

March 16, 2012

VIA HAND DELIVERY & ELECTRONIC MAIL

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

RE: Docket 4306 - FY 2013 Gas Infrastructure Safety and Reliability (“ISR”) Plan Compliance Filing

Dear Ms. Massaro:

As requested of the Company at the March 2, 2012 technical session held by the Rhode Island Public Utilities Commission (“Commission”) relative to the FY 2013 Gas ISR Plan, National Grid¹ is providing the enclosed calculation of the Distribution Adjustment Charge (“DAC”) factors that the Commission approved for effect April 1, 2012 provided as Attachment 1. As discussed at the technical session, these DAC factors reflect the reduced revenue requirement from the Settlement Agreement between the Division and the Company relative to the calculation of property taxes for the FY 2013 Plan. For completeness, the Company has also enclosed revised versions of Attachment 1 to Section 3 of the Plan containing the calculation of that revised revenue requirement provided as Attachment 2.

Thank you for your attention to this transmittal. If you have any questions, please feel free to contact me at (401) 784-7667.

Very truly yours,



Thomas R. Teehan

Enclosure

cc: Docket 4306 Service List
Leo Wold, Esq.
Steve Scialabba

¹ The Narragansett Electric Company d/b/a National Grid hereinafter referred to as “National Grid” or “the Company.”

**Rhode Island
DAC Rates
April 1, 2012 to March 31, 2013**

	November 1, 2011	April 1, 2012	April 1, 2012
Rate Class	DAC Rate	DAC Rate	DAC Rate
	Component	Component	(per therm)
Res-NH	\$0.0062	\$0.0679	\$0.0741
Res-NH-LI	\$0.0062	\$0.0679	\$0.0741
Res-H	\$0.0062	\$0.0269	\$0.0331
Res-H-LI	\$0.0062	\$0.0269	\$0.0331
Small	\$0.0062	\$0.0247	\$0.0309
Medium	\$0.0062	\$0.0176	\$0.0238
Large LL	\$0.0062	\$0.0166	\$0.0228
Large HL	\$0.0062	\$0.0119	\$0.0181
XL-LL	\$0.0062	\$0.0071	\$0.0133
XL-HL	\$0.0062	\$0.0047	\$0.0109

**Bill Impact Analysis with Various Levels of Consumption:
ISR Rates**

Residential Heating:

Annual Consumption (Therms)	Proposed Rates	Current Rates	Difference	% Chg	Base Rates	Difference due to:			EnergyEff	
						GCR	DAC			
							Base DAC	ISR		
600	\$965	\$953	\$12	1.3%	\$0	\$0.00	\$0.00	\$12.00	\$0.00	
664	\$1,053	\$1,039	\$13	1.3%	\$0	\$0.00	\$0.00	\$13.28	\$0.00	
730	\$1,143	\$1,128	\$15	1.3%	\$0	\$0.00	\$0.00	\$14.60	\$0.00	
794	\$1,228	\$1,212	\$16	1.3%	\$0	\$0.00	\$0.00	\$15.88	\$0.00	
857	\$1,310	\$1,293	\$17	1.3%	\$0	\$0.00	\$0.00	\$17.14	\$0.00	
Average Customer	922	\$1,394	\$1,375	\$18	1.3%	\$0	\$0.00	\$0.00	\$18.44	\$0.00
987	\$1,477	\$1,458	\$20	1.4%	\$0	\$0.00	\$0.00	\$19.74	\$0.00	
1,051	\$1,560	\$1,539	\$21	1.4%	\$0	\$0.00	\$0.00	\$21.02	\$0.00	
1,114	\$1,638	\$1,616	\$22	1.4%	\$0	\$0.00	\$0.00	\$22.28	\$0.00	
1,180	\$1,721	\$1,697	\$24	1.4%	\$0	\$0.00	\$0.00	\$23.60	\$0.00	
1,247	\$1,804	\$1,779	\$25	1.4%	\$0	\$0.00	\$0.00	\$24.94	\$0.00	

Residential Heating Low Income:

Annual Consumption (Therms)	Proposed Rates	Current Rates	Difference	% Chg	Base Rates	Difference due to:			EnergyEff	
						GCR	DAC			
							Base DAC	ISR		
600	\$928	\$916	\$12	1.3%	\$0	\$0.00	\$0.00	\$12.00	\$0.00	
664	\$1,013	\$999	\$13	1.3%	\$0	\$0.00	\$0.00	\$13.28	\$0.00	
730	\$1,100	\$1,085	\$15	1.3%	\$0	\$0.00	\$0.00	\$14.60	\$0.00	
794	\$1,183	\$1,167	\$16	1.4%	\$0	\$0.00	\$0.00	\$15.88	\$0.00	
857	\$1,263	\$1,246	\$17	1.4%	\$0	\$0.00	\$0.00	\$17.14	\$0.00	
Average Customer	922	\$1,345	\$1,327	\$18	1.4%	\$0	\$0.00	\$0.00	\$18.44	\$0.00
987	\$1,427	\$1,407	\$20	1.4%	\$0	\$0.00	\$0.00	\$19.74	\$0.00	
1,051	\$1,507	\$1,486	\$21	1.4%	\$0	\$0.00	\$0.00	\$21.02	\$0.00	
1,114	\$1,584	\$1,562	\$22	1.4%	\$0	\$0.00	\$0.00	\$22.28	\$0.00	
1,180	\$1,665	\$1,641	\$24	1.4%	\$0	\$0.00	\$0.00	\$23.60	\$0.00	
1,247	\$1,746	\$1,722	\$25	1.4%	\$0	\$0.00	\$0.00	\$24.94	\$0.00	

