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January 31, 2024

VIA ELECTRONIC MAIL

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

**RE: Docket No. 23-49-NG – The Narragansett Electric Company d/b/a
Rhode Island Energy’s Proposed FY 2025 Gas Infrastructure, Safety, and
Reliability Plan
Responses to Division Data Requests – Set 3**

Dear Ms. Massaro:

On behalf of The Narragansett Electric Company d/b/a Rhode Island Energy, I have enclosed the Company’s responses to the Division’s Third Set of Data Requests in the above-referenced matter.

Thank you for your attention to this matter. If you have any questions, please contact me at 401-316-7429.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Jennifer Brooks Hutchinson".

Jennifer Brooks Hutchinson

Enclosure

cc: Docket No. 23-49-NG Service List

The Narragansett Electric Company
d/b/a Rhode Island Energy
RIPUC Docket No. 23-49-NG
In Re: Proposed FY 2025 Gas Infrastructure, Safety and Reliability Plan
Responses to the Division's Third of Data Requests
Issued on January 10, 2024

Division 3-1

Request:

Referring to Section 3, Attachment 2, Page 2, please provide workpapers supporting the amounts in the "No Acquisition" Column.

Response:

Please see Attachment Division 3-1 for the requested information. The amounts in the "No Acquisition" column can be found on the "Average ISR Rate Base after Deferred Tax Proration Adjustment line" of each fiscal year's revenue requirement in Attachment Division 3-1, which shows the revenue requirement calculation if the Acquisition had not taken place. Also, these calculations can be found on the green tabs towards the back of the Excel file that was submitted in the Company's filing on December 21, 2023.

The Narragansett Electric Company
d/b/a Rhode Island Energy
FY 2025 Gas ISR Revenue Requirement Plan
Fiscal Year 2025 Revenue Requirement on FY 2018 Actual Incremental Gas Capital Investment

