

The Narragansett Electric Company

d/b/a National Grid

INVESTIGATION AS TO THE
PROPRIETY OF PROPOSED TARIFF
CHANGES

Compliance Filing

Amended Settlement Agreement
Compliance Attachment 1 through
Compliance Attachment 2 Schedule 13

Book 1 of 7

August 16, 2018

Submitted to:
Rhode Island Public Utilities Commission
RIPUC Docket Nos. 4770/4780

Submitted by:

nationalgrid

The Narragansett Electric Company
d/b/a National Grid

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STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

In Re: The Narragansett Electric Company
d/b/a National Grid's Application to Change
Electric and Gas Base Distribution Rates

)
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) Docket No. 4770
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In Re: The Narragansett Electric Company
d/b/a National Grid's Proposed Power Sector
Transformation (PST) Vision and Implementation Plan

)
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) Docket No. 4780
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AMENDED SETTLEMENT AGREEMENT

The Narragansett Electric Company d/b/a National Grid (the Company)¹ enters into this amended settlement agreement (the Settlement Agreement) with the Division of Public Utilities and Carriers (Division); the Office of Energy Resources (OER); the U.S. Department of the Navy and the Federal Executive Agencies (collectively, Navy/FEA); Conservation Law Foundation (CLF); Energy Consumers Alliance of New England, Inc. d/b/a People's Power and Light (PPL)²; Sierra Club (SC)³; Natural Resources Defense Council (NRDC)⁴; Acadia Center (Acadia); Northeast Clean Energy Council (NECEC); the George Wiley Center (GWC); New

¹ The term "Company" refers to The Narragansett Electric Company's electric and gas distribution operations on a collective basis. The electric and gas distribution operations of The Narragansett Electric Company together represent the entirety of the regulated operations conducted in Rhode Island by the Company. In this Settlement Agreement, the regulated entity is referred to as the Company. Where there is a need to refer to the individual electric and gas distribution operations of the Company, the terms "Narragansett Electric" or "Narragansett Gas," respectively, are used in this Settlement Agreement.

² PPL intervened in Docket No. 4770 individually and in Docket No. 4780 jointly with Sierra Club and Natural Resources Defense Council.

³ SC intervened in Docket No. 4780 jointly with PPL and Natural Resources Defense Council.

⁴ NRDC intervened in Docket No. 4780 jointly with PPL and Sierra Club.

Energy Rhode Island (NERI); Wal-Mart Stores East, LP and Sam's East, Inc. (collectively, Wal-Mart); Direct Energy Business, LLC, Direct Energy Services, LLC, and Direct Energy Solar (collectively, Direct Energy)⁵; ChargePoint, Inc. (ChargePoint)⁶; and National Railroad Passenger Corporation (Amtrak)⁷ (collectively, the Settling Parties and, each individually, a Settling Party⁸), with regard to the Company's Application for Approval of a Change in Electric and Gas Base Distribution Rates Pursuant to R.I. Gen. Laws §§ 39-3-10 and 39-3-11 (the Application) and the Company's proposed Power Sector Transformation (PST) Vision and Implementation Plan (PST Plan). The Company submitted the Application and the PST Plan to the Rhode Island Public Utilities Commission (the PUC) on November 27, 2017.

Background:

The Company's Application to the PUC requested a change in base distribution rates to address a total Rate Year⁹ revenue deficiency of \$41,294,907 for Narragansett Electric and a total revenue deficiency of \$30,322,543 for Narragansett Gas. The Company's Application was filed to seek recovery of costs necessary for the safe and reliable operation of the Company's electric and gas distribution systems for the benefit of Rhode Island customers. On March 2, 2018, the Company revised its request to account for the impacts of the Tax Cuts and Jobs Act (the Tax Act), which reduced the federal corporate income tax rate from 35 percent to 21 percent. The March 2, 2018 revision reduced the Company's Rate Year revenue deficiency to \$27,434,395 for Narragansett Electric and \$18,408,489 for Narragansett Gas. This revision also

⁵ Direct Energy is an intervenor in Docket No. 4780 only.

⁶ ChargePoint is an intervenor in Docket No. 4780 only.

⁷ Amtrak is an intervenor in Docket No. 4770 only.

⁸ PPL, SC, and NRDC intervened jointly in Docket No. 4780 and together are considered a Settling Party with respect to that docket.

⁹ The Rate Year is the twelve-month period ending August 31, 2019.

included a \$6.7 million correction from a miscalculation of accumulated deferred taxes in the Company's filing that the Division identified. Subsequently, on May 9, 2018, the Company made a second revision to its request to account for additional impacts of the Tax Act and to address certain corrections identified during the course of discovery in Docket No. 4770, also including the acceptance of an adjustment that was recommended by the Division to the amortization of excess deferred income taxes. The May 9, 2018 revision reduced the Company's Rate Year revenue deficiency to \$18,877,761 for Narragansett Electric and \$15,451,041 for Narragansett Gas. Accordingly, after the Company's second revision to its revenue requirement, the Company's total requested revenue increase was \$34,328,802.

Additionally, concurrent with filing the Application, the Company filed its PST Plan to propose investments to further the State of Rhode Island's power sector transformation goals, as identified through the Docket No. 4600 proceedings and through the power sector transformation stakeholder process, which resulted in the Rhode Island Power Sector Transformation Phase One Report to Governor Gina M. Raimondo. The PST Plan included requests for limited Rate Year funding and a proposed funding mechanism for the Company's proposed power sector transformation investments. The PUC separated the PST Plan from the Application and created Docket No. 4780 to assess the PST Plan. After the PUC initiated Docket No. 4780, the Company revised its request related to the PST Plan and requested: (1) approval of \$2 million in Rate Year funding to conduct a planning process for the implementation of Advanced Metering Functionality (AMF); (2) approval of its proposed annual PST Plan process, whereby the Company would submit annual PST Plans for the PUC and Division to review and approve PST investments; (3) approval of the Company's proposed PST Provision, which provided for the

recovery of PST Plan costs on a fully reconciling basis; and (4) guidance from the PUC on the categories of proposed PST investments outlined in the Company's PST Plan filing.

The Settling Parties have filed testimony with the PUC, engaged in discovery and negotiations regarding the matters specified in the articles of this Settlement Agreement, and asserted competing and disputed claims with regard to certain issues contained in the Application and the PST Plan, including, but not limited to: (a) the magnitude of the proposed revenue deficiencies for Narragansett Electric and Narragansett Gas; (b) the scope and structure of the Company's proposed power sector transformation programs, such as AMF implementation, electric vehicle enablement, and grid modernization technology upgrades; (c) a multi-year rate plan; (d) the structure and role of performance incentive mechanisms; and (e) the appropriate cost recovery mechanisms.

The Settling Parties now wish to resolve the contested issues raised by (1) the Division, Navy/FEA, Wal-Mart, NERI, and Acadia in direct testimony and OER and GWC in written comments filed with the PUC on April 6, 2018 in Docket No. 4770; (2) Amtrak in its motion to intervene out of time filed with the PUC on June 1, 2018 in Docket No. 4770; (3) CLF jointly with PPL/SC/NRDC and CLF jointly with NRDC/PPL in direct testimony filed with the PUC on April 17, 2018 in Docket No. 4780; and (4) the Division, Navy/FEA, NERI, Acadia, Direct Energy, ChargePoint, and CLF jointly with NECEC in direct testimony and OER in written comments filed with the PUC on April 25, 2018 in Docket No. 4780, on mutually agreeable terms.

The Settling Parties believe that a settled resolution will reduce costs for Rhode Island customers through the elimination of resource-consuming litigation and achieve a just and reasonable result that takes into account the diverse views of all the Settling Parties.

Accordingly, in consideration of the exchange of promises herein contained, the Settling Parties hereby agree, subject to approval by the PUC, as follows:

ARTICLE I: INTRODUCTION

A. Procedural History

Docket No. 4770: At the outset of these proceedings, the PUC ordered that the Company's PST Plan be moved into Docket No. 4780 and be considered on a separate procedural schedule. Additionally, the PUC directed that it would not consider any settlement proposal until after the Division and intervenors submitted direct testimony setting forth their positions on the various elements of the Company's Application.

Since filing its Application on November 27, 2017, the Company has responded to 1,439 data requests issued by the PUC, the Division, the Navy/FEA, Wal-Mart, NERI, and Acadia. The Division and the intervenors also have responded to data requests issued by the Company and the PUC. On April 6, 2018, the following Division and Intervenor witnesses filed direct testimony in Docket No. 4770: Division Witnesses Tim Woolf (Policy), Michael Ballaban jointly with David J. Effron (Revenue Requirement), Tina Bennett jointly with Alan Neale (Gas Business Enablement), Gregory Booth (Grid Modernization), Matthew Kahal (Cost of Capital and Return on Equity), Tim Woolf jointly with Melissa Whited (Additional Cost of Capital Considerations and Benefit Cost Analysis), Roxie McCullar (Depreciation), Roger Colton (Low Income Discount and Income Eligible Proposals), John Athas (Electric Allocated Cost of Service and Rate Design), and Bruce Oliver (Gas Allocated Cost of Service and Rate Design), raising issues relating to the calculation of the proposed revenue requirement, the computation of allowable uncollectible expense, the cost of capital, and other ratemaking issues including, but not limited to, cost allocation, rate design, the appropriate structure and role of performance

incentive mechanisms, and the appropriate cost recovery mechanisms for grid modernization investments.

- Navy/FEA Witness Ali Al-Jabir, raising issues relating to rate design and revenue allocation;
- Wal-Mart Witness Gregory W. Tillman, raising issues relating to revenue allocation, rate design, and return on equity – as well as the impact of the Tax Act;
- NERI Witness Karl Rabago, raising issues relating to the Company’s proposed revenue requirement, return on equity, rate design, forecasting, revenue allocation, and the streetlighting tariff; and
- Acadia Witness Mark LeBel, raising issues relating to rate design and return on equity.

The following parties also intervened in Docket No. 4770 and filed written comment:

- OER in relation to the alignment of the Company’s proposals with the State of Rhode Island’s overall policy goals for the future of the power sector; and
- GWC in relation to the Company’s low income discount rate design proposals.

CLF, NECEC, PPL, and Amtrak intervened in Docket No. 4770, but did not file direct testimony or written comment.

On May 9, 2018, the Company filed rebuttal testimony responding to the issues contested by the Division and the intervenor witnesses. Specifically, the Company filed the rebuttal testimony of Company Witnesses Robert E. Hevert (return on equity and capital structure); Ned Allis (depreciation); Joseph F. Gredder (electric forecasting); Theodore E. Poe, Jr. (gas forecasting); John Gilbert, Daniel J. DeMauro, and Mukund Ravipaty (information systems); Anthony Johnston and Christopher J. Connolly (Gas Business Enablement); Raymond J. Rosario, Jr., Alfred Amaral, III, and Ryan M. Constable (operational expense); Maureen Heaphy

(human resources); Melissa Little (revenue requirement); Howard S. Gorman (electric allocated cost of service study, revenue allocation, and rate design); Paul M. Normand (gas allocated cost of service study, revenue allocation, and rate design); Ann E. Leary and Scott McCabe (gas and electric pricing, respectively); Kayte O'Neill (PST policy); Rob Sheridan (grid modernization); John Leana (AMF); and Meghan McGuinness and Timothy R. Roughan (performance incentive mechanisms). These witnesses responded to the positions of the Division and intervenor witnesses on each of the identified issues.

To date, the PUC has held 13 open meetings on December 20, 2017, January 3, January 19, February 2, March 5, April 13, April 16, April 17, April 23, May 15, May 16, June 7, and June 19, 2018, at which the PUC analyzed the Company's Application and the respective positions of the Company, the Division, and the intervenors.

Docket No. 4780: Since the initial filing of its Application and the PST Plan on November 27, 2017, and, after the PUC initiated Docket No. 4780 for separate consideration of the PST Plan, the Company has responded to 469 data requests issued by the PUC, the Division, the Navy/FEA, PPL/SC/NRDC, NERI, and NECEC. On April 17, 2018 and/or April 25, 2018, the following Division and Intervenor witnesses filed direct testimony in Docket No. 4780:

- Division Witnesses Gregory Booth, raising issues relating to the Company's proposed grid modernization investments, and Tim Woolf jointly with Melissa Whited, raising issues related to: (a) multi-year rate plans, (b) performance incentive mechanisms, (c) the Company's electric vehicle proposals, (d) the Company's electric heat proposals, (e) the Company's electric storage initiative, (f) the Company's proposal for Company-owned solar generation, (g) AMF, and (h) the Company's benefit-cost analyses;

- Navy/FEA Witness Ali Al-Jabir, raising issues relating to: (a) cost recovery mechanisms for PST proposals; (b) cost allocation and rate design; and (c) performance incentive mechanisms;
- CLF jointly with PPL/SC/NRDC Witness Douglas B. Jester, raising issues relating to AMF and the Company's electric vehicle proposals;
- CLF jointly with PPL/NRDC Witness Benjamin A. Stafford, raising issues relating to the Company's electric heat proposals;
- NERI Witness Karl Rabago, raising issues relating to: (a) overall PST policy and vision; (b) cost recovery mechanisms for PST investments; (c) performance incentive mechanisms; and (d) benefit cost analyses;
- NECEC and CLF Witness Nathan Phelps, raising issues relating to: (a) the Company's proposed grid modernization investments; (b) AMF; (c) the Company's electric storage initiative; (d) the Company's proposal for Company-owned solar generation; and (e) the Company's proposed Income Eligible Customer Rewards Program;
- NECEC and CLF Witness Ronald J. Binz, raising issues relating to performance-based regulation, performance incentive mechanisms, and recovery of PST-related costs;
- Direct Energy Witness Frank Lacey, raising issues relating to: (a) the Company's proposed grid modernization investments; (b) AMF; (c) time-varying rates and (d) the Company's electric vehicle proposals;

- Acadia Witness Mark LeBel, raising issues relating to: (a) performance incentive mechanisms; (b) AMF; (c) the Company's electric vehicle proposals, and (d) the Company's electric heat proposals; and
- ChargePoint Witness David Packard, raising issues relating to the Company's electric vehicle proposals.

OER also intervened in Docket No. 4780 and filed written comment raising issues relating to: (a) performance incentive mechanisms; (b) the Company's proposed grid modernization investments; (c) AMF; (d) the Company's electric vehicle proposals; (e) the Company's electric heat proposals; (f) the Company's electric storage initiative; (g) the Company's proposal for Company-owned solar generation; and (h) cost recovery mechanisms for PST proposals. The GWC also intervened in Docket No. 4780 but did not file direct testimony or written comment.

In addition to the pre-filed written testimony and the responses to data requests that have been filed in Docket No. 4780, the PUC also held technical sessions on the various elements of the Company's PST Plan. Specifically, on January 26, 2018, the PUC held a technical session on the Company's proposed grid modernization investments and cost recovery mechanisms. On January 31, 2018, the PUC held a technical session on the Company's proposed performance incentive mechanisms. On February 8, 2018, the PUC held a technical session on the Company's AMF proposal. On February 20, 2018, the PUC held two technical sessions: one on the Company's electric vehicle proposals, and another on the Company's electric heat proposals. On February 21, 2018, the PUC held two more technical sessions: one on the Company's electric storage initiative, and another on the Company's proposal for Company-owned solar generation.

The Settling Parties have conducted ongoing settlement discussions. The Company and the Division have conducted bilateral negotiations on the various proposals in the Application and the PST Plan. Additionally, the Company has held additional bilateral negotiations with certain other intervening parties to address specific areas of interest and concern to those parties. To supplement those bilateral negotiations and ensure that the positions of all the Settling Parties received appropriate attention and consideration, the Division and the Company arranged for several face-to-face meetings at which all intervenors had an opportunity to raise and advocate for the issues that were of principal concern to them and to negotiate the substance of this Settlement Agreement. Ultimately, the Company and the Division drafted the Settlement Agreement to include all the issues and matters raised by all the Settling Parties during these negotiations. After the Company and the Division completed drafting the Settlement Agreement, they shared the draft with all the intervenors and provided them an opportunity for further comments and revision. This Settlement Agreement, therefore, is the product of a collaborative, inclusive, and comprehensive process that fairly considered the interests of all parties and stakeholders.

The Settlement Agreement was initially filed with the PUC on June 6, 2018. The PUC commenced the hearing on the Settlement Agreement on June 12, 2018; held 11 days of settlement hearings on June 14, June 15, June 18 through June 22, June 25 through June 28, 2018; and concluded the hearing on July 18, 2018. The PUC subsequently held a series of open meetings on July 2, July 3, July 18, July 20, and July 31 to discuss the Settlement Agreement and the testimony from the settlement hearings. On August 3, 2018, the PUC held an open meeting at which the PUC approved the Settlement Agreement filed on June 6, 2018 with modifications.

Following the PUC's open meeting decision, the Settling Parties convened to review and discuss the PUC's modifications, which have been incorporated into this Settlement Agreement.

B. Settling Parties' Statement

This Settlement Agreement is based on extensive discovery and negotiations among the Settling Parties concerning all issues involved in: (1) establishing new base distribution rates for the Company's electric and gas operations to become effective September 1, 2018; and (2) making investments in new programs and initiatives to facilitate power sector transformation. The Settling Parties agree that the outcome of this Settlement Agreement is just and reasonable and in the public interest.

C. Scope

The Settlement Agreement addresses the full scope of all issues presented in and resolves all issues contested among the Settling Parties in both Docket No. 4770 and Docket No. 4780 and establishes base distribution rates for the Company's electric and gas residential, commercial and industrial (C&I), and outdoor lighting customers in Rhode Island.

ARTICLE II: TERMS OF SETTLEMENT

A. Multi-Year Rate Plan Overall Framework

As a result of the collaborative and inclusive settlement negotiations among the Settling Parties in addition to bilateral negotiations between the Company and the Division on the various proposals in the Application and the PST Plan, the Settling Parties have developed a comprehensive set of terms and conditions for a three-year rate plan for Narragansett Electric and Narragansett Gas. The terms and conditions of this rate plan are set forth below and in the Attachments to this Settlement Agreement. Specifically, this Settlement Agreement addresses the following topics:

1. Effective Date and Term;
2. Changes in Revenue Requirements for Three Rate Years;
3. Base Distribution Rate Changes for Rate Year 2 and Rate Year 3;
4. Narragansett Electric - Revenue Requirement;
5. Narragansett Electric - Revenue Allocation, Rate Design, and Tariffs;
6. Narragansett Electric - Earnings Report and Earnings Sharing Mechanism;
7. Narragansett Electric - Other Tariffs and Reconciling Mechanisms;
8. Narragansett Gas - Revenue Requirement;
9. Narragansett Gas - Revenue Allocation, Rate Design, and Tariff;
10. Narragansett Gas - Earnings Report and Earnings Sharing Mechanism;
11. Narragansett Gas - Other Tariffs and Reconciling Mechanisms;
12. Gas Business Enablement Program;
13. Cyber Security and Information Services (IS) Technology Modernization Programs;
14. Commencement of Investments to Enable a Modern Grid;
15. Grid Modernization Plan (GMP);
16. AMF;
17. Clean Energy Programs;
18. Capital Efficiency Mechanism for Narragansett Electric;
19. Performance-Based Incentive Mechanisms;
20. Tracking and Deferral of Certain “Special Sector” Program Costs and Revenues;
21. Next Rate Case Filing;
22. Additional Provisions; and
23. Other Provisions.

B. Definitions

“**Docket 4600 Guidance Document**” means the PUC’s Guidance on Goals, Principles and Values for Matters Involving The Narragansett Electric Company d/b/a National Grid adopted on October 27, 2017 in Docket No. 4600-A.

“**Effective Date**” means September 1, 2018, or such other date as the PUC may determine.

“**ISR**” means the infrastructure, reliability, and safety planning and cost recovery process governed by Section 39-1-27.7.1(c), (d) of Rhode Island General Laws.

“**Rate Year 1**,” sometimes referred to herein as “RY1,” means September 1, 2018 through August 31, 2019.

“**Rate Year 2**,” sometimes referred to herein as “RY2,” means September 1, 2019 through August 31, 2020.

“**Rate Year 3**,” sometimes referred to herein as “RY3,” means September 1, 2020 through August 31, 2021.

The three rate years are referred to herein collectively as “Rate Years,” or “RYs,” and individually as a “Rate Year,” or “RY.”

“**Test Year**,” means July 1, 2016 through June 30, 2017.

C. Rate Plan

1. Effective Date and Term

The term of the Company’s electric and gas rate plan is three years, beginning September 1, 2018 and continuing through August 31, 2021 (Rate Plan or MRP). For administrative reasons, certain targets and mechanisms are on different twelve-month schedules (*e.g.*, calendar year (CY) periods), as provided herein. In addition, unless specifically noted in this Settlement

Agreement, all terms of this Settlement Agreement will continue in effect until changed by the PUC.

2. Changes in Revenue Requirements for Three Rate Years

This Settlement Agreement provides for the following changes in base distribution rate annual revenue requirements for Narragansett Electric and Narragansett Gas for each of the Rate Years of the Rate Plan (*i.e.*, Rate Year 1, Rate Year 2, and Rate Year 3) to provide funding for the Company's electric and gas operations and PST Plan initiatives, including: Updated AMF Business Case (as defined in Section 16 below); GIS Investments; System Data Portal; DSCADA; other Grid Modernization investments; Electric Transportation; and Electric Storage.

	<u>Narragansett Electric (\$M)</u>	<u>Narragansett Gas (\$M)</u>	<u>Total (\$M)</u>
<u>Base Case</u>			
Rate Year 1	\$12.0	\$5.8	\$17.8
Rate Year 2	\$3.9	\$5.7	\$9.6
Rate Year 3	<u>\$2.5</u>	<u>\$3.4</u>	<u>\$5.9</u>
Subtotal – Base Case	\$18.4	\$14.9	\$33.3
<u>Power Sector Transformation</u>			
Rate Year 1	\$2.1	\$0.0	\$2.1
Rate Year 2	\$6.6	\$1.9	\$8.4
Rate Year 3	<u>\$1.9</u>	<u>\$0.6</u>	<u>\$2.5</u>
Subtotal – PST	\$10.6	\$2.5	\$13.0
<u>Base Case plus PST</u>			
Rate Year 1	\$14.1	\$5.8	\$19.9
Rate Year 2	\$10.5	\$7.6	\$18.0
Rate Year 3	<u>\$4.3</u>	<u>\$4.0</u>	<u>\$8.4</u>
TOTAL	<u>\$28.9</u>	<u>\$17.4</u>	<u>\$46.3</u>

A summary of the revenue requirement settlement terms is provided in Attachment 1, Page 1. The base case components of the base distribution revenue requirements for Narragansett Electric and Narragansett Gas are set forth in Attachment 2, Schedules 1-ELEC and

2-GAS, respectively. The PST Plan components of the base distribution revenue requirements for Narragansett Electric and Narragansett Gas are set forth in Attachment 4 and Attachment 5.

To reach a settlement in these proceedings, the Company accepted the majority of the downward adjustments to operating expenses and rate base that were recommended by the Division, as outlined in the table below.

	Rate Year (\$M)		
	1	2	3
<u>Company Base Rate Request</u>			
<i>March 2, 2018 (REV-1) Base Rate Request</i>	\$45.8		
Refund of Excess Deferred Taxes	(\$9.0)		
A&G Expense Reclassification to Capital	<u>(\$4.5)</u>		
<i>March 2, 2018 (REV-1) Base Rate Request adjusted</i>	\$32.4 ¹⁰		
<u>Settlement Adjustments</u>			
Subtotal - Expense Adjustments	(\$14.3)		
Subtotal - Rate Base Adjustments	(\$3.1)		
Adjustment to Revenue Requirement for Rate Base Adjustments	<u>(\$0.3)</u>		
<i>Total Adjustments</i>	<u>(\$14.6)</u>		
<i>Subtotal - Adjusted Base Rate Request</i>	\$17.8	\$9.6	\$5.9
<u>PST Additions</u>			
<i>PST Adjustments</i>	<u>\$2.1</u>	<u>\$8.4</u>	<u>\$2.6</u>
Total Settlement - Base Case plus PST	\$19.9	\$18.0	\$8.5

As detailed in Attachment 2, for Rate Year 1, the revenue requirements are based on the following parameters and adjustments:

- a. A return on equity (ROE) of 9.275 percent;
- b. A capital structure recommended by the Division and overall cost of capital, including a 51 percent common equity ratio. The resulting weighted average cost of capital (WACC) is applicable to the calculation of the revenue requirements associated with the

¹⁰ As described in Section 4.h. (Narragansett Electric) and Section 8.h. (Narragansett Gas), the Company will include all other revenue requirement adjustments either (1) identified during discovery, (2) in the preparation of the May 9, 2018 rebuttal cost of service, and (3) resulting from changes presented in the rebuttal testimony in its compliance filing revenue requirement in this docket. These adjustments account for the difference between the Company's adjusted March 2, 2018 request of \$32.4 million and the request of \$34.3 million submitted with the Company's rebuttal filing on May 9, 2018.

ISR Plans and any other reconciling mechanism that calculates a return based on the approved WACC, which is the same as it is today;

c. A reduction in depreciation expense of \$3.1 million. The Company's depreciation rates for Narragansett Electric and Narragansett Gas have been reduced and are set forth in Attachment 2, respectively;

d. The impacts of the tax rate change to 21 percent and the amortization of excess accumulated deferred income taxes (ADIT);

e. A reduction to Administrative and General expense to reflect a reclassification to capital;

f. An adjustment to labor expense to reflect a smooth hiring pattern over the term of the Rate Plan for all incremental full time equivalents (FTEs) that were included in the Company's November 27, 2017 initial filing but have not yet been filled, as shown on Attachment 2, Schedule 12 and Attachment 3, Workpaper 4;

g. An adjustment to the calculation of the average of net write-offs as a percentage of total revenues for the five years ended June 30, 2017 for Narragansett Gas to eliminate the twelve-month period ended June 30, 2013 from this calculation. The average write-off rate is applied to the Rate Year 1 revenue to calculate the pro forma Rate Year 1 uncollectible accounts expense. This adjustment reduces the average Narragansett Gas write-off rate from 2.08 percent to 1.91 percent;

h. An adjustment to reflect the Division's position on Gas Growth capital;

i. Adjustments to reflect the Division's position on Gas Business Enablement and the IS Technology Modernization Programs (see Sections 12 and 13 below);

j. Existing reconciling mechanisms for costs recovered outside of base

distribution rates remain in effect as operating today, as listed in Attachment 22; and

k. Adjustment to Service Company rents and Gas Business Enablement for reduced ROE at 9.275 percent; and

l. Adjustment for the depreciation expense impact of the growth adjustment.

3. Base Distribution Rate Changes for Rate Year 2 and Rate Year 3

Under the Rate Plan governed by this Settlement Agreement, base distribution rates for Narragansett Electric and Narragansett Gas shall change annually at the start of each Rate Year, effective September 1, 2018, September 1, 2019, and September 1, 2020. The annual increase in base distribution rates shall be allocated to each of Narragansett Electric's and Narragansett Gas's respective rate classes in the same proportion as determined from the final revenue allocation of the revenue requirements for Rate Year 1. The allocation of the increases to rate classes is presented in Attachment 8 for Narragansett Electric and Attachment 16 for Narragansett Gas, and base distribution rates based upon each rate class's Rate Year revenue requirement for Rate Year 2 and Rate Year 3 is contained in Attachment 9 for Narragansett Electric and Attachment 16 for Narragansett Gas.

- a. The development of each Rate Year's base distribution rates consistent with the Rate Plan governed by this Settlement Agreement is incorporated in this Settlement Agreement, and through the PUC's approval of this Settlement Agreement, the base distribution rates for the Rate Years are approved for implementation, subject to any changes pursuant to Sections 8, 15, and/or 16;
- b. Bill impacts for all rate classes comparing the rates in effect at the time of the Company's initial filing and Rate Year 1; Rate Year 1 and Rate Year 2; and Rate

Year 2 and Rate Year 3, are presented in Attachment 10 and Attachment 17 for Narragansett Electric and Narragansett Gas, respectively; and

- c. The PUC's approval of the base distribution rates contained in this Settlement Agreement represents its determination that the proposed base distribution rates are reasonable and consistent with the MRP.

On or before June 1 of each year of the Rate Plan, Narragansett Electric shall submit to the PUC its Summary of Retail Delivery Rates tariff updating this tariff to reflect the base distribution rates approved by the PUC as part of this Settlement Agreement, together with testimony and supporting schedules explaining and itemizing the change in revenue requirement from the prior September 1 through the upcoming September 1, unless otherwise changed pursuant to a separate proceeding before the PUC consistent with Sections 8, 15, and/or 16.

The rate schedule provisions of Narragansett Gas's tariff contained in Attachment 19 include the base distribution rates for each of the Rate Years.

4. Narragansett Electric - Revenue Requirement

a. *Revenue Requirements for the Rate Years.* This Settlement Agreement provides that the base distribution rates for Narragansett Electric shall be set in these proceedings based on a Rate Year 1 revenue requirement increase of \$14.1 million, a Rate Year 2 revenue requirement increase of \$10.4 million, and a Rate Year 3 revenue requirement increase of \$4.4 million, using a test-year ended June 30, 2017 (Test Year), as detailed in Attachment 1 to this Settlement Agreement.¹¹ The resulting revenue requirements for the Rate Years are: \$293.2 million for RY1, \$303.5 million for RY2, and \$308.0 million for RY3. The base case revenue requirement for Rate Year 1 was determined using a total rate base of \$729.5 million; pro forma

¹¹ Schedule A to this Settlement Agreement lists the attachments supporting this Settlement Agreement. Schedule A also provides a cross-reference to the bound volume that contains each respective attachment.

Test Year operating revenues of \$279.2 million; distribution operating expenses of \$150.6 million; income taxes of \$1.1 million; and an overall rate of return of 6.97 percent. The base case revenue requirement for Rate Year 1 established by the Settling Parties allows for recovery of a revenue deficiency of \$12.0 million in Rate Year 1, which represents a reduction of \$29.3 million from the November 27, 2017 original request and a reduction of \$6.9 million from the May 9, 2018 second revision to the cost of service.

b. *Calculation of Rate Base.* The Settling Parties agree that rate base for Narragansett Electric for the Rate Years shall be calculated to include capital additions approved in the ISR Plans for Fiscal Year 2014 (Docket No. 4382), Fiscal Year 2015 (Docket No. 4473), Fiscal Year 2016 (Docket No. 4539), Fiscal Year 2017 (Docket No. 4592), and estimated Fiscal Year 2018 (Docket No. 4682), estimated Fiscal Year 2019, and estimated Fiscal Year 2020 additions through Rate Year 1 (*i.e.*, August 31, 2019). Narragansett Electric's rate base for the Rate Years also shall be calculated to include non-ISR capital additions through August 31, 2021.¹² Narragansett Electric's rate base for the Rate Years also shall reflect the unamortized cost of long-term debt issuance expense. ISR-eligible capital additions for Rate Year 2 and Rate Year 3 will be addressed in the ordinary course outside of base distribution rates through the ISR Plan and included for recovery in future ISR Plans.

c. *Other Adjustments.* The revenue requirements contained in Attachment 2 reflect adjustments agreed to by the Settling Parties associated with the Tax Cuts and Jobs Act, a change in the Company's A&G capitalization policy, and estimated Service Company excess deferred federal income taxes.

¹² Capital additions currently recovered through the ISR Plan will be included in rate base as of September 1, 2018, concurrent with the effective date of new base distribution rates in these proceedings. Therefore, the capital-related portion of the ISR factor will be set to zero as of September 1, 2018.

d. *Operating Expenses.*

i. Uncollectible Accounts Expense

The Settling Parties agree that the recovery of distribution-related uncollectible-accounts expense¹³ shall be calculated using Narragansett Electric's actual five-year average ratio of actual distribution net write-offs as a percentage of distribution revenues (as calculated in Docket No. 4323 and Docket No. 4065) ending with the Test Year, or 1.30 percent. The actual, five-year average write-off rate of 1.30 percent shall also be used to calculate recovery of the uncollectible accounts expense allowance in those reconciling mechanisms that provide for the recovery of uncollectible account expense.

ii. Non-Deferrable Storm Expense

This Settlement Agreement provides that the amount of non-deferrable storm expense allowed for recovery through base distribution rates shall be set at \$3,193,756¹⁴ annually, subject to the following: If the actual level of non-deferrable storm expense in any calendar year commencing in 2019 is greater than \$5,193,756, then the amount in excess of \$5,193,756 shall be charged to the Storm Contingency Fund (the Storm Fund). If the actual level of non-deferrable storm expense in any calendar year commencing in 2019 is less than \$1,193,756, then the amount by which \$1,193,756 exceeds the actual non-deferrable storm expense in that calendar year shall be credited to the Storm Fund. Because new base distribution rates go into effect on September 1, 2018, the dead band for 2018 shall be applied to the average of

¹³ This amount does not include the commodity-related portion of uncollectible accounts expense, which is recovered through various reconciling mechanisms as governed by their respective tariff provisions (see Pre-Filed Direct Testimony of Company Witness Melissa A. Little at Page 47 (Bates Page 51 of Book 8). The calculation of uncollectible account expense is provided in Schedule MAL-22 (Rev-2) (Rebuttal Book 3).

¹⁴ Represents the five-year average of non-deferrable storm expense for the twelve month periods ended June 30, 2013 to June 30, 2017 (see Schedule MAL-31 (Rev-2) at Page 7, Line 13, Column (e)).

\$3,722,000¹⁵ for 8/12th of the year and \$3,193,756 for 4/12th of the year, or \$3,545,919.

iii. Storm Contingency Fund

As further described on Attachment 23, the Storm Contingency Fund is subject to the provisions of the Joint Proposal and Settlement between the Company and the Division filed with the PUC on September 25, 2017 in Docket No. 4686 and approved by the PUC on April 27, 2018 (Docket No. 4686 Settlement Agreement).

The total base distribution rate contributions to Narragansett Electric's Storm Fund effective September 1, 2018 will be \$7.3 million annually, which includes:

- (1) \$4.3 million in annual base distribution rate contributions; and
- (2) \$3.0 million of supplemental Hurricane Sandy base distribution rate contributions through their currently scheduled expiration in March 2021. Thereafter, the continuation of this supplemental \$3.0 million annual Storm Fund contribution will be subject to PUC review.

In addition, a contribution of \$21.1 million annually is credited to the Storm Fund from the Storm Fund Replenishment Factor through its currently scheduled expiration in June 2021.

e. *Return on Rate Base*

i. Capital Structure

The Settling Parties agree that the revenue requirement established by this Settlement Agreement for Narragansett Electric shall be determined by the WACC and its components, as shown in Attachment 2.

¹⁵ The amount of non-deferrable storm expense allowed for recovery through base distribution rates for Narragansett Electric was set at \$3,722,000 in Docket No. 4323, representing the five-year average of non-deferrable storm costs for calendar years 2007 to the 2011 test year in Docket No. 4323. As approved in Docket No. 4323, a \$2,000,000 dead band was established, which would trigger additional charges to the Storm Fund for non-deferrable storm costs in excess of \$5,722,000 in a calendar year, or credits to the Storm Fund for non-deferrable storm costs less than \$1,722,000. See Docket No. 4686 Settlement Agreement, Paragraph (9), at 3.

The actual capital structure shall be adjusted further to include the long-term debt issued on July 27, 2018 pursuant to the separate Settlement Agreement entered into between the Division and the Company dated February 15, 2017, in Division Docket D-17-36, which was approved as set forth in the Division's Report and Order issued February 19, 2017, and as set forth in the statement of basic terms that the Company filed with the Division on August 1, 2018.

ii. Cost of Long-Term Debt

As stated above, the new long-term debt shall be pro-formed at an interest rate of 3.919 percent and debt expense estimated at 0.46 percent, or \$1.61 million. Upon completion of the long-term debt issuance, the revenue requirement established by the Settlement Agreement shall be adjusted to use the actual weighted cost of long-term debt and debt expense after the new debt issuance. The Company shall make a filing to the PUC within 60 days of the completion of the long-term debt issuance to adjust base distribution rates for Narragansett Electric to incorporate the actual debt rate and issuance costs in base distribution rates.

iii. Return on Common Equity

The Settling Parties agree that the return on common equity shall be set at 9.275 percent.

iv. Weighted Average Cost of Capital

The computation of the WACC established by this Settlement Agreement is set forth in Attachment 2. The weighted average cost of capital set forth in Attachment 2, as adjusted pursuant to Section 4(e), above, shall be used for ratemaking purposes, including in the ISR Plan, until the next base distribution rate proceeding for Narragansett Electric.

f. *Miscellaneous Corrections.* The Settling Parties agree that Narragansett Electric shall make all corrections (1) identified during discovery, (2) in the preparation of the May 9, 2018 rebuttal cost of service, and (3) resulting from changes presented in the rebuttal

testimony of Company Witness Melissa A. Little in finalizing the cost of service for Narragansett Electric.

5. Narragansett Electric - Revenue Allocation, Rate Design, and Tariffs

a. *Allocated Cost of Service.* The Settling Parties agree, for the purpose of settlement in these proceedings (except with respect to the customer charge as reflected in this Settlement Agreement), to use the allocated cost of service study (ACOSS) included in Attachment 6, consistent with the ACOSS filed by Narragansett Electric on May 9, 2018.¹⁶ In future rate cases, the Company shall include all costs associated with the PST programs and investments in its revenue requirements and ACOSS.

b. *Revenue Allocation and Rate Design.* The Settling Parties agree that Narragansett Electric's revenue allocation contained in Attachment 8, prepared consistent with the Updated Revenue Allocation (Schedule HSG-3(R)) filed with the PUC on May 9, 2018, and which shall be incorporated into the design of base distribution rates, shall include:

i. A reduction to present revenue for Rate X-01 of \$322,000, which is a reduction from Rate X-01 present revenue of \$692,000 (shown on Line 40 in Attachment 8, Page 2) to \$370,000 to address the concerns raised by Amtrak in these proceedings regarding the significant difference between Rate X-01 revenue at present rates and Rate X-01's allocated rate year revenue requirement. This represents a reduction that balances a significant benefit to Amtrak with the impact this reduction will have on other customers. In addition, the Company will commit, on a going forward basis, to (1) in future general rate cases, propose other changes to address any remaining difference between Rate X-01 revenue at then-present rates and Rate X-01's allocated rate year revenue requirement resulting from an ACOSS filed in those general

¹⁶ See Rebuttal Testimony of Company Witness Howard S. Gorman, at Page 5 (Bates Page 7 of Rebuttal Book 6), and Schedule HSG-1A(R), at Bates Page 37 of Rebuttal Book 6.

rate cases, and will specifically propose to address any difference, to the extent the ACROSS identifies a significant difference in relation to differences identified for the Company's other rate classes, and (2) inform Amtrak of its next general rate case filing for Narragansett Electric reasonably in advance of such filing.

ii. The allocation of the annual base distribution rate allowance of the revenue requirements associated with Grid Modernization programs and Special Sector Programs, as described in Sections 15 and 20, respectively, and the Rate Year 2 and Rate Year 3 annual base distribution rate increases as stated above in Section 4.

The Settling Parties agree with Narragansett Electric's rate design included in Attachment 9, which reflects:

i. The Rate A-16/Rate A-60 rate design reflects a monthly customer charge of \$6.00 and a base distribution per-kWh rate sufficient to recover the remaining Rate A-16/Rate A-60 revenue requirement after consideration of the \$6.00 customer charge.

ii. The Rate A-60 customer charge shall be phased-in over the term of the Rate Plan as proposed by the Company in its initial filing as follows: a customer charge of \$2.00 effective September 1, 2018; a customer charge of \$4.00 effective September 1, 2019; and a customer charge of \$6.00 effective September 1, 2020.

iii. The Rate C-06 rate design reflects a monthly customer charge of \$10.00 and a base distribution per-kWh rate sufficient to recover the remaining Rate C-06 revenue requirement after consideration of the \$10.00 customer charge.

iv. The Rate G-32 rate design reflects impact of the results of the ACROSS submitted on May 9, 2018 in Schedule HSG-1A(R) which redefines transmission level voltage to be electric service received at no less than 69 kV.

c. *Other Settlement Provisions.* The Settling Parties agree to the following:

i. For customers receiving delivery service on Rate A-60, a total bill discount shall be applied. Specifically, (a) the percentage discount off of the total amount billed shall be 25 percent, and (b) for customers receiving benefits through Medicaid, General Public Assistance, and/or the Family Independence Program, an additional discount of 5 percent off of the total amount billed. The Settling Parties agree that Narragansett Electric shall implement the Low Income Discount Recovery Factor (LIDRF) calculated in Attachment 20. Customers billed on Rate A-60 shall not be assessed the LIDRF.

ii. A revision to the Credit for High Voltage Delivery (HVD) provision contained in the Large Demand Rate (G-32) retail delivery service tariff (Rate G-32 Tariff) and Large Demand Backup Service Rate (B-32) retail delivery service tariff (Rate B-32 Tariff) that defines transmission level voltage to be electric service at no less than 69 kV.

iii. The Fox Point Hurricane Barrier (Hurricane Barrier) operated by the United States Army Corps of Engineers (USACE)¹⁷ is designed to protect the City of Providence from flooding and is tested periodically. The USACE has begun conducting its periodic testing of the Hurricane Barrier during off-peak hours, as defined in the Rate G-32 Tariff, to avoid the demand ratchet provision for the assessment of billing demand that would occur for testing during peak hours.

To address the concerns raised by Navy/FEA with respect to the Hurricane Barrier, if the Hurricane Barrier is operated during peak hours, as defined in the Rate G-32 Tariff, as a result of a weather event, (1) immediately following the operation of the Hurricane Barrier during peak hours, the USACE will contact the Company, in writing, notifying the Company that a weather

¹⁷ The USACE is represented in these proceedings by the Navy on behalf of the FEA.

event required the operation of the Hurricane Barrier; (2) after review and confirmation of the conditions at the time of the Hurricane Barrier's operation during peak hours, the Company will waive the demand ratchet provision resulting from the operation of the Hurricane Barrier during peak hours, for the 11 billing months following the month of peak hour operation (billing months 2 through 12). This waiver would be pursuant to the Rate G-32 Tariff under the Demand provision, which defined billing demand "under ordinary load conditions;" and (3) the USACE will be billed based on the billing demand as determined pursuant to the Rate G-32 Tariff based on peak hours metered demand measured in kW and kVa during the month of operation. If the USACE tests the Hurricane Barrier during peak hours, the demand ratchet of the Rate G-32 Tariff would apply for the billing of distribution demand charges in months 2 through 12. However, the USACE can avail itself of the Optional Determination of Demand provision in the Rate G-32 Tariff.

To ensure that the billing account remains on Rate G-32 as a result of the Hurricane Barrier's continued testing during off-peak hours, the Company has revised the availability provision of the Rate G-32 Tariff and the Rate B-32 Tariff to define customers eligible for Rate G-32 and Rate B-32 based on metered demand during all hours, rather than billing demand, which is determined during peak hours. This change will allow a large customer, such as the Hurricane Barrier, respond to the price signals of Rate G-32 and Rate B-32 and remain on Rate G-32 and Rate B-32, and not be transferred to the General C&I Rate (G-02) tariff.

iv. The Company shall add to Rate S-05 another operating schedule allowing customer-owned light-emitting diode (LED) streetlights to operate at an output level that would result in 3,080 annual operating hour equivalents. As this operating schedule is preferred by NERI as compared to the operating schedule Narragansett Electric presented in its

May 9, 2018 rebuttal testimony in Schedule PP-6(R), Narragansett Electric will withdraw its May 9, 2018 operating schedule proposal. In addition, for purposes of billing LED streetlights that operate at an output level that is less than the Dusk-to-Dawn operating schedule existing in the Rate S-05 tariff, the annual operating hour equivalent of such a streetlight shall be compared to the operating schedules contained in the Rate S-05 tariff. If the streetlight's annual operating hour equivalent is no more than five percent of an existing operating schedule's annual operating hour equivalent, the streetlight shall be placed on that operating schedule. If the streetlight's annual operating hour equivalent exceeds the annual operating hour equivalent of an existing operating schedule by more than five percent, the streetlight shall be placed on the operating schedule with the next highest annual operating hour equivalent.

v. The Company shall implement a returned check fee of \$8.00.

vi. The Company shall cancel its Optional Telephone or Web Page Payment Provision, RIPUC No. 2154.

d. *Miscellaneous Corrections.* The Settling Parties agree that Narragansett Electric shall make all corrections (1) identified during discovery, (2) in the preparation of the May 9, 2018 rebuttal ACOSS and rate design, and (3) resulting from changes presented in the rebuttal testimony of Company Witness Howard S. Gorman in finalizing the ACOSS, revenue allocation, and rate design.

e. *Bill Impacts and Tariffs.* Attachment 10 sets forth the electric bill impacts resulting from this Settlement Agreement. Attachment 12 presents the other rates and charges that are impacted by this Settlement Agreement, consistent with what was initially filed on November 27, 2017. Attachment 13 contains the tariffs and tariff provisions, marked to show changes from those currently in effect, that are proposed to become effective September 1, 2018.

The impact of this Settlement Agreement on the monthly bill of a 500 kWh residential customer receiving Standard Offer Service, as compared to the rates which were in effect at the time of the Company's filing in this case, in each of the Rate Years is as follows:

	<u>Dollar Increase</u>	<u>Percent Increase</u>
Rate Year 1	\$3.67	3.5%
Rate Year 2	\$1.03	0.9%
Rate Year 3	\$0.44	0.4%

6. Narragansett Electric - Earnings Report and Earnings Sharing Mechanism

a. *Annual Earnings Report.* The Company shall file with the PUC and the Division annual earnings reports for Narragansett Electric consistent with and in a form similar to that which the Company has been filing for several years, most recently in Docket No. 4323, calculating electric regulatory earnings for the calendar year with the additions/changes set forth in subsections b. through d. below. The timing of the filing of the annual earnings report for Narragansett Electric shall be May 1 of each year.

b. *Definitions.*

- i. **“Actual Earnings”** means earnings including all Performance Incentives earned for the applicable calendar year.
- ii. **“Base Earnings”** means earnings excluding all Performance Incentives earned for the applicable calendar year. The Base Earnings calculation also shall exclude any financial penalties incurred by Narragansett Electric that may have been assessed by the PUC or the Division during the calendar year, and the report shall disclose those excluded amounts separately.

- iii. **“EE Performance Incentive”** means the Energy Efficiency Program (EEP) Incentive.
- iv. **“Performance Incentives”** means the EE Performance Incentive; any earned System Reliability Procurement incentives; LTCR Remuneration Costs; RE Growth Remuneration Costs; Performance Incentive Mechanisms Incentives; and any other performance incentive that has been or may be approved by the PUC in a future proceeding and that was earned and recorded by Narragansett Electric for performance applicable to the calendar year.
- v. **“Performance Incentive Mechanisms Incentives”** means the incentives earned from the incentive mechanisms as set forth in Section 19 of this Settlement Agreement.

c. *Calculation of Earnings for Annual Earnings Report.* The Company shall show the calculation of the regulatory earned return on distribution rate base and the earned return on distribution common equity, in two ways:

- i. Actual Earnings for the applicable calendar year; and
- ii. Base Earnings for the applicable calendar year.

d. *Earnings Sharing With Customers.* If and when the Base Earnings exceed the allowed ROE of 9.275 percent in any calendar year, the amount in excess of 9.275 percent will be deemed “shared earnings.”

- i. If the level of earnings is greater than the allowed ROE of 9.275 percent, but is less than or equal to 10.275 percent, 50 percent of the shared earnings in this tier shall be credited to customers and the Company shall

retain 50 percent of the shared earnings, which shall not be reflected in any earnings reports.

- ii. If the level of earnings is greater than 10.275 percent, 75 percent of the shared earnings in this tier shall be credited to customers and the Company shall retain 25 percent of the shared earnings, which shall not be reflected in any earnings report.

Narragansett Electric shall retain 100 percent of any excess earnings of the Actual Earnings that are attributable to any of the Performance Incentives. Any shared earnings credited to customers shall be credited to the Storm Fund, unless the PUC otherwise directs the credit to customers in another manner.

7. Narragansett Electric - Other Tariffs and Reconciling Mechanisms

The Settling Parties agree that this Settlement Agreement does not (and is not intended to) amend, modify, or change in any respect any tariff or mechanism currently in effect for Narragansett Electric for costs recovered outside of base distribution rates pursuant to any statute or prior PUC order that is not specifically addressed in this Settlement Agreement, or contained in Attachment 22.

Consistent with the impact of the results of a general rate case and the PUC's rulings thereon, the Company shall implement changes to its other factors and charges associated with its various reconciling mechanisms, effective September 1, 2018, to reflect updated net write off percentages, WACCs, and consolidation of Rate G-32 and Rate G-62. In its compliance filing pursuant the PUC's approval of the Rate Plan, the Company shall file schedules in support of the requisite changes to its other factors and charges that will be reflected in its bills to customers effective September 1, 2018, as illustrated in Attachment 12.

8. Narragansett Gas - Revenue Requirement

a. *Revenue Requirements for the Rate Years.* This Settlement Agreement provides that base distribution rates for Narragansett Gas shall be set in these proceedings based on a Rate Year 1 revenue requirement increase of \$5.7 million, a Rate Year 2 revenue requirement increase of \$7.6 million, and a Rate Year 3 revenue requirement increase of \$4.0 million, using a test-year ended June 30, 2017, as detailed in Attachment 2 to this Settlement Agreement. The resulting revenue requirements for the Rate Years are: \$218.6 million for RY1, \$226.2 million for RY2, and \$230.2 million for RY3. The revenue requirement for Rate Year 1 was determined using a total rate base of \$760.6 million; pro forma Test Year operating revenues of \$212.8 million; distribution operating expenses of \$86.1 million; income taxes of \$5.7 million; and an overall rate of return of 7.15 percent. The revenue requirement for Rate Year 1 established by the Settling Parties allows for recovery of a revenue deficiency of \$5.8 million in Rate Year 1, which represents a reduction of \$24.4 million from the November 27, 2017 original request and a reduction of \$9.6 million from the May 9, 2018 second revision to the cost of service.

As noted in Attachment 23 , the Company will credit the Net Revenue received for Narragansett Gas storm response services performed in other jurisdictions, including those outside of National Grid USA operating companies' service territories, back to customers through the Distribution Adjustment Charge, applicable.

b. *Calculation of Rate Base.* The Settling Parties agree that rate base for Narragansett Gas for the Rate Years shall be calculated to include capital additions approved in the ISR plans for Fiscal Year 2014 (Docket No. 4380), Fiscal Year 2015 (Docket No. 4474), Fiscal Year 2016 (Docket No. 4540), Fiscal Year 2017 (Docket No. 4590), and estimated Fiscal

Year 2018 (Docket No. 4678), estimated Fiscal Year 2019, and estimated Fiscal Year 2020 additions through Rate Year 1 (*i.e.*, August 31, 2019).¹⁸ Narragansett Gas' rate base for the Rate Years also shall be calculated to include non-ISR capital additions through August 31, 2021. The Narragansett Gas rate base also shall reflect the unamortized cost of the long-term debt issuance expense. ISR-eligible capital additions for Rate Year 2 and Rate Year 3 will be addressed in the ordinary course outside of base distribution rates through the ISR and included for recovery in future ISR Plans.

c. *Other Adjustments.* The revenue requirements contained in Attachment 2 reflect adjustments agreed to by the Settling Parties associated with the Tax Cuts and Jobs Act, a change in the Company's A&G capitalization policy, and estimated Service Company excess deferred federal income taxes.

d. *Operating Expenses*

i. Uncollectible Accounts Expense

The Settling Parties agree that the recovery of distribution-related uncollectible-accounts expense¹⁹ shall be calculated using Narragansett Gas's actual five-year average ratio of actual distribution net write-offs as a percentage of distribution revenues (as calculated in Docket No. 4323 and Docket No. 3943) ending with the Test Year, except as follows:

The twelve-month period ended June 30, 2013 will be eliminated from this calculation for Narragansett Gas for the Rate Year(s) in these proceedings. This adjustment reduces the average write-off rate that is applied to the Rate Year 1

¹⁸ Capital additions that are being recovered currently through the ISR will be included in rate base as of September 1, 2018, concurrent with the effective date of new base rates in these proceedings. Therefore, the capital-related portion of the ISR factor will be set to zero as of September 1, 2018.

¹⁹ This amount does not include the commodity-related portion of uncollectible accounts expense (*see* Pre-Filed Direct Testimony of Company Witness Melissa A. Little at Page 47 (Bates Page 51 of Book 8). The calculation of uncollectible account expense is provided in Schedule MAL-22 (Rev-2) (Rebuttal Book 3).

revenues to calculate the pro forma Rate Year 1 uncollectible accounts expense.

This adjustment reduces the average Narragansett Gas write-off rate from 2.08 percent to 1.91 percent.

The write-off rate of 1.91 percent also shall be used to calculate the uncollectible accounts expense allowance in those reconciling mechanisms that provide for the recovery of uncollectible account expense.

e. *Return on Rate Base*

i. Capital Structure

The Settling Parties agree that the revenue requirement established by this Settlement Agreement for Narragansett Gas shall be set, as shown on Attachment 2. The actual capital structure shall be adjusted further to include the long-term debt issued on July 27, 2018 pursuant to the separate Settlement Agreement entered into between the Division and the Company dated February 15, 2017, in Division Docket D-17-36, which was approved as set forth in the Division's Report and Order issued February 19, 2017, and as set forth in the statement of basic terms that the Company filed with the Division on August 1, 2018.

ii. Cost of Long-Term Debt

As stated above, the new long-term debt shall be pro-formed at an interest rate of 3.919 percent and debt expense estimated at 0.46 percent, or \$1.61 million. Upon completion of the debt issuance, the revenue requirement established by the Settlement Agreement shall be adjusted to use the actual weighted cost of long-term debt and debt expense after the new debt issuance. The Company shall make a filing to the PUC within 60 days of the completion of the issuance to adjust base distribution rates to incorporate the actual debt rate and issuance costs in distribution rates.

iii. Return on Common Equity

The Settling Parties agree that the return on common equity shall be set at 9.275 percent.

iv. Weighted Average Cost of Capital

The computation of the pre-tax WACC established by this Settlement Agreement is set forth in Attachment 2. The weighted average cost of capital set forth in Attachment 2, as adjusted pursuant to Section 8(e), above, shall be used for ratemaking purposes, including in the ISR Plan, until the next base-distribution rate proceeding for Narragansett Gas.

f. *Miscellaneous Corrections.* The Settling Parties agree that Narragansett Gas shall make all corrections (1) identified during discovery, (2) in the preparation of the May 9, 2018 rebuttal cost of service, and (3) resulting from changes presented in the rebuttal testimony of Company Witness Melissa A. Little in finalizing the cost of service for Narragansett Gas.

9. Narragansett Gas - Revenue Allocation, Rate Design, and Tariff

a. *Allocated Cost of Service.* The Settling Parties agree, for the purpose of settlement in these proceedings, to use the ACOSS included in Attachment 14, consistent with the ACOSS filed by Narragansett Gas on April 3, 2018.

b. *Revenue Allocation and Rate Design.* The Settling Parties agree that Narragansett Gas' revenue allocation contained in Attachment 16, prepared consistent with the Division's recommended revenue allocation filed with the PUC on April 6, 2018,²⁰ shall be incorporated into the design of base distribution rates. The Settling Parties agree to the allocation of the annual base distribution rate allowance of the revenue requirements associated with Grid Modernization programs allocable to Narragansett Gas, as described in Section 15, and

²⁰ Schedule BRO-4 of the Direct Testimony of Witness Bruce R. Oliver on behalf of the Division.

the Rate Year 2 and Rate Year 3 annual base distribution rate increases as stated above in Section 8.

The Settling Parties agree with Narragansett Gas' rate design included in Attachment 16, which reflects:

i. The rate designs for Rates 10/11 and Rates 12/13 reflect a monthly customer charge of \$14.00 and uniform base distribution per-therm rates sufficient to recover the remaining revenue requirement of these two rate classes after consideration of the \$14.00 customer charge.

ii. The rate designs for Rates 10/11 and Rates 12/13 reflect different uniform base distribution per-therm rates effective during the peak months of November through April as compared to uniform base distribution per-therm rates effective during the non-peak months of May through October.

iii. The rate design for Rate 21 reflects a monthly customer charge of \$25.00 and uniform base distribution per-therm rates sufficient to recover the remaining revenue requirement of these two rate classes after consideration of the \$25.00 customer charge.

iv. The rate designs for Rate 21 reflects different uniform base distribution per-therm rates effective during the peak months of November through April as compared to uniform base distribution per-therm rates effective during the non-peak months of May through October.

c. *Other Settlement Provisions.* The Settling Parties agree to the following:

i. For customers receiving delivery service on Rates 11 and 13, a total bill discount shall be applied. Specifically, (a) the percentage discount off of the total amount billed shall be 25 percent, and (b) customers receiving benefits through Medicaid,

General Public Assistance, and/or the Family Independence Program, an additional discount of 5 percent off the total amount billed. The Settling Parties agree that Narragansett Gas shall implement the LIDRF calculated in Attachment 20. Customers billed on Rates 11 or 13 shall not be assessed the LIDRF.

- ii. The Company shall implement a returned check fee of \$8.00.
- iii. Narragansett Gas shall remove the Optional Credit Card Payment Provision from its tariff.
- iv. Narragansett Gas will weather-normalize the demand billing units of its medium, large, and extra-large commercial and industrial rate classes in future general rate cases.
- v. Narragansett Gas shall revise the language in the Distribution Adjustment Clause of its tariff to clarify the determination of System Pressure costs consistent with the Division's recommendation.
- vi. Narragansett Gas shall revise the language in the Gas Cost Recovery (GCR) Clause of its tariff that will allow for it to include in its annual GCR factor filings an estimate of operation and maintenance (O&M) expense associated with its liquefied natural gas (LNG) activities as a component of fixed gas supply costs. This estimate is subject to reconciliation to actual LNG O&M expense incurred during the applicable GCR factor term, subject to the PUC's review of reasonableness and prudence, consistent with the other fixed gas supply costs, which also are subject to the PUC's review and approval. The implementation of this change in ratemaking treatment of LNG O&M expense is intended to capture any decreases in LNG O&M expense noted by the Division in its April 6, 2018 direct testimony. The amount of LNG O&M expense can be lower or higher than the amount removed from the Rate Year 1

distribution revenue requirement. The proposed revisions to the GCR Clause are included in Attachment 19.

d. *Miscellaneous Corrections.* The Settling Parties agree that, in finalizing the ACOSS, revenue allocation, and rate design, Narragansett Gas shall make all corrections identified during discovery.

e. *Bill Impacts and Tariff.* Attachment 17 sets forth the gas bill impacts resulting from this Settlement Agreement. Attachment 18 presents the other rates and charges that are impacted by this Settlement Agreement, consistent with what was initially filed on November 27, 2017. Attachment 19 contains the tariff, marked to show changes from that currently in effect, proposed to become effective September 1, 2018.

The impact of this Settlement Agreement on the annual bill of an 845 therm residential heating customer, as compared to the rates which were in effect at the time of the Company's filing in this case, in each of the Rate Years is as follows:

	<u>Dollar</u> <u>Increase (Decrease)</u>	<u>Percent</u> <u>Increase (Decrease)</u>
Rate Year 1	(\$10.78)	(0.9%)
Rate Year 2	\$23.01	1.9%
Rate Year 3	\$11.94	1.0%

10. Narragansett Gas - Earnings Report and Earnings Sharing Mechanism

a. *Annual Earnings Report.* The Company shall file with the PUC and the Division annual earnings reports for Narragansett Gas consistent with and in a form similar to that which the Company has been filing for several years, most recently in Docket No. 4323, calculating gas regulatory earnings for the calendar year with the additions/changes set forth in subsection b. below. The timing of the filing of the annual earnings report for Narragansett Gas

shall change from September 1 to May 1 each year to align with the timing of the filing of the Company's earnings report for Narragansett Electric on May 1 of each year. The Company's Annual Report to the PUC for Narragansett Gas will reflect the twelve-month period ending December 31. The Company will file its gas earnings report for Fiscal Year 2018 on or before September 1, 2018. The Company will file its first gas earnings report for the twelve-month period ending December 31, 2018 by May 1, 2019.

b. *Calculation of Earnings for Annual Earnings Report.* The Company shall show the calculation of the regulatory earned return on distribution rate base and the earned return on distribution common equity, in two ways:

- i. Earnings including all Performance Incentives (as hereinafter defined below) earned for the applicable calendar year (Actual Total Earnings); and
- ii. Earnings excluding all Performance Incentives earned for the applicable calendar year (Base Earnings). The Base Earnings calculation also shall exclude any financial penalties incurred by Narragansett Gas that may have been assessed by the PUC or the Division and recorded during the calendar year, and the report shall disclose those excluded amounts separately.

For purposes of this Section, the term "Performance Incentives" refers to each of the following incentives:

- i. Energy Efficiency Program (EEP) incentive;
- ii. The Company's share of any incentive earned pursuant to the Natural Gas Portfolio Management Plan recorded during the calendar year;
- iii. The Company's share of any incentive earned or penalties incurred pursuant to the Gas Procurement Incentive Plan recorded during the calendar year; and

iv. Any other performance incentive that may be approved by the PUC in a future proceeding that was earned and recorded by Narragansett Gas for performance applicable to the calendar year, unless the PUC determines at the time of approval that any such future incentive should be included in the calculation of Base Earnings.

For informational purposes, the Company shall include a separate calculation of the basis point value on the earned return on distribution common equity resulting from and for each of the individual Performance Incentives.

c. *Earnings Sharing With Customers.* If and when the Narragansett Gas Base Earnings exceed the allowed ROE of 9.275 percent in any calendar year, the amount in excess of 9.275 percent will be deemed “shared earnings.”

i. If the level of Base Earnings is greater than the allowed ROE of 9.275 percent but is less than or equal to 10.275 percent, 50 percent of the shared earnings in this tier shall be credited to customers and the Company shall retain 50 percent of the shared earnings, which shall not be reflected in any earnings reports.

ii. If the level of Base Earnings is greater than 10.275, 75 percent of the shared earnings in this tier shall be credited to customers and the Company shall retain 25 percent of the shared earnings, which shall not be reflected in any earnings reports.

Narragansett Gas shall retain 100 percent of any excess gas earnings of the Actual Total Earnings that are attributable to any of the Performance Incentives. Any shared gas earnings credited to customers shall be credited to the Distribution Adjustment Clause (DAC), unless the PUC otherwise directs the credit to customers in another manner.

11. Narragansett Gas - Other Tariffs and Reconciling Mechanisms

The Settling Parties agree that this Settlement Agreement does not (and is not intended

to) amend, modify, or change in any respect any tariff or mechanism currently in effect for Narragansett Gas for costs recovered outside of base distribution rates pursuant to any statute or prior PUC order that are not specifically addressed in this Settlement Agreement, or contained in Attachment 22.

Consistent with the impact of the results of a general rate case and the PUC's rulings thereon, the Company shall implement changes to its other factors and charges associated with its various reconciling mechanisms, effective September 1, 2018, to reflect updated net write off percentages, LNG O&M expense, WACCs, and cash working capital percentages. In its compliance filing pursuant the PUC's approval of the Rate Plan, the Company shall file schedules in support of the requisite changes to its other factors and charges that will be reflected in its bills to customers effective September 1, 2018, as illustrated in Attachment 18.

12. Gas Business Enablement Program

a. *Program Scope; Service Company Rents; Overall Capital Investment.*

The Company will continue to implement the Gas Business Enablement Program during the term of the Rate Plan. The Gas Business Enablement Program is a shared investment across all National Grid USA operating companies, which will be implemented and owned by the National Grid USA Service Company, Inc. (Service Company), with a portion of the costs allocated to the Company. The total Service Company costs of the Gas Business Enablement Program for capital expenses and project operating expenses relating to the capital investment (excluding run the business costs) are forecasted to be \$478.3 million through Fiscal Year (FY) 2023.

b. *Capital Investment Levels for the Company.* The revenue requirements for Narragansett Electric and Narragansett Gas include 85 percent of the Company's share, as charged to the Company by the Service Company as a rent expense, of the annual revenue

requirement on forecasted Gas Business Enablement Program capital investments. The rent expense charged to the Company for the Gas Business Enablement Program includes the return on, and the amortization of, the Company's allocated portion of current Gas Business Enablement Program capital investments along with incremental Gas Business Enablement Program capital investments that are forecasted to be placed in service during the Rate Years. Notwithstanding the specified program level spending amounts, nothing in this Settlement Agreement is intended to alter the Company's flexibility during the term to substitute, change, or modify the timing of its Gas Business Enablement Program capital investments to deliver the scope of the Gas Business Enablement Program.

c. *10-Year Amortization of Operating and Maintenance (O&M) Costs for the Company.* The revenue requirements for Narragansett Electric and Narragansett Gas for each Rate Year include 85 percent of the Company's forecasted annual non-recurring O&M expense for the Gas Business Enablement Program to be charged to the Company during each Rate Year, amortized over 10 years and including a return at Narragansett Electric's and Narragansett Gas's WACC, as applicable. The revenue requirements include a reduction to the non-recurring O&M expense allowance in each Rate Year, representing 100 percent of Type I forecasted O&M savings and 85 percent of Type II forecasted O&M savings expected to be realized as a result of the Gas Business Enablement Program.

d. *Run-the-Business Costs.* The revenue requirements include forecasted incremental costs to maintain the Gas Business Enablement technology in the Rate Years at the level proposed by the Company in its initial filing: \$779,580, \$1.2 million, and \$1.3 million, respectively, for Narragansett Gas. In the Company's initial request, it included an offset to these run-the-business costs representing 100 percent of Type I forecasted O&M savings. As

part of the settlement, the Company has agreed to further offset these costs by an amount representing 85 percent of Type II forecasted O&M savings expected to be realized as a result of the Gas Business Enablement Program. The adjustment to reflect these additional savings result in a reduction to the revenue requirement of \$49,823, \$157,867, and \$265,584 in each Rate Year, respectively.

e. *Deferral.* To the extent the Company incurs costs less than the Narragansett Electric and Narragansett Gas revenue requirement allowances included in base distribution rates for the items described in Section 12.b. and 12.c. above, the Company shall create a regulatory liability to defer that amount to be returned to customers. The credit to customers of the balance of the regulatory liability account shall be determined from the Company's next general rate case or extension of the Rate Plan governed by this Settlement Agreement. To the extent the Company incurs costs in excess of the Narragansett Electric and Narragansett Gas revenue requirement allowances included in base distribution rates for the items described in Section 12.b. and 12.c. above, the Company shall create a regulatory asset to defer that amount, but in no case will the deferral to the regulatory asset result in recovery of a total cost in excess of the Company's forecasted revenue requirement allowances included in base distribution rates for the items described in Section 12.b. and Section 12.c. above, of \$43.8 million (\$38.3 million for Narragansett Gas and \$5.5 million for Narragansett Electric). The recovery of the balance of the regulatory asset account shall be determined from the Company's next general rate case or extension of the Rate Plan governed by this Settlement Agreement. All Gas Business Enablement costs to be recovered shall be subject to the PUC's review of the reasonableness and prudence of such costs. The Company will accrue carrying charges on the deferral balances using the pre-tax WACC.

f. *Gas Business Enablement Program Reporting.* The Company will file quarterly Gas Business Enablement Program reports with the PUC and the Division within 60 days after the end of each quarter of each Rate Year. The report will address the status of the Gas Business Enablement Program and budget, including: (i) a narrative explaining overall program status; (ii) detail on budgets and actual spending; (iii) identification of allocations of costs to the Company; (iv) explanations of variances between budgeted and actual spending; and (v) an update on the status of the deferral balance created pursuant to subsection e. above, including, at a minimum, the increase, decrease, and balance of the deferral at the end of each quarter.

The Company will work with the Division to accommodate more in-depth reviews by the Division, PUC Staff, or the Division's consultants of the systems associated with Gas Business Enablement during the term of the Rate Plan.

13. Cyber Security and Information Services (IS) Technology Modernization Programs

a. *Scope of Programs; Service Company Rents; Overall Capital Investment.* The Company will continue to implement the Cyber Security and IS Technology Modernization Programs during the term of the Rate Plan. The Cyber Security and IS Technology Modernization Programs are shared investments across all National Grid USA operating companies, which will be implemented and owned by the Service Company, with a portion of the costs allocated to the Company. The total Service Company costs of the Cyber Security and IS Technology Modernization Programs for capital investments and project operating expenses relating to the capital investment (excluding run the business costs) are included in the revenue requirement.

b. *Capital Investment Levels for the Company.* The revenue requirements for Narragansett Electric and Narragansett Gas include 85 percent of the Company's share, as charged to the Company by the Service Company as rent expense, of the annual revenue requirement on forecasted Cyber Security and IS Technology Modernization Programs capital investments. The rent expense charged to the Company for the Cyber Security and IS Technology Modernization Programs includes the return on, and the amortization of, the Company's allocated portion of current Cyber Security and IS Technology Modernization Program capital investments and incremental Cyber Security and IS Technology Modernization Programs capital investments that are forecast to be placed in service during the Rate Years. Notwithstanding the specified program level spending amounts, nothing in this Settlement Agreement is intended to alter the Company's flexibility during the term to substitute, change, or modify the timing of its Cyber Security and/or IS Technology Modernization Programs capital investments to deliver the scope of the Cyber Security and/or IS Technology Modernization Programs.

c. *Deferral.* To the extent the Company incurs costs less than the Narragansett Electric and Narragansett Gas revenue requirement allowances included in base distribution rates for the items described in Section 13.b. above, the Company shall create a regulatory liability to defer that amount to be returned to customers. The credit to customers of the balance of the regulatory liability account shall be determined from the Company's next general rate case or extension of the Rate Plan governed by this Settlement Agreement. To the extent the Company incurs costs in excess of the Narragansett Electric and Narragansett Gas revenue requirement allowances included in base distribution rates for the items described in Section 13.b. above, the Company shall create a regulatory asset to defer that amount, but in no

case will the deferral of the regulatory asset result in recovery of a total cost in excess of the Company's forecasted revenue requirement of \$17.3 million (\$5.2 million for Narragansett Gas and \$12.1 million for Narragansett Electric). The recovery of the balance of the regulatory asset account shall be determined from the Company's next general rate case or extension of the Rate Plan governed by this Settlement Agreement. All Cyber Security and IS Technology Modernization Program costs to be recovered shall be subject to the PUC's review of the reasonableness and prudence of such costs. The Company will accrue carrying charges on the deferral balances using the pre-tax WACC.

d. *Cyber Security and IS Technology Modernization Programs Reporting.*

The Company will file quarterly Cyber Security and IS Technology Modernization Programs reports with the PUC and the Division within 60 days after the end of each quarter of each Rate Year. The report will address the status of the Cyber Security and IS Technology Modernization Programs and budgets, including: (i) a narrative explaining overall program status; (ii) detail on budgets and actual spending; (iii) identification of allocations of costs to the Company; (iv) explanations of variances between budgets and actual spending, and (v) an update on the status of the deferral balance created pursuant to subsection c. above, including, at a minimum, the increase, decrease, and balance of the deferral at the end of each quarter. In the report for the last quarter of each Rate Year (quarter ending March 31), the Company will also include (i) any cost or timeline differences that exceed ten percent for the Rate Year; and (ii) the latest Cyber Security and IS Technology Modernization Programs sanction papers authorized during that Rate Year.

The Company will work with the Division to accommodate more in-depth reviews by the Division, PUC Staff, or the Division's consultants of these programs during the term of the Rate

Plan. The Company commits to submit to the Division and PUC the report produced by the independent cyber security consultant who reviewed the Company's cyber security investments and strategy no later than 30 days after the approval of the Settlement Agreement. The report will be filed under the protection of confidentiality.

14. Commencement of Investments to Enable a Modern Grid

The Company shall commence implementation of the following initiatives that the Company originally identified in its PST Plan filing in Docket No. 4780, as provided below:

a. *System Data Portal*

Narragansett Electric will implement this project beginning in Rate Year 1. The revenue requirement in Rate Year 1 will include \$0.5 million for up to two FTEs in support of this project; the revenue requirement in Rate Year 2 will include an incremental \$0.2 million for one additional FTE in Rate Year 2.

b. *Control Center Enhancements*

i. Geographic Information System (GIS) Data Enhancement Project

Narragansett Electric will commence the GIS Data Enhancement Project, as proposed in its initial filing, in Rate Year 1, and will use reasonable efforts to complete it within 12 months after the project is commenced. The Company's allocated share of the GIS Data Enhancement Project is \$427,000, which will be amortized over the three years of the MRP and included in Narragansett Electric's revenue requirement, with a return at the customer deposit rate.

Narragansett Electric will commence populating the system with Rhode Island information in Rate Year 2. An allowance of \$1 million will be included in the revenue requirements for Rate Year 2 and Rate Year 3 for this project.

ii. Distribution Supervisory Control and Data Acquisition (DSCADA) and Advanced Distribution Management System (ADMS)

Narragansett Electric shall begin the DSCADA/ADMS project, as proposed in its initial filing, during the MRP. To provide Narragansett Electric an opportunity to coordinate implementation of DSCADA/ADMS with its Massachusetts affiliates, Narragansett Electric shall have the discretion to determine the commencement date of the DSCADA/ADMS project. An allowance for the Company's multi-jurisdictional share of the DSCADA/ADMS project in an amount of \$0.4 million to cover the initial costs for project Requirements and Definition will be included in the revenue requirement in Rate Year 2. If, however, the DSCADA/ADMS project commences on a later schedule during the MRP, the allowance shall be deferred and applied to the cost of the project, regardless of the timing of completion, and the deferral of which will accumulate interest at the customer deposit rate. A three-year project development and deployment phase will then commence with an expected in-service date beyond the term of the MRP; therefore, revenue requirements for the deployment are not included in this plan.

iii. Remote Terminal Unit (RTU) Separation

Narragansett Electric will begin a program to separate distribution RTUs from transmission RTUs in support of DSCADA/ADMS. Distribution system data will be disaggregated from transmission system data by separating the field RTUs that capture the data and incorporating it into the Company's Supervisory Control and Data Acquisition (SCADA) system. In addition to enabling dedicated DSCADA, a secondary benefit from creating a bright line separation between transmission operations and distribution operations is that it eliminates FERC Critical Infrastructure Protection (CIP) oversight, and its associated risks and costs, from distribution operations. Allowances of \$0.0 million, \$0.2 million, and \$0.3 million are included in Rate Year 1, Rate Year 2, and Rate Year 3 revenue requirements, respectively, for RTU investments.

c. *Other Grid Modernization Investments.* In addition to these foundation initiatives, the following IS-related grid modernization investments are included in the Rate Year 2 and Rate Year 3 revenue requirements: Enterprise Service Bus, Data Lake, PI Historian, Advanced Analytics, Telecommunications, and Cybersecurity.

15. Grid Modernization Plan (GMP)

a. Narragansett Electric will engage with stakeholders via the PST Advisory Group or relevant subcommittee, to develop a comprehensive Grid Modernization Plan (GMP), in parallel with the collaborative effort to develop the Updated AMF Business Case. The GMP will provide a full assessment of the various initiatives being contemplated, including an explanation and evaluation of how the initiatives link to each other. The assessment will consider short and long-term initiatives to include active and future programs. The GMP will present implementation plans outlining the details and technologies over a five-year horizon plus an outline of how this plan aligns with the longer term (i.e., a ten year roadmap). The GMP will provide a roadmap of potential investments beyond the term of the current MRP; requests to fund those investments will be included as part of a general rate case, MRP, or ISR Plan filings.

b. Narragansett Electric will file the GMP with the PUC within a reasonable time after, or in conjunction with, the filing of the Updated AMF Business Case, as described in Section 16, below, but in any event no later than six (6) months following the filing of the Updated AMF Business Case to allow the PUC to consider the GMP and Updated AMF Business Case together.

c. The GMP will take into account the time period for any proposed AMF implementation, and it will include, at a minimum:

i. Objectives for the electric grid to advance the Goals for the Energy System and Rate Design Principles, and potential visibility requirements of the benefit-cost framework in Docket 4600 Guidance Document.

ii. Explanation of the role of currently active programs;

iii. Investments and technology deployments planned through the end of any proposed AMF implementation;

iv. Functionalities to achieve those objectives;

v. Review of options for candidate technologies to deliver those functionalities;

vi. Transparent, updated benefit cost analyses that fully incorporate the Docket No. 4600 framework;

vii. An implementation plan that provides a detailed explanation of the prioritization, sequencing, and pace of investments;

viii. A plan and explanation for the integration and leveraging of customer-side technologies and resources in the near and long-term;

ix. Identification of the possible communications solutions that address current and future needs and support a wide array of potential grid modernization programs and activities;

x. Explanation of congruency with grid modernization activities in New York and Massachusetts;

xi. A plan and explanation of how the selected investments and implementation plan address risks of redundancy or obsolescence; and

xii. A description of how the GMP, in particular the distribution planning components, addresses the relationship between electrification of heating and transportation and energy efficiency to allow for the furtherance of overall reduced peak demand while also encouraging electrification of heating and transportation.

d. The Settling Parties recognize that the Company's GMP and associated Company proposals will be subject to consideration by the PUC in a separate docket in conjunction with the Updated AMF Business Case, and all interested parties will have an opportunity to participate in any such docket prior to PUC action on the GMP and proposals contained therein. The Settling Parties acknowledge and agree that the PUC will make a final determination on whether and how to implement the GMP.

e. To the extent it is determined by the PUC that implementation of any grid modernization initiatives not already funded in the MRP should move forward, and Narragansett Electric must begin to incur costs during the MRP to begin the implementation process, the MRP may be re-opened to include the revenue requirement for any such approved initiatives during the term of the MRP in base distribution rates, as approved by the PUC.

16. AMF

a. *Updated AMF Business Case.* Provided this Settlement Agreement is approved by the PUC, the Company will commence the next phase of work to refine and update its AMF business case (referred to herein as the Updated AMF Business Case) for the Company's proposed AMF investments. Design and procurement efforts undertaken during that phase will be in coordination with the development of a similarly updated AMF business case for the Company's New York affiliate as part of a collaborative with the New York Public Service Commission Staff and other interested parties in that jurisdiction. The Company will use

reasonable efforts to file the Updated AMF Business Case for Rhode Island with the PUC no later than February 1, 2019, which will include an evaluation of shared communications infrastructure and various ownership models for key AMF components, including the potential for incremental revenue that might be generated by these models in the future. Furthermore, the Updated AMF Business Case will address data governance regarding customer, non-regulated power producer (NPP), and third party access to system and customer data, with the proper privacy and security protections in place. The Updated AMF Business Case will propose to implement AMF in the most cost-effective way, and will provide a cost estimate that can be relied upon for purposes of establishing future revenue requirements for deployment of AMF in Rhode Island.

The Company's share of the costs to develop the Updated AMF Business Case is forecasted to be approximately \$2 million. An allowance for this forecasted cost is included in the revenue requirements, which will be spread evenly over the three years of the MRP.

b. *Stakeholder Process and Regulatory Filing.* The Company will convene a preliminary meeting with Division staff and the Office of Energy Resources (OER) to develop a common understanding of the next phase of work, to identify areas of the current AMF business plan (as filed in Docket No. 4780, Book One, Chapter 4) requiring further exploration or refinement, and to identify areas for input from the PST Advisory Group (as defined in Section 17(e) below), or relevant subcommittee. An output of this preliminary meeting of the Company, the Division, and OER will be a document to formally agree on additional areas of exploration, pending the PUC's approval of the Company's \$2 million funding request for the Updated AMF Business Case. The schedule for the phase of work starting August 1, 2018 and concluding February 1, 2019 with the filing of the Updated AMF Business Case is further discussed below:

i. Between August 1, 2018 and November 15, 2018, the Company will refine and update its AMF business case. As part of this process, the Company will engage stakeholders, via the PST Advisory Group, or relevant subcommittee, to explore and develop a common understanding of specific AMF proposal areas, a customer engagement plan for AMF, including the role of non-regulated power producers (NPP), and assumptions and rationale upon which a proposal to develop time varying rates will be based.

ii. By September 15, 2018, the Company will convene a second meeting with Division staff and OER to present its Updated AMF Business Case addressing stakeholder identified areas, and further discuss additional questions, comments, or proposed modifications for the Company's consideration.

iii. By October 30, 2018, the Company will convene a third meeting with Division staff and OER. At this meeting, the Company will seek clarification, as required, of stakeholder concerns and comments on the Company's Updated AMF Business Case, and provide new information, if any, to address stakeholder concerns and comments.

iv. The Company will use reasonable efforts to file the Updated AMF Business Case with the PUC for review and approval of the funding necessary to deploy statewide AMF in Rhode Island in a timeframe consistent with the Updated AMF Business Case no later than February 1, 2019. The Updated AMF Business Case will contain the following elements:

- A refined and updated AMF business plan, benefit-cost analysis (BCA), and a detailed customer engagement plan;
- An updated AMF deployment schedule with a BCA (using the Societal Cost Test) for different meter deployment periods;

- Revenue requirement for AMF deployment;
- Deployment proposals, a proposal for cost recovery of AMF, and any activities associated with implementation of AMF;
- A proposal to allocate AMF costs among rate classifications;
- Assumptions upon which a proposal to develop time varying rates will be based;
- A Data Governance Plan regarding timely customer, NPP, and third-party access to system and customer data, (e.g., elements may include, but are not limited to, customer assigned peak load contribution, energy and capacity loss factors, interval usage, or other information needed for efficient wholesale and retail market participation) in place and billing quality customer data (e.g., elements may include, but are not limited to, electric usage in kilowatt-hours containing both “register reads” and “interval reads”) with the proper privacy and security protections;
- Updated costs for AMF deployment based on information gained from a procurement effort;
- Transparent, updated benefit cost analysis that fully incorporates the Docket No. 4600 framework;
- Investigation of alternative business models and ownership models;
- Analysis of data latency;
- Deployment details;
- Role of non-regulated power producers, including articles to share customer information and customer engagement;
- Ownership model for assets and telecom;

- Detailed AMF functionalities, how Rhode Island will achieve those functionalities, and a timeline for when those functionalities will be available;
- Identification of the most cost effective way to achieve the functionalities, and how the functionalities align to the policy objectives;
- Explanation of whether the realization of those functionalities will require additional future work and costs over 20 years;
- Identification of what functionalities the AMF will achieve that are part of the grid modernization plan and which are in addition to the Grid Modernization Plan;
- Identification of which functionalities are dependent on a full-scale roll out instead of a targeted roll out;
- Business cased based on both a Rhode Island-only scenario and a Rhode Island/New York scenario;
- A business case based on the length (duration) of meter deployment;
- Identification of the critically linked parts of grid modernization and AMF; and
- Identification of whether the AMF solution would allow for proper net metering according to the tariff.

The Settling Parties recognize that the Company's Updated AMF Business Case and associated Company proposals in relation to time varying rates will be subject to consideration by the PUC in a separate docket, and all interested parties will have an opportunity to participate in any process provided prior to PUC action on the Updated AMF Business Case and proposals contained therein. The Settling Parties acknowledge and agree that the PUC will make a final

determination on whether and how to implement AMF and time varying rates in the Company's service territory.

c. To the extent it is determined by the PUC that deployment of AMF should move forward and the Company must incur costs during the MRP to begin the deployment process, the MRP may be re-opened to propose the revenue requirement for any such approved initiatives during the term of the MRP in base distribution rates, as approved by the PUC.

17. Clean Energy Programs

The Solar Demonstration Program for Income Eligible Customers and the Income Eligible Customer Rewards Program, originally proposed in the Company's PST Plan filing in Docket No. 4780, are hereby withdrawn. Narragansett Electric will implement a portfolio of clean energy programs in other areas that the Company originally identified in its PST Plan filing in Docket No. 4780, with some modifications to the programs, as provided below:

a. *Electric Transportation.* The Settling Parties recognize that the Company has a role in facilitating the growth of Electric Vehicle (EV) adoption and scaling of the market for EV charging equipment to advance Rhode Island's zero emission vehicles and greenhouse gas emissions policy goals. In furtherance of these goals, Narragansett Electric will implement a phased electric transportation initiative over the term of the MRP, which will be comprised of the following components: (i) Off-Peak Charging Rebate Pilot, (ii) Charging Station Demonstration Program, (iii) Discount Pilot for Direct Current Fast Charging (DCFC) Station Accounts, (iv) fleet advisory services, and (v) Electric Transportation Initiative Evaluation. The revenue requirement for this initiative will include \$0.7 million in Rate Year 1, \$1.1 million in Rate Year 2, and \$2.1 million in Rate Year 3. The costs of this initiative shall be subject to a deferral mechanism, as described in Section 20, below.

i. Off-Peak Charging Rebate Pilot

Narragansett Electric will offer an Off-Peak Charging Rebate as a pilot to reward customers for charging their EV during off-peak hours, study customer charging patterns at various charging locations and levels, understand customer responsiveness to time-differentiated price signals, and evaluate technology and partnership alternatives to monitor and report charging. Participating customers will earn a rebate for every kWh charged between 9 p.m. and 1 p.m. The off-peak charging rebate will be 6 cents per kWh during the summer months (June through September), and 4 cents per kWh in all other months. Narragansett Electric reserves the right to offer the higher rebate value in the winter months if, for example, system conditions warrant, or to otherwise modify the rebate value. Narragansett Electric will evaluate the rebate value following the first full year of the program and will include any findings and recommendations in the Annual Evaluation Report, as discussed in subsection d., below.

ii. Charging Station Demonstration Program

Narragansett Electric will demonstrate new approaches to electric charging infrastructure development. Narragansett Electric may not own any of the Level 2 charging ports (*i.e.*, charging power between 10-20 miles per hour) to be developed as part of this initiative. Narragansett Electric also may not own any of the DCFC ports to be developed as part of this initiative. Prior to Rate Year 2, Narragansett Electric may propose to re-evaluate utility ownership of Level 2 and DCFC ports as a program design modification in the Annual Program Modification Report. The proposed categories of charging stations under the program are set forth in the tables below.

Charging Station Demonstration Project: Level 2

Level 2	Total Sites	Ports Per Site	Total Ports
Workplaces	14	10	140
Apartment Buildings	6	6	36
Income Eligible Community Sites	6	6	36
Public Transit Stations	6	10	60
Government light-duty fleet	3	8	24
Corporate light-duty fleet	3	8	24
Total	38		320

Charging Station Demonstration Project: DCFC

DCFC	Total Sites	Ports per Site	Total Ports
Public DCFC	4	5	20
Public transit buses	2	5	10
Rideshare company charging hub	1	5	5
Other heavy-duty/DCFC (port, airport)	2	4	8
Municipal school buses	3	1	3
Total	12		46

Narragansett Electric may not act to preclude third party provider market development. This Settlement Agreement does not impose any limitations or prohibitions on non-utility product and competitive service providers from offering EV-related products and services, including charging station hardware and software, to the government light duty fleets or to site hosts located in underserved market segments.

As part of this program, Narragansett Electric will provide site hosts with the Make-Ready work necessary to host a charging station up to the costs as provided in this section. As such, Narragansett Electric will be responsible for making the site ready for charging to be installed, owned, and operated by the Site Host. For all Make-Ready sites, Site Hosts will have a

choice of both EV charging equipment and network services. The Company will pre-qualify options for equipment and network services. All pre-qualified equipment will have open standards for communications and operations.

For DCFC stations, the Company will work closely with the PST Advisory Group, or relevant subcommittee, to ensure that DCFC stations deployed via this initiative are complementary to deployments using the Volkswagen Settlement Agreement funds administered by the Rhode Island Department of Environmental Management. Narragansett Electric will coordinate with OER and will reserve up to twenty-five percent (25%) of the DCFC ports to be allocated to State-funded, -supported, or -hosted stations that deliver benefits to the public. The Company will seek to co-locate one of the DCFC sites with a storage unit, as further described in subsection d. of this section, below. Deployment of the remaining DCFC sites will be in coordination with OER and the Division. For energy supply for the charging stations, the site host is the customer of record and accordingly will select competitive generation supply or standard offer service (the Company does not, and should not, have a say in the customer's decision on its choice of energy supplier).

iii. Discount Pilot for Direct Current Fast Charging Station Accounts

Narragansett Electric will offer a time-limited discount on the electric bills for dedicated DCFC electric accounts. This discount pilot will be available on a first come, first served basis, with the annual value limited to \$300,000 per year. Any existing or new customers with General C&I Rate G-02 or Large Demand Rate G-32 for dedicated DC Fast Charging purposes will be eligible for the discount, provided that twenty five percent (25%) of the stations receiving the discount shall be in stations that enable electric public transit. The monthly bill discount will be based on a per kW credit set at the same rate as the applicable (Rate G-02 or Rate G32)

distribution demand charge. The discount for participants who enroll in Rate Year 1 will be equal to one hundred percent (100%) of the distribution demand charge for a period of three years from the start of service. Sixty (60) days prior to enrollment for Rate Year 2 and Rate Year 3, the Company shall make, as part of the Electric Transportation Evaluation and Annual Program Modification Report, with input from the PST Advisory Group, a recommendation for the appropriate level of discount for new participants in such Rate Year based on enrollment data and lessons learned, for approval by the PUC. The results of the pilot and any proposed DCFC demand charges or rebates will be reviewed as part of the next MRP, which may include a phase out over years four, five, and six with the details of such phasing out to be included in the next MRP.

iv. Fleet Advisory Services

As a new component of the program arising from the settlement discussions, and not included in the Company's original filing, Narragansett Electric will, through a combination of internal and third-party expertise, offer a new advisory service to support electrification of customer fleets, the scope of which will include conducting long-term fleet electrification studies for a total of approximately twelve (12) fleet operators in Rhode Island, including government light-duty, corporate light-duty, public transit, government medium/heavy-duty (on-road and off-road), and municipal school buses. This program will replace Narragansett Electric's originally proposed Company Fleet Expansion program, which shall be eliminated, and Narragansett Electric will reallocate thirty-six percent (36%) of the funds previously identified for the Company Fleet Expansion program to fleet advisory services, provided that twenty-five percent (25%) of the funds address fleets owned by government or public transit entities.

v. Electric Transportation Initiative Evaluation

Narragansett Electric is committed to evaluating each element of the electric transportation initiative on an annual basis, and sharing its learnings with stakeholders and industry participants. In furtherance of this goal, Narragansett Electric will produce and publicly present an Annual Evaluation Report, using the metrics provided in the original filing, with appropriate modifications to be made to reflect the programs as approved in this Settlement Agreement within two months following the end of each Rate Year, describing implementation of the electric transportation initiative, and documenting the information gained through this initiative and any recommendations to enhance the program. The Company will file a copy of the Annual Evaluation Report with the PUC. The Company's Annual Evaluation Report will include, at a minimum, the following information, if available:

- location, category (as defined in the table in Section 17.a.ii. of this Settlement Agreement), in-service date, and utilization of each charging station installed;
- effectiveness of the Discount Pilot for DCFC Station Accounts, accounting for free-ridership and spillover effects;
- learnings on how the Company can integrate Electric Vehicles with minimal impacts on the cost of the distribution system, including an understanding of the effectiveness of the Off-Peak Charging Rebate Pilot;
- evaluation of the effectiveness of each component of the initiative in stimulating consumer adoption of electric vehicles, including an understanding of the effectiveness of the type and level of the incentive;

- results of the Fleet Advisory Services program, including the number of fleet vehicles converted to electric vehicles at the end of each rate year and at the end of the rate plan;
- the incremental CO2 reductions resulting from incremental vehicle adoption as described under the Distributed Energy Resources, CO2: Electric Vehicles metric; and
- evaluation of the Company's impact on fleet electric vehicle adoption.

