**Jennifer Brooks Hutchinson**
Acting Assistant General Counsel & Director

January 31, 2020

**BY HAND DELIVERY & ELECTRONIC MAIL**

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

**RE: Docket 4995 - Proposed FY 2021 Electric Infrastructure, Safety, and Reliability Plan**
**Motion for Leave to Amend**

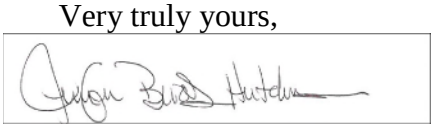
Dear Ms. Massaro:

Pursuant to Rule 810-RICR-00-00-1.12(A) (Rule 1.3(A)) of the Rhode Island Public Utilities Commission's Rules of Practice and Procedure, I have enclosed 10 copies of National Grid's[1] Motion for Leave to Amend the Proposed FY 2021 Electric Infrastructure, Safety, and Reliability Plan (Electric ISR Plan).

The proposed amendments to the Company's December 20, 2019 Electric ISR Plan consist of the enclosed: (1) Supplemental Pre-filed Testimony; (2) Revised Revenue Requirements; and (3) Revised Rate Design and Bill Impacts. The purpose of the proposed amendments is to replace projected figures used in the original December 20, 2019 filing with actual figures derived from the final FY 2019 federal income tax return of National Grid USA. As a result of these revisions, the Electric ISR Plan revenue requirement increased by $638,697.

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

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

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cc: Docket 4995 Service List
Christy Hetherington, Esq.
Al Mancini, Division
John Bell, Division
Rod Walker, 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.

Leticia Pimentel

_____ January 31, 2020

Leticia C. Pimentel Date

**Docket No. 4995 - National Grid's Electric ISR Plan FY 2021**
**Service List as of 12/26/2019**

| Name/Address | E-mail Distribution | Phone |
|---|---|---|
| Jennifer Hutchinson, Esq.<br>**National Grid**<br>280 Melrose St.<br>Providence, RI 02907 | jennifer.hutchinson@nationalgrid.com;<br>celia.obrien@nationalgrid.com;<br>Joanne.scanlon@nationalgrid.com; | 401-784-7288 |
| **National Grid**<br>Melissa Little<br>Patricia Easterly<br>Kathy Castro<br>Susan Toronto<br>Ryan Constable<br>William Richer | Melissa.Little@nationalgrid.com;<br>Patricia.easterly@nationalgrid.com;<br>Kathy.Castro2@nationalgrid.com;<br>Susan.Toronto@nationalgrid.com;<br>Ryan.Constable@nationalgrid.com;<br>William.Richer@nationalgrid.com; | |
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| David Effron<br>Berkshire Consulting<br>12 Pond Path<br>North Hampton, NH 03862-2243 | Djeffron@aol.com; | 603-964-6526 |
| Gregory L. Booth, PLLC<br>14460 Falls of Neuse Rd.<br>Suite 149-110<br>Raleigh, N. C. 27614 | gboothpe@gmail.com; | 919-441-6440 |

| | | |
|---|---|---|
| Linda Kushner<br>L. Kushner Consulting, LLC<br>514 Daniels St. #254<br>Raleigh, NC 27605 | Lkushner33@gmail.com; | 919-810-1616 |
| **Office of Energy Resources (OER)**<br>Andrew Marcaccio, Esq.<br>Dept. of Administration<br>Division of Legal Services<br>One Capitol Hill, 4th Floor<br>Providence, RI 02908 | Andrew.marcaccio@doa.ri.gov; | 401-222-3417 |
| Christopher Kearns, OER<br>Carrie Gill<br>Nick Ucci | Christopher.Kearns@energy.ri.gov;<br>Carrie.Gill@energy.ri.gov;<br>Nicholas.Ucci@energy.ri.gov; | |
| **File an original & ten copies w/:**<br>Luly E. Massaro, Commission Clerk<br>Public Utilities Commission<br>89 Jefferson Blvd.<br>Warwick, RI 02888 | Luly.massaro@puc.ri.gov;<br>John.harrington@puc.ri.gov;<br>Cynthia.WilsonFrias@puc.ri.gov;<br>Todd.bianco@puc.ri.gov;<br>Alan.nault@puc.ri.gov;<br>Margaret.hogan@puc.ri.gov; | 401-780-2107 |

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS**
**RHODE ISLAND PUBLIC UTILITIES COMMISSION**

| | | |
|---|---|---|
| Electric Infrastructure, Safety and Reliability (ISR) Plan - Fiscal Year 2021 | ) | Docket No. 4995 |

**THE NARRAGANSETT ELECTRIC COMPANY d/b/a NATIONAL GRID'S**
**MOTION FOR LEAVE TO AMEND**

Pursuant to the Rhode Island Public Utilities Commission's (PUC) Rules of Practice and Procedure, 810-RICR-00-00-1.12(A) (Rule 1.12(A)), National Grid[1] hereby requests leave to amend its Electric Infrastructure, Safety and Reliability (ISR) Plan for Fiscal Year (FY) 2021 first filed with the PUC on December 20, 2019. Specifically, the proposed amendments to the Electric ISR Plan for FY 2021 consist of: (1) Revised Revenue Requirements; (2) Revised Rate Design and Bill Impacts; and (3) Supplemental Pre-filed Testimony.

As grounds for this Motion, the Company states that National Grid USA filed its consolidated Fiscal Year (FY) 2019 federal income tax return in December 2019. Consequently, the Company is replacing the projected figures used at the time the Electric ISR Plan was prepared with actual figures derived from the final FY 2019 tax return. The Company now seeks to revise the FY 2019 capital repairs deduction rate, tax loss on retirements and Net Operating Loss (NOL) utilization. The revised FY 2021 revenue requirement also reflects updated estimates of FY 2020 and FY 2021 NOL utilization.

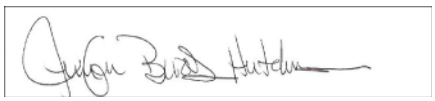
[1] The Narragansett Electric Company d/b/a National Grid (National Grid or the Company).

For these reasons, the Company respectfully requests that the PUC grant the Company's Motion for Leave to Amend its Electric ISR Plan for FY 2021 pursuant to PUC Rule 1.12(A).

Respectfully submitted,

**THE NARRAGANSETT ELECTRIC COMPANY d/b/a NATIONAL GRID**

By its attorney,



Jennifer Brooks Hutchinson, RI Bar #6176
National Grid
280 Melrose Street
Providence, RI 0907
(401) 784-7288

Date: January 31, 2020

# SUPPLEMENTAL DIRECT TESTIMONY

# OF

# MELISSA A. LITTLE

**January 31, 2020**

**Q. What is the purpose of this supplemental filing?**

A. National Grid USA filed its consolidated Fiscal Year (FY) 2019 federal income tax return in December 2019. As a result, the Company is now revising its FY 2021 Electric ISR Plan revenue requirement to reflect actual FY 2019 tax information based on the tax returns as filed, specifically the FY 2019 capital repairs deduction rate, tax loss on retirements and Net Operating Loss (NOL) utilization. The revised FY 2021 revenue requirement also reflects the updated estimates of FY 2020 and FY 2021 NOL utilization.

Q. **What is the net impact to the total FY 2021 Electric ISR Plan revenue requirement as compared to the revenue requirement submitted to the Commission on December 20, 2019?**

A. The revisions summarized above result in a revised total FY 2021 Electric ISR Plan revenue requirement of $32,941,518 shown on Page 1, Line 13 which represents a $638,697 increase from the FY 2021 revenue requirement of $32,302,821 filed in December 2019.

Q. **Are you sponsoring a revised revenue requirement schedule with this supplemental testimony?**

A. Yes. I am sponsoring the following revised attachment:

Revised Section 5: Attachment 1R: Revised FY 2021 Electric Infrastructure, Safety and Reliability Plan Annual Revenue Requirement

**Q. What is the impact of the actual FY 2019 capital repair rate and loss on retirements?**

A. The calculation of tax depreciation on FY 2019 investment is shown on Page 6. In the Company's December filing, the FY 2019 Capital Repairs rate of 29.08 percent on Line 2 was based on a three-year average of FY 2014, FY 2015, and FY 2016 actual capital repairs rates which were the most recent actual results available when the FY 2019 ISR plan was filed. The actual FY 2019 capital repairs rate is 9.68 percent. The decrease in the capital repair rate causes a decrease in cumulative book to tax deprecation timing differences which in turn increases accumulated deferred income taxes. The actual FY 2019 tax loss on retirements shown on Line 20 is $1,449,776, a $2,043,119 decrease from the estimated FY 2019 tax loss on retirements of $3,492,895 included in the December filing. The decrease in tax loss on retirements also reduces the cumulative book to tax depreciation timing difference on FY 2019 investment. In total, the cumulative book to tax difference decreased by approximately $6,558,700 in FY 2021, which in turn decreases accumulated deferred income taxes and increases rate base. Therefore, the impact on the FY 2021 revenue requirement is an increase of approximately $0.1 million.

**Q. What are the factors affecting NOL utilization?**

A. As National Grid USA (NGUSA) files a consolidated income tax return, NOL or NOL utilization is determined by taxable income on a consolidated basis. NOL utilization is first calculated for the whole NGUSA group and then allocated to the individual operating companies. When estimating NOL utilization, the most recent NGUSA

business plan is utilized to calculate the estimated consolidated taxable income. Major factors that can affect that estimate are: (1) assumptions used to build the business plan including projections of capital spending and operating costs; (2) the NOL vintage year to be utilized, which can impact the allocation to the individual operating companies; and (3) changes in or clarifications to IRS regulations.

The estimated FY 2019 NOL Utilization included in the December filing was based on a previous business plan, assumed no tax deductions related to bonus deprecation, and assumed a different allocation of NOL utilization across the NGUSA group compared to the actual FY 2019 NOL utilization. Overall, the NGUSA group taxable income in FY 2019 decreased by more than $315 million from prior estimates, mainly due to bonus depreciation deductions not anticipated at the time prior estimates were derived. Based on the Company's previous interpretation of the Tax Cuts and Jobs Act, no bonus depreciation deduction was planned for tax years after FY 2018. However, to align with industry practice, the Company subsequently revised its interpretation on the bonus depreciation regulations and included deductions for bonus depreciation on its FY 2019 tax return for projects started before September 28, 2017 and placed in service by March 31, 2019.

**Q. What is the impact of the actual FY 2019 NOL utilization?**

A. As shown on Page 18 at Line 11, the Company's total actual FY 2019 Electric NOL utilization was $1.5 million of which $1.0 million is related to the Electric Distribution

business as shown on Line 13. This is compared to the estimated FY 2019 Electric NOL utilization submitted in December of $12.5 million, of which $8.2 million was related to the Electric Distribution business, representing a $7.2 million decrease. As NOL utilization serves to increase accumulated deferred income taxes which reduce rate base, the decrease in NOL utilization ultimately increases the FY 2021 revenue requirement by approximately $0.6 million.

**Q. What is the impact of the updated FY 2020 and FY 2021 NOL utilization?**

A. With the actual FY 2019 income tax return and the most recent business plan, the Company is now able to refine its estimated taxable income for both FY 2020 and FY 2021, and therefore the estimated NOL utilization for those tax years as well. On Page 18 at Line 11, the estimated FY 2020 NOL utilization has decreased by approximately $0.5 million to $3.3 million compared with the original estimate assumed in FY 2020 Electric ISR Plan of $3.8 million. The Distribution-related share of this decrease is $0.3 million. The estimated FY 2021 NOL utilization increased by $3.7 million compared to zero NOL utilization originally estimated for FY 2021 in the December filing. The Distribution-related share of this increase is $2.4 million. As a result, the FY 2021 revenue requirement on FY 2020 ISR investment increased by $0.03 million, and the FY 2021 revenue requirement on FY 2021 ISR investment decreased by $0.1 million compared to the FY 2021 revenue requirement filed in December.

**Q. Please summarize the change in the FY 2021 Electric ISR Plan revenue requirement**

**compared to the December submittal.**

A. The total change in FY 2021 Electric ISR Plan revenue requirement is summarized in the chart below from Page 1 of the both Section 5, Attachment 1 and Revised Section 5, Attachment 1R:

| **FY 2021 Gas ISR Plan Revenue Requirement** | | **Initial Filing** | **Revised** | **Increase/** |
|---|---|---|---|---|
| | | **Dec-19** | **Jan-20** | **(decrease)** |
| | | **(a)** | **(b)** | **(c)=(b)-(a)** |
| **Operation and Maintenance (O&M) Expenses:** | | | | |
| | | | | |
| Current Year Vegetation Management (VM) | | $10,600,000 | $10,600,000 | $0 |
| Current Year Inspection & Maintenance (I&M) | | $1,035,000 | $1,035,000 | $0 |
| Current Year Other Programs | | $456,633 | $456,633 | $0 |
| | | | | |
| **Total O&M Expense Component of Revenue Requirement** | | **$12,091,633** | **$12,091,633** | **$0** |
| | | | | |
| **Capital Investment:** | | | | |
| Actual Revenue Requirement on FY 2018 Incremental Capital included in ISR Rate Base | | $2,057,064 | $2,057,064 | $0 |
| Actual Revenue Requirement on FY 2019 Incremental Capital included in ISR Rate Base | | $3,562,841 | $4,272,652 | $709,812 |
| Forecasted Revenue Requirement on FY 2020 Incremental Capital included in ISR Rate Base | | $5,198,953 | $5,226,171 | $27,218 |
| Forecasted Revenue Requirement on FY 2021 Incremental Capital included in ISR Rate Base | | $4,440,322 | $4,341,988 | ($98,333) |
| | | | | |
| Subtotal | | $15,259,180 | $15,897,876 | $638,697 |
| | | | | |
| FY 2021 Property Tax Recovery Adjustment | | $4,952,008 | $4,952,008 | $0 |
| | | | | |
| **Total Capital Investment Component of Revenue Requirement** | | **$20,211,188** | **$20,849,885** | **$638,697** |
| | | | | |
| **Total Fiscal Year Revenue Requirement** | | **$32,302,821** | **$32,941,518** | **$638,697** |

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

A. Yes.

**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 2020 (a) | Fiscal Year 2021 (b) | Fiscal Year 2022 (c) |
|---|---|---|---|---|
| | **Operation and Maintenance (O&M) Expenses:** | | | |
| 1 | Current Year Vegetation Management (VM) | $10,400,000 | $10,600,000 | |
| 2 | Current Year Inspection & Maintenance (I&M) | $771,000 | $1,035,000 | |
| 3 | Current Year Other Programs | $336,000 | $456,633 | |
| 4 | **Total O&M Expense Component of Revenue Requirement** | **$11,507,000** | **$12,091,633** | **$0** |
| | **Capital Investment:** | | | |
| 5 | Actual Revenue Requirement on FY 2018 Incremental Capital included in ISR Rate Base | $2,114,916 | $2,057,064 | $2,001,528 |
| 6 | Actual Revenue Requirement on FY 2019 Incremental Capital included in ISR Rate Base | $552,992 | $4,272,652 | $4,115,669 |
| 7 | Forecasted Revenue Requirement on FY 2020 Incremental Capital included in ISR Rate Base | $2,197,258 | $5,226,171 | $5,056,613 |
| 8 | Forecasted Revenue Requirement on FY 2021 Incremental Capital included in ISR Rate Base | | $4,341,988 | $8,525,305 |
| 9 | Subtotal | $4,865,166 | $15,897,876 | $19,699,115 |
| 10 | FY 2020 Property Tax Recovery Adjustment | $1,195,591 | | |
| 11 | FY 2021 Property Tax Recovery Adjustment | | $4,952,008 | |
| 12 | **Total Capital Investment Component of Revenue Requirement** | **$6,060,757** | **$20,849,885** | **$19,699,115** |
| 13 | **Total Fiscal Year Revenue Requirement** | **$17,567,757** | **$32,941,518** | **$19,699,115** |
| 14 | **Incremental Fiscal Year Rate Adjustment** | | **$15,373,761** | |

Column/Line Notes:

Col (a) Docket No. 4915, FY 2020 Electric ISR Plan, Revised Section 5: Attachment 1S, Page 1 of 19, Colunm (c)

Col (b) & (c)

1 Vegetation Management per Section 3, Chart 14
2 Inspection & Maintenance O&M per Section 4, Chart 16
3 Other Program O&M per Section 4, Chart 16
4 Sum of Lines 1 through 3
5 Page 2 of 25, Line 34 column (d) & (e)
6 Page 5 of 25, Line 36, Column (c) & (d)
7 Page 10 of 25, Line 33, Column (b) & (c)
8 Page 14 of 25 Line 34, Column (a) & (b)
9 Sum of Lines 5 through 8
11 Page 24 of 25, Line 62, Column (k) × 1,000
12 Sum of Lines 9 through 11
13 Line 4 + Line 12
14 Line 13 Col (b) - Line 13 Col (a)

**The Narragansett Electric Company**
**d/b/a National Grid**
**FY 2021 Electric ISR Revenue Requirement Plan**
**FY 2021 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) | Fiscal Year 2022 (e) |
|---|---|---|---|---|---|---|---|---|
| | Capital Investment Allowance | | | | | | | |
| 1 | *Non-Discretionary Capital* | | | $3,178,398 | | | | |
| | *Discretionary Capital* | | | | | | | |
| 2 | Lesser of Actual Cumulative Non-Discretionary Capital Additions o Spending, or Approved Spending | | | $14,638,256 | | | | |
| 3 | Total Allowed Capital Included in Rate Base | Page 18 of 25, Line 4(a) | | $17,816,654 | $0 | $0 | $0 | $0 |
| | Depreciable Net Capital Included in Rate Base | | | | | | | |
| 4 | Total Allowed Capital Included in Rate Base in Current Year | Line 3 | | $17,816,654 | $0 | $0 | $0 | $0 |
| 5 | Retirements | Page 18 of 25 , Line 10 ,Col (a) | | ($5,245,072) | $0 | $0 | $0 | $0 |
| 6 | Net Depreciable Capital Included in Rate Base | Year 1 = Line 4 - Line 5; then = Prior Year Line 6 | | $23,061,726 | $23,061,726 | $23,061,726 | $23,061,726 | $23,061,726 |
| | Change in Net Capital Included in Rate Base | | | | | | | |
| 7 | Capital Included in Rate Base | Line 3 | | $17,816,654 | $0 | $0 | $0 | $0 |
| 8 | Depreciation Expense | | | $0 | $0 | $0 | $0 | $0 |
| 9 | Incremental Capital Amount | Year 1 = Line 7 - Line 8; then = Prior Year Line 9 | | $17,816,654 | $17,816,654 | $17,816,654 | $17,816,654 | $17,816,654 |
| 10 | Cost of Removal | Page 18 of 25 , Line 7 ,Col (a) | | $1,719,991 | $1,719,991 | $1,719,991 | $1,719,991 | $1,719,991 |
| 11 | **Total Net Plant in Service** | **Line 9 + Line 10** | | **$19,536,645** | **$19,536,645** | **$19,536,645** | **$19,536,645** | **$19,536,645** |
| | Deferred Tax Calculation: | | | | | | | |
| 12 | Composite Book Depreciation Rate | As approved per RIPUC Docket No. 4323 and Docket No. 4770 | 1/ | 3.40% | 3.26% | 3.16% | 3.16% | 3.16% |
| 13 | Vintage Year Tax Depreciation: | | | | | | | |
| 14 | 2018 Spend | Year 1 = Page 3 of 25, Line 23; then = Page 3 of 25, Column (d) | | $13,898,861 | $571,028 | $528,156 | $488,605 | $451,903 |
| 15 | Cumulative Tax Depreciation | Year 1 = Line 14; then = Prior Year Line 15 + Current Year Line 14 | | $13,898,861 | $14,469,889 | $14,998,045 | $15,486,650 | $15,938,553 |
| 16 | Book Depreciation | Year 1 = Line 6 * Line 12 * 50% ; then = Line 6 * Line 12 | | $392,049 | $751,812 | $728,751 | $728,751 | $728,751 |
| 17 | Cumulative Book Depreciation | Year 1 = Line 16; then = Prior Year Line 17 + Current Year Line 16 | | $392,049 | $1,143,862 | $1,872,612 | $2,601,363 | $3,330,113 |
| 18 | Cumulative Book / Tax Timer | Line 15 - Line 17 | | $13,506,812 | $13,326,028 | $13,125,433 | $12,885,287 | $12,608,439 |
| 19 | Effective Tax Rate | | 2/ | 21.00% | 21.00% | 21.00% | 21.00% | 21.00% |
| 20 | Deferred Tax Reserve | Line 18 * Line 19 | | $2,836,430 | $2,798,466 | $2,756,341 | $2,705,910 | $2,647,772 |
| 21 | Less: FY 2018 Federal NOL | Year 1 = Page 18 of 25 , Line 15 ,Col (a) ; then = Prior Year Line 21 | | ($2,998,499) | ($2,998,499) | ($2,998,499) | ($2,998,499) | ($2,998,499) |
| 22 | Excess Deferred Tax | Year 1= (Line 18 * 31.55% blended FY18 tax rate) - Line 20, Then = Year1 | | $1,424,969 | $1,424,969 | $1,424,969 | $1,424,969 | $1,424,969 |
| 23 | Net Deferred Tax Reserve before Proration Adjustment | Sum of Lines 20 through 22 | | $1,262,901 | $1,224,936 | $1,182,811 | $1,132,380 | $1,074,242 |
| | Rate Base Calculation: | | | | | | | |
| 24 | Cumulative Incremental Capital Included in Rate Base | Line 11 | | $19,536,645 | $19,536,645 | $19,536,645 | $19,536,645 | $19,536,645 |
| 25 | Accumulated Depreciation | -Line 17 | | ($392,049) | ($1,143,862) | ($1,872,612) | ($2,601,363) | ($3,330,113) |
| 26 | Deferred Tax Reserve | -Line 23 | | ($1,262,901) | ($1,224,936) | ($1,182,811) | ($1,132,380) | ($1,074,242) |
| 27 | Year End Rate Base before Deferred Tax Proration | Sum of Lines 24 through 26 | | $17,881,695 | $17,167,848 | $16,481,222 | $15,802,902 | $15,132,290 |
| | 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) | | | | | $16,142,062 | $15,467,596 |
| 29 | Proration Adjustment | Page 4 of 25, 41, (k) and (l) | | | | | ($2,165) | ($2,495) |
| 30 | Average ISR Rate Base after Deferred Tax Proration | Line 28 + Line 29 | | | | | $16,139,898 | $15,465,101 |
| 31 | Pre-Tax ROR | Page 25 of 25, Line 36 | | | | | 8.23% | 8.23% |
| 32 | Return and Taxes | Line 30 * Line 31 | | | | | $1,328,314 | $1,272,778 |
| 33 | Book Depreciation | Line 16 | | | | | $728,751 | $728,751 |
| 34 | **Annual Revenue Requirement** | **Line 32 + Line 33** | | **N/A** | **N/A** | **N/A** | **$2,057,064** | **$2,001,528** |

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, 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 Janurary 1, 2018 per the Tax Cuts and Jobs Act of 2017

**The Narragansett Electric Company**
**d/b/a National Grid**
**FY 2021 Electric ISR Revenue Requirement Plan**
**Calculation of Tax Depreciation and Repairs Deduction on FY 2018 Incremental Capital Investments**

| Line No. | | | | Fiscal Year 2018 (a) |
|---|---|---|---|---|
| | Capital Repairs Deduction | | | |
| 1 | Plant Additions | Page 2 of 25, Line 3 | | $17,816,654 |
| 2 | Capital Repairs Deduction Rate | Per Tax Department | 1/ | 9.00% |
| 3 | Capital Repairs Deduction | Line 1 * Line 2 | | $1,603,499 |
| | Bonus Depreciation | | | |
| 4 | Plant Additions | Line 1 | | $17,816,654 |
| 5 | Less Capital Repairs Deduction | - Line 3 | | ($1,603,499) |
| 6 | Plant Additions Net of Capital Repairs Deduction | Line 4 + Line 5 | | $16,213,155 |
| 7 | Percent of Plant Eligible for Bonus Depreciation | Per Tax Department | | 100.00% |
| 8 | Plant Eligible for Bonus Depreciation | Line 6 * Line 7 | | $16,213,155 |
| 9 | Bonus depreciation 100% category | 100% * 16.38% | 2/ | 16.38% |
| 10 | Bonus depreciation 50% category | 50% * 34.28% | 2/ | 17.14% |
| 11 | Bonus depreciation 40% category | 40% * 44.23% | 2/ | 17.69% |
| 12 | Bonus depreciation 0% category | 0% * 5.11% | 2/ | 0.00% |
| 13 | Total Bonus Depreciation Rate | Line 9 + Line 10 + Line 11 + Line 12 | | 51.21% |
| 14 | Bonus Depreciation | Line 8 * Line 13 | | $8,303,081 |
| | Remaining Tax Depreciation | | | |
| 15 | Plant Additions | Line 1 | | $17,816,654 |
| 16 | Less Capital Repairs Deduction | Line 3 | | $1,603,499 |
| 17 | Less Bonus Depreciation | Line 14 | | $8,303,081 |
| 18 | Remaining Plant Additions Subject to 20 YR MACRS Tax Depreciation | Line 15 - Line 16 - Line 17 | | $7,910,074 |
| 19 | 20 YR MACRS Tax Depreciation Rates | Per IRS Publication 946 | | 3.750% |
| 20 | Remaining Tax Depreciation | Line 18 * Line 19 | | $296,628 |
| 21 | FY18 Loss incurred due to retirements | Per Tax Department | 3/ | $1,975,662 |
| 22 | Cost of Removal | Page 2 of 25, Line 10 | | $1,719,991 |
| 23 | Total Tax Depreciation and Repairs Deduction | Sum of Lines 3, 14, 20, 21, and 22 | | $13,898,861 |