Line No.			Fiscal Year	NG	PPL	Fiscal Year	Fiscal Year				
			2018	2019	2020	2021	2022	4/1/22 - 5/24/2022	5/25/22 - 3/31/23	2024	2025
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Depreciable Net Capital Included in ISR Rate Base											
1	Total Allowed Capital Included in ISR Rate Base in Current Year	Page 27 of 35, Line 3, Col (a)	\$4,632,718								
2	Retirements	Page 27 of 35, Line 9, Col (a)	\$12,059,428								
3	Net Depreciable Capital Included in ISR Rate Base	Year 1 = Line 1 - Line 2; then = Prior Year Line 2	(\$7,426,710)	(\$7,426,710)	(\$7,426,710)	(\$7,426,710)	(\$7,426,710)	(\$7,426,710)	(\$7,426,710)	(\$7,426,710)	(\$7,426,710)
Change in Net Capital Included in ISR Rate Base											
4	Capital Included in ISR Rate Base	Line 1	\$4,632,718	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5	Depreciation Expense		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6	Incremental Capital Amount	Year 1 = Line 4 - Line 5; then = Prior Year Line 4	\$4,632,718	\$4,632,718	\$4,632,718	\$4,632,718	\$4,632,718	\$4,632,718	\$4,632,718	\$4,632,718	\$4,632,718
7	Cost of Removal	Page 27 of 35, Line 6, Col (a)	\$1,941,168								
8	Net Plant Amount	Year 1 = Line 6 + Line 7, Then = Prior Year	\$6,573,886								
Deferred Tax Calculation:											
9	Composite Book Depreciation Rate	1/	3.38%	3.15%	2.99%	2.99%	2.99%	2.99%	2.99%	2.99%	2.99%
10	Number of days							54	311		
11	Proration Percentage							14.79%	85.21%		
12	Tax Depreciation and Year 1 Basis Adjustments	Year 1=Page 3 of 35, Line 30, Col (a); then = Page 3 of 35, Col	\$7,820,728	\$21,720	\$20,089	\$18,585	\$17,189	\$2,353	\$13,549	\$14,707	\$13,606
13	Cumulative Tax Depreciation-NG	Year 1 = Line 12; then = Prior Year Line 13 + Current Year Line 12	\$7,820,728	\$7,842,448	\$7,862,538	\$7,881,123	\$7,898,312	\$7,900,664			
14	Cumulative Tax Depreciation-PPL	Year 1 = Prior Year Line 13 + Current Year Line 12; then = Prior Year Line 14 + Current Year Line 12							\$7,914,213	\$7,928,920	\$7,942,525
15	Book Depreciation	Year 1= Line 3 * Line 9 * 50%; then = Line 3 * Line 9	(\$125,511)	(\$234,127)	(\$222,059)	(\$222,059)	(\$222,059)	(\$32,853)	(\$189,206)	(\$222,059)	(\$222,059)
16	Cumulative Book Depreciation	Year 1 = Line 15; then = Prior Year Line 16 + Current Year Line 15	(\$125,511)	(\$359,638)	(\$581,697)	(\$803,756)	(\$1,025,814)	(\$1,058,667)	(\$1,247,873)	(\$1,469,932)	(\$1,691,990)
17	Cumulative Book / Tax Timer	Line 11 - Line 13	\$7,946,239	\$8,202,087	\$8,444,235	\$8,684,878	\$8,924,126	\$8,959,331	\$9,162,086	\$9,398,851	\$9,634,515
18	Less: Cumulative Book Depreciation at Acquisition	Not Applicable if Acquisition doesn't take place									
19	Cumulative Book / Tax Timer - PPL	Line 17 + Line 18						\$9,162,086	\$9,398,851	\$9,634,515	
20	Effective Tax Rate	2/	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%