The process for implementing any findings or recommendations contained in the Annual Evaluation Report will be through the PST Advisory Group, as discussed in subsection (e), below.

b. *Electric Heat.* Narragansett Electric shall not receive any funding for its proposed electric heat initiative through base distribution rates. Narragansett Electric may propose an electric heat initiative similar to the initiative proposed in this docket through the Energy Efficiency program plan, which, if proposed, will: (1) offer equipment incentives to lower the upfront cost barrier for Rhode Island residential customers to convert to efficient cold-climate air-source or ground-source heat pump systems; (2) offer rebates to a mix of standard offer service, competitive supply, and Income Eligible customers with approximately fifty percent (50%) of the rebate budget to be used for Income Eligible customers; and (3) be limited to residential customers for whom efficient electric heating has a Societal Cost Test ratio greater than 1 (e.g., currently delivered fuel customers and electric resistance customers). For standard offer service customers, the rebate level will depend on the installed system. For Income Eligible customers, the rebate level will be one hundred percent (100%) of the all-in cost of heating capacity.

c. *Strategic Electrification Education Fund.* The Settling Parties acknowledge that the ongoing electrification of transportation in Rhode Island has the potential to significantly reduce greenhouse gas emissions and to provide significant distribution system benefits. At the same time, the Settling Parties acknowledge that electric transportation, if not optimally integrated, has the potential to increase peak electric demand with negative consequences for system cost, system efficiency and emissions. To support the electric transportation initiatives discussed above, Narragansett Electric will create a Strategic Electrification Education Fund. The fund shall be administered consistent with R.I. Gen. Laws § 39-2-1.2. The revenue requirement shall include the following amounts for the fund: \$7,500 in Rate Year 1 to inform customers of the availability of the off-peak charging rate; \$11,250 in Rate Year 2 to inform customers of the availability of the off-peak charging rate; and \$18,750 in Rate Year 3 to inform customers of the availability of the off-peak charging rate. The Settling Parties also agree that, prior to the beginning of Rate Year 2, the Company may submit, in consultation with the Division, OER, and the members of the PST Advisory Group, a revised proposal to the PUC for funding the Strategic Electrification Education Fund, consistent with R.I. Gen. Laws § 39-2-1.2. The Settling Parties agree that this provision may be severed from the remainder of this Settlement Agreement without affecting the validity of the overall settlement if the PUC deems this provision inconsistent with its motions.

d. *Energy Storage Demonstration.* The Settling Parties agree that energy storage is critical for achieving a clean energy future as it provides the ability to optimize system performance over time and allows intermittent renewable resources, such as wind and solar, to make a larger contribution to overall generation. The Settling Parties also recognize the Company has a role to effectively integrate storage. To this end, Narragansett Electric will

demonstrate two energy storage solutions: (i) one behind-the-meter storage system co-located with a DCFC site, which will consist of an approximate 250 kW two hour energy storage system, supporting approximately two to six DCFC ports, and (ii) one front-of-the-meter storage system, which will consist of an approximate 500 kW three hour energy storage system for the primary purpose of realizing distribution system value, with the exact storage size and capacity to be determined by system need and location. The revenue requirement for this initiative will include \$0.1 million in Rate Year 1, \$0.2 million in Rate Year 2, and \$0.4 million in Rate Year 3. The costs of this initiative shall be subject to a deferral mechanism, as described in Section 20, below.

Narragansett Electric will procure each storage solution through a competitive RFP process, which will set forth the technical requirements, and will request proposals for both a third party-owned system with a service agreement, and an Engineering Procurement and Construction delivered system owned by the utility, which will explore alternative ownership models on a like-for-like basis, and benefits associated with each model. Narragansett Electric will share the draft RFP with stakeholders, via the PST Advisory Group, for feedback. The Company will file each draft RFP with the PUC no fewer than 30 days before it is issued to ensure that the PUC understands the barriers the pilot demonstration is designed to overcome and the learnings the Company intends to obtain from the project. The proposal(s) that have the best value and that also are compliant with the RFP will be selected. The Company will work with the Division and OER to ensure the procurement process and selection process has been done in an independent, transparent, and fair manner. The costs included in the revenue requirement for this initiative are based on a Company ownership model. The Company will prepare a cost/benefit analysis at the conclusion of each pilot/demonstration using the Docket No. 4600

Benefit-Cost Framework.

e. *Engagement and guidance in support of PST Programs.* The Company and the Settling Parties recognize that the initiatives included in this section are new in nature, with a higher level of uncertainty about the performance and results and that delivery of these programs over the period of the MRP will benefit from broad stakeholder engagement, review, and guidance. To formalize engagement of stakeholders that will be additional to the regular engagement of the Company with the Division and OER, the Company proposes the following:

- Establishment of a “PST Advisory Group,” to be chaired by the Company and whose members shall include the Division, OER, and representatives of the following interests: environment, clean energy industry or businesses, low income, NPP, community groups, and additional members as the Company, the Division, and OER may agree. The mission of the PST Advisory Group shall be to review at a high level progress on the delivery of all PST components of the MRP (Grid Modernization, AMF, time-varying rates, Electric Transportation, Storage, and Performance Incentive Mechanisms) and to provide guidance, and prioritization to support successful delivery of the components as a holistic suite. The Advisory Group shall also serve as a connection with other relevant programs / proceedings outside the MRP, for example, the Energy Efficiency Resource Management Council (EERMC), and to enable appropriate participation, alignment and coordination with such programs and proceedings.
- Creation of subcommittees under the PST Advisory Group, including but not limited to: 1) Strategic Electrification Subcommittee, and 2) AMF and Grid Modernization Subcommittee. Subcommittees shall be chaired by the Company and will include

Division and OER participation. The mission of the subcommittees shall be to provide guidance and prioritization on a more granular level in relation to the individual program.

- Quarterly updates: on a quarterly basis, commencing October 2018, the PST Advisory Group, and relevant subcommittees, will each meet to discuss the progress and challenges in the development and implementation of the PST components of the MRP, along with emerging insights and learnings. The schedule will be designed such that, wherever possible, meetings will all take place in one day, with the PST Advisory Group in the morning, followed by sequential subcommittee meetings. Prior to each quarterly meeting the Company will consult with the Division and OER to plan the agenda and topics for discussion. All PST Advisory Group members will have an opportunity to provide input on the agendas for meetings. PUC staff and Commissioners may also provide input on the agendas for topics to be addressed at PST Advisory Group meetings.
- Annual evaluation and program modification: The first PST Advisory Group meeting after the end of each Rate Year shall include a review of results and learnings from the previous year's performance. The meeting will also review recommendations for any modifications to program design or funding for the electric transportation and storage programs. The Company will file any recommendations requiring a transfer of funds between programs, following review by the PST Advisory Group, with the PUC for review and approval.
- In the event that the Company, the Division, and OER unanimously agree to adjust the schedule of meetings in the public interest, they are empowered to do so without

the agreement of all signatories to this Settlement Agreement, but they shall advise all signatories of the revised schedule.

- The Division and OER commit to leverage the guidance of the PST Advisory Group in its engagement with the Company on the development of future PST program development.
- The PST Advisory Group shall participate in two to four technical sessions or open meetings with the PUC. The PUC and all PST Advisory Group members shall have the opportunity to provide input on the creation of the agendas for these technical sessions or open meetings. The subcommittees of the PST Advisory Group shall attend and, if the PUC so directs, shall make presentations at these technical sessions or open meetings.

18. Capital Efficiency Mechanism for Narragansett Electric

The PUC is considering the Capital Efficiency Mechanism for Narragansett Electric in Docket No. 4857.

19. Performance-Based Incentive Mechanisms

The Settling Parties agree that the goal of a performance incentive mechanism is the development of meaningful performance incentives in support of key state energy policy goals. This Settlement Agreement represents a starting point for the role of performance incentive mechanisms in Rhode Island, which the Settling Parties expect will grow over time, both in terms of their financial importance and their role in driving important outcomes. Currently, the Company shall not earn any performance incentives based on values associated with unquantified benefits. The Settling Parties agree that the Division, in consultation with the Company, OER, and the members of the PST Advisory Group shall develop transparent and

well-defined metrics for describing unquantified benefits and providing evidence that such unquantified benefits have been advanced, for purposes of providing a future value for a performance incentive to drive such unquantified benefits. The Settling Parties further acknowledge that the appropriate mix and definitions of performance incentive mechanisms may evolve over time as PST progresses.

Narragansett Electric will implement the following performance incentive mechanism: System Efficiency: Annual MW Capacity Savings. The System Efficiency metric includes minimum, mid, and maximum targets, with an increasing earning opportunity at each level. The Company may earn proportionally for achievements that fall between target levels up to the maximum level.²¹ The potential earnings for the System Efficiency metric are calculated as 45% of the Quantified Net Benefits of achieving the metrics, as set forth in Attachment 28. The maximum earnings the Company can achieve from the System Efficiency metric are set forth in the table below.

2019	2020	2021
\$362,085	\$622,370	\$944,141

Additionally, the Settling Parties have identified several additional metrics to be tracked at this time, and for some of which the Company may become eligible for a financial performance incentive during the term of the MRP. These additional metrics are: (1) Distributed Energy Resources: Installed Energy Storage Capacity; (2) Distributed Energy Resources, CO2: Electric Vehicles; (3) Distributed Energy Resources: Light Duty Government and Commercial Fleet Electrification; (4) PST Enablement: Awarded Low-income and Multi-unit EVSE Sites; and (5)

²¹ In other words, for achievement at or above the minimum and up to the target level, the award will be calculated as the product of the maximum earnings level and the ratio of the achieved level to the maximum target.

PST Enablement: Distributed Generation (DG) Interconnection – Time to ISA.

a. *System Efficiency: Annual MW Capacity Savings.* The metric for this performance incentive mechanism will be the mega-watts (MW) of annual peak capacity savings. This metric is intended to reflect avoided capacity coincident with the ISO-NE peak hour. The proposed list of eligible resources for Annual MW Capacity Savings includes: (i) Demand Response, which will not be eligible for an incentive under the existing energy efficiency shareholder incentive; (ii) incremental net-metered behind-the-meter PV distributed generation in excess of Company forecast levels; (iii) incremental installed energy storage capacity; and (iv) any additional actions that the Company can identify to reduce peak demand, including non-wires alternatives expected to influence system peak that are not captured already under this or other metrics, and partnerships with third parties to provide peak reduction solutions. Achievement of the target is not based on any pre-determined mix of qualifying resources, but rather a total count of MW savings across all categories. The table below sets forth the targets and maximum earnings opportunity.

Annual MW Capacity Savings: Targets and Maximum Earnings Opportunity

	2019	2020	2021
Minimum	14	17	21
Target	17	21	24
Maximum	20	25	29
Earnings at Maximum (\$000)	\$362.09	\$622.37	\$944.14

For reporting performance on this metric, Narragansett Electric will submit resource-specific estimated MW savings. For existing eligible resources, Narragansett Electric will base savings on the following assumptions:

- For solar PV, Narragansett Electric will estimate the peak impact as the product of annual incremental installed capacity in excess of forecast levels available at the time

of the ISO New England system peak, multiplied by a coincidence factor of 0.21.

Narragansett Electric will report the forecast capacity and peak impacts of PV included in its annual peak forecast for the compliance year from the most recent annual forecast.²²

- For residential Demand Response under the Company's Connected Solutions program, Narragansett Electric will report the number of participating customers multiplied by a deemed kW savings value per thermostat of 0.46 kW. Should the Company modify the structure of this program or otherwise expand residential demand response offerings, the calculation of savings will be appropriately modified. Any such modifications to the incentive calculation will be presented to the PUC for approval prior to the commencement of the relevant performance year.
- For commercial and industrial Demand Response, Narragansett Electric will report the average observed MW savings over called events.
- For any resources not listed above, Narragansett Electric will report the calculation of resource-specific savings and provide explanation of any underlying assumptions.

b. *Distributed Energy Resources*

i. Installed Energy Storage Capacity

This metric will be a scorecard metric as described in subsection f., below.

ii. CO₂: Consumer Electric Vehicles

The metric is the incremental avoided tons of CO₂ resulting from the Company's proposed Electric Transportation Initiative, as shown in the table below. The Company forecast was developed by applying a growth rate in EV sales for 2018 through 2021 derived from the

²² For example, the Company's 2018 peak forecast projects incremental peak impacts from load-reducing solar PV in 2019 of 7.41 MW (35.3 MW of incremental capacity) in 2019.

Energy Information Administration’s Annual Energy Outlook 2018 projection of EV sales in New England, to historic data on EV registrations in Rhode Island from R.L. Polk. The Company’s forecast for incremental EVs adopted for years 2019 through 2021 is provided in the table below.

**Narragansett Electric Forecast of Incremental EVs Registered in Rhode Island
(Number of incremental vehicles)**

	2019	2020	2021
Forecast incremental EVs	857	1,180	1,644

The Company will track and report performance by (1) calculating incremental vehicles above Company forecasts; (2) calculating the number of incremental BEVs and PHEVs by multiplying the total number of incremental vehicles by the share of all new registrations that were BEVs, and the share of all new registrations that were PHEVs; and (3) applying per vehicle annual CO2 emissions reduction values as follows:

- Incremental BEVs x 2.32 metric tons CO2
- Incremental PHEVs x 2.08 metric tons CO2

The PUC will evaluate whether to allow a financial performance incentive to be attached to the achievement of this metric prior to Rate Year 2.

iii. Light Duty Government and Commercial Fleet Electrification

This metric is intended to capture the impact of Narragansett Electric’s electric transportation initiative on light-duty fleet adoption in Rhode Island relative to predicted market trends. The metric will measure incremental increase – above predicted levels – of government and commercial light-duty fleet electric vehicles in the state on an annual basis. The Company will track and report the incremental registrations (both in total and above the Company forecast

included in Attachment 29) based on R.L. Polk data or an acceptable substitute should the Polk data become unavailable. The PUC will evaluate whether to allow a financial performance incentive to be attached to the achievement of this metric prior to Rate Year 2.

c. *PST Enablement.* This category of incentives will track Narragansett Electric's activities that support broad access to the benefits of power sector transformation activities, or otherwise provide foundational support for power sector transformation objectives. These incentives are reflective of the qualitative benefits of this support and enablement. Incentives are described in more detail below:

i. Activated Apartment Building and Disadvantaged Community EVSE Sites

This metric will track the Company's activation of EVSE sites for apartment buildings and disadvantaged communities. The Company will report the in-service date for make-ready work and charging stations installed in both site categories.

ii. Distributed Generation (DG) Interconnection – Time to ISA

This metric will be a scorecard metric, as described in subsection f., below.

d. *Calculating Incentive Value.* For the System Efficiency performance incentive, the value of the incentive is established using the following steps:

- the quantified net benefits of the relevant initiative were estimated using the Company's BCA assumptions and methodology; and
- 45% of the quantified net benefits were used to determine the utility incentive; the remaining 55% of net benefits will go to customers.

When the Company achieves one of the System Efficiency targets, it will receive an incentive based upon the dollar value associated with the relevant target. The magnitude of the utility incentive will be based upon the BCA results used at the time the Commission approves

the Performance Incentive Mechanism. The utility incentive will not be modified based on after-the-fact reassessment of benefits and costs of the initiatives.

The Settling Parties agree that establishing a certain and meaningful incentive value is essential in order to most effectively drive Company performance in the delivery of the objectives supported by the incentive, and for these reasons, the Settling Parties agree that the System Efficiency Annual MW Capacity Savings performance incentive mechanism targets require a presumption of cost-effectiveness to establish the incentive size based on the BCA results, as more fully described below. For this initiative, the Company will be allowed to earn the incentive regardless of whether it turns out to be cost-effective. The Settling Parties agree and acknowledge that the Company's demand response initiatives are expected to play an important role in achievement of the System Efficiency Annual MW Capacity Savings targets. It is not clear that these programs will be demonstrated as cost-effective based on quantifiable benefits in their initial years; however, given their expected value to the system as they are further developed and expanded, their importance to enabling investment in and development of load management solutions, and the potential savings to participating customers, they are assumed to be cost-effective (via the assumed ratio of costs to benefits for the incentive) for the purpose of setting the value of the Annual MW Capacity Savings incentive.

e. *Reporting Performance.* Narragansett Electric will file an annual performance incentive mechanism report with the PUC no later than March 1 annually (1) comparing the Company's performance relative to each performance incentive mechanism target; (2) describing the savings achieved, (3) calculating incentives earned, including proration of any incentives related to metric achievement between the minimum, midpoint, and the maximum target levels, (4) any targets not achieved, and (5) demonstrating the cost and benefit

impacts of the metric on the energy system, customers, and society using the Docket No. 4600 Benefit-Cost Framework. Narragansett Electric will file a mid-year update on or before September 1 annually that describes the Company's progress toward each Performance Incentive Mechanism metric target and the actions taken by the Company to achieve target performance. The mid-year update also will include an assessment of whether (and, for the Annual MW Capacity Savings performance incentive mechanism, through which measures) the Company expects to meet its annual performance incentive mechanism targets.

f. *Scorecard Metrics.* The Company is proposing to track and report the following scorecard metrics:

i. DG Interconnections

Narragansett Electric will track the number of business days from executed ISA to distribution system modifications by category of interconnection (*i.e.*, simple, expedited, standard). For each category, the Company will calculate and report the averages and the variances from the averages.

ii. DG-Friendly Substation Transformers

Narragansett Electric will base reporting on the number of incremental 3VO installations completed.

iii. Utilization of EVSE in Low-income Areas

Narragansett Electric will report utilization rates at all EVSE sites installed through the Charging Station Demonstration Program. The reports will identify which EVSE sites are in low income areas.

iv. Reduction of Uncollectable Debt

Narragansett Electric will report enrollment in the Arrearage Management Plan (AMP) at the point of potential termination from service for purposes of developing a baseline and eventually setting an improvement target from this baseline, to maintain service to the low-income customer and prevent expansion of uncollectible debt.

v. Increased Stability of Service through Increased Enrollment in the Low Income Discount

Narragansett Electric will report enrollment in the low-income discount, represented by number of customers receiving delivery service on Rate A-60, for the purposes of developing a baseline and eventually setting an enrollment target that improves upon the baseline. Such a target would incentivize expanded enrollment on Rate A-60 thus increasing stability of service and reducing the frequency of the termination/reconnection cycle. This provision shall not be construed to allow customers to remain on Rate A-60 if they no longer are eligible for Rate A-60.

vi. NPP Residential Customer Demand Response Participation

Narragansett Electric will work with NPPs to measure the number of NPP residential customers participating in Narragansett Electric's Connected Solution program or any future demand response program that works with WiFi-enabled or smart thermostat(s) and other connected smart devices to reduce electricity use during periods of high energy demand.

vii. Distributed Energy Resources - Installed Energy Storage Capacity

Narragansett Electric will track incremental installed energy storage capacity. It is the intention of the Settling Parties that Narragansett Electric will coordinate deployment of energy storage with its distribution system planning and heat map activities, and that storage activities

undertaken by Narragansett Electric should provide opportunities for market engagement by NPPs and other third-parties.

viii. PST Enablement - Distributed Generation (DG) Interconnection – Time to ISA

Narragansett Electric will track its performance for the simplified, expedited without supplemental review, and standard tracks in meeting or outperforming tariff timelines for providing an executable interconnection service agreement. Narragansett Electric's performance will be measured by:

- aggregating the average time measured in Business Days necessary to issue an executable Interconnection Service Agreement commencing from the date an application is received, for each track identified above (Aggregate Necessary Tariff Time Frames), and comparing such performance to
- the total aggregate number of Business Days allowed by its Interconnection Tariff to issue an executable Interconnection Service Agreement commencing from the date an application is received (Aggregate Allowed Tariff Time Frames).

g. *Recovery of Earned Incentives.* The Company shall recover any approved performance incentives earned for achieving the performance incentive mechanism targets listed above through the operation of a new reconciling mechanism pursuant to the Performance Incentive Recovery Provision. The Company will make an annual filing with the PUC to request recovery of performance incentives earned pursuant to the Performance Incentive Mechanisms authorized by the PUC and approval of a separate Performance Incentive Factor filing based upon the requested earned incentives.

20. Deferral of Certain “Special Sector” Program Costs and Revenues

- a. In recognition of the uncertainty of timing and control of certain Special Sector Programs identified below, a deferral mechanism shall be implemented in accordance with this section.
- b. The Special Sector Programs to which this section shall apply includes:
 - i. The Electric Transportation program, described in Section 17.a. of this Agreement; and
 - ii. The Energy Storage Demonstration program, described in Section 17.d. (collectively referred to as the Special Sector Programs).
- c. The costs and annual base distribution rate allowances allocated to each of the Special Sector Programs shall be separately monitored and reconciled at the end of each Rate Year.
- d. To the extent the base distribution rate allowances allocated to the program exceed the actual costs incurred, the Company shall record the difference to a regulatory liability account. To the extent the deferral was caused by a reasonable delay in implementation, the deferral shall be applied to program cost incurrence when the program costs are later incurred. To the extent the deferral was caused by a cost reduction or funds not spent for reasons other than a reasonable delay, the deferral shall be held for the benefit of customers and the PUC shall determine how it shall be applied against other programs or costs that otherwise might have been borne by customers. The amount of any such deferral shall incur carrying charges at the WACC for Narragansett Electric for capital expenses and the customer deposit rate for Narragansett Electric for O&M costs.

e. To the extent the actual costs of a program exceed the base distribution rate allowances that were allocated to the program, the overspending shall be borne by the Company, unless the PUC allows the Company to record the difference to a regulatory asset for recovery at a later date. The PUC shall be under no obligation to approve a regulatory asset; however, a regulatory asset shall only be approved if the Company demonstrates that the costs were prudently incurred consistent with the program objectives and the overspending was out of its reasonable control.

21. Next Rate Case Filing

The Company's next general rate case shall be a combined electric and gas rate case unless the Company and the Division mutually agree that they should be filed separately. When the Company's next rate case is filed, the Company shall file complete revenue requirements for the rate year and no fewer than two additional consecutive twelve-month rate-year periods, to facilitate the PUC's and Division's review and potential approval of a multi-year rate plan.

a. The Company shall submit its next rate case filing to the PUC so that new base distribution rates take effect no later than September 1, 2022. Nothing in this Settlement Agreement shall preclude the Company from filing its next general rate case at any time earlier during the term of this Rate Plan or any extension thereof.

b. If the Division provides its consent to an extension of the term of this Rate Plan, the Division may specify another date upon which new base distribution rates are to become effective beyond September 1, 2022 in its place, but is not required to do so.

i. To the extent new base distribution rates resulting from the filing of the Company's next general rate case are not in effect by September 1, 2022, the Settlement

Agreement shall remain in effect during the interim and if required, the Performance Incentive Mechanism provision shall be extended to cover the additional interim period.

22. Additional Provisions

a. *Excess Deferred Taxes True Up.* As discussed in the Company's response to PUC 4-1 (Supplemental), a copy of which is provided as Attachment 24 hereto, to account for revisions to the corporate tax rate modified by the federal Tax Cuts and Jobs Act (Tax Act), the Company has recorded the \$116 million and \$51 million estimates of customer-related excess deferred federal income tax for Narragansett Electric and Narragansett Gas, respectively, to a tax regulatory liability account in recognition that customers will be refunded those excess deferred taxes. The Company will be able to calculate more accurately excess deferred taxes and the timing over which they should be returned when its fiscal year ended March 31, 2018 audited financial statements are completed during the late summer 2018. These estimates will become final with the filing of the fiscal year ended March 31, 2018 federal income tax return in December 2018, and the excess deferred tax regulatory liability will be adjusted to reflect that final balance.

This Settlement Agreement provides for a reduction to Narragansett Electric and Narragansett Gas revenue requirements by a high level estimate of excess deferred income tax amortization of \$5.1 million and \$2.0 million, respectively. The Company will true up these estimates in a supplemental compliance filing to be filed with the PUC in Docket No. 4770 after the Company files its Fiscal Year 2018 federal income tax return in December 2018. The true-up will reconcile the impact of the actual excess deferred tax amortization with the estimated amounts identified above, and will determine the final revenue requirements for Narragansett Electric and Narragansett Gas effective September 1, 2018. From these supplemental revenue

requirements, the Company will calculate the difference between the revenue requirements it began recovering September 1, 2018 and the revenue requirements in the supplemental compliance filing in Docket No. 4770 (Deferred Tax Differential). The Company will submit to the PUC for its review and approval a filing to address the ratemaking treatment of the Deferred Tax Differential for Narragansett Electric and Narragansett Gas no later than March 1, 2019. The filing shall propose the following:

Narragansett Electric: The Company will provide the calculation of the Narragansett Electric Deferred Tax Differential and the revised Annual Target Revenue (ATR) of its Revenue Decoupling Mechanism (RDM), reflecting an adjustment for the Deferred Tax Differential. In addition, Narragansett Electric will evaluate the appropriateness of proposing revised base distribution rates based upon the amount of the true-up to the revenue requirement to reflect the effect of the Deferred Tax Differential if the difference is determined to be of an amount that adjusting base distribution rates would be appropriate. The Company will present its evaluation on the necessity of revising base distribution rates as part of its proposal regarding the ratemaking treatment of the Deferred Tax Differential.

Narragansett Gas: The Company will provide the calculation of the Narragansett Gas Deferred Tax Differential. In addition, Narragansett Gas will evaluate the appropriateness of (i) proposing revised base distribution rates based upon the amount of the true-up to the revenue requirement to reflect the effect of the Deferred Tax Differential as described below, or (ii) proposing that the Deferred Tax Differential be credited through the DAC if the difference is determined to be relatively small such that adjusting base distribution rates would not be needed. The Company will present its evaluation on the necessity of revising base distribution rates as part of its proposal regarding the ratemaking treatment of the Deferred Tax Differential. If

Narragansett Gas proposes to change base distribution rates, the filing shall include the following: (1) for all customers, new base distribution rates effective on a prospective basis on a date determined with respect to the timing of the supplemental compliance filing; (2) for customers included in Narragansett Gas's RDM,²³ revised target revenue-per-customer amounts based upon the supplemental revenue requirements; and (3) for customers excluded from Narragansett Gas's RDM,²⁴ the difference for this group of customers be credited to, or recovered from, these customers through a one-time adjustment included in the DAC filing submitted to the PUC by August 1, 2019. If Narragansett Gas revises its target revenue-per-customer amounts, the revised revenue-per-customer amounts shall be reflected in its subsequent RDM reconciliation filings submitted to the PUC annually by July 1 until the effective date of base distribution rates resulting from a future general rate case. Any revised target revenue-per-customer amounts shall be subject to Section 22.c. of this Settlement Agreement.

For this high level estimate, this Settlement Agreement provides for the amortization of all property related excess deferred taxes over an approximate 30 year average service life of its assets. The composite depreciation rate currently in effect is 3.40 percent and 3.38 percent for Narragansett Electric distribution plant and Narragansett Gas plant, respectively, both of which equate to average service lives of just under 30 years. The Company agrees to amortize its non-property related excess deferred taxes over a period of ten years, as was proposed by the Division, until the true-up is performed.

b. *Minimum Funding Obligation.* For the purpose of determining its "Minimum Funding Obligation" and the carrying costs that apply to that obligation, the

²³ Pursuant to Narragansett Gas's tariff, customers included in the RDM are those receiving service on Narragansett Gas's residential, small C&I, and medium C&I rate schedules.

²⁴ Pursuant to Narragansett Gas's tariff, customers excluded from the RDM are those receiving service on Narragansett Gas's large C&I, extra-large C&I, and non-firm rate schedules.

Company shall be permitted to combine the funding of pensions and post-employment benefits other than pensions (PBOPs), thereby offsetting, for example, any deficiencies in PBOPs funding with any excess pension funding. The Company will be required to accrue and defer carrying charges on only the net unfunded pension/PBOP amount. The Minimum Funding Obligation is the Company's obligation to contribute amounts recovered from customers to the pension and PBOP plans as it is being recovered. The Minimum Funding Obligation level is equal to the amount billed to customers plus the amounts of capitalized pension and PBOP costs. The amount billed to customers includes (1) the pension and PBOP allowance in base distribution rates, and (2) plus or minus the amount billed or credited to customers through the PAF. If the Company does not fund its pension and PBOP plans at the Minimum Funding Obligation level, the Company will pay a carrying charge to customers at the weighted average cost of capital. This payment will be applied to the cumulative five-quarter average shortfall between the Minimum Funding Obligation level and amounts the Company contributes to the pension and PBOP plans, plus amounts paid to the Service Company for allocated pension and PBOP costs. The ability to combine the funding of pension and PBOPs will give the Company the flexibility to avoid permanently overfunding the PBOP plan, while at the same time, giving the Company the ability to meet its Minimum Funding Obligation.

c. *Narragansett Gas Forecast of Plant Additions for Gas Growth.* To ensure that customers will be credited with an accurate level of gas growth revenue and to address the Division's concern regarding the Company's growth capital forecast, this Settlement Agreement provides that Narragansett Gas will calculate the difference between the forecast gas-growth capital revenue requirement and the actual gas growth capital revenue requirement in Rate Year 1. Attachment 25 provides an illustrative calculation to be employed at the end of Rate

Year 1. As shown on this attachment, this difference shall be added to or subtracted from the total Revenue Decoupling Mechanism (RDM) class revenue requirement used to establish base distribution rates in these proceedings. This adjusted total RDM class revenue requirement will be divided by the actual average customer totals per rate class during Rate Year 1 to arrive at the class revenue per customer amount to be used in the calculation of RDM adjustments for all periods commencing September 1, 2018, and until new base distribution rates are established for gas service. The method illustrated in Attachment 25 does not establish any precedent for the calculation of RDM adjustments subsequent to future gas base distribution rate cases.

d. *Charitable Contributions.* Intentionally Deleted.

e. *American Gas Association (AGA) and Edison Electric Institute (EEI)*

Annual Membership Dues. To settle concerns raised by NERI associated with lobbying costs, which are not included in the Company's revenue requirements for Narragansett Gas and Narragansett Electric, charged to the Company by AGA and EEI, respectively, the Company has agreed to send letters to AGA and EEI requesting information regarding how such trade associations allocate costs between lobbying and non-lobbying expenses and substantiation of the allocation. The Company will provide the responses to the Division and the PUC.

f. *Low Income Reporting.* The Company, the Division, and GWC shall work together with PUC Staff to develop reporting requirements for existing and new electric and natural gas low-income rates, programs, and discounts. These reporting requirements shall be designed to: (1) inform the PUC how the low-income rates, programs, and discounts advance the rate design principles set forth in the Docket 4600 Guidance Document, and (2) provide information needed to support future investigation into a more dynamic low-income-rate design.

23. Other Provisions

a. The Settling Parties agree to request that the PUC adopt the terms of this Settlement Agreement without modification. The Settling Parties intend that this Settlement Agreement will be adopted by the PUC as being in the public interest and agree individually to advocate its adoption by the PUC in its entirety and to act so as to expedite that result.

b. The Settling Parties intend this Settlement Agreement to be a complete resolution of all issues in Docket No. 4770 and Docket No. 4780. It is understood that each provision of this Settlement Agreement is in consideration and support of all the other provisions, and expressly conditioned upon acceptance by the PUC. Except as expressly set forth herein, none of the Settling Parties is deemed to have approved, agreed to, or consented to any principle, methodology, or interpretation of law underlying or supposed to underlie any provision herein, including without limitation with respect to the PUC's August 3, 2018 open meeting decisions (and rationale therefor) regarding charitable contributions, carrying charges, and R.I. Gen. Laws § 39-2-1.2.

c. Except as otherwise stated in this Settlement Agreement, the provisions of the Settlement Agreement apply solely to, and are binding only in the context of, this Settlement Agreement and these proceedings. It is not the intention of this Settlement Agreement that it establishes any binding precedent. None of the positions taken by any Settling Party with respect to this Settlement Agreement nor the fact that a Settling Party is a signatory to this Settlement Agreement, may be referred to, cited by, or relied upon by anyone in any manner as precedent or otherwise in any other proceeding before the PUC or any other regulatory body or before any court of law as proof of assent or agreement by such Settling Party to the approval of any particular regulatory policy or principle that may be interpreted to arise out of this Settlement

Agreement. Concessions made by any Settling Party on any issue do not preclude that party from addressing such issues in future rate proceedings or in other proceedings. Any failure by any Settling Party to abide by the terms of this subsection shall not give rise to any claim against such Settling Party for breach of this Settlement Agreement, unless: (i) the Settling Party is provided notice of such failure and an opportunity to cure such failure; and (ii) such Settling Party does not cure such failure within seven (7) business days after such notice.

d. The Settling Parties recognize that certain provisions of this Settlement Agreement contemplate actions to be taken in the future and agree to cooperate with each other in good faith in taking such actions.

In the event of any disagreement over the interpretation of this Settlement Agreement that cannot be resolved informally among the Settling Parties, the party claiming a dispute will serve a Notice of Dispute on the remaining parties, briefly identifying the provision or provisions of this Settlement Agreement under dispute and the nature of the dispute, and convening a conference in a good faith attempt to resolve the dispute. If any such efforts are not successful in resolving the dispute among the Settling Parties, the matter will be submitted to the PUC for resolution.

e. Except as set forth herein, following the expiration of the term of the Rate Plan, all provisions of this Settlement Agreement will continue until changed by order of the PUC. Except as expressly provided otherwise, any targets, goals, deferral thresholds, or other similar items set forth in this Settlement Agreement for Rate Year 3 will continue beyond Rate Year 3 until modified by the PUC.

f. Nothing in this Settlement Agreement will be construed as precluding the active parties from convening additional conferences and from reaching agreement to extend this

Settlement Agreement on mutually-acceptable terms and from presenting an agreement concerning such extension to the PUC for its approval.

g. The Settling Parties recognize that the PUC has an ongoing obligation to modify rates to protect the public against improper and unreasonable rates that cannot be precluded by a settlement agreement

h. This Settlement Agreement sets forth the entire agreement of the Settling Parties and supersedes any prior or contemporaneous written documents or oral understandings among the Settling Parties concerning the matters addressed herein. In the event of any conflict between this Settlement Agreement and any other document addressing the same subject matter, this Settlement Agreement will control. Notwithstanding the foregoing, nothing in this Settlement Agreement is intended to modify the terms of the Docket No. 4686 Settlement Agreement.

i. Notices and other communications required to be provided or made under the Settlement Agreement shall be in writing and shall be deemed to have been given:

- i. When delivered by hand (with written confirmation of receipt);
- ii. When received by the addressee if sent by a nationally recognized overnight courier or by certified or registered mail, return receipt requested, postage prepaid; or
- iii. On the date sent by e-mail if sent before 5:00 p.m., recipient's time, and on the next day that is not a Saturday, Sunday, or Federal Holiday, if sent thereafter; in each case, to the applicable address and/or email address set forth on Attachment 27; provided that, if any notice is tendered to an addressee and the delivery thereof is refused by such addressee, such notice shall be effective upon such tender.

Any party hereto may change its address and/or email address reflected in Attachment 27 upon 15 days' prior notice of such change to the other parties hereto.

ARTICLE III: SETTLEMENT CONDITIONS

- A. This Settlement Agreement is the result of negotiations among the Settling Parties. The discussions that have produced this Settlement Agreement have been conducted on the explicit understanding that all offers of settlement and discussions relating hereto are and shall be privileged, shall be without prejudice to the position of any party or participant presenting such offer or participating in any such discussion, and are not to be used in any manner in connection with these or other proceedings involving any one or more of the parties to this Settlement Agreement or otherwise. The agreement by a party to the terms of this Settlement Agreement shall not be construed as an agreement as to any matter of fact or law for any other purpose.
- B. Unless expressly stated herein, the making of this Settlement Agreement establishes no principles and shall not be deemed to foreclose any Settling Party from making any contention in any other proceeding or investigation.
- C. The Settling Parties submit this Settlement Agreement on the condition that it be approved in full by the PUC and on the further condition that, if the PUC (i) rejects this Settlement Agreement; (ii) fails to accept this Settlement Agreement as filed; or (iii) accepts this Settlement Agreement subject to conditions unacceptable to any Settling Party hereto, then this Settlement Agreement shall be deemed withdrawn, shall not constitute part of the record in any proceeding or be used for any purpose, and shall be deemed null and void, and the Settling Parties will be free to pursue their respective positions in these proceedings without prejudice.


- D. The Settling Parties recognize that the PUC has an ongoing obligation to modify rates to protect the public against improper and unreasonable rates, and that obligation cannot be precluded by a settlement agreement.
- E. This Settlement Agreement may be signed in counterparts, each of which shall be deemed an original and all of which together shall constitute one in the same document, and will be binding on each Settling Party when the counterparts have been executed.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties agree that this Settlement Agreement is reasonable and have caused this document to be executed by their respective representatives, each being fully authorized to do so, as of this 16th day of August, 2018.

Respectfully submitted,

THE NARRAGANSETT ELECTRIC
COMPANY D/B/A NATIONAL GRID

By: 
Its: PRESIDENT
Dated: 8/15/18

RHODE ISLAND DIVISION OF PUBLIC
UTILITIES AND CARRIERS

By: _____
Its: _____
Dated: _____

RHODE ISLAND OFFICE OF ENERGY
RESOURCES

By: _____
Its: _____
Dated: _____

CONSERVATION LAW FOUNDATION

By: _____
Its: _____
Dated: _____

DEPARTMENT OF THE NAVY AND
THE FEDERAL EXECUTIVE
AGENCIES

By: _____
Its: _____
Dated: _____

THE GEORGE WILEY CENTER

By: _____
Its: _____
Dated: _____

NORTHEAST CLEAN ENERGY
COUNCIL

By: _____
Its: _____
Dated: _____

WAL-MART STORES, LP AND SAM'S
EAST, INC.

By: _____
Their: _____
Dated: _____

IN WITNESS WHEREOF, the parties agree that this Settlement Agreement is reasonable and have caused this document to be executed by their respective representatives, each being fully authorized to do so, as of this 16th day of August, 2018.

Respectfully submitted,

THE NARRAGANSETT ELECTRIC
COMPANY D/B/A NATIONAL GRID

RHODE ISLAND DIVISION OF PUBLIC
UTILITIES AND CARRIERS

By: _____
Its: _____
Dated: _____

By: John W. Cole
Its: Counsel
Dated: August 16, 2018

RHODE ISLAND OFFICE OF ENERGY
RESOURCES

CONSERVATION LAW FOUNDATION

By: _____
Its: _____
Dated: _____

By: _____
Its: _____
Dated: _____

DEPARTMENT OF THE NAVY AND
THE FEDERAL EXECUTIVE
AGENCIES

THE GEORGE WILEY CENTER

By: _____
Its: _____
Dated: _____

By: _____
Its: _____
Dated: _____

NORTHEAST CLEAN ENERGY
COUNCIL

WAL-MART STORES, LP AND SAM'S
EAST, INC.

By: _____
Its: _____
Dated: _____

By: _____
Their: _____
Dated: _____

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Respectfully submitted,

THE NARRAGANSETT ELECTRIC
COMPANY D/B/A NATIONAL GRID


RHODE ISLAND DIVISION OF PUBLIC
UTILITIES AND CARRIERS

By: _____
Its: _____
Dated: _____

By: _____
Its: _____
Dated: _____

RHODE ISLAND OFFICE OF ENERGY
RESOURCES

CONSERVATION LAW FOUNDATION

By: 
Its: Attorney
Dated: 8/14/2018

By: _____
Its: _____
Dated: _____

DEPARTMENT OF THE NAVY AND
THE FEDERAL EXECUTIVE
AGENCIES

THE GEORGE WILEY CENTER

By: _____
Its: _____
Dated: _____

By: _____
Its: _____
Dated: _____

NORTHEAST CLEAN ENERGY
COUNCIL

WAL-MART STORES, LP AND SAM'S
EAST, INC.

By: _____
Its: _____
Dated: _____

By: _____
Their: _____
Dated: _____

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Respectfully submitted,

THE NARRAGANSETT ELECTRIC
COMPANY D/B/A NATIONAL GRID

RHODE ISLAND DIVISION OF PUBLIC
UTILITIES AND CARRIERS


By: _____
Its: _____
Dated: _____

By: _____
Its: _____
Dated: _____

RHODE ISLAND OFFICE OF ENERGY
RESOURCES

CONSERVATION LAW FOUNDATION

By: _____
Its: _____
Dated: _____

By: 
Its: SENIOR ATTORNEY
Dated: 8/14/18

DEPARTMENT OF THE NAVY AND
THE FEDERAL EXECUTIVE
AGENCIES

THE GEORGE WILEY CENTER

By: _____
Its: _____
Dated: _____

By: _____
Its: _____
Dated: _____

NORTHEAST CLEAN ENERGY
COUNCIL

WAL-MART STORES, LP AND SAM'S
EAST, INC.

By: _____
Its: _____
Dated: _____

By: _____
Their: _____
Dated: _____

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THE NARRAGANSETT ELECTRIC
COMPANY D/B/A NATIONAL GRID

RHODE ISLAND DIVISION OF PUBLIC
UTILITIES AND CARRIERS

By: _____
Its: _____
Dated: _____

By: _____
Its: _____
Dated: _____

RHODE ISLAND OFFICE OF ENERGY
RESOURCES

CONSERVATION LAW FOUNDATION

By: _____
Its: _____
Dated: _____

By: _____
Its: _____
Dated: _____

DEPARTMENT OF THE NAVY AND
THE FEDERAL EXECUTIVE
AGENCIES

THE GEORGE WILEY CENTER

By: *Shelley A. Han*
Its: Attorney
Dated: 15 Aug 2018

By: _____
Its: _____
Dated: _____

NORTHEAST CLEAN ENERGY
COUNCIL

WAL-MART STORES, LP AND SAM'S
EAST, INC.

By: _____
Its: _____
Dated: _____

By: _____
Their: _____
Dated: _____

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RHODE ISLAND DIVISION OF PUBLIC
UTILITIES AND CARRIERS

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Its: _____
Dated: _____

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Dated: _____

RHODE ISLAND OFFICE OF ENERGY
RESOURCES

CONSERVATION LAW FOUNDATION


By: _____
Its: _____
Dated: _____

By: _____
Its: _____
Dated: _____

DEPARTMENT OF THE NAVY AND
THE FEDERAL EXECUTIVE
AGENCIES

THE GEORGE WILEY CENTER

By: _____
Its: _____
Dated: _____

By:  _____
Its: Attorney
Dated: 8/15/18

NORTHEAST CLEAN ENERGY
COUNCIL

WAL-MART STORES, LP AND SAM'S
EAST, INC.

By: _____
Its: _____
Dated: _____

By: _____
Their: _____
Dated: _____

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COMPANY D/B/A NATIONAL GRID

RHODE ISLAND DIVISION OF PUBLIC
UTILITIES AND CARRIERS

By: _____
Its: _____
Dated: _____

By: _____
Its: _____
Dated: _____

RHODE ISLAND OFFICE OF ENERGY
RESOURCES

CONSERVATION LAW FOUNDATION

By: _____
Its: _____
Dated: _____

By: _____
Its: _____
Dated: _____

DEPARTMENT OF THE NAVY AND
THE FEDERAL EXECUTIVE
AGENCIES

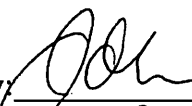
THE GEORGE WILEY CENTER

By: _____
Its: _____
Dated: _____

By: _____
Its: _____
Dated: _____

NORTHEAST CLEAN ENERGY
COUNCIL

WAL-MART STORES, LP AND SAM'S
EAST, INC.

By:  _____
Its: ATTORNEY
Dated: 8/15/18

By: _____
Their: _____
Dated: _____

IN WITNESS WHEREOF, the parties agree that this Settlement Agreement is reasonable and have caused this document to be executed by their respective representatives, each being fully authorized to do so, as of this 16th day of August, 2018.

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THE NARRAGANSETT ELECTRIC
COMPANY D/B/A NATIONAL GRID

RHODE ISLAND DIVISION OF PUBLIC
UTILITIES AND CARRIERS

By: _____
Its: _____
Dated: _____

By: _____
Its: _____
Dated: _____

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RESOURCES

CONSERVATION LAW FOUNDATION

By: _____
Its: _____
Dated: _____

By: _____
Its: _____
Dated: _____

DEPARTMENT OF THE NAVY AND
THE FEDERAL EXECUTIVE
AGENCIES

THE GEORGE WILEY CENTER

By: _____
Its: _____
Dated: _____

By: _____
Its: _____
Dated: _____

NORTHEAST CLEAN ENERGY
COUNCIL

WAL-MART STORES, LP AND SAM'S
EAST, INC.

By: _____
Its: _____
Dated: _____

By: Melissa Home
Their: Attorney
Dated: 8/15/18

ENERGY CONSUMERS ALLIANCE OF
NEW ENGLAND , INC. D/B/A
PEOPLE'S POWER AND LIGHT

By: *James Rhoad*
Its: *Attorney*
Dated: *8/15/2018*

ENERGY CONSUMERS ALLIANCE OF
NEW ENGLAND , INC. D/B/A
PEOPLE'S POWER AND LIGHT;
SIERRA CLUB; AND NATURAL
RESOURCES DEFENSE COUNCIL,
jointly

By: *James Rhoad*
Their: *Attorney*
Dated: *8/15/2018*

CHARGEPOINT, INC.

By: _____
Its: _____
Dated: _____

NEW ENERGY RHODE ISLAND

By: _____
Its: _____
Dated: _____

ACADIA CENTER

By: _____
Its: _____
Dated: _____

DIRECT ENERGY BUSINESS, LLC;
DIRECT ENERGY SERVICES, LLC;
AND DIRECT ENERGY SOLAR

By: _____
Their: _____
Dated: _____

NATIONAL RAILROAD PASSENGER
CORPORATION

By: _____
Its: _____
Dated: _____

ENERGY CONSUMERS ALLIANCE OF
NEW ENGLAND , INC. D/B/A
PEOPLE'S POWER AND LIGHT

By: _____
Its: _____
Dated: _____

ENERGY CONSUMERS ALLIANCE OF
NEW ENGLAND , INC. D/B/A
PEOPLE'S POWER AND LIGHT;
SIERRA CLUB; AND NATURAL
RESOURCES DEFENSE COUNCIL,
jointly

By: _____
Their: _____
Dated: _____

CHARGEPOINT, INC.

By: Edward D. Pare, Jr.
Its: Attorney
Dated: August 15, 2018

DIRECT ENERGY BUSINESS, LLC;
DIRECT ENERGY SERVICES, LLC;
AND DIRECT ENERGY SOLAR

By: _____
Their: _____
Dated: _____

NEW ENERGY RHODE ISLAND

NATIONAL RAILROAD PASSENGER
CORPORATION

By: _____
Its: _____
Dated: _____

By: _____
Its: _____
Dated: _____

ACADIA CENTER

By: _____
Its: _____
Dated: _____

ENERGY CONSUMERS ALLIANCE OF
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CHARGEPOINT, INC.

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NEW ENERGY RHODE ISLAND

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Dated: _____

ACADIA CENTER

By: _____
Its: _____
Dated: _____

ENERGY CONSUMERS ALLIANCE OF
NEW ENGLAND , INC. D/B/A
PEOPLE'S POWER AND LIGHT;
SIERRA CLUB; AND NATURAL
RESOURCES DEFENSE COUNCIL,
jointly

By: _____
Their: _____
Dated: _____

DIRECT ENERGY BUSINESS, LLC;
DIRECT ENERGY SERVICES, LLC;
AND DIRECT ENERGY SOLAR

By: Craig Walkster
Their: Council
Dated: 8/15/18

NATIONAL RAILROAD PASSENGER
CORPORATION

By: _____
Its: _____
Dated: _____

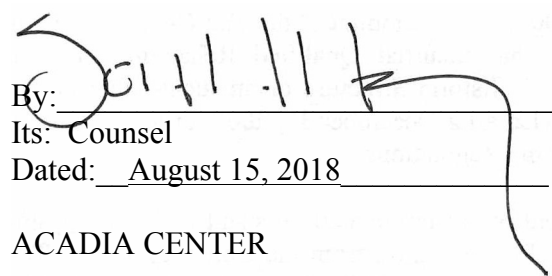
ENERGY CONSUMERS ALLIANCE OF
NEW ENGLAND , INC. D/B/A
PEOPLE’S POWER AND LIGHT

By: _____
Its: _____
Dated: _____

CHARGEPOINT, INC.

By: _____
Its: _____
Dated: _____

NEW ENERGY RHODE ISLAND

By:  _____
Its: Counsel
Dated: August 15, 2018

ACADIA CENTER

By: _____
Its: _____
Dated: _____

ENERGY CONSUMERS ALLIANCE OF
NEW ENGLAND , INC. D/B/A
PEOPLE’S POWER AND LIGHT;
SIERRA CLUB; AND NATURAL
RESOURCES DEFENSE COUNCIL,
jointly

By: _____
Their: _____
Dated: _____

DIRECT ENERGY BUSINESS, LLC;
DIRECT ENERGY SERVICES, LLC;
AND DIRECT ENERGY SOLAR

By: _____
Their: _____
Dated: _____

NATIONAL RAILROAD PASSENGER
CORPORATION

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ENERGY CONSUMERS ALLIANCE OF
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ACADIA CENTER

By: _____
Its: _____
Dated: _____


ENERGY CONSUMERS ALLIANCE OF
NEW ENGLAND , INC. D/B/A
PEOPLE’S POWER AND LIGHT;
SIERRA CLUB; AND NATURAL
RESOURCES DEFENSE COUNCIL,
jointly

By: _____
Their: _____
Dated: _____

DIRECT ENERGY BUSINESS, LLC;
DIRECT ENERGY SERVICES, LLC;
AND DIRECT ENERGY SOLAR

By: _____
Their: _____
Dated: _____

NATIONAL RAILROAD PASSENGER
CORPORATION

By: 
Its: Attorney
Dated: 15 August 2018

ENERGY CONSUMERS ALLIANCE OF
NEW ENGLAND , INC. D/B/A
PEOPLE'S POWER AND LIGHT

By: _____
Its: _____
Dated: _____

CHARGEPOINT, INC.

By: _____
Its: _____
Dated: _____

NEW ENERGY RHODE ISLAND

By: _____
Its: _____
Dated: _____

ACADIA CENTER

By: *Chris E. Papp*
Its: Attorney
Dated: Aug 15, 2018

ENERGY CONSUMERS ALLIANCE OF
NEW ENGLAND , INC. D/B/A
PEOPLE'S POWER AND LIGHT;
SIERRA CLUB; AND NATURAL
RESOURCES DEFENSE COUNCIL,
jointly

By: _____
Their: _____
Dated: _____

DIRECT ENERGY BUSINESS, LLC;
DIRECT ENERGY SERVICES, LLC;
AND DIRECT ENERGY SOLAR

By: _____
Their: _____
Dated: _____

NATIONAL RAILROAD PASSENGER
CORPORATION

By: _____
Its: _____
Dated: _____

SCHEDULE A
List of Attachments

<u>Compliance Attachment No.</u>	<u>Compliance Attachment Name</u>	<u>Book No.</u>
1	Narragansett Electric and Narragansett Gas Revenue Requirement Settlement Terms (Rate Years 1, 2, 3)	1
2	Narragansett Electric and Narragansett Gas Revenue Requirements (Rate Years 1, 2, 3)	1, 2
3	Narragansett Electric and Narragansett Gas Supporting Workpapers, including Cash Working Capital Studies	2, 3, 4
4	Narragansett Electric and Narragansett Gas Grid Modernization Revenue Requirements (Rate Years 1, 2, 3)	5
5	Narragansett Electric Special Sector Programs Revenue Requirements (Rate Years 1, 2, 3)	5
6	Narragansett Electric Allocated Cost of Service Study (Rate Year 1)	5
7	Narragansett Electric Allocator Study	5
8	Narragansett Electric Revenue Allocation (Rate Years 1, 2, 3) (including allocation of results of Rate Year 1 Allocated Cost of Service Study, plus (2) Years 2 and 3 increases, plus (3) PST revenue requirements for Rate Years 1, 2, 3))	5
9	Narragansett Electric Distribution Rate Design (Rate Years 1, 2, 3)	5
10	Narragansett Electric Bill Impacts (November 1, 2017 vs. Rate Year 1, Rate Year 1 vs. Rate Year 2, Rate Year 2 vs. Rate Year 3)	5
11	Narragansett Electric Streetlight Replacement Cost Study	6
12	Narragansett Electric Development of Rates Associated With Various Recovery Mechanisms	6
13	Narragansett Electric Redlined Tariffs (Marked to Show Changes from Those Currently in Effect)	6
14	Narragansett Gas Allocated Cost of Service Study (Rate Year 1)	6
15	Narragansett Gas Allocator Study	7
16	Narragansett Gas Revenue Allocation, Firm and Non-Firm Distribution Rate Design, and Revenue-per-Customer Targets by Rate Class (Rate Years 1, 2, 3; would include (1) allocation of results of Rate Year 1 Allocated Cost of Service Study, plus (2) Years 2 and 3 increases, plus (3) gas-related PST revenue requirements for Rate Years 1, 2, 3))	7
17	Narragansett Gas Bill Impacts (November 1, 2017 vs. Rate Year 1, Rate Year 1 vs. Rate Year 2, Rate Year 2 vs. Rate Year 3)	7
18	Narragansett Gas Development of Rates Associated With the Distribution Adjustment Clause and Gas Cost Recovery Clause	7

SCHEDULE A
List of Attachments

<u>Compliance</u> <u>Attachment No.</u>	<u>Compliance</u> <u>Attachment Name</u>	<u>Book No.</u>
19	Narragansett Gas Redlined Tariff (Marked to Show Changes from that Currently in Effect)	7
20	Narragansett Electric and Narragansett Gas Calculation of the Proposed Low Income Discount Recovery Factor	7
21	Narragansett Electric and Narragansett Gas Calculation of Miscellaneous Fees	7
22	Narragansett Electric and Narragansett Gas Existing Cost Recovery and Reconciling Mechanisms	7
23	Storm Contingency Fund	7
24	Company's Response to PUC 4-1 (Supplemental)	7
25	Illustrative Calculation of Gas Growth	7
26	List of Charitable Organizations – Intentionally Deleted	7
27	Address for Notices to the Settling Parties	7
28	Benefit Cost Analysis and Supporting Inputs for Performance Incentive Mechanisms (including New Program BCA Summaries for EVs)	7
29	Consumer and Light Duty Fleet EV Forecasts and Target Calculations	7
30	Electric Heat Target Calculations – Intentionally Deleted	7

The Narragansett Electric Company d/b/a National Grid
Illustrative Statement of Electric Operations Income and Revenue Deficiency Summary
For the Test Year Ended June 30, 2017 and the Rate Year Ending August 31, 2019

	Settlement			Compliance			Delta		
	Rate Year Ending August 31, 2019 (a)	Base Revenue Increase Required (b)	Rate Year Ending August 31, 2019 with Base Revenue Requirement (c)=(a)+(b)	Rate Year Ending August 31, 2019 (d)	Base Revenue Increase Required (e)	Rate Year Ending August 31, 2019 with Base Revenue Requirement (f)=(d)+(e)	Rate Year Ending August 31, 2019 (g)=(d)-(a)	Base Revenue Increase Required (h)=(e)-(b)	Rate Year Ending August 31, 2019 with Base Revenue Requirement (i)=(f)-(c)
1 Revenues	\$279,192,430	\$14,081,470	\$293,273,900	\$279,091,943	\$12,038,936	\$291,130,879	(\$100,487)	(\$2,042,534)	(\$2,143,021)
2									
3 Purchased Power & Other Reconciling									
4 Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5 Net Distribution Revenues	\$279,192,430	\$14,081,470	\$293,273,900	\$279,091,943	\$12,038,936	\$291,130,879	(\$100,487)	(\$2,042,534)	(\$2,143,021)
6									
7 Operation & Maintenance Expenses	\$152,904,072	\$183,467	\$153,087,538	\$150,603,298	\$156,855	\$150,760,152	(\$2,300,774)	(\$26,612)	(\$2,327,386)
8									
9 Amortization of Regulatory Deferrals	\$332,482	\$0	\$332,482	\$471,908	\$0	\$471,908	\$139,426	\$0	\$139,426
10									
11 Amortization of Utility Plant	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12									
13 Depreciation	\$50,128,332	\$0	\$50,128,332	\$50,128,332	\$0	\$50,128,332	\$0	\$0	\$0
14									
15 Municipal Taxes	\$30,530,258	\$0	\$30,530,258	\$30,530,258	\$0	\$30,530,258	\$0	\$0	\$0
16									
17 Payroll Taxes	\$4,198,324	\$0	\$4,198,324	\$4,154,522	\$0	\$4,154,522			
18									
19 Gross Receipts Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20									
21 Other Taxes	\$454,406	\$0	\$454,406	\$454,406	\$0	\$454,406	\$0	\$0	\$0
22									
23 Interest on Customer Deposits	\$132,127	\$0	\$132,127	\$132,127	\$0	\$132,127	\$0	\$0	\$0
24									
25 Total Operating Revenue Deductions	\$238,680,001	\$183,467	\$238,863,467	\$236,474,851	\$156,855	\$236,631,706	(\$2,205,150)	(\$26,612)	(\$2,231,761)
26									
27 Operating Income Before Income Taxes	\$40,512,429	\$13,898,004	\$54,410,433	\$42,617,092	\$11,882,081	\$54,499,173	\$2,104,663	(\$2,015,923)	\$88,740
28									
29 Income Taxes	\$687,356	\$2,918,581	\$3,605,936	\$1,157,091	\$2,495,237	\$3,652,328	\$469,735	(\$423,344)	\$46,392
30									
31 Operating Income After Income Taxes	\$39,825,074	\$10,979,423	\$50,804,497	\$41,460,001	\$9,386,844	\$50,846,845	\$1,634,927	(\$1,592,579)	\$42,348
32									
33 Rate Base	\$728,902,391		\$728,902,391	\$729,509,971		\$729,509,971	\$607,580		\$607,580
34									
35 Rate of Return	5.46%	Line 31(a) / Line 33(a)		5.68%	Line 31(d) / Line 33(d)				
36									
37									
38									
39									
	Revenue Deficiency								
	Earned Rate of Return	5.46%	Line 35(a)	5.68%	Line 35(d)		0.22%		
			Attachment 2, Schedule 1 ELEC,		Compliance Attachment 2,				
			Page 4, Line 9(c)		Schedule 1-ELEC, Page 4, Line				
40	Rate Year Required Rate of Return	6.97%		6.97%			0.00%		
41	Rate of Return Deficiency	1.51%	Line 40(a) - Line 39(a)	1.29%	Line 40(d) - Line 39(d)		-0.22%		
42	Rate Base	\$728,902,391	Line 33(a)	\$729,509,971	Line 33(d)		\$607,580		
43	Net Operating Income Deficiency	\$10,979,423		\$9,386,844			(\$1,592,579)		
44	Gross Revenue Conversion Factor	1.282533	Line 53(a)	1.282533	Line 53(d)		1.282533		
45	Revenue Deficiency	\$14,081,470	Line 43(a) * Line 44(a)	\$12,038,936	Line 43(d) * Line 44(d)		(\$2,042,534)		
46									
47	Gross Revenue Conversion Factor								
48	Gross Revenue	1.000000		1.000000					
			Attachment 2, Schedule 22, Page		Compliance Attachment 2,				
49	Uncollectible expense	(0.013029)	6, Line 15	(0.013029)					
50	Revenue net of Uncollectibles	0.986971		0.986971					
51	Composite income tax rate	(0.207260)	Line 50(a) x (- 0.21%)	(0.207260)	Line 50(d) x (- 21%)				
52	Net income effect of 1.000 Revenue	0.779707	Line 50(a) + Line 51(a)	0.779707	Line 50(d) + Line 51(d)				
53	Gross Revenue Conversion Factor	1.282533	1 / Line 52(a)	1.282533	1 / Line 52(d)				

Line Notes:

Line 1 - decrease in rate year ISR revenues due to tax reform (lower tax rate, elimination of bonus depreciation and lower pre-tax return on rate base)

Line 9 - increase in projected rate case expenses (Record request 39)

Line 7 - refer to Pages 2 and 3

Line 33 - refer to explanations at Page 4

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Summary - ELECTRIC

	Schedule Reference	Settlement			Compliance			Delta		
		Rate Year Ending August 31, 2019	Rate Year Ending August 31, 2020	Rate Year Ending August 31, 2021	Rate Year Ending August 31, 2019	Rate Year Ending August 31, 2020	Rate Year Ending August 31, 2021	Rate Year Ending August 31, 2019	Rate Year Ending August 31, 2020	Rate Year Ending August 31, 2021
		(a)	(b)	(c)	(d)	(e)	(f)	(g)=(d)-(a)	(h)=(e)-(b)	(i)=(f)-(c)
Operation & Maintenance Expenses:										
1	Labor	\$51,707,477	\$53,560,974	\$55,183,457	\$50,809,286	\$52,633,681	\$54,227,114	(\$898,191)	(\$927,293)	(\$956,343)
2	Health Care	\$6,458,547	\$6,689,763	\$6,892,463	\$6,391,424	\$6,620,876	\$6,821,489	(\$67,123)	(\$68,887)	(\$70,974)
3	Group Life Insurance	\$567,542	\$602,957	\$635,879	\$560,647	\$595,688	\$628,212	(\$6,895)	(\$7,269)	(\$7,667)
4	Thrift Plan	\$2,426,402	\$2,513,267	\$2,589,419	\$2,398,472	\$2,484,577	\$2,559,860	(\$27,930)	(\$28,690)	(\$29,559)
5	FAS 112 / ASC 712	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6	Service Company Rents	\$13,285,082	\$13,656,706	\$13,442,382	\$13,117,011	\$13,497,420	\$13,887,951	(\$168,071)	(\$159,286)	\$445,569
7	Joint Facilities	\$1,065,547	\$1,093,891	\$1,120,473	\$1,176,621	\$1,207,920	\$1,237,272	\$111,074	\$114,029	\$116,799
8	Uninsured Claims	\$1,858,628	\$1,908,068	\$1,954,434	\$1,840,172	\$1,889,121	\$1,935,026	(\$18,456)	(\$18,947)	(\$19,408)
9	Insurance Premium	\$2,090,894	\$2,146,512	\$2,198,672	\$2,090,894	\$2,146,512	\$2,198,672	\$0	\$0	\$0
10	Regulatory Assessment Fees	\$4,286,454	\$4,286,454	\$4,286,454	\$4,286,454	\$4,286,454	\$4,286,454	\$0	\$0	\$0
11	Uncollectible Accounts	\$4,122,270	\$4,305,737	\$4,356,617	\$4,122,270	\$4,279,125	\$4,329,551	\$0	(\$26,612)	(\$27,066)
12	Postage	\$2,557,424	\$2,625,451	\$2,689,250	\$2,557,424	\$2,625,451	\$2,689,250	\$0	\$0	\$0
13	Strike Contingency	\$8,573	\$8,573	\$8,573	\$8,573	\$8,801	\$9,015	\$0	\$228	\$442
14	Environmental Response Fund	\$3,078,000	\$3,078,000	\$3,078,000	\$3,078,000	\$3,078,000	\$3,078,000	\$0	\$0	\$0
15	Paperless Bill Credit	\$551,281	\$551,281	\$551,281	\$551,281	\$551,281	\$551,281	\$0	\$0	\$0
16	PBOP	\$4,901,371	\$4,901,371	\$4,901,371	\$4,815,932	\$4,815,932	\$4,815,932	(\$85,439)	(\$85,439)	(\$85,439)
17	Pension	\$6,233,401	\$5,075,109	\$3,988,824	\$6,000,874	\$4,842,582	\$3,756,296	(\$232,527)	(\$232,527)	(\$232,528)
18	Energy Efficiency Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19	Other Operating and Maintenance Expenses	\$38,809,400	\$39,834,291	\$40,795,469	\$37,880,827	\$38,881,018	\$39,819,031	(\$928,573)	(\$953,273)	(\$976,438)
20	Storm Cost Recovery	\$7,023,726	\$7,023,726	\$7,023,726	\$7,023,726	\$7,023,726	\$7,023,726	\$0	\$0	\$0
21	Gas Commodity OM	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
22	NEP IFA Credit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
23	Wheeling	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24	Energy Innovation Hub	\$186,193	\$153,798	\$153,798	\$186,193	\$153,798	\$153,798	\$0	\$0	\$0
25	Gas Business Enablement	\$460,685	\$476,534	\$457,527	\$482,041	\$511,352	\$494,859	\$21,356	\$34,818	\$37,332
26	Electric Operations	\$611,550	\$572,000	\$618,083	\$611,550	\$572,000	\$618,083	\$0	\$0	\$0
27	Gas Operations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
28	Customer Affordability Program	\$613,623	\$543,256	\$288,128	\$613,623	\$543,256	\$288,128	\$0	\$0	\$0
29	Sub Total	\$152,904,072	\$155,607,719	\$157,214,281	\$150,603,295	\$153,248,571	\$155,409,000	(\$2,300,777)	(\$2,359,148)	(\$1,805,281)
30										
31	Purchased Power/ Purchased Gas	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
32										
33	Sub Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
34										
35	TOTAL	\$152,904,072	\$155,607,719	\$157,214,281	\$150,603,298	\$153,248,572	\$155,409,002	(\$2,300,774)	(\$2,359,147)	(\$1,805,279)

The Narragansett Electric Company d/b/a National Grid
Summary of Adjustments - Settlement Filing to Compliance Filing
ELECTRIC Operation & Maintenance Expense

<u>Labor</u>	
1 Settlement Balance	\$51,707,475
2 Remove RE Growth labor captured in Docket 4748 (PUC 3-32/PUC Decision)	(\$347,134)
3 Additional Service Company A&G overhead study adjustment (DIV 21-10 Supplemental)	(\$315,185)
4 Remove lobbying costs (Record request 1-4)	(\$178,815)
5 Remove Band A non-financial variable pay (Rebuttal adjustment)	(\$112,087)
6 Update 2018 non-union wage increase from 3.0% to 3.25% (Rebuttal adjustment)	\$69,444
7 Adjusted O&M % for balance sheet adjustments (accounts 242/184) (PUC 1-31)	(\$13,192)
8 Additional rebuttal adjustments	(\$825)
9 FTE Smoothing (Rebuttal adjustment)/Remove CEI Marketing Analyst double-counted in Customer Affordability Program (DIV 3-7/DIV 3-9)	(\$395)
10 Compliance Balance	\$50,809,286
11	
12 <u>Health Care</u>	
13 Settlement Balance	\$6,458,547
14 Labor flow-through	(\$67,122)
15 Compliance Balance	\$6,391,424
16	
17 <u>Group Life Insurance</u>	
18 Settlement Balance	\$567,542
19 Remove lobbying costs (Record Request 1-4); labor flow-through	(\$6,895)
20 Compliance Balance	\$560,647
21	
22 <u>Thrift Plan</u>	
23 Settlement Balance	\$2,426,402
24 Remove lobbying costs (Record request 1-4); labor flow-through	(\$27,930)
25 Compliance Balance	\$2,398,472
26	
27 <u>Service Company Rents</u>	
28 Settlement Balance	\$13,285,082
29 Revised IS forecast (DIV 38-1)	(\$276,029)
30 Microsoft SaaS Contract/Renewal (Rebuttal adjustment)	\$107,958
31 Compliance Balance	\$13,117,011
32	
33 <u>Joint Facilities</u>	
34 Settlement Balance	\$1,065,547
35 Reclass of IFA Rents adjustment (Rebuttal adjustment)	\$130,387
36 Removal of Airplane charge from Joint Facilities (Rebuttal adjustment)	(\$19,313)
37 Compliance Balance	\$1,176,621
38	
39 <u>Uninsured Claims</u>	
40 Settlement Balance	\$1,858,628
41 Labor flow-through	(\$18,456)
42 Compliance Balance	\$1,840,172
43	
44 <u>PBOP</u>	
45 Settlement Balance	\$4,901,371
46 Labor flow-through	(\$85,439)
47 Compliance Balance	\$4,815,932
48	
49 <u>Pension</u>	
50 Settlement Balance	\$6,233,401
51 Labor flow-through	(\$232,527)
52 Compliance Balance	\$6,000,874
53	
54 <u>Other Operating and Maintenance Expenses</u>	
55 Settlement Balance	\$38,809,400
56 Contractors - Service Company A&G overhead study adjustment (DIV 21-10 Supplemental)	(\$748,196)
57 Donations - remove all charitable contributions as disallowed (PUC Decision)	(\$606,735)
58 Third Party Rents - Reclass of IFA Rents adjustment (Rebuttal adjustment)	\$531,517
59 Other Benefits - Reclass labor portion of RE Growth costs to labor (PUC 3-32/PUC Decision)	\$331,214
60 Contractors - Contact Voltage - remove from base rates to recover through ISR (Rebuttal adjustment)	(\$231,986)
61 Consultants - Remove lobbying costs (Record request 1-4)	(\$105,882)
62 Employee Expenses - Service Company A&G overhead study adjustment (DIV 21-10 Supplemental)	(\$103,094)
63 Contractors - Update RE Growth costs to most recent filing, Docket 4748 (PUC Decision)	\$3,142
64 Other - Update RE Growth costs to most recent filing, Docket 4748 (PUC Decision)	\$1,887
65 Consultants - Update RE Growth costs to most recent filing, Docket 4748 (PUC Decision)	(\$441)
66 Compliance Balance	\$37,880,827
67	
68 <u>Gas Business Enablement</u>	
69 Settlement Balance	\$460,685
70 Revised project forecast with change in allocations (DIV 17-13)	\$21,356
71 Compliance Balance	\$482,041
72	
73 Total Settlement balance for items above	\$127,774,080
74 Total Compliance balance for items above	\$125,473,307
75 Total change in O&M expense (agrees to Page 2, Line 35)	(\$2,300,773)

The Narragansett Electric Company d/b/a National Grid
Rate Base Calculation - Electric

Description	Settlement			Compliance			Delta		
	Rate Year Ending August 31, 2019 (a)	Rate Year Ending August 31, 2020 (b)	Rate Year Ending August 31, 2021 (c)	Rate Year Ending August 31, 2019 (d)	Rate Year Ending August 31, 2020 (e)	Rate Year Ending August 31, 2021 (f)	Rate Year Ending August 31, 2019 (g)=(d)-(a)	Rate Year Ending August 31, 2020 (h)=(e)-(b)	Rate Year Ending August 31, 2021 (i)=(f)-(c)
1 Utility Plant In Service	\$1,601,539,723	\$1,602,539,723	\$1,604,539,723	\$1,601,539,723	\$1,602,539,723	\$1,604,539,723	(\$0)	\$0	\$0
2									
3 Property Held for Future Use	\$2,496,405	\$2,496,405	\$2,496,405	\$2,496,405	\$2,496,405	\$2,496,405	\$0	\$0	\$0
4 Less: Contribution in Aid of Construction	\$2,756	\$2,756	\$2,756	\$2,756	\$2,756	\$2,756	(\$0)	\$0	\$0
5 Less: Accumulated Depreciation	\$688,355,184	\$688,470,384	\$688,563,184	\$688,355,184	\$688,470,384	\$688,563,184	(\$0)	\$0	\$0
6									
7 Net Plant	\$915,678,188	\$916,562,988	\$918,470,188	\$915,678,188	\$916,562,988	\$918,470,188	\$0	\$0	\$0
8									
9 Materials and Supplies	\$3,493,676	\$3,403,498	\$3,327,193	\$3,493,676	\$3,403,498	\$3,327,193	(\$0)	\$0	\$0
10 Prepayments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11 Loss on Reacquired Debt	\$1,401,214	\$1,244,585	\$1,112,052	\$1,401,214	\$1,244,585	\$1,112,052	(\$0)	\$0	\$0
12 Cash Working Capital	\$17,043,665	\$17,043,665	\$17,043,665	\$17,922,078	\$17,922,078	\$17,922,078	\$878,413	\$878,413	\$878,413
13 Unamortized Interest Rate Lock	\$1,638,006	\$1,237,463	\$898,542	\$1,638,006	\$1,237,463	\$898,542	\$0	\$0	\$0
14 Unamortized Debt Issuance Costs \$550M	\$901,943	\$795,916	\$706,200	\$901,943	\$795,916	\$706,200	\$0	\$0	\$0
15 Unamortized Debt Issuance Costs \$250M	\$866,236	\$826,723	\$793,290	\$866,236	\$826,723	\$793,290	\$0	\$0	\$0
16 Unamortized Debt Issuance Costs \$350M	\$848,309	\$801,319	\$774,113	\$577,476	\$511,041	\$454,826	(\$270,833)	(\$290,278)	(\$319,287)
17 Subtotal	\$26,193,050	\$25,353,168	\$24,655,055	\$26,800,630	\$25,941,303	\$25,214,181	\$607,580	\$588,135	\$559,126
18									
19 Accumulated Deferred FIT	\$203,540,205	\$201,385,915	\$199,252,781	\$203,540,205	\$201,385,915	\$199,252,781	\$0	\$0	\$0
20 Accumulated Deferred FIT -Loss on Reacquired Debt	\$540,073	\$509,711	\$479,349	\$540,073	\$509,711	\$479,349	(\$0)	(\$0)	(\$0)
21 Customer Deposits	\$8,888,568	\$9,011,230	\$9,115,021	\$8,888,568	\$9,011,230	\$9,115,021	(\$0)	\$0	\$0
22 Subtotal	\$212,968,847	\$210,906,856	\$208,847,151	\$212,968,847	\$210,906,856	\$208,847,151	\$0	(\$0)	(\$0)
23									
24 Rate Base	\$728,902,391	\$731,009,300	\$734,278,092	\$729,509,971	\$731,597,435	\$734,837,218	\$607,580	\$588,135	\$559,126

Line Notes

12(g) (h) (i) - Change in Cash Working Capital caused by (1) \$1.8 million increase to correct error in Settlement filing; CWC was calculated on total O&M of \$133.3 million , which should have been calculated on \$148.7 million (total \$152.9 million minus uncollectible expense of \$4.2 million). Results in an increase of \$1.85 million in CWC from Settlement ; (2) decrease in O&M expense from Settlement to Compliance drives a decrease of \$275,000; and (3) decrease in tax expense drives a decrease of \$691,000 from Settlement.

16(g) (h) (i) - Change in Unamortized debt issuance costs related to new debt issued in July 2018. Original estimate of \$2.3 million over a 30 year term; revised to \$1.6 million over a 10 year term.

The Narragansett Electric Company d/b/a National Grid
Illustrative Statement of Gas Operations Income and Revenue Deficiency Summary
For the Test Year Ended June 30, 2017 and the Rate Year Ending August 31, 2019

	Settlement			Compliance			Delta		
	Rate Year Ending August 31, 2019 (a)	Base Revenue Increase Required (b)	Rate Year Ending August 31, 2019 with Base Revenue Requirement (c)=(a)+(b)	Rate Year Ending August 31, 2019 (d)	Base Revenue Increase Required (e)	Rate Year Ending August 31, 2019 with Base Revenue Requirement (f)=(d)+(e)	Rate Year Ending August 31, 2019 (g)=(d)-(a)	Base Revenue Increase Required (h)=(e)-(b)	Rate Year Ending August 31, 2019 with Base Revenue (i)=(f)-(c)
1 Revenues	\$214,523,590	\$5,598,282	\$220,121,872	\$212,811,375	\$5,823,471	\$218,634,846	(\$1,712,215)	\$225,189	(\$1,487,026)
2 Purchased Power & Other Reconciling									
3 Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4									
5 Net Distribution Revenues	\$214,523,590	\$5,598,282	\$220,121,872	\$212,811,375	\$5,823,471	\$218,634,846	(\$1,712,215)	\$225,189	(\$1,487,026)
6									
7 Operation & Maintenance Expenses	\$87,171,898	\$106,784	\$87,278,682	\$86,147,527	\$111,079	\$86,258,606	(\$1,024,372)	\$4,295	(\$1,020,077)
8									
9 Amortization of Regulatory Deferrals	\$1,520,606	\$0	\$1,520,606	\$1,577,216	\$0	\$1,577,216	\$56,611	\$0	\$56,611
10									
11 Amortization of Utility Plant	\$426,184	\$0	\$426,184	\$426,184	\$0	\$426,184	\$0	\$0	\$0
12									
13 Depreciation	\$39,136,909	\$0	\$39,136,909	\$39,136,909	\$0	\$39,136,909	(\$0)	\$0	(\$0)
14									
15 Municipal Taxes	\$26,869,455	\$0	\$26,869,455	\$26,869,455	\$0	\$26,869,455	\$0	\$0	\$0
16									
17 Payroll Taxes	\$2,738,063	\$0	\$2,738,063	\$2,660,389	\$0	\$2,660,389			
18									
19 Gross Receipts Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20									
21 Other Taxes	\$227,533	\$0	\$227,533	\$227,533	\$0	\$227,533	\$0	\$0	\$0
22									
23 Interest on Customer Deposits	\$35,184	\$0	\$35,184	\$35,184	\$0	\$35,184	\$0	\$0	\$0
24									
25 Total Operating Revenue Deductions	\$158,125,832	\$106,784	\$158,232,616	\$157,080,397	\$111,079	\$157,191,476	(\$1,045,435)	\$4,295	(\$1,041,140)
26									
27 Operating Income Before Income Taxes	\$56,397,758	\$5,491,498	\$61,889,256	\$55,730,978	\$5,712,392	\$61,443,370	(\$666,780)	\$220,894	(\$445,886)
28									
29 Income Taxes	\$5,930,858	\$1,153,215	\$7,084,072	\$5,863,385	\$1,199,602	\$7,062,987	(\$67,473)	\$46,388	(\$21,085)
30									
31 Operating Income After Income Taxes	\$50,466,900	\$4,338,284	\$54,805,184	\$49,867,593	\$4,512,790	\$54,380,383	(\$599,307)	\$174,506	(\$424,801)
32									
33 Rate Base	\$762,241,779		\$762,241,779	\$760,564,795		\$760,564,795	(\$1,676,984)		(\$1,676,984)
34									
35 Rate of Return	6.62%	Line 31(a) / Line 33(a)		6.56%	Line 31(d) / Line 33(d)				
36									
37									
38 Revenue Deficiency									
39 Earned Rate of Return	6.62%	Line 35(a) Attachment 2, Schedule 1 GAS, Page 4, Line 9(c)		6.56%	Line 35(d) Compliance Attachment 2, Schedule 1-ELEC, Page 4, Line		-0.06%		
40 Rate Year Required Rate of Return	7.19%	Page 4, Line 9(c)		7.15%	Schedule 1-ELEC, Page 4, Line		-0.04%		
41 Rate of Return Deficiency	0.57%	Line 40(a) - Line 39(a)		0.59%	Line 40(d) - Line 39(d)		0.02%		
42 Rate Base	\$762,241,779	Line 33(a)		\$760,564,795	Line 33(d)		(\$1,676,984)		
43 Net Operating Income Deficiency	\$4,338,284			\$4,512,790			\$174,506		
44 Gross Revenue Conversion Factor	1.290437	Line 53(a)		1.290437	Line 53(d)		1.2904		
45 Revenue Deficiency	\$5,598,282	Line 43(a) * Line 44(a)		\$5,823,471	Line 43(d) * Line 44(d)		\$225,189		
46									
47 Gross Revenue Conversion Factor									
48 Gross Revenue	1.000000	Attachment 2, Schedule 22, Page		1.000000	Compliance Attachment 2,				
49 Uncollectible expense	(0.019074)	6, Line 15		(0.019074)	Schedule 22, Page 6, Line 15				
50 Revenue net of Uncollectibles	0.980926			0.980926					
51 Composite income tax rate	(0.205994)	Line 50(a) x (- 0.21%)		(0.205994)	Line 50(d) x (- 21%)				
52 Net income effect of 1.000 Revenue	0.774931	Line 50(a) + Line 51(a)		0.774931	Line 50(d) + Line 51(d)				
53 Gross Revenue Conversion Factor	1.290437	1 / Line 52(a)		1.290437	1 / Line 52(d)				

Line Notes:

Line 1 - decrease in rate year ISR revenues due to tax reform (lower tax rate, elimination of bonus depreciation and lower pre-tax return on rate base)

Line 9 - increase in projected rate case expenses (Record request 39)

Line 7 - refer to Pages 6 and 7

Line 33 - refer to Page 8

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Summary - GAS

	Schedule Reference	Settlement			Compliance			Delta		
		Rate Year Ending August 31, 2019	Rate Year Ending August 31, 2020	Rate Year Ending August 31, 2021	Rate Year Ending August 31, 2019	Rate Year Ending August 31, 2020	Rate Year Ending August 31, 2021	Rate Year Ending August 31, 2019	Rate Year Ending August 31, 2020	Rate Year Ending August 31, 2021
Operation & Maintenance Expenses:										
1 Labor	Schedule 12	\$33,465,578	\$34,873,821	\$35,939,787	\$33,330,840	\$34,742,707	\$35,832,453	(\$134,738)	(\$131,114)	(\$107,334)
2 Health Care	Schedule 13	\$4,342,511	\$4,525,331	\$4,663,806	\$4,340,172	\$4,524,195	\$4,666,255	(\$2,339)	(\$1,136)	\$2,449
3 Group Life Insurance	Schedule 14	\$428,909	\$458,375	\$483,539	\$425,237	\$454,578	\$479,898	(\$3,672)	(\$3,797)	(\$3,641)
4 Thrift Plan	Schedule 15	\$1,525,431	\$1,589,652	\$1,638,295	\$1,517,362	\$1,581,698	\$1,631,363	(\$8,069)	(\$7,954)	(\$6,932)
5 FAS 112 / ASC 712	Schedule 16	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6 Service Company Rents	Schedule 17	\$4,461,616	\$4,661,533	\$4,633,242	\$4,535,777	\$4,755,618	\$4,755,358	\$74,161	\$94,085	\$122,116
7 Joint Facilities	Schedule 18	\$587,447	\$603,073	\$617,728	\$581,346	\$596,810	\$611,313	(\$6,101)	(\$6,263)	(\$6,415)
8 Uninsured Claims	Schedule 19	\$644,861	\$662,015	\$678,102	\$639,463	\$656,472	\$672,425	(\$5,398)	(\$5,543)	(\$5,677)
9 Insurance Premium	Schedule 20	\$921,924	\$946,365	\$968,693	\$921,924	\$946,365	\$968,693	\$0	\$0	\$0
10 Regulatory Assessment Fees	Schedule 21	\$1,897,662	\$1,897,662	\$1,897,662	\$1,897,662	\$1,897,662	\$1,897,662	\$0	\$0	\$0
11 Uncollectible Accounts	Schedule 22	\$3,396,670	\$3,503,454	\$3,607,057	\$3,396,670	\$3,507,749	\$3,616,983	\$0	\$4,295	\$9,926
12 Postage	Schedule 23	\$1,372,817	\$1,409,334	\$1,443,580	\$1,372,817	\$1,409,334	\$1,443,580	\$0	\$0	\$0
13 Strike Contingency	Schedule 24	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14 Environmental Response Fund	Schedule 25	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15 Paperless Bill Credit	Schedule 26	\$265,235	\$265,235	\$265,235	\$265,235	\$265,235	\$265,235	\$0	\$0	\$0
16 PBOP	Schedule 27	(\$1,190,723)	(\$1,190,723)	(\$1,190,723)	(\$1,225,024)	(\$1,225,024)	(\$1,225,024)	(\$34,301)	(\$34,301)	(\$34,301)
17 Pension	Schedule 28	\$3,356,606	\$2,573,610	\$1,840,992	\$3,273,350	\$2,490,355	\$1,757,736	(\$83,256)	(\$83,255)	(\$83,256)
18 Energy Efficiency Program	Schedule 29	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19 Other Operating and Maintenance Expenses	Schedule 30	\$27,414,855	\$28,140,630	\$28,820,179	\$26,601,038	\$27,305,166	\$27,964,413	(\$813,817)	(\$835,464)	(\$855,766)
20 Storm Cost Recovery	Schedule 31	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
21 Gas Commodity OM	Schedule 32	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
22 NEP IFA Credit	Schedule 33	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
23 Wheeling	Schedule 34	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24 Energy Innovation Hub	Schedule 35	\$101,186	\$83,581	\$83,581	\$101,186	\$83,581	\$83,581	\$0	\$0	\$0
25 Gas Business Enablement	Schedule 36	\$2,854,116	\$3,290,713	\$3,333,456	\$2,847,275	\$3,511,995	\$3,665,243	(\$6,841)	\$221,282	\$331,787
26 Electric Operations	Schedule 37	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
27 Gas Operations	Schedule 38	\$1,032,482	\$955,700	\$955,700	\$1,032,482	\$955,700	\$955,700	\$0	\$0	\$0
28 Customer Affordability Program	Schedule 39	\$292,714	\$295,232	\$156,583	\$292,714	\$295,232	\$156,583	\$0	\$0	\$0
29 Sub Total		\$87,171,897	\$89,544,593	\$90,836,494	\$86,147,527	\$88,755,428	\$90,199,451	(\$1,024,370)	(\$789,165)	(\$637,043)
30										
31 Purchased Power/ Purchased Gas	Schedule 40	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
32										
33 Sub Total		\$87,171,898	\$89,544,592	\$90,836,494	\$86,147,527	\$88,755,428	\$90,199,451	(\$1,024,371)	(\$789,164)	(\$637,043)
34										
35 TOTAL										

The Narragansett Electric Company d/b/a National Grid
Summary of Adjustments - Settlement Filing to Compliance Filing
GAS Operation & Maintenance Expense

1	<u>Labor</u>	
2	Settlement Balance	\$33,465,578
3	Additional Service Company A&G overhead study adjustment (DIV 21-10 Supplemental)	(\$148,124)
4	Remove Band A non-financial variable pay (Rebuttal adjustment)	(\$67,953)
5	CoRecord requestect union wage increase calculation (Rebuttal adjustment)	\$58,082
6	Update 2018 non-union wage increase from 3.0% to 3.25% (Rebuttal adjustment)	\$37,963
7	Remove lobbying costs (Record request 1-4)	(\$21,916)
8	FTE smoothing (Rebuttal adjustment)/Remove CEI Marketing Analyst double-counted in Customer Affordability Program (DIV 3-7 / DIV 3-9)	\$7,587
9	CoRecord requestect variable pay normalizing adjustment (Rebuttal adjustment)	(\$376)
10	Compliance Balance	\$33,330,840
11		
12	<u>Health Care</u>	
13	Settlement Balance	\$4,342,511
14	Labor flow-through	(\$2,339)
15	Compliance Balance	\$4,340,172
16		
17	<u>Group Life Insurance</u>	
18	Settlement Balance	\$428,909
19	Remove lobbying costs (Record request 1-4); labor flow-through	(\$3,672)
20	Compliance Balance	\$425,237
21		
22	<u>Thrift Plan</u>	
23	Settlement Balance	\$1,525,431
24	Remove lobbying costs (Record request 1-4); labor flow-through	(\$8,069)
25	Compliance Balance	\$1,517,362
26		
27	<u>Service Company Rents</u>	
28	Settlement Balance	\$4,461,616
29	Revised IS forecast (DIV 38-1)	\$31,582
30	Microsoft SaaS Contract/Renewal (Rebuttal adjustment)	\$42,579
31	Compliance Balance	\$4,535,777
32		
33	<u>Joint Facilities</u>	
34	Settlement Balance	\$587,447
35	Removal of Airplane charge from Joint Facilities (Rebuttal adjustment)	(\$6,101)
36	Compliance Balance	\$581,346
37		
38	<u>Uninsured Claims</u>	
39	Settlement Balance	\$644,861
40	Labor flow-through	(\$5,399)
41	Compliance Balance	\$639,463
42		
43	<u>PBOP</u>	
44	Settlement Balance	(\$1,190,723)
45	Labor flow-through	(\$34,301)
46	Compliance Balance	(\$1,225,024)
47		
48	<u>Pension</u>	
49	Settlement Balance	\$3,356,606
50	Labor flow-through	(\$83,256)
51	Compliance Balance	\$3,273,350
52		
53	<u>Other Operating and Maintenance Expenses</u>	
54	Settlement Balance	\$27,414,855
55	Contractors - Service Company A&G overhead study adjustment (DIV 21-10 Supplemental)	(\$410,505)
56	Donations - remove all charitable contributions as disallowed (PUC Decision)	(\$315,697)
57	Employee Expenses - Service Company A&G overhead study adjustment (DIV 21-10 Supplemental)	(\$60,824)
58	Consultants - Remove lobbying costs (Record request 1-4)	(\$26,791)
59	Compliance Balance	\$26,601,038
60		
61	<u>Gas Business Enablement</u>	
62	Settlement Balance	\$2,854,116
63	Change in Allocations from Finance (DIV 17-13)	(\$6,841)
64	Compliance Balance	\$2,847,275
65		
66	Total Settlement balance for items above	\$77,891,207
67	Total Compliance balance for items above	\$76,866,836
68	Total change in O&M expense (agrees to Page 6, Line 35)	(\$1,024,371)

The Narragansett Electric Company d/b/a National Grid
Rate Base Summary - Gas

Description	Settlement			Compliance			Delta		
	Rate Year 1 Ending August 31, 2019 (a)	Data Year 1 Ending August 31, 2020 (b)	Data Year 2 Ending August 31, 2021 (c)	Rate Year 1 Ending August 31, 2019 (d)	Data Year 1 Ending August 31, 2020 (e)	Data Year 2 Ending August 31, 2021 (f)	Rate Year Ending August 31, 2019 (g)=(d)-(a)	Rate Year Ending August 31, 2020 (h)=(e)-(b)	Rate Year Ending August 31, 2021 (i)=(f)-(c)
1 Gas Plant In Service	\$1,306,857,054	\$1,328,015,869	\$1,349,443,902	\$1,306,857,054	\$1,328,015,869	\$1,349,443,902	(\$0)	(\$0)	(\$0)
2 Normalizing Adjustment: Smallworld GIS	\$3,996,550	\$3,996,550	\$3,996,550	\$3,996,550	\$3,996,550	\$3,996,550	\$0	\$0	\$0
3 Gas Plant In Service	\$1,310,853,604	\$1,332,012,419	\$1,353,440,452	\$1,310,853,604	\$1,332,012,419	\$1,353,440,451	(\$0)	(\$0)	(\$0)
4									
5 Construction Work In Progress	\$44,213,371	\$45,444,229	\$46,739,869	\$44,213,371	\$45,444,229	\$46,739,869	\$0	\$0	\$0
6									
7 Less: Accumulated Depreciation	\$427,173,934	\$428,191,816	\$429,895,395	\$427,173,934	\$428,191,816	\$429,895,395	\$0	\$0	\$0
8 Normalizing Adjustment: Smallworld GIS	\$2,987,945	\$3,414,129	\$3,840,314	\$2,987,945	\$3,414,129	\$3,840,314	\$0	\$0	\$0
9 Test Year Adjusted Accumulated Depreciation	\$430,161,879	\$431,605,945	\$433,735,709	\$430,161,879	\$431,605,945	\$433,735,709	\$0	\$0	\$0
10									
11 Less: Contribution in Aid of Construction	(\$946)	(\$2,250)	(\$3,622)	(\$946)	(\$2,250)	(\$3,622)	\$0	\$0	\$0
12									
13 Net Plant	\$924,906,042	\$945,852,952	\$966,448,234	\$924,906,042	\$945,852,952	\$966,448,234	(\$0)	(\$0)	(\$0)
14									
15 Additions:									
16 Materials and Supplies	\$2,680,174	\$2,159,157	\$1,610,719	\$2,680,174	\$2,159,157	\$1,610,719	\$0	\$0	\$0
17 Prepaid Expenses, Excluding Taxes	\$204,501	\$276,014	\$351,290	\$204,501	\$276,014	\$351,290	\$0	\$0	\$0
18 Deferred Debits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19 Cash Working Capital	\$6,502,325	\$6,502,325	\$6,502,325	\$6,672,954	\$6,672,954	\$6,672,954	\$170,629	\$170,629	\$170,629
20 Unamortized Interest Lock expense \$550M	\$717,273	\$555,375	\$393,477	\$717,273	\$555,375	\$393,477	\$0	\$0	\$0
21 Unamortized Issuance Costs \$300M	\$368,550	\$351,035	\$333,519	\$368,550	\$351,035	\$333,519	\$0	\$0	\$0
22 Unamortized Issuance Costs \$250M	\$26,397	\$4,434	\$0	\$26,397	\$4,434	\$0	\$0	\$0	\$0
23 Unamortized Issuance Costs \$200M	\$251,932	\$241,287	\$230,642	\$251,932	\$241,287	\$230,642	\$0	\$0	\$0
24 Unamortized Issuance Costs \$250M	\$2,302,437	\$2,279,062	\$2,255,687	\$454,825	\$406,525	\$358,225	(\$1,847,612)	(\$1,872,537)	(\$1,897,462)
25 Unamortized Issuance Costs Mortgage Bonds	\$54,229	\$31,304	\$8,379	\$54,229	\$31,304	\$8,379	\$0	\$0	\$0
26 Total Additions	\$13,107,818	\$12,399,994	\$11,686,040	\$11,430,834	\$10,698,085	\$9,959,206	(\$1,676,984)	(\$1,701,909)	(\$1,726,834)
27									
28 Deductions:									
29 Accumulated Deferred FIT	\$155,641,847	\$165,481,552	\$172,638,610	\$155,641,847	\$165,481,552	\$172,638,610	(\$0)	(\$0)	(\$0)
30 Merger Hold Harmless Adjustment	\$18,662,756	\$16,576,053	\$14,145,381	\$18,662,756	\$16,576,053	\$14,145,381	\$0	\$0	\$0
31 Customer Deposits	\$1,467,477	\$1,208,830	\$936,570	\$1,467,477	\$1,208,830	\$936,570	\$0	\$0	\$0
32 Total Deductions	\$175,772,080	\$183,266,434	\$187,720,560	\$175,772,080	\$183,266,434	\$187,720,560	(\$0)	(\$0)	(\$0)
33									
34 Rate Base	\$762,241,779	\$774,986,512	\$790,413,714	\$760,564,795	\$773,284,603	\$788,686,880	(\$1,676,984)	(\$1,701,909)	(\$1,726,834)
35									
36 Total Rate Base	\$762,241,779	\$774,986,512	\$790,413,714	\$760,564,795	\$773,284,603	\$788,686,880	(\$1,676,984)	(\$1,701,909)	(\$1,726,834)

¹Gas Information System

Line Notes

19(g) (h) (i) - Change in Cash Working Capital caused by (1) \$450,000 increase to correct error in Settlement filing; CWC was calculated on total O&M of \$78.8 million , which should have been calculated on \$83.8 million (total \$87.2 million minus uncollectible expense of \$3.4 million). Results in an increase of \$450,00 in CWC from Settlement ; (2) decrease in O&M expense from Settlement to Compliance drives a decrease of \$92,000; and (3) decrease in tax expense drives a decrease of \$187,000 from Settlement.