20 Year MACRS Depreciation

| | (b) | (c) | (d) | (e) |
|---|---|---|---|---|
| MACRS basis: | | Line 18 | $7,910,074 | |
| Fiscal Year | | | Annual MACRS | Cumulative Tax Depr |
| | 2018 | 3.750% | $296,628 | $13,898,861 |
| | 2019 | 7.219% | $571,028 | $14,469,889 |
| | 2020 | 6.677% | $528,156 | $14,998,045 |
| | 2021 | 6.177% | $488,605 | $15,486,650 |
| | 2022 | 5.713% | $451,903 | $15,938,553 |
| | 2023 | 5.285% | $418,047 | $16,356,600 |
| | 2024 | 4.888% | $386,644 | $16,743,245 |
| | 2025 | 4.522% | $357,694 | $17,100,938 |
| | 2026 | 4.462% | $352,948 | $17,453,886 |
| | 2027 | 4.461% | $352,868 | $17,806,754 |
| | 2028 | 4.462% | $352,948 | $18,159,702 |
| | 2029 | 4.461% | $352,868 | $18,512,570 |
| | 2030 | 4.462% | $352,948 | $18,865,518 |
| | 2031 | 4.461% | $352,868 | $19,218,386 |
| | 2032 | 4.462% | $352,948 | $19,571,334 |
| | 2033 | 4.461% | $352,868 | $19,924,202 |
| | 2034 | 4.462% | $352,948 | $20,277,149 |
| | 2035 | 4.461% | $352,868 | $20,630,018 |
| | 2036 | 4.462% | $352,948 | $20,982,965 |
| | 2037 | 4.461% | $352,868 | $21,335,834 |
| | 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 2021 Electric ISR Revenue Requirement Plan**
**Calculation of Net Deferred Tax Reserve Proration on FY 2018 Incremental Capital Investment**

| Line No. | **Deferred Tax Subject to Proration** | | (a) FY20 | (b) FY21 | (c) FY22 |
|---|---|---|---|---|---|
| 1 | Book Depreciation | Page 2 of 25, Line 16, column (d) & (e) | $729,805 | $728,751 | $728,751 |
| 2 | Bonus Depreciation | | $0 | $0 | $0 |
| 3 | Remaining MACRS Tax Depreciation | Page 3 of 25, Line 7, column, (d) | ($528,156) | ($488,605) | ($451,903) |
| 4 | FY18 tax (gain)/loss on retirements | | $0 | $0 | $0 |
| 5 | Cumulative Book / Tax Timer | Sum of Lines 1 through 4 | $201,649 | $240,145 | $276,848 |
| 6 | Effective Tax Rate | | 21.00% | 21.00% | 21.00% |
| 7 | Deferred Tax Reserve | Line 5 * Line 6 | $42,346 | $50,431 | $58,138 |
| | **Deferred Tax Not Subject to Proration** | | | | |
| 8 | Capital Repairs Deduction | | | | |
| 9 | Cost of Removal | | | | |
| 10 | Book/Tax Depreciation Timing Difference at 3/31/2017 | | | | |
| 11 | Cumulative Book / Tax Timer | | | | |
| 12 | Effective Tax Rate | | | | |
| 13 | Deferred Tax Reserve | | | | |
| 14 | Total Deferred Tax Reserve | Line 7 + Line 13 | $42,346 | $50,431 | $58,138 |
| 15 | Net Operating Loss | | | | |
| 16 | Net Deferred Tax Reserve | Line 14 + Line 15 | $42,346 | $50,431 | $58,138 |
| | **Allocation of FY 2018 Estimated Federal NOL** | | | | |
| 17 | Cumulative Book/Tax Timer Subject to Proration | | | | |
| 18 | Cumulative Book/Tax Timer Not 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 | Line 7 + Line 24 | $42,346 | $50,431 | $58,138 |

| | **Proration Calculation** | (h) Number of Days in Month | (i) Proration Percentage | (j) FY20 | (k) FY21 | (l) FY22 |
|---|---|---|---|---|---|---|
| 26 | April | 30 | 91.78% | $3,240 | $3,857 | $4,447 |
| 27 | May | 31 | 83.29% | $2,941 | $3,500 | $4,035 |
| 28 | June | 30 | 75.07% | $2,651 | $3,155 | $3,637 |
| 29 | July | 31 | 66.58% | $2,353 | $2,798 | $3,225 |
| 30 | August | 31 | 58.08% | $2,054 | $2,441 | $2,814 |
| 31 | September | 30 | 49.86% | $1,764 | $2,096 | $2,416 |
| 32 | October | 31 | 41.37% | $1,466 | $1,739 | $2,004 |
| 33 | November | 30 | 33.15% | $1,176 | $1,393 | $1,606 |
| 34 | December | 31 | 24.66% | $877 | $1,036 | $1,195 |
| 35 | January | 31 | 16.16% | $579 | $679 | $783 |
| 36 | February | 28 | 8.49% | $299 | $357 | $411 |
| 37 | March | 31 | 0.00% | $0 | $0 | $0 |
| 38 | Total | 365 | | $19,399 | $23,051 | $26,574 |
| 39 | Deferred Tax Without Proration | Line 25 | | $42,346 | $50,431 | $58,138 |
| 40 | Average Deferred Tax without Proration | Line 25 * 50% | | $21,173 | $25,215 | $29,069 |
| 41 | Proration Adjustment | Line 38 - Line 40 | | ($1,774) | ($2,165) | ($2,495) |

**Column Notes:**

| | |
|---|---|
| (a) | Docket no. 4915, Revised section 5: Attachment 1S, Page 4 of 19, column (a) |
| (i) | Sum of remaining days in the year (Col (h)) ÷ 365 |
| (j) through (l) | Current Year Line 25 ÷ 12 × Current Month Col (i) |

**The Narragansett Electric Company**
**d/b/a National Grid**
**FY 2021 Electric ISR Revenue Requirement Plan**
**FY 2021 Revenue Requirement on FY 2019 Actual Incremental Capital Investment**

| Line No. | | | Fiscal Year 2019 (a) | Fiscal Year 2020 (b) | Fiscal Year 2021 (c) | Fiscal Year 2022 (d) |
|---|---|---|---|---|---|---|
| | Capital Investment Allowance | | | | | |
| 1 | *Non-Discretionary Capital* | | $7,452,659 | | $0 | $0 |
| | *Discretionary Capital* | | | | | |
| 2 | Lesser of Actual Cumulative Non-Discretionary Capital Additions or Spending, or Approved Spending | | $25,486,776 | | $0 | $0 |
| 3 | Total Allowed Capital Included in Rate Base (non-intangible) | Page 18 of 25, Line 4(b) | $32,939,435 | $0 | $0 | $0 |
| | Depreciable Net Capital Included in Rate Base | | | | | |
| 4 | Total Allowed Capital Included in Rate Base in Current Year | Line 3, Column (a) | $32,939,435 | $0 | $0 | $0 |
| 5 | Retirements | Page 18 of 25 , Line 10 ,Col (b) | ($10,649,479) | $0 | $0 | $0 |
| 6 | Net Depreciable Capital Included in Rate Base | Year 1 = Line 4 - Line 5; Then = Prior Year Line 6 | $43,588,914 | $43,588,914 | $43,588,914 | $43,588,914 |
| | Change in Net Capital Included in Rate Base | | | | | |
| 7 | Capital Included in Rate Base | Line 3, Column (a) | $32,939,435 | $0 | $0 | $0 |
| 8 | Depreciation Expense | | $0 | $0 | $0 | $0 |
| 9 | Incremental Capital Amount | Year 1 (a) = Line 7 - Line 8; Then = Prior Year Line 9 | $32,939,435 | $32,939,435 | $32,939,435 | $32,939,435 |
| 10 | Cost of Removal | Page 18 of 25 , Line 7 ,Col (b) | $101,073 | $101,073 | $101,073 | $101,073 |
| 11 | **Total Net Plant in Service** | **Line 9 + Line 10** | **$33,040,508** | **$33,040,508** | **$33,040,508** | **$33,040,508** |
| | Deferred Tax Calculation: | | | | | |
| 12 | Composite Book Depreciation Rate | As approved per RIPUC Docket No. 4323 and Docket No. 4770 1/ | 3.26% | 3.16% | 3.16% | 3.16% |
| 13 | Vintage Year Tax Depreciation: | | | | | |
| 14 | 2019 Spend | Year 1 = Page 6 of 25, Line 22 Then = Page 6 of 25 Column (d) | $9,919,837 | $1,842,847 | $1,704,487 | $1,576,848 |
| 15 | Cumulative Tax Depreciation | Year 1 = Line 14; then = Prior Year Line 15 + Current Year Line 14 | $9,919,837 | $11,762,684 | $13,467,171 | $15,044,019 |
| 16 | Book Depreciation | Year 1 = Line 6 * Line 12 * 50% ; Then = Line 6 * Line 12 | $710,499 | $1,377,410 | $1,377,410 | $1,377,410 |
| 17 | Cumulative Book Depreciation | Year 1 = Line 16; then = Prior Year Line 17 + Current Year Line 16 | $710,499 | $2,087,909 | $3,465,319 | $4,842,728 |
| 18 | Cumulative Book / Tax Timer | Line 15 - Line 17 | $9,209,338 | $9,674,775 | $10,001,852 | $10,201,291 |
| 19 | Effective Tax Rate | | 21.00% | 21.00% | 21.00% | 21.00% |
| 20 | Deferred Tax Reserve | Line 18 * Line 19 | $1,933,961 | $2,031,703 | $2,100,389 | $2,142,271 |
| 21 | Add: FY 2019 Federal NOL incremental utilization | Page 18 of 25 , Line 15 ,Col (b) | $991,622 | $991,622 | $991,622 | $991,622 |
| 22 | Net Deferred Tax Reserve before Proration Adjustment | Sum of Lines 20 through 21 | $2,925,583 | $3,023,325 | $3,092,011 | $3,133,893 |
| | Rate Base Calculation: | | | | | |
| 23 | Cumulative Incremental Capital Included in Rate Base | Line 11 | $33,040,508 | $33,040,508 | $33,040,508 | $33,040,508 |
| 24 | Accumulated Depreciation | -Line 17 | ($710,499) | ($2,087,909) | ($3,465,319) | ($4,842,728) |
| 25 | Deferred Tax Reserve | -Line 22 | ($2,925,583) | ($3,023,325) | ($3,092,011) | ($3,133,893) |
| 26 | Year End Rate Base before Deferred Tax Proration | Sum of Lines 23 through 25 | $29,404,426 | $27,929,274 | $26,483,178 | $25,063,887 |
| | Revenue Requirement Calculation: | | | | | |
| 27 | Average Rate Base before Deferred Tax Proration Adjustment | Year 1 = Current Year Line 26 ÷ 2; Then = (Prior Year Line 26 + Current Year Line 26) ÷ 2 | | | $27,206,226 | $25,773,533 |
| 28 | Proration Adjustment | Page 7 of 25, Line 41, Column (j) ~ (l) | | | $3,112 | ($347) |
| 29 | Average ISR Rate Base after Deferred Tax Proration | Line 27 + Line 28 | | | $27,209,338 | $25,773,185 |
| 30 | Pre-Tax ROR | Page 25 of 25, Line 36 | | | 8.23% | 8.23% |
| 31 | Return and Taxes | Line 29 * Line 30 | | | $2,239,329 | $2,121,133 |
| 32 | Book Depreciation | Line 16 | | | $1,377,410 | $1,377,410 |
| 33 | Annual Revenue Requirement | Line 31 + Line 32 | | | $3,616,738 | $3,498,543 |
| 34 | Revenue Requirement of Plant | Line 33 | | | $3,616,738 | $3,498,543 |
| 35 | Revenue Requirement of Intangible | Page 8 of 25, Line 30, Column (c )~ (l) | | | $655,914 | $617,127 |
| 36 | **Revenue Requirement** | **Line 34 + Line 35** | **N/A** | **N/A** | **$4,272,652** | **$4,115,669** |

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**
**FY 2021 Electric ISR Revenue Requirement Plan**
**Calculation of Tax Depreciation and Repairs Deduction on FY 2019 Incremental Capital Investments**

| Line No. | | | | Fiscal Year 2019 (a) |
|---|---|---|---|---|
| | Capital Repairs Deduction | | | |
| 1 | Plant Additions | Page 5 of 25, Line 3 | | $32,939,435 |
| 2 | Capital Repairs Deduction Rate | Per Tax Department | 1/ | 9.68% |
| 3 | Capital Repairs Deduction | Line 1 * Line 2 | | $3,188,562 |
| | Bonus Depreciation | | | |
| 4 | Plant Additions | Line 1 | | $32,939,435 |
| 5 | Plant Additions | | | $0 |
| 6 | Less Capital Repairs Deduction | Line 3 | | $3,188,562 |
| 7 | Plant Additions Net of Capital Repairs Deduction | Line 4 + Line 5 - Line 6 | | $29,750,873 |
| 8 | Percent of Plant Eligible for Bonus Depreciation | Per Tax Department | | 100.00% |
| 9 | Plant Eligible for Bonus Depreciation | Line 7 * Line 8 | | $29,750,873 |
| 10 | Bonus Depreciation Rate | 1 * 11.65% * 30% | | 3.50% |
| 11 | Bonus Depreciation Rate | 1 * 26.75% * 40% | | 10.70% |
| 12 | Total Bonus Depreciation Rate | Line 10 + Line 11 | | 14.20% |
| 13 | Bonus Depreciation | Line 9 * Line 12 | | $4,223,136 |
| | Remaining Tax Depreciation | | | |
| 14 | Plant Additions | Line 1 | | $32,939,435 |
| 15 | Less Capital Repairs Deduction | Line 3 | | $3,188,562 |
| 16 | Less Bonus Depreciation | Line 13 | | $4,223,136 |
| 17 | Remaining Plant Additions Subject to 20 YR MACRS Tax Depreciation | Line 14 - Line 15 - Line 16 | | $25,527,737 |
| 18 | 20 YR MACRS Tax Depreciation Rates | Per IRS Publication 946 | | 3.750% |
| 19 | Remaining Tax Depreciation | Line 17 * Line 18 | | $957,290 |
| 20 | FY19 (Gain)/Loss incurred due to retirements | Per Tax Department | 2/ | $1,449,776 |
| 21 | Cost of Removal | Page 5 of 25, Line 10 | | $101,073 |
| 22 | Total Tax Depreciation and Repairs Deduction | Sum of Lines 3, 13, 19, 20, and 21 | | $9,919,837 |

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

20 Year MACRS Depreciation

| | (b) | (c) | (d) | (e) |
|---|---|---|---|---|
| MACRS basis: | | Line 17 | $25,527,737 | |
| | | | Annual | Cumulative |
| Fiscal Year | | | | |
| | 2019 | 3.750% | $957,290 | $9,919,837 |
| | 2020 | 7.219% | $1,842,847 | $11,762,684 |
| | 2021 | 6.677% | $1,704,487 | $13,467,171 |
| | 2022 | 6.177% | $1,576,848 | $15,044,019 |
| | 2023 | 5.713% | $1,458,400 | $16,502,419 |
| | 2024 | 5.285% | $1,349,141 | $17,851,560 |
| | 2025 | 4.888% | $1,247,796 | $19,099,356 |
| | 2026 | 4.522% | $1,154,364 | $20,253,720 |
| | 2027 | 4.462% | $1,139,048 | $21,392,768 |
| | 2028 | 4.461% | $1,138,792 | $22,531,560 |
| | 2029 | 4.462% | $1,139,048 | $23,670,608 |
| | 2030 | 4.461% | $1,138,792 | $24,809,400 |
| | 2031 | 4.462% | $1,139,048 | $25,948,447 |
| | 2032 | 4.461% | $1,138,792 | $27,087,240 |
| | 2033 | 4.462% | $1,139,048 | $28,226,287 |
| | 2034 | 4.461% | $1,138,792 | $29,365,080 |
| | 2035 | 4.462% | $1,139,048 | $30,504,127 |
| | 2036 | 4.461% | $1,138,792 | $31,642,920 |
| | 2037 | 4.462% | $1,139,048 | $32,781,967 |
| | 2038 | 4.461% | $1,138,792 | $33,920,760 |
| | 2039 | 2.231% | $569,524 | $34,490,284 |
| | | 100.00% | $25,527,737 | |

**The Narragansett Electric Company**
**d/b/a National Grid**
**FY 2021 Electric ISR Revenue Requirement Plan**
**Calculation of Net Deferred Tax Reserve Proration on FY 2019 Incremental Capital Investment**

| Line No. | **Deferred Tax Subject to Proratio** | | (a) FY20 | (b) FY21 | (c) FY22 |
|---|---|---|---|---|---|
| 1 | Book Depreciation | Year 1 = Docket No. 4915; then = Page 5 of 25, Line 16(c )+ Page 8 of 25, Line 19(i)(l), -18(i)(l) | $243,233 | $1,871,785 | $1,871,785 |
| 2 | Bonus Depreciation | Col (a) Docket No. 4915; then = Page 6 of 25, Line 13 | $0 | $0 | $0 |
| 3 | Remaining MACRS Tax Depreciation | Year 1 = Docket No. 4915; then = - Page 6 of 25, Line 6(d)- (Page 8 of 25, Line 16(i)(l), -15(i)(l)) | ($537,263) | ($2,217,006) | ($1,833,281) |
| 4 | FY 2019 tax (gain)/loss on retirements | | $0 | $0 | $0 |
| 5 | Cumulative Book / Tax Timer | Sum of Lines 1 through 4 | ($294,029) | ($345,221) | $38,504 |
| 6 | Effective Tax Rate | | 21.00% | 21.00% | 21.00% |
| 7 | Deferred Tax Reserve | Line 5 * Line 6 | ($61,746) | ($72,496) | $8,086 |
| | **Deferred Tax Not Subject to Proratio** | | | | |
| 8 | Capital Repairs Deduction | | | | |
| 9 | Cost of Removal | | | | |
| 10 | Book/Tax Depreciation Timing Difference at 3/31/2018 | | | | |
| 11 | Cumulative Book / Tax Timer | | | | |
| 12 | Effective Tax Rate | | | | |
| 13 | Deferred Tax Reserve | | | | |
| 14 | Total Deferred Tax Reserve | Line 7 + Line 13 | ($61,746) | ($72,496) | $8,086 |
| 15 | Net Operating Loss | | $0 | $0 | $0 |
| 16 | Net Deferred Tax Reserve | Line 14 + Line 15 | ($61,746) | ($72,496) | $8,086 |
| | **Allocation of FY 2019 Estimated Federal NOI** | | | | |
| 17 | Cumulative Book/Tax Timer Subject to Proration | | | | |
| 18 | Cumulative Book/Tax Timer Not Subject to Proration | | | | |
| 19 | Total Cumulative Book/Tax Timer | | | | |
| 20 | Total FY 2019 Federal NOL | | | | |
| 21 | Allocated FY 2019 Federal NOL Not Subject to Proration | | | | |
| 22 | Allocated FY 2019 Federal NOL Subject to Proration | | | | |
| 23 | Effective Tax Rate | | | | |
| 24 | Deferred Tax Benefit subject to proration | | | | |
| 25 | Net Deferred Tax Reserve subject to proration | Line 7 + Line 24 | ($61,746) | ($72,496) | $8,086 |

| | **Proration Calculation** | (h) Number of Days in Month | (i) Proration Percentage | (j) FY20 | (k) FY21 | (l) FY21 |
|---|---|---|---|---|---|---|
| 26 | April | 30 | 91.78% | ($4,723) | ($5,545) | $618 |
| 27 | May | 31 | 83.29% | ($4,286) | ($5,032) | $561 |
| 28 | June | 30 | 75.07% | ($3,863) | ($4,535) | $506 |
| 29 | July | 31 | 66.58% | ($3,426) | ($4,022) | $449 |
| 30 | August | 31 | 58.08% | ($2,989) | ($3,509) | $391 |
| 31 | September | 30 | 49.86% | ($2,566) | ($3,012) | $336 |
| 32 | October | 31 | 41.37% | ($2,129) | ($2,499) | $279 |
| 33 | November | 30 | 33.15% | ($1,706) | ($2,003) | $223 |
| 34 | December | 31 | 24.66% | ($1,269) | ($1,490) | $166 |
| 35 | January | 31 | 16.16% | ($832) | ($977) | $109 |
| 36 | February | 28 | 8.49% | ($437) | ($513) | $57 |
| 37 | March | 31 | 0.00% | $0 | $0 | $0 |
| 38 | Total | 365 | | ($28,223) | ($33,136) | $3,696 |
| 39 | Deferred Tax Without Proration | Line 25 | | ($61,746) | ($72,496) | $8,086 |
| 40 | Average Deferred Tax without Proration | Line 39 * 50% | | ($30,873) | ($36,248) | $4,043 |
| 41 | Proration Adjustment | Line 38 - Line 40 | | $2,650 | $3,112 | ($347) |

**Column Notes:**

(a) Docket no. 4915, Revised section 5: Attachment 1S, Page 4 of 19, column (a)
(i) Sum of remaining days in the year (Col (h)) ÷ 365
(j) through (k) Current Year Line ÷ 12 × Current Month Col (i)

**The Narragansett Electric Company**
**d/b/a National Grid**
**FY 2021 Electric ISR Revenue Requirement Plan**
**FY 2021 Revenue Requirement on FY 2019 Intangible Investment**

| Line No. | | Reference | Item 1 (a) | Item 2 (b) | FY19 Total (c) = (a) + (b) | Item 1 (d) | Item 2 (e ) | FY 20 Total (f) = (d) + (e) | Item 1 (g) | Item 2 (h) | FY 21 Total (i) = (g) + (h) | Item 1 (j) | Item 2 (k) | FY 22 Total (l) = (j) + (k) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Capital Investment | | | | | | | | | | | | | |
| 1 | Start of Rev. Req. Period | | 09/01/18 | 09/01/18 | 09/01/18 | 04/01/19 | 04/01/19 | 04/01/19 | 04/01/20 | 04/01/20 | 04/01/20 | 04/01/21 | 04/01/21 | 04/01/21 |
| 2 | End of Rev. Req. Period | | 03/31/19 | 03/31/19 | 03/31/19 | 03/31/20 | 03/31/20 | 03/31/20 | 03/31/21 | 03/31/21 | 03/31/21 | 03/31/22 | 03/31/22 | 03/31/22 |
| 3 | Investment Name | Per Company's Book | Volt-Var Optimization for Lincoln Ope. Center | Volt-Var Optimization IS | | Volt-Var Optimization for Lincoln Ope. Center | Volt-Var Optimization IS | | Volt-Var Optimization for Lincoln Ope. Center | Volt-Var Optimization IS | | Volt-Var Optimization for Lincoln Ope. Center | Volt-Var Optimization IS | |
| 4 | Work Order | Per Company's Book | 90000194754 | 90000194755 | | 90000194754 | 90000194755 | | 90000194754 | 90000194755 | | 90000194754 | 90000194755 | |
| 5 | Total Spend | | $2,140,000 | $1,320,626 | $3,460,626 | $2,140,000 | $1,320,626 | $3,460,626 | $2,140,000 | $1,320,626 | $3,460,626 | $2,140,000 | $1,320,626 | $3,460,626 |
| 6 | In ServiceDate | Per Company's Book | 06/19/18 | 07/11/18 | | 06/19/18 | 07/11/18 | | 06/19/18 | 07/11/18 | | 06/19/18 | 07/11/18 | |
| 7 | Book AmortizationPeriod | Per Company's Book | 84 | 84 | | 84 | 84 | | 84 | 84 | | 84 | 84 | |
| 8 | Beginning Book Balance | Line 5 ÷ Line 7 × month to Year End, 2019,2020, 2021 | $2,089,048 | $1,289,183 | $3,378,230 | $1,910,714 | $1,179,131 | $3,089,845 | $1,605,000 | $990,470 | $2,595,470 | $1,299,286 | $801,809 | $2,101,094 |
| 9 | Ending Book Balance | Line 5 ÷ Line 7 × month to Year End, 2020 ,2021, 2022 | $1,910,714 | $1,179,131 | $3,089,845 | $1,605,000 | $990,470 | $2,595,470 | $1,299,286 | $801,809 | $2,101,094 | $993,571 | $613,148 | $1,606,719 |
| 10 | Average Book Balance | (Line 8 + Line 9) ÷ 2 | $1,999,881 | $1,234,157 | $3,234,038 | $1,757,857 | $1,084,800 | $2,842,657 | $1,452,143 | $896,139 | $2,348,282 | $1,146,429 | $707,478 | $1,853,907 |
| | Deferred Tax Calculation: | | | | | | | | | | | | | |
| 11 | Tax Amortizaton Period | Page 9 of 25 | 36 | 36 | | 36 | 36 | | 36 | 36 | | 36 | 36 | |
| 12 | Tax Expensing | Per Tax Department | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| 13 | Tax Bonus Rate | Per Tax Department | 0% | 0% | | 0% | 0% | | 0% | 0% | | 0% | 0% | |
| 14 | Bonus Depreciation | Year 1 = (L. 5 - L. 12) × L.13, Then = 0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| 15 | Beginning Acc. Tax Balance | (L. 5 - L. 12- L.14)× (Y1 ×0; Y2 × 33.33%; Y3 × 72.78%; Y4 × 92.59%, Y5 × 100%) | $713,262 | $440,165 | $1,153,427 | $713,262 | $440,165 | $1,153,427 | $1,664,492 | $1,027,183 | $2,691,675 | $1,981,426 | $1,222,768 | $3,204,194 |
| 16 | Ending Acc. Tax Balance | (L. 5 - L. 12- L.14) × (Y1 × 33.33%; Y2 × 77.78%; Y3 × 92.59%, Y4 × 100%) | $713,262 | $440,165 | $1,153,427 | $1,664,492 | $1,027,183 | $2,691,675 | $1,981,426 | $1,222,768 | $3,204,194 | $2,140,000 | $1,320,626 | $3,460,626 |
| 17 | Average Acc. Tax Balance | (Line 15 + Line 16) ÷ 2 | $713,262 | $440,165 | $1,153,427 | $1,188,877 | $733,674 | $1,922,551 | $1,822,959 | $1,124,975 | $2,947,934 | $2,060,713 | $1,271,697 | $3,332,410 |
| 18 | Beginning Acc. Dep. Balance | Line 5 - Line 8 | $50,952 | $31,443 | $82,396 | $229,286 | $141,496 | $370,781 | $535,000 | $330,157 | $865,157 | $840,714 | $518,817 | $1,359,532 |
| 19 | Ending Acc. Dep. Balance | Line 5 - Line 9 | $229,286 | $141,496 | $370,781 | $535,000 | $330,157 | $865,157 | $840,714 | $518,817 | $1,359,532 | $1,146,429 | $707,478 | $1,853,907 |
| 20 | Average Acc. Dep. Balance | (Line 18 + Line 19) ÷ 2 | $140,119 | $86,470 | $226,589 | $382,143 | $235,826 | $617,969 | $687,857 | $424,487 | $1,112,344 | $993,571 | $613,148 | $1,606,719 |
| 21 | Average Book / Tax Timer | Line 17 - Line 20 | $573,143 | $353,695 | $926,838 | $806,734 | $497,848 | $1,304,582 | $1,135,102 | $700,488 | $1,835,590 | $1,067,142 | $658,549 | $1,725,691 |
| 22 | Effective Tax Rate | | 21% | 21% | | 21% | 21% | | 21% | 21% | | 21% | 21% | |
| 23 | Deferred Tax Reserve | Line 21 × Line 22 | $120,360 | $74,276 | $194,636 | $169,414 | $104,548 | $273,962 | $238,371 | $147,103 | $385,474 | $224,100 | $138,295 | $362,395 |
| | Rate Base Calculation: | | | | | | | | | | | | | |
| 24 | Average Book Balance | Line 10 | $1,999,881 | $1,234,157 | $3,234,038 | $1,757,857 | $1,084,800 | $2,842,657 | $1,452,143 | $896,139 | $2,348,282 | $1,146,429 | $707,478 | $1,853,907 |
| 25 | Deferred Tax Reserve | Line 23 | $120,360 | $74,276 | $194,636 | $169,414 | $104,548 | $273,962 | $238,371 | $147,103 | $385,474 | $224,100 | $138,295 | $362,395 |
| 26 | Average Rate Base | Line 24 - Line 25 | $1,879,521 | $1,159,881 | $3,039,402 | $1,588,443 | $980,252 | $2,568,695 | $1,213,771 | $749,037 | $1,962,808 | $922,329 | $569,183 | $1,491,512 |
| | Revenue Requirement Calculation: | | | | | | | | | | | | | |
| 27 | Pre-Tax ROR | year 1 = Page 25 of 25, Line 28, column (e)×7÷12 Then = Page 25 of 25, Line 28(e | 4.80% | 4.80% | | 8.23% | 8.23% | | 8.23% | 8.23% | | 8.23% | 8.23% | |
| 28 | Return and Taxes | Line 26 × Line 27 | $90,233 | $55,684 | $145,917 | $130,729 | $80,675 | $211,404 | $99,893 | $61,646 | $161,539 | $75,908 | $46,844 | $122,751 |
| 29 | Book Depreciation | Line 9 - Line 8 | $178,333 | $110,052 | $288,386 | $305,714 | $188,661 | $494,375 | $305,714 | $188,661 | $494,375 | $305,714 | $188,661 | $494,375 |
| 30 | Annual Revenue Requirement | Line 28 + Line 29 | $268,566 | $165,736 | $434,302 | $436,443 | $269,336 | $705,779 | $405,608 | $250,307 | $655,914 | $381,622 | $235,505 | $617,127 |

