

March 1, 2019

VIA HAND DELIVERY & ELECTRONIC MAIL

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

**RE: National Grid's Revised FY 2020 Electric Infrastructure, Safety, and Reliability Plan
Docket No. 4915**

Dear Ms. Massaro:

I have enclosed ten (10) copies of National Grid's¹ revised Section 5 of the Electric Infrastructure, Safety, and Reliability Plan (the Electric ISR Plan or Plan) for fiscal Year (FY) 2020 (Revised Plan). The Company is submitting the Revised Plan to reflect changes to the Electric ISR revenue requirement as a result of the following:

- The Company has reflected changes to the Electric ISR revenue requirement as a result of having filed its 2018 federal tax return, which the Company used to calculate the actual deferred federal income taxes included in vintage FY 2018 rate base and to assess the impact to the Electric ISR Plan revenue requirement. (See Section 5, Attachment 1S, pages 2-3).
- The Company has reflected an estimated incremental federal net operating loss utilization on its vintage FY 2019 revenue requirement (See Section 5, Attachment 1S, page 5, line 21)
- The Company corrected the calculation of the estimated incremental federal net operating loss utilization on its vintage FY 2020 revenue requirement (See Section 5, Attachment 1S, pages 8, 11).

The above changes are highlighted in yellow in the revised Section 5, Attachment 1S. The cumulative effect of these changes on the FY 2020 revenue requirement results in a decrease of \$370,000.

The Company will submit supplemental direct testimony regarding the Revised Plan under separate cover. The Company will present revisions to Sections 6 and 7 of the Plan, which include the proposed FY 2020 ISR factors and the customer bill impacts of the proposed ISR factors, prior to the Open Meeting currently scheduled for March 21, 2019.

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

Luly Massaro, Commission Clerk
Docket 4915 – Electric ISR FY2020 - Revised Section 5
March 1, 2019
Page 2 of 2

Thank you for your attention to this matter. If you have any questions, please contact me at 401-784-7288.

Very truly yours,



Jennifer Brooks Hutchinson

Enclosures

cc: Docket 4915 Service List
John Bell, Division
Greg Booth, Division
Leo Wold, Esq.
Christy Hetherington, Esq.
Al Contente, Division

Certificate of Service

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

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



Joanne M. Scanlon

March 1, 2019
Date

Docket No. 4915 - National Grid's Electric ISR Plan FY 2020
Docket No. 4857 - Performance Incentives Pursuant to R.I.G.L. §39-1
27.7.1(e)(3)

Service List as of 1/4/2019

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

Line No.		Approved Fiscal Year 2019 (a)	Effective September 1, 2018 ^(a) (b)	Fiscal Year 2020 (c)	Fiscal Year 2021 (d)
<u>Operation and Maintenance (O&M) Expenses:</u>					
1	Current Year Vegetation Management (VM)	\$9,800,000	\$9,800,000	\$10,400,000	
2	Current Year Inspection & Maintenance (I&M)	\$867,000	\$867,000	\$771,000	
3	Current Year Other Programs	\$269,000	\$269,000	\$336,000	
4	Electric Contact Voltage expenses included in RIPUC Docket No. 4323	(\$163,749)	(\$163,749)		
5	Total O&M Expense Component of Revenue Requirement	\$10,772,251	\$10,772,251	\$11,507,000	\$0
<u>Capital Investment:</u>					
6	Actual Revenue Requirement on FY 2012 through FY 2017 Capital included in ISR Rate Base	\$9,827,224	\$0	\$0	\$0
7	Actual Revenue Requirement on FY 2018 Incremental Capital included in ISR Rate Base	\$4,277,937	\$0	\$2,114,916	\$2,059,096
8	Forecasted Revenue Requirement on FY 2019 Incremental Capital included in ISR Rate Base	\$2,908,658	\$0	\$552,992	\$528,216
9	Forecasted Revenue Requirement on FY 2020 Incremental Capital included in ISR Rate Base			\$2,197,258	\$5,235,137
10	Subtotal	\$17,013,819	\$0	\$4,865,166	\$7,822,448
11	FY 2019 Property Tax Recovery Adjustment	\$2,881,666	\$0		
12	FY 2020 Property Tax Recovery Adjustment			\$1,195,591	
13	Total Capital Investment Component of Revenue Requirement	\$19,895,485	\$0	\$6,060,757	
14	Total Fiscal Year Revenue Requirement	\$30,667,736	\$10,772,251	\$17,567,757	
15	Incremental Fiscal Year Rate Adjustment		(\$19,895,485)	\$6,795,506	
16	Revenue Requirement submitted in December 2018			\$17,937,335	
17	Increase/(Decrease) from December filing			(\$369,578)	

(a) Pursuant to the Settlement Agreement filed in RIPUC Docket No. 4770, the Capital component of the FY 2019 ISR rate will be reduced to zero coincident with the effective date of new distribution base rates.

Column/Line Notes:

Col (a)	Docket 4783 - FY 2019 Electric Infrastructure, Safety, and Reliability Plan Compliance Filing - Updated Revenue Requirement and Bill Impacts dated March 27, 2018, Compliance Section 5: Attachment 1, Page 1 Col (b) Sum of Lines 6 through 11
1	Vegetation Management per Section 3, Chart 12
2	Inspection & Maintenance O&M per Section 4, Chart 13
3	Other Program O&M per Section 4, Chart 13
5	Sum of Lines 1 through 4
7	Page 2 of 19, Line 34
8	Page 5 of 19 Line 33
9	Page 8 of 19 Line 33
10	Sum of Lines 6 through 9
12	Page 17 of 19 Line 57, Column (g) × 1,000
13	Sum of Lines 10 through 12
14	Line 5 + Line 13
15	Col (b)= Line 14 Col (b)-Col (a); Col (c)= Line 14 Col (c)-Col (b)
16	RIPUC Docket No. 4915, Section 5, Attachment 1, Page 1, Line 14, Col (c)
17	Line 14 - Line 16

The Narragansett Electric Company
d/b/a National Grid
FY 2020 Electric ISR Plan Revenue Requirement
FY 2020 Revenue Requirement on FY 2018 Actual Incremental Capital Investment

