
20 2022 are included in the direct pre-filed testimony and schedules of Company witnesses
21 Jeffrey D. Oliveira and James H. Allen included in this filing. Mr. Oliveira and Mr.

1 Allen support the derivation of such amounts. Based on the amounts determined by Mr.
2 Oliveira and Mr. Allen, the Pension Adjustment Factor is a surcharge of \$0.0078 per
3 therm and is calculated by dividing the net under-recovery of actual Pension and PBOP
4 expenses by the forecasted throughput of 39,896,251 dekatherms for the 12 months
5 beginning November 1, 2022. This result is then divided by 10 to derive a per-therm
6 factor, as shown on Schedule PRB-4, Page 1.
7

8 **4. Arrearage Management Program Costs**

9 **Q. What is the purpose of the Arrearage Management Adjustment Factor (“AMAF”)?**

10 A. The proposed AMAF is designed to recover the forgiven arrears associated with the
11 Arrearage Management Program (“AMP”) participants who have not satisfied the
12 conditions of R.I. Gen. Laws § 39-2-1(d)(2) in the calendar year. The AMAF also
13 recovers arrears for customers who have successfully satisfied the conditions of R.I. Gen.
14 Laws § 39-2-1(d)(2), subject to the bad debt test prescribed in the AMP Provision in the
15 Company’s tariff, R.I.P.U.C. NG-GAS No. 101, Section 7, Schedule C, Sheets 6-10 (the
16 “AMP Provision”).
17

18 **Q. Please describe the Company’s calculation of the amount of arrearage forgiveness
19 recoverable through the AMAF.**

20 A. Pursuant to Section XII of the AMP Provision, at the end of each calendar year ending
21 December 31, the Company is required to perform the calculation of the amount of

1 arrearage forgiveness eligible for recovery for that year. The arrearage amounts eligible
2 for recovery consist of the following two components: (1) amounts forgiven for AMP
3 participants who did not successfully complete the AMP; and (2) amounts forgiven for
4 AMP participants who successfully completed the AMP, which is subject to a bad debt
5 test discussed in more detail below.

6
7 **Q. Has the Company prepared such a calculation for calendar year 2021?**

8 A. Yes, the calendar year (“CY”) 2021 calculation of recoverable arrearage forgiveness is
9 presented in Schedule PRB-5.

10
11 **Q. What does the Company mean when it refers to a customer who has not successfully**
12 **completed the AMP, or an “unsuccessful participant”?**

13 A. The AMP Provision sets forth several reasons why an AMP participant may be deemed
14 unsuccessful, such as:

15 a. An AMP participant who misses more than two payments during a 12-month
16 payment plan.

17 b. An AMP participant who does not pay the entire amount due under the 12-month
18 payment plan by the conclusion of the 12 months.

19 c. An AMP participant who opts out of the payment plan prior to its conclusion.

20 d. An AMP participant who moves out of the Company’s service territory prior to
21 the conclusion of the payment plan.

1 **Q. What is the ratemaking treatment for amounts forgiven for unsuccessful AMP**
2 **participants?**

3 A. Section XI (Cost Recovery), subsection i., of the AMP Provision provides as follows: “If
4 a customer does not satisfy the conditions of R.I. Gen. Laws § 39-2-1(d)(2), the amount
5 of arrearage forgiven by the Company to that point shall remain forgiven and be written
6 off by the Company. However, the amount of arrearage forgiven by the Company is
7 recoverable in full.”

8
9 **Q. How much arrearage did the Company forgive for unsuccessful AMP participants**
10 **in CY 2021?**

11 A. As shown in Schedule PRB-5, Page 2, Lines (10) and (11), the Company forgave a total
12 of \$112,061 in arrearages during CY 2021 for unsuccessful participants. Of that amount,
13 \$97,489 was due to participants who defaulted from the AMP, and an additional \$14,572
14 was due to customers who voluntarily opted out of the AMP prior to successful
15 completion.

16
17 **Q. What constitutes a successful participant under the AMP?**

18 A. A successful AMP participant is a participating customer who pays the full balance of his
19 or her payment plan within the 12-month plan period, or within the period of any plan
20 extension beyond the initial 12-month period.

1 **Q. What is the ratemaking treatment for amounts of arrearage forgiven for successful**
2 **AMP participants?**

3 A. Section XI (Cost Recovery), subsection ii., of the AMP Provision currently provides as
4 follows: “If a customer does satisfy the conditions of R.I.G.L. § 39-2-1(d)(2), all
5 arrearage amounts forgiven will be treated as bad debt. At the end of each calendar year,
6 the Company will perform a test to determine if the amount of bad debt for the year
7 exceeds the adjusted allowable bad debt from the Company’s most recent general rate
8 case. This adjusted allowable bad debt will be calculated using the distribution
9 uncollectible amount determined in the last general rate case, updated for the current
10 calendar year Gas Cost Recovery, DAC, and energy efficiency-related bad debt. Should
11 the actual amount of bad debt incurred by the Company for the year exceed this adjusted
12 allowable bad debt amount, the Company will be entitled to recover, in the following
13 year, all amounts of arrearage forgiven under R.I. Gen. Laws § 39-2-1(d)(2)(xiv) in the
14 prior year in excess of the allowable bad debt. If, however, the amount of the arrearage
15 forgiven under § 39-2-1(d)(2)(xiv) in excess of the adjusted allowable bad debt for a
16 given year is not significant enough to calculate an annual reconciling factor for that year,
17 the Company may reflect such amount in its next Revenue Decoupling Mechanism
18 reconciliation filing.”

19

20

21

1 **Q. How much arrearage was forgiven in CY 2021 for successful AMP participants?**

2 A. Schedule PRB-5 at Page 2, Line (8) shows that a total of \$87,839 of arrears was forgiven
3 for successful AMP participants in CY 2021.

4

5 **Q. How much of the arrearage forgiven for successful AMP participants is eligible for
6 recovery after performing the bad debt test?**

7 A. Schedule PRB-5 at Page 2, Line (7) demonstrates that the Company experienced
8 \$1,368,514 less bad debt in CY 2021 than the adjusted allowable bad debt of \$7,553,297
9 shown on Line (5). Therefore, none of the arrears forgiven for successful participants is
10 recoverable.

11

12 **Q. How was the proposed AMAF calculated?**

13 A. As demonstrated in Schedule PRB-5 at Page 1, the Company divided the total amount of
14 recoverable arrearage forgiveness for CY 2021 of \$112,061 by the forecasted dekatherms
15 for November 2022 through October 2023, and then divided that total by 10, resulting in
16 the proposed AMAF of \$0.0002 per therm.

17

18 **5. Revenue Decoupling Adjustment**

19 **Q. What is the RDA component of the DAC?**

20 A. Pursuant to its DAC Provision, the Company operates under a Revenue Decoupling
21 Mechanism (“RDM”). The RDM provides for an annual reconciliation of actual base

1 revenue-per-customer by rate class against a benchmark revenue-per-customer. The
2 Company filed the FY 2022 RDM reconciliation with the PUC on July 1, 2022. As
3 shown on Schedule PRB-6, Page 1, the RDA identifies a net under-recovery of target
4 revenue of \$7,804, 264. This net under-recovery will be recovered from customers
5 included in the RDM through the RDA factor, which the Company will propose to go
6 into effect November 1, 2022.

7
8 **6. ISR Plan Reconciliation**

9 **Q. What is the ISR Plan reconciliation?**

10 A. The reconciliation associated with the ISR Plan factors is designed to reconcile the actual
11 FY 2022 revenue requirement on actual cumulative capital investment and actual
12 operation and maintenance (“O&M”) expense included in the ISR Plan with the revenue
13 billed through the ISR Plan factors. The Company submitted its FY 2022 ISR Plan
14 reconciliation filing for the Company’s gas business in Docket No. 5099 on August 1,
15 2022. In that filing, Company witnesses Stephanie A. Briggs and Jeffrey D. Oliveira
16 presented the actual FY 2022 revenue requirement on actual cumulative capital
17 investment. In addition, the ISR Plan reconciliation includes a final balance of the
18 recovery of FY 2021 reconciliation balance to capture any over- or under-recovery of that
19 amount.

20

21

1 **Q. How is the ISR Plan reconciliation reflected in this filing?**

2 A. The ISR Plan reconciliation set forth in Schedule PRB-7 results in a net over-recovery of
3 \$4,536,037. To derive the ISR reconciliation factor per rate class, the Company allocated
4 the FY 2022 revenue requirement on actual cumulative capital investment to rate classes
5 based on the rate base allocation from the Company's 2017 rate case (Docket No. 4770).¹
6 This was then compared to billed revenue from the billing of the ISR Plan factors by rate
7 class to arrive at the over- or under-recovery of ISR Plan capital investment and O&M
8 expense by rate class in accordance with the Company's DAC Provision. The Company
9 netted this amount against the balance at October 31, 2022 of the reconciliation balance
10 currently being recovered from customers through the ISR reconciliation factors. The
11 Company then divided the net amount for each rate class by the forecasted throughput for
12 each rate class. Schedule PRB-7 shows the ISR reconciliation factors per rate class.

13

14 **7. Service Quality Plan**

15 **Q. Please provide a brief description of the relationship between the Service Quality**
16 **Plan and the DAC.**

17 A. Pursuant to the Company's Service Quality Plan, Docket No. 3476, the Company reports
18 the results of the service quality metrics on a quarterly basis and credits any resulting

¹ In Docket No. 5099, the Commission approved the Company's proposal to combine the allocated revenue requirements for the Residential Heating and Residential Non-Heating rate classes, thereby deriving one ISR factor applicable to all residential customers, until the Company's next rate case filing.

1 penalty to customers through the DAC. The Company's FY 2022 second quarter report
2 filed on January 31, 2022² indicates that the Company incurred a penalty of \$75,000 for
3 its performance for Meter Testing during CY 2021.³ Furthermore, the Company's FY
4 2022 third quarter report filed on April 29, 2022 indicates that the Company incurred
5 penalties totaling \$600,000 for its performance with respect to leak call response
6 metrics.⁴ Consequently, the total service quality plan penalty amount included in the
7 calculation of the Service Quality Performance Factor is \$675,000. Therefore, the
8 Company has proposed a Service Quality Performance credit factor of \$0.0016 per therm
9 to be credited to customers effective November 1, 2022 as shown in Schedule PRB-8.

10
11 **8. Earnings Sharing Mechanism**

12 **Q. Is the Company reflecting an amount in the proposed DAC factors associated with**
13 **the Earnings Sharing Mechanism?**

14 A. No, the Company is not proposing an ESM factor this year, as shown in Schedule PRB-
15 11. The pre-filed direct testimony of Company Witness Stephanie A. Briggs presents the
16 Company's Gas Earnings Report for the 12 months ending December 31, 2021, which
17 reflects a return on equity below the earnings sharing threshold.

² The fiscal year for the Gas Service Quality Plan in Docket No. 3476 runs from July 1 through June 30.

³ The fiscal year 2022 second quarter report also serves as the calendar year annual report for the Meter Testing metric.

⁴ Per the Company's FY 2022 Third Quarter Report in Docket No. 3476, at page 2: "The Company is examining whether the Woonsocket gas leak satisfies the three criteria set forth by the Commission to consider when determining whether an exogenous event has occurred. See Report and Order No. 23962. The Company may file a formal request for relief of penalties with the PUC. Please note that Company performance is above the penalty thresholds for both leak-call response metrics when the Woonsocket Gas Leak data is excluded."

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9. Low-Income Discount Recovery Factor

Q. Is the Company reflecting an amount in the proposed DAC factors associated with the Low-Income Discount Recovery Factor?

A. No, not at this time. To estimate the total bill discounts eligible to low income customers, the Company multiplies forecasted volumes for low income customers by base distribution rates, DAC factors, and GCR factors proposed to be in effect. However, the annual GCR factors will not be proposed until September 1, 2022 for effect on November 1, 2022. Therefore, the Low-Income Discount Recovery Factor (“LIDRF”) will be calculated and proposed in the Company’s supplemental DAC filing. Schedule PRB-12 in this filing is a placeholder for the LIDRF calculation.

10. Storm Net Revenue Credit

Q. What is the purpose of the Storm Net Revenue Factor?

A. The Storm Net Revenue Factor is designed to credit back to customers the value of services performed by the Company’s employees in other jurisdictions, including those outside of Rhode Island Energy operating company’s service territory, in accordance with the provisions of Compliance Attachment 23 of the ASA.

1 **Q. Please describe the Company's calculation of the Storm Fund Net Revenue**
2 **customer share amount on Schedule PRB-13, Line (3).**

3 A. Pursuant to the ASA, Storm Net Revenue is defined as the proceeds received or cost
4 reductions achieved for base labor and non-incremental labor overhead costs on all labor
5 (i.e., not just base labor) charged for storm restoration services provided to other utilities,
6 whether affiliated or non-affiliated, less an amount equal to 55.18 percent, which is the
7 labor capitalization rate set in the Company's most recent general rate case. In
8 accordance with the ASA, the Company will credit customers 75 percent of the Storm
9 Net Revenue received by the Company.

10

11 **Q. Please describe the Company's calculation of the Storm Contingency Fund Factor**
12 **on Schedule PRB-13, Line (6).**

13 A. As seen on Line (1) in Schedule PRB-13, the Net Revenue the Company received for
14 performing storm response services in other jurisdictions is \$225,099 of which 75%, or
15 \$168,824, is proposed to be credited to customers. This amount is then divided by the
16 forecasted throughput of 39,896,251 dth, and divided by 10, resulting in a Storm Net
17 Revenue credit factor of \$0.0004 for the 12 months beginning November 1, 2022.

18

19

20

21

1 **11. Other**

2 **Q. Is the Company proposing an Advanced Gas Technology (AGT) Factor?**

3 A. No. As of November 1, 2021, the AGT Factor has not been in effect pursuant to Docket
4 No. 5165. Prior period reconciliation balances related to the AGT Factor, however, are
5 still included as a part of the Company's proposed DAC reconciliation factors.

6
7 **Q. Is the Company proposing a COVID Deferral Recovery Factor?**

8 A. No. The Company proposes that the COVID Deferral Recovery Factor be removed as a
9 component of the DAC effective November 1, 2022. The COVID Deferral Recovery
10 Factor presently in effect for the period November 2021 to October 2022 was designed to
11 recover the remaining fifty percent of the November 2020 to October 2021 DAC
12 increase. As there was no deferral of the November 2021 to October 2022 DAC increase
13 and, with the remaining COVID Deferral amount having been fully recovered
14 notwithstanding final reconciliation as of October 31, 2022, the COVID Deferral
15 Recovery Factor is no longer necessary starting November 1, 2022. Prior period
16 reconciliation balances related to the COVID Deferral Recovery Factor are, however, still
17 included as a part of the Company's proposed DAC reconciliation factors.

18

1 **Q. Is the Company proposing the recovery via the DAC of waived processing fees**
2 **pursuant to Commission Order No. 24424 in Docket No. 5022?**

3 A. No, not at this time. In Order No. 24424 in Docket No. 5022, the Commission ordered
4 that the utilities subject to the Order, including Rhode Island Energy, may seek recovery
5 of the waived processing fees in a separate petition. Rhode Island Energy is presently
6 evaluating inclusion of these waived processing fees in its supplemental DAC filing.²
7

8 **Q. Did the Company include in the filing a schedule with a line item comparison of the**
9 **combined DAC and GCR amounts proposed for 2022/23 as compared to the**
10 **amounts approved in Docket No. 5165 for 2021/22?**

11 A. No, not at this time. Per the PUC's written Order in Docket No. 5165, the Company will
12 include this schedule in its supplement DAC filing, at which point the proposed DAC and
13 GCR amounts for 2022/23 are known in their entirety, similar to the Company's response
14 to data request PUC 2-1 in Docket No. 5165.
15

16 **V. DAC Reconciliation**

17 **Q. What is the reconciliation component of the DAC?**

² On April 30, 2021, the Company filed a Petition with the PUC to request authorization to create regulatory assets and consideration for future cost recovery for certain COVID-19 related costs, which included, among other things, charges to the Company for fees that the Company has waived pursuant to the PUC's orders in R.I.P.U.C. Docket No. 5022. That Petition is still pending with the PUC.

1 A. The reconciliation component of the DAC allows for the reconciliation of the actual
2 amounts approved to be reflected in the DAC factors from the prior year and revenue
3 billed through the DAC, along with a true-up for those items requiring a forecast of their
4 balances at October 31 in order to incorporate them in the calculation of the DAC factors
5 for November 1. In this filing, the individual items that are being reconciled fall into one
6 of the following three general groupings, which are rate class specific: (1) those
7 associated with the reconciliation of factors that are related to all rate classes; (2) those
8 associated with the reconciliation of factors that are specific to the Residential and Small
9 and Medium C&I rate classes; and (3) those associated with the reconciliation of factors
10 related solely to the Large and Extra Large rate classes.

11
12 A summary of the various items being reconciled is shown on Schedule PRB-9, Page 1,
13 Sections 1, 2, and 3.

14
15 **Q. What reconciliation components are applicable to all rate classes?**

16 A. The items applicable to all rate classes include those that are being reconciled on the
17 basis of the gas year, from November 2021 through October 2022. They include the
18 following components: (1) System Pressure reconciliation, (2) AGT Factor, (3)
19 Environmental Response Cost reconciliation, (4) Arrearage Management Program
20 reconciliation, (5) Pension, (6) PBOP, (7) Previous Reconciliation Factor, (8) Earnings
21 Sharing Mechanism, (9) Low Income Discount Recovery reconciliation, (10) Service

1 Quality Penalty, (11) Storm Net Revenue reconciliation, (12) COVID Deferral Factor.

2 Each component reconciles the amounts approved for recovery or refund and actual
3 revenue billed through June 2022 and forecasted revenue through October 2022. In
4 addition, a true-up amount representing the difference between the forecasted balance and
5 the actual balance as of October 31, 2021.

6
7 The Company derives the Reconciliation factor applicable to all rate classes by totaling
8 the balance of these components for the 12 months ending October 31, 2022. The
9 projected balance for the 12-month period ending October 31, 2022 consists of the net
10 under-recovery of \$5,354,252, plus the net 2021 true up credit of \$278,379, for a total
11 surcharge of \$5,075,873 to customers. This total is divided by the forecasted throughput
12 of 39,896,251 dth for the period November 1, 2022 through October 31, 2023. This
13 result is then divided by 10 to derive a \$0.0127 per therm factor for the 12-month period
14 beginning November 1, 2022. A summary of the various items being reconciled that are
15 applicable to all rate classes is shown on Schedule PRB-9, Page 1, Section 1, while the
16 details are set forth on Pages 2, 3, 4, 9, and 11. The Reconciliation factor applicable to
17 all rate classes will be added to the factor applicable to the Large and Extra-Large rate
18 class customers' reconciliation to derive two distinct Reconciliation factors among the
19 two groups of customers.

20

1 **Q. What is the reconciliation component applicable only to the Residential and Small**
2 **and Medium C&I rate classes?**

3 A. The reconciliation of the RDA balance through the RDA factors that are only applicable
4 to Residential and Small and Medium C&I customers results in a separate Reconciliation
5 factor for this group of customers. This factor was derived by taking the RDM
6 reconciliation ending balance as of October 31, 2022, which represents a net under-
7 recovery of the amount to be charged through the RDA factor and RDA reconciliation
8 factor of \$5,751, as shown on Schedule PRB-9, Page 1, Line (20), and dividing that total
9 by the forecasted throughput of 28,558,550 dekatherms for the Residential and Small and
10 Medium C&I rate classes. This factor is then divided by 10 to derive a per-therm credit
11 factor. The summary of this derivation is shown on Schedule PRB-9, Page 1, Section 2.
12 This under-recovery, however, is too small to generate a billable credit factor.
13 Consequently, the Company proposes to carry this under-recovery balance into next
14 year's filing, including accrued interest.

15
16 **Q. What reconciliation components are applicable to the Large and Extra-Large Rate**
17 **classes?**

18 A. The Large and Extra-Large Reconciliation factor includes the following components: (1)
19 the prior reconciliation factor applicable to the Large and Extra-Large rate classes; and
20 (2) the reconciliation of the base rate allowance for the recovery of Environmental
21 Response Costs for the April 2021 through March 2022 period, which is subject to

1 reconciliation in the DAC. For Residential and Small and Medium C&I customers, the
2 reconciliation of this base rate allowance to billed revenue is completed as a part of the
3 RDM reconciliation, where actual revenue is reconciled to targets that include this base
4 rate allowance. Therefore, the recovery for the base rate component for this DAC
5 component must be separately reconciled only for the Large and Extra-Large rate classes,
6 which are excluded from the Company's RDM.

7
8 The base rate reconciliation factor for this program is calculated by dividing the total
9 annual base rate allowance approved by the PUC by the total annual forecasted firm
10 throughput from the Company's 2017 rate case for the months April through March. The
11 Company then multiplies the base rate reconciliation factor by the forecasted throughput
12 for Large and Extra-Large rate classes from the Company's respective rate cases, to
13 obtain the forecasted monthly revenues. The forecasted monthly revenues are then
14 compared to the actual revenues to derive the annual over- or under-recoveries for the 12
15 months ending March 31, 2022 for each component.

16
17 The ending balance of the base rate allowance at the end of March 2022 is an under-
18 recovery balance of \$26,329. The balance of the Reconciliation factor associated with
19 the previous reconciliation for these rate classes is an over-recovery of \$158,563 resulting
20 in a net amount due to Large and Extra-Large customers of \$132,234. The credit amount
21 due to Large and Extra-Large customers is then divided by the forecasted throughput of

1 11,337,700 dth associated with the Large and Extra-Large customers, and again divided
2 by 10, to derive a credit factor of \$0.0011 per therm. Finally, this credit factor was added
3 to the Reconciliation factor applicable to all rate classes, as described earlier in my
4 testimony, to derive a net surcharge Reconciliation factor applicable to the Large and
5 Extra Large rate classes of \$0.0116 per therm for the 12-month period beginning
6 November 1, 2022. A summary of these items is shown in Schedule PRB-9, Page 1,
7 Section 3, while the details are set forth on Schedule PRB-9, Page 3, Line (49) and Page
8 5, Line (41).

9
10 The Company will be updating the ending balances with one additional month of actual
11 revenue for each of these reconciliation items in its supplemental DAC filing.

12
13 **Q. Did the Company provide DAC reconciliations over the historical fiscal year as it**
14 **did last year?**

15 A. Yes. In Schedule PRB-10, the Non-Base Rate components, the RDM, and the ISR Plan
16 reconciliations are provided for the fiscal year ending March 31, 2022. Although rates
17 are not designed over the period of the fiscal year, Schedule PRB-10 is provided for
18 informational purposes.

19
20 **Q. What is the basis of the forecast utilized in the preliminary DAC?**

1 A. The preliminary DAC factors are based on the current projected throughput of
2 39,896,251 dekatherms for the period November 1, 2022 to October 31, 2023. This
3 forecast will also be used in the Company's GCR filing to be submitted on or around
4 September 1 and will be supported in that filing.

5

6 **VI. Bill Impacts**

7 **Q. Is the Company providing bill impacts in this filing?**

8 A. No, the Company is not presenting bill impacts at this time. Since the Low Income
9 Discount Recovery Factor and System Pressure factor are not reflected in this filing, a
10 bill impact analysis at this time would provide limited information regarding the overall
11 impact of the change in the DAC factors. The Company will submit bill impacts for the
12 cumulative impact of all proposed DAC factors with the supplemental DAC filing the
13 Company will submit on or around September 1, 2022.

14

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

16 A. Yes.

17

Schedules of Peter R. Blazunas

Schedule PRB-1	Summary of DAC Factors
Schedule PRB-2	System Pressure Factor
Schedule PRB-3	Environmental Response Cost Factor
Schedule PRB-4	Pensions and Postretirement Benefits Other than Pension Adjustment Factor
Schedule PRB-5	Arrearage Management Adjustment Factor
Schedule PRB-6	Revenue Decoupling Adjustment Factor
Schedule PRB-7	Infrastructure, Safety, and Reliability Reconciliation Factors
Schedule PRB-8	Service Quality Performance Factor
Schedule PRB-9	Reconciliation Factors
Schedule PRB-10	Reconciliations for FY 21
Schedule PRB-11	Earnings Sharing Mechanism Factor
Schedule PRB-12	Low Income Discount Recovery Factor
Schedule PRB-13	Storm Net Revenue Factor

Schedule PRB-1

Summary of DAC Factors

The Narragansett Electric Company
d/b/a Rhode Island Energy
Summary of DAC Factors
Effective November 1, 2022

Section 1: DAC factor (not including annual ISR component) November 1, 2022 - October 31, 2023

			Residential/ Small/		Residential Low
			Medium C&I	Large/ X-Large	Income
			(a)	(b)	(c)
(1) System Pressure (SP)	PRB-2	n/a	n/a	n/a	n/a
(2) Environmental Response Cost Factor (ERCF)	PRB-3	\$438,725	\$0.0010	\$0.0010	\$0.0010
(3) Pension Adjustment Factor (PAF)	PRB-4	\$3,143,609	\$0.0078	\$0.0078	\$0.0078
(4) Arrearage Management Adjustment Factor (AMAF)	PRB-5	\$112,061	\$0.0002	\$0.0002	\$0.0002
(5) Service Quality Factor (SQP)	PRB-8	(\$675,000)	(\$0.0016)	(\$0.0016)	(\$0.0016)
(6) Reconciliation Factor (R)	PRB-9	\$4,943,638	\$0.0127	\$0.0116	\$0.0127
(7) Earnings Sharing Mechanism (ESM)	PRB-11	\$0	\$0.0000	\$0.0000	\$0.0000
(8) Low Income Discount Recovery Factor (LIDRF)	PRB-12	n/a	n/a	n/a	n/a
(9) Storm Net Revenue Factor	PRB-13	(\$168,824)	(\$0.0004)	(\$0.0004)	(\$0.0004)
(10) Subtotal	Sum [(1):(9)]	\$7,794,209	\$0.0197	\$0.0186	\$0.0197
(11) Uncollectible Percentage	Dkt 4770	1.91%	1.91%	1.91%	1.91%
(12) DAC factors grossed up for uncollectible	(10) ÷ [1-(11)]	\$7,945,976	\$0.0200	\$0.0189	\$0.0200
(13) Revenue Decoupling Adjustment (RDA)	PRB-6	\$7,804,264	\$0.0273	\$0.0000	\$0.0273
(14) Revenue Decoupling Adjustment Reconciliation	PRB-9	\$5,751	\$0.0000	\$0.0000	\$0.0000
(15) DAC factor	(12)+(13)+(14)	\$15,755,991	\$0.0473	\$0.0189	\$0.0473

Section 2: DAC factors including annual ISR component

	ISR Reconciliation w/o uncollectible (therms) (a)	Uncollectible Percentage (b)	ISR Reconciliation* (therms) (c) = (a) x [1+(b)]	Base DAC Component* (therms) (d)	DAC Component Subtotal Rates* (therms) (e) = (c) + (d)	ISR Component (therms)* (f)	November 1, 2022 DAC Rates* (therms) (h)
(16) Res-NH	(\$0.0145)	1.91%	(\$0.0147)	\$0.0473	\$0.0326	\$0.1391	\$0.1717
(17) Res-NH-LI	(\$0.0145)	1.91%	(\$0.0147)	\$0.0473	\$0.0326	\$0.1391	\$0.1717
(18) Res-H	(\$0.0145)	1.91%	(\$0.0147)	\$0.0473	\$0.0326	\$0.1391	\$0.1717
(19) Res-H-LI	(\$0.0145)	1.91%	(\$0.0147)	\$0.0473	\$0.0326	\$0.1391	\$0.1717
(20) Small	(\$0.0100)	1.91%	(\$0.0101)	\$0.0473	\$0.0372	\$0.1434	\$0.1806
(21) Medium	(\$0.0056)	1.91%	(\$0.0057)	\$0.0473	\$0.0416	\$0.0833	\$0.1249
(22) Large LL	(\$0.0091)	1.91%	(\$0.0092)	\$0.0189	\$0.0097	\$0.0862	\$0.0959
(23) Large HL	(\$0.0102)	1.91%	(\$0.0103)	\$0.0189	\$0.0086	\$0.0800	\$0.0886
(24) XL-LL	(\$0.0016)	1.91%	(\$0.0016)	\$0.0189	\$0.0173	\$0.0431	\$0.0604
(25) XL-HL	(\$0.0097)	1.91%	(\$0.0098)	\$0.0189	\$0.0091	\$0.0304	\$0.0395

*Factors Include Uncollectible Allowance

- (a) PRB-8
- (b) Per Docket 4770
- (d) Section 1, Line (15)
- (f) FY23 ISR component per Docket No. 5210, Section 4, Attachment 1, Page 1 of 2

Schedule PRB-2

System Pressure Factor

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Schedule PRB-3

Environmental Response Cost Factor

The Narragansett Electric Company
d/b/a Rhode Island Energy
Environmental Response Cost (ERC) Factor
Effective November 1, 2022

<u>Description</u>	<u>Reference</u>	<u>Amount</u>
(1) Amortization of FY2013 expenses - year 10 of 10	Page 3, Column (L), Line (4)	\$136,853
(2) Amortization of FY2014 expenses - year 9 of 10	Page 3, Column (L), Line (6)	\$300,824
(3) Amortization of FY2015 expenses - year 8 of 10	Page 3, Column (L), Line (8)	\$112,908
(4) Amortization of FY2016 expenses - year 7 of 10	Page 3, Column (L), Line (10)	\$111,792
(5) Amortization of FY2017 expenses - year 6 of 10	Page 3, Column (L), Line (12)	\$303,756
(6) Amortization of FY2018 expenses - year 5 of 10	Page 3, Column (L), Line (14)	\$114,380
(7) Amortization of FY2019 expenses - year 4 of 10	Page 3, Column (L), Line (16)	\$95,024
(8) Amortization of FY2020 expenses - year 3 of 10	Page 3, Column (L), Line (18)	\$85,093
(9) Amortization of FY2021 expenses - year 2 of 10	Page 3, Column (L), Line (20)	\$144,035
(10) Amortization of FY2022 expenses - year 1 of 10	Page 3, Column (L), Line (22)	<u>\$344,060</u>
(11)	Subtotal	\$1,748,725
(12) Base Rate Environmental Cost Allowance		\$1,310,000
(13) Cost in excess of Allowance		\$438,725
(14) Firm Throughput		39,896,251 dths
(15) Environmental Response Cost Factor per dekatherm		\$0.0110 per dth
(16) Environmental Response Cost Factor per therm		\$0.0010 per therm
(11) Sum of Lines (1) to (10)		
(12) Docket 4770		
(13) Line (12) - Line (13)		
(14) Company Forecast		
(15) Line (14) ÷ Line (15)		
(16) Line (16) ÷ 10, truncated to 4 decimal places		

The Narragansett Electric Company
d/b/a Rhode Island Energy
Environmental Response Cost (ERC) Factor
ERC Amortization Schedule

	FY2013 (b)	FY2014 (c)	FY2015 (d)	FY2016 (e)	FY2017 (f)	FY2018 (g)	FY2019 (h)	FY2020 (i)	FY2021 (j)	FY2022 (k)
ENVIRONMENTAL AMORTIZATION										
(1) FY 2012 NET ERC Costs Net of Insurance	\$5,583,936									
(2) Amortization Period (years)	10	\$558,394	\$558,394	\$558,394	\$558,394	\$558,394	\$558,394	\$558,394	\$558,394	\$558,394
(3) FY 2013 NET ERC Costs Net of Insurance	\$1,368,521									
(4) Amortization Period (years)	10	\$136,852	\$136,852	\$136,852	\$136,852	\$136,852	\$136,852	\$136,852	\$136,852	\$136,852
(5) FY 2014 NET ERC Costs Net of Insurance	\$3,008,237									
(6) Amortization Period (years)	10	\$300,824	\$300,824	\$300,824	\$300,824	\$300,824	\$300,824	\$300,824	\$300,824	\$300,824
(7) FY 2015 NET ERC Costs Net of Insurance	\$1,129,080									
(8) Amortization Period (years)	10	\$112,908	\$112,908	\$112,908	\$112,908	\$112,908	\$112,908	\$112,908	\$112,908	\$112,908
(9) FY 2016 NET ERC Costs Net of Insurance	\$1,117,923									
(10) Amortization Period (years)	10	\$111,792	\$111,792	\$111,792	\$111,792	\$111,792	\$111,792	\$111,792	\$111,792	\$111,792
(11) FY 2017 NET ERC Costs Net of Insurance	\$3,037,565									
(12) Amortization Period (years)	10	\$303,756	\$303,756	\$303,756	\$303,756	\$303,756	\$303,756	\$303,756	\$303,756	\$303,756
(13) FY 2018 NET ERC Costs Net of Insurance	\$1,143,802									
(14) Amortization Period (years)	10	\$114,380	\$114,380	\$114,380	\$114,380	\$114,380	\$114,380	\$114,380	\$114,380	\$114,380
(15) FY 2019 NET ERC Costs Net of Insurance	\$950,236									
(16) Amortization Period (years)	10	\$95,024	\$95,024	\$95,024	\$95,024	\$95,024	\$95,024	\$95,024	\$95,024	\$95,024
(17) FY 2020 NET ERC Costs Net of Insurance	\$850,927									
(18) Amortization Period (years)	10	\$85,093	\$85,093	\$85,093	\$85,093	\$85,093	\$85,093	\$85,093	\$85,093	\$85,093
(19) FY 2021 NET ERC Costs Net of Insurance	\$1,440,553									
(20) Amortization Period (years)	10	\$144,035	\$144,035	\$144,035	\$144,035	\$144,035	\$144,035	\$144,035	\$144,035	\$144,035
(21) FY 2022 NET ERC Costs Net of Insurance	\$3,440,599									
(22) Amortization Period (years)	10									
(23) Amortization Expense sub-total	\$644,393	\$1,382,515	\$1,730,632	\$1,829,872	\$1,898,061	\$2,277,643	\$2,396,606	\$2,395,051	\$2,271,315	\$1,963,054
ENVIRONMENTAL REMEDIATION COSTS										
(24) ENVIRONMENTAL REMEDIATION COSTS										
(25) Beginning Balance	\$18,954,201	\$20,322,722	\$23,330,959	\$24,460,039	\$25,577,962	\$28,615,527	\$29,759,329	\$30,709,565	\$31,560,492	\$33,000,845
(26) Environmental Expenditures, net of Insurance	\$1,368,521	\$3,008,237	\$1,129,080	\$1,117,923	\$3,037,565	\$1,143,802	\$950,236	\$850,927	\$1,440,553	\$3,440,599
(27) Ending Balance	\$20,322,722	\$23,330,959	\$24,460,039	\$25,577,962	\$28,615,527	\$29,759,329	\$30,709,565	\$31,560,492	\$33,000,845	\$36,441,444
ACCUMULATED ENVIRONMENTAL REMEDIATION										
(28) ACCUMULATED ENVIRONMENTAL REMEDIATION										
(29) Beginning Balance	\$7,840,018	\$8,484,411	\$9,866,927	\$11,597,559	\$13,427,431	\$15,325,493	\$17,603,135	\$19,999,742	\$22,394,793	\$24,666,108
(30) Amortization Expense (1)	\$644,393	\$1,382,515	\$1,730,632	\$1,829,872	\$1,898,061	\$2,277,643	\$2,396,606	\$2,395,051	\$2,271,315	\$1,963,054
(31) Ending Balance	\$8,484,411	\$9,866,927	\$11,597,559	\$13,427,431	\$15,325,493	\$17,603,135	\$19,999,742	\$22,394,793	\$24,666,108	\$26,629,162
(32) NET ENVIRONMENTAL REMEDIATION COSTS	\$11,838,310	\$13,464,032	\$12,862,480	\$12,150,531	\$13,290,034	\$12,156,193	\$10,709,823	\$9,165,699	\$8,334,737	\$9,812,282

(1) Amortization Expense is shown on a June 30 basis

The Narragansett Electric Company
d/b/a Rhode Island Energy
Environmental Response Cost (ERC) Factor
ERC Amortization Schedule