24(g) (h) (i) - Change in Unamortized debt issuance costs related to (1) settlement rate base erroneously included total unamortized issuance costs instead of the gas-only portion - decrease of \$1.62 million; and (2) revised estimate of issuance costs in July 2018. Settlement included estimated issuance costs of \$2.3 million over a 30 year term; revised to \$1.6 million over a 10 year term for compliance - decrease of \$225,000.

Compliance Attachment 1

Narragansett Electric and Narragansett Gas Revenue Requirement Settlement Terms

Rate Years 1, 2, 3

The Narragansett Electric Company
d/b/a National Grid
Summary of Revenue Requirement Settlement Terms
Revenue Increases
(\$ million)

Incremental Revenue

	Narragansett	Narragansett	
	<u>Electric</u>	<u>Gas</u>	<u>Total</u>
Base case			
Rate Year 1	\$12.0	\$5.8	\$17.8
Rate Year 2	\$3.9	\$5.7	\$9.6
Rate Year 3	<u>\$2.5</u>	<u>\$3.4</u>	<u>\$5.9</u>
Subtotal	\$18.4	\$14.9	\$33.3
Power Sector Transformation (PST)			
Rate Year 1	\$2.1	\$0.0	\$2.1
Rate Year 2	\$6.6	\$1.9	\$8.4
Rate Year 3	<u>\$1.9</u>	<u>\$0.6</u>	<u>\$2.5</u>
Subtotal - PST	\$10.6	\$2.5	\$13.0
Base Case plus PST			
Rate Year 1	\$14.1	\$5.8	\$19.9
Rate Year 2	\$10.5	\$7.6	\$18.0
Rate Year 3	<u>\$4.3</u>	<u>\$4.0</u>	<u>\$8.4</u>
TOTAL	<u>\$28.9</u>	<u>\$17.4</u>	<u>\$46.3</u>

Revenue Requirement

	Narragansett	Narragansett	
	<u>Electric</u>	<u>Gas</u>	<u>Total</u>
Base case			
Rate Year 1	\$291.1	\$218.6	\$509.7
Rate Year 2	\$295.0	\$224.3	\$519.3
Rate Year 3	<u>\$297.5</u>	<u>\$227.7</u>	<u>\$525.2</u>
Subtotal	\$883.6	\$670.6	\$1,554.2
Power Sector Transformation (PST)			
Rate Year 1	\$2.1	\$0.0	\$2.1
Rate Year 2	\$8.7	\$1.9	\$10.6
Rate Year 3	<u>\$10.6</u>	<u>\$2.5</u>	<u>\$13.0</u>
Subtotal - PST	\$21.3	\$4.4	\$25.7
Base Case plus PST			
Rate Year 1	\$293.2	\$218.6	\$511.8
Rate Year 2	\$303.6	\$226.2	\$529.9
Rate Year 3	<u>\$308.0</u>	<u>\$230.2</u>	<u>\$538.2</u>
TOTAL	<u>\$904.9</u>	<u>\$675.0</u>	<u>\$1,579.9</u>

The Narragansett Electric Company
Summary of Revenue Requirement Settlement Terms
Revenue Increases and Cost of Service Adjustments

	(\$ Millions)		
	TOTAL		
	Rate Year	Rate Year 2	Rate Year 3
1 Company Position per REV-1 filing (March 2)	\$45.8		
2 Refund of Excess Deferred taxes	(\$9.0)		
3 Admin & General expense reclass to capital	(\$4.5)		
3a Company Position adjusted	\$32.4		
Settlement Adjustments:			
4 Unfunded Service Co Excess Deferred taxes (3 pt allocator over 3 years)	\$3.1		
5 ROE @ 9.275%	(\$8.0)		
6 Accept Division's adjustment for capital structure and Gas debt rates	(\$0.9)		
6a Partially accept Division's adjustment to depreciation rates	(\$3.1)		
7 Adjust Service Company Rents & GBE for reduced ROE at 9.275%	(\$0.3)		
8 Accept Division's adjustment for GBE (15% slippage, Type II savings)	(\$1.1)		
9 Accept Division's adjustment for IS (15% slippage)	(\$0.6)		
10 Accept Division's adjustment for Gas uncollectibles rate	(\$0.3)		
11 Company's shaping of incremental DG-related FTEs over 3 years	(\$0.2)		
12 Company's shaping of other incremental FTEs over 3 years	(\$0.8)		
13 Depreciation expense impact of Growth adjustment	(\$0.2)		
Amended Settlement Adjustments:			
14 Discovery/Rebuttal adjustments (REV-2) not previously reflected in Settlement	(\$0.3)		
15 Remove lobbying costs (Record request 1-4)	(\$0.4)		
16 Remove charitable donations (PUC Decision)	(\$0.9)		
17 Revised capital structure, debt expense and debt issuance costs	(\$0.3)		
18 Sub-Total of Expense Adjustments	(\$14.3)	\$0.0	\$0.0
Rate base Adjustments:			
19 Partially accept Division's adjustment on Growth forecast	(\$7.8)		
20 Depreciation Reserve flow through of Growth Adjustment	\$0.2		
21 ADIT flow through of Growth Adjustment	\$1.0		
22 Excess Deferred Income taxes	\$3.5		
23 Sub-Total of Rate base Adjustments	(\$3.1)	\$0.0	\$0.0
24 Pre-Tax Return %			
25 Revenue Requirement on Rate base Adjustments	(\$0.3)		
26 Total Adjustments	(\$14.6)	\$0.0	\$0.0
27 Subtotal - Base Rate request adjusted [Note 1]	\$17.8	\$9.6	\$5.9
Add-ins for PST:			
28 AMI Study at \$2M	\$0.7	\$0.0	\$0.0
29 GIS investment (IS)	\$0.1	\$0.0	\$0.0
30 GIS investment (BR)	\$0.0	\$1.0	\$0.0
31 DSCADA	\$0.0	\$0.4	(\$0.4)
32 System Data Portal - accept 2/3 in RY, up to 3 FTEs in Year 2	\$0.5	\$0.2	\$0.0
33 All other Grid Mod (excluding DSCADA, GIS, SDP, Feeder Monitoring)	\$0.0	\$6.2	\$1.8
34 Sub-Total of PST Adjustments - Grid Modernization Programs	\$1.3	\$7.9	\$1.3
35 Electric Transportation	\$0.7	\$0.5	\$1.0
36 Electric heat	\$0.0	\$0.0	\$0.0
37 Strategic electrification education fund	\$0.0	\$0.0	\$0.0
38 Storage	\$0.1	\$0.1	\$0.2
39 Sub-Total of PST Adjustments - Special Sector Programs	\$0.8	\$0.6	\$1.2
40 Sub-Total of PST Adjustments	\$2.1	\$8.5	\$2.5
41 Total Settlement - Base Case plus PST	\$19.8	\$18.0	\$8.4

Note 1 : The derivation of Rate Year 2 and Rate Year 3 revenue increases are per Pages 4 and 5 of this Attachment.

\$ 46.3

The Narragansett Electric Company
Summary of Revenue Requirement Settlement Terms
Revenue Increases and Cost of Service Adjustments

	(\$ Millions) ELECTRIC		
	Rate Year	Rate Year 2	Rate Year 3
1 Company Position per REV-1 filing (March 2)	\$27.4		
2 Refund of Excess Deferred taxes	(\$6.5)		
3 Admin & General expense reclass to capital	(\$3.0)		
3a Company Position adjusted	\$17.9		
Settlement Adjustments:			
4 Unfunded Service Co Excess Deferred taxes (3 pt allocator over 3 years)	\$2.3		
5 ROE @ 9.275%	(\$3.9)		
6 Accept Division's adjustment for capital structure and Gas debt rates	(\$0.3)		
6a Partially accept Division's adjustment to depreciation rates	(\$0.9)		
7 Adjust Service Company Rents & GBE for reduced ROE at 9.275%	(\$0.2)		
8 Accept Division's adjustment for GBE (15% slippage, Type II savings)	(\$0.2)		
9 Accept Division's adjustment for IS (15% slippage)	(\$0.4)		
10 Accept Division's adjustment for Gas uncollectibles rate	\$0.0		
11 Company's shaping of incremental DG-related FTEs over 3 years	(\$0.2)		
12 Company's shaping of other incremental FTEs over 3 years	(\$0.3)		
13 Depreciation expense impact of Growth adjustment	\$0.0		
Amended Settlement Adjustments:			
14 Discovery/Rebuttal adjustments (REV-2) not previously reflected in Settlement	(\$1.2)		
15 Remove lobbying costs (Record request 1-4)	(\$0.3)		
16 Remove charitable donations (PUC Decision)	(\$0.6)		
17 Revised capital structure, debt expense and debt issuance costs	\$0.0		
18 Sub-Total of Expense Adjustments	(\$6.1)	\$0.0	\$0.0
Rate base Adjustments:			
19 Partially accept Division's adjustment on Growth forecast	\$0.0		
20 Depreciation Reserve flow through of Growth Adjustment	\$0.0		
21 ADIT flow through of Growth Adjustment	\$0.0		
22 Excess Deferred Income taxes	\$2.5		
23 Sub-Total of Rate base Adjustments	\$2.5	\$0.0	\$0.0
24 Pre-Tax Return %	8.23%		
25 Revenue Requirement on Rate base Adjustments	\$0.2		
26 Total Adjustments	(\$5.9)	\$0.0	\$0.0
27 Subtotal - Base Rate request adjusted [Note 1]	\$12.0	\$3.9	\$2.5
Add-ins for PST:			
28 AMI Study at \$2M	\$0.7	\$0.0	\$0.0
29 GIS investment (IS)	\$0.1	\$0.0	\$0.0
30 GIS investment (BR)	\$0.0	\$1.0	\$0.0
31 DSCADA	\$0.0	\$0.4	(\$0.4)
32 System Data Portal - accept 2/3 in RY, up to 3 FTEs in Year 2	\$0.5	\$0.2	\$0.0
33 All other Grid Mod (excluding DSCADA, GIS, SDP, Feeder Monitoring)	\$0.0	\$4.3	\$1.2
34 Sub-Total of PST Adjustments - Grid Modernization Programs	\$1.3	\$6.0	\$0.7
35 Electric Transportation	\$0.7	\$0.5	\$1.0
36 Electric heat	\$0.0	\$0.0	\$0.0
37 Strategic electrification education fund	\$0.0	\$0.0	\$0.0
38 Storage	\$0.1	\$0.1	\$0.2
39 Sub-Total of PST Adjustments - Special Sector Programs	\$0.8	\$0.6	\$1.2
40 Sub-Total of PST Adjustments	\$2.1	\$6.6	\$1.9
41 Total Settlement - Base Case plus PST	\$14.1	\$10.5	\$4.3

Note 1 : The derivation of Rate Year 2 and Rate Year 3 revenue increases are per Pages 4 and 5 of this Attachment.

\$ 28.9

The Narragansett Electric Company
Summary of Revenue Requirement Settlement Terms
Revenue Increases and Cost of Service Adjustments

	(\$ Millions)		
	GAS		
	Rate Year	Rate Year 2	Rate Year 3
1 Company Position per REV-1 filing (March 2)	\$18.4		
2 Refund of Excess Deferred taxes	(\$2.5)		
3 Admin & General expense reclass to capital	(\$1.5)		
3a Company Position adjusted	\$14.4		
Settlement Adjustments:			
4 Unfunded Service Co Excess Deferred taxes (3 pt allocator over 3 years)	\$0.8		
5 ROE @ 9.275%	(\$4.1)		
6 Accept Division's adjustment for capital structure and Gas debt rates	(\$0.6)		
6a Partially accept Division's adjustment to depreciation rates	(\$2.2)		
7 Adjust Service Company Rents & GBE for reduced ROE at 9.275%	(\$0.1)		
8 Accept Division's adjustment for GBE (15% slippage, Type II savings)	(\$1.0)		
9 Accept Division's adjustment for IS (15% slippage)	(\$0.2)		
10 Accept Division's adjustment for Gas uncollectibles rate	(\$0.3)		
11 Company's shaping of incremental DG-related FTEs over 3 years	\$0.0		
12 Company's shaping of other incremental FTEs over 3 years	(\$0.5)		
13 Depreciation expense impact of Growth adjustment	(\$0.2)		
Amended Settlement Adjustments:			
14 Discovery/Rebuttal adjustments (REV-2) not previously reflected in Settlement	\$0.9		
15 Remove lobbying costs (Record request 1-4)	(\$0.1)		
16 Remove charitable donations (PUC Decision)	(\$0.3)		
17 Revised capital structure, debt expense and debt issuance costs	(\$0.3)		
18 Sub-Total of Expense Adjustments	(\$8.2)	\$0.0	\$0.0
Rate base Adjustments:			
19 Partially accept Division's adjustment on Growth forecast	(\$7.8)		
20 Depreciation Reserve flow through of Growth Adjustment	\$0.2		
21 ADIT flow through of Growth Adjustment	\$1.0		
22 Excess Deferred Income taxes	\$1.0		
23 Sub-Total of Rate base Adjustments	(\$5.6)	\$0.0	\$0.0
24 Pre-Tax Return %	8.41%		
25 Revenue Requirement on Rate base Adjustments	(\$0.5)		
26 Total Adjustments	(\$8.7)	\$0.0	\$0.0
27 Subtotal - Base Rate request adjusted [Note 1]	\$5.8	\$5.7	\$3.4
Add-ins for PST:			
28 AMI Study at \$2M	\$0.0	\$0.0	\$0.0
29 GIS investment (IS)	\$0.0	\$0.0	\$0.0
30 GIS investment (BR)	\$0.0	\$0.0	\$0.0
31 DSCADA	\$0.0	\$0.0	\$0.0
32 System Data Portal - accept 2/3 in RY, up to 3 FTEs in Year 2	\$0.0	\$0.0	\$0.0
33 All other Grid Mod (excluding DSCADA, GIS, SDP, Feeder Monitoring)	\$0.0	\$1.9	\$0.6
34 Sub-Total of PST Adjustments - Grid Modernization Programs	\$0.0	\$1.9	\$0.6
35 Electric Transportation	\$0.0	\$0.0	\$0.0
36 Electric heat	\$0.0	\$0.0	\$0.0
37 Strategic electrification education fund	\$0.0	\$0.0	\$0.0
38 Storage	\$0.0	\$0.0	\$0.0
39 Sub-Total of PST Adjustments - Special Sector Programs	\$0.0	\$0.0	\$0.0
40 Sub-Total of PST Adjustments	\$0.0	\$1.9	\$0.6
41 Total Settlement - Base Case plus PST	\$5.8	\$7.7	\$4.0

Note 1 : The derivation of Rate Year 2 and Rate Year 3 revenue increases are per Pages 4 and 5 of this Attachment.

\$ 17.4

The Narragansett Electric Company d/b/a National Grid
Revenue Increases--Rate Years 2 & 3
Electric

Adjusted to exclude impact of items that would otherwise be collected through ISR factors in Rate Years 2 & 3

			Adjustments to Reflect Conditions in Rate Year 2	Adjustments to Reflect Conditions in Rate Year 3
			Electric	Electric
			(a)	(b)
	<u>Operation & Maintenance Expenses:</u>	<u>Schedule</u>		
1	Labor and related benefits	12 through 16	\$2,174,993	\$1,901,853
2	Service Company Rents	17	\$380,409	\$390,531
3	All other O&M expenses	various	(\$16,556)	(\$149,207)
4	Total Operation & Maintenance expense		\$2,538,846	\$2,143,177
5				
6	Incremental Depreciation & Amortization	4-ELEC	\$879,921	\$44,250
7	Incremental Taxes Other than Income taxes	8 & 9	\$120,968	\$96,490
8	Incremental Interest on Customer Deposits	Wkp 2	\$172,340	(\$4,308)
9				
10	Return & Taxes on Incremental Rate Base	8.23%	\$158,236	\$266,548
11	Revenue Deficiency		\$3,870,311	\$2,546,157

The Narragansett Electric Company d/b/a National Grid
Revenue Increases--Rate Years 2 & 3
Gas

Adjusted to exclude impact of items that would otherwise be collected through ISR factors in Rate Years 2 & 3

			Adjustments to Reflect Conditions in Rate Year 2	Adjustments to Reflect Conditions in Rate Year 3
			Gas	Gas
			(a)	(b)
	<u>Operation & Maintenance Expenses:</u>	<u>Schedule</u>		
1	Labor and related benefits	12 through 16	\$1,689,568	\$1,306,791
2	Service Company Rents	17	\$219,840	(\$260)
3	Gas Business Enablement	36	\$664,720	\$153,248
4	All other O&M expenses	various	\$31,929	(\$60,847)
5	Total Operation & Maintenance expense		\$2,606,057	\$1,398,932
6				
7	Incremental Depreciation & Amortization	4-GAS	\$1,924,745	\$608,784
8	Incremental Taxes Other than Income taxes	8 & 9	\$80,670	\$61,307
9	Incremental Interest on Customer Deposits	Wkp 2	\$45,892	(\$1,147)
10				
11	Return & Taxes on Incremental Rate Base	8.41%	\$1,069,398	\$1,294,921
12	Revenue Deficiency		\$5,726,762	\$3,362,798

**The Narragansett Electric Company
d/b/a National Grid
Power Sector Transformation (PST)
PST Annual Revenue Requirement Summary Electric - Synergy**

Line No.		<u>Rate Year</u>	<u>Rate Year 2</u>	<u>Rate Year 3</u>
GRID MOD				
Electric Capex				
1	Feeder Monitoring Sensor	\$0	\$0	\$0
2	RTU Separation	\$0	\$124,147	\$209,992
3	Electric Capex Total	\$0	\$124,147	\$209,992
IS Capex - Electric Only				
4	Enterprise Service Bus	\$0	\$0	\$436,827
5	Data Lake	\$0	\$46,245	\$42,925
6	PI Historian	\$0	\$23,044	\$21,390
7	Advanced Analytics	\$0	\$519,374	\$651,192
8	Telecommunications	\$0	\$20,077	\$27,060
9	Cybersecurity	\$0	\$658,484	\$835,826
10	DSCADA	\$0	\$0	\$0
11	Electric IS Capex Total	\$0	\$1,267,224	\$2,015,220
O&M - Electric Only				
12	Enterprise Service Bus	\$0	\$402,346	\$504,066
13	Data Lake	\$0	\$388,092	\$545,532
14	PI Historian	\$0	\$515,000	\$515,000
15	Advanced Analytics	\$0	\$299,978	\$338,852
16	Telecommunications	\$0	\$425,022	\$636,886
17	Cybersecurity	\$0	\$802,100	\$623,280
18	DSCADA	\$0	\$0	\$0
19	Feeder Monitoring Sensor	\$0	\$0	\$0
20	RTU Separation	\$0	\$60,000	\$60,000
21	GIS Data Enhancements (BR)	\$0	\$0	\$0
22	GIS Data Enhancements (IS)	\$0	\$0	\$0
23	System Data Portal	\$0	\$0	\$0
24	Electric O&M Total	\$0	\$2,892,538	\$3,223,615
25	Subtotal - all other Grid Mod	\$0	\$4,283,910	\$5,448,828
TOTAL PST				
26	AMI Study (\$2M over 3 years)	\$666,667	\$666,667	\$666,667
27	GIS Data Enhancements (IS) (\$427,000 over 3 years)	\$142,333	\$142,333	\$142,333
28	GIS Data Enhancements (BR) (as filed)	\$0	\$1,028,000	\$1,028,000
29	DSCADA (as filed)	\$0	\$436,000	\$0
30	System Data Portal (2 FTEs in RY, 3 FTEs by RY2)	\$466,667	\$700,000	\$700,000
31	All other Grid Mod excl. FM, DSCADA, GIS & SDP	\$0	\$4,283,910	\$5,448,828
32	Subtotal - Grid Modernization	\$1,275,667	\$7,256,910	\$7,985,828
33	Electric Transporation (SSP settlement)	\$681,300	\$1,151,751	\$2,151,776
34	Electric Heat (SSP settlement)	\$0	\$0	\$0
35	Strategic Elec Education Fund (SSP settlement)	\$7,500	\$11,250	\$18,750
36	Storage (SSP settlement)	\$112,856	\$259,668	\$411,986
37	Subtotal - Special Sector Programs	\$801,656	\$1,422,669	\$2,582,511
38	Total PST proposal - Electric	\$2,077,322	\$8,679,579	\$10,568,339
39	Revenue Increases	\$2,077,322	\$6,602,256	\$1,888,760

**The Narragansett Electric Company
d/b/a National Grid
Power Sector Transformation (PST)
PST Annual Revenue Requirement Summary Gas - Synergy**

		0		
Line No.		Rate Year	Rate Year 2	Rate Year 3
GRID MOD				
Gas Capex				
1	Feeder Monitoring Sensor	\$0	\$0	\$0
2	RTU Separation	\$0	\$0	\$0
3	Gas Capex Total	\$0	\$0	\$0
IS Capex - Gas Only				
4	Enterprise Service Bus	\$0	\$0	\$237,393
5	Data Lake	\$0	\$25,132	\$23,327
6	PI historian	\$0	\$0	\$0
7	Advanced Analytics	\$0	\$282,253	\$353,889
8	Telecommunications	\$0	\$10,911	\$14,706
9	Cybersecurity	\$0	\$357,852	\$454,228
10	DSCADA	\$0	\$0	\$0
11	Gas IS Capex Total	\$0	\$676,148	\$1,083,543
O&M - Gas Only				
12	Enterprise Service Bus	\$0	\$218,654	\$273,934
13	Data Lake	\$0	\$210,908	\$296,468
14	PI Historian	\$0	\$0	\$0
15	Advanced Analytics	\$0	\$163,022	\$184,148
16	Telecommunications	\$0	\$230,978	\$346,114
17	Cybersecurity	\$0	\$435,900	\$338,720
18	DSCADA	\$0	\$0	\$0
19	Feeder Monitoring Sensor	\$0	\$0	\$0
20	RTU Separation	\$0	\$0	\$0
21	GIS Data Enhancements (BR)	\$0	\$0	\$0
22	GIS Data Enhancements (IS)	\$0	\$0	\$0
23	System Data Portal	\$0	\$0	\$0
24	Gas O&M Total	\$0	\$1,259,462	\$1,439,385
25	Subtotal - all other Grid Mod	\$0	\$1,935,610	\$2,522,928
TOTAL PST				
26	AMI Study	\$0	\$0	\$0
27	GIS Data Enhancements (IS)	\$0	\$0	\$0
28	GIS Data Enhancements (BR)	\$0	\$0	\$0
29	DSCADA	\$0	\$0	\$0
30	System Data Portal	\$0	\$0	\$0
31	All other Grid Mod excl. FM, DSCADA, GIS & SDP	\$0	\$1,935,610	\$2,522,928
32	Subtotal - Grid Modernization	\$0	\$1,935,610	\$2,522,928
33	Electric Transportation	\$0	\$0	\$0
34	Electric Heat	\$0	\$0	\$0
35	Strategic Elec Education Fund	\$0	\$0	\$0
36	Storage	\$0	\$0	\$0
37	Subtotal - Special Sector Programs	\$0	\$0	\$0
38	Total PST proposal - Gas	\$0	\$1,935,610	\$2,522,928
39	Revenue Increases	\$0	\$1,935,610	\$587,318

**The Narragansett Electric Company
d/b/a National Grid
Power Sector Transformation (PST)
PST Annual Revenue Requirement Summary Total RI - Synergy**

Line No.		<u>Rate Year</u>	<u>Rate Year 2</u>	<u>Rate Year 3</u>
GRID MOD				
	Total RI Capex			
1	Feeder Monitoring Sensor	\$0	\$0	\$0
2	RTU Separation	\$0	\$124,147	\$209,992
3	Total RI Capex Total	\$0	\$124,147	\$209,992
IS Capex - Total RI Only				
4	Enterprise Service Bus	\$0	\$0	\$674,220
5	Data Lake	\$0	\$71,377	\$66,252
6	PI Historian	\$0	\$23,044	\$21,390
7	Advanced Analytics	\$0	\$801,627	\$1,005,081
8	Telecommunications	\$0	\$30,988	\$41,766
9	Cybersecurity	\$0	\$1,016,336	\$1,290,054
10	DSCADA	\$0	\$0	\$0
11	Total RI IS Capex Total	\$0	\$1,943,372	\$3,098,763
O&M - Total RI Only				
12	Enterprise Service Bus	\$0	\$621,000	\$778,000
13	Data Lake	\$0	\$599,000	\$842,000
14	PI Historian	\$0	\$515,000	\$515,000
15	Advanced Analytics	\$0	\$463,000	\$523,000
16	Telecommunications	\$0	\$656,000	\$983,000
17	Cybersecurity	\$0	\$1,238,000	\$962,000
18	DSCADA	\$0	\$0	\$0
19	Feeder Monitoring Sensor	\$0	\$0	\$0
20	RTU Separation	\$0	\$60,000	\$60,000
21	GIS Data Enhancements (BR)	\$0	\$0	\$0
22	GIS Data Enhancements (IS)	\$0	\$0	\$0
23	System Data Portal	\$0	\$0	\$0
24	Total RI O&M Total	\$0	\$4,152,000	\$4,663,000
25	Subtotal - all other Grid Mod	\$0	\$6,219,519	\$7,971,755
TOTAL PST				
26	AMI Study	\$666,667	\$666,667	\$666,667
27	GIS Data Enhancements (IS)	\$142,333	\$142,333	\$142,333
28	GIS Data Enhancements (BR)	\$0	\$1,028,000	\$1,028,000
29	DSCADA	\$0	\$436,000	\$0
30	System Data Portal	\$466,667	\$700,000	\$700,000
31	All other Grid Mod excl. FM, DSCADA, GIS & SDP	\$0	\$6,219,519	\$7,971,755
32	Subtotal - Grid Modernization	\$1,275,667	\$9,192,519	\$10,508,755
33	Electric Transportation	\$681,300	\$1,151,751	\$2,151,776
34	Electric Heat	\$0	\$0	\$0
35	Strategic Elec Education Fund	\$7,500	\$11,250	\$18,750
36	Storage	\$112,856	\$259,668	\$411,986
37	Subtotal - Special Sector Programs	\$801,656	\$1,422,669	\$2,582,511
38	Total PST proposal - RI	\$2,077,322	\$10,615,188	\$13,091,267
39	Revenue Increases	\$2,077,322	\$8,537,866	\$2,476,078

Compliance Attachment 2
Narragansett Electric and Narragansett Gas Revenue Requirements
Rate Years 1, 2, 3

**Compliance Filing
Index of Schedules**

COMPLIANCE ATTACHMENT 2

Schedule 1-ELEC	Revenue Requirement – Electric
Schedule 1-GAS	Revenue Requirement – Gas
Schedule 2-ELEC	Revenue – Electric
Schedule 2-GAS	Revenue – Gas
Schedule 3	Operation & Maintenance Expense Summary
Schedule 4-ELEC	Amortization of Regulatory Deferrals – Electric
Schedule 4-GAS	Amortization of Regulatory Deferrals – Gas
Schedule 5-ELEC	Amortization of Intangibles – Electric
Schedule 5-GAS	Amortization of Intangibles – Gas
Schedule 6-ELEC	Depreciation – Electric
Schedule 6-GAS	Depreciation – Gas
Schedule 7-ELEC	Municipal Taxes – Electric
Schedule 7-GAS	Municipal Taxes – Gas
Schedule 8	Payroll Taxes
Schedule 9	Other Tax and Gross Receipts Tax
Schedule 10-ELEC	Income Taxes – Electric
Schedule 10-GAS	Income Taxes – Gas
Schedule 11-ELEC	Rate Base – Electric
Schedule 11-GAS	Rate Base – Gas
Schedule 12	Labor
Schedule 13	Health Care
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**Compliance Filing
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Schedule 31	Storm Cost Recovery
Schedule 32	Gas Cost Recovery Related Operating and Maintenance Expenses
Schedule 33	New England Power Company Integrated Facilities Agreement Credit
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Schedule 36	Gas Business Enablement
Schedule 37	Operating Expenditures Electric
Schedule 38	Operating Expenditures Gas
Schedule 39	Customer Affordability Program
Schedule 40	Purchase Power Expenses
Schedule 41	Cash Working Capital/Lead Lag Study Electric
Schedule 42	Cash Working Capital/Lead Lag Study Gas

Compliance Attachment 2

Schedule 1-ELEC

Revenue Requirement– Electric

The Narragansett Electric Company d/b/a National Grid
Illustrative Statement of Electric Operations Income and Revenue Deficiency Summary
For the Test Year Ended June 30, 2017 and the Rate Year Ending August 31, 2019

	Schedule Reference	Test Year Ended June 30, 2017 (a)	Normalizing Adjustments (b)	Test Year Ended June 30, 2017 Adjusted (c) = (a) + (b)	Proforma Adjustments (c)	Rate Year Ending August 31, 2019 (e) = (c) + (d)	Base Revenue Increase Required (f)	Rate Year Ending August 31, 2019 with Base Revenue Requirement (g) = (e) + (f)
1 Revenues	Schedule 2-ELEC	\$906,848,280	(\$627,513,858)	\$279,334,422	(\$242,479)	\$279,091,943	\$12,038,936	\$291,130,879
2								
3 Purchased Power & Other Reconciling Expense	Schedule 3	\$304,255,398	(\$304,255,398)	\$0	\$0	\$0	\$0	\$0
4								
5 Net Distribution Revenues		<u>\$602,592,882</u>	<u>(\$323,258,459)</u>	<u>\$279,334,422</u>	<u>(\$242,479)</u>	<u>\$279,091,943</u>	<u>\$12,038,936</u>	<u>\$291,130,879</u>
6								
7 Operation & Maintenance Expenses	Schedule 3	\$304,575,180	(\$164,238,756)	\$140,336,424	\$10,266,874	\$150,603,298	\$156,855	\$150,760,152
8								
9 Amortization of Regulatory Deferrals	Schedule 4-ELEC	\$8,454	(\$8,454)	\$0	\$471,908	\$471,908	\$0	\$471,908
10								
11 Amortization of Utility Plant	Schedule 5-ELEC	\$62,962	(\$62,962)	\$0	\$0	\$0	\$0	\$0
12								
13 Depreciation	Schedule 6-ELEC	\$69,031,187	(\$19,869,812)	\$49,161,375	\$966,957	\$50,128,332	\$0	\$50,128,332
14								
15 Municipal Taxes	Schedule 7-ELEC	\$49,702,787	(\$20,023,313)	\$29,679,474	\$850,784	\$30,530,258	\$0	\$30,530,258
16								
17 Payroll Taxes	Schedule 8	\$8,148,712	(\$4,435,908)	\$3,712,803	\$441,719	\$4,154,522	\$0	\$4,154,522
18								
19 Gross Receipts Taxes	Schedule 9	\$32,568,650	(\$32,568,650)	\$0	\$0	\$0	\$0	\$0
20								
21 Other Taxes	Schedule 9	\$434,298	\$0	\$434,298	\$20,108	\$454,406	\$0	\$454,406
22								
23 Interest on Customer Deposits	Workpaper 2-ELEC	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$132,127</u>	<u>\$132,127</u>	<u>\$0</u>	<u>\$132,127</u>
24								
25 Total Operating Revenue Deductions		<u>\$464,532,229</u>	<u>(\$241,207,855)</u>	<u>\$223,324,374</u>	<u>\$13,150,477</u>	<u>\$236,474,851</u>	<u>\$156,855</u>	<u>\$236,631,706</u>
26								
27 Operating Income Before Income Taxes		<u>\$138,060,652</u>	<u>(\$82,050,604)</u>	<u>\$56,010,048</u>	<u>(\$13,392,956)</u>	<u>\$42,617,092</u>	<u>\$11,882,081</u>	<u>\$54,499,173</u>
28								
29 Income Taxes	Schedule 10-ELEC					<u>\$1,157,091</u>	<u>\$2,495,237</u>	<u>\$3,652,328</u>
30								
31 Operating Income After Income Taxes						<u>\$41,460,001</u>	<u>\$9,386,844</u>	<u>\$50,846,845</u>
32								
33 Rate Base	Schedule 11-ELEC					<u>\$729,509,971</u>		<u>\$729,509,971</u>
34								
35 Rate of Return						<u>5.68%</u>	Line 31(e) / Line 33(e)	
36								
37								
38								
39								
40								
41								
42								
43								
44								
45								
46								
47								
48								
49								
50								
51								
52								
53								

<u>Revenue Deficiency</u>		
Earned Rate of Return	5.68%	Line 35 (e)
Rate Year Required Rate of Return	6.97%	Page 4, Line 9 (c)
Rate of Return Deficiency	1.29%	Line 40 - Line 39
Rate Base	<u>\$729,509,971</u>	Line 33 (e)
Net Operating Income Deficiency	<u>\$9,386,844</u>	
Gross Revenue Conversion Factor	1.282533	Line 53
<u>Revenue Deficiency</u>	<u>\$12,038,936</u>	Line 43 / Line 44
<u>Gross Revenue Conversion Factor</u>		
Gross Revenue	1.000000	
Uncollectible expense	<u>(0.013029)</u>	Schedule 22, Page 6, Line 15
Revenue net of Uncollectibles	0.986971	
Composite income tax rate	<u>(0.20726)</u>	Line 50 x (- 21%)
Net income effect of 1.000 Revenue	<u>0.779707</u>	Line 50 + Line 51
Gross Revenue Conversion Factor	<u>1.2825328</u>	1 / Line 52

The Narragansett Electric Company d/b/a National Grid
 Illustrative Statement of Electric Operations Income and Revenue Deficiency Summary
 For Rate Year Ending August 31, 2019 to Rate Year Ending August 31, 2020

	Schedule Reference	Rate Year Ending August 31, 2019 (a)	Reflect Conditions in the Rate Year (b)	Rate Year Ending August 31, 2020 (c) = (a) + (b)	Base Revenue Increase Required (d)	Rate Year Ending August 31, 2020 with Base Revenue Requirement (e) = (c) + (d)
1 Revenues	Schedule 2-ELEC	\$291,130,879	\$0	\$291,130,879	\$3,870,311	\$295,001,190
2						
3 Purchased Power & Other Reconciling Expense	Schedule 3	\$0	\$0	\$0	\$0	\$0
4						
5 Net Distribution Revenues		<u>\$291,130,879</u>	<u>\$0</u>	<u>\$291,130,879</u>	<u>\$3,870,311</u>	<u>\$295,001,190</u>
6						
7 Operation & Maintenance Expenses	Schedule 3	\$150,760,152	\$2,488,420	\$153,248,572	\$50,426	\$153,298,998
8						
9 Amortization of Regulatory Deferrals	Schedule 4-ELEC	\$471,908	\$0	\$471,908	\$0	\$471,908
10						
11 Amortization of Utility Plant	Schedule 5-ELEC	\$0	\$0	\$0	\$0	\$0
12						
13 Depreciation	Schedule 6-ELEC	\$50,128,332	\$879,921	\$51,008,253	\$0	\$51,008,253
14						
15 Municipal Taxes	Schedule 7-ELEC	\$30,530,258	\$0	\$30,530,258	\$0	\$30,530,258
16						
17 Payroll Taxes	Schedule 8	\$4,154,522	\$108,881	\$4,263,404	\$0	\$4,263,404
18						
19 Gross Receipts Taxes	Schedule 9	\$0	\$0	\$0	\$0	\$0
20						
21 Other Taxes	Schedule 9	\$454,406	\$12,087	\$466,493	\$0	\$466,493
22						
23 Interest on Customer Deposits	Workpaper 2-ELEC	<u>\$132,127</u>	<u>\$172,340</u>	<u>\$304,467</u>	<u>\$0</u>	<u>\$304,467</u>
24						
25 Total Operating Revenue Deductions		<u>\$236,631,706</u>	<u>\$3,661,649</u>	<u>\$240,293,355</u>	<u>\$50,426</u>	<u>\$240,343,781</u>
26						
27 Operating Income Before Income Taxes		<u>\$54,499,173</u>	<u>(\$3,661,649)</u>	<u>\$50,837,523</u>	<u>\$3,819,885</u>	<u>\$54,657,408</u>
28						
29 Income Taxes	Schedule 10-ELEC			<u>\$2,862,891</u>	<u>\$802,176</u>	<u>\$3,665,067</u>
30						
31 Operating Income After Income Taxes				<u>\$47,974,632</u>	<u>\$3,017,709</u>	<u>\$50,992,341</u>
32						
33 Rate Base	Schedule 11-ELEC			<u>\$731,597,435</u>		<u>\$731,597,435</u>
34						
35 Rate of Return				<u>6.56%</u>	Line 31(c) / Line 33(c)	
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	<u>Revenue Deficiency</u>		
	Earned Rate of Return	6.56%	Line 35 (c)
	Rate Year Required Rate of Return	6.97%	Page 4, Line 9 (c)
	Rate of Return Deficiency	0.41%	Line 40 - Line 39
	Rate Base	<u>\$731,597,435</u>	Line 33 (c)
	Net Operating Income Deficiency	<u>\$3,017,709</u>	
	Gross Revenue Conversion Factor	1.282533	Line 53
	<u>Revenue Deficiency</u>	<u>\$3,870,311</u>	Line 43 / Line 44
	<u>Gross Revenue Conversion Factor</u>		
	Gross Revenue	1.000000	
	Uncollectible expense	<u>(0.013029)</u>	Schedule 22, Page 6, Line 15
	Revenue net of Uncollectibles	0.986971	
	Composite income tax rate	<u>(0.20726)</u>	Line 50 x (- 21%)
	Net income effect of 1.000 Revenue	<u>0.779707</u>	Line 50 + Line 51
	Gross Revenue Conversion Factor	<u>1.2825328</u>	1 / Line 52

The Narragansett Electric Company d/b/a National Grid
 Illustrative Statement of Electric Operations Income and Revenue Deficiency Summary
 For Rate Year Ending August 31, 2020 to Rate Year Ending August 31, 2021

	Schedule Reference	Rate Year Ending August 31, 2021 (a)	Reflect Conditions in the Rate Year (b)	Rate Year Ending August 31, 2021 Adjusted (c) = (a) + (b)	Base Revenue Increase Required (d)	Rate Year Ending August 31, 2021 with Base Revenue Requirement (e) = (c) + (d)
1 Revenues	Schedule 2-ELEC	\$295,001,190	\$0	\$295,001,190	\$2,546,157	\$297,547,347
2						
3 Purchased Power & Other Reconciling Expense	Schedule 3	\$0	\$0	\$0	\$0	\$0
4						
5 Net Distribution Revenues		<u>\$295,001,190</u>	<u>\$0</u>	<u>\$295,001,190</u>	<u>\$2,546,157</u>	<u>\$297,547,347</u>
6						
7 Operation & Maintenance Expenses	Schedule 3	\$153,298,998	\$2,110,003	\$155,409,002	\$33,174	\$155,442,175
8						
9 Amortization of Regulatory Deferrals	Schedule 4-ELEC	\$471,908	\$0	\$471,908	\$0	\$471,908
10						
11 Amortization of Utility Plant	Schedule 5-ELEC	\$0	\$0	\$0	\$0	\$0
12						
13 Depreciation	Schedule 6-ELEC	\$51,008,253	\$44,250	\$51,052,503	\$0	\$51,052,503
14						
15 Municipal Taxes	Schedule 7-ELEC	\$30,530,258	\$0	\$30,530,258	\$0	\$30,530,258
16						
17 Payroll Taxes	Schedule 8	\$4,263,404	\$85,155	\$4,348,558	\$0	\$4,348,558
18						
19 Gross Receipts Taxes	Schedule 9	\$0	\$0	\$0	\$0	\$0
20						
21 Other Taxes	Schedule 9	\$466,493	\$11,336	\$477,829	\$0	\$477,829
22						
23 Interest on Customer Deposits	Workpaper 2-ELEC	<u>\$304,467</u>	<u>(\$4,308)</u>	<u>\$300,158</u>	<u>\$0</u>	<u>\$300,158</u>
24						
25 Total Operating Revenue Deductions		<u>\$240,343,781</u>	<u>\$2,246,435</u>	<u>\$242,590,217</u>	<u>\$33,174</u>	<u>\$242,623,390</u>
26						
27 Operating Income Before Income Taxes		<u>\$54,657,408</u>	<u>(\$2,246,435)</u>	<u>\$52,410,973</u>	<u>\$2,512,983</u>	<u>\$54,923,956</u>
28						
29 Income Taxes	Schedule 10-ELEC			\$3,178,076	\$527,726	\$3,705,802
30						
31 Operating Income After Income Taxes				<u>\$49,232,897</u>	<u>\$1,985,257</u>	<u>\$51,218,154</u>
32						
33 Rate Base	Schedule 11-ELEC			<u>\$734,837,218</u>		<u>\$734,837,218</u>
34						
35 Rate of Return				<u>6.70%</u>	Line 31(c) / Line 33(c)	
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	<u>Revenue Deficiency</u>		
	Earned Rate of Return	6.70%	Line 35 (c)
	Rate Year Required Rate of Return	6.97%	Page 4, Line 9 (c)
	Rate of Return Deficiency	0.27%	Line 40 - Line 39
	Rate Base	\$734,837,218	Line 33 (c)
	Net Operating Income Deficiency	\$1,985,257	
	Gross Revenue Conversion Factor	1.282533	Line 53
	<u>Revenue Deficiency</u>	<u>\$2,546,157</u>	Line 43 / Line 44
	<u>Gross Revenue Conversion Factor</u>		
	Gross Revenue	1.000000	
	Uncollectible expense	(0.013029)	Schedule 22, Page 6, Line 15
	Revenue net of Uncollectibles	0.986971	
	Composite income tax rate	(0.20726)	Line 50 x (- 21%)
	Net income effect of 1.000 Revenue	0.779707	Line 50 + Line 51
	Gross Revenue Conversion Factor	<u>1.2825328</u>	1 / Line 52

The Narragansett Electric Company d/b/a National Grid
Cost of Capital
For the Test Year Ended June 30, 2017 and the Rate Year Ending August 31, 2021

	Description	Capital Structure (a)	Cost Rate (b)	Weighted Return (c) = (a) x (b)	Taxes (d)	Pre-tax Return (e) = (c)+(d)
1	Short Term Debt	0.60%	1.76%	0.01%		0.01%
2						
3	Long Term Debt	48.35%	4.62% (1)	2.23%		2.23%
4						
5	Preferred Stock	0.10%	4.50%	0.00%		0.00%
6						
7	Total Common Equity	50.95%	9.275%	4.73%	1.26% (2)	5.99%
8						
9	Total Capitalization	100.00%		6.97%	1.26%	8.23%

Notes

- (1) Company's Effective Cost of Long Term Debt
(2) Line 3(c) / (1-21%) - Line 3(c)

Column Notes

- (a) As referenced in Pre-filed Direct Testimony of Robert B. Hevert, page 2 of 2 Lines 14 through 18

Line Notes

- 1(b) As referenced in Pre-filed Direct Testimony of Robert B. Hevert,, page 78 of 93 Line 13
3(b) As referenced in Pre-filed Direct Testimony of Robert B. Hevert,, page 78 of 93 Line 4
5(b) As referenced in Pre-filed Direct Testimony of Robert B. Hevert,, page 78 of 93 Line 10
7(b) Based on Settlement

Compliance Attachment 2

Schedule 1-GAS

Revenue Requirement – Gas

The Narragansett Electric Company d/b/a National Grid
Illustrative Statement of Gas Operations Income and Revenue Deficiency Summary
For the Test Year Ended June 30, 2017 and the Rate Year Ending August 31, 2019

	Schedule Reference	Test Year Ended June 30, 2017 (a)	Normalizing Adjustments (b)	Test Year Ended June 30, 2017 Adjusted (c) = (a) + (b)	Proforma Adjustments (d)	Rate Year Ending August 31, 2019 (e) = (c) + (d)	Base Revenue Increase Required (f)	Rate Year Ending August 31, 2019 with Base Revenue Requirement (g) = (e) + (f)
1 Revenues	Schedule 2-GAS	\$377,158,225	(\$199,714,435)	\$177,443,790	\$35,367,585	\$212,811,375	\$5,823,471	\$218,634,846
2								
3 Purchased Power & Other Reconciling Expense	Schedule 3	\$136,269,302	(\$136,269,302)	\$0	\$0	\$0	\$0	\$0
4								
5 Net Distribution Revenues		<u>\$240,888,923</u>	<u>(\$63,445,133)</u>	<u>\$177,443,790</u>	<u>\$35,367,585</u>	<u>\$212,811,375</u>	<u>\$5,823,471</u>	<u>\$218,634,846</u>
6								
7 Operation & Maintenance Expenses	Schedule 3	\$115,479,365	(\$28,084,501)	\$87,394,863	(\$1,247,337)	\$86,147,527	\$111,079	\$86,258,606
8								
9 Amortization of Regulatory Deferrals	Schedule 4-GAS	\$705,953	\$1,309,738	\$2,015,691	(\$438,475)	\$1,577,216	\$0	\$1,577,216
10								
11 Amortization of Utility Plant	Schedule 5-GAS	\$1,874,224	\$106,546	\$1,980,770	(\$1,554,586)	\$426,184	\$0	\$426,184
12								
13 Depreciation	Schedule 6-GAS	\$33,311,851	(\$15,649)	\$33,296,202	\$5,840,707	\$39,136,909	\$0	\$39,136,909
14								
15 Municipal Taxes	Schedule 7-GAS	\$22,542,352	(\$453,318)	\$22,089,035	\$4,780,420	\$26,869,455	\$0	\$26,869,455
16								
17 Payroll Taxes	Schedule 8	(\$1,294,241)	\$3,762,248	\$2,468,007	\$192,382	\$2,660,389	\$0	\$2,660,389
18								
19 Gross Receipts Taxes	Schedule 9	\$11,166,309	(\$11,166,309)	\$0	\$0	\$0	\$0	\$0
20								
21 Other Taxes	Schedule 9	\$217,464	\$0	\$217,464	\$10,069	\$227,533	\$0	\$227,533
22								
23 Interest on Customer Deposits	Workpaper 2-GAS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$35,184</u>	<u>\$35,184</u>	<u>\$0</u>	<u>\$35,184</u>
24								
25 Total Operating Revenue Deductions		<u>\$184,003,277</u>	<u>(\$34,541,245)</u>	<u>\$149,462,033</u>	<u>\$7,618,364</u>	<u>\$157,080,397</u>	<u>\$111,079</u>	<u>\$157,191,476</u>
26								
27 Operating Income Before Income Taxes		<u>\$56,885,646</u>	<u>(\$28,903,888)</u>	<u>\$27,981,757</u>	<u>\$27,749,221</u>	<u>\$55,730,978</u>	<u>\$5,712,392</u>	<u>\$61,443,370</u>
28								
29 Income Taxes	Schedule 10-GAS					<u>\$5,863,385</u>	<u>\$1,199,602</u>	<u>\$7,062,987</u>
30								
31 Operating Income After Income Taxes						<u>\$49,867,593</u>	<u>\$4,512,790</u>	<u>\$54,380,383</u>
32								
33 Rate Base	Schedule 11-GAS					<u>\$760,564,795</u>		<u>\$760,564,795</u>
34								
35 Rate of Return						<u>6.56%</u>	Line 31(e) / Line 33(e)	
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Revenue Deficiency		
Earned Rate of Return	6.56%	Line 35 (e)
Rate Year Required Rate of Return	7.15%	Page 4, Line 9 (c)
Rate of Return Deficiency	0.59%	Line 40 - Line 39
Rate Base	\$760,564,795	Line 33 (e)
Net Operating Income Deficiency	\$4,512,790	
Gross Revenue Conversion Factor	1.290437	Line 53
Revenue Deficiency	\$5,823,471	Line 43 / Line 44
Gross Revenue Conversion Factor		
Gross Revenue	1.000000	
Uncollectible expense	(0.019074)	Schedule 22, Page 7, Line 15
Revenue net of Uncollectibles	0.980926	
Composite income tax rate	(0.20599)	Line 50 x (- 21%)
Net income effect of 1.000 Revenue	0.774931	Line 50 + Line 51
Gross Revenue Conversion Factor	1.2904371	1 / Line 52

The Narragansett Electric Company d/b/a National Grid
Illustrative Statement of Gas Operations Income and Revenue Deficiency Summary
For Rate Year Ending August 31, 2019 to Rate Year Ending August 31, 2020

	Schedule Reference	Rate Year Ending August 31, 2019 (a)	Reflect Conditions in the Rate Year (b)	Rate Year Ending August 31, 2020 (c) = (a) + (b)	Base Revenue Increase Required (d)	Rate Year Ending August 31, 2020 with Base Revenue Requirement (e) = (c) + (d)
1 Revenues	Schedule 2-GAS	\$218,634,846	\$0	\$218,634,846	\$5,726,761	\$224,361,607
2						
3 Purchased Power & Other Reconciling Expense	Schedule 3	\$0	\$0	\$0	\$0	\$0
4						
5 Net Distribution Revenues		<u>\$218,634,846</u>	<u>\$0</u>	<u>\$218,634,846</u>	<u>\$5,726,761</u>	<u>\$224,361,607</u>
6						
7 Operation & Maintenance Expenses	Schedule 3	\$86,258,606	\$2,496,823	\$88,755,428	\$109,234	\$88,864,662
8						
9 Amortization of Regulatory Deferrals	Schedule 4-GAS	\$1,577,216	\$0	\$1,577,216	\$0	\$1,577,216
10						
11 Amortization of Utility Plant	Schedule 5-GAS	\$426,184	\$0	\$426,184	\$0	\$426,184
12						
13 Depreciation	Schedule 6-GAS	\$39,136,909	\$1,924,745	\$41,061,654	\$0	\$41,061,654
14						
15 Municipal Taxes	Schedule 7-GAS	\$26,869,455	\$0	\$26,869,455	\$0	\$26,869,455
16						
17 Payroll Taxes	Schedule 8	\$2,660,389	\$74,617	\$2,735,007	\$0	\$2,735,007
18						
19 Gross Receipts Taxes	Schedule 9	\$0	\$0	\$0	\$0	\$0
20						
21 Other Taxes	Schedule 9	\$227,533	\$6,052	\$233,585	\$0	\$233,585
22						
23 Interest on Customer Deposits	Workpaper 2-GAS	<u>\$35,184</u>	<u>\$45,892</u>	<u>\$81,076</u>	<u>\$0</u>	<u>\$81,076</u>
24						
25 Total Operating Revenue Deductions		<u>\$157,191,476</u>	<u>\$4,548,129</u>	<u>\$161,739,605</u>	<u>\$109,234</u>	<u>\$161,848,840</u>
26						
27 Operating Income Before Income Taxes		<u>\$61,443,370</u>	<u>(\$4,548,129)</u>	<u>\$56,895,241</u>	<u>\$5,617,527</u>	<u>\$62,512,767</u>
28						
29 Income Taxes	Schedule 10-GAS			\$6,043,238	\$1,179,681	\$7,222,918
30						
31 Operating Income After Income Taxes				<u>\$50,852,003</u>	<u>\$4,437,846</u>	<u>\$55,289,849</u>
32						
33 Rate Base	Schedule 11-GAS			<u>\$773,284,603</u>		<u>\$773,284,603</u>
34						
35 Rate of Return				<u>6.58%</u>	Line 31(c) / Line 33(c)	
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Revenue Deficiency		
Earned Rate of Return	6.58%	Line 35 (c)
Rate Year Required Rate of Return	7.15%	Page 4, Line 9 (c)
Rate of Return Deficiency	0.57%	Line 40 - Line 39
Rate Base	\$773,284,603	Line 33 (c)
Net Operating Income Deficiency	\$4,437,846	
Gross Revenue Conversion Factor	1.290437	Line 53
Revenue Deficiency	<u>\$5,726,761</u>	Line 43 / Line 44
Gross Revenue Conversion Factor		
Gross Revenue	1.000000	
Uncollectible expense	<u>(0.019074)</u>	Schedule 22, Page 7, Line 15

The Narragansett Electric Company d/b/a National Grid
Illustrative Statement of Gas Operations Income and Revenue Deficiency Summary
For Rate Year Ending August 31, 2020 to Rate Year Ending August 31, 2021

	Schedule Reference	Rate Year Ending August 31, 2020 (a)	Reflect Conditions in the Rate Year (b)	Rate Year Ending August 31, 2020 Adjusted (c) = (a) + (b)	Base Revenue Increase Required (d)	Rate Year Ending August 31, 2021 with Base Revenue Requirement (e) = (c) + (d)
1 Revenues	Schedule 2-GAS	\$224,361,607	\$0	\$224,361,607	\$3,362,798	\$227,724,405
2						
3 Purchased Power & Other Reconciling Expense	Schedule 3	\$0	\$0	\$0	\$0	\$0
4						
5 Net Distribution Revenues		<u>\$224,361,607</u>	<u>\$0</u>	<u>\$224,361,607</u>	<u>\$3,362,798</u>	<u>\$227,724,405</u>
6						
7 Operation & Maintenance Expenses	Schedule 3	\$88,864,662	\$1,334,789	\$90,199,451	\$64,143	\$90,263,594
8						
9 Amortization of Regulatory Deferrals	Schedule 4-GAS	\$1,577,216	\$0	\$1,577,216	\$0	\$1,577,216
10						
11 Amortization of Utility Plant	Schedule 5-GAS	\$426,184	\$0	\$426,184	\$0	\$426,184
12						
13 Depreciation	Schedule 6-GAS	\$41,061,654	\$608,784	\$41,670,438	\$0	\$41,670,438
14						
15 Municipal Taxes	Schedule 7-GAS	\$26,869,455	\$0	\$26,869,455	\$0	\$26,869,455
16						
17 Payroll Taxes	Schedule 8	\$2,735,007	\$55,631	\$2,790,638	\$0	\$2,790,638
18						
19 Gross Receipts Taxes	Schedule 9	\$0	\$0	\$0	\$0	\$0
20						
21 Other Taxes	Schedule 9	\$233,585	\$5,676	\$239,261	\$0	\$239,261
22						
23 Interest on Customer Deposits	Workpaper 2-GAS	\$81,076	(\$1,147)	\$79,929	\$0	\$79,929
24						
25 Total Operating Revenue Deductions		<u>\$161,848,840</u>	<u>\$2,003,733</u>	<u>\$163,852,572</u>	<u>\$64,143</u>	<u>\$163,916,716</u>
26						
27 Operating Income Before Income Taxes		<u>\$62,512,767</u>	<u>(\$2,003,733)</u>	<u>\$60,509,035</u>	<u>\$3,298,655</u>	<u>\$63,807,690</u>
28						
29 Income Taxes	Schedule 10-GAS			\$6,723,860	\$692,718	\$7,416,578
30						
31 Operating Income After Income Taxes				<u>\$53,785,175</u>	<u>\$2,605,937</u>	<u>\$56,391,112</u>
32						
33 Rate Base	Schedule 11-GAS			<u>\$788,686,880</u>		<u>\$788,686,880</u>
34						
35 Rate of Return				<u>6.82%</u>	Line 31(c) / Line 33(c)	
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	<u>Revenue Deficiency</u>		
	Earned Rate of Return	6.82%	Line 35 (c)
	Rate Year Required Rate of Return	7.15%	Page 4, Line 9 (c)
	Rate of Return Deficiency	0.33%	Line 40 - Line 39
	Rate Base	<u>\$788,686,880</u>	Line 33 (c)
	Net Operating Income Deficiency	\$2,605,937	
	Gross Revenue Conversion Factor	1.290437	Line 53
	<u>Revenue Deficiency</u>	<u>\$3,362,798</u>	Line 43 / Line 44
	<u>Gross Revenue Conversion Factor</u>		
	Gross Revenue	1.000000	
	Uncollectible expense	(0.019074)	Schedule 22, Page 7, Line 15
	Revenue net of Uncollectibles	0.980926	
	Composite income tax rate	(0.20599)	Line 50 x (- 21%)
	Net income effect of 1.000 Revenue	0.774931	Line 50 + Line 51
	Gross Revenue Conversion Factor	<u>1.2904371</u>	1 / Line 52

The Narragansett Electric Company d/b/a National Grid
Cost of Capital
For the Test Year Ended June 30, 2017 and the Rate Year Ending August 31, 2019

	Description	Capital Structure (a)	Cost Rate (b)	Weighted Return (c) = (a) x (b)	Taxes (d)	Pre-tax Return (e) = (c)+(d)
1	Short Term Debt	0.60%	1.76%	0.01%		0.01%
2						
3	Long Term Debt	48.35%	4.98% (1)	2.41%		2.41%
4						
5	Preferred Stock	0.10%	4.50%	0.00%		0.00%
6						
7	Total Common Equity	50.95%	9.275%	4.73%	1.26% (2)	5.99%
8						
9	Total Capitalization	100.00%		7.15%	1.26%	8.41%

Notes

- (1) Company's Effective Cost of Long Term Debt
(2) Line 3(c) / (1 - 21%) - Line 3(c)

Column Notes

- (a) As referenced in Pre-filed Direct Testimony of Robert B. Hevert, page 2 of 2 Lines 14 through 18

Line Notes

- 1(b) As referenced in Pre-filed Direct Testimony of Robert B. Hevert,, page 78 of 93 Line 13
3(b) As referenced in Pre-filed Direct Testimony of Robert B. Hevert,, page 78 of 93 Line 4
5(b) As referenced in Pre-filed Direct Testimony of Robert B. Hevert,, page 78 of 93 Line 10
7(b) As referenced in Pre-filed Direct Testimony of Robert B. Hevert,, page 83 of 93 Line 13

Compliance Attachment 2

Schedule 2-ELEC

Revenue– Electric

The Narragansett Electric Company d/b/a National Grid
Electric Operations Revenues by Component
For the Test Year Ended June 30, 2017 and the Rate Year Ending August 31, 2019

Description	Test Year Ended June 30, 2017 (a)	Normalizing Adjustments (b)	Test Year Ended June 30, 2017 (Adjusted) (c) = (a) + (b)	Proforma Adjustments (d)	Rate Year Ending August 31, 2019 (e) = (c) + (d)	Adjustments to	Adjustments to	Rate Year Ending August 31, 2020 (g) = (e) + (f)	Rate Year Ending August 31, 2021 (h)	Rate Year Ending August 31, 2021 (i) = (g) + (h)
						Reflect	Reflect			
						Conditions in Rate Year Ending August 31, 2020 (f)	Conditions in Rate Year Ending August 31, 2021 (i)			
1 <u>Firm Revenues:</u>										
2 Customer	\$56,691,544	(\$488,501)	\$56,203,043	\$2,265,282	\$58,468,325	12,038,936	\$70,507,261	3,870,311	\$74,377,572	
3 Distribution	\$181,979,904	\$3,009,507	\$184,989,411	(\$5,602,580)	\$179,386,831	-	\$179,386,831	-	\$179,386,831	
4 Revenue Decoupling Mechanism	\$2,933,071	\$7,047,475	\$9,980,546	\$3,337,298	\$13,317,844	-	\$13,317,844	-	\$13,317,844	
5 Subtotal of Annual Target Revenue	\$241,604,519	\$9,568,481	\$251,173,000	\$0	\$251,173,000	\$12,038,936	\$263,211,936	\$3,870,311	\$267,082,247	
6										
7 Infrastructure, Safety and Reliability Capital	\$18,366,740	(\$1,782,009)	\$16,584,731	(\$538,335)	\$16,046,396	\$0	\$16,046,396	\$0	\$16,046,396	
8 Infrastructure, Safety and Reliability Capital Adjustment	\$2,904,568	\$2,904,568	\$2,904,568	\$437,848	\$3,342,416	\$0	\$3,342,416	\$0	\$3,342,416	
9 Total Base Distribution Revenues	\$18,366,740	\$1,122,559	\$19,489,299	(\$100,487)	\$19,388,812	\$0	\$19,388,812	\$0	\$19,388,812	
10										
11 Total Base Distribution Revenues	\$259,971,259	\$10,691,040	\$270,662,299	(\$100,487)	\$270,561,812	\$12,038,936	\$282,600,748	\$3,870,311	\$286,471,059	
12										
13 Other Distribution Revenues:										
14 Forfeited Discounts - Electric	\$1,657,293	\$0	\$1,657,293	\$0	\$1,657,293	\$0	\$1,657,293	\$0	\$1,657,293	
15 Misc Service Revenue - Electric	\$233,788	\$1,276,523	\$1,510,311	(\$141,992)	\$1,368,319	\$0	\$1,368,319	\$0	\$1,368,319	
16 Rent from Electric Property	\$3,822,134	(\$937,241)	\$2,884,893	\$0	\$2,884,893	\$0	\$2,884,893	\$0	\$2,884,893	
17 Other Electric Revenue - Misc	\$1,882,811	\$0	\$1,882,811	\$0	\$1,882,811	\$0	\$1,882,811	\$0	\$1,882,811	
18 Other Elec Rev-Block Island & Dist Surcharges	\$9,680,425	(\$9,086,137)	\$594,288	\$0	\$594,288	\$0	\$594,288	\$0	\$594,288	
19 Other Elec Rev-CIAC	\$1,197,705	(\$1,197,705)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
20 Other Elec Rev-RISE EE Billings	\$131,920	(\$131,920)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
21 M-1 Distribution Revenue	\$146,486	(\$3,959)	\$142,527	\$0	\$142,527	\$0	\$142,527	\$0	\$142,527	
22 Subtotal Distribution Revenue	\$278,723,821	\$610,601	\$279,334,422	(\$242,479)	\$279,091,943	\$12,038,936	\$291,130,879	\$3,870,311	\$295,001,190	
23										
24 Other Delivery and Commodity Revenue:										
25 Standard Offer Administrative	\$10,331,312	(\$10,331,312)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
26 Infrastructure, Safety and Reliability Operating & Maintenance	\$8,360,493	(\$8,360,493)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
27 Transmission	\$181,281,258	(\$181,281,258)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
28 Competitive Transition Charge	\$978,140	(\$978,140)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
29 Commodity	\$269,132,978	(\$269,132,978)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
30 Energy Efficiency	\$78,518,199	(\$78,518,199)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
31 Pension Adjustment Factor	\$4,724,675	(\$4,724,675)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
32 Storm Fund Replenishment Factor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
33 RE Growth	\$2,033,798	(\$2,033,798)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
34 Long-Term Contracting for Renewable Energy Recovery Provision	\$34,690,580	(\$34,690,580)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
35 Net Metering	\$3,283,480	(\$3,283,480)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
36 Gross Receipts Tax	\$34,789,546	(\$34,789,546)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
37 Total Other Operating Revenues	\$628,124,459	(\$628,124,459)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
38										
39										
40 Total Operating Revenues	\$906,848,280	(\$627,513,858)	\$279,334,422	(\$242,479)	\$279,091,943	\$12,038,936	\$291,130,879	\$3,870,311	\$295,001,190	

Column Notes

- (a) Per Workpaper PP-1-ELEC Page 1, Column (a)
- (b) Lines (2) through (22) Column (c) - Column (a)
- (b) Lines (25) through (37): - Column (a)
- (c) Lines (2) through (22) per Workpaper PP-1-ELEC, Page 1, Column (b)
- (c) Lines (25) through (37): Column (a) + Column (b)
- (d) Lines (2) through (22) per Workpaper PP-1-ELEC, Page 1, Column (c)
- (d) Lines (25) through (37): No Proforma Adjustments
- (e) Column (c) + Column (d)
- (f) Line (3) per Schedule 1-ELEC, Page 1, Line (45) Column (e)
- (f) Line (7) per Workpaper 12-ELEC, Page 1, Line (17) Column (h)
- (g) Column (e) + Column (f)
- (h) Line (3) per Schedule 1-ELEC, Page 2, Line (45) Column (e)
- (h) Line (7) per Workpaper 12-ELEC, Page 1, Line (17) Column (i)
- (i) Column (g) + Column (h)

Line Notes

- 5 Sum of Line 2 through Line 4
- 9 Line 7 + Line 8
- 11 Line 5 + Line 9
- 22 Sum of Line 11 through Line 22
- 37 Sum of Line 25 through Line 36
- 40 Line 22 + Line 37

Compliance Attachment 2

Schedule 2-GAS

Revenue – Gas

The Narragansett Electric Company d/b/a National Grid
Gas Operations Revenues by Component
For the Test Year Ended June 30, 2017 and the Rate Year Ending August 31, 2019

Description	Test Year Ended June 30, 2017 (a)	Normalizing Adjustments (b)	Test Year Ended June 30, 2017 (Adjusted) (c) = (a) + (b)	Proforma Adjustments (d)	Rate Year Ending August 31, 2019 (e) = (c) + (d)	Adjustments to Reflect	Adjustments to Reflect	Rate Year Ending August 31, 2021 (h)	Rate Year Ending August 31, 2021 (i) = (g) + (h)
						Conditions in Rate Year Ending August 31, 2020 (f)	Conditions in Rate Year Ending August 31, 2020 (g) = (e) + (f)		
Firm Revenues:									
1 Delivery- Base Revenues excluding AGT, LIHEAP, and Envir Base Rate	\$169,061,454	\$2,391,422	\$171,452,876	\$1,955,965	\$173,408,841	\$5,823,471	\$179,232,312	\$5,726,761	\$184,959,073
2 LIAP in Base Rates			\$0		\$0	\$0	\$0	\$0	\$0
3 Energy Efficiency-Weatherization Program in Base Rates			\$0		\$0	\$0	\$0	\$0	\$0
4 Advanced Gas Technologies in Base Rates			\$0		\$0	\$0	\$0	\$0	\$0
5 Environmental Cost Recovery in Base Rates	\$1,402,848	(\$92,848)	\$1,310,000	\$0	\$1,310,000	\$0	\$1,310,000	\$0	\$1,310,000
6 Gas Lights	\$22,148	\$0	\$22,148	\$0	\$22,148	\$0	\$22,148	\$0	\$22,148
7 Sub-Total Delivery Rates	\$170,486,450	\$2,298,574	\$172,785,024	\$1,955,965	\$174,740,989	\$5,823,471	\$180,564,460	\$5,726,761	\$186,291,221
8									
9 Gas Cost Recovery Revenues	\$123,331,582	(\$123,331,582)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10 DAC Revenues	\$31,264,074	(\$31,264,074)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11 Energy Efficiency Revenues	\$27,861,870	(\$27,861,870)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12 Sub-Total Firm Tariff Revenues	\$352,943,977	(\$180,158,953)	\$172,785,024	\$1,955,965	\$174,740,989	\$5,823,471	\$180,564,460	\$5,726,761	\$186,291,221
13			\$0		\$0	\$0	\$0	\$0	\$0
14 Special Contract- Dominion Power	\$224,996		\$224,996	\$0	\$224,996	\$0	\$224,996	\$0	\$224,996
15			\$0		\$0	\$0	\$0	\$0	\$0
16 Non Firm Revenues	\$2,466,036	(\$1,030,032)	\$1,436,004	\$0	\$1,436,004	\$0	\$1,436,004	\$0	\$1,436,004
17									
18 Total Billed Revenues	\$355,635,009	(\$181,188,985)	\$174,446,024	\$1,955,965	\$176,401,989	\$5,823,471	\$182,225,460	\$5,726,761	\$187,952,221
19						\$0	\$0	\$0	\$0
20 Other Operating Revenues:						\$0	\$0	\$0	\$0
21						\$0	\$0	\$0	\$0
22 Miscellaneous Fees/Credits			\$0		\$0	\$0	\$0	\$0	\$0
23 Paperless Bill Credits			\$0		\$0	\$0	\$0	\$0	\$0
24 Account Restoration Fee		\$81,848	\$81,848	\$232,454	\$314,302	\$0	\$314,302	\$0	\$314,302
25 Customer Arreage Fee (Late Payment Fees)	(\$1,428)	\$411,080	\$409,652		\$409,652	\$0	\$409,652	\$0	\$409,652
26 Return Check Fee		\$63,735	\$63,735	(\$33,984)	\$29,751	\$0	\$29,751	\$0	\$29,751
27 AMR Opt Out Fee	\$286	\$0	\$286	\$0	\$286	\$0	\$286	\$0	\$286
28 Sub-total Fees/Credits	(\$1,143)	\$556,663	\$555,520	\$198,470	\$753,990	\$0	\$753,990	\$0	\$753,990
29									
30 Rental Expense	\$248,262		\$248,262		\$248,262	\$0	\$248,262	\$0	\$248,262
31 AFUDC- Equity/Debt	\$0	(\$23,725)	(\$23,725)		(\$23,725)	\$0	(\$23,725)	\$0	(\$23,725)
32 Miscellaneous Revenue Adjustments	(\$51,583)		(\$51,583)		(\$51,583)	\$0	(\$51,583)	\$0	(\$51,583)
33 Non Utility Billing		\$937,241	\$937,241		\$937,241	\$0	\$937,241	\$0	\$937,241
34									
35 Revenue Decoupling Adj	\$1,332,052		\$1,332,052	(\$3,916,702)	(\$2,584,650)	\$0	(\$2,584,650)	\$0	(\$2,584,650)
36 ISR FY16 Recon FY17	\$24,428,803	(\$24,428,803)	\$0	\$37,129,852	\$37,129,852	\$0	\$37,129,852	\$0	\$37,129,852
37 On System Margin Adj	(\$63,674)	\$63,674	\$0		\$0	\$0	\$0	\$0	\$0
38 Settlement Agreement DK 4323 Article III. B.4.	(\$322,761)	\$322,761	\$0		\$0	\$0	\$0	\$0	\$0
39 Gross Receipts Tax Revenues	\$10,722,138	(\$10,722,138)	\$0		\$0	\$0	\$0	\$0	\$0
40			\$0		\$0	\$0	\$0	\$0	\$0
41 Off System Sales	\$10,540,373	(\$10,540,373)	\$0		\$0	\$0	\$0	\$0	\$0
42 Unbilled Revenues & Cost	(\$7,340,302)	\$7,340,302	\$0		\$0	\$0	\$0	\$0	\$0
43 EE Shareholder Incentive	\$1,541,775	(\$1,541,775)	\$0		\$0	\$0	\$0	\$0	\$0
44 NGPMP Shareholder Incentive	\$904,843	(\$904,843)	\$0		\$0	\$0	\$0	\$0	\$0
45			\$0		\$0	\$0	\$0	\$0	\$0
46 Offsetting Manual Journal Entries			\$0		\$0	\$0	\$0	\$0	\$0
47 LIAP in Base Rates	(\$1,664,685)	\$1,664,685	\$0		\$0	\$0	\$0	\$0	\$0
48 Energy Efficiency-Weatherization Program in Base Rates	(\$200,000)	\$200,000	\$0		\$0	\$0	\$0	\$0	\$0
49 Advanced Gas Technologies in Base Rates	(\$313,393)	\$313,393	\$0		\$0	\$0	\$0	\$0	\$0
50 Environmental Cost Recovery in Base Rates	(\$1,368,476)	\$1,368,476	\$0		\$0	\$0	\$0	\$0	\$0
51 GCR Deferral	\$8,305,653	(\$8,305,653)	\$0		\$0	\$0	\$0	\$0	\$0
52 DAC Deferral	(\$23,700,728)	\$23,700,728	\$0		\$0	\$0	\$0	\$0	\$0
53 EE Deferral	(\$555,371)	\$555,371	\$0		\$0	\$0	\$0	\$0	\$0
54 Other Accounting Adj.	(\$918,567)	\$918,567	\$0		\$0	\$0	\$0	\$0	\$0
55			\$0	\$0	\$0	\$0	\$0	\$0	\$0
56 Total Other Operating Revenues	\$21,523,216	(\$18,525,450)	\$2,997,766	\$33,411,620	\$36,409,386	\$0	\$36,409,386	\$0	\$36,409,386
57									
58 Total Operating Revenues	\$377,158,225	(\$199,714,435)	\$177,443,790	\$35,367,585	\$212,811,375	\$5,823,471	\$218,634,846	\$5,726,761	\$224,361,607
59									
60 Gas Cost Expense									
61									
62 Total	\$135,754,254	(\$135,754,254)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
63									
64 Net Margin	\$241,403,971	(\$63,960,182)	\$177,443,790	\$35,367,585	\$212,811,375	\$5,823,471	\$218,634,846	\$5,726,761	\$224,361,607

Column Notes

- (a) Per Company Books
- 1(b) Schedule PP-1-GAS Pg. 2 Ln.24 Col (c)
- 1(d) Schedule PP-1-GAS Pg. 2 Ln.24 Col (g)
- 5(b) Normalization Adjustment to establish Environmental base rate recovery at \$1,310,000
- 16(b) Gas Costs for Non Firm Sales Customers
- 24(b) Account Restoration Fee Reallocated from FERC Acct. 908.
- 24(d) Schedule PP-3(a) Pg 1 Ln 12
- 25(b) Customer Arreage Fees Reallocated from FERC Acct. 419
- 26(b) Return Check Fees Reallocated from Narragansett Electric
- 26(d) Schedule PP-3(c) Pg 1 Ln 28
- 31(b) AFUDC Reallocated from FERC Acct. 419
- 33(b) Non Utility Billing Reallocated from Narragansett Electric
- 35(d) Schedule PP-1 (c)-GAS Pg. 1 Ln 7
- 36(d) Workpaper 12-GAS (REV-2)

Line Notes

- 7 Sum of Line 1 through Line 6
- 12 Sum of Line 7 through Line 11
- 18 Sum of Line 12 through Line 16
- 28 Sum of Line 23 through Line 27
- 56 Sum of Line 28 through Line 54
- 58 Line 18 + Line 56
- 64 Line 58 + Line 62

Compliance Attachment 2

Schedule 3

Operation & Maintenance Expense Summary

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Summary (ELECTRIC & GAS)

Schedule Reference	Test Year Ended June 30, 2017 (Per Books)			Normalizing Adjustments			Test Year Ended June 30, 2017 (As Adjusted)		
	Total	Electric (b)	Gas (c)	Total (d) = (b) + (c)	Electric (e)	Gas (f)	Total (g) = (b) + (c) + (f)	Electric (h) = (b) + (e)	Gas (i) = (c) + (f)
1 Labor	\$90,778,857	\$54,756,249	\$36,022,308	(\$16,463,419)	(\$10,639,332)	(\$5,824,087)	\$74,315,139	\$44,116,917	\$30,198,221
2 Health Care	\$12,341,700	\$7,901,703	\$4,439,997	(\$1,217,312)	(\$1,214,503)	(\$2,810)	\$11,124,388	\$6,687,200	\$4,437,188
3 Group Life Insurance	\$930,683	\$579,702	\$350,981	(\$92,305)	(\$92,745)	(\$160)	\$887,778	\$486,957	\$350,821
4 Thrift Plan	\$3,865,292	\$2,489,542	\$1,375,749	(\$407,946)	(\$406,993)	(\$954)	\$3,487,345	\$2,082,550	\$1,374,796
5 FAS 112 / ASC 712	(\$572,522)	(\$333,759)	(\$238,762)	\$572,522	\$333,759	\$238,762	(\$0)	(\$0)	(\$0)
6 Service Company Rents	\$17,062,952	\$13,985,369	\$3,077,583	(\$6,995,280)	(\$6,644,381)	(\$350,899)	\$10,067,672	\$7,340,988	\$2,726,684
7 Joint Facilities	\$1,579,848	\$1,018,396	\$561,452	\$100,238	\$106,159	(\$5,831)	\$1,680,176	\$1,124,555	\$555,621
8 Uninsured Claims	\$1,648,059	\$801,565	\$846,495	(\$124,043)	(\$123,909)	(\$134)	\$1,524,017	\$677,655	\$846,361
9 Insurance Premium	\$2,926,210	\$2,097,226	\$828,984	(\$286,481)	(\$286,481)	\$0	\$2,639,729	\$1,810,745	\$828,984
10 Regulatory Assessment Fees	\$6,862,284	\$4,964,621	\$1,897,662	(\$678,167)	(\$678,167)	\$0	\$6,184,116	\$4,286,454	\$1,897,662
11 Uncollectible Accounts	\$12,978,156	\$8,952,665	\$4,025,491	(\$3,294,644)	(\$4,987,161)	\$1,693,337	\$9,683,512	\$3,964,684	\$5,718,828
12 Postage	\$3,780,429	\$2,460,952	\$1,319,478	(\$34,107)	(\$16,697)	(\$7,410)	\$3,756,323	\$2,444,255	\$1,312,068
13 Strike Contingency	\$8,194	\$8,194	\$0	\$0	\$0	\$0	\$8,194	\$8,194	\$0
14 Environmental Response Fund	\$3,078,000	\$3,078,000	\$0	\$0	\$0	\$0	\$3,078,000	\$3,078,000	\$0
15 Paperless Bill Credit	\$0	\$0	\$0	\$816,516	\$551,281	\$265,235	\$816,516	\$551,281	\$265,235
16 Pension	\$7,914,078	\$5,421,584	\$2,492,494	(\$740,588)	(\$740,588)	\$0	\$7,173,490	\$4,680,995	\$2,492,494
17 Energy Efficiency Program	\$22,239,834	\$14,856,485	\$7,383,350	(\$2,190,304)	(\$2,190,304)	\$0	\$20,049,530	\$12,666,181	\$7,383,350
18 Other Operating and Maintenance Expenses	\$97,169,672	\$73,467,743	\$23,701,929	(\$97,169,672)	(\$73,467,743)	(\$23,701,929)	\$0	\$0	\$0
19 Storm Cost Recovery	\$86,785,496	\$59,391,324	\$27,394,172	(\$23,893,332)	(\$22,375,643)	(\$1,519,689)	\$62,892,164	\$37,017,681	\$25,874,483
20 Gas Commodity OM	\$7,338,972	\$7,338,972	\$0	\$0	(\$27,840)	\$0	\$7,311,132	\$7,311,132	\$0
21 NEF IFA Credit	(\$138,452,360)	(\$138,452,360)	\$0	\$113,267	\$113,267	\$0	\$1,132,067	\$0	\$1,132,067
22 Wheeling	\$179,791,010	\$179,791,010	\$0	\$138,452,360	\$138,452,360	\$0	\$0	\$0	\$0
23 Gas Business Enablement	\$0	\$0	\$0	(\$179,791,010)	(\$179,791,010)	\$0	\$0	\$0	\$0
24 Electric Operations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25 Gas Operations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26 Customer Affordability Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
27 Sub Total	\$420,054,545	\$304,575,180	\$115,479,365	(\$192,323,257)	(\$164,238,756)	(\$28,084,501)	\$227,731,287	\$140,336,424	\$87,394,863
28 Purchased Power/ Purchased Gas	\$440,524,701	\$304,255,398	\$136,269,302	(\$440,524,701)	(\$304,255,398)	(\$136,269,302)	\$0	\$0	\$0
29 Sub Total	\$440,524,701	\$304,255,398	\$136,269,302	(\$440,524,701)	(\$304,255,398)	(\$136,269,302)	\$0	\$0	\$0
30 TOTAL	\$860,579,245	\$608,830,578	\$251,748,667	(\$632,847,958)	(\$468,494,154)	(\$164,353,804)	\$227,731,287	\$140,336,424	\$87,394,863
31 (\$0)	(\$0)	(\$0)	\$0	\$0	(\$0)	\$0	\$0	\$0	\$0

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Summary (ELECTRIC & GAS)

		Test Year Ended June 30, 2017 (as Adjusted)			Performance Adjustments			Rate Year Ending August 31, 2019			
		Schedule Reference	Total (a) = (b) + (c)	Electric (b)	Gas (c)	Total (d) = (e) + (f)	Electric (e)	Gas (f)	Total (g) = (h) + (i)	Electric (h) = (b) + (e)	Gas (i) = (c) + (f)
Operation & Maintenance Expenses:											
1	Labor	Schedule 12	\$74,315,139	\$44,116,917	\$30,198,221	\$9,824,987	\$6,692,369	\$3,132,619	\$84,140,126	\$50,809,286	\$33,330,840
2	Health Care	Schedule 13	\$11,124,388	\$6,087,200	\$4,437,188	(\$392,792)	(\$295,776)	\$97,016)	\$10,731,596	\$6,391,424	\$4,340,172
3	Group Life Insurance	Schedule 14	\$837,778	\$486,957	\$350,821	\$148,107	\$73,691	\$74,416	\$985,884	\$560,647	\$425,237
4	Thrift Plan	Schedule 15	\$3,457,345	\$2,082,550	\$1,374,796	\$458,489	\$315,923	\$142,566	\$3,915,334	\$2,398,472	\$1,517,862
5	FAS 112 / ASC 712	Schedule 16	(80)	(80)	(80)	(80)	(80)	(80)	(80)	(80)	(80)
6	Service Company Rents	Schedule 17	\$10,067,672	\$7,340,988	\$2,726,684	\$7,585,117	\$5,776,023	\$1,809,094	\$17,652,789	\$13,117,011	\$4,535,777
7	Joint Facilities	Schedule 18	\$1,680,176	\$1,124,555	\$555,621	\$77,792	\$52,067	\$25,725	\$1,757,968	\$1,176,621	\$581,346
8	Uninsured Claims	Schedule 19	\$2,637,729	\$1,810,745	\$846,361	\$953,618	\$1,162,517	(\$206,899)	\$2,479,635	\$1,840,172	\$639,463
9	Insurance Premium	Schedule 20	\$2,639,729	\$1,810,745	\$828,984	\$373,090	\$280,149	\$92,940	\$3,012,818	\$2,090,894	\$921,924
10	Regulatory Assessment Fees	Schedule 21	\$6,286,454	\$4,286,454	\$1,897,662	\$1,897,662	\$0	\$0	\$6,184,116	\$4,286,454	\$1,897,662
11	Uncollectible Accounts	Schedule 22	\$9,683,512	\$3,964,684	\$5,718,828	(\$2,164,572)	\$157,586	(\$2,322,158)	\$7,518,940	\$4,122,270	\$3,396,670
12	Postage	Schedule 23	\$3,756,323	\$2,444,255	\$1,312,068	\$173,918	\$113,169	\$60,749	\$3,930,240	\$2,557,424	\$1,372,817
13	Strike Contingency	Schedule 24	\$8,194	\$8,194	\$0	\$79	\$379	\$8,573	\$8,573	\$8,573	\$0
14	Environmental Response Fund	Schedule 25	\$3,078,000	\$3,078,000	\$0	\$0	\$0	\$0	\$3,078,000	\$3,078,000	\$0
15	Paperless Bill Credit	Schedule 26	\$816,516	\$551,281	\$265,235	\$0	\$0	\$0	\$816,516	\$551,281	\$265,235
16	PHOP	Schedule 27	\$7,173,490	\$4,680,995	\$2,492,494	(\$3,582,582)	\$134,937	(\$3,717,518)	\$3,590,908	\$4,815,932	(\$1,225,024)
17	Pension	Schedule 28	\$20,049,530	\$12,666,181	\$7,383,350	(\$10,775,396)	(\$6,665,307)	(\$4,110,000)	\$9,274,224	\$6,000,874	\$3,273,350
18	Energy Efficiency Program	Schedule 29	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19	Other Operating and Maintenance Expenses	Schedule 30	\$62,892,164	\$37,017,681	\$25,874,483	\$1,589,701	\$863,146	\$726,555	\$64,481,865	\$37,880,827	\$26,601,038
20	Storm Cost Recovery	Schedule 31	\$7,311,132	\$7,311,132	\$0	(\$287,406)	(\$287,406)	\$0	\$7,023,726	\$7,023,726	\$0
21	Gas Commodity OM	Schedule 32	\$1,132,067	\$0	\$1,132,067	(\$1,132,067)	\$0	(\$1,132,067)	\$0	\$0	\$0
22	NEP IFA Credit	Schedule 33	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
23	Wheeling	Schedule 34	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24	Energy Innovation Hub	Schedule 35	\$0	\$0	\$0	\$287,379	\$186,193	\$101,186	\$287,379	\$186,193	\$101,186
25	Gas Business Enablement	Schedule 36	\$0	\$0	\$0	\$3,329,316	\$482,041	\$2,847,275	\$3,329,316	\$482,041	\$2,847,275
26	Electric Operations	Schedule 37	\$0	\$0	\$0	\$611,550	\$611,550	\$0	\$611,550	\$611,550	\$0
27	Gas Operations	Schedule 38	\$0	\$0	\$0	\$1,032,482	\$0	\$1,032,482	\$1,032,482	\$0	\$1,032,482
28	Customer Affordability Program	Schedule 39	\$0	\$0	\$0	\$906,337	\$613,623	\$292,714	\$906,337	\$613,623	\$292,714
29	Sub Total		\$227,731,287	\$140,336,424	\$87,394,863	\$9,019,537	\$10,266,874	(\$1,247,337)	\$236,750,824	\$150,603,298	\$86,147,527
30											
31	Purchased Power/ Purchased Gas	Schedule 40	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
32											
33	Sub Total		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
34											
35	TOTAL		\$227,731,287	\$140,336,424	\$87,394,863	\$9,019,537	\$10,266,874	(\$1,247,337)	\$236,750,824	\$150,603,298	\$86,147,527
Column Notes											
(b) Column (h)											
(c) Column (i)											

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Summary (ELECTRIC & GAS)

	Schedule Reference	Rate Year Ending	Adjustments to Reflect		Rate Year Ending	Adjustments to Reflect		Rate Year Ending
		August 31, 2019	Electric	Conditions in Rate Year	August 31, 2020	Electric	Conditions in Rate Year	August 31, 2021
Operation & Maintenance Expenses:								
		(a)	(b)		(c) = (a) + (b)	(d)		(e) = (c) + (d)
1	Labor	\$50,809,286	\$1,824,395		\$52,633,681	\$1,593,433		\$54,227,114
2	Health Care	\$6,391,424	\$229,452		\$6,620,876	\$200,613		\$6,821,489
3	Group Life Insurance	\$560,647	\$35,040		\$595,688	\$32,525		\$628,212
4	Thrift Plan	\$2,398,472	\$86,105		\$2,484,577	\$75,283		\$2,559,860
5	FAS 112 / ASC 712	(\$0)	\$0		(\$0)	\$0		(\$0)
6	Service Company Rents	\$13,117,011	\$380,409		\$13,497,420	\$390,531		\$13,887,951
7	Joint Facilities	\$1,176,621	\$31,298		\$1,207,920	\$29,353		\$1,237,272
8	Uninsured Claims	\$1,840,172	\$48,949		\$1,889,121	\$45,906		\$1,935,026
9	Insurance Premium	\$2,090,894	\$55,618		\$2,146,512	\$52,160		\$2,198,672
10	Regulatory Assessment Fees	\$4,286,454	\$0		\$4,286,454	\$0		\$4,286,454
11	Uncollectible Accounts	\$4,122,270	\$156,855		\$4,279,125	\$50,426		\$4,329,551
12	Postage	\$2,557,424	\$68,027		\$2,625,451	\$63,798		\$2,689,250
13	Strike Contingency	\$8,573	\$228		\$8,801	\$214		\$9,015
14	Environmental Response Fund	\$3,078,000	\$0		\$3,078,000	\$0		\$3,078,000
15	Paperless Bill Credit	\$551,281	\$0		\$551,281	\$0		\$551,281
16	PHOP	\$4,815,932	\$0		\$4,815,932	\$0		\$4,815,932
17	Pension	\$6,000,874	(\$1,158,292)		\$4,842,582	(\$1,086,286)		\$3,756,296
18	Energy Efficiency Program	\$0	\$0		\$0	\$0		\$0
19	Other Operating and Maintenance Expenses	\$37,880,827	\$1,000,191		\$38,881,018	\$938,013		\$39,819,031
20	Storm Cost Recovery	\$7,023,726	\$0		\$7,023,726	\$7,023,726		\$7,023,726
21	Gas Commodity OM	\$0	\$0		\$0	\$0		\$0
22	NEP IFA Credit	\$0	\$0		\$0	\$0		\$0
23	Wheeling	\$0	\$0		\$0	\$0		\$0
24	Energy Innovation Hub	\$186,193	(\$32,395)		\$153,798	\$0		\$153,798
25	Gas Business Enablement	\$482,041	\$29,312		\$511,352	(\$16,493)		\$494,859
26	Electric Operations	\$611,550	(\$39,550)		\$572,000	\$46,083		\$618,083
27	Gas Operations	\$0	\$0		\$0	\$0		\$0
28	Customer Affordability Program	\$613,623	(\$70,367)		\$543,256	(\$255,128)		\$288,128
29	Sub Total	\$150,603,298	\$2,645,275		\$153,248,572	\$2,160,429		\$155,409,002
30		\$0	\$0		\$0	\$0		\$0
31	Purchased Power/ Purchased Gas							
32		\$0	\$0		\$0	\$0		\$0
33	Sub Total							
34		\$150,603,298	\$2,645,275		\$153,248,572	\$2,160,429		\$155,409,002
35	TOTAL							

Column Notes

(a) Column (b)

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Summary (ELECTRIC & GAS)

Operation & Maintenance Expenses:

Schedule Reference	Rate Year Ending August 31, 2019		Adjustments to Reflect Conditions in Rate Year		Rate Year Ending August 31, 2020		Adjustments to Reflect Conditions in Rate Year		Rate Year Ending August 31, 2021	
	Gas (a)		Gas (b)		Gas (c) = (a) + (b)		Gas (d)		Gas (e) = (c) + (d)	
1 Labor										
2 Schedule 12	\$33,330,840	\$1,411,867			\$34,742,707	\$1,089,746			\$35,832,453	
3 Schedule 13	\$4,340,172	\$184,023			\$4,524,195	\$142,060			\$4,666,255	
4 Group Life Insurance	\$425,237	\$29,341			\$454,578	\$25,320			\$479,898	
5 Thrift Plan	\$1,517,362	\$64,336			\$1,581,698	\$49,665			\$1,631,363	
6 FAS 112 / ASC 712		\$0				\$0				
7 Service Company Rents	\$4,535,777	\$219,840			\$4,755,618	(\$260)			\$4,755,358	
8 Joint Facilities	\$581,346	\$15,464			\$596,810	\$14,502			\$611,313	
9 Uninsured Claims	\$639,463	\$17,010			\$656,472	\$15,952			\$672,425	
10 Insurance Premium	\$921,924	\$24,441			\$946,365	\$22,328			\$968,693	
11 Regulatory Assessment Fees	\$1,897,662	\$0			\$1,897,662	\$0			\$1,897,662	
12 Uncollectible Accounts	\$3,396,670	\$111,079			\$3,507,749	\$109,234			\$3,616,983	
13 Postage	\$1,372,817	\$36,517			\$1,409,334	\$34,247			\$1,443,580	
14 Strike Contingency	\$0	\$0			\$0	\$0			\$0	
15 Environmental Response Fund	\$0	\$0			\$0	\$0			\$0	
16 Paperless Bill Credit	\$265,235	\$0			\$265,235	\$0			\$265,235	
17 PBOP	(\$1,225,024)	\$0			(\$1,225,024)	\$0			(\$1,225,024)	
18 Pension	\$3,273,350	(\$782,995)			\$2,490,355	(\$732,618)			\$1,757,736	
19 Energy Efficiency Program	\$0	\$0			\$0	\$0			\$0	
20 Other Operating and Maintenance Expenses	\$26,601,038	\$704,127			\$27,305,166	\$659,247			\$27,964,413	
21 Storm Cost Recovery	\$0	\$0			\$0	\$0			\$0	
22 Gas Commodity OM	\$0	\$0			\$0	\$0			\$0	
23 NEP IFA Credit	\$0	\$0			\$0	\$0			\$0	
24 Wheeling	\$0	\$0			\$0	\$0			\$0	
25 Energy Innovation Hub	\$101,186	(\$17,605)			\$83,581	\$0			\$83,581	
26 Gas Business Enablement	\$2,847,275	\$664,720			\$3,511,995	\$153,248			\$3,665,243	
27 Electric Operations	\$0	\$0			\$0	\$0			\$0	
28 Gas Operations	\$1,032,482	(\$76,782)			\$955,700	\$0			\$955,700	
29 Customer Affordability Program	\$292,714	\$2,518			\$295,232	(\$138,649)			\$156,583	
30 Sub Total	\$86,147,527	\$2,607,902			\$88,755,428	\$1,444,023			\$90,199,451	
31 Purchased Power/ Purchased Gas	\$0	\$0			\$0	\$0			\$0	
32										
33 Sub Total	\$0	\$0			\$0	\$0			\$0	
34										
35 TOTAL	\$86,147,527	\$2,607,902			\$88,755,428	\$1,444,023			\$90,199,451	

