280 Melrose Street Providence, RI 02907 Phone 401-784-7288



March 6, 2024

VIA ELECTRONIC MAIL

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

RE: Docket No. 24-05-GE - Rhode Island Energy Petition For Approval To Create Regulatory Assets For Waived Electronic Transaction Fees <u>Responses to PUC Data Requests – Set 1</u>

Dear Ms. Massaro:

On behalf of Rhode Island Energy,¹ enclosed are the Company's responses to the Public Utilities Commission's First 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,

Junfor Burg High

Jennifer Brooks Hutchinson

Enclosure

cc: Docket No. 24-05-GE Service List

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

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE In Re: Petition For Approval to Create Regulatory Assets For Waived Electronic Transaction Fees Responses to the Commission's First Set of Data Requests Issued on February 15, 2024

<u>PUC 1-1</u>

Request:

Please confirm that the date on page 3, paragraph 4 should be July 13, 2020.

Response:

Yes, the date on Page 3, paragraph 4 should be July 13, 2020.

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE In Re: Petition For Approval to Create Regulatory Assets For Waived Electronic Transaction Fees Responses to the Commission's First Set of Data Requests Issued on February 15, 2024

<u>PUC 1-2</u>

Request:

The witnesses explain the waived electronic transaction fees are being recorded as an operating expense on the Company's financial statements. Please confirm that this had the effect of reducing the Company's earnings in the year when the expense was incurred.

Response:

Yes, the Company confirms that the amount of waived electronic transaction fees in a given year would have reduced the Company's earnings in the year in which the expense was incurred and recorded on the Company's books.

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE In Re: Petition For Approval to Create Regulatory Assets For Waived Electronic Transaction Fees Responses to the Commission's First Set of Data Requests Issued on February 15, 2024

<u>PUC 1-3</u>

Request:

If the response to PUC 1-2 was in the affirmative, please recalculate the earnings for each year from 2020 through 2022 assuming the proposed regulatory asset was booked (or the expense had been recovered through another mechanism) for the electronic transaction fees incurred in the same year. Please show the differences with highlighted cells.

Response:

Please see the following attachments for the recalculated earnings for each year from 2020 through 2022 assuming the electronic transaction fees had been booked as a regulatory asset rather than operating expense (or recovered through another mechanism in that same year). The Company assumed no other changes to the filed earnings calculations. The amounts highlighted in yellow on the attachments reflect the input change to reflect the additional revenue assumed to be collected in the year that the expense was incurred. The other amounts highlighted in blue on the attachments reflect flow through differences that resulted from the input change.

Attachment #	Period	Additional Revenue included for fees	Earned ROE as Filed	Recalculated on Attachment
Attachment PUC 1-3-1	CY 2020 Electric	\$353,926	10.74%	10.80%
Attachment PUC 1-3-2	CY 2020 Gas	\$166,554	7.94%	7.97%
Attachment PUC 1-3-3	CY 2021 Electric	\$785,459	10.02%	10.14%
Attachment PUC 1-3-4	CY 2021 Gas	\$374,730	8.29%	8.35%
Attachment PUC 1-3-5	CY 2022 Electric	\$755,350	8.24%	8.35%
Attachment PUC 1-3-6	CY 2022 Gas	\$361,371	4.73%	4.77%

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-1 Page 1 of 7

The Narragansett Electric Company Return on Rate Base Return on Common Equity Twelve Months Ended December 31, 2020

<u>Line</u> <u>No.</u>				Twelve Month December 3	U		
1			Base Earnings	<u>Actual</u> Earnings	Allowed	Ceiling	
2 3 4	Return on Distribu	tion Rate Base	7.78%	<u>2/</u> 8.24%	<u>3/</u> 6.97%	<u>3/</u> 6.97%	
4 5 6	Return on Distribu	tion Common Equity	10.80%	11.77%	9.275%	9.275%	
7 1/ 8 2/ 9 3/	Includes incentives deta	d penalties detailed at Page 2, Lin ailed at Page 2 siling, presented below.	es 3 through 8				
10						Agreement in Doc	
11 12				Allo Cost	wed Weighted	Ceili	ng Weighted
12			Total	Rate	Cost	Rate	Cost
14							
15		Short Term Debt	0.60%	1.76%	0.01%	1.76%	0.01%
16 17		Long Term Debt Preferred Stock	48.35%	4.62% 4.50%	2.23% 0.00%	4.62% 4.50%	2.23%
17		Common Equity	0.10% 50.95%	4.30% 9.275%	4.73%	4.30% 9.275%	0.00% 4.73%
19		Common Equity	100.00%	9.27570	6.97%).27570	6.97%
20							
21							
22				- EARNED			D T
23 24 25		Amount	Total	Cost <u>Rate</u>	Weighted Cost	Taxes	Pre-Tax Weighted Cost
25 26	Short Term Debt	\$5,547,728	0.60%	1.76%	0.01%		0.01%
27	Long Term Debt	\$447,054,385	48.35%	4.62%	2.23%		2.23%
28	Preferred Stock	\$924,621	0.10%	4.50%	0.00%	0.00%	0.00%
29	Common Equity	\$471,094,538	50.95%	10.80%	5.50%	1.21% 5/	6.71%
	5-Quarter Average	c.					
30	Distribution Rate Base Dec 31, 2020		100.00%		7 750/	1.21%	8 069/
30	Dec 51, 2020	\$924,621,273 4/	100.00%		7.75%	1.21%	8.96%
32 4/	Page 4 of 7, Line 38, C	olumn (f)					
33 5/	includes adj. for Flowt						
34							
35 36		PREFERRED STOCK EARN	INICS INITEDEST EVI	DENICE			
30			L INCOME TAX	<u>rense,</u>			
38		CALCULATED USING IMPL		CTURE			
39							
40		A			<u>\$000s</u>		
41	PREF. STOCK:	\$924,621,273 X	0.00% (a)		\$42		
42 43	INTEREST:	\$924,621,273 X	2.24% (b)) =	\$20,712		
43	FIT:	\$924,621,273 X	1.46% (c) =	\$13,536		
45		Plus: Flowthrough Items	(ď		(\$2,347)		
46		Total Federal Income Ta		, ,	\$11,188		
47			× /				
48	(a)	From Line 28, Column "We	eighted Cost"				
49	(b)	Sum of Lines 26 and 27, Co	olumn "Weighted Cost"				
50	(c)	(0.00% + 5.50%) / 79% - (0).00% + 5.50%)				
51	(d)	Flowthrough Items (tax effe	,				
52		Investment Tax Credit ("I			\$0 \$0		
53		ITC Basis Reduction Dep			\$0		
54		AFUDC Equity Depreciat	lion		\$77 \$650		
55 56		Unfunded Amortization	Pata Change		\$650 (\$3.074)		
56 57		Amortization of Federal F	Cate Change		(\$3,074)		
58					(\$2,347)		
20					(42,377)		

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-1 Page 2 of 7

THE NARRAGANSETT ELECTRIC COMPANY Return on Equity Calculation Return on Rate Base Calculation Twelve Months Ended December 31, 2020 (\$000s)

		Re	turn on Equity	r	Return on Rate Base			_
Line		Base	Basis	Actual	Base	Basis	Actual	-
No.		Earnings	Points	Earnings	Earnings	Points	Earnings	
		(a)	(b)	(c)	(d)	(e)	(f)	
1	Distribution Operating Income Before Taxes	\$88,584		\$88,584	\$88,584		\$88,584	1/
2	Adjustments:							-
3	Service Quality ("SQ") Penalties Accrued	\$0	0.00%		\$0	0.00%		2/, 3/
4	Energy Efficiency Program Incentive	(\$2,496)	-0.53%		(\$2,496)	-0.27%		3/
5	System Reliability Procurement Incentives	\$0	0.00%		\$0	0.00%		3/
6	LTCRER Incentive	(\$2,447)	-0.52%		(\$2,447)	-0.26%		3/
7	RE Growth Remuneration	(\$460)	-0.10%		(\$460)	-0.05%		3/
8	Performance Incentive Mechanism Incentives	(\$362)	-0.08%		\$0	0.00%		3/
9	-							-
10	Adjusted Distribution Operating Income Before Taxes	\$82,819		\$88,584	\$83,182		\$88,584	4/
11	Interest Charges	\$20,712		\$20,712	\$20,712		\$20,712	5/
12	Income Taxes @ 21% net of flowthrough	\$11,188	-0.26%	\$12,399	\$11,265	-0.12%	\$12,399	6/
13	-							-
14	Net Income	\$50,919		\$55,473	\$71,917		\$76,185	7/
15	-							-
16	Less: Preferred Stock Requirements	\$42		\$42	\$42		\$42	5/
17	Earnings Available for Common	\$50,878		\$55,432	\$71,917		\$76,185	8/
18	-							-
19	Average Common Equity - 5-Quarter Average	\$471,095		\$471,095	\$924,621		\$924,621	9/
20		*			<u>^</u>			
21	Rate of Return on Adjusted Average Common Equity	10.80%		11.77%	7.78%		8.24%	10/

Notes

1/ Page 3 of 7 Line 27

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

3/ Column (b) = column (a) \div Line 19 (a). Column (e) = column (d) \div Line 19 (d)

4/ Sum of Lines 1 thru 8

5/ Calculated using imputed capital structure and cost rates; see Page 1 of 7, Lines 42, 41, 29, and 30

6/ Page 1 of 7, Line 46

7/ Column (a) & (c): Line 10 - Line 11 - Line 12. Column (d) & (f): Line 10 - Line 12

8/ Line 14 - Line 16

9/ Calculated using imputed capital structure and cost rates; see Page 1 of 7, Line 29, and Line 30

10/ Line 17 ÷ Line 19

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-1 Page 3 of 7

THE NARRAGANSETT ELECTRIC COMPANY Income Statement Twelve Months Ended December 31, 2020

(\$000s)

Line <u>No.</u>		Total Electric Business (a)	Less: Integrated Facilities Agreement (IFA) Amounts Billed to <u>New England Power Co.</u> (b)	Less: Actual Block Island Transmission System Credits and Expenses (c)	Add: Other Adjustments (d)	Electric Distribution Amount Per Schedules (e) = (a)-(b)-(c)+(d)	
1	Revenue - Sales of Electricity	\$345,203	(0)		(4)	\$345,203	
2	Other Revenue	\$758,459			\$1,764	\$760,223	1/
3	Total Revenue	\$1,103,662				\$1,105,426	
4	Operating Expenses:						
5	Purchased Power	\$380,505				\$380,505	
6	Transmission Wheeling	\$219,880				\$219,880	
7	Transmission Wheeling - IFA and BITS Credit	(\$156,228)	(\$138,857)	(\$17,370)		\$0	
8	Uncollectible Expense	\$37,243			(\$28,405)	\$8,838	
9	Genl & Admin. O&M	\$136,830	\$22,592			\$114,238	
10	All Other Operation & Maintenance ("O&M") expe	\$164,050	\$8,238		(\$887)	\$154,924	2/
11	Company Share of Earned Savings	\$0				\$0	
12	Depreciation	\$84,444	\$24,044	\$3,461		\$56,940	
13	Amortization of Loss on Reacquired Debt	\$771	\$62		(\$576)	\$133	
14	Amortization - Other	\$845				\$845	
15	Gross Earnings Tax	\$42,662				\$42,662	
16	Municipal Tax	\$49,280	\$16,522	\$289		\$32,469	
17	Other Non-Income taxes	\$5,949	\$757			\$5,192	
18	Current and Deferred Income Taxes	\$54,116			(\$54,116)	\$0	
19	Regulatory Debits	\$0				\$0	
20	Accretion Expense	\$0			\$0	\$0	
21	Amortization of ITC	(\$0)	(\$2)			\$1	
22	Interest on Customer Deposits	\$216				\$216	3/
23	Donations	\$0			\$0	\$0	
24 25	Total Operating Expenses	\$1,020,563	(\$66,644)	(\$13,620)	(\$83,984)	\$1,016,843	
26	Net Operating Income	\$83,099					
27	Distribution Operating Income Before Taxes					\$88,584	

Notes

In December 2019, the Renewable Energy Growth (REG) Performance Based Incentive (PBI) credits to solar customers were not recorded until January 2020. No such timing issue in December 2020. The timing differences need to be adjusted.

	issue in December 2020. The uning unterchees need to be adjusted.	
	Add: Dec 2019 REG PBI Payment recorded in Jan 2020	1,764,051
	Less: Dec 2020 REG PBI Payment recorded in Jan 2021	0
	Total Revenue Normalization Adjustment	1,764,051
2/	Adjustment to all Other Operation & Maintenance expense	
	Variable Pay	(\$512,818)
	Sales expense	(\$258,524)
	Amortization of Service Company EDIT not charged to NECO Electric	(\$115,905)
	Total Adjustment	(\$887,246)

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

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-1 Page 4 of 7

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

Line No.	Description	(a) December 2019		(b) March 2020		(c) June 2020		(d) September 2020		(e) December 2020	<u>5-Q</u>	(f) buarter Average
1 2	Utility Plant in Service IFA allocated Plant	\$ 1,754,536,	49 \$	1,786,263,603	\$	1,805,634,575	\$	1,823,924,960	\$	1,853,918,047	\$	1,804,855,467
3	Block Island Transmission System (BITS) Assets			-		-		-		-		-
4	Total Distribution Plant	\$ 1,754,536.	49 \$	1,786,263,603	\$	1,805,634,575	\$	1,823,924,960	\$	1,853,918,047	S	1,804,855,467
5		• 1,751,550,		1,700,205,005		1,000,00 1,070	-	1,020,021,000	Ψ	1,000,010,017	Ψ	1,001,000,107
6												
7	Property Held for Future Use	2,496,0	042	2,496,042		2,496,042		2,496,042		2,496,042	\$	2,496,042
8	Less: Contribution in Aid of Construction	629,	816	447,216		629,316		409,716		447,216		512,556
9	Less: Accumulated Depreciation	721,426,0)94	723,042,537		731,538,027		736,857,451		739,767,883		730,526,398
10	Less: IFA allocated Depreciation		-	-		-		-		-		-
11	Less: Block Island Transmission System (BITS) Depreciation		<u> </u>	-		-	_	-		-		-
12	Total Accumulated Depreciation	721,426,0)94	723,042,537		731,538,027		736,857,451		739,767,883		730,526,398
13							_					
14	Net Plant in Service	\$ 1,034,976,	/81 \$	1,065,269,892	\$	1,075,963,275	\$	1,089,153,836	\$	1,116,198,990	\$	1,076,312,555
15												
16	Plus:											
17	Materials and Supplies	\$ 3,358,2		, ,	\$	4,486,593	\$	1,537,608	\$	1,242,479	\$	2,619,119
18	Prepayments	74,7		1,446,617		3,368,222		1,743,528		1,815,446		1,689,721
19	Loss on Reacquired Debt	1,578,0		1,544,565		1,516,652		1,489,970		1,446,046		1,515,168
20	Cash Working Capital	17,922,0		17,922,078		17,922,078		17,922,078		17,922,078		17,922,078
21	Cash Working Capital - Commodity & Gross Receipts Tax	40,289,9		43,982,259		43,982,259		43,982,259		43,982,259		43,243,801
22	Unamortized Interest Rate Lock	1,945,0		1,920,550		1,896,047		1,871,544		1,847,041		1,896,047
23	Unamortized Debt Issuance Costs (\$550M)	820,3		798,326		788,327		778,327		768,327		790,738
24	Unamortized Debt Issuance Costs (\$250M 2012) Unamortized Debt Issuance Costs (\$350M 2018)	835,		754,585		746,263		737,940		729,618		760,849
25 26	Unamortized Debt Issuance Costs (\$550M 2018) Unamortized Debt Issuance Costs (\$600M 2020)	526,3	572	600,919		582,891 1,056,462		564,864 1,029,286		546,836		564,376 617,571
20	Unamortized Debt Issuance Costs (3000M 2020)		-	-		1,050,402		1,029,280		1,002,109		017,571
27	Subtotal	\$ 67,351,3	342 \$	71,440,563	\$	76,345,794	\$	71,657,403	\$	71,302,239	\$	71,619,468
28	Subtotal	<u> </u>	942 9	/1,440,505	\$	70,345,794	\$	/1,057,405		/1,302,239	\$	/1,019,400
30	Less:											
31	Accumulated Deferred Federal Income Taxes ("FIT")	\$ 210,167,7	705 S	202.803.414	S	215,223,121	\$	216,877,909	\$	219,694,430	\$	212,953,316
32	Block Island Transmission System (BITS) ADIT	\$ 210,107,	-	(0)	Ŷ	-	Ψ	-	Ψ	-	Ψ	(0)
33	Accumulated Deferred FIT on Loss on Reacquired Debt	331.:	507	324.359		318,497		312.894		303.670		318,185
34	Customer Deposits	10,253,0		9,727,673		10,573,489		9,641,757		9,999,649		10,039,249
35				.,,				,,,		.,,		
36	Subtotal	\$ 220,752,5	391 \$	212,855,446	\$	226,115,106	\$	226,832,559	\$	229,997,748	\$	223,310,750
37				· · · ·	-	· · · · ·		· · · · ·		· · · ·		, ,
38	Rate Base	\$ 881,575,2	32 \$	923,855,009	S	926,193,962	S	933,978,679	S	957,503,482	\$	924,621,273

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-1 Page 5 of 7

THE NARRAGANSETT ELECTRIC COMPANY Rate Base - Integrated Facilities Agreement (IFA) and Block Island Transmission System (BITS) Five Quarter Average

Line No.	Description		(a) December 2019		(b) March 2020		(c) June 2020		(d) September 2020		(e) December 2020	<u>5-Q</u>	(f) uarter Average
1	Utility Plant in Service	\$	929,607,048	\$	938,232,861	\$	943,177,517	\$	944,366,192	\$	982,754,493	\$	947,627,622
2	IFA allocated Plant		6,693,216		6,367,947		6,366,314		6,382,786		7,204,993		6,603,051
3	Block Island Transmission System (BITS) Assets		115,340,155		115,491,785		115,645,429		115,702,598		115,727,667		115,581,527
4	Total Transmission Plant	\$	1,051,640,420	\$	1,060,092,593	\$	1,065,189,260	\$	1,066,451,576	\$	1,105,687,152	\$	1,069,812,200
5													
6													
7	Property Held for Future Use		12,532,019		\$12,532,019		\$12,532,019		\$12,532,019	\$	12,532,019		12,532,019
8	Less: Contribution in Aid of Construction												
9	Less: Accumulated Depreciation		136,364,673		142,213,131		146,205,432		154,401,286		160,614,354		147,959,775
10	Less: IFA allocated Depreciation		1,528,837		1,478,982		1,512,283		1,551,941		1,590,588		1,532,526
11	Less: Block Island Transmission System (BITS) Depreciation		7,404,134		8,599,936		9,327,185		10,054,695		10,782,481		9,233,686
12	Total Accumulated Depreciation		145,297,644		152,292,050		157,044,900		166,007,922		172,987,422		158,725,988
13													
14	Net Plant in Service	\$	918,874,795	\$	920,332,563	\$	920,676,378	\$	912,975,672	\$	945,231,749	\$	923,618,231
15													
16	Plus:	0	0.000 (00	¢	0.577.400	¢	2 (71 012	¢	0.001.000	<i>.</i>	2 (12 205	¢	0 (5(11)
17	Materials and Supplies	\$	2,888,603	\$	2,577,422	\$	2,671,012	\$	2,501,255	\$	2,642,285	\$	2,656,116
18	Prepayments		37,672		733,336		307,495		872,026		932,732		576,652
19	Loss on Reacquired Debt		795,140		782,990		764,714		745,208		742,943		766,199
20	Cash Working Capital		3,735,588		3,714,801		3,390,619		3,538,884		2,724,192		3,420,817
21	Cash Working Capital - Commodity & Gross Receipts Tax		-		- -		-		-		-		-
22	Unamortized Interest Rate Lock		1,203,771		\$1,188,607		\$1,173,442		\$1,158,278		\$1,143,114		1,173,442
23	Unamortized Debt Issuance Costs (\$550M)		507,719		\$494,068		\$487,880 \$461,848		\$481,691 \$456,697		\$475,503		489,372
24	Unamortized Debt Issuance Costs (\$250M 2012) Unamortized Debt Issuance Costs (\$350M 2018)		517,287		\$466,999		\$461,848 \$488,319		\$456,697 \$473,216		\$451,547		470,875 472,808
25 26	Unamortized Debt Issuance Costs (\$550M 2018) Unamortized Debt Issuance Costs (\$600M 2020)		440,970		\$503,422		\$488,319 \$885,054		\$473,216 \$862,287		\$458,114 \$839,520		472,808 517,372
20	Unamortized Debt Issuance Costs (\$6000M 2020)		-		-		\$885,054		\$802,287		\$659,520		517,572
27	Subtotal	¢	10,126,749	\$	10,461,644	\$	10,630,384	\$	11,089,543	\$	10,409,948	\$	10,543,654
28	Subiotal	\$	10,120,749	φ	10,401,044	φ	10,030,384	φ	11,069,545	¢	10,409,948	\$	10,545,054
30	Less:												
31	Accumulated Deferred Federal Income Taxes ("FIT")	S	140,291,084	\$	151,254,113	\$	136,938,646	\$	133,244,227	\$	133,491,140	\$	139,043,842
32	Block Island Transmission System (BITS) ADIT	Ψ	21,894,733	φ	21,996,425	φ	22,021,925	Ψ	22,047,426	Ψ	22,072,927	Ψ	22,006,687
33	Accumulated Deferred FIT on Loss on Reacquired Debt		166,979		164,428		160,590		156,494		156,018		160,902
33	Customer Deposits		-				-						
35	Customer Deposits												
36	Subtotal	S	162,352,797	\$	173,414,965	\$	159,121,161	\$	155,448,147	\$	155,720,084	\$	161,211,431
37		-			,,		,.21,101		,				
38	Rate Base	\$	766,648,748	\$	757,379,241	\$	772,185,601	\$	768,617,068	\$	799,921,612	S	772,950,454

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-1 Page 6 of 7

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

					0								
Line			(a) December		(b) March		(c) June		(d) September		(e) December		(f)
No.	Description		2019		2020		2020		2020		2020	5-Q	uarter Average
1	Utility Plant in Service	\$	2,684,143,197	\$	2,724,496,464	\$	2,748,812,092	\$	2,768,291,152	\$	2,836,672,540	\$	2,752,483,089
2	IFA allocated Plant		6.693,216		6,367,947		6,366,314		6,382,786		7,204,993		6,603,051
3	Block Island Transmission System (BITS) Assets		115,340,155		115,491,785		115,645,429		115,702,598		115,727,667		115,581,527
4	Total Utility Plant in Service	\$	2,806,176,569	\$	2,846,356,196	\$	2,870,823,835	\$	2,890,376,536	\$	2,959,605,199	\$	2,874,667,667
5													
6													
7	Property Held for Future Use	\$	15,028,061	\$	15,028,061	\$	15,028,061	\$	15,028,061	\$	15,028,061	\$	15,028,061
8	Less: Contribution in Aid of Construction		629,316		447,216		629,316		409,716		447,216		512,556
9	Less: Accumulated Depreciation		857,790,767		865,255,668		877,743,459		891,258,737		900,382,237		878,486,174
10	Less: IFA allocated Depreciation		1,528,837		1,478,982		1,512,283		1,551,941		1,590,588		1,532,526
11	Less: Block Island Transmission System (BITS) Depreciation		7,404,134		8,599,936		9,327,185		10,054,695		10,782,481		9,233,686
12	Total Accumulated Depreciation		866,723,738		875,334,587		888,582,927		902,865,373		912,755,305		889,252,386
13													
14	Net Plant in Service	\$	1,953,851,576	\$	1,985,602,454	\$	1,996,639,653	\$	2,002,129,508	\$	2,061,430,739	\$	1,999,930,786
15													
16	Plus:												
17	Materials and Supplies	\$	6,246,853	\$	5,048,086	\$	7,157,606	\$	4,038,863	\$	3,884,764	\$	5,275,234
18	Prepayments		112,463		2,179,953		3,675,717		2,615,554		2,748,178		2,266,373
19	Loss on Reacquired Debt		2,373,744		2,327,555		2,281,366		2,235,178		2,188,989		2,281,366
20	Cash Working Capital		21,657,666		21,636,879		21,312,697		21,460,962		20,646,270		21,342,895
21	Cash Working Capital - Commodity & Gross Receipts Tax		40,289,969		43,982,259		43,982,259		43,982,259		43,982,259		43,243,801
22	Unamortized Interest Rate Lock		3,148,824		3,109,157		3,069,490		3,029,822		2,990,155		3,069,490
23	Unamortized Debt Issuance Costs (\$550M)		1,328,103		1,292,395		1,276,207		1,260,018		1,243,829		1,280,110
24 25	Unamortized Debt Issuance Costs (\$250M 2012)		1,353,129		1,221,584		1,208,111		1,194,637		1,181,164		1,231,725
25 26	Unamortized Debt Issuance Costs (\$350M 2018)		967,342		1,104,340		1,071,210		1,038,080		1,004,950		1,037,184
26 27	Unamortized Debt Issuance Costs (\$600M 2020)		-		-		1,941,516		1,891,573		1,841,629		1,134,944
27	Subtotal	¢	77,478,092	\$	81,902,208	\$	86,976,178	S	82,746,946	S	81,712,187	\$	82,163,122
28 29	Subtotal	2	//,4/8,092	3	81,902,208	\$	80,970,178	3	82,/40,940	3	81,/12,18/	3	82,103,122
29 30	Less:												
30	Accumulated Deferred Federal Income Taxes (FIT)	S	350,458,789	\$	354,057,527	\$	352,161,766	s	350,122,136	s	353,185,569	S	351,997,157
31	Block Island Transmission System (BITS) ADIT	.p	21,894,733	φ	21,996,425	φ	22,021,925	\$	22.047.426	\$	22,072,927	\$	22.006.687
32	Accumulated Deferred FIT on Loss on Reacquired Debt		498,486		488,787		479,087		469,387		459,688		479,087
34	Customer Deposits		10,253,679		9,727,673		10,573,489		9,641,757		9,999,649		10,039,249
34	Customer Deposito		10,235,079		2,121,015		10,575,769		2,071,757		J,JJJ,0 4 9		10,037,277
36	Subtotal	S	383,105,688	\$	386,270,411	\$	385,236,267	\$	382,280,706	\$	385,717,832	\$	384,522,181
37	Subtom	Ψ	202,102,000	Ψ	550,270,411	Ψ	555,250,207	Ψ	552,200,700	φ	555,117,052	Ψ	201,222,101
38	Rate Base	\$	1,648,223,980	\$	1,681,234,251	\$	1,698,379,564	\$	1,702,595,748	\$	1,757,425,094	S	1,697,571,727
		-	,,,,,	-	,,		,		,,,		,,,	-	,,

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-1 Page 7 of 7

THE NARRAGANSETT ELECTRIC COMPANY Calculation of Excess Earnings for Twelve months ended December 31, 2020 (\$000)

Line

1	Base Distribution Earnings Available for Common	\$50,878 (a)
2 3		
4	Actual Average Common Equity	\$471,095 (a)
5		
6		Customer
7	Average Annual Return	10.8000% (b) Share
8	$\mathbf{D} \mathbf{O} \mathbf{E}^{-1} = 0 0 (1500 / \mathbf{D} = 1 + 1 + 5 + 0.2750 / -10.275$	1.00000/ * 50.000/ 0.50000/
9	ROE in 50%/50% Bandwith (>9.275%, <10.275%)	1.0000% * 50.00% = 0.5000%
10	ROE in 75%/25% Bandwith (>10.275%)	0.5250% * 75.00% = 0.3938%
11		
12	Total Customer ROE Sharing	0.8938%
13	Actual Average Common Equity	\$471,095
14		
15	Actual Annual Customer Shared Earnings	\$4,211
16	Tax Gross-up	/ 79.00%
17		
18	Annual Customer Shared Earnings - Pre-tax	5,330
19		
20	Total Customer Shared Earnings for the twelve mon	ths ending December 31, 2020 \$ 5,330

<u>Notes</u>

(a) From Page 2 of 7 Line 17 and Line 19

(b) Line 1 divided by Line 4; equals Page 2 of 7 Line 21

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-2 Page 1 of 15

National Grid - RI Gas Gas Earnings Sharing Mechanism For the Twelve Months ended December 31, 2020

Table of Contents

Income Statement Federal Income Tax Calculation Applicable Capital Structure, Interest Expense and Preferred Dividends Rate Base Cash Working Capital Calculation	1
Applicable Capital Structure, Interest Expense and Preferred Dividends Rate Base Cash Working Capital Calculation	2
Rate Base Cash Working Capital Calculation	3
Cash Working Capital Calculation	4
	5
	6
Detail Other Revenue/(Expense)	7
Detail Other Interest Expense	8
Detail Non-Operating Income / (Expense)	9
Calculation of Average Long-Term Debt Interest Rate	10
Calculation of Average Short-Term Debt Interest Rate	11
Merger Hold Harmless Rate Base Credit	12
Projected Deferred Tax Schedule	13
Reconciliation of Gas Earnings Sharing Mechanism to Annual Report	14

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-2 Page 2 of 15

National Grid - RI Gas Gas Earnings Sharing Mechanism For the Twelve Months ended December 31, 2020

