

The Narragansett Electric Company  
d/b/a National Grid

Distribution Adjustment Charge Filing

Supplemental Testimony and Schedules of  
Ann E. Leary  
and  
William R. Richer

September 1, 2017

Submitted to:  
Rhode Island Public Utilities Commission  
RIPUC Docket No. 4708

Submitted by:

**nationalgrid**





Robert J. Humm  
Senior Counsel

September 1, 2017

**VIA HAND DELIVERY & ELECTRONIC MAIL**

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

**RE: Docket 4708 - 2017 Distribution Adjustment Charge  
Supplemental Testimony and Schedules of Ann E. Leary and William R. Richer**

Dear Ms. Massaro:

Enclosed please find 10 copies of National Grid's<sup>1</sup> supplement to its August 1, 2017 annual Distribution Adjustment Charge (DAC) filing. This submission consists of the pre-filed supplemental testimony and schedules of Ann E. Leary and William R. Richer. In her supplemental testimony and schedules, Ms. Leary incorporates updates to the DAC components and provides proposed DAC factors for effect November 1, 2017. Ms. Leary also provides a bill impact analysis of the proposed DAC factors. Mr. Richer's supplemental testimony describes National Grid's earnings subject to the Earnings Sharing Mechanism (ESM) for the 12-month period ending March 31, 2017. In last year's DAC filing, Docket No. 4634, Order No. 22884, the Public Utilities Commission ruled that National Grid shall file its Earnings Report on September 1 each year.

As described in Ms. Leary's testimony, the bill impact of the proposed DAC factors for an average residential heating customer utilizing 846 therms translates into an annual decrease of \$4.26, or 0.4% less than the rates currently in effect. The \$4.26 decrease is comprised of a \$4.13 decrease in the DAC factors and a \$0.13 decrease in the associated Gross Earnings Tax.

Thank you for your attention to this matter. If you have any questions, please contact me at 401-784-7415.

Very truly yours,

Robert J. Humm

Enclosures

cc: Docket 4708 Service List  
Leo Wold, Esq.  
Steve Scialabba, Division  
Bruce Oliver, Division

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<sup>1</sup> The Narragansett Electric Company d/b/a National Grid.

Testimony of  
Ann E. Leary

**THE NARRAGANSETT ELECTRIC COMPANY  
d/b/a NATIONAL GRID  
RIPUC DOCKET NO. 4708  
SUPPLEMENTAL DISTRIBUTION ADJUSTMENT CHARGE FILING  
WITNESS: ANN E. LEARY  
SEPTEMBER 1, 2017**

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**SUPPLEMENTAL DIRECT TESTIMONY**

**OF**

**ANN E. LEARY**

**September 1, 2017**

**THE NARRAGANSETT ELECTRIC COMPANY**  
**d/b/a NATIONAL GRID**  
**RIPUC DOCKET NO. 4708**  
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**THE NARRAGANSETT ELECTRIC COMPANY  
d/b/a NATIONAL GRID  
RIPUC DOCKET NO. 4708**

## 1 I. Introduction

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

3 A. My name is Ann E. Leary and my business address is Reservoir Woods, 40 Sylvan Road,  
4 Waltham, Massachusetts 02451.

5

6 Q. Have you previously submitted testimony in this Docket?

7 A. Yes. I submitted my direct testimony on August 1, 2017.

8

9 Q. What is the purpose of your supplemental testimony?

10 A. The purpose of this supplemental testimony is to provide an update to the proposed  
11 Distribution Adjustment Charge (DAC) factors effective November 1, 2017.  
12 Specifically, this supplemental testimony will: (1) propose the System Pressure factor;  
13 (2) propose the Earnings Sharing Mechanism (ESM) factor; (3) provide the calculation of  
14 the proposed base DAC factors, which will be a component of the overall DAC factors,  
15 including the fiscal year (FY) 2017 Infrastructure, Safety, and Reliability (ISR)  
16 Reconciliation factors that are proposed to become effective November 1, 2017 and the  
17 FY 2018 ISR Plan factors currently in effect; and (4) present the impact on customer bills  
18 resulting from the proposed DAC factors. This filing is submitted pursuant to the  
19 Company's Distribution Adjustment Clause in its tariff, RIPUC NG-GAS No. 101, under  
20 Section 3, Schedule A.

21

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1      **Q. Are you sponsoring any updated schedules with your supplemental testimony?**

2      A. Yes. I am sponsoring the following updated schedules that accompany my supplemental  
3      testimony:

4              Schedule AEL-1S              Summary of DAC Factors

5              Schedule AEL-2S              System Pressure Factor

6              Schedule AEL-8S              ISR Reconciliation Factors

7              Schedule AEL-10S              Reconciliation Factor

8              Schedule AEL-12S              Earnings Sharing Factor

9              Schedule AEL-13              Bill Impact Analysis

10     For ease of reference, the Company has also included all other schedules in this  
11     supplemental filing, although the Company is not making any changes to them in this  
12     submission.

13

14      **II. Updated DAC Components**

15      **Q. Please describe the updates to the DAC contained in this supplemental filing.**

16      A. In accordance with the agreement made with the Division of Public Utilities and Carriers  
17      (Division) during the 2010-11 DAC proceeding in Docket No. 4196, the Company does  
18      not propose a System Pressure factor as part of its annual August 1 DAC filings, but  
19      rather proposes the System Pressure factor in its supplemental DAC filings typically  
20      submitted to the Public Utilities Commission on or about September 1. This  
21      supplemental filing also includes the FY 2017 Earnings Report and the proposal for an

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1       ESM factor in the DAC factors. In addition, the DAC Reconciliation component has  
2       been updated to include actual data for July 2017, as presented in Schedule AEL-8S and  
3       Schedule AEL-10S. Consequently, the proposed DAC factors are calculated inclusive of  
4       these figures, which are then combined with the FY 2017 ISR Plan reconciliation factors  
5       and currently-effective FY 2018 ISR Plan factors to derive the proposed overall DAC  
6       factors per rate class to take effect November 1, 2017. The proposed DAC factors are  
7       summarized on Schedule AEL-1S.

8

9       **Q. In your initial DAC testimony submitted on August 1, 2017, you describe the System**  
10      **Pressure component of the DAC. Is the Company proposing any changes to the**  
11      **derivation of the System Pressure factor?**

12      A. Yes, the Company is proposing to revise the basis upon which the System Pressure  
13      factor, as set forth in the settlement agreement between the Company and the Division in  
14      the Company's 2012-13 DAC filing in Docket No. 4339 (Settlement Agreement). The  
15      Company no longer needs to rely on liquefied natural gas (LNG) for system pressure with  
16      the operation of the Algonquin Crary Street Gate Station (Crary Street Gate Station)  
17      effective July 17, 2017. In the Settlement Agreement, the Company acknowledged that it  
18      occasionally uses LNG to maintain proper operating pressure in the Company's  
19      distribution system. As such, the Company agreed to allocate 75.77% of its LNG lease  
20      payment costs to the DAC. In addition, at the end of each heating season, the Company  
21      agreed to compare the actual LNG used with the amount forecasted under normal

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1           weather conditions, and reallocate any amount that exceeds the projected amount to the  
2           DAC by multiplying the incremental usage by the average inventory price.

3  
4           In this filing, the Company is proposing to maintain the 75.77% allocation used for  
5           system pressure and simply replace the costs associated with the LNG lease contract with  
6           the contract for the Crary Street Gate Station. In addition, the Company will eliminate  
7           the end of season reallocation of LNG commodity that exceeded normal projections from  
8           the GCR to the DAC.

9  
10          **Q. What is the rationale for proposing a change to the existing Settlement Agreement?**

11         A. As described in Company witness Nancy G. Culliford's pre-filed direct testimony  
12           contained in the Company's 2017-18 Gas Cost Recovery (GCR) filing, Docket No. 4719,  
13           submitted today under separate cover, the Crary Street Gate Station eliminates the  
14           Company's need to rely on LNG to maintain pressure in its distribution system. The  
15           Crary Street Gate Station provides firm natural gas transportation capacity on the  
16           Manchester Street lateral off of the Algonquin main line to a new meter station. The new  
17           meter station has a contractual maximum daily quantity of 96,000 dekatherms (Dth) per  
18           day. The new citygate station at Crary Street provides enhanced reliability for the  
19           Company's distribution system, as it allows for a new feed into the distribution system at  
20           higher pipeline pressures. Furthermore, during the shoulder months, the Crary Street  
21           Gate Station eliminates the need to rely on LNG to maintain system pressure before it

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1       would otherwise be needed to meet customer load. Therefore, since LNG is no longer  
2       required for system pressure, the Company is proposing to revise the calculation in the  
3       System Pressure Settlement Agreement from Docket No. 4339.

4

5   **Q.   What cost implications result from the proposed revision to the System Pressure**  
6       **factor?**

7   A.   The Company anticipates a net increase to the DAC of approximately \$0.5 million as a  
8       result of the proposed change to the System Pressure calculation. Although the costs of  
9       the Crary Street Gate Station that will be assigned to the DAC (approximately \$2.4  
10      million) will exceed the current costs associated with the LNG lease payments  
11      (approximately \$1.5 million) by approximately \$0.9 million, the elimination of the end of  
12      year seasonal true up of LNG commodity costs will reduce the incremental costs by  
13      approximately \$0.4 million,<sup>1</sup> netting to an overall DAC increase of \$0.5 million. This  
14      results in a small increase to Residential Heating customers of approximately \$1 per year,  
15      equating to a total bill increase of 0.1%.

16

17   **Q.   Will this proposed change to the System Pressure factor require an amendment to**  
18       **the Distribution Adjustment Clause contained in the Company's tariff?**

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<sup>1</sup> Based on the LNG seasonal true-up costs for the period November 2016 through March 2017.

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1    A. Yes; if this proposal is approved, the Company will submit an amendment to the  
2       Distribution Adjustment Clause in its tariff, RIPUC NG-GAS No. 101, at Section 3, to  
3       modify the section regarding System Pressure.

4

5    **Q. What is the Company proposing for the System Pressure factor for November 1,  
6       2017?**

7    A. The Company is proposing a System Pressure factor of \$0.0060 per therm, as shown in  
8       Schedule AEL-2S. The proposed System Pressure factor is calculated by multiplying the  
9       forecasted 2017-18 Crary Street costs by the System Pressure balancing percentage. This  
10      amount is then divided by the forecasted throughput of 39,483,630 Dths for the 12-  
11      months beginning November 1, 2017. The result is then divided by 10 to derive the  
12      amount per therm factor mentioned earlier.

13

14    **Q. What is the Company proposing for the ESM factor for November 1, 2017?**

15    A. The Company is not proposing an ESM factor this year, as shown in Schedule AEL-12S.  
16       The Company's gas Earnings Report for the 12 months ending March 31, 2017, which  
17       the Company submitted on August 31, 2017 in Docket No. 4323, reflects a return on  
18       equity below the earnings sharing threshold. The Company's earnings subject to the  
19       ESM for the 12-month period ending March 31, 2017 is described in more detail in the  
20       pre-filed supplemental testimony of Company witness William R. Richer, filed today in  
21       this docket.

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1   **Q.   What other updates were made in the DAC Reconciliation adjustment factors?**

2   A.   The Company updated the DAC reconciliation factors to reflect actual revenue for July  
3         2017 for the non-base rate/gas year reconciling components, as shown in Schedule AEL-  
4         10S, pages 2 through 8. The proposed Reconciliation factor applicable to all rate classes  
5         results in a zero factor, while the proposed Reconciliation factor for the Large and Extra-  
6         Large rate classes is a credit of \$0.0011 per therm.<sup>2</sup> As described in my initial testimony  
7         filed on August 1, 2017, only the Large and Extra-Large rate classes are subject to the  
8         base rate Reconciliation component.

9

10   **Q.   How does the Company determine the proposed DAC factors that will be billed to  
11         customers?**

12   A.   As shown on Schedule AEL-1S, Section 1, Line 15, the proposed base DAC factors  
13         differ for the Residential and Small and Medium Commercial and Industrial (C&I) rate  
14         classes as compared to the Large and Extra-Large rate classes. As explained in my  
15         August 1, 2017 testimony, the Company develops a proposed DAC factor for the  
16         Residential and Small and Medium C&I rate classes to include the Revenue Decoupling  
17         Adjustment factor, which is applicable only to these customer groups. Meanwhile, the  
18         Company develops a separate factor for the Large and Extra-Large rate classes to  
19         accommodate the reconciliation of the base rate related items, which are the Advanced  
20         Gas Technology, Low Income Assistance Program, and Environmental Response costs.

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<sup>2</sup> In the August 1, 2017 DAC filing, the Company proposed Reconciliation factors of zero for all rate classes and a credit factor of \$0.0011 per therm for the Large and Extra-Large rate classes.

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1       These factors are combined with the proposed FY 2017 ISR Reconciliation factors per  
2       rate class and currently-effective FY 2018 ISR Plan factors to arrive at the proposed DAC  
3       factors to be billed to customers, as shown in Section 2 of Schedule AEL-1S.

4

5       **III. Final Proposed DAC Factors and Bill Impacts**

6       **Q. What are the final proposed DAC factors?**

7       A. The final proposed DAC factors by rate class, including the base DAC factors, the FY  
8       2017 ISR reconciliation factors, and the current FY 2018 ISR Plan factors, are shown in  
9       Schedule AEL-1S, Section 2, Column (E).

10

11      **Q. How was the impact on customer bills calculated?**

12      A. The Company's bill impact analysis presents the impact solely from the proposed DAC  
13       factors and keeps all other rates and charges at their current levels. To isolate the impact  
14       of the proposed DAC factors, the current Energy Efficiency Program Charges and ISR  
15       factors are assumed to be in effect for the year November 2017 through October 2018.  
16       The GCR factors are also held constant at the rates that have been in effect since  
17       November 2016. The combined impact of the proposed DAC factors and GCR rates will  
18       be presented in the Company's annual GCR filing, Docket No. 4719, submitted today  
19       under separate cover.

20

**THE NARRAGANSETT ELECTRIC COMPANY  
d/b/a NATIONAL GRID  
RIPUC DOCKET NO. 4708**

1 Q. What is the impact of the proposed November 1, 2017 DAC factors on customer  
2 bills?

3 A. Schedule AEL-13 sets forth the annual average dollar impact due to the proposed  
4 changes in the DAC factors on customers' bills at various levels of consumption for the  
5 Company's rate classes. For an average residential heating customer utilizing 846  
6 therms, the bill impact translates into an annual decrease of \$4.26 (a decrease of \$4.13 in  
7 the DAC and \$0.13 in the Gross Earnings Tax), or 0.4%.

9 O. Does this conclude your testimony?

10 A. Yes.

Schedules of  
Ann E. Leary

**THE NARRAGANSETT ELECTRIC COMPANY**  
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Schedules of Ann E. Leary

Schedule AEL-1S	Summary of DAC Factors
Schedule AEL-2S	System Pressure Factor
Schedule AEL-3	Advanced Gas Technology Program Factor
Schedule AEL-4	Environmental Response Cost Factor
Schedule AEL-5	Pensions and Postretirement Benefits Factor
Schedule AEL-6	On-System Margin Credits Factor
Schedule AEL-7	Revenue Decoupling Adjustment Factor
Schedule AEL-8S	ISR Reconciliation Factors
Schedule AEL-9	Firm Revenue Credit Factor
Schedule AEL-10S	Reconciliation Factors
Schedule AEL-11	Reconciliations for FY 17
Schedule AEL-12S	Earnings Sharing Mechanism Factor
Schedule AEL-13	Bill Impacts

**Schedule  
AEL-IS**

**THE NARRAGANSETT ELECTRIC COMPANY  
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**Schedule AEL-1S  
Summary of DAC Factors**

**National Grid - RI Gas**  
**Summary of DAC Factors**  
**Effective November 1, 2017**

**Section 1: DAC factor (not including annual ISR component) November 1, 2017 - October 31, 2018**

Line No.	Description	<u>Reference</u>	<u>Amount</u>	<u>Factor</u>	
				Residential/ Small/ Medium C&I	Large/ X-Large
1	System Pressure (SP)	AEL-2S	\$2,389,482	\$0.0060	\$0.0060
2	Advanced Gas Technology Program (AGT)	AEL-3	\$0	\$0.0000	\$0.0000
3	Low Income Assistance Program (LIAP)		\$0	\$0.0000	\$0.0000
4	Environmental Response Cost Factor (ERCF)	AEL-4	\$967,642	\$0.0024	\$0.0024
5	Pension Adjustment Factor (PAF)	AEL-5	(\$4,679,974)	(\$0.0118)	(\$0.0118)
6	On-System Margin Credits (MC)	AEL-6		\$0.0000	\$0.0000
7	Reconciliation Factor (R)	AEL-10S	(\$100,990)	\$0.0000	(\$0.0011)
8	Service Quality Factor (SQP)		\$0	\$0.0000	\$0.0000
9	Earnings Sharing Mechanism (ESM)	AEL-12S	<u>\$0</u>	<u>\$0.0000</u>	<u>\$0.0000</u>
10	Subtotal	Sum ([1]:[9])	(\$1,423,840)	(\$0.0034)	(\$0.0045)
11	Uncollectible Percentage	Dkt 4323	3.18%	3.18%	3.18%
12	DAC factors grossed up for uncollectible	[10]/(1-[11])	(\$1,470,606)	(\$0.0035)	(\$0.0046) per therm
13	Revenue Decoupling Adjustment (RDA)	AEL-7	\$177,598	\$0.0006	\$0.0000
14	Revenue Decoupling Adjustment Reconciliation	AEL-10S	\$298,047	\$0.0010	\$0.0000
15	DAC factor	[12]+[13]+[14]	(\$994,962)	<b>(\$0.0019)</b>	<b>(\$0.0046)</b> per therm

**Section 2: DAC factors including annual ISR component**

Line No.	ISR Reconciliation w/o uncollectible <sup>1</sup> (therms)	Uncollectible Percentage <sup>2</sup>	ISR Reconciliation* (therms) (A)	Base DAC Component* <sup>3</sup> (therms) (B)	DAC Component Subtotal Rates* (therms) (C) = (A) + (B)	ISR Component* <sup>4</sup> (therms) (D)	November 1, 2017 DAC Rates* (therms) (E) = (C)+(D)	
16	Res-NH	\$0.0465	3.18%	\$0.0480	(\$0.0019)	\$0.0461	\$0.1908	\$0.2369
17	Res-NH-LI	\$0.0465	3.18%	\$0.0480	(\$0.0019)	\$0.0461	\$0.1908	\$0.2369
18	Res-H	\$0.0202	3.18%	\$0.0208	(\$0.0019)	\$0.0189	\$0.1221	\$0.1410
19	Res-H-LI	\$0.0202	3.18%	\$0.0208	(\$0.0019)	\$0.0189	\$0.1221	\$0.1410
20	Small	\$0.0299	3.18%	\$0.0309	(\$0.0019)	\$0.0290	\$0.1327	\$0.1617
21	Medium	\$0.0195	3.18%	\$0.0201	(\$0.0019)	\$0.0182	\$0.0890	\$0.1072
22	Large LL	\$0.0161	3.18%	\$0.0166	(\$0.0046)	\$0.0120	\$0.0846	\$0.0966
23	Large HL	\$0.0120	3.18%	\$0.0124	(\$0.0046)	\$0.0078	\$0.0808	\$0.0886
24	XL-LL	\$0.0021	3.18%	\$0.0022	(\$0.0046)	(\$0.0024)	\$0.0239	\$0.0215
25	XL-HL	\$0.0006	3.18%	\$0.0006	(\$0.0046)	(\$0.0040)	\$0.0217	\$0.0177

\*Factors Include Uncollectible Allowance

<sup>1</sup> AEL-8S

<sup>2</sup> Per Docket 4323

<sup>3</sup> Section 1, Line 15

<sup>4</sup> FY 18 ISR component per Docket 4678

**Schedule  
AEL-2S**

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Schedule AEL-2S  
System Pressure Factor

**National Grid - RI Gas  
System Pressure Factor  
Effective November 1, 2017**

Line No.	Description	
1	Nov-17	\$262,800
2	Dec-17	\$262,800
3	Jan-18	\$262,800
4	Feb-18	\$262,800
5	Mar-18	\$262,800
6	Apr-18	\$262,800
7	May-18	\$262,800
8	Jun-18	\$262,800
9	Jul-18	\$262,800
10	Aug-18	\$262,800
11	Sep-18	\$262,800
12	Oct-18	\$262,800
13		
14	Total	<b>\$3,153,600</b>
15	System Balancing Factor	75.77%
16	Demand Costs allocated to DAC	\$2,389,482
17	Firm Throughput	39,483,630
18	System Pressure Factor per dekatherm	\$0.0600
19	System Pressure Factor per therm	<b>\$0.0060</b>

1-12 Per Docket 4719, Attachment AEL-1, Page 4, Line 16.

15 Per Company Proposal

16 Line (14) \* Line (15)

17 Company Forecast

18 Line (16) / Line (17)

19 Line (18) / 10, truncated to 4 decimal places

Schedule  
AEL-3

**THE NARRAGANSETT ELECTRIC COMPANY  
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Schedule AEL-3  
Advanced Gas Technology Program Factor

**National Grid - RI Gas**  
**AGT Factor**  
**Effective November 1, 2017**

Line No.	Description	
1	AGT collected through DAC	\$0
2	Firm Throughput	39,483,630 dth
3	AGT Factor	\$0.0000 per dth
4	AGT Factor	<b>\$0.0000 per therm</b>

2 Company Forecast

3 Line (1) / Line (2)

4 Line (3) / 10, truncated to 4 decimal places

National Grid - RI Gas AGT Account Balance and Interest Calculation																
Line No.		<u>Apr-16</u>			<u>May-16</u>			<u>Jun-16</u>			<u>Jul-16</u>			<u>Aug-16</u>		
		<u>30</u>	<u>31</u>	(a)	<u>30</u>	(b)	<u>31</u>	(c)	<u>30</u>	(d)	<u>31</u>	(e)	<u>30</u>	(f)	<u>31</u>	(g)
1	Beginning Balance	\$1,601,951	\$1,634,125	\$1,653,645	\$1,666,305	\$1,676,648	\$1,686,305	\$1,695,475	\$1,705,174	\$1,206,700	\$1,240,793	\$1,287,688	\$1,336,168	\$1,361,68		
2	Rebate Disbursements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
3	Other Disbursements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
4	Sub-total Disbursements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
5	Forecasted Throughput from Docket 4323 (dtb)	3,826,443	2,321,424	1,505,558	1,230,159	1,063,069	1,175,941	1,391,267	2,407,560	4,054,661	5,577,080	5,765,550	5,359,362	35,678,072		
	L/XL Classes	992,288	720,015	553,276	530,577	477,149	548,615	587,911	770,135	1,063,665	1,163,568	1,264,681	1,195,353	9,867,232		
	Res H, NH, Small & Medium C&I Classes	2,834,155	1,601,409	952,282	699,582	585,919	627,326	803,556	1,637,426	2,990,996	4,413,512	4,500,868	4,164,009	25,810,840		
6	Base Rates Revenue	\$8,344	\$6,054	\$4,652	\$4,461	\$4,012	\$4,613	\$4,943	\$6,476	\$8,944	\$9,784	\$10,634	\$10,051	\$82,969		
7	Forecasted L/XL Classes	\$23,831	\$13,465	\$8,007	\$5,882	\$4,927	\$5,275	\$6,755	\$13,768	\$25,150	\$37,111	\$37,846	\$35,013	\$21,7031		
8	Forecasted Res H, NH, Small & Medium C&I Classes	\$32,175	\$19,520	\$12,660	\$10,344	\$8,939	\$9,888	\$11,699	\$20,244	\$34,094	\$46,895	\$48,480	\$45,064	\$30,000		
9	Sub-total Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
10	AGT Balance Refund															
11	AGT Balance Reconciliation															
12	AGT Interest Refund															
13	Ending Balance															
		<u>\$1,634,125</u>	<u>\$1,653,645</u>	<u>\$1,666,305</u>	<u>\$1,676,648</u>	<u>\$1,695,475</u>	<u>\$1,705,174</u>	<u>\$1,206,700</u>	<u>\$1,240,793</u>	<u>\$1,287,688</u>	<u>\$1,336,168</u>	<u>\$1,361,68</u>	<u>\$1,381,233</u>			

Interest Calculation

14	Month's Average Balance	\$1,618,038	\$1,643,885	\$1,659,975	\$1,671,476	\$1,431,118	\$1,190,531	\$1,201,324	\$1,206,937	\$1,223,747	\$1,264,241	\$1,311,928	\$1,358,700	
15	Bk America Rate less 200 Basis Points	1.50%	1.50%	\$2,047	\$2,129	1.50%	1.50%	1.50%	\$1,468	\$1,530	1.50%	1.63%	1.75%	
16	Calculated Interest (not applied to balance)	\$1,995	\$2,094			\$1,823		\$1,488		\$1,689		\$1,879	\$1,761	1.88%

1 Column (a) Ending Balance per Docket 4634, SLN-3, Page 2 of 2

2 Rebate to Toray Plastics of America.

4 Line (2) + Line (3)

5 Rate year forecast as presented in Docket 4323

7 Large and Extra Large C&I throughput from Line (5) \* \$0.0084 (AGT base rate). Actual revenue for these rate classes are reconciled through the Reconciliation Factor for Large and Extra Large C&I.

8 Res H, NH, Small & Medium throughput from Line (5) \* \$0.0084 (AGT base rate). Actual revenue for these rate classes are reconciled through the Revenue Decoupling Mechanism (RDM).

9 Line (7) + Line (8)

12 Interest earned for the period of April 2015 to March 2016 which was transferred to Recon Factor to reflect the true-up noted in Docket 4634, SLN-10S, Page 1 of 8, Line 10.

13 Lines (1) - (4) + (9) + (10)

14 Lines (1)-(13) / 2

15 Per RIPUC NG-Gas No. 101, Section 3, Schedule A

16 Column (m), total interest refunded to customers at AEL-10S, Page 1, line 10 Per Docket 4339 Settlement of Issues

**Schedule  
AEL-4**

**THE NARRAGANSETT ELECTRIC COMPANY  
d/b/a NATIONAL GRID  
RIPUC DOCKET NO. 4708  
SUPPLEMENTAL DISTRIBUTION ADJUSTMENT CHARGE FILING  
WITNESS: ANN E. LEARY**

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**Schedule AEL-4  
Environmental Response Cost Factor**

**National Grid - RI Gas**  
**Environmental Response Cost (ERC) Factor**  
**Effective November 1, 2017**

Line No.	Description	Reference	Amount
1	Amortization of Pre-FY2007 expenses	Page 3, Col L, Ln 6	\$0
2	Amortization of FY2007 expenses	Page 3, Col L, Ln 9	\$0
3	Amortization of FY2008 expenses - year 10 of 10	Page 3, Col L, Ln 12	(\$4,580)
4	Amortization of FY2009 expenses - year 9 of 10	Page 3, Col L, Ln 15	\$96,575
5	Amortization of FY2010 expenses - year 8 of 10	Page 3, Col L, Ln 18	\$208,826
6	Amortization of FY2011 expenses - year 7 of 10	Page 3, Col L, Ln 21	\$452,295
7	Amortization of FY2012 expenses - year 6 of 10	Page 3, Col L, Ln 24	\$558,394
8	Amortization of FY2013 expenses - year 5 of 10	Page 3, Col L, Ln 27	\$136,852
9	Amortization of FY2014 expenses - year 4 of 10	Page 3, Col L, Ln 30	\$300,824
10	Amortization of FY2015 expenses - year 3 of 10	Page 3, Col L, Ln 33	\$112,908
11	Amortization of FY2016 expenses - year 2 of 10	Page 3, Col L, Ln 36	\$111,792
12	Amortization of FY2017 expenses - year 1 of 10	Page 3, Col L, Ln 39	\$303,756
13		Subtotal	\$2,277,642
14	Base Rate Environmental Cost Allowance		\$1,310,000
15	Cost in excess of Allowance		\$967,642
16	Firm Throughput		39,483,630 dths
17	Environmental Response Cost Factor per dekatherm		\$0.0240 per dth
18	Environmental Response Cost Factor per therm		<b>\$0.0024 per therm</b>

- 13 Sum of Lines 1 to 12
- 14 Docket 4323
- 15 Line 13 - Line 14
- 16 Company Forecast
- 17 Line 15 / Line 16
- 18 Line 17 / 10, truncated to 4 decimal places

National Grid - RI Gas  
 Environmental Response Cost (ERC) Factor  
 ERC Amortization Schedule

Line No.	ENVIRONMENTAL AMORTIZATION	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
1	FY 2005	\$136,707	\$13,671	\$13,671	\$13,671	\$13,671	\$13,671	\$13,671	\$13,671	\$13,668	\$0	
2	NET ERC costs net of insurance											
3	Amortization Period (years)	10										
4	FY 2006	\$436,020	\$43,602	\$43,602	\$43,602	\$43,602	\$43,602	\$43,602	\$43,602	\$43,602	\$43,602	\$0
5	NET ERC costs net of insurance											
6	Amortization Period (years)	10										
7	FY 2007	(\$758,291)										
8	NET ERC costs net of insurance											
9	Amortization Period (years)	10										
10	FY 2008 & adjustment for FY2007											
11	NET ERC costs net of insurance											
12	Amortization Period (years)	10										
13	FY 2009	\$965,754	\$75,829	\$75,829	\$75,829	\$75,829	\$75,829	\$75,829	\$75,829	\$75,829	\$75,829	(\$75,830)
14	NET ERC costs net of insurance											
15	Amortization Period (years)	10										
16	FY 2010	\$2,088,264										
17	NET ERC costs net of insurance											
18	Amortization Period (years)	10										
19	FY 2011	\$4,522,947										
20	NET ERC costs net of insurance											
21	Amortization Period (years)	10										
22	FY 2012	\$5,583,936										
23	NET ERC costs net of insurance											
24	Amortization Period (years)	10										
25	FY 2013	\$1,368,521										
26	NET ERC costs net of insurance											
27	Amortization Period (years)	10										
28	FY 2014	\$3,008,237										
29	NET ERC costs net of insurance											
30	Amortization Period (years)	10										
31	FY 2015	\$1,129,080										
32	NET ERC costs net of insurance											
33	Amortization Period (years)	10										
34	FY 2016	\$1,117,923										
35	NET ERC costs net of insurance											
36	Amortization Period (years)	10										
37	FY 2017	\$3,037,565										
38	NET ERC costs net of insurance											
39	Amortization Period (years)	10										
40	Beginning Balance											
41	Environmental Expenditures, net of Insurance											
42	ACCUMLATED ENVIRONMENTAL REMEDIATION											
43	Beginning Balance											
44	Amortization Expense (1)											
45	Ending Balance											
46	NET ENVIRONMENTAL REMEDIATION COSTS											

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

Line No.	ENVIRONMENTAL AMORTIZATION	FY2018 (l)	FY2019 (m)	FY2020 (n)	FY2021 (o)	FY2022 (p)	FY2023 (q)	FY2024 (r)	FY2025 (s)	FY2026 (t)	FY2027 (u)
1	FY 2005										
2	NET ERC costs net of insurance	\$136,707									
3	Amortization Period (years)	10									
4	FY 2006										
5	NET ERC costs net of insurance	\$436,020									
6	Amortization Period (years)	10									
7	FY 2007										
8	NET ERC costs net of insurance	(\$758,291)									
9	Amortization Period (years)	10	\$0								
10	FY 2008 & adjustment for FY2007										
11	NET ERC costs net of insurance	(\$45,755)									
12	Amortization Period (years)	10	(\$4,580)	\$0							
13	FY 2009										
14	NET ERC costs net of insurance	\$965,754									
15	Amortization Period (years)	10	\$96,575	\$0							
16	FY 2010										
17	NET ERC costs net of insurance	\$2,088,264									
18	Amortization Period (years)	10	\$208,826	\$208,830	\$0						
19	FY 2011										
20	NET ERC costs net of insurance	\$4,522,947									
21	Amortization Period (years)	10	\$452,295	\$452,295	\$0						
22	FY 2012										
23	NET ERC costs net of insurance	\$5,583,936									
24	Amortization Period (years)	10	\$558,394	\$558,394	\$558,394	\$558,390	\$0				
25	FY 2013										
26	NET ERC costs net of insurance	\$1,368,521									
27	Amortization Period (years)	10	\$136,852	\$136,852	\$136,852	\$136,853	\$0				
28	FY 2014										
29	NET ERC costs net of insurance	\$3,008,237									
30	Amortization Period (years)	10	\$300,824	\$300,824	\$300,824	\$300,824	\$0				
31	FY 2015										
32	NET ERC costs net of insurance	\$1,129,080									
33	Amortization Period (years)	10	\$112,908	\$112,908	\$112,908	\$112,908	\$112,908	\$0			
34	FY 2016										
35	NET ERC costs net of insurance	\$1,117,923									
36	Amortization Period (years)	10	\$111,792	\$111,792	\$111,792	\$111,792	\$111,792	\$111,792	\$111,795	\$0	
37	FY 2017										
38	NET ERC costs net of insurance	\$3,037,565									
39	Amortization Period (years)	10	\$303,756	\$303,756	\$303,756	\$303,756	\$303,756	\$303,756	\$303,756	\$303,761	
40	Amortization Expense sub-total		\$2,277,642	\$2,282,226	\$2,185,651	\$1,976,818	\$1,524,522	\$906,133	\$28,456	\$41,551	\$303,761
41	ENVIRONMENTAL REMEDIATION COSTS										
42	Beginning Balance	\$28,615,527	\$28,615,527	\$28,615,527	\$28,615,527	\$28,615,527	\$28,615,527	\$28,615,527	\$28,615,527	\$28,615,527	
43	Environmental Expenditures, net of Insurance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
44	Beginning Balance	\$15,325,490	\$17,603,132	\$19,885,358	\$22,071,009	\$24,047,827	\$25,572,349	\$26,538,482	\$27,367,759	\$27,896,215	\$28,311,766
45	Amortization Expense (1)	\$2,277,642	\$2,282,226	\$2,185,651	\$1,976,818	\$1,524,522	\$906,133	\$28,456	\$41,551	\$45,551	\$303,761
46	Ending Balance	\$17,603,132	\$19,885,358	\$22,071,009	\$24,047,827	\$25,572,349	\$26,538,482	\$27,367,759	\$27,896,215	\$28,311,766	\$28,615,527
47	ACCUMULATED ENVIRONMENTAL REMEDIATION										
48	Beginning Balance	\$0									
49	Amortization Expense (1)										
50	Ending Balance										
51	NET ENVIRONMENTAL REMEDIATION COSTS	\$11,012,295	\$8,730,169	\$6,544,518	\$4,567,700	\$3,043,178	\$2,077,045	\$1,247,768	\$719,312	\$303,761	\$0

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

**National Grid - RI Gas**  
**Environmental Response Cost (ERC) Factor**  
**ERC FY 2017 Detail**

Line No.		Total Costs at 3/31/2016	FY 2017 Costs	Total Costs at 3/31/2017
		(a)	(b)	(c) = (a) + (b)
1	Environmental Expenses			
2	907 & 908 Allens Avenue	\$20,783,287	\$1,923,333	\$22,706,620
3	307 PCB Reg Pipe Abandon.	\$1,393,153	\$195,591	\$1,588,744
4	379 Petroleum Site	\$7,986,062	\$79,413	\$8,065,474
5	700 18 & 21 Holders COR	\$2,776,743	\$0	\$2,776,743
6	161 Canal Street, Westerly	\$29,133	\$0	\$29,133
7	178 Site Inv Connell Hwy Newp	\$44,092	\$0	\$44,092
8	144 Westerly Soil Investigation	\$82,184	\$0	\$82,184
9	171 Contaminated Regulators	\$3,094,828	\$4,048	\$3,098,876
10	781 Mendon Road	\$121,355	\$0	\$121,355
11	782 Tidewater	\$1,542,818	\$118,409	\$1,661,227
12	783 Hamlet	\$140,529	\$17,850	\$158,378
13	-- Thames & Wellington	\$5,640,322	\$436,235	\$6,076,557
14	-- Misc MGP (NEG)	\$372,890	\$45,254	\$418,144
15	-- Insurance Recovery	\$1,302,189	\$46,369	\$1,348,558
16	-- East Providence (First Ave) Holder	\$331,289	\$15,393	\$346,682
17	-- 560 Thames Street Newp	\$2,237	\$155,670	\$157,906
18	Sub-Total	\$45,643,110	\$3,037,565	\$48,680,675
19	Insurance Recovery/Settlement			
20	910 Environmental Insurance Settlement		\$0	
21	Net FY 2017 Environmental Response Costs			<u><u>\$3,037,565</u></u>

1-18 Col (a): Docket 4634, SLN-4, Page 4, Col (c)

1-18 Col (b): Annual Environmental Report for Gas Service, Period of April 1, 2016 - March 31, 2017

21 Line (18), col (b) + Line (20)

**Schedule  
AEL-5**

**THE NARRAGANSETT ELECTRIC COMPANY  
d/b/a NATIONAL GRID  
RIPUC DOCKET NO. 4708  
SUPPLEMENTAL DISTRIBUTION ADJUSTMENT CHARGE FILING  
WITNESS: ANN E. LEARY**

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**Schedule AEL-5  
Pensions and Postretirement Benefits Factor**

**National Grid - RI Gas**  
**Pension Adjustment Factors**  
**Effective November 1, 2017**

Line No. **Pension Factor**

1	Pension Reconciliation	(\$1,707,068)
2	Carrying Charges	(\$401,195)
3	Total Pension Cost	(\$2,108,263)
4	Firm Throughput	39,483,630 dth
5	Pension Factor per dth	(\$0.0530) per dth
6	Pension Factor per therm	<span style="border: 1px solid black; padding: 2px;">(\$0.0053) per therm</span>

**PBOP Factor**

7	PBOP Reconciliation	(\$2,565,382)
8	Carrying Charges	(\$6,329)
9	Total PBOP Cost	(\$2,571,711)
10	Firm Throughput	39,483,630
11	PBOP Factor per dth	(\$0.0650) per dth
12	PBOP Factor per therm	<span style="border: 1px solid black; padding: 2px;">(\$0.0065) per therm</span>

**Pension & PBOP Factor Combined**

13	Pension & PBOP Factor per dth	(\$0.1180) per dth
14	Pension & PBOP Factor per therm	<span style="border: 1px solid black; padding: 2px;">(\$0.0118) per therm</span>

1 WRR-1, Page 1, Line 11

2 WRR-1, Page 1, Line 12

3 Line (1) + Line (2)

4 Company Forecast

5 Line (3) / Line (4)

6 Line (5) / 10

7 WRR-1, Page 2, Line 11

8 WRR-1, Page 2, Line 12

9 Line (7) + Line (8)

10 Company Forecast

11 Line (9) / Line (10)

12 Line (11) / 10

13 Line (5) + Line (11)

14 Line (6) + Line (12)

**Schedule  
AEL-6**

**THE NARRAGANSETT ELECTRIC COMPANY  
d/b/a NATIONAL GRID  
RIPUC DOCKET NO. 4708  
SUPPLEMENTAL DISTRIBUTION ADJUSTMENT CHARGE FILING  
WITNESS: ANN E. LEARY**

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**Schedule AEL-6  
On-System Margin Credits Factor**

This page is intentionally left blank.  
On-System Margin Credit has been removed from this filing per agreement with the Division.

