

August 2, 2021

**VIA FIRST CLASS MAIL & ELECTRONIC MAIL**

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

**RE: PUC Docket 5151 – Revolution Wind Advisory Opinion**

Dear Ms. Massaro:

Enclosed please find an original and nine copies of The Narragansett Electric Company d/b/a National Grid's Responses to the Public Utilities Commission Record Requests from the July 26, 2021 Public Hearing in the above referenced matter.

Please do not hesitate to contact me with any questions.

Sincerely,



George W. Watson III

Enclosure

Copy to: Docket 5151 Service List (by electronic mail)

22654887-v2

**Docket No. 5151 – Needs Advisory Opinion to EFSB regarding Revolution Wind, LLC  
Service List update 6/25//2021**

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RIPUC Docket No. 5151  
In Re: Issuance of an Advisory Opinion to the Energy  
Facility Siting Board Regarding Revolution Wind, LLC's  
Application to Construct and Alter Major Energy Facilities  
The Narragansett Electric Company d/b/a National Grid  
Responses to the Public Utilities Commission  
Record Requests Issued on July 26, 2021

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Record Request No. 3a: Please describe which entity is responsible for the decommissioning costs of assets owned by National Grid.

Response:

Per Section 2.4.3 of the Large Generator Interconnection Agreement (“LGIA”), Revolution Wind is responsible for removal costs associated with assets owned by National Grid which were constructed and installed per the LGIA. Specifically, the language states: “with respect to any portion of the Interconnection Facilities, and any other facilities already installed or constructed pursuant to the terms of this LGIA, Interconnection Customer shall be responsible for all costs associated with the removal, relocation or other disposition or retirement of such materials, equipment, or facilities.”

Record Request No. 3b: What potential decommissioning costs are the responsibility of National Grid?

Response:

None. As stated in response to Record Request No. 3a, Section 2.4.3 of the LGIA makes Revolution Wind responsible for any decommissioning costs for assets owned by National Grid which were constructed and installed per the LGIA.

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Record Request No. 4: How is the annual carrying charge calculated?

Response: The annual carrying charge is calculated in accordance with Attachment DAF to Schedule 21-NEP, which is Exhibit RR-4-1. Below is an excerpt from Attachment DAF that describes the average Annual Transmission Carrying Charge where the Transmission Customer provides a Contribution in Aid of Construction ("CIAC"):

The average Annual Transmission Carrying Charge shall be the Annual Transmission Revenue Requirement as determined in Attachment RR, Sections I. (A) through I. (H) to this Schedule, divided by the year-end balance of total transmission plant investment determined in accordance with Attachment RR, Section I. (A) (1) (a) to this Schedule. To the extent that the Transmission Customer provides a Contribution in Aid of Construction the average Annual Transmission Carrying Charge calculation will be modified to exclude Sections I. (A) (1) (a), I. (A) (1) (d), I. (A) (1) (e), I. (A) (1) (f), I. (B), and I. (C) of Attachment RR to this Schedule.

Attachment RR to Schedule 21-NEP is displayed in Exhibit RR-4-2.

If the Transmission Customer provides a CIAC, the formula would be modified to exclude: Transmission Plant ((A) (1) (a)), Transmission-Related Construction Work in Progress ((A) (1) (d)), Transmission-Related Depreciation Reserve ((A) (1) (e)), Transmission-Related Accumulated Deferred Taxes ((A) (1) (f)), Transmission Depreciation Expense ((B), & Transmission-Related Amortization of Loss on Reacquired Debt (C).

## **ATTACHMENT DAF**

### **Direct Assignment Facilities**

This Attachment applies to all transactions that utilize any Direct Assignment Facilities or any other charges specifically assigned to a customer by NEP under this Schedule or the OATT. The formula set forth in this Attachment, as it may be amended from time to time, represents the Direct Assignment Facilities Charge which a Transmission Customer or Network Customer (together, “Transmission Customer”) will pay in addition to the other applicable charges specified herein.

The determination of the annual Direct Assignment Facilities Charges chargeable to a specific Transmission Customer or group of Transmission Customers shall be calculated by the Annual Facility Charge formulas set forth below for transmission and distribution facilities. In no event will the Annual Facilities Charge be less than \$1,000 per calendar year.

### **TRANSMISSION**

#### **Determination of Annual Facilities Charges for Transmission Facilities**

The basis for this charge is data of NEP. The Annual Facilities Charge for NEP and its New England Affiliates shall equal the product of the year-end Gross Plant Investment associated with the facility and the average Annual Transmission Carrying Charge, for the life of the facility.