1	Average Rate Base	\$993,192,574	
2	Equity Component of Rate Base	50.95%	
3	Average Common Equity	\$506,031,617	
4			
5	Actual Total Earnings	\$41,385,628	
6	Return on Common Equity with Incentives	8.18%	
7			
8	Less incentives:		
9	Energy Efficiency shareholder incentive	\$366,449	0.07%
10	Natural Gas Portfolio Management Plan	\$687,325	0.14%
11	Gas Procurement Incentive Plan	\$0	0.00%
12		\$1,053,774	
13			
14	Base Earnings	\$40,331,854	
15	Return on Common Equity without Incentives	7.97%	
16			
17	<u>Return on Equity > 9.275% and < 10.275%</u>	0.00%	
18	Earnings to be Shared	\$0	
19	Earnings to Customers - 50%	\$0	
20			
21	Return on Equity > 10.275%	0.00%	
22	Earnings to be Shared	\$0	
23	Earnings to Customers - 75%	\$0	
24			
25	Total After tax Earnings Credited to Customers	\$0	
26			
27	Total Earnings Credited to DAC	\$0	

Notes:

- 1 From line 24(f)
- 2 From 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 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%

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-2 Page 3 of 15

National Grid - RI Gas Income Statement For the Twelve Months ended December 31, 2020

		Income Statement	<u>Adjustments</u>	<u>2020</u>
		(a)	(b)	(c)
1	Operating Revenues			
2	Total Firm Gas	\$365,216,262	(\$3,222,481)	\$361,993,781
3	Transportation	\$49,159,755	(\$157,730)	\$49,002,025
4	Other Revenues	\$25,712,079	\$2,206,748	\$27,918,827
5	Total Operating Revenues	\$440,088,096	(\$1,173,463)	\$438,914,633
6				
7	Adjustment to Operating Revenue:			
8	Inventory Financing		(\$1,052,062)	(\$1,052,062)
9	Total Adjusted Operating Revenues	\$440,088,096	(\$2,225,525)	\$437,862,571
10				
11	Operating Expenses			
12	Production (Gas Costs)	\$155,621,869		\$155,621,869
13	Storage	\$3,288,544		\$3,288,544
14	Transmission	\$3,885,327		\$3,885,327
15	Distribution	\$27,878,418	(\$52,339)	\$27,826,079
16	Customer Accounts	\$51,200,391	(\$12,693,131)	\$38,507,260
17	Sales	\$254,397	(\$254,397)	\$0
18	Administrative and General	\$50,328,560	(\$1,107,052)	\$49,221,508
19	Total Operating Expenses	\$292,457,505	(\$14,106,918)	\$278,350,587
20			<u>_</u>	
21	Other Expenses			
22	Depreciation and Amortization	\$44,622,779		\$44,622,779
23	Local and Other Taxes	\$30,993,002		\$30,993,002
24	Revenue Related Taxes (Gross Earnings Tax - GET)	\$12,808,581		\$12,808,581
25	Federal Income Taxes @ 21%	6,874,757	2,423,904	\$9,298,661
26	Total Other Expenses	\$95,299,120	\$2,423,904	\$97,723,024
27			<u>_</u>	
28	Income Before Interest Expense	\$52,331,471	\$9,457,489	\$61,788,961
29		<u></u>		
30	Interest Expense			
31	Other Income/Expenses	(\$1,243,993)	\$1,243,993	\$0
32	Short-Term Debt	\$0	\$124,546	\$124,546
33	Long-Term Debt	\$1,946,340	\$19,567,006	\$21,513,346
34	Other Interest Expense	\$393,934	(349,231)	\$44,704
35	AFUDC	(\$270,182)		(\$270,182)
36	Total Interest Expense	\$826,099	\$20,586,314	\$21,412,413
37	1			
38	Net Income / (Loss)	\$51,505,372	(\$11,128,825)	\$40,376,547
39			(*) -)- *)	· · · · · · · · · · · · · · · · · · ·
40	Preferred Dividends		\$44,694	\$44,694
41				
42	Net Income / (Loss) Applicable to Common Equity	\$51,505,372	(\$11,173,519)	\$40,331,854
-	······································	****************	(, , , , , , , , , , , , , , , , , , ,	,

Notes:

(a) From Company Financial Statements

1(b)-19(b) From

(c) (a) + (b)

- 4 From line 26
- 23 From line 3 through 5
- 24 From line 6
- 25 From line 24
- 31 From line 25
- 32 From line 25(b)
- 33 From line 17(b)
- 34 From line 3
- 40 From line 34(b)

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-2 Page 4 of 15

National Grid - RI Gas Federal Income Tax Calculation For the Twelve Months ended December 31, 2020

1 Operating Revenues \$437,862,571 2			
3 Less: 4	1	Operating Revenues	\$437,862,571
4 5 Operating Expenses \$278,350,587 6 Depreciation and Amortization \$44,622,779 7 Local and Other Taxes \$30,993,002 8 Revenue Related Taxes (GET) \$12,808,581 9 Interest - Short-Term Debt \$124,546 10 Interest - Long-Term Debt \$21,513,346 11 Other Interest \$44,704 12 AFUDC (\$270,182) 13 14 Total Deductions \$388,187,363 15 15 16 16 Taxable Income \$49,675,208 17 17 12 18 Federal Income Tax Rate 21.00% 19 12 10 20 Imputed Federal Income Tax Expense \$10,431,794 21 22 Amortization of EDIT (\$1,133,133) 23 13 13	2		
5 Operating Expenses \$278,350,587 6 Depreciation and Amortization \$44,622,779 7 Local and Other Taxes \$30,993,002 8 Revenue Related Taxes (GET) \$12,808,581 9 Interest - Short-Term Debt \$124,546 10 Interest - Long-Term Debt \$21,513,346 11 Other Interest \$44,704 12 AFUDC (\$270,182) 13 Total Deductions \$388,187,363 15 16 Taxable Income \$49,675,208 17 18 Federal Income Tax Rate 21.00% 19 Imputed Federal Income Tax Expense \$10,431,794 21 Amortization of EDIT (\$1,133,133)	3	Less:	
6 Depreciation and Amortization \$44,622,779 7 Local and Other Taxes \$30,993,002 8 Revenue Related Taxes (GET) \$12,808,581 9 Interest - Short-Term Debt \$124,546 10 Interest - Long-Term Debt \$21,513,346 11 Other Interest \$44,622,779 12 AFUDC \$124,546 11 Other Interest \$44,704 12 AFUDC (\$270,182) 13 14 Total Deductions \$388,187,363 15 16 Taxable Income \$49,675,208 17 18 Federal Income Tax Rate 21.00% 19 1 (\$1,133,133) 1 20 Imputed Federal Income Tax Expense \$10,431,794 21 Amortization of EDIT (\$1,133,133) 23	4		
7 Local and Other Taxes \$30,993,002 8 Revenue Related Taxes (GET) \$12,808,581 9 Interest - Short-Term Debt \$124,546 10 Interest - Long-Term Debt \$21,513,346 11 Other Interest \$44,704 12 AFUDC (\$270,182) 13	5	Operating Expenses	\$278,350,587
8 Revenue Related Taxes (GET) \$12,808,581 9 Interest - Short-Term Debt \$124,546 10 Interest - Long-Term Debt \$21,513,346 11 Other Interest \$44,704 12 AFUDC (\$270,182) 13 14 Total Deductions \$388,187,363 15 16 Taxable Income \$49,675,208 17 18 Federal Income Tax Rate 21.00% 19 20 Imputed Federal Income Tax Expense \$10,431,794 21 Amortization of EDIT (\$1,133,133)	6	Depreciation and Amortization	\$44,622,779
9 Interest - Short-Term Debt \$124,546 10 Interest - Long-Term Debt \$21,513,346 11 Other Interest \$44,704 12 AFUDC (\$270,182) 13 14 Total Deductions \$388,187,363 15 16 Taxable Income \$49,675,208 17 18 Federal Income Tax Rate 21.00% 19 1 10 10,431,794 20 Imputed Federal Income Tax Expense \$10,431,794 21 Amortization of EDIT (\$1,133,133)	7	Local and Other Taxes	\$30,993,002
10 Interest - Long-Term Debt \$21,513,346 11 Other Interest \$44,704 12 AFUDC (\$270,182) 13 14 Total Deductions \$388,187,363 15 16 Taxable Income \$49,675,208 17 18 Federal Income Tax Rate 21.00% 19 19 10 10,431,794 20 Imputed Federal Income Tax Expense \$10,431,794 21 Amortization of EDIT (\$1,133,133)	8	Revenue Related Taxes (GET)	\$12,808,581
11 Other Interest \$44,704 12 AFUDC (\$270,182) 13	9	Interest - Short-Term Debt	\$124,546
12 AFUDC (\$270,182) 13 14 Total Deductions \$388,187,363 15 15 16 16 Taxable Income \$49,675,208 17 18 Federal Income Tax Rate 21.00% 19 20 Imputed Federal Income Tax Expense \$10,431,794 21 22 Amortization of EDIT (\$1,133,133)	10	Interest - Long-Term Debt	\$21,513,346
13 13 14 Total Deductions 15 \$388,187,363 15 16 16 Taxable Income 17 \$49,675,208 17 18 18 Federal Income Tax Rate 19 20 19 1 20 Imputed Federal Income Tax Expense 21 22 22 Amortization of EDIT 23 (\$1,133,133)	11	Other Interest	\$44,704
14 Total Deductions \$388,187,363 15 16 Taxable Income \$49,675,208 17 18 Federal Income Tax Rate 21.00% 19 19 10 10 20 Imputed Federal Income Tax Expense \$10,431,794 21 22 Amortization of EDIT (\$1,133,133)	12	AFUDC	(\$270,182)
15 15 16 Taxable Income 17 18 18 Federal Income Tax Rate 19 20 10 Imputed Federal Income Tax Expense 21 22 23 Amortization of EDIT	13		i
16 Taxable Income \$49,675,208 17 18 Federal Income Tax Rate 21.00% 19 20 Imputed Federal Income Tax Expense \$10,431,794 21 22 Amortization of EDIT (\$1,133,133) 23 23 \$10,431,794	14	Total Deductions	\$388,187,363
1718Federal Income Tax Rate21.00%1919101020Imputed Federal Income Tax Expense\$10,431,7942122Amortization of EDIT(\$1,133,133)23231010	15		
18Federal Income Tax Rate21.00%19191920Imputed Federal Income Tax Expense\$10,431,7942122Amortization of EDIT(\$1,133,133)23231010	16	Taxable Income	\$49,675,208
1920Imputed Federal Income Tax Expense\$10,431,7942122Amortization of EDIT(\$1,133,133)232323(\$1,133,133)	17		
20Imputed Federal Income Tax Expense\$10,431,7942122Amortization of EDIT(\$1,133,133)232323(\$1,133,133)	18	Federal Income Tax Rate	21.00%
21 22 Amortization of EDIT (\$1,133,133) 23	19		
22 Amortization of EDIT (\$1,133,133) 23	20	Imputed Federal Income Tax Expense	\$10,431,794
23	21		
	22	Amortization of EDIT	(\$1,133,133)
24Net Federal Income Tax Expense\$9,298,661	23		
	24	Net Federal Income Tax Expense	\$9,298,661

Notes:

- 1 From line 9(c)
- 5 From line 19(c)
- 6 From line 22(c)
- 7 From line 23(c)
- 8 From line 24(c)
- 9 From line 32(c)
- 10 From line 33(c)
- 11 From line 34(c)
- 12 From 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
- Docket No. 4770, Excess Deferred Income Tax True-Up Second Compliance
- Filing dated May 30, 2019, Second Compliance Attachment 31, Page 1
- Line 20 plus Line 22

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-2 Page 5 of 15

National Grid - RI Gas Applicable Capital Structure, Interest Expense and Preferred Dividends For the Twelve Months ended December 31, 2020

		%	\$
		(a)	(b)
1	Rate Base		\$993,192,574
2			<u></u>
3	Capital Structure		
4		Docket 4770	
5	Short-Term Debt	0.60%	\$5,959,155
6	Long-Term Debt	48.35%	\$480,208,610
7	Preferred Stock	0.10%	\$993,193
8	Common Equity	50.95%	\$506,031,617
9	1 2	100.00%	\$993,192,574
10	Interest Expense		
11			
12			
13	Long-Term Debt Portion	48.35%	\$480,208,610
14	0		
15	Cost of Long-Term Debt December	2020	4.48%
16	-		
17	Proforma Long-Term Debt Interest		\$21,513,346
18			
19			
20			
21	Short-Term Debt Portion	0.60%	\$5,959,155
22			
23	Cost of Short-Term Debt December	2020	2.09%
24			
25	Proforma Short-Term Debt Interest		\$124,546
26			
27	Preferred Dividends		
28			
29			
30	Preferred Stock Portion	0.10%	\$993,193
31			
32	Cost of Preferred Stock		4.50%
33			
34	Proforma Preferred Stock		\$44,694

Notes:

1(b) From 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 line 15(g)

17 Line 13(b) times line 15(b)

21 Line 1(b) times line 21(a)

23 From line 14(b)

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)

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-2 Page 6 of 15

National Grid - RI Gas Rate Base For the Twelve Months ended December 31, 2020

		For the I weive	viontns ended Decen	iber 31, 2020			
		December 2019 (a)	March 2020 (b)	June 2020 (c)	September 2020 (d)	December 2020 (e)	5 Quarter Average December 2020 (f)
1	Gas Plant In Service	\$1,413,654,374	\$1,430,922,859	\$1,489,752,633	\$1,514,308,654	\$1,592,176,337	\$1,488,162,971
2	CWIP	\$80,032,223	\$95,786,546	\$85,475,481	\$110,040,568	\$72,357,430	\$88,738,450
3	Less: Accumulated Depreciation	\$420,277,455	\$427,790,937	\$434,384,429	\$441,405,437	\$447,577,999	\$434,287,251
4	Less: Contribution in Aid of Construction	\$38	\$38	\$38	\$38	\$38	\$38
5							
6	Net Plant	\$1,073,409,104	\$1,098,918,430	\$1,140,843,647	\$1,182,943,747	\$1,216,955,730	\$1,142,614,132
7							
8	Materials and Supplies	\$4,814,716	\$4,314,297	\$4,611,892	\$3,897,918	\$4,227,699	\$4,373,305
9	Prepaid Expenses, Excluding Taxes	\$4,736	\$693,233	\$421,005	\$481,128	\$1,224,446	\$564,910
10	Deferred Debits	\$1,260,729	\$1,154,184	\$1,047,639	\$941,094	\$834,549	\$1,047,639
11	Unamortized debt expense and Interest Rate Lock	\$1,903,731	\$2,042,432	\$2,838,173	\$2,780,851	\$2,723,530	\$2,457,743
12	Cash Working Capital	\$29,509,617	\$29,081,967	\$29,081,967	\$29,081,967	\$29,081,967	\$29,167,497
13							
14	Subtotal	\$37,493,529	\$37,286,113	\$38,000,676	\$37,182,958	\$38,092,191	\$37,611,093
15							
16	Accumulated Deferred FIT	\$106,427,898	\$110,366,797	\$115,033,649	\$117,792,981	\$119,314,303	\$113,787,125
17	Excess Deferred Tax	\$58,151,908	\$58,151,908	\$58,151,908	\$58,774,217	\$58,852,072	\$58,416,402
18	Excess Deferred Tax Amortization	(\$2,400,119)	(\$2,705,425)	(\$2,952,047)	(\$3,198,669)	(\$3,533,252)	(\$2,957,902)
19	Hold Harmless	\$17,005,095	\$16,408,103	\$15,811,112	\$15,214,120	\$14,617,129	\$15,811,112
20	Customer Deposits	\$2,060,983	\$2,005,287	\$1,981,563	\$1,947,232	\$1,884,503	\$1,975,914
21							
22	Subtotal	\$181,245,764	\$184,226,670	\$188,026,185	\$190,529,882	\$191,134,755	\$187,032,651
23 24	Rate Base	\$929,656,869	\$951,977,873	\$990,818,138	\$1,029,596,824	\$1,063,913,166	\$993,192,574

Notes:

1(a)-4(e) From Company Financial Statements

1(f)-4(f) Average of Column (a) through Column (e)

6(a)-6(e) Line 1 + Line 2 - Line 3 - Line 4

Average of Column (a) through Column (e) 6(f)

8(a)-11(e) From Company Financial Statements

8(f)-11(f) Average of Column (a) through Column (e)

12(b)-12(e) From 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 Per Docket No. 4770, Excess Deferred Income Tax True-Up – Second Compliance Filing dated May 30, 2019, Second Compliance Attachment 31, Page 1 18

Hold Harmless rate base credit per Docket No. 3859 19

Sum of Line 16 through Line 20 22

24 Line 6 + Line 14 - Line 22

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-2 Page 7 of 15

National Grid - RI Gas Cash Working Capital Calculation For the Twelve Months ended December 31, 2020

1	Gas Costs	\$155,621,869
2	Operating Expenses	\$122,728,718
3	Payroll Taxes	\$2,876,186
4	Property Taxes	\$28,109,530
5	State Taxes Other	\$7,286
6	Revenue Related Taxes (GET)	\$12,808,581
7	Total	\$322,152,170
8		
9	Daily Cash Requirement	\$882,609
10		
11	Net Lag Days	32.95
12		
13	Total Working Capital	\$29,081,967

Notes:

1 From	line	12(c)
--------	------	-------

- 2 From line 13(c) through 18(c)
- 3-5 From line 23(c)
- 6 From line 24(c)
- 7 Sum of Line 1 through Line 6
- 9 Line 7 divided by 365 days
- 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

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-2 Page 8 of 15

National Grid - RI Gas Detail Other Revenue/(Expense) For the Twelve Months ended December 31, 2020

		Income Statement (a)	<u>Adjustments</u> (b)	<u>2020</u> (c)
1	Rent from Gas Property	\$1,974,400		\$1,974,400
2 3	Other Revenue	(\$5,632,110)		(\$5,632,110)
3 4	Olliei Revenue	(\$5,052,110)		(\$5,052,110)
5	Excess Sharing	(\$5,222,107)	\$5,222,107	\$0
6	Excess Sharing	(\$3,222,107)	\$5,222,107	ψυ
7	RDM Revenue	\$16,906,627		\$16,906,627
8	Unbilled RDM Revenue		\$746,945	\$746,945
9	Energy Efficiency Shareholder Incentives		(\$366,449)	(\$366,449)
10				
11	Other Revenue - Off System Gas Sales	\$5,802,926	(\$5,802,926)	\$0
12				
13	Other Gas Rev Contract Sharing	\$106,506	(\$106,506)	\$0
14				
15	Other Deferred Revenue	\$14,253,773	(\$6,772,603)	\$7,481,170
16	LIHEAP Revenue		\$6,772,603	\$6,772,603
16	D. C.D.	(\$2,511,000)		(#2 511 000)
17	DAC Revenue	(\$2,511,888)	¢0.407.501	(\$2,511,888)
18 19	Unbilled DAC Revenue		\$2,436,531	\$2,436,531
20	Recovery of Supervision & Administrative Costs	(\$18,396)		(\$18,396)
20	Recovery of Supervision & Administrative Costs	(\$18,590)		(\$18,590)
21	Misc Revenue	\$52,347	(\$52,347)	\$0
23		<i>432,517</i>	(\$2,517)	φu
24	Interest on Customer Arrears		\$129,393	\$129,393
25			* • • • • •	,
26	Total Other Revenue	\$25,712,079	\$2,206,748	\$27,918,827
		_		

Notes:

(a) From Company Financial Statements

(b) From

(c) (a) + (b)

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-2 Page 9 of 15

National Grid - RI Gas Detail Other Interest Expense For the Twelve Months ended December 31, 2020

		Income Statement	<u>Adjustments</u>	<u>2020</u>
		(a)	(b)	(c)
1	Interest on Customer Deposits	\$393,934	(\$349,231)	\$44,704
3	Total Other Interest Expense	\$393,934	(\$349,231)	\$44,704

Notes:

(a) From Company Financial Statements

(b) (c) - (a)

(c) Interest on Customer Deposits

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-2 Page 10 of 15

National Grid - RI Gas Detail Non-Operating Income / (Expense) For the Twelve Months ended December 31, 2020

		Income Statement (a)	<u>Adjustments</u> (b)	<u>2020</u> (c)
1	Donations	(\$279,496)		(\$279,496)
2				
3	Deferred Compensation - Life Insurance	(\$581)		(\$581)
4				
5	Penalties	(\$486,837)		(\$486,837)
6				
7	Lobbying / Legal and Political Expense	(\$199,486)		(\$199,486)
8				.
9	Federal Income Taxes on Non-Operating Income	\$0		\$0
10 11	Pavanue from Non Utility Operations	¢100.020		\$120.220
	Revenue from Non-Utility Operations	\$120,230	¢01.007	\$120,230 \$0
12 13	Expenses of Non-Utility Operations Share Awards	(\$81,897)	\$81,897 (\$81,897)	* -
13 14	Share Awards		(\$01,097)	(\$81,897)
14	Interest on Over / (Under) Collections, primarily Deferred Gas Costs	\$464,139		\$464,139
16	CSS Revenue - Customer Arrears	\$ - 0 - ,1 <i>59</i>	(\$129,393)	(\$129,393)
17			(\$129,595)	(\$129,393)
18	Misc Non-Operating Income	\$209,453		\$209,453
19	Miscellaneous Service Revenues	\$200,100	\$52,347	\$52,347
20			<i>v -)- ·</i>	*-)
21	Other Deductions	\$1,498,467		\$1,498,467
22				
23	Zero out Non-Operating Income / (Expense)		(\$1,166,948)	(\$1,166,948)
24			<u> </u>	/
25	Total Non-Operating Income/(Expense)	\$1,243,993	(\$1,243,993)	\$0

Notes:

(a) From Company Financial Statements

16(b) Reclass Interest on Customer Arrears to Other Revenue on , line 24(b)

19(b) Reclass Miscellaneous Service Revenues from Other Revenue on , line 22(b)

23(b) (Sum of Lines 1(a) through 21(b)) * -1

(c) (a) + (b)

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-2 Page 11 of 15

National Grid - RI Gas Calculation of Average Long-Term Debt Interest Rate For the Twelve Months ended December 31, 2020

	<u>Series</u>	Percent (a)	Due (b)	Amount (c)	Annual Interest (d)	Annual Amortization of DD&E (e)	Total Expense (f)	Cost of Debt (g)
1	Senior Unsecured Notes							
2	Senior Notes	4.534%	15-Mar-2020	\$51,388,889	\$2,354,706	\$24,498	\$2,379,204	4.63%
3	Senior Notes	5.638%	15-Mar-2040	\$300,000,000	\$17,065,190	\$82,480	\$17,147,670	5.72%
4	Senior Notes	4.170%	10-Dec-2042	\$250,000,000	\$10,425,000	\$68,583	\$10,493,583	4.20%
5	Senior Notes	3.919%	1-Aug-2028	\$350,000,000	\$13,716,500	\$189,304	\$13,905,804	3.97%
6	Senior Notes	3.395%	9-Apr-2030	\$436,666,667	\$14,824,833	\$207,838	\$15,032,671	3.44%
7	First Mortgage Bonds (*)							
8	Providence Gas FMB N	9.630%	30-May-2020	\$4,166,667	\$401,250	\$1,680	\$402,930	9.67%
9	Providence Gas FMB O	8.460%	30-Sep-2022	\$12,500,000	\$1,057,500	\$4,323	\$1,061,823	8.49%
10	FMB Series P	8.090%	30-Sep-2022	\$1,718,750	\$139,047	\$3,458	\$142,505	8.29%
11	FMB Series R	7.500%	15-Dec-2025	\$4,466,667	\$335,000	\$4,083	\$339,083	7.59%
12								8.52%
12	Tetal		-	£1 410 007 620	\$60.210.026	\$596.247	¢60.005.272	4 220/
13	Total		-	\$1,410,907,639	\$60,319,026	\$586,247	\$60,905,273	4.32%
14	Electric Operations	70.00%		\$987,635,347	\$41,543,225	\$407,492	\$41,950,717	4.25%
15	Gas Operations	30.00%		\$423,272,292	\$18,775,801	\$178,755	\$18,954,556	4.48%
16	Legacy Debt			\$22,852,083	\$1,932,797	\$13,544	\$1,946,341	8.52%
17	New Debt			\$400,420,208	\$16,843,005	\$165,211	\$17,008,215	4.25%
18								
19	Total		-	\$1,410,907,639	\$60,319,026	\$586,247	\$60,905,273	4.32%

Notes:

1-11 From Financial Statements

13 Sum of Lines 1-11

14(c) Line 13 * Line 14(a)

14(d) Sum of Lines 2(d) through 6(d) * Line 14(a) / Sum of Lines 2(c) through 6(c)

14(e) Sum of Lines 2(e) through 6(e) * Line 14(a) / Sum of Lines 2(c) through 6(c)

15(c)-15(e) Line 16 + Line 17

16(c)-16(e) Sum of Lines 8 through 11

17(c)-17(e) Sum of Lines 2 through 6, - Line 14

(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.

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-2 Page 12 of 15

National Grid - RI Gas Calculation of Average Short-Term Debt Interest Rate For the Twelve Months ended December 31, 2020

	Month	(a) Average Short-Term <u>Debt Balance</u>	(b) Weighted <u>Cost Rate</u>	(c) Short-Term <u>Interest Expense</u>
1	Jan-20	\$139,044,928	2.18%	\$244,776
2	Feb-20	\$142,250,521	2.01%	\$223,647
3	Mar-20	\$232,682,175	1.97%	\$375,623
4	Apr-20	\$82,848,299	2.36%	\$194,121
5	May-20	\$0	1.85%	\$0
6	Jun-20	\$0	1.03%	\$0
7	Jul-20	\$0	0.37%	\$0
8	Aug-20	\$0	0.25%	\$0
9	Sep-20	\$0	0.18%	\$0
10	Oct-20	\$0	0.47%	\$0
11	Nov-20	\$0	0.18%	\$0
12	Dec-20	\$0	0.20%	\$0
13				
14	Average	\$49,735,494	2.09%	\$1,038,167

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)

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-2 Page 13 of 15

National Grid - RI Gas Merger Hold Harmless Rate Base Credit For the Twelve Months ended December 31, 2020

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 2	Balance at June 30, 2017			\$21,532,971
3 4	Subsequent 2 months			(\$253,030)
5 6 7	Balance at August 31, 2017			\$21,279,942
8 9	Increase/(Decrease) 12 Months Ended	08/31/18		(\$1,674,988.40)
10	Balance at August 31, 2018			\$19,604,953
11	5 ,	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 23	Balance at August 31, 2019	08/31/19	(\$167,950)	\$17,676,893
24	Rate Year 1 Merger Hold Hamless - 5 Qua	arter Average		\$18,662,756

THE NARRAGANSETT ELECTRIC COMPANY db/s NATIONAL GRID RIPUC Docket No. 4770 Schednis 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	Monthly Expense	Merger Hold Harmles Rate Base Credit
	(a)	(6)	(c)
Balance at August 31, 2019			\$17,676,893
	09/30/19	(\$167,950)	\$17,508,943
	10/31/19	(\$167,950)	\$17,340,994
	11/30/19	(\$167,950)	\$17,173,044
	12/31/19	(\$167,950)	\$17,005,095
	01/31/20	(\$198,997)	\$16,806,098
	02/29/20	(\$198,997)	\$16,607,100
	03/31/20	(\$198,997)	\$16,408,103
	04/30/20	(\$198,997)	\$16,209,106
	05/31/20	(\$198,997)	\$16,010,109
	06/30/20	(\$198,997)	\$15,811,112
	07/31/20	(\$198,997)	\$15,612,115
Balance at August 31, 2020	08/31/20	(\$198,997)	\$15,413,118
Rate Year 2 Merger Hold Harmless -	5 Quarter Average		\$16,576,053
Balance at August 31, 2020			\$15,413,118
	09/30/20	(\$198,997)	\$15,214,120
	10/31/20	(\$198,997)	\$15,015,123
	11/30/20	(\$198,997)	\$14,816,126
	12/31/20	(\$198,997)	\$14,617,129
	01/31/21	(\$223,582)	\$14,393,547
	02/28/21	(\$223,582)	\$14,169,965
	03/31/21	(\$223,582)	\$13,946,383
	04/30/21	(\$223,582)	\$13,722,802
	05/31/21	(\$223,582)	\$13,499,220
	06/30/21	(\$223,582)	\$13,275,638
	07/31/21	(\$223,582)	\$13,052,056
Balance at August 31, 2021	08/31/21	(\$223,582)	\$12,828,474
Rate Year 3 Merger Hold Harmless -			\$14,145,381

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-2 Page 14 of 15

Schedule DJE-2 Revised

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

As of <u>31-Dec</u>	Southern Union <u>ADIT</u>	National Grid <u>ADIT</u>	Difference	Southern Union <u>ADITC</u>	ADIT Merger <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

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-2 Page 15 of 15

National Grid - RI Gas Reconciliation of Gas Earnings Sharing Mechanism to Annual Report For the Twelve Months ended December 31, 2020