Line No.		Fiscal Year 2018 (a)	Fiscal Year 2019 (b)	Fiscal Year 2020 (c)	Fiscal Year 2021 (d)
	Capital Investment Allowance				
1	Non-Discretionary Capital	\$3,178,398	\$0	\$0	\$0
2	Discretionary Capital	\$14,638,256	\$0	\$0	\$0
3	Lesser of Annual Cumulative Non-Discretionary Capital Additions or Spending, or Approved Spending	\$17,816,654	\$0	\$0	\$0
4	Total Allowed Capital Included in Rate Base	\$17,816,654	\$0	\$0	\$0
5	Depreciable Net Capital Included in Rate Base	\$17,816,654	\$0	\$0	\$0
6	Retirements	(\$2,245,072)	\$0	\$0	\$0
7	Net Depreciable Capital Included in Rate Base	\$23,061,726	\$23,061,726	\$23,061,726	\$23,061,726
	Change in Net Capital Included in Rate Base				
8	Capital Included in Rate Base	\$17,816,654	\$0	\$0	\$0
9	Depreciation Expense	\$0	\$0	\$0	\$0
10	Incremental Capital Amount	\$17,816,654	\$17,816,654	\$17,816,654	\$17,816,654
11	Cost of Removal	\$1,719,991	\$1,719,991	\$1,719,991	\$1,719,991
	Total Net Plant In Service	\$19,536,645	\$19,536,645	\$19,536,645	\$19,536,645
	Deferred Tax Calculation:				
12	Composite Book Depreciation Rate	As approval per RIPUC Docket No. 4323 and Docket No. 4770	1/	3.40%	3.26%
13	Vintage Year Tax Depreciation:				
14	2018 Spend	\$13,898,861	\$571,028	\$528,156	\$488,605
15	Cumulative Tax Depreciation	\$13,898,861	\$14,469,889	\$14,998,045	\$15,486,650
16	Book Depreciation	\$392,049	\$752,427	\$729,805	\$729,805
17	Cumulative Book Depreciation	\$392,049	\$1,144,477	\$1,874,282	\$2,604,087
18	Cumulative Book / Tax Timer	\$13,506,812	\$13,325,412	\$13,123,763	\$12,882,563
19	Effective Tax Rate	21.00%	21.00%	21.00%	21.00%
20	Deferred Tax Reserve	\$2,836,430	\$2,798,337	\$2,755,990	\$2,705,338
21	Less: FY 2018 Federal NOL	(\$2,998,499)	(\$2,998,499)	(\$2,998,499)	(\$2,998,499)
22	Excess Deferred Tax	\$1,424,969	\$1,419,521	\$1,414,074	\$1,408,627
23	Net Deferred Tax Reserve before Proration Adjustment	\$1,262,901	\$1,219,359	\$1,171,566	\$1,115,467
	Rate Base Calculation:				
24	Cumulative Incremental Capital Included in Rate Base	\$19,536,645	\$19,536,645	\$19,536,645	\$19,536,645
25	Accumulated Depreciation	(\$392,049)	(\$1,144,477)	(\$1,874,282)	(\$2,604,087)
26	Deferred Tax Reserve	(\$1,262,901)	(\$1,219,359)	(\$1,171,566)	(\$1,115,467)
27	Year End Rate Base before Deferred Tax Proration	\$17,881,695	\$17,172,809	\$16,490,798	\$15,817,092
	Revenue Requirement Calculation:				
28	Average Rate Base before Deferred Tax Proration Adjustment	Year 1 = Current Year Line 27 ÷ 2, then Average of (Prior + Current Year Line 27)	\$16,831,803	\$16,153,945	
29	Proration Adjustment	Page 7 of 18, Line 41(j)	(\$1,774)	(\$2,174)	
30	Average ISR Rate Base after Deferred Tax Proration	Line 28 + Line 29	\$16,830,029	\$16,151,771	
31	Pre-Tax ROR	Page 19 of 19, Line 36	8.23%	8.23%	
32	Return and Taxes	Line 30 * Line 31	\$1,385,111	\$1,329,291	
33	Book Depreciation	Line 16	\$729,805	\$729,805	
34	Annual Revenue Requirement	Line 32 + Line 33	\$2,114,916	\$2,059,096	
35	Annual Revenue Requirement submitted in December 2018	RIPUC Docket No. 4915, Section 5, Attachment 1, Page 2, Line 34	\$1,927,887	\$1,868,988	
36	Increase/(Decrease) from December filing	Line 34 - Line 35	\$187,029	\$190,107	

1/ 3.4% Composite Book Depreciation Rate approved per RIPUC Docket No. 4323, in effect until Aug 31, 2018
3.16% Composite Book Depreciation Rate for ISR plants approved per RIPUC Docket No. 4770, effective on Sep 1, 2018, per Page 12 of 18
FY 19 Composite Book Depreciation Rate = 3.4% X 5/12 + 3.16% X 7/12

2/ The Federal Income Tax rate changed from 35% to 21% on January 1, 2018 per the Tax Cuts and Jobs Act of 2017

The Narragansett Electric Company
d/b/a National Grid
FY 2020 Electric ISR Plan Revenue Requirement
Calculation of Tax Depreciation and Repairs Deduction on FY 2018 Incremental Capital Investments

Line No.		Fiscal Year 2018 (a)	(b)	(c)	(d)	(e)
1	<u>Capital Repairs Deduction</u>					
2	Plant Additions	\$17,816,654				
3	Capital Repairs Deduction Rate	9.00%				
	Capital Repairs Deduction	\$1,603,499				
4	<u>Bonus Depreciation</u>					
5	Plant Additions	\$17,816,654				
6	Less Capital Repairs Deduction	(\$1,603,499)				
7	Plant Additions Net of Capital Repairs Deduction	\$16,213,155				
8	Percent of Plant Eligible for Bonus Depreciation	100.00%				
9	Plant Eligible for Bonus Depreciation	\$16,213,155				
10	Bonus depreciation 100% category	16.38%				
11	Bonus depreciation 50% category	17.14%				
12	Bonus depreciation 40% category	17.69%				
13	Bonus depreciation 0% category	0.00%				
14	Total Bonus Depreciation Rate	51.21%				
	Bonus Depreciation	\$8,303,081				
15	<u>Remaining Tax Depreciation</u>					
16	Plant Additions	\$17,816,654				
17	Less Capital Repairs Deduction	(\$1,603,499)				
18	Less Bonus Depreciation	(\$8,303,081)				
19	Remaining Plant Additions Subject to 20 YR MACRS Tax Depreciation	\$7,910,074				
20	20 YR MACRS Tax Depreciation Rates	3.750%				
	Remaining Tax Depreciation	\$296,628				
21	FY18 Loss incurred due to retirements	\$1,975,662				
22	Cost of Removal	\$1,719,991				
23	Total Tax Depreciation and Repairs Deduction	\$13,898,861				

MACRS basis:	Fiscal Year	Line 18	20 Year MACRS Depreciation	Annual MACRS	Cumulative Tax Depr
2018	2018	3.750%	\$7,910,074	\$296,628	\$13,898,861
2019	2019	7.219%		\$571,028	\$14,469,889
2020	2020	6.677%		\$528,156	\$14,998,045
2021	2021	6.177%		\$488,605	\$15,486,650
2022	2022	5.713%		\$451,903	\$15,938,553
2023	2023	5.285%		\$418,047	\$16,356,600
2024	2024	4.888%		\$386,644	\$16,743,245
2025	2025	4.522%		\$357,694	\$17,100,938
2026	2026	4.462%		\$352,948	\$17,453,886
2027	2027	4.461%		\$352,868	\$17,806,754
2028	2028	4.462%		\$352,948	\$18,159,702
2029	2029	4.461%		\$352,868	\$18,512,570
2030	2030	4.462%		\$352,948	\$18,865,518
2031	2031	4.461%		\$352,868	\$19,218,386
2032	2032	4.462%		\$352,948	\$19,571,334
2033	2033	4.461%		\$352,868	\$19,924,202
2034	2034	4.462%		\$352,948	\$20,277,149
2035	2035	4.461%		\$352,868	\$20,630,018
2036	2036	4.462%		\$352,948	\$20,982,965
2037	2037	4.461%		\$352,868	\$21,335,834
2038	2038	2.231%		\$176,474	\$21,512,308
		100.00%		\$7,910,074	

1/ Capital Repairs percentage is based on the actual results of the FY 2018 tax return.
2/ Percent of Plant Eligible for Bonus Depreciation is the actual result of FY2018 tax return
3/ Actual Loss for FY2018

The Narragansett Electric Company
d/b/a National Grid
FY 2020 Electric ISR Plan Revenue Requirement
Calculation of Net Deferred Tax Reserve Proration on FY 2018 Incremental Capital Investment

Line No.		(a) FY20	(b) FY21
1	Deferred Tax Subject to Proration		
2	Book Depreciation	\$729,805	\$729,805
3	Bonus Depreciation	\$0	\$0
4	Remaining MACRS Tax Depreciation	(\$528,156)	(\$488,605)
5	FY18 tax (gain)/loss on retirements	\$0	\$0
6	Cumulative Book / Tax Timer	\$201,649	\$241,200
7	Effective Tax Rate	21.00%	21.00%
	Deferred Tax Reserve	\$42,346	\$50,652
8	Deferred Tax Not Subject to Proration		
9	Capital Repairs Deduction		
10	Cost of Removal		
11	Book/Tax Depreciation Timing Difference at 3/31/2017		
12	Cumulative Book / Tax Timer		
13	Effective Tax Rate		
14	Deferred Tax Reserve		
15	Total Deferred Tax Reserve	\$42,346	\$50,652
16	Net Operating Loss		
	Net Deferred Tax Reserve	\$42,346	\$50,652
17	Allocation of FY 2018 Estimated Federal NOL		
18	Cumulative Book/Tax Timer Subject to Proration		
19	Total Cumulative Book/Tax Timer		
20	Total FY 2018 Federal NOL		
21	Allocated FY 2018 Federal NOL Not Subject to Proration		
22	Allocated FY 2018 Federal NOL Subject to Proration		
23	Effective Tax Rate		
24	Deferred Tax Benefit subject to proration		
25	Net Deferred Tax Reserve subject to proration	\$42,346	\$50,652
26	Proration Calculation	(i)	(k)
27	April	FY20	FY21
28	May	\$3,240	\$3,874
29	June	\$2,941	\$3,516
30	July	\$2,651	\$3,169
31	August	\$2,353	\$2,810
32	September	\$2,054	\$2,452
33	October	\$1,764	\$2,105
34	November	\$1,466	\$1,746
35	December	\$1,176	\$1,399
36	January	\$877	\$1,041
37	February	\$579	\$682
38	March	\$299	\$358
	Total	\$19,399	\$23,152
39	Deferred Tax Without Proration	\$42,346	\$50,652
40	Average Deferred Tax without Proration	\$21,173	\$25,326
41	Proration Adjustment	(\$1,774)	(\$2,174)