**Schedule  
AEL-7**

**THE NARRAGANSETT ELECTRIC COMPANY  
d/b/a NATIONAL GRID  
RIPUC DOCKET NO. 4708  
SUPPLEMENTAL DISTRIBUTION ADJUSTMENT CHARGE FILING  
WITNESS: ANN E. LEARY**

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**Schedule AEL-7  
Revenue Decoupling Adjustment Factor**

**National Grid - RI Gas**  
**RDM Factor**  
**Effective November 1, 2017**

1	Residential Non-Heat (incl Low Income)	\$502,204
2	Residential Heat (incl Low Income)	(\$1,825,388)
3	Small C&I	\$557,984
4	Medium C&I	\$942,798
5	Net Under Recovery of RPC	<hr/> \$177,598
6	Firm Therm Throughput Forecast for RDM Rate Classes (Nov 2017-Oct 2018)	273,886,657
7	Proposed RDA Factor per therm	\$0.0006

1 Schedule AEL-7, Page 21, Column (I), Line 36

2 Schedule AEL-7, Page 22, Column (I), Line 72

3 Schedule AEL-7, Page 23, Column (I), Line 84

4 Schedule AEL-7, Page 23, Column (I), Line 96

5 Sum of lines 1-4

6 Firm throughput (in therms) forecast for Residential Heat and Non-Heat, Small and Medium C&I rate classes.

7 Line 5 / Line 6 truncated to four decimal places.



Robert Humm  
Senior Counsel

June 30, 2017

**VIA HAND DELIVERY & ELECTRONIC MAIL**

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

**RE: National Grid's Gas Revenue Decoupling Mechanism Reconciliation Filing  
For April 1, 2016 to March 31, 2017  
Docket No. \_\_\_\_\_**

Dear Ms. Massaro:

On behalf of National Grid,<sup>1</sup> enclosed please find the Company's annual Revenue Decoupling Mechanism (RDM) reconciliation filing for the period April 1, 2016 to March 31, 2017. National Grid submits this filing pursuant to the provisions of the Distribution Adjustment Clause of National Grid's gas tariff, RIPUC NG-Gas No. 101, at Section 3, Schedule A, which allows an annual reconciliation of the target revenue-per-customer and the actual revenue-per-customer through a Revenue Decoupling Adjustment (RDA) factor to be included in National Grid's annual Distribution Adjustment Charge (DAC) filing.

This filing consists of the pre-filed direct testimony and schedules of Ann E. Leary. In her testimony, Ms. Leary provides an overview of National Grid's RDM reconciliation, and describes the actual RDM results for the period April 1, 2016 to March 31, 2017. Ms. Leary also describes the adjustment to the target revenue-per-customer along with adjustments to billed revenue associated with the transfer of customers from the non-heating rate classes to the heating rate classes. As discussed in last year's RDM reconciliation filing in Docket No. 4634, National Grid has been conducting further analysis of the residential rate classes to determine if an adjustment similar to that made in Docket No. 4634 should be proposed.

As a result of National Grid's RDM reconciliation, and reflecting the adjustments to the target revenue-per-customer and billed revenue associated with the transfer of customers from the non-heating rate classes to the heating rate classes, National Grid under-recovered revenue of \$177,598 under its RDM during the period April 1, 2016 to March 31, 2017. National Grid is not presenting a proposed RDA factor at this time because the RDA factor is just one of several factors included in the DAC. Rather, National Grid will submit the RDA factor in its August 1, 2017 annual DAC filing.

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

Luly E. Massaro, Commission Clerk  
Gas Revenue Decoupling Mechanism Filing  
June 30, 2017  
Page 2 of 2

Thank you for your attention to this matter. If you have any questions, please contact me at 401-784-7415.

Very truly yours,



Robert Humm

Enclosures

cc:      Leo Wold, Esq.  
          Steve Scialabba, Division

**THE NARRAGANSETT ELECTRIC COMPANY  
d/b/a NATIONAL GRID  
RIPUC DOCKET \_\_\_\_\_  
GAS REVENUE DECOUPLING MECHANISM RECONCILIATION  
WITNESS: ANN E. LEARY  
JUNE 30, 2017**

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**DIRECT TESTIMONY**

**OF**

**ANN E. LEARY**

**THE NARRAGANSETT ELECTRIC COMPANY  
d/b/a NATIONAL GRID  
RIPUC DOCKET \_\_\_\_\_  
GAS REVENUE DECOUPLING MECHANISM RECONCILIATION  
WITNESS: ANN E. LEARY  
JUNE 30, 2017**

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**THE NARRAGANSETT ELECTRIC COMPANY  
d/b/a NATIONAL GRID  
RIPUC DOCKET \_\_\_\_\_**  
**GAS REVENUE DECOUPLING MECHANISM RECONCILIATION  
WITNESS: ANN E. LEARY  
JUNE 30, 2017  
PAGE 1 OF 14**

- 1    I.    **Introduction and Qualifications**

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

3    A.    My name is Ann E. Leary. My business address is 40 Sylvan Road, Waltham,

4              Massachusetts 02451.

5

6    Q.    **What is your position at National Grid and responsibilities within that position?**

7    A.    I am the Manager of New England Gas Pricing for National Grid USA Service Company,

8              Inc. In this position, I am responsible for preparing and submitting various regulatory

9              filings with the Rhode Island Public Utilities Commission (PUC) on behalf of The

10              Narragansett Electric Company d/b/a National Grid (Company or National Grid), and

11              with the Massachusetts Department of Public Utilities on behalf of Boston Gas Company

12              and Colonial Gas Company, each d/b/a National Grid.

13

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

15    A.    I received a Bachelor of Science in Mechanical Engineering from Cornell University in

16              1983.

17

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

19    A.    In 1985, I joined the Essex County Gas Company (Essex) as a Staff Engineer. In 1987, I

20              became a planning analyst and later accepted the position of Manager of Rates at Essex.

21              Following Essex's merger with Eastern Enterprises in 1998, I became Manager of Pricing

**THE NARRAGANSETT ELECTRIC COMPANY**  
**d/b/a NATIONAL GRID**  
**RIPUC DOCKET**  
**GAS REVENUE DECOUPLING MECHANISM RECONCILIATION**  
**WITNESS: ANN E. LEARY**  
**JUNE 30, 2017**  
**PAGE 2 OF 14**

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1 for Boston Gas Company (Boston). After Boston merged with KeySpan Energy  
2 Delivery, subsequently National Grid, I became the Manager of New England Gas  
3 Pricing, the position I hold today.

4

5 **Q. Have you previously testified before the PUC?**

6 A. Yes, I have testified before the PUC on numerous occasions. In particular, I testified  
7 before the PUC regarding the Company's annual Gas Cost Recovery (GCR) filings in  
8 2012 through 2016, at Docket Nos. 4346, 4436, 4520, 4576, and 4647, respectively; in  
9 the Company's Distribution Adjustment Charge (DAC) filing in 2016, at Docket No.  
10 4634; and in the Company's Arrearage Management Program filing in 2016, at  
11 Docket No. 4651. I also submitted pre-filed testimony in the Company's 2012 Rate Case  
12 Filing, Docket No. 4323 (2012 Rate Case). In addition, I have testified extensively in  
13 several ratemaking and regulatory proceedings before the Massachusetts Department of  
14 Public Utilities and the New Hampshire Public Utilities Commission.

15

16 **II. Purpose of Testimony**

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

18 A. The purpose of my testimony is to present the Company's March 31, 2017 Revenue  
19 Decoupling Mechanism (RDM) reconciliation balance, which will be used to compute  
20 the proposed Revenue Decoupling Adjustment (RDA) factor to be incorporated in the  
21 Company's upcoming August 1, 2017 annual DAC filing. Specifically, I provide an

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1 overview of the Company's RDM reconciliation and explain the RDM results for the  
2 reconciliation period April 1, 2016 through March 31, 2017.

3

4 In addition, I present a proposed adjustment to the Target Revenue-Per-Customer and  
5 billed revenue associated with an additional transfer of customers from the Residential  
6 non-heating rate classes to the Residential heating rate classes during the reconciliation  
7 period. As discussed in last year's RDM filing in Docket No. 4634, while the Company  
8 had performed a similar transfer of 970 customers during the reconciliation period ending  
9 March 31, 2016, the Company was continuing to analyze the usage of non-heating  
10 customers to determine if it should perform an additional transfer. The Company  
11 committed to a similar adjustment in this year's filing if it made another transfer of  
12 customers between these rate classes and any of those customers exhibited usage  
13 indicative of gas heating during the rate year<sup>1</sup> of the Company's last rate case in 2012.

14 As discussed later in my testimony, the Company identified a third group of customers on  
15 the non-heating rate classes, which the Company transferred to the heating rate classes  
16 during the reconciliation period ending March 31, 2017. Therefore, the Company is  
17 proposing adjustments to the Target Revenue-Per-Customer and billed revenue that are  
18 similar to those included in Docket No. 4634.

19

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<sup>1</sup> The rate year in the 2012 Rate Case was the 12-month period February 2013 through January 2014.

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1        This filing is submitted pursuant to the Company's Distribution Adjustment Clause  
2        provision contained in its currently effective tariff, RIPUC NG-Gas No. 101, at Section 3,  
3        Schedule A, Sheets 1-2, paragraph 1.2 (Applicability).

4

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

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

- 7              Schedule AEL-1        Annual Gas RDM Reconciliation Balance  
8              Schedule AEL-2        Monthly RDM Reconciliation by Rate Class for the  
9    Period April 1, 2016 through March 31, 2017  
10             Schedule AEL-3        Adjusted Revenue-Per-Customer Targets  
11             Schedule AEL-4        Calculation of Non-Heating to Heating Revenue Adjustment  
12             Schedule AEL-5        Actual vs. Normal Billing Heating Degree Day Comparison for  
13    April 2016 through March 2017  
14             Schedule AEL-6        Illustrative Example of RDM Reconciliation for the  
15    Period April 1, 2016 through March 31, 2017 Without Adjusting  
16    Target Revenue-Per-Customer and Normalizing Revenue

17        **III. RDM Reconciliation**

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

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

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

7

8     **Q. What are the Target Revenue-Per-Customer and the Actual Revenue-Per-  
9       Customer?**

10    A. The Target Revenue-Per-Customer is the Revenue-Per-Customer that the Company is  
11      allowed to earn applicable to the customers in each rate class that is included in the  
12      RDM. The Actual Revenue-Per-Customer is the actual average Revenue-Per-Customer  
13      resulting from the customers in each rate class that is included in the RDM based upon  
14      the base rate revenue billed by the Company divided by the actual number of customers  
15      billed.

16

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

18    A. The RDM reconciliation results in a net under-recovery balance of \$177,598,  
19      as shown in Schedule AEL-1, for the period April 1, 2016 through March 31, 2017.

20

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1   **Q.   How did the Company determine the RDM reconciliation balance at the end of**  
2   **March 2017?**

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

15

16   **Q.   Has the Company made any adjustment to the Target Revenue-Per-Customer for**  
17   **the Residential heating and non-heating customer classes approved in Docket No.**  
18   **4634?**<sup>3</sup>

---

<sup>2</sup> Interest on the average monthly balance is calculated at the same interest rate that is used to calculate interest on the Company's other DAC balances, which is the Bank of America Prime Rate less 200 basis points.

<sup>3</sup> In Docket No. 4634, the Company adjusted the Target Revenue-Per-Customer for the Residential heating and non-heating customer classes to normalize for the mid-June 2015 transfer of 970 customers from non-heating rate classes to the heating rate classes, such that the customers were in their new rate classes at the beginning of the reconciliation period that was the subject of that proceeding (i.e., April 2015).

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1   A. Yes. In its pre-filed direct testimony in Docket No. 4634, the Company indicated that it  
2   was conducting a more comprehensive review of the usage of customers on the non-  
3   heating rate classes as a result of the then-recent transfer of customers between the non-  
4   heating and heating rate classes presented in that proceeding, and indicated it may need to  
5   transfer additional customers to the heating rate classes. If there was a similar transfer of  
6   customers as a result of this ongoing evaluation, the Company stated that it would adjust  
7   the number of non-heating and heating customers used to determine the Target Revenue-  
8   Per-Customer for the two RDM groups for the same reason it did so in Docket No. 4573  
9   and Docket No. 4634.

10

11   **Q. What was the result of the Company's additional analysis it conducted in 2016?**

12   A. The Company identified an additional group of customers on the non-heating rate classes  
13   that should have been on the heating rate classes. As a result, by the end of July 2016,  
14   the Company transferred 684 customers from the non-heating rate classes to the heating  
15   rate classes that exhibited usage characteristics of gas heating during the 2012 Rate  
16   Case's rate year.

17

18   **Q. How did the Company identify these 684 customers?**

19   A. In Docket No. 4573, the Company reflected the November 2014 transfer of 2,600  
20   customers with annual usage exceeding 1,000 therms per year. In determining the  
21   threshold to identify this initial group of customers, the Company took a conservative

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1 approach to minimize, if not eliminate, the risk of transferring true non-heating customers  
2 to the heating rate classes. In performing the further analysis discussed in the pre-filed  
3 testimony in Docket No. 4573, the Company re-evaluated the 1,000 therms per year  
4 criteria and determined a more appropriate threshold should be the median usage for a  
5 heating customer, which was 860 therms per year. With this lower threshold, in Docket  
6 No. 4634, the Company identified an additional 970 customers who exhibited a usage  
7 level indicating that they were using gas for heating purposes. Over this past year, the  
8 Company and its affiliated gas operating companies have conducted an overall  
9 comprehensive statistical study to analyze heating usage in the various non-heating rate  
10 classes, resulting in the transfer of 2,449 of the Company's customers from non-heating  
11 to heating during June and July 2016. Of the customers transferred, the Company  
12 determined that 684 customers exhibited heating usage prior to the end of the rate year in  
13 the 2012 Rate Case and, as such, updated its non-heating and heating Target Revenue-  
14 Per-Customer one final time to reflect the transfer of these 684 customers. The Company  
15 sent letters to these customers notifying them that they had been transferred to one of the  
16 heating rate classes.

17  
18 **Q. What is the adjustment to the Target Revenue-Per-Customer proposed in this**  
19 **filing?**

20 A. In Schedule AEL-3, the Company presents its calculation of the adjusted Target  
21 Revenue-Per-Customer for the non-heating and heating customer classes. In Schedule

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1           AEL-3, the Company begins with the number of non-heating and heating customers  
2           approved in Docket No. 4514 used to calculate the Target Revenue-Per-Customer for the  
3           period February 2013<sup>4</sup> through March 2014. Next, the Company shows the adjustment to  
4           the number of customers approved in Docket No. 4573 as a result of the transfer of 2,600  
5           customers in November 2014. Then, the Company shows the adjustment for the 970  
6           customers approved in Docket No. 4634 who transferred to heating by mid-June 2015.  
7           Finally, the Company shows the adjustment for the 684 customers transferred by the end  
8           of July 2016 by decreasing the number of non-heating customers by 684 and increasing  
9           the number of heating customers by 684. No adjustment was needed to the Final  
10          Revenue Requirement in determining the monthly Target Revenue-Per-Customer because  
11          it is a fixed amount, which was approved in Docket No. 4514 in accordance with the  
12          Settlement Agreement in the 2012 Rate Case, and the Company has not adjusted the  
13          allocation of the revenue requirement to the rate classes affected by the transfer of  
14          customers between rate classes.

15  
16      **Q. Does the Company anticipate updating the Target Revenue-Per-Customer for any**  
17      **of its RDM groups in future filings?**

18      A. No. The Company believes the analysis it has developed best identifies Residential  
19      heating customers that should be transferred to non-heating based on their annual load  
20      profile.

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<sup>4</sup> February 2013 was the effective date of new base distribution rates in the 2012 Rate Case.

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- 1   **Q. Did the transfer of 684 Residential customers between rate classes require any**
- 2   **adjustments to the Actual Revenue-Per-Customer used to derive the overall RDM**
- 3   **reconciliation balance?**
- 4   A. Yes. As it did last year, the Company also adjusted the actual billed base rate revenue
- 5   and customer counts in order to calculate the appropriate Actual Revenue-Per-Customer
- 6   for the two Residential RDM groups for the months of April 2016 through July 2016.
- 7   Restating billed revenue and customer counts for this period has the effect of reflecting
- 8   actual revenue and customer counts as if these customers were billed on the heating rate
- 9   classes for the entire reconciliation period. These adjustments were necessary to ensure
- 10   that the comparison between the Target Revenue-Per-Customer and Actual Revenue-Per-
- 11   Customer was performed on the same basis.
- 12
- 13   **Q. Please explain the adjustment made to actual revenue and customer counts for the**
- 14   **months of April 2016 through July 2016 associated with the transfer of the 684**
- 15   **customers.**
- 16   A. As of the end of July 2016, the Company transferred 684 customers from the non-heating
- 17   rate classes to the heating rate classes. However, as described above, in order to
- 18   appropriately compare the Target Revenue-Per-Customer with the Actual Revenue-Per-
- 19   Customer, it was necessary to restate the actual revenue and customer count assuming
- 20   these customers were on the heating rate classes beginning April 1, 2016. Therefore, as
- 21   shown in Schedule AEL-4, the Company reduced the customer count of the non-heating

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1           rate classes by 684, along with the associated distribution revenue billed during the  
2           months of April 2016 through July 2016, which is the last month in which any of these  
3           customers were billed the non-heating rates. Correspondingly, the Company increased  
4           the customer count of the heating rate classes by 684, along with the associated  
5           distributed revenue for the same months as if such customers had been billed on the  
6           heating rates since April 1, 2016.

7

8   **Q. How did the Company calculate the revenue adjustments made to the non-heating**  
9           **and heating RDM groups?**

10   A. The Company obtained, for each of the 684 customers who were transferred, the actual  
11       monthly usage and associated billed revenue for the period April 2016 through the date of  
12       each customer's transfer to the heating rate class. As shown in Schedule AEL-4, Line 10,  
13       the distribution revenue for the 684 customers billed at the distribution rates for the non-  
14       heating rate classes totaled \$70,250 for the months of April 2016 through July 2016.  
15       Also in Schedule AEL-4, the Company calculated the revenue for these customers as if  
16       they had been billed on the heating rate classes by multiplying the actual billing  
17       determinants shown on Lines 24 through 29 by the applicable heating rates shown on  
18       Lines 12 through 23. The distribution revenue for the 684 customers resulting from this  
19       calculation is \$71,320 for the months of April 2016 through July 2016, as shown in  
20       Schedule AEL-4, Page 2, Line 39.

21

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

2   **Q. What are the results for the RDM reconciliation for the year ending March 2017?**

3   A. For the reconciliation period April 2016 through March 2017, the Company has  
4       calculated a net under-recovery of target revenue of \$177,598, as summarized in  
5       Schedule AEL-1.

6

7   **Q. What are the driver(s) for the net under-recovery?**

8   A. As shown in Schedule AEL-1, the total Company net under-recovery of \$177,598 was  
9       driven by a \$1.3 million combined over-recovery for the Residential RDM groups and a  
10      \$1.5 million combined under-recovery for the Small and Medium C&I RDM groups.  
11      The \$1.5 million under-recovery in the Small and Medium C&I RDM groups was driven  
12       by a reduction in actual revenue due to warmer weather.<sup>5</sup> Schedule AEL-5 shows the  
13       billing heating degree day comparison for this reconciliation period. For the Residential  
14       RDM groups, the over-recovery is the result of two factors. First, the Actual Revenue-  
15       Per-Customer declined due to warmer weather, similar to the weather's impact on the  
16       Small and Medium C&I RDM groups, which would typically generate an under-  
17       recovery. The weather's impact, however, was offset by the adjustments the Company  
18       has made to the non-heating and heating Target Revenue-Per-Customer, which reduced  
19       the Target Revenue-Per-Customer. The lower Target Revenue-Per-Customer, which is a  
20       function of revenue based on normal forecasted sales volumes and numbers of

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<sup>5</sup> FY2017 weather was approximately 7.4 percent warmer than normal and 4.2 percent colder than in FY2016.

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1       customers – as adjusted in Docket Nos. 4514, 4573, 4634, and this docket – when  
2       compared to weather-normal Actual Revenue-Per-Customer, will inherently generate an  
3       over-recovery as compared to if none of the adjustments had occurred, which is to the  
4       customers' benefit.

5

6     **Q. How did the adjustments to the Target Revenue-Per-Customer and actual revenues**  
7       **resulting from the transfer of 684 customers impact the RDM reconciliation?**

8     A. As described above, the Company adjusted both the Target Revenue-Per-Customer as  
9       well as actual revenue to avoid an unintended revenue impact resulting from the transfer  
10      of the 684 customers from the non-heating rate classes to the heating rate classes. The  
11      illustration of the impact on the RDM reconciliation if the Company made no adjustment  
12      for the 684 customers is presented in Schedule AEL-6. If the Target Revenue-Per-  
13      Customer was not adjusted for the 684 customers who should have been billed the  
14      distribution rates of the heating rate classes during the rate year in the 2012 Rate Case,  
15      and if actual distribution revenue and customer counts for the months of April 2016  
16      through July 2016 were not normalized for this transfer, the net RDM under-recovery  
17      would have been \$341,856, as shown in Schedule AEL-6, rather than the net under-  
18      recovery of \$177,598, as presented in Schedule AEL-1. Therefore, the Company's  
19      proposed adjustments result in a lower surcharge to customers by \$164,258 compared to  
20      what would have been surcharged to customers had the Company not made these  
21      adjustments.

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1   **V.   Bill Impacts**

2   **Q.   Does the Company include bill impacts in this filing?**

3   A.   No, the Company is not presenting bill impact information at this time. Because the  
4         RDA factor will be proposed in the DAC filing along with several other factors, the bill  
5         impact of a RDA factor on a stand-alone basis provides limited information as to the  
6         cumulative impact of the change in the overall DAC factors. Rather, the Company will  
7         submit bill impacts for the cumulative impact of all of its proposed DAC factors,  
8         including the RDA factor, with its August 1, 2017 DAC filing.

9

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

11   A.   Yes.

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**The Narragansett Electric Company Annual Gas RDM Reconciliation Balance**

1	Residential Non-Heat (incl Low Income)	\$502,204
2	Residential Heat (incl Low Income)	(\$1,825,388)
3	Small C&I	\$557,984
4	Medium C&I	\$942,798
5	Net Under Recovery of Target Recovery	<hr/> \$177,598

- 1 Schedule AEL-2, Page 1, Column (l), Line 36
- 2 Schedule AEL-2, Page 2, Column (l), Line 72
- 3 Schedule AEL-2, Page 3, Column (l), Line 84
- 4 Schedule AEL-2, Page 3, Column (l), Line 96
- 5 Sum of lines 1-4

### RDM Reconciliation by Rate Class by Month

		Apr-16 30 (a)	May-16 31 (b)	Jun-16 30 (c)	Jul-16 31 (d)	Aug-16 31 (e)	Sep-16 30 (f)	Oct-16 31 (g)	Nov-16 30 (h)	Dec-16 31 (i)	Jan-17 31 (j)	Feb-17 28 (k)	Mar-17 31 (l)	
<b>Residential Non-Heat</b>														
1	Benchmark Revenue Per Customer (RPC)	AEL-3, Line 8	\$25.12	\$21.96	\$20.18	\$19.39	\$18.63	\$19.94	\$19.59	\$21.47	\$24.88	\$27.83	\$28.16	\$27.46
2	Beginning Balance Under/(Over) Recovery	Line 12	\$0	\$6,176	\$55,860	\$33,412	\$72,564	\$109,376	\$155,505	\$195,515	\$234,721	\$310,582	\$372,003	\$446,026
3	Adjusted Number of Customers	AEL-4, Line 4 <sup>1</sup>	20,635	20,639	19,400	19,038	19,051	19,072	19,115	19,191	19,252	19,272	19,308	
4	Adjusted Actual Base Revenue	AEL-4, Line 5 <sup>1</sup>	\$812,121	\$423,483	\$394,050	\$330,073	\$318,193	\$315,245	\$334,657	\$373,091	\$403,484	\$474,902	\$469,265	\$448,628
5	Actual Base Revenue Per Customer	Line 4 / Line 3	\$44,82	\$20,52	\$20,31	\$17,34	\$16,70	\$16,53	\$17,51	\$19,44	\$20,96	\$24,67	\$24,35	\$23,24
6	RPC Variance (Benchmark- Actual)	Line 1 - Line 5	\$0,30	\$1,44	(\$0,13)	\$2,05	\$1,93	\$2,41	\$2,08	\$3,92	\$3,16	\$3,81	\$4,22	
7	Monthly Under/(Over) Recovery of RPC	Line 3 * Line 6	\$6,172	\$29,657	(\$2,491)	\$39,085	\$36,696	\$45,966	\$39,786	\$38,941	\$75,385	\$60,914	\$73,474	\$81,492
8	Preliminary Ending Balance	Line 2 + Line 7	\$6,172	\$35,833	\$33,369	\$72,497	\$109,260	\$155,342	\$195,291	\$234,455	\$310,206	\$371,496	\$445,477	\$527,518
9	Average Balance	(Line 2 + Line 8) / 2	\$3,086	\$21,005	\$34,615	\$52,954	\$90,912	\$132,359	\$175,398	\$214,985	\$272,463	\$341,039	\$408,740	\$486,772
10	Bk America Rate less 200 Basis Points	Line 9 * Line 10) / 365 * # days	\$4	\$27	\$43	\$67	\$116	\$163	\$223	\$265	\$376	\$507	\$549	\$775
11	Interest Applied	Line 8 + Line 11	\$6,176	\$35,860	\$33,412	\$72,564	\$109,376	\$155,505	\$195,515	\$234,721	\$310,582	\$372,003	\$446,026	\$528,293
<b>Residential Non-Heat Low Income</b>														
13	Benchmark Revenue Per Customer (RPC)	AEL-3, Line 8	\$25.12	\$21.96	\$20.18	\$19.39	\$18.63	\$18.94	\$19.59	\$21.47	\$24.88	\$27.83	\$28.16	\$27.46
14	Beginning Balance Under/(Over) Recovery	Line 24	\$0	(\$5,764)	(\$9,147)	(\$12,223)	(\$12,104)	(\$11,896)	(\$11,632)	(\$11,830)	(\$12,992)	(\$15,373)	(\$19,431)	(\$23,262)
15	Adjusted Number of Customers	AEL-4, Line 4 <sup>1</sup>	391	423	313	254	246	247	243	236	235	233	232	226
16	Adjusted Actual Base Revenue	AEL-4, Line 5 <sup>1</sup>	\$15,582	\$12,660	\$9,381	\$4,790	\$4,360	\$4,399	\$4,943	\$6,213	\$8,209	\$10,517	\$10,336	\$8,992
17	Actual Base Revenue Per Customer	Line 16 / Line 15	\$39,85	\$29,93	\$29,97	\$18,86	\$17,72	\$17,81	\$20,34	\$26,33	\$34,93	\$45,14	\$44,55	\$39,79
18	RPC Variance (Benchmark- Actual)	Line 13 - Line 17	(\$14,73)	(\$7,97)	(\$7,99)	\$0,53	\$0,91	\$1,13	(\$0,75)	(\$8,66)	(\$10,05)	(\$17,31)	(\$16,39)	(\$12,33)
19	Monthly Under/(Over) Recovery of RPC	Line 15 * Line 18	(\$5,761)	(\$3,73)	(\$3,063)	\$135	\$223	\$229	(\$183)	(\$1,146)	(\$2,362)	(\$11,466)	(\$8,033)	(\$3,802)
20	Preliminary Ending Balance	Line 14 + Line 19	(\$9,137)	(\$12,210)	(\$12,089)	(\$11,881)	(\$11,617)	(\$11,815)	(\$12,976)	(\$15,554)	(\$19,406)	(\$23,234)	(\$26,050)	
21	Average Balance	Line 14 + Line 20) / 2	(\$5,880)	(\$7,451)	(\$10,678)	(\$12,156)	(\$11,992)	(\$11,757)	(\$11,724)	(\$12,403)	(\$14,173)	(\$17,389)	(\$21,333)	(\$24,656)
22	Bk America Rate less 200 Basis Points	Line 21 * Line 22) / 365 * # days	\$4	(\$9)	(\$13)	(\$15)	(\$15)	(\$14)	(\$15)	(\$20)	(\$20)	(\$26)	(\$29)	(\$39)
23	Interest Applied	Line 20 + Line 23	(\$5,764)	(\$9,147)	(\$12,223)	(\$12,104)	(\$11,896)	(\$11,632)	(\$11,830)	(\$12,992)	(\$15,573)	(\$19,431)	(\$23,262)	(\$26,089)
<b>Residential Non-Heat (Ind Low Income)</b>														
25	Benchmark Revenue Per Customer (RPC)	AEL-3, Line 8	\$25.12	\$21.96	\$20.18	\$19.39	\$18.63	\$18.94	\$19.59	\$21.47	\$24.88	\$27.83	\$28.16	\$27.46
26	Beginning Balance Under/(Over) Recovery	Line 36	\$0	\$412	\$26,713	\$21,189	\$60,460	\$97,480	\$143,873	\$183,685	\$221,729	\$295,209	\$352,572	\$422,763
27	Adjusted Number of Customers	Line 3 + Line 15	21,026	21,062	19,713	19,292	19,297	19,319	19,358	19,427	19,485	19,504	19,534	
28	Adjusted Actual Base Revenue	Line 4 + Line 16	\$527,703	\$436,143	\$403,431	\$334,863	\$322,552	\$319,644	\$339,600	\$379,304	\$411,693	\$485,419	\$479,601	\$457,620
29	Actual Base Revenue Per Customer	Line 28 / Line 27	\$25.10	\$20,71	\$20,47	\$17,36	\$16,72	\$16,55	\$17,54	\$19,52	\$21,13	\$24,91	\$24,59	\$23,43
30	RPC Variance (Benchmark- Actual)	Line 25 - Line 29	\$0,02	\$1,25	(\$0,28)	\$2,03	\$1,91	\$2,39	\$2,05	\$3,75	\$4,19	\$5,57	\$4,03	
31	Monthly Under/(Over) Recovery of RPC	Line 27 * Line 30	\$412	\$26,284	(\$5,554)	\$39,219	\$36,919	\$46,245	\$39,603	\$37,794	\$73,124	\$56,882	\$69,672	\$78,705
32	Preliminary Ending Balance	Line 26 + Line 31	\$412	\$26,696	\$21,159	\$60,408	\$97,379	\$143,725	\$183,476	\$221,479	\$294,852	\$352,090	\$422,243	\$501,468
33	Average Balance	(Line 26 + Line 32) / 2	\$206	\$13,554	\$23,936	\$40,798	\$78,920	\$120,602	\$163,675	\$202,582	\$258,291	\$322,650	\$387,407	\$462,116
34	Bk America Rate less 200 Basis Points	Line 33 * Line 34) / 365 * # days	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%	1,88%
35	Interest Applied	Line 32 + Line 35	\$0	\$17	\$30	\$52	\$101	\$143,873	\$183,685	\$221,729	\$295,209	\$352,572	\$422,763	
36	Ending Balance Under/(Over) Recovery		\$412	\$26,713	\$21,189	\$60,460	\$97,480							

<sup>1</sup> For April 2016 through July 2016 see Schedule AEL-4. For August 2016 through March 2017, data is provided by the Company's billing system.