	FY2023 (l)	FY2024 (m)	FY2025 (n)	FY2026 (o)	FY2027 (p)	FY2028 (q)	FY2029 (r)	FY2030 (s)	FY2031 (t)	FY2032 (u)
<u>ENVIRONMENTAL AMORTIZATION</u>										
(1) FY 2012 NET ERC Costs Net of Insurance	\$5,583,936									
(2) Amortization Period (years)	10									
(3) FY 2013 NET ERC Costs Net of Insurance	\$1,368,521	\$0								
(4) Amortization Period (years)	10									
(5) FY 2014 NET ERC Costs Net of Insurance	\$3,008,237	\$300,821	\$0							
(6) Amortization Period (years)	10									
(7) FY 2015 NET ERC Costs Net of Insurance	\$1,129,080	\$112,908	\$112,908	\$0						
(8) Amortization Period (years)	10									
(9) FY 2016 NET ERC Costs Net of Insurance	\$1,117,923	\$111,792	\$111,792	\$111,795	\$0					
(10) Amortization Period (years)	10									
(11) FY 2017 NET ERC Costs Net of Insurance	\$3,037,565	\$303,756	\$303,756	\$303,756	\$303,761	\$0				
(12) Amortization Period (years)	10									
(13) FY 2018 NET ERC Costs Net of Insurance	\$1,143,802	\$114,380	\$114,380	\$114,380	\$114,380	\$114,382	\$0			
(14) Amortization Period (years)	10									
(15) FY 2019 NET ERC Costs Net of Insurance	\$950,236	\$95,024	\$95,024	\$95,024	\$95,024	\$95,024	\$95,020	\$0		
(16) Amortization Period (years)	10									
(17) FY 2020 NET ERC Costs Net of Insurance	\$850,927	\$85,093	\$85,093	\$85,093	\$85,093	\$85,093	\$85,093	\$85,090	\$0	
(18) Amortization Period (years)	10									
(19) FY 2021 NET ERC Costs Net of Insurance	\$1,440,353	\$144,035	\$144,035	\$144,035	\$144,035	\$144,035	\$144,035	\$144,035	\$144,038	\$0
(20) Amortization Period (years)	10									
(21) FY 2022 NET ERC Costs Net of Insurance	\$3,440,599	\$344,060	\$344,060	\$344,060	\$344,060	\$344,060	\$344,060	\$344,060	\$344,060	\$344,059
(22) Amortization Period (years)	10									
(23) Amortization Expense sub-total	\$1,748,725	\$1,611,869	\$1,311,048	\$1,198,143	\$1,086,353	\$782,594	\$668,208	\$573,185	\$488,098	\$344,059
<u>ENVIRONMENTAL REMEDIATION COSTS</u>										
(24) ENVIRONMENTAL REMEDIATION COSTS										
(25) Beginning Balance	\$36,441,444	\$36,441,444	\$36,441,444	\$36,441,444	\$36,441,444	\$36,441,444	\$36,441,444	\$36,441,444	\$36,441,444	\$36,441,444
(26) Environmental Expenditures, net of Insurance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(27) Ending Balance	\$36,441,444	\$36,441,444	\$36,441,444	\$36,441,444	\$36,441,444	\$36,441,444	\$36,441,444	\$36,441,444	\$36,441,444	\$36,441,444
<u>ACCUMULATED ENVIRONMENTAL REMEDIATION</u>										
(28) ACCUMULATED ENVIRONMENTAL REMEDIATION										
(29) Beginning Balance	\$26,629,162	\$28,377,887	\$29,989,756	\$31,300,804	\$32,498,947	\$33,585,300	\$34,367,894	\$35,036,102	\$35,609,287	\$36,097,385
(30) Amortization Expense (1)	\$1,748,725	\$1,611,869	\$1,311,048	\$1,198,143	\$1,086,353	\$782,594	\$668,208	\$573,185	\$488,098	\$344,059
(31) Ending Balance	\$28,377,887	\$29,989,756	\$31,300,804	\$32,498,947	\$33,585,300	\$34,367,894	\$35,036,102	\$35,609,287	\$36,097,385	\$36,441,444
(32) NET ENVIRONMENTAL REMEDIATION COSTS	\$8,063,557	\$6,451,688	\$5,140,640	\$3,942,497	\$2,856,144	\$2,073,550	\$1,405,342	\$832,157	\$344,059	\$0

(1) Amortization Expense is shown on a June 30 basis

The Narragansett Electric Company
d/b/a Rhode Island Energy
Environmental Response Cost (ERC) Factor
ERC FY 2022 Detail

	Total Costs at 3/31/2021 (a)	FY 2022 Costs (b)	Total Costs at 3/31/2022 (c) = (a) + (b)
<u>Environmental Expenses</u>			
(1) 907 & 908 Allens Avenue	\$23,426,961	\$172,703	\$23,599,664
(2) 307 PCB Reg Pipe Abandon.	\$3,097,579	\$325,308	\$3,422,887
(3) 379 Petroleum Site	\$8,360,472	\$69,836	\$8,430,308
(4) 700 18 & 21 Holders COR	\$2,776,743	\$0	\$2,776,743
(5) 161 Canal Street, Westerly	\$29,133	\$0	\$29,133
(6) 178 Site Inv Connell Hwy Newp	\$44,092	\$0	\$44,092
(7) 144 Westerly Soil Investigation	\$82,184	\$0	\$82,184
(8) 171 Contaminated Regulators	\$3,166,917	\$3,158	\$3,170,075
(9) 781 Mendon Road	\$121,355	\$0	\$121,355
(10) 782 Tidewater	\$2,766,911	\$2,671,959	\$5,438,870
(11) 783 Hamlet	\$229,067	\$2,447	\$231,514
(12) -- Thames & Wellington	\$6,380,224	\$94,160	\$6,474,384
(13) -- Misc MGP (NEG)	\$647,468	\$82,950	\$730,418
(14) -- Insurance Recovery	\$1,373,322	\$0	\$1,373,322
(15) -- East Providence (First Ave) Holder	\$398,162	\$18,078	\$416,240
(16) -- 560 Thames Street Newp	<u>\$165,403</u>	<u>\$0</u>	<u>\$165,403</u>
(17) Sub-Total	\$53,065,993	\$3,440,599	\$56,506,592
(18) Insurance Recovery/Settlement			
(19) 910 Environmental Insurance Recovery Settlement		\$0	
(20) Net FY 2022 Environmental Response Costs		<u>\$3,440,599</u>	

(1)-(16) Col (a): Docket 5165, RMS-4, Page 4, Col (c)

(1)-(16) Col (b): Annual Environmental Report for Gas Service, Period of April 1, 2021 - March 31, 2022

(20) Line (17), Col (b) + Line (19)

Schedule PRB-4

Pensions and Postretirement Benefits Other than Pension Adjustment Factor

**The Narragansett Electric Company
d/b/a Rhode Island Energy
Pension Adjustment Factors
Effective November 1, 2022**

<u>Pension Factor</u>		
(1)	Pension Reconciliation	\$2,521,793
(2)	Carrying Charges	<u>\$0</u>
(3)	Total Pension Cost	\$2,521,793
(4)	Firm Throughput	39,896,251 dths
(5)	Pension Factor per dth	\$0.0632 per dth
(6)	Pension Factor per therm	\$0.0063 per therm
<u>PBOP Factor</u>		
(7)	PBOP Reconciliation	\$621,816
(8)	Carrying Charges	<u>\$0</u>
(9)	Total PBOP Cost	\$621,816
(10)	Firm Throughput	39,896,251 dths
(11)	PBOP Factor per dth	\$0.0156 per dth
(12)	PBOP Factor per therm	\$0.0015 per therm
<u>Pension & PBOP Factor Combined</u>		
(13)	Pension & PBOP Factor per dth	\$0.0788 per dth
(14)	Pension & PBOP Factor per therm	\$0.0078 per therm

- (1) JDO/JHA-1, Page 1, Col (a), Line (10)
- (2) JDO/JHA-1, Page 1, Line (11)
- (3) Line (1) + Line (2)
- (4) Company Forecast
- (5) Line (3) ÷ Line (4)
- (6) Line (5) ÷ 10, truncated to 4 decimal places
- (7) JDO/JHA-1, Page 1, Col (b), Line (10)
- (8) Included in Line (2)
- (9) Line (7) + Line (8)
- (10) Company Forecast
- (11) Line (9) ÷ Line (10)
- (12) Line (11) ÷ 10, truncated to 4 decimal places
- (13) Line (5) + Line (11)
- (14) Line (6) + Line (12)

Schedule PRB-5

Arrearage Management Adjustment Factor

**The Narragansett Electric Company
d/b/a Rhode Island Energy
Arrearage Management Adjustment Factor Calculation**

(1) Total Recoverable Arrearage Forgiveness Amount	\$112,061
(2) Firm Throughput	39,896,251 dths
(3) Arrearage Management Adjustment Factor per dekatherm	\$0.0028 per dth
(4) Arrearage Management Adjustment Factor per therm	\$0.0002 per therm

- (1) Page 2, Line (12)
- (2) Company forecast
- (3) Line (1) ÷ Line (2)
- (4) Line (3) ÷ 10, truncated to 4 decimal places

**The Narragansett Electric Company
d/b/a Rhode Island Energy
Calculation of Recoverable Arrearage Foregiveness Amount
Calendar Year 2021**

<u>Uncollectible Recovery from:</u>	
(1) Rate Year Base Distribution Rates (Docket 4770, Rate Year 3 - 12 Months)	\$3,613,099
(2) Calendar Year Commodity Rates	\$2,749,682
(3) Calendar Year DAC	\$643,790
(4) Calendar Year Energy Efficiency (EE)	<u>\$546,726</u>
(5) Total Allowable Bad Debt	\$7,553,297
(6) Total Actual Net Charge Offs	<u>\$6,184,782</u>
(7) Actual Above / (Below) Allowable Bad Debt	(\$1,368,514)
(8) Amount of AMP Successful Participants Arrearage Foregiveness	<u>\$87,839</u>
(9) Recoverable Arrearage Foregiveness Due to AMP Successful Participants	\$0
(10) Recoverable Arrearage Foregiveness Due to AMP Unsuccessful Participants (Cancelled)	\$14,572
(11) Recoverable Arrearage Foregiveness Due to AMP Unsuccessful Participants (Default)	<u>\$97,489</u>
(12) Total Recoverable Arrearage Foregiveness Amount	\$112,061
(1) RIPUC Docket No. 4770, April 24, 2019 Revised Excess Deferred Income Tax True-Up Filing, Revised Supplemental Compliance Attachment 2, Page 4, Line (11), Column (e)	
(2) Page 3, Section 1, Line (3)	
(3) Page 3, Section 2, Line (3)	
(4) Page 3, Section 3, Line (3)	
(5) Sum of Lines (1) to (4)	
(6) Page 4, Column (d), Line (1)	
(7) Line (5) - Line (6)	
(8) Page 5, Line (6)	
(9) If Line (7) > 0 then Min of Line (7) or Line (8), Else 0	
(10) Page 5, Line (4)	
(11) Page 5, Line (2)	
(12) Sum of Lines (9) to (11)	

The Narragansett Electric Company
d/b/a Rhode Island Energy
Calculation of Recoverable Arrangement Forgiveness Amount
Calendar Year 2021

<u>Section 1: Gas Cost Recovery</u>	<u>Jan - Dec</u> (a)
(1) Gas Cost Recovery Billings	\$143,962,408
(2) Uncollectible Percentage	1.91%
(3) Commodity Rate Allowable Bad Debt	\$2,749,682
(1) Per Company Revenue Reports for calendar year 2021 (2) Uncollectible percentage approved in RIPUC Docket 4770 (3) Line (1) x Line (2)	
<hr/>	
<u>Section 2: Distribution Adjustment Clause</u>	
(1) Distribution Adjustment Clause Billings	\$33,706,273
(2) Uncollectible Percentage	1.91%
(3) DAC Rate Allowable Bad Debt	\$643,790
(1) Per Company Revenue Reports for calendar year 2021 (2) Uncollectible percentage approved in RIPUC Docket 4770 (3) Line (1) x Line (2)	
<hr/>	
<u>Section 3: Energy Efficiency</u>	
(1) Energy Efficiency Billings	\$28,624,384
(2) Uncollectible Percentage	1.91%
(3) Energy Efficiency Allowable Bad Debt	\$546,726
(1) Per Company Revenue Reports for calendar year 2021 (2) Uncollectible percentage approved in RIPUC Docket 4770 (3) Line (1) x Line (2)	

**The Narragansett Electric Company
d/b/a Rhode Island Energy
Calculation of Recoverable Arrangement Foregiveness Amount
Calendar Year 2021 Net Charge - Offs**

	Beginning Balance <u>FERC 144</u> (a)	Adjustments to Reserve <u>FERC 904</u> (b)	Ending Balance <u>FERC 144</u> (c)	Net Charge Offs (d)
(1)	\$25,143,057	\$4,978,756	\$23,937,031	\$6,184,782

- (a) Per Company's Financial Statements
- (b) Per Company's Financial Statements
- (c) Per Company's Financial Statements
- (d) Column (a) + Column (b) - Column (c)

**The Narragansett Electric Company
d/b/a Rhode Island Energy
Calculation of Recoverable Arrearage Forgiveness Amount
Arrearage Forgiveness Amounts**

	<u>Unsuccessful Accounts (Default)</u>	
(1)	Number of accounts not successful as of 12/31/2021	341
(2)	Amount forgiven prior to defaulting	\$97,489
	<u>Unsuccessful Accounts (Cancelled)</u>	
(3)	Number of accounts not successful as of 12/31/2021	52
(4)	Amount forgiven prior to defaulting	\$14,572
	<u>Successful Accounts</u>	
(5)	Number of accounts successfully completing the first year of the program	152
(6)	Amount forgiven during 2021	\$87,839
	<u>Enrolled Accounts</u>	
(7)	Number of accounts enrolled as of 12/31/2021	543
(8)	Amount forgiven during 2021	\$261,038
	<u>Total Enrolled Accounts</u>	
(9)	Number of accounts enrolled as of 12/31/2021	1,088
(10)	Amount forgiven during 2021	\$460,939
(1)	Per Docket No. 4651 - Arrearage Management Program Monthly Report - December 2021	
(2)	Per Company Records	
(3)	Per Docket No. 4651 - Arrearage Management Program Monthly Report - December 2021	
(4)	Per Company Records	
(5)	Per Docket No. 4651 - Arrearage Management Program Monthly Report - December 2021	
(6)	Per Company Records	
(7)	Per Docket No. 4651 - Arrearage Management Program Monthly Report - December 2021	
(8)	Per Company Records	
(9)	Sum of Lines (1), (3), (5), and (7)	
(10)	Sum of Lines (2), (4), (6), and (8)	

Schedule PRB-6

Revenue Decoupling Adjustment Factor

**The Narragansett Electric Company
d/b/a Rhode Island Energy
Annual Gas RDM Reconciliation Balance**

(1)	Residential Non-Heat (incl Low Income)		(\$204,070)
(2)	Residential Heat (incl Low Income)		\$5,631,730
(3)	Small C&I		\$1,522,126
(4)	Medium C&I		\$854,477
(5)	FY 2022 Net Under Recovery of Target Revenue		<u>\$7,804,264</u>
(6)	Firm Therm Throughput Forecast for RDM Rate Classes (November 2022 - October 2023)		28,558,550 dths
(7)	Proposed RDA Factor per dth	\$	0.2733 per dth
(8)	Proposed RDF Factor per therm	\$	0.0273 per therm
(1)	Docket No. 22-13-NG, Schedule NECO-2, Page 1, Column (I), Line (40)		
(2)	Docket No. 22-13-NG, Schedule NECO-2, Page 2, Column (I), Line (80)		
(3)	Docket No. 22-13-NG, Schedule NECO-2, Page 3, Column (I), Line (94)		
(4)	Docket No. 22-13-NG, Schedule NECO-2, Page 3, Column (I), Line (108)		
(5)	Sum [Lines (1):(4)]		
(6)	Firm throughput (in therms) forecast for Residential Heat and Non-Heat, Small and Medium C&I rate classes.		
(7)	Line (5) ÷ Line (6)		
(8)	Line (7) ÷ 10, truncated to 4 decimal places.		

LETICIA C. PIMENTEL

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lpimentel@rc.com
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Also admitted in Massachusetts

July 1, 2022

VIA HAND DELIVERY & ELECTRONIC MAIL

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

Re: **Rhode Island Energy's Gas Revenue Decoupling Mechanism Reconciliation Filing
For the Reconciliation Period April 2021 through March 2022
Docket No. 22-__-__**

Dear Ms. Massaro:

On behalf of The Narragansett Electric Company d/b/a Rhode Island Energy, enclosed please find the Company's annual Revenue Decoupling Mechanism ("RDM") reconciliation filing for the period April 2021 to March 2022. Rhode Island Energy submits this filing pursuant to the provisions of the Distribution Adjustment Clause of the Company's gas tariff, R.I.P.U.C. NG-Gas No. 101, at Section 3, Schedule A, which allows an annual reconciliation of the target revenue-per-customer and the actual revenue-per-customer through a Revenue Decoupling Adjustment ("RDA") factor to be included in the Company's annual Distribution Adjustment Charge ("DAC") filing.

This filing consists of the pre-filed direct testimony and schedules of Peter R. Blazunas. Mr. Blazunas provides an overview of the Company's RDM reconciliation and describes the actual RDM results for the reconciliation period April 2021 through March 2022.

The RDM reconciliation amount for the 12-month period ending March 31, 2022 is an under-recovery of approximately \$7.8 million. This under-recovery was driven by a decrease in actual revenue due to warmer than normal weather. The Company will submit bill impacts for the cumulative impact of all its proposed DAC factors, including the RDA factor, with its August 1, 2022 DAC filing.

Robinson+Cole

Luly E. Massaro, Commission Clerk
2022 Annual Gas Cost Recovery Reconciliation
July 1, 2022
Page 2 of 2

Thank you for your attention to this matter. If you have any questions, please contact me at (401) 709-3337.

Sincerely,



Leticia C. Pimentel

Enclosure

cc: Docket 22-__-__ Service List
Leo Wold, Esq.
Al Mancini
John Bell

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a RHODE ISLAND ENERGY
R.I.P.U.C. DOCKET 22-__-__
GAS REVENUE DECOUPLING MECHANISM RECONCILIATION
WITNESS: PETER R. BLAZUNAS
JULY 1, 2022

DIRECT TESTIMONY
OF
PETER R. BLAZUNAS

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a RHODE ISLAND ENERGY
R.I.P.U.C. DOCKET 22- -

GAS REVENUE DECOUPLING MECHANISM RECONCILIATION
WITNESS: PETER R. BLAZUNAS
JULY 1, 2022

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III. RDM Reconciliation3

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GAS REVENUE DECOUPLING MECHANISM RECONCILIATION
WITNESS: PETER R. BLAZUNAS
JULY 1, 2022
PAGE 1 OF 8

1 **I. Introduction and Qualifications of Peter R. Blazunas**

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

3 A. My name is Peter R. Blazunas. My business address is 293 Boston Post Road West, Suite
4 500, Marlborough, Massachusetts 01752.

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

7 A. I am a Project Manager for Concentric Energy Advisors Inc. (“Concentric”), a
8 management consulting firm. I am testifying on behalf of The Narragansett Electric
9 Company d/b/a Rhode Island Energy (the “Company”).

10

11 **Q. Please provide your educational background.**

12 A. I received a Bachelor of Arts degree in Economics from the University of Dayton in 2009
13 and a Master of Arts degree in Economics from the University of Akron in 2011.

14

15 **Q. Please provide your professional background.**

16 A. I began my career with FirstEnergy Corp. in 2012 as a State Regulatory Analyst in the
17 Ohio Rates and Regulatory Affairs Department. In July 2017, I joined the Potomac
18 Electric Power Company (Pepco) Regulatory Strategy and Revenue Policy team of the
19 Regulatory Affairs Department of Pepco Holdings Inc. (PHI) as a Senior Rate Analyst. In
20 November 2018, I assumed the position of Manager of Rate Administration for Pepco. In
21 that role, I was responsible for the development of electric rates, including tariff

GAS REVENUE DECOUPLING MECHANISM RECONCILIATION
WITNESS: PETER R. BLAZUNAS
JULY 1, 2022
PAGE 2 OF 8

1 surcharges, for Pepco’s Maryland and District of Columbia jurisdictions, and also
2 participated in the development of Pepco’s policies and practices with respect to rate
3 design and assisted with regulatory compliance matters, including tariff administration
4 and periodic filings. I left Pepco in January 2021 and assumed my current role at
5 Concentric in October 2021.

6

7 **Q. Have you previously testified before the PUC?**

8 A. No, I have not previously testified before the Rhode Island Public Utilities Commission.

9

10 **II. Purpose of Testimony**

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

12 A. The purpose of my testimony is to present the Company’s March 31, 2022 Revenue
13 Decoupling Mechanism (“RDM”) reconciliation balance, which will be used to
14 determine the proposed Revenue Decoupling Adjustment (“RDA”) factor to be
15 incorporated in the Company’s upcoming August 1, 2022 Distribution Adjustment
16 Charge (“DAC”) filing. Specifically, I provide an overview of the Company’s gas RDM
17 reconciliation and explain the RDM results for the reconciliation period April 1, 2021
18 through March 31, 2022.

19

1 This filing is submitted pursuant to the Company's Distribution Adjustment Clause
2 provision contained in its tariff, R.I.P.U.C. NG-GAS No. 101, at Section 3, Schedule A,
3 Sheet 7, subpart 3.6 (Revenue Decoupling Adjustment Factor).
4

5 **Q. Are you sponsoring any schedules with your testimony?**

6 A. Yes, I am sponsoring the following schedules that accompany my testimony:

7	Schedule NECO-1	Annual Gas RDM Reconciliation Balance
8	Schedule NECO-2	Monthly RDM Reconciliation by Rate Class for the
9		Period April 1, 2021 through March 31, 2022
10	Schedule NECO-3	Actual vs. Normal Billing Heating Degree Day
11		Comparison for April 2021 through March 2022
12	Schedule NECO-4	Target Revenue-Per-Customer by Rate Class

13

14 **III. RDM Reconciliation**

15 **Q. Please provide an overview of the Company's RDM reconciliation.**

16 A. In Docket No. 4206, the PUC approved a Revenue-Per-Customer RDM that provides for
17 an annual reconciliation, by rate class, between a target level of base distribution revenue
18 and actual base distribution revenue billed during the reconciliation period. The
19 reconciliation is driven by the comparison of the Actual Revenue-Per-Customer during
20 the reconciliation period and the Target Revenue-Per-Customer. The reconciliation is
21 performed on a monthly basis and covers the RDM year (the period April 1 through
22 March 31 of the following year) for all Residential and Small and Medium Commercial

1 and Industrial (“C&I”) firm rate classes. Under the RDM, customers subject to the RDM
2 are credited any net over-recovery of target revenue and are surcharged for any net under-
3 recovery of target revenue through the RDA factor, which is one of several components
4 of the DAC, effective November 1 each year.

5
6 **Q. What are the Target Revenue-Per-Customer and the Actual Revenue-Per-
7 Customer?**

8 A. The Target Revenue-Per-Customer is the Revenue-Per-Customer the Company is
9 allowed to earn for each customer in each rate class included in the RDM. The Actual
10 Revenue-Per-Customer is the actual average Revenue-Per-Customer associated with the
11 customers in each rate class included in the RDM based upon the base distribution
12 revenue billed by the Company divided by the actual number of customers billed.

13
14 **Q. What is the result of the RDM reconciliation presented in this filing?**

15 A. The RDM reconciliation results in a net under-recovery balance of approximately \$7.8M
16 for the period April 2021 through March 2022, as shown in Schedule NECO-1.

17
18 **Q. How did the Company determine the RDM reconciliation balance at the end of
19 March 2022?**

20 A. On a monthly basis and for each rate class, the Company calculated the difference
21 between the Target Revenue-Per-Customer and the Actual Revenue-Per-Customer. If the

GAS REVENUE DECOUPLING MECHANISM RECONCILIATION
WITNESS: PETER R. BLAZUNAS
JULY 1, 2022
PAGE 5 OF 8

1 Actual Revenue-Per-Customer exceeds the Target Revenue-Per-Customer, the Company
2 has over-recovered its RDM target revenue and must credit customers the excess amount.
3 If the Actual Revenue-Per-Customer is less than the Target Revenue-Per-Customer, the
4 Company has under-recovered its RDM target revenue and must surcharge customers the
5 deficiency. Each month's difference between the Actual and Target Revenue-Per-
6 Customers is multiplied by the number of customers billed in the respective month to
7 derive the amount of revenue the Company has either over-recovered or under-recovered
8 for the month. For each month, the monthly revenue over-recovered or under-recovered
9 accumulates and the balance accrues interest, which is also reflected in the final monthly
10 balance.¹ The Company presents this annual reconciliation in Schedule NECO-2.
11

12 **Q. Has the Target Revenue-Per-Customer changed from last year's filing?**

13 A. No. The Company continues to use the Target Revenue-Per-Customer approved in
14 Docket No. 5040 and will continue to use these targets in the calculation of RDM
15 adjustments until new base distribution rates are established for gas service.
16

17 **IV. Results of the RDM Reconciliation**

18 **Q. What are the results of the RDM reconciliation for the year ending March 31, 2022?**

¹ Interest on the average monthly balance is calculated at the same interest rate used to calculate interest on the Company's other DAC balances, which is the Bank of America Prime Rate less 200 basis points.

GAS REVENUE DECOUPLING MECHANISM RECONCILIATION
WITNESS: PETER R. BLAZUNAS
JULY 1, 2022
PAGE 6 OF 8

1 A. For the reconciliation period April 2021 through March 2022, the Company has
2 calculated a net under-recovery of target revenue of approximately \$7.8M as summarized
3 in Schedule NECO-1. This net under-recovery will be recovered from customers
4 included in the RDM through the RDA factor, which the Company will propose to go
5 into effect November 1, 2022 pursuant to its DAC filing to be made August 1, 2022.

6
7 **Q. How did the Company reflect the \$28,000 over-recovery calculated in last year's FY**
8 **2021 RDM filing and approved to be carried over into this year's annual RDM**
9 **filing?**

10 A. As shown in Schedule NECO-2, the Company carried over the ending balance from last
11 year's RDM reconciliation for the period ending March 31, 2021² in each of the
12 respective rate class reconciliations and continued to calculate the monthly over- or
13 under- recovery balances over the course of the RDM year. The monthly over-recovery
14 or under-recovery has accumulated over the course of the RDM year and the balance,
15 including the rate class specific over-recovery or under-recovery ending balances
16 presented in last year's filing, has accrued interest.

17
18 **Q. What are the drivers for the net under-recovery?**

² In Docket No. 5165 the Commission approved the Company's request to carry forward the over-recovery FY 2021 RDM balance to the subsequent year because the over-recovery amount was too small to generate a billable factor.

1 A. As shown in Schedule NECO-1, the Company's net under-recovery of approximately
2 \$7.8M was driven by an approximately \$5.4M combined under-recovery for the
3 Residential RDM groups, and an approximately \$2.4M combined under-recovery for the
4 Small and Medium C&I RDM groups. The total under-recovery for the RDM rate
5 classes was driven by a decrease in actual revenue due to warmer than normal weather.³
6

7 **V. Bill Impacts**

8 **Q. Did the Company include bill impacts resulting from the RDM reconciliation in this**
9 **filing?**

10 A. No, the Company is not presenting bill impact information at this time. Because the
11 RDA factor will be proposed in the DAC filing along with several other factors, the bill
12 impact of an RDA factor on a stand-alone basis provides limited information as to the
13 cumulative impact of the change in the overall DAC. Rather, the Company will submit
14 bill impacts for the cumulative impact of all its proposed DAC factors, including the
15 RDA factor, with its August 1, 2022 DAC filing.
16

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

18 A. Yes.

³ Overall, FY 2022 weather was approximately 9.6 percent warmer than normal and 7.3 percent warmer than FY 2021, as shown in Schedule NECO-3.

**The Narragansett Electric Company
 Annual Gas RDM Reconciliation Balance
 Under (Over) Recovery of Target Revenue**

(1)	Residential Non-Heat (incl Low Income)	(\$204,070)
(2)	Residential Heat (incl Low Income)	\$5,631,730
(3)	Small C&I	\$1,522,126
(4)	Medium C&I	\$854,477
(5)	FY 2022 Net Under Recovery of Target Revenue	\$7,804,264

- (1) Schedule NECO-2, Page 1, Column (I), Line (40)
- (2) Schedule NECO-2, Page 2, Column (I), Line (80)
- (3) Schedule NECO-2, Page 3, Column (I), Line (94)
- (4) Schedule NECO-2, Page 3, Column (I), Line (108)
- (5) Sum [Lines (1):(4)]

RDM Reconciliation by Rate Class by Month

	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22
	30	31	30	31	31	30	31	30	31	31	28	31
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
Small C&I												
(81) Benchmark Revenue Per Customer (RPC)	\$102.48	\$56.96	\$45.63	\$37.65	\$36.69	\$38.45	\$41.23	\$62.24	\$111.42	\$144.91	\$150.97	\$139.11
(82) Beginning Balance Under/(Over) Recovery	\$717,528	\$945,484	\$925,072	\$1,020,041	\$1,118,355	\$1,016,698	\$1,170,099	\$1,276,869	\$1,501,729	\$1,704,792	\$1,851,183	\$1,444,953
(83) Actual Number of Customers	19,277	19,183	19,091	19,058	19,036	18,968	18,979	19,139	19,217	19,249	19,269	19,233
(84) Actual Base Revenue	\$1,748,405	\$1,114,069	\$777,152	\$620,354	\$801,220	\$877,041	\$677,033	\$967,777	\$1,939,797	\$2,644,868	\$3,316,851	\$2,600,056
(85) Revenue Adjustment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(86) Adjusted Base Revenue	\$1,748,405	\$1,114,069	\$777,152	\$620,354	\$801,220	\$877,041	\$677,033	\$967,777	\$1,939,797	\$2,644,868	\$3,316,851	\$2,600,056
(87) Actual Base Revenue Per Customer	\$90.70	\$58.08	\$40.71	\$32.55	\$42.09	\$30.42	\$35.67	\$50.57	\$100.94	\$137.40	\$172.13	\$135.19
(88) RPC Variance (Benchmark-Actual)	\$11.78	(\$1.12)	\$4.92	\$5.10	(\$5.40)	\$8.03	\$5.56	\$11.67	\$10.48	\$7.51	(\$21.16)	\$3.92
(89) Monthly Under/(Over) Recovery of RPC	\$227,102	(\$21,405)	\$93,971	\$97,179	(\$102,789)	\$152,278	\$105,471	\$223,434	\$20,362	\$144,505	(\$407,810)	\$75,446
(90) Preliminary Ending Balance	\$944,630	\$924,079	\$1,019,042	\$1,117,220	\$1,015,565	\$1,168,976	\$1,275,570	\$1,500,303	\$1,703,091	\$1,849,297	\$1,443,373	\$1,520,399
(91) Average Balance	\$831,079	\$934,782	\$972,057	\$1,068,631	\$1,066,960	\$1,092,837	\$1,222,835	\$1,388,586	\$1,602,410	\$1,777,044	\$1,647,278	\$1,482,676
(92) Bk America Rate less 200 Basis Points	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.37%
(93) Interest Applied	\$854	\$992	\$999	\$1,135	\$1,133	\$1,123	\$1,298	\$1,427	\$1,701	\$1,887	\$1,580	\$1,726
(94) Ending Balance Under/(Over) Recovery	\$945,484	\$925,072	\$1,020,041	\$1,118,355	\$1,016,698	\$1,170,099	\$1,276,869	\$1,501,729	\$1,704,792	\$1,851,183	\$1,444,953	\$1,522,126

Medium C&I

(95) Benchmark Revenue Per Customer (RPC)	\$482.08	\$373.66	\$292.56	\$296.61	\$300.67	\$287.02	\$317.68	\$380.01	\$522.48	\$624.77	\$604.14	\$588.19
(96) Beginning Balance Under/(Over) Recovery	\$237,629	\$257,429	\$322,978	\$360,678	\$648,202	\$812,394	\$1,073,154	\$1,323,464	\$1,616,646	\$1,483,886	\$1,506,710	\$880,489
(97) Actual Number of Customers	5,106	5,105	5,100	5,093	5,054	5,045	5,054	5,048	5,055	5,064	5,062	5,061
(98) Actual Base Revenue	\$2,441,954	\$1,842,293	\$1,454,707	\$1,223,646	\$1,356,169	\$1,188,224	\$1,356,516	\$1,626,618	\$2,775,541	\$3,142,598	\$3,685,522	\$3,003,850
(99) Revenue Adjustment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(100) Adjusted Base Revenue	\$2,441,954	\$1,842,293	\$1,454,707	\$1,223,646	\$1,356,169	\$1,188,224	\$1,356,516	\$1,626,618	\$2,775,541	\$3,142,598	\$3,685,522	\$3,003,850
(101) Actual Base Revenue Per Customer	\$478.25	\$360.88	\$285.24	\$240.26	\$268.34	\$235.53	\$268.40	\$322.23	\$549.07	\$620.58	\$728.08	\$593.53
(102) RPC Variance (Benchmark-Actual)	\$3.83	\$12.78	\$7.32	\$56.35	\$32.33	\$51.49	\$49.28	\$57.78	(\$26.59)	\$4.19	(\$123.94)	(\$5.34)
(103) Monthly Under/(Over) Recovery of RPC	\$19,546	\$65,241	\$37,349	\$286,989	\$163,417	\$259,792	\$249,039	\$291,673	(\$134,405)	\$21,237	(\$627,365)	(\$27,021)
(104) Preliminary Ending Balance	\$257,175	\$322,670	\$360,327	\$647,667	\$811,619	\$1,072,186	\$1,322,193	\$1,615,137	\$1,482,241	\$1,505,123	\$879,345	\$853,468
(105) Average Balance	\$247,402	\$290,050	\$341,653	\$504,172	\$729,910	\$942,290	\$1,197,673	\$1,469,300	\$1,549,444	\$1,494,505	\$1,193,027	\$866,978
(106) Bk America Rate less 200 Basis Points	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.37%
(107) Interest Applied	\$254	\$308	\$351	\$535	\$775	\$968	\$1,272	\$1,510	\$1,645	\$1,587	\$1,144	\$1,009
(108) Ending Balance Under/(Over) Recovery	\$257,429	\$322,978	\$360,678	\$648,202	\$812,394	\$1,073,154	\$1,323,464	\$1,616,646	\$1,483,886	\$1,506,710	\$880,489	\$854,477

- (81) NECO-4, Line (12)
- (82) Dk 5165, RMS-2, Col (I), Ln (94)
Col (b)-(I): Line (94)
- (83) Company's billing system
Col (b)-(I): Line (108)
- (84) Company's billing system
Col (b)-(I): Line (108)
- (85) Company's billing system adjustment
Col (b)-(I): Line (108)
- (86) Line (86) + Line (83)
- (87) Line (86) + Line (83)
- (88) Line (81) - Line (87)
- (89) Line (83) x Line (88)
- (90) Line (82) + Line (89)
- (91) [Line (82) + Line (90)] ÷ 2
- (92) [Line (91) x Line (92)] ÷ 365 x # days
- (93) [Line (91) x Line (92)] ÷ 365 x # days
- (94) Line (90) + Line (93)
- (95) NECO-4, Line (16)
- (96) Dk 5165, RMS-2, Col (I), Ln (108)
Col (b)-(I): Line (108)
- (97) Company's billing system
Col (b)-(I): Line (108)
- (98) Company's billing system
Col (b)-(I): Line (108)
- (99) Line (98) + Line (99)
- (100) Line (100) + Line (97)
- (101) Line (95) - Line (101)
- (102) Line (97) x Line (102)
- (103) Line (96) + Line (103)
- (104) [Line (96) + Line (104)] ÷ 2
- (105) [Line (105) x Line (106)] ÷ 365 x # days
- (106) [Line (105) x Line (106)] ÷ 365 x # days
- (107) Line (104) + Line (107)
- (108) Line (104) + Line (107)

Actual vs. Normal Billing Degree Day Comparison for April 2021 - March 2022

<u>Month/Year</u>		<u>Actual Billing Degree Days</u>	<u>Normal Billing Degree Days</u>
		(a)	(b)
(1)	Apr-21	568	669
(2)	May-21	286	316
(3)	Jun-21	97	106
(4)	Jul-21	11	14
(5)	Aug-21	1	1
(6)	Sep-21	0	21
(7)	Oct-21	59	154
(8)	Nov-21	331	422
(9)	Dec-21	714	757
(10)	Jan-22	920	986
(11)	Feb-22	1,053	1,021
(12)	Mar-22	831	921
(13)	Total	4,871	5,388
(14)	Degree Day Difference		516
(15)	Degree Day Difference (%)		-9.6%

Source: Normal Heating Degree Day Report

- (13) Sum [Lines (1):(12)]
- (14) Abs [Column (b), Line (13) - Column (a), Line (13)]
- (15) [Column (a), Line (13) ÷ Column (b), Line (13)] - 1

Gas Revenue Decoupling Targets Approved in Docket No. 5040

	Apr-21 (b)	May-21 (i)	Jun-21 (i)	Jul-21 (k)	Aug-21 (l)	Sep-21 (a)	Oct-21 (b)	Nov-21 (c)	Dec-21 (d)	Jan-22 (e)	Feb-22 (f)	Mar-22 (e)	Total (m)
(1) Residential Non-Heat (incl Low-Income)													
(2) Number of Customers	18,286	18,218	18,198	17,532	16,963	18,202	18,263	18,319	18,364	18,358	18,349	18,334	
(3) Actual Revenue	\$531,272	\$428,129	\$366,174	\$331,405	\$322,265	\$337,192	\$353,697	\$396,720	\$474,792	\$529,580	\$516,330	\$620,557	\$5,208,111
(4) RPC	\$29,05	\$23,50	\$20,12	\$18,90	\$19,00	\$18,53	\$19,37	\$21,66	\$25,85	\$28,85	\$28,14	\$33,85	
(5) Residential Heating (incl Low-Income)													
(6) Number of Customers	228,665	228,030	227,615	227,807	228,217	224,509	225,664	227,078	227,977	228,494	228,682	228,871	
(7) Actual Revenue	\$15,798,176	\$9,327,441	\$6,542,019	\$5,574,647	\$5,363,735	\$5,478,848	\$6,060,914	\$10,500,865	\$16,892,215	\$22,483,715	\$24,337,334	\$21,604,114	\$149,964,024
(8) RPC	\$69,09	\$40,90	\$28,74	\$24,47	\$23,50	\$24,40	\$26,86	\$46,24	\$74,10	\$98,40	\$106,42	\$94,39	
(9) Small													
(10) Number of Customers	19,108	19,002	18,893	18,795	18,877	18,529	18,687	18,958	19,127	19,187	19,210	19,224	
(11) Actual Revenue	\$1,958,269	\$1,082,447	\$862,001	\$707,685	\$692,561	\$712,467	\$770,442	\$1,179,865	\$2,131,114	\$2,780,449	\$2,900,050	\$2,674,221	\$18,451,570
(12) RPC	\$102,48	\$56,96	\$45,63	\$37,65	\$36,69	\$38,45	\$41,23	\$62,24	\$111,42	\$144,91	\$150,97	\$139,11	
(13) Medium C&I													
(14) Number of Customers	5,277	5,265	5,262	5,260	5,182	5,221	5,252	5,258	5,270	5,273	5,277	5,280	
(15) Actual Revenue	\$2,543,927	\$1,967,311	\$1,539,456	\$1,560,187	\$1,558,074	\$1,498,552	\$1,668,447	\$1,998,082	\$2,753,482	\$3,294,391	\$3,188,043	\$3,105,657	\$26,675,610
(16) RPC	\$482,08	\$373,66	\$292,56	\$296,61	\$300,67	\$287,02	\$317,68	\$380,01	\$522,48	\$624,77	\$604,14	\$588,19	

Schedule PRB-7

Infrastructure, Safety, and Reliability Reconciliation Factors

The Narragansett Electric Company
d/b/a Rhode Island Energy
FY 22 ISR Reconciliation Factors
Effective November 1, 2022

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
(1)	Revenue Requirement	Rate Class	Rate Base Allocator %	Allocation to Rate Class	Actual Revenue	Under/(Over) Recovery	ISR Recon Under/(Over) Recovery	Total Under/(Over) Recovery by Rate Class	Forecasted Throughput (dth)	ISR Recon (dth)	ISR Recon (therm)
(2)	\$30,279,322										
(3)		Residential	66.59%	\$20,163,001	\$22,659,596	(\$2,496,595)	(\$467,592)	(\$2,964,188)	20,336,647	(\$0.1457)	(\$0.0145)
(4)		Small	8.04%	\$2,434,457	\$2,669,803	(\$235,346)	(\$15,111)	(\$250,457)	2,483,438	(\$0.1008)	(\$0.0100)
(5)		Medium	12.23%	\$3,703,161	\$3,915,222	(\$212,061)	(\$114,798)	(\$326,859)	5,738,465	(\$0.0569)	(\$0.0056)
(6)		Large LL	5.57%	\$1,686,558	\$1,953,245	(\$266,687)	\$3,118	(\$263,569)	2,873,904	(\$0.0917)	(\$0.0091)
(7)		Large HL	2.25%	\$681,285	\$822,460	(\$141,175)	\$3,058	(\$138,117)	1,341,676	(\$0.1029)	(\$0.0102)
(8)		XL-LL	0.97%	\$293,709	\$324,760	(\$31,050)	\$10,465	(\$20,585)	1,269,319	(\$0.0162)	(\$0.0016)
(9)		XL-HL	4.35%	\$1,317,151	\$1,884,503	(\$567,352)	(\$4,910)	(\$572,262)	5,852,801	(\$0.0977)	(\$0.0097)
(10)		Total	100.00%	\$30,279,322	\$34,229,589	(\$3,950,267)	(\$585,770)	(\$4,536,037)	39,896,251		

(a) Docket 5099, FY 22 ISR Cumulative Revenue Requirement filed August 2022

(c) Docket 4770, 2017 Rate Case, Compliance Attachment 14, Schedule 2, Page 1 & 2, Line 15 (Rate Class divided by Total Company)

(d) Col (a), Line (2) x Col (c), Lines (3) through (10) respectively

(e) Page 2, Col (m), Lines (36) through (43)

(f) Column (d) - Column (e)

(g) PRB-9 - Pages 7-8, Column (l), Lines (25), (34), (43), (52), (61), (70), (79), (88)

(h) Column (f) + Column (g)

(i) Per Company Forecast

(j) Column (h) ÷ Column (i)

(k) Column (j) ÷ 10, truncated to 4 decimal places.