The Gross Plant Investment will be the investment from the plant accounting records associated with the facility.

The average Annual Transmission Carrying Charge shall be the Annual Transmission Revenue Requirement as determined in Attachment RR, Sections I. (A) through I. (H) to this Schedule, divided by the year-end balance of total transmission plant investment determined in accordance with Attachment RR, Section I. (A) (1) (a) to this Schedule.

To the extent that the Transmission Customer provides a Contribution in Aid of Construction the average Annual Transmission Carrying Charge calculation will be modified to exclude Sections I. (A) (1) (a), I. (A) (1) (d), I. (A) (1) (e), I. (A) (1) (f), I. (B), and I. (C) of Attachment RR to this Schedule.

If the Transmission Customer permanently terminates service prior to the normal expiration of its Service Agreement, the Transmission Customer may, at its option, close out its continuing obligation to pay the Annual Facilities Charge by paying NEP a lump sum payment equal to the net present value of the Return and Depreciation Expense on the net book value of the facility at the time of termination that would have been collected over the remaining life of the facility, plus any cost of removal if applicable. The return shall be equal to that found in Attachment RR, Section I. (A)(2) to this Schedule, in the year of termination. Depreciation Expense shall be based on a straight-line method. The discount rate in the net present value calculation shall be equal to the interest rate pursuant to Section 35.19(a) of the Commission's regulations effective at the time of termination.

Billings shall initially be based upon estimates calculated based on actual costs in the preceding year, such estimates being adjusted to actual as soon as practicable after such costs become known. The source of the data shall be NEP's accounting records.

## **DISTRIBUTION**

### **Determination of the Annual Facilities Charge for Distribution Facilities**

The basis for this charge is data of NEP's New England Affiliate(s) or any other Affiliate that shall assume ownership over the Facilities included under this attachment.

The Annual Facilities Charge shall equal the product of the year-end Gross Plant Investment associated with the facility and the average Annual Distribution Carrying Charge, for the life of the facility.

The Gross Plant Investment will be the investment from the plant accounting records associated with the facility.

The average Annual Distribution Carrying Charge shall be the Annual Distribution Revenue Requirement as determined in Attachment RR, Exhibit 1 to this Schedule, divided by the year-end balance of total distribution plant investment determined in accordance with Attachment RR, Exhibit 1, Section I. (A) (1) (a) to this Schedule.

To the extent that the Transmission Customer provides a Contribution in Aid of Construction the average Annual Distribution Carrying Charge calculation will be modified to exclude Sections I. (A) (1) (a), I. (A) (1) (d), I. (A) (1) (e), I. (A) (1) (f), I. (B), and I. (C) of Attachment RR, Exhibit 1 to this Schedule.

If the Transmission Customer permanently terminates service in advance of the term of its Service Agreement, the Transmission Customer may, at its option, close out its continuing obligation to pay the Annual Facilities Charge by paying NEP a lump sum payment equal to the net present value of the Return and Depreciation Expense on the net book value of the facility at the time of termination that would have been collected over the remaining life of the facility, plus any cost of removal if applicable. The return shall be equal to that found in Attachment RR, Exhibit 1, Section I.(A)(2) to this Schedule, in the year of termination. Depreciation Expense shall be based on a straight-line method. The discount rate in the net present value calculation shall be equal to the interest rate pursuant to Section 35.19(a) of the Commission's regulations effective at the time of termination.

Billings in accordance with this Schedule shall initially be based upon estimates calculated based on actual costs in the preceding year, such estimates being adjusted to actual as soon as practicable after such costs become known. The source of the data shall be NEP's or its applicable New England Affiliate's accounting records.

## **METERS**

### **Determination of Annual Metering Charges**

The Meter Maintenance Charge shall equal the product of NEP's installed metering costs for the customer and the Meter Carrying Charge determined in Attachment OCC, Exhibit 3 to this Schedule.

In accordance with the Meter Carrying Charge referenced above, the Annual Metering Charges will be updated on May 31 each year to reflect costs from the prior calendar year.

If the customer makes a CIAC, then the carrying charge in Attachment OCC, Exhibit 3 to this Schedule, will be adjusted accordingly.



## ATTACHMENT RR

### Transmission Revenue Requirements

The Transmission Revenue Requirement will be determined based on the calculation shown below. In determining the rate for Local Network Service, the Revenue Requirement calculation as set forth below will be determined on a monthly basis.