21	Deferred Tax Reserve	Line 20	\$1,668,710	\$1,722,438	\$1,773,289	\$1,823,824	\$1,874,066	\$1,881,459	\$1,924,038	\$1,973,759	\$2,023,248
22	Add: FY 2018 Federal NOL (Generation) / Utilization	-Page 28 of 35, Line 12, Col (e)	(\$6,051,855)	(\$6,051,855)	(\$6,051,855)	(\$6,051,855)	(\$6,051,855)	(\$6,051,855)	(\$6,051,855)	(\$6,051,855)	(\$6,051,855)
23	Excess Deferred Tax	(Line 14 * 31.55% blended FY18 tax rate) - Line 16; then = Prior Year Line 18	\$838,328	\$838,328	\$838,328	\$838,328	\$838,328	\$838,328	\$838,328	\$838,328	\$838,328
24	Net Deferred Tax Reserve before Proration Adjustment	Line 21 + Line 22 + Line 23	(\$3,544,817)	(\$3,491,089)	(\$3,440,238)	(\$3,389,703)	(\$3,339,461)	(\$3,332,068)	(\$3,289,489)	(\$3,239,768)	(\$3,190,279)
ISR Rate Base Calculation:											
25	Cumulative Incremental Capital Included in ISR Rate Base	Line 8	\$6,573,886	\$6,573,886	\$6,573,886	\$6,573,886	\$6,573,886	\$6,573,886	\$6,573,886	\$6,573,886	\$6,573,886
26	Accumulated Depreciation	-Line 16	\$125,511	\$359,638	\$581,697	\$803,756	\$1,025,814	\$1,058,667	\$1,247,873	\$1,469,932	\$1,691,990
27	Deferred Tax Reserve	-Line 24	\$3,544,817	\$3,491,089	\$3,440,238	\$3,389,703	\$3,339,461	\$3,332,068	\$3,289,489	\$3,239,768	\$3,190,279
28	Year End Rate Base before Deferred Tax Proration	Sum of Lines 25 through 27	\$10,244,214	\$10,424,613	\$10,595,821	\$10,767,344	\$10,939,161	\$10,964,620	\$11,111,248	\$11,283,586	\$11,456,155
Revenue Requirement Calculation:											
29	Average Rate Base before Deferred Tax Proration Adjustment	Year 1 = 0; then Average of (Prior + Current Year Line 28)					\$10,853,253	\$11,025,204	\$11,025,204	\$11,197,417	\$11,369,870
30	Proration Adjustment	Page 4 of 35, Line 41					\$2,157	\$2,145	\$2,145	\$2,134	\$2,124
31	Average ISR Rate Base after Deferred Tax Proration	Line 29 + Line 30					\$10,855,409	\$11,027,349	\$11,027,349	\$11,199,551	\$11,371,995
32	Pre-Tax ROR	Page 35 of 35, Line 30, Column (e)					8.41%	8.41%	8.41%	8.41%	8.41%
33	Proration Percentage	Line 11						14.79%	85.21%		
34	Return and Taxes	Cols (a) through (e) and (h) through (i); L 31 * L 32;					\$912,940	\$137,204	\$790,196	\$941,882	\$956,385
35	Book Depreciation	Cols (f) and (g); L 31 * L 32 * L 33						(\$222,059)	(\$32,853)	(\$189,206)	(\$222,059)
36	Annual Revenue Requirement	Sum of Lines 34 through 35	N/A	N/A	N/A	N/A	\$690,881	\$104,352	\$600,990	\$719,824	\$734,326

1/ 3.38%, Composite Book Depreciation Rate approved per RIPUC Docket No. 4323, in effect until Aug 31, 2018

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

FY 19 Composite Book Depreciation Rate = 3.38% * 5 / 12 + 2.99% * 7 / 12

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

The Narragansett Electric Company
d/b/a Rhode Island Energy
FY 2025 Gas ISR Revenue Requirement Plan
Fiscal Year 2025 Revenue Requirement on FY 2019 Actual Incremental Gas Capital Investment