The Narragansett Electric Company
d/b/a Rhode Island Energy
FY 2022 Gas ISR

	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Total
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	
(1) Res-NH	\$1,491.7	\$1,241.0	\$1,241.0	\$1,241.0	\$1,241.0	\$1,241.0	\$1,241.0	\$1,241.0	\$1,241.0	\$1,241.0	\$1,241,000.0	\$1,241.0	\$1,241.0
(2) Res-H	\$0,912.1	\$1,241.0	\$1,241.0	\$1,241.0	\$1,241.0	\$1,241.0	\$1,241.0	\$1,241.0	\$1,241.0	\$1,241.0	\$1,241,000.0	\$1,241.0	\$1,241.0
(3) Small	\$0,871.1	\$1,168.0	\$1,168.0	\$1,168.0	\$1,168.0	\$1,168.0	\$1,168.0	\$1,168.0	\$1,168.0	\$1,168.0	\$1,168,000.0	\$1,168.0	\$1,168.0
(4) Medium	\$0,558.6	\$0,749.0	\$0,749.0	\$0,749.0	\$0,749.0	\$0,749.0	\$0,749.0	\$0,749.0	\$0,749.0	\$0,749.0	\$0,749,000.0	\$0,749.0	\$0,749.0
(5) Large LL	\$0,535.7	\$0,721.0	\$0,721.0	\$0,721.0	\$0,721.0	\$0,721.0	\$0,721.0	\$0,721.0	\$0,721.0	\$0,721.0	\$0,721,000.0	\$0,721.0	\$0,721.0
(6) Large HL	\$0,460.8	\$0,700.0	\$0,700.0	\$0,700.0	\$0,700.0	\$0,700.0	\$0,700.0	\$0,700.0	\$0,700.0	\$0,700.0	\$0,700,000.0	\$0,700.0	\$0,700.0
(7) XL-LL	\$0,190.0	\$0,274.0	\$0,274.0	\$0,274.0	\$0,274.0	\$0,274.0	\$0,274.0	\$0,274.0	\$0,274.0	\$0,274.0	\$0,274,000.0	\$0,274.0	\$0,274.0
(8) XL-HL	\$0,202.6	\$0,302.0	\$0,302.0	\$0,302.0	\$0,302.0	\$0,302.0	\$0,302.0	\$0,302.0	\$0,302.0	\$0,302.0	\$0,302,000.0	\$0,302.0	\$0,302.0
RI Firm Throughput (dth)													
(9) Res-NH	36,159	24,576	18,932	13,305	12,634	11,652	14,023	18,495	30,292	37,703	46,244,600.000	37,582	301,598
(10) Res-H	1,982,673	1,147,582	633,186	408,710	408,161	377,664	448,953	977,425	2,308,628	3,059,796	3,819,760	2,899,485	18,472,023
(11) Small	244,067	125,771	62,003	36,829	36,509	23,109	43,844	102,525	280,309	412,164	541,183	406,360	2,344,671
(12) Medium	578,137	350,108	206,197	144,908	166,172	126,371	185,796	289,286	665,462	813,488	1,009,638	777,094	5,312,657
(13) Large LL	308,692	174,803	44,783	4,689	55,883	42,702	19,502	156,720	429,970	474,807	622,273	437,729	2,772,553
(14) Large HL	110,363	87,351	86,745	66,348	89,701	60,394	74,365	74,314	133,875	124,472	161,184	125,613	1,194,723
(15) XL-LL	131,620	56,481	613	22,421	20,597	20,320	30,230	77,503	204,965	191,311	264,471	184,204	1,180,999
(16) XL-HL	589,067	410,892	436,843	464,443	445,380	485,638	437,490	518,350	590,586	634,481	662,251	517,622	6,193,042
Total	3,980,780	2,377,565	1,485,271	1,139,845	1,266,860	1,148,125	1,254,201	2,214,619	4,644,087	5,748,222	7,127,004	5,385,688	37,772,266
ISR Revenue													
(18) Res-NH	\$53,939	\$30,499	\$23,495	\$16,511	\$15,679	\$14,460	\$17,402	\$22,952	\$37,593	\$46,790	\$57,389,549	\$46,639	\$383,348
(19) Res-H	\$1,808,320	\$1,424,150	\$785,784	\$507,210	\$506,528	\$468,681	\$557,151	\$1,212,984	\$2,865,007	\$3,797,207	\$4,740,322	\$3,598,261	\$22,271,603
(20) Small	\$212,612	\$146,900	\$72,419	\$43,016	\$43,016	\$26,991	\$51,209	\$119,749	\$327,401	\$481,408	\$632,101	\$474,628	\$2,666,118
(21) Medium	\$322,926	\$262,231	\$154,442	\$108,536	\$124,462	\$94,652	\$139,161	\$216,675	\$498,431	\$609,303	\$756,219	\$582,043	\$3,869,081
(22) Large LL	\$165,364	\$126,033	\$32,288	\$3,381	\$40,291	\$30,788	\$14,061	\$112,995	\$310,008	\$342,336	\$448,659	\$315,603	\$1,941,808
(23) Large HL	\$50,859	\$61,146	\$60,721	\$46,444	\$62,790	\$42,276	\$52,055	\$52,020	\$93,712	\$87,130	\$112,829	\$87,929	\$809,911
(24) XL-LL	\$26,190	\$15,476	(\$937)	\$168	\$6,143	\$5,643	\$8,283	\$21,236	\$56,161	\$52,419	\$72,465	\$50,472	\$313,719
(25) XL-HL	\$119,353	\$124,089	\$131,927	\$140,262	\$134,505	\$146,663	\$132,122	\$156,542	\$178,357	\$191,613	\$200,000	\$156,322	\$1,811,753
Total	\$2,759,562	\$2,190,524	\$1,260,140	\$863,527	\$968,081	\$830,154	\$971,444	\$1,915,154	\$4,366,670	\$5,608,205	\$7,019,984	\$5,311,896	\$34,067,341
Billing Adjustment													
(27) Res-NH	(\$623)	(\$28)	\$16	(\$40)	(\$70)	(\$77)	(\$4)	\$3	(\$21)	\$17	(\$10,428)	\$5	(\$833)
(28) Res-H	\$7,337	(\$3,860)	\$1,025	\$449	(\$310)	(\$511)	(\$225)	\$1,009	\$315	\$910	(\$603)	(\$257)	\$5,478
(29) Small	\$921	\$440	\$503	\$3,992	(\$1,018)	(\$515)	(\$47)	\$1,113	(\$330)	\$606	(\$349)	(\$406)	\$3,686
(30) Medium	(\$3,163)	\$19,294	\$826	\$624	(\$500)	\$6,374	(\$3,790)	(\$2,200)	\$14,086	\$3,351	\$4,235	\$5,023	\$46,141
(31) Large LL	(\$9,513)	\$18,653	\$3,009	\$3,050	(\$241)	(\$111)	\$4,288	(\$1,948)	\$2,504	(\$2,652)	(\$3,667)	(\$1,936)	\$11,437
(32) Large HL	(\$4,127)	\$10,134	\$0	\$0	\$0	(\$61)	\$0	(\$42)	\$6,493	\$188	(\$194)	\$157	\$12,549
(33) XL-LL	(\$5,623)	\$9,609	(\$1,313)	(\$613)	\$0	(\$41)	\$34	\$232	\$8,103	\$707	\$523	(\$578)	\$11,040
(34) XL-HL	(\$30,420)	\$50,124	(\$329)	(\$82)	(\$338)	(\$263)	(\$323)	(\$818)	\$58,919	(\$1,304)	(\$1,219)	(\$1,197)	\$72,749
Total	(\$45,212)	\$104,366	\$3,737	\$7,320	(\$2,477)	\$4,857	(\$67)	(\$1,896)	\$90,269	\$1,823	(\$1,285)	\$812	\$162,247
ISR Actual Revenue													
(36) Res-NH	\$53,316	\$30,471	\$23,510	\$16,471	\$15,608	\$14,383	\$17,398	\$22,955	\$37,571	\$46,807	\$57,379	\$46,644	\$382,515
(37) Res-H	\$1,815,657	\$1,420,289	\$786,810	\$507,659	\$506,217	\$468,170	\$556,926	\$1,213,993	\$2,865,522	\$3,798,117	\$4,739,718	\$3,598,004	\$22,277,081
(38) Small	\$213,533	\$147,341	\$72,922	\$47,008	\$47,664	\$26,476	\$51,163	\$119,636	\$327,071	\$482,014	\$631,752	\$474,223	\$2,669,803
(39) Medium	\$319,762	\$281,524	\$155,268	\$109,161	\$123,963	\$101,026	\$135,371	\$216,456	\$512,518	\$612,654	\$760,454	\$587,066	\$3,915,222
(40) Large LL	\$155,851	\$144,686	\$35,298	\$6,431	\$40,051	\$30,677	\$18,349	\$111,047	\$312,512	\$339,684	\$444,992	\$313,667	\$1,953,245
(41) Large HL	\$46,732	\$71,279	\$60,721	\$46,383	\$62,791	\$42,276	\$52,056	\$51,978	\$100,205	\$87,318	\$112,635	\$88,086	\$822,460
(42) XL-LL	\$20,567	\$25,085	(\$2,250)	(\$445)	\$6,144	\$5,603	\$8,317	\$21,468	\$64,264	\$53,126	\$72,988	\$49,894	\$324,760
(43) XL-HL	\$88,933	\$174,214	\$131,597	\$140,180	\$134,167	\$146,400	\$131,799	\$155,724	\$237,276	\$190,309	\$198,781	\$155,125	\$1,884,503
Total	\$2,714,351	\$2,294,890	\$1,263,876	\$872,847	\$965,604	\$835,011	\$971,327	\$1,913,257	\$4,456,939	\$5,610,629	\$7,018,698	\$5,312,708	\$34,229,589

(1)-(8) FY22 ISR Component per Docket 5099
Col (a); Prorated for FY21 & FY22 ISR Component
Per Company Records
Line (1) x Line (9)
Line (2) x Line (10)
Line (3) x Line (11)
Line (18) x Line (27)
Line (19) x Line (28)
Line (20) x Line (29)
Line (21) x Line (30)
Line (22) x Line (31)
Line (23) x Line (32)
Line (24) x Line (33)
Line (25) x Line (34)
Line (27)-(34) Billing adjustments due to cancellations and rebills

Schedule PRB-8

Service Quality Performance Factor

The Narragansett Electric Company
d/b/a Rhode Island Energy
Service Quality Performance Factor
Effective November 1, 2022

(1)	SQP Penalty - Meter Testing	(\$75,000)
(2)	SQP Penalty - Leak Call Response (During Business Hours)	(\$300,000)
(3)	SQP Penalty - Leak Call Response (After Business Hours)	<u>(\$300,000)</u>
(4)	Total SQP Penalty Amount	(\$675,000)
(5)	Firm Throughput	39,896,251 dths
(6)	SQP Factor per dth	(\$0.0169) per dth
(7)	SQP Factor per therm	(\$0.0016) per therm
(1)	Docket 3476, FY2022 Second Quarter Report on Service Quality Plan	
(2)	Docket 3476, FY2022 Third Quarter Report on Service Quality Plan	
(3)	Docket 3476, FY2022 Third Quarter Report on Service Quality Plan	
(4)	(1) + (2) + (3)	
(5)	Company Forecast	
(6)	Line (4) ÷ Line (5)	
(7)	Line (6) ÷ 10, truncated to 4 decimal places	

Schedule PRB-9

Reconciliation Factors

**The Narragansett Electric Company
d/b/a Rhode Island Energy
Reconciliation Factor effective November 1, 2022**

<u>Description</u>	<u>Schedule</u>	<u>Page #</u>	<u>Ending Balance</u>	<u>Period</u>
Section 1: Reconciliation of Prior Year DAC Factors (All Rate Classes)				
(1)	System Pressure	Page 2, line (9)	\$2,168,788	Nov 21-Oct 22
(2)	AGT Factor	Page 2, line (17)	\$29,573	Nov 21-Oct 22
(3)	Environmental - DAC	Page 2, line (25)	\$17,350	Nov 21-Oct 22
(4)	Arrearage Management	Page 2, line (33)	(\$8,791)	Nov 21-Oct 22
(5)	Pension	Page 3, line (57)	\$275,843	Nov 21-Oct 22
(6)	PBOP	Page 3, line (65)	\$111,921	Nov 21-Oct 22
(7)	Previous Reconciliation Factor	Page 3, line (41)	\$205,096	Nov 21-Oct 22
(8)	Earnings Sharing Mechanism	Page 4, line (73)	\$19,115	Nov 21-Oct 22
(9)	Low Income Discount Recovery	Page 4, line (82)	\$1,253,737	Nov 21-Oct 22
(10)	Service Quality Penalty	Page 4, line (90)	(\$16,601)	Nov 21-Oct 22
(11)	Storm Net Revenue Factor	Page 4, line (98)	(\$25,577)	Nov 21-Oct 22
(12)	COVID Deferral Factor	Page 10, line (119)	\$1,323,799	Nov 21-Oct 22
(13)	True-up October 21	Page 11, line (39)	(\$278,379)	Actual Oct 21 vs. Oct 21 Forecast
(14)	Sub Total	Sum [(1):(13)]	\$5,075,873	
(15)	Firm Throughput	Nov 2022 - Oct 2023	39,896,251	dth
(16)	Reconciliation Factor	Line (14) ÷ Line (15)	\$0.1272	per dth
(17)	Reconciliation Factor	Line (16) ÷ 10, truncated to 4 decimal places	\$0.0127	per therm

Section 2: Revenue Decoupling Mechanism and COVID Deferral Reconciliation

(18)	RDA Reconciliation	Page 6, line (13)	(\$29,441)	Nov 21-Oct 22
(19)	RDM Recon Reconciliation	Page 6, line (28)	\$35,192	Nov 21-Oct 22
(20)	Sub Total	Line (18) + Line (19)	\$5,751	
(21)	Firm Throughput, Residential, Small & Medium C&I	Nov 2022 - Oct 2023	28,558,550	dth
(22)	RDA Reconciliation Factor	Line (20) ÷ Line (21)	\$0.0002	per dth
(23)	RDA Reconciliation Factor	Line (22) ÷ 10, truncated to 4 decimal places	\$0.0000	per therm

Section 3: Reconciliation of Prior year DAC Factors (Large & X-Large Only)

(24)	Environmental - Base Rates	Page 5, line (41)	\$26,329	Apr 21 - Mar 22
(25)	Previous Reconciliation Factor	Page 3, line (49)	(\$158,563)	Nov 21-Oct 22
(26)	Sub Total	Sum [(24):(25)]	(\$132,234)	
(27)	Firm Throughput, Large and Extra Large C&I	Nov 2022 - Oct 2023	11,337,700	dth
(28)	L / XL Reconciliation Factor	Line (26) ÷ Line (27)	(\$0.0117)	per dth
(29)	L / XL Reconciliation Factor	Line (28) ÷ 10, truncated to 4 decimal places	(\$0.0011)	per therm

(29) Combined with the Reconciliation factor of \$0.0127 per therm on Line (17) for an overall Large and Extra Large Reconciliation factor of \$0.0116 per therm

The Narragansett Electric Company
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Non-Base Rate / Gas Year Reconciling Components

Line No.	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
(1) System Pressure Recon Adjust.												
(2) System Pressure Acct Beg. Balance Under(Over) Recovery	\$0	(\$327,949)	\$1,166,827	\$2,322,445	\$3,232,559	\$4,383,347	\$3,648,338	\$3,213,357	\$3,011,217	\$2,813,584	\$2,620,759	\$2,421,850
(3) Actual Costs	\$20,156	\$2,300,929	\$2,102,104	\$2,083,120	\$2,033,487	(\$68,844)	(\$21,107)	\$3,121,357	\$20,909	\$20,909	\$20,909	\$20,909
(4) Actual Revenue	\$347,937	\$906,598	\$948,337	\$1,175,668	\$885,518	\$671,113	\$419,510	\$223,366	\$225,336	\$220,073	\$225,510	\$225,510
(5) Ending Balance Under(Over) Recovery	(\$163,890)	\$419,217	\$1,743,711	\$2,776,171	\$3,805,737	\$4,013,369	\$3,428,030	\$3,109,252	\$2,909,003	\$2,714,002	\$2,518,458	\$2,316,433
(6) Average Monthly Balance Under(Over) Recovery	1.25%	1.25%	1.25%	1.25%	1.37%	1.50%	1.94%	2.38%	2.75%	2.75%	2.75%	2.75%
(7) Bk. America Rate less 200 Basis Points	(\$168)	\$445	\$1,851	\$2,662	\$4,441	\$4,948	\$5,655	\$6,069	\$6,294	\$6,339	\$6,692	\$7,055
(8) Interest Applied	(\$327,949)	\$1,166,827	\$2,322,445	\$3,232,559	\$4,383,347	\$3,648,338	\$3,213,357	\$3,011,217	\$2,813,584	\$2,620,759	\$2,421,850	\$2,168,788
(9) Sys Pressure End Balance Under(Over) Recovery												
(10) Advanced Gas Technology												
(11) AGR Acct Beg. Balance Under(Over) Recovery	\$0	\$25,717	\$28,159	\$28,405	\$28,713	\$28,732	\$28,683	\$29,092	\$29,300	\$29,369	\$29,437	\$29,504
(12) Actual AGR Revenue	(\$35,704)	\$28,111	\$28,137	\$28,166	\$28,195	\$28,224	\$28,253	\$28,282	\$28,311	\$28,340	\$28,369	\$28,398
(13) Ending Balance Under(Over) Recovery	\$25,704	\$28,111	\$28,137	\$28,166	\$28,195	\$28,224	\$28,253	\$28,282	\$28,311	\$28,340	\$28,369	\$28,398
(14) Average Monthly Balance Under(Over) Recovery	\$12,852	\$26,924	\$28,159	\$28,405	\$28,713	\$28,732	\$28,683	\$29,092	\$29,300	\$29,369	\$29,437	\$29,504
(15) Bk. America Rate less 200 Basis Points	1.25%	1.25%	1.25%	1.25%	1.37%	1.50%	1.94%	2.38%	2.75%	2.75%	2.75%	2.75%
(16) Interest Applied	\$13	\$29	\$30	\$31	\$33	\$35	\$37	\$47	\$57	\$69	\$87	\$105
(17) AGR End Balance Under(Over) Recovery	\$25,717	\$28,159	\$28,405	\$28,713	\$28,732	\$28,683	\$29,092	\$29,300	\$29,369	\$29,437	\$29,504	\$29,573
(18) Environmental Recon. Adjust - DAC												
(19) Environmental Acct Beg. Balance Under(Over) Recovery	\$651,054	\$606,274	\$577,375	\$435,820	\$322,035	\$236,213	\$171,425	\$130,733	\$108,891	\$87,269	\$66,108	\$44,364
(20) Actual Environmental Revenue	\$47,027	\$79,500	\$92,066	\$114,148	\$86,147	\$68,039	\$40,940	\$22,076	\$21,851	\$21,340	\$21,868	\$21,868
(21) Ending Environmental Balance Under(Over) Recovery	\$605,627	\$526,774	\$485,309	\$321,672	\$235,888	\$171,174	\$130,485	\$108,657	\$87,040	\$65,929	\$44,240	\$22,496
(22) Average Monthly Balance Under(Over) Recovery	\$629,341	\$566,524	\$481,342	\$378,746	\$278,922	\$205,694	\$150,955	\$119,695	\$97,965	\$76,599	\$55,174	\$30,821
(23) Bk. America Rate less 200 Basis Points	1.25%	1.25%	1.25%	1.25%	1.37%	1.50%	1.94%	2.38%	2.75%	2.75%	2.75%	2.75%
(24) Interest Applied	\$647	\$601	\$511	\$363	\$325	\$251	\$248	\$234	\$229	\$179	\$125	\$72
(25) Environmental Recon End Balance Under(Over) Recovery	\$606,274	\$527,375	\$485,309	\$322,035	\$236,213	\$171,425	\$130,733	\$108,891	\$87,269	\$66,108	\$44,364	\$22,496
(26) AMAF Adjustment - DAC												
(27) AMAF Acct Beg. Balance	\$202,940	\$176,976	\$151,241	\$122,519	\$86,824	\$59,993	\$39,770	\$26,888	\$19,946	\$13,156	\$6,510	(\$317)
(28) Actual AMAF Revenue	\$26,159	\$25,909	\$28,867	\$35,795	\$26,917	\$20,284	\$12,937	\$6,988	\$6,828	\$6,669	\$6,834	\$8,464
(29) Ending AMAF Balance	\$176,781	\$151,067	\$122,374	\$86,724	\$59,907	\$39,709	\$26,833	\$19,900	\$13,118	\$6,487	(\$324)	(\$8781)
(30) Average Monthly Balance	\$189,860	\$164,021	\$136,807	\$104,622	\$73,366	\$49,851	\$33,302	\$23,394	\$16,532	\$9,822	\$3,093	(\$4,549)
(31) Bk. America Rate less 200 Basis Points	1.25%	1.25%	1.25%	1.25%	1.37%	1.50%	1.94%	2.38%	2.75%	2.75%	2.75%	2.75%
(32) Interest Applied	\$195	\$174	\$145	\$100	\$85	\$61	\$55	\$46	\$39	\$23	\$7	(\$11)
(33) AMAF Recon End Balance	\$176,976	\$151,241	\$122,519	\$86,824	\$59,993	\$39,770	\$26,888	\$19,946	\$13,156	\$6,510	(\$317)	(\$8,791)

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Non-Base Rate / Gas Year Reconciling Components

	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sept-22	Oct-22
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
(34) Reconciliation Factor (Applicable to all) - DAC												
(35) Recon Factor Act Beg. Balance Under/(Over) Recovery	\$637,158	\$624,907	\$576,998	\$512,737	\$431,978	\$370,536	\$326,464	\$300,597	\$289,175	\$269,342	\$249,941	\$229,981
(36) Actual Recon Revenue	\$12,898	\$48,547	\$64,839	\$81,212	\$61,909	\$44,501	\$26,382	\$11,997	\$20,485	\$20,007	\$20,501	\$25,393
(37) Ending Recon Balance Under/(Over) Recovery	\$624,260	\$576,360	\$512,159	\$431,525	\$370,069	\$326,035	\$300,082	\$288,600	\$268,690	\$249,338	\$229,440	\$204,588
(38) Average Monthly Balance Under/(Over) Recovery	\$630,709	\$600,634	\$544,579	\$472,131	\$410,024	\$348,285	\$313,273	\$294,999	\$278,933	\$259,338	\$239,690	\$217,285
(39) BK. America Rate less 200 Basis Points	1.25%	1.25%	1.25%	1.37%	1.37%	1.50%	1.94%	2.38%	2.75%	2.75%	2.75%	2.75%
(40) Interest Applied	\$648	\$638	\$578	\$453	\$467	\$429	\$515	\$575	\$651	\$606	\$542	\$507
(41) Reconciliation End Balance Under/(Over) Recovery	\$624,907	\$576,998	\$512,737	\$431,978	\$370,536	\$326,464	\$300,597	\$289,175	\$269,342	\$249,941	\$229,981	\$205,096
(42) Reconciliation Factor (L & XL) - DAC												
(43) Recon Factor Act Beg. Balance Under/(Over) Recovery	(\$47,221)	(\$35,257)	(\$51,588)	(\$67,134)	(\$85,832)	(\$99,737)	(\$112,202)	(\$120,830)	(\$127,411)	(\$135,020)	(\$142,730)	(\$150,333)
(44) Actual Recon Revenue (L & XL)	\$12,000	\$16,285	\$15,483	\$18,624	\$13,797	\$12,335	\$8,436	\$6,339	\$7,303	\$7,386	\$7,272	\$7,870
(45) Ending Recon Balance Under/(Over) Recovery	(\$35,215)	(\$51,542)	(\$67,071)	(\$85,758)	(\$99,629)	(\$112,072)	(\$120,638)	(\$127,169)	(\$134,714)	(\$142,406)	(\$150,002)	(\$158,203)
(46) Average Monthly Balance Under/(Over) Recovery	(\$41,218)	(\$43,400)	(\$59,330)	(\$76,446)	(\$92,730)	(\$105,904)	(\$116,420)	(\$123,999)	(\$131,062)	(\$138,713)	(\$146,066)	(\$154,268)
(47) BK. America Rate less 200 Basis Points	1.25%	1.25%	1.25%	1.25%	1.37%	1.50%	1.94%	2.38%	2.75%	2.75%	2.75%	2.75%
(48) Interest Applied	(\$42)	(\$46)	(\$63)	(\$73)	(\$88)	(\$131)	(\$191)	(\$242)	(\$306)	(\$324)	(\$331)	(\$360)
(49) Reconciliation End Balance Under/(Over) Recovery	(\$35,257)	(\$51,588)	(\$67,134)	(\$85,832)	(\$99,737)	(\$112,202)	(\$120,830)	(\$127,411)	(\$135,020)	(\$142,730)	(\$150,333)	(\$158,563)
(50) Pension Adjustment												
(51) Pen Act Beg. Balance Under/(Over) Recovery	\$3,617,675	\$3,532,322	\$3,099,696	\$2,589,494	\$1,954,783	\$1,480,550	\$1,121,399	\$901,606	\$783,386	\$663,528	\$546,234	\$425,692
(52) Actual Pension Revenue	\$89,024	\$436,144	\$513,221	\$636,888	\$476,232	\$360,754	\$221,455	\$119,863	\$121,545	\$118,706	\$121,639	\$150,667
(53) Ending Pension Balance Under/(Over) Recovery	\$3,528,651	\$3,096,178	\$2,586,475	\$1,932,606	\$1,478,551	\$1,119,796	\$899,944	\$781,743	\$661,841	\$544,822	\$424,595	\$275,025
(54) Average Monthly Balance Under/(Over) Recovery	\$3,573,163	\$3,314,250	\$2,843,086	\$2,221,050	\$1,716,667	\$1,300,173	\$1,010,672	\$841,674	\$722,613	\$604,175	\$485,414	\$350,358
(55) BK. America Rate less 200 Basis Points	1.25%	1.25%	1.25%	1.25%	1.37%	1.50%	1.94%	2.38%	2.75%	2.75%	2.75%	2.75%
(56) Interest Applied	\$3,671	\$3,519	\$3,018	\$2,178	\$1,999	\$1,603	\$1,661	\$1,643	\$1,688	\$1,411	\$1,097	\$818
(57) Pension Adjustment End Balance Under/(Over) Recovery	\$3,532,322	\$3,099,696	\$2,589,494	\$1,954,783	\$1,480,550	\$1,121,399	\$901,606	\$783,386	\$663,528	\$546,234	\$425,692	\$275,843
(58) PBOP Adjustment												
(59) PBOP Act Beg. Balance Under/(Over) Recovery	\$966,494	\$945,155	\$846,478	\$717,834	\$558,670	\$432,283	\$337,568	\$276,668	\$242,709	\$211,829	\$181,611	\$150,551
(60) Actual PBOP Revenue	\$22,321	\$99,627	\$129,474	\$159,776	\$120,963	\$95,190	\$61,404	\$34,465	\$31,411	\$30,677	\$31,435	\$38,936
(61) Ending PBOP Balance Under/(Over) Recovery	\$944,173	\$845,528	\$717,004	\$558,058	\$437,607	\$337,093	\$276,164	\$242,203	\$211,298	\$181,152	\$150,176	\$111,615
(62) Average Monthly Balance Under/(Over) Recovery	\$955,334	\$895,341	\$781,741	\$637,946	\$495,188	\$384,688	\$306,866	\$239,436	\$227,004	\$196,490	\$163,893	\$131,083
(63) BK. America Rate less 200 Basis Points	1.25%	1.25%	1.25%	1.25%	1.37%	1.50%	1.94%	2.38%	2.75%	2.75%	2.75%	2.75%
(64) Interest Applied	\$982	\$951	\$830	\$612	\$577	\$474	\$504	\$506	\$530	\$459	\$375	\$306
(65) PBOP Adjustment End Balance Under/(Over) Recovery	\$945,155	\$846,478	\$717,834	\$558,670	\$432,283	\$337,568	\$276,668	\$242,709	\$211,829	\$181,611	\$150,551	\$111,921

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	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
(66) Earnings Sharing Mechanism												
(67) ESM Acct Beg. Balance Under/(Over) Recovery	\$0	\$1,626.6	\$18,201	\$18,360	\$18,559	\$18,571	\$18,540	\$18,804	\$18,939	\$18,983	\$19,028	\$19,071
(68) Actual ESM Revenue	(\$16,617)	(\$1,557)	(\$340)	(\$181)	\$10	\$54	(\$234)	(\$98)	\$0	\$0	\$0	\$0
(69) Ending ESM Balance Under/(Over) Recovery	\$16,617	\$18,183	\$18,541	\$18,541	\$18,569	\$18,517	\$18,774	\$18,902	\$18,939	\$18,983	\$19,028	\$19,071
(70) Average Monthly Balance Under/(Over) Recovery	\$8,309	\$17,404	\$18,271	\$18,451	\$18,554	\$18,544	\$18,657	\$18,853	\$18,939	\$18,983	\$19,028	\$19,071
(71) BK America Rate less 200 Basis Points	1.25%	1.25%	1.25%	1.25%	1.37%	1.50%	1.94%	2.38%	2.75%	2.75%	2.75%	2.75%
(72) Interest Applied	\$9	\$18	\$19	\$18	\$22	\$23	\$31	\$37	\$44	\$44	\$43	\$45
(73) ESM Adjustment End Balance Under/(Over) Recovery	\$16,626	\$18,201	\$18,360	\$18,559	\$18,571	\$18,540	\$18,804	\$18,939	\$18,983	\$19,028	\$19,071	\$19,115
(74) Low Income Discount Recovery Adjustment												
(75) LIDRF Acct Beg. Balance	\$0	\$99,530	\$173,979	\$340,647	\$606,041	\$859,340	\$1,114,024	\$1,275,049	\$1,352,096	\$1,329,890	\$1,306,101	\$1,283,618
(76) Actual Discount Credits Applied (cost)	\$451,111	\$913,533	\$1,409,985	\$1,481,570	\$1,171,583	\$946,419	\$93,787	\$312,836	\$213,334	\$206,423	\$213,447	\$262,209
(77) Actual LIDRF Revenue	\$351,632	\$839,230	\$993,990	\$1,216,630	\$919,136	\$692,951	\$434,724	\$238,350	\$238,669	\$233,287	\$238,854	\$295,049
(78) Ending LIDRF Balance	\$99,479	\$173,834	\$340,374	\$605,587	\$858,487	\$1,112,808	\$1,273,087	\$1,349,535	\$1,326,762	\$1,303,026	\$1,280,694	\$1,250,777
(79) Average Monthly Balance	\$49,740	\$136,682	\$257,176	\$473,117	\$732,264	\$986,074	\$1,193,555	\$1,312,292	\$1,339,429	\$1,316,458	\$1,293,397	\$1,267,197
(80) BK America Rate less 200 Basis Points	1.25%	1.25%	1.25%	1.25%	1.37%	1.50%	1.94%	2.38%	2.75%	2.75%	2.75%	2.75%
(81) Interest Applied	\$51	\$145	\$273	\$454	\$853	\$1,216	\$1,962	\$2,562	\$3,128	\$3,075	\$2,923	\$2,960
(82) LIDRF Adjustment End Balance	\$99,530	\$173,979	\$340,647	\$606,041	\$859,340	\$1,114,024	\$1,275,049	\$1,352,096	\$1,329,890	\$1,306,101	\$1,283,618	\$1,253,737
(83) Service Quality Penalty Adjustment												
(84) SQ Acct Beg. Balance	(\$75,000)	(\$54,725)	(\$48,180)	(\$42,346)	(\$35,090)	(\$29,775)	(\$25,802)	(\$23,233)	(\$22,180)	(\$20,864)	(\$19,577)	(\$18,253)
(85) Actual SQ Revenue	(\$20,342)	(\$6,599)	(\$5,882)	(\$7,293)	(\$3,533)	(\$4,007)	(\$2,610)	(\$1,097)	(\$1,566)	(\$1,334)	(\$1,367)	(\$1,693)
(86) Ending SQ Balance	(\$54,658)	(\$48,126)	(\$54,062)	(\$49,639)	(\$38,623)	(\$33,782)	(\$28,412)	(\$24,330)	(\$22,814)	(\$21,530)	(\$20,210)	(\$18,946)
(87) Average Monthly Balance	(\$64,829)	(\$58,145)	(\$64,829)	(\$59,547)	(\$46,354)	(\$40,772)	(\$35,190)	(\$32,668)	(\$31,497)	(\$30,197)	(\$28,894)	(\$27,406)
(88) BK America Rate less 200 Basis Points	1.25%	1.25%	1.25%	1.25%	1.37%	1.50%	1.94%	2.38%	2.75%	2.75%	2.75%	2.75%
(89) Interest Applied	(\$67)	(\$55)	(\$48)	(\$37)	(\$38)	(\$54)	(\$40)	(\$44)	(\$50)	(\$47)	(\$43)	(\$44)
(90) SQ Recon End Balance	(\$54,725)	(\$48,180)	(\$42,346)	(\$35,090)	(\$29,775)	(\$25,802)	(\$23,233)	(\$22,180)	(\$20,864)	(\$19,577)	(\$18,253)	(\$16,601)
(91) Storm Net Revenue Adjustment												
(92) Storm Net Revenue Acct Beg. Balance	(\$173,714)	(\$171,188)	(\$152,350)	(\$129,562)	(\$101,238)	(\$79,803)	(\$63,612)	(\$53,605)	(\$48,267)	(\$42,911)	(\$37,670)	(\$32,282)
(93) Actual Storm Net Revenue	(\$2,703)	(\$19,010)	(\$22,937)	(\$28,435)	(\$21,540)	(\$16,280)	(\$10,103)	(\$5,437)	(\$5,463)	(\$5,467)	(\$5,467)	(\$6,772)
(94) Ending Storm Net Revenue Balance	(\$171,011)	(\$152,178)	(\$129,413)	(\$101,127)	(\$79,698)	(\$63,523)	(\$53,509)	(\$48,068)	(\$42,804)	(\$37,145)	(\$32,203)	(\$25,510)
(95) Average Monthly Balance	(\$172,363)	(\$161,683)	(\$140,881)	(\$115,345)	(\$90,468)	(\$71,663)	(\$58,560)	(\$50,886)	(\$45,256)	(\$40,243)	(\$34,936)	(\$28,896)
(96) BK America Rate less 200 Basis Points	1.25%	1.25%	1.25%	1.25%	1.37%	1.50%	1.94%	2.38%	2.75%	2.75%	2.75%	2.75%
(97) Interest Applied	(\$177)	(\$172)	(\$150)	(\$111)	(\$105)	(\$88)	(\$90)	(\$99)	(\$106)	(\$94)	(\$79)	(\$67)
(98) Storm Net Revenue Recon End Balance	(\$171,188)	(\$152,350)	(\$129,562)	(\$101,238)	(\$79,803)	(\$63,612)	(\$53,605)	(\$48,267)	(\$42,911)	(\$37,670)	(\$32,282)	(\$25,577)

Column (a), Line (11), per Docket 5165, Schedule RMS-1, Page 1, Line (2).
Column (a), Line (19), per Docket 5165, Schedule RMS-1, Page 1, Line (3).
Column (a), Line (27), per Docket 5165, Schedule RMS-1, Page 1, Line (5).
Column (a), Line (35), per Docket 5165, Schedule RMS-1, Page 1, Line (6).
Column (a), Line (43), per Docket 5165, Schedule RMS-1, Page 1, Line (8).
Column (a), Line (51), per Docket 5165, Schedule RMS-5, Page 1, Line (1).
Column (a), Line (59), per Docket 5165, Schedule RMS-5, Page 1, Line (7).
Column (a), Line (67), per Docket 5165, Schedule RMS-5, Page 1, Line (8).
Column (a), Line (84), per Docket 5165, Schedule RMS-1, Page 1, Line (6).
Column (a), Line (100), per Docket 5165, Schedule RMS-1, Page 1, Line (1).

