

March 10, 2015

BY HAND DELIVERY AND ELECTRONIC MAIL

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

RE: Docket 4539 - National Grid's Proposed FY 2016 Electric Infrastructure, Safety, and Reliability Plan
Revised Section 5: Attachment 1 and Revised Sections 6 & 7

Dear Ms. Massaro:

On behalf of National Grid,¹ I have enclosed ten (10) copies of Section 5: Attachment 1, Revised and Sections 6 & 7, Revised related to the Company's proposed fiscal year (FY) 2016 Electric Infrastructure, Safety, and Reliability (ISR) Plan (the Electric ISR Plan or Plan), which the Company filed with the Rhode Island Public Utilities Commission (PUC) on December 23, 2014.² The enclosed revised schedules replace the Sections 5: Attachment 1 and Sections 6 & 7 that were included in the Company's December 23, 2014 filing.

As the Company indicated at the time of its December 23 filing, the Company was unable to incorporate in its revenue requirement calculations the impact of the extension of federal bonus tax depreciation rules, which were signed into law on December 19, 2014.³ Therefore, in its December 23, 2014 filing letter, the Company indicated that it would supplement its filing for any impacts the newly signed federal law would have on the Company's Electric ISR Plan cost of service as soon as the Company had an opportunity to review and understand the implications of the newly enacted law. The Company is now resubmitting its revenue requirement calculations to incorporate bonus tax depreciation. As contained in the accompanying revised schedules, incorporating this bonus tax depreciation change decreased the Company's total FY 2016 Electric ISR Plan revenue requirement by \$664,617.

¹ The Narragansett Electric Company d/b/a National Grid (National Grid or the Company).

² The Electric ISR Plan is submitted in compliance with the provisions of R.I. Gen. Laws § 39-1-27.7.1.

³ See the Tax Increase Prevention Act of 2014 (HR5771). Per Internal Revenue Service (IRS) rules, capital projects that commenced from January 1, 2008 and prior to September 8, 2012 and were placed into service by December 31, 2013 are generally eligible for 50% bonus depreciation. Capital projects that commenced September 8, 2010 or later and were placed into service by December 31, 2011 are eligible for 100% bonus depreciation. The December 19, 2014 law extended 50% bonus depreciation to cover eligible capital investment placed into service during calendar 2014.

In addition, as the Company was revising its revenue requirement to incorporate the federal bonus tax depreciation change, it discovered that the Electric ISR Plan revenue requirement did not properly reflect an offset to accumulated deferred taxes related to tax net operating losses (NOL) generated by the Company since its FY ending March 31, 2012. The Company participates in a consolidated National Grid tax return with affiliated companies. The individual companies' taxable income or loss is settled among the participating affiliated companies on a cash basis. In other words, taxable income producing companies pay their associated tax liability, and taxable loss producing entities receive their associated cash benefit with the net consolidated tax liability paid to the IRS. However, for the taxable years ending March 31, 2009, 2010, 2012, and 2013, National Grid was in a consolidated tax NOL position and therefore, had no tax liability due to the IRS. These NOLs were due largely to bonus tax depreciation deductions, the extension of which gave rise to the adjustment previously discussed and a change, for tax purposes, in the recognition of routine capital repair and maintenance costs, deductible under Internal Revenue Code (IRC) Section 162, and elected by National Grid in its taxable year ending March 31, 2009. Specifically, the Company incurs certain capital repair and maintenance costs that are properly capitalized from a ratemaking standpoint, but because these costs do not extend the life of the overall utility network, they can be expensed for tax purposes pursuant to the IRC.

Consequently, in years that the consolidated tax group produces a consolidated tax loss, tax loss producing entities are not fully reimbursed for their respective contribution to the consolidated tax loss. These unfunded tax benefits are recorded as a tax asset and are afforded carry-back and carry-forward provisions in IRC, which allows for offsetting taxable incomes in tax years preceding and/or subsequent to the years in which such losses are generated. Because these NOLs represent non-monetized tax benefits, they should properly offset the accumulated deferred taxes recorded by the Company related to those book/tax timing differences that gave rise to the net taxable loss position of the Company. Correcting for this omission of NOLs increased the Company's total FY 2016 Electric ISR Plan revenue requirement by \$760,233.

In summary, the aggregate impact of these two changes to the Company's FY 2016 Electric ISR Plan revenue requirement is an increase of \$95,616. For the average residential customer using 500 kWh per month, implementation of the revised ISR factors will result in a monthly bill increase of \$0.79, or 0.8%, an increase of \$0.01 as compared to the bill increase of \$0.78, or 0.9%, resulting from the ISR factors originally submitted on December 23, 2014. Please note that the typical bill analysis included in the December 23, 2014 filing was based upon rates in effect during December 2014. The bill impact analysis included in Section 7 of the revised filing is based upon rates approved for effect January 1, 2015, and that are currently in effect. Because the present rates are higher than the rates that were in effect during December 2014, the percentage increase of 0.8% resulting from the implementation of the revised ISR factors is slightly lower than the percentage increase of 0.9% originally calculated in the December 23, 2014 filing.

Luly Massaro, Commission Clerk
FY 2016 Electric ISR Plan
March 10, 2015
Page 3 of 3

Thank you for your attention to this transmittal. If you have any questions, please contact me at (781) 907-2121.

Very truly yours,



Raquel J. Webster

Enclosures

cc: Docket 4539 Service List
Leo Wold, Esq.
Steve Scialabba, Division
Greg Booth, Division

Certificate of Service

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

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

Joanne M. Scanlon

March 10, 2015

Date

Docket No. 4539 National Grid's FY 2016 Electric Infrastructure, Safety and Reliability Plan - Service List as of 2/27/15

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**The Narragansett Electric Company
d/b/a National Grid
Electric Infrastructure, Safety, and Reliability (ISR) Plan
Annual Revenue Requirement Summary**

Line No.		As approved Fiscal Year <u>2015</u> (a)	Fiscal Year <u>2016</u> (b)	Fiscal Year <u>2017</u> (c)
	<u>Operation and Maintenance (O&M) Expenses</u>			
1	Forecasted Vegetation Management (VM)	\$7,726,000	\$8,884,000	
2	Forecasted Inspection & Maintenance (I&M) O&M Expense	\$2,995,000	\$3,333,000	
3	Electric Contact Voltage expenses included in R.I.P.U.C. Docket No. 4323	(163,749)	(\$163,749)	
4	O&M Expense Component of Revenue Requirement Subtotal	<u>\$10,557,251</u>	<u>\$12,053,251</u>	
	<u>Capital Investment</u>			
5	Actual Revenue Requirement on Incremental FY 2012 Capital included in ISR Rate Base	(\$66,617)	\$350,955	\$351,334
6	Actual Revenue Requirement on Incremental FY 2013 Capital included in ISR Rate Base	(\$1,359,559)	(\$1,085,364)	(\$1,034,170)
7	Actual Revenue Requirement on Incremental FY 2014 Capital included in ISR Rate Base	\$1,014,081	\$582,943	\$554,632
8	Forecasted Annual Revenue Requirement on FY 2015 Capital included in ISR Rate Base	\$2,105,152	\$3,453,202	\$3,259,945
9	Forecasted Annual Revenue Requirement on FY 2016 Capital included in ISR Rate Base	\$0	\$2,789,692	\$5,428,148
10	FY 2016 Property Tax Recovery Adjustment		<u>\$3,057,115</u>	
11	Capital Investment Component of Revenue Requirement Subtotal	<u>\$1,693,058</u>	<u>\$9,148,541</u>	<u>\$8,559,890</u>
12	Total Fiscal Year Revenue Requirement	<u>\$12,250,309</u>	<u>\$21,201,792</u>	<u>\$8,559,890</u>
13	Total Incremental Fiscal Year Rate Adjustment		<u>\$8,951,484</u>	<u>NA</u>
14	Per December 23, 2014 Commission filing		\$ 8,855,868	
15	Increase in revenue requirement		\$ 95,616	

Line Notes:

Column (a) - as Approved per R.I.P.U.C. Docket No. 4473

Column (b)

- 1 Projected Vegetation Management
- 2 Projected Inspection & Maintenance
- 4 Line 1 + Line 2 + Line 3
- 5 Page 10 of 15, Line 27
- 6 Page 8 of 15, Line 31
- 7 Page 6 of 15, Line 31
- 8 Page 4 of 15, Line 31
- 9 Page 2 of 15, Line 31
- 10 Page 13 of 15, Line 63
- 11 Sum of lines 5 through 10
- 12 Line 4 + Line 11
- 13 Current Year Line 12 - Prior Year Line 12

**The Narragansett Electric Company
d/b/a National Grid
Computation of Electric Capital Investment Revenue Requirement
FY 2016 Investment**

Line No.			Fiscal Year 2016 (a)	Fiscal Year 2017 (b)
<u>Capital Additions Allowance</u>				
<i>Non-Discretionary Capital</i>				
1	Non-Discretionary Additions	Section 2 Page 40, Chart 11	\$27,910,000	\$0
<i>Discretionary Capital</i>				
2	Lesser of Actual Cumulative Discretionary Capital Additions or Spending, or Approved Spending	Section 2 Page 40, Chart 11	\$49,565,000	\$0
3	Total Allowed Capital Included in Rate Base	Line 1 + Line 2	\$77,475,000	\$0
<u>Depreciable Net Capital Included in Rate Base</u>				
4	Total Allowed Capital Included in Rate Base in Current Year	Line 3	\$77,475,000	\$0
5	Retirements	Line 4 * 5.88%	\$4,555,530	\$0
6	Net Depreciable Capital Included in Rate Base	Column (a) = Line 4 - Line 5; Column (b) = Prior Year Line 6	\$72,919,470	\$72,919,470
<u>Change in Net Capital Included in Rate Base</u>				
7	Capital Included in Rate Base	Line 3	\$77,475,000	\$0
8	Depreciation Expense	Per Settlement Agreement Docket No. 4323, excluding General Plant	\$43,031,774	\$0
9	Incremental Depreciable Amount	Column (a) = Line 7 - Line 8; Column (b) = Prior Year Line 9	\$34,443,226	\$34,443,226
10	Total Cost of Removal	Section 2 Page 40, Chart 11	\$8,200,000	\$8,200,000
11	Total Net Plant in Service	Line 9 + Line 10	\$42,643,226	\$42,643,226
<u>Deferred Tax Calculation:</u>				
12	Composite Book Depreciation Rate	As approved per R.I.P.U.C. Docket No. 4065	3.40%	3.40%
13	Tax Depreciation	Page 3 of 15, Line 10	\$28,032,632	\$4,323,327
14	Cumulative Tax Depreciation	Prior Year Line 13 + Current Year Line 14	\$28,032,632	\$32,355,959
15	Book Depreciation	Column (a) = Line 6 * Line 12 * 50%; Column (b) = Line 6 * Line 12	\$1,239,631	\$2,479,262
16	Cumulative Book Depreciation	Prior Year Line 16 + Current Year Line 15	\$1,239,631	\$3,718,893
17	Cumulative Book / Tax Timer	Line 14 - Line 16	\$26,793,001	\$28,637,066
18	Effective Tax Rate		35.00%	35.00%
19	Deferred Tax Reserve	Line 17 * Line 18	\$9,377,550	\$10,022,973
20	Less: FY 2016 Federal NOL	TBD upon filing 2016 tax return	\$0	\$0
21	Net Deferred Tax Reserve	Line 19 + Line 20	\$9,377,550	\$10,022,973
<u>Rate Base Calculation:</u>				
22	Cumulative Incremental Capital Included in Rate Base	Line 11	\$42,643,226	\$42,643,226
23	Accumulated Depreciation	- Line 16	(\$1,239,631)	(\$3,718,893)
24	Deferred Tax Reserve	- Line 21	(\$9,377,550)	(\$10,022,973)
25	Year End Rate Base	Sum of Lines 22 through 24	\$32,026,045	\$28,901,360
<u>Revenue Requirement Calculation:</u>				
26	Average Rate Base	(Prior Year Line 25 + Current Year Line 25) ÷ 2	\$16,013,022	\$30,463,703
27	Pre-Tax ROR		9.68%	9.68%
28	Return and Taxes	Line 26 * Line 27	\$1,550,061	\$2,948,886
29	Book Depreciation	Line 15	\$1,239,631	\$2,479,262
30	Property Taxes		3/	
31	Annual Revenue Requirement	Sum of Lines 28 through 30	\$2,789,692	\$5,428,148

1/ Based on FY2014 actual retirements as a percent of capital investment

2/ Weighted Average Cost of Capital per Settlement Agreement R.I.P.U.C. Docket No. 4323

	Ratio	Rate	Rate	Taxes	Return
Long Term Debt	49.95%	4.96%	2.48%		2.48%
Short Term Debt	0.76%	0.79%	0.01%		0.01%
Preferred Stock	0.15%	4.50%	0.01%		0.01%
Common Equity	49.14%	9.50%	4.67%	2.51%	7.18%
	<u>100.00%</u>		<u>7.17%</u>	<u>2.51%</u>	<u>9.68%</u>

3/ Property taxes calculated on Page 13 of 13 for all vintage years commencing with FY14 and reflected in total on page 1 at Line 10

The Narragansett Electric Company
d/b/a National Grid
Calculation of Tax Depreciation
On FY 2016 Capital Investment

Line No.			Fiscal Year <u>2016</u> (a)	Fiscal Year <u>2017</u> (b)
	<u>Capital Repairs Deduction</u>			
1	Plant Additions	Page 2 of 15, Line 3	\$77,475,000	
2	Capital Repairs Deduction Rate	Per Tax Department	1/ 22.70%	
3	Capital Repairs Deduction	Line 2 * Line 3	<u>\$17,586,825</u>	
	<u>Remaining Tax Depreciation</u>			
4	Plant Additions	Line 1	\$77,475,000	
5	Less Capital Repairs Deductions	Line 3	<u>\$17,586,825</u>	
6	Remaining Plant Additions Subject to 20 YR MACRS Tax Depreciation	Line 4 - Line 5	\$59,888,175	\$59,888,175
7	20 YR MACRS Tax Depreciation Rates		3.750%	7.219%
8	Remaining Tax Depreciation	Line 6 * Line 7	<u>\$2,245,807</u>	<u>\$4,323,327</u>
9	Cost of Removal	Page 2 of 15, Line 10	\$8,200,000	
10	Total Tax Depreciation and Repairs Deduction	Lines 3 + Line 8 + Line 9	<u>\$28,032,632</u>	<u>\$4,323,327</u>

1/ Capital Repairs percentage is based on a three year average, 2012, 2013 and 2014 of electric property qualifying for the repairs deduction as a percentage of total annual plant additions.

The Narragansett Electric Company
d/b/a National Grid
Computation of Electric Capital Investment Revenue Requirement
FY 2015 Investment

Line No.		Fiscal Year 2015 (a)	Fiscal Year 2016 (b)	Fiscal Year 2017 (c)
<u>Capital Additions Allowance</u>				
1	Non-Discretionary Capital Additions	\$25,495,000	\$0	\$0
2	Discretionary Capital Lesser of Actual Cumulative Discretionary Capital Additions or Spending, or Approved Spending	\$43,443,000	\$0	\$0
3	Total Allowed Capital Included in Rate Base	\$68,938,000	\$0	\$0
<u>Depreciable Net Capital Included in Rate Base</u>				
4	Total Allowed Capital Included in Rate Base in Current Year	\$68,938,000	\$0	\$0
5	Retirements	\$16,255,580	\$0	\$0
6	Net Depreciable Capital Included in Rate Base	\$52,682,420	\$52,682,420	\$52,682,420
<u>Change in Net Capital Included in Rate Base</u>				
7	Capital Included in Rate Base	\$68,938,000	\$0	\$0
8	Depreciation Expense	\$43,031,774	\$0	\$0
9	Incremental Depreciable Amount	\$25,906,226	\$25,906,226	\$25,906,226
10	Total Cost of Removal	\$8,400,000	\$8,400,000	\$8,400,000
11	Total Net Plant in Service	\$34,306,226	\$34,306,226	\$34,306,226
<u>Deferred Tax Calculation:</u>				
12	Composite Book Depreciation Rate	As approved per R.I.P.U.C. Docket No. 4065	3.40%	3.40%
13	Tax Depreciation	\$44,400,582	\$2,470,392	\$2,284,916
14	Cumulative Tax Depreciation	\$44,400,582	\$46,870,974	\$49,155,890
15	Book Depreciation	\$895,601	\$1,791,202	\$1,791,202
16	Cumulative Book Depreciation	\$895,601	\$2,686,803	\$4,478,005
17	Cumulative Book / Tax Timer	\$43,504,981	\$44,184,171	\$44,677,884
18	Effective Tax Rate	35.00%	35.00%	35.00%
19	Deferred Tax Reserve	\$15,226,743	\$15,464,460	\$15,637,260
20	Less: FY 2015 Federal NOL	\$0	\$0	\$0
21	Net Deferred Tax Reserve	\$15,226,743	\$15,464,460	\$15,637,260
<u>Rate Base Calculation:</u>				
22	Cumulative Incremental Capital Included in Rate Base	\$34,306,226	\$34,306,226	\$34,306,226
23	Accumulated Depreciation	(\$895,601)	(\$2,686,803)	(\$4,478,005)
24	Deferred Tax Reserve	(\$15,226,743)	(\$15,464,460)	(\$15,637,260)
25	Year End Rate Base	\$18,183,882	\$16,154,963	\$14,190,962
<u>Revenue Requirement Calculation:</u>				
26	Average Rate Base	(Prior Year Line 25 + Current Year Line 25) ÷ 2	\$17,169,423	\$15,172,963
27	Pre-Tax ROR		9.68%	9.68%
28	Return and Taxes		\$1,662,000	\$1,468,743
29	Book Depreciation		\$1,791,202	\$1,791,202
30	Property Taxes			
31	Annual Revenue Requirement	Sum of Lines 28 through 30	N/A	\$3,453,202
32	Annual Revenue Requirement as December 23, 2014	Section 5, Attachment 1, Page 4 at Line 29	N/A	\$4,087,395
33	Decrease in revenue requirement	Line 31 - Line 32	N/A	(\$634,193)

1/ Assumes 23.58% based on the average of FY 2013 & FY 2012 retirements as a percent of capital investment

2/ Weighted Average Cost of Capital per Settlement Agreement R.I.P.U.C. Docket No. 4323

	Ratio	Rate	Rate	Taxes	Return
Long Term Debt	49.95%	4.96%	2.48%		
Short Term Debt	0.76%	0.79%	0.01%		0.01%
Preferred Stock	0.15%	4.50%	0.01%		0.01%
Common Equity	49.14%	9.50%	4.67%	2.51%	7.18%
	100.00%		7.17%	2.51%	9.68%

3/ Property taxes calculated on Page 13 of 13 for all vintage years commencing with FY14 and reflected in total on page 1 at Line 10

**The Narragansett Electric Company
d/b/a National Grid
Calculation of Tax Depreciation
On FY 2015 Capital Investment**

Line No.			Fiscal Year <u>2015</u> (a)	Fiscal Year <u>2016</u> (b)	Fiscal Year <u>2017</u> (c)
	<u>Capital Repairs Deduction</u>				
1	Plant Additions	Page 4 of 15, Line 3	\$68,938,000		
2	Capital Repairs Deduction Rate	Per Tax Department	1/ 21.05%		
3	Capital Repairs Deduction	Line 2 * Line 3	\$14,511,449		
	<u>Bonus Depreciation</u>				
4	Plant Additions		\$68,938,000		
5	Less Capital Repairs Deduction		\$14,511,449		
6	Plant Additions Net of Capital Repairs Deduction		\$54,426,551		
7	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	99.00%		
8	Plant Eligible for Bonus Depreciation		\$53,882,285		
9	Bonus Depreciation Rate (April 2014 - December 2014)	1 * 75% * 50%	37.50%		
10	Bonus Depreciation		\$20,205,857		
	<u>Remaining Tax Depreciation</u>				
11	Plant Additions	Line 1	\$68,938,000		
12	Less Capital Repairs Deductions	Line 3	\$14,511,449		
13	Less Bonus Depreciation	Line 10	\$20,205,857		
14	Remaining Plant Additions Subject to 20 YR MACRS Tax Depreciation	Line 4 - Line 5	\$34,220,694	\$34,220,694	\$34,220,694
15	20 YR MACRS Tax Depreciation Rates		3.750%	7.219%	6.677%
16	Remaining Tax Depreciation	Line 6 * Line 7	\$1,283,276	\$2,470,392	\$2,284,916
17	Cost of Removal	Page 4 of 15, Line 10	\$8,400,000		
18	Total Tax Depreciation and Repairs Deduction	Lines 3 + Line 10 + Line 16 + Line 17	\$44,400,582	\$2,470,392	\$2,284,916

1/ Capital Repairs percentage is based on a three year average, 2010, 2011 and 2012 of electric property qualifying for the repairs deduction as a percentage of total annual plant additions.