I. The Transmission Revenue Requirement shall equal the sum of NEP's (A) Return and Associated Income Taxes, (B) Transmission Depreciation Expense, (C) Transmission-Related Amortization of Loss on Reacquired Debt, (D) Transmission-Related Amortization of Investment Tax Credits, (E) Transmission-Related Amortization of FAS 109, (F) Transmission-Related Municipal Tax Expense, (G) Transmission Operation and Maintenance Expense, (H) Transmission-Related Administrative and General Expense, (I) Transmission-Related Integrated Facilities Credit, (J) Transmission Revenue Credit, (K) Distribution-Related Integrated Facilities Credit, and plus (L) Billing Adjustments; plus (M) Reactive Power Expense; plus (N) Bad Debt Expense.

A. Return and Associated Income Taxes shall equal the product of the Transmission Investment Base and the Cost of Capital Rate.

#### **1. Transmission Investment Base**

The Transmission Investment Base will be (a) Transmission Plant, plus (b) Transmission-Related General Plant, plus (c) Transmission Plant Held for Future Use, plus (d) Transmission-Related Construction Work in Progress, less (e) Transmission-Related Depreciation Reserve, less (f) Transmission-Related Accumulated Deferred Taxes, plus (g) Transmission-Related Loss on Reacquired Debt, plus (h) Other Regulatory Assets, less (i) Allowance for Funds Used During Construction (AFUDC) Regulatory Liability, plus (j) Transmission Prepayments, plus (k) Transmission Materials and Supplies, plus (l) Transmission-Related Cash Working Capital.

(a) **Transmission Plant** will equal the balance of NEP's Total Investment in Transmission Plant, plus NEP's Total Investment in Distribution Plant excluding NEP's capital leases in the Hydro-Quebec DC facilities (HQ leases). NEP's investment in PTF transmission plant and step-down transformers beyond NEP's Point of Delivery, including associated equipment, shall be

included but stated separately. NEP's investment in wholesale metering, including associated equipment, shall also be included but stated separately.

(b) **Transmission-Related General Plant** shall equal NEP's balance of investment in General Plant excluding General Plant related to NEP's generation facilities as specifically identified in NEP's CTC.

(c) **Transmission Plant Held for Future Use** shall equal the balance of investment in FERC Account 105.

(d) **Transmission-Related Construction Work In Progress** shall equal the portion of NEP's investment in Transmission-related projects as recorded in FERC Account 107 consistent with Commission orders.

(e) **Transmission-Related Depreciation Reserve** shall equal the balance of Total Depreciation Reserve, excluding any generation-related depreciation reserve associated with assets identified in NEP's CTC.

(f) **Transmission-Related Accumulated Deferred Taxes** shall equal NEP's balance of Total Accumulated Deferred Income Taxes, excluding any Accumulated Deferred Taxes associated with non-utility assets or generation facilities as identified in the CTC.

(g) **Transmission-Related Loss on Reacquired Debt** shall equal NEP's balance of Total Loss on Reacquired Debt excluding losses associated with NEP Generation as specifically identified in the CTC, or any generation-related losses associated with pollution control bonds.

(h) **Other Regulatory Assets** shall equal NEP's balance of FAS 109 excluding FAS 109 balances associated with NEP Generation as specifically identified in the CTC.

(i) **AFUDC Regulatory Liability** shall equal the unamortized balance of the capitalized AFUDC booked on NEP's Transmission-related projects as recorded in FERC Account 254 consistent with Commission orders.

(j) **Transmission Prepayments** shall equal NEP's balance of prepayments excluding any prepayments related to NEP's ongoing generation-related activities.

**(k) Transmission Materials and Supplies** shall equal NEP’s balance of Transmission-related Materials and Supplies.

**(l) Transmission-Related Cash Working Capital** shall be a 12.5% allowance (45 days/360 days) of Transmission Operation and Maintenance Expense and Transmission-Related Administrative and General Expense.

**2. Cost of Capital Rate**

The Cost of Capital Rate will equal (a) NEP’s Weighted Cost of Capital, plus (b) the Yankee Adjustments plus (c) Federal Income Tax plus (d) State Income Tax.

**(a) The Weighted Cost of Capital** will be calculated based upon the capital structure at the end of each month and will equal the sum of:

**(i) the long-term debt component**, which equals the product of the actual weighted average embedded cost to maturity of NEP’s long-term debt excluding any debt associated with pollution control bonds then outstanding and the ratio that long-term debt is to NEP’s total capital less the end-of-year investment in Yankee Units.