### RDM Reconciliation by Rate Class by Month

Reference	Apr-16 30 (a)	May-16 31 (b)	Jun-16 30 (c)	Jul-16 31 (d)	Aug-16 31 (e)	Sep-16 30 (f)	Oct-16 31 (g)	Nov-16 30 (h)	Dec-16 31 (i)	Jan-17 31 (j)	Feb-17 28 (k)	Mar-17 31 (l)
<b>Residential Heating</b>												
37 Benchmark Revenue Per Customer (RPC)	AEL-3, Line 16	\$52.93	\$34.33	\$24.38	\$21.60	\$20.37	\$22.43	\$33.41	\$54.46	\$69.95	\$73.79	\$68.59
38 Beginning Balance Under/(Over) Recovery	Line 48	\$0	\$31,137	(\$271,975)	(\$552,066)	(\$573,495)	(\$566,048)	(\$1,192,553)	(\$1,430,875)	(\$2,171,353)	(\$1,953,379)	
39 Adjusted Number of Customers	AEL-4, Line 49 <sup>1</sup>	200,370	198,745	199,038	199,329	199,718	200,965	202,786	204,265	205,147	205,721	206,060
40 Adjusted Actual Base Revenue	AEL-4, Line 61 <sup>1</sup>	\$10,575,421	\$7,125,583	\$5,103,204	\$4,332,786	4,081,939	4,103,613	4,628,383	7,301,743	11,359,721	15,088,398	14,958,598
41 Actual Base Revenue Per Customer	Line 40 / Line 39	\$52.78	\$35.85	\$25.64	\$21.74	\$20.48	\$20.55	\$23.03	\$36.00	\$55.61	\$73.55	\$72.71
42 RPC Variance (Benchmark- Actual)	Line 37 - Line 41	\$90.16	(\$1,52)	(\$1,26)	(\$0.14)	(\$0.14)	(\$0.14)	(\$0.60)	(\$2.59)	(\$1.16)	(\$3.60)	\$1.07
43 Monthly Under/(Over) Recovery of RPC	Line 39 * Line 42	\$31,118	(\$302,959)	(\$251,587)	(\$27,328)	(\$20,713)	(\$28,137)	(\$120,268)	(\$24,719)	(\$236,112)	(\$73,805)	\$20,741
44 Preliminary Ending Balance	Line 38 + Line 43	\$31,118	(\$271,822)	(\$523,562)	(\$551,381)	(\$572,779)	(\$545,358)	(\$666,316)	(\$1,191,807)	(\$1,429,065)	(\$2,168,678)	(\$1,576,592)
45 Average Balance	Line 38 + Line 44) / 2	\$155,559	(\$120,342)	(\$397,769)	(\$537,717)	(\$562,422)	(\$559,427)	(\$606,182)	(\$929,448)	(\$1,311,009)	(\$1,999,776)	(\$2,060,983)
46 Bk America Rate less 200 Basis Points	(Line 45 * Line 46) / 365 * # days	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.88%
47 Interest Applied	Line 44 + Line 47	\$19	(\$153)	(\$490)	(\$685)	(\$717)	(\$690)	(\$772)	(\$1,146)	(\$1,809)	(\$2,675)	(\$2,811)
48 Ending Balance Under/(Over) Recovery		\$31,137	(\$271,975)	(\$524,053)	(\$552,066)	(\$573,495)	(\$566,048)	(\$1,192,553)	(\$1,430,875)	(\$2,171,353)	(\$1,953,379)	(\$1,579,403)
<b>Residential Heating - Low Income</b>												
49 Benchmark Revenue Per Customer (RPC)	AEL-3, Line 16	\$52.93	\$34.33	\$24.38	\$21.60	\$20.37	\$22.43	\$33.41	\$54.46	\$69.95	\$73.79	\$68.59
50 Beginning Balance Under/(Over) Recovery	Line 60	\$0	\$52,774	\$32,552	\$3,279	(\$16,977)	(\$34,264)	(\$84,545)	(\$84,506)	(\$143,054)	(\$195,757)	(\$20,411)
51 Adjusted Number of Customers	AEL-4, Line 52 <sup>1</sup>	18,299	19,168	19,299	19,049	18,716	18,483	18,194	17,919	17,660	17,419	17,244
52 Adjusted Actual Base Revenue	AEL-4, Line 64 <sup>1</sup>	\$915,912	\$678,285	\$499,715	\$431,669	\$398,583	\$396,605	\$444,011	\$657,166	\$1,014,75	\$1,308,080	\$1,256,717
53 Actual Base Revenue Per Customer	Line 52 / Line 51	\$50,380	\$53,39	\$25,89	\$22,66	\$21,30	\$21,46	\$24,40	\$36,67	\$57,43	\$75,09	\$72,88
54 RPC Variance (Benchmark- Actual)	Line 49 - Line 53	\$2.88	(\$1,06)	(\$1,52)	(\$0.62)	(\$0.92)	(\$0.77)	(\$1.97)	(\$3.26)	(\$5.14)	(\$8.91)	\$1.46
55 Monthly Under/(Over) Recovery of RPC	Line 51 * Line 54	\$52,741	(\$20,276)	(\$29,295)	(\$20,248)	(\$17,254)	(\$14,230)	(\$12,204)	(\$8,494)	(\$52,469)	(\$89,573)	\$24,836
56 Preliminary Ending Balance	Line 50 + Line 55	\$52,741	\$32,498	\$16,969	\$3,257	(\$34,231)	(\$16,969)	(\$142,914)	(\$195,523)	(\$285,330)	(\$270,038)	(\$245,575)
57 Average Balance	Line 50 + Line 56) / 2	\$26,571	\$42,636	\$17,905	(\$6,845)	(\$25,604)	(\$41,379)	(\$66,483)	(\$113,710)	(\$169,289)	(\$240,543)	(\$257,993)
58 Bk America Rate less 200 Basis Points	Line 57 * Line 58) / 365 * # days	\$33	\$54	\$22	(\$9)	(\$53)	(\$51)	(\$85)	(\$140)	(\$234)	(\$358)	(\$373)
59 Interest Applied	Line 56 + Line 59	\$32,552	\$32,279	(\$16,977)	(\$34,264)	(\$48,545)	(\$84,506)	(\$143,054)	(\$195,757)	(\$285,687)	(\$270,411)	(\$245,986)
<b>Residential Heat (incl Low Income)</b>												
61 Benchmark Revenue Per Customer (RPC)	AEL-3, Line 16	\$52.93	\$34.33	\$24.38	\$21.60	\$20.37	\$22.43	\$33.41	\$54.46	\$69.95	\$73.79	\$68.59
62 Beginning Balance Under/(Over) Recovery	Line 72	\$0	\$83,911	(\$239,423)	(\$520,747)	(\$569,043)	(\$607,759)	(\$594,593)	(\$751,594)	(\$1,336,007)	(\$1,626,631)	(\$2,457,040)
63 Adjusted Number of Customers	Line 39 + Line 51	218,669	217,913	218,394	218,045	219,159	220,705	221,925	222,566	222,965	223,110	223,110
64 Adjusted Actual Base Revenue	Line 40 + Line 52	\$11,491,333	\$7,803,868	\$5,602,919	\$4,764,455	\$4,480,522	\$4,500,218	\$5,072,394	\$7,957,909	\$12,373,896	\$16,396,477	\$16,215,316
65 Actual Base Revenue Per Customer	Line 64 / Line 63	\$52.55	\$35.81	\$25,66	\$21,82	\$20,55	\$20,62	\$23,14	\$36,06	\$55,76	\$73,67	\$72,73
66 RPC Variance (Benchmark- Actual)	Line 61 - Line 65	\$0.38	(\$1.48)	(\$1.29)	(\$0.22)	(\$0.17)	(\$0.06)	(\$0.71)	(\$2.64)	(\$1,130)	(\$3,736)	\$1.80
67 Monthly Under/(Over) Recovery of RPC	Line 63 * Line 66	\$8,859	(\$323,234)	(\$280,883)	(\$47,576)	(\$37,967)	(\$13,907)	(\$156,144)	(\$583,127)	(\$288,581)	(\$2,454,008)	(\$2,220,650)
68 Preliminary Ending Balance	Line 62 + Line 67	\$83,859	(\$39,324)	(\$520,305)	(\$568,349)	(\$607,010)	(\$593,832)	(\$750,737)	(\$1,334,721)	(\$1,624,388)	(\$1,882,167)	(\$401,623)
69 Average Balance	(Line 62 + Line 68) / 2	\$41,929	(\$77,07)	(\$37,864)	(\$544,562)	(\$588,027)	(\$600,805)	(\$672,665)	(\$1,043,158)	(\$1,480,298)	(\$2,040,320)	(\$2,338,845)
70 Bk America Rate less 200 Basis Points	(Line 69 * Line 70) / 365 * # days	\$52	(\$99)	(\$468)	(\$749)	(\$857)	(\$741)	(\$1,286)	(\$2,626,631)	(\$3,140)	(\$3,222)	(\$3,222)
71 Interest Applied	Line 68 + Line 71	\$83,911	(\$239,423)	(\$520,747)	(\$569,043)	(\$607,759)	(\$594,593)	(\$751,594)	(\$1,336,007)	(\$1,626,631)	(\$2,457,040)	(\$2,223,790)
72 Ending Balance Under/(Over) Recovery												

<sup>1</sup> For April 2016 through July 2016 see Schedule AEL-4. For August 2016 through March 2017, data is provided by the Company's billing system.

## RDM Reconciliation by Rate Class by Month

Small C&I		Medium C&I	
Reference		Reference	
73	Benchmark Revenue Per Customer (RPC)	AEL-3, Line 20	\$77.93
74	Beginning Balance Under/(Over) Recovery	Line 84	\$50.14
75	Actual Number of Customers	Company's billing system	\$67,665
76	Actual Base Revenue	Company's billing system	\$104,844
77	Actual Base Revenue Per Customer	Line 76, Line 75	\$10,932
78	RPC Variance (Benchmark- Actual)	Line 75 - Line 77	\$19,134
79	Monthly Under/(Over) Recovery of RPC	Line 75 * Line 78	\$19,134
80	Preliminary Ending Balance	Line 74 + Line 79	\$10,932
81	Average Balance	(Line 74 + Line 80) / 2	\$33,812
82	BK America Rate Less 200 Basis Points		1.50%
83	Interest Applied	(Line 81 * Line 82) / 365 * # days	\$42,150
84	Ending Balance Under/(Over) Recovery	Line 80 + Line 83	\$67,665
73	Benchmark Revenue Per Customer (RPC)	AEL-3, Line 24	\$390.91
74	Beginning Balance Under/(Over) Recovery	Line 96	\$306.74
75	Actual Number of Customers	Company's billing system	\$0
76	Actual Base Revenue	Company's billing system	\$18,521
77	Actual Base Revenue Per Customer	Line 88, Line 87	\$4,893
78	RPC Variance (Benchmark- Actual)	Line 85 - Line 89	\$1,536,308
79	Monthly Under/(Over) Recovery of RPC	Line 87 * Line 90	\$1,257,486
80	Preliminary Ending Balance	Line 86 + Line 91	\$18,509
81	Average Balance	(Line 86 + Line 92) / 2	\$9,255
82	BK America Rate Less 200 Basis Points	(Line 93 * Line 94) / 365 * # days	\$18,521
83	Interest Applied	Line 92 + Line 95	
84	Ending Balance Under/(Over) Recovery		

**Adjusted Revenue-Per-Customer Targets**

	Apr (a)	May (b)	Jun (c)	Jul (d)	Aug (e)	Sep (f)	Oct (g)	Nov (h)	Dec (i)	Jan (j)	Feb (k)	Mar (l)	Total (m)
1 Residential Non-Heat (incl Low-Income)													
2 Number of Customers	26,197 (2,600)	26,140 (2,600)	26,085 (2,600)	26,015 (2,600)	25,964 (2,600)	25,969 (2,600)	25,980 (2,600)	26,058 (2,600)	26,107 (2,600)	26,125 (2,600)	26,234 (2,600)	26,255 (2,600)	
3 Number of Accounts Transferred Nov 2014	(970)	(970)	(970)	(970)	(970)	(970)	(970)	(970)	(970)	(970)	(970)	(970)	
4 Number of Accounts Transferred Jun 2015	(684)	(684)	(684)	(684)	(684)	(684)	(684)	(684)	(684)	(684)	(684)	(684)	
5 Number of Accounts Transferred Jul 2016	21,943	21,886	21,831	21,761	21,710	21,726	21,726	21,804	21,853	21,871	21,980	22,001	
6 Adjusted Number of Customers	\$551,147	\$480,518	\$440,626	\$421,958	\$404,421	\$411,267	\$425,590	\$468,132	\$543,736	\$608,707	\$619,002	\$604,058	\$5,979,163
7 Final Revenue Requirement													
8 <b>Adjusted RPC</b>	\$25.12	\$21.96	\$20.18	\$19.39	\$18.63	\$18.94	\$19.59	\$21.47	\$24.88	\$27.83	\$28.16	\$27.46	
9 Residential Heating (incl Low-Income)													
10 Number of Customers	206,526	205,560	204,853	204,218	203,713	203,918	204,929	206,779	208,036	208,864	206,524	206,734	
11 Number of Accounts Transferred Nov 2014	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	
12 Number of Accounts Transferred Jun 2015	970	970	970	970	970	970	970	970	970	970	970	970	
13 Number of Accounts Transferred Jul 2016	684	684	684	684	684	684	684	684	684	684	684	684	
14 Adjusted Number of Customers	210,780	209,814	209,107	208,472	207,967	208,172	209,183	211,033	212,290	213,118	210,778	210,988	
15 Final Revenue Requirement	\$11,157,590	\$7,202,607	\$5,097,052	\$4,502,384	\$4,227,221	\$4,306,645	\$4,692,464	\$7,051,595	\$11,560,624	\$14,908,187	\$15,552,475	\$14,470,701	\$104,739,746
16 <b>Adjusted RPC</b>	\$52.93	\$34.33	\$24.38	\$21.60	\$20.37	\$20.69	\$22.43	\$33.41	\$44.46	\$69.95	\$73.79	\$68.59	
17 Small													
18 Number of Customers	18,697	18,524	18,381	18,270	18,221	18,243	18,367	18,680	18,856	18,995	18,800	18,800	
19 Final Revenue Requirement	\$1,457,117	\$928,852	\$615,286	\$579,616	\$538,554	\$536,429	\$588,115	\$875,201	\$1,472,999	\$2,206,366	\$1,901,912	\$1,957,612	\$13,658,058
20 <b>RPC</b>	\$77.93	\$50.14	\$33.47	\$31.72	\$29.56	\$29.40	\$32.02	\$46.85	\$78.12	\$116.16	\$101.17	\$104.13	
21 Medium C&I													
22 Number of Customers	4,702	4,691	4,694	4,684	4,665	4,678	4,700	4,734	4,758	4,773	4,696	4,705	
23 Final Revenue Requirement	\$1,838,057	\$1,438,900	\$1,215,685	\$1,068,436	\$1,004,164	\$1,064,655	\$1,178,537	\$1,510,387	\$1,910,148	\$2,404,616	\$2,432,687	\$2,334,238	\$19,400,509
24 <b>RPC</b>	\$390.91	\$306.74	\$258.99	\$228.10	\$215.25	\$227.59	\$250.75	\$319.05	\$401.46	\$503.80	\$518.03	\$496.12	

Lines 2, 10, 18, 22: Number of customers per Docket 4514, RDM Filing, Schedule SNL-4, Page 1, Lines 2, 6, 10, 14.

Lines 3, 11: Number of customers transferred from Residential Non-Heating in Docket 4573, RDM Filing, Schedule SNL-3.

Line 4, 12: Number of customers transferred from Residential Non-Heating in Docket 4634, RDM Filing, Schedule SNL-3.

Line 5, 13: Number of customers transferred from Residential Non-Heating to Residential Heating as of July 2016, see Schedule AEL-4, Line 7 for actual customers impacted month to month.

Lines 7, 15, 19, 23: Final revenue requirement allocations from Docket 4514, RDM Filing, Schedule SNL-4, Page 1, Lines 3, 7, 11, 15.

The Narragansett Electric Company  
d/b/a National Grid  
RIPUC Docket No. \_\_\_\_\_  
Schedule AEL-4  
Page 1 of 2

**Billing Determinants and Associated Base Revenues of 684 Residential Customers Transferred**

Reference	Apr-16 (a)	May-16 (b)	Jun-16 (c)	Jul-16 (d)	Total (e)
<b>1 Billing Determinants and Billed Base Revenues of Non-Heating Residential Customers Transferred</b>					
<b>Volumes</b>					
2 Residential Non Heat	Data provided from the Company's billing system.	52,300	27,702	13,222	110
3 Residential Non Heat Low Income	Data provided from the Company's billing system.	4,632	2,822	1,536	-
4 Total	Line 2 + Line 3	56,932	30,524	14,758	110
<b>Customer Count</b>					
5 Residential Non Heat	Data provided from the Company's billing system.	631	579	557	17
6 Residential Non Heat Low Income	Data provided from the Company's billing system.	52	56	60	-
7 Total	Line 5 + Line 6	683 *	635	617	17
<b>Base Rate Revenue</b>					
8 Residential Non Heat Base Rate Revenue	Data provided from the Company's billing system.	\$31,640	\$19,835	\$13,066	\$190
9 Residential Non Heat LI Base Rate Revenue	Data provided from the Company's billing system.	\$2,437	\$1,769	\$1,312	\$0
10 Total	Line 8 + Line 9	\$34,077	\$21,604	\$14,378	\$190
<b>11 Calculation of Associated Heating Revenue</b>					
<b>Residential Heating Peak</b>					
12 Customer Charge	RIPUC NG-Gas No. 101, Section 4, Schedule C, Sheet 1, Rate 12	\$13.00	\$13.00	\$13.00	\$13.00
13 Headblock (up to 125 therms)	RIPUC NG-Gas No. 101, Section 4, Schedule C, Sheet 1, Rate 12	\$0.4672	\$0.4672	\$0.4672	\$0.4672
14 Tailblock	RIPUC NG-Gas No. 101, Section 4, Schedule C, Sheet 1, Rate 12	\$0.3010	\$0.3010	\$0.3010	\$0.3010
<b>Off Peak</b>					
15 Customer Charge	RIPUC NG-Gas No. 101, Section 4, Schedule C, Sheet 1, Rate 12	\$13.00	\$13.00	\$13.00	\$13.00
16 Headblock (up to 30 therms)	RIPUC NG-Gas No. 101, Section 4, Schedule C, Sheet 1, Rate 12	\$0.4672	\$0.4672	\$0.4672	\$0.4672
17 Tailblock	RIPUC NG-Gas No. 101, Section 4, Schedule C, Sheet 1, Rate 12	\$0.3010	\$0.3010	\$0.3010	\$0.3010
<b>Residential Heating Low Income Peak</b>					
18 Customer Charge	RIPUC NG-Gas No. 101, Section 4, Schedule D, Sheet 1, Rate 13	\$11.70	\$11.70	\$11.70	\$11.70
19 Headblock (up to 125 therms)	RIPUC NG-Gas No. 101, Section 4, Schedule D, Sheet 1, Rate 13	\$0.4205	\$0.4205	\$0.4205	\$0.4205
20 Tailblock	RIPUC NG-Gas No. 101, Section 4, Schedule D, Sheet 1, Rate 13	\$0.2709	\$0.2709	\$0.2709	\$0.2709
<b>Off Peak</b>					
21 Customer Charge	RIPUC NG-Gas No. 101, Section 4, Schedule D, Sheet 1, Rate 13	\$11.70	\$11.70	\$11.70	\$11.70
22 Headblock (up to 30 therms)	RIPUC NG-Gas No. 101, Section 4, Schedule D, Sheet 1, Rate 13	\$0.4205	\$0.4205	\$0.4205	\$0.4205
23 Tailblock	RIPUC NG-Gas No. 101, Section 4, Schedule D, Sheet 1, Rate 13	\$0.2709	\$0.2709	\$0.2709	\$0.2709
<b>Volumes</b>					
<b>Regular</b>					
24 Head Block	Company's billing system data calculated for head block volume.	50,480	23,597	12,452	78
25 Tail Block	Company's billing system data calculated for tail block volume.	1,819	4,105	770	32
26 Total	Line 24 + Line 25	52,300	27,702	13,222	110
<b>Low Income</b>					
27 Head Block	Company's billing system data calculated for head block volume.	4,491	2,312	1,486	-
28 Tail Block	Company's billing system data calculated for tail block volume.	142	510	50	-
29 Total	Line 27 + Line 28	4,632	2,822	1,536	-
30 Total Volumes:	Line 26 + Line 29	56,932	30,524	14,758	110
					102,323

\*Note: There was 1 additional Residential Non Heating account number in June that was not in the April or May data so the total number of accounts transferred equals 684.

**Billing Determinants and Associated Base Revenues of 684 Residential Customers Transferred**

	Reference	Apr-16 (a)	May-16 (b)	Jun-16 (c)	Jul-16 (d)	Total (e)
<b>Residential Heat Base Rate Revenue</b>						
31 Customer Charge	Line 5 * Line 12	\$8,203	\$7,527	\$7,241	\$221	\$23,192
32 Head Block	Line 13 * Line 24	\$23,584	\$11,024	\$5,818	\$36	\$40,463
33 Tail Block	Line 14 * Line 25	\$548	\$1,235	\$232	\$10	\$2,025
34 Total	Sum [Line 31: Line 33]	\$32,335	\$19,787	\$13,290	\$267	\$65,679
<b>Residential Heat LI Base Rate Revenue</b>						
35 Customer Charge	Line 6 * Line 18	\$608	\$655	\$702	\$0	\$1,966
36 Head Block	Line 19 * Line 27	\$1,888	\$972	\$625	\$0	\$3,485
37 Tail Block	Line 20 * Line 28	\$38	\$138	\$13	\$0	\$190
38 Total	Sum [Line 35: Line 37]	\$2,535	\$1,766	\$1,340	\$0	\$5,641
39 Total Residential Heat Base Rate Revenue:	Line 34 + Line 38	\$34,870	\$21,552	\$14,631	\$267	\$71,320
<b>40 Adjusted Customer Counts and Base Revenue of Tranferred Residential Customers</b>						
<b>Adjustment to Non-Heat Customer Count</b>						
41 Actual Residential Non-Heating Count	Data provided from the Company's billing system.	21,266	21,218	19,957	19,055	
42 Adjustment: Transfer to Heat	- (Line 5)	(631)	(579)	(557)	(17)	
43 Adjusted Residential Non-Heating Count	Line 41 + Line 42	20,635	20,639	19,400	19,038	
44 Actual Residential Non-Heating LI Count	Data provided from the Company's billing system.	443	479	373	254	
45 Adjustment: Transfer to Heat LI	- (Line 6)	(52)	(56)	(60)	-	
46 Adjusted Residential Non-Heating LI Count	Line 44 + Line 45	391	423	313	254	
<b>Adjustment to Heat Customer Count</b>						
47 Actual Residential Heating Count	Data provided from the Company's billing system.	199,739	198,166	198,481	199,328	
48 Adjustment: Transfer to Heat	Line 5	631	579	557	17	
49 Adjusted Residential Heating Count	Line 47 + Line 48	200,370	198,745	199,038	199,345	
50 Actual Residential Heating LI Count	Data provided from the Company's billing system.	18,247	19,112	19,239	19,049	
51 Adjustment: Transfer to Heat	Line 6	52	56	60	-	
52 Adjusted Residential Heating LI Count	Line 50 + Line 51	18,299	19,168	19,299	19,049	
<b>Adjustment to Non-Heat Base Rate Revenue</b>						
53 Actual Non-Heat Base Rate Revenue	Data provided from the Company's billing system.	\$543,761	\$443,318	\$407,116	\$330,263	\$1,724,458
54 Adjustment: Transfer to Heat	- (Line 8)	(\$31,640)	(\$19,835)	(\$13,066)	(\$190)	(\$64,731)
55 Adjusted Non-Heat Base Rate Revenue	Line 53 + Line 54	\$512,121	\$423,483	\$394,050	\$330,073	\$1,659,727
56 Actual Non-Heat LI Base Rate Revenue	Data provided from the Company's billing system.	\$18,289	\$14,626	\$10,839	\$4,790	\$48,544
57 Adjustment: Transfer to Heat LI	- (Line 9) / .9	(\$2,708)	(\$1,966)	(\$1,458)	\$0	(\$6,131)
58 Adjusted Non-Heat LI Base Rate Revenue	Line 56 + Line 57	\$15,582	\$12,660	\$9,381	\$4,790	\$42,413
<b>Adjustment to Heat Base Rate Revenue</b>						
59 Actual Heat Base Rate Revenue	Data provided from the Company's billing system.	\$10,543,086	\$7,105,796	\$5,089,914	\$4,332,519	\$27,071,316
60 Adjustment: Transfer to Heat	Line 34	\$32,335	\$19,787	\$13,290	\$267	\$65,679
61 Adjusted Heat Base Rate Revenue	Line 59 + Line 60	\$10,575,421	\$7,125,583	\$5,103,204	\$4,332,786	\$27,136,995
62 Actual Heat LI Base Rate Revenue	Data provided from the Company's billing system.	\$913,095	\$676,323	\$498,225	\$431,669	\$2,519,313
63 Adjustment: Transfer to Heat LI	Line 38 / .9	\$2,817	\$1,962	\$1,489	\$0	\$6,268
64 Adjusted Heat LI Base Rate Revenue	Line 62 + Line 63	\$915,912	\$678,285	\$499,715	\$431,669	\$2,525,580
65 <u>Difference: Heating vs. Non-Heating Revenue</u> (Distribution Charges Higher under Heating rates)						
66 Residential	Line 34 - Line 8	\$695	(\$48)	\$224	\$77	\$948
67 Residential Low-Income	Line 38/ .9 - Line 9/ .9	\$109	(\$4)	\$31	\$0	\$136
68 Total	Line 66 + Line 67	\$804	(\$52)	\$256	\$77	\$1,084

### **Actual vs. Normal Billing Degree Day Comparison for April 2016 - March 2017**

	<b>Month/Year</b>	<b>Actual Billing Degree Days (a)</b>	<b>Normal Billing Degree Days (b)</b>
1	Apr-16	613	654
2	May-16	374	340
3	Jun-16	80	122
4	Jul-16	5	16
5	Aug-16	0	0
6	Sep-16	6	17
7	Oct-16	138	150
8	Nov-16	400	443
9	Dec-16	731	760
10	Jan-17	947	985
11	Feb-17	897	1,045
12	Mar-17	853	915
13	<b>Total</b>	<b>5,043</b>	<b>5,448</b>
14	<b>Degree Day Difference</b>		405
15	<b>Degree Day Difference (%)</b>		-7.4%

Source: Normal Heating Degree Day Report

Line 13: Sum of Lines 1 through 12

Line 14: Abs(Line 13 Column (b) - Line 13 Column (a))

Line 15: (Line 13 Column (a) / Line 13 Column (b)) - 1

The Narragansett Electric Company  
d/b/a National Grid  
RIPUC Docket No. \_\_\_\_\_  
Schedule AEL- 6  
Page 1 of 4

**The Narragansett Electric Company Annual Gas RDM Reconciliation Balance  
Excluding Proposed Adjustment for Transferred Customers**

1	Residential Non-Heat (incl Low Income)	\$308,389
2	Residential Heat (incl Low Income)	(\$1,467,315)
3	Small C&I	\$557,984
4	Medium C&I	\$942,798
5	Net Under Recovery of RPC	<hr/> \$341,856

1 Schedule AEL-6, Page 2, Column (l), Line 36

2 Schedule AEL-6, Page 3, Column (l), Line 72

3 Schedule AEL-6, Page 4, Column (l), Line 84

4 Schedule AEL-6, Page 4, Column (l), Line 96

5 Sum of lines 1-4

**RDM Reconciliation by Rate Class by Month Without Adjusting Target RPCs and Normalizing Revenue**

	Reference	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17
		30	31	30	31	31	30	31	30	31	31	28
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
<b>Residential Non-Heat</b>												
1	Benchmark Revenue Per Customer (RPC)	\$24.36	\$21.29	\$19.57	\$18.80	\$18.06	\$18.36	\$20.82	\$24.13	\$26.99	\$27.31	\$26.63
2	Beginning Balance Under/(Over) Recovery	\$0	(\$25,781)	(\$17,393)	(\$33,976)	(\$6,037)	(\$19,828)	(\$54,810)	(\$83,255)	(\$109,782)	(\$170,924)	(\$21,5,877)
3	Actual Number of Customers	21,266	21,218	19,957	19,055	19,072	19,115	19,250	19,252	19,272	19,308	19,308
4	Actual Base Revenue	\$543,761	\$443,318	\$407,116	\$330,263	\$318,193	\$315,245	\$334,657	\$373,091	\$403,484	\$474,902	\$448,626
5	Actual Base Revenue Per Customer	\$25.57	\$20.89	\$20.40	\$17.33	\$16.70	\$17.51	\$19.44	\$20.96	\$24.67	\$24.35	\$23.24
6	RPC Variance (Benchmark- Actual)	\$0	(\$0.83)	(\$0.83)	(\$1.47)	\$1.36	\$1.83	\$1.48	\$1.38	\$3.17	\$2.32	\$3.39
7	Monthly Under/(Over) Recovery of RPC	\$1.21	\$0.40	(\$0.83)	(\$27,964)	\$25,856	\$28,357	\$26,08	\$60,949	\$44,665	\$37,094	\$65,508
8	Preliminary Ending Balance	\$25,766	\$25,416	(\$16,551)	(\$6,012)	\$19,819	\$34,764	\$83,167	\$109,663	\$170,731	\$21,5,589	\$338,806
9	Average Balance	(\$23,766)	(\$17,393)	(\$25,669)	(\$19,994)	\$6,891	\$37,296	\$68,988	\$96,459	\$140,256	\$193,257	\$244,424
10	Bk America Rate less 200 Basis Points	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.63%	1.75%	1.88%
11	Interest Applied	(\$16)	(\$27)	(\$32)	(\$25)	\$9	\$46	\$88	\$119	\$194	\$287	\$487
12	Ending Balance Under/(Over) Recovery	(\$25,781)	(\$17,93)	(\$33,976)	(\$6,037)	\$19,828	\$34,810	\$83,255	\$109,782	\$170,924	\$21,5,877	\$339,294
<b>Residential Non-Heat Low Income</b>												
13	Benchmark Revenue Per Customer (RPC)	\$24.36	\$21.29	\$19.57	\$18.80	\$18.06	\$18.36	\$18.99	\$20.82	\$24.13	\$26.99	\$27.31
14	Beginning Balance Under/(Over) Recovery	\$0	(\$5,03)	(\$11,943)	(\$15,500)	(\$15,535)	(\$15,471)	(\$15,354)	(\$15,073)	(\$170,23)	(\$19,588)	(\$23,849)
15	Actual Number of Customers	443	479	373	254	246	247	243	236	235	233	226
16	Actual Base Revenue	\$18,289	\$14,626	\$10,790	\$4,360	\$4,399	\$9,493	\$6,213	\$8,213	\$10,517	\$10,336	\$8,992
17	Actual Base Revenue Per Customer	\$41.28	\$30.53	\$29.06	\$18.86	\$17.72	\$20.34	\$26.33	\$34.93	\$45.14	\$44.55	\$39.79
18	RPC Variance (Benchmark- Actual)	(\$16,93)	(\$9,24)	(\$9,49)	(\$0,06)	\$0.34	\$0.55	(\$1.35)	(\$5.51)	(\$10,81)	(\$18,15)	(\$13,16)
19	Monthly Under/(Over) Recovery of RPC	(\$7,499)	(\$8,428)	(\$3,539)	(\$1.5)	\$83	\$136	(\$329)	(\$2,539)	(\$19,562)	(\$24,229)	(\$2,974)
20	Preliminary Ending Balance	(\$7,499)	(\$11,931)	(\$15,483)	(\$15,515)	(\$15,452)	(\$15,355)	(\$15,683)	(\$17,033)	(\$19,562)	(\$23,817)	(\$27,849)
21	Average Balance	(\$3,749)	(\$9,17)	(\$13,713)	(\$15,507)	(\$15,493)	(\$15,403)	(\$16,519)	(\$16,353)	(\$18,92)	(\$21,702)	(\$25,849)
22	Bk America Rate less 200 Basis Points	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.63%	1.75%	1.88%
23	Interest Applied	(\$5)	(\$12)	(\$17)	(\$20)	(\$19)	(\$20)	(\$20)	(\$25)	(\$32)	(\$35)	(\$47)
24	Ending Balance Under/(Over) Recovery	(\$7,503)	(\$11,943)	(\$15,500)	(\$15,535)	(\$15,471)	(\$15,354)	(\$15,703)	(\$17,023)	(\$19,588)	(\$23,849)	(\$30,904)
<b>Residential Non-Heat (incl Low Income)</b>												
25	Benchmark Revenue Per Customer (RPC)	\$24.36	\$21.29	\$19.57	\$18.80	\$18.06	\$18.36	\$18.99	\$20.82	\$24.13	\$26.99	\$27.31
26	Beginning Balance Under/(Over) Recovery	\$0	(\$31,285)	(\$29,336)	(\$49,475)	(\$21,572)	(\$4,356)	(\$36,455)	(\$67,552)	(\$92,759)	(\$151,337)	\$245,415
27	Actual Number of Customers	21,709	21,697	20,330	19,309	19,297	19,319	19,358	19,427	19,485	19,504	19,534
28	Actual Base Revenue	\$562,050	\$457,943	\$417,955	\$355,054	\$322,552	\$319,644	\$336,600	\$379,304	\$411,693	\$485,419	\$457,620
29	Actual Base Revenue Per Customer	\$25,89	\$21,11	\$20,56	\$17,35	\$16,72	\$16,55	\$17,54	\$19,52	\$21,13	\$24,59	\$23,43
30	RPC Variance (Benchmark- Actual)	(\$1,53)	\$0.18	(\$0.99)	\$1.45	\$1.34	\$1.82	\$1.45	\$1.29	\$3.00	\$2.08	\$2.72
31	Monthly Under/(Over) Recovery of RPC	(\$33,264)	\$3,988	(\$20,091)	\$27,949	\$25,939	\$35,072	\$28,029	\$25,108	\$58,409	\$40,436	\$53,095
32	Preliminary Ending Balance	(\$33,264)	(\$29,296)	(\$49,427)	(\$21,527)	\$4,367	\$39,428	\$67,484	\$151,168	\$191,772	\$245,122	\$307,949
33	Average Balance	(\$16,632)	(\$31,291)	(\$39,382)	(\$35,501)	(\$8,602)	\$21,892	\$53,470	\$80,106	\$121,964	\$171,554	\$276,682
34	Bk America Rate less 200 Basis Points	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.63%	1.75%	1.88%
35	Interest Applied	(\$21)	(\$40)	(\$49)	(\$45)	(\$11)	\$27	\$68	\$99	\$168	\$255	\$441
36	Ending Balance Under/(Over) Recovery	(\$33,285)	(\$29,336)	(\$49,475)	(\$21,572)	(\$4,356)	(\$39,455)	(\$67,552)	(\$92,759)	(\$151,337)	\$245,415	\$308,389

