

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

Distribution Adjustment Charge Filing

Pre-Filed Testimony and Schedules of
Peter R. Blazunas, Tyler G. Shields,
Jeffrey D. Oliveira and George R. Sunder

August 1, 2024

Submitted to:
Rhode Island Public Utilities Commission
RIPUC Docket No. 24-29-NG

Submitted by:



August 1, 2024

VIA ELECTRONIC MAIL AND HAND DELIVERY

Stephanie De La Rosa, Commission Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

**RE: Docket No. 24-29-NG - The Narragansett Electric Company d/b/a Rhode Island Energy
2024 Distribution Adjustment Charge Filing**

Dear Ms. De La Rosa:

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

The 2024 DAC includes rate-specific Infrastructure, Safety, and Reliability ("ISR") reconciliation factors based on the reconciliation of the fiscal year ("FY") 2024 revenue

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

² Pursuant to the provisions of RIPUC RIE-GAS No. 101, at Section 3, Schedule A, the DAC consists of, "an annual System Pressure factor, ... an Infrastructure, Safety, and Reliability factor, an Environmental Response Cost factor, a Pension Adjustment Mechanism factor, a Service Quality Performance factor, a Revenue Decoupling Adjustment factor, ... a Reconciliation of deferred account balance factor, an Earnings Sharing Mechanism factor, a Low Income Discount Recovery Factor, a Storm Net Revenue Factor and an Arrearage Management Adjustment Factor." In addition, the DAC also includes a Storm Net Revenue factor pursuant to Compliance Attachment 23 to the Amended Settlement Agreement in Docket No. 4770. There is no Earnings Sharing Mechanism factor proposed in this filing because the Company's earnings did not reach the threshold for the sharing of earnings with the Company's customers.

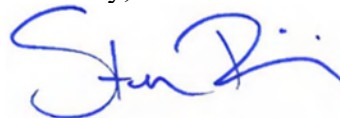
Stephanie De La Rosa, Commission Clerk
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requirement contained in Rhode Island Energy's FY 2024 Gas ISR Plan Reconciliation filing submitted on August 1, 2024, under separate cover in Docket No. 22-54-NG, and revenue billed through the ISR Plan factors during the same period.

Please note that the Environmental Response Cost Factor includes a one-time credit of \$647,355 as shown on Schedule DAC-3, Page 5, column (I). As explained in the Pre-Filed Direct Testimony of Peter R. Blazunas, this amount represents lease revenues for the period October 2018 through March 2023, plus interest at the Bank of America prime rate minus 200 basis points, for Company property located at 170 Allens Avenue, Providence. This credit is intended to make customers whole for the period of time where the Company inadvertently excluded the lease revenues as offsets to the costs recovered through the Environmental Response Cost Factor.

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

Sincerely,



Steven J. Boyajian

cc: Docket No. 24-29-NG Service List
Leo Wold, Esq.
John Bell, Division
Al Mancini, Division

Certificate of Service

I hereby certify that a copy of the cover letter and any materials accompanying this certificate were 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.



Heidi J. Seddon

August 1, 2024

Date

**Docket No. 24-29-NG – Narragansett Electric Co. d/b/a Rhode Island Energy
2024 Gas Cost Recovery Filing (GCR) and 2024 Distribution Adjustment Clause (DAC)
Service List as of 7/31/2024**

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PRE-FILED DIRECT TESTIMONY

OF

PETER R. BLAZUNAS

AUGUST 1, 2024

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1 **I. Introduction and Qualifications**

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

3 A. My name is Peter R. Blazunas, and my business address is 293 Boston Post Road West,
4 Suite 500, Marlborough, Massachusetts 01752.
5

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

7 A. I am an Assistant Vice President for Concentric Energy Advisors, Inc. (“Concentric”), a
8 management consulting firm. I am testifying on behalf of The Narragansett Electric
9 Company d/b/a Rhode Island Energy (“Rhode Island Energy” or the “Company”), an
10 indirect wholly owned subsidiary of PPL Corporation (“PPL”).
11

12 **Q. Please provide your educational background and professional experience.**

13 A. I received a Bachelor of Arts degree in Economics from the University of Dayton in 2009
14 and a Master of Arts degree in Economics from the University of Akron in 2011. I began
15 my career with FirstEnergy Corp. in 2012 as a State Regulatory Analyst in the Ohio
16 Rates and Regulatory Affairs Department. In July 2017, I joined the Potomac Electric
17 Power Company (“Pepco”) Regulatory Strategy and Revenue Policy team of the
18 Regulatory Affairs Department of Pepco Holdings Inc. as a Senior Rate Analyst. In
19 November 2018, I assumed the position of Manager of Rate Administration for Pepco. In
20 that role, I was responsible for the development of electric rates, including tariff
21 surcharges, for Pepco’s Maryland and District of Columbia jurisdictions, and also

1 participated in the development of Pepco’s policies and practices with respect to rate
2 design and assisted with regulatory compliance matters, including tariff administration
3 and periodic filings. I left Pepco in January 2021, joined Concentric in October 2021,
4 and assumed my current role at Concentric in January 2024.

5
6 **Q. Have you previously testified before the Rhode Island Public Utilities Commission**
7 **(“Commission” or “PUC”)?**

8 A. Yes. I have provided pre-filed testimony and/or testified at hearings before the PUC in
9 support of the Company’s Renewable Energy Growth Program Factor filing in Docket
10 Nos. 22-04-REG and 23-24-REG, the Company’s Gas Revenue Decoupling Mechanism
11 (“RDM”) Reconciliation filing in Docket No. 22-13-NG, the Company’s Distribution
12 Adjustment Charge (“DAC”) filing in Docket Nos. 22-13-NG and 23-23-NG, the
13 Company’s Electric Infrastructure, Safety, and Reliability (“ISR”) Plan Annual
14 Reconciliation filing in Docket No. 5098, the Company’s Gas Cost Recovery (“GCR”)
15 filings in Docket Nos. 22-20-NG and 23-23-NG, the Company’s Annual Retail Rate
16 Filing in Docket Nos. 23-03-EL and 24-07-EL, the Company’s Gas and Electric ISR plan
17 filings in Docket Nos. 22-54-NG and 22-53-EL, respectively, and the Company’s Tariff
18 Advice to Amend the Net Metering Provision – Proposal for Administration of Excess
19 Net Metering Credits in Docket No. 23-05-EL, the Company’s Residential Assistance
20 Recovery Filing in Docket No. 24-17-EL, the Company’s Electric RDM Reconciliation

1 Filing in Docket No. 24-18-EL, and the Company's Long-Term Contracting for
2 Renewable Energy Recovery Factor Filing in Docket No. 23-45-EL.

3
4 **II. Purpose of Testimony**

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

6 A. The purpose of my testimony is to propose new DAC Factors for effect November 1,
7 2024. This filing is submitted pursuant to the Company's currently effective tariff,
8 RIPUC RIE-GAS No. 101, at Section 3, Schedule A ("DAC Provision").
9

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

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

- 12 • Schedule DAC-1 Summary of DAC Factors
 - 13 • Schedule DAC-3 Environmental Response Cost (ERC) Factor
 - 14 • Schedule DAC-5 Arrearage Management Adjustment Factor
 - 15 • Schedule DAC-13 Storm Net Revenue Factor
- 16

17 **III. DAC Summary**

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

19 A. The DAC was established in Docket No. 3401 to provide for the recovery and
20 reconciliation of the costs of special programs. Pursuant to the DAC Provision, the DAC
21 consists of the following components: "an annual System Pressure factor, ... an

1 Infrastructure, Safety, and Reliability factor, an Environmental Response Cost factor, a
2 Pension Adjustment Mechanism factor, a Service Quality Performance factor, a Revenue
3 Decoupling Adjustment factor, ... a Reconciliation of deferred account balance factor, an
4 Earnings Sharing Mechanism factor, a Low Income Discount Recovery Factor, a Storm
5 Net Revenue Factor and an Arrearage Management Adjustment Factor.” In addition, the
6 DAC also includes a Storm Net Revenue factor pursuant to Compliance Attachment 23 to
7 the Amended Settlement Agreement in Docket No. 4770 and approved by the PUC (see
8 Report and Order No. 23823 issued May 5, 2020).

9
10 **Q. What is the Company proposing for its DAC factors?**

11 A. As in prior years, the proposed DAC factors are not final at the time of the initial filing
12 because certain underlying data for the development of all the component factors is not
13 yet available. Based upon the data that is available, the preliminary rates (including ISR
14 factors that became effective on April 1, 2024) are shown in Schedule DAC-1. As
15 discussed later in my testimony, the Company will supplement this filing with updated
16 information in a Supplemental DAC filing on or before September 1, 2024. The
17 Supplemental DAC filing will incorporate all proposed DAC factors and include a bill
18 impact analysis to reflect the final proposed DAC factors. Consistent with the
19 Company’s DAC Provision, the proposed DAC factors, if approved, will take effect and
20 be applicable to gas consumption beginning November 1, 2024.

1 **IV. DAC Component Details**

2 **1. Environmental Response Cost (“ERC”) Factor**

3 **Q. What is the purpose of the ERC Factor?**

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

10
11 **Q. Please describe the calculation of the proposed ERC Factor.**

12 A. Consistent with the Company’s DAC Provision at Item 3.3, the ERC Factor reflects
13 recovery of the 10-year amortization of annual environmental response costs in excess of
14 the annual amount recovered in base distribution rates. As shown on Schedule DAC-3,
15 Page 1, the proposed ERC Factor reflects annual amortization of \$1,572,493 for the
16 period April 2024 through March 2025 to be recovered over the 12 months beginning
17 November 2024. A yearly breakdown of this amortization is provided on Pages 2 and 3
18 of Schedule DAC-3. Environmental project-specific expenses for the 12 months ending
19 March 31, 2024, are provided on Page 4 of Schedule DAC-3.

1 In depth descriptions of the environmental projects and FY 2024 activities are included in
2 the annual Environmental Report for Gas Service filed with the PUC on July 25, 2024.
3 The Company currently recovers \$1,310,000 annually for environmental costs in base
4 distribution rates. Netting the annual base distribution rate allowance of \$1,310,000
5 against the amortization expenses of \$1,572,493 and the one-time credit of \$647,355
6 results in a credit of \$384,861 to be returned to customers over the period November
7 2024 through October 2025 through the DAC. This credit is divided by forecasted
8 throughput of 39,136,986 dekatherms for the 12-month period and divided by 10 to
9 derive a factor of (\$0.0009) per therm.

10
11 **Q. Please explain the one-time credit included in the calculation of the ERC Factor.**

12 A. The Company recently discovered that lease revenues for the period October 2018
13 through March 2023 attributable to the South Station Plant (i.e., 170 Allens Avenue,
14 Providence) were not included as offsets to the costs recovered via the ERC Factor in
15 prior DAC filings. Consequently, the Company is proposing to include a one-time credit
16 to the ERC Factor equal to the lease revenues for the period October 2018 through March
17 2023 plus interest at the Bank of America prime rate minus 200 basis points. The one-
18 time credit of \$647,355 presented on Schedule DAC-3, Page 5, column (I), will make
19 customers whole for the period of time where the Company inadvertently excluded the
20 lease revenues as offsets to the costs recovered through the ERC Factor. Beginning April

2023, lease revenues are now captured as offsets to the costs recovered via the ERC Factor and are incorporated into the calculation of the ERC Factor in the typical manner.

2. Arrearage Management Program Costs

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

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

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

A. Pursuant to Section XII of the AMP Provision, at the end of each calendar year ending December 31, the Company is required to perform the calculation of the amount of arrearage forgiveness eligible for recovery for that year. The arrearage amounts eligible for recovery consist of the following two components: (1) amounts forgiven for AMP participants who did not successfully complete the AMP; and (2) amounts forgiven for

AMP participants who successfully completed the AMP, which is subject to a bad debt test discussed in more detail below.

Q. Has the Company prepared such a calculation for calendar year 2023?

A. Yes, the calendar year (“CY”) 2023 calculation of recoverable arrearage forgiveness is presented in Schedule DAC-5.

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

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

- a. An AMP participant who misses more than two payments during a 12-month payment plan.
- b. An AMP participant who does not pay the entire amount due under the 12-month payment plan by the conclusion of the 12 months.
- c. An AMP participant who opts out of the payment plan prior to its conclusion.
- d. An AMP participant who moves out of the Company’s service territory prior to the conclusion of the payment plan.

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

3 A. Section XI (Cost Recovery), subsection i., of the AMP Provision provides as follows: “If
4 a customer does not satisfy the conditions of R.I. Gen. Laws § 39-2-1(d)(2), the amount
5 of arrearage forgiven by the Company to that point shall remain forgiven and be written
6 off by the Company. However, the amount of arrearage forgiven by the Company is
7 recoverable in full.”
8

9 **Q. How much arrearage did the Company forgive for unsuccessful AMP participants**
10 **in CY 2023?**

11 A. As shown in Schedule DAC-5, Page 2, Lines (10) and (11), the Company forgave a total
12 of \$123,742¹ in arrearages during CY 2023 for unsuccessful participants. Of that
13 amount, \$108,457 was due to participants who defaulted from the AMP (as shown on
14 Line (11)), and an additional \$15,286 was due to customers who voluntarily opted out of
15 the AMP prior to successful completion (as shown on Line (10)).
16

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

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

¹ This is the sum of Lines (10) and (11) and appears on Line (12).

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

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

1 **Q. How much arrearage was forgiven in CY 2023 for successful AMP participants?**

2 A. Schedule DAC-5 at Page 2, Line (8) shows that a total of \$117,568 of arrears was
3 forgiven for successful AMP participants in CY 2023.
4

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

7 A. Schedule DAC-5 at Page 2, Line (7) demonstrates that the Company experienced
8 \$2,061,856 less bad debt in CY 2023 than the adjusted allowable bad debt of \$9,594,098
9 shown on Line (5). Therefore, none of the arrears forgiven for successful participants is
10 recoverable.
11

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

13 A. As demonstrated in Schedule DAC-5 at Page 1, the Company divided the total amount of
14 recoverable arrearage forgiveness for CY 2023 of \$123,742 by the forecasted throughput
15 of 39,136,986 dekatherms for November 2024 through October 2025 and then divided
16 that total by 10, resulting in the proposed AMAF of \$0.0003 per therm.
17

18 **3. Storm Net Revenue Factor**

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

20 A. The Storm Net Revenue Factor is designed to credit back to customers the value of
21 services performed by the Company's employees in other jurisdictions, including those

1 outside of Rhode Island Energy's service territory, in accordance with the provisions of
2 Compliance Attachment 23 of the Amended Settlement Agreement.

3
4 **Q. Is the Company providing a Storm Net Revenue Factor in this filing?**

5 A. No. The Company will propose a Storm Net Revenue Factor as a part of its
6 Supplemental DAC filing.

7
8 **V. Conclusion**

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

10 A. Yes.

PRE-FILED DIRECT TESTIMONY

OF

TYLER G. SHIELDS

AUGUST 1, 2024

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1 **I. Introduction and Qualifications**

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

3 A. My name is Tyler G. Shields, and my business address is 280 Melrose Street, Providence,
4 Rhode Island 02907.

5
6 **Q. By whom are you employed and in what position?**

7 A. I am employed by the PPL Services Corporation (“Services Corporation”) as a Rates and
8 Regulatory Specialist. My current duties primarily pertain to revenue requirement and
9 pricing support for The Narragansett Electric Company d/b/a Rhode Island Energy (the
10 “Company”).

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

13 A. I received a Bachelor of Arts degree in Economics from the University of Connecticut in
14 2013.

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

17 A. In March 2015, I began my career as a pricing analyst at Granite Telecommunications in
18 Quincy, Massachusetts. In February 2017, I was promoted to product pricing team
19 lead. My responsibilities included auditing customer accounts and maintaining the
20 pricing and billing databases to ensure accuracy. In January 2021, I was hired by Charles
21 Stark Draper Laboratory as a Program Analyst where my duties included the creation of

1 pricing proposals for prospective clients and the validation of financial data for key
2 stakeholders on a weekly basis. In November 2022, I joined the Services Corporation in
3 my current role.

4
5
6 **Q. Have you previously testified before the Rhode Island Public Utilities Commission**
7 **(“PUC”)?**

8 A. Yes. I provided pre-filed testimony/and or testified at hearings before the PUC regarding
9 the Company’s Fiscal Year (“FY”) 2023 Electric Revenue Decoupling Mechanism
10 (“RDM”) Reconciliation filing in Docket No. 23-16-EL, the Company’s Gas RDM
11 Reconciliation filing in Docket No. 23-23-NG, the Company’s Distribution Adjustment
12 Charge (“DAC”) and Gas Cost Recovery (“GCR”) filings in Docket No. 23-23-NG, the
13 Company’s FY 2023 Electric Infrastructure, Safety, and Reliability (“ISR”) Plan Annual
14 Reconciliation Filing in Docket No. 5209, the Company’s proposed FY 2025 Gas ISR Plan
15 in Docket No. 23-49-NG, the Company’s proposed FY 2025 Electric ISR Plan in Docket
16 No. 23-48-EL, the Company’s 2024 Annual Retail Rate Filing in Docket No. 24-07-EL, the
17 Company’s FY 2024 Electric RDM Reconciliation filing in Docket No. 24-18-EL, and the
18 Company’s Gas RDM Reconciliation filing in Docket No. 24-29-NG.

1 **II. Purpose of Testimony**

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

3 A. The purpose of my testimony is to propose new DAC Factors for effect November 1,
4 2024. This filing is submitted pursuant to the Company's currently effective tariff,
5 RIPUC RIE-GAS No. 101, at Section 3, Schedule A ("DAC Provision"). Specifically,
6 my testimony will present the following: (1) the System Pressure Factor; (2) the Pension
7 Adjustment Factor; (3) the Revenue Decoupling Adjustment Factor; (4) the ISR
8 Reconciliation Factors; (5) the Service Quality Performance Factor; (6) the
9 Reconciliation Factors; (7) the Reconciliations for FY 2024; (8) the Earning Sharing
10 Mechanism Factor; and (9) the Low Income Discount Recovery Factor.

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

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

- | | | | |
|----|---|-----------------|--|
| 14 | • | Schedule DAC-2 | System Pressure Factor |
| 15 | • | Schedule DAC-4 | Pension and Postretirement Benefits Other than |
| 16 | | | Pensions Adjustment Factors |
| 17 | • | Schedule DAC-6 | Revenue Decoupling Adjustment Factor |
| 18 | • | Schedule DAC-7 | Infrastructure, Safety, and Reliability Reconciliation |
| 19 | | | Factors |
| 20 | • | Schedule DAC-8 | Service Quality Performance Factor |
| 21 | • | Schedule DAC-9 | Reconciliation Factors |
| 22 | • | Schedule DAC-10 | Reconciliations for FY 2024 |

- Schedule DAC-11 Earnings Sharing Mechanism Factor
- Schedule DAC-12 Low Income Discount Recovery Factor

III. DAC Summary

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

A. The DAC was established in Docket No. 3401 to provide for the recovery and reconciliation of the costs of special programs. Pursuant to the DAC Provision, the DAC consists of the following components: “an annual System Pressure factor, ... an Infrastructure, Safety, ... Reliability factor, an Environmental Response Cost factor, a Pension Adjustment Mechanism factor, a Service Quality Performance factor, a Revenue Decoupling Adjustment factor, and a Reconciliation of deferred account balance factor, an Earnings Sharing Mechanism factor, a Low Income Discount Recovery Factor, a Storm Net Revenue Factor and an Arrearage Management Adjustment Factor.” In addition, the DAC also includes a Storm Net Revenue factor pursuant to Compliance Attachment 23 to the Amended Settlement Agreement in Docket No. 4770.

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

A. As in prior years, the proposed DAC factors are not final at the time of the initial filing because certain underlying data for the development of all of the component factors is not yet available. Based upon the data that is available, the preliminary rates (including ISR

1 factors that became effective on April 1, 2024) are shown in Schedule DAC-1 that
2 accompanies Mr. Blazunas' testimony.

3
4 As discussed later in my testimony, the Company will supplement this filing with
5 updated information in a Supplemental DAC filing on or before September 1, 2024. The
6 Supplemental DAC filing will incorporate all proposed DAC factors and include a bill
7 impact analysis to reflect the final proposed DAC factors. Consistent with the
8 Company's DAC Provision, the proposed DAC factors, if approved, will take effect and
9 be applicable to gas consumption beginning November 1, 2024.

10
11 **IV. DAC Component Details**

12 **1. System Pressure**

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

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

1 from all customers through the System Pressure component of the DAC as opposed to
2 recovering those costs through the GCR factor.

3
4 **Q. Is the Company providing a System Pressure factor in this filing?**

5 A. No. The Company will file its System Pressure cost and proposed factor as a part of its
6 Supplemental DAC filing concurrent with the Company's GCR Factor filing when hourly
7 peaking asset costs are known. Therefore, Schedule DAC-2 in this filing is a placeholder
8 for the System Pressure factor.

9
10 **2. Pension and PBOP Costs**

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

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

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

2 A. Yes. The schedules that present the reconciliation of the Company's actual Pension and
3 PBOP expenses and the base rate allowances for the 12-month period ending March 31,
4 2024 are included in the pre-filed direct testimonies and schedules of Company
5 Witnesses Jeffrey D. Oliveira and George R. Sunder included in this filing. Mr. Oliveira
6 and Mr. Sunder support the derivation of such amounts. Based on the amounts
7 determined by Mr. Oliveira and Mr. Sunder, the Pension Adjustment Factor is a credit of
8 \$0.0215 per therm. It is calculated by dividing the net over-recovery of actual Pension
9 and PBOP expenses of \$8,392,015 by the forecasted throughput of 39,136,986 for the 12
10 months beginning November 1, 2024. This result is then divided by 10 to derive a per-
11 therm factor, as shown on Schedule DAC-4, Page 1.

12
13 **3. Revenue Decoupling Adjustment**

14 **Q. What is the Revenue Decoupling Adjustment ("RDA") component of the DAC?**

15 A. Pursuant to its DAC Provision, the Company operates under an RDM. The RDM
16 provides for an annual reconciliation of actual base revenue-per-customer by rate class
17 against a benchmark revenue-per-customer. The Company filed the FY 2024 RDM
18 reconciliation with the PUC on July 2, 2024. As shown on Schedule DAC-6, Page 1, the
19 RDA identifies a net under-recovery of target revenue of \$16,159,458. This net under-
20 recovery will be recovered from customers included in the RDM through the RDA factor,
21 which the Company will propose for effect November 1, 2024.

1 **4. ISR Reconciliation**

2 **Q. What is the ISR reconciliation?**

3 A. The reconciliation mechanism associated with the ISR factors is designed to reconcile the
4 actual FY 2024 revenue requirement on actual cumulative capital investment placed in
5 service with the revenue billed through the ISR factors. The Company submitted its FY
6 2024 ISR Plan reconciliation filing for the Company's gas business in Docket No. 22-54-
7 NG on August 1, 2024. In that filing, Company witness Jeffrey D. Oliveira presented the
8 actual FY 2024 revenue requirement on actual cumulative capital investment placed in
9 service. In addition, the ISR Plan reconciliation includes a final balance of the recovery
10 of FY 2023 reconciliation balance to capture any over- or under-recovery of that amount.

11
12 **Q. How is the ISR reconciliation reflected in this filing?**

13 A. The ISR reconciliation set forth in Schedule DAC-7 results in a net under-recovery of
14 \$13,034,422. To derive the ISR reconciliation factors per rate class, the Company
15 allocated the FY 2024 revenue requirement on actual cumulative capital investment
16 placed in service to rate classes based on the rate base allocation from the Company's
17 2017 rate case (Docket No. 4770).¹ This was then compared to billed revenue from the
18 billing of the ISR factors by rate class to arrive at the over- or under-recovery by rate
19 class in accordance with the Company's DAC Provision. The Company netted this

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

1 amount against the balance at October 31, 2024, of the reconciliation balance currently
2 being recovered from customers through the ISR reconciliation factors. The Company
3 then divided the net amount for each rate class by the forecasted throughput for each rate
4 class. Schedule DAC-7 shows the ISR reconciliation factors per rate class.

5
6 **5. Service Quality Plan**

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

9 A. Pursuant to the Company's Service Quality Plan, Docket No. 3476, the Company reports
10 the results of the service quality metrics on a quarterly basis and credits any resulting
11 penalty to customers through the DAC. The Company's FY 2024 second quarter report
12 filed on February 1, 2024,² indicates that the Company incurred a penalty of \$75,000 for
13 its performance for Meter Testing during CY 2023.³ Consequently, the total service
14 quality plan penalty amount included in the calculation of the Service Quality
15 Performance Factor is \$75,000.

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

³ The fiscal year 2024 second quarter report also serves as the calendar year 2023 annual report for the Meter Testing metric.

1 **6. Earnings Sharing Mechanism**

2 **Q. Is the Company reflecting an amount in the proposed DAC factors associated with**
3 **the Earnings Sharing Mechanism (“ESM”)?**

4 A. No, the Company is not proposing an ESM factor this year, as shown in Schedule DAC-
5 11. The pre-filed direct testimony of Company witness Jeffrey D. Oliveira presents the
6 Company’s Gas Earnings Report for the 12 months ending December 31, 2023, which
7 reflects a return on equity below the earnings sharing threshold.

8
9 **7. Low-Income Discount Recovery Factor**

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

12 A. No, not at this time. To estimate the total bill discounts to eligible low income
13 customers, the Company multiplies forecasted volumes for low income customers by
14 base distribution rates, DAC factors, and GCR factors proposed to be in effect. However,
15 the annual GCR factors will not be proposed until September 1, 2024, for effect on
16 November 1, 2024. Therefore, the Low-Income Discount Recovery Factor (“LIDRF”)
17 will be calculated and proposed in the Company’s Supplemental DAC filing. Schedule
18 DAC-12 in this filing is a placeholder for the LIDRF calculation.

1 **8. Other**

2 **Q. Has the Company provided in this filing a schedule with a line-item comparison of**
3 **the combined DAC and GCR amounts proposed for 2024/25 as compared to the**
4 **amounts approved in Docket No. 23-23-NG for 2023/24?**

5 A. No, not at this time. Similar to Docket No. 23-23-NG, the Company will include this
6 schedule in its Supplemental DAC filing, at which point the proposed DAC and GCR
7 amounts for 2024/25 are known in their entirety. Likewise, the Company will also
8 include in its Supplemental DAC filing a schedule which presents a summary of the
9 proposed DAC and GCR factors proposed for effect November 1, 2024, for which the
10 Company is seeking the Commission's approval.

11
12 **V. DAC Reconciliation**

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

14 A. The reconciliation component of the DAC allows for the reconciliation of the actual
15 amounts approved to be reflected in the DAC factors from the prior year and revenue
16 billed through the DAC, along with a true-up for those items requiring a forecast of their
17 balances at October 31 in order to incorporate them in the calculation of the DAC factors
18 for November 1. In this filing, the individual items that are being reconciled fall into one
19 of the following three general groupings, which are rate class specific: (1) those
20 associated with the reconciliation of factors that are related to all rate classes; (2) those
21 associated with the reconciliation of factors that are specific to the Residential and Small

1 and Medium C&I rate classes; and (3) those associated with the reconciliation of factors
2 related solely to the Large and Extra Large rate classes.

3
4 A summary of the various items being reconciled is shown on Schedule DAC-9, Page 1,
5 Sections 1, 2, and 3.

6
7 **Q. What reconciliation components are applicable to all rate classes?**

8 A. The items applicable to all rate classes include those that are being reconciled on the
9 basis of the gas year, from November 2023 through October 2024. They include the
10 following components: (1) System Pressure reconciliation, (2) Environmental Response
11 Cost reconciliation, (3) Arrearage Management Program reconciliation, (4) Pension
12 reconciliation, (5) PBOP reconciliation, (6) Previous Reconciliation Factor, (7) ESM
13 reconciliation, (8) Low Income Discount Recovery reconciliation, (9) Service Quality
14 Penalty reconciliation, and (10) Storm Net Revenue reconciliation. Each component
15 reconciles the amounts approved for recovery or refund and actual revenue billed through
16 June 2024 and forecasted revenue through October 2024. In addition, the reconciliation
17 component includes a true-up amount representing the difference between the forecasted
18 balance and the actual balance as of October 31, 2023.

19
20 The Company derives the Reconciliation factor applicable to all rate classes by totaling
21 the balance of these components for the 12 months ending October 31, 2024. The

1 projected balance for the 12-month period ending October 31, 2024, consists of the net
2 under-recovery of \$3,961,229, plus the net 2023 true up under-recovery of \$984,248, for
3 a total surcharge of \$4,945,477 to customers. This total is divided by the forecasted
4 throughput of 39,136,986 dekatherms (“dth”) for the period November 1, 2024, through
5 October 31, 2025. This result is then divided by 10 to derive a \$0.0126 per therm factor
6 for the 12-month period beginning November 1, 2024. A summary of the various items
7 being reconciled that are applicable to all rate classes is shown on Schedule DAC-9, Page
8 1, Section 1, while the details are set forth on Pages 2, 3, 4, and 9. The Reconciliation
9 factor applicable to all rate classes will be added to the factor applicable to the Large and
10 Extra-Large rate class customers’ reconciliation to derive two distinct Reconciliation
11 factors among the two groups of customers.
12

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

15 A. The reconciliation of the RDA balance through the RDA factors that are only applicable
16 to Residential and Small and Medium C&I customers results in a separate Reconciliation
17 factor for this group of customers. This factor was derived by taking the RDM
18 reconciliation ending balance as of October 31, 2024, which represents a net under-
19 recovery of the amount to be charged through the RDA factor and RDA reconciliation
20 factor of \$3,034,534, as shown on Schedule DAC-9, Page 1, Line (19), and dividing that
21 total by the forecasted throughput of 27,952,240 dth for the Residential and Small and

1 Medium C&I rate classes. This factor is then divided by 10 to derive a per-therm
2 surcharge factor. The summary of this derivation is shown on Schedule DAC-9, Page 1,
3 Section 2.

4
5 **Q. What reconciliation components are applicable to the Large and Extra-Large Rate**
6 **classes?**

7 A. The Large and Extra-Large Reconciliation factor includes the following components: (1)
8 the prior reconciliation factor applicable to the Large and Extra-Large rate classes; and
9 (2) the reconciliation of the base rate allowance for the recovery of Environmental
10 Response Costs for the April 2023 through March 2024 period, which is subject to
11 reconciliation in the DAC. For Residential and Small and Medium C&I customers, the
12 reconciliation of this base rate allowance to billed revenue is completed as a part of the
13 RDM reconciliation, where actual revenue is reconciled to targets that include this base
14 rate allowance. Therefore, the recovery for the base rate component for this DAC
15 component must be separately reconciled only for the Large and Extra-Large rate classes,
16 which are excluded from the Company's RDM.

17
18 The base rate reconciliation factor for this program is calculated by dividing the total
19 annual base rate allowance approved by the PUC by the total annual forecasted firm
20 throughput from the Company's 2017 rate case for the months April through March. The
21 Company then multiplies the base rate reconciliation factor by the forecasted throughput

1 for Large and Extra-Large rate classes from the Company's respective rate cases, to
2 obtain the forecasted monthly revenues. The forecasted monthly revenues are then
3 compared to the actual revenues to derive the annual over- or under-recoveries for the 12
4 months ending March 31, 2024, for each component.

5
6 The ending balance of the base rate allowance at the end of March 2024 is an under-
7 recovery balance of \$48,181. The balance of the Reconciliation factor associated with
8 the previous reconciliation for these rate classes is an over-recovery of \$3,523,839
9 resulting in a net amount due to Large and Extra-Large customers of \$3,475,658. The
10 credit amount due to Large and Extra-Large customers is then divided by the forecasted
11 throughput of 11,184,746 dth associated with the Large and Extra-Large customers, and
12 again divided by 10, to derive a credit factor of \$0.0310 per therm. Finally, this credit
13 factor was added to the Reconciliation factor applicable to all rate classes, as described
14 earlier in this testimony, to derive a net credit Reconciliation factor applicable to the
15 Large and Extra Large rate classes of \$0.0184 per therm for the 12-month period
16 beginning November 1, 2024. A summary of these items is shown in Schedule DAC-9,
17 Page 1, Section 3, while the details are set forth on Schedule DAC-9, Page 3, Line (49)
18 and Page 5, Line (41).

19
20 The Company will be updating the ending balances with one additional month of actual
21 revenue for each of these reconciliation items in its Supplemental DAC filing.

1 **Q. Did the Company provide DAC reconciliations over the historical fiscal year as it**
2 **did last year?**

3 A. Yes. In Schedule DAC-10, the Non-Base Rate components, the RDM, and the ISR
4 reconciliations are provided for the fiscal year ending March 31, 2024 (i.e., fiscal year
5 2024). Although rates are not designed over the period of the fiscal year, Schedule DAC-
6 10 is provided for informational purposes.²

7
8 **Q. What is the basis of the forecast utilized in the preliminary DAC?**

9 A. The preliminary DAC factors are based on the current projected throughput of
10 39,136,986 dth for the period November 1, 2024, to October 31, 2025. This forecast will
11 also be used in the Company's GCR filing to be submitted on or before September 1,
12 2024, and will be supported in that filing.

13
14 **VI. Bill Impacts**

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

16 A. No, the Company is not presenting bill impacts at this time. Because the LIDRF, Storm
17 Net Revenue Factor, and System Pressure Factor are not reflected in this filing, a bill
18 impact analysis at this time would provide limited information regarding the overall

² Please note that in Docket No. 22-13-NG, the equivalent schedule (i.e., Schedule PRB-10, "Reconciliations for FY 21") should have been named "Reconciliations for FY 22," and, similarly, in Docket No. 23-23-NG, the equivalent schedule (i.e., Schedule PRB/TGS-10, "Reconciliations for FY 22"), should have been named "Reconciliations for FY 23." In this filing, the schedule is correctly named "Reconciliations for Fiscal Year 2024."