**(ii) the preferred stock component**, which equals the product of the actual weighted average embedded cost to maturity of NEP’s preferred stock then outstanding and the ratio that preferred stock is to NEP’s total capital less the end-of-year investment in Yankee Units.

**(iii) the return on equity component (ROE)**, which equals the product of the allowed based ROE of 10.57% and the ratio that common equity is to NEP’s total capital less the end-of-year investment in Yankee Units.

For purposes of implementing the exclusion of the FERC-approved adders from Section J. below, the following ROEs will be applied to the corresponding investment:

|  |          |
|--|----------|
| post-2003 to pre-2009 PTF transmission plant investment in Regional System Plan approved by ISO-NE | 11.74% % |
|--|----------|

|   |        |
|---|--------|
| remaining PTF transmission plant investment | 11.07% |
| remaining transmission plant investment     | 10.57% |

plus any ROE incentive approved by the FERC under Order No. 679 for other plant investments.<sup>2</sup>

**(b) The Yankee Adjustment** shall be calculated in accordance with FERC Opinion Nos. 49 and 49(a) issued in NEP’s R-10 rate case and FERC Opinion No. 158 issued in NEP’s W-3 rate case.

**(c) Federal Income Tax** shall equal

$$\frac{A \times FT}{1 - FT}$$

Where FT is the Federal Income Tax Rate and A is the sum of the preferred stock component and the return on equity component, as determined in Section (I)(A)(2)(a)(ii), and Section (I)(A)(2)(a)(iii) above.

**(d) State Income Tax** shall equal

$$\frac{(A + \text{Federal Income Tax}) \times ST}{1 - ST}$$

where ST is the State Income Tax Rate, A is the sum of the preferred stock component and the return on equity component determined in Section (I)(A)(2)(a)(ii) and Section (I)(A)(2)(a)(iii) above, and Federal Income Tax is the rate determined in Section (I)(A)(2)(c) above.

**B. Transmission Depreciation Expense** shall equal the Depreciation Expense associated with the Transmission Plant, Transmission-Related General Plant and Transmission Plant Held for Future Use as described in Sections I.A.(a)(1), (b) and (c), less the amortization of AFUDC regulatory credit as recorded in FERC Account 407.4.

**C. Transmission-Related Amortization of Loss on Reacquired Debt** shall equal NEP’s Amortization of the balance on Loss on Reacquired Debt as defined in Section I.A.(1)(f).

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<sup>2</sup> FERC Form-730 contains a list of transmission projects for which FERC has granted incentives under Order No. 679

- D. Transmission-Related Amortization of Investment Tax Credits** shall equal NEP's Amortization of Investment Tax Credits, excluding any ITC credits specifically identified as generation-related in NEP's CTC.
- E. Transmission-Related Amortization of FAS 109** shall equal the Amortization of NEP's Balance of FAS 109, as identified in Section I.A.(1)(q) over a ten-year period beginning on the Divestiture Date of NEP's Generating Assets as defined in the CTC.
- F. Transmission-Related Municipal Tax Expense** shall equal NEP's total municipal tax expense excluding specifically identified generation-related municipal taxes or payments in lieu of such generation-related municipal taxes.
- G. Transmission Operation and Maintenance Expense** shall equal all expenses charged to FERC Account Numbers 560 through 598. Account Number 565, Transmission by Others, shall only include those expenses in support of facilities that are integrated with NEP's Transmission System or other transmission systems. Transmission Operation and Maintenance Expense shall include any expenses associated with transmission-related administrative services provided by the ISO and the expenses associated with providing Transmission Customers with the Pre-1997 Revenue Credit as described in Attachment OCC to this Schedule.
- H. Transmission-Related Administrative and General Expenses** shall equal NEP's Administrative and General Expenses, less Production-related Administrative and General Expense associated with joint-owned production units, plus Payroll Taxes,
- I. Transmission-Related Integrated Facilities Credit** shall equal NEP's transmission payments to its New England Affiliates for use of the integrated transmission facilities of those New England Affiliates.
- J. Transmission Revenue Credit** shall equal NEP's total transmission revenue, FERC Account Number 456, transmission-related sub-accounts of 447, and those revenues received from the ISO associated with the provision of transmission services under the OATT excluding the revenue received under the terms set forth in Section 24.2 of this Schedule, excluding any revenue received for the Hydro-Quebec DC facilities, excluding any revenue directly credited to Network Customers under Section 24.11 of this Schedule, excluding distribution revenues associated with expenses that have been excluded from