The Narragansett Electric Company
d/b/a National Grid
Computation of Electric Capital Investment Revenue Requirement
FY 2014 Investment

Line No.		Fiscal Year 2014 (a)	Fiscal Year 2015 (b)	Fiscal Year 2016 (c)	Fiscal Year 2017 (d)
<u>Capital Investment Allowance</u>					
1	Non-Discretionary Capital	\$6,923,860			
2	Discretionary Capital Lesser of Actual Cumulative Non-Discretionary Capital Additions or Spending, or Approved Spending	\$6,400,406			
3	Total Allowed Capital Included in Rate Base	Line 1 + Line 2 \$13,324,266	\$0	\$0	\$0
<u>Depreciable Net Capital Included in Rate Base</u>					
4	Total Allowed Capital Included in Rate Base in Current Year	Line 3 \$13,324,266	\$0	\$0	\$0
5	Retirements	1/ (\$4,165,367)	\$0	\$0	\$0
6	Net Depreciable Capital Included in Rate Base	Line 4 - Line 5 \$17,489,633	\$17,489,633	\$17,489,633	\$17,489,633
<u>Change in Net Capital Included in Rate Base</u>					
7	Capital Included in Rate Base	Line 3 \$13,324,266	\$0	\$0	\$0
8	Depreciation Expense	Per Settlement Agreement Docket No. 4323, excluding General Plant	2/ 7,173,397		
9	Incremental Depreciable Amount	Line 7 - Line 8	\$6,150,869	\$6,150,869	\$6,150,869
10	Total Cost of Removal		(\$887,841)	(\$887,841)	(\$887,841)
11	Total Net Plant in Service	Line 9 + Line 10	\$5,263,028	\$5,263,028	\$5,263,028
<u>Deferred Tax Calculation:</u>					
12	Composite Book Depreciation Rate	As approved per R.I.P.U.C. Docket No. 4323	3.40%	3.40%	3.40%
13	Tax Depreciation	Page 7 of 15, Line 20	\$8,191,776	\$318,360	\$294,457
14	Cumulative Tax Depreciation	Current Year Line 13	\$8,191,776	\$8,510,136	\$8,804,593
15	Book Depreciation	Line 6 * Line 12 * 50%	\$297,324	\$297,324	\$297,324
16	Cumulative Book Depreciation	Current Year Line 15	\$297,324	\$594,648	\$891,971
17	Cumulative Book / Tax Timer	Line 14 - Line 16	\$7,894,452	\$7,915,488	\$7,912,622
18	Effective Tax Rate		35.00%	35.000%	35.000%
19	Deferred Tax Reserve	Line 17 * Line 18	\$2,763,058	\$2,770,421	\$2,769,418
20	Less: FY 2014 Federal NOL		(\$1,200,808)	(\$1,200,808)	(\$1,200,808)
21	Net Deferred Tax Reserve	Line 19 + Line 20	\$1,562,250	\$1,569,613	\$1,568,610
<u>Rate Base Calculation:</u>					
22	Cumulative Incremental Capital Included in Rate Base	Line 11	\$5,263,028	\$5,263,028	\$5,263,028
23	Accumulated Depreciation	-Line 16	(\$297,324)	(\$594,648)	(\$891,971)
24	Deferred Tax Reserve	-Line 21	(\$1,562,250)	(\$1,569,613)	(\$1,559,889)
25	Year End Rate Base	Sum of Lines 22 through 24	\$3,403,454	\$3,098,768	\$2,802,447
<u>Revenue Requirement Calculation:</u>					
26	Average Rate Base	(Prior Year Line 25 + Current Year Line 25) ÷ 2		\$2,950,607	\$2,658,146
27	Pre-Tax ROR			9.68%	9.68%
28	Return and Taxes	Line 26 * Line 27		\$285,619	\$257,308
29	Book Depreciation	Line 15		\$297,324	\$297,324
30	Property Taxes			\$0	\$0
31	Annual Revenue Requirement	Sum of Lines 28 through 30	N/A	N/A	\$582,943
32	Revenue requirement as filed December XX, 2014	Section 5, Attachment 1 at Page 6, Line 29	N/A	N/A	\$497,128
33	Increase in revenue requirement	Line 31 - Line 32	N/A	N/A	\$85,815

1/ Actual Retirements

2/ Depreciation Expense has been prorated for 2 months (February - March 2014)

3/ Weighted Average Cost of Capital as approved in R.I.P.U.C. Docket No. 4323

	Ratio	Rate	Rate	Taxes	Return
Long Term Debt	49.95%	4.96%	2.48%		2.48%
Short Term Debt	0.76%	0.79%	0.01%		0.01%
Preferred Stock	0.15%	4.50%	0.01%		0.01%
Common Equity	49.14%	9.50%	4.67%	2.51%	7.18%
	<u>100.00%</u>		<u>7.17%</u>	<u>2.51%</u>	<u>9.68%</u>

4/ Property taxes calculated on Page 13 of 13 for all vintage years commencing with FY14 and reflected in total on page 1 at Line 10

**The Narragansett Electric Company
d/b/a National Grid
Calculation of Tax Depreciation
On FY 2014 Capital Investment**

Line No.			Fiscal Year 2014 (a)	Fiscal Year 2015 (b)	Fiscal Year 2016 (c)	Fiscal Year 2017 (c)
	<u>Capital Repairs Deduction</u>					
1	Plant Additions	Page 6 of 15, Line 3	\$13,324,266			
2	Capital Repairs Deduction Rate	Per Tax Department	34.46%			
3	Capital Repairs Deduction	Line 1 * Line 2	<u>\$4,591,542</u>			
	<u>Bonus Depreciation</u>					
4	Plant Additions	Line 1	\$13,324,266			
5	Less Capital Repairs Deduction	Line 3	<u>\$4,591,542</u>			
6	Plant Additions Net of Capital Repairs Deduction	Line 4 - Line 5	\$8,732,724			
7	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	<u>99.00%</u>			
8	Plant Eligible for Bonus Depreciation	Line 6 * Line 7	\$8,645,397			
9	Bonus Depreciation Rate (April 2013 - December 2013)	1 * 75% * 50%	37.50%			
10	Bonus Depreciation Rate (January 2014 - March 2014)	1 * 25% * 50%	<u>12.50%</u>			
11	Total Bonus Depreciation Rate	Line 9 + Line 10	50.00%			
12	Bonus Depreciation	Line 8 * Line 11	\$4,322,699			
	<u>Remaining Tax Depreciation</u>					
13	Plant Additions	Line 1	\$13,324,266			
14	Less Capital Repairs Deduction	Line 3	\$4,591,542			
15	Less Bonus Depreciation	Line 12	<u>\$4,322,699</u>			
16	Remaining Plant Additions Subject to 20 YR MACRS Tax Depreciation	Line 13 - Line 14 - Line 15	\$4,410,025	4,410,025	4,410,025	4,410,025
17	20 YR MACRS Tax Depreciation Rates		3.750%	7.219%	6.677%	6.177%
18	Remaining Tax Depreciation	Line 16 * Line 17	\$165,376	\$ 318,360	\$ 294,457	\$ 272,407
19	Cost of Removal	Page 6 of 15, Line 10	(\$887,841)			
20	Total Tax Depreciation and Repairs Deduction	Sum of Lines 3, 12, 18 and 19	<u>\$8,191,776</u>	<u>\$ 318,360</u>	<u>\$ 294,457</u>	<u>\$ 272,407</u>

1/ Capital Repairs percentage is based on the FY 2014 tax return.

The Narragansett Electric Company
d/b/a National Grid
Computation of Electric Capital Investment Revenue Requirement
FY 2013 Investment

Line No.		Fiscal Year 2013 (a)	Fiscal Year 2014 (b)	Fiscal Year 2015 (c)	Fiscal Year 2016 (d)	Fiscal Year 2017 (e)
	<u>Capital Additions Allowance</u>					
	<i>Non-Discretionary Capital</i>					
1	Non-Discretionary Additions	(\$5,184,396)	\$0	\$0	\$0	\$0
	<i>Discretionary Capital</i>					
2	Lesser of Actual Discretionary Capital Additions or Spending or Approved Spending	(\$1,850,463)	\$0	\$0	\$0	\$0
3	Total Allowed Capital Included in Rate Base in Current Year	Line 1 + Line 2 (\$7,034,859)	\$0	\$0	\$0	\$0
	<u>Depreciable Net Capital Included in Rate Base</u>					
4	Total Allowed Capital Included in Rate Base in Current Year	Line 3 (\$7,034,859)	\$0	\$0	\$0	\$0
5	Retirements	\$5,838,935	\$0	\$0	\$0	\$0
6	Net Depreciable Capital Included in Rate Base	Column (a) = Line 4 - Line 5; Columns (b), (c), & (d) = Prior Year Line 6 (\$12,873,794)	(\$12,873,794)	(\$12,873,794)	(\$12,873,794)	(\$12,873,794)
	<u>Change in Net Capital Included in Rate Base</u>					
7	Capital Included in Rate Base	Line 3 (\$7,034,859)	\$0	\$0	\$0	\$0
8	Depreciation Expense	As approved per R.I.P.U.C. Docket No. 4065, excluding \$0	\$0	\$0	\$0	\$0
9	Incremental Depreciable Amount	Column (a) = Line 7 - Line 8; Columns (b), (c) & (d) = Prior Year Line 9 (\$7,034,859)	(\$7,034,859)	(\$7,034,859)	(\$7,034,859)	(\$7,034,859)
10	Total Cost of Removal	(\$1,895,059)	(\$1,895,059)	(\$1,895,059)	(\$1,895,059)	(\$1,895,059)
11	Total Net Plant in Service	Line 9 + Line 10 (\$8,929,918)	(\$8,929,918)	(\$8,929,918)	(\$8,929,918)	(\$8,929,918)
	<u>Deferred Tax Calculation:</u>					
12	Composite Book Depreciation Rate	As approved per R.I.P.U.C. Docket No. 4065 3.40%	3.40%	3.40%	3.40%	3.40%
13	Tax Depreciation	Page 7 Line 20 (\$5,970,630)	(\$221,954)	(\$205,290)	(\$189,917)	(\$175,651)
14	Cumulative Tax Depreciation	Prior Year Line 17 + Current Year Line 16 (\$5,970,630)	(\$6,192,584)	(\$6,397,874)	(\$6,587,791)	(\$6,763,442)
15	Book Depreciation	Column (a) = Line 6 * Line 12 * 50%; Columns (b), (c) & (d) = Line 6 * Line 12 (\$218,854)	(\$437,709)	(\$437,709)	(\$437,709)	(\$437,709)
16	Cumulative Book Depreciation	Prior Year Line 16 + Current Year Line 15 (\$218,854)	(\$656,563)	(\$1,094,272)	(\$1,531,981)	(\$1,969,690)
17	Cumulative Book / Tax Timer	Line 14 - Line 16 (\$5,751,776)	(\$5,536,021)	(\$5,303,602)	(\$5,055,810)	(\$4,793,752)
18	Effective Tax Rate	35.00%	35.00%	35.00%	35.00%	35.00%
19	Deferred Tax Reserve	Line 17 * Line 18 (\$2,013,121)	(\$1,937,607)	(\$1,856,261)	(\$1,769,533)	(\$1,677,813)
20	Less: FY 2013 Federal NOL	(\$2,342,381)	(\$2,342,381)	(\$2,342,381)	(\$2,342,381)	(\$2,342,381)
21	Net Deferred Tax Reserve	Line 19 + Line 20 (\$4,355,503)	(\$4,279,989)	(\$4,198,642)	(\$4,111,915)	(\$4,020,195)
	<u>Rate Base Calculation:</u>					
22	Cumulative Incremental Capital Included in Rate Base	Line 11 (\$8,929,918)	(\$8,929,918)	(\$8,929,918)	(\$8,929,918)	(\$8,929,918)
23	Accumulated Depreciation	- Line 16 \$218,854	\$656,563	\$1,094,272	\$1,531,981	\$1,969,690
24	Deferred Tax Reserve	- Line 21 \$4,355,503	\$4,279,989	\$4,198,642	\$4,111,915	\$4,020,195
25	Year End Rate Base	Sum of Lines 22 through 24 (\$4,355,561)	(\$3,993,366)	(\$3,637,003)	(\$3,286,022)	(\$2,940,033)
	<u>Revenue Requirement Calculation:</u>					
26	Average Rate Base	(Prior Year Line 25 + Current Year Line 25) ÷ 2 (\$3,461,513)				(\$3,113,027)
27	Pre-Tax ROR				9.68%	9.68%
28	Return and Taxes	Line 26 * Line 27 (\$335,074)				(\$301,341)
29	Book Depreciation	Line 15 (\$437,709)				(\$437,709)
30	Property Taxes	\$0 in Year 1, then Prior Year (Line 11-Line 16) * Property Tax Rate (\$312,581)				(\$295,120)
31	Annual Revenue Requirement	Sum of Lines 28 through 30 N/A	N/A	N/A	(\$1,085,364)	(\$1,034,170)
32	Revenue requirement as filed December XX, 2014	Section 5, Attachment 1 at Page 8, Line 29 N/A	N/A	N/A	(\$1,312,107)	(\$1,260,912)
33	Increase in revenue requirement	Line 31 - Line 32 N/A	N/A	N/A	\$226,743	\$226,742

1/ Column (a) - FY 2013 Electric ISR Reconciliation Filing R.I.P.U.C. Docket No. 4307

2/ Weighted Average Cost of Capital as approved in R.I.P.U.C. Docket No. 4323

	Ratio	Rate	Rate	Taxes	Return
Long Term Debt	49.95%	4.96%	2.48%		2.48%
Short Term Debt	0.76%	0.79%	0.01%		0.01%
Preferred Stock	0.15%	4.50%	0.01%		0.01%
Common Equity	49.14%	9.50%	4.67%	2.51%	7.18%
	<u>100.00%</u>		<u>7.17%</u>	<u>2.51%</u>	<u>9.68%</u>

3/ Columns (d), (e) assume the Effective Property Tax Rate of 3.99% forecasted for FY 2016 on Page 13, Line 35(h).

**The Narragansett Electric Company
d/b/a National Grid
Calculation of Tax Depreciation
On FY 2013 Capital Investment**

		Fiscal Year <u>2013</u>	Fiscal Year <u>2014</u>	Fiscal Year <u>2015</u>	Fiscal Year <u>2016</u>	Fiscal Year <u>2017</u>
		(a)	(b)	(c)	(d)	
<u>Capital Repairs Deduction</u>						
1	Plant Additions	Page 8 of 15, Line 3	(\$7,034,859)			
2	Capital Repairs Deduction Rate		1/ 12.59%			
3	Capital Repairs Deduction	Line 2 * Line 3	(\$885,689)			
<u>Bonus Depreciation</u>						
4	Plant Additions	Line 1	(\$7,034,859)			
5	Less Capital Repairs Deduction	Line 3	(\$885,689)			
6	Plant Additions Net of Capital Repairs Deduction	Line 4 - Line 5	(\$6,149,170)			
7	Percent of Plant Eligible for Bonus Depreciation		100.00%			
8	Plant Eligible for Bonus Depreciation	Line 6 x Line 7	(\$6,149,170)			
9	Bonus Depreciation Rate (April 2012 - December 2012)	1 * 75% * 50%	37.50%			
10	Bonus Depreciation Rate (January 2013 - March 2013)	1 * 25% * 50%	12.50%			
11	Total Bonus Depreciation Rate	Line 9 + Line 10	50.00%			
12	Bonus Depreciation	Line 8 x Line 11	(\$3,074,585)			
<u>Remaining Tax Depreciation</u>						
13	Plant Additions	Line 1	(\$7,034,859)			
14	Less Capital Repairs Deduction	Line 3	(\$885,689)			
15	Less Bonus Depreciation	Line 12	(\$3,074,585)			
16	Remaining Plant Additions Subject to 20 YR MACRS Tax Depreciation	Line 13 - Line 14 - Line 15	(\$3,074,585)	(\$3,074,585)	(\$3,074,585)	(\$3,074,585)
17	20 YR MACRS Tax Depreciation Rates		3.750%	7.219%	6.677%	6.177%
18	Remaining Tax Depreciation	Line 16 x Line 17	(\$115,297)	(\$221,954)	(\$205,290)	(\$189,917)
19	Cost of Removal	Page 8 of 15, Line 10	(\$1,895,059)			
20	Total Tax Depreciation and Repairs Deduction	Sum of Lines 3, 12, 18, 19	(\$5,970,630)	(\$221,954)	(\$205,290)	(\$189,917)
			(\$175,651)			

1/ Capital Repairs percentage is based on the FY 2013 tax return.

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

Line No.		Fiscal Year 2012 (a)	Fiscal Year 2013 (b)	Fiscal Year 2014 (c)	Fiscal Year 2015 (d)	Fiscal Year 2016 (e)	Fiscal Year 2017 (f)
<u>Capital Additions Allowance</u>							
<i>Non-Discretionary Capital</i>							
1	Non-Discretionary	(\$4,019,686)	\$0	\$0	\$0	\$0	\$0
<i>Discretionary Capital</i>							
2	Lesser of Actual Discretionary Capital Additions or Spending or Approved Spending	\$4,163,942	\$0	\$0	\$0	\$0	\$0
3	Total Allowed Capital Included in Rate Base	Line 1 + Line 2	\$144,256	\$0	\$0	\$0	\$0
<u>Depreciable Net Capital Included in Rate Base</u>							
4	Total Allowed Capital Included in Rate Base in Current Year	Line 3	\$144,256	\$0	\$0	\$0	\$0
5	Retirements		\$19,938	\$0	\$0	\$0	\$0
6	Net Depreciable Capital Included in Rate Base	Column (a) = Line 4 - Line 5; Columns (b), (c), (d) & (e) = Prior Year Line 6	\$124,318	\$124,318	\$124,318	\$124,318	\$124,318
<u>Change in Net Capital Included in Rate Base</u>							
7	Incremental Depreciable Amount	Column (a) = Line 4, Columns (b), (c), (d) & (e) = Prior Year Line 7	\$144,256	\$144,256	\$144,256	\$144,256	\$144,256
8	Cost of Removal		(\$771,131)	(\$771,131)	(\$771,131)	(\$771,131)	(\$771,131)
9	Total Net Plant in Service	Line 7 + Line 8	(\$626,875)	(\$626,875)	(\$626,875)	(\$626,875)	(\$626,875)
<u>Deferred Tax Calculation:</u>							
10	Composite Book Depreciation Rate	As approved per R.I.P.U.C. Docket No. 4065	3.40%	3.40%	3.40%	3.40%	3.40%
11	Tax Depreciation	Page 9 Line 20	(\$654,965)	\$2,107	\$1,949	\$1,803	\$1,667
12	Cumulative Tax Depreciation	Prior Year Line 12 + Current Year Line 11	(\$654,965)	(\$652,858)	(\$650,909)	(\$649,107)	(\$645,897)
13	Book Depreciation	Column (a) = -Line 6 * Line 10 * 50%; Columns (b), (c), (d) & (e) = Line 6 * Line 10	(\$2,113)	(\$4,227)	(\$4,227)	(\$4,227)	(\$4,227)
14	Cumulative Book Depreciation	Prior Year Line 14 + Current Year Line 13	(\$2,113)	(\$6,340)	(\$10,567)	(\$14,794)	(\$19,021)
15	Cumulative Book / Tax Timer	Line 12 - Line 14	(\$652,852)	(\$646,518)	(\$640,342)	(\$634,313)	(\$628,419)
16	Effective Tax Rate		35.00%	35.00%	35.00%	35.00%	35.00%
17	Deferred Tax Reserve	Line 15 * Line 16	(\$228,498)	(\$226,281)	(\$224,120)	(\$222,009)	(\$219,947)
18	Less: FY 2013 Federal NOL	Per FY 2012 tax return	(\$4,310,461)	(\$4,310,461)	(\$4,310,461)	(\$4,310,461)	(\$4,310,461)
19	Net Deferred Tax Reserve	Line 17 + Line 18	(\$4,538,959)	(\$4,536,742)	(\$4,534,581)	(\$4,532,470)	(\$4,528,388)
<u>Rate Base Calculation:</u>							
18	Cumulative Incremental Capital Included in Rate Base	Line 9	(\$626,875)	(\$626,875)	(\$626,875)	(\$626,875)	(\$626,875)
19	Accumulated Depreciation	-Line 14	\$2,113	\$6,340	\$10,567	\$14,794	\$19,021
20	Deferred Tax Reserve	-Line 19	\$4,538,959	\$4,536,742	\$4,534,581	\$4,532,470	\$4,528,388
21	Year End Rate Base	Sum of Lines 18 through 20	\$3,914,197	\$3,916,207	\$3,918,273	\$3,920,389	\$3,922,553
<u>Revenue Requirement Calculation:</u>							
22	Average Rate Base	(Prior Year Line 21 + Current Year Line 21) ÷ 2				\$3,921,471	\$3,923,657
23	Pre-Tax ROR					9.68%	9.68%
24	Return and Taxes	Line 22 * Line 23				\$379,598	\$379,810
25	Book Depreciation	Line 13				(\$4,227)	(\$4,227)
26	Property Taxes	\$0 in Year 1, then Prior Year (Line 9 - Line 14) * Property Tax Rate ^{3/}				(\$24,417)	(\$24,249)
27	Annual Revenue Requirement	Sum of Lines 24 through 26	N/A	N/A	N/A	\$350,955	\$351,334
28	Revenue requirement as filed December XX, 2014	Section 5, Attachment 1 at Page 10, Line 27	N/A	N/A	N/A	(\$66,298)	(\$65,918)
29	Increase in revenue requirement	Line 27 - Line 28	N/A	N/A	N/A	\$417,253	\$417,252

1/ Column (a) - FY 2012 Electric ISR Reconciliation Filing R.I.P.U.C. Docket No. 4218.