**The Narragansett Electric Company**
**d/b/a National Grid**
**FY 2021 Electric ISR Revenue Requirement Plan**
**MACRS Tables For Information Systems**

| Line No. | Annual Rate Year | | |
|---|---|---|---|
| 1 | Yr 1 | 33.33% | 33.33% |
| 2 | Yr 2 | 44.45% | 77.78% |
| 3 | Yr 3 | 14.81% | 92.59% |
| 4 | Net Salvage Value | 7.41% | 100.00% |
| 11 | | | |
| 12 | | | |
| 13 | | | |
| 25 | | | |
| 36 | | | |
| 48 | | | |
| 60 | | | |
| 72 | | | |
| 84 | | | |
| 96 | | | |
| 108 | | | |
| 120 | | | |
| 132 | | | |
| 144 | | | |
| 156 | | | |
| 168 | | | |
| 180 | | | |
| 192 | | | |
| 204 | | | |
| 216 | | | |
| 228 | | | |
| 240 | | | |
| 252 | | | |
| 264 | | | |
| 276 | | | |
| 288 | | | |
| 300 | | | |

| Monthly Cumulative Rate Year | Period | Cumulative Rate | | |
|---|---|---|---|---|
| 1 | 1 | 33.33% | 2.78% | Yr 1 - Monthly rate |
| 1 | 2 | 33.33% | | |
| 1 | 3 | 33.33% | | |
| 1 | 4 | 33.33% | | |
| 1 | 11 | 33.33% | | |
| 1 | 12 | 33.33% | | |
| 2 | 13 | 77.78% | 3.70% | Yr 2 - Monthly rate |
| 3 | 25 | 92.59% | 1.23% | Yr 3 - Monthly rate |
| 3 | 36 | 92.59% | 0.62% | Yr 3 - Monthly rate |
| 4 | 48 | 100.00% | | |
| 5 | 60 | 100.00% | | |
| 6 | 72 | 100.00% | | |
| 7 | 84 | 100.00% | | |
| 8 | 96 | 100.00% | | |
| 9 | 108 | 100.00% | | |
| 10 | 120 | 100.00% | | |
| 11 | 132 | 100.00% | | |
| 12 | 144 | 100.00% | | |
| 13 | 156 | 100.00% | | |
| 14 | 168 | 100.00% | | |
| 15 | 180 | 100.00% | | |
| 16 | 192 | 100.00% | | |
| 17 | 204 | 100.00% | | |
| 18 | 216 | 100.00% | | |
| 19 | 228 | 100.00% | | |
| 20 | 240 | 100.00% | | |
| 21 | 252 | 100.00% | | |
| 22 | 264 | 100.00% | | |
| 23 | 276 | 100.00% | | |
| 24 | 288 | 100.00% | | |
| 25 | 300 | 100.00% | | |

**The Narragansett Electric Company**
**d/b/a National Grid**
**Electric Infrastructure, Safety, and Reliability (ISR) Plan**
**FY 2021 Revenue Requirement on FY 2020 Forecasted Incremental Capital Investment**

| Line No. | | | Fiscal Year 2020 (a) | Fiscal Year 2021 (b) | Fiscal Year 2022 (c) |
|---|---|---|---|---|---|
| | Capital Investment Allowance | | | | |
| 1 | *Non-Discretionary Capital* | | $19,983,083 | $0 | $0 |
| | *Discretionary Capital* | | | | |
| 2 | Lesser of Actual Cumulative Non-Discretionary Capital Additions or Spending, or Approved Spending | | $51,629,333 | $0 | $0 |
| 3 | Total Allowed Capital Included in Rate Base | Page 18 of 25, Line 4(c) | $71,612,417 | $0 | $0 |
| | Depreciable Net Capital Included in Rate Base | | | | |
| 4 | Total Allowed Capital Included in Rate Base in Current Year | Line 3 | $71,612,417 | $0 | $0 |
| 5 | Retirements | Page 18 of 25 , Line 10 ,Col (c) | $19,349,978 | $0 | $0 |
| 6 | Net Depreciable Capital Included in Rate Base | Year 1 = Line 4 - Line 5; Then = Prior Year Line 6 | $52,262,439 | $52,262,439 | $52,262,439 |
| | Change in Net Capital Included in Rate Base | | | | |
| 7 | Capital Included in Rate Base | Line 3 | $71,612,417 | $0 | $0 |
| 8 | Depreciation Expense | Page 22 of 25, Line 41, Col (d) ×7 ÷12 | $29,112,370 | $0 | $0 |
| 9 | Incremental Capital Amount | Year 1 = Line 7 - Line 8; then = Prior Year Line 9 | $42,500,046 | $42,500,046 | $42,500,046 |
| 10 | Cost of Removal | Page 18 of 25 , Line 7 ,Col (c) | $10,562,075 | $10,562,075 | $10,562,075 |
| 11 | **Total Net Plant in Service** | **Line 9 + Line 10** | **$53,062,121** | **$53,062,121** | **$53,062,121** |
| | Deferred Tax Calculation: | | | | |
| 12 | Composite Book Depreciation Rate | Page 20 of 25, Line 3, Col ( e) 1/ | 3.16% | 3.16% | 3.16% |
| 13 | Vintage Year Tax Depreciation: | | | | |
| 14 | 2020 Spend | Year 1 = Page 11 of 25, Line 22, Then = Page 11 of 25, Column (d) | $34,493,158 | $3,726,100 | $3,446,346 |
| 15 | Cumulative Tax Depreciation | Prior Year Line 15 + Current Year Line 14 | $34,493,158 | $38,219,258 | $41,665,603 |
| 16 | Book Depreciation | Year 1 = Line 6 * Line 12 * 50% ; Then = Line 6 * Line 12 | $825,747 | $1,651,493 | $1,651,493 |
| 17 | Cumulative Book Depreciation | Prior Year Line 17 + Current Year Line 16 | $825,747 | $2,477,240 | $4,128,733 |
| 18 | Cumulative Book / Tax Timer | Line 15 - Line 17 | $33,667,411 | $35,742,018 | $37,536,871 |
| 19 | Effective Tax Rate | | 21.00% | 21.00% | 21.00% |
| 20 | Deferred Tax Reserve | Line 18 * Line 19 | $7,070,156 | $7,505,824 | $7,882,743 |
| 21 | Add: FY 2020 Federal NOL Utilization | Page 18 of 25, Line 15, Col (c) | $706,163 | $706,163 | $706,163 |
| 22 | Net Deferred Tax Reserve before Proration Adjustment | Sum of Lines 20 through 21 | $7,776,319 | $8,211,986 | $8,588,905 |
| | Rate Base Calculation: | | | | |
| 23 | Cumulative Incremental Capital Included in Rate Base | Line 11 | $53,062,121 | $53,062,121 | $53,062,121 |
| 24 | Accumulated Depreciation | -Line 17 | ($825,747) | ($2,477,240) | ($4,128,733) |
| 25 | Deferred Tax Reserve | -Line 22 | ($7,776,319) | ($8,211,986) | ($8,588,905) |
| 26 | Year End Rate Base beforee Deferred Tax Proration | Sum of Lines 23 through 25 | $44,460,055 | $42,372,895 | $40,344,483 |
| | Revenue Requirement Calculation: | | | | |
| 27 | Average Rate Base before Deferred Tax Proration Adjustment | Year 1 = Current Year Line 26 * Page 13 of 25, Line 16, Col(e); Then =(Prior Year Line 26 + Current Year Line 26) ÷ 2 | | $43,416,475 | $41,358,689 |
| 28 | Proration Adjustment | Page 12 of 25, Line 41, Column (k)~(l) | | $18,252 | $15,791 |
| 29 | Average ISR Rate Base after Deferred Tax Proration | Line 28 + Line 29 | | $43,434,727 | $41,374,480 |
| 30 | Pre-Tax ROR | Page 25 of 25, Line 36 | | 8.23% | 8.23% |
| 31 | Return and Taxes | Line 29 * Line 30 | | $3,574,678 | $3,405,120 |
| 32 | Book Depreciation | Line 16 | | $1,651,493 | $1,651,493 |
| 33 | **Annual Revenue Requirement** | **Line 31 + Line 32** | **N/A** | **$5,226,171** | **$5,056,613** |

1/ 3.16% = Composite Book Depreciation Rate for ISR plant per RIPUC Docket No. 4770 (Page 20 of 25, 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) |
|---|---|---|---|---|
| | Capital Repairs Deduction | | | |
| 1 | Plant Additions | Page 10 of 25, Line 3 | | $71,612,417 |
| 2 | Capital Repairs Deduction Rate | Per Tax Department | 1/ | 24.67% |
| 3 | Capital Repairs Deduction | Line 1 * Line 2 | | $17,666,783 |
| | Bonus Depreciation | | | |
| 4 | Plant Additions | Line 1 | | $71,612,417 |
| 5 | Plant Additions | | | $0 |
| 6 | Less Capital Repairs Deduction | Line 3 | | $17,666,783 |
| 7 | Plant Additions Net of Capital Repairs Deduction | Line 4 + Line 5 - Line 6 | | $53,945,634 |
| 8 | Percent of Plant Eligible for Bonus Depreciation | Per Tax Department | | 100.00% |
| 9 | Plant Eligible for Bonus Depreciation | Line 7 * Line 8 | | $53,945,634 |
| 10 | Bonus Depreciation Rate (April 2018 - December 2018) | 1 * 14.40% * 30% | | 4.32% |
| 11 | Bonus Depreciation Rate (January 2019 - March 2019) | 1 * 85.60% * 0% | | 0.00% |
| 12 | Total Bonus Depreciation Rate | Line 10 + Line 11 | | 4.32% |
| 13 | Bonus Depreciation | Line 9 * Line 12 | | $2,330,451 |
| | Remaining Tax Depreciation | | | |
| 14 | Plant Additions | Line 1 | | $71,612,417 |
| 15 | Less Capital Repairs Deduction | Line 3 | | $17,666,783 |
| 16 | Less Bonus Depreciation | Line 13 | | $2,330,451 |
| 17 | Remaining Plant Additions Subject to 20 YR MACRS Tax Depreciation | Line 14 - Line 15 - Line 16 | | $51,615,183 |
| 18 | 20 YR MACRS Tax Depreciation Rates | Per IRS Publication 946 | | 3.750% |
| 19 | Remaining Tax Depreciation | Line 17 * Line 18 | | $1,935,569 |
| 20 | FY20 Loss incurred due to retirements | Per Tax Department | 2/ | $1,998,280 |
| 21 | Cost of Removal | Page 10 of 25, Line 10 | | $10,562,075 |
| 22 | Total Tax Depreciation and Repairs Deduction | Sum of Lines 3, 13, 19, 20, and 21 | | $34,493,158 |

1/ Per Tax Department
2/ Per Tax Department

20 Year MACRS Depreciation

| | (b) | (c) | (d) | (e) |
|---|---|---|---|---|
| MACRS basis: | | Line 17 | $51,615,183 | |
| | | | Annual | Cumulative |
| Fiscal Year | | | | |
| | 2020 | 3.750% | $1,935,569 | $34,493,158 |
| | 2021 | 7.219% | $3,726,100 | $38,219,258 |
| | 2022 | 6.677% | $3,446,346 | $41,665,603 |
| | 2023 | 6.177% | $3,188,270 | $44,853,873 |
| | 2024 | 5.713% | $2,948,775 | $47,802,649 |
| | 2025 | 5.285% | $2,727,862 | $50,530,511 |
| | 2026 | 4.888% | $2,522,950 | $53,053,461 |
| | 2027 | 4.522% | $2,334,039 | $55,387,500 |
| | 2028 | 4.462% | $2,303,069 | $57,690,569 |
| | 2029 | 4.461% | $2,302,553 | $59,993,122 |
| | 2030 | 4.462% | $2,303,069 | $62,296,192 |
| | 2031 | 4.461% | $2,302,553 | $64,598,745 |
| | 2032 | 4.462% | $2,303,069 | $66,901,815 |
| | 2033 | 4.461% | $2,302,553 | $69,204,368 |
| | 2034 | 4.462% | $2,303,069 | $71,507,437 |
| | 2035 | 4.461% | $2,302,553 | $73,809,991 |
| | 2036 | 4.462% | $2,303,069 | $76,113,060 |
| | 2037 | 4.461% | $2,302,553 | $78,415,613 |
| | 2038 | 4.462% | $2,303,069 | $80,718,683 |
| | 2038 | 4.461% | $2,302,553 | $83,021,236 |
| | 2039 | 2.231% | $1,151,535 | $84,172,771 |
| | | 100.00% | $51,615,183 | |

**The Narragansett Electric Company**
**d/b/a National Grid**
**FY 2021 Electric ISR Revenue Requirement Plan**
**Calculation of Net Deferred Tax Reserve Proration on FY 2020 Incremental Capital Investment**

| Line No. | | | (a) FY20 | (b) FY21 | (c) FY22 |
|---|---|---|---|---|---|
| | **Deferred Tax Subject to Proration** | | | | |
| 1 | Book Depreciation | Page 10 of 25, Line 16 | $826,941 | $1,651,493 | $1,651,493 |
| 2 | Bonus Depreciation | Page 11 of 25, Line 13 | $0 | $0 | $0 |
| 3 | Remaining MACRS Tax Depreciation | Page 11 of 25, Line 4, Column (d) | ($2,022,961) | ($3,726,100) | ($3,446,346) |
| 4 | FY 2020 tax (gain)/loss on retirements | Page 11 of 25, Line 20 | ($1,998,280) | | |
| 5 | Cumulative Book / Tax Timer | Sum of Lines 1 through 4 | ($3,194,300) | ($2,074,607) | ($1,794,853) |
| 6 | Effective Tax Rate | | 21.00% | 21.00% | 21.00% |
| 7 | Deferred Tax Reserve | Line 5 * Line 6 | ($670,803) | ($435,667) | ($376,919) |
| | **Deferred Tax Not Subject to Proration** | | | | |
| 8 | Capital Repairs Deduction | Page 11 of 25, Line 3 | ($17,666,783) | | |
| 9 | Cost of Removal | Page 11 of 25, Line 21 | ($10,562,075) | | |
| 10 | Book/Tax Depreciation Timing Difference at 3/31/2020 | | $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) | ($435,667) | ($376,919) |
| 15 | Net Operating Loss | - Page 10 of 25, Line 21 | ($706,163) | $0 | $0 |
| 16 | Net Deferred Tax Reserve | Line 14 + Line 15 | ($7,305,026) | ($435,667) | ($376,919) |
| | **Allocation of FY 2021 Estimated Federal NOL** | | | | |
| 17 | Cumulative Book/Tax Timer Subject to Proration | Col (a) = 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 10 of 25, Line 21 / 21% | ($3,362,679) | | |
| 21 | Allocated FY 2020 Federal NOL Not Subject to Proration | (Line 18 / Line 19 ) * Line 20 | ($3,020,848) | | |
| 22 | Allocated FY 2020 Federal NOL Subject to Proration | (Line 17 / Line 19 ) * Line 20 | ($341,831) | | |
| 23 | Effective Tax Rate | | 21.00% | | |
| 24 | Deferred Tax Benefit subject to proration | Line 22 * Line 23 | ($71,784) | | |
| 25 | Net Deferred Tax Reserve subject to proration | Line 7 + Line 24 | ($742,587) | ($435,667) | ($376,919) |

| | | (h) Number of Days in Month | (i) Proration Percentage | (j) | (k) | (l) |
|---|---|---|---|---|---|---|
| | **Proration Calculation** | | | | | |
| 26 | April | 30 | 91.80% | ($22,176) | ($33,330) | ($28,835) |
| 27 | May | 31 | 83.33% | ($20,130) | ($30,255) | ($26,175) |
| 28 | June | 30 | 75.14% | ($18,150) | ($27,279) | ($23,600) |
| 29 | July | 31 | 66.67% | ($16,104) | ($24,204) | ($20,940) |
| 30 | August | 31 | 58.20% | ($14,058) | ($21,129) | ($18,280) |
| 31 | September | 30 | 50.00% | ($44,415) | ($18,153) | ($15,705) |
| 32 | October | 31 | 41.53% | ($36,891) | ($15,078) | ($13,045) |
| 33 | November | 30 | 33.33% | ($29,610) | ($12,102) | ($10,470) |
| 34 | December | 31 | 24.86% | ($22,086) | ($9,027) | ($7,810) |
| 35 | January | 31 | 16.39% | ($14,562) | ($5,952) | ($5,149) |
| 36 | February | 29 | 8.47% | ($7,524) | ($3,075) | ($2,660) |
| 37 | March | 31 | 0.00% | $0 | $0 | $0 |
| 38 | Total | 366 | | ($245,705) | ($199,582) | ($172,669) |
| 39 | Deferred Tax Without Proration | Line 25 | | ($742,587) | ($435,667) | ($376,919) |
| 40 | Average Deferred Tax without Proration | Year 1=Line 39 * Page 13 of 25, Line 16, Col (e); then = Line 39 * 50% | | ($276,978) | ($217,834) | ($188,460) |
| 41 | Proration Adjustment | Line 38 - Line 40 | | $31,272 | $18,252 | $15,791 |

**Column Notes:**

(a) Docket no. 4915, Revised section 5: Attachment 1S, Page 4 of 19, column (a)
(i) Sum of remaining days in the year (Col (h)) ÷ 365
(j) Current Year Line 25 * Page 13 of 25, Col (f) * Current Month Col (i)
(k)(l) Current Year, Line 25 ÷ 12 × Current Month Col (i)

**The Narragansett Electric Company**
**d/b/a National Grid**
**FY 2021 Electric ISR Revenue Requirement Plan**
**ISR Additions April 2019 through March 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 18 of 25, Line 1(c)
Column(b)=Page 18 of 25, 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**
**Electric Infrastructure, Safety, and Reliability (ISR) Plan**
**FY 2021 Revenue Requirement on FY 2021 Forcasted Incremental Capital Investment**

| Line No. | | | Fiscal Year 2021 (a) | Fiscal Year 2022 (b) |
|---|---|---|---|---|
| | Capital Investment Allowance | | | |
| 1 | *Non-Discretionary Capital* | | $33,545,000 | |
| | *Discretionary Capital* | | | |
| 2 | Lesser of Actual Cumulative Non-Discretionary Capital Additions or Spending, or Approved Spending (non-intangible) | | $75,949,000 | $0 |
| 3 | Total Allowed Capital Included in Rate Base (non-intangible) | Page 18 of 25, Line 4(d) | $109,494,000 | $0 |
| | Depreciable Net Capital Included in Rate Base | | | |
| 4 | Total Allowed Capital Included in Rate Base in Current Year | Line 3 | $109,494,000 | $0 |
| 5 | Retirements | Page 18 of 25 , Line 10 ,Col (d) | $20,282,977 | $0 |
| 6 | Net Depreciable Capital Included in Rate Base | Year 1 = Line 4 - Line 5; Then = Prior Year Line 6 | $89,211,023 | $89,211,023 |
| | Change in Net Capital Included in Rate Base | | | |
| 7 | Capital Included in Rate Base | Line 3 | $109,494,000 | $0 |
| 8 | Depreciation Expense | Page 22 of 25, Line 41, Col (d) ×5 ÷12+ Line 62 Column (d) ×7 ÷12 | $49,906,920 | |
| 9 | Incremental Capital Amount | Year 1 = Line 7 - Line 8; Then = Prior Year Line 9 | $59,587,080 | $59,587,080 |
| 10 | Cost of Removal | Page 18 of 25 , Line 7 ,Col (d) | $11,494,600 | $11,494,600 |
| 11 | **Total Net Plant in Service** | **Line 9 + Line 10** | **$71,081,680** | **$71,081,680** |
| | Deferred Tax Calculation: | | | |
| 12 | Composite Book Depreciation Rate | Page 20 of 25, Line 3, Col ( e) 1/ | 3.16% | 3.16% |
| 13 | Vintage Year Tax Depreciation: | | | |
| 14 | 2020 Spend | Year 1 = Page 15 of 25, Line 22, Column (a), Then = Line Page 15 of 25 , Column (d) | $27,034,837 | $7,068,880 |
| 15 | Cumulative Tax Depreciation | Prior Year Line 15 + Current Year Line 14 | $27,034,837 | $34,103,717 |
| 16 | Book Depreciation | year 1 = Line 6 * Line 12 * 50% ; Then = Line 6 * Line 12 | $1,409,534 | $2,819,068 |
| 17 | Cumulative Book Depreciation | Prior Year Line 17 + Current Year Line 16 | $1,409,534 | $4,228,602 |
| 18 | Cumulative Book / Tax Timer | Line 15 - Line 17 | $25,625,303 | $29,875,115 |
| 19 | Effective Tax Rate | | 21.00% | 21.00% |
| 20 | Deferred Tax Reserve | Line 18 * Line 19 | $5,381,314 | $6,273,774 |
| 21 | Add: FY 2020 Federal (NOL) Utilization | Page 18 of 25, Line 15, Col (d) | ($4,352,204) | ($4,352,204) |
| 22 | Net Deferred Tax Reserve beforee Proration Adjustment | Sum of Lines 20 through 21 | $1,029,109 | $1,921,570 |
| | Rate Base Calculation: | | | |
| 23 | Cumulative Incremental Capital Included in Rate Base | Line 11 | $71,081,680 | $71,081,680 |
| 24 | Accumulated Depreciation | -Line 17 | ($1,409,534) | ($4,228,602) |
| 25 | Deferred Tax Reserve | -Line 22 | ($1,029,109) | ($1,921,570) |
| 26 | Year End Rate Base before Deferred Tax Proration | Sum of Lines 23 through 25 | $68,643,036 | $64,931,507 |
| | Revenue Requirement Calculation: | | | |
| 27 | Average Rate Base before Deferred Tax Proration Adjustment | Year 1 = Current Year, Line 26 * 50%; Then = (Prior Year Line 26 + Current Year Line 26) ÷ 2 | $34,321,518 | $66,787,272 |
| 28 | Proration Adjustment | Page 17 of 25, Line 41 | $5,067 | $41,025 |
| 29 | Average ISR Rate Base after Deferred Tax Proration | Line 28 + Line 29 | $34,326,585 | $66,828,297 |
| 30 | Pre-Tax ROR | Page 25 of 25, Line 36 | 8.23% | 8.23% |
| 31 | Return and Taxes | Line 29 * Line 30 | $2,825,078 | $5,499,969 |
| 32 | Book Depreciation | Line 16 | $1,409,534 | $2,819,068 |
| 33 | Revenue Requirement of Intangible Assets | Page 16 of 25 Line 30 Column (a) ~ (b) | $107,376 | $206,267 |
| 34 | **Annual Revenue Requirement** | **Line 31 + Line 32 + Line 33** | **$4,341,988** | **$8,525,305** |