**RDM Reconciliation by Rate Class by Month Without Adjusting Target RPCs and Normalizing Revenue**

	Reference	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	
		30	31	30	31	31	30	31	30	31	31	28	31	
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	
<b>Residential Heating</b>														
37	Benchmark Revenue Per Customer (RPC)	\$53.11	\$34.44	\$24.46	\$21.67	\$20.44	\$20.76	\$22.51	\$33.52	\$54.63	\$70.18	\$74.03	\$68.81	
38	Beginning Balance Under/(Over) Recovery	\$0	\$64.513	(\$216,382)	(\$452,791)	(\$466,633)	(\$474,543)	(\$433,345)	(\$539,443)	(\$1,043,035)	(\$1,244,837)	(\$1,938,798)	(\$1,671,059)	
39	Actual Number of Customers	199,739	198,166	198,481	199,328	199,329	199,718	200,965	202,786	204,265	205,147	205,721	206,060	
40	Actual Base Revenue	\$10,543,086	\$7,105,796	\$5,089,914	\$4,332,519	\$4,081,939	\$4,103,613	\$4,628,383	\$7,300,743	\$11,359,721	\$15,088,398	\$14,958,598	\$13,755,925	
41	Actual Base Revenue Per Customer	\$10,543,086	\$7,105,796	\$5,089,914	\$4,332,519	\$4,081,939	\$4,103,613	\$4,628,383	\$7,300,743	\$11,359,721	\$15,088,398	\$14,958,598	\$13,755,925	
42	RPC Variance (Benchmark- Actual)	\$0.32	\$25.86	\$21.74	\$20.48	\$20.55	\$23.03	\$36.00	\$55.61	\$73.55	\$72.71	\$66.76		
43	Monthly Under/(Over) Recovery of RPC	\$0.32	(\$1.42)	(\$1.19)	(\$0.07)	(\$0.04)	(\$0.21)	(\$0.52)	(\$2.48)	(\$0.98)	(\$3.37)	\$1.31	\$2.05	
44	Preliminary Ending Balance	\$64,473	\$280,798	(\$235,277)	(\$71,511)	(\$13,257)	(\$71,757)	(\$10,479)	(\$50,685)	(\$200,156)	(\$691,597)	(\$207,160)	\$422,753	
45	Average Balance	\$64,473	(\$316,285)	(\$452,378)	(\$466,947)	(\$473,944)	(\$432,786)	(\$538,824)	(\$1,042,128)	(\$1,243,259)	(\$1,936,434)	(\$1,668,638)	(\$1,248,307)	
46	Bk America Rate less 200 Basis Points	\$32,237	(\$75,886)	(\$334,380)	(\$459,419)	(\$470,288)	(\$453,664)	(\$480,084)	(\$790,785)	(\$1,143,181)	(\$1,590,635)	(\$1,803,718)	(\$1,459,683)	
47	Interest Applied	\$40	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.75%	1.88%	
48	Ending Balance Under/(Over) Recovery	\$64,513	(\$321,382)	(\$452,791)	(\$466,633)	(\$474,543)	(\$433,345)	(\$539,443)	(\$1,043,103)	(\$1,244,837)	(\$1,938,798)	(\$1,671,059)	(\$1,250,631)	
<b>Residential Heating - Low Income</b>														
49	Benchmark Revenue Per Customer (RPC)	\$53.11	\$34.44	\$24.46	\$21.67	\$20.44	\$20.76	\$22.51	\$33.52	\$54.63	\$70.18	\$74.03	\$68.81	
50	Beginning Balance Under/(Over) Recovery	\$0	\$55.984	\$37.954	\$10,254	(\$8,639)	(\$24,655)	(\$37,663)	(\$72,271)	(\$1,28,856)	(\$178,428)	(\$264,406)	(\$244,056)	
51	Actual Number of Customers	18,247	19,112	19,239	19,049	18,716	18,483	18,194	17,919	17,419	17,660	17,244	17,050	
52	Actual Base Revenue	\$913,095	\$676,733	\$498,225	\$431,669	\$398,583	\$396,605	\$444,011	\$657,166	\$1,014,175	\$1,30,080	\$1,256,717	\$1,144,545	
53	Actual Base Revenue Per Customer	\$50,004	\$35,39	\$25,90	\$22,66	\$21,30	\$21,46	\$24,40	\$36,67	\$57,43	\$75,99	\$72,88	\$67,13	
54	RPC Variance (Benchmark- Actual)	\$3,07	(\$8,95)	(\$1,44)	(\$0,99)	(\$8,894)	(\$18,95)	(\$1,90)	(\$1,90)	(\$8,15)	(\$8,92)	\$1.15	\$1.68	
55	Monthly Under/(Over) Recovery of RPC	\$55,950	(\$18,091)	(\$27,729)	(\$18,894)	(\$15,995)	(\$12,969)	(\$34,538)	(\$56,461)	(\$49,360)	(\$85,650)	(\$19,792)	\$28,640	
56	Preliminary Ending Balance	\$55,950	(\$10,224)	(\$8,640)	(\$24,634)	(\$7,625)	(\$7,201)	(\$128,332)	(\$178,216)	(\$244,615)	(\$264,077)	(\$216,317)		
57	Average Balance	\$27,975	\$46,939	\$24,089	\$8,807	(\$16,636)	(\$31,140)	(\$54,932)	(\$100,501)	(\$153,336)	(\$221,253)	(\$234,510)	(\$230,637)	
58	Bk America Rate less 200 Basis Points	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.63%	1.75%	1.88%	
59	Interest Applied	\$34	\$60	\$30	\$1	(\$21)	(\$38)	(\$70)	(\$124)	(\$312)	(\$329)	(\$367)	(\$216,684)	
60	Ending Balance Under/(Over) Recovery	\$55,984	\$37,954	\$10,254	(\$8,639)	(\$24,655)	(\$37,663)	(\$72,271)	(\$128,856)	(\$178,428)	(\$264,406)	(\$244,056)	(\$216,684)	
<b>Residential Heat (incl Low Income)</b>														
61	Benchmark Revenue Per Customer (RPC)	\$53.11	\$34.44	\$24.46	\$21.67	\$20.44	\$20.76	\$22.51	\$33.52	\$54.63	\$70.18	\$74.03	\$68.81	
62	Beginning Balance Under/(Over) Recovery	\$0	\$120,498	(\$178,428)	(\$442,537)	(\$475,271)	(\$499,198)	(\$471,008)	(\$611,714)	(\$1,171,959)	(\$1,423,245)	(\$2,203,204)	(\$1,916,015)	
63	Actual Number of Customers	217,986	217,278	217,720	218,377	218,045	218,201	219,159	220,705	221,925	222,566	222,965	223,110	
64	Actual Base Revenue	\$11,456,182	\$7,782,120	\$5,588,139	\$4,764,188	\$4,480,522	\$4,500,218	\$5,073,394	\$7,957,909	\$12,373,896	\$16,396,477	\$16,215,316	\$14,900,471	
65	Actual Base Revenue Per Customer	\$52,55	\$35,82	\$25,67	\$21,82	\$21,82	\$20,62	\$23,14	\$36,06	\$55,76	\$73,67	\$66,77		
66	RPC Variance (Benchmark- Actual)	\$0.55	(\$1.38)	(\$1.21)	(\$0.15)	(\$0.11)	(\$0.13)	(\$0.64)	(\$2,53)	(\$1.12)	(\$3.49)	\$1.30	\$2.02	
67	Monthly Under/(Over) Recovery of RPC	\$120,423	(\$298,889)	(\$263,726)	(\$32,150)	(\$23,307)	(\$28,788)	(\$140,016)	(\$559,146)	(\$249,516)	(\$777,247)	(\$289,952)	(\$451,392)	
68	Preliminary Ending Balance	\$120,423	(\$78,391)	(\$442,154)	(\$474,687)	(\$498,578)	(\$470,410)	(\$611,024)	(\$1,170,860)	(\$1,421,475)	(\$2,200,511)	(\$1,913,232)	(\$1,464,623)	
69	Average Balance	\$60,212	(\$28,947)	(\$310,291)	(\$458,612)	(\$486,925)	(\$484,804)	(\$541,016)	(\$891,987)	(\$1,296,717)	(\$1,811,888)	(\$2,058,228)	(\$1,690,319)	
70	Bk America Rate less 200 Basis Points	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.63%	1.75%	1.88%	
71	Interest Applied	\$74	(\$37)	(\$383)	(\$584)	(\$620)	(\$598)	(\$689)	(\$1,099)	(\$1,790)	(\$2,693)	(\$2,763)	(\$2,692)	
72	Ending Balance Under/(Over) Recovery	\$120,498	(\$178,428)	(\$442,537)	(\$475,271)	(\$499,198)	(\$471,008)	(\$611,714)	(\$1,171,959)	(\$1,423,245)	(\$2,203,204)	(\$1,916,015)	(\$1,467,315)	

## 3RD RM Reconciliation by Rate Class by Month Without Adjusting Target RPCs and Normalizing Revenue

The Narragansett Electric Company  
d/b/a National Grid  
RIPUC Docket No. 4708  
Schedule AEL-7  
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The Narragansett Electric Company  
d/b/a National Grid  
RIPUC Docket No. \_\_\_\_\_  
Schedule AEL- 6  
Page 4 of 4



**THE NARRAGANSETT ELECTRIC COMPANY  
d/b/a NATIONAL GRID  
RIPUC DOCKET NO. 4708  
SUPPLEMENTAL DISTRIBUTION ADJUSTMENT CHARGE FILING  
WITNESS: ANN E. LEARY**

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Schedule AEL-8S  
ISR Reconciliation Factors

National Grid - RI Gas  
 FY 17 ISR Reconciliation Factors  
 Effective November 1, 2017

Line No.	Revenue Requirement (a)	Rate Class (b)	Rate Base Allocator % (c)	Allocation to Rate Class (d)	Actual Revenue (e)	Difference (f)	ISR Recon Under/(Over) Recovery (g)	Total Under/ Recovery by Rate Class (h)	Forecasted Throughput (dth) (i)	ISR Recon (therm) (j)
1	\$29,113,213									
2	\$29,113,213									
3	Res-NH	3.73%	\$1,086,217	\$913,144	\$173,073	\$10,188	\$183,261	393,708	\$0.4654	\$0.0465
4	Res-H	61.36%	\$17,921,554	\$14,459,716	\$3,461,838	\$389,331	\$3,851,769	19,061,247	\$0.2020	\$0.0202
5	Small	8.19%	\$2,383,505	\$1,603,045	\$690,460	\$50,116	\$74,0577	2,473,406	\$0.2994	\$0.0299
6	Medium	13.58%	\$3,954,543	\$2,960,193	\$994,351	\$73,524	\$1,067,875	5,460,304	\$0.1955	\$0.0195
7	Large LL	6.04%	\$1,757,559	\$1,335,440	\$422,119	\$8,712	\$430,832	2,665,414	\$0.1616	\$0.0161
8	Large HL	2.35%	\$685,420	\$539,389	\$146,032	\$1,946	\$147,978	1,224,355	\$0.1208	\$0.0120
9	XL-LL	0.77%	\$223,859	\$195,729	\$28,131	(\$825)	\$27,306	1,263,370	\$0.0216	\$0.0021
10	XL-HL	3.78%	\$1,100,553	\$1,059,847	\$40,706	\$5,278	\$45,984	6,941,825	\$0.0066	\$0.0006
11	Total	100.00%	\$29,113,213	\$23,156,502	\$5,956,711	\$538,871	\$6,495,581	39,483,630		

- (a) Docket 4590, FY 17 ISR Cumulative Revenue Requirement filed August 2017.
- (b) Docket 4323, 2012 Rate Case
- (c) Col (a) \* Col (c), Lines 3 through 10 respectively
- (d) Col (a), Line 2 \* Col (c), Lines 3 through 10 respectively
- (e) Page 2, Col (m), Lines 24 through 31
- (f) Column (d) - Column (e)
- (g) AEL-10S - Pages 6-7 Column (l) Lines 25, 33, 41, 49, 57, 65, 73, 81
- (h) Column (l) + Column (g)
- (i) Per Company Forecast
- (j) Column (h) / Column (i)
- (k) Column (i) / 10

National Grid - RI Gas  
 FY 2017 Gas ISR

Line No.		Apr-16 (a) Actual	May-16 (b) Actual	Jun-16 (c) Actual	Jul-16 (d) Actual	Aug-16 (e) Actual	Sep-16 (f) Actual	Oct-16 (g) Actual	Nov-16 (h) Actual	Dec-16 (i) Actual	Jan-17 (j) Actual	Feb-17 (k) Actual	Mar-17 (l) Actual	Total (m)	
<b>RI Firm Throughput (dth)</b>															
1	Res-NH	62,360	41,123	29,766	18,985	16,446	16,379	20,258	28,568	39,507	52,335	52,271	48,480	427,078	
2	Res-H	1,930,631	1,162,655	629,582	432,234	370,661	375,326	516,689	1,205,454	2,206,055	3,185,835	3,123,153	2,837,099	17,975,374	
3	Small	245,627	129,552	71,339	48,956	45,038	36,625	49,488	122,150	273,372	434,196	426,066	388,051	2,268,355	
4	Medium	558,619	369,646	211,771	158,015	162,022	156,319	206,721	370,678	629,145	910,589	840,771	768,485	5,342,780	
5	Large LL	279,497	174,112	55,090	16,674	35,532	28,670	65,557	211,011	362,624	535,534	454,607	395,596	2,614,904	
6	Large HL	93,117	84,774	75,665	69,488	57,392	68,327	76,631	87,702	103,577	134,286	132,574	117,204	1,100,737	
7	XL-LL	124,061	104,983	19,361	16,240	19,981	16,985	29,458	127,019	171,612	260,884	197,315	155,662	1,210,985	
8	XL-HL	460,044	528,391	459,153	521,146	463,608	535,925	448,314	542,409	578,276	686,530	603,339	489,752	6,317,187	
9	Total	3,754,555	2,595,237	1,551,727	1,249,252	1,171,679	1,234,367	1,413,111	2,694,991	4,364,168	6,200,888	5,830,097	5,197,328	37,257,399	
<b>ISR Actual Revenue</b>															
10	Res-NH	\$63,982	\$60,361	\$40,982	\$26,194	\$22,712	\$22,698	\$27,978	\$39,257	\$55,004	\$72,441	\$72,333	\$67,108	\$571,050	
11	Res-H	\$1,249,757	\$1,037,005	\$526,732	\$332,390	\$311,053	\$316,055	\$433,623	\$866,355	\$2,679,625	\$2,626,214	\$2,386,429	\$14,801,810		
12	Small	\$149,690	\$104,423	\$53,937	\$37,091	\$33,638	\$27,795	\$37,538	\$92,173	\$209,002	\$330,031	\$323,766	\$294,972	\$1,693,045	
13	Medium	\$264,233	\$219,929	\$118,187	\$88,374	\$90,698	\$87,808	\$115,727	\$206,471	\$355,056	\$310,904	\$471,609	\$431,197	\$2,960,193	
14	Large LL	113,086	\$96,206	\$28,533	\$28,660	\$20,032	\$14,956	\$109,155	\$190,054	\$279,257	\$36,818	\$304,580	\$31,355,440		
15	Large HL	\$36,443	\$44,685	\$34,429	\$34,429	\$32,462	\$34,002	\$38,006	\$43,728	\$51,785	\$66,748	\$65,880	\$58,260	\$559,389	
16	XL-LL	\$17,520	\$18,448	\$33,140	\$22,640	\$22,250	\$24,58	\$4,792	\$20,557	\$28,140	\$42,229	\$32,158	\$23,378	\$195,729	
17	XL-HL	\$65,521	\$94,706	\$77,195	\$87,803	\$78,181	\$90,887	\$75,606	\$91,015	\$98,312	\$116,089	\$10,1950	\$82,783	\$1,059,847	
18	Total	\$1,960,233	\$1,675,463	\$886,136	\$662,302	\$887,026	\$596,758	\$767,343	\$1,608,477	\$2,853,706	\$4,097,624	\$3,930,727	\$3,550,707	\$23,156,502	
<b>Res-H &amp; Res-NH Revenue Adj.</b>															
19	Projected Firm Throughput (dth)	Docket No. 4590	87,291	46,799	31,200	24,471	23,307	24,221	28,799	47,133	70,003	85,641	105,392	107,599	680,857
20	Actual Firm Throughput (dth)	Line 1	62,260	41,123	29,766	18,985	16,446	16,379	20,258	28,568	39,507	52,335	52,271	46,480	427,078
21	Difference	Line 19 - Line 20	24,331	5,676	1,434	5,486	5,862	7,842	8,541	18,565	30,496	33,306	53,121	59,119	
22	ISR Rate w/o Uncollectibles	Docket No. 4590	\$1,3480	\$1,3480	\$1,3480	\$1,3480	\$1,3480	\$1,3480	\$1,3480	\$1,3480	\$1,3480	\$1,3480	\$1,3480	\$1,3480	
23	Adjusted Revenue	Line 21 * Line 22	\$32,798	\$7,652	\$1,933	\$7,395	\$7,901	\$10,570	\$11,513	\$25,026	\$41,108	\$44,897	\$71,607	\$79,693	\$342,094
<b>ISR Adjusted Revenue</b>															
24	Res-NH	Line 10 + Line 23	\$96,780	\$68,012	\$42,916	\$33,589	\$30,613	\$33,669	\$39,491	\$64,283	\$96,112	\$117,338	\$143,940	\$146,801	\$913,144
25	Res-H	Line 11 - Line 23	\$1,216,059	\$1,029,554	\$524,799	\$534,906	\$303,152	\$305,884	\$422,110	\$422,110	\$1,825,246	\$2,554,607	\$2,306,736	\$14,459,716	
26	Small	Line 12	\$149,690	\$104,423	\$53,937	\$37,091	\$32,638	\$27,795	\$37,538	\$92,173	\$209,002	\$330,031	\$323,766	\$294,972	\$1,693,045
27	Medium	Line 13	\$264,233	\$219,929	\$118,187	\$88,374	\$90,698	\$87,808	\$115,727	\$206,471	\$355,056	\$310,904	\$471,609	\$431,197	\$2,960,193
28	Large LL	Line 14	\$113,086	\$96,206	\$28,533	\$88,660	\$20,032	\$14,956	\$34,083	\$109,155	\$79,257	\$236,818	\$204,580	\$31,355,440	
29	Large HL	Line 15	\$36,443	\$44,685	\$37,411	\$34,429	\$28,462	\$34,002	\$38,006	\$43,728	\$51,785	\$66,748	\$65,880	\$58,260	\$559,389
30	XL-LL	Line 16	\$17,520	\$18,448	\$33,140	\$22,640	\$22,250	\$24,58	\$4,792	\$20,557	\$28,140	\$42,229	\$32,158	\$195,729	
31	XL-HL	Line 17	\$65,521	\$94,706	\$77,195	\$87,803	\$78,181	\$90,687	\$75,606	\$91,015	\$98,312	\$116,089	\$10,1950	\$82,783	\$1,059,847
32	Total	Sum (124:[31])	\$1,960,233	\$1,675,463	\$886,136	\$662,302	\$887,026	\$596,758	\$767,343	\$1,608,477	\$2,853,706	\$4,097,624	\$3,930,727	\$3,550,707	\$23,156,502

**Schedule  
AEL-9**

**THE NARRAGANSETT ELECTRIC COMPANY  
d/b/a NATIONAL GRID  
RIPUC DOCKET NO. 4708  
SUPPLEMENTAL DISTRIBUTION ADJUSTMENT CHARGE FILING  
WITNESS: ANN E. LEARY**

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Schedule AEL-9  
Firm Revenue Credit Factor

Revenue Credit per Docket 4323  
FY 2017

Line No.	Month Bill Applies	Therms	<u>Distribution Charges</u>				50% Credit
			Customer Charge	Distribution Charge	Demand Charge	Total	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	
1	Mar-2017	631,650	\$425	\$16,170	\$36,942	\$53,537	\$26,769
2	Feb-2017	585,141	\$425	\$14,980	\$36,942	\$52,347	\$26,173
3	Jan-2017	652,459	\$425	\$16,703	\$36,942	\$54,070	\$27,035
4	Dec-2016	561,286	\$425	\$14,369	\$36,942	\$51,736	\$25,868
5	Nov-2016	650,663	\$425	\$16,657	\$36,942	\$54,024	\$27,012
6	Oct-2016	689,521	\$425	\$17,652	\$36,750	\$54,827	\$27,414
7	Sep-2016	574,703	\$425	\$14,712	\$36,750	\$51,888	\$25,944
8	Aug-2016	723,211	\$425	\$18,514	\$36,750	\$55,690	\$27,845
9	Jul-2016	718,806	\$425	\$18,401	\$36,750	\$55,577	\$27,788
10	Jun-2016	660,700	\$425	\$16,914	\$36,750	\$54,089	\$27,045
11	May-2016	672,427	\$425	\$17,214	\$36,750	\$54,390	\$27,195
12	Apr-2016	595,757	\$425	\$15,251	\$36,750	\$52,427	\$26,213
13	Total	7,716,324	\$5,100	\$197,538	\$441,964	\$644,601	\$322,301

Lines 1-12 Columns (a) through (e): Data provided from the Company's billing system.

Col (g) As noted in the Settlement Agreement in Docket 4323, Article III, Section A.4,  
50% of distribution revenue will be credited back to customers.

**Schedule  
AEL-10S**

**THE NARRAGANSETT ELECTRIC COMPANY  
d/b/a NATIONAL GRID  
RIPUC DOCKET NO. 4708  
SUPPLEMENTAL DISTRIBUTION ADJUSTMENT CHARGE FILING  
WITNESS: ANN E. LEARY**

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Schedule AEL-10S  
Reconciliation Factors

**National Grid - RI Gas**  
**Reconciliation Factor effective November 1, 2017**

**Section 1: Reconciliation of Prior Year DAC Factors (All Rate Classes)**

Line No.	Description	Schedule	Page #	Ending Balance	Period
1	System Pressure		Page 2, line 9	\$475,081	Based on Nov 16-Oct 17
2	AGT Factor		Page 2, line 17	\$0	Based on Apr 16 - Mar 17
3	Environmental - DAC		Page 2, line 25	\$53,584	Based on Nov 16-Oct 17
4	On-System Margin Credits		Page 3, line 49	(\$31,823)	Based on Nov 16-Oct 17
5	Pension		Page 3, line 57	\$11,892	Based on Nov 16-Oct 17
6	PBOP		Page 3, line 65	(\$36,103)	Based on Nov 16-Oct 17
7	Previous Reconciliation Factor		Page 2, line 33	(\$47,396)	Based on Nov 16-Oct 17
8	Earnings Sharing Mechanism		Page 3, line 73	\$12,001	Based on Nov 16-Oct 17
9	True-up October 16		Page 8, line 24	(\$58,281)	Based on Actual Oct 16 vs. Oct 16 Forecast
10	AGT Interest on Fund balance	AEL-3, page 2, line 16, col (m)		(\$22,067)	Based on Apr 16 - Mar 17
11	Revenue Credit per Docket 4323	AEL-9, line 13, col (g)		(\$322,301)	
12	Sub Total		Sum ([1]:[11])	\$34,587	
13	Firm Throughput		Nov 2017 - Oct 2018	39,483,630 dth	
14	Reconciliation Factor		Line (12) / Line (13)	\$0.0008 per dth	
15	Reconciliation Factor		Line (14) / 10, truncated to 4 decimal places	<b>\$0.0000 per therm</b>	

**Section 2: Revenue Decoupling Mechanism Reconciliation**

Line No.	Description	Schedule	Page #	Ending Balance	Period
16	RDA Reconciliation		Page 5, line 13	\$460,167	Based on Nov 16-Oct 17
17	RDM Recon Reconciliation		Page 5, line 27	(\$162,120)	Based on Nov 16-Oct 17
18	Sub Total		Line (16) + Line (17)	\$298,047	
19	Firm Throughput, Residential, Small & Medium C&I		Nov 2017 - Oct 2018	27,388,666 dth	
20	RDA Reconciliation Factor		Line (18) / Line (19)	\$0.0108 per dth	
21	RDA Reconciliation Factor		Line (20) / 10, truncated to 4 decimal places	<b>\$0.0010 per therm</b>	

**Section 3: Reconciliation of Prior year DAC Factors (Large & X-Large Only)**

Line No.	Description	Schedule	Page #	Ending Balance	Period
22	AGT Factor - Base Rates		Page 4, line 18	(\$11,622)	Based on Apr 16 - Mar 17
23	LIAP Factor - Base Rates		Page 4, line 30	(\$69,346)	Based on Apr 16 - Mar 17
24	Environmental - Base Rates		Page 4, line 41	(\$50,888)	Based on Apr 16 - Mar 17
25	Previous Reconciliation Factor		Page 3, line 41	(\$3,721)	Based on Nov 16-Oct 17
26	Sub Total		Sum ([22]:[25])	(\$135,578)	
27	Firm Throughput, Large and Extra Large C&I		Nov 2017 - Oct 2018	12,094,964 dth	
28	L / XL Reconciliation Factor		Line (26) / Line (27)	(\$0.0112) per dth	
29	L / XL Reconciliation Factor <sup>1</sup>		Line (28) / 10, truncated to 4 decimal places	<b>(\$0.0011) per therm</b>	

<sup>1</sup> This rate will be combined with the Reconciliation factor of (\$0) per therm for an overall Large and Extra Large Reconciliation factor of (\$0.0011) per therm

National Grid - RI Gas Non-Base Rate / Gas Year Reconciling Components										
Line No.	Nov-16 30 Actual (a)	Dec-16 31 Actual (b)	Jan-17 31 Actual (c)	Feb-17 28 Actual (d)	Mar-17 31 Actual (e)	Apr-17 30 Actual (f)	May-17 31 Actual (g)	Jun-17 30 Actual (h)	Jul-17 31 Actual (i)	Sep-17 30 Forecast (k)
1 <b>System Pressure Recon Adjust.</b>										
2    System Pressure Acct Beg. Balance Under/(Over) Recovery	\$0	\$25,076	\$151,832	\$47,918	(\$42,364)	\$133,287	\$70,905	\$113,261	\$174,666	\$251,632
3    Actual Costs	\$124,066	\$289,071	\$125,400	\$125,400	\$367,915	\$124,066	\$124,066	\$124,066	\$124,066	\$335,015
4    Actual Revenue	\$99,005	\$162,437	\$229,462	\$225,685	\$192,336	\$81,866	\$62,912	\$47,506	\$124,066	\$124,066
5    Ending Balance Under/(Over) Recovery	\$151,710	\$47,770	(\$42,367)	\$133,215	\$70,737	\$113,105	\$174,415	\$251,226	\$124,066	\$124,066
6    Average Monthly Balance Under/(Over) Recovery	\$12,530	\$88,393	\$99,801	\$2,775	\$45,426	\$102,012	\$92,905	\$143,388	\$212,946	\$34,455
7    Bk America Rate less 200 Basis Points	1.50%	1.63%	1.75%	1.75%	1.88%	2.00%	2.00%	2.13%	2.25%	2.25%
8    Interest Applied	\$1.5	\$122	\$148	\$4	\$72	\$168	\$156	\$251	\$407	\$694
9    Sys Pressure End Balance Under/(Over) Recovery	\$25,076	\$151,832	\$47,918	(\$42,364)	\$133,287	\$70,905	\$113,261	\$174,666	\$251,632	\$335,015
10 <b>Advanced Gas Technology</b>										
11    ACT Acct Beg. Balance Under/(Over) Recovery	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12    Actual AGT Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13    Ending AGT Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14    Average Monthly Balance Under/(Over) Recovery	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15    Bk America Rate less 200 Basis Points	1.50%	1.63%	1.75%	1.75%	1.88%	2.00%	2.00%	2.13%	2.25%	2.25%
16    Interest Applied	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17    ACT End Balance Under/(Over) Recovery	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18 <b>Environmental Recon. Adjust - DAC</b>										
19    Environmental Acct Beg. Balance Under/(Over) Recovery	\$588,061	\$552,774	\$492,032	\$405,876	\$324,756	\$252,439	\$182,184	\$151,490	\$127,929	\$110,182
20    Actual Environmental Revenue	\$35,990	\$61,462	\$86,823	\$81,610	\$27,276	\$70,612	\$30,977	\$23,805	\$17,975	\$16,620
21    Ending Environmental Balance Under/(Over) Recovery	\$552,071	\$491,312	\$405,209	\$324,266	\$181,827	\$151,207	\$127,685	\$109,954	\$78,152	\$24,854
22    Average Monthly Balance Under/(Over) Recovery	\$570,066	\$522,043	\$448,621	\$365,071	\$288,668	\$217,133	\$166,696	\$139,588	\$102,379	\$53,458
23    Bk America Rate less 200 Basis Points	1.50%	1.63%	1.75%	1.75%	1.88%	2.00%	2.00%	2.13%	2.25%	2.25%
24    Interest Applied	\$703	\$720	\$667	\$490	\$459	\$357	\$283	\$244	\$227	\$160
25    Environmental Recon End Balance Under/(Over) Recovery	\$552,774	\$492,032	\$405,876	\$324,756	\$252,439	\$182,184	\$151,490	\$127,929	\$110,182	\$78,312
26 <b>Reconciliation Factor (Applicable to all) - DAC</b>										
27    Recon Factor Acct Beg. Balance Under/(Over) Recovery	(\$292,904)	(\$296,612)	(\$266,269)	(\$223,222)	(\$182,689)	(\$146,563)	(\$111,470)	(\$96,158)	(\$84,414)	(\$75,579)
28    Actual Recon Revenue	\$3,345	(\$30,731)	(\$43,411)	(\$40,805)	(\$33,688)	(\$35,305)	(\$15,488)	(\$11,902)	(\$7,803)	(\$59,720)
29    Ending Recon Balance Under/(Over) Recovery	(\$296,249)	(\$265,881)	(\$222,858)	(\$182,417)	(\$146,301)	(\$111,258)	(\$84,256)	(\$57,446)	(\$6,776)	(\$248,213)
30    Average Monthly Balance Under/(Over) Recovery	(\$294,577)	(\$281,247)	(\$244,564)	(\$202,819)	(\$164,495)	(\$128,911)	(\$103,726)	(\$90,207)	(\$71,677)	(\$59,603)
31    Bk America Rate less 200 Basis Points	1.50%	1.63%	1.75%	1.75%	1.88%	2.00%	2.00%	2.13%	2.25%	2.25%
32    Interest Applied	(\$363)	(\$388)	(\$363)	(\$272)	(\$262)	(\$176)	(\$158)	(\$102)	(\$118)	(\$47,396)
33    Reconciliation End Balance Under/(Over) Recovery	(\$296,612)	(\$266,269)	(\$223,222)	(\$182,689)	(\$146,563)	(\$111,470)	(\$96,158)	(\$84,414)	(\$75,579)	(\$59,720)

National Grid - RI Gas Non-Base Rate / Gas Year Reconciling Components												
	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17
	30	31	31	28	31	30	31	30	31	31	30	31
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast
34	<b>Reconciliation Factor (L &amp; XL) - DAC</b>											
35	Recon Factor Acct Beg. Balance Under/(Over) Recovery	(\$144,846)	(\$117,387)	(\$98,130)	(\$81,599)	(\$67,833)	(\$50,357)	(\$43,227)	(\$35,657)	(\$20,782)	(\$12,840)	(\$144,846)
36	Actual Recon Revenue (L & XL)	(\$13,121)	(\$14,680)	(\$19,417)	(\$16,652)	(\$13,065)	(\$7,593)	(\$7,299)	(\$7,639)	(\$7,181)	(\$7,973)	(\$9,134)
37	Ending Recon Balance Under/(Over) Recovery	(\$117,215)	(\$97,970)	(\$81,478)	(\$67,734)	(\$50,260)	(\$43,148)	(\$35,588)	(\$28,491)	(\$20,734)	(\$12,809)	(\$42,267)
38	Average Monthly Balance Under/(Over) Recovery	(\$138,285)	(\$124,555)	(\$107,679)	(\$89,804)	(\$74,666)	(\$59,056)	(\$46,752)	(\$39,408)	(\$22,074)	(\$16,795)	(\$2,579)
39	Bk America Rate less 200 Basis Points	1.50%	1.63%	1.75%	1.75%	1.88%	2.00%	2.13%	2.25%	2.25%	2.25%	2.25%
40	Interest Applied	(\$170)	(\$160)	(\$121)	(\$119)	(\$97)	(\$79)	(\$69)	(\$61)	(\$47)	(\$31)	(\$1,142)
41	Reconciliation End Balance Under/(Over) Recovery	(\$131,895)	(\$117,387)	(\$98,130)	(\$81,599)	(\$67,833)	(\$50,357)	(\$43,227)	(\$35,657)	(\$20,782)	(\$12,840)	(\$3,721)
42	<b>On-system Credits Recon. Adjust. - DAC</b>											
43	On-system Credit Acct Beg. Balance Under/(Over) Recovery	(\$63,674)	(\$66,966)	(\$62,665)	(\$56,552)	(\$50,795)	(\$45,674)	(\$40,701)	(\$38,556)	(\$36,922)	(\$35,707)	(\$33,535)
44	Actual On-system Revenue	\$3,211	\$4,390	\$6,202	\$5,829	\$5,198	\$5,044	\$5,212	\$5,700	\$1,1284	\$1,115	\$1,187
45	Ending On-system Balance Under/(Over) Recovery	(\$66,885)	(\$62,576)	(\$56,463)	(\$50,723)	(\$45,597)	(\$40,630)	(\$38,489)	(\$36,856)	(\$35,638)	(\$34,592)	(\$3,726)
46	Average Monthly Balance Under/(Over) Recovery	(\$65,280)	(\$64,771)	(\$59,564)	(\$53,637)	(\$48,196)	(\$43,152)	(\$39,595)	(\$37,066)	(\$36,280)	(\$35,149)	(\$32,648)
47	Bk America Rate less 200 Basis Points	1.50%	1.63%	1.75%	1.75%	1.88%	2.00%	2.13%	2.25%	2.25%	2.25%	2.25%
48	Interest Applied	(\$89)	(\$89)	(\$72)	(\$77)	(\$71)	(\$67)	(\$66)	(\$69)	(\$63)	(\$62)	(\$873)
49	On-system Credit End Balance Under/(Over) Recovery	(\$66,966)	(\$62,665)	(\$56,552)	(\$50,795)	(\$45,674)	(\$40,701)	(\$38,556)	(\$36,922)	(\$35,707)	(\$34,659)	(\$31,821)
50	<b>Pension Adjustment</b>											
51	Pen Acc Beg. Balance Under/(Over) Recovery	(\$298,016)	(\$238,409)	(\$207,986)	(\$164,851)	(\$124,240)	(\$88,021)	(\$52,832)	(\$37,421)	(\$25,573)	(\$16,626)	(\$8,847)
52	Actual Pension Revenue	(\$59,938)	(\$50,731)	(\$43,411)	(\$40,805)	(\$36,388)	(\$35,305)	(\$15,488)	(\$11,902)	(\$8,988)	(\$7,803)	(\$12,327)
53	Ending Pension Balance Under/(Over) Recovery	(\$238,078)	(\$207,678)	(\$164,575)	(\$124,046)	(\$88,735)	(\$52,716)	(\$37,344)	(\$25,519)	(\$16,585)	(\$8,823)	(\$11,380)
54	Average Monthly Balance Under/(Over) Recovery	(\$268,047)	(\$223,043)	(\$186,280)	(\$144,449)	(\$106,046)	(\$70,369)	(\$41,088)	(\$31,707)	(\$21,724)	(\$12,724)	(\$1,348)
55	Bk America Rate less 200 Basis Points	1.50%	1.63%	1.75%	1.75%	1.75%	1.75%	1.88%	2.00%	2.00%	2.13%	2.25%
56	Interest Applied	(\$330)	(\$308)	(\$277)	(\$194)	(\$169)	(\$116)	(\$77)	(\$55)	(\$40)	(\$24)	(\$1,588)
57	Pension Adjustment End Balance Under/(Over) Recovery	(\$238,409)	(\$207,986)	(\$164,851)	(\$124,240)	(\$88,021)	(\$52,832)	(\$37,421)	(\$25,573)	(\$16,626)	(\$8,847)	(\$11,892)
58	<b>PBOP Adjustment</b>											
59	PBOP Acc Beg. Balance Under/(Over) Recovery	(\$1,855,809)	(\$1,714,585)	(\$1,510,470)	(\$1,221,019)	(\$948,497)	(\$705,494)	(\$469,406)	(\$366,123)	(\$286,778)	(\$226,922)	(\$174,917)
60	Actual PBOP Revenue	(\$143,424)	(\$206,339)	(\$291,479)	(\$273,978)	(\$243,318)	(\$237,033)	(\$103,992)	(\$79,915)	(\$60,346)	(\$52,389)	(\$55,796)
61	Ending PBOP Balance Under/(Over) Recovery	(\$1,712,385)	(\$1,508,246)	(\$1,218,991)	(\$947,041)	(\$704,179)	(\$548,441)	(\$365,414)	(\$286,208)	(\$226,432)	(\$174,533)	(\$83,438)
62	Average Monthly Balance Under/(Over) Recovery	(\$1,784,097)	(\$1,611,415)	(\$1,364,730)	(\$1,084,030)	(\$826,338)	(\$586,968)	(\$417,410)	(\$325,166)	(\$256,605)	(\$200,728)	(\$53,555)
63	Bk America Rate less 200 Basis Points	1.50%	1.63%	1.75%	1.75%	1.75%	1.75%	1.88%	2.00%	2.00%	2.13%	2.25%
64	Interest Applied	(\$2,200)	(\$2,224)	(\$2,028)	(\$1,455)	(\$1,316)	(\$965)	(\$509)	(\$570)	(\$349)	(\$384)	(\$1,488)
65	PBOP Adjustment End Balance Under/(Over) Recovery	(\$1,714,585)	(\$1,510,470)	(\$1,221,019)	(\$948,497)	(\$705,494)	(\$469,406)	(\$366,123)	(\$286,778)	(\$226,922)	(\$174,917)	(\$36,103)
66	<b>Earnings Sharing Mechanism</b>											
67	ESM Act Beg. Balance Under/(Over) Recovery	\$0	\$11,781	\$11,798	\$11,815	\$11,831	\$11,850	\$11,869	\$11,889	\$11,910	\$11,933	\$11,956
68	Actual ESM Revenue	(\$11,774)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
69	Ending ESM Balance Under/(Over) Recovery	\$11,774	\$11,781	\$11,798	\$11,815	\$11,831	\$11,850	\$11,869	\$11,889	\$11,910	\$11,933	\$11,956
70	Average Monthly Balance Under/(Over) Recovery	(\$5,887)	\$11,781	\$11,798	\$11,815	\$11,831	\$11,850	\$11,869	\$11,889	\$11,910	\$11,933	\$11,956
71	Bk America Rate less 200 Basis Points	1.50%	1.63%	1.75%	1.75%	1.75%	1.75%	1.88%	2.00%	2.13%	2.25%	2.25%
72	Interest Applied	\$7	\$16	\$18	\$16	\$19	\$19	\$20	\$21	\$23	\$22	\$23
73	ESM Adjustment End Balance Under/(Over) Recovery	\$11,781	\$11,798	\$11,815	\$11,831	\$11,850	\$11,869	\$11,889	\$11,910	\$11,933	\$11,956	\$12,001

Column (a), Line 11, per Docket 4634, SLN-1S, Page 1, Line 2.  
 Column (a), Line 19, per Docket 4634, SLN-1S, Page 1, Line 4.  
 Column (a), Line 27, per Docket 4634, SLN-10S, Page 1, Line 12.  
 Column (a), Line 35, per Docket 4634, SLN-10S, Page 1, Line 26.  
 Column (a), Line 43, per Docket 4634, SLN-1S, Page 1, Line 6.  
 Column (a), Line 51, per Docket 4634, SLN-55 Revised, Page 1, Line 3.  
 Column (a), Line 59, per Docket 4634, SLN-55 Revised, Page 1, Line 9.  
 Column (a), Line 67, per Docket 4634, SLN-1S Revised, Page 1, Line 9.