Column Notes:
(i) through (k)

Sum of remaining days in the year (Col (h)) ÷ 365
Current Year Line ÷ 12 × Current Month Col

(b)	(f)
Number of Days in Month	Proration Percentage
30	91.78%
31	83.29%
30	75.07%
31	66.58%
31	58.08%
30	49.86%
31	41.37%
30	33.15%
31	24.66%
31	16.16%
28	8.49%
31	0.00%
365	

Line 25
Line 25 * 50%
Line 38 - Line 40

The Narragansett Electric Company
d/b/a National Grid
Electric Infrastructure, Safety, and Reliability (ISR) Plan
FY 2020 Revenue Requirement on FY 2019 Forecasted Incremental Capital Investment

Line No.		Fiscal Year 2019 (a)	Fiscal Year 2020 (b)	Fiscal Year 2021 (c)
	Capital Investment Allowance			
1	Non-Discretionary Capital	(\$1,740,000)	\$0	\$0
2	Discretionary Capital Lesser of Actual Cumulative Non-Discretionary Capital Additions or Spending, or Approved Spending	\$12,234,000	\$0	\$0
3	Total Allowed Capital Included in Rate Base	\$10,494,000	\$0	\$0
4	Depreciable Net Capital Included in Rate Base	\$10,494,000	\$0	\$0
5	Total Allowed Capital Included in Rate Base in Current Year	\$2,807,861	\$0	\$0
6	Retirements	\$7,686,139	\$7,686,139	\$7,686,139
7	Net Depreciable Capital Included in Rate Base			
	Change in Net Capital Included in Rate Base			
	Capital Included in Rate Base	\$10,494,000	\$0	\$0
8	Depreciation Expense	\$0	\$0	\$0
9	Incremental Capital Amount	\$10,494,000	\$10,494,000	\$10,494,000
10	Cost of Removal	\$3,985,991	\$3,985,991	\$3,985,991
11	Total Net Plant in Service	\$14,479,991	\$14,479,991	\$14,479,991
12	Deferred Tax Calculation:			
13	Composite Book Depreciation Rate	As approved per RIPUC Docket No. 4323 and Docket No. 4770	3.26%	3.16%
14	Vintage Year Tax Depreciation:	1/		
15	2019 Spend	\$10,809,629	\$537,263	\$496,925
16	Cumulative Tax Depreciation	\$10,809,629	\$11,346,892	\$11,843,817
17	Book Depreciation	\$125,387	\$243,233	\$243,233
18	Cumulative Book Depreciation	\$125,387	\$368,620	\$611,853
19	Cumulative Book / Tax Timer	\$10,684,243	\$10,978,272	\$11,231,964
20	Effective Tax Rate	21.00%	21.00%	21.00%
21	Deferred Tax Reserve	\$2,243,691	\$2,305,437	\$2,358,712
22	Add: FY 2019 Federal NOI incremental utilization	\$8,197,241	\$8,197,241	\$8,197,241
	Net Deferred Tax Reserve before Proration Adjustment	\$10,440,931	\$10,502,678	\$10,555,953
	Rate Base Calculation:			
23	Cumulative Incremental Capital Included in Rate Base	\$14,479,991	\$14,479,991	\$14,479,991
24	Accumulated Depreciation	(\$125,387)	(\$368,620)	(\$611,853)
25	Deferred Tax Reserve	(\$10,440,931)	(\$10,502,678)	(\$10,555,953)
26	Year End Rate Base before Deferred Tax Proration	\$3,913,673	\$3,608,693	\$3,312,185
	Revenue Requirement Calculation:			
27	Average Rate Base before Deferred Tax Proration Adjustment	Column (a) = Current Year Line 26 + 2; Column (b) & forward = (Prior Year Line 26 + Current Year Line 26) ÷ 2	\$3,761,183	\$3,460,439
28	Proration Adjustment	Page 7 of 18, Line 41(G)	\$2,587	\$2,287
29	Average ISR Rate Base after Deferred Tax Proration	Line 27 + Line 28	\$ 3,763,770	\$ 3,462,726
30	Pre-Tax ROR	Year 1 = Page 19 of 19, Line 34; then = Page 19 of 19, Line 36	8.23%	8.23%
31	Return and Taxes	Line 29 * Line 30	\$309,758	\$284,982
32	Book Depreciation	Line 16	\$243,233	\$243,233
33	Annual Revenue Requirement	Line 31 + Line 32	\$552,992	\$528,216
34	Annual Revenue Requirement submitted in December 2018	RIPUC Docket No. 4915, Section 5, Attachment 1, Page 2, Line 33	\$1,227,635	\$1,202,849
35	Increase (Decrease) from December filing	Line 33 - Line 34	(\$674,633)	(\$674,633)

1/ 3.4%, Composite Book Depreciation Rate approved per RIPUC Docket No. 4323, in effect until Aug 31, 2018
3.16%, Composite Book Depreciation Rate for ISR plant, approved per RIPUC Docket No. 4770, effective on Sep 1, 2018
FY 19 Composite Book Depreciation Rate = 3.4% x 5 / 12 + 3.16% x 7 / 12

The Narragansett Electric Company
d/b/a National Grid
Electric Infrastructure, Safety, and Reliability (ISR) Plan
Calculation of Tax Depreciation and Repairs Deduction on FY 2019 Incremental Capital Investments

Line No.		Fiscal Year 2019 (a)	(b)	(c)	(d)	(e)
1	Capital Repairs Deduction					
2	Plant Additions	\$10,494,000				
3	Capital Repairs Deduction Rate	1/ 29.08%				
4	Capital Repairs Deduction	\$3,051,655				
5	Bonus Depreciation					
6	Plant Additions	\$10,494,000	Line 1			
7	Less Capital Repairs Deduction	\$0	Line 3			
8	Plant Additions Net of Capital Repairs Deduction	\$3,051,655	Line 4 - Line 6			
9	Percent of Plant Eligible for Bonus Depreciation	\$7,442,345	Per Tax Department			
10	Plant Eligible for Bonus Depreciation	99.00%	Line 7 * Line 8			
11	Bonus Depreciation Rate (April 2018 - December 2018)	\$7,367,922	1 * 75% * 0%			
12	Bonus Depreciation Rate (January 2019 - March 2019)	0.00%	1 * 25% * 0%			
13	Total Bonus Depreciation Rate	0.00%	Line 10 + Line 11			
14	Bonus Depreciation	\$0	Line 9 * Line 12			
15	Remaining Tax Depreciation					
16	Plant Additions	\$10,494,000	Line 1			
17	Less Capital Repairs Deduction	\$3,051,655	Line 3			
18	Less Bonus Depreciation	\$0	Line 13			
19	Remaining Plant Additions Subject to 20 YR MACRS Tax Depreciation	\$7,442,345	Line 14 - Line 15 - Line 16			
20	20 YR MACRS Tax Depreciation Rates	3.750%	Per IRS Publication 946			
21	Remaining Tax Depreciation	\$279,088	Line 17 * Line 18			
22	FY 19 Loss incurred due to retirements	\$3,492,895	Per Tax Department			
23	Cost of Removal	\$3,985,991	Page 5 of 19, Line 10			
24	Total Tax Depreciation and Repairs Deduction	\$10,809,629	Sum of Lines 3, 13, 19, 20, and 21			