NEP's Transmission Revenue Requirement, and excluding any incremental revenues associated with FERC-approved adders for RTO participation and new transmission investment in accordance with Section II.A.2.(a)(iii) of Attachment F under the OATT . To the extent that NEP's transmission-related revenue under FERC Electric Tariff No. 1 is not reflected in the above-reference accounts on or after July 9, 1996, such revenue will be imputed under the formula set forth in the OATT and included in the Transmission Revenue Credit in accordance with the above specifications. Any Transmission Revenue Credit related to Section 24.1 of this Schedule shall be stated separately. Any revenue from the ISO associated with the provision of transmission service under the OATT, shall also be included but stated separately.

**K. Distribution-Related Integrated Facilities Credit** shall be equal to the credit applied to the purchased power bill of Massachusetts Electric Company under NEP's Tariff No. 1 for use of its distribution facilities used in support of wholesale transactions.

**L. Billing Adjustments** shall be plus or minus any billing adjustments from the prior transmission billing periods, including ISO adjustments. Billing adjustments shall include, but not be limited to, adjustments due to metering errors, corrections to any value included in this Attachment RR, or the Load Ratio Share. Such adjustments may be corrected prospectively. However, if the error is substantial, or substantially affects an individual Network or Transmission Customer, NEP reserves the right to credit and rebill customers for each affected billing month in which the error occurred.

**M. Reactive Power Expense** shall be set at zero as of the Second Effective Date, as defined in the NEPOOL Agreement.

**N. Bad Debt Expense** shall be the bad debt expense as reported in Account 904 related to transmission billing.

**O. Miscellaneous Provisions** In the event that the FERC accounts listed above are renumbered, renamed, or otherwise modified, the above sections shall be deemed amended to incorporate such renumbered, renamed, modified or additional accounts.

## EXHIBIT 1

### Distribution Cost of Service

Pursuant to Attachment DAF to this Schedule, the Distribution Cost of Service shall be calculated as follows for the applicable New England Affiliate:

**I. The Primary Distribution System Cost of Service** shall equal the sum of (A) Return and Associated Income Taxes, (B) Primary Depreciation Expense, (C) Primary Related Amortization of Loss on Reacquired Debt, (D) Primary Related Amortization of Investment Tax Credits, (E) Primary Related Municipal Tax Expense, (F) Primary Operation and Maintenance Expense, (G) Primary Related Administrative and General Expense, and (H) Primary Revenue Credit.

**A. Return and Associated Income Taxes** shall equal the product of the Primary Investment Base and the Cost of Capital Rate.

**(1) Primary Investment Base** will be (a) Total Primary Distribution Plant, plus (b) Primary Related General Plant, plus (c) Primary Plant Held for Future Use, less (d) Primary Depreciation Reserve, less (e) Primary Related Accumulated Deferred Income Taxes, plus (f) Primary Related Loss on Reacquired Debt, plus (g) Other Regulatory Assets, plus (h) Primary Materials and Supplies, plus (i) Primary Related Prepayments, plus (j) Primary Related Cash Working Capital.

**(a) Total Primary Distribution Plant** shall equal the New England Affiliate's Plant Accounts 360 to 373 multiplied by allocation factors from the Distribution Engineering Study.

**(b) Primary Related General Plant** shall equal the New England Affiliate's Investment in General Plant, multiplied by the Primary Wages & Salaries Allocation Factor. The Primary Wages & Salaries Allocation Factor shall equal the ratio of Total Distribution Wages & Salaries to the Total New England Affiliate's Wages & Salaries excluding A&G, multiplied by the ratio of Primary Distribution related O&M to Total Distribution O&M (Primary O&M Allocation Factor).

**(c) Primary Plant Held for Future Use** shall equal the New England Affiliate's Account 105, multiplied by the Primary Land Allocation Factor from the Distribution Engineering Study.

(d) **Primary Depreciation Reserve** shall equal the New England Affiliate's Depreciation Reserve multiplied by the ratio of Primary Depreciable Distribution Plant to Total Depreciable Distribution Plant (Primary Depreciable Plant Allocation Factor), plus an allocation of average General Plant Depreciation Reserve calculated by multiplying beginning and end of year General Plant Depreciation Reserve by the Primary Wages and Salaries Allocation Factor described in Section (I)(A)(1)(b) above.