Column Notes
(a) Column (i)

Notes	Page 1, Column (a)
96)	Schedule 15, Page 5 Lines 10(a)
100b)	Schedule 16, Page 5 Lines 2(a) through 4(a)
100d)	Schedule 16, Page 5 Lines 6(a) through 8(a)
100g)	Schedule 16, Page 5 Lines 10(a) through 12(a)
100i)	Schedule 16, Page 5 Lines 14(a) through 16(a)
110b)	Schedule 17, Page 5 Lines 7(a) through 8(a)
110i)	Schedule 17, Page 5 Lines 2(a) through 4(a)
130b)	Schedule 19, Page 5 Lines 2(a) through 4(a)
130d)	Schedule 19, Page 5 Lines 5(a) through 7(a)
130g)	Schedule 19, Page 5 Lines 8(a)
130i)	Schedule 19, Page 5 Lines 9(a) through 11(a)
140b)	Schedule 20, Page 5 Lines 2(a) through 3(a)
150b)	Schedule 21, Page 5 Lines 2(a)
160i)	Schedule 22, Page 5 Lines 4(a)
170b)	Schedule 23, Page 5 Lines 2(a) through 4(a)
170i)	Schedule 23, Page 5 Lines 8(a) through 11(a)
200i)	Schedule 26, Page 5 Line 3(a)
210b)	Schedule 27, Page 5 Lines 2(a) through 4(a)
220b)	Schedule 28, Page 5 Lines 2(a) through 4(a)
220i)	Schedule 28, Page 5 Line 8(a)
230i)	Schedule 29, Page 5 Lines 2(a) through 3(a)
240i)	Schedule 30, Page 6 Lines 2(b) through 17(b)
240c)	Schedule 30, Page 6 Lines 2(c) through 17(c)
240d)	Schedule 30, Page 6 Lines 2(d) through 17(d)
240f)	Schedule 30, Page 6 Lines 2(f) through 17(f)
240g)	Schedule 30, Page 6 Lines 2(g) through 17(g)
240h)	Schedule 30, Page 6 Lines 2(h) through 17(h)
240i)	Schedule 30, Page 6 Lines 2(i) through 17(i)
240j)	Schedule 30, Page 6 Lines 2(j) through 17(j)
240k)	Schedule 30, Page 6 Lines 2(k) through 17(k)
240l)	Schedule 30, Page 6 Lines 2(l) through 17(l)
240m)	Schedule 30, Page 6 Lines 2(m) through 17(m)
240n)	Schedule 30, Page 6 Lines 2(n) through 17(n)
240o)	Schedule 30, Page 6 Lines 2(o) through 17(o)
240p)	Schedule 30, Page 6 Lines 2(p) through 17(p)
240q)	Schedule 30, Page 6 Lines 2(q) through 17(q)
240r)	Schedule 30, Page 6 Lines 2(r) through 17(r)
240s)	Schedule 30, Page 6 Lines 2(s) through 17(s)
240t)	Schedule 30, Page 6 Lines 2(t) through 17(t)
240u)	Schedule 30, Page 6 Lines 2(u) through 17(u)
240v)	Schedule 30, Page 6 Lines 2(v) through 17(v)
240w)	Schedule 30, Page 6 Lines 2(w) through 17(w)
240x)	Schedule 30, Page 6 Lines 2(x) through 17(x)
240y)	Schedule 30, Page 6 Lines 2(y) through 17(y)
240z)	Schedule 30, Page 6 Lines 2(z) through 17(z)
240aa)	Schedule 30, Page 6 Lines 2(aa) through 17(aa)
240ab)	Schedule 30, Page 6 Lines 2(ab) through 17(ab)
240ac)	Schedule 30, Page 6 Lines 2(ac) through 17(ac)
240ad)	Schedule 30, Page 6 Lines 2(ad) through 17(ad)
240ae)	Schedule 30, Page 6 Lines 2(ae) through 17(ae)
240af)	Schedule 30, Page 6 Lines 2(af) through 17(af)
240ag)	Schedule 30, Page 6 Lines 2(ag) through 17(ag)
240ah)	Schedule 30, Page 6 Lines 2(ah) through 17(ah)
240ai)	Schedule 30, Page 6 Lines 2(ai) through 17(ai)
240aj)	Schedule 30, Page 6 Lines 2(aj) through 17(aj)
240ak)	Schedule 30, Page 6 Lines 2(ak) through 17(ak)
240al)	Schedule 30, Page 6 Lines 2(al) through 17(al)
240am)	Schedule 30, Page 6 Lines 2(am) through 17(am)
240an)	Schedule 30, Page 6 Lines 2(an) through 17(an)
240ao)	Schedule 30, Page 6 Lines 2(ao) through 17(ao)
240ap)	Schedule 30, Page 6 Lines 2(ap) through 17(ap)
240aq)	Schedule 30, Page 6 Lines 2(aq) through 17(aq)
240ar)	Schedule 30, Page 6 Lines 2(ar) through 17(ar)
240as)	Schedule 30, Page 6 Lines 2(as) through 17(as)
240at)	Schedule 30, Page 6 Lines 2(at) through 17(at)
240au)	Schedule 30, Page 6 Lines 2(au) through 17(au)
240av)	Schedule 30, Page 6 Lines 2(av) through 17(av)
240aw)	Schedule 30, Page 6 Lines 2(aw) through 17(aw)
240ax)	Schedule 30, Page 6 Lines 2(ax) through 17(ax)
240ay)	Schedule 30, Page 6 Lines 2(ay) through 17(ay)
240az)	Schedule 30, Page 6 Lines 2(az) through 17(az)
240ba)	Schedule 30, Page 6 Lines 2(ba) through 17(ba)
240bb)	Schedule 30, Page 6 Lines 2(bb) through 17(bb)
240bc)	Schedule 30, Page 6 Lines 2(bc) through 17(bc)
240bd)	Schedule 30, Page 6 Lines 2(bd) through 17(bd)
240be)	Schedule 30, Page 6 Lines 2(be) through 17(be)
240bf)	Schedule 30, Page 6 Lines 2(bf) through 17(bf)
240bg)	Schedule 30, Page 6 Lines 2(bg) through 17(bg)
240bh)	Schedule 30, Page 6 Lines 2(bh) through 17(bh)
240bi)	Schedule 30, Page 6 Lines 2(bi) through 17(bi)
240bj)	Schedule 30, Page 6 Lines 2(bj) through 17(bj)
240bk)	Schedule 30, Page 6 Lines 2(bk) through 17(bk)
240bl)	Schedule 30, Page 6 Lines 2(bl) through 17(bl)
240bm)	Schedule 30, Page 6 Lines 2(bm) through 17(bm)
240bn)	Schedule 30, Page 6 Lines 2(bn) through 17(bn)
240bo)	Schedule 30, Page 6 Lines 2(bo) through 17(bo)
240bp)	Schedule 30, Page 6 Lines 2(bp) through 17(bp)
240bq)	Schedule 30, Page 6 Lines 2(bq) through 17(bq)
240br)	Schedule 30, Page 6 Lines 2(br) through 17(br)
240bs)	Schedule 30, Page 6 Lines 2(bs) through 17(bs)
240bt)	Schedule 30, Page 6 Lines 2(bt) through 17(bt)
240bu)	Schedule 30, Page 6 Lines 2(bu) through 17(bu)
240bv)	Schedule 30, Page 6 Lines 2(bv) through 17(bv)
240bw)	Schedule 30, Page 6 Lines 2(bw) through 17(bw)
240bx)	Schedule 30, Page 6 Lines 2(bx) through 17(bx)
240by)	Schedule 30, Page 6 Lines 2(by) through 17(by)
240bz)	Schedule 30, Page 6 Lines 2(bz) through 17(bz)
240ca)	Schedule 30, Page 6 Lines 2(ca) through 17(ca)
240cb)	Schedule 30, Page 6 Lines 2

The Narragansett Electric Company d/b/a National Grid
Adjustments to Electric Operating Expenses
Normalizing Adjustments to O & M Expenses (ELECTRIC)

	Test Year Ended June 30, 2017 (Per Books)	IFA	Vegetation Management (ISR)	Inspection & Maintenance (ISR)	Parent Company Initiative	Storms	Other	Total Normalizing Adjustments (h)	Test Year Ended June 30, 2017 (as Adjusted) (i) = (a) + (i)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	sum (b through g)	
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Column Notes

Line Notes

60b)	Schedule 12 Page 5, Lines 20(b) to 40(b)	9(g) Schedule 15, Page 5 Lines 100(b)	20(g) Schedule 26, Page 5 Line 30(b)
60c)	Schedule 12 Page 5, Line 40(b)	100b) Schedule 16, Page 5 Lines 20(b) through 40(b)	21(b) Schedule 27, Page 5 Lines 20(b) through 40(b)
60d)	Schedule 12 Page 5, Line 40(b) to 80(b)	100c) Schedule 16, Page 5 Lines 60(b) through 80(b)	22(b) Schedule 28, Page 5 Lines 20(b) through 40(b)
60f)	Schedule 12 Page 5, Line 21(b) to 23(b)	100f) Schedule 16, Page 5 Lines 100(b) through 120(b)	22(g) Schedule 28, Page 5 Line 80(b)
		10(g) Schedule 16, Page 5 Lines 140(b) through 160(b)	23(g) Schedule 29, Page 5 Lines 20(b) through 30(b)
60g)	Schedule 12 Page 5, Line 90(b) to 200(b) + Line 240(b) + Lines 250(b) to 270(b)	110b) Schedule 17, Page 5 Lines 70(b) through 80(b)	24(b) Schedule 30, Page 6 Lines 20(b) through 170(b)
70b)	Schedule 13, Page 5 Lines 20(b) through 40(b)	11(g) Schedule 17, Page 5 Lines 20(b) through 50(b)	24(c) Schedule 30, Page 6 Lines 20(b) through 170(b)
70d)	Schedule 13, Page 5 Lines 60(b) through 80(b)	13(b) Schedule 19, Page 5 Lines 20(b) through 40(b)	24(d) Schedule 30, Page 6 Lines 20(b) through 170(b)
70f)	Schedule 13, Page 5 Lines 100(b) through 120(b)	13(d) Schedule 19, Page 5 Lines 50(b) through 70(b)	24(e) Schedule 30, Page 6 Lines 20(b) through 170(b)
80b)	Schedule 14, Page 5 Lines 20(b) through 40(b)	13(e) Schedule 19, Page 5 Line 80(b)	24(f) Schedule 30, Page 6 Lines 20(b) through 170(b)
80d)	Schedule 14, Page 5 Lines 60(b) through 80(b)	13(f) Schedule 19, Page 5 Lines 90(b) through 110(b)	24(g) Schedule 30, Page 6, Lines 20(c) through 170(c) + Lines 20(b) through 170(b)
80e)	Schedule 14, Page 5 Lines 100(b)	140b) Schedule 20, Page 5 Lines 20(b) through 30(b)	25(g) Schedule 31, Page 5 Lines 20(a)
80f)	Schedule 14, Page 5 Lines 120(b) through 140(b)	150b) Schedule 21, Page 5 Lines 20(b)	27(b) Schedule 33 Page 5, Line 90(b)
90b)	Schedule 15, Page 5 Lines 20(b) through 40(b)	16(c) Schedule 22, Page 5 Lines 40(b)	28(g) Schedule 34 Page 5, Line 20(c) to Line 30(a)
90d)	Schedule 15, Page 5 Lines 60(b) through 80(b)	17(b) Schedule 23, Page 5 Lines 20(b) through 40(b)	
90f)	Schedule 15, Page 5 Lines 120(b) through 140(b)	17(g) Schedule 23, Page 5 Lines 80(b) through 110(b)	

The Narragansett Electric Company d/b/a National Grid
Adjustments to Gas Operating Expenses
Normalizing Adjustments to O & M Expenses (GAS)

	Test Year Ended June 30, 2017 (Per Books)	Gas Business Enablement (GBE)	Gas Cost Recovery (GCR)	Other	Total Normalizing Adjustments	Test Year Ended June 30, 2017 (as Adjusted)
	(c)	(b)	(c)	(d)	(e) = (b) + (c) + (d)	(f) = (c) + (e)
1 Test Year Amounts that are Specifically Adjusted:						
2						
3						
4						
5						
6 Operating & Maintenance Expense						
7 Labor	\$36,022,308	\$0	(\$829,823)	(\$4,994,264)	(\$5,824,087)	\$30,198,221
8 Health Care	\$4,439,997	\$0	\$0	(\$2,810)	(\$2,810)	\$4,437,188
9 Group Life Insurance	\$350,981	\$0	\$0	(\$160)	(\$160)	\$350,821
10 Thrift Plan	\$1,375,749	\$0	\$0	(\$954)	(\$954)	\$1,374,796
11 FAS 112 / ASC 712	(\$238,762)	\$0	\$0	\$238,762	\$238,762	\$0
12 Service Company Rents	\$3,077,583	\$0	\$0	(\$350,899)	(\$350,899)	\$2,726,684
13 Joint Facilities	\$561,452	\$0	\$0	(\$5,831)	(\$5,831)	\$555,621
14 Uninsured Claims	\$846,495	\$0	\$0	(\$134)	(\$134)	\$846,361
15 Insurance Premium	\$828,984	\$0	\$0	\$0	\$0	\$828,984
16 Regulatory Assessment Fees	\$1,897,662	\$0	\$0	\$0	\$0	\$1,897,662
17 Uncollectible Accounts	\$4,025,491	\$0	\$0	\$1,693,337	\$1,693,337	\$5,718,828
18 Postage	\$1,319,478	\$0	\$0	(\$7,410)	(\$7,410)	\$1,312,068
19 Strike Contingency	\$0	\$0	\$0	\$0	\$0	\$0
20 Environmental Response Fund	\$0	\$0	\$0	\$0	\$0	\$0
21 Paperless Bill Credit	\$0	\$0	\$0	\$265,235	\$265,235	\$265,235
22 PBOP	\$2,492,494	\$0	\$0	\$0	\$0	\$2,492,494
23 Pension	\$7,383,350	\$0	\$0	\$0	\$0	\$7,383,350
24 Energy Efficiency Program	\$23,701,929	\$0	\$0	(\$23,701,929)	(\$23,701,929)	\$0
25 Other Operating and Maintenance Expenses	\$27,394,172	(\$1,511,923)	(\$258,832)	\$251,065	(\$1,519,689)	\$25,874,483
26 Storm Cost Recovery	\$0	\$0	\$0	\$0	\$0	\$0
27 Gas Commodity OM	\$0	\$0	(\$43,411)	\$1,175,478	\$1,132,067	\$1,132,067
28 NEP IFA Credit	\$0	\$0	\$0	\$0	\$0	\$0
29 Wheeling	\$0	\$0	\$0	\$0	\$0	\$0
30 Energy Innovation Hub	\$0	\$0	\$0	\$0	\$0	\$0
31 Gas Business Enablement	\$0	\$0	\$0	\$0	\$0	\$0
32 Electric Operations	\$0	\$0	\$0	\$0	\$0	\$0
33 Gas Operations	\$0	\$0	\$0	\$0	\$0	\$0
34 Customer Affordability Program	\$0	\$0	\$0	\$0	\$0	\$0
35 Sub Total Operating & Maintenance Expense	\$115,479,365	(\$1,511,923)	(\$1,132,067)	(\$25,440,512)	(\$28,084,501)	\$87,394,863
36 Purchased Power/ Purchased Gas	\$136,269,302	\$0	\$0	(\$136,269,302)	(\$136,269,302)	\$0
37 Sub Total	\$136,269,302	\$0	\$0	(\$136,269,302)	(\$136,269,302)	\$0
38						
39						
40 TOTAL	\$251,748,667	(\$1,511,923)	(\$1,132,067)	(\$161,709,815)	(\$164,353,804)	\$87,394,863
Check Totals	\$251,748,667	(\$1,511,923)	(\$1,132,067)	(\$161,709,814)	(\$164,353,804)	\$87,394,863
Difference	\$0	\$0	\$0	(\$0)	(\$0)	(\$0)

Line Notes

- 6(c) Schedule 12 Page 5, Line 28(c) to 30(c)
6(d) Schedule 12 Page 5, Line 6(c) to 8(c)
10(d) Schedule 16, Page 5 Lines 14(c) through 16(c)
11(d) Schedule 17, Page 5 Lines 2(c) through 5(c)
16(d) Schedule 22, Page 5 Lines 4(c)
17(d) Schedule 23, Page 5 Lines 8(c) through 11(c)
20(d) Schedule 26, Page 5 Line 3(c)
23(d) Schedule 29, Page 5 Lines 2(c) through 3(c)
24(b) Schedule 30, Page 7 Lines 2(b) through 17(b)
24(c) Schedule 30, Page 7 Lines 2(c) through 17(c)
24(d) Schedule 30, Page 7 Lines 2(d) through 17(d)
26(c) Schedule 32 Page 5, Line 2(a) to Line 14(a)
26(d) Schedule 32 Page 5, Line 2(a) to Line 14(a)

The Narragansett Electric Company d/b/a National Grid
Calculation Of Inflation
Occurring Between The Test Year And The Rate Year

<u>Calculation of Inflation Rate:</u>			Line
	GDP-CTPI ⁽¹⁾	CPI-U ⁽²⁾	
Index - Midpoint of Test Year June 2017	112.4	242.7	1
			2
			3
Index - Midpoint of Rate Year Aug 2019	117.5	254.2	4
			5
Increase in Index From Midpoint Of The Test Year			6
To The Midpoint of Rate Year			7
Inflation Factor %	4.52%	4.73%	4.63%
			9
Source: Moody's Analytics	2.26%	2.37%	10
			11
			12
	GDPIP	CPI	13
Index - Midpoint of Rate Year Aug 2019	117.5	254.2	14
			15
Index - Midpoint of Rate Year Aug 2020	120.4	261.3	16
			17
Increase in Index From Midpoint Of The Test Year			18
To The Midpoint of Rate Year			19
Inflation Factor %	2.50%	2.82%	2.66%
			21
Source: Moody's Analytics			22
			23
	GDPIP	CPI	24
Index - Midpoint of Rate Year Aug 2019	120.4	261.3	25
			26
Index - Midpoint of Rate Year Aug 2020	123.2	268.0	27
			28
Increase in Index From Midpoint Of The Test Year			29
To The Midpoint of Rate Year			30
Inflation Factor %	2.32%	2.54%	2.43%
			31

⁽¹⁾ Gross Domestic Product Chain-type Index

⁽²⁾ LL URBAN Consumer Price Index

Compliance Attachment 2

Schedule 4-ELEC

Amortization of Regulatory Deferrals– Electric

The Narragansett Electric Company d/b/a National Grid
Amortization of Regulatory Deferrals - Electric
For the Test Year Ended June 30, 2017 and the Rate Year Ending August 31, 2021

	Test Year Ended June 30, 2017 (a)	Normalizing Adjustments (b)	Adjusted Balance June 30, 2017 (c)	Proforma Adjustments (d)	Rate Year Ending August 31, 2019 (e)	Reflect Condition in Rate Year (f)	Rate Year Ending August 31, 2020 (g)	Reflect Condition in Rate Year (h)	Rate Year Ending August 31, 2021 (i)
1 Rate Case Expenses	\$8,454	(\$8,454)	\$0	\$471,908	\$471,908	\$0	\$471,908	\$0	\$471,908
2									
3 Total	<u>\$8,454</u>	<u>(\$8,454)</u>	<u>\$0</u>	<u>\$471,908</u>	<u>\$471,908</u>	<u>\$0</u>	<u>\$471,908</u>	<u>\$0</u>	<u>\$471,908</u>

Line Notes

- 1 (d) Page 2, Line 7
1-3 Column (a) per Company Books
1-3 Column (c) = Column (a) + Column (b)
1-3 Column (e) = Column (c) + Column (d)
1-3 Column (g) = Column (e) + Column (f)
1-3 Column (i) = Column (g) + Column (h)

The Narragansett Electric Company d/b/a National Grid
Rate Case Expenses - Electric
For the Test Year Ended June 30, 2017 and the Rate Year Ending August 31, 2021

	Amount
1 Rate Case Expense for Narragansett Electric Company - Electric Segment	\$1,415,724
2	
3 Number of Years to be Normalized	3
4	
5 Annual Normalized Rate Case Expenses Recovery	<u>\$471,908</u>

Line Notes

1 Based on response to RR-PUC-39 submitted on July 13, 2018

Consultant	Description of Service	Actual to Date	Estimated Remainder	Electric only	Allocated 67.64%	Total
		(a)	(b)	(c) = (a)+(b)) = ((a)+(b*32.36%)	(e) = (c)+(d)
Gannett Fleming, Inc.	Depreciation Study	\$46,495	\$27,405		\$49,986	\$49,986
Howard S. Gorman - HSG Group, Inc.	Allocated Cost of Service Study - Electric	\$68,000	\$22,000	\$90,000		\$90,000
Scott Madden Inc.	ROE/Cost of Capital Structure	\$108,649	\$11,473		\$81,251	\$81,251
Keegan & Werlin	Legal	\$232,908	\$23,264		\$173,275	\$173,275
Hinckley Allen	Legal	\$260,085	\$300,000		\$378,842	\$378,842
Barclay Damon	Legal	\$132,473	\$4,000		\$92,310	\$92,310
Towers Watson	Compensation Study	\$27,807	\$0		\$18,809	\$18,809
WarRoom Document Solutions	Printing - Electric	\$48,271	\$21,000	\$69,271		\$69,271
A-1 Court Reports, Inc.	Other - Electric	\$3,872	\$2,200	\$6,072		\$6,072
Division of Public Utilities and Carriers	Rate Case Assessment	\$450,908	\$5,000	\$455,908		\$455,908
Total		\$1,379,468	\$416,342	\$621,251	\$794,473	\$1,415,724
(a) Per Company's Cost Allocation Code G-316						
SAP Alloc. Code	Company Description	3 Pt. Allocation %				
G-316	Narragansett Electric Company	67.64%				
G-316	Narragansett Gas Company	32.36%				
	Total	100.00%				
3	Rate case expected to be filed in 3 years					
5	Line 1 divided by Line 3.					

Compliance Attachment 2

Schedule 4-GAS

Amortization of Regulatory Deferrals – Gas

The Narragansett Electric Company d/b/a National Grid
Amortization of Regulatory Deferrals - Gas
For the Test Year Ended June 30, 2017 and the Rate Year Ending August 31, 2021

	Test Year Ended June 30, 2017 (a)	Normalizing Adjustments (b)	Adjusted Balance June 30, 2017 (c)	Proforma Adjustments (d)	Rate Year Ending August 31, 2019 (e)	Reflect Condition in Rate Year (f)	Rate Year Ending August 31, 2020 (g)	Reflect Condition in Rate Year (h)	Rate Year Ending August 31, 2021 (i)
1 Advantage System Amortization	\$705,953	(\$262)	\$705,691	(\$705,691)	\$0	\$0	\$0	\$0	\$0
2 Rate Case Expense Amortization	\$0	\$0	\$0	\$267,216	\$267,216	\$0	\$267,216	\$0	\$267,216
3 Environmental Cost Amortization	\$0	\$1,310,000	\$1,310,000	\$0	\$1,310,000	\$0	\$1,310,000	\$0	\$1,310,000
4 Total	<u>\$705,953</u>	<u>\$1,309,738</u>	<u>\$2,015,691</u>	<u>(\$438,475)</u>	<u>\$1,577,216</u>	<u>\$0</u>	<u>\$1,577,216</u>	<u>\$0</u>	<u>\$1,577,216</u>

Line Notes

- 1 (d) It is the amortization from "Advantage System Book Value 2012 ~ 2017", the balance at the beginning of the Rate Year 1 is zero, no amortization in rate year
2 (d) Page 2, Line 5
3 (d) As approved on RIPUC Docket No. 3401
1-4 Column (a) per Company Books
1-4 Column (c) = Column (a) + Column (b)
1-4 Column (e) = Column (c) + Column (d)
1-4 Column (g) = Column (e) + Column (f)
1-4 Column (i) = Column (g) + Column (h)

The Narragansett Electric Company d/b/a National Grid
Rate Case Expenses - Gas
For the Test Year Ended June 30, 2017 and the Rate Year Ending August 31, 2021

	Amount
1 Rate Case Expense for Narragansett Electric Company - Gas Segment	\$801,648
2	
3 Number of Years to be Normalized	3
4	
5 Annual Normalized Rate Case Expenses Recovery	<u>\$267,216</u>

Line Notes

1 Based on response to RR-PUC-39 submitted on July 13, 2018

Consultant	Description of Service	Actual to Date	Estimated Remainder	Gas only	Allocated 32.36%	Total
		(a)	(b)	(c) = (a)+(b)	1) = ((a)+(b)*32.36%	(e) = (c)+(d)
Gannett Fleming, Inc.	Depreciation Study	\$46,495	\$27,405		\$23,914	\$23,914
Paul Normand - Management Applications Consulting, Inc.	Allocated Cost of Service Study - Gas	\$43,706	\$15,765	\$59,471		\$59,471
Scott Madden Inc.	ROE/Cost of Capital Structure	\$108,649	\$11,473		\$38,871	\$38,871
Keegan & Werlin	Legal	\$232,908	\$23,264		\$82,897	\$82,897
Hinckley Allen	Legal	\$260,085	\$300,000		\$181,244	\$181,244
Barclay Damon	Legal	\$132,473	\$4,000		\$44,163	\$44,163
Towers Watson	Compensation Study	\$27,807	\$0		\$8,998	\$8,998
WarRoom Document Solutions	Printing - Gas	\$20,688	\$9,000	\$29,688		\$29,688
A-1 Court Reports, Inc.	Other - Gas	\$1,660	\$1,000	\$2,660		\$2,660
Division of Public Utilities and Carriers	Rate Case Assessment	\$324,742	\$5,000	\$329,742		\$329,742
Total		<u>\$1,199,213</u>	<u>\$396,907</u>	<u>\$421,561</u>	<u>\$380,087</u>	<u>\$801,648</u>

(a) Per Company's Cost Allocation Code G-316		
SAP Alloc. Code	Company Description	3 Pt. Allocation %
G-316	Narragansett Electric Company	67.64%
G-316	Narragansett Gas Company	32.36%
	Total	100.00%

3 Rate case expected to be filed in 3 years	
5 Line 1 divided by Line 3.	

Compliance Attachment 2

Schedule 5-ELEC

Amortization of Intangibles– Electric

The Narragansett Electric Company d/b/a National Grid
Amortization of Intangibles - Electric
For the Test Year Ended June 30, 2017 and the Rate Year Ending August 31, 2020

	Test Year Ended	Normalizing	Adjusted Test Year	Proforma	Rate Year Ending	Reflect Condition	Rate Year Ending	Reflect Condition	Rate Year Ending
	June 30, 2017	Adjustments	June 30, 2017	Adjustments	August 31, 2019	in Rate Year	August 31, 2020	in Rate Year	August 31, 2021
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1 Amortization	\$62,962	(\$62,962)	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Column Notes

- (a) Per Company Books
- (b) The intangible assets are recovered through the Renewable Energy Growth Program and excluded from the general rate case
- (c) Column (a) plus Column (b)
- (e) Column (c) plus Column (d)
- (g) Column (e) plus Column (f)
- (i) Column (g) plus Column (h)

Compliance Attachment 2

Schedule 5-GAS

Amortization of Intangibles – Gas

The Narragansett Electric Company d/b/a National Grid
Amortization of Intangibles - Gas
For the Test Year Ended June 30, 2017 and the Rate Year Ending August 31, 2021

	Test Year Ended	Normalizing	Adjusted Test	Proforma	Rate Year 1	Reflect	Rate Year 2	Reflect	Rate Year
	June 30, 2017	Adjustments	June 30, 2017	Adjustments	August 31, 2019	Condition in Rate Year	August 31, 2020	Condition in Rate Year	Ending
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1 Amortization	\$1,874,224	\$106,546	\$1,980,770	(1,554,586)	426,184	\$0	426,184	\$0	426,184

Column Notes

- (a) Per Company Books
(b) The following software was written off at Mar 31, 2017 for accounting purpose, it is still in use and should be amortized for rate case purpose
- | | |
|-------------------|-------------|
| Cost | 9,991,374 |
| Acc. Amortization | (7,523,135) |
- Refer to the schedule below, the software was amortized over 271 months before the being written off. The annual amortization is:
- | | | |
|------------------------------------|---------|----------|
| Monthly Depreciation | A below | \$35,515 |
| 3 month Amortization for test year | A * 3 | 106,546 |
| (e) Annual Amortization | A * 12 | 426,184 |

Power plan report - 1604 for intangible assets as of March 2017

asset_id	description	init_life	remaining_life	gl_post_mo_yr	beg_asset_dollars	depr_reserve	Month_depr_expense
44763949	- Consultant AM/FM	271	97.45	1-Mar-17	\$578,232	\$372,436	\$2,134
44763956	LA30397AM/FM - ITS I	271	48.95	1-Mar-17	\$90,981	\$76,942	\$293
44763960	LAS30398AMFM - INTI	271	48.95	1-Mar-17	\$285,234	\$241,219	\$918
44763961	MIS303980AFM - MISC	271	48.95	1-Mar-17	\$110,722	\$93,636	\$356
44763966	SF303980AMFM - SOFI	271	48.95	1-Mar-17	\$101,890	\$86,167	\$328
44763971	SF303990AMFM - AM/F	271	60.95	1-Mar-17	\$2,698,329	\$2,139,257	\$9,326
44763993	TRL30397AMFM - TRA	271	48.95	1-Mar-17	\$6,846	\$5,789	\$22
44763995	AF303980AMFM - AFU	271	48.95	1-Mar-17	\$32,749	\$27,695	\$105
44763996	CN30396AM/FM - CON	271	48.95	1-Mar-17	\$793,743	\$671,259	\$2,554
44763998	CN30397AM/FM - CON	271	48.95	1-Mar-17	\$124,561	\$105,340	\$401
96815952	SF303000AMFM - AM/F	271	72.95	1-Mar-17	\$3,096,677	\$2,275,633	\$11,411
96815957	SF303010AMFM - AM/F	271	84.95	1-Mar-17	\$2,071,410	\$1,427,760	\$7,667
					\$9,991,374	\$7,523,135	\$35,515

A

- (c) Column (a) + Column (b)
(d) Column (e) - Column (c)
(e) All other intangibles are fully amortized, only AM/FM Software needs to be amortized, refer to (b) for calculation
(g) Column (e) + Column (f)
(i) Column (g) + Column (h)

Compliance Attachment 2

Schedule 6-ELEC

Depreciation– Electric

The Narragansett Electric Company d/b/a National Grid
Depreciation Expense - Electric
For the Test Year Ended June 30, 2017 and the Rate Year Ending August 31, 2019

Line No.	Description	Reference (a)	Amount (b)
1	Total Company Rate Year Distribution Depreciation Expense	Sum of Page 2, Line 16 and Line 17	\$50,128,332
2	Test Year Depreciation Expense	Per Company Books	\$69,031,187
3	Less : Test Year IFA related Depreciation Expense	Page 4, Line 30, Column (c)	(\$19,814,202)
4	Less: ARO and other adjustments	Page 4, Line 30, Column (b) + Column (d)	(\$55,610)
5	Adjusted Total Company Test Year Distribution Depreciation Expense	Sum of Line 2 through Line 4	\$49,161,375
6	Depreciation Expense Adjustment	Line 1 - Line 5	\$966,957
7			
8			Per Book
9	Test Year Depreciation Expense 12 Months Ended 06/30/17:		Amount
10	Total Distribution Utility Plant 06/30/17	Page 4, Line 28, Column (e)	\$2,141,474,644
11	Less Non Depreciable Plant	Page 4, Line 26, Column (e)	(\$627,567,742)
12	Depreciable Utility Plant 6/30/17	Line 10 + Line 11	\$1,513,906,902
13			
14	Plus: Added Plant 2 Mos Ended 08/31/17	Schedule 11-ELEC, Page 6, Line 7	\$12,473,833
15	Less: Streetlights retired in the 2 Mos Ended 08/31/17	Per Company Books	(\$1,057,011)
16	Less: Retired Plant 2 Months Ended 08/31/17	1/ Line 14 x Retirement Rate	(\$3,699,739)
17	Depreciable Utility Plant 08/31/17	Line 12 + Line 14 + Line 16	\$1,521,623,985
18			
19	Average Depreciable Plant from 06/30/17 to 08/31/17	(Line 12 + Line 17)/2	\$1,517,765,443
20			
21	Composite Book Rate %	As Approved in R.I.P.U.C. Docket No. 4323	3.40%
22			
23	Book Depreciation Reserve 06/30/17	Page 5, Line 69, Column (e)	\$652,405,159
24	Plus: Book Depreciation Expense excluding Streetlight Retirement	1/6 of (Line 19 excl. Line 15 x Line 21)	\$8,603,666
25	Less: Streetlights retired in the 2 Mos Ended 08/31/17 and Dep. for 2 Mos	1/12 of (Line 15 x SL Dep Rate)	(\$1,307,36)
26	Less: Net Cost of Removal/(Salvage)	2/ Line 14 x Cost of Removal Rate	(\$1,281,063)
27	Less: Retired Plant	Line 16	(\$3,699,739)
28	Book Depreciation Reserve 08/31/17	Sum of Line 23 through Line 27	\$656,026,715
29			
30	Depreciation Expense 12 Months Ended 08/31/18		
31	Total Utility Plant 08/31/17	Line 10 + Line 14 + Line 15 + Line 16	\$2,149,191,727
32	Less Non Depreciable Plant	Line 11	(\$627,567,742)
33	Depreciable Utility Plant 08/31/17	Line 31 + Line 32	\$1,521,623,985
34			
35	Plus: Plant Added in 12 Months Ended 08/31/18	Schedule 11-ELEC, Page 6, Line 14	\$74,843,000
36	Less: Plant Retired in 12 Months Ended 08/31/18	1/ Line 35 x Retirement rate	(\$22,198,434)
37	Depreciable Utility Plant 08/31/18	Sum of Line 33 through Line 36	\$1,574,268,551
38			
39	Average Depreciable Plant for 12 Months Ended 08/31/18	(Line 33 + Line 37)/2	\$1,547,946,268
40			
41	Composite Book Rate %	As Approved in R.I.P.U.C. Docket No. 4323	3.40%
42			
43	Book Depreciation Reserve 08/31/17	Line 28	\$656,026,715
44	Plus: Book Depreciation 08/31/18	Line 39 x Line 41	\$52,630,173
45	Less: Net Cost of Removal/(Salvage)	2/ Line 35 x Cost of Removal Rate	(\$7,686,376)
46	Less: Retired Plant	Line 36	(\$22,198,434)
47	Book Depreciation Reserve 08/31/18	Sum of Line 43 through Line 46	\$678,772,079
1/	3 year average retirement over plant addition in service FY 15 ~ FY17	29.66%	Retirements
2/	3 year average Cost of Removal over plant addition in service FY 15 ~ FY17	10.27%	COR

The Narragansett Electric Company d/b/a National Grid
Depreciation Expense - Electric
For the Test Year Ended June 30, 2017 and the Rate Year Ending August 31, 2019

Line No.	Description	Reference	Amount
		(a)	(b)
1	Rate Year Depreciation Expense 12 Months Ended 08/31/19:		
2	Total Utility Plant 08/31/18	Page 1, Line 31 + Line 35 + Line 36	\$2,201,836,293
3	Less Non-Depreciable Plant	Page 1, Line 11	(\$627,567,742)
4	Depreciable Utility Plant 08/31/18	Line 2 + Line 3	\$1,574,268,551
5			
6	Plus: Added Plant 12 Months Ended 08/31/19	Schedule 11-ELEC, Page 6, Line 38	\$77,541,000
7	Less: Depreciable Retired Plant	1/ Line 6 x Retirement rate	(\$22,998,661)
8			
9	Depreciable Utility Plant 08/31/19	Sum of Line 4 through Line 7	\$1,628,810,891
10			
11	Average Depreciable Plant for Rate Year Ended 08/31/19	(Line 4 + Line 9)/2	\$1,601,539,721
12			
13	Proposed Composite Rate %	Page 4, Line 18, Column (f)	3.15%
14			
15	Book Depreciation Reserve 08/31/18	Page 1, Line 47	\$678,772,079
16	Plus: Book Depreciation Expense	Line 11 x Line 13	\$50,375,341
17	Plus: Unrecovered Reserve Adjustment	Schedule NWA-1-ELECTRIC, Part VI, Page 6	(\$247,009)
18	Less: Net Cost of Removal/(Salvage)	2/ Line 6 x Cost of Removal Rate	(\$7,963,461)
19	Less: Retired Plant	Line 7	(\$22,998,661)
20	Book Depreciation Reserve 08/31/19	Sum of Line 15 through Line 19	\$697,938,290
21			
22	Rate Year Depreciation Expense 12 Months Ended 08/31/20:		
23	Total Utility Plant 08/31/19	Line 2 + Line 6 + Line 7	\$2,256,378,633
24	Less Non-Depreciable Plant	Page 1, Line 11	(\$627,567,742)
25	Depreciable Utility Plant 08/31/19	Line 23 + Line 24	\$1,628,810,891
26			
27	Plus: Added Plant 12 Months Ended 08/31/20	Schedule 11-ELEC, Page 5, Line 15(i)	\$2,000,000
28	Less: Depreciable Retired Plant	1/ Line 27 x Retirement rate	(\$593,200)
29			
30	Depreciable Utility Plant 08/31/20	Sum of Line 25 through Line 28	\$1,630,217,691
31			
32	Average Depreciable Plant for Rate Year Ended 08/31/20	(Line 25 + Line 30)/2	\$1,629,514,291
33			
34	Proposed Composite Rate %	Page 4, Line 18, Column (f)	3.15%
35			
36	Book Depreciation Reserve 08/31/20	Line 20	\$697,938,290
37	Plus: Book Depreciation Expense	Line 32 x Line 34	\$51,255,262
38	Plus: Unrecovered Reserve Adjustment	Schedule NWA-1-ELECTRIC, Part VI, Page 6	(\$247,009)
39	Less: Net Cost of Removal/(Salvage)	2/ Line 27 x Cost of Removal Rate	(\$205,400)
40	Less: Retired Plant	Line 28	(\$593,200)
41	Book Depreciation Reserve 08/31/20	Sum of Line 36 through Line 40	\$748,147,943
42			
43	Rate Year Depreciation Expense 12 Months Ended 08/31/21:		
44	Total Utility Plant 08/31/20	Line 23 + Line 27 + Line 28	\$2,257,785,433
45	Less Non-Depreciable Plant	Page 1, Line 11	(\$627,567,742)
46	Depreciable Utility Plant 08/31/20	Line 44 + Line 45	\$1,630,217,691
47			
48	Plus: Added Plant 12 Months Ended 08/31/21	Schedule 11-ELEC, Page 5, Line 15(l)	\$2,000,000
49	Less: Depreciable Retired Plant	1/ Line 48 x Retirement rate	(\$593,200)
50			
51	Depreciable Utility Plant 08/31/21	Sum of Line 46 through Line 49	\$1,631,624,491
52			
53	Average Depreciable Plant for Rate Year Ended 08/31/21	(Line 46 + Line 51)/2	\$1,630,921,091
54			
55	Proposed Composite Rate %	Page 4, Line 18, Column (f)	3.14543%
56			
57	Book Depreciation Reserve 08/31/20	Line 41	\$748,147,943
58	Plus: Book Depreciation Expense	Line 53 x Line 55	\$51,299,512
59	Plus: Unrecovered Reserve Adjustment	Schedule NWA-1-ELECTRIC, Part VI, Page 6	(\$247,009)
60	Less: Net Cost of Removal/(Salvage)	2/ Line 48 x Cost of Removal Rate	(\$205,400)
61	Less: Retired Plant	Line 49	(\$593,200)
62	Book Depreciation Reserve 08/31/21	Sum of Line 57 through Line 61	\$798,401,846

1/ 3 year average retirement over plant addition in service FY 15 ~ FY17
2/ 3 year average Cost of Removal over plant addition in service FY 15 ~ FY17

29.66% Retirements
10.27% COR

The Narragansett Electric Company d/b/a National Grid
Depreciation Expense - Electric
For the Test Year Ended June 30, 2017 and the Rate Year Ending August 31, 2019

Line No.	Account No.	Account Title	Test Year June 30, 2017 (a)	1/ ARO Adjustment (b)	Transmission Plant June 30, 2017 (c)	Other Adjustments June 30, 2017 (d)	Adjusted Balance (e)	Proposed Rate (f)	Test Year Depreciation (g) = (e) x (f)
<u>Intangible Plant</u>									
1	303.00	Intangible Cap Software	\$440,739	\$0	\$0	(\$440,739)	(\$0)	0.00%	\$0
2									
3		Total Intangible Plant	\$440,739	\$0	\$0	(\$440,739)	(\$0)		\$0
4									
<u>Production Plant</u>									
5									
6									
7	330.00	Land Hydro	\$6,989	\$0	\$0	\$0	\$6,989	0.00%	\$0
8	331.00	Struct & Improvements	\$1,993,757	\$0	\$0	\$0	\$1,993,757	0.00%	\$0
9	332.00	Reservoirs Dams And Water	\$1,125,689	\$0	\$0	\$0	\$1,125,689	0.00%	\$0
10									
11		Total Production Plant	\$3,126,434	\$0	\$0	\$0	\$3,126,434		\$0
12									
<u>Transmission Plant</u>									
13									
14									
15	350.00	Land&Land Rights	\$9,121,773	\$0	(\$9,121,773)	\$0	\$0	0.00%	\$0
16	352.00	Structures And Improvements	\$5,796,211	\$0	(\$5,796,211)	\$0	\$0	0.94%	\$0
17	353.00	Transmission Station Equipment	\$296,170,454	\$0	(\$296,170,454)	\$0	\$0	2.43%	\$0
18	353.10	Sta Equip Poll Contl Facility	\$52,233	\$0	(\$52,233)	\$0	\$0	2.43%	\$0
19	354.00	Towers And Fixtures Transmission	\$1,554,741	\$0	(\$1,554,741)	\$0	\$0	7.44%	\$0
20	355.00	Poles And Fixtures Transmission	\$328,207,728	\$0	(\$328,207,728)	\$0	\$0	3.13%	\$0
21	356.00	Transmsn Conductr New	\$158,524,302	\$0	(\$158,524,302)	\$0	\$0	3.60%	\$0
22	356.10	Overhead Conductors And Devices	\$58,973	\$0	(\$58,973)	\$0	\$0	3.60%	\$0
23	356.20	Conductor And Devices	\$19,503	\$0	(\$19,503)	\$0	\$0	3.60%	\$0
24	357.10	Ug Transmission Manholes & Handholes	\$228,385	\$0	(\$228,385)	\$0	\$0	0.92%	\$0
25	357.20	Ug Transmission Conduit	\$4,601,701	\$0	(\$4,601,701)	\$0	\$0	0.92%	\$0
26	358.00	Underground Conductors And Devices	\$29,948,930	\$0	(\$29,948,930)	\$0	\$0	1.68%	\$0
27	359.00	Roads And Trails	\$492,182	\$0	(\$492,182)	\$0	\$0	0.82%	\$0
28	359.10	1/ Elect Equip ARO	\$67,114	\$0	(\$67,114)	\$0	\$0	0.00%	\$0
29									
30		Total Transmission Plant	\$834,844,229	\$0	(\$834,844,229)	\$0	\$0		\$0
31									
<u>Distribution Plant</u>									
32									
33									
34	360.00	Land & Land Rights New	\$364,996	\$0	(\$364,996)	\$0	\$0	0.00%	\$0
35	362.00	Station Equipment	\$20,752,711	\$0	(\$20,752,711)	\$0	\$0	2.32%	\$0
36	365.00	Overhead Conductors and Devices	\$1,571,576	\$0	(\$1,571,576)	\$0	\$0	3.02%	\$0
37	367.10	Underground Conductors and Devices	\$83,518,730	\$0	(\$83,518,730)	\$0	\$0	2.52%	\$0
38	360.00	Land & Land Rights New	\$12,874,490	\$0	\$0	\$0	\$12,874,490	0.00%	\$0
39	360.10	Land Structures & Dist	\$95,396	\$0	\$0	\$0	\$95,396	0.00%	\$0
40	361.00	Struct & Improvements	\$10,144,741	\$0	\$0	\$0	\$10,144,741	1.36%	\$137,968
41	362.00	Station Equipment	\$253,879,227	\$0	\$0	\$0	\$253,879,227	2.19%	\$5,559,955
42	362.10	Station Equip Pollution	\$71,597	\$0	\$0	\$0	\$71,597	2.19%	\$1,568
43	362.55	Station Equipment - Energy Management System	\$663,280	\$0	\$0	\$0	\$663,280	6.70%	\$44,440
44	364.00	Poles, Towers And Fixtures	\$237,808,052	\$0	\$0	\$106,800	\$237,914,852	4.27%	\$10,158,964
45	365.00	Oh Conduct-Smart Grid	\$307,943,917	\$0	\$0	\$107,388	\$308,051,305	2.65%	\$8,163,360
46	366.10	Underground Manholes A	\$23,368,987	\$0	\$0	\$0	\$23,368,987	1.33%	\$310,808
47	366.20	Underground Conduit	\$48,513,051	\$0	\$0	\$0	\$48,513,051	1.55%	\$751,952
48	367.10	Underground Conductors	\$173,786,203	\$0	\$0	\$22,742	\$173,808,945	3.42%	\$5,944,266
49	368.10	Line Transformers - Stations	\$10,674,398	\$0	\$0	\$0	\$10,674,398	2.76%	\$294,613
50	368.20	Line Transformers - Bare Cost	\$101,452,162	\$0	\$0	\$0	\$101,452,162	3.14%	\$3,180,525
51	368.30	Line Transformers - Install Cost	\$77,639,022	\$0	\$0	\$62,731	\$77,701,753	3.22%	\$2,501,996
52	369.10	Overhead Services	\$83,071,609	\$0	\$0	\$95,006	\$83,166,615	5.04%	\$4,191,597
53	369.20	Underground Services C	\$1,691,919	\$0	\$0	\$0	\$1,691,919	4.87%	\$82,396
54	369.21	Underground Services C	\$22,141,702	\$0	\$0	\$9,071	\$22,150,773	4.87%	\$1,078,743
55	370.10	Meters - Bare Cost - Domestic	\$26,411,207	\$0	\$0	(\$45,090)	\$26,366,117	5.61%	\$1,479,139
56	370.20	Meters - Install Cost - Domestic	\$10,115,911	\$0	\$0	(\$89,809)	\$10,026,102	5.81%	\$582,517
57	370.30	Meters - Bare Cost - Large	\$11,492,790	\$0	\$0	\$0	\$11,492,790	5.69%	\$653,940
58	370.35	Meters - Install Cost - Large	\$9,186,534	\$0	\$0	\$0	\$9,186,534	5.13%	\$471,269
59	371.00	Installation On Custom	\$119,825	\$0	\$0	\$0	\$119,825	3.61%	\$4,326
60	373.10	Oh Streetlighting	\$33,900,724	\$0	\$0	(\$10,229,598)	\$23,671,126	1.46%	\$345,598
61	373.20	Ug Streetlighting	\$19,619,246	\$0	\$0	(\$3,606,259)	\$16,012,987	1.52%	\$243,397
62	374.00	1/ Elect Equip ARO	\$569,213	(\$569,213)	\$0	\$0	\$0	0.00%	\$0
63									
64		Total Distribution Plant	\$1,583,443,215	(\$569,213)	(\$106,208,013)	(\$13,567,018)	\$1,463,098,971		\$46,183,339

Column Notes:

- (a) Per Company books
- (d) Line 1, Line 56 and Line 57, exclude assets related to ReGrowth Program
- (d) Line 44, 45, 48, 51, 52, 54, Company retirement adjustments
- (d) Line 60 and Line 61, streetlight retirement adjustments
- (e) Sum of Columns (a) through (d)
- (f) Proposed Depreciation Rate based on Depreciation Study, refer to Schedule NWA-1-ELECTRIC, Part VI, Page 4 and Page 5

Line Notes:

- 3 Sum of Line 1 through Line 2
- 11 Sum of Line 7 through Line 9
- 30 Sum of Line 15 through Line 28
- 49-51 Changes made in depreciation rates based on settlement
- 64 Sum of Line 34 through Line 62
- 1/ Asset Retirement Obligations (AROs) are legal obligations that may exist in connection with the Company's retirement of a tangible long-lived asset. AROs are excluded from general rate case.

The Narragansett Electric Company d/b/a National Grid
Depreciation Expense - Electric
For the Test Year Ended June 30, 2017 and the Rate Year Ending August 31, 2019

Line No.	Account No.	Account Title	Test Year June 30, 2017 (a)	1/ ARO Adjustment (b)	Transmission Plant (c)	Other Adjustments June 30, 2017 (d)	Adjusted Balance (e)	Proposed Rate (f)	Test Year Depreciation (g) = (e) x (f)
<u>General Plant</u>									
1	389.00	Land And Land Rights	\$975,638	\$0	(\$133,226)	\$0	\$842,411	0.00%	\$0
2	390.00	Struct And Improvement Electric	\$39,627,533	\$0	(\$5,411,261)	\$0	\$34,216,272	2.28%	\$780,131
3	391.00	Office Furn & Fixt Electric (Fully Dep)	\$35,491	\$0	(\$4,846)	\$0	\$30,645	0.00%	\$29,542
4	391.00	Office Furn & Fixt Electric	\$477,469	\$0	(\$65,200)	\$0	\$412,269	6.67%	\$27,498
5	393.00	Stores Equipment	\$108,185	\$0	(\$14,773)	\$0	\$93,412	5.00%	\$4,671
6	394.00	General Plant Tools Shop	\$2,240,705	\$0	(\$305,975)	\$0	\$1,934,730	5.00%	\$96,736
7	395.00	General Plant Laboratory (Fully Dep)	\$333,809	\$0	(\$45,582.66)	\$0	\$288,227	0.00%	\$0
8	395.00	General Plant Laboratory (Fully Dep)	\$1,420,854	\$0	(\$194,022)	\$0	\$1,226,832	6.67%	\$81,830
9	397.00	Communication Equipment	\$6,181,769	\$0	(\$844,139)	\$0	\$5,337,629	5.00%	\$266,881
10	397.10	Communication Equipment Site Specific	\$2,931,182	\$0	(\$400,262)	\$0	\$2,530,920	3.90%	\$98,706
11	397.50	Communication Equipment Network	\$57,326	\$0	(\$7,828)	\$0	\$49,498	5.00%	\$2,475
12	398.00	General Plant Miscellaneous	\$817,849	\$0	(\$111,680)	\$0	\$706,169	6.67%	\$47,101
13	399.00	Other Tangible Property	\$14,459	\$0	(\$1,974)	\$0	\$12,484	0.00%	\$0
14	399.10	1/ ARO	\$641,843	(\$554,198)	(\$87,646)	\$0	\$0	0.00%	\$0
15									
16		Total General Plant	\$55,864,110	(\$554,198)	(\$7,628,415)	\$0	\$47,681,498		\$1,435,572
17									
18		<u>Grand Total - All Categories</u>	\$2,477,718,727	(\$1,123,411)	(\$948,680,657)	(\$14,007,757)	\$1,513,906,902	3.15%	\$47,618,911
19									
20		<u>Other Utility Plant Assets</u>							
21									
22	105.00	Property For Future Use	\$15,028,555				\$15,028,555		
23	107	Construction Work in Progress	\$96,433,650				\$96,433,650		
24	114.00	Goodwill	\$516,105,537				\$516,105,537		
25									
26		Total of Other Utility Plant Assets	\$627,567,742				\$627,567,742		
27									
28		Total Electric Plant in Service	\$3,105,286,469	(\$1,123,411)	(\$948,680,657)	(\$14,007,757)	\$2,141,474,644		
29									
30		Test Year Depreciation Expense per books	\$69,031,187	(\$130,581)	(\$19,814,202)	\$74,971	\$49,161,375		
31									
32		Accumulated Reserve	\$768,535,818	(\$524,582)	(\$102,931,100)	(\$12,674,976)	\$652,405,159		

Column Notes:

- (a) Per Company books
- (e) Sum of Columns (a) through (d)
- (f) Proposed Depreciation Rate based on Depreciation Study, refer to Schedule NWA-1-ELECTRIC, Part VI, Page 5

Line Notes:

- 16 Sum of Line 1 through Line 14
- 18 Sum Lines (Page 3 Line 3, 11, 30, 64, and Page 4 Line 16)
- 18 Column (d), reflects adjustments for Retirements and Streetlight Sale not recorded on books as of June 30, 2017 and capital recovered through Renewable Energy Growth Program
- 26 Sum of Line 22 through Line 24
- 28 Sum of Line 18 and Line 26
- 30 Column (d), excluding depreciation of ReGrowth as well as the Company's retirement adjustments
- 32 Page 5, Line 69
- 1/ Asset Retirement Obligations (AROs) are legal obligations that may exist in connection with the Company's retirement of a tangible long-lived asset. AROs are excluded from general rate case.

The Narragansett Electric Company d/b/a National Grid
Accumulated Depreciation - Electric
For the Test Year Ended June 30, 2017 and the Rate Year Ending August 31, 2019

Line No.	Account No.	Account Title	Test Year June 30, 2017 (a)	1/ ARO Adjustments (b)	Transmission Plant (c)	Other Adjustments (d)	Adjusted Balance (e) = sum of (a) thru (d)
<u>Intangible Plant</u>							
1	303.00	Intangible Cap Softwa	\$91,821	\$0	\$0	(\$91,821)	\$0
2							
3		Total Intangible Plant	\$91,821	\$0	\$0	(\$91,821)	\$0
4							
5		<u>Production Plant</u>					
6							
7	330.00	Land Hydro		\$0	\$0	\$0	\$0
8	331.00	Struct & Improvements	\$1,993,757	\$0	\$0	\$0	\$1,993,757
9	332.00	Reservoirs Dams And Wa	\$1,125,689	\$0	\$0	\$0	\$1,125,689
10							
11		Total Production Plant	\$3,119,445	\$0	\$0	\$0	\$3,119,445
12							
13		<u>Transmission Plant</u>					
14							
15	350.00	Land & Land Rights	(\$411,776)	\$0	\$411,776	\$0	\$0
16	352.00	Structures And Improvements	\$3,510,381	\$0	(\$3,510,381)	\$0	\$0
17	353.00	Transmission Station Equipment	\$36,611,570	\$0	(\$36,611,570)	\$0	\$0
18	354.00	Towers And Fixtures Transmission	\$457,963	\$0	(\$457,963)	\$0	\$0
19	355.00	Poles And Fixtures Transmission	\$32,395,149	\$0	(\$32,395,149)	\$0	\$0
20	356.00	Overhead Conductors And Devices	\$5,975,934	\$0	(\$5,975,934)	\$0	\$0
21	357.00	Underground Conduit	\$3,203,223	\$0	(\$3,203,223)	\$0	\$0
22	358.00	Underground Conductors And Devices	\$17,053,879	\$0	(\$17,053,879)	\$0	\$0
23	359.00	Roads And Trails	\$526,621	\$0	(\$526,621)	\$0	\$0
24	359.10	1/ Elect Equip ARO	\$38,264	\$0	(\$38,264)	\$0	\$0
25							
26		Total Transmission Plant	\$99,361,208	\$0	(\$99,361,208)	\$0	\$0
27							
28		<u>Distribution Plant</u>					
29							
32	360.00	Land & Land Rights New	\$0		\$0	\$0	\$0
33	362.00	Station Equipment	\$206,606		(\$206,606)	\$0	\$0
34	365.00	Overhead Conductors and Devices	\$5,641		(\$5,641)	\$0	\$0
35	367.10	Underground Conductors and Devices	\$986,903		(\$986,903)	\$0	\$0
36	360.00	Land & Land Rights New	(\$23,760)	\$0	\$0	\$23,760	\$0
37	361.00	Struct & Improvements	\$5,099,639	\$0	\$0	\$0	\$5,099,639
38	362.00	Station Equipment	\$51,252,395	\$0	\$0	\$0	\$51,252,395
39	364.00	Poles, Towers And Fixtures	\$107,271,672	\$0	\$0	\$252,795	\$107,524,467
40	365.00	Oh Conduct-Smart Grid	\$127,305,163	\$0	\$0	\$205,013	\$127,510,176
41	366.00	Underground Manholes A	\$33,879,330	\$0	\$0	\$1,970	\$33,881,300
42	367.00	Underground Conductors	\$67,149,720	\$0	\$0	\$265,309	\$67,415,029
43	368.00	Transformer Stations	\$117,261,728	\$0	\$0	\$164,657	\$117,426,385
44	369.00	Overhead Services	\$40,962,172	\$0	\$0	\$348,340	\$41,310,512
45	370.00	Meters - Bare Cost - Domestic	\$46,012,216	\$0	\$0	(\$9,143)	\$46,003,073
46	371.00	Installation On Custom	\$9,506	\$0	\$0	\$0	\$9,506
47	373.00	Oh Steeltighting	\$51,025,715	\$0	\$0	(\$13,835,857)	\$37,189,858
48	374.00	1/ Elect Equip ARO	\$197,371	(\$197,371)	\$0	\$0	\$0
49							
50		Total Distribution Plant	\$648,602,015	(\$197,371)	(\$1,199,150)	(\$12,583,156)	\$634,622,339
51							
52		<u>General Plant</u>					
53							
54	389.00	Land And Land Rights	\$0	\$0	\$0	\$0	\$0
55	390.00	Struct And Improvement Electric	\$10,151,568	\$0	(\$1,386,228)	\$0	\$8,765,340
56	391.00	Office Furn & Fixt Elec	\$1,714	\$0	(\$234)	\$0	\$1,480
57	393.00	Stores Equipment	\$34,864	\$0	(\$4,761)	\$0	\$30,103
58	394.00	General Plant Tools Shop	\$564,934	\$0	(\$77,143)	\$0	\$487,790
59	395.00	General Plant Laboratory	\$2,660	\$0	(\$363)	\$0	\$2,297
60	395.10	Conservation Lab Equipment	\$667,352	\$0	(\$91,129)	\$0	\$576,223
61	397.00	Communication Equipment	\$66,944	\$0	(\$9,141)	\$0	\$57,803
62	397.10	Communication Equipment Site Specific	\$5,490,323	\$0	(\$749,720)	\$0	\$4,740,603
63	398.00	General Plant Miscellaneous	\$706	\$0	(\$96)	\$0	\$609
64	399.00	Other Tangible Property	\$1,304	\$0	(\$178)	\$0	\$1,126
65	399.10	1/ ARO	\$378,960	(\$327,212)	(\$51,748)	\$0	\$0
66							
67		Total General Plant	\$17,361,328	(\$327,212)	(\$2,370,742)	\$0	\$14,663,374
68							
69		<u>Grand Total - All Categories</u>	<u>\$768,535,818</u>	<u>(\$524,582)</u>	<u>(\$102,931,100)</u>	<u>(\$12,674,976)</u>	<u>\$652,405,159</u>

Column Notes:

- (a) Per Company's books
- (b) Adjustment for Assets Retirement Obligation which is not actual investment of the company
- (c) Exclude transmission related items
- (d) Exclude accumulated depreciation of ReGrowth Assets which is recovered through a separate mechanism
- (e) Sum of Columns (a) through (c)

Line Notes:

- 11 Sum of Line 7 through Line 9
- 26 Sum of Line 15 through Line 24
- 50 Sum of Line 30 through Line 48
- 67 Sum of Line 54 through Line 65
- 69 Sum of Line 3, 11, 26, 50, and 67
- 1/ Asset Retirement Obligations (AROs) are legal obligations that may exist in connection with the Company's retirement of a tangible long-lived asset. AROs are excluded from general rate case.

Compliance Attachment 2

Schedule 6-GAS

Depreciation – Gas

The Narragansett Electric Company d/b/a National Grid
Depreciation Expense - Gas
For the Test Year Ended June 30, 2017 and the Rate Year Ending August 31, 2019

Line No	Description	Reference	Amount
			(a)
1	Total Company Rate Year Depreciation	Sum of Page 2, Line 16 and Line 17	\$39,136,909
2	Total Company Test Year Depreciation	Per Company Books	\$33,311,851
3	Less: Reserve adjustments	Page 4, Line 29, Col (b) + Col (c)	(\$15,649)
4	Adjusted Total Company Test Year Depreciation Expense	Line 2 + Line 3	\$33,296,202
5	Depreciation Expense Adjustment	Line 1 - Line 4	\$5,840,707
6			
7			Per Book
8	Test Year Depreciation Expense 12 Months Ended 06/30/17:		Amount
9	Total Gas Utility Plant 06/30/17	Page 4, Line 27, Col (d)	\$1,405,994,678
10	Less Non Depreciable Plant	Sum of Page 3, Line 5, Col (d) and Page 4, Line 25, Col (e)	(\$308,514,725)
11	Depreciable Utility Plant 06/30/17	Line 9 + Line 10	\$1,097,479,953
12			
13	Plus: Added Plant 2 Mos Ended 08/31/17	Schedule 11-GAS, Page 3, Line 4	\$19,592,266
14	Less: Retired Plant 2 Months Ended 08/31/17	1/ Line 13 x Retirement Rate	(\$1,345,989)
15	Depreciable Utility Plant 08/31/17	Line 11 + Line 13 + Line 14	\$1,115,726,231
16			
17	Average Depreciable Plant for Year Ended 08/31/17	(Line 11 + Line 15)/2	\$1,106,603,092
18			
19	Composite Book Rate %	As Approved in R.I.P.U.C. Docket No. 4323	3.38%
20			
21	Book Depreciation Reserve 06/30/17	Page 5, Line 72, Col (d)	\$357,576,825
22	Plus: Book Depreciation Expense	Line 17 x Line 20	\$6,233,864
23	Less: Net Cost of Removal/(Salvage)	2/ Line 13 x Cost of Removal Rate	(\$1,014,879)
24	Less: Retired Plant	Line 14	(\$1,345,989)
25	Book Depreciation Reserve 08/31/17	Sum of Line 21 through Line 24	\$361,449,821
26			
27	Depreciation Expense 12 Months Ended 08/31/18		
28	Total Utility Plant 08/31/17	Line 9 + Line 13 + Line 14	\$1,424,240,956
29	Less Non Depreciable Plant	Line 10	(\$308,514,725)
30	Depreciable Utility Plant 08/31/17	Line 28 + Line 29	\$1,115,726,231
31			
32	Plus: Plant Added in 12 Months Ended 08/31/18	Schedule 11-GAS, Page 3, Line 11	\$115,710,016
33	Less: Plant Retired in 12 Months Ended 08/31/18	Line 32 x Retirement rate	(\$7,949,278)
34	Depreciable Utility Plant 08/31/18	Sum of Line 30 through Line 33	\$1,223,486,969
35			
36	Average Depreciable Plant for 12 Months Ended 08/31/18	(Line 30 + Line 34)/2	\$1,169,606,600
37			
38	Composite Book Rate %	As Approved in R.I.P.U.C. Docket No. 4323	3.38%
39			
40	Book Depreciation Reserve 08/31/17	Line 25	\$361,449,821
41	Plus: Book Depreciation 08/31/18	Line 36 x Line 38	\$39,532,703
42	Less: Net Cost of Removal/(Salvage)	Line 32 x Cost of Removal Rate	(\$5,993,779)
43	Less: Retired Plant	Line 33	(\$7,949,278)
44	Book Depreciation Reserve 08/31/18	Sum of Line 40 through Line 43	\$387,039,467

1/	3 year average retirement over plant addition in service FY 15 ~ FY17	6.87%	Retirements
2/	3 year average Cost of Removal over plant addition in service FY 15 ~ FY17	5.18%	COR

The Narragansett Electric Company d/b/a National Grid
Depreciation Expense - Gas
For the Test Year Ended June 30, 2017 and the Rate Year Ending August 31, 2021

Line No	Description	Reference	Amount
1	Rate Year Depreciation Expense 12 Months Ended 08/31/19:		
2	Total Utility Plant 08/31/18	Page 1, Line 28 + Line 32 + Line 33	\$1,532,001,694
3	Less Non-Depreciable Plant	Page 1, Line 10	(\$308,514,725)
4	Depreciable Utility Plant 08/31/18	Line 2 + Line 3	\$1,223,486,969
5			
6	Plus: Added Plant 12 Months Ended 08/31/19	Schedule 11-GAS, Page 3, Line 35	\$114,477,000
7	Less: Depreciable Retired Plant	1/ Line 6 x Retirement rate	(\$7,864,570)
8			
9	Depreciable Utility Plant 08/31/19	Sum of Line 4 through Line 7	\$1,330,099,399
10			
11	Average Depreciable Plant for Rate Year Ended 08/31/19	(Line 4 + Line 9)/2	\$1,276,793,184
12			
13	Proposed Composite Rate %	Page 4, Line 17, Col (e)	3.05%
14			
15	Book Depreciation Reserve 08/31/18	Page 1, Line 44	\$387,039,467
16	Plus: Book Depreciation Expense	Line 11 x Line 13	\$38,950,409
17	Plus: Unrecovered Reserve Adjustment	Schedule NWA-1-GAS, Part VI, Page 6	\$186,500
18	Less: Net Cost of Removal/(Salvage)	2/ Line 6 x Cost of Removal Rate	(\$5,929,909)
19	Less: Retired Plant	Line 7	(\$7,864,570)
20	Book Depreciation Reserve 08/31/19	Sum of Line 15 through Line 19	\$412,381,898
21			
22	Rate Year Depreciation Expense 12 Months Ended 08/31/20:		
23	Total Utility Plant 08/31/19	Line 2 + Line 6 + Line 7	\$1,638,614,124
24	Less Non-Depreciable Plant	Page 1, Line 10	(\$308,514,725)
25	Depreciable Utility Plant 08/31/19	Line 23 + Line 24	\$1,330,099,399
26			
27	Plus: Added Plant 12 Months Ended 08/31/20	Schedule 11-GAS, Page 5, Line 11(i)	\$21,017,630
28	Less: Depreciable Retired Plant	1/ Line 27 x Retirement rate	(\$1,443,911)
29			
30	Depreciable Utility Plant 08/31/20	Sum of Line 25 through Line 28	\$1,349,673,118
31			
32	Average Depreciable Plant for Rate Year Ended 08/31/20	(Line 25 + Line 30)/2	\$1,339,886,258
33			
34	Proposed Composite Rate %	Page 4, Line 17, Col (e)	3.05%
35			
36	Book Depreciation Reserve 08/31/20	Line 20	\$412,381,898
37	Plus: Book Depreciation Expense	Line 32 x Line 34	\$40,875,154
38	Plus: Unrecovered Reserve Adjustment	Schedule NWA-1-GAS, Part VI, Page 6	\$186,500
39	Less: Net Cost of Removal/(Salvage)	2/ Line 27 x Cost of Removal Rate	(\$1,088,713)
40	Less: Retired Plant	Line 28	(\$1,443,911)
41	Book Depreciation Reserve 08/31/20	Sum of Line 37 through Line 40	\$450,910,927
42			
43	Rate Year Depreciation Expense 12 Months Ended 08/31/21:		
44	Total Utility Plant 08/31/20	Line 23 + Line 27 + Line 28	\$1,658,187,843
45	Less Non-Depreciable Plant	Page 1, Line 10	(\$308,514,725)
46	Depreciable Utility Plant 08/31/20	Line 44 + Line 45	\$1,349,673,118
47			
48	Plus: Added Plant 12 Months Ended 08/31/21	Schedule 11-GAS, Page 5, Line 11(l)	\$21,838,436
49	Less: Depreciable Retired Plant	1/ Line 48 x Retirement rate	(\$1,500,301)
50			
51	Depreciable Utility Plant 08/31/21	Sum of Line 46 through Line 49	\$1,370,011,253
52			
53	Average Depreciable Plant for Rate Year Ended 08/31/21	(Line 46 + Line 51)/2	\$1,359,842,185
54			
55	Proposed Composite Rate %	Page 4, Line 17, Col (e)	3.05%
56			
57	Book Depreciation Reserve 08/31/20	Line 41	\$450,910,927
58	Plus: Book Depreciation Expense	Line 53 x Line 55	\$41,483,938
59	Plus: Unrecovered Reserve Adjustment	Schedule NWA-1-GAS, Part VI, Page 6	\$186,500
60	Less: Net Cost of Removal/(Salvage)	2/ Line 48 x Cost of Removal Rate	(\$1,131,231)
61	Less: Retired Plant	Line 49	(\$1,500,301)
62	Book Depreciation Reserve 08/31/21	Sum of Line 57 through Line 61	\$489,949,834
1/	3 year average retirement over plant addition in service FY 15 ~ FY17	6.87%	Retirements
2/	3 year average Cost of Removal over plant addition in service FY 15 ~ FY17	5.18%	COR

The Narragansett Electric Company d/b/a National Grid
Depreciation Expense - Gas
For the Test Year Ended June 30, 2017 and the Rate Year Ending August 31, 2019

Account No.	Account Title	Test Year June 30, 2017 (a)	1/ ARO Adjustment (b)	Adjustments June 30, 2017 (c)	Adjusted Balance (d) = (a) + (b) + (c)	Proposed Rate (e)	Depreciation Expense (f) = (d) x (e)
<u>Intangible Plant</u>							
1 302.00	Franchises And Consents	\$213,499	\$0	\$0	\$213,499	0.00%	\$0
2 303.00	Misc. Intangible Plant	\$25,427	\$0	\$0	\$25,427	0.00%	\$0
3 303.01	Misc. Int Cap Software	\$19,833,570	\$0	\$9,991,374	\$29,824,944	0.00%	\$0
4							
5	Total Intangible Plant	\$20,072,496	\$0	\$9,991,374	\$30,063,870		\$0
6							
7	<u>Production Plant</u>						
8							
9 304.00	Production Land Land Rights	\$364,912	\$0	\$0	\$364,912	0.00%	\$0
10 305.00	Prod. Structures & Improvements	\$2,693,397	\$0	\$0	\$2,693,397	15.05%	\$405,356
11 307.00	Production Other Power	\$46,159	\$0	\$0	\$46,159	7.16%	\$3,305
12 311.00	Production LNG Equipme	\$3,167,445	\$0	\$0	\$3,167,445	11.40%	\$361,089
13 320.00	Prod. Other Equipment	\$1,106,368	\$0	\$0	\$1,106,368	6.69%	\$74,016
14							
15	Total Production Plant	\$7,378,281	\$0	\$0	\$7,378,281		\$843,766
16							
17	<u>Storage Plant</u>						
18							
19 360.00	Stor Land & Land Rights	\$261,151	\$0	\$0	\$261,151	0.00%	\$0
20 361.03	Storage Structures Improvements	\$3,385,049	\$0	\$0	\$3,385,049	0.99%	\$33,512
21 362.04	Storage Gas Holders	\$4,606,338	\$0	\$0	\$4,606,338	0.04%	\$1,843
22 363.00	Stor. Purification Equipment	\$13,891,210	\$0	\$0	\$13,891,210	3.37%	\$468,134
23							
24	Total Storage Plant	\$22,143,748	\$0	\$0	\$22,143,748		\$503,488
25							
26	<u>Distribution Plant</u>						
27							
28 374.00	Dist. Land & Land Rights	\$956,717	\$0	\$0	\$956,717	0.00%	\$0
29 375.00	Gas Dist Station Structure	\$10,642,632	\$0	\$0	\$10,642,632	1.15%	\$122,390
30 376.00	Distribution Mains	\$46,080,760	\$0	\$0	\$46,080,760	3.61%	\$1,663,515
31 376.03	Dist. River Crossing Main	\$695,165	\$0	\$0	\$695,165	3.61%	\$25,095
32 376.04	Mains - Steel And Other - SI	\$4,190	\$0	\$0	\$4,190	0.00%	\$0
33 376.06	Dist. District Regulator	\$14,213,837	\$0	\$0	\$14,213,837	3.61%	\$513,120
34 376.11	Gas Mains Steel	\$57,759,572	\$0	\$0	\$57,759,572	3.31%	\$1,908,954
35 376.12	Gas Mains Plastic	\$382,797,443	\$0	\$0	\$382,797,443	2.70%	\$10,316,391
36 376.13	Gas Mains Cast Iron	\$5,556,209	\$0	\$0	\$5,556,209	8.39%	\$465,888
37 376.14	Gas Mains Valves	\$222,104	\$0	\$0	\$222,104	3.61%	\$8,018
38 376.15	Propane Lines	\$0	\$0	\$0	\$0	3.61%	\$0
39 376.16	Dist. Cathodic Protect	\$1,569,576	\$0	\$0	\$1,569,576	3.61%	\$56,662
40 376.17	Dist. Joint Seals	\$63,067,055	\$0	\$0	\$63,067,055	4.63%	\$2,920,005
41 377.00	T&D Compressor Sta Equipment	\$248,656	\$0	\$0	\$248,656	1.07%	\$2,661
42 377.62 1/	5360-Tanks ARO	\$299	(\$299)	\$0	\$0	0.00%	\$0
43 378.10	Gas Measur & Reg Sta Equipment	\$19,586,255	\$0	\$0	\$19,586,255	2.08%	\$407,394
44 378.55	Gas M&Reg Sta Eqp RTU	\$372,772	\$0	\$0	\$372,772	6.35%	\$23,671
45 379.00	Dist. Measur. Reg. Gs	\$11,033,164	\$0	\$0	\$11,033,164	2.22%	\$244,936
46 379.01	Dist. Meas. Reg. Gs Eq	\$1,399,586	\$0	\$0	\$1,399,586	0.00%	\$0
47 380.00	Gas Services All Sizes	\$331,205,854	\$0	\$0	\$331,205,854	3.05%	\$10,101,779
48 381.10	Sml Meter& Reg Bare Co	\$26,829,565	\$0	\$0	\$26,829,565	1.76%	\$472,200
49 381.30	Lrg Meter& Reg Bare Co	\$15,779,214	\$0	\$0	\$15,779,214	1.76%	\$277,714
50 381.40	Meters	\$9,332,227	\$0	\$0	\$9,332,227	0.96%	\$89,589
51 382.00	Meter Installations	\$675,201	\$0	\$0	\$675,201	3.66%	\$24,712
52 382.20	Sml Meter& Reg Installation	\$43,145,998	\$0	\$0	\$43,145,998	3.66%	\$1,579,144
53 382.30	Lrg Meter&Reg Installation	\$2,524,025	\$0	\$0	\$2,524,025	3.66%	\$92,379
54 383.00	Dist. House Regulators	\$937,222	\$0	\$0	\$937,222	0.67%	\$6,279
55 384.00	T&D Gas Reg Installs	\$1,216,551	\$0	\$0	\$1,216,551	1.56%	\$18,978
56 385.00	Industrial Measuring And Regulating Station Equipment	\$540,187	\$0	\$0	\$540,187	4.18%	\$22,580
57 385.01	Industrial Measuring And Regulating Station Equipment	\$255,921	\$0	\$0	\$255,921	0.00%	\$0
58 386.00	Other Property On Customer Premises	\$271,765	\$0	\$0	\$271,765	0.23%	\$625
59 386.02	Dist. Consumer Prem Equipment	\$110,131	\$0	\$0	\$110,131	0.00%	\$0
60 387.00	Dist. Other Equipment	\$930,079	\$0	\$0	\$930,079	2.15%	\$19,997
61 388.00 1/	ARO	\$5,736,827	(\$5,736,827)	\$0	\$0	0.00%	\$0
62							
63	Total Distribution Plant	\$1,055,696,761	(\$5,737,126)	\$0	\$1,049,959,635		\$31,384,677

Column Notes:

- (a) Per Company Books
(e) Proposed Depreciation Rate based on Depreciation Study, refer to Schedule NWA-1-GAS, Part VI, Page 4 and Page 5

Line Notes:

- 1-3 Column (e) zero as intangibles are not included in the Depreciation Study, refer to Schedule 5-GAS for Amortization of Intangibles
5 Sum of Line 1 through Line 3
15 Sum of Line 9 through Line 13
24 Sum of Line 19 through Line 23
34-36 Changes made in depreciation rates based on settlement
47 Change made in depreciation rate based on settlement
63 Sum of Line 28 through Line 61

- 1/ Asset Retirement Obligations (AROs) are legal obligations that may exist in connection with the Company's retirement of a tangible long-lived asset. AROs are excluded from general rate case.

The Narragansett Electric Company d/b/a National Grid
Depreciation Expense - Gas
For the Test Year Ended June 30, 2017 and the Rate Year Ending August 31, 2019

Account No.	Account Title	Test Year June 30, 2017 (a)	1/ ARO Adjustment (b)	Adjustments June 30, 2017 (c)	Adjusted Balance (d) = (a) + (b) + (c)	Proposed Rate (e)	Depreciation Expense (f) = (d) x (e)
1	<u>General Plant</u>						
2							
3	389.01 General Plant Land Lan	\$285,357	\$0	\$0	\$285,357	0.00%	\$0
4	390.00 Structures And Improvements	\$7,094,532	\$0	\$0	\$7,094,532	3.12%	\$221,349
5	391.01 Gas Office Furniture & Fixture	\$274,719	\$0	\$0	\$274,719	6.67%	\$18,324
6	394.00 General Plant Tools Shop (Fully Dep)	\$26,487	\$0	\$0	\$26,487	0.00%	\$0
7	394.00 General Plant Tools Shop	\$5,513,613	\$0	\$0	\$5,513,613	5.00%	\$275,681
8	395.00 General Plant Laboratory	\$221,565	\$0	\$0	\$221,565	6.67%	\$14,778
9	397.30 Communication Radio Site Specific	\$387,650	\$0	\$0	\$387,650	5.00%	\$19,383
10	397.42 Communication Equip Tel Site	\$63,481	\$0	\$0	\$63,481	20.00%	\$12,696
11	398.10 Miscellaneous Equipment (Fully Dep)	\$1,341,386	\$0	\$0	\$1,341,386	0.00%	\$0
12	398.10 Miscellaneous Equipment	\$2,789,499	\$0	\$0	\$2,789,499	6.67%	\$186,060
13	399.10 1/ ARO	\$342,146	(\$342,146)	\$0	\$0	0.00%	\$0
14							
15	Total General Plant	\$18,340,436	(\$342,146)	\$0	\$17,998,289		\$748,271
16							
17	<u>Grand Total - All Categories</u>	\$1,123,631,722	(\$6,079,273)	\$9,991,374	\$1,127,543,823	3.05%	\$33,480,202
18							
19	<u>Other Utility Plant Assets</u>						
20							
21	105.00 Prop For Future Use	\$0			\$0		
22	107 Construction Work in Progress	\$43,392,799			\$43,392,799		
23	114.00 Goodwill	\$235,058,056			\$235,058,056		
24							
25	Total of Other Utility Plant Assets	\$278,450,855			\$278,450,855		
26							
27	Total Gas Plant in Service	\$1,402,082,577	(\$6,079,273)	\$9,991,374	\$1,405,994,678		
28							
29	Test Year Depreciation Expense per books	\$33,311,851	(\$33,752)	\$18,103	\$33,296,202		
30							
31	Accumulated Reserve	\$362,334,719	(\$5,387,893)	\$629,999	\$357,576,825		

Column Notes:

- (a) Per Company Books
(e) Proposed Depreciation Rate based on Depreciation Study, refer to Schedule NWA-1-GAS, Part VI, Page 5

Line Notes

- 15 Sum of Line 3 through Line 13
17 Sum Lines (Page 3 Line 5, 15, 24, 63, and Page 4 Line 15)
25 Sum of Line 21 through Line 23
27 Sum of Line 17 and Line 25
29 Column (d), the Company's retirement adjustments
31 Page 5, Line 72

- 1/ Asset Retirement Obligations (AROs) are legal obligations that may exist in connection with the Company's retirement of a tangible long-lived asset. AROs are excluded from general rate case.

THE NARRAGANSETT ELECTRIC COMPANY

d/b/a NATIONAL GRID

RIPUC Docket Nos. 4770/4780

Compliance Attachment 2

Schedule 6-GAS

Page 5 of 5

The Narragansett Electric Company d/b/a National Grid
Accumulated Depreciation - Gas
For the Test Year Ended June 30, 2017 and the Rate Year Ending August 31, 2019

Account No.	Account Title	Test Year June 30, 2017 (a)	1/ ARO Adjustment (b)	Adjustments June 30, 2017 (c)	Adjusted Balance (d) = (a) + (b) + (c)
Intangible Plant					
1 302.00	Franchises And Consents		\$0	\$0	\$0
2 303.00	Misc. Intangible Plant		\$0	\$0	\$0
3 303.01	Misc. Int Cap Software	\$19,833,570	\$0	\$7,629,681	\$27,463,251
4	Total Intangible Plant	\$19,833,570	\$0	\$7,629,681	\$27,463,251
Production Plant					
7 304.00	Production Land Land Rights		\$0	\$0	\$0
8 305.00	Prod. Structures & Improvements	\$2,521,832	\$0	\$0	\$2,521,832
9 307.00	Production Other Power	\$55,325	\$0	\$0	\$55,325
10 311.00	Production LNG Equipme	(\$1,427,606)	\$0	\$0	(\$1,427,606)
11 320.00	Prod. Other Equipment	(\$134,510)	\$0	\$0	(\$134,510)
12	Total Production Plant	\$1,015,041	\$0	\$0	\$1,015,041
Storage Plant					
15 360.00	Stor Land & Land Rights		\$0	\$0	\$0
16 361.03	Storage Structures Improvements	\$2,429,540	\$0	\$0	\$2,429,540
17 362.04	Storage Gas Holders	\$4,646,257	\$0	\$0	\$4,646,257
18 363.00	Stor. Purification Equipment	\$5,726,431	\$0	\$0	\$5,726,431
19	Total Storage Plant	\$12,802,228	\$0	\$0	\$12,802,228
Distribution Plant					
22 374.00	Dist. Land & Land Righ	\$0	\$0	\$0	\$0
23 375.00	Gas Dist Station Structure	\$6,988,174	\$0	\$0	\$6,988,174
24 376.00	Distribution Mains	\$29,845,037	\$0	\$0	\$29,845,037
25 376.03	Dist. River Crossing Mains	\$757,637	\$0	\$0	\$757,637
26 376.04	Mains - Steel And Other - SI	(\$7,662)	\$0	\$0	(\$7,662)
27 376.06	Dist. District Regulat	\$2,915,625	\$0	\$0	\$2,915,625
28 376.11	Gas Mains Steel	\$25,081,627	\$0	\$0	\$25,081,627
29 376.12	Gas Mains Plastic	\$71,556,611	\$0	\$0	\$71,556,611
30 376.13	Gas Mains Cast Iron	\$113,413	\$0	\$0	\$113,413
31 376.14	Gas Mains Valves	\$0	\$0	\$0	\$0
32 376.15	Propane Lines	(\$56,661)	\$0	\$0	(\$56,661)
33 376.16	Dist. Cathodic Protect	\$116,586	\$0	\$0	\$116,586
34 376.17	Dist. Joint Seals	\$10,813,050	\$0	\$0	\$10,813,050
35 377.00	T&D Compressor Sta Equipment	\$731,711	\$0	\$0	\$731,711
36 377.62	1/ 5360-Tanks ARO	\$65	(\$65)	\$0	\$0
37 378.10	Gas Measur & Reg Sta Equipment	\$5,277,579	\$0	\$0	\$5,277,579
38 378.55	Gas M&Reg Sta Eqp RTU	\$0	\$0	\$0	\$0
39 379.00	Dist. Measur. Reg. Gs	\$3,446,717	\$0	\$0	\$3,446,717
40 379.01	Dist. Meas. Reg. Gs Eq	\$1,399,586	\$0	\$0	\$1,399,586
41 380.00	Gas Services All Sizes	\$148,606,388	\$0	\$383,120	\$148,989,508
42 381.10	Sml Meter& Reg Bare Co	\$13,106,230	\$0	\$0	\$13,106,230
43 381.30	Lrg Meter& Reg Bare Co	\$5,656,855	\$0	\$0	\$5,656,855
44 381.40	Meters	\$7,845,181	\$0	\$0	\$7,845,181
45 382.00	Meter Installations	\$1,454,329	\$0	\$0	\$1,454,329
46 382.20	Sml Meter& Reg Instl C	\$3,518,207	\$0	\$0	\$3,518,207
47 382.30	Lrg Meter&Reg Instl C	\$586,420	\$0	\$0	\$586,420
48 383.00	Dist. House Regulators	\$725,254	\$0	\$0	\$725,254
49 384.00	T&D Gas Reg Installs	\$610,349	\$0	\$0	\$610,349
50 385.00	Industrial Measuring And Regulating Station Equipment	\$78,827	\$0	\$0	\$78,827
51 385.01	Industrial Measuring And Regulating Station Equipment	\$255,921	\$0	\$0	\$255,921
52 386.00	Other Property On Customer Premises	\$284,088	\$0	\$0	\$284,088
53 386.02	Dist. Consumer Prem Equipment	\$110,131	\$0	\$0	\$110,131
54 387.00	Dist. Other Equipment	\$540,701	\$0	\$0	\$540,701
55 388.00	1/ ARO	\$5,068,067	(\$5,068,067)	\$0	\$0
56	Total Distribution Plant	\$347,426,043	(\$5,068,132)	\$383,120	\$342,741,031
General Plant					
58 389.01	General Plant Land and Land Right	(\$246,879)	\$0	\$246,879	\$0
60 390.00	Structures And Improvements	\$515,639	\$0	\$0	\$515,639
61 391.01	Gas Office Furn & Fix	(\$1,284,707)	\$0	\$0	(\$1,284,707)
62 394.00	General Plant Tools Sh	\$128,517	\$0	\$0	\$128,517
63 395.00	General Plant Laborato	\$147,585	\$0	\$0	\$147,585
64 397.30	Commun Radio Site Spe	\$838,919	\$0	\$0	\$838,919
65 397.42	Commun Equip Tel Site	\$20,409	\$0	\$0	\$20,409
66 398.10	Power And Supervisory	\$652,163	\$0	\$0	\$652,163
67 399.10	1/ ARO	\$319,761	(\$319,761)	\$0	\$0
68	Total General Plant	\$1,091,407	(\$319,761)	\$246,879	\$1,018,525
70	Grand Total - All Categories	\$382,168,289	(\$5,387,893)	\$8,259,680	\$385,040,076
71					
72	Grand Total - Exclude Intangibles	\$362,334,719	(\$5,387,893)	\$629,999	\$357,576,825

Column Notes:

- (a) Per Company's books
- (b) Adjustment for Assets Retirement Obligation which is not actual investment of the company
- (d) Sum of (a) through (c)

Line Notes:

- 41(c) Retirement adjustments
- 59(c) No accumulated depreciation for Land and Land Right
- 70 Sum of Line 4, 12, 19, 56, and 68
- 72 Sum of Line 12, 19, 56, and 68

1/ Asset Retirement Obligations (AROs) are legal obligations that may exist in connection with the Company's retirement of a tangible long-lived asset. AROs are excluded from general rate case.

Compliance Attachment 2

Schedule 7-ELEC

Municipal Taxes– Electric

The Narragansett Electric Company d/b/a National Grid
Municipal Taxes - Electric
For the Test Year Ended June 30, 2017 and the Rate Year Ending August 31, 2019

	Test Year Ended June 30, 2017 (a)	Normalizing Adjustments to Test Year (b)	Test Year Ended June 30, 2017 (as Adjusted) (a) + (b) = (c)	Proforma Adjustments (d)	Rate Year Ending August 31, 2019 (e)
1 Narragansett Electric Company	\$49,702,787	(20,023,313)	\$29,679,474	\$850,784	\$30,530,258
2					
3 Total Municipal Taxes	<u>\$49,702,787</u>	<u>(\$20,023,313)</u>	<u>\$29,679,474</u>	<u>\$850,784</u>	<u>\$30,530,258</u>

Column Notes

- (a) Per Company Books
- (b) Page 8, Line 12 + Page 9, Line 6
- (d) Column (e) - Column (c)
- (e) Page 6, Line 43(n)

The Narragansett Electric Company d/b/a National Grid
Municipal Taxes - Electric
For the Rate Year 1 Ending August 31, 2020 and the Rate Year Ending August 31, 2021

	Rate Year Ending August 31, 2019 (a)	Proforma Adjustments (b)	Rate Year Ending August 31, 2020 (a) + (b) = (c)	Proforma Adjustments (d)	Rate Year Ending August 31, 2021 (e)
1 Narragansett Electric Company	\$30,530,258	\$0	\$30,530,258	\$0	\$30,530,258
2					
3 Total Municipal Taxes	<u>\$30,530,258</u>	<u>\$0</u>	<u>\$30,530,258</u>	<u>\$0</u>	<u>\$30,530,258</u>

Column Notes

- (a) Per Company Books
- (b) Line 1(a) * Page 7, Line 6(e)
- (d) Line 1(c) * Page 7, Line 6(e)
- (e) Line 1 (c) + Line 1(d)

The Narragansett Electric Company d/b/a National Grid
Municipal Taxes - Electric - Personal Property
For the Test Year Ended June 30, 2017 and the Rate Year Ending August 31, 2019
Pro Forma Test Year

		IFA Related	Net Distribution	2017	Distribution	Distribution	Total Distribution	Distribution	Net	Three Year	Distribution	Distribution	
	Total Assessment	Assessment as of	Assessment as of	Actual	Municipal Taxes	Water/	Municipal Taxes	Municipal Taxes	Distribution	Average	Municipal Tax	Municipal Tax	
	as of 12/31/16	12/31/2016	12/31/16	Mill Rate	Pro Forma	Sewer Tax	Pro Forma	Pro Forma	Rebills to Third	Percentage	Expense Pro	Expense Pro	
Town					Tax Year 2017	Year 2017	Tax Year 2017	Tax Year 2017	Parties Pro	Increase in	Forma Tax Year	Forma Tax Year	Total Distribution
(a)	(b)	(c)	(b) - (c) = (d)	(e)	(d) * (e) = (f)	(g)	(f) + (g) = (h)	(i)	(h) - (i) = (j)	Property Taxes	2018	2019	Pro Forma RY
1	Albion Fire District	\$ 3,473,004	\$ 1,113,696	\$ 2,359,308	3.00	\$ 7,078	\$ -	\$ 7,078	\$ -	3.3%	\$ 7,314	\$ 7,558	\$ 7,477.08
2	Central Coventry Fire District	9,718,175	6,663	9,711,512	3.08	29,911	-	29,911	-	3.3%	30,910	31,942	31,598
3	Chepachet Fire District - minimum	811	-	811	0.97	5	-	5	-	3.3%	5	5	5
4	City of Central Falls	3,906,302	-	3,906,302	73.11	285,590	-	285,590	-	3.3%	295,126	304,980	301,695
5	City of Cranston	49,005,313	18,808,600	30,196,713	34.41	1,039,069	-	1,039,069	-	3.3%	1,073,764	1,109,617	1,097,666
6	City of East Providence	19,302,830	1,365,766	17,937,064	55.24	990,843	-	990,843	-	3.3%	1,023,928	1,058,117	1,046,721
7	City of Newport	20,813,482	-	20,813,482	15.55	323,650	-	323,650	-	3.3%	334,456	345,624	341,902
8	City of Pawtucket	23,553,520	5,595,355	17,958,165	52.09	935,441	-	935,441	-	3.3%	966,676	998,953	988,194
9	City of Providence	199,668,496	25,635,812	174,032,684	55.80	9,711,024	-	9,711,024	-	3.3%	10,035,279	10,370,361	10,258,667
10	City of Warwick	113,873,763	73,918,380	39,955,383	40.48	1,617,394	-	1,617,394	-	3.3%	1,671,399	1,727,208	1,708,605
11	City of Woonsocket	22,226,800	9,089,819	13,136,981	46.58	611,921	-	611,921	-	3.3%	632,353	653,467	646,429
12	Coventry Fire District	2,891,470	1,982	2,889,488	4.86	14,043	-	14,043	-	3.3%	14,512	14,996	14,835
13	Cumberland Fire District	31,840,521	7,395,829	24,444,692	1.92	46,909	-	46,909	-	3.3%	48,476	50,094	49,555
14	Exeter Fire District	4,526,790	718,903	3,807,887	1.77	6,740	-	6,740	-	3.3%	6,965	7,198	7,120
15	Harmony FD	6,158,909	-	6,158,909	1.81	11,148	-	11,148	-	3.3%	11,520	11,905	11,776
16	Harrisville Fire District	33,987,783	31,245,857	2,741,926	2.53	6,937	-	6,937	-	3.3%	7,169	7,408	7,328
17	Hope Valley/Wyoming Fire District	5,927,260	656,797	5,270,463	1.12	5,903	-	5,903	-	3.3%	6,100	6,304	6,236
18	Hopkins Hill Fire District	2,429,543	1,666	2,427,877	3.38	8,194	-	8,194	-	3.3%	8,468	8,750	8,656
19	Lime Rock Fire District	7,111,389	2,280,424	4,830,965	2.20	10,628	-	10,628	-	3.3%	10,983	11,350	11,227
20	Lonsdale Fire District	1,819,193	583,364	1,235,829	3.15	3,893	-	3,893	-	3.3%	4,023	4,157	4,112
21	Manville Fire District	1,323,049	424,265	898,784	1.47	1,321	-	1,321	-	3.3%	1,365	1,411	1,396
22	Nasonville Fire District	24,629,150	22,642,222	1,986,928	1.63	3,239	-	3,239	-	3.3%	3,347	3,459	3,421
23	North Tiverton Fire District	4,335,015	822,970	3,512,045	0.98	3,442	-	3,442	-	3.3%	3,557	3,675	3,636
24	Oakland-Manville Fire District	11,962,740	10,997,660	965,080	2.42	2,335	-	2,335	-	3.3%	2,413	2,494	2,467
25	Pascoag Fire District	6,761,059	6,215,618	545,441	2.03	1,107	-	1,107	-	3.3%	1,144	1,182	1,170
26	Providence Water Supply Board	52,877,607	18,808,600	34,069,007	-	17,933	-	17,933	-	3.3%	18,532	19,151	18,945
27	Quinnville Fire District	330,762	106,066	224,696	1.48	333	-	333	-	3.3%	344	355	351
28	Richmond-Carolina Fire District	2,315,160	8,587	2,306,573	1.03	2,376	-	2,376	-	3.3%	2,455	2,537	2,510
29	Savelsville Fire District	2,480,717	795,497	1,685,220	3.15	5,308	-	5,308	-	3.3%	5,486	5,669	5,608
30	Stone Bridge Fire District	3,882,321	737,030	3,145,291	0.50	1,573	-	1,573	-	3.3%	1,625	1,679	1,661
31	Town of Barrington	6,040,216	-	6,040,216	20.00	120,804	-	120,804	-	3.3%	124,838	129,006	127,617
32	Town of Bristol	8,868,600	138,752	8,729,848	14.92	130,249	-	130,249	-	3.3%	134,598	139,093	137,595
33													
34	Total for All Towns	\$ 688,041,750	\$ 240,116,180	\$ 447,925,570		\$ 15,956,341	\$ -	\$ 15,956,341	\$ -	\$ 15,956,341	\$ 16,489,130	\$ 17,039,708	\$ 16,856,182

Column Notes

(k) Page 7, Column 6(c)

Line Notes

26(f) Charges not taxed based on property value.