Line No.		Fiscal Year 2019 (a)	Fiscal Year 2020 (b)	Fiscal Year 2021 (c)	Fiscal Year 2022 (d)	NG 4/1/22 - 5/24/2022 (e)	PPL 5/25/22 - 3/31/23 (f)	Fiscal Year 2024 (g)	Fiscal Year 2025 (h)
Depreciable Net Capital Included in ISR Rate Base									
1	Total Allowed Capital Included in ISR Rate Base in Current Year	Page 27 of 35, Line 3, Col (b)		(\$914,000)					
2	Retirements	Page 27 of 35, Line 9, Col (b)		(\$1,368,021)					
3	Net Depreciable Capital Included in ISR Rate Base	Year 1 = Line 1 - Line 2; then = Prior Year Line 3		\$454,021	\$454,021	\$454,021	\$454,021	\$454,021	\$454,021
Change in Net Capital Included in ISR Rate Base									
4	Capital Included in ISR Rate Base	Line 1		(\$914,000)	\$0	\$0	\$0	\$0	\$0
5	Depreciation Expense			\$0	\$0	\$0	\$0	\$0	\$0
6	Incremental Capital Amount	Year 1 = Line 4 - Line 5; then = Prior Year Line 6		(\$914,000)	(\$914,000)	(\$914,000)	(\$914,000)	(\$914,000)	(\$914,000)
7	Cost of Removal	Page 27 of 35, Line 6, Col (b)		\$5,626,564					
8	Net Plant Amount	Line 1 = Line 6+7; Then = Prior Year		\$4,712,564	\$4,712,564	\$4,712,564	\$4,712,564	\$4,712,564	\$4,712,564
Deferred Tax Calculation:									
9	Composite Book Depreciation Rate	As Approved in RIPUC Docket No. 4323 & 4770		1/	3.15%	2.99%	2.99%	2.99%	2.99%
10	Number of days						54	311	
11	Proration Percentage						14.79%	85.21%	
12	Tax Depreciation and Year 1 Basis Adjustments	Year 1 = Page 6 of 35, Line 28, Col (a); then = Page 6 of 35, Col		\$5,200,130	(\$8,390)	(\$7,760)	(\$7,179)	(\$982)	(\$5,658)
13	Cumulative Tax Depreciation-NG	Year 1 = Line 12; then = Prior Year Line 13 + Current Year Line 12		\$5,200,130	\$5,191,739	\$5,183,979	\$5,176,799	\$5,175,817	
14	Cumulative Tax Depreciation-PPL	Year 1 = Prior Year Line 13 + Current Year Line 12; then = Prior Year Line 14 + Current Year Line 12						\$5,170,159	\$5,164,017
15	Book Depreciation	Year 1 = Line 3 × Line 9 × 50%; then = Line 3 × Line 9 Year 1 = Line 15; then = Prior Year Line 16 + Current Year Line 15		\$7,157	\$13,575	\$13,575	\$13,575	\$2,008	\$11,567
16	Cumulative Book Depreciation			\$7,157	\$20,732	\$34,307	\$47,883	\$49,891	\$61,458
17	Cumulative Book / Tax Timer	Line 11 - Line 13		\$5,192,973	\$5,171,007	\$5,149,671	\$5,128,917	(\$49,891)	\$5,108,701
18	Less: Cumulative Book Depreciation at Acquisition	Not Applicable if Acquisition doesn't take place							
19	Cumulative Book / Tax Timer - PPL	Line 17 + Line 18						\$5,108,701	\$5,088,984
20	Effective Tax Rate			21.00%	21.00%	21.00%	21.00%	21.00%	21.00%
21	Deferred Tax Reserve	Columns (a) through (e): Line 17 * Line 20, Then Line 19 * Line 20		\$1,090,524	\$1,085,911	\$1,081,431	\$1,077,072	(\$10,477)	\$1,072,827
22	Add: FY 2019 Federal NOL (Generation) / Utilization	Page 27 of 35, Line 12, Col (b)		\$286,350	\$286,350	\$286,350	\$286,350	\$286,350	\$286,350
23	Net Deferred Tax Reserve before Proration Adjustment	Line 21 + Line 22		\$1,376,874	\$1,372,261	\$1,367,781	\$1,363,422	\$275,873	\$1,359,177
ISR Rate Base Calculation:									
24	Cumulative Incremental Capital Included in ISR Rate Base	Line 8		\$4,712,564	\$4,712,564	\$4,712,564	\$4,712,564	\$4,712,564	\$4,712,564
25	Accumulated Depreciation	- Line 16		(\$7,157)	(\$20,732)	(\$34,307)	(\$47,883)	(\$49,891)	(\$61,458)
26	Deferred Tax Reserve	- Line 23		(\$1,376,874)	(\$1,372,261)	(\$1,367,781)	(\$1,363,422)	(\$275,873)	(\$1,359,177)
27	Year End Rate Base before Deferred Tax Proration	Sum of Lines 24 through 26		\$3,328,533	\$3,319,570	\$3,310,475	\$3,301,259	\$4,386,800	\$3,291,929
Revenue Requirement Calculation:									
28	Average Rate Base before Deferred Tax Proration Adjustment	Year 1 = Current Year Line 22 ÷ 2; then = (Prior Year Line 22 + Current Year Line 22) ÷ 2					\$3,305,867	\$3,296,594	\$3,296,594
29	Proration Adjustment	Page 7 of 35, Line 41					(\$187)	(\$182)	(\$178)
25	Average ISR Rate Base after Deferred Tax Proration	Line 28 + Line 29					\$3,305,680	\$3,296,412	\$3,296,412
26	Pre-Tax ROR	Page 35 of 35, Line 30, Column (c)					8.41%	8.41%	8.41%
27	Proration Percentage	Line 11					14.79%	85.21%	
28	Return and Taxes	Cols (a) through (d) and (g) through (h): L 25 * L 26;					\$278,008	\$41,015	\$236,214
29	Book Depreciation	Cols (e) and (f): L 25 * L 26 * L 27					\$13,575	\$2,008	\$11,567
30	Annual Revenue Requirement	Sum of Lines 28 through 29		N/A	N/A	N/A	\$291,583	\$43,023	\$247,780
								\$290,015	\$289,218

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

**The Narragansett Electric Company
d/b/a Rhode Island Energy
FY 2025 Gas ISR Revenue Requirement Plan
Fiscal Year 2025 Revenue Requirement on FY 2020 Actual Incremental Gas Capital Investment**