MACRS basis:	Line 15	Annual	Cumulative
Fiscal Year 2019	3.750%	\$279,088	\$10,809,629
2020	7.219%	\$537,263	\$11,346,892
2021	6.677%	\$496,925	\$11,843,817
2022	6.177%	\$459,714	\$12,303,531
2023	5.713%	\$425,181	\$12,728,712
2024	5.285%	\$393,328	\$13,122,040
2025	4.888%	\$363,782	\$13,485,822
2026	4.522%	\$336,543	\$13,822,365
2027	4.462%	\$332,077	\$14,154,442
2028	4.461%	\$332,003	\$14,486,445
2029	4.462%	\$332,077	\$14,818,523
2030	4.461%	\$332,003	\$15,150,526
2031	4.462%	\$332,077	\$15,482,603
2032	4.461%	\$332,003	\$15,814,606
2033	4.462%	\$332,077	\$16,146,684
2034	4.461%	\$332,003	\$16,478,687
2035	4.462%	\$332,077	\$16,810,764
2036	4.461%	\$332,003	\$17,142,767
2037	4.462%	\$332,077	\$17,474,844
2038	4.461%	\$332,003	\$17,806,847
2039	2.231%	\$166,039	\$17,972,886
	100.00%	\$7,442,345	

1/ FY 2019 Electric ISR Plan, Docket 4783, Compliance Section 5: Attachment 1, P3, Line 2
2/ FY 2019 Electric ISR Plan, Docket 4783, Compliance Section 5: Attachment 1, P3, Line 21

The Narragansett Electric Company
d/b/a National Grid
FY 2020 Electric ISR Plan Revenue Requirement
Calculation of Net Deferred Tax Reserve Proration on FY 2019 Incremental Capital Investment

Line No.	Description	(a) FY20	(b) FY21
1	Deferred Tax Subject to Proration		
2	Book Depreciation	\$243,233	\$243,233
3	Book Depreciation	\$0	\$0
4	Remaining MACRS Tax Depreciation	(\$537,263)	(\$496,925)
5	FY 2019 tax (gain)/loss on retirements	(\$294,029)	(\$253,692)
6	Cumulative Book / Tax Timer	21.00%	21.00%
7	Effective Tax Rate	(\$61,746)	(\$53,275)
8	Deferred Tax Reserve		
9	Deferred Tax Not Subject to Proration		
10	Capital Repairs Deduction		
11	Cost of Removal		
12	Book/Tax Depreciation Timing Difference at 3/31/2018		
13	Cumulative Book / Tax Timer		
14	Effective Tax Rate		
15	Deferred Tax Reserve		
16	Deferred Tax Reserve		
17	Total Deferred Tax Reserve	(\$61,746)	(\$53,275)
18	Net Operating Loss	\$0	\$0
19	Net Deferred Tax Reserve	(\$61,746)	(\$53,275)
20	Allocation of FY 2019 Estimated Federal NOL		
21	Cumulative Book/Tax Timer Subject to Proration		
22	Cumulative Book/Tax Timer Not Subject to Proration		
23	Total Cumulative Book/Tax Timer		
24	Total FY 2019 Federal NOL		
25	Allocated FY 2019 Federal NOL Not Subject to Proration		
26	Allocated FY 2019 Federal NOL Subject to Proration		
27	Effective Tax Rate		
28	Deferred Tax Benefit subject to proration		
29	Net Deferred Tax Reserve subject to proration		
30	Proration Calculation		
31	April	91.78%	
32	May	83.29%	
33	June	75.07%	
34	July	66.58%	
35	August	58.08%	
36	September	49.86%	
37	October	41.37%	
38	November	33.15%	
39	December	24.66%	
40	January	16.16%	
41	February	8.49%	
42	March	0.00%	
43	Total	365	
44	Deferred Tax Without Proration		
45	Average Deferred Tax without Proration		
46	Proration Adjustment		
47	Proration Adjustment		
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The Narragansett Electric Company
d/b/a National Grid
Electric Infrastructure, Safety, and Reliability (ISR) Plan
FY 2020 Revenue Requirement on FY 2020 Forecasted Incremental Capital Investment

Line No.		Fiscal Year 2020 (a)	Fiscal Year 2021 (b)
	Capital Investment Allowance		
1	<i>Non-Discretionary Capital</i>	\$19,983,083	\$0
	<i>Discretionary Capital</i>		
2	Lesser of Actual Cumulative Non-Discretionary Capital Additions or Spending, or Approved Spending	\$51,629,333	\$0
3	Total Allowed Capital Included in Rate Base	\$71,612,417	\$0
4	Depreciable Net Capital Included in Rate Base	\$71,612,417	\$0
5	Total Allowed Capital Included in Rate Base in Current Year	\$19,349,978	\$0
6	Net Depreciable Capital Included in Rate Base	\$52,262,439	\$52,262,439
7	Change in Net Capital Included in Rate Base	\$71,612,417	\$0
8	Depreciation Expense	\$29,154,705	\$0
9	Incremental Capital Amount	\$42,457,712	\$42,457,712
10	Cost of Removal	\$10,562,075	\$10,562,075
11	Total Net Plant in Service	\$53,019,787	\$53,019,787
	Deferred Tax Calculation:		
12	Composite Book Depreciation Rate	1/	3.16%
13	Vintage Year Tax Depreciation:		
14	2020 Spend	\$32,250,099	\$3,894,335
15	Cumulative Tax Depreciation	\$32,250,099	\$36,144,434
16	Book Depreciation	\$826,941	\$1,653,883
17	Cumulative Book Depreciation	\$826,941	\$2,480,824
18	Cumulative Book / Tax Timer	\$31,423,157	\$33,663,609
19	Effective Tax Rate	21.00%	21.00%
20	Deferred Tax Reserve	\$6,598,863	\$7,069,358
21	Add: FY 2020 Federal NOL Utilization	\$1,036,875	\$1,036,875
22	Net Deferred Tax Reserve before Proration Adjustment	\$7,635,738	\$8,106,233
	Rate Base Calculation:		
23	Cumulative Incremental Capital Included in Rate Base	\$53,019,787	\$53,019,787
24	Accumulated Depreciation	(\$826,941)	(\$2,480,824)
25	Deferred Tax Reserve	(\$7,635,738)	(\$8,106,233)
26	Year End Rate Base before Deferred Tax Proration	\$44,557,107	\$42,432,729
	Revenue Requirement Calculation:		
27	Average Rate Base before Deferred Tax Proration Adjustment	\$16,619,349	\$43,494,918
28	Proration Adjustment	\$30,912	\$19,711
29	Average ISR Rate Base after Deferred Tax Proration	\$16,650,261	\$43,514,629
30	Pre-Tax ROR	8.23%	8.23%
31	Return and Taxes	\$1,370,316	\$3,581,254
32	Book Depreciation	\$826,941	\$1,653,883
33	Annual Revenue Requirement	\$2,197,258	\$5,235,137
34	Annual Revenue Requirement submitted in December 2018	\$2,079,232	\$4,916,549
35	Increase/(Decrease) from December filing	\$118,026	\$318,588

1/ 3.16% = Composite Book Depreciation Rate for ISR plant per RIPUC Docket No. 4770 (Page 12 of 19, Line 3, Col (e))

The Narragansett Electric Company
d/b/a National Grid

Electric Infrastructure, Safety, and Reliability (ISR) Plan
Calculation of Tax Depreciation and Repairs Deduction on FY 2020 Incremental Capital Investments