1 impact of the change in the DAC factors. The Company will submit bill impacts for the
2 cumulative impact of all proposed DAC factors with the Supplemental DAC filing the
3 Company will submit on or before September 1, 2024.
4

5 **VII. Conclusion**

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

7 **A. Yes.**
8
9

Schedules of Peter R. Blazunas & Tyler G. Shields

<u>Schedule No.</u>	<u>Sponsor</u>	<u>Schedule Name</u>
Schedule DAC-1	Blazunas	Summary of DAC Factors
Schedule DAC-2	Shields	System Pressure Factor
Schedule DAC-3	Blazunas	Environmental Response Cost (ERC) Factor
Schedule DAC-4	Shields	Pension and Postretirement Benefits Other than Pensions Adjustment Factors
Schedule DAC-5	Blazunas	Arrearage Management Adjustment Factor
Schedule DAC-6	Shields	Revenue Decoupling Adjustment Factor
Schedule DAC-7	Shields	Infrastructure, Safety, and Reliability Reconciliation Factors
Schedule DAC-8	Shields	Service Quality Performance Factor
Schedule DAC-9	Shields	Reconciliation Factors
Schedule DAC-10	Shields	Reconciliations for Fiscal Year 2024
Schedule DAC-11	Shields	Earnings Sharing Mechanism Factor
Schedule DAC-12	Shields	Low Income Discount Recovery Factor
Schedule DAC-13	Blazunas	Storm Net Revenue Factor

Schedule DAC-1

Summary of DAC Factors

The Narragansett Electric Company
d/b/a Rhode Island Energy
Summary of DAC Factors
Effective November 1, 2024

Section 1: DAC factor (not including annual ISR component) November 1, 2024 - October 31, 2025

			Residential/ Small/ Medium C&I (a)	Large/ X-Large (b)	Residential Low Income (c)
(1) System Pressure (SP)	DAC-2	n/a	n/a	n/a	n/a
(2) Environmental Response Cost Factor (ERCF)	DAC-3	(\$384,861)	(\$0.0009)	(\$0.0009)	(\$0.0009)
(3) Pension Adjustment Factor (PAF)	DAC-4	(\$8,392,015)	(\$0.0215)	(\$0.0215)	(\$0.0215)
(4) Arrearage Management Adjustment Factor (AMAF)	DAC-5	\$123,742	\$0.0003	\$0.0003	\$0.0003
(5) Service Quality Factor (SQP)	DAC-8	(\$75,000)	(\$0.0001)	(\$0.0001)	(\$0.0001)
(6) Reconciliation Factor (R)	DAC-9	\$1,469,819	\$0.0126	(\$0.0184)	\$0.0126
(7) Earnings Sharing Mechanism (ESM)	DAC-11	\$0	\$0.0000	\$0.0000	\$0.0000
(8) Low Income Discount Recovery Factor (LIDRF)	DAC-12	n/a	n/a	n/a	n/a
(9) Storm Net Revenue Factor	DAC-13	n/a	n/a	n/a	n/a
(10) Subtotal	Sum [(1)-(9)]	(\$7,258,315)	(\$0.0096)	(\$0.0406)	(\$0.0096)
(11) Uncollectible Percentage	Dkt 4770	1.91%	1.91%	1.91%	1.91%
(12) DAC factors grossed up for uncollectible	(10) ÷ [1-(11)]	(\$7,399,648)	(\$0.0097)	(\$0.0413)	(\$0.0097)
(13) Revenue Decoupling Adjustment (RDA)	DAC-6	\$16,159,458	\$0.0578	\$0.0000	\$0.0578
(14) Revenue Decoupling Adjustment Reconciliation	DAC-9	\$3,034,534	\$0.0108	\$0.0000	\$0.0108
(15) DAC factor	(12)+(13)+(14)	\$11,794,345	\$0.0589	(\$0.0413)	\$0.0589

Section 2: DAC factors including annual ISR component

	ISR Reconciliation w/o uncollectible (therms) (a)	Uncollectible Percentage (b)	ISR Reconciliation* (therms) (c) = (a) x [1+(b)]	Base DAC Component* (therms) (d)	DAC Component Subtotal Rates* (therms) (e) = (c) + (d)	ISR Component (therms)* (f)	November 1, 2024 DAC Rates* (therms) (g)
(16) Res-NH	\$0.0455	1.91%	\$0.0463	\$0.0589	\$0.1052	\$0.2808	\$0.3860
(17) Res-NH-LI	\$0.0455	1.91%	\$0.0463	\$0.0589	\$0.1052	\$0.2808	\$0.3860
(18) Res-H	\$0.0455	1.91%	\$0.0463	\$0.0589	\$0.1052	\$0.2808	\$0.3860
(19) Res-H-LI	\$0.0455	1.91%	\$0.0463	\$0.0589	\$0.1052	\$0.2808	\$0.3860
(20) Small	\$0.0345	1.91%	\$0.0351	\$0.0589	\$0.0940	\$0.2818	\$0.3758
(21) Medium	\$0.0271	1.91%	\$0.0276	\$0.0589	\$0.0865	\$0.1825	\$0.2690
(22) Large LL	\$0.0285	1.91%	\$0.0290	(\$0.0413)	(\$0.0123)	\$0.1691	\$0.1568
(23) Large HL	\$0.0264	1.91%	\$0.0269	(\$0.0413)	(\$0.0144)	\$0.1579	\$0.1435
(24) XL-LL	\$0.0074	1.91%	\$0.0075	(\$0.0413)	(\$0.0338)	\$0.0667	\$0.0329
(25) XL-HL	\$0.0067	1.91%	\$0.0068	(\$0.0413)	(\$0.0345)	\$0.0641	\$0.0296

*Factors Include Uncollectible Allowance

- (a) DAC-7
- (b) Per Docket 4770
- (d) Section 1, Line (15)
- (f) FY 2025 ISR Component per Docket No. 23-49-NG, Section 4, Attachment 1 (Compliance), Page 1 of 2

Schedule DAC-2

System Pressure Factor

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Schedule DAC-3

Environmental Response Cost Factor

**The Narragansett Electric Company
d/b/a Rhode Island Energy
Environmental Response Cost (ERC) Factor
Effective November 1, 2024**

<u>Description</u> (a)	<u>Reference</u> (b)	<u>Amount</u> (c)
(1) Amortization of FY2015 expenses - year 10 of 10	Page 3, Column (I), Line (4)	\$112,908
(2) Amortization of FY2016 expenses - year 9 of 10	Page 3, Column (I), Line (6)	\$111,792
(3) Amortization of FY2017 expenses - year 8 of 10	Page 3, Column (I), Line (8)	\$303,756
(4) Amortization of FY2018 expenses - year 7 of 10	Page 3, Column (I), Line (10)	\$114,380
(5) Amortization of FY2019 expenses - year 6 of 10	Page 3, Column (I), Line (12)	\$95,024
(6) Amortization of FY2020 expenses - year 5 of 10	Page 3, Column (I), Line (14)	\$85,093
(7) Amortization of FY2021 expenses - year 4 of 10	Page 3, Column (I), Line (16)	\$144,035
(8) Amortization of FY2022 expenses - year 3 of 10	Page 3, Column (I), Line (18)	\$344,060
(9) Amortization of FY2023 expenses - year 2 of 10	Page 3, Column (I), Line (20)	\$183,087
(10) Amortization of FY2024 expenses - year 1 of 10	Page 3, Column (I), Line (22)	<u>\$78,358</u>
(11)	Subtotal	\$1,572,493
(12) One-Time Credit Including Interest for Lease Payments Received for the Period October 1, 2018 - March 31, 2023		(\$647,355)
(13)	Subtotal	\$925,139
(14) Base Rate Environmental Cost Allowance		\$1,310,000
(15) Cost in excess of Allowance		(\$384,861)
(16) Firm Throughput		39,136,986 dths
(17) Environmental Response Cost Factor per dekatherm		(\$0.0098) per dth
(18) Environmental Response Cost Factor per therm		(\$0.0009) per therm
(11) Sum of Lines (1) to (10)		
(12) Page 5, Column (I), Line (54)		
(13) Line (11) + Line (12)		
(14) R.I.P.U.C. Docket No. 4770		
(15) Line (13) - Line (14)		
(16) Company Forecast		
(17) Line (15) ÷ Line (16)		
(18) Line (17) ÷ 10, truncated to 4 decimal places		

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

ENVIRONMENTAL AMORTIZATION

	(a)	FY2015 (b)	FY2016 (c)	FY2017 (d)	FY2018 (e)	FY2019 (f)	FY2020 (g)	FY2021 (h)	FY2022 (i)	FY2023 (j)	FY2024 (k)
(1) FY 2014 NET ERC Costs Net of Insurance	\$3,008,237										
(2) Amortization Period (years)	10	\$300,824	\$300,824	\$300,824	\$300,824	\$300,824	\$300,824	\$300,824	\$300,824	\$300,824	\$300,821
(3) FY 2015 NET ERC Costs Net of Insurance											
(4) Amortization Period (years)	10	\$1,129,080	\$112,908	\$112,908	\$112,908	\$112,908	\$112,908	\$112,908	\$112,908	\$112,908	\$112,908
(5) FY 2016 NET ERC Costs Net of Insurance											
(6) Amortization Period (years)	10	\$1,117,923	\$111,792	\$111,792	\$111,792	\$111,792	\$111,792	\$111,792	\$111,792	\$111,792	\$111,792
(7) FY 2017 NET ERC Costs Net of Insurance											
(8) Amortization Period (years)	10	\$3,037,565	\$303,756	\$303,756	\$303,756	\$303,756	\$303,756	\$303,756	\$303,756	\$303,756	\$303,756
(9) FY 2018 NET ERC Costs Net of Insurance											
(10) Amortization Period (years)	10	\$1,143,802	\$114,380	\$114,380	\$114,380	\$114,380	\$114,380	\$114,380	\$114,380	\$114,380	\$114,380
(11) FY 2019 NET ERC Costs Net of Insurance											
(12) Amortization Period (years)	10	\$950,236	\$95,024	\$95,024	\$95,024	\$95,024	\$95,024	\$95,024	\$95,024	\$95,024	\$95,024
(13) FY 2020 NET ERC Costs Net of Insurance											
(14) Amortization Period (years)	10	\$850,927	\$85,093	\$85,093	\$85,093	\$85,093	\$85,093	\$85,093	\$85,093	\$85,093	\$85,093
(15) FY 2021 NET ERC Costs Net of Insurance											
(16) Amortization Period (years)	10	\$1,440,353	\$144,035	\$144,035	\$144,035	\$144,035	\$144,035	\$144,035	\$144,035	\$144,035	\$144,035
(17) FY 2022 NET ERC Costs Net of Insurance											
(18) Amortization Period (years)	10	\$3,440,599	\$344,060	\$344,060	\$344,060	\$344,060	\$344,060	\$344,060	\$344,060	\$344,060	\$344,060
(19) FY 2023 NET ERC Costs Net of Insurance											
(20) Amortization Period (years)	10	\$1,830,871	\$183,087	\$183,087	\$183,087	\$183,087	\$183,087	\$183,087	\$183,087	\$183,087	\$183,087
(21) FY 2024 NET ERC Costs Net of Insurance											
(22) Amortization Period (years)	10	\$783,582	\$78,358	\$78,358	\$78,358	\$78,358	\$78,358	\$78,358	\$78,358	\$78,358	\$78,358
(23) Amortization Expense sub-total		\$1,730,632	\$1,829,872	\$1,898,061	\$2,277,643	\$2,396,606	\$2,395,051	\$2,271,315	\$1,963,054	\$1,748,725	\$1,794,956
(24) ENVIRONMENTAL REMEDIATION COSTS											
(25) Beginning Balance		\$23,330,959	\$24,460,039	\$25,577,962	\$28,615,527	\$29,759,329	\$30,709,565	\$31,560,492	\$33,000,845	\$36,441,444	\$38,272,315
(26) Environmental Expenditures, net of Insurance		\$1,129,080	\$1,117,923	\$3,037,565	\$1,143,802	\$950,236	\$850,927	\$1,440,353	\$3,440,599	\$1,830,871	\$783,582
(27) Ending Balance		\$24,460,039	\$25,577,962	\$28,615,527	\$29,759,329	\$30,709,565	\$31,560,492	\$33,000,845	\$36,441,444	\$38,272,315	\$39,055,897
(28) ACCUMULATED ENVIRONMENTAL REMEDIATION											
(29) Beginning Balance		\$9,866,927	\$11,597,559	\$13,427,431	\$15,325,493	\$17,603,135	\$19,999,742	\$22,394,793	\$24,666,108	\$26,629,162	\$28,377,887
(30) Amortization Expense (1)		\$1,730,632	\$1,829,872	\$1,898,061	\$2,277,643	\$2,396,606	\$2,395,051	\$2,271,315	\$1,963,054	\$1,748,725	\$1,794,956
(31) Ending Balance		\$11,597,559	\$13,427,431	\$15,325,493	\$17,603,135	\$19,999,742	\$22,394,793	\$24,666,108	\$26,629,162	\$28,377,887	\$30,172,843
(32) NET ENVIRONMENTAL REMEDIATION COSTS		\$12,862,480	\$12,150,531	\$13,290,034	\$12,156,193	\$10,709,823	\$9,165,699	\$8,334,737	\$9,812,282	\$9,894,428	\$8,883,054

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

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

	(a)	FY2025 (l)	FY2026 (m)	FY2027 (n)	FY2028 (o)	FY2029 (p)	FY2030 (q)	FY2031 (r)	FY2032 (s)	FY2033 (t)	FY2034 (u)
<u>ENVIRONMENTAL AMORTIZATION</u>											
(1) FY 2014 NET ERC Costs Net of Insurance	\$3,008,237										
(2) Amortization Period (years)	10										
(3) FY 2015 NET ERC Costs Net of Insurance	\$1,129,080										
(4) Amortization Period (years)	10										
(5) FY 2016 NET ERC Costs Net of Insurance	\$1,117,923										
(6) Amortization Period (years)	10										
(7) FY 2017 NET ERC Costs Net of Insurance	\$3,037,565										
(8) Amortization Period (years)	10										
(9) FY 2018 NET ERC Costs Net of Insurance	\$1,143,802										
(10) Amortization Period (years)	10										
(11) FY 2019 NET ERC Costs Net of Insurance	\$950,236										
(12) Amortization Period (years)	10										
(13) FY 2020 NET ERC Costs Net of Insurance	\$850,927										
(14) Amortization Period (years)	10										
(15) FY 2021 NET ERC Costs Net of Insurance	\$1,440,353										
(16) Amortization Period (years)	10										
(17) FY 2022 NET ERC Costs Net of Insurance	\$3,440,599										
(18) Amortization Period (years)	10										
(19) FY 2023 NET ERC Costs Net of Insurance	\$1,830,871										
(20) Amortization Period (years)	10										
(21) FY 2024 NET ERC Costs Net of Insurance	\$783,582										
(22) Amortization Period (years)	10										
(23) Amortization Expense sub-total		\$1,572,493	\$1,459,588	\$1,347,798	\$1,044,039	\$929,653	\$834,630	\$749,543	\$605,504	\$261,446	\$78,360
(24) <u>ENVIRONMENTAL REMEDIATION COSTS</u>											
(25) Beginning Balance		\$39,055,897	\$39,055,897	\$39,055,897	\$39,055,897	\$39,055,897	\$39,055,897	\$39,055,897	\$39,055,897	\$39,055,897	\$39,055,897
(26) Environmental Expenditures, net of Insurance		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(27) Ending Balance		\$39,055,897	\$39,055,897	\$39,055,897	\$39,055,897	\$39,055,897	\$39,055,897	\$39,055,897	\$39,055,897	\$39,055,897	\$39,055,897
(28) <u>ACCUMULATED ENVIRONMENTAL REMEDIATION</u>											
(29) Beginning Balance		\$30,172,843	\$31,745,336	\$33,204,924	\$34,552,722	\$35,596,761	\$36,526,414	\$37,361,044	\$38,110,587	\$38,716,091	\$38,977,537
(30) Amortization Expense (1)		\$1,572,493	\$1,459,588	\$1,347,798	\$1,044,039	\$929,653	\$834,630	\$749,543	\$605,504	\$261,446	\$78,360
(31) Ending Balance		\$31,745,336	\$33,204,924	\$34,552,722	\$35,596,761	\$36,526,414	\$37,361,044	\$38,110,587	\$38,716,091	\$38,977,537	\$39,055,897
(32) <u>NET ENVIRONMENTAL REMEDIATION COSTS</u>											
		\$7,310,561	\$5,850,973	\$4,503,175	\$3,459,136	\$2,529,483	\$1,694,853	\$945,310	\$339,806	\$78,360	\$0

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

**The Narragansett Electric Company
d/b/a Rhode Island Energy
Environmental Response Cost (ERC) Factor
ERC FY 2024 Detail**

			Total Costs at <u>3/31/2023</u>	<u>FY 2024 Costs</u>	Total Costs at <u>3/31/2024</u>
			(a)	(b)	(c) = (a) + (b)
<u>Environmental Expenses</u>					
(1)	907 & 908	Allens Avenue	\$23,918,550	\$142,946	\$24,061,496
(2)	307	PCB Reg Pipe Abandon.	\$3,613,014	\$315,250	\$3,928,264
(3)	379	Petroleum Site	\$8,480,781	\$138,548	\$7,971,974
(4)	700	18 & 21 Holders COR	\$2,776,743	\$0	\$2,776,743
(5)	161	Canal Street, Westerly	\$29,133	\$0	\$29,133
(6)	178	Site Inv Connell Hwy Newp	\$44,092	\$0	\$44,092
(7)	144	Westerly Soil Investigation	\$82,184	\$0	\$82,184
(8)	171	Contaminated Regulators	\$3,180,703	\$3,873	\$3,184,576
(9)	781	Mendon Road	\$121,355	\$0	\$121,355
(10)	782	Tidewater	\$6,559,926	\$23,401	\$6,583,327
(11)	783	Hamlet	\$235,444	\$4,003	\$239,447
(12)	--	Thames & Wellington	\$6,545,626	\$80,186	\$6,625,812
(13)	--	Misc MGP (NEG)	\$788,080	\$65,377	\$853,457
(14)	--	Insurance Recovery	\$1,373,322	\$0	\$1,373,322
(15)	--	East Providence (First Ave) Holder	\$423,107	\$9,998	\$433,105
(16)	--	560 Thames Street Newp	<u>\$165,403</u>	<u>\$0</u>	<u>\$165,403</u>
(17)		Sub-Total	\$58,337,463	\$783,582	\$58,473,690
(18)	Insurance Recovery/Settlement				
(19)	910	Environmental Insurance Recovery Settlement		\$0	
(20)	Net FY 2024 Environmental Response Costs			<u><u>\$783,582</u></u>	

(1)-(16) Col (a): RIPUC Docket No. 23-23-NG, Schedule PRB/TGS-3, Page 4, Col (c)

(1)-(16) Col (b): Annual Environmental Report for Gas Service, Period of April 1, 2023 - March 31, 2024 (Filed July 25, 2024)

(3) Col. (c): The one-time adjustment of \$647,355 was subtracted from the "Balance as of 3/31/2024" (\$8,480,781 + \$138,548 - \$647,355 = \$7,971,974). Lease revenues for the reporting period April 2023 through March 2024 are included as an offset to the Environmental Response Costs during the same reporting period. See also Annual Report for Gas Service, Period of April 1, 2023 - March 31, 2024 (Filed July 25, 2024), Page 4.

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

The Narragansett Electric Company
d/b/a Rhode Island Energy
Environmental Response Cost Factor
One-Time Credit Including Interest for Lease Payments Received for the Period October 1, 2018 - March 31, 2023

(A)		(B)	(C)	(D)	(E) = (C) + (D)		(F) = [(C) + (D)] ÷ 2	(G)	(H) = (F) x [(G) ÷ 12]	(I) = (E) + (H)
	Month	Year	Beginning Balance	Lease Payment	Ending Balance		Average Balance	Bank of America Prime Rate Less 200 Basis Points	Interest	Ending Balance with Interest
(1)	October	2018	\$ -	\$ 10,833	\$ 10,833	\$	5,417	3.25%	\$ 15	\$ 10,848
(2)	November	2018	\$ 10,848	\$ 10,833	\$ 21,682	\$	16,265	3.25%	\$ 44	\$ 21,726
(3)	December	2018	\$ 21,726	\$ 10,833	\$ 32,559	\$	27,142	3.35%	\$ 76	\$ 32,635
(4)	January	2019	\$ 32,635	\$ 10,833	\$ 43,468	\$	38,052	3.50%	\$ 111	\$ 43,579
(5)	February	2019	\$ 43,579	\$ 10,833	\$ 54,413	\$	48,996	3.50%	\$ 143	\$ 54,556
(6)	March	2019	\$ 54,556	\$ 10,833	\$ 65,389	\$	59,972	3.50%	\$ 175	\$ 65,564
(7)	April	2019	\$ 65,564	\$ 10,833	\$ 76,397	\$	70,981	3.50%	\$ 207	\$ 76,604
(8)	May	2019	\$ 76,604	\$ 10,833	\$ 87,438	\$	82,021	3.50%	\$ 239	\$ 87,677
(9)	June	2019	\$ 87,677	\$ 10,833	\$ 98,510	\$	93,093	3.50%	\$ 272	\$ 98,782
(10)	July	2019	\$ 98,782	\$ 10,833	\$ 109,615	\$	104,199	3.50%	\$ 304	\$ 109,919
(11)	August	2019	\$ 109,919	\$ 10,833	\$ 120,753	\$	115,336	3.25%	\$ 312	\$ 121,065
(12)	September	2019	\$ 121,065	\$ 10,833	\$ 131,898	\$	126,481	3.15%	\$ 332	\$ 132,230
(13)	October	2019	\$ 132,230	\$ 11,104	\$ 143,334	\$	137,782	2.99%	\$ 343	\$ 143,677
(14)	November	2019	\$ 143,677	\$ 11,104	\$ 154,781	\$	149,229	2.75%	\$ 342	\$ 155,123
(15)	December	2019	\$ 155,123	\$ 11,104	\$ 166,227	\$	160,675	2.75%	\$ 368	\$ 166,595
(16)	January	2020	\$ 166,595	\$ 11,104	\$ 177,700	\$	172,148	2.75%	\$ 395	\$ 178,095
(17)	February	2020	\$ 178,095	\$ 11,104	\$ 189,199	\$	183,647	2.75%	\$ 421	\$ 189,620
(18)	March	2020	\$ 189,620	\$ 11,104	\$ 200,724	\$	195,172	1.78%	\$ 290	\$ 201,014
(19)	April	2020	\$ 201,014	\$ 11,104	\$ 212,118	\$	206,566	1.25%	\$ 215	\$ 212,333
(20)	May	2020	\$ 212,333	\$ 11,104	\$ 223,437	\$	217,885	1.25%	\$ 227	\$ 223,664
(21)	June	2020	\$ 223,664	\$ 11,104	\$ 234,768	\$	229,216	1.25%	\$ 239	\$ 235,007
(22)	July	2020	\$ 235,007	\$ 11,104	\$ 246,112	\$	240,560	1.25%	\$ 251	\$ 246,363
(23)	August	2020	\$ 246,363	\$ 11,104	\$ 257,467	\$	251,915	1.25%	\$ 262	\$ 257,729
(24)	September	2020	\$ 257,729	\$ 11,104	\$ 268,833	\$	263,281	1.25%	\$ 274	\$ 269,107
(25)	October	2020	\$ 269,107	\$ 11,382	\$ 280,489	\$	274,798	1.25%	\$ 286	\$ 280,775
(26)	November	2020	\$ 280,775	\$ 11,382	\$ 292,157	\$	286,466	1.25%	\$ 298	\$ 292,455
(27)	December	2020	\$ 292,455	\$ 11,382	\$ 303,836	\$	298,145	1.25%	\$ 311	\$ 304,147
(28)	January	2021	\$ 304,147	\$ 11,382	\$ 315,529	\$	309,838	1.25%	\$ 323	\$ 315,852
(29)	February	2021	\$ 315,852	\$ 11,382	\$ 327,234	\$	321,543	1.25%	\$ 335	\$ 327,569
(30)	March	2021	\$ 327,569	\$ 11,382	\$ 338,951	\$	333,260	1.25%	\$ 347	\$ 339,298
(31)	April	2021	\$ 339,298	\$ 11,382	\$ 350,679	\$	344,989	1.25%	\$ 359	\$ 351,038
(32)	May	2021	\$ 351,038	\$ 11,382	\$ 362,420	\$	356,729	1.25%	\$ 372	\$ 362,792
(33)	June	2021	\$ 362,792	\$ 11,382	\$ 374,174	\$	368,483	1.25%	\$ 384	\$ 374,558
(34)	July	2021	\$ 374,558	\$ 11,382	\$ 385,940	\$	380,249	1.25%	\$ 396	\$ 386,336
(35)	August	2021	\$ 386,336	\$ 11,382	\$ 397,717	\$	392,027	1.25%	\$ 408	\$ 398,125
(36)	September	2021	\$ 398,125	\$ 11,382	\$ 409,507	\$	403,816	1.25%	\$ 421	\$ 409,928
(37)	October	2021	\$ 409,928	\$ 11,666	\$ 421,595	\$	415,761	1.25%	\$ 433	\$ 422,028
(38)	November	2021	\$ 422,028	\$ 11,666	\$ 433,694	\$	427,861	1.25%	\$ 446	\$ 434,140
(39)	December	2021	\$ 434,140	\$ 11,666	\$ 445,806	\$	439,973	1.25%	\$ 458	\$ 446,264
(40)	January	2022	\$ 446,264	\$ 11,666	\$ 457,931	\$	452,097	1.25%	\$ 471	\$ 458,402
(41)	February	2022	\$ 458,402	\$ 11,666	\$ 470,068	\$	464,235	1.25%	\$ 484	\$ 470,552
(42)	March	2022	\$ 470,552	\$ 11,666	\$ 482,218	\$	476,385	1.37%	\$ 544	\$ 482,762
(43)	April	2022	\$ 482,762	\$ 11,666	\$ 494,428	\$	488,595	1.50%	\$ 611	\$ 495,039
(44)	May	2022	\$ 495,039	\$ 11,666	\$ 506,706	\$	500,873	1.94%	\$ 810	\$ 507,516
(45)	June	2022	\$ 507,516	\$ 11,666	\$ 519,182	\$	513,349	2.38%	\$ 1,018	\$ 520,200
(46)	July	2022	\$ 520,200	\$ 11,666	\$ 531,866	\$	526,033	2.85%	\$ 1,249	\$ 533,115
(47)	August	2022	\$ 533,115	\$ 11,666	\$ 544,782	\$	538,949	3.50%	\$ 1,572	\$ 546,354
(48)	September	2022	\$ 546,354	\$ 11,666	\$ 558,020	\$	552,187	3.73%	\$ 1,716	\$ 559,736
(49)	October	2022	\$ 559,736	\$ 11,958	\$ 571,694	\$	565,715	4.25%	\$ 2,004	\$ 573,698
(50)	November	2022	\$ 573,698	\$ 11,958	\$ 585,656	\$	579,677	4.95%	\$ 2,391	\$ 588,047
(51)	December	2022	\$ 588,047	\$ 11,958	\$ 600,005	\$	594,026	5.27%	\$ 2,609	\$ 602,614
(52)	January	2023	\$ 602,614	\$ 11,958	\$ 614,572	\$	608,593	5.50%	\$ 2,789	\$ 617,361
(53)	February	2023	\$ 617,361	\$ 11,958	\$ 629,319	\$	623,340	5.74%	\$ 2,982	\$ 632,301
(54)	March	2023	\$ 632,301	\$ 11,958	\$ 644,259	\$	638,280	5.82%	\$ 3,096	\$ 647,355
(55)	Total			\$ 611,575					\$ 35,780	\$ 647,355

Notes:

- (C) For October 2018, equal to \$0; for each month thereafter, equal to prior month's (I).
(D) Source: Internal Company Records
(G) Bank of America Prime Rate Less 200 Basis Points
(H) Rounded to zero decimal places.

Schedule DAC-4

Pension and Postretirement Benefits Other than Pensions Adjustment Factors

**The Narragansett Electric Company
d/b/a Rhode Island Energy
Pension Adjustment Factors
Effective November 1, 2024**

(a)	(b)
<u>Pension Factor</u>	
(1) Pension Reconciliation	(\$8,500,351)
(2) Carrying Charges	<u>(\$270,434)</u>
(3) Total Pension Cost	(\$8,770,785)
(4) Firm Throughput	39,136,986 dths
(5) Pension Factor per dth	(\$0.2241) per dth
(6) Pension Factor per therm	(\$0.0224) per therm
<u>PBOP Factor</u>	
(7) PBOP Reconciliation	\$378,770
(8) Carrying Charges	<u>\$0</u>
(9) Total PBOP Cost	\$378,770
(10) Firm Throughput	39,136,986 dths
(11) PBOP Factor per dth	\$0.0097 per dth
(12) PBOP Factor per therm	\$0.0009 per therm
<u>Pension & PBOP Factor Combined</u>	
(13) Pension & PBOP Factor per dth	(\$0.2144) per dth
(14) Pension & PBOP Factor per therm	(\$0.0215) per therm

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

Schedule DAC-5

Arrearage Management Adjustment Factor

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

(a)	(b)
(1) Total Recoverable Arrearage Forgiveness Amount	\$123,742
(2) Firm Throughput	39,136,986 dths
(3) Arrearage Management Adjustment Factor per dekatherm	\$0.0032 per dth
(4) Arrearage Management Adjustment Factor per therm	\$0.0003 per therm

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

**The Narragansett Electric Company
d/b/a Rhode Island Energy
Calculation of Recoverable Arrearage Foregiveness Amount
Calendar Year 2023**

(a)	(b)
<u>Uncollectible Recovery from:</u>	
(1) Rate Year Base Distribution Rates (Docket 4770, Rate Year 3 - 12 Months)	\$3,613,099
(2) Calendar Year Commodity Rates	\$3,213,250
(3) Calendar Year Distribution Adjustment Charge (DAC)	\$2,151,239
(4) Calendar Year Energy Efficiency (EE)	<u>\$616,510</u>
(5) Total Allowable Bad Debt	\$9,594,098
(6) Total Actual Net Charge Offs	<u>\$7,532,242</u>
(7) Actual Above / (Below) Allowable Bad Debt	(\$2,061,856)
(8) Amount of AMP Successful Participants Arrearage Foregiveness	<u>\$117,568</u>
(9) Recoverable Arrearage Foregiveness Due to AMP Successful Participants	\$0
(10) Recoverable Arrearage Foregiveness Due to AMP Unsuccessful Participants (Cancelled)	\$15,286
(11) Recoverable Arrearage Foregiveness Due to AMP Unsuccessful Participants (Default)	<u>\$108,457</u>
(12) Total Recoverable Arrearage Foregiveness Amount	\$123,742
(1) RIPUC Docket No. 4770, April 24, 2019 Revised Excess Deferred Income Tax True-Up Filing, Revised Supplemental Compliance Attachment 2, Page 4, Line (11), Column (e)	
(2) Page 3, Section 1, Line (3)	
(3) Page 3, Section 2, Line (3)	
(4) Page 3, Section 3, Line (3)	
(5) Sum of Lines (1) to (4)	
(6) Page 4, Column (d), Line (1)	
(7) Line (6) - Line (5)	
(8) Page 5, Line (6)	
(9) If Line (7) > 0 then Min of Line (7) or Line (8), Else 0	
(10) Page 5, Line (4)	
(11) Page 5, Line (2)	
(12) Sum of Lines (9) to (11)	

**The Narragansett Electric Company
d/b/a Rhode Island Energy
Calculation of Recoverable Arrearage Foregone Amount
Calendar Year 2023**

<u>Section 1: Gas Cost Recovery</u>	<u>Jan - Dec</u> (a)
(1) Gas Cost Recovery Billings	\$168,232,984
(2) Uncollectible Percentage	1.91%
(3) Commodity Rate Allowable Bad Debt	\$3,213,250
(1) Per Company Revenue Reports for Calendar Year 2023	
(2) Uncollectible percentage approved in RIPUC Docket No. 4770	
(3) Line (1) x Line (2)	
<hr/>	
<u>Section 2: Distribution Adjustment Clause</u>	
(1) Distribution Adjustment Clause Billings	\$112,630,317
(2) Uncollectible Percentage	1.91%
(3) DAC Rate Allowable Bad Debt	\$2,151,239
(1) Per Company Revenue Reports for Calendar Year 2023	
(2) Uncollectible percentage approved in RIPUC Docket No. 4770	
(3) Line (1) x Line (2)	
<hr/>	
<u>Section 3: Energy Efficiency</u>	
(1) Energy Efficiency Billings	\$32,278,030
(2) Uncollectible Percentage	1.91%
(3) Energy Efficiency Allowable Bad Debt	\$616,510
(1) Per Company Revenue Reports for Calendar Year 2023	
(2) Uncollectible percentage approved in RIPUC Docket No. 4770	
(3) Line (1) x Line (2)	

**The Narragansett Electric Company
d/b/a Rhode Island Energy
Calculation of Recoverable Arrearage Foregiveness Amount
Calendar Year 2023 Net Charge - Offs**

	Beginning Balance <u>FERC 144</u> (a)	Adjustments to Reserve <u>FERC 904</u> (b)	Ending Balance <u>FERC 144</u> (c)	Net <u>Charge Offs</u> (d)
(1)	\$30,408,505	\$9,214,086	\$32,090,348	\$7,532,242

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

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

(a)	(b)
<u>Unsuccessful Accounts (Default)</u>	
(1) Number of accounts not successful as of 12/31/2023	388
(2) Amount forgiven prior to defaulting	\$108,457
<u>Unsuccessful Accounts (Cancelled)</u>	
(3) Number of accounts not successful as of 12/31/2023	58
(4) Amount forgiven prior to defaulting	\$15,286
<u>Successful Accounts</u>	
(5) Number of accounts successfully completing the first year of the program	177
(6) Amount forgiven during 2023	\$117,568
<u>Enrolled Accounts</u>	
(7) Number of accounts enrolled as of 12/31/2023	454
(8) Amount forgiven during 2023	\$219,568
<u>Total Enrolled Accounts</u>	
(9) Number of accounts enrolled as of 12/31/2023	1,077
(10) Amount forgiven during 2023	\$460,878
(1) Per Docket No. 4651 - Arrearage Management Program Monthly Report - December 2023	
(2) Per Company Records	
(3) Per Docket No. 4651 - Arrearage Management Program Monthly Report - December 2023	
(4) Per Company Records	
(5) Per Docket No. 4651 - Arrearage Management Program Monthly Report - December 2023	
(6) Per Company Records	
(7) Per Docket No. 4651 - Arrearage Management Program Monthly Report - December 2023	
(8) Per Company Records	
(9) Sum of Lines (1), (3), (5), and (7)	
(10) Sum of Lines (2), (4), (6), and (8)	

Schedule DAC-6

Revenue Decoupling Adjustment Factor

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

(a)	(b)
(1) Residential Non-Heat (incl Low Income)	\$57,911
(2) Residential Heat (incl Low Income)	\$14,281,428
(3) Small C&I	\$1,332,766
(4) Medium C&I	\$487,353
(5) FY 2024 Net Under Recovery of Target Revenue	<u>\$16,159,458</u>
(6) Firm Therm Throughput Forecast for RDM Rate Classes (November 2024 - October 2025)	27,952,240 dths
(7) Proposed RDA Factor per dth	\$ 0.5781 per dth
(8) Proposed RDF Factor per therm	\$ 0.0578 per therm
(1) Docket No. 24-29-NG, Schedule NECO-2, Page 1, Column (I), Line (40)	
(2) Docket No. 24-29-NG, Schedule NECO-2, Page 2, Column (I), Line (80)	
(3) Docket No. 24-29-NG, Schedule NECO-2, Page 3, Column (I), Line (94)	
(4) Docket No. 24-29-NG, Schedule NECO-2, Page 3, Column (I), Line (108)	
(5) Sum [Lines (1):(4)]	
(6) Firm throughput (in therms) forecast for Residential Heat and Non-Heat, Small and Medium C&I rate classes.	
(7) Line (5) ÷ Line (6)	
(8) Line (7) ÷ 10, truncated to 4 decimal places.	



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Also admitted in Massachusetts

July 2, 2024

VIA HAND DELIVERY AND ELECTRONIC MAIL

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

**Re: Docket No. 24-29-NG – The Narragansett Electric Company d/b/a Rhode Island Energy
Gas Revenue Decoupling Mechanism Reconciliation Filing For the Reconciliation Period
April 2023 through March 2024**

Dear Ms. Massaro:

On behalf of Rhode Island Energy,¹ enclosed please find the Company's annual Revenue Decoupling Mechanism ("RDM") reconciliation filing for the period April 2023 to March 2024. Rhode Island Energy submits this filing pursuant to the provisions of the Distribution Adjustment Clause of the Company's gas tariff, RIPUC RIE-Gas No. 101, at Section 3, Schedule A, which allows an annual reconciliation of the target revenue-per-customer and the actual revenue-per-customer through a Revenue Decoupling Adjustment ("RDA") factor to be included in the Company's annual Distribution Adjustment Charge ("DAC") filing.

This filing consists of the pre-filed direct testimony and schedules of Tyler G. Shields. Mr. Shields provides an overview of the Company's RDM reconciliation and describes the actual RDM results for the reconciliation period April 2023 through March 2024.

The RDM reconciliation amount for the 12-month period ending March 31, 2024, is an under-recovery of approximately \$16.2 million. This under-recovery was driven by a decrease in actual revenue due to warmer than normal weather. The Company will submit bill impacts for the

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



Luly E. Massaro, Commission Clerk
Docket No. 24-29-NG - 2024 Gas RDM Reconciliation
July 2, 2024
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cumulative impact of all its proposed DAC factors, including this RDA factor, with its August 30, 2024 Supplemental DAC filing.

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

Sincerely,

A handwritten signature in cursive script that reads "Leticia Pimentel".

Leticia C. Pimentel

Enclosure

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

Certificate of Service

I hereby certify that a copy of the cover letter and any materials accompanying this certificate were 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.



Heidi J. Seddon

July 2, 2024

Date

Docket No. 23-23-NG – Narragansett Electric Co. d/b/a Rhode Island Energy 2023 Gas Cost Recovery Filing (GCR)
2023 Distribution Adjustment Clause (DAC)
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**THE NARRAGANSETT ELECTRIC COMPANY
d/b/a RHODE ISLAND ENERGY
RIPUC DOCKET 24-29-NG
GAS REVENUE DECOUPLING MECHANISM RECONCILIATION
WITNESS: SHIELDS
JULY 2, 2024**

PRE-FILED DIRECT TESTIMONY

OF

TYLER G. SHIELDS

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a RHODE ISLAND ENERGY
RIPUC DOCKET 24-29-NG
GAS REVENUE DECOUPLING MECHANISM RECONCILIATION
WITNESS: SHIELDS
JULY 2, 2024

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**THE NARRAGANSETT ELECTRIC COMPANY
d/b/a RHODE ISLAND ENERGY
RIPUC DOCKET 24-29-NG
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WITNESS: SHIELDS
PAGE 1 OF 8**

1 **I. Introduction and Qualifications**

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

3 A. My name is Tyler G. Shields, and my business address is 280 Melrose Street, Providence,
4 Rhode Island 02907.

5

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

7 A. I am employed by the PPL Services Corporation (“Services Corporation”) as a Rates and
8 Regulatory Specialist. My current duties primarily pertain to revenue requirement and
9 pricing support for The Narragansett Electric Company d/b/a Rhode Island Energy (the
10 “Company”).

11

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

13 A. I received a Bachelor of Arts degree in Economics from the University of Connecticut in
14 2013.

15

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

17 A. In March 2015, I began my career as a pricing analyst at Granite Telecommunications in
18 Quincy, Massachusetts. In February 2017, I was promoted to product pricing team
19 lead. My responsibilities included auditing customer accounts and maintaining the
20 pricing and billing databases to ensure accuracy. In January 2021, I was hired by Charles
21 Stark Draper Laboratory as a Program Analyst where my duties included the creation of
22 pricing proposals for prospective clients and the validation of financial data for key

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1 stakeholders on a weekly basis. In November 2022, I joined the Services Corporation in
2 my current role.

3
4 **Q. Have you previously testified before the Rhode Island Public Utilities Commission**
5 **(“PUC” or the “Commission”)?**

6 A. Yes. I provided pre-filed testimony and/or testified at hearings before the PUC regarding
7 the Company’s Fiscal Year (“FY”) 2023 Electric Revenue Decoupling Mechanism
8 (“RDM”) Reconciliation filing in Docket No. 23-16-EL, the Company’s Gas RDM
9 Reconciliation filing in Docket No. 23-23-NG, the Company’s Distribution Adjustment
10 Charge (“DAC”) and Gas Cost Recovery (“GCR”) filings in Docket No. 23-23-NG, the
11 Company’s FY 2023 Electric Infrastructure, Safety, and Reliability (“ISR”) Plan Annual
12 Reconciliation Filing in Docket No. 5209, the Company’s proposed FY 2025 Gas ISR Plan
13 in Docket No. 23-49-NG, the Company’s proposed FY 2025 Electric ISR Plan in Docket
14 No. 23-48-EL, the Company’s 2024 Annual Retail Rate Filing in Docket No. 24-07-EL, and
15 the Company’s FY 2024 Electric RDM Reconciliation filing in Docket No. 24-18-EL.

16
17 **II. Purpose of Testimony**

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

19 A. The purpose of my testimony is to present the Company’s March 31, 2024 RDM
20 reconciliation balance, which will be used to determine the proposed Revenue
21 Decoupling Adjustment (“RDA”) factor to be incorporated in the Company’s upcoming
22 August 1, 2024 DAC filing. Specifically, I provide an overview of the Company’s gas

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RDM reconciliation and explain the RDM results for the reconciliation period April 1, 2023, through March 31, 2024.

This filing is submitted pursuant to the Company's Distribution Adjustment Clause provision contained in its gas tariff, RIPUC RIE-GAS No. 101, at Section 3, Schedule A, Sheet 7, subpart 3.6 (Revenue Decoupling Adjustment Factor).

Q. Are you sponsoring any schedules with your testimony?

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

Schedule NECO-1	Annual Gas RDM Reconciliation Balance
Schedule NECO-2	Monthly RDM Reconciliation by Rate Class for the Period April 1, 2023 through March 31, 2024
Schedule NECO-3	Actual vs. Normal Billing Heating Degree Day Comparison for April 2023 through March 2024
Schedule NECO-4	Target Revenue-Per-Customer by Rate Class

III. RDM Reconciliation

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

A. In Docket No. 4206, the PUC approved a Revenue-Per-Customer RDM that provides for an annual reconciliation, by rate class, between a target level of base distribution revenue and actual base distribution revenue billed during the reconciliation period. The reconciliation is driven by the comparison of the Actual Revenue-Per-Customer during the reconciliation period and the Target Revenue-Per-Customer. The reconciliation is

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1 performed on a monthly basis and covers the RDM year (i.e., April 1 through March 31)
2 for all Residential and Small and Medium Commercial and Industrial (“C&I”) firm rate
3 classes. Under the RDM, customers subject to the RDM are credited any net over-
4 recovery of target revenue and are surcharged for any net under-recovery of target
5 revenue through the RDA factor, which is one of several components of the DAC,
6 effective November 1 each year.

