

October 20, 2021

VIA ELECTRONIC MAIL

Luly E. Massaro, Division Clerk
Rhode Island Division of Public Utilities and Carriers
89 Jefferson Boulevard
Warwick, RI 02888

RE: Docket D-21-09 – Petition of PPL Corporation, PPL Rhode Island Holdings, LLC, National Grid USA, and The Narragansett Electric Company for Authority to Transfer Ownership of The Narragansett Electric Company to PPL Rhode Island Holdings, LLC and Related Approvals
Responses to Attorney General Data Requests – Set 1 (Part 1)

Dear Ms. Massaro:

On behalf of National Grid USA and The Narragansett Electric Company (together, “National Grid”), enclosed are National Grid’s following responses to the first set of data requests issued by the Rhode Island Attorney General (“Attorney General”) in the above-referenced proceeding: AG 1-1, AG 1-4, AG 1-5, AG 1-7, AG 1-8, AG 1-10 through AG 1-12, AG 1-17, AG 1-18, AG 1-21, AG 1-24 through AG 1-26, AG 1-29, AG 1-30, AG 1-34, and AG 1-35.¹ National Grid’s remaining responses to the Attorney General’s first set of data requests reference responses will be filed under separate cover.

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

¹ Although this is a Division of Public Utilities and Carriers (“Division”) filing, consistent with Public Utilities Commission’s filing requirements during the COVID-19 emergency period, National Grid is submitting an electronic version of this filing. National Grid will provide the Division Clerk with five hard copies within 24 hours and, if needed, additional hard copies of the enclosures upon request.

Luly E. Massaro, Division Clerk
Docket D-21-09 – Responses to Attorney General Data Requests Set 1
October 20, 2021
Page 2 of 2

Enclosures

cc: Docket D-21-09 Service List (electronic only)
John Bell, Division
Leo Wold, Esq.
Christy Hetherington, Esq.
Scott H. Strauss, Esq. (electronic only)
Latif M. Nurani, Esq. (electronic only)
Amber L. Martin Stone, Esq. (electronic only)
Anree G. Little, Esq. (electronic only)

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
National Grid USA and The Narragansett Electric Company's
Responses to Attorney General's First Set of Data Requests
Issued on September 29, 2021

National Grid USA and The Narragansett Electric Company
AG 1-1

Request:

Please provide the Narragansett Electric charter or founding documents that set forth its stock shares and how they may be transferred.

Response:

Please see Attachment NG-AG 1-1 for a copy of the charter of The Narragansett Electric Company.



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
Office of the Secretary of State

James R. Langevin, Secretary of State

Date: March 20, 2000

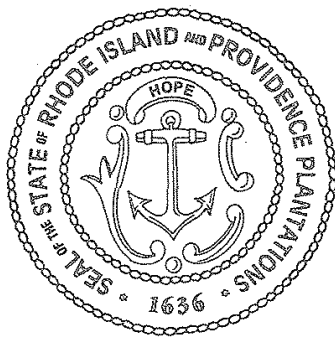
THE NARRAGANSETT ELECTRIC COMPANY
(182 Pages)

*A TRUE COPY WITNESSED UNDER THE SEAL OF THE STATE
OF RHODE ISLAND AND PROVIDENCE PLANTATIONS*

James R. Langevin

Secretary of State

By Debra Antonelli



9 2 -- S 1505 SUBSTITUTE A

RS1157/SUB A

PUBLIC LAWS
CHAPTER

92 - 90

S T A T E O F R H O D E I S L A N D

JT COMM. LEGISLATIVE SERVICE
LAW REVISION OFFICE

I N G E N E R A L A S S E M B L Y

J A N U A R Y S E S S I O N , A . D . 1 9 9 2

A N A C T

T R A N S F E R R I N G R I G H T S A N D I N T E R E S T S O F T H E S T A T E
A N D T H E P U B L I C T O T H E N A R R A G A N S E T T E L E C T R I C C O M P A N Y
I N O R D E R T O Q U I E T T I T L E T O T H E M A N C H E S T E R S T R E E T S I T E

Introduced By: Senators Acciardo, Bevilacqua and McBurney

Date Introduced: January 15, 1992

Referred To: Senate Committee on Judiciary

It is enacted by the General Assembly as follows:

- 1 SECTION 1. Legislative Findings:
- 2 (a) The Narragansett Electric Company ("Narragansett") is a Rhode
- 3 Island chartered public utility company regulated by the Public Utili-
- 4 ties Commission which provides electric service to the inhabitants of
- 5 twenty-seven (27) cities and towns within the state, including the
- 6 city of Providence;
- 7 (b) Narragansett owns and operates the Manchester Street Station
- 8 on the Manchester Street site which is bounded generally on the north
- 9 by Point Street, on the west by Eddy Street and Allens Avenue, on the
- 10 south by Henderson Street and on the east by the harbor line on the
- 11 west side of the Providence River as established by chapter 365 of the
- 12 Public Laws of 1883 (the "site") in the city of Providence for the
- 13 purpose of generating, transmitting and distributing electric energy;
- 14 (c) Narragansett is the holder of record title to the site and
- 15 the riparian rights associated with it as more particularly described
- 16 in the deeds and instruments referred to herein;

RHODE ISLAND STATE LIBRARY

1 (d) The site consists primarily of land created by the filling of
2 tidal flats behind the existing harbor line on the west side of the
3 Providence River;

4 (e) The site is no longer subject to the ebb and flow of the
5 tide;

6 (f) Narragansett and its predecessors in title have for a period
7 of approximately ninety (90) years maintained, constructed and oper-
8 ated facilities on the site for the generation, production, transmis-
9 sion and distribution of gas and/or electricity for the use and bene-
10 fit of the inhabitants of the city of Providence and the state of
11 Rhode Island;

12 (g) Narragansett desires to continue the operation of its elec-
13 tric generating facilities on the site and, with its affiliate New
14 England Power Company ("NEP"), to repower its Manchester Street Sta-
15 tion pursuant to a plan reviewed and approved by the Energy Facility
16 Siting Board, the Coastal Resources Management Council and other state
17 agencies to provide a cleaner, more efficient and larger capacity
18 generating station which will serve the public benefit;

19 (h) The continuing operation of the facilities on the site and
20 the repowering of the Manchester Street Station are in the public
21 interest and will be in furtherance of the public purpose of promoting
22 commerce and the commercial and industrial development of the city of
23 Providence and the state of Rhode Island and is a proper use of the
24 site;

25 (i) The repowering and operation of the Manchester Street Station
26 will provide important economic benefits to the city of Providence
27 and the state of Rhode Island;

28 (j) The waterfront on the site is not now open or accessible to
29 public use;

30 (k) In addition to the economic and public benefits of the
31 repowering, as additional consideration for the transfer of the rights
32 and interests herein provided, Narragansett and NEP shall, upon com-
33 pletion of the repowering, make improvements and provide amenities in

1 constructing Collier Point Park and Point Street Landing which will
2 make those waterfront areas accessible and inviting for use by the
3 public and will provide direct public access by way of a boat
4 launching ramp and docks or piers to Providence Harbor and the tidal
5 waters of the state;

6 (l) Upon completion of the repowering, Narragansett and NEP shall
7 make over one thousand four hundred (1,400) feet of waterfront south
8 of the Fox Point Hurricane Barrier open and accessible to public use
9 and enjoyment during daylight hours as Collier Point Park;

10 (m) Upon completion of the repowering and finalization by the
11 department of transportation of plans for the Point Street Bridge,
12 Narragansett and NEP shall make the waterfront area immediately adja-
13 cent to the Point Street Bridge open and accessible to public use and
14 enjoyment as Point Street Landing;

15 (n) A recent judicial decision involving filled tidal lands may
16 create a cloud upon Narragansett's title to the site and may prevent
17 the repowering of the Manchester Street Station; and

18 (o) The transfer, release and conveyance of the interests, if
19 any, of the state and the rights, if any, of the public in the site
20 under the public trust doctrine will not have any significant or
21 adverse impact on navigation or commerce over the waters of the state
22 or other uses of the public trust and such disposition will not impair
23 the public interest in the lands and waters remaining.

24 SECTION 2. The state of Rhode Island and Providence Plantations
25 hereby transfers, releases and conveys to the Narragansett Electric
26 Company any and all right, title and interest of the state and the
27 public in the Manchester Street site which is more particularly de-
28 scribed in the following deeds and instruments recorded in the land
29 evidence records of the city of Providence:

30 G.H. Sprague & Son Company to The Narragansett Electric Company,
31 Book 1010, Page 272, Dated May 29, 1953.

32 Viaduct Realty Corporation to The Narragansett Electric Company,
33 Book 1052, Page 346, Dated July 10, 1956.

1 John W. Hogan to The Narragansett Electric Company, Book 885,
2 Page 291, Dated June 30, 1945.
3 Pennsylvania Petroleum Products Company to The Narragansett Elec-
4 tric Company, Book 922, Page 186, Dated July 15, 1947.
5 Burrows & Kenyon Incorporated to The Narragansett Electric Com-
6 pany, Book 827, Page 474, Dated January 15, 1940.
7 Rimnik Corporation to The Narragansett Electric Company, Book
8 843, Page 424, Dated June 12, 1942.
9 The Power Realty Company to The Narragansett Electric Company,
10 Book 770, Page 160, Dated March 1, 1933.
11 City of Providence by Order of The Board of Aldermen, Abandonment
12 of Butts Street, March 7, 1940.
13 City of Providence by Resolution of the City Council, No. 599,
14 Approved October 22, 1948, Abandonment of Carey and Globe Streets.
15 Lewis Korn to The Narragansett Electric Company, Book 1133, Page
16 46, September 9, 1965.
17 The Power Realty Company to The Narragansett Electric Company,
18 Book 758, Page 358, January 30, 1932.
19 Mary E. Simmons and Eastern Coal Company to The Narragansett
20 Electric Company, Book 806, Page 193, December 10, 1937.
21 SECTION 3. This act shall take effect upon passage.

RS1157/SUB A

EXPLANATION

BY THE LEGISLATIVE COUNCIL

OF

AN ACT

TRANSFERRING RIGHTS AND INTERESTS OF THE STATE
AND THE PUBLIC TO THE NARRAGANSETT ELECTRIC COMPANY
IN ORDER TO QUIET TITLE TO THE MANCHESTER STREET SITE

1 This act would transfer any outstanding right, title and
2 interest of the state and the public in the Manchester Street
3 Site to The Narragansett Electric Company in order to quiet title
4 to the Site and enable The Narragansett Electric Company and New
5 England Power Company to repower the Manchester Street Station.
6 The act would take effect upon passage.

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RS1157
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IN SENATE APR 09 1992
THE COMMITTEE ON JUDICIARY
RECOMMEND THE PASSAGE 1505A
OF THE BILL MARKED SUBSTITUTE "A"
AND THE INDEFINITE POSTPONEMENT
OF THE ORIGINAL BILL.
J.M. Donoh
FOR THE COMMITTEE

IN THE SENATE APR 14 1992
Ordered to be
placed upon the
calendar.
Robert F. Wall
Reading Clerk

IN THE SENATE MAY 13 1992
Robert F. Wall
Read and PASSED Reading Clerk

IN HOUSE OF REPRESENTATIVES
MAY 14 1992
REFERRED TO COMMITTEE ON
FINANCE
James J. O'Rourke Clerk

IN HOUSE OF REPRESENTATIVES
JUN 30 1992
THE COMMITTEE ON FINANCE
RECOMMEND THE PASSAGE IN CON-
CURRENCE
OF THE BILL MARKED SUBSTITUTE "A"
AND THE INDEFINITE POSTPONEMENT OF
THE ORIGINAL BILL.
1505
Paul A. Marra
FOR THE COMMITTEE

IN HOUSE OF REPRESENTATIVES
JUN 30 1992
Received and Ordered to be placed upon the
CALENDAR
James J. O'Rourke Clerk

IN HOUSE OF REPRESENTATIVES
JUL 1 1992
Read and Passed In Concurrence
James J. O'Rourke Clerk

IN HOUSE OF REPRESENTATIVES
JUL 1 1992
TRANSMITTED TO THE
GOVERNOR
Salvatore R. Casar
Recording

EXECUTIVE DEPARTMENT,
Received JUL 01 1992
APPROVED
JUL 01 1992
Stacy Sunderland
GOVERNOR

Presented by

TRANSFERRING RIGHTS AND INTERESTS OF THE STATE
AND THE PUBLIC TO THE NARRAGANSETT ELECTRIC COMPANY
IN ORDER TO QUIET TITLE TO THE MANCHESTER STREET SITE

A N A C T

92 -- S 1505
SUBSTITUTE A

JT COMM. LEGISLATIVE SERVICES
LAW REVISION OFFICE

PUBLIC LAWS
CHAPTER
92 - 96
H.

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ES212

S T A T E O F R H O D E I S L A N D

I N G E N E R A L A S S E M B L Y

J A N U A R Y S E S S I O N , A . D . 1 9 9 1

H O U S E R E S O L U T I O N

R E S P E C T F U L L Y R E Q U E S T I N G T H E N A R R A G A N S E T T
E L E C T R I C C O M P A N Y T O C O R R E C T T H E P R O B L E M
O F P O W E R F A I L U R E S I N N O R T H K I N G S T O W N

91-H 5133

Introduced By: Reps. Henseler, Hernandez
and Benson

Date Introduced: January 15, 1991


Referred To: Read and Passed

1 R E S O L V E D , T h a t t h i s H o u s e o f R e p r e s e n t a t i v e s o f t h e S t a t e o f
2 R h o d e I s l a n d a n d P r o v i d e n c e P l a n t a t i o n s h e r e b y r e s p e c t f u l l y r e q u e s t s
3 t h e N a r r a g a n s e t t E l e c t r i c C o m p a n y t o c o r r e c t t h e p r o b l e m o f f r e q u e n t
4 p o w e r f a i l u r e s i n t h e N o r t h E n d o f N o r t h K i n g s t o w n d u r i n g s t o r m s ; a n d
5 b e i t f u r t h e r

6 R E S O L V E D , T h a t t h e s e c r e t a r y o f s t a t e b e a n d s h e h e r e b y i s
7 a u t h o r i z e d a n d d i r e c t e d t o t r a n s m i t a d u l y c e r t i f i e d c o p y o f t h i s
8 r e s o l u t i o n t o t h e P r e s i d e n t o f t h e N a r r a g a n s e t t E l e c t r i c C o m p a n y .

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911105133

H O U S E R E S O L U T I O N

RESPECTFULLY REQUESTING THE NARRAGANSETT
ELECTRIC COMPANY TO CORRECT THE PROBLEM
OF POWER FAILURES IN NORTH KINGSTOWN

Presented by

Joyanne M. Henseler 44
John A. Henry 46
Edward J. Benson 45

HOUSE OF REPRESENTATIVES
JAN 15 1991
READ AND PASSED

Leg. Print

156

JANUARY SESSION, 1989

R 81
89-H 7291
Passed in House
Mar. 3, 1989.

HOUSE RESOLUTION RESPECTFULLY REQUESTING THE NARRAGANSETT AND
BLACKSTONE VALLEY ELECTRIC COMPANIES AND THE NEW ENGLAND TELEPHONE
COMPANY TO PLANT TREES THROUGHOUT THE STATE

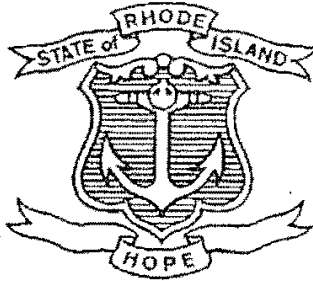
WHEREAS, Power lines and telephone wires have become a blight upon
the landscape and mar the beauty of our most spectacular scenic fea-
tures; and

WHEREAS, Elimination of, or underground replacement of, these
eyesores is economically unfeasible at the present time; now, there-
fore, be it

RESOLVED, That this house of representatives of the state of Rhode
Island and Providence Plantations hereby respectfully requests the
managements of Narragansett Electric and Blackstone Valley Electric
companies and of New England Telephone company to plant trees along the
routes of their power lines to contribute to the aesthetic beauty of
the surrounding areas as well as to enhance the environmental benefits
derived from living trees; and be it further

RESOLVED, That the secretary of state be and she hereby is author-
ized and directed to transmit a duly certified copy of this resolution
to Narragansett Electric, Blackstone Valley Electric and New England
Telephone.

ACTS AND RESOLVES
PASSED AT THE
GENERAL ASSEMBLY
OF THE
STATE OF RHODE ISLAND
AND
PROVIDENCE PLANTATIONS
AT THE
JANUARY SESSION, A.D., 1988



JOINT COMMITTEE ON LEGISLATIVE SERVICES
SPEAKER JOSEPH DEANGELIS, CHAIRMAN

LAW REVISION

1988

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JANUARY SESSION, 1988

J. Troy Earhart, Commissioner of Elementary and Secondary Education, shall be permitted to join and purchase his previous service credit in the retirement system for his period of employment as Commissioner from February 5, 1984 to the present, and to purchase credit for previous employment in a public school district out-of-state.

SECTION 2. For the purpose of computing the final compensation defined in said title 36 of the general laws, of J. Troy Earhart, said employee shall be allowed to purchase his service credit for his retirement account provided he makes written application to the retirement board on or before December 31, 1989, and pays into the retirement system in a lump sum payment, ten percent (10%) of his entry level salary as Commissioner for each year in which he seeks membership service credit.

SECTION 3. This act shall take effect upon passage.

117
88-S 2675A
Approved Jun. 9, 1988.

AN ACT RELATING TO "AN ACT TO INCORPORATE UNITED ELECTRIC POWER COMPANY"

It is enacted by the General Assembly as follows:

SECTION 1. As authorized by chapter 146 of the public laws, 1987, the charter of the Narragansett electric company, a corporation created by an act of the general assembly passed at its January session, A.D. 1926 under the name of United Electric Power Company (which name was changed by authority of an act in amendment of said act passed at the January session, A.D. 1927), as heretofore amended, is hereby further amended by adding thereto the following section:

"SEC. 2.5. No director of said corporation shall be personally liable to said corporation or its stockholders for monetary damages for breach of the director's duty as a director, provided, however, that the foregoing shall not eliminate or limit the liability of a director to the extent that such liability is imposed pursuant to the provisions of section 7-1.1-43 of the general laws or otherwise pursuant to applicable law for (i) any breach of the director's duty of loyalty to said corporation or its stockholders; (ii) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; or (iii) any transaction from which the director derived an improper personal benefit (unless said transaction is permitted by section 7-1.1-37.1 of the general laws). No amendment to or repeal of this section 2.5 shall eliminate or reduce the effect of this section in respect of any act or omission of any director occurring prior to such amendment or repeal."

SECTION 2. This act shall take effect upon passage.

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3:00 P.M. or
and 3:00 P.M.

JANUARY SESSION, 1976.

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AN ACT in Amendment of and in Addition to an Act
Entitled "An Act in Amendment of an Act, En-
titled 'An Act to Incorporate United Electric Power
Company,' Passed at the January Session, 1926, and
the Several Acts in Amendment Thereof and Relat-
ing Thereto."

76-S 2306
Approved
June 4, 1976.

It is enacted by the General Assembly as follows:

Section 1. Section 1 of the act entitled "An act in amendment of an act, entitled 'An act to incorporate United Electric Power Company', passed at the January session, 1926, and the several acts in amendment thereof and relating thereto" passed at the January session of the general assembly, A.D. 1964, as amended, is hereby further amended as follows:

The Narragansett Electric Company (hereinafter called "said company") a corporation created by an act of the general assembly passed at its January session A.D. 1926 under the name of United Electric Power Company (which name was changed by authority of an act in amendment of said act passed at the January session A.D. 1927) is hereby authorized and empowered to exercise the right of eminent domain for the purpose of taking any land, interest in land, or other rights necessary or desirable for the erection, construction, extension, installation, main-

SS

JANUARY SESSION, 1976.

tenance, alteration, use or operation from time to time of a line or lines for the transmission of currents of electricity of eleven thousand volts or more, and substations for the transmission and distribution of electricity and for the erection, construction, extension, installation, maintenance, alteration, use or operation of such poles, towers, wires, conduits, structures, machinery, equipment and other appurtenances and appliances, including buried ground wires, as may be necessary or desirable for such line, or lines, or substations, in the manner and subject to the conditions hereinafter provided in this act, subject to first obtaining an order from the public utility administrator permitting the filing of a petition in accordance with section 2 hereof.

Sec. 2. The act entitled "An act in amendment of an act, entitled 'An act to incorporate United Electric Power Company,' passed at the January session, 1926, and the several acts in amendment thereof and relating thereto", passed at the January session of the general assembly, A.D. 1964, as amended, is hereby further amended by adding thereto the following section:

"Section 13.1. In determining whether an exercise of the right of eminent domain is necessary or desirable to enable the company to carry on its business, or is necessary or desirable to the company for its purposes, the public utility administrator, public utilities commission or the court, as the case may be, may make such determination even though the construction or use of the transmission line, or sub-station necessitating the exercise of the right of eminent domain may

JANUARY SESSION, 1976.

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also be necessary or desirable for transmission or distribution of currents of electricity on behalf of one or more other electric utilities, domestic or foreign, irrespective of the form of ownership of said utility or utilities."

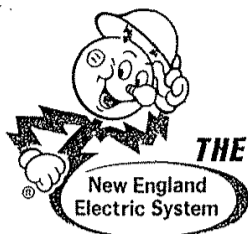
In the event the right of eminent domain is exercised and there is no agreement upon the sum to be paid for the value of the land or other real property so taken and of appurtenant damage to any remainder or for the value of the estate right or interest therein, then upon application of the party in interest to the court, the court shall order paid forthwith to the party or parties so applying for or on account of the just compensation to be awarded upon petition for the assessment of damages, not less than seventy-five per cent (75%) of the acquiring party's final offer pending final disposition of the petition for assessment of damages. The verdict and the judgment thereafter entered shall not include any interest upon such amount that shall have been paid on account of just compensation for any period of time from and after thirty (30) days following the making in writing of the acquiring party's final offer.

Sec. 3. This act shall take effect upon its passage

RECEIVED & FILED NOV 12 1973

RECEIVED & FILED NOV 12 1973

DEPARTMENT OF STATE
OFFICE OF
SECRETARY OF STATE
PROVIDENCE, R. I.



THE NARRAGANSETT ELECTRIC COMPANY

280 Melrose Street, Providence, Rhode Island 02901

November 12, 1973

Secretary of State of the State of Rhode Island
State House
Providence, Rhode Island 02903

Dear Sir:

Pursuant to vote of the Board of Directors of The Narragansett Electric Company (a corporation originally and duly established under the name of "United Electric Power Company" pursuant to the provisions of an act entitled "An Act to Incorporate United Electric Power Company" passed at the January Session, A. D. 1926, which name has been changed to "The Narragansett Electric Company" under and pursuant to the provisions of an act passed at the January Session, A. D. 1927, amending said above-mentioned Act), at a meeting duly called and held on December 19, 1972, the undersigned, President and Treasurer of such corporation, hereby make application for the issue of your certificate to The Narragansett Electric Company authorizing the issue of 200,000 shares of its common capital stock of a par value of \$50 each, in addition to the shares of capital stock issuable on organization of the corporation and the shares, the issue of which have been authorized by certificates heretofore issued by the Secretary of State of the State of Rhode Island pursuant to the provisions of Section 8 of said Act.

Attached hereto is a certified copy of an order of the Division

- 2 -

Secretary of State of the
State of Rhode Island

November 12, 1973

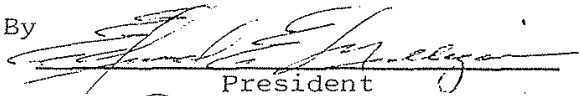
of Public Utilities and Carriers, Department of Business Regulation (which, with respect to the issue of securities, has succeeded to the powers of the Public Utilities Commission under Section 7 of the above-mentioned Act) entered on October 26, 1973, approving the issue of said 200,000 additional shares of common capital stock, the purposes of such issue, and the terms and manner of disposition thereof.

The tax of one-tenth of one per cent of the \$10,000,000 par value of such additional common capital stock has been paid into the General Treasury and the receipt therefor accompanies this application.

Yours very truly,

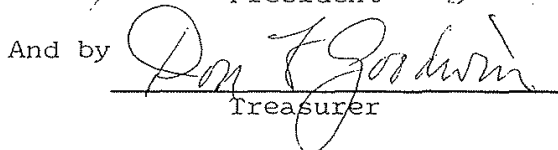
THE NARRAGANSETT ELECTRIC COMPANY

By



President

And by



Treasurer

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

PUBLIC UTILITIES COMMISSION

DIVISION OF PUBLIC UTILITIES AND CARRIERS

PETITION OF THE NARRAGANSETT ELECTRIC)
COMPANY FOR APPROVAL AND CONSENT AND) Docket No. 1134
AUTHORITY TO ISSUE ADDITIONAL COMMON)
CAPITAL STOCK)

On September 17, 1973, The Narragansett Electric Company, a public utility as defined in Section 2, Chapter 1, of Title 39, of the General Laws of Rhode Island, 1956, as amended, filed with the Division of Public Utilities and Carriers, State of Rhode Island, (hereinafter referred to as the "Division"), a petition and statement requesting the entry of an order approving, consenting to and authorizing the issue of 200,000 additional shares of Common Capital Stock having a par value of Fifty Dollars (\$50.00) per share to provide funds to retire short-term indebtedness incurred or to be incurred for capitalizable expenditures set forth in Exhibit C filed with said petition and made a part thereof, to pay for such expenditures or to reimburse the treasury of the Petitioner therefor. Said Exhibit C set forth capitalizable expenditures in excess of

\$70,000,000 as to which no stock or capital obligations have been issued.

Petitioner informs the Division that said 200,000 additional shares of Common Capital Stock are, in accordance with the provisions of Section 16, Chapter 3, Title 7 of the General Laws of Rhode Island, 1956, first to be offered to the sole holder of the Common Capital Stock of the Petitioner for cash at the par value thereof and such stockholder has informed the Petitioner that it will purchase said additional shares for cash at the par value thereof.

After consideration of the petition and the Exhibits submitted therewith, and upon investigation of Petitioner's records, the Division is of the opinion that this petition should be granted and that Petitioner should be authorized to issue said additional Common Capital Stock in the amount requested and to use the proceeds obtained therefrom in the manner outlined in said petition.

Accordingly, it is

(8897) ORDERED: That the Division of Public Utilities and Carriers pursuant to Sections 7 and 8 of an Act entitled "An Act to Incorporate United Electric Power Company" passed

by the General Assembly at the January Session, 1926, as amended, and pursuant to the provisions of Sections 15, 17 and 18 of Chapter 3, Title 39 of the General Laws of 1956, as amended, hereby approves, consents to and authorizes the issue by Petitioner of 200,000 additional shares of Common Capital Stock, and fixes the character and terms of such issue and the purposes to which the proceeds thereof shall be applied as follows:

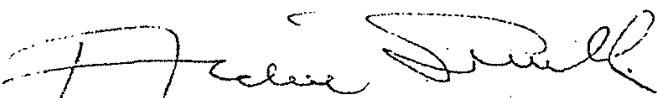
Said 200,000 additional shares of Common Capital Stock are to be issued under the authority contained in Sections 7 and 8 of Petitioner's charter and will have a par value of Fifty Dollars (\$50.00) per share and will in all respects be of the same character and tenor as all other shares of the Common Capital Stock of the Petitioner heretofore issued and outstanding. Said 200,000 additional shares of Common Capital Stock are first to be offered for cash at the par value thereof to the holder of the Common Capital Stock of Petitioner.

The proceeds of the sale of said 200,000 additional shares of Common Capital Stock shall be applied for the purpose of retiring short-term indebtedness, incurred or to be incurred for capitalizable expenditures, of paying for such expenditures, or reimbursing the treasury of Petitioner there-

for; the money to be procured by the issue of said 200,000
additional shares of Common Capital Stock being reasonably
required for said purposes; and it is further

ORDERED: That this order shall become effective
forthwith.

Dated at Providence, Rhode Island, this 26th day of
October, 1973.



Administrator
Division of Public Utilities and Carriers

APPROVED:

PUBLIC UTILITIES COMMISSION

BY 

Commissioner



Commissioner



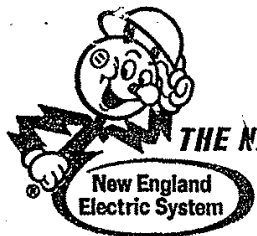
Commissioner

A TRUE COPY:

ATTEST:



Notary Public



RECEIVED & FILED MAR 17 1971

THE NARRAGANSETT ELECTRIC COMPANY 280 Melrose Street, Providence, Rhode Island 02901

March 17, 1971

Secretary of State of the State of Rhode Island
State House
Providence, Rhode Island 02903

Dear Sir:

Pursuant to vote of the Board of Directors of The Narragansett Electric Company (a corporation originally and duly established under the name of "United Electric Power Company" pursuant to the provisions of an act entitled "An Act to Incorporate United Electric Power Company" passed at the January Session, A. D. 1926, which name has been changed to "The Narragansett Electric Company" under and pursuant to the provisions of an act passed at the January Session, A. D. 1927, amending said above-mentioned Act), at a meeting duly called and held on December 22, 1970, the undersigned, President and Treasurer of such corporation, hereby make application for the issue of your certificate to The Narragansett Electric Company authorizing the issue of 200,000 shares of its preferred stock of a par value of \$50 each, in addition to the shares of capital stock issuable on organization of the corporation and the shares, the issue of which has been authorized by certificates heretofore issued by the Secretary of State of the State of Rhode Island pursuant to the provisions of Section 8 of said Act.

Attached hereto is a certified copy of an order of the Division of Public Utilities and Carriers, Department of Business Regulation (which, with respect to the issue of securities, has succeeded

- 2 -

Secretary of State of the State of Rhode Island

March 17, 1971

to the powers of the Public Utilities Commission under Section 7 of the above-mentioned Act) entered on February 19, 1971, approving the issue of said 200,000 additional shares of preferred stock, the purposes of such issue, and the terms and manner of disposition thereof.

The tax of one-tenth of one per cent of the \$10,000,000 par value of such additional preferred stock has been paid into the General Treasury and the receipt therefor accompanies this application.

Yours very truly,

THE NARRAGANSETT ELECTRIC COMPANY

By T. Walter Pearce
President

And by Frederick L Hill
Treasurer

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

DEPARTMENT OF BUSINESS REGULATION

Exhibit D-2

DIVISION OF PUBLIC UTILITIES AND CARRIERS

Petition of The Narragansett Electric :
Company for approval of and consent :
and authority to issue 200,000 ad- : Docket No. 1082
ditional shares of Preferred Stock :

On December 29, 1970, The Narragansett Electric Company, a public utility as defined in Section 2, Chapter 1 of Title 39, of the General Laws of Rhode Island, 1956, as amended, filed with the Division of Public Utilities and Carriers, Department of Business Regulation of the State of Rhode Island (hereinafter referred to as the "Division"), a petition and statement requesting the entry of an order approving, consenting to and authorizing the issue of 200,000 additional shares of Preferred Stock of the par value of \$50 per share to provide funds to retire short-term indebtedness incurred or to be incurred for capitalizable expenditures as set forth in Exhibit C filed with the said petition and made a part thereof, to pay for such expenditures or to reimburse the treasury of the Petitioner therefor. Said Exhibit C sets forth capitalizable expenditures in excess of Ten Million Dollars (\$10,000,000) as to which no stock or capital obligations have been issued.

Petitioner informs the Division that said 200,000 additional shares of Preferred Stock are to be sold for cash to purchasers selected pursuant to competitive bidding. (The Petitioner informs the Division that the holder of the Common Capital Stock is to waive its pre-emptive rights, if any, to said additional Preferred Stock.)

After consideration of the petition and Exhibits submitted

therewith, and upon investigation of Petitioner's records, the Division is of the opinion that this petition should be granted and that Petitioner should be authorized to issue said additional Preferred Stock in the amount requested and to use the proceeds obtained therefrom in the manner outlined in said petition.

Accordingly, it is

(8668) ORDERED: That the Division of Public Utilities and Carriers within the Department of Business Regulation, pursuant to Sections 7 and 8 of an Act entitled "An Act to Incorporate United Electric Power Company" passed by the General Assembly at the January Session, 1926, as amended, and pursuant to the provisions of Title 39, Chapter 3, Sections 15, 17, 18 of the General Laws of Rhode Island, 1956, as amended, hereby approves, consents to and authorizes the issue by Petitioner of 200,000 additional shares of Preferred Stock of the par value of \$50 per share, and fixes the amount, character and terms of such issue and the purposes to which the proceeds thereof shall be applied as follows:

Said additional shares of Preferred Stock are to be sold for cash to purchasers selected pursuant to competitive bidding under which Petitioner is to invite bids for the purchase of all of said additional Preferred Stock, said competitive bidding to establish the price at which such shares shall be so sold and the dividend rate therefor such price to be not less than \$50 nor more than \$51.375 per share, plus accrued dividends, and such dividend rate not to exceed 9.72 per cent per annum. The redemption prices of such Preferred Stock will be fixed following said competitive bidding in accordance with the formula based on the initial offering price. With respect to redemption, the third series of Preferred Stock may not be redeemed prior to March 1,

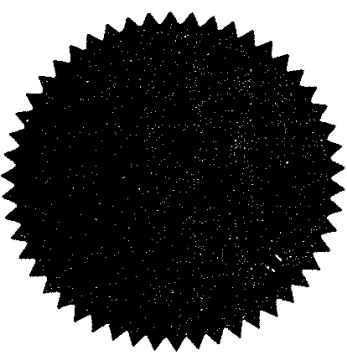
1976 if such redemption is for the purpose of or in anticipation or refunding such Preferred Stock at an effective cost of money less than the effective cost of money to the Petitioner of the third series of Preferred Stock.


The Division further approves, consents to and authorizes the preferences as to dividends, voting power and other incidents of Preferred Stock as set forth in Exhibit A, which is attached to this Order and made a part hereof.

The proceeds of the sale of said 200,000 additional shares of Preferred Stock shall be applied for the purpose of retiring short-term indebtedness, incurred or to be incurred for capitalizable expenditures, of paying for such expenditures or reimbursing the treasury of Petitioner therefor; the money to be procured by the issue of said 200,000 additional shares of Preferred Stock being reasonably required for said purposes; and, it is further

ORDERED: That this order shall become effective forthwith.

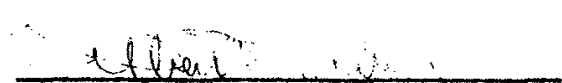
Dated at Providence, Rhode Island, this
nineteenth day of February, A. D., 1971





Administrator
Division of Public Utilities and Carriers

APPROVED:



Director
Department of Business Regulation

APPROVED:

PUBLIC UTILITIES COMMISSION

By: 

Commissioner

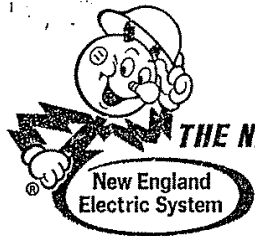


Commissioner



Commissioner

A True Cop
Attest
Charles A. Lombardi
Asst. Secretary
The Narragansett Electric Co.



THE NARRAGANSETT ELECTRIC COMPANY 15 Westminster Street, Providence, Rhode Island 02901

February 12, 1968

Secretary of State of Rhode Island
State House
Providence, Rhode Island

Dear Sir:

Pursuant to vote of the Board of Directors of The Narragansett Electric Company (a corporation originally and duly established under the name of "United Electric Power Company" pursuant to the provisions of an act entitled "An Act to Incorporate United Electric Power Company" passed at the January Session, A. D. 1926, which name has been changed to "The Narragansett Electric Company" under and pursuant to the provisions of an act passed at the January Session, A. D. 1927, amending said above-mentioned act), at a meeting duly called and held on September 26, 1967, the undersigned, President and Treasurer of such corporation, hereby make application for the issue of your certificate to The Narragansett Electric Company authorizing the issue of 50,000 shares of its common capital stock of a par value of \$50 each, in addition to the shares of capital stock issuable on organization of the corporation and the shares, the issue of which has been authorized by certificates heretofore issued by the Secretary of State of Rhode Island pursuant to the provisions of Section 8 of said Act.

Attached hereto is a certified copy of an order of the Public Utility Administrator, Department of Business Regulation (who has succeeded to the powers of the Public Utilities Commission under

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Secretary of State of Rhode Island

2/12/68

Section 7 of the above-mentioned Act) entered on January 3, 1968, approving the issue of said 50,000 additional shares of common capital stock, the purposes of such issue, and the terms and manner of disposition thereof.

The tax of one-tenth of one per cent of the \$2,500,000 par value of such additional common capital stock has been paid into the General Treasury and the receipt therefor accompanies this application.

Yours very truly,

THE NARRAGANSETT ELECTRIC COMPANY

By

Edward C. Borvet
President

And by

George F. Ringle
Treasurer

STATE OF RHODE ISLAND
DEPARTMENT OF BUSINESS REGULATION
OFFICE OF
PUBLIC UTILITY ADMINISTRATOR

PETITION OF THE NARRAGANSETT ELECTRIC :
COMPANY FOR APPROVAL AND CONSENT :
AND AUTHORITY TO ISSUE ADDITIONAL : Docket No. 999
COMMON CAPITAL STOCK AND FIRST MORTGAGE :
BONDS. :

On November 21, 1967, The Narragansett Electric Company, a public utility as defined in Section 2, Chapter 1, of Title 39, of the General Laws of Rhode Island 1956, filed with the Public Utility Administrator within the Department of Business Regulation of the State of Rhode Island a petition and statement requesting the entry of an order approving, consenting to and authorizing the issue of 50,000 additional shares of Common Capital Stock having a par value of Fifty Dollars (\$50.00) per share and additional First Mortgage Bonds in the principal amount of Seven Million Five Hundred Thousand Dollars (\$7,500,000) to provide funds to retire short-term indebtedness incurred or to be incurred for capitalizable expenditures set forth in Exhibit C filed with said petition and made a part thereof, to pay for such expenditures and to reimburse the treasury of the Petitioner therefor. Said Exhibit C sets forth capitalizable expenditures in excess of \$10,000,000 as to which no stock or capital obligations have been issued.

Petitioner informs the Administrator that said 50,000 additional shares of Common Capital Stock are, in accordance with the provisions of Section 16, Chapter 3, Title 7 of the General Laws of Rhode Island 1956, first to be offered to the sole holder of the Common Capital Stock of the Petitioner for

cash at the par value thereof and such stockholder has informed the Petitioner that it will purchase said additional shares for cash at the par value thereof. Petitioner further informs the Administrator that said additional First Mortgage Bonds are to be offered for public bidding and sold for cash at not less than the principal amount thereof with interest adjustment. Said additional bonds are to be designated as bonds of Series G, being bonds of a new series to be authorized and issued under the terms of the First Mortgage Indenture and Deed of Trust dated as of September 1, 1944, as amended, and supplemented by five supplemental Indentures between The Narragansett Electric Company and Rhode Island Hospital Trust Company, Trustee, and under a Sixth Supplemental Indenture to be executed prior to the issuance of said Series G Bonds. Series A, Series B, Series C, Series D, Series E, and Series F Bonds are presently outstanding under said Indenture as now supplemented.

After consideration of the petition and the Exhibits submitted therewith, and upon investigation of Petitioner's records, the Administrator is of the opinion that this petition should be granted and that Petitioner should be authorized to issue said additional Common Capital Stock and said additional First Mortgage Bonds in the amount requested and to use the proceeds obtained therefrom in the manner outlined in said petition.

Accordingly, it is

(8294) ORDERED: That the Public Utility Administrator within the Department of Business Regulation pursuant to Sections 7 and 8 of an Act entitled "An Act to Incorporate United Electric Power Company" passed by the General Assembly at the January

Session 1926, as amended, and pursuant to the provisions of Sections 15, 17 and 18 of Chapter 3, Title 39 of the General Laws of 1956, as amended, hereby approves, consents to and authorizes the issue by Petitioner of 50,000 additional shares of Common Capital Stock and the issue by Petitioner of additional First Mortgage Bonds in the principal amount of Seven Million Five Hundred Thousand Dollars (\$7,500,000), and fixes the character and terms of such issues and the purposes to which the proceeds thereof shall be applied as follows:

Said 50,000 additional shares of Common Capital Stock are to be issued under the authority contained in Sections 7 and 8 of Petitioner's charter and will have a par value of Fifty Dollars (\$50) per share and will in all respects be of the same character and tenor as all other shares of the Common Capital Stock of the Petitioner heretofore issued and outstanding. Said 50,000 additional shares of Common Capital Stock are first to be offered for cash at the par value thereof to the holder of the Common Capital Stock of Petitioner.

Said additional First Mortgage Bonds are to be offered for public bidding and sold for cash at not less than the principal amount thereof with interest adjustment. Said Bonds are to be issued under and pursuant to the terms of the First Mortgage Indenture and Deed of Trust dated as of September 1, 1944, as amended and supplemented by five supplemental Indentures and by a sixth supplemental Indenture to be executed prior to the issuance of said Bonds. Said Bonds are to be designated Series G Bonds and will mature in thirty years. Said Bonds in permanent form will be registered bonds without coupons. The interest rate as well as the price will be determined as

the result of public bidding. Series G Bonds will be redeemable on thirty days' notice at prices computed according to a formula based on the initial offering price of the Series G Bonds. Generally in redemption for sinking fund purposes and other special situations, Series G Bonds will be redeemable at lower redemption prices than apply to the ordinary optional redemptions. The holders of Series G Bonds will be entitled to the benefit of a sinking fund under which Petitioner will be required each year to deposit cash equal to 1% of the maximum amount of Series G Bonds issued, such cash to be used to redeem Series G Bonds, or in lieu of all or a part of such cash, Petitioner may surrender Series G Bonds for cancellation or fund additional property. Series G Bonds, together with the outstanding Series A, Series B, Series C, Series D, Series E and Series F Bonds and any additional bonds issued under and pursuant to the terms specified in the Indenture as amended and supplemented, will be secured by a direct first mortgage lien on substantially all the property and franchises of Petitioner, except current assets and certain other exceptions set forth in said Indenture, as supplemented. Series G Bonds shall be subject to such other provisions not inconsistent with the foregoing as Petitioner may set forth in a sixth supplemental Indenture providing for the issue of Series G Bonds.

The proceeds of the sale of said 50,000 additional shares of Common Capital Stock and of the sale of Series G Bonds shall be applied for the purpose of retiring short-term indebtedness, incurred or to be incurred for capitalizable expenditures, of paying for such expenditures, and of reimbursing the treasury of Petitioner therefor; the money to be procured by the issue

of said 50,000 additional shares of Common Capital Stock and the
issue of Series G Bonds being reasonably required for said
purposes; and it is further

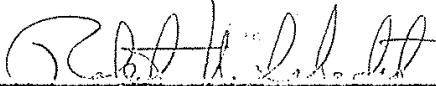
ORDERED: That this order shall become effective forthwith.

Dated at Providence, Rhode Island, this
third day of January, A. D., 1968

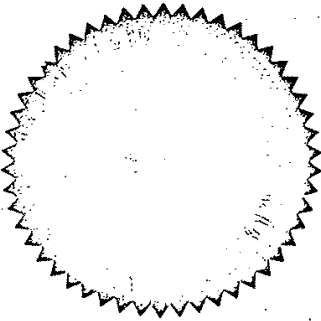


PUBLIC UTILITY ADMINISTRATOR OF RHODE ISLAND

APPROVED:




DIRECTOR OF DEPARTMENT OF BUSINESS REGULATION



A true copy

Attest:


Deputy Public Utility Administrator
of Rhode Island

FEB 12 1968

904

JANUARY SESSION, 1964.

S 697
Approved
May 6, 1964.

AN ACT in Amendment of an Act, Entitled "An Act
to Incorporate United Electric Power Company,"
Passed at the January Session, 1926, and the Several
Acts in Amendment Thereof and Relating Thereto.

It is enacted by the General Assembly as follows:

Section 1. The Narragansett Electric Company (hereinafter called "said Company") a corporation created by an act of the general assembly passed at its January Session A. D. 1926 under the name of United Electric Power Company (which name was changed by authority of an act in amendment of said act passed at the January session A. D. 1927) is hereby authorized and empowered to exercise the right of eminent domain for the purpose of taking any land, interests in land, or other rights necessary or desirable for the erection, construction, extension, installation, maintenance, alteration, use or operation from time to time of a line or lines for the transmission of currents of electricity of eleven thousand volts or more and for the erection, construction, extension, installation, maintenance, alteration, use or operation of such poles, towers, wires, conduits and other appurtenances and appliances, in-

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cluding buried ground wires, as may be necessary or desirable for such line or lines, in the manner and subject to the conditions hereinafter provided in this act, subject to first obtaining an order from the Public Utility Administrator permitting the filing of a petition in accordance with section 2 hereof.

To obtain such an order said Company shall file with the Public Utility Administrator a statement signed and verified by the President or a Vice President and the Secretary or an Assistant Secretary setting forth the general character of the land, interests in land or other rights over which it desires to exercise said right of eminent domain and the reasons why such taking is necessary or desirable in connection with the conduct of its business and is in the public interest.

It shall be the duty of the Public Utility Administrator to issue such an order forthwith whenever necessary or desirable to enable said Company to carry on its business, unless in his opinion such action would be contrary to the public interest, and for the purpose of determining such necessity or desirability and such public interest said Public Utility Administrator may hold such hearings, make such inquiries or investigations and examine such witnesses, books, papers, documents and contracts as he may deem proper.

Such order issued by the Public Utility Administrator under the provisions of this section shall recite that said Company has established at least a prima facie case in favor of the necessity or desirability of the exercise of the right of eminent domain for the purpose of carrying on its business and that in the opinion of the Public Utility Administrator the exercise of such

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rights, subject to the provisions hereinafter contained, would be in the public interest. Any refusal of the Public Utility Administrator to issue such an order shall be subject to appeal as provided by law.

Sec. 2. Whenever said Company shall have obtained from the Public Utility Administrator an order pursuant to the provisions of Section 1 hereof, it may file in the superior court of the State of Rhode Island for the County of Providence a petition setting forth the general character of the land, interests in land or other rights over which it desires to exercise said right of eminent domain, a general description of the structures, works, excavations and facilities initially to be erected, constructed, extended, installed, maintained, altered, used or operated over, under or across such land, interests in land, or other rights, and a list of the owner or owners of record of and other persons having an interest in such land, interests in land or other rights over which it desires to exercise said right of eminent domain. Said petition shall be accompanied by a map or plan showing the location of such land, interests in land or other rights and the location of any structures, works, excavations, facilities initially to be erected, constructed, extended, installed, maintained, altered, used or operated thereon and shall contain a notice that said Company will give such security as the court may require for the payment of all such costs and damages as may be finally awarded to any person interested in such land, interests in land, or other rights taken in the proceedings commenced by the filing of such petition. Said Company shall furnish copies of said petition and map or plan to the

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commissioners hereinafter referred to as may be required by said commissioners for filing as hereinafter provided in the land records of the towns or cities where such land is located.

Sec. 3. Upon the filing of such petition and map or plan in said superior court, said court shall enter an order fixing the time when and the place where all persons interested in the land, interests in land, or other rights, described in said petition may appear before said court and be heard with reference to the necessity or desirability of the taking of such land, interests in land, or other rights, the security to be given by said Company for damages and costs and the appointment of commissioners to appraise the damages sustained by such taking by the persons entitled thereto; and said court shall direct notice of said order to be served on the city or town clerks of the cities and towns wherein such land, interests in land, or other rights are located and on the owner or owners of record of or other persons having an interest in said land, interests in land, or other rights, and on said Company at least ten days prior to said hearing, which notice shall be served in the same manner as writs of summons issued out of the superior court are required to be served, or if said owner or owners of record, or other persons having an interest are non-residents of this State, such notice shall be published in such newspaper or newspapers three (3) times on such dates as the court may direct; and in case the post office address of such non-resident shall be known, a copy of said notice shall be mailed to said owner or owners, postage prepaid, under the direction of said court.

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Sec. 4. At the time and place mentioned in said notice, or at any adjournment thereof ordered by the court, the court, after hearing the parties interested, including the Public Utility Administrator and any of the municipalities in which the land, interests in land, or other rights to be taken are located, who may appear and desire to be heard, shall first determine whether the land, interests in land, or other rights, as set forth in said petition are necessary or desirable to said Company for its purposes aforesaid; and if the court shall determine that such land, interests in land, or other rights, are necessary or desirable to said Company for its purposes aforesaid and that such taking is in the public interest, said court shall proceed by its decree to fix and determine the security to be given by said Company for the payment of costs and damages and to appoint three disinterested persons as commissioners to appraise the damages sustained by the persons entitled thereto, by reason of the taking of said land, interests in land, or other rights. After entry of such decree as soon as said Company shall have given the security fixed therein, title to said land, interests in land, or other rights shall vest in said Company, its successors and assigns, and said Company may forthwith enter upon, take possession of and use the same. Any vacancies in said commission which may occur from time to time shall be filled by said court, upon application of any party interested in said proceedings (including said Company) and upon such notice as said court may direct.

Sec. 5. Said commissioners, before they proceed to execute their duties, shall be sworn to a faithful and

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impartial discharge thereof, shall give reasonable notice, by publication or otherwise, in such manner as said court in said decree may direct, to the owner or owners of record of and other persons having an interest in said land, interests in land, or other rights, to file their claims, if any they have, which have not been released to said Company, with the clerk of said court within sixty days from the date of said notice and shall file said copy of said petition and said map or plan and a certified copy of the decree in the land records of the town or city where such land, interests in land, or other rights are located. At the end of the time allowed for filing such claims, or any extension thereof, the commissioners, or a majority of them, shall fix a time and place for hearing all persons who have filed claims as aforesaid, as to the damages by them sustained, at which hearing said Company may also be heard, and shall give notice of such hearing by publication in such newspaper or newspapers, as said court may direct, once a week during each of the three weeks prior to the date of said hearing, and shall give such further notice, if any, as said court may direct. At the time and place fixed for said hearing, or at any adjournment therefrom the commissioners, or a majority of them, shall proceed to hear said persons, including said Company, with their allegations and proofs and may examine the premises; and shall make a just appraisal of the damages sustained by said persons by reason of the taking of said land, interests in land, or other rights as aforesaid. And the commissioners, or a majority of them, shall, as soon as may be, make report of their doings and of the damages, if any, assessed by them, to said court, with their fees marked

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thereon, which fees, being first allowed by the court, shall be forthwith paid by said Company. The owner or owners of any land, interests in land, or other rights not taken under the provisions of this act, who are entitled to compensation by law by reason of any taking under the provisions hereof, shall have the right to claim and recover such damages and the same shall be determined and collectible in the same manner as herein provided for determining and collecting the damages for land, interests in land, or other rights taken hereunder.

Sec. 6. Upon the receipt of any report of said commissioners, the clerk of said court shall file the same, and shall give public notice by advertisement for such time and in such newspaper or newspapers as said court may prescribe, that such report has been filed and that the same may be examined by any person interested therein; and either said Company, or any other person aggrieved by any award of damages made by the said commissioners, or refusal of award by said commissioners, may claim a jury trial upon any item of damages thereby awarded or refused, and may file a claim for such trial with the clerk of said court at any time within thirty (30) days of the date of the first publication of notice as aforesaid. Any such claim shall stand for trial by jury, upon proper issue based upon such claim, as other civil cases upon the docket of said court, and shall be tried therein in every respect as other civil cases are therein tried, including the right to except to rulings and to apply for a new trial for cause, and to prosecute bill of exceptions. But if the person claiming such jury trial shall not therein

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obtain an award more favorable to such person than that given by the commissioners, such person shall pay costs to the adverse party unless otherwise ordered by said court; and if any person claiming such jury trial shall obtain therein an award more favorable than that given by the commissioners, such person shall recover his, her or its costs from the adverse party.

Sec. 7. The report of the commissioners shall be confirmed by the court, after being so corrected as to conform to the findings of the jury in cases where a jury trial is claimed; and upon such confirmation, execution or executions for the damages fixed by said report as confirmed shall issue against said Company as upon a judgment, in due course of law, and shall be paid forthwith.

Sec. 8. Said Company may abandon any land, interests in land, or other rights taken under the provisions of this act, by filing a notice of such abandonment in the office of the clerk of the court in which the proceedings hereinbefore provided are pending, at any time before confirmation of the report of the commissioners appointed to assess damages. If said Company shall not have entered upon, taken possession of, or used the land, interests in land, or other rights, prior to the filing of such notice of abandonment, all proceedings for the assessment of damages for the taking of the land, interests in land, or other rights so abandoned shall cease, and said Company shall pay to any person who has established an interest in said land, interests in land, or other rights so abandoned all his costs incurred in prosecuting the damages for the taking of said land, interests in land, or other

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rights up to the time of such abandonment, which costs shall be taxed by the clerk. If said Company shall have entered upon, taken possession of, or used said land, interests in land, or other rights, so abandoned prior to such abandonment, and the assessment of damages for the same is then pending before commissioners or a jury, then, upon such abandonment, said Company shall have the right to give such abandonment in evidence in diminution of damages, paying costs, if the question of damages is pending, on claim of jury trial, notwithstanding a diminution of damages in consequence of such abandonment given in evidence; or if the commissioners or a jury have finally assessed the damages, said Company shall have a right to a revision of the assessment and to a re-assessment, by petition to the commissioners, in order that the diminution of damages in consequence of such abandonment may be considered with right of any person who has established an interest in said land, interests in land, or other rights, to claim a jury trial as in case of the original assessment.

Sec. 9. Whenever the land, interests in land, or other rights of which any infant or other person not capable in law to act in his own behalf is the owner of record or in which he has an interest are taken by said Company under the provisions of this act, the court before which the proceedings for such taking are pending may appoint a guardian ad litem for such infant or other person, and such guardian may appear and be heard in behalf of such infant or other person at any stage of the proceedings; and such guardian may also, with the advice and consent of the court appointing

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him, release to said Company all claims for damages for the land, interests in land, or other rights of such infant or other person so taken. And if there shall be any dispute as to the title of any land, interests in land, or other rights taken under the provisions of this act, or as to the person entitled to receive the damages awarded for such taking, or if the person entitled to receive such damages is uncertain or unknown, said Company may pay such damages into the registry of the court before which such proceedings are pending, with the same effect as to the title of said Company to such land, interests in land, or other rights, as though such damages had been paid to the person or persons entitled to receive the same.

Sec. 10. Any court in which any proceedings under this act shall be pending may from time to time order such other and further notices to be given in addition to those heretofore prescribed and make such further orders, not inconsistent with the provisions of this act or with the general laws of the state, as may be required, in the opinion of such court, to protect the rights and interests of the persons having an interest in such proceedings. And any proceedings taken under this act may be amended or corrected at any stage of the proceedings and the time may be extended within which persons interested may file their claims, upon such terms and notice, if any, as the court may prescribe.

Sec. 11. Nothing in this act shall authorize said Company to condemn any water power or water rights or to acquire or take any portion of any public street or highway of any town or city or any land, interests

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JANUARY SESSION, 1964.

in land, or other rights that shall have been acquired by any town or city for municipal or public purposes, except in either case in reasonable locations to be approved by the town council or city council of said town or city respectively; nor to exercise any right of condemnation within the limits of the city of Newport or of the towns of Jamestown, Middletown or Portsmouth, nor to condemn any portion of the land, location or right of way of any railroad, street railway or other public utility company, except for the purpose of crossing the same, either above or below grade and of maintaining suitable and convenient supports for such crossing, in such manner as not to render unsafe, or to impair the usefulness of, such land, location or right of way for railroad or street railway purposes or the purposes of such public utility company. If said Company and any such railroad, street railway or public utility company are unable to agree as to the method and manner of the construction and maintenance of any such crossing, either may apply to the Public Utility Administrator for a determination thereof, and, after hearing, such crossing shall be constructed and maintained in such method and manner as may be ordered by said Public Utility Administrator. Either party aggrieved by such order of said Public Utility Administrator may appeal therefrom in the manner provided by law. Said Company shall be liable to any such railroad, street railway or public utility company for such damages and reasonable expense as may result to it by reason of any line or lines of said Company crossing such railroad, street railway or public utility company's land, location or right of way.

JANUARY SESSION, 1961.

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Sec. 12. The commissioners appointed as hereinbefore provided shall each receive such compensation for their services as shall be fixed by said court which shall be paid by said Company and all the costs of any and all hearings incurred by such commissioners, including the cost of counsel for the owners of land, interests in land or other rights taken under the provisions of this act, subject to approval of said court, shall be paid by said Company.

Sec. 13. Said Company may sell and convey any land, interests in land, or other rights taken by it hereunder and any line or lines, poles, wires, conduits or other appurtenances and appliances placed thereon to any other corporation, company or association having the right to carry on an electric lighting, heating or power business in this state, or may enter into an agreement giving to any such corporation, company or association the right to use such land, interests in land, or other rights for the purposes for which the same were taken or may agree to use said land, interests in land, or other rights for any such corporation, company or association for the purposes for which the same were taken.

Sec. 14. Nothing in this act contained shall be deemed to repeal, abridge or modify the provisions of the public utilities act or any related acts now in force; and said public utility administrator shall have continuing control over said Company in the operation of the lines erected, constructed or extended under the authority of this act as well as over the lines which said Company now operates or may hereinafter operate in the streets and highways or elsewhere, under any authority.

Sec. 15. The act incorporating said Company and all acts in amendment thereof or in addition thereto are hereby amended in accordance with the foregoing provisions of this act.

Sec. 16. This act shall take effect upon its passage.

THE NARRAGANSETT ELECTRIC COMPANY



15 WESTMINSTER STREET, PROVIDENCE 1, R. I.

January 3, 1964

Secretary of State of Rhode Island
State House
Providence, Rhode Island

Dear Sir:

Pursuant to vote of the Board of Directors of The Narragansett Electric Company (a corporation originally and duly established under the name of "United Electric Power Company" pursuant to the provisions of an act entitled "An Act to Incorporate United Electric Power Company" passed at the January Session, A. D. 1926, which name has been changed to The Narragansett Electric Company" under and pursuant to the provisions of an act passed at the January Session, A. D. 1927, amending said above-mentioned act), at a meeting duly called and held on August 27, 1963, the undersigned, President and Treasurer of such corporation, hereby make application for the issue of your certificate to The Narragansett Electric Company authorizing the issue of 100,000 shares of its common capital stock of a par value of \$50 each, in addition to the shares of capital stock issuable on organization of the corporation and the shares, the issue of which has been authorized by certificates heretofore issued by the Secretary of State of Rhode Island pursuant to the provisions of Section 8 of said Act.

Attached hereto is a certified copy of an order of the Public Utility Administrator, Department of Business Regulation (who has succeeded to the powers of the Public Utilities Commission under Section 7 of the above-mentioned Act) entered on October 17, 1963,

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Secretary of State of Rhode Island

1/3/64

approving the issue of said 100,000 additional shares of common capital stock, the purposes of such issue, and the terms and manner of disposition thereof.

The tax of one-tenth of one per cent of the \$5,000,000 par value of such additional common capital stock has been paid into the General Treasury and the receipt therefor accompanies this application.

Yours very truly,

THE NARRAGANSETT ELECTRIC COMPANY

By

Edward C. Bower

President

And by

George F. Pingle

Treasurer

STATE OF RHODE ISLAND
DEPARTMENT OF BUSINESS REGULATION
OFFICE OF
PUBLIC UTILITY ADMINISTRATOR

PETITION OF THE NARRAGANSETT ELECTRIC :
COMPANY FOR APPROVAL OF AND CONSENT :
AND AUTHORITY TO ISSUE ADDITIONAL : Docket No. 844
COMMON CAPITAL STOCK AND FIRST MORTGAGE :
BONDS. :

Under date of September 10, 1963, The Narragansett Electric Company, a public utility as defined in Section 2, Chapter 1, of Title 39, of the General Laws of Rhode Island 1956, filed with the Public Utility Administrator within the Department of Business Regulation of the State of Rhode Island a petition and statement requesting the entry of an order approving, consenting to and authorizing the issue of 100,000 additional shares of Common Capital Stock having a par value of Fifty Dollars (\$50.00) per share and additional First Mortgage Bonds in the principal amount of Five Million Dollars (\$5,000,000) to provide funds to retire short-term indebtedness incurred or to be incurred for capitalizable expenditures set forth in Exhibit C filed with said petition and made a part thereof, to pay for such expenditures and to reimburse the treasury of the Petitioner therefor.

Petitioner informs the Administrator that said 100,000 additional shares of Common Capital Stock are in accordance with the provisions of Section 16, Chapter 3, Title 7 of the General Laws of Rhode Island 1956, first to be offered to the holders of the Common Capital Stock of the Petitioner for cash at the par value thereof and such stockholders have informed the Petitioner that they will purchase said additional shares for cash at the par value thereof. Petitioner further informs the Administrator that said additional First Mortgage Bonds are to be offered for public bidding and sold for cash at not less than the principal

amount thereof with interest adjustment. Said additional bonds are to be designated as bonds of Series F, being bonds of a new series to be authorized and issued under the terms of the First Mortgage Indenture and Deed of Trust dated as of September 1, 1944, as amended, and supplemented by four supplemental Indentures between The Narragansett Electric Company and Rhode Island Hospital Trust Company, Trustee, under which Indenture as supplemented bonds of Series A, Series B, Series C, Series D, and Series E are presently outstanding.

Petitioner's balance sheet as of July 31, 1963, indicates to the Division that Petitioner has made capitalizable expenditures in excess of \$10,000,000 as to which no stock or capital obligations have been issued. These expenditures have been made from money borrowed on notes maturing within twelve months from the date of issue and from moneys in the treasury of the Petitioner not secured or obtained from the issuance of stocks, bonds or other evidences of indebtedness payable more than twelve months after the date of issue.

After consideration of the petition and the Exhibits submitted therewith, and upon investigation of Petitioner's records, the Administrator is of the opinion that this petition should be granted and that Petitioner should be authorized to issue said additional Common Capital Stock and said additional First Mortgage Bonds in the amount requested and to use the proceeds obtained therefrom in the manner outlined in said petition.

Accordingly, it is

(7851) ORDERED: That the Public Utility Administrator within the Department of Business Regulation pursuant to Sections 7 and 8 of an Act entitled "An Act to Incorporate United Electric Power Company" passed by the General Assembly at the January Session 1926, as amended, and pursuant to the provisions of Sections 15, 17 and 18 of Chapter 3, Title 39 of the General Laws of 1956, as

amended, hereby approves, consents to and authorizes the issue by Petitioner of 100,000 additional shares of Common Capital Stock and the issue by Petitioner of additional First Mortgage Bonds in the principal amount of Five Million Dollars (\$5,000,000), and fixes the character and terms of such issues and the purposes to which the proceeds thereof shall be applied as follows:

Said 100,000 additional shares of Common Capital Stock are to be issued under the authority contained in Sections 7 and 8 of Petitioner's charter and will have a par value of Fifty Dollars (\$50) per share and will in all respects be of the same character and tenor as all other shares of the Common Capital Stock of the Petitioner heretofore issued and outstanding. Said 100,000 additional shares of Common Capital Stock are first to be offered for cash at the par value thereof to the holders of the Common Capital Stock of Petitioner.

Said additional First Mortgage Bonds are to be offered for public bidding and sold for cash at not less than the principal amount thereof with interest adjustment. Said Bonds are to be issued under and pursuant to the terms of the First Mortgage Indenture and Deed of Trust dated as of September 1, 1944, as amended and supplemented by four supplemental Indentures, securing the presently outstanding First Mortgage Bonds, Series A, 3%, due 1974, Series B, 3%, due 1978, Series C, 3-3/8%, due 1982, Series D, 3-1/2%, due 1983, and Series E, 3-1/2% due 1986. Said Bonds are to be designated Series F Bonds and will mature in thirty years. Said Bonds in permanent form will be coupon bonds, registerable as to principal only, in the denomination of \$1,000 each, and fully registered bonds without coupons. Fully registered and coupon bonds will be fully interchangeable. The interest rate as well as the price will be determined as the result of public bidding. Series F Bonds will be redeemable on thirty days' published notice at prices computed according to a formula based on the initial

offering price to the public of Series F Bonds. Generally in redemption for sinking fund purposes and other special situations, Series F Bonds will be redeemable at lower redemption prices than apply to the ordinary optional redemptions. The holders of Series F Bonds will be entitled to the benefit of a sinking fund under which Petitioner will be required each year to deposit cash equal to 1% of the maximum amount of Series F Bonds issued, such cash to be used to redeem Series F Bonds, or in lieu of all or a part of such cash, Petitioner may surrender Series F Bonds for cancellation or fund additional property. Series F Bonds, together with the outstanding Series A, Series B, Series C, Series D, and Series E Bonds and any additional bonds issued under and pursuant to the terms specified in the Indenture as amended and supplemented, will be secured by a direct first mortgage lien on substantially all the property and franchises of Petitioner, except current assets and certain other exceptions set forth in said Indenture, as supplemented. Series F Bonds shall be subject to such other provisions not inconsistent with the foregoing as Petitioner may set forth in a fifth supplemental Indenture providing for the issue of Series F Bonds.


The proceeds of the sale of said 100,000 additional shares of Common Capital Stock and of the sale of Series F Bonds shall be applied for the purpose of retiring short-term indebtedness, incurred or to be incurred for capitalizable expenditures and of reimbursing the treasury of Petitioner therefor; the money to be procured by the issue of said 100,000 additional shares of Common Capital Stock and the issue of Series F Bonds being reasonably required for said purposes; and it is further

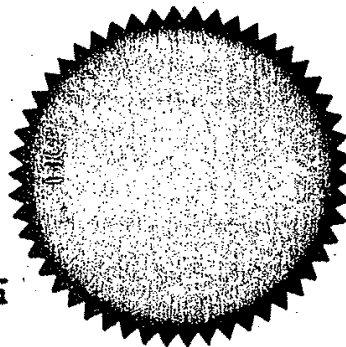
ORDERED: That this order shall become effective forthwith.

Dated at Providence, Rhode Island, this seventeenth day
of October A. D., 1963.


Public Utility Administrator of Rhode Island

APPROVED:


Director of Department of Business Regulation



A true copy

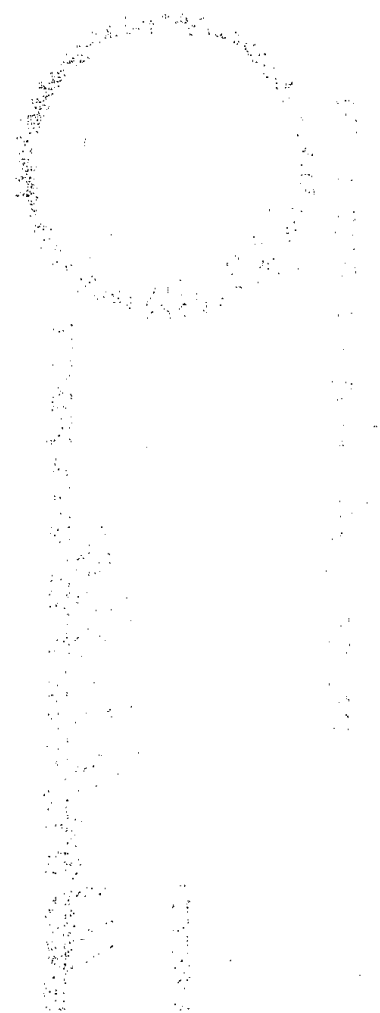
Attest:


Deputy Public Utility Administrator

UNITED ELECTRIC POWER CO
- now -
NARRAGANSETT ELECTRIC COMPANY
FILED JAN 3 - 1964 19

DEPARTMENT OF STATE
OFFICE OF
SECRETARY OF STATE
PROVIDENCE, R. I.

RECEIVED & FILED JAN 3 1964



RECEIVED JAN 3 1964

JANUARY SESSION, 1956.

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AN ACT IN AMENDMENT OF AN ACT, ENTITLED "AN ACT TO
INCORPORATE UNITED ELECTRIC POWER COMPANY," PASSED
AT THE JANUARY SESSION, 1926, AND THE SEVERAL ACTS
IN AMENDMENT THEREOF AND RELATING THERETO.

S 400
Approved
March 23,
1956.

It is enacted by the General Assembly as follows:

SECTION 1. The Narragansett Electric Company (hereinafter called "said company") a corporation created by an act of the general assembly passed at its January session A.D. 1926 under the name of United Electric Power Company (which name was changed by authority of an act in amendment of said act passed at the January session A.D. 1927) is hereby authorized and empowered to exercise the right of eminent domain for the purpose of taking any lands, estates, interests, easements or rights in or to lands necessary or desirable for the erection, construction, extension or installation from time to time of a line or lines for the transmission of currents of electricity of eleven thousand volts or more and for the erection, construction, installation and maintenance of such poles, towers, wires, conduits and other appurtenances and appliances, including buried ground wires, as may be suitable or convenient for such line or lines, in the manner and subject to the conditions hereinafter provided in this act, subject to first obtaining an order from the public utility administrator permitting the filing of a certificate in accordance with section 2 hereof.

To obtain such an order the corporation shall file with the public utility administrator a statement signed and verified by the president or a vice president and the secretary or an assistant secretary setting forth the general character of the land, interests in land and

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other rights over which it desires to exercise said right of eminent domain and the reasons why such taking is necessary or desirable in connection with the conduct of its business and is in the public interest.

It shall be the duty of the public utility administrator to issue such an order forthwith whenever necessary or desirable to enable any such corporation to carry on its business, unless in his opinion such action would be contrary to the public interest, and for the purpose of determining such necessity and such public interest said public utility administrator may hold such hearings, make such inquiries or investigations and examine such witnesses, books, papers, documents and contracts as he may deem proper.

Any order issued by the public utility administrator under the provisions of this section shall recite that said company has established at least a prima facie case in favor of the necessity or desirability of the exercise of the right of eminent domain for the purposes of carrying on its business and that in the opinion of the public utility administrator the exercise of such rights, subject to the provisions hereinafter contained, would not be contrary to the public interest. Any refusal of the public utility administrator to issue such an order shall be subject to appeal as provided by law.

SEC. 2. Whenever any corporation shall have obtained from the public utility administrator an order pursuant to the provisions of section 1 hereof, it may file in the superior court of the state of Rhode Island for the county of Providence a certificate containing a general description of the lands, estates, interests, easements

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or rights which it desires to take, a general description of the structures, works, excavations and facilities to be constructed, made, operated or enjoyed over, under or across such lands and the privileges and advantages to be exercised and enjoyed in connection with such estates, interests, easements or rights, and a list of the owners of the land in which any estate or interest is to be taken and the land over which any easements or rights are to be exercised thereon, and the persons interested therein, so far as the same may be known to said company. Said certificate shall be accompanied by a map or plan showing the location of such lands in which any estates or interests or over which any easements, rights or rights of way are to be taken or exercised, and the location of any easements, rights of way in any land and the location of any structures, works, excavations, facilities or other appliances or appurtenances to be constructed, maintained, altered, used or operated and shall contain a notice that said company will give such security as the court may require for the payment of all such costs and damages as may be finally awarded to any person interested in the lands, estates, interests, easements, rights and rights of way taken in the proceedings commenced by the filing of such certificate. Said corporation shall also file a copy of said certificate and map or plan with the public utility administrator and with the town or city clerk of every town or city in which any of the lands or estates, interests, easements or rights in land to be taken thereunder are located, and shall furnish such copies of said certificate and map or plan to the commissioners hereinafter referred to as may be required by said commissioners for filing as hereinafter provided in the land records of the towns or cities where such land is located.

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SEC. 3. Upon the filing of such certificate and plat in said superior court, said court shall enter an order fixing the time when and the place where all persons interested in the land in said certificate described may appear before said court and be heard with reference to the necessity of the taking of such land, or interest, estate or right therein, the security to be given by said company for damages and costs and the appointment of commissioners to appraise the damages sustained by the owner or owners by such taking; and said court shall direct notice of said order to be served on the person or persons, corporation or corporations owning or interested in said land and said company at least ten days prior to said hearing, which notice shall be served in the same manner as writs of summons issued out of the superior court are required to be served, or if the owner or owners be unknown or non-residents of this state, such notice shall be published in such newspaper or newspapers and for a like period or for such longer period, as the court may direct; and in case the post office address of such non-resident shall be known, a copy of said notice shall be mailed to said owner or owners, postage prepaid, under the direction of said court.

SEC. 4. At the time and place mentioned in said notice, or at any adjournment thereof ordered by the court, the court, after hearing the parties interested, including the public utility administrator and any of the municipalities in which any of the lands or estates, interests, easements or rights in land to be taken are located, who may appear and desire to be heard, shall first determine whether the lands, estates, interests, easements or rights as set forth in said certificate described are neces-

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nary or convenient to said corporation for its purposes aforesaid; and if the court shall determine that such land, estate, interest, easement or right therein is necessary or convenient to said company for its purposes aforesaid and that such taking is in the public interest, said court shall proceed by its decree to fix and determine the security to be given by said company for the payment of costs and damages and to appoint three disinterested persons as commissioners to appraise the damages sustained by the owner or owners of the lands, estates, interests, easements, or rights therein described in said certificate, by reason of the taking thereof. After entry of such decree as soon as said company shall have given the security fixed therein, title to said land, estate, interest, easement or right shall vest in said company, its successors and assigns, and said company may forthwith enter upon, take possession of and use the same. Any vacancies in said commission which may occur from time to time shall be filled by said court, upon application of any party interested in said proceedings (including said company) and upon such notice as said court may direct.

SEC. 5. Said commissioners, before they proceed to execute their duties, shall be sworn to a faithful and impartial discharge thereof, shall give reasonable notice, by publication or otherwise, in such manner as said court in said decree may direct, to all persons interested to file their claims, if any they have, which have not been released to said company, with the clerk of said court within sixty days from the date of said notice and shall file said copy of said certificate and said map or plan and a certified copy of said decree in

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JANUARY SESSION, 1956

the land records of the town or city where such land is located. At the end of the time allowed for filing such claims, or of any extension thereof, the commissioners, or a majority of them, shall fix a time and place for hearing all persons interested, as to the damages by them sustained, at which hearing said company may also be heard, and shall give notice of such hearing by publication in such newspaper or newspapers, as said court may direct, once a week for at least three weeks prior to the date of such meeting, and shall give such further notice, if any, as said court may direct. At the time and place fixed for said hearing, or at any adjournment therefrom the commissioners, or a majority of them, shall proceed to hear the parties interested, including said company, with their allegations and proofs and may examine the premises; and shall make a just appraisal of the damages sustained by the owner or owners of said lands, estates, interests, easements or rights taken as aforesaid. And the commissioners, or a majority of them, shall, as soon as may be, make report of their doings and of the damages, if any, assessed by them, to said court, with their fees marked thereon, which fees, being first allowed by the court, shall be forthwith paid by said company. The owner or owners of any land not taken under the provisions of this act, who are entitled to compensation by law by reason of any taking under the provisions hereof, shall have the right to claim and recover such damages and the same shall be determined and collectible in the same manner as herein provided for determining and collecting the damages for land taken hereunder.

SEC. 6. Upon the receipt of any report of said commissioners, the clerk of said court shall open the same.

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and shall give public notice by advertisement for such time and in such newspaper or newspapers as said court may prescribe, that such report has been received and opened and that the same may be examined by any party interested therein; and either said company, or any other party aggrieved by any award of damages made by the said commissioners, or refusal of award by said commissioners, may claim a jury trial upon any item of damages thereby awarded or refused, and may file a claim for such trial with the clerk of said court at any time within two months from the opening of such report. And such claim shall stand for trial by jury, upon proper issues based upon such claim, as other civil cases upon the docket of said court, and shall be tried therein in every respect as other civil cases are therein tried, including the right to except to rulings and to apply for a new trial for cause, and to prosecute bill of exceptions. But if the party claiming such jury trial shall not therein obtain an award more favorable to such party than that given by the commissioners, such party shall pay costs to the adverse party unless otherwise ordered by said court; and if any party claiming such jury trial shall obtain therein an award more favorable than that given by the commissioners, such party shall recover his, her or its costs from the adverse party.

SEC. 7. The report of the commissioners shall be confirmed by the court, after being so corrected as to conform to the findings of the jury in cases where a jury trial is claimed; and upon such confirmation, execution or executions for the damages fixed by said report as confirmed shall issue against said company as upon a judgment, in due course of law.

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SEC. 8. Said company may abandon any lands or any interests or estates therein or any easements or rights taken under the provisions of this act, by filing a notice of such abandonment in the office of the clerk of the court in which the proceedings hereinbefore provided are pending, at any time before confirmation of the report of the commissioners appointed to assess damages. If said company shall not have entered upon, taken possession of, or used the lands, easements or rights so abandoned, or any interest or estate therein, prior to the filing of such notice of abandonment, all proceedings for the assessment of damages for the taking of the land, easements or rights or the interests or estates therein, so abandoned shall cease, and said corporation shall pay to any person interested in the property, land, easements or rights, so abandoned all his costs incurred in prosecuting the damages for the taking of such land, easements or rights or estates or interests therein up to the time of such abandonment, which costs shall be taxed by the clerk. If said company shall have entered upon, taken possession of, or used the lands or exercised the easements or rights or any interests or states therein, so abandoned prior to such abandonment, and the assessment of damages for the same is then pending before commissioners or a jury, then, upon such abandonment, said corporation shall have the right to give such abandonment in evidence in diminution of damages, paying costs, if the question of damages is pending, on claim of jury trial, notwithstanding a diminution of damages in consequence of such abandonment given in evidence; or if the commissioners or a jury have finally assessed the damages, said company shall have a right to a revision of the

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assessment and to a re-assessment, by petition to the commissioners, in order that the diminution of damages in consequence of such abandonment may be considered with right of any party interested to claim a jury trial as in case of the original assessment.