Line No.		Fiscal Year 2020 (a)	Fiscal Year 2021 (b)	Fiscal Year 2022 (c)	NG 4/1/22 - 5/24/2022 2023 (d)	PPL 5/25/22 - 3/31/23 2023 (e)	Fiscal Year 2024 (f)	Fiscal Year 2025 (g)
Depreciable Net Capital Included in ISR Rate Base								
1	Total Allowed Capital Included in ISR Rate Base in Current Year		Page 27 of 35, Line 3, Col (c)	\$105,296,046				
2	Retirements		Page 27 of 35, Line 9, Col (c)	\$4,276,135				
3	Net Depreciable Capital Included in ISR Rate Base		Year 1 = Line 1 - Line 2; then = Prior Year Line 3	\$101,019,911	\$101,019,911	\$101,019,911	\$101,019,911	\$101,019,911
Change in Net Capital Included in ISR Rate Base								
4	Capital Included in ISR Rate Base		Line 1	\$105,296,046	\$0	\$0	\$0	\$0
5	Depreciation Expense		Page 31 of 35, Line 72(c)	\$23,534,853	\$0	\$0	\$0	\$0
6	Incremental Capital Amount		Year 1 = Line 4 - Line 5; then = Prior Year Line 6	\$81,761,193	\$81,761,193	\$81,761,193	\$81,761,193	\$81,761,193
7	Cost of Removal		Page 27 of 35, Line 6, Col (c)	\$7,055,630				\$0
8	Net Plant Amount		Line 1 = Line 6+7; Then = Prior Year	\$88,816,823	\$88,816,823	\$88,816,823	\$88,816,823	\$88,816,823
Deferred Tax Calculation:								
9	Composite Book Depreciation Rate		Page 29 of 35, Line 86(c)	1/	2.99%	2.99%	2.99%	2.99%
10	Number of days				54	311		
11	Proration Percentage				14.79%	85.21%		
12	Tax Depreciation and Year 1 Basis Adjustments		Year 1 = Page 9 of 35, Line 28, Col (a); then = Page 9 of 35, Col (a); then = Prior Year Line 13 + Current Year Line 12	\$89,531,414	\$1,753,362	\$1,621,720	\$221,959	\$1,278,320
13	Cumulative Tax Depreciation-NG		Year 1 = Prior Year Line 13 + Current Year Line 12; then = Prior Year Line 14 + Current Year Line 12	\$89,531,414	\$91,284,775	\$92,906,495	\$93,128,454	\$94,406,774
14	Cumulative Tax Depreciation-PPL						\$94,406,774	\$95,794,356
15	Book Depreciation		Year 1 = Line 3 × Line 9 × 50%; then = Line 3 × Line 9 × Year 1 = Line 15; then = Prior Year Line 16 + Current Year Line 15	\$1,510,248	\$3,020,495	\$3,020,495	\$446,868	\$2,573,628
16	Cumulative Book Depreciation		Columns (a) through (d): Line 13 - Line 16, Then Line 14 - Line 16	\$1,510,248	\$4,530,743	\$7,551,238	\$7,998,106	\$10,571,734
17	Cumulative Book / Tax Timer		Not Applicable if Acquisition doesn't take place	\$88,021,166	\$86,754,032	\$85,355,257	\$85,130,348	\$83,835,040
18	Less: Cumulative Book Depreciation at Acquisition		Line 17 + Line 18					\$82,202,127
19	Cumulative Book / Tax Timer - PPL							\$80,465,260
20	Effective Tax Rate		Columns (a) through (d): Line 17 * Line 20, Then Line 19 *	21.00%	21.00%	21.00%	21.00%	21.00%
21	Deferred Tax Reserve		Page 27 of 35, Line 12, Col (c)	\$18,484,445	\$18,218,347	\$17,924,604	\$17,877,373	\$17,605,358
22	Add: FY 2020 Federal NOL (Generation) / Utilization		Line 21 + Line 22	(\$3,063,059)	(\$3,063,059)	(\$3,063,059)	(\$3,063,059)	(\$3,063,059)
23	Net Deferred Tax Reserve before Proration Adjustment			\$15,421,386	\$15,155,288	\$14,861,545	\$14,814,315	\$14,542,300
ISR Rate Base Calculation:								
24	Cumulative Incremental Capital Included in ISR Rate Base		Line 8	\$88,816,823	\$88,816,823	\$88,816,823	\$88,816,823	\$88,816,823
25	Accumulated Depreciation		- Line 16	(\$1,510,248)	(\$4,530,743)	(\$7,551,238)	(\$7,998,106)	(\$10,571,734)
26	Deferred Tax Reserve		- Line 23	(\$15,421,386)	(\$15,155,288)	(\$14,861,545)	(\$14,814,315)	(\$14,542,300)
27	Year End Rate Base before Deferred Tax Proration		Sum of Lines 24 through 26	\$71,885,189	\$69,130,792	\$66,404,039	\$66,004,402	\$63,702,789
Revenue Requirement Calculation:								
28	Average Rate Base before Deferred Tax Proration Adjustment		Year 1 = Line 27 × Page 11 of 35, Line 16; then = Average of (Prior Year Line 22 + Current Year Line 22/2)		\$67,767,415	\$65,053,414	\$65,053,414	\$62,363,998
29	Proration Adjustment		Page 10 of 35, Line 41		(\$12,608)	(\$13,703)	(\$13,703)	(\$14,719)
30	Average ISR Rate Base after Deferred Tax Proration		Line 23 + Line 24		\$67,754,807	\$65,039,711	\$65,039,711	\$62,349,279
31	Pre-Tax ROR		Page 35 of 35, Line 30, Column (c)		8.41%	8.41%	8.41%	8.41%
32	Proration Percentage		Line 11		14.79%	85.21%		
32	Return and Taxes		Cols (a) through (c) and (f) through (g): L 30 * L 31; Cols (d) and (e): L 30 * L 31 * L 32		\$5,698,179	\$809,237	\$4,660,603	\$5,243,574
33	Book Depreciation		Line 15		\$3,020,495	\$446,868	\$2,573,628	\$3,020,495
34	Annual Revenue Requirement		Sum of Lines 32 through 33	N/A	N/A	\$8,718,675	\$1,256,104	\$7,234,231
							\$8,264,070	\$8,039,724