7
8 **Q. What is the Target Revenue-Per-Customer and the Actual Revenue-Per-Customer?**

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

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

16 A. The results of the RDM reconciliation presented in this filing is a net under-recovery
17 balance of approximately \$16.2M for the period April 2023 through March 2024, as
18 shown in Schedule NECO-1.

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1 **Q. How did the Company determine the RDM reconciliation balance at the end of**
2 **March 2024?**

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

15
16 **Q. Has the Target Revenue-Per-Customer changed from last year's filing?**

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

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

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1 alternative methodology for calculating the revenue decoupling mechanism reconciliation
2 has been approved by the Commission.

3

4 **Q. Why does the Company continue to calculate the RDM on a revenue-per-customer**
5 **basis given the amendment to Rhode Island General Laws § 39-1-27.7.1² effective**
6 **June 19, 2023?**

7 A. The amendment to Rhode Island General Laws § 39-1-27.7.1 only removed the
8 requirement that the Company calculate the RDM reconciliation on a revenue-per-
9 customer basis, and the amended language does not preclude the Company from
10 continuing to calculate the RDM on a revenue-per-customer basis. The Company
11 believes it is appropriate to continue to calculate the RDM reconciliation on a revenue per
12 customer basis because it is the methodology that has been approved by the Commission
13 historically, and because no alternative methodology for calculating the revenue
14 decoupling mechanism reconciliation has been fully evaluated and vetted by the
15 Company, proposed by any party, or approved by the Commission.

16

² Rhode Island General Laws § 39-1-27.7.1(c)(1) provides that the Company’s proposal must include a “revenue decoupling mechanism that reconciles annually the revenue requirement allowed in the [C]ompany’s base distribution-rate case to revenues actually received for the applicable twelve-month (12) period.” Effective June 19, 2023, the General Assembly amended Rhode Island General Laws § 39-1-27.7.1(c)(1) by striking out qualifying language that required “the mechanism for gas distribution ... be determined on a revenue-per-customer basis, in a manner typically employed for gas distribution companies in the industry.”

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

2 **Q. What are the results of the RDM reconciliation for the year ending March 31, 2024?**

3 A. For the reconciliation period April 2023 through March 2024, the Company has
4 calculated a net under-recovery of target revenue of approximately \$16.2M as
5 summarized in Schedule NECO-1. This net under-recovery will be recovered from
6 customers included in the RDM through the RDA factor, which the Company will
7 propose to go into effect November 1, 2024, pursuant to its DAC filing to be made
8 August 1, 2024.

9
10 **Q. What are the drivers for the net under-recovery?**

11 A. As shown in Schedule NECO-1, the Company's net under-recovery of approximately
12 \$16.2M was driven by an approximately \$14.3M combined under-recovery for the
13 Residential RDM groups and an approximately \$1.8M combined under-recovery for the
14 Small and Medium C&I RDM groups. The total under-recovery for the RDM rate
15 classes was driven by a decrease in actual revenue due to warmer than normal weather.³

16

³ Overall, FY 2024 weather was approximately 6.3 percent warmer than normal and 6.1 percent colder than FY 2023, as shown in Schedule NECO-3.

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V. Bill Impacts

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

A. No, the Company is not presenting bill impact information at this time. Because the RDA factor will be proposed in the DAC filing along with several other factors, the bill impact of an RDA factor on a stand-alone basis provides limited information as to the cumulative impact of the change in the overall DAC. Rather, the Company will submit bill impacts for the cumulative impact of all its proposed DAC factors, including the RDA factor, with its August 30, 2024 Supplemental DAC filing.

VI. Conclusion

Q. Does this conclude your testimony?

A. Yes.

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

(1)	Residential Non-Heat (incl Low Income)	\$57,911
(2)	Residential Heat (incl Low Income)	\$14,281,428
(3)	Small C&I	\$1,332,766
(4)	Medium C&I	\$487,353
(5)	FY 2024 Net Under Recovery of Target Revenue	<u>\$16,159,458</u>

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

RDM Reconciliation by Rate Class by Month

	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
	30 (a)	31 (b)	30 (c)	31 (d)	31 (e)	30 (f)	31 (g)	30 (h)	31 (i)	31 (j)	29 (k)	31 (l)
Residential Non-Heat												
(1) Benchmark Revenue Per Customer (RPC)	\$29.05	\$23.50	\$20.12	\$18.90	\$19.00	\$18.53	\$19.37	\$21.66	\$25.85	\$28.85	\$28.14	\$33.85
(2) Beginning Balance Under/(Over) Recovery	\$0	\$47,263	\$65,759	\$55,685	\$43,375	\$47,973	\$41,169	\$27,267	\$26,504	\$40,231	\$17,508	\$1,677
(3) Actual Number of Customers	13,924	13,889	13,895	13,933	13,478	13,532	13,664	13,664	13,593	13,972	13,987	13,972
(4) Actual Base Revenue	\$357,345	\$308,194	\$291,946	\$273,901	\$251,735	\$257,788	\$277,386	\$296,869	\$347,063	\$425,974	\$409,474	\$403,961
(5) Revenue Adjustment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(6) Adjusted Base Revenue	\$357,345	\$308,194	\$291,946	\$273,901	\$251,735	\$257,788	\$277,386	\$296,869	\$347,063	\$425,974	\$409,474	\$403,961
(7) Actual Base Revenue Per Customer	\$25.66	\$22.19	\$21.01	\$19.66	\$18.68	\$19.05	\$20.41	\$21.73	\$24.88	\$30.49	\$29.28	\$28.91
(8) RPC Variance (Benchmark-Actual)	\$3.39	\$1.31	(\$0.89)	(\$0.76)	\$0.32	(\$0.52)	(\$1.04)	(\$0.07)	\$0.97	(\$1.64)	(\$1.14)	\$4.94
(9) Monthly Under/(Over) Recovery of RPC	\$47,147	\$18,198	(\$12,379)	(\$10,568)	\$4,347	(\$7,040)	(\$14,090)	(\$907)	\$13,545	(\$22,882)	(\$15,880)	\$68,992
(10) Preliminary Ending Balance	\$47,147	\$65,461	\$53,380	\$43,117	\$47,722	\$40,932	\$27,080	\$26,361	\$40,048	\$17,349	\$1,628	\$70,669
(11) Average Balance	\$23,574	\$56,362	\$59,569	\$48,401	\$45,548	\$44,433	\$34,124	\$26,814	\$33,276	\$28,790	\$9,568	\$36,173
(12) BK America Rate less 200 Basis Points	6.00%	6.23%	6.25%	6.29%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
(13) Interest Applied	\$116	\$297	\$305	\$258	\$251	\$237	\$188	\$143	\$183	\$159	\$49	\$199
(14) Ending Balance Under/(Over) Recovery	\$47,263	\$65,759	\$53,685	\$43,375	\$47,973	\$41,169	\$27,267	\$26,504	\$40,231	\$17,508	\$1,677	\$70,868
Residential Non-Heat Low Income												
(15) Benchmark Revenue Per Customer (RPC)	\$29.05	\$23.50	\$20.12	\$18.90	\$19.00	\$18.53	\$19.37	\$21.66	\$25.85	\$28.85	\$28.14	\$33.85
(16) Beginning Balance Under/(Over) Recovery	\$0	\$10,764	\$10,302	\$7,347	\$4,906	\$3,813	\$1,981	\$1,187	(\$1,099)	(\$7,042)	(\$8,451)	(\$13,118)
(17) Actual Number of Customers	1,009	1,020	969	949	959	940	941	925	659	675	695	715
(18) Actual Base Revenue	\$18,574	\$24,487	\$22,496	\$20,411	\$19,338	\$19,265	\$19,030	\$22,322	\$22,956	\$20,840	\$24,169	\$23,970
(19) Revenue Adjustment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(20) Adjusted Base Revenue	\$18,574	\$24,487	\$22,496	\$20,411	\$19,338	\$19,265	\$19,030	\$22,322	\$22,956	\$20,840	\$24,169	\$23,970
(21) Actual Base Revenue Per Customer	\$18.41	\$24.01	\$23.22	\$21.51	\$20.16	\$20.49	\$20.22	\$24.13	\$34.83	\$30.87	\$34.78	\$33.52
(22) RPC Variance (Benchmark-Actual)	\$10.64	(\$0.51)	(\$3.10)	(\$2.61)	(\$1.16)	(\$1.96)	(\$0.85)	(\$2.47)	(\$8.98)	(\$2.02)	(\$6.64)	\$0.33
(23) Monthly Under/(Over) Recovery of RPC	\$10,737	(\$10,737)	(\$22,999)	(\$24,744)	(\$1,117)	(\$1,847)	(\$803)	(\$2,286)	(\$5,921)	(\$1,366)	(\$4,612)	\$23
(24) Preliminary Ending Balance	\$10,737	\$10,246	\$7,302	\$4,873	\$3,789	\$1,966	\$1,178	(\$1,099)	(\$7,020)	(\$8,409)	(\$13,063)	(\$12,886)
(25) Average Balance	\$53,669	\$10,505	\$8,802	\$6,110	\$4,347	\$2,889	\$1,580	\$44	(\$4,060)	(\$7,726)	(\$10,757)	(\$13,002)
(26) BK America Rate less 200 Basis Points	6.00%	6.23%	6.25%	6.29%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
(27) Interest Applied	\$26	\$55	\$45	\$33	\$24	\$15	\$9	\$0	(\$22)	(\$43)	(\$55)	(\$72)
(28) Ending Balance Under/(Over) Recovery	\$10,764	\$10,302	\$7,347	\$4,906	\$3,813	\$1,981	\$1,187	(\$1,099)	(\$7,042)	(\$8,451)	(\$13,118)	(\$12,957)
Residential Non-Heat (incl Low Income)												
(29) Benchmark Revenue Per Customer (RPC)	\$29.05	\$23.50	\$20.12	\$18.90	\$19.00	\$18.53	\$19.37	\$21.66	\$25.85	\$28.85	\$28.14	\$33.85
(30) Beginning Balance Under/(Over) Recovery	\$0	\$38,027	\$76,060	\$61,032	\$48,281	\$51,785	\$43,150	\$28,454	\$25,404	\$33,189	\$9,056	(\$11,441)
(31) Actual Number of Customers	14,933	14,909	14,864	14,882	14,437	14,472	14,534	14,589	14,609	14,647	14,682	14,687
(32) Adjusted Base Revenue	\$375,919	\$332,681	\$314,442	\$294,312	\$271,073	\$277,053	\$296,416	\$319,191	\$370,019	\$446,815	\$433,643	\$427,931
(33) Actual Base Revenue Per Customer	\$25.17	\$22.31	\$21.15	\$19.78	\$18.78	\$19.14	\$20.39	\$21.88	\$25.33	\$30.51	\$29.54	\$29.14
(34) RPC Variance (Benchmark-Actual)	\$3.88	\$1.19	(\$1.03)	(\$0.88)	\$0.22	(\$0.61)	(\$1.02)	(\$0.22)	\$0.52	(\$1.66)	(\$1.40)	\$4.71
(35) Monthly Under/(Over) Recovery of RPC	\$57,884	\$17,681	(\$13,378)	(\$13,042)	\$3,230	(\$8,893)	(\$3,193)	\$7,624	(\$24,249)	(\$20,491)	(\$20,491)	\$69,224
(36) Preliminary Ending Balance	\$57,884	\$75,707	\$60,682	\$47,990	\$51,511	\$42,898	\$28,258	\$25,261	\$33,028	\$8,940	(\$11,435)	\$57,783
(37) Average Balance	\$28,942	\$66,867	\$68,371	\$54,511	\$49,896	\$47,342	\$35,704	\$26,858	\$29,216	\$21,065	(\$1,189)	\$23,171
(38) BK America Rate less 200 Basis Points	6.00%	6.23%	6.25%	6.29%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
(39) Interest Applied	\$142	\$353	\$350	\$275	\$252	\$237	\$197	\$143	\$161	\$116	(\$6)	\$128
(40) Ending Balance Under/(Over) Recovery	\$58,027	\$76,060	\$61,032	\$48,281	\$51,785	\$43,150	\$28,454	\$25,404	\$33,189	\$9,056	(\$11,441)	\$57,911
(1) NESCO-4, Line (4)	(10) Line (2) + Line (9)			(20) Line (18) + Line (19)			(29) NESCO-4, Line (4)					
(2) Line (14)	(11) [Line (2) + Line (10)] ÷ 2			(21) Line (20) ÷ Line (17)			(30) Col (a): Line (2) + Line (16)					
(3) Company's billing system	(13) [Line (11) x Line (12)] ÷ 366 x # days			(22) Line (15) - Line (21)			Col (b)-(i): Line (40)					
(4) Company's billing system	(14) Line (10) + Line (13)			(23) Line (17) x Line (22)			(31) Line (3) + Line (17)					
(5) NESCO-4, Line (5)	(15) NESCO-4, Line (4)			(24) Line (16) + Line (23)			(32) Line (6) + Line (20)					
(6) Line (4) + Line (3)	(16) Line (28)			(25) [Line (16) + Line (24)] ÷ 2			(33) Line (32) + Line (31)					
(7) Line (1) - Line (7)	(17) Company's billing system			(27) [Line (25) x Line (26)] ÷ 366 x # days			(34) Line (29) - Line (33)					
(8) Line (3) x Line (8)	(18) Company's billing system			(28) Line (24) + Line (27)			(35) Line (31) * Line (34)					

		Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
		30 (a)	31 (b)	30 (c)	31 (d)	31 (e)	31 (f)	31 (g)	30 (h)	31 (i)	31 (j)	29 (k)	31 (l)
Residential Heating													
(41)	Benchmark Revenue Per Customer (RPC)	\$69.09	\$40.90	\$28.74	\$24.47	\$23.50	\$24.40	\$26.86	\$46.24	\$74.10	\$98.40	\$106.42	\$94.39
(42)	Beginning Balance Under/(Over) Recovery	\$0	\$914,627	\$1,499,997	\$1,654,767	\$1,584,102	\$1,963,186	\$2,292,788	\$2,467,258	\$3,602,201	\$4,674,037	\$6,512,756	\$10,220,853
(43)	Actual Number of Customers	211,539	210,558	210,574	211,120	211,190	211,886	213,343	214,733	219,005	219,323	218,939	218,927
(44)	Actual Base Revenue	\$13,702,847	\$8,032,806	\$5,905,187	\$5,245,376	\$4,593,619	\$4,851,725	\$5,568,990	\$8,810,437	\$15,179,154	\$19,773,374	\$19,634,372	\$17,938,992
(45)	Revenue Adjustment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(46)	Adjusted Base Revenue	\$13,702,847	\$8,032,806	\$5,905,187	\$5,245,376	\$4,593,619	\$4,851,725	\$5,568,990	\$8,810,437	\$15,179,154	\$19,773,374	\$19,634,372	\$17,938,992
(47)	Actual Base Revenue Per Customer	\$64.78	\$38.15	\$28.04	\$24.85	\$22.90	\$23.00	\$26.10	\$41.03	\$69.31	\$90.16	\$89.68	\$81.94
(48)	RPC Variance (Benchmark-Actual)	\$4.31	\$2.75	\$0.70	(\$0.38)	\$1.75	\$1.50	\$0.76	\$5.21	\$8.24	\$8.24	\$16.74	\$12.45
(49)	Monthly Under/(Over) Recovery of RPC	\$912,383	\$579,016	\$146,710	(\$79,270)	\$369,346	\$318,294	\$161,403	\$1,118,817	\$1,049,117	\$1,808,010	\$3,665,116	\$2,725,528
(50)	Preliminary Ending Balance	\$912,383	\$1,493,643	\$1,640,353	\$1,575,491	\$1,953,448	\$2,281,480	\$2,454,191	\$3,586,075	\$4,635,117	\$6,443,137	\$10,177,873	\$12,946,381
(51)	Average Balance	\$456,191	\$1,204,135	\$1,573,352	\$1,615,132	\$1,768,775	\$2,122,333	\$2,373,489	\$3,026,666	\$4,126,759	\$5,578,042	\$8,345,314	\$11,583,617
(52)	Bk America Rate less 200 Basis Points	6.00%	6.23%	6.25%	6.29%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
(53)	Interest Applied	\$2,244	\$6,354	\$8,060	\$8,605	\$9,738	\$11,308	\$13,067	\$16,126	\$22,720	\$30,710	\$42,981	\$63,773
(54)	Ending Balance Under/(Over) Recovery	\$914,627	\$1,499,997	\$1,654,767	\$1,584,102	\$1,963,186	\$2,292,788	\$2,467,258	\$3,602,201	\$4,674,037	\$6,512,756	\$10,220,853	\$13,010,155
Residential Heating - Low Income													
(55)	Benchmark Revenue Per Customer (RPC)	\$69.09	\$40.90	\$28.74	\$24.47	\$23.50	\$24.40	\$26.86	\$46.24	\$74.10	\$98.40	\$106.42	\$94.39
(56)	Beginning Balance Under/(Over) Recovery	\$0	\$375,345	\$446,568	\$420,901	\$404,639	\$435,335	\$445,426	\$454,687	\$551,699	\$433,019	\$600,860	\$991,748
(57)	Actual Number of Customers	22,609	23,293	23,067	22,783	23,443	23,032	22,294	22,085	18,645	18,754	19,499	19,861
(58)	Actual Base Revenue	\$1,187,632	\$883,624	\$690,829	\$575,955	\$522,521	\$554,230	\$592,027	\$926,872	\$1,502,978	\$1,680,390	\$1,688,287	\$1,601,366
(59)	Revenue Adjustment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(60)	Adjusted Base Revenue	\$1,187,632	\$883,624	\$690,829	\$575,955	\$522,521	\$554,230	\$592,027	\$926,872	\$1,502,978	\$1,680,390	\$1,688,287	\$1,601,366
(61)	Actual Base Revenue Per Customer	\$52.53	\$37.94	\$29.95	\$25.28	\$22.29	\$24.06	\$26.56	\$41.97	\$80.61	\$89.60	\$86.58	\$80.63
(62)	RPC Variance (Benchmark-Actual)	\$16.56	\$2.96	(\$1.21)	(\$0.81)	\$1.21	\$0.34	\$0.30	\$4.27	(\$6.51)	\$8.80	\$19.84	\$13.76
(63)	Monthly Under/(Over) Recovery of RPC	\$374,424	\$69,060	(\$27,883)	(\$18,455)	\$28,390	\$77,51	\$6,790	\$94,339	(\$121,383)	\$165,003	\$386,797	\$273,313
(64)	Preliminary Ending Balance	\$374,424	\$444,405	\$418,685	\$402,446	\$433,029	\$443,086	\$452,216	\$549,025	\$430,316	\$598,022	\$987,657	\$1,265,061
(65)	Average Balance	\$187,212	\$409,875	\$432,626	\$411,673	\$418,834	\$439,210	\$448,821	\$501,856	\$491,007	\$515,521	\$794,259	\$1,128,404
(66)	Bk America Rate less 200 Basis Points	6.00%	6.23%	6.25%	6.29%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
(67)	Interest Applied	\$921	\$2,163	\$2,216	\$2,193	\$2,306	\$2,340	\$2,471	\$2,674	\$2,703	\$2,838	\$4,091	\$6,212
(68)	Ending Balance Under/(Over) Recovery	\$375,345	\$446,568	\$420,901	\$404,639	\$435,335	\$445,426	\$454,687	\$551,699	\$433,019	\$600,860	\$991,748	\$1,271,274
Residential Heat (incl Low Income)													
(69)	Benchmark Revenue Per Customer (RPC)	\$69.09	\$40.90	\$28.74	\$24.47	\$23.50	\$24.40	\$26.86	\$46.24	\$74.10	\$98.40	\$106.42	\$94.39
(70)	Beginning Balance Under/(Over) Recovery	\$0	\$1,289,972	\$1,946,564	\$2,075,668	\$1,988,741	\$2,398,521	\$2,738,213	\$2,921,944	\$4,153,900	\$5,107,056	\$7,113,617	\$11,212,601
(71)	Actual Number of Customers	234,148	233,851	233,641	233,903	234,633	234,918	235,637	236,818	237,650	238,077	238,438	238,788
(72)	Adjusted Base Revenue	\$14,890,478	\$8,916,430	\$6,596,015	\$5,821,331	\$5,116,140	\$5,405,954	\$6,161,017	\$9,737,308	\$16,682,132	\$21,453,764	\$21,322,659	\$19,540,358
(73)	Actual Base Revenue Per Customer	\$63.59	\$38.13	\$28.23	\$24.89	\$21.80	\$23.01	\$26.15	\$41.12	\$70.20	\$90.11	\$89.43	\$81.83
(74)	RPC Variance (Benchmark-Actual)	\$5.50	\$2.77	\$0.51	(\$0.42)	\$1.70	\$1.39	\$0.71	\$5.12	\$3.90	\$8.29	\$16.99	\$12.56
(75)	Monthly Under/(Over) Recovery of RPC	\$1,286,807	\$648,076	\$118,827	(\$97,725)	\$397,736	\$326,045	\$168,193	\$1,213,156	\$927,733	\$1,973,013	\$4,051,913	\$2,998,841
(76)	Preliminary Ending Balance	\$1,286,807	\$1,938,048	\$2,057,391	\$1,977,943	\$2,386,477	\$2,724,566	\$2,906,406	\$4,135,100	\$5,081,633	\$7,080,069	\$11,165,530	\$14,211,442
(77)	Average Balance	\$643,404	\$1,614,010	\$2,005,978	\$2,026,806	\$2,187,609	\$2,561,543	\$2,822,310	\$3,528,522	\$4,617,766	\$6,093,562	\$9,139,573	\$12,712,022
(78)	Bk America Rate less 200 Basis Points	6.00%	6.23%	6.25%	6.29%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
(79)	Interest Applied	\$3,164	\$8,517	\$10,277	\$10,798	\$12,044	\$13,648	\$15,538	\$18,800	\$25,423	\$33,548	\$47,071	\$69,986
(80)	Ending Balance Under/(Over) Recovery	\$1,289,972	\$1,946,564	\$2,075,668	\$1,988,741	\$2,398,521	\$2,738,213	\$2,921,944	\$4,153,900	\$5,107,056	\$7,113,617	\$11,212,601	\$14,281,428
(41)	NECO-4, Line (8)	(76) Line (70) + Line (75)											
(42)	Line (54)	(77) [Line (70) + Line (76)] / 2											
(43)	Company's billing system	(79) [Line (77) x Line (78)] ÷ 366 x # days											
(44)	Company's billing system	(80) Line (76) + Line (79)											
(46)	Line (44) + Line (45)	(71) Line (43) + Line (57)											
(47)	Line (46) ÷ Line (43)	(72) Line (46) + Line (60)											
(48)	Line (41) - Line (47)	(73) Line (72) ÷ Line (71)											
(49)	Line (43) x Line (48)	(74) Line (69) - Line (73)											
(50)	Line (42) + Line (49)	(75) Line (74) x Line (71)											
(51)	[Line (42) x Line (50)] ÷ 2	(69) NECO-4, Line (8)											
(53)	[Line (51) x Line (52)] ÷ 366 x # days	(70) Col (a): Line (42) + Line (56)											
(54)	Line (50) + Line (53)	Col (b)-(f): Line (80)											
(55)	NECO-4, Line (8)	(71) Line (43) + Line (57)											
(56)	Line (68)	(72) Line (46) + Line (60)											
(57)	Company's billing system	(73) Line (72) ÷ Line (71)											
(58)	Company's billing system	(74) Line (69) - Line (73)											
(59)	Company's billing system	(75) Line (74) x Line (71)											

	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
	30 (a)	31 (b)	30 (c)	31 (d)	31 (e)	30 (f)	31 (g)	30 (h)	31 (i)	31 (j)	29 (k)	31 (l)
Small C&I												
(81) Benchmark Revenue Per Customer (RPC)	\$102.48	\$56.96	\$45.63	\$37.65	\$36.69	\$38.45	\$41.23	\$62.24	\$111.42	\$144.91	\$150.97	\$139.11
(82) Beginning Balance Under/(Over) Recovery	\$0	\$18,472	\$143,610	\$299,784	\$265,762	\$357,299	\$433,886	\$498,227	\$568,370	\$754,105	\$894,957	\$1,071,334
(83) Actual Number of Customers	19,118	19,080	18,982	18,915	19,143	19,166	19,223	19,462	19,590	19,638	19,673	19,708
(84) Actual Base Revenue	\$1,841,032	\$1,062,349	\$711,107	\$747,674	\$612,530	\$662,447	\$730,782	\$1,144,006	\$2,000,613	\$2,709,417	\$2,798,707	\$2,486,747
(85) Revenue Adjustment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(86) Adjusted Base Revenue	\$1,841,032	\$1,062,349	\$711,107	\$747,674	\$612,530	\$662,447	\$730,782	\$1,144,006	\$2,000,613	\$2,709,417	\$2,798,707	\$2,486,747
(87) Actual Base Revenue Per Customer	\$96.30	\$55.68	\$37.46	\$39.53	\$32.00	\$34.56	\$38.02	\$58.78	\$102.12	\$137.97	\$142.26	\$126.18
(88) RPC Variance (Benchmark-Actual)	\$6.18	\$1.28	\$8.17	(\$1.88)	\$4.69	\$3.89	\$3.21	\$3.46	\$9.30	\$6.94	\$8.71	\$12.93
(89) Monthly Under/(Over) Recovery of RPC	\$118,181	\$24,448	\$155,042	(\$35,525)	\$89,826	\$74,486	\$61,782	\$67,309	\$182,105	\$136,326	\$171,326	\$254,832
(90) Preliminary Ending Balance	\$118,181	\$142,920	\$298,651	\$264,259	\$355,588	\$431,784	\$495,668	\$565,536	\$750,474	\$890,430	\$1,066,283	\$1,326,166
(91) Average Balance	\$59,091	\$130,696	\$221,130	\$282,022	\$310,675	\$394,541	\$464,777	\$531,881	\$659,422	\$822,267	\$980,620	\$1,198,750
(92) BK America Rate less 200 Basis Points	6.00%	6.23%	6.25%	6.29%	6.29%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
(93) Interest Applied	\$291	\$690	\$1,133	\$1,502	\$1,710	\$2,102	\$2,559	\$2,834	\$3,630	\$4,527	\$5,050	\$6,000
(94) Ending Balance Under/(Over) Recovery	\$118,472	\$143,610	\$299,784	\$265,762	\$357,299	\$433,886	\$498,227	\$568,370	\$754,105	\$894,957	\$1,071,334	\$1,332,766
Medium C&I												
(95) Benchmark Revenue Per Customer (RPC)	\$482.08	\$373.66	\$292.56	\$296.61	\$300.67	\$287.02	\$317.68	\$380.01	\$522.48	\$624.77	\$604.14	\$588.19
(96) Beginning Balance Under/(Over) Recovery	\$0	(\$134,497)	\$99,850	\$201,656	\$313,914	\$364,050	\$399,486	\$480,076	\$649,070	\$566,035	\$579,494	\$418,563
(97) Actual Number of Customers	5,160	5,155	5,155	5,156	4,921	4,909	4,920	4,939	4,953	4,960	4,964	4,973
(98) Actual Base Revenue	\$2,621,700	\$1,691,779	\$1,407,111	\$1,418,432	\$1,431,322	\$1,375,574	\$1,484,810	\$1,710,875	\$2,674,214	\$3,088,545	\$3,162,446	\$2,858,765
(99) Revenue Adjustment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(100) Adjusted Base Revenue	\$2,621,700	\$1,691,779	\$1,407,111	\$1,418,432	\$1,431,322	\$1,375,574	\$1,484,810	\$1,710,875	\$2,674,214	\$3,088,545	\$3,162,446	\$2,858,765
(101) Actual Base Revenue Per Customer	\$508.08	\$328.18	\$272.96	\$275.10	\$290.86	\$280.21	\$301.79	\$346.40	\$539.92	\$622.69	\$637.08	\$574.86
(102) RPC Variance (Benchmark-Actual)	(\$26.00)	\$45.48	\$19.60	\$21.51	\$9.81	\$6.81	\$15.89	\$33.61	(\$17.44)	\$2.08	(\$32.94)	\$13.33
(103) Monthly Under/(Over) Recovery of RPC	(\$134,167)	\$234,438	\$101,036	\$110,889	\$48,275	\$33,407	\$78,175	\$165,995	(\$86,371)	\$10,314	(\$163,495)	\$66,303
(104) Preliminary Ending Balance	(\$134,167)	\$99,941	\$200,886	\$312,545	\$362,189	\$397,457	\$477,661	\$646,070	\$562,700	\$576,350	\$416,000	\$484,866
(105) Average Balance	(\$67,084)	(\$17,278)	\$150,368	\$257,100	\$338,052	\$380,754	\$438,573	\$563,073	\$605,885	\$571,192	\$497,747	\$451,715
(106) BK America Rate less 200 Basis Points	6.00%	6.23%	6.25%	6.29%	6.29%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
(107) Interest Applied	(\$330)	\$99,850	\$770	\$1,370	\$1,861	\$2,029	\$2,415	\$3,000	\$3,336	\$3,145	\$2,564	\$2,487
(108) Ending Balance Under/(Over) Recovery	(\$134,497)	\$99,850	\$201,656	\$313,914	\$364,050	\$399,486	\$480,076	\$649,070	\$566,035	\$579,494	\$418,563	\$487,553
(81) NECO-4, Line (12)	(105) [Line (96) + Line (104)] ÷ 2											
(82) Line (94)	(107) [Line (105) x Line (106)] ÷ 366 x # days											
(83) Company's billing system	(108) Line (104) + Line (107)											
(84) Company's billing system	(100) Line (98) + Line (99)											
(85) Company's billing system	(101) Line (100) ÷ Line (97)											
(86) Line (84) + Line (85)	(102) Line (95) - Line (101)											
(87) Line (86) ÷ Line (85)	(103) Line (97) x Line (102)											
(88) Line (81) - Line (87)	(104) Line (96) + Line (103)											

Actual vs. Normal Billing Degree Day Comparison for April 2023 - March 2024

<u>Month/Year</u>		<u>Actual Billing Degree Days</u>	<u>Normal Billing Degree Days</u>
		(a)	(b)
(1)	Apr-23	618	676
(2)	May-23	336	330
(3)	Jun-23	177	107
(4)	Jul-23	31	13
(5)	Aug-23	0	1
(6)	Sep-23	8	20
(7)	Oct-23	143	157
(8)	Nov-23	432	446
(9)	Dec-23	756	753
(10)	Jan-24	889	998
(11)	Feb-24	918	1,021
(12)	Mar-24	778	910
(13)	Total	5,087	5,432
(14)	Degree Day Difference		345
(15)	Degree Day Difference (%)		-6.3%
(16)	Actual Billing Degree Days (FY 2023)		4,796
(17)	Degree Day Difference (FY 2024 vs. FY 2023)		291
(18)	Degree Day Difference (%)		6.1%

Source: Normal Heating Degree Day Report

- (13) Sum [Lines (1):(12)]
- (14) Abs [Column (a), Line (13) - Column (b), Line (13)]
- (15) [Column (a), Line (13) ÷ Column (b), Line (13)] - 1
- (16) Docket No. 23-23-NG, Schedule PRB/TGS-6, Page 18 of 19, Column (a), Line (13)
- (17) Abs [Column (a), Line (13) - Line (16)]
- (18) [Column (a), Line (13) ÷ Line (16)] - 1

Gas Revenue Decoupling Targets Approved in Docket No. 5040

	Apr-23 (h)	May-23 (i)	Jun-23 (j)	Jul-23 (k)	Aug-23 (l)	Sep-23 (a)	Oct-23 (b)	Nov-23 (c)	Dec-23 (d)	Jan-24 (e)	Feb-24 (f)	Mar-24 (g)	Total (m)
(1) Residential Non-Heat (incl Low-Income)													
(2) Number of Customers	18,286	18,218	18,198	17,532	16,963	18,202	18,263	18,319	18,364	18,358	18,349	18,334	
(3) Actual Revenue	\$531,272	\$428,129	\$366,174	\$331,405	\$322,265	\$337,192	\$353,697	\$396,720	\$474,792	\$529,580	\$516,330	\$620,557	\$5,208,111
(4) RPC	\$29.05	\$23.50	\$20.12	\$18.90	\$19.00	\$18.53	\$19.37	\$21.66	\$25.85	\$28.85	\$28.14	\$33.85	
(5) Residential Heating (incl Low-Income)													
(6) Number of Customers	228,665	228,030	227,615	227,807	228,217	224,509	225,664	227,078	227,977	228,494	228,682	228,871	
(7) Actual Revenue	\$15,798,176	\$9,327,441	\$6,542,019	\$5,574,647	\$5,353,735	\$5,478,848	\$6,060,914	\$10,500,865	\$16,892,215	\$22,483,715	\$24,337,334	\$21,604,114	\$149,964,024
(8) RPC	\$69.09	\$40.90	\$28.74	\$24.47	\$23.50	\$24.40	\$26.86	\$46.24	\$74.10	\$98.40	\$106.42	\$94.39	
(9) Small													
(10) Number of Customers	19,108	19,002	18,893	18,795	18,877	18,529	18,687	18,958	19,127	19,187	19,210	19,224	
(11) Actual Revenue	\$1,958,269	\$1,082,447	\$862,001	\$707,685	\$692,561	\$712,467	\$770,442	\$1,179,865	\$2,131,114	\$2,780,449	\$2,900,050	\$2,674,221	\$18,451,570
(12) RPC	\$102.48	\$56.96	\$45.63	\$37.65	\$36.69	\$38.45	\$41.23	\$62.24	\$111.42	\$144.91	\$150.97	\$139.11	
(13) Medium C&I													
(14) Number of Customers	5,277	5,265	5,262	5,260	5,182	5,221	5,252	5,258	5,270	5,273	5,277	5,280	
(15) Actual Revenue	\$2,543,927	\$1,967,311	\$1,539,456	\$1,560,187	\$1,558,074	\$1,498,552	\$1,668,447	\$1,998,082	\$2,753,482	\$3,294,391	\$3,188,043	\$3,105,657	\$26,675,610
(16) RPC	\$482.08	\$373.66	\$292.56	\$296.61	\$300.67	\$287.02	\$317.68	\$380.01	\$522.48	\$624.77	\$604.14	\$588.19	

Schedule DAC-7

Infrastructure, Safety, and Reliability Reconciliation Factors

The Narragansett Electric Company
d/b/a Rhode Island Energy
FY 24 ISR Reconciliation Factors
Effective November 1, 2024

(1)	Revenue Requirement (a)	Rate Class (b)	Rate Base Allocator % (c)	Allocation to Rate Class (d)	Actual Revenue (e)	Under/(Over) Recovery (f)	ISR Recon. Under/(Over) Recovery (g)	Total Under/(Over) Recovery by Rate Class (h)	Forecasted Throughput (dth) (i)	ISR Recon (dth) (j)	ISR Recon (therm) (k)
(2)	\$61,351,854										
(3)		Residential	66.59%	\$40,854,199	\$32,984,608	\$7,869,591	\$1,154,081	\$9,023,672	19,794,887	\$0.4558	\$0.0455
(4)		Small	8.04%	\$4,932,689	\$4,162,420	\$770,269	\$85,769	\$856,038	2,480,602	\$0.3450	\$0.0345
(5)		Medium	12.23%	\$7,503,332	\$6,201,290	\$1,302,042	\$239,387	\$1,541,429	5,676,752	\$0.2715	\$0.0271
(6)		Large LL	5.57%	\$3,417,298	\$2,691,396	\$725,902	\$84,253	\$810,156	2,841,539	\$0.2851	\$0.0285
(7)		Large HL	2.25%	\$1,380,417	\$1,095,542	\$284,875	\$23,039	\$307,914	1,162,022	\$0.2649	\$0.0264
(8)		XL-LL	0.97%	\$595,113	\$493,710	\$101,403	(\$6,160)	\$95,242	1,280,994	\$0.0743	\$0.0074
(9)		XL-HL	4.35%	\$2,668,806	\$2,319,332	\$349,474	\$50,496	\$399,970	5,900,191	\$0.0677	\$0.0067
(10)		Total	100.00%	\$61,351,854	\$49,948,298	\$11,403,556	\$1,630,865	\$13,034,422	39,136,986		

(a) Total Fiscal Year Revenue Requirement net of Tax Hold Harmless Adjustment per RIPUC Docket No. 22-54-NG, FY 2024 Gas Infrastructure, Safety, and Reliability Plan Reconciliation Filing, Attachment SAB/JDO-1, Page 1 of 32, Column (b), Line 15.