SEC. 9. When the lands or easements or rights in lands or any interests or estates therein in which any infant or other person not capable in law to act in his own behalf is interested are taken by said company under the provisions of this act, the court before which the proceedings for such taking are pending may appoint a guardian ad litem for such infant or other person, and such guardian may appear and be heard in behalf of such infant or other person at any stage of the proceedings; and such guardian may also, with the advice and consent of the court appointing him, release to said company all claims for damages for the lands or for easements or rights in land, of such infant or other person, or for any interests or estates therein, so taken. And if there shall be any dispute as to the title of any lands taken or any lands in which easements or rights are taken, or interests or estates therein under the provisions of this act, or as to the persons entitled to receive the damages awarded for such taking, or if the person entitled to receive such damages is uncertain or unknown, said company may pay such damages into the registry of the court before which such proceedings are pending, with the same effect as to the title of said company to such lands, easements, rights, or interests or estates therein as though such damages had been paid to the person or persons entitled to receive the same.

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SEC. 10. Any court in which any proceedings under this act shall be pending may from time to time order such other and further notices to be given in addition to those hereinbefore prescribed and may make such further orders, not inconsistent with the provisions of this act or with the general laws of the state, as may be required, in the opinion of such court, to protect the rights and interests of the parties interested in such proceedings. And any proceedings taken under this act may be amended or corrected at any stage of the proceedings and the time may be extended within which persons interested may file their claims, upon such terms and notice, if any, as the court may prescribe.

SEC. 11. Nothing in this act shall authorize said company to condemn any water power or water rights or to acquire or take any portion of any public street or highway of any town or city or any lands or interests, estates or rights in lands that shall have been acquired by any town or city for municipal or public purposes, except in either case in reasonable locations to be approved by the town council or city council of said town or city respectively; nor to exercise any right of condemnation within the limits of the city of Newport or of the towns of Jamestown, Middletown or Portsmouth; nor to take any lands, estates, interests, easements, or rights in or to lands after the expiration of ten years from the date of passage of this act; nor to condemn any portion of the land, location or right of way of any railroad, street railway or other public utility company, except for the purpose of crossing the same, either above or below grade and of maintaining suitable and convenient supports for such crossing, in such manner as not to render unsafe, or to impair the usefulness of

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such land, location or right of way for railroad or street railway purposes or the purposes of such public utility company. If said company and any such railroad, street railway or public utility company are unable to agree as to the method and manner of the construction and maintenance of any such crossing, either may apply to the public utility administrator for a determination thereof, and, after hearing, such crossing shall be constructed and maintained in such method and manner as may be ordered by said public utility administrator. Either party aggrieved by such order of said public utility administrator may appeal therefrom in the manner provided by law. Said company shall be liable to any such railroad, street railway or public utility company for such damages and reasonable expense as may result to it by reason of any line or lines of said company crossing such railroad, street railway or public utility company's land, location or right of way.

SEC. 12. The commissioners appointed as hereinbefore provided shall each receive such compensation for their services as shall be fixed by said court which shall be paid by said company and all the costs of any and all hearings before such commissioners, including the cost of counsel for the owners of lands or interests, estates or rights therein taken under the provisions of this act, to be approved by said superior court and of attendance of the parties, shall be paid by said company.

SEC. 13. Said company may convey any property or any interest, estate or right therein taken by it hereunder and any line or lines, poles, wires, conduits or other appurtenances and appliances placed thereon to any other corporation, company or association

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having the right to carry on an electric lighting, heating or power business in this state, or may enter into an agreement giving to any such corporation, company or association the right to use such land or such interest, estate or right thereunder for the purposes for which the same were taken or may agree to use said land or interest, estate or right thereunder for any such corporation, company or association for the purposes for which the same were taken.

SEC. 14. Nothing in this act contained shall be deemed to repeal, abridge or modify the provisions of the public utilities act or any related acts now in force; and said public utility administrator shall have continuing control over said company in the operation of the lines erected, constructed or extended under the authority of this act as well as over the lines which said company now operates or may hereafter operate in the streets and highways or elsewhere, under any other authority.

SEC. 15. The act incorporating said company and all acts in amendment thereof or in addition thereto are hereby amended in accordance with the foregoing provisions of this act.

SEC. 16. This act shall take effect upon its passage.

THE NARRAGANSETT ELECTRIC COMPANY



EXECUTIVE OFFICES
15 WESTMINSTER STREET, PROVIDENCE 1, R. I.

March 19, 1954

Secretary of State of Rhode Island
State House
Providence, Rhode Island

Dear Sir:

Pursuant to vote of the Board of Directors of The Narragansett Electric Company (a corporation originally and duly established under the name of "United Electric Power Company" pursuant to the provisions of an act entitled "An Act to Incorporate United Electric Power Company" passed at the January Session, A. D. 1926, which name has been changed to "The Narragansett Electric Company" under and pursuant to the provisions of an act passed at the January Session, A. D. 1927, amending said abovementioned act), at a meeting duly called and held on September 29, 1953, the undersigned, Vice President and General Manager and Treasurer of such corporation, hereby make application for the issue of your certificate to The Narragansett Electric Company authorizing the issue of 100,000 shares of its common capital stock of a par value of \$50 each, in addition to the shares of capital stock issuable on organization of the corporation and the shares, the issue of which has been authorized by certificates heretofore issued by the Secretary of State of Rhode Island pursuant to the provisions of Section 8 of said Act.

Attached hereto is a certified copy of an order of the

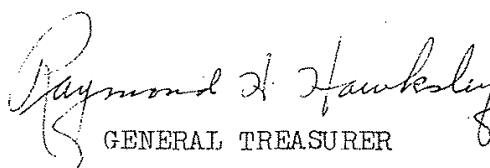
STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Office of General Treasurer

March 19, 1954

Received of The Narragansett Electric Company, Providence,
Rhode Island, tax of one-tenth of one per cent of the \$5,000,000
par value of additional common capital stock.

\$5,000.00


GENERAL TREASURER

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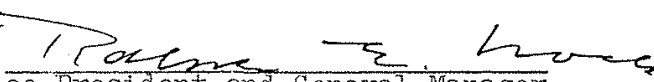
Public Utility Administrator, Department of Business Regulation
(who has succeeded to the powers of the Public Utilities
Commission under Section 7 of the above-mentioned Act) entered
on November 30, 1953, approving the issue of said 100,000 addi-
tional shares of common capital stock, the purposes of such
issue, and the terms and manner of disposition thereof.

The tax of one-tenth of one per cent of the \$5,000,000
par value of such additional common capital stock has been
paid into the General Treasury and the receipt therefor
accompanies this application.

Yours very truly,

THE NARRAGANSETT ELECTRIC COMPANY

By


Vice President and General Manager

And by


Treasurer

STATE OF RHODE ISLAND
DEPARTMENT OF BUSINESS REGULATION
OFFICE OF
PUBLIC UTILITY ADMINISTRATOR

PETITION OF THE NARRAGANSETT :
ELECTRIC COMPANY FOR APPROVAL OF :
AND CONSENT AND AUTHORITY TO ISSUE : Docket No. 579
100,000 ADDITIONAL SHARES OF COM- :
MON CAPITAL STOCK AND 150,000 AD- :
DITIONAL SHARES OF PREFERRED STOCK :

Under date of September 30, 1953, The Narragansett Electric Company, a public utility as defined in Chapter 122 of the General Laws of 1938, as amended, filed with the Public Utility Administrator within the Department of Business Regulation of the State of Rhode Island a Petition and Statement requesting the entry of an order approving, consenting to and authorizing the issue of 100,000 additional shares of Common Capital Stock of the par value of Fifty Dollars (\$50) per share and 150,000 additional shares of Preferred Stock of the par value of Fifty Dollars (\$50) per share to provide funds for the purpose of retiring short-term indebtedness incurred or to be incurred for capitalizable expenditures set forth in Exhibit C filed with the Petition and Statement and made a part thereof, to pay for such expenditures and to reimburse the treasury of the Petitioner therefor. On October 28, 1953, Petitioner filed Amendment No. 1 to its Petition and Statement regarding the character of the additional Common Capital Stock and character of the additional Preferred Stock and by exhibit filed therewith set forth the preferences as to dividends, voting power and other incidents for the Preferred Stock; and on November 10, 1953, filed

Amendment No. 2 to its Petition and Statement by which it furnished a revised exhibit changing in certain respects the preferences and other incidents of the Preferred Stock as set forth in exhibit filed with its Amendment No. 1.

Petitioner informs the Administrator that said 100,000 additional shares of Common Capital Stock are first to be offered to the holder of the Common Capital Stock of the Petitioner for cash at the par value thereof and such stockholder has informed the Petitioner that it will purchase said additional shares for cash at the par value thereof. Petitioner further informs the Administrator that said 150,000 additional shares of Preferred Stock are to be sold for cash to purchasers selected pursuant to competitive bidding. (The Petitioner informs the Administrator that the holder of the Common Capital Stock is to waive its preemptive rights to said additional Preferred Stock).

In Exhibit C to its Petition and Statement Petitioner has set forth that as at July 31, 1953 Petitioner has made capitalizable expenditures in the amount of \$16,587,962.26 as to which no stock or capital obligations have been issued. These expenditures have been made from money borrowed on notes maturing within twelve months from the date of issue and from moneys in the treasury of Petitioner not secured or obtained from the issuance of stock, bonds, notes or other evidences of indebtedness payable more than twelve months after the date of issue.

After consideration of the Petition and Statement, as amended, and the exhibits submitted therewith, and upon investigation of Petitioner's records, the Administrator is of the opinion

that this Petition should be granted and that Petitioner should be authorized to issue said additional Common Capital Stock and said additional Preferred Stock in the amounts requested and that Petitioner should use the proceeds obtained therefrom in the manner set forth below.

Accordingly, it is

(6832) ORDERED: That the Public Utility Administrator within the Department of Business Regulation, pursuant to Sections 7 and 8 of an Act entitled "An Act to Incorporate United Electric Power Company" passed by the General Assembly at the January Session 1926, as amended, and pursuant to the provisions of Section 58 of Chapter 122 of the General Laws of 1938, as amended, hereby approves, consents to and authorizes the issue by Petitioner of 100,000 additional shares of Common Capital Stock and the issue by Petitioner of 150,000 additional shares of Preferred Stock, and fixes the amount, character and terms of such issues and the purposes to which the proceeds thereof shall be applied as follows:

Said 100,000 additional shares of Common Capital Stock are to be issued under the authority contained in Sections 7 and 8 of Petitioner's charter and are to have a par value of Fifty Dollars (\$50) per share and are in all respects to be of the same character and tenor as all other shares of the Common Capital Stock of the Petitioner heretofore issued and outstanding. Said 100,000 additional shares of Common Capital Stock are first to be offered for cash at the par value thereof to the holder of the Common Capital Stock of Petitioner.

Said additional shares of Preferred Stock are to be sold for cash to purchasers selected pursuant to competitive bidding

under which Petitioner is to invite bids for the purchase of all of said additional Preferred Stock, said competitive bidding to establish the price at which such shares shall be so sold and the dividend rate therefor, such price to be not less than \$50 nor more than \$51.375 per share plus accrued dividends and such dividend rate not to exceed six percent (6%) per annum. The redemption prices of such Preferred Stock will be fixed following said competitive bidding in accordance with a formula based on the initial offering price.

The Administrator, as aforesaid, further approves, consents to and authorizes the preferences as to dividends, voting power and other incidents of Preferred Stock as set forth in Exhibit E filed with Amendment No. 2 to Petitioner's Petition and Statement.

The proceeds of the sale of said 100,000 additional shares of Common Capital Stock and of the sale of said 150,000 additional shares of Preferred Stock shall be applied for the purpose of retiring such short term indebtedness as may be outstanding at the time of either such sale, and the balance shall be applied for the purpose of paying for capitalizable expenditures and for reimbursing the treasury therefor, the money to be procured by the issue of said 100,000 additional shares of Common Capital Stock and the issue of said 150,000 additional shares of Preferred Stock being reasonably required for said purposes; and it is further

ORDERED: That this order shall become effective forthwith.

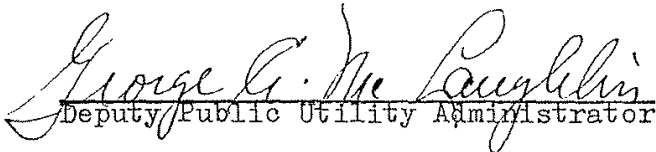
Dated at Providence, Rhode Island, this thirtieth
day of November, 1953.

Thomas A. Kennelly
Public Utility Administrator of Rhode Island

APPROVED:

Thomas J. Meehan
Director of Department of Business Regulation

A true copy


Deputy Public Utility Administrator

*The Narragansett
Electric Company*

DEPARTMENT OF STATE
OFFICE OF
SECRETARY OF STATE
PROVIDENCE, R. I.

RECEIVED AND FILED MAR 10 1954

THE NARRAGANSETT ELECTRIC COMPANY



EXECUTIVE OFFICES

49 WESTMINSTER STREET, PROVIDENCE 1, R. I.

December 17, 1953

Secretary of State of Rhode Island,
State House,
Providence, Rhode Island.

Dear Sir:

Pursuant to vote of the Board of Directors of The Narragansett Electric Company (a corporation originally and duly established under the name of "United Electric Power Company" pursuant to the provisions of an act entitled "An Act to Incorporate United Electric Power Company" passed at the January Session, A. D. 1926, which name has been changed to "The Narragansett Electric Company" under and pursuant to the provisions of an act passed at the January Session, A. D. 1927, amending said abovementioned act), at a meeting duly called and held on September 29, 1953, the undersigned, Vice President and General Manager and Treasurer of such corporation, hereby make application for the issue of your certificate to The Narragansett Electric Company authorizing the issue of 150,000 shares of its preferred stock of a par value of \$50 each, in addition to the shares of capital stock issuable on organization of the corporation and the shares, the issue of which has been authorized by certificates heretofore issued by the Secretary of State of Rhode Island pursuant to the provisions of Section 8 of said Act.

Attached hereto is a certified copy of an order of the

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Public Utility Administrator, Department of Business Regulation
(who has succeeded to the powers of the Public Utilities
Commission under Section 7 of the above-mentioned Act) entered
on November 30, 1953, approving the issue of said 150,000 addi-
tional shares of preferred stock, the purposes of such issue,
and the terms and manner of disposition thereof.

The tax of one-tenth of one percent of the \$7,500,000
par value of such additional preferred stock has been paid into
the General Treasury and the receipt therefor accompanies this
application.

Yours very truly,

THE NARRAGANSETT ELECTRIC COMPANY

By *Thomas E. Wood*
Vice President and General Manager

And by *James H. Dathel*
Treasurer

~~Exhibit A-1~~

*

~~I Henry C. [unclear] that I am Secretary of The Narragansett Electric Company, a Rhode Island corporation; that special meetings of the Board of Directors and of the stockholders of said Company were duly called and held on November 10, 1953, at which meetings quorums were present and acting throughout, and that at said meetings the following votes were duly adopted:~~

~~third~~
Voted: That, effective upon the initial issue of the ~~second~~ series thereof, the rights and preferences for the class of preferred stock of this Company created pursuant to votes of the common stockholders and the directors of this Company at meetings held May 28, 1940, be and hereby are amended so that said preferred stock (all preferred stock of such class, whether of the same or a different series, being hereinafter called the "Preferred Stock") shall entitle the holders thereof to the following rights and preferences as to dividends, voting power and other incidents: and at special meetings held on November 10, 1953,

1. Before any dividends on, or any distribution of assets (by purchase of shares or otherwise) to holders of, the Common Stock or any other stock ranking junior to the Preferred Stock as to dividends (both hereinafter in this subdivision 1 called "junior stock") shall be paid or set apart for payment or otherwise provided for, the holders of the Preferred Stock at the time outstanding shall be entitled to receive, but only when and as declared by the Board of Directors, out of any funds legally available for the declaration of dividends, cumulative dividends at the annual dividend rate per share fixed for the particular series payable quarterly on the first days of February, May, August and November in each year commencing on a date specified for the first dividend date as herein provided to shareholders of record on the respective dates, not exceeding forty-five (45) days preceding such dividend payment dates, fixed in advance for the purpose by the Board of Directors prior to the payment of each particular dividend. No dividends shall be declared on any series of the Preferred Stock in respect of any quarter-yearly dividend period, unless there shall likewise be declared on all shares of all series of the Preferred Stock at the time outstanding, like proportionate dividends, ratably, in proportion to the respective annual dividend rates fixed therefor, in respect of the same quarter-yearly dividend period, to the extent that such shares are entitled to receive dividends for such quarter-yearly dividend period. The dividends on shares of all series of the Preferred Stock shall be cumulative. In the case of all shares of each particular series, the dividends on shares of such series shall be cumulative:

- (i) on shares of Preferred Stock issued prior to the record date for the first dividend on the shares of such series, from the date for the particular series fixed therefor;
- (ii) on shares of Preferred Stock issued after a record date for a dividend, but prior to the dividend payment date for such dividend, from said dividend payment date; and
- (iii) otherwise from the quarter-yearly dividend payment date next preceding the date of issue of such shares;

so that dividends accrued on all outstanding shares of Preferred Stock to the next succeeding dividend payment date shall have been paid in full or declared and set apart for payment before there shall be any dividend or distribution on, or purchase of, junior stock. The holders of the Preferred Stock shall not be entitled to receive any dividends thereon other than the dividends referred to in this subdivision 1 and other than distributions provided in subdivision 5 below.

2. As used herein, the expression "dividends accrued" shall mean the sum of amounts with respect to all shares of Preferred Stock then outstanding, which as to each share shall be an amount computed at the rate per annum of the par value thereof fixed for the particular series from the date from which dividends on such share become cumulative to the date with reference to which the expression is used, less the aggregate of all divi-

provided, however, that the exercise by the Company of its right to redeem shares of any particular series may be subject to such restrictions as are determined for said series.

dividends paid on such share, irrespective of whether such amount shall have been declared as dividends or there shall have existed any assets available for the payment thereof.

3. The Company, pursuant to action of its Board of Directors or as provided in subparagraph (1) of subdivision 6 below, may redeem the whole or any part of any series of the Preferred Stock at the time outstanding, at any time or from time to time, by paying in cash as herein provided the redemption price of the shares of the particular series fixed therefor, together with dividends accrued to the date fixed for such redemption (hereinafter called the "redemption date"), and by mailing, postage prepaid, at least thirty (30) days and not more than ninety (90) days prior to the date fixed for said redemption a notice specifying said redemption date to the holders of record of the Preferred Stock to be redeemed, at their respective addresses as the same shall appear on the books of the Company. In case of the redemption of a part only of any series of the Preferred Stock at the time outstanding, the Company shall select by lot or in such other manner as the Board of Directors may determine, the shares so to be redeemed. If such notice of redemption shall have been so mailed, and if on or before the redemption date specified in such notice all funds necessary for such redemption shall have been set aside by the Company, separate and apart from its other funds, in trust for the account of the holders of the shares to be redeemed, so as to be and continue to be available therefor, then, on and after said redemption date, notwithstanding that any certificate for the shares of the Preferred Stock so called for redemption shall not have been surrendered for cancellation, the shares represented thereby shall no longer be deemed outstanding, the right to receive dividends thereon shall cease to accrue, and all rights with respect to such shares of Preferred Stock so called for redemption shall forthwith cease and terminate, except only the right of the holders thereof to receive, out of the funds so set aside in trust, the amount payable upon redemption thereof, but without interest; provided, however, that if, after mailing said notice as aforesaid and prior to the redemption date specified in such notice, said funds shall be set aside by deposit in trust, for the account of the holders of the Preferred Stock to be redeemed, with a bank or trust company in good standing, organized under the laws of the United States of America or of the State of Rhode Island, having a capital, undivided profits and surplus aggregating at least \$5,000,000, thereupon all shares of the Preferred Stock with respect to which such deposit shall have been made shall no longer be deemed to be outstanding, and all rights with respect to such shares of Preferred Stock shall forthwith upon such deposit in trust cease and terminate, except only the right of the holders thereof to receive from such deposit the amount payable upon the redemption but without interest. In case the holders of the Preferred Stock which shall have been redeemed shall not within four years of the date of redemption thereof claim any amount so deposited in trust for the redemption of such shares, such bank or trust company shall, upon demand, pay over to the Company any such unclaimed amount so deposited with it and shall thereupon be relieved of all responsibility in respect thereof, and the Company shall not be required to hold the amount so paid over to it separate and apart from its other funds, and thereafter the holders of such shares of Preferred Stock shall as unsecured creditors look only to the Company for payment of the redemption price thereof, but without interest; provided, however, that before any such unclaimed amount so deposited shall be paid over to the Company notice of such payment shall be given to holders of such shares of Preferred Stock by mailing in the manner hereinbefore provided in this subdivision 3 at least sixty (60) days prior to the date of any such payment. If there are any dividends accrued to the last preceding quarterly dividend payment date or dates on the outstanding Preferred Stock, no Preferred Stock shall be redeemed, purchased or otherwise acquired by the Company unless all Preferred Stock shall be redeemed, or unless a partial redemption or any purchase or other acquisition shall have been ordered, approved or permitted under the Public Utility Holding Company Act of 1935. All stock redeemed or purchased under the provisions of this subdivision 3 shall be retired.

and unless an offer is made to purchase all Preferred Stock of any series which is not redeemable at the time under limited restrictions then applicable thereto at a price equal to the then redemption price for such series if such restrictions were not applicable and to purchase all Preferred Stock of any series which is not redeemable at the time at a price equal to the highest then redemption price on any outstanding shares of Preferred Stock.

which are redeemable

series of

4. If and while at any time a majority of the Common Stock shall be held by or for the benefit of a single stockholder, said holder may, upon such consent by the Board of Directors of the Company as would have been required in the event of a redemption under subdivision 3 above, purchase the whole or any part of any series of the Preferred Stock at the time outstanding, at any time or from time to time, at the same price, upon the same notice of purchase, and in the same manner as near as may be, and with the same effect on the rights of the then holders of Preferred Stock so purchased as is provided for the redemption of such series of the Preferred Stock by the Company itself, provided that when after deposit of funds the rights of the holders of Preferred Stock (except to receive payment therefrom) shall have ceased as above provided, the shares of Preferred Stock being purchased shall not be deemed to be redeemed but such shares shall vest in such holder of the Common Stock whether or not the certificates for such shares so purchased shall have been surrendered or whether or not the date specified for such purchase shall have arrived and such holder of the Common Stock shall be entitled to all dividends and other distributions on the Preferred Stock so purchased accruing from such purchase date; and provided further that if there be a deposit of funds in trust with a bank or trust company unclaimed funds shall not be paid over to such holder of Common Stock at the end of four years but shall remain in trust with said bank or trust company until claimed by the holders of Preferred Stock.

5. In the event of any liquidation, dissolution or winding up of the affairs of the Company or any distribution of its capital, then before any distribution shall be made to the holders of Common Stock or any other stock ranking junior to the Preferred Stock as to assets, the holders of each series of the Preferred Stock at the time outstanding shall be entitled to be paid in cash the amount for the particular series fixed therefor, together in each case with dividends accrued thereon to the date fixed for payment of such distributive amounts, and no more. No payments on account of such distributive amounts shall be made to the holders of any series of the Preferred Stock unless there shall likewise be paid at the same time to the holders of each other series of the Preferred Stock at the time outstanding like proportionate distributive amounts, ratably, in proportion to the full distributive amounts to which they are respectively entitled. After such payment to the holders of Preferred Stock, the remaining assets and funds of the Company shall be divided and distributed among the holders of Common Stock or any other stock ranking junior to the Preferred Stock as to assets then outstanding according to their respective rights.

6. (a) The holders of Preferred Stock shall have no right to vote except as hereinafter specifically provided.

(b) If dividends accrued on the outstanding Preferred Stock shall at any time and from time to time equal or exceed an amount equivalent to four (4) full quarterly dividends on any shares of any series of the Preferred Stock at the time outstanding, then until all dividends in default on the Preferred Stock shall have been paid, the holders of Preferred Stock, voting separately as one class, shall be entitled to elect the smallest number of directors necessary to constitute a majority of the full board of directors, and the holders of stock generally entitled to vote, voting separately as one class, shall be entitled to elect the remaining members of the board of directors. If and when all dividends then in default on the Preferred Stock shall thereafter be paid (and such dividends shall be declared and paid out of any funds legally available therefor as soon as reasonably practicable), the Preferred Stock shall thereupon be divested of such special right to elect any member of the board of directors, but subject always to the same provisions for the vesting of such special right in the Preferred Stock in case of further like default or defaults.

(c) Upon accrual of the right of the holders of the Preferred Stock to elect a majority of the Board of Directors as above provided in this subdivision 6, the president,

a vice president or the secretary of the Company shall call a special meeting of the stockholders of the Company for the purpose of electing a new Board of Directors to be held not less than forty-five (45) nor more than sixty (60) days after the accrual of such right; provided, however, that no such special meeting shall be called if the date of such accrual of such right shall be less than one hundred twenty (120) days but not less than forty-five (45) days prior to the date otherwise fixed by the by-laws of the Company for the next annual meeting of the stockholders, in which event said annual meeting shall be held on the date specified in the by-laws or a special meeting in lieu thereof called to be held within three (3) days thereafter. If said officers fail to call such meeting, or fail to hold such annual meeting or special meeting in lieu thereof within three (3) days of the date provided therefor in the by-laws, any holder or holders of Preferred Stock holding in the aggregate one thousand (1,000) shares may call a special meeting for such purpose.

(d) The notice of any such special meeting, any annual meeting of the Company or any special meeting in lieu thereof, at which the holders of the Preferred Stock shall have the right to elect directors, shall be mailed by the Company not less than thirty (30) days prior to the meeting and state (x) that by reason of the fact that dividends payable on the Preferred Stock are or have been in default in an amount equal to or in excess of four (4) full quarterly dividends on shares of the Preferred Stock, the holders of the Preferred Stock, voting together as a class, are entitled to elect the smallest number of directors necessary to constitute a majority of the full board of directors, (y) that any holder of the Preferred Stock has the right at any reasonable time to inspect and make copies of the list or lists of the holders of Preferred Stock maintained at the principal office of the Company or at the office of any transfer agent for the Preferred Stock, and (z) the substance of the next succeeding paragraph with respect to the number of shares of Preferred Stock required to be represented at any meeting or adjournment thereof for the election of directors of the Company at which such holders have the right to elect directors.

(e) At any such special or annual meeting at which the holders of the Preferred Stock shall have the right to elect directors, the presence in person or by proxy of the holders of a majority of the outstanding stock generally entitled to vote shall be required to constitute a quorum of such class for the election of directors and the presence in person or by proxy of the holders of a majority of the outstanding Preferred Stock shall be required to constitute a quorum of such class for the election of directors; provided, however, that in the absence of such a quorum of the holders of the Preferred Stock, no election of directors shall be held but a majority of the holders of the Preferred Stock who are present in person or by proxy shall have the power to adjourn the meeting for election of directors to a date not less than twenty-five (25) nor more than sixty (60) days from the date of such original meeting. At such adjourned meeting the presence in person or by proxy of the holders of thirty-five per cent (35%) of the outstanding Preferred Stock shall constitute a quorum of such class for the election of directors.

(f) In the event any such special or annual meeting of stockholders shall be adjourned as aforesaid, the president, any vice president or the secretary of the Company shall, within ten (10) days after the date of the original meeting, cause notice of the adjourned meeting to be given to all stockholders of the Company entitled to vote thereat. Such notice shall contain substantially the statements hereinabove required with respect to the original meeting, and shall further state that the required quorum of the holders of the Preferred Stock was not present at such original meeting and that the holders of thirty-five per cent (35%) of the outstanding Preferred Stock will constitute a quorum of such class for the election of directors at such adjourned meeting.

(g) If the requisite quorum of holders of the Preferred Stock shall not be present at such adjourned meeting, then, in case the original meeting was a special meeting called as aforesaid, the directors of the Company then in office shall remain in office until the next annual meeting of the stockholders of the Company and until their successors have

been elected and shall qualify; or if such original meeting was an annual meeting of the stockholders or special meeting in lieu thereof, all members of the Board of Directors to be elected at such meeting shall be elected by a vote of the holders of a majority of the shares of the stock generally entitled to vote present in person or represented by proxy at such adjourned meeting.

(h) Upon reversion, pursuant to subparagraph (b) of this subdivision 6, of the voting powers to their status prior to default, a special or annual meeting of stockholders generally entitled to vote shall be held for the purpose of electing directors. Notice thereof shall be given promptly by the Company and in any case within fifteen (15) days after such reversion, such notice to be mailed by the Company not less than seven (7) nor more than ten (10) days prior to such meeting to all stockholders generally entitled to vote at their respective addresses appearing upon the books of the Company, unless such notice shall have been waived either before or after the holding of such meeting by all such stockholders. If the Company fails to call such meeting or fails to hold such annual meeting within three (3) days of the date provided therefor in the by-laws, any holder or holders of stock generally entitled to vote holding in the aggregate one thousand (1,000) shares may call a special meeting for such purpose.

(i) Forthwith upon the initial election of a majority of the Board of Directors of the Company by the holders of Preferred Stock pursuant to subparagraph (b) of this subdivision 6, the terms of office of all persons who may be directors of the Company at the time shall terminate, whether or not the holders of stock generally entitled to vote shall then have elected the remaining members of the Board of Directors, and, if the holders of stock generally entitled to vote shall not have elected the remaining members of the Board of Directors, then the directors of the Company in office just prior to the election of the majority of the Board of Directors by the holders of Preferred Stock shall appoint the remaining directors of the Company pending such election by the holders of stock generally entitled to vote. Any director elected by holders of Preferred Stock shall hold office until the next annual meeting of the holders of Preferred Stock and until his successor is chosen and qualified, except that upon the reversion, pursuant to subparagraph (b) of this subdivision 6, of the voting powers to their status prior to default, then forthwith upon the election of new directors by the holders of stock generally entitled to vote, the terms of office of the directors elected by the holders of Preferred Stock shall terminate.

(j) During any period in which the holders of Preferred Stock have the right, pursuant to subparagraph (b) of this subdivision 6, to elect a majority of the board of directors, the number of directors constituting the full board of directors shall be the number constituting the full board of directors immediately prior to said period unless it be changed at an annual meeting of stockholders, by a vote of the holders of at least two-thirds of the total number of shares of the Preferred Stock of all series then outstanding and by a vote of the holders of at least two-thirds of the total number of shares of stock generally entitled to vote and then outstanding, to such number as shall have been stated in the notice of said annual meeting.

(k) In case of any vacancy in the office of a director elected by the holders of Preferred Stock pursuant to the foregoing provisions of this subdivision 6, the remaining directors elected by the holders of Preferred Stock by affirmative vote of a majority thereof, or the remaining director so elected if there be but one, may elect a successor or successors to hold office for the unexpired term of the director or directors whose place or places shall be vacant. The holders of the Preferred Stock, at a special meeting called for the purpose by the holders of an aggregate of not less than one thousand (1,000) shares of the Preferred Stock, upon notice mailed not less than thirty (30) days prior to such meeting to all stockholders entitled to vote thereat, by a vote of a majority of the Preferred Stock issued and outstanding, may remove from office a director elected by the holders of Preferred Stock and may elect a successor for the remainder of his term.

(l) Under all circumstances, however, the directors elected by the holders of stock generally entitled to vote shall have the right, and neither the holders of Preferred Stock nor any directors elected by the holders of Preferred Stock under these provisions shall have any right, to vote upon the question of calling for redemption, or of purchasing, all of the Preferred Stock at the time outstanding.

(m) Except when some mandatory provision of law shall be controlling and except as otherwise provided in subparagraph (a) of subdivision 9 hereof and, as regards the special rights of any series of the Preferred Stock, as provided in the votes creating such series, whenever shares of two or more series of the Preferred Stock are outstanding, no particular series of the Preferred Stock shall be entitled to vote as a separate series on any matter and all shares of the Preferred Stock of all series shall be deemed to constitute but one class for any purpose for which a vote of the stockholders of the Company by classes may now or hereafter be required.

7. No holder of Preferred Stock shall be entitled as such as a matter of right to subscribe for or purchase any part of any new or additional issue of stock or warrants carrying rights to stock, or securities convertible into stock, of any class whatever, whether now or hereafter authorized, and whether issued for cash, property, services or otherwise. The holders of Preferred Stock shall have no right to require any distribution to be made by the Company upon a reduction of the capital stock.

8. Subject to the limitations, if any, hereinafter contained, the Company may from time to time issue additional capital stock divided into classes with such preferences as to dividends, voting power and other incidents as may be determined in accordance with applicable provisions of law, the charter of the Company and the outstanding capital stock of the Company. Without limiting the generality of the foregoing, any such additional capital stock may be an additional series of Preferred Stock or additional shares of the initial or any other series of Preferred Stock. The shares of Preferred Stock of different series, subject to any applicable provisions of law, may vary as to the following rights and preferences:

- (a) The annual dividend rate and the date from which the dividends on shares issued prior to the record date for the first dividend shall be cumulative and the date for the first dividend;
~~(and any restriction on the exercise by the Company of its right to~~
- (b) The redemption price or prices; ~~redeem such series~~
- (c) The amount or amounts payable upon any liquidation or dissolution or winding up;
- (d) The terms and amount of any sinking fund provided for the purchase or redemption of shares; and
- (e) The conversion, participation or other special rights.

9. So long as any Preferred Stock of any series is outstanding, the Company shall not, without the vote at a meeting called for that purpose of the holders of at least *two-thirds* of the total number of shares of the Preferred Stock of all series then outstanding and, so long as any shares of the 4½% Series of the Preferred Stock are outstanding, of at least seventy-five per cent of the total number of shares of the Preferred Stock of all series present or represented at the meeting, at which meeting a quorum as hereinafter provided shall be present or represented:

- (a) Make any change in the provisions relative to the Preferred Stock, or of any outstanding series thereof, which would change the express terms and provisions of such stock in any manner ~~substantially~~ prejudicial to the holders thereof except that if such change is prejudicial to the holders of one or more, but not all of

such series, only such two-thirds vote and, so long as any shares of the 4½% Series of the Preferred Stock are outstanding, such seventy-five per cent vote of the shares of all series so affected shall be required; or

(b) Create or authorize any class of stock which shall be preferred as to dividends or assets over the Preferred Stock or any security convertible into such class of stock.

No preferred stock so preferred as to dividends or assets over the Preferred Stock (other than such preferred stock issued upon conversion of another security) shall be issued more than six months after the above referred to vote creating or authorizing such class of stock unless within six months prior to such issue approval thereof has been obtained, at a meeting called for the purpose, by vote of at least two-thirds of the total number of shares of Preferred Stock of all series outstanding.

10. So long as any shares of the Preferred Stock of any series are outstanding, the Company shall not, without the vote at a meeting called for that purpose of the holders of at least a *majority* of the total number of shares of the Preferred Stock of all series then outstanding and, so long as any shares of the 4½% Series of the Preferred Stock are outstanding and with respect to subparagraphs (b)(i) and (b)(iv) only of this subdivision, of at least seventy-five per cent of the total number of shares of Preferred Stock of all series present or represented at the meeting, at which meeting a quorum as hereinafter provided shall be present or represented:

(a) Issue shares of any series of Preferred Stock or of any other stock ranking on a parity therewith as to dividends or assets if after such issue the aggregate outstanding shares of all series of Preferred Stock and such parity stock would exceed 600,000 shares.

(b) Issue additional shares of any series of Preferred Stock or of any other stock ranking prior thereto or on a parity therewith as to dividends or assets:

(i) So long as any shares of the 4½% Series of the Preferred Stock are outstanding, unless the par value of its stock ranking junior to the Preferred Stock as to dividends and assets to be outstanding immediately after such issue (plus, if the Company so elects, its surplus as shown by its books provided distribution on, or purchase of, such junior stock out of such surplus, or a part thereof to be included for this purpose, is prohibited while such additional preferred stock is outstanding) shall be at least equal to the greater of the aggregate par value of, the aggregate stated value of or the aggregate amount payable on involuntary liquidation, dissolution or winding up of the affairs of the Company upon all Preferred Stock of all series and of any other such prior or parity stock to be outstanding immediately after such issue;

(ii) Unless the junior stock equity (as defined in subdivision 11 hereof) to be outstanding immediately after such issue shall be at least equal to the aggregate amount payable on involuntary liquidation, dissolution or winding up of the affairs of the Company upon all Preferred Stock of all series and of any other such prior or parity stock to be outstanding immediately after such issue; *provided, however*, that if for the purpose of meeting this requirement it shall have been necessary to take into consideration any portion of the earned surplus of the Company, the Company shall not (until such junior stock equity exclusive of such portion of earned surplus shall equal such aggregate) pay any dividends or make any distribution on shares of its stock ranking junior to the Preferred Stock as to dividends or assets which would result in reducing such junior stock equity to an

amount less than such aggregate amount payable on involuntary liquidation, dissolution or winding up of the affairs of the Company.

- (iii) Unless the gross income of the Company after taxes available for interest on its indebtedness and for dividends on its Preferred Stock and any other such prior or parity stock, determined in accordance with generally accepted accounting principles, for a period of twelve (12) consecutive calendar months within the fifteen (15) calendar months immediately preceding the calendar month in which such additional stock is issued, or in which a contract for the issuance and sale thereof is made, is at least one and one-half (1½) times the aggregate of the annual interest charges and dividend requirements on all interest bearing indebtedness and all series of Preferred Stock and of such prior or parity stock to be outstanding immediately after the proposed issue; and
- (iv) So long as any shares of the 4½% Series of the Preferred Stock are outstanding, unless the net earnings of the Company available for dividends determined in accordance with sound accounting practice for the same twelve (12) months period are at least two and one-half (2½) times the annual dividend requirements on all series of Preferred Stock and of such prior or parity stock to be outstanding immediately after the proposed issue.

In said computations in subparagraphs (iii) and (iv):

(aa) Interest on indebtedness and dividends on stock in each case to be retired with the proceeds of the proposed issue and similar charges on indebtedness and stock retired or to be retired prior to the proposed issue from the proceeds of any such junior stock issued by the Company are to be excluded,

(bb) Such gross income or net earnings, respectively, similarly determined for said twelve (12) months period, from any property acquired by purchase, merger or otherwise during or after said period or to be acquired in connection with the proposed issue, may be included for such part of such period as shall have preceded such acquisition thereof by the Company; and

(cc) The amount deducted for depreciation shall be the amount charged by the Company on its books for depreciation during such period but not less than the greater of (x) two and one-quarter per cent (2¼%) of the arithmetical average of the gross plant investment in depreciable property on the books of the Company on the first and last days of such period (not including in depreciable property any amounts carried in adjustment accounts on the books of the Company at each such date) or (y) the

the largest minimum depreciation requirement for such period of any mortgage indenture to which the Company is a party during such period, computed on the basis as set forth in said mortgage indenture for a calendar year period.

(c) Merge or consolidate with or into any other corporation or corporations or sell, lease or dispose of all or substantially all its assets, unless such merger, consolidation, sale, lease or disposition, or the issuance and assumption of all securities to be issued or assumed in connection therewith, shall have been ordered, approved, or permitted by the State Board of Public Utilities and the Federal Energy Regulatory Commission under the provisions of the Public Utility Holding Company Act of 1935; ~~provided that the provisions of this subparagraph (c) shall not apply to a purchase or other acquisition by the Company of franchises or assets of another corporation in any manner which does not involve a merger or consolidation.~~

(d) Issue any unsecured notes, debentures or other securities representing unsecured indebtedness, or assume any such unsecured securities, for purposes other than the refunding of outstanding unsecured securities theretofore issued or assumed

resulting in equal or longer maturities,
by the Company or the redemption or other retirement of all outstanding shares of the Preferred Stock, if, immediately after such issue or assumption, the total principal amount of all unsecured notes, debentures or other securities representing unsecured indebtedness issued or assumed by the Company and then outstanding (including the unsecured securities then to be issued or assumed) but excluding unsecured securities theretofore so consented to by holders of Preferred Stock, would exceed ten per cent (10%) of the aggregate of (i) the total principal amount of all bonds and other securities representing secured indebtedness issued or assumed by the Company and then outstanding and (ii) the capital and surplus of the Company as then stated on the books of account of the Company.

Any action requiring the affirmative consent of the holders of Preferred Stock under subdivisions 9 or 10 hereof may be taken with such affirmative consent, together with such additional vote or consent, if any, of shareholders, as may be from time to time required by law. For the purposes specified in subdivisions 9 and 10, the presence in person or by proxy of the holders of a majority of the total number of shares of the Preferred Stock of all series then issued and outstanding and entitled to vote on a question shall be necessary to constitute a quorum for the consideration of such question.

When shares of the 4½% Series of the Preferred Stock are no longer outstanding, a vote of the holders of Preferred Stock required by subdivisions 9 and 10 hereof shall not be necessary if, in connection with any matter specified therein, provision is made for the purchase, redemption or retirement of all the Preferred Stock at the time outstanding, or it is provided that the proposed action shall not be effective unless such provision is made.

11. So long as any shares of the Preferred Stock of any series are outstanding, the payment of dividends on Common Stock or on any other stock of the Company ranking junior to the Preferred Stock as to dividends or assets (other than (i) dividends payable in stock ranking junior to the Preferred Stock as to dividends and assets or (ii) dividends paid in cash if immediately thereafter there shall be paid to the Company in cash an amount equal to such dividends for shares of or as a capital contribution with respect to stock ranking junior to the Preferred Stock as to dividends and assets) and the making of any distribution of assets to holders of stock ranking junior to the Preferred Stock as to dividends or assets by purchase of shares or otherwise (each of such actions being herein embraced within the term "payment of junior stock dividends") shall be subject to the following limitations: ~~the proposed payment shall not be approved or permitted by order of the Securities and Exchange Commission or any state securities authority~~

or as a result of the proposed payment would become,
(a) If and so long as the junior stock equity is less than twenty per cent (20%) of total capitalization the payment of junior stock dividends, including the proposed payment, during the twelve months ending with the last day of the month in which the proposed payment is to be made shall not exceed fifty per cent (50%) of the net income of the Company available for the payment of dividends on the stock ranking junior to the Preferred Stock as to dividends and assets for the twelve full calendar months immediately preceding the calendar month in which such dividend is declared; and or as a result of the proposed payment would become,

(b) If and so long as the junior stock equity is less than twenty-five per cent (25%) but is twenty per cent (20%) or more of total capitalization the payment of junior stock dividends, including the proposed payment, during the twelve months ending with the last day of the month in which the proposed payment is to be made shall not exceed seventy-five per cent (75%) of the net income of the Company available for the payment of dividends on the stock ranking junior to the Preferred Stock as to dividends and assets for the twelve full calendar months immediately preceding the calendar month in which such dividend is declared. ~~xxxx~~

any intangible items set forth on the asset side of the balance sheet of the Company as the result of accounting convention, such as

~~the Company shall not make any payment of junior stock dividends which exceeds the junior stock equity of the Company (25% of total capitalization).~~

For the purposes of this subdivision 11 "net income" shall be determined in accordance with generally accepted accounting principles, provided, however, that the amount deducted for depreciation shall be an amount computed in accordance with clause (cc) of subparagraph (b) of subdivision 10 hereof.

The term "junior stock equity" as used in this subdivision 11 means the aggregate of the par value of, or stated capital represented by, the outstanding shares of stock ranking junior to the Preferred Stock as to dividends and assets, of the premium on capital stock and of the surplus (including earned surplus, capital surplus and surplus invested in plant) of the Company less, unless the amounts or items are being amortized or are being provided for by reserves, (i) any amounts recorded on the books of the Company in adjustment accounts for utility plant and other plant in excess of the original cost thereof, (ii) unmortgaged debt discount and expense and capital stock discount and expense, (iii) the excess, if any, during the period from January 1, 1954 to the end of a month within ninety (90) days preceding the date as of which junior stock equity is determined, over the amount charged by the Company on its books during such period for depreciation of an amount determined as follows:

- (x) for the calendar year 1954 and for each full calendar year thereafter, an amount equal to two and one-quarter per cent (2¼%) of the arithmetical average of the gross plant investment in depreciable property on the books of the Company on January 1 and December 31 of such calendar year (not including in depreciable property any amounts carried in adjustment accounts on the books of the Company at each such date); and
- (y) for any other period an amount equal to the product of one-twelfth (1/12th) of two and one-quarter per cent (2¼%) of the gross plant investment in depreciable property on the books of the Company on the first day of the calendar year in such period (not including in depreciable property any amounts carried in adjustment accounts on the books of the Company at such date) multiplied by the number of full calendar months in such period.

The term "total capitalization" as used in this subdivision 11 means the aggregate of (x) the junior stock equity, (y) the par value of, or stated capital represented by, the outstanding shares of Preferred Stock and any other stock ranking prior thereto or on a parity therewith as to dividends or assets and (z) the principal amount of all outstanding indebtedness of the Company represented by bonds, notes and other evidences of indebtedness maturing by their terms more than one year from the date of issue thereof.

12. No stockholders, director, officer or agent of the Company shall be held individually responsible for any action taken in good faith though subsequently adjudged to be in violation of these rights and preferences.

13. Every holder of Preferred Stock of the Company by becoming such shall be held to have consented to all of these provisions and to have agreed to be bound thereby and to have waived to the full extent permitted by law any right such holder may have either now or at any time in the future contrary to these provisions.

the excess, if any, of the aggregate amount payable on involuntary liquidation, dissolution or winding up of the affairs of the Company upon all outstanding Preferred Stock of the Company over the aggregate par or stated value thereof and less,

and

I further certify that special meetings of the Board of Directors and of the stockholders of said The Narragansett Electric Company were duly called and held on July 30, 1940, at which meetings quorums were present and acting throughout and that at said meetings the following vote was duly adopted:

Voted: That, subject to exemption of such issue and the requisite approval of transactions incidental thereto by the Securities and Exchange Commission under the Public Utility Holding Company Act of 1935, such issue having been approved by the Public Utility Administrator in the Department of Business Regulation of the State of Rhode Island, pursuant to the provisions of the Charter of this Corporation and to the provisions of Section 58 of Chapter 122 of the General Laws of the State of Rhode Island, as amended by Sections 120 and 121 of Chapter 660 of the Acts of 1939, this Corporation issue \$9,000,000 par value of the initial series of the Preferred Stock established by votes of the stockholders and directors of this Corporation on May 28, 1940, such issue of Preferred Stock to consist of 180,000 shares of the par value of \$50 each, such preferred shares to be designated Cumulative Preferred Stock, 4½% Series, the annual dividend rate per share referred to in subdivision 1 of said vote to be four and one-half per cent (4½%) of the par value thereof (such dividends on shares of such initial series issued prior to the record date for the November 1, 1940 dividend to be cumulative from August 1, 1940), the redemption price referred to in said subdivision 3 of said vote to be Fifty-six Dollars (\$56) per share if the redemption date is prior to August 1, 1943 and Fifty-five Dollars (\$55) per share if such redemption is on or after August 1, 1943, and the amounts referred to in subdivision 5 of said vote payable to the holders of shares of such series upon any liquidation, dissolution or winding up shall be Fifty Dollars (\$50) per share if such action be involuntary, and if such action be voluntary, Fifty-six Dollars (\$56) per share if such action is prior to August 1, 1943 and Fifty-five Dollars (\$55) per share if such action is on or after August 1, 1943.

I further certify that special meetings of the Board of Directors and of the stockholders of said The Narragansett Electric Company were duly called and held on December 16, 1953, at which meetings quorums were present and acting throughout and that at said meetings the following vote was duly adopted:

Voted: That this Company issue \$7,500,000 par value of a second series of the Preferred Stock of this Company (said Preferred Stock having been established by votes of the common stockholders and directors of this Company on May 28, 1940 and amended by votes of such common stockholders and directors on November 10, 1953), such issue to consist of 150,000 shares of the par value of \$50 each; that shares of the second series of such Preferred Stock be designated Cumulative Preferred Stock, 4.64% Series, bear an annual dividend rate per share of four and sixty-four hundredths per cent (4.64%) of the par value thereof (such dividends on shares of the initial issue of said second series to be cumulative from December 16, 1953, and the first dividend date to be February 1, 1954), and have the following redemption prices:

<i>If the redemption date is:</i>	<i>Amount</i>
On or prior to December 31, 1958	\$53.375
January 1, 1959 through December 31, 1961	53.125
January 1, 1962 through December 31, 1964	52.875
January 1, 1965 through December 31, 1967	52.625
January 1, 1968 through December 31, 1970	52.375
After December 31, 1970	52.125

together in each case with accrued dividends; and that the amounts payable to the holders of shares of such second series upon any liquidation, dissolution or winding up of the Company, if such action be voluntary, shall be equal to said redemption prices plus

accrued dividends and, if such action be involuntary, shall be fifty dollars (\$50) per share plus accrued dividends.

~~I further certify that such votes have not since been altered or amended and that such votes are now in full force and effect.~~

IN WITNESS WHEREOF I have hereunto set my hand and the seal of said Company this 23-d day of December, 1953.

T. DEXTER CLARKE
Secretary

(CORPORATE SEAL)

STATE OF RHODE ISLAND
DEPARTMENT OF BUSINESS REGULATION
OFFICE OF
PUBLIC UTILITY ADMINISTRATOR

PETITION OF THE NARRAGANSETT :
ELECTRIC COMPANY FOR APPROVAL OF :
AND CONSENT AND AUTHORITY TO ISSUE: Docket No. 579
100,000 ADDITIONAL SHARES OF COM- :
MON CAPITAL STOCK AND 150,000 AD- :
DITIONAL SHARES OF PREFERRED STOCK:

Under date of September 30, 1953, The Narragansett Electric Company, a public utility as defined in Chapter 122 of the General Laws of 1938, as amended, filed with the Public Utility Administrator within the Department of Business Regulation of the State of Rhode Island a Petition and Statement requesting the entry of an order approving, consenting to and authorizing the issue of 100,000 additional shares of Common Capital Stock of the par value of Fifty Dollars (\$50) per share and 150,000 additional shares of Preferred Stock of the par value of Fifty Dollars (\$50) per share to provide funds for the purpose of retiring short-term indebtedness incurred or to be incurred for capitalizable expenditures set forth in Exhibit C filed with the Petition and Statement and made a part thereof, to pay for such expenditures and to reimburse the treasury of the Petitioner therefor. On October 28, 1953, Petitioner filed Amendment No. 1 to its Petition and Statement regarding the character of the additional Common Capital Stock and character of the additional Preferred Stock and by exhibit filed therewith set forth the preferences as to dividends, voting power and other incidents for the Preferred Stock; and on November 10, 1953, filed Amendment No. 2 to its Petition and Statement by which it furnished a revised exhibit changing in certain respects the preferences and other incidents of the Preferred Stock as set

forth in exhibit filed with its Amendment No. 1.

Petitioner informs the Administrator that said 100,000 additional shares of Common Capital Stock are first to be offered to the holder of the Common Capital Stock of the Petitioner for cash at the par value thereof and such stockholder has informed the Petitioner that it will purchase said additional shares for cash at the par value thereof. Petitioner further informs the Administrator that said 150,000 additional shares of Preferred Stock are to be sold for cash to purchasers selected pursuant to competitive bidding. (The Petitioner informs the Administrator that the holder of the Common Capital Stock is to waive its preemptive rights to said additional Preferred Stock).

In Exhibit C to its Petition and Statement Petitioner has set forth that as at July 31, 1953 Petitioner has made capitalizable expenditures in the amount of \$16,587,962.26 as to which no stock or capital obligations have been issued. These expenditures have been made from money borrowed on notes maturing within twelve months from the date of issue and from moneys in the treasury of Petitioner not secured or obtained from the issuance of stock, bonds, notes or other evidences of indebtedness payable more than twelve months after the date of issue.

After consideration of the Petition and Statement, as amended, and the exhibits submitted therewith, and upon investigation of Petitioner's records, the Administrator is of the opinion that this Petition should be granted and that Petitioner should be authorized to issue said additional Common Capital Stock and said additional Preferred Stock in the amounts requested and that Petitioner should use the proceeds obtained therefrom in the manner set forth below.

Accordingly, it is

(6832) ORDERED: That the Public Utility Administrator within the Department of Business Regulation, pursuant to Sections 7 and 8 of an Act entitled "An Act to Incorporate United Electric Power Company" passed by the General Assembly at the January Session 1926, as amended, and pursuant to the provisions of Section 58 of Chapter 122 of the General Laws of 1938, as amended, hereby approves, consents to and authorizes the issue by Petitioner of 100,000 additional shares of Common Capital Stock and the issue by Petitioner of 150,000 additional shares of Preferred Stock, and fixes the amount, character and terms of such issues and the purposes to which the proceeds thereof shall be applied as follows:

Said 100,000 additional shares of Common Capital Stock are to be issued under the authority contained in Sections 7 and 8 of Petitioner's charter and are to have a par value of Fifty Dollars (\$50) per share and are in all respects to be of the same character and tenor as all other shares of the Common Capital Stock of the Petitioner heretofore issued and outstanding. Said 100,000 additional shares of Common Capital Stock are first to be offered for cash at the par value thereof to the holder of the Common Capital Stock of Petitioner.

Said additional shares of Preferred Stock are to be sold for cash to purchasers selected pursuant to competitive bidding under which Petitioner is to invite bids for the purchase of all of said additional Preferred Stock, said competitive bidding to establish the price at which such shares shall be so sold and the dividend rate therefor, such price to be not less than \$50 nor more than \$51.375 per share plus accrued dividends and such dividend rate not to exceed six percent (6%) per annum.

The redemption prices of such Preferred Stock will be fixed following said competitive bidding in accordance with a formula based on the initial offering price.

The Administrator, as aforesaid, further approves, consents to and authorizes the preferences as to dividends, voting power and other incidents of Preferred Stock as set forth in Exhibit E filed with Amendment No. 2 to Petitioner's Petition and Statement.

The proceeds of the sale of said 100,000 additional shares of Common Capital Stock and of the sale of said 150,000 additional shares of Preferred Stock shall be applied for the purpose of retiring such short term indebtedness as may be outstanding at the time of either such sale, and the balance shall be applied for the purpose of paying for capitalizable expenditures and for reimbursing the treasury therefor, the money to be procured by the issue of said 100,000 additional shares of Common Capital Stock and the issue of said 150,000 additional shares of Preferred Stock being reasonably required for said purposes; and it is further

ORDERED: That this order shall become effective forthwith.

Dated at Providence, Rhode Island, this thirtieth day of November, 1953.

Thomas A. Kennelly
Public Utility Administrator of Rhode Island

APPROVED:

Thomas J. Meehan
Director of Department of Business Regulation

A true copy

George A. McLaughlin
Deputy Public Utility Administrator

*Narragansett
Electric Company*

DEPARTMENT OF STATE
OFFICE OF
SECRETARY OF STATE
PROVIDENCE, R. I.

RECEIVED AND FILED DEC 18 1953

THE NARRAGANSETT ELECTRIC COMPANY



EXECUTIVE OFFICES

49 WESTMINSTER STREET, PROVIDENCE 1, R. I.

March 3, 1953

Secretary of State of Rhode Island
State House
Providence, Rhode Island

Dear Sir:

Pursuant to vote of the Board of Directors of The Narragansett Electric Company (a corporation originally and duly established under the name of "United Electric Power Company" pursuant to the provisions of an act entitled "An Act to Incorporate United Electric Power Company" passed at the January Session, A. D. 1926, which name has been changed to The Narragansett Electric Company" under and pursuant to the provisions of an act passed at the January Session, A. D. 1927, amending said above-mentioned act), at a meeting duly called and held on December 2, 1952, the undersigned, Vice President and General Manager and Treasurer of such corporation, hereby make application for the issue of your certificate to The Narragansett Electric Company authorizing the issue of 100,000 shares of its common capital stock of a par value of \$50 each, in addition to the shares of capital stock issuable on organization of the corporation and the shares, the issue of which has been authorized by certificates heretofore issued by the Secretary of State of Rhode Island pursuant to the provisions of Section 8 of said Act.

Attached hereto is a certified copy of an order of the

- 2 -

Secretary of State of Rhode Island

3/3/53

Public Utility Administrator, Department of Business Regulation
(who has succeeded to the powers of the Public Utilities
Commission under Section 7 of the above-mentioned Act) entered
on January 15, 1953, approving the issue of said 100,000 addi-
tional shares of common capital stock, the purposes of such
issue, and the terms and manner of disposition thereof.

The tax of one-tenth of one per cent of the \$5,000,000
par value of such additional common capital stock has been paid
into the General Treasury and the receipt therefor accompanies
this application.

Yours very truly,

THE NARRAGANSETT ELECTRIC COMPANY

By *Robert E. Lopez*
Vice President and General Manager

And by

Oliver F. Dutton
Treasurer

STATE OF RHODE ISLAND
DEPARTMENT OF BUSINESS REGULATION
OFFICE OF
PUBLIC UTILITY ADMINISTRATOR

PETITION OF THE NARRAGANSETT :
ELECTRIC COMPANY FOR APPROVAL OF :
AND CONSENT AND AUTHORITY TO : Docket No. 561
ISSUE ADDITIONAL COMMON CAPITAL :
STOCK AND FIRST MORTGAGE BONDS :

Under date of December 3, 1952, The Narragansett Electric Company, a public utility as defined in Chapter 122 of the General Laws of 1938, as amended, filed with the Public Utility Administrator within the Department of Business Regulation of the State of Rhode Island a petition and statement requesting the entry of an order approving, consenting to and authorizing the issue of 100,000 additional shares of Common Capital Stock having a par value of Fifty Dollars (\$50) per share and additional First Mortgage Bonds in the principal amount of Ten Million Dollars (\$10,000,000) to provide funds for the purpose of retiring short-term indebtedness incurred or to be incurred for capitalizable expenditures set forth in Exhibit C filed with this petition and made a part thereof, to pay for such expenditures and to reimburse the treasury of the Petitioner therefor.

Petitioner informs the Administrator that said 100,000 additional shares of Common Capital Stock are first to be offered to the holders of the Common Capital Stock of the Petitioner for cash at the par value thereof and such stockholders have informed the Petitioner that they will purchase said additional shares for cash at the par value thereof. Petitioner further informs the Administrator that said additional First Mortgage Bonds are to be offered for public bidding and sold for cash at not less than the

principal amount thereof with interest adjustment. Said additional bonds are to be designated as bonds of Series D, being bonds of a new series to be authorized and issued under the terms of the First Mortgage Indenture and Deed of Trust dated as of September 1, 1944 as amended and supplemented by two supplemental Indentures, between The Narragansett Electric Company and Rhode Island Hospital Trust Company, Trustee, under which Indenture as supplemented bonds of Series A, Series B, and Series C are presently outstanding.

On Exhibit C, Petitioner has set forth that as at September 30, 1952 Petitioner has made capitalizable expenditures in the amount of \$19,358,605.31 as to which no stock or capital obligations have been issued. These expenditures have been made from money borrowed on notes maturing within twelve months from the date of issue and from moneys in the treasury of Petitioner not secured or obtained from the issuance of stock, bonds, notes or other evidences of indebtedness payable more than twelve months after the date of issue.

After consideration of the petition and the Exhibits submitted therewith, and upon investigation of Petitioner's records, the Administrator is of the opinion that this petition should be granted and that Petitioner should be authorized to issue said additional Common Capital Stock and said additional First Mortgage Bonds in the amount requested and to use the proceeds obtained therefrom in the manner outlined in said petition.

Accordingly, it is

(6743) ORDERED: That the Public Utility Administrator within the Department of Business Regulation, pursuant to Sections 7 and 8 of an Act entitled "An Act to Incorporate United Electric Power Company" passed by the General Assembly at the January Session 1926, as amended, and pursuant to the provisions of Section 58 of

Chapter 122 of the General Laws of 1938, as amended, hereby approves, consents to and authorizes the issue by Petitioner of 100,000 additional shares of Common Capital Stock and the issue by Petitioner of additional First Mortgage Bonds in the principal amount of Ten Million Dollars (\$10,000,000), and fixes the character and terms of such issues and the purposes to which the proceeds thereof shall be applied as follows:

Said 100,000 additional shares of Common Capital Stock are to be issued under the authority contained in Sections 7 and 8 of Petitioner's charter and will have a par value of Fifty Dollars (\$50) per share and will in all respects be of the same character and tenor as all other shares of the Common Capital Stock of the Petitioner heretofore issued and outstanding. Said 100,000 additional shares of Common Capital Stock are first to be offered for cash at the par value thereof to the holders of the Common Capital Stock of Petitioner.

Said additional First Mortgage Bonds are to be offered for public bidding and sold for cash at not less than the principal amount thereof with interest adjustment. Said Bonds are to be issued under and pursuant to the terms of the First Mortgage Indenture and Deed of Trust dated as of September 1, 1944, as amended and supplemented by two supplemental Indentures, securing the presently outstanding First Mortgage Bonds, Series A, 3%, due 1974, Series B, 3%, due 1978 and Series C, 3-3/8%, due 1982. Said Bonds are to be designated Series D Bonds and will mature in thirty years. Said Bonds in permanent form will be coupon bonds, registerable as to principal only, in the denomination of \$1,000 each, and fully registered bonds without coupons. Fully registered and coupon bonds will be fully interchangeable. The interest rate as well as the price will be determined as the result of

public bidding. Series D Bonds will be redeemable on thirty days' published notice at prices computed according to a formula based on the initial offering price to the public of Series D Bonds. Generally in redemption for sinking fund purposes and other special situations, said Bonds will be redeemable at lower redemption prices than apply to the ordinary optional redemptions. The holders of Series D Bonds will be entitled to the benefit of a sinking fund under which Petitioner will be required each year to deposit cash equal to 1% of the maximum amount of Series D Bonds issued, such cash to be used to redeem Series D Bonds, or in lieu of all or a part of such cash, Petitioner may surrender Series D Bonds for cancellation or fund additional property. Series D Bonds, together with the outstanding Series A, Series B, and Series C Bonds and any additional bonds issued under and pursuant to the terms specified in the Indenture, will be secured by a direct first mortgage lien on substantially all the property and franchises of Petitioner, except current assets and certain other exceptions set forth in said Indenture, as supplemented. Series D Bonds shall be subject to such other provisions not inconsistent with the foregoing as Petitioner may set forth in a third supplemental Indenture providing for the issue of Series D Bonds.

The proceeds of the sale of said 100,000 additional shares of Common Capital Stock and of the sale of Series D Bonds shall be applied for the purpose of retiring short term indebtedness incurred or to be incurred for capitalizable expenditures set forth in Exhibit C to said petition, of paying for such expenditures and of reimbursing the treasury of Petitioner therefor; the money to be procured by the issue of said 100,000 additional shares of Common Capital Stock and the issue of Series D Bonds being reasonably required for said purposes; and

it is further

ORDERED: That this order shall become effective
forthwith.

Dated at Providence, Rhode Island, this
fifteenth day of January, 1953.

(sgd) Thomas A. Kennelly
Public Utility Administrator of Rhode Island

APPROVED:

(sgd) Thos J. Meehan
Director of Department of Business Regulation

(Seal)

January 16, 1953

A true copy,

Attest:

(sgd) Charles A. Lombardi

Notary Public

(Seal)

A true copy
Attest:

George A. McLaughlin
Deputy Public Utility Administrator
of Rhode Island

AMENDMENT
THE
NARRAGANSETT ELECTRIC
COMPANY

DEPARTMENT OF STATE
OFFICE OF
SECRETARY OF STATE
PROVIDENCE, R. I.

RECEIVED AND FILED MAR 3 - 1953

I, T. Dexter Clarke, hereby certify that I am Secretary of The Narragansett Electric Company; that a special meeting of the Board of Directors was duly called and held on May 17, 1949, at which meeting a quorum was present and acting throughout; and that at said meeting the following vote was duly adopted:

VOTED: That the President or any Vice President and the Secretary or any Assistant Secretary be and hereby are authorized to file on behalf of this corporation with the Public Utility Administrator, Department of Business Regulation of the State of Rhode Island, a petition, in such form as the officers acting deem proper, praying for the entry of an order by appropriate authority approving, consenting to and authorizing the issue of 60,000 additional shares of Common Capital Stock of the Par Value of \$50 per share, and to make and file with the Secretary of State of Rhode Island, and any and all other public officials, commissions or departments, any and all requests, statements, certificates or other instruments necessary or desirable for the purpose of authorizing said issue of Common Capital Stock, or permitting the sale and delivery thereof.

I further certify that such vote has not since been altered or amended and that such vote is now in full force and effect.

IN WITNESS WHEREOF I have hereunto set my hand and the seal of The Narragansett Electric Company this 18th day of November , 1949.

J. Dexter Clarke
Secretary

STATE OF RHODE ISLAND
DEPARTMENT OF BUSINESS REGULATION
OFFICE OF
PUBLIC UTILITY ADMINISTRATOR

PETITION OF THE NARRAGANSETT ELECTRIC :
COMPANY FOR APPROVAL OF AND CONSENT :
AND AUTHORITY TO ISSUE 60,000 SHARES : Docket No. 501
OF COMMON CAPITAL STOCK :

Under date of May 26, 1949, The Narragansett Electric Company, a public utility as defined in Chapter 122 of the General Laws of 1938, filed with the Public Utility Administrator within the Department of Business Regulation of the State of Rhode Island a petition and statement requesting the entry of an order approving, consenting to and authorizing the issue of 60,000 additional shares of Common Capital Stock having a par value of \$50 per share, to provide funds for the purpose of retiring short term indebtedness incurred for, and reimbursing the treasury of the petitioner for and capitalizing, to the extent of this issue, capitalizable expenditures set forth in Exhibit C filed with this petition and made a part thereof.

Petitioner informs the Administrator that said 60,000 additional shares of Common Capital Stock are first to be offered to the holders of the Common Capital Stock of this corporation for cash at their par value. The stockholders of petitioner have already indicated their willingness and ability to purchase said 60,000 shares of Common Capital Stock for cash at the par value thereof.

Petitioner states in Exhibit C filed with said petition that as of December 31, 1948, petitioner has made net capitalizable expenditures, for which no stock or capital obligations are outstanding, to the amount of \$10,958,881.56. All said expenditures have been made out of petitioner's current funds and/or from money borrowed on notes maturing within twelve months from the date of issue.

Petitioner has supplied the Administrator with a certified copy of a vote taken at a special meeting of petitioner's Board of Directors duly called and held on May 17, 1949, authorizing the proper officers of the petitioner to file this instant petition with the Public Utility Administrator of Rhode Island.

Similarly, petitioner has supplied the Administrator with a certified copy of a vote taken by the petitioner's stockholders at a meeting held on May 11, 1949, at which authorization was given to petitioner's officers by the stockholders to request approval of the issue of said 60,000 additional shares of Common Capital Stock of the petitioning corporation.

Upon a review of the petition and the exhibits submitted therewith, the Administrator is of the opinion that this instant petition should be granted; and that petitioner should be authorized to issue said 60,000 additional shares of Common Capital Stock having a par value of \$50 a share; and that the funds so obtained from the sale of said 60,000 shares of Common Capital Stock be used in the manner outlined in said petition.

Accordingly, it is

(6436) ORDERED: That the Public Utility Administrator within the Department of Business Regulation, pursuant to Sections 7 and 8 of an Act entitled, "An Act to Incorporate United Electric Power Company," passed by the General Assembly at the January Session of 1926; as amended, and pursuant to the provisions of Section 58 of Chapter 122 of the General Laws of 1938, hereby approves, consents to and authorizes the issue by The Narragansett Electric Company of 60,000 additional shares of Common Capital Stock having a par value of \$50 per share, and fixes the character and terms of such issue and the purposes to which the proceeds thereof shall be applied as follows:

Said 60,000 additional shares of Common Capital Stock are to be issued under the authority contained in Sections 7 and 8 of petitioner's charter and will have a par value of \$50 per share; and will in all respects

be of the same character and tenor as all other shares of the Common Capital Stock of the petitioning corporation heretofore issued and outstanding.

Said 60,000 additional shares of Common Capital Stock are to be offered first to the holders of the Common Capital Stock of the petitioning corporation for cash at the par value thereof (\$50).

The proceeds obtained from the sale of said 60,000 additional shares of Common Capital Stock are to be used for the purpose of retiring short term indebtedness incurred for, and reimbursing petitioner's treasury for and capitalizing, to the extent of this issue, capitalizable expenditures as set forth in Exhibit C; the money to be procured by the issue of said 60,000 additional shares of Common Capital Stock being reasonably required for said purposes; and it is further

ORDERED: That this order shall become effective forthwith.

Dated at Providence this second day of November, 1949.

Thomas A. Kennelly
Public Utility Administrator of Rhode Island

(Seal)

APPROVED:

Thomas J. Meehan
Director of Department of Business Regulation

A true copy,

Attest:

J. Albert Clarke
Notary Public

A true copy
Attest:

George A. McLaughlin
Deputy Public Utility Administrator

PETITION OF THE NARRAGANSETT
ELECTRIC COMPANY FOR APPROVAL
OF AND CONSENT AND AUTHORITY
TO ISSUE 60,000 SHARES OF
COMMON CAPITAL STOCK.

Docket No. 501

X

DEPARTMENT OF STATE
OFFICE OF
SECRETARY OF STATE
PROVIDENCE, R. I.

RECEIVED AND FILED NOV 13 1949

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JANUARY SESSION, 1947.

S 74
Approved
June 3, 1947.

AN ACT IN AMENDMENT OF AN ACT, ENTITLED "AN ACT TO
INCORPORATE UNITED ELECTRIC POWER COMPANY,"
PASSED AT THE JANUARY SESSION, 1926, AND THE SEVERAL
ACTS IN AMENDMENT THEREOF AND RELATING THERETO.

It is enacted by the General Assembly as follows:

SECTION 1. The Narragansett Electric Company (hereinafter called "said company") a corporation created by an act of the general assembly passed at its January session A. D. 1926 under the name of United Electric Power Company (which name was changed by authority of an act in amendment of said act passed at the January session A. D. 1927) is hereby authorized and empowered to acquire by condemnation from time to time such lands and such interests, estates and rights in lands as said company may from time to time take in the manner hereinafter provided, for the erection, construction, extension or installation from time to time of a line or lines for the transmission of currents of electricity of eleven thousand volts or more and for the erection, construction, installation and maintenance of such poles, wires, conduits and other

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appurtenances and appliances as may be suitable or convenient for such line or lines, provided that nothing in this act shall authorize said company to acquire or take under the provisions of this act any water power or water rights, or to acquire or take any portion of any public street or highway of any town or city or any lands or interests, estates or rights in lands that shall have been acquired by any town or city for municipal or public purposes except in either case in reasonable locations to be approved by the town council or city council of said town or city, respectively; or to take under the provisions of this act any lands, interests, estates or rights in lands in any town or city except in reasonable locations to be approved by the town council or city council of such town or city, respectively; or to take any lands or any interests, estates or rights in lands after the expiration of ten years from the date of the passage of this act; nor shall it exercise any right of condemnation within the limits of the city of Newport or of the towns of Jamestown, Middletown or Portsmouth.

Sec. 2. Whenever said company desires to take any land or any interest, estate or right therein under the provisions of this act, it shall file in the superior court of the state of Rhode Island for the county of Providence a certificate containing a general description thereof and a list of the owners thereof and persons interested therein so far as the same may be known to said company; said certificate shall be accompanied by a plat showing the location of such land and shall contain a notice that said company will give such security as the court may require for the payment of all such costs and damages as may be finally awarded

to any person interested in the land or any interest, estate or right therein taken in the proceedings commenced by the filing of such certificate. Said company shall also furnish a copy of said certificate and plat to the commissioners hereinafter referred to, to be filed by said commissioners as hereinafter provided in the land records of the town or city where such land is located.

SEC. 3. Upon the filing of such certificate and plat in said superior court, said court shall enter an order fixing the time when and the place where all persons interested in the land in said certificate described may appear before said court and be heard with reference to the necessity of the taking of such land, or interest, estate or right therein, the security to be given by said company for damages and costs and the appointment of commissioners to appraise the damages sustained by the owner or owners by such taking; and said court shall direct notice of said order to be served on the person or persons, corporation or corporations owning or interested in said land and said company at least ten days prior to said hearing, which notice shall be served in the same manner as writs of summons issued out of the superior court are required to be served, or if the owner or owners be unknown or non-residents of this state, such notice shall be published in such newspaper or newspapers and for a like period or for such longer period, as the court may direct; and in case the post office address of such non-resident shall be known, a copy of said notice shall be mailed to said owner or owners, postage prepaid, under the direction of said court.

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SEC. 4. At the time and place mentioned in said notice, or at any adjournment therefrom ordered by the court, the court, after hearing the parties interested, including said company, who may appear and desire to be heard, shall first determine whether the land or such interest, estate or right therein in said certificate described is necessary or convenient to said company for its said corporate purposes; and if the court shall determine that such land or such interest, estate or right therein is necessary or convenient to said company for its said corporate purposes, said court shall proceed by its decree to fix and determine the security to be given by said company for the payment of costs and damages and to appoint three disinterested persons as commissioners to appraise the damages sustained by the owner or owners of the land or interest, estate or right therein described in said certificate, by reason of the taking thereof. After entry of such decree as soon as said company shall have given the security fixed therein, title to said land, interest, estate or right shall vest in said company and said company may forthwith enter upon, take possession of and use the same. Any vacancies in said commission which may occur from time to time shall be filled by said court, upon application of any party interested in said proceedings (including said company) and upon such notice as said court may direct.

SEC. 5. Said commissioners, before they proceed to execute their duties, shall be sworn to a faithful and impartial discharge thereof, shall give reasonable notice, by publication or otherwise, in such manner as said court in said decree may direct, to all persons interested to file their claims, if any they have, which have not

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been released to said company, with the clerk of said court within sixty days from the date of said notice and shall file said copy of said certificate and plat and a certified copy of said decree in the land records of the town or city where such land is located. At the end of the time allowed for filing such claims, or of any extension thereof, the commissioners, or a majority of them, shall fix a time and place for hearing all persons interested, as to the damages by them sustained, at which hearing said company may also be heard, and shall give notice of such hearing by publication in such newspaper or newspapers, as said court may direct, once a week for at least three weeks prior to the date of such meeting, and shall give such further notice, if any, as said court may direct. At the time and place fixed for said hearing, or at any adjournment therefrom the commissioners, or a majority of them, shall proceed to hear the parties interested, including said company, with their allegations and proofs and may examine the premises; and shall make a just appraisal of the damages sustained by the owner or owners of said land, interest, estate or right taken as aforesaid. And the commissioners, or a majority of them, shall, as soon as may be, make report of their doings and of the damages, if any, assessed by them, to said court, with their fees marked thereon. The owner or owners of any land not taken under the provisions of this act, who are entitled to compensation by law by reason of any taking under the provisions hereof, shall have the right to claim and recover such damages and the same shall be determined and collectible in the same manner as herein provided for determining and collecting the damages for land taken hereunder.

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SEC. 6. Upon the receipt of any report of said commissioners, the clerk of said court shall open the same, and shall give public notice by advertisement for such time and in such newspaper or newspapers as said court may prescribe, that such report has been received and opened and that the same may be examined by any party interested therein; and either said company, or any other party aggrieved by any award of damages made by the said commissioners, or refusal of award by said commissioners, may claim a jury trial upon any item of damages thereby awarded or refused, and may file a claim for such trial with the clerk of said court at any time within two months from the opening of such report. And such claim shall stand for trial by jury, upon proper issues based upon such claim, as other civil cases upon the docket of said court, and shall be tried therein in every respect as other civil cases are therein tried, including the right to except to rulings and to apply for a new trial for cause. But if the party claiming such jury trial shall not therein obtain an award more favorable to such party than that given by the commissioners, such party shall pay costs to the adverse party unless otherwise ordered by said court; and if any party claiming such jury trial shall obtain therein an award more favorable than that given by the commissioners, such party shall recover his, her or its costs from the adverse party.

SEC. 7. The report of the commissioners shall be confirmed by the court, after being so corrected as to conform to the findings of the jury in cases where a jury trial is claimed; and upon such confirmation, execution or executions for the damages fixed by said report

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as confirmed shall issue against said company as upon a judgment, in due course of law.

SEC. 8. Said company may abandon any lands or any interest, estate or right therein, taken under the provisions of this act, by filing a notice of such abandonment in the office of the clerk of the court in which the proceedings hereinbefore provided for are pending, at any time before the confirmation of the report of the commissioners appointed to assess damages; and if said company shall not have entered upon, taken possession, or used the lands so abandoned or such interest, estate or right therein, prior to the filing of such notice of abandonment, all proceedings for the assessment of damages for the taking of the lands or such interest, estate or right therein so abandoned shall cease, and said company shall pay to any person interested in the property so abandoned, all of his costs and reasonable expenses, if any, incurred in prosecuting for damages for the taking of such lands or interest, estate or right therein up to the time of such abandonment, which costs shall be taxed by the clerk. If said company shall have entered upon, taken possession of, or used the lands or such interest, estate or right therein so abandoned prior to such abandonment, and the assessment of damages for the same is then pending before the commissioners or a jury, then upon such abandonment, said company shall have the right to give such abandonment in evidence in diminution of damages, paying the costs if the question of damages is pending upon the claim of jury trial, notwithstanding a diminution of damages in consequence of such abandonment given in evidence; or if the commissioners or a jury have finally assessed the damages, said company shall

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have the right to a revision of the assessment and a re-assessment, by petition to the commissioners, in order that the diminution of damages in consequence of such abandonment may be considered, with the right of any person interested to claim a jury trial as in the case of the original assessment.