The Narragansett Electric Company
d/b/a Rhode Island Energy

Base Rate / Fiscal Year Reconciling Components

Source	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	12 month End
	30	31	30	31	31	30	31	30	31	31	28	31	
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	(l)
DAC FACTORS, \$/dth													
(1) AGT Factor - Base Rates	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
(2) LIAP Factor - Base Rates	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
(3) LIHEAP Factor - Base Rates	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
(4) Low Income Weatherization Factor - Base Rates	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
(5) Environmental - Base Rates	\$0.0330	\$0.0330	\$0.0330	\$0.0330	\$0.0330	\$0.0330	\$0.0330	\$0.0330	\$0.0330	\$0.0330	\$0.0330	\$0.0330	\$0.0330
(6) RI Firm L-XL Forecasted Throughput (dth) - Docket 4770	1,086,720	871,785	744,829	711,541	696,799	680,829	808,181	1,012,649	1,361,885	1,485,789	1,354,961	1,315,266	12,131,235
(7) Actual RI Firm L-XL Firm through-put (dth)	1,139,743	729,527	564,952	536,094	613,385	609,330	561,586	826,888	1,359,396	1,425,070	1,710,180	1,265,168	11,341,318
CSR								826,888		1,425,070		1,265,168	

AGT Recon. Adjustment - Base Rates L-XL	Target Collection L-XL	\$0
(8) AGT Recon. Acct Beg. Balance Under/(Over) Recovery	\$0	\$0
(9) Fest Firm Through-put L-XL	1,086,720	1,086,720
(10) Fest L/XL AGT Collections	\$0	\$0
(11) Actual Firm Through-put L-XL	1,139,743	1,139,743
(12) Actual AGT Collections	\$0	\$0
(13) Collection Variance	\$0	\$0
(14) Ending Balance Under/(Over) Recovery	\$0	\$0
(15) Average Balance Under/(Over) Recovery	\$0	\$0
(16) Bk America Rate less 200 Basis Points	1.25%	1.25%
(17) Interest Applied	\$0	\$0
(18) AGT End Balance Under/(Over) Recovery	\$0	\$0

LIAP Recon. Adjustment - Base Rates L-XL	Target Collection L-XL	\$0
(19) LIAP Recon. Acct Beg. Balance Under/(Over) Recovery	\$0	\$0
(20) Fest Firm Through-put L-XL	1,086,720	1,086,720
(21) Fest LIAP Collections	\$0	\$0
(22) Actual Firm Through-put L-XL	1,139,743	1,139,743
(23) Actual LIAP Collections No EE	\$0	\$0
(24) Actual LIAP Collections EE Only	\$0	\$0
(25) Collection Variance	\$0	\$0
(26) Ending Balance Under/(Over) Recovery	\$0	\$0
(27) Average Balance Under/(Over) Recovery	\$0	\$0
(28) Bk America Rate less 200 Basis Points	1.25%	1.25%
(29) Interest Applied	\$0	\$0
(30) LIAP End Balance Under/(Over) Recovery	\$0	\$0

Environmental Recon. Adjust - Base Rates L-XL	Target Collection L-XL	\$363,346
(31) Environmental Recon. Acct Beg. Balance Under/(Over) Recovery	\$0	\$0
(32) Fest Firm Through-put L-XL	1,086,720	1,086,720
(33) Fest Environmental Collections	\$35,884	\$35,884
(34) Actual Firm Through-put L-XL	1,139,743	1,139,743
(35) Actual Environmental Collections	\$37,635	\$37,635
(36) Collection Variance	(\$1,751)	(\$1,751)
(37) Ending Environmental Balance Under/(Over) Recovery	(\$876)	(\$876)
(38) Average Balance Under/(Over) Recovery	\$597	\$597
(39) Bk America Rate less 200 Basis Points	1.25%	1.25%
(40) Interest Applied	(\$1)	(\$1)
(41) Environmental End Balance Under/(Over) Recovery	(\$1,752)	(\$1,752)

Environmental Recon. Adjust - Base Rates L-XL	Target Collection L-XL	\$363,346
(31) Environmental Recon. Acct Beg. Balance Under/(Over) Recovery	\$0	\$0
(32) Fest Firm Through-put L-XL	1,086,720	1,086,720
(33) Fest Environmental Collections	\$35,884	\$35,884
(34) Actual Firm Through-put L-XL	1,139,743	1,139,743
(35) Actual Environmental Collections	\$37,635	\$37,635
(36) Collection Variance	(\$1,751)	(\$1,751)
(37) Ending Environmental Balance Under/(Over) Recovery	(\$876)	(\$876)
(38) Average Balance Under/(Over) Recovery	\$597	\$597
(39) Bk America Rate less 200 Basis Points	1.25%	1.25%
(40) Interest Applied	(\$1)	(\$1)
(41) Environmental End Balance Under/(Over) Recovery	(\$1,752)	(\$1,752)

Lines (1)-(6): Docket 4770
Line (7): Company's Classified Sales Report

The Narragansett Electric Company
d/b/a Rhode Island Energy
RDA Reconciliation

	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Total
	30	31	31	28	31	30	31	30	31	31	30	31	
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	(m)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	
RDM Recon Rates \$/decatherm	\$0.0001	\$0.0002	\$0.0000	\$0.0001	(\$0.0001)	(\$0.0001)	(\$0.0002)	(\$0.0004)	\$0.0000	\$0.0000	\$0.0000	\$0.0000	
Res-NH, Res-H, Small, Medium													
(1) Actual Firm Throughput - decatherms													
(2) Res-NH	18,495	30,292	37,703	46,245	37,582	32,841	23,411	13,925	8,013	6,392	7,967	12,706	275,573
(3) Res-H	977,425	2,308,628	3,059,796	3,819,760	2,899,485	2,115,364	1,219,071	533,373	477,322	453,942	477,646	644,498	18,986,309
(4) Small	102,525	280,309	412,164	541,183	406,360	251,327	135,731	57,509	58,880	54,860	59,894	87,848	2,448,590
(5) Medium	289,286	665,462	813,488	1,009,638	777,094	566,804	388,787	203,155	157,512	147,095	160,142	232,366	5,410,828
(6) Total	1,387,731	3,284,691	4,323,152	5,416,825	4,120,520	2,966,335	1,767,001	807,962	701,726	662,289	705,649	977,418	27,121,299
(7) RDM Acct Beg. Balance	(\$28,385)	(\$28,573)	(\$29,343)	(\$29,587)	(\$30,023)	(\$29,794)	(\$29,642)	(\$29,404)	(\$29,170)	(\$29,238)	(\$29,306)	(\$29,372)	
(8) Actual RDM Revenue	\$159	\$739	\$212	\$407	(\$263)	(\$188)	(\$287)	(\$291)	\$0	\$0	\$0	\$0	
(9) Ending RDM Balance Under/(Over) Recovery	(\$28,544)	(\$29,313)	(\$29,556)	(\$29,994)	(\$29,759)	(\$29,606)	(\$29,355)	(\$29,113)	(\$29,170)	(\$29,238)	(\$29,306)	(\$29,372)	
(10) Average Monthly Balance	(\$28,464)	(\$28,943)	(\$29,449)	(\$29,790)	(\$29,891)	(\$29,700)	(\$29,499)	(\$29,258)	(\$29,170)	(\$29,238)	(\$29,306)	(\$29,372)	
(11) Bk America Rate less 200 Basis Points	1.25%	1.25%	1.25%	1.25%	1.37%	1.50%	1.94%	2.38%	2.75%	2.75%	2.75%	2.75%	
(12) Interest Applied	(\$29)	(\$31)	(\$31)	(\$29)	(\$35)	(\$37)	(\$48)	(\$57)	(\$68)	(\$68)	(\$66)	(\$69)	(\$568)
(13) RDM Recon End Balance Under/(Over) Recovery	(\$28,573)	(\$29,343)	(\$29,587)	(\$30,023)	(\$29,794)	(\$29,642)	(\$29,404)	(\$29,170)	(\$29,238)	(\$29,306)	(\$29,372)	(\$29,441)	
(14) Under/(over) Recovery	(\$189)	(\$770)	(\$244)	(\$436)	\$229	\$152	\$238	\$234	(\$68)	(\$68)	(\$66)	(\$69)	
(15) RDM Revenue per rate class													
(16) Res-NH	\$2	\$7	\$2	\$3	(\$2)	(\$2)	(\$4)	(\$5)	\$0	\$0	\$0	\$0	\$1
(17) Res-H	\$112	\$520	\$150	\$287	(\$185)	(\$134)	(\$198)	(\$192)	\$0	\$0	\$0	\$0	\$359
(18) Small	\$12	\$63	\$20	\$41	(\$26)	(\$16)	(\$22)	(\$21)	\$0	\$0	\$0	\$0	\$51
(19) Medium	\$33	\$150	\$40	\$76	(\$50)	(\$36)	(\$63)	(\$73)	\$0	\$0	\$0	\$0	\$77
(20) Total	\$159	\$739	\$212	\$407	(\$263)	(\$188)	(\$287)	(\$291)	\$0	\$0	\$0	\$0	\$488
(21) RDM Recon Adjustment													
(22) RDM Recon Acct Beg. Balance Under/(Over) Recovery	\$533,563	\$496,138	\$436,295	\$359,054	\$262,183	\$188,242	\$135,166	\$104,182	\$89,444	\$77,007	\$65,252	\$52,684	\$533,563
(23) Actual RDM Recon Revenue	\$37,953	\$60,338	\$77,663	\$97,169	\$74,203	\$53,275	\$31,180	\$14,927	\$12,631	\$11,921	\$12,702	\$17,594	\$501,556
(24) Ending RDM Recon Balance Under/(Over) Recovery	\$495,610	\$435,800	\$358,632	\$261,885	\$187,980	\$134,967	\$103,986	\$89,255	\$76,813	\$65,086	\$52,550	\$35,090	\$32,007
(25) Average Monthly Balance Under/(Over) Recovery	\$514,586	\$465,969	\$397,463	\$310,469	\$225,081	\$161,604	\$119,576	\$96,719	\$83,129	\$71,047	\$58,901	\$43,887	
(26) Bk America Rate less 200 Basis Points	1.25%	1.25%	1.25%	1.25%	1.37%	1.50%	1.94%	2.38%	2.75%	2.75%	2.75%	2.75%	
(27) Interest Applied	\$529	\$495	\$422	\$298	\$262	\$199	\$197	\$189	\$194	\$166	\$133	\$103	\$3,185
(28) RDM Recon Adjustment End Balance Under/(Over) Recovery	\$496,138	\$436,295	\$359,054	\$262,183	\$188,242	\$135,166	\$104,182	\$89,444	\$77,007	\$65,252	\$52,684	\$35,192	\$35,192
(29) RDM Recon and Recon Adj End Balance Under/(Over) Recovery													\$5,751

(6) Sum Lines (2) through (5).
(7) (a) Beginning balance, Docket 5165, Schedule RMS-1, Line (14) + monthly interest calculated from April - October at Bk America rate less 200 basis points.
(20) Sum Lines (16) through (19).
(22) (a) Beginning balance, Docket 5165, Schedule RMS-1, Page 1, Line (15).
(29) Line (13) + Line (28).

The Narragansett Electric Company
d/b/a Rhode Island Energy
ISR Reconciliation for FY 21

	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Total
	30	31	31	28	31	30	31	30	31	31	30	31	
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	
ISR Rec'n Rate Schedule													
(1) Res-H	(50,606)	(50,644)	(50,652)	(50,650)	(50,670)	(50,620)	(50,648)	(50,683)	(50,680)	(50,680)	(50,680)	(50,680)	(50,680)
(2) Res-H	(50,866)	(50,981)	(50,208)	(50,207)	(50,208)	(50,207)	(50,207)	(50,208)	(50,203)	(50,203)	(50,203)	(50,203)	(50,203)
(3) Small	(50,017)	(50,173)	(50,173)	(50,171)	(50,172)	(50,199)	(50,171)	(50,178)	(50,178)	(50,178)	(50,178)	(50,178)	(50,178)
(4) Medium	(50,089)	(50,092)	(50,092)	(50,092)	(50,094)	(50,094)	(50,092)	(50,092)	(50,083)	(50,083)	(50,083)	(50,083)	(50,083)
(5) Large LL	(50,045)	(50,045)	(50,045)	(50,045)	(50,045)	(50,045)	(50,045)	(50,045)	(50,045)	(50,045)	(50,045)	(50,045)	(50,045)
(6) XL-LL	(50,054)	(50,054)	(50,054)	(50,054)	(50,053)	(50,053)	(50,053)	(50,053)	(50,040)	(50,040)	(50,040)	(50,040)	(50,040)
(7) XL-L	(50,028)	(50,043)	(50,043)	(50,043)	(50,047)	(50,047)	(50,047)	(50,047)	(50,030)	(50,030)	(50,030)	(50,030)	(50,030)
(8) XL-HL	(50,028)	(50,043)	(50,043)	(50,043)	(50,047)	(50,047)	(50,047)	(50,047)	(50,030)	(50,030)	(50,030)	(50,030)	(50,030)
(9) Res-H	18,495	30,292	31,703	46,245	31,852	32,841	21,411	13,825	8,012	6,292	7,967	12,706	275,571
(10) Res-H	977,425	3,039,628	3,039,760	3,819,760	2,899,485	2,115,364	1,210,071	533,273	477,322	453,942	477,646	644,498	18,986,309
(11) Small	102,525	286,309	412,164	541,183	406,360	251,237	135,731	57,509	58,880	54,860	59,894	87,848	2,448,590
(12) Medium	156,720	429,970	473,807	622,273	437,729	328,126	173,286	203,155	157,512	147,095	160,142	232,366	5,410,828
(13) Large LL	77,803	204,965	204,965	264,471	184,204	114,279	58,209	46,889	67,821	63,192	68,990	101,189	2,970,193
(14) XL-LL	518,350	596,596	634,481	662,251	517,622	562,197	428,636	452,232	479,699	491,379	475,528	485,491	6,298,851
(15) XL-L	2,214,619	4,644,087	5,748,222	7,127,604	5,385,688	4,066,752	2,512,352	1,381,748	1,363,675	1,333,777	1,366,725	1,692,886	38,839,435
(16) Total	(519,111)	(519,396)	(517,551)	(515,622)	(512,077)	(506,110)	(574,804)	(539,384)	(530,525)	(545,365)	(541,259)	(536,105)	
(17) Res-H	(519,111)	(519,396)	(517,551)	(515,622)	(512,077)	(506,110)	(574,804)	(539,384)	(530,525)	(545,365)	(541,259)	(536,105)	
(18) Res-H	(519,111)	(519,396)	(517,551)	(515,622)	(512,077)	(506,110)	(574,804)	(539,384)	(530,525)	(545,365)	(541,259)	(536,105)	
(19) Res-H	(519,111)	(519,396)	(517,551)	(515,622)	(512,077)	(506,110)	(574,804)	(539,384)	(530,525)	(545,365)	(541,259)	(536,105)	
(20) Res-H	(519,111)	(519,396)	(517,551)	(515,622)	(512,077)	(506,110)	(574,804)	(539,384)	(530,525)	(545,365)	(541,259)	(536,105)	
(21) Res-H	(519,111)	(519,396)	(517,551)	(515,622)	(512,077)	(506,110)	(574,804)	(539,384)	(530,525)	(545,365)	(541,259)	(536,105)	
(22) Res-H	(519,111)	(519,396)	(517,551)	(515,622)	(512,077)	(506,110)	(574,804)	(539,384)	(530,525)	(545,365)	(541,259)	(536,105)	
(23) Res-H	(519,111)	(519,396)	(517,551)	(515,622)	(512,077)	(506,110)	(574,804)	(539,384)	(530,525)	(545,365)	(541,259)	(536,105)	
(24) Res-H	(519,111)	(519,396)	(517,551)	(515,622)	(512,077)	(506,110)	(574,804)	(539,384)	(530,525)	(545,365)	(541,259)	(536,105)	
(25) Res-H	(519,111)	(519,396)	(517,551)	(515,622)	(512,077)	(506,110)	(574,804)	(539,384)	(530,525)	(545,365)	(541,259)	(536,105)	
(26) Res-H	(519,111)	(519,396)	(517,551)	(515,622)	(512,077)	(506,110)	(574,804)	(539,384)	(530,525)	(545,365)	(541,259)	(536,105)	
(27) Res-H	(519,111)	(519,396)	(517,551)	(515,622)	(512,077)	(506,110)	(574,804)	(539,384)	(530,525)	(545,365)	(541,259)	(536,105)	
(28) Res-H	(519,111)	(519,396)	(517,551)	(515,622)	(512,077)	(506,110)	(574,804)	(539,384)	(530,525)	(545,365)	(541,259)	(536,105)	
(29) Res-H	(519,111)	(519,396)	(517,551)	(515,622)	(512,077)	(506,110)	(574,804)	(539,384)	(530,525)	(545,365)	(541,259)	(536,105)	
(30) Res-H	(519,111)	(519,396)	(517,551)	(515,622)	(512,077)	(506,110)	(574,804)	(539,384)	(530,525)	(545,365)	(541,259)	(536,105)	
(31) Res-H	(519,111)	(519,396)	(517,551)	(515,622)	(512,077)	(506,110)	(574,804)	(539,384)	(530,525)	(545,365)	(541,259)	(536,105)	
(32) Res-H	(519,111)	(519,396)	(517,551)	(515,622)	(512,077)	(506,110)	(574,804)	(539,384)	(530,525)	(545,365)	(541,259)	(536,105)	
(33) Res-H	(519,111)	(519,396)	(517,551)	(515,622)	(512,077)	(506,110)	(574,804)	(539,384)	(530,525)	(545,365)	(541,259)	(536,105)	
(34) Res-H	(519,111)	(519,396)	(517,551)	(515,622)	(512,077)	(506,110)	(574,804)	(539,384)	(530,525)	(545,365)	(541,259)	(536,105)	
(35) Res-H	(519,111)	(519,396)	(517,551)	(515,622)	(512,077)	(506,110)	(574,804)	(539,384)	(530,525)	(545,365)	(541,259)	(536,105)	
(36) Res-H	(519,111)	(519,396)	(517,551)	(515,622)	(512,077)	(506,110)	(574,804)	(539,384)	(530,525)	(545,365)	(541,259)	(536,105)	
(37) Res-H	(519,111)	(519,396)	(517,551)	(515,622)	(512,077)	(506,110)	(574,804)	(539,384)	(530,525)	(545,365)	(541,259)	(536,105)	
(38) Res-H	(519,111)	(519,396)	(517,551)	(515,622)	(512,077)	(506,110)	(574,804)	(539,384)	(530,525)	(545,365)	(541,259)	(536,105)	
(39) Res-H	(519,111)	(519,396)	(517,551)	(515,622)	(512,077)	(506,110)	(574,804)	(539,384)	(530,525)	(545,365)	(541,259)	(536,105)	
(40) Res-H	(519,111)	(519,396)	(517,551)	(515,622)	(512,077)	(506,110)	(574,804)	(539,384)	(530,525)	(545,365)	(541,259)	(536,105)	
(41) Res-H	(519,111)	(519,396)	(517,551)	(515,622)	(512,077)	(506,110)	(574,804)	(539,384)	(530,525)	(545,365)	(541,259)	(536,105)	
(42) Res-H	(519,111)	(519,396)	(517,551)	(515,622)	(512,077)	(506,110)	(574,804)	(539,384)	(530,525)	(545,365)	(541,259)	(536,105)	
(43) Res-H	(519,111)	(519,396)	(517,551)	(515,622)	(512,077)	(506,110)	(574,804)	(539,384)	(530,525)	(545,365)	(541,259)	(536,105)	
(44) Res-H	(519,111)	(519,396)	(517,551)	(515,622)	(512,077)	(506,110)	(574,804)	(539,384)	(530,525)	(545,365)	(541,259)	(536,105)	
(45) Res-H	(519,111)	(519,396)	(517,551)	(515,622)	(512,077)	(506,110)	(574,804)	(539,384)	(530,525)	(545,365)	(541,259)	(536,105)	

The Narragansett Electric Company
 d/b/a Rhode Island Energy
 ISR Recommendations for FY 21

	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Total
(45) RSK Medium Actg. Beg. Balance Under(Over) Recovery													
(46) FY 2021 Recon													
(47) Actual Medium Revenue	(\$584,105)	(\$579,835)	(\$520,903)	(\$446,485)	(\$353,902)	(\$281,701)	(\$229,893)	(\$195,161)	(\$177,454)	(\$163,460)	(\$150,294)	(\$135,884)	
(48) Ending Medium Balance	(\$10,630)	(\$59,516)	(\$74,921)	(\$92,966)	(\$72,571)	(\$52,124)	(\$35,081)	(\$22,801)	(\$14,491)	(\$13,533)	(\$14,233)	(\$21,378)	
(49) Beginning Medium Balance	(\$38,847)	(\$38,079)	(\$43,042)	(\$49,002)	(\$57,147)	(\$65,439)	(\$73,280)	(\$81,624)	(\$90,808)	(\$96,698)	(\$102,927)	(\$110,585)	
(50) BK Over/Under Rate Iss. 200 Basis Points	1,25%	1,25%	1,25%	1,25%	1,17%	1,09%	1,04%	2,38%	2,38%	2,75%	2,75%	2,75%	
(51) Interest Applied	(\$598)	(\$584)	(\$513)	(\$384)	(\$370)	(\$315)	(\$349)	(\$363)	(\$398)	(\$366)	(\$323)	(\$292)	
(52) RSK Medium Recon End Balance	(\$379,835)	(\$520,903)	(\$446,485)	(\$353,902)	(\$281,701)	(\$229,893)	(\$195,161)	(\$177,454)	(\$163,460)	(\$150,294)	(\$135,884)	(\$114,798)	
(53) Under(over) Recovery	\$4,270	\$50,932	\$374,418	\$92,583	\$72,201	\$51,808	\$34,732	\$17,607	\$14,093	\$13,167	\$14,410	\$31,085	
(54) RSK Large LL Actg. Beg. Balance Under(Over) Recovery													
(55) FY 2021 Recon													
(56) Actual Large LL Revenue	(\$5,232)	(\$354,613)	(\$302,797)	(\$242,858)	(\$163,681)	(\$107,784)	(\$65,546)	(\$42,238)	(\$12,954)	(\$26,893)	(\$18,795)	(\$9,928)	
(57) Ending Large LL Balance	(\$8,598)	(\$51,166)	(\$60,238)	(\$79,717)	(\$66,050)	(\$42,344)	(\$23,279)	(\$8,862)	(\$8,249)	(\$8,152)	(\$8,900)	(\$13,083)	
(58) Beginning Large LL Balance	(\$34,486)	(\$34,486)	(\$34,486)	(\$34,486)	(\$34,486)	(\$34,486)	(\$34,486)	(\$34,486)	(\$34,486)	(\$34,486)	(\$34,486)	(\$34,486)	
(59) BK Over/Under Rate Iss. 200 Basis Points	1,25%	1,25%	1,25%	1,25%	1,17%	1,09%	1,04%	2,38%	2,38%	2,75%	2,75%	2,75%	
(60) Interest Applied	(\$365)	(\$349)	(\$289)	(\$195)	(\$158)	(\$107)	(\$89)	(\$76)	(\$73)	(\$53)	(\$32)	(\$8)	
(61) RSK Large LL Recon End Balance	(\$355,613)	(\$302,797)	(\$242,858)	(\$163,681)	(\$107,784)	(\$65,546)	(\$42,238)	(\$12,954)	(\$8,249)	(\$26,893)	(\$18,795)	(\$9,928)	
(62) Under(over) Recovery	(\$999)	\$528,16	\$399,939	\$79,177	\$55,898	\$42,238	\$23,191	\$6,736	\$86,76	\$3,093	\$8,867	\$13,045	
(63) RSK Large HL Actg. Beg. Balance Under(Over) Recovery													
(64) FY 2021 Recon													
(65) Actual Large HL Revenue	(\$1,473)	(\$52,386)	(\$41,466)	(\$36,144)	(\$29,253)	(\$23,873)	(\$19,898)	(\$16,034)	(\$12,654)	(\$8,988)	(\$4,923)	(\$967)	
(66) Ending Large HL Balance	(\$3,355)	(\$6,191)	(\$5,383)	(\$6,922)	(\$5,411)	(\$4,092)	(\$3,304)	(\$3,108)	(\$3,991)	(\$4,082)	(\$3,962)	(\$4,023)	
(67) Beginning Large HL Balance	(\$47,538)	(\$47,538)	(\$47,538)	(\$47,538)	(\$47,538)	(\$47,538)	(\$47,538)	(\$47,538)	(\$47,538)	(\$47,538)	(\$47,538)	(\$47,538)	
(68) BK Over/Under Rate Iss. 200 Basis Points	1,25%	1,25%	1,25%	1,25%	1,17%	1,09%	1,04%	2,38%	2,38%	2,75%	2,75%	2,75%	
(69) Interest Applied	(\$51)	(\$47)	(\$31)	(\$27)	(\$27)	(\$27)	(\$29)	(\$28)	(\$26)	(\$16)	(\$7)	\$2	
(70) RSK Large HL Recon End Balance	(\$47,699)	(\$41,466)	(\$36,144)	(\$29,253)	(\$23,873)	(\$19,898)	(\$16,034)	(\$12,654)	(\$8,988)	(\$4,923)	(\$967)	(\$3,058)	
(71) Under(over) Recovery	\$4,776	\$6,143	\$5,322	\$6,691	\$5,380	\$4,665	\$3,774	\$3,080	\$3,966	\$4,065	\$3,955	\$4,026	
(72) RSK XL LL Actg. Beg. Balance Under(Over) Recovery													
(73) FY 2021 Recon													
(74) Actual XL LL Revenue	(\$7,570)	(\$45,460)	(\$40,127)	(\$29,720)	(\$15,376)	(\$5,376)	(\$3,774)	(\$556)	(\$4,767)	(\$6,023)	(\$7,226)	(\$8,541)	
(75) Ending XL LL Balance	(\$415)	(\$12,574)	(\$10,444)	(\$14,366)	(\$9,812)	(\$6,134)	(\$4,207)	(\$4)	(\$1,275)	(\$1,188)	(\$1,297)	(\$1,902)	
(76) Beginning XL LL Balance	(\$32,601)	(\$40,078)	(\$39,683)	(\$32,601)	(\$32,601)	(\$32,601)	(\$32,601)	(\$32,601)	(\$32,601)	(\$32,601)	(\$32,601)	(\$32,601)	
(77) BK Over/Under Rate Iss. 200 Basis Points	1,25%	1,25%	1,25%	1,25%	1,17%	1,09%	1,04%	2,38%	2,38%	2,75%	2,75%	2,75%	
(78) Interest Applied	(\$50)	(\$49)	(\$37)	(\$22)	(\$31)	(\$31)	(\$4)	\$9	(\$13)	\$15	\$18	\$22	
(79) RSK XL LL Recon End Balance	(\$52,652)	(\$40,127)	(\$36,750)	(\$29,720)	(\$15,376)	(\$5,376)	(\$3,774)	(\$556)	(\$6,023)	(\$7,226)	(\$8,541)	(\$10,465)	
(80) Under(over) Recovery	(\$7,206)	\$12,525	\$10,407	\$14,345	\$9,809	\$6,131	\$4,211	(\$32)	(\$1,287)	(\$1,205)	(\$1,315)	(\$1,924)	
(81) RSK XL HL Actg. Beg. Balance Under(Over) Recovery													
(82) FY 2021 Recon													
(83) Actual XL HL Revenue	(\$5,974)	(\$211,716)	(\$184,574)	(\$162,703)	(\$139,810)	(\$121,985)	(\$102,559)	(\$87,827)	(\$72,189)	(\$55,548)	(\$38,460)	(\$21,870)	
(84) Ending XL HL Balance	(\$6,619)	(\$27,352)	(\$22,056)	(\$23,037)	(\$17,978)	(\$19,565)	(\$14,888)	(\$15,794)	(\$16,789)	(\$17,198)	(\$16,657)	(\$16,992)	
(85) Beginning XL HL Balance	(\$311,493)	(\$318,364)	(\$312,822)	(\$319,666)	(\$312,822)	(\$302,420)	(\$273,033)	(\$252,033)	(\$235,399)	(\$218,350)	(\$213,002)	(\$204,878)	
(86) BK Over/Under Rate Iss. 200 Basis Points	1,25%	1,25%	1,25%	1,25%	1,17%	1,09%	1,04%	2,38%	2,38%	2,75%	2,75%	2,75%	
(87) Interest Applied	(\$224)	(\$210)	(\$144)	(\$145)	(\$138)	(\$138)	(\$156)	(\$149)	(\$149)	(\$110)	(\$68)	(\$31)	
(88) RSK XL HL Recon End Balance	(\$311,716)	(\$184,574)	(\$162,703)	(\$139,810)	(\$121,985)	(\$102,559)	(\$87,827)	(\$72,189)	(\$55,548)	(\$38,460)	(\$21,870)	(\$8,910)	
(89) Under(over) Recovery	\$12,369	\$27,142	\$21,871	\$22,892	\$17,826	\$19,426	\$14,732	\$15,638	\$16,640	\$17,089	\$16,389	\$16,961	
Approved Amount to be Recovered Under (Over) Recovery													
													(\$5,916,475)
													(\$585,770)

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The Narragansett Electric Company
d/b/a Rhode Island Energy
COVID Deferral

Line No.	COVID Deferral Factor Subcategory	Nov-21 Actual (a)	Dec-21 Actual (b)	Jan-22 Actual (c)	Feb-22 Actual (d)	Mar-22 Actual (e)	Apr-22 Actual (f)	May-22 Actual (g)	Jun-22 Actual (h)	Jul-22 Forecast (i)	Aug-22 Forecast (j)	Sep-22 Forecast (k)	Oct-22 Forecast (l)	12 month End
1	COVID Deferral Factor Subcategory													
2	Res-NH	(80,015)	\$0,107	\$0,110	\$0,111	\$0,110	\$0,110	\$0,110	\$0,111	\$0,111	\$0,111	\$0,111	\$0,111	\$0,111
3	Res-NH LI	\$0,001	\$0,120	\$0,122	\$0,122	\$0,122	\$0,122	\$0,122	\$0,122	\$0,122	\$0,122	\$0,122	\$0,122	\$0,122
4	Res-H	(80,039)	\$0,266	\$0,279	\$0,279	\$0,279	\$0,278	\$0,278	\$0,279	\$0,280	\$0,280	\$0,280	\$0,280	\$0,280
5	Res-H LI	(80,037)	\$0,266	\$0,272	\$0,273	\$0,272	\$0,272	\$0,272	\$0,273	\$0,273	\$0,273	\$0,273	\$0,273	\$0,273
6	Small	(80,031)	\$0,271	\$0,298	\$0,295	\$0,295	\$0,295	\$0,295	\$0,297	\$0,297	\$0,297	\$0,297	\$0,297	\$0,297
7	Medium	(80,025)	\$0,271	\$0,298	\$0,307	\$0,307	\$0,307	\$0,307	\$0,307	\$0,307	\$0,307	\$0,307	\$0,307	\$0,307
8	Large LL	(80,029)	\$0,098	\$0,106	\$0,107	\$0,108	\$0,110	\$0,114	\$0,127	\$0,109	\$0,109	\$0,109	\$0,109	\$0,109
9	Large HL	(80,050)	\$0,125	\$0,140	\$0,137	\$0,140	\$0,140	\$0,162	\$0,141	\$0,139	\$0,139	\$0,139	\$0,139	\$0,139
10	XL-LL	(80,099)	\$0,150	\$0,135	\$0,132	\$0,134	\$0,134	\$0,181	\$0,134	\$0,134	\$0,134	\$0,134	\$0,134	\$0,134
11	XL-HL	(80,118)	\$0,165	\$0,125	\$0,125	\$0,125	\$0,125	\$0,125	\$0,126	\$0,126	\$0,126	\$0,126	\$0,126	\$0,126
12	Throughput - dekhathems													
13	Res-NH	17,050	27,945	34,833	42,634	34,760	30,192	21,541	12,803	7,674	6,122	7,629	12,169	255,352
14	Res-NH LI	1,445	2,347	2,871	3,610	2,822	2,669	1,870	1,122	339	270	337	538	20,220
15	Res-H	876,018	2,090,016	2,779,726	3,457,289	2,623,099	1,899,517	1,091,490	475,988	437,923	416,474	438,223	591,309	17,177,072
16	Res-H LI	101,407	218,612	280,070	362,471	276,386	215,886	127,582	57,385	39,399	37,468	39,424	53,189	1,809,237
17	Small	102,525	280,309	412,164	541,183	406,360	251,327	135,731	57,509	58,880	54,860	59,484	87,848	2,448,590
18	Medium	289,286	665,462	813,488	1,009,663	777,094	566,804	388,787	203,155	157,512	147,095	160,142	232,366	5,410,828
19	Large LL	156,720	429,970	474,807	622,273	437,729	338,126	172,386	46,889	67,821	63,192	68,590	101,189	2,970,193
20	Large HL	74,314	133,875	124,472	161,184	125,613	95,815	86,120	72,325	92,819	94,919	92,441	93,561	1,247,158
21	XL-LL	77,503	204,965	191,311	264,471	184,204	114,279	58,209	22,328	23,610	21,998	24,017	35,226	1,202,033
22	XL-HL	518,350	590,586	634,481	662,251	517,622	462,197	428,636	452,332	479,699	491,379	475,928	485,491	6,298,851
23	Total	2,214,619	4,644,087	5,748,222	7,127,004	5,385,688	4,066,752	2,312,352	1,381,748	1,365,675	1,333,777	1,366,725	1,692,886	38,839,535
24	COVID Deferral Revenue													
25	Res-NH	(\$2,600)	\$2,989	\$3,829	\$4,738	\$3,840	\$3,316	\$2,360	\$1,418	\$852	\$680	\$847	\$1,351	25,960
26	Res-NH LI	\$1	\$281	\$349	\$441	\$345	\$324	\$229	\$137	\$41	\$33	\$41	\$66	2,287
27	Res-H	(\$34,049)	\$555,856	\$733,570	\$905,706	\$733,570	\$530,960	\$303,960	\$132,953	\$122,618	\$116,613	\$122,702	\$165,566	4,492,657
28	Res-H LI	(83,791)	\$88,200	\$76,286	\$98,878	\$75,236	\$58,809	\$34,773	\$10,229	\$10,756	\$10,229	\$10,756	\$14,521	460,304
29	Small	(83,151)	\$79,322	\$119,700	\$159,364	\$119,700	\$75,898	\$38,242	\$16,684	\$17,487	\$16,293	\$17,789	\$26,091	686,314
30	Medium	(\$26,677)	\$180,305	\$242,222	\$300,382	\$238,230	\$167,618	\$109,297	\$55,069	\$47,411	\$44,276	\$48,203	\$69,942	1,476,278
31	Large LL	(84,567)	\$41,981	\$50,399	\$66,808	\$47,296	\$36,084	\$19,615	\$5,963	\$7,393	\$6,888	\$7,520	\$9,408	296,408
32	Large HL	(84,192)	\$16,729	\$17,370	\$22,057	\$17,530	\$15,530	\$11,773	\$10,219	\$12,902	\$13,194	\$12,808	\$13,005	158,924
33	XL-LL	(\$7,660)	\$30,795	\$25,798	\$33,556	\$24,335	\$10,548	\$3,164	\$2,266	\$3,164	\$2,948	\$3,218	\$4,720	148,727
34	XL-HL	(\$61,244)	\$97,377	\$79,400	\$82,935	\$64,721	\$70,432	\$53,597	\$56,859	\$60,442	\$61,914	\$59,907	\$61,172	687,271
35	Total	(\$145,590)	\$1,063,836	\$1,394,734	\$1,736,864	\$1,324,892	\$974,085	\$584,393	\$294,771	\$283,066	\$273,066	\$283,857	\$367,463	\$8,435,430
36	Res-NH COVID Deferral Balance													
37	COVID Deferral Res-NH Acct Beg. Balance	\$32,250	\$32,543	\$29,587	\$25,788	\$21,072	\$17,254	\$13,957	\$11,618	\$10,221	\$9,392	\$8,734	\$7,906	\$32,250
38	Actual Res-NH Revenue	(\$260)	\$2,989	\$3,829	\$4,738	\$3,840	\$3,316	\$2,360	\$1,418	\$852	\$680	\$847	\$1,351	\$25,960
39	Ending Res-NH Balance	\$32,510	\$29,554	\$25,758	\$21,049	\$17,332	\$13,938	\$11,597	\$10,200	\$9,369	\$8,713	\$7,887	\$6,555	\$8,211
40	Average Monthly Balance	\$32,380	\$31,049	\$27,673	\$23,418	\$19,152	\$15,596	\$12,777	\$10,909	\$9,795	\$9,052	\$8,310	\$7,230	\$58,211
41	Bk America Rate less 200 Basis Points	1.25%	1.25%	1.25%	1.25%	1.37%	1.50%	1.94%	2.38%	2.75%	2.75%	2.75%	2.75%	
42	Interest Applied	\$33	\$39	\$52	\$62	\$52	\$49	\$31	\$23	\$23	\$21	\$19	\$17	\$282
43	COVID Deferral Res-NH End Balance	\$32,443	\$29,587	\$25,788	\$21,072	\$17,254	\$13,957	\$11,618	\$10,221	\$9,392	\$8,734	\$7,906	\$6,572	\$80,743
44	Res-NH LI COVID Deferral Balance													
45	COVID Deferral Res-NH LI Acct Beg. Balance	\$1,555	\$1,555	\$1,276	\$928	\$868	\$844	\$809	\$809	(\$547)	(\$590)	(\$524)	(\$667)	\$1,555
46	Actual Res-NH LI Revenue	\$1	\$281	\$349	\$441	\$345	\$324	\$229	\$137	\$41	\$33	\$41	\$66	\$2,287
47	Ending Res-NH LI Balance	\$1,554	\$1,274	\$927	\$544	\$444	\$444	(\$180)	(\$540)	(\$588)	(\$623)	(\$665)	(\$732)	\$1,555
48	Average Monthly Balance	\$1,554	\$1,415	\$1,101	\$708	\$544	(\$180)	(\$294)	(\$477)	(\$568)	(\$600)	(\$645)	(\$699)	\$3,842
49	Bk America Rate less 200 Basis Points	1.25%	1.25%	1.25%	1.25%	1.37%	1.50%	1.94%	2.38%	2.75%	2.75%	2.75%	2.75%	
50	Interest Applied	\$2	\$2	\$1	\$1	\$0	(\$0)	(\$0)	(\$1)	(\$1)	(\$1)	(\$1)	(\$2)	(\$2)
51	COVID Deferral Res-NH LI End Balance	\$1,555	\$1,276	\$928	\$544	\$444	(\$180)	(\$294)	(\$477)	(\$568)	(\$600)	(\$645)	(\$699)	\$5,396
52	Res-H COVID Deferral Balance													
53	COVID Deferral Res-H Acct Beg. Balance	\$5,200,300	\$5,240,711	\$4,690,124	\$3,918,319	\$2,955,907	\$2,225,352	\$1,696,979	\$1,395,559	\$1,265,200	\$1,145,394	\$1,013,230	\$910,810	\$5,200,300
54	Actual Res-H Revenue	(\$34,049)	\$555,856	\$733,570	\$905,706	\$733,570	\$530,960	\$303,960	\$132,953	\$122,618	\$116,613	\$122,702	\$165,566	\$4,492,657
55	Ending Res-H Balance	\$5,235,449	\$4,684,855	\$3,913,752	\$3,252,613	\$2,222,337	\$1,694,563	\$1,393,019	\$1,262,606	\$1,142,582	\$1,028,781	\$908,618	\$745,244	\$9,693,957
56	Average Monthly Balance	\$5,218,325	\$4,962,783	\$4,301,938	\$3,535,466	\$2,589,122	\$1,959,957	\$1,544,999	\$1,329,082	\$1,203,891	\$1,087,087	\$969,969	\$828,027	\$8,282,277
57	Bk America Rate less 200 Basis Points	1.25%	1.25%	1.25%	1.25%	1.37%	1.50%	1.94%	2.38%	2.75%	2.75%	2.75%	2.75%	
58	Interest Applied	\$5,361	\$6,209	\$8,294	\$10,294	\$8,416	\$7,406	\$5,400	\$4,294	\$4,212	\$4,259	\$4,102	\$3,754	\$30,534
59	COVID Deferral Res-H End Balance	\$5,246,711	\$4,690,124	\$3,918,319	\$3,255,907	\$2,225,352	\$1,696,979	\$1,395,559	\$1,265,330	\$1,145,394	\$1,029,120	\$910,810	\$747,178	\$14,933,791