**National Grid - RI Gas**  
**Base Rate / Fiscal Year Reconciling Components**

Line No.	DAC FACTORS: \$/dth	Apr-16 30	May-16 31	Jun-16 30	Jul-16 31	Aug-16 31	Sep-16 30	Oct-16 31	Nov-16 30	Dec-16 31	Jan-17 31	Feb-17 31	Mar-17 28	12 month End 31
	Source	Actual												
1	AGT Factor - Base Rates	Dkt 4323	\$0.0084	\$0.0084	\$0.0084	\$0.0084	\$0.0084	\$0.0084	\$0.0084	\$0.0084	\$0.0084	\$0.0084	\$0.0084	\$0.0084
2	LJAP Factor - Base Rates	Dkt 4323	\$0.0500	\$0.0500	\$0.0500	\$0.0500	\$0.0500	\$0.0500	\$0.0500	\$0.0500	\$0.0500	\$0.0500	\$0.0500	\$0.0500
3	LHEAP Factor - Base Rates	Dkt 4323	\$0.0444	\$0.0444	\$0.0444	\$0.0444	\$0.0444	\$0.0444	\$0.0444	\$0.0444	\$0.0444	\$0.0444	\$0.0444	\$0.0444
4	Low Income Weatherization Factor - Base Rates	Dkt 4323	\$0.0056	\$0.0056	\$0.0056	\$0.0056	\$0.0056	\$0.0056	\$0.0056	\$0.0056	\$0.0056	\$0.0056	\$0.0056	\$0.0056
5	Environmental - Base Rates	Dkt 4323	\$0.0367	\$0.0367	\$0.0367	\$0.0367	\$0.0367	\$0.0367	\$0.0367	\$0.0367	\$0.0367	\$0.0367	\$0.0367	\$0.0367
6	RI Firm Forecasted Throughput (dth) Feb 13 - Jun 14 (Rate Year)	Dkt 4323	3,826,443	2,321,424	1,505,558	1,230,159	1,063,069	1,175,941	1,391,267	2,407,580	4,054,661	5,577,080	5,759,362	35,678,072
7	RI Firm L-XL Forecasted Throughput (dth)	CSR	992,288	720,015	553,276	530,577	477,149	548,615	587,911	770,135	1,063,665	1,163,568	1,264,681	1,195,553
	Actual RI Firm L-XL Firm through-put (dth)		609,269	591,061	579,512	649,817	619,961	968,141	1,216,088	1,617,934	1,387,836	1,155,214	1,387,836	1,155,214

**AGT Recon. Adjustment - Base Rates L-XL**

8	AGT Recon. Acct Beg. Balance Under/(Over) Recovery	\$0	\$299	(\$1,151)	(\$1,623)	(\$2,133)	(\$2,996)	(\$3,849)	(\$4,122)	(\$5,790)	(\$7,077)	(\$10,905)	(\$11,949)	
9	Fest Firm Through-put L-XL	992,288	720,015	553,276	530,577	477,149	548,615	587,911	770,135	1,063,665	1,163,568	1,264,681	1,195,353	
10	Fest L-XL AGT Collections	\$8,344	\$6,054	\$4,461	\$4,461	\$4,613	\$4,943	\$6,216	\$8,141	\$10,226	\$13,604	\$11,670	\$9,867,232	
11	Actual Firm Through-put L-XL	956,719	892,261	609,269	591,061	579,512	649,817	619,961	968,141	1,216,088	1,617,934	1,387,836	1,155,214	
12	Actual Firm Through-put L-XL	\$8,045	\$7,503	\$5,123	\$4,970	\$4,873	\$5,464	\$5,213	\$8,141	\$10,226	\$13,604	\$11,670	\$9,714,12	
13	Collection Variance	299	(\$1,449)	(\$471)	(\$509)	(\$861)	(\$881)	(\$847)	(\$1,665)	(\$270)	(\$5,820)	(\$1,036)	\$337	
14	Ending Balance Under/(Over) Recovery	299	(\$1,150)	(\$1,622)	(\$2,132)	(\$2,994)	(\$3,849)	(\$4,119)	(\$5,787)	(\$7,072)	(\$10,897)	(\$11,941)	(\$11,612)	
15	Average Balance Under/(Over) Recovery	150	(\$575)	(\$811)	(\$1,066)	(\$1,497)	(\$1,923)	(\$2,060)	(\$2,893)	(\$3,536)	(\$5,449)	(\$5,971)	(\$5,806)	
16	Bk America Rate less 200 Basis Points	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%	1,75%	1,75%	1,88%
17	Interest Applied	\$0	(\$1)	(\$1)	(\$1)	(\$1)	(\$2)	(\$3)	(\$4)	(\$5)	(\$8)	(\$8)	(\$8)	(\$44)
18	AGT End Balance Under/(Over) Recovery	299	(\$1,151)	(\$1,623)	(\$2,133)	(\$2,996)	(\$3,849)	(\$4,122)	(\$5,790)	(\$7,077)	(\$10,905)	(\$11,949)	(\$11,622)	(\$11,622)

**LJAP Recon. Adjustment - Base Rates L-XL**

19	LIAP Recon. Acct Beg. Balance Under/(Over) Recovery	\$0	\$1,781	(\$6,440)	(\$9,651)	(\$12,692)	(\$17,833)	(\$22,921)	(\$24,554)	(\$34,498)	(\$42,177)	(\$64,989)	(\$71,242)
20	Fest Firm Through-put L-XL	992,288	720,015	553,276	530,577	477,149	548,615	587,911	770,135	1,063,665	1,163,568	1,264,681	1,195,353
21	Fest LJAP Collections	\$49,645	\$36,023	\$27,681	\$26,545	\$23,872	\$27,448	\$29,414	\$38,530	\$53,216	\$58,214	\$63,273	\$49,868,232
22	Actual Firm Through-put L-XL	956,719	892,261	609,269	591,061	579,512	649,817	619,961	968,141	1,216,088	1,617,934	1,387,836	1,155,214
23	Actual LJAP Collections No EE	\$5,363	\$5,002	\$3,415	\$3,313	\$3,249	\$3,643	\$3,475	\$5,427	\$54,010	\$54,427	\$51,877	\$51,320
24	Actual LJAP Collections EE Only	\$1,780	(\$8,618)	(\$2,801)	(\$3,026)	(\$5,122)	(\$5,063)	(\$1,603)	(\$1,603)	(\$9,907)	(\$7,626)	(\$22,733)	(\$6,162)
25	Collection Variance	1780	(\$6,837)	(\$9,641)	(\$12,677)	(\$17,814)	(\$22,896)	(\$24,524)	(\$24,461)	(\$42,124)	(\$64,910)	(\$71,151)	(\$69,234)
26	Ending Balance Under/(Over) Recovery	890	(\$2,528)	(\$8,441)	(\$11,641)	(\$15,253)	(\$20,364)	(\$20,723)	(\$29,508)	(\$38,311)	(\$53,543)	(\$68,070)	(\$70,238)
27	Average Balance Under/(Over) Recovery	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%	1,75%	1,88%
28	Bk America Rate less 200 Basis Points	\$1	(\$3)	(\$10)	(\$14)	(\$19)	(\$25)	(\$30)	(\$36)	(\$53)	(\$80)	(\$91)	(\$112)
29	Interest Applied	1,781	(\$6,840)	(\$9,651)	(\$12,692)	(\$17,833)	(\$22,921)	(\$24,554)	(\$24,498)	(\$42,177)	(\$64,989)	(\$71,242)	(\$69,346)
30	LJAP End Balance Under/(Over) Recovery												

**Environmental Recon. Adjust - Base Rates L-XL**

31	Environmental Recon. Acct Beg. Balance Under/(Over) Recovery	\$0	\$1,307	(\$5,020)	(\$7,083)	(\$9,314)	(\$13,087)	(\$16,820)	(\$18,019)	(\$25,316)	(\$30,951)	(\$47,692)	(\$52,280)
32	Fest Firm Through-put L-XL	992,288	720,015	553,276	530,577	477,149	548,615	587,911	770,135	1,063,665	1,163,568	1,264,681	1,195,353
33	Fest Environmental Collections	\$36,434	\$26,437	\$20,315	\$19,481	\$17,520	\$20,144	\$21,586	\$28,277	\$39,055	\$42,723	\$46,436	\$43,890
34	Actual Firm Through-put L-XL	956,719	892,261	609,269	591,061	579,512	649,817	619,961	968,141	1,216,088	1,617,934	1,387,836	1,155,214
35	Actual Environmental Collections	\$35,128	\$32,761	\$22,371	\$21,702	\$21,278	\$22,763	\$23,859	\$35,547	\$44,651	\$50,957	\$42,416	\$41,839
36	Collection Variance	\$1,306	(\$6,324)	(\$2,056)	(\$2,221)	(\$3,758)	(\$3,715)	(\$1,177)	(\$7,270)	(\$16,683)	(\$54,521)	(\$1,474)	
37	Ending Environmental Balance Under/(Over) Recovery	\$1,306	(\$5,017)	(\$7,076)	(\$9,304)	(\$13,072)	(\$16,802)	(\$17,997)	(\$25,289)	(\$30,912)	(\$47,634)	(\$52,213)	(\$50,806)
38	Average Balance Under/(Over) Recovery	\$653	(\$1,855)	(\$6,048)	(\$8,194)	(\$11,193)	(\$14,944)	(\$17,409)	(\$21,654)	(\$28,114)	(\$39,292)	(\$49,553)	(\$51,543)
39	Bk America Rate less 200 Basis Points	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%	1,63%	1,75%	1,88%
40	Interest Applied	\$1	(\$2)	(\$7)	(\$10)	(\$14)	(\$18)	(\$22)	(\$27)	(\$39)	(\$58)	(\$67)	(\$82)
41	Environmental End Balance Under/(Over) Recovery	1,307	(\$5,020)	(\$7,083)	(\$9,314)	(\$13,087)	(\$16,820)	(\$18,019)	(\$25,316)	(\$30,951)	(\$47,692)	(\$52,280)	(\$50,888)

National Grid - RI Gas  
 RDA Reconciliation

Line No.	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Total
	Actual (a)	Actual (b)	Actual (c)	Actual (d)	Actual (e)	Actual (f)	Actual (g)	Actual (h)	Actual (i)	Forecast (j)	Forecast (k)	Forecast (l)	
1 Actual Firm Throughput - decauthers													
2 Res-NH	28,568	39,507	52,335	52,271	48,480	45,685	30,341	24,941	19,686	24,348	25,656	35,674	427,491
3 Res-H	1,205,454	2,206,055	3,185,335	3,123,153	2,837,059	2,470,699	1,086,418	723,631	458,490	289,355	335,174	684,134	18,025,406
4 Small	122,150	273,372	434,196	426,066	388,051	329,980	110,717	71,536	45,841	2,243	2,511	43,678	2,250,340
5 Medium	57,678	629,445	910,589	840,771	768,485	731,416	241,595	162,734	147,199	159,385	250,580	532,275	5,322,275
6 Total	1,726,850	3,148,079	4,588,955	4,441,262	4,022,114	3,577,689	1,537,171	1,061,702	636,750	463,145	522,728	1,014,066	26,905,512
7 <b>RDM Act Beg. Balance</b>	<b>\$284,715</b>	<b>\$194,657</b>	<b>\$227,463</b>	<b>\$274,988</b>	<b>\$320,903</b>	<b>\$362,397</b>	<b>\$400,318</b>	<b>\$417,561</b>	<b>\$429,222</b>	<b>\$437,101</b>	<b>\$442,696</b>	<b>\$448,887</b>	
8 Actual RDM Revenue	(\$479,427)	(\$32,516)	(\$47,062)	(\$54,605)	(\$51,510)	(\$56,733)	(\$6,549)	(\$10,922)	(\$7,052)	(\$4,755)	(\$5,367)	(\$10,412)	
9 Ending RDM Balance Under/(Over) Recovery	\$194,712	\$227,772	\$274,525	\$320,503	\$362,413	\$416,687	\$428,483	\$436,274	\$441,856	\$448,063	\$459,299	\$454,093	
10 Average Monthly Balance	(\$45,001)	\$210,914	\$250,994	\$297,701	\$341,658	\$381,324	\$408,592	\$423,022	\$432,748	\$439,379	\$445,380	\$450,000	
11 Bk America Rate less 200 Basis Points	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
12 Interest Applied	(\$55)	\$291	\$400	\$544	\$627	\$694	\$739	\$827	\$840	\$824	\$868	\$4,486	
13 RDM Recon End Balance Under/(Over) Recovery	\$194,657	\$227,463	\$274,988	\$320,903	\$362,397	\$400,318	\$417,561	\$429,222	\$437,101	\$442,696	\$448,887	\$460,167	
14 RDM Revenue per rate class													
15 Res-NH	(\$7,931)	(\$408)	(\$537)	(\$537)	(\$498)	(\$469)	(\$327)	(\$257)	(\$202)	(\$250)	(\$263)	(\$366)	(\$12,045)
16 Res-H	(\$33,671)	(\$22,786)	(\$32,715)	(\$32,063)	(\$29,136)	(\$25,367)	(\$1,1697)	(\$7,444)	(\$4,708)	(\$2,971)	(\$3,441)	(\$7,024)	(\$314,022)
17 Small	(\$33,912)	(\$3,824)	(\$3,459)	(\$3,374)	(\$3,388)	(\$3,395)	(\$1,192)	(\$7,36)	(\$471)	(\$23)	(\$26)	(\$448)	(\$55,838)
18 Medium	(\$102,912)	(\$6,244)	(\$9,351)	(\$8,631)	(\$7,892)	(\$7,510)	(\$3,334)	(\$2,485)	(\$1,671)	(\$1,511)	(\$1,637)	(\$2,573)	(\$56,005)
19 Total	(\$479,427)	(\$32,516)	(\$47,062)	(\$42,605)	(\$41,510)	(\$36,733)	(\$6,549)	(\$10,922)	(\$7,052)	(\$4,755)	(\$5,367)	(\$10,412)	(\$37,911)
20 <b>RDM Recon Adjustment</b>	<b>\$2,002,854</b>	<b>(\$1,962,003)</b>	<b>(\$1,736,540)</b>	<b>(\$1,408,860)</b>	<b>(\$1,090,738)</b>	<b>(\$801,159)</b>	<b>(\$544,075)</b>	<b>(\$429,450)</b>	<b>(\$333,542)</b>	<b>(\$304,718)</b>	<b>(\$271,922)</b>	<b>(\$234,754)</b>	<b>(\$2,002,854)</b>
21 RDM Recon Acct Beg. Balance Under/(Over) Recovery	(\$42,293)	(\$228,014)	(\$330,015)	(\$319,999)	(\$29,084)	(\$227,590)	(\$116,051)	(\$76,591)	(\$33,346)	(\$37,636)	(\$37,7013)	(\$1,955,885)	
22 Actual RDM Recon Revenue	(\$1,956,561)	(\$1,733,989)	(\$1,406,25)	(\$1,080,061)	(\$799,654)	(\$543,569)	(\$426,624)	(\$52,859)	(\$304,089)	(\$271,372)	(\$234,286)	(\$1,61,741)	(\$46,969)
23 Ending RDM Recon Balance Under/(Over) Recovery	(\$1,981,207)	(\$1,847,966)	(\$1,571,532)	(\$1,248,961)	(\$951,196)	(\$672,364)	(\$486,649)	(\$591,155)	(\$328,816)	(\$288,045)	(\$253,104)	(\$98,248)	
24 Average Monthly Balance Under/(Over) Recovery	1,50%	1,63%	1,75%	1,88%	2,00%	2,13%	2,25%	2,25%	2,25%	2,25%	2,25%	2,25%	
25 Bk America Rate less 200 Basis Points	(\$2,443)	(\$2,550)	(\$1,505)	(\$1,677)	(\$1,105)	(\$827)	(\$663)	(\$628)	(\$550)	(\$448)	(\$379)	(\$15,152)	
26 Interest Applied	(\$1,962,003)	(\$1,736,540)	(\$1,408,860)	(\$1,090,738)	(\$801,159)	(\$544,075)	(\$429,450)	(\$333,542)	(\$304,718)	(\$271,922)	(\$234,754)	(\$162,120)	
27 RDM Recon Adjustment End Balance Under/(Over) Recovery													
28 RDM Recon and Recon Adj End Balance Under/(Over) Recovery													<b>\$298,447</b>

6 Sum Lines (2) through (5).

7. (a) Beginning balance, Docket 4634, Schedule SLN-1.S, Line 13 + monthly interest calculated from April - October at Bk America rate less 200 basis points.

19 Sum Lines (4) through (18).

21 (a) Beginning balance, Docket 4634, SLN-1.S, Line 14.

28 Line 13 + Line 27.

National Grid - RI Gas  
HSR Reconciliation for FY 16

HSR Reconciliation for FY 16

Line No.	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11
	Actual	Actual	Actual	Forecast							
	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	Forecast (l)
<b>1 Res-NH Recon Rates \$/decatherm</b>											
1 Res-NH											
2 Res-H	\$0.6126	\$0.6091	\$0.6089	\$0.6091	\$0.6090	\$0.6386	\$0.6102	\$0.6091	\$0.6090	\$0.6090	\$0.6090
3 Small	\$0.3229	\$0.3210	\$0.3210	\$0.3211	\$0.3210	\$0.3366	\$0.3216	\$0.3210	\$0.3210	\$0.3210	\$0.3210
4 Medium	\$0.3953	\$0.3939	\$0.3939	\$0.3931	\$0.3931	\$0.3938	\$0.3930	\$0.3930	\$0.3930	\$0.3930	\$0.3930
5 Large LL	\$0.2062	\$0.2060	\$0.2060	\$0.2060	\$0.2060	\$0.2064	\$0.2060	\$0.2060	\$0.2060	\$0.2060	\$0.2060
6 Large HL	\$0.2374	\$0.2360	\$0.2360	\$0.2360	\$0.2360	\$0.2365	\$0.2360	\$0.2360	\$0.2360	\$0.2360	\$0.2360
7 XL-JL	\$0.1941	\$0.1930	\$0.1930	\$0.1930	\$0.1930	\$0.1934	\$0.1930	\$0.1930	\$0.1930	\$0.1930	\$0.1930
8 XL-HL	\$0.0243	\$0.0141	\$0.0140	\$0.0140	\$0.0140	\$0.0240	\$0.0240	\$0.0240	\$0.0240	\$0.0240	\$0.0240
<b>Actual Firm Throughput - deahterms</b>											
9 Res-NH	28.568	39.507	52.335	52.271	48.480	45.685	30.341	24.941	19.686	24.348	25.656
10 Res-H	1,205.454	2,206.055	3,185.835	3,123.153	2,837.099	2,470.609	1,086.418	723.631	458.490	289.355	335.174
11 Medium	122.150	273.372	434.196	426.066	388.051	329.980	110.717	71.536	22.243	2.511	684.34
12 Large LL	370.678	629.145	910.589	840.771	768.485	731.416	209.696	241.595	162.734	159.385	250.380
13 Large HL	211.011	362.624	535.934	454.607	392.596	405.972	96.214	63.411	47.986	38.657	92.056
14 Large HL	87.702	134.286	132.574	117.204	121.526	69.268	76.054	66.071	68.640	69.473	76.143
15 XL-JL	127.09	171.612	260.884	197.315	155.662	16.897	309.035	30.887	24.231	27.220	49.633
16 XL-HL	542.409	578.276	686.330	603.339	489.752	709.035	504.376	464.987	487.073	527.168	543.369
17 Total	sum([1:15])	2,694.991	4,364.168	6,200.888	5,820.097	5,197.328	5,043.765	2,110.119	1,697.042	1,283.793	1,144.668
18 <b>ISR Res-NH Acct Beg. Balance Under/(Over) Recovery</b>	\$408.476	\$428.046	\$374.046	\$307.333	\$239.334	\$179.591	\$132.231	\$98.989	\$77.628	\$62.148	\$47.424
19 <b>FY 2015 Recon</b>	\$52.284	\$54.551	\$67.220	\$68.365	\$60.077	\$47.616	\$33.438	\$21.516	\$15.613	\$14.828	\$15.625
20 Adjusted Res-NH Revenue	\$33.231	\$37.493	\$30.675	\$28.968	\$19.258	\$13.197	\$8.793	\$7.747	\$6.204	\$4.730	\$1.800
21 Ending Res-NH Balance Under/(Over) Recovery	\$418.002	\$406.769	\$340.437	\$273.150	\$209.296	\$155.783	\$115.512	\$88.231	\$54.734	\$39.821	\$21.010
22 Average Monthly Balance Under/(Over) Recovery	1.50%	1.63%	1.75%	1.75%	1.88%	2.00%	2.00%	2.13%	2.25%	2.25%	2.25%
23 Br America Rate less 200 Basis Points	\$5.15	\$553	\$506	\$367	\$333	\$256	\$196	\$154	\$133	\$73	\$40
24 Interest Applied	\$428.044	\$374.046	\$307.333	\$239.334	\$179.591	\$132.231	\$98.989	\$77.628	\$62.148	\$47.424	\$31.873
25 ISR Res-NH Recon End Balance Under/(Over) Recovery	\$428.044	\$374.046	\$307.333	\$239.334	\$179.591	\$132.231	\$98.989	\$77.628	\$62.148	\$47.424	\$31.873
26 <b>ISR Res-H Acct Beg. Balance Under/(Over) Recovery</b>	\$5,539.691	\$7,784.345	\$5,109.838	\$4,129.261	\$3,168.297	\$2,292.316	\$1,522.191	\$1,172.866	\$948.280	\$806.384	\$714.953
27 <b>FY 2015 Recon</b>	\$523.526	\$523.526	\$525.849	\$682.019	\$987.438	\$965.859	\$880.325	\$773.258	\$531.612	\$426.436	\$143.572
28 Adjusted Res-H Revenue	\$5,777.368	\$5,102.326	\$4,122.400	\$3,163.402	\$2,287.972	\$1,519.058	\$1,170.579	\$946.430	\$804.709	\$713.501	\$107.591
29 Ending Res-H Balance Under/(Over) Recovery	\$5,658.530	\$5,443.335	\$4,616.119	\$3,646.331	\$2,728.134	\$1,905.687	\$1,346.385	\$1,059.648	\$876.494	\$759.942	\$667.362
30 Average Monthly Balance Under/(Over) Recovery	1.50%	1.63%	1.75%	1.75%	1.88%	2.00%	2.00%	2.13%	2.25%	2.25%	2.25%
31 Br America Rate less 200 Basis Points	\$6.976	\$7.513	\$6.861	\$4.895	\$4.344	\$3.133	\$2.287	\$1.851	\$1.675	\$1.452	\$1.223
32 Interest Applied	\$5,784.345	\$5,109.838	\$4,129.261	\$3,168.297	\$2,292.316	\$1,522.191	\$1,172.866	\$948.280	\$806.384	\$714.953	\$668.584
33 ISR Res-H Recon End Balance Under/(Over) Recovery	\$5,784.345	\$5,109.838	\$4,129.261	\$3,168.297	\$2,292.316	\$1,522.191	\$1,172.866	\$948.280	\$806.384	\$714.953	\$668.584
34 <b>ISR Small C&amp;I Acct Beg. Balance Under/(Over) Recovery</b>	\$798.851	\$884.576	\$777.646	\$608.015	\$441.297	\$289.347	\$160.037	\$114.645	\$86.652	\$68.783	\$608.584
35 <b>FY 2015 Recon</b>	\$117.899	\$108.076	\$170.661	\$167.421	\$152.531	\$129.680	\$45.625	\$28.168	\$18.017	\$881	\$987
36 Actual Small C&I Revenue	\$33.122	\$1,000.885	\$606.986	\$440.594	\$288.766	\$159.668	\$114.411	\$86.476	\$67.901	\$67.045	\$219.607
37 Ending Small C&I Balance Under/(Over) Recovery	\$883.399	\$776.500	\$692.316	\$524.304	\$224.507	\$137.224	\$100.560	\$77.643	\$66.342	\$67.539	\$388.977
38 Average Monthly Balance Under/(Over) Recovery	\$841.195	\$830.538	\$1,146	\$1,029	\$704	\$381	\$2.00%	\$2.13%	\$2.25%	\$2.25%	\$498.157
39 Br America Rate less 200 Basis Points	\$1.037	\$1.146	\$1.029	\$1.029	\$1.029	\$1.029	\$1.029	\$1.029	\$1.029	\$1.029	\$498.157
40 Interest Applied	\$884.576	\$777.646	\$608.015	\$441.297	\$289.347	\$160.037	\$114.645	\$86.652	\$68.783	\$608.584	\$388.977
41 ISR Small C&I Recon End Balance Under/(Over) Recovery	\$884.576	\$777.646	\$608.015	\$441.297	\$289.347	\$160.037	\$114.645	\$86.652	\$68.783	\$608.584	\$388.977
42 <b>ISR Medium Acct Beg. Balance Under/(Over) Recovery</b>	\$1,034,650	\$1,131,262	\$1,002,357	\$816,102	\$643,906	\$486,469	\$336,475	\$270,095	\$220,658	\$187,520	\$157,527
43 <b>FY 2015 Recon</b>	\$155,306	\$60,028	\$130,377	\$187,605	\$173,175	\$158,336	\$150,670	\$66,895	\$49,865	\$33,527	\$68,032
44 Actual Medium Revenue	\$1,129,928	\$1,000,885	\$814,752	\$642,927	\$485,570	\$335,580	\$269,580	\$220,230	\$187,131	\$157,197	\$171,655
45 Ending Medium Balance Under/(Over) Recovery	\$1,082,289	\$1,066,074	\$908,554	\$729,515	\$564,738	\$411,134	\$303,028	\$245,162	\$203,894	\$172,559	\$141,110
46 Average Monthly Balance Under/(Over) Recovery	1.50%	1.63%	1.75%	1.75%	1.88%	2.00%	2.00%	2.13%	2.25%	2.25%	2.25%
47 Br America Rate less 200 Basis Points	\$1.334	\$1.471	\$1.334	\$1.334	\$1.334	\$1.334	\$1.334	\$1.334	\$1.334	\$1.334	\$112
48 Interest Applied	\$1,121,162	\$1,002,357	\$816,102	\$643,906	\$486,469	\$336,475	\$270,095	\$220,658	\$187,520	\$157,527	\$121,954
49 ISR Medium Acct End Balance Under/(Over) Recovery	\$1,121,162	\$1,002,357	\$816,102	\$643,906	\$486,469	\$336,475	\$270,095	\$220,658	\$187,520	\$157,527	\$121,954

National Grid - RI Gas  
 ISR Reconciliation for FY 16

Line No.	Nov-16 30	Dec-16 31	Jan-17 31	Feb-17 28	Mar-17 31	Apr-17 30	May-17 31	Jun-17 30	Jul-17 31	Aug-17 31	Sep-17 30	Oct-17 31	Total
	Actual (a)	Actual (b)	Actual (c)	Actual (d)	Actual (e)	Actual (f)	Actual (g)	Actual (h)	Actual (i)	Forecast (j)	Forecast (k)	Forecast (l)	
50 <b>ISR Large LL Acct Beg. Balance Under/(Over) Recovery</b>	\$582,891	\$602,396	\$517,079	\$391,257	\$284,438	\$192,148	\$96,578	\$72,913	\$58,033	\$46,807	\$39,459	\$30,400	
51 <b>FY 2015 Recon</b>													
52 Actual Large LL Revenue	\$36,653	\$86,089	\$126,496	\$107,272	\$92,670	\$95,807	\$23,809	\$14,994	\$11,327	\$7,430	\$9,123	\$21,725	
53 Ending Large LL Balance Under/(Over) Recovery	\$60,1666	\$116,307	\$390,583	\$283,985	\$191,169	\$96,340	\$2,769	\$57,919	\$46,707	\$39,376	\$30,336	\$8,675	
54 Average Monthly Balance Under/(Over) Recovery	\$592,279	\$559,352	\$453,831	\$337,621	\$238,104	\$144,244	\$84,673	\$65,416	\$52,370	\$43,092	\$34,897	\$19,538	
55 Bk America Rate less 200 Basis Points	1.50%	1.63%	1.75%	1.75%	1.75%	1.75%	1.88%	2.00%	2.13%	2.25%	2.25%	2.25%	
56 Interest Applied	\$730	\$772	\$675	\$453	\$379	\$327	\$144	\$114	\$100	\$82	\$65	\$37	
57 ISR Large LL Recon End Balance Under/(Over) Recovery	\$602,396	\$517,079	\$391,257	\$284,438	\$192,148	\$96,578	\$72,913	\$58,033	\$46,807	\$39,459	\$30,400	\$8,712	
58 <b>ISR Large HL Acct Beg. Balance Under/(Over) Recovery</b>	\$192,127	\$200,950	\$181,104	\$155,434	\$130,041	\$107,607	\$84,310	\$70,423	\$55,826	\$43,167	\$29,989	\$16,624	
59 <b>FY 2015 Recon</b>													
60 Actual Large HL Revenue	\$21,986	\$20,109	\$25,920	\$25,584	\$22,624	\$23,455	\$14,018	\$14,706	\$12,754	\$13,248	\$13,408	\$14,696	
61 Ending Large HL Balance Under/(Over) Recovery	\$13,406	\$180,840	\$155,184	\$129,850	\$107,417	\$84,152	\$70,291	\$55,716	\$43,073	\$29,920	\$16,381	\$1,129	
62 Average Monthly Balance Under/(Over) Recovery	\$196,417	\$190,895	\$168,144	\$142,642	\$118,729	\$95,879	\$77,300	\$63,069	\$49,450	\$36,543	\$23,285	\$9,277	
63 Bk America Rate less 200 Basis Points	1.50%	1.63%	1.75%	1.75%	1.75%	1.88%	2.00%	2.00%	2.13%	2.25%	2.25%	2.25%	
64 Interest Applied	\$242	\$263	\$250	\$191	\$189	\$158	\$131	\$110	\$94	\$70	\$43	\$18	
65 ISR Large HL Recon End Balance Under/(Over) Recovery	\$200,950	\$181,104	\$155,434	\$130,041	\$107,607	\$84,310	\$70,423	\$55,826	\$43,167	\$29,989	\$16,624	\$8,946	
66 <b>ISR XL LL Acct Beg. Balance Under/(Over) Recovery</b>	\$28,462	\$26,937	\$22,827	\$16,595	\$11,879	\$8,158	\$2,658	\$2,236	\$1,497	\$1,598	\$1,019	\$367	
67 <b>FY 2015 Recon</b>													
68 Actual XL LL Revenue	\$2,438	\$4,144	\$6,262	\$4,735	\$3,737	\$5,509	\$426	\$742	\$1,494	\$98	\$582	\$653	\$1,191
69 Ending XL LL Balance Under/(Over) Recovery	\$3,997	\$22,793	\$16,566	\$11,859	\$8,142	\$2,649	\$2,232	\$1,494	\$1,595	\$1,016	\$366	\$366	(\$824)
70 Average Monthly Balance Under/(Over) Recovery	\$27,1682	\$24,865	\$19,696	\$14,227	\$10,010	\$5,403	\$2,445	\$1,865	\$1,546	\$1,307	\$692	\$1,307	(\$229)
71 Bk America Rate less 200 Basis Points	1.50%	1.63%	1.75%	1.75%	1.75%	1.88%	2.00%	2.00%	2.13%	2.25%	2.25%	2.25%	
72 Interest Applied	\$34	\$34	\$29	\$19	\$16	\$9	\$4	\$3	\$3	\$2	\$1	(\$0)	
73 ISR XL LL Recon End Balance Under/(Over) Recovery	\$26,937	\$22,827	\$16,595	\$11,879	\$8,158	\$2,658	\$2,236	\$1,497	\$1,598	\$1,019	\$367	(\$825)	
74 <b>ISR XL HL Acct Beg. Balance Under/(Over) Recovery</b>	\$93,283	\$88,948	\$80,021	\$71,416	\$63,061	\$56,298	\$46,456	\$40,797	\$34,340	\$27,579	\$20,244	\$12,868	
75 <b>FY 2015 Recon</b>													
76 Actual XL HL Revenue	\$8,720	\$8,144	\$9,617	\$8,446	\$6,858	\$9,926	\$5,734	\$6,523	\$4,780	\$7,380	\$7,407	\$7,607	
77 Ending XL HL Balance Under/(Over) Recovery	\$13,168	\$80,803	\$71,303	\$62,971	\$56,203	\$46,372	\$40,723	\$34,274	\$27,520	\$20,198	\$12,837	\$5,260	
78 Average Monthly Balance Under/(Over) Recovery	\$88,835	\$84,876	\$76,112	\$67,194	\$59,632	\$51,335	\$43,589	\$37,535	\$30,930	\$23,889	\$16,541	\$9,064	
79 Bk America Rate less 200 Basis Points	1.50%	1.63%	1.75%	1.75%	1.75%	1.88%	2.00%	2.00%	2.13%	2.25%	2.25%	2.25%	
80 Interest Applied	\$112	\$117	\$113	\$90	\$95	\$84	\$74	\$66	\$59	\$46	\$31	\$17	
81 ISR XL HL Recon End Balance Under/(Over) Recovery	\$88,948	\$80,921	\$71,416	\$63,061	\$56,298	\$46,456	\$40,797	\$34,340	\$27,579	\$20,244	\$12,868	\$5,278	

<sup>1</sup>Approved Amount to be Recovered<sup>1</sup>  
 Under/(Over) Recovery

<sup>1</sup>Docket 4634, SLN:SS, Page 1 of 2

<sup>1</sup>Docket 4634, SLN:SS, Page 1 of 2

**National Grid - RI Gas**  
**Non-Base Rate / Gas Year Reconciling Components**

October 31, 2016 Ending Deferred Balances

Line No.	Description	Forecast <sup>1</sup> (a)	Actual (b)	Variance (c) = (b) - (a)
1	System Pressure	\$393,621	\$408,232	\$14,611
2	Advanced Gas Technology	\$32,872	\$32,872	\$0
3	Environmental - DAC	\$54,965	\$60,098	\$5,133
4	Previous Reconciliation Factor - Applicable to All	\$24,132	\$27,291	\$3,159
5	Previous Reconciliation Factor - Large & Extra Large	(\$11,071)	(\$14,077)	(\$3,006)
6	On-System Margin Credits	\$25,510	\$26,695	\$1,185
7	Pension	(\$206,130)	(\$219,948)	(\$13,818)
8	PBOP	(\$261,056)	(\$284,351)	(\$23,294)
9	Earnings Sharing Mechanism	(\$55,019)	(\$58,178)	(\$3,159)
10	RDM			
11	RDA Reconciliation	(\$2,097,985)	(\$2,195,246)	(\$97,261)
12	RDM Recon Reconciliation	<u>\$95,131</u>	<u>\$97,660</u>	<u>\$2,529</u>
13		(\$2,002,854)	(\$2,097,586)	(\$94,732)
14	ISR Recon			
15	Residential Non-Heating	\$52,284	\$60,081	\$7,797
16	Residential Heating	\$523,526	\$534,554	\$11,028
17	Small C&I	\$117,809	\$124,346	\$6,537
18	Medium C&I	\$155,306	\$165,575	\$10,269
19	Large Low Load C&I	\$55,428	\$69,330	\$13,902
20	Large High Load C&I	\$21,986	\$25,855	\$3,869
21	Extra Large Low Load C&I	\$2,438	\$5,053	\$2,615
22	Extra Large High Load C&I	<u>\$8,720</u>	<u>\$8,343</u>	<u>(\$377)</u>
23		\$937,497	\$993,137	\$55,640
24	<b>Total</b>	<u>(\$1,067,533)</u>	<u>(\$1,125,814)</u>	<u>(\$58,281)</u>

<sup>1</sup>Docket 4634, SLN-10S, Pages 2-3, 5-7 filed on September 1, 2016.