Sec. 9. When the lands or any interest, estate or right therein in which any infant or other person not capable in law to act in his own behalf or unascertained or not in being is interested, are taken by said company under the provisions of this act, the court before which the proceedings for such taking are pending may appoint a guardian *ad litem* for such infant or other person; and such guardian may appear and be heard in behalf of such infant or other person at any stage of the proceedings. And such guardian may also, with the advice and consent of the court appointing him, release to said company all claims for damages for the lands of such infant or other person, or for any interest, estate or right therein, so taken. And if there shall be any dispute as to the title of any lands or interests, estate or rights therein taken under the provisions of this act, or as to the persons entitled to receive the damages awarded for such taking, or if the person entitled to receive such damages is unascertained or not in being, said company may pay such damages into the registry of the court before which such proceedings are pending.

Sec. 10. Any court in which any proceedings under this act shall be pending may, from time to time, order such other and further notices to be given, in addition to those hereinbefore prescribed, and, may make such other orders, not inconsistent with the provisions of

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this act or with the general laws of the state, as may be required, in the opinion of such court, to protect the rights and interests of the parties interested in such proceedings. And any proceedings taken under this act may be amended or corrected at any stage, and the time may be extended in which persons interested may file their claims, upon such terms and notice, if any, as said court may prescribe.

Sec. 11. Nothing in this act shall authorize said company to condemn any portion of the land, location or right of way of any railroad, street railway or other public service company, except for the purpose of crossing the same either above or below grade and of maintaining suitable and convenient supports for such crossing, in such manner as not to render unsafe, or to impair the usefulness of, such land, location or right of way for railroad or street railway purposes or the purposes of such other public service company. If said company and any such railroad, street railway or other public service company are unable to agree as to the method and manner of the construction and maintenance of any such crossing, either may apply to the public utility administrator within the department of business regulation for a determination thereof, and, after hearing, such crossing of such transmission line shall be constructed, maintained and operated in such method and manner as may be ordered by said public utility administrator. Either party aggrieved by such order of such public utility administrator may appeal therefrom in the manner which is or shall be provided by law for such an appeal. Said company shall be liable to any such railroad, street railway or other public service company for such damages and reason-

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able expense as may result to it by reason of any line or lines of said company crossing such railroad, street, railway or other public service company's land, location or right of way.

Sec. 12. The commissioners appointed as hereinbefore provided shall each receive such compensation for their services as shall be fixed by said court which shall be paid by said company and all the costs of any and all hearings before such commissioners, including the cost of counsel for the owners of lands or interests, estates or rights therein taken under the provisions of this act, to be approved by said superior court and of attendance of the parties, shall be paid by said company.

Sec. 13. Said company may convey any property or any interest, estate or right therein taken by it hereunder and any line or lines, poles, wires, conduits or other appurtenances and appliances placed thereon to any other corporation, company or association having the right to carry on an electric lighting, heating or power business in this state, or may enter into an agreement giving to any such corporation, company or association the right to use such land or such interest, estate or right thereunder for the purposes for which the same were taken or may agree to use said land or interest, estate or right thereunder for any such corporation, company or association for the purposes for which the same were taken.

Sec. 14. Nothing in this act contained shall be deemed to repeal, abridge or modify the provisions of the public utilities act or any related acts now in force; and said public utility administrator shall have continuing control over said company in the operation of the lines erected, constructed or extended under the authority of this act as well as over the lines which said company now operates or may hereafter operate in the streets and highways or elsewhere, under any other authority.

Sec. 15. The act incorporating said company and all acts in amendment thereof or in addition thereto are hereby amended in accordance with the foregoing provisions of this act.

Sec. 16. This act shall take effect upon its passage.

Providence, R. I., July 31, 1940.

Secretary of State of Rhode Island,

State House,

Providence, R. I.

Dear Sir:


Acting under authority of a vote of the Board of Directors of The Narragansett Electric Company (a corporation originally duly established under the name of "United Electric Power Company", pursuant to the provisions of an Act entitled "An Act to incorporate United Electric Power Company", passed by the General Assembly at the January Session, A. D. 1926, which name has been changed to "The Narragansett Electric Company", pursuant to the provisions of an Act, passed at the January Session, A. D. 1927, amending the above mentioned Act) at a meeting duly held on July 30, 1940, the undersigned, President and Assistant Treasurer of said corporation, hereby make application for the issue of your certificate to The Narragansett Electric Company authorizing the issue of 180,000 shares of its preferred capital stock, of the par value of \$50 each, in addition to the shares of said capital stock issuable on organization of the corporation and the shares, the issue of which has been authorized by certificates heretofore issued by the Secretary of State of the State of Rhode Island, pursuant to the provisions of Section 8 of said Act.

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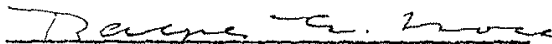
Attached hereto is a certified copy of an Order of the Public Utility Administrator of the Department of Business Regulation (who has succeeded to the powers of the Public Utilities Commission under Section 7 of the above mentioned Act) entered on July 16, 1940, approving the issue of said shares of stock, the purposes of said issue, the terms and manner of disposition thereof and the preferences as to dividends, the voting power and other incidents of said preferred stock.

The tax of 1/10th of 1% of the \$9,000,000 par value of said additional preferred stock has been paid into the General Treasury and the receipt therefor accompanies this application.

Yours very truly,



President
THE NARRAGANSETT ELECTRIC COMPANY

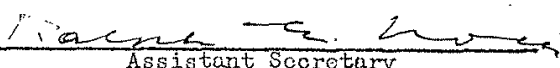


Assistant Treasurer
THE NARRAGANSETT ELECTRIC COMPANY

I hereby certify that I am an Assistant Secretary of The Narragansett Electric Company; that a Special Meeting of the Board of Directors was duly called and held on July 30, 1940, at which meeting a quorum was present and acting throughout; and that at said meeting the following vote was duly adopted.

VOTED: That the president or any vice president and the treasurer or any assistant treasurer be and hereby are authorized to make and file such applications and other documents with the Secretary of State of the State of Rhode Island as the officer or officers so acting deem advisable for the authorization of the issue of the proposed 180,000 shares of preferred capital stock.

IN WITNESS WHEREOF I hereby set my hand and the seal of the Corporation this 31st day of July, 1940.


Assistant Secretary

STATE OF RHODE ISLAND
DEPARTMENT OF BUSINESS REGULATION
OFFICE OF
PUBLIC UTILITY ADMINISTRATOR

PETITION OF THE NARRAGANSETT ELECTRIC)
COMPANY FOR APPROVAL OF AND CONSENT)
AND AUTHORITY TO ISSUE 100,000 SHARES) Docket #399
OF PREFERRED STOCK, TOGETHER WITH TWO)
AMENDMENTS THERETO

This petition of The Narragansett Electric Company, asking for an order authorizing, approving and consenting to an increase in the authorized capital stock by 100,000 shares of preferred stock to be issued for cash at not less than par for the purpose of capitalizing, paying off or reimbursing its treasury for current indebtedness and expenditures made or to be made for the purposes stated in the petition, was filed with the Department on May 15, 1940. Said petition, by amendments filed thereafter, also asks for an order authorizing, approving and consenting to an issue of two year notes of The Narragansett Electric Company to be issued pending the issue of said preferred stock, if, in the opinion of the Company, such action appears desirable.

All parties at interest having been notified thereof, and the order of the Administrator as to publication of notice having been complied with, this petition was continued to the 11th day of July, A. D. 1940, at which time a public hearing was held thereon at the Office of the Administrator, Room 102 State Office Building, Providence, Rhode Island at 11:00 A. M. (S. D. S. T.). Testimony of witnesses was presented and arguments of counsel were heard.

APPEARANCES: EARL A. SWINNEY, ESQUIRE, for petitioning Company
Ralph W. Eaton, Public Service Engineer, as
Representative of City of Providence

Samuel C. Moore, President of the petitioning company, testified that the company was nearing the completion of a four year plan of expansion; that on March 1, 1940 about \$3,300,000 had been expended on said improvements; that the work is expected to be completed about December 1, 1940 and the balance of

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the program will require an outlay of a further \$3,700,000; that between Three and Four Million Dollars have been borrowed from banks on short term obligations to meet a part of the expenditures made thus far; that among other improvements there was in the process of construction the installation of a 40,000 kilowatt-hour steam generating plant at the company's Manchester Street Station.

Ralph E. Ormsbee, Vice President of the petitioning company, testified to the expenditures already made and the reasonableness of the cost and charges connected therewith.

Paul E. Hitealf, Consulting Engineer for the petitioning company, testified to the technical construction of the new plant, the necessity for it and the possibilities of improvement in future service which would result from the expansion program.

The President, Samuel C. Moore, being recalled to the witness stand, testified that the financial advisers of the company had indicated that there might be some difficulty in merchandising the proposed issue of preferred stock and advised the petitioning for permission to borrow on two year notes of the company in order to meet the obligations of the company connected with the expansion program, pending the issue and sale of the proposed preferred stock. Such two year notes, if executed, would carry interest charges not exceeding 2-1/2%. The borrowing on long term notes would be a temporary proposition and only for the purpose of meeting obligations pending the sale of preferred stock. It was distinctly stated that at no time, in the event the petition were granted, should the obligations of the company under both long term notes and sales of preferred stock exceed the total amount of \$9,000,000.

At the close of the petitioner's testimony and after the introduction of exhibits in support thereof, the Administrator asked if there were any objections to the petition. Mr. Ralph W. Eaton, Public Service Engineer of the City of Providence, confirmed the fact by question and answer of Samuel C. Moore that the interest on the suggested long term notes would not exceed 2-1/2%. There was no cross-examination of any of the witnesses and there was no testi-

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mony or argument in opposition to the petition.

The Administrator has investigated the expenditures already made in respect to the expansion program and has had the benefit of the report of certified public accountants as to the expenditures made as of this date and the expenditures necessary to the completion of the program.

The Administrator has personally made an inspection tour of the company's properties in order to satisfy himself that the physical properties improved and newly constructed are in accordance with the expansion program and the facts contained in the petition and the exhibits submitted by the petitioner at the hearing.

After consideration of the testimony of the witnesses, the exhibits introduced in support thereof, the argument of counsel and the reports of accountants appointed by the Administrator, it is

(4295) ORDERED: That the Public Utility Administrator, pursuant to the provisions of Section 7 of an Act entitled, "An Act To Incorporate United Electric Power Company" passed by the General Assembly at the January Session, A. D. 1926, as amended, and pursuant to the provisions of Section 66 of Chapter 122 of the General Laws, as amended, in performance of the powers, duties and discretions conferred or imposed on said Public Utility Administrator by Order of the Director of Business Regulation, approves, consents to and authorizes The Narragansett Electric Company, to issue 150,000 shares of preferred capital stock of the par value of \$30 per share, the preferences and priorities of which shall be substantially those set forth in the resolutions adopted by the Board of Directors and stockholders of The Narragansett Electric Company at meetings held on May 28, 1940, certified copies of which were attached to an amendment to said petition filed on May 28, 1940, for cash, at not less than par, and, pending the issue of such preferred capital stock, to issue the promissory note or notes of said Company not exceeding \$9,000,000 in principal amount, payable in not over two years from the date of this Order with interest at the rate of not over two and one-half per cent (2-1/2%) per annum, at the

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principal amount thereof, for cash, for the purpose of partly capitalizing, paying off or reimbursing its treasury for current indebtedness and expenditures made or to be made for the purposes stated in said petition, the money to be procured by said issue or issues being reasonably required for said purposes and the value of such consideration to be received being a value at least equal to the par value of said preferred stock or the principal amount of said note or notes as the case may be. The proceeds of said note or notes, and the proceeds of said preferred stock shall be deposited with Rhode Island Hospital Trust Company of Providence, Rhode Island, in escrow under an agreement whereby the funds representing such proceeds and any part thereof are to be released from time to time to The Narragansett Electric Company by such depository as escrow agent only on evidence satisfactory to said depository that such funds are required to reimburse the company for money actually expended on construction work, referred to in said petition filed May 15, 1940, or are to be used solely to pay obligations incurred for such construction work, or both, or with respect to the proceeds of said shares of preferred capital stock, for the purpose of paying said promissory note or notes and interest thereon from time to time in whole or in part.

Dated at Providence, this sixteenth day of July, A. D. 1940.

DEPARTMENT OF BUSINESS REGULATION

By Benjamin M. Holyson
Public Utility Administrator

APPROVED:

H. L. Weller
Director of Business Regulation

A true copy.

Attest:

Joseph Anderson

DEPUTY PUBLIC UTILITY ADMINISTRATOR

Narragansett Electric
Company
FILED AUG 1 1940 19

Handwritten notes:
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1/1/40
1/1/40



THE NARRAGANSETT ELECTRIC COMPANY

Part of New England Power Association

51 Westminster Street

Providence, Rhode Island

July 22, 1937

Secretary of State of Rhode Island
State House
Providence, Rhode Island

Dear Sir:

Acting under authority of a vote of the Board of Directors of The Narragansett Electric Company (a corporation originally and duly established under the name of "United Electric Power Company" pursuant to the provisions of an act entitled "An Act to Incorporate United Electric Power Company" passed at the January Session, A.D. 1926, which name has been changed to "The Narragansett Electric Company" under and pursuant to the provisions of an act passed at the January Session, A.D. 1927, amending said above mentioned act), at a meeting duly called and held on September 15, 1936, the undersigned, President and Treasurer of such corporation, hereby make application for the issue of your certificate to The Narragansett Electric Company authorizing the issue of 40,000 shares of its capital stock of a par value of \$50 each, in addition to the shares of said capital stock issuable without the approval of the Public Utilities Commission of the State of Rhode Island pursuant to the provisions of Section 7 of said Act, and also in addition to the shares of said capital stock previously approved for issue by said Public Utilities Commission in orders thereof entered on October 28, 1927, December 28, 1928, December 11, 1929, October 22, 1930 and April 13, 1932.

Attached hereto is a certified copy of the Order of the Division of Public Utilities, Department of Revenue and Regulation of the State of Rhode Island entered on June 18, 1937, approving the issue of said 40,000 shares of capital stock.

The par value of the capital stock issuable without the approval of the Public Utilities Commission is \$50,000. The par value of the capital stock previously approved for issue by said Public Utilities Commission and for the issue of which the corporation has certificates of the Secretary of State dated November 30, 1927, March 1, 1929, December 19, 1929, November 15, 1930 and March 31, 1933, is \$24,074,350, making the aggregate par value of issuable capital stock of the corporation \$24,124,350 and the par value of the capital stock for the issue of which a certificate is now requested from you is \$2,000,000, making the aggregate par value of issuable capital stock of the corporation \$26,124,350.

The tax upon \$24,124,350 of capital stock has heretofore been paid into the General Treasury of the State of Rhode Island, as evidenced by receipts already filed in the office of the Secretary of State. The tax of 1/10th of 1% of the par value of the additional \$2,000,000 of capital stock has now been paid into the General Treasury and the receipt therefor accompanies this application.

Yours very truly,
THE NARRAGANSETT ELECTRIC COMPANY

By *Stephen J. Gecoff* President

And by *Mary Hanson* Treasurer

THE NARRAGANSETT ELECTRIC COMPANY

Certified Copies of Vote re
Issue of Capital Stock

VOTED: That the board of directors of this corporation is hereby authorized to take or authorize all such action as they in their discretion deem advisable with reference to the issue of 40,000 additional shares of capital stock of this corporation of the par value of \$50 per share.

July 26, 1937

I, Ralph D. Washburn, hereby certify that I am Secretary of The Narragansett Electric Company and that the foregoing is a true copy from the records of vote passed unanimously at a meeting of the Stockholders of said Company duly called and held March 5, 1937 at which all stock issued and outstanding and entitled to vote was represented and voted in the affirmative, and that said vote has not since been altered or amended.

A T T E S T :


Secretary

1937 JUL 26

THE NARRAGANSETT ELECTRIC COMPANY

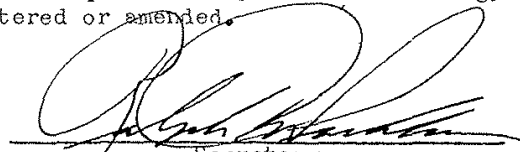
Certified Copy of Vote re
Petition to Rhode Island Department
of Public Utilities re Common Stock

VOTED: That the President and Secretary be, and they hereby are, authorized and directed on behalf of this Corporation to petition the Division of Public Utilities, Department of Taxation and Regulation, of the State of Rhode Island, for authority to issue 40,000 additional shares of common stock and to make and file with the Secretary of State, of the State of Rhode Island, the Bank Commissioner of the State of Rhode Island, and any and all other public officials, commissions or departments any and all requests, statements, certificates or other instruments, documents or consents necessary or desirable in the opinion of said President and said Secretary for the purpose of authorizing the issue of said shares of common stock or permitting the sale and delivery thereof.

July 1, 1937

I, Ralph D. Washburn, hereby certify that I am Secretary of The Narragansett Electric Company and that the foregoing is a true copy from the records of vote passed at a meeting of the Directors of said Company duly called and held September 15, 1936 at which a quorum was present and voting, and that said vote has not since been altered or amended.

A t t e s t:


Secretary

777 82 1837



FREDERICK. A. YOUNG
CHIEF OF DIVISION

State of Rhode Island and Providence Plantations

DEPARTMENT OF REVENUE AND REGULATION

DIVISION OF PUBLIC UTILITIES

STATE OFFICE BUILDING

PROVIDENCE

PETITION OF THE NARRAGANSETT ELECTRIC COMPANY
FOR APPROVAL AND CONSENT OF AND AUTHORITY FOR
THE ISSUANCE OF FORTY THOUSAND (40,000) SHARES
OF COMMON CAPITAL STOCK OF THE PAR VALUE OF
FIFTY DOLLARS (\$50.00) EACH FOR CASH AT PAR

Docket No. 365

This petition of The Narragansett Electric Company for the approval and consent of and authority from the Division of Public Utilities for the issue of forty thousand (40,000) shares of its common capital stock (being the only class of stock authorized and outstanding) of the par value of fifty dollars (\$50.00) each for cash at par was filed with the Division on March 15, 1937 and was duly considered and it having been established by audit and engineering examinations that the petitioner has made expenditures for net added capital assets in excess of two million dollars (\$2,000,000.00), for which no stock or capital obligations have heretofore been issued, and that on the issue of the shares referred to in said petition the petitioner will receive two million dollars (\$2,000,000.00)--the par value of such shares--in cash and the Division being fully advised in the premises,

NOW, THEREFORE, IT IS

(3345) ORDERED: That the Division of Public Utilities, pursuant to the Division's Section 7 of an act entitled "An Act to Incorporate United Electric Power Company" passed by the General Assembly at the January Session, A. D. 1928, as amended, and pursuant to the provisions

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of Section 62 of Chapter 253 of the General Laws, as amended, approves, consents to and authorizes the issue by The Narragansett Electric Company of forty thousand (40,000) shares of its common capital stock of the par value of fifty dollars (\$50.00) each for cash at par for the purpose of partly capitalizing and reimbursing its treasury for expenditures made for the purposes stated in said petition or to pay off current indebtedness incurred for said purposes, said consideration to be received having a value equal to the par value of said common stock and being reasonably required for said purpose and the authority to issue four hundred twenty-six thousand seven hundred sixty dollars and eight cents (\$426,760.08) fifteen (15) months' notes under the order of the Public Utilities Commission entered on June 28, 1937, is hereby cancelled and rescinded.

Dated at Providence this eighteenth day of June, A. D. 1937.

DIVISION OF PUBLIC UTILITIES

By Frederick A. Young

Chief of Division

APPROVED:

Thomas A. Kennelly

Director of the Department
of Revenue and Regulation

A True Copy

Attest:

[Signature]

Secretary

[Faint, illegible text, possibly bleed-through from the reverse side of the page]

JUL 26 ~~1967~~ 1937

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JANUARY SESSION, 1937.

H 855
Approved
April 27, 1937.

AN ACT IN AMENDMENT OF AN ACT ENTITLED "AN ACT TO INCORPORATE UNITED ELECTRIC POWER COMPANY" PASSED AT THE JANUARY SESSION OF THE GENERAL ASSEMBLY A. D. 1926 AND THE SEVERAL ACTS IN AMENDMENT THEREOF AND RELATING THERETO.

SECTION 1. The Narragansett Electric Company (hereinafter called "said company") a corporation created by an act of the general assembly passed at its January session A. D. 1926 under the name of United Electric Power Company (which name was changed by authority of an act in amendment of said act passed at the January session A. D. 1927) is hereby authorized and empowered to acquire by condemnation from time to time such lands and such interests, estates and rights in lands as said company may from time to time take in the manner hereinafter provided, for the erection, construction, extension or installation from time to time of a line or lines for the transmission of currents of electricity of eleven thousand volts or more and for the erection, construction, installation and maintenance of such poles, wires, conduits and other appurtenances and appliances as may be suitable or convenient for such line or lines provided that nothing in this act shall authorize said company to acquire or take under the provisions

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of this act any water power or water rights, or to acquire or take any portion of any public street or highway of any town or city or any lands or interests, estates or rights in lands that shall have been acquired by any town or city for municipal or public purposes except in either case in reasonable locations to be approved by the town council or city council of said town or city, respectively; or to take under the provisions of this act any lands, interests, estates or rights in lands in any town or city except in reasonable locations to be approved by the town council or city council of such town or city, respectively; or to take any lands or any interests, estates or rights in lands after the expiration of ten years from the date of the passage of this act; nor shall it exercise any right of condemnation within the limits of the city of Newport or of the towns of Jamestown, Middletown or Portsmouth.

SEC. 2. Whenever said company desires to take any land or any interest, estate or right therein under the provisions of this act, it shall file in the superior court of the state of Rhode Island for the county of Providence a certificate containing a general description thereof and a list of the owners thereof and persons interested therein so far as the same may be known to said company; said certificate shall be accompanied by a plat showing the location of such land and shall contain a notice that said company will give such security as the court may require for the payment of all such costs and damages as may be finally awarded to any person interested in the land or any interest, estate or right therein taken in the proceedings commenced by the filing of such certificate. Said company shall also furnish a copy of said certificate and plat to the com-

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missioners hereinafter referred to, to be filed by said commissioners as hereinafter provided in the land records of the town or city where such land is located.

SEC. 3. Upon the filing of such certificate and plat in said superior court, said court shall enter an order fixing the time when and the place where all persons interested in the land in said certificate described may appear before said court and be heard with reference to the necessity of the taking of such land, or interest, estate or right therein, the security to be given by said company for damages and costs and the appointment of commissioners to appraise the damages sustained by the owner or owners by such taking; and said court shall direct notice of said order to be served on the person or persons, corporation or corporations owning or interested in said land and said company at least ten days prior to said hearing, which notice shall be served in the same manner as writs of summons issued out of the superior court are required to be served, or if the owner or owners be unknown or non-residents of this state, such notice shall be published in such newspaper or newspapers and for a like period or for such longer period, as the court may direct; and in case the post office address of such non-resident shall be known, a copy of said notice shall be mailed to said owner or owners, postage prepaid, under the direction of said court.

SEC. 4. At the time and place mentioned in said notice, or at any adjournment therefrom ordered by the court, the court, after hearing the parties interested, including said company, who may appear and desire to be heard, shall first determine whether the land or such interest, estate or right therein in said certificate de-

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scribed is necessary or convenient to said company for its said corporate purposes; and if the court shall determine that such land or such interest, estate or right therein is necessary or convenient to said company for its said corporate purposes, said court shall proceed by its decree to fix and determine the security to be given by said company for the payment of costs and damages and to appoint three disinterested persons as commissioners to appraise the damages sustained by the owner or owners of the land or interest, estate or right therein described in said certificate, by reason of the taking thereof. After entry of such decree as soon as said company shall have given the security fixed therein, title to said land, interest, estate or right shall vest in said company and said company may forthwith enter upon, take possession of and use the same. Any vacancies in said commission which may occur from time to time shall be filled by said court, upon application of any party interested in said proceedings (including said company) and upon such notice as said court may direct.

SEC. 5. Said commissioners, before they proceed to execute their duties, shall be sworn to a faithful and impartial discharge thereof, shall give reasonable notice, by publication or otherwise, in such manner as said court in said decree may direct, to all persons interested to file their claims, if any they have, which have not been released to said company, with the clerk of said court within sixty days from the date of said notice and shall file said copy of said certificate and plat and a certified copy of said decree in the land records of the town or city where such land is located. At the end of the time allowed for filing such claims, or of any extension there-

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of, the commissioners, or a majority of them, shall fix a time and place for hearing all persons interested, as to the damages by them sustained, at which hearing said company may also be heard, and shall give notice of such hearing by publication in such newspaper or newspapers, as said court may direct, once a week for at least three weeks prior to the date of such meeting, and shall give such further notice, if any, as said court may direct. At the time and place fixed for said hearing, or at any adjournment thereof, the commissioners, or a majority of them, shall proceed to hear the parties interested, including said company, with their allegations and proofs and may examine the premises; and shall make a just appraisal of the damages sustained by the owner or owners of said land, interest, estate or right taken as aforesaid. And the commissioners, or a majority of them, shall, as soon as may be, make report of their doings and of the damages, if any, assessed by them, to said court, with their fees marked thereon. The owner or owners of any land not taken under the provisions of this act, who are entitled to compensation by law by reason of any taking under the provisions hereof, shall have the right to claim and recover such damages and the same shall be determined and collectible in the same manner as herein provided for determining and collecting the damages for land taken hereunder.

SEC. 6. Upon the receipt of any report of said commissioners, the clerk of said court shall open the same, and shall give public notice by advertisement for such time and in such newspaper or newspapers as said court may prescribe, that such report has been received and opened and that the same may be examined by any party interested therein; and either said company, or any

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other party aggrieved by any award of damages made by the said commissioners, or refusal of award by said commissioners, may claim a jury trial upon any item of damages thereby awarded or refused, and may file a claim for such trial with the clerk of said court at any time within two months from the opening of such report. And such claim shall stand for trial by jury, upon proper issues based upon such claim, as other civil cases upon the docket of said court, and shall be tried therein in every respect as other civil cases are therein tried, including the right to except to rulings and to apply for a new trial for cause. But if the party claiming such jury trial shall not therein obtain an award more favorable to such party than that given by the commissioners, such party shall pay costs to the adverse party unless otherwise ordered by said court; and if any party claiming such jury trial shall obtain therein an award more favorable than that given by the commissioners, such party shall recover his, her or its costs from the adverse party.

Sec. 7. The report of the commissioners shall be confirmed by the court, after being so corrected as to conform to the findings of the jury in cases where a jury trial is claimed; and upon such confirmation, execution or executions for the damages fixed by said report as confirmed shall issue against said company as upon a judgment, in due course of law.

Sec. 8. Said company may abandon any lands or any interest, estate or right therein, taken under the provisions of this act, by filing a notice of such abandonment in the office of the clerk of the court in which the proceedings heretofore provided for are pending, at any

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time before the confirmation of the report of the commissioners appointed to assess damages; and if said company shall not have entered upon, taken possession, or used the lands so abandoned or such interest, estate or right therein, prior to the filing of such notice of abandonment, all proceedings for the assessment of damages for the taking of the lands or such interest, estate or right therein so abandoned shall cease, and said company shall pay to any person interested in the property so abandoned, all of his costs and reasonable expenses, if any, incurred in prosecuting for damages for the taking of such lands or interest, estate or right therein up to the time of such abandonment, which costs shall be taxed by the clerk. If said company shall have entered upon, taken possession of, or used the lands or such interest, estate or right therein so abandoned prior to such abandonment, and the assessment of damages for the same is then pending before the commissioners or a jury, then upon such abandonment, said company shall have the right to give such abandonment in evidence in diminution of damages, paying the costs if the question of damages is pending upon the claim of jury trial, notwithstanding a diminution of damages in consequence of such abandonment given in evidence; or if the commissioners or a jury have finally assessed the damages, said company shall have the right to a revision of the assessment and a re-assessment, by petition to the commissioners, in order that the diminution of damages in consequence of such abandonment may be considered, with the right of any person interested to claim a jury trial as in the case of the original assessment.

Sec. 9. When the lands or any interest, estate or right therein in which any infant or other person not

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capable in law to act in his own behalf or unascertained or not in being is interested, are taken by said company under the provisions of this act, the court before which the proceedings for such taking are pending may appoint a guardian *ad litem* for such infant or other person; and such guardian may appear and be heard in behalf of such infant or other person at any stage of the proceedings. And such guardian may also, with the advice and consent of the court appointing him, release to said company all claims for damages for the lands of such infant or other person, or for any interest, estate or right therein, so taken. And if there shall be any dispute as to the title of any lands or interests, estate or rights therein taken under the provisions of this act, or as to the persons entitled to receive the damages awarded for such taking, or if the person entitled to receive such damages is unascertained or not in being, said company may pay such damages into the registry of the court before which such proceedings are pending.

SEC. 10. Any court in which any proceedings under this act shall be pending may, from time to time, order such other and further notices to be given, in addition to those hereinbefore prescribed, and, may make such other orders, not inconsistent with the provisions of this act or with the general laws of the state, as may be required, in the opinion of such court, to protect the rights and interests of the parties interested in such proceedings. And any proceedings taken under this act may be amended or corrected at any stage, and the time may be extended in which persons interested may file their claims, upon such terms and notice, if any, as said court may prescribe.

SEC. 11. Nothing in this act shall authorize said company to condemn any portion of the land, location or right of way of any railroad, street railway or other public service company, except for the purpose of crossing the same either above or below grade and of maintaining suitable and convenient supports for such crossing, in such manner as not to render unsafe, or to impair the usefulness of, such land, location or right of way for railroad or street railway purposes or the purposes of such other public service company. If said company and any such railroad, street railway or other public service company are unable to agree as to the method and manner of the construction and maintenance of any such crossing, either may apply to the division of public utilities within the department of revenue and regulation for a determination thereof, and, after hearing, such crossing or such transmission line shall be constructed, maintained and operated in such method and manner as may be ordered by said division of public utilities. Either party aggrieved by such order of said division of public utilities may appeal to the supreme court in the manner provided by section 34 of the public utilities act. Said company shall be liable to any such railroad, street railway or other public service company for such damages and reasonable expense as may result to it by reason of any line or lines of said company crossing such railroad, street railway or other public service company's land, location or right of way.

SEC. 12. The commissioners appointed as hereinbefore provided shall each receive such compensation for their services as shall be fixed by said court which shall be paid by said company and all the costs of any and all hearings before such commissioners, including the

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cost of counsel for the owners of lands or interests, estates or rights therein taken under the provisions of this act, to be approved by said superior court and of attendance of the parties, shall be paid by said company.

Sec. 13. Said company may convey any property or any interest, estate or right therein taken by it hereunder and any line or lines, poles, wires, conduits or other appurtenances and appliances placed thereon to any other corporation, company or association having the right to carry on an electric lighting, heating or power business in this state, or may enter into an agreement giving to any such corporation, company or association the right to use such land or such interest, estate or right thereunder for the purposes for which the same were taken or may agree to use said land or interest, estate or right thereunder for any such corporation, company or association for the purposes for which the same were taken.

Sec. 14. Nothing in this act contained shall be deemed to repeal, abridge or modify the provisions of the public utilities act; and said division of public utilities shall have continuing control over said company in the operation of the lines erected, constructed or extended under the authority of this act as well as over the lines which said company now operates or may hereafter operate in the streets and highways or elsewhere under any other authority.

Sec. 15. The act incorporating said company and all acts in amendment thereof or in addition thereto are hereby amended in accordance with the foregoing provisions of this act.

Sec. 16. This act shall take effect upon its passage.

PUBLIC UTILITIES COMMISSION OF RHODE ISLAND

PETITION OF THE NARRAGANSETT ELECTRIC COMPANY)
FOR AUTHORIZATION OF ISSUE OF BONDS AND CAPITAL STOCK) NO. 293

APPEARANCES: For the petitioner: John Rae Gilman
Edward C. Mason

This is a petition of The Narragansett Electric Company which asks for the approval of the Public Utilities Commission for the issue of Four Thousand Three Hundred Ninety-Six (4,396) additional shares of its Capital Stock for cash at Fifty Dollars (\$50.00) a share, the par value thereof, and the issue of Three Million Seven Hundred Fifty Thousand Dollars (\$3,750,000), principal amount of Series "A" bonds, which by a supplementary petition was changed to read Series "B" bonds, issued under a Mortgage Indenture and Deed of Trust to Rhode Island Hospital Trust Company dated as of January 1, A. D. 1927 for the purpose of paying current indebtedness and reimbursing its Treasury for expenditures incurred in the acquisition, construction and/or erection of the property referred to in said petition and the payment of obligations issued on account thereof.

This petition was filed with the Commission on March 11, A. D. 1932 and continued to the thirteenth day of April, A. D. 1932, at which time a public hearing was held thereon. Testimony of witnesses was presented and arguments of counsel were heard and thereupon and upon consideration thereof, it appearing to the Commission (1) that notice had been given of the pendency of said petition as

required by order of the Commission heretofore entered; and (2) that The Narragansett Electric Company is, under the provisions of its charter, entitled to the approval of the issue of its Bonds and Capital Stock to the amount reasonably expended or to be expended by it in the acquisition, construction and/or erection of property useful in connection with the conduct of its business and properly chargeable to Capital account and in the payment of obligations issued on account of such acquisition, construction and/or erection, including the acquisition of Thirteen Thousand Two Hundred Seven (13,207) shares of Capital Stock of South County Public Service Company as stated in said petition and (3) that the amounts specified in said petition to the total of Three Million Five Hundred Ninety-Four Thousand, Eight Hundred Forty-Two Dollars and Seventy-Six Cents (\$3,594,842.76) has been or will be properly so expended by it as stated in said petition and that the amount of Capital Stock and Bonds hereinafter approved may be reasonably issued for the purposes hereinafter provided. Now, therefore, it is

(2274) ORDERED: That the Public Utilities Commission approve the issue by The Narragansett Electric Company of (a) First Mortgage 5% Gold Bonds Series "B" of The Narragansett Electric Company to mature January 1, 1957 to the principal amount of Three Million Seven Hundred Fifty Thousand Dollars (\$3,750,000), for not less than 90% of the principal amount thereof, plus accrued interest in cash, and (b) Four Thousand Three Hundred Ninety-Six (4,396) shares of its Capital Stock for cash at Fifty Dollars (\$50) a share, the par value thereof, in addition to the Bonds and shares heretofore issued by it with the

approval of the Commission for the purpose of paying off current indebtedness and reimbursing its Treasury for expenditures incurred in the acquisition, construction and/or erection of property used and useful in the conduct of its business including the purchase of Thirteen Thousand Two Hundred Seven (13,207) shares of the Capital Stock of South County Public Service Company, the issue of which has been authorized by this Commission by order dated the thirteenth day of April, A. D. 1932, and payment of obligations issued on account of such acquisition, construction and/or erection to and including December 31, 1931 as specified in the above-mentioned petition.

Dated this thirteenth day of April, A. D. 1932.

PUBLIC UTILITIES COMMISSION OF RHODE ISLAND

By

William C. Bliss

Samuel E. Hudson

Robert F. Rodman

Commissioners.

A true copy.

Attest:


Secretary.

THE NARRAGANSETT ELECTRIC COMPANY

Certified Copy of Vote re
Increase of Capital Stock

VOTED: That, as authorized and approved by order of the Public Utilities Commission of Rhode Island, the capital stock of this Company be and hereby is increased by 4,396 shares of capital stock of the par value of \$50 per share so that the authorized capital stock of this Company shall be 482,487 shares of the par value of \$50 per share, and that said 4,396 shares of additional capital stock be issued and offered for subscription to the holders of the capital stock of this Company of record at the close of business this date at the price of \$50 per share cash, payable in full on or before April 1, 1933; that written notice of such increase be given forthwith to every holder of capital stock of this Company of record at the close of business this date stating the number of shares to which such stockholder is entitled to subscribe, the subscription price and the time within which such subscription shall be made; and that the President, any Vice President, the Treasurer, the Secretary or any Assistant Secretary, or any one or more of them, or such Directors of the Company as may be required to act, be and they hereby are authorized and directed to cause any and all necessary applications, certificates, and other instruments to be filed with the proper authorities of the State of Rhode Island and otherwise to do all acts and things deemed by them or any one or more of them requisite and necessary to carry out the purposes of this vote.

ESPIE Record

March 31, 1933

I hereby certify that I am Secretary of The Narragansett Electric Company and that the foregoing is a true copy from the records of a vote passed unanimously at a meeting of the Stockholders of said Company duly called and held May 19, 1932 at which all of the stock issued and outstanding and entitled to vote was represented and voting, and that said vote has not since been altered or amended.

A T T E S T:


Secretary



THE NARRAGANSETT ELECTRIC COMPANY

Part of New England Power Association

51 Westminster St.

Providence, Rhode Island

November 15, 1930.

Secretary of State of Rhode Island,
State House,
Providence, Rhode Island.

Dear Sir:

Acting under authority of a vote of the Stockholders of The Narragansett Electric Company, (a corporation originally and duly established under the name of "United Electric Power Company", pursuant to the provisions of an act entitled, "An Act to Incorporate United Electric Power Company" passed at the January Session, A. D. 1926, which name has been changed to "The Narragansett Electric Company", under and pursuant to the provisions of an act passed at the January Session, A. D. 1927 amending said above mentioned Act) at a meeting duly called and held on October 25, 1930 the undersigned Vice President and Treasurer of said corporation hereby make application for the issue of your certificate to The Narragansett Electric Company authorizing the issue of 69,459 shares of its capital stock of a par value of \$50.00 each, in addition to the shares of said capital stock issuable without the approval of the Public Utilities Commission of the State of Rhode Island pursuant to the provisions of Section 7 of said Act, and also in addition to the shares of said capital stock previously approved for issue by said Public Utilities Commission under orders thereof entered on October 28, 1927, December 28, 1928 and December 11, 1929.

Secretary of State

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11/15/30

Attached hereto is a certified copy of the order of said Public Utilities Commission entered on October 22, 1930 approving the issue of said 69,459 shares of capital stock.


The par value of the capital stock issuable without the approval of said Public Utilities Commission is \$50,000., the par value of the capital stock previously approved for issue by said Public Utilities Commission, and for the issue of which the corporation has your certificates dated November 30, 1927, March 1, 1929 and December 19, 1929 is \$20,381,600.00, and the par value of the capital stock for the issue of which a certificate is now requested from you is \$3,472,950.00, making the aggregate par value of issuable capital stock of the corporation \$23,904,550.00.

The tax upon \$20,431,600.00 of this capital stock has heretofore been paid into the General Treasury of the State of Rhode Island. The tax of one-tenth of one per cent of the par value of the additional \$3,472,950.00 of capital stock has now been paid into the General Treasury and the receipt therefor accompanies this application.

Very truly yours,

THE NARRAGANSETT ELECTRIC COMPANY

By


Vice President


Treasurer

THE NARRAGANSETT ELECTRIC COMPANY

Certified Copy of Vote re
Increase in the Capital Stock

VOTED: That, as authorized and approved by order of the Public Utilities Commission of Rhode Island, the capital stock of this Company be and hereby is increased by 69,459 shares of capital stock of the par value of \$50.00 per share, so that the authorized capital stock of this Company shall be 478,091 shares of a par value of \$50.00 per share, and that said 69,459 shares of additional capital stock be issued forthwith and offered for subscription to the holders of the capital stock of this Company of record at the close of business this date at the price of \$50.00 per share cash, payable in full on or before November 15, 1930; that written notice of such increase be given forthwith to every holder of capital stock of this Company of record at the close of business this date, stating the number of shares to which such stockholder is entitled to subscribe, the subscription price and the time within which such subscription shall be made; and that the President, any Vice President, the Treasurer or Secretary or any Assistant Secretary, or any one or more of them, or such Directors of the Company as may be required to act, be and they hereby are authorized and directed to cause any and all necessary applications, certificates and other instruments to be filed with the proper authorities of the State of Rhode Island and otherwise to do all acts and things deemed by them, or any one or more of them, requisite and necessary to carry out the purposes of this vote.

November 14, 1930.

I hereby certify that I am Secretary of The Narragansett Electric Company and that the foregoing is a true copy from the records of vote passed at a meeting of the Stockholders of said Company duly called and held October 25, 1930 at which a quorum was present and voting, and that said vote has not since been altered or amended.

A t t e s t:


Secretary

STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION

PETITION OF THE NARRAGANSETT ELECTRIC COMPANY }
FOR AUTHORIZATION OF ISSUE OF CAPITAL STOCK } NO. 260

APPEARANCES: For petitioner: John Rae Gilman
Edwards & Angell

This is a petition of The Narragansett Electric Company which asks for the approval of the Public Utilities Commission for the issue of sixty-nine thousand five hundred seventy-four (69,574) additional shares of its capital stock for cash at par for the purpose of paying current indebtedness and reimbursing its treasury for expenditures incurred in the acquisition, construction and/or erection of the property referred to in said petition and the payment of obligations issued on account thereof.

This petition was filed with the Commission on August 6, 1930 and continued to the eighth day of October, A. D. 1930 at which time a public hearing was held thereon, testimony of witnesses was presented and arguments of counsel were heard, and thereupon and upon consideration thereof, it appearing to the Commission (1) that notice has been given of the pendency of said petition as required by order of the Commission heretofore entered; (2) that The Narragansett Electric Company is, under the provisions of its charter, entitled to the approval of the issue of its capital stock to the amount reasonably expended by it in the acquisition, construction and/or erection of property useful in connection with the conduct

of its business and properly chargeable to capital account and in the payment of obligations issued on account of such acquisition, construction and/or erection, and (3) that the amounts specified in said petition to the total of three million, four hundred seventy-two thousand nine hundred fifty-eight dollars and thirty-nine cents (\$3,472,958.39), has been properly so expended by it as stated in said petition and that the amount of capital stock hereinafter approved may be reasonably issued for the purposes hereinafter provided, now, therefore it is

(1938) ORDERED: That the Public Utilities Commission approve the issue by The Narragansett Electric Company of its capital stock to the amount of sixty-nine thousand four hundred fifty-nine (69,459) shares for cash at par, in addition to the shares heretofore issued by it with the approval of the Commission, for the purpose of paying off current indebtedness and reimbursing its treasury for expenditures incurred in the acquisition, construction and/or erection of property used and useful in the conduct of its business, including expenditures therefor by its subsidiaries, South County Public Service Company and The Mystic Power Company, and payment of obligations issued on account of such acquisition, construction and/or erection to and including June 30, 1930 as specified in the above mentioned petition.

Dated this twenty-second day of October, A. D. 1930.

PUBLIC UTILITIES COMMISSION OF RHODE ISLAND

By

William C. Bliss

Samuel E. Hudson

Robert E. Rodman
Commissioners.

A true copy.

Attest


Secretary.

Certified copy of Vote to increase
Capital Stock of
Narragansett Electric Company

Filed in the office of the
Secretary of State
November 15th, 1930

THE NARRAGANSETT ELECTRIC COMPANY
LETTER TO
SECRETARY OF STATE OF RHODE ISLAND
DATED DECEMBER 19, 1929



THE NARRAGANSETT ELECTRIC COMPANY

Part of New England Power Association

89 Broad Street

Boston, Massachusetts

December 19, 1929.

Secretary of State of Rhode Island
State House
Providence, Rhode Island

Dear Sir:

Acting under authority of a vote of the Stockholders of The Narragansett Electric Company, (a corporation originally and duly established under the name of "United Electric Power Company", pursuant to the provisions of an act entitled, "An Act to Incorporate United Electric Power Company" passed at the January Session, A. D. 1926, which name has been changed to "The Narragansett Electric Company", under and pursuant to the provisions of an act passed at the January Session, A.D. 1927 amending said above mentioned Act, at a meeting duly called and held on December 16, 1929 the undersigned Vice President and Treasurer of said corporation hereby make application for the issue of your certificate to The Narragansett Electric Company authorizing the issue of 64,721 shares of its capital stock of a par value of \$50.00 each, in addition to the shares of said capital stock issuable without the approval of the Public Utilities Commission of the State of Rhode Island pursuant to the provisions of Section 7 of said Act, and also in addition to the shares of said capital stock previously approved for issue by said Public Utilities Commission under orders thereof entered on October 28, 1927 and December 28, 1928.

Attached hereto is a certified copy of the order of said Public

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Utilities Commission entered on December 11, 1929 approving the issue of said 64,721 shares of capital stock.

The par value of the capital stock issuable without the approval of said Public Utilities Commission is \$50,000., the par value of the capital stock previously approved for issue by said Public Utilities Commission, and for the issue of which the corporation has your certificates dated November 30, 1927 and March 1, 1929 is \$17,145,550., and the par value of the capital stock for the issue of which a certificate is now requested from you is \$3,236,050., making the aggregate par value of issuable capital stock of the corporation \$20,431,600.

The tax upon \$17,195,550. of this capital stock has heretofore been paid into the General Treasury of the State of Rhode Island. The tax of one-tenth of 1% of the par value of the additional \$3,236,050. of capital stock has now been paid into the General Treasury and the receipt therefor accompanies this application.

Very truly yours,

THE NARRAGANSETT ELECTRIC COMPANY

By *W. Bee*
Vice President

Charles Herrmann
Treasurer

STATE OF RHODE ISLAND

PUBLIC UTILITIES COMMISSION

PETITION OF THE NARRAGANSETT ELECTRIC COMPANY)
FOR AUTHORIZATION OF ISSUE OF CAPITAL STOCK } No. 241

Appearances: For petitioner: Richard S. Pattee.

This is a petition of The Narragansett Electric Company which asks for the approval by the Commission of the issue of sixty-four thousand seven hundred twenty-one (64,721) additional shares of its capital stock for cash at par for the purpose of paying current indebtedness and reimbursing its treasury for expenditures incurred in the acquisition, construction and/or erection of the property referred to in said petition and the payment of obligations issued on account thereof.

This petition was filed with the Commission on November 15, A. D. 1929 and continued to the eleventh day of December, A. D. 1929 at which time a public hearing was held thereon, testimony of witnesses was presented and arguments of counsel were heard, and thereupon and upon consideration thereof, it appearing to the Commission (1) that notice has been given of the pendency of said petition as required by order of the Commission heretofore entered; (2) that The Narragansett Electric Company is, under the provisions of its charter, entitled to the approval of the issue of its capital stock to the amount reasonably expended by it in the acquisition, construction and/or

erection of property useful in connection with the conduct of its business and properly chargeable to capital account and in the payment of obligations issued on account of such acquisition, construction and/or erection, and (3) that the amounts specified in said petition totaling three million, two hundred thirty-six thousand sixty-four dollars and forty-two cents (\$3,236,064.42, has been properly so expended by it as stated in said petition and that the amount of capital stock hereinafter approved may be reasonably issued for the purposes hereinafter provided, now, therefore, it is

(1669) ORDERED: That the Public Utilities Commission approve the issue by The Narragansett Electric Company of its capital stock to the amount of sixty-four thousand seven hundred twenty-one (64,721) shares for cash at par, in addition to the shares heretofore issued by it with the approval of the Commission, for the purpose of paying off current indebtedness and reimbursing its treasury for expenditures incurred in the acquisition, construction and/or erection of property used and useful in the conduct of its business, including expenditures therefor by its subsidiaries, South County Public Service Company and The Mystic Power Company, and payment of obligations issued on account of such acquisition, construction and/or erection to and including September 30, 1929 as specified in the above mentioned petition.

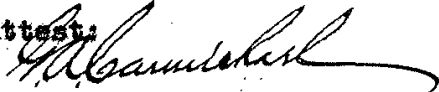
Dated this eleventh day of December, A. D. 1929.

PUBLIC UTILITIES COMMISSION OF RHODE ISLAND

By William C. Bliss
Samuel E. Hudson
Robert F. Rodman
Commissioners.

A true copy.

Attest:


Secretary.

United Electric Power Company
now
Narragansett Electric Company

Certificate of Increase of Capital
Stock

Filed in Office of Secretary of
State of Rhode Island

December 19th, 1929 at 4:00 o'clock
P. M.

STATE OF RHODE ISLAND

PUBLIC UTILITIES COMMISSION

PETITION OF THE NARRAGANSETT ELECTRIC COMPANY)
FOR AUTHORIZATION OF ISSUE OF CAPITAL STOCK) No. 218

Appearances:

For petitioner: Edwards & Angell
Richard S. Pattee

This is a petition of The Narragansett Electric Company which asks for the approval by the Commission of the issue of 16,911 shares of its capital stock for cash at par for the purpose of paying current indebtedness and reimbursing its treasury for expenses incurred in the acquisition, construction and/or erection of the property referred to therein.

This petition was filed with the Commission on September 6, 1928 and continued to the 19th day of December, A. D. 1928 at which time a public hearing was held thereon, testimony of witnesses was presented and arguments of counsel were heard, and thereupon and upon consideration thereof, it appearing to the Commission (1) that notice has been given of the pendency of said petition as required by order of the Commission heretofore entered; (2) that The Narragansett Electric Company is, under the provisions of its charter, entitled to the approval of the issue of its capital stock to the amount reasonably expended by it in the acquisition, construction and/or erection of property useful in connection with the conduct of its business and properly chargeable

to capital account, and (3) that the amount specified in said petition, viz. \$845,891.75, has been properly so expended by it as stated in said petition and that the amount of capital stock hereinafter approved may be reasonably issued for the purposes hereinafter provided,

Now, therefore, it is

(1427) ORDERED That the Public Utilities Commission approve the issue by The Narragansett Electric Company of its capital stock to the amount of 16,911 shares for cash at par, in addition to the shares heretofore issued by it with the approval of the Commission, for the purpose of paying off current indebtedness and reimbursing its treasury for expenses incurred in the acquisition, construction and/or erection of property used and useful in the conduct of its business, including properties acquired, constructed or erected by South County Public Service Company or The Mystic Power Company, to June 30, 1928 as specified in the above mentioned petition.

Dated this twenty-eighth day of December, A. D. 1928.

PUBLIC UTILITIES COMMISSION OF RHODE ISLAND

By

William C. Bliss


Samuel E. Hudson

Robert F. Rodman

Commissioners.

A true copy.

Attest:



Secretary.

NARRAGANSETT ELECTRIC COMPANY

CERTIFICATE OF INCREASE OF
CAPITAL STOCK

In Office of Secretary of State
of Rhode Island
March 1, 1929, at 1:30 o'clock
P.M.

PA The Narragansett Electric Company, of the State of Rhode Island, do hereby certify that the following is a true and correct copy of the resolution of the Board of Directors of the Narragansett Electric Company, passed on the 27th day of February, 1929, and filed in the Office of the Secretary of State of Rhode Island on the 1st day of March, 1929.

Resolved, That the Board of Directors of the Narragansett Electric Company do hereby authorize the President of the Narragansett Electric Company to execute and deliver to the Secretary of State of Rhode Island a Certificate of Increase of Capital Stock of the Narragansett Electric Company, in accordance with the provisions of the laws of the State of Rhode Island, and to do all such other and lawful acts as may be necessary to carry out the purposes of this resolution.

[Handwritten signature]

SECRETARY OF STATE

March 2, 1929

NARRAGANSETT ELECTRIC COMPANY

Part of the New England Power Association
Executive Offices, Turks Head Building
Providence, R. I.

February 28, 1929

Secretary of State of Rhode Island
State House
Providence, Rhode Island

Dear Sir:

Acting under authority of a vote of the Board of Directors of Narragansett Electric Company, (a corporation originally and duly established under the name of "United Electric Power Company", pursuant to the provisions of an act entitled, "An Act to Incorporate United Electric Power Company" passed at the January Session, A. D. 1926, which name has been changed to "Narragansett Electric Company", under and pursuant to the provisions of an act passed at the January Session, A. D. 1927 amending said above mentioned Act, at a meeting duly called and held on January 29, 1929 the undersigned Vice President and Treasurer of said corporation hereby make application for the issue of your certificate to Narragansett Electric Company authorizing the issue of 16,911 shares of its capital stock of a par value of \$50.00 each, in addition to the shares of said capital stock issuable without the approval of the Public Utilities Commission of the State of Rhode Island pursuant to the provisions of Section 7 of said Act, and also in addition to the shares of said capital stock previously approved for issue by said Public Utilities Commission under an order thereof entered on October 28th, 1927.

Page Two

Attached hereto is a certified copy of the order of said Public Utilities Commission entered on December 28, 1928 approving the issue of said 16,911 shares of capital stock.

The par value of the capital stock issuable without the approval of said Public Utilities Commission is \$50,000., the par value of the capital stock previously approved for issue by said Public Utilities Commission, and for the issue of which the corporation has your certificate dated November 30, 1927 is \$16,300,000., and the par value of the capital stock for the issue of which a certificate is now requested from you is \$845,550., making the aggregate par value of issuable capital stock of the corporation \$17,195,550.

The tax upon \$16,350,000. of this capital stock has heretofore been paid into the General Treasury of the State of Rhode Island. The tax of one-tenth of 1% of the par value of the additional \$845,550 of capital stock has now been paid into the General Treasury and the receipt therefor accompanies this application.


Very truly yours,

By


Vice President of

Narragansett Electric Company

By


Treasurer of

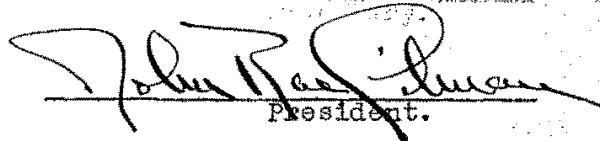
Narragansett Electric Company

To the Secretary of State of Rhode Island,

I hereby certify that I am the President of United Electric Power Company, a corporation duly organized and existing by virtue of an act entitled "An Act to Incorporate United Electric Power Company", passed by the General Assembly of the State of Rhode Island, at its January Session A. D. 1926, as amended at its January Session A. D. 1927, and that the stockholders of said corporation have voted to change its name to "The Narragansett Electric Company" pursuant to the provisions of Section 5 of said act of incorporation as specified in a vote adopted at a special meeting of the stockholders held on November 28, 1927, a certified copy of which is hereto attached; and I further certify that substantially all of the assets, property, rights, privileges and franchises of The Narragansett Electric Lighting Company have been conveyed to said United Electric Power Company.

Yours very truly,

November 29, 1927.


President.


DO NOT RECORDED BY STATE OF RHODE ISLAND

I hereby certify that I am Secretary of United Electric Power Company and that at a special meeting of the stockholders of said Company duly held on November 28, 1927, the following vote was adopted by the holders of more than two-thirds of the outstanding stock of said corporation:

VOTED: That the name of this corporation be and hereby is, pursuant to the provisions of Section 5 of the charter of this corporation, changed to "The Narragansett Electric Company" and that the President or Treasurer be and each of them hereby is authorized and directed upon receipt by this company of the conveyance of substantially all of the property of The Narragansett Electric Lighting Company to file with the Secretary of State of Rhode Island a certificate that said conveyance has taken place in accordance with the provisions of said Section 4 of the charter of this company.

Attest:

November 29, 1927.


Secretary.

you over the year
Certificate of change of
Name to
The Narragansett Electric Company
FILED Nov. 30th 1927
at 11 o'clock A.M.

Providence, Rhode Island, November 29, 1927.

Secretary of State of Rhode Island,

State House,

Providence, Rhode Island.

Dear Sir:

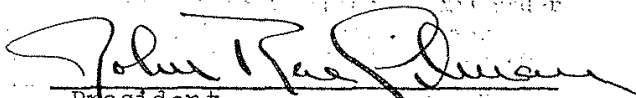
Acting under authority of a vote of the Board of Directors of United Electric Power Company, a corporation duly established, pursuant to the provisions of an act entitled "An Act to Incorporate United Electric Power Company", passed at the January Session, A. D. 1926, as amended at the January Session, A. D. 1927, at a meeting duly held on November 28, 1927, the undersigned president and treasurer of said corporation hereby make application for the issue of your certificate to United Electric Power Company authorizing the issue of 326,000 shares of its capital stock in addition to the shares of said capital stock issuable without the approval of the Public Utilities Commission pursuant to the provisions of Section 7 of said act. Attached hereto is a certified copy of an order of the Public Utilities Commission of the State of Rhode Island entered on October 28, 1927 approving the issue of said shares of stock.

The par value of stock issuable without the approval of

-2-

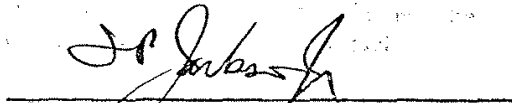
the Public Utilities Commission is \$50,000 and the par value of the stock for the issue of which a certificate is now requested is \$16,300,000, making an aggregate of \$16,350,000. The tax upon \$100,000 of this capital has heretofore been paid into the General Treasury prior to the organization of the Company. The tax of one-tenth of 1% of the par value of the additional \$16,250,000 of stock has now been paid into the General Treasury and the receipt therefor accompanies this application.

Yours very truly,



President

UNITED ELECTRIC POWER COMPANY



Treasurer

UNITED ELECTRIC POWER COMPANY

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STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION

PETITION OF UNITED ELECTRIC POWER COMPANY)
FOR AUTHORIZATION OF ISSUE OF BONDS AND) RC. 173
CAPITAL STOCK)

Appearances: For petitioner Edwards & Angell,
Ropes, Gray, Bryden & Perkins

This is a petition of the United Electric Power Company filed with the Commission on June 13, 1927, and which as amended on September 1, 1927, asks for the approval by the Commission of the issue of securities to enable the petitioner to acquire the franchises and physical assets of The Narragansett Electric Lighting Company and its properties, together with all shares of stock of Rhode Island corporations owned by The Narragansett Electric Lighting Company and all working capital, stores and supplies and also all other property, rights, claims and assets used or useful in the operation of its business in the State of Rhode Island under authority of its charter, "An Act to Incorporate United Electric Power Company", enacted by the General Assembly of the State of Rhode Island at its January Session, A. D. 1926, as amended by said General Assembly at its January Session, A. D. 1927.

Hearings on this petition were duly advertised and held before the Commission on June 28, 30, July 1, 2, 5, 7, 13, 25, 26, 28, 29 and August 4, 1927.

The petitioner produced Mr. Dugald C. Jackson of Messrs. Jackson & Moreland, Engineers of Boston, who presented his appraisal of the properties now owned or controlled by the Narragansett Company, testified at length concerning his appraisal and introduced numerous exhibits. In addition to Mr. Jackson, the following witnesses appeared for the petitioner: John B. Carpenter, who testified and introduced exhibits concerning the value of the real estate owned or controlled by the Narragansett Company; W. Eugene McGregor and J. Howard Leman, who testified as to the various financial and banking matters involved in the cost of reproduction new of the properties, and William C. Bell, who testified as to the new construction of the Narragansett Company between May 1, 1927 and January 1, 1928.

The jurisdiction of the Commission in this matter is conferred by the provisions of Section 7 of an Act to incorporate "United Electric Power Company" approved April 8, 1926, which reads as follows:

"Sec. 7. All issues of stocks, bonds or other obligations of the Company hereby incorporated (except obligations maturing within twelve months of the date of issue), the purposes of said issues and the manner and terms upon which they are to be disposed of shall be subject to the approval of the public utilities commission, and such stocks, bonds and other obligations shall not be valid without such approval; provided that not exceeding fifty thousand dollars par value of stock may be issued for cash at par and shall be valid without such approval."

The question of policy in regard to the purpose of the issue of the securities for which the petitioner is seeking approval was a matter for determination by the General Assembly, and that body having determined the policy, it becomes our duty to proceed with the functions assigned to the Commission.

The commission is of the opinion that it was the intent of the Legislature that the capitalization of the United Electric Power Company should not exceed the expenditures prudently made for the acquisition of The Narragansett Electric Lighting Company, together with its subsidiary companies, and their amalgamation into the new company, as authorized by the charter granted by the General Assembly.

If such expenditures appear to have been prudently made and to have been reasonably necessary in the accomplishment of the purposes set forth in the charter authority, capitalization of the same should be permitted, provided they do not exceed the fair value of the property so acquired.

For the purposes of this petition we have considered cost of reproduction net less depreciation only for the purpose of determining whether the amount of capitalization for which authorization is sought bears a fair relation to or is in excess of its fair value.

We therefore, proceed to a determination of the probable cost of acquisition of these properties.

The method of acquisition was indicated with the fullest publicity and it would appear that of the entire outstanding stock of The Narragansett Electric Lighting Company amounting to 470,016 shares of a par value of \$50.00, 99 $\frac{1}{2}$ per cent has been acquired at a price of \$87.00 per share. The entire issue at this price will have cost \$40,891,392.

It appears that the properties of the Westerly Light and Power Company and the Narragansett Pier Light and Power Company have outstanding mortgage bonds constituting and underlying lien on the properties of these companies amounting to \$350,500., hence this sum constitutes an element of cost in the acquisition of the properties,

Mr. William C. Bell, General Manager of the Company, testified that capital additions to the plant of The Narragansett Electric Lighting Co. and subsidiary companies, from January 1, 1927 to April 30, 1927 were \$319,259. and that further capital expenditures to January 1, 1928 were estimated at \$663,800.

It further appeared that the Seekonk Electric Company, a subsidiary operating in Massachusetts, was indebted to the parent company for \$108,000. represented by notes, that the parent company held \$1000.00 of stock of the Atlantic Power Company, and \$2,767. for cash sinking fund of the South County Public Service Company, making a total of \$111,767. as miscellaneous capital items. The addition of the above items to the cost of the stock makes a total of \$42,346,718.

The entire capital stock of the petitioner at present issued and outstanding is owned by The Rhode Island Public Service Company, a corporation organized under the General Corporation Law of the State of Rhode Island. The Service Company also owns all of the stock of The Narragansett Company, a corporation organized under the General Corporation Law of the State of Rhode Island, which in turn owns over 99 $\frac{1}{2}$ % of the stock of The Narragansett Electric Lighting Company and had out-

- 3 -

standing \$27,500,000 principal amount of collateral trust thirty-year five per cent bonds, secured by the deposit of the stock of The Narragansett Electric Lighting Company. These collateral trust bonds contain a provision whereby mortgage bonds secured upon all franchises and physical assets owned by The Narragansett Electric Lighting Company on August 1, 1926 and all franchises and physical assets subsequently acquired, (except franchises and physical assets disposed of, for which additional property of at least equivalent value has been substituted) and all shares of subsidiary corporations (defined to include only Rhode Island corporations) owned by The Narragansett Electric Lighting Co. on August 1, 1926 or in lieu of such stock the physical assets and franchises of such subsidiary companies may be substituted therefore upon certain terms and conditions specified in the collateral trust indenture. The primary purpose of this petition is to permit the substitution of such mortgage bonds for the collateral trust bonds, making possible the dissolution of The Narragansett Company and providing for the lighting enterprise a more economical vehicle for future financing than the issue of additional collateral trust bonds would afford. This would not result in any change of control and would only affect the securities in the hands of the public by substituting mortgage bonds for collateral trust bonds.

The Narragansett Electric Lighting Company owns all of the capital stock of a number of Rhode Island corporations. The only one of these however, which has any assets, not included in the appraisal of properties of the Narragansett Company, which were considered of material value for the purpose of this petition is the South County Public Service Company, which, in turn, owns all the stock of the Mystic Power Company, a Connecticut corporation. The assets and property of these two corporations have therefore, been considered herein as the measure of value of the stock of the South County Public Service Company which the petitioner proposes to acquire.

The \$27,500,000 of 5% collateral trust bonds of "The Narragansett Company" above referred to were sold at 95, resulting in a discount on these bonds of \$1,375,000. The testimony established the fact that, although this discount was incurred, the transaction was prudent and the results to the advantage of the issuing company under the market conditions at the time of issue. Under these circumstances we are of the opinion that this may properly form a basis for the issue of capital securities. The addition of this item brings the total of expenditures up to \$43,721,718.

There are certain other proper and legitimate expenditures made and necessary to be made in bringing about a completion of the results authorized by its charter. Some of these may be enumerated as incorporation fees, stamps, legal services, engineering services, banking services on exchange of stocks and bonds, necessary publicity and advertising, including general advertising throughout the east in connection with the sale of the collateral trust bonds, printing of plans for submission to stockholders, together with the revised plans, the printing of bonds, both collateral trust and the first mortgage bonds proposed to be later issued in substitution, and legal services in passing upon these bond issues. It is clear that the aggregate expenditure for the above purposes will be substantial, and may be conservatively estimated at an amount in excess of \$400,000.

It appears to be extremely desirable both from the stand-point of the interest of the petitioner as well as of the public, that the amount of the bond issue to be authorized should be \$27,500,000. in order that the exchange of a like amount of the collateral trust bonds may be effected in an orderly manner and without confusion.

The total expenditures excepting the last item aggregate \$43,721,718. A deduction of the \$360,500. of underlying bonds, when made, leaves \$43,361,218., from which the authorization of \$27,500,000. of bonds being deducted, there remains \$15,861,218 for which stock might be properly authorized, to which must be added a proper estimate for expenditures of the general nature above mentioned.

We are of the opinion that a total of \$16,300,000. or 326,000 shares at \$50. may properly be authorized, this leaving \$438,782 as the estimate for general expenses.

We now proceed to compare the above estimate of cost with the results arrived at by Mr. Jackson and by Mr. Sloan.

It would serve no useful purpose to set forth in this opinion the detailed estimates contained in the reports of the two engineers, as they appear in full detail in their reports and exhibits in the case. As modified by their evidence, the changes in appraisals are fully set forth in Appendix A of the brief of the petitioner, where exact comparisons may be made, and to which we specifically refer.

Mr. Jackson's total includes an estimate of organization cost and interest thereon amounting to \$1,593,248., an item of \$4600. intangible investment represented by the franchise of the Providence Steam Company, and an item of \$2,260,590. for cost of financing, which items have not been included by Mr. Sloan, all of these items totaling \$3,858,618.

Mr. Jackson's estimate of present value excepting the above items is \$44,203,443. as of January 1, 1927, and including these items \$48,062,061. To these are added the new construction items of \$319,259 and \$663,800. to April 1, 1927 and January 1, 1928 respectively, and the item of \$111,767 for notes of the Seekonk Electric Company, etc., above referred to, making a grand total of \$49,156,887. From this total is deducted \$360,500. representing the mortgage bonds of the Westerly and Narragansett Pier Companies, outstanding leaving \$48,796,387., which the petitioner seeks authority to capitalize, \$27,500,000. by bonds, and \$21,296,387 by common stock.

Mr. Sloan's estimate of present value is \$41,854,051. as of January 1, 1927.

Additions to plant \$319,259. and \$663,800 and the Seekonk Electric Company notes, etc., above mentioned, bring this total to \$42,948,877. as of January 1, 1928.

To this estimate there are added the items of \$1,375,000. as discount on bonds, and the estimated amount of general expenses \$438,782., making a grand total of \$44,782,659. From this total is deducted \$360,500. representing the mortgage bonds of the Westerly and Narragansett Pier Companies outstanding, leaving \$44,402,159., from which, if the \$27,500,000. of bonds proposed is deducted, there remains a balance of \$16,902,159 for common stock.

A comparison of the estimates of Mr. Jackson and Mr. Sloan with the estimated cost as determined by the Commission is set forth in the following table:

COMPARISON OF ESTIMATES OF JACKSON AND OF SLOAN WITH ESTIMATED COST

	<u>Jackson</u>	<u>Sloan</u>	<u>Estimated Cost</u>
Present Value Jan. 1, 1927	\$44,203,443.	\$41,854,051.	Estimated cost stock required \$40,891,392. Underlying Liens 360,500. Assumed(See 12)
Additions to April 30, 1927	319,259.	319,259.	..... 319,259.
Additions to Jan. 1, 1928	663,800.	663,800.	..... 663,800.
Seokonk Notes, etc.	111,767	111,767	..... 111,767.
Total	<u>\$45,298,269.</u>	<u>\$42,948,877.</u>	<u>\$42,346,718.</u>
Organization & Interest Thereon	1,593,428.	.....	.....
Misc. Intangible Interest	4,600.	.....	.....
Total Cost of Financing	2,260,590.	.....	.....
Miscount on Bonds	.....	1,375,000.	..... 1,375,000.
General Exps.	.....	438,782.	..... 438,782.
Grand Total	<u>\$49,156,887.</u>	<u>\$44,762,659.</u>	<u>\$44,160,500.</u>
Less outstanding bonds of Westerly Light & Power Co. and Narra. Pier Electric Light and Power Company.	<u>360,500.</u>	<u>360,500</u>	..... <u>360,500.</u>
TOTAL	<u>\$48,796,387.</u>	<u>\$44,402,159.</u>	<u>\$43,800,000.</u>
Mortgage Bonds Proposed	<u>27,500,000.</u>	<u>27,500,000.</u> <u>27,500,000.</u>
Stock	<u>\$21,296,387.</u>	<u>\$16,902,159.</u>	<u>\$16,300,000.</u>

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We have heretofore expressed the opinion that present value should not constitute the basis for authorization of the issue of capital securities in a case of this nature. In a rate making case a different situation would exist, and the amount of bonds and stock outstanding would constitute but one of numerous factors which would have to be considered in the determination of the fair value, or rate base.

The case was presented by the petitioner, however, upon the theory that present value should constitute the measure of capitalization, and the matter of present value was quite thoroughly presented in evidence.

In the matter of land values, we believe that a proper application of cost of reproduction theory is a determination by appraisal of the value of each parcel in accordance with the market value of other land similarly situated in the same locality and enjoying similar public improvements, but without regard to the purposes for which the property is used. To this should be added the broker's commission which usually obtains where such land is located, and an item of 1% for other transfer costs, which we believe to be amply adequate for such costs under the testimony in this and other cases. The petitioner set up 2.8% as an estimate of other transfer costs.

As to the remainder of the physical assets before overheads, after a careful examination of the evidence and exhibits, we feel inclined to adopt the figures of Mr. Sloan as to reproduction cost and present condition, the latter figure amounting to \$31,071,499 as compared with Mr. Jackson's estimate of \$31,905,939. Mr. Sloan's estimate being less by \$834,440. (Petitioner's Brief Appendix "A")

In the matter of overheads it will appear from the following table that the claim of such values on the part of the petitioner, based upon the estimates and exhibits presented by Mr. Jackson, is for an excess of 50.6% over the value placed by him upon the physical plant. The estimate of Mr. Sloan for these items amounts to 34.7% of the value which he placed upon the physical plant.

If the expense incurred through discount on bonds and the general expenses incurred and to be incurred as estimated by the Commission are added, this percentage will be increased to 40.5% which appears to us as fully compensating all of the overhead values that may be properly claimed in a proceeding of this nature.

COMPARISON BETWEEN ESTIMATES OF PHYSICAL ASSETS AND OVERHEADS
Jackson

	Present Value of Physical Assets:	Overheads	
Narragansett Elec. Property	\$29,508,766.	\$14,965,956.	50.7
Narragansett Gas Property	570,944.	303,035.	53.1
South County Elec. Property	965,510.	466,170.	48.4
South County Gas Property	426,870.	206,420.	48.3
Mystic Electric Property	348,689.	171,081.	49.1
Mystic Gas Property	85,160.	43,460.	51.0
Total	\$31,905,939.	\$16,156,122.	50.6%

Sloan

Narragansett Elec. Property	\$28,786,562.	\$10,050,222.	34.9
Narragansett Gas Property	487,978.	159,966.	32.8
South County Elec. Property	1,005,943.	317,619.	31.6
South County Gas Property	356,792.	116,753.	32.7
Mystic Electric Property	370,881.	116,154.	31.3
Mystic Gas Property	63,343.	21,838.	34.5
Total	\$31,071,499.	\$10,782,552.	34.7%
<u>Including Items of</u>			
Bond Discount	.....	1,375,000.	.....
General Expense	.....	438,782.	.....
Total	\$31,071,499.	\$12,596,334.	40.5%

This petition was filed with the Commission on the 13th day of June, A. D. 1927, a public hearing was held on the same on the 28th day of June, A. D. 1927 and at the several adjournments thereof, testimony of witnesses was presented and arguments of counsel were heard, and thereupon and upon consideration thereof, it appearing to the Commission, (1) that notice has been given of the pendency of the said petition as required by order of the Commission heretofore entered; (2) that United Electric Power Company is, under the provisions of its charter, entitled to the approval of such securities as may be reasonably required for the purposes set forth in its petition; (3) that the amount of stock (425,926 shares) requested in said petition is excessive and should therefore be disallowed, and that the amount of bonds and stock hereinafter approved may be reasonably issued for the purposes hereinafter provided.

Now Therefore, It is

ORDERED: That the approval of the Public Utilities Commission be and the same is hereby granted for the issue by United Electric Power Company of (a) first mortgage, 30 year, 5% gold bonds, Series A, of United Electric Power Company to mature January 1, 1957, to the principal amount of \$27,500,000. and (b) 326,000 shares of its capital stock to be issued at not less than par, in addition to the 892 shares already issued for cash under the provisions of Section 7 of an Act entitled "An Act to Incorporate United Electric Power Company", passed by the General Assembly of the State of Rhode Island at its January Session, A. D. 1926, and any amendments and additions thereto, for the purpose of acquisition by United Electric Power Company of all the franchises and physical assets of The Narragansett Electric Lighting Company, together with all shares of stock of Rhode Island corporations owned by The Narragansett Electric Lighting Company, and all working capital, stores and supplies, and also all other property rights, claims and assets belonging to said Company and used or useful in the operation of the business of said Company in the State of Rhode Island and to make payment of any notes to be given in part payment of the purchase price therefor, or of any liabilities and obligations of The Narragansett Electric Lighting Company which may be assumed by United Electric Power Co. as part of said purchase price.

And it is

Further Ordered: That United Electric Power Company shall file with this Commission a report setting forth the number of shares of stock issued by it pursuant to the authority of this order, and the disposition of the proceeds of the said bonds and said shares of stock.


PUBLIC UTILITIES COMMISSION OF RHODE ISLAND

By: William C. Bliss
Samuel H. Hudson
Robert F. Rodman
Commissioners

October 28, 1927

Order Number 1195

A true copy.

Attest:

George A. Carmichael
Secretary.

(Seal)

U over company
Certificate of
Increase of Capital
Stock, &c.

FILED *Nov. 30th 1927*
at 10:55 a. m.

8/21/50

JANUARY SESSION, 1927.

443

AN ACT IN AMENDMENT OF AN ACT ENTITLED "AN ACT
TO INCORPORATE UNITED ELECTRIC POWER COMPANY,"
PASSED AT THE JANUARY SESSION, A. D. 1926.

11 696 B
Approved
April 14, 1927.

It is enacted by the General Assembly as follows:

SECTION 1. Section 5 of an act entitled "An act to incorporate United Electric Power Company", passed at the January session, A. D. 1926, is hereby amended so as to read as follows:

"Sec. 5. The corporation hereby incorporated may lease, purchase, acquire, hold, possess, enjoy, operate, use and dispose of such real and personal estate, rights, privileges and franchises within this state as may be necessary or convenient for the purposes for which said corporation is organized and may issue its capital stock, bonds, and other obligations in payment or part payment therefor, in the manner and with the approval hereinafter provided. Whenever the corporation hereby incorporated shall have received from the Narragansett Electric Lighting Company a conveyance of all or substantially all of its assets, property, rights, privileges and franchises, which conveyance has been approved by vote of the holders of not less than two-thirds of its outstanding stock at a meeting called, notified and held in the manner prescribed in Section 4 of this act of incorporation, the corporation hereby incorporated may change its name to THE NARRAGANSETT ELECTRIC COMPANY; and by that name may hold, use, exercise and enjoy all the assets, property, rights, privileges and franchises of the corporation hereby incorporated and all the assets, property, rights, privileges and franchises of said Narragansett Electric Lighting Company so conveyed. Such change of name shall be authorized by a vote of the holders of not less than two-thirds of the outstanding stock of the corporation hereby incorporated, and shall become effective upon the filing with the Secretary of State of a certified copy of such vote and a certificate of the president or treasurer that all or substantially all of the assets, property, rights, privileges and franchises of the Narragansett Electric Lighting Company have been so conveyed; provided, however, that nothing herein contained shall deprive any stockholder of the Narragansett Electric Lighting Company of any right secured to such stockholder under the third paragraph of section 4 of this act of incorporation or under section 56 of chapter 248 of the general laws in said section 4 referred to."

SEC. 2. This act shall take effect upon its passage.

JANUARY SESSION, 1926-

ACTS

OF A

Local and Private Nature

INCLUDING

ACTS OF INCORPORATION

AN ACT TO INCORPORATE UNITED ELECTRIC POWER COMPANY. H 721 A
Approved
April 8, 1926.