Line No.		Fiscal Year 2020 (a)	(b)	(c)	(d)	(e)
1	<u>Capital Repairs Deduction</u>					
2	Plant Additions	\$71,612,417				
	Capital Repairs Deduction Rate	1/ 24.67%				
3	Capital Repairs Deduction	\$17,666,783			\$53,945,634	
4	<u>Bonus Depreciation</u>					
5	Plant Additions	\$71,612,417	Line 1	3.750%	\$2,022,961	\$32,250,099
6	Less Capital Repairs Deduction	\$0	Line 3	7.219%	\$3,894,335	\$36,144,434
7	Plant Additions Net of Capital Repairs Deduction	\$17,666,783	Line 4 - Line 6	6.677%	\$3,601,950	\$39,746,384
8	Percent of Plant Eligible for Bonus Depreciation	\$53,945,634	Per Tax Department	6.177%	\$3,332,222	\$43,078,606
9	Plant Eligible for Bonus Depreciation	0.00%	Line 7 * Line 8	5.713%	\$3,081,914	\$46,160,520
10	Bonus Depreciation Rate (April 2018 - December 2018)	\$0	1 * 75% * 0%	5.285%	\$2,851,027	\$49,011,546
11	Bonus Depreciation Rate (January 2019 - March 2019)	0.00%	1 * 25% * 0%	4.888%	\$2,636,863	\$51,648,409
12	Total Bonus Depreciation Rate	0.00%	Line 10 + Line 11	4.522%	\$2,439,422	\$54,087,831
13	Bonus Depreciation	\$0	Line 9 * Line 12	4.462%	\$2,407,054	\$56,494,885
14	<u>Remaining Tax Depreciation</u>					
15	Plant Additions	\$71,612,417	Line 1	4.461%	\$2,406,515	\$63,714,968
16	Less Capital Repairs Deduction	\$17,666,783	Line 3	4.462%	\$2,407,054	\$66,122,023
	Less Bonus Depreciation	\$0	Line 13	4.461%	\$2,406,515	\$68,528,537
	Remaining Plant Additions Subject to 20 YR MACRS Tax Depreciation	\$53,945,634	Line 14 - Line 15 - Line 16	4.462%	\$2,407,054	\$70,935,591
18	20 YR MACRS Tax Depreciation Rates	3.750%	Per IRS Publication 946	4.461%	\$2,406,515	\$73,342,106
19	Remaining Tax Depreciation	\$2,022,961	Line 17 * Line 18	4.461%	\$2,406,515	\$75,749,160
20	FY20 Loss incurred due to retirements	\$1,998,280	Per Tax Department	4.462%	\$2,407,054	\$80,562,729
21	Cost of Removal	\$10,562,075	Page 8 of 19, Line 10	4.461%	\$2,406,515	\$82,969,244
22	Total Tax Depreciation and Repairs Deduction	\$32,250,099	Sum of Lines 3, 13, 19, 20, and 21	100.00%	\$1,203,527	\$84,172,771
	1/ Per Tax Department				\$53,945,634	
	2/ Per Tax Department					

**The Narragansett Electric Company
d/b/a National Grid
FY 2020 Electric ISR Plan Revenue Requirement
Calculation of Net Deferred Tax Reserve Proration on FY 2020 Incremental Capital Investment**

Line No.			(a) FY20	(b) FY21
Deferred Tax Subject to Proration				
1	Book Depreciation	Page 8 of 19, Line 16	\$826,941	\$1,653,883
2	Bonus Depreciation	Page 9 of 19, Line 13	\$0	\$0
3	Remaining MACRS Tax Depreciation	Page 9 of 19, Line 19	(\$2,022,961)	(\$3,894,335)
4	FY 2019 tax (gain)/loss on retirements	Page 9 of 19, Line 20	(\$1,998,280)	
5	Cumulative Book / Tax Timer	Sum of Lines 1 through 4	(\$3,194,300)	(\$2,240,452)
6	Effective Tax Rate		21.00%	21.00%
7	Deferred Tax Reserve	Line 5 * Line 6	(\$670,803)	(\$470,495)
Deferred Tax Not Subject to Proration				
8	Capital Repairs Deduction	Page 9 of 19, Line 3	(\$17,666,783)	
9	Cost of Removal	Page 9 of 19, Line 21	(\$10,562,075)	
10	Book/Tax Depreciation Timing Difference at 3/31/2019		\$0	
11	Cumulative Book / Tax Timer	Line 8 + Line 9 + Line 10	(\$28,228,858)	
12	Effective Tax Rate		21.00%	
13	Deferred Tax Reserve	Line 11 * Line 12	(\$5,928,060)	
14	Total Deferred Tax Reserve	Line 7 + Line 13	(\$6,598,863)	(\$470,495)
15	Net Operating Loss		\$0	\$0
16	Net Deferred Tax Reserve	Line 14 + Line 15	(\$6,598,863)	(\$470,495)
Allocation of FY 2020 Estimated Federal NOL				
17	Cumulative Book/Tax Timer Subject to Proration	Col (b) = Line 5	(\$3,194,300)	
18	Cumulative Book/Tax Timer Not Subject to Proration	Line 11	(\$28,228,858)	
19	Total Cumulative Book/Tax Timer	Line 17 + Line 18	(\$31,423,157)	
20	Total FY 2020 Federal NOL (Utilization)	Page 8 of 19, Line 21 / 21%	(\$2,962,501)	
21	Allocated FY 2020 Federal NOL Not Subject to Proration	(Line 18 / Line 19) * Line 20	(\$2,661,350)	
22	Allocated FY 2020 Federal NOL Subject to Proration	(Line 17 / Line 19) * Line 20	(\$301,151)	
23	Effective Tax Rate		21.00%	
24	Deferred Tax Benefit subject to proration	Line 22 * Line 23	(\$63,242)	
25	Net Deferred Tax Reserve subject to proration	Line 7 + Line 24	(\$734,045)	(\$470,495)
		(h)	(i)	(j)
			(k)	
Proration Calculation				
		<u>Number of Days in Month</u>	<u>Proration Percentage</u>	
26	April	30	91.80%	(\$21,921)
27	May	31	83.33%	(\$19,898)
28	June	30	75.14%	(\$17,941)
29	July	31	66.67%	(\$15,919)
30	August	31	58.20%	(\$13,896)
31	September	30	50.00%	(\$43,904)
32	October	31	41.53%	(\$36,467)
33	November	30	33.33%	(\$29,269)
34	December	31	24.86%	(\$21,832)
35	January	31	16.39%	(\$14,395)
36	February	29	8.47%	(\$7,437)
37	March	31	0.00%	\$0
38	Total	366		(\$242,879)
39	Deferred Tax Without Proration	Line 25	(\$734,045)	(\$470,495)
40	Average Deferred Tax without Proration	(j): Line 25 × Page 15 of 19, Line 16; (k): Line 25 × 0.5	(\$273,791)	(\$235,248)
41	Proration Adjustment	Line 38 - Line 40	\$30,912	\$19,711

Column Notes:

- (i) Sum of remaining days in the year (Col (h)) ÷ 365 (k) Current Year Line 25 ÷ 12 × Current Month Col (i)
(j) Current Year Line 25 × Page 15 of 19, Col (f) × Current Month Col (i)

The Narragansett Electric Company
d/b/a National Grid
FY 2020 Electric ISR Plan Revenue Requirement
FY 2018 - 2020 Incremental Capital Investment Summary

Line No.		Fiscal Year 2018 (a)	Fiscal Year 2019 (b)	Fiscal Year 2020 (c)
Capital Investment				
1	ISR - Eligible Capital Investment	\$92,659,654	\$85,337,000	\$102,797,000
2	ISR - Eligible Capital Additions included in Rate Base per RIPUC Docket No. 4770	\$74,843,000	\$74,843,000	\$31,184,583
3	Incremental ISR Capital Investment	\$17,816,654	\$10,494,000	\$71,612,417
Cost of Removal				
4	ISR - Eligible Cost of Removal	\$9,979,698	\$11,834,000	\$14,000,000
5	ISR - Eligible Cost of Removal in Rate Base per RIPUC Docket No. 4770	\$8,259,707	\$7,848,009	\$3,437,925
6	Incremental Cost of Removal	\$1,719,991	\$3,985,991	\$10,562,075
Retirements				
7	ISR - Eligible Retirements/Actual	\$15,206,748	\$25,473,095	\$29,278,786
8	ISR - Eligible Retirements in Rate Base per RIPUC Docket No. 4770	\$20,451,820	\$22,665,233	\$9,928,809
9	Incremental Retirements	(\$5,245,072)	\$2,807,861	\$19,349,978
Net NOL Position				
10	ISR - (NOL)/Utilization	(\$4,571,409)	\$12,460,450	\$3,822,834
11	Less: (NOL)/Utilization recovered in transmission rates	(\$1,572,911)	\$4,263,209	\$1,322,978
12	Distribution-related (NOL)/Utilization	(\$2,998,499)	\$8,197,241	\$2,499,856
13	ISR - NOL/Utilization in Rate Base per RIPUC Docket No. 4770	\$0	\$0	\$1,462,980
14	Incremental (NOL)/Utilization	(\$2,998,499)	\$8,197,241	\$1,036,875