**Bill Impact Analysis with Various Levels of Consumption:
ISR Rates**

Residential Non-Heating:

Annual Consumption (Therms)	Proposed Rates	Current Rates	Difference	% Chg	Base Rates	Difference due to:			EnergyEff	
						GCR	DAC			
							Base DAC	ISR		
123	\$292	\$285	\$7	2.3%	\$0	\$0.00	\$0.00	\$6.66	\$0.00	
137	\$312	\$304	\$7	2.4%	\$0	\$0.00	\$0.00	\$7.45	\$0.00	
147	\$326	\$318	\$8	2.5%	\$0	\$0.00	\$0.00	\$7.98	\$0.00	
161	\$345	\$336	\$9	2.6%	\$0	\$0.00	\$0.00	\$8.74	\$0.00	
176	\$366	\$357	\$10	2.7%	\$0	\$0.00	\$0.00	\$9.57	\$0.00	
Average Customer	189	\$384	\$374	\$10	2.7%	\$0	\$0.00	\$0.00	\$10.25	\$0.00
202	\$402	\$391	\$11	2.8%	\$0	\$0.00	\$0.00	\$10.98	\$0.00	
217	\$423	\$412	\$12	2.9%	\$0	\$0.00	\$0.00	\$11.79	\$0.00	
231	\$443	\$430	\$13	2.9%	\$0	\$0.00	\$0.00	\$12.58	\$0.00	
241	\$457	\$444	\$13	3.0%	\$0	\$0.00	\$0.00	\$13.11	\$0.00	
256	\$478	\$464	\$14	3.0%	\$0	\$0.00	\$0.00	\$13.94	\$0.00	

Residential Non-Heating Low Income:

Annual Consumption (Therms)	Proposed Rates	Current Rates	Difference	% Chg	Base Rates	Difference due to:			EnergyEff	
						GCR	DAC			
							Base DAC	ISR		
123	\$275	\$268	\$7	2.5%	\$0	\$0.00	\$0.00	\$6.66	\$0.00	
137	\$294	\$287	\$7	2.6%	\$0	\$0.00	\$0.00	\$7.45	\$0.00	
147	\$308	\$300	\$8	2.7%	\$0	\$0.00	\$0.00	\$7.98	\$0.00	
161	\$327	\$318	\$9	2.7%	\$0	\$0.00	\$0.00	\$8.74	\$0.00	
176	\$347	\$337	\$10	2.8%	\$0	\$0.00	\$0.00	\$9.57	\$0.00	
Average Customer	189	\$365	\$354	\$10	2.9%	\$0	\$0.00	\$0.00	\$10.25	\$0.00
202	\$382	\$371	\$11	3.0%	\$0	\$0.00	\$0.00	\$10.98	\$0.00	
217	\$403	\$391	\$12	3.0%	\$0	\$0.00	\$0.00	\$11.79	\$0.00	
231	\$422	\$409	\$13	3.1%	\$0	\$0.00	\$0.00	\$12.58	\$0.00	
241	\$435	\$422	\$13	3.1%	\$0	\$0.00	\$0.00	\$13.11	\$0.00	
256	\$456	\$442	\$14	3.2%	\$0	\$0.00	\$0.00	\$13.94	\$0.00	

**Bill Impact Analysis with Various Levels of Consumption:
ISR Rates**

C & I Small:

Annual Consumption (Therms)	Proposed Rates	Current Rates	Difference	% Chg	Base Rates	Difference due to:			EnergyEff
						GCR	DAC		
							Base DAC	ISR	
824	\$1,411	\$1,397	\$14	1.0%	\$0	\$0.00	\$0.00	\$13.75	\$0.00
916	\$1,531	\$1,515	\$15	1.0%	\$0	\$0.00	\$0.00	\$15.31	\$0.00
1,003	\$1,643	\$1,626	\$17	1.0%	\$0	\$0.00	\$0.00	\$16.76	\$0.00
1,092	\$1,755	\$1,737	\$18	1.1%	\$0	\$0.00	\$0.00	\$18.24	\$0.00
1,179	\$1,861	\$1,841	\$20	1.1%	\$0	\$0.00	\$0.00	\$19.70	\$0.00
Average Customer 1,269	\$1,970	\$1,949	\$21	1.1%	\$0	\$0.00	\$0.00	\$21.20	\$0.00
1,359	\$2,079	\$2,056	\$23	1.1%	\$0	\$0.00	\$0.00	\$22.71	\$0.00
1,447	\$2,185	\$2,160	\$24	1.1%	\$0	\$0.00	\$0.00	\$24.19	\$0.00
1,535	\$2,290	\$2,265	\$26	1.1%	\$0	\$0.00	\$0.00	\$25.65	\$0.00
1,622	\$2,394	\$2,367	\$27	1.1%	\$0	\$0.00	\$0.00	\$27.11	\$0.00
1,715	\$2,506	\$2,477	\$29	1.2%	\$0	\$0.00	\$0.00	\$28.66	\$0.00

C & I Medium:

Annual Consumption (Therms)	Proposed Rates	Current Rates	Difference	% Chg	Base Rates	Difference due to:			EnergyEff
						GCR	DAC		
							Base DAC	ISR	
7,117	\$9,304	\$9,294	\$10	0.1%	\$0	\$0.00	\$0.00	\$9.95	\$0.00
7,884	\$10,229	\$10,218	\$11	0.1%	\$0	\$0.00	\$0.00	\$11.03	\$0.00
8,649	\$11,152	\$11,140	\$12	0.1%	\$0	\$0.00	\$0.00	\$12.10	\$0.00
9,416	\$12,077	\$12,063	\$13	0.1%	\$0	\$0.00	\$0.00	\$13.18	\$0.00
10,185	\$13,004	\$12,990	\$14	0.1%	\$0	\$0.00	\$0.00	\$14.25	\$0.00
Average Customer 10,950	\$13,927	\$13,912	\$15	0.1%	\$0	\$0.00	\$0.00	\$15.32	\$0.00
11,715	\$14,849	\$14,833	\$16	0.1%	\$0	\$0.00	\$0.00	\$16.40	\$0.00
12,484	\$15,777	\$15,760	\$17	0.1%	\$0	\$0.00	\$0.00	\$17.47	\$0.00
13,251	\$16,702	\$16,683	\$19	0.1%	\$0	\$0.00	\$0.00	\$18.55	\$0.00
14,016	\$17,625	\$17,605	\$20	0.1%	\$0	\$0.00	\$0.00	\$19.61	\$0.00
14,783	\$18,550	\$18,529	\$21	0.1%	\$0	\$0.00	\$0.00	\$20.69	\$0.00

**Bill Impact Analysis with Various Levels of Consumption:
ISR Rates**

C & I LLF Large:

Annual Consumption (Therms)	Proposed Rates	Current Rates	Difference	% Chg	Base Rates	Difference due to:			EnergyEff	
						GCR	DAC			
							Base DAC	ISR		
37,532	\$47,522	\$47,117	\$405	0.9%	\$0	\$0.00	\$0.00	\$405.33	\$0.00	
41,573	\$52,484	\$52,035	\$449	0.9%	\$0	\$0.00	\$0.00	\$448.96	\$0.00	
45,616	\$57,448	\$56,955	\$493	0.9%	\$0	\$0.00	\$0.00	\$492.63	\$0.00	
49,660	\$62,413	\$61,877	\$536	0.9%	\$0	\$0.00	\$0.00	\$536.29	\$0.00	
53,699	\$67,372	\$66,792	\$580	0.9%	\$0	\$0.00	\$0.00	\$579.92	\$0.00	
Average Customer	57,742	\$72,336	\$71,713	\$624	0.9%	\$0	\$0.00	\$0.00	\$623.57	\$0.00
61,785	\$77,300	\$76,633	\$667	0.9%	\$0	\$0.00	\$0.00	\$667.23	\$0.00	
65,824	\$82,260	\$81,549	\$711	0.9%	\$0	\$0.00	\$0.00	\$710.86	\$0.00	
69,868	\$87,225	\$86,470	\$755	0.9%	\$0	\$0.00	\$0.00	\$754.51	\$0.00	
73,911	\$92,189	\$91,391	\$798	0.9%	\$0	\$0.00	\$0.00	\$798.16	\$0.00	
77,952	\$97,151	\$96,309	\$842	0.9%	\$0	\$0.00	\$0.00	\$841.83	\$0.00	

C & I HLF Large:

Annual Consumption (Therms)	Proposed Rates	Current Rates	Difference	% Chg	Base Rates	Difference due to:			EnergyEff	
						GCR	DAC			
							Base DAC	ISR		
37,970	\$43,304	\$42,986	\$319	0.7%	\$0	\$0.00	\$0.00	\$318.94	\$0.00	
42,061	\$47,815	\$47,462	\$353	0.7%	\$0	\$0.00	\$0.00	\$353.32	\$0.00	
46,151	\$52,325	\$51,937	\$388	0.7%	\$0	\$0.00	\$0.00	\$387.67	\$0.00	
50,240	\$56,833	\$56,411	\$422	0.7%	\$0	\$0.00	\$0.00	\$422.00	\$0.00	
54,329	\$61,341	\$60,885	\$456	0.7%	\$0	\$0.00	\$0.00	\$456.35	\$0.00	
Average Customer	58,418	\$65,850	\$65,359	\$491	0.8%	\$0	\$0.00	\$0.00	\$490.68	\$0.00
62,508	\$70,359	\$69,834	\$525	0.8%	\$0	\$0.00	\$0.00	\$525.07	\$0.00	
66,596	\$74,867	\$74,307	\$559	0.8%	\$0	\$0.00	\$0.00	\$559.42	\$0.00	
70,686	\$79,376	\$78,782	\$594	0.8%	\$0	\$0.00	\$0.00	\$593.80	\$0.00	
74,775	\$83,884	\$83,256	\$628	0.8%	\$0	\$0.00	\$0.00	\$628.12	\$0.00	
78,867	\$88,396	\$87,733	\$662	0.8%	\$0	\$0.00	\$0.00	\$662.48	\$0.00	

**Bill Impact Analysis with Various Levels of Consumption:
ISR Rates**

C & I LLF Extra-Large:

Annual Consumption (Therms)	Proposed Rates	Current Rates	Difference	% Chg	Base Rates	Difference due to:			EnergyEff	
						GCR	DAC			
							Base DAC	ISR		
189,450	\$207,183	\$207,105	\$78	0.0%	\$0	\$0.00	\$0.00	\$77.66	\$0.00	
209,855	\$229,110	\$229,024	\$86	0.0%	\$0	\$0.00	\$0.00	\$86.03	\$0.00	
230,255	\$251,032	\$250,937	\$94	0.0%	\$0	\$0.00	\$0.00	\$94.38	\$0.00	
250,655	\$272,954	\$272,851	\$103	0.0%	\$0	\$0.00	\$0.00	\$102.75	\$0.00	
271,059	\$294,880	\$294,769	\$111	0.0%	\$0	\$0.00	\$0.00	\$111.11	\$0.00	
Average Customer	291,462	\$316,805	\$316,685	\$119	0.0%	\$0	\$0.00	\$0.00	\$119.48	\$0.00
311,865	\$338,730	\$338,602	\$128	0.0%	\$0	\$0.00	\$0.00	\$127.84	\$0.00	
332,269	\$360,656	\$360,520	\$136	0.0%	\$0	\$0.00	\$0.00	\$136.20	\$0.00	
352,669	\$382,578	\$382,434	\$145	0.0%	\$0	\$0.00	\$0.00	\$144.57	\$0.00	
373,069	\$404,500	\$404,347	\$153	0.0%	\$0	\$0.00	\$0.00	\$152.92	\$0.00	
393,474	\$426,427	\$426,266	\$161	0.0%	\$0	\$0.00	\$0.00	\$161.30	\$0.00	