It is enacted by the General Assembly as follows:

SECTION 1. Albert E. Potter, Zenas W. Bliss, George H. Newhall, Harvey A. Baker, Ralph S. Richards, Edward B. Aldrich, J. Cunliffe Bullock and Harold J. Cross, their associates, successors and assigns, are hereby made a body corporate under the name of United Electric Power Company with all the powers and privileges and subject to all the duties and liabilities applicable to such corporations as set forth in chapter 248 of the general laws and the several acts in amendment thereof and in addition thereto.

Sec. 2. The government of said corporation shall be vested in a board of directors, a majority of whom shall be citizens of the state of Rhode Island, who need not be stockholders, the number whereof shall be fixed by the by-laws but shall consist of not less than five persons. Said corporation shall have a

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JANUARY SESSION, 1925.

president, secretary and treasurer who shall be chosen as the by-laws direct, and shall hold their offices until others are chosen in their stead. The president shall be chosen from among the directors. The directors may appoint such other officers, committees and agents as they deem needful, and their term of office shall be such as said directors may from time to time prescribe.

Sec. 3. Said corporation may lease, purchase, acquire, hold, possess, enjoy, operate, use and dispose of the power house, sub-stations and transmission lines of United Electric Railways Company, together with all rights of way, equipment, machinery and other property used or useful in connection with the operation of said power house, sub-stations and transmission lines, situated in the counties of Providence, Bristol, Washington and Kent, and the rights, privileges and franchises used, exercised or possessed in connection therewith, and United Electric Railways Company is hereby authorized and empowered to sell or lease all or any part of such property, rights, privileges and franchises to the company hereby incorporated. United Electric Railways Company is also hereby empowered to acquire, hold and dispose of the stock, bonds and other obligations of the company hereby incorporated, issued as provided in section 7 of this act.

Said corporation may also construct, acquire, own and operate within this state any extension of or addition to any property acquired under the foregoing provisions hereof, may buy electricity, may contract with and furnish electricity to United Electric Railways Company and may sell electricity to railroad, street railway, electric light, electric power and power transmission companies.

JANUARY SESSION, 1926.

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SEC. 4. The corporation hereby incorporated may sell to any other corporation or corporations organized under the laws of this state and authorized to carry on a similar business in this state, and said other corporation or corporations may purchase and hold, all of the assets, property, rights, privileges and franchises of the corporation hereby incorporated, and any such other corporation or corporations may sell to the corporation hereby incorporated, and the corporation hereby incorporated may purchase and hold, all of the assets, property, rights, privileges and franchises of any such other corporation or corporations. Any such sale may be for such consideration, which may consist in whole or in part of stock, bonds or other obligations of the purchasing corporation, as may be agreed upon by the parties to such sale. Any such sale shall be approved by vote of at least two-thirds in interest of the stockholders of the vendor corporation entitled to vote, at a meeting of the stockholders of such corporation duly called and held, of which meeting notice specifying the proposed sale shall have been given by mailing a copy thereof to each stockholder of record of said corporation entitled to vote at least thirty days before said meeting and by publication in one or more newspapers published in the city or town where said corporation has its principal office once a week for three consecutive weeks prior to said meeting.

Upon consummation of any such sale the purchasing corporation shall become vested with all the rights, privileges, powers and franchises held or enjoyed by the vendor corporation.

If a sale be effected in accordance with the foregoing provisions hereof, any stockholder of the vendor corporation, who shall not have voted in favor of said sale either in person or by proxy, shall

be entitled to the rights, and such vendor corporation shall be subject to the duties, obligations and liabilities set forth in section 56 of chapter 248 of the general laws with respect to dissenting stockholders and to corporations which sell, lease and exchange their entire assets, respectively.

Any corporation which under the provisions hereof is authorized to purchase the assets and property of the corporation hereby incorporated may acquire, hold and dispose of stock, bonds or other obligations of the corporation hereby incorporated.

Nothing in this act shall be construed to authorize the corporation hereby incorporated, or any other corporation, to acquire any of the property, rights, privileges, powers, franchises or capital stock of the Providence Gas Company.

Sec. 5. The corporation hereby incorporated may lease, purchase, acquire, hold, possess, enjoy, operate, use and dispose of such real and personal estate, rights, privileges and franchises within this state as may be necessary or convenient for the purposes for which said corporation is organized and may issue its capital stock, bonds and other obligations in payment or part payment therefor, in the manner and with the approval hereinafter provided.

Sec. 6. Subject to the provisions of section 7 hereof, said corporation may issue its bonds and other obligations in such amount as it may deem necessary, and may secure the same by a pledge or pledges, mortgage or mortgages of its franchises and property or any part thereof, such bonds, obligations, pledges and mortgages to be upon such terms and conditions and executed in such form and manner as the said corporation or its directors may by vote prescribe.

JANUARY SESSION, 1926.

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SEC. 7. All issues of stocks, bonds or other obligations of the company hereby incorporated (except obligations maturing within twelve months of the date of issue), the purposes of said issues and the manner and terms upon which they are to be disposed of shall be subject to the approval of the public utilities commission, and such stocks, bonds and other obligations shall not be valid without such approval; provided that not exceeding fifty thousand dollars par value of stock may be issued for cash at par and shall be valid without such approval.

SEC. 8. Whenever the tax upon one hundred thousand dollars of the capital stock of this corporation has been paid into the general treasury as provided by section 12 of chapter 37 of the general laws, the secretary of state shall issue and deliver to the incorporators a certified copy of this act under the seal of the state, and said corporation may then be organized, and stock thereof to the par value of one hundred thousand dollars may, subject to the provisions of section 7 hereof, from time to time be issued, and he shall thereafter from time to time upon application by the directors or other proper officers of the corporation and upon payment of the tax prescribed by said section 12 in case of increase of capital stock, and with the approval of the public utilities commission, issue his certificate to said corporation authorizing the issue of additional capital stock for which such tax has been paid. Said stock shall be divided into shares of the par value of fifty dollars each and may be divided into classes with such preference as to dividends, voting power and other incidents as said public utilities commission may approve.

SEC. 9. Said corporation shall be located and have an office or place of business in the city of Providence.

SEC. 10. This act shall take effect from and after its passage.



State of Rhode Island and Providence Plantations

Office of the Secretary of State / State Archives Division

A. Ralph Mollis

Secretary of State

Annexed is a true copy of an original document held in the custody
of the Rhode Island State Archives

C#00203 – Private Acts, January Session, 2000, #LA32

AN ACT RELATING TO INCORPORATION OF UNITED ELECTRIC
POWER COMPANY

*State Archives
Division*

Phone: 401-222-2353
Fax: 401-222-3199

reference@archives.state.ri.us

RI State Archives

Public Records
Administration

State Records Center

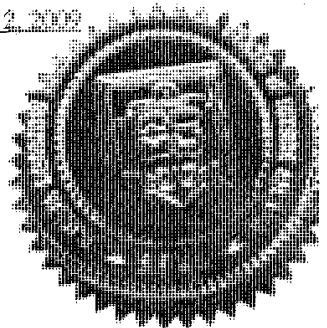
Local Government
Records Program

Administrative Records
(Rules and Regulations)

337 Westminster Street
Providence, RI 02903

R. Gwenn Stearn
State Archivist &
Public Records Administrator

February 12, 2002



LA 32

2000 --

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LC02364
=====

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2000

AN ACT

RELATING TO INCORPORATION OF UNITED ELECTRIC POWER COMPANY

00-S 2665

Introduced By: Senators Coderre, Goodwin, Enos,
Bates, Roney, et al.

Date Introduced: February 10, 2000

Referred To: Senate Committee on Corporations

It is enacted by the General Assembly as follows:

- 1 SECTION 1. Section 2 as amended of the public laws of 1926 entitled "An Act To
2 Incorporate United Electric Power Company" is hereby further amended to read as follows:
3 Sec. 2. The government of said corporation shall be vested in a board of directors, a
4 majority of whom shall be citizens of the United States, who need not be stockholders, the
5 number whereof shall be fixed by the by-laws but shall consist of not less than five (5) persons.
6 Said corporation shall have a president, secretary and treasurer who shall be chosen as the by-
7 laws direct, and shall hold their offices until others are chosen in their stead. The president shall
8 be chosen from among the directors. The directors may appoint such other officers, committees
9 and agents as they deem needful, and their term of office shall be such as said directors may from
10 time to time prescribe.
- 11 SECTION 2. This act shall take effect upon passage.

=====
LC02364
=====

CORP

LA32

S. 2000S 2665

H.

AN ACT

RELATING TO INCORPORATION OF UNITED ELECTRIC POWER COMPANY

Presented by

J. R. Ch (46)
Myrtle Goodwin (1)
William Dwyer (47)
DeSoto (44)
Johnston (2)
48

EXECUTIVE DEPARTMENT,
Received JUN 29 2000
APPROVED
GOVERNOR

IN HOUSE OF REPRESENTATIVES
6-27-00
THE COMMITTEE ON CORPORATIONS
RECOMMEND THE PASSAGE IN CON-
CURRENCE K.S. 2665
OF THE WITHIN BILL
Susan Patrick Kennedy
FOR THE COMMITTEE

IN HOUSE OF REPRESENTATIVES
REMOVED AND ORDERED
TO BE PLACED UPON THE
JUN 27 2000
CALENDAR

IN HOUSE OF REPRESENTATIVES
READ AND PASSED IN CONCURRENCE
JUN 28 2000
Clerk

IN-HOUSE OF REPRESENTATIVES
TRANSMITTED TO THE
GOVERNOR
JUN 29 2000
Recording Clerk

IN THE SENATE
Referred to the Committee on
CORPORATIONS
FEB 10 2000
Recording Clerk

IN SENATE 3/7/00
THE COMMITTEE ON CORPORATIONS
RECOMMEND THE PASSAGE
OF THE WITHIN BILL
2000-5-2665
FOR THE COMMITTEE

IN THE SENATE
Order to be placed upon the
CALENDAR
MAR 08 2000
Recording Clerk

IN THE SENATE
READ AND PASSED
MAR 14 2000
Recording Clerk

IN HOUSE OF REPRESENTATIVES
REFERRED TO COMMITTEE ON
CORPORATIONS
MAR 14 2000
Clerk

National Grid USA and The Narragansett Electric Company
AG 1-4

Request:

If the current Transaction is approved, will National Grid still operate in Rhode Island in any capacity? If so, explain what services National Grid will continue to provide and/or assets it will retain? What current affiliates will remain in operation in Rhode Island under the National Grid umbrella?

Response:

If PPL Rhode Island Holdings, LLC's ("PPL Rhode Island") acquisition of The Narragansett Electric Company ("Narragansett") from National Grid USA (the "Transaction") is approved, National Grid USA and PPL Rhode Island, or one or more of their respective affiliates, will enter into a Transition Services Agreement ("TSA") for certain services to facilitate the operation of Narragansett immediately after closing and during the transition period. Please see National Grid USA and Narragansett's response to Data Request Division 7-36 for a list of updated TSAs by functions and duration and the detailed draft indicative TSA schedules by function as of August 16, 2021.

Furthermore, National Grid USA will still own and operate the Federal Energy Regulatory Commission ("FERC")-regulated liquefied natural gas ("LNG") facility in Providence through its National Grid LNG, LLC subsidiary. The Providence LNG facility currently provides storage service to customers of natural gas distribution companies (including Narragansett) and an expansion project is under construction that will also allow for liquefaction service. Transgas Inc., a National Grid USA subsidiary, may continue to provide LNG transportation services for National Grid LNG, LLC after the Transaction.

Additionally, during a transition period after the Transaction has closed, Narragansett-owned electric transmission assets will continue to be integrated with the electric transmission system of National Grid USA transmission-owning subsidiaries in New England. During the transition period, Narragansett-owned electric transmission assets will continue to be operated by National Grid USA subsidiary New England Power Company ("NEP") pursuant to an integrated facilities agreement in Schedule III-B of NEP's FERC Electric Tariff No. 1 for operational purposes and for the provision of open access transmission service. During this transition period, NEP will also continue to serve as a Participating Transmission Owner for Narragansett-owned electric transmission assets under the Transmission Operating Agreement with ISO New England, Inc. This transition period is currently anticipated to run through the end of June 2022.

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
National Grid USA and The Narragansett Electric Company's
Responses to the Attorney General's First Set of Data Requests
Issued on September 29, 2021

Also, NGV US Distributed Energy Inc. (a subsidiary of National Grid North America Inc.) owns and operates Valley Appliance and Merchandise Company ("VAMCO") in Rhode Island. VAMCO is located in Lincoln, RI and operates a residential rental water heater business.

Finally, NEP also currently has an ownership interest in certain additional electric transmission facilities in Rhode Island.

National Grid USA and The Narragansett Electric Company
AG 1-5

Request:

Please discuss the relationship between NEP and Narragansett Electric, what services are currently provided by one to the other and if those services will continue and at what costs. If the services will not continue as they currently are, please explain who will provide said services or products going forward and at what costs.

Response:

New England Power Company ("NEP") and The Narragansett Electric Company ("Narragansett") are currently both affiliates and subsidiaries of National Grid USA. After PPL Rhode Island Holdings, LLC's ("PPL Rhode Island") acquisition of Narragansett from National Grid USA (the "Transaction") has closed, Narragansett will become a subsidiary of PPL Rhode Island and will no longer be an affiliate of NEP.

Narragansett currently makes its electric transmission facilities available to NEP for operational purposes and for the provision of open access transmission service pursuant to the integrated facilities agreement in Schedule III-B of NEP's FERC Electric Tariff No. 1. NEP will continue to compensate Narragansett under this integrated facilities agreement under NEP's FERC Electric Tariff No. 1 during a transition period after the Transaction closes. During this transition period, NEP will also continue to serve as a Participating Transmission Owner for Narragansett-owned electric transmission assets under the Transmission Operating Agreement with ISO New England, Inc. ("ISO-NE"). This transition period is currently anticipated to run through the end of June 2022. During the transition period, Narragansett will continue to be compensated by NEP for its use of Narragansett's transmission facilities pursuant to the approved formula rate in Schedule III-B of NEP's FERC Electric Tariff No. 1. At the end of that transition period, Narragansett is expected to become a Participating Transmission Owner under the Transmission Operating Agreement with ISO-NE governing transmission operations and open access transmission service, at which point NEP will no longer provide integrated facilities services to Narragansett.

Narragansett also pays a Contract Termination Charge to NEP in accordance with a settlement accepted by the Federal Energy Regulatory Commission ("FERC") in Docket Nos. ER97-678 and ER97-680. Narragansett will continue to pay the Contract Termination Charge to NEP in accordance with the terms of that settlement until the costs covered by that charge are fully recovered by NEP.

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY

Docket No. D-21-09

National Grid USA and The Narragansett Electric Company's
Responses to the Attorney General's First Set of Data Requests
Issued on September 29, 2021

NEP currently provides local FERC-jurisdictional services to Narragansett pursuant to Schedule 21-NEP to the ISO-NE Open Access Transmission Tariff. NEP will continue to provide local transmission services to Narragansett pursuant to Schedule 21-NEP to the ISO-NE Open Access Transmission Tariff during a transition period after the Transaction. This transition period is currently anticipated to run through the end of June 2022. During the transition period, NEP will continue to assess all applicable charges to Narragansett pursuant to the terms and formula rates in Schedule 21-NEP and the NEP total revenue requirements calculated under Attachment F to the ISO-NE Open Access Transmission Tariff. At the end of that transition period, Narragansett is expected to become a Participating Transmission Owner under the Transmission Operating Agreement with ISO-NE governing transmission operations and open access transmission service, at which point it is expected that NEP will no longer provide local FERC-jurisdictional services to Narragansett under Schedule 21-NEP. National Grid USA is working with PPL Corporation and PPL Rhode Island to determine if Narragansett should file its own local service schedule in Schedule 21 to the ISO-NE Open Access Transmission Tariff to govern local FERC-jurisdictional customers to be provided by Narragansett over Narragansett-owned facilities.

As the Participating Transmission Owner for Narragansett-owned electric transmission assets under the Transmission Operating Agreement with ISO-NE, NEP makes those Narragansett-owned facilities available to ISO-NE and ISO-NE makes those facilities available for Regional Network Service to Narragansett and other New England customers in accordance with the terms of the ISO-NE Open Access Transmission Tariff. During the transition period, NEP will continue to make those Narragansett-owned facilities available to ISO-NE under the Transmission Operating Agreement and ISO-NE is expected to continue making those facilities available for Regional Network Service to Narragansett and other New England customers. During the transition period, NEP will continue to receive compensation from ISO-NE for Regional Network Service using these transmission facilities pursuant to the terms and formula rates in Attachment F and other provisions of the ISO-NE Open Access Transmission Tariff.

NEP currently provides local control center services to Narragansett and other participating companies under the National Grid Local Control Center Services Agreement. Entities owning transmission facilities in the ISO-NE balancing authority area are required to obtain local control center services to comply with the requirements of the Transmission Operating Agreement, the ISO-NE Open Access Transmission Tariff, ISO-NE Operating Procedures, and applicable Reliability Standards. Costs for the local control center services provide by NEP under the National Grid Local Control Center Services Agreement are aggregated by NEP and submitted for recovery through the formula rate in Schedule 1 to the ISO-NE Open Access Transmission Tariff. Narragansett is expected to continue to take these services from NEP as long as it intends to use National Grid USA facilities to fulfill any local control center services obligations.

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
National Grid USA and The Narragansett Electric Company's
Responses to the Attorney General's First Set of Data Requests
Issued on September 29, 2021

National Grid USA and The Narragansett Electric Company
AG 1-7

Request:

For Narragansett Electric, PPL Electric, Louisville Gas & Electric and Kentucky Utilities:

- (a) Please provide a summary of the five most recent long-term debt placements for each company, including closing date, dollar amount, term for the debt, interest rate, and all other material terms.
- (b) Please provide the ratings for long-term debt that currently apply to each company.

Response:

Please see the table below for information on The Narragansett Electric Company's five most recent long-term debt placements and its associated debt ratings.

Issuance Date	Description	Principal	Interest	Maturity Date	Moody's / S&P Rating at Issuance
03/22/2010	10 YR Senior Unsecured Note	\$250,000,000	4.534%	03/15/2020	A3 / A-
03/22/2010	30 YR Senior Unsecured Note	\$300,000,000	5.638%	03/15/2040	A3 / A-
12/10/2012	30 YR Senior Unsecured Note	\$250,000,000	4.170%	12/10/2042	A3 / A-
07/27/2018	10 YR Senior Unsecured Note	\$350,000,000	3.919%	08/01/2028	A3 / A-
04/09/2020	10 YR Senior Unsecured Note	\$600,000,000	3.395%	04/09/2030	A3 / A-

Please see PPL Corporation and PPL Rhode Island Holdings, LLC's response to Data Request AG 1-7 for the requested information as to PPL Electric, Louisville Gas and Electric, and Kentucky Utilities.

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
National Grid USA and The Narragansett Electric Company's
Responses to the Attorney General's First Set of Data Requests
Issued on September 29, 2021

National Grid USA and The Narragansett Electric Company
AG 1-8

Request:

Please provide a balance sheet and utility rate base for the following companies before and after the proposed transaction, inclusive of goodwill and ADIT:

- (a) PPL Rhode Island Holdings (post transaction only);
- (b) Narragansett Electric (differentiated between electric and gas operations, as available).

Please explain each material change between before and after the transaction.

Response:

- (a) Please refer to PPL Corporation and PPL Rhode Island Holding, LLC's response to Data Request AG 1-8.
- (b) Please refer to The Narragansett Electric Company's ("Narragansett") calendar year 2020 electric and gas earnings reports, as filed with the Rhode Island Public Utilities Commission ("PUC") in PUC Docket No. 4770 for Narragansett's most recent utility rate base calculations differentiated between electric and gas. Please refer to National Grid USA and Narragansett's response to Data Request Division 8-15 for other pre-transaction Narragansett financial data. Please note that full balance sheets separated by electric and gas operations are not available.

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
National Grid USA and The Narragansett Electric Company's
Responses to the Attorney General's First Set of Data Requests
Issued on September 29, 2021

National Grid USA and The Narragansett Electric Company
AG 1-10

Request:

Please provide National Grid's five-year financial forecast for Narragansett Electric, segregated between electric and gas operations as available, showing income statement, balance sheet and capital spending forecasts. To the extent that PPL Electric has developed alternative forecasts for these entities, or if it has any material disagreements with these forecasts, please provide PPL's updates and explain the substantive differences.

Response:

Please refer to Attachment NG-AG 1-10 for National Grid USA's five-year financial forecast for The Narragansett Electric Company, segregated between electric and gas operations.

Please refer to PPL Corporation and PPL Rhode Island Holdings, LLC's (collectively, "PPL") response to Data Request AG 1-10 for whether PPL has any updates or any substantive differences.

NECO CONSOL					
	FY22	FY23	FY24	FY25	FY26
Net Margin	816	878	893	917	954
Commodity/Passthrough	977	1,001	1,026	1,052	1,078
Revenue	1,793	1,880	1,919	1,969	2,032
Commodity/Passthrough	(977)	(1,001)	(1,026)	(1,052)	(1,078)
Direct Opex	(97)	(99)	(100)	(101)	(102)
Indirect Opex	(96)	(108)	(111)	(112)	(119)
Bad Debt (commodity)	(24)	(27)	(32)	(34)	(36)
Bad Debt (non-commodity)	-	-	-	-	-
Other Controllable	(36)	(39)	(40)	(40)	(41)
Pension	(9)	(9)	(10)	(7)	(2)
PBOP	-	-	(3)	(4)	(4)
Property Taxes	(91)	(98)	(101)	(103)	(105)
Depreciation	(141)	(151)	(156)	(165)	(174)
Capex related opex	(4)	(5)	(5)	(6)	(6)
Allocated Depreciation	(29)	(34)	(28)	(22)	(18)
Other Non-Controllable	(7)	(8)	(8)	(8)	(8)
Environmental	(3)	(3)	(5)	(5)	(5)
Storm Costs	(4)	(4)	(3)	(3)	(3)
Other	-	-	-	-	-
Adjustment	-	-	-	-	-
Reg Amortization	(28)	(28)	-	-	-
Op profit	248	265	291	308	332
Treasury Managed Interest (external & intragroup)	(62)	(67)	(73)	(73)	(79)
Other Income	-	-	-	-	-
Interest & Other Income	(62)	(67)	(73)	(73)	(79)
Return of Excess DFIT	5	5	5	5	5
Current	(2)	(2)	(2)	(2)	(2)
Deferred	(39)	(41)	(46)	(49)	(53)
Tax	(35)	(38)	(42)	(46)	(50)
Earnings	150	159	175	189	202

NECO D					
	FY22	FY23	FY24	FY25	FY26
Net Margin	397	424	411	426	442
Commodity/Passthrough	768	787	807	827	847
Revenue	1,165	1,210	1,218	1,253	1,290
Commodity/Passthrough	(768)	(787)	(807)	(827)	(847)
Direct Opex	(50)	(50)	(51)	(51)	(52)
Indirect Opex	(65)	(72)	(74)	(75)	(78)
Bad Debt (commodity)	(15)	(17)	(19)	(20)	(21)
Bad Debt (non-commodity)	-	-	-	-	-
Other Controllable	(20)	(22)	(22)	(23)	(23)
Pension	(5)	(5)	(6)	(4)	(1)
PBOP	-	-	(2)	(3)	(2)
Property Taxes	(37)	(39)	(41)	(42)	(44)
Depreciation	(60)	(64)	(66)	(70)	(74)
Capex related opex	(3)	(5)	(4)	(4)	(4)
Allocated Depreciation	(16)	(18)	(14)	(11)	(9)
Other Non-Controllable	(5)	(6)	(6)	(6)	(6)
Environmental	(3)	(3)	(3)	(3)	(3)
Storm Costs	(4)	(4)	(3)	(3)	(3)
Other	-	-	-	-	-
Adjustment	-	-	-	-	-
Reg Amortization	(28)	(28)	-	-	-
Op profit	86	92	101	112	122
Treasury Managed Interest (external & intragroup)	(23)	(25)	(27)	(30)	(33)
Other Income	-	-	-	-	-
Interest & Other Income	(23)	(25)	(27)	(30)	(33)
Return of Excess DFIT	3	3	3	3	3
Current	-	-	(0)	(0)	(0)
Deferred	(13)	(14)	(16)	(17)	(19)
Tax	(10)	(11)	(13)	(14)	(16)
Earnings	53	56	62	68	74

NECO G					
	FY22	FY23	FY24	FY25	FY26
Net Margin	267	295	329	333	347
Commodity/Passthrough	209	214	220	225	231
Revenue	476	509	549	559	577
Commodity/Passthrough	(209)	(214)	(220)	(225)	(231)
Direct Opex	(39)	(40)	(40)	(40)	(41)
Indirect Opex	(22)	(27)	(30)	(29)	(32)
Bad Debt (commodity)	(9)	(10)	(13)	(14)	(14)
Bad Debt (non-commodity)	-	-	-	-	-
Other Controllable	(14)	(14)	(14)	(15)	(15)
Pension	(3)	(3)	(4)	(3)	(1)
PBOP	-	-	(1)	(1)	(1)
Property Taxes	(35)	(40)	(41)	(41)	(42)
Depreciation	(50)	(56)	(58)	(61)	(64)
Capex related opex	-	-	-	-	-
Allocated Depreciation	(10)	(13)	(11)	(9)	(7)
Other Non-Controllable	(2)	(2)	(2)	(2)	(2)
Environmental	-	-	(2)	(2)	(2)
Storm Costs	-	-	-	-	-
Other	-	-	-	-	-
Adjustment	-	-	-	-	-
Reg Amortization	-	-	-	-	-
Op profit	83	90	113	117	126
Treasury Managed Interest (external & intragroup)	(23)	(26)	(31)	(27)	(30)
Other Income	-	-	-	-	-
Interest & Other Income	(23)	(26)	(31)	(27)	(30)
Return of Excess DFIT	2	2	2	2	2
Current	-	-	(0)	(0)	(0)
Deferred	(13)	(13)	(17)	(19)	(20)
Tax	(11)	(12)	(16)	(17)	(19)
Earnings	49	52	66	72	77

NECO T					
	FY22	FY23	FY24	FY25	FY26
Net Margin	152	160	153	158	165
Commodity/Passthrough	-	-	-	-	-
Revenue	152	160	153	158	165
Commodity/Passthrough	-	-	-	-	-
Direct Opex	(8)	(10)	(10)	(10)	(10)
Indirect Opex	(10)	(10)	(6)	(8)	(9)
Bad Debt (commodity)	-	-	-	-	-
Bad Debt (non-commodity)	-	-	-	-	-
Other Controllable	(3)	(3)	(3)	(3)	(3)
Pension	-	-	(0)	(0)	(0)
PBOP	-	-	(0)	(0)	(0)
Property Taxes	(18)	(19)	(19)	(19)	(20)
Depreciation	(31)	(32)	(33)	(34)	(36)
Capex related opex	(0)	(0)	(2)	(2)	(3)
Allocated Depreciation	(3)	(4)	(3)	(2)	(2)
Other Non-Controllable	-	-	-	-	-
Environmental	(0)	(0)	-	-	-
Storm Costs	-	-	-	-	-
Other	-	-	-	-	-
Adjustment	-	-	-	-	-
Reg Amortization	-	-	-	-	-
Op profit	79	83	77	79	83
Treasury Managed Interest (external & intragroup)	(17)	(17)	(15)	(16)	(17)
Other Income	-	-	-	-	-
Interest & Other Income	(17)	(17)	(15)	(16)	(17)
Return of Excess DFIT	1	1	1	1	1
Current	(2)	(2)	(2)	(2)	(2)
Deferred	(13)	(14)	(13)	(13)	(14)
Tax	(14)	(15)	(14)	(14)	(15)
Earnings	48	51	48	49	51

NECO - Balance Sheet

	FY22	FY23	FY24	FY25	FY26
Assets					
Cash	-	-	-	-	-
Net PP&E	3,753	4,040	4,387	4,718	5,023
Goodwill	725	725	725	725	725
Regulatory assets	175	121	0	(49)	(94)
Working Capital	80	80	80	80	80
Other assets	(38)	(38)	(38)	(38)	(38)
Total assets	4,695	4,928	5,154	5,436	5,696
Liabilities					
Debt	(1,531)	(1,623)	(1,776)	(1,902)	(2,026)
Deferred Tax	(428)	(469)	(490)	(526)	(561)
Pension obligations	(120)	(105)	(90)	(74)	(57)
Provisions	(124)	(119)	(100)	(96)	(95)
Total liabilities	(2,203)	(2,316)	(2,456)	(2,598)	(2,739)
Net assets/(liabilities)	2,492	2,612	2,698	2,838	2,957
Equity					
Shareholders Equity	2,492	2,612	2,698	2,838	2,957
Total Equity	2,492	2,612	2,698	2,838	2,957

NECO - Capital Projections

	FY22	FY23	FY24	FY25	
Mandatory	296	312	310	264	175
Mandatory w/timing flexibility	108	110	137	157	259
Clean Energy	4	9	43	56	24
Non Mandatory - Regulator led	-	-	-	6	6
Non-Mandatory Clean energy	1	2	2	2	4
Non Mandatory - Company led	2	2	2	2	2
Total Capex	411	435	494	487	470
NECO E	140	162	191	212	184
NECO G	226	221	239	195	183
NECO T	45	52	64	80	103

National Grid USA and The Narragansett Electric Company
AG 1-11

Request:

Referencing PPL's response to DIV 2-36, PPL indicates that Narragansett Electric has some \$725 million of goodwill on its balance sheet, and that the proposed transaction will result in an additional \$1 billion, to be recorded on the balance sheet for PPL Rhode Island Holdings.

Regarding that goodwill:

- (a) Please summarize the transactions that produce the \$725 million in goodwill.
- (b) Please provide the debt to capital ratio for Narragansett Electric with and without the goodwill.
- (c) Is PPL committing to finance the goodwill asset on the PPL Rhode Island Holdings balance sheet entirely with equity? If not, please explain your response.

Response:

- (a) On March 22, 2000, the merger of New England Electric System ("NEES") and National Grid Group plc (National Grid plc) was completed, with NEES (renamed National Grid USA) becoming a wholly owned subsidiary of National Grid plc. The Narragansett Electric Company ("Narragansett") maintained its existing name and remained a wholly owned subsidiary of National Grid USA. The merger was accounted for by the purchase method, the application of which, including the recognition of goodwill, was pushed down and reflected on the financial statements of the National Grid USA subsidiaries, including Narragansett. Total goodwill amounted to \$1.7 billion, of which Narragansett was allocated approximately \$395 million.

On April 19, 2000, the acquisition of Eastern Utilities Associates ("EUA") by National Grid USA was completed for \$642 million. The acquisition of EUA was accounted for by the purchase method, the application of which, including the recognition of goodwill, was pushed down and reflected on the financial statements of the National Grid USA subsidiaries, including Narragansett. Total goodwill recognized in this transaction was approximately \$402 million, of which Narragansett was allocated approximately \$127 million.

The goodwill recognized in the NEES and EUA transactions had been amortized to expense through March 31, 2001, which reduced the carrying value of goodwill. On

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
National Grid USA and The Narragansett Electric Company's
Responses to the Attorney General's First Set of Data Requests
Issued on September 29, 2021

April 1, 2001, Narragansett adopted new accounting guidance that ended the practice of amortizing goodwill.

On August 24, 2006, Narragansett acquired the Rhode Island gas distribution assets of New England Gas Company from Southern Union Company ("Southern Union") for approximately \$570 million. Narragansett recognized approximately \$235 million of goodwill in connection with the Southern Union acquisition.

- (b) Based on the March 31, 2021 audited financial statements provided in National Grid USA and Narragansett's response to Data Request Division 8-15, if equity is reduced by the \$725 million of goodwill, the debt to capital ratio would change from 38.7 percent debt and 61.3 percent capital to 47.5 percent debt and 52.5 percent capital.
- (c) Please refer to PPL Corporation and PPL Rhode Island Holdings, LLC's response to Data Request AG 1-11 for the requested information.

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
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National Grid USA and The Narragansett Electric Company
AG 1-12

Request:

Reference Attachment PPL-DIV 1-1-3, pages 213-224 of 668:

- (a) For each listed service provided by the service company, please specify the costs associated with that service for Narragansett Electric in the most recent year, split between the electric and gas companies.
- (b) Please indicate whether PPL anticipates that the costs will increase, decrease, or remain approximately the same for each service.

Response:

- (a) Please refer to Attachment NG-AG 1-12 for the costs associated with the services for The Narragansett Electric Company for the most recent year, split between the electric and gas segments.
- (b) Please refer to PPL Corporation and PPL Rhode Island Holdings, LLC's response to AG 1-12 for the requested information.

Originating Company2 ServCo

Sum of Amount Row Labels	L02 Cost Type	Column Labels			Grand Total
		Federal Transmission	RI Electric Distribution	RI Gas Distribution	
310-US Human Resources	Base Labor	351	702,583	732,098	1,435,032
	Consultants		8,457	9,159	17,616
	Contractors		81,510	84,796	166,306
	Employee Expenses	107	13,491	12,638	26,236
	Materials		49,059	4,145	53,203
	Other Expenses	141	59,737	68,905	128,784
	Overtime		25	53	77
	Transportation	14	773	219	1,006
310-US Human Resources Total		613	915,635	912,012	1,828,260
320-US Finance	Base Labor	368,564	2,094,225	952,907	3,415,695
	Consultants	228,498	974,615	423,306	1,626,419
	Contractors	25,259	198,986	101,340	325,586
	Employee Expenses	1,828	14,405	6,081	22,315
	Materials	61	274	118	452
	Other Expenses	18,452	75,258	36,158	129,868
	Overtime	6	28	11	45
320-US Finance Total		642,669	3,357,791	1,519,920	5,520,380
330-Total US IT	Base Labor	724,863	4,977,857	2,330,551	8,033,271
	Consultants	844,434	4,286,744	4,373,802	9,504,980
	Contractors	628,512	3,173,998	1,907,088	5,709,598
	Employee Expenses	5,870	23,683	12,030	41,583
	Materials	1,411	6,050	4,448	11,909
	Other Expenses	685,942	6,111,001	3,964,193	10,761,136
	Overtime	116,572	467,093	198,959	782,623
	Transportation	2,176	8,717	3,714	14,607
330-Total US IT Total		3,009,780	19,055,143	12,794,785	34,859,707
340-US Legal	Base Labor	130,290	1,055,535	476,517	1,662,342
	Consultants	49,498	909,153	290,619	1,249,270
	Contractors	50,102	228,693	95,182	373,976
	Employee Expenses	1,294	7,531	2,946	11,771
	Materials	30	119	51	200
	Other Expenses	2,278	62,631	26,056	90,965
	Overtime	20	2,637	1,179	3,835
340-US Legal Total		233,511	2,266,300	892,549	3,392,360

Sum of Amount Row Labels	L02 Cost Type	Column Labels			Grand Total
		Federal Transmission	RI Electric Distribution	RI Gas Distribution	
420-Global Finance	Base Labor	127,334	768,269	673,823	1,569,426
	Consultants	7,046	231,943	17,781	256,770
	Contractors	14,997	71,285	41,546	127,829
	Employee Expenses	1,471	7,823	12,356	21,650
	Materials	2	115	880	997
	Other Expenses	281,001	1,251,680	607,083	2,139,765
420-Global Finance Total		431,851	2,331,115	1,353,470	4,116,436
440-Chief Risk Officer	Base Labor	52,779	211,597	90,139	354,515
	Consultants	3,652	14,762	6,262	24,676
	Contractors	7,645	28,709	12,654	49,009
	Employee Expenses	819	3,281	1,398	5,497
	Materials	44	178	76	298
	Other Expenses	2,732	10,946	4,664	18,342
	Overtime	391	1,566	667	2,624
440-Chief Risk Officer Total		68,064	271,038	115,860	454,962
460-Corporate Affairs	Base Labor	145,242	884,923	447,556	1,477,721
	Consultants	28,889	352,685	180,226	561,799
	Contractors	7,685	55,208	26,397	89,290
	Employee Expenses	1,004	27,144	14,572	42,719
	Materials	55	1,396	754	2,205
	Other Expenses	11,997	563,918	300,031	875,945
460-Corporate Affairs Total		194,871	1,885,273	969,536	3,049,680
470-Audit	Base Labor	56,267	245,508	118,277	420,052
	Consultants	15,332	61,415	26,170	102,916
	Contractors	5,621	33,117	21,315	60,052
	Employee Expenses	781	3,641	1,898	6,321
	Materials	18	97	57	173
	Other Expenses	6,063	24,417	10,492	40,973
470-Audit Total		84,083	368,195	178,210	630,487
AMI & CIS	Base Labor		173,586	65,149	238,735
	Consultants		68,468	16,450	84,918
	Contractors		43	20	63
	Employee Expenses		1,091	532	1,623
	Materials		25	13	38
	Other Expenses		4,377	2,102	6,479
	Overtime		2	1	4
AMI & CIS Total			247,591	84,268	331,859

Sum of Amount Row Labels	L02 Cost Type	Column Labels			
		Federal Transmission	RI Electric Distribution	RI Gas Distribution	Grand Total
Business Change	Base Labor	16,323	65,768	28,011	110,102
	Consultants	19	76	32	127
	Contractors	6,897	27,834	11,831	46,562
	Employee Expenses	684	2,764	2,257	5,706
	Materials			87	87
	Other Expenses	295	1,189	655	2,139
	Overtime	1	6	2	10
Business Change Total		24,219	97,637	42,876	164,732
Business Planning & Perf-NE	Base Labor	26,006	107,129	53,233	186,367
	Consultants	497	28,091	13,655	42,243
	Employee Expenses	878			878
	Materials	38			38
	Other Expenses	4,692	791	385	5,867
Business Planning & Perf-NE Total		32,110	136,011	67,273	235,394
Business Planning & Perf-NY	Base Labor	62,944			62,944
	Consultants	1,139			1,139
	Employee Expenses	(8)		13	6
	Other Expenses	309			309
Business Planning & Perf-NY Total		64,383		13	64,397
Chief Customer Officer	Base Labor		29,627	17,276	46,903
	Consultants		236,939	128,682	365,621
	Contractors		247,119	135,924	383,043
	Employee Expenses		8,980	7,504	16,484
	Materials		3,441	1,869	5,310
	Other Expenses		405,155	237,478	642,633
Chief Customer Officer Total			931,261	528,734	1,459,995
Chief Transformation Officer	Base Labor	8,303	33,568	14,484	56,355
	Consultants	4,299	17,224	7,339	28,862
	Contractors	3,703	14,834	6,321	24,858
	Employee Expenses	379	1,868	659	2,907
	Materials	3	33		37
	Other Expenses	81	837	655	1,573
Chief Transformation Officer Total		16,769	68,365	29,458	114,592
Corporate Dev and M&A	Other Expenses	0	1	1	2
Corporate Dev and M&A Total		0	1	1	2

Sum of Amount		Column Labels			
Row Labels	L02 Cost Type	Federal Transmission	RI Electric Distribution	RI Gas Distribution	Grand Total
Customer Service	Base Labor		1,529,552	873,524	2,403,075
	Consultants		26,478	14,642	41,121
	Contractors		2,313,503	1,101,579	3,415,081
	Employee Expenses		43,333	24,787	68,120
	Materials		1,039	655	1,694
	Other Expenses		295,080	111,203	406,283
	Overtime		320,342	182,823	503,166
Customer Service Total			4,529,327	2,309,213	6,838,540
Customer Solutions	Base Labor		829,932	220,082	1,050,014
	Consultants		5,344	1,585	6,929
	Contractors		118,814	8,821	127,635
	Employee Expenses		7,229	27,221	34,449
	Materials		1,125	4,127	5,251
	Other Expenses		44,772	12,464	57,236
	Overtime		125	3,487	3,612
Transportation		2,220		2,220	
Customer Solutions Total			1,009,560	277,787	1,287,347
Customer Transformation	Base Labor		328,951	205,771	534,723
	Consultants		9,138	4,963	14,100
	Contractors		94,766	51,468	146,234
	Employee Expenses		2,043	1,109	3,152
	Materials		36	20	55
	Other Expenses		75,641	41,055	116,697
Customer Transformation Total			510,575	304,386	814,961
Electric Transformation	Base Labor	352,792	846,736	546	1,200,074
	Consultants	56,631	70,656	(1)	127,285
	Contractors	2,244	233,707	24	235,975
	Employee Expenses	3,975	6,099	12	10,086
	Materials	54	93		146
	Other Expenses	14,618	105,281	(1,985)	117,914
	Overtime	248			248
Electric Transformation Total		430,561	1,262,572	(1,405)	1,691,728

Sum of Amount Row Labels	L02 Cost Type	Column Labels			Grand Total
		Federal Transmission	RI Electric Distribution	RI Gas Distribution	
Energy Procurement	Base Labor		398,091	594,235	992,326
	Consultants		2,358	13,748	16,106
	Contractors		13,631	25,806	39,438
	Employee Expenses		195	1,863	2,059
	Materials		25	540	564
	Other Expenses		11,555	28,079	39,634
Energy Procurement Total			425,855	664,272	1,090,127
Enterprise Business Services	Base Labor	254,717	1,086,959	515,429	1,857,106
	Consultants	37,561	181,110	97,775	316,446
	Contractors	49,823	203,322	88,073	341,218
	Employee Expenses	84	578	396	1,058
	Materials	147	627	290	1,064
	Other Expenses	(5,947)	(20,931)	(6,077)	(32,955)
	Overtime	17	68	29	113
Enterprise Business Services Total		336,402	1,451,732	695,915	2,484,049
Gas Transformation	Base Labor	57,898	309,570	880,975	1,248,442
	Consultants	2,940	102,820	1,216,513	1,322,272
	Contractors	2,539	30,702	87,555	120,797
	Employee Expenses	315	1,377	12,809	14,502
	Materials	29	144	702	875
	Other Expenses	4,261	18,331	172,369	194,961
	Overtime		544	337	881
	Transportation	25	103	44	172
Gas Transformation Total		68,007	463,592	2,371,304	2,902,903
Global SHE	Other Expenses	3	12	5	21
Global SHE Total		3	12	5	21
Marketing & Product Growth	Base Labor		1,037,989	352,565	1,390,554
	Consultants		10,743	5,330	16,073
	Contractors	2,625	319,513	141,873	464,011
	Employee Expenses		7,095	4,578	11,674
	Materials		8,510	2,891	11,401
	Other Expenses	200	636,099	226,338	862,637
Marketing & Product Growth Total		2,825	2,019,950	733,576	2,756,351

Sum of Amount	Column Labels				
Row Labels	L02 Cost Type	Federal Transmission	RI Electric Distribution	RI Gas Distribution	Grand Total
NE President	Base Labor		283,619	138,575	422,194
	Consultants		10,478	5,093	15,571
	Contractors		22,804	11,085	33,889
	Employee Expenses		15,417	7,582	22,999
	Materials		249	121	371
	Other Expenses		41,588	21,979	63,567
NE President Total			374,155	184,435	558,591
New England Electric	Base Labor	3,119,703	5,162,767	46,092	8,328,562
	Consultants	111,159	316,356	2,441	429,956
	Contractors	37,412	559,371	8,006	604,789
	Employee Expenses	105,590	175,853	5,844	287,286
	Materials	78,859	846,711	624	926,195
	Other Expenses	51,079	252,839	9,335	313,253
	Overtime	187,461	141,622		329,082
	Transportation	112,150	200,729		312,879
New England Electric Total		3,803,413	7,656,247	72,343	11,532,003
New England Gas	Base Labor	344	325,487	3,698,660	4,024,492
	Consultants	492	16,531	398,442	415,466
	Contractors	2	2,294	405,097	407,393
	Employee Expenses	49	18,779	104,449	123,277
	Materials	2	6,846	307,080	313,929
	Other Expenses	87	28,373	334,082	362,543
	Overtime		18,571	378,605	397,176
	Transportation		282	(45,498)	(45,217)
New England Gas Total		977	417,163	5,580,917	5,999,057
New York Electric	Base Labor	159,250	1,267,416	119,970	1,546,635
	Consultants	1,691	5,870	1,760	9,321
	Contractors	5,119	1,359,090	276	1,364,485
	Employee Expenses	879	24,814	234	25,927
	Materials	1,572	1,998	(477)	3,094
	Other Expenses	51,922	177,564	62,206	291,692
	Overtime		602		602
	Transportation	2,792			2,792
New York Electric Total		223,225	2,837,354	183,969	3,244,547

Sum of Amount Row Labels	L02 Cost Type	Column Labels			Grand Total
		Federal Transmission	RI Electric Distribution	RI Gas Distribution	
New York Gas	Base Labor	100	12,768	2,128,403	2,141,271
	Consultants			189,351	189,351
	Contractors	49	480	44,500	45,029
	Employee Expenses	3	357	66,916	67,276
	Materials			96,769	96,769
	Other Expenses	51	4,481	155,649	160,181
	Overtime			43,897	43,897
	Transportation			2,510	2,510
New York Gas Total		203	18,086	2,727,995	2,746,283
NGV Jurisdiction	Consultants	635	2,574	1,093	4,302
	Other Expenses	29,394	118,745	50,437	198,576
NGV Jurisdiction Total		30,029	121,319	51,530	202,878
NY President	Base Labor		348	152	499
	Employee Expenses		22	10	31
	Other Expenses		4,628	2,017	6,645
NY President Total			4,998	2,178	7,176
Operations Support-NE	Base Labor	46,723	130,385	45,395	222,503
	Consultants	15,694	58,926	37,365	111,985
	Contractors	5,787	17,821	14,538	38,146
	Employee Expenses	(569)	9,630	1,120	10,180
	Materials	161	18,795	6,503	25,459
	Other Expenses	20,178	62,680	45,489	128,348
	Overtime	(16)	(42)	3,671	3,613
	Transportation	8	21	1,145	1,174
Operations Support-NE Total		87,965	298,217	155,226	541,408
Operations Support-NY	Base Labor	48,824	238,730	112,160	399,714
	Consultants	2,318	8,623	4,395	15,336
	Contractors	384,526	1,630,906	711,833	2,727,265
	Employee Expenses	995	7,311	4,475	12,780
	Materials	22,826	291,101	42,691	356,618
	Other Expenses	650,589	2,782,081	1,376,587	4,809,257
	Overtime	5,202	25,288	10,974	41,464
	Transportation	(11)	(13)	(2)	(26)
Operations Support-NY Total		1,115,269	4,984,027	2,263,112	8,362,409

Sum of Amount Row Labels	L02 Cost Type	Column Labels			
		Federal Transmission	RI Electric Distribution	RI Gas Distribution	Grand Total
Other Actuals	Base Labor	(393)	18,295	21,326	39,229
	Consultants	42,486	170,186	72,518	285,190
	Contractors	1,486	5,935	2,533	9,954
	Employee Expenses	56,213	225,173	95,949	377,335
	Materials	50	16,253	85	16,387
	Other Expenses	82,124	309,051	438,756	829,930
Other Actuals Total		181,965	744,893	631,167	1,558,025
President US Utilities	Base Labor	36,251	146,454	62,234	244,940
	Consultants	849	3,440	1,460	5,749
	Contractors	17,578	71,102	30,202	118,882
	Employee Expenses	6,453	25,924	11,036	43,413
	Materials	57	230	98	385
	Other Expenses	42,720	186,978	85,917	315,615
	Overtime	35	140	60	235
President US Utilities Total		103,943	434,269	191,007	729,218
R2R EPO	Base Labor	26	102	44	172
	Other Expenses	15	58	25	98
R2R EPO Total		40	161	68	269
Regulation-NE	Base Labor	166,405	911,707	380,475	1,458,587
	Consultants	326	8,147	14,923	23,395
	Contractors		218	105	324
	Employee Expenses	1,173	5,393	1,562	8,128
	Materials		100		100
	Other Expenses	28,868	12,088	6,310	47,266
	Overtime		393	186	579
Regulation-NE Total		196,772	938,047	403,561	1,538,380
Regulation-NY	Consultants		276	117	394
	Employee Expenses		226	96	322
	Other Expenses		675	287	961
Regulation-NY Total			1,177	500	1,677
Regulatory Strategy	Base Labor	32,457	430,050	95,113	557,620
	Consultants	18	14,949	31	14,999
	Contractors	3,922	15,845	6,730	26,498
	Employee Expenses	1,788	7,685	3,192	12,665
	Materials	5	20	9	34
	Other Expenses	(269)	(1,059)	(435)	(1,763)
Regulatory Strategy Total		37,923	467,490	104,639	610,052

Sum of Amount Row Labels	L02 Cost Type	Column Labels			Grand Total
		Federal Transmission	RI Electric Distribution	RI Gas Distribution	
Revenue Cycle Management	Base Labor	16,108	1,455,411	803,269	2,274,788
	Consultants		14,295	7,687	21,982
	Contractors	40,249	503,465	245,089	788,802
	Employee Expenses	(342)	(300)	7	(636)
	Materials	80	198,516	104,677	303,272
	Other Expenses	1,020	2,015,624	1,093,085	3,109,729
	Overtime		82,264	44,638	126,902
Revenue Cycle Management Total		57,114	4,269,275	2,298,452	6,624,840
Safety, Health & Environment-NE	Base Labor	11,645	280,790	278,262	570,698
	Consultants	3,223	23,448	15,642	42,313
	Contractors	566	33,471	37,179	71,216
	Employee Expenses	120	6,173	6,495	12,788
	Materials	6	(9,505)	(10,557)	(20,056)
	Other Expenses	2,147	18,487	14,583	35,217
	Overtime		-	-	-
	Transportation		3,753	4,147	7,901
Safety, Health & Environment-NE Total		17,708	356,617	345,752	720,077
Safety, Health & Environment-NY	Base Labor		28,482	34,970	63,452
	Consultants		7,373	9,967	17,341
	Contractors		498,965	551,886	1,050,851
	Employee Expenses		78	86	164
	Materials		(44,038)	(71,172)	(115,210)
	Other Expenses		13,026	14,430	27,456
	Transportation		-	-	-
Safety, Health & Environment-NY Total			503,886	540,167	1,044,053
Strategic Planning & PMO	Base Labor	23,175	93,399	39,720	156,294
	Consultants	2,520	10,209	4,334	17,064
	Contractors	(15)	(60)	(25)	(99)
	Employee Expenses	222	1,051	464	1,737
	Other Expenses	766	4,057	1,838	6,660
Strategic Planning & PMO Total		26,668	108,656	46,331	181,656
Strategy & Market Fundamentals	Base Labor	5,433	22,011	9,345	36,789
	Consultants	57	229	97	383
	Employee Expenses	161	653	277	1,091
	Other Expenses	282	1,143	485	1,911
Strategy & Market Fundamentals Total		5,933	24,037	10,205	40,174

Sum of Amount		Column Labels			
Row Labels	L02 Cost Type	Federal Transmission	RI Electric Distribution	RI Gas Distribution	Grand Total
US Data & Reporting	Base Labor	32,859	131,623	56,086	220,567
	Contractors	13,788	55,233	23,535	92,556
	Employee Expenses	54	215	92	360
	Other Expenses	115	460	196	771
US Data & Reporting Total		46,816	187,531	79,909	314,255
US Procurement Consolidated	Base Labor	151,969	614,474	261,177	1,027,620
	Consultants	3,977	16,069	6,835	26,881
	Contractors	17,981	72,646	30,908	121,535
	Employee Expenses	1,202	4,984	2,211	8,398
	Materials	51	207	88	346
	Other Expenses	14,828	60,301	25,634	100,762
US Procurement Consolidated Total		190,009	768,681	326,853	1,285,543
Grand Total		11,766,693	69,120,816	43,044,333	123,931,842

National Grid USA and The Narragansett Electric Company
AG 1-17

Request:

Applicants, please identify your collection practices and the steps you take with ratepayers to address financial and medical hardships and inability to pay. PPL please explain how you plan to apply or not apply all or some of your current practices in Rhode Island.

Response:

During the non-moratorium months, The Narragansett Electric Company’s (“Narragansett”) standard customers (i.e., non-protected, non-elderly, non-handicapped, and non-seriously ill) are subject to the following collection treatment timeline. Accounts with overdue balances greater than \$50 enter the collections process approximately 29 calendar days after the bill date. In an effort to obtain payment and avoid initiating collection treatment, Narragansett reaches out to the customer of record by means of an outbound reminder call that is placed approximately 27 calendar days after the bill date. After an account has entered the collections process, it is assigned to a Strategy Group based upon its Experian Portfolio Management Package (“PMP”) behavioral score. The Strategy Group assigned to the account determines the timing of all collection treatment up to and including the issuance of a termination notice, as shown in the table below. Please note that accounts identified as low risk by their PMP score are assigned to Strategy Groups such as T and Z, which have more lenient collection treatment paths that do not include a termination notice. Accounts identified as high risk by their PMP score are assigned to Strategy Groups such as W, which has a more rigorous collection treatment path that does not include a Call File.

The Narragansett Electric Company Residential – Timing of Collection Treatment		
<u>Strategy Group(s)</u>	<u>Action</u>	<u>Business Days</u>
L & X	Issue to Call File	5
	Termination Notice	8-10
	Post Termination Notice Call	14-17
	Field Selection Process Begins	21-23
M & Q	Issue to Call File	7
	Termination Notice	11-13
	Post Termination Notice Call	17-20
	Field Selection Process Begins	24-26

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
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The Narragansett Electric Company Residential – Timing of Collection Treatment		
Strategy Group(s)	Action	Business Days
N & R	Issue to Call File	1
	Termination Notice	14-16
	Post Termination Notice Call	20-23
	Field Selection Process Begins	27-29
O & V	Issue to Call File	1
	Termination Notice	8-10
	Post Termination Notice Call	14-17
	Field Selection Process Begins	21-23
P & W	Termination Notice	3
	Post Termination Notice Call	9-10
	Field Selection Process Begins	22-23
S	Issue to Call File	15
	Termination Notice	18-20
	Post Termination Notice Call	24-27
	Field Selection Process Begins	31-33
T	Issue to Call File	22
U	Issue to Call File	10
	Termination Notice	14-16
	Post Termination Notice Call	20-23
	Field Selection Process Begins	27-29
Y	Issue to Call File	15
	Termination Notice	21-23
	Post Termination Notice Call	27-30
	Field Selection Process Begins	34-36
Z	Issue to Call File	17

The term “Business Days” refers to the number of business days that elapse between the date on which an account enters the collection process and the date(s) on which its collection treatment actions occur. For example, accounts in Strategy Groups N and R enter the collections process approximately 29 calendar days after the bill date if their overdue balance is greater than \$50. One business day later, they are placed into what Narragansett refers to as a “Call File,” which means that they are scheduled for a series of outbound reminder calls. These accounts are issued a termination notice 14 to 16 days after entering the collections process. The range of days provided for the issuance of a termination notice is due to the fact that accounts can remain in the Call File for as little as one and as many as three business days, depending on how successful Narragansett is at reaching the customer. If the customer cannot be reached on the first attempt, the Call File will attempt up to three calls per day for up to three business days, leaving a voice mail message – if possible – on the third attempt each day. If the customer is reached but does not make sufficient payment or enter into a payment agreement, then Narragansett will issue a termination notice according to the schedule above. If the customer makes sufficient payment or enters into a payment agreement, then a termination notice will not issue and the customer’s

account will be removed from the collections process. Additional outbound calls are made six and seven business days after the issuance of a termination notice, and the field selection process begins 13 business days after the issuance of a termination notice. After an account is in the field selection process, it can be scheduled for termination of service as soon as the following business day. Termination of service to residential accounts occurs on Mondays through Thursdays. If a customer's service has not been reconnected by the seventh calendar day following the termination, their account will be closed – as of the termination date – and a final bill generated.

Rhode Island Arrearage Management Program:

Narragansett offers the Arrearage Management Program (“AMP”) payment agreement available to all eligible low-income Rhode Island residential customers whose service had already been cut-off or who are at risk of termination, pursuant to R.I. Gen. Laws § 39-2-1(d)(2) and Narragansett's gas and electric tariffs, RIPUC NG-GAS No. 101B and RIPUC No. 2239, respectively. The AMP payment agreement also applies to a customer moving to a new residence where the previous account was either cut-off for non-payment or had an active termination notice, even if the previous account has already been written off.

Residential Account Management:

Narragansett implemented Residential Account Management (“RAM”) on active residential accounts with arrears of \$5,000 or greater. The RAM program involves review of the accounts that meet the criteria and initiation of manual outbound calls and email correspondence in an effort to resolve arrears.

Outbound Calling:

Narragansett implemented a strategy of manually generated call files called as live agent “ad hoc” campaigns. These included the following:

- Nonsufficient Funds Campaign: Calls are made to customers who have had more than one returned check posted to their account over the life of their account and who have not replaced the payment.
- Promise to Pay Campaign: Calls are made to customers who have previously made promises to make payment, but have not followed through on that commitment.

Targeted Arrears Campaign: Contacts customers who have an arrears balance greater than or equal to \$50, but less than or equal to \$5,000, and have made at least two customer payments over the last 12 months.

- Defaulting Budget Campaign: Calls are made to customers whose next collection action is the default of their budget billing plan.
- Current Bill Reminder: Calls are made to residential customers whose accounts are about to be placed into collections because no payment was received by the due date printed on the bill.

The following is a description of the protections and hardship programs offered by Narragansett to address customer financial and medical hardships.

Protected Status Customers:

Serious Illness Protection:

The Rhode Island Public Utilities Commission Rules and Regulations Governing the Termination of Residential Electric, Gas, and Water Utility Service (the "PUC Termination Rules") state that where a residential customer is identified as having a serious illness, the customer must provide supporting documentation for the protection. The customer's licensed physician must complete the Serious Illness Protection form. For additional information, please see the PUC Termination Rules at 810-RICR-10-00-1.2(A)(8) and 810-RICR-10-00-1.4(B). Currently, Narragansett has suspended collections activity for any new or existing Serious Illness accounts.

Handicapped Protection:

The PUC Termination Rules state that where a residential customer is identified as handicapped, the customer must provide supporting documentation for the protection. In addition to a notarized affidavit (Handicapped Protection form), the customer can provide a completed Licensed Physician/Nurse Practitioner section of the Handicapped Protection form or their Award Letter for proof of receiving Social Security Disability Insurance ("SSDI") or Supplemental Security Income ("SSI") (Award Letter dated within the past three months). After the Handicapped Protection form(s) are completed, received, and approved by Narragansett, the customer will receive a Handicapped or Low Income/Handicapped Collection Special Handling Type code on their account(s) that protects the customer from the normal non-moratorium termination process. If such a customer falls into arrears, Narragansett would need to petition the Rhode Island Division of Public Utilities and Carriers ("Division") for approval to terminate the customer's service during the non-moratorium period. For additional information, please see the PUC Termination Rules at 810-RICR-10-00-1.4(K).

Elderly Protection:

The PUC Termination Rules state that in order to obtain Elderly protection, all adult members of household must be 62 years of age or older. An Elderly Protection form and proof of age is required from all members of the household, including the account holder. After the Elderly Protection form(s) are completed, received, and approved by Narragansett, the customer will receive an Elderly Visually Impaired Disabled or Energy Assistance Program Elderly Visually Impaired Disabled Collection Special Handling Type code on their account(s) that protects the customer from the normal non-moratorium termination process. If such a customer falls into arrears, Narragansett would need to petition the Division for approval to terminate the customer's service during the non-moratorium period. For additional information, please see the PUC Termination Rules at 810-RICR-10-00-1.4(K).

Infant and Hardship Protection:

The PUC Termination Rules state that to qualify for the Infant and Hardship protection, the customer must submit a birth certificate for the child under two years old or other verifiable documentation along with the Financial Hardship form and substantiate that a financial hardship exists (e.g., most recent tax return, Form W-2 for all household members, most recent three months of paystubs for all household members, or SSDI/SSI award letter dated within the last year). After a customer is approved for Infant protection, they will receive an Infant Hardship suspend code that protects their account(s) from termination until the claimed child's second birthday. For additional information, please see the PUC Termination Rules at 810-RICR-10-00-1.2(A)(5)(e) and 810-RICR-10-00-1.4(L).

Unemployed Protection:

The PUC Termination Rules state that an unemployed customer must demonstrate, through verification by the Department of Labor and Training, that the customer is currently receiving unemployment compensation. The Unemployed Protection allows the customer to activate a protected status payment plan and protects the customer from termination during the moratorium period (November 1 through April 15 and any extensions); however, the unemployed protection does not protect a customer from termination during the non-moratorium period if the account is past due. For additional information, please see the PUC Termination Rules at 810-RICR-10-00-1.2(A)(5)(a) and 810-RICR-10-00-1.4(G).

Low Income Home Energy Assistance Program ("LIHEAP") Protection:

LIHEAP recipients are considered Protected Status Customers under the PUC Termination Rules and are protected from termination during the moratorium period.

Other Hardship Programs:

Financial Hardship:

The PUC Termination Rules state a customer must annually affirm in writing that their family or group income is at or below the annual or quarterly gross income levels established for financial hardship. The customer must provide a completed Financial Hardship form and proof of their financial hardship (e.g., tax returns, three months of pay stubs, or SSDI/SSI award letter dated within the last year). The Financial Hardship category allows the customer to activate a Protected Customer Payment Plan, as defined in the PUC Termination Rules; however, this category does not protect a customer from termination. For additional information, please see the PUC Termination Rules at 810-RICR-10-00-1.2(A)(5)(f) and 810-RICR-10-00-1.2(A)(7), among other sections.

Low Income Eligibility

Narragansett provides additional Low Income protections to customers who meet the qualifications set forth below. A 25 percent discount on Narragansett electric and natural gas bills are provided to these qualified customers.

- They are the head of the household or principal wage earner;
- They are presently receiving Supplemental Security Income (SSI)
- They receive assistance from the Supplemental Nutritional Assistance Program (“SNAP”);
- They are eligible for the Low Income Home Energy Assistance Program (“LIHEAP”); and
- They send in proof of benefits; acceptable forms of proof include:
 - Program I.D. card; or
 - Copy of the certifying agency's acceptance letter.
 - Customers can also be automatically enrolled on the Low Income discount rate through a process between Narragansett and the Rhode Island Department of Human Services that verifies customer enrollment in certain qualified benefit programs.

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In addition, customers receiving benefits through the following programs receive an additional 5 percent discount, for a total 30 percent discount on Narragansett electric and natural gas bills:

- Medicaid;
- General Public Assistance; and
- Rhode Island Works Program, formally known as Family Independence Program ("FIP").

Please refer to PPL Corporation and PPL Rhode Island Holdings, LLC's response to Data Request AG 1-17 for how it plans to apply or not apply all or some of its current practices in Rhode Island.

National Grid USA and The Narragansett Electric Company
AG 1-18

Request:

Please summarize Narragansett Electric's programs for low-income customer assistance and provide reference to plan documents as available. Please indicate whether PPL has any plans to modify those programs.

Response:

Below is a brief summary and references to documents and additional information for each of The Narragansett Electric Company's ("Narragansett") low-income customer assistance programs, including programs that are offered directly by Narragansett and those offered by other State of Rhode Island or community energy assistance programs. More detailed information on low-income customer assistance programs can also be found in Attachment NG-AG 1-18, National Grid USA's May 2021 customer assistance webinars for Rhode Island in English and Spanish.

Please see PPL Corporation and PPL Rhode Island Holdings, LLC's (collectively, "PPL") response to Data Request AG 1-18 for whether PPL has any plans to modify these programs.

Narragansett-administered Programs:

Discounted Low-Income (A-60) Rates

Qualified customers are eligible for a discounted rate on Narragansett's gas and/or electric bill(s).

To receive a 25 percent discount, a customer must:

- Receive Supplemental Nutrition Assistance Program benefits ("SNAP," formerly referred to as food stamps);
- Receive Supplemental Security Income ("SSI") from the Social Security Administration; or
- Qualify for Fuel Assistance/the Low Income Home Energy Assistance Program ("LIHEAP").

To qualify for a 30 percent discount, a customer must be enrolled in:

- Medicaid;
- Rhode Island Works Program (TANF, formerly the Family Independence Program); or
- General Public Assistance ("GPA").

Additional information can be found at:

<https://www.nationalgridus.com/RI-Home/Bill-Help/Discount-Rates> or
https://www.nationalgridus.com/media/pdfs/billing-payments/tariffs/ri/a60_ripuc_2225.pdf.

Arrearage Management Program (“AMP”)

Customers with an account balance of at least \$300 that is more than 60 days past due, and who are eligible for LIHEAP and are enrolled on Narragansett's Low-Income Rate (A-60) are eligible for the AMP. If the customer makes their monthly budget payments on time, a portion of their past-due amount is forgiven, up to \$1,500 per year. Narragansett offers the AMP pursuant to R.I. Gen. Laws § 39-2-1(d)(2) and Narragansett's gas and electric tariffs, RIPUC NG-GAS No. 101B and RIPUC No. 2239, respectively.

Additional information can be found at:

<https://www.nationalgridus.com/RI-Home/Bill-Help/Forgiveness-Program>.

Payment Agreements

Payment agreements give customers options to pay their overdue balances. Narragansett is providing flexible payment agreements to customers because of the COVID-19 pandemic. Narragansett also provides “Step” Payment Agreements to give protected and non-protected customers with active or disconnected services clear down payment and installment plans, depending on the total amount due and low-income status.

Additional information can be found at:

<https://www.nationalgridus.com/RI-Home/Bill-Help/more-time-to-pay>.

Energy Efficiency and Demand Response Programs

Narragansett offers energy efficiency and demand response products and services to help customers reduce their energy use and save money. Specific products and services include home energy assessments, a demand response program, and upgrades such as electric and gas energy saving devices and appliances, water conservation materials, and weatherization (including insulation, weather-stripping, and air sealing). Customers on the Low-Income Rate (A-60) can receive these products and services at no-cost.

Additional information can be found at:

<https://www.nationalgridus.com/RI-Home/Energy-Saving-Programs/> or
<http://www.ripuc.ri.gov/eventsactions/docket/5189page.html>.

Budget Billing

Customers can enroll in a budget billing plan that spreads projected annual energy costs into balanced monthly payments. Customers enrolled in a budget billing plan still pay the same amount over the course of a year, but the plan helps make payments more predictable, so customers can anticipate their monthly energy costs better. Budget plans are reviewed and adjusted regularly based on the customer's actual usage and energy costs.

Additional information can be found at:

<https://www.nationalgridus.com/RI-Home/Bill-Help/Budget-Billing>.

Convenient Payment Options

Narragansett offers multiple ways for customers to pay their energy bills, including payments received through the mail or phone; payments collected at in-person locations through authorized, no fee third-party agents; recurring or direct electronic payments from a customer's bank account; and payments made directly through a customer's banking institution.

Additional information can be found at:

<https://www.nationalgridus.com/RI-Home/Billing-Payments/Ways-to-Pay>.

Customer Advocacy

Customers having issues paying their bills are encouraged to connect with a Customer Advocate who can help customers identify the best solutions to manage their energy costs.

Additional information can be found at:

<https://www.nationalgridus.com/RI-Home/Bill-Help/Meet-With-a-Customer-Advocate>.

Protections for Eligible Customers

Protection from disconnection of service due to non-payment is available for those households experiencing financial hardship with infants, seriously ill, handicapped, unemployed and/or elderly residents. Protected customers are still responsible for paying bills issued during the time their account is protected and are encouraged to make payments, enter into payment agreements, or enroll in the AMP. Please see National Grid USA and Narragansett's response to Data Request AG 1-17 for further information regarding protections for eligible customers.

Additional information can be found at:

<https://www.nationalgridus.com/RI-Home/Bill-Help/Shut-Off-Protections>.

Other State of Rhode Island and Community Customer Assistance Programs:

Low Income Home Energy Assistance Program ("LIHEAP")

This federally funded program helps low-income households pay their energy bills. In Rhode Island, these funds are administered by the Rhode Island Department of Human Services and are delivered through local Community Action Programs. To be eligible for LIHEAP, a customer's household income must be at or below 60 percent of the state median income. Narragansett promotes the LIHEAP, makes customer referrals, and enables the direct payment of a LIHEAP award to a customer's bill. Customers receiving LIHEAP are also given LIHEAP Enhancement Plan assistance, which provides additional funding for customer's bills.

Additional information can be found at:

<https://www.nationalgridus.com/RI-Home/Bill-Help/Grant-Programs> or
<https://dhs.ri.gov/programs-and-services/energy-assistance-programs/low-income-home-energy-assistance-program-liheap>.

Rhode Island Good Neighbor Energy Fund

The Rhode Island Good Neighbor Energy Fund is administered by the United Way and is available to Rhode Island residents who are in a temporary financial crisis but may not necessarily be eligible for LIHEAP. Narragansett promotes the program, makes customer referrals, and enables the direct payment of assistance to a customer's bill.

Additional information can be found at:

<https://www.nationalgridus.com/RI-Home/Bill-Help/Grant-Programs> or
<https://www.unitedwayri.org/gnef/>.

RentReliefRI

RentReliefRI leverages funds from the federal Emergency Rental Assistance Program to help income-qualified renters with past-due and/or overdue utility bills. Renters applying for assistance may earn up to 80 percent of area median income and must have qualified for unemployment benefits or have experienced a reduction in household income, incurred significant costs, or experienced financial hardship due to COVID-19. Narragansett promotes the program to customers, makes customer referrals, and enables the direct payment of program awards to customer's bills.

Additional information can be found at:

<https://www.rihousing.com/rentreliefri/>.

Solutions to Help with Your Energy Bill

Rhode Island Webinar
May 19, 2021

nationalgrid



Today's Presenters

Damaris Dominguez, National Grid's Lead
Customer Advocate in New England.



Thank you for joining us.

Today's Presenters

National Grid's New England Customer Advocates:



Carlos Andrade

Service Areas Covered:

Coventry, E. Greenwich, Warwick, W. Warwick, Charlestown, Exeter, Hopkinton, Narraganset, New Shoreham, N. Kingstown, Richmond, S. Kingstown, W. Greenwich, Westerly, Burrillville, Gloucester, Smithfield, N. Providence



Samantha Perez

Service Areas Covered:

Providence, Central Falls, Cumberland, Lincoln, N. Smithfield, Pawtucket, Woonsocket



Nick Rose

Service Areas Covered:

Barrington, Bristol, E. Providence, Jamestown, Little Compton, Middleton, Newport, Portsmouth, Tiverton, Warren, Cranston, Foster, Scituate

You can reach a Customer Advocate via email at consumeradvocatesne@nationalgrid.com

Whenever You Need It, We Can Help

In these difficult times with COVID-19, you may be facing new and unexpected challenges. Help and support are available, even if you've never qualified before.

Today, you'll learn more about:

- COVID-19 Utility Updates
- Discount Rate
- Billing & Payment Plans
- Heating Assistance/HEAP
- Energy Efficiency Solutions
- Service Disconnection & Protection
- New Service Information
- Important Contacts



Poll #1

Have you been financially impacted
by the COVID-19 pandemic?

Yes

No



COVID-19 Updates

Assistance During COVID-19

National Grid is offering special programs and services to assist customers during the pandemic:

- Suspended service disconnections/shut-offs for nonpayment. Following a year-long pause due to the COVID-19 pandemic, our disconnection activities for non-payment will resume on June 28, 2021.
- Offered flexible payment plans – with no down payment and agreements up to 12 months.



National Grid's Response to COVID-19

To support everyone affected during this COVID-19 crisis, we have taken action to:

- Keep our employees – and you – safe
- Offer no-cost remote home energy assessments over the phone (in addition to in-home)
- Reach out to customers to make you aware through various channels of ways to manage energy bills, take advantage of various billing and payment options, and provide information on financial assistance and energy savings programs through:
 - E-mail
 - Outbound calling
 - Traditional and social media advertisements
 - Webinars like this one
- We committed more than \$1 million across Massachusetts, Rhode Island, and New York to help support hunger relief and human services



Discount Rate

Discount Rate

You could be eligible for a discount of up to 30% off your monthly energy bills if you receive a qualifying benefit.

You can qualify based on any of these criteria:

25% Discount Rate	30% Discount Rate
Home Energy Assistance Program (HEAP/Heating Assistance)	Medicaid
Food Stamps/SNAP	RI Works Program
Supplemental Security Income (SSI)	General Public Assistance

How to Enroll on the Discount Rate

Automatic Enrollment

HEAP Agencies share eligibility files with utilities throughout the heating season

How to Enroll

If you receive a benefit other than HEAP, information can be sent along with your account number(s) to:

- E-Mail: discount@nationalgrid.com
- Website: www.ngrid.com/ridiscount
- Fax: 1-877-388-9077
- Mail: PO Box 960, Northborough, MA 01532

You will be asked to provide a copy of your benefits program ID card or your certifying agency's acceptance letter.

Apply online for the discount rate at ngrid.com/ridiscount

Need to Apply for a Qualifying Benefit?

Have you not received one of the qualifying benefits yet? Based on the household income and household size chart below, you could be eligible for the discount rate if you apply for the Home Energy Assistance Program (HEAP), also known as Heating Assistance. **Act quickly – applications are accepted through May 28, 2021.**

Household Size	Monthly Pre-Tax Household Income	Annual Pre-Tax Household Income
1 person	≤ \$2,689	≤ \$32,265
2 people	≤ \$3,516	≤ \$42,193
3 people	≤ \$4,343	≤ \$52,120
4 people	≤ \$5,171	≤ \$62,048
5 people	≤ \$5,998	≤ \$71,976
6 people	≤ \$6,825	≤ \$81,903
7 people	≤ \$6,980	≤ \$83,765
8 people	≤ \$7,136	≤ \$85,626

The HEAP/Heating Assistance program helps income-eligible households pay their energy bills through federal grants issued to their utility company. **We'll discuss this program more later in our presentation.**

- Call 1-401-921-4968
- Visit www.ngrid.com/ri-cap to find your local Community Action Agency



Billing & Payment Plans

- **Budget
Plan/Balanced Billing**
- **Payment Plans**
- **Forgiveness Program**
- **Ways to Pay**



Budget Plan/Balanced Billing

- Customers who are current on their utility bill can enroll in a Budget Plan to level payments over a 12 month period – removing highs and lows from month to month. No more surprise high bills!
- Based on your past 12 months of usage history, we divide your annual energy costs into twelve balanced monthly payments, so you pay a relatively set amount monthly.
- Helps offset the traditionally high winter heating and summer air conditioning peak bills.
- Makes it easier to anticipate your monthly energy costs and plan your household budget.
- The budget may adjust up or down every few months depending on actual energy usage.
- Before the end of 12 months, the difference between the actual energy costs and the budget amount will be billed or credited to you

Enroll online at:

<https://www.nationalgridus.com/RI-Home/Bill-Help/Budget-Billing>

Payment Plans – Business As Usual

Payment plans allow you to pay your overdue balance in monthly installments over a minimum of three (3) months.

- The plan offered depends if the account is deemed protected or non-protected and if the account is Active (service is on) or Shut Off.
- You will not be at risk for service termination while you are active on a payment plan.

Here's how a basic plan works:

- Your current account balance is divided from 3 to 12 even payments
- Equal installments are added to your future bills over the next 3 to 12 months

You can enroll in our basic payment plan online at nationalgridus.com/RI-Home/Bill-Help/more-time-to-pay

Payment Plans – During COVID-19

Due to the pandemic, we have expanded payment plan offerings for more flexibility. You have two payment agreement options available and should choose the one that best suits your needs:

1. COVID Payment Plan:

- **Down Payment:** \$0
- **Installment:** 12 months
- **Enroll online** at <https://www.nationalgridus.com/RI-Home/Bill-Help/more-time-to-pay>

2. RI Emergency Payment Plan:

- Account balance less than \$1,000:
 - **Down Payment:** 10% of total balance due
 - **Installment:** 18 months
- Account balance between \$1,000 and \$2,499.99:
 - **Down Payment:** 10% of total balance due
 - **Installment:** 24 months
- Account balance of \$2,500 or more:
 - **Down Payment:** 10% of total balance due
 - **Installment:** 36 months

A custom payment plan may be for you if:

- You're currently enrolled in a payment plan and unable to make your monthly payment, or
- You're financially impacted by the COVID-19 pandemic and you're struggling to pay your bill

You can enroll in a custom payment plan over the phone:

- RI Electric: 1-800-322-3223
- RI Gas: 1-800-870-1664

The Forgiveness Program

- Are you income eligible for the Home Energy Assistance Program (HEAP)?
- Do you owe more than \$300 and you're more than 60 days past due?

If so, you may be eligible for the Forgiveness Program:

- Helps eliminate the outstanding balance.
- A portion of your past due balance is eliminated, or “forgiven.”

How do you qualify for the Forgiveness Program?

- A past-due balance of at least \$300, 60+ days past due.
- You are shut off for non-payment or have an active disconnect notice (during the winter moratorium a manual notice will be sent).
- Cannot be enrolled with a supplier.
- HEAP eligible within the past 12 months.
- If a past participant in the Forgiveness Program, cannot enroll again from 2 years of default date.

Here's How the Forgiveness Program Works

- A monthly payment amount is determined based on the average energy usage in the past 12 months.
- This amount may increase or decrease if usage changes.
- With each on-time monthly payment, the account is credited with an amount calculated as the total past-due balance divided by 12.
 - 1/12th of the enrollment balance is eliminated or forgiven each month
 - Up to \$1,500 can be forgiven annually
- If the balance is **more** than \$1,500, the plan may be extended an additional 12 months at your request
 - You have until the due date of the 13th month bill to contact National Grid for an extension
- If your balance would take several years to fully forgive the balance, you **MUST** contact the company at the end of each 12 month period to extend the plan.