The Narragansett Electric Company
d/b/a Rhode Island Energy

Non-Base Rate / Gas Year Reconciling Components

October 31, 2021 Ending Deferred Balances

Description		Forecast ¹	Actual	Variance
		(a)	(b)	(c) = (b) - (a)
(1)	System Pressure	(\$614,760)	(\$559,132)	\$55,628
(2)	Advanced Gas Technology	(\$86,918)	(\$93,238)	(\$6,320)
(3)	Environmental - DAC	\$28,282	\$37,652	\$9,370
(4)	Arrearage Management	\$30,688	\$36,286	\$5,598
(5)	Previous Reconciliation Factor - Applicable to All	\$50,925	\$61,794	\$10,869
(6)	Previous Reconciliation Factor - Large & Extra Large	(\$81,031)	(\$80,532)	\$499
(7)	Pension	\$27,081	\$27,304	\$223
(8)	PBOP	\$127,892	\$135,899	\$8,007
(9)	Earnings Sharing Mechanism	(\$56,276)	(\$60,475)	(\$4,200)
(10)	Low Income Discount Recovery	\$348,682	\$475,692	\$127,011
(11)	Service Quality Penalty	(\$50,977)	(\$55,821)	(\$4,844)
(12)	Storm Net Revenue	\$10,953	\$10,939	(\$14)
(13)	RDM			
(14)	RDA Reconciliation	\$1,045,715	\$1,072,144	\$26,429
(15)	RDM Recon Reconciliation	<u>(\$512,152)</u>	<u>(\$525,117)</u>	<u>(\$12,964)</u>
(16)	Sub-Total RDM	\$533,563	\$547,028	\$13,465
(17)	ISR Recon			
(18)	Residential Non-Heating	(\$8,427)	(\$8,346)	\$80
(19)	Residential Heating	(\$62,694)	(\$60,989)	\$1,705
(20)	Small C&I	(\$1,535)	(\$1,527)	\$8
(21)	Medium C&I	(\$5,763)	(\$5,953)	(\$190)
(22)	Large Low Load C&I	(\$9,232)	(\$10,207)	(\$974)
(23)	Large High Load C&I	\$1,473	\$1,144	(\$329)
(24)	Extra Large Low Load C&I	(\$7,570)	(\$7,763)	(\$193)
(25)	Extra Large High Load C&I	<u>\$5,974</u>	<u>\$7,748</u>	<u>\$1,775</u>
(26)	Sub-Total ISR	(\$87,774)	(\$85,892)	\$1,882
(27)	COVID Deferral			
(28)	Residential Non-Heating	\$32,250	\$30,569	(\$1,682)
(29)	Residential Non-Heating - Low Income	\$1,555	\$1,656	\$101
(30)	Residential Heating	\$5,201,300	\$4,921,405	(\$279,895)
(31)	Residential Heating - Low Income	\$455,496	\$434,113	(\$21,383)
(32)	Small C&I	\$720,048	\$694,610	(\$25,438)
(33)	Medium C&I	\$1,906,640	\$1,789,992	(\$116,648)
(34)	Large Low Load C&I	\$305,875	\$285,763	(\$20,112)
(35)	Large High Load C&I	\$161,875	\$154,661	(\$7,215)
(36)	Extra Large Low Load C&I	\$130,517	\$117,376	(\$13,141)
(37)	Extra Large High Load C&I	<u>\$769,971</u>	<u>\$759,828</u>	<u>(\$10,143)</u>
(38)	Sub-Total COVID Deferral	\$9,685,528	\$9,189,973	(\$495,555)
(39)	Total	\$9,865,856	\$9,587,477	(\$278,379)

¹Docket 5165, Schedule RMS-10S, Pages 1 and 7-8, and Schedule RMS-15S, Page 1, filed on September 10, 2021.

- (1) See PRB-10, Page 1, Col (g), Line (9)
- (2) See PRB-10, Page 1, Col (g), Line (21)
- (3) See PRB-10, Page 1, Col (g), Line (33)
- (4) See PRB-10, Page 1, Col (g), Line (45)
- (5) See PRB-10, Page 2, Col (g), Line (57)
- (6) See PRB-10, Page 2, Col (g), Line (69)
- (7) See PRB-10, Page 2, Col (g), Line (81)
- (8) See PRB-10, Page 2, Col (g), Lines (93)
- (9) See PRB-10, Page 3, Col (g), Lines (105)
- (10) See PRB-10, Page 3, Col (g), Lines (114)
- (11) See PRB-10, Page 3, Col (g), Lines (126)
- (12) See PRB-10, Page 4, Col (g), Lines (150)
- (16) See PRB-10, Page 5, Col (g), Lines (18) and (36)
- (26) See PRB-10, Pages 6-9, Col (g), Lines (12), (24), (36), (48), (60), (72), (84), (96)
- (38) See PRB-10, Pages 10-12, Col (g), Lines (47), (59), (71), (83), (95), (107), (119), (131), (143), (155)
- (39) Net owed to Company, sum[Lines[(1):(12)] + Line (16) + Line (26) + Line (38)]

**THE NARRAGANSETT ELECTRIC COMPANY
d/b/a RHODE ISLAND ENERGY
R.I.P.U.C. DOCKET NO. 22-13-NG
DISTRIBUTION ADJUSTMENT CHARGE FILING
WITNESS: PETER R. BLAZUNAS**

Schedule PRB-10

Reconciliations for FY 21

The Narragansett Electric Company
d/b/a Rhode Island Energy
Non-Base Rate / Gas Year Reconciling Components (April 2021 - March 2022)

	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22
	30	31	30	31	31	30	31	30	31	31	28	31
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
(1) System Pressure Recon Adjust.												
(2) System Pressure Acct Beg. Balance Under/(Over) Recovery	\$1,303,356	\$696,082	\$309,062	\$100,852	(\$54,789)	(\$229,190)	(\$386,911)	(\$559,132)	(\$887,656)	\$606,527	\$1,761,549	\$2,671,125
(3) Actual Costs	\$5,414	\$20,574	\$20,574	\$20,574	\$20,574	\$20,574	\$20,574	\$20,574	\$20,574	\$2,102,104	\$2,083,120	\$2,034,875
(4) Ending Balance Under/(Over) Recovery	\$613,717	\$408,128	\$228,994	\$176,240	\$194,825	\$177,979	\$192,294	\$192,294	\$192,294	\$806,958	\$1,175,668	\$888,518
(5) Average Monthly Balance Under/(Over) Recovery	\$999,206	\$502,505	\$204,852	\$23,020	(\$141,914)	(\$307,892)	(\$472,700)	(\$723,023)	(\$140,490)	\$1,183,410	\$2,215,275	\$3,244,304
(6) BK America Rate less 200 Basis Points	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.37%
(7) Interest Applied	\$1,027	\$533	\$210	\$24	(\$151)	(\$316)	(\$502)	(\$743)	(\$149)	\$1,256	\$2,124	\$3,778
(8) Sys Pressure End Balance Under/(Over) Recovery	\$696,082	\$309,062	\$100,852	(\$54,789)	(\$229,190)	(\$386,911)	(\$559,132)	(\$887,656)	\$606,527	\$1,761,549	\$2,671,125	\$3,821,260
(9) Advanced Gas Technology												
(10) AGT Acct Beg. Balance Under/(Over) Recovery	(\$311,737)	(\$244,294)	(\$199,484)	(\$174,418)	(\$155,160)	(\$133,833)	(\$114,331)	(\$93,238)	\$25,717	\$28,159	\$28,405	\$28,713
(11) Transfer to 2021-2022 Recon Factor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,918	\$0	\$0	\$0	\$0
(12) AGT DAC True-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,320	\$0	\$0	\$0	\$0
(13) AGT Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(14) Subtotal	(\$311,737)	(\$244,294)	(\$199,484)	(\$174,418)	(\$155,160)	(\$133,833)	(\$114,331)	(\$93,238)	\$25,717	\$28,159	\$28,405	\$28,713
(15) Actual AGT Revenue	(\$67,729)	(\$45,045)	(\$25,258)	(\$21,481)	(\$19,433)	(\$19,629)	(\$21,203)	(\$25,704)	(\$2,413)	(\$217)	(\$280)	\$15
(16) Ending AGT Balance Under/(Over) Recovery	(\$244,008)	(\$199,249)	(\$174,226)	(\$152,937)	(\$135,727)	(\$114,204)	(\$93,128)	(\$71,835)	(\$2,826)	(\$283)	(\$208)	\$15
(17) Average Monthly Balance Under/(Over) Recovery	(\$277,873)	(\$221,771)	(\$186,855)	(\$164,702)	(\$144,420)	(\$124,018)	(\$103,729)	(\$78,852)	(\$2,924)	(\$286)	(\$254)	\$28,706
(18) BK America Rate less 200 Basis Points	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.37%
(19) Interest Applied	(\$285)	(\$233)	(\$192)	(\$172)	(\$153)	(\$127)	(\$102)	(\$73)	(\$29)	\$30	\$27	\$33
(20) AGT End Balance Under/(Over) Recovery	(\$244,294)	(\$199,484)	(\$174,418)	(\$155,160)	(\$133,833)	(\$114,331)	(\$93,238)	(\$71,835)	(\$2,826)	(\$283)	(\$208)	\$28,732
(21) Environmental Recon. Adjust - DAC												
(22) Environmental Acct Beg. Balance Under/(Over) Recovery	\$346,240	\$250,894	\$187,373	\$152,009	\$124,920	\$94,818	\$67,397	\$37,652	\$606,274	\$527,375	\$435,820	\$322,035
(23) Transfer to 2021-2022 Recon Factor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$28,282)	\$0	\$0	\$0	\$0
(24) Environmental DAC True-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$9,370)	\$0	\$0	\$0	\$0
(25) Environmental Response Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$653,054	\$0	\$0	\$0	\$0
(26) Subtotal	\$346,240	\$250,894	\$187,373	\$152,009	\$124,920	\$94,818	\$67,397	\$653,054	\$606,274	\$527,375	\$435,820	\$322,035
(27) Actual Environmental Revenue	\$95,653	\$63,753	\$35,538	\$27,236	\$30,219	\$27,504	\$29,801	\$47,427	\$79,500	\$92,066	\$114,148	\$86,147
(28) Ending Environmental Balance Under/(Over) Recovery	\$250,587	\$187,141	\$151,835	\$124,773	\$94,701	\$67,314	\$37,596	\$605,627	\$526,774	\$435,309	\$321,672	\$235,888
(29) Average Monthly Balance Under/(Over) Recovery	\$298,414	\$219,017	\$169,604	\$138,391	\$109,811	\$81,066	\$52,497	\$629,341	\$566,524	\$481,342	\$378,746	\$278,962
(30) BK America Rate less 200 Basis Points	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.37%
(31) Interest Applied	\$307	\$233	\$174	\$147	\$117	\$83	\$56	\$647	\$601	\$511	\$363	\$325
(32) Environmental Recon End Balance Under/(Over) Recovery	\$250,894	\$187,373	\$152,009	\$124,920	\$94,818	\$67,397	\$37,652	\$606,274	\$527,375	\$435,820	\$322,035	\$236,213
(33) AMAF Adjustment - DAC												
(34) AMAF Acct Beg. Balance Under/(Over) Recovery	\$229,389	\$169,820	\$130,199	\$108,059	\$91,046	\$72,161	\$54,940	\$36,286	\$176,976	\$151,241	\$122,519	\$86,824
(35) Transfer to 2021-2022 Recon Factor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$5,598)	\$0	\$0	\$0	\$0
(36) AMAF DAC True-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$202,940	\$0	\$0	\$0	\$0
(37) AMAF Adjustment Cost	\$229,389	\$169,820	\$130,199	\$108,059	\$91,046	\$72,161	\$54,940	\$202,940	\$176,976	\$151,241	\$122,519	\$86,824
(38) Subtotal	\$59,774	\$39,780	\$22,262	\$17,119	\$18,971	\$17,287	\$18,702	\$26,159	\$25,909	\$28,867	\$35,795	\$26,917
(39) Actual AMAF Revenue	\$169,615	\$130,040	\$107,937	\$90,940	\$72,075	\$54,874	\$36,238	\$176,781	\$151,067	\$122,574	\$86,724	\$59,907
(40) Ending AMAF Balance Under/(Over) Recovery	\$199,502	\$149,930	\$119,068	\$99,500	\$81,560	\$63,518	\$45,589	\$189,860	\$164,021	\$136,807	\$104,622	\$73,366
(41) Average Monthly Balance Under/(Over) Recovery	\$205	\$159	\$122	\$106	\$87	\$65	\$48	\$195	\$174	\$145	\$100	\$85
(42) BK America Rate less 200 Basis Points	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.37%
(43) Interest Applied	\$205	\$159	\$122	\$106	\$87	\$65	\$48	\$195	\$174	\$145	\$100	\$85
(44) AMAF Recon End Balance Under/(Over) Recovery	\$169,820	\$130,199	\$108,059	\$91,046	\$72,161	\$54,940	\$36,286	\$176,976	\$151,241	\$122,519	\$86,824	\$59,907

(2) Docket 5165, Schedule RMS-10S, Page 2, Ln (2)
(3) Docket 5165, Schedule RMS-10S, Page 2, Ln (3)
(4) Docket 5165, Schedule RMS-10S, Page 2, Ln (4)
(11) Docket 5165, Schedule RMS-11, Page 1, Ln (21)
(12) PRB-9, Page 11, Line (2), Column (e)
(13) PRB-9, Page 11, Line (2), Column (e)
(14) Docket 5165, Schedule RMS-1 Second Supplemental, Page 1, Line (2)
(16) Docket 5165, Schedule RMS-10S, Page 2, Ln (12)
(23) Docket 5165, Schedule RMS-11, Page 1, Ln (33)
(24) PRB-9, Page 11, Line (3), Column (e)
(25) PRB-9, Page 11, Line (3), Column (e)
(26) Docket 5165, Schedule RMS-1 Second Supplemental, Page 1, Line (3)
(28) Docket 5165, Schedule RMS-10S, Page 2, Line (20)
(35) Docket 5165, Schedule RMS-11, Page 1, Line (45)
(36) PRB-9, Page 11, Line (4), Column (a)
(37) PRB-9, Page 11, Line (4), Column (c)
(38) Docket 5165, Schedule RMS-1 Second Supplemental, Page 1, Line (5)
(40) Docket 5165, Schedule RMS-10S, Page 2, Line (28)

The Narragansett Electric Company
d/b/a Rhode Island Energy
Non-Base Rate / Gas Year Reconciling Components (April 2021 - March 2022)

	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22
	30	31	30	31	31	30	31	30	31	31	28	31
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
(46) Reconciliation Factor (Applicable to all) - DAC												
(47) Recon Factor Acct Beg. Balance Under/(Over) Recovery	\$100,489	\$86,477	\$78,263	\$73,774	\$70,916	\$67,712	\$65,145	\$61,794	\$62,497	\$576,998	\$512,737	\$431,978
(48) Transfer to 2021-2022 Recon Factor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$50,925)	\$0	\$0	\$0	\$0
(49) Reconciliation (All) DAC True-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$10,869)	\$0	\$0	\$0	\$0
(50) Reconciliation (All) Factor Balance Under/(Over) Recovery	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$637,158	\$0	\$0	\$0	\$0
(51) Subtotal	\$100,489	\$86,477	\$78,263	\$73,774	\$70,916	\$67,712	\$65,145	\$637,158	\$62,497	\$576,998	\$512,737	\$431,978
(52) Actual Recon Revenue	\$14,108	\$8,301	\$4,568	\$2,934	\$3,278	\$2,635	\$3,418	\$12,898	\$48,547	\$64,839	\$81,212	\$61,909
(53) Ending Recon Balance Under/(Over) Recovery	\$86,381	\$78,176	\$73,695	\$70,840	\$67,638	\$65,077	\$61,727	\$62,460	\$576,360	\$512,159	\$431,523	\$370,069
(54) Average Monthly Balance Under/(Over) Recovery	\$93,435	\$82,327	\$75,979	\$72,307	\$69,277	\$66,394	\$63,436	\$63,709	\$600,634	\$544,579	\$472,131	\$401,024
(55) BK America Rate less 200 Basis Points	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.37%
(56) Interest Applied	\$96	\$87	\$78	\$77	\$74	\$68	\$67	\$64	\$63	\$57	\$45	\$47
(57) Reconciliation End Balance Under/(Over) Recovery	\$86,477	\$78,263	\$73,774	\$70,916	\$67,712	\$65,145	\$61,794	\$62,497	\$576,998	\$512,737	\$431,978	\$370,536
(58) Reconciliation Factor (L & XL) - DAC												
(59) Recon Factor Acct Beg. Balance Under/(Over) Recovery	(\$169,468)	(\$149,180)	(\$131,914)	(\$121,783)	(\$112,273)	(\$101,375)	(\$90,526)	(\$80,532)	(\$55,257)	(\$51,588)	(\$67,134)	(\$85,832)
(60) Transfer to 2021-2022 Recon Factor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$81,031	\$0	\$0	\$0	\$0
(61) Reconciliation (L & XL) DAC True-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$499)	\$0	\$0	\$0	\$0
(62) Reconciliation (L & XL) Factor Balance Under/(Over) Recovery	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$47,221)	\$0	\$0	\$0	\$0
(63) Subtotal	(\$169,468)	(\$149,180)	(\$131,914)	(\$121,783)	(\$112,273)	(\$101,375)	(\$90,526)	(\$80,532)	(\$55,257)	(\$51,588)	(\$67,134)	(\$85,832)
(64) Actual Recon Revenue (L & XL)	(\$20,451)	(\$17,415)	(\$10,262)	(\$9,634)	(\$11,011)	(\$10,948)	(\$10,084)	(\$12,006)	\$16,285	\$15,483	\$18,624	\$13,797
(65) Ending Recon Balance Under/(Over) Recovery	(\$149,017)	(\$131,765)	(\$121,652)	(\$112,149)	(\$101,262)	(\$90,427)	(\$80,442)	(\$68,536)	(\$39,972)	(\$36,101)	(\$48,508)	(\$72,035)
(66) Average Monthly Balance Under/(Over) Recovery	(\$159,242)	(\$140,473)	(\$126,783)	(\$116,966)	(\$106,763)	(\$95,901)	(\$85,484)	(\$74,118)	(\$43,400)	(\$39,330)	(\$46,446)	(\$69,629)
(67) BK America Rate less 200 Basis Points	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.37%
(68) Interest Applied	(\$164)	(\$149)	(\$130)	(\$124)	(\$113)	(\$99)	(\$91)	(\$42)	(\$46)	(\$63)	(\$73)	(\$108)
(69) Reconciliation End Balance Under/(Over) Recovery	(\$149,180)	(\$131,914)	(\$121,783)	(\$112,273)	(\$101,375)	(\$90,526)	(\$80,532)	(\$68,536)	(\$39,972)	(\$36,101)	(\$46,446)	(\$69,737)
(70) Pension Adjustment												
(71) Pen Acct Beg. Balance Under/(Over) Recovery	\$24,138	\$24,932	\$22,994	\$25,998	\$26,996	\$27,079	\$27,345	\$27,304	\$3,532,322	\$3,099,696	\$2,589,494	\$1,954,783
(72) Transfer to 2021-2022 Recon Factor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$27,081)	\$0	\$0	\$0	\$0
(73) Pension DAC True-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$223)	\$0	\$0	\$0	\$0
(74) Subtotal	\$24,138	\$24,932	\$22,994	\$25,998	\$26,996	\$27,079	\$27,345	\$27,304	\$3,532,322	\$3,099,696	\$2,589,494	\$1,954,783
(75) Actual Pension Revenue	(\$769)	\$1,963	(\$2,978)	(\$970)	(\$55)	(\$238)	\$70	\$89,024	\$436,144	\$513,221	\$636,888	\$476,232
(76) Ending Recon Balance Under/(Over) Recovery	\$24,907	\$22,969	\$25,972	\$26,968	\$27,051	\$27,317	\$27,275	\$3,528,651	\$3,096,178	\$2,586,475	\$1,952,606	\$1,478,551
(77) Average Monthly Balance Under/(Over) Recovery	\$24,522	\$23,950	\$24,483	\$26,483	\$27,023	\$27,198	\$27,310	\$3,573,163	\$3,314,250	\$2,843,086	\$2,271,050	\$1,716,667
(78) BK America Rate less 200 Basis Points	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.37%
(79) Interest Applied	\$25	\$25	\$25	\$28	\$29	\$28	\$29	\$32	\$319	\$301.8	\$217.8	\$199.9
(80) Pension Adjustment End Balance Under/(Over) Recovery	\$24,932	\$22,994	\$25,998	\$26,996	\$27,079	\$27,345	\$27,304	\$3,532,322	\$3,099,696	\$2,589,494	\$1,954,783	\$1,480,550
(81) PROF Adjustment												
(82) PROF Acct Beg. Balance Under/(Over) Recovery	\$421,233	\$333,219	\$277,482	\$242,079	\$216,157	\$188,559	\$163,102	\$135,899	\$945,155	\$846,478	\$717,834	\$558,670
(83) Transfer to 2021-2022 Recon Factor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$127,892)	\$0	\$0	\$0	\$0
(84) PROF DAC True-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$8,007)	\$0	\$0	\$0	\$0
(85) Subtotal	\$421,233	\$333,219	\$277,482	\$242,079	\$216,157	\$188,559	\$163,102	\$135,899	\$945,155	\$846,478	\$717,834	\$558,670
(86) Actual PROF Revenue	\$88,402	\$56,061	\$35,669	\$26,166	\$27,812	\$25,627	\$22,321	\$22,321	\$99,627	\$129,474	\$159,776	\$126,963
(87) Ending Recon Balance Under/(Over) Recovery	\$332,831	\$277,158	\$241,813	\$215,913	\$188,345	\$162,921	\$135,781	\$944,173	\$845,528	\$717,004	\$558,058	\$431,707
(88) Average Monthly Balance Under/(Over) Recovery	\$377,032	\$305,188	\$259,647	\$228,996	\$202,251	\$175,740	\$149,421	\$95,534	\$895,341	\$781,741	\$637,946	\$495,188
(89) BK America Rate less 200 Basis Points	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.37%
(90) Interest Applied	\$387	\$324	\$267	\$243	\$215	\$181	\$159	\$982	\$951	\$830	\$612	\$577
(91) PROF Adjustment End Balance Under/(Over) Recovery	\$333,219	\$277,482	\$242,079	\$216,157	\$188,559	\$163,102	\$135,899	\$945,155	\$846,478	\$717,834	\$558,670	\$432,283

(71) Docket 5165, Schedule RMS-11, Page 2, Line (81)
(72) PRB-9, Page 11, Line (7), Column (a)
(73) PRB-9, Page 11, Line (7), Column (c)
(74) Docket 5165, Schedule RMS-5, Page 1, Line (1)
(75) Docket 5165, Schedule RMS-10S, Page 3, Line (52)
(76) Docket 5165, Schedule RMS-11, Page 2, Line (93)
(77) Docket 5165, Schedule RMS-11, Page 2, Line (93)
(78) PRB-9, Page 11, Line (8), Column (a)
(79) PRB-9, Page 11, Line (8), Column (c)
(80) Docket 5165, Schedule RMS-10S, Page 3, Line (44)

The Narragansett Electric Company
d/b/a Rhode Island Energy
Non-Base Rate / Gas Year Reconciling Components (April 2021 - March 2022)

	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22
	30	31	30	31	31	30	31	30	31	31	28	31
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
94 Earnings Sharing Mechanism												
(95) ESM Acct Beg. Balance Under/(Over) Recovery	(\$201,692)	(\$158,054)	(\$129,058)	(\$112,861)	(\$100,433)	(\$86,669)	(\$74,088)	(\$60,475)	\$16,626	\$18,201	\$18,360	\$18,559
(96) Transfer to 2021-2022 Recon Factor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$56,276	\$0	\$0	\$0	\$0
(97) ESM DAC True-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,200	\$0	\$0	\$0	\$0
(98) ESM Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(99) Subtotal	(\$201,692)	(\$158,054)	(\$129,058)	(\$112,861)	(\$100,433)	(\$86,669)	(\$74,088)	(\$60,475)	\$16,626	\$18,201	\$18,360	\$18,559
(100) Actual ESM Revenue	(\$43,823)	(\$29,148)	(\$16,321)	(\$12,541)	(\$13,864)	(\$12,663)	(\$13,684)	(\$16,617)	(\$1,577)	(\$140)	(\$181)	\$10
(101) Ending ESM Balance Under/(Over) Recovery	(\$157,869)	(\$128,906)	(\$112,737)	(\$100,320)	(\$86,569)	(\$74,006)	(\$60,404)	(\$45,202)	(\$18,153)	(\$18,341)	(\$18,541)	(\$18,549)
(102) Average Monthly Balance Under/(Over) Recovery	(\$179,780)	(\$143,480)	(\$120,897)	(\$106,591)	(\$93,301)	(\$80,337)	(\$67,246)	(\$50,309)	\$17,404	\$18,451	\$18,554	\$18,554
(103) BK America Rate less 200 Basis Points	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.37%
(104) Interest Applied	(\$185)	(\$152)	(\$124)	(\$113)	(\$99)	(\$83)	(\$71)	\$9	\$18	\$19	\$18	\$22
(105) ESM Adjustment End Balance Under/(Over) Recovery	(\$158,054)	(\$129,058)	(\$112,861)	(\$100,433)	(\$86,669)	(\$74,088)	(\$60,475)	\$16,626	\$18,201	\$18,360	\$18,559	\$18,571
(106) Low Income Discount Recovery Adjustment												
(107) LIDRF Acct Beg. Balance Under/(Over) Recovery	\$186,949	\$232,937	\$238,416	\$281,481	\$335,972	\$380,333	\$416,706	\$0	\$99,530	\$173,979	\$340,647	\$606,041
(108) Actual Discount Credits Applied (cost)	\$660,098	\$417,044	\$272,815	\$231,063	\$240,866	\$215,399	\$251,846	\$451,111	\$913,533	\$1,149,985	\$1,481,570	\$1,171,583
(109) Actual LIDRF Revenue	\$614,326	\$411,815	\$230,017	\$176,900	\$196,885	\$179,435	\$193,333	\$351,632	\$839,230	\$983,590	\$1,216,650	\$919,136
(110) Ending LIDRF Balance	\$232,721	\$238,166	\$281,214	\$335,645	\$379,933	\$416,296	\$475,219	\$99,479	\$173,834	\$340,374	\$605,387	\$858,487
(111) Average Monthly Balance	\$209,835	\$235,551	\$259,815	\$308,563	\$357,962	\$398,315	\$445,962	\$49,740	\$136,682	\$257,176	\$473,117	\$732,264
(112) BK America Rate less 200 Basis Points	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.37%
(113) Interest Applied	\$216	\$250	\$267	\$328	\$380	\$409	\$473	\$51	\$145	\$273	\$454	\$853
(114) LIDRF End Balance Under/(Over) Recovery	\$232,937	\$238,416	\$281,481	\$335,972	\$380,333	\$416,706	\$475,219	\$99,530	\$173,979	\$340,647	\$606,041	\$859,340
(115) Service Quality Penalty Adjustment												
(116) SQI Acct Beg. Balance Under/(Over) Recovery	(\$222,979)	(\$171,391)	(\$137,126)	(\$117,950)	(\$103,212)	(\$86,886)	(\$71,965)	(\$55,821)	(\$54,725)	(\$48,180)	(\$42,346)	(\$35,090)
(117) Transfer to 2021-2022 Recon Factor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(118) SQI DAC True-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,844	\$0	\$0	\$0	\$0
(119) Service Quality Penalty Cost	(\$222,979)	(\$171,391)	(\$137,126)	(\$117,950)	(\$103,212)	(\$86,886)	(\$71,965)	(\$55,821)	(\$54,725)	(\$48,180)	(\$42,346)	(\$35,090)
(120) Subtotal	(\$51,791)	(\$34,429)	(\$19,307)	(\$14,855)	(\$16,427)	(\$15,002)	(\$16,212)	(\$20,342)	(\$6,599)	(\$5,882)	(\$7,293)	(\$5,353)
(121) Actual SQI Revenue	(\$171,188)	(\$136,962)	(\$117,819)	(\$103,095)	(\$86,785)	(\$71,884)	(\$53,753)	(\$34,658)	(\$48,126)	(\$42,298)	(\$35,053)	(\$29,737)
(122) Ending SQI Balance Under/(Over) Recovery	(\$197,084)	(\$154,176)	(\$127,472)	(\$110,522)	(\$94,998)	(\$79,385)	(\$63,859)	(\$48,829)	(\$31,425)	(\$25,239)	(\$18,700)	(\$12,414)
(123) Average Monthly Balance Under/(Over) Recovery	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.37%
(124) BK America Rate less 200 Basis Points	(\$202)	(\$164)	(\$131)	(\$117)	(\$101)	(\$82)	(\$68)	(\$67)	(\$55)	(\$48)	(\$37)	(\$38)
(125) Interest Applied	(\$171,391)	(\$137,126)	(\$117,950)	(\$103,212)	(\$86,886)	(\$71,965)	(\$55,821)	(\$48,180)	(\$42,346)	(\$35,090)	(\$29,775)	(\$22,775)
(126) SQI Recon End Balance Under/(Over) Recovery	\$141,536	\$141,682	\$141,832	\$141,978	\$142,129	\$142,280	\$142,426	\$142,577	\$0	\$0	\$0	\$0
(127) TCF Acct Beg. Balance Under/(Over) Recovery	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(128) TCF Acct Beg. Balance Under/(Over) Recovery	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(129) Transfer to 2021-2022 Recon Factor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(130) TCF DAC True-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(131) Tax Credit Cost	\$141,536	\$141,682	\$141,832	\$141,978	\$142,129	\$142,280	\$142,426	\$142,577	\$0	\$0	\$0	\$0
(132) Subtotal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(133) Actual TCF Revenue	\$141,536	\$141,682	\$141,832	\$141,978	\$142,129	\$142,280	\$142,426	\$142,577	\$0	\$0	\$0	\$0
(134) Ending TCF Balance Under/(Over) Recovery	\$141,536	\$141,682	\$141,832	\$141,978	\$142,129	\$142,280	\$142,426	\$142,577	\$0	\$0	\$0	\$0
(135) Average Monthly Balance Under/(Over) Recovery	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.37%
(136) BK America Rate less 200 Basis Points	\$145	\$150	\$146	\$151	\$151	\$146	\$151	\$151	\$0	\$0	\$0	\$0
(137) Interest Applied	\$141,682	\$141,832	\$141,978	\$142,129	\$142,280	\$142,426	\$142,577	\$0	\$0	\$0	\$0	\$0
(138) TCF Recon End Balance Under/(Over) Recovery	\$141,682	\$141,832	\$141,978	\$142,129	\$142,280	\$142,426	\$142,577	\$0	\$0	\$0	\$0	\$0

(95) Docket 5165, Schedule RMS-11, Page 3, Line (105)
(96) PRB-9, Page 11, Line (9), Column (a)
(97) PRB-9, Page 11, Line (9), Column (c)
(98) Docket 5165, Schedule RMS-1 Second Supplemental, Page 1, Line (8)
(99) Docket 5165, Schedule RMS-10S, Page 3, Line (68)
(100) Docket 5165, Schedule RMS-11, Page 3, Line (114)
(101) Docket 5165, Schedule RMS-10S, Page 3, Line (76)
(102) Docket 5165, Schedule RMS-10S, Page 3, Line (77)
(103) Docket 5165, Schedule RMS-11, Page 3, Line (126)
(104) PRB-9, Page 11, Line (11), Column (a)
(105) PRB-9, Page 11, Line (11), Column (c)
(106) Docket 5165, Schedule RMS-9, Page 1, Line (1)
(107) Docket 5165, Schedule RMS-10S, Page 3, Line (85)
(108) Docket 5165, Schedule RMS-11, Page 3, Line (138)
(109) Docket 5165, Schedule RMS-10S, Page 3, Line (93)

The Narragansett Electric Company
d/b/a Rhode Island Energy
RDA Reconciliation (April 2021 - March 2022)