1	Operating Revenues	
2	Gas Operating Revenues shown on Page 301, Line 1(f) of the Annual Report	\$365,216,261
3	1 Unbilled Revenue Net Margin	(\$4,238,889)
4	2 Unbilled Energy Efficiency	\$1,016,408
5	Gas Earnings Sharing Mechanism, Page 2, Total Firm Gas Revenues	\$361,993,780
6		
7	Revenues from Transportation shown on Page 301, Line 7(f) of the Annual Report	\$49,159,755
8	1 Unbilled Transportation	(\$157,730)
9	Gas Earnings Sharing Mechanism, Page 2, Transportation Revenues	\$49,002,025
10	Earlith d Discounds also and an Dama 201 Line 2/0 af the American Damant	50
11 12	Forfeited Discounts shown on Page 301, Line 3(f) of the Annual Report Miscellaneous Service Revenues shown on Page 301, Line 4(f) of the Annual Report	\$0 \$52,347
12	Rent from Gas Property shown on Page 301, Line 12(f) of the Annual Report	\$32,547 \$1,974,400
13	Other Gas Revenues shown on Page 301, Line 14(f) of the Annual Report	\$23,685,333
15	1 Excess Sharing	\$5,222,107
16	2 Unbilled RDM	\$746,945
17	3 Energy Efficiency Incentives	(\$366,449)
18	4 Off System Gas Sales	(\$5,802,926)
19	5 Contract Sharing	(\$106,506)
20	6 Unbilled DAC	\$2,436,531
21	7 Miscellaneous Service Revenues	(\$52,347)
22	8 CSS Revenue - Customer Arrears	\$129,393
23	Gas Earnings Sharing Mechanism, Page 2, Other Revenues	27,918,828
24		
25	Inventory Financing	(\$1,052,062)
26		
27		
	Operating Expenses	
29	Production expenses shown on Page 320 of the Annual Report	\$155,621,869
30	Gas Earnings Sharing Mechanism, Page 2, Production (Gas Costs)	\$155,621,869
31 32	Natural Cas Starage expanses shown on Page 202 of the Annual Depart	\$2 799 517
32 33	Natural Gas Storage expenses shown on Page 322 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Storage	<u>\$3,288,542</u> \$3,288,542
34	Gas Lai mings Shai mg Weenamsin, 1 age 2, Stol age	\$3,200,342
35	Transmission expenses shown on Page 323 of the Annual Report	\$3,885,328
36	Gas Earnings Sharing Mechanism, Page 2, Transmission	\$3,885,328
37		
38	Distribution expenses shown on Page 324 of the Annual Report	\$27,878,418
39	1 Normalize Aquidneck Island event expense	(\$52,339)
40	Gas Earnings Sharing Mechanism, Page 2, Distribution	\$27,826,079
41		
42	Customer Accounts expenses shown on Pages 324-325 of the Annual Report	\$25,527,809
43	Customer Service & Information expenses shown on Pages 325 of the Annual Report	\$25,672,580
44	1 Zero out Uncollectible Accounts per books	(\$18,537,657)
45		\$5,844,526
	2 Add Bad Debt Charge-Offs	
46	2 Add Bad Debt Charge-Offs Gas Earnings Sharing Mechanism, Page 2, Customer Accounts	\$38,507,258
47	Gas Earnings Sharing Mechanism, Page 2, Customer Accounts	\$38,507,258
47 48	Gas Earnings Sharing Mechanism, Page 2, Customer Accounts Sales expenses shown on Page 325 of the Annual Report	\$38,507,258 \$254,395
47 48 49	Gas Earnings Sharing Mechanism, Page 2, Customer Accounts Sales expenses shown on Page 325 of the Annual Report 1 Remove Sales expenses	\$38,507,258 \$254,395 (\$254,395)
47 48 49 50	Gas Earnings Sharing Mechanism, Page 2, Customer Accounts Sales expenses shown on Page 325 of the Annual Report	\$38,507,258 \$254,395
47 48 49 50 51	Gas Earnings Sharing Mechanism, Page 2, Customer Accounts Sales expenses shown on Page 325 of the Annual Report 1 Remove Sales expenses Gas Earnings Sharing Mechanism, Page 2, Sales	\$38,507,258 \$254,395 (\$254,395) \$0
47 48 49 50 51 52	Gas Earnings Sharing Mechanism, Page 2, Customer Accounts Sales expenses shown on Page 325 of the Annual Report 1 Remove Sales expenses Gas Earnings Sharing Mechanism, Page 2, Sales Administrative and General expenses shown on Page 325 of the Annual Report	\$38,507,258 \$254,395 (\$254,395) \$0 \$50,328,559
47 48 49 50 51 52 53	Gas Earnings Sharing Mechanism, Page 2, Customer Accounts Sales expenses shown on Page 325 of the Annual Report 1 Remove Sales expenses Gas Earnings Sharing Mechanism, Page 2, Sales Administrative and General expenses shown on Page 325 of the Annual Report 1 Exclude Executive Variable Compensation not charged to customers	\$38,507,258 \$254,395 (\$254,395) \$0 \$50,328,559 (\$242,300)
47 48 49 50 51 52	Gas Earnings Sharing Mechanism, Page 2, Customer Accounts Sales expenses shown on Page 325 of the Annual Report 1 Remove Sales expenses Gas Earnings Sharing Mechanism, Page 2, Sales Administrative and General expenses shown on Page 325 of the Annual Report 1 Exclude Executive Variable Compensation not charged to customers 2 Service Company excess deferred federal income taxes per Docket No. 4770 Excess	\$38,507,258 \$254,395 (\$254,395) \$0 \$50,328,559
47 48 49 50 51 52 53	Gas Earnings Sharing Mechanism, Page 2, Customer Accounts Sales expenses shown on Page 325 of the Annual Report 1 Remove Sales expenses Gas Earnings Sharing Mechanism, Page 2, Sales Administrative and General expenses shown on Page 325 of the Annual Report 1 Exclude Executive Variable Compensation not charged to customers	\$38,507,258 \$254,395 (\$254,395) \$0 \$50,328,559 (\$242,300)
47 48 49 50 51 52 53	 Gas Earnings Sharing Mechanism, Page 2, Customer Accounts Sales expenses shown on Page 325 of the Annual Report Remove Sales expenses Gas Earnings Sharing Mechanism, Page 2, Sales Administrative and General expenses shown on Page 325 of the Annual Report Exclude Executive Variable Compensation not charged to customers Service Company excess deferred federal income taxes per Docket No. 4770 Excess Deferred Income Tax True-Up – Second Compliance Filing dated May 30, 2019, 	\$38,507,258 \$254,395 (\$254,395) \$0 \$50,328,559 (\$242,300)
47 48 49 50 51 52 53 54	 Gas Earnings Sharing Mechanism, Page 2, Customer Accounts Sales expenses shown on Page 325 of the Annual Report Remove Sales expenses Gas Earnings Sharing Mechanism, Page 2, Sales Administrative and General expenses shown on Page 325 of the Annual Report Exclude Executive Variable Compensation not charged to customers Service Company excess deferred federal income taxes per Docket No. 4770 Excess Deferred Income Tax True-Up – Second Compliance Filing dated May 30, 2019, Second Compliance Attachment 31, Page 1 	\$38,507,258 \$254,395 (\$254,395) \$0 \$50,328,559 (\$242,300) (\$722,508)

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-3 Page 1 of 8

The Narragansett Electric Company **Return on Rate Base Return on Common Equity Twelve Months Ended December 31, 2021**

<u>Line</u> <u>No.</u>	Twelve Months Ending December 31, 2021								
1		Base Earnings	<u>Actual</u> Earnings	Allowed	Ceiling				
2		<u>1/</u>	2/	3/	3/				
3 4	Return on Distribution Rate Base	7.46%	7.98%	6.97%	6.97%				
5	Return on Distribution Common Equity	10.14%	11.26%	9.275%	9.275%				

Excludes incentives and penalties detailed at Page 2, Lines 3 through 8 1/

6 7 8 9 2/ 3/ Includes incentives detailed at Page 2 Allowed Return and Ceiling, presented below.

10		Per Amended Settlement Agreement in Docket 4770									
11			All	owed	Ceili	ng					
12			Cost	Weighted	Cost	Weighted					
13		Total	Rate	Cost	Rate	Cost					
14											
15	Short Term Debt	0.60%	1.76%	0.01%	1.76%	0.01%					
16	Long Term Debt	48.35%	4.62%	2.23%	4.62%	2.23%					
17	Preferred Stock	0.10%	4.50%	0.00%	4.50%	0.00%					
18	Common Equity	50.95%	9.275%	4.73%	9.275%	4.73%					
19		100.00%		6.97%		6.97%					
20											

22				EARNED			
23				Cost	Weighted		Pre-Tax
24		Amount	Total	Rate	Cost	Taxes	Weighted Cost
25							
26	Short Term Debt	\$5,950,140	0.60%	1.76%	0.01%		0.01%
27	Long Term Debt	\$479,482,084	48.35%	4.62%	2.23%		2.23%
28	Preferred Stock	\$991,690	0.10%	4.50%	0.00%	0.00%	0.00%
29	Common Equity	\$505,266,022	50.95%	10.14%	5.17%	1.14% 5/	6.31%
	5-Quarter Average						
	Distribution Rate Base as of						
30	Dec 31, 2021	\$991,689,936 4/	100.00%		7.41%	1.14%	8.55%

4/

21

38

39

31 32 33 34 35 36 37 , Line 38, Column (f) includes adj. for Flowthrough Items below 5/

PREFERRED STOCK EARNINGS, INTEREST EXPENSE, AND FEDERAL INCOME TAX CALCULATED USING IMPUTED CAPITAL STRUCTURE

40					\$000s						
41	PREF. STOCK:	\$991,689,936 X	0.00% (a)	=	\$45						
42	INTEREST:	\$991,689,936 X	2.24% (b)	=	\$22,214						
43											
44	FIT:	\$991,689,936 X	1.38% (c)	=	\$13,636						
45		Plus: Flowthrough Items	(d)		(\$2,334)						
46		Total Federal Income Taxes ("F	FIT")		\$11,302						
47											
48	(a) From Line 28, Column "Weighted Cost"										
49	(b) Sum of Lines 26 and 27, Column "Weighted Cost".										
50	(c) $(0.00\% + 5.17\%) / 79\% - (0.00\% + 5.17\%)$										
51	(d)	Flowthrough Items (tax effected)									
52		Investment Tax Credit ("ITC") A	Amortization		\$0						
53		ITC Basis Reduction Depreciati	on		\$0						
54		AFUDC Equity Depreciation			\$90						
55		Unfunded Amortization			\$650						
56		Amortization of Federal Rate Cl	hange		(\$3,074)						
57											
58					(\$2,334)						

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-3 Page 2 of 8

THE NARRAGANSETT ELECTRIC COMPANY Return on Equity Calculation Return on Rate Base Calculation Twelve Months Ended December 31, 2021 (\$000s)

		Re	turn on Equity	7	Retu	ırn on Rate Ba	se	
Line			Basis	Actual		Basis	Actual	
<u>No.</u>		Base Earnings	Points	Earnings	Base Earnings	Points	Earnings	
		(a)	(b)	(c)	(d)	(e)	(f)	
1	Distribution Operating Income Before Taxes	\$91,973		\$91,973	\$91,973		\$91,973	1/
2	Adjustments:							
3	Service Quality ("SQ") Penalties Accrued	\$0	0.00%		\$0	0.00%		2/, 3/
4	Energy Efficiency Program Incentive	(\$3,854)	-0.76%		(\$3,854)	-0.39%		3/
5	System Reliability Procurement Incentives	\$0	0.00%		\$0	0.00%		3/
6	LTCRER Incentive	(\$2,144)	-0.42%		(\$2,144)	-0.22%		3/
7	RE Growth Remuneration	(\$540)	-0.11%		(\$540)	-0.05%		3/
8	Performance Incentive Mechanism Incentives	(\$622)	-0.12%		\$0	0.00%		3/
9								
10	Adjusted Distribution Operating Income Before Taxes	\$84,813		\$91,973	\$85,435		\$91,973	4/
11	Interest Charges	\$22,214		\$22,214	\$22,214		\$22,214	5/
12	Income Taxes @ 21% net of flowthrough	\$11,302	-0.30%	\$12,806	\$11,433	-0.14%	\$12,806	6/
13			_					
14	Net Income	\$51,297		\$56,954	\$74,002		\$79,168	7/
15								
16	Less: Preferred Stock Requirements	\$45		\$45	\$45		\$45	5/
17	Earnings Available for Common	\$51,252		\$56,909	\$74,002		\$79,168	8/
18								
19	Average Common Equity - 5-Quarter Average	\$505,266		\$505,266	\$991,690		\$991,690	9/
20			_			_		
21	Rate of Return on Adjusted Average Common Equity	10.14%		11.26%	7.46%		7.98%	10/

Notes

1/ Page 3 of 8 Line 27

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

3/ Column (b) = column (a) \div Line 19 (a). Column (e) = column (d) \div Line 19 (d)

4/ Line 1 + Sum of Line 3 through 8

5/ Calculated using imputed capital structure and cost rates; see , Lines 42, 41, 29, and 30

6/ , Line 46

7/ Column (a) & (c): Line 10 - Line 11 - Line 12. Column (d) & (f): Line 10 - Line 12

8/ Column (a) & (c): Line 14 - Line 16. Column (d) & (f) = Line 14

9/ Calculated using imputed capital structure and cost rates; see , Line 29, and Line 30

10/ Line 17 ÷ Line 19

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-3 Page 3 of 8

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THE NARRAGANSETT ELECTRIC COMPANY Income Statement Twelve Months Ended December 31, 2021 (\$000s)

Line		Total	Less: Integrated Facilities Agreement (IFA) Amounts Billed to	Less: Billed Block Island Transmission System Credits and Actual	Add: Other	Electric Distribution Amount w/o BITS	Island Transmission System Excess Revenue and	Electric Distribution Amount w/ BITS	
No.		Electric Business (a)	New England Power Co. (b)	Expenses (c)	Adjustments (d)	$\frac{\text{Per Schedules}}{(e) = (a)-(b)-(c)+(d)}$	Expenses (f)	$\frac{\text{Per Schedules}}{(g) = (e) + (f)}$	
1	Revenue - Sales of Electricity	\$336,259	(0)	(0)	(u)	(e) = (a)-(b)-(c)+(d) \$336,259	(1)	(g) = (e) + (1) \$336,259	
2	Other Revenue	\$763,396			\$2,195	\$765,591		\$765,591 1/	/
3	Total Revenue	\$1,099,655			\$2,175	\$1,101,850	\$0	\$1,101,850	
4	Operating Expenses:	\$1,000,000				\$1,101,050	φυ	\$1,101,000	
5	Purchased Power	\$336,278				\$336,278		\$336,278	
6	Transmission Wheeling	\$237,371				\$237,371		\$237,371	
7	Transmission Wheeling - IFA and BITS Credit	(\$157,351)	(\$140,270)	(\$17,081)		(\$0)	(\$12,920)	(\$12,920) 2/	1
8	Uncollectible Expense	\$10,629			\$3,498	\$14,128		\$14,128	
9	Genl & Admin. O&M	\$141,580	\$17,012			\$124,568		\$124,568	
10	All Other Operation & Maintenance ("O&M") expe	\$179,545	\$11,505	\$225	(\$1,687)	\$166,128	\$225	\$166,353 3/	!
11	Company Share of Earned Savings	\$0				\$0		\$0	
12	Depreciation	\$90,310	\$27,507	\$2,912		\$59,891	\$2,912	\$62,802	
13	Amortization of Loss on Reacquired Debt	\$775	\$48		(\$642)	\$85		\$85	
14	Amortization - Other	\$845				\$845		\$845	
15	Gross Earnings Tax	\$41,263				\$41,263		\$41,263	
16	Municipal Tax	\$50,409	\$17,078	\$259		\$33,072	\$259	\$33,331	
17	Other Non-Income taxes	\$6,287	\$662			\$5,625		\$5,625	
18	Current and Deferred Income Taxes	\$34,261			(\$34,261)	\$0		\$0	
19	Regulatory Debits	\$0				\$0		\$0	
20	Accretion Expense	\$0			\$0	\$0		\$0	
21	Amortization of ITC	(\$0)	(\$1)			\$1		\$1	
22	Interest on Customer Deposits	\$146				\$146		\$146 4/	
23	Donations	\$0			\$0	\$0		\$0	
24 25	Total Operating Expenses	\$972,348	(\$66,460)	(\$13,685)	(\$33,092)	\$1,019,401	(\$9,524)	\$1,009,877	
26	Net Operating Income	\$127,307							
27	Distribution Operating Income Before Taxes					\$82,450		\$91,973	

Notes

1/	Property Tax Deferral Adjustment	
	Add: Adjustment that relates to CY21	2,195,351
	Total Revenue Normalization Adjustment	2,195,351

2/ Per Page 8 of 8

3/ Adj	ustment to all Other Operation & Maintenance expense	
	Variable Pay	(\$493,578)
	Sales expense	(\$239,260)
	Amortization of Service Company EDIT not charged to NECO Electric	(\$115,905)
	Service Company Rents out of period adjustment	(\$838,159)
Tot	al Adjustment	(\$1,686,901)

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

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-3 Page 4 of 8

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

Line No.	Description	(a) Decemb 2020	er		(b) March 2021		(c) June 2021		(d) September 2021		(e) December 2021		(f) uarter Average
1	Utility Plant in Service	\$ 1,853,91	8,047	\$	1,881,087,601	\$	1,900,141,233	\$	1,928,293,515	\$	1,950,804,206	\$	1,902,848,920
2	IFA allocated Plant		-		-		-		-		-		-
3	Block Island Transmission System (BITS) Assets		-		-		-		-		-		-
4	Total Distribution Plant	\$ 1,853,91	8,047	\$	1,881,087,601	\$	1,900,141,233	\$	1,928,293,515	\$	1,950,804,206	\$	1,902,848,920
5													
6													
7	Property Held for Future Use		6,042		2,496,042		2,496,042		2,496,042		2,496,042	\$	2,496,042
8	Less: Contribution in Aid of Construction		7,216		447,216		372,216		259,716		259,716		357,216
9	Less: Accumulated Depreciation	739,76	7,883		745,939,390		754,934,642		762,403,274		768,596,795		754,328,397
10	Less: IFA allocated Depreciation		-		-		-		-		-		-
11	Less: Block Island Transmission System (BITS) Depreciation	720 74	-		-		-		-		-		-
12	Total Accumulated Depreciation	739,76	/,883		745,939,390		754,934,642		762,403,274		768,596,795		754,328,397
13 14	Net Plant in Service	\$ 1,116,19	000	\$	1,137,197,037	\$	1,147,330,418	\$	1,168,126,567	\$	1,184,443,738	\$	1,150,659,350
14	Net Flait III Service	\$ 1,110,19	8,990	ð	1,137,197,037	ф	1,147,550,418	¢	1,108,120,307	¢	1,104,445,750	Ф	1,150,059,550
15	Plus:												
10	Materials and Supplies	\$ 1.24	2,479	\$	812,860	\$	676,308	\$	382,306	\$	785,776	\$	779,946
18	Prepayments		5,446	Ψ	1,686,384	Ψ	515,637	ψ	1,096,344	Ψ	1,913,602	Ψ	1,405,483
19	Loss on Reacquired Debt		6,046		1,417,677		1,387,747		1,370,287		1,361,197		1,396,591
20	Cash Working Capital		2,078		17,922,078		17,922,078		17,922,078		17,922,078		17,922,078
21	Cash Working Capital - Commodity & Gross Receipts Tax	,	2,259		\$48,075,148		48,075,148		48,075,148		48,075,148		47,256,570
22	Unamortized Interest Rate Lock	\$1,84			1,822,538		1,798,035		1,773,532		1,749,030		1,798,035
23	Unamortized Debt Issuance Costs (\$550M)		8,327		758,327		748,327		738,327		728,327		748,327
24	Unamortized Debt Issuance Costs (\$250M 2012)	\$72	9,618		721,295		712,972		704,650		696,327		712,972
25	Unamortized Debt Issuance Costs (\$350M 2018)	\$54	6,836		528,809		510,781		492,753		474,726		510,781
26	Unamortized Debt Issuance Costs (\$600M 2020)	1,00	2,109		975,267		948,425		921,583		894,741		948,425
27													
28	Subtotal	\$ 71,30	2,239	\$	74,720,383	\$	73,295,459	\$	73,477,008	\$	74,600,952	\$	73,479,208
29													
30	Less:												
31	Accumulated Deferred Federal Income Taxes ("FIT")	\$ 219,69	4,430	\$	223,450,159	\$	224,571,670	\$	223,632,464	\$	219,545,656	\$	222,178,875
32	Block Island Transmission System (BITS) ADIT		-		-		-		-		-		-
33	Accumulated Deferred FIT on Loss on Reacquired Debt		3,670		297,712		291,427		287,760		285,851		293,284
34	Customer Deposits	9,99	9,649		9,676,268		10,132,097		9,944,483		10,129,820		9,976,463
35													
36	Subtotal	\$ 229,99	7,748	\$	233,424,138	\$	234,995,193	\$	233,864,707	\$	229,961,327	\$	232,448,623
37 38	Rate Base	\$ 957,50	3,482	\$	978,493,282	\$	985,630,683	\$	1,007,738,869	\$	1,029,083,363	\$	991,689,936

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-3 Page 5 of 8

THE NARRAGANSETT ELECTRIC COMPANY Rate Base - Integrated Facilities Agreement (IFA) and Block Island Transmission System (BITS) Five Quarter Average

Line No.	Description		(a) December 2020		(b) March 2021		(c) June 2021		(d) September 2021		(e) December 2021	<u>5-Q</u>	(f) warter Average
1	Utility Plant in Service	\$	982,754,493	\$	991,172,492	\$	999,500,057 7,325,454	\$	1,000,654,404 7,117,087	\$	1,002,883,763 7,307,103	\$	995,393,042
2	IFA allocated Plant Block Island Transmission System (BITS) Assets		7,204,993 115,727,667		7,273,068 115,741,499		7,325,454		115,747,288		115,748,317		7,245,541 115,741,828
3 4	Total Transmission Plant	¢	1,105,687,152	\$	1,114,187,059	\$	1,122,569,879	\$	1,123,518,778	\$	1,125,939,183	\$	1,118,380,410
5		φ	1,105,087,152	φ	1,114,187,039	\$	1,122,309,879		1,125,516,776	<u>.</u>	1,123,939,183		1,110,500,410
6													
7	Property Held for Future Use		12,532,019		12,532,019		\$12,532,019		\$12,532,019	\$	12,532,019		12,532,019
8	Less: Contribution in Aid of Construction		12,352,017		12,352,017		¢12,552,015		ψ12,552,01 <i>5</i>	Ψ	12,352,019		12,552,017
9	Less: Accumulated Depreciation		160,614,354		166,762,853		172,762,723		178,978,402		183,995,729		172,622,812
10	Less: IFA allocated Depreciation		1,590,588		1,680,097		1,726,645		1,730,940		1,766,326		1,698,919
11	Less: Block Island Transmission System (BITS) Depreciation		10,782,481		11,510,362		12,238,295		12,966,240		13,694,196		12,238,315
12	Total Accumulated Depreciation		172,987,422		179,953,312		186,727,663		193,675,582		199,456,251		186,560,046
13	1				· · · ·		· · · ·		· · ·		· · · ·		
14	Net Plant in Service	\$	945,231,749	\$	946,765,766	\$	948,374,234	\$	942,375,215	\$	939,014,950	\$	944,352,383
15													
16	Plus:												
17	Materials and Supplies	\$	2,642,285	\$	2,634,446	\$	2,754,275	\$	2,757,182	\$	3,138,782	\$	2,785,394
18	Prepayments		932,732		862,564		263,388		558,515		967,027		716,845
19	Loss on Reacquired Debt		742,943		725,123		708,864		698,070		687,873		712,575
20	Cash Working Capital		2,724,192		4,220,865		3,329,211		6,142,719		3,026,013		3,888,600
21	Cash Working Capital - Commodity & Gross Receipts Tax		-		-		-		-		-		-
22	Unamortized Interest Rate Lock		1,143,114		1,127,949		\$1,112,785		\$1,097,620		\$1,082,456		1,112,785
23	Unamortized Debt Issuance Costs (\$550M)		475,503		469,314		\$463,125		\$456,936		\$450,748		463,125
24	Unamortized Debt Issuance Costs (\$250M 2012)		451,547		446,396		\$441,245		\$436,094		\$430,944		441,245
25	Unamortized Debt Issuance Costs (\$350M 2018)		458,114		443,011		\$427,908		\$412,806		\$397,703		427,908
26	Unamortized Debt Issuance Costs (\$600M 2020)		839,520		817,033		\$794,546		\$772,058		\$749,571		794,546
27													
28	Subtotal	\$	10,409,948	\$	11,746,701	\$	10,295,348	\$	13,332,002	\$	10,931,117	\$	11,343,023
29													
30	Less:			<u>^</u>		~							
31	Accumulated Deferred Federal Income Taxes ("FIT")	\$	133,491,140	\$	139,457,204	\$	139,333,571	\$	139,872,420	\$	141,654,867	\$	138,761,840
32	Block Island Transmission System (BITS) ADIT		22,072,927		22,136,101		22,178,099		22,220,097		22,263,247		22,174,094
33	Accumulated Deferred FIT on Loss on Reacquired Debt		156,018		152,276		148,861		146,595		144,453		149,641
34	Customer Deposits		-		-		-		-		-		-
35	C-14-4-1	¢	155 720 084	¢	161 745 501	¢	161 660 522	¢	162 220 112	¢	164.062.5(9	¢	161 095 575
36 37	Subtotal	\$	155,720,084	\$	161,745,581	\$	161,660,532	\$	162,239,112	\$	164,062,568	\$	161,085,575
38	Rate Base	\$	799,921,612	\$	796,766,886	\$	797,009,051	\$	793,468,106	\$	785,883,499	\$	794,609,831

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-3 Page 6 of 8

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

Line No.	Description	Dece	a) ember)20		(b) March 2021		(c) June 2021		(d) September 2021		(e) December 2021	5-0	(f) uarter Average
	Description		20		2021		2021		2021		2021	<u> </u>	aarter riverage_
1	Utility Plant in Service	\$ 2,83	6,672,540	\$	2,872,260,093	\$	2,899,641,290	\$	2,928,947,919	\$	2,953,687,969	\$	2,898,241,962
2	IFA allocated Plant		7,204,993		7,273,068		7,325,454		7,117,087		7,307,103		7,245,541
3	Block Island Transmission System (BITS) Assets		5,727,667		115,741,499		115,744,367		115,747,288		115,748,317		115,741,828
4	Total Utility Plant in Service	\$ 2,95	9,605,199	\$	2,995,274,660	\$	3,022,711,112	\$	3,051,812,293	\$	3,076,743,389	\$	3,021,229,331
5													
6						~							
7	Property Held for Future Use	\$ 1:	5,028,061	\$	15,028,061	\$	15,028,061	\$	15,028,061	\$	15,028,061	\$	15,028,061
8	Less: Contribution in Aid of Construction		447,216		447,216		372,216		259,716		259,716		357,216
9	Less: Accumulated Depreciation		0,382,237		912,702,243		927,697,365		941,381,676		952,592,524		926,951,209
10	Less: IFA allocated Depreciation		1,590,588		1,680,097		1,726,645		1,730,940		1,766,326		1,698,919
11	Less: Block Island Transmission System (BITS) Depreciation		0,782,481		11,510,362		12,238,295		12,966,240		13,694,196		12,238,315
12	Total Accumulated Depreciation	91	2,755,305		925,892,702		941,662,305		956,078,856		968,053,046		940,888,443
13	Net Plant in Service	¢ 2.00	1 420 720	\$	2,083,962,803	¢	2 005 704 (52	¢	2 110 501 702	\$	2 122 459 (99	¢	2 005 011 722
14 15	Net Plant in Service	\$ 2,06	1,430,739	\$	2,083,962,803	\$	2,095,704,652	\$	2,110,501,782	\$	2,123,458,688	\$	2,095,011,733
15	Plus:												
10	Materials and Supplies	\$	3,884,764	\$	3,447,306	\$	3,430,584	\$	3,139,489	\$	3,924,558	\$	3,565,340
18	Prepayments		2,748,178	φ	2,548,949	φ	779,025	φ	1,654,859	φ	2,880,630	φ	2,122,328
18	Loss on Reacquired Debt		2,188,989		2,142,800		2,096,611		2,068,357		2,049,070		2,122,328
20	Cash Working Capital		0,646,270		22,142,943		21,251,289		24,064,797		20,948,091		21,810,678
20	Cash Working Capital - Commodity & Gross Receipts Tax		3,982,259		48,075,148		48,075,148		48,075,148		48,075,148		47,256,570
21	Unamortized Interest Rate Lock		2,990,155		2,950,488		2,910,820		2,871,153		2,831,486		2,910,820
22	Unamortized Debt Issuance Costs (\$550M)		1,243,829		1,227,641		1,211,452		1,195,263		1,179,075		1,211,452
23 24	Unamortized Debt Issuance Costs (\$550M)		1,243,829		1,167,691		1,154,217		1,140,744		1,127,271		1,154,217
24	Unamortized Debt Issuance Costs (\$250M 2012)		1,004,950		971,820		938,689		905,559		872,429		938,689
25	Unamortized Debt Issuance Costs (\$600M 2018)		1,841,629		1,792,300		1,742,971		1,693,641		1,644,312		1,742,971
20 27	Chamortized Debt issuance Costs (\$000141 2020)		1,041,029		1,792,500		1,/42,//1		1,055,041		1,044,512		1,/42,//1
27	Subtotal	\$ 8	1,712,187	\$	86,467,084	\$	83,590,807	\$	86,809,011	\$	85,532,069	\$	84,822,231
20	Subtotal	<u> </u>	1,712,107	Ψ	00,407,004	Ψ	05,570,007	ψ	00,007,011	Ψ	05,552,007	Ψ	04,022,231
30	Less:												
31	Accumulated Deferred Federal Income Taxes (FIT)	\$ 35	3,185,569	\$	362,907,362	\$	363,905,241	\$	363,504,884	\$	361,200,523	\$	360,940,716
32	Block Island Transmission System (BITS) ADIT		2,072,927		22,136,101		22,178,099		22,220,097		22,263,247		22,174,094
33	Accumulated Deferred FIT on Loss on Reacquired Debt		459.688		449,988		440,288		434,355		430,305		442,925
34	Customer Deposits		9,999,649		9,676,268		10,132,097		9,944,483		10,129,820		9,976,463
35	*		,,		- , ,		-, - ,,		- ,- , , ,-		-, -,		- , ,
36	Subtotal	\$ 38	5,717,832	\$	395,169,719	\$	396,655,725	\$	396,103,818	\$	394,023,895	\$	393,534,198
37			, .,		- , ,	<u> </u>	- , ,		- , ,	<u> </u>	, <u>,</u>		- / /
38	Rate Base	\$ 1,75	7,425,094	\$	1,775,260,168	\$	1,782,639,734	\$	1,801,206,975	\$	1,814,966,862	\$	1,786,299,766

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-3 Page 7 of 8

THE NARRAGANSETT ELECTRIC COMPANY Calculation of Excess Earnings for Twelve months ended December 31, 2021 (\$000)

Line

1 2	Base Distribution Earnings Available for Common	\$51,252 (a)	
3			
4 5	Actual Average Common Equity	\$505,266 (a)	
6			Customer
7	Average Annual Return	10.1400% (b)	Share
8	C		
9	ROE in 50%/50% Bandwith (>9.275%, <10.275%)	0.8650% * 50.00% =	0.4325%
10	ROE in 75%/25% Bandwith (>10.275%)	0.0000% * 75.00% =	0.0000%
11			
12	Total Customer ROE Sharing		0.4325%
13	Actual Average Common Equity		\$505,266
14			
15	Actual Annual Customer Shared Earnings		\$2,186
16	Tax Gross-up		/ 79.00%
17			
18	Annual Customer Shared Earnings - Pre-tax		2,767
19			
20	Total Customer Shared Earnings for the twelve months	ending December 31, 2021	\$ 2,767

Notes

(b) Line 1 divided by Line 4; equals Page 2 of 8 Line 21

⁽a) From Page 2 of 8 Line 17 and Line 19

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-3 Page 8 of 8

The Narragansett Electric Company Block Island Transmission System (BITS) Surcharge and Expenses Twelve Months Ended December 31, 2021

		2021
		(a)
1	Total BITS Surcharge	\$17,080,816
2	Less: Return and Associated Income Taxes	\$4,161,215
3	Amount in BITS Surcharge to Recover Costs	\$12,919,601
4		
5	Less: Actual Costs	
6	Depreciation & Amortization Expense	\$2,911,708
7	Municipal Tax Expense	\$258,902
8	Operation & Maintenance Expense	\$225,263
9	Administrative & General Expense	\$0
10	Total Actual Costs	\$3,395,873
11		
12	Difference between Actual Cost and Amounts Received	\$9,523,728

Line Notes:

- 3 Line 1 + Line 2
- 6 Depreciation expense per books CY 2021
- 9

Depending on the nature of the expense, some A&G expenses are recorded at project level, some of a back-office nature cannot be directly attributed to individual projects or assets. The actual A&G expense charged to BITS reflects direct project charges only.