Col (a) = FY 2018 ISR Docket No. 4682, At MAL-1 P2, L3, Col (b) = FY 2019 ISR Docket No. 4783, Compliance Section 5: At MAL-1 P2, L3 Col (c) = Section 2, Chart 10, Column 2

Docket No. 4770, Schedule 11-ELEC, P5, L1, Col (a) = Col (a)+Col (b); Col (b) = Col (c)+Col (d); Col (c) = Col (e)

Line 1 - Line 2

Col (a) = FY 2018 ISR Reconciliation Filing Docket No. 4682; Col (b) = FY 2019 ISR Filing Docket No. 4783; Col (c) = Section 2, Chart 10, Col 4

Schedule 6-ELEC, Docket No. 4770: Col (a) = Docket No. 4682, FY 2018 ISR Elec Rec. [P2]L10×3+12, [P1]L26+L45×7+12; Col (b) = [P1]L45×5+12+[P2]L18×7+12; Col (c) = [P2]L18×5+12+L39×7+12; Col (d) = L39×5+12+L60×7+12; Col (e) = L60×5+12

Line 4 - Line 5

Col (a) = FY 2018 ISR Reconciliation Filing Docket No. 4682; Col (b) = FY 2019 ISR Filing Docket No. 4783; Col (c) = Total Capital * Average of Past 3Y Actual Retirement Rates

Schedule 6-ELEC, Docket No. 4770: Col (a) = Docket No. 4682, FY 2018 ISR Elec Rec. [P2]L5×3+12+[P1]L25+L27+L46×7+12; Col (b) = [P1]L46×5+12+[P2]L19×7+12; Col (c) = [P2]L19×5+12+L40×7+12; Col (d) = L40×5+12+L61×7+12; Col (e) = L61×5+12

Line 7 - Line 8

Quarterly average transmission plant allocator per Integrated Facilities Agreement (IFA) * Line 10

Line 10 - Line 11

Schedule 11-ELEC Page 12, Docket No. 4770: Col (c) = L39×5+12; Col (d) = L39×7+12+L49×5+12; Col (e) = L49×7+12

Line 12 - Line 13

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 4915
FY 2020 Electric Infrastructure, Safety,
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THE NARRAGANSETT ELECTRIC COMPANY d/b/a NATIONAL GRID RIPUC Docket Nos. 4770/4780 Compliance Attachment 2 Schedule 6-ELEC Page 3 of 5				
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				
		Adjusted Plant Balance (a)	Approved Rate (b)	Test Year Depreciation (c) = (a) x (b)
Intangible Plant				
1	303.00			
2				
3				
4				
5				
6				
7	330.00	\$6,989	0.00%	\$0
8	331.00	\$1,993,757	0.00%	\$0
9	332.00	\$1,125,689	0.00%	\$0
10				
11				
12				
13				
14				
15				
16				
17	360	\$ -	0.00%	\$ -
18	362	\$ -	2.32%	\$ -
19	365	\$ -	3.02%	\$ -
20	367.1	\$ -	2.52%	\$ -
21	360.00	\$ 12,874,490	0.00%	\$ -
22	360.10	\$ 95,396	0.00%	\$ -
23	361.00	\$ 10,144,741	1.36%	\$ 137,968
24	362.00	\$ 253,879,227	2.19%	\$ 5,559,955
25	362.10	\$ 71,597	2.19%	\$ 1,568
26	362.55	\$ 663,280	6.70%	\$ 44,440
27	364.00	\$ 237,914,852	4.27%	\$ 10,158,964
28	365.00	\$ 308,051,305	2.65%	\$ 8,163,360
29	366.10	\$ 23,368,987	1.33%	\$ 310,808
30	366.20	\$ 48,513,051	1.55%	\$ 751,952
31	367.10	\$ 173,808,945	3.42%	\$ 5,944,266
32	368.10	\$ 10,674,398	2.76%	\$ 294,613
33	368.20	\$ 101,452,162	3.14%	\$ 3,180,525
34	368.30	\$ 77,701,753	3.22%	\$ 2,501,996
35	369.10	\$ 83,166,615	5.04%	\$ 4,191,597
36	369.20	\$ 1,691,919	4.87%	\$ 82,396
37	369.21	\$ 22,150,773	4.87%	\$ 1,078,743
38	370.10	\$ 26,366,117	5.61%	\$ 1,479,139
39	370.20	\$ 10,026,102	5.81%	\$ 582,517
40	370.30	\$ 11,492,790	5.69%	\$ 653,940
41	370.35	\$ 9,186,534	5.13%	\$ 471,269
42	371.00	\$ 119,825	3.61%	\$ 4,326
43	373.10	\$ 23,671,126	1.46%	\$ 345,598
44	373.20	\$ 16,012,987	1.52%	\$ 243,397
45	374.00	\$ -	0.00%	\$ -
46				
47		\$ 1,463,098,971	3.16%	\$ 46,183,339
48				
49				
50				
51	389.00	\$ 842,411	0.00%	\$ -
52	390.00	\$ 34,216,272	2.28%	\$ 780,131
53	391.00	\$ 30,645	0.00%	\$ 29,542
54	391.00	\$ 412,269	6.67%	\$ 27,498
55	393.00	\$ 93,412	5.00%	\$ 4,671
56	394.00	\$ 1,934,730	5.00%	\$ 96,736
57	395.00	\$ 288,227	0.00%	\$ -
58	395.00	\$ 1,226,832	6.67%	\$ 81,830
59	397.00	\$ 5,337,629	5.00%	\$ 266,881
60	397.10	\$ 2,530,920	3.90%	\$ 98,706
61	397.50	\$ 49,498	5.00%	\$ 2,475
62	398.00	\$ 706,169	6.67%	\$ 47,101
63	399.00	\$ 12,484	0.00%	\$ -
64	399.10	\$ (0)	0.00%	\$ -
65				
66		\$ 47,681,498	3.01%	\$ 1,435,572
67				
68		\$ 1,513,906,902	3.15%	\$ 47,618,911

The Narragansett Electric Company
d/b/a National Grid
ISR Depreciation Rate per RIPUC Docket No. 4770

	Adjusted Plant Balance (d)	Average Rate (e)=(f)/(g)	Approved Depreciation (f)
1	\$ 1,463,098,971	3.16%	\$ 46,183,339
2	\$ 7,918,047	4.65%	\$ 368,062
3	\$ 1,471,017,018	3.16%	\$ 46,551,401
4			
5	\$ 42,889,885		
5	\$ 1,513,906,902		

Line Notes:

- Docket No. 4770, Schedule 6-ELEC: [P3 and P4] on left Line 47
- Docket No. 4770, Schedule 6-ELEC: [P3 and P4] on Left Lines 59 through 61
- Line 1+Line 2

Column Notes:

- (a) - (c) - Per Docket 4770/4780 Compliance Attachment 2, Schedule 6 ELEC, Pages 3 & 4