1 See AEL-11, Page 1, Line 9

2 See AEL-11, Page 1, Line 20

3 See AEL-11, Page 1, Line 32

4 See AEL-11, Page 2, Line 44

5 See AEL-11, Page 2, Line 56

6 See AEL-11, Page 2, Line 68

7 See AEL-11, Page 3, Line 80

8 See AEL-11, Page 3, Line 92

9 See AEL-11, Page 3, Lines 104

10 See AEL-11, Page 4, Lines 18 and 36

14 See AEL-11, Pages 5-8, Lines 12, 24, 36, 48, 60, 72, 84, 96

24 Net owed to Company, sum[Lines(1:9)] + Line 13 + Line 23

**Schedule  
AEL-11**

**THE NARRAGANSETT ELECTRIC COMPANY  
d/b/a NATIONAL GRID  
RIPUC DOCKET NO. 4708  
SUPPLEMENTAL DISTRIBUTION ADJUSTMENT CHARGE FILING  
WITNESS: ANN E. LEARY**

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Schedule AEL-11  
Reconciliations for FY 17

National Grid - RI Gas Non-Base Rate / Gas Year Reconciling Components (April 2016 - March 2017)										
Line No.		Apr-16 30	May-16 31	Jun-16 30	Jul-16 31	Aug-16 Actual	Sep-16 Actual	Oct-16 Actual	Nov-16 Actual	Dec-16 Actual
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1	<b>System Pressure Recon Adjust.</b>									
2	System Pressure Acct Beg Balance Under/(Over) Recovery	\$23,895	\$8,646	\$30,898	\$97,927	\$176,087	\$257,169	\$335,869	\$0	\$25,076
3	Actual Costs	\$124,066	\$124,066	\$124,066	\$124,066	\$124,066	\$124,066	\$124,066	\$289,071	\$125,400
4	Actual Revenue	\$139,335	\$101,839	\$57,116	\$46,080	\$43,258	\$45,731	\$52,175	\$96,005	\$162,437
5	Ending Balance Under/(Over) Recovery	\$88,626	\$30,873	\$97,848	\$175,913	\$256,894	\$335,504	\$407,759	\$25,061	\$29,462
6	Average Monthly Balance Under/(Over) Recovery	\$16,261	\$19,760	\$64,373	\$36,920	\$16,491	\$266,337	\$371,814	\$12,530	\$151,710
7	Bk America Rate less 200 Basis Points	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	\$47,770
8	Interest Applied	\$20	\$25	\$79	\$174	\$275	\$364	\$472	\$15	1.63%
9	Sys Pressure End Balance Under/(Over) Recovery	\$8,646	\$30,898	\$97,927	\$176,087	\$257,169	\$335,869	\$408,232	\$25,076	\$151,832
10	<b>Advanced Gas Technology</b>									
11	AGT Act Beg Balance Under/(Over) Recovery	\$32,586	\$32,626	\$32,667	\$32,707	\$32,749	\$32,790	\$32,831	\$32,831	\$32,872
12	Transfer to 2016-2017 Recon Factor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	AGT DAC True-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	Subtotal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	Actual AGT Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16	Ending AGT Balance Under/(Over) Recovery	\$32,586	\$32,626	\$32,667	\$32,707	\$32,749	\$32,790	\$32,831	\$0	\$0
17	Average Monthly Balance Under/(Over) Recovery	\$32,586	\$32,626	\$32,667	\$32,707	\$32,749	\$32,790	\$32,831	\$0	\$0
18	Bk America Rate less 200 Basis Points	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
19	Interest Applied	\$40	\$41	\$40	\$42	\$42	\$42	\$42	\$0	\$0
20	AGT End Balance Under/(Over) Recovery	\$32,626	\$32,667	\$32,707	\$32,749	\$32,790	\$32,831	\$32,872	\$0	\$0
21	<b>Environmental Recon. Adjust - DAC</b>									
22	Environmental Acct Beg Balance Under/(Over) Recovery	\$229,591	\$180,888	\$145,314	\$125,413	\$109,373	\$94,303	\$78,341	\$60,098	\$552,774
23	Transfer to 2016-2017 Recon Factor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$54,965)	\$492,032
24	Environmental DAC True-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$51,133)	\$0
25	Environmental Response Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$588,061	\$0
26	Subtotal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$588,061	\$0
27	Actual Environmental Revenue	\$48,955	\$35,781	\$20,067	\$16,190	\$15,199	\$16,068	\$18,331	\$33,990	\$61,462
28	Ending Environmental Balance Under/(Over) Recovery	\$180,636	\$145,107	\$125,247	\$109,223	\$94,174	\$78,235	\$60,010	\$55,071	\$491,312
29	Average Monthly Balance Under/(Over) Recovery	\$205,113	\$162,998	\$135,281	\$117,318	\$101,773	\$86,269	\$69,175	\$570,066	\$522,043
30	Bk America Rate less 200 Basis Points	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
31	Interest Applied	\$252	\$207	\$166	\$149	\$129	\$106	\$88	\$703	\$667
32	Environmental Recon End Balance Under/(Over) Recovery	\$180,888	\$145,314	\$125,413	\$109,373	\$94,303	\$78,341	\$60,098	\$552,774	\$492,032

12 Docket 4634, SLN-10S, Page 1, Ln 2

13 AEI-10S, Page 8, Ln 2

14 Col (b): Sum Lines (1:1:3)

15 Docket 4634, SLN-10S, Page 1, Ln 3

16 AEI-10S, Page 8, Ln 3

17 Col (b) per Docket 4634, SLN-10S, Pg 1, Ln 4

18 Col (b): Sum Lines(2:2:5)

**National Grid - RI Gas**  
**Non-Base Rate / Gas Year Reconciling Components (April 2016 - March 2017)**

	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17
	30	31	30	31	31	30	31	30	31	31	28	31
	(a)	Actual	Actual	Actual	Actual							
33	<b>Reconciliation Factor (Applicable to all) - DAC</b>											
34	Recon Factor Acct Beg. Balance Under/(Over) Recovery	\$131,680	\$101,698	\$79,794	\$67,535	\$57,651	\$48,366	\$38,531	\$27,291	(\$296,612)	(\$266,269)	(\$223,222)
35	Transfer to 2016-2017 Recon Factor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$24,132)	\$0	\$0	\$0
36	Reconciliation (All) DAC True-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$3,159)	\$0	\$0	\$0
37	Reconciliation (All) Factor Balance Under/(Over) Recovery	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$29,904)	\$0	\$0	\$0
38	<b>Subtotal</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$29,204)	\$0	\$0	\$0
39	Actual Recon Revenue	\$30,126	\$22,019	\$12,350	\$9,963	\$9,353	\$9,888	\$11,281	\$3,345	(\$30,731)	(\$43,411)	(\$40,805)
40	Ending Recon Balance Under/(Over) Recovery	\$101,554	\$79,679	\$67,444	\$57,572	\$48,298	\$38,478	\$27,250	(\$296,249)	(\$265,881)	(\$222,858)	(\$182,417)
41	Average Monthly Balance Under/(Over) Recovery	\$116,617	\$90,688	\$73,619	\$62,553	\$52,975	\$43,422	\$32,891	(\$294,577)	(\$281,247)	(\$244,564)	(\$202,819)
42	Bk America Rate less 200 Basis Points	\$1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.63%	1.75%	1.88%
43	Interest Applied	\$143	\$115	\$91	\$80	\$67	\$54	\$42	(\$363)	(\$388)	(\$363)	(\$262)
44	Reconciliation End Balance Under/(Over) Recovery	\$101,698	\$79,794	\$67,535	\$57,651	\$48,366	\$38,531	\$27,292	(\$296,612)	(\$266,269)	(\$223,222)	(\$182,689)
45	<b>Reconciliation Factor (L &amp; XL)-DAC</b>											
46	Recon Factor Acct Beg. Balance Under/(Over) Recovery	(\$87,894)	(\$73,599)	(\$59,489)	(\$50,465)	(\$41,684)	(\$33,057)	(\$33,332)	(\$14,077)	(\$131,895)	(\$117,387)	(\$98,130)
47	Transfer to 2016-2017 Recon Factor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$81,599)
48	Reconciliation (L & XL) DAC True-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
49	Reconciliation (L & XL) Factor Balance Under/(Over) Recovery	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$144,846)	\$0	\$0
50	<b>Subtotal</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$144,846)	\$0	\$0
51	Actual Recon Revenue (L & XL)	\$14,394	\$14,195	(\$59,402)	(\$50,397)	(\$8,839)	(\$8,674)	(\$9,760)	(\$9,279)	(\$14,680)	(\$19,417)	(\$16,652)
52	Ending Recon Balance Under/(Over) Recovery	(\$73,500)	(\$80,697)	(\$66,502)	(\$54,943)	(\$41,626)	(\$33,010)	(\$23,297)	(\$13,725)	(\$11,211)	(\$13,865)	(\$11,734)
53	Average Monthly Balance Under/(Over) Recovery	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	(\$14,053)	(\$12,215)	(\$9,790)
54	Bk America Rate less 200 Basis Points	(\$99)	(\$84)	(\$68)	(\$58)	(\$47)	(\$35)	(\$24)	(\$18,693)	(\$13,285)	(\$12,555)	(\$74,666)
55	Interest Applied	(\$73,599)	(\$59,489)	(\$50,465)	(\$41,684)	(\$33,057)	(\$23,332)	(\$14,077)	(\$131,895)	(\$117,387)	(\$98,130)	(\$67,853)
57	<b>On-system Credits Recon. Adjust - DAC</b>											
58	On-system Credit Acct Beg. Balance Under/(Over) Recovery	\$65,698	\$54,474	\$46,280	\$41,703	\$38,017	\$34,557	\$30,889	\$26,695	(\$66,966)	(\$62,665)	(\$56,552)
59	Transfer to 2016-2017 Recon Factor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$25,510)	\$0	\$0	\$0
60	On-system DAC True-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,185)	\$0	\$0	\$0
61	On-system Credit Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$6,674)	\$0	\$0	\$0
62	<b>Subtotal</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$6,674)	\$0	\$0	\$0
63	Actual On-system Revenue	\$11,298	\$8,258	\$4,631	\$3,736	\$3,507	\$3,708	\$4,230	(\$2,211)	(\$4,390)	(\$6,202)	(\$5,198)
64	Ending On-system Balance Under/(Over) Recovery	\$54,400	\$46,216	\$41,649	\$37,967	\$34,510	\$30,849	\$26,659	(\$66,885)	(\$62,576)	(\$56,463)	(\$50,723)
65	Average Monthly Balance Under/(Over) Recovery	\$60,049	\$50,345	\$43,964	\$39,835	\$36,264	\$32,703	\$28,774	(\$63,280)	(\$64,771)	(\$59,564)	(\$48,196)
66	Bk America Rate less 200 Basis Points	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.63%	1.75%	1.88%
67	Interest Applied	\$74	\$64	\$54	\$51	\$46	\$40	\$37	(\$80)	(\$89)	(\$72)	(\$77)
68	On-system Credit End Balance Under/(Over) Recovery	\$54,474	\$46,280	\$41,703	\$38,017	\$34,557	\$30,889	\$26,695	(\$66,966)	(\$62,665)	(\$56,552)	(\$45,674)

35 Docket 4634, SLN-10S, Page 1, Ln 7

36 AEI-10S, Page 8, Ln 4

37 Col (b) per Docket 4634, SLN-10S, Pg 1, Ln 12

38 Col (b) Sum Lines(34,37)

39 Docket 4634, SLN-10S, Page 1, Ln 25

40 AEI-10S, Page 8, Ln 5

41 Col (b) per Docket 4634, SLN-10S, Pg 1, Ln 26

42 Col (b) Sum Lines(46,49)

43 Docket 4634, SLN-10S, Page 1, Ln 4

44 AEI-10S, Page 8, Ln 6

45 Col (b) per Docket 4634, SLN-10S, Pg 1, Ln 6

46 Col (b) Sum Lines(58,61)

National Grid - RI Gas Non-Base Rate / Gas Year Reconciling Components (April 2016 - March 2017)												
	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17
	30	31	30	31	31	30	31	30	31	31	28	31
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
69 <b>Pension Adjustment</b>												
70 Pen Acct Beg. Balance Under/(Over) Recovery	(\$675,772)	(\$544,720)	(\$449,017)	(\$395,508)	(\$352,394)	(\$311,894)	(\$268,992)	(\$219,948)	(\$238,409)	(\$207,986)	(\$164,851)	(\$124,240)
71 Transfer to 2016-2017 Recon Factor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
72 Pension DAC True-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
73 Pension Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
74 Subtotal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
75 Actual Pension Revenue	(\$131,802)	(\$96,334)	(\$54,028)	(\$43,589)	(\$40,921)	(\$43,259)	(\$49,355)	(\$59,938)	(\$30,731)	(\$43,411)	(\$40,805)	(\$36,388)
76 Ending Pension Balance Under/(Over) Recovery	(\$543,970)	(\$448,386)	(\$394,989)	(\$351,919)	(\$311,473)	(\$268,635)	(\$219,637)	(\$238,078)	(\$207,678)	(\$164,573)	(\$124,046)	(\$87,852)
77 Average Monthly Balance Under/(Over) Recovery	(\$609,871)	(\$496,553)	(\$422,003)	(\$373,713)	(\$331,933)	(\$290,265)	(\$244,315)	(\$268,047)	(\$223,043)	(\$186,280)	(\$144,449)	(\$106,046)
78 Bk/America Rate less 200 Basis Points	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
79 Interest Applied	(\$750)	(\$631)	(\$519)	(\$475)	(\$422)	(\$357)	(\$310)	(\$330)	(\$308)	(\$277)	(\$194)	(\$169)
80 Pension Adjustment End Balance Under/(Over) Recovery	(\$544,720)	(\$449,017)	(\$395,508)	(\$352,394)	(\$311,894)	(\$268,992)	(\$219,948)	(\$238,409)	(\$207,986)	(\$164,851)	(\$124,240)	(\$88,021)
81 <b>PBOP Adjustment</b>												
82 PBOP Acct Beg. Balance Under/(Over) Recovery	(\$1,053,498)	(\$832,474)	(\$671,037)	(\$580,729)	(\$507,941)	(\$439,563)	(\$367,136)	(\$284,351)	(\$284,351)	(\$1,714,585)	(\$1,510,470)	(\$1,221,019)
83 Transfer to 2016-2017 Recon Factor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$948,497)
84 PBOP DAC True-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
85 PBOP Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
86 Subtotal	(\$222,182)	(\$162,392)	(\$91,077)	(\$73,479)	(\$68,980)	(\$72,922)	(\$83,199)	(\$85,809)	(\$81,199)	(\$291,479)	(\$273,339)	(\$244,318)
87 Actual PBOP Revenue	(\$670,082)	(\$579,960)	(\$507,250)	(\$438,939)	(\$366,641)	(\$332,937)	(\$71,712,385)	(\$1,43,424)	(\$1,508,246)	(\$1,218,991)	(\$947,041)	(\$704,179)
88 Ending PBOP Balance Under/(Over) Recovery	(\$831,316)	(\$751,278)	(\$625,498)	(\$543,989)	(\$473,351)	(\$403,102)	(\$335,537)	(\$1,784,097)	(\$1,611,415)	(\$1,364,730)	(\$1,084,030)	(\$826,338)
89 Average Monthly Balance Under/(Over) Recovery	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.63%	1.75%	1.88%
90 Bk/America Rate less 200 Basis Points	(\$1,159)	(\$954)	(\$769)	(\$691)	(\$602)	(\$496)	(\$414)	(\$2,200)	(\$2,224)	(\$2,028)	(\$1,455)	(\$1,316)
91 Interest Applied	(\$832,474)	(\$671,037)	(\$580,729)	(\$507,941)	(\$439,563)	(\$367,136)	(\$284,351)	(\$284,351)	(\$210,470)	(\$1,221,019)	(\$948,497)	(\$705,494)
92 PBOP Adjustment End Balance Under/(Over) Recovery												
93 <b>Earnings Sharing Mechanism</b>												
94 ESM Acct Beg. Balance Under/(Over) Recovery	(\$162,298)	(\$132,353)	(\$110,488)	(\$98,266)	(\$88,122)	(\$79,175)	(\$69,378)	(\$58,178)	(\$58,178)	\$11,781	\$11,798	\$11,815
95 Transfer to 2016-2017 Recon Factor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96 ESM DAC True-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
97 ESM Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
98 Subtotal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
99 Actual ESM Revenue	(\$30,126)	(\$22,019)	(\$12,350)	(\$9,963)	(\$9,353)	(\$9,888)	(\$11,281)	(\$11,774)	(\$11,774)	\$11,781	\$11,798	\$11,815
100 Ending ESM Balance Under/(Over) Recovery	(\$132,172)	(\$110,334)	(\$98,138)	(\$88,303)	(\$79,069)	(\$69,287)	(\$58,097)	(\$58,097)	(\$53,738)	(\$5,887)	\$11,781	\$11,831
101 Average Monthly Balance Under/(Over) Recovery	(\$147,235)	(\$121,343)	(\$104,313)	(\$89,285)	(\$83,745)	(\$74,231)	(\$63,738)	(\$53,738)	(\$53,738)	\$11,781	\$11,798	\$11,815
102 Bk/America Rate less 200 Basis Points	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.63%	1.75%	1.88%
103 Interest Applied	(\$181)	(\$154)	(\$128)	(\$119)	(\$106)	(\$91)	(\$81)	(\$77)	(\$77)	\$18	\$16	\$19
104 ESM Adjustment End Balance Under/(Over) Recovery	(\$132,353)	(\$110,488)	(\$98,266)	(\$88,422)	(\$79,175)	(\$69,378)	(\$58,178)	(\$58,178)	(\$58,178)	\$11,781	\$11,798	\$11,815

71 Docket 4634, SLN-10S, Page 1, Ln 5

72 AEI-10S, Page 8, Ln 7

73 Col (b) per Docket 4634, SLN-5S, Pg 1, Ln 3

74 Col (b) Sum Lines 70/73

83 Docket 4634, SLN-10S, Page 1, Ln 6

84 AEI-10S, Page 8, Ln 8

85 Col (b) per Docket 4634, SLN-5S, Pg 1, Ln 9

86 Col (b) Sum Lines 82/85

94 Col (b) per Docket 4634, SLN-10S, Pg 1, Ln 8

National Grid - RI Gas  
 RDA Reconciliation (April 2016 - March 2017)

Line No.	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17
	30	31	30	31	31	30	31	30	31	31	28	31
	Actual											
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1 Actual Firm Throughput - dekatherms												
1 Res-NH	62,950	41,123	29,766	18,985	16,446	16,379	20,258	28,568	39,507	52,271	48,480	427,078
2 Res-H	1,930,631	1,162,655	629,582	432,234	370,661	375,326	516,689	1,205,454	2,206,055	3,123,153	2,837,099	17,975,574
3 Small	245,637	129,552	71,339	48,956	43,038	36,525	49,483	122,150	273,372	434,196	426,066	388,051
4 Medium	588,619	369,646	211,771	158,015	162,022	156,319	206,721	370,678	629,145	910,589	840,771	5,342,780
5 Total	2,797,837	1,702,976	942,458	658,191	592,167	584,549	793,150	1,726,850	3,148,079	4,582,955	4,442,262	4,042,114
6 RDM Reconciliation												
7 RDM Acct Beg. Balance Under/(Over) Recovery	(\$6,250,652)	(\$8,854,371)	(\$3,956,912)	(\$3,492,704)	(\$3,168,851)	(\$2,877,245)	(\$2,587,952)	(\$2,195,246)	\$194,657	\$274,463	\$274,898	\$20,903
8 Transfer to 2016-2017 Recon Factor	90	90	90	90	90	90	90	90	\$2,097,985	\$0	\$0	\$0
9 RDM DAC True-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$97,261	\$0	\$0	\$0
10 RDM Balance November 2016	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$282,230)	\$0	\$0	\$0
11 Interest on RDM Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$2,485)	\$0	\$0	\$0
12 Subtotal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$284,715)	\$0	\$0	\$0
13 Actual RDM Revenue	(\$1,403,104)	(\$903,053)	(\$468,785)	(\$328,082)	(\$295,444)	(\$29,651)	(\$395,743)	(\$479,427)	(\$32,516)	(\$45,605)	(\$41,510)	
14 Ending RDM Balance Under/(Over) Recovery	(\$4,847,548)	(\$3,951,318)	(\$3,488,127)	(\$3,164,622)	(\$2,873,407)	(\$2,584,595)	(\$2,192,210)	(\$194,712)	\$227,172	\$274,525	\$320,503	\$362,113
15 Average Monthly Balance Under/(Over) Recovery	(\$5,407,344)	(\$4,407,344)	(\$3,722,519)	(\$3,285,663)	(\$3,021,129)	(\$2,390,081)	(\$45,001)	(\$210,914)	(\$250,994)	(\$297,701)	\$341,658	
16 Bk America Rate less 200 Basis Points	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.63%	1.75%	1.88%
17 Interest Applied	(\$6,833)	(\$6,594)	(\$4,577)	(\$4,229)	(\$3,838)	(\$3,358)	(\$3,037)	(\$655)	\$291	\$373	\$400	\$544
18 RDM Recon End Balance Under/(Over) Recovery	(\$4,854,371)	(\$3,956,912)	(\$3,492,704)	(\$3,168,851)	(\$2,877,245)	(\$2,587,952)	(\$2,195,246)	(\$194,657)	\$227,463	\$274,898	\$320,903	\$362,057
19 RDM Revenue per rate class												
20 Res-NH	(\$21,463)	(\$17,494)	(\$9,488)	(\$6,153)	(\$5,266)	(\$5,332)	(\$6,544)	(\$12,094)	(\$19,516)	(\$26,140)	(\$26,140)	(\$179,930)
21 Res-H	(\$658,149)	(\$694,608)	(\$200,673)	(\$140,092)	(\$118,690)	(\$122,188)	(\$166,906)	(\$510,336)	(\$1,089,782)	(\$1,561,859)	(\$1,561,859)	(\$8,076,527)
22 Small	(\$83,134)	(\$83,134)	(\$22,739)	(\$15,252)	(\$13,781)	(\$11,891)	(\$13,781)	(\$51,365)	(\$51,713)	(\$135,045)	(\$135,045)	(\$1,030,305)
23 Medium	(\$190,433)	(\$157,252)	(\$67,500)	(\$51,214)	(\$49,890)	(\$66,777)	(\$66,777)	(\$156,929)	(\$31,079)	(\$44,845)	(\$44,845)	(\$1,034,284)
24 Total	(\$953,779)	(\$724,467)	(\$30,398)	(\$21,326)	(\$19,618)	(\$19,300)	(\$236,212)	(\$731,072)	(\$1,555,138)	(\$2,239,216)	(\$2,231,533)	(\$1,442,062)
25 RDM Recon Adjustment												
26 RDM Recon Acct Beg. Balance Under/(Over) Recovery	\$202,746	\$166,492	\$143,209	\$131,189	\$122,821	\$115,291	\$107,819	\$97,660	(\$1,962,003)	(\$1,736,540)	(\$1,408,860)	(\$1,090,738)
27 Transfer to 2016-2017 Recon Factor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$95,131)	\$0	\$0	\$0
28 RDM DAC True-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$2,529)	\$0	\$0	\$0
29 RDM Balance November 2016	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$2,002,854)	\$0	\$0	\$0
30 Subtotal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$2,002,854)	\$0	\$0	\$0
31 Actual RDM Recon Revenue	\$36,481	\$23,480	\$12,188	\$8,530	\$7,681	\$7,681	\$10,289	\$13,293	(\$228,014)	(\$33,015)	(\$31,799)	(\$29,1084)
32 Ending RDM Recon Balance Under/(Over) Recovery	\$166,205	\$143,012	\$131,021	\$122,659	\$115,140	\$107,682	\$97,530	(\$1,959,561)	(\$173,989)	(\$1,406,525)	(\$1,089,061)	(\$799,054)
33 Average Monthly Balance Under/(Over) Recovery	\$184,506	\$154,752	\$137,115	\$126,924	\$118,980	\$111,486	\$102,674	(\$1,981,207)	(\$1,847,996)	(\$1,571,532)	(\$1,248,961)	(\$945,96)
34 Bk America Rate less 200 Basis Points	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.63%	1.75%	1.88%
35 Interest Applied	\$227	\$197	\$169	\$161	\$151	\$137	\$130	(\$2,443)	(\$2,530)	(\$2,336)	(\$1,677)	(\$1,505)
36 RDM Recon Adjustment End Balance Under/(Over) Recovery	\$166,492	\$143,209	\$131,189	\$122,821	\$115,291	\$107,819	\$97,660	(\$1,962,003)	(\$1,736,540)	(\$1,408,860)	(\$1,090,738)	(\$80,1,59)

8 Docket 4634, SLN-10S, Page 1, Line 16

9 AFL-10S, Page 8, Line 11

10 Docket 4634, SLN-1S, Page 1, Line 13

11 Beginning balance: Docket 4634, Schedule SLN-1S, Line 13 + monthly interest calculated from April - October at Bk America rate less 200 basis points

12 Col (b): Sum Lines(7-11)

13 Col (b): Sum Lines(7-11)

14 Docket 4634, SLN-10S, Page 1, Line 17

15 AFL-10S, Page 8, Line 12

16 Docket 4634, SLN-10S, Page 1, Line 18

17 Col (b): Sum Lines(26-29)

National Grid - RI Gas  
 ISR Reconciliation (April 2016 - March 2017)

Line No.	Apr-16 30 Actual (a)	May-16 31 Actual (b)	Jun-16 30 Actual (c)	Jul-16 31 Actual (d)	Aug-16 31 Actual (e)	Sep-16 30 Actual (f)	Oct-16 31 Actual (g)	Nov-16 30 Actual (h)	Dec-16 31 Actual (i)	Jan-17 31 Actual (j)	Feb-17 28 Actual (k)
<b>1 ISR Res-NH Acct Beg. Balance Under/(Over) Recovery</b>											
2 ISR Recon DAC True-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3 FY 2015 Recon	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4 FY 2016 Recon	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5 Interest Applied on FY16 balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6 Total FY 2016 Recon	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7 Actual Res-NH Revenue	\$22,039	\$15,221	\$10,334	\$6,606	\$5,728	\$5,723	\$7,055	\$33,231	\$54,551	\$67,220	\$68,365
8 Ending Res-NH Balance Under/(Over) Recovery	\$109,992	\$84,920	\$78,221	\$72,597	\$66,970	\$60,000	\$427,529	\$73,493	\$306,827	\$179,258	
9 Average Monthly Balance Under/(Over) Recovery	\$121,012	\$102,531	\$89,883	\$81,524	\$75,461	\$69,831	\$418,002	\$400,769	\$340,437	\$273,150	\$209,296
10 Bk America Rate less 200 Basis Points	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.75%	1.88%
11 Interest Applied	\$149	\$130	\$111	\$104	\$96	\$86	\$81	\$515	\$553	\$506	\$357
12 ISR Res-NH Recon End Balance Under/(Over) Recovery	\$110,141	\$95,050	\$84,827	\$78,325	\$72,693	\$67,056	\$60,081	\$428,044	\$374,046	\$307,333	\$259,334
13 ISR Res-H Acct Beg. Balance Under/(Over) Recovery	\$1,635,198	\$1,245,814	\$998,160	\$872,793	\$786,805	\$713,044	\$637,961	\$534,554	\$5784,345	\$5,109,838	\$4,129,261
14 ISR Recon DAC True-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15 FY 2015 Recon	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16 FY 2016 Recon	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17 Interest Applied on FY16 balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18 Total FY 2016 Recon	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19 Actual Res-H Revenue	\$391,154	\$249,078	\$126,516	\$87,042	\$74,712	\$75,913	\$104,152	\$285,849	\$682,019	\$987,438	\$965,859
20 Ending Res-H Balance Under/(Over) Recovery	\$1,244,044	\$996,736	\$871,644	\$785,751	\$712,092	\$637,131	\$533,809	\$5,773,368	\$5,102,326	\$4,122,400	\$3,163,402
21 Average Monthly Balance Under/(Over) Recovery	\$1,439,621	\$1,121,275	\$934,902	\$829,272	\$749,449	\$675,088	\$585,885	\$5,658,530	\$5,443,355	\$4,616,119	\$3,646,331
22 Bk America Rate less 200 Basis Points	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.63%	1.88%
23 Interest Applied	\$1,770	\$1,425	\$1,149	\$1,054	\$952	\$830	\$744	\$6576	\$7,513	\$6,861	\$4,895
24 ISR Res-H Recon End Balance Under/(Over) Recovery	\$1,245,814	\$998,160	\$872,793	\$786,805	\$713,044	\$637,961	\$534,554	\$5,784,345	\$5,109,838	\$4,129,261	\$3,168,297

2 AEL-10S, Pg 8, Line 15

3 Dkt 4634, SLN-8S Pg 1, Line 3, Col (g)

4 Dkt 4634, SLN-8S Pg 1, Line 3, Col (f)

5 April-Oct 16 @ BOA Rate less 200 Basis Points

6 Line 4 + Line 5

14 AEL-10S, Pg 8, Line 16

15 Dkt 4634, SLN-8S Pg 1, Line 4, Col (g)

16 Dkt 4634, SLN-8S Pg 1, Line 4, Col (f)

17 April-Oct 16 @ BOA Rate less 200 Basis Points

18 Line 16 + Line 17

National Grid - RI Gas  
 ISR Reconciliation (April 2016 - March 2017)

Line No.	Apr-16 May-16 May-16 31 Actual (a)	Jun-16 30 Actual (b)	Jul-16 31 Actual (c)	Aug-16 31 Actual (d)	Sep-16 30 Actual (e)	Oct-16 31 Actual (f)	Nov-16 30 Actual (g)	Dec-16 31 Actual (h)	Jan-17 31 Actual (i)	Feb-17 28 Actual (k)
25 ISR Small C&I Act Beg. Balance Under/(Over) Recovery	\$233,634	\$190,781	\$166,963	\$154,742	\$146,392	\$139,058	\$132,824	\$124,346	\$88,4576	\$777,646
26 ISR Recon DAC True-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
27 FY 2015 Recon	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
28 FY 2016 Recon	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
29 Interest Applied on FY16 balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
30 Total FY 2016 Recon	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
31 Actual Small C& Revenue	\$43,114	\$24,045	\$12,419	\$8,541	\$7,516	\$6,400	\$8,642	\$33,122	\$10,076	\$167,421
32 Ending Small C& Balance Under/(Over) Recovery	\$190,520	\$166,736	\$154,544	\$146,201	\$138,876	\$132,657	\$124,183	\$88,339	\$606,986	\$440,594
33 Average Monthly Balance Under/(Over) Recovery	\$212,077	\$178,759	\$160,754	\$150,471	\$142,634	\$135,858	\$128,504	\$841,195	\$830,538	\$692,316
34 Bk America Rate less 200 Basis Points	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.63%	1.75%
35 Interest Applied	\$261	\$227	\$198	\$191	\$181	\$167	\$163	\$1,037	\$1,146	\$704
36 ISR Small C& Recon End Balance Under/(Over) Recovery	\$190,781	\$166,963	\$154,742	\$146,392	\$139,058	\$132,824	\$124,346	\$88,4576	\$777,646	\$441,297
37 ISR Medium Act Beg. Balance Under/(Over) Recovery	\$399,514	\$328,245	\$278,449	\$251,809	\$231,952	\$211,539	\$191,752	\$165,575	\$1,131,262	\$1,002,357
38 ISR Recon DAC True-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
39 FY 2015 Recon	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
40 FY 2016 Recon	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
41 Interest Applied on FY16 balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
42 Total FY 2016 Recon	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
43 Actual Medium Revenue	\$71,717	\$50,180	\$26,966	\$20,164	\$20,694	\$20,035	\$26,404	\$10,034,650	\$130,377	\$187,605
44 Ending Medium Balance Under/(Over) Recovery	\$327,797	\$278,064	\$251,483	\$231,645	\$211,258	\$191,505	\$165,348	\$11,129,928	\$1,000,885	\$1,000,885
45 Average Monthly Balance Under/(Over) Recovery	\$363,656	\$303,154	\$264,966	\$241,727	\$221,605	\$201,522	\$178,550	\$1,082,289	\$1,066,074	\$908,554
46 Bk America Rate less 200 Basis Points	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.63%	1.75%
47 Interest Applied	\$447	\$385	\$326	\$307	\$282	\$248	\$227	\$1,334	\$1,471	\$979
48 ISR Medium Recon End Balance Under/(Over) Recovery	\$328,245	\$278,449	\$251,809	\$231,952	\$211,539	\$191,752	\$165,575	\$1,131,262	\$1,002,357	\$843,906