The Narragansett Electric Company d/b/a National Grid
Municipal Taxes - Electric - Personal Property
For the Test Year Ended June 30, 2017 and the Rate Year Ending August 31, 2019
Pro Forma Test Year

		Total	IFA Related	Net	2017	Distribution	Distribution	Total Distribution	Distribution	Net	Three Year	Distribution	Distribution	Total Distribution
		Assessment as of	Assessment as of	Assessment as of	Actual Mill	Municipal	Water/Sewer	Municipal Taxes	Rebills to	Distribution	Percentage	Municipal Tax	Municipal Tax	Municipal Taxes
		12/31/16	12/31/2016	of 12/31/16	Rate	Pro Forma	Tax Year 2017	Pro Forma	Third Parties	Municipal Taxes	Increase in	Expense Pro	Expense Pro	Pro Forma RY
Town		(b)	(c)	(b) - (c) = (d)	(e)	(d) * (e) = (f)	(g)	(f) + (g) = (h)	(i)	(h) - (i) = (j)	(k)	(j) * (1+(k)) = (l)	(l) * (1+(k)) = (m)	((j)/12)+(m)/12 = (n)
1	Town of Burrillville	70,369,059	64,692,116	5,676,943	17.56	99,687	-	99,687	-	99,687	3.3%	103,016	106,455	105,309
2	Town of Charlestown	11,291,883	2,409,330	8,882,553	9.59	85,184	-	85,184	-	85,184	3.3%	88,028	90,967	89,988
3	Town of Coventry	17,006,800	11,660	16,995,140	25.29	429,722	-	429,722	-	429,722	3.3%	444,071	458,898	453,956
4	Town of Cumberland	31,840,521	7,395,829	24,444,692	29.53	721,852	-	721,852	-	721,852	3.3%	745,955	770,862	762,560
5	Town of East Greenwich	10,048,885	3,916,964	6,131,921	23.66	145,081	-	145,081	-	145,081	3.3%	149,926	154,932	153,263
6	Town of Exeter	4,526,790	718,903	3,807,887	16.23	61,802	-	61,802	-	61,802	3.3%	63,866	65,998	65,287
7	Town of Foster	3,872,294	-	3,872,294	31.98	123,836	-	123,836	-	123,836	3.3%	127,971	132,244	130,820
8	Town of Glocester	6,158,909	-	6,158,909	39.46	243,031	-	243,031	-	243,031	3.3%	251,145	259,531	256,736
9	Town of Hopkinton	7,224,200	1,296,418	5,927,782	20.07	118,971	-	118,971	-	118,971	3.3%	122,943	127,048	125,680
10	Town of Jamestown	7,094,141	-	7,094,141	8.66	61,435	-	61,435	-	61,435	3.3%	63,487	65,606	64,900
11	Town of Johnston	87,358,420	51,745,388	35,613,032	59.71	2,126,454	-	2,126,454	-	2,126,454	3.3%	2,197,457	2,270,831	2,246,373
12	Town of Lincoln	16,538,115	5,303,313	11,234,802	34.39	386,365	-	386,365	-	386,365	3.3%	399,266	412,597	408,153
13	Town of Little Compton	2,750,261	-	2,750,261	11.68	32,123	-	32,123	-	32,123	3.3%	33,196	34,304	33,935
14	Town of Middletown	9,401,897	11	9,401,886	15.42	144,977	-	144,977	-	144,977	3.3%	149,818	154,820	153,153
15	Town of Narragansett	20,098,513	12,545,688	7,552,825	15.84	119,637	-	119,637	-	119,637	3.3%	123,631	127,760	126,384
16	Town of New Shoreham	9,929,665	9,929,665	-	5.86	-	-	-	-	-	3.3%	-	-	-
17	Town of North Kingstown	35,573,920	7,300,250	28,273,670	18.59	525,608	-	525,608	-	525,608	3.3%	543,158	561,294	555,249
18	Town of North Providence	7,600,411	853,272	6,747,139	68.11	459,548	-	459,548	-	459,548	3.3%	474,892	490,749	485,463
19	Town of North Smithfield	132,207,210	120,064,959	12,142,251	41.95	509,380	-	509,380	-	509,380	3.3%	526,388	543,964	538,105
20	Town of Portsmouth	11,990,388	2,005,830	9,984,558	15.42	153,962	-	153,962	-	153,962	3.3%	159,103	164,415	162,644
21	Town of Richmond	4,630,320	17,175	4,613,145	20.80	95,953	-	95,953	-	95,953	3.3%	99,157	102,468	101,365
22	Town of Scituate	9,110,940	545	9,110,395	40.04	364,798	-	364,798	-	364,798	3.3%	376,979	389,567	385,371
23	Town of Smithfield	59,426,840	35,596,545	23,830,295	60.74	1,447,452	-	1,447,452	-	1,447,452	3.3%	1,495,783	1,545,728	1,529,080
24	Town of South Kingstown	21,902,869	5,227,844	16,675,025	15.31	255,295	-	255,295	-	255,295	3.3%	263,819	272,628	269,692
25	Town of Tiverton	7,881,843	1,496,309	6,385,534	19.05	121,644	-	121,644	-	121,644	3.3%	125,706	129,904	128,504
26	Town of Warren	6,699,409	785,592	5,913,817	18.81	111,239	-	111,239	-	111,239	3.3%	114,953	118,792	117,512
27	Town of West Greenwich	6,201,405	14,130	6,187,275	33.85	209,439	-	209,439	-	209,439	3.3%	216,433	223,659	221,250
28	Town of West Warwick	24,718,480	12,882,400	11,836,080	41.78	494,511	-	494,511	-	494,511	3.3%	511,023	528,087	522,399
29	Town of Westerly	16,504,078	108,419	16,395,659	11.59	190,026	6,763	196,788	-	196,788	3.3%	203,359	210,149	207,886
30	Union Fire District	21,902,869	5,227,844	16,675,025	0.86	14,341	-	14,341	-	14,341	3.3%	14,819	15,314	15,149
31	West Glocester Fire District	2,053,781	-	2,053,781	1.65	3,389	-	3,389	-	3,389	3.3%	3,502	3,619	3,580
32	Western Coventry Fire District	2,429,540	1,666	2,427,874	1.62	3,933	-	3,933	-	3,933	3.3%	4,064	4,200	4,155
33														
34	Total for All Towns	\$ 686,344,656	\$ 351,548,065	\$ 334,796,591		\$ 9,860,673	\$ 6,763	\$ 9,867,436	\$ -	\$ 9,867,436		\$ 10,196,914	\$ 10,537,393	\$ 10,423,900

Column Notes

(k) Page 7, Column 6(e)

The Narragansett Electric Company d/b/a National Grid
Municipal Taxes - Electric - Real Property
For the Test Year Ended June 30, 2017 and the Rate Year Ending August 31, 2019
Pro Forma Test Year

Town	Total Assessment as of 12/31/16	IFA Related Assessment as of 12/31/2016	Net Distribution Assessment as of 12/31/16	2017 Actual Mill Rate	Distribution Municipal Taxes Pro Forma Tax Year 2017	Distribution Water/ Sewer Tax Year 2017	Total Distribution Municipal Taxes Pro Forma Tax Year 2017	Distribution Rebills to Third Parties Pro Forma Tax Year 2017	Net Distribution Municipal Taxes Pro Forma	Three Year Average Percentage Increase in Distribution	Distribution Municipal Tax Expense Pro Forma Tax Year 2018	Distribution Municipal Tax Expense Pro Forma Tax Year 2019	Total Distribution Municipal Taxes Pro Forma RY
	(a)	(b)	(b) - (c) = (d)	(e)	(d) * (e) = (f)	(g)	(f) + (g) = (h)	(i)	(h) - (i) = (j)	(k)	(j) * (1+(k)) = (l) (l) * (1+(k)) = (m)	((l)/12^4)+((m)/12^8) = (n)	
1 Albion Fire District	\$ 4,178,200	\$ 1,339,832	\$ 2,838,368	1.78	\$ 5,052	\$ -	\$ 5,052	\$ -	\$ 5,052	3.3%	\$ 5,221	\$ 5,395	\$ 5,337.21
2 Albion Fire District - minimum	4,800	1,539	3,261	1.78	30	-	30	-	30	3.3%	31	32	31.69
3 Ashaway Fire District	1,034,300	185,610	848,690	1.31	1,112	-	1,112	-	1,112	3.3%	1,149	1,187	1,174
4 Bradford Fire District	10,300	68	10,232	0.79	8	-	8	-	8	3.3%	8	9	9
5 Central Coventry Fire District	1,345,200	922	1,344,278	3.08	4,140	-	4,140	-	4,140	3.3%	4,279	4,421	4,374
6 Charlestown Fire District	224,700	47,944	176,756	0.57	100	-	100	-	100	3.3%	103	107	106
7 Chepachet Fire District	2,033,000	-	2,033,000	0.97	1,962	-	1,962	-	1,962	3.3%	2,027	2,095	2,072
8 City of Central Falls	194,100	-	194,100	39.67	7,700	-	7,700	-	7,700	3.3%	7,957	8,223	8,134
9 City of Cranston - Commercial/Industrial	25,938,800	9,955,503	15,983,297	34.41	549,985	-	549,985	-	549,985	3.3%	568,349	587,327	581,001
10 City of Cranston - Residential	229,900	88,237	141,663	22.94	3,250	-	3,250	-	3,250	3.3%	3,358	3,470	3,433
11 City of East Providence	1,618,700	114,531	1,504,169	24.76	37,243	-	37,243	-	37,243	3.3%	38,487	39,772	39,344
12 City of Newport - Commercial	4,163,400	-	4,163,400	15.55	64,741	-	64,741	-	64,741	3.3%	66,903	69,136	68,392
13 City of Newport - Residential	75,200	-	75,200	11.21	843	-	843	-	843	3.3%	871	900	891
14 City of Pawtucket	9,571,053	2,273,692	7,297,361	34.88	254,532	-	254,532	-	254,532	3.3%	263,031	271,814	268,886
15 City of Providence - Commercial	29,411,972	3,776,258	25,635,714	36.70	940,831	-	940,831	39,869	900,962	3.3%	931,045	962,133	951,770
16 City of Providence - Residential	24,700	3,171	21,529	31.96	688	-	688	-	688	3.3%	711	735	727
17 City of Warwick - Commercial/Industrial	14,485,800	9,403,104	5,082,696	30.36	154,311	-	154,311	-	154,311	3.3%	159,463	164,788	163,013
18 City of Warwick - Residential	18,600	12,074	6,526	20.24	132	-	132	-	132	3.3%	137	141	140
19 City of Woonsocket	2,707,000	1,107,048	1,599,952	36.93	59,086	-	59,086	-	59,086	3.3%	61,059	63,098	62,418
20 Coventry Fire District	141,100	97	141,003	3.24	457	-	457	-	457	3.3%	472	488	483
21 Cumberland Fire District	1,088,200	252,764	835,436	1.92	1,603	-	1,603	-	1,603	3.3%	1,657	1,712	1,694
22 Durns Corner Fire District	97,200	639	96,561	0.45	43	-	43	-	43	3.3%	45	46	45.90
23 Exeter Fire District	368,100	58,458	309,642	1.77	548	-	548	-	548	3.3%	566	585	579
24 Harrisville Fire District	924,400	849,825	74,575	2.53	189	-	189	-	189	3.3%	195	201	199
25 Hope Valley/Wyoming Fire District	42,000	7,537	34,463	1.12	39	-	39	-	39	3.3%	40	41	41
26 Lime Rock Fire District	1,379,200	442,271	936,929	2.20	2,061	-	2,061	-	2,061	3.3%	2,130	2,201	2,177
27 Lime Rock Fire District - minimum	5,700	1,828	3,872	2.20	15	-	15	-	15	3.3%	16	16	16
28 Lonsdale Fire District	67,300	21,581	45,719	1.90	87	-	87	-	87	3.3%	90	93	92
29 Manville Fire District	36,400	11,672	24,728	1.47	36	-	36	-	36	3.3%	38	39	38
30 Nasonville Fire District	777,600	714,868	62,732	1.63	102	-	102	-	102	3.3%	106	109	108
31 Nasonville Fire District - minimum	3,800	3,493	307	1.63	20	-	20	-	20	3.3%	21	21	21
32 North Tiverton Fire District	1,689,400	320,720	1,368,680	0.98	1,341	-	1,341	-	1,341	3.3%	1,386	1,432	1,417
33 Oakland-Manlyville Fire District	51,900	47,713	4,187	1.95	8	-	8	-	8	3.3%	8	9	9
34 Pascoag Fire District	2,478,800	2,278,826	199,974	2.03	406	-	406	-	406	3.3%	420	434	429
35 Pascoag Fire District - minimum	2,500	2,298	202	2.03	40	-	40	-	40	3.3%	41	43	42
36 Portsmouth Water and Fire District	1,061,700	177,608	884,092	0.22	195	-	195	-	195	3.3%	201	208	205
37 Portsmouth Water and Fire District - minimum	15,700	2,626	13,074	0.22	8	-	8	-	8	3.3%	8	9	8
38 Quinville Fire District	24,000	22,064	1,936	1.48	3	-	3	-	3	3.3%	3	3	3
40 Total for All Towns	\$ 107,524,725	\$ 33,526,423	\$ 73,998,302		\$ 2,092,947	\$ -	\$ 2,092,947	\$ 39,869	\$ 2,053,078		\$ 2,121,631	\$ 2,192,474	\$ 2,168,860

Column Notes
(k) Page 7, Column 6(e)

The Narragansett Electric Company d/b/a National Grid
Municipal Taxes - Electric - Real Property
For the Test Year Ended June 30, 2017 and the Rate Year Ending August 31, 2019
Pro Forma Test Year

Town	Total Assessment as of 12/31/16	IFA Related Assessment as of 12/31/2016	Net Distribution Assessment as of 12/31/16	2017 Actual Mill Rate	Distribution Municipal Taxes Pro Forma Tax Year 2017	Distribution Water/Sewer Tax Year 2017	Total Distribution Municipal Taxes Pro Forma Tax Year 2017	Distribution Rebills to Third Parties Pro Forma Tax Year 2017	Net Distribution Municipal Taxes Pro Forma Tax Year 2017	Three Year Average Percentage Increase in Distribution Municipal Taxes	Distribution Municipal Tax Expense Pro Forma Tax Year 2018	Distribution Municipal Tax Expense Pro Forma Tax Year 2019	Total Distribution Municipal Taxes Pro Forma RY
	(a)	(b)	(c)	(d) - (c) = (e)	(f) * (e) = (f)	(g)	(f) + (g) = (h)	(i)	(h) - (i) = (j)	(k)	(i) * (1+(k)) = (l)	(l) * (1+(k)) = (m)	((l)/12)+(m)/12=(n)
1 Savleesville Fire District	621,700	199,362	422,338	1.98	836	-	836	-	836	3.3%	864	893	883
2 Savleesville Fire District - minimum	800	257	543	1.98	20	-	20	-	20	3.3%	21	21	21
3 Stone Bridge Fire District	110,200	20,921	89,279	0.50	45	-	45	-	45	3.3%	46	48	47
4 Town of Barrington	344,500	-	344,500	20.00	6,890	-	6,890	-	6,890	3.3%	7,120	7,358	7,279
5 Town of Bristol	1,376,800	21,541	1,355,259	14.92	20,220	-	20,220	-	20,220	3.3%	20,896	21,593	21,361
6 Town of Burnhillville	4,238,100	3,898,196	341,904	17.56	6,004	-	6,004	-	6,004	3.3%	6,204	6,411	6,342
7 Town of Burnhillville - minimum	900	827	73	17.39	30	-	30	-	30	3.3%	31	32	32
8 Town of Charlestown	224,700	47,944	176,756	9.59	1,695	-	1,695	-	1,695	3.3%	1,752	1,810	1,791
9 Town of Coventry	3,087,500	2,117	3,085,383	25.29	78,014	-	78,014	-	78,014	3.3%	80,619	83,311	82,413
10 Town of Cumberland	1,088,200	322,764	835,436	15.21	12,707	-	12,707	-	12,707	3.3%	13,131	13,570	13,424
11 Town of East Greenwich	6,064,600	2,363,926	3,700,674	23.66	87,558	-	87,558	-	87,558	3.3%	90,482	93,503	92,496
12 Town of Exeter	568,100	58,458	509,642	16.23	5,025	-	5,025	-	5,025	3.3%	5,193	5,367	5,309
13 Town of Foster	3,289,000	3,289,000	23,25	76,469	76,469	-	76,469	-	76,469	3.3%	79,023	81,661	80,782
14 Town of Gloucester	2,907,700	-	2,907,700	23.67	68,825	-	68,825	-	68,825	3.3%	71,123	73,498	72,707
15 Town of Hopkinton	1,076,500	193,147	883,353	20.07	17,725	-	17,725	-	17,725	3.3%	18,317	18,928	18,724
16 Town of Jamestown	750,600	-	750,600	8.66	6,500	142	6,643	-	6,643	3.3%	6,864	7,094	7,017
17 Town of Johnston	3,609,562	2,138,067	1,471,495	27.49	40,451	-	40,451	-	40,451	3.3%	41,802	43,198	42,733
18 Town of Lincoln	6,385,100	2,047,524	4,337,576	26.72	115,900	-	115,900	-	115,900	3.3%	119,770	123,769	122,436
19 Town of Lincoln - minimum	300	96	204	26.35	10	-	10	-	10	3.3%	11	11	11
20 Town of Middletown - Commercial	4,186,700	5	4,186,695	20.44	85,576	1,097	87,273	-	87,273	3.3%	90,187	93,199	92,195
21 Town of Middletown - Residential	350,700	0	350,700	15.42	5,408	-	5,408	-	5,408	3.3%	5,588	5,775	5,713
22 Town of Narragansett	253,700	158,362	95,338	15.84	1,510	-	1,510	-	1,510	3.3%	1,561	1,613	1,595
23 Town of North Kingstown	7,682,200	1,576,491	6,105,709	18.59	113,505	-	113,505	-	113,505	3.3%	117,295	121,212	119,906
24 Town of North Providence	1,812,200	203,449	1,608,751	26.14	42,053	-	42,053	-	42,053	3.3%	43,457	44,908	44,424
25 Town of North Smithfield	14,416,400	13,092,361	1,324,039	18.66	24,704	-	24,704	-	24,704	3.3%	25,529	26,381	26,097
26 Town of Portsmouth	1,035,300	173,192	862,108	15.42	13,294	-	13,294	-	13,294	3.3%	13,738	14,196	14,043
27 Town of Scituate	495,900	30	495,870	22.59	11,202	-	11,202	-	11,202	3.3%	11,576	11,962	11,833
28 Town of Smithfield	1,273,500	762,704	510,796	18.40	9,295	-	9,295	-	9,295	3.3%	9,709	10,033	9,925
29 Town of South Kingstown	1,180,900	281,861	899,039	15.31	13,764	-	13,764	-	13,764	3.3%	14,224	14,699	14,541
30 Town of Tiverton	1,989,500	377,692	1,611,808	19.05	30,705	-	30,705	-	30,705	3.3%	31,730	32,790	32,437
31 Town of Warren	3,227,600	378,478	2,849,122	18.81	53,592	-	53,592	-	53,592	3.3%	55,381	57,231	56,614
32 Town of West Greenwich	1,053,300	2,400	1,050,900	22.55	23,698	-	23,698	-	23,698	3.3%	24,489	25,307	25,034
33 Town of West Warwick	1,036,200	540,031	496,169	32.12	15,937	-	15,937	-	15,937	3.3%	16,469	17,019	16,836
34 Town of Westerly	2,221,300	14,592	2,206,708	11.59	25,576	560	26,135	-	26,135	3.3%	27,008	27,910	27,609
35 Union Fire District	1,180,900	281,861	899,039	0.86	773	-	773	-	773	3.3%	799	826	817
36 West Gloucester Fire District	985,230	-	985,230	1.65	1,626	-	1,626	-	1,626	3.3%	1,680	1,736	1,717
37 Westerly Fire District	2,111,700	13,872	2,097,828	0.65	1,364	-	1,364	-	1,364	3.3%	1,409	1,456	1,440
38 Westerly Fire District - minimum	2,100	14	2,086	0.65	3	-	3	-	3	3.3%	3	3	3
39 Western Coventry Fire District	1,596,300	1,094	1,595,206	1.62	2,584	-	2,584	-	2,584	3.3%	2,671	2,760	2,730
40													
41	Total for All Towns	\$ 83,636,092	\$ 29,101,635	\$ 54,534,457		\$ 1,021,193	\$ 2,399	\$ 1,023,592	\$ -	\$ 1,023,592	\$ 1,057,770	\$ 1,093,090	\$ 1,081,317
42													
43	Grand Total	\$ 1,565,547,223	\$ 654,292,303	\$ 911,254,920		\$ 28,931,155	\$ 9,162	\$ 28,940,317	\$ 39,869	\$ 28,900,448	\$ 29,865,445	\$ 30,862,664	\$ 30,530,258
44													
45	Composite Mill Rate for Year			31.76									

Column Notes
(k) Page 7, Column 6(e)

Line Notes
45(e) Line 45(h)/Line 45(d)

The Narragansett Electric Company d/b/a National Grid
Municipal Taxes - Electric
For the Test Year Ended June 30, 2017
Growth Rate

Line		12 Months Ended 6/30/2017	Total Property Taxes	IFA Related Expenses	Adjusted Municipal Taxes	Percentage Inc/(Dec)
1	Three Year Average Municipal Tax Expense Growth Rate:	(a)	(b)	(c)	(b) - (c) = (d)	(e)
2		2017	\$ 49,149,953	\$ 18,373,163	\$ 30,776,790	-2.7%
3		2016	\$ 47,654,474	\$ 16,025,070	\$ 31,629,404	-6.0%
4		2015	\$ 49,682,964	\$ 16,041,524	\$ 33,641,441	18.7%
5		2014	\$ 37,420,246	\$ 9,077,147	\$ 28,343,100	
6	Three Year Average Percentage Increase in Property Taxes					3.3%

Column Notes

(b)-(d) Per Company Books

Line Notes

- 2(e) (Col (d) Line 2 - Col (d) Line 3) / Col (d) Line 3
3(e) (Col (d) Line 3 - Col (d) Line 4) / Col (d) Line 4
4(e) (Col (d) Line 4- Col (d) Line 5) / Col (d) Line 5
6(e) (Sum of Lines 2(e),3(e) and 4(e))/3

The Narragansett Electric Company d/b/a National Grid
Municipal Taxes - Electric
For the Test Year Ended June 30, 2017
Normalizing Adjustments

<u>Line</u>	<u>Items for Removal</u> (a)	<u>Total</u> (b)	<u>Transmission</u> (c)	<u>Distribution</u> (b)-(c)=(d)	<u>6 Months Amortization</u> <u>Applicable to</u> <u>Test Year ended</u> <u>June 30, 2017</u> (d)/12*6= (e)
1	Add (Less) Correcting entry for assets associated with wrong parcels				
2	Tax Year 2017-2018				
3	Chepachet Fire District, Gas Parcels recorded in Electric Municipal Taxes	\$ (1,948)	\$ -	\$ (1,948)	\$ (974)
4	Town of Gloucester, Gas Parcels recorded in Electric Municipal Taxes	(145)	-	(145)	(\$73)
5	Town of Smithfield, Electric Parcels recorded in Gas Municipal Taxes	826	495	331	\$166
6	Tax Year 2016-2017				
7	Town of Cumberland, Electric Parcels recorded in Gas Municipal Taxes	6,101	1,417	4,684	2,342
8	Town of Smithfield, Electric Parcels recorded in Gas Municipal Taxes	826	495	331	166
9	North Tiverton FD, Gas Parcels recorded in Electric Municipal Taxes	(4)	(1)	(3)	(2)
10	Pascoag FD, Gas Parcels recorded in Electric Municipal Taxes	(266)	(244)	(21)	(11)
11					
12	Total for Normalizing Adjustment	<u>\$ 5,391</u>	<u>\$ 2,162</u>	<u>\$ 3,229</u>	<u>\$ 1,614</u>

Column Notes

(b)-(d) Per Company Books

Line Notes

12 Sum of Lines 3 to 10

The Narragansett Electric Company d/b/a National Grid
Municipal Taxes - Electric
For the Test Year Ended June 30, 2017
Normalizing Adjustments

<u>Line</u>	<u>Items for Removal</u> (a)	<u>Total</u> (b)	<u>Transmission</u> (c)	<u>Distribution</u> (b)-(c)=(d)
1	Reduction for IFA	\$ (18,149,081)	\$ (18,149,081)	\$ -
2	Out of Period adjustment	(552,833)		(552,833)
3	Reduction for estimated Municipal Tax impact for BITS assets	(1,323,013)	(1,323,013)	-
4	Total for Normalizing Adjustment	<u>\$ (20,024,927)</u>	<u>\$ (19,472,094)</u>	<u>\$ (552,833)</u>

Line Notes

- 1 Workpaper 1 Page 1 Line 15(a)
- 2 Per Company Books
- 3 Per Company Books
- 4 Sum of Line 1 - Line 3

Compliance Attachment 2

Schedule 7-GAS

Municipal Taxes – Gas

The Narragansett Electric Company d/b/a National Grid
Municipal Taxes -Gas
For the Test Year Ended June 30, 2017 and the Rate Year Ending August 31, 2019

	Test Year Ended June 30, 2017 (Per Books)	Normalizing Adjustments to Test Year	Test Year Ended June 30, 2017 (as Adjusted)	Proforma Adjustments	Rate Year Ending August 31, 2019
	(a)	(b)	(a) + (b) = (c)	(d)	(e)
1 Narragansett Electric Company	\$22,542,352	(\$453,318)	\$22,089,035	\$4,780,420	\$26,869,455
2					
3 Total Municipal Taxes	<u>\$22,542,352</u>	<u>(\$453,318)</u>	<u>\$22,089,035</u>	<u>\$4,780,420</u>	<u>\$26,869,455</u>

Column Notes

- (a) Per Company Books
- (b) Page 7, Line 6(c)
- (d) Column (e) - Column (c)
- (e) Page 4, Line 26(j)

The Narragansett Electric Company d/b/a National Grid
Municipal Taxes - Gas
For the Rate Year 2 Ending August 31, 2020 and the Rate Year 3 Ending August 31, 2021

	Rate Year Ending August 30, 2019 (a)	Proforma to Rate Year (b)	Rate Year Ending August 31, 2020 (a) + (b) = (c)	Proforma to Rate Year (d)	Rate Year Ending August 31, 2021 (e)
1 Narragansett Electric Company	\$26,869,455	\$0	\$26,869,455	\$0	\$26,869,455
2					
3 Total Municipal Taxes	<u>\$26,869,455</u>	<u>\$0</u>	<u>\$26,869,455</u>	<u>\$0</u>	<u>\$26,869,455</u>

Column Notes

- (a) Page 1, Line 3(e)
- (b) Line 1(a) * Page 5, Line 6(c)
- (d) Line 1(c) * Page 5, Line 6(c)
- (e) Line 1 (c) + Line 1(d)

The Narragansett Electric Company d/b/a National Grid
Municipal Taxes Gas - Personal Property
For the Test Year Ended June 30, 2017 and the Rate Year Ending August 31, 2019
Pro Forma Test Year

		Total Assessment as of	2017 Actual	Municipal Taxes	Water/Sewer Pro	Total Municipal Taxes	Three Year Average	Municipal Tax	Municipal Tax	Total
	Town	12/31/16	Mill Rate	Pro Forma	Forma Tax Year	Pro Forma	Percentage Increase	Expense Pro Forma	Expense Pro Forma	Municipal Taxes
	(a)	(b)	(c)	Tax Year 2017	2017	Tax Year 2017	in Municipal Taxes	Tax Year 2018	Tax Year 2019	Pro Forma RY
	(a)	(b)	(c)	(b) * (c) = (d)	(e)	(d) + (e) = (f)	(g)	(f) * (1+(g)) = (h)	(h) * (1+(g)) = (i)	((h)/12*(4))+((i)/12*(8))= (j)
1	Albion Fire District	\$ 1,657,806	3.00	\$ 4,973	\$ -	\$ 4,973	11.3%	\$ 5,536	\$ 6,162	\$ 5,953
2	Central Coventry Fire District	5,295,055	3.08	16,309	-	16,309	11.3%	18,153	20,207	19,522
3	Chepachet Fire District	2,052,968	0.97	1,981	-	1,981	11.3%	2,205	2,455	2,371
4	City of Central Falls	4,270,752	73.11	312,235	-	312,235	11.3%	347,552	386,863	373,759
5	City of Cranston	40,338,559	34.41	1,388,050	-	1,388,050	11.3%	1,545,053	1,719,814	1,661,560
6	City of East Providence	42,780,560	55.24	2,363,198	-	2,363,198	11.3%	2,630,500	2,928,037	2,828,858
7	City of Newport	30,426,936	15.55	473,139	-	473,139	11.3%	526,656	586,226	566,369
8	City of Pawtucket	10,166,600	52.09	529,578	-	529,578	11.3%	589,479	656,155	633,930
9	City of Providence	132,538,496	55.80	7,395,648	-	7,395,648	11.3%	8,232,172	9,163,315	8,852,934
10	City of Warwick	61,018,284	40.48	2,470,020	-	2,470,020	11.3%	2,749,402	3,060,391	2,956,729
11	City of Woonsocket	10,293,700	46.58	479,481	-	479,481	11.3%	533,715	594,083	573,960
12	Coventry Fire District	1,470,140	4.86	7,145	-	7,145	11.3%	7,953	8,853	8,553
13	Cumberland Fire District	28,869,013	1.92	55,400	-	55,400	11.3%	61,666	68,641	66,316
14	Exeter Fire District	5,913,220	1.77	10,466	-	10,466	11.3%	11,650	12,968	12,529
15	Hope Valley/Wyoming Fire District	19,790	1.12	22	-	22	11.3%	25	27	27
16	Hopkins Hill Fire District	1,134,654	3.38	3,829	-	3,829	11.3%	4,263	4,745	4,584
17	Lime Rock Fire District	3,394,556	2.20	7,468	-	7,468	11.3%	8,313	9,253	8,940
18	Lonsdale Fire District	868,375	3.15	2,735	-	2,735	11.3%	3,045	3,389	3,274
19	Manville Fire District	631,545	1.47	928	-	928	11.3%	1,033	1,150	1,111
20	North Tiverton Fire District	2,288,307	0.98	2,243	-	2,243	11.3%	2,496	2,779	2,684
21	Pascoag Fire District	3,377,691	2.03	6,857	-	6,857	11.3%	7,632	8,496	8,208
22	Quinnville Fire District	157,886	1.48	234	-	234	11.3%	260	290	280
23	Saylesville Fire District	7,894,316	3.15	24,867	-	24,867	11.3%	27,680	30,811	29,767
24	Stone Bridge Fire District	1,728,635	0.50	864	-	864	11.3%	962	1,071	1,035
25	Town of Barrington	20,375,383	20.00	407,508	-	407,508	11.3%	453,601	504,908	487,806
26	Town of Bristol	11,361,500	14.92	169,514	-	169,514	11.3%	188,687	210,030	202,916
27	Town of Burrillville	3,377,691	17.56	59,312	-	59,312	11.3%	66,021	73,489	71,000
28	Town of Coventry	7,942,580	25.29	200,828	-	200,828	11.3%	223,544	248,829	240,401
29	Town of Cumberland	28,869,013	29.53	852,502	-	852,502	11.3%	948,929	1,056,262	1,020,484
30	Town of East Greenwich	7,997,799	23.66	189,228	-	189,228	11.3%	210,632	234,456	226,515
31	Town of Exeter	5,913,220	16.23	95,972	-	95,972	11.3%	106,827	118,910	114,882
32	Town of Glocester	2,434	39.46	96	-	96	11.3%	107	119	115
33	Town of Hopkinton	91,770	20.07	1,842	-	1,842	11.3%	2,050	2,282	2,205
34	Town of Johnston	12,723,070	59.71	759,695	-	759,695	11.3%	845,624	941,272	909,390
35	Town of Lincoln	7,894,316	34.39	271,486	-	271,486	11.3%	302,193	336,374	324,981
36	Town of Middletown	12,042,051	15.42	185,688	-	185,688	11.3%	206,692	230,071	222,278
37	Town of Narragansett	5,225,482	15.84	82,772	-	82,772	11.3%	92,134	102,555	99,081
38	Town of North Kingstown	19,714,010	18.59	366,483	-	366,483	11.3%	407,936	454,078	438,698
39	Town of North Providence	15,315,263	68.11	1,043,123	-	1,043,123	11.3%	1,161,110	1,292,444	1,248,666
40	Town of North Smithfield	1,044,140	41.95	43,803	-	43,803	11.3%	48,757	54,272	52,434
41	Town of Portsmouth	3,082,573	15.42	47,533	-	47,533	11.3%	52,910	58,894	56,900
42	Town of Richmond	39,580	20.80	823	-	823	11.3%	916	1,020	985
43	Town of Scituate	224,330	40.04	8,983	-	8,983	11.3%	9,999	11,130	10,753
44	Town of Smithfield	6,011,280	60.74	365,125	-	365,125	11.3%	406,425	452,395	437,072
45	Town of South Kingstown	4,430,050	15.31	67,824	-	67,824	11.3%	75,496	84,035	81,189
46	Town of Tiverton	4,576,615	19.05	87,185	-	87,185	11.3%	97,046	108,023	104,364
47	Town of Warren	6,102,739	18.81	114,793	-	114,793	11.3%	127,777	142,230	137,412
48	Town of West Greenwich	229,623	33.85	7,773	-	7,773	11.3%	8,652	9,631	9,304
49	Town of West Warwick	8,935,260	41.78	373,315	-	373,315	11.3%	415,541	462,543	446,876
50	Town of Westerly	16,292,723	11.59	188,833	6,680	195,513	11.3%	217,627	242,243	234,038
51	Union Fire District	4,430,050	0.86	3,810	-	3,810	11.3%	4,241	4,720	4,561
52	Western Coventry Fire District	1,134,650	1.62	1,838	-	1,838	11.3%	2,046	2,277	2,200
53										
54	Total for All Towns	\$ 613,967,038		\$ 21,555,354	\$ 6,680	\$ 21,562,034		\$ 24,000,922	\$ 26,715,672	\$ 25,810,756

Column Notes

(g) Page 5, Column 6(c)

The Narragansett Electric Company d/b/a National Grid
Municipal Taxes Gas - Real Property
For the Test Year Ended June 30, 2017 and the Rate Year Ending August 31, 2019
Pro Forma Test Year

Town	Total Assessment as of 12/31/16	2017 Actual Mill Rate	Municipal Taxes		Water/Sewer Pro Forma Tax Year	Total Municipal Taxes		Three Year Average Percentage Increase in Municipal Taxes	Municipal Tax Expense Pro Forma Tax Year 2018	Municipal Tax Expense Pro Forma Tax Year 2019	Total Municipal Taxes Pro Forma RY
			Pro Forma Tax Year 2017	Pro Forma Tax Year 2017		Pro Forma Tax Year 2017	Pro Forma Tax Year 2017				
(a)	(b)	(c)	(b) * (c) = (d)	(e)	(d) + (e) = (f)	(g)	(f) * (1+(g)) = (h)	(h) * (1+(g)) = (i)	(i)/(12*4) = (j)	(i)/(12*8) = (k)	(j)+(k) = (l)
1	Bradford Fire District	\$ 1,400	0.79	\$ 1	-	\$ 1	11.3%	\$ 1	\$ 1	\$ 1	1
2	City of East Providence	667,800	24.76	16,535	-	16,535	11.3%	18,405	20,487	19,793	19,793
3	City of Pawtucket	1,186,700	34.88	41,392	-	41,392	11.3%	46,074	51,285	49,548	49,548
4	City of Providence	17,113,300	36.70	628,058	-	628,058	11.3%	699,098	778,173	751,815	751,815
5	City of Woonsocket	167,000	36.93	6,167	-	6,167	11.3%	6,865	7,641	7,383	7,383
6	Cumberland Fire District	8,113,300	1.92	15,569	-	15,569	11.3%	17,330	19,291	18,637	18,637
7	Exeter Fire District	706,000	1.77	1,250	-	1,250	11.3%	1,391	1,548	1,496	1,496
8	Manville Fire District - minimum	2,600	1.47	30	-	30	11.3%	33	37	36	36
9	North Tiverton Fire District	4,100	0.98	4	-	4	11.3%	4	5	5	5
10	Pascoag Fire District	767,000	2.03	1,557	-	1,557	11.3%	1,733	1,929	1,864	1,864
11	Portsmouth Water and Fire District	177,400	0.22	39	-	39	11.3%	43	48	47	47
12	Town of Burrillville	767,000	17.56	13,469	-	13,469	11.3%	14,992	16,688	16,122	16,122
13	Town of Cumberland	8,113,300	15.21	123,403	-	123,403	11.3%	137,361	152,898	147,719	147,719
14	Town of Exeter	706,000	16.23	11,458	-	11,458	11.3%	12,754	14,197	13,716	13,716
15	Town of Lincoln	2,600	26.72	69	-	69	11.3%	77	86	83	83
16	Town of Middletown	106,900	20.44	2,185	-	2,185	11.3%	2,432	2,707	2,616	2,616
17	Town of Portsmouth	177,400	15.42	2,736	-	2,736	11.3%	3,045	3,389	3,275	3,275
18	Town of Smithfield	224,100	18.40	4,123	-	4,123	11.3%	4,590	5,109	4,936	4,936
19	Town of Tiverton	7,800	19.05	149	-	149	11.3%	165	184	178	178
20	Town of Warren	666,300	18.81	12,533	-	12,533	11.3%	13,951	15,529	15,003	15,003
21	Town of Westerly	291,200	11.59	3,375	135	3,510	11.3%	3,907	4,349	4,202	4,202
22	Westerly Fire District	289,800	0.65	188	-	188	11.3%	210	233	225	225
23											
24	Total for All Towns	\$ 40,259,000		\$ 884,291	\$ 135	\$ 884,426		\$ 984,464	\$ 1,095,817	\$ 1,058,699	
25											
26	Grand Total	\$ 654,226,038	-	\$ 22,439,645	\$ 6,815	\$ 22,446,460		\$ 24,985,386	\$ 27,811,489	\$ 26,869,455	
27											
28	Composite Mill Rate for Year		34.31								

Column Notes

(g) Page 5, Column 6(c)

Line Notes

28(c) Line 26(f) / Line 26(b)

The Narragansett Electric Company d/b/a National Grid
Municipal Taxes - Gas
For the Test Year Ended June 30, 2017
Growth Rate

Line	Three Year Average Municipal Tax Expense Growth Rate:	12 Months Ended	Municipal Taxes	Percentage
		June 30, 2017		Inc/(Dec)
1		(a)	(b)	(c)
2		2017	\$ 22,091,730	7.7%
3		2016	20,515,689	23.8%
4		2015	16,566,064	2.4%
5		2014	16,176,329	
6	Three Year Average Percentage Increase in Municipal Taxes			11.3%

Line Notes

- 2(b) Per Company Books
3(b) Per Company Books
4(b) Per Company Books
5(b) Per Company Books
2(c) (Col (b) Line 2 - Col (b) Line 3) / Col (b) Line 3
3(c) (Col (b) Line 3 - Col (b) Line 4) / Col (b) Line 4
4(c) (Col (b) Line 4- Col (b) Line 5) / Col (b) Line 5
6(c) (Sum of Lines 2(c),3(c) and 4(c))/3

The Narragansett Electric Company d/b/a National Grid
Municipal Taxes - Gas
For the Test Year Ended June 30, 2017
Normalizing Adjustments

Line	Items for Removal (a)	Amount (b)	6 Months Amortization Applicable to Test Year ended June 30, 2017 (b)/12*6= (c)
			(c)
1	Correcting entry for assets associated with wrong parcels for prior year	(\$450,622)	(\$450,622)
2	Tax Year 2017-2018		
3	Chepachet Fire District, Gas Parcels recorded in Electric Municipal Taxes	\$ 1,948	\$ 974
4	Town of Gloucester, Gas Parcels recorded in Electric Municipal Taxes	145	73
5	Town of Smithfield, Electric Parcels recorded in Gas Municipal Taxes	(826)	(413)
6	Tax Year 2016-2017		
7	Town of Cumberland, Electric Parcels recorded in Gas Municipal Taxes	(6,101)	(3,050)
8	Town of Smithfield, Electric Parcels recorded in Gas Municipal Taxes	(826)	(413)
9	North Tiverton FD, Gas Parcels recorded in Electric Municipal Taxes	4	2
10	Pascoag FD, Gas Parcels recorded in Electric Municipal Taxes	266	133
11			
12	Total for Normalizing Adjustment	\$ (456,013)	\$ (453,318)

Column Notes

(b) Per Company Books

Line Notes

12 Sum of Lines 3 to 10

Compliance Attachment 2

Schedule 8

Payroll Taxes

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Payroll Taxes

		Test Year Ended June 30, 2017 (Per Books)			Normalizing Adjustments			Test Year Ended June 30, 2017 (as Adjusted)		
		Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas
		(a) = (b) + (c)	(b)	(c)	(d) = (e) + (f)	(e)	(f)	(g) = (h) + (i)	(h) = (b) + (e)	(i) = (c) + (f)
Provider Company:										
1	Narragansett Electric Company	\$1,080,722	\$4,242,306	(\$3,161,584)	(\$100,816)	(\$3,864,645)	\$3,763,829	\$979,906	\$377,661	\$602,245
2	National Grid USA Service Company	\$5,646,749	\$3,816,827	\$1,829,922	(\$552,786)	(\$551,205)	(\$1,581)	\$5,093,963	\$3,265,621	\$1,828,342
3	All Other Companies	\$127,000	\$89,579	\$37,420	(\$20,058)	(\$20,058)	\$0	\$106,941	\$69,521	\$37,420
4	Total	<u>\$6,854,470</u>	<u>\$8,148,712</u>	<u>(\$1,294,241)</u>	<u>(\$673,660)</u>	<u>(\$4,435,908)</u>	<u>\$3,762,248</u>	<u>\$6,180,811</u>	<u>\$3,712,803</u>	<u>\$2,468,007</u>
		\$0	\$0	\$0	(\$0)	\$0	\$0	\$0	\$0	\$0

Column Notes

(b)-(c) Per Company Books

Line Notes

1(e)-(f) Sum of Page 5, Lines 2, 3, 6, and 7

2(e)-(f) Sum of Page 5, Lines 4, 8, and 10

3(e)-(f) Sum of Page 5, Lines 5, 9, and 11

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Payroll Taxes

		Test Year Ended June 30, 2017 (as Adjusted)			Proforma Adjustments			Rate Year Ending August 31, 2019		
		Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas
		(a) = (b) + (c)	(b)	(c)	(d) = (e) + (f)	(e)	(f)	(g) = (h) + (i)	(h) = (b) + (e)	(i) = (c) + (f)
Provider Company:										
1	Narragansett Electric Company	\$979,906	\$377,661	\$602,245	\$312,735	\$212,164	\$100,571	\$1,292,642	\$589,825	\$702,816
2	National Grid USA Service Company	\$5,093,963	\$3,265,621	\$1,828,342	\$307,810	\$219,214	\$88,596	\$5,401,773	\$3,484,835	\$1,916,937
3	All Other Companies	\$106,941	\$69,521	\$37,420	\$13,556	\$10,341	\$3,215	\$120,498	\$79,862	\$40,636
4	Total	<u>\$6,180,811</u>	<u>\$3,712,803</u>	<u>\$2,468,007</u>	<u>\$634,101</u>	<u>\$441,719</u>	<u>\$192,382</u>	<u>\$6,814,912</u>	<u>\$4,154,522</u>	<u>\$2,660,389</u>
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Column Notes

(b)-(c) Page 1, Columns (h)-(i)

(e)-(f) Page 5, Lines 19(b) through 21(c)

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Payroll Taxes

		Adjustments to Reflect		Adjustments to Reflect		
		Rate Year	Conditions in	Rate Year	Conditions in	
		Ending	Rate Year	Rate Year	Rate Year	
		August 31,	Ending August	Ending August	Ending August	
		2019	31, 2020	31, 2020	31, 2021	
		Electric	Electric	Electric	Electric	
		(a)	(b)	(c) = (a) + (b)	(d)	
		(e) = (c) + (d)				
Provider Company:						
1	Narragansett Electric Company	\$589,825	\$52,376	\$642,201	\$40,881	\$683,083
2	National Grid USA Service Company	\$3,484,835	\$53,976	\$3,538,811	\$42,309	\$3,581,120
3	All Other Companies	\$79,862	\$2,529	\$82,392	\$1,965	\$84,356
4	Total	\$4,154,522	\$108,881	\$4,263,404	\$85,155	\$4,348,558
		\$0	\$0	\$0	\$0	\$0

Column Notes

- (a) Page 2, Column (h)
(b) Page 5, Lines 29(b) through 31(b)
(d) Page 5, Lines 38(b) through 40(b)

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Payroll Taxes

		Adjustments to Reflect Conditions in		Adjustments to Reflect Conditions in	
	Rate Year Ending August 31, 2019	Rate Year Ending August 31, 2020	Rate Year Ending August 31, 2020	Rate Year Ending August 31, 2021	Rate Year Ending August 31, 2021
	Gas	Gas	Gas	Gas	Gas
	(a)	(b)	(c) = (a) + (b)	(d)	(e) = (c) + (d)
Provider Company:					
1 Narragansett Electric Company	\$702,816	\$39,306	\$742,123	\$29,314	\$771,437
2 National Grid USA Service Company	\$1,916,937	\$34,081	\$1,951,019	\$25,408	\$1,976,426
3 All Other Companies	\$40,636	\$1,230	\$41,865	\$910	\$42,775
4 Total	<u>\$2,660,389</u>	<u>\$74,617</u>	<u>\$2,735,007</u>	<u>\$55,631</u>	<u>\$2,790,638</u>
	\$0	\$0	\$0	\$0	\$0

Column Notes

- (a) Page 2, Column (i)
- (b) Page 5, Lines 29(c) through 31(c)
- (d) Page 5, Lines 38(c) through 40(c)

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Payroll Taxes

		Explanation of Adjustments:	Provider Company	Total (a) = (b) + (c)	Electric (b)	Gas (c)
1	Page 1	<u>Adjustments: (to normalize Historic Year):</u>				
2		Out of period FUTA segment reclass	Narragansett Electric Company	\$0	(\$3,763,829)	\$3,763,829
3		(IFA) Integrated Facilities Agreement	Narragansett Electric Company	(\$579,499)	(\$579,499)	\$0
4		(IFA) Integrated Facilities Agreement	National Grid USA Service Company	(\$521,379)	(\$521,379)	\$0
5		(IFA) Integrated Facilities Agreement	All Other Companies	(\$12,237)	(\$12,237)	\$0
6		Less IFA related to out of period FUTA segment reclass	Narragansett Electric Company	\$514,139	\$514,139	\$0
7		Inspection & Maintenance	Narragansett Electric Company	(\$24,521)	(\$24,521)	\$0
8		Inspection & Maintenance	National Grid USA Service Company	(\$213)	(\$213)	\$0
9		Inspection & Maintenance	All Other Companies	(\$4,268)	(\$4,268)	\$0
10		Major Storm Normalization	National Grid USA Service Company	(\$24,694)	(\$24,694)	\$0
11		Major Storm Normalization	All Other Companies	(\$3,554)	(\$3,554)	\$0
12		RI Government Relations and Federal Affairs	Narragansett Electric Company	(\$10,935)	(\$10,935)	\$0
13		RI Government Relations and Federal Affairs	National Grid USA Service Company	(\$6,500)	(\$4,920)	(\$1,581)
14						
15			TOTAL	<u>(\$673,660)</u>	<u>(\$4,435,908)</u>	<u>\$3,762,248</u>
16						
17						
18	Page 2	<u>Adjustments: (to reflect conditions in the Rate Year 8/30/19)</u>				
19		To increase costs for:				
20						
21		Recalculated Payroll Tax Expense Adjustment	Narragansett Electric Company	\$312,735	\$212,164	\$100,571
22			National Grid USA Service Company	\$307,810	\$219,214	\$88,596
23			All Other Companies	\$13,556	\$10,341	\$3,215
24						
25			TOTAL	<u>\$634,101</u>	<u>\$441,719</u>	<u>\$192,382</u>
26						
27						
28	Page 3 and 4	<u>Adjustments: (to reflect conditions in the Rate Year Ending 8/30/20)</u>				
29		To increase costs for:				
30						
31		Recalculated Payroll Tax Expense Adjustment	Narragansett Electric Company	\$91,682	\$52,376	\$39,306
32			National Grid USA Service Company	\$88,057	\$53,976	\$34,081
33			All Other Companies	\$3,759	\$2,529	\$1,230
34						
35			TOTAL	<u>\$183,499</u>	<u>\$108,881</u>	<u>\$74,617</u>
36						
37	Page 3 and 4	<u>Adjustments: (to reflect conditions in the Rate Year Ending 8/30/21)</u>				
38		To increase costs for:				
39						
40		Recalculated Payroll Tax Expense Adjustment	Narragansett Electric Company	\$70,195	\$40,881	\$29,314
41			National Grid USA Service Company	\$67,716	\$42,309	\$25,408
42			All Other Companies	\$2,874	\$1,965	\$910
43						
44			TOTAL	<u>\$140,786</u>	<u>\$85,155</u>	<u>\$55,631</u>

Line Notes

21(b) Page 6, Line 25(a)
21(c) Page 6, Line 25(b)
22(b) Page 6, Line 25(c)
22(c) Page 6, Line 25(d)
23(c) Page 6, Line 25(e)
23(c) Page 6, Line 25(f)
31(b) Page 6, Line 52(a)
31(c) Page 6, Line 52(b)
32(b) Page 6, Line 52(c)
32(c) Page 6, Line 52(d)
33(b) Page 6, Line 52(e)
33(c) Page 6, Line 52(f)
40(b) Page 6, Line 79(a)
40(c) Page 6, Line 79(b)
41(b) Page 6, Line 79(c)
41(c) Page 6, Line 79(d)
42(b) Page 6, Line 79(e)
42(c) Page 6, Line 79(f)

The Narragansett Electric Company d/b/a National Grid
Payroll Taxes
Rate Year Ending August 31, 2019, August 31, 2020 and August 31, 2021

Description	Total (a) = (b) + (c)	Electric (b)	Gas (c)
1 Test Year Payroll Tax Expense	\$6,854,470	\$8,148,712	(\$1,294,241)
2 Out of period FUTA segment reclass	\$0	(\$3,763,829)	\$3,763,829
3 Inspection & Maintenance	(\$29,002)	(\$29,002)	\$0
4 (IFA) Integrated Facilities Agreement	(\$1,113,114)	(\$1,113,114)	\$0
5 Less IFA related to out of period FUTA segment reclass	\$514,139	\$514,139	\$0
6 Major Storm Normalizing Adjustment	(\$28,247)	(\$28,247)	\$0
7 RI Government Relations and Federal Affairs	(\$17,436)	(\$15,855)	(\$1,581)
8 Adjusted Test Year Payroll Tax Expense	\$6,180,811	\$3,712,803	\$2,468,007
9 Rate Year O&M Salaries and Wages - Percentage Change		15.17%	10.37%
10 Payroll Tax Expense Adjustment	\$819,165	\$563,232	\$255,932
11 Adjustment for SS-FICA, FUTA, SUTA, and EMAC salary caps	(\$185,064)	(\$121,513)	(\$63,550)
12 Recalculated Payroll Tax Expense Adjustment	\$634,101	\$441,719	\$192,382
13 Rate Year Expense	\$6,814,912	\$4,154,522	\$2,660,389

	Narragansett Electric Company - Electric	Narragansett Electric Company - Gas	National Grid Service Company - Electric	National Grid Service Company - Gas	Other Affiliates - Electric	Other Affiliates - Gas	Total Electric	Total Gas	Percentage Increase / (Decrease) Electric	Percentage Increase / (Decrease) Gas
16	Schedule 12, Page 6 (a)	Schedule 12, Page 7 (b)	Schedule 12, Page 8 (c)	Schedule 12, Page 9 (d)	Schedule 12, Page 10 (e)	Schedule 12, Page 11 (f)	(g) = (a) + (c) + (e)	(h) = (b) + (d) + (f)	(i)	(j)
17 Source	\$20,424,581	\$15,941,589	\$22,568,253	\$13,739,056	\$1,124,084	\$517,576	\$44,116,918	\$30,198,221		
18 Test Year O&M Wages	\$24,404,424	\$17,424,303	\$25,215,342	\$15,349,511	\$1,189,520	\$557,026	\$50,809,287	\$33,330,840		
19 Rate Year O&M Wages	\$3,979,843	\$1,482,714	\$2,647,090	\$1,610,455	\$65,436	\$39,450	\$6,692,369	\$3,132,619	15.17%	10.37%
20 Difference										
21 Allocation of Payroll Tax Expense	\$1,995,476	\$1,390,767	\$2,061,783	\$1,225,162	\$97,264	\$44,460	\$4,154,522	\$2,660,389		
22										
23										
24										
25 Rate Year Expense	\$1,783,312	\$1,290,196	\$1,842,569	\$1,136,566	\$86,922	\$41,245	\$3,712,803	\$2,468,007	\$6,180,811	
26 Recalculated Payroll Tax Expense Adjustment	\$212,164	\$100,571	\$219,214	\$88,596	\$10,341	\$3,215	\$441,719	\$192,382	\$634,101	

Description	Total (a) = (b) + (c)	Electric (b)	Gas (c)
35 Rate Year Expense	\$6,814,912	\$4,154,522	\$2,660,389
36 Rate Year 2020 O&M Salaries and Wages - Percentage Change		3.59%	4.24%
37 Payroll Tax Expense Adjustment	\$261,948	\$149,147	\$112,801
38 Adjustment for SS-FICA, FUTA, SUTA, and EMAC salary caps	(\$78,449)	(\$40,266)	(\$38,183)
39 Recalculated Payroll Tax Expense Adjustment	\$183,499	\$108,881	\$74,617
40 Rate Year 2020 Expense	\$6,998,410	\$4,263,404	\$2,735,007

	Narragansett Electric Company - Electric	Narragansett Electric Company - Gas	National Grid Service Company - Electric	National Grid Service Company - Gas	Other Affiliates - Electric	Other Affiliates - Gas	Total Electric	Total Gas	Percentage Increase / (Decrease) Electric	Percentage Increase / (Decrease) Gas
43	Schedule 12, Page 6 (a)	Schedule 12, Page 7 (b)	Schedule 12, Page 8 (c)	Schedule 12, Page 9 (d)	Schedule 12, Page 10 (e)	Schedule 12, Page 11 (f)	(g) = (a) + (c) + (e)	(h) = (b) + (d) + (f)	(i)	(j)
44 Source	\$24,404,424	\$17,424,303	\$25,215,342	\$15,349,511	\$1,189,520	\$557,026	\$50,809,287	\$33,330,840		
45 Rate Year O&M Wages	\$25,318,731	\$18,301,520	\$26,092,188	\$15,868,577	\$1,222,762	\$572,610	\$52,633,682	\$34,742,707		
46 Rate Year 2020 O&M Wages	\$914,307	\$877,217	\$876,846	\$519,066	\$33,242	\$15,584	\$1,824,395	\$1,411,867	3.59%	4.24%
47 Difference										
48 Allocation of Payroll Tax Expense	\$2,050,854	\$1,440,728	\$2,113,505	\$1,249,202	\$99,045	\$45,077	\$4,263,404	\$2,735,007		
49										
50										
51										
52 Rate Year 2020 Expense	\$1,998,478	\$1,401,421	\$2,059,529	\$1,215,121	\$96,516	\$43,847	\$4,154,522	\$2,660,389	\$6,814,912	
53 Recalculated Payroll Tax Expense Adjustment	\$52,376	\$39,306	\$53,976	\$34,081	\$2,529	\$1,230	\$108,881	\$74,617	\$183,499	

Description	Total (a) = (b) + (c)	Electric (b)	Gas (c)
62 Rate Year 2020 Expense	\$6,998,410	\$4,263,404	\$2,735,007
63 Rate Year 2021 O&M Salaries and Wages - Percentage Change		3.03%	3.14%
64 Payroll Tax Expense Adjustment	\$215,060	\$129,181	\$85,879
65 Adjustment for SS-FICA, FUTA, SUTA, and EMAC salary caps	(\$74,274)	(\$44,026)	(\$30,248)
66 Recalculated Payroll Tax Expense Adjustment	\$140,786	\$85,155	\$55,631
67 Rate Year 2021 Expense	\$7,139,196	\$4,348,558	\$2,790,638

	Narragansett Electric Company - Electric	Narragansett Electric Company - Gas	National Grid Service Company - Electric	National Grid Service Company - Gas	Other Affiliates - Electric	Other Affiliates - Gas	Total Electric	Total Gas	Percentage Increase / (Decrease) Electric	Percentage Increase / (Decrease) Gas
70	Schedule 12, Page 6 (a)	Schedule 12, Page 7 (b)	Schedule 12, Page 8 (c)	Schedule 12, Page 9 (d)	Schedule 12, Page 10 (e)	Schedule 12, Page 11 (f)	(g) = (a) + (c) + (e)	(h) = (b) + (d) + (f)	(i)	(j)
71 Source	\$25,318,731	\$18,301,520	\$26,092,188	\$15,868,577	\$1,222,762	\$572,610	\$52,633,682	\$34,742,707		
72 Rate Year 2020 O&M Wages	\$26,033,577	\$18,881,321	\$26,942,463	\$16,365,202	\$1,251,075	\$585,930	\$54,227,115	\$35,832,453		
73 Rate Year 2021 O&M Wages	\$714,846	\$579,801	\$850,275	\$496,625	\$28,312	\$13,320	\$1,593,433	\$1,089,746	3.03%	3.14%
74 Difference										
75 Allocation of Payroll Tax Expense	\$2,087,674	\$1,470,480.69	\$2,160,559	\$1,274,525	\$100,326	\$45,632	\$4,348,558	\$2,790,638		
76										
77										
78										
79 Rate Year 2021 Expense	\$2,046,792	\$1,441,167	\$2,118,250	\$1,249,117	\$98,361	\$44,723	\$4,263,404	\$2,735,007	\$6,998,410	
80 Recalculated Payroll Tax Expense Adjustment	\$40,881	\$29,314	\$42,309	\$25,408	\$1,965	\$910	\$85,155	\$55,631	\$140,786	

The Narragansett Electric Company d/b/a National Grid
Payroll Taxes - Electric
Rate Year Ending August 31, 2019, August 31, 2020 and August 31, 2021

Description	Payroll Tax Expense Breakdown	Test Year Payroll Tax Expense	Breakdown of Payroll Tax Expense Adjustment	Percent of Rate Year 2019 Payroll Subject to Tax Increase	Recalculated Rate Year 2019 Payroll Tax Expense Adjustment	Breakdown of Rate Year 2020 Payroll Tax Expense Adjustment	Percent of Rate Year 2020 Payroll Subject to Tax Increase	Recalculated Rate Year 2020 Payroll Tax Expense Adjustment	Breakdown of Rate Year 2021 Payroll Tax Expense Adjustment	Percent of Rate Year 2021 Payroll Subject to Tax Increase	Recalculated Rate Year 2021 Payroll Tax Expense Adjustment
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
1 SS portion of FICA	76.26%	\$2,831,507	\$429,540	78.00%	\$335,041	\$113,745	70.96%	\$80,713	\$98,518	61.67%	\$60,756
2 Medicare portion of FICA	17.84%	\$662,207	\$100,457	100.00%	\$100,457	\$26,602	100.00%	\$26,602	\$23,040	100.00%	\$23,040
3 FICA	94.10%	\$3,493,715	\$529,997		\$435,498	\$140,346		\$107,315	\$121,558		\$83,796
4											
5 FUTA	0.63%	\$23,551	\$3,573	0.91%	\$33	\$946	-0.40%	(\$4)	\$819	-0.34%	(\$3)
6											
7 SUTA	3.89%	\$144,363	\$21,900	1.02%	\$223	\$5,799	-0.07%	(\$4)	\$5,023	-0.05%	(\$3)
8											
9 Oth Inc Tax-St Tax Ma	0.32%	\$11,969	\$1,816	0.98%	\$18	\$481	-0.16%	(\$1)	\$416	-0.13%	(\$1)
10 NY Metropolitan Commuter Tax	1.06%	\$39,206	\$5,948	100.00%	\$5,948	\$1,575	100.00%	\$1,575	\$1,364	100.00%	\$1,364
11 Other Payroll Taxes	0.00%	\$0	\$0	100.00%	\$0	\$0	100.00%	\$0	\$0	100.00%	\$0
12 Other	1.38%	\$51,174	\$7,763		\$5,965	\$2,056		\$1,574	\$1,781		\$1,364
13											
14 Total Payroll Tax Expense	100.00%	\$3,712,803	\$563,232		\$441,719	\$149,147		\$108,881	\$129,181		\$85,155

Column Notes:

- (a) Per Company books
- (b) Page 6, Line 7(b) x Column (a)
- (c) Page 6, Line 9(b) x Column (a)
- (d) Per Company books
- (e) Column (c) x Column (d)
- (f) Page 6, Line 36(b) x Column (a)
- (g) Per Company books
- (h) Column (f) x Column (g)
- (i) Page 6, Line 63(b) x Column (a)
- (j) Per Company books
- (k) Column (i) x Column (j)

FICA = Federal Insurance Contributions Act.
FUTA = Federal Unemployment Tax Act.
SUTA = State Unemployment Tax Act

The Narragansett Electric Company d/b/a National Grid
Payroll Taxes - Gas
Rate Year Ending August 31, 2019, August 31, 2020 and August 31, 2021

Description	Payroll Tax Expense Breakdown	Test Year Payroll Tax Expense	Breakdown of Payroll Tax Expense Adjustment	Percent of Rate Year 2019 Payroll Subject to Tax Increase	Recalculated Rate Year 2019 Payroll Tax Expense Adjustment	Breakdown of Rate Year 2020 Payroll Tax Expense Adjustment	Percent of Rate Year 2020 Payroll Subject to Tax Increase	Recalculated Rate Year 2020 Payroll Tax Expense Adjustment	Breakdown of Rate Year 2021 Payroll Tax Expense Adjustment	Percent of Rate Year 2021 Payroll Subject to Tax Increase	Recalculated Rate Year 2021 Payroll Tax Expense Adjustment
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
1 SS portion of FICA	77.01%	\$1,900,561	\$197,088	73.02%	\$143,914	\$86,865	61.36%	\$53,301	\$66,134	59.58%	\$39,403
2 Medicare portion of FICA	18.01%	\$444,486	\$46,093	100.00%	\$46,093	\$20,315	100.00%	\$20,315	\$15,467	100.00%	\$15,467
3 FICA	95.02%	\$2,345,047	\$243,181		\$190,007	\$107,181		\$73,616	\$81,601		\$54,869
4											
5 FUTA	0.58%	\$14,363	\$1,489	0.72%	\$11	\$656	-0.42%	(\$3)	\$500	-0.43%	(\$2)
6											
7 SUTA	3.23%	\$79,714	\$8,266	0.89%	\$74	\$3,643	-0.06%	(\$2)	\$2,774	-0.08%	(\$2)
8											
9 Other Income Taxes -State Tax MA	0.28%	\$6,849	\$710	0.84%	\$6	\$313	-0.15%	(\$0)	\$238	-0.17%	(\$0)
10 NY Metropolitan Commuter Tax	0.89%	\$22,034	\$2,285	100.00%	\$2,285	\$1,007	100.00%	\$1,007	\$767	100.00%	\$767
11 Other Payroll Taxes	0.00%	\$0	\$0	100.00%	\$0	\$0	100.00%	\$0	\$0	100.00%	\$0
12 Other	1.17%	\$28,883	\$2,995		\$2,291	\$1,320		\$1,007	\$1,005		\$766
13											
14 Total Payroll Tax Expense	100.00%	\$2,468,007	\$255,932		\$192,382	\$112,801		\$74,617	\$85,879		\$55,631

Column Notes:

- (a) Per Company books
 - (b) Page 6, Line 7(c) x Column (a)
 - (c) Page 6, Line 9(c) x Column (a)
 - (d) Per Company books
 - (e) Column (c) x Column (d)
 - (f) Page 6, Line 36(c) x Column (a)
 - (g) Per Company books
 - (h) Column (f) x Column (g)
 - (i) Page 6, Line 63(c) x Column (a)
 - (j) Per Company books
 - (k) Column (i) x Column (j)
- FICA = Federal Insurance Contributions Act
FUTA = Federal Unemployment Tax Act
SUTA = State Unemployment Tax Act

Compliance Attachment 2

Schedule 9

Other Tax and Gross Receipts Tax

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Taxes Other Than Income Taxes - Other Taxes and Gross Receipts Tax

		Test Year Ended June 30, 2017 (Per Books)			Normalizing Adjustments			Test Year Ended June 30, 2017 (as Adjusted)		
		Total (a) = (b) + (c)	Electric (b)	Gas (c)	Total (d) = (e) + (f)	Electric (e)	Gas (f)	Total (g) = (h) + (i)	Electric (h)	Gas (i)
Taxes Other Than Income Taxes:										
1	Narragansett Electric Company	\$17,353	\$13,187	\$4,166	\$0	\$0	\$0	\$17,353	\$13,187	\$4,166
2	National Grid USA Service Company	\$634,409	\$421,111	\$213,298	\$0	\$0	\$0	\$634,409	\$421,111	\$213,298
3	All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Total Other Taxes	<u>\$651,762</u>	<u>\$434,298</u>	<u>\$217,464</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$651,762</u>	<u>\$434,298</u>	<u>\$217,464</u>
	Check	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gross Receipts Tax:										
5	Narragansett Electric Company	\$43,734,959	\$32,568,650	\$11,166,309	(\$43,734,959)	(\$32,568,650)	(\$11,166,309)	\$0	\$0	\$0
6	National Grid USA Service Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7	All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8	Total Gross Receipts Tax	<u>\$43,734,959</u>	<u>\$32,568,650</u>	<u>\$11,166,309</u>	<u>(\$43,734,959)</u>	<u>(\$32,568,650)</u>	<u>(\$11,166,309)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
	Check	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Column Notes

- (b) and (c) Per Company Books
(e) Page 5, Line 2 to Line 10, Column (b)
(f) Page 5, Line 2 to Line 10, Column (c)
(h) Column (b) + Column (e)
(i) Column (c) + Column (f)

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Taxes Other Than Income Taxes - Other Taxes and Gross Receipts Tax

	Test Year Ended June 30, 2017			Proforma Adjustments			Rate Year Ending August 31, 2019		
	(as Adjusted)								
	Total (a) = (b) + (c)	Electric (b)	Gas (c)	Total (d) = (e) + (f)	Electric (e)	Gas (f)	Total (g) = (h) + (i)	Electric (h)	Gas (i)
Taxes Other Than Income Taxes:									
1 Narragansett Electric Company	\$17,353	\$13,187	\$4,166	\$803	\$611	\$193	\$18,157	\$13,797	\$4,359
2 National Grid USA Service Company	\$634,409	\$421,111	\$213,298	\$29,373	\$19,497	\$9,876	\$663,782	\$440,609	\$223,173
3 All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4 Total Other Taxes	<u>\$651,762</u>	<u>\$434,298</u>	<u>\$217,464</u>	<u>\$30,177</u>	<u>\$20,108</u>	<u>\$10,069</u>	<u>\$681,939</u>	<u>\$454,406</u>	<u>\$227,533</u>
Check	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gross Receipts Tax:									
5 Narragansett Electric Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6 National Grid USA Service Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7 All Other Companies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8 Total Gross Receipts Tax	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Check	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Column Notes

- (b) Page 1, Column (h)
- (c) Page 1, Column (i)
- (h) Column (b) + Column (e)
- (i) Column (c) + Column (f)

Line Notes

- 1(e) Page 5, Line 20(b)
- 2(e) Page 5, Line 21(b)
- 3(e) Page 5, Line 22(b)
- 1(f) Page 5, Line 20(c)
- 2(f) Page 5, Line 21(c)
- 3(f) Page 5, Line 22(c)

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Taxes Other Than Income Taxes - Other Taxes and Gross Receipts Tax
Electric

	Rate Year Ending August 31, 2019	Reflect Conditions in Rate Year Ending August 31, 2020	Rate Year Ending August 31, 2020	Reflect Conditions in the Rate Year Ending August 31, 2021	Rate Year Ending August 31, 2021
	Electric	Electric	Electric	Electric	Electric
	(a)	(b)	(c) = (a) + (b)	(d)	(e) = (c) + (d)
Taxes Other Than Income Taxes:					
1 Narragansett Electric Company	\$13,797	\$367	\$14,164	\$344	\$14,509
2 National Grid USA Service Company	\$440,609	\$11,720	\$452,329	\$10,992	\$463,321
3 All Other Companies	\$0	\$0	\$0	\$0	\$0
4 Total Other Taxes	<u>\$454,406</u>	<u>\$12,087</u>	<u>\$466,493</u>	<u>\$11,336</u>	<u>\$477,829</u>
Check	\$0	\$0	\$0	\$0	\$0
Gross Receipts Tax:					
5 Narragansett Electric Company	\$0	\$0	\$0	\$0	\$0
6 National Grid USA Service Company	\$0	\$0	\$0	\$0	\$0
7 All Other Companies	\$0	\$0	\$0	\$0	\$0
8 Total Gross Receipts Tax	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Check	\$0	\$0	\$0	\$0	\$0

Column Notes

(a) Page 2, Column (h)

Line Notes

1(b) Page 5, Line 30(b)
2(b) Page 5, Line 31(b)
3(b) Page 5, Line 32(b)
1(d) Page 5, Line 40(b)
2(d) Page 5, Line 41(b)
3(d) Page 5, Line 42(b)
8 Flow through tax, zero balance

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Taxes Other Than Income Taxes - Other Taxes and Gross Receipts Tax
Gas

	Rate Year Ending August 31, 2019	Reflect Conditions in the Rate Year Ending August 31, 2020	Rate Year Ending August 31, 2020	Reflect Conditions in the Rate Year Ending August 31, 2021	Rate Year Ending August 31, 2021
	Gas	Gas	Gas	Gas	Gas
	(a)	(b)	(c) = (a) + (b)	(d)	(e) = (c) + (d)
Provider Company:					
1 Narragansett Electric Company	\$4,359	\$116	\$4,475	\$109	\$4,584
2 National Grid USA Service Company	\$223,173	\$5,936	\$229,110	\$5,567	\$234,677
3 All Other Companies	\$0	\$0	\$0	\$0	\$0
4 Total Other Taxes	<u>\$227,533</u>	<u>\$6,052</u>	<u>\$233,585</u>	<u>\$5,676</u>	<u>\$239,261</u>
Check	\$0	\$0	\$0	\$0	\$0
Provider Company:					
1 Narragansett Electric Company	\$0	\$0	\$0	\$0	\$0
2 National Grid USA Service Company	\$0	\$0	\$0	\$0	\$0
3 All Other Companies	\$0	\$0	\$0	\$0	\$0
4 Total Gross Receipts Tax	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Check	\$0	\$0	\$0	\$0	\$0

Column Notes

(a) Page 2, Column (i)

Line Notes

1(b) Page 5, Line 30(c)

2(b) Page 5, Line 31(c)

3(b) Page 5, Line 32(c)

1(d) Page 5, Line 40(c)

2(d) Page 5, Line 41(c)

3(d) Page 5, Line 42(c)

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Taxes Other Than Income Taxes - Other Taxes and Gross Receipts Tax

Explanation of Adjustments:		Provider Company	Total (a) = (b) + (c)	Electric (b)	Gas (c)
1	Page 1	<u>Taxes Other Than Income Taxes Adjustments: (to normalize Historic Year)</u>			
2			\$0	\$0	\$0
3			\$0	\$0	\$0
4			\$0	\$0	\$0
5		TOTAL Taxes Other Than Income Taxes Normalization Adjustments:	\$0	\$0	\$0
6					
7		<u>Gross Receipts Tax Adjustments: (to normalize Historic Year)</u>			
8		Narragansett Electric Company	(\$43,734,959)	(\$32,568,650)	(\$11,166,309)
9		National Grid USA Service Company	\$0	\$0	\$0
10		All Other Companies	\$0	\$0	\$0
11		TOTAL Gross Receipts Tax Normalization Adjustments:	(\$43,734,959)	(\$32,568,650)	(\$11,166,309)
12					
13					
14					
15	Page 2	<u>Adjustments: (to reflect conditions in the Rate Year 8/31/2019)</u>			
16					
17		General inflation %			
18		4.63%			
19					
20		Narragansett Electric Company	\$803	\$611	\$193
21		National Grid USA Service Company	\$29,373	\$19,497	\$9,876
22		All Other Companies	\$0	\$0	\$0
23					
24		TOTAL	\$30,177	\$20,108	\$10,069
25					
26					
27	Page 3 and Page 4	<u>Adjustments: (to reflect conditions in the Rate Year 8/31/2020)</u>			
28					
29		General inflation %			
30		2.66%			
31		Narragansett Electric Company	\$483	\$367	\$116
32		National Grid USA Service Company	\$17,657	\$11,720	\$5,936
33		All Other Companies	\$0	\$0	\$0
34		TOTAL	\$18,140	\$12,087	\$6,052
35					
36					
37	Page 3 and Page 4	<u>Adjustments: (to reflect conditions in the Rate Year 8/31/2021)</u>			
38					
39		General inflation %			
40		2.43%			
41		Narragansett Electric Company	\$453	\$344	\$109
42		National Grid USA Service Company	\$16,559	\$10,992	\$5,567
43		All Other Companies	\$0	\$0	\$0
44		TOTAL	\$17,012	\$11,336	\$5,676

Line Notes

8-10 (b) Negative Page 1, Line 5 through Line 7, Column (b)

8-10 (c) Negative Page 1, Line 5 through Line 7, Column (c)

20(b) Page 2, Line 1(b) x General Inflation Rate

21(b) Page 2, Line 2(b) * General Inflation Rate

22(b) Page 2, Line 3(b) * General Inflation Rate

20(c) Page 2, Line 1(c) * General Inflation Rate

21(c) Page 2, Line 2(c) * General Inflation Rate

22(c) Page 2, Line 3(c) * General Inflation Rate

30(b) Page 3, Line 1(a) * General Inflation Rate

31(b) Page 3, Line 2(a) * General Inflation Rate

32(b) Page 3, Line 3(a) * General Inflation Rate

30(c) Page 4, Line 1(a) * General Inflation Rate

31(c) Page 4, Line 2(a) * General Inflation Rate

32(c) Page 4, Line 3(a) * General Inflation Rate

40(b) Page 3, Line 1(c) * General Inflation Rate

41(b) Page 3, Line 2(c) * General Inflation Rate

42(b) Page 3, Line 3(c) * General Inflation Rate

40(c) Page 4, Line 1(c) * General Inflation Rate

41(c) Page 4, Line 2(c) * General Inflation Rate

42(c) Page 4, Line 3(c) * General Inflation Rate

Compliance Attachment 2

Schedule 10-ELEC

Income Taxes– Electric

The Narragansett Electric Company d/b/a National Grid
Electric Income Tax Expense
For the Test Year Ended June 30, 2017 and the Rate Year Ending August 31, 2019

	Reference	Rate Year Ending August 31, 2019 (a)	Revenue Increase Effect (b)	Rate Year Ending August 31, 2019 with Revenue Increase (c)
1	Revenues	Schedule 1-ELEC	\$279,091,943	\$291,130,879
2	Expenses	Schedule 1-ELEC	(\$236,474,851)	(\$236,631,706)
3	Pre-tax operating income before interest		\$42,617,092	\$54,499,173
4				
5	<u>Synchronized Interest Expense</u>			
6	Rate Base	Schedule 11-ELEC	\$729,509,971	\$729,509,971
7	Weighted Debt Component	2.24%	2.24%	2.24%
8	Synchronized Interest Expense		\$16,341,023	\$16,341,023
9				
10	Pre-tax income- State		\$26,276,068	\$38,158,150
11	State statutory tax rate	0.00%	0.00%	0.00%
12	Normalized State income tax expense		\$0	\$0
13				
14	Pre-tax income- State		\$26,276,068	\$38,158,150
15	Normalized State income tax expense		\$0	\$0
16	Pre-tax income- Federal		\$26,276,068	\$38,158,150
17	Federal statutory tax rate	21.00%	21.00%	21.00%
18	Normalized Federal income tax expense		\$5,517,974	\$8,013,211
19	Effective combined statutory tax rate	21.00%	21.00%	21.00%
20	Excess Deferred Tax		(\$5,066,000)	(\$5,066,000)
21	Deferred income tax deficiency from Docket 4065		\$650,000	\$650,000
22	Amortization of Investment Tax Credits		(\$4,540)	(\$4,540)
23	ITC Basis Reduction Depreciation		\$15,210	\$15,210
24	Equity AFUDC		\$0	\$0
25	AFUDC Amortization		\$44,446	\$44,446
26	Normalized State income tax expense		\$0	\$0
27	Normalized Federal income tax expense		\$5,517,974	\$8,013,211
28	Normalized Federal plus State income tax expense revised		\$1,157,091	\$3,652,328
29				
30	After-tax income		\$41,460,001	\$50,846,845

Line Notes

1	Schedule 1-ELEC, Page 1, Line 1(e) through 1(g)	17	Federal income tax rate
2	Schedule 1-ELEC, Page 1, Line 25(e) through 25(g)	18	Line 16 x Line 17
3	Line 1 + Line 2	19	Line 11 + Line 17 - (Line 11 x Line 17)
6	Schedule 11-ELEC, Page 1, Line 24(c)	20 & 21	Per Tax Dept
7	Schedule 1-ELEC, Page 4, Line 1(c) + Line 3(c)	22	Page 4, Line 7
8	Line 6 x Line 7	23	Per Tax Dept
10	Line 3 - Line 8	24	Per Tax Dept
11	State income tax rate for utilities	25	Per Tax Dept
12	Line 10 x Line 11	26	Equals Line 12
14	Equals Line 10	27	Equals Line 18
15	Less Line 12	28	Sum of Lines 21 through 27
16	Line 14 + Line 15	30	Line 3 - Line 28

The Narragansett Electric Company d/b/a National Grid
Electric Income Tax Expense
For the Test Year Ended June 30, 2017 and the Rate Year Ending August 31, 2020

	Reference	Rate Year Ending August 31, 2020 (a)	Revenue Increase Effect (b)	Rate Year Ending August 31, 2020 with Revenue Increase (c)
1	Revenues	Schedule 1-ELEC	\$291,130,879	\$295,001,190
2	Expenses	Schedule 1-ELEC	(\$240,293,355)	(\$240,343,781)
3	Pre-tax operating income before interest		\$50,837,523	\$54,657,408
4				
5	<u>Synchronized Interest Expense</u>			
6	Rate Base	Schedule 11-ELEC	\$731,597,435	\$731,597,435
7	Weighted Debt Component	2.24%	2.24%	2.24%
8	Synchronized Interest Expense		\$16,387,783	\$16,387,783
9				
10	Pre-tax income- State		\$34,449,741	\$38,269,626
11	State statutory tax rate	0.00%	0.00%	0.00%
12	Normalized State income tax expense		\$0	\$0
13				
14	Pre-tax income- State		\$34,449,741	\$38,269,626
15	Normalized State income tax expense		\$0	\$0
16	Pre-tax income- Federal		\$34,449,741	\$38,269,626
17	Federal statutory tax rate	21.00%	21.00%	21.00%
18	Normalized Federal income tax expense		\$7,234,446	\$8,036,621
19	Effective combined statutory tax rate	21.00%	21.00%	21.00%
20	Excess Deferred Tax		(5,066,000)	(\$5,066,000)
21	Deferred income tax deficiency from Docket 4065		\$650,000	\$650,000
22	Amortization of Investment Tax Credits		\$0	\$0
23	ITC Basis Reduction Depreciation		\$0	\$0
24	Equity AFUDC		\$0	\$0
25	AFUDC Amortization		\$44,446	\$44,446
26	Normalized State income tax expense		\$0	\$0
27	Normalized Federal income tax expense		\$7,234,446	\$8,036,621
28	Normalized Federal plus State income tax expense revised		\$2,862,891	\$3,665,067
29				
30	After-tax income		\$47,974,632	\$50,992,341

Line Notes

1	Schedule 1-ELEC, Page 2, Line 1(c) through 1(e)	17	Federal income tax rate
2	Schedule 1-ELEC, Page 2 Line 25(c) through 25(e)	18	Line 16 x Line 17
3	Line 1 + Line 2	19	Line 11 + Line 17 - (Line 11 x Line 17)
6	Schedule 11-ELEC, Page 1, Line 24(d)	20 & 21	Per Tax Dept
7	Schedule 1-ELEC, Page 4, Line 1(c) + Line 3(c)	22	Per Tax Dept
8	Line 6 x Line 7	23	Per Tax Dept
10	Line 3 - Line 8	24	Per Tax Dept
11	State income tax rate for utilities	25	Per Tax Dept
12	Line 10 x Line 11	26	Equals Line 12
14	Equals Line 10	27	Equals Line 18
15	Less Line 12	28	Sum of Lines 21 through 27
16	Line 14 + Line 15	30	Line 3 - Line 28

The Narragansett Electric Company d/b/a National Grid
Electric Income Tax Expense
For the Test Year Ended June 30, 2017 and the Rate Year Ending August 31, 2021

	Reference	Rate Year Ending August 31, 2021 (a)	Revenue Increase Effect (b)	Rate Year Ending August 31, 2021 with Revenue Increase (c)
1	Revenues	Schedule 1-ELEC	\$295,001,190	\$297,547,347
2	Expenses	Schedule 1-ELEC	(\$242,590,217)	(\$242,623,390)
3	Pre-tax operating income before interest		\$52,410,973	\$54,923,956
4				
5	<u>Synchronized Interest Expense</u>			
6	Rate Base	Schedule 11-ELEC	\$734,837,218	\$734,837,218
7	Weighted Debt Component	2.24%	2.24%	2.24%
8	Synchronized Interest Expense		\$16,460,354	\$16,460,354
9				
10	Pre-tax income- State		\$35,950,619	\$38,463,603
11	State statutory tax rate	0.00%	0.00%	0.00%
12	Normalized State income tax expense		\$0	\$0
13				
14	Pre-tax income- State		\$35,950,619	\$38,463,603
15	Normalized State income tax expense		\$0	\$0
16	Pre-tax income- Federal		\$35,950,619	\$38,463,603
17	Federal statutory tax rate	21.00%	21.00%	21.00%
18	Normalized Federal income tax expense		\$7,549,630	\$8,077,357
19	Effective combined statutory tax rate	21.00%	21.00%	21.00%
20	Excess Deferred Tax		(5,066,000)	(\$5,066,000)
21	Deferred income tax deficiency from Docket 4065		\$650,000	\$650,000
22	Amortization of Investment Tax Credits		\$0	\$0
23	ITC Basis Reduction Depreciation		\$0	\$0
24	Equity AFUDC		\$0	\$0
25	AFUDC Amortization		\$44,446	\$44,446
26	Normalized State income tax expense		\$0	\$0
27	Normalized Federal income tax expense		\$7,549,630	\$8,077,357
28	Normalized Federal plus State income tax expense revised		\$3,178,076	\$3,705,802
29				
30	After-tax income		\$49,232,897	\$51,218,154

Line Notes

1	Schedule 1-ELEC, Page 3, Line 1(c) through 1(e)	17	Federal income tax rate
2	Schedule 1-ELEC, Page 3, Line 25(c) through 25(e)	18	Line 16 x Line 17
3	Line 1 + Line 2	19	Line 11 + Line 17 - (Line 11 x Line 17)
6	Schedule 11-ELEC, Page 1, Line 24(e)	20 & 21	Per Tax Dept
7	Schedule 1-ELEC, Page 4, Line 1(c) + Line 3(c)	22	Per Tax Dept
8	Line 6 x Line 7	23	Per Tax Dept
10	Line 3 - Line 8	24	Per Tax Dept
11	State income tax rate for utilities	25	Per Tax Dept
12	Line 10 x Line 11	26	Equals Line 12
14	Equals Line 10	27	Equals Line 18
15	Less Line 12	28	Sum of Lines 21 through 27
16	Line 14 + Line 15	30	Line 3 - Line 28

THE NARRAGANSETT ELECTRIC COMPANY

d/b/a NATIONAL GRID

RIPUC Docket Nos. 4770/4780

Compliance Attachment 2

Schedule 10-ELEC

Page 4 of 5

The Narragansett Electric Company d/b/a National Grid

Amortization of Investment Tax Credits

For the Test Year Ended June 30, 2017 and the Rate Year Ending August 31, 2019

	<u>Total</u>
1 Rate Year Investment Tax Credits	(\$7,151)
2 Less: Related IFA Expenses	\$2,611
3 Rate Year Investment Tax Credits Adjustment	(\$4,540)

Line Notes

- 1 Page 5, Line 14
- 2 Line 5 times 36.52% IFA plant allocator
- 3 Line 5 + Line 6

The Narragansett Electric Company d/b/a National Grid
Amortization of Investment Tax Credits
For the Test Year Ended June 30, 2017 and the Rate Year Ending August 31, 2019

		<u>Amortization</u>
1	September 2018	(\$1,907)
2	October 2018	(\$1,907)
3	November 2018	(\$1,907)
4	December 2018	(\$230)
5	January 2019	(\$150)
6	February 2019	(\$150)
7	March 2019	(\$150)
8	April 2019	(\$150)
9	May 2019	(\$150)
10	June 2019	(\$150)
11	July 2019	(\$150)
12	August 2019	(\$150)
13		
14	Total	<hr/> (\$7,151)

Line Notes

- 1-12 Per Tax Department
- 14 Sum of Line 1 thru Line 12

Compliance Attachment 2

Schedule 10-GAS

Income Taxes – Gas

The Narragansett Electric Company d/b/a National Grid
Gas Income Tax Expense
For the Test Year Ended June 30, 2017 and the Rate Year Ending August 31, 2019

		Rate Year Ending August 31, 2019	Revenue Increase Effect	Rate Year Ending August 31, 2019 with Revenue Increase
	Reference	(a)	(b)	(c)
1	Revenues	Schedule 1-GAS	\$212,811,375	\$218,634,846
2	Expenses	Schedule 1-GAS	(\$157,080,397)	(\$157,191,476)
3	Pre-tax operating income before interest		\$55,730,978	\$61,443,370
4				
5	<u>Synchronized Interest Expense</u>			
6	Rate Base	Schedule 11-GAS	\$760,564,795	\$760,564,795
7	Weighted Debt Component	2.42%	2.42%	2.42%
8	Synchronized Interest Expense		\$18,405,668	\$18,405,668
9				
10	Pre-tax income- State		\$37,325,310	\$43,037,702
11	State statutory tax rate	0.00%	0.00%	0.00%
12	Normalized State income tax expense		\$0	\$0
13				
14	Pre-tax income- State		\$37,325,310	\$43,037,702
15	Normalized State income tax expense		\$0	\$0
16	Pre-tax income- Federal		\$37,325,310	\$43,037,702
17	Federal statutory tax rate	21.00%	21.00%	21.00%
18	Normalized Federal income tax expense		\$7,838,315	\$9,037,917
19	Effective combined statutory tax rate	21.00%	21.00%	21.00%
20	Excess Deferred Tax		(1,998,000)	(\$1,998,000)
21	Equity AFUDC		\$0	\$0
22	AFUDC Amortization		\$23,070	\$23,070
23	Normalized State income tax expense		\$0	\$0
24	Normalized Federal income tax expense		\$7,838,315	\$9,037,917
25	Normalized Federal plus State income tax expense revised		\$5,863,385	\$7,062,987
26				
27	After-tax income		\$49,867,593	\$54,380,383

Line Notes

1	Schedule 1-GAS, Page 1, Line 1(e) through 1(g)	16	Line 14 + Line 15
2	Schedule 1-GAS, Page 1, Line 25(e) through 25(g)	17	Federal income tax rate
3	Line 1 + Line 2	18	Line 16 x Line 17
6	Schedule 11-GAS, Page 1, Line 36(c)	19	Line 11 + Line 17 - (Line 11 x Line 17)
7	Schedule 1-GAS, Page 4, Line 1(c) + Line 3(c)	20	Per Tax Dept
8	Line 6 x Line 7	21	Per Tax Dept
10	Line 3 - Line 8	22	Per Tax Dept
11	State income tax rate	23	Equals Line 12
12	Line 10 x Line 11	24	Equals Line 18
14	Equals Line 10	25	Sum of Lines 21 through 25
15	Less Line 12	27	Line 3 - Line 25

The Narragansett Electric Company d/b/a National Grid
Gas Income Tax Expense
For the Test Year Ended June 30, 2017 and the Rate Year Ending August 31, 2020