1/ 3.16% = Composite Book Depreciation Rate for ISR plant per RIPUC Docket No. 4770 (Page 20 of 25, 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 2021 Incremental Capital Investments**

| Line No. | | | | Fiscal Year 2020 (a) |
|---|---|---|---|---|
| | Capital Repairs Deduction | | | |
| 1 | Plant Additions | Page 14 of 25, Line 3 | | $109,494,000 |
| 2 | Capital Repairs Deduction Rate | Per Tax Department | 1/ | 10.57% |
| 3 | Capital Repairs Deduction | Line 1 * Line 2 | | $11,573,516 |
| | Bonus Depreciation | | | |
| 4 | Plant Additions | Line 1 | | $109,494,000 |
| 5 | Plant Additions | | | $0 |
| 6 | Less Capital Repairs Deduction | Line 3 | | $11,573,516 |
| 7 | Plant Additions Net of Capital Repairs Deduction | Line 4 + Line 5 - Line 6 | | $97,920,484 |
| 8 | Percent of Plant Eligible for Bonus Depreciation | Per Tax Department | | 0.00% |
| 9 | Plant Eligible for Bonus Depreciation | Line 7 * Line 8 | | $0 |
| 10 | Bonus Depreciation Rate | 1 * 75% * 0% | | 0.00% |
| 11 | Bonus Depreciation Rate | 1 * 25% * 0% | | 0.00% |
| 12 | Total Bonus Depreciation Rate | Line 10 + Line 11 | | 0.00% |
| 13 | Bonus Depreciation | Line 9 * Line 12 | | $0 |
| | Remaining Tax Depreciation | | | |
| 14 | Plant Additions | Line 1 | | $109,494,000 |
| 15 | Less Capital Repairs Deduction | Line 3 | | $11,573,516 |
| 16 | Less Bonus Depreciation | Line 13 | | $0 |
| 17 | Remaining Plant Additions Subject to 20 YR MACRS Tax Depreciation | Line 14 - Line 15 - Line 16 | | $97,920,484 |
| 18 | 20 YR MACRS Tax Depreciation Rates | Per IRS Publication 946 | | 3.750% |
| 19 | Remaining Tax Depreciation | Line 17 * Line 18 | | $3,672,018 |
| 20 | FY21 (Gain)/Loss incurred due to retirements | Per Tax Department | 2/ | $294,703 |
| 21 | Cost of Removal | Page 14 of 25, Line 10 | | $11,494,600 |
| 22 | Total Tax Depreciation and Repairs Deduction | Sum of Lines 3, 13, 19, 20, and 21 | | $27,034,837 |

1/ Per Tax Department
2/ Per Tax Department

20 Year MACRS Depreciation

| | (b) | (c) | (d) | (e) |
|---|---|---|---|---|
| MACRS basis: | | Line 17 | $97,920,484 | |
| | | | Annual | Cumulative |
| Fiscal Year | | | | |
| | 2020 | 3.750% | $3,672,018 | $27,034,837 |
| | 2021 | 7.219% | $7,068,880 | $34,103,717 |
| | 2022 | 6.677% | $6,538,151 | $40,641,867 |
| | 2023 | 6.177% | $6,048,548 | $46,690,416 |
| | 2024 | 5.713% | $5,594,197 | $52,284,613 |
| | 2025 | 5.285% | $5,175,098 | $57,459,711 |
| | 2026 | 4.888% | $4,786,353 | $62,246,064 |
| | 2027 | 4.522% | $4,427,964 | $66,674,028 |
| | 2028 | 4.462% | $4,369,212 | $71,043,240 |
| | 2029 | 4.461% | $4,368,233 | $75,411,473 |
| | 2030 | 4.462% | $4,369,212 | $79,780,685 |
| | 2031 | 4.461% | $4,368,233 | $84,148,918 |
| | 2032 | 4.462% | $4,369,212 | $88,518,130 |
| | 2033 | 4.461% | $4,368,233 | $92,886,362 |
| | 2034 | 4.462% | $4,369,212 | $97,255,574 |
| | 2035 | 4.461% | $4,368,233 | $101,623,807 |
| | 2036 | 4.462% | $4,369,212 | $105,993,019 |
| | 2037 | 4.461% | $4,368,233 | $110,361,252 |
| | 2038 | 4.462% | $4,369,212 | $114,730,464 |
| | 2038 | 4.461% | $4,368,233 | $119,098,697 |
| | 2039 | 2.231% | $2,184,606 | $121,283,303 |
| | | 100.00% | $97,920,484 | |

**The Narragansett Electric Company**
**d/b/a National Grid**
**FY 2021 Electric ISR Revenue Requirement Plan**
**FY 2021 Revenue Requirement on FY 2021 Intangible Investment**

| Line No. | | Reference | FY 21 (a) | FY 22 (b) |
|---|---|---|---|---|
| | Capital Investment | | | |
| 1 | Start of Rev. Req. Period | | 04/01/20 | 04/01/21 |
| 2 | End of Rev. Req. Period | | 03/31/21 | 03/31/22 |
| 3 | Investment Name | | Volt-Var Optimization IS | Volt-Var Optimization IS |
| 4 | Work Order | | | |
| 5 | Total Spend | Section 2, Chart 10, Column 2 note | $1,000,000 | $1,000,000 |
| 6 | In ServiceDate | Estimated in-service date | 09/30/20 | 09/30/20 |
| 7 | Book AmortizationPeriod | Estimated useful life | 84 | 84 |
| 8 | Beginning Book Balance | Line 5 ÷ Line 7 × month to Year End, 2019,2020, 2021 | $0 | $928,571 |
| 9 | Ending Book Balance | Line 5 ÷ Line 7 × month to Year End, 2020 ,2021, 2022 | $928,571 | $785,714 |
| 10 | Average Book Balance | (Line 8 + Line 9) ÷ 2 | $464,286 | $857,143 |
| | Deferred Tax Calculation: | | | |
| 11 | Tax Amortizaton Period | Page 9 of 25 | 36 | 36 |
| 12 | Tax Expensing | Per Tax Department | $0 | $0 |
| 13 | Tax Bonus Rate | Per Tax Department | 0% | 0% |
| 14 | Bonus Depreciation | Year 1 = (L. 5 - L. 12) × L.13, Then = 0 | $0 | $0 |
| 15 | Beginning Acc. Tax Balance | (L. 5 - L. 12- L.14)× (Y1 ×0; Y2 × 33.33%; Y3 × 72.78%; Y4 × 92.59%, Y5 × 100%) | $0 | $333,300 |
| 16 | Ending Acc. Tax Balance | (L. 5 - L. 12- L.14) × (Y1 × 33.33%; Y2 × 77.78%; Y3 × 92.59%, Y4 × 100%) | $333,300 | $777,800 |
| 17 | Average Acc. Tax Balance | (Line 15 + Line 16) ÷ 2 | $166,650 | $555,550 |
| 18 | Beginning Acc. Dep. Balance | Line 5 - Line 8 | $0 | $71,429 |
| 19 | Ending Acc. Dep. Balance | Line 5 - Line 9 | $71,429 | $214,286 |
| 20 | Average Acc. Dep. Balance | (Line 18 + Line 19) ÷ 2 | $35,714 | $142,857 |
| 21 | Average Book / Tax Timer | Line 17 - Line 20 | $130,936 | $412,693 |
| 22 | Effective Tax Rate | | 21% | 21% |
| 23 | Deferred Tax Reserve | Line 21 × Line 22 | $27,497 | $86,666 |
| | Rate Base Calculation: | | | |
| 24 | Average Book Balance | Line 10 | $464,286 | $857,143 |
| 25 | Deferred Tax Reserve | Line 23 | $27,497 | $86,666 |
| 26 | Average Rate Base | Line 24 - Line 25 | $436,789 | $770,477 |
| | Revenue Requirement Calculation: | | | |
| 27 | Pre-Tax ROR | year 1 = Page 25 of 25, Line 28, column (e)×7÷12 Then = Page 25 of 25, Line 28(e) | 8.23% | 8.23% |
| 28 | Return and Taxes | Line 26 × Line 27 | $35,948 | $63,410 |
| 29 | Book Depreciation | Line 9 - Line 8 | $71,429 | $142,857 |
| 30 | Annual Revenue Requirement | Line 28 + Line 29 | $107,376 | $206,267 |

**The Narragansett Electric Company**
**d/b/a National Grid**
**FY 2021 Electric ISR Revenue Requirement Plan**
**Calculation of Net Deferred Tax Reserve Proration on FY 2021 Incremental Capital Investment**

| Line No. | | | | (a) FY21 | (b) FY22 |
|---|---|---|---|---|---|
| | **Deferred Tax Subject to Proration** | | | | |
| 1 | Book Depreciation | Page 14 of 25, Line 16 + (Page 16 of 25, Line 19- Line 18) | | $1,480,963 | $2,961,925 |
| 2 | Bonus Depreciation | Page 15 of 25, Line 13 | | $0 | $0 |
| 3 | Remaining MACRS Tax Depreciation | - Page 15 of 25, column (d) - (Page 16 of 25, Line 16- Line 15) | | ($4,005,318) | ($7,513,380) |
| 4 | FY 2021 tax (gain)/loss on retirements | - Page 15 of 25, Line 20 | | ($294,703) | |
| 5 | Cumulative Book / Tax Timer | Sum of Lines 1 through 4 | | ($2,819,058) | ($4,551,454) |
| 6 | Effective Tax Rate | | | 21.00% | 21.00% |
| 7 | Deferred Tax Reserve | Line 5 * Line 6 | | ($592,002) | ($955,805) |
| | **Deferred Tax Not Subject to Proration** | | | | |
| 8 | Capital Repairs Deduction | - Page 15 of 25, Line 3 | | ($11,573,516) | |
| 9 | Cost of Removal | - Page 15 of 25, Line 21 | | ($11,494,600) | |
| 10 | Book/Tax Depreciation Timing Difference at 3/31/2021 | | | $0 | |
| 11 | Cumulative Book / Tax Timer | Line 8 + Line 9 + Line 10 | | ($23,068,116) | |
| 12 | Effective Tax Rate | | | 21.00% | |
| 13 | Deferred Tax Reserve | Line 11 * Line 12 | | ($4,844,304) | |
| 14 | Total Deferred Tax Reserve | Line 7 + Line 13 | | ($5,436,307) | ($955,805) |
| 15 | Net Operating Loss | - Page 14 of 25, Line 21 | | $4,352,204 | $0 |
| 16 | Net Deferred Tax Reserve | Line 14 + Line 15 | | ($1,084,102) | ($955,805) |
| | **Allocation of FY 2020 Estimated Federal NOL** | | | | |
| 17 | Cumulative Book/Tax Timer Subject to Proration | Col (b) = Line 5 | | ($2,819,058) | |
| 18 | Cumulative Book/Tax Timer Not Subject to Proration | Line 11 | | ($23,068,116) | |
| 19 | Total Cumulative Book/Tax Timer | Line 17 + Line 18 | | ($25,887,174) | |
| 20 | Total FY 2021 Federal NOL (Utilization) | - Page 14 of 25, Line 21 / 21% | | $20,724,783 | |
| 21 | Allocated FY 2021 Federal NOL Not Subject to Proration | (Line 18 / Line 19 ) * Line 20 | | $18,467,898 | |
| 22 | Allocated FY 2021 Federal NOL Subject to Proration | (Line 17 / Line 19 ) * Line 20 | | $2,256,885 | |
| 23 | Effective Tax Rate | | | 21.00% | |
| 24 | Deferred Tax Benefit subject to proration | Line 22 * Line 23 | | $473,946 | |
| 25 | Net Deferred Tax Reserve subject to proration | Line 7 + Line 24 | | ($118,056) | ($955,805) |
| | | (h) | (i) | (j) | (k) |
| | **Proration Calculation** | Number of Days in Month | Proration Percentage | | |
| 26 | April | 30 | 91.78% | ($9,029) | ($73,104) |
| 27 | May | 31 | 83.29% | ($8,194) | ($66,339) |
| 28 | June | 30 | 75.07% | ($7,385) | ($59,792) |
| 29 | July | 31 | 66.58% | ($6,550) | ($53,028) |
| 30 | August | 31 | 58.08% | ($5,714) | ($46,263) |
| 31 | September | 30 | 49.86% | ($4,906) | ($39,716) |
| 32 | October | 31 | 41.37% | ($4,070) | ($32,951) |
| 33 | November | 30 | 33.15% | ($3,261) | ($26,405) |
| 34 | December | 31 | 24.66% | ($2,426) | ($19,640) |
| 35 | January | 31 | 16.16% | ($1,590) | ($12,875) |
| 36 | February | 28 | 8.49% | ($836) | ($6,765) |
| 37 | March | 31 | 0.00% | $0 | $0 |
| 38 | Total | 365 | | ($53,961) | ($436,877) |
| 39 | Deferred Tax Without Proration | Line 25 | | ($118,056) | ($955,805) |
| 40 | Average Deferred Tax without Proration | Line 39 × 0.5 | | ($59,028) | ($477,903) |
| 41 | Proration Adjustment | Line 38 - Line 40 | | $5,067 | $41,025 |

**Column Notes:**

(i) Sum of remaining days in the year (Col (h)) ÷ 365

(j) & (k) Current Year Line 25 ÷ 12 × Current Month Col (i)

**The Narragansett Electric Company**
**d/b/a National Grid**
**FY 2021 Electric ISR Revenue Requirement Plan**
**FY 2018 - 2021 Incremental Capital Investment Summary**

| Line No. | | | Fiscal Year 2018 (a) | Fiscal Year 2019 (b) | Fiscal Year 2020 (c) | Fiscal Year 2021 (d) |
|---|---|---|---|---|---|---|
| | **Capital Investment** | | | | | |
| 1 | ISR - Eligible Capital Investment | Col (a) = FY 2018 ISR Docket No.4682, Att MAL-1 P2, L3; Col (b)=FY 2019 ISR Docket No.4783, Att PCE-1 P3, Table 1; Col (c)=FY 2020 ISR Docket No.4915,Revised section 5, Att IS, page 11; Col ( d)= Section 2, Chart 10, Column 2 | $92,659,654 | $111,243,061 | $102,797,000 | $110,494,000 |
| 2 | Intangible Assest included in Total Allowed Discretionary Capital | Col (a) (c) = 0; Col (b) = FY 2019 ISR Docket No. 4783, Att. MAL-1,Page 30 of 38, Line13; Col (d) = Section 2, Column 2 details | $0 | $3,460,626 | $0 | $1,000,000 |
| 3 | ISR - Eligible Capital Additions included in Rate Base per RIPUC Docket No. 4770 | Docket No. 4770, S. C. Att. 2, Sch 11-ELEC, P5, L1, Col (a) = Col(a)+Col(b); Col(b)=Col(c)+Col(d); Col(c)=Col(e), Col(d)=Col(j)+Col(k) | $74,843,000 | $74,843,000 | $31,184,583 | $0 |
| 4 | Incremental ISR Capital Investment (non-intangible) | Line 1 - Line 2 - Line 3 | $17,816,654 | $32,939,435 | $71,612,417 | $109,494,000 |
| | **Cost of Removal** | | | | | |
| 5 | ISR - Eligible Cost of Removal | Col (a) =FY 2018 ISR Docket No. 4682; Col (b) = FY 2019 ISR Docket No. 4783, Att PCE-1 P3, Table 2, Col (c )= FY 19 ISR Docket No. 4915, Revised Section 5: Attachment IS, Page 11, L4(c); Col(d)= Section 2, Chart 10, Column 3 | $9,979,698 | $7,949,082 | $14,000,000 | $11,700,000 |
| 6 | ISR - Eligible Cost of Removal in Rate Base per RIPUC Docket No. 4770 | Schedule 6-ELEC, Docket No. 4770: Col(a)=Docket No. 4682, FY2018 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 | $8,259,707 | $7,848,009 | $3,437,925 | $205,400 |
| 7 | Incremental Cost of Removal | Line 5 - Line 6 | $1,719,991 | $101,073 | $10,562,075 | $11,494,600 |
| | **Retirements** | | | | | |
| 8 | ISR - Eligible Retirements/Actual | Col (a) =FY 2018 ISR Docket No. 4682; Col (b) = FY 2019 ISR Docket No. 4783, Att PCE-1 P3, Table 2, Col (c )=FY 19 ISR Docket No. 4915, Revised Section 5: Attachment IS, Page 11, L7(c); Col (d)= Line 1(d)* Past 3 Year Average Retirement Rate | $15,206,748 | $12,015,754 | $29,278,786 | $20,876,177 |
| 9 | ISR - Eligible Retirements in Rate Base per RIPUC Docket No. 4770 | Schedule 6-ELEC, Docket No. 4770: Col(a)=Docket No. 4682, FY2018 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 | $20,451,820 | $22,665,233 | $9,928,809 | $593,200 |
| 10 | Incremental Retirements | Line 8 - Line 9 | ($5,245,072) | ($10,649,479) | $19,349,978 | $20,282,977 |
| | **Net NOL Position** | | | | | |
| 11 | ISR - (NOL)/Utilization | Col (a) =FY 2018 ISR Docket No. 4682; Col (b) = Per Tax Department, Col (c )=Per Tax Department; Col (d)= Per Tax Department | ($4,571,409) | $1,506,783 | $3,317,101 | $3,663,988 |
| 12 | less: (NOL)/Utilization recovered in transmission rates | Quarterly average transmission plant allocator per Integrated Facilities Agreement (IFA) * Line 11 | ($1,572,911) | $515,161 | $1,147,958 | $1,251,813 |
| 13 | Distribution-related (NOL)/Utilization | Maximum of (Line 11 - Line 12) or -Page 19 of 25, Line 10 | ($2,998,499) | $991,622 | $2,169,143 | $2,412,175 |
| 14 | (NOL)/Utilization in Rate Base per RIPUC Docket No. 4770 | Docket No. 4770, S. C. Att. 2, Sch 11-ELEC, P. 12: Col (c)= L39×7÷12; Col (d) = L39×7÷12+L49×5÷12 | $0 | $0 | $1,462,980 | $6,764,379 |
| 15 | Incremental (NOL)/Utilization | Line 13 - Line 14 | ($2,998,499) | $991,622 | $706,163 | ($4,352,204) |

**The Narragansett Electric Company**
**d/b/a National Grid**
**FY 2021 Electric ISR Revenue Requirement Plan**
**Deferred Income Tax ("DIT") Provisions and Net Operating Losses ("NOL")**

| | | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Jul & Aug 2017 | 12 Mths Aug 31 2018 | 12 Mths Aug 31 2019 | 12 Mths Aug 31 2020 | 12 Mths Aug 31 2021 |
| 1 | Total Base Rate Plant DIT Provision | | | | | | $2,580,654 | $5,847,765 | $4,355,117 | $707,056 | $3,826,291 |
| 2 | Excess DIT Amortization | | | | | | | | ($3,074,665) | ($3,074,665) | ($3,074,665) |
| | | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 |
| 3 | Total Base Rate Plant DIT Provision | | | | | | $5,991,850 | $3,183,499 | ($847,584) | ($548,055) | $313,177 |
| 4 | Incremental FY 18 | $4,261,399 | $4,223,434 | $4,181,310 | $4,130,879 | $4,072,741 | $4,261,399 | ($37,965) | ($42,125) | ($50,431) | ($58,138) |
| 5 | Incremental FY 19 | $0 | $2,128,597 | $2,305,665 | $2,485,863 | $2,504,666 | | $2,128,597 | $177,068 | $180,198 | $18,803 |
| 6 | Incremental FY 20 | | | $7,070,156 | $7,505,824 | $7,882,743 | | | $7,070,156 | $435,667 | $376,919 |
| 7 | Incremental FY 21 | | | | $5,381,314 | $6,273,774 | | | | $5,381,314 | $892,460 |
| 8 | TOTAL Plant DIT Provision | $4,261,399 | $6,352,031 | $13,557,131 | $19,503,879 | $20,733,924 | $10,253,250 | $5,274,131 | $6,357,516 | $5,398,693 | $1,543,222 |
| 9 | Distribution-related NOL | | | | | | $2,998,499 | ($991,622) | ($2,169,143) | ($2,412,175) | |
| 10 | Lesser of Distribution-related NOL or DIT Provision | | | | | | $2,998,499 | ($991,622) | ($2,169,143) | ($2,412,175) | |

Line Notes:

| | |
|---|---|
| 1(f) | RIPUC Docket No. 4770, Supplemental Compliance Attachment 2, Schedule 11-ELEC, Page 11 of 20, Line 3 |
| 1(g) | RIPUC Docket No. 4770, Supplemental Compliance Attachment 2, Schedule 11-ELEC, Page 11 of 20, Line 7 |
| 1(h) | RIPUC Docket No. 4770, Supplemental Compliance Attachment 2, Schedule 11-ELEC, Page 11 of 20, Line 50 |
| 1(i) | RIPUC Docket No. 4770, Supplemental Compliance Attachment 2, Schedule 11-ELEC, Page 12 of 20, Line 41 |
| 1(j) | RIPUC Docket No. 4770, Supplemental Compliance Attachment 2, Schedule 11-ELEC, Page 12 of 20, Line 51 |
| 2(h) | RIPUC Docket No. 4770, Supplemental Compliance Attachment 2, Schedule 11-ELEC, Page 11 of 20, Line 51 |
| 2(i)&(j) | RIPUC Docket No. 4770, Electric Distribution Rate Changes for Rate Year 2, Att. 2, Sch. 11-ELEC, P.11 of 20, L. 51; P. 12 of 20, L. 42 & 52 |
| 3 | Col(f) = Line1(f) + Line1(g)×7÷12 ; Col (g) = Line 1(g)×5÷12 + (Line 1(h)+ 2(h))×7÷12; Col (h) = (Line 1(h) + 2(h))×5÷12 + (Line1(i) +2(i))×7÷12; Col (i) = (Line 1(i) + 2(i))×5÷12 + (Line1(j) |
| 4(a)-7(e) | Cumulative DIT per vintage year ISR revenue requirement calculations (P.2, L.20+L.22; P.5, L.20+P.8,L.23; P.10, L.20; P.14, L.20) |
| 4(f) -7(j) | Year over year change in cumulative DIT shown in Cols (a) through (d) |
| 8 | Sum of Lines 2 through 5 |
| 9 | Page 18 of 25, Line 13 |
| 10 | Lesser of Line 8 or Line 9 |