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

The Narragansett Electric Company d/b/a Rhode Island Energy FY 2025 Gas ISR Revenue Requirement Plan Fiscal Year 2025 Revenue Requirement on FY 2021 Actual Incremental Gas Capital Investment							
Line No.		Fiscal Year 2021 (a)	Fiscal Year 2022 (b)	NG 4/1/22 - 5/24/2022 2023 (c)	PPL 5/25/22 - 3/31/23 2023 (d)	Fiscal Year 2024 (e)	Fiscal Year 2025 (f)
Depreciable Net Capital Included in ISR Rate Base							
1	Total Allowed Capital Included in ISR Rate Base in Current Year	Page 21 of 28, Line 3, Col (d)	\$110,177,659				
2	Retirements	Page 21 of 28, Line 9, Col (d)	\$3,860,987				
3	Net Depreciable Capital Included in ISR Rate Base	Year 1 = Line 1 - Line 2; then = Prior Year Line 3	\$106,316,672	\$106,316,672	\$106,316,672	\$106,316,672	\$106,316,672
Change in Net Capital Included in ISR Rate Base							
4	Capital Included in ISR Rate Base	Line 1	\$110,177,659	\$0	\$0	\$0	\$0
5	Depreciation Expense	Page 18 of 22, Line 78(c)	\$40,700,586	\$0	\$0	\$0	\$0
6	Incremental Capital Amount	Year 1 = Line 4 - Line 5; then = Prior Year Line 6	\$69,477,072	\$69,477,072	\$69,477,072	\$69,477,072	\$69,477,072
7	Cost of Removal	Page 21 of 28, Line 6, Col (d)	\$8,861,636				
8	Net Plant Amount	Line 6 + Line 7	\$78,338,709	\$78,338,709	\$78,338,709	\$78,338,709	\$78,338,709
Deferred Tax Calculation:							
9	Composite Book Depreciation Rate	Page 21 of 28, Line 86(e)	2.99%	2.99%	2.99%	2.99%	2.99%
10	Number of days			54	311		
11	Proration Percentage			14.79%	85.21%		
12	Tax Depreciation and Year 1 Basis Adjustments	Year 1 = Page 13 of 35, Line 28, Col (a); then = Page 13 of 35, Col	\$63,538,144	\$4,232,177	\$579,121	\$3,335,306	\$3,621,299
13	Cumulative Tax Depreciation-NG	Year 1 = Line 12; then = Prior Year Line 13 + Current Year Line 12	\$63,538,144	\$67,770,322	\$68,349,442		
14	Cumulative Tax Depreciation-PPL	Year 1 = Prior Year Line 13 + Current Year Line 12; then = Prior Year Line 14 + Current Year Line 12				\$71,684,748	\$75,306,048
15	Book Depreciation	Year 1 = Line 3 × Line 9 × 50%; then = Line 3 × Line 9	\$1,589,434	\$3,178,868	\$470,298	\$2,708,570	\$3,178,868
16	Cumulative Book Depreciation-NG	Year 1 = Line 15; then = Prior Year Line 16 + Current Year Line 15	\$1,589,434	\$4,768,303	\$5,238,601	\$7,947,171	\$11,126,040
17	Cumulative Book / Tax Timer	Columns (a) through (c): Line 13 - Line 16, Then Line 14 - Line 16	\$61,948,710	\$63,002,019	\$63,110,841	\$63,737,577	\$64,180,008
18	Less: Cumulative Book Depreciation at Acquisition	Not Applicable if Acquisition doesn't take place					
19	Cumulative Book / Tax Timer - PPL	Line 17 + Line 18				\$63,737,577	\$64,180,008
20	Effective Tax Rate	Columns (a) through (c): Line 17 * Line 20, Then Line 19 * Line 20	21.00%	21.00%	21.00%	21.00%	21.00%
21	Deferred Tax Reserve	Page 15 of 22, Line 12, Col (d)	\$13,009,229	\$13,230,424	\$13,253,277	\$13,384,891	\$13,477,802
22	Add: FY 2021 Federal NOL (Generation) / Utilization	Line 21 + Line 22	(\$5,525,796)	(\$5,525,796)	(\$5,525,796)	(\$5,525,796)	(\$5,525,796)
23	Net Deferred Tax Reserve before Proration Adjustment		\$7,483,434	\$7,704,628	\$7,727,481	\$7,859,096	\$7,952,006
ISR Rate Base Calculation:							
24	Cumulative Incremental Capital Included in ISR Rate Base	Line 8	\$78,338,709	\$78,338,709	\$78,338,709	\$78,338,709	\$78,338,709
25	Accumulated Depreciation	- Line 16	(\$1,589,434)	(\$4,768,303)	(\$5,238,601)	(\$7,947,171)	(\$11,126,040)
26	Deferred Tax Reserve	- Line 23	(\$7,483,434)	(\$7,704,628)	(\$7,727,481)	(\$7,859,096)	(\$7,987,792)
27	Year End Rate Base before Deferred Tax Proration	Sum of Lines 24 through 26	\$69,265,841	\$65,865,777	\$65,372,626	\$62,532,442	\$59,260,663
Revenue Requirement Calculation:							
28	Average Rate Base before Deferred Tax Proration Adjustment	Year 1 = Current Year Line 22 ÷ 2; then = (Prior Year Line 22 + Current Year Line 22) ÷ 2	\$67,565,809	\$64,199,110	\$64,199,110	\$60,896,552	\$57,653,336
29	Proration Adjustment	Page 14 of 35, Line 41	\$9,494	\$6,630	\$6,630	\$3,988	\$1,536
30	Average ISR Rate Base after Deferred Tax Proration	Line 23 + Line 24	\$67,575,303	\$64,205,740	\$64,205,740	\$60,900,540	\$57,654,872
31	Pre-Tax ROR	Page 22 of 22, Line 30, Column (e)	8.41%	8.41%	8.41%	8.41%	8.41%
32	Proration Percentage	Line 11		14.79%	85.21%		
33	Return and Taxes	Cols (a), (b) and (c) through (f): L 30 * L 31;		\$5,683,083	\$798,860	\$4,600,843	\$5,121,735
34	Book Depreciation	Cols (c) and (d); L 30 * L 31 * L 32	\$3,178,868	\$470,298	\$2,708,570	\$3,178,868	\$3,178,868
35	Annual Revenue Requirement	Sum of Lines 33 through 34	N/A	\$8,861,951	\$1,269,158	\$7,309,413	\$8,300,604