	Reference	Rate Year Ending August 31, 2020 (a)	Revenue Increase Effect (b)	Rate Year Ending August 31, 2020 with Revenue Increase (c)
1	Revenues	Schedule 1-GAS	\$218,634,846	\$224,361,607
2	Expenses	Schedule 1-GAS	(\$161,739,605)	(\$161,848,840)
3	Pre-tax operating income before interest		\$56,895,241	\$62,512,767
4				
5	<u>Synchronized Interest Expense</u>			
6	Rate Base	Schedule 11-GAS	\$773,284,603	\$773,284,603
7	Weighted Debt Component	2.42%	2.42%	2.42%
8	Synchronized Interest Expense		\$18,713,487	\$18,713,487
9				
10	Pre-tax income- State		\$38,181,753	\$43,799,280
11	State statutory tax rate	0.00%	0.00%	0.00%
12	Normalized State income tax expense		\$0	\$0
13				
14	Pre-tax income- State		\$38,181,753	\$43,799,280
15	Normalized State income tax expense		\$0	\$0
16	Pre-tax income- Federal		\$38,181,753	\$43,799,280
17	Federal statutory tax rate	21.00%	21.00%	21.00%
18	Normalized Federal income tax expense		\$8,018,168	\$9,197,849
19	Effective combined statutory tax rate	21.00%	21.00%	21.00%
20	Excess Deferred Tax		(1,998,000)	(\$1,998,000)
21	Equity AFUDC		\$0	\$0
22	AFUDC Amortization		\$23,070	\$23,070
23	Normalized State income tax expense		\$0	\$0
24	Normalized Federal income tax expense		\$8,018,168	\$9,197,849
25	Normalized Federal plus State income tax expense revised		\$6,043,238	\$7,222,918
26				
27	After-tax income		\$50,852,003	\$55,289,849

Line Notes

1	Schedule 1-GAS, Page 2, Line 1(c) through 1(e)	16	Line 14 + Line 15
2	Schedule 1-GAS, Page 2, Line 23(c) through 23(e)	17	Federal income tax rate
3	Line 1 + Line 2	18	Line 16 x Line 17
6	Schedule 11-GAS, Page 1, Line 36(d)	19	Line 11 + Line 17 - (Line 11 x Line 17)
7	Schedule 1-GAS, Page 4, Line 1(c) + Line 3(c)	20	Per Tax Dept
8	Line 6 x Line 7	21	Per Tax Dept
10	Line 3 - Line 8	22	Per Tax Dept
11	State income tax rate	23	Equals Line 12
12	Line 10 x Line 11	24	Equals Line 18
14	Equals Line 10	25	Sum of Lines 21 through 25
15	Less Line 12	27	Line 3 - Line 25

The Narragansett Electric Company d/b/a National Grid
Gas Income Tax Expense
For the Test Year Ended June 30, 2017 and the Rate Year Ending August 31, 2021

	Reference	Rate Year Ending August 31, 2021 (a)	Revenue Increase Effect (b)	Rate Year Ending August 31, 2021 with Revenue Increase (c)
1	Revenues	Schedule 1-GAS	\$224,361,607	\$227,724,405
2	Expenses	Schedule 1-GAS	(\$163,852,572)	(\$163,916,716)
3	Pre-tax operating income before interest		\$60,509,035	\$63,807,690
4				
5	<u>Synchronized Interest Expense</u>			
6	Rate Base	Schedule 11-GAS	\$788,686,880	\$788,686,880
7	Weighted Debt Component	2.42%	2.42%	2.42%
8	Synchronized Interest Expense		\$19,086,222	\$19,086,222
9				
10	Pre-tax income- State		\$41,422,812	\$44,721,467
11	State statutory tax rate	0.00%	0.00%	0.00%
12	Normalized State income tax expense		\$0	\$0
13				
14	Pre-tax income- State		\$41,422,812	\$44,721,467
15	Normalized State income tax expense		\$0	\$0
16	Pre-tax income- Federal		\$41,422,812	\$44,721,467
17	Federal statutory tax rate	21.00%	21.00%	21.00%
18	Normalized Federal income tax expense		\$8,698,791	\$9,391,508
19	Effective combined statutory tax rate	21.00%	21.00%	21.00%
20	Excess Deferred Tax		(1,998,000)	(\$1,998,000)
21	Equity AFUDC		\$0	\$0
22	AFUDC Amortization		\$23,070	\$23,070
23	Normalized State income tax expense		\$0	\$0
24	Normalized Federal income tax expense		\$8,698,791	\$9,391,508
25	Normalized Federal plus State income tax expense revised		\$6,723,860	\$7,416,578
26				
27	After-tax income		\$53,785,175	\$56,391,112

Line Notes

1	Schedule 1-GAS, Page 3, Line 1(c) - 1(e)	16	Line 14 + Line 15
2	Schedule 1-GAS, Page 3, Line 23(c) - 23(e)	17	Federal income tax rate
3	Line 1 + Line 2	18	Line 16 x Line 17
6	Schedule 11-GAS, Page 1, Line 36(e)	19	Line 11 + Line 17 - (Line 11 x Line 17)
7	Schedule 1, Page 4, Line 1(c) + Line 3(c)	20	Per Tax Dept
8	Line 6 x Line 7	21	Per Tax Dept
10	Line 3 - Line 8	22	Per Tax Dept
11	State income tax rate	23	Equals Line 12
12	Line 10 x Line 11	24	Equals Line 18
14	Equals Line 10	25	Sum of Lines 21 through 25
15	Less Line 12	27	Line 3 - Line 25

Compliance Attachment 2

Schedule 11-ELEC

Rate Base– Electric

The Narragansett Electric Company d/b/a National Grid
Distribution Rate Base Calculation - Electric
For the Test Year Ended June 30, 2017 and the Rate Year Ending August 31, 2019

Description	5 Quarter Average				
	Test Year Ended June 30, 2017	Adjustments	Rate Year Ending	Rate Year Ending	Rate Year Ending
	(Per Books - 5 Quarter Average)		August 31, 2019	August 31, 2020	August 31, 2021
	(a)	(b)	(c)	(d)	(e)
1 Utility Plant In Service	\$1,503,289,331	\$98,250,392	\$1,601,539,723	\$1,602,539,723	\$1,604,539,723
2					
3 Property Held for Future Use	\$2,496,405	\$0	\$2,496,405	\$2,496,405	\$2,496,405
4 Less: Contribution in Aid of Construction	(\$101,521)	\$104,277	\$2,756	\$2,756	\$2,756
5 Less: Accumulated Depreciation	\$656,218,763	\$32,136,421	\$688,355,184	\$688,470,384	\$688,563,184
6					
7 Net Plant	\$849,668,494	\$66,009,694	\$915,678,188	\$916,562,988	\$918,470,188
8					
9 Materials and Supplies	\$4,750,549	(\$1,256,873)	\$3,493,676	\$3,403,498	\$3,327,193
10 Prepayments	\$742,480	(\$742,479)	\$0	\$0	\$0
11 Loss on Reacquired Debt	\$1,934,554	(\$533,340)	\$1,401,214	\$1,244,585	\$1,112,052
12 Cash Working Capital	\$4,975,475	\$12,946,603	\$17,922,078	\$17,922,078	\$17,922,078
13 Unamortized Interest Rate Lock	\$2,439,092	(\$801,086)	\$1,638,006	\$1,237,463	\$898,542
14 Unamortized Debt Issuance Costs \$550M	\$1,113,997	(\$212,054)	\$901,943	\$795,916	\$706,200
15 Unamortized Debt Issuance Costs \$250M	\$945,261	(\$79,025)	\$866,236	\$826,723	\$793,290
16 Unamortized Debt Issuance Costs \$350M	\$0	\$577,476	\$577,476	\$511,041	\$454,826
17 Subtotal	\$16,901,408	\$9,899,222	\$26,800,630	\$25,941,303	\$25,214,181
18					
19 Accumulated Deferred FIT	\$183,859,681	\$19,680,525	\$203,540,205	\$201,385,915	\$199,252,781
20 Accumulated Deferred FIT -Loss on Reacquired Debt	\$677,094	(\$137,021)	\$540,073	\$509,711	\$479,349
21 Customer Deposits	\$9,956,664	(\$1,068,096)	\$8,888,568	\$9,011,230	\$9,115,021
22 Subtotal	\$194,493,439	\$18,475,408	\$212,968,847	\$210,906,856	\$208,847,151
23					
24 Rate Base	\$672,076,463	\$57,433,508	\$729,509,971	\$731,597,435	\$734,837,218

Column Notes

- (a) Page 2, Column (f)
(b) Column (c) - Column (a)

Line Notes

- 1(c) Page 6, Line 34
1(d) Page 7, Line 16
1(e) Page 7, Line 33
2(c) - (e) Line 1(a)
4(c) Page 10, Line 46(a)
4(d) Page 10, Line 48(a)
4(e) Page 10, Line 50(a)
5(c) Page 8, Line 30
5(d) Page 9, Line 16
5(e) Page 9, Line 33
7(a) - (e) Line 1 + Line 3 - Line 4 - Line 5
9(c) Page 10, Line 46(b)
9(d) Page 10, Line 48(b)
9(e) Page 10, Line 50(b)
11(c) Page 10, Line 46(d)
11(d) Page 10, Line 48(d)
11(e) Page 10, Line 50(d)
12(c) - (e) Schedule 4, Page 1 Line 23
13(c) Page 10, Line 46(f)
13(d) Page 10, Line 48(f)
13(e) Page 10, Line 50(f)
14(c) Page 10, Line 46(g)
14(d) Page 10, Line 48(g)
14(e) Page 10, Line 50(g)
15(c) Page 10, Line 46(h)
15(d) Page 10, Line 48(h)
15(e) Page 10, Line 50(h)
16(c) Page 10, Line 46(i)
16(d) Page 10, Line 48(i)
16(e) Page 10, Line 50(i)
17(a) - (e) Sum of Lines 9 - 16
19(c) Page 11, Line 24(b)
19(d) Page 12, Line 16(b)
19(e) Page 12, Line 31(b)
20 (c) - (e) Line 11 * 35%
21(c) Page 10, Line 46(e)
21(d) Page 10, Line 48(e)
21(e) Page 10, Line 50(e)
22(a) - (e) Sum of Lines 19 - 21
24(a) - (e) Line 7 + Line 17 - Line 22

The Narragansett Electric Company d/b/a National Grid
Test Year Rate Base - Distribution
Five Quarter Average

Description	June 2016 (a)	September 2016 (b)	Quarter Ending December 2016 (c)	March 2017 (d)	June 2017 (e)	Five Quarter Average (f)
1 Utility Plant in Service	\$1,483,904,318	\$1,487,785,788	\$1,490,507,033	\$1,525,211,443	\$1,529,038,072	\$1,503,289,331
2						
3 Property Held for Future Use	\$2,496,405	\$2,496,405	\$2,496,405	\$2,496,405	\$2,496,405	\$2,496,405
4 Less: Contribution in Aid of Construction	\$2,756	\$2,756	\$2,756	(\$518,630)	\$2,756	(\$101,521)
5 Less: Accumulated Depreciation	\$656,628,902	\$656,147,751	\$654,105,202	\$661,928,361	\$652,283,601	\$656,218,763
6						
7 Net Plant in Service	<u>\$829,769,065</u>	<u>\$834,131,685</u>	<u>\$838,895,480</u>	<u>\$866,298,116</u>	<u>\$879,248,120</u>	<u>\$849,668,494</u>
8						
9 Plus:						
10 Materials and Supplies	\$5,204,452	\$4,879,444	\$4,525,831	\$5,510,606	\$3,632,412	\$4,750,549
11 Prepayments	\$630,356	\$907,230	\$1,444,668	\$1,054,315	(\$324,172)	\$742,480
12 Loss on Reacquired Debt	\$1,907,920	\$1,882,220	\$1,854,556	\$2,318,694	\$1,709,381	\$1,934,554
13 Cash Working Capital	\$4,975,475	\$4,975,475	\$4,975,475	\$4,975,475	\$4,975,475	\$4,975,475
14 Unamortized Interest Rate Lock	\$2,623,958	\$2,531,525	\$2,439,092	\$2,346,659	\$2,254,226	\$2,439,092
15 Unamortized Debt Issuance Costs (\$550M)	\$1,162,933	\$1,138,465	\$1,113,997	\$1,089,529	\$1,065,062	\$1,113,997
16 Unamortized Debt Issuance Costs (\$250M 2012)	<u>\$963,498</u>	<u>\$954,379</u>	<u>\$945,261</u>	<u>\$936,143</u>	<u>\$927,024</u>	<u>\$945,261</u>
17 Subtotal	<u>\$17,468,592</u>	<u>\$17,268,739</u>	<u>\$17,298,880</u>	<u>\$18,231,421</u>	<u>\$14,239,408</u>	<u>\$16,901,408</u>
18						
19 Less:						
20 Accumulated Deferred FIT	\$178,348,805	\$193,417,512	\$165,941,844	\$184,975,771	\$196,614,471	\$183,859,681
21 Accumulated Deferred FIT - Loss on Reacquired Debt	\$667,772	\$658,777	\$649,095	\$811,543	\$598,283	\$677,094
22 Customer Deposits	<u>\$10,276,171</u>	<u>\$10,375,796</u>	<u>\$10,276,666</u>	<u>\$10,154,831</u>	<u>\$8,699,858</u>	<u>\$9,956,664</u>
23 Subtotal	<u>\$189,292,748</u>	<u>\$204,452,085</u>	<u>\$176,867,604</u>	<u>\$195,942,145</u>	<u>\$205,912,612</u>	<u>\$194,493,439</u>
24						
25 Rate Base	<u><u>\$657,944,909</u></u>	<u><u>\$646,948,339</u></u>	<u><u>\$679,326,756</u></u>	<u><u>\$688,587,393</u></u>	<u><u>\$687,574,916</u></u>	<u><u>\$672,076,463</u></u>

Column Notes

- (a) Column(a) from Page 4 - Column(a) from Page 3
- (b) Column(b) from Page 4 - Column(b) from Page 3
- (c) Column(c) from Page 4 - Column(c) from Page 3
- (d) Column(d) from Page 4 - Column(d) from Page 3
- (e) Column(e) from Page 4 - Column(e) from Page 3

The Narragansett Electric Company d/b/a National Grid
Test Year Rate Base - Integrated Facilities Agreement (IFA) and Block Island Transmission System
Five Quarter Average

Description	June 2016 (a)	September 2016 (b)	Quarter Ending December 2016 (c)	March 2017 (d)	June 2017 (e)	Five Quarter Average (f)
1 Utility Plant in Service	\$837,858,278	\$837,980,360	\$925,389,760	\$943,635,963	\$948,680,657	\$898,709,004
2						
3 Property Held for Future Use	\$12,531,903	\$12,531,903	\$12,531,903	\$12,531,903	\$12,531,903	\$12,531,903
4 Less: Contribution in Aid of Construction	\$0	\$0	\$0	\$0	\$0	\$0
5 Less: Accumulated Depreciation	\$98,171,448	\$97,433,163	\$96,405,529	\$99,824,250	\$102,899,605	\$98,946,799
6						
7 Net Plant in Service	<u>\$752,218,732</u>	<u>\$753,079,101</u>	<u>\$841,516,133</u>	<u>\$856,343,616</u>	<u>\$858,312,955</u>	<u>\$812,294,107</u>
8						
9 Plus:						
10 Materials and Supplies	\$3,099,585	\$2,868,780	\$2,720,358	\$1,338,323	\$2,684,191	\$2,542,247
11 Prepayments	\$367,547	\$526,333	\$836,202	\$256,054	\$475,210	\$492,269
12 Loss on Reacquired Debt	\$1,112,467	\$1,091,978	\$1,073,453	\$563,126	\$1,126,251	\$993,455
13 Cash Working Capital	\$2,870,239	\$3,789,549	\$2,681,655	\$3,194,316	\$2,514,043	\$3,009,960
14 Unamortized Interest Rate Lock	\$1,623,928	\$1,566,724	\$1,509,520	\$1,452,316	\$1,395,112	\$1,509,520
14 Unamortized Debt Issuance Costs (\$550M)	\$816,103	\$800,961	\$785,818	\$770,675	\$710,105	\$776,732
15 Unamortized Debt Issuance Costs (\$250M 2012)	\$641,436	\$635,793	\$630,149	\$624,506	\$618,863	\$630,149
16 Subtotal	<u>\$10,531,305</u>	<u>\$11,280,118</u>	<u>\$10,237,155</u>	<u>\$8,199,317</u>	<u>\$9,523,775</u>	<u>\$9,954,334</u>
17						
18 Less:						
19 Accumulated Deferred FIT	\$154,416,255	\$156,079,291	\$158,841,895	\$168,039,168	\$159,376,348	\$159,350,591
20 Accumulated Deferred FIT - Loss on Reacquired Debt	\$389,363	\$382,192	\$375,709	\$197,094	\$394,188	\$347,709
21 Customer Deposits	\$0	\$0	\$0	\$0	\$0	\$0
23 Subtotal	<u>\$154,805,618</u>	<u>\$156,461,483</u>	<u>\$159,217,604</u>	<u>\$168,236,262</u>	<u>\$159,770,536</u>	<u>\$159,698,301</u>
24						
25 Rate Base	<u><u>\$607,944,420</u></u>	<u><u>\$607,897,736</u></u>	<u><u>\$692,535,685</u></u>	<u><u>\$696,306,671</u></u>	<u><u>\$708,066,194</u></u>	<u><u>\$662,550,141</u></u>

Column Notes

(a) - (e) Per Company Books

The Narragansett Electric Company d/b/a National Grid
Test Year Rate Base - Total Distribution and IFA
Five Quarter Average

Description	June 2016	September 2016	Quarter Ending December 2016	March 2017	June 2017	Five Quarter Average
	(a)	(b)	(c)	(d)	(e)	(f)
1 Utility Plant in Service	\$2,321,762,596	\$2,325,766,148	\$2,415,896,793	\$2,468,847,406	\$2,477,718,729	\$2,401,998,334
2						
3 Property Held for Future Use	\$15,028,308	\$15,028,308	\$15,028,308	\$15,028,308	\$15,028,308	\$15,028,308
4 Less: Contribution in Aid of Construction	\$2,756	\$2,756	\$2,756	(\$518,630)	\$2,756	(\$101,521)
5 Less: Accumulated Depreciation	\$754,800,350	\$753,580,914	\$750,510,731	\$761,752,611	\$755,183,206	\$755,165,562
6						
7 Net Plant in Service	<u>\$1,581,987,798</u>	<u>\$1,587,210,786</u>	<u>\$1,680,411,614</u>	<u>\$1,722,641,733</u>	<u>\$1,737,561,075</u>	<u>\$1,661,962,601</u>
8						
9 Plus:						
10 Materials and Supplies	\$8,304,037	\$7,748,224	\$7,246,188	\$6,848,929	\$6,316,603	\$7,292,796
11 Prepayments	\$997,903	\$1,433,564	\$2,280,870	\$1,310,370	\$151,039	\$1,234,749
12 Loss on Reacquired Debt	\$3,020,387	\$2,974,198	\$2,928,009	\$2,881,820	\$2,835,632	\$2,928,009
13 Cash Working Capital	\$7,845,714	\$8,765,024	\$7,657,130	\$8,169,791	\$7,489,518	\$7,985,435
14 Unamortized Interest Rate Lock	\$4,247,886	\$4,098,249	\$3,948,612	\$3,798,975	\$3,649,338	\$3,948,612
15 Unamortized Interest Rate Lock \$550M	\$1,979,036	\$1,939,426	\$1,899,815	\$1,763,818	\$1,724,208	\$1,861,261
16 Unamortized Debt Issuance Costs \$550M	<u>\$1,604,933</u>	<u>\$1,590,172</u>	<u>\$1,575,410</u>	<u>\$1,515,504</u>	<u>\$1,500,743</u>	<u>\$1,557,352</u>
17 Subtotal	<u>\$27,999,897</u>	<u>\$28,548,857</u>	<u>\$27,536,035</u>	<u>\$26,289,207</u>	<u>\$23,667,080</u>	<u>\$26,808,215</u>
18						
19 Less:						
20 Accumulated Deferred FIT	\$332,765,060	\$349,496,803	\$324,783,739	\$353,014,939	\$355,990,819	\$343,210,272
21 Accumulated Deferred FIT - Loss on Reacquired Debt	\$1,057,135	\$1,040,969	\$1,024,803	\$1,008,637	\$992,471	\$1,024,803
22 Customer Deposits	<u>\$10,276,171</u>	<u>\$10,375,796</u>	<u>\$10,276,666</u>	<u>\$10,154,831</u>	<u>\$8,699,858</u>	<u>\$9,956,664</u>
23 Subtotal	<u>\$344,098,367</u>	<u>\$360,913,568</u>	<u>\$336,085,208</u>	<u>\$364,178,406</u>	<u>\$365,683,148</u>	<u>\$354,191,740</u>
24						
25 Rate Base	<u>\$1,265,889,328</u>	<u>\$1,254,846,074</u>	<u>\$1,371,862,441</u>	<u>\$1,384,752,533</u>	<u>\$1,395,545,007</u>	<u>\$1,334,579,077</u>

Column Notes

(a) - (e) Per Company Books

The Narragansett Electric Company d/b/a National Grid
Adjustments to Rate Base
Analysis of Test Year through Rate Year Capital Investment

		<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>Rate Year 1</u>	<u>FY21</u>	<u>Rate Year 2</u>	<u>FY21</u>	<u>FY22</u>	<u>Rate Year 3</u>	<u>FY22</u>
		4/1/17 - 6/30/17	7/1/17 - 3/31/18	4/1/18 - 3/31/19	9/1/18 - 8/31/19	4/1/20 - 3/31/21	9/1/19 - 8/31/20	4/1/21 - 3/31/22	9/1/21 - 8/31/22	4/1/22 - 3/31/23	9/1/22 - 8/31/23
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Distribution											
1	FY 2018 Approved ISR Plan										
2											
3											
4											
5	Total Distribution	\$18,710,750	\$56,132,250	\$31,184,583	\$43,658,417	\$31,184,583	\$1,166,667	\$833,333	\$833,333	\$2,000,000	\$2,000,000
6											
7	General Plant										
8	Facilities	\$0	\$0	\$0	\$1,542,917	\$1,102,083	\$2,645,000	\$833,333	\$833,333	\$2,000,000	\$2,000,000
9	IS Costs	\$0	\$0	\$35,000	\$53,000	\$0	\$0	\$0	\$0	\$0	\$0
10	Fleet/Inventory Mgmt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11	Total General	\$0	\$0	\$35,000	\$1,595,917	\$1,102,083	\$2,645,000	\$833,333	\$833,333	\$2,000,000	\$2,000,000
12	Amount Applicable to Transmission	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	Amount Applicable to Distribution	\$0	\$0	\$35,000	\$1,595,917	\$1,102,083	\$2,645,000	\$833,333	\$833,333	\$2,000,000	\$2,000,000
14											
15	Distribution and General	\$18,710,750	\$56,132,250	\$31,219,583	\$45,254,333	\$32,286,667	\$1,166,667	\$833,333	\$833,333	\$2,000,000	\$2,000,000

Line Notes

- 5(a) - (m) Sum of Lines 1-4
8 Per Company Books
9(c) RI Elec Only Physical Security Replacements - FY18
9(d) RI Elec Only Physical Security Replacements - FY18
15(a) - (m) Sum of Line 5 + Line 13

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The Narragansett Electric Company d/b/a National Grid
Rate Base Adjustments
Plant in Service

	Description	Period (a)	Distribution Plant In Service (b)
1	Balance at June 30, 2017		\$1,529,038,072
2	Less: ARO		(\$1,123,411)
3	Less: Other Capital Adjustments		(\$14,007,757)
4	Adjusted Balance at June 30, 2017		\$1,513,906,904
5			
6			
7	Plus: Plant Additions 2 months ending 8/31/17		\$12,473,833
8	Less: Streetlight Retirement in 2 months ending 8/31/17		(\$1,057,011)
9	Less: Plant Retirements 2 months ending 8/31/17		(\$3,699,739)
10	Net Increase		\$7,717,083
11			
12	Balance at August 31, 2017		\$1,521,623,987
13			
14	Plus: Plant Additions 12 Months Ended 8/31/18		\$74,843,000
15	Less: Plant Retirements 12 Months Ended 08/31/18		(\$22,198,434)
16	Net Increase		\$52,644,566
17			
18	Balance at August 31, 2018		\$1,574,268,553
19			
20			
21		09/30/18 1/	\$1,578,813,748
22		10/31/18 1/	\$1,583,358,943
23		11/30/18 1/	\$1,587,904,138
24		12/31/18 1/	\$1,592,449,333
25		01/31/19 1/	\$1,596,994,528
26		02/28/19 1/	\$1,601,539,723
27		03/31/19 1/	\$1,606,084,918
28		04/30/19 1/	\$1,610,630,113
29		05/31/19 1/	\$1,615,175,308
30		06/30/19 1/	\$1,619,720,503
31		07/31/19 1/	\$1,624,265,698
32		08/31/19 1/	\$1,628,810,893
33			
34	Rate Year Plant in Service - 5 Quarter Average		\$1,601,539,723
35			
36	1/ Adjustment Detail:		
37	Plant Detail 12 Months Ended 8/31/19		
38	Plant Additions 12 Months Ended 8/31/19		\$77,541,000
39	Plant Retirements 12 Months Ended 8/31/19		(\$22,998,661)
40	Net Increase / (Decrease)		\$54,542,339
41			
42	Monthly Increase / (Decrease)		\$4,545,195

Line Notes

- 1 Page 2, Line 1(e)
- 2 Schedule 6-ELEC Page 4, Line 18(b)
- 3 Schedule 6-ELEC Page 4, Line 18(d)
- 4 Sum of Lines 1- 3
- 7 Schedule 6-ELEC Page 1, Line 14(b)
- 8 Schedule 6-ELEC Page 1, Line 15(b)
- 9 Schedule 6-ELEC Page 1, Line 16(b)
- 10 Sum of Lines 7-9
- 12 Line 4 + Line 10
- 14 Schedule 6-ELEC Page 1, Line 34(b)
- 15 Schedule 6-ELEC Page 1, Line 35(b)
- 16 Line 14 + Line 15
- 18 Line 12 + Line 16
- 21 Line 18 + Line 42
- 22-32 Prior Month Balance + Line 42
- 34 Average of Lines 18, 23, 26, 29, and 32
- 38 Schedule 6-ELEC Page 2, Line 6(b)
- 39 Schedule 6-ELEC Page 2, Line 7(b)
- 40 Line 38 + Line 38
- 42 Line 40 divided by 12

The Narragansett Electric Company d/b/a National Grid
Plant Adjustments to Rate Base
Rate Year 1 Ending August 31, 2019 through Rate Year 3 Ending August 31, 2021
Electric Plant in Service Forecast

Description	Period		Distribution Plant
	(a)		in Service
			(b)
1 Balance at August 31, 2019			\$1,628,810,893
2			
3 Balance as of:	09/30/19	1/	\$1,628,928,126
4	10/31/19	1/	\$1,629,045,359
5	11/30/19	1/	\$1,629,162,593
6	12/31/19	1/	\$1,629,279,826
7	01/31/20	1/	\$1,629,397,059
8	02/28/20	1/	\$1,629,514,293
9	03/31/20	1/	\$1,629,631,526
10	04/30/20	1/	\$1,629,748,759
11	05/31/20	1/	\$1,629,865,993
12	06/30/20	1/	\$1,629,983,226
13	07/31/20	1/	\$1,630,100,459
14 Balance at August 31, 2020		1/	\$1,630,217,693
15			
16 Rate Year 2 Plant in Service - 5 Quarter Average			<u>\$1,629,514,293</u>
17			
18 Balance at August 31, 2020			\$1,630,217,693
19			
20 Balance as of:	09/30/20	2/	\$1,630,334,926
21	10/31/20	2/	\$1,630,452,159
22	11/30/20	2/	\$1,630,569,393
23	12/31/20	2/	\$1,630,686,626
24	01/31/21	2/	\$1,630,803,859
25	02/28/21	2/	\$1,630,921,093
26	03/31/21	2/	\$1,631,038,326
27	04/30/21	2/	\$1,631,155,559
28	05/31/21	2/	\$1,631,272,793
29	06/30/21	2/	\$1,631,390,026
30	07/31/21	2/	\$1,631,507,259
31 Balance at August 31, 2021		2/	\$1,631,624,493
32			
33 Rate Year 3 Plant in Service - 5 Quarter Average			<u>\$1,630,921,093</u>
34			
35 1/ Rate Year 2 ending 08/31/20 Adjustment Detail:			
36 Plant Additions 12 Months Ended 08/31/2020			\$2,000,000
37 Plant Retirements 12 Months Ended 08/31/2020			<u>(\$593,200)</u>
38 Net Increase / (Decrease)			<u>\$1,406,800</u>
39			
40			
41 Monthly Increase / (Decrease)			<u>\$117,233</u>
42			
43 2/ Rate Year 3 ending 08/31/21 Adjustment Detail:			
44 Plant Additions 12 Months Ended 08/31/2021			\$2,000,000
45 Plant Retirements 12 Months Ended 08/31/2021			<u>(\$593,200)</u>
46 Net Increase / (Decrease)			<u>\$1,406,800</u>
47			
48			
49 Monthly Increase / (Decrease)			<u>\$117,233</u>

Line Notes

- 1 Page 6, Line 32
3 Line 1 + Line 41
4-14 Prior Month Balance + Line 41
16 Average of Lines 1, 5, 8, 11, and 14
18 Line 14
20 Line 18 + Line 49
21-31 Prior Month Balance + Line 49
33 Average of Lines 18, 22, 25, 28, and 31
36 Schedule 6-ELEC Page 2, Line 27(b)
37 Schedule 6-ELEC Page 2, Line 28(b)
38 Line 36 + Line 37
41 Line 38 divided by 12
44 Schedule 6-ELEC Page 2, Line 48(b)
45 Schedule 6-ELEC Page 2, Line 49(b)
46 Line 44+ Line 45
49 Line 46 divided by 12

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The Narragansett Electric Company d/b/a National Grid
Rate Base Adjustments
Accumulated Depreciation

Description	Period	Accumulated Depreciation
	(a)	(b)
1 Balance at June 30, 2017		\$652,405,159
2		
3 Depreciation Expense 07/01/2017 - 08/31/2017		\$8,603,666
4 Less: Streetlights retired in the 2 Mos Ended 08/31/17 and Dep. for 2		(\$1,307)
5 Less: Net Cost of Removal / (Salvage)		(\$1,281,063)
6 Less: Retirements		(\$3,699,739)
7 Net Increase		\$3,621,557
8		
9 Balance at August 31, 2017		\$656,026,715
10		
11 Depreciation Expense 09/01/17 - 08/31/18		\$52,630,173
12 Less: Net Cost of Removal / (Salvage)		(\$7,686,376)
13 Less: Retirements		(\$22,198,434)
14 Net Increase / (Decrease)		\$22,745,363
15		
16 Balance at August 31, 2018		\$678,772,079
17		
18	09/30/18 1/	\$680,369,263
19	10/31/18 1/	\$681,966,447
20	11/30/18 1/	\$683,563,631
21	12/31/18 1/	\$685,160,816
22	01/31/19 1/	\$686,758,000
23	02/28/19 1/	\$688,355,184
24	03/31/19 1/	\$689,952,368
25	04/30/19 1/	\$691,549,553
26	05/31/19 1/	\$693,146,737
27	06/30/19 1/	\$694,743,921
28	07/31/19 1/	\$696,341,105
29 Balance at August 31, 2019	1/	\$697,938,290
30		
31 Rate Year Accumulated Depreciation - Five Quarter Average		\$688,355,184
32		
33 1/ Rate Year Ended 8/31/19 Depreciation Reserve Detail:		
34 Depreciation Expense		\$50,375,341
35 Plus: Unrecovered Reserve Adjustment		(\$247,009)
36 Net Cost of Removal / (Salvage)		(\$7,963,461)
37 Less: Retirements		(\$22,998,661)
38 Net Increase / (Decrease)		\$19,166,211
39		
40 Monthly Increase / (Decrease)		\$1,597,184

Line Notes

- 1 Schedule 6-ELEC Page 1, Line 23(b)
- 3 Schedule 6-ELEC Page 1, Line 24(b)
- 4 Schedule 6-ELEC Page 1, Line 25(b)
- 5 Schedule 6-ELEC Page 1, Line 25(b)
- 6 Schedule 6-ELEC Page 1, Line 26(b)
- 7 Sum of Lines 3-6
- 8 Line 1 + Line 7
- 11 Schedule 6-ELEC Page 1, Line 43(b)
- 12 Schedule 6-ELEC Page 1, Line 44(b)
- 13 Schedule 6-ELEC Page 1, Line 45(b)
- 14 Sum of Lines 11-13
- 16 Line 9 + Line 14
- 18 Line 16 + Line 40
- 19-29 Prior Month Balance + Line 340
- 31 Average of Lines 16, 20, 23, 26, and 29
- 34 Schedule 6-ELEC Page 2, Line 16(b)
- 35 Schedule 6-ELEC Page 2, Line 17(b)
- 36 Schedule 6-ELEC Page 2, Line 18(b)
- 37 Schedule 6-ELEC Page 2, Line 19(b)
- 38 Sum of Lines 33-36
- 40 Line 37 divided by 12

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The Narragansett Electric Company d/b/a National Grid
Accumulated Depreciation Adjustments To Rate Base
Rate Year 1 Ending August 31, 2019 through Rate Year 3 Ending August 31, 2021

Description	Period	Accumulated Depreciation
	(a)	(b)
1 Balance @ August 31, 2019		\$697,938,290
2		
3 Balance as of:	09/30/19 1/	\$702,122,427
4	10/31/19 1/	\$706,306,565
5	11/30/19 1/	\$710,490,703
6	12/31/19 1/	\$714,674,841
7	01/31/20 1/	\$718,858,978
8	02/28/20 1/	\$723,043,116
9	03/31/20 1/	\$727,227,254
10	04/30/20 1/	\$731,411,392
11	05/31/20 1/	\$735,595,530
12	06/30/20 1/	\$739,779,667
13	07/31/20 1/	\$743,963,805
14 Balance @ August 31, 2020	1/	\$748,147,943
15		
16 Rate Year 2 Accumulated Depreciation - 5 Quarter Average		<u>\$723,043,116</u>
17		
18 Balance @ August 31, 2020		\$748,147,943
19		
20 Balance as of:	09/30/20 2/	\$752,335,768
21	10/31/20 2/	\$756,523,593
22	11/30/20 2/	\$760,711,419
23	12/31/20 2/	\$764,899,244
24	01/31/21 2/	\$769,087,069
25	02/28/21 2/	\$773,274,895
26	03/31/21 2/	\$777,462,720
27	04/30/21 2/	\$781,650,545
28	05/31/21 2/	\$785,838,370
29	06/30/21 2/	\$790,026,196
30	07/31/21 2/	\$794,214,021
31 Balance @ August 31, 2021	2/	\$798,401,846
32		
33 Rate Year 3 Accumulated Depreciation - 5 Quarter Average		<u>\$773,274,895</u>
34		
35 1/ Rate Year 2 Ended 08/31/20 Depreciation Reserve Detail:		
36 Depreciation Expense 09/01/19 - 08/31/20		\$51,255,262
37 Plus: Unrecovered Reserve Adjustment		(\$247,009)
38 Net Cost of Removal / (Salvage)		(\$205,400)
39 Less: Retirements		(\$593,200)
40 Net Increase / (Decrease)		<u>\$50,209,653</u>
41		
42 Monthly Increase / (Decrease)		<u>\$4,184,138</u>
43		
44 2/ Rate Year 3 Ended 08/31/21 Depreciation Reserve Detail:		
45 Depreciation Expense 09/01/20 - 08/31/21		\$51,299,512
46 Plus: Unrecovered Reserve Adjustment		(\$247,009)
47 Net Cost of Removal / (Salvage)		(\$205,400)
48 Less: Retirements		(\$593,200)
49 Net Increase / (Decrease)		<u>\$50,253,903</u>
50		
51 Monthly Increase / (Decrease)		<u>\$4,187,825</u>

Line Notes

1	Page 8, Line 28
3	Line 1 + Line 42
4-14	Prior Month Balance + Line 42
16	Average of Lines 1, 5, 8, 11, and 14
18	Line 14
20	Line 18 + Line 51
21-31	Prior Month Balance + Line 51
33	Average of Lines 18, 22, 25, 28, and 31
36	Schedule 6-ELEC Page 2 Line 37(b)
37	Schedule 6-ELEC Page 2 Line 38(b)
38	Schedule 6-ELEC Page 2 Line 39(b)
39	Schedule 6-ELEC Page 2 Line 40(b)
40	Sum of Lines 36-39
42	Line 40 divided by 12
45	Schedule 6-ELEC Page 2 Line 58(b)
46	Schedule 6-ELEC Page 2 Line 59(b)
47	Schedule 6-ELEC Page 2 Line 60(b)
48	Schedule 6-ELEC Page 2 Line 61(b)
49	Sum of Lines 45-48
51	Line 49 divided by 12

The Narragansett Electric Company d/b/a National Grid
Rate Base Adjustments
Other Rate Base Adjustments For 12 months ending August 31, 2019

			Materials and Supplies		Loss on Reacquired Debt	Customer Deposits	Unamort Lock	\$550M Unamort Issuance Costs	\$250M Unamort Issuance Costs	\$350M Unamort Issuance Costs	
	Description	Period	CIAC (a)	(b)	Prepayments (c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Distribution Only Balance @ June 30, 2017		\$2,756	\$3,632,412	(\$324,172)	\$1,709,381	\$8,699,858	\$2,254,226	\$1,065,062	\$927,024	\$0
2											
3	Total Increase/(Decrease)		\$0	(\$83,241)	\$206,918	\$0	\$113,226	(\$369,732)	(\$97,871)	(\$36,473)	\$0
4											
5	Distribution Only Balance @ June 30, 2018		\$2,756	\$3,549,171	(\$117,253)	\$1,709,381	\$8,813,084	\$1,884,494	\$967,190	\$890,551	\$0
6											
7		07/31/18	\$2,756	\$3,542,234	(\$100,010)	\$1,485,554	\$8,822,520	\$1,853,683	\$959,034	\$887,512	\$613,249
8		08/31/18	\$2,756	\$3,535,297	(\$82,767)	\$1,473,505	\$8,831,955	\$1,822,872	\$950,878	\$884,472	\$608,139
9		09/30/18	\$2,756	\$3,528,360	(\$65,524)	\$1,461,457	\$8,841,391	\$1,792,061	\$942,722	\$881,433	\$603,028
10		10/31/18	\$2,756	\$3,521,423	(\$48,280)	\$1,449,408	\$8,850,826	\$1,761,250	\$934,567	\$878,394	\$597,918
11		11/30/18	\$2,756	\$3,514,487	(\$31,037)	\$1,437,360	\$8,860,262	\$1,730,439	\$926,411	\$875,354	\$592,807
12		12/31/18	\$2,756	\$3,507,550	(\$13,794)	\$1,425,311	\$8,869,697	\$1,699,628	\$918,255	\$872,315	\$587,697
13		01/31/19	\$2,756	\$3,500,613	\$3,449	\$1,413,263	\$8,879,133	\$1,668,817	\$910,099	\$869,275	\$582,587
14		02/28/19	\$2,756	\$3,493,676	\$20,692	\$1,401,214	\$8,888,568	\$1,638,006	\$901,943	\$866,236	\$577,476
15		03/31/19	\$2,756	\$3,486,740	\$37,936	\$1,389,166	\$8,898,004	\$1,607,195	\$893,787	\$863,196	\$572,366
16		04/30/19	\$2,756	\$3,479,803	\$55,179	\$1,377,118	\$8,907,439	\$1,576,384	\$885,631	\$860,157	\$567,255
17		05/31/19	\$2,756	\$3,472,866	\$72,422	\$1,365,069	\$8,916,875	\$1,545,573	\$877,475	\$857,118	\$562,145
18		06/30/19	\$2,756	\$3,465,929	\$72,422	\$1,353,021	\$8,926,310	\$1,514,762	\$869,319	\$854,078	\$557,034
19		07/31/19	\$2,756	\$3,458,992	\$89,665	\$1,340,972	\$8,935,746	\$1,483,951	\$861,163	\$851,039	\$551,924
20		08/31/19	\$2,756	\$3,452,056	\$0	\$1,328,924	\$8,945,182	\$1,453,140	\$853,007	\$847,999	\$546,814
21		09/30/19	\$2,756	\$3,445,119	\$0	\$1,316,875	\$8,954,617	\$1,422,329	\$844,851	\$844,960	\$541,703
22		10/31/19	\$2,756	\$3,438,182	\$0	\$1,304,827	\$8,964,053	\$1,391,518	\$836,695	\$841,920	\$536,593
23		11/30/19	\$2,756	\$3,431,245	\$0	\$1,292,778	\$8,973,488	\$1,360,707	\$828,539	\$838,881	\$531,482
24		12/31/19	\$2,756	\$3,424,308	\$0	\$1,280,730	\$8,982,924	\$1,329,896	\$820,383	\$835,842	\$526,372
25		01/31/20	\$2,756	\$3,417,372	\$0	\$1,268,682	\$8,992,359	\$1,299,085	\$812,227	\$832,802	\$521,262
26		02/29/20	\$2,756	\$3,410,435	\$0	\$1,256,633	\$9,001,795	\$1,268,274	\$804,071	\$829,763	\$516,151
27		03/31/20	\$2,756	\$3,403,498	\$0	\$1,244,585	\$9,011,230	\$1,237,463	\$795,916	\$826,723	\$511,041
28		04/30/20	\$2,756	\$3,396,561	\$0	\$1,232,536	\$9,020,666	\$1,206,652	\$787,760	\$823,684	\$505,930
29		05/31/20	\$2,756	\$3,389,624	\$0	\$1,220,488	\$9,030,101	\$1,175,841	\$779,604	\$820,644	\$500,820
30		06/30/20	\$2,756	\$3,382,688	\$0	\$1,208,439	\$9,039,537	\$1,145,030	\$771,448	\$817,605	\$495,710
31		07/31/20	\$2,756	\$3,375,751	\$0	\$1,196,391	\$9,048,972	\$1,114,219	\$763,292	\$814,566	\$490,599
32		08/31/20	\$2,756	\$3,368,814	\$0	\$1,184,342	\$9,058,408	\$1,083,408	\$755,136	\$811,526	\$485,489
33		09/30/20	\$2,756	\$3,361,877	\$0	\$1,172,294	\$9,067,843	\$1,052,597	\$746,980	\$808,487	\$480,378
34		10/31/20	\$2,756	\$3,354,941	\$0	\$1,160,246	\$9,077,279	\$1,021,786	\$738,824	\$805,447	\$475,268
35		11/30/20	\$2,756	\$3,348,004	\$0	\$1,148,197	\$9,086,714	\$990,975	\$730,668	\$802,408	\$470,158
36		12/31/20	\$2,756	\$3,341,067	\$0	\$1,136,149	\$9,096,150	\$960,164	\$722,512	\$799,368	\$465,047
37		01/31/21	\$2,756	\$3,334,130	\$0	\$1,124,100	\$9,105,585	\$929,353	\$714,356	\$796,329	\$459,937
38		02/28/21	\$2,756	\$3,327,193	\$0	\$1,112,052	\$9,115,021	\$898,542	\$706,200	\$793,290	\$454,826
39		03/31/21	\$2,756	\$3,320,257	\$0	\$1,100,003	\$9,124,457	\$867,731	\$698,044	\$790,250	\$449,716
40		04/30/21	\$2,756	\$3,313,320	\$0	\$1,087,955	\$9,133,892	\$836,920	\$689,888	\$787,211	\$444,605
41		05/31/21	\$2,756	\$3,306,383	\$0	\$1,075,906	\$9,143,328	\$806,109	\$681,732	\$784,171	\$439,495
42		06/30/21	\$2,756	\$3,299,446	\$0	\$1,063,858	\$9,152,763	\$775,298	\$673,576	\$781,132	\$434,385
43		07/31/21	\$2,756	\$3,292,509	\$0	\$1,051,809	\$9,162,199	\$744,487	\$665,420	\$778,092	\$429,274
44		08/31/21	\$2,756	\$3,285,573	\$0	\$1,039,761	\$9,171,634	\$713,676	\$657,265	\$775,053	\$424,164
45											
46	Rate Year 1 Amounts - Five Quarter Average		\$2,756	\$3,493,676	\$0	\$1,401,214	\$8,888,568	\$1,638,006	\$901,943	\$866,236	\$577,476
47											
48	Rate Year 2 Amounts - Five Quarter Average		\$2,756	\$3,403,498	\$0	\$1,244,585	\$9,011,230	\$1,237,463	\$795,916	\$826,723	\$511,041
49											
50	Rate Year 3 Amounts - Five Quarter Average		\$2,756	\$3,327,193	\$0	\$1,112,052	\$9,115,021	\$898,542	\$706,200	\$793,290	\$454,826
51											
52	Changes:										
53	Total Increase/(Decrease)		\$0	(\$128,866)	\$320,331	(\$223,827)	\$113,226	(\$369,732)	(\$97,871)	(\$36,473)	(\$61,325)
54											
55	Percentage Applicable to IFA		0.00%	35.40%	35.40%	35.40%	0.00%	0.00%	0.00%	0.00%	0.00%
56											
57	Less Amount Applicable to IFA		\$0	\$45,625	(\$113,413)	79,246	\$0	\$0	\$0	\$0	\$0
58											
59	Total Distribution Only Increase/(Decrease)		\$0	(\$83,241)	\$206,918	(144,581)	\$113,226	(\$369,732)	(\$97,871)	(\$36,473)	(\$61,325)
60											
61	Monthly Change		\$0	(6,937)	17,243	(12,048)	9,436	(30,811)	(8,156)	(3,039)	(\$5,110)

Line Notes

1(a) Page 2, Line 4(c)	7-44	Prior Month Balance + Line 61
1(b) Page 2, Line 10(e)	46	Average of Lines 8, 11, 14, 17, and 20
1(c) Page 2, Line 11(e)	48	Average of Lines 21, 24, 27, 30, and 33
1(d) Page 2, Line 12(e)	50	Average of Lines 32, 35, 38, 41, and 44
1(e) Page 2, Line 22(e)	53(b) - (e)	Adjustment based on average annual change for the prior 3 years
1(f) Page 2, Line 14(e)	53(f)	Worksheet 3 Page 3, Line 10(a)-(i)
1(g) Page 2, Line 15(e)	53(g)	Worksheet 3 Page 7, Line 9(c)-(20(c)) + Page 12 Lines 9(i)-(20(i))
1(h) Page 2, Line 16(e)	53(h)	Worksheet 3 Page 17, Line 8(g) to Line 19(g)
3 Line 59	53(i)	Worksheet 3 Page 22, Line 4 x 12
3(i) Amortization does not begin until August 2018	55	Per Company Books
7(i) Amortization does not begin until August 2018	57	Line 53 x Line 55
	59	Line 53 + Line 57
	61	Line 59 divided by 12

The Narragansett Electric Company d/b/a National Grid
Rate Base Adjustments
Five Quarter Average Ending June 30, 2017 through Rate Year 3 Ending August 31, 2019
Accumulated Deferred Tax Forecast

	Description	Period or Amount (a)		Accumulated Deferred Income Tax (b)
1	Balance at June 30, 2017			\$196,614,471
2	Impact of Federal Tax Reform on June 30, 2017 balance			(\$1,147,243)
3	Increase/(Decrease) 2 Month Ended		1/	\$2,580,654
4				
5	Balance at August 31, 2017			\$198,047,882
6				
7	Increase/(Decrease) 12 Month Ended		2/	\$5,847,765
8				
9	Balance at August 31, 2018			\$203,895,647
10				
11	Balance as of:	09/30/18	3/	\$203,836,407
12		10/31/18	3/	\$203,777,166
13		11/30/18	3/	\$203,717,926
14		12/31/18	3/	\$203,658,686
15		01/31/19	3/	\$203,599,446
16		02/28/19	3/	\$203,540,205
17		03/31/19	3/	\$203,480,965
18		04/30/19	3/	\$203,421,725
19		05/31/19	3/	\$203,362,484
20		06/30/19	3/	\$203,303,244
21		07/31/19	3/	\$203,244,004
22	Balance at August 31, 2019		3/	\$203,184,764
23				
24	Rate Year 1 Accumulated Deferred Income Tax - Five Quarter Average			\$203,540,205
25				
26		Book	Tax	Difference
27		(a)	(b)	(c)
28	1/ 2 Months Ending 08/30/17			
29	Depreciation	\$8,602,358	\$16,781,928	\$8,179,570
30	Income Tax Rate			31.55%
31	2 Month Change to Accumulated Deferred Taxes			\$2,580,654
32	Net Operating Loss Utilization			\$0
33	Proration Adjustment			\$0
34	Net Annual Change			\$2,580,654
35				
36	2/ 12 Months Ended 08/31/18:			
37	Depreciation	\$52,630,173	\$74,165,596	\$21,535,423
38	Income Tax Rate			27.15%
39	Annual Change to Accumulated Deferred Taxes			\$5,847,765
40	Net Operating Loss Utilization			\$0
41	Proration Adjustment			\$0
42	Net Annual Change			\$5,847,765
43				
44	3/ 12 Months Ended 08/31/19:			
45	Depreciation	\$50,375,341	\$72,926,482	\$22,551,141
46	Income Tax Rate			21.00%
47	Annual Change to Accumulated Deferred Taxes			\$4,735,740
48	Net Operating Loss Utilization			\$0
49	Proration Adjustment			(\$380,623)
50	Net Annual Change			\$4,355,117
51	Net of Amortization of Excess Deferred Tax		(\$4,080,912)	(\$5,066,000)
52	Monthly Change to Accumulated Deferred Taxes			(\$59,240)

Line Notes

- 1 Page 2, Line 20 + Line 21
- 3 Line 34(c)
- 5 Line 1 + Line 3
- 7 Line 42(c)
- 9 Line 5 + Line 7
- 11 Line 9(b) + Line 52(c)
- 12-22 Prior Month Balance + Line 52(c)
- 24 Average of Lines 9, 13, 16, 19, and 22
- 29(a) Schedule 6-ELEC Page 1, Line 24(b) + Schedule 6-ELEC Page 1, Line 25(b)
- 29(b) Page 14 Line 3(b)
- 30 Per Tax Dept
- 31 Line 29 x Line 30
- 33 Page 13 Line 3
- 34 Sum of Lines 31-33
- 37(a) Schedule 6-ELEC Page 1, Line 43(b)
- 37(b) Page 14 Line 3(c)
- 38 Per Tax Dept
- 39 Line 37 x Line 38
- 41 Page 13 Line 3(c)
- 42 Sum of Lines 39-41
- 45(a) Schedule 6-ELEC Page 2, Line 16(b)
- 45(b) Page 14 Line 3(d)
- 46 Per Tax Dept
- 47 Sum of Lines 47-49
- 49 Page 13, Line 3(d)
- 50 Sum of Lines 47-49
- 52 Line 50 divided by 12

The Narragansett Electric Company d/b/a National Grid
Rate Base Adjustments
Five Quarter Average Ending June 30, 2017 through Rate Year 3 Ending August 31, 2019
Accumulated Deferred Tax Forecast

Description		Period or Amount	Accumulated Deferred Income Tax
		(a)	(b)
1	Balance at August 31, 2019		\$203,565,387
2			
3	Balance as of:	09/30/19	1/ \$203,202,141
4		10/31/19	1/ \$202,838,896
5		11/30/19	1/ \$202,475,651
6		12/31/19	1/ \$202,112,405
7		01/31/20	1/ \$201,749,160
8		02/29/20	1/ \$201,385,915
9		03/31/20	1/ \$201,022,669
10		04/30/20	1/ \$200,659,424
11		05/31/20	1/ \$200,296,179
12		06/30/20	1/ \$199,932,934
13		07/31/20	1/ \$199,569,688
14	Balance @ August 31, 2020		1/ \$199,206,443
15			
16	Rate Year 2 Accumulated Deferred Income Tax - Five Quarter Average		\$201,385,915
17			
18	Balance as of:	09/30/20	2/ \$199,769,327
19		10/31/20	2/ \$199,666,017
20		11/30/20	2/ \$199,562,708
21		12/31/20	2/ \$199,459,399
22		01/31/21	2/ \$199,356,090
23		02/28/21	2/ \$199,252,781
24		03/31/21	2/ \$199,149,472
25		04/30/21	2/ \$199,046,163
26		05/31/21	2/ \$198,942,854
27		06/30/21	2/ \$198,839,545
28		07/31/21	2/ \$198,736,235
29	Balance @ August 31, 2021		2/ \$198,632,926
30			
31	Rate Year 3 Accumulated Deferred Income Tax - Five Quarter Average		\$199,252,781
32			
33		Book	Tax
34		(a)	(b)
35	1/ 12 Months Ended 08/31/20:		
36	Depreciation	\$51,255,262	\$45,851,846
37	Income Tax Rate		21.00%
38	Annual Change to Accumulated Deferred Taxes		(\$1,134,717)
39	Net Operating Loss Utilization		\$2,507,967
40	Proration Adjustment		(\$666,193)
41	Net Annual Change		\$707,056
42	Amortization of Excess DIT		(\$5,066,000)
43	Monthly Change to Accumulated Deferred Taxes		(\$363,245)
44			
45	2/ 12 Months Ended 08/31/21:		
46	Depreciation	\$51,299,512	\$43,468,954
47	Income Tax Rate		21.00%
48	Annual Change to Accumulated Deferred Taxes		(\$1,644,417)
49	Net Operating Loss Utilization		\$9,804,674
50	Proration Adjustment		(\$4,333,966)
51	Net Annual Change		\$3,826,291
52	Amortization of Excess DIT		(\$5,066,000)
53	Monthly Change to Accumulated Deferred Taxes		(\$103,309)

Line Notes

1	Page 11, Line 22(b)	40	Page 13, Line 3(e)
3	Line 1(b) + Line 43(c)	41	Sum of Lines 38-40
4-14	Prior Month Balance + Line 43(c)	43	Line 41 divided by 12
16	Average of Lines 1, 5, 8, 11, and 14	46(a)	Schedule 6-ELEC Page 2, Line 58(b)
18	Line 14(b) + Line 53(c)	46(b)	Page 14, Line 3(f)
19-29	Prior Month Balance + Line 53(c)	47	Per Tax Dept
31	Average of Lines 14, 20, 23, 26, and 29	48	Line 46 x Line 47
36(a)	Schedule 6-ELEC Page 2, Line 37(b)	49	Per Tax Dept
36(b)	Page 14, Line 3(e)	50	Page 13, Line 3(f)
37	Per Tax Dept	51	Sum of Lines 48-50
38	Line 36 x Line 37	53	Line 51 divided by 12
39	Per Tax Dept		

The Narragansett Electric Company d/b/a National Grid
Proration Adjustment
Test Year through Rate Year 3

Description	2 Months Ending August 31, 2017 (a)	12 Months Ending August 31, 2018 (b)	Rate Year 1 Ending August 31, 2019 (c)	Rate Year 2 Ending August 31, 2020 (d)	Rate Year 3 Ending August 31, 2021 (e)
1 Proration Adjustment	\$0	\$0	(\$380,623)	\$666,193	\$4,333,966
3 Total	<u>\$0</u>	<u>\$0</u>	<u>(\$380,623)</u>	<u>\$666,193</u>	<u>\$4,333,966</u>
6 NOTE: Proration is not applicable to actual ADIT					
13 Deferred Tax Subject to Proration					
14 Book Depreciation	\$8,602,358	\$52,630,173	\$50,375,341	\$51,255,262	\$51,299,512
15 Bonus Depreciation	(\$4,778,726)	(\$2,392,332)	\$0	\$0	
16 Remaining MACRS Tax Depreciation	(\$7,805,758)	(\$46,659,851)	(\$47,021,426)	(\$45,182,813)	(\$42,799,921)
18 Cumulative Book / Tax Timer	(\$3,982,125)	\$3,577,990	\$3,353,915	\$6,072,449	\$8,499,591
19 Effective Tax Rate	32%	27%	21%	21%	21%
20 Deferred Tax Reserve	(\$1,274,280)	\$966,057	\$704,322	\$1,275,214	\$1,784,914
22 Net Operating Loss Utilization					
24 Net Operating Loss Utilization				(\$11,942,698)	(\$46,688,922)
25 Effective Tax Rate			21%	21%	21%
26 Deferred Tax Reserve			\$0	(\$2,507,967)	(\$9,804,674)
28 Total Accumulated Deferred Income Taxes Subject to Proration	\$0	\$0	\$704,322	(\$1,232,752)	(\$8,019,759)
30 Number of Days	Proration				
31 in Month	Percentage				
32 (a)	(b)				
32 Proration Calculation					
33 September 30	92%	\$0	\$0	\$53,869	(\$94,286)
34 October 31	83%	\$0	\$0	\$48,884	(\$85,561)
35 November 30	75%	\$0	\$0	\$44,060	(\$77,117)
36 December 31	67%	\$0	\$0	\$39,075	(\$68,392)
37 January 31	58%	\$0	\$0	\$34,090	(\$59,667)
38 February 28	50%	\$0	\$0	\$29,588	(\$51,787)
39 March 31	42%	\$0	\$0	\$24,603	(\$43,062)
40 April 30	34%	\$0	\$0	\$19,779	(\$34,618)
41 May 31	25%	\$0	\$0	\$14,794	(\$25,893)
42 June 30	17%	\$0	\$0	\$9,970	(\$17,450)
43 July 31	8%	\$0	\$0	\$4,985	(\$8,725)
44 August 31	0%	\$0	\$0	\$0	\$0
45 Total		\$0	\$0	\$323,699	(\$566,559)
46					
47 Deferred Tax Without Proration		\$0	\$0	(\$1,232,752)	(\$8,019,759)
48 Proration Adjustment		\$0	(\$380,623)	\$666,193	\$4,333,966

Line Notes

1 Line 48(b)	18	Sum of Lines 14-16
14(a) Page 11, Line 29(a)	19	Per Tax Dept
14(b) Page 11, Line 37(a)	20	Line 18 x Line 19
14(c) Page 11, Line 45(a)	24(d)	Page 12, Line 39(c) divided by 35%
14(d) Page 12, Line 36(a)	24(e)	Page 12, Line 49(c) divided by 35%
14(e) Page 12, Line 46(a)	25	Per Tax Dept
15(a) Page 15, Line 1(c)	28	Line 20 + Line 26
15(b) Page 15, Line 4(c)	33-44	Line 28 x Percent in Col B
15(c) Page 15, Line 7(c)	45	Sum of Lines 33-44
15(d) Page 15, Line 10(c)	47	Line 28
15(e) Page 15, Line 13(c)	48	Line 45 - Line 47
16(a) Page 15, Line 2(d)		
16(b) Page 15, Line 2(e) + Line 5(e)		
16(c) Page 15, Line 2(f) + Line 5(f) + Line 8(f)		
16(d) Page 15, Line 2(g) + Line 5(g) + Line 8(g) + Line 11(g)		
16(e) Page 15, Line 2(h) + Line 5(h) + Line 8(h) + Line 11(h) + Line 14(h)		

The Narragansett Electric Company d/b/a National Grid
Federal Tax Depreciation
Test Year through Rate Year 3
Estimated Additions

Description	Test Year Ending June 30, 2017 (a)	2 Months Ending August 31, 2017 (b)	12 Months Ending August 31, 2018 (c)	Rate Year 1 Ending August 31, 2019 (d)	Rate Year 2 Ending August 31, 2020 (e)	Rate Year 3 Ending August 31, 2021 (f)
1 Narragansett Electric Tax Depreciation of Embedded Plant	\$30,311,226	\$16,781,928	\$74,165,596	\$72,926,482	\$45,851,846	\$43,468,954
2						
3 Total	<u>\$30,311,226</u>	<u>\$16,781,928</u>	<u>\$74,165,596</u>	<u>\$72,926,482</u>	<u>\$45,851,846</u>	<u>\$43,468,954</u>

Line Notes

- 1(a) Per Tax Dept
- 1(b) Page 15, Line 16(d)
- 1(c) Page 15, Line 16(e)
- 1(d) Page 15, Line 16(f)
- 1(e) Page 15, Line 16(g)
- 1(f) Page 15, Line 16(h)

The Narragansett Electric Company d/b/a National Grid
Federal Tax Depreciation
Summary

	Narragansett Electric Company	Capital Additions (a)	Capital Repairs Current Deduct (b)	Yr 1 Bonus (c)	Total Tax Depreciation and Repairs Deduction				
					2 Months Ending August 31, 2017 (d)	12 Months Ending August 31, 2018 (e)	Rate Year 1 Ending August 31, 2019 (f)	Rate Year 2 Ending August 31, 2020 (g)	Rate Year 2 Ending August 31, 2021 (h)
1	Tax Depreciation on Existing Plant				\$7,626,556	\$44,251,489	\$40,495,216	\$36,853,608	\$34,980,126
2	Capital Repairs/Bonus 2 Months Ending August 31, 2017	\$12,473,833	\$2,916,382	\$4,778,726	\$7,695,108				
3	MACRS 2 Months Ending August 31, 2017				\$179,202	\$344,976	\$319,076	\$295,182	\$273,009
4	Cost of Removal Test 2 Months Ending August 31, 2017				\$1,281,063				
5	Capital Repairs/Bonus 12 Months Ending August 31, 2018	\$74,843,000	\$17,427,037	\$2,392,332		\$19,819,369			
6	MACRS 12 Months Ending August 31, 2018					\$2,063,386	\$3,972,156	\$3,673,928	\$3,398,810
7	Cost of Removal Test 2 Months Ending August 31, 2018					\$7,686,376			
8	Capital Repairs/Bonus 12 Months Ending August 31, 2019	\$77,541,000	\$17,941,595	\$0			\$17,941,595		
9	MACRS 12 Months Ending August 31, 2019						\$2,234,978	\$4,302,481	\$3,979,452
10	Cost of Removal Test 2 Months Ending August 31, 2019						\$7,963,461		
11	Capital Repairs/Bonus 12 Months Ending August 31, 2020	\$2,000,000	\$463,633	\$0				\$463,633	
12	MACRS 12 Months Ending August 31, 2020							\$57,614	\$110,910
13	Cost of Removal Test 2 Months Ending August 31, 2020							\$205,400	
14	Capital Repairs/Bonus 12 Months Ending August 31, 2021	\$2,000,000	\$463,633	\$0					\$463,633
15	MACRS 12 Months Ending August 31, 2021								\$57,614
16	Cost of Removal Test 2 Months Ending August 31, 2021								\$205,400
17	Total	\$168,857,833	\$39,212,281	\$7,171,058	\$16,781,928	\$74,165,596	\$72,926,482	\$45,851,846	\$43,468,954

Line Note

(d) - (f) Per Tax Dept	8(a) Page 18, Line 1(a)
2(a) Page 16, Line 1(a)	8(b) Page 18, Line 5(a)
2(b) Page 16, Line 5(a)	8(c) Page 18, Line 16(a)
2(c) Page 16, Line 16(a)	8(f) Line 7(b) + 7(c)
2(d) Sum of Line 1(b) & Line 1(c)	9(f) Page 18, Line 25(a)
3(d) Page 16, Line 24(a)	9(g) Page 18, Line 25(b)
3(e) Page 16, Line 24(b)	9(h) Page 18, Line 25(c)
3(f) Page 16, Line 24(c)	10(f) Page 18, Line 27(a)
3(g) Page 16, Line 24(d)	11(a) Page 19, Line 1(a)
3(h) Page 16, Line 24(e)	11(b) Page 19, Line 5(a)
4(d) Page 16, Line 26(a)	11(c) Page 19, Line 16(a)
5(a) Page 17, Line 1(a)	11(g) Line 10(b) + 10(c)
5(b) Page 17, Line 5(a)	12(g) Page 19, Line 25(a)
5(c) Page 17, Line 16(a)	12(h) Page 19, Line 25(b)
5(e) Line 4(b) + Line 4(c)	13(g) Page 19, Line 27(a)
6(e) Page 17, Line 24(a)	14(a) Page 20, Line 1(a)
6(f) Page 17, Line 24(b)	14(b) Page 20, Line 5(a)
6(g) Page 17, Line 24(c)	14(c) Page 20, Line 16(a)
6(h) Page 17, Line 24(d)	14(h) Line 13(b) + Line 13(c)
7(e) Page 17, Line 26(a)	16(h) Page 20, Line 27(a)

The Narragansett Electric Company d/b/a National Grid
Calculation of Tax Depreciation and Repairs Deduction
On Capital Investment for the 2 Months Ending August 31, 2017

	Reference	2 Months Ending August 31, 2017 (a)	12 Months Ending August 31, 2018 (b)	Rate Year 1 Ending August 31, 2019 (c)	Rate Year 2 Ending August 31, 2020 (d)	Rate Year 2 Ending August 31, 2021 (e)
1	<u>Capital Repairs Deduction</u>					
2	Plant Additions	Page 6, Line 7	\$12,473,833			
3	Plant Eligible tfor Capital Repairs Deduction		<u>\$12,473,833</u>			
4	Capital Repairs Deduction Rate	Per Tax Department	<u>23.38%</u>			
5	Capital Repairs Deduction	Line 3 * Line 4	\$2,916,382			
6						
7	<u>Bonus Depreciation</u>					
8	Plant Additions	Line 1	\$12,473,833			
9	Less Capital Repairs Deduction	Line 5	<u>\$2,916,382</u>			
10	Plant Additions Net of Capital Repairs Deduction	Line 8 - Line 9	\$9,557,451			
11	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	<u>100.00%</u>			
12	Plant Eligible for Bonus Depreciation	Line 10 * Line 11	\$9,557,451			
13	Bonus Depreciation Rate	Per Tax Department	<u>50.00%</u>			
14						
15	Total Bonus Depreciation Rate	Line 12 * Line 13	\$4,778,726			
16						
17	<u>Remaining Tax Depreciation</u>					
18	Plant Additions	Line 1	\$12,473,833			
19	Less Capital Repairs Deduction	Line 5	<u>(\$2,916,382)</u>			
20	Less Bonus Depreciation	Line 14	<u>(\$4,778,726)</u>			
21	Remaining Plant Additions Subject to 20 YR MACRS Tax Depreciation	Sum of Line 17 through 19	\$4,778,726	\$4,778,726	\$4,778,726	\$4,778,726
22	20 YR MACRS Tax Depreciation Rates		<u>3.750%</u>	<u>7.219%</u>	<u>6.677%</u>	<u>6.177%</u>
23	Remaining Tax Depreciation	Line 20 * Line 21	\$179,202	\$344,976	\$319,076	\$295,182
24						
25	Cost of Removal	Schedule 6-ELEC Page 1, Line 25(b)	\$1,281,063			
26						
27	Total Tax Depreciation and Repairs Deduction	Line 5 + Line 14 + Line 22 + Line 24	<u>\$9,155,372</u>	<u>\$344,976</u>	<u>\$319,076</u>	<u>\$295,182</u>
28						

The Narragansett Electric Company d/b/a National Grid
Calculation of Tax Depreciation and Repairs Deduction
On Capital Investment for the 12 Months Ending August 31, 2018

	Reference	12 Months Ending August 31, 2018 (a)	Rate Year 1 Ending August 31, 2019 (b)	Rate Year 2 Ending August 31, 2020 (c)	Rate Year 2 Ending August 31, 2021 (d)
1	<u>Capital Repairs Deduction</u>				
2	Plant Additions	Page 6, Line 14	\$74,843,000		
3	Plant Eligible tfor Capital Repairs Deduction		\$74,843,000		
4	Capital Repairs Deduction Rate	Per Tax Department	23.28%		
5	Capital Repairs Deduction	Line 3 * Line 4	\$17,427,037		
6					
7	<u>Bonus Depreciation</u>				
8	Plant Additions	Line 1	\$74,843,000		
9	Less Capital Repairs Deduction	Line 5	\$17,427,037		
10	Plant Additions Net of Capital Repairs Deduction	Line 8 - Line 9	\$57,415,963		
11	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	8.33%		
12	Plant Eligible for Bonus Depreciation	Line 10 * Line 11	\$4,784,664		
13	Bonus Depreciation Rate	Per Tax Department	50.00%		
14		8 months 2018 @ 40%	0.00%		
15		Sum of Lines 13 + 14	50.00%		
16	Total Bonus Depreciation Rate	Line 12 * Line 13	\$2,392,332		
17					
18	<u>Remaining Tax Depreciation</u>				
19	Plant Additions	Line 1	\$74,843,000		
20	Less Capital Repairs Deduction	Line 5	(\$17,427,037)		
21	Less Bonus Depreciation		(\$2,392,332)		
22	Remaining Plant Additions Subject to 20 YR MACRS Tax Depreciation	Line 8 - Line 9	\$55,023,631	\$55,023,631	\$55,023,631
23	20 YR MACRS Tax Depreciation Rates		3.750%	7.219%	6.677%
24	Remaining Tax Depreciation	Line 11 * Line 12	\$2,063,386	\$3,972,156	\$3,673,928
25					
26	Cost of Removal	Schedule 6-ELEC Page 1, Line 44(b)	\$7,686,376		
27					
28	Total Tax Depreciation and Repairs Deduction	Line 5 + Line 14 + Line 22 + Line 24	\$29,569,131	\$3,972,156	\$3,673,928
					\$3,398,810

The Narragansett Electric Company d/b/a National Grid
Calculation of Tax Depreciation and Repairs Deduction
On Capital Investment for the 12 Months Ending August 31, 2019

	Reference	Rate Year 1 Ending August 31, 2019 (a)	Rate Year 2 Ending August 31, 2020 (b)	Rate Year 2 Ending August 31, 2021 (c)
1	<u>Capital Repairs Deduction</u>			
2	Plant Additions	Page 6, Line 38	\$77,541,000	
3	Plant Eligible for Capital Repairs Deduction		\$77,541,000	
4	Capital Repairs Deduction Rate	Per Tax Department	23.14%	
5	Capital Repairs Deduction	Line 3 * Line 4	\$17,941,595	
6				
7	<u>Bonus Depreciation</u>			
8	Plant Additions	Line 1	\$77,541,000	
9	Less Capital Repairs Deduction	Line 5	\$17,941,595	
10	Plant Additions Net of Capital Repairs Deduction	Line 8 - Line 9	\$59,599,405	
11	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	0.00%	
12	Plant Eligible for Bonus Depreciation	Line 10 * Line 11	\$0	
13	Bonus Depreciation Rate	4 months 2018 @ 40% (40%*4/12)	13.33%	
14		8 months 2019 @ 30% (30%*8/12)	20.00%	
15		Sum of Lines 13 + 14	33.33%	
16	Total Bonus Depreciation Rate	Line 12 * Line 13	\$0	
17				
18				
19	<u>Remaining Tax Depreciation</u>			
20	Plant Additions	Line 1	\$77,541,000	
21	Less Capital Repairs Deduction	Line 5	(\$17,941,595)	
22	Less Bonus Depreciation	Line 14	\$0	
23	Remaining Plant Additions Subject to 20 YR MACRS Tax Depreciation	Line 8 - Line 9	\$59,599,405	\$59,599,405
24	20 YR MACRS Tax Depreciation Rates		3.750%	6.677%
25	Remaining Tax Depreciation	Line 11 * Line 12	\$2,234,978	\$4,302,481
26				
27	Cost of Removal	Schedule 6-ELEC Page 2, Line 18(b)	\$7,963,461	
28				
29	Total Tax Depreciation and Repairs Deduction	Line 5 + Line 13 + Line 15	\$28,140,034	\$3,979,452

The Narragansett Electric Company d/b/a National Grid
Calculation of Tax Depreciation and Repairs Deduction
On Capital Investment for the 12 Months Ending August 31, 2020

	Reference	Rate Year 2 Ending August 31, 2020 (a)	Rate Year 2 Ending August 31, 2021 (b)
<u>Capital Repairs Deduction</u>			
1 Plant Additions	Page 7, Line 36	\$2,000,000	
2			
3 Plant Eligible for Capital Repairs Deduction		\$2,000,000	
4 Capital Repairs Deduction Rate	Per Tax Department	23.18%	
5 Capital Repairs Deduction	Line 3 * Line 4	\$463,633	
6			
<u>Bonus Depreciation</u>			
7 Plant Additions	Line 1	\$2,000,000	
8 Less Capital Repairs Deduction	Line 5	\$463,633	
9 Plant Additions Net of Capital Repairs Deduction	Line 8 - Line 9	\$1,536,367	
10 Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	0.00%	
11 Plant Eligible for Bonus Depreciation	Line 10 * Line 11	\$0	
12 Bonus Depreciation Rate	4 months 2019 @ 30% (30%*4/12)	10.00%	
13	8 months 2020 @ 00% (00%*8/12)	0.00%	
14	Sum of Lines 13 + 14	10.00%	
15 Total Bonus Depreciation Rate	Line 12 * Line 13	\$0	
16			
17			
18			
<u>Remaining Tax Depreciation</u>			
19 Plant Additions	Line 1	\$2,000,000	
20 Less Capital Repairs Deduction	Line 5	(\$463,633)	
21 Less Bonus Depreciation	Line 14	\$0	
22 Remaining Plant Additions Subject to 20 YR MACRS Tax Depreciation	Line 8 - Line 9	\$1,536,367	\$1,536,367
23 20 YR MACRS Tax Depreciation Rates		3.750%	7.219%
24 Remaining Tax Depreciation	Line 11 * Line 12	\$57,614	\$110,910
25			
26			
27 Cost of Removal	Schedule 6-ELEC Page 2, Line 39(b)	\$205,400	
28			
29 Total Tax Depreciation and Repairs Deduction	Line 5 + Line 13 + Line 15	\$726,647	\$110,910

The Narragansett Electric Company d/b/a National Grid
Calculation of Tax Depreciation and Repairs Deduction
On Capital Investment for the 12 Months Ending August 31, 2021

	Reference	Rate Year 2 Ending August 31, 2021 (a)
<u>Capital Repairs Deduction</u>		
1 Plant Additions	Page 7, Line 44	\$2,000,000
2		
3 Plant Eligible for Capital Repairs Deduction		\$2,000,000
4 Capital Repairs Deduction Rate	Per Tax Department	23.18%
5 Capital Repairs Deduction	Line 3 * Line 4	\$463,633
6		
<u>Bonus Depreciation</u>		
8 Plant Additions	Line 1	\$2,000,000
9 Less Capital Repairs Deduction	Line 5	\$463,633
10 Plant Additions Net of Capital Repairs Deduction	Line 8 - Line 9	\$1,536,367
11 Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	100.00%
12 Plant Eligible for Bonus Depreciation	Line 10 * Line 11	\$1,536,367
13 Bonus Depreciation Rate		0.00%
14		
15		
16 Total Bonus Depreciation Rate	Line 12 * Line 13	\$0
17		
18		
<u>Remaining Tax Depreciation</u>		
20 Plant Additions	Line 1	\$2,000,000
21 Less Capital Repairs Deduction	Line 5	(\$463,633)
22 Less Bonus Depreciation	Line 14	\$0
23 Remaining Plant Additions Subject to 20 YR MACRS Tax Depreciation	Line 8 - Line 9	\$1,536,367
24 20 YR MACRS Tax Depreciation Rates		3.750%
25 Remaining Tax Depreciation	Line 11 * Line 12	\$57,614
26		
27 Cost of Removal	Schedule 6-ELEC Page 2, Line 60(b)	\$205,400
28		
29 Total Tax Depreciation and Repairs Deduction	Line 5 + Line 13 + Line 15	\$726,647

Compliance Attachment 2

Schedule 11-GAS

Rate Base – Gas

The Narragansett Electric Company d/b/a National Grid
Rate Base Summary
Five Quarter Average Ending June 30, 2017 through Rate Year Ending August 31, 2021

Description	Five Quarter Average Ending June 30, 2017 (a)	Adjustments (b)	Rate Year 1 Ending August 31, 2019 (c)	Rate Year Ending August 31, 2020 (d)	Rate Year Ending August 31, 2021 (e)
1 Gas Plant In Service	\$1,092,141,316	\$214,715,738	\$1,306,857,054	\$1,328,015,869	\$1,349,443,902
2 Normalizing Adjustment: Smallworld GIS ¹	\$3,996,550	\$0	\$3,996,550	\$3,996,550	\$3,996,550
3 Gas Plant In Service	\$1,096,137,866	\$214,715,738	\$1,310,853,604	\$1,332,012,419	\$1,353,440,451
4					
5 Construction Work In Progress	\$49,783,414	(\$5,570,043)	\$44,213,371	\$45,444,229	\$46,739,869
6					
7 Less: Accumulated Depreciation	\$389,907,868	\$37,266,066	\$427,173,934	\$428,191,816	\$429,895,395
8 Normalizing Adjustment: Smallworld GIS ¹	\$2,987,945	\$0	\$2,987,945	\$3,414,129	\$3,840,314
9 Test Year Adjusted Accumulated Depreciation	\$392,895,813	\$37,266,066	\$430,161,879	\$431,605,945	\$433,735,709
10					
11 Less: Contribution in Aid of Construction	\$38	(\$984)	(\$946)	(\$2,250)	(\$3,622)
12					
13 Net Plant	\$753,025,429	\$171,880,612	\$924,906,042	\$945,852,952	\$966,448,234
14					
15 Additions:					
16 Materials and Supplies	\$3,941,353	(\$1,261,179)	\$2,680,174	\$2,159,157	\$1,610,719
17 Prepaid Expenses, Excluding Taxes	\$393,734	(\$189,233)	\$204,501	\$276,014	\$351,290
18 Deferred Debits	\$411,653	(\$411,653)	\$0	\$0	\$0
19 Cash Working Capital	\$8,974,216	(\$2,301,262)	\$6,672,954	\$6,672,954	\$6,672,954
20 Unamortized Interest Lock expense \$550M	\$1,068,051	(\$350,778)	\$717,273	\$555,375	\$393,477
21 Unamortized Issuance Costs \$300M	\$406,500	(\$37,950)	\$368,550	\$351,035	\$333,519
22 Unamortized Issuance Costs \$250M	\$81,303	(\$54,906)	\$26,397	\$4,434	\$0
23 Unamortized Issuance Costs \$200M	\$274,996	(\$23,064)	\$251,932	\$241,287	\$230,642
24 Unamortized Issuance Costs \$350M	\$0	\$454,825	\$454,825	\$406,525	\$358,225
25 Unamortized Issuance Costs Mortgage Bonds	\$103,899	(\$49,670)	\$54,229	\$31,304	\$8,379
26 Total Additions	\$15,655,704	(\$4,224,871)	\$11,430,834	\$10,698,085	\$9,959,206
27					
28 Deductions:					
29 Accumulated Deferred FIT	\$111,588,901	\$44,052,946	\$155,641,847	\$165,481,552	\$172,638,610
30 Merger Hold Harmless Adjustment	\$22,255,350	(\$3,592,594)	\$18,662,756	\$16,576,053	\$14,145,381
31 Customer Deposits	\$2,342,658	(\$875,181)	\$1,467,477	\$1,208,830	\$936,570
32 Total Deductions	\$136,186,909	\$39,585,171	\$175,772,080	\$183,266,434	\$187,720,560
33					
34 Rate Base	\$632,494,225	\$128,070,571	\$760,564,795	\$773,284,603	\$788,686,880
35					
36 Total Rate Base			\$760,564,795	\$773,284,603	\$788,686,880

¹Gas Information System

Column Notes

- (a) Page 2 of 23 Column (f)
(b) (c) minus (a)

Line Notes

- 1(c) Page 3 of 23 Line 30 Column (b)
1(d) 1(c) plus Page 5 of 23, Lines 3(f), 8(f) and 11(i) times 50%
1(e) 1(d) plus Page 5 of 23, Line 11(l) times 50%
5(c) Page 8 of 23 Line 47 Column (a)
5(d) Page 8 of 23 Line 48 Column (a)
5(e) Page 8 of 23 Line 49 Column (a)
8(d) 8(c) plus Schedule 5-GAS Page 1 of 1 Column Notes (e)
8(e) 8(d) plus Schedule 5-GAS Page 1 of 1 Column Notes (e)
11(c) Page 8 of 23 Line 47 Column (b)
11(d) Page 8 of 23 Line 48 Column (b)
11(e) Page 8 of 23 Line 49 Column (b)
16(c) Page 8 of 23 Line 47 Column (c)
16(d) Page 8 of 23 Line 48 Column (c)
16(e) Page 8 of 23 Line 49 Column (c)
17(c) Page 8 of 23 Line 47 Column (d)
17(d) Page 8 of 23 Line 48 Column (d)
17(e) Page 8 of 23 Line 49 Column (d)
18(c) Page 8 of 23 Line 47 Column (e)
18(d) Page 8 of 23 Line 48 Column (e)
18(e) Page 8 of 23 Line 49 Column (e)
19(c) Cash Working Capital Page 1 of 29 Line 15 Column CWC Dollars
20(c) Page 8 of 23 Line 47 Column (g)
20(d) Page 8 of 23 Line 48 Column (g)
20(e) Page 8 of 23 Line 49 Column (g)
21(c) Page 8 of 23 Line 47 Column (h)
21(d) Page 8 of 23 Line 48 Column (h)
21(e) Page 8 of 23 Line 49 Column (h)
22(c) Page 8 of 23 Line 47 Column (i)
22(d) Page 8 of 23 Line 48 Column (i)
22(e) Page 8 of 23 Line 49 Column (i)
23(c) Page 8 of 23 Line 47 Column (j)
23(d) Page 8 of 23 Line 48 Column (j)
23(e) Page 8 of 23 Line 49 Column (j)
24(c) Page 8 of 23 Line 47 Column (k)
24(d) Page 8 of 23 Line 48 Column (k)
24(e) Page 8 of 23 Line 49 Column (k)
25(c) Page 8 of 23 Line 47 Column (l)
25(d) Page 8 of 23 Line 48 Column (l)
25(e) Page 8 of 23 Line 49 Column (l)
29(c) Page 11 of 23 Line 24 Column (c)
29(d) Page 12 of 23 Line 16 Column (c)
29(e) Page 12 of 23 Line 31 Column (c)
30(c) Page 9 of 23 Line 24 Column (c)
30(d) Page 10 of 23 Line 15 Column (c)
30(e) Page 10 of 23 Line 31 Column (c)
31(c) Page 8 of 23 Line 47 Column (f)
31(d) Page 8 of 23 Line 48 Column (f)
31(e) Page 8 of 23 Line 49 Column (f)

The Narragansett Electric Company d/b/a National Grid
Adjustments To Rate Base
Five-Quarter Average Ending June 31, 2017

Description	June 2016 (a)	September 2016 (b)	Quarter Ending December 2016 (c)	March 2017 (d)	June 2017 (e)	Five Quarter Average (f)
1 Gas Plant In Service	\$1,064,548,669	\$1,082,547,975	\$1,092,122,373	\$1,103,935,113	\$1,117,552,449	1/ \$1,092,141,316
2 Normalizing Adjustment: Smallworld GIS	\$0	\$0	\$0	\$9,991,374	\$9,991,374	\$3,996,550
3 Test Year Adjusted Gas Plant in Service	\$1,064,548,669	\$1,082,547,975	\$1,092,122,373	\$1,113,926,487	\$1,127,543,823	\$1,096,137,866
4						
5 Construction Work In Progress	\$45,838,370	\$51,024,819	\$59,381,840	\$49,279,243	\$43,392,799	\$49,783,414
6						
7 Less: Accumulated Depreciation	\$394,425,115	\$394,671,874	\$394,265,448	\$388,553,414	\$377,623,487	\$389,907,868
8 Normalizing Adjustment: Smallworld GIS	\$0	\$0	\$0	\$7,523,135	\$7,416,589	\$2,987,945
9 Test Year Adjusted Accumulated Depreciation	\$394,425,115	\$394,671,874	\$394,265,448	\$396,076,549	\$385,040,076	\$392,895,813
10						
11 Less: Contribution in Aid of Construction	\$38	\$38	\$38	\$38	\$38	\$38
12						
13 Net Plant	\$715,961,886	\$738,900,882	\$757,238,727	\$767,129,143	\$785,896,508	\$753,025,429
14						
15 Additions:						
16 Materials and Supplies	\$4,721,557	\$4,722,950	\$3,891,605	\$3,297,430	\$3,073,221	\$3,941,353
17 Prepaid Expenses, Excluding Taxes	\$172,681	\$97,000	\$853,452	\$694,983	\$150,553	\$393,734
18 Deferred Debits	\$764,498	\$588,076	\$411,653	\$235,230	\$58,807	\$411,653
19 Cash Working Capital	\$8,974,216	\$8,974,216	\$8,974,216	\$8,974,216	\$8,974,216	\$8,974,216
20 Unamortized Interest Lock expense \$550M	\$1,149,000	\$1,108,526	\$1,068,051	\$1,027,577	\$987,102	\$1,068,051
21 Unamortized Issuance Costs \$300M	\$415,258	\$410,879	\$406,500	\$402,121	\$397,742	\$406,500
22 Unamortized Issuance Costs \$250M	\$93,973	\$87,638	\$81,303	\$74,967	\$68,632	\$81,303
23 Unamortized Issuance Costs \$200M	\$280,318	\$277,657	\$274,996	\$272,335	\$269,674	\$274,996
24 Unamortized Issuance Costs \$350M	\$0	\$0	\$0	\$0	\$0	\$0
25 Unamortized Issuance Costs Mortgage Bonds	\$115,362	\$109,631	\$103,899	\$98,168	\$92,437	\$103,899
26 Total Additions	\$16,686,863	\$16,376,572	\$16,065,675	\$15,077,027	\$14,072,384	\$15,655,704
27						
28 Deductions:						
29 Accumulated Deferred FIT	\$93,485,567	\$91,026,451	\$128,345,105	\$122,162,393	\$122,924,988	\$111,588,901
30 Hold Harmless	\$22,928,782	\$22,610,421	\$22,292,061	\$21,912,516	\$21,532,971	\$22,255,350
32 Customer Deposits	\$1,912,168	\$3,005,416	\$2,524,080	\$2,359,458	\$1,912,168	\$2,342,658
33 Total Deductions	\$118,326,517	\$116,642,288	\$153,161,246	\$146,434,367	\$146,370,127	\$136,186,909
34						
35 Rate Base	\$614,322,232	\$638,635,166	\$620,143,156	\$635,771,804	\$653,596,765	\$632,494,225
36						
37 Total Rate Base						\$632,494,225
38						
39						
40						
41						
				1/ Utility Plant	\$1,123,631,722	
				Asset Retirement Obligation (ARO)	(\$6,079,273)	
				Net Utility Plant	\$1,117,552,449	

Column Notes

(a) through (e) PER ESM Q1 filing RIPUC docket number 4708 schedule except as indicated in line notes
(f) ((a)+(b)+(c)+(d)+(e)) / 5

Line Notes

5(e) NECO FERC FORM 3Q JUNE 2017_FINAL page 201 Line 11 Column (d)	22(e) Workpaper 3 Page 14 of 27 Line 27 Column (i)
7(e) Schedule 6-GAS Page 5 of 5 Line 70 Column (d) less line 8 Column (e)	23(a) Workpaper 3 Page 19 of 27 Line 26 Column (f)
8(d) Schedule 5-GAS Page 1 of 1 Column Notes Acc. Amortization	23(b) Workpaper 3 Page 19 of 27 Line 29 Column (f)
8(e) 8(d) less Schedule 5-GAS Page 1 of 1 Column Notes (b) 3 month Amortization for test year	23(c) Workpaper 3 Page 19 of 27 Line 32 Column (f)
20(a) Workpaper 3 Page 5 of 27 Line 5 Column (a)	23(d) Workpaper 3 Page 19 of 27 Line 35 Column (f)
20(b) Workpaper 3 Page 5 of 27 Line 15 Column (c)	23(e) Workpaper 3 Page 19 of 27 Line 26 Column (g)
20(c) Workpaper 3 Page 5 of 27 Line 15 Column (f)	25(a) Workpaper 3 Page 27 of 27 Line 31 Column (j)
20(d) Workpaper 3 Page 5 of 27 Line 15 Column (i)	25(b) Workpaper 3 Page 27 of 27 Line 34 Column (j)
20(e) Workpaper 3 Page 5 of 27 Line 5 Column (l)	25(c) Workpaper 3 Page 27 of 27 Line 37 Column (j)
21(a) Workpaper 3 Page 9 of 27 Line 27 Column (b)	25(d) Workpaper 3 Page 27 of 27 Line 40 Column (j)
21(b) Workpaper 3 Page 9 of 27 Line 30 Column (b)	25(e) Workpaper 3 Page 27 of 27 Line 31 Column (k)
21(c) Workpaper 3 Page 9 of 27 Line 33 Column (b)	29(a) through (e) Per Tax Department
21(d) Workpaper 3 Page 9 of 27 Line 36 Column (b)	30(a) Page 21 of 23 Line 1 Column (e)
21(e) Workpaper 3 Page 9 of 27 Line 27 Column (c)	30(b) Page 21 of 23 Line 2 Column (e)
22(a) Workpaper 3 Page 14 of 27 Line 27 Column (h)	30(c) Page 21 of 23 Line 3 Column (e)
22(b) Workpaper 3 Page 14 of 27 Line 30 Column (h)	30(d) Page 21 of 23 Line 4 Column (e)
22(c) Workpaper 3 Page 14 of 27 Line 33 Column (h)	30(e) Page 21 of 23 Line 5 Column (e)
22(d) Workpaper 3 Page 14 of 27 Line 36 Column (h)	39 NECO FERC FORM 3Q JUNE 2017_FINAL page 201 Line 8 Column (d)
	40 Schedule 6-GAS, Page 4 of 5 Line 17 Column (b) ARO total in FY 2018 ESM Q1 differs from Ratebase-Depreciation-Gas

The Narragansett Electric Company d/b/a National Grid
Plant Adjustments to Rate Base
Test Year Ending June 31, 2017 through Rate Year 1 Ending August 31, 2019
Gas Plant in Service Forecast

	Description	Period	Gas Plant in Service
		(a)	(b)
1	Balance at June 30, 2017		\$1,127,543,823
2			
3	Subsequent 2 months		
4	Plus: Added Plant 2 Months Ended 08/31/2017		\$19,592,266
5	Less: Retired Plant 2 Months Ended 08/31/2017		(\$1,345,989)
6	Depreciable Utility Plant 08/31/17		\$18,246,278
7			
8	Balance at August 31, 2017		\$1,145,790,101
9			
10	Activity prior to Rate Year 1		
11	Plus: Plant Additions 12 Months Ended 08/31/2018		\$115,710,016
12	Less: Plant Retirements 12 Months Ended 08/31/2018	1/	(\$7,949,278)
13	Net Increase / (Decrease)		\$107,760,738
14			
15	Balance at August 31, 2018		\$1,253,550,839
16			
17	Balance as of:	09/30/18 2/	\$1,262,435,208
18		10/31/18 2/	\$1,271,319,577
19		11/30/18 2/	\$1,280,203,947
20		12/31/18 2/	\$1,289,088,316
21		01/31/19 2/	\$1,297,972,685
22		02/28/19 2/	\$1,306,857,054
23		03/31/19 2/	\$1,315,741,423
24		04/30/19 2/	\$1,324,625,792
25		05/31/19 2/	\$1,333,510,162
26		06/30/19 2/	\$1,342,394,531
27		07/31/19 2/	\$1,351,278,900
28	Balance at August 31, 2019	2/	\$1,360,163,269
29			
30	Rate Year Plant in Service - 5 Quarter Average		\$1,306,857,054
31			
32	1/ 3 year average retirement over plant addition in service FY 15 ~ FY17		
33			
34	2/ Rate Year 1 ending 08/31/19 Adjustment Detail:		
35	Plant Additions 12 Months Ended 08/31/2019		\$114,477,000
36	Plant Retirements 12 Months Ended 08/31/2019		(\$7,864,570)
37	Net Increase / (Decrease)		\$106,612,430
38			
39	Monthly Increase / (Decrease)		\$8,884,369

Line Notes

- 1(b) Page 2 of 23 Line 1 Column (e)
4(b) Schedule 6-GAS Page 1 of 5 Line 13 Column (a)
5(b) Schedule 6-GAS Page 1 of 5 Line 14 Column (a)
11(b) Schedule 6-GAS Page 1 of 5 Line 32 Column (a)
12(b) Schedule 6-GAS Page 1 of 5 Line 33 Column (a)
35(b) Schedule 6-GAS Page 2 of 5 Line 6 Column (a)
36(b) Schedule 6-GAS Page 2 of 5 Line 7 Column (a)

The Narragansett Electric Company d/b/a National Grid
Plant Adjustments to Rate Base
Rate Year 1 Ending August 31, 2019 through Rate Year Ending August 31, 2021
Gas Plant in Service Forecast