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

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

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

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

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

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

(i) Per Company Forecast

(j) Column (h) ÷ Column (i)

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

The Narragansett Electric Company
d/b/a Rhode Island Energy
FY 2024 Gas ISR

	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Total
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
	Prorated	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	
(1) Res-NH	\$1,8036	\$1,8880	\$1,8880	\$1,8880	\$1,8880	\$1,8880	\$1,8880	\$1,8880	\$1,8880	\$1,8880	\$1,8880	\$1,8880	\$1,8880
(2) Res-H	\$1,8036	\$1,8880	\$1,8880	\$1,8880	\$1,8880	\$1,8880	\$1,8880	\$1,8880	\$1,8880	\$1,8880	\$1,8880	\$1,8880	\$1,8880
(3) Small	\$1,7902	\$1,8640	\$1,8640	\$1,8640	\$1,8640	\$1,8640	\$1,8640	\$1,8640	\$1,8640	\$1,8640	\$1,8640	\$1,8640	\$1,8640
(4) Medium	\$1,1585	\$1,2240	\$1,2240	\$1,2240	\$1,2240	\$1,2240	\$1,2240	\$1,2240	\$1,2240	\$1,2240	\$1,2240	\$1,2240	\$1,2240
(5) Large LL	\$1,0724	\$1,1160	\$1,1160	\$1,1160	\$1,1160	\$1,1160	\$1,1160	\$1,1160	\$1,1160	\$1,1160	\$1,1160	\$1,1160	\$1,1160
(6) Large HL	\$0,9267	\$0,9540	\$0,9540	\$0,9540	\$0,9540	\$0,9540	\$0,9540	\$0,9540	\$0,9540	\$0,9540	\$0,9540	\$0,9540	\$0,9540
(7) XL-LL	\$0,4373	\$0,4400	\$0,4400	\$0,4400	\$0,4400	\$0,4400	\$0,4400	\$0,4400	\$0,4400	\$0,4400	\$0,4400	\$0,4400	\$0,4400
(8) XL-HL	\$0,4130	\$0,4350	\$0,4350	\$0,4350	\$0,4350	\$0,4350	\$0,4350	\$0,4350	\$0,4350	\$0,4350	\$0,4350	\$0,4350	\$0,4350
RI Firm Throughput (dth)													
(9) Res-NH	29,602	19,928	16,142	13,228	11,461	11,821	15,386	18,457	28,626	37,537	37,626	35,811	275,625
(10) Res-H	1,999,807	991,539	608,575	455,496	365,971	392,866	536,854	1,147,757	2,282,617	3,027,051	3,047,244	2,729,339	17,585,116
(11) Small	258,711	116,688	50,763	54,242	32,999	40,721	53,779	134,573	294,059	419,097	442,791	379,702	2,278,127
(12) Medium	608,410	280,315	192,906	168,989	165,819	165,160	206,173	330,641	667,664	802,411	847,817	734,058	5,170,361
(13) Large LL	337,969	129,085	58,176	21,954	45,116	54,196	68,663	146,997	353,316	399,405	499,181	397,143	2,511,199
(14) Large HL	120,144	77,584	70,422	75,228	66,384	75,695	63,282	95,468	133,220	128,767	144,641	126,758	1,177,594
(15) XL-LL	150,739	34,188	15,492	284	19,826	24,401	31,921	87,608	211,596	175,391	254,951	166,377	1,172,773
(16) XL-HL	625,115	358,203	449,863	414,646	424,592	441,068	425,801	410,495	538,152	723,278	546,973	500,993	5,859,178
(17) Total	4,130,498	2,007,530	1,462,340	1,204,065	1,132,168	1,205,929	1,401,859	2,371,995	4,509,249	5,712,936	5,821,224	5,070,181	36,029,973
ISR Revenue													
(18) Res-NH	\$53,389	\$37,625	\$30,477	\$24,974	\$21,638	\$22,318	\$29,050	\$34,846	\$54,045	\$70,870	\$71,037,510	\$67,612	\$517,881
(19) Res-H	\$3,606,781	\$1,872,026	\$1,148,990	\$859,976	\$690,953	\$741,731	\$1,013,580	\$2,166,966	\$4,309,581	\$5,715,072	\$5,735,196	\$5,152,993	\$33,031,845
(20) Small	\$463,150	\$217,507	\$94,623	\$101,108	\$61,511	\$75,905	\$100,244	\$250,844	\$548,126	\$781,197	\$825,363	\$707,764	\$4,227,341
(21) Medium	\$704,814	\$343,105	\$236,117	\$206,842	\$202,963	\$202,156	\$252,356	\$404,704	\$817,221	\$982,150	\$1,037,728	\$898,487	\$6,288,643
(22) Large LL	\$362,442	\$144,059	\$64,924	\$26,350	\$30,350	\$60,483	\$76,627	\$164,099	\$394,301	\$445,735	\$557,086	\$443,211	\$2,787,766
(23) Large HL	\$111,339	\$74,015	\$67,183	\$71,767	\$63,331	\$72,213	\$60,371	\$91,076	\$127,092	\$122,844	\$132,987	\$120,927	\$1,120,147
(24) XL-LL	\$65,912	\$15,043	\$6,817	\$125	\$8,723	\$10,737	\$14,045	\$38,547	\$93,102	\$77,172	\$112,178	\$73,206	\$515,607
(25) XL-HL	\$258,200	\$155,818	\$195,690	\$180,371	\$184,697	\$191,865	\$185,223	\$178,565	\$234,096	\$314,626	\$237,933	\$217,932	\$2,535,017
(26) Total	\$5,626,028	\$2,859,197	\$1,844,820	\$1,469,663	\$1,284,165	\$1,377,406	\$1,731,498	\$3,329,598	\$6,577,564	\$8,509,667	\$8,732,510	\$7,682,131	\$51,024,246
Billing Adjustment													
(27) Res-NH	(\$7,598)	(\$83)	(\$65)	\$106	\$219	(\$36)	(\$92)	\$41	(\$23)	(\$47)	(\$37,0904)	(\$16)	(\$7,630)
(28) Res-H	(\$541,549)	(\$5,534)	(\$2,592)	(\$4,703)	\$548	\$3,569	(\$1,034)	\$2,702	(\$44)	\$9	(\$4,237)	(\$4,622)	(\$557,487)
(29) Small	(\$62,434)	(\$4,464)	\$2,886	\$2,121	\$2,121	\$943	(\$607)	\$317	(\$303)	\$47	(\$436)	(\$398)	(\$64,921)
(30) Medium	(\$132,094)	\$22,739	\$2,519	\$2,152	(\$1,835)	(\$1,662)	(\$836)	\$2,239	(\$2,406)	\$4,908	\$9,949	\$6,974	(\$87,354)
(31) Large LL	(\$60,602)	\$4,090	\$329	\$2,757	(\$2,562)	(\$2,885)	(\$3,070)	\$6,336	(\$21,879)	(\$6,773)	(\$7,285)	(\$4,827)	(\$96,370)
(32) Large HL	(\$12,484)	\$2,019	\$591	(\$275)	(\$117)	(\$264)	\$961	\$889	(\$12,955)	(\$2,643)	(\$327)	\$0	(\$24,605)
(33) XL-LL	(\$817)	(\$737)	(\$2,446)	(\$803)	(\$134)	\$33	\$4	\$843	(\$19,486)	\$804	\$3,984	(\$3,140)	(\$21,896)
(34) XL-HL	(\$70,864)	\$10,579	(\$333)	(\$469)	(\$628)	(\$784)	(\$739)	(\$1,631)	(\$138,600)	\$4,282	(\$16,135)	(\$363)	(\$215,685)
(35) Total	(\$888,441)	\$28,609	\$888	(\$3,830)	(\$2,387)	(\$1,085)	(\$5,412)	\$11,736	(\$195,696)	\$587	(\$14,524)	(\$6,393)	(\$1,075,948)
ISR Actual Revenue													
(36) Res-NH	\$45,791	\$37,542	\$30,412	\$25,079	\$21,857	\$22,283	\$28,957	\$34,887	\$54,022	\$70,824	\$71,000	\$67,596	\$510,250
(37) Res-H	\$3,065,232	\$1,866,492	\$1,146,397	\$855,273	\$691,501	\$745,299	\$1,012,546	\$2,169,668	\$4,309,538	\$5,715,081	\$5,748,959	\$5,148,371	\$32,474,358
(38) Small	\$400,716	\$213,043	\$97,509	\$98,515	\$63,631	\$76,848	\$99,638	\$251,161	\$547,823	\$781,244	\$824,927	\$707,366	\$4,162,420
(39) Medium	\$572,720	\$365,844	\$238,636	\$208,994	\$201,128	\$200,494	\$251,520	\$406,943	\$814,815	\$987,058	\$1,047,678	\$905,460	\$6,201,290
(40) Large LL	\$301,840	\$148,149	\$65,253	\$27,257	\$47,788	\$57,598	\$73,557	\$170,385	\$372,422	\$438,963	\$549,801	\$438,384	\$2,691,396
(41) Large HL	\$98,856	\$76,034	\$67,770	\$71,492	\$63,213	\$71,950	\$61,332	\$91,966	\$114,137	\$120,201	\$137,660	\$120,927	\$1,095,542
(42) XL-LL	\$65,094	\$14,305	\$4,374	(\$678)	\$8,590	\$10,769	\$14,050	\$39,391	\$77,976	\$116,162	\$70,066	\$493,710	\$2,319,332
(43) XL-HL	\$187,336	\$166,398	\$195,357	\$179,902	\$184,069	\$191,081	\$184,485	\$176,934	\$95,496	\$318,907	\$221,798	\$217,569	\$49,948,298
(44) Total	\$4,737,587	\$2,887,807	\$1,845,709	\$1,465,832	\$1,281,778	\$1,376,321	\$1,726,085	\$3,341,333	\$6,381,868	\$8,510,254	\$8,717,985	\$7,675,738	\$51,024,246
(1)-(8) Fiscal Year 2024 ISR Component per RIPUC Docket No. 22-54-NG													
(9)-(16) Col (a): Prorated for FY23 & FY24 ISR Component													
(17) Per Company Records													
(18) Line (1) x Line (9)													
(19) Line (2) x Line (10)													
(20) Line (3) x Line (11)													
(21) Line (4) x Line (12)													
(22) Line (5) x Line (13)													
(23) Line (6) x Line (14)													
(24) Line (7) x Line (15)													
(25) Line (8) x Line (16)													
(26) Billing adjustments due to cancellations and rebills													
(27)-(34) Line (18) + Line (27)													
(35) Line (19) + Line (28)													
(36) Line (20) + Line (29)													
(37) Line (21) + Line (30)													
(38) Line (22) + Line (31)													
(39) Line (23) + Line (32)													
(40) Line (24) + Line (33)													
(41) Line (25) + Line (34)													

Schedule DAC-8

Service Quality Performance Factor

**The Narragansett Electric Company
d/b/a Rhode Island Energy
Service Quality Performance Factor
Effective November 1, 2024**

(a)	(b)
(1) SQP Penalty - Meter Testing (Calendar Year 2023)	<u>(\$75,000)</u>
(2) Total SQP Penalty Amount	(\$75,000)
(3) Total SQP Factor Credit	(\$75,000)
(4) Firm Throughput	39,136,986 dths
(5) SQP Factor per dth	(\$0.0019) per dth
(6) SQP Factor per therm	(\$0.0001) per therm
(1) RIPUC Docket No. 3476 - Annual Report on Service Quality Plan for Gas Operations for Fiscal Year 2024 (July 31, 2024)	
(2) = (1)	
(3) = (2)	
(4) Company Forecast	
(5) Line (3) ÷ Line (4)	
(6) Line (5) ÷ 10, truncated to 4 decimal places	

Schedule DAC-9

Reconciliation Factors

**The Narragansett Electric Company
d/b/a Rhode Island Energy
Reconciliation Factor effective November 1, 2024**

<u>Description</u> (a)	<u>Schedule</u> (b)	<u>Page #</u> (c)	<u>Ending Balance</u> (d)	<u>Period</u> (e)
Section 1: Reconciliation of Prior Year DAC Factors (All Rate Classes)				
(1) System Pressure		Page 2, line (9)	\$778,225	Nov 23 - Oct 24
(2) AGT Factor		Page 2, line (17)	(\$36)	Nov 23 - Oct 24
(3) Environmental - DAC		Page 2, line (25)	\$67,505	Nov 23 - Oct 24
(4) Arrearage Management		Page 2, line (33)	\$92,072	Nov 23 - Oct 24
(5) Pension		Page 3, line (57)	(\$1,336,520)	Nov 23 - Oct 24
(6) PBOP		Page 3, line (65)	\$70,745	Nov 23 - Oct 24
(7) Previous Reconciliation Factor		Page 3, line (41)	\$4,322,529	Nov 23 - Oct 24
(8) Earnings Sharing Mechanism		Page 4, line (73)	(\$23)	Nov 23 - Oct 24
(9) Low Income Discount Recovery		Page 4, line (82)	(\$11,023)	Nov 23 - Oct 24
(10) Service Quality Penalty		Page 4, line (90)	(\$23,444)	Nov 23 - Oct 24
(11) Storm Net Revenue Factor		Page 4, line (106)	\$1,199	Nov 23 - Oct 24
(12) True-up October 23		Page 9, line (26)	\$984,248	Actual Oct 23 vs. Oct 23 Forecast
(13) Sub Total		Sum [(1):(12)]	\$4,945,477	
(14) Firm Throughput		Nov 2024 - Oct 2025	39,136,986	dth
(15) Reconciliation Factor		Line (13) ÷ Line (14)	\$0.1264	per dth
(16) Reconciliation Factor		Line (15) ÷ 10, truncated to 4 decimal places	\$0.0126	per therm
Section 2: Revenue Decoupling Mechanism Reconciliation				
(17) RDA Reconciliation		Page 6, line (13)	\$2,810,060	Nov 23 - Oct 24
(18) RDM Recon Reconciliation		Page 6, line (28)	\$224,474	Nov 23 - Oct 24
(19) Sub Total		Line (17) + Line (18)	\$3,034,534	
(20) Firm Throughput, Residential, Small & Medium C&I		Nov 2024 - Oct 2025	27,952,240	dth
(21) RDA Reconciliation Factor		Line (19) ÷ Line (20)	\$0.1086	per dth
(22) RDA Reconciliation Factor		Line (21) ÷ 10, truncated to 4 decimal places	\$0.0108	per therm
Section 3: Reconciliation of Prior year DAC Factors (Large & X-Large Only)				
(23) Environmental - Base Rates		Page 5, line (41)	\$ 48,181	Apr 23 - Mar 24
(24) Previous Reconciliation Factor		Page 3, line (49)	\$(3,523,839)	Nov 23 - Oct 24
(25) Sub Total		Sum [(23):(24)]	\$(3,475,658)	
(26) Firm Throughput, Large and Extra Large C&I		Nov 2024 - Oct 2025	11,184,746	dth
(27) L / XL Reconciliation Factor		Line (25) ÷ Line (26)	\$(0.3107)	per dth
(28) L / XL Reconciliation Factor		Line (27) ÷ 10, truncated to 4 decimal places	\$(0.0310)	per therm
(28) Combined with the Reconciliation factor of \$0.0126 per therm on Line (16) for an overall Large and Extra Large Reconciliation credit factor of \$0.0184 per therm				

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

Non-Base Rate / Gas Year Reconciling Components

Line No.	Nov-23 30 Actual (a)	Dec-23 31 Actual (b)	Jan-24 31 Actual (c)	Feb-24 29 Actual (d)	Mar-24 31 Actual (e)	Apr-24 30 Actual (f)	May-24 31 Actual (g)	Jun-24 30 Actual (h)	Jul-24 31 Forecast (i)	Aug-24 31 Forecast (j)	Sep-24 30 Forecast (k)	Oct-24 31 Forecast (l)	12 month End
(1) System Pressure Recon Adjust.													
(2) System Pressure Acct Beg. Balance Under/(Over) Recovery	\$0	(\$2,384,257)	(\$1,841,318)	\$2,730,481	\$6,611,069	\$7,492,323	\$5,078,895	\$3,867,804	\$3,266,212	\$2,686,219	\$2,128,673	\$1,447,158	\$0
(3) Actual Costs	\$787,885	\$3,328,078	\$8,360,951	\$7,653,425	\$4,156,160	\$2,16,056	\$533,289	\$303,063	\$188,683	\$188,683	\$188,683	\$188,683	\$26,093,739
(4) Actual Revenue	\$3,165,808	\$2,773,539	\$3,791,593	\$3,796,930	\$3,313,622	\$2,462,885	\$1,708,039	\$923,610	\$785,016	\$729,447	\$779,904	\$963,999	\$25,485,352
(5) Ending Balance Under/(Over) Recovery	(\$2,377,923)	(\$1,829,718)	\$2,728,040	\$6,587,075	\$7,453,607	\$5,045,495	\$3,843,244	\$3,247,257	\$2,668,879	\$2,115,455	\$1,537,392	\$771,842	\$608,387
(6) Average Monthly Balance Under/(Over) Recovery	(\$1,188,961)	(\$2,106,988)	\$1,364,020	\$3,293,538	\$3,726,804	\$2,522,748	\$1,921,622	\$1,623,629	\$1,334,440	\$1,057,430	\$818,696	\$385,921	\$304,194
(7) Bk America Rate less 200 Basis Points	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
(8) Interest Applied	(\$6,335)	(\$11,600)	\$23,441	\$23,994	\$38,716	\$33,400	\$24,560	\$18,254	\$16,340	\$13,218	\$9,766	\$6,384	\$169,839
(9) Sys Pressure End Balance Under/(Over) Recovery	(\$2,384,257)	(\$1,841,318)	\$2,730,481	\$6,611,069	\$7,492,323	\$5,078,895	\$3,867,804	\$3,266,212	\$2,686,219	\$2,128,673	\$1,547,158	\$778,225	\$778,225
Under/(over) Recovery	(\$2,384,257)	\$542,939	\$4,571,799	\$3,880,589	\$881,254	(\$2,413,429)	(\$1,211,090)	(\$601,593)	(\$579,993)	(\$557,546)	(\$581,515)	(\$768,932)	
(10) Advanced Gas Technology													
(11) AGT Acct Beg. Balance Under/(Over) Recovery	\$0	(\$81)	(\$75)	(\$71)	(\$68)	(\$57)	(\$44)	(\$37)	(\$35)	(\$35)	(\$35)	(\$36)	\$0
(12) Actual AGT Revenue	\$80	(\$86)	(\$85)	(\$83)	(\$82)	(\$81)	(\$80)	(\$79)	(\$78)	(\$77)	(\$76)	(\$75)	\$0
(13) Ending AGT Balance	(\$80)	(\$171)	(\$160)	(\$149)	(\$138)	(\$127)	(\$116)	(\$105)	(\$94)	(\$83)	(\$72)	(\$61)	(\$50)
(14) Average Monthly Balance Under/(Over) Recovery	(\$40)	(\$86)	(\$80)	(\$73)	(\$69)	(\$62)	(\$58)	(\$54)	(\$50)	(\$47)	(\$44)	(\$41)	(\$38)
(15) Bk America Rate less 200 Basis Points	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
(16) Interest Applied	(\$80)	(\$80)	(\$80)	(\$80)	(\$80)	(\$80)	(\$80)	(\$80)	(\$80)	(\$80)	(\$80)	(\$80)	(\$83)
(17) AGT End Balance Under/(Over) Recovery	(\$81)	(\$151)	(\$135)	(\$121)	(\$106)	(\$94)	(\$80)	(\$67)	(\$54)	(\$41)	(\$28)	(\$15)	(\$36)
Under/(over) Recovery	(\$81)	\$5	\$4	\$3	\$11	\$12	\$8	\$2	(\$0)	(\$0)	(\$0)	(\$0)	
(18) Environmental Recon. Adjust - DAC													
(19) Environmental Acct Beg. Balance Under/(Over) Recovery	\$484,956	\$462,066	\$415,409	\$348,818	\$280,879	\$221,423	\$173,528	\$142,024	\$125,890	\$112,095	\$98,696	\$84,829	\$484,956
(20) Actual Environmental Revenue	\$25,406	\$49,166	\$68,288	\$99,457	\$140,835	\$196,951	\$272,770	\$384,446	\$544,448	\$784,448	\$1,124,448	\$1,674,448	\$484,956
(21) Ending Environmental Balance Under/(Over) Recovery	\$459,550	\$412,900	\$346,721	\$249,361	\$140,044	\$96,972	\$60,858	\$26,378	\$11,442	\$8,647	\$5,948	\$3,280	\$484,956
(22) Average Monthly Balance Under/(Over) Recovery	\$472,253	\$434,833	\$364,022	\$254,361	\$140,044	\$96,972	\$60,858	\$26,378	\$11,442	\$8,647	\$5,948	\$3,280	\$484,956
(23) Bk America Rate less 200 Basis Points	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
(24) Interest Applied	\$2,516	\$2,409	\$2,098	\$1,617	\$1,279	\$1,049	\$866	\$712	\$653	\$579	\$488	\$418	\$14,784
(25) Environmental Recon End Balance Under/(Over) Recovery	\$462,066	\$412,309	\$348,818	\$280,879	\$221,423	\$173,528	\$142,024	\$125,890	\$112,095	\$98,696	\$84,829	\$67,505	\$67,505
Under/(over) Recovery	(\$22,890)	(\$46,757)	(\$66,990)	(\$57,940)	(\$59,456)	(\$47,895)	(\$31,294)	(\$16,134)	(\$13,795)	(\$13,399)	(\$13,867)	(\$17,324)	
(26) AMAF Adjustment - DAC													
(27) AMAF Acct Beg. Balance	\$426,862	\$417,509	\$379,283	\$324,442	\$268,167	\$218,885	\$179,187	\$153,242	\$139,955	\$128,653	\$117,681	\$106,313	\$426,862
(28) Actual AMAF Revenue	\$11,597	\$40,413	\$56,773	\$77,797	\$109,619	\$149,756	\$206,857	\$284,446	\$394,448	\$544,448	\$754,448	\$1,044,448	\$426,862
(29) Ending AMAF Balance	\$415,265	\$377,096	\$322,510	\$246,645	\$158,548	\$99,129	\$52,330	\$19,796	\$12,915	\$8,738	\$4,993	\$2,865	\$426,862
(30) Average Monthly Balance Under/(Over) Recovery	\$421,064	\$397,302	\$339,896	\$261,720	\$158,548	\$99,129	\$52,330	\$19,796	\$12,915	\$8,738	\$4,993	\$2,865	\$426,862
(31) Bk America Rate less 200 Basis Points	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
(32) Interest Applied	\$2,243	\$2,187	\$1,932	\$1,532	\$1,137	\$913	\$719	\$579	\$479	\$399	\$329	\$269	\$14,524
(33) AMAF Recon End Balance	\$417,509	\$379,283	\$324,442	\$268,167	\$218,885	\$179,187	\$153,242	\$139,955	\$128,653	\$117,681	\$106,313	\$92,072	\$92,072
Under/(over) Recovery	(\$9,354)	(\$38,226)	(\$54,641)	(\$56,275)	(\$49,282)	(\$39,698)	(\$25,944)	(\$13,287)	(\$11,303)	(\$10,272)	(\$11,368)	(\$14,240)	

The Narragansett Electric Company
d/b/a Rhode Island Energy
Non-Base Rate / Gas Year Reconciling Components

	Nov-23 30 Actual (a)	Dec-23 31 Actual (b)	Jan-24 31 Actual (c)	Feb-24 29 Actual (d)	Mar-24 31 Actual (e)	Apr-24 30 Actual (f)	May-24 31 Actual (g)	Jun-24 30 Actual (h)	Jul-24 31 Forecast (i)	Aug-24 31 Forecast (j)	Sep-24 30 Forecast (k)	Oct-24 31 Forecast (l)	12 month End
(34) Reconciliation Factor (Applicable to all) - DAC													
(35) Recon Factor Act Bg. Balance Under/(Over) Recovery	\$12,673,702	\$12,381,490	\$11,412,229	\$10,100,006	\$8,749,995	\$7,554,141	\$6,621,652	\$6,067,643	\$5,825,117	\$5,470,442	\$5,127,201	\$4,770,694	\$12,673,702
(36) Actual Recon Revenue	\$358,781	\$1,034,279	\$1,371,579	\$1,398,428	\$1,240,611	\$970,152	\$598,844	\$274,123	\$382,284	\$372,735	\$382,804	\$473,128	\$ 8,850,748
(37) Ending Recon Balance Under/(Over) Recovery	\$12,314,921	\$11,347,211	\$10,040,450	\$8,701,578	\$7,509,384	\$6,583,989	\$6,032,808	\$5,793,520	\$5,439,833	\$5,098,107	\$4,744,397	\$4,297,566	\$3,822,954
(38) Average Monthly Balance Under/(Over) Recovery	\$12,494,312	\$11,864,330	\$10,726,740	\$9,400,792	\$8,129,689	\$7,069,065	\$6,327,230	\$5,930,881	\$5,632,475	\$5,284,475	\$4,935,799	\$4,534,130	\$3,822,954
(39) Bk America Rate less 200 Basis Points	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	
(40) Interest Applied	\$66,568	\$65,319	\$59,656	\$48,417	\$44,758	\$37,663	\$34,854	\$31,597	\$31,009	\$29,093	\$26,297	\$24,962	\$499,574
(41) Reconciliation End Balance Under/(Over) Recovery	\$12,381,490	\$11,412,529	\$10,100,006	\$8,749,995	\$7,554,141	\$6,621,652	\$6,067,643	\$5,825,117	\$5,470,442	\$5,127,201	\$4,770,694	\$4,322,529	\$4,322,529
Under/(over) Recovery	\$292,213	\$968,960	\$1,312,223	\$1,350,011	\$1,195,853	\$932,489	\$554,010	\$242,526	\$354,275	\$343,442	\$356,507	\$448,166	
(42) Reconciliation Factor (L & XL) - DAC													
(43) Recon Factor Act Bg. Balance Under/(Over) Recovery													
(44) Actual Recon Revenue (L & XL)													
(45) Ending Recon Balance Under/(Over) Recovery													
(46) Average Monthly Balance Under/(Over) Recovery													
(47) Bk America Rate less 200 Basis Points													
(48) Interest Applied													
(49) Reconciliation End Balance Under/(Over) Recovery													
Under/(over) Recovery													
(50) Pension Adjustment													
(51) Pen Act Bg. Balance Under/(Over) Recovery													
(52) Actual Pension Revenue													
(53) Ending Pension Balance Under/(Over) Recovery													
(54) Average Monthly Balance Under/(Over) Recovery													
(55) Bk America Rate less 200 Basis Points													
(56) Interest Applied													
(57) Pension Adjustment End Balance Under/(Over) Recovery													
Under/(over) Recovery													
(58) PPOP Adjustment													
(59) PPOP Act Bg. Balance Under/(Over) Recovery													
(60) Actual PPOP Revenue													
(61) Ending PPOP Balance Under/(Over) Recovery													
(62) Average Monthly Balance Under/(Over) Recovery													
(63) Bk America Rate less 200 Basis Points													
(64) Interest Applied													
(65) PPOP Adjustment End Balance Under/(Over) Recovery													
Under/(over) Recovery													

The Narragansett Electric Company
d/b/a Rhode Island Energy
Non-Base Rate/ Gas Year Reconciling Components

	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24
	30	31	31	29	31	30	31	30	31	Forecast	Forecast	Forecast
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
(66) Earnings Sharing Mechanism												
(67) ESM Act Beg. Balance Under(Over) Recovery	\$0	(\$51)	(\$47)	(\$45)	(\$43)	(\$36)	(\$28)	(\$23)	(\$23)	(\$23)	(\$23)	\$0
(68) Actual ESM Revenue	\$51	(\$4)	(\$3)	(\$2)	(\$7)	(\$8)	(\$5)	(\$1)	\$0	\$0	\$0	\$21
(69) Ending ESM Balance Under(Over) Recovery	(\$51)	(\$47)	(\$44)	(\$43)	(\$50)	(\$28)	(\$23)	(\$22)	(\$23)	(\$23)	(\$23)	(\$21)
(70) Average Monthly Balance Under(Over) Recovery	(\$26)	(\$49)	(\$46)	(\$44)	(\$39)	(\$32)	(\$26)	(\$23)	(\$23)	(\$23)	(\$23)	(\$23)
(71) Bk America Rate less 200 Basis Points	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
(72) Interest Applied	(\$80)	(\$80)	(\$80)	(\$80)	(\$80)	(\$80)	(\$80)	(\$80)	(\$80)	(\$80)	(\$80)	(\$82)
(73) ESM Adjustment End Balance Under(Over) Recovery	(\$51)	(\$47)	(\$45)	(\$43)	(\$36)	(\$28)	(\$23)	(\$23)	(\$23)	(\$23)	(\$23)	(\$23)
Under(over) Recovery	(\$51)	\$4	\$3	\$2	\$7	\$8	\$5	\$1	(\$8)	(\$8)	(\$8)	(\$8)
(74) Low Income Discount Recovery Adjustment												
(75) LIDRF Act Beg. Balance	\$0	\$57,385	\$157,640	\$1,145,75	\$1,004,693	(\$141,008)	(\$96,054)	(\$75,592)	(\$25,938)	(\$20,260)	(\$13,115)	(\$7,100)
(76) Actual Discount Credits Applied (cost)	\$583,938	\$998,218	\$1,135,189	\$1,145,75	\$1,074,667	\$940,404	\$616,067	\$361,652	\$272,847	\$265,440	\$271,346	\$323,515
(77) Actual LIDRF Revenue	\$526,706	\$898,553	\$1,262,086	\$1,277,551	\$1,114,318	\$894,821	\$595,133	\$311,728	\$266,988	\$258,538	\$265,277	\$799,807
(78) Ending LIDRF Balance	\$57,232	\$157,049	\$30,42	(\$100,515)	(\$95,424)	(\$95,424)	(\$75,120)	(\$25,668)	(\$20,079)	(\$13,024)	(\$7,047)	(\$10,973)
(79) Average Monthly Balance	\$28,616	\$107,217	\$94,91	(\$34,627)	(\$120,519)	(\$118,216)	(\$85,587)	(\$50,630)	(\$23,008)	(\$16,615)	(\$10,081)	(\$9,037)
(80) Bk America Rate less 200 Basis Points	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
(81) Interest Applied	\$152	\$590	\$519	(\$178)	(\$664)	(\$820)	(\$471)	(\$270)	(\$127)	(\$91)	(\$54)	(\$50)
(82) LIDRF Adjustment End Balance	\$57,385	\$157,640	\$31,261	(\$100,693)	(\$141,008)	(\$96,054)	(\$75,592)	(\$25,938)	(\$20,260)	(\$13,115)	(\$7,100)	(\$11,023)
Under(over) Recovery	\$57,385	\$100,255	(\$126,379)	(\$131,954)	(\$40,315)	\$44,954	\$20,463	\$49,654	\$5,732	\$7,091	\$6,015	(\$3,923)
(83) RDM Recon Adjustment												
(84) RDM Recon Act Beg. Balance	\$1,623,220	\$1,566,518	\$1,391,654	\$1,155,098	\$912,737	\$695,951	\$536,048	\$423,791	\$376,307	\$340,078	\$305,901	\$270,683
(85) Actual RDM Recon Revenue	\$65,177	\$182,984	\$243,548	\$247,62	\$221,202	\$173,150	\$104,864	\$49,610	\$38,196	\$35,950	\$36,780	\$47,568
(86) Ending RDM Recon Balance	\$1,558,043	\$1,383,534	\$1,148,106	\$907,426	\$691,535	\$522,801	\$421,184	\$374,181	\$338,111	\$304,128	\$269,151	\$223,115
(87) Average Monthly Balance	\$159,065	\$147,502	\$147,502	\$101,162	\$60,937	\$43,466	\$35,098	\$30,866	\$28,175	\$25,343	\$22,425	\$18,679
(88) Bk America Rate less 200 Basis Points	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
(89) Interest Applied	\$8475	\$17,21	\$6,91	\$5,11	\$4,416	\$3,247	\$2,607	\$2,126	\$1,967	\$1,773	\$1,532	\$1,359
(90) RDM Recon Adjustment End Balance	\$1,566,518	\$1,391,654	\$1,155,098	\$912,737	\$695,951	\$536,048	\$423,791	\$376,307	\$340,078	\$305,901	\$270,683	\$224,474
Under(over) Recovery	(\$56,702)	(\$174,863)	(\$236,557)	(\$242,361)	(\$216,786)	(\$169,903)	(\$102,257)	(\$47,884)	(\$36,229)	(\$34,177)	(\$35,218)	(\$46,209)
(91) Service Quality Penalty Adjustment												
(92) SQI Act Beg. Balance	(\$150,000)	(\$124,021)	(\$11,221)	(\$93,897)	(\$76,756)	(\$61,815)	(\$49,444)	(\$41,889)	(\$37,899)	(\$34,486)	(\$31,172)	(\$27,739)
(93) Actual SQI Revenue	(\$26,707)	(\$13,446)	(\$7,887)	(\$7,599)	(\$15,302)	(\$12,267)	(\$8,207)	(\$4,202)	(\$3,612)	(\$3,494)	(\$3,589)	(\$4,436)
(94) Ending SQI Balance	(\$123,293)	(\$110,575)	(\$93,334)	(\$76,296)	(\$61,434)	(\$49,548)	(\$41,651)	(\$37,687)	(\$34,287)	(\$30,992)	(\$27,583)	(\$23,303)
(95) Average Monthly Balance	(\$13,664)	(\$11,057)	(\$9,333)	(\$7,629)	(\$6,085)	(\$4,958)	(\$4,141)	(\$3,788)	(\$3,409)	(\$3,239)	(\$2,797)	(\$2,521)
(96) Bk America Rate less 200 Basis Points	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
(97) Interest Applied	(\$728)	(\$646)	(\$563)	(\$438)	(\$380)	(\$297)	(\$252)	(\$212)	(\$199)	(\$180)	(\$157)	(\$141)
(98) SQI Recon End Balance	(\$124,021)	(\$111,221)	(\$93,897)	(\$76,756)	(\$61,815)	(\$49,444)	(\$41,889)	(\$37,899)	(\$34,486)	(\$31,172)	(\$27,739)	(\$23,444)
Under(over) Recovery	\$25,979	\$12,800	\$17,24	\$17,161	\$14,922	\$11,970	\$7,855	\$3,990	\$3,413	\$3,314	\$3,432	\$4,295
(99) Storm Net Revenue Adjustment												
(100) Storm Net Revenue Act Beg. Balance	(\$5,676)	\$322	\$646	\$893	\$996	\$1,047	\$1,074	\$1,148	\$1,173	\$1,179	\$1,186	\$1,192
(101) Actual Storm Net Revenue	(\$6,012)	(\$322)	(\$242)	(\$98)	(\$46)	(\$21)	(\$68)	(\$19)	\$0	\$0	\$0	\$0
(102) Ending Storm Net Revenue Balance	\$336	\$644	\$888	\$991	\$1,042	\$1,068	\$1,142	\$1,167	\$1,173	\$1,179	\$1,186	\$1,192
(103) Average Monthly Balance	(\$2,670)	\$483	\$767	\$942	\$1,019	\$1,058	\$1,108	\$1,157	\$1,173	\$1,179	\$1,186	\$1,192
(104) Bk America Rate less 200 Basis Points	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
(105) Interest Applied	(\$14)	\$3	\$4	\$5	\$6	\$6	\$6	\$6	\$6	\$6	\$6	\$7
(106) Storm Net Revenue Recon End Balance	\$322	\$646	\$893	\$996	\$1,047	\$1,074	\$1,148	\$1,173	\$1,179	\$1,186	\$1,192	\$1,199
Under(over) Recovery	\$5,998	\$325	\$246	\$103	\$52	\$27	\$74	\$25	\$6	\$6	\$6	\$7

Col. (a), Ln. (19), per RIPUC Docket No. 23-23-NG, Schedule PRBTGS-4S, Page 1, Ln. (9).
Col. (a), Ln. (27), per RIPUC Docket No. 23-23-NG, Schedule PRBTGS-4S, Page 1, Ln. (7).
Col. (a), Ln. (35), per RIPUC Docket No. 23-23-NG, Schedule PRBTGS-4S, Page 1, Ln. (14).
Col. (a), Ln. (43), per RIPUC Docket No. 23-23-NG, Schedule PRBTGS-4S, Page 1, Ln. (25).
Col. (a), Ln. (51), per RIPUC Docket No. 23-23-NG, Schedule PRBTGS-4S, Page 1, Ln. (3).

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

	Nov-23 30	Dec-23 31	Jan-24 31	Feb-24 29	Mar-24 31	Apr-24 30	May-24 31	Jun-24 30	Jul-24 31	Aug-24 31	Sep-24 30	Oct-24 31	Total
	Actual (a)	Actual (b)	Actual (c)	Actual (d)	Actual (e)	Actual (f)	Actual (g)	Actual (h)	Forecast (i)	Forecast (j)	Forecast (k)	Forecast (l)	(m)
RDM Recon Rates \$/decatherm													
Res-NH, Res-H, Small, Medium													
	\$0.3912	\$0.5480	\$0.5544	\$0.5534	\$0.5538	\$0.5542	\$0.5542	\$0.5611	\$0.5550	\$0.5550	\$0.5550	\$0.5550	
Prorated													
(1) Actual Firm Throughput - decatherms													
(2) Res-NH	18,457	28,626	37,537	37,626	35,811	31,530	22,534	16,102	11,411	9,821	9,916	11,756	271,125
(3) Res-H	1,147,757	2,282,617	3,027,051	3,047,244	2,729,339	2,138,465	1,263,421	563,706	428,774	410,811	422,538	555,876	18,017,600
(4) Small	134,573	294,059	419,097	442,791	379,702	283,490	150,325	58,982	53,839	42,906	41,461	54,301	2,355,526
(5) Medium	330,641	667,664	802,411	847,817	734,058	575,991	399,610	203,610	176,090	167,168	170,823	212,594	5,288,476
(6) Total	1,631,428	3,272,966	4,286,096	4,375,478	3,878,910	3,029,476	1,835,890	842,400	670,113	630,706	644,738	834,527	25,932,727
(7) RDM Acct Beg. Balance	\$16,394,314	\$15,841,777	\$14,130,496	\$11,825,388	\$9,458,671	\$7,356,739	\$5,712,519	\$4,723,790	\$4,274,986	\$3,925,585	\$3,596,192	\$3,256,569	
(8) Actual RDM Revenue	\$638,184	\$1,793,560	\$2,376,362	\$2,421,386	\$2,148,093	\$1,678,942	\$1,017,379	\$472,713	\$371,913	\$350,042	\$357,830	\$463,162	
(9) Ending RDM Balance Under/(Over) Recovery	\$15,756,130	\$14,048,217	\$11,754,134	\$9,404,002	\$7,310,577	\$5,677,796	\$4,695,141	\$4,251,077	\$3,903,073	\$3,575,543	\$3,238,362	\$2,793,406	
(10) Average Monthly Balance	\$16,075,222	\$14,944,997	\$12,942,315	\$10,614,695	\$8,384,624	\$6,517,267	\$5,203,830	\$4,487,434	\$4,089,029	\$3,750,564	\$3,417,277	\$3,024,988	
(11) Bk America Rate less 200 Basis Points	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	
(12) Interest Applied	\$85,647	\$82,279	\$71,253	\$54,669	\$46,161	\$34,723	\$28,650	\$23,908	\$22,512	\$20,649	\$18,207	\$16,654	\$505,312
(13) RDM Recon End Balance Under/(Over) Recovery	\$15,841,777	\$14,130,496	\$11,825,388	\$9,458,671	\$7,356,739	\$5,712,519	\$4,723,790	\$4,274,986	\$3,925,585	\$3,596,192	\$3,256,569	\$2,810,060	
(14) Under/(over) Recovery	(\$552,537)	(\$1,711,280)	(\$2,305,109)	(\$2,366,717)	(\$2,101,932)	(\$1,644,219)	(\$988,729)	(\$448,805)	(\$349,401)	(\$329,393)	(\$339,623)	(\$446,508)	
(15) RDM Revenue per rate class													
(16) Res-NH	\$7,220	\$15,687	\$20,812	\$20,822	\$19,832	\$17,474	\$12,487	\$9,036	\$6,333	\$5,451	\$5,503	\$6,524	\$147,181
(17) Res-H	\$448,981	\$1,250,856	\$1,678,303	\$1,686,342	\$1,511,475	\$1,185,142	\$700,139	\$316,324	\$237,969	\$228,000	\$234,509	\$308,511	\$9,786,552
(18) Small	\$52,642	\$161,142	\$232,362	\$245,040	\$210,274	\$157,111	\$83,304	\$33,098	\$29,880	\$23,813	\$23,011	\$30,137	\$1,281,815
(19) Medium	\$129,340	\$365,875	\$444,885	\$469,181	\$406,512	\$319,216	\$221,448	\$114,256	\$97,730	\$92,778	\$94,807	\$117,989	\$2,874,017
(20) Total	\$638,184	\$1,793,560	\$2,376,362	\$2,421,386	\$2,148,093	\$1,678,942	\$1,017,379	\$472,713	\$371,913	\$350,042	\$357,830	\$463,162	\$14,089,565
(21) RDM Recon Adjustment													
(22) RDM Recon Acct Beg. Balance Under/(Over) Recovery	\$1,623,220	\$1,566,518	\$1,391,654	\$1,155,098	\$912,737	\$695,951	\$526,048	\$423,791	\$376,307	\$340,078	\$305,901	\$270,683	\$1,623,220
(23) Actual RDM Recon Revenue	\$65,177	\$182,984	\$243,548	\$247,672	\$221,202	\$173,150	\$104,864	\$49,610	\$38,196	\$35,950	\$36,750	\$47,568	\$1,446,671
(24) Ending RDM Recon Balance Under/(Over) Recovery	\$1,558,043	\$1,383,534	\$1,148,106	\$907,426	\$691,535	\$522,801	\$421,184	\$374,181	\$338,111	\$304,128	\$269,151	\$223,115	\$176,549
(25) Average Monthly Balance Under/(Over) Recovery	\$1,590,632	\$1,475,026	\$1,269,880	\$1,031,262	\$802,136	\$609,376	\$473,616	\$398,986	\$357,209	\$322,103	\$287,526	\$246,899	
(26) Bk America Rate less 200 Basis Points	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	
(27) Interest Applied	\$8,475	\$8,121	\$6,991	\$5,311	\$4,416	\$3,247	\$2,607	\$2,126	\$1,967	\$1,773	\$1,532	\$1,359	\$47,925
(28) RDM Recon Adjustment End Balance Under/(Over) Recovery	\$1,566,518	\$1,391,654	\$1,155,098	\$912,737	\$695,951	\$526,048	\$423,791	\$376,307	\$340,078	\$305,901	\$270,683	\$224,474	\$224,474
(29) RDM Recon and Recon Adj End Balance Under/(Over) Recovery												<u>\$3,034,534</u>	

- (6) Sum Lines (2) through (5).
(7) (a) Beginning balance, per RIPUC Docket No. 23-23-NG, Schedule PRB/TGS-IS Revised, Page 1, Ln. (13) + monthly interest calculated from April - October at Bank of America prime rate less 200 basis points.
(20) Sum Lines (16) through (19).
(22) (a) Beginning balance, per RIPUC Docket No. 23-23-NG, Schedule PRB/TGS-IS Revised, Page 1, Ln. (14).
(29) Line (13) + Line (28).