2/ Weighted Average Cost of Capital per Settlement Agreement R.I.P.U.C. Docket No. 4323

	Ratio	Rate	Rate	Taxes	Return
Long Term Debt	49.95%	4.96%	2.48%		2.48%
Short Term Debt	0.76%	0.79%	0.01%		0.01%
Preferred Stock	0.15%	4.50%	0.01%		0.01%
Common Equity	49.14%	9.50%	4.67%	2.51%	7.18%
	<u>100.00%</u>		<u>7.17%</u>	<u>2.51%</u>	<u>9.68%</u>

3/ Columns (d), (e) Assume the Effective Property Tax Rate of 3.99% forecasted for FY 2016 on Page 13, Line 35(h).

The Narragansett Electric Company
d/b/a National Grid
Calculation of Tax Depreciation
On FY 2012 Capital Investment

Line No.		Fiscal Year 2012 (a)	Fiscal Year 2013 (b)	Fiscal Year 2014 (c)	Fiscal Year 2015 (d)	Fiscal Year 2016 (e)	Fiscal Year 2017 (f)
<u>Capital Repairs Deduction</u>							
1	Plant Additions						
2	Capital Repairs Deduction Rate						
3	Capital Repairs Deduction						
	Page 10 of 15, Line 3	\$144,256					
	Per Tax Department 1/	21.05%					
	Line 2 * Line 3	\$30,366					
<u>Bonus Depreciation</u>							
4	Plant Additions						
5	Less Capital Repairs Deduction						
6	Plant Additions Net of Capital Repairs Deduction						
7	Percent of Plant Eligible for Bonus Depreciation						
8	Plant Eligible for Bonus Depreciation						
9	Bonus Depreciation Rate (April 2011 - December 2011)						
10	Bonus Depreciation Rate (January 2012 - March 2012)						
11	Total Bonus Depreciation Rate						
12	Bonus Depreciation						
	Line 1	\$144,256					
	Line 3	\$30,366					
	Line 4 - Line 5	\$113,890					
	Per Tax Department 2/	85.00%					
	Line 6 * Line 7	\$96,807					
	1 * 75% * 100%	75.00%					
	1 * 25% * 50%	12.50%					
	Line 9 + Line 10	87.50%					
	Line 8 * Line 11	\$84,706					
<u>Remaining Tax Depreciation</u>							
13	Plant Additions						
14	Less Capital Repairs Deduction						
15	Less Bonus Depreciation						
16	Remaining Plant Additions Subject to 20 YR MACRS Tax Depreciation						
17	20 YR MACRS Tax Depreciation Rates						
18	Remaining Tax Depreciation						
	Line 1	\$144,256					
	Line 3	\$30,366					
	Line 12	\$84,706					
	Line 13 - Line 14 - Line 15	\$29,184	\$29,184	\$29,184	\$29,184	\$29,184	\$29,184
	Line 16 * Line 17	3.750%	7.219%	6.677%	6.177%	5.713%	5.285%
	Line 16 * Line 17	\$1,094	\$2,107	\$1,949	\$1,803	\$1,667	\$1,542
19	Cost of Removal						
	Page 10 of 15, Line 8	(\$771,131)					
20	Total Tax Depreciation and Repairs Deduction						
	Sum of Lines 3, 12, 18, 19	(\$654,965)	\$2,107	\$1,949	\$1,803	\$1,667	\$1,542

1/ Per Docket 4307 FY 2013 Electric ISR Reconciliation Filing at Attachment WRR-1, Page 8, Line 2.

2/ Since not all property additions qualify for bonus depreciation and because a project must be started after the beginning of the bonus period, January 1, 2008, an estimate of 85% is used rather than 100%.

**The Narragansett Electric Company
d/b/a National Grid
FY 2012 - FY 2014 Incremental Capital Investment Summary**

Line No.		Actual Fiscal Year <u>2012</u> (a)	Actual Fiscal Year <u>2013</u> (b)	Actual Fiscal Year <u>2014</u> (c)
<u>Capital Investment</u>				
1	ISR - Eligible Capital Investment	Col (a) FY 2012 ISR Reconciliation Filing Docket No. 4218, Col (b) FY 2013 ISR Reconciliation Filing Docket No. 4307, Col (c) FY 2014 ISR Filing Docket No. 4382 \$48,946,456	\$44,331,141	\$56,129,551
2	ISR - Eligible Capital Additions included in Rate Base per R.I.P.U.C. Docket No. 4323	Schedule MDL-3-ELEC Page 53, Docket No. 4323: Col (a)= Line Note 1(a); Col (b)= Line Notes 2(b)+2(d)+3(d); Col (c)=Line Note 3(e) \$48,802,200	\$51,366,341	\$42,805,284
3	Incremental ISR Capital Investment	Line 3 - Line 4 \$144,256	(\$7,035,200)	\$13,324,267
<u>Cost of Removal</u>				
4	ISR - Eligible Cost of Removal	Col (a) FY 2012 ISR Reconciliation Filing Docket No. 4218, Col (b) FY 2013 ISR Reconciliation Filing Docket No. 4307, Col (c) FY 2014 ISR Filing Docket No. 4382 \$5,807,869	\$5,179,941	\$5,007,992
5	ISR - Eligible Cost of Removal in Rate Base per R.I.P.U.C. Docket No. 4323	Workpaper MDL-19-ELEC page 2, Docket No. 4323 \$6,579,000	\$7,075,000	\$5,895,833
6	Incremental Cost of Removal	Line 4 - Line 5 (\$771,131)	(\$1,895,059)	(\$887,841)
<u>Retirements</u>				
7	ISR - Eligible Retirements/Actual	Col (a) FY 2012 ISR Reconciliation Filing Docket No. 4218, Col (b) FY 2013 ISR Reconciliation Filing Docket No. 4307, Col (c) FY 2014 ISR Filing Docket No. 4382 \$7,740,446	\$14,255,714	\$3,299,874
8	ISR - Eligible Retirements/Estimated	Col (a) FY 2012 ISR Filing Docket No. 4218, Col (b) FY 2013 ISR Filing Docket No. 4307 \$7,720,508	\$8,416,779	\$7,465,242
9	Incremental Retirements	Line 7- Line 8 \$19,938	\$5,838,935	(\$4,165,368)

The Narragansett Electric Company
d/b/a National Grid
Forecasted Property Tax Recovery Mechanism
(000s)

Line	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)			
	<u>RY End</u>	<u>ISR Additions</u>	<u>Non-ISR Add's</u>	<u>Total Add's</u>	<u>Bk Depr (1)</u>	<u>Retirements</u>	<u>COR</u>	<u>End of FY 2014</u>			
1 Plant In Service	\$1,358,470	\$9,335	\$1,885	\$11,220		\$550		\$1,370,240			
2											
3 Accumulated Depr	\$611,570				\$7,498	\$550	(\$835)	\$618,783			
4											
5 Net Plant	\$746,900							\$751,457			
6											
7 Property Tax Expense	\$29,743							\$27,502			
8											
9 Effective Prop tax Rate	3.98%							3.66%			
10											
11											
12 <u>Effective tax Rate Calculation</u>	<u>End of FY 2014</u>	<u>ISR Additions</u>	<u>Non-ISR Add's</u>	<u>Total Add's</u>	<u>Bk Depr (1)</u>	<u>Retirements</u>	<u>COR</u>	<u>End of FY 2015</u>			
13											
14 Plant In Service	\$1,370,240	\$68,938	\$4,142	\$73,080		(\$16,256)		\$1,427,065			
15											
16 Accumulated Depr	\$618,783				\$46,352	(\$16,256)	(\$8,400)	\$640,480			
17											
18 Net Plant	\$751,457							\$786,585			
19											
20 Property Tax Expense	\$27,502							\$31,379			
21											
22 Effective Prop tax Rate	3.66%							3.99%			
23											
24											
25	<u>End of FY 2015</u>	<u>ISR Additions</u>	<u>Non-ISR Add's</u>	<u>Total Add's</u>	<u>Bk Depr (1)</u>	<u>Retirements</u>	<u>COR</u>	<u>End of FY 2016</u>			
26											
27 Plant In Service	\$1,427,065	\$77,475	\$4,013	\$81,488		(\$4,556)		\$1,503,997			
28											
29 Accumulated Depr	\$640,480				\$48,626	(\$4,556)	(\$8,200)	\$676,350			
30											
31 Net Plant	\$786,585							\$827,647			
32											
33 Property Tax Expense	\$31,379							\$33,017			
34											
35 Effective Prop tax Rate	3.99%							3.99%			
36											
37											
38											
39 <u>Property Tax Recovery Calculation</u>	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
40											
41	<u>Cumulative Increm. ISR Prop. Tax for FY14</u>			<u>Cumulative Increm. ISR Prop. Tax for FY15</u>			<u>Cumulative Increm. ISR Prop. Tax for FY16</u>				
42		2 mos									
43	ISR Additions	\$9,335				\$68,938		\$77,475			
44	Book Depreciation: base allowance on ISR eligible plant	(\$7,173)				(\$43,032)		(\$43,032)			
45	Book Depreciation: current year ISR additions	(\$324)				(\$896)		(\$1,240)			
46	COR	\$835				\$8,400		\$8,200			
47	Net Plant Additions	\$2,672				\$33,411		\$41,404			
48											
49	RY Effective Tax Rate	3.98%				3.98%		3.98%			
50	ISR Property Tax Recovery on FY 2014 vintage investment		\$106				\$105				\$91
51	ISR Property Tax Recovery on FY 2015 vintage investment						\$1,330				\$1,259
52	ISR Property Tax Recovery on FY 2016 vintage investment										\$1,649
53											
54	ISR Year Effective Tax Rate	3.66%				3.99%		3.99%			
55	RY Effective Tax Rate	3.98%	-0.32%			3.98%	0.01%	3.98%	0.01%		
56	RY Effective Tax Rate 2 mos for FY 2014		-0.05%								
57	RY Net Plant times 2 mo rate	\$746,900	-0.05%	(\$401)		\$746,900 * 0.01%	\$53	\$746,900 * 0.01%	\$52		
58	FY 2014 Net Adds times ISR Year Effective Tax rate	\$2,672	-0.32%	(\$9)		\$2,632 * 0.01%	\$0	\$2,296 * 0.01%	\$0		
59	FY 2015 Net Adds times ISR Year Effective Tax rate					\$33,411 * 0.01%	\$2	\$31,619 * 0.01%	\$2		
60	FY 2016 Net Adds times ISR Year Effective Tax rate							\$41,404 * 0.01%	\$3		
61				(\$410)			\$56		\$57		
62											
63	Total ISR Property Tax Recovery		(\$304)				\$1,491		\$3,057		

The Narragansett Electric Company
d/b/a National Grid
Forecasted Property Tax Recovery Mechanism (continued)
(000s)

Line Notes

1(a)-9(a)	Per Rate Year cost of service				
1(b)-(d),(f)	Per FY 2014 Electric ISR Reconciliation Filing R.I.P.U.C. Docket No. 4382	69(c)	Sum of Lines 66(c) through 68(c)	42(j)	Line 27(d)
3(a)	Per Rate Year cost of service	71(c)	Line 63(a) - Line 69(a)	43(j)	Per Page 2 of 15, Line 8
3(e)		42(f)	Line 14(b)	44(j)	Per Page 2 of 15, Line 16(a)
	Base Rate depreciation expense allowance \$44,986 * 2/12+ Line 1(b) * Composite Depreciation rate 3.40% * 50% * 2/12	43(f)	Per Page 4 of 15, Line 8	45(j)	-Line 29(g)
3(f),(g)	Per FY 2014 Electric ISR Reconciliation R.I.P.U.C. Docket No. 4382	44(f)	Per Page 4 of 15, Line 16(a)	46(j)	Sum of Lines 42(j) through 45(j)
	Line 3 cols (a) +(e)+(f)+(g)	45(f)	- Line 16(g)	49(j)	Line 9(a)
5(h)	Line 1(h) - Line 3(h)	47(f)	Sum of Lines 42(f)-45(f)	50(k)	((Lines 42(b)+43(b)+45(b)) - ((Line 42(b)+ Line 1(f)) * 3.4% composite depr rate * 50% * 2/12) - ((Line 42(b)+Line 1(f)) * 3.4%) - ((Line 42(b)+Line 1(f)) * 3.4%) * Line 49(j)
7(h)	FY 2014 property tax expense per Company books	49(f)	Line 9(a)	51(k)	((Lines 42(f) + 43(f) + 45(f)) - ((Line 42(f)+Line 14(f)) * 3.4% composite depr rate * 50% * 2/12) - ((Line 42(f)+Line 14(f)) * 3.4%) * Line 49(j)
9(h)	Line 7(h) / Line 5(h)	50(g)	((Lines 42(b) + 43(b) + 45(b)) - ((Line 42(b)+ Line 1(f)) * 3.4% composite depr rate * 50% * 2/12) - ((Line 42(b)+Line 1(f)) * 3.4%) * Line 49(f)	52(k)	Line 47(j) * Line 49(j)
14(b)	Page 4, Line 3	51(g)	Line 47(f) * Line 49(f)	53(i)	Line 53(i) - Line 54(i)
14(c)	FY 2015 forecasted in service amount	54(e)	Line 22(h)	54(i)	Line 35(h)
14(f)	Page 4, Line 5	55(e)	Line 9(a)	55(i)	Line 9(a)
16(e)	Rate Year depr allowance of \$44,986 + (Line 1(d)+1(f))* composite depreciation rate of 3.40% + (Line 14(d)+14(f))* composite depreciation rate of 3.40% * 50%	55(f)	Line 54(e) - Line 55(e)	57(i)	Line 5(a)
16(g)	Page 4, Line 10	57(e)	Line 5(a)	58(i)	((Lines 42(b)+43(b)+45(b)) - ((Line 42(b)+ Line 1(f)) * 3.4% composite depr rate * 50% * 2/12) - ((Line 42(b)+Line 1(f)) * 3.4%) - ((Line 42(b)+Line 1(f)) * 3.4%) * Line 49(j)
18(h)	Line 14(h) - Line 16(h)	58(e)	Line 42(e) - ((Line 42(e) + Line 1(f)) * 3.4% * 50% * 2/12) + Line 43(b)+Line 45(b)-((Line 42(e) + Line 1(f)) * 3.4%)	59(i)	((Lines 42(f)+43(f)+45(f)) - ((Line 42(f)+ Line 1(f)) * 3.4% composite depr rate * 50% * 2/12) - ((Line 42(f)+Line 1(f)) * 3.4%) - ((Line 42(f)+Line 1(f)) * 3.4%) * Line 49(j)
20(h)	FY 2015 forecasted property tax expense	59(e)	Line 47(f)	60(i)	Line 47(j)
22(h)	Line 20(h) / Line 18(h)	57(f)-59(f)	Line 55(f)	55(j)	Line 54(i) - Line 55(j)
27(b),(f)	Page 2, Lines 3, 5	57(g)	Line 57(e) * Line 57(f)	57(j)-60(j)	Line 55(j)
27(c)	FY 2016 forecasted in service amount	58(g)	Line 58(e) * Line 58(f)	57(k)	Line 57(i) * Line 57(j)
27(h)	27(a) + 27(d) + 27(f)	59(g)	Line 59(e) * Line 59(f)	58(k)	Line 58(i) * Line 58(j)
29(e)	Rate Year depr allowance of \$44,986 * (Line 1(d)+1(f))* comp depr rate of 3.40% + (Line 14(d)+14(f))* comp depr rate of 3.40% * 50% + (Line 27(d)+27(f))* comp depr rate of 3.40% * 50%	61(g)	Sum of Lines 57(g) through 59(g)	59(k)	Line 59(i) * Line 59(j)
29(g)	Page 2, Line 10	63(g)	Line 50(g) + Line 51(g) + Line 61(g)	60(k)	Line 60(i) * Line 60(j)
29(h)	Sum of Line 29(a) through 29(g)	69(g)	Sum of Lines 66(g) through 68(g)	61(k)	Sum of Lines 57(k) through 60(k)
31(h)	Line 27(h) - Line 29(h)	71(g)	Line 63(g) - Line 69(g)	63(k)	Sum of Lines 50(k) through 52(k) + Line 61(k)
33(a)	Line 20(h)				
33(h)	Line 31(h) * Line 35(h)				
35(h)	Line 33(h) / 31(h)				
41(a) - 63(c)	per FY 2014 Electric ISR Reconciliation R.I.P.U.C. Docket No. 4382				

**The Narragansett Electric Company
d/b/a National Grid
Electric Infrastructure, Safety, and Reliability (ISR) Plan
Annual Revenue Requirement Summary**

Line No.		As approved				
		Fiscal Year <u>2015</u> (a)	Fiscal Year <u>2016</u> (b)	Fiscal Year <u>2017</u> (c)		
<u>Operation and Maintenance (O&M) Expenses</u>						
1	Forecasted Vegetation Management (VM)	\$7,726,000	\$8,884,000			
2	Forecasted Inspection & Maintenance (I&M) O&M Expense	\$2,995,000	\$3,333,000			
3	Electric Contact Voltage expenses included in R.I.P.U.C. Docket No. 4323	(163,749)	(\$163,749)			
4	O&M Expense Component of Revenue Requirement Subtotal	<u>\$10,557,251</u>	<u>\$12,053,251</u>			
<u>Capital Investment</u>						
5	Actual Revenue Requirement on Incremental FY 2012 Capital included in ISR Rate Base	(\$66,617)	\$350,955	\$351,334		
6	Actual Revenue Requirement on Incremental FY 2013 Capital included in ISR Rate Base	(\$1,359,559)	(\$1,085,364)	(\$1,034,170)		
7	Actual Revenue Requirement on Incremental FY 2014 Capital included in ISR Rate Base	\$1,014,081	\$582,943	\$554,632		
8	Forecasted Annual Revenue Requirement on FY 2015 Capital included in ISR Rate Base	\$2,105,152	\$3,453,202	\$3,259,945		
9	Forecasted Annual Revenue Requirement on FY 2016 Capital included in ISR Rate Base	\$0	\$2,789,692	\$5,428,148		
10	FY 2016 Property Tax Recovery Adjustment		<u>\$3,057,115</u>			
11	Capital Investment Component of Revenue Requirement Subtotal	<u>\$1,693,058</u>	<u>\$9,148,541</u>	<u>\$8,559,890</u>		
12	Total Fiscal Year Revenue Requirement	<u>\$12,250,309</u>	<u>\$21,201,792</u>	<u>\$8,559,890</u>		
13	Total Incremental Fiscal Year Rate Adjustment		<u>\$8,951,484</u>	<u>NA</u>		
14	Per December 23, 2014 Commission filing		\$ 8,855,868			
15	Increase in revenue requirement		\$ 95,616			

Line Notes:

Column (a) - as Approved per R.I.P.U.C. Docket No. 4473

Column (b)

- 1 Projected Vegetation Management
- 2 Projected Inspection & Maintenance
- 4 Line 1 + Line 2 + Line 3
- 5 Page 10 of 15, Line 27
- 6 Page 8 of 15, Line 31
- 7 Page 6 of 15, Line 31
- 8 Page 4 of 15, Line 31
- 9 Page 2 of 15, Line 31
- 10 Page 13 of 15, Line 63
- 11 Sum of lines 5 through 10
- 12 Line 4 + Line 11
- 13 Current Year Line 12 - Prior Year Line 12

**The Narragansett Electric Company
d/b/a National Grid
Computation of Electric Capital Investment Revenue Requirement
FY 2016 Investment**