C & I HLF Extra-Large:

Annual Consumption (Therms)	Proposed Rates	Current Rates	Difference	% Chg	Base Rates	Difference due to:			EnergyEff	
						GCR	DAC			
							Base DAC	ISR		
184,661	\$198,294	\$197,666	\$628	0.3%	\$0	\$0.00	\$0.00	\$627.86	\$0.00	
204,549	\$219,263	\$218,567	\$695	0.3%	\$0	\$0.00	\$0.00	\$695.45	\$0.00	
224,435	\$240,229	\$239,466	\$763	0.3%	\$0	\$0.00	\$0.00	\$763.09	\$0.00	
244,321	\$261,196	\$260,365	\$831	0.3%	\$0	\$0.00	\$0.00	\$830.70	\$0.00	
264,206	\$282,161	\$281,263	\$898	0.3%	\$0	\$0.00	\$0.00	\$898.29	\$0.00	
Average Customer	284,094	\$303,129	\$302,164	\$966	0.3%	\$0	\$0.00	\$0.00	\$965.92	\$0.00
303,982	\$324,098	\$323,064	\$1,034	0.3%	\$0	\$0.00	\$0.00	\$1,033.55	\$0.00	
323,867	\$345,063	\$343,962	\$1,101	0.3%	\$0	\$0.00	\$0.00	\$1,101.13	\$0.00	
343,753	\$366,030	\$364,861	\$1,169	0.3%	\$0	\$0.00	\$0.00	\$1,168.75	\$0.00	
363,639	\$386,996	\$385,760	\$1,236	0.3%	\$0	\$0.00	\$0.00	\$1,236.35	\$0.00	
383,527	\$407,965	\$406,661	\$1,304	0.3%	\$0	\$0.00	\$0.00	\$1,303.97	\$0.00	

April 1, 2012

Revenue Requirement	Rate Class	Rate Base Allocator %	Allocation to Rate Class	Throughput dth	ISR Factor dth	ISR Factor therm	Uncollectible	ISR Factor therm
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\$7,272,434

Res-NH	5.07%	\$368,750	556,875	\$0.6622	0.0662	2.46%	\$0.0679
Res-H	62.89%	\$4,573,956	17,489,866	\$0.2615	0.0262	2.46%	\$0.0269
Small	8.20%	\$596,340	2,471,503	\$0.2413	0.0241	2.46%	\$0.0247
Medium	12.50%	\$908,728	5,272,010	\$0.1724	0.0172	2.46%	\$0.0176
Large LL	5.88%	\$427,585	2,643,679	\$0.1617	0.0162	2.46%	\$0.0166
Large HL	1.87%	\$136,170	1,173,015	\$0.1161	0.0116	2.46%	\$0.0119
XL-LL	0.84%	\$61,188	890,996	\$0.0687	0.0069	2.46%	\$0.0071
XL-HL	2.75%	\$199,716	4,318,987	\$0.0462	0.0046	2.46%	\$0.0047

Firm and Transportation		2012												2013			
Year	Mon	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	2013			
1012		52,923	43,928	35,764	31,804	28,744	28,529	35,143	43,872	55,016	70,793	70,025	60,333	556,875			
1247		1,705,118	1,081,596	473,491	422,847	362,367	345,116	409,966	1,048,113	2,257,226	3,484,287	3,376,822	2,522,916	17,489,866			
2107		252,624	122,097	47,631	42,215	34,539	49,263	80,487	159,563	309,768	489,386	476,924	407,005	2,471,503			
2237		221,483	139,756	36,185	79,349	38,735	74,952	106,391	230,515	405,412	673,489	679,448	514,566	3,200,280			
22EN		71,408	36,080	29,613	21,096	17,126	24,884	46,772	76,592	120,261	146,470	128,106	100,861	819,269			
2221		126,334	66,878	40,275	28,155	24,766	34,326	60,232	102,281	154,122	213,639	205,419	196,035	1,252,461			
2367		25,423	20,938	17,489	17,110	15,420	15,741	20,602	23,109	27,283	32,170	28,897	30,365	274,547			
23EN		45,806	39,741	40,916	32,135	37,197	28,359	51,562	52,931	47,832	88,742	70,169	70,479	605,868			
2321		26,960	21,216	20,721	15,688	17,270	13,116	21,982	22,606	21,462	42,513	33,938	35,129	292,601			
2496		15,311	13,959	13,868	14,111	12,049	11,516	15,605	14,920	15,832	17,311	19,880	16,528	180,889			
24EN		333,466	263,359	298,321	264,001	247,551	262,574	330,188	334,658	360,785	472,292	378,725	394,159	3,940,080			
2421		20,073	17,683	21,653	9,751	12,633	8,147	18,985	16,303	6,776	29,429	13,743	22,841	198,017			
3367		86,548	34,767	13,067	6,089	6,033	12,504	24,255	52,733	84,144	120,574	125,122	116,023	681,860			
33EN		89,135	37,078	22,600	13,962	12,200	20,776	53,992	101,546	159,988	180,721	161,286	149,449	1,002,733			
3321		139,313	42,530	25,467	0	0	0	14,871	70,092	129,470	208,185	173,847	155,313	959,087			
3496		2,551	1,202	0	435	0	151	77	2,796	5,519	10,150	9,737	7,269	39,886			
34EN		69,932	27,373	20,518	11,695	8,024	16,349	36,914	72,590	114,736	132,559	120,164	106,656	737,509			
3421		8,169	4,138	2,832	0	0	0	334	10,379	22,742	28,210	19,196	17,602	113,601			
70EN		0	0	0	0	0	0	0	0	0	0	0	0	0			
															34,816,931		