	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Total
	30	31	30	31	31	30	31	30	31	31	28	31	(m)
Actual Firm Throughput - dekatherms	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
(1) Res-NH	36,159	24,576	18,932	13,305	12,634	11,652	14,023	18,495	30,292	37,703	46,245	37,582	301,598
(2) Res-H	1,982,673	1,147,582	633,186	408,710	408,161	377,664	448,953	977,425	2,308,628	3,059,796	3,819,760	2,899,485	18,472,023
(3) Small	244,067	125,771	62,003	36,829	66,509	23,109	43,844	102,525	280,309	412,164	541,183	406,360	2,344,671
(4) Medium	578,137	350,108	206,197	144,908	166,172	126,371	185,796	289,286	665,462	813,488	1,009,638	777,094	5,312,657
(5) Total	2,841,037	1,648,037	920,318	603,752	653,475	538,795	692,615	1,387,731	3,284,691	4,323,152	5,416,825	4,120,520	26,430,949
(6) RDM Reconciliation	\$1,610,051	\$1,416,379	\$1,304,468	\$1,243,156	\$1,199,783	\$1,157,061	\$1,117,998	\$1,072,144	(\$28,573)	(\$29,343)	(\$29,587)	(\$30,023)	
(7) RDM Acct Beg. Balance Under/(Over) Recovery	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
(8) Transfer to 2020-2021 Recon Factor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$26,429)	\$0	\$0	\$0	\$0	
(9) RDM DAC True-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$28,178)	\$0	\$0	\$0	\$0	
(10) RDM Balance November 2021	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$207)	\$0	\$0	\$0	\$0	
(11) Interest on RDM Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
(12) Subtotal	\$1,610,051	\$1,416,379	\$1,304,468	\$1,243,156	\$1,199,783	\$1,157,061	\$1,117,998	(\$28,385)	(\$28,573)	(\$29,343)	(\$29,587)	(\$30,023)	
(13) Actual RDM Revenue	\$195,226	\$113,354	\$62,619	\$44,670	\$43,972	\$40,231	\$47,015	\$159	\$739	\$212	\$407	(\$263)	
(14) Ending RDM Balance Under/(Over) Recovery	\$1,414,825	\$1,303,024	\$1,241,848	\$1,198,487	\$1,155,811	\$1,116,830	\$1,070,982	(\$28,544)	(\$29,313)	(\$29,556)	(\$29,994)	(\$29,759)	
(15) Average Monthly Balance Under/(Over) Recovery	\$1,512,438	\$1,359,701	\$1,273,158	\$1,220,822	\$1,177,797	\$1,136,945	\$1,094,490	(\$28,464)	(\$28,943)	(\$29,449)	(\$29,790)	(\$29,891)	
(16) Bk America Rate less 200 Basis Points	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.37%	
(17) Interest Applied	\$1,554	\$1,444	\$1,308	\$1,296	\$1,250	\$1,168	\$1,162	(\$29)	(\$31)	(\$31)	(\$29)	(\$35)	\$9,027
(18) RDM Recon End Balance Under/(Over) Recovery	\$1,416,379	\$1,304,468	\$1,243,156	\$1,199,783	\$1,157,061	\$1,117,998	\$1,072,144	(\$28,573)	(\$29,343)	(\$29,587)	(\$30,023)	(\$29,794)	
(19) RDM Revenue per rate class													
(20) Res-NH	\$2,485	\$1,690	\$1,288	\$984	\$850	\$870	\$952	\$2	\$7	\$2	\$3	(\$2)	\$9,132
(21) Res-H	\$136,242	\$78,932	\$43,083	\$30,239	\$27,465	\$28,200	\$30,475	\$112	\$520	\$150	\$287	(\$185)	\$375,521
(22) Small	\$16,771	\$8,651	\$4,219	\$2,725	\$4,475	\$1,726	\$2,976	\$12	\$63	\$20	\$41	(\$26)	\$41,653
(23) Medium	\$39,728	\$24,081	\$14,030	\$10,721	\$11,182	\$9,436	\$12,612	\$33	\$150	\$40	\$76	(\$50)	\$122,038
(24) Total	\$195,226	\$113,354	\$62,619	\$44,670	\$43,972	\$40,231	\$47,015	\$159	\$739	\$212	\$407	(\$263)	\$348,343
(25) RDM Recon Adjustment													
(26) RDM Recon Acct Beg. Balance Under/(Over) Recovery	(\$790,761)	(\$695,165)	(\$640,103)	(\$609,623)	(\$588,080)	(\$567,030)	(\$547,500)	(\$525,117)	\$496,138	\$436,295	\$359,054	\$262,183	
(27) Transfer to 2020-2021 Recon Factor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,152	\$0	\$0	\$0	\$0	
(28) RDM DAC True-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,964	\$0	\$0	\$0	\$0	
(29) RDM Balance November 2021	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$533,563	\$0	\$0	\$0	\$0	
(30) Subtotal	(\$790,761)	(\$695,165)	(\$640,103)	(\$609,623)	(\$588,080)	(\$567,030)	(\$547,500)	(\$525,117)	\$496,138	\$436,295	\$359,054	\$262,183	
(31) Actual RDM Recon Revenue	(\$96,359)	(\$55,771)	(\$31,121)	(\$22,179)	(\$21,663)	(\$20,102)	(\$22,952)	\$37,953	\$60,338	\$77,663	\$97,169	\$74,203	
(32) Ending RDM Recon Balance Under/(Over) Recovery	(\$694,402)	(\$639,394)	(\$608,982)	(\$587,444)	(\$566,417)	(\$546,928)	(\$524,548)	\$495,610	\$435,800	\$358,632	\$261,885	\$187,980	
(33) Average Monthly Balance Under/(Over) Recovery	(\$742,582)	(\$667,280)	(\$624,542)	(\$598,534)	(\$577,248)	(\$556,979)	(\$536,024)	\$514,586	\$465,969	\$397,463	\$310,469	\$225,081	
(34) Bk America Rate less 200 Basis Points	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.37%	
(35) Interest Applied	(\$763)	(\$708)	(\$642)	(\$635)	(\$613)	(\$572)	(\$569)	\$29	\$495	\$422	\$298	\$262	
(36) RDM Recon Adjustment End Balance Under/(Over) Recovery	(\$695,165)	(\$640,103)	(\$609,623)	(\$588,080)	(\$567,030)	(\$547,500)	(\$525,117)	\$496,138	\$436,295	\$359,054	\$262,183	\$188,242	

(7) Docket 5165, Schedule RMS-10S, Page 6, Line (7)
(8) PRB-9, Page 9, Line (14), Column (a)
(9) PRB-9, Page 9, Line (14), Column (c)
(10) Docket 5165, Schedule RMS-7, Page 13, Line (5)
(11) Monthly interest on balance calculated from April - October at Bk America rate less 200 basis points
(12) Col (h); Sum Lines [(7):(11)]
(13) Docket 5165, Schedule RMS-10S, Page 6, Line (8)
(14) Docket 5165, Schedule RMS-10S, Page 6, Line (21)
(15) PRB-9, Page 9, Line (15), Column (a)
(16) PRB-9, Page 9, Line (15), Column (c)
(17) Docket 5165, Schedule RMS-10S, Page 6, Line (28)
(18) Col (h); Sum Lines [(26):(29)]
(19) Docket 5165, Schedule RMS-10S, Page 6, Line (22)

The Narragansett Electric Company
d/b/a Rhode Island Energy
ISR Reconciliation (April 2021 – March 2022)

	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22
	30	31	30	31	31	30	31	30	31	31	28	31
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
(1) ISR Res-NH Acct Beg. Balance Under/(Over) Recovery	(\$7,837)	(\$7,983)	(\$8,086)	(\$8,181)	(\$8,230)	(\$8,255)	(\$8,294)	(\$8,346)	(\$8,533)	\$16,056	\$40,788	\$71,317
(2) ISR Recon DAC True-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$80)	\$0	\$0	\$0	\$0
(3) FY 2020 Recon	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$8,427)	\$0	\$0	\$0	\$0
(4) FY 2021 Recon	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$189,736)	\$0	\$0	\$0	\$0
(5) Interest Applied on FY21 balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,395)	\$0	\$0	\$0	\$0
(6) Total FY 2021 Recon	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$191,131)	\$0	\$0	\$0	\$0
(7) Actual Res-NH Revenue	\$139	\$94	\$87	\$40	\$16	\$31	\$44	(\$4,820)	(\$19,582)	(\$24,702)	(\$30,476)	(\$24,693)
(8) Ending Res-NH Balance Under/(Over) Recovery	(\$7,975)	(\$8,078)	(\$8,173)	(\$8,221)	(\$8,246)	(\$8,285)	(\$8,338)	(\$8,527)	\$16,049	\$40,758	\$71,263	\$96,010
(9) Average Monthly Balance Under/(Over) Recovery	(\$7,906)	(\$8,031)	(\$8,130)	(\$8,201)	(\$8,238)	(\$8,270)	(\$8,316)	(\$8,937)	\$6,258	\$28,407	\$56,026	\$83,663
(10) Bk America Rate less 200 Basis Points	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.37%
(11) Interest Applied	(\$8)	(\$9)	(\$8)	(\$9)	(\$9)	(\$8)	(\$9)	(\$6)	\$7	\$30	\$54	\$97
(12) ISR Res-NH Recon End Balance Under/(Over) Recovery	(\$7,983)	(\$8,086)	(\$8,181)	(\$8,230)	(\$8,255)	(\$8,294)	(\$8,346)	(\$8,533)	\$16,056	\$40,788	\$71,317	\$96,107
(13) ISR Res-H Acct Beg. Balance Under/(Over) Recovery	(\$22,294)	(\$36,277)	(\$44,401)	(\$48,965)	(\$51,961)	(\$54,943)	(\$57,720)	(\$60,989)	(\$4,056,914)	(\$3,603,577)	(\$2,986,685)	(\$2,214,728)
(14) ISR Recon DAC True-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,705)	\$0	\$0	\$0	\$0
(15) FY 2020 Recon	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$62,694)	\$0	\$0	\$0	\$0
(16) FY 2021 Recon	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$4,044,981)	\$0	\$0	\$0	\$0
(17) Interest Applied on FY21 balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$29,738)	\$0	\$0	\$0	\$0
(18) Total FY 2021 Recon	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$4,074,719)	\$0	\$0	\$0	\$0
(19) Actual Res-H Revenue	\$13,953	\$8,081	\$4,516	\$2,943	\$2,925	\$2,719	\$3,205	(\$84,674)	(\$457,401)	(\$620,389)	(\$774,449)	(\$588,126)
(20) Ending Res-H Balance Under/(Over) Recovery	(\$36,247)	(\$44,358)	(\$48,917)	(\$51,908)	(\$54,886)	(\$57,662)	(\$60,926)	(\$4,052,739)	(\$3,599,513)	(\$2,983,188)	(\$2,212,235)	(\$1,626,602)
(21) Average Monthly Balance Under/(Over) Recovery	(\$29,271)	(\$40,318)	(\$46,659)	(\$50,436)	(\$53,424)	(\$56,303)	(\$59,323)	(\$4,063,729)	(\$3,828,213)	(\$3,293,383)	(\$2,599,460)	(\$1,920,665)
(22) Bk America Rate less 200 Basis Points	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.37%
(23) Interest Applied	(\$30)	(\$43)	(\$48)	(\$54)	(\$57)	(\$58)	(\$63)	(\$4,175)	(\$4,064)	(\$3,496)	(\$2,493)	(\$2,236)
(24) ISR Res-H Recon End Balance Under/(Over) Recovery	(\$36,277)	(\$44,401)	(\$48,965)	(\$51,961)	(\$54,943)	(\$57,720)	(\$60,989)	(\$4,056,914)	(\$3,603,577)	(\$2,986,685)	(\$2,214,728)	(\$1,628,839)

- (1) Docket 5165, Schedule RMS-10S, Page 7, Line (18)
- (2) PRB-9, Pg 11, Line (18), Column (c)
- (3) PRB-9, Pg 11, Line (18), Column (a)
- (4) Docket 5165, Schedule RMS-8S, Page 1, Line (3)
- (5) Apr21-Oct21 @ BOA Rate less 200 Basis Points
- (6) Line (4) + Line (5)
- (13) Docket 5165, Schedule RMS-10S, Page 6, Line (27)
- (14) PRB-9, Pg 11, Line (19), Column (c)
- (15) PRB-9, Pg 11, Line (19), Column (a)
- (16) Docket 5165, Schedule RMS-8S, Page 1, Line (4)
- (17) Apr21-Oct21 @ BOA Rate less 200 Basis Points
- (18) Line (16) + Line (17)

The Narragansett Electric Company
d/b/a Rhode Island Energy
ISR Reconciliation (April 2021 – March 2022)

	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22
	30	31	30	31	31	30	31	30	31	31	28	31
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
(49) ISR Large LL Act Beg. Balance Under/(Over) Recovery	(\$20,372)	(\$15,743)	(\$12,831)	(\$11,996)	(\$11,926)	(\$11,110)	(\$10,482)	(\$10,207)	(\$355,613)	(\$302,797)	(\$242,858)	(\$163,681)
(50) ISR Recon DAC True-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$974	\$0	\$0	\$0	\$0
(51) FY 2020 Recon	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$9,232)	\$0	\$0	\$0	\$0
(52) FY 2021 Recon	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$352,026)	\$0	\$0	\$0	\$0
(53) Interest Applied on FY21 balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$2,588)	\$0	\$0	\$0	\$0
(54) Total FY 2021 Recon	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$354,614)	\$0	\$0	\$0	\$0
(55) Actual Large LL Revenue	(\$4,647)	(\$2,927)	(\$848)	(\$83)	(\$828)	(\$639)	(\$287)	(\$8,598)	(\$53,166)	(\$60,228)	(\$79,371)	(\$56,056)
(56) Ending Large LL Balance Under/(Over) Recovery	(\$15,725)	(\$12,816)	(\$11,983)	(\$11,913)	(\$11,098)	(\$10,471)	(\$10,196)	(\$355,248)	(\$302,447)	(\$242,568)	(\$163,486)	(\$107,626)
(57) Average Monthly Balance Under/(Over) Recovery	(\$18,048)	(\$14,280)	(\$12,407)	(\$11,954)	(\$11,512)	(\$10,791)	(\$10,339)	(\$354,931)	(\$329,030)	(\$272,682)	(\$203,172)	(\$135,654)
(58) Bk America Rate less 200 Basis Points	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.37%
(59) Interest Applied	(\$19)	(\$15)	(\$13)	(\$13)	(\$12)	(\$11)	(\$11)	(\$365)	(\$349)	(\$289)	(\$195)	(\$158)
(60) ISR Large LL Recon End Balance Under/(Over) Recovery	(\$15,743)	(\$12,831)	(\$11,996)	(\$11,926)	(\$11,110)	(\$10,482)	(\$10,207)	(\$355,613)	(\$302,797)	(\$242,858)	(\$163,681)	(\$107,784)
(61) ISR Large HL Act Beg. Balance Under/(Over) Recovery	(\$25,931)	(\$20,856)	(\$16,185)	(\$12,209)	(\$9,169)	(\$5,050)	(\$2,276)	\$1,144	(\$47,609)	(\$41,466)	(\$36,144)	(\$29,253)
(62) ISR Recon DAC True-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$329	\$0	\$0	\$0	\$0
(63) FY 2020 Recon	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,473	\$0	\$0	\$0	\$0
(64) FY 2021 Recon	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$52,003)	\$0	\$0	\$0	\$0
(65) Interest Applied on FY21 balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$382)	\$0	\$0	\$0	\$0
(66) Total FY 2021 Recon	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$52,386)	\$0	\$0	\$0	\$0
(67) Actual Large HL Revenue	(\$5,099)	(\$4,690)	(\$3,900)	(\$3,052)	(\$4,126)	(\$2,778)	(\$3,421)	(\$3,355)	(\$6,191)	(\$5,363)	(\$6,922)	(\$5,411)
(68) Ending Large HL Balance Under/(Over) Recovery	(\$20,832)	(\$16,165)	(\$12,195)	(\$9,158)	(\$5,043)	(\$2,272)	\$1,145	(\$47,558)	(\$41,419)	(\$36,103)	(\$29,221)	(\$23,842)
(69) Average Monthly Balance Under/(Over) Recovery	(\$23,381)	(\$18,511)	(\$14,190)	(\$10,684)	(\$7,106)	(\$3,661)	(\$566)	(\$49,972)	(\$44,514)	(\$38,784)	(\$32,683)	(\$26,547)
(70) Bk America Rate less 200 Basis Points	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.37%
(71) Interest Applied	(\$24)	(\$20)	(\$15)	(\$11)	(\$8)	(\$4)	(\$1)	(\$51)	(\$47)	(\$41)	(\$31)	(\$31)
(72) ISR Large HL Recon End Balance Under/(Over) Recovery	(\$20,856)	(\$16,185)	(\$12,209)	(\$9,169)	(\$5,050)	(\$2,276)	\$1,144	(\$47,609)	(\$41,466)	(\$36,144)	(\$29,253)	(\$23,873)

(49) Docket 5165, Schedule RMS-10S, Page 8, Line (54)
(50) PRB-9, Pg 11, Line (22), Column (c)
(51) PRB-9, Pg 11, Line (22), Column (a)
(52) Docket 5165, Schedule RMS-8S, Page 1, Line (7)
(53) Apr21-Oct21 @ BOA Rate less 200 Basis Points
(54) Line (52) + Line (53)
(61) Docket 5165, Schedule RMS-10S, Page 8, Line (63)
(62) PRB-9, Pg 11, Line (23), Column (c)
(63) PRB-9, Pg 11, Line (23), Column (a)
(64) Docket 5165, Schedule RMS-8S, Page 1, Line (8)
(65) Apr21-Oct21 @ BOA Rate less 200 Basis Points
(66) Line (64) + Line (65)

The Narragansett Electric Company
d/b/a Rhode Island Energy
ISR Reconciliation (April 2021 – March 2022)

	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22
	30	31	30	31	31	30	31	30	31	31	28	31
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
(73) ISR XL LL Act Beg. Balance Under/(Over) Recovery	(\$8,803)	(\$8,300)	(\$7,939)	(\$8,003)	(\$8,031)	(\$7,950)	(\$7,877)	(\$7,763)	(\$52,652)	(\$40,127)	(\$29,720)	(\$15,376)
(74) ISR Recon DAC True-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$193	\$0	\$0	\$0	\$0
(75) FY 2020 Recon	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$7,570)	\$0	\$0	\$0	\$0
(76) FY 2021 Recon	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$45,114)	\$0	\$0	\$0	\$0
(77) Interest Applied on FY21 balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$332)	\$0	\$0	\$0	\$0
(78) Total FY 2021 Recon	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$45,446)	\$0	\$0	\$0	\$0
(79) Actual XL LL Revenue	(\$512)	(\$369)	\$55	\$20	(\$90)	(\$81)	(\$122)	(\$415)	(\$12,574)	(\$10,444)	(\$14,366)	(\$9,812)
(80) Ending XL LL Balance Under/(Over) Recovery	(\$8,291)	(\$7,931)	(\$7,995)	(\$8,023)	(\$7,941)	(\$7,869)	(\$7,755)	(\$52,601)	(\$40,078)	(\$29,683)	(\$15,354)	(\$5,563)
(81) Average Monthly Balance Under/(Over) Recovery	(\$8,547)	(\$8,115)	(\$7,967)	(\$8,013)	(\$7,986)	(\$7,909)	(\$7,816)	(\$49,023)	(\$46,365)	(\$34,905)	(\$22,537)	(\$10,469)
(82) Bk America Rate less 200 Basis Points	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.37%
(83) Interest Applied	(\$9)	(\$9)	(\$8)	(\$9)	(\$8)	(\$8)	(\$8)	(\$50)	(\$49)	(\$37)	(\$22)	(\$12)
(84) ISR XL LL Recon End Balance Under/(Over) Recovery	(\$8,300)	(\$7,939)	(\$8,003)	(\$8,031)	(\$7,950)	(\$7,877)	(\$7,763)	(\$52,652)	(\$40,127)	(\$29,720)	(\$15,376)	(\$5,576)
(85) ISR XL HL Act Beg. Balance Under/(Over) Recovery	(\$33,300)	(\$26,304)	(\$19,405)	(\$14,193)	(\$8,636)	(\$3,311)	\$2,506	\$7,748	(\$211,716)	(\$184,574)	(\$162,703)	(\$139,810)
(86) ISR Recon DAC True-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,775)	\$0	\$0	\$0	\$0
(87) FY 2020 Recon	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,974	\$0	\$0	\$0	\$0
(88) FY 2021 Recon	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$222,450)	\$0	\$0	\$0	\$0
(89) Interest Applied on FY21 balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,635)	\$0	\$0	\$0	\$0
(90) Total FY 2021 Recon	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$224,085)	\$0	\$0	\$0	\$0
(91) Actual XL HL Revenue	(\$7,026)	(\$6,923)	(\$5,229)	(\$5,570)	(\$5,331)	(\$5,817)	(\$5,237)	(\$6,619)	(\$27,352)	(\$22,056)	(\$23,037)	(\$17,978)
(92) Ending XL HL Balance Under/(Over) Recovery	(\$26,273)	(\$19,381)	(\$14,176)	(\$8,624)	(\$3,305)	\$2,506	\$7,743	(\$211,493)	(\$184,364)	(\$162,519)	(\$139,666)	(\$121,832)
(93) Average Monthly Balance Under/(Over) Recovery	(\$29,786)	(\$22,842)	(\$16,790)	(\$11,408)	(\$5,970)	(\$402)	\$5,124	(\$217,789)	(\$198,040)	(\$173,547)	(\$151,184)	(\$130,821)
(94) Bk America Rate less 200 Basis Points	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.37%
(95) Interest Applied	(\$31)	(\$24)	(\$17)	(\$12)	(\$6)	(\$0)	\$5	(\$224)	(\$210)	(\$184)	(\$145)	(\$152)
(96) ISR XL HL Recon End Balance Under/(Over) Recovery	(\$26,304)	(\$19,405)	(\$14,193)	(\$8,636)	(\$3,311)	\$2,506	\$7,748	(\$211,716)	(\$184,574)	(\$162,703)	(\$139,810)	(\$121,985)

(73) Docket 5165, Schedule RMS-10S, Page 8, Line (72)
(74) PRB-9, Pg 11, Line (24), Column (c)
(75) PRB-9, Pg 11, Line (24), Column (a)
(76) Docket 5165, Schedule RMS-8S, Page 1, Line (9)
(77) Apr21-Oct21 @ BOA Rate less 200 Basis Points
(78) Line (76) + Line (77)
(85) Docket 5165, Schedule RMS-10S, Page 8, Line (81)
(86) PRB-9, Pg 11, Line (25), Column (c)
(87) PRB-9, Pg 11, Line (25), Column (a)
(88) Docket 5165, Schedule RMS-8S, Page 1, Line (10)
(89) Apr21-Oct21 @ BOA Rate less 200 Basis Points
(90) Line (88) + Line (89)

The Narragansett Electric Company
d/b/a Rhode Island Energy
COVID Deferral

Line No.	COVID Deferral Factor %/deleatherm	Apr-21 Actual	May-21 Actual	Jun-21 Actual	Jul-21 Actual	Aug-21 Actual	Sep-21 Actual	Oct-21 Actual	Nov-21 Actual	Dec-21 Actual	Jan-22 Actual	Feb-22 Actual	Mar-22 Actual
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	Res-NH	(\$0,099)	(\$0,098)	(\$0,098)	(\$0,098)	(\$0,098)	(\$0,098)	(\$0,098)	(\$0,015)	\$0,107	\$0,110	\$0,111	\$0,110
2	Res-NH LI	(\$0,086)	(\$0,087)	(\$0,087)	(\$0,087)	(\$0,087)	(\$0,087)	(\$0,087)	\$0,001	\$0,120	\$0,121	\$0,122	\$0,122
3	Res-H	(\$0,296)	(\$0,296)	(\$0,296)	(\$0,296)	(\$0,296)	(\$0,296)	(\$0,296)	(\$0,039)	\$0,266	\$0,279	\$0,279	\$0,280
4	Res-H LI	(\$0,284)	(\$0,284)	(\$0,284)	(\$0,284)	(\$0,284)	(\$0,284)	(\$0,284)	(\$0,037)	\$0,266	\$0,272	\$0,273	\$0,272
5	Small	(\$0,301)	(\$0,299)	(\$0,301)	(\$0,332)	(\$0,297)	(\$0,295)	(\$0,301)	(\$0,031)	\$0,283	\$0,298	\$0,294	\$0,295
6	Medium	(\$0,343)	(\$0,340)	(\$0,340)	(\$0,344)	(\$0,341)	(\$0,365)	(\$0,332)	(\$0,092)	\$0,271	\$0,298	\$0,298	\$0,307
7	Large LL	(\$0,107)	(\$0,124)	(\$0,124)	(\$0,155)	(\$0,106)	(\$0,107)	(\$0,105)	(\$0,029)	\$0,098	\$0,106	\$0,107	\$0,108
8	Large HL	(\$0,131)	(\$0,152)	(\$0,130)	(\$0,130)	(\$0,130)	(\$0,130)	(\$0,130)	(\$0,056)	\$0,125	\$0,140	\$0,137	\$0,140
9	XL-LL	(\$0,103)	(\$0,169)	(\$0,217)	(\$0,270)	(\$0,104)	(\$0,103)	(\$0,104)	(\$0,099)	\$0,150	\$0,135	\$0,134	\$0,132
10	XL-HL	(\$0,127)	(\$0,180)	(\$0,128)	(\$0,128)	(\$0,128)	(\$0,128)	(\$0,128)	(\$0,118)	\$0,165	\$0,125	\$0,125	\$0,125
11	XL-HL	(\$0,127)	(\$0,180)	(\$0,128)	(\$0,128)	(\$0,128)	(\$0,128)	(\$0,128)	(\$0,118)	\$0,165	\$0,125	\$0,125	\$0,125
12	Throughput - dekatherm												
13	Res-NH	34,029	17,925	12,436	12,436	11,714	10,845	13,047	17,050	27,945	34,833	42,634	34,760
14	Res-NH LI	2,131	1,007	869	869	920	807	976	1,445	2,347	2,871	3,610	2,822
15	Res-H	1,814,236	576,769	366,195	366,195	365,369	339,355	401,934	876,018	2,090,016	2,779,726	3,457,289	2,623,099
16	Res-H LI	168,437	56,418	42,515	42,515	42,922	38,309	47,020	101,407	218,612	280,070	362,471	276,386
17	Small	244,067	125,171	62,003	62,003	66,509	23,109	43,844	102,525	280,309	412,164	541,183	406,360
18	Medium	578,137	350,108	206,197	206,197	166,172	126,371	185,796	289,286	665,462	813,488	1,009,638	777,094
19	Large LL	308,692	174,803	44,783	44,783	55,883	42,702	19,502	156,720	429,970	474,807	622,273	437,729
20	Large HL	110,363	87,351	86,745	86,745	89,701	60,394	74,365	74,314	133,875	124,472	161,184	125,613
21	XL-LL	131,620	56,481	613	613	22,421	20,597	30,230	77,503	204,965	191,311	264,471	184,204
22	XL-HL	589,067	410,892	464,443	464,443	445,380	485,638	437,490	518,350	590,586	634,481	662,251	517,622
23	Total	3,980,780	2,377,565	1,139,845	1,139,845	1,266,860	1,148,125	1,254,201	2,214,619	4,644,087	5,748,222	7,127,004	5,385,688
24	COVID Deferral Revenue												
25	Res-NH	(\$3,356)	(\$2,278)	(\$1,749)	(\$1,214)	(\$1,146)	(\$1,058)	(\$1,273)	(\$2,60)	\$2,989	\$3,829	\$4,738	\$3,840
26	Res-NH LI	(\$184)	(\$120)	(\$88)	(\$76)	(\$80)	(\$71)	(\$85)	\$1	\$281	\$349	\$411	\$345
27	Res-H	(\$537,110)	(\$310,928)	(\$170,593)	(\$108,269)	(\$108,122)	(\$100,273)	(\$118,967)	(\$34,049)	\$555,856	\$776,372	\$965,706	\$733,570
28	Res-H LI	(\$47,793)	(\$27,602)	(\$16,000)	(\$12,085)	(\$12,157)	(\$10,888)	(\$13,332)	(\$3,791)	\$58,201	\$76,288	\$98,878	\$75,236
29	Small	(\$73,520)	(\$37,615)	(\$18,656)	(\$12,211)	(\$19,732)	(\$6,823)	(\$13,178)	(\$3,151)	\$79,322	\$122,706	\$159,364	\$119,790
30	Medium	(\$198,317)	(\$128,326)	(\$70,176)	(\$49,600)	(\$56,618)	(\$46,171)	(\$61,747)	(\$26,677)	\$180,305	\$242,222	\$300,382	\$238,230
31	Large LL	(\$33,023)	(\$21,686)	(\$5,361)	(\$7,229)	(\$9,947)	(\$4,557)	(\$2,045)	(\$4,567)	\$41,981	\$50,399	\$66,808	\$47,296
32	Large HL	(\$14,410)	(\$13,255)	(\$11,277)	(\$8,625)	(\$11,661)	(\$7,851)	(\$9,668)	(\$4,192)	\$16,729	\$17,370	\$22,057	\$17,530
33	XL-LL	(\$13,571)	(\$9,531)	\$743	\$166	(\$2,332)	(\$2,127)	(\$3,156)	(\$7,666)	\$30,795	\$25,798	\$35,556	\$24,335
34	XL-HL	(\$74,949)	(\$73,845)	(\$55,776)	(\$59,409)	(\$56,865)	(\$62,050)	(\$55,862)	(\$61,244)	\$97,377	\$79,400	\$82,935	\$64,721
35	Total	(\$996,232)	(\$625,185)	(\$348,934)	(\$252,052)	(\$274,660)	(\$241,870)	(\$279,312)	(\$145,596)	\$1,063,836	\$1,394,734	\$1,736,864	\$1,324,892
36	Res-NH COVID Deferral Balance												
37	COVID Deferral Acct Beg. Balance	(\$18,306)	(\$21,683)	(\$23,985)	(\$25,760)	(\$27,001)	(\$28,177)	(\$29,264)	(\$30,569)	(\$32,543)	(\$29,587)	(\$25,788)	(\$21,072)
38	Transfer to 2021-22 Recon Factor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
39	COVID DAC True-Up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,682)	\$0	\$0	\$0	\$0
40	COVID Deferral Cost	(\$18,306)	(\$21,683)	(\$23,985)	(\$25,760)	(\$27,001)	(\$28,177)	(\$29,264)	(\$30,569)	(\$32,543)	(\$29,587)	(\$25,788)	(\$21,072)
41	Subtotal	(\$18,306)	(\$21,683)	(\$23,985)	(\$25,760)	(\$27,001)	(\$28,177)	(\$29,264)	(\$30,569)	(\$32,543)	(\$29,587)	(\$25,788)	(\$21,072)
42	Actual Revenue	(\$3,356)	(\$2,278)	(\$1,749)	(\$1,214)	(\$1,146)	(\$1,058)	(\$1,273)	(\$2,60)	\$2,989	\$3,829	\$4,738	\$3,840
43	Ending Balance	(\$21,663)	(\$23,961)	(\$25,734)	(\$26,973)	(\$28,148)	(\$29,234)	(\$30,337)	(\$32,510)	\$29,554	\$25,758	\$21,049	\$17,232
44	Average Monthly Balance	(\$19,984)	(\$22,822)	(\$24,860)	(\$26,367)	(\$27,575)	(\$28,706)	(\$29,901)	(\$32,380)	\$31,049	\$27,673	\$23,418	\$19,152
45	Bk America Rate less 200 Basis Points	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.37%
46	Interest Applied	(\$21)	(\$24)	(\$26)	(\$28)	(\$29)	(\$29)	(\$32)	\$33	\$33	\$29	\$22	\$22
47	COVID Deferral End Balance	(\$21,683)	(\$23,985)	(\$25,760)	(\$27,001)	(\$28,177)	(\$29,264)	(\$30,569)	(\$32,543)	(\$29,587)	(\$25,788)	(\$21,072)	(\$17,254)
48	Res-NH LI COVID Deferral Balance												
49	COVID Deferral Acct Beg. Balance	(\$942)	(\$1,127)	(\$1,248)	(\$1,338)	(\$1,415)	(\$1,497)	(\$1,569)	(\$1,656)	(\$1,555)	(\$1,276)	(\$928)	(\$488)
50	Transfer to 2021-22 Recon Factor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
51	COVID DAC True-Up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$101	\$0	\$0	\$0	\$0
52	COVID Deferral Cost	(\$942)	(\$1,127)	(\$1,248)	(\$1,338)	(\$1,415)	(\$1,497)	(\$1,569)	(\$1,555)	(\$1,276)	(\$928)	(\$488)	(\$488)
53	Subtotal	(\$942)	(\$1,127)	(\$1,248)	(\$1,338)	(\$1,415)	(\$1,497)	(\$1,569)	(\$1,555)	(\$1,276)	(\$928)	(\$488)	(\$488)
54	Actual Revenue	(\$184)	(\$120)	(\$88)	(\$76)	(\$80)	(\$71)	(\$85)	\$1	\$281	\$349	\$411	\$345
55	Ending Balance	(\$1,126)	(\$1,247)	(\$1,336)	(\$1,414)	(\$1,495)	(\$1,577)	(\$1,654)	(\$1,554)	\$1,274	\$927	\$487	\$144
56	Average Monthly Balance	(\$1,034)	(\$1,187)	(\$1,292)	(\$1,376)	(\$1,455)	(\$1,532)	(\$1,612)	(\$1,554)	\$1,415	\$1,101	\$708	\$316
57	Bk America Rate less 200 Basis Points	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.37%
58	Interest Applied	(\$1)	(\$1)	(\$1)	(\$1)	(\$2)	(\$2)	(\$2)	\$2	\$2	\$1	\$1	\$0
59	COVID Deferral End Balance	(\$1,127)	(\$1,248)	(\$1,338)	(\$1,415)	(\$1,497)	(\$1,569)	(\$1,656)	(\$1,555)	(\$1,276)	(\$928)	(\$488)	(\$488)

Schedule PRB-11

Earnings Sharing Mechanism Factor

The Narragansett Electric Company
d/b/a Rhode Island Energy
ESM Factor
Effective November 1, 2022

(1)	Total Earnings Credited to DAC	\$0
(2)	Firm Throughput	39,896,251 dth
(3)	ESM Factor	\$0.0000 per dth
(4)	ESM Factor	\$0.0000 per therm

- (1) Revised Earnings Sharing Report for the twelve months ending December 31, 2021 in Docket No. 22-13-NG filed on August 1, 2022.
- (2) Company Forecast
- (3) Line (1) ÷ Line (2)
- (4) Line (3) ÷ 10, truncated to 4 decimal places

Schedule PRB-12

Low Income Discount Recovery Factor

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Schedule PRB-13

Storm Net Revenue Factor

**The Narragansett Electric Company
d/b/a Rhode Island Energy
Storm Net Revenue Factor
Effective November 1, 2022**

(1)	Storm Net Revenue	(\$225,099)
(2)	Customer Share Percentage	75.00%
(3)	Customer Share	(\$168,824)
(4)	Firm Throughput	39,896,251 dths
(5)	Storm Contingency Fund Factor per dth	(\$0.0042) per dth
(6)	Storm Contingency Fund Factor per therm	(\$0.0004) per therm

- (1) Per Company Records
- (2) Per Settlement Agreement in Docket No. 4686/4770
- (3) Line (1) * Line (2)
- (4) Company Forecast
- (5) Line (3) ÷ Line (4)
- (6) Line (5) ÷ 10, truncated to 4 decimal places

**Testimony of
Jeffrey D. Oliveira and
James H. Allen**

DIRECT TESTIMONY

OF

JEFFREY D. OLIVEIRA

AND

JAMES H. ALLEN

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1 **I. Introduction and Qualifications**

2 **Q. Mr. Oliveira, please state your full name and business address.**

3 A. My name is Jeffrey D. Oliveira and my business address is 280 Melrose Street,
4 Providence RI 02907.

5

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

7 A. I am employed by PPL Services Corporation (“Services Corporation”) as a Regulatory
8 Programs Specialist. The Services Corporation provides administrative, management and
9 support services to PPL Corporation (“PPL”) and its subsidiary companies, including The
10 Narragansett Electric Company d/b/a Rhode Island Energy (the “Company”). My current
11 duties include leading the revenue requirement analyses and modeling that support
12 regulatory filings, regulatory strategies, and rate cases for the Company.

13

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

15 A. In 2000, I earned an associate degree in Business Administration from Bristol
16 Community College in Fall River, Massachusetts. I was employed by the National Grid
17 USA Service Company, Inc. (the “National Grid Service Company”) and its predecessor
18 companies from 1999-2022. From 1999 through 2000, I was employed by Fall River Gas
19 Company as a Staff Accountant. In 2001, after Fall River Gas Company merged with
20 Southern Union Company, I continued as a Staff Accountant with increased
21 responsibilities. In August of 2006, National Grid acquired the Rhode Island operations

1 of Southern Union d/b/a New England Gas Company at which time I joined the National
2 Grid Service Company as a Senior Accounting Analyst. In January 2009, I became a
3 Senior Revenue Requirement Analyst in the National Grid's Strategy and Regulation
4 Department. In July 2011, I was promoted to Lead Revenue Requirement Analyst in the
5 New England Revenue Requirements group of the New England Regulatory
6 Department. On May 25, 2022, PPL Rhode Island Holdings, LLC, a wholly owned
7 indirect subsidiary of PPL, acquired 100% of the outstanding shares of common stock of
8 the Company from National Grid, at which time I began working in my current position.