Line No.		Fiscal Year 2016 (a)	Fiscal Year 2017 (b)
<u>Capital Additions Allowance</u>			
<i>Non-Discretionary Capital</i>			
1	Non-Discretionary Additions	Section 2 Page 40, Chart 11	\$27,910,000
			\$0
<i>Discretionary Capital</i>			
2	Lesser of Actual Cumulative Discretionary Capital Additions or Spending, or Approved Spending	Section 2 Page 40, Chart 11	\$49,565,000
			\$0
3	Total Allowed Capital Included in Rate Base	Line 1 + Line 2	\$77,475,000
			\$0
<u>Depreciable Net Capital Included in Rate Base</u>			
4	Total Allowed Capital Included in Rate Base in Current Year	Line 3	\$77,475,000
5	Retirements	Line 4 * 5.88%	\$4,555,530
6	Net Depreciable Capital Included in Rate Base	Column (a) = Line 4 - Line 5; Column (b) = Prior Year Line 6	\$72,919,470
			\$72,919,470
<u>Change in Net Capital Included in Rate Base</u>			
7	Capital Included in Rate Base	Line 3	\$77,475,000
			\$0
8	Depreciation Expense	Per Settlement Agreement Docket No. 4323, excluding General Plant	\$43,031,774
9	Incremental Depreciable Amount	Column (a) = Line 7 - Line 8; Column (b) = Prior Year Line 9	\$34,443,226
			\$34,443,226
10	Total Cost of Removal	Section 2 Page 40, Chart 11	\$8,200,000
			\$8,200,000
11	Total Net Plant in Service	Line 9 + Line 10	\$42,643,226
			\$42,643,226
<u>Deferred Tax Calculation:</u>			
12	Composite Book Depreciation Rate	As approved per R.I.P.U.C. Docket No. 4065	3.40%
			3.40%
13	Tax Depreciation	Page 3 of 15, Line 10	\$28,032,632
14	Cumulative Tax Depreciation	Prior Year Line 13 + Current Year Line 14	\$28,032,632
			\$32,355,959
15	Book Depreciation	Column (a) = Line 6 * Line 12 * 50%; Column (b) = Line 6 * Line 12	\$1,239,631
16	Cumulative Book Depreciation	Prior Year Line 16 + Current Year Line 15	\$1,239,631
			\$3,718,893
17	Cumulative Book / Tax Timer	Line 14 - Line 16	\$26,793,001
18	Effective Tax Rate	35.00%	35.00%
19	Deferred Tax Reserve	Line 17 * Line 18	\$9,377,550
20	Less: FY 2016 Federal NOL	TBD upon filing 2016 tax return	\$0
21	Net Deferred Tax Reserve	Line 19 + Line 20	\$9,377,550
			\$10,022,973
<u>Rate Base Calculation:</u>			
22	Cumulative Incremental Capital Included in Rate Base	Line 11	\$42,643,226
23	Accumulated Depreciation	- Line 16	(\$1,239,631)
24	Deferred Tax Reserve	- Line 21	(\$9,377,550)
25	Year End Rate Base	Sum of Lines 22 through 24	\$32,026,045
			\$28,901,360
<u>Revenue Requirement Calculation:</u>			
26	Average Rate Base	(Prior Year Line 25 + Current Year Line 25) ÷ 2	\$16,013,022
27	Pre-Tax ROR	9.68%	\$30,463,703
28	Return and Taxes	Line 26 * Line 27	\$1,550,061
29	Book Depreciation	Line 15	\$1,239,631
30	Property Taxes	3/	\$2,479,262
31	Annual Revenue Requirement	Sum of Lines 28 through 30	\$2,789,692
			\$5,428,148

1/ Based on FY2014 actual retirements as a percent of capital investment

2/ Weighted Average Cost of Capital per Settlement Agreement R.I.P.U.C. Docket No. 4323

	Ratio	Rate	Rate	Taxes	Return
Long Term Debt	49.95%	4.96%	2.48%		2.48%
Short Term Debt	0.76%	0.79%	0.01%		0.01%
Preferred Stock	0.15%	4.50%	0.01%		0.01%
Common Equity	49.14%	9.50%	4.67%	2.51%	7.18%
	<u>100.00%</u>		<u>7.17%</u>	<u>2.51%</u>	<u>9.68%</u>

3/ Property taxes calculated on Page 13 of 13 for all vintage years commencing with FY14 and reflected in total on page 1 at Line 10

The Narragansett Electric Company
d/b/a National Grid
Calculation of Tax Depreciation
On FY 2016 Capital Investment

Line No.			Fiscal Year <u>2016</u> (a)	Fiscal Year <u>2017</u> (b)
	<u>Capital Repairs Deduction</u>			
1	Plant Additions	Page 2 of 15, Line 3	\$77,475,000	
2	Capital Repairs Deduction Rate	Per Tax Department	1/ 22.70%	
3	Capital Repairs Deduction	Line 2 * Line 3	<u>\$17,586,825</u>	
	<u>Remaining Tax Depreciation</u>			
4	Plant Additions	Line 1	\$77,475,000	
5	Less Capital Repairs Deductions	Line 3	<u>\$17,586,825</u>	
6	Remaining Plant Additions Subject to 20 YR MACRS Tax Depreciation	Line 4 - Line 5	\$59,888,175	\$59,888,175
7	20 YR MACRS Tax Depreciation Rates		3.750%	7.219%
8	Remaining Tax Depreciation	Line 6 * Line 7	<u>\$2,245,807</u>	<u>\$4,323,327</u>
9	Cost of Removal	Page 2 of 15, Line 10	\$8,200,000	
10	Total Tax Depreciation and Repairs Deduction	Lines 3 + Line 8 + Line 9	<u>\$28,032,632</u>	<u>\$4,323,327</u>

1/ Capital Repairs percentage is based on a three year average, 2012, 2013 and 2014 of electric property qualifying for the repairs deduction as a percentage of total annual plant additions.

The Narragansett Electric Company
d/b/a National Grid
Computation of Electric Capital Investment Revenue Requirement
FY 2015 Investment

Line No.		Fiscal Year 2015 (a)	Fiscal Year 2016 (b)	Fiscal Year 2017 (c)
<u>Capital Additions Allowance</u>				
1	Non-Discretionary Capital Non-Discretionary Additions	\$25,495,000	\$0	\$0
2	Discretionary Capital Lesser of Actual Cumulative Discretionary Capital Additions or Spending, or Approved Spending	\$43,443,000	\$0	\$0
3	Total Allowed Capital Included in Rate Base	Line 1 + Line 2 \$68,938,000	\$0	\$0
<u>Depreciable Net Capital Included in Rate Base</u>				
4	Total Allowed Capital Included in Rate Base in Current Year	Line 3 \$68,938,000	\$0	\$0
5	Retirements	Line 4 * 23.58% \$16,255,580	\$0	\$0
6	Net Depreciable Capital Included in Rate Base	Column (a) = Line 4 - Line 5, then Prior Year Line 6 \$52,682,420	\$52,682,420	\$52,682,420
<u>Change in Net Capital Included in Rate Base</u>				
7	Capital Included in Rate Base	Line 3 \$68,938,000	\$0	\$0
8	Depreciation Expense	Per Settlement Agreement Docket No. 4323, excluding General Plant \$43,031,774	\$0	\$0
9	Incremental Depreciable Amount	Column (a) = Line 7 - Line 8, then Prior Year Line 9 \$25,906,226	\$25,906,226	\$25,906,226
10	Total Cost of Removal	\$8,400,000	\$8,400,000	\$8,400,000
11	Total Net Plant in Service	Line 9 + Line 10 \$34,306,226	\$34,306,226	\$34,306,226
<u>Deferred Tax Calculation:</u>				
12	Composite Book Depreciation Rate	As approved per R.I.P.U.C. Docket No. 4065 3.40%	3.40%	3.40%
13	Tax Depreciation	Page 5 of 15, Line 18 \$44,400,582	\$2,470,392	\$2,284,916
14	Cumulative Tax Depreciation	Prior Year Line 13 + Current Year Line 14 \$44,400,582	\$46,870,974	\$49,155,890
15	Book Depreciation	Column (a) = Line 6 * Line 12 * 50%; Column (b) = Line 6 * Line 12 \$895,601	\$1,791,202	\$1,791,202
16	Cumulative Book Depreciation	Prior Year Line 16 + Current Year Line 15 \$895,601	\$2,686,803	\$4,478,005
17	Cumulative Book / Tax Timer	Line 14 - Line 16 \$43,504,981	\$44,184,171	\$44,677,884
18	Effective Tax Rate	35.00%	35.00%	35.00%
19	Deferred Tax Reserve	Line 17 * Line 18 \$15,226,743	\$15,464,460	\$15,637,260
20	Less: FY 2015 Federal NOL	TBD upon filing 2015 tax return \$0	\$0	\$0
21	Net Deferred Tax Reserve	Line 19 + Line 20 \$15,226,743	\$15,464,460	\$15,637,260
<u>Rate Base Calculation:</u>				
22	Cumulative Incremental Capital Included in Rate Base	Line 11 \$34,306,226	\$34,306,226	\$34,306,226
23	Accumulated Depreciation	- Line 16 (\$895,601)	(\$2,686,803)	(\$4,478,005)
24	Deferred Tax Reserve	- Line 21 (\$15,226,743)	(\$15,464,460)	(\$15,637,260)
25	Year End Rate Base	Sum of Lines 22 through 24 \$18,183,882	\$16,154,963	\$14,190,962
<u>Revenue Requirement Calculation:</u>				
26	Average Rate Base	(Prior Year Line 25 + Current Year Line 25) ÷ 2 \$17,169,423	\$17,169,423	\$15,172,963
27	Pre-Tax ROR	2/ 9.68%	9.68%	9.68%
28	Return and Taxes	Line 26 * Line 27 \$1,662,000	\$1,662,000	\$1,468,743
29	Book Depreciation	Line 15 \$1,791,202	\$1,791,202	\$1,791,202
30	Property Taxes	3/ N/A	N/A	N/A
31	Annual Revenue Requirement	Sum of Lines 28 through 30 N/A	\$3,453,202	\$3,259,945
32	Annual Revenue Requirement as December 23, 2014	Section 5, Attachment 1, Page 4 at Line 29 N/A	\$4,087,395	\$3,846,574
33	Decrease in revenue requirement	Line 31 - Line 32 N/A	(\$634,193)	(\$586,629)

1/ Assumes 23.58% based on the average of FY 2013 & FY 2012 retirements as a percent of capital investment

2/ Weighted Average Cost of Capital per Settlement Agreement R.I.P.U.C. Docket No. 4323

	Ratio	Rate	Rate	Taxes	Return
Long Term Debt	49.95%	4.96%	2.48%		2.48%
Short Term Debt	0.76%	0.79%	0.01%		0.01%
Preferred Stock	0.15%	4.50%	0.01%		0.01%
Common Equity	49.14%	9.50%	4.67%	2.51%	7.18%
	100.00%		7.17%	2.51%	9.68%

3/ Property taxes calculated on Page 13 of 13 for all vintage years commencing with FY14 and reflected in total on page 1 at Line 10

The Narragansett Electric Company
d/b/a National Grid
Calculation of Tax Depreciation
On FY 2015 Capital Investment

Line No.			Fiscal Year <u>2015</u> (a)	Fiscal Year <u>2016</u> (b)	Fiscal Year <u>2017</u> (c)
	<u>Capital Repairs Deduction</u>				
1	Plant Additions	Page 4 of 15, Line 3	\$68,938,000		
2	Capital Repairs Deduction Rate	Per Tax Department	1/ 21.05%		
3	Capital Repairs Deduction	Line 2 * Line 3	<u>\$14,511,449</u>		
	<u>Bonus Depreciation</u>				
4	Plant Additions		\$68,938,000		
5	Less Capital Repairs Deduction		<u>\$14,511,449</u>		
6	Plant Additions Net of Capital Repairs Deduction		\$54,426,551		
7	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	<u>99.00%</u>		
8	Plant Eligible for Bonus Depreciation		<u>\$53,882,285</u>		
9	Bonus Depreciation Rate (April 2014 - December 2014)	1 * 75% * 50%	<u>37.50%</u>		
10	Bonus Depreciation		<u>\$20,205,857</u>		
	<u>Remaining Tax Depreciation</u>				
11	Plant Additions	Line 1	\$68,938,000		
12	Less Capital Repairs Deductions	Line 3	\$14,511,449		
13	Less Bonus Depreciation	Line 10	<u>\$20,205,857</u>		
14	Remaining Plant Additions Subject to 20 YR MACRS Tax Depreciation	Line 4 - Line 5	\$34,220,694	\$34,220,694	\$34,220,694
15	20 YR MACRS Tax Depreciation Rates		<u>3.750%</u>	<u>7.219%</u>	<u>6.677%</u>
16	Remaining Tax Depreciation	Line 6 * Line 7	<u>\$1,283,276</u>	<u>\$2,470,392</u>	<u>\$2,284,916</u>
17	Cost of Removal	Page 4 of 15, Line 10	\$8,400,000		
18	Total Tax Depreciation and Repairs Deduction	Lines 3 + Line 10 + Line 16 + Line 17	<u>\$44,400,582</u>	<u>\$2,470,392</u>	<u>\$2,284,916</u>

1/ Capital Repairs percentage is based on a three year average, 2010, 2011 and 2012 of electric property qualifying for the repairs deduction as a percentage of total annual plant additions.

The Narragansett Electric Company
d/b/a National Grid
Computation of Electric Capital Investment Revenue Requirement
FY 2014 Investment

Line No.		Fiscal Year 2014 (a)	Fiscal Year 2015 (b)	Fiscal Year 2016 (c)	Fiscal Year 2017 (d)
<u>Capital Investment Allowance</u>					
1	Non-Discretionary Capital	\$6,923,860			
2	Discretionary Capital Lesser of Actual Cumulative Non-Discretionary Capital Additions or Spending, or Approved Spending	\$6,400,406			
3	Total Allowed Capital Included in Rate Base	Line 1 + Line 2 \$13,324,266	\$0	\$0	\$0
<u>Depreciable Net Capital Included in Rate Base</u>					
4	Total Allowed Capital Included in Rate Base in Current Year	Line 3 \$13,324,266	\$0	\$0	\$0
5	Retirements	1/ (\$4,165,367)	\$0	\$0	\$0
6	Net Depreciable Capital Included in Rate Base	Line 4 - Line 5 \$17,489,633	\$17,489,633	\$17,489,633	\$17,489,633
<u>Change in Net Capital Included in Rate Base</u>					
7	Capital Included in Rate Base	Line 3 \$13,324,266	\$0	\$0	\$0
8	Depreciation Expense	Per Settlement Agreement Docket No. 4323, excluding General Plant	2/ 7,173,397		
9	Incremental Depreciable Amount	Line 7 - Line 8	\$6,150,869	\$6,150,869	\$6,150,869
10	Total Cost of Removal		(\$887,841)	(\$887,841)	(\$887,841)
11	Total Net Plant in Service	Line 9 + Line 10	\$5,263,028	\$5,263,028	\$5,263,028
<u>Deferred Tax Calculation:</u>					
12	Composite Book Depreciation Rate	As approved per R.I.P.U.C. Docket No. 4323	3.40%	3.40%	3.40%
13	Tax Depreciation	Page 7 of 15, Line 20	\$8,191,776	\$318,360	\$294,457
14	Cumulative Tax Depreciation	Current Year Line 13	\$8,191,776	\$8,510,136	\$8,804,593
15	Book Depreciation	Line 6 * Line 12 * 50%	\$297,324	\$297,324	\$297,324
16	Cumulative Book Depreciation	Current Year Line 15	\$297,324	\$594,648	\$891,971
17	Cumulative Book / Tax Timer	Line 14 - Line 16	\$7,894,452	\$7,915,488	\$7,912,622
18	Effective Tax Rate		35.00%	35.000%	35.000%
19	Deferred Tax Reserve	Line 17 * Line 18	\$2,763,058	\$2,770,421	\$2,769,418
20	Less: FY 2014 Federal NOL		(\$1,200,808)	(\$1,200,808)	(\$1,200,808)
21	Net Deferred Tax Reserve	Line 19 + Line 20	\$1,562,250	\$1,569,613	\$1,568,610
<u>Rate Base Calculation:</u>					
22	Cumulative Incremental Capital Included in Rate Base	Line 11	\$5,263,028	\$5,263,028	\$5,263,028
23	Accumulated Depreciation	-Line 16	(\$297,324)	(\$594,648)	(\$891,971)
24	Deferred Tax Reserve	-Line 21	(\$1,562,250)	(\$1,569,613)	(\$1,568,610)
25	Year End Rate Base	Sum of Lines 22 through 24	\$3,403,454	\$3,098,768	\$2,802,447
<u>Revenue Requirement Calculation:</u>					
26	Average Rate Base	(Prior Year Line 25 + Current Year Line 25) ÷ 2		\$2,950,607	\$2,658,146
27	Pre-Tax ROR			9.68%	9.68%
28	Return and Taxes	Line 26 * Line 27		\$285,619	\$257,308
29	Book Depreciation	Line 15		\$297,324	\$297,324
30	Property Taxes			\$0	\$0
31	Annual Revenue Requirement	Sum of Lines 28 through 30	N/A	N/A	\$582,943
32	Revenue requirement as filed December XX, 2014	Section 5, Attachment 1 at Page 6, Line 29	N/A	N/A	\$497,128
33	Increase in revenue requirement	Line 31 - Line 32	N/A	N/A	\$85,815

1/ Actual Retirements

2/ Depreciation Expense has been prorated for 2 months (February - March 2014)

3/ Weighted Average Cost of Capital as approved in R.I.P.U.C. Docket No. 4323

	Ratio	Rate	Rate	Taxes	Return
Long Term Debt	49.95%	4.96%	2.48%		2.48%
Short Term Debt	0.76%	0.79%	0.01%		0.01%
Preferred Stock	0.15%	4.50%	0.01%		0.01%
Common Equity	49.14%	9.50%	4.67%	2.51%	7.18%
	100.00%		7.17%	2.51%	9.68%

4/ Property taxes calculated on Page 13 of 13 for all vintage years commencing with FY14 and reflected in total on page 1 at Line 10

**The Narragansett Electric Company
d/b/a National Grid
Calculation of Tax Depreciation
On FY 2014 Capital Investment**

Line No.			Fiscal Year 2014 (a)	Fiscal Year 2015 (b)	Fiscal Year 2016 (c)	Fiscal Year 2017 (c)
	<u>Capital Repairs Deduction</u>					
1	Plant Additions	Page 6 of 15, Line 3	\$13,324,266			
2	Capital Repairs Deduction Rate	Per Tax Department	34.46%			
3	Capital Repairs Deduction	Line 1 * Line 2	\$4,591,542			
	<u>Bonus Depreciation</u>					
4	Plant Additions	Line 1	\$13,324,266			
5	Less Capital Repairs Deduction	Line 3	\$4,591,542			
6	Plant Additions Net of Capital Repairs Deduction	Line 4 - Line 5	\$8,732,724			
7	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	99.00%			
8	Plant Eligible for Bonus Depreciation	Line 6 * Line 7	\$8,645,397			
9	Bonus Depreciation Rate (April 2013 - December 2013)	1 * 75% * 50%	37.50%			
10	Bonus Depreciation Rate (January 2014 - March 2014)	1 * 25% * 50%	12.50%			
11	Total Bonus Depreciation Rate	Line 9 + Line 10	50.00%			
12	Bonus Depreciation	Line 8 * Line 11	\$4,322,699			
	<u>Remaining Tax Depreciation</u>					
13	Plant Additions	Line 1	\$13,324,266			
14	Less Capital Repairs Deduction	Line 3	\$4,591,542			
15	Less Bonus Depreciation	Line 12	\$4,322,699			
16	Remaining Plant Additions Subject to 20 YR MACRS Tax Depreciation	Line 13 - Line 14 - Line 15	\$4,410,025	4,410,025	4,410,025	4,410,025
17	20 YR MACRS Tax Depreciation Rates		3.750%	7.219%	6.677%	6.177%
18	Remaining Tax Depreciation	Line 16 * Line 17	\$165,376	\$ 318,360	\$ 294,457	\$ 272,407
19	Cost of Removal	Page 6 of 15, Line 10	(\$887,841)			
20	Total Tax Depreciation and Repairs Deduction	Sum of Lines 3, 12, 18 and 19	\$8,191,776	\$ 318,360	\$ 294,457	\$ 272,407

1/ Capital Repairs percentage is based on the FY 2014 tax return.