26 AEL-10S, Pg 8, Line 17

27 Dkt 4634, SLN-88 Pg 1, Line 5, Col (g)

28 Dkt 4634, SLN-88 Pg 1, Line 5, Col (f)

29 Apr 16-Oct 16 @ BOA Rate less 200 Basis Points

30 Line 28 + Line 29

31 AEL-10S, Pg 8, Line 18

32 Dkt 4634, SLN-88 Pg 1, Line 6, Col (g)

33 Dkt 4634, SLN-88 Pg 1, Line 6, Col (f)

34 Apr 16-Oct 16 @ BOA Rate less 200 Basis Points

35 Line 40 + Line 41

National Grid - RI Gas  
 ISR Reconciliation (April 2016 - March 2017)

Line No.	Apr-16 May-16 31 Actual (a)	Jun-16 30 Actual (b)	Jul-16 31 Actual (c)	Aug-16 31 Actual (d)	Sep-16 30 Actual (e)	Oct-16 31 Actual (f)	Nov-16 30 Actual (g)	Dec-16 31 Actual (h)	Jan-17 31 Actual (i)	Feb-17 28 Actual (k)
<b>49 ISR Large LL Act Beg. Balance Under/(Over) Recovery</b>										
50 ISR Recon DAC True-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
51 FY 2015 Recon	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
52 FY 2016 Recon	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
53 Interest Applied on FY16 balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
54 Total FY 2016 Recon	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
55 Actual Large LL Revenue	\$35,042	\$23,082	\$6,850	\$2,078	\$4,806	\$3,589	\$8,178	\$36,653	\$86,089	\$126,496
56 Ending Large LL Balance Under/(Over) Recovery	\$117,094	\$94,178	\$87,462	\$85,496	\$80,800	\$77,318	\$69,237	\$60,666	\$516,307	\$233,985
57 Average Monthly Balance Under/(Over) Recovery	\$134,615	\$105,719	\$90,887	\$86,535	\$83,203	\$79,112	\$73,326	\$59,279	\$559,352	\$453,821
58 Bk America Rate less 200 Basis Points	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
59 Interest Applied	\$166	\$134	\$112	\$110	\$106	\$97	\$93	\$730	\$772	\$675
60 ISR Large LL Recon End Balance Under/(Over) Recovery	\$117,260	\$94,312	\$87,574	\$85,606	\$80,906	\$77,415	\$69,330	\$602,396	\$391,257	\$284,438
61 ISR Large HL Act Beg. Balance Under/(Over) Recovery	\$90,025	\$78,735	\$67,860	\$58,754	\$50,372	\$43,444	\$35,146	\$25,855	\$200,950	\$181,104
62 ISR Recon DAC True-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
63 FY 2015 Recon	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
64 FY 2016 Recon	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
65 Interest Applied on FY16 balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
66 Total FY 2016 Recon	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
67 Actual Large HL Revenue	\$11,394	\$10,968	\$9,183	\$8,452	\$6,987	\$8,347	\$9,329	\$13,406	\$20,109	\$25,920
68 Ending Large HL Balance Under/(Over) Recovery	\$78,631	\$67,766	\$58,676	\$50,302	\$43,385	\$35,098	\$25,816	\$200,707	\$180,840	\$155,184
69 Average Monthly Balance Under/(Over) Recovery	\$84,328	\$73,251	\$63,268	\$54,528	\$46,878	\$39,271	\$30,481	\$196,417	\$190,895	\$168,144
70 Bk America Rate less 200 Basis Points	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
71 Interest Applied	\$104	\$93	\$78	\$69	\$60	\$48	\$39	\$242	\$263	\$191
72 ISR Large HL Recon End Balance Under/(Over) Recovery	\$78,735	\$67,860	\$58,754	\$50,372	\$43,444	\$35,146	\$25,855	\$200,950	\$181,104	\$155,434
50 AEL-10S, Pg 8, Line 19										
51 Dkt 4634, SLN-8S Pg 1, Line 7, Col (g)										
52 Dkt 4634, SLN-8S Pg 1, Line 7, Col (f)										
53 April 16-Oct 16 @ BOA Rate less 200 Basis Points										
54 Line 52 + Line 53										
62 AEL-10S, Pg 8, Line 20										
63 Dkt 4634, SLN-8S Pg 1, Line 8, Col (g)										
64 Dkt 4634, SLN-8S Pg 1, Line 8, Col (f)										
65 April 16-Oct 16 @ BOA Rate less 200 Basis Points										
66 Line 64 + Line 65										

50 AEL-10S, Pg 8, Line 19

51 Dkt 4634, SLN-8S Pg 1, Line 7, Col (g)

52 Dkt 4634, SLN-8S Pg 1, Line 7, Col (f)

53 April 16-Oct 16 @ BOA Rate less 200 Basis Points

54 Line 52 + Line 53

62 AEL-10S, Pg 8, Line 20

63 Dkt 4634, SLN-8S Pg 1, Line 8, Col (g)

64 Dkt 4634, SLN-8S Pg 1, Line 8, Col (f)

65 April 16-Oct 16 @ BOA Rate less 200 Basis Points

66 Line 64 + Line 65

National Grid - RI Gas  
 ISR Reconciliation (April 2016 - March 2017)

Line No.	Apr-16 30 Actual (a)	May-16 31 Actual (b)	Jun-16 31 Actual (c)	Jul-16 31 Actual (d)	Aug-16 31 Actual (e)	Sep-16 30 Actual (f)	Oct-16 31 Actual (g)	Nov-16 30 Actual (h)	Dec-16 31 Actual (i)	Jan-17 31 Actual (j)	Feb-17 28 Actual (k)
<b>73 ISR XL LL Acct Beg. Balance Under/(Over) Recovery</b>											
74 ISR Recon DAC True-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
75 FY 2015 Recon	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
76 FY 2016 Recon	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
77 Interest Applied on FY16 balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
78 Total FY 2016 Recon	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
79 Actual XL LL Revenue	\$4,231	\$732	(\$615)	\$757	\$643	\$1,117	\$3,997	\$4,144	\$6,262	\$4,735	\$3,737
80 Ending XL LL Balance Under/(Over) Recovery	\$11,845	\$7,632	\$7,536	\$6,788	\$6,155	\$5,046	\$26,902	\$22,793	\$16,566	\$11,859	\$8,142
81 Average Monthly Balance Under/(Over) Recovery	\$14,209	\$9,747	\$7,279	\$7,229	\$7,167	\$6,476	\$5,604	\$27,682	\$24,865	\$19,696	\$14,227
82 Bk America Rate less 200 Basis Points	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.75%	1.88%
83 Interest Applied	\$17	\$12	\$9	\$9	\$8	\$7	\$34	\$29	\$19	\$16	\$16
84 ISR XL LL Recon End Balance Under/(Over) Recovery	\$11,863	\$7,645	\$6,921	\$7,546	\$6,797	\$6,163	\$5,053	\$26,937	\$22,827	\$16,595	\$8,158
85 ISR XL HL Acct Beg. Balance Under/(Over) Recovery	\$121,454	\$106,367	\$87,998	\$73,023	\$55,960	\$40,756	\$23,086	\$8,343	\$88,948	\$80,921	\$71,416
86 ISR Recon DAC True-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
87 FY 2015 Recon	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
88 FY 2016 Recon	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
89 Interest Applied on FY16 balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
90 Total FY 2016 Recon	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
91 Actual XL HL Revenue	\$15,226	\$18,493	\$15,073	\$17,145	\$15,266	\$17,709	\$14,763	\$13,168	\$8,144	\$9,617	\$8,446
92 Ending XL HL Balance Under/(Over) Recovery	\$106,227	\$87,874	\$72,924	\$55,878	\$40,694	\$23,047	\$8,323	\$88,335	\$80,803	\$71,303	\$65,203
93 Average Monthly Balance Under/(Over) Recovery	\$113,841	\$97,121	\$80,461	\$64,451	\$48,327	\$31,901	\$15,705	\$9,059	\$84,876	\$76,112	\$67,194
94 Bk America Rate less 200 Basis Points	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.75%	1.88%
95 Interest Applied	\$140	\$123	\$99	\$82	\$61	\$39	\$20	\$112	\$113	\$90	\$95
96 ISR XL HL Recon End Balance Under/(Over) Recovery	\$106,367	\$87,998	\$73,023	\$55,960	\$40,756	\$23,086	\$8,343	\$88,948	\$80,921	\$71,416	\$65,298
74 AEL-10S, Pg 8, Line 21											
75 Dkt 4634, SLN-8S Pg 1, Line 9, Col (g)											
76 Dkt 4634, SLN-8S Pg 1, Line 9, Col (f)											
77 April 16-Oct 16 @ BOA Rate less 200 Basis Points											
78 Line 76 + Line 77											
86 AEL-10S, Pg 8, Line 22											
87 Dkt 4634, SLN-8S Pg 1, Line 10, Col (g)											
88 Dkt 4634, SLN-8S Pg 1, Line 10, Col (f)											
89 April 16-Oct 16 @ BOA Rate less 200 Basis Points											
90 Line 88 + Line 89											

AEL-10S, Pg 8, Line 21  
 Dkt 4634, SLN-8S Pg 1, Line 9, Col (g)  
 Dkt 4634, SLN-8S Pg 1, Line 9, Col (f)  
 April 16-Oct 16 @ BOA Rate less 200 Basis Points  
 Line 76 + Line 77  
 AEL-10S, Pg 8, Line 22  
 Dkt 4634, SLN-8S Pg 1, Line 10, Col (g)  
 Dkt 4634, SLN-8S Pg 1, Line 10, Col (f)  
 April 16-Oct 16 @ BOA Rate less 200 Basis Points  
 Line 88 + Line 89

**Schedule  
AEL-12S**

**THE NARRAGANSETT ELECTRIC COMPANY  
d/b/a NATIONAL GRID  
RIPUC DOCKET NO. 4708  
SUPPLEMENTAL DISTRIBUTION ADJUSTMENT CHARGE FILING  
WITNESS: ANN E. LEARY**

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**Schedule AEL-12S  
Earnings Sharing Mechanism Factor**

**National Grid - RI Gas**  
**ESM Factor**  
**Effective November 1, 2017**

Line No.	Description	
1	Total Earnings Credited to DAC	\$0
2	Firm Throughput	39,483,630 dth
3	ESM Factor	\$0.0000 per dth
4	ESM Factor	<b>\$0.0000 per therm</b>

1 Final Earnings Sharing Report for the twelves months ending March 31, 2017 in  
Docket 4323 filed on August 31, 2017.

2 Company Forecast

3 Line (1) / Line (2)

4 Line (3) / 10, truncated to 4 decimal places



**THE NARRAGANSETT ELECTRIC COMPANY  
d/b/a NATIONAL GRID  
RIPUC DOCKET NO. 4708  
SUPPLEMENTAL DISTRIBUTION ADJUSTMENT CHARGE FILING  
WITNESS: ANN E. LEARY**

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Schedule AEL-13  
Bill Impacts

National Grid - RI Gas  
**Supplemental Distribution Adjustment Charge (DAC) Filing**  
**Bill Impact Analysis with Various Levels of Consumption**

Line  
No.

**Residential Heating:**

Line No.		Annual Consumption (Therms)	Proposed Rates	Current Rates	Difference	% Chg	Difference due to:				
							GCR	DAC	EE	LIHEAP	GET
							Base DAC	ISR			
(1)											
(2)											
(3)											
(4)											
(5)	550	\$835.61	\$838.40	(\$2.78)	-0.3%		\$0.00	(\$2.70)	\$0.00	\$0.00	(\$0.08)
(6)	608	\$905.27	\$908.32	(\$3.05)	-0.3%		\$0.00	(\$2.96)	\$0.00	\$0.00	(\$0.09)
(7)	667	\$975.96	\$979.32	(\$3.36)	-0.3%		\$0.00	(\$3.26)	\$0.00	\$0.00	(\$0.10)
(8)	727	\$1,046.85	\$1,050.52	(\$3.67)	-0.3%		\$0.00	(\$3.56)	\$0.00	\$0.00	(\$0.11)
(9)	788	\$1,115.86	\$1,119.80	(\$3.95)	-0.4%		\$0.00	(\$3.83)	\$0.00	\$0.00	(\$0.12)
(10)	846	\$1,180.09	\$1,184.35	(\$4.26)	-0.4%		\$0.00	(\$4.13)	\$0.00	\$0.00	(\$0.13)
(11)	904	\$1,244.55	\$1,249.10	(\$4.55)	-0.4%		\$0.00	(\$4.41)	\$0.00	\$0.00	(\$0.14)
(12)	966	\$1,313.23	\$1,318.07	(\$4.85)	-0.4%		\$0.00	(\$4.70)	\$0.00	\$0.00	(\$0.15)
(13)	1,023	\$1,376.19	\$1,381.33	(\$5.14)	-0.4%		\$0.00	(\$4.99)	\$0.00	\$0.00	(\$0.15)
(14)	1,081	\$1,439.51	\$1,444.93	(\$5.42)	-0.4%		\$0.00	(\$5.26)	\$0.00	\$0.00	(\$0.16)
(15)	1,145	\$1,508.37	\$1,514.12	(\$5.75)	-0.4%		\$0.00	(\$5.58)	\$0.00	\$0.00	(\$0.17)

**Residential Heating Low Income:**

Line No.		Annual Consumption (Therms)	Proposed Rates	Current Rates	Difference	% Chg	Difference due to:				
							GCR	DAC	EE	LIHEAP	GET
							Base DAC	ISR			
(16)											
(17)											
(18)											
(19)											
(20)	550	\$793.12	\$795.90	(\$2.78)	-0.3%		\$0.00	(\$2.70)	\$0.00	\$0.00	(\$0.08)
(21)	608	\$860.04	\$863.09	(\$3.05)	-0.4%		\$0.00	(\$2.96)	\$0.00	\$0.00	(\$0.09)
(22)	667	\$927.96	\$931.32	(\$3.36)	-0.4%		\$0.00	(\$3.26)	\$0.00	\$0.00	(\$0.10)
(23)	727	\$996.13	\$999.80	(\$3.67)	-0.4%		\$0.00	(\$3.56)	\$0.00	\$0.00	(\$0.11)
(24)	788	\$1,062.67	\$1,066.62	(\$3.95)	-0.4%		\$0.00	(\$3.83)	\$0.00	\$0.00	(\$0.12)
(25)	846	\$1,124.69	\$1,128.95	(\$4.26)	-0.4%		\$0.00	(\$4.13)	\$0.00	\$0.00	(\$0.13)
(26)	904	\$1,186.95	\$1,191.49	(\$4.55)	-0.4%		\$0.00	(\$4.41)	\$0.00	\$0.00	(\$0.14)
(27)	966	\$1,253.27	\$1,258.12	(\$4.85)	-0.4%		\$0.00	(\$4.70)	\$0.00	\$0.00	(\$0.15)
(28)	1,023	\$1,314.09	\$1,319.23	(\$5.14)	-0.4%		\$0.00	(\$4.99)	\$0.00	\$0.00	(\$0.15)
(29)	1,081	\$1,375.30	\$1,380.72	(\$5.42)	-0.4%		\$0.00	(\$5.26)	\$0.00	\$0.00	(\$0.16)
(30)	1,145	\$1,441.93	\$1,447.68	(\$5.75)	-0.4%		\$0.00	(\$5.58)	\$0.00	\$0.00	(\$0.17)

National Grid - RI Gas  
**Supplemental Distribution Adjustment Charge (DAC) Filing**  
**Bill Impact Analysis with Various Levels of Consumption**

**Residential Non-Heating:**

						Difference due to:								
(31)	(32)	Annual Consumption (Therms)	Proposed Rates	Current Rates	Difference	% Chg	GCR	DAC	Base DAC	ISR	EE	LIHEAP	GET	
(33)														
(34)														
(35)	140	\$346.52	\$347.56	(\$1.04)	-0.3%		\$0.00	(\$1.01)	\$0.00	\$0.00	\$0.00	\$0.00	(\$0.03)	
(36)	155	\$365.30	\$366.48	(\$1.18)	-0.3%		\$0.00	(\$1.14)	\$0.00	\$0.00	\$0.00	\$0.00	(\$0.04)	
(37)	171	\$385.37	\$386.68	(\$1.31)	-0.3%		\$0.00	(\$1.27)	\$0.00	\$0.00	\$0.00	\$0.00	(\$0.04)	
(38)	184	\$401.69	\$403.11	(\$1.41)	-0.4%		\$0.00	(\$1.37)	\$0.00	\$0.00	\$0.00	\$0.00	(\$0.04)	
(39)	198	\$419.24	\$420.73	(\$1.49)	-0.4%		\$0.00	(\$1.45)	\$0.00	\$0.00	\$0.00	\$0.00	(\$0.04)	
(40)	214	\$438.90	\$440.52	(\$1.62)	-0.4%		\$0.00	(\$1.57)	\$0.00	\$0.00	\$0.00	\$0.00	(\$0.05)	
(41)	228	\$456.87	\$458.59	(\$1.72)	-0.4%		\$0.00	(\$1.67)	\$0.00	\$0.00	\$0.00	\$0.00	(\$0.05)	
(42)	244	\$476.95	\$478.79	(\$1.85)	-0.4%		\$0.00	(\$1.79)	\$0.00	\$0.00	\$0.00	\$0.00	(\$0.06)	
(43)	258	\$494.50	\$496.47	(\$1.97)	-0.4%		\$0.00	(\$1.91)	\$0.00	\$0.00	\$0.00	\$0.00	(\$0.06)	
(44)	275	\$515.86	\$517.93	(\$2.07)	-0.4%		\$0.00	(\$2.01)	\$0.00	\$0.00	\$0.00	\$0.00	(\$0.06)	
(45)	288	\$532.11	\$534.32	(\$2.21)	-0.4%		\$0.00	(\$2.14)	\$0.00	\$0.00	\$0.00	\$0.00	(\$0.07)	

**Residential Non-Heating Low Income:**

						Difference due to:								
(46)	(47)	Annual Consumption (Therms)	Proposed Rates	Current Rates	Difference	% Chg	GCR	DAC	Base DAC	ISR	EE	LIHEAP	GET	
(48)														
(49)														
(50)	140	\$324.10	\$325.14	(\$1.04)	-0.3%		\$0.00	(\$1.01)	\$0.00	\$0.00	\$0.00	\$0.00	(\$0.03)	
(51)	155	\$342.20	\$343.38	(\$1.18)	-0.3%		\$0.00	(\$1.14)	\$0.00	\$0.00	\$0.00	\$0.00	(\$0.04)	
(52)	171	\$361.55	\$362.86	(\$1.31)	-0.4%		\$0.00	(\$1.27)	\$0.00	\$0.00	\$0.00	\$0.00	(\$0.04)	
(53)	184	\$377.28	\$378.70	(\$1.41)	-0.4%		\$0.00	(\$1.37)	\$0.00	\$0.00	\$0.00	\$0.00	(\$0.04)	
(54)	198	\$394.20	\$395.69	(\$1.49)	-0.4%		\$0.00	(\$1.45)	\$0.00	\$0.00	\$0.00	\$0.00	(\$0.04)	
(55)	214	\$413.15	\$414.77	(\$1.62)	-0.4%		\$0.00	(\$1.57)	\$0.00	\$0.00	\$0.00	\$0.00	(\$0.05)	
(56)	228	\$430.47	\$432.19	(\$1.72)	-0.4%		\$0.00	(\$1.67)	\$0.00	\$0.00	\$0.00	\$0.00	(\$0.05)	
(57)	244	\$449.82	\$451.67	(\$1.85)	-0.4%		\$0.00	(\$1.79)	\$0.00	\$0.00	\$0.00	\$0.00	(\$0.06)	
(58)	258	\$466.74	\$468.71	(\$1.97)	-0.4%		\$0.00	(\$1.91)	\$0.00	\$0.00	\$0.00	\$0.00	(\$0.06)	
(59)	275	\$487.33	\$489.40	(\$2.07)	-0.4%		\$0.00	(\$2.01)	\$0.00	\$0.00	\$0.00	\$0.00	(\$0.06)	
(60)	288	\$502.99	\$505.20	(\$2.21)	-0.4%		\$0.00	(\$2.14)	\$0.00	\$0.00	\$0.00	\$0.00	(\$0.07)	

National Grid - RI Gas  
**Supplemental Distribution Adjustment Charge (DAC) Filing**  
**Bill Impact Analysis with Various Levels of Consumption**

**C & I Small:**

(61)	Annual Consumption (Therms)	Proposed Rates	Current Rates	Difference	% Chg	GCR	DAC	Base DAC	ISR	EE	LIHEAP	GET
(62)												
(63)												
(64)												
(65)	880	\$1,376.12	\$1,378.09	\$1.97	-0.1%	\$0.00	(\$1.91)	\$0.00	\$0.00	\$0.00	\$0.00	(\$0.06)
(66)	973	\$1,477.94	\$1,480.11	\$2.16	-0.1%	\$0.00	(\$2.10)	\$0.00	\$0.00	\$0.00	\$0.00	(\$0.06)
(67)	1,067	\$1,580.03	\$1,582.43	\$2.40	-0.2%	\$0.00	(\$2.33)	\$0.00	\$0.00	\$0.00	\$0.00	(\$0.07)
(68)	1,162	\$1,680.90	\$1,683.46	\$2.57	-0.2%	\$0.00	(\$2.49)	\$0.00	\$0.00	\$0.00	\$0.00	(\$0.08)
(69)	1,258	\$1,777.00	\$1,779.82	\$2.82	-0.2%	\$0.00	(\$2.74)	\$0.00	\$0.00	\$0.00	\$0.00	(\$0.08)
(70)	1,352	\$1,870.06	\$1,873.10	\$3.04	-0.2%	\$0.00	(\$2.95)	\$0.00	\$0.00	\$0.00	\$0.00	(\$0.09)
(71)	1,446	\$1,963.84	\$1,967.07	\$3.24	-0.2%	\$0.00	(\$3.14)	\$0.00	\$0.00	\$0.00	\$0.00	(\$0.10)
(72)	1,542	\$2,059.02	\$2,062.47	\$3.45	-0.2%	\$0.00	(\$3.35)	\$0.00	\$0.00	\$0.00	\$0.00	(\$0.10)
(73)	1,635	\$2,151.31	\$2,155.00	\$3.69	-0.2%	\$0.00	(\$3.58)	\$0.00	\$0.00	\$0.00	\$0.00	(\$0.11)
(74)	1,730	\$2,244.51	\$2,248.37	\$3.87	-0.2%	\$0.00	(\$3.75)	\$0.00	\$0.00	\$0.00	\$0.00	(\$0.12)
(75)	1,825	\$2,337.73	\$2,341.80	\$4.07	-0.2%	\$0.00	(\$3.95)	\$0.00	\$0.00	\$0.00	\$0.00	(\$0.12)

Difference due to:

(76)	Annual Consumption (Therms)	Proposed Rates	Current Rates	Difference	% Chg	GCR	DAC	Base DAC	ISR	EE	LIHEAP	GET
(77)												
(78)												
(79)												
(80)	7,941	\$8,514.55	\$8,463.58	\$50.97	0.6%	\$0.00	\$49.44	\$0.00	\$0.00	\$0.00	\$0.00	\$1.53
(81)	8,796	\$9,337.37	\$9,280.88	\$56.48	0.6%	\$0.00	\$54.79	\$0.00	\$0.00	\$0.00	\$0.00	\$1.69
(82)	9,650	\$10,158.74	\$10,096.80	\$61.95	0.6%	\$0.00	\$60.09	\$0.00	\$0.00	\$0.00	\$0.00	\$1.86
(83)	10,505	\$10,981.58	\$10,914.15	\$67.43	0.6%	\$0.00	\$65.41	\$0.00	\$0.00	\$0.00	\$0.00	\$2.02
(84)	11,361	\$11,804.64	\$11,731.70	\$72.94	0.6%	\$0.00	\$70.75	\$0.00	\$0.00	\$0.00	\$0.00	\$2.19
(85)	12,217	\$12,627.99	\$12,549.58	\$78.41	0.6%	\$0.00	\$76.06	\$0.00	\$0.00	\$0.00	\$0.00	\$2.35
(86)	13,073	\$13,451.40	\$13,367.48	\$83.92	0.6%	\$0.00	\$81.40	\$0.00	\$0.00	\$0.00	\$0.00	\$2.52
(87)	13,928	\$14,273.67	\$14,184.27	\$89.40	0.6%	\$0.00	\$86.72	\$0.00	\$0.00	\$0.00	\$0.00	\$2.68
(88)	14,782	\$15,095.59	\$15,000.71	\$94.89	0.6%	\$0.00	\$92.04	\$0.00	\$0.00	\$0.00	\$0.00	\$2.85
(89)	15,637	\$15,917.79	\$15,817.41	\$100.38	0.6%	\$0.00	\$97.37	\$0.00	\$0.00	\$0.00	\$0.00	\$3.01
(90)	16,492	\$16,740.65	\$16,634.78	\$105.87	0.6%	\$0.00	\$102.69	\$0.00	\$0.00	\$0.00	\$0.00	\$3.18

Difference due to:

**C & I Medium:**

National Grid - RI Gas  
**Supplemental Distribution Adjustment Charge (DAC) Filing**  
**Bill Impact Analysis with Various Levels of Consumption**

**C & I LLF Large:**

		Annual Consumption (Therms)	Proposed Rates	Current Rates	Difference	% Chg	Difference due to:				
(91)	(92)	(93)	(94)	(95)	(96)	(97)	GCR	DAC	EE	LIHEAP	GET
							Base DAC	ISR			
41,066	\$40,998.17	\$41,425.78	(\$427.61)	-1.0%	\$0.00	(\$414.78)	\$0.00	\$0.00	\$0.00	\$0.00	(\$12.83)
45,488	\$45,178.66	\$45,652.29	(\$473.63)	-1.0%	\$0.00	(\$459.42)	\$0.00	\$0.00	\$0.00	\$0.00	(\$14.21)
49,910	\$49,359.18	\$49,878.87	(\$519.69)	-1.0%	\$0.00	(\$504.10)	\$0.00	\$0.00	\$0.00	\$0.00	(\$15.59)
54,334	\$53,541.38	\$54,107.14	(\$565.76)	-1.0%	\$0.00	(\$548.79)	\$0.00	\$0.00	\$0.00	\$0.00	(\$16.97)
58,757	\$57,722.68	\$58,334.48	(\$611.80)	-1.0%	\$0.00	(\$593.45)	\$0.00	\$0.00	\$0.00	\$0.00	(\$18.35)
63,179	\$61,903.34	\$62,561.17	(\$657.82)	-1.1%	\$0.00	(\$638.09)	\$0.00	\$0.00	\$0.00	\$0.00	(\$19.73)
67,600	\$66,082.91	\$66,786.75	(\$703.84)	-1.1%	\$0.00	(\$682.72)	\$0.00	\$0.00	\$0.00	\$0.00	(\$21.12)
72,023	\$70,264.28	\$71,014.21	(\$749.93)	-1.1%	\$0.00	(\$727.43)	\$0.00	\$0.00	\$0.00	\$0.00	(\$22.50)
76,447	\$74,447.04	\$75,243.03	(\$795.99)	-1.1%	\$0.00	(\$772.11)	\$0.00	\$0.00	\$0.00	\$0.00	(\$23.88)
80,870	\$78,628.41	\$79,470.43	(\$842.02)	-1.1%	\$0.00	(\$816.76)	\$0.00	\$0.00	\$0.00	\$0.00	(\$25.26)
85,292	\$82,808.90	\$83,696.95	(\$888.05)	-1.1%	\$0.00	(\$861.41)	\$0.00	\$0.00	\$0.00	\$0.00	(\$26.64)

**C & I HLF Large:**

		Annual Consumption (Therms)	Proposed Rates	Current Rates	Difference	% Chg	Difference due to:				
(106)	(107)	(108)	(109)	(110)	(111)	(112)	(113)	(114)	(115)	(116)	(117)
50,411	\$43,798.99	\$44,308.29	(\$509.30)	-1.1%	\$0.00	(\$494.02)	\$0.00	\$0.00	\$0.00	\$0.00	(\$15.28)
55,841	\$48,282.46	\$48,846.65	(\$564.19)	-1.2%	\$0.00	(\$547.26)	\$0.00	\$0.00	\$0.00	\$0.00	(\$16.93)
61,273	\$52,767.45	\$53,386.49	(\$619.04)	-1.2%	\$0.00	(\$600.47)	\$0.00	\$0.00	\$0.00	\$0.00	(\$18.57)
66,699	\$57,247.97	\$57,921.85	(\$673.89)	-1.2%	\$0.00	(\$653.67)	\$0.00	\$0.00	\$0.00	\$0.00	(\$20.22)
72,129	\$61,731.50	\$62,460.22	(\$728.72)	-1.2%	\$0.00	(\$706.86)	\$0.00	\$0.00	\$0.00	\$0.00	(\$21.86)
77,558	\$66,214.19	\$66,997.75	(\$783.56)	-1.2%	\$0.00	(\$760.05)	\$0.00	\$0.00	\$0.00	\$0.00	(\$23.51)
82,989	\$70,697.69	\$71,536.13	(\$838.44)	-1.2%	\$0.00	(\$813.29)	\$0.00	\$0.00	\$0.00	\$0.00	(\$25.15)
88,416	\$75,178.99	\$76,072.24	(\$893.26)	-1.2%	\$0.00	(\$866.46)	\$0.00	\$0.00	\$0.00	\$0.00	(\$26.80)
93,847	\$79,663.25	\$80,611.39	(\$948.14)	-1.2%	\$0.00	(\$919.70)	\$0.00	\$0.00	\$0.00	\$0.00	(\$28.44)
99,275	\$84,145.27	\$85,148.25	(\$1,002.98)	-1.2%	\$0.00	(\$972.89)	\$0.00	\$0.00	\$0.00	\$0.00	(\$30.09)
104,705	\$88,628.71	\$89,686.57	(\$1,057.86)	-1.2%	\$0.00	(\$1,026.12)	\$0.00	\$0.00	\$0.00	\$0.00	(\$31.74)

National Grid - RI Gas  
**Supplemental Distribution Adjustment Charge (DAC) Filing  
Bill Impact Analysis with Various Levels of Consumption**

C & I LLF Extra-Large:

C & I HLF Extra-Large:

Annual Consumption (Therms)			Proposed Rates	Current Rates	Difference	% Chg	GCR	Base DAC	DAC	EE	LIHEAP	GET
(1.36)	(1.37)	(1.38)	(1.39)									
447,421	\$302,380.21	\$303,810.12	(\$1,429.91)	-0.5%			\$0.00	(\$1,387.01)	\$0.00	\$0.00		(\$42.90)
495,605	\$334,376.78	\$335,960.65	(\$1,583.88)	-0.5%			\$0.00	(\$1,536.36)	\$0.00	\$0.00		(\$47.52)
543,789	\$366,374.09	\$368,111.95	(\$1,737.87)	-0.5%			\$0.00	(\$1,685.73)	\$0.00	\$0.00		(\$52.14)
591,972	\$398,370.06	\$400,261.93	(\$1,891.88)	-0.5%			\$0.00	(\$1,835.12)	\$0.00	\$0.00		(\$56.76)
640,155	\$430,366.02	\$432,411.88	(\$2,045.87)	-0.5%			\$0.00	(\$1,984.49)	\$0.00	\$0.00		(\$61.38)
688,340	\$462,363.60	\$464,563.44	(\$2,199.85)	-0.5%			\$0.00	(\$2,133.85)	\$0.00	\$0.00		(\$66.00)
736,523	\$494,359.89	\$496,713.71	(\$2,353.81)	-0.5%			\$0.00	(\$2,283.20)	\$0.00	\$0.00		(\$70.61)
784,708	\$526,357.01	\$528,864.83	(\$2,507.82)	-0.5%			\$0.00	(\$2,432.59)	\$0.00	\$0.00		(\$75.23)
832,891	\$558,353.79	\$561,015.61	(\$2,661.81)	-0.5%			\$0.00	(\$2,581.96)	\$0.00	\$0.00		(\$79.85)
881,074	\$590,349.74	\$593,165.51	(\$2,815.77)	-0.5%			\$0.00	(\$2,731.30)	\$0.00	\$0.00		(\$84.47)
929,259	\$622,347.62	\$625,317.44	(\$2,969.82)	-0.5%			\$0.00	(\$2,880.73)	\$0.00	\$0.00		(\$89.09)

The Narragansett Electric Company  
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Testimony of  
William R. Richer

**THE NARRAGANSETT ELECTRIC COMPANY  
d/b/a NATIONAL GRID  
RIPUC DOCKET NO. 4708  
SUPPLEMENTAL DISTRIBUTION ADJUSTMENT CHARGE FILING  
WITNESS: WILLIAM R. RICHER  
SEPTEMBER 1, 2017**

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**SUPPLEMENTAL DIRECT TESTIMONY**

**OF**

**WILLIAM R. RICHER**

**September 1, 2017**

**THE NARRAGANSETT ELECTRIC COMPANY  
d/b/a NATIONAL GRID  
RIPUC DOCKET NO. 4708  
SUPPLEMENTAL DISTRIBUTION ADJUSTMENT CHARGE FILING  
WITNESS: WILLIAM R. RICHER  
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**THE NARRAGANSETT ELECTRIC COMPANY  
d/b/a NATIONAL GRID  
RIPUC DOCKET NO. 4708**

## 1 I. Introduction

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

3 A. My name is William R. Richer and my business address is 40 Sylvan Road, Waltham,  
4 Massachusetts 02451.

5

**6 Q. Have you previously testified in this docket?**

7 A. Yes, I submitted pre-filed direct testimony on August 1, 2017 in support of The  
8 Narragansett Electric Company d/b/a National Grid's (Company) pension and  
9 postretirement benefits other than pensions reconciliation.

10

## 11 II. Purpose of Testimony

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

13 A. Pursuant to the Distribution Adjustment Clause provisions of the Company's gas tariff,  
14 RIPUC NG-GAS No. 101, under Section 3, Schedule A, if there are any excess earnings  
15 to be shared with customers, as I describe in more detail below, then any customer share  
16 of those earnings is to flow back to customers through the Distribution Adjustment  
17 Charge (DAC). My testimony describes the Company's earnings subject to the  
18 Company's earnings sharing mechanism (ESM) for the 12-month period ending  
19 March 31, 2017. As a result of the Company's last general rate case in Docket No. 4323,  
20 effective February 1, 2013 (2012 Rate Case), the Company's earnings pertaining to the

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1           operation of the ESM is measured over the Company's fiscal year (FY), which ends on  
2           March 31.

3

4   **Q.   Are there any schedules to your testimony?**

5   A.   Yes, I am sponsoring the following Schedule:

6           Schedule WRR-2<sup>1</sup>           FY 2017 Earnings Report Submitted in Docket No. 4323

7

8   **III. Earnings Sharing Mechanism Results**

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

10   A.   In the Company's general rate case filed in 2006 in Docket No. 3401, Order No. 17381,  
11       the Rhode Island Public Utilities Commission (PUC) approved a settlement agreement  
12       between the Division of Public Utilities and Carriers, The Energy Council of RI, and the  
13       Company (Docket 3401 Settlement Agreement) that required the former New England  
14       Gas Company to file an earnings sharing calculation, based on a 12-month period ended  
15       June 30, by September 1 of each year as part of an incentive-based ESM. Obligations of  
16       the Docket 3401 Settlement Agreement were assumed by the Company in connection  
17       with National Grid's acquisition of the regulated gas assets in Rhode Island from  
18       Southern Union Company (Southern Union) in 2006.<sup>2</sup> As part of the Company's 2012  
19       Rate Case and the resulting settlement agreement in that proceeding, which was approved

---

<sup>1</sup> Schedule WRR-1 was included with my initial testimony filed on August 1, 2017.

<sup>2</sup> The ongoing requirement for the ESM is set forth in the Company's tariff, RIPUC NG-GAS No. 101, Section 3, Schedule A, Sheet11, sub-part 5.0.