The Narragansett Electric Company
d/b/a Rhode Island Energy
ISR Reconciliation for FY 24

		Nov-23 30	Dec-23 31	Jan-24 31	Feb-24 29	Mar-24 31	Apr-24 30	May-24 31	Jun-24 30	Jul-24 31	Aug-24 31	Sep-24 30	Oct-24 31	Total
		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	
ISR Recon Rates S/deatherns														
(1)	Res-NH	Pro-rated	\$ 0.0434	\$ 0.2441	\$ 0.2495	\$ 0.2463	\$ 0.2498	\$ 0.2447	\$ 0.2433	\$ 0.2456	\$ 0.2500	\$ 0.2500	\$ 0.2500	
(2)	Res-H		\$ 0.0447	\$ 0.2462	\$ 0.2499	\$ 0.2481	\$ 0.2488	\$ 0.2490	\$ 0.2478	\$ 0.2533	\$ 0.2500	\$ 0.2500	\$ 0.2500	
(3)	Small		\$ 0.0481	\$ 0.2154	\$ 0.2168	\$ 0.2155	\$ 0.2159	\$ 0.2156	\$ 0.2150	\$ 0.2222	\$ 0.2170	\$ 0.2170	\$ 0.2170	
(4)	Medium		\$ 0.0475	\$ 0.1794	\$ 0.1954	\$ 0.1963	\$ 0.1971	\$ 0.1988	\$ 0.1995	\$ 0.1985	\$ 0.1970	\$ 0.1970	\$ 0.1970	
(5)	Large LL		\$ (0.0112)	\$ 0.0966	\$ 0.1019	\$ 0.1065	\$ 0.1076	\$ 0.1080	\$ 0.1168	\$ 0.1145	\$ 0.1090	\$ 0.1090	\$ 0.1090	
(6)	Large HL		\$ (0.0599)	\$ 0.0348	\$ 0.0500	\$ 0.0450	\$ 0.0528	\$ 0.0528	\$ 0.0508	\$ 0.0490	\$ 0.0530	\$ 0.0530	\$ 0.0530	
(7)	XL-LL		\$ (0.0190)	\$ (0.0269)	\$ (0.0357)	\$ (0.0351)	\$ (0.0373)	\$ (0.0365)	\$ (0.0450)	\$ (0.0717)	\$ (0.0360)	\$ (0.0360)	\$ (0.0360)	
(8)	XL-HL		\$ (0.0922)	\$ 0.0020	\$ (0.0015)	\$ 0.0037	\$ 0.0040	\$ 0.0040	\$ 0.0046	\$ 0.0040	\$ 0.0040	\$ 0.0040	\$ 0.0040	
Actual Firm Throughput - deatherns														
(9)	Res-NH	18,457	28,626	37,537	37,626	35,811	31,530	22,534	16,102	11,411	9,821	9,916	11,756	271,125
(10)	Res-H	1,147,757	2,282,617	3,027,051	3,047,244	2,729,339	2,138,465	1,263,421	563,706	428,774	410,811	422,538	555,876	18,017,600
(11)	Small	134,573	294,059	419,097	442,791	379,702	283,490	150,325	58,982	53,839	42,906	41,461	54,301	2,355,526
(12)	Medium	330,641	667,664	802,411	847,817	734,058	575,610	399,610	203,610	176,090	167,168	170,823	212,594	5,288,476
(13)	Large LL	146,997	353,316	399,405	499,181	397,143	283,624	189,956	41,665	43,289	40,390	44,552	84,045	2,523,565
(14)	Large HL	95,468	133,220	128,767	144,641	126,758	105,692	106,053	83,586	70,692	63,004	68,775	70,801	1,197,456
(15)	XL-LL	87,608	211,596	175,391	254,951	166,377	134,448	81,777	4,142	23,309	23,963	28,049	67,900	1,259,508
(16)	XL-HL	410,495	538,152	723,278	546,973	500,993	524,747	370,435	425,733	396,609	406,733	410,149	421,253	5,675,200
(17)	Total	2,371,995	4,509,249	5,712,936	5,821,224	5,070,181	4,077,986	2,584,111	1,397,178	1,204,013	1,164,796	1,196,263	1,478,526	36,588,457
ISR Residential Act Beg. Bal														
(18)	FY 2023 Recon	\$5,767,946	\$5,265,272	\$4,723,814	\$3,981,855	\$3,235,130	\$2,563,176	\$2,035,274	\$1,727,072	\$1,589,134	\$1,487,534	\$1,390,276	\$1,289,281	
(19)	Actual Residential Revenue	(\$479,842)												
(20)	Ending Residential Balance	\$52,146	\$568,880	\$765,857	\$765,262	\$687,871	\$540,120	\$318,531	\$146,748	\$110,046	\$105,158	\$108,114	\$141,908	
(21)	Average Monthly Balance	\$5,235,958	\$4,696,392	\$3,957,957	\$3,216,593	\$2,547,259	\$2,023,056	\$1,716,743	\$1,580,323	\$1,479,088	\$1,382,376	\$1,282,162	\$1,147,373	
(22)	Bk America Rate less 200 Basi	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	
(23)	Interest Applied	\$29,314	\$27,422	\$23,899	\$18,537	\$15,917	\$12,217	\$10,328	\$8,811	\$8,446	\$7,900	\$7,119	\$6,707	
(24)	ISR Residential Recon End Bal	\$5,265,272	\$4,723,814	\$3,981,855	\$3,235,130	\$2,563,176	\$2,035,274	\$1,727,072	\$1,589,134	\$1,487,534	\$1,390,276	\$1,289,281	\$1,154,081	
(25)	Under/(over) Recovery	(\$502,674)	(\$541,458)	(\$741,958)	(\$746,725)	(\$671,953)	(\$527,903)	(\$308,202)	(\$317,938)	(\$101,600)	(\$97,258)	(\$100,994)	(\$135,201)	
ISR Small C&I Act Beg. Bal														
(26)	FY 2023 Recon	\$596,788	\$552,092	\$491,696	\$403,290	\$309,696	\$229,199	\$169,124	\$137,650	\$125,242	\$114,216	\$105,509	\$97,050	
(27)	Actual Small C&I Revenue	(\$41,277)												
(28)	Ending Small C&I Balance	\$6,471	\$63,261	\$90,863	\$95,425	\$81,977	\$61,133	\$32,316	\$13,107	\$11,683	\$9,311	\$8,997	\$11,783	
(29)	Average Monthly Balance	\$549,039	\$488,831	\$400,833	\$307,865	\$227,720	\$168,066	\$124,543	\$124,543	\$113,559	\$104,906	\$96,512	\$85,267	
(30)	Bk America Rate less 200 Basi	\$572,913	\$520,461	\$446,265	\$355,578	\$268,708	\$198,632	\$152,966	\$131,097	\$119,400	\$109,561	\$101,010	\$91,158	
(31)	Interest Applied	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	
(32)	ISR Small C&I Recon End Bal	\$3,052	\$2,865	\$2,457	\$1,831	\$1,479	\$1,058	\$842	\$698	\$657	\$603	\$538	\$502	
(33)	Under/(over) Recovery	\$552,092	\$491,696	\$403,290	\$309,696	\$229,199	\$169,124	\$137,650	\$125,242	\$114,216	\$105,509	\$97,050	\$85,769	
(34)														
(35)														

The Narragansett Electric Company
d/b/a Rhode Island Energy
ISR Reconciliation for FY 24

	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Total
	30	31	31	29	31	30	31	30	31	31	30	31	
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	
(36) ISR Medium Acct Beg. Balan	\$1,216,304	\$1,171,152	\$1,057,508	\$906,106	\$743,924	\$602,950	\$491,347	\$414,097	\$375,773	\$343,057	\$311,923	\$279,843	
(37) FY 2023 Recon	(\$33,801)												
(38) Actual Medium Revenue	\$15,695	\$119,762	\$156,793	\$166,420	\$144,672	\$114,510	\$79,736	\$40,423	\$34,690	\$32,932	\$33,652	\$41,881	
(39) Ending Medium Balance	\$1,164,809	\$1,051,390	\$900,715	\$739,686	\$599,253	\$488,440	\$373,675	\$304,083	\$278,271	\$278,271	\$278,271	\$278,271	
(40) Average Monthly Balance	\$1,190,556	\$1,111,271	\$979,112	\$822,896	\$671,588	\$545,428	\$451,480	\$393,886	\$358,428	\$326,591	\$295,097	\$258,902	
(41) BK America Rate less 200 Basis	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	
(42) Interest Applied	\$6,343	\$6,118	\$5,390	\$4,238	\$3,697	\$2,907	\$2,486	\$2,099	\$1,793	\$1,798	\$1,572	\$1,425	
(43) ISR Medium Recon End Balan	\$1,171,152	\$1,057,508	\$906,106	\$743,924	\$602,950	\$491,347	\$414,097	\$375,773	\$343,057	\$311,923	\$279,843	\$239,387	
(44) Under/(over) Recovery	(\$45,153)	(\$113,643)	(\$151,403)	(\$162,181)	(\$140,974)	(\$111,603)	(\$77,250)	(\$38,224)	(\$32,716)	(\$31,134)	(\$32,080)	(\$40,456)	
(45) ISR Large LL Acct Beg. Balan	\$360,721	\$326,231	\$293,789	\$254,614	\$202,608	\$160,874	\$131,012	\$109,489	\$102,289	\$101,137	\$97,279	\$92,928	
(46) FY 2023 Recon	(\$37,962)												
(47) Actual Large LL Revenue	\$34,144	\$34,144	\$40,681	\$53,180	\$42,733	\$30,637	\$22,184	\$4,771	\$4,719	\$4,403	\$4,856	\$9,161	
(48) Ending Large LL Balance	\$292,087	\$252,087	\$223,108	\$201,434	\$159,876	\$130,237	\$108,828	\$96,734	\$92,423	\$92,423	\$92,423	\$92,423	
(49) Average Monthly Balance	\$342,563	\$309,159	\$273,449	\$228,024	\$181,242	\$145,555	\$119,920	\$107,103	\$102,929	\$98,935	\$94,851	\$88,348	
(50) BK America Rate less 200 Basis	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	
(51) Interest Applied	\$1,825	\$1,702	\$1,505	\$1,174	\$998	\$775	\$660	\$571	\$567	\$545	\$505	\$486	
(52) ISR Large LL Recon End Balan	\$326,231	\$293,789	\$254,614	\$202,608	\$160,874	\$131,012	\$109,489	\$102,289	\$101,137	\$97,279	\$92,928	\$84,253	
(53) Under/(over) Recovery	(\$34,491)	(\$32,442)	(\$39,175)	(\$52,006)	(\$41,735)	(\$29,861)	(\$21,524)	(\$4,200)	(\$4,152)	(\$3,858)	(\$4,351)	(\$8,675)	
(54) ISR Large HL Acct Beg. Balan	\$92,730	\$75,139	\$70,901	\$64,837	\$57,651	\$51,231	\$45,908	\$40,762	\$36,869	\$33,315	\$30,150	\$26,655	
(55) FY 2023 Recon	(\$23,756)												
(56) Actual Large HL Revenue	\$74,639	\$74,639	\$66,437	\$77,501	\$67,718	\$55,582	\$45,384	\$4,099	\$3,747	\$3,339	\$3,645	\$3,752	
(57) Ending Large HL Balance	\$74,693	\$74,693	\$64,464	\$57,336	\$50,932	\$45,650	\$40,524	\$36,662	\$33,122	\$29,975	\$26,505	\$22,903	
(58) Average Monthly Balance	\$83,711	\$72,819	\$67,682	\$61,086	\$54,291	\$48,440	\$43,216	\$38,712	\$34,995	\$31,645	\$28,327	\$24,779	
(59) BK America Rate less 200 Basis	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	
(60) Interest Applied	\$446	\$401	\$373	\$315	\$299	\$258	\$238	\$206	\$193	\$174	\$151	\$136	
(61) ISR Large HL Recon End Balan	\$75,139	\$70,901	\$64,837	\$57,651	\$51,231	\$45,908	\$40,762	\$36,869	\$33,315	\$30,150	\$26,655	\$23,039	
(62) Under/(over) Recovery	(\$17,391)	(\$4,238)	(\$6,064)	(\$7,186)	(\$6,419)	(\$5,234)	(\$5,146)	(\$3,893)	(\$3,554)	(\$3,165)	(\$3,494)	(\$3,616)	
(63) ISR XL LL Acct Beg. Balance	\$48,932	\$46,147	\$40,696	\$34,643	\$25,856	\$19,771	\$14,961	\$11,352	\$8,393	\$10,334	\$9,526	\$8,564	
(64) FY 2023 Recon	\$1,373												
(65) Actual XL LL Revenue	\$5,689	\$5,689	\$6,260	\$8,942	\$6,210	\$4,903	\$3,682	\$2,977	\$839	(\$863)	(\$1,010)	(\$2,444)	
(66) Ending XL LL Balance	\$45,894	\$40,457	\$34,436	\$25,701	\$19,646	\$14,869	\$11,279	\$10,055	\$9,472	(\$8,516)	(\$8,516)	(\$6,120)	
(67) Average Monthly Balance	\$47,413	\$43,302	\$37,566	\$30,172	\$22,751	\$17,320	\$13,120	\$11,203	(\$9,903)	(\$9,021)	(\$9,021)	(\$7,342)	
(68) BK America Rate less 200 Basis	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	
(69) Interest Applied	(\$253)	(\$238)	(\$207)	(\$155)	(\$125)	(\$92)	(\$72)	(\$60)	(\$59)	(\$55)	(\$48)	(\$40)	
(70) ISR XL LL Recon End Balance	\$46,147	\$40,696	\$34,643	\$25,856	\$19,771	\$14,961	\$11,352	\$11,114	(\$13,342)	(\$9,526)	(\$8,564)	(\$6,160)	
(71) Under/(over) Recovery	\$2,785	\$5,451	\$6,053	\$8,787	\$6,085	\$4,810	\$3,610	\$237	\$780	\$808	\$962	\$2,404	
(72) ISR XL HL Acct Beg. Balance	\$46,676	\$63,086	\$62,358	\$63,814	\$62,098	\$60,434	\$58,669	\$57,272	\$55,875	\$54,592	\$53,261	\$51,900	
(73) FY 2023 Recon	(\$21,724)												
(74) Actual XL HL Revenue	\$1,073	\$1,073	(\$1,110)	\$2,040	\$2,001	\$2,081	\$1,715	\$1,697	\$1,586	\$1,627	\$1,641	\$1,685	
(75) Ending XL HL Balance	\$62,795	\$62,013	\$63,468	\$61,774	\$60,097	\$58,352	\$56,954	\$55,575	\$54,289	\$52,965	\$51,621	\$50,215	
(76) Average Monthly Balance	\$54,735	\$62,550	\$62,913	\$62,794	\$61,097	\$59,393	\$57,811	\$56,423	\$55,082	\$53,779	\$52,441	\$51,058	
(77) BK America Rate less 200 Basis	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	
(78) Interest Applied	\$292	\$344	\$346	\$323	\$336	\$316	\$301	\$289	\$296	\$296	\$279	\$281	
(79) ISR XL HL Recon End Balance	\$63,086	\$62,358	\$63,814	\$62,098	\$60,434	\$58,669	\$57,272	\$55,875	\$54,592	\$53,261	\$51,900	\$50,496	
(78) Under/(over) Recovery	\$16,410	(\$729)	\$1,456	(\$1,716)	(\$1,664)	(\$1,765)	(\$1,397)	(\$1,396)	(\$1,283)	(\$1,331)	(\$1,361)	(\$1,404)	

Approved Amount to be Recovered
Under/ (Over) Recovery
\$7,740,569
\$1,630,865

*RIPUC Docket No. 23-23-NG, Schedule PRB/TGS-7S, Page 1 of 2, Column (f)

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

Non-Base Rate / Gas Year Reconciling Components

October 31, 2023 Ending Deferred Balances

Description	Forecast ¹	Actual	Variance
	(a)	(b)	(c) = (b) - (a)
(1) System Pressure	\$9,529,410	\$10,173,609	\$644,199
(2) Advanced Gas Technology	\$1,106	\$1,160	\$55
(3) Environmental - DAC	\$76,161	\$78,957	\$2,797
(4) Arrearage Management	\$37,719	\$39,273	\$1,554
(5) Previous Reconciliation Factor - Applicable to All	\$2,041,290	\$2,314,863	\$273,572
(6) Previous Reconciliation Factor - Large & Extra Large	(\$1,411,095)	(\$1,437,935)	(\$26,840)
(7) Pension	\$243,450	\$262,276	\$18,826
(8) PBOP	\$90,405	\$94,682	\$4,276
(9) Earnings Sharing Mechanism	\$716	\$751	\$35
(10) Low Income Discount Recovery	\$244,012	\$293,272	\$49,260
(11) Service Quality Penalty	(\$142,585)	(\$148,238)	(\$5,653)
(12) Storm Net Revenue	(\$28,859)	(\$30,390)	(\$1,530)
(13) RDM			
(14) RDA Reconciliation	\$1,615,546	\$1,672,242	\$56,695
(15) RDM Recon Reconciliation	<u>\$7,674</u>	<u>\$7,673</u>	<u>(\$1)</u>
(16) Sub-Total RDM	\$1,623,220	\$1,679,915	\$56,695
(17) ISR Recon			
(18) Residential	(\$479,842)	(\$504,773)	(\$24,931)
(19) Small C&I	(\$41,277)	(\$42,415)	(\$1,138)
(20) Medium C&I	(\$35,801)	(\$34,569)	\$1,232
(21) Large Low Load C&I	(\$37,962)	(\$37,865)	\$97
(22) Large High Load C&I	(\$23,756)	(\$28,993)	(\$5,236)
(23) Extra Large Low Load C&I	\$1,373	\$593	(\$781)
(24) Extra Large High Load C&I	<u>(\$21,724)</u>	<u>(\$23,965)</u>	<u>(\$2,241)</u>
(25) Sub-Total ISR	(\$638,988)	(\$671,987)	(\$32,999)
(26) Total	\$11,665,960	\$12,650,208	\$984,248

¹ RIPUC Docket 23-23-NG, Schedule PRB/TGS-9S, Pages 1, 7, and 8, filed on September 15, 2023.

- (1) See DAC-10, Page 1, Col (g), Line (9)
- (2) See DAC-10, Page 1, Col (g), Line (21)
- (3) See DAC-10, Page 1, Col (g), Line (33)
- (4) See DAC-10, Page 1, Col (g), Line (45)
- (5) See DAC-10, Page 2, Col (g), Line (57)
- (6) See DAC-10, Page 2, Col (g), Line (69)
- (7) See DAC-10, Page 2, Col (g), Line (81)
- (8) See DAC-10, Page 2, Col (g), Lines (93)
- (9) See DAC-10, Page 3, Col (g), Lines (105)
- (10) See DAC-10, Page 3, Col (g), Lines (114)
- (11) See DAC-10, Page 3, Col (g), Lines (126)
- (12) See DAC-10, Page 4, Col (g), Lines (138)
- (16) See DAC-10, Page 5, Col (g), Lines (18) and (36)
- (25) See DAC-10, Pages 6-9, Col (g), Lines (12), (24), (36), (48), (60), (72), (84)
- (26) Net owed to Company, sum [Lines[(1):(12)]] + Line (16) + Line (25)

Schedule DAC-10

Reconciliations for FY 2024

The Narragansett Electric Company
d/b/a Rhode Island Energy
Non-Base Rate / Gas Year Reconciling Components (April 2023 - March 2024)

	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
(1) System Pressure Recon Adjust.												
(2) System Pressure Acct Beg. Balance Under/(Over) Recovery	\$29,661,075	\$22,013,087	\$19,770,361	\$17,606,263	\$15,822,832	\$14,144,376	\$12,329,534	\$10,173,609	\$7,843,555	\$8,442,803	\$13,071,221	\$17,005,067
(3) Actual Costs	\$192,670	\$273,812	\$258,138	\$174,431	\$174,431	\$172,885	\$2,329,534	\$787,885	\$3,328,078	\$3,360,951	\$7,653,525	\$4,156,160
(4) Actual Revenue	\$7,069,622	\$3,258,857	\$2,517,731	\$2,046,674	\$1,935,152	\$2,058,065	\$2,392,132	\$3,105,808	\$2,773,539	\$3,791,593	\$3,796,930	\$3,313,622
(5) Ending Balance Under/(Over) Recovery	\$22,784,124	\$19,658,042	\$17,510,768	\$15,734,020	\$14,062,111	\$12,259,917	\$10,111,834	\$7,795,686	\$8,398,094	\$13,012,161	\$16,927,815	\$17,847,605
(6) Average Monthly Balance Under/(Over) Recovery	\$26,222,599	\$21,285,565	\$18,640,565	\$16,670,141	\$14,942,472	\$13,201,787	\$11,220,684	\$8,984,648	\$8,120,825	\$10,727,482	\$14,995,518	\$17,426,336
(7) BK America Rate less 200 Basis Points	6.00%	6.23%	6.25%	6.29%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
(8) Interest Applied	\$128,504	\$112,319	\$95,495	\$88,812	\$82,265	\$70,337	\$61,775	\$47,869	\$44,709	\$59,060	\$77,252	\$95,040
(9) Sys Pressure End Balance Under/(Over) Recovery	\$22,913,087	\$19,770,361	\$17,606,263	\$15,822,832	\$14,144,376	\$12,329,534	\$10,173,609	\$7,843,555	\$8,442,803	\$13,071,221	\$17,005,067	\$17,943,545
(10) Advanced Gas Technology												
(11) AGT Acct Beg. Balance Under/(Over) Recovery	\$812	\$944	\$1,038	\$1,046	\$1,087	\$1,104	\$1,147	\$1,160	(\$81)	(\$75)	(\$71)	(\$68)
(12) Transfer to 2023-2024 Recon Factor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,060)	\$0	\$0	\$0	\$0
(13) AGT DAC True-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$55)	\$0	\$0	\$0	\$0
(14) AGT Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(15) Subtotal	\$812	\$944	\$1,038	\$1,046	\$1,087	\$1,104	\$1,147	\$1,160	(\$81)	(\$75)	(\$71)	(\$68)
(16) Actual AGT Revenue	(\$128)	(\$89)	(\$35)	(\$35)	(\$31)	(\$37)	(\$7)	\$80	(\$6)	(\$5)	(\$3)	(\$12)
(17) Ending AGT Balance Under/(Over) Recovery	\$940	\$1,033	\$1,041	\$1,081	\$1,098	\$1,141	\$1,154	(\$80)	(\$75)	(\$71)	(\$68)	(\$57)
(18) Average Monthly Balance Under/(Over) Recovery	\$876	\$988	\$1,040	\$1,064	\$1,093	\$1,123	\$1,151	(\$40)	(\$78)	(\$73)	(\$69)	(\$62)
(19) BK America Rate less 200 Basis Points	6.00%	6.23%	6.25%	6.29%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
(20) Interest Applied	\$4	\$5	\$5	\$6	\$6	\$6	\$6	(\$20)	(\$20)	(\$20)	(\$20)	(\$20)
(21) AGT End Balance Under/(Over) Recovery	\$944	\$1,038	\$1,046	\$1,087	\$1,104	\$1,147	\$1,160	(\$81)	(\$75)	(\$71)	(\$68)	(\$57)
(22) Environmental Recon. Adjust - DAC												
(23) Environmental Acct Beg. Balance Under/(Over) Recovery	\$200,817	\$160,207	\$140,418	\$126,512	\$114,999	\$104,214	\$92,582	\$78,957	\$462,066	\$415,309	\$348,818	\$280,879
(24) Transfer to 2023-2024 Recon Factor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$76,161)	\$0	\$0	\$0	\$0
(25) Environmental DAC True-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$2,797)	\$0	\$0	\$0	\$0
(26) Environmental Response Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$484,956	\$0	\$0	\$0	\$0
(27) Subtotal	\$200,817	\$160,207	\$140,418	\$126,512	\$114,999	\$104,214	\$92,582	\$484,956	\$462,066	\$415,309	\$348,818	\$280,879
(28) Actual Environmental Revenue	\$41,495	\$20,580	\$14,588	\$12,155	\$11,387	\$12,155	\$14,095	\$25,406	\$49,166	\$68,588	\$69,557	\$60,835
(29) Ending Environmental Balance Under/(Over) Recovery	\$159,322	\$139,627	\$125,830	\$114,357	\$103,612	\$92,059	\$78,487	\$459,550	\$412,900	\$346,721	\$279,261	\$220,044
(30) Average Monthly Balance Under/(Over) Recovery	\$180,069	\$149,917	\$133,124	\$120,435	\$109,205	\$98,136	\$85,534	\$472,253	\$437,483	\$381,015	\$314,040	\$250,461
(31) BK America Rate less 200 Basis Points	6.00%	6.23%	6.25%	6.29%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
(32) Interest Applied	\$886	\$721	\$652	\$622	\$602	\$571	\$471	\$241	\$2,409	\$2,028	\$1,617	\$1,279
(33) Environmental Recon End Balance Under/(Over) Recovery	\$160,207	\$140,418	\$126,512	\$114,999	\$104,214	\$92,582	\$78,957	\$462,066	\$415,309	\$348,818	\$280,879	\$221,423
(34) AMAF Adjustment - DAC												
(35) AMAF Acct Beg. Balance Under/(Over) Recovery	\$61,379	\$53,291	\$49,432	\$46,989	\$45,121	\$43,446	\$41,602	\$39,273	\$417,509	\$379,283	\$324,442	\$268,167
(36) Transfer to 2023-2024 Recon Factor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$37,719)	\$0	\$0	\$0	\$0
(37) AMAF DAC True-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,554)	\$0	\$0	\$0	\$0
(38) AMAF Adjustment Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$426,862	\$0	\$0	\$0	\$0
(39) Subtotal	\$61,379	\$53,291	\$49,432	\$46,989	\$45,121	\$43,446	\$41,602	\$426,862	\$417,509	\$379,283	\$324,442	\$268,167
(40) Actual AMAF Revenue	\$8,369	\$4,130	\$2,689	\$2,113	\$1,918	\$2,070	\$2,551	\$11,597	\$40,413	\$56,773	\$57,797	\$50,619
(41) Ending AMAF Balance Under/(Over) Recovery	\$53,010	\$49,161	\$46,743	\$44,876	\$43,203	\$41,376	\$39,051	\$415,265	\$377,096	\$322,510	\$266,645	\$217,548
(42) Average Monthly Balance Under/(Over) Recovery	\$57,195	\$51,226	\$48,087	\$45,933	\$44,162	\$42,411	\$40,326	\$421,064	\$397,302	\$350,896	\$295,543	\$242,857
(43) BK America Rate less 200 Basis Points	6.00%	6.23%	6.25%	6.29%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
(44) Interest Applied	\$281	\$270	\$246	\$245	\$243	\$226	\$222	\$243	\$2,187	\$1,932	\$1,522	\$1,337
(45) AMAF Recon End Balance Under/(Over) Recovery	\$53,291	\$49,432	\$46,989	\$45,121	\$43,446	\$41,602	\$39,273	\$417,509	\$379,283	\$324,442	\$268,167	\$218,885

- (2) Docket 23-23-NG, Schedule PRB/TGS-9S, Pg. 2, Ln (2)
(3) Docket 23-23-NG, Schedule PRB/TGS-9S, Pg. 2, Ln (3)
(4) Docket 23-23-NG, Schedule PRB/TGS-9S, Pg. 2, Ln (4)
(11) Docket 23-23-NG, Schedule PRB/TGS-9S, Pg. 2, Ln (11)
(12) Schedule DAC-9, Page 9, Line (2), Column (a)
(13) Schedule DAC-9, Page 9, Line (2), Column (a)
(16) Docket 23-23-NG, Schedule PRB/TGS-9S, Pg. 2, Ln (19)
(24) Schedule DAC-9, Page 9, Line (3), Column (a)
(25) Schedule DAC-9, Page 9, Line (3), Column (a)

The Narragansett Electric Company
d/b/a Rhode Island Energy
Non-Basis Rate / Gas Year Reconciling Components (April 2023 - March 2024)

	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
(46) Reconciliation Factor (Applicable to all) - DAC												
(47) Recon Factor Act Beg. Balance Under/(Over) Recovery	\$3,255,120	\$2,888,032	\$2,714,855	\$2,613,245	\$2,537,103	\$2,475,366	\$2,408,474	\$2,314,663	\$12,381,490	\$11,412,529	\$10,100,006	\$8,749,995
(48) Transfer to 2023-2024 Recon Factor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$2,041,290)	\$0	\$0	\$0	\$0
(49) Reconciliation (All) DAC True-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$273,572)	\$0	\$0	\$0	\$0
(50) Reconciliation (All) Factor Balance Under/(Over) Recovery	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,673,702	\$0	\$0	\$0	\$0
(51) Subtotal	\$3,255,120	\$2,888,032	\$2,714,855	\$2,613,245	\$2,537,103	\$2,475,366	\$2,408,474	\$12,673,702	\$12,381,490	\$11,412,529	\$10,100,006	\$8,749,995
(52) Actual Recon Revenue	\$382,157	\$187,920	\$215,223	\$89,825	\$75,497	\$79,688	\$106,578	\$358,781	\$1,034,279	\$1,371,579	\$1,398,428	\$1,240,611
(53) Ending Recon Balance Under/(Over) Recovery	\$2,872,963	\$2,700,112	\$2,599,632	\$2,523,420	\$2,461,606	\$2,395,698	\$2,301,896	\$1,234,921	\$1,167,817	\$1,040,950	\$870,578	\$7,500,384
(54) Average Monthly Balance Under/(Over) Recovery	\$3,064,041	\$2,794,072	\$2,657,244	\$2,563,333	\$2,499,355	\$2,435,632	\$2,355,185	\$1,249,432	\$1,186,430	\$1,076,740	\$940,792	\$8,129,689
(55) Bk America Rate less 200 Basis Points	6.00%	6.23%	6.25%	6.29%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
(56) Interest Applied	\$15,069	\$14,744	\$13,613	\$13,683	\$13,260	\$12,926	\$12,966	\$66,568	\$65,319	\$59,056	\$48,417	\$44,758
(57) Reconciliation End Balance Under/(Over) Recovery	\$2,888,032	\$2,714,855	\$2,613,245	\$2,537,103	\$2,475,366	\$2,408,474	\$2,314,863	\$12,381,490	\$11,412,529	\$10,100,006	\$8,749,995	\$7,554,141
(58) Reconciliation Factor (L & XL) - DAC												
(59) Recon Factor Act Beg. Balance Under/(Over) Recovery	(\$830,410)	(\$981,699)	(\$1,062,872)	(\$1,139,870)	(\$1,207,651)	(\$1,281,310)	(\$1,359,767)	(\$1,437,935)	(\$1,517,191)	(\$1,686,966)	(\$1,970,476)	(\$2,254,180)
(60) Transfer to 2023-2024 Recon Factor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,411,095	\$0	\$0	\$0	\$0
(61) Reconciliation (L & XL) DAC True-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$26,840	\$0	\$0	\$0	\$0
(62) Reconciliation (L & XL) Factor Balance Under/(Over) Recovery	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,411,095)	\$0	\$0	\$0	\$0
(63) Subtotal	(\$830,410)	(\$981,699)	(\$1,062,872)	(\$1,139,870)	(\$1,207,651)	(\$1,281,310)	(\$1,359,767)	(\$1,411,095)	(\$1,517,191)	(\$1,686,966)	(\$1,970,476)	(\$2,254,180)
(64) Actual Recon Revenue (L & XL)	\$146,844	\$75,793	\$71,370	\$61,544	\$66,827	\$71,440	\$70,487	\$98,316	\$160,979	\$273,470	\$272,853	\$229,263
(65) Ending Recon Balance Under/(Over) Recovery	(\$977,254)	(\$1,057,492)	(\$1,134,242)	(\$1,201,414)	(\$1,274,478)	(\$1,352,750)	(\$1,430,284)	(\$1,509,411)	(\$1,678,170)	(\$1,960,436)	(\$2,243,329)	(\$2,483,443)
(66) Average Monthly Balance Under/(Over) Recovery	(\$903,832)	(\$1,019,596)	(\$1,098,557)	(\$1,170,642)	(\$1,241,064)	(\$1,317,030)	(\$1,395,011)	(\$1,460,253)	(\$1,597,680)	(\$1,823,701)	(\$2,106,903)	(\$2,368,812)
(67) Bk America Rate less 200 Basis Points	6.00%	6.23%	6.25%	6.29%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
(68) Interest Applied	(\$4,445)	(\$5,380)	(\$5,628)	(\$6,237)	(\$6,833)	(\$7,017)	(\$7,680)	(\$7,780)	(\$8,796)	(\$10,040)	(\$10,851)	(\$13,041)
(69) Reconciliation End Balance Under/(Over) Recovery	(\$981,699)	(\$1,062,872)	(\$1,139,870)	(\$1,207,651)	(\$1,281,310)	(\$1,359,767)	(\$1,437,935)	(\$1,517,191)	(\$1,686,966)	(\$1,970,476)	(\$2,254,180)	(\$2,496,485)
(70) Pension Adjustment												
(71) Pen Act Beg. Balance Under/(Over) Recovery	\$1,030,415	\$774,245	\$651,992	\$564,263	\$491,968	\$423,232	\$349,137	\$262,276	(\$7,387,793)	(\$6,683,594)	(\$5,669,768)	(\$4,624,646)
(72) Transfer to 2023-2024 Recon Factor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$243,450)	\$0	\$0	\$0	\$0
(73) Pension DAC True-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$18,826)	\$0	\$0	\$0	\$0
(74) Pension Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$7,388,778)	\$0	\$0	\$0	\$0
(75) Subtotal	\$1,030,415	\$774,245	\$651,992	\$564,263	\$491,968	\$423,232	\$349,137	(\$7,388,778)	(\$7,387,793)	(\$6,683,594)	(\$5,669,768)	(\$4,624,646)
(76) Actual Pension Revenue	\$260,596	\$126,007	\$90,836	\$75,101	\$71,229	\$76,167	\$88,559	(\$39,943)	(\$742,827)	(\$1,047,739)	(\$1,071,563)	(\$940,435)
(77) Ending Pension Balance Under/(Over) Recovery	\$769,819	\$648,238	\$561,156	\$489,162	\$420,739	\$347,065	\$260,598	(\$7,388,535)	(\$6,644,966)	(\$5,635,855)	(\$4,598,205)	(\$3,684,211)
(78) Average Monthly Balance Under/(Over) Recovery	\$900,117	\$771,242	\$666,574	\$526,712	\$456,354	\$385,168	\$304,867	(\$7,308,506)	(\$7,016,379)	(\$6,159,725)	(\$5,133,986)	(\$4,154,428)
(79) Bk America Rate less 200 Basis Points	6.00%	6.23%	6.25%	6.29%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
(80) Interest Applied	\$4,427	\$5,753	\$3,107	\$2,806	\$2,512	\$2,052	\$1,678	(\$39,258)	(\$38,628)	(\$33,012)	(\$26,441)	(\$22,872)
(81) Pension Adjustment End Balance Under/(Over) Recovery	\$774,245	\$651,992	\$564,263	\$491,968	\$423,232	\$349,137	\$262,276	(\$7,387,793)	(\$6,683,594)	(\$5,669,768)	(\$4,624,646)	(\$3,707,083)
(82) PBOP Adjustment												
(83) PBOP Act Beg. Balance Under/(Over) Recovery	\$282,400	\$221,994	\$189,342	\$167,238	\$149,049	\$132,622	\$115,267	\$94,682	\$266,028	\$242,296	\$210,667	\$177,339
(84) Transfer to 2023-2024 Recon Factor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$90,405)	\$0	\$0	\$0	\$0
(85) PBOP DAC True-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$4,276)	\$0	\$0	\$0	\$0
(86) PBOP Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$265,920	\$0	\$0	\$0	\$0
(87) Subtotal	\$282,400	\$221,994	\$189,342	\$167,238	\$149,049	\$132,622	\$115,267	\$265,920	\$266,028	\$242,296	\$210,667	\$177,339
(88) Actual PBOP Revenue	\$61,644	\$33,734	\$23,015	\$19,029	\$17,201	\$18,013	\$21,162	\$1,305	\$25,128	\$32,872	\$34,325	\$30,804
(89) Ending PBOP Balance Under/(Over) Recovery	\$220,756	\$188,260	\$166,327	\$148,209	\$131,848	\$114,609	\$94,105	\$264,615	\$240,900	\$209,424	\$176,342	\$146,535
(90) Average Monthly Balance Under/(Over) Recovery	\$251,578	\$205,127	\$177,834	\$157,734	\$140,449	\$123,615	\$104,686	\$265,267	\$253,464	\$225,860	\$193,505	\$161,937
(91) Bk America Rate less 200 Basis Points	6.00%	6.23%	6.25%	6.29%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
(92) Interest Applied	\$1,427	\$1,082	\$911	\$840	\$773	\$692	\$626	6,50%	\$1,395	\$927	\$892	\$892
(93) PBOP Adjustment End Balance Under/(Over) Recovery	\$221,994	\$189,342	\$167,238	\$149,049	\$132,622	\$115,267	\$94,682	\$266,028	\$242,296	\$210,667	\$177,339	\$147,426