Dth		2012												2013			
TOTALS	Mon	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	2013			
1,012	Res-NH	52,923	43,928	35,764	31,804	28,744	28,529	35,143	43,872	55,016	70,793	70,025	60,333	556,875			
1,247	Res-H	1,705,118	1,081,596	473,491	422,847	362,367	345,116	409,966	1,048,113	2,257,226	3,484,287	3,376,822	2,522,916	17,489,866			
2,107	Small	252,624	122,097	47,631	42,215	34,539	49,263	80,487	159,563	309,768	489,386	476,924	407,005	2,471,503			
2,237	Medium	221,483	139,756	36,185	79,349	38,735	74,952	106,391	230,515	405,412	673,489	679,448	514,566	3,200,280			
22EN	Medium-FT1	71,408	36,080	29,613	21,096	17,126	24,884	46,772	76,592	120,261	146,470	128,106	100,861	819,269			
2,221	Medium-FT2	126,334	66,878	40,275	28,155	24,766	34,326	60,232	102,281	154,122	213,639	205,419	196,035	1,252,461			
2,367	Large-HL	25,423	20,938	17,489	17,110	15,420	15,741	20,602	23,109	27,283	32,170	28,897	30,365	274,547			
23EN	Large HL-FT1	45,806	39,741	40,916	32,135	37,197	28,359	51,562	52,931	47,832	88,742	70,169	70,479	605,868			
2,321	Large HL-FT2	26,960	21,216	20,721	15,688	17,270	13,116	21,982	22,606	21,462	42,513	33,938	35,129	292,601			
2,496	XL-HL	15,311	13,959	13,868	14,111	12,049	11,516	15,605	14,920	15,832	17,311	19,880	16,528	180,889			
24EN	XL-HL-FT1	333,466	263,359	298,321	264,001	247,551	262,574	330,188	334,658	360,785	472,292	378,725	394,159	3,940,080			
2,421	XL-HL-FT2	20,073	17,683	21,653	9,751	12,633	8,147	18,985	16,303	6,776	29,429	13,743	22,841	198,017			
3,367	Large-LL	86,548	34,767	13,067	6,089	6,033	12,504	24,255	52,733	84,144	120,574	125,122	116,023	681,860			
33EN	Large-LL-FT1	89,135	37,078	22,600	13,962	12,200	20,776	53,992	101,546	159,988	180,721	161,286	149,449	1,002,733			
3,321	Large-LL-FT2	139,313	42,530	25,467	-	-	-	14,871	70,092	129,470	208,185	173,847	155,313	959,087			
3,496	XL-LL	2,551	1,202	-	435	-	151	77	2,796	5,519	10,150	9,737	7,269	39,886			
34EN	XL-LL FT1	69,932	27,373	20,518	11,695	8,024	16,349	36,914	72,590	114,736	132,559	120,164	106,656	737,509			
3,421	XL-LL FT2	8,169	4,138	2,832	-	-	-	334	10,379	22,742	28,210	19,196	17,602	113,601			
70EN	NGV	-	-	-	-	-	-	-	-	-	-	-	-	-			
															34,816,931		

Dth forecast Apr 12-Mar 13	2012			2012			2012			2012			2013			2013	2013
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar					
Res-NH	52,923	43,928	35,764	31,804	28,744	28,529	35,143	43,872	55,016	70,793	70,025	60,333	556,875				
Res-H	1,705,118	1,081,596	473,491	422,847	362,367	345,116	409,966	1,048,113	2,257,226	3,484,287	3,376,822	2,522,916	17,489,866				
Small	252,624	122,097	47,631	42,215	34,539	49,263	80,487	159,563	309,768	489,386	476,924	407,005	2,471,503				
Medium	419,224	242,713	106,073	128,600	80,627	134,162	213,395	409,388	679,795	1,033,598	1,012,973	811,462	5,272,010				
Large LL	314,997	114,375	61,134	20,052	18,233	33,280	93,118	224,371	373,602	509,479	460,255	420,784	2,643,679				
Large HL	98,188	81,895	79,126	64,933	69,886	57,216	94,147	98,647	96,577	163,425	133,004	135,973	1,173,015				
XL-LL	80,652	32,713	23,350	12,130	8,024	16,500	37,324	85,765	142,997	170,919	149,097	131,527	890,996				
XL-HL	368,850	295,000	333,842	287,863	272,233	282,236	364,779	365,882	383,393	519,032	412,349	433,528	4,318,987				
	3,292,576	2,014,317	1,160,410	1,010,444	874,655	946,302	1,328,358	2,435,601	4,298,374	6,440,918	6,091,449	4,923,527	34,816,931				