- 10 Sum of Lines 6 through 9
- 12 Line 3 Line 10

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-4 Page 1 of 15

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

Table of Contents

1
2
3
4
5
6
7
8
9
10
11
12
13
14

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-4 Page 2 of 15

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	\$575,545,705	
4			
5	Actual Total Earnings	\$49,842,902	
6	Return on Common Equity with Incentives	8.66%	
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	\$78,027	0.01%
12		\$1,810,916	
13			
14	Base Earnings	\$48,031,986	
15	Return on Common Equity without Incentives	8.35%	
16			
17	<u>Return on Equity > 9.275% and < 10.275%</u>	0.00%	
18	Earnings to be Shared	\$0	
19	Earnings to Customers - 50%	\$0	
20			
	Return on Equity > 10.275%	0.00%	
22	Earnings to be Shared	\$0	
23	Earnings to Customers - 75%	\$0	
24			
25	Total After tax Earnings Credited to Customers	\$0	
26			
27	Total Earnings Credited to DAC	\$0	

Notes:

- From line 24(f)
 From line 8(a)
 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 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%

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-4 Page 3 of 15

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

		Income Statement	Adjustments	<u>2021</u>
1	Operating Revenues	(a)	(b)	(c)
2	Total Firm Gas	\$415 270 460	\$5,775,576	\$421,155,036
2		\$415,379,460		
3 4	Transportation Other Revenues	\$51,415,604	(\$611,321)	\$50,804,283
4 5		\$10,956,779 \$477,751,843	(\$758,527)	\$10,198,252
5 6	Total Operating Revenues	\$4//,/51,843	\$4,405,728	\$482,157,571
6 7	Adjustment to Operating Revenue:			
	5 1 0		(\$97(97()	(007(07()
8	Inventory Financing	\$477,751,843	(\$876,876)	(\$876,876)
9	Total Adjusted Operating Revenues	\$4//,/51,843	\$3,528,852	\$481,280,695
10	On such a Francisco			
11	Operating Expenses Production (Gas Costs)	¢1(2,729,201		¢1 (0.700.001
12		\$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	01 ((5, (0,5)	\$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	Other Expenses			
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	\$1,484,259	\$10,864,736
26	Total Other Expenses	\$108,694,103	\$1,484,259	\$110,178,362
27				
28	Income Before Interest Expense	\$68,583,995	\$1,337,499	\$69,921,494
29				
30	Interest Expense			
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)	\$67,895,974	(\$19,813,155)	\$48,082,819
39				
40	Preferred Dividends		\$50,833	\$50,833
41				
42	Net Income / (Loss) Applicable to Common Equity	\$67,895,974	(\$19,863,988)	\$48,031,986

Notes:

(a) From Company Financial Statements

1(b)-19(b) From

(c) (a) + (b)

4 From line 28

23 From line 3 through 5

- 24 From line 6
- 25 From line 24
- 31 From line 25
- 32 From line 25(b)

33 From line 17(b)

- 34 From line 3
- 40 From line 34(b)

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-4 Page 4 of 15

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

1	Operating Revenues	\$481,280,695
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	(\$1,721,715)
13		
14	Total Deductions	\$422,333,140
15		
16	Taxable Income	\$58,947,555
17		
18	Federal Income Tax Rate	21.00%
19		
20	Imputed Federal Income Tax Expense	\$12,378,987
21		
22	Amortization of EDIT	(\$1,514,251)
23		
24	Net Federal Income Tax Expense	\$10,864,736

Notes:

- 1 From line 9(c)
- 5 From line 19(c)
- 6 From line 22(c)
- 7 From line 23(c)
- 8 From line 24(c)
- 9 From line 32(c)
- 10 From line 33(c)
- 11 From line 34(c)
- 12 From 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
- Docket No. 4770, Excess Deferred Income Tax True-Up Second Compliance
- Filing dated May 30, 2019, Second Compliance Attachment 31, Page 1
- Line 20 plus Line 22

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-4 Page 5 of 15

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

		%	\$
		(a)	(b)
1	Rate Base		\$1,129,628,469
2		•	
3	Capital Structure		
4	-	Docket 4770	
5	Short-Term Debt	0.60%	\$6,777,771
6	Long-Term Debt	48.35%	\$546,175,365
7	Preferred Stock	0.10%	\$1,129,628
8	Common Equity	50.95%	\$575,545,705
9		100.00%	\$1,129,628,469
10	Interest Expense		
11			
12			
13	Long-Term Debt Portion	48.35%	\$546,175,365
14			
15	Cost of Long-Term Debt December	2021	4.31%
16			
17	Proforma Long-Term Debt Interest		\$23,540,158
18		-	
19			
20			
21	Short-Term Debt Portion	0.60%	\$6,777,771
22			
23	Cost of Short-Term Debt December	2021	0.00%
24		_	
25	Proforma Short-Term Debt Interest		\$0
26		-	
27	Preferred Dividends		
28			
29			
30	Preferred Stock Portion	0.10%	\$1,129,628
31			
32	Cost of Preferred Stock		4.50%
33			
34	Proforma Preferred Stock	-	\$50,833

Notes:

1(b) From 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 line 13(g)

17 Line 13(b) times line 15(b)

21 Line 1(b) times line 21(a)

23 From line 14(b)

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)

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-4 Page 6 of 15

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

		For the 1 weive	wonths ended Decen	nder 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(e) Line 1 + Line 2 - Line 3 - Line 4

Average of Column (a) through Column (e) 6(f)

8(a)-11(e) From Company Financial Statements

8(f)-11(f) Average of Column (a) through Column (e)

12(b)-12(e) From 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 Per Docket No. 4770, Excess Deferred Income Tax True-Up – Second Compliance Filing dated May 30, 2019, Second Compliance Attachment 31, Page 1 18

Hold Harmless rate base credit per Docket No. 3859 19

Sum of Line 16 through Line 20 22

24 Line 6 + Line 14 - Line 22

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-4 Page 7 of 15

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	line	12(c)
---	------	------	-------

2	From	line	13(c)) through	18(c)

3-5 From line 23(c)

- 6 From line 24(c)
- 7 Sum of Line 1 through Line 6
- 9 Line 7 divided by 365 days
- 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

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-4 Page 8 of 15

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

1 Rent from Gas Property \$2,088,862 \$2,088,862 2 Other Revenue (\$2,153,500) (\$2,153,500) 4 Excess Sharing (\$10,240,991) \$10,240,991 \$0 6 RDM Revenue \$4,702,743 \$4,702,743 \$4,702,743 8 Unbilled RDM Revenue (\$1,536,764) (\$1,536,764) (\$1,536,764) 9 Energy Efficiency Shareholder Incentives (\$430,582) (\$430,582) (\$430,582) 10 Other Revenue - Off System Gas Sales \$11,672,778 (\$11,672,778) \$0 13 Other Gas Rev Contract Sharing (\$129,481) \$129,481 \$0 14 S0 1 \$1,672,778 (\$1,672,778) \$2,884,735 \$2,884,735 13 Other Gas Rev Contract Sharing (\$129,481) \$129,481 \$0 14 DAC Revenue \$7,598,927 (\$2,884,735 \$2,884,735 \$2,884,735 15 DAC Revenue \$2,496,262 \$2,496,262 \$2,496,262 \$2,496,262 16 DAC Revenue \$15,120			Income Statement	Adjustments	<u>2021</u>
2 Other Revenue (\$2,153,500) (\$2,153,500) 5 Excess Sharing (\$10,240,991) \$10,240,991 \$0 6 RDM Revenue \$4,702,743 \$4,702,743 8 Unbilled RDM Revenue \$4,702,743 \$4,702,743 9 Energy Efficiency Shareholder Incentives (\$1,536,764) (\$1,536,764) 10 Other Revenue - Off System Gas Sales \$11,672,778 (\$11,672,778) \$0 11 Other Gas Rev Contract Sharing (\$129,481) \$129,481 \$0 12 Other Gas Rev Contract Sharing (\$2,573,466) \$2,884,735 \$2,884,735 12 DAC Revenue (\$2,573,466) \$2,496,262 \$2,496,262 13 DAC Revenue \$2,496,262 \$2,496,262 \$2,496,262 13 DAC Revenue \$2,496,262 \$2,496,262 \$2,496,262 14 DAC Revenue \$2,496,262 \$2,496,262 \$2,496,262 15 DAC Revenue \$15,120 \$0 \$0 16 Unbilled DAC Revenue \$15,120 \$15,120 \$0 17 Misc Revenue \$15,120			(a)	(b)	(c)
3 Other Revenue (\$2,153,500) 4 Excess Sharing (\$10,240,991) \$10,240,991 \$0 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) \$(\$1,536,764) 9 Energy Efficiency Shareholder Incentives (\$430,582) \$(\$430,582) 10 Other Revenue - Off System Gas Sales \$11,672,778 (\$11,672,778) \$0 12 Other Gas Rev Contract Sharing \$129,481 \$10 \$10 14 50 \$11,672,778 \$12,884,735 \$2,884,735 15 Other Deferred Revenue \$7,598,927 \$2,884,735 \$2,884,735 16 LIHEAP Revenue \$2,284,735 \$2,884,735 \$2,884,735 18 DAC Revenue \$2,2496,262 \$2,496,262 \$2,496,262 20 Recovery of Supervision & Administrative Costs \$6,027 \$6,027 \$6,027 21 Recoverue	1	Rent from Gas Property	\$2,088,862		\$2,088,862
4 (\$10,240,991) \$10,240,991 \$0 5 Excess Sharing (\$10,240,991) \$10,240,991 \$0 6 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 Other Revenue - Off System Gas Sales \$11,672,778 (\$11,672,778) \$0 13 Other Gas Rev Contract Sharing (\$129,481) \$129,481 \$0 14 Other Deferred Revenue \$7,598,927 (\$2,884,735) \$2,884,735 15 Other Deferred Revenue (\$2,573,466) \$2,496,262	2				
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 Other Revenue - Off System Gas Sales \$11,672,778 (\$11,672,778) \$0 11 Other Gas Rev Contract Sharing (\$129,481) \$129,481 \$0 12 Other Gas Rev Contract Sharing (\$129,481) \$129,481 \$0 14 <t< td=""><td>3</td><td>Other Revenue</td><td>(\$2,153,500)</td><td></td><td>(\$2,153,500)</td></t<>	3	Other Revenue	(\$2,153,500)		(\$2,153,500)
6 6 5 6 5 6 7 RDM Revenue \$4,702,743 \$4,702,743 \$4,702,743 \$4,702,743 \$4,702,743 \$4,702,743 \$4,702,743 \$4,702,743 \$4,702,743 \$4,702,743 \$4,702,743 \$4,702,743 \$4,702,743 \$4,702,743 \$4,702,743 \$4,702,743 \$4,702,743 \$4,702,743 \$4,702,743 \$5,67,64 \$(\$1,536,764) \$(\$1,536,764) \$(\$430,582) \$(\$430,582) \$6,027 \$6 \$6 \$7,598,927 \$(\$1,672,778) \$0 \$0 \$6 \$6 \$7,598,927 \$(\$2,884,735) \$4,714,192 \$1	4				
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 Other Revenue - Off System Gas Sales \$11,672,778 (\$11,672,778) \$0 11 Other Gas Rev Contract Sharing (\$129,481) \$129,481 \$0 12 Other Deferred Revenue \$7,598,927 (\$2,884,735) \$4,714,192 15 Other Deferred Revenue \$7,598,927 (\$2,884,735) \$2,884,735 17 DAC Revenue \$2,299,262 \$2,299,262 \$2,496,262 19 Unbilled DAC Revenue \$6,027 \$6,027 \$6,027 21 Recovery of Supervision & Administrative Costs \$6,027 \$6,027 \$6,027 22 Mise Revenue \$15,120 \$10 \$0 \$10 24 Interest on Customer Arrears (\$15,120) \$15,120 \$0 24 Interest on Customer Arrears (\$255) \$255) \$255		Excess Sharing	(\$10,240,991)	\$10,240,991	\$0
8 Unbilled RDM Revenue (\$1,536,764) (\$1,536,764) 9 Energy Efficiency Shareholder Incentives (\$430,582) (\$430,582) 10 Other Revenue - Off System Gas Sales \$11,672,778 (\$11,672,778) \$0 11 Other Gas Rev Contract Sharing (\$129,481) \$129,481 \$0 12 Other Deferred Revenue \$7,598,927 (\$2,884,735) \$4,714,192 15 Other Deferred Revenue \$7,598,927 (\$2,884,735) \$4,714,192 16 LIHEAP Revenue \$2,884,735 \$2,884,735 \$2,884,735 17 DAC Revenue (\$2,573,466) (\$2,573,466) (\$2,573,466) 19 Unbilled DAC Revenue \$6,027 \$6,027 \$6,027 20 Recovery of Supervision & Administrative Costs \$6,027 \$6,027 \$6,027 23 Misc Revenue (\$15,120) \$15,120 \$0 24 Interest on Customer Arrears (\$255) (\$255) \$255)					
9 Energy Efficiency Shareholder Incentives (\$430,582) (\$430,582) 10 Other Revenue - Off System Gas Sales \$11,672,778 (\$11,672,778) \$0 12 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 \$7,598,927 (\$2,884,735) \$4,714,192 16 DAC Revenue (\$2,573,466) (\$2,573,466) \$2,496,262 \$2,496,262 17 PAC Revenue \$6,027 \$6,027 \$6,027 \$6,027 \$6,027 18 DAC Revenue \$15,120) \$15,120 \$0 \$1 \$1 \$1 \$1 \$1 \$1 \$1 \$1 \$1 \$1 \$1 \$1 \$1 \$1 \$1 \$1 \$1 \$1 \$1 \$2 \$1			\$4,702,743		
10 0					
11 Other Revenue - Off System Gas Sales \$11,672,778 (\$11,672,778) \$0 12 Other Gas Rev Contract Sharing (\$129,481) \$129,481 \$0 14 Image: Strain Str		Energy Efficiency Shareholder Incentives		(\$430,582)	(\$430,582)
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 \$2,884,735 17 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 23 Misc Revenue (\$15,120) \$15,120 \$0 24 (\$255) (\$255) 27 (\$255) (\$255)					
13 Other Gas Rev Contract Sharing (\$129,481) \$129,481 \$0 14 - - \$129,481) \$129,481 \$0 15 Other Deferred Revenue \$7,598,927 (\$2,884,735) \$4,714,192 16 LIHEAP Revenue \$2,884,735 \$2,884,735 \$2,884,735 17 - - \$2,884,735 \$2,884,735 18 DAC Revenue (\$2,573,466) (\$2,573,466) \$2,496,262 \$2,496,262 19 Unbilled DAC Revenue \$6,027 \$6,027 \$6,027 \$6,027 \$6,027 20 - - - \$6,027 \$6,025 \$6,025 <td< td=""><td></td><td>Other Revenue - Off System Gas Sales</td><td>\$11,672,778</td><td>(\$11,672,778)</td><td>\$0</td></td<>		Other Revenue - Off System Gas Sales	\$11,672,778	(\$11,672,778)	\$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 \$2,884,735 \$2,884,735 18 DAC Revenue (\$2,573,466) (\$2,573,466) 19 Unbilled DAC Revenue \$2,496,262 \$2,496,262 20 \$2,496,262 \$2,496,262 21 Recovery of Supervision & Administrative Costs \$6,027 \$6,027 23 Misc Revenue (\$15,120) \$15,120 \$0 24					
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 20 \$6,027 \$6,027 21 Recovery of Supervision & Administrative Costs \$6,027 \$6,027 22 16 (\$15,120) \$15,120 \$0 24 26 Interest on Customer Arrears (\$255) (\$255)		Other Gas Rev Contract Sharing	(\$129,481)	\$129,481	\$0
16 LIHEAP Revenue \$2,884,735 \$2,884,735 17					
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 23 Misc Revenue (\$15,120) \$15,120 \$0 24 (\$255) 26 Interest on Customer Arrears (\$255) (\$255)			\$7,598,927	(,	\$4,714,192
18 DAC Revenue (\$2,573,466) (\$2,573,466) 19 Unbilled DAC Revenue \$2,496,262 \$2,496,262 20 20 \$6,027 \$6,027 21 Recovery of Supervision & Administrative Costs \$6,027 \$6,027 22 1 1 1 1 23 Misc Revenue (\$15,120) \$15,120 \$0 24 1 1 1 1 26 Interest on Customer Arrears (\$255) (\$255) 27 1 1 1 1		LIHEAP Revenue		\$2,884,735	\$2,884,735
19 Unbilled DAC Revenue \$2,496,262 \$2,496,262 20 20 \$6,027 \$6,027 21 Recovery of Supervision & Administrative Costs \$6,027 \$6,027 23 Misc Revenue (\$15,120) \$15,120 \$0 24 (\$15,120) \$15,120 \$0 26 Interest on Customer Arrears (\$255) (\$255)					
20 21Recovery of Supervision & Administrative Costs\$6,02723Misc Revenue(\$15,120)\$15,1202426Interest on Customer Arrears(\$255)27272727	18	DAC Revenue	(\$2,573,466)		(\$2,573,466)
21 Recovery of Supervision & Administrative Costs \$6,027 22	19	Unbilled DAC Revenue		\$2,496,262	\$2,496,262
22 Misc Revenue (\$15,120) \$15,120 \$0 23 Misc Revenue (\$15,120) \$15,120 \$0 24 26 Interest on Customer Arrears (\$255) (\$255) 27 27 27 27 27 27	20				
23 Misc Revenue (\$15,120) \$15,120 \$0 24 26 Interest on Customer Arrears (\$255) (\$255) 27 27 27 27 27 27 27		Recovery of Supervision & Administrative Costs	\$6,027		\$6,027
24 Interest on Customer Arrears (\$255) (\$255) 27	22				
26 Interest on Customer Arrears (\$255) (\$255) 27	23	Misc Revenue	(\$15,120)	\$15,120	\$0
27	24				
		Interest on Customer Arrears		(\$255)	(\$255)
28 Total Other Revenue \$10,956,779 (\$758,527) \$10,198,252					
(470,50,77) (470,527)	28	Total Other Revenue	\$10,956,779	(\$758,527)	\$10,198,252

Notes:

(a) From Company Financial Statements

(b) From

(c) (a) + (b)

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-4 Page 9 of 15

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

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

Notes:

(a) From Company Financial Statements

(b) (c) - (a)

(c) Interest on Customer Deposits

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-4 Page 10 of 15

National Grid - RI Gas Detail Non-Operating Income / (Expense) For the Twelve Months ended December 31, 2021

		Income Statement (a)	<u>Adjustments</u> (b)	<u>2021</u> (c)
1	Donations	(\$334,977)		(\$334,977)
2				
3	Deferred Compensation - Life Insurance	(\$490)		(\$490)
4				
5	Penalties	\$219,967		\$219,967
6				
7	Lobbying / Legal and Political Expense	(\$137,954)		(\$137,954)
8		\$ \$		\$ 0
9	Federal Income Taxes on Non-Operating Income	\$0		\$0
10		00400		¢04.025
11	Revenue from Non-Utility Operations	\$84,825	<i><i>6</i> 5 5 5 5 5 5 5 5 5 5</i>	\$84,825
12	Expenses of Non-Utility Operations	(\$573,612)	\$573,612	\$0
13	Share Awards		(\$573,612)	(\$573,612)
14		#2 012 (22		*2 012 (22
15	Interest on Over / (Under) Collections, primarily Deferred Gas Costs	\$2,012,633	*2 - - -	\$2,012,633
16	CSS Revenue - Customer Arrears		\$255	\$255
17		¢172.406		¢172.426
18	Misc Non-Operating Income	\$173,426	(015 100)	\$173,426
19	Miscellaneous Service Revenues		(\$15,120)	(\$15,120)
20		(\$2,000,001)		(\$2,000,001)
21	Other Deductions	(\$2,089,091)		(\$2,089,091)
22			A ((0.120)	¢((0.120
23	Zero out Non-Operating Income / (Expense)		\$660,138	\$660,138
24	Total New Onersting Income/(European)	(\$645 274)	\$645 274	¢o
25	Total Non-Operating Income/(Expense)	(\$645,274)	\$645,274	\$0

Notes:

(a) From Company Financial Statements

16(b) Reclass Interest on Customer Arrears to Other Revenue on , line 26(b)

19(b) Reclass Miscellaneous Service Revenues from Other Revenue on , line 23(b)

23(b) (Sum of Lines 1(a) through 21(b)) * -1

(c) (a) + (b)

check

\$0

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-4 Page 11 of 15

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

						Annual Amortization		
	Series	Percent	Due	Amount	Annual Interest	of DD&E	Total Expense	Cost of Debt
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Senior Unsecured Notes							
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	First Mortgage Bonds (*)							
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%
	TWB Series K	7.50070	15-Dec-2025	\$5,710,007	\$278,750	\$4,071	\$262,621	
10								8.30%
			-	<u> </u>	* (2.051.022	¢625.045		
11	Total		=	\$1,517,310,412	\$63,051,822	\$635,047	\$63,686,869	4.20%
12	Electric Onemations	70.00%		¢1 062 117 299	\$42 626 707	\$441,286	\$44.079.092	4.15%
	Electric Operations			\$1,062,117,288	\$43,636,797		\$44,078,083	
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		-	\$1,517,310,412	\$63,051,822	\$635,047	\$63,686,869	4.20%
			=					

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.

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-4 Page 12 of 15

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

	<u>Month</u>	(a) Average Short-Term <u>Debt Balance</u>	(b) Weighted <u>Cost Rate</u>	(c) Short-Term <u>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)

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-4 Page 13 of 15

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 Schedtule 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 Hamless Rate Base Credit (c)
1 2	Balance at June 30, 2017			\$21,532,971
3 4	Subsequent 2 months			(\$253,030)
5 6 7	Balance at August 31, 2017			\$21,279,942
8 9	Increase/(Decrease) 12 Months Ended	08/31/18		(\$1,674,988.40)
10	Balance at August 31, 2018			\$19,604,953
11	U	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 23	Balance at August 31, 2019	08/31/19	(\$167,950)	\$17,676,893
24	Rate Year 1 Merger Hold Harmless - 5 Qu	\$18,662,756		

THE NARRAGANSETT ELECTRIC COMPANY dbn NATIONAL GRID RIPUC Docket No. 4770 Scheduls 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	Monthly Expense	Merger Hold Harmless Rate Base Credit
	(a)	(6)	(c)
Balance at August 31, 2019			\$17,676,893
	09/30/19	(\$167,950)	\$17,508,943
	10/31/19	(\$167,950)	\$17,340,994
	11/30/19	(\$167,950)	\$17,173,044
	12/31/19	(\$167,950)	\$17,005,095
	01/31/20	(\$198,997)	\$16,806,098
	02/29/20	(\$198,997)	\$16,607,100
	03/31/20	(\$198,997)	\$16,408,103
	04/30/20	(\$198,997)	\$16,209,106
	05/31/20	(\$198,997)	\$16,010,109
	06/30/20	(\$198,997)	\$15,811,112
	07/31/20	(\$198,997)	\$15,612,115
Balance at August 31, 2020	08/31/20	(\$198,997)	\$15,413,118
Rate Year 2 Merger Hold Harmless -	5 Quarter Average		\$16,576,053
Balance at August 31, 2020			\$15,413,118
-	09/30/20	(\$198,997)	\$15,214,120
	10/31/20	(\$198,997)	\$15,015,123
	11/30/20	(\$198,997)	\$14,816,126
	12/31/20	(\$198,997)	\$14,617,129
	01/31/21	(\$223,582)	\$14,393,547
	02/28/21	(\$223,582)	\$14,169,965
	03/31/21	(\$223,582)	\$13,946,383
	04/30/21	(\$223,582)	\$13,722,802
	05/31/21	(\$223,582)	\$13,499,220
	06/30/21	(\$223,582)	\$13,275,638
	07/31/21	(\$223,582)	\$13,052,056
Balance at August 31, 2021	08/31/21	(\$223,582)	\$12,828,474

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-4 Page 14 of 15

Schedule DJE-2 Revised

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

As of <u>31-Dec</u>	Southern Union <u>ADIT</u>	National Grid <u>ADIT</u>	Difference	Southern Union <u>ADITC</u>	ADIT Merger <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