(71) Docket 23-23-NG, Schedule PRB/TGS-98, Pg. 3, Ln (51)
(72) Schedule DAC-9, Page 9, Line (7), Column (e)
(73) Schedule DAC-9, Page 9, Line (7), Column (e)
(74) Docket 23-23-NG, Schedule PRB/TGS-98, Pg. 1, Ln (3)
(75) Docket 23-23-NG, Schedule PRB/TGS-98, Pg. 3, Ln (52)
(76) Docket 23-23-NG, Schedule PRB/TGS-98, Pg. 3, Ln (59)
(77) Docket 23-23-NG, Schedule PRB/TGS-98, Pg. 3, Ln (59)
(78) Docket 23-23-NG, Schedule PRB/TGS-98, Pg. 3, Ln (59)
(79) Docket 23-23-NG, Schedule PRB/TGS-98, Pg. 3, Ln (59)
(80) Docket 23-23-NG, Schedule PRB/TGS-98, Pg. 3, Ln (59)
(81) Docket 23-23-NG, Schedule PRB/TGS-98, Pg. 3, Ln (59)
(82) Docket 23-23-NG, Schedule PRB/TGS-98, Pg. 3, Ln (59)
(83) Docket 23-23-NG, Schedule PRB/TGS-98, Pg. 3, Ln (59)
(84) Docket 23-23-NG, Schedule PRB/TGS-98, Pg. 3, Ln (59)
(85) Docket 23-23-NG, Schedule PRB/TGS-98, Pg. 3, Ln (59)
(86) Docket 23-23-NG, Schedule PRB/TGS-98, Pg. 3, Ln (59)
(87) Docket 23-23-NG, Schedule PRB/TGS-98, Pg. 3, Ln (59)
(88) Docket 23-23-NG, Schedule PRB/TGS-98, Pg. 3, Ln (59)

The Narragansett Electric Company
d/b/a Rhode Island Energy
Non-Base Rate / Gas Year Reconciling Components (April 2023 - March 2024)

	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
	31	31	30	31	31	30	31	30	31	31	29	31
Actual	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	Actual	Actual	Actual
(94) Earnings Sharing Mechanism												
(95) ESM Asset Beg. Balance Under/(Over) Recovery	\$525	\$610	\$672	\$677	\$704	\$715	\$742	\$751	(\$51)	(\$47)	(\$45)	(\$43)
(96) Transfer to 2023-2024 Reconst Factor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(97) ESM DAC True-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(98) ESM Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(99) Subtotal	\$525	\$610	\$672	\$677	\$704	\$715	\$742	\$751	(\$51)	(\$47)	(\$45)	(\$43)
(100) Actual ESM Revenue	(\$83)	(\$88)	(\$82)	(\$83)	(\$87)	(\$83)	(\$85)	(\$85)	(\$51)	(\$3)	(\$2)	(\$7)
(101) Ending ESM Balance Under/(Over) Recovery	\$608	\$668	\$674	\$700	\$711	\$726	\$744	\$751	(\$47)	(\$44)	(\$43)	(\$36)
(102) Average Monthly Balance Under/(Over) Recovery	\$566	\$566	\$673	\$689	\$707	\$726	\$744	\$751	(\$49)	(\$46)	(\$44)	(\$39)
(103) BK America Rate less 200 Basis Points	6.00%	6.23%	6.25%	6.29%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
(104) Interest Applied	\$3	\$3	\$3	\$4	\$4	\$4	\$4	\$4	\$20	\$20	\$20	\$20
(105) ESM Adjustment End Balance Under/(Over) Recovery	\$610	\$672	\$677	\$704	\$715	\$742	\$751	(\$43)	(\$47)	(\$45)	(\$43)	(\$36)
(106) Low Income Discount Recovery Adjustment												
(107) LIDRF Asset Beg. Balance Under/(Over) Recovery	\$118,913	\$59,173	\$150,955	\$220,334	\$254,431	\$266,143	\$281,516	\$281,516	\$57,385	\$157,640	\$31,261	(\$100,693)
(108) Actual LIDRF Revenue	\$862,140	\$848,076	\$394,873	\$702,649	\$265,439	\$283,120	\$323,153	\$583,938	\$988,218	\$1,135,189	\$1,145,775	\$1,074,667
(109) Actual LIDRF Credits Applied (cost)	\$922,116	\$456,847	\$326,442	\$746,813	\$255,156	\$271,402	\$314,975	\$526,706	\$898,553	\$1,202,086	\$1,277,551	\$1,114,318
(110) Ending LIDRF Balance	\$88,796	\$150,402	\$219,586	\$255,170	\$284,714	\$280,061	\$291,694	\$57,232	\$157,049	\$30,742	(\$100,515)	(\$140,344)
(111) Average Monthly Balance	\$88,824	\$104,787	\$185,170	\$236,752	\$259,573	\$273,102	\$286,605	\$28,616	\$107,217	\$94,191	(\$34,627)	(\$120,519)
(112) BK America Rate less 200 Basis Points	6.00%	6.23%	6.25%	6.29%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
(113) Interest Applied	\$437	\$553	\$949	\$1,261	\$1,429	\$1,455	\$1,528	\$152	\$590	\$319	\$128	(\$664)
(114) LIDRF End Balance Under/(Over) Recovery	\$59,173	\$150,955	\$220,334	\$254,431	\$266,143	\$281,516	\$293,272	\$57,385	\$157,640	\$31,261	(\$100,693)	(\$141,008)
(115) Service Quality Penalty Adjustment												
(116) SQ Asset Beg. Balance Under/(Over) Recovery	(\$340,105)	(\$275,788)	(\$244,309)	(\$222,181)	(\$204,388)	(\$187,586)	(\$169,503)	(\$148,238)	(\$124,021)	(\$11,221)	(\$93,897)	(\$76,736)
(117) Transfer to 2023-2024 Reconst Factor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(118) SQ DAC True-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(119) Service Quality Penalty Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$150,000)	\$0	\$0	\$0	\$0
(120) Subtotal	(\$340,105)	(\$275,788)	(\$244,309)	(\$222,181)	(\$204,388)	(\$187,586)	(\$169,503)	(\$150,000)	(\$124,021)	(\$11,221)	(\$93,897)	(\$76,736)
(121) Actual SQ Revenue	(\$65,828)	(\$32,848)	(\$23,320)	(\$18,926)	(\$17,878)	(\$19,032)	(\$22,137)	(\$26,707)	(\$13,446)	(\$17,887)	(\$17,599)	(\$15,302)
(122) Ending SQ Balance Under/(Over) Recovery	(\$274,277)	(\$242,940)	(\$220,989)	(\$203,255)	(\$186,510)	(\$168,554)	(\$147,366)	(\$123,293)	(\$105,755)	(\$93,334)	(\$76,298)	(\$61,434)
(123) Average Monthly Balance Under/(Over) Recovery	(\$307,191)	(\$259,364)	(\$232,649)	(\$212,718)	(\$195,449)	(\$178,770)	(\$158,434)	(\$136,647)	(\$117,298)	(\$102,277)	(\$85,097)	(\$69,085)
(124) BK America Rate less 200 Basis Points	6.00%	6.23%	6.25%	6.29%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
(125) Interest Applied	(\$1,511)	(\$1,369)	(\$1,192)	(\$1,133)	(\$1,070)	(\$949)	(\$872)	(\$728)	(\$646)	(\$562)	(\$438)	(\$380)
(126) SQ Reconst End Balance Under/(Over) Recovery	(\$275,788)	(\$244,309)	(\$222,181)	(\$204,388)	(\$187,586)	(\$169,503)	(\$147,366)	(\$123,293)	(\$105,755)	(\$93,334)	(\$76,298)	(\$61,434)
(96) Docket 23-23-NG, Schedule PRB/TGS-98, Pg. 4, Ln (67)												
(97) Schedule DAC-9, Page 9, Line (11), Column (a)												
(98) Schedule DAC-9, Page 9, Line (11), Column (c)												
(99) Docket 23-23-NG, Schedule PRB/TGS-98, Pg. 4, Ln (7)												
(100) Docket 23-23-NG, Schedule PRB/TGS-98, Pg. 4, Ln (68)												
(101) Docket 23-23-NG, Schedule PRB/TGS-98, Pg. 4, Ln (69)												
(102) Docket 23-23-NG, Schedule PRB/TGS-98, Pg. 4, Ln (70)												
(103) Docket 23-23-NG, Schedule PRB/TGS-98, Pg. 4, Ln (71)												
(104) Docket 23-23-NG, Schedule PRB/TGS-98, Pg. 4, Ln (72)												
(105) Docket 23-23-NG, Schedule PRB/TGS-98, Pg. 4, Ln (73)												
(106) Docket 23-23-NG, Schedule PRB/TGS-98, Pg. 4, Ln (74)												
(107) Docket 23-23-NG, Schedule PRB/TGS-98, Pg. 4, Ln (75)												
(108) Docket 23-23-NG, Schedule PRB/TGS-98, Pg. 4, Ln (76)												
(109) Docket 23-23-NG, Schedule PRB/TGS-98, Pg. 4, Ln (77)												

The Narragansett Electric Company
d/b/a Rhode Island Energy
Non-Base Rate / Gas Year Reconciling Components (April 2023 - March 2024)

	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
	30	31	30	31	31	30	31	30	31	31	29	31
Actual	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	Actual	(k)	Actual
(127) Storm Net Revenue Adjustment												
(128) Storm Net Revenue Acct Bg. Balance Under/(Over) Recovery	(\$78,432)	(\$62,297)	(\$54,441)	(\$48,900)	(\$44,420)	(\$40,244)	(\$35,747)	(\$30,390)	\$322	\$646	\$893	\$996
(129) Transfer to 2023-2024 Reconc Factor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$28,859	\$0	\$0	\$0	\$0
(130) Storm Net Revenue DAC True-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,530	\$0	\$0	\$0	\$0
(131) Storm Net Revenue Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$5,676)	\$0	\$0	\$0	\$0
(132) Subtotal	(\$78,432)	(\$62,297)	(\$54,441)	(\$48,900)	(\$44,420)	(\$40,244)	(\$35,747)	(\$5,676)	\$322	\$646	\$893	\$996
(133) Actual Storm Net Revenue	(\$16,480)	(\$8,163)	(\$5,805)	(\$4,728)	(\$4,408)	(\$4,699)	(\$5,539)	(\$6,012)	\$322	(\$242)	(\$598)	(\$46)
(134) Ending Storm Net Revenue Balance Under/(Over) Recovery	(\$61,952)	(\$54,134)	(\$48,636)	(\$44,172)	(\$40,012)	(\$35,545)	(\$30,208)	\$336	\$644	\$888	\$991	\$1,042
(135) Average Monthly Balance Under/(Over) Recovery	(\$70,192)	(\$58,215)	(\$51,539)	(\$46,536)	(\$42,216)	(\$37,895)	(\$32,978)	(\$2,670)	\$483	\$767	\$942	\$1,019
(136) BK America Rate less 200 Basis Points	6.00%	6.23%	6.25%	6.29%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
(137) Interest Applied	(\$345)	(\$302)	(\$264)	(\$248)	(\$232)	(\$202)	(\$182)	(\$14)	\$3	\$4	\$5	\$5
(138) Storm Net Revenue Recon End Balance Under/(Over) Recovery	(\$62,297)	(\$54,441)	(\$48,900)	(\$44,420)	(\$40,244)	(\$35,747)	(\$30,390)	\$322	\$646	\$893	\$996	\$1,047
(128) Docket 23-23-NG, Schedule PRB/TGS-9S, Pg. 4, Ltr (100)												
(129) Schedule DAC-9, Page 9, Line (12), Column (a)												
(130) Schedule DAC-9, Page 9, Line (12), Column (c)												
(131) Docket 23-23-NG, Schedule PRB/TGS-1S Revised, Pg. 1, Ltr (9)												
(133) Docket 23-23-NG, Schedule PRB/TGS-9S, Pg. 4, Ltr (101)												

The Narragansett Electric Company
d/b/a Rhode Island Energy
RDA Reconciliation (April 2023 - March 2024)

RDM Reconciliation	Apr-23 30 Actual (a)	May-23 31 Actual (b)	Jun-23 30 Actual (c)	Jul-23 Actual (d)	Aug-23 31 Actual (e)	Sep-23 30 Actual (f)	Oct-23 31 Actual (g)	Nov-23 30 Actual (h)	Dec-23 31 Actual (i)	Jan-24 31 Actual (j)	Feb-24 29 Actual (k)	Mar-24 Actual (l)	Total (m)
RDM Recons \$decarbon	\$0.2720	\$0.2749	\$0.2738	\$0.2678	\$0.2702	\$0.2700	\$0.2710	\$0.3912	\$0.5480	\$0.5544	\$0.5534	\$0.5538	
Rea-NH, Rea-H, Small, Medium													
Actual Firm Throughput - dekartherms													
(1) Rea-NH	29,602	19,928	16,142	13,228	11,461	11,821	15,386	18,457	28,626	37,537	37,626	35,811	275,625
(2) Rea-H	1,999,807	991,539	608,575	455,496	365,971	392,866	536,854	1,147,757	2,282,617	3,027,051	3,047,244	2,729,339	17,585,116
(3) Small	258,711	116,688	50,763	54,242	32,999	40,721	53,779	134,573	294,059	419,097	442,791	379,702	2,278,127
(4) Medium	608,410	280,315	192,906	168,989	165,819	165,160	206,173	330,641	667,664	802,411	847,917	734,058	5,170,361
(5) Total	2,896,530	1,408,470	868,387	691,954	576,250	610,568	812,193	1,631,428	3,272,966	4,286,096	4,375,478	3,878,910	25,309,229
(6) RDM Reconciliation													
(7) RDM Act Beg. Balance Under(Over) Recovery	\$3,723,588	\$2,952,153	\$2,579,515	\$2,354,378	\$2,181,156	\$2,037,050	\$1,882,594	\$1,672,242	\$1,584,177	\$14,130,496	\$11,825,388	\$9,458,671	
(8) Transfer to 2023-2024 Reconst Factor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,615,546)	\$0	\$0	\$0	\$0	
(9) RDM DAC True-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$56,695)	\$0	\$0	\$0	\$0	
(10) RDM Balance November 2023	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,799,007	\$0	\$0	\$0	\$0	
(11) Interest on RDM Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$595,307	\$0	\$0	\$0	\$0	
(12) Subtotal	\$3,723,588	\$2,952,153	\$2,579,515	\$2,354,378	\$2,181,156	\$2,037,050	\$1,882,594	\$1,634,314	\$1,584,177	\$14,130,496	\$11,825,388	\$9,458,671	
(13) Actual RDM Revenue	\$782,810	\$387,194	\$237,743	\$185,271	\$155,686	\$164,870	\$220,111	\$638,184	\$1,793,560	\$2,376,362	\$2,421,386	\$2,148,093	
(14) Ending RDM Balance Under(Over) Recovery	\$2,935,777	\$2,564,959	\$2,341,772	\$2,169,107	\$2,025,470	\$1,872,180	\$1,662,483	\$1,575,361	\$1,408,217	\$11,754,134	\$9,404,002	\$7,310,577	
(15) Average Monthly Balance Under(Over) Recovery	\$332,968	\$278,556	\$246,043	\$226,142	\$2,103,313	\$1,954,615	\$1,772,538	\$1,607,522	\$1,494,997	\$12,942,315	\$10,614,695	\$8,384,624	
(16) BK America Rate less 100 Basis Points	6.00%	6.23%	6.25%	6.29%	6.30%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	
(17) Interest Applied	\$163,375	\$14,556	\$12,606	\$12,050	\$11,580	\$10,414	\$9,759	\$8,647	\$82,279	\$71,253	\$54,669	\$46,161	
(18) RDM Reconst End Balance Under(Over) Recovery	\$2,952,153	\$2,579,515	\$2,354,378	\$2,181,156	\$2,037,050	\$1,882,594	\$1,672,242	\$1,584,177	\$14,130,496	\$11,825,388	\$9,458,671	\$7,356,739	\$427,349
(19) RDM Revenue per rate class													
(20) Rea-NH	\$8,051	\$5,478	\$4,419	\$3,542	\$3,096	\$3,192	\$4,170	\$7,220	\$15,687	\$20,812	\$20,822	\$19,832	\$116,321
(21) Rea-H	\$543,916	\$272,578	\$166,613	\$121,959	\$98,875	\$106,084	\$145,492	\$448,981	\$1,250,856	\$1,678,303	\$1,686,342	\$1,511,475	\$8,031,475
(22) Small	\$703,665	\$32,078	\$13,898	\$14,523	\$8,915	\$10,996	\$14,575	\$52,642	\$161,142	\$232,362	\$245,040	\$210,274	\$1,066,812
(23) Medium	\$165,478	\$77,060	\$32,813	\$45,247	\$44,800	\$44,598	\$55,875	\$129,340	\$365,875	\$444,885	\$460,181	\$406,512	\$2,201,662
(24) Total	\$787,810	\$387,194	\$237,743	\$185,271	\$155,686	\$164,870	\$220,111	\$638,184	\$1,793,560	\$2,376,362	\$2,421,386	\$2,148,093	\$11,516,270
(25) RDM Reconst Adjustment													
(26) RDM Reconst Beg. Balance Under(Over) Recovery	\$7,395	\$7,431	\$7,471	\$7,509	\$7,549	\$7,590	\$7,631	\$7,673	\$1,566,518	\$1,391,654	\$1,155,098	\$912,737	
(27) Transfer to 2023-2024 Reconst Factor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$7,674)	\$0	\$0	\$0	\$0	
(28) RDM DAC True-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1	\$0	\$0	\$0	\$0	
(29) RDM Balance November 2023	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,623,220	\$0	\$0	\$0	\$0	
(30) Subtotal	\$7,395	\$7,431	\$7,471	\$7,509	\$7,549	\$7,590	\$7,631	\$1,623,220	\$1,566,518	\$1,391,654	\$1,155,098	\$912,737	
(31) Actual RDM Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$65,177	\$182,984	\$243,548	\$247,672	\$221,202	
(32) Ending RDM Reconst Balance Under(Over) Recovery	\$7,395	\$7,431	\$7,471	\$7,509	\$7,549	\$7,590	\$7,631	\$1,558,043	\$1,383,534	\$1,148,106	\$907,426	\$691,535	
(33) Average Monthly Balance Under(Over) Recovery	\$7,395	\$7,431	\$7,471	\$7,509	\$7,549	\$7,590	\$7,631	\$1,590,632	\$1,475,026	\$1,269,880	\$1,031,262	\$802,136	
(34) BK America Rate less 100 Basis Points	6.00%	6.23%	6.25%	6.29%	6.30%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	
(35) Interest Applied	\$36	\$39	\$38	\$40	\$42	\$40	\$42	\$48,475	\$8,121	\$6,991	\$5,311	\$4,416	
(36) RDM Reconst Adjustment End Balance Under(Over) Recovery	\$7,431	\$7,471	\$7,509	\$7,549	\$7,590	\$7,631	\$7,673	\$1,566,518	\$1,391,654	\$1,155,098	\$912,737	\$695,951	
(7) Docket 23-23-NG, Schedule PRBTGS-9S, Pg. 6, Ln (7)													
(8) Schedule DAC-9, Page 9, Line (14), Column (a)													
(9) Schedule DAC-9, Page 9, Line (14), Column (a)													
(10) Docket 23-23-NG, Schedule PRBTGS-6, Pg. 1, Ln (5)													
(11) Monthly interest on balance calculated from April - October at Bank of America prime rate less 200 basis points													
(12) Col (b): Sum Lines (7)(11)													
(13) Docket 23-23-NG, Schedule PRBTGS-9S, Pg. 6, Ln (8)													
(26) Docket 23-23-NG, Schedule PRBTGS-9S, Pg. 6, Ln (22)													
(27) Schedule DAC-9, Page 9, Line (15), Column (a)													
(28) Schedule DAC-9, Page 9, Line (15), Column (c)													
(29) Docket 23-23-NG, Schedule PRBTGS-9S, Pg. 6, Ln (29)													
(30) Col (b): Sum Lines (26)(29)													
(31) Docket 23-23-NG, Schedule PRBTGS-9S, Pg. 6, Ln (23)													

The Narragansett Electric Company
d/b/a Rhode Island Energy
ISR Reconciliation (April 2023 - March 2024)

ISR Recon Rates Side/therm	Apr-23 30 Actual	May-23 31 Actual	Jun-23 30 Actual	Jul-23 31 Actual	Aug-23 31 Actual	Sep-23 30 Actual	Oct-23 31 Actual	Nov-23 30 Actual	Dec-23 31 Actual	Jan-24 31 Actual	Feb-24 29 Actual	Mar-24 31 Actual
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
Promoted												
Res-NH	(80,1457)	(80,1507)	(80,1486)	(80,1420)	(80,1542)	(80,1504)	(80,1482)	(80,0434)	(80,2441)	(80,2495)	(80,2463)	(80,2498)
Res-H	(80,1457)	(80,1464)	(80,1466)	(80,1474)	(80,1475)	(80,1472)	(80,1471)	(80,0447)	(80,2462)	(80,2499)	(80,2481)	(80,2488)
Small	(80,1011)	(80,1016)	(80,1001)	(80,1012)	(80,1023)	(80,1011)	(80,1019)	(80,0481)	(80,2151)	(80,2168)	(80,2155)	(80,2159)
Medium	(80,0579)	(80,0573)	(80,0578)	(80,0580)	(80,0576)	(80,0579)	(80,0575)	(80,0475)	(80,1794)	(80,1954)	(80,1963)	(80,1971)
Large LL	(80,0927)	(80,0982)	(80,0949)	(80,0970)	(80,0937)	(80,0937)	(80,0961)	(80,0112)	(80,0966)	(80,1019)	(80,1065)	(80,1076)
Large HL	(80,1029)	(80,1059)	(80,1035)	(80,1026)	(80,1028)	(80,1014)	(80,1033)	(80,0599)	(80,0548)	(80,0550)	(80,0519)	(80,0530)
XL-LL	(80,0172)	(80,0107)	(80,0082)	(80,0306)	(80,0157)	(80,0173)	(80,0170)	(80,0190)	(80,0269)	(80,0357)	(80,0351)	(80,0373)
XL-HL	(80,0955)	(80,1036)	(80,0968)	(80,0967)	(80,0967)	(80,0966)	(80,0966)	(80,0922)	(80,0020)	(80,0015)	(80,0037)	(80,0040)
Actual Firm Throughput - decatherms												
Res-NH	29,602	19,928	16,142	13,228	11,461	11,821	15,386	18,457	28,626	37,537	37,626	35,811
Res-H	1,999,807	991,339	608,575	453,496	365,971	392,866	53,684	1,147,757	2,282,617	3,027,061	3,047,244	2,729,339
Small	258,711	116,688	50,763	54,242	32,999	40,721	53,779	134,573	294,059	419,097	442,791	379,702
Medium	608,410	280,315	192,906	168,989	165,819	165,160	206,173	330,641	667,664	802,411	847,817	734,058
Large LL	337,969	129,085	58,176	21,954	45,116	54,196	68,663	146,997	353,316	399,405	499,181	397,143
Large HL	120,144	77,584	70,422	75,228	66,384	75,695	63,282	95,468	133,220	128,767	144,641	126,758
XL-LL	150,739	34,188	15,492	284	19,826	24,401	31,921	87,608	211,596	175,391	254,951	166,377
XL-HL	625,115	358,103	449,863	414,646	424,592	441,068	425,801	410,495	538,152	723,278	546,973	500,993
Total	4,130,498	2,007,530	1,462,340	1,204,065	1,132,168	1,205,929	1,401,859	2,371,995	4,509,249	5,712,936	5,821,224	5,070,181
ISR Res Actg Bg. Balance Under/(Over) Recovery	(\$1,277,639)	(\$987,500)	(\$844,203)	(\$756,683)	(\$691,492)	(\$639,394)	(\$583,029)	(\$504,773)	\$5,265,272	\$4,723,814	\$3,981,856	\$3,235,130
(1) ISR Recon DAC True-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(2) FY 2023 Recon	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(3) Interest Applied on FY23 balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(4) Total FY 2023 Recon	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(5) Actual Res Revenue	(\$295,696)	(\$148,117)	(\$91,610)	(\$69,038)	(\$55,752)	(\$59,613)	(\$81,242)	\$32,146	\$568,880	\$765,887	\$765,262	\$667,871
(6) Ending Res Balance Under/(Over) Recovery	(\$981,943)	(\$839,383)	(\$752,593)	(\$687,645)	(\$635,741)	(\$579,781)	(\$501,787)	\$23,359,59	\$4,696,392	\$3,957,957	\$3,216,593	\$2,547,260
(7) Average Monthly Balance Under/(Over) Recovery	(\$1,129,791)	(\$913,441)	(\$796,398)	(\$722,164)	(\$663,616)	(\$609,588)	(\$542,408)	\$5,501,952	\$4,980,332	\$4,340,886	\$3,599,224	\$2,891,195
(8) BK America Rate less 200 Basis Points	6.00%	6.23%	6.25%	6.29%	6.30%	6.30%	6.30%	6.30%	6.30%	6.30%	6.30%	6.30%
(9) Interest Applied	(\$5,516)	(\$4,820)	(\$4,090)	(\$3,847)	(\$3,654)	(\$3,248)	(\$2,986)	\$29,314	\$27,422	\$23,899	\$18,537	\$15,917
(10) ISR Res Recon End Balance Under/(Over) Recovery	(\$987,500)	(\$844,203)	(\$756,683)	(\$691,492)	(\$639,394)	(\$583,029)	(\$504,773)	\$5,265,272	\$4,723,814	\$3,981,856	\$3,235,130	\$2,563,177
Under/(over) Recovery	\$290,139	\$143,297	\$87,520	\$65,191	\$52,098	\$56,365	\$78,256	\$5,770,045	(\$541,458)	(\$741,958)	(\$746,725)	(\$671,953)

- (1) Docket 23-23-NG, Schedule PRB/TGS-9S, Pg. 7, Ln (18)
(2) Schedule DAC-9, Page 9, Line (18), Column (e)
(3) Schedule DAC-9, Page 9, Line (18), Column (a)
(4) Docket 23-23-NG, Schedule PRB/TGS-7S, Pg. 1, Ln (3)
(5) Apr23-Oct23 @ BOA Rate less 200 Basis Points
(6) Line (4) + Line (5)

The Narragansett Electric Company
d/b/a Rhode Island Energy
ISR Reconciliation (April 2023 - March 2024)

	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
	30	31	30	31	31	30	31	30	31	31	29	31
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
(13) ISR Small C&I Acct Beg. Balance Under/(Over) Recovery	(\$101,745)	(\$76,022)	(\$64,536)	(\$59,772)	(\$54,589)	(\$51,506)	(\$47,650)	(\$42,415)	\$552,092	\$491,696	\$403,290	\$309,696
(14) ISR Recon DAC True-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(15) FY 2023 Recon	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(16) Interest Applied on FY23 balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(17) Total FY 2023 Recon	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(18) Actual Small C&I Revenue	(\$26,158)	(\$1,856)	(\$5,082)	(\$5,487)	(\$3,375)	(\$4,119)	(\$5,483)	\$6,471	\$63,261	\$90,863	\$95,425	\$81,977
(19) Ending Small C&I Balance Under/(Over) Recovery	(\$75,586)	(\$64,166)	(\$59,454)	(\$54,285)	(\$51,214)	(\$47,387)	(\$42,167)	\$549,039	\$488,831	\$400,833	\$307,865	\$227,720
(20) Average Monthly Balance Under/(Over) Recovery	(\$88,665)	(\$70,094)	(\$61,995)	(\$57,029)	(\$52,902)	(\$49,446)	(\$44,909)	\$572,913	\$520,461	\$446,265	\$355,578	\$268,708
(21) Bk America Rate less 200 Basis Points	6.00%	6.23%	6.25%	6.29%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
(22) Interest Applied	(\$436)	(\$370)	(\$318)	(\$304)	(\$291)	(\$263)	(\$247)	\$3,052	\$2,865	\$2,457	\$1,831	\$1,479
(23) ISR Small C&I Recon End Balance Under/(Over) Recovery	(\$76,022)	(\$64,536)	(\$59,772)	(\$54,589)	(\$51,506)	(\$47,650)	(\$42,415)	\$552,092	\$491,696	\$403,290	\$309,696	\$229,199
Under/(over) Recovery	\$25,722	\$11,486	\$4,764	\$5,183	\$3,083	\$3,855	\$5,236	\$394,506	(\$80,396)	(\$88,406)	(\$93,594)	(\$80,497)
(25) ISR Medium Acct Beg. Balance Under/(Over) Recovery	(\$135,115)	(\$100,448)	(\$84,867)	(\$74,129)	(\$64,703)	(\$55,485)	(\$46,199)	(\$34,569)	\$1,171,152	\$1,057,509	\$906,106	\$743,924
(26) ISR Recon DAC True-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(27) FY 2023 Recon	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(28) Interest Applied on FY23 balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(29) Total FY 2023 Recon	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(30) Actual Medium Revenue	(\$35,245)	(\$16,069)	(\$11,144)	(\$9,795)	(\$9,548)	(\$9,556)	(\$11,852)	\$15,695	\$119,762	\$156,793	\$166,420	\$144,672
(31) Ending Medium Balance Under/(Over) Recovery	(\$99,870)	(\$84,379)	(\$73,723)	(\$64,334)	(\$55,155)	(\$45,929)	(\$34,347)	\$1,048,809	\$1,051,390	\$900,715	\$739,686	\$599,253
(32) Average Monthly Balance Under/(Over) Recovery	(\$117,493)	(\$92,414)	(\$79,295)	(\$69,324)	(\$59,929)	(\$50,707)	(\$40,273)	\$1,190,557	\$1,111,271	\$979,112	\$822,896	\$671,589
(33) Bk America Rate less 200 Basis Points	6.00%	6.23%	6.25%	6.29%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
(34) Interest Applied	(\$578)	(\$488)	(\$406)	(\$369)	(\$310)	(\$270)	(\$222)	\$6,343	\$6,118	\$5,390	\$4,238	\$3,697
(35) ISR Medium Recon End Balance Under/(Over) Recovery	(\$100,448)	(\$84,867)	(\$74,129)	(\$64,703)	(\$55,485)	(\$46,199)	(\$34,569)	\$1,171,152	\$1,057,509	\$906,106	\$743,924	\$602,950
Under/(over) Recovery	\$34,667	\$15,581	\$10,738	\$9,426	\$9,218	\$9,285	\$11,630	\$1,205,721	(\$113,643)	(\$151,403)	(\$162,181)	(\$140,974)

(31) Docket 23-23-NG, Schedule PRB/TGS-9S, Pg. 8, Ln (38)

- (13) Docket 23-23-NG, Schedule PRB/TGS-9S, Pg. 7, Ln (27)
(14) Schedule DAC-9, Page 9, Line (19), Column (c)
(15) Schedule DAC-9, Page 9, Line (19), Column (d)
(16) Docket 23-23-NG, Schedule PRB/TGS-7S, Pg. 1, Ln (4)
(17) Apr23-Oct23 @ BOX Rate less 200 Basis Points
(18) Line (16) + Line (17)
(19) Docket 23-23-NG, Schedule PRB/TGS-9S, Pg. 7, Ln (29)
(20) Docket 23-23-NG, Schedule PRB/TGS-9S, Pg. 8, Ln (36)
(21) Schedule DAC-9, Page 9, Line (20), Column (e)
(22) Schedule DAC-9, Page 9, Line (20), Column (d)
(23) Docket 23-23-NG, Schedule PRB/TGS-7S, Pg. 1, Ln (5)
(24) Apr23-Oct23 @ BOX Rate less 200 Basis Points
(25) Line (28) + Line (29)

The Narragansett Electric Company
d/b/a Rhode Island Energy
ISR Reconciliation (April 2023 - March 2024)

	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
	30	31	30	31	31	30	31	30	31	31	29	31
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
(37) ISR Large LL Act Beg. Balance Under/(Over) Recovery	(\$103,298)	(\$72,608)	(\$60,085)	(\$54,860)	(\$53,017)	(\$49,068)	(\$42,238)	(\$37,865)	(\$36,231)	\$293,789	\$254,614	\$202,608
(38) ISR Recon DAC True-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$97)	\$0	\$0	\$0	\$0
(39) FY 2023 Recon	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(40) FY 2023 Recon	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$347,623	\$0	\$0	\$0	\$0
(41) Interest Applied on FY23 balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,098	\$0	\$0	\$0	\$0
(42) Total FY 2023 Recon	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$360,721	\$0	\$0	\$0	\$0
(43) Actual Large LL Revenue	(\$31,322)	(\$12,072)	(\$5,519)	(\$2,129)	(\$4,230)	(\$5,078)	(\$6,598)	(\$1,646)	\$34,144	\$40,681	\$53,180	\$42,733
(44) Ending Large LL Balance Under/(Over) Recovery	(\$71,977)	(\$59,736)	(\$54,566)	(\$52,731)	(\$48,788)	(\$43,990)	(\$37,639)	\$324,406	\$292,087	\$233,108	\$201,434	\$159,876
(45) Average Monthly Balance Under/(Over) Recovery	(\$87,638)	(\$66,072)	(\$57,325)	(\$53,795)	(\$50,902)	(\$46,529)	(\$40,939)	\$342,563	\$309,159	\$273,449	\$228,024	\$181,242
(46) BK America Rate less 200 Basis Points	6.00%	6.23%	6.25%	6.29%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
(47) Interest Applied	(\$431)	(\$349)	(\$294)	(\$287)	(\$280)	(\$248)	(\$225)	\$1,825	\$1,702	\$1,505	\$1,174	\$998
(48) ISR Large LL Recon End Balance Under/(Over) Recovery	(\$72,408)	(\$60,085)	(\$54,860)	(\$53,017)	(\$49,068)	(\$42,238)	(\$37,865)	\$326,231	\$293,789	\$254,614	\$202,608	\$160,874
(49) ISR Large HL Act Beg. Balance Under/(Over) Recovery	(\$83,646)	(\$71,667)	(\$63,807)	(\$56,826)	(\$49,393)	(\$42,825)	(\$35,354)	(\$28,993)	\$75,139	\$70,900	\$64,836	\$57,650
(50) ISR Recon DAC True-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,236	\$0	\$0	\$0	\$0
(51) FY 2023 Recon	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$23,756)	\$0	\$0	\$0	\$0
(52) FY 2023 Recon	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$89,463	\$0	\$0	\$0	\$0
(53) Interest Applied on FY23 balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,367	\$0	\$0	\$0	\$0
(54) Total FY 2023 Recon	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$92,730	\$0	\$0	\$0	\$0
(55) Actual Large HL Revenue	(\$12,359)	(\$8,217)	(\$7,289)	(\$7,115)	(\$6,821)	(\$7,678)	(\$6,538)	(\$5,719)	\$4,639	\$6,437	\$7,501	\$6,718
(56) Ending Large HL Balance Under/(Over) Recovery	(\$71,286)	(\$63,450)	(\$56,517)	(\$49,111)	(\$42,572)	(\$35,147)	(\$28,816)	\$74,693	\$70,499	\$64,464	\$57,336	\$50,932
(57) Average Monthly Balance Under/(Over) Recovery	(\$77,466)	(\$67,559)	(\$60,162)	(\$52,968)	(\$45,982)	(\$38,986)	(\$32,085)	\$83,711	\$72,819	\$67,682	\$61,086	\$54,291
(58) BK America Rate less 200 Basis Points	6.00%	6.23%	6.25%	6.29%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
(59) Interest Applied	(\$381)	(\$356)	(\$308)	(\$282)	(\$253)	(\$208)	(\$177)	\$446	\$401	\$373	\$315	\$299
(60) ISR Large HL Recon End Balance Under/(Over) Recovery	(\$71,667)	(\$63,807)	(\$56,826)	(\$49,393)	(\$42,825)	(\$35,354)	(\$28,993)	\$75,139	\$70,900	\$64,836	\$57,650	\$51,231

(55) Docket 23-23-NG, Schedule PRB/TGS-9S, Pg. 8, Ln (56)

- (37) Docket 23-23-NG, Schedule PRB/TGS-9S, Pg. 8, Ln (45)
(38) Schedule DAC-9, Page 9, Line (21), Column (e)
(39) Schedule DAC-9, Page 9, Line (21), Column (e)
(40) Docket 23-23-NG, Schedule PRB/TGS-7S, Pg. 1, Ln (6)
(41) Apr23-Oct23 @ BOA Rate less 200 Basis Points
(42) Line (40) + Line (41)
(43) Docket 23-23-NG, Schedule PRB/TGS-9S, Pg. 8, Ln (47)
(44) Docket 23-23-NG, Schedule PRB/TGS-9S, Pg. 8, Ln (54)
(50) Schedule DAC-9, Page 9, Line (22), Column (e)
(51) Schedule DAC-9, Page 9, Line (22), Column (e)
(52) Docket 23-23-NG, Schedule PRB/TGS-7S, Pg. 1, Ln (7)
(53) Apr23-Oct23 @ BOA Rate less 200 Basis Points
(54) Line (52) + Line (53)