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

**The Narragansett Electric Company
d/b/a Rhode Island Energy
FY 2025 Gas ISR Revenue Requirement Plan
Fiscal Year 2025 Revenue Requirement on FY 2022 Actual Incremental Gas Capital Investment**

Line No.			NG		PPL		Fiscal Year 2024	Fiscal Year 2025	
			Fiscal Year 2022	4/1/22 - 5/24/2022	5/25/22 - 3/31/23	2023			2023
			(a)	(b)	(c)	(d)			(e)
<u>Depreciable Net Capital Included in ISR Rate Base</u>									
1	Total Allowed Capital Included in ISR Rate Base in Current Year	Page 27 of 35, Line 3, Col (e)	\$156,694,227						
2	Retirements	Page 27 of 35, Line 9, Col (e)	\$6,258,509						
3	Net Depreciable Capital Included in ISR Rate Base	Year 1 = Line 1 - Line 2; then = Prior Year Line 3	\$150,435,718	\$150,435,718	\$150,435,718	\$150,435,718	\$150,435,718	\$150,435,718	
<u>Change in Net Capital Included in ISR Rate Base</u>									
4	Capital Included in ISR Rate Base	Line 1	\$156,694,227	\$0	\$0	\$0	\$0	\$0	
5	Depreciation Expense	Page 31 of 35, Line 77(c)	\$40,954,246	\$0	\$0	\$0	\$0	\$0	
6	Incremental Capital Amount	Year 1 = Line 4 - Line 5; then = Prior Year Line 6	\$115,739,981	\$115,739,981	\$115,739,981	\$115,739,981	\$115,739,981	\$115,739,981	
7	Cost of Removal	Page 27 of 35, Line 6, Col (e)	\$10,773,005						
8	Net Plant Amount	Line 6 + Line 7	\$126,512,985	\$126,512,985	\$126,512,985	\$126,512,985	\$126,512,985	\$126,512,985	
<u>Deferred Tax Calculation:</u>									
9	Composite Book Depreciation Rate	Page 29 of 35, Line 86(e)	1/	2.99%	2.99%	2.99%	2.99%	2.99%	
10	Number of days			54	311				
11	Proration Percentage			14.79%	85.21%				
12	Tax Depreciation and Year 1 Basis Adjustments	Col (a) =Page 16 of 35, Line 28, Col (a); then = Page 16 of 35, Col (e) Year 1 = Line 12; then = Prior Year Line 13 + Current Year Line 12	\$127,609,589	\$448,503	\$2,583,047	\$2,803,943	\$2,593,973		
13	Cumulative Tax Depreciation-NG	Year 1 = Prior Year Line 13 + Current Year Line 12; then = Prior Year Line 14 + Current Year Line 12	\$127,609,589	\$128,058,092					
14	Cumulative Tax Depreciation-PPL				\$130,641,140	\$133,445,082	\$136,039,055		
15	Book Depreciation	Year 1 = Line 3 × Line 9 × 50%; then = Line 3 × Line 9 Year 1 = Line 15; then = Prior Year Line 16 + Current Year Line 15	\$2,249,014	\$665,462	\$3,832,566	\$4,498,028	\$4,498,028		
16	Cumulative Book Depreciation		\$2,249,014	\$2,914,476	\$6,747,042	\$11,245,070	\$15,743,098		
17	Cumulative Book / Tax Timer	Columns (a) and (b): Line 13 - Line 16, Then Line 14 - Line 16	\$125,360,575	\$125,143,617	\$123,894,098	\$122,200,013	\$120,295,957		
18	Less: Cumulative Book Depreciation at Acquisition	Not Applicable if Acquisition doesn't take place							
19	Cumulative Book / Tax Timer - PPL	Line 17 + Line 18			\$123,894,098	\$122,200,013	\$120,295,957		
20	Effective Tax Rate		21.00%	21.00%	21.00%	21.00%	21.00%	21.00%	
21	Deferred Tax Reserve	Columns (a) through (b): Line 17 * Line 20, Then Line 19 * Line 20	\$26,325,721	\$26,280,159	\$26,017,760	\$25,662,003	\$25,262,151		
22	Add: FY 2022 Federal NOL (Generation) / Utilization	Page 27 of 35, Line 12, Col (e)	(\$3,264,442)	(\$3,264,442)	(\$3,264,442)	(\$3,264,442)	(\$3,264,442)	(\$3,264,442)	
23	Net Deferred Tax Reserve before Proration Adjustment	Line 21 + Line 22	\$23,061,278	\$23,015,717	\$22,753,318	\$22,397,560	\$21,997,709		
<u>ISR Rate Base Calculation:</u>									
24	Cumulative Incremental Capital Included in ISR Rate Base	Line 8	\$126,512,985	\$126,512,985	\$126,512,985	\$126,512,985	\$126,512,985	\$126,512,985	
25	Accumulated Depreciation	- Line 16	(\$2,249,014)	(\$2,914,476)	(\$6,747,042)	(\$11,245,070)	(\$15,743,098)		
26	Deferred Tax Reserve	- Line 23	(\$23,061,278)	(\$23,015,717)	(\$22,753,318)	(\$22,397,560)	(\$21,997,709)		
27	Year End Rate Base before Deferred Tax Proration	Sum of Lines 24 through 26	\$101,202,693	\$100,582,792	\$97,012,625	\$92,870,355	\$88,772,179		
<u>Revenue Requirement Calculation:</u>									
28	Average Rate Base before Deferred Tax Proration Adjustment	Year 1 = Current Year Line 22 ÷ 2; then = (Prior Year Line 22 + Current Year Line 22) ÷ 2	\$50,601,346	\$99,107,659	\$99,107,659	\$94,941,490	\$90,821,267		
29	Proration Adjustment	Page 17 of 35, Line 41	(\$6,077)	(\$13,218)	(\$13,218)	(\$15,270)	(\$17,163)		
30	Average ISR Rate Base after Deferred Tax Proration	Line 23 + Line 24	\$50,595,269	\$99,094,441	\$99,094,441	\$94,926,220	\$90,804,104		
31	Pre-Tax ROR	Page 35 of 35, Line 30, Column (e)	8.41%	8.41%	8.41%	8.41%	8.41%	8.41%	
32	Proration Percentage	Line 11		14.79%	85.21%				
33	Return and Taxes	Cols (a), (d) and (e): L 30 * L 31;	\$4,255,062	\$1,232,952	\$7,100,890	\$7,983,295	\$7,636,625		
34	Book Depreciation	Cols (b) and (c): L 30 * L 31 * L 32 Line 15	\$2,249,014	\$665,462	\$3,832,566	\$4,498,028	\$4,498,028		
35	Annual Revenue Requirement	Sum of Lines 33 through 34	\$6,504,076	\$1,898,414	\$10,933,457	\$12,481,323	\$12,134,653		

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

The Narragansett Electric Company
d/b/a Rhode Island Energy
RIPUC Docket No. 23-49-NG
In Re: Proposed FY 2025 Gas Infrastructure, Safety and Reliability Plan
Attachment DIV 3-1
Page 6 of 6

**The Narragansett Electric Company
d/b/a Rhode Island Energy
FY 2025 Gas ISR Revenue Requirement Plan
Fiscal Year 2025 Revenue Requirement on FY 2023 Actual Incremental Gas Capital Investment**