Description	Period		Gas Plant in Service
	(a)		(b)
1 Balance at August 31, 2019			\$1,360,163,269
2			
3 Balance as of:	09/30/19	1/	\$1,361,794,412
4	10/31/19	1/	\$1,363,425,556
5	11/30/19	1/	\$1,365,056,699
6	12/31/19	1/	\$1,366,687,842
7	01/31/20	1/	\$1,368,318,985
8	02/28/20	1/	\$1,369,950,128
9	03/31/20	1/	\$1,371,581,272
10	04/30/20	1/	\$1,373,212,415
11	05/31/20	1/	\$1,374,843,558
12	06/30/20	1/	\$1,376,474,701
13	07/31/20	1/	\$1,378,105,844
14 Balance at August 31, 2020		1/	\$1,379,736,988
15			
16 Rate Year 2 Plant in Service - 5 Quarter Average			<u>\$1,369,950,128</u>
17			
18 Balance at August 31, 2020			\$1,379,736,988
19			
20 Balance as of:	09/30/20	2/	\$1,381,431,832
21	10/31/20	2/	\$1,383,126,677
22	11/30/20	2/	\$1,384,821,521
23	12/31/20	2/	\$1,386,516,366
24	01/31/21	2/	\$1,388,211,211
25	02/28/21	2/	\$1,389,906,055
26	03/31/21	2/	\$1,391,600,900
27	04/30/21	2/	\$1,393,295,745
28	05/31/21	2/	\$1,394,990,589
29	06/30/21	2/	\$1,396,685,434
30	07/31/21	2/	\$1,398,380,278
31 Balance at August 31, 2021		2/	\$1,400,075,123
32			
33 Rate Year 3 Plant in Service - 5 Quarter Average			<u>\$1,389,906,055</u>
34			
35 1/ Rate Year ending 08/31/20 Adjustment Detail:			
36 Plant Additions 12 Months Ended 08/31/2020			\$21,017,630
37 Plant Retirements 12 Months Ended 08/31/2020			<u>(\$1,443,911)</u>
38 Net Increase / (Decrease)			<u>\$19,573,719</u>
39			
40			
41 Monthly Increase / (Decrease)			<u>\$1,631,143</u>
42			
43 2/ Rate Year ending 08/31/21 Adjustment Detail:			
44 Plant Additions 12 Months Ended 08/31/2021			\$21,838,436
45 Plant Retirements 12 Months Ended 08/31/2021			<u>(\$1,500,301)</u>
46 Net Increase / (Decrease)			<u>\$20,338,135</u>
47			
48			
49 Monthly Increase / (Decrease)			<u>\$1,694,845</u>

Line Notes

- 36(b) Schedule 6-GAS Page 2 of 5 Line 27 Column (a)
37(b) Schedule 6-GAS Page 2 of 5 Line 28 Column (a)
44(b) Schedule 6-GAS Page 2 of 5 Line 48 Column (a)
45(b) Schedule 6-GAS Page 2 of 5 Line 49 Column (a)

The Narragansett Electric Company d/b/a National Grid
Adjustments to Rate Base
Analysis of Test Year through Rate Year Capital Investment

	FY18 04/01/17 - 06/30/17 (a)	FY18 07/01/17 - 03/31/18 (b)	FY19 04/01/18 - 08/31/18 (c)	FY19 09/01/18 - 03/31/19 (d)	FY20 04/01/19 - 08/31/19 (e)	Rate Year 1 09/01/18 - 08/31/19 (f)=(d)+(e)	FY20 09/01/19 - 03/31/20 (g)	FY21 04/01/20 - 08/31/20 (h)	Rate Year 2 09/01/19 - 08/31/20 (i)=(g)+(h)	FY21 09/01/20 - 03/31/21 (j)	FY22 04/01/21 - 08/31/21 (k)	Rate Year 3 09/01/20 - 08/31/21 (l)=(j)+(k)
Distribution												
1 FY 2018 Approved ISR Plan	\$21,037,000	\$72,140,000	\$38,823,750	\$54,353,250	\$38,823,750	\$93,177,000			\$0			\$0
2 Gas Expansion	\$0	\$500,000	\$0	\$0	\$0	\$0			\$0			\$0
3 Growth (adj DIV 16-24)	\$2,655,000	\$15,376,199	\$8,313,333	\$11,638,667	\$8,313,333	\$19,952,000			\$20,267,630	\$11,121,216	\$9,967,220	\$21,088,436
4 Total Distribution	\$23,692,000	\$88,016,199	\$47,137,083	\$65,991,917	\$47,137,083	\$113,129,000	\$11,210,650	\$9,056,880	\$20,267,630	\$11,121,216	\$9,967,220	\$21,088,436
5												
General Plant												
6 Facilities	\$0	\$0	\$0	\$624,167	\$445,833	\$1,070,000	\$437,500	\$312,500	\$750,000	\$437,500	\$312,500	\$750,000
7												
8 IS	\$0	\$149,000	\$0	\$278,000	\$0	\$278,000	\$0	\$0	\$0	\$0	\$0	\$0
9 Total General	\$0	\$149,000	\$0	\$902,167	\$445,833	\$1,348,000	\$437,500	\$312,500	\$750,000	\$437,500	\$312,500	\$750,000
10												
11 Distribution and General	\$23,692,000	\$88,165,199	\$47,137,083	\$66,894,083	\$47,582,917	\$114,477,000	\$11,648,150	\$9,369,480	\$21,017,630	\$11,558,716	\$10,279,720	\$21,838,436

Line Notes
2(b) FY18 gas expansion/Southern RI capacity/engineering not included in ISR

- 3 Per Company Books
7 Per Company Books
8(b) RI Gas Only Physical Security Replacements - FY18
8(c) RI Gas Only Physical Security Replacements - FY19

The Narragansett Electric Company d/b/a National Grid
Accumulated Depreciation Adjustments To Rate Base
Test Year Ending June 31, 2017 through Rate Year 1 Ending August 31, 2019

	Description	Period (a)	Accumulated Depreciation (b)
1	Balance at June 30, 2017		\$385,040,076
2			
3	Depreciation Expense 07/01/2017 - 08/31/2017		\$6,233,864
4	Less: Net Cost of Removal / (Salvage)		(\$1,014,879)
5	Less: Retirements		(\$1,345,989)
6	Net Increase / (Decrease)		\$3,872,996
7			
8	Balance at August 31, 2017		\$388,913,072
9			
10	Depreciation Expense 09/01/17 - 08/31/18		\$39,532,703
11	Less: Net Cost of Removal / (Salvage)		(\$5,993,779)
12	Less: Retirements		(\$7,949,278)
13	Net Increase / (Decrease)		\$25,589,646
14			
15	Balance at August 31, 2018		\$414,502,719
16			
17	Balance as of:	09/30/18 1/	\$416,614,588
18		10/31/18 1/	\$418,726,457
19		11/30/18 1/	\$420,838,326
20		12/31/18 1/	\$422,950,196
21		01/31/19 1/	\$425,062,065
22		02/28/19 1/	\$427,173,934
23		03/31/19 1/	\$429,285,803
24		04/30/19 1/	\$431,397,672
25		05/31/19 1/	\$433,509,542
26		06/30/19 1/	\$435,621,411
27		07/31/19 1/	\$437,733,280
28	Balance at August 31, 2019	1/	\$439,845,149
29			
30	Rate Year Accumulated Depreciation - 5 Quarter Average		<u>\$427,173,934</u>
31			
32			
33	1/ Rate Year Ended 08/31/19 Depreciation Reserve Detail:		
34	Depreciation Expense 09/01/18 - 08/31/19		\$38,950,409
35	Plus: Unrecovered Reserve Adjustment		\$186,500
36	Net Cost of Removal / (Salvage)		(\$5,929,909)
37	Less: Retirements		(\$7,864,570)
38	Net Increase / (Decrease)		<u>\$25,342,431</u>
39			
40	Monthly Increase / (Decrease)		<u>\$2,111,869</u>

Line Notes

- 1(b) Page 2 of 23 Line 9 Column (e)
3(b) Schedule 6-GAS Page 1 of 5 Line 22 Column (a)
4(b) Schedule 6-GAS Page 1 of 5 Line 23 Column (a)
5(b) Schedule 6-GAS Page 1 of 5 Line 24 Column (a)
10(b) Schedule 6-GAS Page 1 of 5 Line 41 Column (a)
11(b) Schedule 6-GAS Page 1 of 5 Line 42 Column (a)
12(b) Schedule 6-GAS Page 1 of 5 Line 43 Column (a)
34(b) Schedule 6-GAS Page 2 of 5 Line 16 Column (a)
35(b) Schedule 6-GAS Page 2 of 5 Line 17 Column (a)
36(b) Schedule 6-GAS Page 2 of 5 Line 18 Column (a)
37(b) Schedule 6-GAS Page 2 of 5 Line 19 Column (a)

The Narragansett Electric Company d/b/a National Grid
Accumulated Depreciation Adjustments To Rate Base
Rate Year 1 Ending August 31, 2019 through Rate Year Ending August 31, 2021

	Description	Period (a)	Accumulated Depreciation (b)
1	Balance at August 31, 2019		\$439,845,149
2			
3	Balance as of:	09/30/19 1/	\$443,055,902
4		10/31/19 1/	\$446,266,654
5		11/30/19 1/	\$449,477,407
6		12/31/19 1/	\$452,688,159
7		01/31/20 1/	\$455,898,912
8		02/28/20 1/	\$459,109,664
9		03/31/20 1/	\$462,320,417
10		04/30/20 1/	\$465,531,169
11		05/31/20 1/	\$468,741,922
12		06/30/20 1/	\$471,952,674
13		07/31/20 1/	\$475,163,427
14	Balance at August 31, 2020	1/	\$478,374,179
15			
16	Data Year 1 Accumulated Depreciation - 5 Quarter Average		<u>\$459,109,664</u>
17			
18	Balance at August 31, 2020		\$478,374,179
19			
20	Balance as of:	09/30/20 2/	\$481,093,983
21		10/31/20 2/	\$483,813,787
22		11/30/20 2/	\$486,533,591
23		12/31/20 2/	\$489,253,395
24		01/31/21 2/	\$491,973,199
25		02/28/21 2/	\$494,693,002
26		03/31/21 2/	\$497,412,806
27		04/30/21 2/	\$500,132,610
28		05/31/21 2/	\$502,852,414
29		06/30/21 2/	\$505,572,218
30		07/31/21 2/	\$508,292,022
31	Balance at August 31, 2021	2/	\$511,011,826
32			
33	Rate Year 3 Accumulated Depreciation - 5 Quarter Average		<u>\$494,693,002</u>
34			
35	1/ Rate Year Ended 08/31/20 Depreciation Reserve Detail:		
36	Depreciation Expense 09/01/19 - 08/31/20		\$40,875,154
37	Plus: Unrecovered Reserve Adjustment		\$186,500
38	Net Cost of Removal / (Salvage)		(\$1,088,713)
39	Less: Retirements		(\$1,443,911)
40	Net Increase / (Decrease)		<u>\$38,529,030</u>
41			
42	Monthly Increase / (Decrease)		<u>\$3,210,752</u>
43			
44	2/ Rate Year Ended 08/31/21 Depreciation Reserve Detail:		
45	Depreciation Expense 09/01/20 - 08/31/21		\$41,483,938
46	Plus: Unrecovered Reserve Adjustment		\$186,500
47	Net Cost of Removal / (Salvage)		(\$1,131,231)
48	Less: Retirements		(\$7,901,560)
49	Net Increase / (Decrease)		<u>\$32,637,647</u>
50			
51	Monthly Increase / (Decrease)		<u>\$2,719,804</u>

Line Notes

36(b) Schedule 6-GAS Page 2 of 5 Line 37 Column (a)
37(b) Schedule 6-GAS Page 2 of 5 Line 38 Column (a)
38(b) Schedule 6-GAS Page 2 of 5 Line 39 Column (a)
39(b) Schedule 6-GAS Page 2 of 5 Line 40 Column (a)
45(b) Schedule 6-GAS Page 2 of 5 Line 58 Column (a)
46(b) Schedule 6-GAS Page 2 of 5 Line 59 Column (a)
47(b) Schedule 6-GAS Page 2 of 5 Line 60 Column (a)
48(b) Schedule 6-GAS Page 2 of 5 Line 61 Column (a)

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The Narragansett Electric Company d/b/a National Grid
Merger Hold Harmless Rate Base Credit Adjustments To Rate Base
Test Year Ending June 31, 2017 through Rate Year 1 Ending August 31, 2019

	Description	Period (a)	Monthly Expense (b)	Merger Hold Harmless Rate Base Credit (c)
1	Balance at June 30, 2017			\$21,532,971
2				
3	Subsequent 2 months			<u>(\$253,030)</u>
4				
5	Balance at August 31, 2017			\$21,279,942
6				
7				
8	Increase/(Decrease) 12 Months Ended	08/31/18		(\$1,674,988)
9				
10	Balance at August 31, 2018			\$19,604,953
11		09/30/18	(\$146,116)	\$19,458,837
12		10/31/18	(\$146,116)	\$19,312,721
13		11/30/18	(\$146,116)	\$19,166,605
14		12/31/18	(\$146,116)	\$19,020,489
15		01/31/19	(\$167,950)	\$18,852,539
16		02/28/19	(\$167,950)	\$18,684,590
17		03/31/19	(\$167,950)	\$18,516,640
18		04/30/19	(\$167,950)	\$18,348,691
19		05/31/19	(\$167,950)	\$18,180,741
20		06/30/19	(\$167,950)	\$18,012,792
21		07/31/19	(\$167,950)	\$17,844,842
22	Balance at August 31, 2019	08/31/19	(\$167,950)	\$17,676,893
23				
24	Rate Year 1 Merger Hold Harmless - 5 Quarter Average			<u><u>\$18,662,756</u></u>

Line Notes

- 1(c) Page 21 of 23 Line 5 Column (e)
- 3(c) Page 21 of 23 Line 6 Column (f) divide by 3 times 2
- 5(c) Line 1 + Line 8
- 11(b) Page 21 of 23 Line 10 Column (f) divide by 3 times 1
- 12(b) Page 21 of 23 Line 11 Column (f) divide by 3 times 1
- 13(b) Page 21 of 23 Line 11 Column (f) divide by 3 times 1
- 14(b) Page 21 of 23 Line 11 Column (f) divide by 3 times 1
- 15(b) Page 21 of 23 Line 12 Column (f) divide by 3 times 1
- 16(b) Page 21 of 23 Line 12 Column (f) divide by 3 times 1
- 17(b) Page 21 of 23 Line 12 Column (f) divide by 3 times 1
- 18(b) Page 21 of 23 Line 13 Column (f) divide by 3 times 1
- 19(b) Page 21 of 23 Line 13 Column (f) divide by 3 times 1
- 20(b) Page 21 of 23 Line 13 Column (f) divide by 3 times 1
- 21(b) Page 21 of 23 Line 14 Column (f) divide by 3 times 1
- 22(b) Page 21 of 23 Line 14 Column (f) divide by 3 times 1

The Narragansett Electric Company d/b/a National Grid
Merger Hold Harmless Rate Base Credit Adjustments To Rate Base
Rate Year 1 Ending August 31, 2019 through Rate Year Ending August 31, 2021

Description	Period	Monthly Expense	Merger Hold Harmless Rate Base Credit
	(a)	(b)	(c)
1 Balance at August 31, 2019			\$17,676,893
2	09/30/19	(\$167,950)	\$17,508,943
3	10/31/19	(\$167,950)	\$17,340,994
4	11/30/19	(\$167,950)	\$17,173,044
5	12/31/19	(\$167,950)	\$17,005,095
6	01/31/20	(\$198,997)	\$16,806,098
7	02/29/20	(\$198,997)	\$16,607,100
8	03/31/20	(\$198,997)	\$16,408,103
9	04/30/20	(\$198,997)	\$16,209,106
10	05/31/20	(\$198,997)	\$16,010,109
11	06/30/20	(\$198,997)	\$15,811,112
12	07/31/20	(\$198,997)	\$15,612,115
13 Balance at August 31, 2020	08/31/20	(\$198,997)	\$15,413,118
14			
15 Rate Year 2 Merger Hold Harmless - 5 Quarter Average			<u>\$16,576,053</u>
16			
17 Balance at August 31, 2020			\$15,413,118
18	09/30/20	(\$198,997)	\$15,214,120
19	10/31/20	(\$198,997)	\$15,015,123
20	11/30/20	(\$198,997)	\$14,816,126
21	12/31/20	(\$198,997)	\$14,617,129
22	01/31/21	(\$223,582)	\$14,393,547
23	02/28/21	(\$223,582)	\$14,169,965
24	03/31/21	(\$223,582)	\$13,946,383
25	04/30/21	(\$223,582)	\$13,722,802
26	05/31/21	(\$223,582)	\$13,499,220
27	06/30/21	(\$223,582)	\$13,275,638
28	07/31/21	(\$223,582)	\$13,052,056
29 Balance at August 31, 2021	08/31/21	(\$223,582)	\$12,828,474
30			
31 Rate Year 3 Merger Hold Harmless - 5 Quarter Average			<u>\$14,145,381</u>

Line Notes

- 1(c) Page 9 of 23 Line 22 Column (c)
- 2(b) Page 21 of 23 Line 14 Column (f) divide by 3 times 1
- 3(b) Page 21 of 23 Line 15 Column (f) divide by 3 times 1
- 4(b) Page 21 of 23 Line 15 Column (f) divide by 3 times 1
- 5(b) Page 21 of 23 Line 15 Column (f) divide by 3 times 1
- 6(b) Page 21 of 23 Line 16 Column (f) divide by 3 times 1
- 7(b) Page 21 of 23 Line 16 Column (f) divide by 3 times 1
- 8(b) Page 21 of 23 Line 16 Column (f) divide by 3 times 1
- 9(b) Page 21 of 23 Line 17 Column (f) divide by 3 times 1
- 10(b) Page 21 of 23 Line 17 Column (f) divide by 3 times 1
- 11(b) Page 21 of 23 Line 17 Column (f) divide by 3 times 1
- 12(b) Page 21 of 23 Line 18 Column (f) divide by 3 times 1
- 13(b) Page 21 of 23 Line 18 Column (f) divide by 3 times 1
- 18(b) Page 21 of 23 Line 18 Column (f) divide by 3 times 1
- 19(b) Page 21 of 23 Line 19 Column (f) divide by 3 times 1
- 20(b) Page 21 of 23 Line 19 Column (f) divide by 3 times 1
- 21(b) Page 21 of 23 Line 19 Column (f) divide by 3 times 1
- 22(b) Page 21 of 23 Line 20 Column (f) divide by 3 times 1
- 23(b) Page 21 of 23 Line 20 Column (f) divide by 3 times 1
- 24(b) Page 21 of 23 Line 20 Column (f) divide by 3 times 1
- 25(b) Page 21 of 23 Line 21 Column (f) divide by 3 times 1
- 26(b) Page 21 of 23 Line 21 Column (f) divide by 3 times 1
- 27(b) Page 21 of 23 Line 21 Column (f) divide by 3 times 1
- 28(b) Page 21 of 23 Line 22 Column (f) divide by 3 times 1
- 29(b) Page 21 of 23 Line 22 Column (f) divide by 3 times 1

The Narragansett Electric Company d/b/a National Grid
Accumulated Deferred Tax Forecast Rate Base Adjustments
Test Year Ending June 31, 2017 through Rate Year 1 Ending August 31, 2019

Description	Period or Amount (a)	(b)	Accumulated Deferred Income Tax
			(c)
1 Balance at June 30, 2017			\$122,924,988
2			
3 Increase/(Decrease) 2 Month Ended		1/	\$5,298,607
4 Adjustment for decrease in federal tax rate			(\$75,170)
5 Balance at August 31, 2017			\$128,148,424
6			
7 Increase/(Decrease) 12 Month Ended		2/	\$20,453,237
8			
9 Balance at August 31, 2018			\$148,601,661
10			
11 Balance as of:	09/30/18	3/	\$149,775,025
12	10/31/18	3/	\$150,948,390
13	11/30/18	3/	\$152,121,754
14	12/31/18	3/	\$153,295,118
15	01/31/19	3/	\$154,468,483
16	02/28/19	3/	\$155,641,847
17	03/31/19	3/	\$156,815,211
18	04/30/19	3/	\$157,988,576
19	05/31/19	3/	\$159,161,940
20	06/30/19	3/	\$160,335,305
21	07/31/19	3/	\$161,508,669
22 Balance at August 31, 2019		3/	\$162,682,033
23			
24 Rate Year 1 Accumulated Deferred Income Tax - Five Quarter Average			\$155,641,847
25			
26	Book	Tax	Difference
27	(a)	(b)	(c)
28 1/ 2 Months Ending 08/30/17			
29 Depreciation	\$6,233,864	\$23,028,180	\$16,794,315
30 Income Tax Rate			31.55%
31 2 Month Change to Accumulated Deferred Taxes			\$5,298,607
32 Net Operating Loss Utilization			\$0
33 Proration Adjustment			\$0
34 Net Annual Change			\$5,298,607
35			
36 2/ 12 Months Ended 08/31/18:			
37 Depreciation	\$39,532,703	\$114,855,349	\$75,322,646
38 Income Tax Rate			27.15%
39 Annual Change to Accumulated Deferred Taxes			\$20,453,237
40 Net Operating Loss Utilization			\$0
41 Proration Adjustment			\$0
42 Net Annual Change			\$20,453,237
43			
44 3/ 12 Months Ended 08/31/19:			
45 Depreciation	\$38,950,409	\$114,925,096	\$75,974,687
46 Income Tax Rate			21.00%
47 Annual Change to Accumulated Deferred Taxes			\$15,954,684
48 Net Operating Loss Utilization			\$1,379,604
49 Proration Adjustment			(\$1,255,916)
50 Net Annual Change			\$16,078,372
51 Excess DIT amortization			(\$1,998,000)
52 Monthly Change to Accumulated Deferred Taxes			\$1,173,364

Column Notes

(b) Per Tax Department

Line Notes

1(c) Page 2 of 23 Line 29 Column (e)
29(a) Schedule 6-GAS Page 1 of 5 Line 22 Column (a)
29(b) Page 14 of 23 Line 3 Column (b)
37(a) Schedule 6-GAS Page 1 of 5 Line 41 Column (a)
37(b) Page 14 of 23 Line 3 Column (c)
45(a) Schedule 6-GAS Page 2 of 5 Line 16 Column (a)
45(b) Page 14 of 23 Line 3 Column (d)

The Narragansett Electric Company d/b/a National Grid
Accumulated Deferred Tax Forecast Rate Base Adjustments
Rate Year 1 Ending August 31, 2019 through Rate Year Ending August 31, 2021

Description		Period or Amount (a)	(b)	Accumulated Deferred Income Tax (c)
1	Balance at August 31, 2019			\$163,937,949
2				
3	Balance as of:	09/30/19	1/	\$164,195,216
4		10/31/19	1/	\$164,452,483
5		11/30/19	1/	\$164,709,750
6		12/31/19	1/	\$164,967,018
7		01/31/20	1/	\$165,224,285
8		02/29/20	1/	\$165,481,552
9		03/31/20	1/	\$165,738,819
10		04/30/20	1/	\$165,996,086
11		05/31/20	1/	\$166,253,353
12		06/30/20	1/	\$166,510,620
13		07/31/20	1/	\$166,767,888
14	Balance at August 31, 2020		1/	\$167,025,155
15				
16	Rae Year 2 Accumulated Deferred Income Tax - Five Quarter Average			<u>\$165,481,552</u>
17				
18	Balance as of:	09/30/20	2/	\$170,243,228
19		10/31/20	2/	\$170,722,305
20		11/30/20	2/	\$171,201,381
21		12/31/20	2/	\$171,680,457
22		01/31/21	2/	\$172,159,534
23		02/28/21	2/	\$172,638,610
24		03/31/21	2/	\$173,117,686
25		04/30/21	2/	\$173,596,763
26		05/31/21	2/	\$174,075,839
27		06/30/21	2/	\$174,554,915
28		07/31/21	2/	\$175,033,992
29	Balance at August 31, 2021		2/	\$175,513,068
30				
31	Rate Year 3 Accumulated Deferred Income Tax - Five Quarter Average			<u>\$172,638,610</u>
32				
33		Book	Tax	Difference
34		(a)	(b)	(c)
35	1/ 12 Months Ended 08/31/20:			
36	Depreciation	\$40,875,154	\$57,821,237	\$16,946,083
37	Income Tax Rate			21.00%
38	Annual Change to Accumulated Deferred Taxes			\$3,558,677
39	Net Operating Loss Utilization			\$4,265,526
40	Proration Adjustment			(\$2,738,997)
41	Net Annual Change			\$5,085,206
42	Excess DIT amortization			(\$1,998,000)
43	Monthly Change to Accumulated Deferred Taxes			<u>\$257,267</u>
44				
45	2/ 12 Months Ended 08/31/21:			
46	Depreciation	\$41,483,938	\$58,200,613	\$16,716,675
47	Income Tax Rate			21.00%
48	Annual Change to Accumulated Deferred Taxes			\$3,510,502
49	Net Operating Loss Utilization			\$9,978,651
50	Proration Adjustment			(\$5,742,237)
51	Net Annual Change			\$7,746,916
52	Excess DIT amortization			(\$1,998,000)
53	Monthly Change to Accumulated Deferred Taxes			<u>\$479,076</u>

Column Notes

(b) Per Tax Department

Line Notes

36(a) Schedule 6-GAS Page 2 of 5 Line 37 Column (a)

36(b) Page 14 of 23 Line 3 Column (e)

46(a) Schedule 6-GAS Page 2 of 5 Line 58 Column (a)

46(b) Page 14 of 23 Line 3 Column (f)

The Narragansett Electric Company d/b/a National Grid
Proration Adjustment
Test Year through Rate Year 3

Description	2 Months Ending August 31, 2017 (a)	12 Months Ending August 31, 2018 (b)	Rate Year 1 Ending August 31, 2019 (c)	Rate Year Ending August 31, 2020 (d)	Rate Year Ending August 31, 2021 (e)
1 Proration Adjustment	\$0	\$0	\$1,255,916	\$2,738,997	\$5,742,237
3 Total	<u>\$0</u>	<u>\$0</u>	<u>\$1,255,916</u>	<u>\$2,738,997</u>	<u>\$5,742,237</u>
6 NOTE: Proration is not applicable to actual ADIT					
8 August 2018 Rate Calculation			# of Months		
9 Sep 2017 - 3/31/2018		31.55%	7		
10 4/1/2018 - 8/31/2018		21.00%	5		
11 Blended Rate		27.15%	12		
13 Deferred Tax Subject to Proration					
14 Book Depreciation	\$6,233,864	\$39,532,703	\$38,950,409	\$40,875,154	\$41,483,938
15 Bonus Depreciation	(\$4,187,029)	(\$2,060,682)	\$0	\$0	\$0
16 Remaining MACRS Tax Depreciation	<u>(\$6,608,062)</u>	<u>(\$40,547,235)</u>	<u>(\$43,447,540)</u>	<u>(\$44,698,174)</u>	<u>(\$44,565,053)</u>
18 Cumulative Book / Tax Timer	(\$4,561,227)	(\$3,075,214)	(\$4,497,131)	(\$3,823,020)	(\$3,081,114)
19 Effective Tax Rate	<u>31.55%</u>	<u>27.15%</u>	<u>21.00%</u>	<u>21.00%</u>	<u>21.00%</u>
20 Deferred Tax Reserve	(\$1,439,067)	(\$835,049)	(\$944,397)	(\$802,834)	(\$647,034)
22 Net Operating Loss Utilization					
24 Net Operating Loss Utilization			(\$6,569,542)	(\$20,312,027)	(\$47,517,386)
25 Effective Tax Rate			<u>21.00%</u>	<u>21.00%</u>	<u>21.00%</u>
26 Deferred Tax Reserve			(\$1,379,604)	(\$4,265,526)	(\$9,978,651)
28 Total Accumulated Deferred Income Taxes Subject to Proration	<u>\$0</u>	<u>\$0</u>	<u>(\$2,324,001)</u>	<u>(\$5,068,360)</u>	<u>(\$10,625,685)</u>
30	Days in Month	Proration Percentage			
32 Proration Calculation					
33 September	30	92%	\$0	\$0	(\$177,749)
34 October	31	83%	\$0	\$0	(\$387,649)
35 November	30	75%	\$0	\$0	(\$812,695)
36 December	31	67%	\$0	\$0	(\$737,490)
37 January	31	58%	\$0	\$0	(\$664,712)
38 February	28	50%	\$0	\$0	(\$589,507)
39 March	31	42%	\$0	\$0	(\$514,303)
40 April	30	34%	\$0	\$0	(\$446,376)
41 May	31	25%	\$0	\$0	(\$371,171)
42 June	30	17%	\$0	\$0	(\$298,393)
43 July	31	8%	\$0	\$0	(\$223,188)
44 August	31	0%	\$0	\$0	(\$150,409)
45 Total			\$0	\$0	(\$75,205)
46			(\$1,068,086)	(\$2,329,363)	(\$4,883,448)
47 Deferred Tax Without Proration	\$0	\$0	(\$2,324,001)	(\$5,068,360)	(\$10,625,685)
48 Proration Adjustment	\$0	\$0	\$1,255,916	\$2,738,997	\$5,742,237

Line Notes

- 14(a) Schedule 6-GAS Page 1 of 5 Line 22 Column (a)
14(b) Schedule 6-GAS Page 1 of 5 Line 41 Column (a)
14(c) Schedule 6-GAS Page 2 of 5 Line 16 Column (a)
14(d) Schedule 6-GAS Page 2 of 5 Line 37 Column (a)
14(e) Schedule 6-GAS Page 2 of 5 Line 58 Column (a)
15(a) Page 15 of 23 Line 2 Column (c) times -1
15(b) Page 15 of 23 Line 5 Column (c) times -1
15(c) Page 15 of 23 Line 8 Column (c) times -1
15(d) Page 15 of 23 Line 11 Column (c) times -1
16(a) Page 15 of 23; Line 1 Column (d) plus Line 3 Column (d)
16(b) Page 15 of 23; Line 1 Column (e) plus Line 3 Column (e) plus Line 6 Column (e)
16(c) Page 15 of 23; Line 1 Column (f) plus Line 3 Column (f) plus Line 6 Column (f) plus Line 9 Column (f)
16(d) Page 15 of 23; Line 1 Column (g) plus Line 3 Column (g) plus Line 6 Column (g) plus Line 9 Column (g) plus Line 12 Column (g)
16(e) Page 15 of 23; Line 1 Column (h) plus Line 3 Column (h) plus Line 6 Column (h) plus Line 9 Column (h) plus Line 12 Column (h) plus Line 15 Column (h)
18 Sum of Lines 14, 15 and 16
19 Per Tax Department
20 Line 18 times 19
24(c) Page 11 of 23 Line 48 Column (c) divided by Line 19 Column (c)
24(d) Page 12 of 23 Line 39 Column (c) divided by Line 19 Column (d)
24(e) Page 12 of 23 Line 49 Column (c) divided by Line 19 Column (e)
25 Per Tax Department
26 Line 25 times 24
28 Line 20 plus 26

The Narragansett Electric Company d/b/a National Grid
Federal Tax Depreciation
Test Year through Rate Year 3
Estimated Additions

Description	Test Year Ending June 30, 2017 (a)	2 Months Ending August 31, 2017 (b)	12 Months Ending August 31, 2018 (c)	Rate Year 1 Ending August 31, 2019 (d)	Rate Year Ending August 31, 2020 (e)	Rate Year Ending August 31, 2021 (f)
1 Narragansett Gas Tax Depreciation of Embedded Plant	\$30,237,950	\$23,028,180	\$114,855,349	\$114,925,096	\$57,821,237	\$58,200,613
2						
3 Total	<u>\$30,237,950</u>	<u>\$23,028,180</u>	<u>\$114,855,349</u>	<u>\$114,925,096</u>	<u>\$57,821,237</u>	<u>\$58,200,613</u>

Line Notes

- 1(a) Per Tax Department
- 1(b) Page 15 of 23 Line 17 Column (d)
- 1(c) Page 15 of 23 Line 17 Column (e)
- 1(d) Page 15 of 23 Line 17 Column (f)
- 1(e) Page 15 of 23 Line 17 Column (g)
- 1(f) Page 15 of 23 Line 17 Column (h)

The Narragansett Electric Company d/b/a National Grid
Federal Tax Depreciation
Summary

	Narragansett Electric Company	Capital Additions (a)	Capital Repairs Current Deduct (b)	Yr 1 Bonus (c)	Total Tax Depreciation and Repairs Deduction				
					2 Months Ending August 31, 2017 (d)	12 Months Ending August 31, 2018 (e)	Rate Year 1 Ending August 31, 2019 (f)	Rate Year 2 Ending August 31, 2020 (g)	Rate Year 3 Ending August 31, 2021 (h)
1	Tax Depreciation on Existing Plant				\$6,451,048	\$38,467,635	\$37,911,627	\$37,405,849	\$37,132,672
2	Capital Repairs/Bonus 2 Months Ending August 31, 2017	\$19,592,266	\$11,218,210	\$4,187,029	\$15,405,238				
3	MACRS 2 Months Ending August 31, 2017				\$157,014	\$302,262	\$279,568	\$258,633	\$239,205
4	Cost of Removal 2 Months Ending August 31, 2017				\$1,014,879				
5	Capital Repairs/Bonus 12 Months Ending August 31, 2018	\$115,710,016	\$66,253,652	\$2,060,682		\$68,314,334			
6	MACRS 12 Months Ending August 31, 2018					\$1,777,338	\$3,421,494	\$3,164,610	\$2,927,631
7	Cost of Removal 12 Months Ending August 31, 2018					\$5,993,779			
8	Capital Repairs/Bonus Rate Year 1 Ending August 31, 2019	\$114,477,000	\$65,547,648	\$0			\$65,547,648		
9	MACRS Rate Year 1 Ending August 31, 2019						\$1,834,851	\$3,532,210	\$3,267,013
10	Cost of Removal Rate Year 1 Ending August 31, 2019						\$5,929,909		
11	Capital Repairs/Bonus Rate Year Ending August 31, 2020	\$21,017,630	\$12,034,349	\$0				\$12,034,349	
12	MACRS Rate Year Ending August 31, 2020							\$336,873	\$648,503
13	Cost of Removal Rate Year Ending August 31, 2020							\$1,088,713	
14	Capital Repairs/Bonus Rate Year Ending August 31, 2021	\$21,838,436	\$12,504,329						\$12,504,329
15	MACRS Rate Year Ending August 31, 2021								\$350,029
16	Cost of Removal Rate Year Ending August 31, 2021								\$1,131,231
17	Total	\$292,635,348	\$167,558,188	\$6,247,711	\$23,028,180	\$114,855,349	\$114,925,096	\$57,821,237	\$58,200,613

Line Note

2(a) Page 16 of 23 Line 1 Column (a)	5(e) Sum of 5(b) plus 5(c)	10(f) Page 18 of 23 Line 26 Column (a)
2(b) Page 16 of 23 Line 5 Column (a)	6(e) Page 17 of 23 Line 24 Column (a)	11(a) Page 19 of 23 Line 1 Column (a)
2(c) Page 16 of 23 Line 16 Column (a)	6(f) Page 17 of 23 Line 24 Column (b)	11(b) Page 19 of 23 Line 5 Column (a)
2(d) Sum of 2(b) plus 2(c)	6(g) Page 17 of 23 Line 24 Column (c)	11(c) Page 19 of 23 Line 16 Column (a)
3(d) Page 16 of 23 Line 24 Column (a)	6(h) Page 17 of 23 Line 24 Column (d)	11(g) Sum of 11(b) plus 11(c)
3(e) Page 16 of 23 Line 24 Column (b)	7(e) Page 17 of 23 Line 26 Column (a)	12(g) Page 19 of 23 Line 24 Column (a)
3(f) Page 16 of 23 Line 24 Column (c)	8(a) Page 18 of 23 Line 1 Column (a)	12(h) Page 19 of 23 Line 24 Column (b)
3(g) Page 16 of 23 Line 24 Column (d)	8(b) Page 18 of 23 Line 5 Column (a)	13(g) Page 19 of 23 Line 26 Column (a)
3(h) Page 16 of 23 Line 24 Column (e)	8(c) Page 18 of 23 Line 16 Column (a)	14(a) Page 20 of 23 Line 1 Column (a)
4(d) Page 16 of 23 Line 26 Column (a)	8(f) Sum of 8(b) plus 8(c)	14(b) Page 20 of 23 Line 5 Column (a)
5(a) Page 17 of 23 Line 1 Column (a)	9(f) Page 18 of 23 Line 24 Column (a)	14(h) Sum of 14(b) plus 14(c)
5(b) Page 17 of 23 Line 5 Column (a)	9(g) Page 18 of 23 Line 24 Column (b)	15(b) Page 20 of 23 Line 24 Column (a)
5(c) Page 17 of 23 Line 16 Column (a)	9(h) Page 18 of 23 Line 24 Column (c)	16(b) Page 20 of 23 Line 26 Column (a)

The Narragansett Electric Company d/b/a National Grid
Calculation of Tax Depreciation and Repairs Deduction
On Capital Investment for the 2 Months Ending August 31, 2017

Reference	2 Months Ending August 31, 2017 (a)	12 Months Ending August 31, 2018 (b)	Rate Year 1 Ending August 31, 2019 (c)	Rate Year 2 Ending August 31, 2020 (d)	Rate Year 3 Ending August 31, 2021 (e)
<u>Capital Repairs Deduction</u>					
1 Plant Additions	Schedule 11-GAS Page 3 of 23 Line 4 Column (b)	\$19,592,266			
2					
3 Plant Eligible for Capital Repairs Deduction		\$19,592,266			
4 Capital Repairs Deduction Rate	Per Tax Department	57.26%			
5 Capital Repairs Deduction	Line 3 * Line 4	\$11,218,210			
6					
<u>Bonus Depreciation</u>					
7 Plant Additions	Line 1	\$19,592,266			
8 Less Capital Repairs Deduction	Line 5	\$11,218,210			
9 Plant Additions Net of Capital Repairs Deduction	Line 8 - Line 9	\$8,374,057			
10 Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	100.00%			
11 Plant Eligible for Bonus Depreciation	Line 10 * Line 11	\$8,374,057			
12					
13					
14					
15 Bonus Depreciation Rate		50.00%			
16 Total Bonus Depreciation Rate	Line 12 * Line 15	\$4,187,029			
17					
<u>Remaining Tax Depreciation</u>					
18 Plant Additions	Line 1	\$19,592,266			
19 Less Capital Repairs Deduction	Line 5	(\$11,218,210)			
20 Less Bonus Depreciation	Line 14	(\$4,187,029)			
21 Remaining Plant Additions Subject to 20 YR MACRS Tax Depreciation	Sum Lines 19 Through 21	\$4,187,028	\$4,187,028	\$4,187,028	\$4,187,028
22 20 YR MACRS Tax Depreciation Rates	Per Tax Department	3.75%	7.219%	6.677%	6.177%
23 Remaining Tax Depreciation	Line 23 * Line 24	\$157,014	\$302,262	\$279,568	\$258,633
24					
25					
26 Cost of Removal	Schedule 6-GAS Page 1 of 5 Line 23 Column (a) * -1	\$1,014,879			
27					
28 Total Tax Depreciation and Repairs Deduction	Line 5 + Line 16 + Line 24 + Line 26	\$16,577,131	\$302,262	\$279,568	\$258,633
					\$239,205

The Narragansett Electric Company d/b/a National Grid
Calculation of Tax Depreciation and Repairs Deduction
On Capital Investment for the 12 Months Ending August 31, 2018

	Reference	12 Months Ending August 31, 2018 (a)	Rate Year 1 Ending August 31, 2019 (b)	Rate Year 2 Ending August 31, 2020 (c)	Rate Year 3 Ending August 31, 2021 (d)
1	<u>Capital Repairs Deduction</u>				
2	Plant Additions	Schedule 11-GAS Page 3 of 23 Line 11 Column (b)	\$115,710,016		
3	Plant Eligible for Capital Repairs Deduction		\$115,710,016		
4	Capital Repairs Deduction Rate	Per Tax Department	57.26%		
5	Capital Repairs Deduction	Line 3 * Line 4	\$66,253,652		
6					
7	<u>Bonus Depreciation</u>				
8	Plant Additions	Line 1	\$115,710,016		
9	Less Capital Repairs Deduction	Line 5	\$66,253,652		
10	Plant Additions Net of Capital Repairs Deduction	Line 8 - Line 9	\$49,456,364		
11	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	8.33%		
12	Plant Eligible for Bonus Depreciation	Line 10 * Line 11	\$4,121,364		
13	Bonus Depreciation Rate (September 2017 - December 2017)	4 months 2017 @ 50% (50%*4/12)	50.00%		
14	Bonus Depreciation Rate (January 2018 - August 2018)	8 months 2018 @ 40% (40%*8/12)	0.00%		
15	Total Bonus Depreciation Rate	Line 13 + Line 14	50.00%		
16	Total Bonus Depreciation Rate	Line 12 * Line 15	\$2,060,682		
17					
18	<u>Remaining Tax Depreciation</u>				
19	Plant Additions	Line 1	\$115,710,016		
20	Less Capital Repairs Deduction	Line 5	(\$66,253,652)		
21	Less Bonus Depreciation	Line 16 * -1	(\$2,060,682)		
22	Remaining Plant Additions Subject to 20 YR MACRS Tax Depreciation	Sum Lines 19 Through 21	\$47,395,682	\$47,395,682	\$47,395,682
23	20 YR MACRS Tax Depreciation Rates	Per Tax Department	3.75%	7.219%	6.677%
24	Remaining Tax Depreciation	Line 23 * Line 24	\$1,777,338	\$3,421,494	\$3,164,610
25					
26	Cost of Removal	Schedule 6-GAS Page 1 of 5 Line 42 Column (a) * -1	\$5,993,779		
27					
28	Total Tax Depreciation and Repairs Deduction	Line 5 + Line 16 + Line 24 + Line 26	\$76,085,451	\$3,421,494	\$3,164,610
					\$2,927,631

The Narragansett Electric Company d/b/a National Grid
Calculation of Tax Depreciation and Repairs Deduction
On Capital Investment for the 12 Months Ending August 31, 2019

	Reference	Rate Year 1 Ending August 31, 2019 (a)	Rate Year Ending August 31, 2020 (b)	Rate Year Ending August 31, 2021 (c)
<u>Capital Repairs Deduction</u>				
1 Plant Additions	Schedule 11-GAS Page 3 of 23 Line 35 Column (b)	\$114,477,000		
2				
3 Plant Eligible for Capital Repairs Deduction		\$114,477,000		
4 Capital Repairs Deduction Rate	Per Tax Department	57.26%		
5 Capital Repairs Deduction	Line 3 * Line 4	\$65,547,648		
6				
<u>Bonus Depreciation</u>				
7				
8 Plant Additions	Line 1	\$114,477,000		
9 Less Capital Repairs Deduction	Line 5	\$65,547,648		
10 Plant Additions Net of Capital Repairs Deduction	Line 8 - Line 9	\$48,929,352		
11 Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	0.00%		
12 Plant Eligible for Bonus Depreciation	Line 10 * Line 11	\$0		
13 Bonus Depreciation Rate (September 2018 - December 2018)	4 months 2018 @ 40% (40%*4/12)	13.33%		
14 Bonus Depreciation Rate (January 2019 - August 2019)	8 months 2019 @ 30% (30%*8/12)	20.00%		
15 Bonus Depreciation Rate	Line 13 + Line 14	33.33%		
16 Total Bonus Depreciation Rate	Line 12 * Line 15	\$0		
17				
18				
<u>Remaining Tax Depreciation</u>				
19				
20 Plant Additions	Line 1	\$114,477,000		
21 Less Capital Repairs Deduction	Line 5	(\$65,547,648)		
22 Remaining Plant Additions Subject to 20 YR MACRS Tax Depreciation	Sum Lines 19 Through 21	\$48,929,352	\$48,929,352	\$48,929,352
23 20 YR MACRS Tax Depreciation Rates	Per Tax Department	3.750%	7.219%	6.677%
24 Remaining Tax Depreciation	Line 23 * Line 24	\$1,834,851	\$3,532,210	\$3,267,013
25				
26 Cost of Removal	Schedule 6-GAS Page 2 of 5 Line 18 Column (a) *s -1	\$5,929,909		
27				
28 Total Tax Depreciation and Repairs Deduction	Line 5 + Line 16 + Line 24 + Line 26	\$73,312,407	\$3,532,210	\$3,267,013

The Narragansett Electric Company d/b/a National Grid
Calculation of Tax Depreciation and Repairs Deduction
On Capital Investment for the 12 Months Ending August 31, 2020

	Reference	Rate Year Ending August 31, 2020 (a)	Rate Year Ending August 31, 2021 (b)
1	<u>Capital Repairs Deduction</u>		
2	Plant Additions	Schedule 11-GAS Page 4 of 23 Line 36 Column (b)	\$21,017,630
3	Plant Eligible for Capital Repairs Deduction		\$21,017,630
4	Capital Repairs Deduction Rate	Per Tax Department	57.26%
5	Capital Repairs Deduction	Line 3 * Line 4	\$12,034,349
6			
7	<u>Bonus Depreciation</u>		
8	Plant Additions	Line 1	\$21,017,630
9	Less Capital Repairs Deduction	Line 5	\$12,034,349
10	Plant Additions Net of Capital Repairs Deduction	Line 8 - Line 9	\$8,983,281
11	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	0.00%
12	Plant Eligible for Bonus Depreciation	Line 10 * Line 11	\$0
13	Bonus Depreciation Rate (September 2019 - December 2019)	4 months 2019 @ 30% (30%*4/12)	10.00%
14	Bonus Depreciation Rate (January 2020 - August 2020)	8 months 2020 @ 00% (00%*8/12)	0.00%
15	Bonus Depreciation Rate	Line 13 + Line 14	10.00%
16	Total Bonus Depreciation Rate	Line 12 * Line 15	\$0
17			
18			
19	<u>Remaining Tax Depreciation</u>		
20	Plant Additions	Line 1	\$21,017,630
21	Less Capital Repairs Deduction	Line 5	(\$12,034,349)
22	Remaining Plant Additions Subject to 20 YR MACRS Tax Depreciation	Sum Lines 19 Through 21	\$8,983,281
23	20 YR MACRS Tax Depreciation Rates	Per Tax Department	3.750%
24	Remaining Tax Depreciation	Line 23 * Line 24	\$336,873
25			
26	Cost of Removal	Schedule 6-GAS Page 2 of 5 Line 39 Column (a) * -1	\$1,088,713
27			
28	Total Tax Depreciation and Repairs Deduction	Line 5 + Line 13 + Line 15	\$13,459,935
			\$648,503

The Narragansett Electric Company d/b/a National Grid
Calculation of Tax Depreciation and Repairs Deduction
On Capital Investment for the 12 Months Ending August 31, 2021

	Reference	Rate Year Ending August 31, 2021 (a)
<u>Capital Repairs Deduction</u>		
1 Plant Additions	Schedule 11-GAS Page 4 of 23 Line 44 Column (b)	\$21,838,436
2		
3 Plant Eligible for Capital Repairs Deduction		\$21,838,436
4 Capital Repairs Deduction Rate	Per Tax Department	57.26%
5 Capital Repairs Deduction	Line 3 * Line 4	\$12,504,329
6		
<u>Bonus Depreciation</u>		
7 Plant Additions	Line 1	\$21,838,436
8 Less Capital Repairs Deduction	Line 5	\$12,504,329
9 Plant Additions Net of Capital Repairs Deduction	Line 8 - Line 9	\$9,334,107
10 Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	0.00%
11 Plant Eligible for Bonus Depreciation	Line 10 * Line 11	\$0
12		
13		
14		
15 Bonus Depreciation Rate		0.00%
16 Total Bonus Depreciation Rate	Line 12 * Line 13	\$0
17		
18		
<u>Remaining Tax Depreciation</u>		
19 Plant Additions	Line 1	\$21,838,436
20 Less Capital Repairs Deduction	Line 5	(\$12,504,329)
21 Remaining Plant Additions Subject to 20 YR MACRS Tax Depreciation	Sum Lines 19 Through 21	\$9,334,107
22 20 YR MACRS Tax Depreciation Rates	Per Tax Department	3.750%
23 Remaining Tax Depreciation	Line 23 * Line 24	\$350,029
24		
25		
26 Cost of Removal	Schedule 6-GAS Page 2 of 5 Line 60 Column (a) * -1	\$1,131,231
27		
28 Total Tax Depreciation and Repairs Deduction	Line 5 + Line 16 + Line 24 + Line 26	\$13,985,589

National Grid - RI Gas
Customer Hold Harmless Credit
Rate Base Impact

			Unamortized		Deferred			
		Deferred FIT	Investment Tax	Hold Harmless	Federal Income	ITC	Total	
Month	Year	DFIT Balance	Credit Balance	Total	Tax Change	Change	Change	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
1	June	2016	\$22,928,782	\$0	\$22,928,782	(\$318,361)	\$0	(\$318,361)
2	September	2016	\$22,610,421	\$0	\$22,610,421	(\$318,361)	\$0	(\$318,361)
3	December	2016	\$22,292,061	\$0	\$22,292,061	(\$318,361)	\$0	(\$318,361)
4	March	2017	\$21,912,516	\$0	\$21,912,516	(\$379,545)	\$0	(\$379,545)
5	June	2017	\$21,532,971	\$0	\$21,532,971	(\$379,545)	\$0	(\$379,545)
6	September	2017	\$21,153,427	\$0	\$21,153,427	(\$379,545)	\$0	(\$379,545)
7	December	2017	\$20,773,882	\$0	\$20,773,882	(\$379,545)	\$0	(\$379,545)
8	March	2018	\$20,335,534	\$0	\$20,335,534	(\$438,348)	\$0	(\$438,348)
9	June	2018	\$19,897,186	\$0	\$19,897,186	(\$438,348)	\$0	(\$438,348)
10	September	2018	\$19,458,837	\$0	\$19,458,837	(\$438,348)	\$0	(\$438,348)
11	December	2018	\$19,020,489	\$0	\$19,020,489	(\$438,348)	\$0	(\$438,348)
12	March	2019	\$18,516,640	\$0	\$18,516,640	(\$503,849)	\$0	(\$503,849)
13	June	2019	\$18,012,792	\$0	\$18,012,792	(\$503,849)	\$0	(\$503,849)
14	September	2019	\$17,508,943	\$0	\$17,508,943	(\$503,849)	\$0	(\$503,849)
15	December	2019	\$17,005,095	\$0	\$17,005,095	(\$503,849)	\$0	(\$503,849)
16	March	2020	\$16,408,103	\$0	\$16,408,103	(\$596,991)	\$0	(\$596,991)
17	June	2020	\$15,811,112	\$0	\$15,811,112	(\$596,991)	\$0	(\$596,991)
18	September	2020	\$15,214,120	\$0	\$15,214,120	(\$596,991)	\$0	(\$596,991)
19	December	2020	\$14,617,129	\$0	\$14,617,129	(\$596,991)	\$0	(\$596,991)
20	March	2021	\$13,946,383	\$0	\$13,946,383	(\$670,746)	\$0	(\$670,746)
21	June	2021	\$13,275,638	\$0	\$13,275,638	(\$670,746)	\$0	(\$670,746)
22	September	2021	\$12,604,892	\$0	\$12,604,892	(\$670,746)	\$0	(\$670,746)
23	December	2021	\$11,934,147	\$0	\$11,934,147	(\$670,746)	\$0	(\$670,746)
24	March	2022	\$11,216,530	\$0	\$11,216,530	(\$717,617)	\$0	(\$717,617)
25	June	2022	\$10,498,913	\$0	\$10,498,913	(\$717,617)	\$0	(\$717,617)
26	September	2022	\$9,781,296	\$0	\$9,781,296	(\$717,617)	\$0	(\$717,617)
27	December	2022	\$9,063,679	\$0	\$9,063,679	(\$717,617)	\$0	(\$717,617)
28	March	2023	\$8,310,658	\$0	\$8,310,658	(\$753,021)	\$0	(\$753,021)
29	June	2023	\$7,557,637	\$0	\$7,557,637	(\$753,021)	\$0	(\$753,021)
30	September	2023	\$6,804,616	\$0	\$6,804,616	(\$753,021)	\$0	(\$753,021)
31	December	2023	\$6,051,595	\$0	\$6,051,595	(\$753,021)	\$0	(\$753,021)
32	March	2024	\$5,270,123	\$0	\$5,270,123	(\$781,472)	\$0	(\$781,472)
33	June	2024	\$4,488,651	\$0	\$4,488,651	(\$781,472)	\$0	(\$781,472)
34	September	2024	\$3,707,179	\$0	\$3,707,179	(\$781,472)	\$0	(\$781,472)
35	December	2024	\$2,925,707	\$0	\$2,925,707	(\$781,472)	\$0	(\$781,472)
36	March	2025	\$2,103,962	\$0	\$2,103,962	(\$821,746)	\$0	(\$821,746)
37	June	2025	\$1,282,216	\$0	\$1,282,216	(\$821,746)	\$0	(\$821,746)
38	September	2025	\$460,470	\$0	\$460,470	(\$821,746)	\$0	(\$821,746)
39	December	2025	(\$361,276)	\$0	(\$361,276)	(\$821,746)	\$0	(\$821,746)
40	March	2026	(\$859,326)	\$0	(\$859,326)	(\$498,050)	\$0	(\$498,050)
41	June	2026	(\$1,357,377)	\$0	(\$1,357,377)	(\$498,050)	\$0	(\$498,050)
42	September	2026	(\$1,855,427)	\$0	(\$1,855,427)	(\$498,050)	\$0	(\$498,050)
43	December	2026	(\$2,353,477)	\$0	(\$2,353,477)	(\$498,050)	\$0	(\$498,050)
44	March	2027	(\$2,394,903)	\$0	(\$2,394,903)	(\$41,426)	\$0	(\$41,426)
45	June	2027	(\$2,436,329)	\$0	(\$2,436,329)	(\$41,426)	\$0	(\$41,426)
46	September	2027	(\$2,477,755)	\$0	(\$2,477,755)	(\$41,426)	\$0	(\$41,426)
47	December	2027	(\$2,519,181)	\$0	(\$2,519,181)	(\$41,426)	\$0	(\$41,426)
48	March	2028	(\$2,445,890)	\$0	(\$2,445,890)	\$73,292	\$0	\$73,292
49	June	2028	(\$2,372,598)	\$0	(\$2,372,598)	\$73,292	\$0	\$73,292
50	September	2028	(\$2,299,307)	\$0	(\$2,299,307)	\$73,292	\$0	\$73,292
51	December	2028	(\$2,226,015)	\$0	(\$2,226,015)	\$73,292	\$0	\$73,292

National Grid - RI Gas
Customer Hold Harmless Credit
Rate Base Impact

			Unamortized		Deferred			
	Month	Year	Deferred FIT DFIT Balance	Investment Tax Credit Balance	Hold Harmless Total	Federal Income Tax Change	ITC Change	Total Change
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	March	2029	(\$2,152,724)	\$0	(\$2,152,724)	\$73,291	\$0	\$73,291
2	June	2029	(\$2,079,433)	\$0	(\$2,079,433)	\$73,291	\$0	\$73,291
3	September	2029	(\$2,006,143)	\$0	(\$2,006,143)	\$73,291	\$0	\$73,291
4	December	2029	(\$1,932,852)	\$0	(\$1,932,852)	\$73,291	\$0	\$73,291
5	March	2030	(\$1,871,230)	\$0	(\$1,871,230)	\$61,621	\$0	\$61,621
6	June	2030	(\$1,809,609)	\$0	(\$1,809,609)	\$61,621	\$0	\$61,621
7	September	2030	(\$1,747,988)	\$0	(\$1,747,988)	\$61,621	\$0	\$61,621
8	December	2030	(\$1,686,367)	\$0	(\$1,686,367)	\$61,621	\$0	\$61,621
9	March	2031	(\$1,628,755)	\$0	(\$1,628,755)	\$57,611	\$0	\$57,611
10	June	2031	(\$1,571,144)	\$0	(\$1,571,144)	\$57,611	\$0	\$57,611
11	September	2031	(\$1,513,533)	\$0	(\$1,513,533)	\$57,611	\$0	\$57,611
12	December	2031	(\$1,455,922)	\$0	(\$1,455,922)	\$57,611	\$0	\$57,611
13	March	2032	(\$1,398,473)	\$0	(\$1,398,473)	\$57,449	\$0	\$57,449
14	June	2032	(\$1,341,024)	\$0	(\$1,341,024)	\$57,449	\$0	\$57,449
15	September	2032	(\$1,283,574)	\$0	(\$1,283,574)	\$57,449	\$0	\$57,449
16	December	2032	(\$1,226,125)	\$0	(\$1,226,125)	\$57,449	\$0	\$57,449
17	March	2033	(\$1,168,891)	\$0	(\$1,168,891)	\$57,234	\$0	\$57,234
18	June	2033	(\$1,111,657)	\$0	(\$1,111,657)	\$57,234	\$0	\$57,234
19	September	2033	(\$1,054,423)	\$0	(\$1,054,423)	\$57,234	\$0	\$57,234
20	December	2033	(\$997,190)	\$0	(\$997,190)	\$57,234	\$0	\$57,234
21	March	2034	(\$953,205)	\$0	(\$953,205)	\$43,984	\$0	\$43,984
22	June	2034	(\$909,221)	\$0	(\$909,221)	\$43,984	\$0	\$43,984
23	September	2034	(\$865,237)	\$0	(\$865,237)	\$43,984	\$0	\$43,984
24	December	2034	(\$821,253)	\$0	(\$821,253)	\$43,984	\$0	\$43,984
25	March	2035	(\$779,574)	\$0	(\$779,574)	\$41,678	\$0	\$41,678
26	June	2035	(\$737,896)	\$0	(\$737,896)	\$41,678	\$0	\$41,678
27	September	2035	(\$696,218)	\$0	(\$696,218)	\$41,678	\$0	\$41,678
28	December	2035	(\$654,540)	\$0	(\$654,540)	\$41,678	\$0	\$41,678
29	March	2036	(\$614,040)	\$0	(\$614,040)	\$40,500	\$0	\$40,500
30	June	2036	(\$573,539)	\$0	(\$573,539)	\$40,500	\$0	\$40,500
31	September	2036	(\$533,039)	\$0	(\$533,039)	\$40,500	\$0	\$40,500
32	December	2036	(\$492,539)	\$0	(\$492,539)	\$40,500	\$0	\$40,500
33	March	2037	(\$453,832)	\$0	(\$453,832)	\$38,707	\$0	\$38,707
34	June	2037	(\$415,126)	\$0	(\$415,126)	\$38,707	\$0	\$38,707
35	September	2037	(\$376,419)	\$0	(\$376,419)	\$38,707	\$0	\$38,707
36	December	2037	(\$337,713)	\$0	(\$337,713)	\$38,707	\$0	\$38,707
37	March	2038	(\$299,432)	\$0	(\$299,432)	\$38,281	\$0	\$38,281
38	June	2038	(\$261,151)	\$0	(\$261,151)	\$38,281	\$0	\$38,281
39	September	2038	(\$222,870)	\$0	(\$222,870)	\$38,281	\$0	\$38,281
40	December	2038	(\$184,589)	\$0	(\$184,589)	\$38,281	\$0	\$38,281
41	March	2039	(\$147,789)	\$0	(\$147,789)	\$36,800	\$0	\$36,800
42	June	2039	(\$110,988)	\$0	(\$110,988)	\$36,800	\$0	\$36,800
43	September	2039	(\$74,188)	\$0	(\$74,188)	\$36,800	\$0	\$36,800
44	December	2039	(\$37,387)	\$0	(\$37,387)	\$36,800	\$0	\$36,800
45	March	2040	(\$8,127)	\$0	(\$8,127)	\$29,260	\$0	\$29,260
46	June	2040	\$21,133	\$0	\$21,133	\$29,260	\$0	\$29,260
47	September	2040	\$50,393	\$0	\$50,393	\$29,260	\$0	\$29,260
48	December	2040	\$79,653	\$0	\$79,653	\$29,260	\$0	\$29,260
49	March	2041	\$76,145	\$0	\$76,145	(\$3,508)	\$0	(\$3,508)
50	June	2041	\$72,636	\$0	\$72,636	(\$3,508)	\$0	(\$3,508)
51	September	2041	\$69,128	\$0	\$69,128	(\$3,508)	\$0	(\$3,508)

National Grid - RI Gas
Customer Hold Harmless Credit
Rate Base Impact

		Unamortized		Deferred				
Month	Year	Deferred FIT	Investment Tax	Hold Harmless	Federal Income	ITC	Total	
(a)	(b)	DFIT Balance	Credit Balance	Total	Tax Change	Change	Change	
		(c)	(d)	(e)	(f)	(g)	(h)	
1	December	2041	\$65,619	\$0	\$65,619	(\$3,508)	\$0	(\$3,508)
2	March	2042	\$60,603	\$0	\$60,603	(\$5,016)	\$0	(\$5,016)
3	June	2042	\$55,587	\$0	\$55,587	(\$5,016)	\$0	(\$5,016)
4	September	2042	\$50,571	\$0	\$50,571	(\$5,016)	\$0	(\$5,016)
5	December	2042	\$45,555	\$0	\$45,555	(\$5,016)	\$0	(\$5,016)
6	March	2043	\$40,241	\$0	\$40,241	(\$5,314)	\$0	(\$5,314)
7	June	2043	\$34,928	\$0	\$34,928	(\$5,314)	\$0	(\$5,314)
8	September	2043	\$29,614	\$0	\$29,614	(\$5,314)	\$0	(\$5,314)
9	December	2043	\$24,300	\$0	\$24,300	(\$5,314)	\$0	(\$5,314)
10	March	2044	\$17,124	\$0	\$17,124	(\$7,177)	\$0	(\$7,177)
11	June	2044	\$9,947	\$0	\$9,947	(\$7,177)	\$0	(\$7,177)
12	September	2044	\$2,770	\$0	\$2,770	(\$7,177)	\$0	(\$7,177)
13	December	2044	(\$4,406)	\$0	(\$4,406)	(\$7,177)	\$0	(\$7,177)
14	March	2045	(\$7,558)	\$0	(\$7,558)	(\$3,152)	\$0	(\$3,152)
15	June	2045	(\$10,709)	\$0	(\$10,709)	(\$3,152)	\$0	(\$3,152)
16	September	2045	(\$13,861)	\$0	(\$13,861)	(\$3,152)	\$0	(\$3,152)
17	December	2045	(\$17,013)	\$0	(\$17,013)	(\$3,152)	\$0	(\$3,152)
18	March	2046	(\$16,720)	\$0	(\$16,720)	\$292	\$0	\$292
19	June	2046	(\$16,428)	\$0	(\$16,428)	\$292	\$0	\$292
20	September	2046	(\$16,135)	\$0	(\$16,135)	\$292	\$0	\$292
21	December	2046	(\$15,843)	\$0	(\$15,843)	\$292	\$0	\$292
22	March	2047	(\$15,315)	\$0	(\$15,315)	\$528	\$0	\$528
23	June	2047	(\$14,787)	\$0	(\$14,787)	\$528	\$0	\$528
24	September	2047	(\$14,259)	\$0	(\$14,259)	\$528	\$0	\$528
25	December	2047	(\$13,731)	\$0	(\$13,731)	\$528	\$0	\$528
26	March	2048	(\$13,203)	\$0	(\$13,203)	\$528	\$0	\$528
27	June	2048	(\$12,675)	\$0	(\$12,675)	\$528	\$0	\$528
28	September	2048	(\$12,147)	\$0	(\$12,147)	\$528	\$0	\$528
29	December	2048	(\$11,619)	\$0	(\$11,619)	\$528	\$0	\$528
30	March	2049	(\$11,091)	\$0	(\$11,091)	\$528	\$0	\$528
31	June	2049	(\$10,563)	\$0	(\$10,563)	\$528	\$0	\$528
32	September	2049	(\$10,036)	\$0	(\$10,036)	\$528	\$0	\$528
33	December	2049	(\$9,508)	\$0	(\$9,508)	\$528	\$0	\$528
34	March	2050	(\$8,980)	\$0	(\$8,980)	\$528	\$0	\$528
35	June	2050	(\$8,452)	\$0	(\$8,452)	\$528	\$0	\$528
36	September	2050	(\$7,924)	\$0	(\$7,924)	\$528	\$0	\$528
37	December	2050	(\$7,396)	\$0	(\$7,396)	\$528	\$0	\$528
38	March	2051	(\$6,868)	\$0	(\$6,868)	\$528	\$0	\$528
39	June	2051	(\$6,340)	\$0	(\$6,340)	\$528	\$0	\$528
40	September	2051	(\$5,812)	\$0	(\$5,812)	\$528	\$0	\$528
41	December	2051	(\$5,284)	\$0	(\$5,284)	\$528	\$0	\$528
42	March	2052	(\$4,756)	\$0	(\$4,756)	\$528	\$0	\$528
43	June	2052	(\$4,228)	\$0	(\$4,228)	\$528	\$0	\$528
44	September	2052	(\$3,700)	\$0	(\$3,700)	\$528	\$0	\$528
45	December	2052	(\$3,173)	\$0	(\$3,173)	\$528	\$0	\$528
46	March	2053	(\$2,645)	\$0	(\$2,645)	\$528	\$0	\$528
47	June	2053	(\$2,117)	\$0	(\$2,117)	\$528	\$0	\$528
48	September	2053	(\$1,589)	\$0	(\$1,589)	\$528	\$0	\$528
49	December	2053	(\$1,061)	\$0	(\$1,061)	\$528	\$0	\$528
50	March	2054	(\$796)	\$0	(\$796)	\$265	\$0	\$265
51	June	2054	(\$530)	\$0	(\$530)	\$265	\$0	\$265

Compliance Attachment 2

Schedule 12

Labor

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Labor - Expense Type

		Test Year Ended June 30, 2017 (Per Books)			Normalizing Adjustments to Test Year			Test Year Ended June 30, 2017 (as Adjusted)		
		Total (a) = (b) + (c)	Electric (b)	Gas (c)	Total (d) = (e) + (f)	Electric (e)	Gas (f)	Total (g) = (h) + (i)	Electric (h) = (b) + (e)	Gas (i) = (c) + (f)
<u>Provider Company:</u>										
1	Narragansett Electric Company	\$38,831,791	\$19,786,961	\$19,044,830	(\$2,465,621)	\$637,619	(\$3,103,241)	\$36,366,170	\$20,424,581	\$15,941,589
2	National Grid USA Service Company	\$50,101,582	\$33,639,835	\$16,461,747	(\$13,794,274)	(\$11,071,583)	(\$2,722,690)	\$36,307,308	\$22,568,252	\$13,739,056
3	All Other Companies	\$1,845,184	\$1,329,452	\$515,732	(\$203,524)	(\$205,368)	\$1,844	\$1,641,661	\$1,124,084	\$517,576
4	Total	\$90,778,557	\$54,756,249	\$36,022,308	(\$16,463,419)	(\$10,639,332)	(\$5,824,087)	\$74,315,139	\$44,116,917	\$30,198,221
<u>Operation:</u>										
8	Production Expenses	\$0	\$0	\$0	(\$43,352)	(\$43,352)	\$0	(\$43,352)	(\$43,352)	\$0
9	Power Production Expenses	\$40	\$0	\$40	(\$5)	\$0	(\$5)	\$35	\$0	\$35
10	Natural Gas Storage, Terminaling and Processing Exp.	\$2,302,746	\$0	\$2,302,746	(\$957,714)	\$0	(\$957,714)	\$1,345,032	\$0	\$1,345,032
12	Transmission Expenses	\$4,363,087	\$4,357,614	\$5,473	(\$5,457,804)	(\$5,451,987)	(\$5,817)	(\$1,094,717)	(\$1,094,373)	(\$344)
13	Regional Market Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	Distribution Expenses	\$27,782,414	\$11,603,931	\$16,178,484	(\$5,706,278)	\$416,895	(\$6,123,173)	\$22,076,136	\$12,020,826	\$10,055,310
15	Customer Accounts Expenses	\$7,778,674	\$4,595,462	\$3,183,211	(\$1,002,876)	(\$616,967)	(\$385,909)	\$6,775,798	\$3,978,495	\$2,797,303
16	Customer Service and Informational Expenses	\$1,328,073	\$909,906	\$418,167	(\$363,850)	(\$229,044)	(\$134,806)	\$964,223	\$680,862	\$283,361
18	Sales Expenses	\$950,199	\$408,619	\$541,581	(\$662,158)	(\$449,967)	(\$212,191)	\$288,042	(\$41,348)	\$329,390
19	Administrative & General Expenses	\$27,297,462	\$19,729,562	\$7,567,901	\$440,807	(\$1,756,872)	2,197,679	\$27,738,269	\$17,972,690	\$9,765,579
20	Sub Total	\$71,802,695	\$41,605,093	\$30,197,602	(\$13,753,229)	(\$8,131,293)	(\$5,621,936)	\$58,049,466	\$33,473,799	\$24,575,666
<u>Maintenance:</u>										
23	Transmission Expenses	\$1,084,676	\$1,021,494	\$63,182	(\$735,266)	(\$1,016,595)	281,329	\$349,411	\$4,899	\$344,512
24	Distribution Expenses	\$17,772,833	\$12,016,514	\$5,756,319	(\$1,946,898)	(\$1,464,013)	(\$482,886)	\$15,825,934	\$10,552,501	\$5,273,433
25	Administrative & General Expenses	\$118,353	\$113,149	\$5,205	(\$28,025)	(\$27,431)	(\$595)	\$90,328	\$85,718	\$4,610
26	Sub Total	\$18,975,863	\$13,151,156	\$5,824,706	(\$2,710,190)	(\$2,508,038)	(\$202,151)	\$16,265,673	\$10,643,118	\$5,622,555
28	TOTAL	\$90,778,557	\$54,756,249	\$36,022,308	(\$16,463,419)	(\$10,639,332)	(\$5,824,087)	\$74,315,139	\$44,116,917	\$30,198,221
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Column Notes

(b)-(c) Per Company Books

Line Notes

- 1(e)-(f) Sum of Page 5, Lines 2, 6, 9, 12, 15, 18, 21, 25, and 28
2(e)-(f) Sum of Page 5, Lines 3, 5, 7, 10, 13, 16, 19, 22, 24, 26, and 29
3(e)-(f) Sum of Page 5, Lines 4, 8, 11, 14, 17, 20, 23, 27, and 30

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Labor - Expense Type

Test Year Ended June 30, 2017										
(as Adjusted)										
Total			Pro forma Adjustments			Rate Year Ending August 31, 2019				
Electric			Electric			Electric				
Gas			Gas			Gas				
(a) = (b) + (c)			(d) = (e) + (f)			(g) = (h) + (i)				
(b)			(e)			(h) = (b) + (e)				
(c)			(f)			(i) = (c) + (f)				
<u>Provider Company:</u>										
1	Narragansett Electric Company	\$36,366,170	\$20,424,581	\$15,941,589	\$5,462,557	\$3,979,843	\$1,482,714	\$41,828,727	\$24,404,424	\$17,424,303
2	National Grid USA Service Company	\$36,307,308	\$22,568,252	\$13,739,056	\$4,257,545	\$2,647,090	\$1,610,455	\$40,564,853	\$25,215,342	\$15,349,511
3	All Other Companies	\$1,641,661	\$1,124,084	\$517,576	\$104,885	\$65,436	\$39,450	\$1,746,546	\$1,189,520	\$557,026
4	Total	\$74,315,139	\$44,116,917	\$30,198,221	\$9,824,987	\$6,692,369	\$3,132,619	\$84,140,126	\$50,809,286	\$33,330,840
<u>Operation:</u>										
8	Production Expenses	(\$43,352)	(\$43,352)	\$0	(\$6,576)	(\$6,576)	\$0	(\$49,928)	(\$49,928)	\$0
9	Power Production Expenses	\$35	\$0	\$35	\$4	\$0	\$4	\$39	\$0	\$39
10	Natural Gas Storage, Terminaling and Processing Exp.	\$1,345,032	\$0	\$1,345,032	\$139,527	\$0	\$139,527	\$1,484,559	\$0	\$1,484,559
12	Transmission Expenses	(\$1,094,717)	(\$1,094,373)	(\$344)	(\$166,048)	(\$166,012)	(\$36)	(\$1,260,765)	(\$1,260,385)	(\$380)
13	Regional Market Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	Distribution Expenses	\$22,076,136	\$12,020,826	\$10,055,310	\$2,866,603	\$1,823,514	\$1,043,090	\$24,942,739	\$13,844,339	\$11,098,400
15	Customer Accounts Expenses	\$6,775,798	\$3,978,495	\$2,797,303	\$893,701	\$603,523	\$290,179	\$7,669,499	\$4,582,018	\$3,087,481
16	Customer Service and Informational Expenses	\$964,223	\$680,862	\$283,361	\$132,679	\$103,284	\$29,395	\$1,096,902	\$784,146	\$312,756
18	Sales Expenses	\$288,042	(\$41,348)	\$329,390	\$27,897	(\$6,272)	\$34,169	\$315,939	(\$47,621)	\$363,559
19	Administrative & General Expenses	\$27,738,269	\$17,972,690	\$9,765,579	\$3,739,423	\$2,726,389	\$1,013,034	\$31,477,692	\$20,699,079	\$10,778,614
20	Sub Total	\$58,049,466	\$33,473,799	\$24,575,666	\$7,627,210	\$5,077,848	\$2,549,362	\$65,676,676	\$38,551,648	\$27,125,028
<u>Maintenance:</u>										
23	Transmission Expenses	\$349,411	\$4,899	\$344,512	\$36,481	\$743	\$35,738	\$385,892	\$5,642	\$380,250
24	Distribution Expenses	\$15,825,934	\$10,552,501	\$5,273,433	\$2,147,815	\$1,600,774	\$547,041	\$17,973,749	\$12,153,275	\$5,820,474
25	Administrative & General Expenses	\$90,328	\$85,718	\$4,610	\$13,481	\$13,003	\$478	\$103,809	\$98,721	\$5,088
26	Sub Total	\$16,265,673	\$10,643,118	\$5,622,555	\$2,197,777	\$1,614,521	\$583,257	\$18,463,451	\$12,257,639	\$6,205,812
28	TOTAL	\$74,315,139	\$44,116,917	\$30,198,221	\$9,824,987	\$6,692,369	\$3,132,619	\$84,140,126	\$50,809,286	\$33,330,840
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Column Notes

(b)-(c) Page 1, Columns (h)-(i)
(e)-(f) Page 5, Lines 43(b) through 45(c)

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Labor - Expense Type

	Rate Year Ending August 31, 2019	Adjustments to Reflect Conditions in Rate Year	Rate Year Ending August 31, 2020	Adjustments to Reflect Conditions in Rate Year	Rate Year Ending August 31, 2021
	Electric	Electric	Electric	Electric	Electric
	(a)	(b)	(c) = (a) + (b)	(d)	(e) = (c) + (d)
Provider Company:					
1 Narragansett Electric Company	\$24,404,424	\$914,307	\$25,318,731	\$714,846	\$26,033,577
2 National Grid USA Service Company	\$25,215,342	\$876,846	\$26,092,188	\$850,275	\$26,942,462
3 All Other Companies	\$1,189,520	\$33,242	\$1,222,762	\$28,312	\$1,251,075
4 Total	<u>\$50,809,286</u>	<u>\$1,824,395</u>	<u>\$52,633,681</u>	<u>\$1,593,433</u>	<u>\$54,227,114</u>
5					
6					
Operation:					
8 Production Expenses	(\$49,928)	(\$1,793)	(\$51,721)	(\$1,566)	(\$53,287)
9 Power Production Expenses	\$0	\$0	\$0	\$0	\$0
10 Natural Gas Storage, Terminaling and Processing Exp.	\$0	\$0	\$0	\$0	\$0
12 Transmission Expenses	(\$1,260,385)	(\$45,256)	(\$1,305,642)	(\$39,527)	(\$1,345,169)
13 Regional Market Expenses	\$0	\$0	\$0	\$0	\$0
14 Distribution Expenses	\$13,844,339	\$497,105	\$14,341,444	\$434,173	\$14,775,617
15 Customer Accounts Expenses	\$4,582,018	\$164,525	\$4,746,543	\$143,697	\$4,890,240
16 Customer Service and Informational Expenses	\$784,146	\$28,156	\$812,302	\$24,592	\$836,894
18 Sales Expenses	(\$47,621)	(\$1,710)	(\$49,330)	(\$1,493)	(\$50,824)
19 Administrative & General Expenses	\$20,699,079	\$743,236	\$21,442,315	\$649,145	\$22,091,460
20 Sub Total	<u>\$38,551,648</u>	<u>\$1,384,263</u>	<u>\$39,935,911</u>	<u>\$1,209,020</u>	<u>\$41,144,932</u>
21					
Maintenance:					
23 Transmission Expenses	\$5,642	\$203	\$5,845	\$177	\$6,021
24 Distribution Expenses	\$12,153,275	\$436,384	\$12,589,660	\$381,140	\$12,970,799
25 Administrative & General Expenses	\$98,721	\$3,545	\$102,266	\$3,096	\$105,362
26 Sub Total	<u>\$12,257,639</u>	<u>\$440,132</u>	<u>\$12,697,770</u>	<u>\$384,413</u>	<u>\$13,082,183</u>
27					
28 TOTAL	<u>\$50,809,286</u>	<u>\$1,824,395</u>	<u>\$52,633,681</u>	<u>\$1,593,433</u>	<u>\$54,227,114</u>
	(\$0)	\$0	(\$0)	\$0	(\$0)

Column Notes

- (a) Page 2, Column (h)
- (b) Page 5, Lines 52(b) through 54(b)
- (d) Page 5, Lines 61(b) through 63(b)

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Labor - Expense Type

	Rate Year Ending August 31, 2019	Adjustments to Reflect Conditions in Rate Year	Rate Year Ending August 31, 2020	Adjustments to Reflect Conditions in Rate Year	Rate Year Ending August 31, 2021
	Gas	Gas	Gas	Gas	Gas
	(a)	(b)	(c) = (a) + (b)	(d)	(e) = (c) + (d)
<u>Provider Company:</u>					
1 Narragansett Electric Company	\$17,424,303	\$877,217	\$18,301,520	\$579,801	\$18,881,321
2 National Grid USA Service Company	\$15,349,511	\$519,066	\$15,868,577	\$496,625	\$16,365,202
3 All Other Companies	\$557,026	\$15,584	\$572,610	\$13,320	\$585,930
4 Total	\$33,330,840	\$1,411,867	\$34,742,707	\$1,089,746	\$35,832,453
5					
6					
<u>Operation:</u>					
8 Production Expenses	\$0	\$0	\$0	\$0	\$0
9 Power Production Expenses	\$39	\$2	\$41	\$1	\$42
10 Natural Gas Storage, Terminaling and Processing Exp.	\$1,484,559	\$62,885	\$1,547,444	\$48,537	\$1,595,981
12 Transmission Expenses	(\$380)	(\$16)	(\$396)	(\$12)	(\$409)
13 Regional Market Expenses	\$0	\$0	\$0	\$0	\$0
14 Distribution Expenses	\$11,098,400	\$470,119	\$11,568,519	\$362,860	\$11,931,380
15 Customer Accounts Expenses	\$3,087,481	\$130,783	\$3,218,264	\$100,945	\$3,319,209
16 Customer Service and Informational Expenses	\$312,756	\$13,248	\$326,004	\$10,226	\$336,229
18 Sales Expenses	\$363,559	\$15,400	\$378,959	\$11,887	\$390,846
19 Administrative & General Expenses	\$10,778,614	\$456,573	\$11,235,187	\$352,405	\$11,587,592
20 Sub Total	\$27,125,028	\$1,148,994	\$28,274,022	\$886,848	\$29,160,870
21					
<u>Maintenance:</u>					
23 Transmission Expenses	\$380,250	\$16,107	\$396,357	\$12,432	\$408,789
24 Distribution Expenses	\$5,820,474	\$246,551	\$6,067,025	\$190,299	\$6,257,324
25 Administrative & General Expenses	\$5,088	\$216	\$5,304	\$166	\$5,470
26 Sub Total	\$6,205,812	\$262,873	\$6,468,685	\$202,898	\$6,671,583
27					
28 TOTAL	\$33,330,840	\$1,411,867	\$34,742,707	\$1,089,746	\$35,832,453
	\$0	\$0	\$0	\$0	\$0

Column Notes

- (a) Page 2, Column (h)
(b) Page 5, Lines 52(c) through 54(c)
(d) Page 5, Lines 61(c) through 63(c)

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Labor - Expense Type

Explanation of Adjustments:		Provider Company	Total	Electric	Gas	
			(a)	(b)	(c)	
1	Page 1	Adjustments: (to normalize Historic Year)				
2		(IFA) Integrated Facilities Agreement	Narragansett Electric Company	(\$1,178,434)	(\$1,178,434)	\$0 See IFA tab
3		(IFA) Integrated Facilities Agreement	National Grid USA Service Company	(\$6,844,426)	(\$6,844,426)	\$0 See IFA tab
4		(IFA) Integrated Facilities Agreement	All Other Companies	(\$84,203)	(\$84,203)	\$0 See IFA tab
5		Vegetation Management expense	National Grid USA Service Company	(\$277,467)	(\$277,467)	\$0 Distribution Maintenance
6		Inspection & Maintenance	Narragansett Electric Company	(\$327,886)	(\$327,886)	\$0 Labor spread
7		Inspection & Maintenance	National Grid USA Service Company	(\$2,827)	(\$2,827)	\$0 Labor spread
8		Inspection & Maintenance	All Other Companies	(\$60,920)	(\$60,920)	\$0 Labor spread
9		Elevate portion of Variable Pay paid at 160% of target; reduce to target	Narragansett Electric Company	(\$79,802)	(\$65,346)	(\$14,456) See Variable Pay Adj by Reg Class tab
10		Elevate portion of Variable Pay paid at 160% of target; reduce to target	National Grid USA Service Company	(\$851,889)	(\$531,973)	(\$319,916) See Variable Pay Adj by Reg Class tab
11		Elevate portion of Variable Pay paid at 160% of target; reduce to target	All Other Companies	(\$7,047)	(\$4,853)	(\$2,194) See Variable Pay Adj by Reg Class tab
12		Normalize Union Variable Pay to target	Narragansett Electric Company	(\$119,783)	(\$15,657)	(\$104,125) See Variable Pay Adj by Reg Class tab
13		Normalize Union Variable Pay to target	National Grid USA Service Company	(\$33,281)	(\$13,711)	(\$19,570) See Variable Pay Adj by Reg Class tab
14		Normalize Union Variable Pay to target	All Other Companies	\$3,612	(\$2,899)	\$6,511 See Variable Pay Adj by Reg Class tab
15		Reclass Misc Pay (to)/from Affiliates	Narragansett Electric Company	\$624,738	\$473,880	\$150,857 See Variable Pay Adj by Reg Class tab
16		Reclass Misc Pay (to)/from Affiliates	National Grid USA Service Company	(\$621,523)	(\$471,442)	(\$150,081) See Variable Pay Adj by Reg Class tab
17		Reclass Misc Pay (to)/from Affiliates	All Other Companies	(\$3,214)	(\$2,438)	(\$776) See Variable Pay Adj by Reg Class tab
18		Record IFA Impact of Miscellaneous Pay reclasses (to)/from Affiliates	Narragansett Electric Company	(\$64,727)	(\$64,727)	\$0 See IFA tab
19		Record IFA Impact of Miscellaneous Pay reclasses (to)/from Affiliates	National Grid USA Service Company	\$64,394	\$64,394	\$0 See IFA tab
20		Record IFA Impact of Miscellaneous Pay reclasses (to)/from Affiliates	All Other Companies	\$333	\$333	\$0 See IFA tab
21		Major Storm Normalization	Narragansett Electric Company	(\$591,080)	(\$591,080)	\$0 Distribution Maintenance
22		Major Storm Normalization	National Grid USA Service Company	(\$370,308)	(\$370,308)	\$0 Distribution Maintenance
23		Major Storm Normalization	All Other Companies	(\$51,141)	(\$51,141)	\$0 Distribution Maintenance
24		Standard Offer Service (SOS) Admin Costs	National Grid USA Service Company	(\$217,804)	(\$217,804)	\$0 Administrative & General Expenses-o
25		Segment Reclassification	Narragansett Electric Company	\$0	\$2,562,849	(\$2,562,849) See validation topsides tab
26		Segment Reclassification	National Grid USA Service Company	(\$0)	\$646,585	(\$646,585) See validation topsides tab
27		Segment Reclassification	All Other Companies	(\$0)	\$752	(\$752) See validation topsides tab
28		GCR Labor Adjustment	Narragansett Electric Company	(\$572,670)	\$0	(\$572,670) Natural Gas Storage
29		GCR Labor Adjustment	National Grid USA Service Company	(\$256,209)	\$0	(\$256,209) Natural Gas Storage
30		GCR Labor Adjustment	All Other Companies	(\$944)	\$0	(\$944) Natural Gas Storage
31		Service Company A&G Overhead Study Adjustment - Base Labor Union	National Grid USA Service Company	(\$429,740)	(\$270,274)	(\$159,466) See tab Servco A&G Study
32		Service Company A&G Overhead Study Adjustment - Base Labor Non-Un	National Grid USA Service Company	(\$2,947,935)	(\$1,992,654)	(\$955,281) See tab Servco A&G Study
33		Service Company A&G Overhead Study Adjustment - Variable Pay Union	National Grid USA Service Company	(\$10,825)	(\$5,942)	(\$4,883) See tab Servco A&G Study
34		Service Company A&G Overhead Study Adjustment - Variable Pay Non-U	National Grid USA Service Company	(\$505,965)	(\$348,354)	(\$157,611) See tab Servco A&G Study
35		Service Company A&G Overhead Study Adjustment - Overtime Union	National Grid USA Service Company	(\$68,746)	(\$40,506)	(\$28,240) See tab Servco A&G Study
36		Service Company A&G Overhead Study Adjustment - Overtime Non-Unio	National Grid USA Service Company	(\$24,875)	(\$20,002)	(\$4,874) See tab Servco A&G Study
37		RI Government Relations and Federal Affairs	Narragansett Electric Company	(\$155,978)	(\$155,981)	\$2 Administrative & General Expenses-o
38		RI Government Relations and Federal Affairs	National Grid USA Service Company	(\$82,128)	(\$62,154)	(\$19,974) Administrative & General Expenses-o
39		Exclude ReGrowth Program Costs	National Grid USA Service Company	(\$312,719)	(\$312,719)	\$0 Administrative & General Expenses-o
40						
41		TOTAL		(\$16,463,419)	(\$10,639,332)	(\$5,824,087)
42						
43	Page 2	Adjustments: (to reflect conditions in the Rate Year 8/31/2019)				
44						
45		Adjustments to Rate Year	Narragansett Electric Company	\$5,462,557	\$3,979,843	\$1,482,714
46		Adjustments to Rate Year	National Grid USA Service Company	\$4,257,545	\$2,647,090	\$1,610,455
47		Adjustments to Rate Year	All Other Companies	\$104,885	\$65,436	\$39,450
48						
49		TOTAL		\$9,824,987	\$6,692,369	\$3,132,619
50						
51						
52	Page 3 and Page 4	Adjustments: (to reflect conditions in the Rate Year 8/31/2020)				
53						
54		Adjustments to Rate Year	Narragansett Electric Company	\$1,791,524	\$914,307	\$877,217
55		Adjustments to Rate Year	National Grid USA Service Company	\$1,395,912	\$876,846	\$519,066
56		Adjustments to Rate Year	All Other Companies	\$48,826	\$33,242	\$15,584
57						
58		TOTAL		\$3,236,262	\$1,824,395	\$1,411,867
59						
60						
61	Page 3 and Page 4	Adjustments: (to reflect conditions in the Rate Year 8/31/2021)				
62						
63		Adjustments to Rate Year	Narragansett Electric Company	\$1,294,647	\$714,846	\$579,801
64		Adjustments to Rate Year	National Grid USA Service Company	\$1,346,900	\$850,275	\$496,625
65		Adjustments to Rate Year	All Other Companies	\$41,633	\$28,312	\$13,320
66						
67		TOTAL		\$2,683,179	\$1,593,433	\$1,089,746
68						

Line Notes

46(b) Page 6, Line 42
46(c) Page 7, Line 42
47(b) Page 8, Line 46
47(c) Page 9, Line 46
48(b) Page 10, Line 46
48(c) Page 11, Line 46
55(b) Page 6, Line 52
55(c) Page 7, Line 52
56(b) Page 8, Line 56
56(c) Page 9, Line 56
57(b) Page 10, Line 56
57(c) Page 11, Line 56
64(b) Page 6, Line 62
64(c) Page 7, Line 62
65(b) Page 8, Line 66
65(c) Page 9, Line 66
66(b) Page 10, Line 66
66(c) Page 11, Line 66

The Narragansett Electric Company d/b/a National Grid
The Narragansett Electric Company Employees Salary and Wages
Rate Year Ending August 31, 2019, August 31, 2020 and August 31, 2021

Line	Description	Rate Electric (a)	Portion of Year Electric (b)	Union Electric (c)	Non-Union Electric (d)	Rate Year Amount Electric (e)	Test Year Amount Electric (f)
1	Test Year Total Base Wages			\$27,531,828	\$4,870,224		\$32,402,052
2	Less Test Year Capitalized Wages			\$14,546,826	\$2,756,069		\$17,302,896
3	Test Year O&M Wages			\$12,985,002	\$2,114,155		\$15,099,157
4	O&M Portion			47.16%	43.41%		46.60%
5							
6	Test Year O&M Variable Pay			\$114,710	\$495,523		\$610,233
7	Test Year O&M Overtime Wages			\$4,692,596	\$22,595		\$4,715,191
8	Total Test Year Narragansett Electric Company O&M Wages			\$17,792,308	\$2,632,273		\$20,424,581
9							
10	Steady State Wages at 6/30/17 (excluding Temporary Employees)			\$23,845,332	\$4,733,253	\$28,578,585	
11	Normalize employees serving the electric business from the gas segment			\$5,895,635	\$609,838	\$6,505,473	
12	Test Year Temporary and Seasonal Employees			\$466,499	\$5,921	\$472,420	
13	Incremental Full Time Equivalents			\$1,593,548	\$227,574	\$1,821,122	
14	Vacancies			\$1,490,756	\$101,000	\$1,591,756	
15	Total Steady State Wages at 06/30/17			\$33,291,770	\$5,677,586	\$38,969,356	
16							
17	Weighted Union Wage Increases Effective 07/01/2017 through 06/30/2018	0.34%	100.00%	\$113,192		\$113,192	
18	Non-Union Wage Increase Effective 07/01/17 through 06/30/18 (12 Months)	3.64%	100.00%		\$206,664	\$206,664	
19							
20	Subtotal			\$33,404,962	\$5,884,250	\$39,289,212	
21							
22	Weighted Union Wage Increases Effective 07/01/2018 through 06/31/2019	2.53%	100.00%	\$845,146		\$845,146	
23	Non-Union Wage Increase Effective 07/01/18 through 06/30/19 (12 Months)	3.25%	100.00%		\$191,238	\$191,238	
24							
25	Subtotal			\$34,250,108	\$6,075,488	\$40,325,596	
26							
27	Weighted Union Wage Increases Effective 07/01/2019 through 08/31/2019	2.74%	16.99%	\$159,443		\$159,443	
28	Non-Union Wage Increase Effective 07/01/19 through 08/31/19 (2 Months)	3.00%	16.99%		\$30,967	\$30,967	
29							
30	Rate Year 8/31/2019 Total Base Wages			\$34,409,551	\$6,106,455	\$40,516,006	
31							
32	Rate Year 8/31/2019 O&M Base Wages			\$16,227,544	\$2,650,812	\$18,878,356	
33							
34	Test Year O&M Non-Financial Variable Pay			\$114,710	\$495,523.48	\$610,233	
35	Test Year O&M Overtime Wages			\$4,692,596	\$22,595	\$4,715,191	
36	Increase Through Rate Year			3.36%	7.55%		
37	Impact of O&M Non-Financial Variable Pay Increase Through Rate Year			\$3,854	\$37,412	\$41,266	
38	Impact of O&M Overtime Wages Increase Through Rate Year			\$157,671	\$1,706	\$159,377	
39							
40	Rate Year 8/31/2019 O&M Wages			\$21,196,376	\$3,208,048	\$24,404,424	\$24,404,424
41							
42	Narragansett Electric Company Wage Adjustment 8/31/2019						\$3,979,843
43							
44	Incremental Full Time Equivalents 09/01/2019 through 8/31/2020			\$326,691	\$0	\$326,691	
45	Incremental Full Time Equivalents, O&M portion			\$154,067	\$0	\$154,067	
46							
47	Weighted Union Wage Increases Effective 09/01/2019 through 08/31/2020	3.11%	100.00%	\$663,999		\$663,999	
48	Non-Union Wage Increase Effective 09/01/19 through 08/31/20 (12 Months)	3.00%	100.00%		\$96,241	\$96,241	
49							
50	Rate Year 8/31/2020 O&M Wages			\$22,014,442	\$3,304,290	\$25,318,731	\$25,318,731
51							
52	Narragansett Electric Company Wage Adjustment 8/31/2020						\$914,307
53							
54	Incremental Full Time Equivalents 09/01/2020 through 8/31/2021			\$34,937	\$0	\$34,937	
55	Incremental Full Time Equivalents, O&M portion			\$16,476	\$0	\$16,476	
56							
57	Weighted Union Wage Increases Effective 09/01/2020 through 08/31/2021	2.72%	100.00%	\$599,241		\$599,241	
58	Non-Union Wage Increase Effective 09/01/20 through 08/31/21 (12 Months)	3.00%	100.00%		\$99,129	\$99,129	
59							
60	Rate Year 8/31/2021 O&M Wages			\$22,630,159	\$3,403,418	\$26,033,577	\$26,033,577
61							
62	Narragansett Electric Company Wage Adjustment 8/31/2021						\$714,846