**To enroll, please call:
1-888-211-1313**

Ways to Pay

Online (using a bank account, debit or credit card)	NationalGridUS.com
By Phone (using the SpeedPay automated system)	1-800-322-3223 <i>(fees may apply)</i>
U.S. Mail (via check or money order)	National Grid P.O. Box 11742 Newark, NJ 07101-4742
In Person	Visit an authorized third-party bill payment agency who accepts National Grid bill payments https://www.nationalgridus.com/ RI-Home/Billing-Payments/Payment-Locations

Poll #2

Based on what you learned so far in this webinar,
are you going to apply for any of the options presented
to help you pay your energy bill?

- Yes, the discount rate
- Yes, budget billing
- Yes, a payment plan
- Yes, the Forgiveness Program
- No



Heating Assistance/ HEAP

Heating Assistance

How does Heating Assistance help our customers?

- Heating Assistance, also known as the Home Energy Assistance Program (HEAP) provides critical home heating help to millions of American families.
- The Federal Reserve found that nearly half of American families struggle to pay for an emergency expense costing \$400.
- HEAP frequently meets those exact short-term emergencies and can be a difference between making ends meet.

How does Heating Assistance reach our company and where does the money apply?

- Each agency sends payments and electronic files to the utility companies with the qualified customers receiving a HEAP grant.
- The HEAP grant is applied to your heating source.
- Your account will be credited with the grant amount and the discount rate will be applied.

Heating Assistance Income Guidelines

Based on the household income and household size chart below, you could be eligible if you apply for the Home Energy Assistance Program (HEAP), also known as Heating Assistance. Eligibility is now based on household income over the past month, so if you were recently unemployed or furloughed, you may be newly eligible for HEAP. **Act quickly – Applications are accepted through May 28, 2021** for this past winter. The program will reopen on September 1 for next winter.

Household Size	Monthly Pre-Tax Household Income	Annual Pre-Tax Household Income
1 person	≤ \$2,689	≤ \$32,265
2 people	≤ \$3,516	≤ \$42,193
3 people	≤ \$4,343	≤ \$52,120
4 people	≤ \$5,171	≤ \$62,048
5 people	≤ \$5,998	≤ \$71,976
6 people	≤ \$6,825	≤ \$81,903
7 people	≤ \$6,980	≤ \$83,765
8 people	≤ \$7,136	≤ \$85,626
9 people	≤ \$7,291	< \$87,488
10 people	≤ \$7,446	≤ \$89,349

Learn More:

Call 1-401-921-4968 or visit www.ngrid.com/ri-cap to find your local Community Action Agency or refer to the next slide

Community Action Agencies

Name	Phone Number	Communities Served
<u>Blackstone Valley Community Action Program</u>	401-723-0227	Central Falls, Cumberland, Lincoln, Pawtucket
<u>Community Action Partnership of Providence</u>	401-273-2000	Providence
<u>Community Care Alliance</u>	401-235-6000	Woonsocket
<u>Comprehensive Community Action</u>	401-467-7013	Coventry, Cranston, Foster, Scituate
<u>East Bay Community Action - Lower Bay Region</u>	401-437-5102	Jamestown, Little Compton, Middletown, Newport, Portsmouth, Tiverton
<u>East Bay Community Action - Upper Bay Region</u>	401-437-5102	Barrington, Bristol, East Providence, Warren
<u>Tri-County Community Action Agency - Northern Region</u>	401-351-2750	Burrillville, Glocester, Johnston, North Providence, North Smithfield, Smithfield
<u>Tri-County Community Action Agency - Southern Region</u>	401-789-3016	Charlestown, Exeter, Hopkinton, Narragansett, New Shoreham, North Kingstown, Richmond, South Kingstown, Westerly, West Greenwich
<u>Westbay Community Action Partnership</u>	401-732-4660	East Greenwich, Warwick, West Warwick



Rent Relief RI

Rent Relief RI

- Rent Relief RI leverages funds from the federal Emergency Rental Assistance Program (ERAP) and helps income-eligible renters with past-due rent and/or overdue utility bills. You may apply for help with paying for utilities even if you do not need help paying for rent.
- Renters applying for assistance may earn up to 80% of Area Median Income (AMI). You must have qualified for unemployment benefits or have experienced a reduction in household income, incurred significant costs, OR experienced other financial hardship due, directly or indirectly, to COVID-19.
- The Program can pay for rent and utilities owed back to April 1, 2020. The program can also cover the security deposit and up to three months of upcoming rent. Applicants are eligible for up to a total of 12 months of assistance.
- Applications are accepted through RIHousing via an online portal at www.RentReliefRI.com.
- When you apply, you will have to document your income, housing, and other household information.

Visit www.RentReliefRI.com or call 1-855-608-8756 to learn more.



Energy Efficiency Solutions

Income Eligible Energy Efficiency Program: 1 – 4 Unit Homes

This no-cost program helps make your home more comfortable, healthy, and affordable.

If you are on the discount rate and live in a 1-4 unit home, you may be eligible to participate in this program (whether you own or rent your home).

- It starts with a no-cost home energy assessment – your choice of remotely over the phone or in-home.
- You will be provided with no-cost instant energy savings products, like LED light bulbs and low-flow showerheads.
- Follow-up appointments for other no-cost upgrades may include:
 - Replacement of your heating system
 - Attic and wall insulation, weather stripping, and air sealing of leaks
 - A replacement refrigerator, freezer, clothes washer, dehumidifier and/or window air conditioner if your current appliances are inefficient

**To schedule your assessment:
Call 1-401-351-1800 or visit www.ngrid.com/ri-income**

Income Eligible Energy Efficiency Program: 5+ Unit Homes

- Multi-family homes with 5+ units where 50% or more of the tenants are income eligible can apply for assistance to improve the energy usage of their buildings.
- An expert will complete a Building Assessment to determine how we can help improve the energy efficiency of the property.
- The program installs approved, cost-effective energy efficiency upgrades at no-cost.
- The program is designed for multi-family building owners and operators of low income and affordable housing.

**Please have your landlord or condo association
call 1-888-633-7947 to learn more.**

Poll #3

Have you received an energy efficiency or weatherization assessment of your home in the past 3 years?

- Yes
- No
- I'm not sure



Service Disconnection and Protections

Service Disconnection

- Business as usual resumes on June 28, 2021 after a year long pause due to the COVID-19 pandemic.
- During business as usual, customers with past-due balances who are not enrolled and up-to-date on a payment plan, qualifying program, or protection may be disconnected for non-payment.
- The utility company will send the customer a "final notice of termination" 72 hours prior to actual termination. This notice is only good for 14 days.
- The utility company will send a technician to the home to disconnect service.
- Companies can only terminate service to residential customers Monday through Thursday, 8 a.m. to 4 p.m.
- Service will not be disconnected for non-payment on a:
 - Friday
 - The day before a legal holiday
 - On a legal holiday
 - Or when determined by the RI Division of Public Utilities ("RIDPUC")

Protections from Disconnect

Protection from disconnection of service for non-payment may be available for customers with financial hardship and specific household circumstances such as:

- Medical
- Infant
- Elderly
- Winter Protection

Protected customers are still responsible for their usage and utility bill.

We encourage these customers to make a payment, enroll in a payment plan, or apply for the Forgiveness Program.

Financial Hardship Protection

- If you are experiencing a financial hardship can qualify for a protected status payment plan.
- You must provide a completed [Financial Hardship Form](#) and proof of your financial hardship such as:
 - Tax returns
 - 3 months of pay stubs
 - Social Security Disability Insurance (SSDI) or Supplemental Security Income (SSI) award letter dated within the last year
- Financial Hardship alone will not protect the account from termination.

Learn More:

Call Customer Service for a copy of a financial hardship statement form at **1-800-322-3223** or download one [online](#).

Handicapped Protection

- If a customer of record or a member of their household is identified as handicapped, the customer must provide supporting documentation for the protection.
 - Must complete the [Handicapped Protection Form](#)
 - Must complete the Licensed Physician/Nurse Practitioner section of the form or their Award Letter for proof of receiving Social Security Disability Insurance (SSDI) or Supplemental Security Income (SSI); the award letter must be dated within the past 3 months
 - Must be notarized
 - Must recertify protection annually
- Account can be petitioned with the RIDPUC for termination during non-moratorium.

Learn More:

Call Customer Service to apply for a protection at **1-800-322-3223**

Serious Illness Protection

- If a customer of record or a member of their household is identified as having a serious illness, the customer must provide supporting documentation for the protection.
 - Must have their licensed physician complete the [Serious Illness Form](#)
 - Protection valid for three (3) weeks
 - If the customer wants to extend the protection, they **MUST** request a review/hearing with the RIDPUC

Learn More:

Call Customer Service to apply for a protection at **1-800-322-3223**

Infant Protection

- If a customer of record has a child under the age of two (2) years old living in the home, the customer must provide a copy of the child's birth certificate or other proof of age along with a financial hardship form.
 - Must provide a valid birth certificate issued by city or state OR other verifiable (i.e. hospital or physician) documentation to validate the person is under the age of two (2) years
 - Documentation to establish where the child is living. A copy of the parent's driver license showing the customer's address is sufficient.
 - Court orders are required if someone other than the mother or father claims the infant is living with them.
 - Completed Financial Hardship Form along with supporting documentation such as tax returns, 3 months of pay stubs, Social Security Disability Insurance (SSDI) or Supplemental Security Income (SSI) award letter, etc.
- The account will be protected from termination while the protection is active.

Learn More:

Call Customer Service to apply for a protection at **1-800-322-3223**

Elderly Protection

Available when ALL members of the household are 62 years of age or older

To certify for Elderly Protection only:

- Must complete [Elderly Form](#)
- Must provide proof of age such as ID, birth certificate, Passport, Medicare card, etc.
- Does not have to prove financial hardship
- Must recertify for the protection annually

Learn More:

Call Customer Service to apply for a protection at **1-800-322-3223**

Helpful Tips for Protected Customers

- Elderly customers can elect to have a third party designated to receive copies of past due bills and notices. The third party is not financially responsible for the account balances.
 - You can call Customer Service at **1-800-322-3223** to enroll in Third Party Notifications.
- We encourage protected customers to make a payment, enroll in a payment plan, or sign-up for the Forgiveness Program.

Scam Awareness

With utility billing and payment scams resurfacing, it's always a good idea to stay alert. Keep these tips in mind—and share them with others.

On Your Phone:

Scammers have become increasingly sophisticated in replicating our recorded messages, making it difficult to identify an imposter's call. Remember, the call is likely a scam if the caller:

- Threatens you with immediate service termination (this is not our procedure)
- Seeks payment when you are current on your account
- Does not know your account number and is fishing for personal or financial information
- Demands immediate payment by wire transfer, Green Dot Money-Pak or other prepaid card (we do not take payments through these cards)
- Is someone you cannot identify

At Your Door:

National Grid employees and contractors carry photo ID cards. If someone requests entry to your home or business and does not show a photo ID card, do NOT let that person in.

Scam Awareness

Protect yourself and the ones you love.



On Your Phone:

Do not give your account information to anyone who calls and asks for it.

Remember: National Grid knows your account number.

If you are uncertain if you are going to be shut off, hang up and call National Grid **1-800-322-3223** (electric) or **1-800-870-1664** (gas). The agent will be able to look up your information and advise you of your options.

At Your Door:

Again National Grid knows your account number. Our Field Staff have no need to look at your bill, so if someone is asking you for your account number or social security number, simply close the door. **If possible get the name of the company and then call your local law enforcement.**

You have rights:

If someone is threatening you with loss of service, or if you are being pushed into switching your service or making a payment immediately to stop a disconnection then please report it.



New Service Information

Transfer of Service and Title 39

A residential customer that is starting service and owes a previous balance can seek to pay at least partial payment on bills from the prior address as a condition of providing new service.

- **If customer has an ACTIVE account and:**
 - Has no active payment plan: Down payment is based on appropriate payment plan step.
 - Has an active and current payment agreement: The balance will be transferred and the payment agreement will be established at the new account.
 - Has an overdue payment agreement: Customer must bring payment plan up to date. Once paid, the balance will be transferred and the payment agreement will be established at the new account.
- **If customer has a final or written-off account:**
 - A 50% down payment will be required. A 3 to 6 month payment plan will be set-up for the balance.
 - If claiming a protection, the down payment can be reduced to 25% of the total balance. A 12 month payment plan will be set-up for the balance.

Under Title 39 (Benefit of Service) customers can be made responsible for a previous balance on an account where it is determined the service was shared by both the previous and new customer. The customer would need to provide Proof of Residency (POR) to dispute the balance that was transferred to their new account.

Competitive Supply

- In Rhode Island, you have the option to choose to buy your electric supply from National Grid (your investor owned utility or “IOU”) or a competitive supply company. Gas Competitive Supply is only available for commercial customers.
- National Grid will directly bill for the delivery and supply of utility service.
- If you elect to purchase your supply of electricity from a competitive third-party supplier, you will still receive one bill directly from National Grid.
- The third-party competitive supplier determines the price for the electric supply.
- You cannot participate in the Forgiveness Program if you are enrolled with an alternate supplier.
- Payments plans and budgets will only apply to the portion of the bill owed to National Grid, not the supplier charges.

National Grid Copy of Supplier Charge

Supply Services

SUPPLIER

PHONE

Electricity Supply	0.1097 x 385 kWh	42.23
Gross Earnings Tax	0.04166667 x 42.23	1.76
Total Supply Services		\$ 43.99

Supply Services

SUPPLIER National Grid

Energy Charge	0.08299 x 846 kWh	70.21
Total Supply Services		\$ 70.21

Competitive Supply (Continued)

- **Stay Alert** – Competitive supply companies often attract customers by offering low introductory rates for the first few months, but then switch customers to more expensive rates that can be twice as expensive (or more) compared with the utility prices.
- Customers who voluntarily signed up with a competitive supplier but now wish to request to end their contact can call the supplier and simply tell them they no longer want their service.
- Customers who were involuntarily switched to a competitive supplier should contact the RIDPUC Consumer Division or the Attorney General’s office to file a complaint.
- Utilities offer a “Do Not Switch” option for customers who do not want to be switched to a competitive supplier.



Contacts

RI Consumer Division

- Rhode Island electric and gas utility companies are regulated by the RIPUC (the Rhode Island Public Utilities Commission).
- The PUC has a Consumer Division that is responsible for responding to and attempting to resolve customer questions or complaints.
- The Consumer Division can be reached by phone at **1-401-780-9700**.

The Office of the Attorney General (AGO)

- The Office of Attorney General's Protection Unit can be reached by phone at **1-401-274-4400** or email at consumers@riag.ri.gov

National Grid Utility Contacts

Program	Contact Information
Forgiveness Program	888-211-1313
Billing/Payment/Budget	800-322-3223
Credit and Collection Payment Arrangements	888-211-1313
Customer Service – Electric	800-322-3223
Customer Service – Gas	800-870-1664
Electric Outages	800-465-1212
Emergency Gas Leak	800-640-1595
Our Website	www.ngrid.com/ridiscount
Customer Advocates	E-mail consumeradvocatesne@nationalgrid.com
Resources	Bill Help Video: www.youtube.com/watch?v=71kZx_0O17Y

Poll #4

How helpful was this webinar?

- Extremely helpful
- Very helpful
- Somewhat helpful
- Not very helpful
- Not at all helpful

Questions?

Thank you!

www.ngrid.com/ridiscount

The logo for National Grid, featuring the word "nationalgrid" in a white, lowercase, sans-serif font. The "n" is lowercase, while "ationalgrid" is lowercase. The "i" in "grid" has a small diamond shape above it. The logo is centered on a solid blue background.

nationalgrid

Soluciones para ayudarlo con su factura de energía

Seminario web de Rhode Island
Miércoles, 19 de Mayo de 2021

nationalgrid



Presentadores de hoy

Damaris Dominguez, defensora principal del cliente de National Grid en Nueva Inglaterra.



Gracias por unirse a nosotros.

Presentadores de hoy

Defensores del cliente de National Grid en Nueva Inglaterra:



Carlos Andrade

Áreas de servicio cubiertas:

Coventry, E. Greenwich, Warwick, W. Warwick, Charlestown, Exeter, Hopkinton, Narraganset, New Shoreham, N. Kingstown, Richmond, S. Kingstown, W. Greenwich, Westerly, Burrillville, Gloucester, Smithfield, N. Providence



Samantha Perez

Áreas de servicio cubiertas:

Providence, Central Falls, Cumberland, Lincoln, N. Smithfield, Pawtucket, Woonsocket



Nick Rose

Áreas de servicio cubiertas:

Barrington, Bristol, E. Providence, Jamestown, Little Compton, Middleton, Newport, Portsmouth, Tiverton, Warren, Cranston, Foster, Scituate

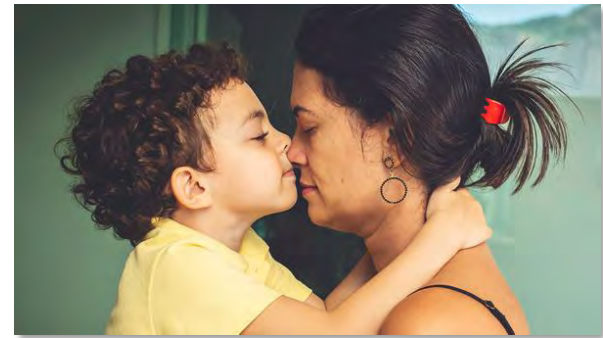
Puede comunicarse con un defensor del cliente por correo electrónico a consumeradvocatesne@nationalgrid.com

Siempre que lo necesite, podemos ayudarlo

En estos tiempos difíciles con COVID-19, es posible que se enfrente a desafíos nuevos e inesperados. La ayuda y el apoyo están disponibles, incluso si nunca ha sido elegible antes.

Hoy, aprenderá más sobre lo siguiente:

- Actualizaciones de servicios públicos durante la COVID-19.
- Tarifa con descuento
- Planes de facturación y pago
- Asistencia de calefacción/HEAP.
- Soluciones de eficiencia energética
- Desconexión y protección del servicio.
- Nueva información de servicio.
- Contactos importantes



Encuesta n.º 1

¿Se ha visto económicamente afectado
por la pandemia de la COVID-19?

Sí.

No.



Actualización sobre la COVID-19

Asistencia durante la COVID-19

National Grid está ofreciendo programas y servicios especiales para ayudar a los clientes durante la pandemia:

- Suspendimos las desconexiones de servicio, incluyendo las notificaciones. Después de una pausa de un año debido a la pandemia de COVID 19, nuestra actividades de desconexión por falta de pago comenzará el 1 de Julio del 2021.
- Ofrecimos planes de pago flexibles, sin anticipo y acuerdos de hasta 12 meses



Respuesta de National Grid ante la COVID-19

Para apoyar a todos los afectados durante esta crisis por la COVID-19, hemos hecho lo siguiente:

- Mantuvimos a nuestros empleados y a usted protegidos.
- Ofrecimos evaluaciones de energía doméstica de forma remota por teléfono (además de en casa).
- Nos contactamos con los clientes para informarles de las formas de manejar las facturas de energía, a través de varios canales para ayudar a los clientes a gestionar las facturas de energía, aprovechar las diversas opciones de facturación y pago, y brindar información sobre asistencia financiera y programas de ahorro de energía a través de:
 - Correo electrónico
 - Llamadas salientes
 - Anuncios en redes sociales y tradicionales
 - Seminarios web como este
- Consignamos más de \$1 millón en Massachusetts, Rhode Island y Nueva York para ayudar a aliviar el hambre y los servicios humanos



**Tarifa
con descuento**

Tarifa con descuento

Podría ser elegible para un descuento de hasta un 30 % en sus facturas de energía mensuales si recibe un beneficio calificado.

Puede calificar según cualquiera de estos criterios:

Tarifa con descuento de 25 %	Tarifa con descuento de 30%
Programa de Asistencia de Energía para el Hogar (HEAP/asistencia de calefacción)	Medicaid
Cupones para alimentos/SNAP	Programa de obras de RI
Ingreso de Seguro Complementario (SSI)	General Public Assistance

Cómo inscribirse para la tarifa con descuento

Inscripción automática

Las agencias del HEAP comparten archivos de elegibilidad con los servicios públicos durante la temporada de calefacción.

Cómo inscribirse

Si recibe un beneficio distinto del HEAP, puede enviar la información junto con sus números de cuenta a:

- Correo electrónico: discount@nationalgrid.com
- Sitio web: www.ngrid.com/ridiscount
- Fax: 1-877-388-9077
- Correo: PO Box 960, Northborough, MA 01532

Se le pedirá que proporcione una copia de su tarjeta de identificación del programa de beneficios o la carta de aceptación de su agencia certificadora.

Inscríbase en línea para la tarifa con descuento en ngrid.com/ridiscount

¿Necesita solicitar un beneficio calificado?

¿Todavía no ha recibido uno de los beneficios calificados? Según el siguiente cuadro de ingresos y tamaño del hogar, podría ser elegible para la tarifa con descuento si solicita el Programa de Asistencia de Energía para el Hogar (HEAP), también conocido como Asistencia de calefacción. **Actúa rápido. Las solicitudes se aceptan hasta el 28 de mayo de 2021.**

Tamaño del hogar	4 semanas antes de impuestos Ingresos del hogar	Anual antes de impuestos Ingresos del hogar
1 persona	≤ \$2,689	≤ \$32,265
2 personas	≤ \$3,516	≤ \$42,193
3 personas	≤ \$4,343	≤ \$52,120
4 personas	≤ \$5,171	≤ \$62,048
5 personas	≤ \$5,998	≤ \$71,976
6 personas	≤ \$6,825	≤ \$81,903
7 personas	≤ \$6,980	≤ \$83,765
8 personas	≤ \$7,136	≤ \$85,626

El programa HEAP/Asistencia de calefacción ayuda a los hogares elegibles por ingresos a pagar sus facturas de energía mediante subvenciones federales otorgadas a su empresa de servicios públicos.

Hablaremos de este programa más adelante en nuestra presentación.

- Llame al 1-401-921-4968
- Visite www.ngrid.com/ri-cap para encontrar su Agencia local de acción comunitaria



Planes de facturación y pago

- **Plan de presupuesto/
Facturación equilibrada**
- **Planes de pago**
- **Programa de
Condonación**
- **Formas de pago**



Plan de presupuesto/facturación equilibrada

- Los clientes que están al día en sus facturas de servicios públicos pueden inscribirse en un Plan de presupuesto para nivelar los pagos durante un período de 12 meses, eliminando las subidas y bajadas de mes a mes. ¡No reciba más facturas altas de sorpresa!
- En base a su historial de uso de los últimos 12 meses, dividimos sus costos anuales de energía en doce pagos mensuales balanceados, para que pague una cantidad relativamente fija al mes.
- Ayuda a compensar las facturas máximas de calefacción en invierno y de aire acondicionado en verano.
- Hace que sea más fácil anticipar sus costos de energía mensuales y planificar el presupuesto de su hogar.
- El presupuesto puede ajustarse para arriba o para abajo cada algunos meses en función del uso real de la energía.
- Antes del final de los 12 meses, se le facturará o acreditará la diferencia entre los costos de energía reales y el monto del plan de presupuesto.

Inscríbese en línea en:

<https://www.nationalgridus.com/RI-Home/Bill-Help/Budget-Billing>

Planes de pago: situación normal

Los planes de pago le permiten pagar su saldo vencido en cuotas mensuales durante un mínimo de tres (3) meses.

- El plan ofrecido depende de si la cuenta se considera protegida o no protegida y si la cuenta está activa (el servicio está activo) o inactiva.
- No correrá el riesgo de que se le cancele su servicio mientras esté activo en un plan de pago.

Así es como funciona un plan básico:

- El saldo de su cuenta corriente se divide de 3 a 12 pagos equivalentes.
- Se agregan cuotas iguales a sus facturas futuras durante los próximos 3 a 12 meses.

Puede inscribirse en nuestro plan de pago básico en línea en nationalgridus.com/RI-Home/Bill-Help/more-time-to-pay

Planes de pago: durante la pandemia de la COVID-19

Debido a la pandemia, hemos ampliado las ofertas de planes de pago para brindar mayor flexibilidad. Tiene dos opciones de acuerdos de pago disponibles y debe elegir la que mejor se adapte a sus necesidades:

1. Planes de pago por COVID

- **Pago inicial:** \$0
- **Cuota:** 12 meses
- Inscribe se en línea a <https://nationalgridus.com/RI-Home/Bill-Help/more-time-to-pay>

2. Plan de pago de emergencia de RI:

- Saldo de la cuenta menor a \$1,000:
 - **Pago inicial:** 10 % del saldo total adeudado
 - **Cuota:** 18 meses
- Saldo de la cuenta entre \$1,000 y \$2,499.99:
 - **Pago inicial:** 10 % del saldo total adeudado
 - **Cuota:** 24 meses
- Saldo de la cuenta de \$2,500 o más:
 - **Pago inicial:** 10 % del saldo total adeudado
 - **Cuota:** 36 meses

Puede ser un plan de pago personalizado para usted si cumple lo siguiente:

- Actualmente está inscrito en un plan de pago y no puede realizar su pago mensual, o
- Se ha visto afectado financieramente por la pandemia de la COVID-19 y tiene dificultades para pagar su factura.

Puede inscribirse en un plan de pago personalizado por teléfono:

- Electricidad de RI: 1-800-322-3223
- Gas de RI: 1-800-870-1664

Programa de Condonación

- ¿Sus ingresos elegibles para el Programa de Asistencia de Energía para el Hogar (HEAP)?
- ¿Debe más de \$300 y tiene más de 60 días de atraso?

Si es así, puede ser elegible para el Programa de Condonación:

- Ayuda a eliminar el saldo pendiente.
- Una parte de su saldo vencido se elimina o se "condona".

Cómo calificar para el Programa de Condonación

- Un saldo vencido de al menos \$300 que lleva más de 60 días vencido.
- Le desconectaron el servicio por falta de pago o tiene un aviso de desconexión activo (se enviará un aviso manual durante la moratoria de invierno).
- El cliente no se puede inscribir con un proveedor.
- Ha sido elegible para el HEAP en los últimos 12 meses.
- Si ha participado anteriormente del Programa de Condonación, no puede inscribirse nuevamente hasta 2 años después de la fecha predeterminada.

Así es como funciona el Programa de Condonación:

- El monto del pago mensual se determina en función del uso promedio de energía en los últimos 12 meses.
- Esta cantidad puede aumentar o disminuir si cambia el uso.
- Con cada pago mensual puntual, se acredita a la cuenta una cantidad calculada como el saldo vencido total dividido por 12.
 - Se elimina o condona 1/12 del saldo de la inscripción cada mes.
 - Se pueden perdonar hasta \$1,500 cada año.
- **Si el saldo es** más de \$1,500, el plan puede extenderse 12 meses adicionales si lo solicita.
 - Tiene hasta la fecha de vencimiento de la factura del mes 13 para comunicarse con National Grid y solicitar una extensión.
- Si su saldo tardará varios años en ser condonado por completo, **debe** comunicarse con la empresa al final de cada período de 12 meses para extender el plan.

**Para inscribirse, llame al:
1-888-211-1313**

Formas de pago

En línea (con una cuenta bancaria, tarjeta de débito o crédito)	NationalGridUS.com
Por teléfono (mediante nuestro servicio automatizado SpeedPay)	1-800-322-3223 <i>(se pueden aplicar tarifas)</i>
EE. UU. Correo (mediante cheque o giro postal)	National Grid P.O. Box 11742 Newark, NJ 07101-4742
En persona	Visite una agencia de pago de facturas de terceros autorizada que acepte pagos de facturas de National Grid. https://www.nationalgridus.com/RI-Home/Billing-Payments/Payment-Locations

Encuesta n.º 2

Según lo que aprendió hasta ahora en este seminario web, ¿va a solicitar alguna de las opciones presentadas que lo ayuden a pagar su factura de energía?

- Sí, la tarifa con descuento.
- Sí, la facturación de presupuesto.
- Sí, un plan de pago.
- Sí, el Programa de Condonación.
- No.



**Asistencia para combustible/
HEAP**

Asistencia de calefacción

Cómo ayuda la asistencia de calefacción a nuestros clientes

- La asistencia de calefacción, también conocida como Programa de Asistencia de Energía para el Hogar (HEAP) brinda ayuda fundamental para la calefacción del hogar a millones de familias estadounidenses.
- La Reserva Federal descubrió que casi la mitad de las familias estadounidenses luchan por pagar un gasto de emergencia que cuesta \$400.
- El HEAP con frecuencia resuelve esas emergencias exactas a corto plazo y puede marcar la diferencia al llegar a fin de mes.

Cómo llega la asistencia de calefacción a nuestra empresa y dónde se aplica el dinero

- Cada agencia envía pagos y archivos electrónicos a las empresas de servicios públicos y los clientes calificados reciben una subvención del HEAP.
- La subvención del HEAP se aplica a su fuente de calefacción.
- Se abonará en su cuenta el monto de la subvención y se aplicará la tarifa con descuento.

Directrices de ingresos sobre la asistencia de calefacción

Según el siguiente cuadro de ingresos y tamaño del hogar, podría ser elegible si solicita el Programa de Asistencia de Energía para el Hogar (HEAP), también conocido como asistencia de calefacción. La elegibilidad se basa ahora en los ingresos del hogar durante las últimas cuatro semanas, por lo que, si recientemente se quedó sin empleo o fue suspendido, puede ser elegible nuevamente para el HEAP.

Actúa rápido. Las solicitudes se aceptan hasta el 28 de mayo de 2021 para el invierno pasado. El programa reabrirá el 1 de septiembre para el próximo invierno.

Tamaño del hogar	4 semanas antes de impuestos Ingresos del hogar	Anual antes de impuestos Ingresos del hogar
1 persona	≤ \$2,689	≤ \$32,265
2 personas	≤ \$3,516	≤ \$42,193
3 personas	≤ \$4,343	≤ \$52,120
4 personas	≤ \$5,171	≤ \$62,048
5 personas	≤ \$5,998	≤ \$71,976
6 personas	≤ \$6,825	≤ \$81,903
7 personas	≤ \$6,980	≤ \$83,765
8 personas	≤ \$7,136	≤ \$85,626
9 personas	≤ \$7,291	< \$87,488
10 personas	≤ \$7,446	≤ \$89,349

Obtenga más información:

Llame al 1-401-921-4968 o visite www.ngrid.com/ri-cap para encontrar su Agencia local de acción comunitaria o consulte la siguiente diapositiva

Agencias de acción comunitaria

Nombre	Número de teléfono	Comunidades atendidas
<u>Blackstone Valley Community Action Program</u>	401-723-0227	Central Falls, Cumberland, Lincoln, Pawtucket
<u>Community Action Partnership of Providence</u>	401-273-2000	Providence
<u>Community Care Alliance</u>	401-235-6000	Woonsocket
<u>Comprehensive Community Action</u>	401-467-7013	Coventry, Cranston, Foster, Scituate
<u>East Bay Community Action - Lower Bay Region</u>	401-437-5102	Jamestown, Little Compton, Middletown, Newport, Portsmouth, Tiverton
<u>East Bay Community Action - Upper Bay Region</u>	401-437-5102	Barrington, Bristol, East Providence, Warren
<u>Tri-County Community Action Agency - Northern Region</u>	401-351-2750	Burrillville, Glocester, Johnston, North Providence, North Smithfield, Smithfield
<u>Tri-County Community Action Agency - Southern Region</u>	401-789-3016	Charlestown, Exeter, Hopkinton, Narragansett, New Shoreham, North Kingstown, Richmond, South Kingstown, Westerly, West Greenwich
<u>Westbay Community Action Partnership</u>	401-732-4660	East Greenwich, Warwick, West Warwick



Rent Relief RI

Rent Relief RI

- Rhode Island ha recibido fondos de ayuda para el pago de alquileres del Programa de Asistencia de Emergencia para el Alquiler (Emergency Rental Assistance, ERA).
- Este programa proporciona ayuda económica para pagar el alquiler y los servicios públicos a fin de asistir a los inquilinos elegibles en mantener la estabilidad de vivienda. Puede solicitar asistencia para pagar los servicios públicos incluso si no necesita ayuda para pagar el alquiler.
- Los ingresos familiares deben cumplir con ciertos límites de ingresos. Los límites varían según la ubicación y el tamaño del hogar. Los inquilinos deben poder proporcionar una declaración que acredite desempleo, disminución salarios o aumento de gastos debido a COVID-19.
- El programa puede cubrir el pago del alquiler y los servicios públicos adeudados después del 1 de abril de 2020. El programa también cubrirá el depósito de seguridad y hasta los próximos tres meses de pago del alquiler. Los solicitantes son elegibles para recibir asistencia durante un máximo de 12 meses.
- Los solicitantes pueden postularse a través del portal en línea a www.RentReliefRI.com.

Visite www.RentReliefRI.com. ¿Tiene alguna pregunta? Llamada 1-855-608-8756



Soluciones de eficiencia energética

Soluciones energéticas para los hogares: viviendas de 1 a 4 unidades

Este programa sin costo ayuda a que su hogar sea más cómodo, saludable y asequible.

Si tiene la tarifa con descuento y vive en una casa de 1 a 4 unidades, puede ser elegible para participar en este programa (ya sea que sea propietario o alquile su casa).

- Comienza con una evaluación de energía del hogar sin costo, a su elección, por teléfono o en casa.
- Recibirá productos de ahorro de energía instantáneos sin costo, como bombillas LED y cabezales de ducha de bajo flujo.
- Las citas de seguimiento para otras actualizaciones sin costo pueden incluir lo siguiente:
 - Reemplazo de su sistema de calefacción
 - Aislamiento de áticos y paredes, burletes y sellado de fugas de aire
 - Un refrigerador, congelador, lavadora de ropa, deshumidificador o aire acondicionado de ventana de reemplazo si sus electrodomésticos actuales son ineficientes.

**Para programar su evaluación:
Llame al 1-401-351-1800 o visite www.ngrid.com/ri-income**

Soluciones energéticas para los hogares: viviendas de más de 5 unidades

- Las viviendas multifamiliares en las que el 50% o más de los inquilinos son elegibles por ingresos pueden solicitar asistencia para mejorar el uso energético de sus edificios.
- Un experto realizará una evaluación del edificio para determinar cómo podemos ayudar a mejorar la eficiencia energética de la propiedad.
- El programa instala mejoras de eficiencia energética aprobadas y rentables sin costo alguno.
- El programa está diseñado a los propietarios de edificios multifamiliares y a los operadores de viviendas asequibles y de bajos ingresos.

**Los propietarios o las asociaciones de condominios
pueden llamar 1-888-633-7947 para obtener más información.**

Encuesta n.º 3

¿Ha recibido una evaluación de eficiencia energética o climatización de su hogar en los últimos 3 años?

- Sí.
- No.
- No estoy seguro.



Desconexión y protección del servicio

Desconexión del servicio

- El negocio como de costumbre comenzará el 28 de junio de 2021 después de una pausa de un año debido a la Pandemia de COVID-19.
- Durante el horario habitual, los clientes con saldos vencidos que no están inscritos y actualizados en un plan de pago, un programa calificado o una protección pueden ser desconectados por falta de pago.
- La empresa de servicios públicos enviará al cliente un "aviso final de cancelación" 72 horas antes de la cancelación real. Este aviso solo es válido por 14 días.
- La empresa de servicios públicos enviará un técnico a su casa para desconectar el servicio.
- Las empresas solo pueden cancelar el servicio a clientes residenciales de lunes a jueves de 8 a. m. a 4 p. m.
- El servicio no se desconectará por falta de pago:
 - Los viernes
 - El día antes de un feriado legal
 - En un feriado legal
 - Cuando lo determine la División de Servicios Públicos de RI ("RIDPUC").

Protecciones contra la desconexión

La protección contra la desconexión del servicio por falta de pago puede estar disponible para clientes con dificultades financieras y circunstancias específicas del hogar, tales como las siguientes:

- Condiciones médicas
- Niños en la casa
- Edad avanzada
- Protección del invierno

Los clientes protegidos siguen siendo responsables de su uso y factura de servicios.

Alentamos a estos clientes a realizar un pago, inscribirse en un plan de pago o solicitar el Programa de Condonación.

Protección por dificultades financieras

- Si está atravesando dificultades financieras pueden calificar para un plan de pago de estado protegido.
- Debe proporcionar un [formulario de dificultades financieras](#) completo y pruebas de su dificultad financiera, tales como:
 - Declaraciones de impuestos.
 - 3 meses de recibos de pago.
 - Carta de otorgamiento del Seguro por Discapacidad del Seguro Social (SSDI) o del Ingreso de Seguro Complementario con fecha dentro del último año.
- Las dificultades financieras por sí solas no protegerán la cuenta de la cancelación.

Obtenga más información:
Llame a Servicio al Cliente para obtener una copia del formulario de declaración de dificultades financieras
al 1-800-322-3223 o descargue uno [en línea](#).

Protección para discapacitados

- Si un cliente registrado o un miembro de su hogar se identifican como discapacitado, el cliente debe proporcionar documentación de respaldo para la protección.
 - Debe completar el [formulario de protección para discapacitados](#)
 - Debe completar la sección de Médico licenciado/enfermera practicante del formulario o su carta de otorgamiento como prueba de recibir el Seguro de Discapacidad del Seguro Social (SSDI) o el Ingreso de Seguro Complementario (SSI); la carta de otorgamiento debe estar fechada dentro de los últimos 3 meses
 - Debe estar legalizado por un notario.
 - Debe recertificar la protección cada año.
- La cuenta se puede solicitar a la RIDPUC para su cancelación durante la no moratoria.

Obtenga más información:
Llame a Servicio al Cliente para solicitar protección al **1-800-322-3223**

Protección por enfermedades graves

- Si se identifica que un cliente registrado o un miembro de su hogar tienen una enfermedad grave, el cliente debe proporcionar documentación de respaldo para su protección.
 - Debe hacer que su médico licenciado complete el [Formulario de enfermedad grave](#)
 - Protección válida por tres (3) semanas.
 - Si el cliente desea extender la protección, DEBE solicitar una revisión/audiencia con la RIDPUC.

Obtenga más información:
Llame a Servicio al Cliente para solicitar protección al **1-800-322-3223**

Protección infantil

- Si un cliente registrado tiene un niño menor de dos (2) años que vive en el hogar, el cliente debe proporcionar una copia del certificado de nacimiento del niño u otra prueba de edad junto con un formulario de dificultades financieras.
 - Debe proporcionar un certificado de nacimiento válido emitido por la ciudad o el estado U otra documentación verificable (es decir, de un hospital o médico) para validar que la persona es menor de dos (2) años.
 - Documentación para establecer dónde vive el niño. Es suficiente una copia de la licencia de conducir de los padres que muestre la dirección del cliente.
 - Se requieren órdenes judiciales si alguien que no sea la madre o el padre afirma que el bebé vive con ellos.
 - Formulario de dificultades financieras completo junto con la documentación de respaldo, como declaraciones de impuestos, recibos de pago de 3 meses, carta de otorgamiento del Seguro de Discapacidad del Seguro Social (SSDI) o del Ingreso de Seguro Complementario (SSI), etc.
- La cuenta estará protegida contra la cancelación mientras la protección esté activa.

Obtenga más información:

Llame a Servicio al Cliente para solicitar protección al **1-800-322-3223**

Protección de personas en edad avanzada

Disponible cuando TODOS los miembros del hogar tienen 62 años o más.

Para certificar solo la Protección de personas en edad avanzada:

- Debe completar el [formulario para personas en edad avanzada](#)
- Proporcionar prueba de edad, como identificación, certificado de nacimiento, pasaporte, tarjeta de Medicare, etc.
- No tiene que demostrar dificultades financieras.
- Recertificarse para la protección cada año.

Obtenga más información:

Llame a Servicio al Cliente para solicitar protección al **1-800-322-3223**

Consejos útiles para clientes protegidos

- Los clientes en edad avanzada pueden optar por designar a un tercero para recibir copias de facturas y avisos vencidos. El tercero no es financieramente responsable de los saldos de la cuenta.
 - Puede llamar a Servicio al Cliente al **1-800-322-3223** para inscribirse en notificaciones de terceros.
- Alentamos a los clientes protegidos a que realicen un pago, se inscriban en un plan de pago o se inscriban en el Programa de Condonación.

Concientización para evitar estafas

Con el resurgimiento de las estafas en la facturación y el pago de los servicios públicos, siempre bueno mantenerse alerta. Tenga en cuenta estos consejos y compártalos con los demás.

Al teléfono:

Los estafadores se han vuelto cada vez más sofisticados a la hora de replicar nuestros mensajes grabados, lo que dificulta identificar la llamada de un impostor. Recuerde que una llamada probablemente Es una estafa si la persona que llama:

- Lo amenaza con la terminación inmediata del servicio (este no es nuestro procedimiento)
- Solicita el pago cuando su cuenta está al día
- No conoce su número de cuenta y está buscando información personal o financiera
- Exige el pago inmediato mediante transferencia bancaria, Green Dot Money-Pak u otra tarjeta prepagada (no aceptamos pagos a través de estas tarjetas)
- Es alguien a quien usted no puede identificar

En su puerta:

Los empleados y los contratistas de National Grid portan tarjetas de identificación con fotografía. Si alguien solicita entrar a su casa o negocio y no muestra una tarjeta de identificación con fotografía, NO deje que esa persona entre.

Concientización para evitar estafas

Protéjase a usted mismo y a sus seres queridos.



Al teléfono:

No de los datos de su cuenta a nadie que lo llame y se la pida.

Recuerde: National Grid conoce su número de cuenta.

Si no está seguro de que le van a cortar el servicio, cuelgue y llame a National Grid **1-800-322-3223** (electricidad) o **1-800-870-1664** (gas). El agente podrá buscar su información y le informará sobre sus opciones.

En su puerta:

De nuevo, National Grid conoce su número de cuenta. Nuestro personal de campo no necesita mirar su factura, así que, si alguien le pide su número de cuenta o su número de seguro social, simplemente cierre la puerta. **Si es posible, obtenga el nombre de la empresa y luego llame a la policía local.**

Tiene derechos:

Si alguien lo amenaza con la interrupción del servicio, o si lo presionan para que cambie de servicio o realice un pago inmediato para detener una desconexión, denúncielo.



**Nueva información
de servicio**

Transferencia de servicio y título 39

Un cliente residencial que está comenzando el servicio y adeuda un saldo anterior puede buscar pagar al menos un pago parcial de las facturas de la dirección anterior como condición para brindar un nuevo servicio.

- **Si el cliente tiene una cuenta ACTIVA y:**

- No tiene un plan de pago activo: El pago inicial se basa en el paso del plan de pago correspondiente.
- Tiene un acuerdo de pago activo y vigente: Se transferirá el saldo y se establecerá el acuerdo de pago en la nueva cuenta.
- Tiene un acuerdo de pago vencido: El cliente debe actualizar el plan de pago. Una vez pagado, el saldo se transferirá y el acuerdo de pago se establecerá en la nueva cuenta.

- **Si el cliente tiene una cuenta final o cancelada:**

- Se requerirá un pago inicial del 50 %. Se establecerá un plan de pago de 3 a 6 meses para el saldo.
- Si reclama una protección, el pago inicial se puede reducir al 25 % del saldo total. Se establecerá un plan de pago de 12 meses para el saldo.

Según el Título 39 (Beneficio del servicio), los clientes pueden ser responsables de un saldo anterior en una cuenta en la que se determina que el servicio fue compartido tanto por el cliente anterior como por el nuevo cliente. El cliente deberá proporcionar un comprobante de residencia (POR) para disputar el saldo que se transfirió a su nueva cuenta.

Suministro competitivo

- En Rhode Island, tiene la opción de elegir comprar su suministro eléctrico de National Grid (su empresa de servicios públicos propiedad del inversionista o "IOU") o una empresa de suministro competitivo. El Suministro competitivo de gas solo está disponible para clientes comerciales.
- National Grid facturará directamente la entrega y el suministro del servicio público.
- Si opta por comprar su suministro de electricidad de un proveedor competitivo externo, seguirá recibiendo una factura directamente de National Grid.
- El proveedor competitivo externo determina el precio del suministro eléctrico.
- Usted no puede participar en el Programa de Condonación si está inscrito con un proveedor alternativo.
- Los planes de pago y los presupuestos solo se aplicarán a la parte de lo adeudado a National Grid, no a los cargos del proveedor.

Copia de National Grid sobre el cargo del proveedor

Supply Services

SUPPLIER

PHONE

Electricity Supply	0.1097 x 385 kWh	42.23
Gross Earnings Tax	0.04166667 x 42.23	1.76
Total Supply Services		\$ 43.99

Supply Services

SUPPLIER National Grid

Energy Charge	0.08299 x 846 kWh	70.21
Total Supply Services		\$ 70.21

Suministro competitivo (continuación)

- **Manténgase alerta:** Las empresas de suministro competitivo a menudo atraen clientes al ofrecer tarifas de lanzamiento bajas durante los primeros meses, pero luego cambian a los clientes a tarifas más caras que pueden ser el doble (o más) en comparación con los precios de los servicios públicos.
- Los clientes que se inscribieron voluntariamente con un proveedor de la competencia, pero ahora desean solicitar finalizar su contacto, pueden llamar al proveedor y simplemente decirles que ya no desean su servicio.
- Los clientes que fueron cambiados involuntariamente a un proveedor competitivo deben comunicarse con la División del Consumidor de la RIDPUC o la oficina del fiscal general para presentar una queja.
- Las empresas de servicios públicos ofrecen una opción de "No cambiar" para los clientes que no quieren cambiarse a un proveedor competitivo.



Contactos

División del Consumidor de RI

- Las empresas de servicios públicos de gas y electricidad de Rhode Island están normadas por la RIPUC (la Comisión de Servicios Públicos de Rhode Island).
- La PUC tiene una División del Consumidor que es responsable de responder e intentar resolver las preguntas o quejas de los clientes.
- Puede comunicarse con la División del Consumidor por teléfono al **1-401-780-9700**.

Oficina del fiscal general (AGO)

- Puede comunicarse con la Unidad de protección de la oficina del fiscal general por teléfono al **1-401-274-4400** o por correo electrónico a consumers@riag.ri.gov.

Contactos de las empresas de servicio público de National Grid

Programa	Información de contacto
Programa de Condonación	888-211-1313
Facturación/pago/presupuesto	800-322-3223
Acuerdos de pago de crédito y cobranza	888-211-1313
Servicio al Cliente - Electricidad	800-322-3223
Servicio al Cliente - Gas	800-870-1664
Cortes eléctricos	800-465-1212
Fuga de gas de emergencia	800-640-1595
Nuestra página web	www.ngrid.com/ridiscount
Defensores del cliente	Correo electrónico consumeradvocatesne@nationalgrid.com
Recursos	Video de ayuda con la factura: www.youtube.com/watch?v=71kZx_0O17Y

Encuesta n.º 4

¿Qué tan útil fue este seminario web?

- Extremadamente útil.
- Muy útil.
- Algo útil.
- No muy útil.
- Nada útil.

¿Preguntas?

¡Gracias!

www.ngrid.com/ridiscount

The logo for National Grid, featuring the word "nationalgrid" in a white, lowercase, sans-serif font. The "n" and "a" are in a lighter weight, while "tionalgrid" is in a bolder weight. A small diamond-shaped icon is positioned above the letter "i" in "grid". The logo is centered on a solid blue rectangular background.

nationalgrid

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National Grid USA and The Narragansett Electric Company
AG 1-21

Request:

Please explain the reason for the 5 percent mark-up on Fully Loaded Costs referenced in the Transition Service Agreement and explain whether or not the costs and mark-up will be passed on to ratepayers. If so, please explain why.

Response:

The five percent mark-up on Fully Loaded Costs (which is not charged on third-party goods or services) is in place to cover National Grid USA's additional costs to supervise and administer the transition services with a non-affiliated party. These additional costs cannot be easily identified or charged directly.

Please refer to PPL Corporation and PPL Rhode Island Holdings, LLC's response to Data Request AG 1-21 for further information.

National Grid USA and The Narragansett Electric Company
AG 1-24

Request:

Please reference Narragansett Electric's Energy Efficiency Program:

- (a) If the current energy efficiency program is not that shown at [http://www.ripuc.ri.gov/eventsactions/docket/5076-NGrid-2021EEPlan\(10-15-2020\).pdf](http://www.ripuc.ri.gov/eventsactions/docket/5076-NGrid-2021EEPlan(10-15-2020).pdf), please provide an updated reference.
- (b) Please identify any changes contemplated by PPL Electric relating to the current energy efficiency program.

Response:

- (a) The link referenced is The Narragansett Electric Company's ("Narragansett") current 2021 Annual and 2021-23 Three Year Energy Efficiency Plan; however, the link does not include the most updated 2021 spending and savings tables resulting from the Public Utilities Commission's ("PUC") December 22, 2020 Open Meeting and submitted on December 23, 2020 as part of Narragansett's compliance filing in PUC Docket No. 5076. The updated information can be accessed at the following link:

[http://www.ripuc.ri.gov/eventsactions/docket/5076-NGrid-EE-ComplianceFiling%20\(12-22-2020\).pdf](http://www.ripuc.ri.gov/eventsactions/docket/5076-NGrid-EE-ComplianceFiling%20(12-22-2020).pdf).

Please note that on October 1, 2021, Narragansett filed its proposed 2022 Energy Efficiency Plan. At the PUC's request, Narragansett also filed an additional provisional plan on October 8, 2021. These filings may be viewed via Docket No. 5189 at: <http://www.ripuc.ri.gov/eventsactions/docket/5189page.html> in docket. These filings have not been approved by the PUC. Thus, the 2022 Energy Efficiency Plan and additional provisional plan are only proposals at this time and are not deemed Narragansett's current energy efficiency program.

- (b) Please refer to PPL Corporation and PPL Rhode Island Holdings, LLC's response to Data Request AG 1-24 for the requested information.

National Grid USA and The Narragansett Electric Company
AG 1-25

Request:

Please reference PPL Electric's filing before the Pennsylvania Public Utility Commission at Docket No. P-2019-3010128 regarding requirements to attach distributed generation:

- (a) Please provide a copy of (or reference to) the current PPL Electric DER Management Plan.
- (b) Please identify any significant differences between the PPL Electric DER Management Plan and that used by National Grid for Narragansett Electric.
- (c) Please indicate whether PPL intends to pursue a pilot program for Narragansett Electric as envisioned in Section II.B. of the settlement in the referenced proceeding (<https://www.puc.pa.gov/pcdocs/1679576.pdf>).
- (d) Does PPL intend to adopt a plan similar or identical to the DER Management Plan addressed in the referenced proceeding at Narragansett Electric? Please explain your response.
- (e) Please identify any features of the PPL Electric DER Management Plan that the Company believes would not be appropriate for Narragansett Electric. Please detail the reasons.
- (f) Please detail Narragansett Electric's current CIAC policies regarding the development and integration of DER facilities, and provide a representative quantitative example for how the CIAC requirements are derived.
- (g) Please indicate whether PPL has any plans to modify Narragansett Electric's current CIAC policies for DER.

Response:

- (a) Please refer to PPL Corporation and PPL Rhode Island Holding, LLC's ("PPL Rhode Island") response to Data Request AG 1-25, subpart (a).
- (b) Please refer to PPL Corporation and PPL Rhode Island's response to Data Request AG 1-25, subpart (b).

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- (c) Please refer to PPL Corporation and PPL Rhode Island's response to Data Request AG 1-25, subpart (c).
- (d) Please refer to PPL Corporation and PPL Rhode Island's response to Data Request AG 1-25, subpart (d).
- (e) Please refer to PPL Corporation and PPL Rhode Island's response to Data Request AG 1-25, subpart (e).
- (f) The Narragansett Electric Company's ("Narragansett") current line extension (i.e., contribution in aid of construction ("CIAC")) policies for projects compare expected new annual distribution revenues from a project to the estimated costs to provide a new or upgraded service upon a customer's request. If the expected new revenues cover the cost of the upgrade pursuant to the calculations in Narragansett's CIAC policy at R.I.P.U.C. No. 2243, Policy 3, then the customer is not charged for the upgrade. If the new revenue covers only part of the cost, then the customer would be charged a portion of the upgrade cost. As distributed energy resource facilities are generation and do not provide any incremental distribution revenue, the distribution revenue component goes into the calculation as zero, and therefore the customer is charged the entire cost of any upgrade. Please see the link below for Narragansett's current CIAC Policy 3:

https://www.nationalgridus.com/media/pdfs/billing-payments/tariffs/ri/neco-tcs-policy-3_ripuc_2243.pdf
- (g) Please refer to PPL Corporation and PPL Rhode Island's response to Data Request AG 1-25, subpart (g).

National Grid USA and The Narragansett Electric Company
AG 1-26

Request:

Reference Narragansett Electric Policies for EVs:

- (a) Please describe and provide reference to the current Narragansett Electric policies regarding EVs and both home and commercial vehicle charging stations.
- (b) Please identify any changes that PPL contemplates regarding the existing policies.
- (c) Please detail Narragansett Electric's current CIAC policies relating to electric vehicle charging stations and provide a representative quantitative example for how CIAC requirements are derived.

Response:

- (a) The Narragansett Electric Company ("Narragansett") is committed to supporting the electrification of cars, trucks, and buses by aligning with government goals and policies regarding electric vehicles ("EVs") and spurring market growth with programs for both residential and business customers. By providing charging infrastructure make-ready support to customers, Narragansett is supporting the State of Rhode Island's Zero Emission Vehicle ("ZEV") goal to put 45,000 EVs on the road by 2025. Narragansett's programs also provide rebates for charging station equipment, deliver advisory services to support fleet electrification pathways, and reward residential customers for charging their vehicles at off-peak hours.
- (b) Please refer to PPL Corporation and PPL Rhode Island Holdings, LLC's response to Data Request AG 1-26 for the requested information.
- (c) For projects involving EV charging stations, Narragansett uses its line extension (i.e., contribution in aid of construction ("CIAC")) policies at R.I.P.U.C. No. 2243, Policy 1, 2, and 3. The CIAC policies have not been modified for projects involving EV charging stations. Please note, however, that the EV Charging Station Infrastructure Program pays the customer's portion of the construction costs for EV charging stations, rather than the customer. Below is a representative example for how the CIAC requirements for EV charging stations are derived.

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Utility-Side Infrastructure Costs:

CAPEX:	\$30,400
TAX ON CAPEX:	\$ 3,368
OPEX:	\$ 1,049
TOTAL:	\$34,817

CIAC Charges:

CUSTOMER:	\$ 0
EV CHARGING STATION INFRASTRUCTURE PROGRAM:	\$34,817

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National Grid USA and The Narragansett Electric Company
AG 1-29

Request:

Please discuss and detail plans Applicants have, if any, to transition to renewable energy by 2030, including plans in Rhode Island.

Response:

Please see National Grid USA's and The Narragansett Electric Company's response to Data Request AG 1-30 regarding its plans to transition to renewable energy by 2030.

Please also see PPL Corporation's and PPL Rhode Island Holdings, LLC's response to Data Request AG 1-29 for additional information regarding this request.

National Grid USA and The Narragansett Electric Company
AG 1-30

Request:

To the extent available, please provide Narragansett Electric's understanding of the implications for its business plans for complying with the requirements of the 2021 Act on Climate. Please identify any differences that PPL has with that understanding.

Response:

The 2021 Act on Climate (the "2021 Act") amends the Resilient Rhode Island Act of 2014 (the "2014 Act"). One of the key amendments of the 2021 Act is to accelerate the state's greenhouse gas emissions ("GHG") reduction targets, i.e., 45 percent below 1990 levels by 2030 (amended from 2035); 80 percent below 1990 levels by 2040 (amended from 2050); and net-zero emissions by 2050.

The most immediate requirement of the 2021 Act is directed to the Rhode Island Executive Climate Change Coordinating Council (the "Council") to file an updated plan by December 31, 2022, that "includes strategies, programs, and actions to meet economy-wide enforceable targets for greenhouse gas emissions reductions;" and for state agencies to support and implement the plan. See R.I. Gen. Laws §§ 42-6.2-2(a)(2), 42-6.2-3. In addition, the 2021 Act grants each state agency their own authority to promulgate rules and regulations necessary to meet the GHG reductions required under the 2021 Act. See R.I. Gen. Laws § 42-6.2-9. The 2021 Act does not place any requirements on public utilities with which they must comply at this time; therefore, it is unknown how future rules and regulations implementing the new targets under the 2021 Act will implicate the utility sector.

Notwithstanding the above, The Narragansett Electric Company ("Narragansett") is eager to work with the Council on the updated plan. Narragansett's existing business plan has been aimed at helping Rhode Island achieve its clean energy goals, as evidenced through its proposals for investments in grid modernization, advanced metering functionality ("AMF"), beneficial electrification, and energy storage included in Narragansett's 2017 Power Sector Transformation Vision and Implementation Plan ("PST Plan") filed in Rhode Island Public Utilities Commission ("PUC") Docket Nos. 4770/4780. Specifically, Narragansett's PST Plan proposals sought to advance the state's ambitions to realize a cleaner, more sustainable energy future under the 2014 Act, the Rhode Island Zero Emission Vehicle Draft Plan (2015), and the Executive Climate Change Coordinating Council's GHG Emissions Reduction Plan (2016). The PUC approved a limited suite of investments for grid modernization, AMF, electric vehicles, and energy storage as part of the Amended Settlement Agreement ("ASA") in Narragansett's general rate case in Docket Nos. 4770/4780. Also, the 2014 Act was one of the drivers for Narragansett's grid

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modernization strategy as outlined in its Grid Modernization Plan (“GMP”), which it filed with the PUC in January 2021 in Docket No. 5114 pursuant to the ASA.¹ Narragansett developed the GMP Business Case and Implementation Plan using a future “High Distributed Energy Resources” scenario that would be capable of achieving the greenhouse gas emissions reduction targets established by the 2014 Act (i.e., 45 percent below 1990 levels by 2035 and 80 percent below 1990 levels by 2050).² The 2021 Act accelerates these targets by five and ten years, respectively. While this acceleration does not change substantially the GMP, it does increase the urgency for deployment of the proposed GMP investments.

National Grid USA and Narragansett are committed to a smart and responsible transition to a clean energy future that benefits all customers. As another example, Narragansett’s energy efficiency programs seek to continue the progress that has been made in reducing greenhouse gas emissions throughout Rhode Island by providing customers across all sectors with ways to reduce their electric and gas consumption, thereby directly contributing to meeting the 2021 Act’s climate and clean energy goals. These programs drive direct reductions in greenhouse gas emissions through reducing near-term energy consumption, but also support longer-term decarbonization efforts by reducing the scale and likely cost of other changes to the electric and gas system infrastructure that will be required to achieve the state’s targets. In addition, Narragansett has explored various pathways towards a net-zero future, including long-term solutions for natural gas where it has been prudent to do so. For electric, Narragansett is interconnecting a significant number of distributed generation projects throughout the state and continues to partner with Rhode Island stakeholders to progress large-scale renewable policy targets. Narragansett has contracted for large-scale renewable resources for its Rhode Island customers, including, among other technologies, the first-in-the-nation offshore wind farm off the coast of Block Island and, more recently, a 400 MW offshore wind facility located in federal waters.

For additional information about National Grid USA and Narragansett’s commitment to a clean energy future, please see National Grid USA’s Clean Energy Promise for Rhode Island at: <https://www.nationalgridus.com/clean-energy-promise-ri>.

National Grid USA and Narragansett continue to support the more aggressive targets under the 2021 Act but believe there will need to be a concerted effort among the utility, regulators, and the state for these targets to be realized.

¹ The PUC stayed the GMP proceeding pending the outcome of the Division of Public Utilities and Carriers’ review in this proceeding. *See* Written Order No. 24089, RIPUC Docket No. 5114 (July 14, 2021).

² The grid modernization investments outlined in the GMP will help Rhode Island meet its clean energy goals by enabling greater customer energy savings and DER adoption (i.e., renewable distributed generation, demand response, electric vehicles, electric heat pumps). Enabling DER adoption, in particular, is a key driver for meeting the State’s clean energy needs because it will enable customers to reduce their overall carbon footprint, including reducing transportation-related emissions that make up 40 percent of the State’s carbon dioxide emissions. Grid modernization investments will help reduce the costs and other barriers to interconnect new DERs in Rhode Island, which will drive more DER adoption and investment in the State.

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Please also see PPL and PPL Rhode Island's response to Data Request AG 1-30 for additional information related to this request.

National Grid USA and The Narragansett Electric Company
AG 1-34

Request:

Regarding natural gas system extension investments:

- (a) Please detail Narragansett Electric's current policy for extending the natural gas system to serve new customers.
- (b) Please provide Narragansett Electric's current CIAC policy for new gas system customers and provide a representative quantitative example of how CIAC requirements are set.
- (c) Please explain how Narragansett electric derives the economic life for new natural gas distribution assets.
- (d) Please detail any disagreements or proposed changes that PPL has with respect to the existing policies for new customers.

Response:

- (a) The Narragansett Electric Company's ("Narragansett") current policy for extending the natural gas system to serve new customers is part of Narragansett's gas tariff, RIPUC NG-GAS No. 101. Please see Attachment NG-AG-1-34-1, Service and Main Extension Policies, Section 8, Schedules A, B, and C.
- (b) Narragansett's current contribution in aid of construction ("CIAC") policy for new gas system customers is part of Narragansett's gas tariff, RIPUC NG-GAS No. 101. Please see Attachment NG-AG 1-34-1, Service and Main Extension Policies, Section 8, Schedules A, B, and C.

A representative quantitative example of how CIAC requirements are calculated is presented in Attachment NG-AG 1-34-2. In this example, a CIAC of \$4,186 is required for a new gas connection that has a \$28,953 capital cost and \$3,325 in annual distribution revenue (based on annual consumption of 700 dekatherms on Rate 22).

- (c) Service lives and corresponding depreciation rates are reviewed and approved by the Rhode Island Public Utilities Commission ("PUC") as part of Narragansett's general distribution rate case. These rates are set until a new distribution rate plan takes effect. Depreciation rates approved under Narragansett's current rate plan in PUC Docket No.

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4770 were based on a depreciation study performed on historical plant data. A description of the study performed and the study results can be found at the following link: [http://www.ripuc.ri.gov/eventsactions/docket/4770-NGrid-Book6\(Depreciation-Gas\).pdf](http://www.ripuc.ri.gov/eventsactions/docket/4770-NGrid-Book6(Depreciation-Gas).pdf). The currently approved depreciation rates pursuant to PUC Docket No. 4770 are provided at Attachment NG-AG 1-34-3. Depreciation rates are established for each major Federal Energy Regulatory Commission ("FERC") plant account maintained in Narragansett's plant accounting system. The remaining economic life for new gas distribution assets/replacement assets is assigned based on the FERC plant account the investment is unitized to on Narragansett's plant records and the corresponding approved depreciation rate assigned to those FERC plant accounts.

- (d) Please see PPL Corporation and PPL Rhode Island Holdings, LLC's response to Data Request AG 1-34.

THE NARRAGANSETT ELECTRIC COMPANY

d/b/a NATIONAL GRID

Rhode Island Public Utilities Commission Tariff

RIPUC NG-GAS No. 101

THE NARRAGANSETT ELECTRIC COMPANY
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RIPUC NG-GAS No. 101

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1.0 APPLICABILITY:

The following terms and conditions shall apply to and be a part of each Rate Classification now or hereafter in effect except as they may be expressly modified or superseded by Rhode Island Public Utilities Commission order.

2.0 RATES AND TARIFFS:

The Company furnishes natural gas service under rates and/or special contracts (Schedule of Rates) promulgated in accordance with the provisions of the Rhode Island General Laws and the regulations of the Rhode Island Public Utilities Commission (“PUC”) and the Rhode Island Division of Public Utilities and Carriers (“Division”), all as may be in effect from time to time. Such Schedule of Rates, which includes these Terms and Conditions, is available for public inspection during normal business hours at the administrative offices of the Company and at the offices of the PUC and the Division or on the Company’s website.

The Schedule of Rates may be revised, amended, supplemented or supplanted in whole or in part from time to time according to the procedures provided in the General Laws and the PUC regulations. When effective, all such revisions, amendments, supplements or replacements will appropriately supersede the present Schedule of Rates. In case of conflict between these Terms and Conditions and any orders or regulations of the PUC or the Division, said orders or regulations shall govern.

The provisions of these Terms and Conditions apply on a non-discriminatory and non-preferential basis to all persons, partnerships, corporations or others (hereinafter Customers or the Customer) who obtain natural gas distribution service from the Company pursuant to the Schedule of Rates.

No representative of the Company has the authority to modify orally any provision or rate contained in the Schedule of Rates or to bind the Company to any promise or representation contrary thereto. Any such modification to the Schedule of Rates or these Terms and Conditions shall be in writing and made in accordance with the provisions of the General Laws and pursuant to regulations of the PUC and Division.

The Company will advise all new residential customers as to the least expensive rate available for the service based on the information in our records. Non-residential customers will be advised of the applicable rate based on a review of the available information in the existing records or as a result of a field inspection by the Company when the customer provides information which is inconsistent with Company records. The Customer is responsible for accurately describing its gas burning equipment and updating the Company as changes occur.

A Customer is entitled to change its customer account from one rate classification to another upon written application to the Company; provided, however that the customer account's use complies with the conditions specified in the requested rate classification. Once an election to change rate classifications has been made by the Customer, the customer account must remain on that rate for a period of not less than twelve months. In cases where the Customer requests a rate reclassification, no rebate will be granted for service rendered during the period the customer account was served under the previous rate classification, except in instances where the previous rate classification was due to an error by the Company.

3.0 OBTAINING SERVICE FROM THE COMPANY:

The Company shall furnish service to applicants under the filed rates and in accordance with these Terms and Conditions and the rules and regulations of the PUC and the Division. The furnishing of service and acceptance by the Customer constitutes a contract under these provisions. The Company may require at least one person on behalf of all parties who will receive service to sign an application or contract. Application for gas service within the territory served by the Company will be received through any duly authorized representative of the Company. By accepting distribution service from the Company pursuant to the terms of this tariff, a Customer expressly consents to the Company, or anyone working on the Company's behalf, contacting the Customer regarding issues related to distribution service and billing and payment, by any method including telephone, autodialed and prerecorded/artificial voice calls, email, text messages, and/or letter. By contacting the Company, a Customer may opt-out of receiving non-emergency communications through certain methods.

The Company may accept oral or written application for residential service. Residential service may commence upon receipt by the Company of oral application, except that the Company reserves the right to require residential customers to show identification and proof of residency before commencing service. If residential service is commenced upon the receipt of oral application, then all residents at that address who have attained the age of majority may choose to execute a written application, thereby becoming parties to the contract. Non-residential service may commence upon oral application for an interim period pending the receipt of a duly executed written application and security deposit.

The Company reserves the right to refuse service, at any location, to an individual who is indebted to the Company for any service not in dispute before the Division, furnished to such individual at any location, or to such applicant or customer under another name. The Company will commence service if a reasonable payment plan for said indebtedness made in accordance with PUC and Division regulations is agreed to by the Customer and the Company. The Company reserves the right to refuse service to any non-residential applicant who has not paid a deposit as required by the Company.

A Customer shall be and remains the customer of record and shall be liable for service taken until such time as the Customer requests termination of service and a final meter reading is recorded by the Company. The bill rendered by the Company based on such final meter reading shall be payable upon receipt. Such meter reading and final bill shall not be unduly delayed by the Company. In the event that the Customer of record fails to give notice of termination of service to the Company or fails to provide access to the meter, the customer of record shall continue to be liable for service taken until the Company either disconnects the meter or a new party becomes a customer of the Company by taking service at such service location. Failure to make application for service shall not relieve a party from the obligation to apply and/or pay for service previously used.

The Company shall undertake to furnish service to the Customer for use only for his/her own purposes and only on the premises occupied through ownership or lease by the Customer, except as provided below. In cases where the Customer is a condominium association or the owner or manager of a commercial or residential rental property with over six (6) units, the Customer may allocate the Company charges for gas service to other gas users on the premises through any reasonable means, including properly installed submetering. In such situations where the Customer is allocating the Company charges for service to others, the burden is on the Customer, when requested by the Company, to demonstrate that the allocated charges are no greater than the Customer's bill from the Company. When allocating such charges, the Customer may separately include reasonable administrative fees. Natural gas sold by the Company to authorized natural gas vehicle filling stations may be re-metered or submetered by the Customer for resale to another or others.

On an annual basis the Company may notify all customers that if they are the owners of property and their tenants move out, the owner must provide written notification in advance that he/she wants gas left on at that premises in his/her name. If the Company does not receive advance written notice, the service may be terminated, and the Company will not be liable for any damages to the premises resulting from the termination of gas service.

3.1 BILLING TERMINATION ("Soft-Off"):

Where a customer has requested termination of service and an estimated or actual final meter reading is recorded, and the account is not subject to a shut-off order or request, the Company may choose to utilize a Soft-Off termination.

In the event of a termination of an account for which there is no unbilled consumption, a landlord may initiate an application for service in the landlord's name at that premises by either oral or written request in accordance with Section 1, Schedule A, Paragraph 3.0 of this tariff; provided however, that in the event of a termination of an account for which there is

any unbilled consumption, a landlord may initiate an application for service in the landlord's name only upon providing the Company with a signed authorization. In addition, where the landlord has previously provided the Company a signed agreement, the Company may record the landlord as the customer of record for that account without further authorization.

When gas consumption at a premises where a Soft Off termination has been implemented exceeds 13 ccf in a month the Company will send a notification to the premises indicating that service will be terminated pursuant to the PUC's and Division's rules and regulations governing the termination of service if an account is not established.

Once metered gas consumption at that premises exceeds an aggregate of 35 ccf or the account is still in a Soft-Off status for a consecutive period of 90 days, whichever occurs first, the Company will commence a termination action for the account, provided however that where such a termination action would affect the statutory and/or termination rights of other gas customers at that location, service will be terminated at the Soft Off premises as soon as the Company is able to accomplish the termination so as not to conflict with the rights provided under the PUC's and the Division's rules and regulations governing the termination of service for the other customers.

4.0 SECURITY DEPOSITS:

Security deposits, letters of credit or bonds may be required and taken in accordance with rules and procedures promulgated by the PUC or other body having authority to regulate the Company. The Company reserves the right to refuse service to an applicant who has not paid a deposit as required by the Company. The rate of interest paid on deposits shall be adjusted annually on March 1. The interest rate in effect in any year shall be based on the average rate over the prior calendar year for 10-year constant maturity Treasury Bonds as reported by the Federal Reserve Board.

5.0 SERVICE SUPPLIED:

The Company shall take reasonable care in providing regular and uninterrupted service to its firm customers, but whenever the Company deems that the situation warrants any interruption or limitation in the service to be rendered, such interruption or limitation shall not constitute a breach of the contract, and shall not render the Company liable for any damages suffered thereby by any person, or excuse the customer from further fulfillment of the contract.

The Company may refuse to supply service to loads of unusual characteristics which, in its sole judgment, might adversely affect the quality of service supplied to other customers, the public safety, or the safety of the Company's personnel. In lieu of such refusal, the Company

may require a customer to install any necessary regulating and protective equipment in accordance with the requirements and specifications of the Company.

Whenever the estimated expenditures necessary to supply gas to a customer(s) or to resume service to a customer following relocation of Company equipment for reasons other than the needs of the Company shall be of such an amount that the income to be derived from gas service at the applicable rates will, in the opinion of the Company, be insufficient to warrant such expenditure, the Company will require the Customer(s) to pay a Contribution in Aid of Construction (“CIAC”) for meter relocation or for main and service extension. See Section 8, Service and Main Extension Policies. The level of the CIAC will be based on an economic analysis looking at appropriate impacts associated with the capital expenditures. A detailed written cost estimate will be provided to the Customer upon request.

The Company shall make application in a reasonable time for any necessary locations or other street permits required by public bodies for its pipes, mains, and other apparatus, and shall not be required to supply service until a reasonable time after such approvals are obtained. The applicant for service shall obtain all other permits, certificates, licenses, easements and the like necessary to give the Company access to the applicant’s equipment and to enable its pipes to be connected thereto.

The Customer shall notify the Company in writing before making any significant change in the Customer’s gas equipment which would affect the capacity or other characteristics of the Company’s facilities required to serve the Customer. The Customer shall be liable for any damage to the Company’s property caused by Customer’s additional or changed installation if made without prior notification to the Company.

All piping, equipment, and apparatus on the premises of the Customer, except meters, underground service pipe, and governors, shall be furnished and put in place by the Customer, and shall conform to the requirements and regulations of the Company, and the Company shall not be required to supply gas unless such piping, equipment, and apparatus at all times conform to the requirements and regulations of the State, City, and Town ordinances and laws and policies of the Company. The Company shall be under no obligation to make any inspection to ascertain whether the foregoing condition has been conformed with and shall be under no liability for any damages occasioned by any defect in such piping, equipment, or apparatus or other property on the premises.

If temporary service is rendered, the Customer shall pay the cost of service under the rate plus the cost of installing and removing all equipment and connections.

6.0 INSTALLATION OF METERS:

The Company will furnish, install, connect, and maintain such meter(s) as are necessary for metering gas service for Company billing purposes.

All gas service to be provided under a single service classification to a customer in a building will be rendered through a single meter except in the instances described in (1) and (2) below:

- (1) The Company may elect to install more than one meter for gas service provided under a single service classification:
 - i. when the use of more than one meter is necessary to provide safe gas service;
 - ii. when the use of more than one meter is required by a municipal ordinance;
 - iii. when one meter cannot correctly measure the total gas service rendered;
 - iv. when the characteristics of gas service of the Customer are such that at the time the service line was installed there was no single meter commercially available to measure the gas service correctly;
 - v. when more than one meter is required in order to render proper and reliable gas service without interruption; or
 - vi. in other comparable circumstances where service cannot practically be rendered through a single meter.

Pursuant to (i) through (vi), when more than one meter is installed to measure the gas service of a single customer at a premise or building under a single service classification under the above listed circumstances, the registrations of the meters will be combined under one customer account and the bill computed as if all service had been rendered through a single meter.

- (2) At the Customer's written request and at the Customer's expense, the Company will install more than one meter for a building or premise under a single service classification, in which case the quantity of gas supplied through each meter will be measured separately and the bills for each computed separately under the appropriate service classification(s).

Gas service provided to commercial and industrial customers for use by emergency back-up natural gas generators of more than 12 kW shall be separately metered subject to the Company's technical determination that more than one meter is

required to correctly measure the total gas service rendered. Should the Company determine that this service be separately metered, the Company will issue a separate bill pursuant to a rate schedule applicable for the usage on the separate meter. Otherwise, if so determined by the Company to be technically feasible, the Company shall allow gas usage for emergency back-up natural gas generators to be measured by the Customer's existing meter.

For residential gas services provided pursuant to prior tariff provisions that required that gas service for use by emergency back-up natural gas generators be separately metered and billed, when both meters are served under a single residential service classification, the registrations of the meters will be combined under one customer account and the bill computed as if all service had been rendered through a single meter. Should a residential customer request the removal of one of the meters, the Customer shall bear the cost of removing the meter and the cost of piping through the remaining meter. If the Company, at its sole discretion, decides to remove the additional meter, the Company will bear the cost of the removal of the meter and any piping cost.

7.0 BILLING AND READING OF METERS:

Bills are calculated and rendered on the basis of a customer account which shall have a unique identification number established for the billing of service provided through an individual meter, except for multiple metered customer accounts established pursuant to section (1) of Item 6.0 above, or aggregation pools established pursuant to the Company's Transportation Terms and Conditions, Section 6, Schedule C of the tariff. A single Customer may have more than one customer account.

All bills are due within 25 days from the date of the bill. A late payment charge shall accrue on non-residential bills after 25 days in accordance with regulations of the PUC and the Division.

Customers receiving bills may elect to receive their bill electronically. Customers electing to receive their bills electronically will receive a paperless billing credit as identified in Section 1, Schedule A, Item 12.0.

Whenever a check or draft presented for payment of service is not accepted by the institution on which it is written, the Customer shall be charged a returned check fee, as identified in Item 12.0, per check or draft written. Such returned check charge shall be waived for customers receiving gas service on low income rate classes Rate 11 and Rate 13.

The Customer shall be responsible for all charges for distribution and gas service furnished

by the Company under the applicable rates as filed from time to time with the PUC, from the time service is commenced until it is terminated.

Annually in August, the Company will review the gas consumption of each non-residential firm customer account for the just ended September through August period to determine if any customer account qualifies for a different rate class. If any such customer account does qualify for a different rate class based on this billing information, then commencing with the September billing month, that customer account will be billed under that new rate class.

Properly authorized representatives of the Company shall have the right to access the Customer's premises at all reasonable times and intervals for the purpose of reading, installing, examining, repairing, replacing, or removing the Company's meters, meter reading devices, pipes, and other gas equipment and appliances, in accordance with the General Laws, public regulations, and Company policy in effect from time to time. The Customer shall be responsible for providing accessibility to the above metering and other equipment belonging to the Company.

Readings taken by an Automated Meter Reading ("AMR") technology will be considered actual readings for billing purposes.