	System Total	Res-NH	Res-H	Small	Medium	Large LL	Large HL	XL-LL	XL-HL
Distribution									
Demand	\$178,374,417	\$2,768,983	\$102,609,361	\$13,862,322	\$29,257,386	\$15,362,579	\$4,999,889	\$2,162,329	\$7,351,569
Customer	\$105,818,120	\$11,669,558	\$76,237,861	\$9,454,916	\$6,236,545	\$1,334,485	\$313,236	\$208,314	\$363,205
Commodity	\$817,961	\$12,967	\$408,499	\$53,641	\$119,583	\$60,228	\$23,460	\$27,366	\$112,217
Total Rate Base	\$285,010,498	\$14,451,508	\$179,255,721	\$23,370,879	\$35,613,514	\$16,757,292	\$5,336,585	\$2,398,009	\$7,826,991
		5.07%	62.89%	8.20%	12.50%	5.88%	1.87%	0.84%	2.75%

\$178,374,418
\$105,818,120
\$817,961
\$285,010,499
100.00%
100.00%

Res-NH 5.07%
Res-H 62.89%
Small 8.20%
Medium 12.50%
Large LL 5.88%
Large HL 1.87%
XL-LL 0.84%
XL-HL 2.75%
100.00%

The Narragansett Electric Company
d/b/a National Grid
Gas Infrastructure, Safety, and Reliability Plan FY 2013
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National Grid - RI Gas
d/b/a National Grid
Gas Infrastructure, Safety and Reliability (ISR) Plan
Computation of Annual Revenue Requirement

Line No.		Fiscal Year <u>2012</u> (a)	Fiscal Year <u>2013</u> (b)	Fiscal Year <u>2014</u> (c)
	Capital Investment:			
	Forecasted Revenue Requirement:			
1	FY 2012	\$1,817,890	\$5,025,507	\$4,845,794
2	FY 2013		\$2,506,927	\$6,636,031
3	Settlement Agreement 1/31/12		(\$260,000)	
4	Total	<u>\$1,817,890</u>	<u>\$7,272,434</u>	<u>\$11,481,825</u>
5	Total Incremental Fiscal Year Rate Adjustment	<u>\$1,817,890</u>	<u>\$5,454,544</u>	

Line Notes

- 1 Column (a) - From Page 3 Line 26 (Col a)
- 1 Column (b) - From Page 3 Line 26 (Col b)
- 1 Column (c) - From Page 3 Line 26 (Col c)
- 2 Column (b) - From Page 2 Line 26 (Col a)
- 2 Column (b) - From Page 2 Line 26 (Col b)
- 4 Line 2 + Line 1- Line 3
- 5 (b) Line 3 Less Prior Year Line 4

The Narragansett Electric Company
d/b/a National Grid
Gas Infrastructure, Safety, and Reliability Plan FY 2013
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**The Narragansett Electric Company
d/b/a National Grid
Illustrative Computation of Gas FY 2013 Capital Investment Revenue Requirement**

Line No.		Fiscal Year 2013 (a)	Fiscal Year 2014 (b)
<u>Depreciable Net Capital Included in Rate Base</u>			
1	Total Allowed Capital Included in Rate Base in Current Year	\$57,184,191	\$0
2	Retirements	Line 1 * Retirements Rate 1/ \$2,498,949	\$0
3	Net Depreciable Capital Included in Rate Base	Prior Year Line 3 + Current Year Line 1 - Line 2 \$54,685,242	\$54,685,242
<u>Change in Net Capital Included in Rate Base</u>			
4	Capital Included in Rate Base	Line 1 \$57,184,191	\$0
5	Depreciation Expense	As approved per Docket No. 3943, excluding general plant and 2009 CXT \$18,443,542	\$0
6	Incremental Depreciable Amount	Prior Year Line 6 + Current Line 4 - Line 5 \$38,740,649	\$38,740,649
7	Cost of Removal	\$4,701,396	\$4,701,396
8	Net Plant Amount	Line 6 + Line 7 \$43,442,046	\$43,442,046
<u>Deferred Tax Calculation:</u>			
9	Composite Book Depreciation Rate	As Approved in R.I.P.U.C. Docket No. 3943 3.38%	3.38%
10	Tax Depreciation	Page 4, Line 20 \$43,137,661	\$1,406,143
11	Cumulative Tax Depreciation	Prior Year Line 11 + Current Year Line 10 \$43,137,661	\$44,543,804
12	Book Depreciation	In Year 1 (Prior Year Line 3 * Line 12 * 50%) then Prior Year Line 3 * Line 12 \$924,181	\$1,848,361
13	Cumulative Book Depreciation	Prior Year Line 13 + Current Year Line 12 \$924,181	\$2,772,542
14	Cumulative Book / Tax Timer	Line 11 - Line 13 \$42,213,481	\$41,771,262
15	Effective Tax Rate	35.00%	35.00%
16	Deferred Tax Reserve	Line 14 * Line 15 \$14,774,718	\$14,619,942
<u>Rate Base Calculation:</u>			
17	Cumulative Incremental Capital Included in Rate Base	Line 8 \$43,442,046	\$43,442,046
18	Accumulated Depreciation	- Line 13 (\$924,181)	(\$2,772,542)
19	Deferred Tax Reserve	- Line 13 (\$14,774,718)	(\$14,619,942)
20	Year End Rate Base	Sum of Lines 17 through 19 \$27,743,147	\$26,049,562
<u>Revenue Requirement Calculation:</u>			
21	Average Rate Base	Line 20 ÷ 2 for 2013 then, (Prior Year Line 20 + Current Year Line 20) ÷ 2 \$13,871,573	\$26,896,354
22	Pre-Tax ROR	2/ 11.41%	11.41%
23	Return and Taxes	Line 24 * Line 25 \$1,582,747	\$3,068,874
24	Book Depreciation	Line 15 \$924,181	\$1,848,361
25	Property Taxes	\$0 in Year 1, then Prior Year (Line 3 + Line 7 - Line 13) * Property Tax Rate 3/ \$0	\$1,718,796
26	Annual Revenue Requirement	Sum of Lines 23 through 25 \$2,506,927	\$6,636,031