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 4915
FY 2020 Electric Infrastructure, Safety,
and Reliability Plan Filing
Revised Section 5: Attachment 1S
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THE NARRAGANSETT ELECTRIC COMPANY d/b/a NATIONAL GRID RIPUC Docket Nos. 4770/4780 Compliance Attachment 2 Schedule 6-ELEC Page 1 of 5				The Narragansett Electric Company d/b/a National Grid ISR Depreciation Expense in Base Rates less non-ISR eligible plant ISR Eligible Amount	
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	(c)	(d)
		(a)	(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	(\$39,763,450)	\$2,101,711,193
11	Less Non Depreciable Plant	Page 4, Line 26, Column (e)	(\$627,567,742)		(\$627,567,742)
12	Depreciable Utility Plant 6/30/17	Line 10 + Line 11	\$1,513,906,902	(\$39,763,450)	\$1,474,143,451
13					
14	Plus: Added Plant 2 Mos Ended 08/31/17	Schedule 11-ELEC, Page 6, Line 7	\$12,473,833	\$0	\$12,473,833
15	Less: Streetlights retired in the 2 Mos Ended 08/31/17	Per Company Books	(\$1,057,011)	\$0	(\$1,057,011)
16	Less: Retired Plant 2 Months Ended 08/31/17	1/ Line 14 x Retirement Rate	(\$3,699,739)	\$0	(\$3,699,739)
17	Depreciable Utility Plant 08/31/17	Line 12 + Line 14 + Line 16	\$1,521,623,985	(\$39,763,450)	\$1,481,860,535
18					
19	Average Depreciable Plant from 06/30/17 to 08/31/17	(Line 12 + Line 17)/2	\$1,517,765,443		\$1,478,001,993
20					
21	Composite Book Rate %	As Approved in RIPUC Docket No. 4323	3.40%		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		\$8,381,334
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)		(\$1,307)
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	(\$39,763,450)	\$2,109,428,277
32	Less Non Depreciable Plant	Line 11	(\$627,567,742)	\$0	(\$627,567,742)
33	Depreciable Utility Plant 08/31/17	Line 31 + Line 32	\$1,521,623,985	(\$39,763,450)	\$1,481,860,535
34					
35	Plus: Plant Added in 12 Months Ended 08/31/18	Schedule 11-ELEC, Page 6, Line 14	\$74,843,000	\$0	\$74,843,000
36	Less: Plant Retired in 12 Months Ended 08/31/18	1/ Line 35 x Retirement rate	(\$22,198,434)	\$0	(\$22,198,434)
37	Depreciable Utility Plant 08/31/18	Sum of Line 33 through Line 36	\$1,574,268,551	(\$39,763,450)	\$1,534,505,101
38					
39	Average Depreciable Plant for 12 Months Ended 08/31/18	(Line 33 + Line 37)/2	\$1,547,946,268	(\$39,763,450)	\$1,508,182,818
40					
41	Composite Book Rate %	As Approved in RIPUC Docket No. 4323	3.40%		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		\$51,278,216
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
RIPUC Docket No. 4915
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THE NARRAGANSETT ELECTRIC COMPANY d/b/a NATIONAL GRID RIPUC Docket Nos. 4770/4780 Compliance Attachment 2 Schedule 6-ELEC Page 2 of 5				The Narragansett Electric Company d/b/a National Grid ISR Depreciation Expense in Base Rates (Continued)	
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				less non-ISR eligible plant (c)	ISR Eligible Amount (d)
Line No.	Description	Reference (a)	Amount (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	2	(\$39,763,450)
3	Less Non-Depreciable Plant	Page 1, Line 11	(\$627,567,742)	3	\$0
4	Depreciable Utility Plant 08/31/18	Line 2 + Line 3	\$1,574,268,551	4	(\$39,763,450)
5				5	\$1,534,505,101
6	Plus: Added Plant 12 Months Ended 08/31/19	Schedule 11-ELEC, Page 6, Line 38	\$77,541,000	6	(\$2,698,000)
7	Less: Depreciable Retired Plant	1/ Line 6 x Retirement rate	(\$22,998,661)	7	\$800,227
8				8	(\$22,198,434)
9	Depreciable Utility Plant 08/31/19	Sum of Line 4 through Line 7	\$1,628,810,891	9	(\$41,661,224)
10				10	\$1,587,149,667
11	Average Depreciable Plant for Rate Year Ended 08/31/19	(Line 4 + Line 9)/2	\$1,601,539,721	11	(\$40,712,337)
12				12	\$1,560,827,384
13	Proposed Composite Rate %	Page 4, Line 18, Columnn (f)	3.15%	13	
14				14	3.16%
15	Book Depreciation Reserve 08/31/18	Page 1, Line 47	\$678,772,079	15	
16	Plus: Book Depreciation Expense	Line 11 x Line 13	\$50,375,341	16	
17	Plus: Unrecovered Reserve Adjustment	Schedule NWA-1-ELECTRIC, Part VI, Page 6	(\$247,009)	17	\$49,393,515
18	Less: Net Cost of Removal/(Salvage)	2/ Line 6 x Cost of Removal Rate	(\$7,963,461)	18	(\$247,009)
19	Less: Retired Plant	Line 7	(\$22,998,661)	19	
20	Book Depreciation Reserve 08/31/19	Sum of Line 15 through Line 19	\$697,938,290	20	
21				21	\$49,146,506
22	Rate Year Depreciation Expense 12 Months Ended 08/31/20:			22	
23	Total Utility Plant 08/31/19	Line 2 + Line 6 + Line 7	\$2,256,378,633	23	(\$41,661,224)
24	Less Non-Depreciable Plant	Page 1, Line 11	(\$627,567,742)	24	\$0
25	Depreciable Utility Plant 08/31/19	Line 23 + Line 24	\$1,628,810,891	25	(\$41,661,224)
26				26	\$1,587,149,667
27	Plus: Added Plant 12 Months Ended 08/31/20	Schedule 11-ELEC, Page 5, Line 15(i)	\$2,000,000	27	(\$2,000,000)
28	Less: Depreciable Retired Plant	1/ Line 27 x Retirement rate	(\$593,200)	28	\$0
29				29	\$593,200
30	Depreciable Utility Plant 08/31/20	Sum of Line 25 through Line 28	\$1,630,217,691	30	(\$43,068,024)
31				31	\$1,587,149,667
32	Average Depreciable Plant for Rate Year Ended 08/31/20	(Line 25 + Line 30)/2	\$1,629,514,291	32	(\$42,364,624)
33				33	\$1,587,149,667
34	Proposed Composite Rate %	Page 4, Line 18, Columnn (f)	3.15%	34	
35				35	3.16%
36	Book Depreciation Reserve 08/31/20	Line 20	\$697,938,290	36	
37	Plus: Book Depreciation Expense	Line 32 x Line 34	\$51,255,262	37	
38	Plus: Unrecovered Reserve Adjustment	Schedule NWA-1-ELECTRIC, Part VI, Page 6	(\$247,009)	38	\$50,226,503
39	Less: Net Cost of Removal/(Salvage)	2/ Line 27 x Cost of Removal Rate	(\$205,400)	39	(\$247,009)
40	Less: Retired Plant	Line 28	(\$593,200)	40	
41	Book Depreciation Reserve 08/31/20	Sum of Line 36 through Line 40	\$748,147,943	41	7 mos FY20
42				42	\$436,419,633
43	Rate Year Depreciation Expense 12 Months Ended 08/31/21:			43	12 mos
44	Total Utility Plant 08/31/20	Line 23 + Line 27 + Line 28	\$2,257,785,433	44	(\$43,068,024)
45	Less Non-Depreciable Plant	Page 1, Line 11	(\$627,567,742)	45	\$0
46	Depreciable Utility Plant 08/31/20	Line 44 + Line 45	\$1,630,217,691	46	(\$43,068,024)
47				47	\$1,587,149,667
48	Plus: Added Plant 12 Months Ended 08/31/21	Schedule 11-ELEC, Page 5, Line 15(1)	\$2,000,000	48	(\$2,000,000)
49	Less: Depreciable Retired Plant	1/ Line 48 x Retirement rate	(\$593,200)	49	\$593,200
50				50	\$0
51	Depreciable Utility Plant 08/31/21	Sum of Line 46 through Line 49	\$1,631,624,491	51	(\$44,474,824)
52				52	\$1,587,149,667
53	Average Depreciable Plant for Rate Year Ended 08/31/21	(Line 46 + Line 51)/2	\$1,630,921,091	53	(\$43,771,424)
54				54	\$1,587,149,667
55	Proposed Composite Rate %	Page 4, Line 18, Columnn (f)	3.15%	55	
56				56	3.16%
57	Book Depreciation Reserve 08/31/20	Line 41	\$748,147,943	57	
58	Plus: Book Depreciation Expense	Line 53 x Line 55	\$51,299,512	58	
59	Plus: Unrecovered Reserve Adjustment	Schedule NWA-1-ELECTRIC, Part VI, Page 6	(\$247,009)	59	\$50,226,503
60	Less: Net Cost of Removal/(Salvage)	2/ Line 48 x Cost of Removal Rate	(\$205,400)	60	(\$247,009)
61	Less: Retired Plant	Line 49	(\$593,200)	61	
62	Book Depreciation Reserve 08/31/21	Sum of Line 57 through Line 61	\$798,401,846	62	
					\$49,979,494
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
FY 2020 Electric Infrastructure, Safety,
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The Narragansett Electric Company d/b/a National Grid FY 2020 Electric ISR Plan Revenue Requirement ISR Additions April 2020 through August 2020												
Line No.	Month No.	Month	FY 2020 Plant Additions (a)	In Rates (b)	Not In Rates (c) = (a) - (b)	Weight for Days (d)	Weighted Average (e) = (d) * (c)	Weight for Not in Rates (f) = (c) / Total (c)				
1												
2	1	Apr-19	8,566,417	6,236,917	2,329,500	0.958	2,232,438	3.25%				
3	2	May-19	8,566,417	6,236,917	2,329,500	0.875	2,038,313	3.25%				
4	3	Jun-19	8,566,417	6,236,917	2,329,500	0.792	1,844,188	3.25%				
5	4	Jul-19	8,566,417	6,236,917	2,329,500	0.708	1,650,063	3.25%				
6	5	Aug-19	8,566,417	6,236,917	2,329,500	0.625	1,455,938	3.25%				
7	6	Sep-19	8,566,417	-	8,566,417	0.542	4,640,142	11.96%				
8	7	Oct-19	8,566,417	-	8,566,417	0.458	3,926,274	11.96%				
9	8	Nov-19	8,566,417	-	8,566,417	0.375	3,212,406	11.96%				
10	9	Dec-19	8,566,417	-	8,566,417	0.292	2,498,538	11.96%				
11	10	Jan-20	8,566,417	-	8,566,417	0.208	1,784,670	11.96%				
12	11	Feb-20	8,566,417	-	8,566,417	0.125	1,070,802	11.96%				
13	12	Mar-20	8,566,417	-	8,566,417	0.042	356,934	11.96%				
14		Total	\$102,797,000	\$31,184,583	\$71,612,417		\$26,710,705	100.00%				
15		Total September 2019 through March 2020			\$ 59,964,917							
16		FY2020 Weighted Average Incremental Rate Base Percentage						37.30%				