The Company shall maintain the accuracy of all metering equipment installed pursuant hereto by regular testing and calibration in comparison to recognized standards and in accordance with PUC and Division regulations. A meter shall be deemed to be registering correctly if it appears from examination or test that it does not vary more than two percent (2%) from the standard approved by the Division.

In the event that the Company obtains inaccurate meter readings for any reason or in case any meter shall for any reason fail to register the full amount of gas supplied or the maximum demand of any customer account for any period of time, the amount of the bill of such customer account shall be estimated by the Company from available data. Such estimated bills shall be payable as rendered unless a customer disputes such estimate in accordance with procedures established by the Division.

The Company will notify the Customer whenever it obtains information indicating that gas is being diverted from the Customer's service or that the meter has been tampered with. The Customer will be held responsible to the Company for any leakage or other use of gas which may occur beyond the point of the meter installation.

Unless otherwise determined by the Company, all residential premises shall be equipped with a meter that employs AMR technology utilizing radio frequency transmitters to allow the

Company to obtain meter readings remotely. However, residential customers may choose to “opt-out” by having their AMR meter replaced with a non-AMR meter.

Customers who choose to opt-out will be charged an initial fee, as identified in Item 12.0, for the removal of the existing AMR gas meter and the installation of the non-AMR gas meter.

Customers who choose to opt-out will also be charged a monthly meter reading fee for the non-AMR gas meter, as identified in Item 12.0. The meter reading fee is applicable to Customers who receive gas and electric service, or receive gas-only service, from the Company. The Company, at its option, may choose to read the non-AMR meter less frequently than once per month. In that case, or if the Company is unable for any reason to read the meter on the regularly scheduled monthly read date, the Company shall make a reasonable estimate of the consumption of gas during those months when the meter is not read, based on available data, and such estimated bills shall be payable as rendered.

A Customer will not be assessed the initial or monthly fee until after the Company has installed the non-AMR gas meter.

Any opt-out Customer who subsequently wishes to have an AMR gas meter re-installed will be charged a “re-installation fee” as identified in Item 12.0. The re-installation fee will be charged for the removal of the non-AMR gas meter and the installation of the AMR gas meter.

Any Customer electing re-installation will no longer be assessed the special monthly gas meter reading fee after the AMR meter has been re-installed.

8.0 DISCONTINUANCE OF SERVICE:

Subject to the applicable regulations of the PUC and the Division, the Company shall have the right to discontinue gas service to the Customer and to remove or disconnect its meters and piping for nonpayment of bills for gas service. The customer shall be responsible for paying the cost of reconnecting gas service if the service is disconnected for nonpayment of bills or an account restoration charge, as identified in Item 12.0, in the case of a turn-on after a shut-off for nonpayment of bills. Such account restoration charge shall be waived for Customers receiving service on low income rate classes Rate 11 and Rate 13.

The Company reserves the right to disconnect its service at any time without notice or to refuse to connect its service if, to its knowledge and in its judgment, the Customer’s installation has become or is unsafe, defective, or in violation of the Company’s policies or any ordinances, laws, codes, or regulations.

In the event that any action by the Customer or others shall cause a condition in the premises occupied by any customer whereby life or property is endangered, the Company may discontinue service to said premises regardless of the number of occupants or tenants of said premises.

Whenever the Company shall have proof that any customer is diverting and/or stealing service, the Company may discontinue its service to such customer and remove the meter.

9.0 COMPANY INSTALLATION AND PROPERTY:

All meters, services, and other gas equipment owned by the Company shall be and will remain the property of the Company and no one other than an employee or authorized agent of the Company shall be permitted to remove, operate, or maintain such property. The Customer shall be responsible for all damage to, or loss of, such property unless occasioned by circumstances beyond the Customer's control. Such property shall be installed at points most convenient for the Company's access and service and in conformance with public regulations in force from time to time. The costs of relocating such property shall be borne by the Customer when done at the Customer's request, or for his convenience, or if necessary to remedy any violation of public law or regulation caused by the Customer.

The Company shall provide and maintain the necessary housing, fencing, barriers, and foundations for the protection of the equipment to be installed upon the Customer's premises. Such space, housing, fencing, barriers, and foundations shall be in conformity with applicable laws and regulations and subject to the Company's specifications and approval.

10.0 SUPPLY OF GAS:

The Company shall make every reasonable effort to maintain an uninterrupted supply of gas for all firm customers, but it shall not be liable for loss or damage caused by reason of any interruption or reduction of the supply, or by reason of any abnormal pressure or quality of the gas, whether as a result of accident, labor difficulties, condition of fuel supply, the actions of any public authority, failure to receive any gas for which in any manner it has contracted, the implementation in accordance with good utility practice of an emergency load reduction program by the Company or one with whom it has contracted for a supply of gas, or inability for any other reason beyond the Company's control to maintain normal pressure or quality, or uninterrupted and continuous service.

Whenever the integrity of the Company's system or the supply of gas is believed to be threatened by conditions on its system or upon the systems with which it is directly or indirectly interconnected, the Company may, in its sole judgment, curtail or interrupt gas service or reduce pressure and such action shall not be construed to constitute a default nor

shall the Company be liable therefore in any respect. The Company will use reasonable efforts under the circumstances to overcome the cause of such curtailment, interruption, or reduction and to resume full performance.

The Company shall be excused from performing under the Schedule of Rates and shall not be liable in damages or otherwise if and to the extent that it shall be unable to do so or prevented from doing so by statute or regulation or by action of any court or public authority having or purporting to have jurisdiction in the premises; or by loss, diminution, or impairment of gas supply from its suppliers or the systems of others with which it is interconnected; or by reason of storm, flood, fire, earthquake, explosion, civil disturbance, labor dispute, act of God or public enemy, failure of any supplier to perform, restraint by any court or regulatory agency, or any other intervening cause, whether or not similar thereto; the Company shall use reasonable efforts under the circumstances to overcome such cause and to resume full performance.

The foregoing shall not alter the Company's liability under applicable legal standards for damages in the case of its negligent or intentionally wrongful conduct with respect to any act or failure to act by the Company.

11.0 COMPANY LIABILITY:

The Company shall not be liable for any loss or damage resulting from the use of gas or the presence of the Company's appliances and equipment on the Customer's premises unless such loss or damage results directly and solely from the Company's negligence.

The Company shall not, in any event except that of its own negligent acts or omissions, be liable to any party for any direct, consequential, indirect, or special damages, whether arising in tort, contract or otherwise, by reason of any services performed, or undertaken to be performed, or actions taken by the Company, or its agents or employees, under the Schedule of Rates or in accordance with or required by law, including, without limitation, termination of the customer's service.

The Customer assumes full responsibility for the proper use of gas furnished by the Company and for the condition, suitability, and safety of any and all equipment on the Customer's premises, or owned or controlled by the Customer which is not the Company's property. The Customer shall indemnify and save harmless the Company from and against any and all claims, expenses, legal fees, losses, suits, awards, or judgments for injuries to or deaths of persons or damage of any kind, whether to property or otherwise, arising directly or indirectly by reason of (1) the routine presence in or use of gas from pipes owned or controlled by the Customer; or (2) the failure of the Customer to perform any of his or her duties and obligations as set forth in the Schedule of Rates where such failure creates safety

hazards; or (3) the Customer's improper use of gas or gas appliances. Except as otherwise provided by law, the Company shall be liable for damages claimed to have resulted from the Company's conduct of its business only when the Company, its employees, or agents have acted in a negligent or intentionally wrongful manner.

12.0 SCHEDULE OF AMINISTRATIVE FEES AND CHARGES:

Account Restoration Charge:	\$96.00
Paperless Billing Credit:	\$0.37/bill/month
Return Check Charge:	\$8.00

Daily Metered Equipment Fee: A customer will be charged for the cost of equipment installed by the Company to provide FT-1 Distribution Service through wireless readings of the Company's meter pursuant to Section 7, Schedule C, Item 2.02.0. The initial lump sum charge is \$1,239.00

Daily Metered Data Plan Fee: A customer will be charged annually for the data plan associated with FT-1 Distribution Service pursuant to Section 7, Schedule C, Item 2.02.0. The annual data plan fee is \$17.00

AMR Opt-Out Fees:

<u>Removal of AMR Meter/Installation of Non-AMR Meter:</u>	\$74.00
<u>Monthly Meter Reading Fee:</u>	\$13.00
<u>Reinstallation of AMR Meter:</u>	\$74.00

Actual Base Revenue Per Customer:	The actual base revenue for a rate class for a month divided by the actual number of customers billed for each rate class in the month.
Actual Transportation Quantity:	The quantity of gas actually received during the Gas Day as measured by the metering equipment at the Point(s) of Receipt, adjusted for the applicable Company Fuel Allowance.
Aggregation Pool:	One or more transportation Customer accounts whose gas usage is aggregated into a Marketer's account for operational purposes, including but not limited to nominating, scheduling and balancing gas deliveries to specified Point(s) of Receipt.
AGT Costs:	Advanced Gas Technology program costs as approved by the PUC.
Average Normalized Winter Day Usage:	A Customer's average normal winter day's usage, based on their actual gas usage during the most recent November through March period, adjusted for normal degree days, as approved in the most recent general rate case.
Base Revenue:	Base Revenue is the sum of the customer charge, variable distribution charges and demand charges for firm service rate classes. Base Revenue is net of Gross Earnings Tax (GET).
BTU content factor:	One British thermal unit (i.e., the amount of heat required to raise the temperature of one pound of water one degree Fahrenheit at sixty degrees (60°) Fahrenheit). A Therm is one hundred thousand Btus. The BTU content factor for a given volume shall be calculated by the Company on a seasonal basis at the end of October and the end of April based upon an average of the Transporting Pipeline's prior six-month experience of recorded BTU factors.
Capacity Release Revenues:	Revenues derived from the sale of capacity upstream of the city-gate.
Capacity Exempt Customer:	Any Customer who is the customer of record at a location having a Capacity Exemption.

Capacity Exemption:	A location having Gas Usage that is not subject to a mandatory pipeline capacity assignment from the Company. Customers are capacity exempt if they (1) elected to retain their Capacity Exemption at a specific location as part of the 1999 revisions to the Company's Business Choice program in Docket RIPUC 2902, (2) receive delivery service on the Company's Non-Firm Sales or Non-Firm Transportation rate schedules, or (3) elected capacity exemption as a New Customer in accordance with Section 6, Transportation Terms and Conditions, Schedule C, Part 1.07.1.
Company Fuel Allowance:	The quantity in Therms (as calculated on a percentage basis) by which the gross amount of gas received for Customer's account at the Point(s) of Receipt is reduced in kind in order to compensate the Company for gas loss and unaccounted for, Company use or similar quantity-based adjustment.
Consumption Algorithm:	A mathematical formula used to calculate a Customer's daily consumption based on the Customer's historical base load and heat use per heating degree day factor.
Critical Day:	Defined as any day where supply resource constraints are expected to adversely impact the operation of the Company's distribution system. A Critical Day may occur under conditions, such as severe cold temperatures, pipeline emergencies, malfunctions or unusual, out-of-season weather conditions.
Customer:	Any party(s) that has obtained service from the Company pursuant to the General Terms and Conditions or pursuant to the Transportation Terms and Conditions.
Daily Index:	The mid-point of the range of prices for the respective New England Citygates as published by <u>Gas Daily</u> under the heading "Daily Price Survey, Midpoint, Citygates, Algonquin Citygates" and "Daily Price Survey, Midpoint, Citygates Tennessee/Zone 6 (delivered)" for the relevant Gas Day listed under "Flow date(s)." In the event that the <u>Gas Daily</u> index becomes unavailable, the Company shall apply its daily marginal cost of gas as the basis for this calculation until such time that PUC approves a suitable replacement.

Deferred Balance:	The difference between incurred costs and revenues received.
Deferred Gas Cost Balance:	The difference between gas costs incurred and gas revenues received.
Dekatherm (Dt):	Ten Therms or one million Btu's (MMBtu).
Design Winter Sales Sendout:	Sales sendout of Residential Non-Heating, Residential Heating, Small C&I, Medium C&I, Large Low and High Load C&I, and Extra Large Low and High Load C&I during November through March based on design winter temperatures.
Division	The Rhode Island Division of Public Utilities and Carriers.
Electronic Bulletin Board (EBB):	An internet web site which allows both the Company and Marketers to electronically post nominations and other transportation-related information.
EDI	Electronic Data Interchange, the system by which the Company and Marketers initiate transactions and share information.
Environmental Response Costs:	All reasonable and prudently incurred costs associated with evaluation, remediation, clean-up, litigation, claims, judgments, insurance recovery (net of proceeds), and settlements arising out of the Company's utility-related ownership, operation, or use of: (1) manufactured gas production and storage facilities and disposal sites where wastes and materials from such facilities were deposited; (2) mercury regulators; and (3) meter disposal. Also included are the reasonable and prudently incurred costs for acquiring plant, property and equipment to facilitate remediation and other appropriate environmental management objectives in connection with the above sites, properties, and activities. The Company will use its best efforts to minimize Environmental Response Costs consistent with applicable regulatory requirements and sound environmental management policies and practices.
Forecasted Daily Usage (FDU):	Customer's estimated daily consumption for the next gas day as

calculated by the Company based upon a forecast of heating degree days and the consumption algorithm.

Gas Day:	A period of twenty-four (24) consecutive hours beginning at 10:00 am (EST) and ending at 10:00 am (EST) the next calendar day.
Gas Usage:	The actual quantity of gas used by the Customer as measured by the Company's metering equipment at the Point of Delivery and converted to Therms.
Hedge Collateral:	Funds the Company is required to put up as collateral on hedge positions by an exchange or counterparty, or funds it receives from an Exchange or counterparty as collateral.
Hedge Collateral Carrying Costs:	<p>For the month being calculated, carrying costs equal the total of the following: (1) For each exchange or counterparty holding the Company's collateral, the monthly short term borrowing rate defined as the Company's money pool rate, times the average hedge collateral daily balance for the month divided by 12, less (2) for each exchange or counterparty where the Company holds their collateral, the monthly short term borrowing rate times the average hedge collateral daily balance for the month divided by 12, less (3) any interest paid to the Company by the exchange or counterparty on the collateral funds it holds.</p> <p>The Company will recover carrying costs from customers or credit customers for carrying costs through the Gas Adjustment. In the event the Company chooses to meet its collateral obligations by posting a letter of credit or other non-cash instrument, the carrying cost will be the direct costs of the letter of credit or alternative non-cash instrument.</p>
Imbalance:	The difference between the Actual Transportation Quantity and Gas Usage.
Interest on Deferred Balance:	Interest revenue/expense required to finance the deferred balance based on the Bank of America Prime Rate less 200 basis points (2%) as in effect from time to time.

Inventory Finance Charge:	Finance charges associated with the storage of natural gas as calculated using a working capital calculation.
Local Storage Costs:	Costs associated with the investment, operations, and maintenance of natural gas storage downstream of the city-gate.
Marginal Gas Cost:	The variable cost of the Company's marginal source of supply for the Gas Day. Incremental Cost is a synonymous term.
Marketer:	An entity meeting the eligibility requirements of Section 6, Schedule C, Item 5.03, that is designated in a Transportation Service Application by the Customer to act on its behalf for nomination, notification, scheduling, balancing, and receipt of communications, and which has executed a Marketer Aggregation Pool Service Agreement. A Customer may designate itself as the Marketer provided that they have an executed service agreement with the Transporting Pipeline or provide proof of contract to purchase the gas at the Company's city gate.
Maximum Daily Quantity:	The maximum quantity of gas a customer is authorized to use during the gas day.
Monthly Index:	The simple average of the Daily Indices for the applicable month.
Net Insurance Recoveries:	Proceeds recovered from insurance providers and third parties for Environmental Response Costs, less the cost of obtaining such proceeds through claims, settlements, and litigation.
New Customer:	A Customer taking a supply of gas at a new Point of Delivery that has not been previously served by the Company.
Non-Firm Customer:	A customer who receives service under the Company's Non-Firm rate class.
Non-Firm Transportation Margins:	Margins derived from the transportation of natural gas to non-firm customers downstream of the city gate.
Off-System Sales Margins:	Margins derived from the sale of natural gas upstream of the city-gate.

Operational Flow Order:	The Company's instruction to Marketers and/or Customers to take such action as conditions require, including, but not limited to, diverting gas to or from the Company's distribution system pursuant to Section 6, the Transportation Terms and Conditions, Schedule C, Item 1.04.2.
Peak Day Use:	The estimated use of a customer on the forecasted Gas Day during which the Company's system experiences the highest aggregate Gas Usage. It is calculated by estimating the customer's average use on a day when heat is not required (the baseload use) and the average use per degree day (the heating use) based on the customer's historical usage history. In the event the customer's historical usage is unavailable or not representative of expected future use, the Company will evaluate the customer's gas equipment and its projected utilization in order to calculate the customer's estimated use. The Peak Day Use equals the baseload use plus the product of the use per degree day times the design degree day value as approved by the PUC.
Pipeline Costs:	Costs associated with the entitlement and transmission of natural gas on the interstate pipeline system.
Pipeline Shipper(s):	The party(s) from whom a Marketer has purchased gas to be delivered to and transported by the Company.
Point of Delivery:	A location at which the Company's distribution facilities are interconnected with the Customer's facility.
Point(s) of Receipt:	Outlet side of the measuring station at the interconnection between the Transporting Pipeline and the Company's distribution facilities where gas will be received by the Company for transportation service in its service territory.
PUC	The Rhode Island Public Utilities Commission.
Purchased Gas Working Capital:	The working capital required to finance the Company's purchased gas.
Refunds:	Refunds from pipeline, storage, and suppliers.

Scheduled Transportation Quantity:	The quantity of gas scheduled by the Marketer to be received by the Company for Customer's account during the Gas Day at the Point of Receipt, including the applicable Company Fuel Allowance.
Service Quality Performance Fund:	Deferred account containing accumulated Service Quality adjustments.
Soft-Off	The termination of an account by the Company for billing purposes where there is no new customer of record and the actual flow of gas to the premises is not disconnected.
Supplier Costs:	Costs associated with the entitlement and purchase of natural gas.
Target Revenue Per Customer:	For the period through August 2018, the target revenue per customer amount is that established in Docket 4323. For the period beginning September 2018, it shall be the target revenue per customer establish in Docket 4770.
Therm:	An amount of gas having a thermal content of 100,000 Btus.
Transportation Imbalance Revenues:	Revenues associated with daily and monthly imbalances for transportation customers, as included in the Company's Terms and Conditions of Firm Transportation.
Transporting Pipeline:	The party(s) engaged in the business of rendering transportation service of natural gas in interstate commerce subject to the jurisdiction of the Federal Energy Regulatory Commission, which are transporting gas for Marketer to a Point of Receipt of the Company.
Upstream Storage Costs:	Costs associated with the entitlement, injection, withdrawal, and storage of natural gas upstream of the city-gate.
Working Capital:	The dollar amounts required to support the Company's activities prior to the receipt of revenue.

1.0 RHODE ISLAND GROSS EARNINGS TAX:

Unless otherwise indicated, all rates exclude an amount necessary for the payment of Rhode Island Gross Earnings Tax. An amount necessary for the payment of Rhode Island Gross Earnings Tax will be separately identified on bills rendered to customers.

2.0 GROSS EARNINGS TAX REDUCTION FOR MANUFACTURERS:

Consistent with the gross earnings tax exemption provided in Section 44-13-35 of Rhode Island General Laws, eligible manufacturing customers will be billed the applicable Rhode Island Gross Earnings Tax (GET). The Customer is responsible for providing to the Company in writing its tax exemption number and other appropriate documentation. If the Company collected any taxes or assessments from the Customer and is later informed by the Customer that the Customer is exempt from such taxes, it shall be the Customer's responsibility to obtain any refund from the appropriate governmental taxing agency.

Eligible manufacturing customers are those Customers who have on file with the Company a valid certificate of exemption from the Rhode Island sales tax (under section 44-18-30 (7) of Rhode Island General Laws) indicating the Customer's status as a manufacturer. If the Division of Taxation (or other Rhode Island taxing authority with jurisdiction) disallows any part or all of the exemption as it applies to a Customer, the Customer will be required to reimburse the Company in the amount of the credits provided to such Customer which were disallowed, including any interest required to be paid by the Company to such authority.

The Division of Taxation has indicated that it will generally deem 95% of manufacturer's volumes to be for "manufacturing use" eligible for the reduced manufacturer's Gross Earnings Tax rate. Thus, unless usage is separately metered for manufacturing only, 95% of billed amounts for qualified customers will be deemed to be for manufacturing purposes and eligible for the manufacturer's GET credit, whereas the remaining 5% of the billed amount will be subject to the standard GET rate. If usage is separately metered for manufacturing use only, the entire amount will be subject to the reduced manufacturing GET rate.

No other use of gas will be included in this rate for billing purposes.

3.0 OTHER RHODE ISLAND TAXES:

Where applicable at rate or rates in effect from time to time.

4.0 ENERGY EFFICIENCY SURCHARGE:

As provided for in Section 39-1-27.7 and Section 39-2-1.2 of Rhode Island General Laws, a charge per dekatherm (Dt) designed to recover the costs of the Company's gas Energy Efficiency Program ("EEP").

With the filing of the Company's EEP plan for the upcoming calendar year, the Company will file its EEP per Dt charge on or before October 15 of each year. In any year in which the Company is required to file a triennial Energy Efficiency Procurement plan, the Company will file the EEP Charge by November 1. The EEP Charge shall be effective on the following January 1. The EEP charge will be designed to collect the estimated costs of the Company's EEP plan for the upcoming calendar year plus a full reconciliation of all costs and revenues for the current year including a reconciliation of forecasted revenue and costs for months of the current year for which actual data is not available at the time of the filing. Any projected amounts included in the EEP charge filing are subject to reconciliation to actual amounts and any difference will be reflected in a future EEP charge filing. Upon approval by the PUC, such a charge (adjusted for the uncollectible percentage approved in the most recent general rate case) shall become effective with usage on or after the effective date.

The Company may file to change the EEP charge at any time should significant over- or under-recoveries occur.

1.0 GENERAL:

1.1 Purpose:

The purpose of this clause is to establish procedures that allow the Company, subject to the jurisdiction of the PUC, to annually adjust its rates for firm sales and the weighted average cost of upstream pipeline transportation capacity in order to recover the costs of gas supplies, pipeline and storage capacity, production capacity and storage, purchased gas working capital, and to credit supplier refunds, capacity credits from off-system sales and revenues from capacity release transactions.

The Gas Cost Recovery Clause shall include all costs of firm gas, including, but not limited to, commodity costs, demand charges, hedging and hedging related costs, local production and storage costs and other gas supply expense incurred to procure and transport supplies, transportation fees, inventory finance costs, requirements for purchased gas working capital, all applicable credits, taxes, and deferred gas costs. Any costs recovered through the application of the Gas Charge shall be identified and explained fully in the annual filing.

1.2 Applicability:

The Gas Charge shall be calculated separately for the following rate groups:

- (1) Residential Non-Heating, Low Income Residential Non-Heating, Large C&I High Load Factor, Extra Large C&I High Load Factor;
- (2) Residential Heating, Low Income Residential Heating, Small C&I, Medium C&I, Large C&I Low Load Factor, and Extra Large C&I Low Load Factor; and
- (3) FT-2 Firm Transportation – Marketers.

The Company will make annual Gas Charge filings based on forecasts of applicable costs and volumes and annual Reconciliation filings based on actual costs and volumes. The Gas Charge shall become effective with consumption on or after November 1 as designated by the Company. In the event of any change subsequent to the November effective date which would cause the estimate of the Deferred Gas Cost Balance to differ from zero by an amount greater than five percent (5%) of the Company's gas revenues, the Company may make a Gas Charge filing designed to eliminate that non-zero balance.

Unless otherwise notified by the PUC, the Company shall submit the Gas Charge filings no later than sixty (60) days before they are scheduled to take effect. The Annual Reconciliation filing will be made by July 1 of each year containing actual data for the twelve months ending March 31 of that year.

2.0 GAS CHARGE FACTORS

2.1 Gas Charges to Sales Customers:

The Gas Charge consists of two (2) components: (1) Fixed Costs and (2) Variable Costs. These components shall be computed using a forecast of applicable costs and volumes for each firm rate schedule based on the following formula:

$$GC_S = FC_S + VC_S$$

Where:

GC_S Gas Charge applicable to High Load Factor sales rates (Residential Non-Heating, Low Income Residential Non-Heating, Large and Extra Large High Load C&I) and Low Load Factor sales rates (Residential Heating, Low Income Residential Heating, Small C&I, Medium C&I, Large and Extra Large Low Load C&I).

FC_S Fixed Cost Component for a rate classification. See Item 3.1 for calculation.

VC_S Variable Cost Component for a rate classification. See Item 3.2 for calculation.

This calculation will be adjusted for the uncollectible percentage approved in the most recent general rate case and the Gas Charges to Sales Customers are subject to the Rhode Island Gross Earnings Tax provisions in Section 1, Schedule C.

2.2 Gas Charge to FT-2 Marketers:

The FT-2 Demand Rate (SDC_M) recovers fixed costs associated with storage and peaking resources including pipeline supplies designated by the Company for peaking purposes. See item 3.3 for calculation.

The FT-2 Variable Charges for underground storage components consist of the following:

SLF The Company's weighted average loss factor on storage withdrawals across all storage contracts.

$WWCC$ The Company's weighted average commodity cost of storage withdrawals under all storage contracts.

PLF The Company’s weighted average loss factor on pipeline contracts used to deliver storage withdrawals to the system.

PCC The Company’s weighted average commodity cost on pipeline contracts used to deliver storage withdrawals to the system

This calculation will be adjusted for the uncollectible percentage approved in the most recent general rate case and the Gas Charges to Sales Customers are subject to the Rhode Island Gross Earnings Tax provisions in Section 1, Schedule C.

3.0 GAS CHARGE CALCULATIONS

3.1 Supply Fixed Cost Component:

The Supply Fixed Cost Component shall include all fixed costs related to the purchase, storage, or delivery of firm gas, including, but not limited to, pipeline and supplier fixed reservation costs, demand charges, operation and maintenance costs for storage facilities and other fixed gas supply expense incurred to transport or store supplies, transportation fees, and requirements for purchased gas working capital. Any costs recovered through the application of the Supply Fixed Cost Component shall be identified and explained fully in the annual filing.

The Supply Fixed Cost Component is calculated for each applicable rate schedule as follows:

$$FC_s = \frac{DWS_s \times (TC_{FC} - TR_{FC} + WC_{FC} + R_{FC} - (SDC_M \times MDQ_{SM} \times 12))}{Dt_s}$$

Where:

FC_s Supply Fixed Cost Component for High Load Factor rates (Residential Non-Heating, Low Income Residential Non-Heating, Large High Load C&I and Extra-Large High Load C&I) and Low Load factor rates (Residential Heating, Low Income Residential Heating, Small C&I, Medium C&I, Large Low C&I and Extra Large Low Load C&I).

DWS_s Percent of Design Winter Sales Sendout (November - March) for High Load Factor rates (Residential Non-Heating, Low Income Residential Non-Heating, Large High Load C&I and Extra-Large High Load C&I) and Low Load factor rates (Residential Heating, Low Income

	Residential Heating, Small C&I, Medium C&I, Large Low C&I and Extra Large Low Load C&I).
TC _{FC}	Total Fixed Costs, including, but not limited to pipeline, storage, and supplier reservation and supply related local production and storage costs. The level of supply-related local production and storage costs shall be determined annually as estimated by the Company.
TR _{FC}	Credits to Fixed Costs relating to supply services, including, but not limited to Marketer capacity release revenues, the amount forecasted to customers under the Natural Gas Portfolio Management Plan (“NGPMP”) for the November to October period, and forecasted gas costs relating to supplies required to maintain system pressures on the Company’s distribution system, as defined in Section 3, Item 3.1.
WC _{FC}	Working Capital requirements associated with Supply Fixed Costs. See Item 5.0 for calculation.
R _{FC}	Deferred Fixed Cost Account Balance as of October 31, as derived in Item 6.0 less the amount guaranteed to customers under the NGPMP and, following approval by the PUC, the net positive revenue from optimization transactions reduced by the guaranteed amount and the Company incentive under the Plan.
SDC _M	FT-2 Storage Demand Charge rate charged to Marketers based on their Maximum Daily Quantity of storage gas. See Item 3.3 for calculation.
MDQ _{SM}	Storage Forecast of Maximum Daily Quantity to be billed to Marketers.
D _{ts}	Forecast of annual sales to Residential Non-Heating, Low Income Residential Non-Heating, Residential Heating, Low Income Residential Heating, Small C&I, Medium C&I, Large Low and High Load C&I, and Extra Large Low and High Load C&I.

3.2 Supply Variable Cost Component:

The Supply Variable Cost Component shall include all variable costs of firm gas, including, but not limited to, commodity costs, taxes on commodity and other gas supply expense incurred to transport supplies, transportation fees, and requirements for purchased gas working capital, storage commodity costs, taxes on storage commodity and other gas storage expense incurred to transport supplies,

transportation fees, inventory commodity costs, and inventory financing costs. Any costs recovered through the application of the Supply Variable Cost Component shall be identified and explained fully in the annual filing.

The Supply Variable Cost Component is calculated for each applicable rate schedule as follows:

$$VC = \frac{TC_{VC} - TR_{VC} + WC_{VC} + R_V + IF_s}{Dt_{VC}}$$

Where:

VC	Supply Variable Cost Component for High Load Factor rates (Residential Non-Heating, Low Income Residential Non-Heating, Large and Extra Large High Load C&I) and Low Load Factor rates (Residential Heating, Low Income Residential Heating, Small C&I, Medium C&I, Large and Extra Large Low Load C&I).
TC _{VC}	Total Supply Variable Costs, including, but not limited to pipeline, supplier, storage, commodity-billed pipeline transition costs, and any hedge, hedging related cost or the carrying cost on hedge collateral.
TR _{VC}	Total Credits to Supply Variable Costs, including, but not limited to balancing commodity charge revenues and transportation imbalance charges.
WC _{VC}	Working Capital requirements associated with Total Supply Variable Costs. See Item 5.0 for calculation.
R _V	Deferred Cost Account Balance as of October 31, as derived in Item 6.0 plus the net of any Gas Procurement Incentives/Penalties associated with the Gas Procurement Incentive Plan.
Dt _{VC}	Forecast of annual sales to Residential Non-Heating, Low Income Residential Non-Heating, Residential Heating, Low Income Residential Heating, Small C&I, Medium C&I, Large Low and High Load C&I, and Extra Large Low and High Load C&I.
IF _s	Inventory Finance Cost as calculated in Item 4.0 below.

3.3 FT-2 Storage Demand Charge:

The FT-2 Storage Demand Charge (SDC_M) shall include all fixed costs related to the operations, maintenance, and delivery of storage, including, but not limited to, the supply-related portion of local production and storage costs, delivery of storage gas to the Company's Distribution System, Storage Inventory Financing Charges and requirements for purchased gas working capital. Any costs recovered through the application of the Storage Demand Charge shall be identified and explained fully in the annual filing.

The Storage Demand Charge Component is calculated for the FT-2 rate schedule as follows:

$$SDC_M = \frac{TFC_S + IF_S + WC_S}{MDQ_S \times 12}$$

Where:

- SDC_M FT-2 Storage Demand Charge in \$/per Maximum Daily Quantity of Storage gas to be charged to Marketers.
- TFC_S Total Storage Fixed Costs, equals all fixed costs of storage, including, but not limited to, the supply related portion of local production and storage costs, taxes on storage, any demand or fixed charges associated with storage or delivery of storage gas to the Company's Distribution System, and any demand or fixed pipeline reservation charges designated by the Company as a peaking resource. The level of supply-related local production and storage costs shall be determined annually as estimated by the Company.
- IF_S Inventory Finance Cost as calculated in Item 4.0 below.
- MDQ_S The total maximum daily quantity of storage gas in Dekatherms deliverable to the Company's Distribution System using the LNG facilities, storage resources, and pipeline contracts related to storage delivery.
- WC_{FC} Working Capital requirements associated with Supply Fixed Costs. See Item 5.0 for calculation.

4.0 INVENTORY FINANCING:

$$IF_S = (ASB_U + ASB_L) \times COC$$

Where:

IF _S	Inventory Finance Charges for storage
ASB _U	Average underground storage balance
ASB _L	Average LNG storage balance
COC	Weighted Pre-tax Cost of Capital, consisting of three components: Short-term Debt, Long-term Debt, and Common Equity. The Common Equity components shall reflect the rates approved in the most recent general rate case. The Short-term debt component shall be based on the Company's actual short-term borrowing rate for the twelve months ended March as presented in the Company's annual Distribution Adjustment Clause Filing.

5.0 WORKING CAPITAL REQUIREMENT:

$$WC_M = WCA_M \times [DL \div 365] \times COC$$

Where:

WC _M	Working Capital requirements of Supply Fixed (WC _{FC}) and, Storage Fixed (WC _{SFC}), Supply Variable (WC _{SV}), Storage Variable Product (WC _{SVC}) or Storage Variable Non-product (WC _{SVNC}) Cost Components.
WCA _M	Working Capital Allowed in the Supply Fixed, Storage Fixed, and Supply Variable, Storage Variable Product, or Storage Variable Non-product Cost component calculations.
DL	Days Lag approved in the most recent general rate case.
COC	Weighted Pre-tax Cost of Capital, consisting of three components: Short-term Debt, Long-term Debt, and Common Equity. The Common Equity components shall reflect the rates approved in the most recent general rate case. The Short-term debt component shall be based on the Company's actual short-term borrowing rate for the twelve months ended March as presented in the Company's annual Distribution Adjustment Clause (DAC) filing in support of the Earnings Sharing Mechanism (ESM). The long-term debt

component will be based on the Company's actual long-term borrowing rate as presented in the Company's annual DAC filing.

6.0 DEFERRED GAS COST ACCOUNTS:

The Company shall maintain two (2) separate Deferred Gas Cost Accounts: (1) Fixed Costs and revenues and (2) Supply Variable Costs and revenues. Entries shall be made to each of these accounts at the end of each month as follows:

An amount equal to the allowable costs incurred less:

1. Gas Revenues collected adjusted for the RIGET and uncollectible percentage approved in the most recent general rate case;
2. Credits to costs, including but not limited to GCR Deferred Responsibility surcharge/credits and Transitional Sales Service (TSS) surcharge revenues,

and including
3. Monthly interest based on a monthly rate of the current Bank of America prime interest rate less 200 basis points (2%), multiplied by the arithmetic average of the account's beginning-of-the-month balance and the balance after entries 1. and 2. above.

7.0 REFUNDS:

Any refund associated with the Company's total gas cost for Sales customers shall be credited to the Deferred Cost Account.

8.0 WEIGHTED AVERAGE UPSTREAM PIPELINE TRANSPORTATION COST:

At the request of a marketer or the Division, the Company will provide within 21 days an estimate of the pipeline path costs for the next GCR year beginning November 1. The estimate will be based on the most recent GCR filing updated for current commodity pricing and other known changes which would significantly affect the factor. Concurrent with the annual GCR filing, the Company shall calculate the final weighted average cost of upstream pipeline transportation capacity. The cost shall be applicable to capacity release under the Transportation Terms and Conditions effective November 1 of each year or at such time as the PUC approves the rates.

9.0 DEFERRED GAS COST RESPONSIBILITY:

Under the Transportation Terms and Conditions, Section 6, Schedule C, Item 1.0, if a Customer who has been receiving firm sales service and elects to transfer to transportation service to purchase gas from a Marketer, the Customer is responsible for their portion of the deferred gas cost balance. The calculation of any under-recovered or over-recovered gas cost attributable to the Customer's prior service will be charged or credited to the Customer's account at the time transportation service is initiated.

9.1 Factor Calculations:

The calculation of the Customer's deferred gas cost balance consists of: (1) the prior period deferred gas cost reconciliation amount reflected in the Company's current Gas Charge; and (2) any incremental under-recovery or over-recovery of actual costs versus projected costs that accrue while the current Gas Charge is in effect.

The first component is calculated on the basis of the Company's Gas Charge filing with the PUC in accordance with the following formula:

$$\text{PPF} = \frac{\text{DAB}_B}{\text{Dt}_S}$$

Where:

PPF Prior Period Factor as a \$/Dt.

DAB_B Deferred Gas Cost Account Beginning Balance for the first month covered under the Gas Charge filing.

Dt_S Forecast of sales volumes for the period covered by GCC filing.

The second component is calculated on a quarterly basis and represents the additional deferral balance since the balance determined in the Company's last Gas Charge filing. The factor is calculated as follows:

$$\text{IDF} = \frac{\text{DQB}_E - \text{PDAB}_B}{\text{Dt}_a}$$

Where:

IDF	Incremental Deferred Gas Cost Balance Factor as a $\$/Dt$.
DQB _E	Actual Deferred Gas Cost Account Ending Balance for a quarter subsequent to the PPF.
PDAB _B	Projected Deferred Gas Cost Account Ending Balance for the quarter subsequent to the PPF.
Dt _a	Actual sales volumes for the quarter(s) subsequent to the PPF.

9.2 Application of Factors:

The customer's total Deferred Gas Cost Responsibility will equal the sum of the following:

- (1) The PPF times: (a) the Customer's prior GCR year's total Dt minus (b) the Customer's current year's Dt where the current GCR year's Dt reflects the period the customer has been billed the current Gas Charge; and
- (2) The IDF times the Customer's Dt during the period covered by the IDF.

1.0 **GENERAL**

1.1 **Purpose:**

The purpose of the Distribution Adjustment Clause (“DAC”) is to establish procedures that allow the Company, subject to the jurisdiction of the PUC, to annually adjust its rates for firm sales and transportation in order to recover, credit, or reconcile the following:

- (1) the system pressure costs;
- (2) the difference between the approved AGT factor revenue collections and actual AGT factor revenue collections;
- (3) the costs of the Infrastructure, Safety, and Reliability Plan;
- (4) the amortization of the most recent ten years of Environmental Response costs;
- (5) Pension costs and Post-retirement Benefits Other than Pensions expenses;
- (6) to credit any Service Quality Performance penalties;
- (7) any over or under collections of revenue under the Revenue Decoupling mechanism;
- (8) the previous year DAC items;
- (9) any Earnings Sharing;
- (10) any Residential Assistance costs; and
- (11) the impact of the Tax Cuts and Jobs Act.

Any costs recovered through the application of the Distribution Adjustment Charge shall be identified and explained fully in the annual Distribution Adjustment Charge filing.

1.2 **Applicability:**

The Distribution Adjustment Charge will be applied to sales and transportation volumes under each of the Company’s firm rate schedules.

The Company will make annual DAC filings and its annual Reconciliation filings based on actual costs and volumes available at the time of filing as well as forecasts of applicable costs and volumes through October of that year. With the exception of the Infrastructure, Safety and Reliability component described in Item 3.3.2, the Distribution Adjustment Charge shall become effective with consumption as of November 1 each year.

Unless otherwise notified by the PUC, the Company shall submit the Distribution Adjustment Charge filings no later than 90 days before they are scheduled to take

effect, provided however that the Revenue Decoupling Adjustment component of the Distribution Adjustment Charge filing will be made July 1 annually. The Annual Reconciliation filing will be made by August 1 of each year.

2.0 DISTRIBUTION ADJUSTMENT CHARGE:

The Distribution Adjustment Charge will consist of an annual System Pressure factor, an Advanced Gas Technology factor, an Infrastructure, Safety, and Reliability factor, an Environmental Response Cost factor, a Pension Adjustment Mechanism factor, a Service Quality Performance factor, a Revenue Decoupling Adjustment factor, and a Reconciliation of deferred account balance factor, an Earnings Sharing Mechanism factor, a Low Income Discount Recovery Factor, a Tax Credit Factor and an Arrearage Management Adjustment Factor. The Distribution Adjustment Charge is calculated as follows:

$$DAC = SP+AGT+ISR+ERCF+PAF+SQP+RDA+AMAF+R+ESM+LIDRF+TCF$$

Where:

DAC	Distribution Adjustment Charge applicable to all firm throughput.
SP	System Pressure factor. See Item 3.1 for calculation.
AGT	Advanced Gas Technology factor. See Item 3.2 for calculation.
ISR	Infrastructure, Safety, and Reliability factor. See Item 3.3 for calculation.
ERCF	Environmental Response Cost Factor. See Item 3.4 for calculation.
PAF	Pension Adjustment Factor. See Item 3.5 for calculation.
SQP	Service Quality Performance Factor. See Item 3.6 for calculation.
RDA	Revenue Decoupling Adjustment factor. See Item 3.7 for calculation.
AMAF	Arrearage Management Adjustment Factor. See Item 3.8 for calculation.
LIDRF	Low Income Discount Recovery Factor. See Item 3.9 for calculation.
R	Reconciliation of deferred account balances as of October 31. See Item 4.0 for calculation.
ESM	Earnings Sharing Mechanism Factor. See Item 5.0 for calculation.

TCF Tax Credit Factor. See Item 3.10 for calculation.

The Distribution Adjustment Charge, excluding the RDA, shall be increased by the uncollectible expense percentage approved in the most recent general rate case.

3.0 DISTRIBUTION ADJUSTMENT CALCULATIONS

3.1 System Pressure Factor:

The System Pressure factor shall be computed in a manner that identifies and includes all fixed and variable gas supply costs required on an annual basis to maintain pressure within the Company's distribution system and shall identify and consider all gas supply costs that are required to maintain pressure for all portions of the Company's distribution system:

$$SP = \frac{GCSP \times SP\%}{Dt_T}$$

Where:

SP System Pressure Amount.

GCSP Forecasted Gas Costs associated with supply used to maintain system pressures, including both demand and commodity costs.

SP% Percent of supply used to maintain system pressures, as established in the most recent general rate case or DAC proceeding.

Dt_T Forecasted annual firm throughput.

3.2 AGT Factor:

The Advanced Gas Technology factor shall be determined annually, or as otherwise approved by the PUC, based on an estimate of AGT grants to be disbursed during the upcoming year, adjusted by any AGT grants from the prior year in excess of available funding or available funding in excess of AGT grants from the prior year, the total of which is the eligible AGT Costs to be approved for recovery by the PUC. The formula will be as follows:

$$\text{AGT} = \frac{\text{AGT}}{\text{Dt}_T}$$

Where:

AGT AGT Factor

AGT AGT Costs

Dt_T Forecasted annual firm throughput in dekatherms

3.3 Infrastructure, Safety and Reliability Plan:

3.3.1 Gas Infrastructure, Safety, and Reliability Plan Filing:

In compliance with R.I.G.L. Section 39-1-27.7.1, no later than January 1 of each year, the Company shall submit to the PUC a Gas Infrastructure, Safety, and Reliability Plan (Gas ISR Plan) for the upcoming fiscal year (April to March) for review and approval within 90 days. The Gas ISR Plan shall include the upcoming fiscal year's forecasted capital investment on its gas distribution system infrastructure and may include any other costs relating to maintaining safety and reliability that have been mutually agreed upon by the Division and the Company.

3.3.2 Infrastructure, Safety and Reliability Factor:

Effective each April 1, the Company shall recover through a change in Distribution Adjustment Charge rates the Cumulative Revenue Requirement on the Adjusted Cumulative Non-growth Capital Investment as approved by the PUC in the Company's annual gas infrastructure, safety, and reliability filings less the amount included in rate base for base rate purposes. For purposes of this section, non-growth capital shall exclude general plant (FERC Accts 389 through 399). The Cumulative Revenue Requirement shall mean the return and taxes on year-end Adjusted Cumulative Non-growth Capital Investment, at a rate equal to the pre-tax weighted average cost of capital as approved by the PUC in the most recent general rate case, plus the annual depreciation net of depreciation expense attributable to general plant that was approved by the PUC in the Company's most recent general rate case adjusted, if appropriate, by later proceedings related to capital, plus the annual municipal property tax recovery mechanism.

The Adjusted Cumulative Non-growth Capital Investment shall mean the cumulative actual non-growth capital investment recorded as in service since the end of the Company's rate year in its most recent general rate case, reflecting any difference between Actual Non-Growth Investment and Forecasted Non-Growth Investment for any period during which Forecasted Non-Growth Investment has not been reconciled to Actual Non-Growth Investment including through the end of the Company's rate year in its last general rate case. Cumulative Revenue Requirements will reflect Adjusted Cumulative Non-Growth Capital Investment as defined above plus the associated retirements, cost of removal, accumulated depreciation, and accumulated deferred taxes.

All accumulated Gas ISR investments will be eligible for inclusion in rate base recovery through new rates set in the next general rate case.

The Company shall allocate the Cumulative Revenue Requirements to its rate classes based on the rate base allocation approved by the PUC in the Company's most recent general rate case. Any other costs, including Operation and Maintenance expenses mutually agreed upon by the Division and the Company shall be allocated on a per unit basis.

3.3.3 Infrastructure, Safety and Reliability Factor: Reconciliation Mechanism:

The Company shall include an annual reconciliation mechanism associated with the ISR Factor designed to reconcile the actual Cumulative Revenue Requirements and any associated costs approved for recovery through this mechanism to the actual billed revenue for the prior fiscal year. As part of its annual DAC filing, the Company shall submit by August 1 a reconciliation factor (either positive or negative) related to the ISR Factor recoveries and actual Cumulative Revenue Requirements and any associated costs approved for recovery through this mechanism to take effect annually for the twelve months beginning November 1 each year.

3.4 Environmental Response Cost Factor (ERCF):

$$ERCF = \frac{\sum ERC_{yT} - ERC_{EMB}}{10 \cdot Dt_T}$$

Where:

ERC	Environmental Response Costs as defined in Section 1, Schedule B Definitions
$\sum \text{ERC}_{\text{Yr}}$	The sum of Environmental Response Costs, incurred in the most recent twelve month period ended March 31.
ERC _{EMB}	Environmental Response Costs funding embedded in base rates, \$1,310,000.
D _T	Forecasted annual firm throughput

In order to limit the bill impacts that could potentially result from the incurrence of environmental remediation costs, the ERC factor, calculated as described above, shall be limited to an increase of no more than \$0.10 per dekatherm in any annual DAC filing. If this limitation results in the Company recovering less than the amount that would otherwise be eligible for recovery in a particular year, then beginning on the date that the proposed ERC factor becomes effective, carrying costs shall accrue to the Company on the portion of the environmental remediation costs not included in the ERC factor as a result of this limitation. Such carrying costs shall accrue through the year in which such amount, together with accumulated carrying costs, are recovered from ratepayers. Any amounts so deferred shall be incorporated into the ERC factor in succeeding years consistent with the \$0.10 per dekatherm ERC factor annual increase limitation. Such carrying charges shall accrue at the Interest on Deferred Balance rate specified in Section 1, Schedule B of the Company's Definition section above.

3.5 Pension Adjustment Factor:

The Pension Adjustment Factor shall recover or refund the prior fiscal year's reconciliation of the Company's actual Pension and Post-retirement Benefits Other Than Pension (PBOP) expenses to the Company's Pension and PBOP expense allowance included in distribution base rates, including interest at the rate of interest paid on customer deposits. The recoverable actual Pension and PBOP shall reflect expense recorded on the Company's books of account pursuant to the Financial Accounting Standards Board ("FASB") Accounting Standards Codification Topic 715, Compensation—Retirement Benefits, as amended in March 2017 in a FASB Accounting Standards Update (formerly Statement of Financial Accounting Standards ("SFAS") 87 and SFAS 106) associated with pension and PBOP. The PAF will be computed on an annual basis for the twelve months ended March 31 and will be based on the difference in the Company's actual Pension and PBOP expense for the prior twelve month period ended March 31 and the distribution base rate allowance,

plus carrying charges at the weighted average cost of capital on the cumulative five quarter average underfunding of the Pension and PBOP Minimum Funding Obligation for the fiscal year ended March 31. The Minimum Funding Obligation will be equal to the amount of Pension and PBOP costs collected from customers during the fiscal year, plus the amounts of Pension and PBOP costs capitalized during the year. The amount collected from customers during the fiscal year would include (1) Pension and PBOP allowance included in base rates, and (2) amounts collected or refunded through the PAF. For the purpose of determining its Minimum Funding Obligation and the carrying costs that apply to that obligation, the Company shall be permitted to combine the funding of pensions and PBOPs, thereby offsetting, any deficiencies in PBOPs funding with any excess pension funding, or conversely offsetting any deficiencies in pension funding with any excess PBOP funding. The Company will be required to accrue and defer carrying charges on only the net unfunded pension/PBOP amount.

3.6 Service Quality Performance Factor:

The Service Quality Performance (SQP) Factor will be used for crediting to customers any penalties reflected in the Company’s annual Service Quality Report.

3.7 Revenue Decoupling Adjustment Factor:

The Revenue Decoupling Adjustment (RDA) Factor shall be a credit or surcharge determined for all Residential rate classes and Small and Medium C&I rate classes as the sum of the March 31 deferral ending balances for each rate class divided by the forecasted total annual firm throughput for those rate classes. The March deferral ending balance for each rate class shall result from the monthly calculation of the difference between the Target Revenue-per-Customer and the Actual Revenue-Per-Customer for each twelve months ending March 31. The deferral balance will be calculated as follows:

$$RDAF = \frac{\sum_{RC} (AEB_{M-1} + DIFF_M + INT_M)}{D_{TRC}}$$

Where:

RDAF Revenue Decoupling Adjustment Factor

\sum_{RC} The sum of the March 31 deferral ending balances for each of the following rate classes: Residential Non-heat (including Low Income

Residential Non-heat), Residential Heat (including Low Income Residential Heat), Small C&I, and Medium C&I.

AEB_{M-1} Account Ending Balance for prior month

$DIFF_M$ Current month Difference

$$= (RPC_{TM} - RPC_{AM}) \times CUST_M$$

RPC_{TM} Target Revenue-per-Customer based on class specific revenue per customer targets established in the most recent general rate case. The target for Low-Income classes will reflect non-discounted revenue. Low-income class revenue and customers will be included with non-discounted revenue and customers for the purposes of setting the target.

RPC_{AM} Actual Revenue-per-Customer for current month calculated as actual base revenue divided by number of customers in the current month. Revenue for Low-Income classes will reflect non-discounted revenue.

$CUST_M$ Number of customers in current month

INT_M Interest on average monthly balance based on the Bank of America Prime minus 200 basis points.

Dt_{RC} Forecasted annual firm throughput for the following rate classes: Residential Non-heat (including Low Income Residential Non-heat), Residential Heat (including Low Income Residential Heat), Small C&I, and Medium C&I.

3.8 Arrearage Management Adjustment Factor (AMAF):

In compliance with R.I.G.L. §39-2-1(d)(2), the Company shall surcharge customers allowable amounts forgiven through the Arrearage Management Plan (AMP) over the prior calendar year as described in Section 7, Schedule C, Item 9.0 through the AMAF.

$$AMAF = \frac{AMPC}{Dt_T}$$

Where:

AMPC Allowable arrearage management plan costs the Company may recover from firm customers in accordance with R.I.G.L. § 39-2-1(d)(2) and described in Section 7, Schedule C, Item 9.0.

Dt_T Forecasted annual firm throughput

3.9 Low Income Discount Recovery Factor (LIDRF):

The Low Income Discount Recovery Factor shall be determined annually based upon the total amount of low income discount applied to eligible customer bills. The low income discount percentages are as follows:

- Residential Assistance Non-Heating, Rate 11: 25% with an additional 5% for a total of 30% for those customers receiving benefits through Medicaid, General Public Assistance, and/or the Rhode Island Works Program (formerly known as the Family Independence Program).
- Residential Assistance Heating, Rate 13: 25% with an additional 5% for a total discount of 30% for those customers receiving benefits through Medicaid, General Public Assistance, and/or the Rhode Island Works Program.

$$\text{LIDRF} = \frac{\text{LIDC}}{\text{Dt}_T}$$

Where:

LIDC Annual low income discounts provided to eligible low income customers which the Company may recover from firm customers.

Dt_T Forecasted annual firm throughput excluding Rate 11 and Rate 13 forecasted annual throughput.

3.10 Tax Credit Factor (TCF):

The Tax Credit Factor shall credit customers (1) pursuant to the settlement agreement in Docket 4808, a one-time tax credit of \$3,064,228 for the period January 1, 2018 through August 31, 2018 associated with the reduced federal corporate income tax rate as a result of the Tax Cuts and Jobs Act; and (2) pursuant to Article II, Section

C.22.a of the amended settlement agreement in Docket 4770, a one-time tax credit associated with the impact of the true-up of the excess Accumulated Deferred Income Tax (ADIT) for the period September 1, 2018 through August 31, 2019. The Company will determine the amount to be credited to customers by comparing the actual distribution revenue billed to firm customers during the period September 1, 2018 through August 31, 2019 and an estimate of the distribution revenue that would have been billed to firm customers if the actual impact of excess ADIT had been reflected in base distribution rates effective September 1, 2018. These one-time tax credit amounts will be credited to all firm customers during the period November 1, 2019 through October 31, 2020.

$$\text{TCF} = \frac{\text{TR}}{\text{Dt}_T}$$

Where:

TR Sum of the one-time tax credits of \$3,064,228 and the impact of the true-up of excess ADIT.

Dt_T Forecasted annual firm throughput.

4.0 DEFERRED DISTRIBUTION ADJUSTMENT COST ACCOUNT:

The Distribution Adjustment Cost Account shall include annual reconciliation for the twelve month period for the revenues and costs for the System Pressure factor, Advanced Gas Technology factor, ISR factor, Environmental Response Costs factor, Pension Adjustment factor, SQP factor, RDA factor, ESM factor, AMAF, LIDRF, TCF, and a Previous Reconciliation factor, including a true-up for any prior year's forecasted revenues and costs. Base rate related items (Advanced Gas Technology factor, Pension Adjustment factor and Environmental Response Cost factor) will be reconciled only for those non-Revenue Decoupling rate classes (Large and Extra Large high load and low load factor rate classes). For each reconciliation component, a monthly rate based on a monthly rate of the current Bank of America prime interest rate less 200 basis points (2%), multiplied by the arithmetic average of the account's beginning and ending balance shall also apply.

5.0 EARNINGS SHARING MECHANISM:

The Earnings Sharing Mechanism Credit ("ESMC") for FY 18 will be included with the September 1 DAC filing based on financial information for the 12-month period ending March 31. All subsequent ESMC will be filed on May 1 and will reflect a 12-month period

ending December 31. For purposes of calculating earnings to be shared, the Company will be allowed to include its 50% share of net merger synergies resulting from the National Grid/KeySpan transactions, or \$2,450,000. Calculation of the ESMC is as follows:

$$\text{ESMC} = \frac{\text{ESMF}}{\text{Dt}_T}$$

Where:

ESMF Earnings Sharing Mechanism Fund is defined as customers' share of earnings subject to sharing and will be based on the return on equity authorized by the PUC in a general rate case or as otherwise authorized by the PUC. For FY 18, the annual earnings over 9.5% return on equity, up to and including 100 basis points, being shared 50% to customers and 50% to the Company. Any earnings more than 100 basis points in excess of 9.5% return on equity shall be shared 75% to customers and 25% to the Company. For all subsequent ESMC, the annual earnings over 9.275% return on equity, and up to and including 100 basis points (i.e., 10.275%), will be shared 50% to customers and 50% to the Company. Any earnings more than 100 basis points in excess of 9.275% return on equity (i.e., exceeding 10.275%) shall be shared 75% to customers and 25% to the Company. The Company's share of any shared earnings will be retained by Company and not reflected in any earnings report.

Dt_T Forecasted annual firm throughput

1.0 AVAILABILITY:

Sales service is available under this rate for all domestic non-heating purposes in individual private residential dwellings with six (6) or fewer units or in connection with condominium associations with gas supplied through one meter.

2.0 CHARACTER OF SERVICE:

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

3.0 RATES:

September 1, 2018

Customer Charge:	\$14.00 per month
Distribution Charge:	\$ 0.5456 per Therm

September 1, 2019

Customer Charge:	\$14.00 per month
Distribution Charge:	\$0.5908 per Therm

September 1, 2020

Customer Charge:	\$14.00 per month
Distribution Charge:	\$0.6145 per Therm

4.0 MINIMUM CHARGE:

Customer Charge per month.

5.0 GENERAL RULES AND REGULATIONS:

The Company's General Terms and Conditions, Section 1, Schedule A, as in effect from time to time and where not inconsistent with any specific provisions hereof, are a part of this Schedule.

6.0 RHODE ISLAND GROSS EARNINGS TAX:

The application of the above rates is subject to the Rhode Island Gross Earnings Tax provisions in Section 1, Schedule C.

7.0 GAS COST RECOVERY CLAUSE:

The application of the above rate is subject to the Gas Cost Recovery Clause in Section 2, Schedule A.

8.0 DISTRIBUTION ADJUSTMENT CLAUSE:

The application of the above rate is subject to the Distribution Adjustment Clause in Section 3, Schedule A.

9.0 ENERGY EFFICIENCY:

The application of the above rate is subject to Energy Efficiency provisions in Section 1, Schedule C.

10.0 LIHEAP ENHANCEMENT:

The application of the above rate is subject to the Low Income Home Energy Assistance Enhancement Plan (LIHEAP) provisions in Section 7, Schedule C.

1.0 AVAILABILITY:

Sales service is available under this rate for all domestic non-heating purposes in individual private residential dwellings with six (6) or fewer units or in connection with condominium associations with gas supplied through one meter. Eligible customers must meet both of the following criteria:

1. Must be the head of a household or principal wage earner.
2. Must be presently receiving supplemental Security Income from the Social Security Administration, be eligible for the low-income home energy assistance program, or one of the following from the appropriate Rhode Island agencies: Medicaid, Food Stamps, General Public Assistance, or the Rhode Island Works Program (formerly known as the Family Independence Program) or successor programs.

It is the responsibility of the customer to annually certify, by forms provided by the Company, the continued compliance with the foregoing provisions.

2.0 CHARACTER OF SERVICE:

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

3.0 RATES:

<u>September 1, 2018</u>	
Customer Charge:	\$14.00 per month
Distribution Charge:	\$0.5456 per Therm
<u>September 1, 2019</u>	
Customer Charge:	\$14.00 per month
Distribution Charge:	\$0.5908 per Therm
<u>September 1, 2020</u>	
Customer Charge:	\$14.00 per month
Distribution Charge:	\$0.6145 per Therm

4.0 MINIMUM CHARGE:

Customer Charge per month.

5.0 GENERAL RULES AND REGULATIONS:

The Company's General Terms and Conditions, Section 1, Schedule A, as in effect from time to time and where not inconsistent with any specific provisions hereof, are a part of this Schedule.

6.0 RHODE ISLAND GROSS EARNINGS TAX:

The application of the above rates is subject to the Rhode Island Gross Earnings Tax provisions in Section 1, Schedule C.

7.0 GAS COST RECOVERY CLAUSE:

The application of the above rate is subject to the Gas Cost Recovery Clause in Section 2, Schedule A.

8.0 DISTRIBUTION ADJUSTMENT CLAUSE:

The application of the above rate is subject to the Distribution Adjustment Clause in Section 3, Schedule A.

9.0 ENERGY EFFICIENCY:

The application of the above rate is subject to Energy Efficiency provisions in Section 1, Schedule C.

10.0 LIHEAP ENHANCEMENT:

The application of the above rate is subject to the Low Income Home Energy Assistance Enhancement Plan (LIHEAP) provisions in Section 7, Schedule C.

11.0 LOW INCOME DISCOUNT:

The Customer's total bill for service as determined based upon the provisions above will be discounted by twenty-five (25) percent. Customers receiving benefits through the following programs will receive an additional discount of five (5) percent, totaling a total bill discount of thirty (30) percent: Medicaid, General Public Assistance, or the Rhode Island Works Program or successor programs.

1.0 AVAILABILITY:

Sales service is available under this rate for all domestic purposes in individual private residential dwellings with six (6) or fewer units or in connection with condominium associations with gas supplied through one meter where natural gas is the primary fuel used for space and/or central heating equipment.

2.0 CHARACTER OF SERVICE:

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

3.0 RATES:

September 1, 2018

Customer Charge:	\$14.00 per month
Peak Distribution Charge:	\$0.5534 per Therm
Off Peak Distribution Charge:	\$0.4960 per Therm

September 1, 2019

Customer Charge:	\$14.00 per month
Peak Distribution Charge:	\$0.5796 per Therm
Off Peak Distribution Charge:	\$0.5192 per Therm

September 1, 2020

Customer Charge:	\$14.00 per month
Peak Distribution Charge:	\$0.5933 per Therm
Off Peak Distribution Charge:	\$0.5317 per Therm

4.0 MINIMUM CHARGE:

Customer Charge per month.

5.0 GENERAL RULES AND REGULATIONS:

The Company's General Terms and Conditions, Section 1, Schedule A, as in effect from time to time and where not inconsistent with any specific provisions hereof, are a part of this Schedule.

6.0 RHODE ISLAND GROSS EARNINGS TAX:

The application of the above rates is subject to the Rhode Island Gross Earnings Tax provisions in Section 1, Schedule C.

7.0 GAS COST RECOVERY CLAUSE:

The application of the above rate is subject to the Gas Cost Recovery Clause in Section 2, Schedule A.

8.0 DISTRIBUTION ADJUSTMENT CLAUSE:

The application of the above rate is subject to the Distribution Adjustment Clause in Section 3, Schedule A.

9.0 ENERGY EFFICIENCY:

This application of the above rate is subject to Energy Efficiency provisions in Section 1, Schedule C.

10.0 LIHEAP ENHANCEMENT:

The application of the above rate is subject to the Low Income Home Energy Assistance Enhancement Plan (LIHEAP) provisions in Section 7, Schedule C.

1.0 AVAILABILITY:

Sales service is available under this rate for all domestic purposes in individual private residential dwellings with six (6) or less units or in connection with condominium associations with gas supplied through one meter where natural gas is the primary fuel used for space and/or central heating equipment. Eligible customers must meet both of the following criteria:

1. Must be head of a household or principal wage earner.
2. Must be presently receiving Supplemental Security Income from the Social Security Administration, be eligible for the low-income home energy assistance program, or one of the following from the appropriate Rhode Island agencies: Medicaid, Food Stamps, General Public Assistance, or the Rhode Island Works Program (formerly known as the Family Independence Program) or successor programs.

It is the responsibility of the customer to annually certify, by form provided by the Company, the continued compliance with the foregoing provisions.

2.0 CHARACTER OF SERVICE:

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

3.0 RATES:

September 1, 2018

Customer Charge:	\$14.00 per month
Peak Distribution Charge:	\$0.5534 per Therm
Off Peak Distribution Charge:	\$0.4960 per Therm

September 1, 2019

Customer Charge:	\$14.00 per month
Peak Distribution Charge:	\$0.5796 per Therm
Off Peak Distribution Charge:	\$0.5192 per Therm

September 1, 2020

Customer Charge:	\$14.00 per month
Peak Distribution Charge:	\$0.5933 per Therm
Off Peak Distribution Charge:	\$0.5317 per Therm

4.0 MINIMUM CHARGE:

Customer Charge per month.

5.0 GENERAL RULES AND REGULATIONS:

The Company's General Terms and Conditions, Section 1, Schedule A, as in effect from time to time and where not inconsistent with any specific provisions hereof, are a part of this Schedule.

6.0 RHODE ISLAND GROSS EARNINGS TAX:

The application of the above rates is subject to the Rhode Island Gross Earnings Tax provisions in Section 1, Schedule C.

7.0 GAS COST RECOVERY CLAUSE:

The application of the above rate is subject to the Gas Cost Recovery Clause in Section 2, Schedule A.

8.0 DISTRIBUTION ADJUSTMENT CLAUSE:

The application of the above rate is subject to the Distribution Adjustment Clause in Section 3, Schedule A.

9.0 ENERGY EFFICIENCY:

The application of the above rate is subject to Energy Efficiency provisions in Section 1, Schedule C.

10.0 LIHEAP ENHANCEMENT:

The application of the above rate is subject to the Low Income Home Energy Assistance Enhancement Plan (LIHEAP) provisions in Section 7, Schedule C.

11.0 LOW INCOME DISCOUNT:

The Customer's total bill for service as determined based upon the provisions above will be discounted by twenty-five (25) percent. Customers receiving benefits through the following programs will receive an additional discount of five (5) percent, totaling a total bill discount of thirty (30) percent: Medicaid, General Public Assistance, or the Rhode Island Works Program or successor programs.

1.0 AVAILABILITY:

Transportation or Sales service is available under this rate at single locations to Commercial and Industrial customers whose annual gas usage is equal to or less than 5,000 Therms as determined by Company records and procedures. In the case of a New Customer, or an existing Customer with new gas applications, the annual gas usage for the first year shall be that agreed upon by the Company and the Customer.

2.0 CHARACTER OF SERVICE:

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

3.0 TRANSPORTATION SERVICE PROVISIONS:

For Customers selecting transportation service under this Schedule, the Transportation Service provisions found in Section 6 are applicable as in effect from time to time. Customers receiving service under this Schedule are only eligible for FT-2 transportation service.

4.0 RATES:

September 1, 2018

Customer Charge:	\$25.00 per month
Peak Distribution Charge:	\$0.4852 per Therm
Off Peak Distribution Charge:	\$0.4284 per Therm

September 1, 2019

Customer Charge:	\$25.00 per month
Peak Distribution Charge:	\$0.5101 per Therm
Off Peak Distribution Charge:	\$0.4503 per Therm

September 1, 2020

Customer Charge:	\$25.00 per month
Peak Distribution Charge:	\$0.5232 per Therm
Off Peak Distribution Charge:	\$0.4619 per Therm

MINIMUM CHARGE:

Customer Charge per month.

6.0 GENERAL RULES AND REGULATIONS:

The Company's General Terms and Conditions, Section 1, Schedule A, as in effect from time to time and where not inconsistent with any specific provisions hereof, are a part of this Schedule.

7.0 RHODE ISLAND GROSS EARNINGS TAX:

The application of the above rates is subject to the Rhode Island Gross Earnings Tax provisions in Section 1, Schedule C.

8.0 GAS COST RECOVERY CLAUSE:

The application of the above rate is subject to the Gas Cost Recovery Clause in Section 2, Schedule A.

9.0 DISTRIBUTION ADJUSTMENT CLAUSE:

The application of the above rate is subject to the Distribution Adjustment Clause in Section 3, Schedule A.

10.0 ENERGY EFFICIENCY:

This application of the above rate is subject to Energy Efficiency provisions in Section 1, Schedule C.

11.0 LIHEAP ENHANCEMENT:

The application of the above rate is subject to the Low Income Home Energy Assistance Enhancement Plan (LIHEAP) provisions in Section 7, Schedule C.

1.0 AVAILABILITY:

Transportation or Sales service is available under this rate at single locations to Commercial and Industrial customers whose annual gas usage is greater than 5,000 Therms, but less than or equal to 35,000 Therms as determined by Company records and procedures. In the case of a New Customer, or an existing Customer with new gas applications, the annual gas usage for the first year shall be that agreed upon by the Company and the Customer.

2.0 CHARACTER OF SERVICE:

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

3.0 TRANSPORTATION SERVICE PROVISIONS:

For Customers selecting transportation service under this Schedule, the Transportation Service provisions found in Section 6 are applicable as in effect from time to time. Customers receiving service under this Schedule are only eligible for FT-2 transportation service.

4.0 RATES:

September 1, 2018
Customer Charge: \$85.00 per month
Demand Charge: \$1.5000 per Therm of customer's maximum average daily quantity (MADQ) from the most recent November through April period based on historical billing data. In the case of a new customer or a customer with new gas applications, the November through April gas consumption shall be that agreed upon by the Company and the Customer.
Distribution Charge: \$0.2484 per Therm

September 1, 2019
Customer Charge: \$85.00 per month
Demand Charge: \$1.5000 per Therm of customer's maximum average daily quantity (MADQ) from the most recent November through April period based on historical billing data. In the case of a new customer or a customer with new gas applications, the November through April gas consumption shall be that agreed upon by the Company and the Customer.
Distribution Charge: \$0.2642 per Therm

September 1, 2020

Customer Charge: \$85.00 per month

Demand Charge: \$1.5000 per Therm of customer's maximum average daily quantity (MADQ) from the most recent November through April period based on historical billing data. In the case of a new customer or a customer with new gas applications, the November through April gas consumption shall be that agreed upon by the Company and the Customer.

Distribution Charge: \$0.2725 per Therm

5.0 MINIMUM CHARGE:

Customer Charge and Demand Charge per month.

6.0 GENERAL RULES AND REGULATIONS:

The Company's General Terms and Conditions, Section 1, Schedule A, as in effect from time to time and where not inconsistent with any specific provisions hereof, are a part of this Schedule.

7.0 RHODE ISLAND GROSS EARNINGS TAX:

The application of the above rates is subject to the Rhode Island Gross Earnings Tax provisions in Section 1, Schedule C.

8.0 GAS COST RECOVERY CLAUSE:

The application of the above rate is subject to the Gas Cost Recovery Clause in Section 2, Schedule A.

9.0 DISTRIBUTION ADJUSTMENT CLAUSE:

The application of the above rate is subject to the Distribution Adjustment Clause in Section 3, Schedule A.

10.0 ENERGY EFFICIENCY:

The application of the above rate is subject to Energy Efficiency provisions in Section 1, Schedule C.

11.0 LIHEAP ENHANCEMENT:

The application of the above rate is subject to the Low Income Home Energy Assistance Enhancement Plan (LIHEAP) provisions in Section 7, Schedule C.

1.0 AVAILABILITY:

Transportation or Sales service is available under this rate at single locations to Commercial and Industrial customers whose annual gas usage is greater than 35,000 Therms, but less than 150,000 Therms and whose off-peak (May through October) gas usage is equal to or greater than 31% of the annual gas usage for the most recent September through August period, as determined by Company records and procedures. In the case of a New Customer, or an existing Customer with new gas applications, the annual gas usage for the first year shall be that agreed upon by the Company and the Customer.

2.0 CHARACTER OF SERVICE:

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

3.0 TRANSPORTATION SERVICE PROVISIONS:

For Customers selecting transportation service under this Schedule, the Transportation Service provisions found in Section 6 are applicable as in effect from time to time. Customers receiving service under this Schedule may receive either FT-1 or FT-2 transportation service.

4.0 RATES:

September 1, 2018

Customer Charge: \$200.00 per month
Demand Charge: \$2.0500 per Therm of customer's maximum average daily quantity (MADQ) from the most recent November through April period based on historical billing data. In the case of a new customer or a customer with new gas applications, the November through April gas consumption shall be that agreed upon by the Company and the Customer.
Distribution Charge: \$0.1617 per Therm

September 1, 2019

Customer Charge: \$200.00 per month
Demand Charge: \$2.0500 per Therm of customer's maximum average daily quantity (MADQ) from the most recent November through April period based on historical billing data. In the case of a new customer or a customer with new gas applications, the November

through April gas consumption shall be that agreed upon by the Company and the Customer.

Distribution Charge: \$0.1715 per Therm

September 1, 2020

Customer Charge: \$200.00 per month

Demand Charge: \$2.0500 per Therm of customer's maximum average daily quantity (MADQ) from the most recent November through April period based on historical billing data. In the case of a new customer or a customer with new gas applications, the November through April gas consumption shall be that agreed upon by the Company and the Customer.

Distribution Charge: \$0.1767 per Therm

5.0 MINIMUM CHARGE:

Customer Charge and Demand Charge per month.

6.0 GENERAL RULES AND REGULATIONS:

The Company's General Terms and Conditions, Section 1, Schedule A, as in effect from time to time and where not inconsistent with any specific provisions hereof, are a part of this Schedule.

7.0 RHODE ISLAND GROSS EARNINGS TAX:

The application of the above rates is subject to the Rhode Island Gross Earnings Tax provisions in Section 1, Schedule C.

8.0 GAS COST RECOVERY CLAUSE:

The application of the above rate is subject to the Gas Cost Recovery Clause in Section 2, Schedule A.

9.0 DISTRIBUTION ADJUSTMENT CLAUSE:

The application of the above rate is subject to the Distribution Adjustment Clause in Section 3, Schedule A.

10.0 ENERGY EFFICIENCY:

The application of the above rate is subject to Energy Efficiency provisions in Section 1, Schedule C.

11.0 LIHEAP ENHANCEMENT:

The application of the above rate is subject to the Low Income Home Energy Assistance Enhancement Plan (LIHEAP) provisions in Section 7, Schedule C.

1.0 AVAILABILITY:

Transportation or Sales service is available under this rate at single locations to Commercial and Industrial customers whose annual gas usage is equal to or greater than 150,000 Therms and whose off-peak (May through October) gas usage is equal to or greater than 31% of the annual gas usage for the most recent September through August period, as determined by Company records and procedures. In the case of a New Customer, or an existing Customer with new gas applications, the annual gas usage for the first year shall be that agreed upon by the Company and the Customer.

2.0 CHARACTER OF SERVICE:

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

3.0 TRANSPORTATION SERVICE PROVISIONS:

For Customers selecting transportation service under this Schedule, the Transportation Service provisions found in Section 6 are applicable as in effect from time to time. Customers receiving service under this Schedule may receive either FT-1 or FT-2 transportation service.

4.0 RATES:

September 1, 2018

Customer Charge: \$500.00 per month
Demand Charge: \$2.0500 per Therm of customer's maximum average daily quantity (MADQ) from the most recent November through April period based on historical billing data. In the case of a new customer or a customer with new gas applications, the November through April gas consumption shall be that agreed upon by the Company and the Customer.
Distribution Charge: \$0.0369 per Therm

September 1, 2019

Customer Charge: \$500.00 per month
Demand Charge: \$2.0500 per Therm of customer's maximum average daily quantity (MADQ) from the most recent November through April period based on historical billing data. In the case of a new customer or a customer with new gas applications, the November

through April gas consumption shall be that agreed upon by the Company and the Customer.

Distribution Charge: \$0.0410 per Therm

September 1, 2020

Customer Charge: \$500.00 per month

Demand Charge: \$2.0500 per Therm of customer's maximum average daily quantity (MADQ) from the most recent November through April period based on historical billing data. In the case of a new customer or a customer with new gas applications, the November through April gas consumption shall be that agreed upon by the Company and the Customer.

Distribution Charge: \$0.0433 per Therm

5.0 MINIMUM CHARGE:

Customer Charge plus Demand Charge per month.

6.0 GENERAL RULES AND REGULATIONS:

The Company's General Terms and Conditions, Section 1, Schedule A, as in effect from time to time and where not inconsistent with any specific provisions hereof, are a part of this Schedule.

7.0 RHODE ISLAND GROSS EARNINGS TAX:

The application of the above rates is subject to the Rhode Island Gross Earnings Tax provisions in Section 1, Schedule C.

8.0 GAS COST RECOVERY CLAUSE:

The application of the above rate is subject to the Gas Cost Recovery Clause in Section 2, Schedule A.

9.0 DISTRIBUTION ADJUSTMENT CLAUSE:

The application of the above rate is subject to the Distribution Adjustment Clause in Section 3, Schedule A.

10.0 ENERGY EFFICIENCY:

The application of the above rate is subject to Energy Efficiency provisions in Section 1, Schedule C.

11.0 LIHEAP ENHANCEMENT:

The application of the above rate is subject to the Low Income Home Energy Assistance Enhancement Plan (LIHEAP) provisions in Section 7, Schedule C.

1.0 AVAILABILITY:

Transportation or Sales service is available under this rate at single locations to Commercial and Industrial customers whose annual gas usage is greater than 35,000 Therms, but less than 150,000 Therms and whose off-peak (May through October) gas usage is equal to or less than 30% of the annual gas usage for the most recent September through August period, as determined by Company records and procedures. In the case of a New Customer, or an existing Customer with new gas applications, the off-peak and annual gas usage for the first year shall be that agreed upon by the Company and the Customer.

2.0 CHARACTER OF SERVICE:

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

3.0 TRANSPORTATION SERVICE PROVISIONS:

For Customers selecting transportation service under this Schedule, the Transportation Service provisions found in Section 6 are applicable as in effect from time to time. Customers receiving service under this Schedule may receive either FT-1 or FT-2 transportation service.

4.0 RATES:

September 1, 2018

Customer Charge: \$200.00 per month
Demand Charge: \$1.5000 per Therms of customer's highest average daily consumption from the most recent November through April period based on historical billing data. In the case of a new customer or a customer with new gas applications, the November through April gas consumption shall be that agreed upon by the Company and the Customer.
Distribution Charge: \$0.2429 per Therm

September 1, 2019

Customer Charge: \$200.00 per month
Demand Charge: \$1.5000 per Therms of customer's highest average daily consumption from the most recent November through April period based on historical billing data. In the case of a new customer or a customer with new gas applications, the November through April gas consumption shall be that agreed upon by the Company and the Customer.

Distribution Charge: \$0.2569 per Therm

September 1, 2020

Customer Charge: \$200.00 per month

Demand Charge: \$1.5000 per Therms of customer's highest average daily consumption from the most recent November through April period based on historical billing data. In the case of a new customer or a customer with new gas applications, the November through April gas consumption shall be that agreed upon by the Company and the Customer.

Distribution Charge: \$0.2643 per Therm

5.0 MINIMUM CHARGE:

Customer Charge and Demand Charge per month.

6.0 GENERAL RULES AND REGULATIONS:

The Company's General Terms and Conditions, Section 1, Schedule A, as in effect from time to time and where not inconsistent with any specific provisions hereof, are a part of this Schedule.