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-4 Page 15 of 15

National Grid - RI Gas

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

	<u>Operating Revenues</u>	@415 250 4C1
2	Gas Operating Revenues shown on Page 301, Line 1(f) of the Annual Report	\$415,379,461
3 4	1 Unbilled Revenue Net Margin 2 Unbilled Energy Efficiency	(\$323,985) (\$658,585)
5	3 Property Tax Deferral Adjustment	\$6,758,146
6	Gas Earnings Sharing Mechanism, Page 2, Total Firm Gas Revenues	\$421,155,037
7	Sus Eurinings Shuring Meenunishi, ruge 2, rour rinin Sus Revenues	\$121,100,007
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	\$50,804,283
11 12	Forfited Discounts shown on Dage 201. Line 2(A) of the Annual Depart	\$0
12	Forfeited Discounts shown on Page 301, Line 3(f) of the Annual Report Miscellaneous Service Revenues shown on Page 301, Line 4(f) of the Annual Report	\$0 (\$15,120)
13 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	\$8,883,037
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	10,198,252
25		
26	Inventory Financing	(\$876,876)
77		
27		
28		
28 29	Derating Expenses	\$1 (3 73 8 201
28 29 30	Production expenses shown on Page 320 of the Annual Report	<u>\$162,728,301</u>
28 29 30 31		\$162,728,301 \$162,728,301
28 29 30 31 32	Production expenses shown on Page 320 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Production (Gas Costs)	\$162,728,301
28 29 30 31 32 33	Production expenses shown on Page 320 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Production (Gas Costs) Natural Gas Storage expenses shown on Page 322 of the Annual Report	\$162,728,301 \$3,636,093
28 29 30 31 32 33 34	Production expenses shown on Page 320 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Production (Gas Costs)	\$162,728,301
28 29 30 31 32 33 34 35	Production expenses shown on Page 320 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Production (Gas Costs) Natural Gas Storage expenses shown on Page 322 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Storage	\$162,728,301 \$3,636,093 \$3,636,093
28 29 30 31 32 33 34 35 36	Production expenses shown on Page 320 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Production (Gas Costs) Natural Gas Storage expenses shown on Page 322 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Storage Transmission expenses shown on Page 323 of the Annual Report	\$162,728,301 \$3,636,093 \$3,636,093 \$3,665,036
28 29 30 31 32 33 34 35	Production expenses shown on Page 320 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Production (Gas Costs) Natural Gas Storage expenses shown on Page 322 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Storage	\$162,728,301 \$3,636,093 \$3,636,093
28 29 30 31 32 33 34 35 36 37	Production expenses shown on Page 320 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Production (Gas Costs) Natural Gas Storage expenses shown on Page 322 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Storage Transmission expenses shown on Page 323 of the Annual Report	\$162,728,301 \$3,636,093 \$3,636,093 \$3,665,036
28 29 30 31 32 33 34 35 36 37 38	Production expenses shown on Page 320 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Production (Gas Costs) Natural Gas Storage expenses shown on Page 322 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Storage Transmission expenses shown on Page 323 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Transmission	\$162,728,301 \$3,636,093 \$3,636,093 \$3,665,036 \$3,665,036
28 29 30 31 32 33 34 35 36 37 38 39	Production expenses shown on Page 320 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Production (Gas Costs) Natural Gas Storage expenses shown on Page 322 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Storage Transmission expenses shown on Page 323 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Transmission Distribution expenses shown on Page 324 of the Annual Report	\$162,728,301 \$3,636,093 \$3,636,093 \$3,665,036 \$3,665,036 \$3,665,036 \$28,852,529
28 29 30 31 32 33 34 35 36 37 38 39 40	Production expenses shown on Page 320 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Production (Gas Costs) Natural Gas Storage expenses shown on Page 322 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Storage Transmission expenses shown on Page 323 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Transmission Distribution expenses shown on Page 324 of the Annual Report	\$162,728,301 \$3,636,093 \$3,636,093 \$3,665,036 \$3,665,036 \$3,665,036 \$28,852,529
28 29 30 31 32 33 34 35 36 37 38 39 40 41	Production expenses shown on Page 320 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Production (Gas Costs) Natural Gas Storage expenses shown on Page 322 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Storage Transmission expenses shown on Page 323 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Transmission Distribution expenses shown on Page 324 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Distribution	\$162,728,301 \$3,636,093 \$3,636,093 \$3,665,036 \$3,665,036 \$3,665,036 \$28,852,529 \$28,852,529
28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44	Production expenses shown on Page 320 of the Annual ReportGas Earnings Sharing Mechanism, Page 2, Production (Gas Costs)Natural Gas Storage expenses shown on Page 322 of the Annual ReportGas Earnings Sharing Mechanism, Page 2, StorageTransmission expenses shown on Page 323 of the Annual ReportGas Earnings Sharing Mechanism, Page 2, StorageDistribution expenses shown on Page 324 of the Annual ReportGas Earnings Sharing Mechanism, Page 2, TransmissionDistribution expenses shown on Page 324 of the Annual ReportGas Earnings Sharing Mechanism, Page 2, DistributionCustomer Accounts expenses shown on Pages 324-325 of the Annual ReportCustomer Service & Information expenses shown on Pages 325 of the Annual Report1 Zero out Uncollectible Accounts per books	\$162,728,301 \$3,636,093 \$3,636,093 \$3,665,036 \$3,665,036 \$28,852,529 \$28,852,529 \$28,852,529 \$12,410,926 \$36,346,445 (\$4,978,756)
28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45	Production expenses shown on Page 320 of the Annual ReportGas Earnings Sharing Mechanism, Page 2, Production (Gas Costs)Natural Gas Storage expenses shown on Page 322 of the Annual ReportGas Earnings Sharing Mechanism, Page 2, StorageTransmission expenses shown on Page 323 of the Annual ReportGas Earnings Sharing Mechanism, Page 2, StorageDistribution expenses shown on Page 324 of the Annual ReportGas Earnings Sharing Mechanism, Page 2, TransmissionDistribution expenses shown on Page 324 of the Annual ReportGas Earnings Sharing Mechanism, Page 2, DistributionCustomer Accounts expenses shown on Pages 324-325 of the Annual Report1 Zero out Uncollectible Accounts per books2 Add Bad Debt Charge-Offs	\$162,728,301 \$3,636,093 \$3,636,093 \$3,665,036 \$3,665,036 \$28,852,529 \$28,852,529 \$28,852,529 \$12,410,926 \$36,346,445 (\$4,978,756) \$6,644,451
28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46	Production expenses shown on Page 320 of the Annual ReportGas Earnings Sharing Mechanism, Page 2, Production (Gas Costs)Natural Gas Storage expenses shown on Page 322 of the Annual ReportGas Earnings Sharing Mechanism, Page 2, StorageTransmission expenses shown on Page 323 of the Annual ReportGas Earnings Sharing Mechanism, Page 2, StorageDistribution expenses shown on Page 324 of the Annual ReportGas Earnings Sharing Mechanism, Page 2, TransmissionDistribution expenses shown on Page 324 of the Annual ReportGas Earnings Sharing Mechanism, Page 2, DistributionCustomer Accounts expenses shown on Pages 324-325 of the Annual ReportCustomer Service & Information expenses shown on Pages 325 of the Annual Report1 Zero out Uncollectible Accounts per books	\$162,728,301 \$3,636,093 \$3,636,093 \$3,665,036 \$3,665,036 \$28,852,529 \$28,852,529 \$28,852,529 \$12,410,926 \$36,346,445 (\$4,978,756)
28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47	 Production expenses shown on Page 320 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Production (Gas Costs) Natural Gas Storage expenses shown on Page 322 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Storage Transmission expenses shown on Page 323 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Transmission Distribution expenses shown on Page 324 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Distribution Customer Accounts expenses shown on Pages 324-325 of the Annual Report Customer Service & Information expenses shown on Pages 325 of the Annual Report 1 Zero out Uncollectible Accounts per books 2 Add Bad Debt Charge-Offs Gas Earnings Sharing Mechanism, Page 2, Customer Accounts 	\$162,728,301 \$3,636,093 \$3,636,093 \$3,665,036 \$3,665,036 \$28,852,529 \$28,852,529 \$28,852,529 \$28,852,529 \$12,410,926 \$36,346,445 (\$4,978,756) \$6,644,451 \$50,423,066
28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48	Production expenses shown on Page 320 of the Annual ReportGas Earnings Sharing Mechanism, Page 2, Production (Gas Costs)Natural Gas Storage expenses shown on Page 322 of the Annual ReportGas Earnings Sharing Mechanism, Page 2, StorageTransmission expenses shown on Page 323 of the Annual ReportGas Earnings Sharing Mechanism, Page 2, StorageDistribution expenses shown on Page 324 of the Annual ReportGas Earnings Sharing Mechanism, Page 2, TransmissionDistribution expenses shown on Page 324 of the Annual ReportGas Earnings Sharing Mechanism, Page 2, DistributionCustomer Accounts expenses shown on Pages 324-325 of the Annual Report1 Zero out Uncollectible Accounts per books2 Add Bad Debt Charge-OffsGas Earnings Sharing Mechanism, Page 2, Customer AccountsSales expenses shown on Page 325 of the Annual Report	\$162,728,301 \$3,636,093 \$3,636,093 \$3,665,036 \$3,665,036 \$28,852,529 \$28,852,
28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49	Production expenses shown on Page 320 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Production (Gas Costs)Natural Gas Storage expenses shown on Page 322 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, StorageTransmission expenses shown on Page 323 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, TransmissionDistribution expenses shown on Page 324 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, DistributionCustomer Accounts expenses shown on Pages 324 of the Annual Report Customer Service & Information expenses shown on Pages 325 of the Annual Report 1 Zero out Uncollectible Accounts per books 2 Add Bad Debt Charge-Offs Gas Earnings Sharing Mechanism, Page 2, Customer AccountsSales expenses shown on Page 325 of the Annual Report 1 Remove Sales expenses	\$162,728,301 \$3,636,093 \$3,636,093 \$3,665,036 \$3,665,036 \$3,665,036 \$28,852,529 \$28,852,529 \$28,852,529 \$28,852,529 \$12,410,926 \$36,346,445 (\$4,978,756) \$6,644,451 \$50,423,066 \$247,847 (\$247,847)
28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50	Production expenses shown on Page 320 of the Annual ReportGas Earnings Sharing Mechanism, Page 2, Production (Gas Costs)Natural Gas Storage expenses shown on Page 322 of the Annual ReportGas Earnings Sharing Mechanism, Page 2, StorageTransmission expenses shown on Page 323 of the Annual ReportGas Earnings Sharing Mechanism, Page 2, StorageDistribution expenses shown on Page 324 of the Annual ReportGas Earnings Sharing Mechanism, Page 2, TransmissionDistribution expenses shown on Page 324 of the Annual ReportGas Earnings Sharing Mechanism, Page 2, DistributionCustomer Accounts expenses shown on Pages 324-325 of the Annual Report1 Zero out Uncollectible Accounts per books2 Add Bad Debt Charge-OffsGas Earnings Sharing Mechanism, Page 2, Customer AccountsSales expenses shown on Page 325 of the Annual Report	\$162,728,301 \$3,636,093 \$3,636,093 \$3,665,036 \$3,665,036 \$28,852,529 \$28,852,
28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51	 Production expenses shown on Page 320 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Production (Gas Costs) Natural Gas Storage expenses shown on Page 322 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Storage Transmission expenses shown on Page 323 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Storage Distribution expenses shown on Page 324 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Transmission Distribution expenses shown on Page 324 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Distribution Customer Accounts expenses shown on Pages 324-325 of the Annual Report Customer Service & Information expenses shown on Pages 325 of the Annual Report 1 Zero out Uncollectible Accounts per books 2 Add Bad Debt Charge-Offs Gas Earnings Sharing Mechanism, Page 2, Customer Accounts Sales expenses shown on Page 325 of the Annual Report 1 Remove Sales expenses Gas Earnings Sharing Mechanism, Page 2, Sales 	\$162,728,301 \$3,636,093 \$3,636,093 \$3,665,036 \$3,665,036 \$28,852,529 \$28,852,529 \$28,852,529 \$12,410,926 \$36,346,445 (\$4,978,756) \$6,644,451 \$50,423,066 \$247,847 (\$247,847) \$0
28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52	Production expenses shown on Page 320 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Production (Gas Costs)Natural Gas Storage expenses shown on Page 322 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, StorageTransmission expenses shown on Page 323 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, TransmissionDistribution expenses shown on Page 324 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, DistributionCustomer Accounts expenses shown on Pages 324 of the Annual Report Customer Service & Information expenses shown on Pages 324-325 of the Annual Report 1 Zero out Uncollectible Accounts per books 2 Add Bad Debt Charge-Offs Gas Earnings Sharing Mechanism, Page 2, Customer AccountsSales expenses shown on Page 325 of the Annual Report 1 Remove Sales expenses Gas Earnings Sharing Mechanism, Page 2, SalesAdministrative and General expenses shown on Page 325 of the Annual Report	\$162,728,301 \$3,636,093 \$3,636,093 \$3,665,036 \$3,665,036 \$28,852,529 \$28,852,529 \$28,852,529 \$12,410,926 \$36,346,445 (\$4,978,756) \$6,644,451 \$50,423,066 \$247,847 (\$247,847) \$0 \$52,586,566
$\begin{array}{cccccccccccccccccccccccccccccccccccc$	Production expenses shown on Page 320 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Production (Gas Costs)Natural Gas Storage expenses shown on Page 322 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, StorageTransmission expenses shown on Page 323 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, TransmissionDistribution expenses shown on Page 324 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, DistributionCustomer Accounts expenses shown on Pages 324 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, DistributionCustomer Accounts expenses shown on Pages 324-325 of the Annual Report 1 Zero out Uncollectible Accounts per books 2 Add Bad Debt Charge-Offs Gas Earnings Sharing Mechanism, Page 2, Customer AccountsSales expenses shown on Page 325 of the Annual Report 1 Remove Sales expenses Gas Earnings Sharing Mechanism, Page 2, SalesAdministrative and General expenses shown on Page 325 of the Annual Report 1 Exclude Executive Variable Compensation not charged to customers	\$162,728,301 \$3,636,093 \$3,636,093 \$3,665,036 \$3,665,036 \$28,852,529 \$28,852,529 \$28,852,529 \$12,410,926 \$36,346,445 (\$4,978,756) \$6,644,451 \$50,423,066 \$247,847 (\$247,847) \$0 \$52,586,566 (\$298,359)
$\begin{array}{cccccccccccccccccccccccccccccccccccc$	Production expenses shown on Page 320 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Production (Gas Costs)Natural Gas Storage expenses shown on Page 322 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, StorageTransmission expenses shown on Page 323 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, TransmissionDistribution expenses shown on Page 324 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, DistributionCustomer Accounts expenses shown on Pages 324 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, DistributionCustomer Accounts expenses shown on Pages 324-325 of the Annual Report 1 Zero out Uncollectible Accounts per books 2 Add Bad Debt Charge-Offs Gas Earnings Sharing Mechanism, Page 2, Customer AccountsSales expenses shown on Page 325 of the Annual Report 1 Remove Sales expenses Gas Earnings Sharing Mechanism, Page 2, SalesAdministrative and General expenses shown on Page 325 of the Annual Report 1 Exclude Executive Variable Compensation not charged to customers 2 Service Company excess deferred federal income taxes per Docket No. 4770 Excess	\$162,728,301 \$3,636,093 \$3,636,093 \$3,665,036 \$3,665,036 \$28,852,529 \$28,852,529 \$28,852,529 \$12,410,926 \$36,346,445 (\$4,978,756) \$6,644,451 \$50,423,066 \$247,847 (\$247,847) \$0 \$52,586,566
$\begin{array}{c} 28\\ 29\\ 30\\ 31\\ 32\\ 33\\ 34\\ 35\\ 36\\ 37\\ 38\\ 39\\ 40\\ 41\\ 42\\ 43\\ 44\\ 45\\ 46\\ 47\\ 48\\ 49\\ 50\\ 51\\ 52\\ 53\\ 54\\ 55\\ \end{array}$	Production expenses shown on Page 320 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Production (Gas Costs)Natural Gas Storage expenses shown on Page 322 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, StorageTransmission expenses shown on Page 323 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, TransmissionDistribution expenses shown on Page 324 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, DistributionCustomer Accounts expenses shown on Page 324 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, DistributionCustomer Accounts expenses shown on Pages 324-325 of the Annual Report 1 Zero out Uncollectible Accounts per books 2 Add Bad Debt Charge-Offs Gas Earnings Sharing Mechanism, Page 2, Customer AccountsSales expenses shown on Page 325 of the Annual Report 1 Remove Sales expenses Gas Earnings Sharing Mechanism, Page 2, SalesAdministrative and General expenses shown on Page 325 of the Annual Report 1 Exclude Executive Variable Compensation not charged to customers 2 Service Company excess deferred federal income taxes per Docket No. 4770 Excess Deferred Income Tax True-Up – Second Compliance Filing dated May 30, 2019,	\$162,728,301 \$3,636,093 \$3,636,093 \$3,665,036 \$3,665,036 \$28,852,529 \$28,852,529 \$28,852,529 \$12,410,926 \$36,346,445 (\$4,978,756) \$6,644,451 \$50,423,066 \$247,847 (\$247,847) \$0 \$52,586,566 (\$298,359)
$\begin{array}{c} 28\\ 29\\ 30\\ 31\\ 32\\ 33\\ 34\\ 35\\ 36\\ 37\\ 38\\ 39\\ 40\\ 41\\ 42\\ 43\\ 44\\ 45\\ 46\\ 47\\ 48\\ 49\\ 50\\ 51\\ 52\\ 53\\ 54\\ \end{array}$	Production expenses shown on Page 320 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Production (Gas Costs)Natural Gas Storage expenses shown on Page 322 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, StorageTransmission expenses shown on Page 323 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, TransmissionDistribution expenses shown on Page 324 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, DistributionCustomer Accounts expenses shown on Pages 324 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, DistributionCustomer Accounts expenses shown on Pages 324-325 of the Annual Report 1 Zero out Uncollectible Accounts per books 2 Add Bad Debt Charge-Offs Gas Earnings Sharing Mechanism, Page 2, Customer AccountsSales expenses shown on Page 325 of the Annual Report 1 Remove Sales expenses Gas Earnings Sharing Mechanism, Page 2, SalesAdministrative and General expenses shown on Page 325 of the Annual Report 1 Exclude Executive Variable Compensation not charged to customers 2 Service Company excess deferred federal income taxes per Docket No. 4770 Excess	\$162,728,301 \$3,636,093 \$3,636,093 \$3,665,036 \$3,665,036 \$28,852,529 \$28,852,529 \$28,852,529 \$12,410,926 \$36,346,445 (\$4,978,756) \$6,644,451 \$50,423,066 \$247,847 (\$247,847) \$0 \$52,586,566 (\$298,359)

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-5 Page 1 of 8

The Narragansett Electric Company Return on Rate Base **Return on Common Equity Twelve Months Ended December 31, 2022**

<u>Line</u> <u>No.</u>			Twelve Months Ending December 31, 2022						
			Actual						
1		Base Earnings	Earnings	Allowed	Ceiling				
2		1/	2/	3/	3/				
3	Return on Distribution Rate Base	6.56%	6.89%	6.97%	6.97%				
4									
5	Return on Distribution Common Equity	8.35%	9.11%	9.275%	9.275%				

Excludes incentives and penalties detailed at Page 2, Lines 3 through 8 1/

2/ 3/ Includes incentives detailed at Page 2

6 7 8 9 Allowed Return and Ceiling, presented below.

10	6,1	Per Amended Settlement Agreement in Docket 4770										
11			All	lowed	Ceiling							
12			Cost	Weighted	Cost	Weighted						
13		Total	Rate	Cost	Rate	Cost						
14												
15	Short Term Debt	0.60%	1.76%	0.01%	1.76%	0.01%						
16	Long Term Debt	48.35%	4.62%	2.23%	4.62%	2.23%						
17	Preferred Stock	0.10%	4.50%	0.00%	4.50%	0.00%						
18	Common Equity	50.95%	9.275%	4.73%	9.275%	4.73%						
19		100.00%		6.97%		6.97%						
20				·								

22		EARNED											
23				Cost	Weighted		Pre-Tax						
24		Amount	Total	Rate	Cost	Taxes	Weighted Cost						
25													
26	Short Term Debt	\$6,791,081	0.60%	1.76%	0.01%		0.01%						
27	Long Term Debt	\$547,247,949	48.35%	4.62%	2.23%		2.23%						
28	Preferred Stock	\$1,131,847	0.10%	4.50%	0.00%	0.00%	0.00%						
29	Common Equity	\$576,675,967	50.95%	8.35%	4.25%	0.93% 5/	5.18%						
	5-Quarter Average												
	Distribution Rate Base as of												
30	Dec 31, 2022	\$1,131,846,844 4/	100.00%		6.50%	0.93%	7.43%						

21

31 32 33 4/ 5/ , Line 38, Column (f)

includes adj. for Flowthrough Items below 34 35 36 37

PREFERRED STOCK EARNINGS, INTEREST EXPENSE, AND FEDERAL INCOME TAX

57		AND FEDERAL INCO	JME IAA							
38		CALCULATED USING IMPUTED	CAPITAL ST	RUCTI	JRE					
39										
40						<u>\$000s</u>				
41	PREF. STOCK:	\$1,131,846,844 X	0.00%	(a)	=	\$51				
42	INTEREST:	\$1,131,846,844 X	2.24%	(b)	=	\$25,353				
43										
44	FIT:	\$1,131,846,844 X	1.13%	(c)	=	\$12,809				
45		Plus: Flowthrough Items		(d)		(\$2,317)				
46		Total Federal Income Taxes ("F	TT")			\$10,492				
47										
48	(a) From Line 28, Column "Weighted Cost"									
49	(b)	Sum of Lines 26 and 27, Column	"Weighted Co	st".						
50	(c)	(0.00% + 4.25%) / 79% - (0.00%	+ 4.25%)							
51	(d)	Flowthrough Items (tax effected)								
52		Investment Tax Credit ("ITC")	Amortization			\$0				
53		ITC Basis Reduction Depreciati	on			\$0				
54		AFUDC Equity Depreciation				\$107				
55		Unfunded Amortization				\$650				
56		Amortization of Federal Rate Cl	hange			(\$3,074)				
57										
58						(\$2,317)				

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-5 Page 2 of 8

THE NARRAGANSETT ELECTRIC COMPANY Return on Equity Calculation Return on Rate Base Calculation Twelve Months Ended December 31, 2022 (\$000s)

		Re	turn on Equity	,	Retu	_		
		Base	Basis	Actual	Base	Basis	Actual	
		Earnings	Points	Earnings	Earnings	arnings Points		
		(a)	(b)	(c)	(d)	(e)	(f)	
Distribution Operating Income Before Taxes	٧	\$89,621		\$89,621	\$89,621		\$89,621	1/
Adjustments:								
Service Quality ("SQ") Penalties Accrued	٧	\$0	0.00%		\$0	0.00%		2/, 3/
Energy Efficiency Program Incentive	٧	(\$1,408)	-0.24%		(\$1,408)	-0.12%		3/
System Reliability Procurement Incentives		\$0	0.00%		\$0	0.00%		3/
LTCRER Incentive	٧	(\$2,572)	-0.45%		(\$2,572)	-0.23%		3/
RE Growth Remuneration	٧	(\$665)	-0.12%		(\$665)	-0.06%		3/
Performance Incentive Mechanism Incentives	٧	(\$944)	-0.16%		\$0	0.00%		3/
			_					
Adjusted Distribution Operating Income Before Taxes	٧	\$84,031		\$89,621	\$84,976		\$89,621	4/
Interest Charges	٧	\$25,353	_	\$25,353	\$25,353		\$25,353	5/
Income Taxes @ 21% net of flowthrough	٧	\$10,492	-0.20%	\$11,666	\$10,690	-0.09%	\$11,666	6/
			_					
Net Income	٧	\$48,186		\$52,602	\$74,286		\$77,956	7/
1	٧	\$51		\$51	\$51		\$51	5/
Earnings Available for Common	٧	\$48,135		\$52,551	\$74,286		\$77,956	8/
								-
Average Common Equity - 5-Quarter Average	v	\$576,676		\$576,676	\$1,131,847		\$1,131,847	9/
Rate of Return on Adjusted Average Common Equi	t√	8.35%		9.11%	6.56%		6.89%	10/
	Distribution Operating Income Before Taxes Adjustments: Service Quality ("SQ") Penalties Accrued Energy Efficiency Program Incentive System Reliability Procurement Incentives LTCRER Incentive RE Growth Remuneration Performance Incentive Mechanism Incentives Adjusted Distribution Operating Income Before Taxes Interest Charges Income Taxes @ 21% net of flowthrough Net Income Less: Preferred Stock Requirements Earnings Available for Common Average Common Equity - 5-Quarter Average	Distribution Operating Income Before Taxes V Adjustments: V Service Quality ("SQ") Penalties Accrued V Energy Efficiency Program Incentive V System Reliability Procurement Incentives V LTCRER Incentive V RE Growth Remuneration V Performance Incentive Mechanism Incentives V Adjusted Distribution Operating Income Before Taxes V Interest Charges V Income Taxes @ 21% net of flowthrough V Net Income V Less: Preferred Stock Requirements V Earnings Available for Common V	Base Earnings (a)Distribution Operating Income Before Taxes Adjustments: Service Quality ("SQ") Penalties Accrued Energy Efficiency Program Incentive System Reliability Procurement Incentives LTCRER Incentive RE Growth Remuneration Performance Incentive Mechanism Incentives V (\$2,572) RE Growth Remuneration Net Income Net IncomeV S84,031 V \$10,492Adjusted Distribution Operating Income Before Taxes V Net IncomeV \$25,353 V \$10,492Net IncomeV \$448,186Less: Preferred Stock Requirements Earnings Available for CommonV V \$576,676	BaseBasisDistribution Operating Income Before TaxesVAdjustments:(a)Service Quality ("SQ") Penalties AccruedV\$89,621Adjustments:VService Quality ("SQ") Penalties AccruedV\$00.00%Energy Efficiency Program IncentiveV\$00.00%LTCRER IncentiveV\$00.00%LTCRER IncentiveV\$10(\$665)-0.12%Performance Incentive Mechanism IncentivesV\$25,353Income Taxes @ 21% net of flowthroughV\$10,492-0.20%Net IncomeV\$48,186Less: Preferred Stock RequirementsV\$51Earnings Available for CommonV\$576,676	Earnings (a)Points (b)Earnings (c)Distribution Operating Income Before Taxes Adjustments: Service Quality ("SQ") Penalties Accrued Energy Efficiency Program Incentive System Reliability Procurement Incentives LTCRER Incentive RE Growth Remuneration Performance Incentive Mechanism Incentives V\$00.00% (\$2,572)-0.45% (\$2,572)Adjusted Distribution Operating Income Before Taxes Performance Incentive Mechanism IncentivesV\$84,031\$89,621Adjusted Distribution Operating Income Before Taxes Net IncomeV\$84,031\$89,621Net IncomeV\$10,492-0.20%\$11,666Net IncomeV\$48,186\$52,602Less: Preferred Stock Requirements Earnings Available for CommonV\$51\$51Average Common Equity - 5-Quarter AverageV\$576,676\$576,676	Base Earnings (a)Base PointsBasis Earnings (c)Actual Earnings (c)Base Earnings (d)Distribution Operating Income Before Taxes Adjustments: Service Quality ("SQ") Penalties Accrued Energy Efficiency Program Incentive System Reliability Procurement Incentives LTCRER Incentive Performance Incentive Mechanism Incentives V\$00.00% \$0\$0Adjusted Distribution Operating Income Before Taxes VV\$84,031 \$25,353\$89,621\$84,976 \$0Adjusted Distribution Operating Income Before Taxes Incenet Rege Interest Charges Net IncomeV\$84,031 \$10,492\$89,621 \$25,353\$84,976 \$11,666Net IncomeV\$48,186\$52,602\$74,286Less: Perferred Stock Requirements Earnings Available for CommonV\$576,676\$1,131,847	Base Earnings (a)Base Points (b)Base Earnings (c)Base Earnings (d)Basis Earnings (e)Distribution Operating Income Before Taxes Adjustments: Service Quality ("SQ") Penalties Accrued Energy Efficiency Program Incentive System Reliability Procurement Incentives VV\$00.00% \$89,621\$89,621\$89,621System Reliability Procurement Incentives V System Reliability Procurement Incentives V System Reliability Procurement Incentives V (\$2,572)0.00% \$0\$00.00% \$00.00% \$0Adjusted Distribution Operating Income Before Taxes V Staffstruct Interest Charges Net IncomeV\$84,031 V \$10,492\$89,621 V \$11,666\$84,976 S10,690\$84,976 S10,690Less: Perferred Stock Requirements Earnings Available for CommonV\$51 S51 <td>Base Earnings (a)Base Points (c)Base Earnings (c)Base Earnings (c)Base Earnings (c)Base Earnings (c)Base Earnings (d)Basis Earnings (c)Actual Earnings (c)Distribution Operating Income Before Taxes Adjustments: Service Quality ("SQ") Penalties Accrued System Reliability Procurement Incentives UTCRER Incentive W$\\$ 00$\\$ 00.00% (\$1,408) $\\$ 0.000%$\\$ 00$\\$ 00$0.00\%$ (\$1,408) $\\$ 0.00%$\\$ 00$0.00\%$ $\\$ 00$\\$ 00$0.00\%$ $\\$ 00$\\$ 00$0.00\%$ $\\$ 00$\\$ 00$0.00\%$ $\\$ 00$0.00\%$ $\\$$0.00\%$ $\\$ 00$0.00\%$ $\\$ 00$0.00\%$ $\\$ 00$0.00\%$ $\\$$0.00\%$ $\\$ 00$0.00\%$ $\\$ 00$0.00\%$ $\\$ 00$0.00\%$$0.00\%$ $\\$ 00$0.00\%$$0.00\%$ $\\$ 00$0.00\%$$0.00\%$$0.00\%$$0.00\%$$0.00\%$$0.00\%$$0.00\%$$0.00\%$$0.00\%$$0.00\%$$0.00\%$$0.00\%$$0.00\%$$0.00\%$$0.00\%$$0.00\%$$0.00\%$$0.00\%$$0.00\%$$0.$</br></td>	Base Earnings (a)Base Points

Notes

1/ Line 28

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

3/ Column (b) = column (a) ÷ Line 19 (a). Column (e) = column (d) ÷ Line 19 (d)

4/ Sum of Lines 1 thru 8

5/ $\,$ Calculated using imputed capital structure and cost rates; see , Lines 42, 41, 29, and 30 $\,$

6/ , Line 46

7/ Column (a) & (c): Line 10 - Line 11 - Line 12. Column (d) & (f): Line 10 - Line 12

8/ Line 14 - Line 16

 $\,9/\,$ Calculated using imputed capital structure and cost rates; see , Line 29, and Line 30 $\,$

10/ Line 17 ÷ Line 19

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-5 Page 3 of 8

THE NARRAGANSETT ELECTRIC COMPANY

Income Statement <u>Income Statement</u> <u>Twelve Months Ended December 31, 2022</u> (\$000s)