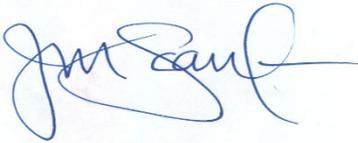
Line No.			NG		PPL		Fiscal Year 2024 (c)	Fiscal Year 2025 (d)
			4/1/22 - 5/24/2022	5/25/22 - 3/31/23				
			2023 (a)	2023 (b)				
Depreciable Net Capital Included in ISR Rate Base								
1	Total Allowed Capital Included in ISR Rate Base in Current Year	Section 2, Table 1	\$22,436,083	\$129,215,219				
2	Retirements	Line 1 x 3-year average actual retirement rate FY19 - FY21	1,256,752	7,237,958				
3	Net Depreciable Capital Included in ISR Rate Base	Year 1 = Line 1 - Line 2; then = Prior Year Line 3	\$21,179,331	\$121,977,261	\$143,156,592	\$143,156,592		
Change in Net Capital Included in ISR Rate Base								
4	Capital Included in ISR Rate Base	Line 1	\$22,436,083	\$129,215,219				
5	Depreciation Expense	Page 31 of 35, Line 77(c)	\$6,058,984	\$34,895,262				
6	Incremental Capital Amount	Year 1 = Line 4 - Line 5; then = Prior Year Line 6	\$16,377,099	\$94,319,957	\$110,697,056	\$110,697,056		
7	Cost of Removal	Section 2, Page 2	\$1,569,324	\$9,038,142				
8	Net Plant Amount	Line 6 + Line 7	\$17,946,422	\$103,358,099	\$121,304,521	\$121,304,521		
Deferred Tax Calculation:								
9	Composite Book Depreciation Rate	Page 29 of 35, Line 86(e)	1/	2.99%	2.99%	2.99%	2.99%	
10	Proration Percentage							
11	Tax Depreciation and Year 1 Basis Adjustments	Col (a) = Page 19 of 35, Col, Line 28; Col (b) = Page 24 of 42, Col (b), Lines 19, 25 and 26, plus Line 18 Col (i); Col (c) = Page 24 of 42, Col (c), Lines 19, 25 and 26, plus Line 19 Col (i); then Page 24 of 42, Col (i)	\$15,784,290	\$90,905,816	\$3,851,403	\$3,562,241		
12	Cumulative Tax Depreciation-NG	Line 11, Column (a)	\$15,784,290					
13	Cumulative Tax Depreciation-PPL	Year 1 = Line 11, Columns (b) and (c); then = Prior Year Line 13 + Current Year Line 11		\$106,690,105	\$110,541,509	\$114,103,750		
14	Book Depreciation	Year 1 = Line 3 x Line 9 x 50%; then = Line 3 x Line 9	\$316,631	\$1,823,560	\$4,280,382	\$4,280,382		
15	Cumulative Book Depreciation	Year 1 = Line 12; then = Prior Year Line 13 + Current Year Line 12	\$316,631	\$2,140,191	\$6,420,573	\$10,700,955		
16	Book / Tax Timer	Line 11 - Line 14 except column (d) = sum of Cols (a) through (c)	\$15,467,658	\$89,082,256	(\$428,979)	(\$718,141)		
17	Cumulative Book / Tax Timer - NG	Line 16, Column (a)	\$15,467,658		\$15,467,658	\$15,467,658		
18	Cumulative Book / Tax Timer - PPL	Line 16, Columns (b) and (c), then = Prior Year Line 18 + Current Year Line 16		\$89,082,256	\$88,653,277	\$87,935,137		
19	Cumulative Book / Tax Timer - Total	Line 17 + Line 18	\$15,467,658	\$89,082,256	\$104,120,936	\$103,402,795		
20	Effective Tax Rate		21.00%	21.00%	21.00%	21.00%		
21	Deferred Tax Reserve	Line 19 x Line 20	\$3,248,208	\$18,707,274	\$21,865,396	\$21,714,587		
22	Add: FY 2023-NG Federal NOL (Generation) / Utilization	Page 27 of 35, Line 12, Col (c)	\$43,762,725					
23	Net Deferred Tax Reserve before Proration Adjustmen	Line 21 + Line 22	\$47,010,933	\$18,707,274	\$21,865,396	\$21,714,587		
ISR Rate Base Calculation:								
24	Cumulative Incremental Capital Included in ISR Rate Base	Line 8	\$17,946,422	\$103,358,099	\$121,304,521	\$121,304,521		
25	Accumulated Depreciation	- Line 15	(\$316,631)	(\$1,823,560)	(\$6,420,573)	(\$10,700,955)		
26	Deferred Tax Reserve	- Line 23	(\$47,010,933)	(\$18,707,274)	(\$21,865,396)	(\$21,714,587)		
27	Year End Rate Base before Deferred Tax Prorator	Sum of Lines 24 through 26	(\$29,381,142)	\$82,827,265	\$93,018,552	\$88,888,979		
Revenue Requirement Calculation:								
28	Average Rate Base before Deferred Tax Proration Adjustment	Year 1 = Current Year Line 22 ÷ 2; then = (Prior Year Line 22 + Current Year Line 22) ÷ 2	(\$14,690,571)	\$41,413,633	\$73,232,337	\$90,953,765		
29	Proration Adjustment	Page 20 of 35, Line 41	(\$5,811)	(\$33,470)	(\$3,867)	(\$6,473)		
30	Average ISR Rate Base after Deferred Tax Proration	Line 23 + Line 24	(\$14,696,382)	\$41,380,163	\$73,228,471	\$90,947,292		
31	Pre-Tax ROR	Page 35 of 35, Line 30, Column (e)	8.41%	8.41%	8.41%	8.41%		
32	Proration	Line 10						
33	Return and Taxes	Line 30 * Line 31	(\$1,235,966)	\$3,480,072	\$6,158,514	\$7,648,667		
34	Book Depreciation	Line 14	\$316,631	\$1,823,560	\$4,280,382	\$4,280,382		
35	Annual Revenue Requirement	Sum of Lines 33 through 34	(\$919,335)	\$5,303,632	\$10,438,896	\$11,929,049		

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

Certificate of Service

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

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



Joanne M. Scanlon

January 31, 2024

Date

Docket No. 23-49-NG- RI Energy's Gas Infrastructure, Safety and Reliability (ISR) Plan 2025 - Service List 1/23/2024

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