**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 | Intangible Cap Software | ($0) | 0.00% | $0 |
| 2 | | | | | |
| 3 | | Total Intangible Plant | ($0) | | $0 |
| 4 | | | | | |
| 5 | | Production Plant | | | |
| 6 | | | | | |
| 7 | 330.00 | Land Hydro | $6,989 | 0.00% | $0 |
| 8 | 331.00 | Struct & Improvements | $1,993,757 | 0.00% | $0 |
| 9 | 332.00 | Reservoirs Dams And Water | $1,125,689 | 0.00% | $0 |
| 10 | | | | | |
| 11 | | Total Production Plant | $3,126,434 | | $0 |
| 12 | | | | | |
| 13 | | Total Transmission Plant | $0 | | $0 |
| 14 | | | | | |
| 15 | | Distribution Plant | | | |
| 16 | | | | | |
| 17 | 360 | Land & Land Rights New | $ - | 0.00% | $ - |
| 18 | 362 | Station Equipment | $ - | 2.32% | $ - |
| 19 | 365 | Overhead Conductors and Devices | $ - | 3.02% | $ - |
| 20 | 367.1 | Underground Conductors and Devices | $ - | 2.52% | $ - |
| 21 | 360.00 | Land & Land Rights New | $ 12,874,490 | 0.00% | $ - |
| 22 | 360.10 | Land Structures & Dist | $ 95,396 | 0.00% | $ - |
| 23 | 361.00 | Struct & Improvements | $ 10,144,741 | 1.36% | $ 137,968 |
| 24 | 362.00 | Station Equipment | $ 253,879,227 | 2.19% | $ 5,559,955 |
| 25 | 362.10 | Station Equip Pollution | $ 71,597 | 2.19% | $ 1,568 |
| 26 | 362.55 | Station Equipment - Energy Management Syst | $ 663,280 | 6.70% | $ 44,440 |
| 27 | 364.00 | Poles, Towers And Fixtures | $ 237,914,852 | 4.27% | $ 10,158,964 |
| 28 | 365.00 | Oh Conduct-Smart Grid | $ 308,051,305 | 2.65% | $ 8,163,360 |
| 29 | 366.10 | Underground Manholes A | $ 23,368,987 | 1.33% | $ 310,808 |
| 30 | 366.20 | Underground Conduit | $ 48,513,051 | 1.55% | $ 751,952 |
| 31 | 367.10 | Underground Conductors | $ 173,808,945 | 3.42% | $ 5,944,266 |
| 32 | 368.10 | Line Transformers - Stations | $ 10,674,398 | 2.76% | $ 294,613 |
| 33 | 368.20 | Line Transformers - Bare Cost | $ 101,452,162 | 3.14% | $ 3,180,525 |
| 34 | 368.30 | Line Transformers - Install Cost | $ 77,701,753 | 3.22% | $ 2,501,996 |
| 35 | 369.10 | Overhead Services | $ 83,166,615 | 5.04% | $ 4,191,597 |
| 36 | 369.20 | Underground Services C | $ 1,691,919 | 4.87% | $ 82,396 |
| 37 | 369.21 | Underground Services C | $ 22,150,773 | 4.87% | $ 1,078,743 |
| 38 | 370.10 | Meters - Bare Cost - Domestic | $ 26,366,117 | 5.61% | $ 1,479,139 |
| 39 | 370.20 | Meters - Install Cost - Domestic | $ 10,026,102 | 5.81% | $ 582,517 |
| 40 | 370.30 | Meters - Bare Cost - Large | $ 11,492,790 | 5.69% | $ 653,940 |
| 41 | 370.35 | Meters - Install Cost - Large | $ 9,186,534 | 5.13% | $ 471,269 |
| 42 | 371.00 | Installation On Custom | $ 119,825 | 3.61% | $ 4,326 |
| 43 | 373.10 | Oh Steetlighting | $ 23,671,126 | 1.46% | $ 345,598 |
| 44 | 373.20 | Ug Streetlighting | $ 16,012,987 | 1.52% | $ 243,397 |
| 45 | 374.00 1/ | Elect Equip ARO | $ - | 0.00% | $ - |
| 46 | | | | # | |
| 47 | | Total Distribution Plant | $ 1,463,098,971 | **3.16%** # | $ 46,183,339 |
| 48 | | | | | |
| 49 | | General Plant | | | |
| 50 | | | | | |
| 51 | 389.00 | Land And Land Rights | $ 842,411 | 0.00% | $ - |
| 52 | 390.00 | Struct And Improvement Electric | $ 34,216,272 | 2.28% | $ 780,131 |
| 53 | 391.00 | Office Furn &Fixt Electric (Fully Dep) | $ 30,645 | 0.00% | $ 29,542 |
| 54 | 391.00 | Office Furn &Fixt Electric | $ 412,269 | 6.67% | $ 27,498 |
| 55 | 393.00 | Stores Equipment | $ 93,412 | 5.00% | $ 4,671 |
| 56 | 394.00 | General Plant Tools Shop | $ 1,934,730 | 5.00% | $ 96,736 |
| 57 | 395.00 | General Plant Laboratory (Fully Dep) | $ 288,227 | 0.00% | $ - |
| 58 | 395.00 | General Plant Laboratory (Fully Dep) | $ 1,226,832 | 6.67% | $ 81,830 |
| 59 | 397.00 | Communication Equipment | $ 5,337,629 | 5.00% | $ 266,881 |
| 60 | 397.10 | Communication Equipment Site Specific | $ 2,530,920 | 3.90% | $ 98,706 |
| 61 | 397.50 | Communication Equipment Network | $ 49,498 | 5.00% | $ 2,475 |
| 62 | 398.00 | General Plant Miscellaneous | $ 706,169 | 6.67% | $ 47,101 |
| 63 | 399.00 | Other Tangible Property | $ 12,484 | 0.00% | $ - |
| 64 | 399.10 1/ | ARO | $ (0) | 0.00% | $ - |
| 65 | | | | | |
| 66 | | Total General Plant | $ 47,681,498 | **3.01%** | $ 1,435,572 |
| 67 | | | | | |
| 68 | | Grand Total - All Categories | $ 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 | Total Distribution Plant | $ 1,463,098,971 | 3.16% | $ 46,183,339 |
| 2 | Communication Equipment | $ 7,918,047 | 4.65% | $ 368,062 |
| 3 | Total ISR eligible Plant | $ 1,471,017,018 | **3.16%** | $ 46,551,401 |
| 4 | | | | |
| 5 | Non-ISR or Communication Plant | $ 42,889,885 | | |
| 6 | Grand Total - All Plant | $ 1,513,906,902 | | |

Line Notes:
1 Docket No. 4770, Schedule 6-ELEC: [P3 and P4] on left Line 47
2 Docket No. 4770, Schedule 6-ELEC: [P3 and P4] on Left Lines 59 through 61
3 Line 1+Line 2
5 Docket No. 4770, Schedule 6-ELEC: [P3 and P4] on Left Lines 59 through 61
6 Line 3+Line 6

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 Nos. 4770/4780
Compliance Attachment 2
Schedule 6-ELEC
Page 1 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**

**The Narragansett Electric Company**
**d/b/a National Grid**
**ISR Depreciation Expense in Base Rates**

| Line No. | Description | | Reference | Amount | Line No. | less non-ISR eligible plant | ISR Eligible Amount |
|---|---|---|---|---|---|---|---|
| | | | (a) | (b) | | (c) | (d) |
| 1 | Total Company Rate Year Distribution Depreciation Expense | | Sum of Page 2, Line 16 and Line 17 | $369,017 | 1 | | |
| 2 | Test Year Depreciation Expense | | Per Company Books | $69,031,187 | 2 | | |
| 3 | Less : Test Year IFA related Depreciation Expense | | Page 4, Line 30, Column (c) | ($19,814,202) | 3 | | |
| 4 | Less: ARO and other adjustments | | Page 4, Line 30, Column (b) + Column (d) | ($55,610) | 4 | | |
| 5 | Adjusted Total Company Test Year Distribution Depreciation Expense | | Sum of Line 2 through Line 4 | $49,161,375 | 5 | | |
| 6 | Depreciation Expense Adjustment | | Line 1 - Line 5 | ($48,792,358) | 6 | | |
| 7 | | | | | 7 | | |
| 8 | | | | Per Book | 8 | | |
| 9 | Test Year Depreciation Expense 12 Months Ended 06/30/17: | | | Amount | 9 | | |
| 10 | Total Distribution Utility Plant 06/30/17 | | Page 4, Line 28, Column (e) | $2,141,474,644 | 10 | ($39,763,450) | $2,101,711,193 |
| 11 | Less Non Depreciable Plant | | Page 4, Line 26, Column (e) | ($627,567,742) | 11 | | ($627,567,742) |
| 12 | Depreciable Utility Plant 6/30/17 | | Line 10 + Line 11 | $1,513,906,902 | 12 | ($39,763,450) | $1,474,143,451 |
| 13 | | | | | 13 | | |
| 14 | Plus: Added Plant 2 Mos Ended 08/31/17 | | Schedule 11-ELEC, Page 6, Line 7 | $12,473,833 | 14 | $0 | $12,473,833 |
| 15 | Less: Streetlights retired in the 2 Mos Ended 08/31/17 | | Per Company Books | ($1,057,011) | 15 | $0 | ($1,057,011) |
| 16 | Less: Retired Plant 2 Months Ended 08/31/17 | 1/ | Line 14 x Retirement Rate | ($3,699,739) | 16 | $0 | ($3,699,739) |
| 17 | Depreciable Utility Plant 08/31/17 | | Line 12 + Line 14 + Line 16 | $1,521,623,985 | 17 | ($39,763,450) | $1,481,860,535 |
| 18 | | | | | 18 | | |
| 19 | Average Depreciable Plant from 06/30/17 to 08/31/17 | | (Line 12 + Line 17)/2 | $1,517,765,443 | 19 | | $1,478,001,993 |
| 20 | | | | | 20 | | |
| 21 | Composite Book Rate % | | As Approved in RIPUC Docket No. 4323 | 3.40% | 21 | | 3.40% |
| 22 | | | | | 22 | | |
| 23 | Book Depreciation Reserve 06/30/17 | | Page 5, Line 69, Column (e) | $652,405,159 | 23 | | |
| 24 | Plus: Book Depreciation Expense excluding Streetlight Retirement | | 1/6 of (Line 19 excl. Line 15 x Line 21) | $8,603,666 | 24 | | $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) | 25 | | ($1,307) |
| 26 | Less: Net Cost of Removal/(Salvage) | 2/ | Line 14 x Cost of Removal Rate | ($1,281,063) | 26 | | |
| 27 | Less: Retired Plant | | Line 16 | ($3,699,739) | 27 | | |
| 28 | Book Depreciation Reserve 08/31/17 | | Sum of Line 23 through Line 27 | $656,026,715 | 28 | | |
| 29 | | | | | 29 | | |
| 30 | Depreciation Expense 12 Months Ended 08/31/18 | | | | 30 | | |
| 31 | Total Utility Plant 08/31/17 | | Line 10 + Line 14 + Line 15 + Line 16 | $2,149,191,727 | 31 | ($39,763,450) | $2,109,428,277 |
| 32 | Less Non Depreciable Plant | | Line 11 | ($627,567,742) | 32 | $0 | ($627,567,742) |
| 33 | Depreciable Utility Plant 08/31/17 | | Line 31 + Line 32 | $1,521,623,985 | 33 | ($39,763,450) | $1,481,860,535 |
| 34 | | | | | 34 | | |
| 35 | Plus: Plant Added in 12 Months Ended 08/31/18 | | Schedule 11-ELEC, Page 6, Line 14 | $74,843,000 | 35 | $0 | $74,843,000 |
| 36 | Less: Plant Retired in 12 Months Ended 08/31/18 | 1/ | Line 35 x Retirement rate | ($22,198,434) | 36 | $0 | ($22,198,434) |
| 37 | Depreciable Utility Plant 08/31/18 | | Sum of Line 33 through Line 36 | $1,574,268,551 | 37 | ($39,763,450) | $1,534,505,101 |
| 38 | | | | | 38 | | |
| 39 | Average Depreciable Plant for 12 Months Ended 08/31/18 | | (Line 33 + Line 37)/2 | $1,547,946,268 | 39 | ($39,763,450) | $1,508,182,818 |
| 40 | | | | | 40 | | |
| 41 | Composite Book Rate % | | As Approved in RIPUC Docket No. 4323 | 3.40% | 41 | | 3.40% |
| 42 | | | | | 42 | | |
| 43 | Book Depreciation Reserve 08/31/17 | | Line 28 | $656,026,715 | 43 | | |
| 44 | Plus: Book Depreciation 08/31/18 | | Line 39 x Line 41 | $52,630,173 | 44 | | $51,278,216 |
| 45 | Less: Net Cost of Removal/(Salvage) | 2/ | Line 35 x Cost of Removal Rate | ($7,686,376) | 45 | | |
| 46 | Less: Retired Plant | | Line 36 | ($22,198,434) | 46 | | |
| 47 | Book Depreciation Reserve 08/31/18 | | Sum of Line 43 through Line 46 | $678,772,079 | 47 | | |

1/ 3 year average retirement over plant addition in service FY 15 ~ FY17 29.66%
2/ 3 year average Cost of Removal over plant addition in service FY 15 ~ FY17 10.27%

Compliance Attachment 2
Schedule 6-ELEC
Page 2 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

**The Narragansett Electric Company d/b/a National Grid ISR Depreciation Expense in Base Rates (Continued)**

| Line No. | Description | | Reference | Amount | | less non-ISR eligible plant | ISR Eligible Amount |
|---|---|---|---|---|---|---|---|
| | | | (a) | (b) | | (c) | (d) |
| 1 | **Rate Year Depreciation Expense 12 Months Ended 08/31/19:** | | | | 1 | | |
| 2 | Total Utility Plant 08/31/18 | | Page 1, Line 31 + Line 35 + Line 36 | $44,557,107 | 2 | ($39,763,450) | $2,162,072,843 |
| 3 | Less Non-Depreciable Plant | | Page 1, Line 11 | ($52,243,483) | 3 | $0 | ($627,567,742) |
| 4 | Depreciable Utility Plant 08/31/18 | | Line 2 + Line 3 | ($7,686,376) | 4 | ($39,763,450) | $1,534,505,101 |
| 5 | | | | | 5 | | |
| 6 | Plus: Added Plant 12 Months Ended 08/31/19 | | Schedule 11-ELEC, Page 6, Line 38 | $77,541,000 | 6 | ($2,698,000) | $74,843,000 |
| 7 | Less: Depreciable Retired Plant | 1/ | Line 6 x Retirement rate | ($22,998,661) | 7 | $800,227 | ($22,198,434) |
| 8 | | | | | 8 | | |
| 9 | Depreciable Utility Plant 08/31/19 | | Sum of Line 4 through Line 7 | $46,855,963 | 9 | ($41,661,224) | $1,587,149,667 |
| 10 | | | | | 10 | | |
| 11 | Average Depreciable Plant for Rate Year Ended 08/31/19 | | (Line 4 + Line 9)/2 | $19,584,794 | 11 | ($40,712,337) | $1,560,827,384 |
| 12 | | | | | 12 | | |
| 13 | Proposed Composite Rate % | | Page 4, Line 18, Columnumn (f) | 3.15% | 13 | | 3.16% |
| 14 | | | | | 14 | | |
| 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 | $616,026 | 16 | | $49,322,145 |
| 17 | Plus: Unrecovered Reserve Adjustment | | Schedule NWA-1-ELECTRIC, Part VI, Page 6 | ($247,009) | 17 | | ($247,009) |
| 18 | Less: Net Cost of Removal/(Salvage) | 2/ | Line 6 x Cost of Removal Rate | ($7,963,461) | 18 | | |
| 19 | Less: Retired Plant | | Line 7 | ($22,998,661) | 19 | | |
| 20 | Book Depreciation Reserve 08/31/19 | | Sum of Line 15 through Line 19 | $648,178,975 | 20 | | $49,075,136 |
| 21 | | | | | 21 | | |
| 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 | $99,099,446 | 23 | ($41,661,224) | $2,214,717,409 |
| 24 | Less Non-Depreciable Plant | | Page 1, Line 11 | ($627,567,742) | 24 | $0 | ($627,567,742) |
| 25 | Depreciable Utility Plant 08/31/19 | | Line 23 + Line 24 | ($528,468,296) | 25 | ($41,661,224) | $1,587,149,667 |
| 26 | | | | | 26 | | |
| 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) | $0 |
| 28 | Less: Depreciable Retired Plant | 1/ | Line 27 x Retirement rate | ($593,200) | 28 | $593,200 | $0 |
| 29 | | | | | 29 | | |
| 30 | Depreciable Utility Plant 08/31/20 | | Sum of Line 25 through Line 28 | ($527,061,496) | 30 | ($43,068,024) | $1,587,149,667 |
| 31 | | | | | 31 | | |
| 32 | Average Depreciable Plant for Rate Year Ended 08/31/20 | | (Line 25 + Line 30)/2 | ($527,764,896) | 32 | ($42,364,624) | $1,587,149,667 |
| 33 | | | | | 33 | | |
| 34 | Proposed Composite Rate % | | Page 4, Line 18, Column (f) | 3.15% | 34 | | 3.16% |
| 35 | | | | | 35 | | |
| 36 | Book Depreciation Reserve 08/31/20 | | Line 20 | $648,178,975 | 36 | | |
| 37 | Plus: Book Depreciation Expense | | Line 32 x Line 34 | ($16,600,485) | 37 | | $50,153,929 |
| 38 | Plus: Unrecovered Reserve Adjustment | | Schedule NWA-1-ELECTRIC, Part VI, Page 6 | ($247,009) | 38 | | ($247,009) |
| 39 | Less: Net Cost of Removal/(Salvage) | 2/ | Line 27 x Cost of Removal Rate | ($205,400) | 39 | | |
| 40 | Less: Retired Plant | | Line 28 | ($593,200) | 40 | 7 mos FY20 | 12 mos |
| 41 | Book Depreciation Reserve 08/31/20 | | Sum of Line 36 through Line 40 | $630,532,880 | 41 | $ 367,810,847 | $49,906,920 |
| 42 | | | | | 42 | | |
| 43 | **Rate Year Depreciation Expense 12 Months Ended 08/31/21:** | | | | 43 | | |
| 44 | Total Utility Plant 08/31/20 | | Line 23 + Line 27 + Line 28 | $100,506,246 | 44 | ($43,068,024) | $2,214,717,409 |
| 45 | Less Non-Depreciable Plant | | Page 1, Line 11 | ($627,567,742) | 45 | $0 | ($627,567,742) |
| 46 | Depreciable Utility Plant 08/31/20 | | Line 44 + Line 45 | ($527,061,496) | 46 | ($43,068,024) | $1,587,149,667 |
| 47 | | | | | 47 | | |
| 48 | Plus: Added Plant 12 Months Ended 08/31/21 | | Schedule 11-ELEC, Page 5, Line 15(l) | $2,000,000 | 48 | ($2,000,000) | $0 |
| 49 | Less: Depreciable Retired Plant | 1/ | Line 48 x Retirement rate | ($593,200) | 49 | $593,200 | $0 |
| 50 | | | | | 50 | | |
| 51 | Depreciable Utility Plant 08/31/21 | | Sum of Line 46 through Line 49 | ($525,654,696) | 51 | ($44,474,824) | $1,587,149,667 |
| 52 | | | | | 52 | | |
| 53 | Average Depreciable Plant for Rate Year Ended 08/31/21 | | (Line 46 + Line 51)/2 | ($526,358,096) | 53 | ($43,771,424) | $1,587,149,667 |
| 54 | | | | | 54 | | |
| 55 | Proposed Composite Rate % | | Page 4, Line 18, Columnumn (f) | 3.15% | 55 | | 3.16% |
| 56 | | | | | 56 | | |
| 57 | Book Depreciation Reserve 08/31/20 | | Line 41 | $630,532,880 | 57 | | |
| 58 | Plus: Book Depreciation Expense | | Line 53 x Line 55 | ($16,556,235) | 58 | | $50,153,929 |
| 59 | Plus: Unrecovered Reserve Adjustment | | Schedule NWA-1-ELECTRIC, Part VI, Page 6 | ($247,009) | 59 | | ($247,009) |
| 60 | Less: Net Cost of Removal/(Salvage) | 2/ | Line 48 x Cost of Removal Rate | ($205,400) | 60 | | |
| 61 | Less: Retired Plant | | Line 49 | ($593,200) | 61 | | |
| 62 | Book Depreciation Reserve 08/31/21 | | Sum of Line 57 through Line 61 | $612,931,036 | 62 | | $49,906,920 |

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 2021 ISR Property Tax Recovery Adjustment**
**(000s)**

| Line | | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) |
|---|---|---|---|---|---|---|---|---|---|
| | | End of FY 2018 | ISR Additions | Non-ISR Add's | Total Add's | Bk Depr (1) | Retirements | COR | End of FY 2019 |
| 1 | Plant In Service | $1,595,499 | $111,243 | $3,137 | $114,380 | | ($12,016) | | $1,697,863 |
| 2 | Accumulated Depr | $672,116 | | | | $52,896 | ($12,016) | ($7,949) | $705,047 |
| 3 | Net Plant | $923,383 | | | | | | | $992,816 |
| 4 | Property Tax Expense | $30,354 | | | | | | | $32,077 |
| 5 | Effective Prop tax Rate | 3.29% | | | | | | | 3.23% |
| | **Effective tax Rate Calculation** | **End of FY 2019** | **ISR Additions** | **Non-ISR Add's** | **Total Add's** | **Bk Depr (1)** | **Retirements** | **COR** | **End of FY 2020** |
| 6 | Plant In Service | $1,697,863 | $102,797 | $5,901 | $108,698 | | ($29,279) | | $1,777,282 |
| 7 | Accumulated Depr | $705,047 | | | | $54,068 | ($29,279) | ($14,000) | $715,836 |
| 8 | Net Plant | $992,816 | | | | | | | $1,061,446 |
| 9 | Property Tax Expense | $32,077 | | | | | | | $34,892 |
| 10 | Effective Prop tax Rate | 3.23% | | | | | | | 3.29% |
| | **Effective tax Rate Calculation** | **End of FY 2020** | **ISR Additions** | **Non-ISR Add's** | **Total Add's** | **Bk Depr (1)** | **Retirements** | **COR** | **End of FY 2021** |
| 11 | Plant In Service | $1,777,282 | $110,494 | $3,137 | $113,631 | | ($20,876) | | $1,870,036 |
| 12 | Accumulated Depr | $715,836 | | | | $56,696 | ($20,876) | ($11,700) | $739,955 |
| 13 | Net Plant | $1,061,446 | | | | | | | $1,130,081 |
| 14 | Property Tax Expense | $34,892 | | | | | | | $36,512 |
| 15 | Effective Prop tax Rate | 3.29% | | | | | | | 3.23% |

| | **Property Tax Recovery Calculation** | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
|---|---|---|---|---|---|---|---|---|
| | | Cumulative Increm. ISR Prop. Tax for FY2018 | | | | Cumulative Increm. ISR Prop. Tax for FY2019 1st 5 months | | |
| 16 | Incremental ISR Additions | | $92,660 | | | | $111,243 | |
| 17 | Book Depreciation: base allowance on ISR eligible plant | | ($43,032) | | | | ($43,032) | |
| 18 | Book Depreciation: current year ISR additions | | ($1,317) | | | | ($1,628) | |
| 19 | COR | | $9,980 | | | | $7,949 | |
| 20 | Net Plant Additions | | $58,291 | | | | $74,532 | |
| 21 | RY Effective Tax Rate | | 3.98% | | | | | |
| 22 | ISR Property Tax Recovery on FY 2014 vintage investment | | | $62 | | 5 month | | $0 |
| 23 | ISR Property Tax Recovery on FY 2015 vintage investment | | | $1,366 | | | | $0 |
| 24 | ISR Property Tax Recovery on FY 2016 vintage investment | | | $1,335 | | | | 8.23% |
| 25 | ISR Property Tax Recovery on FY 2017 vintage investment | | | $1,521 | | | | $0 |
| 26 | ISR Property Tax Recovery on FY 2018 vintage investment | | | $2,321 | | | | $0 |
| 27 | ISR Property Tax Recovery on FY 2019 vintage investment | | | | | | | $0 |
| 28 | Total Property Tax due to ISR | | | 6,606 | | | | 0 |
| 29 | ISR Year Effective Tax Rate | 3.29% | | | | 3.23% | | |
| 30 | RY Effective Tax Rate | 3.98% | -0.69% | | | 0.00% | 3.23% | |
| 31 | RY Effective Tax Rate 5 mos for FY 2019 | | -0.69% | | | 5 month | 1.35% | |
| 32 | RY Net Plant times 5 mo rate | $746,900 | * -0.69% | ($5,191) | | $746,900 | * 1.35% | $10,055 |
| 33 | FY 2014 Net Adds times ISR Year Effective Tax rate | $1,566 | * -0.69% | ($11) | | $1,232 | * 1.35% | $17 |
| 34 | FY 2015 Net Adds times ISR Year Effective Tax rate | $34,308 | * -0.69% | ($238) | | $32,324 | * 1.35% | $435 |
| 35 | FY 2016 Net Adds times ISR Year Effective Tax rate | $33,535 | * -0.69% | ($233) | | $32,090 | * 1.35% | $432 |
| 36 | FY 2017 Net Adds times ISR Year Effective Tax rate | $38,200 | * -0.69% | ($265) | | $37,040 | * 1.35% | $499 |
| 37 | FY 2018 Net Adds times ISR Year Effective Tax rate | $58,291 | * -0.69% | ($405) | | $55,850 | 4455710700.00% | $752 |
| 38 | FY 2019 Net Adds times ISR Year Effective Tax rate | | | | | $74,532 | ($44,557,107) | $1,003 |
| 39 | Total Property Tax due to rate differential | | | ($6,343) | | | | $13,193 |
| 40 | Total ISR Property Tax Recovery | | | $263 | | | | $13,193 |