Line <u>No.</u>		Total Electric Business (a)	Less: Integrated Facilities Agreement (IFA) Amounts Billed to New England Power Co. (b)	Less: Actual Block Island Transmission System Credits and Expenses (c)	Add: Other Adjustments (d)	Electric Distribution Amount w/o BITS Per Schedules (e) = (a)-(b)-(c)+(d)
1 2 3	Revenue - Sales of Electricity Other Revenue Total Revenue	\$427,693 √ <u>\$758,661</u> √ \$1,186,354 √			\$32,495 (\$2,593)	\$460,189 \$756,067 \$1,216,256
4 5 6	Operating Expenses: Purchased Power Transmission Wheeling	\$426,039 v \$239,093 v				\$426,039 \$239,093
7 8 9	Transmission Wheeling - IFA and BITS Credit Uncollectible Expense Genl & Admin. O&M	(\$159,340) V \$31,086 V \$188,648 V	(\$148,448) \$19,211	(\$10,892) \$1,256	(\$15,184) (\$32,832)	(\$0) \$15,903 \$135,350
10 11 12	All Other Operation & Maintenance ("O&M") exper Company Share of Earned Savings Depreciation	1 \$180,012 √ \$0 \$94,449 √	\$9,679 \$31,460	\$209 \$3.839	(\$861)	\$169,263 \$0 \$59,150
13 14 15	Amortization of Loss on Reacquired Debt Amortization - Other Gross Earnings Tax	\$718 √ \$919 √ \$58,020 √	\$11	\$5,007	(\$609)	\$98 \$919 \$58,020
16 17 18	Municipal Tax Other Non-Income taxes Current and Deferred Income Taxes	\$35,020 V \$86,439 V (\$45,743) V \$187,384 V	\$14,652 \$540	\$231	(\$187,384)	\$35,020 \$71,556 (\$46,283) \$0
19 20	Regulatory Debits Accretion Expense	\$0 V \$0 V	(60)		(\$187,384) \$0	\$0 \$0
21 22 23	Amortization of ITC Interest on Customer Deposits Donations	\$0 v \$83 v \$0 v	(\$0)		\$0	\$0 \$83 \$0
24 25 26	Extraordinary Deductions Total Operating Expenses	\$5,000 √ \$1,292,808	(\$72,894) \$0	(\$5,357)	(\$5,000) (\$241,868)	\$0 \$1,129,191
27 28	Net Operating Income Distribution Operating Income Before Taxes	(\$106,454)	check			\$87,064
	Notes					
1/	Bill Credit Add: One Time Bill Credit per AG Joint Settlement	Agreement √	32,495,458			
2/	Property Tax Adjustment Add: Adjustment that relates to Apr-18 - Dec-21 Total Revenue Normalization Adjustment	v	(2,593,349) (2,593,349)			
3/	Per Page 8 of 8	٧				
4/	Removal of IT/TSA Special Items		(32,831,696)			
5/	Adjustment to all Other Operation & Maintenance e Variable Pay Sales expense Total Adjustment	xpense √ √	(\$410,739) (\$449,920) (\$860,659)			
6/	Below the line items brought above the line for rater	naking.				
7/	Reverse write-off of the GBE & IS MOD Investment settlement agreement	tts per √	(\$4,999,635)			

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

RIPUC Docket No. 24-05-GE

Petition to Create Regulatory Asset for Waived Electronic Transaction Fees

THE NARRAGANSETT ELECTRIC COMPANY Rate Base - Electric Distribution

			Five Quarter Average					Waived Electronic Transaction Fees					
Line No.	Description		(a) ecember 2021		(b) March 2022		(c) June 2022		(d) September 2022		ttachment I (e) December F 2022	age	1-3-5 4 of 8 Quarter Average
1	Utility Plant in Service	\$ 1,9	950,804,206	\$	1,941,382,210	\$	1,876,454,529	\$	1,821,021,553	\$	2,028,857,503	\$	1,923,704,000
2	IFA allocated Plant		-		-		-		-		-		-
3	Block Island Transmission System (BITS) Assets		-		-		-		-		-		-
4	Total Distribution Plant	\$ 1,9	50,804,206	\$	1,941,382,210	\$	1,876,454,529	\$	1,821,021,553	\$	2,028,857,503	\$	1,923,704,000
5													
6													
7	Property Held for Future Use		2,496,042		2,496,042		2,496,042		2,496,042		2,496,042	\$	2,496,042
8	Less: Contribution in Aid of Construction		259,716		72,216		109,716		(60,632)		69,716		90,146
9	Less: Accumulated Depreciation	7	68,596,795		774,194,257		784,924,176		795,672,549		805,703,085		785,818,172
10	Less: IFA allocated Depreciation		-		-		-		-		-		-
11	Less: Block Island Transmission System (BITS) Depreciation		-		-		-	_	-		-		-
12	Total Accumulated Depreciation	7	768,596,795	_	774,194,257	_	784,924,176	_	795,672,549		805,703,085		785,818,172
13													
14	Net Plant in Service	\$ 1,1	84,443,738	\$	1,169,611,779	\$	1,093,916,679	\$	1,027,905,678	\$	1,225,580,745	\$	1,140,291,724
15													
16	Plus:												
17	Materials and Supplies	\$	785,776	\$	(33,539)	\$	(44,064)	\$	61,336	\$	(413,015)	\$	71,299
18	Prepayments		1,913,602		1,094,375		70,669		20,198		19,948		623,758
19	Loss on Reacquired Debt		1,361,197		1,344,522		1,343,695		1,317,452		1,262,883		1,325,950
20	Cash Working Capital		17,922,078		17,922,078		17,922,078		17,922,078		17,922,078		17,922,078
21	Cash Working Capital - Commodity & Gross Receipts Tax		48,075,148		\$61,462,485		61,462,485		61,462,485		61,462,485		58,785,018
22	Unamortized Interest Rate Lock		\$1,749,030		1,724,527		1,700,024		1,675,521		1,651,018		1,700,024
23	Unamortized Debt Issuance Costs (\$550M)		\$728,327		718,327		708,327		698,328		688,328		708,327
24	Unamortized Debt Issuance Costs (\$250M 2012)		\$696,327		688,004		679,682		671,359		663,036		679,682
25	Unamortized Debt Issuance Costs (\$350M 2018)		\$474,726		456,698		438,671		420,643		402,616		438,671
26	Unamortized Debt Issuance Costs (\$600M 2020)		894,741		867,898		841,056		814,214		787,372		841,056
27		-											
28	Subtotal	\$	74,600,952	\$	86,245,377	\$	85,122,624	\$	85,063,615	\$	84,446,748	\$	83,095,863
29													
30	Less:		10 545 656	¢	221 210 410	¢	(12 217 8(6)	¢	(20.014.202)	¢	47 110 703	¢	02.250.506
31	Accumulated Deferred Federal Income Taxes ("FIT")	\$ 2	219,545,656	\$	231,319,418	\$	(42,217,866)	\$	(39,014,382)	\$	47,119,703	\$	83,350,506
32	Block Island Transmission System (BITS) ADIT		-		-		-		-		-		-
33	Accumulated Deferred FIT on Loss on Reacquired Debt		285,851		282,350		282,176		276,665		265,205		278,449
34	Customer Deposits		10,129,820		7,547,269		7,416,760		7,397,028		7,068,062		7,911,788
35 36	Colored	6 2	20.0(1.227	¢	220 140 026	e.	(24,519,020)	e.	(21.240.690)	e.	54 452 000	e	01 540 742
	Subtotal	\$ 2	29,961,327	\$	239,149,036	\$	(34,518,930)	\$	(31,340,689)	\$	54,452,969	\$	91,540,743
37 38	Rate Base	¢ 10	29,083,363	¢	1,016,708,119	¢	1,213,558,233	¢	1,144,309,982	¢	1,255,574,523	¢	1,131,846,844
38	Kate Dase	\$ 1,0	129,003,303	\$	1,010,708,119	\$	1,213,338,233	3	1,144,509,982	3	1,233,374,523	3	1,131,040,844

Line Notes 38 Line 14 + Line 28 - Line 36

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

RIPUC Docket No. 24-05-GE tition to Create Regulatory Asset for Waived Electronic Transaction Fees

THE NARRAGANSETT ELECTRIC COMPANY	P	eti	it
Rate Base - Integrated Facilities Agreement (IFA) and Block Island Transmission Sy Five Quarter Average	stem (BI	Ť
Five Quarter Average		Ì	N

		Five Quarter Average						waived Electronic Transaction Fees					
									4	Attachment	PUC	1-3-5	
		(a)		(b)		(c)		(d)	1	(a)		(6)	
Line		December		March		June		September		December	age	5 of 8	
No.	Description	2021		2022		2022		2022	_	2022	5-	Quarter Average	_
					_								
1	Utility Plant in Service	\$ 1,002,883,763										1,054,523,600	
2	IFA allocated Plant	7,307,103	~	7,594,782	✓	7,650,059	✓	7,612,791	✓	7,955,810	✓	7,624,109	~
3	Block Island Transmission System (BITS) Assets	115,748,317	~	116,236,232	~	158,771,385	~	160,632,382	✓	161,898,349	~	142,657,333	✓
4	Total Transmission Plant	\$ 1,125,939,183	√ \$	1,135,361,179	\$	1,200,288,860	\$	1,255,721,836	\$	1,306,714,153	\$	1,204,805,042	_
5													
6													
7	Property Held for Future Use	12,532,019	~	12,532,019	✓	\$12,532,019	~	\$12,532,019	✓ \$	12,532,019	✓	12,532,019	✓
8	Less: Contribution in Aid of Construction												
9	Less: Accumulated Depreciation	183,995,729	~	190,296,478	✓	204,351,979	✓	210,942,466	~	217,262,822	✓	201,369,895	✓
10	Less: IFA allocated Depreciation	1,766,326		1,537,162	✓	1,589,386	✓	1,576,043	~	1,607,953	✓	1,615,374	✓
11	Less: Block Island Transmission System (BITS) Depreciation	13,694,196	~	14,716,069	✓	15,409,409	✓	16,465,000	~	17,536,253	✓	15,564,185	✓
12	Total Accumulated Depreciation	199,456,251	~	206,549,710		221,350,773		228,983,509		236,407,027		218,549,454	
13	*												
14	Net Plant in Service	\$ 939,014,950	√ \$	941,343,488	√\$	991,470,106	√ \$	1,039,270,346	√\$	1,082,839,144	√\$	998,787,607	\checkmark
15													
16	Plus:												
17	Materials and Supplies	\$3,138,782	~	\$3,416,766	~	\$3,491,971	~	\$3,854,445	~	\$4,171,116	✓	\$3,614,616	\checkmark
18	Prepayments	967,027	~	550,175	~	26,070	~	508	~	759	✓	308,908	\checkmark
19	Loss on Reacquired Debt	687,873	~	685,260	~	666,683	~	673,451	~	708,545	✓	684,362	\checkmark
20	Cash Working Capital	3,026,013	~	3,653,757	~	2,573,950	~	4,040,640	~	4,653,659	~	3,589,604	\checkmark
21	Cash Working Capital - Commodity & Gross Receipts Tax		~		~		~		~		~		\checkmark
22	Unamortized Interest Rate Lock	1,082,456	~	\$1,067,292	~	\$1,052,127	~	\$1,036,963	~	\$1,021,798	~	1,052,127	\checkmark
23	Unamortized Debt Issuance Costs (\$550M)	450,748		444,559		438,370		432,181		425,992		438,370	
24	Unamortized Debt Issuance Costs (\$250M 2012)	430,944		\$425,793		\$420,642		\$415,491		\$410,341		420,642	
25	Unamortized Debt Issuance Costs (\$350M 2018)	397,703	~	382,600	~	367,498	~	352,395	~	337,293	~	367,498	\checkmark
26	Unamortized Debt Issuance Costs (\$600M 2020)	749,571		727,084		\$704,597		\$682,110		\$659,623		704,597	
27				,				, .				,	
28	Subtotal	\$ 10,931,117	√ <u>\$</u>	11,353,286	√ \$	9,741,909	√ <u>\$</u>	11,488,185	√ \$	12,389,126	√ <u>\$</u>	11,180,725	· 🗸
29				//				/ /		,, ·			•
30	Less:												
31	Accumulated Deferred Federal Income Taxes ("FIT")	\$141,654,867	~	\$142,456,608	✓	\$139,149,878	✓	\$140,115,031	~	\$62,192,792	✓	\$125,113,835	~
32	Block Island Transmission System (BITS) ADIT	22,263,247		22,308,376		22,238,533		22,168,689	~	22,098,846	~	22,215,538	
33	Accumulated Deferred FIT on Loss on Reacquired Debt	144,453		143,905		140,003		141,425		148,795		143,716	\checkmark
34	Customer Deposits	-	~	_	~	-	~	-	~	_	~	-	\checkmark
35	*												
36	Subtotal	\$ 164,062,568	√ <u>\$</u>	164,908,889	\$	161,528,414	\$	162,425,145	\$	84,440,432	\$	147,473,090	•
37						. ,/=0,1=1		. ,,		. , ,		.,,	•
38	Rate Base	\$ 785,883,499	√ \$	787,787,885	\$	839,683,600	\$	888,333,386	\$	1,010,787,838	\$	862,495,242	
					-	,,		,,,.		,,,			

Line Notes 38 Line 14 + Line 28 - Line 36

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

RIPUC Docket No. 24-05-GE

							RIPU	JC	Docket No.	24.	-05-GE	
			SETT ELECTRIC C]	Petition to Cr	eat	te Regulator	y A	sset for	
		Rate Base - Electric Total Distribution, IFA and BITS Five Quarter Average					Waived Electronic Transaction Fees					
		Five	Quarter Average						Attachment			
		(a)	(b)		(c)		(d)					
Line		December	March		June		September			Page	e 6 of 8	
No.	Description	2021	2022		2022		2022		2022	5	-Quarter Average	
1	Utility Plant in Service	\$2,953,687,969	2,952,912,375		2,910,321,945		2,908,498,216	V	3,165,717,497	\checkmark	\$2,978,227,600	\checkmark
2	IFA allocated Plant	7,307,103			7,650,059		7,612,791		7,955,810		7,624,109	
3	Block Island Transmission System (BITS) Assets	115,748,317			158,771,385	√	160,632,382	√	161,898,349	√	142,657,333	
4	Total Utility Plant in Service	\$3,076,743,389	\$3,076,743,389		\$3,076,743,389		\$3,076,743,389		\$3,335,571,656		\$3,128,509,042	_
5												
6				1 .								,
7	Property Held for Future Use	\$15,028,061			15,028,061							N
8	Less: Contribution in Aid of Construction	259,716			109,716		(60,632)		69,716		90,146	V
9	Less: Accumulated Depreciation	952,592,524			989,276,155		1,006,615,015		1,022,965,907		987,188,067	V
10	Less: IFA allocated Depreciation	1,766,326			1,589,386		1,576,043		1,607,953		1,615,374	N
11	Less: Block Island Transmission System (BITS) Depreciation	13,694,196		<u>}</u>	15,409,409	3-	16,465,000	\	17,536,253		15,564,185	. N
12 13	Total Accumulated Depreciation	968,053,046	980,743,967	ν	1,006,274,949	ν	1,024,656,058	v	1,042,110,112	· ^ _	1,004,367,626	. V
13	Net Plant in Service	\$2,123,458,688	\$2,110,955,267	1	\$2,085,386,785		\$2,067,176,024		\$2,308,419,889	·	\$2,139,079,331	- V
14	Net Flait III Service	\$2,125,458,088	\$2,110,955,207	·	\$2,085,580,785	·	\$2,007,170,024	×	\$2,508,419,889	· ` —	\$2,139,079,331	· •
15	Plus:											
17	Materials and Supplies	\$3,924,558	\$ 3,383,227	√ \$	3,447,908	√ \$	3,915,781	J S	3,758,101	1 5	3,685,915	
18	Prepayments	2,880,630			96,739		20,707		20,707		932,666	v
19	Loss on Reacquired Debt	2,049,070			2,010,378		1,990,903		1,971,428		2,010,312	Ń
20	Cash Working Capital	20,948,091			20,496,028		21,962,718		22,575,737		21,511,682	V
21	Cash Working Capital - Commodity & Gross Receipts Tax	48,075,148			61,462,485		61,462,485		61,462,485		58,785,018	
22	Unamortized Interest Rate Lock	2,831,486			2,752,151		2,712,484		2,672,816		2,752,151	
23	Unamortized Debt Issuance Costs (\$550M)	1,179,075	1,162,886		1,146,697		1,130,509	V	1,114,320		1,146,697	
24	Unamortized Debt Issuance Costs (\$250M 2012)	1,127,271	1,113,797		1,100,324		1,086,851	V	1,073,377		1,100,324	
25	Unamortized Debt Issuance Costs (\$350M 2018)	872,429	839,299		806,169		773,038	V	739,908		806,169	
26	Unamortized Debt Issuance Costs (\$600M 2020)	1,644,312	1,594,983		1,545,653		1,496,324	V	1,446,994	\checkmark	1,545,653	
27												
28	Subtotal	\$ 85,532,069	\$ 97,598,663	\$	94,864,533	\$	96,551,800	\$	96,835,874	\$	94,276,588	
29												
30	Less:		1 .	1								,
31	Accumulated Deferred Federal Income Taxes (FIT)	\$ 361,200,523			96,932,012							N
32	Block Island Transmission System (BITS) ADIT	22,263,247			22,238,533		22,168,689		22,098,846		22,215,538	Ń
33	Accumulated Deferred FIT on Loss on Reacquired Debt	430,305			422,179		418,090		414,000		422,166	V
34	Customer Deposits	10,129,820	7,547,269	N	7,416,760	N	7,397,028	N	7,068,062	γ	7,911,788	\checkmark
35	C-last 1	£ 204.022.005	¢ 404.057.005	1 6	127 000 495	.1 *	131,084,456	1 -	138,893,402		3 239,013,833	V
36 37	Subtotal	\$ 394,023,895	\$ 404,057,925	√ \$	127,009,485	√_\$	131,084,456	√ <u>\$</u>	158,895,402	<u>v \$</u>	239,013,833	N.
37	Rate Base	\$ 1.814.966.862	\$ 1,804,496,004	√ ¢	2 053 241 833	√ ¢	2 032 643 368	Je	2 266 362 362	1 4	1 994 342 086	
38	Rate Dase	\$ 1,014,900,802 V	\$ 1,00 4 ,490,004	x	2,055,241,055	γ φ	2,032,043,308	·	2,200,302,302	1 - 3	1,777,342,080	v

Line Notes 38 Line 14 + Line 28 - Line 36

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-5 Page 7 of 8

THE NARRAGANSETT ELECTRIC COMPANY

Calculation of Excess Earnings for Twelve months ended December 31, 2022

(\$000)

Line

1 2	Base Distribution Earnings Available for Common	\$48,135 (a)
3 4	Actual Average Common Equity	\$576,676 (a)
5 6 7	Average Annual Return	Customer8.3500%(b)Share
8 9	POE = 500/(500)/ Por dwith (>0.2750/(<10.2750/))	0.0000% * 50.00% = 0.0000%
9 10	ROE in 50%/50% Bandwith (>9.275%, <10.275%) ROE in 75%/25% Bandwith (>10.275%)	0.0000% * 50.00% = 0.0000% 0.0000% * 75.00% = 0.0000%
11		
12	Total Customer ROE Sharing	0.0000%
13	Actual Average Common Equity	\$576,676
14 15	Actual Annual Customer Shared Earnings	\$0
16	Tax Gross-up	/ 79.00%
17		
18	Annual Customer Shared Earnings - Pre-tax	-
19		
20	Total Customer Shared Earnings for the twelve months	s ending December 31, 2022 <u>\$</u> -

<u>Notes</u>

(a) From Line 17 and Line 19

(b) Line 1 divided by Line 4; equals Line 21

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-5 Page 8 of 8

		2021
		(a)
1	Total BITS Surcharge	\$10,891,832
2	Less: Return and Associated Income Taxes	\$2,800,503
3	Amount in BITS Surcharge to Recover Costs	\$8,091,329
4		
5	Less: Actual Costs	
6	Depreciation & Amortization Expense	\$3,839,327
7	Municipal Tax Expense	\$231,129
8	Operation & Maintenance Expense	\$208,503
9	Administrative & General Expense	\$1,255,711
10	Total Actual Costs	\$5,534,671
11		
12	Difference between Actual Cost and Amounts Received	\$2,556,658

The Narragansett Electric Company Block Island Transmission System (BITS) Surcharge and Expenses

Line Notes:

- 3 Line 1 + Line 2
- 6 Depreciation expense per books CY 2021
- 9 Depending on the nature of the expense, some A&G expenses are recorded at project level, some of a back-office nature cannot be directly attributed to individual projects or assets. The actual A&G expense
- 10 Sum of Lines 6 through 9
- 12 Line 3 Line 10

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-6 Page 1 of 15

Rhode Island Energy - RI Gas Gas Earnings Sharing Mechanism For the Twelve Months ended December 31, 2022

Table of Contents

Gas Earnings Sharing Mechanism	1
Income Statement	2
Federal Income Tax Calculation	3
Applicable Capital Structure, Interest Expense and Preferred Dividends	4
Rate Base	5
Cash Working Capital Calculation	6
Detail Other Revenue/(Expense)	7
Detail Other Interest Expense	8
Detail Non-Operating Income / (Expense)	9
Calculation of Average Long-Term Debt Interest Rate	10
Calculation of Average Short-Term Debt Interest Rate	11
Merger Hold Harmless Rate Base Credit	12
Projected Deferred Tax Schedule	13
Reconciliation of Gas Earnings Sharing Mechanism to Annual Report	14

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-6 Page 2 of 15

Rhode Island Energy - RI Gas Gas Earnings Sharing Mechanism For the Twelve Months ended December 31, 2022

Rate Base	\$1,371,238,519
Common Equity	50.95%
Debt Cost - Long Term	48.35%
Debt Cost - Short Term	0.60%
Preferred Stock	0.10%
Common Equity	\$698,646,025
Debt	\$671,221,255
Preferred Stock	\$1,371,239
Total	\$1,371,238,519

1	Average Rate Base	\$1,371,238,519	
2	Equity Component of Rate Base	50.95%	
3	Average Common Equity	\$698,646,025	
4	8 1 5		
5	Actual Total Earnings	\$35,642,335	
6	Return on Common Equity with Incentives	5.10%	
7			
8	Less incentives:		
9	Energy Efficiency shareholder incentive	191,012	0.03% agree with John Tong
10	Natural Gas Portfolio Management Plan	2,117,275	0.30% agree with John Tong
11	Gas Procurement Incentive Plan	-	0.00% agree with John Tong
12		\$2,308,287	
13			
14	Base Earnings	\$33,334,048	
15	Return on Common Equity without Incentives	4.77%	
16			
17	<u>Return on Equity > 9.275% and < 10.275%</u>	0.00%	
18	Earnings to be Shared	\$0	
19	Earnings to Customers - 50%	\$0	
20			
21	Return on Equity > 10.275%	0.00%	
22	Earnings to be Shared	\$0	
23	Earnings to Customers - 75%	\$0	
24			
25	Total After tax Earnings Credited to Customers	\$0	
26			
27	Total Earnings Credited to DAC	\$0	

Notes:

- 1 From line 24(f)
- 2 From 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 line 43
- 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%

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-6 Page 3 of 15

	For the Twelve Months er	ided Decemb	er 31, 2022			
			Income Statement (a)	Adjustments (b)	2022 (c)	Adjustments
1	Operating Revenues					
2	Total Firm Gas	1	\$442,415,051 AA	(\$3,312,937) a1-a4	\$439,102,114	Remove (Unbilled Margin & Unbilled Energy Eff from roll Forward); subtract Prior Periods ISR Property Tax Adjustment; add back one time bill credits
3	Transportation	1	\$60,661,741 BB	(\$1,214,745) b1	\$59,446,995	Pull from Rollforward
4	Other Revenues	1	\$4,174,031 CC	6,998,797 c1-c8	\$11,172,828	Remove (energy efficiency incentives + contract sharing + excess sharing + off system gas sales + DAC unbilled + RDM Unbilled + Forfeited discounts + Gas Misc Service Revenues)
5	Total Operating Revenues		\$507,250,822	\$2,471,115	\$509,721,937	
6						-
7	Adjustment to Operating Revenue:					
8	Inventory Financing	1		(\$940,240) d		Remove total GCR Inventory Financing Costs
9	Total Adjusted Operating Revenues		\$507,250,822	\$1,530,874	\$508,781,697	
10						
11	Operating Expenses					
12	Production (Gas Costs)	1	\$195,839,586 A		\$195,839,586	
13	Storage	N.	\$3,107,860 B		\$3,107,860	
14	Transmission	N	\$2,874,714 T		\$2,874,714	
15	Distribution	N,	\$31,869,737 D		\$31,869,737	
16	Customer Accounts	N	\$54,998,290 F	(\$4,857,955) e		Remove (Uncollectible Accounts from PJ1 + Bad Debt from Bad Debt Writeoff tab)
17	Sales	N,	\$234,704 E	(\$234,704) f	\$0	
18	Administrative and General	N	\$61,788,341 M	(\$12,336,641) g1-g3		Remove Band A Variable pay and IT/TSA Special Items
19	Total Operating Expenses		\$350,713,232	(\$17,429,300)	\$333,283,932	-
20						
21	Other Expenses					
22	Depreciation and Amortization	N,	\$55,569,023 G		\$55,569,023	
23	Local and Other Taxes	N,	\$39,963,733 H		\$39,963,733	
24	Revenue Related Taxes (Gross Earnings Tax - GET)	×,	\$13,653,107 H		\$13,653,107 \$6,960,579	
25	Federal Income Taxes @ 21%	N,	(\$14,860,039) O	\$21,820,618 h \$21,820,618		
26 27	Total Other Expenses	Ŷ	\$94,325,824	\$21,820,618	\$116,146,442	
28	Income Before Interest Expense		\$62,211,766	(\$2.860.444)	\$59,351,322	
28 29	Income Before Interest Expense		302,211,/00	(52,800,444)	\$39,331,322	
30	Interest Expense					
31	Other Income/Expenses	1	\$659,333 N	(\$659,333) i	\$0	
32	Short-Term Debt	V.	5057,555 14	(3055,355) i \$0 i	50 S0	
33	Long-Term Debt	Ň	\$13,506,378 P	\$15,996,847 k	\$29,503,225	
34	Other Interest Expense	1	\$1,422,063 Q	(\$1,397,500) 11-12	\$24,563	
35	AFUDC	Ń	(\$3,572,220) R	(***********) ****	(\$3,572,220)	
36	Total Interest Expense		\$12,015,554	\$13,940,014	\$25,955,568	
37	·					-
38	Net Income / (Loss)		\$50,196,211	(\$16,800,457)	\$33,395,754	
39						-
40	Preferred Dividends	1		\$61,706 m	\$61,706	
41	Extraordinary Deductions	1	\$15,904,055	(\$15,904,055) n	\$0	
42						-
43	Net Income / (Loss) Applicable to Common Equity		\$34,292,156	(\$958,108)	\$33,334,048	

Notes:		
(a)	From	Company Financi
1(b)-19(b)	From	
(c)	(a) + (b)
4	From	line 26
23	From	line 3 through 5
24	From	line 6
25	From	line 24
31	From	line 25
32	From	line 25(b)
33	From	line 17(b)
34	From	line 3
40	From	line 34(b)

Net Inc

INCOME RECONCILIATION

come ROE		\$33,334,048	
OPERATING REVENUE ADJUSTMENTS - dr/(cr)			
Unbilled Margin	-a1	\$11.055.358 √	
Unbilled Energy Efficiency	-a2	(\$1,824,353) √	
Property Tax Adjustment that relates to April 2018 - Dec -2021	-a3	\$11,581,516 √	
One Time Settlement Bill Credits	-a4	(\$17,499,584) √	
Unbilled Transportation	-b1	\$1,214,745 √	
Excess Sharing	-c1	(14.239.812) √	tie to annual report pg 308
Off System Gas Sales	-c2	17.006.673 √	tie to annual report pg 308
Contract Sharing	-63	(649,585) √	tie to annual report pg 308
Unbilled DAC	-04	(7,233,197) √	tie to unitali report pg 500
Unbilled BDM	-05	(2.037.038) √	
misc service revenues	-06	(2,037,038) √ \$9,304 √	
css revenue - cust arrears	-c7	(\$46,153) √	
Energy Efficiency Incentives- acct 495	-c8	(340,153) √	
	-co -d	\$940,240 √	
Inventory Financing	-d	(\$1,530,875)	
Total Adjusted Operating Revenues		(\$1,530,875)	
OPERATING EXPENSE ADJUSTMENTS - dr/(cr)			
Aquidneck Island event - Distribution maintenance		S0 √	deleted
Bad Debt Charge-Offs per FERC 904 less change in FERC 144	+e	(\$4.857.955) √	deleted
Exclude Advertising Expense	+f	(\$234,704) √	
Exclude Adventising Expense Exclude Executive Variable Compensation not charged to customers	+g1	(\$254,936) √	
Service Company Excess ADIT	+g2	\$0 √	Excess ADIT file is no longer applicable per tax department
Removal of IT/TSA Special Items	+g3	(\$12,081,705) √	no adjustment for CY 2022
OTHER EXPENSE ADJUSTMENTS - dr/(cr)			
Federal Income Taxes @ 21%	$^{+\mathrm{h}}$	\$21,820,618 √	
INTEREST EXPENSE ADJUSTMENTS - dr/(cr)			
Detail Non-Op Income from IS	+1	(\$659,333) √	
Short-Term Debt	+j	\$0 √	
Long-term Debt	+k	\$15,996,847 √	
Other Interest Expense	+11	(\$1,422,063) √	
Customer Deposits Interest Expense	+12	24,563 √	
AFUDC (zero out if positive)		\$0 √	
Preferred Dividends	+m	\$61,706 √	
Reverse write-off of the GBE & IS MOD Investments per settlement agreem	+n	(\$15,904,055) √	
Total		\$34,292,156	
Net Income Available for Common per Financials		\$33,940,458	
Difference		\$351,697	Adjustments to Retained Earnings