Column (a)=Page 11 of 19, Line 1(c)
Column(b)=Page 11 of 19, Line 2(c)
Line 15 = sum of Line 7(c) through Line 13(c)
Line 16 = Line 14(f)/Line 14(c)

**The Narragansett Electric Company
d/b/a National Grid
FY 2020 Electric ISR Plan Revenue Requirement
Deferred Income Tax ("DIT") Provisions and Net Operating Losses ("NOL")**

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
					Jul & Aug 2017	12 Mths Aug 31 2018	12 Mths Aug 31 2019	12 Mths Aug 31 2020
1 Total Base Rate Plant DIT Provision					\$2,580,654	\$5,847,765	\$4,355,117	\$707,056
2 Total Base Rate Plant DIT Provision	FY 2018	FY 2019	FY 2020	FY 2021	FY 2018	FY 2019	FY 2020	FY 2021
3 Incremental FY 18	\$2,836,430	\$2,798,337	\$2,755,990	\$2,705,338	\$5,991,850	\$4,977,053	\$2,227,081	\$2,526,610
4 Incremental FY 19	\$0	\$2,243,691	\$2,305,437	\$2,358,712	\$2,836,430	(\$38,094)	(\$42,346)	(\$50,652)
5 Incremental FY 20	\$0	\$0	\$6,598,863	\$7,069,358	\$0	\$2,243,691	\$61,746	\$53,275
6 TOTAL Plant DIT Provision	\$2,836,430	\$5,042,028	\$11,660,290	\$12,133,409	\$8,828,281	\$7,182,650	\$8,845,344	\$2,999,728
7 Distribution-related NOL					\$2,998,499	\$0	\$0	
8 Lesser of Distribution-related NOL or DIT Provision					\$2,998,499	\$0	\$0	\$0

Line Notes:

- 1(e) RIPUC Docket Nos. 4770/4780, Compliance Attachment 2, Schedule 11-ELEC, Page 11 of 20, Line 3
- 1(f) RIPUC Docket Nos. 4770/4780, Compliance Attachment 2, Schedule 11-ELEC, Page 11 of 20, Line 7
- 1(g) RIPUC Docket Nos. 4770/4780, Compliance Attachment 2, Schedule 11-ELEC, Page 11 of 20, Line 50
- 1(h) RIPUC Docket Nos. 4770/4780, Compliance Attachment 2, Schedule 11-ELEC, Page 12 of 20, Line 41

- 2 Col(e) = Line1(e) + Line1(f)×7÷12 ; Col (f) = Line 1(f)×5÷12 + Line1(g)×7÷12; Col (g) = Line 1(g)×5÷12 + Line1(h)×7÷12; Col (h) = Line 1(h)×5÷12 + Line1(i)×7÷12
- 3(a)-5(d) Cumulative DIT per vintage year ISR revenue requirement calculations (Page 2, Line 20; Page 5, Line 20; Page 8, Line 20)
- 3(e) -5(h) Year over year change in cumulative DIT shown in Cols (a) through (d)
- 6 Sum of Lines 2 through 5
- 7 Page 11 of 19, Line 14
- 8 Lesser of Line 6 or Line 7

The Narragansett Electric Company
d/b/a National Grid
RIPUC DOCKET NO. 4915
FY 2019 Electric Infrastructure, Safety,
and Reliability Plan
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The Narragansett Electric Company
d/b/a National Grid
Electric Infrastructure, Safety, and Reliability (ISR) Plan
Calculation of Weighted Average Cost of Capital

Line No.	(a)	(b)	(c)	(d)	(e)
1	Weighted Average Cost of Capital as approved in RIPUC Docket No. 4323 at 35% income tax rate effective April 1, 2013				
2	Ratio	Rate	Weighted Rate	Taxes	Return
3	49.95%	4.96%	2.48%		2.48%
4	0.76%	0.79%	0.01%		0.01%
5	0.15%	4.50%	0.01%		0.01%
6	49.14%	9.50%	4.67%	2.51%	7.18%
7	100.00%		7.17%	2.51%	9.68%
8	(d) - Column (c) x 35% divided by (1 - 35%)				
9					
10					
11	Weighted Average Cost of Capital as approved in RIPUC Docket No. 4323 at 21% income tax rate effective January 1, 2018				
12	Ratio	Rate	Weighted Rate	Taxes	Return
13	49.95%	4.96%	2.48%		2.48%
14	0.76%	0.79%	0.01%		0.01%
15	0.15%	4.50%	0.01%		0.01%
16	49.14%	9.50%	4.67%	1.24%	5.91%
17	100.00%		7.17%	1.24%	8.41%
18	(d) - Column (c) x 21% divided by (1 - 21%)				
19					
20					
21					
22	Weighted Average Cost of Capital as approved in RIPUC Docket No. 4770 effective September 1, 2018				
23	Ratio	Rate	Weighted Rate	Taxes	Return
24	48.35%	4.62%	2.23%		2.23%
25	0.60%	1.76%	0.01%		0.01%
26	0.10%	4.50%	0.00%		0.00%
27	50.95%	9.28%	4.73%	1.26%	5.99%
28	100.00%		6.97%	1.26%	8.23%
29	(d) - Column (c) x 21% divided by (1 - 21%)				
30					
31					
32				Line 7(e) x 75% + Line 17(e) x 25%	9.36%
33					
34				Line 17 x 5 + 12 + Line 28 x 7 + 12	8.31%
35					
36				Line 28(e)	8.23%