Line Notes

1-8	Workpaper 4, Page 1	37	Line 34 x Line 36
10	Annualized wages based on June 30, 2017 employee complement and annual salaries	38	Line 35 x Line 36
11	Workpaper 4, Page 9	40	Sum of Lines 32 through 35 + Line 37 + Line 38
12	Per Company books	42	Line 40(f) - Line 8(f)
13	Workpaper 4, Page 10	44	Workpaper 4, Page 10
14	Per Human Resources	45	Line 4 x Line 44
15	Sum of Lines 10 through 14	47-48	(Line 40 + Line 45) x Column (a) x Column (b) Line 47 or Line 48, respectively
17-18	Line 15 x Column (a) x Column (b) Line 17 or Line 18, respectively	50	Line 40 + Sum of Lines 45 through 48
20	Sum of Lines 15 through 18	52	Line 50(f) - Line 40(f)
22-23	Line 20 x Column (a) x Column (b) Line 22 or Line 23, respectively	54	Workpaper 4, Page 10
25	Sum of Lines 20 through 23	55	Line 4 x Line 54
27-28	Line 25 x Column (a) x Column (b) Line 27 or Line 28, respectively	57-58	(Line 50 + Line 55) x Column (a) x Column (b) Line 57 or Line 58, respectively
30	Sum of Lines 25 through 28	60	Line 50 + Sum of Lines 55 through 58
32	Line 4 x Line 30	62	Line 60(f) - Line 50(f)
34	Line 6 - Band A & B Financial Variable Pay, Workpaper 4, Page 4		
35	Line 7		
36	(1 + Column (a) x Column (b), Line 17 or Line 18, respectively) x (1 + Column (a) x Column (b), Line 22 or Line 23, respectively) x (1 + Column (a) x Column (b), Line 27 or Line 28, respectively) - 1		

The Narragansett Electric Company d/b/a National Grid
The Narragansett Electric Company Employees Salary and Wages
Rate Year Ending August 31, 2019, August 31, 2020 and August 31, 2021

Line	Description	Portion of		Union	Non-Union	Rate Year Amount	Test Year Amount
		Gas	Year				
		(a)	(b)	(c)	(d)	(e)	(f)
1	Test Year Total Base Wages			\$25,827,239	\$1,293,669		\$27,120,908
2	Less Test Year Capitalized Wages			\$14,138,118	\$826,373		\$14,964,491
3	Test Year O&M Wages			\$11,689,121	\$467,297		\$12,156,417
4	O&M Portion			45.26%	36.12%		44.82%
5							
6	Test Year O&M Variable Pay			\$136,250	\$337,168		\$473,418
7	Test Year O&M Overtime Wages			\$3,310,002	\$1,751		\$3,311,754
8	Total Test Year Narragansett Electric Company O&M Wages			\$15,135,373	\$806,216		\$15,941,589
9							
10	Steady State Wages at 6/30/17 (excluding Temporary Employees)			\$31,505,956	\$1,780,089	\$33,286,045	
11	Normalize employees serving the electric business from the gas segment			(\$5,895,635)	(\$609,838)	(\$6,505,473)	
12	Test Year Temporary and Seasonal Employees			\$94,585	\$0	\$94,585	
13	Incremental Full Time Equivalents			\$1,234,192	\$373,803	\$1,607,995	
14	Vacancies			\$532,980	\$122,164	\$655,144	
15	Total Steady State Wages at 6/30/17			\$27,472,077	\$1,666,218	\$29,138,295	
16							
17	Weighted Union Wage Increases Effective 07/01/2017 through 06/30/2018	0.51%	100.00%	\$140,108		\$140,108	
18	Non-Union Wage Increase Effective 07/01/17 through 06/30/18 (12 Months)	3.64%	100.00%		\$60,650	\$60,650	
19							
20	Subtotal			\$27,612,185	\$1,726,868	\$29,339,053	
21							
22	Weighted Union Wage Increases Effective 07/01/2018 through 06/31/2019	2.38%	100.00%	\$657,170		\$657,170	
23	Non-Union Wage Increase Effective 07/01/18 through 06/30/19 (12 Months)	3.25%	100.00%		\$56,123	\$56,123	
24							
25	Subtotal			\$28,269,355	\$1,782,991	\$30,052,346	
26							
27	Weighted Union Wage Increases Effective 07/01/2019 through 08/31/2019	2.58%	16.99%	\$123,916		\$123,916	
28	Non-Union Wage Increase Effective 07/01/19 through 08/31/19 (2 Months)	3.00%	16.99%		\$9,088	\$9,088	
29							
30	Rate Year 8/31/2019 Total Base Wages			\$28,393,271	\$1,792,079	\$30,185,351	
31							
32	Rate Year 8/31/2019 O&M Base Wages			\$12,850,795	\$647,299	\$13,498,094	
33							
34	Test Year O&M Non-Financial Variable Pay			\$136,250	\$337,167.89	\$473,418	
35	Test Year O&M Overtime Wages			\$3,310,002	\$1,751	\$3,311,754	
36	Increase Through Rate Year			3.35%	7.55%		
37	Impact of O&M Non-Financial Variable Pay Increase Through Rate Year			\$4,564	\$25,456	\$30,021	
38	Impact of O&M Overtime Wages Increase Through Rate Year			\$110,885	\$132	\$111,017	
39							
40	Rate Year 8/31/2019 O&M Wages			\$16,412,496	\$1,011,807	\$17,424,303	\$17,424,303
41							
42	Narragansett Electric Company Wage Adjustment 8/31/2019						\$1,482,714
43							
44	Incremental Full Time Equivalents 09/01/2019 through 8/31/2020			\$660,207	\$170,482	\$830,689	
45	Incremental Full Time Equivalents, O&M portion			\$298,810	\$61,578	\$360,388	
46							
47	Weighted Union Wage Increases Effective 09/01/2019 through 08/31/2020	2.90%	100.00%	\$484,628		\$484,628	
48	Non-Union Wage Increase Effective 09/01/19 through 08/31/20 (12 Months)	3.00%	100.00%		\$32,202	\$32,202	
49							
50	Rate Year 8/31/2020 O&M Wages			\$17,195,934	\$1,105,586	\$18,301,520	\$18,301,520
51							
52	Narragansett Electric Company Wage Adjustment 8/31/2020						\$877,217
53							
54	Incremental Full Time Equivalents 09/01/2020 through 8/31/2021			\$288,978	\$0	\$288,978	
55	Incremental Full Time Equivalents, O&M portion			\$130,792	\$0	\$130,792	
56							
57	Weighted Union Wage Increases Effective 09/01/2020 through 08/31/2021	2.40%	100.00%	\$415,841		\$415,841	
58	Non-Union Wage Increase Effective 09/01/20 through 08/31/21 (12 Months)	3.00%	100.00%		\$33,168	\$33,168	
59							
60	Rate Year 8/31/2021 O&M Wages			\$17,742,567	\$1,138,754	\$18,881,321	\$18,881,321
61							
62	Narragansett Electric Company Wage Adjustment 8/31/2021						\$579,801

Line Notes

1-8	Worksheet 4, Page 1	37	Line 34 x Line 36
10	Annualized wages based on June 30, 2017 employee complement and annual salaries	38	Line 35 x Line 36
11	Worksheet 4, Page 9	40	Sum of Lines 32 through 35 + Line 37 + Line 38
12	Per Company books	42	Line 40(f) - Line 8(f)
13	Worksheet 4, Page 11	44	Worksheet 4, Page 11
14	Per Human Resources	45	Line 4 x Line 44
15	Sum of Lines 10 through 14	47-48	(Line 40 + Line 45) x Column (a) x Column (b) Line 47 or Line 48, respectively
17-18	Line 15 x Column (a) x Column (b) Line 17 or Line 18, respectively	50	Line 40 + Sum of Lines 45 through 48
20	Sum of Lines 15 through 18	52	Line 50(f) - Line 40(f)
22-23	Line 20 x Column (a) x Column (b) Line 22 or Line 23, respectively	54	Worksheet 4, Page 11
25	Sum of Lines 20 through 23	55	Line 4 x Line 54
27-28	Line 25 x Column (a) x Column (b) Line 27 or Line 28, respectively	57-58	(Line 50 + Line 55) x Column (a) x Column (b) Line 57 or Line 58, respectively
30	Sum of Lines 25 through 28	60	Line 50 + Sum of Lines 55 through 58
32	Line 4 x Line 30	62	Line 60(f) - Line 50(f)
34	Line 6 - Band A & B Financial Variable Pay, Worksheet 4, Page 4		
35	Line 7		
36	(1 + Column (a) x Column (b), Line 17 or Line 18, respectively) x (1 + Column (a) x Column (b), Line 22 or Line 23, respectively) x (1 + Column (a) x Column (b), Line 27 or Line 28, respectively) - 1		

The Narragansett Electric Company d/b/a National Grid
Service Company Employees Salary and Wages
Rate Year Ending August 31, 2019, August 31, 2020 and August 31, 2021

Line	Description	Portion of		Union	Non-Union	Rate Year Amount	Test Year Amount
		Rate	Year				
		Electric	Electric	Electric	Electric	Electric	Electric
		(a)	(b)	(c)	(d)	(e)	(f)
1	Service Company Test Year Total Base Wages			\$88,805,821	\$465,382,043		\$554,187,863
2							
3	Narragansett Electric Company Share of Test Year Total Base Wages			\$6,731,440	\$28,316,200		\$35,047,640
4	Less Test Year Capitalized Wages			\$4,068,277	\$11,025,070		\$15,093,347
5	Test Year O&M Wages			\$2,663,163	\$17,291,130		\$19,954,293
6	O&M Portion			39.56%	61.06%		56.93%
7							
8	Test Year O&M Variable Pay			\$36,870	\$2,197,822		\$2,234,692
9	Test Year O&M Overtime Wages			\$284,136	\$95,132		\$379,267
10	Total Test Year Service Company Wages to Narragansett Electric Company O&M			\$2,984,169	\$19,584,084		\$22,568,253
11							
12	Total Service Company Steady State Wages at 6/30/17 (excluding Temporary Employees)			\$94,499,627	\$494,100,352	\$588,599,980	
13	Narragansett Electric Company Share of Base Wages 6/30/17			7.58%	6.08%	6.32%	
14							
15	Steady State Wages at 6/30/17 Charged to Narragansett Company			\$7,163,028	\$30,063,567	\$37,226,595	
16	Test Year Temporary and Seasonal Employees			\$0	\$53,564	\$53,564	
17	Incremental Full Time Equivalents			\$10,946	\$405,835	\$416,781	
18	Vacancies			\$0	\$0	\$0	
19	Total Steady State Wages at 6/30/17			\$7,173,974	\$30,522,967	\$37,696,941	
20							
21	Weighted Union Wage Increases Effective 07/01/2017 through 06/30/2018	0.32%	100.00%	\$22,957		\$22,957	
22	Non-Union Wage Increase Effective 07/01/17 through 06/30/18 (12 Months)	3.64%	100.00%		\$1,111,036	\$1,111,036	
23							
24	Subtotal			\$7,196,931	\$31,634,003	\$38,830,934	
25							
26	Weighted Union Wage Increases Effective 07/01/2018 through 06/31/2019	2.51%	100.00%	\$180,643		\$180,643	
27	Non-Union Wage Increase Effective 07/01/18 through 06/30/19 (12 Months)	3.25%	100.00%		\$1,028,105	\$1,028,105	
28							
29	Subtotal			\$7,377,574	\$32,662,108	\$40,039,682	
30							
31	Weighted Union Wage Increases Effective 07/01/2019 through 08/31/2019	2.72%	16.99%	\$34,094		\$34,094	
32	Non-Union Wage Increase Effective 07/01/19 through 08/31/19 (2 Months)	3.00%	16.99%		\$166,479	\$166,479	
33							
34	Rate Year 8/31/2019 Total Base Wages			\$7,411,668	\$32,828,586	\$40,240,254	
35							
36	Rate Year 8/31/2019 O&M Base Wages			\$2,932,056	\$20,045,135	\$22,977,191	
37							
38	Test Year O&M Non-Financial Variable Pay			\$36,870	\$1,677,551	\$1,714,422	
39	Test Year O&M Overtime Wages			\$284,136	\$95,132	\$379,267	
40	Increase Through Rate Year			3.31%	7.55%		
41	Impact of O&M Non-Financial Variable Pay Increase Through Rate Year			\$1,220	\$126,655	\$127,876	
42	Impact of O&M Overtime Wages Increase Through Rate Year			\$9,405	\$7,182	\$16,587	
43							
44	Rate Year O&M Wages			\$3,263,687	\$21,951,656	\$25,215,342	\$25,215,342
45							
46	Narragansett Electric Company Wage Adjustment 8/31/2019						\$2,647,090
47							
48	Incremental Full Time Equivalents 09/01/2019 through 8/31/2020			\$10,735	\$180,305	\$191,040	
49	Incremental Full Time Equivalents, O&M portion			\$4,247	\$110,094	\$114,341	
50							
51	Weighted Union Wage Increases Effective 09/01/2019 through 08/31/2020	3.08%	100.00%	\$100,652		\$100,652	
52	Non-Union Wage Increase Effective 09/01/19 through 08/31/20 (12 Months)	3.00%	100.00%		\$661,852	\$661,852	
53							
54	Rate Year 8/31/2020 O&M Wages			\$3,368,586	\$22,723,602	\$26,092,188	\$26,092,188
55							
56	Narragansett Electric Company Wage Adjustment 8/31/2020						\$876,846
57							
58	Incremental Full Time Equivalents 09/01/2020 through 8/31/2021			\$5,262	\$121,083	\$126,345	
59	Incremental Full Time Equivalents, O&M portion			\$2,082	\$73,933	\$76,015	
60							
61	Weighted Union Wage Increases Effective 09/01/2020 through 08/31/2021	2.68%	100.00%	\$90,334		\$90,334	
62	Non-Union Wage Increase Effective 09/01/20 through 08/31/21 (12 Months)	3.00%	100.00%		\$683,926	\$683,926	
63							
64	Rate Year 8/31/2021 O&M Wages			\$3,461,001	\$23,481,461	\$26,942,463	\$26,942,463
65							
66	Narragansett Electric Company Wage Adjustment 8/31/2021						\$850,275

Line Notes

1	Per Company books	41	Line 38 x Line 40
3-10	Worksheet 4, Page 2	42	Line 39 x Line 40
12	Annualized wages based on June 30, 2017 employee complement and annual salaries	44	Sum of Lines 36 through 39 + Line 41 + Line 42
13	Line 3 / Line 1	46	Line 44(f) - Line 10(f)
15	Line 12 x Line 13	48	Worksheet 4, Pages 11-12
16	Per Company books	49	Line 6 x Line 48
17	Worksheet 4, Pages 11-12	51-52	(Line 44 + Line 49) x Column (a) x Column (b) Line 51 or Line 52, respectively
19	Sum of Lines 15 through 18	54	Line 44 + Sum of Lines 49 through 52
21-22	Line 19 x Column (a) x Column (b) Line 21 or Line 22, respectively	56	Line 54(f) - Line 44(f)
24	Sum of Lines 18 through 22	58	Worksheet 4, Pages 11-12
26-27	Line 24 x Column (a) x Column (b) Line 26 or Line 27, respectively	59	Line 6 x Line 58
29	Sum of Lines 24 through 27	61-62	(Line 54 + Line 59) x Column (a) x Column (b) Line 61 or Line 62, respectively
31-32	Line 29 x Column (a) x Column (b) Line 31 or Line 32, respectively	64	Line 54 + Sum of Lines 59 through 62
34	Sum of Lines 29 through 32	66	Line 64(f) - Line 54(f)
36	Line 6 x Line 34		
38	Line 8 - Band A & B Financial Variable Pay, Worksheet 4, Page 5		
39	Line 9		
40	(1 + Column (a) x Column (b), Line 21 or Line 22, respectively) x (1 + Column (a) x Column (b), Line 26 or Line 27, respectively) x (1 + Column (a) x Column (b), Line 31 or Line 32, respectively) - 1		

The Narragansett Electric Company d/b/a National Grid
Service Company Employees Salary and Wages
Rate Year Ending August 31, 2019, August 31, 2020 and August 31, 2021

Line	Description	Portion of		Rate Year		Test Year
		Rate	Year	Union	Non-Union	Amount
		Gas	Gas	Gas	Gas	Gas
		(a)	(b)	(c)	(d)	(e)
1	Service Company Test Year Total Base Wages			\$88,805,821	\$465,382,043	\$554,187,863
2						
3	Narragansett Electric Company Share of Test Year Total Base Wages			\$3,148,702	\$17,338,207	\$20,486,908
4	Less Test Year Capitalized Wages			\$1,438,175	\$6,939,697	\$8,377,872
5	Test Year O&M Wages			\$1,710,527	\$10,398,510	\$12,109,037
6	O&M Portion			54.32%	59.97%	59.11%
7						
8	Test Year O&M Variable Pay			\$24,843	\$1,265,599	\$1,290,442
9	Test Year O&M Overtime Wages			\$283,559	\$56,019	\$339,578
10	Total Test Year Service Company Wages to Narragansett Electric Company O&M			\$2,018,928	\$11,720,128	\$13,739,056
11						
12	Total Service Company Steady State Wages at 6/30/17 (excluding Temporary Employees)			\$94,499,627	\$494,100,352	\$588,599,980
13	Narragansett Electric Company Share of Base Wages 6/30/17			3.55%	3.73%	3.70%
14						
15	Steady State Wages at 6/30/17 Charged to Narragansett Electric Company			\$3,350,582	\$18,408,132	\$21,758,713
16	Test Year Temporary and Seasonal Employees			\$0	\$33,340	\$33,340
17	Incremental Full Time Equivalents			\$5,120	\$248,496	\$253,616
18	Vacancies			\$0	\$0	\$0
19	Total Steady State Wages at 6/30/17			\$3,355,702	\$18,689,967	\$22,045,669
20						
21	Weighted Union Wage Increases Effective 07/01/2017 through 06/30/2018	0.72%	100.00%	\$24,161		\$24,161
22	Non-Union Wage Increase Effective 07/01/17 through 06/30/18 (12 Months)	3.64%	100.00%		\$680,315	\$680,315
23						
24	Subtotal			\$3,379,863	\$19,370,282	\$22,750,145
25						
26	Weighted Union Wage Increases Effective 07/01/2018 through 06/31/2019	2.74%	100.00%	\$92,608		\$92,608
27	Non-Union Wage Increase Effective 07/01/18 through 06/30/19 (12 Months)	3.25%	100.00%		\$629,534	\$629,534
28						
29	Subtotal			\$3,472,471	\$19,999,816	\$23,472,287
30						
31	Weighted Union Wage Increases Effective 07/01/2019 through 08/31/2019	2.76%	16.99%	\$16,283		\$16,283
32	Non-Union Wage Increase Effective 07/01/19 through 08/31/19 (2 Months)	3.00%	16.99%		\$101,939	\$101,939
33						
34	Rate Year 8/31/2019 Total Base Wages			\$3,488,754	\$20,101,755	\$23,590,509
35						
36	Rate Year 8/31/2019 O&M Base Wages			\$1,895,091	\$12,055,023	\$13,950,114
37						
38	Test Year O&M Non-Financial Variable Pay			\$24,843	\$947,034	\$971,877
39	Test Year O&M Overtime Wages			\$283,559	\$56,019	\$339,578
40	Increase Through Rate Year			3.96%	7.55%	
41	Impact of O&M Non-Financial Variable Pay Increase Through Rate Year			\$984	\$71,501	\$72,485
42	Impact of O&M Overtime Wages Increase Through Rate Year			\$11,229	\$4,229	\$15,458
43						
44	Rate Year O&M Wages			\$2,215,705	\$13,133,806	\$15,349,511
45						
46	Narragansett Electric Company Wage Adjustment 8/31/2019					\$1,610,455
47						
48	Incremental Full Time Equivalents 09/01/2019 through 8/31/2020			\$5,021	\$110,402	\$115,423
49	Incremental Full Time Equivalents, O&M portion			\$2,728	\$66,208	\$68,936
50						
51	Weighted Union Wage Increases Effective 09/01/2019 through 08/31/2020	2.44%	100.00%	\$54,130		\$54,130
52	Non-Union Wage Increase Effective 09/01/19 through 08/31/20 (12 Months)	3.00%	100.00%		\$396,000	\$396,000
53						
54	Rate Year 8/31/2020 O&M Base Wages			\$2,272,563	\$13,596,014	\$15,868,577
55						
56	Narragansett Electric Company Wage Adjustment 8/31/2020					\$519,066
57						
58	Incremental Full Time Equivalents 09/01/2020 through 8/31/2021			\$2,461	\$74,140	\$76,601
59	Incremental Full Time Equivalents, O&M portion			\$1,337	\$44,462	\$45,799
60						
61	Weighted Union Wage Increases Effective 09/01/2020 through 08/31/2021	1.83%	100.00%	\$41,612		\$41,612
62	Non-Union Wage Increase Effective 09/01/20 through 08/31/21 (12 Months)	3.00%	100.00%		\$409,214	\$409,214
63						
64	Rate Year 8/31/2021 O&M Base Wages			\$2,315,512	\$14,049,690	\$16,365,202
65						
66	Narragansett Electric Company Wage Adjustment 8/31/2021					\$496,625

Line Notes

1	Per Company books	41	Line 38 x Line 40
3-10	Worksheet 4, Page 2	42	Line 39 x Line 40
	Annualized wages based on June 30, 2017 employee complement and annual salaries	44	Sum of Lines 36 through 39 + Line 41 + Line 42
13	Line 3 / Line 1	46	Line 44(f) - Line 10(f)
15	Line 12 x Line 13	48	Worksheet 4, Pages 11-12
16	Per Company books	49	Line 6 x Line 48
17	Worksheet 4, Pages 11-12	51-52	(Line 44 + Line 49) x Column (a) x Column (b) Line 51 or Line 52, respectively
19	Sum of Lines 15 through 18	54	Line 44 + Sum of Lines 49 through 52
21-22	Line 19 x Column (a) x Column (b) Line 21 or Line 22, respectively	56	Line 54(f) - Line 44(f)
24	Sum of Lines 18 through 22	58	Worksheet 4, Pages 11-12
26-27	Line 24 x Column (a) x Column (b) Line 26 or Line 27, respectively	59	Line 6 x Line 58
29	Sum of Lines 24 through 27	61-62	(Line 54 + Line 59) x Column (a) x Column (b) Line 61 or Line 62, respectively
31-32	Line 29 x Column (a) x Column (b) Line 31 or Line 32, respectively	64	Line 54 + Sum of Lines 59 through 62
34	Sum of Lines 29 through 32	66	Line 64(f) - Line 54(f)
36	Line 6 x Line 34		
38	Line 8 - Band A & B Financial Variable Pay, Worksheet 4, Page 5		
39	Line 9		
40	(1 + Column (a) x Column (b), Line 21 or Line 22, respectively) x (1 + Column (a) x Column (b), Line 26 or Line 27, respectively) x (1 + Column (a) x Column (b), Line 31 or Line 32, respectively) - 1		

The Narragansett Electric Company d/b/a National Grid
Other Affiliates Employees Salary and Wages
Rate Year Ending August 31, 2019, August 31, 2020 and August 31, 2021

Line	Description	Portion of		Union	Non-Union	Rate Year	Test Year
		Rate	Year			Amount	Amount
		Electric	Electric	Electric	Electric	Electric	Electric
		(a)	(b)	(c)	(d)	(e)	(f)
1	Other Affiliates Test Year Total Base Wages			\$627,727,377	\$127,406,430		\$755,133,806
2							
3	Narragansett Electric Company Share of Test Year Total Base Wages			\$1,581,078	\$386,682		\$1,967,760
4	Less Test Year Capitalized Wages			\$728,879	\$223,147		\$952,026
5	Test Year O&M Wages			\$852,199	\$163,535		\$1,015,734
6	O&M Portion			53.90%	42.29%		51.62%
7							
8	Test Year O&M Variable Pay			\$26,497	\$6,789		\$33,287
9	Test Year O&M Overtime Wages			\$78,504	(\$3,440)		\$75,064
10	Total Test Year Other Affiliates Wages to Narragansett Electric Company O&M			\$957,200	\$166,884		\$1,124,084
11							
12	Total Affiliates Steady State Wages at 6/30/17 (excluding Temporary Employees)			\$652,183,071	\$123,158,619	\$775,341,689	
13	Narragansett Electric Company Share of Base Wages 6/30/17			0.25%	0.30%	0.26%	
14							
15	Steady State Wages at 6/30/17 Charged to Narragansett Electric Company			\$1,630,458	\$369,476	\$1,999,934	
16	Test Year Temporary and Seasonal Employees			\$0	\$448	\$448	
17	Incremental Full Time Equivalents			\$0	\$0	\$0	
18	Vacancies			\$0	\$0	\$0	
19	Total Steady State Wages at 6/30/17			\$1,630,458	\$369,924	\$2,000,382	
20							
21	Weighted Union Wage Increases Effective 07/01/2017 through 06/30/2018	0.58%	100.00%	\$9,457		\$9,457	
22	Non-Union Wage Increase Effective 07/01/17 through 06/30/18 (12 Months)	3.64%	100.00%		\$13,465	\$13,465	
23							
24	Subtotal			\$1,639,914	\$383,389	\$2,023,304	
25							
26	Weighted Union Wage Increases Effective 07/01/2018 through 06/31/2019	2.47%	100.00%	\$40,506		\$40,506	
27	Non-Union Wage Increase Effective 07/01/18 through 06/30/19 (12 Months)	3.25%	100.00%		\$12,460	\$12,460	
28							
29	Subtotal			\$1,680,420	\$395,849	\$2,076,270	
30							
31	Weighted Union Wage Increases Effective 07/01/2019 through 08/31/2019	2.46%	16.99%	\$7,023		\$7,023	
32	Non-Union Wage Increase Effective 07/01/19 through 08/31/19 (2 Months)	3.00%	16.99%		\$2,018	\$2,018	
33							
34	Rate Year 8/31/2019 Total Base Wages			\$1,687,444	\$397,867	\$2,085,311	
35							
36	Rate Year 8/31/2019 O&M Base Wages			\$909,532	\$168,258	\$1,077,790	
37							
38	Test Year O&M Non-Financial Variable Pay			\$26,497	\$6,280	\$32,777	
39	Test Year O&M Overtime Wages			\$78,504	(\$3,440)	\$75,064	
40	Increase Through Rate Year			3.50%	7.55%		
41	Impact of O&M Non-Financial Variable Pay Increase Through Rate Year			\$927	\$474	\$1,402	
42	Impact of O&M Overtime Wages Increase Through Rate Year			\$2,748	(\$260)	\$2,488	
43							
44	Rate Year O&M Wages			\$1,018,208	\$171,312	\$1,189,520	\$1,189,520
45							
46	Narragansett Electric Company Wage Adjustment 8/31/2019						\$65,436
47							
48	Incremental Full Time Equivalents 09/01/2019 through 8/31/2020			\$0	\$0	\$0	
49	Incremental Full Time Equivalents, O&M portion			\$0	\$0	\$0	
50							
51	Weighted Union Wage Increases Effective 09/01/2019 through 08/31/2020	2.76%	100.00%	\$28,103		\$28,103	
52	Non-Union Wage Increase Effective 09/01/19 through 08/31/20 (12 Months)	3.00%	100.00%		\$5,139	\$5,139	
53							
54	Rate Year 8/31/2020 O&M Wages			\$1,046,311	\$176,452	\$1,222,762	\$1,222,762
55							
56	Narragansett Electric Company Wage Adjustment 8/31/2020						\$33,242
57							
58	Incremental Full Time Equivalents 09/01/2020 through 8/31/2021			\$0	\$0	\$0	
59	Incremental Full Time Equivalents, O&M portion			\$0	\$0	\$0	
60							
61	Weighted Union Wage Increases Effective 09/01/2020 through 08/31/2021	2.20%	100.00%	\$23,019		\$23,019	
62	Non-Union Wage Increase Effective 09/01/20 through 08/31/21 (12 Months)	3.00%	100.00%		\$5,294	\$5,294	
63							
64	Rate Year 8/31/2021 O&M Wages			\$1,069,330	\$181,745	\$1,251,075	\$1,251,075
65							
66	Narragansett Electric Company Wage Adjustment 8/31/2021						\$28,312

Line Notes

1	Per Company books	41	Line 38 x Line 40
3-10	Worksheet 4, Page 2	42	Line 39 x Line 40
12	Annualized wages based on June 30, 2017 employee complement and annual salaries	44	Sum of Lines 36 through 39 + Line 41 + Line 42
13	Line 3 / Line 1	46	Line 44(f) - Line 10(f)
15	Line 12 x Line 13	49	Line 6 x Line 48
16	Per Company books	51-52	(Line 44 + Line 49) x Column (a) x Column (b) Line 51 or Line 52, respectively
19	Sum of Lines 15 through 18	54	Line 44 + Sum of Lines 49 through 52
21-22	Line 19 x Column (a) x Column (b) Line 21 or Line 22, respectively	56	Line 54(f) - Line 44(f)
24	Sum of Lines 18 through 22	59	Line 6 x Line 58
26-27	Line 24 x Column (a) x Column (b) Line 26 or Line 27, respectively	61-62	(Line 54 + Line 59) x Column (a) x Column (b) Line 61 or Line 62, respectively
29	Sum of Lines 24 through 27	64	Line 54 + Sum of Lines 59 through 62
31-32	Line 29 x Column (a) x Column (b) Line 31 or Line 32, respectively	66	Line 64(f) - Line 54(f)
34	Sum of Lines 29 through 32		
36	Line 6 x Line 34		
38	Line 8 - Band A & B Financial Variable Pay, Worksheet 4, Page 5		
39	Line 9		
40	(1 + Column (a) x Column (b), Line 21 or Line 22, respectively) x (1 + Column (a) x Column (b), Line 26 or Line 27, respectively) x (1 + Column (a) x Column (b), Line 31 or Line 32, respectively) - 1		

The Narragansett Electric Company d/b/a National Grid
Other Affiliates Employees Salary and Wages
Rate Year Ending August 31, 2019, August 31, 2020 and August 31, 2021

Line	Description	Portion of		Union	Non-Union	Rate Year Amount	Test Year Amount
		Rate Gas (a)	Year Gas (b)				
1	Other Affiliates Test Year Total Base Wages			\$627,727,377	\$127,406,430		\$755,133,806
2							
3	Narragansett Electric Company Share of Test Year Total Base Wages			\$476,648	\$81,071		\$557,719
4	Less Test Year Capitalized Wages			\$99,232	\$10,036		\$109,268
5	Test Year O&M Wages			\$377,416	\$71,035		\$448,451
6	O&M Portion			79.18%	87.62%		80.41%
7							
8	Test Year O&M Variable Pay			\$18,870	\$9,935		\$28,804
9	Test Year O&M Overtime Wages			\$39,984	\$338		\$40,321
10	Total Test Year Other Affiliates Wages to Narragansett Electric Company O&M			\$436,269	\$81,307		\$517,576
11							
12	Total Affiliates Steady State Wages at 6/30/17 (excluding Temporary Employees)			\$656,313,717	\$127,331,459	\$783,645,176	
13	Narragansett Electric Company Share of Base Wages 6/30/17			0.08%	0.06%	0.07%	
14							
15	Steady State Wages at 6/30/17 Charged to Narragansett Electric Company			\$498,354	\$81,023	\$579,378	
16	Test Year Temporary and Seasonal Employees			\$159	\$469	\$628	
17	Incremental Full Time Equivalents			\$0	\$0	\$0	
18	Vacancies			\$0	\$0	\$0	
19	Total Steady State Wages at 6/30/17			\$498,514	\$81,492	\$580,005	
20							
21	Weighted Union Wage Increases Effective 07/01/2017 through 06/30/2018	0.53%	100.00%	\$2,642		\$2,642	
22	Non-Union Wage Increase Effective 07/01/17 through 06/30/18 (12 Months)	3.64%	100.00%		\$2,966	\$2,966	
23							
24	Subtotal			\$501,156	\$84,458	\$585,614	
25							
26	Weighted Union Wage Increases Effective 07/01/2018 through 06/31/2019	2.49%	100.00%	\$12,479		\$12,479	
27	Non-Union Wage Increase Effective 07/01/18 through 06/30/19 (12 Months)	3.25%	100.00%		\$2,745	\$2,745	
28							
29	Subtotal			\$513,635	\$87,203	\$600,837	
30							
31	Weighted Union Wage Increases Effective 07/01/2019 through 08/31/2019	2.47%	16.99%	\$2,155		\$2,155	
32	Non-Union Wage Increase Effective 07/01/19 through 08/31/19 (2 Months)	3.00%	16.99%		\$444	\$444	
33							
34	Rate Year 8/31/2019 Total Base Wages			\$515,790	\$87,647	\$603,437	
35							
36	Rate Year 8/31/2019 O&M Base Wages			\$408,403	\$76,796	\$485,199	
37							
38	Test Year O&M Non-Financial Variable Pay			\$18,870	\$9,826	\$28,696	
39	Test Year O&M Overtime Wages			\$39,984	\$338	\$40,321	
40	Increase Through Rate Year			3.47%	7.55%		
41	Impact of O&M Non-Financial Variable Pay Increase Through Rate Year			\$655	\$742	\$1,397	
42	Impact of O&M Overtime Wages Increase Through Rate Year			\$1,387	\$25	\$1,413	
43							
44	Rate Year O&M Wages			\$469,298	\$87,728	\$557,026	\$557,026
45							
46	Narragansett Electric Company Wage Adjustment 8/31/2019						\$39,450
47							
48	Incremental Full Time Equivalents 09/01/2019 through 8/31/2020			\$0	\$0	\$0	
49	Incremental Full Time Equivalents, O&M portion			\$0	\$0	\$0	
50							
51	Weighted Union Wage Increases Effective 09/01/2019 through 08/31/2020	2.76%	100.00%	\$12,953		\$12,953	
52	Non-Union Wage Increase Effective 09/01/19 through 08/31/20 (12 Months)	3.00%	100.00%		\$2,632	\$2,632	
53							
54	Rate Year 8/31/2020 O&M Wages			\$482,251	\$90,360	\$572,610	\$572,610
55							
56	Narragansett Electric Company Wage Adjustment 8/31/2020						\$15,584
57							
58	Incremental Full Time Equivalents 09/01/2019 through 8/31/2020			\$0	\$0	\$0	
59	Incremental Full Time Equivalents, O&M portion			\$0	\$0	\$0	
60							
61	Weighted Union Wage Increases Effective 09/01/2020 through 08/31/2021	2.20%	100.00%	\$10,610		\$10,610	
62	Non-Union Wage Increase Effective 09/01/20 through 08/31/21 (12 Months)	3.00%	100.00%		\$2,711	\$2,711	
63							
64	Rate Year 8/31/2021 O&M Base Wages			\$492,860	\$93,070	\$585,930	\$585,930
65							
66	Narragansett Electric Company Wage Adjustment 8/31/2021						\$13,320

Line Notes

1	Per Company books	41	Line 38 x Line 40
3-10	Worksheet 4, Page 3	42	Line 39 x Line 40
12	Annualized wages based on June 30, 2017 employee complement and annual salaries	44	Sum of Lines 36 through 39 + Line 41 + Line 42
13	Line 3 / Line 1	46	Line 44(f) - Line 10(f)
15	Line 12 x Line 13	49	Line 6 x Line 48
16	Per Company books	51-52	(Line 44 + Line 49) x Column (a) x Column (b) Line 51 or Line 52, respectively
19	Sum of Lines 15 through 18	54	Line 44 + Sum of Lines 49 through 52
21-22	Line 19 x Column (a) x Column (b) Line 21 or Line 22, respectively	56	Line 54(f) - Line 44(f)
24	Sum of Lines 18 through 22	59	Line 6 x Line 58
26-27	Line 24 x Column (a) x Column (b) Line 26 or Line 27, respectively	61-62	(Line 54 + Line 59) x Column (a) x Column (b) Line 61 or Line 62, respectively
29	Sum of Lines 24 through 27	64	Line 54 + Sum of Lines 59 through 62
31-32	Line 29 x Column (a) x Column (b) Line 31 or Line 32, respectively	66	Line 64(f) - Line 54(f)
34	Sum of Lines 29 through 32		
36	Line 6 x Line 34		
38	Line 8 - Band A & B Financial Variable Pay, Worksheet 4, Page 6		
39	Line 9		
40	(1 + Column (a) x Column (b), Line 21 or Line 22, respectively) x (1 + Column (a) x Column (b), Line 26 or Line 27, respectively) x (1 + Column (a) x Column (b), Line 31 or Line 32, respectively) - 1		

Compliance Attachment 2

Schedule 13

Health Care

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Health Care

		Test Year Ended June 30, 2017			Normalizing Adjustments			Test Year Ended June 30, 2017		
		(Per Books)						(as Adjusted)		
		Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas
		(a) = (b) + (c)	(b)	(c)	(d) = (e) + (f)	(e)	(f)	(g) = (h) + (i)	(h)	(i)
Provider Company:										
1	Narragansett Electric Company	\$5,255,398	\$3,010,190	\$2,245,208	(\$474,835)	(\$474,835)	\$0	\$4,780,562	\$2,535,355	\$2,245,208
2	National Grid USA Service Company	\$6,887,847	\$4,751,409	\$2,136,438	(\$709,067)	(\$706,258)	(\$2,810)	\$6,178,780	\$4,045,151	\$2,133,628
3	All Other Companies	\$198,456	\$140,104	\$58,352	(\$33,410)	(\$33,410)	\$0	\$165,046	\$106,694	\$58,352
4	Total	<u>\$12,341,700</u>	<u>\$7,901,703</u>	<u>\$4,439,997</u>	<u>(\$1,217,312)</u>	<u>(\$1,214,503)</u>	<u>(\$2,810)</u>	<u>\$11,124,388</u>	<u>\$6,687,200</u>	<u>\$4,437,188</u>
5										
6										
7	Operation:									
8	Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	Power Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	Natural Gas Storage, Terminaling	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11	and Processing Exp.									
12	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	Regional Market Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	Customer Accounts Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16	Customer Service and	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17	Informational Expenses									
18	Sales Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19	Administrative & General Expenses	<u>\$12,341,700</u>	<u>\$7,901,703</u>	<u>\$4,439,997</u>	<u>(\$1,217,312)</u>	<u>(\$1,214,503)</u>	<u>(\$2,810)</u>	<u>\$11,124,388</u>	<u>\$6,687,200</u>	<u>\$4,437,188</u>
20	Sub Total	<u>\$12,341,700</u>	<u>\$7,901,703</u>	<u>\$4,439,997</u>	<u>(\$1,217,312)</u>	<u>(\$1,214,503)</u>	<u>(\$2,810)</u>	<u>\$11,124,388</u>	<u>\$6,687,200</u>	<u>\$4,437,188</u>
21										
22	Maintenance:									
23	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25	Administrative & General Expenses	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
26	Sub Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
27										
28	TOTAL	<u>\$12,341,700</u>	<u>\$7,901,703</u>	<u>\$4,439,997</u>	<u>(\$1,217,312)</u>	<u>(\$1,214,503)</u>	<u>(\$2,810)</u>	<u>\$11,124,388</u>	<u>\$6,687,200</u>	<u>\$4,437,188</u>
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Column Notes

(b) and (c)	Per Company Books
(h)	Column (b) + Column (e)
(i)	Column (c) + Column (f)

Line Notes

1(e)	Page 5, Line 2(b) + Line 6(b) +Line 10(b)
2(e)	Page 5, Line 3(b) + Line 7(b) + Line 11(b)
3(e)	Page 5, Line 4(b) + Line 8(b) + Line 12(b)
1(f)	Page 5, Line 2(c) + Line 6(c) + Line 10(c)
2(f)	Page 5, Line 3(c) + Line 7(c) + Line 11(c)
3(f)	Page 5, Line 4(c) + Line 8(c) + Line 12(c)
19	Equals Line 4

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Health Care

		Test Year Ended June 30, 2017 (as Adjusted)			Proforma Adjustments			Rate Year Ending August 31, 2019		
		Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas
		(a) = (b) + (c)	(b)	(c)	(d) = (e) + (f)	(e)	(f)	(g) = (h) + (i)	(h)	(i)
Provider Company:										
1	Narragansett Electric Company	\$4,780,562	\$2,535,355	\$2,245,208	\$1,245,104	\$923,559	\$321,545	\$6,025,667	\$3,458,914	\$2,566,752
2	National Grid USA Service Company	\$6,178,780	\$4,045,151	\$2,133,628	(\$1,637,896)	(\$1,219,336)	(\$418,561)	\$4,540,884	\$2,825,816	\$1,715,068
3	All Other Companies	\$165,046	\$106,694	\$58,352	\$0	\$0	\$0	\$165,046	\$106,694	\$58,352
4	Total	<u>\$11,124,388</u>	<u>\$6,687,200</u>	<u>\$4,437,188</u>	<u>(\$392,792)</u>	<u>(\$295,776)</u>	<u>(\$97,016)</u>	<u>\$10,731,596</u>	<u>\$6,391,424</u>	<u>\$4,340,172</u>
Operation:										
8	Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	Power Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	Natural Gas Storage, Terminating and Processing Exp.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	Regional Market Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	Customer Accounts Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16	Customer Service and Informational Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18	Sales Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19	Administrative & General Expenses	<u>\$11,124,388</u>	<u>\$6,687,200</u>	<u>\$4,437,188</u>	<u>(\$392,792)</u>	<u>(\$295,776)</u>	<u>(\$97,016)</u>	<u>\$10,731,596</u>	<u>\$6,391,424</u>	<u>\$4,340,172</u>
20	Sub Total	<u>\$11,124,388</u>	<u>\$6,687,200</u>	<u>\$4,437,188</u>	<u>(\$392,792)</u>	<u>(\$295,776)</u>	<u>(\$97,016)</u>	<u>\$10,731,596</u>	<u>\$6,391,424</u>	<u>\$4,340,172</u>
Maintenance:										
23	Transmission Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24	Distribution Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25	Administrative & General Expenses	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
26	Sub Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
28	TOTAL	<u>\$11,124,388</u>	<u>\$6,687,200</u>	<u>\$4,437,188</u>	<u>(\$392,792)</u>	<u>(\$295,776)</u>	<u>(\$97,016)</u>	<u>\$10,731,596</u>	<u>\$6,391,424</u>	<u>\$4,340,172</u>
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Column Notes

- (b) Page 1, Column (h)
- (c) Page 1, Column (i)
- (h) Column (b) + Column (e)
- (i) Column (c) + Column (f)

Line Notes

- 1(e) Page 5, Line 21(b)
- 2(e) Page 5, Line 22(b)
- 1(f) Page 5, Line 21(c)
- 2(f) Page 5, Line 22(c)
- 19 Equals Line 4

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Health Care

	Rate Year Ending August 31, 2019	Adjustments to Reflect Conditions in Rate Year Ending August 31, 2020	Rate Year Ending August 31, 2020	Adjustments to Reflect Conditions in Rate Year Ending August 31, 2021	Rate Year Ending August 31, 2021
	Electric	Electric	Electric	Electric	Electric
	(a)	(b)	(c) = (a) + (b)	(d)	(e) = (c) + (d)
Provider Company:					
1 Narragansett Electric Company	\$3,458,914	\$124,175	\$3,583,089	\$108,568	\$3,691,657
2 National Grid USA Service Company	\$2,825,816	\$101,447	\$2,927,263	\$88,696	\$3,015,959
3 All Other Companies	\$106,694	\$3,830	\$110,525	\$3,349	\$113,874
4 Total	<u>\$6,391,424</u>	<u>\$229,452</u>	<u>\$6,620,876</u>	<u>\$200,613</u>	<u>\$6,821,489</u>
5					
6					
7 Operation:					
8 Production Expenses	\$0	\$0	\$0	\$0	\$0
9 Power Production Expenses	\$0	\$0	\$0	\$0	\$0
10 Natural Gas Storage, Terminating and Processing Exp.	\$0	\$0	\$0	\$0	\$0
12 Transmission Expenses	\$0	\$0	\$0	\$0	\$0
13 Regional Market Expenses	\$0	\$0	\$0	\$0	\$0
14 Distribution Expenses	\$0	\$0	\$0	\$0	\$0
15 Customer Accounts Expenses	\$0	\$0	\$0	\$0	\$0
16 Customer Service and Informational Expenses	\$0	\$0	\$0	\$0	\$0
18 Sales Expenses	\$0	\$0	\$0	\$0	\$0
19 Administrative & General Expenses	<u>\$6,391,424</u>	<u>\$229,452</u>	<u>\$6,620,876</u>	<u>\$200,613</u>	<u>\$6,821,489</u>
20 Sub Total	<u>\$6,391,424</u>	<u>\$229,452</u>	<u>\$6,620,876</u>	<u>\$200,613</u>	<u>\$6,821,489</u>
21					
22 Maintenance:					
23 Transmission Expenses	\$0	\$0	\$0	\$0	\$0
24 Distribution Expenses	\$0	\$0	\$0	\$0	\$0
25 Administrative & General Expenses	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
26 Sub Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
27					
28 TOTAL	<u>\$6,391,424</u>	<u>\$229,452</u>	<u>\$6,620,876</u>	<u>\$200,613</u>	<u>\$6,821,489</u>
	\$0	\$0	\$0	\$0	\$0

Column Notes

(a) Page 2, Column (h)

Line Notes

1(b) Page 5, Line 21(b)
2(b) Page 5, Line 22(b)
3(b) Page 5, Line 23(b)
1(d) Page 5, Line 30(b)
2(d) Page 5, Line 31(b)
3(d) Page 5, Line 32(b)
19 Equals Line 4

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Health Care

	Rate Year Ending August 31, 2019	Adjustments to Reflect Conditions in Rate Year Ending August 31, 2020	Rate Year Ending August 31, 2020	Adjustments to Reflect Conditions in Rate Year Ending August 31, 2021	Rate Year Ending August 31, 2021
	Gas	Gas	Gas	Gas	Gas
	(a)	(b)	(c) = (a) + (b)	(d)	(e) = (c) + (d)
Provider Company:					
1 Narragansett Electric Company	\$2,566,752	\$108,830	\$2,675,583	\$84,013	\$2,759,596
2 National Grid USA Service Company	\$1,715,068	\$72,719	\$1,787,787	\$56,136	\$1,843,923
3 All Other Companies	\$58,352	\$2,474	\$60,826	\$1,910	\$62,736
4 Total	<u>\$4,340,172</u>	<u>\$184,023</u>	<u>\$4,524,195</u>	<u>\$142,060</u>	<u>\$4,666,255</u>
5					
6					
7 Operation:					
8 Production Expenses	\$0	\$0	\$0	\$0	\$0
9 Power Production Expenses	\$0	\$0	\$0	\$0	\$0
10 Natural Gas Storage, Terminaling 11 and Processing Exp.	\$0	\$0	\$0	\$0	\$0
12 Transmission Expenses	\$0	\$0	\$0	\$0	\$0
13 Regional Market Expenses	\$0	\$0	\$0	\$0	\$0
14 Distribution Expenses	\$0	\$0	\$0	\$0	\$0
15 Customer Accounts Expenses	\$0	\$0	\$0	\$0	\$0
16 Customer Service and 17 Informational Expenses	\$0	\$0	\$0	\$0	\$0
18 Sales Expenses	\$0	\$0	\$0	\$0	\$0
19 Administrative & General Expenses	\$4,340,172	\$184,023	\$4,524,195	\$142,060	\$4,666,255
20 Sub Total	<u>\$4,340,172</u>	<u>\$184,023</u>	<u>\$4,524,195</u>	<u>\$142,060</u>	<u>\$4,666,255</u>
21					
22 Maintenance:					
23 Transmission Expenses	\$0	\$0	\$0	\$0	\$0
24 Distribution Expenses	\$0	\$0	\$0	\$0	\$0
25 Administrative & General Expenses	\$0	\$0	\$0	\$0	\$0
26 Sub Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
27					
28 TOTAL	<u>\$4,340,172</u>	<u>\$184,023</u>	<u>\$4,524,195</u>	<u>\$142,060</u>	<u>\$4,666,255</u>
	\$0	\$0	\$0	\$0	\$0

Line Notes

- 1(b) Page 5, Line 30(c)
2(b) Page 5, Line 31(c)
3(b) Page 5, Line 32(c)
1(d) Page 5, Line 39(c)
2(d) Page 5, Line 40(c)
3(d) Page 5, Line 41(c)
19 Equals Line 4

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Health Care

	Explanation of Adjustments:	Provider Company	Total (a) = (b) + (c)	Electric (b)	Gas (c)
1	Page 1	<u>Adjustments: (to normalize Historic Year)</u>			
2		(IFA) Integrated Facilities Agreement	Narragansett Electric Company	(\$411,192)	\$0
3		(IFA) Integrated Facilities Agreement	National Grid USA Service Company	(\$649,042)	\$0
4		(IFA) Integrated Facilities Agreement	All Other Companies	(\$19,138)	\$0
5					
6		Inspection & Maintenance	Narragansett Electric Company	(\$44,179)	\$0
7		Inspection & Maintenance	National Grid USA Service Company	(\$389)	\$0
8		Inspection & Maintenance	All Other Companies	(\$8,620)	\$0
9					
10		Major Storm Activity	Narragansett Electric Company	\$0	\$0
11		Major Storm Activity	National Grid USA Service Company	(\$48,053)	\$0
12		Major Storm Activity	All Other Companies	(\$5,651)	\$0
13					
14		RI Government Relations and Federal Affairs	Narragansett Electric Company	(\$19,464)	\$0
15		RI Government Relations and Federal Affairs	National Grid USA Service Company	(\$8,773)	(\$2,810)
16					
17		TOTAL	(\$1,217,312)	(\$1,214,503)	(\$2,810)
18					
19					
20					
21	Page 2	<u>Adjustments: (to reflect conditions in the Rate Year 8/31/19)</u>			
22					
23		To increase costs for:			
24			Narragansett Electric	\$1,245,104	\$321,545
25			National Grid USA Service Co.	(\$1,219,336)	(\$418,561)
26			All Other Companies	\$0	\$0
27					
28		TOTAL	(\$392,792)	(\$295,776)	(\$97,016)
29					
30	Page 3 and Page 4	<u>Adjustments: (to reflect conditions in the Rate Year 8/31/20)</u>			
31					
32		<u>Payroll Inflator</u>			
33		3.59% Electric	Narragansett Electric	\$233,005	\$108,830
34		4.24% Gas	National Grid USA Service Co.	\$174,166	\$72,719
35			All Other Companies	\$6,304	\$2,474
36					
37		TOTAL	\$413,475	\$229,452	\$184,023
38					
39	Page 3 and Page 4	<u>Adjustments: (to reflect conditions in the Rate Year 8/31/21)</u>			
40					
41		<u>Payroll Inflator</u>			
42		3.03% Electric	Narragansett Electric	\$192,581	\$84,013
43		3.14% Gas	National Grid USA Service Co.	\$144,833	\$56,136
44			All Other Companies	\$5,259	\$1,910
45					
46		TOTAL	\$342,672	\$200,613	\$142,060

Line Notes

- 2(b)-4(b) Workpaper 1, Line 9
6(b) - 8(b) Schedule 3, Page 6, Line 7(d)
10(b) - 12(b) Schedule 3, Page 6, Line 7(f)
21(b) Page 6, Line 35(a) - Page 1, Line 1(h)
22(b) Page 6, Line 35(b) - Page 1, Line 2(h)
21(c) Page 7, Line 35(a) - Page 1, Line 1(i)
22(c) Page 7, Line 35(b) - Page 1, Line 2(i)
30(b) Page 3, Line 1(a) * Payroll Inflator Rate from Schedule 8, Page 6, Line 47(i)
31(b) Page 3, Line 2(a) * Payroll Inflator Rate from Schedule 8, Page 6, Line 47(i)
32(b) Page 3, Line 3(a) * Payroll Inflator Rate from Schedule 8, Page 6, Line 47(i)
30(c) Page 4, Line 1(a) * Payroll Inflator Rate from Schedule 8, Page 6, Line 47(j)
31(c) Page 4, Line 2(a) * Payroll Inflator Rate from Schedule 8, Page 6, Line 47(j)
32(c) Page 4, Line 3(a) * Payroll Inflator Rate from Schedule 8, Page 6, Line 47(j)
39(b) Page 3, Line 1(c) * Payroll Inflator Rate from Schedule 8, Page 6, Line 74(i)
40(b) Page 3, Line 2(c) * Payroll Inflator Rate from Schedule 8, Page 6, Line 74(i)
41(b) Page 3, Line 3(c) * Payroll Inflator Rate from Schedule 8, Page 6, Line 74(i)
39(c) Page 4, Line 1(c) * Payroll Inflator Rate from Schedule 8, Page 6, Line 74(j)
40(c) Page 4, Line 2(c) * Payroll Inflator Rate from Schedule 8, Page 6, Line 74(j)
41(c) Page 4, Line 3(c) * Payroll Inflator Rate from Schedule 8, Page 6, Line 74(j)

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Health Care

Description	Narragansett	National Grid Service	Other Affiliates	Total
	Electric	Company	Electric	Electric
	(a)	(b)	(c)	(d)
1 Total Normalized Test Year Medical and Dental Costs to Narragansett Electric O&M				\$6,687,200
2				
3 <u>Medical and Dental Costs using 6/30/17 enrollment</u>				
4 Medical	\$6,246,260	\$73,893,894	\$0	
5 Dental	\$321,787	\$3,772,222	\$0	
6 Sub-Total Medical and Dental Costs	\$6,568,046	\$77,666,116	\$0	
7				
8				
9 Number of Steady State Rate Year Employees	392	6,051		
10				
11 <u>Healthcare and Dental Costs Per Employee 2018 Rates</u>				
12 Medical	\$15,934	\$12,212		
13 Dental	\$821	\$623		
14 Total Medical and Dental Costs Per Employee 2018 Rates	\$16,755	\$12,835		
15				
16 Incremental Full-Time Equivalents	25	64		
17 Vacancies	26	0		
18 Approved Incremental Full-Time Equivalents and Vacancies	51	64		
19				
20 <u>Sub-Total Medical and Dental Costs for Approved Incremental Full-Time Equivalents and Vacancies</u>				
21 Medical	\$812,651	\$781,558		
22 Dental	\$41,865	\$39,898		
23 Sub-Total Medical and Dental Costs	\$854,516	\$821,456		
24				
25 <u>Total Medical and Dental Costs</u>				
26 Medical	\$7,058,911	\$74,675,453		
27 Dental	\$363,652	\$3,812,120		
28 Total Medical and Dental Costs	\$7,422,563	\$78,487,572		
29				
30				
31 <u>Share of Medical and Dental Costs for Rate Year Ended August 30, 2019</u>				
32 Percentage Charged to Narragansett Electric - Total	100.00%	6.32%		
33 Percentage Charged to Narragansett Electric - O&M Labor	46.60%	56.93%		
34				
35 Allocation of Rate Year Medical and Dental Costs to O&M	\$3,458,914	\$2,825,816	\$106,694	\$6,391,424
36				
37 Proforma Healthcare Adjustment				(\$295,776)

Line Notes

- 1 Page 1, Line 28(h)
- 4(a) Page 8, Line 1(c)
- 4(b) Page 10, Line 1(c)
- 5(a) Page 8, Line 2(c)
- 5(b) Page 10, Line 2(c)
- 6 Line 4 + Line 5
- 9(a) Workpaper 4, Page 9, Line 2(f) + Line 4(f)
- 9(b) Workpaper 4, Page 9, Line 11(f)
- 12 Line 4/Line 9
- 13 Line 5/Line 9
- 14 Line 12 + Line 13
- 16 Workpaper 4, Pages 10-12
- 17 Workpaper 4, Page 13
- 21 Line 12 x Line 18
- 22 Line 13 x Line 18
- 23 Line 21 + Line 22
- 26 Line 4 + Line 21
- 27 Line 5 + Line 22
- 28 Line 26 + Line 27
- 32(b) Schedule 12, Page 8, Line 13(e)
- 33(a) Schedule 12, Page 6, Line 4(f)
- 33(b) Schedule 12, Page 8, Line 6(f)
- 35 Line 28 x Line 32 x Line 33
- 37 Line 35 - Line 1

The Narragansett Electric Company d/b/a National Grid
Operating Expenses by Component
Health Care

Description	Narragansett	National Grid	Other Affiliates	Total
	Gas	Service Company	Gas	Gas
	(a)	(b)	(c)	(d)
1 Total Normalized Test Year Medical and Dental Costs to Narragansett Electric O&M				\$4,437,188
2				
3 <u>Medical and Dental Costs using 6/30/17 enrollment</u>				
4 Medical	\$4,969,152	\$73,893,894	\$0	
5 Dental	\$324,270	\$3,772,222	\$0	
6 Sub-Total Medical and Dental Costs	\$5,293,422	\$77,666,116	\$0	
7				
8				
9 Number of Steady State Rate Year Employees	342	6,051		
10				
11 <u>Healthcare and Dental Costs Per Employee 2018 Rates</u>				
12 Medical	\$14,530	\$12,212		
13 Dental	\$948	\$623		
14 Total Medical and Dental Costs Per Employee 2018 Rates	\$15,478	\$12,835		
15				
16 Incremental Full Time Equivalents	19	64		
17 Vacancies	9	0		
18 Approved Incremental Full-Time Equivalents and Vacancies	28	64		
19				
20 <u>Sub-Total Medical and Dental Costs for Approved Incremental Full-Time Equivalents and Vacancies</u>				
21 Medical	\$406,831	\$781,558		
22 Dental	\$26,548	\$39,898		
23 Sub-Total Medical and Dental Costs	\$433,380	\$821,456		
24				
25 <u>Total Medical and Dental Costs</u>				
26 Medical	\$5,375,983	\$74,675,453		
27 Dental	\$350,818	\$3,812,120		
28 Total Medical and Dental Costs	\$5,726,802	\$78,487,572		
29				
30				
31 <u>Share of Medical and Dental Costs for Rate Year Ended August 30, 2019</u>				
32 Percentage Charged to Narragansett Electric - Total	100.00%	3.70%		
33 Percentage Charged to Narragansett Electric - O&M Labor	44.82%	59.11%		
34				
35 Allocation of Rate Year Medical and Dental Costs to O&M	\$2,566,752	\$1,715,068	\$58,352	\$4,340,172
36				
37 Proforma Healthcare Adjustment				(\$97,016)

Line Notes

- 1 Page 1, Line 28(c)
- 4(a) Page 5, Line 1(c)
- 4(b) Page 6, Line 1(c)
- 5(a) Page 5, Line 2(c)
- 5(b) Page 6, Line 2(c)
- 6 Line 4 + Line 5
- 9(a) Workpaper 4, Page 9, Line 3(f) + Line 5(f)
- 9(b) Workpaper 4, Page 9, Line 11(f)
- 12 Line 4/Line 9
- 13 Line 5/Line 9
- 14 Line 12 + Line 13
- 16 Workpaper 4, Pages 10-12
- 17 Workpaper 4, Page 13
- 21 Line 12 x Line 18
- 22 Line 13 x Line 18
- 23 Line 21 + Line 22
- 26 Line 4 + Line 21
- 27 Line 5 + Line 22
- 28 Line 26 + Line 27
- 32(b) Schedule 12, Page 9, Line 13(e)
- 33(a) Schedule 12, Page 7, Line 4(f)
- 33(b) Schedule 12, Page 9, Line 6(f)
- 35 Line 28 x Line 32 x Line 33
- 37 Line 35 - Line 1

The Narragansett Electric Company d/b/a National Grid

Summary of Healthcare Costs - 2018 Plans

Based on Open Enrollment Data as of June 2017

National Grid - Narragansett Electric**Employer (ER) Contribution**

		Non Union	Union	Total		
		Total ER Costs	Total ER Costs	Total ER Costs	Steady State Employees	Per Emp Cost
		(a)	(b)	(c) = (a) + (b)	(d)	(e) = (c) * (d)
1	Medical	\$603,340	\$5,642,920	\$6,246,260	392	\$15,934
2	Dental	\$30,407	\$291,380	\$321,787	392	\$821
3						
4	Total	\$633,746	\$5,934,300	\$6,568,046		\$16,755

Column Notes

(c) Column (a) + Column (b)

(d) Workpaper 4, Page 9, Line 2(f) + Line 4(f)

(e) Column (c) * Column (d)

Line Notes

1(a) Page 11, Line 88

1(b) Page 11, Line 88

2(a) Page 11, Line 108

2(b) Page 11, Line 108

THE NARRAGANSETT ELECTRIC COMPANY

d/b/a NATIONAL GRID

RIPUC Docket Nos. 4770/4780

Compliance Attachment 2

Schedule 13

Page 9 of 16

The Narragansett Electric Company d/b/a National Grid
Summary of Healthcare Costs - 2018 Plans
Based on Open Enrollment Data as of June 2017

National Grid - Narragansett Gas

Employer (ER) Contribution

		Non Union	Union	Total		
		Total ER Costs	Total ER Costs	Total ER Costs	Steady State Employees	Per Emp Cost
		(a)	(b)	(c) = (a) + (b)	(d)	(e) = (c) * (d)
1	Medical	\$254,866	\$4,714,286	\$4,969,152	342	\$14,530
2	Dental	\$12,010	\$312,260	\$324,270	342	\$948
3						
4	Total	\$266,875	\$5,026,547	\$5,293,422		\$15,478

Column Notes

(c) Column (a) + Column (b)

(d) Workpaper 4, Page 9, Line 3(f) + Line 5(f)

(e) Column (c) * Column (d)

Line Notes

1(a) Page 12, Line 88

1(b) Page 12, Line 88

2(a) Page 12, Line 108

2(b) Page 12, Line 108

The Narragansett Electric Company d/b/a National Grid
Summary of Healthcare Costs - 2018 Plans
Based on Open Enrollment Data as of June 2017

National Grid - Service Company**Employer Contribution**

		Non Union	Union	Total		
		Total ER Cost	Total ER Cost	Total ER Cost	Steady State Employees	Per Emp Cost
		(a)	(b)	(c) = (a) + (b)	(d)	(e) = (c) * (d)
1	Medical	\$54,802,931	\$19,090,964	\$73,893,894	6,051	\$12,212
2	Dental	\$2,850,220	\$922,002	\$3,772,222	6,051	\$623
3						
4	Total	\$57,653,151	\$20,012,965	\$77,666,116		\$12,835

Column Notes

- (c) Column (a) + Column (b)
(d) Workpaper 4, Page 9, Line 11(f)
(e) Column (c) * Column (d)

Line Notes

- 1(a) Page 13, Line 88
1(b) Page 13, Line 88
2(a) Page 13, Line 108
2(b) Page 13, Line 108

The Narragansett Electric Company d/b/a National Grid
Summary of Healthcare Costs - 2018 Plans
Based on Open Enrollment Data for June 2017 and Rates for 2018

**National Grid - Narragansett Electric
Non Union
Medical - Composite Average**

2018					
	Monthly ER costs	Monthly EE Costs	Enrollment as of June 2017	2018 Projected ER Costs	Projected EE Costs
EPO with Wellness & Spousal Surcharge					
EE	\$551	\$150	4	\$26,440	\$7,200
EE+Spouse	\$952	\$450	1	\$11,420	\$5,400
EE+Child(ren)	\$962	\$300	2	\$23,076	\$7,200
Family	\$1,553	\$550	2	\$37,261	\$13,200
	<u>\$4,017</u>	<u>\$1,450</u>	<u>9</u>	<u>\$98,198</u>	<u>\$33,000</u>

2018					
	Monthly ER costs	Monthly EE Costs	Enrollment as of June 2017	2018 Projected ER Costs	Projected EE Costs
EPO with Wellness but without Spousal Surcharge					
EE	\$551	\$150	0	\$0	\$0
EE+Spouse	\$1,052	\$350	5	\$63,101	\$21,000
EE+Child(ren)	\$962	\$300	0	\$0	\$0
Family	\$1,653	\$450	11	\$218,134	\$59,400
	<u>\$4,217</u>	<u>\$1,250</u>	<u>16</u>	<u>\$281,235</u>	<u>\$80,400</u>

2018					
	Monthly ER costs	Monthly EE Costs	Enrollment as of June 2017	2018 Projected ER Costs	Projected EE Costs
EPO without Wellness but with Spousal Surcharge					
EE	\$501	\$200	1	\$6,010	\$2,400
EE+Spouse	\$902	\$500	1	\$10,820	\$6,000
EE+Child(ren)	\$912	\$350	0	\$0	\$0
Family	\$1,503	\$600	2	\$36,061	\$14,400
	<u>\$3,817</u>	<u>\$1,650</u>	<u>4</u>	<u>\$52,891</u>	<u>\$22,800</u>

2018					
	Monthly ER costs	Monthly EE Costs	Enrollment as of June 2017	2018 Projected ER Costs	Projected EE Costs
EPO without Wellness and without Spousal Surcharge					
EE	\$501	\$200	0	\$0	\$0
EE+Spouse	\$1,002	\$400	1	\$12,020	\$4,800
EE+Child(ren)	\$912	\$350	0	\$0	\$0
Family	\$1,603	\$500	5	\$96,152	\$30,000
	<u>\$4,017</u>	<u>\$1,450</u>	<u>6</u>	<u>\$108,172</u>	<u>\$34,800</u>

2018					
	Monthly ER costs	Monthly EE Costs	Enrollment as of June 2017	2018 Projected ER Costs	Projected EE Costs
CDHP1 - Health Savings Plan with Wellness & Spousal Surcharge					
EE	\$607	\$60	2	\$14,579	\$1,440
EE+Spouse	\$1,085	\$250	0	\$0	\$0
EE+Child(ren)	\$1,071	\$130	0	\$0	\$0
Family	\$1,682	\$320	1	\$20,188	\$3,840
	<u>\$4,446</u>	<u>\$760</u>	<u>3</u>	<u>\$34,767</u>	<u>\$5,280</u>

2018					
	Monthly ER costs	Monthly EE Costs	Enrollment as of June 2017	2018 Projected ER Costs	Projected EE Costs
CDHP1 - Health Savings Plan with Wellness but without Spousal Surcharge					
EE	\$607	\$60	0	\$0	\$0
EE+Spouse	\$1,185	\$150	0	\$0	\$0
EE+Child(ren)	\$1,071	\$130	0	\$0	\$0
Family	\$1,782	\$220	1	\$21,388	\$2,640
	<u>\$4,646</u>	<u>\$560</u>	<u>1</u>	<u>\$21,388</u>	<u>\$2,640</u>

2018					
	Monthly ER costs	Monthly EE Costs	Enrollment as of June 2017	2018 Projected ER Costs	Projected EE Costs
CDHP1 - Health Savings Plan without Wellness but with Spousal Surcharge					
EE	\$557	\$110	1	\$6,689	\$1,320
EE+Spouse	\$1,035	\$300	0	\$0	\$0
EE+Child(ren)	\$1,021	\$180	0	\$0	\$0
Family	\$1,632	\$370	0	\$0	\$0
	<u>\$4,246</u>	<u>\$960</u>	<u>1</u>	<u>\$6,689</u>	<u>\$1,320</u>

2018					
	Monthly ER costs	Monthly EE Costs	Enrollment as of June 2017	2018 Projected ER Costs	Projected EE Costs
CDHP1 - Health Savings Plan without Wellness and without Spousal Surcharge					
EE	\$557	\$110	0	\$0	\$0
EE+Spouse	\$1,135	\$200	0	\$0	\$0
EE+Child(ren)	\$1,021	\$180	0	\$0	\$0
Family	\$1,732	\$270	0	\$0	\$0
	<u>\$4,446</u>	<u>\$760</u>	<u>0</u>	<u>\$0</u>	<u>\$0</u>

**Union
Medical - Composite Average**

2018					
	Monthly ER costs	Monthly EE Costs	Enrollment as of June 2017	2018 Projected ER Costs	2018 Projected EE Costs
PPO					
EE	\$663	\$152	40	\$318,024	\$73,123
EE+1	\$1,325	\$305	23	\$365,730	\$84,092
EE+Child(ren)			0		
Family	\$1,890	\$435	36	\$816,570	\$187,755
	<u>\$3,878</u>	<u>\$892</u>	<u>99</u>	<u>\$1,500,324</u>	<u>\$344,971</u>

2018					
	Monthly ER costs	Monthly EE Costs	Enrollment as of June 2017	2018 Projected ER Costs	2018 Projected EE Costs
POS					
EE	\$663	\$173	66	\$524,873	\$137,069
EE+1	\$1,325	\$346	52	\$827,077	\$215,989
EE+Child(ren)			0		
Family	\$1,891	\$494	123	\$2,790,645	\$728,786
	<u>\$3,879</u>	<u>\$1,013</u>	<u>241</u>	<u>\$4,142,595</u>	<u>\$1,081,845</u>

2018					
	Monthly ER costs	Monthly EE Costs	Enrollment as of June 2017	2018 Projected ER Costs	2018 Projected EE Costs
CDHP					
EE	\$686	\$79	0	\$0	\$0
EE+1	\$1,372	\$158	0	\$0	\$0
EE+Child(ren)			0	\$0	\$0
Family	\$1,957	\$226	0	\$0	\$0
	<u>\$4,016</u>	<u>\$463</u>	<u>0</u>	<u>\$0</u>	<u>\$0</u>

The Narragansett Electric Company d/b/a National Grid
Summary of Healthcare Costs - 2018 Plans
Based on Open Enrollment Data for June 2017 and Rates for 2018

National Grid - Narragansett Electric
Non Union
Medical - Composite Average

Union
Medical - Composite Average

		Monthly ER costs	Monthly EE Costs	Enrollment as of June 2017	2018 Projected ER Costs	2018 Projected EE Costs
1	CDHP2 - Health Investment Plan with Wellness & Spousal Surcharge					
2	EE	\$582	\$10	0	\$0	\$0
3	EE+Spouse	\$1,043	\$140	0	\$0	\$0
4	EE+Child(ren)	\$1,035	\$30	0	\$0	\$0
5	Family	\$1,615	\$160	0	\$0	\$0
6		<u>\$4,276</u>	<u>\$340</u>	<u>0</u>	<u>\$0</u>	<u>\$0</u>
7						
8	CDHP2 - Health Investment Plan with Wellness but without Spousal Surcharge					
9	EE	\$582	\$10	0	\$0	\$0
10	EE+Spouse	\$1,143	\$40	0	\$0	\$0
11	EE+Child(ren)	\$1,035	\$30	0	\$0	\$0
12	Family	\$1,715	\$60	0	\$0	\$0
13		<u>\$4,476</u>	<u>\$140</u>	<u>0</u>	<u>\$0</u>	<u>\$0</u>
14						
15	CDHP2 - Health Investment Plan without Wellness but with Spousal Surcharge					
16	EE	\$532	\$60	0	\$0	\$0
17	EE+Spouse	\$993	\$190	0	\$0	\$0
18	EE+Child(ren)	\$985	\$80	0	\$0	\$0
19	Family	\$1,565	\$210	0	\$0	\$0
20		<u>\$4,076</u>	<u>\$540</u>	<u>0</u>	<u>\$0</u>	<u>\$0</u>
21						
22	CDHP2 - Health Investment Plan without Wellness and without Spousal Surcharge					
23	EE	\$532	\$60	0	\$0	\$0
24	EE+Spouse	\$1,093	\$90	0	\$0	\$0
25	EE+Child(ren)	\$985	\$80	0	\$0	\$0
26	Family	\$1,665	\$110	0	\$0	\$0
27		<u>\$4,276</u>	<u>\$340</u>	<u>0</u>	<u>\$0</u>	<u>\$0</u>
28						
29	Opt Out					
30	EE			5	0	\$0
31						
32	Total Non-union Medical Costs				\$603,340	\$180,240
33						
34						
35	<u>Dental - Composite Average</u>					
36	With Ortho					
37	EE	\$24	\$20	9	\$2,546	\$2,160
38	EE+Spouse	\$47	\$40	11	\$6,222	\$5,280
39	EE+Child(ren)	\$52	\$45	1	\$629	\$540
40	Family	\$94	\$60	18	\$20,400	\$12,960
41		<u>\$218</u>	<u>\$165</u>	<u>39</u>	<u>\$29,797</u>	<u>\$20,940</u>
42	Total Non-union Dental Costs				\$29,797	\$20,940
43						
44	Without Ortho					
45	EE	\$23	\$15	0	\$0	\$0
46	EE+Spouse	\$51	\$25	1	\$610	\$300
47	EE+Child(ren)	\$55	\$30	0	\$0	\$0
48	Family	\$94	\$40	0	\$0	\$0
49		<u>\$223</u>	<u>\$110</u>	<u>1</u>	<u>\$610</u>	<u>\$300</u>
50	Total Non-union Dental Costs				\$610	\$300
51						
52	Total Non-union Dental Costs				\$30,407	\$21,240
53						
54	NG USA Service Co.					
55	Total Medical and Dental Costs - Non-union				\$633,746	\$201,480

	Monthly ER costs	Monthly EE Costs	Enrollment as of June 2017	2018 Projected ER Costs	2018 Projected EE Costs
Opt Out					
EE	0	0	44	0	0
Total Union Medical Costs				\$5,642,920	\$1,426,816
<u>Dental - Composite Average</u>					
With Ortho					
EE	\$36	\$9	98	\$41,823	\$10,456
EE+1	\$71	\$18	98	\$83,646	\$20,912
Family	\$101	\$25	115	\$139,881	\$34,970
	<u>\$208</u>	<u>\$52</u>	<u>311</u>	<u>\$265,351</u>	<u>\$66,338</u>
Total Union Dental Costs				\$265,351	\$66,338
Without Ortho					
EE	\$34	\$8	10	\$4,054	\$1,014
EE+1	\$68	\$17	10	\$8,109	\$2,027
Family	\$96	\$24	12	\$13,866	\$3,467
	<u>\$198</u>	<u>\$49</u>	<u>32</u>	<u>\$26,029</u>	<u>\$6,507</u>
Total Non-union Dental Costs				\$26,029	\$6,507
Total Union Dental Costs				\$291,380	\$72,845
NG USA Service Co.					
Total Union Medical and Dental Costs				\$5,934,300	\$1,499,661

The Narragansett Electric Company d/b/a National Grid
Summary of Healthcare Costs - 2017 Plans
Based on Open Enrollment Data for Calendar Year 2017 and Rates for 2018

**National Grid - Narragansett Gas
Non Union
Medical - Composite Average**

		Monthly ER costs	Monthly EE Costs	Enrollment as of June 2017	2018 Projected ER Costs	2018 Projected EE Costs
1	EPO with Wellness & Spousal Surcharge					
2	EE	\$551	\$150	1	\$6,610	\$1,800
3	EE+Spouse	\$952	\$450	1	\$11,420	\$5,400
4	EE+Child(ren)	\$962	\$300	0	\$0	\$0
5	Family	\$1,553	\$550	1	\$18,630	\$6,600
6		\$4,017	\$1,450	3	\$36,661	\$13,800
7						
8	EPO with Wellness but without Spousal Surcharge					
9	EE	\$551	\$150	0	\$0	\$0
10	EE+Spouse	\$1,052	\$350	1	\$12,620	\$4,200
11	EE+Child(ren)	\$962	\$300	0	\$0	\$0
12	Family	\$1,653	\$450	3	\$59,491	\$16,200
13		\$4,217	\$1,250	4	\$72,111	\$20,400
14						
15	EPO without Wellness but with Spousal Surcharge					
16	EE	\$501	\$200	1	\$6,010	\$2,400
17	EE+Spouse	\$902	\$500	0	\$0	\$0
18	EE+Child(ren)	\$912	\$350	0	\$0	\$0
19	Family	\$1,503	\$600	0	\$0	\$0
20		\$3,817	\$1,650	1	\$6,010	\$2,400
21						
22	EPO without Wellness and without Spousal Surcharge					
23	EE	\$501	\$200	0	\$0	\$0
24	EE+Spouse	\$1,002	\$400	1	\$12,020	\$4,800
25	EE+Child(ren)	\$912	\$350	0	\$0	\$0
26	Family	\$1,603	\$500	2	\$38,461	\$12,000
27		\$4,017	\$1,450	3	\$50,481	\$16,800
28						
29	CDHP1 - Health Savings Plan with Wellness & Spousal Surcharge					
30	EE	\$607	\$60	0	\$0	\$0
31	EE+Spouse	\$1,085	\$250	1	\$13,019	\$3,000
32	EE+Child(ren)	\$1,071	\$130	0	\$0	\$0
33	Family	\$1,682	\$320	0	\$0	\$0
34		\$4,446	\$760	1	\$13,019	\$3,000
35						
36	CDHP1 - Health Savings Plan with Wellness but without Spousal Surcharge					
37	EE	\$607	\$60	0	\$0	\$0
38	EE+Spouse	\$1,185	\$150	1	\$14,219	\$1,800
39	EE+Child(ren)	\$1,071	\$130	0	\$0	\$0
40	Family	\$1,782	\$220	2	\$42,777	\$5,280
41		\$4,646	\$560	3	\$56,996	\$7,080
42						
43	CDHP1 - Health Savings Plan without Wellness but with Spousal Surcharge					
44	EE	\$557	\$110	0	\$0	\$0
45	EE+Spouse	\$1,035	\$300	0	\$0	\$0
46	EE+Child(ren)	\$1,021	\$180	0	\$0	\$0
47	Family	\$1,632	\$370	1	\$19,588	\$4,440
48		\$4,246	\$960	1	\$19,588	\$4,440
49						
50	CDHP1 - Health Savings Plan without Wellness and without Spousal Surcharge					
51	EE	\$557	\$110	0	\$0	\$0
52	EE+Spouse	\$1,135	\$200	0	\$0	\$0
53	EE+Child(ren)	\$1,021	\$180	0	\$0	\$0
54	Family	\$1,732	\$270	0	\$0	\$0
55		\$4,446	\$760	0	\$0	\$0

**Union
Medical - Composite Average**

		Monthly ER costs	Monthly EE Costs	Enrollment as of June 2017	2018 Projected ER Costs	2018 Projected EE Costs
PPO						
	EE	\$624	\$166	71	\$531,646	\$141,135
	EE+1	\$1,325	\$305	9	\$143,112	\$32,906
				0	\$0	\$0
	Family	\$1,508	\$420	198	\$3,583,408	\$998,181
		\$3,457	\$890	278	\$4,258,166	\$1,172,221
POS						
	EE	\$663	\$173	5	\$39,763	\$10,384
	EE+1	\$1,325	\$346	5	\$79,526	\$20,768
				0	\$0	\$0
	Family	\$1,891	\$494	13	\$294,946	\$77,027
		\$3,879	\$1,013	23	\$414,236	\$108,179
CDHP						
	EE	\$654	\$74	3	\$23,529	\$2,648
	EE+1			0	\$0	\$0
				0	\$0	\$0
	Family	\$1,530	\$170	1	\$18,355	\$2,040
		\$2,183	\$244	4	\$41,884	\$4,688

The Narragansett Electric Company d/b/a National Grid
Summary of Healthcare Costs - 2018 Plans
Based on Open Enrollment Data for June 2017 and Rates for 2018

National Grid - Service Company
Non Union
Medical - Composite Average

		Monthly ER	Monthly EE	Enrollment as of June	2018 Projected	2018 Projected
		costs	Costs	2017	ER Costs	EE Costs
1	EPO with Wellness & Spousal Surcharge					
2	EE	\$551	\$150	483	\$3,192,683	\$869,400
3	EE+Spouse	\$952	\$450	44	\$502,490	\$237,600
4	EE+Child(ren)	\$962	\$300	104	\$1,199,972	\$374,400
5	Family	\$1,553	\$550	109	\$2,030,706	\$719,400
6		<u>\$4,017</u>	<u>\$1,450</u>	<u>740</u>	<u>\$6,925,851</u>	<u>\$2,200,800</u>

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		Monthly ER	Monthly EE	Enrollment as of June	2018 Projected	2018 Projected
		costs	Costs	2017	ER Costs	EE Costs
8	EPO with Wellness but without Spousal Surcharge					
9	EE	\$551	\$150	0	\$0	\$0
10	EE+Spouse	\$1,052	\$350	248	\$3,129,814	\$1,041,600
11	EE+Child(ren)	\$962	\$300	0	\$0	\$0
12	Family	\$1,653	\$450	612	\$12,136,161	\$3,304,800
13		<u>\$4,217</u>	<u>\$1,250</u>	<u>860</u>	<u>\$15,265,975</u>	<u>\$4,346,400</u>

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		Monthly ER	Monthly EE	Enrollment as of June	2018 Projected	2018 Projected
		costs	Costs	2017	ER Costs	EE Costs
15	EPO without Wellness but with Spousal Surcharge					
16	EE	\$501	\$200	260	\$1,562,628	\$624,000
17	EE+Spouse	\$902	\$500	24	\$259,685	\$144,000
18	EE+Child(ren)	\$912	\$350	55	\$601,601	\$231,000
19	Family	\$1,503	\$600	59	\$1,063,789	\$424,800
20		<u>\$3,817</u>	<u>\$1,650</u>	<u>398</u>	<u>\$3,487,704</u>	<u>\$1,423,800</u>

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		Monthly ER	Monthly EE	Enrollment as of June	2018 Projected	2018 Projected
		costs	Costs	2017	ER Costs	EE Costs
22	EPO without Wellness and without Spousal Surcharge					
23	EE	\$501	\$200	0	\$0	\$0
24	EE+Spouse	\$1,002	\$400	133	\$1,598,689	\$638,400
25	EE+Child(ren)	\$912	\$350	0	\$0	\$0
26	Family	\$1,603	\$500	329	\$6,326,778	\$1,974,000
27		<u>\$4,017</u>	<u>\$1,450</u>	<u>462</u>	<u>\$7,925,467</u>	<u>\$2,612,400</u>

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		Monthly ER	Monthly EE	Enrollment as of June	2018 Projected	2018 Projected
		costs	Costs	2017	ER Costs	EE Costs
29	CDHP1 - Health Savings Plan with Wellness & Spousal Surcharge					
30	EE	\$607	\$60	370	\$2,697,098	\$266,400
31	EE+Spouse	\$1,085	\$250	22	\$286,416	\$66,000
32	EE+Child(ren)	\$1,071	\$130	48	\$617,137	\$74,880
33	Family	\$1,682	\$320	59	\$1,191,113	\$226,560
34		<u>\$4,446</u>	<u>\$760</u>	<u>499</u>	<u>\$4,791,765</u>	<u>\$633,840</u>

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		Monthly ER	Monthly EE	Enrollment as of June	2018 Projected	2018 Projected
		costs	Costs	2017	ER Costs	EE Costs
36	CDHP1 - Health Savings Plan with Wellness but without Spousal Surcharge					
37	EE	\$607	\$60	0	\$0	\$0
38	EE+Spouse	\$1,185	\$150	120	\$1,706,269	\$216,000
39	EE+Child(ren)	\$1,071	\$130	0	\$0	\$0
40	Family	\$1,782	\$220	331	\$7,079,548	\$873,840
41		<u>\$4,646</u>	<u>\$560</u>	<u>451</u>	<u>\$8,785,817</u>	<u>\$1,089,840</u>

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		Monthly ER	Monthly EE	Enrollment as of June	2018 Projected	2018 Projected
		costs	Costs	2017	ER Costs	EE Costs
43	CDHP1 - Health Savings Plan without Wellness but with Spousal Surcharge					
44	EE	\$557	\$110	199	\$1,331,201	\$262,680
45	EE+Spouse	\$1,035	\$300	12	\$149,027	\$43,200
46	EE+Child(ren)	\$1,021	\$180	25	\$306,425	\$54,000
47	Family	\$1,632	\$370	32	\$626,828	\$142,080
48		<u>\$4,246</u>	<u>\$960</u>	<u>268</u>	<u>\$2,413,481</u>	<u>\$501,960</u>

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		Monthly ER	Monthly EE	Enrollment as of June	2018 Projected	2018 Projected
		costs	Costs	2017	ER Costs	EE Costs
50	CDHP1 - Health Savings Plan without Wellness and without Spousal Surcharge					
51	EE	\$557	\$110	0	\$0	\$0
52	EE+Spouse	\$1,135	\$200	63	\$857,991	\$151,200
53	EE+Child(ren)	\$1,021	\$180	0	\$0	\$0
54	Family	\$1,732	\$270	177	\$3,679,540	\$573,480
55		<u>\$4,446</u>	<u>\$760</u>	<u>240</u>	<u>\$4,537,532</u>	<u>\$724,680</u>

Union
Medical - Composite Average

		Monthly ER	Monthly EE	Enrollment as of June	2018 Projected	2018 Projected
		costs	Costs	2017	ER Costs	EE Costs
All Union Plans						
	EE	\$691	\$156	495	\$4,104,293	\$925,652
	EE+1	\$1,326	\$332	139	\$2,211,803	\$552,945
					\$0	\$0
	Family	\$1,858	\$409	573	\$12,774,868	\$2,811,753
		<u>\$3,875</u>	<u>\$896</u>	<u>1,207</u>	<u>\$19,090,964</u>	<u>\$4,290,349</u>

The Narragansett Electric Company d/b/a National Grid
Summary of Healthcare Costs - 2018 Plans
Based on Open Enrollment Data for June 2017 and Rates for 2018

National Grid - Service Company
Non Union
Medical - Composite Average

Union
Medical - Composite Average

		Monthly ER costs	Monthly EE Costs	Enrollment as of June 2017	2018 Projected ER Costs	2018 Projected EE Costs
1	CDHP2 - Health Investment Plan with Wellness & Spousal Surcharge					
2	EE	\$582	\$10	15	\$104,715	\$1,800
3	EE+Spouse	\$1,043	\$140	1	\$12,522	\$1,680
4	EE+Child(ren)	\$1,035	\$30	2	\$24,844	\$720
5	Family	\$1,615	\$160	2	\$38,766	\$3,840
6		<u>\$4,276</u>	<u>\$340</u>	<u>20</u>	<u>\$180,847</u>	<u>\$8,040</u>

		Monthly ER costs	Monthly EE Costs	Enrollment as of June 2017	2018 Projected ER Costs	2018 Projected EE Costs
8	CDHP2 - Health Investment Plan with Wellness but without Spousal Surcharge					
9	EE	\$582	\$10	0	\$0	\$0
10	EE+Spouse	\$1,143	\$40	4	\$54,888	\$1,920
11	EE+Child(ren)	\$1,035	\$30	0	\$0	\$0
12	Family	\$1,715	\$60	11	\$226,413	\$7,920
13		<u>\$4,476</u>	<u>\$140</u>	<u>15</u>	<u>\$281,301</u>	<u>\$9,840</u>

		Monthly ER costs	Monthly EE Costs	Enrollment as of June 2017	2018 Projected ER Costs	2018 Projected EE Costs
15	CDHP2 - Health Investment Plan without Wellness but with Spousal Surcharge					
16	EE	\$532	\$60	7	\$44,667	\$5,040
17	EE+Spouse	\$993	\$190	1	\$11,922	\$2,280
18	EE+Child(ren)	\$985	\$80	0	\$0	\$0
19	Family	\$1,565	\$210	2	\$37,566	\$5,040
20		<u>\$4,076</u>	<u>\$540</u>	<u>10</u>	<u>\$94,155</u>	<u>\$12,360</u>

		Monthly ER costs	Monthly EE Costs	Enrollment as of June 2017	2018 Projected ER Costs	2018 Projected EE Costs
22	CDHP2 - Health Investment Plan without Wellness and without Spousal Surcharge					
23	EE	\$532	\$60	0	\$0	\$0
24	EE+Spouse	\$1,093	\$90	1	\$13,122	\$1,080
25	EE+Child(ren)	\$985	\$80	0	\$0	\$0
26	Family	\$1,665	\$110	5	\$99,915	\$6,600
27		<u>\$4,276</u>	<u>\$340</u>	<u>6</u>	<u>\$113,037</u>	<u>\$7,680</u>

		Monthly ER costs	Monthly EE Costs	Enrollment as of June 2017	2018 Projected ER Costs	2018 Projected EE Costs
29	Opt Out					
30	EE			748	0	\$0
31						
32	Total Non-union Medical Costs				\$54,802,931	\$13,571,640

Dental - Composite Average

		Monthly ER costs	Monthly EE Costs	Enrollment as of June 2017	2018 Projected ER Costs	2018 Projected EE Costs
36	With Ortho					
37	EE	\$24	\$20	1,295	\$366,278	\$310,800
38	EE+Spouse	\$47	\$40	856	\$484,222	\$410,880
39	EE+Child(ren)	\$52	\$45	203	\$127,680	\$109,620
40	Family	\$94	\$60	1,566	\$1,774,803	\$1,127,520
41		<u>\$218</u>	<u>\$165</u>	<u>3,920</u>	<u>\$2,752,983</u>	<u>\$1,958,820</u>
42	Total Non-union Dental Costs				\$2,752,983	\$1,958,820

		Monthly ER costs	Monthly EE Costs	Enrollment as of June 2017	2018 Projected ER Costs	2018 Projected EE Costs
44	Without Ortho					
45	EE	\$23	\$15	143	\$39,314	\$25,740
46	EE+Spouse	\$51	\$25	95	\$57,923	\$28,500
47	EE+Child(ren)	\$55	\$30	0	\$0	\$0
48	Family	\$94	\$40	0	\$0	\$0
49		<u>\$223</u>	<u>\$110</u>	<u>238</u>	<u>\$97,237</u>	<u>\$54,240</u>
50	Total Non-union Dental Costs				\$97,237	\$54,240
51						
52	Total Non-union Dental Costs				\$2,850,220	\$2,013,060

53						
54						
55	Total Medical and Dental Costs - Non-union				\$57,653,151	\$15,584,700

		Monthly ER costs	Monthly EE Costs	Enrollment as of June 2017	2018 Projected ER Costs	2018 Projected EE Costs
29	Opt Out					
30	EE	0	0	202	0	0
31						
32	Total Union Medical Costs				\$19,090,964	\$4,290,349

Dental - Composite Average

		Monthly ER costs	Monthly EE Costs	Enrollment as of June 2017	2018 Projected ER Costs	2018 Projected EE Costs
36	With Ortho					
37	EE	\$30	\$5	530	\$188,024	\$34,521
38	EE+1	\$71	\$18	157	\$134,005	\$33,501
39					\$0	\$0
40	Family	\$92	\$17	512	\$566,240	\$101,550
41		<u>\$193</u>	<u>\$40</u>	<u>1,199</u>	<u>\$888,269</u>	<u>\$169,572</u>
42	Total Union Dental Costs				\$888,269	\$169,572

		Monthly ER costs	Monthly EE Costs	Enrollment as of June 2017	2018 Projected ER Costs	2018 Projected EE Costs
44	Without Ortho					
45	EE	\$34	\$8	17	\$6,892	\$1,723
46	EE+1	\$68	\$17	16	\$12,974	\$3,243
47					\$0	\$0
48	Family	\$96	\$24	12	\$13,866	\$3,467
49		<u>\$198</u>	<u>\$49</u>	<u>\$45</u>	<u>\$33,732</u>	<u>\$8,433</u>
50	Total Union Dental Costs				\$33,732	\$8,433
51						
52	Total Union Dental Costs				\$922,002	\$178,005

53						
54						
55	Total Union Medical and Dental Costs				\$20,012,965	\$4,468,354