Rhode Island Energy - RI Gas Income Statement

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-6 Page 4 of 15

Rhode Island Energy - RI Gas Federal Income Tax Calculation For the Twelve Months ended December 31, 2022

1	Operating Revenues	\$508,781,697
2		
3	Less:	
4		
5	Operating Expenses	\$333,283,932
6	Depreciation and Amortization	\$55,569,023
7	Local and Other Taxes	\$39,963,733
8	Revenue Related Taxes (GET)	\$13,653,107
9	Interest - Short-Term Debt	\$0
10	Interest - Long-Term Debt	\$29,503,225
11	Other Interest	\$24,563
12	AFUDC	(\$3,572,220)
13		
14	Total Deductions	\$468,425,364
15		
16	Taxable Income	\$40,356,333
17		
18	Federal Income Tax Rate	21.00%
19		
20	Imputed Federal Income Tax Expense	\$8,474,830
21		
22	Amortization of EDIT	(\$1,514,251)
23		
24	Net Federal Income Tax Expense	\$6,960,579
	, A	

Notes:

- 1 From line 9(c)
- 5 From line 19(c)
- 6 From line 22(c)
- 7 From line 23(c)
- 8 From line 24(c)
- From line 32(c) 9
- 10
- From line 33(c) 11 From line 34(c)
- 12
- From 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
- Docket No. 4770, Excess Deferred Income Tax True-Up Second Compliance 22
- Filing dated May 30, 2019, Second Compliance Attachment 31, Page 1
- 24 Line 20 plus Line 22

check:

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-6 Page 5 of 15

Rhode Island Energy - RI Gas Applicable Capital Structure, Interest Expense and Preferred Dividends For the Twelve Months ended December 31, 2022

(a) (b) 1 Rate Base $\$1,371,238,519$ 2 Capital Structure 1 3 Capital Structure 1 4 Docket 4770 1 5 Short-Term Debt 0.60% \$\$8,227,431 6 Long-Term Debt 48.35% \$\$662,993,824 7 Preferred Stock 0.10% \$\$1,371,238,519 10 Interest Expense 100.00% \$\$1,371,238,519 11 Interest Expense 100.00% \$\$1,371,238,519 10 Interest Expense 100.00% \$\$1,371,238,519 11 Iong-Term Debt Portion 48.35% \$\$662,993,824 14 Iong-Term Debt Portion 48.35% \$\$662,993,824 14 Iong-Term Debt Portion 48.35% \$\$662,993,824 15 Cost of Long-Term Debt Interest \$\$29,503,225 18 Iong-Term Debt Portion 0.60% \$\$8,227,431 20 Iong-Term Debt Portion 0.60% \$\$8,227,431 21 Short-Term Debt Portion 0.60% \$\$8,227,431 22 Iong-Term Debt			%	\$
2 Capital Structure 4 Docket 4770 5 Short-Term Debt 0.60% 6 Long-Term Debt 48.35% 7 Preferred Stock 0.10% 8 Common Equity 50.95% 9 50.95% \$698,646,025 9 100.00% \$1,371,239 10 Interest Expense 100.00% \$1,371,238,519 11 Interest Expense 100.00% \$1,371,238,519 13 Long-Term Debt Portion 48.35% \$662,993,824 14 15 Cost of Long-Term Debt December 2022 $4.45\% $ 16 10 100.00% \$8,227,431 17 Proforma Long-Term Debt Interest \$29,503,225 18 10 100.00% \$8,227,431 19 20 20 $0.00\% \sqrt{$ 21 Short-Term Debt Portion 0.60% \$8,227,431 22 0.00% $\sqrt{$ \$0 \$0 23 Cost of Short-Term Debt Interest \$0 24 25 \$0 25 Proforma			(a)	
3 Capital Structure 4 Docket 4770 5 Short-Term Debt 0.60% 5 Short-Term Debt 48.35% 6 Long-Term Debt 48.35% 7 Preferred Stock 0.10% 8 Common Equity 50.95% 9 100.00% \$1,371,239 10 Interest Expense 100.00% 11 Interest Expense 100.00% 12 Long-Term Debt Portion 48.35% 13 Long-Term Debt Portion 48.35% 14 Cost of Long-Term Debt December 2022 $4.45\% \sqrt{16}$ 17 Proforma Long-Term Debt Interest \$29,503,225 18 Short-Term Debt Portion 0.60% \$8,227,431 20 Short-Term Debt Portion 0.60% \$8,227,431 21 Short-Term Debt Portion 0.60% \$8,227,431 22 Proforma Short-Term Debt Interest \$0 23 Preferred Dividends \$0 24 Preferred Stock Portion 0.10% \$1,371,239 33 Cost of Preferred Stoc	1	Rate Base		\$1,371,238,519
Image: Construct of the second se	2		:	
4 Docket 4770 5 Short-Term Debt 0.60% \$8,227,431 6 Long-Term Debt 48.35% \$662,993,824 7 Preferred Stock 0.10% \$1,371,239 8 Common Equity 50.95% \$6698,646,025 9 100.00% \$1,371,238,519 10 Interest Expense 11 12 Long-Term Debt Portion 48.35% \$662,993,824 14 Cost of Long-Term Debt December 2022 $4.45\% $ 16 Proforma Long-Term Debt Interest \$29,503,225 18 Short-Term Debt Portion 0.60% \$8,227,431 20 Short-Term Debt Portion 0.60% \$8,227,431 21 Short-Term Debt Portion 0.60% \$8,227,431 22 0.00% √ \$0 23 Cost of Short-Term Debt Interest \$0 24	3	Capital Structure		
6 Long-Term Debt 48.35% $\$662,993,824$ 7 Preferred Stock 0.10% $\$1,371,239$ 8 Common Equity 50.95% $\$698,646,025$ 9 100.00% $\$1,371,238,519$ 10 Interest Expense 11 12 Long-Term Debt Portion 48.35% $\$662,993,824$ 13 Long-Term Debt Portion 48.35% $\$662,993,824$ 14 Cost of Long-Term Debt December 2022 $4.45\%\sqrt{16}$ 17 Proforma Long-Term Debt Interest $\$29,503,225$ 18 Short-Term Debt Portion 0.60% $\$8,227,431$ 23 Cost of Short-Term Debt Interest $\$29,503,225$ 19 20 21 Short-Term Debt Portion 0.60% 23 Cost of Short-Term Debt Interest $\$20,27,431$ $\$20,27,431$ 24 25 Proforma Short-Term Debt Interest $\$0,27,431$ 25 Proforma Short-Term Debt Interest $\$0,27,431$ 26 27 Preferred Dividends 28 29 20 20 29 20 20	4		Docket 4770	
7 Preferred Stock 0.10% $\$1,371,239$ 8 Common Equity 50.95% $\$698,646,025$ 9 100.00% $\$1,371,238,519$ 10 Interest Expense 11 12 12 Long-Term Debt Portion 48.35% $\$662,993,824$ 14 Cost of Long-Term Debt December 2022 $4.45\% \sqrt{16}$ 17 Proforma Long-Term Debt Interest $\$29,503,225$ 18	5	Short-Term Debt	0.60%	\$8,227,431
8Common Equity 50.95% $\$698,646,025$ 9Interest Expense11Interest Expense12Long-Term Debt Portion 48.35% $\$662,993,824$ 14Cost of Long-Term Debt December 2022 $4.45\% $ 15Cost of Long-Term Debt Interest $\$29,503,225$ 189920Short-Term Debt Portion 0.60% 21Short-Term Debt Portion 0.60% 23Cost of Short-Term Debt December 2022 $0.00\% $ 249925Proforma Short-Term Debt Interest $\$0$ 269 $\$0$ 27Preferred Dividends $\$0$ 30Preferred Stock Portion 0.10% $\$1,371,239$ 31Cost of Preferred Stock 4.50%	6	Long-Term Debt	48.35%	\$662,993,824
9Interest Expense10Interest Expense11Long-Term Debt Portion 48.35% 12Long-Term Debt Portion 48.35% 13Long-Term Debt Portion 48.35% 14Soft Cost of Long-Term Debt December 2022 $4.45\% $ 16Proforma Long-Term Debt Interest $$29,503,225$ 189920Cost of Short-Term Debt Portion 0.60% 21Short-Term Debt Portion 0.60% $$8,227,431$ 22Cost of Short-Term Debt December 2022 $0.00\% $ 249925Proforma Short-Term Debt Interest $$00$ 269927Preferred Dividends $$1,371,239$ 30Preferred Stock Portion 0.10% $$1,371,239$ 31Cost of Preferred Stock 4.50%	7	Preferred Stock	0.10%	\$1,371,239
Interest Expense111213Long-Term Debt Portion 48.35% $\$662,993,824$ 1415Cost of Long-Term Debt December 2022 $4.45\% $ 16Proforma Long-Term Debt Interest $\$29,503,225$ 1892020Short-Term Debt Portion 0.60% 21Short-Term Debt Portion 0.60% 220.00% $$ 23Cost of Short-Term Debt December 2022 $0.00\% $ 2425Proforma Short-Term Debt Interest $\$0$ 25Proforma Short-Term Debt Interest $\$0$ 2627Preferred Dividends2930Preferred Stock Portion 0.10% 31Cost of Preferred Stock 4.50%	8	Common Equity	50.95%	\$698,646,025
111213Long-Term Debt Portion 48.35% $\$662,993,824$ 1415Cost of Long-Term Debt December 2022 $4.45\% \sqrt{16}$ 15Proforma Long-Term Debt Interest $\$29,503,225$ 189920200.60%21Short-Term Debt Portion0.60%23Cost of Short-Term Debt December 2022 $0.00\% \sqrt{16}$ 249925Proforma Short-Term Debt Interest $\$0$ 269927Preferred Dividends28930Preferred Stock Portion 0.10% 31Cost of Preferred Stock 4.50%	9		100.00%	\$1,371,238,519
12 13Long-Term Debt Portion 48.35% $\$662,993,824$ 14 15Cost of Long-Term Debt December 2022 $4.45\% \sqrt{16}$ 17Proforma Long-Term Debt Interest $\$29,503,225$ 18 19	10	Interest Expense		
13Long-Term Debt Portion 48.35% $\$662,993,824$ 14141415Cost of Long-Term Debt December 2022 $4.45\% \sqrt{16}$ 17Proforma Long-Term Debt Interest $\$29,503,225$ 189202021Short-Term Debt Portion 0.60% 21Short-Term Debt Portion 0.60% $\$8,227,431$ 23Cost of Short-Term Debt December 2022 $0.00\% \sqrt{14}$ 25Proforma Short-Term Debt Interest $\$0$ 269927Preferred Dividends $\$0$ 2892030Preferred Stock Portion 0.10% 31Cost of Preferred Stock 4.50%	11	•		
1415Cost of Long-Term Debt December 2022 $4.45\% \sqrt{16}$ 17Proforma Long-Term Debt Interest\$229,503,2251892021Short-Term Debt Portion 0.60% 21Short-Term Debt Portion 0.60% \$8,227,43123Cost of Short-Term Debt December 2022 $0.00\% \sqrt{16}$ 249925Proforma Short-Term Debt Interest $\$0$ 269927Preferred Dividends28930Preferred Stock Portion 0.10% 3122Cost of Preferred Stock32Cost of Preferred Stock 4.50%	12			
Cost of Long-Term Debt December 2022 $4.45\% $ Proforma Long-Term Debt Interest\$29,503,22517Proforma Long-Term Debt Interest\$29,503,2251819	13	Long-Term Debt Portion	48.35%	\$662,993,824
16 17Proforma Long-Term Debt Interest $\$29,503,225$ 18 19	14	-		
17Proforma Long-Term Debt Interest $$29,503,225$ 1819202121Short-Term Debt Portion 0.60% 23Cost of Short-Term Debt December 2022 $0.00\% $ 242525Proforma Short-Term Debt Interest $$0$ 2627Preferred Dividends2930Preferred Stock Portion 0.10% 3122Cost of Preferred Stock 4.50%	15	Cost of Long-Term Debt December	r 2022	4.45% √
18 13 192021Short-Term Debt Portion 0.60% \$8,227,43123Cost of Short-Term Debt December 2022 $0.00\% \sqrt{24}$ 25Proforma Short-Term Debt Interest\$02627Preferred Dividends27Preferred Dividends\$1,371,23930Preferred Stock Portion 0.10% \$1,371,2393122Cost of Preferred Stock 4.50%	16	-		
19 20 21Short-Term Debt Portion 0.60% \$8,227,43123Cost of Short-Term Debt December 2022 $0.00\% \sqrt{24}$ 25Proforma Short-Term Debt Interest\$0269\$1,371,23930Preferred Stock Portion 0.10% 31Cost of Preferred Stock 4.50%	17	Proforma Long-Term Debt Interest		\$29,503,225
20 21 Short-Term Debt Portion 0.60% \$8,227,431 23 Cost of Short-Term Debt December 2022 0.00% √ 24	18			
21Short-Term Debt Portion 0.60% \$8,227,43123Cost of Short-Term Debt December 2022 $0.00\% \sqrt{24}$ 25Proforma Short-Term Debt Interest\$026Preferred Dividends27Preferred Dividends29930Preferred Stock Portion 0.10% 31Cost of Preferred Stock 4.50%	19			
22 Cost of Short-Term Debt December 2022 0.00% √ 24	20			
23 Cost of Short-Term Debt December 2022 0.00% √ 24	21	Short-Term Debt Portion	0.60%	\$8,227,431
24 Proforma Short-Term Debt Interest \$0 26 Preferred Dividends \$0 27 Preferred Dividends \$1,371,239 30 Preferred Stock Portion 0.10% \$1,371,239 31 Cost of Preferred Stock 4.50%	22			
25 Proforma Short-Term Debt Interest \$0 26 27 Preferred Dividends 28 9 30 Preferred Stock Portion 0.10% 31 31 32 Cost of Preferred Stock 4.50%	23	Cost of Short-Term Debt December	r 2022	0.00%~
26 27 Preferred Dividends 28 29 30 Preferred Stock Portion 31 32 33	24			
27 Preferred Dividends 28	25	Proforma Short-Term Debt Interest		\$0
28 29 30 Preferred Stock Portion 31 32 Cost of Preferred Stock 33	26			
29 30 Preferred Stock Portion 0.10% \$1,371,239 31 32 Cost of Preferred Stock 4.50% 33	27	Preferred Dividends		
30 Preferred Stock Portion 0.10% \$1,371,239 31 32 Cost of Preferred Stock 4.50% 33	28			
31 32 Cost of Preferred Stock 33	29			
32 Cost of Preferred Stock 4.50% 33	30	Preferred Stock Portion	0.10%	\$1,371,239
33	31			
	32	Cost of Preferred Stock		4.50%
	33			
34 Proforma Preferred Stock \$61,706	34	Proforma Preferred Stock		\$61,706

Notes:

1(b) From 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 line 13(g)

17 Line 13(b) times line 15(b)

21 Line 1(b) times line 21(a)

23 From line 14(b)

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)

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-6 Page 6 of 15

10%

28% 8%

11%

Rhode Island Energy - RI Gas Rate Base

For the Twelve Months ended December 31, 2022

		For the 1 weive	Months ended Decer	ilder 31, 2022				
		December 2021 (a)	March 2022 (b)	June 2022 (c)	September 2022 (d)	December 2022 (e)	5 Quarter Average December 2022 (f)	
1	Gas Plant In Service	\$1,791,694,480	\$1,828,436,086	\$1,853,946,424	\$1,905,830,570	\$1,964,251,748 √	\$1,868,831,862	\$172,557,267
2	CWIP	\$49,868,530	\$45,730,763	\$64,768,072	\$73,690,953	\$63,968,056 √	\$59,605,275	\$14,099,526
3	Less: Accumulated Depreciation	\$488,824,957	\$498,409,667	\$505,841,848	\$515,530,294	\$525,963,583 √	\$506,914,070	\$37,138,625
4	Less: Contribution in Aid of Construction	\$38	\$38	\$38	\$38	\$38 v	\$38	
5								
6	Net Plant	\$1,352,738,015	\$1,375,757,145	\$1,412,872,610	\$1,463,991,190	\$1,502,256,183 v	\$1,421,523,029	\$149,518,168
7								
8	Materials and Supplies	\$5,269,630	\$9,106,825	\$6,173,143	\$7,314,786	\$6,994,498 v	\$6,971,776	
9	Prepaid Expenses, Excluding Taxes	\$1,067,660	\$434,670	\$145,502	\$104,411	(\$43,250) √	\$341,799	
10	Deferred Debits	\$408,369	\$301,824	\$195,279	\$88,734	\$0 v	\$198,841	
11	Unamortized debt expense and Interest Rate Lock	\$2,495,296	\$2,438,237	\$2,381,179	\$2,324,121	\$2,267,062 v	\$2,381,179	
12	Cash Working Capital	\$31,603,432	\$34,927,066	\$34,927,066	\$34,927,066	\$34,927,066 v	\$34,262,339	
13 14	Subtotal	\$40,844,388	\$47,208,622	\$43,822,169	\$44,759,118	\$44,145,376 √	\$44,155,935	
14	Subiotal	\$40,044,300	347,208,022	343,822,109	344,733,118	344,145,570 V	344,133,933	
16	Accumulated Deferred FIT	\$122,194,717	\$126,161,222	(\$35,071,228)	(\$31,429,631)	(\$18,801,591) √	\$32,610,698	
17	Excess Deferred Tax	\$55,558,252	\$55,558,252	\$55,165,607	\$55,165,607	\$55,165,607 √	\$55,322,665	
18	Excess Deferred Tax Amortization	(\$5,047,502)	(\$5,426,065)	(\$5,804,628)	(\$6,183,191)	(\$6,561,753) √	(\$5,804,628)	
19	Hold Harmless	\$11,934,147	\$11,216,530	\$10,498,913	\$9,781,296	\$9,063,679 √	\$10,498,913	
20	Customer Deposits	\$1,829,591	\$1,871,293	\$1,823,253	\$1,785,757	\$1,754,088 v	\$1,812,796	
21								
22	Subtotal	\$186,469,206	\$189,381,232	\$26,611,918	\$29,119,838	\$40,620,030 v	\$94,440,445	
23								
24	Rate Base	\$1,207,113,197	\$1,233,584,535	\$1,430,082,862	\$1,479,630,471	\$1,505,781,529 √	\$1,371,238,519	
_		\$1,207,113,197						

Notes: 1(a)-4(e) From Company Financial Statements

l(f)-l(f) Average of Column (a) through Column (e) 6(a)-6(e) Line 1 + Line 2 - Line 3 - Line 4

 6(a)-6(c)
 Line 1 + Line 2 - Line 3 - Line 4

 6(f)
 Average of Column (a) through Column (e)

 8(a)-11(c)
 From Company Financial Statements

 8(f)-11(f)
 Average of Column (a) through Column (e)

 12(b)-12(c)
 From Line 13

 14
 Sum of Line 8 through Line 12

 V(c)
 2Vc

 V(c)
 2Vc

14 Sum of Life 8 through Life 12 16(a)-21(e) From Company Financial Statements 16(f)-21(f) Average of Column (a) through Column (e)

17 18

Average or Corumn (a) unrougn Corumn (e) Excess Deferred Tax for change in tax rate from 35% to 21%, adjusted for IRS audit findings Per Docket No. 4770, Excess Deferred Income Tax True-Up – Second Compliance Filing dated May 30, 2019, Second Compliance Attachment 31, Page 1 Hold Harnless rate base credit per Docket No. 3859 Sum of Line 16 through Line 20

\$0

19 22 24

Line 6 + Line 14 - Line 22

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-6 Page 7 of 15

Rhode Island Energy - RI Gas Cash Working Capital Calculation For the Twelve Months ended December 31, 2022

1	Gas Costs	\$195,839,586
2	Operating Expenses	\$137,444,347
3	Payroll Taxes	\$2,963,727
4	Property Taxes	\$36,994,663
5	State Taxes Other	\$5,344
6	Revenue Related Taxes (GET)	\$13,653,107
7	Total	\$386,900,772
8		
9	Daily Cash Requirement	\$1,060,002
10		
11	Net Lag Days	32.95
12		
13	Total Working Capital	\$34,927,066

Notes:

- 1 From line 12(c)
- 2 From line 13(c) through 18(c)
- From line 23(c) 3-5
- 6 7
- 9
- From line 23(c) From line 24(c) Sum of Line 1 through Line 6 Line 7 divided by 365 days 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) Line 0 direction Line 14 11
- 13 Line 9 times line 11

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-6 Page 8 of 15

Rhode Island Energy - RI Gas Detail Other Revenue/(Expense) For the Twelve Months ended December 31, 2022

		Income Statement (a)	Adjustments (b)	<u>2022</u> (c)	
1	Rent from Gas Property	\$2,097,528 √		\$2,097,528 v	
2 3	Other Revenue	(\$415,429) √		(\$415,429) √	Notes:
4	Other Revenue	(\$415,429) V		(5415,429) V	
5	Excess Sharing	(\$14,239,812) √	\$14,239,812 √	\$0 v	
6		(***,=**,**=)	*,=*>,*		
7	RDM Revenue	\$4,117,425 √		\$4,117,425 √	
8	Unbilled RDM Revenue		\$2,037,037 v	\$2,037,037 v	
9	Energy Efficiency Shareholder Incentives		(\$191,012) √	(\$191,012) √	
10					
11	Other Revenue - Off System Gas Sales	\$17,006,673 √	(\$17,006,673) √	\$0 v	
12					
13	Other Gas Rev Contract Sharing	(\$649,585) √	\$649,585 √	\$0 v	
14 15	Other Deferred Revenue	\$2,911,010 J	(61.000.220) -/	\$2 720 780 J	
15	LIHEAP Revenue	\$3,811,010 √	(\$1,080,220) √ \$1,080,220 √	\$2,730,789 √ \$1,080,220 √	
16	EITEAT Revenue		\$1,080,220 V	\$1,080,220 V	
17	DAC Revenue	(\$7,456,904) √		(\$7,456,904) √	
18	Unbilled DAC Revenue	(**,***,***)	\$7,233,198 v	\$7,233,198 V	
19			,	,	
20	Recovery of Supervision & Administrative Costs	(\$106,178) √		(\$106,178) √	
21					
22	Misc Revenue	\$9,304 v	(\$9,304) √	\$0 v	
23					
	Account 419010		\$46,153 v		
24	Interest on Customer Arrears		\$46,153 V	\$46,153 v	
25	T (101 B	64 174 021	¢< 000 707	¢11 172 020	
26	Total Other Revenue	\$4,174,031	\$6,998,797	\$11,172,828	
ataa					

Notes: From Company Financial Statements

(a) (b) From

(c) (a) + (b)

check:

361,371

\$0

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-6 Page 9 of 15

Rhode Island Energy - RI Gas Detail Other Interest Expense For the Twelve Months ended December 31, 2022

		<u>Income Statement</u> (a)	<u>Adjustments</u> (b)	<u>2022</u> (c)
1	Interest on Customer Deposits	\$1,404,368	(\$1,379,804)	\$24,563
3	Total Other Interest Expense	\$1,404,368	(\$1,379,804)	\$24,563

Notes:

(a) From Company Financial Statements

(b) (c) - (a)

(c) Interest on Customer Deposits

check:

\$0

\$0

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-6 Page 10 of 15

Rhode Island Energy - RI Gas Detail Non-Operating Income / (Expense) For the Twelve Months ended December 31, 2022

		Income Statement (a)		Adjustments (b)		<u>2022</u> (c)
				(-)		
1	Donations	(\$201,747)	٧			(\$201,747)
2 3	Deferred Compensation - Life Insurance	(\$156)	v			(\$156)
4	Deterred Compensation - Ene insurance	(\$150)	v			(\$150)
5	Penalties	(\$942,032)	٧			(\$942,032)
6						
7	Lobbying / Legal and Political Expense	(\$74,339)	٧			(\$74,339)
8						
9 10	Federal Income Taxes on Non-Operating Income	(\$1,518,053)	٧			(\$1,518,053)
10	Revenue from Non-Utility Operations	\$108,657	v			\$108,657
12	Expenses of Non-Utility Operations	(\$380,103)		\$380,103	v	\$100,057 \$0
13	Share Awards	(\$200,102)	•	(\$380,103)		(\$380,103)
14				,		
15	Interest on Over / (Under) Collections, primarily Deferred Gas Costs	\$1,686,632	٧			\$1,686,632
16	CSS Revenue - Customer Arrears			(\$46,153)	٧	(\$46,153)
17		(64.4.68)				(0.1.1.00)
18	Misc Non-Operating Income	(\$1,163)	٧	*• • • • •		(\$1,163)
19 20	Miscellaneous Service Revenues			\$9,304	ν	\$9,304
20	Other Deductions	\$662,970	v			\$662,970
22		\$002,770	v			\$002,970
23	Zero out Non-Operating Income / (Expense)			\$696,183	٧	\$696,183
24			-		-	<u> </u>
25	Total Non-Operating Income/(Expense)	(\$659,333)	_	\$659,333	_	\$0
			-		-	

Notes:

(a) From Company Financial Statements

16(b) Reclass Interest on Customer Arrears to Other Revenue on , line 24(b)

19(b) Reclass Miscellaneous Service Revenues from Other Revenue on , line 22(b)

23(b) (Sum of Lines 1(a) through 21(b)) * -1

(c) (a) + (b)

check

\$0 need detail to Reserved FERC Account 94260000

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-6 Page 11 of 15

Rhode Island Energy - RI Gas Calculation of Average Long-Term Debt Interest Rate For the Twelve Months ended December 31, 2022

	<u>Series</u>	Percent (a)	Due (b)	Amount (c)	Annual Interest (d)	Annual Amortization of DD&E (e)	<u>Total Expense</u> (f)	Cost of Debt (g)	
1	Senior Unsecured Notes								
2	Senior Notes	5.638%	15-Mar-2040	\$300,000,000	\$20,628,957	\$89,559	\$20,718,516	6.91%	(3,714,957) treasury lock release
3	Senior Notes	4.170%	10-Dec-2042	\$250,000,000	\$10,425,000	\$57,482	\$10,482,482	4.19%	-
4	Senior Notes	3.919%	1-Aug-2028	\$350,000,000	\$13,716,500	\$190,196	\$13,906,696	3.97%	-
5	Senior Notes	3.395%	9-Apr-2030	\$600,000,000	\$20,370,000	\$278,322	\$20,648,322	3.44%	-
6 7	<u>First Mortgage Bonds (*)</u> Providence Gas FMB O	8.460%	30-Sep-2022	\$12,500,000	\$790,188	\$3,224	\$793,412	6.35%	2.937
8	FMB Series P	8.090%	30-Sep-2022	\$1,093,745	\$37,781	\$2,579	\$40,360	3.69%	28,582
9	FMB Series R	7.500%	15-Dec-2025	\$3,716,667	\$222,500	\$7,016	\$229,516	6.18%	56,250
10				40,700,007	+;+ • • •	47,020	*==*,***	6.14%	
11	Total		-	\$1,517,310,412	\$66,190,926	\$628,378	\$66,819,304	4.40%	
12	Electric Operations	70.00%		\$1,062,117,288	\$46,124,537	\$435,864	\$46,560,401	4.38%	
13	Gas Operations	30.00%		\$455,193,124	\$20,066,389	\$192,514	\$20,258,903	4.45%	
14	Legacy Debt			\$17,310,412	\$1,050,469	\$12,819	\$1,063,288	6.14%	
15	New Debt			\$437,882,712	\$19,015,920	\$179,695	\$19,195,615	4.38%	
16				,,,	,,.		,		
17	Total		-	\$1,517,310,412	\$66,190,926	\$628,378	\$66,819,304	4.40%	
			-						

Notes:

1-10 From Financial Statements

11 Sum of Lines 1-10

Line 11 * Line 12(a) 12(c)

 $\begin{array}{l} \mbox{Line 17} & \mbox{Line 2(a)} \\ \mbox{Sum of Lines 2(d) through 5(d) * Line 12(a) / Sum of Lines 2(c) through 5(c) \\ \mbox{Sum of Lines 2(c) through 5(c) * Line 12(a) / Sum of Lines 2(c) through 5(c) \\ \mbox{Sum of Line 2(c) through 5(c) + Line 12(a) / Sum of Line 2(c) through 5(c) \\ \mbox{Sum of Line 2(c) through 5(c) + Line 12(a) / Sum of Line 2(c) through 5(c) \\ \mbox{Sum of Line 2(c) through 5(c) + Line 12(a) / Sum of Line 2(c) through 5(c) \\ \mbox{Sum of Line 2(c) through 5(c) + Line 12(a) / Sum of Line 2(c) through 5(c) \\ \mbox{Sum of Line 2(c) through 5(c) + Line 12(a) / Sum of Line 2(c) through 5(c) \\ \mbox{Sum of Line 2(c) through 5(c) + Line 12(a) / Sum of Line 2(c) through 5(c) \\ \mbox{Sum of Line 2(c) through 5(c) + Line 12(a) / Sum of Line 2(c) through 5(c) \\ \mbox{Sum of Line 2(c) through 5(c) + Line 12(a) / Sum of Line 2(c) through 5(c) \\ \mbox{Sum of Line 2(c) through 5(c) + Line 12(a) / Sum of Line 2(c) through 5(c) \\ \mbox{Sum of Line 2(c) through 5(c) + Line 12(a) / Sum of Line 2(c) through 5(c) \\ \mbox{Sum of Line 2(c) through 5(c) + Line 12(a) / Sum of Line 2(c) through 5(c) \\ \mbox{Sum of Line 2(c) through 5(c) + Line 12(a) / Sum of Line 2(c) through 5(c) \\ \mbox{Sum of Line 2(c) through 5(c) + Line 12(a) / Sum of Line 2(c) through 5(c) \\ \mbox{Sum of Line 2(c) through 5(c) + Line 12(a) / Sum of Line 2(c) through 5(c) \\ \mbox{Sum of Line 2(c) through 5(c) + Line 12(a) / Sum of Line 2(c) through 5(c) \\ \mbox{Sum of Line 2(c) through 5(c) + Line 12(a) / Sum of Line 2(c) through 5(c) \\ \mbox{Sum of Line 2(c) through 5(c) + Line 2(c) + Line 2(c) + Line 2(c) through 5(c) \\ \mbox{Sum of Line 2(c) through 5(c) + Line 2(c) + Line 2($ 12(d)

12(e) 13(c)-13(e) Line 14 + Line 15

14(c)-14(e) Sum of Lines 1 through 3 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.