The Narragansett Electric Company
d/b/a Rhode Island Energy
ISR Reconciliation (April 2023 - March 2024)

	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
	30	31	30	31	31	30	31	30	31	31	29	31
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
(61) ISR XL LL Acct Beg. Balance Under/(Over) Recovery	(\$3,346)	(\$759)	(\$397)	(\$526)	(\$680)	(\$373)	\$48	\$593	(\$46,146)	(\$46,695)	(\$34,643)	(\$25,856)
(62) ISR Recon DAC True-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$781	\$0	\$0	\$0	\$0
(63) FY 2023 Recon	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,373	\$0	\$0	\$0	\$0
(64) FY 2023 Recon	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$47,155)	\$0	\$0	\$0	\$0
(65) Interest Applied on FY23 balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,777)	\$0	\$0	\$0	\$0
(66) Total FY 2023 Recon	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$48,932)	\$0	\$0	\$0	\$0
(67) Actual XL LL Revenue	(\$2,598)	(\$364)	\$127	\$151	(\$311)	(\$421)	(\$543)	(\$1,665)	(\$5,689)	(\$6,260)	(\$8,942)	(\$6,210)
(68) Ending XL LL Balance Under/(Over) Recovery	(\$748)	(\$394)	(\$524)	(\$677)	(\$370)	\$48	\$591	(\$47,894)	(\$40,457)	(\$34,436)	(\$25,700)	(\$19,646)
(69) Average Monthly Balance Under/(Over) Recovery	(\$2,047)	(\$576)	(\$461)	(\$602)	(\$525)	(\$162)	\$319	(\$47,413)	(\$43,102)	(\$37,566)	(\$30,171)	(\$22,751)
(70) Bk America Rate less 200 Basis Points	6.00%	6.23%	6.25%	6.29%	6.30%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
(71) Interest Applied	(\$10)	(\$3)	(\$2)	(\$3)	(\$3)	(\$1)	\$2	(\$253)	(\$238)	(\$207)	(\$155)	(\$125)
(72) ISR XL LL Recon End Balance Under/(Over) Recovery	(\$759)	(\$397)	(\$526)	(\$680)	(\$373)	\$48	\$593	(\$46,146)	(\$40,695)	(\$34,643)	(\$25,856)	(\$19,771)
(73) ISR XL HL Acct Beg. Balance Under/(Over) Recovery	(\$323,156)	(\$264,894)	(\$229,088)	(\$186,587)	(\$147,358)	(\$107,011)	(\$64,860)	(\$23,965)	\$63,086	\$62,358	\$63,814	\$62,098
(74) ISR Recon DAC True-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,241	\$0	\$0	\$0	\$0
(75) FY 2023 Recon	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$21,724)	\$0	\$0	\$0	\$0
(76) FY 2023 Recon	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,981	\$0	\$0	\$0	\$0
(77) Interest Applied on FY23 balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,695	\$0	\$0	\$0	\$0
(78) Total FY 2023 Recon	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,676	\$0	\$0	\$0	\$0
(79) Actual XL HL Revenue	(\$59,704)	(\$37,107)	(\$43,562)	(\$40,116)	(\$41,045)	(\$42,608)	(\$41,138)	(\$37,843)	\$1,073	(\$1,110)	\$2,040	\$2,001
(80) Ending XL HL Balance Under/(Over) Recovery	(\$263,452)	(\$277,788)	(\$185,525)	(\$146,471)	(\$106,313)	(\$64,403)	(\$23,722)	\$62,795	\$62,013	\$63,467	\$61,774	\$60,097
(81) Average Monthly Balance Under/(Over) Recovery	(\$293,304)	(\$246,341)	(\$207,306)	(\$166,529)	(\$126,836)	(\$85,707)	(\$42,291)	\$54,735	\$62,550	\$62,913	\$62,794	\$61,097
(82) Bk America Rate less 200 Basis Points	6.00%	6.23%	6.25%	6.29%	6.30%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
(83) Interest Applied	(\$1,442)	(\$1,300)	(\$1,082)	(\$887)	(\$698)	(\$457)	(\$244)	\$292	\$344	\$346	\$323	\$336
(84) ISR XL HL Recon End Balance Under/(Over) Recovery	(\$264,894)	(\$229,088)	(\$186,587)	(\$147,358)	(\$107,011)	(\$64,860)	(\$23,965)	\$63,086	\$62,358	\$63,814	\$62,098	\$60,433

(79) Docket 23-23-NG, Schedule PRB/TGS-9S, Pg. 8, Ln (74)

- (61) Docket 23-23-NG, Schedule PRB/TGS-9S, Pg. 8, Ln (63)
(62) Schedule DAC-9, Page 9, Line (23), Column (e)
(63) Schedule DAC-9, Page 9, Line (23), Column (e)
(64) Docket 23-23-NG, Schedule PRB/TGS-7S, Pg. 1, Ln (8)
(65) Apr23-Oct23 @ BOA Rate less 200 Basis Points
(66) Line (64) + Line (65)
(67) Docket 23-23-NG, Schedule PRB/TGS-9S, Pg. 8, Ln (65)
(73) Docket 23-23-NG, Schedule PRB/TGS-9S, Pg. 8, Ln (72)
(74) Schedule DAC-9, Page 9, Line (24), Column (e)
(75) Schedule DAC-9, Page 9, Line (24), Column (e)
(76) Docket 23-23-NG, Schedule PRB/TGS-7S, Pg. 1, Ln (9)
(77) Apr23-Oct23 @ BOA Rate less 200 Basis Points
(78) Line (76) + Line (77)

Schedule DAC-11

Earnings Sharing Mechanism Factor

**The Narragansett Electric Company
d/b/a Rhode Island Energy
ESM Factor
Effective November 1, 2024**

(1)	Total Earnings Credited to DAC	\$0
(2)	Firm Throughput	39,136,986 dth
(3)	ESM Factor	\$0.0000 per dth
(4)	ESM Factor	\$0.0000 per therm

- (1) RIPUC Docket No. 4770, CY 2023 Gas Earnings Report (July 15, 2024), Schedule NECO-1, Page 1 of 15, Line 27.
- (2) Company Forecast
- (3) Line (1) ÷ Line (2)
- (4) Line (3) ÷ 10, truncated to 4 decimal places

Schedule DAC-12

Low Income Discount Recovery Factor

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Schedule DAC-13

Storm Net Revenue Factor

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PRE-FILED DIRECT TESTIMONY

OF

JEFFREY D. OLIVEIRA

AUGUST 1, 2024

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1 **I. Introduction and Qualifications**

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

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

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

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

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

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

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

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

12 A. Yes. I filed pre-filed joint direct testimony with the PUC in support of the Company's
13 2024 Electric Pension Adjustment Factor ("PAF") Filing in Docket No. 24-16-EL and
14 have testified before the PUC in support of the Company's filings in proceedings as
15 follows: 2023 Electric PAF Filing in Docket No. 23-27-EL; 2023 Distribution
16 Adjustment Charge ("DAC") Filing, Docket No. 23-23-NG; Fiscal Year ("FY") 2023
17 Gas Infrastructure, Safety, and Reliability ("ISR") Plan Reconciliation Filing, Docket No.
18 5210; FY2023 Electric ISR Plan Reconciliation Filing, Docket No. 5209; 2023
19 Renewable Energy Growth Program Factor Filing, Docket No. 22-04-REG; 2023 Annual
20 Retail Rate Filing, Docket No. 23-03-EL; FY2024 Gas ISR Plan, Docket No. 22-54-
21 NG; FY2024 Electric ISR Plan, Docket No. 22-53-EL; 2022 DAC Filing, Docket No. 22-

1 13-NG; 2022 Electric PAF Filing, Docket No. 22-19-EL; 2022 Last Resort Service Rate
2 Filing, Docket No. 4978; 2022 Renewable Energy Growth Program Factor Filing, Docket
3 No. 22-04-REG; 2022 Annual Retail Rate Filing, Docket No. 5234; Joint Petition of the
4 Company and the Rhode Island Division of Public Utilities and Carriers (“Division”)
5 filed February 23, 2022, relating to the Storm Contingency Fund Replenishment, Docket
6 No. 4686; 2021 DAC Filing, Docket No. 5165; 2021 Electric PAF Filing, Docket No.
7 5179; 2020 DAC Filing, Docket No. 5040; 2020 Electric PAF Filing, Docket No. 5054;
8 2019 DAC Filing, Docket No. 4955; 2019 Electric PAF Filing, Docket No. 4958; 2018
9 DAC Filing, Docket No. 4846; 2018 Electric PAF Filing, Docket No. 4855; and again in
10 Docket No. 4686, in support of the Joint Proposal and Settlement submitted by the
11 Company and the Division dated September 25, 2017, pertaining to the operation of the
12 Storm Contingency Fund. I have also submitted pre-filed testimony to the Massachusetts
13 Department of Public Utilities on behalf of the Massachusetts Electric Company and
14 Nantucket Electric Company as a revenue requirement witness in annual pension
15 adjustment mechanism proceedings.

16
17 **II. Purpose of Testimony**

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

19 A. This testimony describes the origin of the Company’s Pension and Postretirement
20 Benefits Other than Pensions (“PBOP”) expense reconciliation and provides the
21 calculation of the reconciliation of Pension and PBOP costs to the allowance for recovery

1 in base distribution rates, as provided for in the PAF provision in the Company's tariff,
2 RIPUC RIE-GAS No. 101, at Section 3, Schedule A, Section 3.4.
3

4 **Q. Are you sponsoring any schedules to your testimony?**

5 A. Yes, I am co-sponsoring, along with Company witness George R. Sunder, the following
6 schedule that accompanies this testimony:

- 7 • Schedule JDO/GRS-1 - Pension/Post-Retirement Benefits Other than Pension (PBOP)
8 Expense Reconciliation.

9 I performed the calculations that are reflected in Schedule JDO/GRS-1. Mr. Sunder
10 provided certain inputs to those calculations.
11

12 **III. Changes to Pension and PBOP Expense Calculations Related to the Rate Filing**
13 **Year**

14 **Q. Please describe the recent change in the rate filing year.**

15 In Order No. 24922, issued on February 15, 2024, in Docket No. 23-23-NG, the PUC
16 approved a proposed tariff amendment to realign the pension and PBOP calculations with
17 the Company's fiscal year. These changes are reflected in the Company's proposed
18 amendment to its gas tariff, RIPUC NG-GAS No. 101, Schedule A, Section 3.4 - Pension
19 Adjustment Factor. The modifications to the Pension Adjustment Factor provisions of
20 the tariff were made to align future pension and PBOP expense reconciliations with the
21 Company's fiscal year and pension and PBOP plan valuations.

1 **IV. Pension and PBOP Expense Reconciliation**

2 **Q. Have the changes discussed in your testimony in Section III, above, resulted in any**
3 **fundamental change to the Company's reconciliation of pension and PBOP**
4 **expenses?**

5 A. No. The Company continues to perform its Pension and PBOP expense reconciliation in
6 the same manner as it had in the past. The changes to the Company's tariff only changed
7 the timing of the pension and PBOP reconciliation period to align the reconciliation
8 periods with the Company's and PPL's fiscal year.

9
10 **Q. Has the Company performed the pension and PBOP expense reconciliation for the**
11 **nine-month period ended December 31, 2023?**

12 A. Yes. This reconciliation is included as Schedule JDO/GRS-1.
13

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

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

1
2 In the Company's general rate case filed in 2012 in Docket No. 4323, the rate allowances
3 for both Pension and PBOP were established at then-current levels. In the Company's
4 general rate case filed in 2017 in Docket No. 4770, the rate allowances for both Pension
5 and PBOP were established commencing September 1, 2018. The PAF is based on the
6 difference between the Company's actual Pension and PBOP expense for the prior nine-
7 month period ended December 31, 2023, and the allowance included in base distribution
8 rates.

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

1 **Q. Has the Company performed this reconciliation for the nine-month period ended**
2 **December 2023?**

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

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

6 A. The Company's reconciliation indicates that it has over-recovered Pension expenses in
7 the amount of \$8,500,351 and under-recovered PBOP expenses in the amount of
8 \$378,770 for the nine months ended December 31, 2023. In addition, the Minimum
9 Funding Obligation was under-funded on a cumulative basis, resulting in a carrying
10 charge of \$270,434.
11

12 **V. Conclusion**

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

14 A. Yes.

PRE-FILED DIRECT TESTIMONY

OF

GEORGE R. SUNDER

AUGUST 1, 2024

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I. Introduction and Qualifications

Q. Mr. Sunder, please state your full name and business address.

A. My name is George R. Sunder, and my business address is 645 Hamilton Street, Suite 900, Allentown, Pennsylvania 18101

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

A. I am employed by PPL Services Corporation as Manager of the Benefits Accounting Department.

Q. Please describe your education and professional experience.

A. I graduated from The Pennsylvania State University with a B.S. in Accounting in 1989. I was previously employed in the accounting department of Dun & Bradstreet from 1991 to 1999 starting as a staff accountant and progressing to a senior accountant taking on additional responsibilities including pension plan accounting and reporting. I joined PPL Services Corporation in 1999 as a Financial Specialist and progressed to my current position of Manager of Benefits Accounting taking on responsibility for the accounting and reporting of all employee benefit and compensation programs.

1 **Q. Have you previously testified before the Public Utilities Commission (“PUC”)?**

2 A. Yes. I filed pre-filed joint direct testimony with the PUC in support of The Narragansett
3 Electric Company’s (the “Company”) 2023 Electric Pension Adjustment Factor Filing in
4 Docket No. 23-27-EL.
5

6 **II. Purpose of Testimony**

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

8 A. The purpose of my testimony is to describe my role supporting the Pension Adjustment
9 Factor (“PAF”) filing providing inputs necessary for performance of the underlying
10 calculations consistent with the PAF provision in the Company’s gas tariff, RIPUC RIE-
11 GAS No. 101, at Section 3, Schedule A, Section 3.4. I manage the accounting group that
12 records the actual pension and post-retirement actuarial calculations in the general ledger
13 system. In this role, I provide and support the actual results recorded in the accounting
14 systems based on the actuarial calculations for each plan and the requirements of the PAF
15 mechanism to PPL’s Regulatory Affairs group.
16

17 **Q. Are you sponsoring any schedules to your testimony?**

18 A. Yes, I am co-sponsoring, along with Company witness Jeffrey D. Oliveira, the following
19 schedule that accompanies this testimony:

- 20 • Schedule JDO/GRS-1 – Pension/Post-Retirement Benefits Other than Pension
21 (PBOP) Expense Reconciliation.

1 In my role, I provided inputs necessary for Mr. Oliveira to perform the calculations
2 reflected in Schedule JDO/GRS-1.

3
4 **III. Changes to Pension and PBOP Expense Calculations Related to the Rate Filing**
5 **Year**

6 **Q. Did the change to the rate filing year resulting from Order No. 24922 issued on**
7 **February 15, 2024, in Docket No. 23-23-NG, and the related amendment to the**
8 **Company's gas tariff, RIPUC NG-GAS No. 101, Schedule A, Section 3.4 - Pension**
9 **Adjustment Factor, impact the inputs used to calculate the proposed PAF?**

10 A. No, not substantively. Changing the rate filing year from a 12-month period ending
11 March 31 to a 12-month period ending December 31 has no material impact on the inputs
12 used to calculate the proposed PAF. The inputs supplied to perform the PAF calculations
13 use the results for the Company and PPL Services Corporation 2023 actuarial valuations
14 for the nine-month period ending December 31, 2023. In the future, the PAF calculation
15 inputs will be derived from the Company and PPL Services Corporation actuarial
16 valuations for each calendar year. This was simply a procedural change to align the
17 timing of the annual reconciliation with the Company's and PPL Services Corporation's
18 annual actuarial valuations, financial statements and FERC filings.

1 **IV. Pension and PBOP Expense Reconciliation**

2 **Q. Has the Company performed the required PAF reconciliation for the nine-month**
3 **period ended December 2023?**

4 **A. Yes. This reconciliation is included as Schedule JDO/GRS-1. Mr. Oliveira provides the**
5 **result of the Company's reconciliation in his testimony.**

6
7 **V. Conclusion**

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

9 **A. Yes.**

Schedule JDO/GRS-1

Pension/Post-Retirement Benefits Other than Pension (PBOP) Expense Reconciliation

**Narragansett Electric - Gas Operations
Pension Funding Carrying Charges
9 Months Ended December 31, 2023**

	(a) Annual Recovery Amount	(b) Dec-2022	(c) Mar-2023	(d) Jun-2023	(e) Sep-2023	(f) Dec-2023
<u>Customer Funding</u>						
(1) Base Rate Recovery:						
(2) Direct - Docket No. 4770 Rate Yr 3 (4/2023 - 8/2023)	\$426,651	\$106,663	\$106,663	\$106,663	\$71,109	
(3) Servco/Other Affiliates - Docket No. 4770 Rate Yr 3 (4/2023 - 8/2023)	\$1,331,085	\$332,771	\$332,771	\$332,771	\$221,848	
(4) Direct - Docket No. 4770 Rate Yr 3 (9/2023 - 12/2023)	\$426,651				\$35,554	\$106,663
(5) Servco/Other Affiliates - Docket No. 4770 Rate Yr 3 (9/2023 - 12/2023)	\$1,331,085				\$110,924	\$332,771
(6) PAF Surcharge Recovery:						
(7) Docket No. 5165 (11/2021 - 10/2022)	\$3,617,675	\$301,473				
(8) Docket No. 22-13-NG (11/2022 - 10/2023)	\$2,521,793	\$420,299	\$630,448	\$630,448	\$630,448	\$210,149
(9) Docket No. 23-23-NG (11/2023 - 10/2024)	(\$7,256,162)					(\$1,209,360)
(10) Pension Capitalized Amount:						
(11) Direct		\$299,741	\$308,281	\$279,736	\$353,952	\$348,243
(12) Servco/Other Affiliates		\$4,580	\$4,774	\$2,352	\$2,092	\$2,928
(13) Total Customer Funding:		\$1,465,527	\$1,382,936	\$1,351,970	\$1,425,926	(\$208,606)
(14) <u>Company Contributions</u> ¹		Mar-2023	Jun-2023	Sep-2023	Dec-2023	Mar-2024
(15) Pension		\$0	\$0	\$0	\$0	\$0
(16) Service Company Allocated Costs		\$337,352	\$337,545	\$335,123	\$334,863	\$335,699
(17) Total Contributions		\$337,352	\$337,545	\$335,123	\$334,863	\$335,699
(18) Under/(Over) Funding		\$1,128,176	\$1,045,392	\$1,016,847	\$1,091,063	(\$544,305)
(19) Cumulative Under/(Over) Funding - Pension		\$12,092,887	\$13,138,278	\$14,155,125	\$15,246,188	\$14,701,883
(20) Cumulative Under/(Over) Funding - PBOP		(\$9,099,451)	(\$9,337,425)	(\$9,581,939)	(\$9,796,987)	(\$10,081,034)
(21) Cumulative Under/(Over) Funding - Total		\$2,993,435	\$3,800,853	\$4,573,187	\$5,449,201	\$4,620,849
(22) Five Quarter Average						\$4,287,505
(23) Base for Carrying Charge (greater of line 22 or zero)						\$4,287,505
(24) Pre-tax WACC						6.31%
(25) Carrying Charge						<u>\$270,434</u>

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

- (2) (a) Page 4 of 5, Line (3) (b)
 (2) (b) - (2) (c) Line (2) (a) ÷ 12 x 3
 (2) (d) Line (2) (a) ÷ 12 x 2
 (3) (a) Page 4 of 5, Line (7) (b)
 (3) (b) - (3) (c) Line (3) (a) ÷ 12 x 3
 (3) (d) Line (3) (a) ÷ 12 x 2
 (4) (a) Page 4 of 5, Line (4) (b)
 (4) (d) Line (4) (a) ÷ 12 x 1
 (4) (e) - (4) (f) Line (4) (a) ÷ 12 x 3
 (5) (a) Page 4 of 5, Line (8) (b)
 (5) (d) Line (5) (a) ÷ 12 x 1
 (5) (e) - (5) (f) Line (5) (a) ÷ 12 x 3
 (7) (a) Docket No. 5165 Schedule JDO/JHA-1, page 1 of 5, Line 10, column (a)
 (7) (b) Line (7) (a) ÷ 12 x 1
 (8) (a) Docket No. 22-13-NG Schedule JDO/JHA-1, page 1 of 5, Line 10, column (a)
 (8) (b) Line (8) (a) ÷ 12 x 2
 (8) (c) - (8) (e) Line (8) (a) ÷ 12 x 3
 (8) (f) Line (8) (a) ÷ 12 x 1
 (9) (a) Docket No. 23-23-NG Schedule JDO/JHA-1, page 1 of 5, Line 11, column (a)
 (9) (f) Line (9) (a) ÷ 12 x 2
 (11) (b) - (11) (f) Per Company Books
 (12) (b) - (12) (f) Per Company Books
 (13) (b) - (13) (f) Sum of Line (2) through Line (12)
 (15) Per Company Books
 (16) Line (3) + Line (5) + Line (12)
 (17) Line (15) + Line (16)
 (18) Line (13) - Line (17)
 (19) Line (18) + prior qtr Line (19)
 (20) Page 3 of 5, Line (19)
 (21) Line (19) + Line (20)
 (22) (f) Average of Line (21) column (b) through column (f)
 (23) (f) If Line 22 is greater than zero, Line 21 if not, zero
 (24) Page 5 of 5, Line (5) column (e)
 (25) Line (23) x Line (24)

**Narragansett Electric - Gas Operations
PBOP Funding - Carrying Charges
9 Months Ended December 31, 2023**

	(a) Annual Recovery Amount	(b) Dec-2022	(c) Mar-2023	(d) Jun-2023	(e) Sep-2023	(f) Dec-2023
<u>Customer Funding</u>						
(1) Base Rate Recovery:						
(2) Direct - Docket No. 4770 Rate Yr 3 (4/2023 - 8/2023)	(\$1,856,234)	(\$464,059)	(\$464,059)	(\$309,372)		
(3) Servco/Other Affiliates - Docket No. 4770 Rate Yr 3 (4/2023 - 8/2023)	\$631,210	\$157,803	\$157,803	\$105,202		
(4) Direct - Docket No. 4770 Rate Yr 3 (9/2023 - 12/2023)	(\$1,856,234)			(\$154,686)	(\$464,059)	(\$464,059)
(5) Servco/Other Affiliates - Docket No. 4770 Rate Yr 3 (9/2023 - 12/2023)	\$631,210			\$52,601	\$157,803	\$157,803
(6) PAF Surcharge Recovery:						
(7) Docket No. 5165 (11/2021 - 10/2022)	\$966,494	\$80,541				
(8) Docket No. 22-13-NG (11/2022 - 10/2023)	\$621,816	\$103,636	\$155,454	\$155,454	\$155,454	\$51,818
(9) Docket No. 23-23-NG (11/2023 - 10/2024)	\$265,920					\$44,320
(10) PBOP Capitalized Amount:						
(11) Direct		\$59,178	\$70,631	\$64,091	\$93,556	\$83,874
(12) Servco/Other Affiliates		\$3,745	\$1,864	\$837	\$725	\$1,055
(13) Total Customer Funding:		(\$59,156)	(\$78,307)	(\$85,875)	(\$56,520)	(\$125,190)
(14) <u>Company Contributions</u> ¹		Mar-2023	Jun-2023	Sep-2023	Dec-2023	Mar-2024
(15) PBOP		\$0	\$0	\$0	\$0	\$0
(16) Service Company Allocated Costs		\$161,547	\$159,667	\$158,639	\$158,528	\$158,857
(17)		\$161,547	\$159,667	\$158,639	\$158,528	\$158,857
(18) Under/(Over) Funding		(\$220,703)	(\$237,974)	(\$244,514)	(\$215,048)	(\$284,047)
(19) Cumulative Funding Under/(Over) Funding		(\$9,099,451)	(\$9,337,425)	(\$9,581,939)	(\$9,796,987)	(\$10,081,034)

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

- (2) (a) Page 4 of 5, Line (3) (c)
 (2) (b) - (2) (c) Line (2) (a) ÷ 12 x 3
 (2) (d) Line (2) (a) ÷ 12 x 2
 (3) (a) Page 4 of 5, Line (7) (c)
 (3) (b) - (3) (c) Line (3) (a) ÷ 12 x 3
 (3) (d) Line (3) (a) ÷ 12 x 2
 (4) (a) Page 4 of 5, Line (4) (c)
 (4) (d) Line (4) (a) ÷ 12 x 1
 (4) (e) - (4) (f) Line (4) (a) ÷ 12 x 3
 (5) (a) Page 4 of 5, Line (8) (c)
 (5) (d) Line (5) (a) ÷ 12 x 1
 (5) (e) - (5) (f) Line (5) (a) ÷ 12 x 3
 (7) (a) Docket No. 5165 Schedule JDO/JHA-1, page 1 of 5, Line 10, column (b)
 (7) (b) Line (7) (a) ÷ 12 x 1
 (8) (a) Docket No. 22-13-NG Schedule JDO/JHA-1, page 1 of 5, Line 10, column (b)
 (8) (b) Line (8) (a) ÷ 12 x 2
 (8) (c) - (8) (e) Line (8) (a) ÷ 12 x 3
 (8) (f) Line (8) (a) ÷ 12 x 1
 (9) (a) Docket No. 23-23-NG Schedule JDO/JHA-1, page 1 of 5, Line 11, column (b)
 (9) (f) Line (9) (a) ÷ 12 x 2
 (10) (b) - (10) (f) Per Company Books
 (11) (b) - (11) (f) Per Company Books
 (12) (b) - (12) (f) Sum of Line (2) through Line (11)
 (15) Per Company Books
 (16) Line (3) + Line (5) + Line (12)
 (17) Line (15) + Line (16)
 (18) Line (13) - Line (17)
 (19) Line (18) + prior qtr Line (19)

**Narragansett Electric - Gas Operations
Pension/PBOP Rate Allowance
9 Months Ended December 31, 2023**

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

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

The Narragansett Electric Company
Calculation of Weighted Average Cost of Capital

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

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

(4) (d) Column (c) x 21% ÷ (1 - 21%)

PRE-FILED DIRECT TESTIMONY

OF

JEFFREY D. OLIVEIRA

AUGUST 1, 2024

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I. Introduction and Qualifications

Q. Please state your full name and business address.

A. My name is Jeffrey D. Oliveira, and my business address is 280 Melrose Street,
Providence, Rhode Island 02907.

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

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

Q. Please describe your education and professional experience.

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

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

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

13 A. Yes. I filed pre-filed joint direct testimony with the PUC in support of the Company's
14 2024 Electric Pension Adjustment Factor ("PAF") Filing in Docket No. 24-16-EL and
15 have testified before the PUC in support of the Company's filings in proceedings as
16 follows: 2023 Electric PAF Filing in Docket No. 23-27-EL; 2023 Distribution
17 Adjustment Charge ("DAC") Filing, Docket No. 23-23-NG; Fiscal Year ("FY") 2023
18 Gas Infrastructure, Safety, and Reliability ("ISR") Plan Reconciliation Filing, Docket No.
19 5210; FY2023 Electric ISR Plan Reconciliation Filing, Docket No. 5209; 2023
20 Renewable Energy Growth Program Factor Filing, Docket No. 22-04-REG; 2023 Annual
21 Retail Rate Filing, Docket No. 23-03-EL; FY2024 Gas ISR Plan, Docket No. 22-54-

1 NG; FY2024 Electric ISR Plan, Docket No. 22-53-EL; 2022 DAC Filing, Docket No. 22-
2 13-NG; 2022 Electric PAF Filing, Docket No. 22-19-EL; 2022 Last Resort Service Rate
3 Filing, Docket No. 4978; 2022 Renewable Energy Growth Program Factor Filing, Docket
4 No. 22-04-REG; 2022 Annual Retail Rate Filing, Docket No. 5234; Joint Petition of the
5 Company and the Rhode Island Division of Public Utilities and Carriers (“Division”)
6 filed February 23, 2022, relating to the Storm Contingency Fund Replenishment, Docket
7 No. 4686; 2021 DAC Filing, Docket No. 5165; 2021 Electric PAF Filing, Docket No.
8 5179; 2020 DAC Filing, Docket No. 5040; 2020 Electric PAF Filing, Docket No. 5054;
9 2019 DAC Filing, Docket No. 4955; 2019 Electric PAF Filing, Docket No. 4958; 2018
10 DAC Filing, Docket No. 4846; 2018 Electric PAF Filing, Docket No. 4855; and again in
11 Docket No. 4686, in support of the Joint Proposal and Settlement submitted by the
12 Company and the Division dated September 25, 2017, pertaining to the operation of the
13 Storm Contingency Fund. I have also submitted pre-filed testimony to the Massachusetts
14 Department of Public Utilities on behalf of the Massachusetts Electric Company and
15 Nantucket Electric Company as a revenue requirement witness in annual pension
16 adjustment mechanism proceedings.

17
18 **II. Purpose of Testimony**

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

20 A. Pursuant to the Distribution Adjustment Clause of the Company’s gas tariff, RIPUC RIE-
21 GAS No. 101, Section 3, Schedule A, Sheet 10, sub-part 5.0 (“ESM Provision”), if there

1 are any excess earnings to be shared with customers, as I describe in more detail below,
2 then any customer share of those earnings will flow back to customers through the DAC.
3 My testimony describes the Company's gas earnings subject to the Company's earnings
4 sharing mechanism ("ESM") for the 12-month period ending December 31, 2023, in
5 accordance with Article II, Section C.10. of the Amended Settlement Agreement in
6 Docket No. 4770 approved by the PUC (see Report and Order No. 23823 issued May 5,
7 2020).

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

10 A. Yes, I am sponsoring the following schedule that accompanies my testimony:

- 11 • Schedule JDO-1 Calendar Year ("CY") 2023 Gas Earnings Report
12

13 **III. Earnings Sharing Mechanism Results**

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

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

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

10 **Q. Has the Company calculated the earned return on equity for CY 2023?**

11 A. Yes. The ESM Provision requires earnings to be calculated each year based on financial
12 results for the 12-month period ending December 31. The determination of earnings
13 subject to the ESM is based on a benchmark return on equity of 9.275 percent as
14 established in the Docket No. 4770 Amended Settlement Agreement. The earnings
15 sharing formula requires that any annual earnings over a 9.275 percent return on equity,
16 up to and including 100 basis points (10.275 percent), will be shared with customers,
17 with 50 percent to be credited to customers and 50 percent to be retained by the
18 Company. Any earnings in excess of a 10.275 percent return on equity will also be
19 shared with customers, with 75 percent to be credited to customers and 25 percent to be

¹ The Company's gas annual report for the 12 months ending December 31, 2023, was filed with the PUC on April 19, 2024, and the CY 2023 Earnings Report was filed on July 15, 2024, in Docket No. 4770.

1 retained by the Company. As discussed later in my testimony, the Company calculated a
2 return on equity for CY 2023 of 5.33 percent. As reflected on Schedule JDO-1, Page 1,
3 beginning on Line 17, the CY 2023 return on equity is below the 9.275 percent threshold,
4 resulting in no excess earnings sharing with customers.
5

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

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

14 (1) Earnings including all Performance Incentives earned for the applicable calendar
15 year will be calculated by dividing the net income available for common equity
16 including incentives (“Actual Total Earnings”), by the common equity applicable
17 to rate base.

18 (2) Earnings excluding all Performance Incentives earned for the applicable calendar
19 year will be calculated by dividing the net income available for common equity as
20 shown on Schedule JDO-1, Page 2 (“Base Earnings”), by the common equity
21 applicable to rate base.

1 Performance Incentives refers to each of the following incentives:

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

13 **Q. Please explain the calculation of net income available for common equity for**

14 **purposes of the ESM.**

15 A. The Company calculated net income available for common equity based on operating

16 income for CY 2023, less applicable interest, and adjusted to reflect established PUC

17 ratemaking principles. The Company's calculation of net income available for common

18 equity is set forth in Schedule JDO-1, Page 2. As shown on Line 44 of that page, for CY

19 2023, the Company calculated net income available for common equity of \$42,517,474.

20

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

3 A. Yes. The Company has reflected the following adjustments to operating revenues and
4 expenses on various line items on Page 2 of Schedule JDO-1, as listed on Schedule JDO-
5 1, Page 14, and described below:

6 *Operating Revenue Adjustments:*

7 (1) Unbilled Revenue Margins: The Company excluded unbilled revenue and the
8 associated cost of gas from the determination of earnings, which is consistent with
9 the methodology applied in Docket No. 3401. This resulted in an increase to
10 operating revenues of \$1,048,968, comprised of a \$6,896,618 increase to total
11 firm gas revenues on Page 2, Line 2, a \$1,062,526 increase to transportation
12 revenues on Page 2, Line 3, and a \$6,910,176 decrease to other revenues on Page
13 2, Line 4. (Schedule JDO-1, Page 14, Sum of Lines 3, 4, 10, 17, and 18.)

14 (2) Off-System Gas Sales: The Company makes certain adjustments to its revenues
15 to eliminate the incentive provided to the Company to generate off-system gas
16 revenue and excess pipeline capacity revenue. The Company accomplishes this
17 by eliminating, or reversing, all revenues associated with off-system sales, as well
18 as the credits the Company provides to customers associated with those sales.
19 These adjustments net to a \$1,277,956 decrease to other revenues on Page 2, Line
20 4. (Schedule JDO-1, Page 14, Sum of Lines 19, 20, and 21.)

- 1 (3) Energy Efficiency Shareholder Incentives: The Company is allowed to keep
2 shareholder incentives related to achieving approved energy efficiency targets.
3 This resulted in a decrease to other operating revenues of \$192,778 on Page 2,
4 Line 4. (Schedule JDO-1, Page 14, Line 22.)
- 5 (4) Miscellaneous Service Revenues: The Company removes miscellaneous service
6 revenues from its other revenues and shows them as non-operating
7 income/expense. The miscellaneous service revenues largely consist of credits to
8 customers for gas bill disputes. This is reflected as a \$2,300 increase to other
9 revenues on Page 2, Line 4. (Schedule JDO-1, Page 14, Line 23.)
- 10 (5) Interest on Customer Arrears: The Company removes interest accrued on
11 customer arrearage accounts from Account 419 – interest and dividend income –
12 and instead adds such interest to other revenues on Page 2, Line 4, resulting in an
13 increase to other revenues of \$825,837. (Schedule JDO-1, Page 14, Line 24.)
- 14 (6) Inventory Financing: The Company has removed stored gas inventory from rate
15 base and eliminated carrying costs on stored gas inventory from revenues. This
16 resulted in a decrease to operating revenues of \$2,090,683, representing the
17 amount of stored gas inventory carrying costs recorded as revenue during CY
18 2023, as shown on Page 2, Line 8. (Schedule JDO-1, Page 14, Line 27.)
- 19 (7) Gas ISR Plan Property Tax Regulatory Liability Adjustment: The Company has
20 made an adjustment to reflect only the CY 2023 portion of a property tax
21 regulatory liability correction and remove the portion related to prior years. This

1 resulted in a decrease to operating revenues of \$12,178,624 during CY 2023 and
2 is reflected on Page 2, Line 2. (Schedule JDO-1, Page 14, Line 5.)
3

4 *Expense Adjustments:*

5 (1) Bad Debt Write-Offs: Bad debt expense is recorded in the Company's general
6 ledger based on the Company's best estimate during the year of amounts billed to
7 customers that will eventually become uncollectible. The Company recovers bad
8 debt expense from customers based on actual bad debt write-offs net of recoveries
9 rather than the Company's recorded estimates of bad debt expense. Accordingly,
10 the Customer Accounts expense on Page 2, Line 17 includes bad debt expense
11 and was decreased by \$1,250,056 to reflect actual bad debt net write-offs during
12 the year. (Schedule JDO-1, Page 14, Sum of Lines 45 and 46.)

13 (2) Advertising Expense: The Company has removed \$314,260 of sales and
14 advertising expenses, as shown on Page 2, Line 18. (Schedule JDO-1, Page 14,
15 Line 50.)

16 (3) Variable Pay: The Company has reduced Administrative and General expense on
17 Page 2, Line 19 by \$2,880,101 to remove a portion of variable pay consistent with
18 the way this cost is excluded for ratemaking. (Schedule JDO-1, Page 14, Line
19 54.)

20 (4) IT/TSA Special Items: The Company has reduced Administrative and General
21 expense on Page 2, Line 19 by \$6,751,900 to remove costs for information

1 technology transition services under the Transition Services Agreement between
2 the Service Company and the Company dated May 25, 2022, incurred during CY
3 2023. (Schedule JDO-1, Page 14, Line 55.)
4

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

6 A. The Company multiplied its taxable operating income by the federal income tax rate of
7 21 percent for CY 2023, as shown on Schedule JDO-1, Page 3, Line 20. The Company
8 has also included an adjustment to reduce tax expense for the amortization of excess
9 deferred income taxes generated by the federal tax rate reduction from 35 percent to 21
10 percent pursuant to the Tax Cuts and Jobs Act effective January 1, 2018, which is
11 discussed later in my testimony.
12

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

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

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

17
18 Further, the Docket No. 3401 Settlement Agreement requires the Company to use the
19 actual cost of long-term debt and the most recent 12-month average cost of short-term

1 debt in its earnings calculation. Therefore, as shown on Schedule JDO-1, Page 4, the
2 Company computed the cost of long-term debt by multiplying rate base applicable to
3 long-term debt by the Company's actual long-term debt rate applicable to the gas
4 business for CY 2023, or 4.15 percent, as calculated on Page 10. Likewise, the Company
5 computed the cost of short-term debt by multiplying rate base applicable to short-term
6 debt by the 12-month average cost of short-term debt, or 8.05 percent, as calculated on
7 Page 11. Finally, the Company computed the cost of preferred stock by multiplying rate
8 base applicable to preferred stock by the cost rate of 4.50 percent established in the
9 Docket No. 4770 Amended Settlement Agreement.