(e) **Primary Related Accumulated Deferred Income Taxes** shall equal the Total Accumulated Deferred Income Taxes, multiplied by the ratio of average Primary Plant in Service to average Total Plant in Service excluding General Plant (Primary Plant Allocation Factor).

(f) **Primary Related Loss on Reacquired Debt** shall equal the Total Loss on Reacquired Debt, multiplied by the Primary Plant Allocation Factor described in Section (I)(A)(1)(e) above.

(g) **Other Regulatory Assets** shall equal the New England Affiliate's balance of FAS 106, multiplied by the Primary Wages and Salaries Allocator described in Section (I)(A)(1)(b), plus the New England Affiliate's balance of FAS 109, multiplied by the Primary Plant Allocation Factor described in Section (I)(A)(1)(c) above.

(h) **Primary Materials and Supplies** shall equal the New England Affiliate's Distribution Plant Materials and Supplies, multiplied by the Primary O&M Allocation Factor as described in Section (I)(A)(1)(b) above.

(i) **Primary Related Prepayments** shall equal the New England Affiliate's Prepayments, multiplied by the Primary Wages and Salaries Allocator described in Section (I)(A)(1)(b) above.

(j) **Primary Related Cash Working Capital** shall be a 45 day allowance or 12.5% of Primary Operation and Maintenance Expense and Primary Related Administrative and General Expense.

(2) **Cost of Capital Rate** will equal (a) the New England Affiliate's Weighted Cost of Capital, plus (b) Federal Income Tax, plus (c) State Income Tax.



(a) **The Weighted Cost of Capital** will be calculated based upon the capital structure at the end of each year and will equal the sum of:

i) **the long-term debt component**, which equals the product of the actual dollar weighted average embedded cost to maturity of the New England Affiliate's long-term debt then outstanding and the ratio that long-term debt is to the New England Affiliate's total capital.

ii) **the preferred stock component**, which equals the product of the actual weighted average embedded cost to maturity of the New England Affiliate's preferred stock then outstanding and the ratio that preferred stock is to the New England Affiliate's total capital.

iii) **the return on equity component**, which equals the product of 10.57% and the ratio that common equity is to the New England Affiliate's total capital.

(b) **Federal Income Tax** shall equal

$$\frac{A \times FT}{1-FT}$$

where FT is the Federal Income Tax Rate and A the sum of the preferred stock component and the return on equity component determined in Section (I)(A)(2)(a)(ii) and Section (I)(A)(2)(a)(iii) above.

(c) **State Income Tax** shall equal

$$\frac{(A + \text{Federal Income Tax}) \times ST}{1-ST}$$

where ST is the State Income Tax Rate, A is the sum of the preferred stock component and the return on equity component determined in Section (I)(A)(2)(a)(ii) and Section (I)(A)(2)(a)(iii) above, and Federal Income Tax is Federal Income Tax as determined in Section (I)(A)(2)(b) above.

**B. Primary Depreciation Expense** shall equal Depreciation Expense for Distribution Plant, multiplied by the Primary Depreciable Plant Allocation Factor as described in Section (I)(A)(1)(d) above,

plus an allocation of General Plant Depreciation Expense calculated by multiplying General Plant Depreciation Expense by the Primary Wages and Salaries Allocation Factor described in Section (I)(A)(1)(b) above.

**C. Primary Related Amortization of Loss on Reacquired Debt** shall equal the New England Affiliate's Amortization of Loss on Reacquired Debt, multiplied by the Primary Plant Allocation Factor described in Section (I)(A)(1)(e) above.

**D. Primary Related Amortization of Investment Tax Credits** shall equal the New England Affiliate's Amortization of Investment Tax Credits, multiplied by the Primary Plant Allocation Factor described in Section (I)(A)(1)(e) above.

**E. Primary Related Municipal Tax Expense** shall equal a pro-rata share of the New England Affiliate's total municipal taxes allocated by the Primary Plant Allocation Factor described in Section (I)(A)(1)(e) above.

**F. Primary Operation and Maintenance Expense** shall be the sum of all expenses charged to FERC Account Numbers 580 through 598, allocated to Primary as indicated by the Distribution Engineering Study.

**G. Primary Related Administrative and General Expenses** shall equal the New England Affiliate's Administrative and General Expenses, plus Payroll Taxes, multiplied by the Primary Wages & Salaries Allocation Factor described in Section (I)(A)(1)(b) above.