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-6 Page 12 of 15

Rhode Island Energy - RI Gas Calculation of Average Short-Term Debt Interest Rate For the Twelve Months ended December 31, 2022

		(a)	(b)	(c)
		Average Short-Term	Weighted	Short-Term
	<u>Month</u>	Debt Balance	Cost Rate	Interest Expense
1	Jan-22	\$0	0.00%	\$0
2	Feb-22	\$0	0.00%	\$0
3	Mar-22	\$0	0.00%	\$0
4	Apr-22	\$0	0.00%	\$0
5	May-22	\$0	0.00%	\$0
6	Jun-22	\$0	0.00%	\$0
7	Jul-22	\$0	0.00%	\$0
8	Aug-22	\$0	0.00%	\$0
9	Sep-22	\$0	0.00%	\$0
10	Oct-22	\$0	0.00%	\$0
11	Nov-22	\$0	0.00%	\$0
12	Dec-22	\$0	0.00%	\$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)

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-6 Page 13 of 15

Rhode Island Energy - RI Gas Merger Hold Harmless Rate Base Credit For the Twelve Months ended December 31, 2022

THE NARRAGANSETT ELECTRIC COMPANY d/b/a NATIONAL GRID RIPUC Docket No. 4770 Schedtule 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 Hamless Rate Base Credit (c)
12	Balance at June 30, 2017			\$21,532,971
3	Subsequent 2 months			(\$253,030)
5 6 7	Balance at August 31, 2017			\$21,279,942
8	Increase/(Decrease) 12 Months Ended	08/31/18		(\$1,674,988.40)
10 11 12 13 14 15 16 17 18 19 20 21 22	Balance at August 31, 2018	09/30/18 10/31/18 12/31/18 12/31/18 01/31/19 02/28/19 03/31/19 05/31/19 06/30/19 07/31/19 07/31/19	(\$146,116) (\$146,116) (\$146,116) (\$167,950) (\$167,950) (\$167,950) (\$167,950) (\$167,950) (\$167,950) (\$167,950) (\$167,950) (\$167,950)	\$19,604,953 \$19,458,837 \$19,312,721 \$19,106,605 \$19,020,489 \$18,852,539 \$18,845,590 \$18,516,640 \$18,318,741 \$18,180,741 \$18,180,741 \$18,127,756 \$203
22 23	Balance at August 31, 2019	08/31/19	(\$167,950)	\$17,676,893
24	Rate Year 1 Merger Hold Hamless - 5 Qua	arter Average		\$18,662,756

THE NARRAGANSETT ELECTRIC COMPANY d‰a NATIONAL GRID RIPUC Docket No. 4770 Schednis 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	Monthly Expense	Merger Hold Harmless Rate Base Credit
	-	(a)	(6)	(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
S		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	Rate Year 2 Merger Hold Harmless -	5 Quarter Average		\$16,576,053
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 -	Country America		\$14,145,381

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-6 Page 14 of 15

Schedule DJE-2 Revised

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

As of <u>31-Dec</u>	Southern Union <u>ADIT</u>	National Grid <u>ADIT</u>	Difference	Southern Union <u>ADITC</u>	ADIT Merger <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

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE Petition to Create Regulatory Asset for Waived Electronic Transaction Fees Attachment PUC 1-3-6 Page 15 of 15

National Grid - RI Gas Reconciliation of Gas Earnings Sharing Mechanism to Annual Report For the Twelve Months ended December 31, 2022

	Operating Revenues		
2	Gas Operating Revenues shown on Page 301, Line 1(f) of the Annual Report	\$442,415,051 √	
3	1 Unbilled Revenue Net Margin	(\$11,055,358) √	
4	2 Unbilled Energy Efficiency	\$1,824,353 √	
5	3 ISR Property Tax Deferral Adjustment	(\$11,581,516) √	
6	4 One Time Bill Credits per AG Settlement Agreement	\$17,499,584 √	
7	Gas Earnings Sharing Mechanism, Page 2, Total Firm Gas Revenues	\$439,102,114	(0)
8			
9	Revenues from Transportation shown on Page 301, Line 7(f) of the Annual Report	\$60,661,741 √	
10	1 Unbilled Transportation	(\$1,214,745) √	
11	Gas Earnings Sharing Mechanism, Page 2, Transportation Revenues	\$59,446,996	0
12			
13	Forfeited Discounts shown on Page 301, Line 3(f) of the Annual Report	(\$10) √	
14	Miscellaneous Service Revenues shown on Page 301, Line 4(f) of the Annual Report	\$9,314 √	
15	Rent from Gas Property shown on Page 301, Line 12(f) of the Annual Report	\$2,097,528 √	
16	Other Gas Revenues shown on Page 301, Line 14(f) of the Annual Report	<mark>\$2,067,199</mark> √	
17	1 Unbilled RDM	\$2,037,037 √	
18	2 Unbilled DAC	\$7,233,198 √	
19	3 Off System Gas Sales	(17,006,672.68) √	
20	4 Contract Sharing	649,585.39 √	
21	5 Excess Sharing	14,239,812.23 √	
22	6 Energy Efficiency Incentives	(191,012.30) √	
23	7 Miscellaneous Service Revenues	(\$9,304) √	
24	8 CSS Revenue - Customer Arrears	\$46,153 √	\$ 0
25	Gas Earnings Sharing Mechanism, Page 2, Other Revenues	11,172,828	\$0
26	Laurence D'anni an	(6040.240)	
27	Inventory Financing	<u>(\$940,240)</u> √	
28 29			
	Operating Expenses		
31	Production expenses shown on Page 320 of the Annual Report	\$195,839,586 √	
32	Gas Earnings Sharing Mechanism, Page 2, Production (Gas Costs)	\$195,839,586	\$1
33	Gus Earnings Sharing Freenamsin, Fage 2, Freduction (Gus Costs)	\$175,007,500	
			÷-
	Natural Gas Storage expenses shown on Page 322 of the Annual Report	\$3.107.860 √	
34	Natural Gas Storage expenses shown on Page 322 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Storage	\$3,107,860 √ \$3,107,860	
34 35	Natural Gas Storage expenses shown on Page 322 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Storage	\$3,107,860 √ \$3,107,860	(\$0)
34 35 36	Gas Earnings Sharing Mechanism, Page 2, Storage	\$3,107,860	
34 35 36 37	Gas Earnings Sharing Mechanism, Page 2, Storage Transmission expenses shown on Page 323 of the Annual Report	\$3,107,860 \$2,874,715 √	(\$0)
34 35 36	Gas Earnings Sharing Mechanism, Page 2, Storage	\$3,107,860	
34 35 36 37 38	Gas Earnings Sharing Mechanism, Page 2, Storage Transmission expenses shown on Page 323 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Transmission	\$3,107,860 \$2,874,715 √ \$2,874,715 √	(\$0)
34 35 36 37 38 39	Gas Earnings Sharing Mechanism, Page 2, Storage Transmission expenses shown on Page 323 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Transmission Distribution expenses shown on Page 324 of the Annual Report	\$3,107,860 \$2,874,715 √	(\$0)
34 35 36 37 38 39 40	Gas Earnings Sharing Mechanism, Page 2, Storage Transmission expenses shown on Page 323 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Transmission	$\begin{array}{c c} \hline \$3,107,860 \\ \hline \$2,874,715 & \checkmark \\ \hline \$2,874,715 \\ \hline \$31,869,739 & \checkmark \\ \end{array}$	(\$0) \$1
34 35 36 37 38 39 40 41	Gas Earnings Sharing Mechanism, Page 2, Storage Transmission expenses shown on Page 323 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Transmission Distribution expenses shown on Page 324 of the Annual Report	$\begin{array}{c c} \hline \$3,107,860 \\ \hline \$2,874,715 & \checkmark \\ \hline \$2,874,715 \\ \hline \$31,869,739 & \checkmark \\ \end{array}$	(\$0) \$1
34 35 36 37 38 39 40 41 42	Gas Earnings Sharing Mechanism, Page 2, Storage Transmission expenses shown on Page 323 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Transmission Distribution expenses shown on Page 324 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Distribution	$\begin{array}{c c} \hline \$3,107,860 \\ \hline \$2,874,715 & \checkmark \\ \hline \$2,874,715 \\ \hline \$31,869,739 & \checkmark \\ \hline \$31,869,739 \\ \hline \end{array}$	(\$0) \$1
34 35 36 37 38 39 40 41 42 43	Gas Earnings Sharing Mechanism, Page 2, Storage Transmission expenses shown on Page 323 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Transmission Distribution expenses shown on Page 324 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Distribution Customer Accounts expenses shown on Pages 324-325 of the Annual Report	$\begin{array}{ c c c c c c c c c c c c c c c c c c c$	(\$0) \$1
34 35 36 37 38 39 40 41 42 43 44	Gas Earnings Sharing Mechanism, Page 2, StorageTransmission expenses shown on Page 323 of the Annual ReportGas Earnings Sharing Mechanism, Page 2, TransmissionDistribution expenses shown on Page 324 of the Annual ReportGas Earnings Sharing Mechanism, Page 2, DistributionCustomer Accounts expenses shown on Pages 324-325 of the Annual ReportCustomer Service & Information expenses shown on Pages 325 of the Annual Report	$\begin{array}{ c c c c c c c c }\hline\hline & $3,107,860 \\\hline\hline & $2,874,715 \\\hline\hline & $2,874,715 \\\hline\hline & $31,869,739 \\\hline\hline & $31,869,739 \\\hline\hline & $22,133,969 \\\hline & $32,864,323 \\\hline\hline \end{array}$	(\$0) \$1
34 35 36 37 38 39 40 41 42 43 44 45	Gas Earnings Sharing Mechanism, Page 2, StorageTransmission expenses shown on Page 323 of the Annual ReportGas Earnings Sharing Mechanism, Page 2, TransmissionDistribution expenses shown on Page 324 of the Annual ReportGas Earnings Sharing Mechanism, Page 2, DistributionCustomer Accounts expenses shown on Pages 324-325 of the Annual ReportCustomer Service & Information expenses shown on Pages 325 of the Annual Report1 Zero out Uncollectible Accounts per books	$\begin{array}{ c c c c c c c c c c c c c c c c c c c$	(\$0) \$1
34 35 36 37 38 39 40 41 42 43 44 45 46	Gas Earnings Sharing Mechanism, Page 2, Storage Transmission expenses shown on Page 323 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Transmission Distribution expenses shown on Page 324 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Distribution Customer Accounts expenses shown on Pages 324-325 of the Annual Report Customer Accounts expenses shown on Pages 324-325 of the Annual Report 1 Zero out Uncollectible Accounts per books 2 Add Bad Debt Charge-Offs	$\begin{array}{c c} \hline \$3,107,860 \\ \hline \$2,874,715 & \checkmark \\ \hline \$2,874,715 \\ \hline \$31,869,739 & \checkmark \\ \hline \$31,869,739 \\ \hline \$31,869,739 \\ \hline \$32,864,323 \\ (\$14,524,881) & \checkmark \\ \$9,666,926 & \checkmark \\ \end{array}$	(\$0) \$1 \$2
34 35 36 37 38 39 40 41 42 43 44 45 46 47	Gas Earnings Sharing Mechanism, Page 2, Storage Transmission expenses shown on Page 323 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Transmission Distribution expenses shown on Page 324 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Distribution Customer Accounts expenses shown on Pages 324-325 of the Annual Report Customer Accounts expenses shown on Pages 324-325 of the Annual Report 1 Zero out Uncollectible Accounts per books 2 Add Bad Debt Charge-Offs	$\begin{array}{c c} \hline \$3,107,860 \\ \hline \$2,874,715 & \checkmark \\ \hline \$2,874,715 \\ \hline \$31,869,739 & \checkmark \\ \hline \$31,869,739 \\ \hline \$31,869,739 \\ \hline \$32,864,323 \\ (\$14,524,881) & \checkmark \\ \$9,666,926 & \checkmark \\ \end{array}$	(\$0) \$1 \$2
34 35 36 37 38 39 40 41 42 43 44 45 46 47 48	Gas Earnings Sharing Mechanism, Page 2, Storage Transmission expenses shown on Page 323 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Transmission Distribution expenses shown on Page 324 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Distribution Customer Accounts expenses shown on Pages 324-325 of the Annual Report Customer Service & Information expenses shown on Pages 325 of the Annual Report 1 Zero out Uncollectible Accounts per books 2 Add Bad Debt Charge-Offs Gas Earnings Sharing Mechanism, Page 2, Customer Accounts	$\begin{array}{ c c c c c c c c c c c c c c c c c c c$	(\$0) \$1 \$2
34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51	Gas Earnings Sharing Mechanism, Page 2, StorageTransmission expenses shown on Page 323 of the Annual ReportGas Earnings Sharing Mechanism, Page 2, TransmissionDistribution expenses shown on Page 324 of the Annual ReportGas Earnings Sharing Mechanism, Page 2, DistributionCustomer Accounts expenses shown on Pages 324-325 of the Annual ReportCustomer Service & Information expenses shown on Pages 324-325 of the Annual Report1 Zero out Uncollectible Accounts per books2 Add Bad Debt Charge-OffsGas Earnings Sharing Mechanism, Page 2, Customer AccountsSales expenses shown on Page 325 of the Annual Report	$\begin{array}{ c c c c c c c c c c c c c c c c c c c$	(\$0) \$1 \$2
$\begin{array}{c} 34\\ 35\\ 36\\ 37\\ 38\\ 39\\ 40\\ 41\\ 42\\ 43\\ 44\\ 45\\ 46\\ 47\\ 48\\ 49\\ 50\\ 51\\ 52\\ \end{array}$	Gas Earnings Sharing Mechanism, Page 2, Storage Transmission expenses shown on Page 323 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Transmission Distribution expenses shown on Page 324 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Distribution Customer Accounts expenses shown on Pages 324-325 of the Annual Report Customer Accounts expenses shown on Pages 324-325 of the Annual Report 1 Zero out Uncollectible Accounts per books 2 Add Bad Debt Charge-Offs Gas Earnings Sharing Mechanism, Page 2, Customer Accounts Sales expenses shown on Page 325 of the Annual Report 1 Remove Sales expenses Gas Earnings Sharing Mechanism, Page 2, Sales	$\begin{array}{c c} \hline \$3,107,860 \\ \hline \$2,874,715 \\ \hline \$2,874,715 \\ \hline \$31,869,739 \\ \hline \$31,869,739 \\ \hline \$31,869,739 \\ \hline \$22,133,969 \\ \hline \$32,864,323 \\ (\$14,524,881) \\ \hline \$9,666,926 \\ \hline \$50,140,337 \\ \hline \$234,704 \\ \hline \$234,704 \\ \hline \$0 \\ \hline \$0 \\ \hline \end{array}$	(\$0) \$1 \$2 \$2
34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53	Gas Earnings Sharing Mechanism, Page 2, StorageTransmission expenses shown on Page 323 of the Annual ReportGas Earnings Sharing Mechanism, Page 2, TransmissionDistribution expenses shown on Page 324 of the Annual ReportGas Earnings Sharing Mechanism, Page 2, DistributionCustomer Accounts expenses shown on Pages 324-325 of the Annual ReportCustomer Service & Information expenses shown on Pages 325 of the Annual Report1 Zero out Uncollectible Accounts per books2 Add Bad Debt Charge-OffsGas Earnings Sharing Mechanism, Page 2, Customer AccountsSales expenses shown on Page 325 of the Annual Report1 Remove Sales expensesGas Earnings Sharing Mechanism, Page 2, SalesAdministrative and General expenses shown on Page 325 of the Annual Report	$\begin{array}{ c c c c c c c c c c c c c c c c c c c$	(\$0) \$1 \$2 \$2
$\begin{array}{c} 34\\ 35\\ 36\\ 37\\ 38\\ 39\\ 40\\ 41\\ 42\\ 43\\ 44\\ 45\\ 46\\ 47\\ 48\\ 49\\ 50\\ 51\\ 52\\ 53\\ 54\\ \end{array}$	Gas Earnings Sharing Mechanism, Page 2, StorageTransmission expenses shown on Page 323 of the Annual ReportGas Earnings Sharing Mechanism, Page 2, TransmissionDistribution expenses shown on Page 324 of the Annual ReportGas Earnings Sharing Mechanism, Page 2, DistributionCustomer Accounts expenses shown on Pages 324-325 of the Annual ReportCustomer Service & Information expenses shown on Pages 324-325 of the Annual Report1 Zero out Uncollectible Accounts per books2 Add Bad Debt Charge-OffsGas Earnings Sharing Mechanism, Page 2, Customer AccountsSales expenses shown on Page 325 of the Annual Report1 Remove Sales expensesGas Earnings Sharing Mechanism, Page 2, SalesAdministrative and General expenses shown on Page 325 of the Annual Report1 Exclude Executive Variable Compensation not charged to customers	$\begin{array}{ c c c c c c c c c c c c c c c c c c c$	(\$0) \$1 \$2 \$2
$\begin{array}{c} 34\\ 35\\ 36\\ 37\\ 38\\ 39\\ 40\\ 41\\ 42\\ 43\\ 44\\ 45\\ 46\\ 47\\ 48\\ 49\\ 50\\ 51\\ 52\\ 53\\ 54\\ 55\\ \end{array}$	Gas Earnings Sharing Mechanism, Page 2, StorageTransmission expenses shown on Page 323 of the Annual ReportGas Earnings Sharing Mechanism, Page 2, TransmissionDistribution expenses shown on Page 324 of the Annual ReportGas Earnings Sharing Mechanism, Page 2, DistributionCustomer Accounts expenses shown on Pages 324-325 of the Annual ReportCustomer Service & Information expenses shown on Pages 324-325 of the Annual Report1 Zero out Uncollectible Accounts per books2 Add Bad Debt Charge-OffsGas Earnings Sharing Mechanism, Page 2, Customer AccountsSales expenses shown on Page 325 of the Annual Report1 Remove Sales expensesGas Earnings Sharing Mechanism, Page 2, SalesAdministrative and General expenses shown on Page 325 of the Annual Report1 Exclude Executive Variable Compensation not charged to customers2 Service Company excess deferred federal income taxes per Docket No. 4770 Excess	$\begin{array}{ c c c c c c c c c c c c c c c c c c c$	(\$0) \$1 \$2 \$2
$\begin{array}{c} 34\\ 35\\ 36\\ 37\\ 38\\ 39\\ 40\\ 41\\ 42\\ 43\\ 44\\ 45\\ 46\\ 47\\ 48\\ 49\\ 50\\ 51\\ 52\\ 53\\ 54\\ 55\\ 56\end{array}$	Gas Earnings Sharing Mechanism, Page 2, Storage Transmission expenses shown on Page 323 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Transmission Distribution expenses shown on Page 324 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Transmission Distribution expenses shown on Page 324 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Distribution Customer Accounts expenses shown on Pages 324-325 of the Annual Report 1 Zero out Uncollectible Accounts per books 2 Add Bad Debt Charge-Offs Gas Earnings Sharing Mechanism, Page 2, Customer Accounts Sales expenses shown on Page 325 of the Annual Report 1 Remove Sales expenses Gas Earnings Sharing Mechanism, Page 2, Sales Administrative and General expenses shown on Page 325 of the Annual Report 1 Exclude Executive Variable Compensation not charged to customers 2 Service Company excess deferred federal income taxes per Docket No. 4770 Excess Deferred Income Tax True-Up – Second Compliance Filing dated May 30, 2019,	$\begin{array}{ c c c c c c c c c c c c c c c c c c c$	(\$0) \$1 \$2 \$2
$\begin{array}{c} 34\\ 35\\ 36\\ 37\\ 38\\ 39\\ 40\\ 41\\ 42\\ 43\\ 44\\ 45\\ 46\\ 47\\ 48\\ 49\\ 50\\ 51\\ 52\\ 53\\ 54\\ 55\\ 56\\ 57\\ \end{array}$	Gas Earnings Sharing Mechanism, Page 2, Storage Transmission expenses shown on Page 323 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Transmission Distribution expenses shown on Page 324 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Transmission Distribution expenses shown on Page 324 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Distribution Customer Accounts expenses shown on Pages 324-325 of the Annual Report 1 Zero out Uncollectible Accounts per books 2 Add Bad Debt Charge-Offs Gas Earnings Sharing Mechanism, Page 2, Customer Accounts Sales expenses shown on Page 325 of the Annual Report 1 Remove Sales expenses Gas Earnings Sharing Mechanism, Page 2, Sales Administrative and General expenses shown on Page 325 of the Annual Report 1 Exclude Executive Variable Compensation not charged to customers 2 Service Company excess deferred federal income taxes per Docket No. 4770 Excess Deferred Income Tax True-Up – Second Compliance Filing dated May 30, 2019, Second Compliance Attachment 31, Page 1	$\begin{array}{c c} $3,107,860 \\ \hline $2,874,715 \\ \hline $2,874,715 \\ \hline $31,869,739 \\ \hline $31,869,739 \\ \hline $31,869,739 \\ \hline $31,869,739 \\ \hline $32,864,323 \\ (\$14,524,881) \\ \hline $9,666,926 \\ \hline \\ $50,140,337 \\ \hline \\ $234,704 \\ \hline \\ $50 \\ \hline \\ $61,788,338 \\ (\$254,936) \\ \hline \\ $80 \\ \hline \\ \end{array}$	(\$0) \$1 \$2 \$2
$\begin{array}{c} 34\\ 35\\ 36\\ 37\\ 38\\ 39\\ 40\\ 41\\ 42\\ 43\\ 44\\ 45\\ 46\\ 47\\ 48\\ 49\\ 50\\ 51\\ 52\\ 53\\ 54\\ 55\\ 56\\ 57\\ 58\end{array}$	Gas Earnings Sharing Mechanism, Page 2, Storage Transmission expenses shown on Page 323 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Transmission Distribution expenses shown on Page 324 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Distribution Customer Accounts expenses shown on Pages 324-325 of the Annual Report Customer Accounts expenses shown on Pages 324-325 of the Annual Report 1 Zero out Uncollectible Accounts per books 2 Add Bad Debt Charge-Offs Gas Earnings Sharing Mechanism, Page 2, Customer Accounts Sales expenses shown on Page 325 of the Annual Report 1 Remove Sales expenses Gas Earnings Sharing Mechanism, Page 2, Sales Administrative and General expenses shown on Page 325 of the Annual Report 1 Exclude Executive Variable Compensation not charged to customers 2 Service Company excess deferred federal income taxes per Docket No. 4770 Excess Deferred Income Tax True-Up – Second Compliance Filing dated May 30, 2019, Second Compliance Attachment 31, Page 1 3 Removal of IT/TSA Special Items	$\begin{array}{ c c c c c c c c c c c c c c c c c c c$	(\$0) \$1 \$2 \$2 \$0
$\begin{array}{c} 34\\ 35\\ 36\\ 37\\ 38\\ 39\\ 40\\ 41\\ 42\\ 43\\ 44\\ 45\\ 46\\ 47\\ 48\\ 49\\ 50\\ 51\\ 52\\ 53\\ 54\\ 55\\ 56\\ 57\\ \end{array}$	Gas Earnings Sharing Mechanism, Page 2, Storage Transmission expenses shown on Page 323 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Transmission Distribution expenses shown on Page 324 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Transmission Distribution expenses shown on Page 324 of the Annual Report Gas Earnings Sharing Mechanism, Page 2, Distribution Customer Accounts expenses shown on Pages 324-325 of the Annual Report 1 Zero out Uncollectible Accounts per books 2 Add Bad Debt Charge-Offs Gas Earnings Sharing Mechanism, Page 2, Customer Accounts Sales expenses shown on Page 325 of the Annual Report 1 Remove Sales expenses Gas Earnings Sharing Mechanism, Page 2, Sales Administrative and General expenses shown on Page 325 of the Annual Report 1 Exclude Executive Variable Compensation not charged to customers 2 Service Company excess deferred federal income taxes per Docket No. 4770 Excess Deferred Income Tax True-Up – Second Compliance Filing dated May 30, 2019, Second Compliance Attachment 31, Page 1	$\begin{array}{c c} $3,107,860 \\ \hline $2,874,715 \\ \hline $2,874,715 \\ \hline $31,869,739 \\ \hline $31,869,739 \\ \hline $31,869,739 \\ \hline $31,869,739 \\ \hline $32,864,323 \\ (\$14,524,881) \\ \hline $9,666,926 \\ \hline \\ $50,140,337 \\ \hline \\ $234,704 \\ \hline \\ $50 \\ \hline \\ $61,788,338 \\ (\$254,936) \\ \hline \\ $80 \\ \hline \\ \end{array}$	(\$0) \$1 \$2 \$2

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE In Re: Petition For Approval to Create Regulatory Assets For Waived Electronic Transaction Fees Responses to the Commission's First Set of Data Requests Issued on February 15, 2024

<u>PUC 1-4</u>

Request:

With respect to the Revenue Decoupling Mechanism, please explain the Company's stated concern that the RDM factors are not set based on the same effective date. As part of the response, please confirm that the target revenue is based on the period April 1 through the following March 31 for both electric and gas.

Response:

In both the electric and gas Revenue Decoupling Mechanisms ("RDM"), the target revenue is based on the period April 1 through March 31. However, the electric RDM begins recovery on July 1 of each year, while the gas RDM recovery is through the Distribution Adjustment Clause ("DAC") which begins November 1 of each year. This results in a lag of recovery for the gas portion of the waived fees of four (4) months compared to the electric portion. In addition, for the Company to track and reconcile what has been recovered for the fees for each year (April to March costs in this example), the Company will have to perform the analysis at two separate times.

In addition to this concern and equally as important, as stated in the pre-filed testimony, Page 10 of 13, the Company does not believe the RDM is the appropriate mechanism for either electric or gas as they are both volumetric recovery methods and volume does not drive which customers use a credit card to pay their bill. If the Commission were to approve recovery of the fees through a mechanism other than a regulatory asset until the next rate case, the Company believes it should be through a fixed customer charge.

The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE In Re: Petition For Approval to Create Regulatory Assets For Waived Electronic Transaction Fees Responses to the Commission's First Set of Data Requests Issued on February 15, 2024

<u>PUC 1-5</u>

Request:

Please confirm that the RGGI credits (A-60 bill credits) per Docket Nos. 4978, 22-50-EL, and 23-02-EL were fixed credits and not volumetric. Did the Company object to recovering those credits through the RDM?

Response:

The recovery of RGGI credits through the RDM only applied to the under-recovery for excess bill credit amounts that were provided to customers in excess of the amount allocated to the Company by OER. The actual RGGI amounts applied to customer bills were through a fixed credit on their bill and not through the RDM. The Company did not object to recovering the under-recovery amount through the RDM. The Company anticipated that the under-recovery amount would be minimal because the total credits were based on a fixed amount for a short time period. The Narragansett Electric Company d/b/a Rhode Island Energy RIPUC Docket No. 24-05-GE In Re: Petition For Approval to Create Regulatory Assets For Waived Electronic Transaction Fees Responses to the Commission's First Set of Data Requests Issued on February 15, 2024

<u>PUC 1-6</u>

Request:

Did the Company consider recovering the electronic transaction fees through the Distribution Adjustment Charge as its own factor? If so, why was it rejected? If not, why not?

Response:

Yes, the Company considered recovering the gas portion of the electronic transaction fees through the Distribution Adjustment Charge ("DAC") as its own factor, as a fixed customer charge rather than a volumetric charge since the customer using a credit card to pay their bill are not driven by customer electric or gas usage volume. The Company did not propose this alternative as it would require the Company to create or modify an existing "Cons" type in the billing system to be able to separately track the recovery and reconciliation of the waived fees. In addition, a separate line on the customer bill would need to be created to show the charge separately. Since the Company is proposing that the waived fees would be recovered in base rates in the Company's next distribution base rate case and not through a separate mechanism, the Company believes that the time and resources that would be required to effectuate these administrative changes did not make sense for a relatively short period of time and solely to bridge the gap until the next general rate case.

Certificate of Service

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

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

Joanne M. Scanlon

March 6, 2024 Date

Docket No. 24-05-GE RI Energy – Regulatory Assets for Waived ETFs Service List 2/7/2024

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