**The Narragansett Electric Company**
**d/b/a National Grid**
**FY 2021 ISR Property Tax Recovery Adjustment (continued)**
**(000s)**

| | | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) | (k) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Cumulative Increm. ISR Prop. Tax for FY2019 7 months | | | | Cumulative Increm. ISR Prop. Tax for FY2020 | | | | Cumulative Increm. ISR Prop. Tax for FY2021 | | |
| 41 | Incremental ISR Additions | | $36,400 | | | | $71,612 | | | | $110,494 | |
| 42 | Book Depreciation: base allowance on ISR eligible plant | | $0 | | | | $0 | | | | $0 | |
| 43 | Book Depreciation: current year ISR additions | | ($999) | | | | ($826) | | | | ($1,481) | |
| 44 | COR | | $101 | | | | $10,562 | | | | $11,495 | |
| 45 | Net Plant Additions | | $35,502 | | | | $81,349 | | | | $120,508 | |
| 46 | RY Effective Tax Rate | | 3.28% | | | | 3.38% | | | | 3.58% | |
| 47 | ISR Property Tax Recovery on non-ISR | | 1.91% | $0 | | | | ($77) | | | | ($153) |
| 48 | ISR Property Tax Recovery on FY 2018 Net Incremental | | | $352 | | | | $598 | | | | $606 |
| 49 | ISR Property Tax Recovery on FY 2019 Net Incremental | | | $679 | | | | $1,138 | | | | $1,136 |
| 50 | ISR Property Tax Recovery on FY 2020 Net Incremental | | | | | | | $2,752 | | | | $2,851 |
| 51 | ISR Property Tax Recovery on FY 2021 vintage investment | | | | | | | | | | | $4,310 |
| 52 | ISR Year Effective Tax Rate | 3.23% | | | | 3.29% | | | | 3.23% | | |
| 53 | RY Effective Tax Rate | 3.28% | -0.05% | | | 3.38% | -0.10% | | | 3.58% | -0.35% | |
| 54 | RY Effective Tax Rate 7 mos for FY 2019 | | -0.03% 7 mos | | | | -0.10% | | | | -0.35% | |
| 55 | RY Net Plant times Rate Difference | $930,873 | * -0.03% | ($279) | | $902,404 | * -0.1% | ($902) | | $853,576 | * -0.35% | ($2,952) |
| 56 | Non-ISR plant times rate difference | | | | | ($2,269) | * -0.1% | $2 | | ($4,269) | * -0.35% | $15 |
| 57 | FY 2018 Net Incremental times rate difference | $18,393 | * -0.03% | ($6) | | $17,664 | * -0.1% | ($18) | | $16,935 | * -0.35% | ($59) |
| 58 | FY 2019 Net Incremental times rate difference | $35,502 | * -0.03% | ($11) | | $33,630 | * -0.1% | ($34) | | $31,759 | * -0.35% | ($110) |
| 59 | FY 2020 Net Incremental times rate difference | | | | | $81,349 | * -0.1% | ($81) | | $79,697 | * -0.35% | ($276) |
| 60 | FY 2021 Net Adds times rate difference | | | | | | | | | $120,508 | * -0.35% | ($417) |
| 61 | Total Property Tax due to rate differential | | | ($295) | | | | ($1,033) | | | | ($3,798) |
| 62 | Total ISR Property Tax Recovery | | | $736 | | | | $3,378 | | | | $4,952 |

| Line Notes | |
|---|---|
| 1(a) - 5(h) | Per Docket No. 4783, FY2019 Rec, Part 2 -Attachment MAL-2, Page 13, Line 1(a)~Line 5(h) |
| 6(a) - 10(a) | =1 ~ 5(h) |
| 6(b) - 6(d) | Docket No. 4915, R. S. 5: Att. 1S, Page 16 of 19, L 7(b) through L 7(d) |
| 6(f), 7(f) | Docket No. 4915, R. S. 5: Att. 1S, Page 16 of 19, L 7(f) |
| 6(h) | Sum of L6 C(a), L6 C(d), L6 C(f) |
| 7(e) | [Docket 4770, C. Att. 2, Sch 6-ELEC, P2: L (16(b)+ L17(b)) x 5/12+ L (37(b) + 38(b)) x 7/12] +( (Page 2 of 25, L 6(a)+ Page 5 of 25, L 6(a)) x 0.0316+,Page 8 of 25, L29(f))/1000 +Page 10 of 25, L6(a) x0.0316x0.5/1000 |
| 7(g) | Docket No. 4915, R. S. 5: Att. 1S, Page 16 of 19, L 8(g) |
| 7(h) | Sum of L7 C(a), L7 C(e), L7 C(f), L7 C(g) |
| 8(h) | 6(h)-7(h) |
| 9(h) | 8(h)*10(h) |
| 10(h) | =5(a) |
| 11(a) - 15(a) | =6(h)~10(h) |
| 11(b) | Page 18 of 25, Line 1, Col (d) |
| 11(c) | Line 1(c), estimated based on FY19 actual non-ISR addition |
| 11(d) | 11(b) + (c) |
| 11(f), 12(f) | - Page 18 of 25, Line 8(d) |
| 11(h) | Sum of L11 C(a), L11 C(d), L11 C(f) |
| 12(e) | [Docket 4770, C. Att. 2, Sch 6-ELEC, P2: L (37(b)+38(b)) x 5/12 + L (58(b) + 59(b))x 7/12 +( (Page 2 of 25, L 6(a)+ Page 5 of 25, L 6(a)+Page 10 of 25, L6(a)) x 0.0316+Page 8 of 25, L29(i))/1000 +Page 14 of 25, L6(a) x0.0316x0.5/1000 |
| 12(g) | Page 18 of 25, Line 5(d) |
| 12(h) | Sum of L12 C(a), L12 C(e), L12 C(f), L12 C(g) |
| 13(h) | 11(h)-12(h) |
| 14(h) | 13(h)*15(h) |
| 15(h) | =5(h), estimated based on FY19 actual property tax rate |
| 16(b) - 40(g) | Docket No. 4783, FY19 Rec, Part 2 -Attachment MAL-2, Page 12, Line 6(a)~Line 30(g) |
| 41(a) - 62(c) | Docket No. 4783, FY19 Rec, Part 2 -Attachment MAL-2, Page 12, Line 31(a)~Line 50(c) |
| 55(a) | Docket No. 4770, Com. Att. 2, Sch 6-E, P2, (L9 - L20) ÷ 1000 |
| 55(c)(g)(k) | col (c )= 55(a)*54(b), Col (g)=55(e) *54(f), Col (K)=55(i) *54(j) |

| Line Notes | |
|---|---|
| 41(f) | Page 10 of 25, Line 4(a) ÷1000 |
| 42(f) | FY20 depreciation is reflected in the NBV at 55(e) |
| 43(f) | - Page 10 of 25, Line 16(a) ÷1000 |
| 44(f) | Page 10 of 25, Line 10(a) ÷1000 |
| 45(f) | Sum of Lines 41(f) through 44(f) |
| 46(f) | Docket No. 4770, R. Rebuttal Att. 1, Sch 7-ELEC, P.2, L 3 (c) / [Sch 6-E, P2, ((L9 - L20)*5/12+ (L30-L41)*7/12] |
| 47(g) | 57(e) ×46(f) |
| 48(g) | 58(e) ×46(f) |
| 49(g) | 58(e) ×46(f) |
| 50(g) | 59(e) ×46(f) |
| 52(e) | =10(h) |
| 53(e) | =46(f) |
| 53(f) | 52(e) -53(e) |
| 54(f) | =53(f) |
| 55(e) | =55(a) |
| 56(e) | Docket No. 4770, R. Rebuttal Att. 1, Sch 11-ELEC, P.5, L.8(e) + L.8(g) |
| 56(g) | 56(e) x54(f) |
| 56(e) | =57(a)-Page 2 of 25, Line 16(c) |
| 57(g) | 57(e) x54(f) |
| 58(e) | 58(a)- (Page 5 of 25, Line 16(b) + Page 8 of 25, Line 29(f))/1000 |
| 58(g) | 58(e) x54(f) |
| 59(e) | =45(f) |
| 59(g) | 59(e) x54(f) |
| 61(g) | Sum of Lines 55(g) through 60(g) |
| 62(g) | Sum of Lines 47(g) through 51(g)&61(g) |

| Line Notes | |
|---|---|
| 41(j) | Page 14 of 25, Line 4(a) ÷1000 |
| 42(j) | FY21 depreciation is reflected in the NBV at 55(i) |
| 43(j) | - Page 14 of 25, Line 16(a) ÷1000 |
| 44(j) | Page 14 of 25, Line 10(a) ÷1000 |
| 45(j) | Sum of Lines 41(j) through 44(j) |
| 46(j) | Docket No. 4770, R. Rebuttal Att. 1, Sch 7-ELEC, P.2, L 3 (e) / [Sch 6-E, P2, ((L30 - L41)*5/12+ (L51-L62)*7/12] |
| 47(k) | 57(i) ×46(j) |
| 49(k) | 58(i) ×46(j) |
| 50(k) | 59(i) ×46(j) |
| 51(k) | 60(f)×46(j) |
| 52(i) | =15(h) |
| 53(i) | =46(j) |
| 53(j) | 52(i) -53(i) |
| 54(j) | =53(j) |
| 55(i) | =55(a) |
| 56(i) | Docket No. 4770, R. Rebuttal Att. 1, Sch 11-ELEC, P.5, L.8(h) + L.8(j) |
| 56(k) | (j)x7 mos(k) |
| 57(i) | =57(e) -Page 2 of 25, Line 16(d) |
| 57(k) | 57(i) x54(j) |
| 58(i) | 58(e) - (Page 5 of 25, Line 16(c) + Page 8 of 25, Line 29(i))/1000 |
| 58(k) | 58(i) x54(j) |
| 59(i) | 59(e) -Page 10 of 25, Line 16(b)/1000 |
| 59(k) | 59(i) x54(j) |
| 60(i) | =45(j) |
| 60(k) | 60(i) x54(j) |
| 61(k) | Sum of Lines 55(k) through 60(k) |
| 62(k) | Sum of Lines 47(k) through 51(k)&61(k) |

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) |
|---|---|---|---|---|---|---|
| | Weighted Average Cost of Capital as approved in RIPUC Docket No. 4323 at 35% income tax rate | | | | | |
| 1 | effective April 1, 2013 | | | | | |
| 2 | | Ratio | Rate | Weighted Rate | Taxes | Return |
| 3 | Long Term Debt | 49.95% | 4.96% | 2.48% | | 2.48% |
| 4 | Short Term Debt | 0.76% | 0.79% | 0.01% | | 0.01% |
| 5 | Preferred Stock | 0.15% | 4.50% | 0.01% | | 0.01% |
| 6 | Common Equity | 49.14% | 9.50% | 4.67% | 2.51% | 7.18% |
| 7 | | 100.00% | | 7.17% | 2.51% | 9.68% |
| 8 | | | | | | |
| 9 | (d) - Column (c) x 35% divided by (1 - 35%) | | | | | |
| 10 | | | | | | |
| | Weighted Average Cost of Capital as approved in RIPUC Docket No. 4323 at 21% income tax rate | | | | | |
| 11 | effective January 1, 2018 | | | | | |
| 12 | | Ratio | Rate | Weighted Rate | Taxes | Return |
| 13 | Long Term Debt | 49.95% | 4.96% | 2.48% | | 2.48% |
| 14 | Short Term Debt | 0.76% | 0.79% | 0.01% | | 0.01% |
| 15 | Preferred Stock | 0.15% | 4.50% | 0.01% | | 0.01% |
| 16 | Common Equity | 49.14% | 9.50% | 4.67% | 1.24% | 5.91% |
| 17 | | 100.00% | | 7.17% | 1.24% | 8.41% |
| 18 | | | | | | |
| 19 | (d) - Column (c) x 21% divided by (1 - 21%) | | | | | |
| 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 | Long Term Debt | 48.35% | 4.62% | 2.23% | | 2.23% |
| 25 | Short Term Debt | 0.60% | 1.76% | 0.01% | | 0.01% |
| 26 | Preferred Stock | 0.10% | 4.50% | 0.00% | | 0.00% |
| 27 | Common Equity | 50.95% | 9.28% | 4.73% | 1.26% | 5.99% |
| 28 | | 100.00% | | 6.97% | 1.26% | 8.23% |
| 29 | | | | | | |
| 30 | (d) - Column (c) x 21% divided by (1 - 21%) | | | | | |
| 31 | | | | | | |
| 32 | FY18 Blended Rate | | Line 7(e) x 75% + Line 17(e) x 25% | | | 9.36% |
| 33 | | | | | | |
| 34 | FY19 Blended Rate | | Line 17 x 5 ÷ 12 + Line 28 x 7 ÷ 12 | | | 8.31% |
| 35 | | | | | | |
| 36 | FY20 and after Rate | | | Line 28(e) | | 8.23% |

# SUPPLEMENTAL DIRECT TESTIMONY

# OF

# ADAM S. CRARY

**January 31, 2020**

# Table of Contents

**I. INTRODUCTION** ..... 1

**II. PROPOSED FACTORS** ..... 1

**III. BILL IMPACTS** ..... 2

**IV. CONCLUSION** ..... 3

## I. INTRODUCTION

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

A. My name is Adam S. Crary, and my business address is 40 Sylvan Road, Waltham, Massachusetts 02451.

**Q. Have you previously submitted testimony in this docket?**

A. Yes. On December 20, 2019, I submitted pre-filed direct testimony in The Narragansett Electric Company d/b/a National Grid's (the Company) annual Electric Infrastructure, Safety, and Reliability (ISR) Plan for Fiscal Year (FY) 2021 (Initial ISR Filing) regarding the calculation of the Company's proposed FY 2021 ISR CapEx and O&M factors and resulting bill impacts based on the proposed factors.

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

A. The purpose of my supplemental testimony is to revise Sections 6 and 7 of the FY 2021 ISR Plan which describes the calculation of the proposed FY 2021 ISR factors and the customer bill impacts of the proposed ISR factors.

## II. PROPOSED FACTORS

**Q. Is the Company proposing any changes to the proposed FY 2021 ISR factors?**

A. Yes, the Company has updated the revenue requirement associated with ISR capital investment based on changes described in the pre-filed supplemental direct testimony of

Melissa A. Little. The Company has made no changes to the estimated O&M expense for the FY 2021 ISR Plan. Therefore, the Company is proposing revised CapEx Factors in this supplemental filing, but is not proposing any changes to its O&M Factors.

**Q. Please describe the calculation of the proposed revised CapEx Factors.**

A. The proposed revised CapEx Factors are calculated in the same manner as in the Initial ISR Filing, but are designed to recover the revised FY 2021 revenue requirement of $20,849,885[1] as developed in the supplemental testimony of Melissa A. Little. The calculation of the proposed revised CapEx Factors is set forth in the ISR Plan, Section 6 Revised, page 3 and summarized in Section 6 Revised, page 1.

## III. <u>BILL IMPACTS</u>

**Q. Has the Company prepared monthly bill impacts illustrating the effect of the proposed revised ISR CapEx Factors?**

A. Yes. The monthly bill impacts for each rate class are shown on Section 7 Revised of the ISR Plan. For a residential customer receiving Standard Offer Service and using 500 kWh per month, implementation of the proposed revised ISR CapEx Factors and the proposed O&M Factors presented in the Initial ISR Filing will result in a monthly bill increase of $1.50, or 1.3%.

[1] See Section 5 Revised: Attachment 1R, Page 1, Line 12, Column (b).

## IV. CONCLUSION

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

A. Yes, it does.

The Narragansett Electric Company
Infrastructure, Safety and Reliability Plan Factors Calculations - Summary
Summary of Proposed Factors
(for the 12 months beginning April 1, 2020)

| | | Residential A-16 / A-60 (a) | Small C&I C-06 (b) | General C&I G-02 (c) | Large Demand B-32 (d) | Large Demand G-32 (e) | Lighting S-05 / S-06 S-10 / S-14 (f) | Propulsion X-01 (g) |
|---|---|---|---|---|---|---|---|---|
| (1) | O&M Factor per kWh | $0.00212 | $0.00212 | $0.00169 | $0.00086 | $0.00086 | $0.01070 | $0.00026 |
| (2) | O&M Factor per kW | n/a | n/a | n/a | $0.05 | n/a | n/a | n/a |
| (3) | CapEx kWh Charge | $0.00396 | $0.00339 | n/a | n/a | n/a | $0.00455 | $0.00026 |
| (4) | CapEx kW Charge | n/a | n/a | $0.97 | $0.94 | $0.94 | n/a | n/a |
| (5) | Back-Up Service CapEx kW Charge | n/a | n/a | n/a | $0.09 | n/a | n/a | n/a |

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

The Narragansett Electric Company
FY21 Proposed Operations & Maintenance Factors
(for the 12 months beginning April 1, 2020)

| | | Total (a) | Residential A-16 / A60 (b) | Small C&I C-06 (c) | General C&I G-02 (d) | Large Demand B-32 / G-32 (e) | Lighting S-05 / S-06 S-10 / S-14 (f) | Propulsion X-01 (g) |
|---|---|---|---|---|---|---|---|---|
| (1) | FY2021 Forecasted Vegetation Management (VM) and Inspection & Maintenance (I&M) O&M Expense | $12,091,633 | | | | | | |
| (2) | Operating & Maintenance Expense - Rate Year Allowance ($000s) | $44,205 | $22,620 | $4,919 | $7,563 | $7,045 | $2,036 | $22 |
| (3) | Percentage of Total | 100.00% | 51.17% | 11.13% | 17.11% | 15.94% | 4.61% | 0.05% |
| (4) | Allocated Vegetation Management (VM) and Inspection & Maintenance (I&M) O&M Expense | $12,091,633 | $6,187,371 | $1,345,521 | $2,068,748 | $1,927,057 | $556,918 | $6,018 |
| (5) | Forecasted kWh - April 2020 through March 2021 | 7,067,418,953 | 2,918,498,691 | 631,768,891 | 1,223,505,460 | 2,219,223,244 | 52,010,032 | 22,412,636 |
| (6) | Proposed Vegetation Management (VM) and Inspection & Maintenance (I&M) O&M Expense Charge per kWh | | $0.00212 | $0.00212 | $0.00169 | $0.00086 | $0.01070 | $0.00026 |

(1) per Section 5 Revised: Attachment 1R, page 1, line (4) column (b)
(2) per RIPUC 4770, Compliance Attachment 6, (Schedule 1B), page 3, line 88
(3) Line (2) ÷ Line (2) Total Column
(4) Line (1) Total Column x Line (3)
(5) per Company forecasts
(6) Line (4) ÷ Line (5), truncated to 5 decimal places

The Narragansett Electric Company
FY21 Proposed CapEx Factors
(for the 12 months beginning April 1, 2020)

| | | Total (a) | Residential A-16 / A60 (b) | Small C&I C-06 (c) | General C&I G-02 (d) | Large Demand B-32 / G-32 (e) | Lighting S-05 / S-06 S-10 / S-14 (f) | Propulsion X-01 (g) |
|---|---|---|---|---|---|---|---|---|
| (1) | FY2021 Capital Investment Component of Revenue Requirement | $20,849,885 | | | | | | |
| (2) | Total Rate Base ($000s) | $729,511 | $404,995 | $75,009 | $117,155 | $123,849 | $8,296 | $208 |
| (3) | Percentage of Total | 100.00% | 55.52% | 10.28% | 16.06% | 16.98% | 1.14% | 0.03% |
| (4) | Allocated Revenue Requirement | $20,849,885 | $11,575,004 | $2,143,797 | $3,348,369 | $3,539,685 | $237,094 | $5,936 |
| (5) | Forecasted kWh - April 2020 through March 2021 | 7,067,418,953 | 2,918,498,691 | 631,768,891 | 1,223,505,460 | 2,219,223,244 | 52,010,032 | 22,412,636 |
| (6) | Proposed CapEx Factor - kWh charge | | $0.00396 | $0.00339 | n/a | n/a | $0.00455 | $0.00026 |
| (7) | Forecasted kW - April 2020 through March 2021 | | | | 3,433,286 | 3,738,202 | | |
| (8) | Proposed CapEx Factor - kW Charge | | n/a | n/a | $0.97 | $0.94 | n/a | n/a |

(1) per Section 5 Revised: Attachment 1R, page 1, Line (12), Column (b)
(2) RIPUC 4770, Compliance Attachment 6, (Schedule 1A), page 1, Line 9
(3) Line (2) ÷ Line (2) Total Column
(4) Line (1) Total Column x Line (3)
(5) per Company forecasts
(6) For non demand-based rate classes, Line (4) ÷ Line (5), truncated to 5 decimal places
(7) per Company forecasts
(8) For demand-based rate classes, Line (4) ÷ Line (7), truncated to 2 decimal places
Note: charges apply to kW>10 for rate class G-02 and kW>200 for rate class B-32/G-32

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

| | | Large Demand B-32 (a) |
|---|---|---|
| | Operations & Maintenance Factors | |
| (1) | Allocated Vegetation Management (VM) and Inspection & Maintenance (I&M) O&M Expense | $1,927,057 |
| (2) | Forecasted kW - April 2020 through March 2021 | 3,738,202 |
| (3) | Vegetation Management (VM) and Inspection & Maintenance (I&M) O&M Expense Charge per kW | $0.51 |
| (4) | Proposed Discounted O&M kW Factor Charge effective 4/1/2020 | $0.05 |
| | CapEx Factors | |
| (5) | Proposed CapEx kW Factor Charge effective 4/01/2020 | $0.94 |
| (6) | Proposed Discounted CapEx kW Factor Charge effective 4/1/2020 | $0.09 |

(1) Page 2, Line (4)
(2) per Company Forecasts
(3) Line (1) ÷ Line (2), truncated to 2 decimal places
(4) Line (3) x .10, truncated to two decimal places
(5) Page 3, Line (8)
(6) Line (5) x .10, truncated to two decimal places

The Narragansett Electric Company
Calculation of Monthly Typical Bill
Total Bill Impact of Proposed
Rates Applicable to A-16 Rate Customers

| Monthly kWh (a) | Rates Effective January 1, 2020 Delivery Services (b) | Supply Services (c) | GET (d) | Total (e) = (a) + (b) + (c) | Proposed Rates effective April 1, 2020 Delivery Services (f) | Supply Services (g) | GET (h) | Total (i) = (f) + (g) + (h) | $ Increase (Decrease) Delivery Services (j) = (f) - (b) | Supply Services (k) = (g) - (c) | GET (l) = (h) - (d) | Total (m) = (j) + (k) + (l) | Increase (Decrease) % of Total Bill Delivery Services (n) = (j) / (e) | Supply Services (o) = (g) / (e) | GET (p) = (h) / (e) | Total (q) = (m) / (e) | Percentage of Customers (r) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 150 | $23.65 | $16.44 | $1.67 | $41.76 | $24.08 | $16.44 | $1.69 | $42.21 | $0.43 | $0.00 | $0.02 | $0.45 | 1.0% | 0.0% | 0.0% | 1.1% | 30.1% |
| 300 | $38.60 | $32.87 | $2.98 | $74.45 | $39.47 | $32.87 | $3.01 | $75.35 | $0.87 | $0.00 | $0.03 | $0.90 | 1.2% | 0.0% | 0.0% | 1.2% | 12.9% |
| 400 | $48.57 | $43.83 | $3.85 | $96.25 | $49.72 | $43.83 | $3.90 | $97.45 | $1.15 | $0.00 | $0.05 | $1.20 | 1.2% | 0.0% | 0.1% | 1.2% | 11.6% |
| 500 | $58.54 | $54.79 | $4.72 | $118.05 | $59.98 | $54.79 | $4.78 | $119.55 | $1.44 | $0.00 | $0.06 | $1.50 | 1.2% | 0.0% | 0.1% | 1.3% | 9.6% |
| 600 | $68.50 | $65.74 | $5.59 | $139.83 | $70.23 | $65.74 | $5.67 | $141.64 | $1.73 | $0.00 | $0.08 | $1.81 | 1.2% | 0.0% | 0.1% | 1.3% | 7.7% |
| 700 | $78.47 | $76.70 | $6.47 | $161.64 | $80.49 | $76.70 | $6.55 | $163.74 | $2.02 | $0.00 | $0.08 | $2.10 | 1.2% | 0.0% | 0.0% | 1.3% | 19.0% |
| 1,200 | $128.30 | $131.48 | $10.82 | $270.60 | $131.76 | $131.48 | $10.97 | $274.21 | $3.46 | $0.00 | $0.15 | $3.61 | 1.3% | 0.0% | 0.1% | 1.3% | 6.8% |
| 2,000 | $208.04 | $219.14 | $17.80 | $444.98 | $213.80 | $219.14 | $18.04 | $450.98 | $5.76 | $0.00 | $0.24 | $6.00 | 1.3% | 0.0% | 0.1% | 1.3% | 2.3% |

| | | | Rates Effective January 1, 2020 (s) | Proposed Rates effective April 1, 2020 (t) | Line Item on Bill |
|---|---|---|---|---|---|
| (1) | Distribution Customer Charge | | $6.00 | $6.00 | Customer Charge |
| (2) | LIHEAP Enhancement Charge | | $0.80 | $0.80 | LIHEAP Enhancement Charge |
| (3) | Renewable Energy Growth Program Charge | | $1.90 | $1.90 | RE Growth Program |
| (4) | Distribution Charge (per kWh) | | $0.04496 | $0.04496 | Distribution Energy Charge |
| (5) | Operating & Maintenance Expense Charge | | $0.00204 | $0.00212 | |
| (6) | Operating & Maintenance Expense Reconciliation Factor | | ($0.00008) | ($0.00008) | |
| (7) | CapEx Factor Charge | | $0.00116 | $0.00396 | |
| (8) | CapEx Reconciliation Factor | | $0.00071 | $0.00071 | |
| (9) | Revenue Decoupling Adjustment Factor | | ($0.00061) | ($0.00061) | |
| (10) | Pension Adjustment Factor | | ($0.00005) | ($0.00005) | |
| (11) | Storm Fund Replenishment Factor | | $0.00288 | $0.00288 | |
| (12) | Arrearage Management Adjustment Factor | | $0.00010 | $0.00010 | |
| (13) | Low Income Discount Recovery Factor | | $0.00152 | $0.00152 | |
| (14) | Long-term Contracting for Renewable Energy Charge | | $0.00543 | $0.00543 | Renewable Energy Distribution Charge |
| (15) | Net Metering Charge | | $0.00068 | $0.00068 | |
| (16) | Base Transmission Charge | | $0.03034 | $0.03034 | Transmission Charge |
| (17) | Transmission Adjustment Factor | | ($0.00217) | ($0.00217) | |
| (18) | Transmission Uncollectible Factor | | $0.00037 | $0.00037 | |
| (19) | Base Transition Charge | | ($0.00093) | ($0.00093) | Transition Charge |
| (20) | Transition Adjustment | | ($0.00021) | ($0.00021) | |
| (21) | Energy Efficiency Program Charge | | $0.01353 | $0.01353 | Energy Efficiency Programs |
| (22) | Standard Offer Service Base Charge | | $0.10884 | $0.10884 | Supply Services Energy Charge |
| (23) | SOS Adjustment Factor | | ($0.00223) | ($0.00223) | |
| (24) | SOS Adminstrative Cost Adjustment Factor | | $0.00233 | $0.00233 | |
| (25) | Renewable Energy Standard Charge | | $0.00063 | $0.00063 | |
| | Line Item on Bill | | | | |
| (26) | Customer Charge | | $6.00 | $6.00 | |
| (27) | LIHEAP Enhancement Charge | | $0.80 | $0.80 | |
| (28) | RE Growth Program | | $1.90 | $1.90 | |
| (29) | Transmission Charge | kWh x | $0.02854 | $0.02854 | |
| (30) | Distribution Energy Charge | kWh x | $0.05263 | $0.05551 | |
| (31) | Transition Charge | kWh x | ($0.00114) | ($0.00114) | |
| (32) | Energy Efficiency Programs | kWh x | $0.01353 | $0.01353 | |
| (33) | Renewable Energy Distribution Charge | kWh x | $0.00611 | $0.00611 | |
| (34) | Supply Services Energy Charge | kWh x | $0.10957 | $0.10957 | |