The Narragansett Electric Company
d/b/a National Grid
Computation of Electric Capital Investment Revenue Requirement
FY 2013 Investment

Line No.		Fiscal Year 2013 (a)	Fiscal Year 2014 (b)	Fiscal Year 2015 (c)	Fiscal Year 2016 (d)	Fiscal Year 2017 (e)
	<u>Capital Additions Allowance</u>					
	<i>Non-Discretionary Capital</i>					
1	Non-Discretionary Additions	(\$5,184,396)	\$0	\$0	\$0	\$0
	<i>Discretionary Capital</i>					
2	Lesser of Actual Discretionary Capital Additions or Spending or Approved Spending	(\$1,850,463)	\$0	\$0	\$0	\$0
3	Total Allowed Capital Included in Rate Base in Current Year	Line 1 + Line 2	(\$7,034,859)	\$0	\$0	\$0
	<u>Depreciable Net Capital Included in Rate Base</u>					
4	Total Allowed Capital Included in Rate Base in Current Year	Line 3	(\$7,034,859)	\$0	\$0	\$0
5	Retirements	\$5,838,935	\$0	\$0	\$0	\$0
6	Net Depreciable Capital Included in Rate Base	Column (a) = Line 4 - Line 5; Columns (b), (c), & (d) = Prior Year Line 6	(\$12,873,794)	(\$12,873,794)	(\$12,873,794)	(\$12,873,794)
	<u>Change in Net Capital Included in Rate Base</u>					
7	Capital Included in Rate Base	Line 3	(\$7,034,859)	\$0	\$0	\$0
8	Depreciation Expense	As approved per R.I.P.U.C. Docket No. 4065, excluding	\$0	\$0	\$0	\$0
9	Incremental Depreciable Amount	Column (a) = Line 7 - Line 8; Columns (b), (c) & (d) = Prior Year Line 9	(\$7,034,859)	(\$7,034,859)	(\$7,034,859)	(\$7,034,859)
10	Total Cost of Removal		(\$1,895,059)	(\$1,895,059)	(\$1,895,059)	(\$1,895,059)
11	Total Net Plant in Service	Line 9 + Line 10	(\$8,929,918)	(\$8,929,918)	(\$8,929,918)	(\$8,929,918)
	<u>Deferred Tax Calculation:</u>					
12	Composite Book Depreciation Rate	As approved per R.I.P.U.C. Docket No. 4065	3.40%	3.40%	3.40%	3.40%
13	Tax Depreciation	Page 7 Line 20	(\$5,970,630)	(\$221,954)	(\$205,290)	(\$189,917)
14	Cumulative Tax Depreciation	Prior Year Line 17 + Current Year Line 16	(\$5,970,630)	(\$6,192,584)	(\$6,397,874)	(\$6,587,791)
15	Book Depreciation	Column (a) = Line 6 * Line 12 * 50%; Columns (b), (c) & (d) = Line 6 * Line 12	(\$218,854)	(\$437,709)	(\$437,709)	(\$437,709)
16	Cumulative Book Depreciation	Prior Year Line 16 + Current Year Line 15	(\$218,854)	(\$656,563)	(\$1,094,272)	(\$1,531,981)
17	Cumulative Book / Tax Timer	Line 14 - Line 16	(\$5,751,776)	(\$5,536,021)	(\$5,303,602)	(\$5,055,810)
18	Effective Tax Rate		35.00%	35.00%	35.00%	35.00%
19	Deferred Tax Reserve	Line 17 * Line 18	(\$2,013,121)	(\$1,937,607)	(\$1,856,261)	(\$1,769,533)
20	Less: FY 2013 Federal NOL		(\$2,342,381)	(\$2,342,381)	(\$2,342,381)	(\$2,342,381)
21	Net Deferred Tax Reserve	Line 19 + Line 20	(\$4,355,503)	(\$4,279,989)	(\$4,198,642)	(\$4,111,915)
	<u>Rate Base Calculation:</u>					
22	Cumulative Incremental Capital Included in Rate Base	Line 11	(\$8,929,918)	(\$8,929,918)	(\$8,929,918)	(\$8,929,918)
23	Accumulated Depreciation	- Line 16	\$218,854	\$656,563	\$1,094,272	\$1,531,981
24	Deferred Tax Reserve	- Line 21	\$4,355,503	\$4,279,989	\$4,198,642	\$4,111,915
25	Year End Rate Base	Sum of Lines 22 through 24	(\$4,355,561)	(\$3,993,366)	(\$3,637,003)	(\$3,286,022)
	<u>Revenue Requirement Calculation:</u>					
26	Average Rate Base	(Prior Year Line 25 + Current Year Line 25) ÷ 2				(\$3,461,513)
27	Pre-Tax ROR				9.68%	9.68%
28	Return and Taxes	Line 26 * Line 27				(\$335,074)
29	Book Depreciation	Line 15				(\$437,709)
30	Property Taxes	\$0 in Year 1, then Prior Year (Line 11-Line 16) * Property Tax Rate				(\$312,581)
31	Annual Revenue Requirement	Sum of Lines 28 through 30	N/A	N/A	N/A	(\$1,085,364)
32	Revenue requirement as filed December XX, 2014	Section 5, Attachment 1 at Page 8, Line 29	N/A	N/A	N/A	(\$1,312,107)
33	Increase in revenue requirement	Line 31 - Line 32	N/A	N/A	N/A	\$226,743

1/ Column (a) - FY 2013 Electric ISR Reconciliation Filing R.I.P.U.C. Docket No. 4307

2/ Weighted Average Cost of Capital as approved in R.I.P.U.C. Docket No. 4323

	Ratio	Rate	Rate	Taxes	Return
Long Term Debt	49.95%	4.96%	2.48%		2.48%
Short Term Debt	0.76%	0.79%	0.01%		0.01%
Preferred Stock	0.15%	4.50%	0.01%		0.01%
Common Equity	49.14%	9.50%	4.67%	2.51%	7.18%
	<u>100.00%</u>		<u>7.17%</u>	<u>2.51%</u>	<u>9.68%</u>

3/ Columns (d), (e) assume the Effective Property Tax Rate of 3.99% forecasted for FY 2016 on Page 13, Line 35(h).

**The Narragansett Electric Company
d/b/a National Grid
Calculation of Tax Depreciation
On FY 2013 Capital Investment**

		Fiscal Year <u>2013</u>	Fiscal Year <u>2014</u>	Fiscal Year <u>2015</u>	Fiscal Year <u>2016</u>	Fiscal Year <u>2017</u>
		(a)	(b)	(c)	(d)	
<u>Capital Repairs Deduction</u>						
1	Plant Additions	Page 8 of 15, Line 3	(\$7,034,859)			
2	Capital Repairs Deduction Rate		1/ <u>12.59%</u>			
3	Capital Repairs Deduction	Line 2 * Line 3	(\$885,689)			
<u>Bonus Depreciation</u>						
4	Plant Additions	Line 1	(\$7,034,859)			
5	Less Capital Repairs Deduction	Line 3	(\$885,689)			
6	Plant Additions Net of Capital Repairs Deduction	Line 4 - Line 5	(\$6,149,170)			
7	Percent of Plant Eligible for Bonus Depreciation		<u>100.00%</u>			
8	Plant Eligible for Bonus Depreciation	Line 6 x Line 7	(\$6,149,170)			
9	Bonus Depreciation Rate (April 2012 - December 2012)	1 * 75% * 50%	37.50%			
10	Bonus Depreciation Rate (January 2013 - March 2013)	1 * 25% * 50%	<u>12.50%</u>			
11	Total Bonus Depreciation Rate	Line 9 + Line 10	50.00%			
12	Bonus Depreciation	Line 8 x Line 11	(\$3,074,585)			
<u>Remaining Tax Depreciation</u>						
13	Plant Additions	Line 1	(\$7,034,859)			
14	Less Capital Repairs Deduction	Line 3	(\$885,689)			
15	Less Bonus Depreciation	Line 12	(\$3,074,585)			
16	Remaining Plant Additions Subject to 20 YR MACRS Tax Depreciation	Line 13 - Line 14 - Line 15	(\$3,074,585)	(\$3,074,585)	(\$3,074,585)	(\$3,074,585)
17	20 YR MACRS Tax Depreciation Rates		3.750%	7.219%	6.677%	6.177%
18	Remaining Tax Depreciation	Line 16 x Line 17	(\$115,297)	(\$221,954)	(\$205,290)	(\$189,917)
19	Cost of Removal	Page 8 of 15, Line 10	(\$1,895,059)			
20	Total Tax Depreciation and Repairs Deduction	Sum of Lines 3, 12, 18, 19	<u>(\$5,970,630)</u>	<u>(\$221,954)</u>	<u>(\$205,290)</u>	<u>(\$189,917)</u>

1/ Capital Repairs percentage is based on the FY 2013 tax return.

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

Line No.		Fiscal Year 2012 (a)	Fiscal Year 2013 (b)	Fiscal Year 2014 (c)	Fiscal Year 2015 (d)	Fiscal Year 2016 (e)	Fiscal Year 2017 (f)
<u>Capital Additions Allowance</u>							
<i>Non-Discretionary Capital</i>							
1	Non-Discretionary	(\$4,019,686)	\$0	\$0	\$0	\$0	\$0
<i>Discretionary Capital</i>							
2	Lesser of Actual Discretionary Capital Additions or Spending or Approved Spending	\$4,163,942	\$0	\$0	\$0	\$0	\$0
3	Total Allowed Capital Included in Rate Base	Line 1 + Line 2	\$144,256	\$0	\$0	\$0	\$0
<u>Depreciable Net Capital Included in Rate Base</u>							
4	Total Allowed Capital Included in Rate Base in Current Year	Line 3	\$144,256	\$0	\$0	\$0	\$0
5	Retirements		\$19,938	\$0	\$0	\$0	\$0
6	Net Depreciable Capital Included in Rate Base	Column (a) = Line 4 - Line 5; Columns (b), (c), (d) & (e) = Prior Year Line 6	\$124,318	\$124,318	\$124,318	\$124,318	\$124,318
<u>Change in Net Capital Included in Rate Base</u>							
7	Incremental Depreciable Amount	Column (a) = Line 4, Columns (b), (c), (d) & (e) = Prior Year Line 7	\$144,256	\$144,256	\$144,256	\$144,256	\$144,256
8	Cost of Removal		(\$771,131)	(\$771,131)	(\$771,131)	(\$771,131)	(\$771,131)
9	Total Net Plant in Service	Line 7 + Line 8	(\$626,875)	(\$626,875)	(\$626,875)	(\$626,875)	(\$626,875)
<u>Deferred Tax Calculation:</u>							
10	Composite Book Depreciation Rate	As approved per R.I.P.U.C. Docket No. 4065	3.40%	3.40%	3.40%	3.40%	3.40%
11	Tax Depreciation	Page 9 Line 20	(\$654,965)	\$2,107	\$1,949	\$1,803	\$1,667
12	Cumulative Tax Depreciation	Prior Year Line 12 + Current Year Line 11	(\$654,965)	(\$652,858)	(\$650,909)	(\$649,107)	(\$645,897)
13	Book Depreciation	Column (a) = -Line 6 * Line 10 * 50%; Columns (b), (c), (d) & (e) = Line 6 * Line 10	(\$2,113)	(\$4,227)	(\$4,227)	(\$4,227)	(\$4,227)
14	Cumulative Book Depreciation	Prior Year Line 14 + Current Year Line 13	(\$2,113)	(\$6,340)	(\$10,567)	(\$14,794)	(\$19,021)
15	Cumulative Book / Tax Timer	Line 12 - Line 14	(\$652,852)	(\$646,518)	(\$640,342)	(\$634,313)	(\$628,419)
16	Effective Tax Rate		35.00%	35.00%	35.00%	35.00%	35.00%
17	Deferred Tax Reserve	Line 15 * Line 16	(\$228,498)	(\$226,281)	(\$224,120)	(\$222,009)	(\$219,947)
18	Less: FY 2013 Federal NOL	Per FY 2012 tax return	(\$4,310,461)	(\$4,310,461)	(\$4,310,461)	(\$4,310,461)	(\$4,310,461)
19	Net Deferred Tax Reserve	Line 17 + Line 18	(\$4,538,959)	(\$4,536,742)	(\$4,534,581)	(\$4,532,470)	(\$4,528,388)
<u>Rate Base Calculation:</u>							
18	Cumulative Incremental Capital Included in Rate Base	Line 9	(\$626,875)	(\$626,875)	(\$626,875)	(\$626,875)	(\$626,875)
19	Accumulated Depreciation	-Line 14	\$2,113	\$6,340	\$10,567	\$14,794	\$19,021
20	Deferred Tax Reserve	-Line 19	\$4,538,959	\$4,536,742	\$4,534,581	\$4,532,470	\$4,530,407
21	Year End Rate Base	Sum of Lines 18 through 20	\$3,914,197	\$3,916,207	\$3,918,273	\$3,920,389	\$3,922,553
<u>Revenue Requirement Calculation:</u>							
22	Average Rate Base	(Prior Year Line 21 + Current Year Line 21) ÷ 2				\$3,921,471	\$3,923,657
23	Pre-Tax ROR					9.68%	9.68%
24	Return and Taxes	Line 22 * Line 23				\$379,598	\$379,810
25	Book Depreciation	Line 13				(\$4,227)	(\$4,227)
26	Property Taxes	\$0 in Year 1, then Prior Year (Line 9 - Line 14) * Property Tax Rate ^{3/}				(\$24,417)	(\$24,249)
27	Annual Revenue Requirement	Sum of Lines 24 through 26	N/A	N/A	N/A	\$350,955	\$351,334
28	Revenue requirement as filed December XX, 2014	Section 5, Attachment 1 at Page 10, Line 27	N/A	N/A	N/A	(\$66,298)	(\$65,918)
29	Increase in revenue requirement	Line 27 - Line 28	N/A	N/A	N/A	\$417,253	\$417,252

1/ Column (a) - FY 2012 Electric ISR Reconciliation Filing R.I.P.U.C. Docket No. 4218.

2/ Weighted Average Cost of Capital per Settlement Agreement R.I.P.U.C. Docket No. 4323

	Ratio	Rate	Rate	Taxes	Return
Long Term Debt	49.95%	4.96%	2.48%		2.48%
Short Term Debt	0.76%	0.79%	0.01%		0.01%
Preferred Stock	0.15%	4.50%	0.01%		0.01%
Common Equity	49.14%	9.50%	4.67%	2.51%	7.18%
	<u>100.00%</u>		<u>7.17%</u>	<u>2.51%</u>	<u>9.68%</u>

3/ Columns (d), (e) Assume the Effective Property Tax Rate of 3.99% forecasted for FY 2016 on Page 13, Line 35(h).

The Narragansett Electric Company
d/b/a National Grid
Calculation of Tax Depreciation
On FY 2012 Capital Investment

Line No.		Fiscal Year 2012 (a)	Fiscal Year 2013 (b)	Fiscal Year 2014 (c)	Fiscal Year 2015 (d)	Fiscal Year 2016 (e)	Fiscal Year 2017 (f)
<u>Capital Repairs Deduction</u>							
1	Plant Additions						
2	Capital Repairs Deduction Rate						
3	Capital Repairs Deduction						
	Page 10 of 15, Line 3	\$144,256					
	Per Tax Department 1/	21.05%					
	Line 2 * Line 3	\$30,366					
<u>Bonus Depreciation</u>							
4	Plant Additions						
5	Less Capital Repairs Deduction						
6	Plant Additions Net of Capital Repairs Deduction						
7	Percent of Plant Eligible for Bonus Depreciation						
8	Plant Eligible for Bonus Depreciation						
9	Bonus Depreciation Rate (April 2011 - December 2011)						
10	Bonus Depreciation Rate (January 2012 - March 2012)						
11	Total Bonus Depreciation Rate						
12	Bonus Depreciation						
	Line 1	\$144,256					
	Line 3	\$30,366					
	Line 4 - Line 5	\$113,890					
	Per Tax Department 2/	85.00%					
	Line 6 * Line 7	\$96,807					
	1 * 75% * 100%	75.00%					
	1 * 25% * 50%	12.50%					
	Line 9 + Line 10	87.50%					
	Line 8 * Line 11	\$84,706					
<u>Remaining Tax Depreciation</u>							
13	Plant Additions						
14	Less Capital Repairs Deduction						
15	Less Bonus Depreciation						
16	Remaining Plant Additions Subject to 20 YR MACRS Tax Depreciation						
17	20 YR MACRS Tax Depreciation Rates						
18	Remaining Tax Depreciation						
	Line 1	\$144,256					
	Line 3	\$30,366					
	Line 12	\$84,706					
	Line 13 - Line 14 - Line 15	\$29,184	\$29,184	\$29,184	\$29,184	\$29,184	\$29,184
	Line 16 * Line 17	\$1,094	\$2,107	\$1,949	\$1,803	\$1,667	\$1,542
19	Cost of Removal						
	Page 10 of 15, Line 8	(\$771,131)					
20	Total Tax Depreciation and Repairs Deduction						
	Sum of Lines 3, 12, 18, 19	(\$654,965)	\$2,107	\$1,949	\$1,803	\$1,667	\$1,542

1/ Per Docket 4307 FY 2013 Electric ISR Reconciliation Filing at Attachment WRR-1, Page 8, Line 2.

2/ Since not all property additions qualify for bonus depreciation and because a project must be started after the beginning of the bonus period, January 1, 2008, an estimate of 85% is used rather than 100%.

**The Narragansett Electric Company
d/b/a National Grid
FY 2012 - FY 2014 Incremental Capital Investment Summary**

Line No.		Actual Fiscal Year <u>2012</u> (a)	Actual Fiscal Year <u>2013</u> (b)	Actual Fiscal Year <u>2014</u> (c)	
<u>Capital Investment</u>					
1	ISR - Eligible Capital Investment	Col (a) FY 2012 ISR Reconciliation Filing Docket No. 4218, Col (b) FY 2013 ISR Reconciliation Filing Docket No. 4307, Col (c) FY 2014 ISR Filing Docket No. 4382	\$48,946,456	\$44,331,141	\$56,129,551
2	ISR - Eligible Capital Additions included in Rate Base per R.I.P.U.C. Docket No. 4323	Schedule MDL-3-ELEC Page 53, Docket No. 4323: Col (a)= Line Note 1(a); Col (b)= Line Notes 2(b)+2(d)+3(d); Col (c)=Line Note 3(e)	\$48,802,200	\$51,366,341	\$42,805,284
3	Incremental ISR Capital Investment	Line 3 - Line 4	\$144,256	(\$7,035,200)	\$13,324,267
<u>Cost of Removal</u>					
4	ISR - Eligible Cost of Removal	Col (a) FY 2012 ISR Reconciliation Filing Docket No. 4218, Col (b) FY 2013 ISR Reconciliation Filing Docket No. 4307, Col (c) FY 2014 ISR Filing Docket No. 4382	\$5,807,869	\$5,179,941	\$5,007,992
5	ISR - Eligible Cost of Removal in Rate Base per R.I.P.U.C. Docket No. 4323	Workpaper MDL-19-ELEC page 2, Docket No. 4323	\$6,579,000	\$7,075,000	\$5,895,833
6	Incremental Cost of Removal	Line 4 - Line 5	(\$771,131)	(\$1,895,059)	(\$887,841)
<u>Retirements</u>					
7	ISR - Eligible Retirements/Actual	Col (a) FY 2012 ISR Reconciliation Filing Docket No. 4218, Col (b) FY 2013 ISR Reconciliation Filing Docket No. 4307, Col (c) FY 2014 ISR Filing Docket No. 4382	\$7,740,446	\$14,255,714	\$3,299,874
8	ISR - Eligible Retirements/Estimated	Col (a) FY 2012 ISR Filing Docket No. 4218, Col (b) FY 2013 ISR Filing Docket No. 4307	\$7,720,508	\$8,416,779	\$7,465,242
9	Incremental Retirements	Line 7- Line 8	\$19,938	\$5,838,935	(\$4,165,368)

The Narragansett Electric Company
d/b/a National Grid
Forecasted Property Tax Recovery Mechanism
(000s)