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1 by the PUC in January 2013, the Company continues to file an Earnings Report.  
2 However, earnings are now measured over the Company's fiscal year, which is the 12  
3 months ending March 31. Therefore, the Earnings Report is to be based on the  
4 Company's gas annual report that it files with the PUC for the 12 months ending  
5 March 31.<sup>3</sup>

6

7 **Q. Has the Company calculated the return on equity for FY 2017?**

8 A. Yes. The Company's tariff, RIPUC NG-GAS No. 101, Section 3, Schedule A, Sheet 11,  
9 sub-part 5.0, requires earnings to be calculated each year based on financial results for the  
10 12-month period ending March 31. In accordance with the tariff, the determination of  
11 earnings subject to the ESM is based on a benchmark return on equity of 9.50%. The  
12 earnings sharing formula requires that any annual earnings over a 9.50% return on equity,  
13 up to and including 100 basis points (10.50%), will be shared with customers, with 50%  
14 to be credited to customers and 50% to be retained by the Company. Any earnings in  
15 excess of a 10.50% return on equity will also be shared with customers, with 75% to be  
16 credited to customers and 25% to be retained by the Company.

17

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<sup>3</sup> The Company's gas annual report for the 12 months ending March 31, 2017 was filed with the PUC on July 25, 2017.

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1       As discussed later in my testimony, the Company calculated a return on equity for the FY  
2       2017 of 6.25%. As reflected on Schedule WRR-2, Page 1, Line 6, the FY 2017 return is  
3       below the 9.50% threshold, so it does not trigger an earnings sharing calculation.

4

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

6       A. In accordance with the Docket 3401 Settlement Agreement, the return on equity is  
7       calculated by dividing the net income available for common equity by the common  
8       equity applicable to rate base. *See* Docket 3401 Settlement Agreement at Section II.F.1.

9

10     **Q. Please explain the calculation of net income available for common equity for**  
11      **purposes of the ESM.**

12     A. The Company calculated net income available for common equity based on operating  
13     income for FY 2017, less applicable interest, and adjusted to reflect established PUC  
14     ratemaking principles. The Company's calculation of net income available for common  
15     equity is set forth in Schedule WRR-2, Page 2. As shown on Line 48 of that page, for FY  
16     2017, the Company calculated net income available for common equity of \$18,960,763.

17

18     **Q. Did the Company make any adjustments to operating revenues, expenses, and/or**  
19      **interest charges?**

20     A. Yes. The Company has reflected the following adjustments to operating revenues and  
21     expenses on various line items on Page 2 of Schedule WRR-2, as described below:

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1           *Operating Revenue Adjustments:*

- 2       (1)    Energy Efficiency Shareholder Incentives: The Company is allowed to keep  
3           shareholder incentives related to achieving approved energy efficiency targets.  
4           This resulted in a decrease to total firm gas operating revenues of \$1,541,775 on  
5           Line 2.
- 6       (2)    Unbilled Revenue Margins: The Company excluded unbilled revenue and the  
7           associated cost of gas from the determination of earnings, which is consistent with  
8           the methodology applied in Docket No. 3401. This resulted in a decrease to  
9           operating revenues of \$673,220, comprised of a \$4.8 million decrease to total firm  
10          gas on Line 2, a \$2.5 million decrease to transportation on Line 3, and a \$6.7  
11          million increase to other revenues on Line 4.
- 12      (3)    Off-System Gas Sales: The Company makes certain adjustments to its revenues  
13          to eliminate the incentive provided to the Company to generate off-system gas  
14          revenue and excess pipeline capacity revenue. The Company accomplishes this  
15          by eliminating, or reversing, all revenues associated with off-system sales, as well  
16          as the credits the Company provides to customers associated with those sales.  
17          These adjustments net to a \$1,226,815 decrease to other revenues on Line 4.
- 18      (4)    Miscellaneous Service Revenues: The Company removes miscellaneous service  
19          revenues from its other revenues and shows them as non-operating  
20          income/expense. The miscellaneous service revenues largely consist of credits to

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1           customers for gas bill disputes. This is reflected as a \$52,606 increase to other  
2           revenues on Line 4.

3       (5) Interest on Customer Arrears: The Company removes interest incurred on  
4           customer arrearage accounts from Account 419 – interest and dividend income –  
5           and instead adds such interest to other revenues on Line 4, resulting in an increase  
6           to other revenues of \$405,295.

7       (6) FY 2017 Customer Portion of On-System Margins: Under the Docket 3401  
8           Settlement Agreement, the customer’s portion of On-System Margins are  
9           excluded from the earnings sharing calculation. *See* Docket 3401 Settlement  
10          Agreement at Section II.H. In accordance with Docket No. 4634 and Order No.  
11          22844, the annual threshold level for non-firm sales and transportation margins  
12          was established at \$1,435,656. The Company’s initial DAC filing in this docket,  
13          at Schedule AEL-6 of Company witness Ann E. Leary’s pre-filed direct  
14          testimony, summarized the non-firm customer usage, revenue, and margins, net of  
15          Rhode Island gross earnings tax (GET) and Energy-Efficiency surcharges, for the  
16          period ending March 31, 2017. Based upon this information, the Company billed  
17          \$15,912 less than the \$1,435,656 threshold. Accordingly, there is \$15,912 of On-  
18          System Margin to be recovered from customers. This amount will be recorded in  
19          the Company’s general ledger in FY 2018 and is reflected as an increase to  
20          operating revenues on Line 5.

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1           (7)     FY 2016 Customer Portion of On-System Margins: The Company recorded an  
2           increase to FY 2017 operating revenues in the amount of \$63,674, reflecting the  
3           FY 2016 customer portion of On-System Margins similar to those described for  
4           FY 2017. This increase was reflected as a reduction to operating revenues in the  
5           FY 2016 Earnings Report. Because this revenue related to a prior period, the  
6           Company consequently increased operating revenues in the amount of \$63,674 as  
7           shown on Line 6.

8           (8)     Inventory Financing: The Company has removed stored gas inventory from rate  
9           base and eliminated carrying costs on stored gas inventory from revenues. This  
10          resulted in a decrease to operating revenues of \$1,150,808, representing the  
11          amount of stored gas inventory carrying costs recorded as revenue during FY  
12          2017, as shown on Line 10.

13

14         *Expense Adjustments:*

15          (1)     Bad Debt Write-Offs: Bad debt expense is recorded in the Company's general  
16          ledger based on the Company's best estimate during the year of amounts billed to  
17          customers that will eventually become uncollectible. The Company recovers bad  
18          debt expense from customers based on actual bad debt write-offs rather than  
19          based on the Company's recorded estimates of bad debt expense. Accordingly,  
20          the Customer Accounts on Line 18 includes bad debt expense and was increased  
21          by \$358,487 to reflect actual bad debt net write-offs during the year.

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- 1           (2)    Advertising Expense: The Company has removed \$625,044 of sales and  
2                 advertising expenses, as shown on Line 19.
- 3           (3)    Donations: Charitable donations are recorded “below-the-line” in Other  
4                 Income/Expenses. However, such costs are treated as “above-the-line” operating  
5                 expenses for ratemaking purposes. Consequently, the Company moved donations  
6                 from below-the-line Account 426.5 to Administrative and General expense,  
7                 resulting in a \$490,083 increase on Line 20.
- 8           (4)    Variable Pay: The Company has reduced Administrative and General expense on  
9                 Line 20 by \$54,543 to remove a portion of variable pay consistent with the way  
10                this cost is excluded for ratemaking.
- 11          (5)    Savings Imputed in Base Rates: In accordance with Order No. 19563 in Docket  
12                No. 3943, and with the Company’s gas tariff, the Company will continue to  
13                include investors’ share of annual net merger savings, or \$2,450,000, in operating  
14                expenses (*see* Docket No. Order No. 19563 at Section II.F.3; and RIPUC NG-  
15                GAS No. 101, Section 3, Schedule A, Sheet 11, sub-part 5.0), as shown on Line  
16                24.

17

18      **Q.    What was the federal income tax rate used by the Company to calculate operating  
19                income before interest expense?**

20      A.    The Company calculated federal income taxes at the statutory rate of 35%, as shown on  
21                Schedule WRR-2, Page 3, Line 20.

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

3   A.   The PUC's Order No. 21011 in Docket No. 4323 specifies the capital structure to be used  
4   in computing the cost of capital. The imputed capital structure is as follows:

5	Short-term Debt	0.76%
6	Long-term Debt	49.95%
7	Preferred Equity	0.15%
8	Common Equity	49.14%

9

10   Further, the Docket 3401 Settlement Agreement requires the Company to use the actual  
11   cost of long-term debt and the most recent 12-month average cost of short-term debt in its  
12   earnings calculation. Therefore, as shown on Schedule WRR-2, Page 4, the Company  
13   computed the cost of long-term debt by multiplying rate base applicable to long-term  
14   debt by the Company's actual long-term debt rate for FY 2017, or 5.14%, as calculated  
15   on Page 10. Likewise, the Company computed the cost of short-term debt by multiplying  
16   rate base applicable to short-term debt by the 12-month average cost of short-term debt,  
17   or 1.07%, as calculated on Page 11. This short-term debt rate assumes average monthly  
18   National Grid money pool rates as applied to the Company's monthly outstanding short-  
19   term debt balances for FY 2017. Finally, the Company computed the cost of preferred  
20   stock by multiplying rate base applicable to preferred stock by the cost rate of 4.50%  
21   established in Order No. 21011.

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- 1   **Q. Did the Company make any other calculations to derive the total net income**  
2   **available for common equity?**
- 3   A. Yes. In accordance with the Docket 3401 Settlement Agreement, the Company included  
4   its allowance for funds used during construction in calculating operating income (*see*  
5   Docket 3401 Settlement Agreement at Section II.F.1), as shown on Schedule WRR-2,  
6   Page 2, Line 41.
- 7
- 8   **Q. How did the Company calculate rate base in the Earnings Report?**
- 9   A. As required by the Docket 3401 Settlement Agreement, average rate base is to be based  
10   on a five-quarter average. The FY 2017 rate base is set forth in Schedule WRR-2, Page  
11   5. *See* Docket 3401 Settlement Agreement at Section II.F.1. The Company excluded  
12   from rate base environmental response costs, asset retirement obligations, and prepaid  
13   taxes. However, the Company included construction-work-in-progress in rate base.  
14   Consistent with prior Earnings Reports, the Company computed the working capital  
15   allowance pursuant to the method approved in Docket No. 3943, at Order No. 19563, as  
16   shown on Schedule WRR-2, Page 6. The deferred debits in rate base include the book  
17   value of the legacy billing system amortized at the rate of \$705,691 per year. The  
18   Company also excluded stored gas inventory and customer deposits from the rate base  
19   calculation. In addition, a hold harmless rate base credit is also included as a reduction to  
20   rate base.
- 21

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

3   A.   As a result of National Grid’s purchase of the regulated gas assets in Rhode Island from  
4   Southern Union in 2006, the Company realized a tax basis step-up for the assets acquired.  
5   This step-up in tax basis resulted in a total tax basis for the assets acquired, which  
6   equaled the net book basis for those same assets. Consequently, at the time of  
7   acquisition, the Company’s book/tax timing difference, which gives rise to deferred tax  
8   liabilities, was equal to zero. Therefore, the Company recorded no accumulated deferred  
9   taxes on its balance sheet. Effective with Southern Union ownership in 2000, all deferred  
10   tax provisions associated with New England Gas Company operations were recorded on  
11   the books of the parent company and not on the balance sheet of New England Gas  
12   Company. However, commencing with the National Grid acquisition of Southern Union  
13   on August 24, 2006, the Company began recording deferred tax liabilities, due primarily  
14   to the difference in book versus tax depreciation rates. The Company will continue to  
15   record deferred tax provisions related to the assets acquired, as well as on investments in  
16   Company assets post-acquisition. Therefore, the Company’s FY 2017 general ledger  
17   reflects actual deferred tax provisions recorded by the Company through March 31, 2017,  
18   as reflected on Schedule WRR-2, Page 5, Line 16.

19  
20   Consequently, the hold harmless adjustment, reflected on Schedule WRR-2, Page 5, Line  
21   17, is associated with National Grid’s purchase of the regulated gas assets in Rhode

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1       Island from Southern Union. This hold harmless adjustment provides customers an  
2       economically equivalent rate base credit to offset the rate base increase that resulted from  
3       National Grid's asset purchase, as agreed to and approved by the PUC in the 2007  
4       Earnings Report in Docket No. 3859. Schedule WRR-2, Page 13 demonstrates the  
5       annual values of the hold harmless rate base adjustment, as approved in Docket No. 3859.

6

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

8       A. In accordance with the capital structure approved in Docket No. 4323, the Company  
9       multiplied the average rate base, as I discussed earlier, by 49.14% to determine common  
10      equity applicable to rate base of \$303,347,195 as shown on Schedule WRR-2, Page 4.

11

12      **Q. Please summarize the earnings sharing calculation on Schedule WRR-2.**

13      A. Schedule WRR-2, Page 1, calculates the earnings to be shared with customers based on  
14      the sharing percentages required in the Company's gas tariff. Lines 1 through 3  
15      summarize the calculation of average common equity. Line 5 is the net income available  
16      for common equity and Line 6 is the return on common equity for FY 2017, or 6.25%.  
17      Because Line 6 is less than 9.50%, the earned return on common equity for FY 2017 does  
18      not exceed the threshold above which the Company's regulated earnings are shared with  
19      customers. Therefore, there are no earnings available to be shared with customers  
20      associated with FY 2017.

21

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

2   **A.**    Yes.

**Schedule  
WRR-2**

**THE NARRAGANSETT ELECTRIC COMPANY  
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WITNESS: WILLIAM R. RICHER  
SEPTEMBER 1, 2017  
SCHEDULE**

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**Schedule of William R. Richer**

Schedule WRR-2      FY 2017 Earnings Report Submitted in Docket 4323

**The Narragansett Electric Company  
d/b/a National Grid  
RIPUC Docket No. 4708  
Gas Earnings Sharing Mechanism  
Schedule WRR-2  
September 1, 2017**

**National Grid - RI Gas  
For the Twelve Months ended March 31, 2017**

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**Gas Earnings Sharing Mechanism**  
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**National Grid - RI Gas**  
**Earnings Sharing Calculation**  
**For the Twelve Months ended March 31, 2017**

1 Average Rate Base	\$617,312,160
2 Equity Component of Rate Base	49.14%
3 Average Common Equity	<u>\$303,347,195</u>
4	
5 Net Income Available for Common Stock	\$18,960,763
6 Return on Common Equity	<u>6.25%</u>
7	
8 <u>Return on Equity &gt; 9.5% and &lt; 10.5%</u>	0.00%
9 Earnings to be Shared	\$0
10 Earnings to Customers - 50%	<u>\$0</u>
11	
12 Return on Equity > 10.5 %	0.00%
13 Earnings to be Shared	\$0
14 Earnings to Customers - 75%	<u>\$0</u>
15	
16 Total After tax Earnings Credited to Customers	<u>\$0</u>
17	
18 Total Earnings Credited to DAC	<u>\$0</u>

Notes:

- 1 From Page 5 of 13 line 23(f)
- 2 From Page 4 of 13 line 8
- 3 Line 1 times line 2
- 5 From Page 2 of 13 line 48
- 6 Line 5 divided by line 3
- 8 Smaller of 10.5% or Line 6 minus 9.5%
- 9 Line 3 times line 8
- 10 Line 9 times 50%
- 12 If Line 6 is greater than 10.5%, line 6 minus 10.5%, if not, 0%
- 13 Line 3 times line 12
- 14 Line 13 times 75%
- 16 Line 10 plus line 14
- 18 Line 16 divided by 65%

**The Narragansett Electric Company**  
**d/b/a National Grid**  
**RIPUC Docket No. 4708**  
**Gas Earnings Sharing Mechanism**  
**Schedule WRR-2**  
**September 1, 2017**  
**Page 2 of 13**

**National Grid - RI Gas**  
**Income Statement**  
**For the Twelve Months ended March 31, 2017**

	<u>2017</u>
<b>1    <u>Operating Revenues</u></b>	
2    Total Firm Gas	\$322,794,073
3    Transportation	\$37,299,677
4    Other Revenues	\$7,207,145
5    FY17 Customer Portion of On System Non-Firm Margin not booked in FY17	\$15,912
6    FY16 Customer Portion of On System Non-Firm Margin booked in FY17	\$63,674
7    Total Operating Revenues	<u>\$367,380,482</u>
8	
9 <i>Adjustment to Operating Revenue:</i>	
10    Inventory Financing	(\$1,150,808)
11    Total Adjusted Operating Revenues	<u>\$366,229,674</u>
12	
<b>13    <u>Operating Expenses</u></b>	
14    Production (Gas Costs)	\$131,025,385
15    Storage	\$3,009,844
16    Transmission	\$72,342
17    Distribution	\$33,028,180
18    Customer Accounts	\$37,259,833
19    Sales	\$0
20    Administrative and General	\$43,071,227
21    Total Operating Expenses	<u>\$247,466,813</u>
22	
23 <i>Adjustments to Operating Expense:</i>	
24    Savings Imputed in Base Rates	\$2,450,000
25    Total Adjusted Operating Expenses	<u>\$249,916,813</u>
26	
<b>27    <u>Other Expenses</u></b>	
28    Depreciation and Amortization	\$36,203,744
29    Local and Other Taxes	\$23,740,076
30    Revenue Related Taxes (Gross Earnings Tax - GET)	\$11,278,608
31    Federal Income Taxes @ 35%	\$10,232,078
32    Total Other Expenses	<u>\$81,454,506</u>
33	
<b>34    <u>Income Before Interest Expense</u></b>	<u>\$34,858,355</u>
35	
<b>36    <u>Interest Expense</u></b>	
38    Short-Term Debt	\$50,317
39    Long-Term Debt	\$15,839,168
40    Other Interest Expense	\$0
41    AFUDC	(\$33,561)
42    Total Interest Expense	<u>\$15,855,924</u>
43	
<b>44    <u>Net Income / (Loss)</u></b>	<u>\$19,002,431</u>
45	
46    Preferred Dividends	<u>\$41,669</u>
47	
<b>48    <u>Net Income / (Loss) Applicable to Common Equity</u></b>	<u><u>\$18,960,763</u></u>

Notes:

- 4 From Page 7 of 13 line 11
- 24 Docket No. 3943 (4/4/2008) Attachment NG-MDL-4 Page 1 of 6 Line 7
- 29 From Page 6 of 13 sum of line 3 through line 5
- 31 From Page 3 of 13 line 20
- 38 From Page 4 of 13 line 25(b)
- 39 From Page 4 of 13 line 17(b)
- 40 From Page 8 of 13 line 3
- 46 From Page 4 of 13 line 34(b)

**The Narragansett Electric Company**  
**d/b/a National Grid**  
**RIPUC Docket No. 4708**  
**Gas Earnings Sharing Mechanism**  
**Schedule WRR-2**  
**September 1, 2017**  
**Page 3 of 13**

**National Grid - RI Gas**  
**Federal Income Tax Calculation**  
**For the Twelve Months ended March 31, 2017**

1	Operating Revenues	\$366,229,674
2		
3	Less:	
4		
5	Operating Expenses	\$249,916,813
6	Depreciation and Amortization	\$36,203,744
7	Local and Other Taxes	\$23,740,076
8	Revenue Related Taxes (GET)	\$11,278,608
9	Interest - Short-Term Debt	\$50,317
10	Interest - Long-Term Debt	\$15,839,168
11	Other Interest	\$0
12	AFUDC	<u>(\$33,561)</u>
13		
14	Total Deductions	<u>\$336,995,165</u>
15		
16	Taxable Income	\$29,234,509
17		
18	Federal Income Tax Rate	<u>35%</u>
19		
20	Federal Income Tax Expense	<u>\$10,232,078</u>

Notes:

- 1 From Page 2 of 13 line 11
- 5 From Page 2 of 13 line 25
- 6 From Page 2 of 13 line 28
- 7 From Page 2 of 13 line 29
- 8 From Page 2 of 13 line 30
- 9 From Page 2 of 13 line 38
- 10 From Page 2 of 13 line 39
- 11 From Page 2 of 13 line 40
- 12 From Page 2 of 13 line 41
- 14 Sum of Line 5 through Line 12
- 16 Line 1 minus Line 14
- 20 Line 16 times Line 18

**The Narragansett Electric Company**  
**d/b/a National Grid**  
**RIPUC Docket No. 4708**  
**Gas Earnings Sharing Mechanism**  
**Schedule WRR-2**  
**September 1, 2017**  
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**National Grid - RI Gas**  
**Applicable Capital Structure, Interest Expense and Preferred Dividends**  
**For the Twelve Months ended March 31, 2017**

	%	\$
	(a)	(b)
1	Rate Base	<u>\$617,312,160</u>
2		
3	<b>Capital Structure</b>	
4		<u>Docket 4323</u>
5	Short-Term Debt	0.76%      \$4,691,572
6	Long-Term Debt	49.95%      \$308,347,424
7	Preferred Stock	0.15%      \$925,968
8	Common Equity	49.14%      \$303,347,195
9		<u>100.00%</u> <u>\$617,312,160</u>
10	<b>Interest Expense</b>	
11		
12	Long-Term Debt Portion	49.95%      \$308,347,424
13		
14	Cost of Long-Term Debt March 2017	5.14%
15		
16	Proforma Long-Term Debt Interest	<u>\$15,839,168</u>
17		
18		
19		
20	Short-Term Debt Portion	0.76%      4,691,572.41503
21		
22	Cost of Short-Term Debt March 2017	1.07%
23		
24	Proforma Short-Term Debt Interest	<u>\$50,317</u>
25		
26	<b>Preferred Dividends</b>	
27		
28		
29		
30	Preferred Stock Portion	0.15%      \$925,968
31		
32	Cost of Preferred Stock	4.50%
33		
34	Proforma Preferred Stock	<u>\$41,669</u>

Notes:

- 1(b) From Page 5 of 13 line 23(f)
- 5(a)-8(a) Imputed capital structure per Docket No. 4323, Attachment 6, Schedule MDL-3-GAS-S, Page 56 of 65
- 5(b)-8(b) Line 1(b) times Line 5(a) through Line 8(a)
  - 13 Line 1(b) times Line 13(b)
  - 15 From Page 10 of 13 line (e)
  - 17 Line 13 (b) times line 15 (b)
  - 21 Line 1(b) times Line 21(b)
  - 23 From line 13
  - 25 Line 21 (b) times line 23 (b)
  - 30 Line 1(b) times Line 30(b)
  - 32 Cost rate per Docket No. 4323, Attachment 6, Schedule MDL-3-GAS-S, Page 56 of 65
  - 34 Line 30 (b) times line 32 (b)

National Grid - RI Gas  
 Rate Base  
 For the Twelve Months ended March 31, 2017

	March 2016 (a)	June 2016 (b)	September 2016 (c)	December 2016 (d)	March 2017 (e)	Average March 2017 (f)
1 Gas Plant In Service	\$1,050,599,082	\$1,064,502,625	\$1,082,547,975	\$1,092,122,373	\$1,103,935,113	\$1,078,741,433
2 CWIP	\$28,280,357	\$45,838,370	\$51,024,819	\$59,381,840	\$49,279,243	\$46,760,926
3 Less: Accumulated Depreciation	\$388,081,490	\$404,791,276	\$405,090,786	\$404,600,676	\$398,938,009	\$400,300,447
4 Less: Contribution in Aid of Construction	\$38	\$38	\$38	\$38	\$38	\$38
5						
6 Net Plant	\$690,797,911	\$705,549,681	\$728,481,970	\$746,903,499	\$754,276,308	\$725,201,874
7						
8 Materials and Supplies	\$4,479,704	\$4,721,558	\$4,722,951	\$3,891,605	\$3,297,430	\$4,222,650
9 Prepaid Expenses, Excluding Taxes	\$774,534	\$172,681	\$97,000	\$853,452	\$694,983	\$518,530
10 Deferred Debits	\$940,921	\$764,498	\$588,076	\$411,653	\$235,230	\$588,076
11 Unamortized debt expense and Interest Rate Lock	\$2,113,492	\$2,073,018	\$2,032,543	\$1,992,069	\$1,951,594	\$2,032,543
12 Cash Working Capital	\$15,990,429	\$16,647,296	\$16,647,296	\$16,647,296	\$16,647,296	\$16,515,923
13						
14 Subtotal	\$24,299,080	\$24,379,051	\$24,087,866	\$23,796,075	\$22,826,534	\$23,877,721
15						
16 Accumulated Deferred FIT	\$92,347,490	\$93,301,238	\$90,826,607	\$128,109,014	\$121,935,071	\$105,303,884
17 Hold Harmless	\$23,247,142	\$22,928,782	\$22,610,421	\$22,292,061	\$21,912,516	\$22,598,184
18 Customer Deposits	\$2,770,642	\$3,077,936	\$3,005,416	\$2,524,080	\$2,359,458	\$2,747,506
19 Injuries and Damages Reserve	\$925,488	\$1,117,557	\$1,250,188	\$1,226,465	\$1,069,604	\$1,117,860
20						
21 Subtotal	\$119,290,762	\$120,425,513	\$117,692,632	\$154,151,619	\$147,276,649	\$131,767,435
22						
23 Rate Base	\$595,806,229	\$609,503,219	\$634,877,204	\$616,547,954	\$629,826,193	\$617,312,160

Notes:

- 1(a)-4(e) From Company Financial Statements
- 1(f)-4(f) Average of Column (a) through Column (e)
- 6(a)-6(e) Line 1 plus line 2 minus line 3 minus line 4
- 6(f) Average of Column (a) through Column (e)
- 8(a)-11(e) From Company Financial Statements
- 8(f)-11(f) Average of Column (a) through Column (e)
- 10 Reflects the amortization of Y2K related costs per Docket No. 3401 and Advantage System amortization
- 12 From Page 6 of 13 Line 13
- 14 Sum of Line 8 through Line 12
- 16(a)-19(e) From Company Financial Statements
- 16(f)-19(f) Average of Column (a) through Column (e)
- 17 Hold Harmless rate base credit per Docket No. 3859
- 21 Sum of Line 16 through Line 19
- 23 Line 6 + Line14 - Line 21

**The Narragansett Electric Company**  
**d/b/a National Grid**  
**RIPUC Docket No. 4708**  
**Gas Earnings Sharing Mechanism**  
**Schedule WRR-2**  
**September 1, 2017**  
**Page 6 of 13**

**National Grid - RI Gas**  
**Cash Working Capital Calculation**  
**For the Twelve Months ended March 31, 2017**

1	Gas Costs	\$131,025,385
2	Operating Expenses	\$116,441,428
3	Payroll Taxes	\$2,320,640
4	Property Taxes	\$21,413,960
5	State Taxes Other	\$5,476
6	Revenue Related Taxes (GET)	<u>\$11,278,608</u>
7	Total	\$282,485,497
8		
9	Daily Cash Requirement	\$773,933
10		
11	Net Lag Days	21.51
12		
13	Total Working Capital	<u><u>\$16,647,296</u></u>

Notes:

- 1 From Page 2 of 13 Line 14
- 2 From Page 2 of 13 Lines 15 - 20
- 3-5 From Company Financial Statements
- 6 From Page 2 of 13 Line 30
- 7 Sum of Lines 1 through Line 6
- 9 Line 7 divided by 365 days
- 11 Per Docket No. 4323, Schedule MDL-4-GAS,  
(Page 2 of 20, Line 18 - Page 3 of 20, Line 4)
- 13 Line 9 times Line 11

**The Narragansett Electric Company  
d/b/a National Grid  
RIPUC Docket No. 4708  
Gas Earnings Sharing Mechanism  
Schedule WRR-2  
September 1, 2017  
Page 7 of 13**

**National Grid - RI Gas  
Detail Other Revenue/(Expense)  
For the Twelve Months ended March 31, 2017**

1 Rent from Gas Property	\$233,912
2 Displacement Revenue	\$0
3 Recovery of Supervision & Administrative Costs	\$0
4 Other Revenue	\$256,093
5 RDM Revenue	\$6,079,747
6 DAC Revenue	(\$92,729)
7 LIHEAP Revenue	\$324,827
8 Misc Revenue	\$0
9 Interest on Customer Arrears	\$405,295
10	
11 Total Other Revenue	<u><u>\$7,207,145</u></u>

Notes:

- 1-9 From Company Financial Statements  
11 Sum of line 1 through line 9

**The Narragansett Electric Company  
d/b/a National Grid  
RIPUC Docket No. 4708  
Gas Earnings Sharing Mechanism  
Schedule WRR-2  
September 1, 2017  
Page 8 of 13**

**National Grid - RI Gas  
Detail Other Interest Expense  
For the Twelve Months ended March 31, 2017**

1	Interest on Customer Deposits	\$0
2		<hr/>
3	Total Other Interest Expense	<hr/> <hr/>

Notes:

- 1 From Company Financial Statements
- 3 Line 1

**The Narragansett Electric Company  
d/b/a National Grid  
RIPUC Docket No. 4708  
Gas Earnings Sharing Mechanism  
Schedule WRR-2  
September 1, 2017  
Page 9 of 13**

**National Grid - RI Gas  
Detail Non-Operating Income / (Expense)  
For the Twelve Months ended March 31, 2017**

1 Service Contract Revenue	\$2,745
2 Share Awards	(\$412,902)
3 Interest on Over / (Under) Collections, primarily Deferred Gas Costs	\$183,398
4 Deferred Compensation - Life Insurance	(\$62,189)
5 Federal Income Taxes on Non-Operating Income	(\$15,643)
6 NGPMP per Docket 4038	\$0
7 Lobbying / Legal and Political Expense	(\$179,952)
8 Penalties	(\$141,190)
9 Other	(\$1,864,829)
10 Total Non-Operating Income/(Expense)	<u>(\$2,490,562)</u>

Notes:

- 1-9 From Company Financial Statements  
10 Sum of line 1 through line 9

National Grid - RI Gas  
**Calculation of Average Long-Term Debt Interest Rate**  
 For the Twelve Months ended March 31, 2017

<u>Description</u>	(a) Average Long-Term Debt Balance	(b) Rate	(c) Long-Term Interest Expense	UPDATE	UPDATE
				(d) Annual Amortization of DD&E	(e) Total Expense
1 Providence Gas FMB S	\$14,464,000	6.82%	\$986,445	\$7,000	\$993,445
2 Providence Gas FMB N	10,000,000	9.63%	\$963,000	\$4,100	\$967,100
3 Providence Gas FMB O	12,500,000	8.46%	\$1,057,500	\$4,300	\$1,061,800
4 Providence Gas FMB P (Annual sinking fund 9/30 \$625,000)	3,750,000	8.09%	\$303,375	\$3,500	\$306,875
5 Providence Gas FMB R (Annual sinking fund 12/15 \$750,000)	6,750,000	7.50%	\$506,250	\$4,100	\$510,350
6 Narragansett Senior Note \$250M due 3-15-2020	250,000,000	4.53%	\$11,335,000	\$664,600	\$11,999,600
7 Narragansett Senior Note \$300M due 3-15-2040	300,000,000	5.64%	\$16,914,000	\$279,300	\$17,193,300
8 Narragansett Senior Note \$300M due 12-10-2040	250,000,000	4.17%	\$10,425,000	\$75,000	\$10,500,000
9 Totals	\$847,464,000	5.01%	\$42,490,570	\$1,041,900	\$43,532,470

- Notes:  
 1-8 From Financial Statements  
 9(b) Average of Line 1 through Line 8

Cost of Debt = (Total Expense / Average Long-Term Debt Balance) **5.14%**

1(a)-8(a) \*Average amounts represent Narragansett Electric Company consolidated amounts as the Gas division is not a legal entity.

**The Narragansett Electric Company**  
**d/b/a National Grid**  
**RIPUC Docket No. 4708**  
**Gas Earnings Sharing Mechanism**  
**Schedule WRR-2**  
**September 1, 2017**  
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**National Grid - RI Gas**  
**Calculation of Average Short-Term Debt Interest Rate**  
**For the Twelve Months ended March 31, 2017**

		(a) Average Short-Term Debt Balance	(b) Weighted Cost Rate	(c) Short-Term Interest Expense
	<u>Month</u>			
1	Apr-16	165,359,308	0.87%	\$ 118,606
2	May-16	135,597,578	1.12%	\$ 126,976
3	Jun-16	130,643,089	0.96%	\$ 101,910
4	Jul-16	158,720,749	1.16%	\$ 153,163
5	Aug-16	161,910,280	1.18%	\$ 160,414
6	Sep-16	160,676,856	0.75%	\$ 99,559
7	Oct-16	148,203,197	0.82%	\$ 101,577
8	Nov-16	165,402,926	0.97%	\$ 127,981
9	Dec-16	178,836,965	1.09%	\$ 162,311
10	Jan-17	166,937,285	1.32%	\$ 184,851
11	Feb-17	143,620,164	1.35%	\$ 147,389
12	Mar-17	124,104,197	1.28%	\$ 133,031
13				
14	Average	\$ 153,334,383	<b>1.07%</b>	\$ 1,617,767

Notes:

Average amounts represent Narragansett Electric Company

1(a)-12(a) consolidated amounts as the Gas division is not a legal entity and participates in the National Grid money pool as a division of Narragansett Electric

14(b) Average of Line 1 through Line 12

**The Narragansett Electric Company**  
**d/b/a National Grid**  
**RIPUC Docket No. 4708**  
**Gas Earnings Sharing Mechanism**  
**Schedule WRR-2**  
**September 1, 2017**  
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**National Grid - RI Gas**  
**Merger Hold Harmless Rate Base Credit**  
**For the Twelve Months ended March 31, 2017**

**Attachment NG-MDL-1**  
**Docket No. \_\_\_\_\_**  
**April 1, 2008**  
**Page 30 of 33**

**National Grid - RI Gas**  
**Rate Base Adjustments**  
**Merger Hold Harmless Rate Base Credit**

Line No.				
1	Balance as of September 30, 2007		\$34,139,677	1/
2				
3	Increase / (Decrease) 12 Months Ended 9/30/08		<u>(2,624,545)</u>	
4				
5	Balance as of:	9/30/08	\$31,515,132	1/
6				
7				
8		10/31/08	31,283,677	
9		11/30/08	31,052,222	
10		12/31/08	30,820,767	1/
11		1/31/09	30,647,907	
12		2/28/09	30,475,046	
13		3/31/09	30,302,186	1/
14		4/30/09	30,129,326	
15		5/31/09	29,956,466	
16		6/30/09	29,783,606	1/
17		7/31/09	29,610,746	
18		8/31/09	29,437,886	
19		9/30/09	<u>29,265,026</u>	1/
20				
21	Rate Year Merger Hold Harmless - Five Quarter Average		<u>\$30,337,343</u>	

1/ Hold Harmless Rate Base Credit Per DJE-2 (Revised) from Docket No. 3859.

@ 12/31/06 per DJE-2 Revised	35,764,025
Imputed 3/31/07	35,222,576
Imputed 6/30/07	34,681,127
Imputed 9/30/07	34,139,677
@ 12/31/07 per DJE-2 Revised	33,598,228
Imputed 3/31/08	32,903,863
Imputed 6/30/08	32,209,497
Imputed 9/30/08	31,515,132
@ 12/31/08 per DJE-2 Revised	30,820,767
Imputed 3/31/09	30,302,186
Imputed 6/30/09	29,783,606
Imputed 9/30/09	29,265,026
@ 12/31/09 per DJE-2 Revised	28,746,445

**The Narragansett Electric Company**  
**d/b/a National Grid**  
**RIPUC Docket No. 4708**  
**Gas Earnings Sharing Mechanism**  
**Schedule WRR-2**  
**September 1, 2017**  
**Page 13 of 13**

Schedule DJE-2  
Revised

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

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