Column (s): per Summary of Retail Delivery Service Rates, R.I.P.U.C. No. 2095 effective 1/1/2020, and Summary of Rates Standard Offer Service tariff, R.I.P.U.C. No. 2096, effective 1/1/2020
Column (t): Line (5) per Section 6 Revised Revised, Page 1, Line (1), Column (a); Line (7) per Section 6 Revised Revised, Page 1, Line (3), Column (a)

The Narragansett Electric Company
Calculation of Monthly Typical Bill
Total Bill Impact of Proposed
Rates Applicable to A-60 Rate Customers

| Monthly kWh | Rates Effective January 1, 2020 | | | | | | Proposed Rates effective April 1, 2020 | | | | | | $ Increase (Decrease) | | | | Increase (Decrease) % of Total Bill | | | | Percentage of Customers |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Delivery Services | Supply Services | Low Income Discount | Discounted Total | GET | Total | Delivery Services | Supply Services | Low Income Discount | Discounted Total | GET | Total | Delivery Services | Supply Services | GET | Total | Delivery Services | Supply Services | GET | Total | |
| | | | (d) = [(b)+(c)] x-.25 | (e) = (b) + (c) + (d) | | | | | (j) = [(h)+(i)] x-.25 | (k) = (h) + (i) + (j) | | | (n) = [(h)+(j)] - [(b)+(d)] | (o) = (i) - (c) | (p) = (l) - (f) | (q) = (n) + (o) + (p) | (r) = (n) ÷ [(b)+(d)] | (s) = (o) ÷ (c) | (t) = (p) ÷ (f) | (u) = (q) ÷ (g) | |
| (a) | (b) | (c) | | | (f) | (g) = (e) + (f) | (h) | (i) | | | (l) | (m) = (k) + (l) | | | | | | | | | (v) |
| 150 | $21.42 | $16.44 | ($9.47) | $28.39 | $1.18 | $29.57 | $21.85 | $16.44 | ($9.57) | $28.72 | $1.20 | $29.92 | $0.33 | $0.00 | $0.02 | $0.35 | 1.1% | 0.0% | 0.1% | 1.2% | 32.1% |
| 300 | $36.15 | $32.87 | ($17.26) | $51.76 | $2.16 | $53.92 | $37.01 | $32.87 | ($17.47) | $52.41 | $2.18 | $54.59 | $0.65 | $0.00 | $0.02 | $0.67 | 1.2% | 0.0% | 0.0% | 1.2% | 15.4% |
| 400 | $45.96 | $43.83 | ($22.45) | $67.34 | $2.81 | $70.15 | $47.11 | $43.83 | ($22.74) | $68.20 | $2.84 | $71.04 | $0.86 | $0.00 | $0.03 | $0.89 | 1.2% | 0.0% | 0.0% | 1.3% | 12.5% |
| 500 | $55.78 | $54.79 | ($27.64) | $82.93 | $3.46 | $86.39 | $57.22 | $54.79 | ($28.00) | $84.01 | $3.50 | $87.51 | $1.08 | $0.00 | $0.04 | $1.12 | 1.3% | 0.0% | 0.0% | 1.3% | 9.6% |
| 600 | $65.59 | $65.74 | ($32.83) | $98.50 | $4.10 | $102.60 | $67.32 | $65.74 | ($33.27) | $99.79 | $4.16 | $103.95 | $1.29 | $0.00 | $0.06 | $1.35 | 1.3% | 0.0% | 0.1% | 1.3% | 7.2% |
| 700 | $75.41 | $76.70 | ($38.03) | $114.08 | $4.75 | $118.83 | $77.42 | $76.70 | ($38.53) | $115.59 | $4.82 | $120.41 | $1.51 | $0.00 | $0.07 | $1.58 | 1.3% | 0.0% | 0.1% | 1.3% | 16.4% |
| 1,200 | $124.48 | $131.48 | ($63.99) | $191.97 | $8.00 | $199.97 | $127.94 | $131.48 | ($64.86) | $194.56 | $8.11 | $202.67 | $2.59 | $0.00 | $0.11 | $2.70 | 1.3% | 0.0% | 0.1% | 1.4% | 5.2% |
| 2,000 | $203.00 | $219.14 | ($105.54) | $316.60 | $13.19 | $329.79 | $208.76 | $219.14 | ($106.98) | $320.92 | $13.37 | $334.29 | $4.32 | $0.00 | $0.18 | $4.50 | 1.3% | 0.0% | 0.1% | 1.4% | 1.6% |

| | | Rates Effective January 1, 2020 | Proposed Rates effective April 1, 2020 | Line Item on Bill |
|---|---|---|---|---|
| | | (w) | (x) | |
| (1) | Distribution Customer Charge | $4.00 | $4.00 | Customer Charge |
| (2) | LIHEAP Enhancement Charge | $0.80 | $0.80 | LIHEAP Enhancement Charge |
| (3) | Renewable Energy Growth Program Charge | $1.90 | $1.90 | RE Growth Program |
| (4) | Distribution Charge (per kWh) | $0.04496 | $0.04496 | Distribution Energy Charge |
| (5) | Operating & Maintenance Expense Charge | $0.00204 | $0.00212 | |
| (6) | Operating & Maintenance Expense Reconciliation Factor | ($0.00008) | ($0.00008) | |
| (7) | CapEx Factor Charge | $0.00116 | $0.00396 | |
| (8) | CapEx Reconciliation Factor | $0.00071 | $0.00071 | |
| (9) | Revenue Decoupling Adjustment Factor | ($0.00061) | ($0.00061) | |
| (10) | Pension Adjustment Factor | ($0.00005) | ($0.00005) | |
| (11) | Storm Fund Replenishment Factor | $0.00288 | $0.00288 | |
| (12) | Arrearage Management Adjustment Factor | $0.00010 | $0.00010 | |
| (13) | Low Income Discount Recovery Factor | $0.00000 | $0.00000 | |
| (14) | Long-term Contracting for Renewable Energy Charge | $0.00543 | $0.00543 | Renewable Energy Distribution Charge |
| (15) | Net Metering Charge | $0.00068 | $0.00068 | |
| (16) | Base Transmission Charge | $0.03034 | $0.03034 | Transmission Charge |
| (17) | Transmission Adjustment Factor | ($0.00217) | ($0.00217) | |
| (18) | Transmission Uncollectible Factor | $0.00037 | $0.00037 | |
| (19) | Base Transition Charge | ($0.00093) | ($0.00093) | Transition Charge |
| (20) | Transition Adjustment | ($0.00021) | ($0.00021) | |
| (21) | Energy Efficiency Program Charge | $0.01353 | $0.01353 | Energy Efficiency Programs |
| (22) | Standard Offer Service Base Charge | $0.10884 | $0.10884 | Supply Services Energy Charge |
| (23) | SOS Adjustment Factor | ($0.00223) | ($0.00223) | |
| (24) | SOS Adminstrative Cost Adjustment Factor | $0.00233 | $0.00233 | |
| (25) | Renewable Energy Standard Charge | $0.00063 | $0.00063 | |
| | Line Item on Bill | | | |
| (26) | Customer Charge | $4.00 | $4.00 | |
| (27) | LIHEAP Enhancement Charge | $0.80 | $0.80 | |
| (28) | RE Growth Program | $1.90 | $1.90 | |
| (29) | Transmission Charge | $0.02854 | $0.02854 | |
| (30) | Distribution Energy Charge | $0.05111 | $0.05399 | |
| (31) | Transition Charge | ($0.00114) | ($0.00114) | |
| (32) | Energy Efficiency Programs | $0.01353 | $0.01353 | |
| (33) | Renewable Energy Distribution Charge | $0.00611 | $0.00611 | |
| (34) | Supply Services Energy Charge | $0.10957 | $0.10957 | |
| (35) | Discount percentage | 25% | 25% | |

Column (w): per Summary of Retail Delivery Service Rates, R.I.P.U.C. No. 2095 effective 1/1/2020, and Summary of Rates Standard Offer Service tariff, R.I.P.U.C. No. 2096, effective 1/1/2020
Column (x): Line (5) per Section 6 Revised, Page 1, Line (1), Column (a); Line (8) per Section 6 Revised, Page 1, Line (3), Column (a)

The Narragansett Electric Company
Calculation of Monthly Typical Bill
Total Bill Impact of Proposed
Rates Applicable to A-60 Rate Customers

| Monthly kWh | Rates Effective January 1, 2020 | | | | | | Proposed Rates effective April 1, 2020 | | | | | | $ Increase (Decrease) | | | | Increase (Decrease) % of Total Bill | | | | Percentage of Customers |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Delivery Services | Supply Services | Low Income Discount | Discounted Total | GET | Total | Delivery Services | Supply Services | Low Income Discount | Discounted Total | GET | Total | Delivery Services | Supply Services | GET | Total | Delivery Services | Supply Services | GET | Total | |
| | | | (d) = [(b)+(c)] x-.30 | (e) = (b) + (c) + (d) | | | | | (j) = [(h)+(i)] x-.30 | (k) = (h) + (i) + (j) | | | (n) = [(h)+(j)] - [(b)+(d)] | (o) = (i) - (c) | (p) = (l) - (f) | (q) = (n) + (o) + (p) | (r) = (n) ÷ [(b)+(d)] | (s) = (o) ÷ (c) | (t) = (p) ÷ (f) | (u) = (q) ÷ (g) | |
| (a) | (b) | (c) | | | (f) | (g) = (e) + (f) | (h) | (i) | | | (l) | (m) = (k) + (l) | | | | | | | | | (v) |
| 150 | $21.42 | $16.44 | ($11.36) | $26.50 | $1.10 | $27.60 | $21.85 | $16.44 | ($11.49) | $26.80 | $1.12 | $27.92 | $0.30 | $0.00 | $0.02 | $0.32 | 1.1% | 0.0% | 0.1% | 1.2% | 32.1% |
| 300 | $36.15 | $32.87 | ($20.71) | $48.31 | $2.01 | $50.32 | $37.01 | $32.87 | ($20.96) | $48.92 | $2.04 | $50.96 | $0.61 | $0.00 | $0.03 | $0.64 | 1.2% | 0.0% | 0.1% | 1.3% | 15.4% |
| 400 | $45.96 | $43.83 | ($26.94) | $62.85 | $2.62 | $65.47 | $47.11 | $43.83 | ($27.28) | $63.66 | $2.65 | $66.31 | $0.81 | $0.00 | $0.03 | $0.84 | 1.2% | 0.0% | 0.0% | 1.3% | 12.5% |
| 500 | $55.78 | $54.79 | ($33.17) | $77.40 | $3.23 | $80.63 | $57.22 | $54.79 | ($33.60) | $78.41 | $3.27 | $81.68 | $1.01 | $0.00 | $0.04 | $1.05 | 1.3% | 0.0% | 0.0% | 1.3% | 9.6% |
| 600 | $65.59 | $65.74 | ($39.40) | $91.93 | $3.83 | $95.76 | $67.32 | $65.74 | ($39.92) | $93.14 | $3.88 | $97.02 | $1.21 | $0.00 | $0.05 | $1.26 | 1.3% | 0.0% | 0.1% | 1.3% | 7.2% |
| 700 | $75.41 | $76.70 | ($45.63) | $106.48 | $4.44 | $110.92 | $77.42 | $76.70 | ($46.24) | $107.88 | $4.50 | $112.38 | $1.40 | $0.00 | $0.06 | $1.46 | 1.3% | 0.0% | 0.1% | 1.3% | 16.4% |
| 1,200 | $124.48 | $131.48 | ($76.79) | $179.17 | $7.47 | $186.64 | $127.94 | $131.48 | ($77.83) | $181.59 | $7.57 | $189.16 | $2.42 | $0.00 | $0.10 | $2.52 | 1.3% | 0.0% | 0.1% | 1.4% | 5.2% |
| 2,000 | $203.00 | $219.14 | ($126.64) | $295.50 | $12.31 | $307.81 | $208.76 | $219.14 | ($128.37) | $299.53 | $12.48 | $312.01 | $4.03 | $0.00 | $0.17 | $4.20 | 1.3% | 0.0% | 0.1% | 1.4% | 1.6% |

| | | Rates Effective January 1, 2020 | Proposed Rates effective April 1, 2020 | Line Item on Bill |
|---|---|---|---|---|
| | | (w) | (x) | |
| (1) | Distribution Customer Charge | $4.00 | $4.00 | Customer Charge |
| (2) | LIHEAP Enhancement Charge | $0.80 | $0.80 | LIHEAP Enhancement Charge |
| (3) | Renewable Energy Growth Program Charge | $1.90 | $1.90 | RE Growth Program |
| (4) | Distribution Charge (per kWh) | $0.04496 | $0.04496 | Distribution Energy Charge |
| (5) | Operating & Maintenance Expense Charge | $0.00204 | $0.00212 | |
| (6) | Operating & Maintenance Expense Reconciliation Factor | ($0.00008) | ($0.00008) | |
| (7) | CapEx Factor Charge | $0.00116 | $0.00396 | |
| (8) | CapEx Reconciliation Factor | $0.00071 | $0.00071 | |
| (9) | Revenue Decoupling Adjustment Factor | ($0.00061) | ($0.00061) | |
| (10) | Pension Adjustment Factor | ($0.00005) | ($0.00005) | |
| (11) | Storm Fund Replenishment Factor | $0.00288 | $0.00288 | |
| (12) | Arrearage Management Adjustment Factor | $0.00010 | $0.00010 | |
| (13) | Low Income Discount Recovery Factor | $0.00000 | $0.00000 | |
| (14) | Long-term Contracting for Renewable Energy Charge | $0.00543 | $0.00543 | Renewable Energy Distribution Charge |
| (15) | Net Metering Charge | $0.00068 | $0.00068 | |
| (16) | Base Transmission Charge | $0.03034 | $0.03034 | Transmission Charge |
| (17) | Transmission Adjustment Factor | ($0.00217) | ($0.00217) | |
| (18) | Transmission Uncollectible Factor | $0.00037 | $0.00037 | |
| (19) | Base Transition Charge | ($0.00093) | ($0.00093) | Transition Charge |
| (20) | Transition Adjustment | ($0.00021) | ($0.00021) | |
| (21) | Energy Efficiency Program Charge | $0.01353 | $0.01353 | Energy Efficiency Programs |
| (22) | Standard Offer Service Base Charge | $0.10884 | $0.10884 | Supply Services Energy Charge |
| (23) | SOS Adjustment Factor | ($0.00223) | ($0.00223) | |
| (24) | SOS Adminstrative Cost Adjustment Factor | $0.00233 | $0.00233 | |
| (25) | Renewable Energy Standard Charge | $0.00063 | $0.00063 | |
| | Line Item on Bill | | | |
| (26) | Customer Charge | $4.00 | $4.00 | |
| (27) | LIHEAP Enhancement Charge | $0.80 | $0.80 | |
| (28) | RE Growth Program | $1.90 | $1.90 | |
| (29) | Transmission Charge | $0.02854 | $0.02854 | |
| (30) | Distribution Energy Charge | $0.05111 | $0.05399 | |
| (31) | Transition Charge | ($0.00114) | ($0.00114) | |
| (32) | Energy Efficiency Programs | $0.01353 | $0.01353 | |
| (33) | Renewable Energy Distribution Charge | $0.00611 | $0.00611 | |
| (34) | Supply Services Energy Charge | $0.10957 | $0.10957 | |
| (35) | Discount percentage | 30% | 30% | |

Column (w): per Summary of Retail Delivery Service Rates, R.I.P.U.C. No. 2095 effective 1/1/2020, and Summary of Rates Standard Offer Service tariff, R.I.P.U.C. No. 2096, effective 1/1/2020
Column (x): Line (5) per Section 6 Revised, Page 1, Line (1), Column (a); Line (8) per Section 6 Revised, Page 1, Line (3), Column (a)

The Narragansett Electric Company
Calculation of Monthly Typical Bill
Total Bill Impact of Proposed
Rates Applicable to C-06 Rate Customers

| Monthly kWh (a) | Rates Effective January 1, 2020 Delivery Services (b) | Supply Services (c) | GET (d) | Total (e) | Proposed Rates effective April 1, 2020 Delivery Services (b) | Supply Services (c) | GET (d) | Total (e) | $ Increase (Decrease) Delivery Services (f) | Supply Services (g) | GET (h) | Total (i) | Increase (Decrease) % of Total Bill Delivery Services (j) | Supply Services (k) | GET (l) | Total (m) | Percentage of Customers (n) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 250 | $37.52 | $25.62 | $2.63 | $65.77 | $38.12 | $25.62 | $2.66 | $66.40 | $0.60 | $0.00 | $0.03 | $0.63 | 0.9% | 0.0% | 0.0% | 1.0% | 56.3% |
| 500 | $61.29 | $51.24 | $4.69 | $117.22 | $62.49 | $51.24 | $4.74 | $118.47 | $1.20 | $0.00 | $0.05 | $1.25 | 1.0% | 0.0% | 0.0% | 1.1% | 16.9% |
| 1,000 | $108.82 | $102.48 | $8.80 | $220.10 | $111.23 | $102.48 | $8.90 | $222.61 | $2.41 | $0.00 | $0.10 | $2.51 | 1.1% | 0.0% | 0.0% | 1.1% | 8.1% |
| 1,500 | $156.36 | $153.72 | $12.92 | $323.00 | $159.97 | $153.72 | $13.07 | $326.76 | $3.61 | $0.00 | $0.15 | $3.76 | 1.1% | 0.0% | 0.0% | 1.2% | 5.0% |
| 2,000 | $203.89 | $204.96 | $17.04 | $425.89 | $208.71 | $204.96 | $17.24 | $430.91 | $4.82 | $0.00 | $0.20 | $5.02 | 1.1% | 0.0% | 0.0% | 1.2% | 13.6% |

| | | Rates Effective January 1, 2020 (o) | Proposed Rates effective April 1, 2020 (p) | Line Item on Bill |
|---|---|---|---|---|
| (1) | Distribution Customer Charge | $10.00 | $10.00 | Customer Charge |
| (2) | LIHEAP Enhancement Charge | $0.80 | $0.80 | LIHEAP Enhancement Charge |
| (3) | Renewable Energy Growth Program Charge | $2.95 | $2.95 | RE Growth Program |
| (4) | Distribution Charge (per kWh) | $0.04400 | $0.04400 | Distribution Energy Charge |
| (5) | Operating & Maintenance Expense Charge | $0.00209 | $0.00212 | |
| (6) | Operating & Maintenance Expense Reconciliation Factor | ($0.00008) | ($0.00008) | |
| (7) | CapEx Factor Charge | $0.00101 | $0.00339 | |
| (8) | CapEx Reconciliation Factor | $0.00074 | $0.00074 | |
| (9) | Revenue Decoupling Adjustment Factor | ($0.00061) | ($0.00061) | |
| (10) | Pension Adjustment Factor | ($0.00005) | ($0.00005) | |
| (11) | Storm Fund Replenishment Factor | $0.00288 | $0.00288 | |
| (12) | Arrearage Management Adjustment Factor | $0.00010 | $0.00010 | |
| (13) | Low Income Discount Recovery Factor | $0.00152 | $0.00152 | |
| (14) | Long-term Contracting for Renewable Energy Charge | $0.00543 | $0.00543 | Renewable Energy Distribution Charge |
| (15) | Net Metering Charge | $0.00068 | $0.00068 | |
| (16) | Base Transmission Charge | $0.03047 | $0.03047 | Transmission Charge |
| (17) | Transmission Adjustment Factor | ($0.00582) | ($0.00582) | |
| (18) | Transmission Uncollectible Factor | $0.00032 | $0.00032 | |
| (19) | Base Transition Charge | ($0.00093) | ($0.00093) | Transition Charge |
| (20) | Transition Adjustment | ($0.00021) | ($0.00021) | |
| (21) | Energy Efficiency Program Charge | $0.01353 | $0.01353 | Energy Efficiency Programs |
| (22) | Standard Offer Service Base Charge | $0.09814 | $0.09814 | Supply Services Energy Charge |
| (23) | SOS Adjustment Factor | $0.00154 | $0.00154 | |
| (24) | SOS Adminstrative Cost Adjustment Factor | $0.00217 | $0.00217 | |
| (25) | Renewable Energy Standard Charge | $0.00063 | $0.00063 | |
| | Line Item on Bill | | | |
| (26) | Customer Charge | $10.00 | $10.00 | |
| (27) | LIHEAP Enhancement Charge | $0.80 | $0.80 | |
| (28) | RE Growth Program | $2.95 | $2.95 | |
| (29) | Transmission Charge | $0.02497 | $0.02497 | |
| (30) | Distribution Energy Charge | $0.05160 | $0.05401 | |
| (31) | Transition Charge | ($0.00114) | ($0.00114) | |
| (32) | Energy Efficiency Programs | $0.01353 | $0.01353 | |
| (33) | Renewable Energy Distribution Charge | $0.00611 | $0.00611 | |
| (34) | Supply Services Energy Charge | $0.10248 | $0.10248 | |

Column (o): per Summary of Retail Delivery Service Rates, R.I.P.U.C. No. 2095 effective 1/1/2020, and Summary of Rates Standard Offer Service tariff, R.I.P.U.C. No. 2096, effective 1/1/2020
Column (p): Line (5) per Section 6 Revised, Page 1, Line (1), Column (b); Line (7) per Section 6 Revised, Page 1, Line (3), Column (b)

The Narragansett Electric Company
Calculation of Monthly Typical Bill
Total Bill Impact of Proposed
Rates Applicable to G-02 Rate Customers

| | | | Rates Effective January 1, 2020 | | | | Proposed Rates effective April 1, 2020 | | | | $ Increase (Decrease) | | | | Increase (Decrease) % of Total Bill | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| kW | Monthly Power Hours Use (a) | kWh | Delivery Services (b) | Supply Services (c) | GET (d) | Total (e) | Delivery Services (b) | Supply Services (c) | GET (d) | Total (e) | Delivery Services (f) | Supply Services (g) | GET (h) | Total (i) | Delivery Services (j) | Supply Services (k) | GET (l) | Total (m) |
| 20 | 200 | 4,000 | $475.63 | $409.92 | $36.90 | $922.45 | $483.15 | $409.92 | $37.21 | $930.28 | $7.52 | $0.00 | $0.31 | $7.83 | 0.8% | 0.0% | 0.0% | 0.8% |
| 50 | 200 | 10,000 | $1,033.75 | $1,024.80 | $85.77 | $2,144.32 | $1,063.05 | $1,024.80 | $86.99 | $2,174.84 | $29.30 | $0.00 | $1.22 | $30.52 | 1.4% | 0.0% | 0.1% | 1.4% |
| 100 | 200 | 20,000 | $1,963.95 | $2,049.60 | $167.23 | $4,180.78 | $2,029.55 | $2,049.60 | $169.96 | $4,249.11 | $65.60 | $0.00 | $2.73 | $68.33 | 1.6% | 0.0% | 0.1% | 1.6% |
| 150 | 200 | 30,000 | $2,894.15 | $3,074.40 | $248.69 | $6,217.24 | $2,996.05 | $3,074.40 | $252.94 | $6,323.39 | $101.90 | $0.00 | $4.25 | $106.15 | 1.6% | 0.0% | 0.1% | 1.7% |
| 20 | 300 | 6,000 | $547.77 | $614.88 | $48.44 | $1,211.09 | $555.55 | $614.88 | $48.77 | $1,219.20 | $7.78 | $0.00 | $0.33 | $8.11 | 0.6% | 0.0% | 0.0% | 0.7% |
| 50 | 300 | 15,000 | $1,214.10 | $1,537.20 | $114.64 | $2,865.94 | $1,244.05 | $1,537.20 | $115.89 | $2,897.14 | $29.95 | $0.00 | $1.25 | $31.20 | 1.0% | 0.0% | 0.0% | 1.1% |
| 100 | 300 | 30,000 | $2,324.65 | $3,074.40 | $224.96 | $5,624.01 | $2,391.55 | $3,074.40 | $227.75 | $5,693.70 | $66.90 | $0.00 | $2.79 | $69.69 | 1.2% | 0.0% | 0.0% | 1.2% |
| 150 | 300 | 45,000 | $3,435.20 | $4,611.60 | $335.28 | $8,382.08 | $3,539.05 | $4,611.60 | $339.61 | $8,490.26 | $103.85 | $0.00 | $4.33 | $108.18 | 1.2% | 0.0% | 0.1% | 1.3% |
| 20 | 400 | 8,000 | $619.91 | $819.84 | $59.99 | $1,499.74 | $627.95 | $819.84 | $60.32 | $1,508.11 | $8.04 | $0.00 | $0.33 | $8.37 | 0.5% | 0.0% | 0.0% | 0.6% |
| 50 | 400 | 20,000 | $1,394.45 | $2,049.60 | $143.50 | $3,587.55 | $1,425.05 | $2,049.60 | $144.78 | $3,619.43 | $30.60 | $0.00 | $1.28 | $31.88 | 0.9% | 0.0% | 0.0% | 0.9% |
| 100 | 400 | 40,000 | $2,685.35 | $4,099.20 | $282.69 | $7,067.24 | $2,753.55 | $4,099.20 | $285.53 | $7,138.28 | $68.20 | $0.00 | $2.84 | $71.04 | 1.0% | 0.0% | 0.0% | 1.0% |
| 150 | 400 | 60,000 | $3,976.25 | $6,148.80 | $421.88 | $10,546.93 | $4,082.05 | $6,148.80 | $426.29 | $10,657.14 | $105.80 | $0.00 | $4.41 | $110.21 | 1.0% | 0.0% | 0.0% | 1.0% |
| 20 | 500 | 10,000 | $692.05 | $1,024.80 | $71.54 | $1,788.39 | $700.35 | $1,024.80 | $71.88 | $1,797.03 | $8.30 | $0.00 | $0.34 | $8.64 | 0.5% | 0.0% | 0.0% | 0.5% |
| 50 | 500 | 25,000 | $1,574.80 | $2,562.00 | $172.37 | $4,309.17 | $1,606.05 | $2,562.00 | $173.67 | $4,341.72 | $31.25 | $0.00 | $1.30 | $32.55 | 0.7% | 0.0% | 0.0% | 0.8% |
| 100 | 500 | 50,000 | $3,046.05 | $5,124.00 | $340.42 | $8,510.47 | $3,115.55 | $5,124.00 | $343.31 | $8,582.86 | $69.50 | $0.00 | $2.89 | $72.39 | 0.8% | 0.0% | 0.0% | 0.9% |
| 150 | 500 | 75,000 | $4,517.30 | $7,686.00 | $508.47 | $12,711.77 | $4,625.05 | $7,686.00 | $512.96 | $12,824.01 | $107.75 | $0.00 | $4.49 | $112.24 | 0.8% | 0.0% | 0.0% | 0.9% |
| 20 | 600 | 12,000 | $764.19 | $1,229.76 | $83.08 | $2,077.03 | $772.75 | $1,229.76 | $83.44 | $2,085.95 | $8.56 | $0.00 | $0.36 | $8.92 | 0.4% | 0.0% | 0.0% | 0.4% |
| 50 | 600 | 30,000 | $1,755.15 | $3,074.40 | $201.23 | $5,030.78 | $1,787.05 | $3,074.40 | $202.56 | $5,064.01 | $31.90 | $0.00 | $1.33 | $33.23 | 0.6% | 0.0% | 0.0% | 0.7% |
| 100 | 600 | 60,000 | $3,406.75 | $6,148.80 | $398.15 | $9,953.70 | $3,477.55 | $6,148.80 | $401.10 | $10,027.45 | $70.80 | $0.00 | $2.95 | $73.75 | 0.7% | 0.0% | 0.0% | 0.7% |
| 150 | 600 | 90,000 | $5,058.35 | $9,223.20 | $595.06 | $14,876.61 | $5,168.05 | $9,223.20 | $599.64 | $14,990.89 | $109.70 | $0.00 | $4.58 | $114.28 | 0.7% | 0.0% | 0.0% | 0.8% |