Line	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)			
	<u>RY End</u>	<u>ISR Additions</u>	<u>Non-ISR Add's</u>	<u>Total Add's</u>	<u>Bk Depr (1)</u>	<u>Retirements</u>	<u>COR</u>	<u>End of FY 2014</u>			
1 Plant In Service	\$1,358,470	\$9,335	\$1,885	\$11,220		\$550		\$1,370,240			
2											
3 Accumulated Depr	\$611,570				\$7,498	\$550	(\$835)	\$618,783			
4											
5 Net Plant	\$746,900							\$751,457			
6											
7 Property Tax Expense	\$29,743							\$27,502			
8											
9 Effective Prop tax Rate	3.98%							3.66%			
10											
11											
12 <u>Effective tax Rate Calculation</u>	<u>End of FY 2014</u>	<u>ISR Additions</u>	<u>Non-ISR Add's</u>	<u>Total Add's</u>	<u>Bk Depr (1)</u>	<u>Retirements</u>	<u>COR</u>	<u>End of FY 2015</u>			
13											
14 Plant In Service	\$1,370,240	\$68,938	\$4,142	\$73,080		(\$16,256)		\$1,427,065			
15											
16 Accumulated Depr	\$618,783				\$46,352	(\$16,256)	(\$8,400)	\$640,480			
17											
18 Net Plant	\$751,457							\$786,585			
19											
20 Property Tax Expense	\$27,502							\$31,379			
21											
22 Effective Prop tax Rate	3.66%							3.99%			
23											
24											
25	<u>End of FY 2015</u>	<u>ISR Additions</u>	<u>Non-ISR Add's</u>	<u>Total Add's</u>	<u>Bk Depr (1)</u>	<u>Retirements</u>	<u>COR</u>	<u>End of FY 2016</u>			
26											
27 Plant In Service	\$1,427,065	\$77,475	\$4,013	\$81,488		(\$4,556)		\$1,503,997			
28											
29 Accumulated Depr	\$640,480				\$48,626	(\$4,556)	(\$8,200)	\$676,350			
30											
31 Net Plant	\$786,585							\$827,647			
32											
33 Property Tax Expense	\$31,379							\$33,017			
34											
35 Effective Prop tax Rate	3.99%							3.99%			
36											
37											
38											
39 <u>Property Tax Recovery Calculation</u>	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
40											
41	<u>Cumulative Increm. ISR Prop. Tax for FY14</u>			<u>Cumulative Increm. ISR Prop. Tax for FY15</u>			<u>Cumulative Increm. ISR Prop. Tax for FY16</u>				
42		2 mos									
43	ISR Additions	\$9,335				\$68,938		\$77,475			
44	Book Depreciation: base allowance on ISR eligible plant	(\$7,173)				(\$43,032)		(\$43,032)			
45	Book Depreciation: current year ISR additions	(\$324)				(\$896)		(\$1,240)			
46	COR	\$835				\$8,400		\$8,200			
47	Net Plant Additions	\$2,672				\$33,411		\$41,404			
48											
49	RY Effective Tax Rate	3.98%				3.98%		3.98%			
50	ISR Property Tax Recovery on FY 2014 vintage investment		\$106				\$105				\$91
51	ISR Property Tax Recovery on FY 2015 vintage investment						\$1,330				\$1,259
52	ISR Property Tax Recovery on FY 2016 vintage investment										\$1,649
53											
54	ISR Year Effective Tax Rate	3.66%				3.99%		3.99%			
55	RY Effective Tax Rate	3.98%	-0.32%			3.98%	0.01%	3.98%	0.01%		
56	RY Effective Tax Rate 2 mos for FY 2014		-0.05%								
57	RY Net Plant times 2 mo rate	\$746,900	-0.05%	(\$401)		\$746,900 * 0.01%	\$53	\$746,900 * 0.01%			\$52
58	FY 2014 Net Adds times ISR Year Effective Tax rate	\$2,672	-0.32%	(\$9)		\$2,632 * 0.01%	\$0	\$2,296 * 0.01%			\$0
59	FY 2015 Net Adds times ISR Year Effective Tax rate					\$33,411 * 0.01%	\$2	\$31,619 * 0.01%			\$2
60	FY 2016 Net Adds times ISR Year Effective Tax rate							\$41,404 * 0.01%			\$3
61				(\$410)			\$56				\$57
62											
63	Total ISR Property Tax Recovery		(\$304)				\$1,491				\$3,057

The Narragansett Electric Company
d/b/a National Grid
Forecasted Property Tax Recovery Mechanism (continued)
(000s)

Line Notes

1(a)-9(a)	Per Rate Year cost of service				
1(b)-(d),(f)	Per FY 2014 Electric ISR Reconciliation Filing R.I.P.U.C. Docket No. 4382	69(c)	Sum of Lines 66(c) through 68(c)	42(j)	Line 27(d)
3(a)	Per Rate Year cost of service	71(c)	Line 63(a) - Line 69(a)	43(j)	Per Page 2 of 15, Line 8
3(e)		42(f)	Line 14(b)	44(j)	Per Page 2 of 15, Line 16(a)
	Base Rate depreciation expense allowance \$44,986 * 2/12+ Line 1(b) * Composite Depreciation rate 3.40% * 50% * 2/12	43(f)	Per Page 4 of 15, Line 8	45(j)	-Line 29(g)
3(f),(g)	Per FY 2014 Electric ISR Reconciliation R.I.P.U.C. Docket No. 4382	44(f)	Per Page 4 of 15, Line 16(a)	46(j)	Sum of Lines 42(j) through 45(j)
	Line 3 cols (a) +(e)+(f)+(g)	45(f)	- Line 16(g)	49(j)	Line 9(a)
5(h)	Line 1(h) - Line 3(h)	47(f)	Sum of Lines 42(f)-45(f)	50(k)	((Lines 42(b)+43(b)+45(b)) - ((Line 42(b)+ Line 1(f)) * 3.4% composite depr rate * 50% * 2/12) - ((Line 42(b)+Line 1(f)) * 3.4%) - ((Line 42(b)+Line 1(f)) * 3.4%) * Line 49(j)
7(h)	FY 2014 property tax expense per Company books	49(f)	Line 9(a)	51(k)	((Lines 42(f) + 43(f) + 45(f)) - ((Line 42(f)+Line 14(f)) * 3.4% composite depr rate * 50% * 2/12) - ((Line 42(f)+Line 14(f)) * 3.4%) * Line 49(j)
9(h)	Line 7(h) / Line 5(h)	50(g)	((Lines 42(b) + 43(b) + 45(b)) - ((Line 42(b)+ Line 1(f)) * 3.4% composite depr rate * 50% * 2/12) - ((Line 42(b)+Line 1(f)) * 3.4%) * Line 49(f)	52(k)	Line 47(j) * Line 49(j)
14(b)	Page 4, Line 3	51(g)	Line 47(f) * Line 49(f)	53(i)	Line 53(i) - Line 54(i)
14(c)	FY 2015 forecasted in service amount	54(e)	Line 22(h)	54(i)	Line 35(h)
14(f)	Page 4, Line 5	55(e)	Line 9(a)	55(i)	Line 9(a)
16(e)	Rate Year depr allowance of \$44,986 + (Line 1(d)+1(f))* composite depreciation rate of 3.40% + (Line 14(d)+14(f))* composite depreciation rate of 3.40% * 50%	55(f)	Line 54(e) - Line 55(e)	57(i)	Line 5(a)
16(g)	Page 4, Line 10	57(e)	Line 5(a)	58(i)	((Lines 42(b)+43(b)+45(b)) - ((Line 42(b)+ Line 1(f)) * 3.4% composite depr rate * 50% * 2/12) - ((Line 42(b)+Line 1(f)) * 3.4%) - ((Line 42(b)+Line 1(f)) * 3.4%) * Line 49(j)
18(h)	Line 14(h) - Line 16(h)	58(e)	Line 42(e) - ((Line 42(e) + Line 1(f)) * 3.4% * 50% * 2/12) + Line 43(b)+Line 45(b)-((Line 42(e) + Line 1(f)) * 3.4%)	59(i)	((Lines 42(f)+43(f)+45(f)) - ((Line 42(f)+ Line 1(f)) * 3.4% composite depr rate * 50% * 2/12) - ((Line 42(f)+Line 1(f)) * 3.4%) - ((Line 42(f)+Line 1(f)) * 3.4%) * Line 49(j)
20(h)	FY 2015 forecasted property tax expense	59(e)	Line 47(f)	60(i)	Line 47(j)
22(h)	Line 20(h) / Line 18(h)	57(f)-59(f)	Line 55(f)	55(j)	Line 54(i) - Line 55(i)
27(b),(f)	Page 2, Lines 3, 5	57(g)	Line 57(e) * Line 57(f)	57(j)-60(j)	Line 55(j)
27(c)	FY 2016 forecasted in service amount	58(g)	Line 58(e) * Line 58(f)	57(k)	Line 57(i) * Line 57(j)
27(h)	27(a) + 27(d) + 27(f)	59(g)	Line 59(e) * Line 59(f)	58(k)	Line 58(i) * Line 58(j)
29(e)	Rate Year depr allowance of \$44,986 * (Line 1(d)+1(f))* comp depr rate of 3.40% + (Line 14(d)+14(f))* comp depr rate of 3.40% * 50% + (Line 27(d)+27(f))* comp depr rate of 3.40% * 50%	61(g)	Sum of Lines 57(g) through 59(g)	59(k)	Line 59(i) * Line 59(j)
29(g)	Page 2, Line 10	63(g)	Line 50(g) + Line 51(g) + Line 61(g)	60(k)	Line 60(i) * Line 60(j)
29(h)	Sum of Line 29(a) through 29(g)	69(g)	Sum of Lines 66(g) through 68(g)	61(k)	Sum of Lines 57(k) through 60(k)
31(h)	Line 27(h) - Line 29(h)	71(g)	Line 63(g) - Line 69(g)	63(k)	Sum of Lines 50(k) through 52(k) + Line 61(k)
33(a)	Line 20(h)				
33(h)	Line 31(h) * Line 35(h)				
35(h)	Line 33(h) / 31(h)				
41(a) - 63(c)	per FY 2014 Electric ISR Reconciliation R.I.P.U.C. Docket No. 4382				

The Narragansett Electric Company
Infrastructure, Safety and Reliability Plan Factors Calculations - Summary
Summary of Proposed Factors
(for the 12 months beginning April 1, 2015)

Line No.		Residential <u>A16 / A60</u> (a)	Small Commercial & Industrial <u>C-06</u> (b)	General Commercial & Industrial <u>G-02</u> (c)	Large Demand <u>B32</u> (d)	Large Demand <u>G32</u> (e)	Optional Large Demand <u>B62</u> (f)	Optional Large Demand <u>G62</u> (g)	Street Lighting <u>S05 / S10 / S14</u> (h)	Electric Propulsion <u>X-01</u> (i)
(1)	O&M Factor per kWh	\$0.00183	\$0.00200	\$0.00148	\$0.00090	\$0.00090	n/a	n/a	\$0.01372	\$0.00147
(2)	O&M Factor per kW	n/a	n/a	n/a	\$0.05	n/a	\$0.03	\$0.32	n/a	n/a
(3)	CapEx kWh Charge	\$0.00153	\$0.00150	n/a	n/a	n/a	n/a	n/a	\$0.00725	\$0.00123
(4)	CapEx kW Charge	n/a	n/a	\$0.38	\$0.04	\$0.40	\$0.02	\$0.23	n/a	n/a
(5)	Base Distribution kW Charge - Back-up Rates	n/a	n/a	n/a	\$0.70	n/a	\$0.30	n/a	n/a	n/a

Line Description:

- (1) Page 2, Line (6); Column (d) applicable to supplemental kWh deliveries only
- (2) Column (d) per Page 4, Column (a), Line (4), applicable to backup service only
Column (f) per Page 4, Column (b), Line (4)
Column (g) per Page 2, Column (f), Line (8)
- (3) Page 3, Line (6)
- (4) Columns (c), (e) and (g) per Page 2, Line (8)
Column (d) per Page 4, Column (a), Line (6), applicable to backup service only
Column (f) per Page 4, Column (b), Line (6)
- (5) Column (d) per Page 4, Column (a), Line (8), applicable to backup service only
Column (f) per Page 4, Column (b), Line (8)

The Narragansett Electric Company
FY16 Proposed Operations & Maintenance Factors
(for the 12 months beginning April 1, 2015)

Line No.	Total (a)	Residential A16 / A60 (b)	Small Commercial & Industrial C-06 (c)	General Commercial & Industrial G-02 (d)	Large Demand B32 / G32 (e)	Optional Large Demand B62 / G62 (f)	Street Lighting S05/ S10 / S14 (g)	Electric Propulsion X-01 (h)
(1) FY2016 Forecasted Vegetation Management (VM) and Inspection & Maintenance (I&M) O&M Expense	\$12,053,251							
(2) Operating & Maintenance Expense - Rate Year Allowance (\$000s)	\$35,640	\$17,115	\$3,503	\$5,508	\$5,438	\$1,306	\$2,668	\$102
(3) Percentage of Total	100.00%	48.02%	9.83%	15.45%	15.26%	3.66%	7.49%	0.29%
(4) Allocated Vegetation Management (VM) and Inspection & Maintenance (I&M) O&M Expense	\$12,053,251	\$5,788,198	\$1,184,695	\$1,862,775	\$1,839,102	\$441,682	\$902,303	\$34,496
(5) Forecasted kWh - April 2015 through March 2016	7,709,114,605	3,146,934,592	590,961,381	1,256,074,652	2,026,919,293	599,126,708	65,765,428	23,332,550
(6) Vegetation Management (VM) and Inspection & Maintenance (I&M) O&M Expense Charge per kWh		\$0.00183	\$0.00200	\$0.00148	\$0.00090	n/a	\$0.01372	\$0.00147
(7) Forecasted kW - April 2015 through March 2016						1,365,799		
(8) Vegetation Management (VM) and Inspection & Maintenance (I&M) O&M Expense Charge per kW		n/a	n/a	n/a	n/a	\$0.32	n/a	n/a

Line Description:

- (1) per Section 5: Attachment 1, Revised, page 1, line 4, column (b)
- (2) per R.I.P.U.C. 4323, Compliance Attachment 3A, (Schedule HSG-1), page 4, line 72
- (3) Line (2) ÷ Line (2) Total Column
- (4) Line (1) Total Column x Line (3)
- (5) per Company forecasts
- (6) Line (4) ÷ Line (5), truncated to 5 decimal places
- (7) per Company forecasts
- (8) Line (4) ÷ Line (7), truncated to 2 decimal places

The Narragansett Electric Company
FY 16 Proposed CapEx Factors
(for the 12 months beginning April 1, 2015)

Line No.	Total (a)	Residential A16 / A60 (b)	Small Commercial & Industrial C-06 (c)	General Commercial & Industrial G-02 (d)	Large Demand B32 / G32 (e)	Optional Large Demand B62 / G62 (f)	Street Lighting S05/ S10 / S14 (g)	Electric Propulsion X-01 (h)
(1) Proposed FY2016 Capital Investment Component of Revenue Requirement	\$9,148,541							
(2) Total Rate Base (\$000s)	\$561,738	\$296,490	\$54,542	\$82,460	\$77,651	\$19,545	\$29,286	\$1,764
(3) Percentage of Total	100.00%	52.78%	9.71%	14.68%	13.82%	3.48%	5.21%	0.31%
(4) Allocated Proposed Revenue Requirement	\$9,148,541	\$4,828,672	\$888,280	\$1,342,955	\$1,264,638	\$318,314	\$476,961	\$28,722
(5) Forecasted kWh - April 2015 through March 2016	7,709,114,605	3,146,934,592	590,961,381	1,256,074,652	2,026,919,293	599,126,708	65,765,428	23,332,550
(6) Proposed CapEx Factor - kWh charge		\$0.00153	\$0.00150	n/a	n/a	n/a	\$0.00725	\$0.00123
(7) Forecasted kW - April 2015 through March 2016				3,514,854	3,139,672	1,365,799		
(8) Proposed CapEx Factor - kW Charge		n/a	n/a	\$0.38	\$0.40	\$0.23	n/a	n/a

Line Description:

- (1) per Section 5: Attachment 1, Revised, page 1, Line (11), Column (b)
 - (2) per R.I.P.U.C. 4323, Compliance Attachment 3A, (Schedule HSG-1), Page 2, Line (10)
 - (3) Line (2) ÷ Line (2) Total Column
 - (4) Line (1) Total Column x Line (3)
 - (5) per Company forecasts
 - (6) For non demand-based rate classes, Line (4) ÷ Line (5), truncated to 5 decimal places
 - (7) per Company forecasts
 - (8) For demand-based rate classes, Line (4) ÷ Line (7), truncated to 2 decimal places
- Note: charges apply to kW>10 for rate class G-02 and kW>200 for rate class B32/G32

The Narragansett Electric Company
Calculation of Operations & Maintenance and CapEx Factors and Base Distribution Charge for Back-up Service Rates

Line No.	Large Demand <u>B32</u> (a)	Optional Large Demand <u>B62</u> (b)
<u>Operations & Maintenance Factors</u>		
(1)		
Allocated Vegetation Management (VM) and Inspection & Maintenance (I&M) O&M Expense	\$1,839,102	\$441,682
(2)		
Forecasted kW - April 2015 through March 2016	3,139,672	1,365,799
(3)		
Vegetation Management (VM) and Inspection & Maintenance (I&M) O&M Expense Charge per kW	\$0.58	\$0.32
(4)		
Discounted O&M kW Factor effective 4/01/2015	\$0.05	\$0.03
<u>CapEx Factors</u>		
(5)		
Proposed CapEx kW Factor Charge effective 4/01/2015	\$0.40	\$0.23
(6)		
Discounted CapEx kW Factor Charge effective 4/1/2015	\$0.04	\$0.02
<u>Base Distribution Charge</u>		
(7)		
Base Distribution kW Charge (before 90% discount) per most recent rate case	\$6.96	\$2.99
(8)		
Discounted Base Distribution kW Factor Charge effective 4/1/2015	\$0.70	\$0.30
(9)		
Sum of O&M and CapEx Factors and Base Distribution Charge for Back-up Service Rates	<u>\$0.79</u>	<u>\$0.35</u>

Line Description:

- (1) Page 2, Line (4)
- (2) per Company Forecasts
- (3) Line (1) ÷ Line (2), truncated to 2 decimal places
- (4) Line (3) x .10, truncated to two decimal places
- (5) Page 3, Line (8)
- (6) Line (5) x .10, truncated to two decimal places
- (7) per R.I.P.U.C. 4323 Compliance Attachment 3D, (Schedule JAL-4), Page 5, Line (36) and Page 6, Line (14), Column (b)
- (8) Line (7) x .10, truncated to two decimal places
- (9) Line (4) + Line (6) + Line (8)

The Narragansett Electric Company
Calculation of Base Distribution Charge, CapEx and Operations & Maintenance Factors for Back-up Service Rates

Line No.	<u>Total</u> (a)	Large Demand <u>B32</u> (b)	Optional Large Demand <u>B62</u> (c)
<u>Operations and Maintenance Factor</u>			
(1)	FY2015 Forecasted Vegetation Management (VM) and Inspection & Maintenance (I&M) O&M Expense	\$12,053,251	
(2)	Operating & Maintenance Expense - Rate Year Allowance (\$000s)	\$35,640	\$5,438
(3)	Percentage of Total		15.26%
(4)	Allocated Vegetation Management (VM) and Inspection & Maintenance (I&M) O&M Expense		\$1,839,102
(5)	Forecasted kWh - April 2015 through March 2016		3,139,672
(6)	Vegetation Management (VM) and Inspection & Maintenance (I&M) O&M Expense Charge per kW		\$0.58
<u>Adjustment to Base Distribution per kW Charge</u>			
(7)	Base Distribution kW Charge (before 90% discount) per most recent rate case		\$6.96
(8)	Proposed O&M kW Factor effective 4/01/2015		\$0.58
(9)	Proposed CapEx kW Factor Charge effective 4/01/2015		\$0.40
(10)	Total Undiscounted ISR kW Charges		\$0.98
(11)	Total per kW Charge		\$7.94
(12)	Discount Rate applied to Total Distribution kW charge		90%
(13)	Discounted per kW Charge		\$0.79
(14)	Sum of Proposed CapEx and O&M per kW Factors		\$0.98
(15)	Proposed Base Distribution kW Charge for 04/01/2014		(\$0.19)

Line Descriptions:

- (1) per Section 5: Attachment 1, page 1, line 3, column (b)
- (2) from Page 2, line (2)
- (3) Line (2) ÷ Line (2) Total Column
- (4) Line (1) Total Column x Line (3)
- (5) per Company forecasts
- (6) Line (4) ÷ Line (5), truncated to 2 decimal places
- (7) per R.I.P.U.C. 4323 Compliance Attachment 3D, (Schedule JAL-4), page 5, line 36 and page 6, line 14, column (b)
- (8) Line (6)
- (9) from Page 3, line (8)
- (10) Line (8) + Line (9)
- (11) Line (7) + Line (10)
- (12) per tariff
- (13) Line (11) x (1 - Line (12))
- (14) Line (10)
- (15) Line (13) - Line (14)

Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Rates Applicable to A-16 Rate Customers

Monthly kWh	Present Rates			Proposed Rates			Increase/(Decrease)		Percentage of Customers
	Total	Standard Offer	Delivery	Total	Standard Offer	Delivery	Amount	% of Total	
150	\$33.82	\$16.76	\$17.06	\$34.06	\$16.76	\$17.30	\$0.24	0.7%	13.7%
300	\$61.67	\$33.52	\$28.15	\$62.14	\$33.52	\$28.62	\$0.47	0.8%	17.5%
400	\$80.24	\$44.70	\$35.54	\$80.87	\$44.70	\$36.17	\$0.63	0.8%	11.8%
500	\$98.81	\$55.88	\$42.93	\$99.60	\$55.88	\$43.72	\$0.79	0.8%	10.8%
600	\$117.38	\$67.05	\$50.33	\$118.33	\$67.05	\$51.28	\$0.95	0.8%	9.4%
700	\$135.95	\$78.23	\$57.72	\$137.06	\$78.23	\$58.83	\$1.11	0.8%	7.7%
1,000	\$191.65	\$111.75	\$79.90	\$193.23	\$111.75	\$81.48	\$1.58	0.8%	15.0%
2,000	\$377.32	\$223.50	\$153.82	\$380.49	\$223.50	\$156.99	\$3.17	0.8%	14.1%