1/ Assumes 4.37% based on 2010 retirements as a percent of capital spend; to be replaced with actual retirements

2/ Weighted Average Cost of Capital as approved in R.I.P.U.C. Docket No. 3943

	Ratio	Rate	Rate	Taxes	Return
Long Term Debt	40.63%	7.99%	3.25%		3.25%
Short Term Debt	11.66%	3.91%	0.46%		0.46%
Common Equity	47.71%	10.50%	5.01%	2.70%	7.71%
	<u>100.00%</u>		<u>8.71%</u>	<u>2.70%</u>	<u>11.41%</u>

3/ Property Tax Rate Calculation based on 2010 actual net plant in service and property tax expense applicable to distribution

Plant in Service	\$613,322,109	
Completed Construction Not Classified	\$41,756,384	
Total Plant in Service	\$655,078,494	
Less: Intangible Plant	\$28,697,923	
Distribution-Plant in Service	\$626,380,570	\$626,380,570
Accumulated Depreciation	\$309,170,951	
Accumulated Depreciation -Intangible Plant	(\$18,669,589)	
Accumulated Depreciation Distribution-Plant in Service	\$290,501,363	
Distribution-Related Net Plant in Service	\$335,879,208	\$335,879,208
Distribution-Related Rate Year Property Tax Expense		\$9,878,147
Distribution-Related Property Tax Rate		2.94%

The Narragansett Electric Company
d/b/a National Grid
Illustrative Computation of Gas FY 2012 Capital Investment Revenue Requirement

Line No.		Fiscal Year 2012 (a)	Fiscal Year 2013 (b)	Fiscal Year 2014 (c)
<u>Depreciable Net Capital Included in Rate Base</u>				
1	Total Allowed Capital Included in Rate Base in Current Year	\$47,660,716	\$0	\$0
2	Retirements	Line 1 * Retirements Rate 1/ \$3,074,116	\$0	\$0
3	Net Depreciable Capital Included in Rate Base	Prior Year Line 3 + Current Year Line 1 - Line 2	\$44,586,600	\$44,586,600
<u>Change in Net Capital Included in Rate Base</u>				
4	Capital Included in Rate Base	Line 1 As approved per Docket No. 3943, excluding general plant and 2009 CXT	\$47,660,716	\$0
5	Depreciation Expense	\$18,443,542	\$0	\$0
6	Incremental Depreciable Amount	Prior Year Line 6 + Current Line 4 - Line 5	\$29,217,174	\$29,217,174
7	Cost of Removal	\$5,755,088	\$5,755,088	\$5,755,088
8	Net Plant Amount	Line 6 + Line 7	\$34,972,262	\$34,972,262
<u>Deferred Tax Calculation:</u>				
9	Composite Book Depreciation Rate	As Approved in R.I.P.U.C. Docket No. 3943	3.38%	3.38%
10	Tax Depreciation	Page 5, Line 20	\$45,215,927	\$615,012
11	Cumulative Tax Depreciation	Prior Year Line 11 + Current Year Line 10	\$45,215,927	\$45,830,939
12	Book Depreciation	In Year 1 (Prior Year Line 3 * Line 12 * 50%) then Prior Year Line 3 * Line 12	\$753,514	\$1,507,027
13	Cumulative Book Depreciation	Prior Year Line 13 + Current Year Line 12	\$753,514	\$2,260,541
14	Cumulative Book / Tax Timer	Line 11 - Line 13	\$44,462,413	\$43,570,398
15	Effective Tax Rate		35.00%	35.00%
16	Deferred Tax Reserve	Line 14 * Line 15	\$15,561,845	\$15,249,639
<u>Rate Base Calculation:</u>				
17	Cumulative Incremental Capital Included in Rate Base	Line 8	\$34,972,262	\$34,972,262
18	Accumulated Depreciation	- Line 13	(\$753,514)	(\$2,260,541)
19	Deferred Tax Reserve	- Line 13	(\$15,561,845)	(\$15,249,639)
20	Year End Rate Base	Sum of Lines 17 through 19	\$18,656,904	\$17,462,082
<u>Revenue Requirement Calculation:</u>				
21	Average Rate Base	Line 20 ÷ 2 for 2013 then, (Prior Year Line 20 + Current Year Line 20) ÷ 2	\$9,328,452	\$18,059,493
22	Pre-Tax ROR	2/ 11.41%	11.41%	11.41%
23	Return and Taxes	Line 24 * Line 25	\$1,064,376	\$2,060,588
24	Book Depreciation	Line 15	\$753,514	\$1,507,027
25	Property Taxes	\$0 in Year 1, then Prior Year (Line 3 + Line 7 - Line 13) * Property Tax Rate	3/ \$0	\$1,457,892
26	Annual Revenue Requirement	Sum of Lines 23 through 25	\$1,817,890	\$5,025,507

1/ Assumes 6.45% based on 2009 retirements as a percent of capital spend; to be replaced with actual retirements

2/ Weighted Average Cost of Capital as approved in R.I.P.U.C. Docket No. 3943

	Ratio	Rate	Rate	Taxes	Return
Long Term Debt	40.63%	7.99%	3.25%		3.25%
Short Term Debt	11.66%	3.91%	0.46%		0.46%
Common Equity	47.71%	10.50%	5.01%	2.70%	7.71%
	100.00%		8.71%	2.70%	11.41%