10
11 **Q. How did the Company determine rate base in the Earnings Report?**

12 A. As required by the Docket No. 3401 Settlement Agreement, average rate base is to be
13 based on a five-quarter average. The CY 2023 rate base is set forth in Schedule JDO-1,
14 Page 5. *See* Docket No. 3401 Settlement Agreement at Section II.F.1. The Company
15 excluded from rate base environmental response costs, asset retirement obligations, and
16 prepaid taxes; however, the Company included construction-work-in-progress in rate
17 base. Consistent with prior Earnings Reports, the Company computed the working
18 capital allowance pursuant to the method approved in Docket No. 3943, at Order No.
19 19563, as shown on Schedule JDO-1, Page 6. The Company also excluded stored gas
20 inventory and customer deposits from the rate base calculation. In addition, a hold
21 harmless rate base credit is included as a reduction to rate base as well as amortization of

1 excess deferred income taxes which reduces the Company's accumulated deferred
2 income tax liability therefore increasing rate base.
3

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

5 A. Effective December 31, 2017, the Company restated its deferred tax balances based on
6 the new 21 percent federal income tax rate because the Company will be paying income
7 taxes as the book/tax timing differences reverse at that 21 percent federal income tax rate.
8 Because deferred taxes are an offset to rate base, however, reducing the deferred tax
9 balances based on the 21 percent federal income tax rate has the effect of artificially
10 increasing rate base. To counteract this artificial increase to rate base, a new line item
11 called Excess Deferred Income Taxes has been included in the rate base calculation
12 reflecting the value of the decrease to accumulated deferred income taxes as of
13 December 31, 2017. These excess deferred income taxes represent the net benefit as of
14 December 31, 2017, that will eventually be earned by the Company through reduced
15 future income taxes, and ultimately returned to customers through base distribution rates,
16 pursuant to the Docket No. 4770 Amended Settlement Agreement. As the return of
17 excess deferred income taxes to customers commenced with new base distribution rates
18 on September 1, 2018, the rate base calculation includes the cumulative quarterly
19 amortization of the excess deferred income tax balance in the CY 2023 calculation of rate
20 base.
21

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

3 A. As a result of the Company’s purchase of the regulated gas assets in Rhode Island from
4 Southern Union in 2006, the Company realized a tax basis step-up equal to net book
5 value for the assets acquired. This step up in tax basis reversed the Company’s book/tax
6 timing difference and eliminated deferred tax liabilities, thereby increasing rate base and
7 harming the customer.

8
9 Consequently, at the time of the acquisition, the Company calculated a hold harmless
10 adjustment, reflected on Schedule JDO-1, Page 5, Line 19, to provide customers an
11 economically equivalent rate base credit to offset the rate base increase that resulted from
12 the Company’s asset purchase. This hold harmless adjustment was approved by the PUC
13 in the 2007 Earnings Report in Docket No. 3859. Schedule JDO-1, Page 13 demonstrates
14 the annual values of the hold harmless rate base adjustment, as approved in Docket No.
15 3859.

16
17 **Q. Did the Company adjust Schedule JDO-1 for the impact of the Hold Harmless**
18 **Commitment related to the Acquisition?**

19 A. As part of the Division’s approval of the Acquisition in Docket No. D-21-09 (Report and
20 Order No. 24322 dated and effective February 23, 2022), PPL committed that the
21 Company would hold its customers harmless from the increase in rate base due to the

1 elimination of most of the Company's accumulated deferred income taxes ("ADIT") that
2 resulted from the Acquisition (the "Hold Harmless Commitment"). The Company had to
3 carefully consider how to address the Hold Harmless Commitment for the increase in rate
4 base so as not to violate the normalization rules under the Internal Revenue Code. The
5 normalization rules prevent a regulated utility from giving back the benefit of accelerated
6 tax depreciation to customers any faster than over the book life of the acquired assets.
7 Arbitrarily adjusting rate base to remove the effects of the elimination of the ADIT from
8 an acquisition would violate the normalization rules. To meet the Hold Harmless
9 Commitment without violating the normalization rules, the Company plans to share the
10 benefits of the amortization of tax goodwill that was generated from the Acquisition.
11 This tax goodwill is amortized over a 15-year period and generates tax benefits that the
12 Company can share with customers as a credit to revenue. To implement the Hold
13 Harmless Commitment, the Company calculated a revenue adjustment to offset the
14 impact of the increased rate base, as shown on Schedule JDO-1, Page 2, Line 9. This
15 calculation compares ADIT balances for acquired assets in rate base after the Acquisition
16 and hypothetical ADIT balances for those same assets in rate base as if the Acquisition
17 did not occur. The difference in those two balances reflects the increase in rate base
18 created by the Acquisition. After calculating the change in rate base, the Company
19 applied the weighted cost of debt and equity percentages and tax rates to calculate the
20 revenue adjustment necessary to offset the increase in rate base.

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

2 A. In accordance with the capital structure approved in the Docket No. 4770 Amended
3 Settlement Agreement, the Company multiplied the five-quarter average rate base at
4 December 31, 2023, as discussed above in this testimony, by 50.95 percent to determine
5 common equity applicable to rate base of \$798,242,178, as shown on Schedule JDO-1,
6 Page 1.
7

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

9 A. Schedule JDO-1, Page 1, calculates the earnings to be shared with customers based on the
10 sharing percentages required in the ESM Provision. Lines 1 through 3 summarize the
11 calculation of average common equity. Line 5 is the Actual Total Earnings as described
12 above, and Line 6 is the return on common equity including all performance incentives
13 for CY 2023, or 5.51 percent. Lines 9 through 11 show the dollar value and earnings
14 impact of each of the Company's incentives earned in CY 2023. Line 14 is the Base
15 Earnings as described above, and Line 15 is the return on common equity excluding
16 performance incentives for CY 2023, or 5.33 percent. Because Line 15 is less than 9.275
17 percent, the earned return on common equity for CY 2023 does not exceed the threshold
18 above which the Company's regulated earnings are shared with customers. Therefore,
19 there are no earnings available to be shared with customers associated with CY 2023
20 Base Earnings.
21

1 IV. Conclusion

2 Q. Does this conclude your testimony?

3 A. Yes.

Schedule JDO-1

CY 2023 Gas Earnings Report

**Rhode Island Energy - RI Gas
Gas Earnings Sharing Mechanism
For the Twelve Months ended December 31, 2023**

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**Rhode Island Energy - RI Gas
Gas Earnings Sharing Mechanism
For the Twelve Months ended December 31, 2023**

Rate Base	\$1,566,716,738
Common Equity	50.95%
Debt Cost - Long Term	48.35%
Debt Cost - Short Term	0.60%
Preferred Stock	0.10%
Common Equity	\$798,242,178
Debt	\$766,907,843
Preferred Stock	\$1,566,717
Total	\$1,566,716,738
1 Average Rate Base	\$1,566,716,738
2 Equity Component of Rate Base	50.95%
3 Average Common Equity	\$798,242,178
4	
5 Actual Total Earnings	\$43,988,207
6 Return on Common Equity with Incentives	5.51%
7	
8 Less incentives:	
9 Energy Efficiency shareholder incentive	192,778
10 Natural Gas Portfolio Management Plan	1,277,956
11 Gas Procurement Incentive Plan	-
12	\$1,470,733
13	
14 Base Earnings	\$42,517,474
15 Return on Common Equity without Incentives	5.33%
16	
17 Return on Equity > 9.275% and < 10.275%	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 Page 4 of 15 line 10(a)
- 3 Line 1 times line 2
- 5 Line 12 plus line 14
- 6 Line 5 divided by line 3
- 9 Line 9 divided by line 3
- 10 Line 10 divided by line 3
- 11 Line 11 divided by line 3
- 14 From Page 2 of 15 line 44
- 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%

Rhode Island Energy - RI Gas
Income Statement
For the Twelve Months ended December 31, 2023

	<u>Income Statement</u>	<u>Adjustments</u>	<u>2023</u>
	(a)	(b)	(c)
1 <u>Operating Revenues</u>			
2 Total Firm Gas	\$402,635,025	(\$5,282,006)	\$397,353,019
3 Transportation	\$69,673,236	\$1,062,526	\$70,735,762
4 Other Revenues	\$23,201,348	(7,552,772)	\$15,648,576
5 Total Operating Revenues	<u>\$495,509,609</u>	<u>(\$11,772,252)</u>	<u>\$483,737,357</u>
6			
7 <i>Adjustment to Operating Revenue:</i>			
8 Inventory Financing		(\$2,090,683)	(\$2,090,683)
9 Hold Harmless Adjustment		\$14,599,143	\$14,599,143
10 Total Adjusted Operating Revenues	<u>\$495,509,609</u>	<u>\$736,208</u>	<u>\$496,245,817</u>
11			
12 <u>Operating Expenses</u>			
13 Production (Gas Costs)	\$143,051,409		\$143,051,409
14 Storage	\$5,205,113		\$5,205,113
15 Transmission	\$210,363		\$210,363
16 Distribution	\$39,961,436		\$39,961,436
17 Customer Accounts	\$47,117,389	(\$1,250,056)	\$45,867,333
18 Sales	\$314,260	(\$314,260)	\$0
19 Administrative and General	<u>\$70,366,049</u>	<u>(\$9,632,001)</u>	<u>\$60,734,048</u>
20 Total Operating Expenses	<u>\$306,226,019</u>	<u>(\$11,196,317)</u>	<u>\$295,029,702</u>
21			
22 <u>Other Expenses</u>			
23 Depreciation and Amortization	\$58,056,686		\$58,056,686
24 Local and Other Taxes	\$44,359,206		\$44,359,206
25 Revenue Related Taxes (Gross Earnings Tax - GET)	\$14,206,331		\$14,206,331
26 Federal Income Taxes @ 21%	<u>\$7,489,086</u>	<u>\$1,917,167</u>	<u>\$9,406,253</u>
27 Total Other Expenses	<u>\$124,111,309</u>	<u>\$1,917,167</u>	<u>\$126,028,476</u>
28			
29 <u>Income Before Interest Expense</u>	<u>\$65,172,281</u>	<u>\$10,015,358</u>	<u>\$75,187,639</u>
30			
31 <u>Interest Expense</u>			
32 Other Income/Expenses	(\$1,740,129)	\$1,740,129	\$0
33 Short-Term Debt	\$0	\$844,416	\$844,416
34 Long-Term Debt	\$24,220,377	\$10,859,158	\$35,079,535
35 Other Interest Expense	\$7,643,815	(\$7,597,682)	\$46,133
36 AFUDC	<u>(\$3,378,590)</u>		<u>(\$3,378,590)</u>
37 Total Interest Expense	<u>\$26,745,473</u>	<u>\$5,846,021</u>	<u>\$32,591,493</u>
38			
39 <u>Net Income / (Loss)</u>	<u>\$38,426,808</u>	<u>\$4,169,337</u>	<u>\$42,596,146</u>
40			
41 Preferred Dividends		\$78,672	\$78,672
42 Extraordinary Deductions	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
43			
44 <u>Net Income / (Loss) Applicable to Common Equity</u>	<u>\$38,426,808</u>	<u>\$4,090,665</u>	<u>\$42,517,474</u>

Notes:

- (a) From Company Financial Statements
1(b)-20(b) From Page 14 of 15
(c) (a) + (b)
4 From Page 7 of 15 line 26
24 From Page 6 of 15 line 3 through 5
25 From Page 6 of 15 line 6
26 From Page 3 of 15 line 24
32 From line 25
33 From Page 4 of 15 line 27(b)
34 From Page 4 of 15 line 19(b)
35 From Page 8 of 15 line 3
41 From Page 4 of 15 line 36(b)

**Rhode Island Energy - RI Gas
Federal Income Tax Calculation
For the Twelve Months ended December 31, 2023**

1	Operating Revenues	\$496,245,817
2		
3	Less:	
4		
5	Operating Expenses	\$295,029,702
6	Depreciation and Amortization	\$58,056,686
7	Local and Other Taxes	\$44,359,206
8	Revenue Related Taxes (GET)	\$14,206,331
9	Interest - Short-Term Debt	\$844,416
10	Interest - Long-Term Debt	\$35,079,535
11	Other Interest	\$46,133
12	AFUDC	<u>(\$3,378,590)</u>
13		
14	Total Deductions	<u>\$444,243,418</u>
15		
16	Taxable Income	\$52,002,399
17		
18	Federal Income Tax Rate	<u>21.00%</u>
19		
20	Imputed Federal Income Tax Expense	\$10,920,504
21		
22	Amortization of EDIT	(\$1,514,251)
23		
24	Net Federal Income Tax Expense	<u><u>\$9,406,253</u></u>

Notes:

- 1 From Page 2 of 15 line 10(c)
- 5 From Page 2 of 15 line 20(c)
- 6 From Page 2 of 15 line 23(c)
- 7 From Page 2 of 15 line 24(c)
- 8 From Page 2 of 15 line 25(c)
- 9 From Page 2 of 15 line 33(c)
- 10 From Page 2 of 15 line 34(c)
- 11 From Page 2 of 15 line 35(c)
- 12 From Page 2 of 15 line 36(c)
- 14 Sum of Line 5 through line 12
- 16 Line 1 minus line 14
- 18 Federal income Tax Rate: rate of 21%
- 20 Line 16 times Line 18
- 22 - Docket No. 4770, Excess Deferred Income Tax True-Up – Second Compliance
Filing dated May 30, 2019, Second Compliance Attachment 31, Page 1
- 24 Line 20 plus Line 22

Rhode Island Energy - RI Gas
Applicable Capital Structure, Interest Expense and Preferred Dividends
For the Twelve Months ended December 31, 2023

		%	\$
		(a)	(b)
1	Rate Base		\$1,566,716,738
2	Adjustment		\$181,556,247
3	Adjusted Rate Base		<u>\$1,748,272,985</u>
4			
5	Capital Structure		
6		<u>Docket 4770</u>	
7	Short-Term Debt	0.60%	\$10,489,638
8	Long-Term Debt	48.35%	\$845,289,988
9	Preferred Stock	0.10%	\$1,748,273
10	Common Equity	50.95%	\$890,745,086
11		100.00%	<u>\$1,748,272,985</u>
12	Interest Expense		
13			
14			
15	Long-Term Debt Portion	48.35%	\$845,289,988
16			
17	Cost of Long-Term Debt December 2023		4.15%
18			
19	Proforma Long-Term Debt Interest		<u>\$35,079,535</u>
20			
21			
22			
23	Short-Term Debt Portion	0.60%	\$10,489,638
24			
25	Cost of Short-Term Debt December 2023		8.05%
26			
27	Proforma Short-Term Debt Interest		<u>\$844,416</u>
28			
29	Preferred Dividends		
30			
31			
32	Preferred Stock Portion	0.10%	\$1,748,273
33			
34	Cost of Preferred Stock		4.50%
35			
36	Proforma Preferred Stock		<u>\$78,672</u>

Notes:

- 1(b) From line 24(f)
2 Adjustment to calculate the interest expense impact of the increase in rate base due to the elimination of accumulated deferred income taxes as a result of PPL's acquisition of the Company.
7(a)-10(a) Docket 4770 Compliance Filing dated August 16, 2018, Compliance Filing Attachment 2, Schedule 1-GAS, Page 4
7(b)-10(b) Line 1(b) times line 7(a) through line 10(a)
15 Line 1(b) times line 15(a)
17 From Page 10 of 15 line 10(g)
19 Line 15(b) times line 17(b)
23 Line 1(b) times line 23(a)
25 From Page 11 of 15 line 14(b)
27 Line 23(b) times line 25(b)
32 Line 1(b) times line 32(a)
34 Docket 4770 Compliance Filing dated August 16, 2018, Compliance Attachment 2, Schedule 1-GAS, Page 4, Line 5
36 Line 32(b) times line 34(b)

Rhode Island Energy - RI Gas
Rate Base
For the Twelve Months ended December 31, 2023

	December 2022 (a)	March 2023 (b)	June 2023 (c)	September 2023 (d)	December 2023 (e)	5 Quarter Average December 2023 (f)
1 Gas Plant In Service	\$1,964,251,748	\$2,009,015,450	\$2,028,948,700	\$2,071,597,609	\$2,088,206,806	\$2,032,404,063
2 CWIP	\$63,968,056	\$44,316,725	\$81,487,575	\$89,155,545	\$103,930,275	\$76,571,635
3 Less: Accumulated Depreciation	\$525,963,583	\$523,494,157	\$531,943,779	\$540,620,045	\$521,768,416	\$528,757,996
4 Less: Contribution in Aid of Construction	\$38	\$38	\$38	\$38	\$38	\$38
5						
6 Net Plant	\$1,502,256,183	\$1,529,837,980	\$1,578,492,458	\$1,620,133,071	\$1,670,368,627	\$1,580,217,664
7						
8 Materials and Supplies	\$6,994,498	\$8,205,178	\$8,966,216	\$10,304,232	\$13,468,091	\$9,587,643
9 Prepaid Expenses, Excluding Taxes	(\$43,250)	\$2,529,699	\$1,529,175	\$1,246,215	\$2,338,305	\$1,520,029
10 Deferred Debits	\$0	\$0	\$0	\$0	\$0	\$0
11 Unamortized debt expense and Interest Rate Lock	\$2,267,062	\$1,501,896	\$1,464,272	\$1,426,120	\$1,385,465	\$1,608,963
12 Cash Working Capital	\$35,779,285	\$31,920,444	\$31,920,444	\$31,920,444	\$31,920,444	\$32,692,212
13						
14 Subtotal	\$44,997,595	\$44,157,218	\$43,880,107	\$44,897,012	\$49,112,306	\$45,408,847
15						
16 Accumulated Deferred FIT	(\$18,801,591)	(\$10,303,570)	(\$3,244,078)	\$4,922,435	\$24,552,308	(\$574,899)
17 Excess Deferred Tax	\$55,165,607	\$55,165,607	\$59,123,845	\$59,123,845	\$59,123,845	\$57,540,550
18 Excess Deferred Tax Amortization	(\$6,561,753)	(\$6,940,316)	(\$7,318,878)	(\$7,697,441)	(\$8,076,004)	(\$7,318,878)
19 Hold Harmless	\$9,063,679	\$8,310,658	\$7,557,637	\$6,804,616	\$6,051,595	\$7,557,637
20 Customer Deposits	\$1,754,088	\$1,754,088	\$1,754,088	\$1,696,101	\$1,568,457	\$1,705,364
21						
22 Subtotal	\$40,620,030	\$47,986,467	\$57,872,614	\$64,849,556	\$83,220,201	\$58,909,773
23						
24 Rate Base	<u>\$1,506,633,748</u>	<u>\$1,526,008,730</u>	<u>\$1,564,499,952</u>	<u>\$1,600,180,527</u>	<u>\$1,636,260,732</u>	<u>\$1,566,716,738</u>

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
- 6(f) Average of Column (a) through Column (e)
- 8(a)-11(e) From Company Financial Statements
- 8(f)-11(f) Average of Column (a) through Column (e)
- 12(b)-12(e) From Page 6 of 15 Line 13
- 14 Sum of Line 8 through Line 12
- 16(a)-21(e) From Company Financial Statements
- 16(f)-21(f) Average of Column (a) through Column (e)
- 17 Excess Deferred Tax for change in tax rate from 35% to 21%, adjusted for IRS audit findings
- 18 Per Docket No. 4770, Excess Deferred Income Tax True-Up – Second Compliance Filing dated May 30, 2019, Second Compliance Attachment 31, Page 1
- 19 Hold Harmless rate base credit per Docket No. 3859
- 22 Sum of Line 16 through Line 20
- 24 Line 6 + Line 14 - Line 22

Rhode Island Energy - RI Gas
Cash Working Capital Calculation
For the Twelve Months ended December 31, 2023

1	Gas Costs	\$143,051,409
2	Operating Expenses	\$151,978,293
3	Payroll Taxes	\$4,267,128
4	Property Taxes	\$40,092,566
5	State Taxes Other	(\$488)
6	Revenue Related Taxes (GET)	\$14,206,331
7	Total	<u>\$353,595,239</u>
8		
9	Daily Cash Requirement	\$968,754
10		
11	Net Lag Days	32.95
12		
13	Total Working Capital	<u><u>\$31,920,444</u></u>

Notes:

- 1 From Page 2 of 15 line 13(c)
- 2 From Page 2 of 15 line 14(c) through 19(c)
- 3-5 From Page 2 of 15 line 24(c)
- 6 From Page 2 of 15 line 25(c)
- 7 Sum of Line 1 through Line 6
- 9 Line 7 divided by 365 days
- 11 Per Docket No. 4770, Compliance Filing dated August 16, 2018,
Compliance Attachment 2, Schedule 42,
(Page 3 of 29, Line 18 - Page 2 of 29, Line 1)
- 13 Line 9 times line 11

Rhode Island Energy - RI Gas
Detail Other Revenue/(Expense)
For the Twelve Months ended December 31, 2023

	<u>Income Statement</u>	<u>Adjustments</u>	<u>2023</u>
	(a)	(b)	(c)
1 Rent from Gas Property	\$4,492,967		\$4,492,967
2			
3 Other Revenue	(\$4,396,033)		(\$4,396,033)
4			
5 Excess Sharing	(\$12,448,425)	\$12,448,425	\$0
6			
7 RDM Revenue	\$13,170,886		\$13,170,886
8 Unbilled RDM Revenue		(\$3,753,781)	(\$3,753,781)
9 Energy Efficiency Shareholder Incentives		(192,778)	(192,778)
10			
11 Other Revenue - Off System Gas Sales	\$12,898,548	(\$12,898,548)	\$0
12			
13 Other Gas Rev Contract Sharing	\$827,833	(\$827,833)	\$0
14			
15 Other Deferred Revenue	\$5,403,857	(\$4,509,271)	\$894,586
16 LIHEAP Revenue		\$4,509,271	\$4,509,271
16			
17 DAC Revenue	\$3,254,015		\$3,254,015
18 Unbilled DAC Revenue		(\$3,156,395)	(\$3,156,395)
19			
20 Recovery of Supervision & Administrative Costs	\$0		\$0
21			
22 Misc Revenue	(\$2,300)	\$2,300	\$0
23			
Account 419010		\$825,837	
24 Interest on Customer Arrears		\$825,837	\$825,837
25			
26 Total Other Revenue	<u>\$23,201,348</u>	<u>(\$7,552,772)</u>	<u>\$15,648,576</u>

Notes:

- (a) From Company Financial Statements
- (b) From Page 14 of 15
- (c) (a) + (b)

Rhode Island Energy - RI Gas
Detail Other Interest Expense
For the Twelve Months ended December 31, 2023

	<u>Income Statement</u>	<u>Adjustments</u>	<u>2023</u>
	(a)	(b)	(c)
1 Interest on Customer Deposits	\$1,488,711	(\$1,442,578)	\$46,133
2			
3 Total Other Interest Expense	<u>\$1,488,711</u>	<u>(\$1,442,578)</u>	<u>\$46,133</u>

Notes:

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

Rhode Island Energy - RI Gas
Detail Non-Operating Income / (Expense)
For the Twelve Months ended December 31, 2023

	<u>Income Statement</u>	<u>Adjustments</u>	<u>2023</u>
	(a)	(b)	(c)
1 Donations	(30,969)		(\$30,969)
2			
3 Deferred Compensation - Life Insurance	\$0		\$0
4			
5 Penalties	(183,563)		(\$183,563)
6			
7 Lobbying / Legal and Political Expense	(171,015)		(\$171,015)
8			
9 Federal Income Taxes on Non-Operating Income	(581,934)		(\$581,934)
10			
11 Revenue from Non-Utility Operations	13,948		\$13,948
12 Expenses of Non-Utility Operations	\$0	\$0	\$0
13 Share Awards		\$0	\$0
14			
15 Interest on Over / (Under) Collections, primarily Deferred Gas Costs	3,429,449		\$3,429,449
16 CSS Revenue - Customer Arrears		(\$825,837)	(\$825,837)
17			
18 Misc Non-Operating Income	126,457		\$126,457
19 Miscellaneous Service Revenues		(\$2,300)	(\$2,300)
20			
21 Other Deductions	(\$862,244)		(\$862,244)
22			
23 Zero out Non-Operating Income / (Expense)	<u> </u>	<u>(\$911,992)</u>	<u>(\$911,992)</u>
24			
25 Total Non-Operating Income/(Expense)	<u><u>\$1,740,129</u></u>	<u><u>(\$1,740,129)</u></u>	<u><u>\$0</u></u>

Notes:

- (a) From Company Financial Statements
- 16(b) Reclass Interest on Customer Arrears to Other Revenue on Page 7 of 15, line 24(b)
- 19(b) Reclass Miscellaneous Service Revenues from Other Revenue on Page 7 of 15, line 22(b)
- 23(b) (Sum of Lines 1(a) through 21(b)) * -1
- (c) (a) + (b)

Rhode Island Energy - RI Gas
Calculation of Average Long-Term Debt Interest Rate
For the Twelve Months ended December 31, 2023

	Series	Percent (a)	Due (b)	Amount (c)	Annual Interest (d)	Annual Amortization of DD&E (e)	Total Expense (f)	Cost of Debt (g)
1	<u>Senior Unsecured Notes</u>							
2	Senior Notes	5.638%	15-Mar-2040	\$300,000,000	\$16,914,000	\$49,994	\$16,963,994	5.65%
3	Senior Notes	4.170%	10-Dec-2042	\$250,000,000	\$10,425,000	\$45,179	\$10,470,179	4.19%
4	Senior Notes	3.919%	1-Aug-2028	\$350,000,000	\$13,716,500	\$172,088	\$13,888,588	3.97%
5	Senior Notes	3.395%	9-Apr-2030	\$600,000,000	\$20,370,000	\$254,738	\$20,624,738	3.44%
6	<u>First Mortgage Bonds (*)</u>							
7	FMB Series R	7.500%	15-Dec-2025	\$1,500,000	\$166,250	\$4,941	\$171,191	11.41%
8	Total			<u>\$1,501,500,000</u>	<u>\$61,591,750</u>	<u>\$526,941</u>	<u>\$62,118,691</u>	<u>4.14%</u>
9	Electric Operations	70.00%		\$1,051,050,000	\$43,040,848	\$365,765	\$43,406,613	4.13%
10	Gas Operations	30.00%		\$450,450,000	\$18,550,902	\$161,175	\$18,712,077	4.15%
11	Legacy Debt			\$1,500,000	\$166,250	\$4,941	\$171,191	11.41%
12	New Debt			\$448,950,000	\$18,384,652	\$156,235	\$18,540,887	4.13%
13								
14	Total			<u>\$1,501,500,000</u>	<u>\$61,591,750</u>	<u>\$526,941</u>	<u>\$62,118,691</u>	<u>4.14%</u>

Notes:

- 1-7 From Financial Statements
- 8 Sum of Lines 1-7
- 9(c) Line 8 * Line 9(a)
- 9(d) Sum of Lines 2(d) through 5(d) * Line 9(c) / Sum of Lines 2(c) through 5(c)
- 9(e) Sum of Lines 2(e) through 5(e) * Line 9(c) / Sum of Lines 2(c) through 5(c)
- 10(c)-10(e) Line 7
- 11(c)-11(e) Line 1 through 3
- 12(c)-12(e) Sum of Lines 2 through 5, - Line 9
- (f) (d) + (e)
- (g) (f) / (c)

1(c)-7(c) *Average amounts represent The Narragansett Electric Company consolidated amounts as the Gas division is not a legal entity.

Rhode Island Energy - RI Gas
Calculation of Average Short-Term Debt Interest Rate
For the Twelve Months ended December 31, 2023

	<u>Month</u>	(a) <u>Average Short-Term Debt Balance</u>	(b) <u>Weighted Cost Rate</u>	(c) <u>Short-Term Interest Expense</u>
1	Jan-23	\$0	0.00%	\$0
2	Feb-23	\$0	0.00%	\$0
3	Mar-23	\$0	0.00%	\$0
4	Apr-23	\$0	0.00%	\$0
5	May-23	\$0	0.00%	\$0
6	Jun-23	\$25,000	5.25%	\$109
7	Jul-23	\$20,548,387	5.34%	\$120,282
8	Aug-23	\$29,451,612	5.46%	\$214,121
9	Sep-23	\$68,000,000	5.46%	\$397,629
10	Oct-23	\$76,129,032	5.45%	\$448,949
11	Nov-23	\$60,000,000	5.52%	\$480,446
12	Dec-23	\$25,000,000	5.72%	\$211,450
13				
14	Average	<u>\$23,262,836</u>	<u>8.05%</u>	<u>\$1,872,986</u>

Notes:

14(b) Line 14 (c) divided by Line 14 (a)

**Rhode Island Energy - RI Gas
Merger Hold Harmless Rate Base Credit
For the Twelve Months ended December 31, 2023**

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
RIPUC Docket No. 4770
Schedule MAL-11-GAS
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The Narragansett Electric Company d/b/a National Grid
Merger Hold Harmless Rate Base Credit Adjustments To Rate Base
Test Year Ending June 31, 2017 through Rate Year 1 Ending August 31, 2019

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

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
RIPUC Docket No. 4770
Schedule MAL-11-GAS
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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 Rate Year 2 Ending August 31, 2021

Description	Period (a)	Monthly Expense (b)	Merger Hold Harmless Rate Base Credit (c)
1 Balance at August 31, 2019			\$17,676,893
2	09/30/19	(\$167,950)	\$17,508,943
3	10/31/19	(\$167,950)	\$17,340,994
4	11/30/19	(\$167,950)	\$17,173,044
5	12/31/19	(\$167,950)	\$17,005,095
6	01/31/20	(\$198,997)	\$16,806,098
7	02/29/20	(\$198,997)	\$16,607,100
8	03/31/20	(\$198,997)	\$16,408,103
9	04/30/20	(\$198,997)	\$16,209,106
10	05/31/20	(\$198,997)	\$16,010,109
11	06/30/20	(\$198,997)	\$15,811,112
12	07/31/20	(\$198,997)	\$15,612,115
13 Balance at August 31, 2020	08/31/20	(\$198,997)	\$15,413,118
14			
15 Rate Year 2 Merger Hold Harmless - 5 Quarter Average			\$16,376,053
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	(\$223,382)	\$14,393,547
23	02/28/21	(\$223,382)	\$14,169,965
24	03/31/21	(\$223,382)	\$13,946,383
25	04/30/21	(\$223,382)	\$13,722,802
26	05/31/21	(\$223,382)	\$13,499,220
27	06/30/21	(\$223,382)	\$13,275,638
28	07/31/21	(\$223,382)	\$13,052,056
29 Balance at August 31, 2021	08/31/21	(\$223,382)	\$12,828,474
30			
31 Rate Year 3 Merger Hold Harmless - 5 Quarter Average			\$14,145,381

Schedule DJE-2
Revised

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

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

National Grid - RI Gas
Reconciliation of Gas Earnings Sharing Mechanism to Annual Report
For the Twelve Months ended December 31, 2023

1	<u>Operating Revenues</u>	
2	Gas Operating Revenues shown on Page 300, Line 1(f) + 2(f) + 4(f) of the Annual Report	\$402,635,025
3	1 Unbilled Revenue Net Margin	\$8,554,143
4	2 Unbilled Energy Efficiency	(\$1,657,525)
5	3 Property Tax Regulatory Liability Adjustment	(\$12,178,624)
6	4 One Time Bill Credits per AG Settlement Agreement	\$0
7	Gas Earnings Sharing Mechanism, Page 2, Total Firm Gas Revenues	\$397,353,019
8		
9	Revenues from Transportation shown on Page 300, Line 11(f) of the Annual Report	\$69,673,236
10	1 Unbilled Transportation	\$1,062,526
11	Gas Earnings Sharing Mechanism, Page 2, Transportation Revenues	\$70,735,762
12		
13	Forfeited Discounts shown on Page 300, Line 7(f) of the Annual Report	\$0
14	Miscellaneous Service Revenues shown on Page 300, Line 8(f) of the Annual Report	(\$2,300)
15	Rent from Gas Property shown on Page 300, Line 16(f) of the Annual Report	\$4,492,967
16	Other Gas Revenues shown on Page 300, Line 18(f) of the Annual Report	\$18,710,681
17	1 Unbilled RDM	(\$3,753,781)
18	2 Unbilled DAC	(\$3,156,395)
19	3 Off System Gas Sales	(12,898,548)
20	4 Contract Sharing	(827,833)
21	5 Excess Sharing	12,448,425
22	6 Energy Efficiency Incentives	(192,778)
23	7 Miscellaneous Service Revenues	\$2,300
24	8 CSS Revenue - Customer Arrears	\$825,837
25	Gas Earnings Sharing Mechanism, Page 2, Other Revenues	15,648,576
26		
27	Inventory Financing	(\$2,090,683)
28		
29		
30	<u>Operating Expenses</u>	
31	Production expenses shown on Page 317 of the Annual Report	\$143,051,409
32	Gas Earnings Sharing Mechanism, Page 2, Production (Gas Costs)	\$143,051,409
33		
34	Natural Gas Storage expenses shown on Page 317 of the Annual Report	\$5,205,113
35	Gas Earnings Sharing Mechanism, Page 2, Storage	\$5,205,113
36		
37	Transmission expenses shown on Page 317 of the Annual Report	\$210,363
38	Gas Earnings Sharing Mechanism, Page 2, Transmission	\$210,363
39		
40	Distribution expenses shown on Page 317 of the Annual Report	\$39,961,436
41	Gas Earnings Sharing Mechanism, Page 2, Distribution	\$39,961,436
42		
43	Customer Accounts expenses shown on Pages 317 of the Annual Report	\$18,479,553
44	Customer Service & Information expenses shown on Pages 317 of the Annual Report	\$28,637,836
45	1 Zero out Uncollectible Accounts per books	(\$9,240,705)
46	2 Add Bad Debt Charge-Offs	\$7,990,649
47	Gas Earnings Sharing Mechanism, Page 2, Customer Accounts	\$45,867,333
48		
49	Sales expenses shown on Page 317 of the Annual Report	\$314,260
50	1 Remove Sales expenses	(\$314,260)
51	Gas Earnings Sharing Mechanism, Page 2, Sales	\$0
52		
53	Administrative and General expenses shown on Page 317 of the Annual Report	\$70,366,049
54	1 Exclude Executive Variable Compensation not charged to customers	(\$2,880,101)
55	3 Removal of IT/TSA Special Items	(\$6,751,900)
56	Gas Earnings Sharing Mechanism, Page 2, Administrative and General	\$60,734,048

The Narragansett Electric Company
d/b/a Rhode Island Energy
Impact of Elimination of ADIT and Hold Harmless Commitment for the 2023 Earnings Sharing Mechanism
Gas Distribution Assets

National Grid and PPL Corporation ("PPL") elected to treat PPL's acquisition of The Narragansett Electric Company ("NECO") from National Grid on May 25, 2022 as an asset sale for U.S. federal income tax purposes under Internal Revenue Code Section 338(h)(10). As a result of this election, PPL was deemed to acquire the assets of NECO at fair market value (essentially equivalent to book value) for tax purposes. The resulting "step-up" in tax basis eliminates most book/tax timing differences and the related accumulated net deferred income tax liabilities ("ADIT") as of the acquisition date. The elimination of ADIT increased rate base as a matter of law, and therefore, also increased customer rates. PPL committed in Docket No. D-21-09 to hold customers harmless. The information below provides the weighted cost of debt and equity and tax rates used in the ROE calculation, which are applied to the change in rate base as a result of the acquisition to determine the hold harmless revenue adjustment. To calculate the change in rate base, the actual ADIT balance is compared to a hypothetical ADIT balance as if the acquisition did not take place.

To hold customers harmless, PPL plans to share the cash tax benefits of goodwill amortization deductions that resulted from the acquisition, which are recorded for GAAP reporting and excluded from FERC reporting. The cash tax benefit does not result in an income statement tax benefit since the goodwill tax deduction offsets between current and deferred taxes. The cash tax benefit grossed up for tax represents the revenue credit for hold harmless and is reflected on Line 26.

Inputs:

1	Tax Rate		21.00%
2	Long Term Debt		48.350%
3	Short Term Debt		0.600%
4	Debt Weighting	Lines 2+3	48.950%
5	Preferred Equity		0.100%
6	Common Equity		50.950%
7	Total	Lines 4+5+6	100.000%
8	Long Term Debt Rate		4.150%
9	Short Term Debt Rate		8.050%
10	Cost of Debt	Line 2 / (Lines 2 + 3) * Line 8 + Line 3 / (Lines 2 + 3) * Line 9	4.198%
11	Cost of Preferred Equity		4.500%
12	Cost of Common Equity		9.275%
13	Revenue WACC (pre-tax)	Line 4 * Line 10 + Line 5 * Line 11 + Line 6 * (Line 12 / (1 - Line 1))	8.0411%
14	WACC (after-tax)	Line 4 * Line 10 + Line 5 * Line 11 + Line 6 * Line 12	6.785%

Calculation of Hold Harmless on Assets placed-in-service through the date of Acquisition (May 25, 2022):

	December 2022 (a)	March 2023 (b)	June 2023 (c)	September 2023 (d)	December 2023 (e)	5-Quarter Average (f) = (Col a thru e)/5
15 ADIT on acquisition related plant in Rate Base (after purchase)	(4,022,049)	(7,165,777)	(10,309,505)	(13,453,233)	(16,596,961)	\$ (10,309,505)
16 ADIT on acquisition related plant in Rate Base (before sale)	(190,526,092)	(191,195,922)	(191,865,751)	(192,535,581)	(193,205,411)	\$ (191,865,751)
17 Increase in Rate Base Due to Change in ADIT	\$ 186,504,043	\$ 184,030,145	\$ 181,556,247	\$ 179,082,348	\$ 176,608,450	\$ 181,556,247

		Post-Acquisition Results for Capital Adjustments through the Date of Acquisition (a)	Results for Capital Adjustments through the Date of Acquisition as if the Acquisition did not occur (b)	Difference (c) = (a) - (b)
18 Rate Base after Acquisition	Line 15, Col (f)	10,309,505	10,309,505	-
19 ADIT Adjustment	- Line 17, Col (f)	-	(181,556,247)	181,556,247
20 Adjusted Rate Base	Lines 18 + 19	10,309,505	(171,246,742)	181,556,247
21 Debt Return	Lines 20 * 4 * 10	211,842	(3,518,821)	3,730,663
22 Preferred Equity Return	Lines 20 * 5 * 11	464	(7,706)	8,170
23 Common Equity Return	Lines 20 * 6 * 12	487,187	(8,092,457)	8,579,645
24 Taxes on Equity (21%)	(Line 23 / (1 - Line 1)) * Line 1	129,505	(2,151,160)	2,280,665
25 Total Unadjusted Revenue	Sum of Lines 21, 22, 23, 24	828,999	(13,770,144)	14,599,143
26 Revenue Adjustment	- Line 17 * Line 13	(14,599,143)	-	(14,599,143)
27 Total Revenue	Lines 25 + 26	(13,770,144)	(13,770,144)	0
28 Interest Expense	Lines 20, Col (b) * 4 * 10	(3,518,821)	(3,518,821)	-
29 Tax Expense	(Lines 27 - 28) * Line 1	(2,152,778)	(2,152,778)	0
30 Net Income	Lines 27 - 28 - 29	(8,098,545)	(8,098,545)	0