Present Rates

Customer Charge		\$5.00
LIHEAP Charge		\$0.73
Transmission Energy Charge	kWh x	\$0.02221
Distribution Energy Charge (1)	kWh x	\$0.03821
Transition Energy Charge	kWh x	\$0.00096
Energy Efficiency Program Charge	kWh x	\$0.00983
Renewable Energy Distribution Charge	kWh x	(\$0.00024)
Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.10728

Proposed Rates

Customer Charge		\$5.00
LIHEAP Charge		\$0.73
Transmission Energy Charge	kWh x	\$0.02221
Distribution Energy Charge (2)	kWh x	\$0.03973
Transition Energy Charge	kWh x	\$0.00096
Energy Efficiency Program Charge	kWh x	\$0.00983
Renewable Energy Distribution Charge	kWh x	(\$0.00024)
Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.10728

Note (1): includes the current CapEx Factor of 0.027¢/kWh and the current O&M Factor of 0.157¢/kWh

Note (2): includes the proposed CapEx Factor of 0.153¢/kWh and the proposed O&M Factor of 0.183¢/kWh

Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Rates Applicable to A-60 Rate Customers

Monthly kWh	Present Rates			Proposed Rates			Increase/(Decrease)		Percentage of Customers
	Total	Standard Offer	Delivery	Total	Standard Offer	Delivery	Amount	% of Total	
150	\$26.50	\$16.76	\$9.74	\$26.74	\$16.76	\$9.98	\$0.24	0.9%	10.7%
300	\$52.26	\$33.53	\$18.73	\$52.73	\$33.53	\$19.20	\$0.47	0.9%	23.2%
400	\$69.42	\$44.70	\$24.72	\$70.05	\$44.70	\$25.35	\$0.63	0.9%	14.9%
500	\$86.59	\$55.88	\$30.71	\$87.38	\$55.88	\$31.50	\$0.79	0.9%	12.2%
600	\$103.75	\$67.05	\$36.70	\$104.70	\$67.05	\$37.65	\$0.95	0.9%	9.6%
700	\$120.92	\$78.23	\$42.69	\$122.03	\$78.23	\$43.80	\$1.11	0.9%	7.3%
1,000	\$172.41	\$111.75	\$60.66	\$173.99	\$111.75	\$62.24	\$1.58	0.9%	12.3%
2,000	\$344.05	\$223.50	\$120.55	\$347.22	\$223.50	\$123.72	\$3.17	0.9%	9.8%

Present Rates

Customer Charge		\$0.00
LIHEAP Charge		\$0.73
Transmission Energy Charge	kWh x	\$0.02221
Distribution Energy Charge (1)	kWh x	\$0.02474
Transition Energy Charge	kWh x	\$0.00096
Energy Efficiency Program Charge	kWh x	\$0.00983
Renewable Energy Distribution Charge	kWh x	(\$0.00024)
Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.10728

Proposed Rates

Customer Charge		\$0.00
LIHEAP Charge		\$0.73
Transmission Energy Charge	kWh x	\$0.02221
Distribution Energy Charge (2)	kWh x	\$0.02626
Transition Energy Charge	kWh x	\$0.00096
Energy Efficiency Program Charge	kWh x	\$0.00983
Renewable Energy Distribution Charge	kWh x	(\$0.00024)
Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.10728

Note (1): includes the current CapEx Factor of 0.027¢/kWh and the current O&M Factor of 0.157¢/kWh

Note (2): includes the proposed CapEx Factor of 0.153¢/kWh and the proposed O&M Factor of 0.183¢/kWh

Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Rates Applicable to C-06 Rate Customers

Monthly kWh	Present Rates			Proposed Rates			Increase/(Decrease)		Percentage of Customers
	Total	Standard Offer	Delivery	Total	Standard Offer	Delivery	Amount	% of Total	
250	\$59.68	\$31.61	\$28.07	\$60.06	\$31.61	\$28.45	\$0.38	0.6%	35.2%
500	\$108.18	\$63.22	\$44.96	\$108.95	\$63.22	\$45.73	\$0.77	0.7%	17.0%
1,000	\$205.19	\$126.45	\$78.74	\$206.73	\$126.45	\$80.28	\$1.54	0.8%	19.0%
1,500	\$302.19	\$189.67	\$112.52	\$304.50	\$189.67	\$114.83	\$2.31	0.8%	9.8%
2,000	\$399.20	\$252.90	\$146.30	\$402.29	\$252.90	\$149.39	\$3.09	0.8%	19.1%

Present Rates

Customer Charge		\$10.00
LIHEAP Charge		\$0.73
Transmission Energy Charge	kWh x	\$0.02003
Distribution Energy Charge (1)	kWh x	\$0.03428
Transition Energy Charge	kWh x	\$0.00096
Energy Efficiency Program Charge	kWh x	\$0.00983
Renewable Energy Distribution Charge	kWh x	(\$0.00024)
Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.12139

Proposed Rates

Customer Charge		\$10.00
LIHEAP Charge		\$0.73
Transmission Energy Charge	kWh x	\$0.02003
Distribution Energy Charge (2)	kWh x	\$0.03576
Transition Energy Charge	kWh x	\$0.00096
Energy Efficiency Program Charge	kWh x	\$0.00983
Renewable Energy Distribution Charge	kWh x	(\$0.00024)
Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.12139

Note (1): includes the current CapEx Factor of 0.027¢/kWh and the current O&M Factor of 0.175¢/kWh

Note (2): includes the proposed CapEx Factor of 0.150¢/kWh and the proposed O&M Factor of 0.200¢/kWh

Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Rates Applicable to G-02 Rate Customers

Hours Use: 200

Monthly Power		Present Rates			Proposed Rates			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	Delivery	Total	Standard Offer	Delivery	Amount	% of Total
20	4,000	\$861.22	\$505.79	\$355.43	\$865.32	\$505.79	\$359.53	\$4.10	0.5%
50	10,000	\$2,017.84	\$1,264.48	\$753.36	\$2,032.95	\$1,264.48	\$768.47	\$15.11	0.7%
100	20,000	\$3,945.55	\$2,528.96	\$1,416.59	\$3,978.99	\$2,528.96	\$1,450.03	\$33.44	0.8%
150	30,000	\$5,873.26	\$3,793.44	\$2,079.82	\$5,925.03	\$3,793.44	\$2,131.59	\$51.77	0.9%

Present Rates

Customer Charge		\$135.00
LIHEAP Charge		\$0.73
Transmission Demand Charge	kW x	\$3.02
Transmission Energy Charge	kWh x	\$0.00768
Distribution Demand Charge-xcs 10 kW (1)	kW x	\$4.92
Distribution Energy Charge (3)	kWh x	\$0.00574
Transition Energy Charge	kWh x	\$0.00096
Energy Efficiency Program Charge	kWh x	\$0.00983
Renewable Energy Distribution Charge	kWh x	(\$0.00024)
Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.12139

Proposed Rates

Customer Charge		\$135.00
LIHEAP Charge		\$0.73
Transmission Demand Charge	kW x	\$3.02
Transmission Energy Charge	kWh x	\$0.00768
Distribution Demand Charge-xcs 10 kW (2)	kW x	\$5.23
Distribution Energy Charge (4)	kWh x	\$0.00595
Transition Energy Charge	kWh x	\$0.00096
Energy Efficiency Program Charge	kWh x	\$0.00983
Renewable Energy Distribution Charge	kWh x	(\$0.00024)
Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.12139

- Note (1): Includes the current CapEx Factor of \$0.07/kW
Note (2): Includes the proposed CapEx Factor of \$0.38/kW
Note (3): includes the current O&M Factor of 0.127¢/kWh
Note (4): includes the proposed O&M Factor of 0.148¢/kWh

Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Rates Applicable to G-02 Rate Customers

Hours Use: 300

Monthly Power		Present Rates			Proposed Rates			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	Delivery	Total	Standard Offer	Delivery	Amount	% of Total
20	6,000	\$1,164.05	\$758.69	\$405.36	\$1,168.60	\$758.69	\$409.91	\$4.55	0.4%
50	15,000	\$2,774.93	\$1,896.72	\$878.21	\$2,791.13	\$1,896.72	\$894.41	\$16.20	0.6%
100	30,000	\$5,459.72	\$3,793.44	\$1,666.28	\$5,495.35	\$3,793.44	\$1,701.91	\$35.63	0.7%
150	45,000	\$8,144.51	\$5,690.16	\$2,454.35	\$8,199.57	\$5,690.16	\$2,509.41	\$55.06	0.7%

Present Rates

Customer Charge		\$135.00
LIHEAP Charge		\$0.73
Transmission Demand Charge	kW x	\$3.02
Transmission Energy Charge	kWh x	\$0.00768
Distribution Demand Charge-xcs 10 kW (1)	kW x	\$4.92
Distribution Energy Charge (3)	kWh x	\$0.00574
Transition Energy Charge	kWh x	\$0.00096
Energy Efficiency Program Charge	kWh x	\$0.00983
Renewable Energy Distribution Charge	kWh x	(\$0.00024)

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.12139

Proposed Rates

Customer Charge		\$135.00
LIHEAP Charge		\$0.73
Transmission Demand Charge	kW x	\$3.02
Transmission Energy Charge	kWh x	\$0.00768
Distribution Demand Charge-xcs 10 kW (2)	kW x	\$5.23
Distribution Energy Charge (4)	kWh x	\$0.00595
Transition Energy Charge	kWh x	\$0.00096
Energy Efficiency Program Charge	kWh x	\$0.00983
Renewable Energy Distribution Charge	kWh x	(\$0.00024)

Gross Earnings Tax 4.00%

Standard Offer Charge kWh x \$0.12139

Note (1): Includes the current CapEx Factor of \$0.07/kW
Note (2): Includes the proposed CapEx Factor of \$0.38/kW
Note (3): includes the current O&M Factor of 0.127¢/kWh
Note (4): includes the proposed O&M Factor of 0.148¢/kWh

Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Rates Applicable to G-02 Rate Customers

Hours Use: 400

Monthly Power		Present Rates			Proposed Rates			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	Delivery	Total	Standard Offer	Delivery	Amount	% of Total
20	8,000	\$1,466.88	\$1,011.58	\$455.30	\$1,471.86	\$1,011.58	\$460.28	\$4.98	0.3%
50	20,000	\$3,532.01	\$2,528.96	\$1,003.05	\$3,549.30	\$2,528.96	\$1,020.34	\$17.29	0.5%
100	40,000	\$6,973.89	\$5,057.92	\$1,915.97	\$7,011.70	\$5,057.92	\$1,953.78	\$37.81	0.5%
150	60,000	\$10,415.77	\$7,586.88	\$2,828.89	\$10,474.10	\$7,586.88	\$2,887.22	\$58.33	0.6%

Present Rates

Customer Charge		\$135.00
LIHEAP Charge		\$0.73
Transmission Demand Charge	kW x	\$3.02
Transmission Energy Charge	kWh x	\$0.00768
Distribution Demand Charge-xcs 10 kW (1)	kW x	\$4.92
Distribution Energy Charge (3)	kWh x	\$0.00574
Transition Energy Charge	kWh x	\$0.00096
Energy Efficiency Program Charge	kWh x	\$0.00983
Renewable Energy Distribution Charge	kWh x	(\$0.00024)
Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.12139

Proposed Rates

Customer Charge		\$135.00
LIHEAP Charge		\$0.73
Transmission Demand Charge	kW x	\$3.02
Transmission Energy Charge	kWh x	\$0.00768
Distribution Demand Charge-xcs 10 kW (2)	kW x	\$5.23
Distribution Energy Charge (4)	kWh x	\$0.00595
Transition Energy Charge	kWh x	\$0.00096
Energy Efficiency Program Charge	kWh x	\$0.00983
Renewable Energy Distribution Charge	kWh x	(\$0.00024)
Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.12139

Note (1): Includes the current CapEx Factor of \$0.07/kW

Note (2): Includes the proposed CapEx Factor of \$0.38/kW

Note (3): includes the current O&M Factor of 0.127¢/kWh

Note (4): includes the proposed O&M Factor of 0.148¢/kWh

Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Rates Applicable to G-02 Rate Customers

Hours Use: 500

Monthly Power		Present Rates			Proposed Rates			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	Delivery	Total	Standard Offer	Delivery	Amount	% of Total
20	10,000	\$1,769.72	\$1,264.48	\$505.24	\$1,775.14	\$1,264.48	\$510.66	\$5.42	0.3%
50	25,000	\$4,289.10	\$3,161.20	\$1,127.90	\$4,307.48	\$3,161.20	\$1,146.28	\$18.38	0.4%
100	50,000	\$8,488.06	\$6,322.40	\$2,165.66	\$8,528.06	\$6,322.40	\$2,205.66	\$40.00	0.5%
150	75,000	\$12,687.01	\$9,483.59	\$3,203.42	\$12,748.62	\$9,483.59	\$3,265.03	\$61.61	0.5%

Present Rates

Customer Charge		\$135.00
LIHEAP Charge		\$0.73
Transmission Demand Charge	kW x	\$3.02
Transmission Energy Charge	kWh x	\$0.00768
Distribution Demand Charge-xcs 10 kW (1)	kW x	\$4.92
Distribution Energy Charge (3)	kWh x	\$0.00574
Transition Energy Charge	kWh x	\$0.00096
Energy Efficiency Program Charge	kWh x	\$0.00983
Renewable Energy Distribution Charge	kWh x	(\$0.00024)
Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.12139

Proposed Rates

Customer Charge		\$135.00
LIHEAP Charge		\$0.73
Transmission Demand Charge	kW x	\$3.02
Transmission Energy Charge	kWh x	\$0.00768
Distribution Demand Charge-xcs 10 kW (2)	kW x	\$5.23
Distribution Energy Charge (4)	kWh x	\$0.00595
Transition Energy Charge	kWh x	\$0.00096
Energy Efficiency Program Charge	kWh x	\$0.00983
Renewable Energy Distribution Charge	kWh x	(\$0.00024)
Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.12139

- Note (1): Includes the current CapEx Factor of \$0.07/kW
Note (2): Includes the proposed CapEx Factor of \$0.38/kW
Note (3): includes the current O&M Factor of 0.127¢/kWh
Note (4): includes the proposed O&M Factor of 0.148¢/kWh

Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Rates Applicable to G-02 Rate Customers

Hours Use: 600

Monthly Power		Present Rates			Proposed Rates			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	Delivery	Total	Standard Offer	Delivery	Amount	% of Total
20	12,000	\$2,072.56	\$1,517.38	\$555.18	\$2,078.41	\$1,517.38	\$561.03	\$5.85	0.3%
50	30,000	\$5,046.18	\$3,793.44	\$1,252.74	\$5,065.66	\$3,793.44	\$1,272.22	\$19.48	0.4%
100	60,000	\$10,002.22	\$7,586.88	\$2,415.34	\$10,044.41	\$7,586.88	\$2,457.53	\$42.19	0.4%
150	90,000	\$14,958.26	\$11,380.31	\$3,577.95	\$15,023.15	\$11,380.31	\$3,642.84	\$64.89	0.4%

Present Rates

Customer Charge		\$135.00
LIHEAP Charge		\$0.73
Transmission Demand Charge	kW x	\$3.02
Transmission Energy Charge	kWh x	\$0.00768
Distribution Demand Charge-xcs 10 kW (1)	kW x	\$4.92
Distribution Energy Charge (3)	kWh x	\$0.00574
Transition Energy Charge	kWh x	\$0.00096
Energy Efficiency Program Charge	kWh x	\$0.00983
Renewable Energy Distribution Charge	kWh x	(\$0.00024)
Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.12139

Proposed Rates

Customer Charge		\$135.00
LIHEAP Charge		\$0.73
Transmission Demand Charge	kW x	\$3.02
Transmission Energy Charge	kWh x	\$0.00768
Distribution Demand Charge-xcs 10 kW (2)	kW x	\$5.23
Distribution Energy Charge (4)	kWh x	\$0.00595
Transition Energy Charge	kWh x	\$0.00096
Energy Efficiency Program Charge	kWh x	\$0.00983
Renewable Energy Distribution Charge	kWh x	(\$0.00024)
Gross Earnings Tax		4.00%
Standard Offer Charge	kWh x	\$0.12139

- Note (1): Includes the current CapEx Factor of \$0.07/kW
Note (2): Includes the proposed CapEx Factor of \$0.38/kW
Note (3): includes the current O&M Factor of 0.127¢/kWh
Note (4): includes the proposed O&M Factor of 0.148¢/kWh

Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Rates Applicable to G-32 Rate Customers

Hours Use: 200

Monthly Power		Present Rates			Proposed Rates			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	Delivery	Total	Standard Offer	Delivery	Amount	% of Total
200	40,000	\$10,124.31	\$7,537.92	\$2,586.39	\$10,129.31	\$7,537.92	\$2,591.39	\$5.00	0.0%
750	150,000	\$37,760.66	\$28,267.19	\$9,493.47	\$37,968.47	\$28,267.19	\$9,701.28	\$207.81	0.6%
1,000	200,000	\$50,322.63	\$37,689.58	\$12,633.05	\$50,622.63	\$37,689.58	\$12,933.05	\$300.00	0.6%
1,500	300,000	\$75,446.60	\$56,534.38	\$18,912.22	\$75,930.97	\$56,534.38	\$19,396.59	\$484.37	0.6%
2,500	500,000	\$125,694.51	\$94,223.96	\$31,470.55	\$126,547.64	\$94,223.96	\$32,323.68	\$853.13	0.7%

Present Rates

Customer Charge		\$825.00
LIHEAP Charge		\$0.73
Transmission Demand Charge	kW x	\$3.40
Transmission Energy Charge	kWh x	\$0.00774
Distribution Demand Charge - > 200 kW (1)	kW x	\$3.77
Distribution Energy Charge (3)	kWh x	\$0.00614
Transition Energy Charge	kWh x	\$0.00096
Energy Efficiency Program Charge	kWh x	\$0.00983
Renewable Energy Distribution Charge	kWh x	(\$0.00024)
Gross Earnings Tax		4%
Standard Offer Charge	kWh x	\$0.18091

Proposed Rates

Customer Charge		\$825.00
LIHEAP Charge		\$0.73
Transmission Demand Charge	kW x	\$3.40
Transmission Energy Charge	kWh x	\$0.00774
Distribution Demand Charge - > 200 kW (2)	kW x	\$4.10
Distribution Energy Charge (4)	kWh x	\$0.00626
Transition Energy Charge	kWh x	\$0.00096
Energy Efficiency Program Charge	kWh x	\$0.00983
Renewable Energy Distribution Charge	kWh x	(\$0.00024)
Gross Earnings Tax		4%
Standard Offer Charge	kWh x	\$0.18091

Note (1): Includes the current CapEx Factor of \$0.07/kW

Note (2): Includes the proposed CapEx Factor of \$0.40/kW

Note (3): includes the current O&M Factor of 0.078¢/kWh

Note (4): includes the proposed O&M Factor of 0.090¢/kWh

Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Rates Applicable to G-32 Rate Customers

Hours Use: 300

Monthly Power		Present Rates			Proposed Rates			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	Delivery	Total	Standard Offer	Delivery	Amount	% of Total
200	60,000	\$14,402.22	\$11,306.88	\$3,095.34	\$14,409.72	\$11,306.88	\$3,102.84	\$7.50	0.1%
750	225,000	\$53,802.84	\$42,400.78	\$11,402.06	\$54,020.03	\$42,400.78	\$11,619.25	\$217.19	0.4%
1,000	300,000	\$71,712.22	\$56,534.38	\$15,177.84	\$72,024.72	\$56,534.38	\$15,490.34	\$312.50	0.4%
1,500	450,000	\$107,530.97	\$84,801.56	\$22,729.41	\$108,034.09	\$84,801.56	\$23,232.53	\$503.12	0.5%
2,500	750,000	\$179,168.47	\$141,335.94	\$37,832.53	\$180,052.85	\$141,335.94	\$38,716.91	\$884.38	0.5%

Present Rates

Customer Charge		\$825.00
LIHEAP Charge		\$0.73
Transmission Demand Charge	kW x	\$3.40
Transmission Energy Charge	kWh x	\$0.00774
Distribution Demand Charge - > 200 kW (1)	kW x	\$3.77
Distribution Energy Charge (3)	kWh x	\$0.00614
Transition Energy Charge	kWh x	\$0.00096
Energy Efficiency Program Charge	kWh x	\$0.00983
Renewable Energy Distribution Charge	kWh x	(\$0.00024)
Gross Earnings Tax		4%
Standard Offer Charge	kWh x	\$0.18091