3/ Property Tax Rate Calculation based on 2010 actual net plant in service and property tax expense applicable to distribution

Plant in Service	\$613,322,109	
Completed Construction Not Classified	\$41,756,384	
Total Plant in Service	\$655,078,494	
Less: Intangible Plant	\$28,697,923	
Distribution-Plant in Service	\$626,380,570	\$626,380,570
Accumulated Depreciation	\$309,170,951	
Accumulated Depreciation -Intangible Plant	(\$18,669,589)	
Accumulated Depreciation Distribution-Plant in Service		\$290,501,363
Distribution-Related Net Plant in Service	\$335,879,208	\$335,879,208
Distribution-Related Rate Year Property Tax Expense		\$9,878,147
Distribution-Related Property Tax Rate		2.94%

The Narragansett Electric Company
d/b/a National Grid
Gas Infrastructure, Safety, and Reliability Plan FY 2013
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The Narragansett Electric Company
d/b/a National Grid
Illustrative Calculation of Tax Depreciation and Repairs Deduction
On FY 2013 Capital Investment

Line No.			Fiscal Year <u>2013</u> (a)	Fiscal Year <u>2014</u> (b)
	<u>Capital Repairs Deduction</u>			
1	Plant Additions	Page 1, Line 1	\$57,184,191	
2	Capital Repairs Deduction Rate		50.00%	
3	Capital Repairs Deduction	Line 2 x Line 3	<u>\$28,592,096</u>	
	<u>Bonus Depreciation</u>			
4	Plant Additions	Line 1	\$57,184,191	
5	Less Capital Repairs Deduction	Line 3	<u>\$28,592,096</u>	
6	Plant Additions Net of Capital Repairs Deduction	Line 4 - Line 5	\$28,592,095	
7	Percent of Plant Eligible for Bonus Depreciation		<u>85.00%</u>	
8	Plant Eligible for Bonus Depreciation	Line 6 x Line 7	\$24,303,281	
9	Bonus Depreciation Rate (April 2012 - December 2012)	Line 1*75%*50%	37.50%	
10	Bonus Depreciation Rate (January 2013 - March 2013)		<u>0.00%</u>	
11	Total Bonus Depreciation Rate	Line 9 + Line 10	37.50%	
12	Bonus Depreciation	Line 8 x Line 11	\$9,113,730	
	<u>Remaining Tax Depreciation</u>			
13	Plant Additions	Line 1	\$57,184,191	
14	Less Capital Repairs Deduction	Line 3	\$28,592,096	
15	Less Bonus Depreciation	Line 12	<u>\$9,113,730</u>	
16	Remaining Plant Additions Subject to 20 YR MACRS Tax Depreciation	Line 1 - 14 - 15	\$19,478,365	\$19,478,365
17	20 YR MACRS Tax Depreciation Rates		<u>3.750%</u>	7.219%
18	Remaining Tax Depreciation	Line 16 x Line 17	\$730,439	\$1,406,143
19	Cost of Removal		\$4,701,396	
20	Total Tax Depreciation and Repairs Deduction	Sum of Lines 3, 12, 18, 19	<u>\$43,137,661</u>	<u>\$1,406,143</u>

The Narragansett Electric Company
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Gas Infrastructure, Safety, and Reliability Plan FY 2013
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The Narragansett Electric Company
d/b/a National Grid
Illustrative Calculation of Tax Depreciation and Repairs Deduction
On FY 2012 Capital Investment

Line No.			Fiscal Year <u>2012</u> (a)	Fiscal Year <u>2013</u> (b)	Fiscal Year <u>2014</u> (c)
	<u>Capital Repairs Deduction</u>				
1	Plant Additions	Page 1, Line 1	\$47,660,716		
2	Capital Repairs Deduction Rate		<u>48.00%</u>		
3	Capital Repairs Deduction	Line 2 x Line 3	\$22,877,144		
	<u>Bonus Depreciation</u>				
4	Plant Additions	Line 1	\$47,660,716		
5	Less Capital Repairs Deduction	Line 3	<u>\$22,877,144</u>		
6	Plant Additions Net of Capital Repairs Deduction	Line 4 - Line 5	\$24,783,572		
7	Percent of Plant Eligible for Bonus Depreciation		<u>75.00%</u>		
8	Plant Eligible for Bonus Depreciation	Line 6 x Line 7	\$18,587,679		
9	Bonus Depreciation Rate (April 2011 - December 2011)	1 * 75%	75.00%		
10	Bonus Depreciation Rate (January 2012 - March 2012)	1*25% *50%	<u>12.50%</u>		
11	Total Bonus Depreciation Rate	Line 9 + Line 10	87.50%		
12	Bonus Depreciation	Line 8 x Line 11	\$16,264,219		
	<u>Remaining Tax Depreciation</u>				
13	Plant Additions	Line 1	\$47,660,716		
14	Less Capital Repairs Deduction	Line 3	\$22,877,144		
15	Less Bonus Depreciation	Line 12	<u>\$16,264,219</u>		
16	Remaining Plant Additions Subject to 20 YR MACRS Tax Depreciation	Line 1 - 14 - 15	\$8,519,353	\$8,519,353	\$8,519,353
17	20 YR MACRS Tax Depreciation Rates		<u>3.750%</u>	<u>7.219%</u>	<u>6.677%</u>
18	Remaining Tax Depreciation	Line 16 x Line 17	\$319,476	\$615,012	\$568,837
19	Cost of Removal		\$5,755,088		
20	Total Tax Depreciation and Repairs Deduction	Sum of Lines 3, 12, 18, 19	<u>\$45,215,927</u>	<u>\$615,012</u>	<u>\$568,837</u>