7.0 RHODE ISLAND GROSS EARNINGS TAX:

The application of the above rates is subject to the Rhode Island Gross Earnings Tax provisions in Section 1, Schedule C.

8.0 GAS COST RECOVERY CLAUSE:

The application of the above rate is subject to the Gas Cost Recovery Clause in Section 2, Schedule A.

9.0 DISTRIBUTION ADJUSTMENT CLAUSE:

The application of the above rate is subject to the Distribution Adjustment Clause in Section 3, Schedule A.

10.0 ENERGY EFFICIENCY:

The application of the above rate is subject to Energy Efficiency provisions in Section 1, Schedule C.

11.0 LIHEAP ENHANCEMENT:

The application of the above rate is subject to the Low Income Home Energy Assistance Enhancement Plan (LIHEAP) provisions in Section 7, Schedule C.

1.0 AVAILABILITY:

Transportation or Sales service is available under this rate at single locations to Commercial and Industrial customers whose annual gas usage is equal to or greater than 150,000 Therms and whose off-peak (May through October) gas usage is equal to or less than 30% of the annual gas usage for the most recent September through August period, as determined by Company records and procedures. In the case of a New Customer, or an existing Customer with new gas applications, the annual gas usage for the first year shall be that agreed upon by the Company and the Customer.

2.0 CHARACTER OF SERVICE:

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

3.0 TRANSPORTATION SERVICE PROVISIONS:

For Customers selecting transportation service under this Schedule, the Transportation Service provisions found in Section 6 are applicable as in effect from time to time. Customers receiving service under this Schedule may receive either FT-1 or FT-2 transportation service.

4.0 RATES:

September 1, 2018

Customer Charge: \$500.00 per month
Demand Charge: \$1.5000 per Therm of customer's maximum average daily quantity (MADQ) from the most recent November through April period based on historical billing data. In the case of a new customer or a customer with new gas applications, the November through April gas consumption shall be that agreed upon by the Company and the Customer.
Distribution Charge: \$0.0421 per Therm

September 1, 2019

Customer Charge: \$500.00 per month
Demand Charge: \$1.5000 per Therm of customer's maximum average daily quantity (MADQ) from the most recent November through April period based on historical billing data. In the case of a new customer or a customer with new gas applications, the November

through April gas consumption shall be that agreed upon by the Company and the Customer.

Distribution Charge: \$0.0478 per Therm

September 1, 2020

Customer Charge: \$500.00 per month

Demand Charge: \$1.5000 per Therm of customer's maximum average daily quantity (MADQ) from the most recent November through April period based on historical billing data. In the case of a new customer or a customer with new gas applications, the November through April gas consumption shall be that agreed upon by the Company and the Customer.

Distribution Charge: \$0.0508 per Therm

5.0 MINIMUM CHARGE:

Customer Charge plus Demand Charge per month.

6.0 GENERAL RULES AND REGULATIONS:

The Company's General Terms and Conditions, Section 1, Schedule A, as in effect from time to time and where not inconsistent with any specific provisions hereof, are a part of this Schedule.

7.0 RHODE ISLAND GROSS EARNINGS TAX:

The application of the above rates is subject to the Rhode Island Gross Earnings Tax provisions in Section 1, Schedule C.

8.0 GAS COST RECOVERY CLAUSE:

The application of the above rate is subject to the Gas Cost Recovery Clause in Section 2, Schedule A.

9.0 DISTRIBUTION ADJUSTMENT CLAUSE:

The application of the above rate is subject to the Distribution Adjustment Clause in Section 3, Schedule A.

10.0 ENERGY EFFICIENCY:

The application of the above rate is subject to Energy Efficiency provisions in Section 1, Schedule C.

11.0 LIHEAP ENHANCEMENT:

The application of the above rate is subject to the Low Income Home Energy Assistance Enhancement Plan (LIHEAP) provisions in Section 7, Schedule C.

1.0 AVAILABILITY:

Non-firm sales service is grandfathered as of July 1, 2009 and will no longer be offered to any customer, except that any non-firm sales customer as of that date will be able to continue the service until such time that the non-firm sales customer decides to change to firm service or obtain non-firm transportation service and purchase natural gas from a Marketer. Such customers are non-residential customers with dual-fuel capability: (1) whose premises are located adjacent to the Company's gas distribution mains having adequate capacity to supply the customer's prospective gas requirements in addition to the requirements of other customers already receiving service from such distribution mains; (2) who use gas for boiler load, process load, or cogeneration with a minimum combined hourly input of 100 Ccf/hour; and (3) who maintain adequate standby facilities for the use of an alternate fuel which may be substituted for gas when gas is not available under this Schedule.

2.0 RATES:

Non-firm Sales (NFS) service rates shall be set for the upcoming month, no later than 10:30 a.m. ten (10) business days prior to the commencement of that month. The Customer must notify the Company by 9:00 a.m. two (2) business days prior to the commencement of that month of the intention to take NFS service, and must provide a reasonable estimate of natural gas expected to be used for the month.

Customer Charges will be determined as follows:

1. For those Customers who can potentially consume more than 150,000 Therms per year:
 - \$625 per month, per customer

2. For those Customers who can potentially consume more than 35,000 Therms, but less than 150,000 Therms per year:
 - \$405 per month, per customer

3. For those Customers whose potential monthly consumption is less than 35,000 Therms per year:
 - \$185 per month, per customer

The Distribution Charge applicable to all gas delivered to a NFS service customer shall be based on the Customer's annual usage in accordance with the following:

$\leq 35,000$ therms	\$0.2236 per therm
35,001 to 150,000 therms and:	
Off-peak usage $\leq 31\%$	\$0.2177 per therm
Off-peak usage $> 31\%$	\$0.1456 per therm
$> 150,000$ therms and:	
Off-peak usage $\leq 31\%$	\$0.0919 per therm
Off-peak usage $> 31\%$	\$0.0738 per therm

The reference to 31% is the percentage of gas usage from May through October compared to annual usage from September through August. In the case of an existing Customer with new gas applications, the annual gas usage for the first year shall be that agreed upon by the Company and the Customer. The classification will be based on the higher of the most recent 12-months usage or the 12-months previous to that. This classification will be reviewed annually after the August billing period and any change will be reflected with the September bill.

The Company will provide the Customer with an initial mid-month estimate of the commodity charge based on 110% of the sum of the NYMEX closing price on the eleventh business day prior to the start of the month and a publicly available forward basis for gas supply delivered to the Northeastern US. The forward basis will be the Transco Zone 6 Basis Swap (based on the Platts IFERC basis swap obtained from the NYMEX), or a publicly traded forward basis for supply delivered to the Company's city gate (should one become available), or such other publicly available traded basis for supply delivered to the Northeastern U.S. should the Transco Zone 6 Basis Swap become unavailable. The Company will recalculate the commodity charge based upon the NYMEX settled price and a publicly available forward basis for gas supply delivered to the Northeastern US. The Customer shall be charged the higher of the recalculated rate or the initial mid-month estimate.

3.0 MINIMUM CHARGE:

For delivery service, the minimum charge is the Customer Charge per month. Under no circumstances shall the NFS Commodity Charge be less than the cost of the incremental supply available to the Company for the month, adjusted for the Company's Fuel Allowance.

4.0 GENERAL RULES AND REGULATIONS:

The Company's General Terms and Conditions, Section 1, Schedule A, as in effect from time to time and where not inconsistent with any specific provisions hereof, are a part of this Schedule.

5.0 NOTIFICATION OF INTERRUPTION/CURTAILMENT:

The Customer will curtail or discontinue service when, in the sole opinion of the Company, such curtailment or interruption is necessary in order for the Company to continue to supply the gas requirements of its firm customers at such time. The Company will attempt to give the Customer three (3) working days' notice of such curtailment, except in emergency situations, when at least one hour's notice shall be given.

6.0 FAILURE TO CURTAIL:

For any period that the Customer fails to curtail the use of gas as requested by the Company, the charge for gas commodity delivered to the Customer will be equal to the Gas Usage at a penalty of five (5) times the Daily Index. Such use of gas under these circumstances shall be considered an "unauthorized use" of gas.

In the event where the Company, in its sole discretion, grants the Customer an exemption from the curtailment, the use of gas under these circumstances shall be referred to as an "authorized use of gas." Authorized use of gas during a curtailment will be for a limited time period. The charge for gas commodity delivered to the Customer under these conditions will be the highest cost gas required to meet demand during the applicable curtailment period. Payments for this use, whether authorized or unauthorized, shall not preclude the Company from turning off the Customer's supply of gas in the event of the failure to interrupt, or curtail, the use thereof when requested to do so.

All gas delivered to the Customer during a curtailment, either "unauthorized" or "authorized," shall be subject to the Distribution Charges and Energy Efficiency Program Charge in effect at the time of such Gas Usage.

7.0 METER TEST:

Customers will receive the results of periodic calibration tests performed by the Company on the meters installed on their premises. Meters will be deemed unacceptable if these tests show an error greater than +/-1%. Meters will also be deemed unacceptable, no matter what their error, if the results of three successive tests are consistently high or low. Meters will measure gas flow rates corrected to 60° F gas.

8.0 TELEMETERING:

Wireless communications or telemetering equipment is required for those customers who wish to avail themselves of this service, as identified in Section 1, Schedule A, Item 12.0.

9.0 NON-FIRM TRANSPORTATION SERVICE OPTION:

The Company will also offer, during the winter months, limited NFS and non-firm transportation (NFT) service for customers on a “best efforts” basis. If a Customer buying gas under this rate schedule opts to directly arrange for the acquisition of wellhead gas supplies, and the transportation of those wellhead gas supplies to the Company’s gate stations, then the Company will transport, subject to available capacity, such directly acquired gas to the Customer’s facilities. Rates and conditions for such transportation service are included in the Company’s Non-Firm Transportation (NFT) Service in Section 6, Schedule A of RIPUC NG 101.

10.0 RHODE ISLAND GROSS EARNINGS TAX:

The application of the above rates is subject to the Rhode Island Gross Earnings Tax provisions in Section 1, Schedule C.

11.0 ENERGY EFFICIENCY:

The application of the above rate to all gas delivered is subject to Energy Efficiency provisions in Section 1, Schedule C.

12.0 LIHEAP ENHANCEMENT:

The application of the above rate is subject to the Low Income Home Energy Assistance Enhancement Plan (LIHEAP) provisions in Section 7, Schedule C.

13.0 GAS COST RECOVERY CLAUSE:

The application of the above rate is not subject to the Gas Cost Recovery Clause in Section 2, Schedule A.

14.0 DISTRIBUTION ADJUSTMENT CLAUSE:

The application of the above rate is not subject to the Distribution Adjustment Clause in Section 3, Schedule A.

1.0 AVAILABILITY:

Transitional Sales Service (TSS) shall apply to Customers subject to the Transportation Terms and Conditions. The Company's General Terms and Conditions will govern this Service to the extent not consistent herewith.

TSS is not available to Capacity Exempt Customers.

The Company reserves the right to restrict the availability of this service if the Company determines that the integrity of the distribution system is at risk.

2.0 GENERAL CONDITIONS:

TSS is provided by the Company to Customers switching from transportation service to firm sales service. TSS is available to Customers who meet the requirements above, and (a) who terminate transportation service, (b) who receive a termination notice from a designated Marketer, or (c) for whom a designated Marketer becomes ineligible to serve the Customer.

All Customers transferring to firm sales service from firm transportation service, either from FT-1 service or FT-2 service, and who have received an assignment of the Company's interstate pipeline capacity while on firm transportation service immediately prior to their transfer back to firm sales service, will be subject to the provisions of this rate schedule in addition to the provisions of the Company's applicable firm sales service rate schedules.

3.0 TERM:

For each Customer who transfers to firm sales service from FT-1 transportation service, TSS will be applicable to firm sales service provided to the Customer through the next April 30 after the Customer starts taking firm sales service or until the Customer enters into a contractual commitment with the Company to take firm sales service continuously for a period of not less than one year. After April 30, the Customer will receive firm sales service and will not be subject to the TSS surcharge defined below.

For each Customer transferring to firm sales service from FT-2 transportation service, TSS will be applicable to firm sales service provided to the Customer through the end of the Customer's first billing cycle subsequent to the next April 30 after the Customer starts taking firm sales service or until the Customer enters into a contractual commitment with the Company to take firm sales service continuously for a period of not less than one year. After the end of the first billing cycle after April 30, the Customer will receive firm sales service and will not be subject to the TSS surcharge defined below.

4.0 SURCHARGE:

Each Customer receiving TSS will be subject to a monthly surcharge during the term the Customer receives TSS, unless a Customer, prior to their return to the Company for gas supply, enters into a contractual commitment with the Company to take firm sales service continuously for a period of not less than one year. If such an agreement is executed, the Customer will not be subject to the TSS surcharge. The TSS surcharge is designed to charge a market-based price reflecting the cost of gas supplies in the marketplace at the time consumption is occurring for the incremental amount of gas that the Company must purchase over and above the quantities of gas procured for firm sales customers under the provisions of the Company's Gas Procurement Incentive Plan ("GPIP"). The surcharge will reflect any positive difference between the GPIP cost of gas for the month in which gas is supplied and a market-based gas price for the same month. This surcharge shall apply to all firm sales service consumption of Customers switching from firm transportation service subsequent to April 30 of each year, with the exception of those Customers committing to remain on firm sales service for a period of at least 12 months as described above.

4.1 Calculation:

The surcharge for Customers who switch to firm sales service from firm transportation service shall be computed as follows:

IF
 $\{ [(NYMEX_M - GPIP_M) (GPIP_{QM} \div D_{tM})] \} - R_{GCR} \text{ is } > 0,$

THEN:
 $TSS = \{ [(NYMEX_M - GPIP_M) (GPIP_{QM} \div D_{tM})] \} - R_{GCR}$

OTHERWISE:

$TSS = 0$

Where:

TSS Transitional Sales Service monthly surcharge.

NYMEX_M The NYMEX closing price for month M.

GPIP_M Average cost of gas purchased under the GPIP for month M.

$GPIP_{QM}$	The Total Quantity of GPIP purchases for month M.
Dt_M	Total forecasted sales for month M underlying the GPIP.
R_{GCR}	The per Dt Deferred Gas Cost Reconciliation reflected in the current GCR charge.

TSS surcharges will be calculated monthly. Supporting calculations for all components of the applicable surcharges will be posted on the Company's website by the second business day of each month. In addition, supporting workpapers shall be submitted to the PUC and the Division simultaneously with the posting on the Company's website.

5.0 STORAGE AND PEAKING:

FT-1 firm transportation service Customers eligible for TSS who transfer to firm sales service will be subject to a Storage and Peaking charge for recovery of Storage and Peaking costs. Such charge will be calculated at the time the FT-1 Customer transfers to firm sales service based on the Customer's actual consumption as a FT-1 Customer since the most recent April 1, multiplied by the currently effective FT-2 Demand Charge provided in the Company's most recently approved GCR filing.

1.0 AVAILABILITY:

For any non-residential customer with dual-fuel capability: (1) whose premises are located adjacent to the Company's gas distribution mains having adequate capacity to supply the Customer's prospective gas requirements in addition to the requirements of other customers already receiving service from such distribution mains; (2) who uses gas for boiler load, process load, or cogeneration with a minimum combined hourly input of 100 Ccf/hour; and (3) who maintains adequate standby facilities for the use of an alternate fuel which may be substituted for gas when gas transportation is not available under this Schedule.

This rate is available to any Customer who has, without the assistance of the Company or the use of its facilities or dedicated pipeline capacity, arranged for the acquisition and transportation of gas supplies to the Company's gate stations, has executed a Transportation Service Application, has designated on such Application a Marketer as required under the Transportation Terms and Conditions in Section 6, Schedule C, and who meets the following additional criteria:

- A. The Customer must have telemetering equipment in place.
- B. The Customer agrees to discontinue service, when in the sole discretion of the Company, such discontinuance is necessary in order to continue to serve the needs of firm customers at such time. The Company will attempt to give three (3) working days' notice of such action except in the event of emergency, when at least one hour's notice will be given.

Any gas consumed during a requested discontinuance, whether authorized or unauthorized, shall be provided by the Company and not a third party supplier or Marketer of record.

2.0 RATE:

The Customer must notify the Company by 9:00 a.m. two (2) business days prior to the commencement of that month of any change in gas marketer.

Customer Charge will be determined as follows:

- 1. For those Customers who can potentially consume more than 150,000 Therms per year:
 - \$625 per month, per customer.

2. For those Customers who can potentially consume more than 35,000 Therms, but less than 150,000 Therms per year:
 - \$405 per month, per customer
3. For those Customers whose potential monthly consumption is less than 35,000 Therms per year:
 - \$185 per month, per customer

Distribution Charge:

The Distribution Charge applicable to all gas delivered to a NFT service Customer shall be based on the Customer's annual usage in accordance with the following:

≤ 35,000 therms	\$0.2236 per therm
35,001 to 150,000 therms and:	
Off-peak usage ≤ 31%	\$0.2177 per therm
Off-peak usage > 31%	\$0.1456 per therm
> 150,000 therms and:	
Off-peak usage ≤ 31%	\$0.0919 per therm
Off-peak usage > 31%	\$0.0738 per therm

The reference to 31% is the percentage of gas usage from May through October compared to annual usage from September through August. In the case of a New Customer, or an existing Customer with new gas applications, the annual gas usage for the first year shall be that agreed upon by the Company and the Customer. The classification will be based on the higher of the most recent 12-months usage or the 12-months previous to that. This classification will be reviewed annually after the August billing period and any change will be reflected with the September bill.

3.0 MINIMUM CHARGE:

For delivery service, the minimum charge is the Customer Charge per month.

4.0 TRANSPORTATION TERMS AND CONDITIONS:

The Company's Transportation Terms and Conditions, Section 6, Schedule C, as in effect from time to time and where not inconsistent with any provisions hereof, are a part of this Schedule.

5.0 GENERAL RULES AND REGULATIONS:

The Company's General Terms and Conditions, Section 1, Schedule A, as in effect from time to time and where not inconsistent with any provisions hereof, are a part of this Schedule.

6.0 TELEMETERING EQUIPMENT:

Telemetering equipment is required. The customer may have access to the telemetering equipment for data gathering and transmission, as identified in Section 1, Schedule A, Item 12.0.

7.0 NFT CUSTOMER USE OF GAS:

A NFT customer that elects to use gas from the Company for any reason shall receive Default Transportation Service and be charged the rate applicable to such service as set forth in the Transportation Terms and Conditions, Section 6, Schedule C, Item 2.04, for the first month of service and shall pay the Non-Firm unauthorized use rate as forth in the Transportation Terms and Conditions, Section 6, Schedule C, Item 1.05, for all additional months.

8.0 NOTIFICATION OF INTERRUPTION/CURTAILMENT:

The Customer will curtail or discontinue service when, in the sole opinion of the Company, such curtailment or interruption is necessary in order for it to continue to supply the gas requirements of its firm customers at such time. The Company will attempt to give the Customer three (3) working days' notice of such curtailment, except in emergency situations, when at least one hour's notice shall be given.

9.0 FAILURE TO CURTAIL:

For any period that a Customer fails to curtail the use of gas as requested by the Company, the charge for gas commodity delivered to the Customer will be equal to the Gas Usage at a penalty of five (5) times the Daily Index. Such use of gas under these circumstances shall be considered an "unauthorized use" of gas.

In the event where the Company, in its sole discretion, grants the Customer an exemption from the curtailment, the use of gas under these circumstances shall be referred to as an "authorized use of gas." Authorized use of gas during a curtailment will be for a limited time period. The charge for gas commodity delivered to the Customer under these conditions will be the highest cost gas required to meet demand during the applicable curtailment period. Payments for this use, whether authorized or unauthorized, shall not preclude the Company

from turning off the Customer's supply of gas in the event of the failure to interrupt, or curtail, the use thereof when requested to do so.

All gas delivered to the Customer during a curtailment, either "unauthorized" or "authorized", shall be subject to the Distribution Charges and Energy Efficiency Program Charge in effect at the time of such Gas Usage.

10.0 GAS BALANCING NOMINATION/AGGREGATION:

Refer to the Transportation Terms and Conditions, Section 6, Schedule C.

11.0 RHODE ISLAND GROSS EARNINGS TAX:

The application of the above rates is subject to the Rhode Island Gross Earnings Tax provisions in Section 1, Schedule C.

12.0 ENERGY EFFICIENCY:

The application of the above rate to all gas delivered is subject to Energy Efficiency provisions in Section 1, Schedule C.

13.0 LIHEAP ENHANCEMENT:

The application of the above rate is subject to the Low Income Home Energy Assistance Enhancement Plan (LIHEAP) provisions in Section 7, Schedule C.

14.0 GAS COST RECOVERY CLAUSE:

The application of the above rate is not subject to the Gas Cost Recovery Clause in Section 2, Schedule A.

15.0 DISTRIBUTION ADJUSTMENT CLAUSE:

The application of the above rate is not subject to the Distribution Adjustment Clause in Section 3, Schedule A.

1.0 AVAILABILITY:

Firm Transportation Service is available to any Commercial and Industrial customer account who:

- (1) is classified as Small, Medium, Large, or Extra Large pursuant to Section 5, Schedule A, B, C, D, E, and F; and,
- (2) elects to purchase gas supplies from a Marketer through the execution of a Transportation Service Application pursuant to the Transportation Terms and Conditions, Section 6, Schedule C.

2.0 CHARACTER OF SERVICE:

Firm Transportation Service provides for the transportation of gas supplies purchased by a customer from a Marketer on a firm 365 days per year basis. Service is classified as either Firm Transportation Service FT-1 or Firm Transportation Service FT-2 as follows:

FT-1 This service provides firm transportation of customer-purchased gas supplies to customers electing to have Gas Usage recorded on a daily basis at the Customer's Point of Delivery. This service is available only to Large and Extra Large Commercial and Industrial customers.

FT-2 This service provides firm transportation of customer-purchased gas supplies to customers without the requirement for recording daily Gas Usage at the Customer's Point of Delivery. This service is available to all Commercial and Industrial customers.

Also refer to the Transportation Terms and Conditions, Section 6, Schedule C, Items 2.0 and 3.0 for additional information.

3.0 RATES:

Specific rates billable by the Company to the Customer are those applicable under the Customer's service classification as provided for in Section 5, Schedules A, B, C, D, E, or F. For customers electing FT-1 Service, a one-time charge associated with the installation of telemetering equipment may also apply as provided for under the Transportation Terms and Conditions, Section 6, Schedule C, Item 2.02.0.

Rates associated with Firm Transportation Service which is billable to Marketers are those applicable under the Transportation Terms and Conditions, Section 6, Schedule C, as in effect from time to time.

4.0 TRANSPORTATION TERMS AND CONDITIONS:

The Transportation Terms and Conditions in Section 6, Schedule C, as in effect from time to time and where not inconsistent with any specific provisions hereof, are a part of the Schedule.

5.0 GENERAL RULES AND REGULATIONS:

Firm Transportation Service will also be governed by the Company's General Terms and Conditions to the extent not inconsistent herewith.

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1.0 GENERAL:

These terms and conditions apply to those Commercial and Industrial customers classified as Small, Medium, Large, Extra Large, or Non-firm who purchase gas supplies from sources other than the Company for transportation service by the Company pursuant to Section 5, Schedule A, B, C, D, E, and F, and Section 6, Schedule A, as well as to any Marketers designated to act on the customer's behalf pursuant to a Transportation Service Application and executing a Marketer Aggregation Pool Service Agreement. Any FT-1 customers classified as Medium at the time the access to FT-1 service for Medium customers was discontinued or any Customers reclassified as Medium based on their reduction in load will be grandfathered and allowed to continue receiving service under the FT-1 rate schedule. Transportation service will also be governed by the Company's General Terms and Conditions of Service to the extent not inconsistent herewith.

The Company reserves the right to restrict the availability of Transportation Service should the number of customers exceed the capability of the Company to reliably administer the service or if the integrity of the distribution system is put at risk.

If a Customer requesting service hereunder has been a sales service customer of the Company at the same service location within the preceding twelve month period, any under-recovered or over-recovered gas costs attributable to such prior service under the Gas Cost Recovery Clause in Section 2, Schedule A, Section 9.0 shall be determined and charged by the Customer or credited to the Customer's account.

1.01.0 TERM OF SERVICE:

1.01.1 FT-1 Transportation Service:

FT-1 Transportation Service will commence on the first day of a calendar month subject to satisfying the Company's Transportation Terms and Conditions and be for an initial term of up to one year to reflect a common anniversary of November 1. Service shall continue thereafter on a year-to-year basis, unless terminated by the Customer, Marketer or the Company, effective with the Customer's next billing cycle, upon at least thirty (30) days advance notice, either by written notice or the appropriate EDI transmission, to the Company. The Marketer shall be responsible for providing the Company with an executed Transportation Service Application for each new FT-1 customer account being added to its FT-1 Aggregation Pool no less than thirty (30) days prior to commencement of service. The Company's receipt of the Transportation Service Application initiates the thirty (30) day notice period. Existing FT-1 service customers may be switched to another Marketer by using an EDI enrollment transaction.

1.01.2 FT-2 Transportation Service:

FT-2 Transportation Service will commence on the first day of a Customer's billing cycle subject to satisfying the Company's Transportation Terms and Conditions. Service shall continue thereafter on a year-to-year basis unless terminated by the Customer, Marketer, or the Company, effective with the Customer's next billing cycle, upon at least fifteen (15) days advance written notice to the Company. The Marketer shall be responsible for providing the Company with an EDI enrollment for each Customer being added to its FT-2 Aggregation Pool no less than fifteen (15) days prior to commencement of service.

1.01.3 Non-Firm Transportation (NFT) Service:

Customers classified as Non-Firm Transportation (NFT) will be able to commence transportation as of the first (1st) of any calendar month subject to meeting the nomination requirements established in Item 1.03 following and having submitted to the Company an executed Transportation Service Application.

A Customer's designation as NFS or NFT shall remain in effect until the Company is notified of a further change. Such notice is required by 9 a.m. two (2) business days before the start of the calendar month when such change is to take effect. Switching to or initiating transportation service mid-month is generally not allowed.

1.02.0 Designation Of Marketer:

1.02.1 Firm Transportation:

Customers wishing to switch Marketers will be allowed to do so at the start of a calendar month in the case of FT-1 Service, or at the start of a Customer's billing cycle in the case of FT-2 Service. For new FT-1 Service, the Customer and the new Marketer shall execute a new Transportation Service Application listing the new Marketer as their designated Marketer and forward that document to the Company for processing. For FT-2 Service, the Marketer will contact the Company through electronic data interchange (EDI) to initiate service with the customer account number being the validation. In the event of a dispute over the enrollment of a customer, the Marketer will be required to provide proof of authorization by the customer. This can be in the form of a signed agreement with the customer, audio recording of the customer's agreement/or authorization or an electronically recorded authorization. The Marketer is required to retain such proof for a minimum of two years or for the length of the service agreement, whichever is longer. The Company must receive the new Transportation Service Application or EDI transmittal at least thirty (30) days prior to the change in the case of FT-1 Service, and at least fifteen (15) days prior to the customer's meter read in the case of FT-2 Service. For an FT-1 Service customer without a capacity assignment from the Company, see Item 1.07

below, the Company must be notified of such change by 9 a.m. at least two (2) business days before the start of the calendar month. The Company will not accept a Transportation Service Application which designates a Marketer that has not executed an Aggregation Pool Service Agreement.

If the Company receives more than one Transportation Service Application for the same FT-1 customer account with different designations of Marketer, the Company will contact the Customer for clarification and confirmation.

The Company will notify the Marketer of record via an EDI drop transaction in the event that a customer account assigned to the Marketer's Aggregation Pool is terminated.

Marketer must provide the Company with (30) days' advance notice in the event that the Marketer terminates service to a Customer in its Aggregation Pool.

Customers not subject to Default Transportation Service in Item 2.04 below, may return to sales service with at least thirty (30) days' advance notice, subject to availability, in the Company's sole discretion, of adequate gas transmission, gas supply and/or gas storage capability, and subject to the Company's Transitional Sales Service Rate, Section 5 Schedule H, of the Commercial and Industrial Services.

These provisions for switching Marketers or returning to Sales Service do not excuse the performance of any contractual obligations between the customer and a Marketer, including the potential requirement of paying damages to the Marketer for a breach of any such contractual obligation.

1.02.2 Non-Firm Transportation:

Switching Marketers is allowed at the start of any calendar month with the provision that the Company receive the Customer's Transportation Service Application designating the effective Marketer by 9 a.m. at least two (2) business days before the start of the month for which the switch is effective.

These provisions for switching Marketers do not excuse the performance of any contractual obligations between the customer and a Marketer, including the potential requirement of paying damages to the Marketer for a breach of any such contractual obligation.

If the Company receives more than one Transportation Service Application for the same customer account with different designations of Marketer, the Company will contact the Customer for clarification and confirmation.

1.03.0 Nominations:

1.03.1 General:

Marketer shall provide notice via the Company's Electronic Bulletin Board (EBB) the required information relative to Shipper and Transporting Pipeline names and contract number(s) on which deliveries will be made and the specified quantity of gas that Marketer will deliver to the Point(s) of Receipt on each day of the calendar month. Marketer is required to have separate nomination names and contract numbers for each of Marketer's Aggregation Pools. Additional information may be required by the Company. The Company will host an annual post-winter meeting with all Suppliers to discuss any proposed changes to the transportation program and the related requirements.

1.03.2 Dispatch Communication:

All nomination information shall be communicated to the Company's Gas Control Supply Operations Department via the Company's EBB. Marketer shall be responsible for monitoring the EBB 24 hours per day, seven days per week for dispatch purposes. In the event that the Company is unable to contact a Marketer regarding any nomination or dispatch, the Company may take any action it deems necessary to maintain system integrity as otherwise outlined in the General Terms and Conditions.

1.03.3 Initial Nominations:

The Nomination terms for FT-1 and NFT Service for deliveries to commence service on the first day of any calendar month will be submitted to the Company not later than the initial nomination deadline of the upstream Transporting Pipeline(s) transporting gas for Marketer. Such nominations will specify the quantity to be scheduled on each day of the month. The nomination requirements for FT-2 Service are described in Item 3.03 below.

As a condition of confirming any nomination, Company may direct Marketer to have gas delivered to an alternate Point of Receipt on the same Transporting Pipeline. Upon receipt of such directions, Marketer will arrange with the Transporting Pipeline to have gas delivered to the Point of Receipt designated by Company. Such alternate point of Receipt will remain the Point of Receipt for Marketer's gas for the period stated by the Company in its instructions until Company directs Marketer otherwise.

1.03.4 Subsequent Nominations:

After the first day of the calendar month, Marketer may alter its nomination, provided that the revised nomination for delivery on any day is submitted to Company's EBB in accordance with the NAESB inter-day nomination schedule. The Company will accept on a best-efforts basis, an intra-day nomination submitted to the company's EBB up until 8:00 AM of the end of the gas day.

1.03.5 Intra-Day Nominations:

For daily metered Aggregation Pools, the Company will accept and implement, on a best-efforts basis, an intra-day nomination submitted to the Company's EBB following NAESB time lines.

One (1) such nomination per gas day shall be accepted subject to confirmation by the Transporting Pipeline.

1.03.6 Scheduling of Service:

Company will attempt to confirm with Transporting Pipeline(s) that the nominated quantities equal the Scheduled Transportation Quantity. If such nomination is confirmed, the Company will schedule said quantities to the Marketer at the designated Point of Receipt(s).

If Marketer is purchasing gas at the Company's city gate, they are responsible for identifying the original delivering contract number, Shipper and any additional title transfers.

If Marketer's nominations on the Company's Electronic Bulletin Board are not consistent with nominations on Transporting Pipeline, then the smaller of the two nominations shall prevail, and all associated balancing and penalty assessments shall be based on the smaller nomination.

1.04.0 Protection Of System Operations:

1.04.1 Company Operational Flow Order (OFO):

Service hereunder may be limited as provided in the Company's General Terms and Conditions. Further, in the event that the Company determines in its sole judgment that it must take prompt action in order to maintain system integrity or to ensure Company's continued ability to provide service to its firm customers, the Company may declare a Critical Day or issue an OFO. In addition to the OFOs listed below, the Company shall have the right to issue any other OFO reasonably intended to

serve the above stated purpose. The Company may take any one or more of the following actions:

- (1) declare a Critical Day which would require Marketer to fully utilize upstream capacity that it received from Company through Capacity Release; and require Marketer to fully schedule storage resources allocated as part of FT-2 Service, i.e., up to the MDQ-U, prior to relying on peaking resources to the extent they are needed to meet their customer's demands;
- (2) take any actions that are within Company's operational capability to reduce or eliminate Marketer or Aggregation Pool excess receipts; and
- (3) take any actions that are within Company's operational capability to reduce or eliminate Marketer or Aggregation Pool excess takes.

When the Company issues an Operational Flow Order it will issue a notice to Marketers and state in the notice the balancing tolerances that will be in effect and, to the extent practicable, provide information on the cause and expected duration of the OFO. In addition, where the Company's need to issue an OFO is the result of its receipt of a notice of any kind from any of its pipeline transportation, storage, or peaking service providers, the Company will include that information in the notice and, to the extent possible, coordinate the duration and terms of its OFO with those of the service provider. Such an attempt to coordinate its OFO with those of its service providers will be based on the Company's sole discretion and such coordination will not limit the Company's ability to impose different terms or to continue or terminate its OFO at a time different from its service provider(s).

1.04.2 Pipeline Operational Flow Order:

If, at any time, an immediate upstream pipeline issues an order changing the requirements at the Point(s) of Receipt, then Company may so notify Marketer and direct Marketer to modify requirements at the Point(s) of Receipt to the extent necessary for Company to comply with the pipeline's order. Marketer will be responsible for coordinating with their customers regarding any necessary change to Customer's quantity of Gas Usage.

1.04.3 Marketer Responsibility:

In the event Company takes action to alleviate excess imbalances it will nonetheless remain the obligation of Marketer to make such further adjustments to nominations, both to Company, Shipper, and to Transporting Pipeline, during the remainder of the month to resolve accumulated imbalances or to account for subsequent changes in actual deliveries. Company's exercise of its authority under this section will have no effect on Marketer's liability for unauthorized overrun or imbalance penalties that

apply to Marketer under this tariff or any similar charge, including scheduling penalties, imposed by any upstream Transporting Pipeline(s).

An operational flow order may be issued by the Company as a blanket order to all transportation customers, or to individual Marketer's Aggregation Pools, whose actions are determined by the Company to jeopardize system integrity.

For Critical Days or OFO's aggravated by under-delivery, the Marketer will be charged a penalty of 5 times the Daily Index for the aggregated Gas Usage of Customers in the Aggregation Pool that exceed 102% of the Marketer's aggregate actual receipts on the Transporting Pipeline at the Point of Receipt. The Marketer will be charged a penalty of 0.1 times the Daily Index for the differences between said receipts and said usage that exceed 20% of said receipts [(Receipts – Usage) > (20% x Receipts)].

For Critical Days or OFO's aggravated by over-delivery, the Marketer will be charged a penalty of 0.1 times the Daily Index for the aggregated Gas Usage of Customers in the Aggregation Pool that exceed 120% of the Marketer's aggregate actual receipts on the Transporting Pipeline at the Point of Receipt. The Marketer will be charged a penalty of 5 times the Daily Index for the differences between said receipts and said usage that exceed 2% of said receipts [(Receipts – Usage) > (2% x Receipts)].

1.05.0 Unauthorized Use:

In the event the Company provides a Marketer with as much notice as Company deems practicable of an Operational Flow Order per Item 1.04.0 or other curtailment of service and thereby reduces the Scheduled Transportation Quantity for delivery, the total Gas Usage by the Customer may not exceed the revised Scheduled Transportation Quantity. If, on any Gas Day, after notice of curtailment, the quantity of gas taken by Marketer's Customers in an Aggregation Pool, exclusive of NFT customers whose use under a curtailment is covered in Item 4.04 below, exceeds Marketer's Scheduled Transportation Quantity as so revised for the Aggregation Pool, and the Company has not authorized such excess quantity, then all such Gas Usage constitutes Unauthorized Use and is subject to an overrun penalty for each Dekatherm not delivered of five (5) times the Daily Index. Such charges will be billed to the Marketer's account.

1.06.0 Shipper And Transporting Pipeline Requirements:

Marketers must deliver a minimum of forty percent (40%) of total daily pipeline receipts (including all of the Marketer's Aggregation Pools serving both FT-1 and FT-2 customers) on each of the upstream pipelines: Algonquin Gas Transmission ("Algonquin") and Tennessee Gas Pipeline ("Tennessee"). The remaining twenty percent (20%) of total daily

pipeline receipts (including all of the Marketer's Aggregation Pools serving both FT-1 and FT-2 customers) may be delivered on either or both Algonquin or Tennessee.

Marketer warrants with respect to each Aggregation Pool that it has entered into the necessary agreements for the purchase and delivery of a gas supply to the Point of Receipt which it wants Company to transport and that it has entered into the necessary transportation agreements for the delivery of gas supply to the Point of Receipt. Marketer acknowledges that it must arrange for the delivery of Actual Transportation Quantities to the Company sufficient to include both the Scheduled Transportation Quantities and the applicable Company Fuel Adjustments.

In addition, Marketer warrants that at the time of delivery of its gas supply to the Point of Receipt, Marketer shall have good title to such gas, free of all liens, encumbrances and claims whatsoever. Marketer shall indemnify the Company and save it harmless from all suits, actions, debts, accounts, damage, costs, losses and expenses arising from or out of any adverse legal claims of third parties to or against said gas supply.

1.07.0 Capacity Release:

Each Marketer serving any Customer migrating from (i) Firm Sales Service to FT-1 or FT-2 Transportation Service or (ii) another Marketer's Aggregation Pool where they were previously assigned pipeline capacity by the Company, will be required to accept, for each such Customer account, an assignment of a portion of Company's firm interstate pipeline transportation capacity at maximum rates for an initial term of up to one year.

The Company shall determine the quantity to be released based on the customer's calculated Peak Day Use and load factor rate class. The Company will separately calculate assignment percentages for high load factor rate classes and low load factor rate classes eligible for transportation for pipeline, storage and peaking. It will then multiply the pipeline percentage applicable to the Customer's rate class times the Customer's Peak Day Use to determine the amount of capacity to be assigned to the Marketer. The pipeline, storage and peaking allocation percentages will then be provided in the Company's annual Gas Cost Recovery filing.

The Company will provide Marketers with the calculated base and thermal factors used to estimate each customer's peak day use. The factors are provided based on the results of the Company's application of the specific methodology in this tariff and certain historical data. Marketers may not assume that use of the factors will yield correct estimates of any customer's use for any future period or that the capacity provided as a result of the calculation will meet the customer's requirements under all conditions.

The quantity of capacity shall be set forth in the confirmation materials provided to the Marketer. For all Customers classified as Small, Medium, Large, or Extra-Large, this quantity will be reviewed annually against the Customer's most recent usage patterns. Any

change in Customer's required capacity will be reflected in a revised capacity release with the Marketer for effect on the following November 1. In the event that a Marketer stops delivering gas on behalf of an existing capacity exempt customer, the customer will be prohibited from taking firm Company sales service. Such customers will receive Default Transportation Service as described in Item 2.04.0 below.

Marketer shall be required to execute a Capacity Assignment Agreement at the time a Marketer establishes an Aggregation Pool or any other instruments reasonably required by Company or interstate pipeline necessary to effectuate such assignment. Marketer is responsible for utilizing and paying for the assigned capacity consistent with the terms and conditions of the interstate pipeline's tariffs and this tariff. Pipeline capacity shall be released by the Company to the Marketer, at the maximum tariff rate or lesser rate paid by the Company and including all surcharges, through pre-arranged capacity releases, pursuant to applicable laws and regulations and the terms of the governing tariffs. Marketer is responsible for payment of all upstream pipeline charges associated with the assigned firm transportation capacity, including but not limited to demand and commodity charges, shrinkage, GRI charges, cash outs, transition costs, pipeline overrun charges, annual change adjustments and all other applicable charges. These charges will be billed directly to the Marketer by the interstate pipeline.

All Capacity Assignments for FT-1 Transportation Service will be effective with the commencement of service. Capacity Assignments for FT-2 Customers will be effective the first of the upcoming month for Transportation Service Applications received prior to the tenth. For FT-2 Service, EDI enrollments received on or after the tenth of the month, the capacity release will not be effective until the first of the month subsequent to the upcoming month.

Capacity Assignments will be effective for an initial term of up to one year through the following November 1. Capacity Assignments shall be reviewed each November 1 and be subject to annual adjustment as described above. The new capacity assignment percentages, along with the storage maximum daily quantities and maximum storage quantities in section 3.02.2, will be available on the Company's EBB. All releases hereunder will be subject to recall under the following conditions: (1) when required to preserve the integrity of the Company's facilities and service; (2) at the Company's option, whenever the Marketer fails to deliver gas in an amount equal to the Scheduled Transportation Quantity; and (3) any other conditions set forth in the capacity release transaction between the Marketer and the Company.

Each Marketer's capacity assignment associated with Customers in an aggregation pool shall be reviewed on a monthly basis prior to the tenth (10th) calendar day of the month, and

adjusted to reflect any net changes resulting from the addition and deletion of customers to the pool.

1.07.1 Capacity Exemption for New Firm Loads:

New Customers requesting firm service that are classified as Large or Extra-Large and electing FT-1 transportation service will not be required to take assignment of the Company's capacity resources as described in 1.07.0 above and must notify the Company in writing of its intent to be Capacity Exempt. The New Customer must also initiate gas supply service from a Marketer within 60 days after the start of distribution service. In the event that the New Customer does not obtain a Marketer within 60 days of the commencement of distribution service, the Customer will be prohibited from receiving Company-supplied firm sales service and will receive and be billed for Default Transportation Service as described below in Item 2.04.0. The consumption of such Customers may be subject to annual review and confirmation by the Company. Customers who fail to meet the minimum requirement for the Large classification shall be required to take assignment of the Company's capacity resources after no less than 60 days' notice. Marketers for such customers may be responsible for obtaining citygate capacity at a specific citygate on the Company's system as determined by the Company. Such determination will be based on the customer's location, load characteristics and distribution system requirements.

In the event that a Marketer stops delivering gas on behalf of a customer without Company assigned pipeline capacity, the customer will be prohibited from taking firm Company sales service. Such customers shall receive and be billed for Default Transportation Service as described in Item 2.04.0 below.

1.07.2 Capacity Exemption for Non-Firm Customers Converting to Firm Service:

Non-Firm Sales and Non-Firm Transportation Customers classified as Large or Extra-Large who have been approved by the Company to receive firm distribution service and have elected FT-1 transportation service must, no later than 90 days' notice before the commencement of distribution service, either (i) request in writing a Capacity Assignment from the Company, or (ii) notify the Company in writing of its intent to retain its Capacity Exempt status. In the event that a Customer who has requested to retain its Capacity Exempt status but does not have a Marketer at the time the Customer begins receiving firm distribution service, the Customer will be prohibited from taking Company-supplied firm sales service and will receive and be billed for Default Transportation Service as described below in Item 2.04.0. The consumption of such Customers may be subject to annual review and confirmation by the Company. To qualify for Capacity Exempt status, Marketers for such Customers may be responsible for obtaining citygate capacity at a specific citygate on the Company's system as determined by the Company. Such determination will

be based on the Customer's location, load characteristics, and distribution system requirements. For those Non-Firm Customers converting to firm distribution service and requesting an assignment of the Company's pipeline capacity, the Company must respond in writing within 30 days regarding the availability of pipeline capacity. If the Company is not able to provide a capacity assignment, the Customer will retain its Capacity Exempt status and will be prohibited from taking Company-supplied firm sales service and will receive and be billed for Default Transportation Service as described below in Item 2.04.0.

In the event that a Marketer stops delivering gas on behalf of a Customer who does not have an assignment of the Company's pipeline capacity, the Customer will be prohibited from taking Company-supplied firm sales service. If the Customer is unable to secure a gas supply from a Marketer, the customer will receive and be billed for Default Transportation Service as described below in Item 2.04.0.

1.08.0 Facilities:

The Company shall own, operate and maintain, at its expense, its gas distribution facilities to the Point of Delivery. The Customer shall furnish, maintain and operate the facilities required between Company's Point of Delivery and the Customer's equipment.

1.9.0 Quality:

Marketer is responsible for insuring that all gas received, transported and delivered hereunder to the Point of Receipt meets the quality specifications and standards outlined in the General Terms and Conditions of the Transporting Pipeline's FERC Gas Tariff.

1.10.0 Possession of Gas:

Company shall be deemed to be in control and possession of transportation gas to be delivered in accordance with this service from receipt at the Point(s) of Receipt until it shall have been delivered to Customer at the Point of Delivery. Marketer shall be deemed to be in possession and control of the gas prior to such receipt by the Company and Customer shall be deemed to be in control and possession of transportation gas after such delivery by the Company to the Point of Delivery. Company shall have no responsibility with respect to such gas before it passes the Point of Receipt or after it passes such Point of Delivery or on account of anything which may be done, happen or arise with respect to such gas after Point of Delivery.

1.11.0 Provision of Future Taxes, Surcharges Fees, Etc.:

In the event a tax of any kind is imposed or removed by any government authority upon the sale or transportation of gas or upon the gross revenues derived therefrom (exclusive, however, of taxes based on Company's net income), the rate for service to Customer and/or

Marketer, as the Company deems appropriate, shall be adjusted by an amount equal to or otherwise properly reflecting said tax. Similarly, the effective rate for service hereunder shall be adjusted to reflect any refund or imposition of any surcharges or penalties applicable to service hereunder which are imposed or authorized by any governmental authority.

1.12.0 Retention of Pipeline Fuel Adjustment:

The Company shall retain in kind, from the quantities of gas actually delivered to the Point(s) of Receipt for Marketers' accounts, the amount thereof equal to the applicable Company Fuel Allowance. Such Company Fuel Allowance shall be calculated by the Company based upon an average of the Company's most recent five (5) years' experience, fuel loss and unaccounted for or similar quantity based adjustments.

1.13.0 Limitations of Liability:

The liability of the Company shall be limited in accordance with the provisions of the Company's General Terms and Conditions.

1.14.0 Force Majeure:

Neither Company nor Marketer shall be liable to the other or to Customer for delays or interruptions in performing their respective obligations hereunder arising from any acts, delays or failure to act on the part of, or compliance by Marketer or Company with any operating standard imposed by any governmental authority, or by reason of an act of God, accident or disruption, including without limit, strikes or equipment failures, or any other reason beyond Marketer's or Company's control, provided, however, in the event of an occurrence of one or more of the foregoing events, reasonable diligence shall be used to overcome such event. The party claiming force majeure shall, on request, provide the other party with a detailed written explanation thereof, and of the remedy being undertaken.

1.15.0 Electronic Data Interchange (EDI):

The Company will require use of EDI for all transactions associated with account administration, usage and billing, and payments for the FT-2 service. The transactions requiring EDI communication are enrollments, drops, adjustments and historical usage. EDI will also be available for requesting historical usage, switching and drops for FT-1 accounts. The detail information on EDI processing is available to Marketers on request. All Marketer EDI transaction sets will be tested prior to operational implementation.

2.0 FT-1 TRANSPORTATION SERVICE:

2.01.0 Character of Service:

This service provides firm, 365 day transportation of Customer purchased gas supplies to customers electing to have Gas Usage recorded on a daily basis at the Point of Delivery. The Customer shall identify on the Transportation Service Application a Marketer that it has designated to perform initial and subsequent nominations, to receive scheduling and other notices from the Company, and to do balancing. Such Marketer shall assign Customer to an Aggregation Pool with other Customers electing FT-1 or NFT service or establish a one-customer Aggregation Pool and execute an appropriate Marketer Aggregation Pool Service Agreement. Specific Marketer requirements and obligations are described in Item 5.0 below.

2.02.0 Telemetering:

For purposes of FT-1 transportation service and NFT service, the Company will provide equipment at the Customer's facility which will allow for daily wireless readings for the purpose of the measuring Gas Usage at the Customer's Delivery Point. The Company will install, own, and maintain the equipment in service and the Customer shall be responsible for the initial lump sum fee as identified in Section 1, Schedule A, Item 12.0. The Company will attempt to read the meters daily unless the delay is caused by the wireless service provider. This service requires a data plan from a telecommunications provider, which will be under the Company's name, with the Customer being responsible for the cost as identified in Section 1, Schedule A, Item 12.0. The Company will waive the initial lump sum fee if the Company requests an existing FT-1 Customer and NFT customer who are currently being served with telemetering equipment to switch to a wireless service. The Company will provide new requests for FT-1 transportation service and NFT service using wireless readings. At the Company's discretion in situations where wireless readings are not feasible due to technical or other logistical reason, the Company will provide at the Customer's expense, at the Point of Delivery to the Customer, a device that the Company will attach to its metering equipment for the purpose of monitoring the Gas Usage. The Customer shall be responsible to supply a dedicated electrical supply and a telephone line at a location acceptable to Company and capable of transmitting information collected from the monitoring device to the Company's computer system. The Customer shall be responsible for the maintenance and service of the telephone line. Should a dedicated phone line be required, it is the responsibility of the Customer to schedule the installation, to notify Company when such installation has been completed, and the Customer is responsible for any associated charges. FT-1 and NFT transportation service shall not commence until the telemetering equipment is in place and operational.

2.03.0 Balancing:

FT-1 and NFT Service is subject to both Daily and Monthly balancing provisions. It will be the Marketer's responsibility to provide accurate and timely nominations of quantities proposed to be received and delivered by Company under this service and to maintain as nearly as possible, equality between the Gas Usage and the Actual Transportation Quantity. Marketer shall be solely responsible for securing faithful performance by Shipper and

Transporting Pipeline, and the Company shall not be responsible as a result of any failure of Shipper or Transporting Pipeline to perform. Charges and Penalties associated with FT-1 and NFT balancing are billed to the Marketer.

2.03.1 Daily Imbalances:

The Marketer must maintain a balance between daily receipts and daily usage within the following tolerances:

- Off-Peak Season: The difference between the Marketer's Aggregation Pool actual receipts and the aggregated gas usage of customers in the Aggregation Pool shall be within 15% of said receipts. The Marketer shall be charged a penalty of 0.1 times the Daily Index for all differences not within the 15% tolerance.
- Peak Season: The difference between the Marketer's Aggregation Pool actual receipts and the aggregated gas usage of customers in the Aggregation Pool shall be within 10% of said receipts. The Marketer shall be charged a penalty of 0.5 times the Daily Index for all differences not within the 10% tolerance.
- Critical Day(s): The Company will determine if the Critical Day will be aggravated by an under-delivery or an over-delivery, and so notify the Marketer when a Critical Day is declared pursuant to Item 1.05 above.

If the Marketer does not deliver gas on the transporting pipelines as required in Item 1.06.0 above, the Company may charge the Marketer a penalty of 0.5 times the Daily Index for all differences less than the forty (40) percent minimum requirement on each transporting pipeline.

If the Marketer has an accumulated imbalance within a month, the Marketer may nominate to reconcile such imbalance, subject to the Company's approval, which approval shall not be unreasonably withheld.

2.03.2 Monthly Imbalances:

For each Aggregation Pool, the Marketer must maintain total Actual Transportation Quantities within a reasonable tolerance of total monthly Gas Usage. Any differences between total Monthly Transportation Quantities for an Aggregation Pool and the aggregated Gas Usage of Customers in the Aggregation Pool, expressed as a percentage of total Monthly Transportation Quantities will be cashed out according to the following schedule:

<u>Imbalance Tier</u>	<u>Over-deliveries</u>	<u>Under-deliveries</u>
0% ≤ 5%	The average of the Daily Indices for the relevant Month	The highest average of seven consecutive Daily Indices for the relevant Month
> 5% ≤ 10%	0.85 times the above stated rate	1.15 times the above stated rate
> 10% ≤ 15%	0.60 times the above stated rate	1.4 times the above stated rate
> 15%	0.25 times the above stated rate	1.75 times the above stated rate

For purposes of determining the tier at which an imbalance will be cashed out, the price will apply only to volumes within a tier. For example, if there is a 7% Under-delivery on a Delivering Pipeline, volumes that make up the first 5% of the imbalance are priced at the highest average of the seven consecutive Daily Indices. Volumes making up the remaining 2% of the imbalance are priced at 1.15 times the average of the seven consecutive Daily Indices.

All cash-out charges or credits, as determined above, will be applied to the Marketer’s monthly invoice for the Aggregation Pool.

Designated Marketers may arrange with another of Company’s Marketers providing service to the same Point of Receipt to exchange, purchase or sell daily or monthly imbalance gas. The Company will notify each Marketer of its monthly imbalance following the close of the billing month in which the imbalance occurs. Marketers will have three business days following such notification to notify Company of any imbalance exchange or sale and to confirm such transaction.

2.03.3 Pass-Through of Upstream Imbalance Charges:

In addition to other charges provided for in this Section, Marketer will be responsible for any imbalance charge or penalty imposed on Company by an upstream pipeline as a direct result of an imbalance, scheduling error, unauthorized overrun or other similar charges caused by Marketer. The Company shall assign imbalance penalties assessed to the Company by upstream pipelines to sales and transportation customers based on the extent that each group caused such penalties, as determined by the Company. The portion of any such penalty assigned to transportation service shall be further assigned to individual Marketers based on the extent to which each Marketer’s Aggregation caused such penalties, as determined by the Company.

2.04.0 Default Transportation Service:

Default Transportation Service is available to any Commercial or Industrial customer account classified as Large or Extra Large that subscribes to FT-1 Transportation Service and that does not have pipeline capacity assignment from the Company. Customers will receive this service as a result of their marketer no longer delivering gas on their behalf. Such service will continue in effect until either service is established with a new marketer through the execution of a new Transportation Application per Item 1.03.1 above or service is terminated.

This service provides for a continuous supply of gas of not less than 1,000 Btu per cubic foot, and is provided on a best efforts basis with as little as 24 hours advance notice. Where notification is at least 24 hours in advance but less than three business days before the start of a calendar month, the service provided will be Short-Notice Default Transportation Service. Where notice is provided at least three business days prior to the start of a calendar month, the service provided will be Advance-Notice Default Transportation Service. Short-Notice Default Transportation Service will be switched to Advance-Notice Default Transportation Service at the start of a subsequent month once the service has been in effect for the three business day period before the start of such month.

Default Transportation Service is a temporary surrogate for provision of gas to a customer that would otherwise be provided by a marketer, hence it includes nominating and balancing. Customer must maintain an operational telemetering device as required in Item 2.02.0 above.

2.04.1 Rates:

As indicated in Item 2.04.0 of Section 6, Schedule C of the Company's Transportation Terms and Conditions, two Default Transportation Services are available in the event that a marketer stops delivering gas on behalf of Large and Extra Large FT-1 customers who have elected to forgo the Company's assignment of pipeline capacity:

Short-Notice Service:

The commodity charge for Short-Notice service shall be the higher of:

a. The Company's applicable firm sales rate

OR

b. Winter (November – March) – 135% of the Daily Algonquin Citygates average price or 135% of the Daily Tennessee Zone 6 (delivered) average price published

in Gas Daily. The citygate (Algonquin or Tennessee) used for pricing shall be based on the customer's location, load characteristics and distribution system requirements in accordance with Item 1.08.1 of the Company's Transportation Terms and Conditions. The published price will be adjusted for Company Fuel Allowance and GET as appropriate.

Summer (April – October) – 115% of the Daily Algonquin Citygates average price or 115% of the Daily Tennessee Zone 6 (delivered) average price published in Gas Daily. The citygate (Algonquin or Tennessee) used for pricing shall be based on the customer's location, load characteristics and distribution system requirements in accordance with Item 1.08.1 of the Company's Transportation Terms and Conditions. The published price will be adjusted for Company Fuel Allowance and GET as appropriate.

Advance-Notice Service:

The commodity charge for Advance-Notice service shall be the higher of:

- a. The Company's applicable firm sales rate

OR

- b. Winter (November – March) – 135% of the Algonquin Citygates Monthly Contract Index price or 135% of the Tennessee Zone 6 (delivered) Monthly Contract Index price published in the Gas Daily Price Guide. The citygate (Algonquin or Tennessee) used for pricing shall be based on the customer's location, load characteristics and distribution system requirements in accordance with Item 1.08.1 of the Company's Transportation Terms and Conditions. The published price will be adjusted for Company Fuel Allowance and GET as appropriate.

Summer (April – October) – 115% of the Algonquin Citygates Monthly Contract Index price or 115% of the Tennessee Zone 6 (delivered) Monthly Contract Index price published in the Gas Daily Price Guide. The citygate (Algonquin or Tennessee) used for pricing shall be based on the customer's location, load characteristics and distribution system requirements in accordance with Item 1.08.1 of the Company's Transportation Terms and Conditions. The published price will be adjusted for Company Fuel Allowance and GET as appropriate.

3.0 FT-2 TRANSPORTATION SERVICE:

3.01.0 Character of Service:

This service provides firm, 365 day transportation of Customer purchased gas supplies to

customers without the requirement for recording daily Gas Usage at the Customer's Point of Delivery. Daily Nominations are calculated by the Company on the basis of a consumption algorithm, and the Marketer is obligated to deliver to the city gate and/or nominate the purchase of underground storage and peaking supplies at the city gate sufficient to meet the forecasted daily usage of its FT-2 pool customers.

The Customer's designated Marketer shall be allocated a quantity of Company contracted underground storage and peaking resources which, when combined with the pipeline capacity released, will be sufficient to meet the Customer's calculated Peak Day Use. The Marketer may purchase supplies delivered to the Company's city gate based on the Company's storage and peaking supply capabilities and costs. The ability to purchase supplies is made available to the Marketer pursuant to a written agreement with the Company, for the purpose of meeting the Company forecasted daily usage under the operational parameters described below. Additional Marketer requirements and obligations are described in Item 5.0 below.

3.02.0 Storage And Peaking Resources:

As described in Section 6, Schedule C. 1.07.0 above, the Company will annually calculate a Customer's total storage and peaking resource requirements based on the Customer's calculated Peak Day Use. It will then multiply the storage and peaking percentage applicable to the Customer's rate class times the Customer's Peak Day Use to determine the amount of capacity to be assigned to the Marketer for storage and peaking, respectively.

3.02.1 Maximum Daily Quantity (MDQ):

The result of the calculations above will establish the Customer's Maximum Daily Quantity (MDQ-P) and (MDQ-U). These parameters represent the maximum storage and peaking quantities available to the Marketer each day for meeting the Customer's Gas Usage needs.

3.02.2 Maximum Storage Quantity (MSQ):

The Customer's Maximum Underground Storage Quantity (MSQ-U) is calculated as the maximum storage quantity from underground storage over the course of the November to March withdrawal season and is calculated by the Company by multiplying the Customer's MDQ-U times the weighted average number of days of service available to the Company under its various underground storage agreements.

The Customer's Maximum Peaking Storage Quantity (MSQ-P) is calculated as the maximum amount of peaking storage over the course of the November to March withdrawal season and is calculated by multiplying the MDQ-P times the number of days that the Company's available LNG, net of amounts required for pressure support, boil-off and any heel quantities, could be used at 100% output. These

quantities serve to define the maximum quantities that can be nominated for purchase by a Marketer and are a component of the operational parameters for the service.

3.02.3 Operational Parameters:

The available for the Underground Storage and Peaking accounts shall be tracked by the Company and made available to the Marketers via electronic means. These balances will be updated each Gas Day to reflect Marketer nominations for purchase.

The Company will establish monthly maximum purchase levels reflective of the Company's available resources and the Marketers Maximum Storage Quantities, MSQ-U and MSQ-P. There will be separate purchase levels for each month for both Underground Storage and Peaking Resources. Such levels will be as provided in the annual Gas Cost Recovery Filing.

In addition to operational parameters for monthly purchase levels, there are daily maximums established for the quantities which the Marketer can nominate for purchase. These factors vary by month and as the Marketer's entitlement level changes. Such factors will be based on the Marketer's total MDQ, the Company's storage contracts and peaking supply capabilities and will be as provided in conjunction with the annual Gas Cost Recovery Filing.

3.02.4 Purchases:

The Company will update an FT-2 aggregation pool's MSQ-U, MSQ-P, MDQ-U and MDQ-P assignments in total and for each month concurrent with the Customer's initiation of transportation service with the designated Marketer.

Marketer will then be entitled to purchase from the Company the available amount of underground storage for the month on any day up to its allowed MDQ for the month until the cumulative purchases for the month equal the monthly limit. The purchases will be at a rate calculated as indicated below. The estimated rate will be provided to the marketers by the second business day of the month in which the purchase is being made.

The Company shall develop a price for the purchases based on the Company's underground storage inventory price at the beginning of the month and for the variable costs associated with the withdrawal of the gas from storage and the transportation of the gas to the system.

The price per Dt at the Company's city gate shall be calculated using the following formula:

$$S/Dt = (((IP \div (1 - SLF) + WWCC) \div (1 - PLF)) + PCC)$$

Where:

\$/Dt	cost per Dekatherm charged to Marketers for underground storage inventory at the Company's city gate
IP	Underground Storage Inventory Price at Beginning of the month
SLF	Weighted Average Loss Factor on Storage Withdrawals
WWCC	Weighted Average Withdrawal Commodity Charges
PLF	Weighted Average Pipeline Loss Factor
PCC	Weighted Average Pipeline Commodity Charge.

The rate components SLF, WWCC, PLF and PCC are as calculated in the Company's most recent Gas Cost Recovery Filing.

Marketers will be entitled to purchase peaking inventory at the Company's cost of LNG inventory and Weighted Average commodity charge of pipeline supplies designated by Company as peaking resource.

3.02.5 Demand Rates:

The FT-2 Demand Rate is designed to recover the fixed costs and other miscellaneous costs associated with the provision of the underground storage and peaking resources and is billed to the Marketer:

\$/DT	cost per Dekatherm charged to Marketers per unit of MDQ where MDQ = MDQ-U plus MDQ-P.
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The FT-2 demand rate is as calculated in the Company's most recent Gas Cost Recovery Filing. The calculation is in Section 2, Gas Charge, Schedule A, Item 3.3.

3.03.0 Nominations:

The Company shall calculate the Forecasted Daily Usage (FDU) of the aggregation pool using a Consumption Algorithm for each of the customers in the aggregation pool. The Company shall have sole responsibility for such Consumption Algorithm and by selecting FT-2 service, Marketer agrees to abide by the results of such algorithm. The algorithm is:

$$FDU = \text{Base Load} + (\text{HU factor} \times \text{FDD})$$

Where:

FDU	an individual customer account's forecasted daily usage for the next gas day
Base Load	average daily consumption for the most recent July and August billing cycles
HU Factor	most recent billing cycle consumption, minus the base load, divided by the heating degree days for the billing cycle
FDD	forecasted heating degree days for the gas day starting at 10:00 AM the next day

FDU will be adjusted for any Company fuel allowance.

The Company will provide to the Marketer no later than 9:30 AM each day using an electronic posting or via facsimile the FDU for the next gas day which would start at 10:00 AM the next day. If the Company is unable to provide to the Marketer the FDU using an electronic posting or via facsimile before 9:30 AM, the default FDU will be the prior day's FDU. The Marketer shall be obligated to nominate any combination of pipeline, underground storage or peaking equal to the FDU for the next gas day. Such nomination is to be posted on the Company's Electronic Bulletin Board in the timely cycle before the start of the next gas day. The Company shall not accept or confirm any nominations that are greater than the FDU of the aggregation pool and any nominations for storage and peaking resources must be in accordance with the applicable operational parameters. When the Marketer's cumulative storage or peaking use for the month reaches the Marketer's maximum storage or peaking use for the month, the Marketer will not be able to nominate storage or peaking quantities to satisfy the FDU nomination requirement.

3.03.1 Critical Days:

To satisfy the FDU nomination requirement on Critical Days, the Marketer is required to fully utilize upstream capacity that it received from Company through Capacity Release so as to help avoid restricting the Company's ability to provide efficient and reliable firm transportation and sales service. Notice of Critical Days will be posted on the EBB no later than concurrent with the posting of the FDU nomination requirement.

3.03.2 Over- and Under-deliveries:

If the Company declares an OFO or critical day condition reducing the tolerance for under-deliveries, any under-deliveries of the aggregation pool's gas requirements, up to the FDU, will be treated as Unauthorized Use and subject to penalty charges as

provided in Item 1.05.0 above. Under-deliveries at times when an OFO or critical day have not been declared will be cashed out at 120% of daily index.

If the Company declares an OFO or critical day condition reducing the tolerance for over-deliveries, any over-deliveries of the aggregation pool's gas requirements, above the FDU, will be cashed out at 40% of the daily index. In addition, the Company reserves the right to reject such a nomination. Over-deliveries at other times will be cashed out at 80% of Daily Index.

3.03.3 FDU Weather True-up Cash Out:

Each month, the forecasted daily use (FDU) for each day will be recalculated and the change in consumption attributable to differences between the original forecasted degree days and actual degree days will be calculated. Each day's change in consumption will be cashed out at that day's published Daily Index.

3.04.0 Billing Imbalances:

Imbalances between customer Gas Usage and the Forecasted Daily Usage (FDU), adjusted for actual weather, will be cashed out at the average of the Algonquin and Tennessee city gate delivered monthly indexes. The Company will prorate the imbalance amount between the months billed based on the customer's base load and heating use factors and apply the average monthly index to the corresponding month's imbalance quantity, calculated as follows:

$$MU = (\text{Base Load} \times \text{Number of billed days in month}) + (\text{HU Factor} \times \text{ADDM})$$

Where:

MU	Usage attributable to that individual month
Base Load	average daily consumption for the most recent July and August billing cycles
HU Factor	most recent billing cycle consumption, minus the base load, divided by the heating degree days for the billing cycle
ADDM	actual degree days for the billing period

The imbalance amount will be a credit if deliveries exceed the customer's use and a debit if deliveries are less than the customer's use. The billed imbalance amount for any billing will be the sum of the imbalance charges or credits attributable to each individual month included in the bill. The charges or credits for the individual months will be calculated as follows:

$$IBM = (MU - FDUM) \times (AGTI + TGPI) \div 2$$

Where:

IBM Individual Billing Month charge/credit

AGTI Algonquin Pipeline published price Index for the month

TGPI Tennessee Pipeline published price Index for the month

All quantities will be adjusted for Company Fuel Allowance.

4.0 NFT SERVICE:

4.01.0 Character Of Service:

This service provides interruptible transportation of Customer purchased gas supplies to customers with telemetering equipment and that are eligible to be classified under Section 6, Schedule A of the Company's Tariff. The Customer shall identify on the Transportation Service Application a Marketer that it has designated to perform initial and subsequent nominations, to receive scheduling and other notices from the Company, and to do balancing. Such Marketer may assign Customer to an Aggregation Pool with other Customers electing NFT or FT-1 transportation service or establish a one-customer Aggregation Pool. Specific Marketer requirements and obligations are described in Item 5.0 below. A Customer receiving NFT service does not have pipeline capacity assignment from the Company.

4.02.0 Nominations:

The nomination requirements in Item 1.04.0 above apply to the provision of NFT Service.

4.03.0 Imbalances:

The Daily and Monthly Imbalance provisions in Items 2.03 above apply equally here.

4.04.0 Curtailments:

The notification of interruption or curtailment and the provisions of failure to curtail are described in Section 6, Schedule A, Item 8.0 and Item 9.0.

5.00 MARKETER AGGREGATION SERVICE:

5.01.0 Character of Service:

This service allows Marketers to aggregate customer accounts and form Aggregation Pools for the purpose of making initial and subsequent nominations, making delivery to a designated Point of Receipt, and for balancing of Actual Transportation Quantity with Gas Usage on Customer's behalf. The Company will transport gas, owned by the Customers of the Aggregation Pool, to the Point(s) of Delivery for each Customer included in such pool. A Marketer shall be designated by each Customer on the Transportation Service Application, and each such customer must be assigned by the Marketer to an Aggregation Pool of one or more customers. Changing the designated Marketer is allowed under the conditions in Item 1.02 above and is accomplished through the execution of a new Transportation Service Application. Once so designated, the Company will rely on information provided by the Customer's Marketer for nomination, balancing and scheduling purposes and all notices provided by the Company to Customer's Marketer shall be deemed to have been provided to the Customer.

5.02.0 Aggregation Pools:

The aggregation of Customer accounts into an aggregation pool is limited by the transportation service of the respective Customers.

The Customer's transportation service restriction requires that Customers subscribing to non-daily metered FT-2 Service must be aggregated in a separate pool from Customers subscribing to daily metered FT-1 or NFT Service. Customers subscribing to FT-1 or NFT can be combined in a single Aggregation Pool. A separate Marketer Account will be established for each Marketer Aggregation Pool.

The Marketer Aggregation Pool Service Agreement have an initial term through the following November 1. Thereafter, the Pool Service Agreement shall be automatically renewed for successive one year terms, unless notice of termination is provided by the Marketer on or before October 1 or if the Company has terminated the agreement under its collection procedures. Marketers may assign their Aggregation Pool Service Agreements to another certified Marketer with the Company's consent.

5.03.0 Marketer Qualifications:

In order to be designated hereunder as a Marketer, the Marketer must meet the following qualifications:

- (1) The Marketer must be authorized by the PUC in accordance with PUC Regulations for Utility Interaction with Gas Marketers;
- (2) The Marketer must demonstrate to the Company that it meets the following creditworthiness standards:
 - A. The Marketer, or a guarantor, maintains a minimum rating from one of the rating agencies and no rating below the minimum from one of the other two

rating agencies. For the purposes of this Section, minimum rating shall mean “BBB” from Standard & Poor’s, “Baa2” from Moody’s Investor Service, or “BBB” from Fitch Ratings (minimum rating)

- B. If a Marketer or a guarantor, is not rated by Standard & Poor’s, Moody’s Investor Service or Fitch Ratings, it shall satisfy the Company’s creditworthiness requirements if the Marketer, or a guarantor maintains a minimum “1A2” rating from Dun & Bradstreet (Dun and Bradstreet minimum rating) and the Marketer maintains 24 months good payment history with the Company
 - C. In the event that the Marketer has not met the credit standards above, then the Marketer must so notify the Company and the Marketer will be required to use one of the financial vehicles specified in 5.03.3 to satisfy the Company’s credit standards.
- (3) Marketers must have an executed Marketer Aggregation Pool Service Agreement with the Company and accepted its designation as the marketer for each customer by countersigning the applicable Transportation Service Application.
- (4) Marketers must provide the Company with a copy of their GET exemption certificate, state sales tax exemption certificate or other appropriate exemption certificate(s) in order to be exempt from the applicable taxes.

5.03.1 Marketer Disqualification:

A Marketer may be disqualified from participating in the transportation program for any of the following conditions:

- (1) Failure to continue to meet all the conditions set forth in Section 5.03.0 with respect to authorization by the PUC and the credit standards set out in 5.03.0, and abide by the terms and conditions of the Marketer Aggregation Pool Service Agreement set forth in Section 6.0.
- (2) Failure to pay an invoice from the Company on the due date or maintain sufficient credit. If Marketer fails to pay an invoice on the due date or the Marketer’s credit limit or security is insufficient to cover the unpaid amount, the Company may discontinue participation in the customer transportation program; provided however, that at the Marketer’s request, the Company will allow up to 10 business days for the Marketer to cure any failure to pay or any shortfall provided such action, as determined solely by the Company, will not result in harm to its customers or the gas system.
- (3) If a Marketer, through its actions, causes a significant risk or condition that compromises safety, system security or operational reliability and fails to

eliminate that risk or condition when notified, the Company may immediately discontinue the Marketer's participation in the customer transportation program.

- (4) If the Marketer fails to provide supply at a level that reasonably matches its customers' daily requirements for its daily balanced pool or, when directed by the Company to deliver a certain quantity under the FT-2 service it fails to deliver the required amount, the Company may discontinue the Marketer's participation in the customer transportation program.

5.03.2 Calculation of Credit Risk and Security for Natural Gas Imbalance Risk:

The Company may require a Marketer to provide security equal to three times the highest month's gas usage of the Marketer's Aggregation Pool at the firm sales rate applicable to the upcoming peak period. This amount may be updated at the Company's discretion

5.03.3 Security Instruments:

The following financial arrangements are acceptable methods of providing security:

- (1) Deposit or prepayment, which shall accumulate interest at the applicable rate per annum approved by the Rhode Island Public Utilities Commission;
- (2) Standby irrevocable letter of credit or surety bond issued by a bank, insurance company or other financial institution with at least an "A" bond rating;
- (3) Security interest in collateral; or,
- (4) Guarantee by another party or entity with a credit rating of at least "BBB" by S&P, "Baa2" by Moody's, or "BBB" by Fitch; or
- (5) Other means of providing or establishing adequate security.

The Company may refuse to accept any of these methods for just cause provided that its policy is applied in a nondiscriminatory manner to any Marketer.

If the credit rating of a bank, insurance company, or other financial institution that issues a letter of credit or surety bond to a Marketer falls below an "A" rating, the Company shall allow a minimum of five business days for a Marketer to obtain a substitute letter of credit or surety bond from an "A" rated bank, insurance company, or other financial institution.

The Marketer agrees that the Company has the right to access and apply the deposit, letter of credit or other financial vehicle to any payment obligations, not in dispute, which are deemed by the Company to be late. The Company may review and determine the status of a Marketer's creditworthiness at its sole discretion. If Marketer is unable to maintain the Company's credit approval or otherwise ceases to meet the Marketer Qualifications, the Company may terminate the Marketer

Aggregation Pool Agreement as of the first day of the month following written notice to Marketer.

5.04 Intentionally Left Blank

5.05 Billing:

Billing for monthly customer charges and transportation charges for quantities actually delivered shall be based on the readings at each individual meter for the Customer and billed on a billing cycle basis to the Customer. The Customers and Marketers shall be liable for all rates, charges and surcharges allowed for in the Company's Rate Schedules related to transportation services provided to each customer individually.

Calculation of charges applicable to the Aggregation Pool will be based on aggregated Gas Usage, MDQ's, etc. of all Customers in the Aggregation Pool. Billing for charges applicable to an Aggregation Pool, e.g., imbalance charges, credits or penalties, and FT-2 Throughput charges shall be billed to the Marketer on a calendar month basis.

All bills rendered to the Marketer are due within ten (10) days from the date of the invoice. A late payment charge, in accordance with regulations of the Rhode Island Public Utilities Commission and the Rhode Island Division of Public Utilities and Carriers, shall accrue after ten (10) days.

6.0 SERVICE AGREEMENTS: (See Attached Sheets)

The Narragansett Electric Company, Transportation Service Application

This Transportation Service Application (“Application”) must be completed by the customer and the marketer prior to the commencement of the requested Transportation Service.

NG: The Narragansett Electric Company d/b/a National Grid 175 East Old Country Road Hicksville, NY 11801 Attn: Supplier Services	Customer: _____ _____ () _____ _____
Notice to: Customer Contact Center: 1-800-870-1664	Notice to: () _____ () _____

The Customer hereby requests Transportation Service subject to the NG General Terms and Conditions, Section 1 of RIPUC NG-GAS No. 101, its Transportation Terms and Conditions, Section 6, Schedule C and, under the terms and conditions set forth herein. NG shall review this Application and notify the Customer of its approval or rejection by way of a Confirmation Letter that shall set forth the terms and conditions of the Customer’s Transportation Service. Upon Customer’s and Marketer’s fulfillment of all conditions set forth in the Confirmation Letter, such Confirmation shall represent an Agreement by NG to provide Transportation Service consistent with this Application and the Transportation Terms and Conditions set forth in Section 6, Schedule C of RIPUC NG-GAS No. 101.

Account Number	Meter Number	Service Address	FT-1	NFT
1)				
2)				
3)				

- Transportation Service shall commence in accordance with Item 1.02, Section 6, Schedule C of RIPUC NG-GAS No. 101
- FT-1 and NFT Services require telemetry. A telemetering device and related equipment installed by NG shall remain NG property at all times. The Customer shall provide NG with access to a phone line that meets NG specifications for telemetering purposes. The customer is financially obligated for the costs to acquire, install and operate the telemetering device and related equipment.
- Provision of transportation service based on this Application shall have an initial term through the following November 1st, unless sooner terminated in accordance with the terms and conditions of NG’s Tariff, and shall continue thereafter from year to year unless terminated by customer, Marketer, or NG upon not less than 30 days prior written notice.

Public Regulation

The Narragansett Electric Company is a public utility subject to regulation by the Rhode Island Public Utilities Commission (“Commission”). The provision of transportation service as a result of this Application is subject to any limitations, modifications or amendments ordered by the Commission, regardless of whether said order resulted from a petition, request or other solicitation directed to the Commission by a party to this Application. Compliance by NG with any order, rule, regulation or policy statement of the Commission, or of any other federal, state or local governmental authority, whether issued before or after the commencement of transportation service, shall relieve NG of its obligations hereunder as a result of such compliance. In the event of the issuance of any order of the Commission which materially modifies the provisions of such service, either NG, the customer, or the Marketer shall have the option to terminate transportation service by giving written notice of termination to the other party at any time within thirty (30) days after the issuance of said order.