Proposed Rates

Customer Charge		\$825.00
LIHEAP Charge		\$0.73
Transmission Demand Charge	kW x	\$3.40
Transmission Energy Charge	kWh x	\$0.00774
Distribution Demand Charge - > 200 kW (2)	kW x	\$4.10
Distribution Energy Charge (4)	kWh x	\$0.00626
Transition Energy Charge	kWh x	\$0.00096
Energy Efficiency Program Charge	kWh x	\$0.00983
Renewable Energy Distribution Charge	kWh x	(\$0.00024)
Gross Earnings Tax		4%
Standard Offer Charge	kWh x	\$0.18091

Note (1): Includes the current CapEx Factor of \$0.07/kW

Note (2): Includes the proposed CapEx Factor of \$0.40/kW

Note (3): includes the current O&M Factor of 0.078¢/kWh

Note (4): includes the proposed O&M Factor of 0.090¢/kWh

Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Rates Applicable to G-32 Rate Customers

Hours Use: 400

Monthly Power		Present Rates			Proposed Rates			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	Delivery	Total	Standard Offer	Delivery	Amount	% of Total
200	80,000	\$18,680.13	\$15,075.83	\$3,604.30	\$18,690.13	\$15,075.83	\$3,614.30	\$10.00	0.1%
750	300,000	\$69,845.04	\$56,534.38	\$13,310.66	\$70,071.60	\$56,534.38	\$13,537.22	\$226.56	0.3%
1,000	400,000	\$93,101.81	\$75,379.17	\$17,722.64	\$93,426.81	\$75,379.17	\$18,047.64	\$325.00	0.3%
1,500	600,000	\$139,615.34	\$113,068.75	\$26,546.59	\$140,137.22	\$113,068.75	\$27,068.47	\$521.88	0.4%
2,500	1,000,000	\$232,642.43	\$188,447.92	\$44,194.51	\$233,558.06	\$188,447.92	\$45,110.14	\$915.63	0.4%

Present Rates

Customer Charge		\$825.00
LIHEAP Charge		\$0.73
Transmission Demand Charge	kW x	\$3.40
Transmission Energy Charge	kWh x	\$0.00774
Distribution Demand Charge - > 200 kW (1)	kW x	\$3.77
Distribution Energy Charge (3)	kWh x	\$0.00614
Transition Energy Charge	kWh x	\$0.00096
Energy Efficiency Program Charge	kWh x	\$0.00983
Renewable Energy Distribution Charge	kWh x	(\$0.00024)
Gross Earnings Tax		4%
Standard Offer Charge	kWh x	\$0.18091

Proposed Rates

Customer Charge		\$825.00
LIHEAP Charge		\$0.73
Transmission Demand Charge	kW x	\$3.40
Transmission Energy Charge	kWh x	\$0.00774
Distribution Demand Charge - > 200 kW (2)	kW x	\$4.10
Distribution Energy Charge (4)	kWh x	\$0.00626
Transition Energy Charge	kWh x	\$0.00096
Energy Efficiency Program Charge	kWh x	\$0.00983
Renewable Energy Distribution Charge	kWh x	(\$0.00024)
Gross Earnings Tax		4%
Standard Offer Charge	kWh x	\$0.18091

Note (1): Includes the current CapEx Factor of \$0.07/kW

Note (2): Includes the proposed CapEx Factor of \$0.40/kW

Note (3): includes the current O&M Factor of 0.078¢/kWh

Note (4): includes the proposed O&M Factor of 0.090¢/kWh

Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Rates Applicable to G-32 Rate Customers

Hours Use: 500

Monthly Power		Present Rates			Proposed Rates			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	Delivery	Total	Standard Offer	Delivery	Amount	% of Total
200	100,000	\$22,958.05	\$18,844.79	\$4,113.26	\$22,970.55	\$18,844.79	\$4,125.76	\$12.50	0.1%
750	375,000	\$85,887.22	\$70,667.97	\$15,219.25	\$86,123.16	\$70,667.97	\$15,455.19	\$235.94	0.3%
1,000	500,000	\$114,491.39	\$94,223.96	\$20,267.43	\$114,828.89	\$94,223.96	\$20,604.93	\$337.50	0.3%
1,500	750,000	\$171,699.72	\$141,335.94	\$30,363.78	\$172,240.35	\$141,335.94	\$30,904.41	\$540.63	0.3%
2,500	1,250,000	\$286,116.39	\$235,559.90	\$50,556.49	\$287,063.26	\$235,559.90	\$51,503.36	\$946.87	0.3%

Present Rates

Customer Charge		\$825.00
LIHEAP Charge		\$0.73
Transmission Demand Charge	kW x	\$3.40
Transmission Energy Charge	kWh x	\$0.00774
Distribution Demand Charge - > 200 kW (1)	kW x	\$3.77
Distribution Energy Charge (3)	kWh x	\$0.00614
Transition Energy Charge	kWh x	\$0.00096
Energy Efficiency Program Charge	kWh x	\$0.00983
Renewable Energy Distribution Charge	kWh x	(\$0.00024)
Gross Earnings Tax		4%
Standard Offer Charge	kWh x	\$0.18091

Proposed Rates

Customer Charge		\$825.00
LIHEAP Charge		\$0.73
Transmission Demand Charge	kW x	\$3.40
Transmission Energy Charge	kWh x	\$0.00774
Distribution Demand Charge - > 200 kW (2)	kW x	\$4.10
Distribution Energy Charge (4)	kWh x	\$0.00626
Transition Energy Charge	kWh x	\$0.00096
Energy Efficiency Program Charge	kWh x	\$0.00983
Renewable Energy Distribution Charge	kWh x	(\$0.00024)
Gross Earnings Tax		4%
Standard Offer Charge	kWh x	\$0.18091

Note (1): Includes the current CapEx Factor of \$0.07/kW

Note (2): Includes the proposed CapEx Factor of \$0.40/kW

Note (3): includes the current O&M Factor of 0.078¢/kWh

Note (4): includes the proposed O&M Factor of 0.090¢/kWh

Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Rates Applicable to G-32 Rate Customers

Hours Use: 600

Monthly Power		Present Rates			Proposed Rates			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	Delivery	Total	Standard Offer	Delivery	Amount	% of Total
200	120,000	\$27,235.97	\$22,613.75	\$4,622.22	\$27,250.97	\$22,613.75	\$4,637.22	\$15.00	0.1%
750	450,000	\$101,929.40	\$84,801.56	\$17,127.84	\$102,174.72	\$84,801.56	\$17,373.16	\$245.32	0.2%
1,000	600,000	\$135,880.97	\$113,068.75	\$22,812.22	\$136,230.97	\$113,068.75	\$23,162.22	\$350.00	0.3%
1,500	900,000	\$203,784.10	\$169,603.13	\$34,180.97	\$204,343.47	\$169,603.13	\$34,740.34	\$559.37	0.3%
2,500	1,500,000	\$339,590.35	\$282,671.88	\$56,918.47	\$340,568.47	\$282,671.88	\$57,896.59	\$978.12	0.3%

Present Rates

Customer Charge		\$825.00
LIHEAP Charge		\$0.73
Transmission Demand Charge	kW x	\$3.40
Transmission Energy Charge	kWh x	\$0.00774
Distribution Demand Charge - > 200 kW (1)	kW x	\$3.77
Distribution Energy Charge (3)	kWh x	\$0.00614
Transition Energy Charge	kWh x	\$0.00096
Energy Efficiency Program Charge	kWh x	\$0.00983
Renewable Energy Distribution Charge	kWh x	(\$0.00024)
Gross Earnings Tax		4%
Standard Offer Charge	kWh x	\$0.18091

Proposed Rates

Customer Charge		\$825.00
LIHEAP Charge		\$0.73
Transmission Demand Charge	kW x	\$3.40
Transmission Energy Charge	kWh x	\$0.00774
Distribution Demand Charge - > 200 kW (2)	kW x	\$4.10
Distribution Energy Charge (4)	kWh x	\$0.00626
Transition Energy Charge	kWh x	\$0.00096
Energy Efficiency Program Charge	kWh x	\$0.00983
Renewable Energy Distribution Charge	kWh x	(\$0.00024)
Gross Earnings Tax		4%
Standard Offer Charge	kWh x	\$0.18091

Note (1): Includes the current CapEx Factor of \$0.07/kW
Note (2): Includes the proposed CapEx Factor of \$0.40/kW
Note (3): includes the current O&M Factor of 0.078¢/kWh
Note (4): includes the proposed O&M Factor of 0.090¢/kWh

Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Rates Applicable to G-62 Rate Customers

Hours Use: 200

Monthly Power		Present Rates			Proposed Rates			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	Delivery	Total	Standard Offer	Delivery	Amount	% of Total
3,000	600,000	\$163,840.34	\$113,068.75	\$50,771.59	\$164,465.34	\$113,068.75	\$51,396.59	\$625.00	0.4%
5,000	1,000,000	\$261,261.18	\$188,447.92	\$72,813.26	\$262,302.85	\$188,447.92	\$73,854.93	\$1,041.67	0.4%
7,500	1,500,000	\$383,037.22	\$282,671.88	\$100,365.34	\$384,599.72	\$282,671.88	\$101,927.84	\$1,562.50	0.4%
10,000	2,000,000	\$504,813.26	\$376,895.83	\$127,917.43	\$506,896.59	\$376,895.83	\$130,000.76	\$2,083.33	0.4%
20,000	4,000,000	\$991,917.43	\$753,791.67	\$238,125.76	\$996,084.10	\$753,791.67	\$242,292.43	\$4,166.67	0.4%

Present Rates

Customer Charge		\$17,000.00
LIHEAP Charge		\$0.73
Transmission Demand Charge	kW x	\$3.02
Transmission Energy Charge	kWh x	\$0.01070
Distribution Demand Charge (1)	kW x	\$3.34
Distribution Energy Charge	kWh x	(\$0.00015)
Transition Energy Charge	kWh x	\$0.00096
Energy Efficiency Program Charge	kWh x	\$0.00983
Renewable Energy Distribution Charge	kWh x	(\$0.00024)
Gross Earnings Tax		4%
Standard Offer Charge	kWh x	\$0.18091

Proposed Rates

Customer Charge		\$17,000.00
LIHEAP Charge		\$0.73
Transmission Demand Charge	kW x	\$3.02
Transmission Energy Charge	kWh x	\$0.01070
Distribution Demand Charge (2)	kW x	\$3.54
Distribution Energy Charge	kWh x	(\$0.00015)
Transition Energy Charge	kWh x	\$0.00096
Energy Efficiency Program Charge	kWh x	\$0.00983
Renewable Energy Distribution Charge	kW x	(\$0.00024)
Gross Earnings Tax		4%
Standard Offer Charge	kWh x	\$0.18091

Note (1): Includes the current O&M kW Charge of \$0.31/kW and the current CapEx kW Charge of \$0.04/kW

Note (2): Includes the proposed O&M kW Charge of \$0.32/kW and the proposed CapEx kW Charge of \$0.23/kW

Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Rates Applicable to G-62 Rate Customers

Hours Use: 300

Monthly Power		Present Rates			Proposed Rates			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	Delivery	Total	Standard Offer	Delivery	Amount	% of Total
3,000	900,000	\$226,968.47	\$169,603.13	\$57,365.34	\$227,593.47	\$169,603.13	\$57,990.34	\$625.00	0.3%
5,000	1,500,000	\$366,474.72	\$282,671.88	\$83,802.84	\$367,516.39	\$282,671.88	\$84,844.51	\$1,041.67	0.3%
7,500	2,250,000	\$540,857.53	\$424,007.81	\$116,849.72	\$542,420.03	\$424,007.81	\$118,412.22	\$1,562.50	0.3%
10,000	3,000,000	\$715,240.34	\$565,343.75	\$149,896.59	\$717,323.68	\$565,343.75	\$151,979.93	\$2,083.34	0.3%
20,000	6,000,000	\$1,412,771.59	\$1,130,687.50	\$282,084.09	\$1,416,938.26	\$1,130,687.50	\$286,250.76	\$4,166.67	0.3%

Present Rates

Customer Charge		\$17,000.00
LIHEAP Charge		\$0.73
Transmission Demand Charge	kW x	\$3.02
Transmission Energy Charge	kWh x	\$0.01070
Distribution Demand Charge (1)	kW x	\$3.34
Distribution Energy Charge	kWh x	(\$0.00015)
Transition Energy Charge	kWh x	\$0.00096
Energy Efficiency Program Charge	kWh x	\$0.00983
Renewable Energy Distribution Charge	kWh x	(\$0.00024)
Gross Earnings Tax		4%
Standard Offer Charge	kWh x	\$0.18091

Proposed Rates

Customer Charge		\$17,000.00
LIHEAP Charge		\$0.73
Transmission Demand Charge	kW x	\$3.02
Transmission Energy Charge	kWh x	\$0.01070
Distribution Demand Charge (2)	kW x	\$3.54
Distribution Energy Charge	kWh x	(\$0.00015)
Transition Energy Charge	kWh x	\$0.00096
Energy Efficiency Program Charge	kWh x	\$0.00983
Renewable Energy Distribution Charge	kWh x	(\$0.00024)
Gross Earnings Tax		4%
Standard Offer Charge	kWh x	\$0.18091

Note (1): Includes the current O&M kW Charge of \$0.31/kW and the current CapEx kW Charge of \$0.04/kW

Note (2): Includes the proposed O&M kW Charge of \$0.32/kW and the proposed CapEx kW Charge of \$0.23/kW

Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Rates Applicable to G-62 Rate Customers

Hours Use: 400

Monthly Power		Present Rates			Proposed Rates			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	Delivery	Total	Standard Offer	Delivery	Amount	% of Total
3,000	1,200,000	\$290,096.59	\$226,137.50	\$63,959.09	\$290,721.59	\$226,137.50	\$64,584.09	\$625.00	0.2%
5,000	2,000,000	\$471,688.26	\$376,895.83	\$94,792.43	\$472,729.92	\$376,895.83	\$95,834.09	\$1,041.66	0.2%
7,500	3,000,000	\$698,677.84	\$565,343.75	\$133,334.09	\$700,240.34	\$565,343.75	\$134,896.59	\$1,562.50	0.2%
10,000	4,000,000	\$925,667.43	\$753,791.67	\$171,875.76	\$927,750.76	\$753,791.67	\$173,959.09	\$2,083.33	0.2%
20,000	8,000,000	\$1,833,625.76	\$1,507,583.33	\$326,042.43	\$1,837,792.42	\$1,507,583.33	\$330,209.09	\$4,166.66	0.2%

Present Rates

Customer Charge		\$17,000.00
LIHEAP Charge		\$0.73
Transmission Demand Charge	kW x	\$3.02
Transmission Energy Charge	kWh x	\$0.01070
Distribution Demand Charge (1)	kW x	\$3.34
Distribution Energy Charge	kWh x	(\$0.00015)
Transition Energy Charge	kWh x	\$0.00096
Energy Efficiency Program Charge	kWh x	\$0.00983
Renewable Energy Distribution Charge	kWh x	(\$0.00024)
Gross Earnings Tax		4%
Standard Offer Charge	kWh x	\$0.18091

Proposed Rates

Customer Charge		\$17,000.00
LIHEAP Charge		\$0.73
Transmission Demand Charge	kW x	\$3.02
Transmission Energy Charge	kWh x	\$0.01070
Distribution Demand Charge (2)	kW x	\$3.54
Distribution Energy Charge	kWh x	(\$0.00015)
Transition Energy Charge	kWh x	\$0.00096
Energy Efficiency Program Charge	kWh x	\$0.00983
Renewable Energy Distribution Charge	kWh x	(\$0.00024)
Gross Earnings Tax		4%
Standard Offer Charge	kWh x	\$0.18091

Note (1): Includes the current O&M kW Charge of \$0.31/kW and the current CapEx kW Charge of \$0.04/kW

Note (2): Includes the proposed O&M kW Charge of \$0.32/kW and the proposed CapEx kW Charge of \$0.23/kW

Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Rates Applicable to G-62 Rate Customers

Hours Use: 500

Monthly Power		Present Rates			Proposed Rates			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	Delivery	Total	Standard Offer	Delivery	Amount	% of Total
3,000	1,500,000	\$353,224.72	\$282,671.88	\$70,552.84	\$353,849.72	\$282,671.88	\$71,177.84	\$625.00	0.2%
5,000	2,500,000	\$576,901.80	\$471,119.79	\$105,782.01	\$577,943.47	\$471,119.79	\$106,823.68	\$1,041.67	0.2%
7,500	3,750,000	\$856,498.16	\$706,679.69	\$149,818.47	\$858,060.66	\$706,679.69	\$151,380.97	\$1,562.50	0.2%
10,000	5,000,000	\$1,136,094.51	\$942,239.58	\$193,854.93	\$1,138,177.84	\$942,239.58	\$195,938.26	\$2,083.33	0.2%
20,000	10,000,000	\$2,254,479.93	\$1,884,479.17	\$370,000.76	\$2,258,646.60	\$1,884,479.17	\$374,167.43	\$4,166.67	0.2%

Present Rates

Customer Charge		\$17,000.00
LIHEAP Charge		\$0.73
Transmission Demand Charge	kW x	\$3.02
Transmission Energy Charge	kWh x	\$0.01070
Distribution Demand Charge (1)	kW x	\$3.34
Distribution Energy Charge	kWh x	(\$0.00015)
Transition Energy Charge	kWh x	\$0.00096
Energy Efficiency Program Charge	kWh x	\$0.00983
Renewable Energy Distribution Charge	kWh x	(\$0.00024)

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.18091

Proposed Rates

Customer Charge		\$17,000.00
LIHEAP Charge		\$0.73
Transmission Demand Charge	kW x	\$3.02
Transmission Energy Charge	kWh x	\$0.01070
Distribution Demand Charge (2)	kW x	\$3.54
Distribution Energy Charge	kWh x	(\$0.00015)
Transition Energy Charge	kWh x	\$0.00096
Energy Efficiency Program Charge	kWh x	\$0.00983
Renewable Energy Distribution Charge	kWh x	(\$0.00024)

Gross Earnings Tax 4%

Standard Offer Charge kWh x \$0.18091

Note (1): Includes the current O&M kW Charge of \$0.31/kW and the current CapEx kW Charge of \$0.04/kW

Note (2): Includes the proposed O&M kW Charge of \$0.32/kW and the proposed CapEx kW Charge of \$0.23/kW

Calculation of Monthly Typical Bill
Comparison of Present and Proposed Rates
Rates Applicable to G-62 Rate Customers

Hours Use: 600

Monthly Power		Present Rates			Proposed Rates			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	Delivery	Total	Standard Offer	Delivery	Amount	% of Total
3,000	1,800,000	\$416,352.84	\$339,206.25	\$77,146.59	\$416,977.84	\$339,206.25	\$77,771.59	\$625.00	0.2%
5,000	3,000,000	\$682,115.34	\$565,343.75	\$116,771.59	\$683,157.01	\$565,343.75	\$117,813.26	\$1,041.67	0.2%
7,500	4,500,000	\$1,014,318.47	\$848,015.63	\$166,302.84	\$1,015,880.97	\$848,015.63	\$167,865.34	\$1,562.50	0.2%
10,000	6,000,000	\$1,346,521.59	\$1,130,687.50	\$215,834.09	\$1,348,604.93	\$1,130,687.50	\$217,917.43	\$2,083.34	0.2%
20,000	12,000,000	\$2,675,334.09	\$2,261,375.00	\$413,959.09	\$2,679,500.76	\$2,261,375.00	\$418,125.76	\$4,166.67	0.2%

Present Rates

Customer Charge		\$17,000.00
LIHEAP Charge		\$0.73
Transmission Demand Charge	kW x	\$3.02
Transmission Energy Charge	kWh x	\$0.01070
Distribution Demand Charge (1)	kW x	\$3.34
Distribution Energy Charge	kWh x	(\$0.00015)
Transition Energy Charge	kWh x	\$0.00096
Energy Efficiency Program Charge	kWh x	\$0.00983
Renewable Energy Distribution Charge	kWh x	(\$0.00024)
Gross Earnings Tax		4%
Standard Offer Charge	kWh x	\$0.18091

Proposed Rates

Customer Charge		\$17,000.00
LIHEAP Charge		\$0.73
Transmission Demand Charge	kW x	\$3.02
Transmission Energy Charge	kWh x	\$0.01070
Distribution Demand Charge (2)	kW x	\$3.54
Distribution Energy Charge	kWh x	(\$0.00015)
Transition Energy Charge	kWh x	\$0.00096
Energy Efficiency Program Charge	kWh x	\$0.00983
Renewable Energy Distribution Charge	kW x	(\$0.00024)
Gross Earnings Tax		4%
Standard Offer Charge	kWh x	\$0.18091

Note (1): Includes the current O&M kW Charge of \$0.31/kW and the current CapEx kW Charge of \$0.04/kW

Note (2): Includes the proposed O&M kW Charge of \$0.32/kW and the proposed CapEx kW Charge of \$0.23/kW