9
10 **Q. Have you previously testified before the Rhode Island Public Utilities Commission**
11 **(PUC) or any other regulatory commission?**

12 A. Yes. I testified before the PUC in support of the Company's filings in Docket Nos. 22-
13 04-REG (Renewable Energy Growth Factor Filing); Docket No. 5234 (Annual Retail
14 Rate Filing); Docket No. 4686 (Joint Petition between National Grid and the Rhode
15 Island Division of Public Utilities and Carriers ("Division") filed February 23, 2022);
16 Docket No. 5165 (Distribution Adjustment Charge Filing, 2021); Docket No. 5179
17 (Pension Adjustment Factor Filing, 2021); Docket No. 5040 (Distribution Adjustment
18 Charge Filing, 2020); Docket No. 5054 (Pension Adjustment Factor Filing, 2020);
19 Docket No. 4955 (Distribution Adjustment Charge Filing, 2019); Docket No. 4958
20 (Pension Adjustment Factor Filing, 2019); Docket No. 4846 (Distribution Adjustment
21 Charge Filing, 2018); Docket No. 4855 (Pension Adjustment Factor Filing, 2018); and

1 again in Docket No. 4686, in support of the Joint Proposal and Settlement submitted by
2 the Company and the Division dated September 25, 2017 (“2017 Joint Proposal and
3 Settlement”) pertaining to the operation of the Storm Contingency Fund. I have also
4 submitted pre-filed testimony to the Massachusetts Department of Public Utilities on
5 behalf of the Company’s former affiliates, Massachusetts Electric Company and
6 Nantucket Electric Company, as a revenue requirement witness in annual pension
7 adjustment mechanism proceedings.
8

9 **Q. Mr. Allen, please state your full name and business address.**

10 A. My name is James H. Allen and my business address is 40 Sylvan Road, Waltham,
11 Massachusetts 02451.
12

13 **Q. By whom are you employed and in what position?**

14 A. I am a Lead Analyst in the Pension and Environmental Accounting Group for the National
15 Grid Service Company. I offer this testimony on behalf of the Company pursuant to the
16 Transition Services Agreement by and among National Grid Service Company, National
17 Grid (solely with respect to Section 4.6) and the Company..

1 **Q. Please describe your education and professional experience.**

2 A. In 1991, I earned a Bachelor of Science in Accounting from the University of Rhode Island.
3 I began my career as a staff auditor at Carl Weinberg and Co. CPA's located in Warwick,
4 Rhode Island. In 1994, I joined Cayer Prescott CPA's where I worked as a senior auditor.
5 During this time, I earned my certified public accountant's license in the State of Rhode
6 Island. In 1996, I joined Brown and Sharpe Manufacturing Company as a senior
7 accountant. In February 1997, I was promoted to lead financial analyst supporting US
8 GAAP and SEC reporting. In 1999, I joined Textron Financial Company as a senior
9 financial analyst working in the financial reporting group. In 2001, I joined NSTAR as a
10 senior financial analyst. I continued as a senior financial analyst with increasing
11 responsibilities until my departure in 2003 when I joined the National Grid Service
12 Company as a senior accounting analyst. Since that time, I have held various positions
13 within the National Grid Service Company. In 2011, I was promoted to my current
14 position.

15

16 **Q. Have you previously testified before the PUC or any other regulatory commission?**

17 A. Yes. I testified in support of the Company's filings in Docket Nos. 5165 (Distribution
18 Adjustment Charge Filing, 2021); 5179 (Pension Adjustment Factor Filing, 2021); 5040
19 (Distribution Adjustment Charge Filing, 2020); 5054 (Pension Adjustment Factor Filing,
20 2020); 4955 (Distribution Adjustment Charge Filing, 2019); 4958 (Pension Adjustment
21 Factor Filing, 2019).

1 **II. Purpose of Testimony**

2 **Q. What is the purpose of your testimony in this proceeding?**

3 A. Our testimony describes the origin of the Company's Pension and Postretirement Benefits
4 Other than Pensions (PBOP) expense reconciliation and provides the calculation of the
5 reconciliation of Pension and PBOP costs to the allowance for recovery in base distribution
6 rates, as provided for in the Pension Adjustment Factor (PAF) provision in the Company's
7 tariff, RIPUC NG-GAS No. 101, at Section 3, Schedule A, Item 3.4.

8 **Q. Are there any schedules to your testimony?**

9 A. Yes, we are sponsoring the following schedule that accompanies our testimony:

- 10 • Schedule JDO/JHA-1 - Pension and Post-Retirement Benefits Other than Pension
11 (PBOP) Expense Reconciliation.

12

13 **III. Pension and PBOP Expense Reconciliation**

14 **Q. Generally, how does the reconciliation of Pension and PBOP expense operate?**

15 A. In the Company's 2008 general rate case in Docket No. 3943, the PUC approved the
16 Company's proposal to reconcile its Pension and PBOP expenses against the allowance
17 in base rates and recover or refund any difference annually through the Distribution
18 Adjustment Charge (DAC). The PAF provision in the Company's tariff is designed to
19 provide recovery or a refund the prior year's reconciliation of the Company's actual
20 Pension and PBOP expenses to the Company's Pension and PBOP expenses included in

1 base rates. The adjustment factor is based on this difference.

2
3 In the Company's 2012 Rate Case, the rate allowances for both Pension and PBOP were
4 established at then-current levels. In the Company's general rate case filed in 2017 in
5 Docket No. 4770 (2017 Rate Case), the rate allowances for both Pension and PBOP were
6 established commencing September 1, 2018. The PAF is based on the difference
7 between the Company's actual Pension and PBOP expense for the prior 12-month period
8 ended March 31, 2022 and the allowance included in base distribution rates.

9
10 In addition, the Company will contribute to the Pension and PBOP plans at the
11 "Minimum Funding Obligation" level. The Minimum Funding Obligation level is equal
12 to the amount billed to customers plus the amounts of capitalized Pension and PBOP
13 costs. The amount billed to customers includes (1) the Pension and PBOP allowance in
14 base distribution rates, (2) plus or minus the amount billed or credited to customers
15 through the PAF. If the Company does not fund its Pension and PBOP plans at the
16 Minimum Funding Obligation level, the Company will pay a carrying charge to
17 customers at the weighted average cost of capital. This payment would be applied to the
18 cumulative five quarter average shortfall between the Minimum Funding Obligation level
19 and amounts the Company contributes to the Pension and PBOP plans, plus amounts paid
20 to the Service Company for allocated Pension and PBOP costs.

1 **Q. Has the Company performed this reconciliation for the 12-month period ended**
2 **March 2022?**

3 A. Yes. This reconciliation is included as Schedule JDO/JHA-1.
4

5 **Q. What is the result of the Company's reconciliation?**

6 A. The Company's reconciliation indicates that it has under-recovered Pension expenses in
7 the amount of \$2,521,793 and under-recovered PBOP expenses in the amount of
8 \$621,816 for the 12 months ended March 2022 (Fiscal Year 2022). In addition, the
9 Minimum Funding Obligation was over-funded on a cumulative basis, resulting in no
10 carrying charge.
11

12 **Q. Did the Company experience a material change in the Pension and PBOP**
13 **expenses for FY 2022 due to the COVID-19 Pandemic crisis and its impact on the**
14 **stock and bond markets?**

15 A. Yes, the COVID-19 Pandemic and other market conditions impacted FY 2022 Pension
16 and PBOP expense in several ways that were outside the control of the Company.
17

18 Pension and PBOP expenses for FY 2022 reflect assets and liabilities measured at
19 March 31, 2021, the measurement date, using prevailing economic market conditions.
20

1 For FY 2022, although the market value of assets increased significantly at March 31,
2 2021 compared to the prior fiscal year-end, some of the asset gains are smoothed over
3 a five year period using a Market-Related Value of Assets, which partially offsets the
4 net gain or loss subject to amortization. Consequently, not all of the asset gains are
5 reflected in the FY 2022 expense. Additionally, the Expected Return on Asset
6 (“EROA”) assumption was lowered by 50 basis points to reflect a decline in long-term
7 capital market expectations. As a result, the EROA component of expense year over
8 year decreased.

9
10 Also, liabilities and service cost are required to be measured using rates of return on
11 high quality corporate bonds available as of the measurement date. As of March 31,
12 2021, corporate bond yields had declined from the prior measurement date. The
13 Company used a discount rate of 3.25% to measure liabilities and service cost,
14 compared to 3.65% as of March 31, 2020 and 4.10% used in the projected estimated
15 expense rates in Docket No. 4770. For PBOB, the increase in expense for FY 2022 is
16 partially offset by expense savings resulting from favorable contract negotiations with
17 the prescription benefit manager.

18
19 Finally, it is important to note that assets, liabilities and assumptions are updated
20 annually as of the measurement date, March 31, unless there is a special event requiring
21 an interim remeasurement, such as a settlement, curtailment or plan amendment. As a

1 result, changes in market conditions, such as market performance, during FY 2022 are
2 not reflected in expense rates until FY 2023.

3

4 **IV. Conclusion**

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

6 A. Yes.

Narragansett Electric - Gas Operations
Pension/Post-Retirement Benefits Other Than Pension (PBOP) Costs
12 Months Ended March 31, 2022

		April 2021 - March 2022		
		Pension	PBOP	Total
		(a)	(b)	(c)
(1)	<u>Rate Allowance:</u>			
(2)	Direct - RI Gas Pension/PBOP Costs Allowance	\$426,651	(\$1,856,234)	(\$1,429,583)
(3)	Service Company/Other Affiliates Pension/PBOP Costs Allowance	\$1,331,085	\$631,210	\$1,962,295
(4)	Total Pension/PBOP Costs in Base Rates	\$1,757,736	(\$1,225,024)	\$532,712
(5)	<u>Expense Reconciliation:</u>			
(6)	Current Year actual Pension/PBOP Expense Direct	\$3,282,439	(\$608,338)	\$2,674,101
(7)	Current Year actual Service Company Pension/PBOP Expense	\$965,219	(\$92,744)	\$872,475
(8)	Current Year actual Affiliated Pension/PBOP Expense	\$31,871	\$97,874	\$129,745
(9)	Total Current Year Pension/PBOP Expense Including Service Company/Other Affiliates Expense	\$4,279,529	(\$603,208)	\$3,676,321
(10)	Current Year Pension/PBOP Expense Reconciliation	\$2,521,793	\$621,816	\$3,143,609
(11)	Funding Carrying Charge			\$0

- (2) (a) Page 4 of 5, Line (5) (e)
- (2) (b) Page 4 of 5, Line (5) (f)
- (3) (a) Page 4 of 5, Line (9) (e)
- (3) (b) Page 4 of 5, Line (9) (f)
- (4) Line (2) + Line (3)
- (6)-(8) Per Company Books
- (9) Sum of Lines (6) through (8)
- (10) Line (9) - Line (4)
- (11) Minus Page 2 of 5, Line (24) (f)

Narragansett Electric - Gas Operations
Pension Funding Carrying Charges
12 Months Ended March 31, 2022

	(a) Annual Recovery Amount	(b) Mar-2021	(c) Jun-2021	(d) Sep-2021	(e) Dec-2021	(f) Mar-2022
<u>Customer Funding</u>						
(1) Base Rate Recovery:						
(2) Direct - Docket No. 4770 Rate Yr 3 (4/2021 - 8/2021)	\$426,651	\$106,663	\$106,663	\$71,109		
(3) Servco/Other Affiliates - Docket No. 4770 Rate Yr 3 (4/2021 - 8/2021)	\$1,331,085	\$332,771	\$332,771	\$221,848		
(4) Direct - Docket No. 4770 Rate Yr 3 (9/2021 - 3/2022)	\$426,651			\$35,554	\$106,663	\$106,663
(5) Servco/Other Affiliates - Docket No. 4770 Rate Yr 3 (9/2021 - 3/2022)	\$1,331,085			\$110,924	\$332,771	\$332,771
(6) PAF Surcharge Recovery:						
(7) Docket No. 5040	\$35,485	\$8,871	\$8,871	\$8,871	\$2,957	
(8) Docket No. 5165	\$3,617,675				\$602,946	\$904,419
(9) Pension Capitalized Amount:						
(10) Direct		\$499,284	\$569,422	\$612,904	\$472,124	\$544,192
(11) Servco/Other Affiliates		\$198,916	\$183,555	\$169,490	\$154,703	\$164,154
(12) Total Customer Funding:		\$1,146,505	\$1,201,282	\$1,230,699	\$1,672,163	\$2,052,199
(13) <u>Company Contributions</u> ¹		Jun-2021	Sep-2021	Dec-2021	Mar-2022	Jun-2022
(14) Pension		\$683,250	\$683,250	\$683,250	\$0	\$0
(15) Service Company Allocated Costs		\$531,687	\$516,326	\$502,261	\$487,474	\$496,925
(16) Total Contributions		\$1,214,937	\$1,199,576	\$1,185,511	\$487,474	\$496,925
(17) Under/(Over) Funding		(\$68,432)	\$1,706	\$45,188	\$1,184,689	\$1,555,274
(18) Cumulative Under/(Over) Funding - Pension		\$4,747,381	\$4,749,087	\$4,794,275	\$5,978,964	\$7,534,238
(19) Cumulative Under/(Over) Funding - PBOP		(\$8,576,939)	(\$8,641,507)	(\$8,704,504)	(\$8,805,059)	(\$8,868,099)
(20) Cumulative Under/(Over) Funding - Total		(\$3,829,558)	(\$3,892,420)	(\$3,910,230)	(\$2,826,095)	(\$1,333,862)
(21) Five Quarter Average						(\$3,158,433)
(22) Base for Carrying Charge (greater of line 22 or zero)						\$0
(23) Pre-tax WACC						8.41%
(24) Carrying Charge						\$0

¹-This amount represents dollars funded in the subsequent quarter

- (2) (a) Page 4 of 5, Line (3) (b)
- (2) (b) - (2) (c) Line (2) (a) ÷ 12 x 3
- (2) (d) Line (2) (a) ÷ 12 x 2
- (3) (a) Page 4 of 5, Line (7) (b)
- (3) (b) - (3) (c) Line (3) (a) ÷ 12 x 3
- (3) (d) Line (3) (a) ÷ 12 x 2
- (4) (a) Page 4 of 5, Line (4) (b)
- (4) (d) Line (4) (a) ÷ 12 x 1
- (4) (e) - (4) (f) Line (4) (a) ÷ 12 x 3
- (5) (a) Page 4 of 5, Line (8) (b)
- (5) (d) Line (5) (a) ÷ 12 x 1
- (5) (e) - (5) (f) Line (5) (a) ÷ 12 x 3
- (7) (a) Docket No. 5040 Schedule JDO/JHA-1, page 1 of 5, Line 10, column (a)
- (7) (b) - (7) (d) Line (7) (a) ÷ 12 x 3
- (7) (e) Line (7) (a) ÷ 12 x 1
- (8) (a) Docket No. 5165 Schedule JDO/JHA-1, page 1 of 5, Line 10, column (a)
- (8) (e) Line (8) (a) ÷ 12 x 2
- (8) (f) Line (8) (a) ÷ 12 x 3
- (10) (b) - (10) (f) Per Company Books
- (11) (b) - (11) (f) Per Company Books
- (12) (b) - (12) (f) Sum of Line (2) through Line (11)
- (14) Per Company Books
- (15) Line (3) + Line (5) + Line (11)
- (16) Line (14) + Line (15)
- (17) Line (12) - Line (16)
- (18) Line (17) + prior qtr Line (18)
- (19) Page 3 of 5, Line (18)
- (20) Line (18) + Line (19)
- (21) (f) Average of Line (20) column (b) through column (f)
- (22) (f) If Line 21 is greater than zero, Line 21 if not, zero
- (23) Page 5 of 5, Line (5) column (e)
- (24) Line (22) x Line (23)

Narragansett Electric - Gas Operations
PBOP Funding - Carrying Charges
12 Months Ended March 31, 2022

	(a) Annual Recovery Amount	(b) Mar-2021	(c) Jun-2021	(d) Sep-2021	(e) Dec-2021	(f) Mar-2022
(1) <u>Customer Funding</u>						
(1) Base Rate Recovery:						
(2) Direct - Docket No. 4770 Rate Yr 3 (4/2021 - 8/2021)	(\$1,856,234)	(\$464,059)	(\$464,059)	(\$309,372)		
(3) Servco/Other Affiliates - Docket No. 4770 Rate Yr 3 (4/2021 - 8/2021)	\$631,210	\$157,803	\$157,803	\$105,202		
(4) Direct - Docket No. 4770 Rate Yr 3 (9/2021 - 3/2022)	(\$1,856,234)			(\$154,686)	(\$464,059)	(\$464,059)
(5) Servco/Other Affiliates - Docket No. 4770 Rate Yr 3 (9/2021 - 3/2022)	\$631,210			\$52,601	\$157,803	\$157,803
(6) PAF Surcharge Recovery:						
(7) Docket No. 5040	\$889,323	\$222,331	\$222,331	\$222,331	\$74,110	
(8) Docket No. 5165	\$966,494				\$161,082	\$241,624
(9) PBOP Capitalized Amount:						
(10) Direct		\$162,596	\$177,196	\$178,755	\$128,622	\$159,704
(11) Servco/Other Affiliates		\$56,875	\$57,228	\$54,620	\$43,292	\$49,857
(12) Total Customer Funding:		\$135,546	\$150,500	\$149,450	\$100,850	\$144,929
(13) <u>Company Contributions¹</u>		<u>Jun-2021</u>	<u>Sep-2021</u>	<u>Dec-2021</u>	<u>Mar-2022</u>	<u>Jun-2022</u>
(14) PBOP		\$37	\$37	\$25	\$310	\$310
(15) Service Company Allocated Costs		\$214,677	\$215,031	\$212,422	\$201,095	\$207,660
(16)		\$214,714	\$215,068	\$212,447	\$201,405	\$207,970
(17) Under/(Over) Funding		(\$79,168)	(\$64,568)	(\$62,997)	(\$100,554)	(\$63,041)
(18) Cumulative Funding Under/(Over) Funding		(\$8,576,939)	(\$8,641,507)	(\$8,704,504)	(\$8,805,059)	(\$8,868,099)

Company Contributions¹-This amount represents dollars funded in the subsequent quarter

- (2) (a) Page 4 of 5, Line (3) (c)
- (2) (b) - (2) (c) Line (2) (a) ÷ 12 x 3
- (2) (d) Line (2) (a) ÷ 12 x 2
- (3) (a) Page 4 of 5, Line (7) (c)
- (3) (b) - (3) (c) Line (3) (a) ÷ 12 x 3
- (3) (d) Line (3) (a) ÷ 12 x 2
- (4) (a) Page 4 of 5, Line (4) (c)
- (4) (d) Line (4) (a) ÷ 12 x 1
- (4) (e) - (4) (f) Line (4) (a) ÷ 12 x 3
- (5) (a) Page 4 of 5, Line (8) (c)
- (5) (d) Line (5) (a) ÷ 12 x 1
- (5) (e) - (5) (f) Line (5) (a) ÷ 12 x 3
- (7) (a) Docket No. 5040 Schedule JDO/JHA-1, page 1 of 5, Line 10, column (b)
- (7) (b) - (7) (d) Line (7) (a) ÷ 12 x 3
- (7) (e) Line (7) (a) ÷ 12 x 1
- (8) (a) Docket No. 5165 Schedule JDO/JHA-1, page 1 of 5, Line 10, column (b)
- (8) (e) Line (8) (a) ÷ 12 x 2
- (8) (f) Line (8) (a) ÷ 12 x 3
- (10) (b) - (10) (f) Per Company Books
- (11) (b) - (11) (f) Per Company Books
- (12) (b) - (12) (f) Sum of Line (2) through Line (11)
- (14) Per Company Books
- (15) Line (3) + Line (5) + Line (11)
- (16) Line (14) + Line (15)
- (17) Line (12) - Line (16)
- (18) Line (17) + prior qtr Line (18)

Narragansett Electric - Gas Operations
Pension/PBOP Rate Allowance
12 Months Ended March 31, 2022

	(a) Docket No.	(b) Total Rate Allowance		(d) # of Months	(e) Fiscal Year 2022 Rate Allowance		(f)
		Pension	PBOP		Pension	PBOP	
(1) <u>Rate Allowance</u>							
(1) Base Rate Recovery:							
(2) Direct (Rate Year 1 - Sept 1, 2018 to Aug 31, 2019)	4770 Rate Yr 1	\$995,442	(\$1,856,234)	0	\$0	\$0	
(3) Direct (Rate Year 2 - Sept 1, 2019 to Aug 31, 2020)	4770 Rate Yr 2	\$782,833	(\$1,856,234)	0	\$0	\$0	
(4) Direct (Rate Year 3 - Sept 1, 2020 to Aug 31, 2021)	4770 Rate Yr 3	\$426,651	(\$1,856,234)	12	\$426,651	(\$1,856,234)	
(5) Direct Total					\$426,651	(\$1,856,234)	
(6) Servco/Other Affiliates (Rate Yr 1 - Sept 1, 2018 to Aug 31, 2019)	4770 Rate Yr 1	\$2,277,908	\$631,210	0	\$0	\$0	
(7) Servco/Other Affiliates (Rate Yr 2 - Sept 1, 2019 to Aug 31, 2020)	4770 Rate Yr 2	\$1,707,521	\$631,210	0	\$0	\$0	
(8) Servco/Other Affiliates (Rate Yr 3 - Sept 1, 2020 to Aug 31, 2021)	4770 Rate Yr 3	\$1,331,085	\$631,210	12	\$1,331,085	\$631,210	
(9) Servco/Other Affiliates - Total					\$1,331,085	\$631,210	
(10) Total Docket No. 4770-Rate Year 1	4770 Rate Yr 1	\$3,273,350	(\$1,225,024)		\$0	\$0	
(11) Total Docket No. 4770-Rate Year 2	4770 Rate Yr 2	\$2,490,354	(\$1,225,024)		\$0	\$0	
(12) Total Docket No. 4770-Rate Year 3	4770 Rate Yr 3	\$1,757,736	(\$1,225,024)		\$1,757,736	(\$1,225,024)	
(13)					\$1,757,736	(\$1,225,024)	

- (2) (b) Docket No. 4770 Compliance Attachment 2 Schedule 28 page 4 of 7 Line (1) (a)
- (2) (c) Docket No. 4770 Compliance Attachment 2 Schedule 27 page 4 of 7 Line (1) (a)
- (2) (e) Line (2) (b) ÷ 12 x Line (2) (d)
- (2) (f) Line (2) (c) ÷ 12 x Line (2) (d)
- (3) (b) Docket No. 4770 Compliance Attachment 2 Schedule 28 page 4 of 7 Line (1) (c)
- (3) (c) Docket No. 4770 Compliance Attachment 2 Schedule 27 page 4 of 7 Line (1) (c)
- (3) (e) Line (3) (b) ÷ 12 x Line (3) (d)
- (3) (f) Line (3) (c) ÷ 12 x Line (3) (d)
- (4) (b) Docket No. 4770 Compliance Attachment 2 Schedule 28 page 4 of 7 Line (1) (e)
- (4) (c) Docket No. 4770 Compliance Attachment 2 Schedule 27 page 4 of 7 Line (1) (e)
- (4) (e) Line (4) (b) ÷ 12 x Line (4) (d)
- (4) (f) Line (4) (c) ÷ 12 x Line (4) (d)
- (5) Line (2) + Line (3) + Line (4)
- (6) (b) Docket No. 4770 Compliance Attachment 2 Schedule 28 page 4 of 7 Line (2) (a) plus Line (3) (a)
- (6) (c) Docket No. 4770 Compliance Attachment 2 Schedule 27 page 4 of 7 Line (2) (a) plus Line (3) (a)
- (6) (e) Line (6) (b) ÷ 12 x Line (6) (d)
- (6) (f) Line (6) (c) ÷ 12 x Line (6) (d)
- (7) (b) Docket No. 4770 Compliance Attachment 2 Schedule 28 page 4 of 7 Line (2) (c) plus Line (3) (c)
- (7) (c) Docket No. 4770 Compliance Attachment 2 Schedule 27 page 4 of 7 Line (2) (c) plus Line (3) (c)
- (7) (e) Line (7) (b) ÷ 12 x Line (7) (d)
- (7) (f) Line (7) (c) ÷ 12 x Line (7) (d)
- (8) (b) Docket No. 4770 Compliance Attachment 2 Schedule 28 page 4 of 7 Line (2) (e) plus Line (3) (e)
- (8) (c) Docket No. 4770 Compliance Attachment 2 Schedule 27 page 4 of 7 Line (2) (e) plus Line (3) (e)
- (8) (e) Line (8) (b) ÷ 12 x Line (8) (d)
- (8) (f) Line (8) (c) ÷ 12 x Line (8) (d)
- (9) Line (6) + Line (7) + Line (8)
- (10) Line (2) + Line (6)
- (11) Line (3) + Line (7)
- (12) Line (4) + Line (8)
- (13) Line (10) + Line (11) + Line (12)

The Narragansett Electric Company
Calculation of Weighted Average Cost of Capital

Weighted Average Cost of Capital as approved in R.I.P.U.C. Docket No. 4770 at 21% income tax rate

	(a) Ratio	(b) Rate	(c) Rate	(d) Taxes	(e) Return
(1) Long Term Debt	48.35%	4.98%	2.41%		2.41%
(2) Short Term Debt	0.60%	1.76%	0.01%		0.01%
(3) Preferred Stock	0.10%	4.50%	0.00%		0.00%
(4) Common Equity	50.95%	9.28%	4.73%	1.26%	5.99%
(5)	<u>100.00%</u>		<u>7.15%</u>	<u>1.26%</u>	<u>8.41%</u>

(4) (d) $\text{Column (c)} \times 21\% \div (1 - 21\%)$

**Testimony of
Stephanie A. Briggs**

**THE NARRAGANSETT ELECTRIC COMPANY
d/b/a RHODE ISLAND ENERGY
R.I.P.U.C. DOCKET NO. 22-13-NG
DISTRIBUTION ADJUSTMENT CHARGE FILING
WITNESS: STEPHANIE A. BRIGGS
AUGUST 1, 2022**

PRE-FILED DIRECT TESTIMONY

OF

STEPHANIE A. BRIGGS

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IV. Conclusion15

1 **I. Introduction**

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

3 A. My name is Stephanie A. Briggs, and my business address is 280 Melrose Street,
4 Providence, Rhode Island 02907.

5

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

7 A. I am employed by PPL Services Corporation (“Service Corporation”) as a Senior
8 Manager Revenue. The Services Corporation provides administrative, management and
9 support services to PPL Corporation (“PPL”) and its subsidiary companies, including The
10 Narragansett Electric Company d/b/a Rhode Island Energy (the “Company”). My current
11 duties include responsibility for revenue requirement and rate calculations for the
12 Company.

13

14 **Q. Please describe your educational background and work experience.**

15 A. In 2000, I received a Bachelor of Arts degree in Accounting from Bryant College. In
16 2004, I was hired by National Grid USA Service Company, Inc. (“National Grid Service
17 Company”) as a Senior Analyst in the Accounting Department. In this position, I was
18 responsible for supporting the books and records of National Grid USA’s (“National
19 Grid”) New York affiliate. In 2009, I was promoted to Senior Analyst in National Grid’s
20 Regulatory Accounting Group. In this capacity, I supported the accounting of regulatory
21 assets and deferrals in accordance with the rate plans and agreements applicable to

1 National Grid's affiliated distribution operating companies. In 2011, I was promoted to
2 Lead Specialist for Revenue Requirements responsible for supporting New York revenue
3 requirements. In 2017, I was promoted to Director of Revenue Requirements for New
4 York. In July 2020, I became Director of Revenue Requirements for New England. On
5 May 25, 2022, PPL Rhode Island Holdings, LLC, a wholly owned indirect subsidiary of
6 PPL, acquired 100% of the outstanding shares of common stock of the Company from
7 National Grid, at which time I began working in my current position.

8
9 **Q. Have you previously testified before the Rhode Island Public Utilities Commission**
10 **(the "PUC")?**

11 A. Yes. I provided pre-filed direct testimony in the Company's Annual Retail Rate Filing
12 for 2022, Docket No. 5234, the Company's 2021 Performance Incentive Mechanism
13 Factor Filing, Docket No. 4770 and most recently the Company's FY 2022 Electric and
14 Gas Infrastructure, Safety and Reliability Plan Annual Reconciliation filings. I have also
15 submitted pre-filed testimony to the Massachusetts Department of Public Utilities on
16 behalf of the Company's former affiliates, Massachusetts Electric Company and
17 Nantucket Electric Company, as a revenue requirement witness in various proceedings.

18
19 **II. Purpose of Testimony**

20 **Q. What is the purpose of your testimony in this proceeding?**

1 A. Pursuant to the Distribution Adjustment Clause provision of the Company’s gas tariff,
2 R.I.P.U.C. NG-GAS No. 101, Section 3, Schedule A (“ESM Provision”), if there are any
3 excess earnings to be shared with customers, as I describe in more detail below, then any
4 customer share of those earnings will flow back to customers through the Distribution
5 Adjustment Charge (“DAC”). My testimony describes the Company’s gas earnings
6 subject to the Company’s earnings sharing mechanism (“ESM”) for the 12-month period
7 ending December 31, 2021 in accordance with Article II, Section 10 of the Docket No.
8 4770 Amended Settlement Agreement approved by the PUC on August 24, 2018.

9

10 **Q. Are there any schedules to your testimony?**

11 A. Yes, I am sponsoring the following schedules that accompany my testimony:

12 Schedule SAB-1 Calendar Year (“CY”) 2021 Gas Earnings Report

13

14 **III. Earnings Sharing Mechanism Results**

15 **Q. Please provide the background for the ESM.**

16 A. In the Company’s general rate case filed in 2006 in Docket No. 3401, Order No. 17381,
17 the PUC approved a settlement agreement between the Division of Public Utilities and
18 Carriers, The Energy Council of RI, and the Company (“Docket No. 3401 Settlement
19 Agreement”) that required the former New England Gas Company to file an earnings
20 sharing calculation, based on a 12-month period ending June 30, by September 1 of each
21 year as part of an incentive-based ESM. The Company assumed the obligations of the

1 Docket No. 3401 Settlement Agreement in connection with National Grid’s acquisition of
2 the regulated gas assets in Rhode Island from Southern Union Company (“Southern
3 Union”) in 2006. As part of the Company’s 2017 Rate Case and the resulting Amended
4 Settlement Agreement in that proceeding (“Docket No. 4770 Amended Settlement
5 Agreement”), the Company continues to file an Earnings Report consistent with and in a
6 form similar to that which the Company has been filing for several years, most recently in
7 Docket No. 4323 (“2012 Rate Case”), calculating gas regulatory earnings for the calendar
8 year. The Earnings Report is based on the Company’s annual gas earnings report filed
9 with the PUC for the 12 months ending December 31.¹

10
11 **Q. Has the Company calculated the earned return on equity for CY 2021?**

12 A. Yes. The ESM Provision, Sheet 10, sub-part 5.0, requires earnings to be calculated each
13 year based on financial results for the 12-month period ending December 31. The
14 determination of earnings subject to the ESM is based on a benchmark return on equity of
15 9.275 percent as established in the Docket No. 4770 Amended Settlement Agreement.
16 The earnings sharing formula requires that any annual earnings over a 9.275 percent
17 return on equity, up to and including 100 basis points (10.275 percent), will be shared
18 with customers, with 50 percent to be credited to customers and 50 percent to be retained

¹ The Company’s calendar year (“CY”) 2021 gas earnings report for the 12 months ending December 31, 2021 and the Company’s calculation of the CY 2021 gas earnings sharing mechanism was filed with the PUC on May 9, 2022 as part of Docket No. 4770.

1 by the Company. Any earnings in excess of a 10.275 percent return on equity will also
2 be shared with customers, with 75 percent to be credited to customers and 25 percent to
3 be retained by the Company. As discussed later in my testimony, the Company
4 calculated a return on equity for CY 2021 of 8.29 percent. As reflected on Schedule
5 SAB-1, Page 1, beginning on Line 15, the CY 2021 return on equity is below the 9.275
6 percent threshold, resulting in no excess earnings sharing with customers.
7

8 **Q. How did the Company calculate the return on equity for purposes of the ESM?**

9 A. In accordance with the Docket No. 3401 Settlement Agreement, the return on equity is
10 calculated by dividing the net income available for common equity by the common
11 equity applicable to rate base. *See* Docket No. 3401 Settlement Agreement at Section
12 II.F.1. In accordance with the Docket No. 4770 Amended Settlement Agreement, the
13 Company will show the calculation of the regulatory earned return on distribution rate
14 base and the earned return on distribution common equity, in two ways (“*See* Docket No.
15 4770 Amended Settlement Agreement at Section II.C.10.”):

- 16 (1) Earnings including all Performance Incentives earned for the applicable calendar
17 year will be calculated by dividing the net income available for common equity
18 including incentives (“Actual Total Earnings”), by the common equity applicable
19 to rate base.
- 20 (2) Earnings excluding all Performance Incentives earned for the applicable calendar
21 year will be calculated by dividing the net income available for common equity as

1 shown on Schedule SAB-1, Page 2 (“Base Earnings”), by the common equity
2 applicable to rate base.

3 Performance Incentives refers to each of the following incentives:

- 4 (1) Energy Efficiency Program incentive;
- 5 (2) The Company’s share of any incentive earned pursuant to the Natural Gas
6 Portfolio Management Plan recorded during the calendar year;
- 7 (3) The Company’s share of any incentive earned or penalties incurred pursuant to
8 the Gas Procurement Incentive Plan recorded during the calendar year; and
- 9 (4) Any other performance incentive that may be approved by the PUC in a future
10 proceeding that was earned and recorded by the Company for performance
11 applicable to the calendar year, unless the PUC determines at the time of approval
12 that any such future incentive should be included in the calculation of Base
13 Earnings.

14

15 **Q. Please explain the calculation of net income available for common equity for**
16 **purposes of the ESM.**

17 A. The Company calculated net income available for common equity based on operating
18 income for CY 2021, less applicable interest, and adjusted to reflect established PUC
19 ratemaking principles. The Company’s calculation of net income available for common
20 equity is set forth in Schedule SAB-1, Page 2. As shown on Line 42 of that page, for CY
21 2021, the Company calculated net income available for common equity of \$47,735,949.

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21

Q. Did the Company make any adjustments to Schedule SAB-1 operating revenues, expenses, and/or interest charges?

A. Yes. The Company has reflected the following adjustments to operating revenues and expenses on various line items on Page 2 of Schedule SAB-1, as listed on Schedule SAB-1, Page 14, and described below:

Operating Revenue Adjustments:

- (1) Unbilled Revenue Margins: The Company excluded unbilled revenue and the associated cost of gas from the determination of earnings, which is consistent with the methodology applied in Docket No. 3401. This resulted in a decrease to operating revenues of \$634,393, comprised of a \$982,570 decrease to total firm gas revenues included on Page 2, Line 2, a \$611,321 decrease to transportation revenues on Page 2, Line 3, and a \$959,498 increase to other revenues on Page 2, Line 4. (Schedule SAB-1, Page 14, Sum of Lines 3, 4, 9, 16, and 17)
- (2) Off-System Gas Sales: The Company makes certain adjustments to its revenues to eliminate the incentive provided to the Company to generate off-system gas revenue and excess pipeline capacity revenue. The Company accomplishes this by eliminating, or reversing, all revenues associated with off-system sales, as well as the credits the Company provides to customers associated with those sales. These adjustments net to a \$1,302,307 decrease to other revenues on Page 2, Line 4. (Schedule SAB-1, Page 14, Sum of Lines 18, 19, and 20)

1 an increase to operating revenues of \$6,758,146 during CY 2021 and is reflected
2 on Page 2, Line 2. (Schedule SAB-1, Page 14, Line 5)

3
4 *Expense Adjustments:*

5 (1) Bad Debt Write-Offs: Bad debt expense is recorded in the Company's general
6 ledger based on the Company's best estimate during the year of amounts billed to
7 customers that will eventually become uncollectible. The Company recovers bad
8 debt expense from customers based on actual bad debt write-offs net of recoveries
9 rather than the Company's recorded estimates of bad debt expense. Accordingly,
10 the Customer Accounts expense on Page 2, Line 16 includes bad debt expense
11 and was increased by \$1,665,695 to reflect actual bad debt net write-offs during
12 the year. (Schedule SAB-1, Page 14, Sum of Lines 44 and 45)

13 (2) Advertising Expense: The Company has removed \$247,847 of sales and
14 advertising expenses, as shown on Page 2, Line 17. (Schedule SAB-1, Page 14,
15 Line 49)

16 (3) Variable Pay: The Company has reduced Administrative and General expense on
17 Page 2, Line 18 by \$298,359 to remove a portion of variable pay consistent with
18 the way this cost is excluded for ratemaking. (Schedule SAB-1, Page 14, Line 53)

19 (4) Company's portion of Service Company Excess Deferred Income Taxes: In
20 Docket No. 4770, Service Company excess deferred income tax amortization was
21 reflected in operating & maintenance expense as a component of Service

1 Company rent expense. The Company's portion of Service Company excess
2 deferred income tax amortization totaled \$39,878, shown in Docket No. 4770
3 Second Compliance Attachment 31 at Page 1, as \$39,878 from Column (a). This
4 adjustment is reflected on Page 2, Line 18. (Schedule SB-1, Page 14, Line 54)

5 (5) Service Company Rents: The Company has reduced Administrative and General
6 expense on Page 2, Line 18 by \$372,515 to remove the portion of a service
7 company rents adjustment made in CY 2022 that related to prior periods.
8 (Schedule SAB-1, Page 14, Line 57)

9

10 **Q. How did the Company calculate federal income tax on operating income?**

11 A. The Company multiplied its taxable operating income by the federal income tax rate of
12 21 percent for CY 2021, as shown on Schedule SAB-1, Page 3, Line 20. The Company
13 has also included an adjustment to reduce tax expense for the amortization of excess
14 deferred income taxes generated by the federal tax rate reduction from 35 percent to 21
15 percent pursuant to the Tax Cuts and Jobs Act effective January 1, 2018 which is
16 discussed later in my testimony.