Customer Signature	Title	
Print or Type Name	Date	Phone #
Contact in event of telecommunications issue : Print or Type Name		Phone #

This section to be filled out by the Marketer

By signing below and pursuant to its separate Marketer Aggregation Pool Service Agreement, the Marketer (i) accepts the designation as the customer’s marketer and (ii) agrees to pay all applicable Marketer charges in accordance with NG’s tariff, including its Transportation Terms and Conditions

Marketer

Marketer Signature

Title

Phone #

Print or Type Name

Date

**THE NARRAGANSETT ELECTRIC COMPANY
MARKETER AGGREGATION POOL SERVICE AGREEMENT**

This Agreement (“Agreement”) is entered into this _____ day of _____, 20__, by and between The Narragansett Electric Company, d/b/a National Grid, a subsidiary of National Grid USA with a principal place of business in the State of Rhode Island at 280 Melrose Street, Providence, Rhode Island (herein called “NG” or the “Company”) and _____ (herein called “Marketer.”)

WITNESSETH THAT:

WHEREAS, the Company’s tariff, RIPUC NG-GAS No. 101, Section 6, Schedule C, provides for and establishes terms and conditions for a Marketer Aggregation Pool; and

WHEREAS; Marketer desires to establish an Aggregation Pool and desires Company to provide pool aggregation services pursuant to such Schedule C and to transport quantities of gas delivered by Marketer for use at the locations of customers belonging to the Aggregation Pool (hereafter called “Points of Delivery”); and

WHEREAS: Company, is willing to provide such service to Marketer.

NOW, THEREFORE, Company and Marketer agree that Company, subject to the Company’s General Terms and Conditions, Transportation Terms and Conditions, limitations and provisions hereof, commencing _____ 1, 20__, will transport and deliver to customers of Marketer’s Aggregation Pool such quantities of Marketer’s gas delivered by Transporting Pipeline to Company’s distribution facilities (hereafter called “Point of Receipt”).

1.0 AGGREGATION POOL:

1.1 Marketer is establishing a single Aggregation Pool as indicated by an X:

Daily Metered _____
Non-daily Metered _____

1.2 Marketer hereby subscribes to Company’s Marketer Aggregation Service pursuant to Item 5.00 of the Company’s Transportation Terms and Conditions, Section 6, Schedule C.

1.3 Marketer represents and warrants that Marketer has met and will continue to meet the Marketer qualifications in Item 5.03 of Company’s Transportation Terms and Conditions, Section 6, Schedule C.

1.4 Marketer agrees to provide to Company no later than 30 days before the above identified commencement date Transportation Service Applications for all end user customers in Marketer’s Aggregation Pool identified in 1.1 above. Such list is to include: Customer Name; Billing Address; NG account #; and, name and telephone number of customer contact person.

1.5 Marketer agrees to notify Company in writing of any changes in the makeup of an Aggregation Pool as provided in the Company's Transportation Terms and Conditions.

1.6 Marketer represents and warrants that it has accepted the designation as the Marketer of each customer of the Aggregation Pool and agrees in each case to be bound by, perform, and pay all charges applicable to transportation service to the Customer's account in accordance with the provisions of the Company's tariff.

2.0 PIPELINE CAPACITY RELEASE:

2.1 Company agrees to provide to Marketer no later than 15 days before the above identified commencement date, the quantity of interstate pipeline capacity allocated for Marketer's FT-1 and FT-2 Aggregation Pool(s) broken down by individual customer.

2.2 Marketer agrees to accept assignment of such firm interstate pipeline capacity in accordance with the Company's Transportation Terms and Conditions, Schedule C, Item 1.07.

2.3 Company agrees to update the calculation of the quantity of interstate pipeline capacity annually based on customers' most recent historical usage in accordance with the Company's Transportation Terms and Conditions, Schedule C, Item 1.07.

3.0 PUBLIC REGULATION:

3.1 Company is a public utility subject to regulation by Rhode Island Public Utilities Commission ("Commission"). This Agreement is subject to any limitations, modifications or amendments ordered by the Commission, regardless of whether said order resulted from a petition, request or other solicitation directed to the Commission by a party to the Agreement. Compliance by Company with any order, rule, regulation or policy statement of the Commission, or of any other federal, state or local governmental authority, whether issued before or after the effective date of this Agreement, shall relieve Company of any liability for its failure to perform any of its obligations hereunder as a result of such compliance. In the event of the issuance of any order of the Commission which materially modifies the provisions of this Agreement, either Company or Marketer shall have the option to terminate this Agreement by giving written notice of termination to the other party at any time within thirty (30) days after the issuance of said order.

3.2 This Agreement shall be subject to Company's General Terms and Conditions and Transportation Terms and Conditions on file with the Commission to the extent those Terms and Conditions are not inconsistent with the provisions of this Agreement.

4.0 GOVERNING LAW:

This Agreement is entered into and shall be construed in accordance with the laws of the State of Rhode Island and any actions hereunder shall be brought in the appropriate forum within the State of Rhode Island.

IN WITNESS WHEREOF, the parties hereto have signed and sealed this Agreement by their duly authorized officers:

By _____

Signature: _____

Name: _____

Title: _____

Date: _____

Witness

By The Narragansett Electric Company

Signature: _____

Name: _____

Title: _____

Date: _____

Witness

**THE NARRAGANSETT ELECTRIC COMPANY
STORAGE AND PEAKING RESOURCE AGREEMENT**

This Agreement (“Agreement”) is entered into this _____ day of _____, 20__, by and between the Narragansett Electric Company, d/b/a National Grid, a subsidiary of National Grid USA with a principal place of business in the State of Rhode Island at 280 Melrose Street, Providence, Rhode Island (herein called “NG” or the “Company”) and _____ (herein called “Marketer.”)

WITNESSETH THAT:

WHEREAS, Marketer seeks to obtain service respecting a quantity of the Company’s contracted underground storage and peaking resources pursuant to the terms and conditions for FT-2 Transportation Service in the Company’s tariff, RIPUC NG-GAS No. 101, Section 6, Schedule C; and

WHEREAS; Marketer desires that the Company transport quantities of gas delivered by Marketer for use at the locations of customers belonging to an FT-2 Aggregation Pool (hereafter called “Points of Delivery”); and

WHEREAS: Company, is willing to provide such storage and transportation service to Marketer.

NOW, THEREFORE, Company and Marketer agree that Company, subject to the Company’s General Terms and Conditions, Transportation Terms and Conditions, limitations and provisions hereof, commencing _____ 1, 20__, will provide to Marketer storage and peaking services in association with Marketer account number _____ under the terms and conditions set forth below.

1.0 SCOPE OF AGREEMENT:

1.1 The Company will calculate the Maximum Storage Quantities for both Underground Storage and for Peaking services (“MSQ-U” and “MSQ-P” respectively) as well as the Maximum Daily Quantities for both Underground Storage and Peaking services (“MDQ-U” and “MDQ-P” respectively) in accordance with Item 3.02 in Section 6, Schedule C of the Company’s tariff. Such calculated quantities can change during the term of the agreement to the extent that the makeup of the Marketer’s FT-2 Aggregation Pool changes.

1.2 Marketer hereby agrees to utilize and manage such services and inventories attributed to its account in accordance with the Operational Parameters described in Item 3.02.3 of the Company’s Transportation Terms and Conditions, Section 6, Schedule C and as on file with the Public Utilities Commission as part of the Company’s annual Gas Cost Recovery filing.

2.0 INVENTORY SERVICES:

2.1 All nominations for purchases from storage will take place at the Company's city gate.

2.2 Purchases of inventory service from the Company will be as stated in the Company's currently effective tariff.

2.3 Purchase of any storage inventory service from the Company will require payment via electronic transfer of funds within ten days of the invoice date.

2.4 Marketer acknowledges that it shall bear no ownership interest in any other storage or peaking assets or inventory of the Company.

3.0 SUCCESSORS AND ASSIGNS:

3.1 This Agreement shall be binding on the parties hereto and their respective successors and assigns. This Agreement may not be assigned by Marketer without the prior written consent of the Company.

4.0 PUBLIC REGULATION:

4.1 Company is a public utility subject to regulation by Rhode Island Public Utilities Commission ("Commission"). This Agreement is subject to any limitations, modifications or amendments ordered by the Commission, regardless of whether said order resulted from a petition, request or other solicitation directed to the Commission by a party to the Agreement. Compliance by Company with any order, rule, regulation or policy statement of the Commission, or of any other federal, state or local governmental authority, whether issued before or after the effective date of this Agreement, shall relieve Company of any liability for its failure to perform any of its obligations hereunder as a result of such compliance. In the event of the issuance of any order of the Commission which materially modifies the provisions of this Agreement, either Company or Marketer shall have the option to terminate this Agreement by giving written notice of termination to the other party at any time within thirty (30) days after the issuance of said order.

4.2 This Agreement shall be subject to Company's General Terms and Conditions and Transportation Terms and Conditions on file with the Commission, including provision thereof limiting the Company's liability, to the extent those Terms and Conditions are not inconsistent with the provisions of this Agreement. Upon request of the Marketer, Company shall provide the Marketer with a copy of Company's complete filed Tariff and Terms and Conditions.

5.0 GOVERNING LAW:

This Agreement is entered into and shall be construed in accordance with the laws of the State of Rhode Island and any actions hereunder shall be brought in the appropriate forum within the State of Rhode Island.

IN WITNESS WHEREOF, the parties hereto have signed and sealed this Agreement by their duly authorized officers:

By _____

Signature: _____

Name: _____

Title: _____

Witness _____ Date: _____

By The Narragansett Electric Company

Signature: _____

Name: _____

Title: _____

Witness _____ Date: _____

1.0 AVAILABILITY:

This service is available for gas lamps, without meters, to customers of record on July 1, 2002 throughout the Company's service territory and is not available to new commercial accounts.

2.0 CHARACTER OF SERVICE:

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

3.0 RATES: On a monthly basis: \$9.52 per lamp

4.0 GENERAL RULES AND REGULATIONS:

The Company's General Rules and Regulations, in Section 1 of RIPUC NG-GAS No. 101, as in effect from time to time and where not inconsistent with any specific provisions hereof, are a part of this Schedule.

5.0 RHODE ISLAND GROSS EARNINGS TAX:

The application of the above rates is subject to the Rhode Island Gross Earnings Tax provisions in Section 1, Schedule C.

6.0 LIHEAP ENHANCEMENT:

The application of the above rate is subject to the Low Income Home Energy Assistance Enhancement Plan (LIHEAP) provisions in Section 7, Schedule C.

**1.0 LOW INCOME HOME ENERGY ASSISTANCE PLAN (LIHEAP)
ENHANCEMENT CHARGE:**

In accordance with R.I.G.L. § 39-1-27.12, the Company shall bill monthly to all customers a Low Income Home Energy Assistance Plan enhancement charge (“LIHEAP Charge”) approved by the PUC, provided however that the annual charge shall not exceed \$10 per customer, per year. For purposes of this section a “customer” is defined as any person taking service at a single point of gas delivery or gas meter.

The monthly rate for the LIHEAP Charge is \$0.81 per customer and shall appear as a separate line item on a customer’s bill.

1.1 LIHEAP Enhancement Fund:

The Company shall establish a LIHEAP Enhancement fund that shall be used to account for the combined funds collected through the LIHEAP Charge from both gas and electric service customers. The Rhode Island Department of Human Services (“DHS”) shall designate to the Company the qualifying customer accounts and the amounts to be credited from the LIHEAP Enhancement fund. The cumulative amount of credits applied to customer bills will be limited to an amount no greater than the cumulative aggregate projected LIHEAP Charges billed through the end of the current calendar year. Once the aggregate credits applied to customer bills equals the aggregate projected LIHEAP Charges billed through the end of the current calendar year, including interest as defined below, the application of the LIHEAP Enhancement credits would cease. Any difference in aggregate cumulative actual LIHEAP Charges billed and aggregate cumulative credits applied to customer bills, will accrue interest at the customer deposit interest rate.

The projected annual revenue in the LIHEAP Enhancement fund billed through the gas and electric service LIHEAP Charges shall not exceed seven million five hundred thousand dollars (\$7,500,000) and shall not be less than six million five hundred thousand dollars (\$6,500,000).

Beginning on September 1, 2016 and monthly thereafter between April 15 and September 30 of each year, the Company will set aside a minimum of 5 percent of the funds billed through the LIHEAP Charge, to be allocated to provide assistance to customers seeking LIHEAP certification for the sole purpose of entering into the Arrearage Management Program (“AMP”) as described in R.I.G.L. § 39-2-1(d)(2). This fund is designated for homeless families or individuals who are transitioning from a shelter into housing who provide

acceptable documentation to DHS. Remaining funds available after September 30 of each year will be eligible for use in the upcoming winter season.

1.2 LIHEAP Eligible Customer:

For purposes of receiving funds from the LIHEAP Enhancement fund in subpart 7.1 above, a qualifying LIHEAP eligible customer shall be a household with a combined gross income equal to or less than 60 percent of the state median household income as calculated by the U.S. Bureau of Census and as adjusted for family or group size by the U.S. Department of Health and Human Services regulation 45 CFR § 96.85 or its successor regulation.

2.0 RESIDENTIAL ASSISTANCE PROVISION

The DAC contained in all of the Company's firm rate classes except for the Low Income Rates 11 and 13 shall include a Low Income Discount Recovery Factor ("LIDRF") to recover the cost of bill discounts provided to customers receiving service on Rates 11 and 13. In addition, the DAC contained in all of the Company's firm rate classes shall include an Arrearage Management Adjustment Factor ("AMAF") to recover the cost associated with the operation of the Arrearage Management Program ("AMP").

2.1 LOW INCOME BILL DISCOUNTS

On an annual basis, the Company shall estimate the discount to be provided to Rates 11 and 13 customers. The estimated discount will be twenty-five (25) percent of the forecasted Rates 11 and 13 annual billing units multiplied by the Rates 11 and 13 customer charge and the sum of the Base Distribution Charges, the Distribution Adjustment Charges, the Energy Efficiency Charges, and the Gas Charges in effect during the period. For those customers who are receiving benefits through Medicaid, General Public Assistance, and/or the Rhode Island Works Program (formerly known as the Family Independence Program) or successor programs, the estimated discount will be an additional five (5) percent for a total discount of thirty (30) percent of the forecasted Rates 11 and 13 annual billing units multiplied by the Rates 11 and 13 customer charge and the sum of the Base Distribution Charges, the Distribution Adjustment Charges, the Energy Efficiency Charges, and the Gas Charges in effect during the period. This estimate of the discount shall be used to determine the amount to be reflected in the Distribution Adjustment Charge on prospective basis. The amount shall be divided by the estimated terms to be delivered by the Company to all customers excluding customers on Rates 11 and 13. Such per therm charge is referred to as the LIDRF.

The revenue billed through the LIDRF shall be subject to reconciliation against the actual bill discounts provided during the twelve month reconciliation period for which the LIDRF is in effect, and any over- or under-recovery of the actual discount provided shall be reflected in the Reconciliation Factor.

For purposes of the above reconciliation, the Company shall accumulate the actual discounts provided to Rates 11 and 13 customers and the revenue billed through the LIDRF and shall accrue interest on the difference between these amounts at the interest rate paid on customer deposits on a monthly basis.

Should any balance remain subsequent to the recovery of the over- or under-recovery balance as described above, the Company shall reflect, as an adjustment in the then-current reconciliation period, the amount of the remaining balance.

3.0 ARREARAGE MANAGEMENT PROGRAM:

In accordance with R.I.G.L. § 39-2-1(d)(2), commencing on September 1, 2016, the Company shall implement an AMP pursuant to this tariff provision.

I. PROGRAM ELIGIBILITY

In order to be considered eligible for enrollment in the AMP, a customer who has been terminated from gas service or is recognized, pursuant to a rule or decision by the Division, as being scheduled for actual shut-off of service on a specific date, shall meet all of the following criteria:

- The applicant must be the customer of record, although the customer of record may authorize someone else to communicate with the Company to help enroll the customer of record in the AMP;
- The applicant must be eligible for the federal low-income home energy assistance program (“LIHEAP”);
- The account must be receiving retail delivery service on the Company’s Residential Low-Income Rates 11 and 13;
- The customer’s account must have a minimum balance of \$300.00 that is more than 60 days past due;
- If service to the account has been terminated, the customer must make an initial payment of 25% of the total unpaid balance (current and past due), unless otherwise directed by the PUC as a result of an emergency regulation;
- The customer must agree to a payment plan, as further described in Section III;
- The customer must agree to remain current with payments. “Remaining current” means that the customer:
 - 1) misses no more than two (2) payments in the 12-month term of the payment plan; and
 - 2) pays the amount due under the payment plan in full by the conclusion of the payment plan’s 12-month term;
- The customer must agree to participate in the Company’s Energy Efficiency programs; and
- The customer must apply for other available energy assistance programs, such as fuel assistance and weatherization

II. ENROLLMENT

To participate, the customer must affirmatively apply to participate in the AMP.

The Company shall administer the AMP enrollment process in compliance with the eligibility qualifications outlined in Section I. By applying to participate in the AMP, the customer agrees to comply with the terms of the AMP, including the customer's specific payment plan. After a customer has applied to the AMP, the Company shall determine whether the customer has met all of the AMP eligibility criteria set forth in Section I, based on the Company's records. The Company will coordinate with the Community Action Program ("CAP") agencies to validate customer eligibility when appropriate.

III. PAYMENT PLAN

AMP participants shall enroll in a 12-month payment plan, paid in equal monthly installments, which will cover new charges based upon their current estimated annual usage ("Payment Plan").

The current component of the Payment Plan shall be based on the customer's average monthly usage for the previous year less the customer's actual or anticipated fuel assistance commitments, and shall be converted to a fixed monthly payment.

IV. ARREARS FORGIVENESS

AMP participants will be eligible for forgiveness of their account balance that is past due at the time of the first bill under their Payment Plan, up to an annual maximum of \$1,500. With each payment under the Payment Plan, a portion of the participant's outstanding past due account balance as described above is forgiven in an amount equal to the total past due account balance or \$1,500, whichever is less, divided by 12; provided, however, that the annual arrearage forgiveness amount shall not exceed \$1,500.

If an AMP participant's past due account balance at the time their Payment Plan takes effect exceeds \$1,500, the AMP participant may request an extension of the Payment Plan beyond the initial 12-month term to establish a new Payment Plan to accommodate the additional account balance in excess of \$1,500. To be eligible for an extension, the AMP participant must be current with their Payment Plan at the conclusion of the initial 12-month term. Such AMP participant's Payment Plan will be extended upon the AMP participant's timely request for an extension.

PAYMENT PLAN REVIEW

Customers applying to participate in the AMP will be advised that the amount of their required monthly payment under their Payment Plan may change over the lifetime of the Payment Plan.

The Company shall review the Payment Plans of active AMP participants every three months and may adjust the installment payments based on the following:

- A fuel assistance commitment is made subsequent to enrollment;
- There is a change in fuel assistance, such as a change in the amount, from what was understood at enrollment;
- The customer moves to a new address with a different average monthly usage for the previous year;
- Actual usage patterns differ from what was estimated as annual usage at enrollment; or
- There is a significant change in the Company's rates from what was anticipated at enrollment.

V. DEFAULT

The Company shall consider the AMP participant's billing account in default if either of the following occurs:

- The AMP participant misses more than two (2) payments in the 12-month Payment Plan term; or
- If the amount due under the Payment Plan is not paid in full by the conclusion of the 12-month Payment Plan term.

Upon default, the Company shall terminate an AMP participant from the AMP and the customer's unpaid balance will be due and payable in full. However, any arrearage forgiven under the AMP prior to termination of participation in the AMP will remain forgiven.

Customers shall have the option to opt out of continued participation in the AMP at any time, with the understanding that any unpaid balance will be due and payable in full. Customers who voluntarily opt out of the AMP will receive the same treatment as those customers who default on their Payment Plans under the AMP, as set forth in Section X (Subsequent Eligibility).

VI. TERMINATION

In addition to termination upon default, a customer's participation in the AMP shall terminate if either of the following occurs:

- The AMP participant moves outside of the Company's service territory; or
- The AMP participant moves from one service location to another service location.

If a customer is terminated from AMP participation, the customer's unpaid balance will be due and payable in full. However, any arrearage forgiven under the AMP prior to termination of participation in the AMP will remain forgiven.

VII. COLLECTION ACTIVITY

AMP participants shall not be subject to the Company's normal collections activities while actively participating in the AMP. The Company shall resume normal collections activities if an AMP participant defaults while participating in the AMP or terminates the AMP.

VIII. AMP BILLING AND ACTIVE PLAN NOTICING

The Company shall remove the amount of an AMP participant's arrears balance up to \$1,500 from the "current amount due" field on certain views of AMP participant accounts in the Company's billing system. However, the arrears balance up to \$1,500 shall remain on the customer's bill.

Customers who are enrolled in the AMP will receive an AMP "Enrollment Letter" outlining the terms and conditions of their participation in the AMP.

Customers in danger of defaulting from the AMP will receive a default letter advising them of the need to make all required payments or risk default, termination from the AMP, and a return to the Company's normal collections activities.

IX. SUBSEQUENT ELIGIBILITY

A customer is eligible for subsequent enrollment in the AMP provided two years have passed since either (a) the date of the customer's successful completion of the AMP, or (b) the date on which the customer's participation in the AMP was terminated as a result of default or because the customer voluntarily opted out of the AMP, so long as a CAP agency has provided a recommendation to allow eligibility notwithstanding the customer's default or voluntary opt out of the AMP. The Company shall review requests for re-enrollment on a case-by-case basis to determine that the foregoing criteria are met.

X. REPORTING METRICS

The Company shall report monthly and annually the metrics below to allow for the evaluation of the effectiveness of the AMP. The monthly and annual reports shall be submitted to the PUC in Docket No. 4290.

- Number of customers enrolled in the program at the end of the reporting period;
- Number of customers added to the program during the reporting period;
- Number of customers terminated from the program (by choice or default) during the reporting period;
- Number of customers who successfully completed the program during the reporting period;
- Total customer payments during the reporting period;
- Total amount to be forgiven for all participating customers at the end of the reporting period;
- Average amount to be forgiven for all participating customers at the end of the reporting period;
- Total amount to be paid under a payment plan for all participating customers at the end of the reporting period;
- Average arrears balance not yet forgiven of all participating customers at the end of the reporting period;
- Average arrears balance as a percentage of the total balance due for all participating customers at the end of the reporting period;
- Total amount of arrears outstanding for all participants at the end of the reporting period;
- Total amount of forgiveness credits (allowances) given during the reporting period;
- Number of forgiveness credits (allowances) given during the reporting period;
- Average amount of forgiveness credits (allowances) given during the reporting period;
- Number of participants receiving LIHEAP at the end of the reporting period;
- Percentage of participants receiving LIHEAP at the end of the reporting period; and
- Total LIHEAP payments received during the reporting period.

The Company shall also provide a schedule with the number of customers enrolled in the AMP, by month, together with the number of defaults and program terminations.

XI. COST RECOVERY

The DAC applicable to all the firm rates of the Company are shall contain an Arrearage Management Adjustment Factor (“AMAF”) designed to recover incremental costs incurred associated with the AMP. Incremental costs include the amount of arrearage forgiven. The recovery of the arrearage amounts forgiven by the Company through the AMP is dependent on the following criteria:

- i. If a customer does not satisfy the conditions of R.I.G.L. § 39-2-1(d)(2), the amount of arrearage forgiven by the Company to that point shall remain forgiven and be written off by the Company. However, the amount of arrearage forgiven by the Company is recoverable in full.
- ii. If a customer does satisfy the conditions of R.I.G.L. § 39-2-1(d)(2), all arrearage amounts forgiven will be treated as bad debt. At the end of each calendar year, the Company will perform a test to determine if the amount of bad debt for the year exceeds the adjusted allowable bad debt from the Company’s most recent general rate case. This adjusted allowable bad debt will be calculated using the distribution uncollectible amount determined in the last general rate case, updated for the current calendar year Gas Cost Recovery, DAC, , and energy efficiency-related bad debt. Should the actual amount of bad debt incurred by the Company for the year exceed this adjusted allowable bad debt amount, the Company will be entitled to recover, in the following year, all amounts of arrearage forgiven under R.I. Gen. Laws § 39-2-1(d)(2)(xiv) in the prior year in excess of the allowable bad debt. If, however, the amount of the arrearage forgiven under § 39-2-1(d)(2)(xiv) in excess of the adjusted allowable bad debt for a given year is not significant enough to calculate an annual reconciling factor for that year, the Company may reflect such amount in its next Revenue Decoupling Mechanism reconciliation filing.

The AMAF shall be a uniform per therm factor based on the estimated therms to be delivered by the Company to its gas customers over a 12-month period. For billing purposes, the AMAF will be included with the DAC charge on customers’ bills. Should any balance remain outstanding subsequent to the recovery of costs associated with the AMP as described above, the Company shall reflect this balance as an adjustment in the subsequent period.

XII. ADJUSTMENT TO RATES

Adjustments to rates pursuant to the Arrears Management Program Provision are subject to review and approval by the PUC. Modifications to the factor contained in this Provision shall be made in accordance with a notice filed with the PUC pursuant to R.I.G.L. § 39-3-11(a) setting forth the amount(s) of the revised factor(s) and the amount(s) of the increase(s) or decrease(s). The notice shall further specify the effective date of such charges.

**THE NARRAGANSETT ELECTRIC COMPANY
POLICY 1
NATURAL GAS SERVICE AND MAIN EXTENSION POLICY
FOR NEW INDIVIDUAL RESIDENTIAL CUSTOMERS**

When an individual residential customer or a group of individual residential customers¹ (“Customer”) request installation of a new service or a relocation of or upgrade to an existing service for the purpose of receiving natural gas service (“Request”), this policy shall apply. This policy applies to the installation and relocation of natural gas facilities by The Narragansett Electric Company (“Company”). This policy shall apply to firm service customers.

1. Installation of Service Line

The Company will install a “Service Line,” which may include, but is not limited to: piping, associated metering, and pressure reducing appurtenances, that transports gas below grade to the first accessible fitting of a Customer’s building. The location of the service line, the metering equipment, and the service entrance shall be designated by the Company in accordance with Rhode Island law and accepted industry practices. The Customer may be required to pay a “Contribution in Aid of Construction (CIAC)” as described in Item 6 below.

2. Main Extension

The Company will install a “Main,” if necessary, to provide natural gas distribution service. A Main includes, but is not limited to, a pipeline owned by the Company located on a public and/or private right-of-way which is available or used to transport gas to one or more Service Lines. The Customer may be required to pay a CIAC, as described in Item 6 below.

3. System Reinforcement(s)

System Reinforcements such as new main or main replacements (increased pipe-size) may be installed when the Company deems such to be necessary to provide adequate service. The Company reserves the right to recover costs for system reinforcements that are designed solely for the Customer’s benefit.

4. Estimated Revenue

¹A group of residential customers may include a residential subdivision, all or a portion of residential homes along a public way, or a multiple unit building with individually metered residential dwellings.

Before undertaking the construction of new facilities to serve the Customer, the Company will estimate the annual incremental revenue to be derived by the Company under the distribution charges from the installation of the new facilities. Any revenue from the Distribution Adjustment Clause factors, Gas Cost Recovery factors, and Energy Efficiency Program Charges shall be excluded from this calculation.

5. Estimated Expenditures

5.1 Service Line and Main Extension

Service Line and Main Extension installation costs are estimated based on the pipe size, pipe composition, pipe length, and estimated trenching cost.

Plastic piping of diameter 8 inches or less will be estimated on a per foot basis, coupled with a callout fee, absent extenuating circumstances. Costs associated with service line and main extension piping of diameter larger than 8 inches or composition other than plastic will be estimated using an engineering estimate.

5.2 System Reinforcements

System reinforcement costs will be estimated using an engineering estimate.

5.3 Extenuating Circumstances

Projects with extenuating circumstances will be estimated using an engineering estimate.

Examples of extenuating circumstances include but are not limited to: excessive ledge, bridge and railroad crossings, Department of Environmental Management (“DEM”) permits and permit restrictions, state roads, restoration requirements, state road permits and any additional municipal requirements, concrete base roadways, new roadways or newly paved roadways and unusual landscaping, culverts, or upgrading of an existing service for added load.

6. Customer Payments

6.1 Contribution in Aid of Construction

Whenever the estimated expenditures necessary to supply gas to the Customer, or for relocation or upgrade of Company equipment for reasons other than the needs of the Company, shall be such an amount that the estimated revenue derived from gas service at the applicable rates will be insufficient to warrant such expenditures, the Company will require the Customer to pay the whole or part of such expenditures. The Company will use a cash

flow and a net present value (NPV) analysis to determine the appropriate customer contribution, or CIAC, which includes a tax contribution factor based on the cash contribution and/or value of donated property. The resulting CIAC represents the amount that is owed to the Company from the Customer(s) prior to the Company commencing construction.

6.2 Additional Payment

When, in the Company's opinion, an engineering study is required to determine the method of service or prepare construction estimates, the Company will estimate the cost of such engineering study. The Company may charge the Customer this cost before engineering begins. If construction is undertaken, this payment will be applied to any required CIAC. If no CIAC is required, the entire additional advance payment will be refunded. If construction is not undertaken, the Company will retain the appropriate portion of this additional advanced payment as reimbursement of costs incurred by the Company, and if any amount remains, will refund the remaining balance to the Customer.

6.3 Payment Terms

For CIAC charges up to \$6,000 per Customer, each Customer will be required to pay the entire amount before the start of construction. If an individual Customer's CIAC is greater than \$6,000, the Customer will have the option to either pay the entire amount before the start of construction, or pay \$6,000 before the start of construction and pay the amount in excess of \$6,000 under a payment plan. The terms of the payment plan will be based on equal payments of at least \$75 per month until the amount in excess of \$6,000 is paid in its entirety. The term of the payment plan is not to exceed a period of five (5) years or sixty (60) months. The amount collected under the payment plan will include interest at the rate paid on customer deposits. The Customer can choose to pay the remaining balance at any time within the five-year period without penalty.

6.4 Change of Customer

The Customer must agree, as a condition of the monthly payment terms, that if he/she sells, leases, or otherwise transfers control and use of the property to another individual ("New Occupant"), and such New Occupant opens a new account with the Company, the Customer will obtain an agreement from such New Occupant to pay the remaining balance that would have been owed by the Customer at that location. Otherwise, the Customer will remain personally liable for the balance owed. The Company reserves the right to place a lien on the property until such time that the obligation is fulfilled.

6.5 Reconciliation

Whenever the Company collects a CIAC, the Customer has the option to request reconciliation in accordance with the following:

6.5.1 Per-Foot Basis

In instances where the Customer has paid a CIAC derived using per-foot rates, the final actual footage for the project exceeds 125 feet, and the difference between the final actual footage and estimated footage exceeds 25 feet then the Company will calculate the difference between the estimated and actual feet multiplied by the per-foot cost. The resulting difference will be refunded to the Customer.

6.5.2 Engineering Estimate Basis

In instances where the estimated expenditure was derived using an engineering estimate and the Customer has paid a CIAC, once installation is complete and the actual expenditures determined, the Company will determine the difference between the engineering estimate and the actual cost of installation. If the difference exceeds the greater of (a) \$1,000, or (b) 10% of the engineering estimate, the Company will recalculate the Customer's CIAC based on actual cost and refund to the Customer the difference between the initial CIAC and the lower recalculated CIAC. In no case shall the reconciliation result in additional payments from the Customer, nor will the Company refund more than the Customer actually paid.

7. More Than One Customer

When natural gas service is requested by more than one Customer for the same main extension line, the CIAC will be reasonably allocated among those Customers.

8. Customer Added After Initial Construction

If a new Customer (or group of Customers) is supplied from facilities constructed under this policy, and if such service begins within five (5) years from the date of the first payment received by the Company from the original Customer or group of Customers, the Company will recalculate the charges associated with installation of the main extension and adjust CIACs or initiate refunds as appropriate.

9. Gas Service Agreement

The Company will require the Customer to sign a gas service agreement setting forth the terms of this policy and any other terms that the Company deems are reasonably necessary in connection with the installation, relocation, and/or upgrade of natural gas distribution line(s) to the Customer's property, provided that such terms are not inconsistent with the terms expressed in this policy.

10. Seasonal Limitations on Underground Construction

The Company may decline, in its sole discretion, to install any underground facilities due to weather or other seasonal concerns.

11. Easements

If necessary in the Company's determination, the Company will, as a condition on the installation of the service, require the Customer(s) to provide the Company with an executed easement (drafted by the Company) for all facilities located on private property. The Customer will provide the easement prior to the start of the Company's construction and at no cost to the Company. In the event that third party rights are required for the Customer's installation, the Customer will be responsible for obtaining all third party rights or crossings at the Customer's expense.

12. Changes in Policy and Procedures

The policies, procedures, and charges set forth herein are subject to periodic review and may be expanded, updated, revised, and/or modified from time to time at the Company's discretion and with the Division's approval.

13. Thresholds for CIAC Waivers

This matrix below shows, by Customer Subcategory, the service length and or service & main installation combinations that would result in no charge to the Customer. Any variation from what is shown here may result in a cost to the Customer based on length of service line and main, type of service (residential, C&I, etc.) and pipe size. Please contact the Company directly for further information regarding costs related to jobs that exceed the thresholds shown below.

Pipe Size	Service Main	Under 2" 2"	Under 2" 2"	Under 2" 2"	Under 2" 2"
Customer Subcategory		Conversion	New Homes XXLarge	New Homes XLarge	New Homes Large
Approximate Square Footage			4500	3500	2400
Annual Load (ADTh)		123	255	201	142
	Service Footage	Service Footage	Service Footage	Service Footage	Service Footage
	Service Line Only	81	177	139	96
	Main Footage	Service Footage	Service Footage	Service Footage	Service Footage
	10	60	157	119	76
	15	51	146	109	66
	20	41	137	99	56
	25	31	127	89	46
	30	21	117	78	36
	35	11	107	69	26
	40	N/A	97	58	16
	45	N/A	86	48	5
	50	N/A	76	38	N/A
	55	N/A	67	28	N/A
	60	N/A	57	17	N/A
	65	N/A	47	8	N/A
	70	N/A	37	N/A	N/A

Pipe Size	Service Main	Under 2" 2"	Under 2" 2"	Under 2" 2"	Under 2" 2"
Customer Subcategory		New Homes Med	New Homes Small	Apartment/Condo Small	Apartment/Condo Large
Approximate Square Footage		1800	1200		
Annual Load (ADTh)		123	108	59	83
	Service Footage	Service Footage	Service Footage	Service Footage	Service Footage
	Service Line Only	81	69	22	48
	Main Footage	Service Footage	Service Footage	Service Footage	Service Footage
	10	60	48	N/A	28
	15	51	39	N/A	18
	20	41	29	N/A	7
	25	31	19	N/A	N/A
	30	21	9	N/A	N/A
	35	11	N/A	N/A	N/A
	40	N/A	N/A	N/A	N/A
	45	N/A	N/A	N/A	N/A
	50	N/A	N/A	N/A	N/A
	55	N/A	N/A	N/A	N/A
	60	N/A	N/A	N/A	N/A
	65	N/A	N/A	N/A	N/A
	70	N/A	N/A	N/A	N/A

**THE NARRAGANSETT ELECTRIC COMPANY
POLICY 2
NATURAL GAS SERVICE AND MAIN EXTENSION POLICY
FOR RESIDENTIAL DEVELOPMENTS**

When a developer, contractor, builder or other customer (“Developer”) proposing to construct a residential development or individual homes requests installation of a new service or a relocation of or upgrade to an existing service for the purpose of receiving natural gas service (“Request”), this policy shall apply. This policy applies to the installation and relocation of natural gas facilities by The Narragansett Electric Company (“Company”).

1. Installation of Service Line

The Company will install a “Service Line,” which may include, but is not limited to: piping, associated metering, and pressure reducing appurtenances, that transports gas below grade to the first accessible fitting of a Customer’s building. The location of the service line, the metering equipment, and the service entrance shall be designated by the Company in accordance with Rhode Island law and accepted industry practices. The Developer may be required to pay a “Contribution in Aid of Construction (CIAC)” as described in Item 6 below.

2. Main Extension

The Company will install a “Main” if necessary, to provide natural gas distribution service. A Main includes, but is not limited to, a pipeline owned by the Company located on a public and/or private right-of-way which is available or used to transport gas to one or more Service Lines. The Developer may be required to pay a CIAC, as described in Item 6 below.

3. System Reinforcement(s)

System Reinforcements such as new main or main replacements (increased pipe-size) may be installed when the Company deems such to be necessary to provide adequate service. The Company reserves the right to recover costs for system reinforcements that are designed solely for the Customer’s benefit.

4. Estimated Revenue

Before undertaking the construction of new facilities to serve the development, the Company will estimate the annual incremental revenue to be derived by the Company under the local distribution service rates from the installation of the new facilities. Any revenue from the

Distribution Adjustment Clause factors, Gas Cost Recovery factors, and Energy Efficiency Charges shall be excluded from this calculation.

5. Estimated Expenditures

5.1 Service Line and Main Extension

Service line and main extension installation costs are estimated based on the pipe size, pipe composition, pipe length, and estimated trenching cost.

Plastic piping of diameter 8 inches or less will be estimated on a per foot basis, coupled with a call out fee, absent extenuating circumstances. Costs associated with service line and main extension piping of diameter larger than 8 inches or composition other than plastic will be estimated using an engineering estimate.

5.2 System Reinforcements

System reinforcement costs will be estimated using an engineering estimate.

5.3 Extenuating Circumstances

Projects with extenuating circumstances will be estimated using an engineering estimate.

Examples of extenuating circumstances include but are not limited to: excessive ledge, bridge and railroad crossings, DEM permits and permit restrictions, state roads, restoration requirements, state road permits and any additional municipal requirements, concrete base roadways, new roadways or newly paved roadways and unusual landscaping, culverts or upgrading of an existing service for added load.

6. Developer Obligations

The Developer will be responsible for removal of ledge, trenching and backfilling in accordance with the Company's construction standards. In addition, the Developer will be responsible for:

- i. providing, prior to the start of the Company's construction, all applicable documents required for the Company to prepare design drawings and easements for its facilities to be installed on private property;

- ii. supplying copies of all invoices, when requested, indicating manufacturer and part number for all such equipment listed/referred to above; equipment that is not approved shall not be used without the prior written consent of the Company; and
- iii. turning over ownership of the local gas distribution system to the Company upon inspection and acceptance of such system by the Company.

7. Developer Payments

a. Contribution in Aid of Construction

Whenever the estimated expenditures necessary to supply gas to the Customer, or for relocation or upgrade of Company equipment for reasons other than the needs of the Company, shall be such an amount that the estimated revenue derived from gas service at the applicable rates will be insufficient to warrant such expenditures, the Company will require the Developer to pay the whole or part of such expenditures. The Company will use a cash flow and a net present value (NPV analysis) to determine the appropriate customer contribution, referred to as CIAC, which includes a tax contribution factor based on the value of the donated property and/or any such cash contribution. The resulting CIAC represents the amount that is owed to the Company from the Developer prior to project implementation. Cost to the Developer will vary depending upon job scope, and will be provided during the application process, once job specifications have been determined.

b. Additional Payment

When, in the Company's opinion, significant engineering is required to determine the method of service or prepare construction estimates, the Company will estimate the cost of such engineering study. The Company may charge the Customer this cost before engineering begins. If construction is undertaken, this payment will be applied to any required CIAC. If no CIAC is required, the entire additional advance payment will be refunded. If construction is not undertaken, the Company will retain the appropriate portion of this additional advanced payment as reimbursement of costs incurred by the Company, and if any amount remains, will refund the remaining balance to the Developer.

c. Reconciliation

Whenever the Company collects a CIAC, the Customer has the option to request a reconciliation in accordance with the following:

- i. Per Foot Basis

In instances where the Developer has paid a CIAC derived using per foot rates, and the final actual footage for the project exceeds 125 feet; then, the Company will calculate the difference between the estimated and actual feet times the per foot cost. The resultant difference will be refunded to the Customer, if the difference between the final actual and estimated footage is in excess of 25 feet.

ii. Engineering Estimate Basis

In instances where the estimated expenditure was derived using an engineering estimate and the Developer has paid a CIAC, once installation is complete and the actual expenditures determined, the Company will determine the difference between the engineering estimate and the actual cost of installation. If the difference exceeds the greater of (a) \$1,000 or (b) 10% of the engineering estimate, the Company will recalculate the Developer's CIAC based on actual cost and refund to the customer the difference between the initial CIAC and the lower recalculated CIAC. In no case shall the reconciliation result in additional payments from the Customer, nor will the Company refund more than the Developer actually paid.

8. More Than One Customer

When natural gas service is requested by more than one Customer for the same main extension line, the CIAC will be reasonably allocated among those Customers.

9. Customer Added After Initial Construction

If a new Customer (or group of Customers) is supplied from facilities constructed under this policy, and if such service begins within five (5) years from the date of the first payment received by the Company from the original Customer or group of Customers, the Company will recalculate the charges associated with installation of the main extension and adjust charges or initiate refunds as appropriate.

10. Developer Provides Plans and Documentation

The total number of house lots proposed to be constructed ("House Lots") will be provided in advance to the Company by the Developer (prior to the Company building the distribution line), along with an electronic copy (in a format acceptable to the Company) of the subdivision plan approved by the planning board in the applicable community.

The Company may require the Developer to provide, in advance, the following:

- (A) a copy of the approval of the planning board for the subdivision;

- (B) a copy of all permits and approvals that have been obtained for constructing the development;
- (C) the name and address of the bank or credit union providing financing for the development, including a contact person and phone number;
- (D) a schedule or Developer's best estimate for the construction of homes in the development; and
- (E) if requested by the Company, such other reasonable information that may be required to confirm the viability of the development.

11. Building the Distribution Line in Segments

The Company may, in its own discretion, construct the distribution in segments, rather than all at once in the proposed development.

12. Gas Service Agreement

The Company will require the Developer to sign a gas service agreement setting forth the terms of this policy and any other terms that the Company deems are reasonably necessary in connection with the installation, relocation, and/or upgrade of natural gas distribution line(s) to the development, provided that such terms are not inconsistent with the terms expressed in this policy.

13. Seasonal limitations on Underground Construction

The Company may decline, in its sole discretion, to install any underground facilities due to weather or other seasonal concerns.

14. Easements

If necessary in the Company's determination, the Company will, as a condition on the installation of the service, require the Developer to provide the Company with an executed easement (drafted by the Company) for all facilities located on private property. The Developer will provide the easement prior to the start of the Company's construction and at no cost to the Company. In the event that third party rights are required for the Developer's installation, the Developer will be responsible for obtaining all third party rights or crossings at the Developer's expense.

**THE NARRAGANSETT ELECTRIC COMPANY
POLICY 3
NATURAL GAS SERVICE AND MAIN EXTENSION POLICY**

FOR COMMERCIAL, INDUSTRIAL AND EXISTING RESIDENTIAL CUSTOMERS

The terms of this policy shall apply when a commercial, industrial or non-residential (a real estate development which is not an approved subdivision of single-family homes) customer (“Customer”) requests installation of a new service or a relocation of or upgrade to an existing service for the purpose of receiving natural gas service (“Request”). This policy applies to the installation and relocation of natural gas facilities by The Narragansett Electric Company (“Company”).

1. Installation of Service Line

The Company will install a “Service Line,” which may include, but is not limited to: piping, associated metering, and pressure reducing appurtenances, that transports gas below grade to the first accessible fitting of a Customer’s building. The location of the service line, the metering equipment, and the service entrance shall be designated by the Company in accordance with Rhode Island law and accepted industry practices. The Customer may be required to pay a “Contribution in Aid of Construction (CIAC)” as described below.

2. Main Extension

The Company will install a “Main,” if necessary, to provide natural gas distribution service. A “Main” includes, but is not limited to, a pipeline owned by the Company located on a public and/or private right-of-way which is available or used to transport gas to one or more Service Lines. The Customer may be required to pay a CIAC, as described below.

3. System Reinforcement(s)

System Reinforcements such as new main or main replacements (increased pipe-size) may be installed when the Company deems such to be necessary to provide adequate service. The Company reserves the right to recover costs for system reinforcements that are designed solely for the Customer’s benefit.

4. Estimated Revenue

Before undertaking the construction of new facilities to serve the Customer, the Company will estimate the annual incremental revenue to be derived by the Company under the local distribution service rates from the installation of the new facilities. Any revenue from the

Distribution Adjustment Clause factors, Cost of Gas Recovery factors, and Energy Efficiency Charges shall be excluded from this calculation.

5. Estimated Expenditures

a. Service Line and Main Extension

Service line and main extension installation costs are estimated based on the pipe size, pipe composition, pipe length, and estimated trenching cost.

Plastic piping of diameter 8 inches or less will be estimated on a per foot basis, coupled with a call out fee, absent extenuating circumstances. Costs associated with service line and main extension piping of diameter larger than 8 inches or composition other than plastic will be estimated using an engineering estimate.

b. System Reinforcements

System reinforcement costs will be estimated using an engineering estimate.

c. Extenuating Circumstances

Projects with extenuating circumstances will be estimated using an engineering estimate.

Examples of extenuating circumstances include but are not limited to: excessive ledge, bridge and railroad crossings, DEM permits and permit restrictions, state roads, restoration requirements, state road permits and any additional municipal requirements, concrete base roadways, new roadways or newly paved roadways and unusual landscaping, culverts or upgrading of an existing service for added load.

6. Customer Obligations

The Customer, at no cost to the Company, will be responsible for blasting and tree trimming and removal on private property, including roadways not accepted as public ways by the municipality, in accordance with the Company's specifications and subject to the Company's inspection.

7. Customer Payments

a. Contribution in Aid of Construction

Whenever the estimated expenditures necessary to supply gas to the Customer, or for relocation or upgrade of Company equipment for reasons other than the needs of the Company, shall be such an amount that the estimated revenue derived from gas service at the applicable rates will be insufficient to warrant such expenditures, the Company will require the Customer to pay the whole or part of such expenditures. The Company will use a cash flow and a net present value (NPV analysis) to determine the appropriate customer contribution, referred to as CIAC, which includes a tax contribution factor based on the value of the donated property and/or any such cash contribution. The resulting CIAC represents the amount that is owed to the Company from the Customer(s) prior to project implementation. Cost to the Customer will vary depending upon job scope, and will be provided during the application process, once job specifications have been determined.

b. Additional Payment

When, in the Company's opinion, significant engineering is required to determine the method of service or prepare construction estimates, the Company will estimate the cost of such engineering. The Company may charge the Customer this cost before engineering begins. If construction is undertaken, this payment will be applied to any required CIAC. If no CIAC is required, the entire additional advance payment will be refunded. If construction is not undertaken, the Company will retain the appropriate portion of this additional advanced payment as reimbursement of costs incurred by the Company, and if any amount remains, will refund the remaining balance to the Customer.

c. Reconciliation

Whenever the Company collects a CIAC, the Customer has the option to request a reconciliation in accordance with the following:

i. Per Foot Basis

In instances where the Customer has paid a CIAC derived using per foot rates, and the final actual footage for the project exceeds 125 feet; then, the Company will calculate the difference between the estimated and actual feet times the per foot cost. The resultant difference will be refunded to the Customer, if the difference between the final actual and estimated footage is in excess of 25 feet.

ii. Engineering Estimate Basis

In instances where the estimated expenditure was derived using an engineering estimate and the Customer has paid a CIAC, once installation is complete and the actual expenditures determined, the Company will determine the difference between the engineering estimate and the actual cost of installation. If the difference exceeds

the greater of (a) \$1,000, or (b) 10% of the engineering estimate, the Company will recalculate the Customer's CIAC based on actual cost and refund to the Customer the difference between the initial CIAC and the lower recalculated CIAC. In no case shall the reconciliation result in additional payments from the Customer, nor will the Company refund more than the Customer actually paid.

8. More Than One Customer

When natural gas service is requested by more than one Customer for the same main extension line, the CIAC will be reasonably allocated among those Customers.

9. Customer Added After Initial Construction

If a new Customer (or group of Customers) is supplied from facilities constructed under this policy, and if such service begins within five (5) years from the date of the first payment received by the Company from the original Customer or group of Customers, the Company will recalculate the charges associated with installation of the main extension and adjust charges or initiate refunds as appropriate.

10. Building the Distribution Line in Segments

The Company may, in its own discretion, construct the distribution in segments, rather than all at once in the proposed development.

11. Gas Service Agreement

The Company will require the Customer to sign a gas service agreement setting forth the terms of this policy and any other terms that the Company deems are reasonably necessary in connection with the installation, relocation, and/or upgrade of natural gas distribution line(s) to the Customer's property, provided that such terms are not inconsistent with the terms expressed in this policy.

12. Seasonal limitations on Underground Construction

The Company may decline, in its sole discretion, to install any underground facilities due to weather or other seasonal concerns.

13. Easements

If necessary in the Company's determination, the Company will, as a condition on the installation of the service, require the Customer(s) to provide the Company with an executed easement (drafted by the Company) for all facilities located on private property. The

Customer will provide the easement prior to the start of the Company's construction and at no cost to the Company. In the event that third party rights are required for the Customer's installation, the Customer will be responsible for obtaining all third party rights or crossings at the Customer's expense.

Rhode Island Gas CIAC Model

Company Representative:

Customer Name: Sample
 Customer Street: Premise street address
 Customer Town: Providence
 Customer Zip Code: 02902

Scenario:
 Expected In-Service Date: 1/18/2022
 First Year of Service: 2022

SUMMARY OF RESULTS	
Total Customer Contribution:	\$ 4,186.49
Avg Contribution per Meter:	\$ 4,186.49
Avg Cust Contrib per Foot:	\$ 19.94
Avg Cust Contrib per Unencum Ft:	\$ 19.94
Net Present Value at 15 years:	\$ 0
Capital Costs - Total Plant:	\$ 28,953
Calculated Encum Main Cust Contrib:	\$ -
Encumbered Main Contrib per Main Ft:	\$ -
Max Service Line Footage:	85
Max Unencumbered Main Footage:	125
Max Encumbered Main Footage:	-
Cust Contrib for Svc & Unencum Mn:	\$ 4,186.49
Cust Contrib for Svc & Unenc Mn/Ft:	\$ 19.94
Reimbursement to Original Driver(s):	\$ -

Macros:

Clears Contents

Customer Contribution (15 yr)

Footage Overrides

ENCUMBERED MAIN EXTENSION FOOTAGE (feet) 2019 2020 2021 2022 2023 2024
 If there are multiple customers, input the length of the longest line. You can input multiple lines over multiple years. Input only the portion subject to encumbrance here.

Footage

Total Loaded Capital (including burdens)

COSTS SOLELY FOR CUSTOMERS' BENEFIT

SERVICE LINE INFORMATION 2019 2020 2021 2022 2023 2024

Number of services to be installed:
 Based on customer count 0 0 1 0 0 0
 Override

TOTAL SERVICE LINE FOOTAGE (feet) 2019 2020 2021 2022 2023 2024
 Please input the total service line length.

Footage 85

Total Service Line Cost

UNENCUMBERED MAIN FOOTAGE (feet) 2019 2020 2021 2022 2023 2024
 Input the portion not subject to encumbrance here. If there are multiple customers, input the length of the longest line.

Footage 125

Total Loaded Capital (including burdens) \$28,953

CUSTOMER INFORMATION 2019 2020 2021 2022 2023 2024
 What type(s) and number(s) of customer(s)?

Residential

Commercial & Industrial (C&I) 1

LOAD INFORMATION (MMBTUs) 2019 2020 2021 2022 2023 2024
 Enter incremental unit volumes added per year per customer.

Residential (total)

Commercial & Industrial (C&I) (total) 700

MARGIN DATA (per Dekatherm) 2019 2020 2021 2022 2023 2024
 Enter unit margin data.

Residential (weighted average)

Commercial & Industrial (C&I) (weighted average) \$ 4.7500

Rhode Island Gas CIAC Model

Financials

Customer: Sample, Premise street address, Providence, RI, 02902

Scenario:

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	15 Year Total	Avg. Ann.	
Cost of Service (COS)																											
New Delivery Revenue (NDR)	\$0	\$0	\$0	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$40,875	\$337.50
Uncollectible Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operations Expense	-	-	-	64	64	64	64	64	64	64	64	64	64	64	64	64	64	64	64	64	64	64	64	64	64	64	64
Call Center Expense	-	-	-	2,957	2,957	2,957	2,957	2,957	2,957	2,957	2,957	2,957	2,957	2,957	2,957	2,957	2,957	2,957	2,957	2,957	2,957	2,957	2,957	2,957	2,957	2,957	2,957
Property Tax	-	-	-	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
State Income Tax	-	-	-	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Federal Income Tax	-	-	-	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Return Requirement	-	-	-	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325
Total Cost of Service	\$0	\$0	\$0	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$40,875	\$337.50
Revenue in Excess of Cost of Service	-	-	-	(1,325)	(1,325)	(1,325)	(1,325)	(1,325)	(1,325)	(1,325)	(1,325)	(1,325)	(1,325)	(1,325)	(1,325)	(1,325)	(1,325)	(1,325)	(1,325)	(1,325)	(1,325)	(1,325)	(1,325)	(1,325)	(1,325)	(1,325)	(1,325)
CIAC Based Present Value of Revenue	\$0	\$0	\$0	\$1,792	\$1,792	\$1,792	\$1,792	\$1,792	\$1,792	\$1,792	\$1,792	\$1,792	\$1,792	\$1,792	\$1,792	\$1,792	\$1,792	\$1,792	\$1,792	\$1,792	\$1,792	\$1,792	\$1,792	\$1,792	\$1,792	\$1,792	\$1,792
CIAC Based Cumulative Present Value	\$0	\$0	\$0	\$1,792	\$3,584	\$5,376	\$7,168	\$8,960	\$10,752	\$12,544	\$14,336	\$16,128	\$17,920	\$19,712	\$21,504	\$23,296	\$25,088	\$26,880	\$28,672	\$30,464	\$32,256	\$34,048	\$35,840	\$37,632	\$39,424	\$41,216	\$43,008

Net Present Value Analysis

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	15 Year Total	Avg. Ann.	
Cash Inflow Analysis																											
Debt	\$0	\$0	\$0	\$12,361	\$12,361	\$12,361	\$12,361	\$12,361	\$12,361	\$12,361	\$12,361	\$12,361	\$12,361	\$12,361	\$12,361	\$12,361	\$12,361	\$12,361	\$12,361	\$12,361	\$12,361	\$12,361	\$12,361	\$12,361	\$12,361	\$12,361	\$12,361
Capital Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Delivery Revenue (NDR)	0	0	0	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325
Total Inflow	\$0	\$0	\$0	\$13,786	\$13,786	\$13,786	\$13,786	\$13,786	\$13,786	\$13,786	\$13,786	\$13,786	\$13,786	\$13,786	\$13,786	\$13,786	\$13,786	\$13,786	\$13,786	\$13,786	\$13,786	\$13,786	\$13,786	\$13,786	\$13,786	\$13,786	\$13,786
Cash Outflow Analysis																											
Plant	\$0	\$0	\$0	\$28,953	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CIAC and A&G Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Uncollectible Expense	0	0	0	64	64	64	64	64	64	64	64	64	64	64	64	64	64	64	64	64	64	64	64	64	64	64	64
Property Tax	0	0	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
State Income Tax	0	0	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Federal Income Tax	0	0	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Return Requirement	0	0	0	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325
Total Outflow	\$0	\$0	\$0	\$32,721	\$32,721	\$32,721	\$32,721	\$32,721	\$32,721	\$32,721	\$32,721	\$32,721	\$32,721	\$32,721	\$32,721	\$32,721	\$32,721	\$32,721	\$32,721	\$32,721	\$32,721	\$32,721	\$32,721	\$32,721	\$32,721	\$32,721	\$32,721
Net Present Value	\$0	\$0	\$0	\$1,065	\$1,065	\$1,065	\$1,065	\$1,065	\$1,065	\$1,065	\$1,065	\$1,065	\$1,065	\$1,065	\$1,065	\$1,065	\$1,065	\$1,065	\$1,065	\$1,065	\$1,065	\$1,065	\$1,065	\$1,065	\$1,065	\$1,065	\$1,065
CIAC Based Present Value of Revenue	\$0	\$0	\$0	\$1,792	\$1,792	\$1,792	\$1,792	\$1,792	\$1,792	\$1,792	\$1,792	\$1,792	\$1,792	\$1,792	\$1,792	\$1,792	\$1,792	\$1,792	\$1,792	\$1,792	\$1,792	\$1,792	\$1,792	\$1,792	\$1,792	\$1,792	\$1,792
Cumulative Based Cost of Service Present Value	\$0	\$0	\$0	\$1,792	\$3,584	\$5,376	\$7,168	\$8,960	\$10,752	\$12,544	\$14,336	\$16,128	\$17,920	\$19,712	\$21,504	\$23,296	\$25,088	\$26,880	\$28,672	\$30,464	\$32,256	\$34,048	\$35,840	\$37,632	\$39,424	\$41,216	\$43,008
Cumulative Net	\$0	\$0	\$0	\$1,065	\$2,130	\$3,195	\$4,260	\$5,325	\$6,390	\$7,455	\$8,520	\$9,585	\$10,650	\$11,715	\$12,780	\$13,845	\$14,910	\$15,975	\$17,040	\$18,105	\$19,170	\$20,235	\$21,300	\$22,365	\$23,430	\$24,495	\$25,560

Net Present Value

CIAC on Investment: 7.50%

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	15 Year Total	15 Year Avg.
Revenue																										
New Delivery Revenue (NDR)	\$0	\$0	\$0	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$1,325	\$40,875
Uncollectible Expense																										
Operations & Maintenance (O&M) Expense	\$0	\$0	\$0	\$64	\$64	\$64	\$64	\$64	\$64	\$64	\$64	\$64	\$64	\$64	\$64	\$64	\$64	\$64	\$64	\$64	\$64	\$64	\$64	\$64	\$64	\$64
Administration & General (A&G) Expense	-	-	-	2,957	2,957	2,957	2,957	2,957	2,957	2,957	2,957	2,957	2,957	2,957	2,957	2,957	2,957	2,957	2,957	2,957	2,957	2,957	2,957	2,957	2,957	2,957
Property Tax	0	0	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
State Income Tax	0	0	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Federal Income Tax	0	0	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Return Requirement	0	0	0	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325
Total Outflow	\$0	\$0	\$0	\$4,366	\$4,366	\$4,366	\$4,366	\$4,366	\$4,366	\$4,366	\$4,366	\$4,366	\$4,366	\$4,366	\$4,366	\$4,366	\$4,366	\$4,366	\$4,366	\$4,366	\$4,366	\$4,366	\$4,366	\$4,366	\$4,366	\$4,366
Net Present Value	\$0	\$0	\$0	\$1,065	\$1,065	\$1,065	\$1,065	\$1,065	\$1,065	\$1,065	\$1,065	\$1,065	\$1,065	\$1,065	\$1,065	\$1,065	\$1,065	\$1,065	\$1,065	\$1,065	\$1,065	\$1,065	\$1,065	\$1,065	\$1,065	\$1,065
CIAC Based Present Value of Revenue	\$0	\$0	\$0	\$1,792	\$1,792	\$1,792	\$1,792	\$1,792	\$1,792	\$1,792	\$1,792	\$1,792	\$1,792	\$1,792	\$1,792	\$1,792	\$1,792	\$1,792	\$1,792	\$1,792	\$1,792	\$1,792	\$1,792	\$1,792	\$1,792	\$1,792
Cumulative Based Cost of Service Present Value	\$0	\$0	\$0	\$1,792	\$3,584	\$5,376	\$7,168	\$8,960	\$10,752	\$12,544	\$14,336	\$16,128	\$17,920	\$19												

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

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

Column Notes:

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

Line Notes:

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

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

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

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

Column Notes:

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

Line Notes

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

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

National Grid USA and The Narragansett Electric Company
AG 1-35


Request:

Regarding natural gas system replacements/abandonments:

- (a) Please detail Narragansett Electric's policies regarding decisions to replace or abandon obsolescent gas distribution facilities.
- (b) Please explain how Narragansett Electric currently determines the economic life for gas distribution replacement assets.
- (c) Please detail any disagreements or proposed changes that PPL has with respect to the existing policies for natural gas system replacements/abandonments.

Response:

- (a) Please refer to Attachment NG-AG 1-35 for The Narragansett Electric Company's ("Narragansett") procedure ENG04030: Identification, Evaluation, and Prioritization of Distribution Main Segments for Replacement, which prescribes the methods to be used for prioritizing main segments for replacement.
- (b) Please refer to National Grid USA and Narragansett's response to Data Request AG 1-34, subpart (c).
- (c) Please see PPL Corporation and PPL Rhode Island Holdings, LLC's response to Data Request AG 1-35, subpart (c).

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	Identification, Evaluation and Prioritization of Distribution Main Segments for Replacement	Revision 4 08/01/2020

**Identification, Evaluation and Prioritization of Distribution Main Segments
 for Replacement ENG04030**

1. Purpose

This procedure describes and details the identification, evaluation, and prioritization of distribution main segments for replacement, and prescribes methods to be used for corrective action.

Potential areas of active corrosion are identified using leakage surveys in conjunction with an analysis of the corrosion and leak history records.

2. Responsibilities

Distribution Engineering or designee shall be responsible to:

- Gather and evaluate gas facility and leak data, and determine required calculations.
- Determine qualification and prioritization procedure and remedial action for active corrosion, non-active continuing corrosion, and other systemic integrity issues.
- Identifying main segments for replacement and prioritizing them according to this procedure.

Corrosion Engineering or designee shall be responsible for:

- Evaluation and Reclassification of Pre-1971 Gas Piping with Cathodic Protection (CP)

3. Personal & Process Safety

All required PPE shall be worn or utilized in accordance with the current National Grid Safety Policy when performing tasks associated with this document.

4. Operator Qualification Required Tasks [Qualified or Directed & Observed]


None

5. Content

5.1 Identification of Main Segments for Replacement

- a. Main segment candidates are identified through four avenues:
 - 1) Field Requests, which will be reviewed throughout the year.
 - 2) Mains located in Public Improvement Job Areas, which will also be reviewed throughout the year, as requested by Field Operations and/or Public Works employees.
 - 3) Annual screenings by Main and Service Engineering, as deemed appropriate. Screenings will vary among the regions, based on the data and tools available for the systems.
 - 4) Lab failure analysis reports reviewed by Distribution Engineering for systemic issues.
- b. All identified main segment candidates shall be evaluated and prioritized by Distribution Engineering in accordance with the criteria set forth in this procedure. Minimum segment lengths for screening and engineering review will vary among the regions; however, no Engineering review is required for replacements up to 300 feet. Segments identified by Distribution Engineering for systemic integrity issues will be replaced and prioritized as determined appropriate.

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FILE: ENG04030 Identification, Evaluation and Prioritization of Distribution Main Segments for Replacement	ORIGINATING DEPARTMENT: STANDARDS, POLICIES AND CODES		


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- c. Where possible, the system should be upgraded to high pressure while retiring low pressure mains.
- d. Leak prone pipe replacement includes replacement of associated leak prone services listed below:
 - 1) All steel services except large diameter, industrial and commercial services with Cathodic Protection
 **Note: Services that cannot be relayed should be transferred and follow corrosion policies. A test station sketch should be sent to corrosion department.
 - 2) Plastic
 - i. Pre-1985: Aldyl-A (usually pink or grey)
 - ii. Pre-1974: HDPE (black)
 Note: Please send the removed portion of some services installed prior to 1974 to Material lab in Hicksville, NY to verify integrity performance
 - iii. Polybutylene (PB) - (tan or yellow)
 - 3) Copper
 - 4) Cast Iron
 - 5) Wrought Iron
- e. All identified main segment candidates shall be reviewed by Distribution Engineering with the Corrosion Engineering to ensure that none of the job or part of the job is pre 1971 protected main.

5.2 Evaluation/Prioritization of Steel Main Segments for Replacement

- a. Data Collection - Minimum Data Required:
 - 1) All Repaired Corrosion Leaks on Main Segment for the last 10 years
 - 2) All repaired corrosion leaks on services for last 10 years. (In order to consider service leaks in main prioritization calculation, there should be main leaks)
 - 3) All Open Leaks that are believed to be on the actual Main Segment
- b. For all applicable leaks, the following data is required:
 - 1) Leak Number
 - 2) Date (date found for open leaks, date repaired for repaired leaks)
 - 3) Leak Class (original class for open leaks, repaired class for repaired leaks)
 - 4) For repaired leaks, the following additional data is also required:
 - i. Number of Clamps Installed to Repair and specific clamp locations
 - ii. Condition of Main When Repaired
 - iii. Address Based Leak Location
 - iv. Length of segment exhibiting significant leak activity (i.e. from first leak to last leak).
 - v. Building Types in Area of Main Segment (None, Single Family Houses, Small Buildings, Public Buildings)
- c. Calculate a main deterioration factor ("D") using the formula:

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$$D = N \times 500 / L_{(calc)}$$

Where:

$L_{(calc)}$ = Length of Segment exhibiting significant leak activity (i.e. first leak to last leak) or 500 ft whichever is larger. However, if the total length of the segment considered for replacement is less than 500 ft, L_{calc} shall be the length of the main considered,



The segment length used in calculations is not necessarily the total length being considered for replacement. "L" should be determined by the evaluating engineer as the length of the segment exhibiting significant leak activity. In no case should the length used for calculations extend beyond the locations of the leaks).

and

N = Repair Factor (within the defined " L_{calc} ").

- 1) If the leak was repaired with 1 clamp, by another method, is still open, or associated service corrosion leak repair, N=1
- 2) If the leak was repaired with 2-3 clamps, N=2
- 3) If the leak was repaired with 4-5 clamps, N=3
- 4) If the leak was repaired with 6-7 clamps, N=4
- 5) If the leak was repaired with >7 clamps, N=5
- 6) If the leak was repaired by replacing a section of a pipe less than 10', N=7 and N=9 for replacement pipe 10' or greater



THE SUM OF ALL THE "N"s FOR EACH LEAK IS PLUGGED INTO THE FORMULA

This method estimates the deterioration according to the actual number of physical repairs and normalizes it for the length of the segment.

d. Calculate an incident probability factor ("P") using the formula:

$$P = \{[(\# \text{ Class1 Leaks}/0.5) + (\# \text{ Class2A Leaks}/1.5) + (\# \text{ Class2 Leaks}/2) + (\# \text{ Class3 Leaks}/3)] \times 500\} / L_{(calc)}$$

This method estimates public safety incident probability by weighting each leak based on how far the gas migrated toward buildings, again normalized according to the segment length. (Note – If leak class is unknown, Class 2A will be assumed).

e. Calculate a risk factor ("R") using the formula:

$$R = P \times C$$


Where:

P = Probability Factor Calculated in previous step.

C = Consequence Factor

- 1) If there are no buildings in the area, C = 0

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- 2) If there are only single family homes, C = 1
- 3) If there are small buildings (multi-family, strip mall, etc), C = 1.2
- 4) If there are public buildings (school, church, hospital, etc) C = 1.5

This is the standard Risk Analysis calculation where Risk is defined as the product of the likelihood of an event and the potential consequence of that event. Consequences increase with building size and number of people affected.

f. Calculate the preliminary prioritization factor (“Pr”) using the formula:

$$Pr = D + R + IM$$

Where:


- D = Deterioration Factor Calculated in “c”.
- R = Risk Factor Calculated in “e”.
- IM = DIMP factor as found in National Grid’s Distribution Integrity Management Program (DIMP) listed in attachment 1

The prioritization calculation considers both the deterioration of the main and the risk to public safety.



IM factor is applied to help accelerate the attrition of mains which belong to an asset group, known to have a higher likelihood of incident or is of a high relative risk.

- g. The following adjustments may be needed:
- 1) Before making a final determination and prioritization of a main segment replacement, the details of the job are reviewed and “engineering judgment” is applied where appropriate. This application may result in the following types of adjustments:
 - i. Changing the priority of the job
 - ii. Increasing or decreasing the job length/scope
 - iii. Breaking the job into smaller segments
 - iv. Merging several segments into one job
 - 2) These adjustments may be made based on the following types of information, if available and applicable:
 - i. Analysis of the age of the leaks and any increasing frequency of leak occurrences
 - ii. Pipe vintage and service insert activity associated with the main
 - iii. Service leaks at the main connection due to corrosion
 - iv. Adjustments based on very long or very short segments
 - v. Observed pipe condition from leak repair data
 - vi. Observed pipe condition from recent field exposure
 - vii. Clustering of repairs and/or clamps along the segment
 - viii. Other replacement jobs in the vicinity
 - ix. Cathodic protection systems in place

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- x. Specific locations of intersections, fittings, material transitions, diameter transitions, etc.
- xi. Customer complaints, Executive complaints, Regulatory Agency complaints
- xii. Corporate good will
- xiii. Unusual hazards or exposure in the area
- xiv. Proximity to gas regulating equipment
- xv. Proximity to transmission main
- xvi. Unusual difficulty or expense of repairs
- xvii. Main location
- xviii. Identification of outdated construction methods or problematic materials or fittings
- xix. Depth of cover and soil conditions
- xx. High open leak counts
- xxi. Water intrusion or other geographic considerations
- xxii. Any special or unusual conditions or considerations identified by Field Operations
- xxiii. Any other safety, integrity, operational or economic factors that are available and deemed appropriate



Segments that qualify based on their preliminary prioritization calculation may not be disqualified by adjustments.

h. Qualification of job for replacement:


- 1) Jobs will be approved and prioritized based on the calculated Prioritization Factor “Pr” and applied adjustments. Enough jobs should be approved to accommodate the replacement levels determined by the model(s) in use at the time.



Some jobs will be mandatory to replace.

- 2) In general, a condition of “Active Corrosion” will be determined when the preliminary Prioritization Factor (“Pr”) calculation is greater than 20 ($Pr > 20$).
- 3) Any unprotected steel main identified as Active Corrosion must have cathodic protection engineered and installed within one year or be replaced within two years in NY and three years in MA - unless extenuating circumstances make it unfeasible to do so, in which case, other appropriate mitigative measures are to be taken (Conduct a leakage survey of the segment once a year as a minimum).
- 4) Any cathodically protected main containing “Active Corrosion” must be brought up to acceptable cathodic protection within one year or replaced within two years in NY and three years in MA - unless extenuating circumstances make it unfeasible to do so (An example of such a circumstance may be when a street is under guarantee or a moratorium from excavation), in which case, other appropriate mitigative measures are to be taken. (Conduct a leakage survey of the segment once a year as a minimum).
- 5) Use the following labels for each job to provide a macro view as to the type of work to be performed throughout the year.

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- i. A “TS 300” label is associated with any steel job with a preliminary Prioritization Factor (“Pr”) calculation of greater than 20 ($Pr > 20$), known as “Active Corrosion”.
- ii. A TS 900 label is given to any job which has received additional points from Public Works considerations (as described below).
- iii. A TS 800 label is given to the remainder of the jobs.

i. Impact Identification:

1) Every approved job should be processed through the Strategic Asset and System Planning and Corrosion Engineering for:

- i. Sizing (determining the appropriate replacement material and diameter).
- ii. Determining if the replacement will have any impact on existing cathodic protection systems.
- iii. Determining if abandonment is an appropriate option over replacement.
- iv. Determining if a system uprating is an appropriate option as part of the replacement.


5.3 Evaluation/prioritization of cast iron main segments for replacement

- a. Cast Iron Main Segments will be evaluated in a similar manner as Steel Main segments, where the Prioritization factor will be the sum of the Deterioration Factor, Risk factor and DIMP factor ($Pr = D + R + IM$).
- b. Candidates are reviewed based primarily on breakage and/or graphitization history; and all segments that contain 1 or more breaks and/or graphitization repairs must be reviewed.
- c. If the candidate segment has had 2 or more breaks and/or graphitization repairs within 400 ft. and the MAOP is greater than six inches of water column – the segment has automatic approval for replacement. The Prioritization score will automatically be set at 21()
- d. If the candidate segment doesn't have at least 2 breaks and/or graphitization repairs or if the pressure is six inches of water column– approval will be based on the Prioritization calculation
 - i. If “Pr” is greater than 20 ($Pr > 20$), replacement will be required (however, a cast iron segment is not deemed active corrosion)
 - ii. If “Pr” is less than or equal to 20 ($Pr \leq 20$), prioritize and replace according to resources and replacement level recommendations
- e. The Repair Factor “N” (as defined 5.2 – c for steel evaluation), will be assigned for each leak, as follows:
 - 1) For cast iron – main breaks, graphitization (corrosion of cast iron) and joint leak repairs are examined.
 - i. If the leak is still open or associated service corrosion leak repair, $N = 1$
 - ii. If the leak was repaired only by joint sealing, $N = 0.5$
 - iii. If the leak was a break, crack or graphitization, $N = 3$
- f. Engineering judgment should also be applied to both the prioritization and determination of the segment length to be replaced based on the pressure, diameter, dates of failures, surrounding areas, etc.

5.4 Evaluation/prioritization of plastic main segments for replacement

- a. Vintage Plastic Main Segments shall be evaluated by Distribution Engineering based on Lab Failure Analysis Reports that are reviewed for systemic issues.

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- I. If Distribution Engineering determines that a systemic issue exists in a specific main segment due to improper fusion or other construction defects, the entire affected section of main will be forwarded to Main and Service Replacement Group for prioritization and expedited replacement.
- b. Plastic Main Segments (including non-vintage plastic) will be evaluated in a similar manner as Steel Main segments, where the Prioritization factor will be the sum of the Deterioration Factor, Risk factor and DIMP factor ($Pr = D + R + IM$).
- c. For plastic pipe segments in “b”, above, the following criteria shall apply:
 - 1) For plastic – previous squeeze-offs, point loading failures (e.g. – rock impingement) and material defects (e.g. – cracking) and construction defect failures (e.g. – butt fusion joint) are examined.

Where:


N = Repair Factor (within the defined “L”)

- i. If the leak is still open, $N = 1$
- ii. If the leak was the result of an improper squeeze-off, $N = 2 \times$ (the number known squeeze-offs on ALDYL-A pre 1985 pipe)
- iii. If the leak was the result of a point loading failure, $N = 2$
- iv. If the leak was a the result of a construction defect or material defect, $N = 3$

5.5 Evaluation and Reclassification of Pre-1971 Gas Piping with Cathodic Protection

- a. The following factors should be considered in evaluating and reclassify Pre-DOT CP pipe:
 - 1) The Corrosion Engineering department shall identify inadequately protected sections of mains and services on the basis of;
 - i. Frequently failed readings in the last 5 years
 - ii. Failed readings despite additional anode installation
 - iii. Unusually low resistance or high current demand as determined by Corrosion Control
 - iv. Excessive Coating degradation determined by integrity assessments
 - v. High corrosion leak activity
 - vi. Any other unusual or abnormal condition determined by Corrosion Control
 - 2) The section identified in section 1 above shall be removed from the CP monitoring program. The Electronic Monitoring Database and the Corrosion Control section folders shall be updated accordingly. In PCS, the section shall be marked as “inactive” and a statement that the section has been removed from the CP monitoring program along with an effective date with explanation of reclassification will be provided in the permanent remarks section. Reclassified pipe will be marked as “removed from CP” where Electronic Monitoring Database is available.
 - 3) Once the section is removed from the CP monitoring program, it shall be treated as unprotected coated/bare main. Mapping (in NY) or Corrosion Control (in NE) will be notified to remove the Corrosion Control section number or the CP designation from electronic mapping records.

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- 4) Every six months, the Corrosion Engineering department will run a report listing which sections of pipe have been reclassified from CP to unprotected coated/bare main. The Corrosion Engineering department will check this list against Corrosion Control mapping records to ensure consistency. This list will be sent to the Distribution Engineering.
- b. The following steps are used to evaluate and reclassify Pre-DOT CP pipe when Distribution Engineering or field employees identify inadequacies:
 - 1) Distribution Engineering shall consult with the Corrosion Engineering department to evaluate the effectiveness of the cathodic protection on the section identified. Corrosion Engineering department will evaluate the section of main based on section 1 above.
 - i. Distribution Engineering shall incorporate the reclassified unprotected coated/bare main section into the LPP main replacement program on the basis of priority.

5.6 Reinforcements, Jobs in public works areas or storm hardening

- a. Additional adjustments may be applied for candidate segments in public works areas, flood zones or for which reinforcement opportunities have been identified - by the addition of a Public Works (PW) and/or Reinforcement (RI) and/or storm hardening factor to the Prioritization calculation:

$$Pr = D + R + IM + PW + RI + SH$$

- 1) For Road Resurfacing, PW = 2.4
- 2) For Road Reconstruction, PW = 4.2
- 3) For Size-Pressure Upgrade Reinforcement, RI = 2.5
- 4) For 100-yr FEMA defined flood zone, SH = 2
- 5) For 500-yr FEMA defined flood zone, SH = 1



These factors are applied because of potential cost savings in combining main replacements with other work, as well as anticipated avoidance of performing work on protected streets that were recently improved.

6. Knowledge Base & References [\(Click here\)](#)

Knowledge Base		References
1 - Compliance History	5 - Job Aid	1 - Regulatory – Codes
2 - Data Capture	6 - Learning & Development	2 - Technical Documents
3 - Definitions	7 - Standard Drawings	3 - Tools Catalog
4 - Document History	8 - Tools & Equipment	

7. Attachments

Attachment 1: [DIMP Factor](#)