| | | Rates Effective January 1, 2020 (o) | Proposed Rates effective April 1, 2020 (p) | Line Item on Bill |
|---|---|---|---|---|
| (1) | Distribution Customer Charge | $145.00 | $145.00 | Customer Charge |
| (2) | LIHEAP Enhancement Charge | $0.80 | $0.80 | LIHEAP Enhancement Charge |
| (3) | Renewable Energy Growth Program Charge | $27.95 | $27.95 | RE Growth Program |
| (4) | Base Distribution Demand Charge (per kW > 10kW) | $6.75 | $6.75 | Distribution Demand Charge |
| (5) | CapEx Factor Demand Charge (per kW > 10kW) | $0.27 | $0.97 | |
| (6) | Distribution Charge (per kWh) | $0.00465 | $0.00465 | Distribution Energy Charge |
| (7) | Operating & Maintenance Expense Charge | $0.00156 | $0.00169 | |
| (8) | Operating & Maintenance Expense Reconciliation Factor | ($0.00008) | ($0.00008) | |
| (9) | CapEx Reconciliation Factor | $0.00058 | $0.00058 | |
| (10) | Revenue Decoupling Adjustment Factor | ($0.00061) | ($0.00061) | |
| (11) | Pension Adjustment Factor | ($0.00005) | ($0.00005) | |
| (12) | Storm Fund Replenishment Factor | $0.00288 | $0.00288 | |
| (13) | Arrearage Management Adjustment Factor | $0.00010 | $0.00010 | |
| (14) | Low Income Discount Recovery Factor | $0.00152 | $0.00152 | |
| (15) | Long-term Contracting for Renewable Energy Charge | $0.00543 | $0.00543 | Renewable Energy Distribution Charge |
| (16) | Net Metering Charge | $0.00068 | $0.00068 | |
| (17) | Transmission Demand Charge | $4.37 | $4.37 | Transmission Demand Charge |
| (18) | Base Transmission Charge | $0.01154 | $0.01154 | Transmission Adjustment |
| (19) | Transmission Adjustment Factor | ($0.00481) | ($0.00481) | |
| (20) | Transmission Uncollectible Factor | $0.00029 | $0.00029 | |
| (21) | Base Transition Charge | ($0.00093) | ($0.00093) | Transition Charge |
| (22) | Transition Adjustment | ($0.00021) | ($0.00021) | |
| (23) | Energy Efficiency Program Charge | $0.01353 | $0.01353 | Energy Efficiency Programs |
| (24) | Standard Offer Service Base Charge | $0.09814 | $0.09814 | Supply Services Energy Charge |
| (25) | SOS Adjustment Factor | $0.00154 | $0.00154 | |
| (26) | SOS Adminstrative Cost Adjustment Factor | $0.00217 | $0.00217 | |
| (27) | Renewable Energy Standard Charge | $0.00063 | $0.00063 | |
| | Line Item on Bill | | | |
| (28) | Customer Charge | $145.00 | $145.00 | |
| (30) | LIHEAP Enhancement Charge | $0.80 | $0.80 | |
| (29) | RE Growth Program | $27.95 | $27.95 | |
| (31) | Transmission Adjustment | $0.00702 | $0.00702 | |
| (32) | Distribution Energy Charge | $0.01055 | $0.01068 | |
| (33) | Distribution Demand Charge | $7.02 | $7.72 | |
| (34) | Transmission Demand Charge | $4.37 | $4.37 | |
| (33) | Transition Charge | ($0.00114) | ($0.00114) | |
| (34) | Energy Efficiency Programs | $0.01353 | $0.01353 | |
| (35) | Renewable Energy Distribution Charge | $0.00611 | $0.00611 | |
| (36) | Supply Services Energy Charge | $0.10248 | $0.10248 | |

Column (o): per Summary of Retail Delivery Service Rates, R.I.P.U.C. No. 2095 effective 1/1/2020, and Summary of Rates Standard Offer Service tariff, R.I.P.U.C. No. 2096, effective 1/1/2020
Column (p): Line (5) per Section 6 Revised, Page 1, Line (4), Column (c); Line (7) per Section 6 Revised, Page 1, Line (1), Column (c)

The Narragansett Electric Company
Calculation of Monthly Typical Bill
Total Bill Impact of Proposed
Rates Applicable to G-32 Rate Customers

| | | | Rates Effective January 1, 2020 | | | | Proposed Rates effective April 1, 2020 | | | | $ Increase (Decrease) | | | | Increase (Decrease) % of Total Bill | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| kW | Monthly Power Hours Use | kWh | Delivery Services | Supply Services | GET | Total | Delivery Services | Supply Services | GET | Total | Delivery Services | Supply Services | GET | Total | Delivery Services | Supply Services | GET | Total |
| | (a) | | (b) | (c) | (d) | (e) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) | (k) | (l) | (m) |
| 200 | 200 | 40,000 | $3,706.91 | $4,623.60 | $347.10 | $8,677.61 | $3,709.71 | $4,623.60 | $347.22 | $8,680.53 | $2.80 | $0.00 | $0.12 | $2.92 | 0.0% | 0.0% | 0.0% | 0.0% |
| 750 | 200 | 150,000 | $13,238.41 | $17,338.50 | $1,274.04 | $31,850.95 | $13,622.91 | $17,338.50 | $1,290.06 | $32,251.47 | $384.50 | $0.00 | $16.02 | $400.52 | 1.2% | 0.0% | 0.1% | 1.3% |
| 1,000 | 200 | 200,000 | $17,570.91 | $23,118.00 | $1,695.37 | $42,384.28 | $18,128.91 | $23,118.00 | $1,718.62 | $42,965.53 | $558.00 | $0.00 | $23.25 | $581.25 | 1.3% | 0.0% | 0.1% | 1.4% |
| 1,500 | 200 | 300,000 | $26,235.91 | $34,677.00 | $2,538.04 | $63,450.95 | $27,140.91 | $34,677.00 | $2,575.75 | $64,393.66 | $905.00 | $0.00 | $37.71 | $942.71 | 1.4% | 0.0% | 0.1% | 1.5% |
| 2,500 | 200 | 500,000 | $43,565.91 | $57,795.00 | $4,223.37 | $105,584.28 | $45,164.91 | $57,795.00 | $4,290.00 | $107,249.91 | $1,599.00 | $0.00 | $66.63 | $1,665.63 | 1.5% | 0.0% | 0.1% | 1.6% |
| 5,000 | 200 | 1,000,000 | $86,890.91 | $115,590.00 | $8,436.71 | $210,917.62 | $90,224.91 | $115,590.00 | $8,575.62 | $214,390.53 | $3,334.00 | $0.00 | $138.91 | $3,472.91 | 1.6% | 0.0% | 0.1% | 1.6% |
| 7,500 | 200 | 1,500,000 | $130,215.91 | $173,385.00 | $12,650.04 | $316,250.95 | $135,284.91 | $173,385.00 | $12,861.25 | $321,531.16 | $5,069.00 | $0.00 | $211.21 | $5,280.21 | 1.6% | 0.0% | 0.1% | 1.7% |
| 10,000 | 200 | 2,000,000 | $173,540.91 | $231,180.00 | $16,863.37 | $421,584.28 | $180,344.91 | $231,180.00 | $17,146.87 | $428,671.78 | $6,804.00 | $0.00 | $283.50 | $7,087.50 | 1.6% | 0.0% | 0.1% | 1.7% |
| 20,000 | 200 | 4,000,000 | $346,840.91 | $462,360.00 | $33,716.71 | $842,917.62 | $360,584.91 | $462,360.00 | $34,289.37 | $857,234.28 | $13,744.00 | $0.00 | $572.66 | $14,316.66 | 1.6% | 0.0% | 0.1% | 1.7% |
| 200 | 300 | 60,000 | $4,446.91 | $6,935.40 | $474.26 | $11,856.57 | $4,451.11 | $6,935.40 | $474.44 | $11,860.95 | $4.20 | $0.00 | $0.18 | $4.38 | 0.0% | 0.0% | 0.0% | 0.0% |
| 750 | 300 | 225,000 | $16,013.41 | $26,007.75 | $1,750.88 | $43,772.04 | $16,403.16 | $26,007.75 | $1,767.12 | $44,178.03 | $389.75 | $0.00 | $16.24 | $405.99 | 0.9% | 0.0% | 0.0% | 0.9% |
| 1,000 | 300 | 300,000 | $21,270.91 | $34,677.00 | $2,331.16 | $58,279.07 | $21,835.91 | $34,677.00 | $2,354.70 | $58,867.61 | $565.00 | $0.00 | $23.54 | $588.54 | 1.0% | 0.0% | 0.0% | 1.0% |
| 1,500 | 300 | 450,000 | $31,785.91 | $52,015.50 | $3,491.73 | $87,293.14 | $32,701.41 | $52,015.50 | $3,529.87 | $88,246.78 | $915.50 | $0.00 | $38.14 | $953.64 | 1.0% | 0.0% | 0.0% | 1.1% |
| 2,500 | 300 | 750,000 | $52,815.91 | $86,692.50 | $5,812.85 | $145,321.26 | $54,432.41 | $86,692.50 | $5,880.21 | $147,005.12 | $1,616.50 | $0.00 | $67.36 | $1,683.86 | 1.1% | 0.0% | 0.0% | 1.2% |
| 5,000 | 300 | 1,500,000 | $105,390.91 | $173,385.00 | $11,615.66 | $290,391.57 | $108,759.91 | $173,385.00 | $11,756.04 | $293,900.95 | $3,369.00 | $0.00 | $140.38 | $3,509.38 | 1.2% | 0.0% | 0.0% | 1.2% |
| 7,500 | 300 | 2,250,000 | $157,965.91 | $260,077.50 | $17,418.48 | $435,461.89 | $163,087.41 | $260,077.50 | $17,631.87 | $440,796.78 | $5,121.50 | $0.00 | $213.39 | $5,334.89 | 1.2% | 0.0% | 0.0% | 1.2% |
| 10,000 | 300 | 3,000,000 | $210,540.91 | $346,770.00 | $23,221.29 | $580,532.20 | $217,414.91 | $346,770.00 | $23,507.71 | $587,692.62 | $6,874.00 | $0.00 | $286.42 | $7,160.42 | 1.2% | 0.0% | 0.0% | 1.2% |
| 20,000 | 300 | 6,000,000 | $420,840.91 | $693,540.00 | $46,432.54 | $1,160,813.45 | $434,724.91 | $693,540.00 | $47,011.04 | $1,175,275.95 | $13,884.00 | $0.00 | $578.50 | $14,462.50 | 1.2% | 0.0% | 0.0% | 1.2% |
| 200 | 400 | 80,000 | $5,186.91 | $9,247.20 | $601.42 | $15,035.53 | $5,192.51 | $9,247.20 | $601.65 | $15,041.36 | $5.60 | $0.00 | $0.23 | $5.83 | 0.0% | 0.0% | 0.0% | 0.0% |
| 750 | 400 | 300,000 | $18,788.41 | $34,677.00 | $2,227.73 | $55,693.14 | $19,183.41 | $34,677.00 | $2,244.18 | $56,104.59 | $395.00 | $0.00 | $16.45 | $411.45 | 0.7% | 0.0% | 0.0% | 0.7% |
| 1,000 | 400 | 400,000 | $24,970.91 | $46,236.00 | $2,966.95 | $74,173.86 | $25,542.91 | $46,236.00 | $2,990.79 | $74,769.70 | $572.00 | $0.00 | $23.84 | $595.84 | 0.8% | 0.0% | 0.0% | 0.8% |
| 1,500 | 400 | 600,000 | $37,335.91 | $69,354.00 | $4,445.41 | $111,135.32 | $38,261.91 | $69,354.00 | $4,484.00 | $112,099.91 | $926.00 | $0.00 | $38.59 | $964.59 | 0.8% | 0.0% | 0.0% | 0.9% |
| 2,500 | 400 | 1,000,000 | $62,065.91 | $115,590.00 | $7,402.33 | $185,058.24 | $63,699.91 | $115,590.00 | $7,470.41 | $186,760.32 | $1,634.00 | $0.00 | $68.08 | $1,702.08 | 0.9% | 0.0% | 0.0% | 0.9% |
| 5,000 | 400 | 2,000,000 | $123,890.91 | $231,180.00 | $14,794.62 | $369,865.53 | $127,294.91 | $231,180.00 | $14,936.46 | $373,411.37 | $3,404.00 | $0.00 | $141.84 | $3,545.84 | 0.9% | 0.0% | 0.0% | 1.0% |
| 7,500 | 400 | 3,000,000 | $185,715.91 | $346,770.00 | $22,186.91 | $554,672.82 | $190,889.91 | $346,770.00 | $22,402.50 | $560,062.41 | $5,174.00 | $0.00 | $215.59 | $5,389.59 | 0.9% | 0.0% | 0.0% | 1.0% |
| 10,000 | 400 | 4,000,000 | $247,540.91 | $462,360.00 | $29,579.21 | $739,480.12 | $254,484.91 | $462,360.00 | $29,868.54 | $746,713.45 | $6,944.00 | $0.00 | $289.33 | $7,233.33 | 0.9% | 0.0% | 0.0% | 1.0% |
| 20,000 | 400 | 8,000,000 | $494,840.91 | $924,720.00 | $59,148.38 | $1,478,709.29 | $508,864.91 | $924,720.00 | $59,732.71 | $1,493,317.62 | $14,024.00 | $0.00 | $584.33 | $14,608.33 | 0.9% | 0.0% | 0.0% | 1.0% |
| 200 | 500 | 100,000 | $5,926.91 | $11,559.00 | $728.58 | $18,214.49 | $5,933.91 | $11,559.00 | $728.87 | $18,221.78 | $7.00 | $0.00 | $0.29 | $7.29 | 0.0% | 0.0% | 0.0% | 0.0% |
| 750 | 500 | 375,000 | $21,563.41 | $43,346.25 | $2,704.57 | $67,614.23 | $21,963.66 | $43,346.25 | $2,721.25 | $68,031.16 | $400.25 | $0.00 | $16.68 | $416.93 | 0.6% | 0.0% | 0.0% | 0.6% |
| 1,000 | 500 | 500,000 | $28,670.91 | $57,795.00 | $3,602.75 | $90,068.66 | $29,249.91 | $57,795.00 | $3,626.87 | $90,671.78 | $579.00 | $0.00 | $24.12 | $603.12 | 0.6% | 0.0% | 0.0% | 0.7% |
| 1,500 | 500 | 750,000 | $42,885.91 | $86,692.50 | $5,399.10 | $134,977.51 | $43,822.41 | $86,692.50 | $5,438.12 | $135,953.03 | $936.50 | $0.00 | $39.02 | $975.52 | 0.7% | 0.0% | 0.0% | 0.7% |
| 2,500 | 500 | 1,250,000 | $71,315.91 | $144,487.50 | $8,991.81 | $224,795.22 | $72,967.41 | $144,487.50 | $9,060.62 | $226,515.53 | $1,651.50 | $0.00 | $68.81 | $1,720.31 | 0.7% | 0.0% | 0.0% | 0.8% |
| 5,000 | 500 | 2,500,000 | $142,390.91 | $288,975.00 | $17,973.58 | $449,339.49 | $145,829.91 | $288,975.00 | $18,116.87 | $452,921.78 | $3,439.00 | $0.00 | $143.29 | $3,582.29 | 0.8% | 0.0% | 0.0% | 0.8% |
| 7,500 | 500 | 3,750,000 | $213,465.91 | $433,462.50 | $26,955.35 | $673,883.76 | $218,692.41 | $433,462.50 | $27,173.12 | $679,328.03 | $5,226.50 | $0.00 | $217.77 | $5,444.27 | 0.8% | 0.0% | 0.0% | 0.8% |
| 10,000 | 500 | 5,000,000 | $284,540.91 | $577,950.00 | $35,937.12 | $898,428.03 | $291,554.91 | $577,950.00 | $36,229.37 | $905,734.28 | $7,014.00 | $0.00 | $292.25 | $7,306.25 | 0.8% | 0.0% | 0.0% | 0.8% |
| 20,000 | 500 | 10,000,000 | $568,840.91 | $1,155,900.00 | $71,864.21 | $1,796,605.12 | $583,004.91 | $1,155,900.00 | $72,454.38 | $1,811,359.29 | $14,164.00 | $0.00 | $590.17 | $14,754.17 | 0.8% | 0.0% | 0.0% | 0.8% |
| 200 | 600 | 120,000 | $6,666.91 | $13,870.80 | $855.74 | $21,393.45 | $6,675.31 | $13,870.80 | $856.09 | $21,402.20 | $8.40 | $0.00 | $0.35 | $8.75 | 0.0% | 0.0% | 0.0% | 0.0% |
| 750 | 600 | 450,000 | $24,338.41 | $52,015.50 | $3,181.41 | $79,535.32 | $24,743.91 | $52,015.50 | $3,198.31 | $79,957.72 | $405.50 | $0.00 | $16.90 | $422.40 | 0.5% | 0.0% | 0.0% | 0.5% |
| 1,000 | 600 | 600,000 | $32,370.91 | $69,354.00 | $4,238.54 | $105,963.45 | $32,956.91 | $69,354.00 | $4,262.95 | $106,573.86 | $586.00 | $0.00 | $24.41 | $610.41 | 0.6% | 0.0% | 0.0% | 0.6% |
| 1,500 | 600 | 900,000 | $48,435.91 | $104,031.00 | $6,352.79 | $158,819.70 | $49,382.91 | $104,031.00 | $6,392.25 | $159,806.16 | $947.00 | $0.00 | $39.46 | $986.46 | 0.6% | 0.0% | 0.0% | 0.6% |
| 2,500 | 600 | 1,500,000 | $80,565.91 | $173,385.00 | $10,581.29 | $264,532.20 | $82,234.91 | $173,385.00 | $10,650.83 | $266,270.74 | $1,669.00 | $0.00 | $69.54 | $1,738.54 | 0.6% | 0.0% | 0.0% | 0.7% |
| 5,000 | 600 | 3,000,000 | $160,890.91 | $346,770.00 | $21,152.54 | $528,813.45 | $164,364.91 | $346,770.00 | $21,297.29 | $532,432.20 | $3,474.00 | $0.00 | $144.75 | $3,618.75 | 0.7% | 0.0% | 0.0% | 0.7% |
| 7,500 | 600 | 4,500,000 | $241,215.91 | $520,155.00 | $31,723.79 | $793,094.70 | $246,494.91 | $520,155.00 | $31,943.75 | $798,593.66 | $5,279.00 | $0.00 | $219.96 | $5,498.96 | 0.7% | 0.0% | 0.0% | 0.7% |
| 10,000 | 600 | 6,000,000 | $321,540.91 | $693,540.00 | $42,295.04 | $1,057,375.95 | $328,624.91 | $693,540.00 | $42,590.21 | $1,064,755.12 | $7,084.00 | $0.00 | $295.17 | $7,379.17 | 0.7% | 0.0% | 0.0% | 0.7% |
| 20,000 | 600 | 12,000,000 | $642,840.91 | $1,387,080.00 | $84,580.04 | $2,114,500.95 | $657,144.91 | $1,387,080.00 | $85,176.04 | $2,129,400.95 | $14,304.00 | $0.00 | $596.00 | $14,900.00 | 0.7% | 0.0% | 0.0% | 0.7% |

| | | Rates Effective January 1, 2020 (o) | Proposed Rates effective April 1, 2020 (p) | Line Item on Bill |
|---|---|---|---|---|
| (1) | Distribution Customer Charge | $1,100.00 | $1,100.00 | Customer Charge |
| (2) | LIHEAP Enhancement Charge | $0.80 | $0.80 | LIHEAP Enhancement Charge |
| (3) | Renewable Energy Growth Program Charge | $232.11 | $232.11 | RE Growth Program |
| (4) | Base Distribution Demand Charge (per kW > 200kW) | $5.20 | $5.20 | Distribution Demand Charge |
| (5) | CapEx Factor Demand Charge (per kW > 200kW) | $0.26 | $0.94 | |
| (6) | Distribution Charge (per kWh) | $0.00418 | $0.00418 | Distribution Energy Charge |
| (7) | Operating & Maintenance Expense Charge | $0.00079 | $0.00086 | |
| (8) | Operating & Maintenance Expense Reconciliation Factor | ($0.00008) | ($0.00008) | |
| (9) | CapEx Reconciliation Factor | $0.00027 | $0.00027 | |
| (10) | Revenue Decoupling Adjustment Factor | ($0.00061) | ($0.00061) | |
| (11) | Pension Adjustment Factor | ($0.00005) | ($0.00005) | |
| (12) | Storm Fund Replenishment Factor | $0.00288 | $0.00288 | |
| (13) | Arrearage Management Adjustment Factor | $0.00010 | $0.00010 | |
| (14) | Low Income Discount Recovery Factor | $0.00152 | $0.00152 | |
| (15) | Long-term Contracting for Renewable Energy Charge | $0.00543 | $0.00543 | Renewable Energy Distribution Charge |
| (16) | Net Metering Charge | $0.00068 | $0.00068 | |
| (17) | Transmission Demand Charge | $4.47 | $4.47 | Transmission Demand Charge |
| (18) | Base Transmission Charge | $0.01166 | $0.01166 | Transmission Adjustment |
| (19) | Transmission Adjustment Factor | ($0.00245) | ($0.00245) | |
| (20) | Transmission Uncollectible Factor | $0.00029 | $0.00029 | |
| (21) | Base Transition Charge | ($0.00093) | ($0.00093) | Transition Charge |
| (22) | Transition Adjustment | ($0.00021) | ($0.00021) | |
| (23) | Energy Efficiency Program Charge | $0.01353 | $0.01353 | Energy Efficiency Programs |
| (24) | Standard Offer Service Base Charge | $0.11125 | $0.11125 | Supply Services Energy Charge |
| (25) | SOS Adjustment Factor | $0.00138 | $0.00138 | |
| (26) | SOS Adminstrative Cost Adjustment Factor | $0.00233 | $0.00233 | |
| (27) | Renewable Energy Standard Charge | $0.00063 | $0.00063 | |
| | Line Item on Bill | | | |
| (28) | Customer Charge | $1,100.00 | $1,100.00 | |
| (29) | LIHEAP Enhancement Charge | $0.80 | $0.80 | |
| (30) | RE Growth Program | $232.11 | $232.11 | |
| (31) | Transmission Adjustment | $0.00950 | $0.00950 | |
| (32) | Distribution Energy Charge | $0.00900 | $0.00907 | |
| (33) | Distribution Demand Charge | $5.46 | $6.14 | |
| (34) | Transmission Demand Charge | $4.47 | $4.47 | |
| (33) | Transition Charge | ($0.00114) | ($0.00114) | |
| (34) | Energy Efficiency Programs | $0.01353 | $0.01353 | |
| (35) | Renewable Energy Distribution Charge | $0.00611 | $0.00611 | |
| (36) | Supply Services Energy Charge | $0.11559 | $0.11559 | |

Column (o): per Summary of Retail Delivery Service Rates, R.I.P.U.C. No. 2095 effective 1/1/2020, and Summary of Rates Standard Offer Service tariff, R.I.P.U.C. No. 2096, effective 1/1/2020
Column (p): Line (5) per Section 6 Revised, Page 1, Line (4), Column (e); Line (7) per Section 6 Revised, Page 1, Line (1), Column (e)