17

18 **Q. How did the Company calculate long-term debt interest, short-term debt interest,
19 and preferred stock dividends?**

20 A. The Docket No. 4770 Amended Settlement Agreement specifies the capital structure to
21 be used in computing the cost of capital. The imputed capital structure is as follows:

Short-term Debt	0.60 percent
Long-term Debt	48.35 percent
Preferred Equity	0.10 percent
Common Equity	50.95 percent

1
2 Further, the Docket No. 3401 Settlement Agreement requires the Company to use the
3 actual cost of long-term debt and the most recent 12-month average cost of short-term
4 debt in its earnings calculation. Therefore, as shown on Schedule SAB-1, Page 4, the
5 Company computed the cost of long-term debt by multiplying rate base applicable to
6 long-term debt by the Company's actual long-term debt rate applicable to the gas
7 business for CY 2021, or 4.31 percent, as calculated on Page 10. Likewise, the Company
8 computed the cost of short-term debt by multiplying rate base applicable to short-term
9 debt by the 12-month average cost of short-term debt, or 0.00 percent, as calculated on
10 Page 11. This short-term debt rate assumes average monthly National Grid money pool
11 rates as applied to the Company's monthly outstanding short-term debt balances for CY
12 2021. Finally, the Company computed the cost of preferred stock by multiplying rate
13 base applicable to preferred stock by the cost rate of 4.50 percent established in the
14 Docket No. 4770 Amended Settlement Agreement.

15

16 **Q. How did the Company determine rate base in the Earnings Report?**

17 A. As required by the Docket No. 3401 Settlement Agreement, average rate base is to be
18 based on a five-quarter average. The CY 2020 rate base is set forth in Schedule SAB-1,
19 Page 5. See Docket No. 3401 Settlement Agreement at Section II.F.1. The Company

1 excluded from rate base environmental response costs, asset retirement obligations, and
2 prepaid taxes. However, the Company included construction-work-in-progress in rate
3 base. Consistent with prior Earnings Reports, the Company computed the working
4 capital allowance pursuant to the method approved in Docket No. 3943, at Order No.
5 19563, as shown on Schedule SAB-1, Page 6. Effective September 1, 2018, the deferred
6 debits in rate base include the book value of GIS Smallworld, which is amortized
7 annually at \$426,180. The Company also excluded stored gas inventory and customer
8 deposits from the rate base calculation. In addition, a hold harmless rate base credit is
9 included as a reduction to rate base as well as amortization of excess deferred income
10 taxes which reduces the Company's accumulated deferred income tax liability therefore
11 increasing rate base.

12
13 **Q. Please explain the adjustment to rate base for Excess Deferred Income Taxes.**

14 A. Effective December 31, 2017, the Company restated its deferred tax balances based on
15 the new 21 percent federal income tax rate because the Company will be paying income
16 taxes as the book/tax timing differences reverse at that 21 percent federal income tax rate.
17 However, because deferred taxes are an offset to rate base, reducing the deferred tax
18 balances based on the 21 percent federal income tax rate has the effect of artificially
19 increasing rate base. To counteract this artificial increase to rate base, a new line item
20 called Excess Deferred Income Taxes has been included in the rate base calculation
21 reflecting the value of the decrease to accumulated deferred income taxes as of

1 December 31, 2017. These excess deferred income taxes represent the net benefit as of
2 December 31, 2017 that will eventually be earned by the Company through reduced
3 future income taxes, and ultimately returned to customers through base distribution rates,
4 pursuant to the Docket No. 4770 Amended Settlement Agreement. As the return of
5 excess deferred income taxes to customers commenced with new base rates on September
6 1, 2018, the rate base calculation includes the cumulative quarterly amortization of the
7 excess deferred income tax balance in the CY 2021 calculation of rate base.

8
9 **Q. What is the “hold harmless” adjustment the Company has made to its rate base**
10 **calculation?**

11 A. As a result of National Grid’s purchase of the regulated gas assets in Rhode Island from
12 Southern Union in 2006, the Company realized a tax basis step-up for the assets acquired.
13 This step-up in tax basis resulted in a total tax basis for the assets acquired, which
14 equaled the net book basis for those same assets. Consequently, at the time of
15 acquisition, the Company’s book/tax timing difference, which gives rise to deferred tax
16 liabilities, was equal to zero. Therefore, the Company recorded no accumulated deferred
17 taxes on its balance sheet. Effective with Southern Union ownership in 2000, all deferred
18 tax provisions associated with New England Gas Company operations were recorded on
19 the books of the parent company and not on the balance sheet of New England Gas
20 Company. However, commencing with the National Grid acquisition of New England
21 Gas Company from Southern Union on August 24, 2006, the Company began recording

1 deferred tax liabilities, due primarily to the difference in book versus tax depreciation
2 rates. The Company will continue to record deferred tax provisions related to the assets
3 acquired, as well as on investments in Company assets post-acquisition. Therefore, the
4 Company's CY 2021 general ledger reflects actual deferred tax provisions recorded by
5 the Company through December 31, 2021, as reflected on Schedule SAB-1, Page 5, Line
6 16.

7
8 Consequently, the hold harmless adjustment, reflected on Schedule SAB-1, Page 5, Line
9 19, is associated with National Grid's purchase of the regulated gas assets in Rhode
10 Island from Southern Union. This hold harmless adjustment provides customers an
11 economically equivalent rate base credit to offset the rate base increase that resulted from
12 National Grid's asset purchase, as agreed to and approved by the PUC in the 2007
13 Earnings Report in Docket No. 3859. Schedule SAB-1, Page 13 demonstrates the annual
14 values of the hold harmless rate base adjustment, as approved in Docket No. 3859.

15
16 **Q. How did the Company determine common equity applicable to rate base?**

17 A. In accordance with the capital structure approved in the Docket No. 4770 Amended
18 Settlement Agreement, the Company multiplied the five-quarter average rate base at
19 December 31, 2021, as I discussed earlier, by 50.95 percent to determine common equity
20 applicable to rate base of \$575,545,705, as shown on Schedule SAB-1, Page 1.

21

1 **Q. Please summarize the earnings sharing calculation on Schedule SAB-1.**

2 A. Schedule SAB-1, Page 1, calculates the earnings to be shared with customers based on
3 the sharing percentages required in the ESM Provision. Lines 1 through 3 summarize the
4 calculation of average common equity. Line 5 is the Actual Total Earnings as described
5 above, and Line 6 is the return on common equity including all performance incentives
6 for CY 2021, or 8.61 percent. Lines 9 through 11 show the dollar value and earnings
7 impact of each of the Company's incentives earned in CY 2021. Line 14 is the Base
8 Earnings as described above, and Line 15 is the return on common equity excluding
9 performance incentives for CY 2021, or 8.29 percent. Because Line 15 is less than 9.275
10 percent, the earned return on common equity for CY 2021 does not exceed the threshold
11 above which the Company's regulated earnings are shared with customers. Therefore,
12 there are no earnings available to be shared with customers associated with CY 2021
13 Base Earnings.

14

15 **IV. Conclusion**

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

17 A. Yes.

**THE NARRAGANSETT ELECTRIC COMPANY
d/b/a RHODE ISLAND ENERGY
R.I.P.U.C. DOCKET NO. 22-13-NG
DISTRIBUTION ADJUSTMENT CHARGE FILING
WITNESS: STEPHANIE A. BRIGGS
AUGUST 1, 2022**

Schedule SAB-1

CY 2021 Gas Earnings Report

**National Grid - RI Gas
Gas Earnings Sharing Mechanism
For the Twelve Months ended December 31, 2021**

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**National Grid - RI Gas
Gas Earnings Sharing Mechanism
For the Twelve Months ended December 31, 2021**

1	Average Rate Base	\$1,129,628,469	
2	Equity Component of Rate Base	50.95%	
3	Average Common Equity	<u>\$575,545,705</u>	
4			
5	Actual Total Earnings	\$49,546,865	
6	Return on Common Equity with Incentives	8.61%	
7			
8	Less incentives:		
9	Energy Efficiency shareholder incentive	\$430,582	0.07%
10	Natural Gas Portfolio Management Plan	\$1,302,307	0.23%
11	Gas Procurement Incentive Plan	<u>\$78,027</u>	0.01%
12		<u>\$1,810,916</u>	
13			
14	Base Earnings	\$47,735,949	
15	Return on Common Equity without Incentives	<u>8.29%</u>	
16			
17	<u>Return on Equity > 9.275% and < 10.275%</u>	0.00%	
18	Earnings to be Shared	<u>\$0</u>	
19	Earnings to Customers - 50%	<u>\$0</u>	
20			
21	Return on Equity > 10.275%	0.00%	
22	Earnings to be Shared	<u>\$0</u>	
23	Earnings to Customers - 75%	<u>\$0</u>	
24			
25	Total After tax Earnings Credited to Customers	<u>\$0</u>	
26			
27	Total Earnings Credited to DAC	<u>\$0</u>	

Notes:

- 1 From Page 5 of 14 line 24(f)
- 2 From Page 4 of 14 line 8(a)
- 3 Line 1 times line 2
- 5 Line 12 plus line 14
- 6 Line 5 divided by line 3
- 9 Line 9 divided by line 3
- 10 Line 10 divided by line 3
- 11 Line 11 divided by line 3
- 14 From Page 2 of 14 line 42
- 15 Line 14 divided by line 3
- 17 Smaller of 10.275% or Line 15 minus 9.275%.
- 18 Line 3 times line 17
- 19 Line 18 times 50%
- 21 If Line 15 is greater than 10.275%
- 22 Line 3 times line 21
- 23 Line 22 times 75%
- 25 Line 19 plus line 23
- 27 Line 25 divided by 79%

National Grid - RI Gas
Income Statement
For the Twelve Months ended December 31, 2021

	<u>Income Statement</u>	<u>Adjustments</u>	<u>2021</u>	
	(a)	(b)	(c)	
1	<u>Operating Revenues</u>			
2	Total Firm Gas	\$415,379,460	\$5,775,576	\$421,155,036
3	Transportation	\$51,415,604	(\$611,321)	\$50,804,283
4	Other Revenues	\$10,582,049	(\$758,527)	\$9,823,522
5	Total Operating Revenues	\$477,377,113	\$4,405,728	\$481,782,841
6				
7	<i>Adjustment to Operating Revenue:</i>			
8	Inventory Financing		(\$876,876)	(\$876,876)
9	Total Adjusted Operating Revenues	\$477,377,113	\$3,528,852	\$480,905,965
10				
11	<u>Operating Expenses</u>			
12	Production (Gas Costs)	\$162,728,301		\$162,728,301
13	Storage	\$3,636,091		\$3,636,091
14	Transmission	\$3,665,036		\$3,665,036
15	Distribution	\$28,852,527		\$28,852,527
16	Customer Accounts	\$48,757,372	\$1,665,695	\$50,423,067
17	Sales	\$247,849	(\$247,849)	\$0
18	Administrative and General	\$52,586,569	(\$710,752)	\$51,875,817
19	Total Operating Expenses	\$300,473,745	\$707,094	\$301,180,839
20				
21	<u>Other Expenses</u>			
22	Depreciation and Amortization	\$50,410,776		\$50,410,776
23	Local and Other Taxes	\$35,645,134		\$35,645,134
24	Revenue Related Taxes (Gross Earnings Tax - GET)	\$13,257,717		\$13,257,717
25	Federal Income Taxes @ 21%	\$9,380,477	\$1,405,566	\$10,786,043
26	Total Other Expenses	\$108,694,103	\$1,405,566	\$110,099,669
27				
28	Income Before Interest Expense	\$68,209,265	\$1,416,192	\$69,625,457
29				
30	<u>Interest Expense</u>			
31	Other Income/Expenses	\$645,274	(\$645,274)	\$0
32	Short-Term Debt	\$0	\$0	\$0
33	Long-Term Debt	\$1,436,565	\$22,103,593	\$23,540,158
34	Other Interest Expense	\$327,897	(\$307,666)	\$20,231
35	AFUDC	(\$1,721,715)		(\$1,721,715)
36	Total Interest Expense	\$688,021	\$21,150,654	\$21,838,675
37				
38	Net Income / (Loss)	\$67,521,244	(\$19,734,461)	\$47,786,782
39				
40	Preferred Dividends		\$50,833	\$50,833
41				
42	Net Income / (Loss) Applicable to Common Equity	\$67,521,244	(\$19,785,295)	\$47,735,949

Notes:

- (a) From Company Financial Statements
- 1(b)-19(b) From Page 14 of 14
- (c) (a) + (b)
- 4 From Page 7 of 14 line 28
- 23 From Page 6 of 14 line 3 through 5
- 24 From Page 6 of 14 line 6
- 25 From Page 3 of 14 line 24
- 31 From Page 9 of 14 line 25
- 32 From Page 4 of 14 line 25(b)
- 33 From Page 4 of 14 line 17(b)
- 34 From Page 8 of 14 line 3
- 40 From Page 4 of 14 line 34(b)

**National Grid - RI Gas
Federal Income Tax Calculation
For the Twelve Months ended December 31, 2021**

1	Operating Revenues	\$480,905,965
2		
3	Less:	
4		
5	Operating Expenses	\$301,180,839
6	Depreciation and Amortization	\$50,410,776
7	Local and Other Taxes	\$35,645,134
8	Revenue Related Taxes (GET)	\$13,257,717
9	Interest - Short-Term Debt	\$0
10	Interest - Long-Term Debt	\$23,540,158
11	Other Interest	\$20,231
12	AFUDC	<u>(\$1,721,715)</u>
13		
14	Total Deductions	<u>\$422,333,140</u>
15		
16	Taxable Income	\$58,572,825
17		
18	Federal Income Tax Rate	<u>21.00%</u>
19		
20	Imputed Federal Income Tax Expense	\$12,300,293
21		
22	Amortization of EDIT	(\$1,514,251)
23		
24	Net Federal Income Tax Expense	<u><u>\$10,786,043</u></u>

Notes:

- 1 From Page 2 of 14 line 9(c)
- 5 From Page 2 of 14 line 19(c)
- 6 From Page 2 of 14 line 22(c)
- 7 From Page 2 of 14 line 23(c)
- 8 From Page 2 of 14 line 24(c)
- 9 From Page 2 of 14 line 32(c)
- 10 From Page 2 of 14 line 33(c)
- 11 From Page 2 of 14 line 34(c)
- 12 From Page 2 of 14 line 35(c)
- 14 Sum of Line 5 through line 12
- 16 Line 1 minus line 14
- 18 Federal income Tax Rate: rate of 21%
- 20 Line 16 times Line 18
- 22 - Docket No. 4770, Excess Deferred Income Tax True-Up – Second Compliance Filing dated May 30, 2019, Second Compliance Attachment 31, Page 1
- 24 Line 20 plus Line 22

T

National Grid - RI Gas
Applicable Capital Structure, Interest Expense and Preferred Dividends
For the Twelve Months ended December 31, 2021

	%	\$
	(a)	(b)
1		\$1,129,628,469
2		<u><u>\$1,129,628,469</u></u>
3		
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34		

Notes:

- 1(b) From Page 5 of 14 line 24(f)
- 5(a)-8(a) Docket 4770 Compliance Filing dated August 16, 2018, Compliance Filing Attachment 2, Schedule 1-GAS, Page 4
- 5(b)-8(b) Line 1(b) times line 5(a) through line 8(a)
 - 13 Line 1(b) times line 13(a)
 - 15 From Page 10 of 14 line 13(g)
 - 17 Line 13(b) times line 15(b)
 - 21 Line 1(b) times line 21(a)
 - 23 From Page 11 of 14 line 14(b)
 - 25 Line 21(b) times line 23(b)
 - 30 Line 1(b) times line 30(a)
 - 32 Docket 4770 Compliance Filing dated August 16, 2018, Compliance Attachment 2, Schedule 1-GAS, Page 4, Line 5
 - 34 Line 30(b) times line 32(b)

**National Grid - RI Gas
Rate Base
For the Twelve Months ended December 31, 2021**

	December 2020 (a)	March 2021 (b)	June 2021 (c)	September 2021 (d)	December 2021 (e)	5 Quarter Average December 2021 (f)
1 Gas Plant In Service	\$1,592,176,337	\$1,633,212,264	\$1,675,285,604	\$1,746,572,258	\$1,791,694,480	\$1,687,788,189
2 CWIP	\$72,357,430	\$60,761,591	\$60,897,614	\$49,229,187	\$49,868,530	\$58,622,870
3 Less: Accumulated Depreciation	\$447,577,999	\$456,250,810	\$463,739,094	\$480,128,579	\$488,824,957	\$467,304,288
4 Less: Contribution in Aid of Construction	\$38	\$38	\$38	\$38	\$38	\$38
5						
6 Net Plant	\$1,216,955,730	\$1,237,723,007	\$1,272,444,086	\$1,315,672,829	\$1,352,738,015	\$1,279,106,733
7						
8 Materials and Supplies	\$4,227,699	\$5,013,105	\$5,293,712	\$4,997,297	\$5,269,630	\$4,960,289
9 Prepaid Expenses, Excluding Taxes	\$1,224,446	\$812,215	\$182,822	\$357,251	\$1,067,660	\$728,879
10 Deferred Debits	\$834,549	\$728,004	\$621,459	\$514,914	\$408,369	\$621,459
11 Unamortized debt expense and Interest Rate Lock	\$2,723,530	\$2,666,471	\$2,609,413	\$2,552,354	\$2,495,296	\$2,609,413
12 Cash Working Capital	\$29,081,967	\$31,603,432	\$31,603,432	\$31,603,432	\$31,603,432	\$31,099,139
13						
14 Subtotal	\$38,092,191	\$40,823,228	\$40,310,839	\$40,025,249	\$40,844,388	\$40,019,179
15						
16 Accumulated Deferred FIT	\$119,314,303	\$123,514,138	\$124,224,265	\$124,200,159	\$122,194,717	\$122,689,517
17 Excess Deferred Tax	\$58,852,072	\$55,165,607	\$55,165,607	\$55,165,607	\$55,558,252	\$55,981,429
18 Excess Deferred Tax Amortization	(\$3,533,252)	(\$3,911,814)	(\$4,290,377)	(\$4,668,940)	(\$5,047,502)	(\$4,290,377)
19 Hold Harmless	\$14,617,129	\$13,946,383	\$13,275,638	\$12,604,892	\$11,934,147	\$13,275,638
20 Customer Deposits	\$1,884,503	\$1,842,678	\$1,825,569	\$1,823,841	\$1,829,591	\$1,841,236
21						
22 Subtotal	\$191,134,755	\$190,556,992	\$190,200,702	\$189,125,559	\$186,469,206	\$189,497,443
23						
24 Rate Base	\$1,063,913,166	\$1,087,989,243	\$1,122,554,223	\$1,166,572,518	\$1,207,113,197	\$1,129,628,469

Notes:

- 1(a)-4(e) From Company Financial Statements
- 1(f)-4(f) Average of Column (a) through Column (e)
- 6(a)-6(c) Line 1 + Line 2 - Line 3 - Line 4
- 6(f) Average of Column (a) through Column (e)
- 8(a)-11(e) From Company Financial Statements
- 8(f)-11(f) Average of Column (a) through Column (e)
- 12(b)-12(e) From Page 6 of 14 Line 13
- 14 Sum of Line 8 through Line 12
- 16(a)-21(e) From Company Financial Statements
- 16(f)-21(f) Average of Column (a) through Column (e)
- 17 Excess Deferred Tax for change in tax rate from 35% to 21%, adjusted for IRS audit findings
- 18 Per Docket No. 4770, Excess Deferred Income Tax True-Up – Second Compliance Filing dated May 30, 2019, Second Compliance Attachment 31, Page 1
- 19 Hold Harmless rate base credit per Docket No. 3859
- 22 Sum of Line 16 through Line 20
- 24 Line 6 + Line 14 - Line 22

**National Grid - RI Gas
Cash Working Capital Calculation
For the Twelve Months ended December 31, 2021**

1	Gas Costs	\$162,728,301
2	Operating Expenses	\$138,452,538
3	Payroll Taxes	\$3,086,035
4	Property Taxes	\$32,554,123
5	State Taxes Other	\$4,975
6	Revenue Related Taxes (GET)	\$13,257,717
7	Total	\$350,083,690
8		
9	Daily Cash Requirement	\$959,133
10		
11	Net Lag Days	32.95
12		
13	Total Working Capital	\$31,603,432

Notes:

- 1 From Page 2 of 14 line 12(c)
- 2 From Page 2 of 14 line 13(c) through 18(c)
- 3-5 From Page 2 of 14 line 23(c)
- 6 From Page 2 of 14 line 24(c)
- 7 Sum of Line 1 through Line 6
- 9 Line 7 divided by 365 days
- 11 Per Docket No. 4770, Compliance Filing dated August 16, 2018,
Compliance Attachment 2, Schedule 42,
(Page 3 of 29, Line 18 - Page 2 of 29, Line 1)
- 13 Line 9 times line 11

National Grid - RI Gas
Detail Other Revenue/(Expense)
For the Twelve Months ended December 31, 2021

	<u>Income Statement</u>	<u>Adjustments</u>	<u>2021</u>
	(a)	(b)	(c)
1 Rent from Gas Property	\$2,088,862		\$2,088,862
2			
3 Other Revenue	(\$2,528,230)		(\$2,528,230)
4			
5 Excess Sharing	(\$10,240,991)	\$10,240,991	\$0
6			
7 RDM Revenue	\$4,702,743		\$4,702,743
8 Unbilled RDM Revenue		(\$1,536,764)	(\$1,536,764)
9 Energy Efficiency Shareholder Incentives		(\$430,582)	(\$430,582)
10			
11 Other Revenue - Off System Gas Sales	\$11,672,778	(\$11,672,778)	\$0
12			
13 Other Gas Rev Contract Sharing	(\$129,481)	\$129,481	\$0
14			
15 Other Deferred Revenue	\$7,598,927	(\$2,884,735)	\$4,714,192
16 LIHEAP Revenue		\$2,884,735	\$2,884,735
17			
18 DAC Revenue	(\$2,573,466)		(\$2,573,466)
19 Unbilled DAC Revenue		\$2,496,262	\$2,496,262
20			
21 Recovery of Supervision & Administrative Costs	\$6,027		\$6,027
22			
23 Misc Revenue	(\$15,120)	\$15,120	\$0
24			
26 Interest on Customer Arrears		(\$255)	(\$255)
27			
28 Total Other Revenue	<u>\$10,582,049</u>	<u>(\$758,527)</u>	<u>\$9,823,522</u>

Notes:

- (a) From Company Financial Statements
- (b) From Page 14 of 14
- (c) (a) + (b)

National Grid - RI Gas
Detail Other Interest Expense
For the Twelve Months ended December 31, 2021

	<u>Income Statement</u>	<u>Adjustments</u>	<u>2021</u>
	(a)	(b)	(c)
1 Interest on Customer Deposits	\$327,897	(\$307,666)	\$20,231
2			
3 Total Other Interest Expense	<u>\$327,897</u>	<u>(\$307,666)</u>	<u>\$20,231</u>

Notes:

- (a) From Company Financial Statements
- (b) (c) - (a)
- (c) Interest on Customer Deposits

National Grid - RI Gas
Calculation of Average Long-Term Debt Interest Rate
For the Twelve Months ended December 31, 2021

<u>Series</u>	<u>Percent</u>	<u>Due</u>	<u>Amount</u>	<u>Annual Interest</u>	<u>Annual Amortization of DD&E</u>	<u>Total Expense</u>	<u>Cost of Debt</u>	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	
1	<u>Senior Unsecured Notes</u>							
2	Senior Notes	5.638%	15-Mar-2040	\$300,000,000	\$17,115,588	\$82,255	\$17,197,843	5.73%
3	Senior Notes	4.170%	10-Dec-2042	\$250,000,000	\$10,425,000	\$68,396	\$10,493,396	4.20%
4	Senior Notes	3.919%	1-Aug-2028	\$350,000,000	\$13,716,500	\$188,787	\$13,905,287	3.97%
5	Senior Notes	3.395%	9-Apr-2030	\$600,000,000	\$20,370,000	\$283,778	\$20,653,778	3.44%
6	<u>First Mortgage Bonds (*)</u>							
7	Providence Gas FMB O	8.460%	30-Sep-2022	\$12,500,000	\$1,057,500	\$4,311	\$1,061,811	8.49%
8	FMB Series P	8.090%	30-Sep-2022	\$1,093,745	\$88,484	\$3,449	\$91,933	8.41%
9	FMB Series R	7.500%	15-Dec-2025	\$3,716,667	\$278,750	\$4,071	\$282,821	7.61%
10								8.30%
11	Total			<u>\$1,517,310,412</u>	<u>\$63,051,822</u>	<u>\$635,047</u>	<u>\$63,686,869</u>	<u>4.20%</u>
12	Electric Operations	70.00%		\$1,062,117,288	\$43,636,797	\$441,286	\$44,078,083	4.15%
13	Gas Operations	30.00%		\$455,193,124	\$19,415,025	\$193,761	\$19,608,786	4.31%
14	Legacy Debt			\$17,310,412	\$1,424,734	\$11,831	\$1,436,565	8.30%
15	New Debt			\$437,882,712	\$17,990,291	\$181,930	\$18,172,221	4.15%
16								
17	Total			<u>\$1,517,310,412</u>	<u>\$63,051,822</u>	<u>\$635,047</u>	<u>\$63,686,869</u>	<u>4.20%</u>

Notes:

- 1-10 From Financial Statements
- 11 Sum of Lines 1-10
- 12(c) Line 11 * Line 12(a)
- 12(d) Sum of Lines 2(d) through 5(d) * Line 12(a) / Sum of Lines 2(c) through 5(c)
- 12(e) Sum of Lines 2(e) through 5(e) * Line 12(a) / Sum of Lines 2(c) through 5(c)
- 13(c)-13(e) Line 14 + Line 15
- 14(c)-14(e) Sum of Lines 7 through 9
- 15(c)-15(e) Sum of Lines 2 through 5, - Line 12
- (f) (d) + (e)
- (g) (f) / (c)

1(c)-10(c) *Average amounts represent The Narragansett Electric Company consolidated amounts as the Gas division is not a legal entity.

National Grid - RI Gas
Calculation of Average Short-Term Debt Interest Rate
For the Twelve Months ended December 31, 2021

		(a)	(b)	(c)
<u>Month</u>		<u>Average Short-Term Debt Balance</u>	<u>Weighted Cost Rate</u>	<u>Short-Term Interest Expense</u>
1	Jan-21	\$0	2.18%	\$0
2	Feb-21	\$0	2.01%	\$0
3	Mar-21	\$0	1.97%	\$0
4	Apr-21	\$0	2.36%	\$0
5	May-21	\$0	1.85%	\$0
6	Jun-21	\$0	1.03%	\$0
7	Jul-21	\$0	0.37%	\$0
8	Aug-21	\$0	0.25%	\$0
9	Sep-21	\$0	0.18%	\$0
10	Oct-21	\$0	0.47%	\$0
11	Nov-21	\$0	0.18%	\$0
12	Dec-21	\$0	0.20%	\$0
13				
14	Average	\$0	0.00%	\$0

Notes:

- Average amounts represent The Narragansett Electric Company consolidated
1(a)-12(a) amounts as the Gas division is not a legal entity and participates in the National
Grid money pool as a division of The Narragansett Electric Company.
14(b) Line 14 (c) divided by Line 14 (a)

**National Grid - RI Gas
Merger Hold Harmless Rate Base Credit
For the Twelve Months ended December 31, 2021**

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
RIPUC Docket No. 4770
Schedule MAL-11-GAS
Page 9 of 23

The Narragansett Electric Company d/b/a National Grid
Merger Hold Harmless Rate Base Credit Adjustments To Rate Base
Test Year Ending June 31, 2017 through Rate Year 1 Ending August 31, 2019

Description	Period (a)	Monthly Expense (b)	Merger Hold Harmless Rate Base Credit (c)
1 Balance at June 30, 2017			\$21,532,971
2			
3 Subsequent 2 months			(\$253,030)
4			
5 Balance at August 31, 2017			\$21,279,942
6			
7			
8 Increase/(Decrease) 12 Months Ended	08/31/18		(\$1,674,988.40)
9			
10 Balance at August 31, 2018			\$19,604,953
11	09/30/18	(\$146,116)	\$19,458,837
12	10/31/18	(\$146,116)	\$19,312,721
13	11/30/18	(\$146,116)	\$19,166,605
14	12/31/18	(\$146,116)	\$19,020,489
15	01/31/19	(\$167,950)	\$18,852,539
16	02/28/19	(\$167,950)	\$18,684,590
17	03/31/19	(\$167,950)	\$18,516,640
18	04/30/19	(\$167,950)	\$18,348,691
19	05/31/19	(\$167,950)	\$18,180,741
20	06/30/19	(\$167,950)	\$18,012,792
21	07/31/19	(\$167,950)	\$17,844,842
22 Balance at August 31, 2019	08/31/19	(\$167,950)	\$17,676,893
23			
24 Rate Year 1 Merger Hold Harmless - 5 Quarter Average			\$18,662,756

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
RIPUC Docket No. 4770
Schedule MAL-11-GAS
Page 10 of 23

The Narragansett Electric Company d/b/a National Grid
Merger Hold Harmless Rate Base Credit Adjustments To Rate Base
Rate Year 1 Ending August 31, 2019 through Data Year 2 Ending August 31, 2021

Description	Period (a)	Monthly Expense (b)	Merger Hold Harmless Rate Base Credit (c)
1 Balance at August 31, 2019			\$17,676,893
2	09/30/19	(\$167,950)	\$17,508,943
3	10/31/19	(\$167,950)	\$17,340,994
4	11/30/19	(\$167,950)	\$17,173,044
5	12/31/19	(\$167,950)	\$17,005,095
6	01/31/20	(\$198,997)	\$16,806,098
7	02/29/20	(\$198,997)	\$16,607,100
8	03/31/20	(\$198,997)	\$16,408,103
9	04/30/20	(\$198,997)	\$16,209,106
10	05/31/20	(\$198,997)	\$16,010,109
11	06/30/20	(\$198,997)	\$15,811,112
12	07/31/20	(\$198,997)	\$15,612,115
13 Balance at August 31, 2020	08/31/20	(\$198,997)	\$15,413,118
14			
15 Rate Year 2 Merger Hold Harmless - 5 Quarter Average			\$16,576,033
16			
17 Balance at August 31, 2020			\$15,413,118
18	09/30/20	(\$198,997)	\$15,214,120
19	10/31/20	(\$198,997)	\$15,015,123
20	11/30/20	(\$198,997)	\$14,816,126
21	12/31/20	(\$198,997)	\$14,617,129
22	01/31/21	(\$223,582)	\$14,393,547
23	02/28/21	(\$223,582)	\$14,169,965
24	03/31/21	(\$223,582)	\$13,946,383
25	04/30/21	(\$223,582)	\$13,722,802
26	05/31/21	(\$223,582)	\$13,499,220
27	06/30/21	(\$223,582)	\$13,275,638
28	07/31/21	(\$223,582)	\$13,052,056
29 Balance at August 31, 2021	08/31/21	(\$223,582)	\$12,828,474
30			
31 Rate Year 3 Merger Hold Harmless - 5 Quarter Average			\$14,145,381

Schedule DJE-2
Revised

NATIONAL GRID
MERGER ADJUSTMENT TO ADIT
Projected Deferred Tax Schedule
(\$000)

<u>As of</u> <u>31-Dec</u>	<u>Southern</u> <u>Union</u> <u>ADIT</u>	<u>National</u> <u>Grid</u> <u>ADIT</u>	<u>Difference</u>	<u>Southern</u> <u>Union</u> <u>ADITC</u>	<u>ADIT</u> <u>Merger</u> <u>Adjustment</u>
2006	\$34,845	\$214	\$34,631	\$1,133	\$35,764
2007	\$33,908	\$1,238	\$32,670	\$928	\$33,598
2008	\$32,170	\$2,073	\$30,097	\$724	\$30,821
2009	\$30,086	\$1,859	\$28,227	\$519	\$28,746
2010	\$29,473	\$2,238	\$27,235	\$315	\$27,549
2011	\$29,632	\$3,184	\$26,448	\$110	\$26,558
2012	\$29,583	\$3,760	\$25,823		\$25,823
2013	\$29,515	\$4,286	\$25,229		\$25,229
2014	\$29,199	\$4,628	\$24,572		\$24,572
2015	\$29,095	\$5,530	\$23,566		\$23,566
2016	\$28,823	\$6,531	\$22,292		\$22,292
2017	\$28,342	\$7,568	\$20,774		\$20,774
2018	\$27,627	\$8,606	\$19,020		\$19,020
2019	\$26,847	\$9,842	\$17,005		\$17,005
2020	\$25,922	\$11,305	\$14,617		\$14,617
2021	\$24,732	\$12,797	\$11,934		\$11,934
2022	\$23,374	\$14,311	\$9,064		\$9,064

National Grid - RI Gas
Reconciliation of Gas Earnings Sharing Mechanism to Annual Report
For the Twelve Months ended December 31, 2021

1	<u>Operating Revenues</u>	
2	Gas Operating Revenues shown on Page 301, Line 1(f) of the Annual Report	\$415,379,461
3	1 Unbilled Revenue Net Margin	(\$323,985)
4	2 Unbilled Energy Efficiency	(\$658,585)
5	3 Property Tax Deferral Adjustment	\$6,758,146
6	Gas Earnings Sharing Mechanism, Page 2, Total Firm Gas Revenues	<u>\$421,155,037</u>
7		
8	Revenues from Transportation shown on Page 301, Line 7(f) of the Annual Report	\$51,415,604
9	1 Unbilled Transportation	(\$611,321)
10	Gas Earnings Sharing Mechanism, Page 2, Transportation Revenues	<u>\$50,804,283</u>
11		
12	Forfeited Discounts shown on Page 301, Line 3(f) of the Annual Report	\$0
13	Miscellaneous Service Revenues shown on Page 301, Line 4(f) of the Annual Report	(\$15,120)
14	Rent from Gas Property shown on Page 301, Line 12(f) of the Annual Report	\$2,088,862
15	Other Gas Revenues shown on Page 301, Line 14(f) of the Annual Report	\$8,508,307
16	1 Unbilled RDM	(\$1,536,764)
17	2 Unbilled DAC	\$2,496,262
18	3 Off System Gas Sales	(\$11,672,778)
19	4 Contract Sharing	\$129,481
20	5 Excess Sharing	\$10,240,991
21	6 Energy Efficiency Incentives	(\$430,582)
22	7 Miscellaneous Service Revenues	\$15,120
23	8 CSS Revenue - Customer Arrears	(\$255)
24	Gas Earnings Sharing Mechanism, Page 2, Other Revenues	<u>9,823,522</u>
25		
26	Inventory Financing	<u>(\$876,876)</u>
27		
28		
29	<u>Operating Expenses</u>	
30	Production expenses shown on Page 320 of the Annual Report	\$162,728,301
31	Gas Earnings Sharing Mechanism, Page 2, Production (Gas Costs)	<u>\$162,728,301</u>
32		
33	Natural Gas Storage expenses shown on Page 322 of the Annual Report	\$3,636,093
34	Gas Earnings Sharing Mechanism, Page 2, Storage	<u>\$3,636,093</u>
35		
36	Transmission expenses shown on Page 323 of the Annual Report	\$3,665,036
37	Gas Earnings Sharing Mechanism, Page 2, Transmission	<u>\$3,665,036</u>
38		
39	Distribution expenses shown on Page 324 of the Annual Report	\$28,852,529
40	Gas Earnings Sharing Mechanism, Page 2, Distribution	<u>\$28,852,529</u>
41		
42	Customer Accounts expenses shown on Pages 324-325 of the Annual Report	\$12,410,926
43	Customer Service & Information expenses shown on Pages 325 of the Annual Report	\$36,346,445
44	1 Zero out Uncollectible Accounts per books	(\$4,978,756)
45	2 Add Bad Debt Charge-Offs	\$6,644,451
46	Gas Earnings Sharing Mechanism, Page 2, Customer Accounts	<u>\$50,423,066</u>
47		
48	Sales expenses shown on Page 325 of the Annual Report	\$247,847
49	1 Remove Sales expenses	(\$247,847)
50	Gas Earnings Sharing Mechanism, Page 2, Sales	<u>\$0</u>
51		
52	Administrative and General expenses shown on Page 325 of the Annual Report	\$52,586,566
53	1 Exclude Executive Variable Compensation not charged to customers	(\$298,359)
54	2 Service Company excess deferred federal income taxes per Docket No. 4770 Excess	(\$39,878)
55	Deferred Income Tax True-Up – Second Compliance Filing dated May 30, 2019,	
56	Second Compliance Attachment 31, Page 1	
57	3 Service Company Rents Adjustment	(\$372,515)
58	Gas Earnings Sharing Mechanism, Page 2, Administrative and General	<u>\$51,875,814</u>